Ann Arbor DDA
FY24 and FY25
Proposed Budgets
DDA – 2 Systems

Downtown Development

- Downtown Development
  - TIF Fund
  - Housing Fund

Parking & Transportation

- Parking & Transportation
  - Parking Fund
  - Parking CIP Fund
Downtown Development

Key Assumptions

FY24
- TIF Revenue 3.5%
- General Exp 4.0%

FY25
- TIF Revenue 3.5%
- General Exp 4.0%
Downtown Development Revenues

Tax Increment Financing (TIF) Fund
- Funded by TIF Revenues
- Budgeted at 3.5% Cap

Housing Fund
- Funded by transfers from TIF Fund
- Budgeted at 3.5% Cap per City Ordinance
Downtown Development TIF Revenues

- **TIF**: 99.8%
- **Cap**: 3.5%

**FY17-FY23**
- -$11M (18%)

**FY24 and FY25**
- -$6.8M (28%)

**Inflation vs Cap**
- 200%

**FY17-FY30**
- $54.5M (50%)
Downtown Development Expenditures

- **Grants**: 0.8M (8%)
- **Administration**: 1.2M (12%)
- **Capital Operations**: 1.6M (16%)
- **Capital Projects**: 3.0M (30%)
- **Debt**: 3.4M (34%)

FY24 and FY25 Annual Average $10M

- Includes TIF and Housing Funds
- 88% Direct investments in Downtown Development (Capital, Debt, Grants, Operations) $8.8M
- 12% Administrative $1.2M
### Downtown Development Expenditures

#### Budgeted Expenditure Overview

<table>
<thead>
<tr>
<th></th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>YOY Chg</td>
</tr>
<tr>
<td>Recurring</td>
<td>$6.0M</td>
<td>6.5%</td>
</tr>
<tr>
<td>One-Time</td>
<td>$5.3M</td>
<td>-38.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$11.3M</strong></td>
<td><strong>-20.7%</strong></td>
</tr>
</tbody>
</table>
Downtown Development
Major Areas of Focus and Initiatives

- Resilient + Sustainable
- Affordable Housing
- Safe, Equitable Access
- Vibrant + Thriving Local Economy

Value Driven Capital Projects
Downtown Development Major Areas of Focus and Initiatives

FY24 & FY25 Capital Project Partnerships

- State Street curbless street
- Bicycle + Pedestrian activity counters
- Fourth Ave transit street + AAHC utilities
- Annual Maintenance
- Streetlight Repair & Replacement
- Downtown Public Restrooms
- Downtown Circulation Study
- Downtown Energy Utility Study
- Miller Catherine Bikeway Extension
- North Main Street (Hurson to Kingsley)
- Downtown Alley Improvement Pilot

Legend:
- DDA
- City
- AAATA
Downtown Development Major Areas of Focus and Initiatives

FY24 & FY25 Capital Project Partnerships

- State Street curbless street
- Bicycle + Pedestrian activity counters
- Fourth Ave transit street + AAHC utilities
- Annual Maintenance
- Streetlight Repair & Replacement
- Downtown Public Restrooms
- Downtown Circulation Study
- Downtown Energy Utility Study
- Miller Catherine Bikeway Extention
- North Main Street (Huron to Kingsley)
- Downtown Alley Improvement Pilot

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

DDA  City  AAATA
Downtown Development Fund Balance
Downtown Development Fund Balances
Parking & Transportation

Key Assumptions

FY24
- Parking Fees 3.0%
- General Exp 4.0%

FY25
- Parking Fees 3.0%
- General Exp 4.0%
Parking System – Revenues

Parking Fund
- Primary funding source: Parking Fees
- Budgeted at 3% increase

CIP Fund
- Funded by transfers from Parking Fund
- Budgeted to maintain minimum Fund Balance
Parking Fund Revenues

Fees 99.3%

Pandemic Q4 FY20

FY21 -$12.8M (51%)

FY22 / FY23 73%

FY24 / FY25 73%

Total Loss $48.5M
Parking System Expenditures

FY24 and FY25 Annual Average $24.4M
- Includes Parking and Parking CIP Funds
- $3.9M Capital spending is up from last two years, but still under needed catchup levels
- $4.2M City Meter being based on revenue, also at 73% of pre-pandemic level
## Parking System Expenditures

### Budgeted Expenditure Overview

<table>
<thead>
<tr>
<th></th>
<th>FY24</th>
<th>YOY Chg</th>
<th>FY25</th>
<th>YOY Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurring</td>
<td>19.3M</td>
<td>12.9%</td>
<td>20.0M</td>
<td>3.1%</td>
</tr>
<tr>
<td>One-Time</td>
<td>5.7M</td>
<td>36.9%</td>
<td>3.8M</td>
<td>-33.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25.0M</td>
<td>17.6%</td>
<td>23.7M</td>
<td>-5.2%</td>
</tr>
</tbody>
</table>
Parking System Major Areas of Focus and Initiatives

- Rate Analysis
- Curb Management
- Fencing
- Maintenance
Parking System Fund Balance
Parking System Fund Balances

FY16 - FY26

Fund Balances

2.5% Revenues
Budget to City
Budget Process

- Finance Committee Draft Budget Review January
- Staff Budget Refinement February
- Finance Committee Budget Proposal to DDA Board February
- DDA Board Puts Budget forward to City Council March
- City Council Budget Work Sessions March-April
- Staff Present Budget to City Council March
- City Council 1st Meeting in May
- City Council Public Hearing 2nd Meeting in May
- DDA Board Budget Adoption June
Please send any FY24 budget questions to Sara Higgins, copying Milton Dohoney Jr., Marti Praschan, and Kim Buselmeier. Responses will be organized by topic and responded to throughout the budget season.