Ann Arbor DDA
Fiscal Year 2012/13 Proposed Budget

City Council Work Session, April 9th, 2012
The DDA’s Mission

To undertake public improvements that have the greatest impact in strengthening the downtown area and attracting new private investments.
The DDA’s Two Revenue Sources

- Tax Increment Financing
- Parking Revenues
The DDA’s TIF comes from some of the tax increase due to new construction in the DDA area.

Taxes collected due to increases in taxable property value because of inflation and property sales go to the City and other taxing authorities, not the DDA.
DDA Captures 17% of Downtown Property Taxes
83% is Captured by Other Taxing Authorities

$22 Million of Total Tax Capture 2011/12

- DDA: 17%
- Smart Zone: 6.5%
- State Educ. Tax: 8.5%
- A2 Public Schools: 30%
- WCC: 4%
- A2 District Library: 2%
- City of Ann Arbor: 19%
- Washtenaw Int'l School District: 7%
- Washtenaw County: 6%
Parking Revenue

- 1992: DDA took over Operation, Maintenance & Improvement of City Parking Structures & Surface Lots

- 2002: DDA took over Operation, Maintenance & Improvements of the Parking Meters

- $16 Million Total Parking Revenue in 2011/12

- The City receives 17% of Total DDA Parking Revenue
DDA Revenue Growth 1984-2011
Meeting the DDA Mission with Projects and Programs

- Over $100 Million in Downtown Infrastructure Investment

- Support for City Goals with Grants & Programs

- City Owns All DDA-Funded Infrastructure Including Parking, Sidewalks, Alleys, Plazas & Lighting
Liberty Plaza Park
Improvements
Hanover Park Improvements
Corner of Packard and Division

before

after
Sculpture Plaza Improvements
Corner of Catherine and Fourth Avenue

before

after
Historic Façade Grants
Grant for Historic Markers
Farmers Market
Repairs & Solar Demonstration Project
Demolition of Former YMCA Building
Construction Permeable Pavement Parking Lot

![Image of construction site and sign explaining permeable pavement.]
Sidewalk Repairs
Curb Ramp Replacements
Extensive
Bike & Moped/Scooter Parking
Major Pedestrian-Friendly Alley Repairs

before

after
LED Streetlights:
First Downtown in the Nation
South University Streetscape Project
State St.
Streetscape Project
Washington St.
Streetscape Project
Main St. Streetscape Project
Downtown Wayfinding Design & Installation
Fifth & Division Streetscape Project
City Hall & Fire Station Streetscape Project
City Hall & Fire Station Streetscape Project
Municipal Center &
LEED Certification Grant
GO! Pass &
Get Downtown Program
Energy Saving Grant Program
Parking System
Repairs & Improvements
Liberty Square Parking Structure
New Construction
Ann-Ashley Parking Structure
New Construction
Starting in 1996
Repair or Replacement of All Parking Structures
Maynard Parking Structure
Major Repairs
Fourth & William Parking Structure
Addition & Major Repairs
Fourth & Washington Parking Structure
Demolition & New Construction
Forest Avenue Parking Structure Demolition & New Construction

Former Forest Structure

New Forest Structure
First & Washington Parking Structure
Demolition & Site Redevelopment Preparation
First and Washington Structure
New Construction Underway
Starting in 2009
The Library Lane Project
Underground Parking Structure, New Street, Streetscape & Utility Improvements
Library Lane Parking Structure
Fifth Avenue Stairway - Bottom Level
Library Lane Parking Structure
Fifth Avenue Stairway
Library Lane Parking Structure
Fifth Avenue Stair
Library Lane Parking Structure
Division Street Stairway
DDA Impacts Since 1982

- Private Sector has Invested $300+ Million in Downtown Construction
- Over 3 Million Square Feet of New Private Construction
- DDA District Taxable Value Grew From $89 Million to $386 Million
- Four High Rise Developments Currently Under Construction
Five Year Growth of Visits to Downtown

727,000 More Visits in 2011 than 2006

Graph showing the growth of visits from 2006 to 2011 with the following data:
- Total increase: 727,010
- Increase: 449,114
- Parking patrons: 277,896
- Go!pass use: 277,896

Visit count for each year from 2006 to 2011:
- 2006: 3,000,000
- 2007: 2,500,000
- 2008: 2,000,000
- 2009: 1,500,000
- 2010: 1,000,000
- 2011: 500,000
DDA Budget
FY 2012-2013
DDA Long Term Planning

- Major Infrastructure Requires Years of Savings, Followed by Spending on Construction
- DDA has a ‘Ten Year Plan’ to Manage these Changes
- Budget Surpluses in Years With No Construction
- Budget Deficits in Years With Construction
- Fund Balance Changes Reflect Saving & Building
DDA TIF & DDA Bond Payments

<table>
<thead>
<tr>
<th>Year</th>
<th>Bond Payments</th>
<th>TIF Capture</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>$7,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>2012/13</td>
<td>$5,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>2013/14</td>
<td>$6,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2014/15</td>
<td>$3,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>2015/16</td>
<td>$4,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>2016/17</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2017/18</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2018/19</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2019/20</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2020/21</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
DDA Revenues & Expenditures in 2012/13

2012/13 DDA Revenues
- TIF Capture: $4M
- Parking Revenue: $18M
- Total: $22M

2012/13 DDA Expenses
- Debt Service: $6.7M
- Parking Operations: $7.5M
- Capital Costs: $3.6M
- Grants & Transfers: $1.5M
- Administration: $0.7M
- Prof. Services & Insurance: $0.4M
- City Municipal Center Grant: $0.5M
- Parking Rev. Transfer to City: $3.1M
- Total: $24M

Pie chart showing:
- Parking Operations & Maintenance: 31%
- Debt Service: 28%
- Parking Revenue Transfer to the City: 13%
- Grants & Transfers: 6%
- Capital Costs: 15%
- Administration: 3%
- Professional Services, Insurances: 2%
- Grant to the City for Municipal Center: 2%
Major Changes from the FY 2012 Budget

- Parking revenues increased $2.0M
- Parking operations expenses increased $0.5M
- Parking capital costs increased $0.7M
- Bond payments increased $0.6M
- TIF capital costs are reduced ($0.8M)
- Fund balances reduced ($2.0M)
Changes in Fund Balance

- Planned use of Fund Balance: $2.0M
- Remaining Fund Balance end of 2012/13: $4.4M
Major Upcoming Events

- First & Washington Parking Structure Construction
  - $1.6M for Structure
  - $0.4M for Affordable Housing
  - $0.7M New Bond Payment

- Library Lane Parking Structure construction completed & opened to the public

- Parking rate increase in September
Questions?