

**ANN ARBOR DDA PARTNERSHIP GRANT POLICY
APPROVED 11.5.2014**

Ann Arbor DDA Partnership Grant Overview

The Ann Arbor DDA Partnership Grant Guidelines are distinct from any other Ann Arbor DDA Grant Policy or Guidelines.

The purpose of the DDA Partnerships Grant program is to work in partnership with a private developer to install downtown infrastructure improvements that might otherwise be installed by the DDA, have a broad public benefit, and that have the potential to trigger additional private investment. These improvements have been called out in the DDA's Five Year Project Plan, the Downtown Street Framework Plan, the City's Capital Improvements Plan (CIP), and/or identified as high need through the City's asset modeling and management process.

Developers are responsible for providing certain public right of way site improvements as part of the City of Ann Arbor site plan approval process. The DDA Partnerships Grant program seeks to encourage developers to surpass standards. As a result, the DDA will only consider grant requests that include improvements utilized by the public beyond the development site, and above and beyond what is required by site plan. The exceptions to this are water, storm, and sanitary mains, and fire hydrant installations – these are considered above and beyond due to the variation with which they are required.

Eligible Improvements

To be eligible, the public improvements should include elements that extend beyond the building frontage and adjacent ROW; this may include streetscape enhancements (lighting, street trees, sidewalk, lawn extension, and ADA improvements,), street and crosswalk resurfacing, crosswalk and bike lane pavement marking upgrades, innovative public stormwater treatments, and upsizing water, storm or sanitary mains. Inclusion of any of the above elements may then allow the site's share of the adjacent public improvements to be eligible as well.

The Work of the Ann Arbor DDA

The Ann Arbor DDA mission is to spark private reinvestment within its DDA District and strengthen the downtown. The DDA always refers to its mission and it is the goal of the DDA to promote the economic growth and development of properties within its DDA District by private investment.

An important way for the DDA to accomplish its mission is to provide DDA grant funds in partnership with developers bringing forward exceptional projects. The DDA Development Plan sets forward important DDA values, such as walkability, sustainability, building design, mix of downtown uses, mix of downtown users, and downtown Ann Arbor's unique identity. The DDA has full discretion to determine if a project meets these values, and to determine whether a grant should be awarded to any project. The DDA also has full discretion to determine if it

chooses to prioritize its grant funding to help stimulate new private development within a particular subarea of its DDA District.

Favorable Project Elements

The DDA is particularly interested in supporting the public improvements for projects that have the clear potential to encourage or trigger other private, tax-generating, new development in the immediate vicinity. This can be defined as nearby properties that are within the DDA District, privately owned, and have not had significant public or private investment in the past ten years. If the DDA determines that it wishes to make a grant in support of a project with the goal to encourage development on nearby properties, it is with the understanding that these nearby properties may likely need less (or no) DDA financial involvement to be successful.

The DDA will not forgo its TIF capture from a project; the DDA may elect to provide a grant to a project utilizing its funds, or it may elect to provide all or some of its support using such in-kind elements as access to parking for contractors or construction staging.

In alignment with the Development Plan values above, the DDA will consider the following elements when evaluating a Partnerships Grant request. A project should address significant elements of this list to be considered:

1. Addresses a documented gap in the marketplace or underserved markets of commerce within this sector of downtown
2. Demonstrates that the project will act as a catalyst for additional revitalization of the area in which it is located, which will trigger the creation of additional new DDA TIF tax revenue
3. Is “connected” to the adjacent sidewalk with uses on the first floor that are showcased using large transparent windows and doorways to give pedestrians a point of interest to look at as they walk by the project
4. Creates a large office floor plate.
5. Will facilitate the creation of a large number of new permanent jobs
6. Is a mixed use development, that will encourage activity in the daytime, evening, and weekend, such as a development with a mix of commercial and residential
7. Adds to downtown’s residential density
8. Reuses vacant buildings, reuses historical buildings, and/or redevelops blighted property
9. Creates affordable housing units on site or funded by the project elsewhere in the community, which are beyond what is required by the City
10. Incorporates environmental design at or above a Gold LEED certification, or an equivalent environmental assessment
11. Contributes an architecturally significant building or project design to the streetscape

12. Strengthens Ann Arbor's national visibility
13. Provides a legally-binding commitment to robust ongoing maintenance of public streetscape elements.
14. Project substantially responds to requested changes put forward by the City's Design Review Board

This list of preferred project elements shall be reviewed and possibly revised by the DDA on an annual basis in July.

Partnerships Grants Details

If the DDA determines that it wishes to provide a Partnerships Grant, the amount shall not exceed a calculation equivalent to a maximum 25% of the ten year TIF captured by the DDA from the project. The maximum 25% is reserved only for those projects with the greatest potential to trigger additional private investment. The grant amount shall be equal to or lesser than the actual public improvement costs that the DDA deems eligible; at the time of the request the DDA must receive a detailed cost estimate for any eligible improvements. Following project completion, the DDA must receive actual expense details before the DDA will release grant funds.

If awarded, the DDA grant will be paid out over time. Grant payments will not begin until the DDA begins receiving TIF revenue from the project and the amount released will at no point be greater than the amount of new TIF paid by the developer of the new project. The DDA reserves the right to adjust the amount of each portion of its grant to best benefit the DDA's budget and other considerations.

In the event of a sale or transfer of the development, the DDA's grant may be assigned to the new owner of the property upon prior written consent of the DDA, provided, however, that the project has not been substantially modified since the time of the DDA's grant approval.

The DDA's Partnerships Grant will automatically expire by June 30th at the end of the fiscal year following the fiscal year the grant was approved by the DDA if a developer has not requested and received all necessary City construction permits, and the project footings/foundations are not completely installed. These grants will automatically expire by June 30th at the end of the third fiscal year following the fiscal year the grant was approved by the DDA if construction has not been completed and a Certificate of Occupancy issued for the project. These dates will be included in the DDA Resolution; it is the responsibility of the grant recipient to report milestones to the DDA.

Ann Arbor DDA Partnerships Policy Changes and Reservation of DDA Rights

The DDA reserves the right to modify these Partnerships Grant guidelines at any time and without notice. The DDA reserves the right to eliminate its Partnerships Grant program at any time and without notice. DDA Partnerships projects are completely voluntary on the part of the

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DDA and Developer. Grant approval is tied to a particular site plan; any subsequent changes to this site plan may cause the DDA to withdraw its grant. A DDA review is necessary to determine if subsequent changes are deemed substantive.

The DDA will not provide funds under its Partnership Grant program retroactively for improvements undertaken before the DDA approved a grant.

DDA Partnerships Process

The Partnerships Grant application shall begin simultaneously with the City's site plan review process and applicants should not expect a response until review completion. This will allow staff to provide the DDA Board with an overview of the required public improvements and an analysis of the infrastructure needs of the area.

A Developer shall meet with a DDA subcommittee to tour the project site prior to submitting a Partnerships Grant request to the DDA, to enable DDA members to become familiar with the proposed project, have a greater understanding of adjacent opportunities, and the impact that site improvements may bring. An application to the DDA must include detailed cost breakout for any eligible improvements for which a grant is being requested and a presentation about the project to the full DDA board at a regularly-scheduled board meeting.