



ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY

FY 2023 Adopted Budget

Board Members

Alexandra Dieck
Jessica A.S. Letaw
Tyler Kinley
Milton Dohoney

Darren McKinnon
Micah Bartelme
Ji Hye Kim
Jonathan Massey

**RESOLUTION TO ADOPT THE DDA BUDGET
FOR FISCAL YEAR 2023**

Whereas, PA 57 of 2018 requires that the Director of the Authority will prepare and submit for the approval of the DDA Board a budget for the operation of the Authority for the ensuing fiscal year;

Whereas, The statute also requires that the budget be prepared in the manner and contain the information required of municipal departments;

Whereas, The DDA has submitted its FY22-FY28 capital improvement items for inclusion in the City of Ann Arbor's Capital Improvement Plan and that Plan has been approved by the Planning Commission for inclusion in the FY23 Budget;

Whereas, The DDA's Finance Committee has reviewed the DDA's updated Ten-Year Plan which includes long range capital improvements, debt service, parking operations, and which details the financial assumptions that have gone into that Plan;

Whereas, Before the budget may be adopted by the board, the statute requires that it be approved by the governing body of the municipality. and DDA staff did present the Budget to City Council by video which was posted to YouTube in April and the Ann Arbor City Council did approve the DDA's FY23 Budget on May 16;

Whereas, The Finance Committee recommends the DDA Board adopt the DDA's FY23 Budget as the final step in the DDA's budget process as established by PA57;

RESOLVED, That any unspent DDA Grants included in the FY 2022 budget and approved by the DDA Board may be carried forward without regard to fiscal year;

RESOLVED, That any unspent capital funds included in the FY 2022 budget may be carried forward without regard to the fiscal year;

RESOLVED, That the Executive Director be authorized to reallocate budgeted amounts within funds;

RESOLVED, That the DDA Board accepts the recommendation of its Finance Committee and adopts the following revenue and expenditure appropriations by fund as its Fiscal Year 2023 Budget:

Ann Arbor DDA FY23 Budget					
Funds	231 Parking	246 Housing	248 General (TIF)	401 Parking CIP	All Funds
Revenue	17,994,100	376,500	8,250,500	2,610,000	29,231,100
Expenditure	19,944,567	392,800	8,267,573	2,903,000	31,507,940
Net Rev (Exp)	(1,950,467)	(16,300)	(17,073)	(293,000)	(2,276,840)
Beginning Fund Balance (projected)	6,924,316	113,941	5,990,283	2,414,090	15,442,630
Ending Fund Balance	4,973,849	97,641	5,973,210	2,121,090	13,165,790

A vote on the resolution showed:

Ayes: Bartelme, Dieck, Dohoney, Kim, Kinley, Letaw, McKinnon

Nays: None

Absent: Massey

The resolution was approved.

June 23, 2022



Fund Descriptions and Relationships

Downtown Development

DDA General (TIF) Fund – The General (TIF) Fund accounts for the downtown development activities of the DDA which are funded by tax increment financing revenues.

DDA Housing Fund – The DDA Housing Fund accounts for affordable housing activities in the downtown area that are funded by transfers in from the General (TIF) Fund.

DDA (TIF) Construction Fund – To account for construction activities in the downtown area funded by bond proceeds and transfers from the General (TIF) Fund.

Parking System

DDA Parking System – To account for the operation of the parking system which is funded by parking fees.

DDA Parking CIP Fund - To account for capital improvements and maintenance of the parking structures and parking lots.



Account Category Descriptions

Revenues

Current Property Tax Revenue – Tax Increment Financing captures derived from new construction in the Downtown Development District. Annual increases to the DDA’s capture are capped by City Ordinance at 3.5%.

Interest – Interest earned on investments. Recorded at market value.

Parking Fees - This category accounts for parking fees. The FY 2023 increase is based on an anticipated increase in parking demand as the downtown recovers from the effects of the COVID-19 pandemic.

Reimbursement Bond Proceeds – The City of Ann Arbor issues bonds on behalf of the DDA to provide funding for downtown development projects and parking system improvements. Bond proceeds are accounted for here.

Transfer from Other Funds – Internal transfers from another fund.

Uncollectable Parking Revenues – The DDA recorded estimated uncollectable parking permits due to uncertainty about collections related to the pandemic and decreased activity in the downtown.

Expenditures

Capital Outlay – Capital project expenditures of the Parking CIP Fund, the TIF Fund, and the TIF Construction Fund are accounted for in this category. These are primarily one-time expenditures with a high degree of variability from year to year.

Community Development – Administration activities of the DDA General/TIF Fund.

Debt Service – Bonded debt payments to the City of Ann Arbor for debt issued by the City on behalf of the DDA to fund downtown development projects and parking system improvements. Also includes payments the DDA makes to the City under grant and debt service agreements for certain debt of the City’s.

Housing – Expenditures to support affordable housing in the DDA district.

Misc Parking Operations – Operating costs of the parking system including the 20% meter rent paid to the City of Ann Arbor.

Parking Administration – Administrative costs of the parking and general/TIF systems.

Parking Operator – Contracted operating services for the parking system.

Streetscape Projects 001 thru 004 – Capital construction expenditures funded by Bonded Debt. One-time expenditures with a high degree of variability.

Transfers Out – Internal transfers to another fund.

Ann Arbor Downtown Development Authority
Budget for Fiscal Year 2023
Adopted by DDA Board June 23, 2022

GL NUMBER AND DEPARTMENT	DESCRIPTION	2020-21 ACTIVITY	2021-22 AMENDED BUDGET	2021-22 ACTIVITY THRU 03/31/21	2021-22 PROJECTED ACTIVITY	2022-23 BOARD ADOPTED BUDGET
--------------------------------	-------------	---------------------	------------------------------	--------------------------------------	----------------------------------	------------------------------------

Fund 231 - DDA PARKING FUND

ESTIMATED REVENUES

231-000-652.070	PARKING FEES-5TH & WILLIAM	82,115	74,800	30,570	30,000	8,000
231-000-652.080	PARKING FEES-4TH & WASHINGTON	431,841	603,000	608,239	663,300	745,700
231-000-652.081	PARKING FEES-1ST & WASHINGTON	485,838	466,800	479,458	513,480	555,700
231-000-652.082	PARKING FEES-MAYNARD	1,194,735	1,658,600	1,511,918	1,824,460	2,045,200
231-000-652.083	PARKING FEES-FOREST	953,966	1,061,000	1,121,055	1,167,100	1,297,700
231-000-652.084	PARKING FEES-4TH & WILLIAM	1,402,797	1,715,700	1,237,591	1,887,270	2,056,500
231-000-652.085	PARKING FEES-LIBERTY SQUARE	1,733,697	1,453,600	1,428,674	1,598,960	1,707,700
231-000-652.086	PARKING FEES-ANN ASHLEY	1,790,667	1,445,200	1,660,839	1,589,720	1,724,200
231-000-652.087	PARKING FEES-LIBRARY LANE	752,340	1,340,100	843,202	1,474,110	1,608,800
231-000-652.088	PARKING FEES-S ASHLEY	331,544	378,200	417,568	416,020	468,600
231-000-652.091	PARKING FEES-1ST & WILLIAM	140,946	115,600	137,175	127,160	135,900
231-000-652.092	PARKING FEES-METER BAGS	349,605	359,900	309,941	395,890	442,500
231-000-652.093	PARKING FEES-METERS	2,583,789	3,750,800	3,287,939	4,125,880	4,837,200
231-000-652.095	PARKING FEES-415 WASHINGTON	143,265	124,700	140,631	137,170	150,400
231-000-653.000	UNCOLLECTABLE PARKING REVENUES	163,902				
231-000-665.000	INTEREST	81,241	25,000	(249,487)	25,000	20,000
231-000-671.000	OTHER REVENUE	194,488	190,000	124,748	190,000	190,000
TOTAL ESTIMATED REVENUES		12,816,776	14,763,000	13,090,061	16,165,520	17,994,100

APPROPRIATIONS

580	PARKING ADMINISTRATION	724,316	1,370,736	498,674	1,370,736	2,082,554
590	PARKING OPERATOR	4,321,299	5,934,900	3,243,668	5,934,900	6,745,500
592	MISC PARKING OPERATIONS	3,902,980	4,952,400	4,141,154	5,317,400	6,320,419
900	CAPITAL OUTLAY	15,772				
905	DEBT SERVICE	2,721,114	2,741,900	410,538	2,741,900	2,196,094
965	TRANSFERS OUT	3,600,000	2,600,000	2,600,000	2,600,000	2,600,000
TOTAL APPROPRIATIONS		15,285,481	17,599,936	10,894,034	17,964,936	19,944,567

NET OF REVENUES/APPROPRIATIONS - FUND 231	(2,468,705)	(2,836,936)	2,196,027	(1,799,416)	(1,950,467)
BEGINNING FUND BALANCE	11,192,434	8,723,732	8,723,732	8,723,732	6,924,316
ENDING FUND BALANCE	8,723,729	5,886,796	10,919,759	6,924,316	4,973,849

Ann Arbor Downtown Development Authority
 Budget for Fiscal Year 2023
 Adopted by DDA Board June 23, 2022

GL NUMBER AND DEPARTMENT	DESCRIPTION	2020-21 ACTIVITY	2021-22 AMENDED BUDGET	2021-22 ACTIVITY THRU 03/31/21	2021-22 PROJECTED ACTIVITY	2022-23 BOARD ADOPTED BUDGET
Fund 246 - DDA HOUSING FUND						
ESTIMATED REVENUES						
246-000-665.000	INTEREST	4,370	800	(14,843)	800	800
246-000-671.000	OTHER REVENUE	216,000				
246-930-690.000	TRANSFER FROM OTHER FUNDS	536,100	363,000	363,000	363,000	375,700
TOTAL ESTIMATED REVENUES		756,470	363,800	348,157	363,800	376,500
APPROPRIATIONS						
692	HOUSING	1,084,207	721,300	31,035	721,300	201,924
905	DEBT SERVICE					190,876
TOTAL APPROPRIATIONS		1,084,207	721,300	31,035	721,300	392,800
NET OF REVENUES/APPROPRIATIONS - FUND 246		(327,737)	(357,500)	317,122	(357,500)	(16,300)
BEGINNING FUND BALANCE		799,177	471,441	471,441	471,441	113,941
ENDING FUND BALANCE		471,440	113,941	788,563	113,941	97,641

Ann Arbor Downtown Development Authority
 Budget for Fiscal Year 2023
 Adopted by DDA Board June 23, 2022

GL NUMBER AND DEPARTMENT	DESCRIPTION	2020-21 ACTIVITY	2021-22 AMENDED BUDGET	2021-22 ACTIVITY THRU 03/31/21	2021-22 PROJECTED ACTIVITY	2022-23 BOARD ADOPTED BUDGET
Fund 248 - DDA GENERAL (TIF) FUND						
ESTIMATED REVENUES						
248-000-402.000	CURRENT PROPERTY TAX REVENUE	7,350,463	7,607,600	7,928,709	7,928,700	8,206,200
248-000-412.000	DELINQUENT PERSONAL PROPERTY TAX	305	300	82	300	300
248-000-665.000	INTEREST	67,991	40,000	(260,295)	40,000	40,000
248-000-671.000	OTHER REVENUE	4,012	4,000	2,821	4,000	4,000
248-930-690.000	TRANSFER FROM OTHER FUNDS		1,482,800		1,482,800	
TOTAL ESTIMATED REVENUES		7,422,771	9,134,700	7,671,317	9,455,800	8,250,500
APPROPRIATIONS						
728	COMMUNITY DEVELOPMENT	2,128,180	2,598,117	1,364,361	2,608,117	2,670,917
900	CAPITAL OUTLAY	129,509	6,580,000	259,370	6,570,000	1,956,000
905	DEBT SERVICE	2,740,018	2,744,800	454,895	2,744,800	3,264,956
965	TRANSFERS OUT	536,100	363,000	363,000	363,000	375,700
TOTAL APPROPRIATIONS		5,533,807	12,285,917	2,441,626	12,285,917	8,267,573
NET OF REVENUES/APPROPRIATIONS - FUND 248		1,888,964	(3,151,217)	5,229,691	(2,830,117)	(17,073)
BEGINNING FUND BALANCE		6,931,433	8,820,400	8,820,400	8,820,400	5,990,283
ENDING FUND BALANCE		8,820,397	5,669,183	14,050,091	5,990,283	5,973,210

Ann Arbor Downtown Development Authority
 Budget for Fiscal Year 2023
 Adopted by DDA Board June 23, 2022

GL NUMBER AND DEPARTMENT	DESCRIPTION	2020-21 ACTIVITY	2021-22 AMENDED BUDGET	2021-22 ACTIVITY THRU 03/31/21	2021-22 PROJECTED ACTIVITY	2022-23 BOARD ADOPTED BUDGET
Fund 401 - DDA PARKING CIP FUND						
ESTIMATED REVENUES						
401-000-665.000	INTEREST	6,207	10,000	(36,866)	10,000	10,000
401-000-671.000	OTHER REVENUE			367,200		
401-930-690.000	TRANSFER FROM OTHER FUNDS	3,600,000	2,600,000	2,600,000	2,600,000	2,600,000
TOTAL ESTIMATED REVENUES		3,606,207	2,610,000	2,930,334	2,610,000	2,610,000
APPROPRIATIONS						
580	PARKING ADMINISTRATION	1,652	13,000	3,165	13,000	13,000
592	MISC PARKING OPERATIONS	150,029				
900	CAPITAL OUTLAY	2,857,592	2,600,000	1,270,862	2,600,000	2,890,000
TOTAL APPROPRIATIONS		3,009,273	2,613,000	1,274,027	2,613,000	2,903,000
NET OF REVENUES/APPROPRIATIONS - FUND 401		596,934	(3,000)	1,656,307	(3,000)	(293,000)
BEGINNING FUND BALANCE		1,820,155	2,417,090	2,417,090	2,417,090	2,414,090
ENDING FUND BALANCE		2,417,089	2,414,090	4,073,397	2,414,090	2,121,090

Ann Arbor Downtown Development Authority
 Budget for Fiscal Year 2023
 Adopted by DDA Board June 23, 2022

GL NUMBER AND DEPARTMENT	DESCRIPTION	2020-21 ACTIVITY	2021-22 AMENDED BUDGET	2021-22 ACTIVITY THRU 03/31/21	2021-22 PROJECTED ACTIVITY	2022-23 BOARD ADOPTED BUDGET
Fund 494 - DDA (TIF) CONSTRUCTION FUND						
ESTIMATED REVENUES						
494-000-665.000	INTEREST	378		373		
494-000-677.000	REIMBURSEMENT - BOND PROCEEDS	3,910,224	4,225,200	4,131,146	4,224,900	
TOTAL ESTIMATED REVENUES		3,910,602	4,225,200	4,131,519	4,224,900	0
APPROPRIATIONS						
001	HURON ST	24,485	4,600	4,558	4,600	
002	FIRST, ASHLEY & WILLIAM STS	4,773,396	2,251,774	1,926,951	1,943,474	
003	DIVISION & WILLIAM		858,100	1,166,394	1,166,400	
004	STATE & KEY STREETS		139,900	139,856	139,900	
900	CAPITAL OUTLAY	1,247		184		
965	TRANSFERS OUT		1,482,800		1,482,800	
TOTAL APPROPRIATIONS		4,799,128	4,737,174	3,237,943	4,737,174	0
NET OF REVENUES/APPROPRIATIONS - FUND 494		(888,526)	(511,974)	893,576	(512,274)	0
BEGINNING FUND BALANCE		1,400,427	511,901	511,901	511,901	(373)
ENDING FUND BALANCE		511,901	(73)	1,405,477	(373)	(373)

Ann Arbor Downtown Development Authority
 Budget for Fiscal Year 2023
 Adopted by DDA Board June 23, 2022

GL NUMBER AND DEPARTMENT	DESCRIPTION	2020-21 ACTIVITY	2021-22 AMENDED BUDGET	2021-22 ACTIVITY THRU 03/31/21	2021-22 PROJECTED ACTIVITY	2022-23 BOARD ADOPTED BUDGET
TOTAL ALL FUNDS						
ESTIMATED REVENUES - ALL FUNDS		28,512,826	31,096,700	28,171,388	32,820,020	29,231,100
APPROPRIATIONS - ALL FUNDS		29,711,896	37,957,327	17,878,665	38,322,327	31,507,940
NET OF REVENUES/APPROPRIATIONS - ALL FUNDS		(1,199,070)	(6,860,627)	10,292,723	(5,502,307)	(2,276,840)
BEGINNING FUND BALANCE - ALL FUNDS		22,143,626	20,944,564	20,944,564	20,944,564	15,442,257
ENDING FUND BALANCE - ALL FUNDS		20,944,556	14,083,937	31,237,287	15,442,257	13,165,417