

## Chapter 7 - DOWNTOWN DEVELOPMENT AUTHORITY [31]

[1:150. - Title.](#)

[1:151. - Purpose.](#)

[1:152. - Definitions.](#)

[1:153. - Creation of authority.](#)

[1:154. - Description of downtown district.](#)

[1:155. - Board.](#)

[1:156. - Powers of the authority.](#)

[1:157. - Termination.](#)

[1:158. - Preliminary findings.](#)

[1:159. - Findings and determination.](#)

### **1:150. - Title.**

This chapter shall be known as the "downtown development authority ordinance" of the City of Ann Arbor.

*(Ord. No. 14-82, 5-1-82)*

### **1:151. - Purpose.**

The purpose of this chapter is to create a public body corporate to act in the best interests of the city to halt property value deterioration, increase property tax valuation where possible in the business district of the city, eliminate the causes of that deterioration, and to promote economic growth pursuant to Act 197 of the Public Acts of 1975.

*(Ord. No. 14-82, 5-1-82)*

### **1:152. - Definitions.**

The terms used herein shall have the same meaning as given them in Act 197 or as hereinafter in this section provided, unless the context clearly indicates to the contrary and shall be in addition to the terms provided in Act 197.

- (1) "Authority" means the Ann Arbor Downtown Development Authority.
- (2) "Act 197" means Act No. 197 of the Public Acts of Michigan of 1975 as now in effect or hereafter amended.
- (3) "City" means the City of Ann Arbor.
- (4) "Council" means the Ann Arbor City Council.
- (5) "Downtown district" means the downtown district designated herein.

*(Ord. No. 14-82, 5-1-82)*

### **1:153. - Creation of authority.**

There is hereby created pursuant to Act 197 the Ann Arbor Downtown Development Authority for the City of Ann Arbor, Michigan. The authority shall be a public body corporate and shall be known and exercise its powers under title of "Ann Arbor Downtown Development Authority". The authority may adopt a seal, may sue and be sued in any court of this state, and shall possess all of the powers necessary to carry out the purpose of its incorporation as provided herein and in Act 197. The enumeration of a power herein or in Act 197 shall not be construed as a limitation upon the general powers of the authority.

*(Ord. No. 14-82, 5-1-82)*

### **1:154. - Description of downtown district.**

The boundaries of the downtown district in which the authority shall exercise its powers as provided by Act 197 are hereby established as shown on the downtown districts map which accompanies this chapter and which, with all notations, references and other information shown thereon, shall be as much a part of this chapter as if fully described herein.

(Ord. No. 14-82, 5-1-82)

### **1:155. - Board.**

The authority shall be under the supervision and control of a board consisting of the mayor or administrator of the city and 11 members. The members shall be appointed by the mayor subject to approval by the council. Eligibility for membership on the board and terms of office shall be as provided in Act 197. All members shall hold office until the member's successor is appointed.

(Ord. No. 14-82, 5-1-82)

### **1:156. - Powers of the authority.**

As provided in Act 197, the authority shall prepare a development plan and financing plan for the downtown district or a development area within the district. The authority must obtain city council approval of all development and financing plans. The authority shall possess all of the powers necessary to carry out the purposes of its incorporation and shall have all powers provided by Act 197 of the Public Acts of 1975 with the following exceptions:

- (1) *Ad valorem taxes:* The authority shall not have the power to levy ad valorem taxes on the real and tangible personal property as finally equalized in the downtown district.
- (2) *Tax increment financing:* If the downtown development authority proposes a tax increment financing plan, it shall only plan the use of that portion of the captured assessed value that is due to new construction and improvements to existing buildings after December 31, 1981 to implement the downtown plan and any amendments thereto.

If the captured assessed valuation derived from new construction, and increase in value of property newly constructed or existing property improved subsequent thereto, grows at a rate faster than that anticipated in the tax increment plan, at least 50% of such additional amounts shall be divided among the taxing units in relation to their proportion of the current tax levies. If the captured assessed valuation derived from new construction grows at a rate of over twice that anticipated in the plan, all of such excess amounts over twice that anticipated shall be divided among the taxing units. Only after approval of the governmental units may these restrictions be removed.

After the then earliest dated bond issue of the downtown development authority is retired, the captured assessed valuation prior to the date of sale for that issue shall be returned to the rolls on the next succeeding tax levy.

Tax funds that are paid to the downtown development authority due to the captured assessed value shall first be used to pay the required amounts into the bond and interest redemption funds and the required reserves thereto. Thereafter, the funds shall be distributed as set forth above or shall be divided among the taxing units in relation to their proportion of the current tax levies.

- (3) *Planning considerations:* In developing a plan within the downtown area, the downtown development authority shall consider the following:
  - (a) Tax increment financing shall only be 1 of the financing methods considered and should be coordinated with private and other public investment funds.
  - (b) If possible projects should also benefit properties of other governmental units within the downtown area.
  - (c) If tax increment financing is proposed, all governmental units levying a property tax shall be fully informed of this plan and any future amendments thereto. Such consultations are to be prior to any action by the city council on the proposal. In event of additional projects, the restrictions on recapture in Item 2 would also apply.
  - (d) The plan for the downtown area should show that the property taxes realized for each governmental taxing unit, over the long term, should be greater than if the downtown development district did not exist.

(Ord. No. 14-82, 5-1-82)

### **1:157. - Termination.**

Upon completion of its purposes, the authority may be dissolved by the council. The property and assets of the authority, after dissolution and satisfaction of its obligations, shall revert to the city.

### **1:158. - Preliminary findings.**

- (a) That a public hearing was held on the proposed March 5, 2003 Development Plan and Tax Increment Financing Plan for the Downtown District, amending the October 26, 1982 Development Plan and Tax Increment Financing Plan, following the giving of notice thereof, all in accordance with Act 197 of the Public Acts of 1975, as amended.
- (b) That findings and recommendations of a development area citizens council have considered and have provided a source of plan input.
- (c) That the proposed March 5, 2003 Development Plan and Tax Increment Financing Plan amending the October 26, 1982 Development Plan and Tax Increment Financing Plan meets the requirements set forth in Act 197 of the Public Acts of 1975, as amended.
- (d) That the proposed method of financing the proposed developments identified March 5, 2003 Development Plan and Tax Increment Financing Plan are feasible and the Downtown Development Authority of the City of Ann Arbor has the ability to arrange the financing.
- (e) That the proposed developments identified in the March 5, 2003 Development Plan and Tax Increment Financing Plan are reasonable and necessary to carry out the purposes of Act 197 of the Public Acts of 1975, as amended.
- (f) That any land included within the proposed development district which is deemed necessary to be acquired is reasonably necessary to carry out the purposes of the plan and of Act 197 of Public Acts of 1975, as amended, in an efficient and economically satisfactory manner.
- (g) That the proposed March 5, 2003 Development Plan amending the October 26, 1982 Development Plan has been reviewed by the City Planning Commission and found to be in reasonable accord with the adopted plans of the City of Ann Arbor.
- (h) That public services, such as fire and police protection and utilities, are or will be adequate to service the proposed district.
- (i) That change in zoning, streets, street levels, intersections and utilities are reasonably necessary for the proposed project and for the City of Ann Arbor.

*(Ord. No. 26-03, § 1, 9-15-03)*

**Editor's note—**


It should be noted that § 3 of Ord. No. 26-03, provides, ""Effective Date: This ordinance approving March 5, 2003 Development Plan and Tax Increment Financing Plan amending the October 26, 1982 Development Plan and Tax Increment Financing Plan for the Downtown Development District is hereby determined to be immediately necessary for the preservation of health, welfare and safety and shall become effective immediately upon publication."

### **1:159. - Findings and determination.**

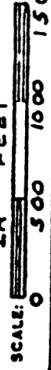
- (a) That based on the foregoing findings, it is hereby held and determined that the March 5, 2003 Development Plan and Tax Increment Financing Plan amending the October 26, 1982 Development Plan and Tax Increment Financing Plan for the Downtown District constitutes a continuing public purpose.
- (b) That the March 5, 2003 Development Plan and Tax Increment Financing Plan amending the October 26, 1982 Development Plan and Tax Increment Financing Plan for the Downtown Development District is hereby approved.

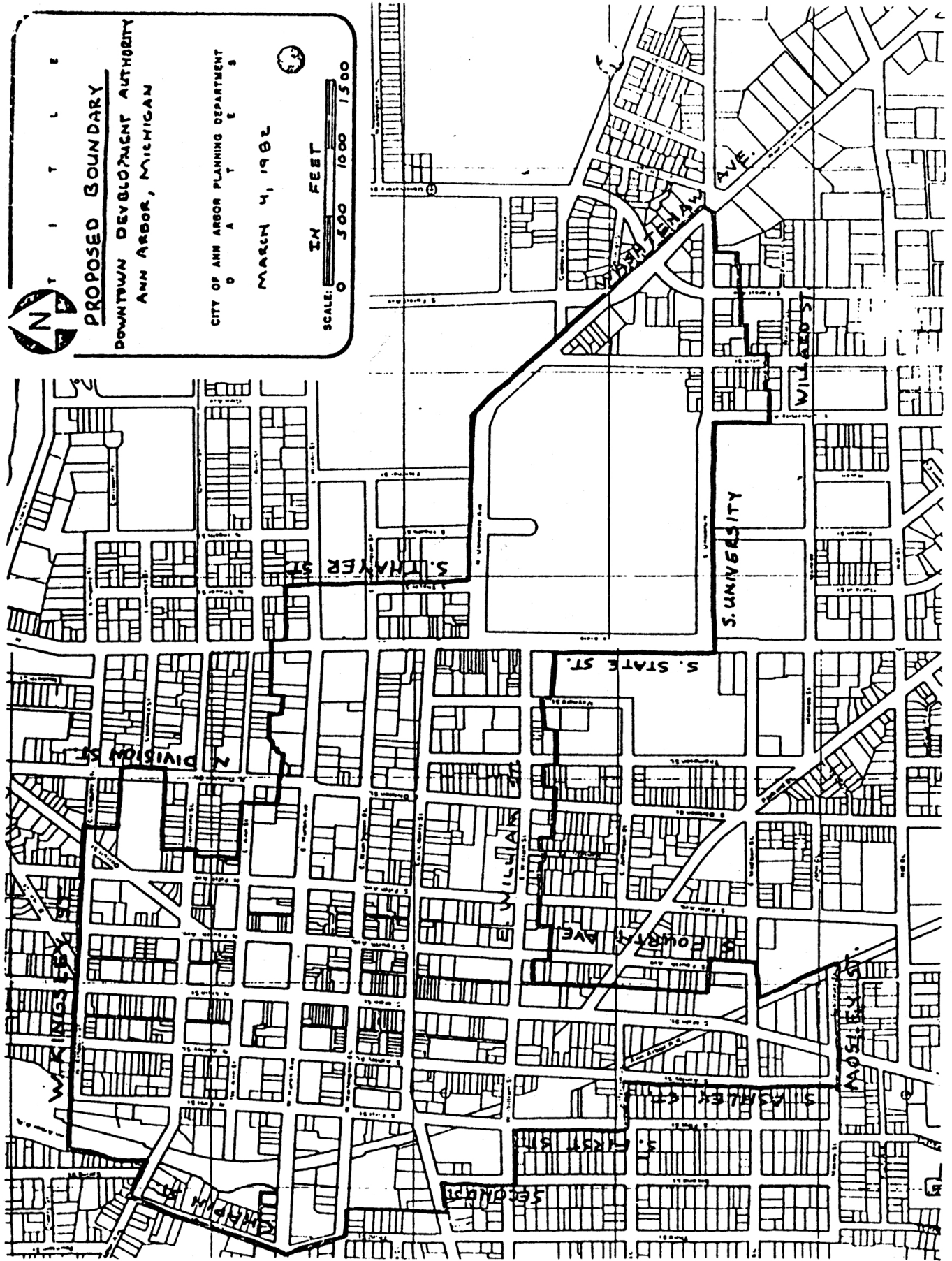
*(Ord. No. 26-03, § 2, 9-15-03)*

**Note—**See editor's note at § 1:158.


**PROPOSED BOUNDARY**  
 DOWNTOWN DEVELOPMENT AUTHORITY  
 ANN ARBOR, MICHIGAN

CITY OF ANN ARBOR PLANNING DEPARTMENT  
 MARCH 4, 1982

SCALE:  IN FEET  
 0 500 1000 1500



Downtown Development Authority

(Ord. No. 14-82, 5-1-82)

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FOOTNOTE(S):

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<sup>(3)</sup> **Editor's note**— Ord. No. 18-78, adopted June 5, 1978 repealed Ch. 7 and Ord. No. 14-82, adopted May 10, 1982 added provisions designated as a new Ch. 7 ([Back](#)).