

**RESOLUTION TO APPROVE A DDA GRANT POLICY TO ENCOURAGE PRIVATE DEVELOPMENT OF CITY-OWNED PROPERTIES LOCATED IN THE WILLIAM STREET AREA**

Whereas, The DDA mission is to strengthen the downtown and spark private reinvestment;

Whereas, An important way for the DDA to accomplish its mission is to encourage private development of City-owned sites in alignment with community values and good planning;

Whereas, The DDA Partnerships/Economic Development Committee has formulated a Connecting William Street Plan for DDA approval and submittal to the City per the City's "Resolution Authorizing that the Ann Arbor DDA Develop an Implementation Plan to Redevelop Downtown City-Owned Parcels."

Whereas, The DDA Partnerships/Economic Development Committee has developed a DDA Grant Policy to direct DDA participation in the implementation of the Connecting William Street Plan, and recommends this Grant Policy for DDA approval;

RESOLVED, The DDA approves the William Street Area Grant Policy to encourage the redevelopment of the City-owned properties located in the William Street area.

## **Ann Arbor DDA Policy Regarding Grants to Encourage Private Development of City-Owned Properties Located In The William Street Area**

- The A2 DDA mission is to spark private reinvestment within its DDA District and strengthen the downtown.
- The DDA always refers to its mission and its Development Plan when considering any grant request. It is the goal of the DDA to promote the economic growth and development of properties within its DDA District by private investment.
- Whereas the DDA has pursued an extended series of meetings with members of the community to develop a set of strategies so that the redevelopment of five City-owned properties in the William Street area will be in alignment with community values and goals.
- An important way for the DDA to accomplish its mission & Development Plan is to provide a DDA grant to encourage the private development of City-owned properties in the William Street area that are in alignment with community goals, particularly those developments that contain elements that benefit the public.
- The DDA Development Plan sets forward important values, such as walk ability, 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 its 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 including the William Street area as part of its Connecting William Street efforts.
- Through this grant, the DDA aims to support elements of a project that offer prioritized public benefits, helping downtown developers advance projects that are in alignment with the community's goals while maximizing sale proceeds to the City. Such elements include, but are not limited to:
  - Connectivity & walkability improvements (streetscape, sidewalk, and bicycle facility improvements)
  - Environmental design features (green roofs, rain gardens)
  - Significant architecture & design investment (exterior feature or overall design that improves walkability on adjacent sidewalks, enhances the quality of an area, and/or brings significant design prestige)
  - Landscaping & plazas/urban open spaces that are available for public use but maintained and managed privately
  - Infrastructure investments (upsizing water, storm, or sewer mains, adding electrical, trash, and fire hydrant capacity to serve a larger area)
- The DDA is particularly interested in supporting eligible projects that have the clear potential to encourage or trigger other private tax-generating new development in the immediate vicinity and strengthen William Street and the DDA District.
- The DDA will only invest in the components of a project that would benefit not only the proposed project, but also a larger public good.

- 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.
- The DDA has the discretion to provide a grant based on 17-25% of TIF capture. When contemplating a possible grant award, the DDA will consider the total eligible expenses anticipated, and it will then review the scale of a potential DDA matching grant using the following criteria with which it will evaluate a project:
  1. Addresses a documented gap in the market place or underserved markets of commerce
  2. 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 a project.
  3. Creates a large office floor plate, particularly a corporate headquarters which brings with it great regional attention and a density of jobs
  4. Will facilitate the creation of a large number of new permanent jobs
  5. 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
  6. Adds to downtown’s residential diversity
  7. Adds to downtown’s residential density
  8. Includes a cultural venue, such as a museum or performance space
  9. Environmental design exceeds City requirements
  10. Architecturally significant building or project design
  11. Strengthens Ann Arbor’s national visibility
- If awarded, the total DDA grant awarded by the DDA to a project will be paid out over time, and the amount released will at no point be greater than the amount of new TIF paid by the developer of a new project constructed on one of the City parcels in the William Street corridor. 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.