



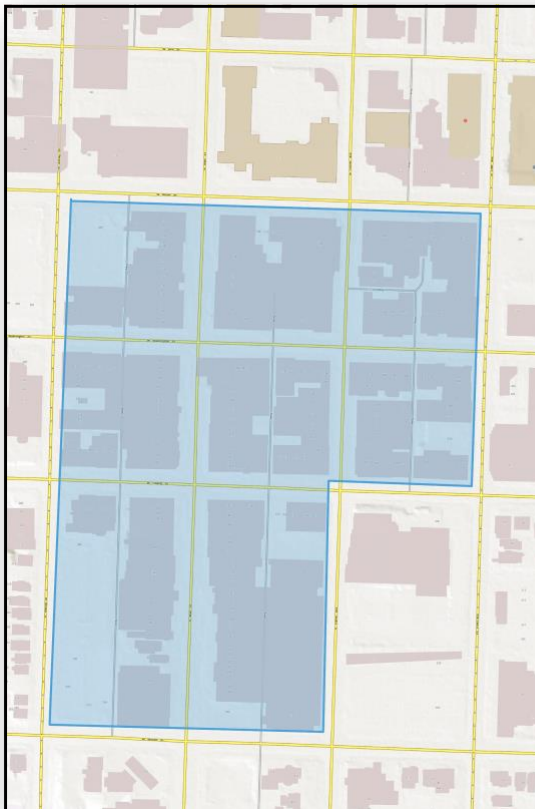
ANN ARBOR MAIN STREET AREA BUSINESS IMPROVEMENT ZONE ANNUAL REPORT JULY 1, 2022 - JUNE 30, 2023

Mission Statement

The mission of the Main Street Area Business Improvement Zone (MSA BIZ) is to champion the unique character of the district and create a clean, safe and thriving environment.

Introduction

The MSA BIZ is a non-profit organization, operating since 2014 on behalf of the property owners in the district bordered by Huron Street on the north, Fifth Avenue on the east, Liberty and William on the south (with the Federal building, AAATA and the former Y Lot removed), and Ashley on the west (see map).¹ By providing consistently high-quality services that complement City of Ann Arbor services, the BIZ makes the neighborhood cleaner, safer and more vibrant.



In 2022-2023, the MSA BIZ operated with a budget of \$286,914 coming from the property assessment, \$33,734 in a payment in lieu of assessment made by the Downtown Development Authority for its property within the BIZ zone, and \$150 in interest.

Governance

Members of the Main Street BIZ Board of Directors for 2021-2022 are:

- Edward A. Shaffran, The Shaffran Companies, Ltd. Term ends June 30, 2025. Chair.
- Michael C. Martin, First Martin Corporation. Vice-chair. Mr. Martin retired from the board in April, 2023. The board appointed Katie Marek, First Martin Corporation, to compete his term. Term ends June 30, 2025.
- Jeffrey T. Harshe, MAVD. Term ends June 30, 2024. Treasurer.
- Kathy Macdonald, 118 W. Liberty, LLC. Term ends June 30, 2023. Secretary. Ms. Macdonald retired from the board in September, 2022. The seat remains open.

¹ The Main Street BIZ began operation on July 1, 2010 in service of a smaller district, which was expanded to its current boundary in 2014.

- James R. Beuche, Hooper, Hathaway. Term ends June 30, 2025.
- James G. Curtis, Curtis Commercial. Term ends June 30, 2025.
- Ronald K. Dankert, Swisher Commercial. Term ends June 30, 2024.
- Michael Van Patten, Oxford Companies. Term ends June 30, 2023.
- Richard Mitchell, Mitchell + Mouat. Term ends June 30, 2023.
- Tom Murray, Conor O’Neill’s. Term ends June 30, 2023.
- Roger Ahn, Circ Bar. Mayoral appointee. Term ends June 30, 2025.
- Jon Carlson, 2MISSION. Term ends June 30, 2024.
- Michael Watts, Hook, LLC. Term ends June 30, 2025.

The board of directors has been meeting, by Zoom, every other month, with the BIZ Executive Committee meeting, when required, in the off months. Agendas and minutes of board meetings are available on the MSABIZ website: www.annarbormainstreetbiz.org.

BIZ Assessment Formula

The BIZ assessment formula establishes a fixed assessment percentage for each commercial property in the BIZ Zone, based on the number of lineal feet of sidewalks abutting that property and the number of square feet of commercial area in the building on that property.

- *Direct Benefit* – Snow removal and sidewalk debris removal services have been deemed “direct benefits” and were assessed in 2022-2023 at \$22.41/linear foot.
 - *Common Benefit* – Supporting the organizational cost of the BIZ and the appearance of the urban landscape is a shared responsibility, a “common benefit.” For fiscal year 2022-2023, the Common Benefit rate was \$.091/commercial square foot.
- The rates were unchanged from the 2021-2022 assessment.

Some buildings within the Zone include commercial parcels on upper floors. In those buildings, the amount of linear feet charged to an upper-floor parcel is calculated according to the percentage of commercial square feet they own relative to the total commercial square footage within that building. For instance, if a property has 25 linear feet and the upper story parcel represents 20% of the total commercial square feet within the building, then the upper story owner pays for 20% of the linear feet, or five feet of the linear assessment. The BIZ board established this calculation for two reasons: (1) State law requires that every commercial parcel within the BIZ Zone is assessed and (2) as a matter of fairness, upper story commercial properties benefit in equal measure from the BIZ services as do first-floor tenants, and therefore should pay proportionally.

State law governing Business Improvement Zones was amended in 2020 to allow the assessment of owner-occupied residential properties; to date, the BIZ board has elected not to assess owner-occupied residences. State law prohibits the assessment of tax-exempt properties.

BIZ Services

The Main Street Area Business Improvement Zone continues to focus on three primary services:



Sidewalk Snow Removal

Keeping the sidewalks, crosswalks, and curb cuts clean and safe in the winter continues to be the top priority for the BIZ. Sidewalk snow removal services include using environmentally friendly snow-melting compounds for light snowfall, and shoveling for accumulations over one inch.

Outcomes: As of April, 2023, a total of 931 bags of environmentally friendly snow and ice melter were applied and 32 snow shoveling services conducted during the 2022-2023 winter season. As in past years, when snow is not present or forecast, the

BIZ continued its sidewalk sweeping services (see below)



Sidewalk Sweeping

Maintaining debris-free and inviting sidewalks is a year-round responsibility. The MSA BIZ continued to provide sidewalk services including sweeping, vacuuming, handbill removal, and graffiti removal.

Outcomes: As of April, 2023, sidewalk services in 2022-2023 resulted in 135 sidewalk-sweeping services and 10 handbill removals. This represents an increase in the frequency of sidewalk attention, largely because of continued outdoor dining and beverage service.



Landscaping

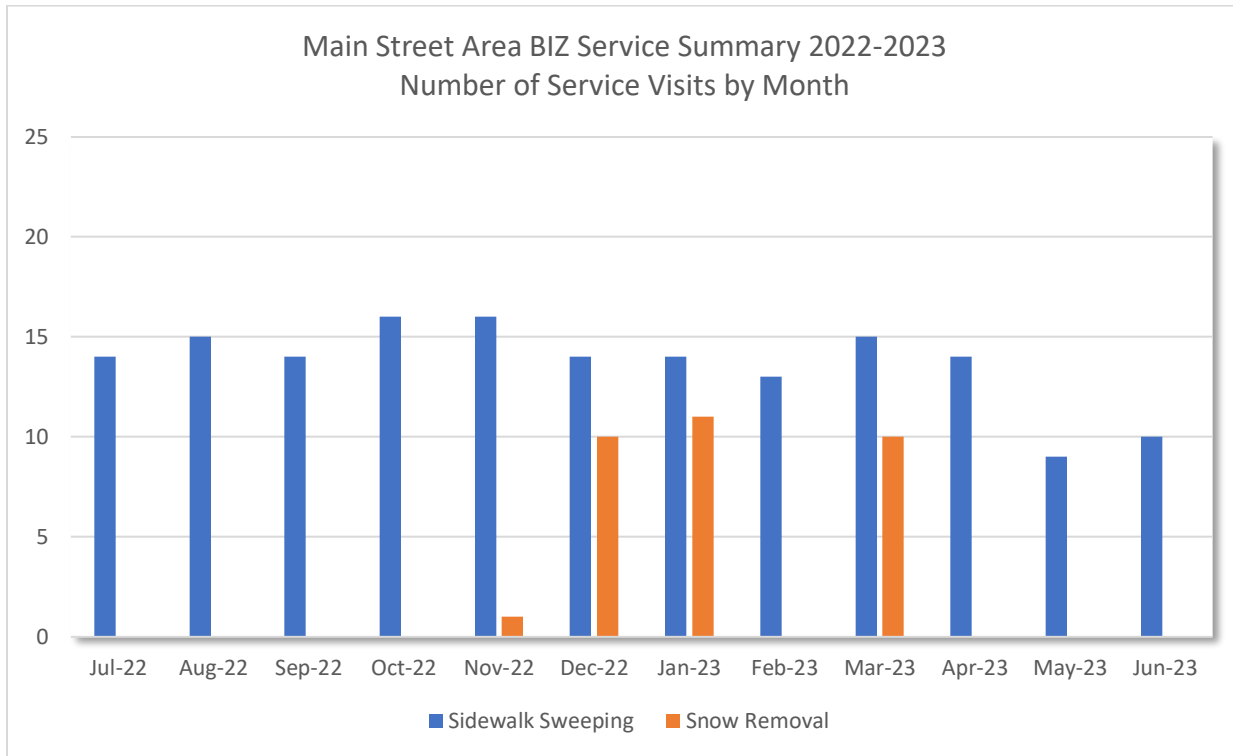
For the past 13 years, the Main Street BIZ /Main Street Area BIZ has built upon the district's attractive urban landscape by expanding the landscape area beyond Main Street and contributing \$10,000 per year to the Main Street Area Association (MSAA) for planting and plant maintenance of the 46 planter boxes on Main Street.

Outcomes: In 2022-2023, in addition to the scheduled \$10,000 BIZ contribution for the planters along Main Street, the MSA BIZ continued to maintain the 24 planters not on Main Street. Three seasonal plantings (and a special Holiday display), Spring and Fall cleanup, mulching, installation of holiday lights, and relocation of planters, as needed, required 168 labor hours to accomplish, as of April, 2023.

The BIZ continues to explore ways to expand the landscaping program, including the creation of artwork for the existing 24 planters.

2022-2023 Service Summary

As of April 23



Note: May and June figures are estimates, based on previous years' performance.

2022-2023 Budget-to-Actual Comparison

(as of 3.31.2022)

REVENUE	Budget	Year to Date (as of 3.31.2023)	% of Budget
Tax Assessment	\$289,880.00	\$289,155.00	99.29%
Late Fees/Delinquent Interest	\$0.00	\$0.00	0.00%
DDA Contribution	\$33,734.00	\$33,734.00	100.00%
Savings Account Interest	\$150.00	\$686.00	18.00%
TOTAL REVENUE	\$323,764.00	\$323,575.00	99.33%
EXPENSES			
BIZ Service Expenses			
Snow Removal & Salting	\$115,000.00	\$85,356.00	65.45%
Sidewalk Sweeping	\$75,518.00	\$79,980.00	105.91% ²
Handbill Removal	\$5,520.00	\$4,600.00	83.33%
Landscape Services	\$52,000.00	\$39,939.00	50.94%
Landscape Contribution	\$10,000.00	\$0.00	0.00%
Total BIZ Service Expenses	\$258,500.00	\$207,530.00	72.72%
Other Expenses			
Delinquency Fund (2.5% of assess)	\$7,247.00	\$0.00	0.00%
Contingency Fund (4.7% of assess)	\$13,624.00	\$0.00	0.00%
Total Other Expenses	\$20,871.00	\$0.00	0.00%
Administrative Expenses			
Operations Manager	\$18,000.00	\$13,500.00	83.33%
Business/Executive Services	\$14,400.00	\$10,800.00	83.33%
Insurance	\$2,335.00	\$2,380.00	93.40%
Printing	\$600.00	\$116.00	20.33%
Website Hosting & Maintenance	\$1,200.00	\$1,125.00	120.92%
Parking Expense	\$30.00	\$0.00	6.67%
Internet Service	\$1,001.00	\$925.00	87.41%
Expenditure Audit	\$4,200.00	\$0.00	0.00%
Legal Services	\$1,500.00	\$0.00	0.00%
Miscellaneous Admin. Expenses (bank charges)	\$1,127.00	\$3.00	0.00%
Total Administrative Expenses	\$44,393.00	\$28,849.00	65.90%
TOTAL BIZ EXPENSES	\$323,764.00	\$236,379.00	67.00%
NET RESERVE (to date)	\$0.00	\$87,385.00	

² Sidewalk sweeping is over budget due to demand for sweeping as a result of sidewalk dining.

2021-2022 Audit of Expenditures

As of the date of publication of the Annual Report, the 2021-2022 Audit of Expenditures has not been completed.

Plans for 2023-2024 and Beyond

As mandated by State law, the Main Street Area BIZ will undertake a BIZ renewal campaign and vote. The renewed MSA BIZ will begin its second ten-year term with FY 2024-2025 (July 1, 2024-June 30, 2025). And ever since its inception in 2010, the BIZ continues to work with the Downtown Development Authority, the Main Street Area Association, leaders from the other downtown commercial districts in Ann Arbor, and the City, to increase downtown's appeal.

Conclusion

From 2010 to 2014, the original Business Improvement Zone delivered high-quality services to property owners on Main Street, with the board of directors making adjustments to service scheduling and frequency based on each year's weather conditions. As the expanded Main Street Area BIZ enters its tenth year, the board, staff, and service providers will maintain their focus and commitment to the thirteen-year track record of excellence as a 'lean and mean' operation, one that delivers an attractive and safe Main Street Area environment year-round.