

DOWNTOWN DEVELOPMENT AUTHORITY

The DDA Board of Directors will hold a public hearing on the budget Friday, May 21, 2010 at 8 a.m., Commission Chambers, Second Floor, Governmental Center. The Board is scheduled to approve the budget on June 18, 2010.

The Downtown Development Authority (DDA) is an arm of the City of Traverse responsible for maintaining the vitality of the Central Business District. Working with private developers, land owners and governmental agencies, and armed with public funds to assist in re-development efforts, the DDA is continuing to keep downtown's vibrant environment. The DDA also directly operates the Sara Hardy Downtown Farmer's Market. Through a contract with the City of Traverse City, the DDA manages the Auto Parking System (APS). At this point, no changes in compensation to the DDA for management of APS are envisioned. However, as explained below, there may need to be adjustments after full evaluation has been conducted on the impact of the opening of the Old Town Deck on operations has been conducted. The DDA has a management agreement with the Downtown Traverse City Association (DTCA) the marketing, communication and events arm of downtown. In addition, it is anticipated in the coming budget that the City of Traverse City will contract for services for Community Development. The revenues from these contracts, as well as projected re-imbursments from the Tax Increment Financing District funds, are shown in the Administrative Services Income line items of the budget. That amount is higher in the coming year to reflect the addition of the revenue from a Community Development contract.

To meet the obligations of the management agreements remaining, the DDA will have eight full time employees, and five part time employees. The current APS Administrator will retire in the coming year, and it is anticipated that he will be moved to a contractual position with fewer hours for a period of time shortly after the opening of the Old Town Parking Deck. The current Deputy Administrator will be elevated to a position of Acting Administrator. During this transition, the operational costs of the APS, with two parking decks on-line, will be thoroughly evaluated along with appropriate staffing levels. It is anticipated that a five month transition period following the opening of the Old Town Deck will be needed in order to formally retire the current Administrator and hire a replacement, which may or many not be the then Acting Administrator. In addition, the DDA intends to contract for accounting and bookkeeping services in recognition of the loss of 50% of the Executive Director's time to the City for Community Development. The expenditure of funds for that contract and the APS Administrator's gradual retirement are shown in the Professional/Contractual line item, the only major change in the DDA budgeted expenses.

By sharing our staff members, office space, equipment and other overhead over the various functions of the APS, DTCA, and the TIF projects, we are able to keep costs to a minimum. All staff will continue to be cross-trained and flexible, dedicating their time on an as-needed basis to the various projects created by the administrative contracts.

City of Traverse City, Michigan
COMPONENT UNIT
DOWNTOWN DEVELOPMENT AUTHORITY FUND
For the Budget Year 2010-11

	FY 07/08 Actual	FY 08/09 Actual	FY 09/10 Budget	FY 09/10 Projected	FY 10/11 Requested
REVENUES					
Property Taxes	\$ 65,589	\$ 65,589	\$ 64,000	\$ 62,900	\$ 65,000
Grant	-	45,000	-	-	-
Reimbursements	402,628	396,590	441,000	441,000	499,000
Rental Income	35,580	38,480	36,000	36,000	36,000
Interest Revenue	6,142	2,448	2,000	1,600	1,500
Miscellaneous	-	-	-	30	-
TOTAL REVENUES	509,939	548,107	543,000	541,530	601,500
EXPENDITURES					
Salaries and Wages	345,874	378,593	390,900	405,000	416,000
Fringe Benefits	86,799	59,898	108,200	90,450	96,200
Office/Operating Supplies	7,569	10,491	12,500	10,500	12,500
Professional Services	8,195	4,045	4,000	7,000	40,000
Communications	5,225	5,526	6,100	5,500	6,100
Transportation	39	176	2,100	1,500	2,100
Lodging/Meals	2,954	2,699	5,200	4,800	5,200
Training	1,302	315	1,500	1,500	1,500
Community Promotion	568	940	2,500	2,000	2,500
Printing and Publishing	4,822	3,574	4,000	4,000	4,000
Insurance and Bonds	1,010	1,594	1,200	1,800	1,800
Utilities	11,481	4,854	6,000	6,200	6,300
Repairs and Maintenance	2,275	2,342	2,500	2,500	2,500
Rentals	5,904	4,219	6,000	6,700	6,700
Legal Services	210	828	500	500	500
Miscellaneous	314	132	500	500	500
Capital Outlay	1,999	57,107	13,500	13,500	4,000
TOTAL EXPENDITURES	486,540	537,333	567,200	563,950	608,400
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	23,399	10,774	(24,200)	(22,420)	(6,900)
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Beginning Fund Balance	260,577	283,976	294,750	294,750	272,330
Ending Fund Balance	\$ 283,976	\$ 294,750	\$ 270,550	\$ 272,330	\$ 265,430
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Personnel Services %	88.93%	81.61%	87.99%	87.85%	84.19%