

DDA TAX INCREMENT FINANCING FUND #2

The DDA Board of Directors will hold a public hearing on the Tax Increment Financing Fund #2 budget for 2010-11 on 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.

Tax Increment Financing Fund #2 accounts for the public activities in the area of Old Town, including River's Edge and the Midtown project. Over the remaining life of the fund, it will make payments on the Old Town Parking Deck bonds. The budgeted amount for 2010-11 is \$1,205,706 shown as a Transfer Out to Dept Service Fund. Other expenses are to compensate the City of Traverse City for engineering and other costs and the DDA for administrative and operational costs.

As in the past year, the City of Traverse City compensation will be based on .1% of the taxable value in the district, estimated to be \$30,468. While legal costs are still invoiced to the DDA, the City does not invoice for audit and insurance costs as in the past.

Included in the Capital Improvement Plan is an expenditure of \$162,000 for streetscapes anticipated on Cass and/or Lake Streets.

The third re-payment from the Grand Traverse County Brownfield Redevelopment Authority for infrastructure previously paid by the TIF 2 fund is expected in the coming year in the amount of \$333,000.

City of Traverse City, Michigan
COMPONENT UNIT
TAX INCREMENT FINANCING 2 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 | \$ 642,100 | \$ 667,405 | \$ 710,300 | \$ 710,300 | \$ 705,600 |
| Reimbursements | - | 260,000 | 383,000 | 322,000 | 333,000 |
| Interest Revenue | 29,648 | 33,323 | 13,000 | 25,000 | 13,000 |
| TOTAL REVENUES | 671,748 | 960,728 | 1,106,300 | 1,057,300 | 1,051,600 |
| EXPENDITURES | | | | | |
| Administrative / Engineering | 58,385 | 64,568 | 81,000 | 81,000 | 85,000 |
| Professional Services | 37,188 | 60,414 | 55,000 | 55,000 | 55,000 |
| Printing and Publishing | 140 | 590 | 500 | 500 | 500 |
| Insurance and Bonds | - | 1,298 | - | 1,336 | - |
| Contribution To Other Governments | - | 3,249 | 1,094,500 | 940,938 | 1,205,706 |
| Capital Outlay | - | 26,643 | 317,600 | 120,000 | 162,000 |
| TOTAL EXPENDITURES | 95,713 | 156,762 | 1,548,600 | 1,198,774 | 1,508,206 |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES | 576,035 | 803,966 | (442,300) | (141,474) | (456,606) |
| <hr/> | | | | | |
| Beginning Fund Balance | 869,412 | 1,445,447 | 2,249,413 | 2,249,413 | 2,107,939 |
| Ending Fund Balance | <u>\$ 1,445,447</u> | <u>\$ 2,249,413</u> | <u>\$ 1,807,113</u> | <u>\$ 2,107,939</u> | <u>\$ 1,651,333</u> |