

## **DDA TAX INCREMENT FINANCING #97 FUND**

The DDA Board of Directors held a public hearing on the Tax Increment Financing Fund #97 budget for 2010-11 on Friday, May 21, 2010 at 8 a.m., Commission Chambers, Second Floor, Governmental Center, and is scheduled to approve the budget on June 18, 2010.

Tax Increment Financing 97 Fund accounts for the public activities in the northern part of downtown. Over the next 17 years this fund will continue to make payments on the Hardy Parking Deck bonds. The budgeted amount for 2010-11 is \$651,750 shown as a Transfer Out to Debt Service Fund. Other expenses are to compensate the City of Traverse City for engineering and other work 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 \$78,127. While legal costs are still invoiced to the DDA, the City does not invoice for audit and insurance costs as in the past.

The largest expenditures are in capital outlay. While the Capital Improvement Plan (CIP) details \$1,832,400 in expenditures, only \$1,600,000 is budgeted due to the limitations of the fund. Those envisioned in 2010-11 include:

**BAYFRONT REVITALIZATION PROJECT (\$817,400)** This includes \$225,400 for the first of a two year commitment to match the Department of Natural Resources grant for implementation of the first Bayfront project, the Clinch Park Bayfront access, and children's natural playground. In addition \$592,000 is reserved for other Bayfront revitalization projects.

**400 BLOCK ALLEY (\$15,000)** This envisions the TIF 97 fund covering one half of the City's 25% share of a Special Assessment in the alley behind businesses on the south side of 400 East Front Street. One half of the alley is within the TIF district.

**PEDESTRIAN TUNNEL (767,600)** This envisions expending part of the estimated \$1,000,000 to install a tunnel at the north end of the planned Pine Street Pedestrian Way under the Grandview Parkway to the Open Space, as supported in the recent Bayfront Planning efforts. This work will NOT occur unless the anticipated redevelopments of the properties adjacent to the west occur, a hotel project.

The revenue line item "Contribution for Other Governmental Entity" includes a planned \$145,997 reimbursement from the Grand Traverse County Brownfield Redevelopment Authority (BRA) for costs associated with the Hardy Parking Deck, and \$7,309 in reimbursement from the 305 East Front Street Brownfield if a four way development agreement is approved by the developer, the DDA, the City, the BRA and the State of Michigan is approved and the private development occurs in the coming year.

City of Traverse City, Michigan  
**COMPONENT UNIT**  
**TAX INCREMENT FINANCING 97 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
<b>REVENUES</b>					
Property Taxes	\$ 967,527	\$ 1,073,464	\$ 1,106,880	\$ 1,106,880	\$ 1,155,500
Reimbursements	163,882	184,000	189,000	145,245	153,300
Interest Revenue	26,060	24,752	25,000	17,800	14,000
<b>TOTAL REVENUES</b>	<b>1,157,469</b>	<b>1,282,216</b>	<b>1,320,880</b>	<b>1,269,925</b>	<b>1,322,800</b>
<b>EXPENDITURES</b>					
Professional Services	87,634	133,428	262,000	285,346	140,000
Printing and Publishing	658	244	250	2,250	2,280
Insurance and Bonds	-	1,917	-	-	-
Contribution To Other Governmen	677,453	662,913	652,850	652,850	651,750
Capital Outlay	94,886	182,775	1,490,000	429,212	1,600,000
<b>TOTAL EXPENDITURES</b>	<b>860,631</b>	<b>981,277</b>	<b>2,405,100</b>	<b>1,369,658</b>	<b>2,394,030</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>296,838</b>	<b>300,939</b>	<b>(1,084,220)</b>	<b>(99,733)</b>	<b>(1,071,230)</b>
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Beginning Fund Balance	604,044	900,882	1,201,821	1,201,821	1,102,088
Ending Fund Balance	\$ 900,882	\$ 1,201,821	\$ 117,601	\$ 1,102,088	\$ 30,858