

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 2011-12 on Friday, May 20, 2011 at 8 a.m., Commission Chambers, Second Floor, Governmental Center. The Board is scheduled to approve the budget on June 17, 2011.

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 2011-12 is \$1,293,800 shown as a Transfer Out to Debt 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 \$32,000. 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 \$81,000 for streetscapes anticipated on Cass and/or Lake Streets, and \$20,750 as an annual payment for WIFI.

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 \$351,000.

City of Traverse City, Michigan
COMPONENT UNIT
TAX INCREMENT FINANCING 2 FUND
For the Budget Year 2011-12

	FY 08/09 Actual	FY 09/10 Actual	FY 10/11 Budget	FY 10/11 Projected	FY 11/12 Requested
REVENUES					
Property Taxes	\$ 667,405	\$ 709,797	\$ 705,600	\$ 707,300	\$ 760,200
Reimbursements	260,000	322,000	333,000	345,000	351,000
Interest Revenue	33,323	21,789	13,000	6,500	5,000
TOTAL REVENUES	960,728	1,053,586	1,051,600	1,058,800	1,116,200
EXPENDITURES					
Administrative / Engineering	64,568	66,635	85,000	75,000	81,000
Professional Services	60,414	34,100	55,000	32,000	40,000
Printing and Publishing	590	99	500	500	500
Insurance and Bonds	1,298	1,336	-	-	-
Contribution To Other Governments	3,249	940,938	1,205,706	1,205,706	1,293,800
Capital Outlay	26,643	109,297	162,000	66,000	101,750
TOTAL EXPENDITURES	156,762	1,152,405	1,508,206	1,379,206	1,517,050
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	803,966	(98,819)	(456,606)	(320,406)	(400,850)
<hr/>					
Beginning Fund Balance	1,445,447	2,249,413	2,150,594	2,150,594	1,830,188
Ending Fund Balance	<u>\$ 2,249,413</u>	<u>\$ 2,150,594</u>	<u>\$ 1,693,988</u>	<u>\$ 1,830,188</u>	<u>\$ 1,429,338</u>