

DDA TAX INCREMENT FINANCING #97 FUND

The DDA Board of Directors will hold a public hearing on the Tax Increment Financing Fund #97 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 97 Fund accounts for the public activities in the northern part of downtown. Over the next 16 years this fund will continue to make payments on the Hardy Parking Deck bonds. The budgeted amount for 2011-12 is \$675,045 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 \$84,332. 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 \$1,671,900 in expenditures, only \$1,371,900 is budgeted due to the limitations of the fund, and a realization that it is most unlikely the entire Garland Street Streetscapes project will be completed in the coming year. The DDA Board of Directors went through a prioritization process with the Warehouse District, Bayfront and West Front as the top priorities. They also recognized that many of the projects are tied directly with the private sector, and those are notated in the descriptions below:

BAYFRONT IMPLEMENTATION (\$225,400) This is the second of a two year commitment to match the Department of Natural Resources grant for implementation of the first Bayfront project, the Clinch Park Restroom/Changing facilities, Bayfront access, and children's natural playground. At this time it is unclear whether the full \$450,800 will be split evenly between this and next fiscal year, but that is how it is shown in the plan.

GARLAND STREET RECONSTRUCTION (\$300,000) *Hotel Indigo and adjacent properties.* While the CIP envisions the total cost to be \$600,000, the budget includes \$300,000 because we do not expect to complete the entire project within the upcoming year. Redevelopment of the properties to the east of the Hotel and tunnel is hoped for before streetscapes is completed.

GARLAND STREET TUNNEL (\$555,000) *Hotel Indigo and adjacent properties.* This includes one half of the projected \$1 million plus \$55,000 for a sewer upgrade in Grandview Parkway. Again, this development will be tied to the construction of the hotel and will be limited by the approved developers' agreements already in place. What part of the full \$1 million is spent in which year is shown as 50/50 at this time.

PUBLIC RESTROOMS (\$250,000) The Public Restroom Committee is pursuing a public/private partnership for restrooms downtown rather than a free standing facility. Current opportunities are being pursued and may come to fruition in the coming year.

WIFI (\$41,500) – This project, if pursued with Traverse City Light & Power, will require a commitment over ten years.

RIVERWEST PARKING – This development if pursued by the DDA Board and City Commission will require bonding for the construction of a parking deck at Pine and Front Streets. Such bonding will rely on the new investment from the *Riverwest Development* and other revenue in the TIF 97 fund at the time it is put forward. At that time, the City will need to determine the viability of the funding in relationship to other projects listed. Likewise the DDA has listed improvements to the public parks and Boardman River around *Real Estate One* on East Front Street in FY 2012-13, and if that private project proceeds earlier, the determination of funding those projects will be based on the tax base generated by the development and the status of the TIF fund at

the time.

The revenue line item “Contribution for Other Governmental Entity” includes a planned \$149,000 reimbursement from the Grand Traverse County Brownfield Redevelopment Authority (BRA) for costs associated with the Hardy Parking Deck. The \$45,000 revenue from grants is expected from the Coastal Management Program to reimburse the DDA for costs associated with engineering the Tunnel.

City of Traverse City, Michigan
COMPONENT UNIT
TAX INCREMENT FINANCING 97 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	\$ 1,073,464	\$ 1,106,949	\$ 1,155,500	\$ 1,155,500	\$ 1,352,600
Grants	-	-	-	-	45,000
Reimbursements	184,000	145,245	153,300	145,000	149,000
Interest Revenue	24,752	13,619	14,000	6,400	5,000
TOTAL REVENUES	1,282,216	1,265,813	1,322,800	1,306,900	1,551,600
EXPENDITURES					
Professional Services	133,428	294,009	140,000	280,900	150,000
Printing and Publishing	244	120	2,280	1,000	1,000
Insurance and Bonds	1,917	2,069	-	-	-
Contribution To Other Governmen	662,913	652,198	651,750	651,250	675,045
Capital Outlay	182,775	359,434	1,600,000	768,494	1,371,900
TOTAL EXPENDITURES	981,277	1,307,830	2,394,030	1,701,644	2,197,945
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	300,939	(42,017)	(1,071,230)	(394,744)	(646,345)
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Beginning Fund Balance	900,882	1,201,821	1,159,804	1,159,804	765,060
Ending Fund Balance	\$ 1,201,821	\$ 1,159,804	\$ 88,574	\$ 765,060	\$ 118,715