

DDA GENERAL OPERATING

Department: Downtown Development Authority DDA General Operating

Link to Website: www.dda.downtowntc.com

Mission: To create, support and promote critical infrastructure and other improvements that enhance the downtown experience, promote business growth, serve as a catalyst for private investment and contribute to the year-round vitality and unique sense-of-place of downtown Traverse City.

The Downtown Development Authority (DDA) Board of Directors will hold a public hearing on their 2023/2024 budget on Friday, May 19, 2023 at 9:00a.m. The DDA Board is scheduled to approve the budget on June 16, 2023.

The DDA is a Component Unit of the City of Traverse City and responsible for maintaining the vitality of the Central Business District. The DDA accomplishes this by focusing on four core components:

- Public Improvements
- Business support
- Marketing
- Events

Under its Operation Budget revenue line item, the DDA has two contracts. The first contract is with the DTCA for marketing and events. The second contract is with the City of Traverse City to manage parking operations. All employees assigned to manage and facilitate parking are considered employees of the DDA. The total contract amount for this support in 2023/2024 will be \$825,000. This contract solely covers the cost of the employees assigned to parking. No management fee is provided to the DDA.

City of Traverse City, Michigan
DDA COMPONENT UNIT
DDA GENERAL FUND
For the Budget Year 2023-24

	<u>FY 21/22</u> <u>Audited</u>	<u>FY 22/23</u> <u>Budgeted</u>	<u>FY 22/23</u> <u>Projected</u>	<u>FY 23/24</u> <u>Requested</u>
REVENUES				
Taxes	\$ 129,683	\$ 129,000	\$ 129,000	\$ 130,000
Grants and Reimbursements	1,947,124	1,200,000	1,200,000	\$ 100,000
Reimbursements	1,465,333	1,236,600	1,236,600	1,585,359
Rental Income	0	90,000	90,000	115,000
Interest Income	915	600	600	1,000
Miscellaneous	0	0	0	0
TOTAL REVENUES	<u>3,543,055</u>	<u>2,656,200</u>	<u>2,656,200</u>	<u>1,931,359</u>
EXPENDITURES				1,450,516
Salaries and Wages	874,456	955,400	998,709	1,060,134
Fringe Benefits	273,587	320,000	296,151	390,382
Office Supplies and Utilities	104,960	64,000	45,800	63,000
Professional Services	677,286	306,800	325,000	265,000
Travel and Conferences	13,415	25,000	25,000	30,000
Repairs and Maintenance	0	0	0	0
Grants	1,672	96,000	96,000	45,000
Civic Square	1,758,802	1,050,000	1,050,000	50,000
TOTAL EXPENDITURES	<u>3,704,178</u>	<u>2,817,200</u>	<u>2,836,660</u>	<u>1,903,516</u>
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	(161,123)	(161,000)	(180,460)	27,843
Beginning Fund Balance	<u>897,307</u>	<u>736,184</u>	<u>736,184</u>	<u>555,724</u>
Ending Fund Balance	<u>\$ 736,184</u>	<u>\$ 575,184</u>	<u>\$ 555,724</u>	<u>\$ 583,567</u>

DDA TAX INCREMENT FINANCING #97 FUND

Department: Downtown Development Authority TIF 97

Link to Website: www.dda.downtowntc.com

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Tax Increment Financing: A regional financing tool to protect, maintain and improve critical public infrastructure in support of business, economic and community development within Downtown Traverse City.

The DDA Board of Directors will hold a public hearing on the Tax Increment Financing Fund 97 (TIF97) budget for fiscal year 2023/2024 on Friday, May 19, 2023 at 9:00a.m. The Board is scheduled to approve the budget at their regular board meeting on June 16, 2023.

New Initiatives or Budget Changes:

- **Service Agreement.** The DDA has worked over the last two years with City Administration to identify a service agreement, which identifies services that the City provides to the Downtown as well as compensation for these services. For this fiscal year, based on the information received from Departments, the DDA will pay the City \$677,743.
- **Contract for trash services.** Separate from the service agreement, this is a direct contract with GFL for trash and recycling services for Downtown. This is a significant change and assistance to the Parks and Recreation Department, moving responsibility from in-house to contract services.
- **Retail Incubator.** Space has been identified at 116 Cass for this new operation.
- **Community Police Officer:** This fiscal year the DDA will move from a part-time to full-time Community Police Office (CPO). This change is consistent with the Agreement between the City/DDA to begin the first 3 years to fund part-time of a CPO and if successful move to full-time costs.

Public Infrastructure Projects Include:

- **Design and Engineering:** Moving forward with final design and engineering services for the Lower Boardman/Ottaway Downtown Riverwalk and the West End Parking Structure.
- **Two-Way Pilot Project (State Street):** The two-way pilot project, including State Street, Boardman Avenue and Pine Street will remain a line-item in the budget for the duration of the pilot project.

- **Plan Implementation for Mobility and TART Trail Extension:** With both Plans being funded in partnership with the City (Mobility) and City and TART (Extension). Once both Plans are completed, we will work on implementation occurring over the next several years.
- **Composting:** Create a composting program specifically for downtown that features unmanned containers for the general public as well as targeted receptacles for downtown restaurants and other food venues. This would require exploring options for hauling the compost waste to another location. A specific downtown program could also be created simultaneously and in coordination with the city's project as well.

City of Traverse City, Michigan
DDA COMPONENT UNIT
97 FINANCING FUND
For the Budget Year 2023-24

	FY 21/22 Audited	FY 22/23 Budgeted	FY 23/24 Requested
REVENUES			
Property Taxes	\$ 3,154,318	\$ 3,778,000	\$ 4,180,861
Grant and Reimbursements	0	0	40,000
Reimbursements	433,721	200,000	130,000
Interest Income	4,690	2,000	4,500
TOTAL REVENUES	3,592,729	3,980,000	4,355,361
EXPENDITURES			
Professional Services	1,121,094	732,000	1,672,563
Printing and Publishing	66,035	200	20,000
Repair & Maintenance	0	250,000	250,000
Contribution to District Construction Project	515,888	2,271,500	2,125,000
Contribution to City - Debt Service	930,697	973,200	953,440
	\$ 13,206.00	\$ -	
TOTAL EXPENDITURES	2,646,920	4,226,900	5,021,003
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	945,809	(246,900)	(665,643)
OTHER FINANCING SOURCES (USES)			
Operating Transfer	0	0	0
NET CHANGE IN FUND BALANCE	945,809	(246,900)	(665,643)
Beginning Fund Balance	3,866,612	4,812,421	9,403,165
Ending Fund Balance	\$4,812,421	\$4,565,521	\$8,737,523

DDA TAX INCREMENT FINANCING OLD TOWN TIF

Department: Downtown Development Authority Old Town

Link to Website: www.dda.downtowntc.com

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Tax Increment Financing: A regional financing tool to protect, maintain and improve the Downtown where all people, not just the residents, utilize infrastructure for place of business, entertainment and commerce.

The Downtown Development Authority (DDA) Board of Directors will hold a public hearing on the 2023/2024 Old Town TIF budget on Friday, May 19, 2023 at 9:00a.m. The DDA Board is scheduled to approve the budget on at the regular meeting on June 16, 2023.

New Initiatives or Budget Changes:

Professional Services:

- **Service Agreement.** The DDA has worked over the last two years with City Administration to identify a service agreement, which identifies and recognizes services that the City provides to the Downtown and compensate for these services. For this fiscal year, based on the information received from Departments, the DDA will pay the City \$122,311.
- **Maintenance and Operation:** The DDA will be working on the new services that will now be the responsibility of the DDA under the Service Agreement and will be purchasing a truck and sidewalk cleaning in order to properly maintain and clean the downtown infrastructure.

Public Infrastructure

- **Midtown Riverwalk,** which was put in over 20 years ago, is due for replacement. Replacement of the Midtown Riverwalk will take two years. Our design and aesthetic (e.g., materials) template will be consistent with the themes outlined in the Lower Boardman Unified Plan and the Conceptual Plan for the 100/200 Block Riverwalk.
- **Hannah Park Improvement:** Project will enhance the pedestrian overlook of the river and Hannah Park as well as improvements to the staircase leading from the overlook to the riverbank.
- **Eighth Street Intersection Improvements at Cass and Union:** Working with streets and engineering departments to replace both intersections.
- **Mobility Implementation:** Plan completed, with implementation occurring over the next several years.

City of Traverse City, Michigan
DDA COMPONENT UNIT
OLD TOWN FINANCING

For the Budget Year 2023-24

	FY 21/22 <u>Actual</u>	FY 22/23 <u>Budgeted</u>	FY 22/23 <u>Projected</u>	FY 23/24 <u>Requestd</u>
REVENUES				
Property Taxes	\$593,951	\$702,800	\$ 717,791	\$ 841,481
Reimbursements	-	-	-	-
Interest Income	113	200	200	100
TOTAL REVENUES	<u>594,064</u>	<u>703,000</u>	<u>717,991</u>	<u>841,581</u>
EXPENDITURES				
Professional Services	210,587	118,800	118,810	303,350
Printing and Publishing	0	100	100	100
Contribution to District Construction Project	191,558	917,000	245,000	805,000
TOTAL EXPENDITURES	<u>402,145</u>	<u>1,035,900</u>	<u>363,910</u>	<u>1,108,450</u>
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	191,919	(332,900)	354,081	(266,869)
OTHER FINANCING SOURCES (USES)				
Operating Transfer	-	-	-	-
NET CHANGE IN FUND BALANCE	191,919	(332,900)	354,081	(266,869)
Beginning Fund Balance	522,468	714,387	714,387	1,068,468
Ending Fund Balance	<u>\$ 714,387</u>	<u>\$ 381,487</u>	<u>\$ 1,068,468</u>	<u>\$ 801,599</u>