DOWNTOWN DEVELOPMENT AUTHORITY GENERAL OPERATING

The Downtown Development Authority (DDA) Board of Directors will hold a public hearing on the fiscal year 2019-2020 budget Friday, May 17, 2019 at 8 a.m. Commission Chambers, Second Floor, Governmental Center. The Board is scheduled to approve the budget on June 21, 2019.

The DDA is a component unit of the City of Traverse City responsible for undertaking public improvements that have the greatest impact on strengthening the downtown area and attracting new private investments. Through strategic investments in infrastructure, mobility and parking, marketing, business support, thoughtful leadership, passionate advocacy, key collaborative partnerships and in-depth public engagement, the Downtown is healthy and growing.

Partnerships are key to the health and well being of Downtown. Through a contract with the City of Traverse City, the DDA manages the Traverse City Parking Systems (TCPS). The fee for this agreement has been carefully reviewed to ensure that employees assigned to parking are compensated through this self-sustaining fund. My proposal, as indicated last year, was to identify the best practices and coverage for an operation that runs from 7:00 am to midnight, Monday through Saturday and 7:00 am to 11:00 pm on Sunday, while allowing for a fluctuation during the area's numerous community events. My proposal for this year includes:

- Converting one Part-Time Maintenance Technician into a Full-Time position
- Converting one Part-time Office Specialist to a Full-Time Office Specialist position

Part-time positions will decrease from 8 to 6 and Full-Time seasonal employees will remain at two for office operations and one for parking enforcement. An Increased salary of $13.00/hour for part-time employees will put us in a more competitive environment when recruiting/ and retaining new talent. This has been a consistent struggle within the Parking Department. Rather than hiring full-time positions, we hope to attract new, part-time hires with the increased hourly rate. The total number of employees within Traverse City Parking Services would then become 11 full-time, 6 part-time and 3 seasonal full-time.

A contribution of $5,000 to assist BATA with its free Bayline program has also been recommended. The program has proven successful in the first year of operation and has eased coming into downtown on public transit, assisting both employees and visitors with alternative transportation options to reduce the parking demand.

The DDA will maintain a contract with the Retail/Business Association (Downtown Traverse City Association) to cover all of the events and marketing for Downtown. This contract includes the enhancement and retention of existing retail businesses in the City Center.

In addition, one additional position is recommended at the DDA. A Chief Operations Officer will have a strong strategic and financial background, working with the CEO on board goals, policies and procedures.

City of Traverse City, Michigan
DDA COMPONENT UNIT
DDA GENERAL FUND
For the Budget Year 2019-20

	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Budget	FY 18/19 Projected	FY 19/20 Requested
REVENUES					
Property Taxes	$ 138,929	$ 192,798	$ 137,464	$ 137,464	$ 137,500
Grants and contributions	-	10,000	-	-	-
Reimbursements	699,192	767,999	1,000,706	996,706	1,195,400
Rental Income	53,185	55,015	53,000	53,000	53,000
Interest Revenue	346	563	200	200	200
TOTAL REVENUES	891,652	1,026,375	1,191,370	1,187,370	1,386,100
EXPENDITURES					
Salaries and Wages	621,599	683,448	740,772	740,772	892,000
Fringe Benefits	144,257	115,630	200,074	200,074	269,000
Office/Operating Supplies	6,852	12,818	10,000	10,000	13,000
Professional Services	61,709	46,729	54,000	80,000	87,000
Communications	5,137	6,483	4,800	4,800	6,000
Transportation	596	2,453	2,000	2,000	4,000
Lodging/Meals	4,220	5,211	10,000	10,000	10,000
Training	1,435	1,718	7,000	7,000	10,000
Community Promotion	12,916	14,930	11,500	11,500	20,000
Printing and Publishing	1,826	5,064	1,500	1,500	5,000
Insurance and Bonds	1,297	1,586	1,800	1,800	1,800
Utilities	7,357	4,816	7,100	7,100	9,000
Repairs and Maintenance	1,950	3,325	2,200	2,200	2,200
Rentals	8,023	8,083	9,000	9,000	9,000
Legal Services	-	-	4,500	4,500	5,000
Miscellaneous	1,205	195	400	400	2,000
Capital Outlay	4,579	8,061	6,000	6,000	9,000
TOTAL EXPENDITURES	884,958	920,550	1,072,646	1,098,646	1,354,000
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	6,694	105,825	118,724	88,724	32,100
Beginning Fund Balance	390,816	397,510	503,335	503,335	592,059
Ending Fund Balance	$ 397,510	$ 503,335	$ 622,059	$ 592,059	$ 624,159

DDA TAX INCREMENT FINANCING #97 FUND

The DDA Board of Directors will hold a public hearing on the Tax Increment Financing Fund #97 (TIF97) budget for fiscal year 2019-20 on Friday, May 17, 2019 at 8 a.m., Commission Chambers, Second Floor, Governmental Center. The Board is scheduled to approve the budget on June 21, 2019.

The TIF 97 Fund accounts for the public activities in the northern part of downtown. Over the next 9 years, this fund will continue to make payments on the Hardy Parking Deck bonds. The budgeted amount for 2019-20 is $859,500, as indicated within the "Contribution to City – Debt Service" line item. The administrative fee for the City compensation will be based on 0.1% of the taxable value in the district, and the DDA administrative fee will be calculated at 0.2%.

An ongoing cost within the Professional Services line item is dedicated to the Downtown WIFI project. TIF 97 will pay $65,000 in fiscal year 2019-20 towards WIFI. Additional professional services include $50,000 to the City of Traverse City for a police sector/community police officer for the downtown area. This amount would be approximately one-half of the cost for an officer. The DDA is recommending that this community police officer be tied to a five-year agreement with the City.

Capital Improvement Projects within the TIF 97 district include:

- ✓ **Bridge Repairs for**:
  - West Front Street
  - South Cass
  - Park Street
  - North Cass
- ✓ **Traffic Signal Arm Mast (2):** The mast arms will be installed at Grandview and Front, as well as Grandview and Union.
- ✓ **Lower Boardman River Access:** It is anticipated that a Unified Plan for the Lower Boardman will be established. This Unified Plan will be one that all governmental bodies (DDA, City Planning, City Commission and City Parks) can approve for implementation.
- ✓ **City Opera House Upgrades**: The City Opera House is in need of a new boiler and updated lights. Both projects will be in accordance with the City's Green Team to ensure this public facility is upgraded according to green standards.

* Inter-fund Loan Transfer: It is recommended that TIF 97 make an inter-fund loan transfer to the Old Town TIF budget to cover the Lake Avenue improvements, as well as the 2019-2020 Capital Improvements needed for the bridges in the Old Town Plan.

The revenue line item "Contribution from other Governmental Entity" includes a planned $130,000 reimbursement from the Grand Traverse County Brownfield Redevelopment Authority (BRA) for costs associated with the Hardy Parking Garage.

City of Traverse City, Michigan
DDA COMPONENT UNIT
TAX INCREMENT FINANCING 97 FUND
For the Budget Year 2019-20

	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Budget	FY 18/19 Projected	FY 19/20 Requested
REVENUES					
Property Taxes	$ 1,693,757	$ 2,014,156	$ 2,194,975	$ 2,568,096	$ 2,589,100
Grants and contributions	-	-	-	-	-
Reimbursements	115,000	130,000	130,000	130,000	130,000
Interest Revenue	4,636	5,436	4,500	4,500	4,500
TOTAL REVENUES	1,813,393	2,149,592	2,329,475	2,702,596	2,723,600
EXPENDITURES					
Professional Services	492,344	476,686	469,750	484,452	596,900
Printing and Publishing	123	-	1,000	1,000	200
Contribution to District Construction Project	950,083	-	906,578	755,142	805,800
Contribution to City - Debt service	616,768	807,599	829,400	829,400	859,500
TOTAL EXPENDITURES	2,059,318	1,284,285	2,206,728	2,069,994	2,262,400
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(245,925)	865,307	122,747	632,602	461,200
OTHER FINANCING SOURCES (USES)					
Operating transfer	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(245,925)	865,307	122,747	632,602	461,200
Beginning Fund Balance	563,576	317,651	1,182,958	1,182,958	1,815,560
Ending Fund Balance	$ 317,651	$ 1,182,958	$ 1,305,705	$ 1,815,560	$ 2,276,760

Note: During fiscal year end June 30, 2020 the TIF 97 Fund will provide a short term interfund loan to the Old Town TIF fund of $270,000.

OLD TOWN TAX INCREMENT FINANCING FUND

The DDA Board of Directors will hold a public hearing on the Old Town Tax Increment Financing Fund budget for fiscal year 2019-20 on Friday, May 17, 2019 at 8 a.m., Commission Chambers, Second Floor, Governmental Center. The Board is scheduled to approve the budget on June 21, 2019.

This is the second year that Old Town TIF has had an increased taxable value. The fund is up over 5% from 2018. The administrative fee for the City compensation will be based on 0.1% of the taxable value in the district and the DDA administrative fee will be calculated at 0.2%.

The Capital Improvement Projects included within the Old Town TIF district include:

- ✓ Eighth Street Bridge Repair
- ✓ South Cass Bridge Repair

As indicated within TIF 97's budget, an interlocal fund of $270,000 will cover the cost associated with the 2018-2019 Lake Avenue expenses, opening funds for the above-mentioned 2019/2020 capital projects.

City of Traverse City, Michigan
DDA COMPONENT UNIT
TAX INCREMENT FINANCING OLD TOWN FUND
For the Budget Year 2019-20

	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Budget	FY 18/19 Projected	FY 19/20 Requested
REVENUES					
Property Taxes	$ -	$ 186,828	$ 260,509	$ 412,414	$ 434,900
Reimbursements	1,000	-	-	-	-
Interest Revenue	-	54	-	-	100
TOTAL REVENUES	1,000	186,882	260,509	412,414	435,000
EXPENDITURES					
Professional Services	-	8,276	166,284	166,284	232,100
Printing and Publishing	-	-	-	-	-
Contribution To Other Governments	-	-	-	-	-
Contribution to District Construction Projects	-	675	863,330	237,772	405,500
TOTAL EXPENDITURES	-	8,951	1,029,614	404,056	637,600
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	1,000	177,931	(769,105)	8,358	(202,600)
OTHER FINANCING SOURCES (USES)					
Operating transfer/interfund loan	-	-	600,000	-	-
NET CHANGE IN FUND BALANCE	1,000	177,931	(169,105)	8,358	(202,600)
Beginning Fund Balance	-	1,000	178,931	178,931	187,289
Ending Fund Balance	$ 1,000	$ 178,931	$ 9,826	$ 187,289	$ (15,311)

Note: During fiscal year end June 30, 2020 the Old Town TIF Fund will receive a short term interfund loan from TIF 97 of $270,000.