Downtown Development Authority (DDA)

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 2021/2021 budget on Friday, May 21, 2021, at 8:30 a.m. The public hearing will be virtual, in accordance with ongoing social distancing policies.The Board is scheduled to approve the budget on June 18, 2021.

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:

1. Public Improvements
2. Events
3. Marketing
4. Business support

DDA General Operating Fund

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 is with the City of Traverse City to manage the parking operations. All employees assigned to manage and facilitate parking are considered employees of the DDA. The total contract amount for this support in 2021/2022 will remain consistent at $800,000. This contract solely covers the cost of the employees assigned to parking. No management fee is provided to the DDA.

New Initiatives or Budget Changes:

The DDA will continue its contract with Traverse Connect. Our partnership with Traverse Connect is critical to determine how we should support our downtown partners as they shift out of the pandemic. The contract will work on

- Bringing office workers back to Downtown

- Identifying new offices to make Downtown their new home
- As they are the organization leading Economic Diversity, it is vital to ensure that we are at the table for discussion.

This achieves the City of Traverse City's economic goals.

- Planning for the future. DDA Board and staff will work to determine a possible new structure for the DDA, which includes different mechanisms/tools, including TIF. The structure will be based on a comprehensive business plan, market analysis, and trend analysis. This effort will also include reviewing best practices from throughout the United States and what the DDA could improve upon to position Downtown for the 21st century.

City of Traverse City, Michigan
DDA COMPONENT UNIT
DDA GENERAL FUND
For the Budget Year 2021-22 (April 16, 2021 Draft - DDA Board Review)

	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Budget	FY 20/21 Projected	FY 21/22 Requested
REVENUES					
Taxes	$134,996	$129,391	$137,500	$133,400	$137,500
Grants and Reimbursements	117,200	134,243	3,450,000	2,100,000	438,000
Reimbursements	957,343	1,318,204	1,358,204	1,317,450	1,321,000
Rental Income	56,175	43,910	42,000	125,000	90,000
Interest Income	732	948	500	13,000	600
Miscellaneous	0	0	0	0	0
TOTAL REVENUES	1,266,446	1,626,696	4,988,204	3,688,850	1,987,100
EXPENDITURES					
Salaries and Wages	695,358	767,555	917,593	890,065	858,000
Fringe Benefits	242,177	265,388	308,878	299,600	310,000
Office Supplies and Utilities	29,052	40,111	81,800	79,350	85,800
Professional Services	222,216	362,933	657,000	55,000	836,000
Travel and Conferences	6,637	10,475	25,000	17,000	35,000
Repairs and Maintenance	3,011	3,910	3,000	3,500	3,000
Rentals	8,626	12,222	9,000	125,000	80,000
Civic Square	0	0	3,000,000	2,000,000	100,000
TOTAL EXPENDITURES	1,207,077	1,462,594	5,002,271	3,469,515	2,307,800
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	59,369	164,102	(14,067)	219,335	(320,700)
Beginning Fund Balance	551,359	610,728	774,830	744,830	964,165
Ending Fund Balance	$610,728	$774,830	$760,763	$964,165	$643,465

Fund 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 the fiscal year 2021-2021 on Friday, May 21, 2021. At 8:30 a.m.,The public hearing will be a virtual hearing according to ongoing social distancing policies. The Board is scheduled to approve the budget on June 18, 2021.

New Initiatives or Budget Changes:

- There has been growth within the District with significant private investments occurring, with taxable value projected to be $155,687,150. New initiatives for TIF 97
- Retail start-up program: As we begin to cautiously exit the pandemic, it is vital to provide the opportunity for people to start or expand their business and assist them in getting off to a good start and becoming self-sufficient and successful within our Downtown. The DDA suggests working with SCORE and Traverse Connect (through their Creative Coast initiative) to look at outreach, policy, guidelines, etc. This program would undoubtedly take time to organize, but the key is to investigate feasibility.

This meets the City Commission Economic Goals for the City

- Lower Boardman Unified Plan: The DDA anticipates that the Lower Boardman River Leadership team will have a Unified Plan for the Lower Boardman River ready for approval (by DDA, City Planning, and City Commission) in the Fall of 2021. As a result, the DDA anticipates implementing components of the Unified Plan this upcoming fiscal year.

This remains a high priority for the DDA Board and anticipates that the “stormwater” line-item of $100,000 could be utilized for projects related to the Lower Boardman and improvements to stormwater that impact the Lower Boardman River.

This meets the City Commission Water-Related Infrastructure

- Stormwater Management: This will be tied to the Lower Boardman Unified Plan to implement best practices for stormwater management.

This meets the City commission Water-Related Infrastructure.

- Maintenance costs for current infrastructure. The DDA will continue to set aside dollars for the repair and ongoing maintenance/cleaning of key infrastructure.

City of Traverse City, Michigan
DDA COMPONENT UNIT
TAX INCREMENT FINANCING 97 FUND
For the Budget Year 2021-22

	FY 18/19 Actual	FY 19/20 Actual	FY20/21 Budget	FY 20/21 Projected	FY 21/22 Requested
REVENUES					
Property Taxes	$2,224,531	$2,534,458	$2,872,538	$2,740,598	$3,106,550
Grant and Reimbursements	0	0	0	0	0
Reimbursements	182,877	187,752	130,000	130,000	130,000
Interest Income	7,832	5,179	4,500	4,500	4,500
TOTAL REVENUES	2,415,240	2,727,389	3,007,038	2,875,098	3,241,050
EXPENDITURES					
Professional Services	488,583	592,863	725,863	603,711	739,300
Printing and Publishing	184	401	200	200	200
Repair & Maintenance	0	0	15,000	15,000	15,000
Contribution to District Construction Project	420,671	40,390	1,275,601	635,600	1,708,000
Contribution to City - Debt Service	828,719	858,819	893,586	893,586	931,550
Capital Outlay/Engineering Costs for Public Projects	120,756	0	61,750	0	0
TOTAL EXPENDITURES	1,858,913	1,492,473	2,972,000	2,148,097	3,394,050
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	556,327	1,234,916	35,038	727,001	(153,000)
OTHER FINANCING SOURCES (USES)					
Operating Transfer	0	0	0	0	0
NET CHANGE IN FUND BALANCE	556,327	1,234,916	35,038	727,001	(153,000)
Beginning Fund Balance	1,182,958	1,739,285	2,974,201	2,974,201	3,701,202
Ending Fund Balance	$1,739,285	$2,974,201	$3,009,239	$3,701,202	$3,548,202

Note: All Construction Projects include estimated Engineering cost either to the City or consultants.

Tax Increment Financing Old Town Fund

The DDA Board of Directors will hold a public hearing on the Tax Increment Financing Old Town Fund budget for the fiscal year 2021-2021 on Friday, May 21, 2021, at 8:30 a.m. The public hearing will be a virtual hearing according to ongoing social distancing policies. The Board is scheduled to approve the budget on June 18, 2021.

New Initiatives or Budget Changes:

There has been growth within the District with significant private investments occurring, with taxable value projected to be $68,412,780. New initiatives for Old Town TIF.

- Bridges repairs within the Old Town TIF District continue to be the focus for the DDA, noting future work on the 8th Street Bridge and South Cass Street Bridge.

- Midtown Riverwalk, which was erected over 20 years ago, is ready for replacement. The cost is conservative. We will work to determine its final design within our Lower Boardman Unified Planning effort and with extensive public outreach.

- Maintenance costs for current infrastructure. The DDA will continue to set aside dollars for the repair and ongoing maintenance/cleaning of key infrastructure.

City of Traverse City, Michigan
DDA COMPONENT UNIT
OLD TOWN TAX INCREMENT FINANCING FUND
For the Budget Year 2021-22 (April 16, 2021 Draft - DDA Board Review)

	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Budget	FY 20/21 Projected	FY 21/22 Requested
REVENUES					
Property Taxes	$260,732	$406,555	$447,800	$479,197	$555,000
Reimbursements	0	0	0	0	0
Interest Income	186	138	100	100	100
TOTAL REVENUES	260,918	406,693	447,900	479,297	555,100
EXPENDITURES					
Professional Services	83,784	187,316	238,973	200,700	215,750
Printing and Publishing	0	0	100	100	100
Contribution to District Construction Project	356,065	0	282,900	0	562,000
Capital Outlay/Engineering Cost for Public Projects			9,927	0	0
TOTAL EXPENDITURES	439,849	187,316	531,900	200,800	777,850
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	(178,931)	219,377	(84,000)	278,497	(222,750)
OTHER FINANCING SOURCES (USES)					
Operating Transfer	0	0	0	0	0
NET CHANGE IN FUND BALANCE	(178,931)	219,377	(84,000)	278,497	(222,750)
Beginning Fund Balance	178,931	0	219,377	219,377	497,874
Ending Fund Balance	$0	$219,377	$135,377	$497,874	$275,124

Note: All Construction Projects include estimated Engineering cost either to the City or consultants.