Downtown Development Authority

The Downtown Development Authority (DDA) Board of Directors will hold a public hearing on the budget Friday, May 19, 2017 at 8 a.m. Commission Chambers, Second Floor, Governmental Center. The Board is scheduled to approve the budget on June 16, 2017.

The DDA is an arm of the City of Traverse City responsible for maintaining the vitality of the Central Business District. The DDA accomplishes this with four approaches:

- public improvements
- events
- marketing
- business support.

Partnerships with other agencies are critical to accomplishing the mission. Through a contract with the City of Traverse City, the DDA manages the Traverse City Parking System (TCPS). The fee for this agreement is planned to be adjusted based on the cost of employees, estimated not to exceed $600,000. The Traverse City Parking System is an integral part of business support in downtown. Part of the statutory guidelines of the DDA being "*...**to correct and prevent deterioration in the Downtown Development District, to encourage historic preservation, to create and implement development plans, and to promote economic growth***", is achieved with the DDA and the TCPS working together to achieve success.

The DDA has a management agreement with the Downtown Traverse City Association (DTCA) the marketing, communication and events arm of downtown. The revenues from these contracts, as well as projected reimbursements from the Tax Increment Financing funds (TIF), are shown in the reimbursement revenue line items of the budget.

To meet the obligations of the management agreements, the DDA will have eight full-time employees, and approximately ten part-time employees depending on the season. Four of the full time and all but one of the part-time employees are dedicated to the Traverse City Parking System. The Farmers Market is managed by a contractor, reflected in the Professional Services line item. The DDA maintains hanging flower baskets in the summer and that is covered under Salaries and Wages, and in the Community Promotion line item. The DDA is projected to continue to support Santa's Arrival with up to $10,000 paid to the DTCA for this event.

By sharing our staff members, office space, equipment and other overhead over the various functions of the TCPS, DTCA and TIF projects, we are able to keep costs to a minimum. The DDA office staff structure has evolved to better support the dynamic Traverse City Parking operation and also allow for more strategic and proactive attention to downtown and its environs.

City of Traverse City, Michigan
DDA COMPONENT UNIT
DDA GENERAL FUND
For the Budget Year 2018-19

	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	FY 17/18 Projected	FY 18/19 Requested
REVENUES					
Property Taxes	$ 69,613	$ 138,929	$ 141,000	$ 192,700	$ 137,464
Grants and contributions	33,800	-	-	-	-
Reimbursements	791,188	699,192	776,366	776,400	1,000,706
Rental Income	48,940	53,185	53,000	53,000	53,000
Interest Revenue	540	346	200	200	200
TOTAL REVENUES	944,081	891,652	970,566	1,022,300	1,191,370
EXPENDITURES					
Salaries and Wages	560,348	621,599	684,321	684,321	740,772
Fringe Benefits	152,992	144,257	174,402	174,402	200,074
Office/Operating Supplies	8,413	6,852	10,000	10,000	10,000
Professional Services	82,823	61,709	56,775	56,775	54,000
Communications	4,763	5,137	4,800	4,800	4,800
Transportation	315	596	2,000	2,000	2,000
Lodging/Meals	4,545	4,220	5,000	5,000	10,000
Training	600	1,435	2,000	2,000	7,000
Community Promotion	11,771	12,916	11,500	11,500	11,500
Printing and Publishing	3,820	1,826	1,500	1,500	1,500
Insurance and Bonds	1,730	1,297	1,800	1,800	1,800
Utilities	6,955	7,357	7,100	7,100	7,100
Repairs and Maintenance	1,950	1,950	2,200	2,200	2,200
Rentals	7,867	8,023	9,000	9,000	9,000
Legal Services	135	-	4,500	4,500	4,500
Miscellaneous	-	1,205	400	400	400
Capital Outlay	4,055	4,579	6,000	6,000	6,000
TOTAL EXPENDITURES	853,082	884,958	983,298	983,298	1,072,646
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	90,999	6,694	(12,732)	39,002	118,724
Beginning Fund Balance	299,817	390,816	397,510	397,510	436,512
Ending Fund Balance	$ 390,816	$ 397,510	$ 384,778	$ 436,512	$ 555,236
Personnel Services %	83.62%	86.54%	87.33%	87.33%	87.71%

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 2018-19 on Friday, May 18, 2018 at 8 a.m., Commission Chambers, Second Floor, Governmental Center. The Board is scheduled to approve the budget on June 15, 2018.

The TIF 97 Fund accounts for the public activities in the northern part of downtown. Over the next 10 years this fund will continue to make payments on the Hardy Parking Deck bonds. The budgeted amount for 2018-19 is $840,293 shown as a Contribution to Other Governments. 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 years past, the City of Traverse City compensation will be based on .1% of the taxable value in the district, estimated to be $113,264. This fee covers insurance, and audit fees but not legal fees, which are billed on an hourly basis and paid by the DDA directly.

An ongoing cost in professional services is the Downtown WIFI project for which TIF 97 will pay $65,000 in fiscal year 2018-19.

The largest expenditures are in capital outlay. While the Capital Improvement Plan (CIP) details $976,000 in expenditures including the following projects:

UPTOWN RIVERWALK ($490,000) Bids are being sought for refurbishing and extending the Riverwalk from Union Street to the City Housing Commission property line. Costs associated for the schematic and construction drawings was completed in the 2017/2018 budget, as well as partial funds for the start of the construction/refurbishing.

BRIDGE REPAIRS: The remaining costs associated with the CIP relate to the local match on the bridge repairs for West Front of $220,000; South Cass Street o $66,000 and North Cass Street $150,000, for a total of $436,000 of TIF revenue going towards bridge infrastructure. This eliminates the requirement of City general funds going into the bridge repairs.

WEST FRONT GARAGE - DDA Board of Directors will be reviewing the schematic design for a new parking garage to be located at 145 West Front Street in 2018/2019 and determining approach in construction, payment etc. with recommendation to be brought to the City Commission in the first quarter of the new budget.

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 2018-19

	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	FY 17/18 Projected	FY 18/19 Requested
REVENUES					
Property Taxes	$ 1,505,704	$ 1,693,757	$ 1,890,000	$ 1,985,166	$ 2,194,975
Grants and contributions	-	-	-	-	-
Reimbursements	110,000	115,000	115,000	130,000	130,000
Interest Revenue	5,120	4,636	4,500	3,300	4,500
TOTAL REVENUES	1,620,824	1,813,393	2,009,500	2,118,466	2,329,475
EXPENDITURES					
Professional Services	314,016	492,344	397,000	380,000	469,750
Printing and Publishing	-	123	1,000	-	1,000
Contribution to District Construction Project:	2,024,185	950,083	1,027,500	121,432	906,578
Contribution to City - Debt service	800,370	616,768	831,000	799,000	829,400
TOTAL EXPENDITURES	3,138,571	2,059,318	2,256,500	1,300,432	2,206,728
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(1,517,747)	(245,925)	(247,000)	818,034	122,747
OTHER FINANCING SOURCES (USES)					
Operating transfer/interfund loan	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(1,517,747)	(245,925)	(247,000)	818,034	122,747
Beginning Fund Balance	2,081,323	563,576	317,651	317,651	1,135,685
Ending Fund Balance	$ 563,576	$ 317,651	$ 70,651	$ 1,135,685	$ 1,258,432

DDA TAX INCREMENT FINANCING FUND #2

TIF 2 expired prior to the previous fiscal year. During the current fiscal year, the fund was closed and all unused funds were refunded to the appropriate tax units.

City of Traverse City, Michigan
DDA COMPONENT UNIT
TAX INCREMENT FINANCING 2 FUND
For the Budget Year 2018-19

	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	FY 17/18 Projected	FY 18/19 Requested
REVENUES					
Property Taxes	$ 1,070,285	$ -	$ -	$ 25,361	$ -
Reimbursements	525,000	-	-	-	-
Interest Revenue	2,148	1,263	-	670	-
TOTAL REVENUES	1,597,433	1,263	-	26,031	-
EXPENDITURES					
Professional Services	144,013	-	-		-
Printing and Publishing	150	-	-	-	-
Contribution To Other Governments	1,466,294	-	-	819,027	-
Contribution to District Construction projec	75	370,570	-	-	-
TOTAL EXPENDITURES	1,610,532	370,570	-	819,027	-
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(13,099)	(369,307)	-	(792,996)	-
Beginning Fund Balance	1,175,402	1,162,303	792,996	792,996	-
Ending Fund Balance	$ 1,162,303	$ 792,996	$ 792,996	$ -	$ -

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 2018-19 on Friday, May 18, 2017 at 8 a.m., Commission Chambers, Second Floor, Governmental Center. The Board is scheduled to approve the budget on June 15, 2018.

This is the second year of the TIF with a capture of $257,000; being an increase of 5.06% This will be the first year that no administrative fee will be taken from a TIF fund. This is recommended for this year only, due to the large capital improvement project being completed on Lake and Cass Street.

LAKE AND CASS: STREETSCAPE IMPROVEMENTS: This project has been an identified need for minimally 8 years. With the growth of this area, sidewalk connectivity is needed, along with new street repair/repurposing. TIF funds of $675,700 are allocated towards this project.

BRIDGE REPAIR: As with the TIF 97, bridge repair is a large component of the TIF CIP. Two bridge repair projects, being Eighth Street of $150,000 and South Cass Street of $66,000.

As identified the capital projects are higher then the TIF capture, therefore, DDA will be borrowing from the Parking Fund and paying back over a period of four (4) years.

City of Traverse City, Michigan
DDA COMPONENT UNIT
TAX INCREMENT FINANCING OLD TOWN FUND
For the Budget Year 2018-19

	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Budget	FY 17/18 Projected	FY 18/19 Requested
REVENUES					
Property Taxes	$ -	$ -	$ 185,000	$ 186,827	$ 260,509
Reimbursements	-	1,000	-	-	-
Interest Revenue	-	-	-	-	-
TOTAL REVENUES	-	1,000	185,000	186,827	260,509
EXPENDITURES					
Professional Services	-	-	24,500	16,500	166,284
Printing and Publishing	-	-	-	-	-
Contribution To Other Governments	-	-	-	-	-
Contribution to District Construction Projects	-	-	4,000	675	863,330
TOTAL EXPENDITURES	-	-	28,500	17,175	1,029,614
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	-	1,000	156,500	169,652	(769,105)
OTHER FINANCING SOURCES (USES)					
Operating transfer/interfund loan	-	-	-	-	600,000
NET CHANGE IN FUND BALANCE	-	1,000	156,500	169,652	(169,105)
Beginning Fund Balance	-	-	1,000	1,000	170,652
Ending Fund Balance	$ -	$ 1,000	$ 157,500	$ 170,652	$ 1,547