

**Traverse City
Downtown Development Authority
Zoom Meeting
February 19, 2021
10:00 AM**

The Downtown Development Authority Meeting Will Not
Be Held At the Governmental Center.

The Downtown Development Authority Meeting Will Be
Conducted Remotely Via Zoom Webinar Quick
Highlights for Viewing and Participating (Finer Details
Below)



The Downtown Development Authority Meeting will be
broadcast live on Cable Channel 191 and streamed at:

<https://www.tacm.tv/govtvnow.asp>

Anyone wishing to give public comment will need to call
in and wait in a "virtual waiting room" where their
microphones will be muted until they are called upon:

Dial: 312-626-6799

Meeting ID: 857 2037 1897

Participant ID: # (yes just #)

Posted and Published

The DDA recognizes the importance of not bringing people together unnecessarily in an effort to stop the spread of COVID-19. The Governmental Center has been closed to walk-in traffic and will be closed for DDA meetings for the foreseeable future. Members of the DDA will not be present in the Governmental Center for official DDA meetings.

For the foreseeable future, the DDA does not intend to convene other committees of the DDA unless there is critical action to be taken; meetings that do not need to be held will not be held. The meeting is being conducted remotely to assist in stopping the spread of COVID-19. Individuals with disabilities may participate in the meeting by calling-in to the number as though they were going to be giving public comments as outlined below or by calling the TDD#. Individual members of the DDA may be contacted via email. Member email addresses can found at the DDA website: dda.downtowntc.com

DDA meetings will continue to be broadcast live on Cable Channel 191 and will be streamed live at: <https://www.tacm.tv/govtvnow.asp>.

For members of the DDA and key staff, their name will appear on screen when they are speaking. For individuals who may wish to give public comment, the method for

providing public comment during these remote-participation meetings is to call: 312-626-6799 and enter the Meeting and Participant ID.

Callers wishing to give public comment may call in before the meeting starts and wait in a "virtual waiting room." Going forward, these instructions will be included in every published agenda of the DDA. Those calling in will be able to hear the audio of the DDA meeting, yet their microphone will be muted.

When the DDA accepts public comment, in the order calls were received, the meeting facilitator will identify the caller by the last four digits of their telephone number and ask them if they would like to make a comment. While not required, but so we do not have to go through an unnecessarily long list of callers, we ask, if possible, that those who do not wish to give public comment refrain from calling in and instead listen to the meeting online at: <https://www.tacm.tv/govtvnow.asp> or on Cable Channel 191.

The DDA CEO has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the DDA Office

The City of Traverse City and Downtown Development Authority are committed to a dialog that is constructive, respectful and civil. We ask that all individuals interacting verbally or in writing with board members honor these values.

Downtown Development Authority:
c/o Jean Derenzy, CEO
(231) 922-2050
Web: www.dda.downtowntc.com
303 East State Street, Suite C
Traverse City, MI 49684

Welcome to the Traverse City Downtown Development Authority meeting!

Agenda

Page

1. CALL TO ORDER

2. ROLL CALL

3. ELECTION OF OFFICER

- A. Election of Board Secretary

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[CEO Memo](#)

4. REVIEW AND APPROVAL OF AGENDA

5. RECOGNITION OF OUTGOING BOARD MEMBERS

6. INTRODUCTION OF NEW MEMBERS

7. OPENING PUBLIC COMMENT

8. CONSENT CALENDAR

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one DDA Board motion without discussion. Any member of the DDA Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for individual consideration by the DDA Board; and such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single DDA Board action adopting the consent calendar.

- A. Consideration of the approval of minutes for the Regular Meeting of January 15, 2021 (approval recommended)

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13

[Downtown Development Authority Regular Meeting - 15 Jan 2021 - Minutes - Pdf](#)

- B. Consideration of approval of the Financial Reports and disbursements for DDA, TIF 97, Old Town TIF, Parking and Arts Commission for January 2021 (approval recommended)

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[DDA, TIF 97 and Old Town Financials January 2021](#)
[Parking Financials January 2021](#)

	Arts Commission Financials January 2021	
C.	Consideration of approval of the minutes for the January 4, 2021 Finance Committee (approval recommended) January 4, 2021 Finance Committee Meeting Minutes Minutes (PDF)	25
D.	Consideration of approval of the revised Transportation Demand Management 3 Year Plan (Parking Subcommittee recommends approval) Revised Transportation Demand Management 3 Year Plan (PDF) - Memo	27 - 32
9.	SPECIAL ORDER OF BUSINESS	
A.	Presentation by Warren Call: COVID-19 Economic Resiliency Report Traverse Connect Resiliency Report Memo (PDF) COVID-19 Economic Resiliency Report	33 - 54
B.	Presentation by Bob Doyle: Overview/Update of Lower Boardman River Wall Assessment Lower Boardman Retaining Wall Assessment CEO Memo (PDF) SmithGroup Findings Memo (PDF) Bob Doyle Presentation (PDF)	55 - 76
10.	ITEMS REMOVED FROM CONSENT CALENDAR	
11.	SUB-COMMITTEE REPORTS/CORRESPONDANTS	
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12.	OLD BUSINESS	
A.	Contract for Legal Counsel (Recommended for Action Derenzy) DDA Retainer Agreement Memo (PDF) DDA Retainer Agreement	83 - 87
B.	2019/2020 Audit (Finance Committee recommends approval) CEO Audit Memo (PFD) 2019/2020 DDA Audit (PDF)	89 - 132
13.	NEW BUSINESS	
A.	Committee Appointments (approval recommended) Committee Appointments Memo (PFD)	133

14. CEO REPORT

- A. Project Updates 135 -
[Project Update Memo \(PDF\)](#) 136
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15. RECEIVE AND FILE

- A. Board Member Reports 137 -
[1. Arts Commission Report \(Bagdon-McCallum\)](#) 142
[2. Parking Subcommittee Report \(Hardy\)](#)
[3. Lower Boardman Report \(Kirkwood\)](#)
- B. Staff Reports 143 -
[1. Community Development Director Report \(McCain\)](#) 147
[2. Downtown Experience Coordinator Report \(Viox\)](#)
[3. Parking Services Report \(VanNess\)](#)
- C. Arts Commission January 2021 Minutes 149 -
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- D. DTCA Board January 2021 Minutes 153 -
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- E. Lower Boardman Leadership Team January 2021 Minutes - PDF 155 -
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- F. Farmers Market Advisory January 2021 Minutes 157
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- G. Parking Subcommittee January 2021 Minutes 159 -
[Parking Subcommittee Minutes - 07 Jan 2021 - PDF](#) 160
-

16. CLOSING PUBLIC COMMENT

17. ADJOURNMENT



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
jean@downtowntc.com
231-922-2050

Memorandum

To: DDA Board
From: Jean Derenzy, CEO
Date: February 12, 2020
SUBJECT: Election of Board Secretary

With Debbie Hersey's departure from the Board, the DDA Board will need to elect a new Board Secretary.

As a reminder, our current officers are:

Chair: Gabe Schneider
Vice Chair: Scott Hardy
Treasurer: Steve Constantin
Secretary:

A motion is required from the Board for nomination(s) for Secretary.



**Minutes of the
Downtown Development Authority for the City of Traverse City
Regular Meeting
Friday, January 15, 2021**

A regular meeting of the Downtown Development Authority of the City of Traverse City was called to order at the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, at 8 a.m.

The following Board Members were in attendance: Mayor Jim Carruthers, Board Vice Chair Gabe Schneider, Board Member Steve Nance, Board Member Peter Kirkwood, Board Secretary Stephen Constantin, Board Treasurer Scott Hardy, Commissioner Debbie Hershey, Board Member T. Michael Jackson, Board Chair Leah Bagdon-McCallum, and Board Member Jeff Joubran

The following Board Members were absent: Board Member Richard Lewis

Chairperson Bagdon-McCallum presided at the meeting.

- (a) **CALL TO ORDER**
- (b) **ROLL CALL**
- (c) **OPENING PUBLIC COMMENT**
 - (1) No Public Comment Made
- (d) **Agenda Approval**
 - (1) Approval of Agenda

Amended to include Rotary Civic Square update within the CEO Report.
Motion to approve the agenda as amended.

Moved by Stephen Constantin, Seconded by T. Michael Jackson

Yes: Jim Carruthers, Gabe Schneider, Steve Nance, Peter Kirkwood,
Stephen Constantin, Scott Hardy, Debbie Hershey, T. Michael

Jackson, Leah Bagdon-McCallum, and Jeff Joubran
Absent: Richard Lewis

CARRIED. 10-0-1 on a recorded vote

(e) **CONSENT CALENDAR**

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one DDA Board motion without discussion. Any member of the DDA Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for individual consideration by the DDA Board; and such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single DDA Board action adopting the consent calendar.

- (1) Approval of minutes for the Regular Meeting of December 18, 2020
- (2) Approval of Financial Reports and disbursements for DDA, TIF 97, Old Town TIF, Parking, and Arts Commission for December 2020
- (3) Consideration of minutes for the Finance Committee (approval recommended)
- (4) Approval of Credit Card Processing - Auto Parking Fund
- (5) Approval of waiving 2021/22 participation fees for Destination Downtown
Motion to approve the consent calendar as amended with item D removed.

Moved by Peter Kirkwood, Seconded by Jeff Joubran

Yes: Jim Carruthers, Gabe Schneider, Steve Nance, Peter Kirkwood,
Stephen Constantin, Scott Hardy, Debbie Hershey, T. Michael
Jackson, Leah Bagdon-McCallum, and Jeff Joubran

Absent: Richard Lewis

CARRIED. 10-0-1 on a recorded vote

(f) **ITEMS REMOVED FROM CONSENT CALENDAR**

- (1) Approval of CivicSmart Parking Meter Purchase

Pulled from the Consent Calendar by Carruthers for further clarification.

- Carruthers - Clarified that because of the size of the expenditure that it needed to be explained to the public by staff. Inquired about how the investment in these meters will be impacted by future parking structures, parklets, platform cafes, and additional projects.
- Hardy - Commended VanNess for her diligent review of vendors.
- Constantin - Commented on the Parking Subcommittees decision making process to favor ease for the customer.
- Jackson - Complimented VanNess for her work on this process.

Motion that the DDA enter into a contract with CivicSmart in an amount more or less of \$123,572 for the purchase, installation and training of smart parking meters,

smart cards and sensors; and a service order in an amount of \$23,022 on an annual basis for recurring software and communication fees to be renewed annually for life of equipment.

Moved by T. Michael Jackson, Seconded by Debbie Hershey

Yes: Jim Carruthers, Gabe Schneider, Steve Nance, Peter Kirkwood, Stephen Constantin, Scott Hardy, Debbie Hershey, T. Michael Jackson, Leah Bagdon-McCallum, and Jeff Joubran

Absent: Richard Lewis

CARRIED. 10-0-1 on a recorded vote

(g) **CEO REPORT**

(1) Recommendation to Hire Legal Counsel

- Schneider - Informed the Board that the process was detailed and robust enough to substantiate the decision for this agreement.
- Jackson - Commended the process and the selection made by the committee.
- Constantin - Informed the Board that the process was thorough and fair.
- Hardy - Inquired about any conflict of interest with the selected firm.

(2) Surface Parking Lots Infill Development

- Carruthers - Clarified a statement regarding density within neighborhoods versus the Downtown urban core. Requested that workforce housing should be replaced with the term "affordable housing". Shared concerns with developments on Lot T and Lot X, based on their history within the community and their infrastructure complexities with utilities.
- Kirkwood - Expressed interest in being a part of the conversation as he is cautious about infill without appropriate displaced parking review.
- Jackson - Expressed concern about Lot T development without more community input.
- Schneider - Commented that this infill development should help inform the Lot G and Civic Square discussions.
- Bagdon-McCallum - Agreed with a unified plan with the City on Lot Development and recommended more public outreach and engagement with the community and citizens of Traverse City.
- Constantin - Requested clarification on whether these developments are City Commission or DDA Projects. Clarified that we are consulting and informing the City Commission, not managing these projects as the City will be doing that part of it.
- Hardy - Applauded the City Commission for asking these questions about these diverse properties and how the City should manage them.
- Hershey - Expressed gratitude to the City Commission that the DDA is at

the table for this conversation, as these discussion are pertinent to the TDM Study and many decision the DDA Board will need to be making.

(3) Project Updates

- Kirkwood - Recommended the DDA Board send a unified letter thanking WTCM for their commitment to Downtown and their 80 years in our community. Inquired about the City's past experience with micro-mobility and e-scooters and as to how much input the DDA had in the decision making with this pilot program.
- Jackson - Inquired about the development on the Uptown boardwalk project. Confirmed that the Davy Group is working with both the City and the DDA.
- Carruthers - Expressed concerned with the type of housing in Downtown and stressed the importance and urgency of the conversation about "affordability".
- Schneider - Recommended a presentation from Housing North to help this Board frame conversations around the current housing issues facing our community. Clarified that the Tree Plan included trees in the public right of way in the TIF Districts.

(4) Rotary Civic Square Update

- Carruthers - Clarified that this Board can legally take action on added items to the agenda after being posted.
- Hardy - Clarified that this request came from the sellers.
- Jackson - Inquired that if this agreement goes through if we would develop on Lot G.

Motion that the DDA Board approves the execution of the purchase and sale agreement with TCF for the Civic Square property as provided in the letter of intent, with the addition of a provision for an outright purchase of the property and a shorter due diligence period if the seller agrees to that approach after the bank merger.

Moved by Debbie Hershey, Seconded by Stephen Constantin

Yes: Jim Carruthers, Gabe Schneider, Steve Nance, Peter Kirkwood, Stephen Constantin, Scott Hardy, Debbie Hershey, T. Michael Jackson, Leah Bagdon-McCallum, and Jeff Joubran

Absent: Richard Lewis

CARRIED. 10-0-1 on a recorded vote

(h) STAFF REPORTS

(1) Downtown Experience Coordinator (Viox)

(i) **BOARD MEMBER REPORTS**

- (1) Update on DDA Board Appointments (Mayor Carruthers)
- (2) Arts Commission (McCallum)
- (3) Lower Boardman (Kirkwood)

(j) **CLOSED SESSION FOR POSSIBLE PROPERTY PURCHASE MCL 15.268(D)**

- (1) Motion to go into closed session for the possible property purchase MCL 15.268(D).

Moved by Leah Bagdon-McCallum, Seconded by Debbie Hershey

Yes: Jim Carruthers, Gabe Schneider, Steve Nance, Peter Kirkwood,
Stephen Constantin, Scott Hardy, Debbie Hershey, T. Michael
Jackson, Leah Bagdon-McCallum, and Jeff Joubran

Absent: Richard Lewis

CARRIED. 10-0-1 on a recorded vote

(k) **RECEIVE AND FILE**

- (1) Community Development Director (McCain)
- (2) Transportation Mobility Director (VanNess)
- (3) Lower Boardman Leadership Team December 2020 Minutes
- (4) Arts Commission December 2020 Minutes
- (5) Parking Subcommittee December 2020 Minutes

(l) **CLOSING PUBLIC COMMENT**

- (1) No Public Comment Made.

(m) **ADJOURNMENT**

- (1) Motion to adjourn at 12:03 PM.

Jean Derenzy, Traverse City DDA
CEO

2:32 PM

02/12/21

Accrual Basis

Downtown Development Authority
Balance Sheet
As of January 31, 2021

	Jan 31, 21
ASSETS	
Current Assets	
Checking/Savings	
Fifth Third Checking - 3112	2,775,315.82
Fifth Third Savings - 6740	202,474.44
Petty Cash	548.19
Total Checking/Savings	2,978,338.45
Accounts Receivable	
Accounts Receivable	331,712.94
Total Accounts Receivable	331,712.94
Other Current Assets	
Due From APS	-64,867.92
Due From Arts Council	352.00
Due From DTCA	1,370.51
Payroll Advance	2,001.86
Total Other Current Assets	-61,143.55
Total Current Assets	3,248,907.84
Other Assets	
Due From Other Funds	51,790.00
Pre-Paid Expense	6,920.00
Total Other Assets	58,710.00
TOTAL ASSETS	3,307,617.84
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	11,148.92
Total Accounts Payable	11,148.92
Credit Cards	
First National - 8689	-3,382.14
First National - 8870	70.00
Total Credit Cards	-3,312.14
Other Current Liabilities	
Accrued Payroll Liabilities	2,025.55
Accrued Salaries	14,169.22
Buy Local Give Local Campaign	1,000.00
Deferred Income	2,000,000.00
Deposits Payable	
Double Up Food Bucks	-2,679.39
EBT Bridge Card	-2,751.84
NCF Reimbursements	346.00
Prescriptions for Health	2,300.64
Project Fresh	7,835.00
Senior Project Fresh	-9,501.00
Deposits Payable - Other	2,782.43
Total Deposits Payable	-1,668.16
Direct Deposit Liabilities	-66.96
Due to Other Funds	385,993.65
GRANTS	
EGLE -- Cornwell Development	10,914.29
Heathy Drinking Culture Grant	-13,593.75
Lower Boardman	-27,500.00
Tech Incubator Fund	40,625.00

2:32 PM

02/12/21

Accrual Basis

Downtown Development Authority
Balance Sheet
As of January 31, 2021

	Jan 31, 21
Total GRANTS	10,445.54
Payroll Liabilities	
457k Payable	-3,564.36
Health Insurance Payable	925.16
Life Insurance Payable	3,048.90
State Income Tax Payable	1,975.01
State Unemployment Tax Payable	-250.26
Payroll Liabilities - Other	21,300.26
Total Payroll Liabilities	23,434.71
Total Other Current Liabilities	2,435,333.55
Total Current Liabilities	2,443,170.33
Total Liabilities	2,443,170.33
Equity	
Opening Bal Equity	107,606.27
Retained Earnings	632,846.11
Net Income	123,995.13
Total Equity	864,447.51
TOTAL LIABILITIES & EQUITY	3,307,617.84

2:33 PM
02/12/21
Accrual Basis

DDA - TIF97
Balance Sheet
As of January 31, 2021

	Jan 31, 21
ASSETS	
Current Assets	
Checking/Savings	
Fifth Third Checking - 8026	4,996,515.13
Total Checking/Savings	4,996,515.13
Accounts Receivable	
Accounts Receivable	431,213.79
Total Accounts Receivable	431,213.79
Total Current Assets	5,427,728.92
Other Assets	
Due From Other Funds	292,933.23
Total Other Assets	292,933.23
TOTAL ASSETS	5,720,662.15
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	10,680.04
Total Accounts Payable	10,680.04
Other Current Liabilities	
Deferred Revenue	672,248.19
Due To Other Funds	48,290.00
Total Other Current Liabilities	720,538.19
Total Current Liabilities	731,218.23
Total Liabilities	731,218.23
Equity	
Opening Bal Equity	-21,200.00
Retained Earnings	2,995,400.29
Net Income	2,015,243.63
Total Equity	4,989,443.92
TOTAL LIABILITIES & EQUITY	5,720,662.15

2:34 PM

02/12/21

Accrual Basis

**DDA Old Town TIF
Balance Sheet
As of January 31, 2021**

	Jan 31, 21
ASSETS	
Current Assets	
Checking/Savings	
Fifth Third Checking - 0650	499,104.46
Total Checking/Savings	499,104.46
Total Current Assets	499,104.46
Other Assets	
Due From Other Funds	93,060.42
Total Other Assets	93,060.42
TOTAL ASSETS	592,164.88
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	3,802.44
Total Accounts Payable	3,802.44
Other Current Liabilities	
Due To Other Funds	3,500.00
Total Other Current Liabilities	3,500.00
Total Current Liabilities	7,302.44
Total Liabilities	7,302.44
Equity	
Retained Earnings	219,377.21
Net Income	365,485.23
Total Equity	584,862.44
TOTAL LIABILITIES & EQUITY	592,164.88

02/09/2021 04:37 PM
 User: nvanness
 DB: TRAVERSE CITY

REVENUE AND EXPENDITURE REPORT FOR TRAVERSE CITY

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PERIOD ENDING 01/31/2021

GL NUMBER	DESCRIPTION	2020-21 AMENDED BUDGET	ACTIVITY FOR MONTH 01/31/21	YTD BALANCE 01/31/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT USED
Fund 585 - AUTOMOBILE PARKING SYSTEM FUND							
Revenues							
Dept 000 - NON-DEPARTMENTAL							
585-000-451.073	RAMSDELL GATE FEES	0.00	100.00	167.50	0.00	(167.50)	100.00
585-000-502.000	FEDERAL GRANTS	0.00	0.00	0.00	0.00	0.00	0.00
585-000-651.000	PARKING DECK PROCEEDS	0.00	0.00	0.00	0.00	0.00	0.00
585-000-652.000	PARKING FEES-COIN	800,000.00	49,425.42	757,513.95	0.00	42,486.05	94.69
585-000-653.000	PERMITS-SURFACE LOTS	150,000.00	34,629.00	117,652.00	0.00	32,348.00	78.43
585-000-653.005	PERMITS-PARKING DECK	0.00	0.00	0.00	0.00	0.00	0.00
585-000-653.007	PERMITS - NEIGHBORHOOD	0.00	0.00	1,160.00	0.00	(1,160.00)	100.00
585-000-653.010	DESTINATION DOWNTOWN	200.00	0.00	0.00	0.00	200.00	0.00
585-000-656.010	PARKING FINES	50,000.00	18,055.50	115,824.53	0.00	(65,824.53)	231.65
585-000-656.020	PARKING FINES-AIRPORT	0.00	0.00	0.00	0.00	0.00	0.00
585-000-656.030	PARKING FINES-COLLEGE	0.00	0.00	0.00	0.00	0.00	0.00
585-000-664.000	INTEREST & DIVIDEND EARNINGS	40,000.00	0.00	19,603.76	0.00	20,396.24	49.01
585-000-668.000	RENTS AND ROYALTIES	0.00	0.00	0.00	0.00	0.00	0.00
585-000-673.000	SALE OF FIXED ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
585-000-674.000	CONTRIBUTIONS-PUBLIC SOURCES	0.00	0.00	0.00	0.00	0.00	0.00
585-000-675.000	CONTRIBUTIONS-PRIVATE SOURCES	0.00	0.00	0.00	0.00	0.00	0.00
585-000-677.000	REIMBURSEMENTS	0.00	0.00	1,217.04	0.00	(1,217.04)	100.00
585-000-683.000	RECOVERY OF BAD DEBTS	0.00	0.00	0.00	0.00	0.00	0.00
585-000-686.000	MISCELLANEOUS INCOME	0.00	0.00	1,178.06	0.00	(1,178.06)	100.00
585-000-687.000	REFUNDS AND REBATES	0.00	0.00	0.00	0.00	0.00	0.00
585-000-694.000	OTHER INCOME	0.00	0.00	0.00	0.00	0.00	0.00
585-000-699.000	PRIOR YEARS' SURPLUS	1,455,500.00	0.00	0.00	0.00	1,455,500.00	0.00
Total Dept 000 - NON-DEPARTMENTAL		2,495,700.00	102,209.92	1,014,316.84	0.00	1,481,383.16	40.64
Dept 585 - AUTOMOBILE PARKING SYSTEM							
585-585-653.005	PERMITS-PARKING DECK	0.00	0.00	0.00	0.00	0.00	0.00
Total Dept 585 - AUTOMOBILE PARKING SYSTEM		0.00	0.00	0.00	0.00	0.00	0.00
Dept 586 - HARDY DECK							
585-586-651.000	PARKING DECK PROCEEDS	100,000.00	3,549.00	99,382.10	0.00	617.90	99.38
585-586-653.000	PERMITS-SURFACE LOTS	0.00	0.00	0.00	0.00	0.00	0.00
585-586-653.005	PERMITS-PARKING DECK	175,000.00	47,258.00	120,191.00	0.00	54,809.00	68.68
585-586-668.000	RENTS AND ROYALTIES	26,300.00	306.00	15,042.00	0.00	11,258.00	57.19
585-586-677.000	REIMBURSEMENTS	0.00	0.00	0.00	0.00	0.00	0.00
585-586-686.000	MISCELLANEOUS INCOME	0.00	0.00	0.00	0.00	0.00	0.00
585-586-687.000	REFUNDS AND REBATES	0.00	0.00	0.00	0.00	0.00	0.00
Total Dept 586 - HARDY DECK		301,300.00	51,113.00	234,615.10	0.00	66,684.90	77.87
Dept 587 - OLD TOWN DECK							
585-587-651.000	PARKING DECK PROCEEDS	25,000.00	2,628.50	32,182.25	0.00	(7,182.25)	128.73
585-587-653.005	PERMITS-PARKING DECK	325,000.00	6,050.00	234,446.00	0.00	90,554.00	72.14
585-587-677.000	REIMBURSEMENTS	0.00	0.00	15.00	0.00	(15.00)	100.00
585-587-686.000	MISCELLANEOUS INCOME	0.00	0.00	0.00	0.00	0.00	0.00
585-587-694.000	OTHER INCOME	0.00	0.00	0.00	0.00	0.00	0.00
Total Dept 587 - OLD TOWN DECK		350,000.00	8,678.50	266,643.25	0.00	83,356.75	76.18

02/09/2021 04:37 PM
 User: nvanness
 DB: TRAVERSE CITY

REVENUE AND EXPENDITURE REPORT FOR TRAVERSE CITY

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PERIOD ENDING 01/31/2021

GL NUMBER	DESCRIPTION	2020-21 AMENDED BUDGET	ACTIVITY FOR MONTH 01/31/21	YTD BALANCE 01/31/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT USED
Fund 585 - AUTOMOBILE PARKING SYSTEM FUND							
Revenues							
TOTAL REVENUES		3,147,000.00	162,001.42	1,515,575.19	0.00	1,631,424.81	48.16
Expenditures							
Dept 585 - AUTOMOBILE PARKING SYSTEM							
585-585-702.000	SALARIES AND WAGES	17,800.00	171.99	2,888.20	0.00	14,911.80	16.23
585-585-704.000	EMPLOYEE OVERTIME	0.00	0.00	552.44	0.00	(552.44)	100.00
585-585-714.000	HEALTH SAVINGS ACCT EXPENSE	0.00	(0.58)	30.93	0.00	(30.93)	100.00
585-585-715.000	EMPLOYER'S SOCIAL SECURITY	1,400.00	12.66	96.90	0.00	1,303.10	6.92
585-585-716.000	EMPLOYEE HEALTH INSURANCE	200.00	10.64	74.52	0.00	125.48	37.26
585-585-717.000	EMPLOYEE LIFE/DISABILITY INS	100.00	2.60	18.24	0.00	81.76	18.24
585-585-718.000	RETIREMENT FUND CONTRIBUTION	200.00	0.00	105.24	0.00	94.76	52.62
585-585-719.000	RETIRES HOSPITALIZATION INS	0.00	0.00	0.00	0.00	0.00	0.00
585-585-720.000	UNEMPLOYMENT COMPENSATION	0.00	0.00	0.00	0.00	0.00	0.00
585-585-721.000	WORKERS COMPENSATION INS	0.00	0.00	0.00	0.00	0.00	0.00
585-585-727.000	OFFICE SUPPLIES	6,000.00	157.14	1,889.00	0.00	4,111.00	31.48
585-585-740.000	OPERATION SUPPLIES	37,000.00	17.80	16,019.98	22,081.89	(1,101.87)	102.98
585-585-801.000	PROFESSIONAL AND CONTRACTUAL	1,232,500.00	4,387.68	357,973.07	788,654.86	85,872.07	93.03
585-585-810.000	COLLECTION COSTS	2,000.00	0.00	40.32	0.00	1,959.68	2.02
585-585-850.000	COMMUNICATIONS	25,000.00	1,349.19	10,040.88	67,445.00	(52,485.88)	309.94
585-585-854.000	CITY FEE	169,200.00	0.00	0.00	0.00	169,200.00	0.00
585-585-860.000	TRANSPORTATION	5,000.00	139.33	1,081.87	0.00	3,918.13	21.64
585-585-862.000	PROFESSIONAL DEVELOPMENT	8,000.00	0.00	0.00	0.00	8,000.00	0.00
585-585-863.000	TRAINING	2,000.00	0.00	0.00	0.00	2,000.00	0.00
585-585-880.000	COMMUNITY PROMOTION	66,000.00	0.00	8,719.50	0.00	57,280.50	13.21
585-585-900.000	PRINTING AND PUBLISHING	14,000.00	910.13	3,551.97	0.00	10,448.03	25.37
585-585-910.000	INSURANCE AND BONDS	9,000.00	0.00	7,210.30	0.00	1,789.70	80.11
585-585-920.000	PUBLIC UTILITIES	20,000.00	697.94	5,504.33	0.00	14,495.67	27.52
585-585-930.000	REPAIRS AND MAINTENANCE	121,000.00	1,335.71	24,495.26	2,105.71	94,399.03	21.98
585-585-930.005	RAMSDALL GATE REPAIR & MAINT	1,000.00	0.00	848.00	0.00	152.00	84.80
585-585-940.000	RENTAL EXPENSE	90,000.00	6,282.00	50,441.64	0.00	39,558.36	56.05
585-585-956.000	MISCELLANEOUS	600.00	(2,834.86)	3,726.42	0.00	(3,126.42)	621.07
585-585-959.000	DEPRECIATION EXPENSE	135,000.00	0.00	0.00	0.00	135,000.00	0.00
585-585-964.000	TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00	0.00
585-585-977.000	EQUIPMENT	149,000.00	0.00	2,013.12	94,963.00	52,023.88	65.08
585-585-988.000	UNALLOCATED FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
Total Dept 585 - AUTOMOBILE PARKING SYSTEM		2,112,000.00	12,639.37	497,322.13	975,250.46	639,427.41	69.72
Dept 586 - HARDY DECK							
585-586-727.000	OFFICE SUPPLIES	1,000.00	0.00	0.00	0.00	1,000.00	0.00
585-586-740.000	OPERATION SUPPLIES	9,000.00	0.00	8,480.07	2,681.37	(2,161.44)	124.02
585-586-801.000	PROFESSIONAL AND CONTRACTUAL	89,000.00	621.97	33,976.94	19,455.70	35,567.36	60.04
585-586-850.000	COMMUNICATIONS	3,500.00	256.00	1,792.00	0.00	1,708.00	51.20
585-586-900.000	PRINTING AND PUBLISHING	0.00	0.00	0.00	0.00	0.00	0.00
585-586-910.000	INSURANCE AND BONDS	7,000.00	0.00	4,068.90	0.00	2,931.10	58.13
585-586-920.000	PUBLIC UTILITIES	55,000.00	4,024.35	16,990.59	0.00	38,009.41	30.89
585-586-930.000	REPAIRS AND MAINTENANCE	117,000.00	4,112.38	50,976.36	32,200.69	33,822.95	71.09
585-586-940.000	RENTAL EXPENSE	13,000.00	426.59	664.09	0.00	12,335.91	5.11
585-586-956.000	MISCELLANEOUS	10,000.00	0.00	0.00	0.00	10,000.00	0.00
585-586-959.000	DEPRECIATION EXPENSE	220,000.00	0.00	0.00	0.00	220,000.00	0.00
585-586-977.000	EQUIPMENT	5,000.00	0.00	0.00	(228.80)	5,228.80	(4.58)
Total Dept 586 - HARDY DECK		529,500.00	9,441.29	116,948.95	54,108.96	358,442.09	32.31

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REVENUE AND EXPENDITURE REPORT FOR TRAVERSE CITY

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PERIOD ENDING 01/31/2021

GL NUMBER	DESCRIPTION	2020-21 AMENDED BUDGET	ACTIVITY FOR MONTH 01/31/21	YTD BALANCE 01/31/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT USED
Fund 585 - AUTOMOBILE PARKING SYSTEM FUND							
Expenditures							
Dept 587 - OLD TOWN DECK							
585-587-727.000	OFFICE SUPPLIES	0.00	0.00	0.00	0.00	0.00	0.00
585-587-740.000	OPERATION SUPPLIES	8,000.00	41.34	1,405.74	2,805.76	3,788.50	52.64
585-587-801.000	PROFESSIONAL AND CONTRACTUAL	69,500.00	190.00	10,880.04	15,340.00	43,279.96	37.73
585-587-850.000	COMMUNICATIONS	6,000.00	256.00	2,365.53	0.00	3,634.47	39.43
585-587-863.000	TRAINING	0.00	0.00	0.00	0.00	0.00	0.00
585-587-900.000	PRINTING AND PUBLISHING	0.00	0.00	0.00	0.00	0.00	0.00
585-587-910.000	INSURANCE AND BONDS	6,000.00	0.00	3,631.08	0.00	2,368.92	60.52
585-587-920.000	PUBLIC UTILITIES	50,000.00	3,919.91	15,424.13	0.00	34,575.87	30.85
585-587-930.000	REPAIRS AND MAINTENANCE	167,000.00	985.88	13,993.30	13,457.48	139,549.22	16.44
585-587-940.000	RENTAL EXPENSE	13,000.00	426.59	664.09	0.00	12,335.91	5.11
585-587-956.000	MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00	0.00
585-587-959.000	DEPRECIATION EXPENSE	181,000.00	0.00	0.00	0.00	181,000.00	0.00
585-587-977.000	EQUIPMENT	5,000.00	0.00	0.00	0.00	5,000.00	0.00
Total Dept 587 - OLD TOWN DECK		505,500.00	5,819.72	48,363.91	31,603.24	425,532.85	15.82
TOTAL EXPENDITURES		3,147,000.00	27,900.38	662,634.99	1,060,962.66	1,423,402.35	54.77
Fund 585 - AUTOMOBILE PARKING SYSTEM FUND:							
TOTAL REVENUES		3,147,000.00	162,001.42	1,515,575.19	0.00	1,631,424.81	48.16
TOTAL EXPENDITURES		3,147,000.00	27,900.38	662,634.99	1,060,962.66	1,423,402.35	54.77
NET OF REVENUES & EXPENDITURES		0.00	134,101.04	852,940.20	(1,060,962.66)	208,022.46	100.00

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REVENUE AND EXPENDITURE REPORT FOR TRAVERSE CITY

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PERIOD ENDING 01/31/2021

GL NUMBER	DESCRIPTION	2020-21 AMENDED BUDGET	ACTIVITY FOR MONTH 01/31/21	YTD BALANCE 01/31/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT USED
Fund 282 - PUBLIC ARTS COMMISSION FUND							
Revenues							
Dept 000 - NON-DEPARTMENTAL							
282-000-664.000	INTEREST & DIVIDEND EARNINGS	0.00	0.00	0.00	0.00	0.00	0.00
282-000-674.000	CONTRIBUTIONS-PUBLIC SOURCES	30,000.00	0.00	0.00	0.00	30,000.00	0.00
282-000-675.000	CONTRIBUTIONS-PRIVATE SOURCES	10,500.00	0.00	0.00	0.00	10,500.00	0.00
282-000-677.000	REIMBURSEMENTS	0.00	0.00	14,895.00	0.00	(14,895.00)	100.00
282-000-695.000	TRANSFERS IN	35,000.00	0.00	0.00	0.00	35,000.00	0.00
282-000-699.000	PRIOR YEARS' SURPLUS	37,700.00	0.00	0.00	0.00	37,700.00	0.00
Total Dept 000 - NON-DEPARTMENTAL		113,200.00	0.00	14,895.00	0.00	98,305.00	13.16
TOTAL REVENUES		113,200.00	0.00	14,895.00	0.00	98,305.00	13.16
Expenditures							
Dept 282 - PUBLIC ARTS COMMISSION							
282-282-727.000	OFFICE SUPPLIES	2,200.00	0.00	0.00	0.00	2,200.00	0.00
282-282-801.000	PROFESSIONAL AND CONTRACTUAL	19,000.00	0.00	1,578.83	20,209.50	(2,788.33)	114.68
282-282-900.000	PRINTING AND PUBLISHING	0.00	0.00	0.00	0.00	0.00	0.00
282-282-930.000	REPAIRS AND MAINTENANCE	20,000.00	0.00	0.00	0.00	20,000.00	0.00
282-282-970.000	CAPITAL OUTLAY	72,000.00	0.00	0.00	0.00	72,000.00	0.00
282-282-988.000	UNALLOCATED FUNDS	0.00	0.00	0.00	0.00	0.00	0.00
Total Dept 282 - PUBLIC ARTS COMMISSION		113,200.00	0.00	1,578.83	20,209.50	91,411.67	19.25
TOTAL EXPENDITURES		113,200.00	0.00	1,578.83	20,209.50	91,411.67	19.25
Fund 282 - PUBLIC ARTS COMMISSION FUND:							
TOTAL REVENUES		113,200.00	0.00	14,895.00	0.00	98,305.00	13.16
TOTAL EXPENDITURES		113,200.00	0.00	1,578.83	20,209.50	91,411.67	19.25
NET OF REVENUES & EXPENDITURES		0.00	0.00	13,316.17	(20,209.50)	6,893.33	100.00

Minutes
Traverse City Downtown Development Authority
Finance Committee
9:30am
January 4, 2021
Virtual Zoom Meeting

Scott Hardy called the meeting to order at 9:33 am

Present: Scott Hardy, Debbie Hershey, Richard Lewis, Gabe Schneider, Steve Constantin

Attendees: Jean Derenzy, Harry Burkholder

Opening Public Comment: None

Minutes of December 8, 2020: **MOVED** by Hershey seconded by Schneider to approve minutes of December 8, 2020. **APPROVED** unanimously.

Review of DDA Financials: Discussion. Committee requested that identified date of financials, meaning what month the financials go through be the heading. Derenzy reported that audit has been completed and will be presented in February. Committee requested that audit be presented to the February meeting with Vredevelde Haefner, firm completing audit present to Committee and Board.

Committee members requested that meeting dates be reviewed to enable the review of financials would be consistent with the reconciled bank statements. Derenzy indicated that bank financials can not be reconciled by the first Monday of the month, if we moved the meeting to the second Monday, would be the same as presented at DDA Board meetings.

Closed Session: **MOVED** by Hershey seconded by Constantin to move into a closed session at 10:05am

Roll Call Vote:

Yea: Hershey, Constantin, Lewis, Schneider, Hardy

Return from Closed Session AT 10:40am

2021 Meeting Schedule: **MOVED** by Schneider seconded by Hershey to move Finance Committee to the second Monday of each month at 9:30am **APPROVED unanimously.**

Other Business: None.

Public Comment: None.

Meeting Adjourned at 11:00am

Scott Hardy, Chair



Memorandum

To: Jean Derenzy, DDA CEO
From: Nicole VanNess, Parking Director
Re: February 10, 2021
Date: TDM 3 Year Plan

The Transportation Demand Management Plan is typically updated annually in October. The timing this year overlapped with the Managed Parking Systems Approach. The Parking Subcommittee reviewed and discussed the items completed on the Transportation Demand Management 3-year plan over the past 15 months. I presented the revised plan through October 2021, and the committee unanimously approved moving forward with the goals as outlined.

Revised Transportation Demand Management 3 Year Plan

- ✓ Goal: Promote better land use and increase development in the DDA District by reducing our need to build parking.
- ✓ Year 1: Decrease parking demand by a minimal percent.
- ✓ Year 2: Redistribute demand from highly constrained areas to underutilized areas.
- ✓ Year 3: Evaluate and adjust

Completed Items

Implementing Performance Based Pricing: The greatest accomplishment this year was the implementation of a Managed Parking Systems Approach. This approach provides flexibility to implement best practices based on systemwide utilization or process modifications based on system availability.

Parking Rates: In conjunction with the Managed Parking Systems Approach, the City Commission approved of the Parking Ceiling Rate Schedule. This schedule will provide the opportunity to plan and implement rate increases across all parking areas with the approval of the DDA Board.

Parking Communications: The addition of Community Development Director, Katy McCain, has been beneficial for Parking. She has been diligent getting up to speed and ensuring we remain consistent regular communications of parking changes.

Revised 3 Year Plan

Loading Zones: Currently, a loading zone is loading zone. In reviewing this item, we will establish defined times when the space is used for loading activities and when it can be used for parking. This will create a more efficient use of the spaces. The addition of smart meters in these spaces will help to communicate paid vs non-paid times to the parker.

Bike Share Programs: These programs go hand-in-hand with our park once initiative. When individuals are downtown and they park, we want them to stay parked. Providing bike or scooter share programs give parkers a means to get between meetings and run errands without using their vehicle.

Residential Parking: - Overnight: We will continue to evaluate the residential subtopics presented earlier this year. Overnight parking continues to come up from the public and has been requested to be reviewed from the City Commission.

Ongoing Items

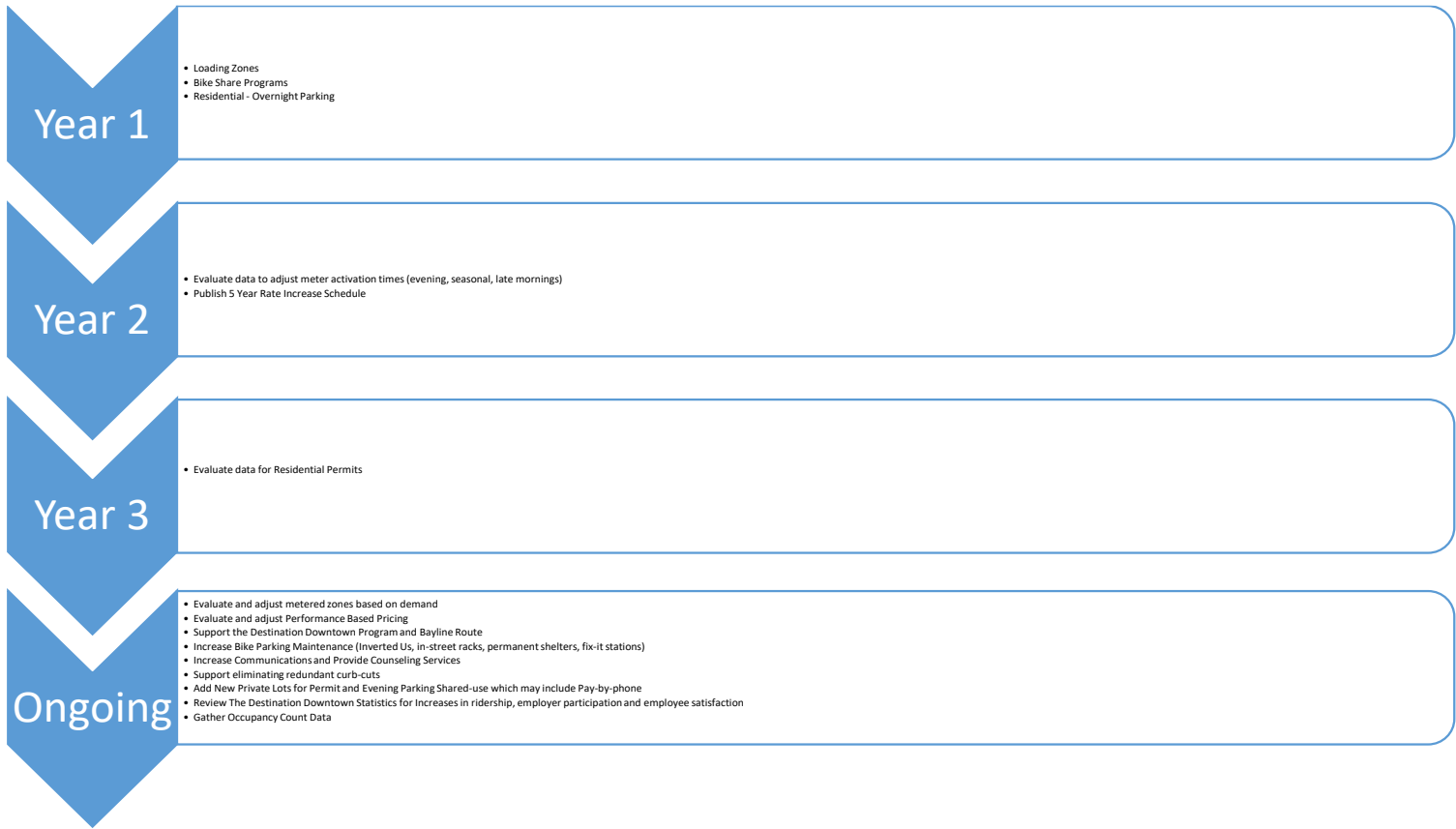
Destination Downtown Program: March 1, 2020, we renewed our agreement with Bay Area Transportation Authority to continue the Destination Downtown Program. The program allows participating downtown businesses in the district to designate a coordinator to manage their employee's bus cards. Currently, the ridership is the lowest which is as expected due to the COVID-19 pandemic. The program has one dedicated user each week with up to three additional infrequent riders who have collectively accounted for 149 trips. This year's usage has declined to 12% compared to last year. A second component included our commitment to contribute funds to the Bayline route which provides fare-free rides for all commuters between Meijer and Woodland Creek. The Parking Fund has not been billed for the Bayline route as BATA has temporarily suspended contributions due to the pandemic.

We plan to continue with this agreement, and will allocate Auto Parking Funds for Destination Downtown and the Bayline in our upcoming budget planning. I will be working with our Community Development Director to increase marketing and communication efforts to promote this solution to employers and employees within the DDA District. It may take time for individuals to feel comfortable utilizing public transit, and we do not want to deter anyone from having access to transportation at this time. This program offering is an important component in our managed parking system. For this reason, the DDA Board approved our request to waive DD Participation Fees for 21-22 at their January meeting.

Gather Occupancy Count Data: We continue to gather occupancy counts with the License Plate Recognition (LPR) Software, but data capture has been low due to the COVID-19 pandemic. The LPR software is heavily dependent of staff time to capture the data. We are looking forward to the installation of the on-street sensors in the 100 & 200 blocks of E Front as the sensors will report utilization 24 hours a day regardless of meter payment. This information will assist with our evaluation of adjusting meter activation times and understanding the traffic of downtown after business hours.

RECOMMENDED MOTION: The Parking Subcommittee recommends the DDA Board approved the revised TDM 3-year plan.

Transportation Demand Management 3 Year Implementation Plan
Revised January 2021



TDM Implementation

The overall goal of Transportation Demand Management (TDM) is to use multi-modal strategies to increase the efficiency and effectiveness of our available resources, and build on new opportunities/new approaches for parking.

Goal: Promote better land use and increase development in the DDA District by reducing our need to build parking.

- Improve space utilization with effective management for the 18-hour day rather than the traditional 8 AM- 5 PM workday.
- Redistribute demand using utilization reports and performance-based management with regular monitoring and adjusting.
- Expand multi-modal amenities: bike shelters, commuter benefit options, and car and bike shares opportunities.
- Encourage park-once zoning by promoting shared parking.

Year 1 Objectives:

Decrease parking demand by a minimal percent.

Revise Loading Zone Restrictions

There are many parking spaces marked as loading zones scattered throughout downtown. Some of the loading zones were added for specific business activities but have never been reviewed. We are inventorying the spaces and the restricted time limits. The enforcing loading zone time will be adjusted to relate to more appropriate loading zones times which will free up underutilized spaces.

Year 2 Objectives:

Redistribute demand from highly constrained areas to underutilized areas.

Evaluate Occupancy Data to Adjust Meter Activation Times

Data collected in years 1 and 2 will be used to determine if the posted meter times should be reduced or increased, and if seasonality should be considered. Certain locations may have little to no demand and benefit from extending the meter start time later into the morning, while other locations may benefit by having the meter end time extended later into the evening to encourage turnover of constrained blocks for those accessing downtown after the typical workday.

Year 3 Objectives:

Evaluate and Adjust

Evaluate Occupancy Count Data for Residential Permits

Occupancy will be reviewed to see if high demand of residential parking use on the periphery of downtown has decreased due to the implementation of The Downtowner, Shared-use, and Public Valet. Occupancy will be reviewed throughout other neighborhoods to determine if metered districts should be considered and if other programs are impacting residents. Once more information is available, the residential permit program will be revised to reflect the needs of both resident and non-residential needs.

Continued Efforts:

Evaluate and Adjust Metered Zones Based on Demand

Information captured in year 1 will be the basis to redistribute demand based on pricing. Areas where occupancy data has shown low utilization will have reduced meter rates, whereas, areas

that show high utilization will have increased rates. The time limits in underutilized areas may be increased to allow for additional long-term parking. The overall goal is to shift the demand to underutilized areas and redistributing the demand for highly desired areas.

Evaluate and Adjust Performance Based Pricing Based on Occupancy Data

In year three, we will build off of the performance-based pricing implemented in year 2. We will modify rates to further redistribute demand from constrained areas as shown in occupancy data. This approach will be the basis for annually increasing and decreasing rates on a regular basis each subsequent year. Our biggest challenge will be effectively communicating the changes each year.

Support the Destination Downtown Program and Bayline Route

The Destination Downtown is a commuter benefit for employees within the DDA District where parking is currently constrained. This program will allow employees to access downtown by utilizing the existing City Loop and Village Loop bus routes offered by the Bay Area Transportation Authority. By providing this service, we are using funds that would be used to build parking to reduce demand, offer a parking alternative, and increase employee satisfaction. Support of the Bayline route benefits residents, employees and visitors of the region by offering a fare-free transportation alternative which includes various stops in the downtown area.

Increase Bike Parking Maintenance

Many of the inverted Us are faded and/or rusting at the base. We are inventorying and assigning a replacement scale value. Overtime, we will repair those that carry a low value, and fully replace the existing Us with a high value. In a full replacement, the color scheme will change which will help make bike parking options more identifiable. Included in the maintenance program, we are exploring fix-it station options and expanded seasonal in-street rack locations. We will continue to seek our locations where bike shelters can be installed and more inverted Us added.

Increase Communications and Provide Counseling Services

As we plan to make regular adjustments, we are evaluating how we can effectively communicate these changes to our day-to-day parkers (employees and residents) and our visitors. We continue actively updating the interactive map but will seek out other media forms that appeal to all users of the parking system. We remain the point of contact for all parkers new to the system and would like to engage more with employers on employee orientations along with providing easy to follow parking guides for new hire packets.

Support Eliminating Redundant Curb Cuts

We will continue to support new projects eliminating curb cuts as outlined in the local ordinance, as well as, encouraging existing property owners to utilize alley access and free up curbside spaces. These efforts will further promote the walkability of downtown.

Partner with Private Property Owners to Add 3 New Lots for Permit and Evening Parking Shared-use

There are many private parking lots that are primarily used for traditional workday employee parking. By partnering with the private property owners, we can offer additional permit and evening parking to increase efficient use of the lots while redistributing demand for those visiting downtown in the evening hours and on weekends.

Gather Occupancy Counts

Up until last year, we did not have true occupancy counts which leaves the utilization throughout the parking system open to perception. Over the past year, we have been collecting data manually through physical counts. Most recently our request for a counting program was approved. Once the License Plate Recognition (LPR) cameras and software is installed this summer, we will collect and report on actual occupancy. We intend to collect data for a year while we define a performance-based management approach to further redistribute demand. During this time, we will review new meter technologies that allow for easy reconfiguration and potentially adding credit cards on-street.

Parking Partnerships

Redevelop existing surface lots, either as mixed-use buildings with public parking or as parking-structures with street-level commercial uses, in line with the redevelopment vision for the downtown core. Facilitate joint-development partnerships to bring targeted land-uses to the downtown. Discourage on-site, private parking at new downtown development projects, by offering reliable access to shared, TCPS-managed parking structures.



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
jean@downtowntc.com
231-922-2050

Memorandum

To: Downtown Development Authority Board

From: Jean Derenzy, DDA CEO

Date: February 10, 2020

SUBJECT: Presentation on Work Completed to Date from Traverse Connect

This past summer, the DDA entered into an agreement with Traverse Connect to implement a comprehensive *Business Retention and Expansion (BRE) Program* to targeted employers within the DDA District. The first phase of this effort (see A. below) included a needs assessment through surveys, focus group discussions, and site visits. The initial results of the survey assessment were presented to the DDA Board this past fall.

Additional work occurred through additional focus groups and upon completing analyzing the results of the needs assessment, Traverse Connect has developed a series of recommendations, outlined in the *COVID-19 Economic Resiliency Report* (see attached). Warren Call, CEO of Traverse Connect, will present an overview of the report, including its recommendations.

Traverse Connect Activities

As a reminder, the contract with Traverse Connect includes the following activities:

- A. Employ a Comprehensive Business Retention and Expansion (BRE) Program to targeted employers within the DDA District. This effort will include:
 - i. Surveys
 - ii. Focus Groups
 - iii. Site Visits
 - iv. Report outlining findings
- B. Develop a marketing program to feature parcels that are available and suitable for commercial and retail occupancy.
- C. Feature the DDA District and specific district businesses in a new placemaking, marketing, and branding initiative – the “creative coast” branding initiative.

- D. Services shall be made available to businesses within the DDA District, including chamber professional development and networking and Venture North funding and technical assistance.
- E. Written annual report on all activities conducted and successful outcomes and achievements.

Recommendation: Information only and the opportunity to discuss next steps, and how the DDA and Traverse Connect can achieve some of the outlined recommendations within the report.

TRAVERSE CITY DDA COVID-19 ECONOMIC RESILIENCY REPORT

Warren Call

202 E. Grandview Parkway
Traverse City, MI 49684
warren.call@traverseconnect.com
traverseconnect.com

INTRODUCTION



Downtown Traverse City faces unprecedented economic challenges due to COVID-19. Traverse City's downtown businesses are essential to community vitality and not only create jobs in the region, but lend a unique character to Traverse City making it a regionwide destination. These businesses are at severe financial risk due to the COVID-19 pandemic. In order to fully understand the impacts of the pandemic on the business community, business leaders were engaged in multiple data collection and feedback sessions. This information is vital to assisting the DDA in developing comprehensive solutions and providing the resources needed to successfully emerge from the pandemic.

Methods for gathering feedback and assessing needs from business leaders related to the COVID-19 pandemic included online surveys, focus groups, and one-on-one interviews. All methods were completed virtually due to the pandemic.

DDA ONLINE BUSINESS SURVEY

An online survey was created to assess the impacts of the COVID-19 pandemic and needs going forward of the downtown business community.

TIER ONE SURVEY

The Tier One business list consisted of 50 mainly professional service-related businesses.

TIER ONE SURVEY RESPONSE SUMMARY

- 40% are operating at reduced hours. Staffing and desire to limit contact with others was cited as a reason preventing the business from returning to normal hours.
- 20% have decreased their employee number since COVID 19. Work load, child care, and COVID concerns were cited as reasons for preventing bringing back employees.
- The following items were identified as a key focus for businesses this year:
 - Modernize/improve/revamp marketing and social media efforts (80%)
 - Invest in technology and/or online sales (60%)
 - Increase/improve employee training (60%)
 - Opportunities to pivot your business; expand product lines, new markets, product mix (20%)
 - Needs for talent development and recruiting (20%)
 - Accessing financial resources (20%)
 - Resources for ownership change/succession planning (20%)
 - Adapting more to remote work (20%)
- 60% of respondents were very satisfied or satisfied with DDA services. 40% were neutral.

TIER TWO SURVEY

The Tier Two business list consisted of 365 businesses; mostly retail and food/beverage related businesses, as well as personal services, some professional services, arts and entertainment, and hospitality.

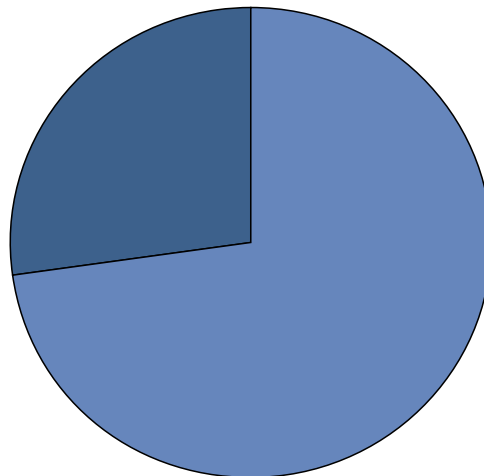
TIER TWO SURVEY RESPONSE SUMMARY

- 43% of respondents have current job openings.
 - 18 have 1 to 3 job openings.
 - 6 have 5-10 job openings.
 - 1 has 11 or more job openings.
- The majority of respondents indicated the job openings are causing a hindrance to their operations.
- Text Box 10% believed their business will never return to its normal level of operations relative to one year ago;
- The following items were identified as a key focus for businesses this year:
 - Opportunities to pivot your business; expand product lines, new markets, product mix (46%)
 - Invest in technology and/or online sales (40%)
 - Modernize/improve/revamp marketing and social media efforts (31%)
 - Needs for talent development and recruiting (29%)
 - Accessing financial resources (27%)
 - Increase/improve employee training (17%)
 - Resources for ownership change/succession planning (14%)
 - Opportunities for acquisition of competitors or complimentary businesses (6%)
 - Opportunities for vertical integration of components, services, supply chain (2%)
- 83% of respondents were very satisfied or satisfied with DDA services.
- When asked how the DDA or Traverse Connect can improve its services to their businesses, the following items were identified:
 - Focus on the greater downtown area, not just Front Street, alternative locations/services (ie., alley businesses), and smaller businesses
 - Continuing updates and communication to businesses/more timely communication as things change
 - Financial assistance
 - More public restrooms and parking
 - Focus on the future and utilize this opportunity to re-envision Downtown
 - Facilitate networking opportunities

- Open Front Street
 - Get feedback before making big decisions (Front Street closure)
 - Promote DT businesses to the larger Traverse City community, not just tourists
 - Better communication between events and business owners
 - Continue creative ways to offer safe shopping experiences
 - Develop ways for restaurants to operate in colder weather b/c of limited indoor capacity
 - Marketing assistance
 - Legislation for performing arts
 - Provide options available for resources
- In summary, a total of 401 businesses received the survey with 66 businesses responding (16.5% response rate).

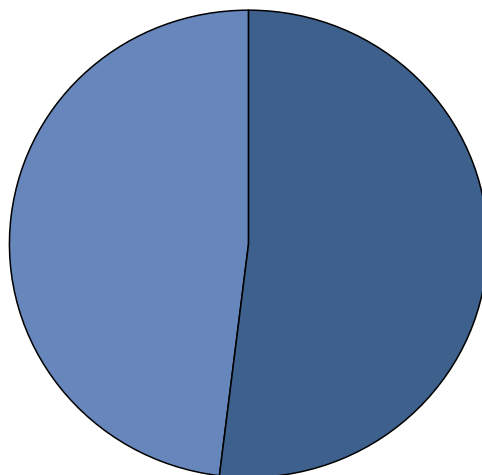
BUSINESS EXPECTATIONS

**73% EXPECT DEPRESSED
OPERATIONS > 6 MONTHS**



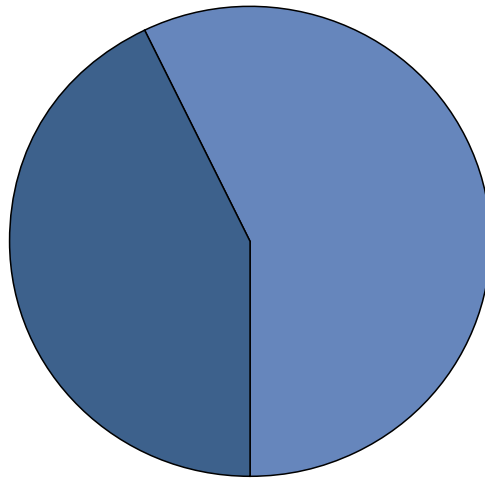
STAFFING

**52% CITE STAFF CONCERNS AS
A KEY BARRIER**

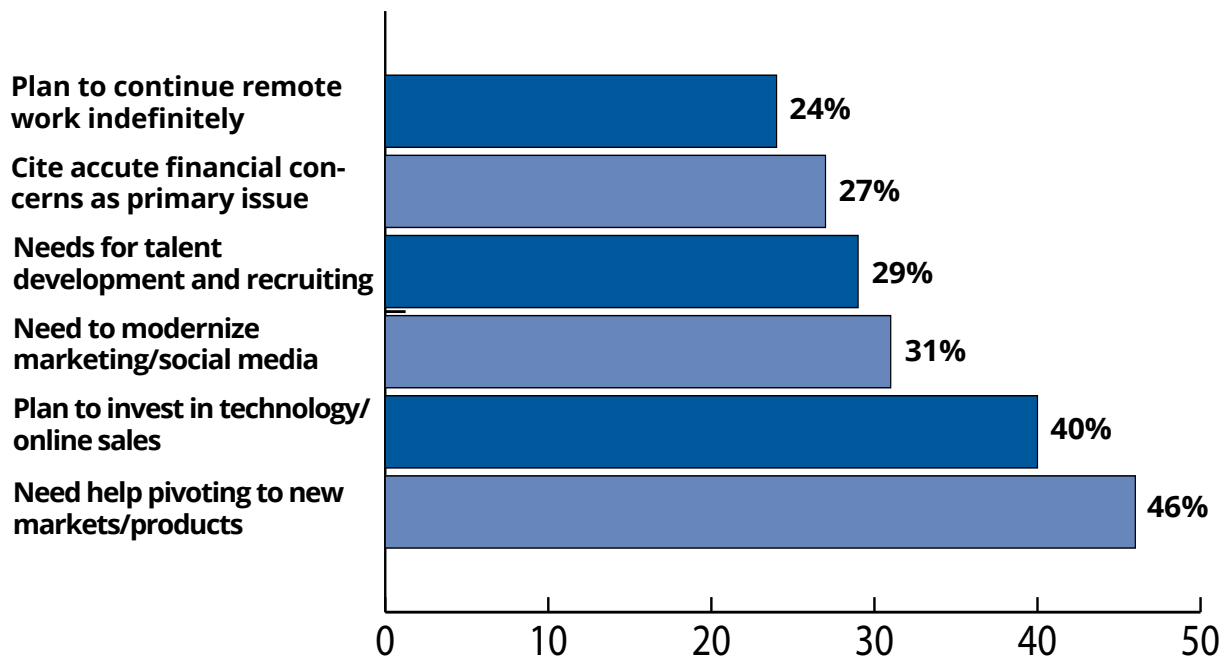


JOB OPENINGS

43% OF TIER TWO BUSINESSES
HAVE UNFILLED JOB OPENINGS



SURVEY HIGHLIGHTS



DDA FOCUS GROUPS

Two virtual focus groups of DDA member businesses were held in September with Traverse Connect, Wille Consulting, and SBDC staff facilitating. The discussions focused on three topic areas: business continuity, logistics and seasonal planning, and growth and technology. The discussion topics were chosen in direct response to the online survey results of DDA members conducted in August.

FOCUS GROUP ONE DISCUSSION

1. Business Continuity

Existing Staffing:

- Several mentioned their usual reliance on retirees for filling seasonal employment gaps, and that population chose not to work during the summer due to the risk of COVID-19.
- Childcare was cited as a concern for employees, and some noted the need to continue to raise wages in order to keep employees.
- Most participants were appreciative of the DDA and its continuous and consistent messaging to customers about staying safe.

Job Openings & Recruiting:

- The lack of J-1 Visa (international) workers was cited as a big issue for hospitality businesses this summer, which translated to the existing workforce not being able to fill the excessive job openings.
- Some mentioned having to reduce hours because they fear burning out the existing employees they do have.

Financial & Technical Concerns:

- A federal response would be very helpful, especially a second round of PPP; although micro-grants are well received because anything is better than nothing.
- A concern of loans was cited due to uncertainty and no guarantee of when they can be paid back.
- Arts organizations would appreciate local foundations reconsidering their grant policies to cover general operating support.

2. Logistics & Seasonal Planning

Focus on Greater Downtown:

- Some participants observed that there is a perception that the DDA is only focused on Front Street; any outside initiatives would be beneficial.
- DDA Board members in participation felt that the DDA is concentrating outside of just Front Street businesses and so this perception is inaccurate, but open to suggestions in this area.

Capacity Concerns & Cold Weather Planning:

- One retailer mentioned their online sales are up 200% year over year.
- Food service participants noted that they don't have the staff capacity even if they wanted to seat at 50% capacity,
- Food service businesses expressed the need for assistance navigating county level regulations (and help to shoulder the costs) in terms of finding unique solutions to continue serving customers outdoors during the cold months.
- Observations were made regarding sales to locals versus tourists; local sales were down during the summer. One participant noted it would be interesting to see how this season's sales have differed in terms of local versus non-local customers. One retailer saw a 20% increase in sales since Front Street opened – questioned whether local customers were waiting for the busy tourist season to end. Note: this retailer was still in favor of Front Street being shut down because of its help to restaurants.

FOCUS GROUP TWO DISCUSSION

1. Business Continuity

Existing Staffing:

- Childcare for employees has been an issue for two businesses, but they work hard to accommodate schedules.

Job Openings & Recruiting:

- Retailers are having a lot of trouble recruiting employees for the holiday season; just not seeing their regular pool of applicants. The theory being due to health concerns or lack of childcare. Some businesses lost their outdoor patio space after Front Street opened, and only at 50% capacity indoors, so they do not need additional staff.

Financial & Technical Concerns:

- Expecting that restaurants will need more financial support in the wintertime.

2. Logistics & Seasonal Planning

Focus on Greater Downtown:

- Participants felt that what is good for one of the businesses is good for all of us. Expanding the focus brings more people out, which ultimately brings more people downtown as well, so in favor of expanding the focus beyond Front Street businesses.
- They felt it would be nice to spread events out throughout the entire downtown area as people always find their way to Front Street.
- The closure of Front Street was a positive so customers didn't have to deal with parking, vehicular traffic, etc.
- It would be great to highlight the Warehouse District more and the area in front of Little Fleet.

Capacity Concerns & Cold Weather Planning:

- The restaurants greatly appreciated the Front Street closure that allowed more space for customers to walk around and enjoy their products outside. They would like to see customers be able to continue enjoying their food and beverages outside even in the colder weather, but would have to get approval from the City and liquor licensing.

3. Growth and Technology

- A business noted online sales are very busy and have seen a 200% increase, which means new customers. They were lucky to have a good website prior to COVID. They have increased their social media presence since COVID. They also had to re-think their phone system due to increased calls and multiple locations.
- The restaurants are using online platform to emphasize the safety precautions they are taking and also increased their gift card awareness. They are seeing more demand for carry out meals and alcoholic beverages, which has brought a whole new customer base. And their regulars who are not comfortable dining in are opting for carry-out.
- A participant observed that it feels like customers are spending more money than normally in other years past at this time; projecting a strong holiday season as well. People will spend money if it is a quality product.
- Restaurants want to reach as many people as possible, whether that is through carryout, prepping more food at home, cocktail in the can, etc. They are not seeing their usual downtown business lunch crowd as many are still working from home.

FOCUS GROUP SUMMARY

- Consistent enforcement by adjacent local businesses and consistent messaging from the DDA has helped in carrying out safety requirements for both employees and customers.
- Businesses that rely on seasonal employees to fill gaps are not seeing these individuals applying (ex: retirees), which was an issue during the summer season and is becoming an issue again as we approach the holiday season.
- The lack of international workers at hospitality businesses this summer affected the entire business community: the existing workforce was not sufficient to fill job openings.
- Lack of childcare cited by some participants as being issue for keeping employees
- Some food service businesses do not need additional employees at this time due to the limited capacity restriction, but something to watch if capacity restrictions are removed.
- Food service businesses would love to be able to see customers be able to eat and drink outside even through cold weather months, understanding the need for City and liquor licensing approval and navigating permitting regulations.
- Online sales have increased for many businesses and many have increased social media presence since COVID. Some have seen positive response to pivoting to new services online.
- To-go orders and carry-out meals and beverages have increased significantly and brought a new customer base for some restaurants; desire ways to reach as many customers as possible.
- Many retailers are expecting a strong holiday season, but uncertainty following into the continued cold weather months. It is expected that restaurants might need additional financial support throughout the winter months.
- Another round of PPP and grants would be welcome; the uncertainty about the future and potential inability to pay back loans make them less desirable; and loosening of grant requirements so general operating support is an allowed expense was recommended.
- Potential to explore perception of the need to expand the DDA focus beyond Front Street and downtown businesses to side streets, Warehouse District, alleyways, etc.

DDA VIRTUAL SITE VISITS

Following the business survey and focus group discussions, the last step in the process was to conduct individual site visits with select businesses. The purpose of the follow-up site visits was to have follow-up discussions based on survey responses and address specific needs or concerns, eventually further informing the DDA's operations and services going forward. In-person site visits were shifted to virtual site visits due to COVID health and safety concerns.

VIRTUAL SITE VISIT: SPECIFIC FEEDBACK

- Let's utilize this opportunity to re-envision downtown and embrace a new normal. Things likely will not be the way they were prior to COVID, even once a vaccine is in place. New habits, including shopping habits, will likely to continue following this pandemic. In the end, this pandemic could offer positive outcomes.
- We recognize the demographics of those who shop online are different from the demographics of those who shop in-person.
- We are not trying to compete with Amazon; we provide an experience. We cannot compete with the prices of competitors like Amazon.
- We have experienced a dramatic increase in web orders. We were already positioned to accommodate the increase with adequate technology prior to COVID as we were selling to summer customers all year long. The biggest adjustment came in re-allocating staff roles and responsibilities to processing and shipping.
- It has been difficult to fill job openings since COVID. Although Traverse City offers a vibrant option for people to move to, not as many people are moving during a pandemic. Also difficult to find the right fit into the work culture/family they have created at the business – there is a sense of trust with fellow employees that they are doing the right thing during the pandemic.
- We were actually closed to the public for 8 weeks and during that time, we did not do any business. Once we did open back up, it took another two or three weeks before we saw people back in our store in any kind of "regular" capacity (pre-shut down)... we didn't advertise and we started requiring appointments for those individuals that did come in. Once folks felt more comfortable with venturing out, we were very busy with incoming orders. We have been so incredibly busy since opening back up that our sales are now actually up from last year even with being closed for 2 months.
- Based on various similar business social media communications, this seems to be the case industry-wide. Many of us are so busy that our turn around times have increased and some are still working as an "appointment only" business as opposed to open door policy. Although we are still strongly encouraging appointments for design time, we are no longer turning away walk-ins. Many of us in the industry think the increased interest in our business may have to do with people staying in their homes (and not traveling) and having the time to either work on home projects, or discovering a creative outlet while being stuck at home.

- I think my “neutral” response (to level of satisfaction with DDA services) was based more on the fact that I don’t really fall in the usual category of most of the businesses associated with the DDA and therefore, a lot of what the DDA has to offer isn’t necessarily geared toward my business. We are a retail space with a customizable product. Most individuals looking for our product are searching for something specific and specialized and are seeking out a specialty business who can make that happen (as opposed to food, clothing/shoes, or souvenirs).
- Perhaps another reason for the neutral response has to do with what I am overhearing from time to time from other businesses on the side streets who may feel slightly ignored. I can’t give specifics and I don’t know if they are valid concerns... but I feel like there could be a better way that signage could be created to send people in other directions to explore. I have an idea on a design for that but I’m sure there are others more qualified and who get paid to come up with signage ideas.
- It’s hard to answer on what my business will look like in the winter months. Normally it’s a slow time in retail anyway starting in January through mid March. I’m expecting it to be worse... or should I say preparing myself for that. After closing my 2nd location in April, I was able to focus more on my website which got me through when I was shut down completely. I worked harder than I ever have during the stay home order, pivoted to what I thought customers would want & need, and was able to pay my business bills because of it.
- The grants I applied for were:
 - SBA Grant
 - MEDC Small Business Relief Program Grant
 - MI Small Business Restart Program
 - Regional Resiliency Program (twice)
- I was approved for an SBA Loan even though I had hoped for a grant, and after getting denied for all the grants it was my last attempt to stay afloat. So I accepted that loan. Not sure how or when I will be able to repay it but I wasn’t about to lose my business. It seemed to me that the recipients of the grants were businesses that had several employees (after closing my 2nd location I was down to 1 employee plus myself). It was very discouraging since I worked so hard to stay afloat & one of the grants even went to a store that closed! I was told they were going to reopen in a different location, which they did but I couldn’t quite understand why businesses that were fighting to stay open didn’t get the grant. (I have 5 good friends who own businesses, none of us received any grant funds).
- My main concern is rent. We did not receive any kind of “break” from the landlords. I am down to myself as my only employee & I have a girl that comes in a few days here and there for trade. I have always worked my stores and that is not an issue. But payroll would be at this point. I was very thankful for the DDA and the program Buy Local, Give Local Fund. They spent a good majority of money at my shop. I am happy to speak with the DDA...you need to know I’m not a member at this time and haven’t been for years. I was when I first opened, but I didn’t see much advantage after that time. A lot of focus was just on Downtown & not the Warehouse District. So thankful I am because I have been included in everything since Covid hit. I wanted to join this time around but of course don’t have the funds to do so.

VIRTUAL SITE VISIT SUMMARY

Retail businesses have had varying level of experiences since the COVID onset last spring:

- One noted dramatic increases in online orders causing them to shift staff responsibilities. They are embracing both their brick and mortar AND online presence at the same time, all the while recognizing that the future of retail is going to look different even after society is out of the COVID pandemic.
- Filling job openings continues to be difficult through the pandemic.
- Another business noted experiencing higher sales volumes than the previous year – mostly due to the nature of their business and the belief that individuals are spending more time on projects at home.
- Another business noted significant struggles financially, including (unsuccessful) attempts to secure the grants offered to small businesses during this time.
- There was mention from two of the three businesses of the DDA's focus on Front Street or downtown businesses, versus side street or warehouse district businesses.

SUMMARY

A majority of businesses reported a moderate or large negative effect on their business from the COVID-19 pandemic: more than 75% of survey respondents have seen a decrease in operating revenues and sales. More than 70% of respondents predict it will be more than six months before their business returns to its normal level of operations relative to one year ago. The primary barriers for businesses going forward include the reality of limited numbers of people out in public and their comfort level, COVID restrictions, staffing, and cold weather.

Many decreased their operating hours since the COVID 19 pandemic set in due to staffing levels. Lack of sales and difficulty in finding employees has led to decreased employee numbers. Specific industry type dictated whether or not employees were working remotely. Filling job openings continues to be difficult through the pandemic. Almost half of the retail, restaurant, and personal service businesses (Tier 2 businesses) reported having job openings. Businesses that rely on seasonal employees to fill gaps are not seeing these individuals applying (ex: retirees), which was an issue during the summer season and is becoming an issue again as the holidays approach. The lack of international workers at hospitality businesses this summer affected the entire business community: the existing workforce was not sufficient to fill job openings. Some food service businesses do not need additional employees at this time due to the limited capacity restriction, but something to watch if capacity restrictions are removed.

Lack of childcare cited by some participants as being issues for keeping employees.

It should be noted that a few actually saw an increase in sales volumes compared to last year, due to the nature of their business and the pandemic forcing people home. Online sales have increased for many businesses and many have increased social media presence since COVID, creating shifts in staff responsibilities. Some have seen positive response to pivoting to new services online. To-go orders and carry-out meals and beverages have increased significantly and brought a new customer base for some restaurants, who are desiring ways to reach as many customers as possible.

The top specific business needs going forward for businesses included:

- Financial concerns (cash flow, sales, decreasing costs, access to grants/financial support, etc.)
- Decreasing restrictions, increasing capacity, and getting back to in-person events, meetings, and travel
- Staffing concerns

The following items were identified as a key focus for businesses this year:

- Opportunities to pivot business, expand product lines, new markets, product mix
- Invest in technology and/or online sales
- Modernize/improve/revamp marketing and social media efforts
- Talent development and recruiting
- Accessing financial resources

Over 80% of survey respondents were very satisfied or satisfied with DDA services. Consistent enforcement by adjacent local businesses and consistent messaging from the DDA has helped in carrying out safety requirements for both employees and customers. The following items were the top identified methods for how the DDA can improve its services to businesses:

- Expand the focus to the greater downtown area beyond Front Street, including alternative locations and services (ie., alley businesses, side streets, other neighborhoods)
- Continue timely updates and communication to businesses as things change
- Financial assistance

RECOMMENDATIONS

After assessing and analyzing needs of the business community via the surveys, focus groups, and one-on-one interviews, specific actionable tactics and strategies have been formulated for downtown businesses. These are opportunities to explore in assisting the downtown business community going forward and rely on coordination and partnerships with outside agencies to be successful. The tactics are offered to help the downtown business community recover, weather the storm of any future lockdowns, and build resiliency going forward.

The strategies are broken down into three categories: (1) Overall strategies; (2) Specific business solutions; and (3) Tactics beyond COVID-19. Some initiatives serve the entire district, while others are specific and tailored to individual downtown businesses.

1. Overall Strategies

- Provide assistance in accessing financial resources, specifically grants and forgivable loans. Many retailers are expecting a strong holiday season, but uncertainty following into the continued cold weather months. It is projected that restaurants might need additional financial support throughout the winter months. The uncertainty about the future and potential inability to pay back loans make them less desirable. Potential opportunities include:
 - Continue exploring local creative solutions such as the Downtown Relief Fund.
 - Provide informational webinars regarding financial resources available with partner organizations.
 - Partner with specific business counselor staff specialists from SBDC or MEDC to offer one or two days of “office hours” specific to Traverse City downtown businesses for one-on-one appointments to explore specific financial needs following the informational webinars.
- Initiate conversations with local and regional foundations, non-profit organizations, and business leaders regarding grant regulations.
 - Offer consideration of allowing general operating support as an allowed expense for grant programs.

- Coordinate with area organizations to continue lobbying for additional federal grant support such as the Payroll Protection Program.
 - Ensure frequent communication to the business leaders regarding the efforts in this area.
- Provide assistance in accessing workforce solutions, such as talent development and recruiting.
 - Provide informational webinars regarding existing workforce solutions available to the business community.
 - Partner specific businesses identified as having staffing needs with area organizations specializing in workforce solutions, such as the Creative Coast and Northwest Michigan Works program.
- Promote existing resources available to businesses to assist in their specific growth needs, such as product changes, updated technology, and social media modernizations through organizations such as the U.S. Chamber, MEDC, and SBDC.
- Explore and initiate discussions and forums amongst key stakeholders regarding revised tax assessment on property values. ***This aligns with the DDA 2019 Strategic Plan Goal 6A to continue to work closely with city and regional economic development agencies and stakeholders to support and retain existing business and recruit new business and development opportunities.***
 - Commercial property owners face current tax obligations, yet these owners could experience tenant closures and revenue shortfalls, as well as changes with occupancy rates/uses likely to continue beyond 2020. These factors may negatively impact property owners, including changes to market rents that could lead to lower downtown property values.
 - There exists the potential for a significant 'flip' in downtown real estate use from former office space conversion to housing.

2. Specific Business Solutions

- Collaborate with businesses, City, and County staff to explore creative opportunities to utilize outdoor space for additional dining and drinking options, which includes assisting businesses in navigating permitting and licensing requirements. ***This also directly correlates with the DDA 2019 Strategic Plan Goal 6A.***
 - Food service businesses would like to be able to see customers eat and drink outside in the areas typically restricted, even throughout the cold weather months, but navigating the liquor licensing and other permitting regulations can be daunting.
 - Explore repurposing public parking lots/spaces in downtown to offer covered, heated open air dining and social spaces to provide the public more space to drink and dine safely. This could include areas for food trucks/stands – food and drink could be ordered and picked up at downtown restaurants or at one of the stands.
 - Research the State Department of Labor and Economic Opportunity and Small Business Association of Michigan's program offering \$3 million in grants to help small businesses and downtowns in efforts to protect customers from the elements.

- In case of a shutdown due to the pandemic, explore a temporary outdoor business program to support additional outdoor business activity in the winter months. This could apply to retail, personal service, and fitness businesses to operate on private property, city sidewalks, and other public property.
- Coordinate an online marketplace for customers amongst retail stores with one pick-up location, similar to the online Sara Hardy Downtown Farmers Market experience.
- Coordinate a group advertising initiative for restaurants, bars, breweries, and wineries offering outdoor dining experiences conducive to winter weather (ex: those that offer outdoor heaters, tents, yurts, igloos, etc.). The initiative could include the businesses, Traverse City Tourism, and transportation businesses. Due to the post-holiday financial concerns expressed, this initiative could be launched after the holidays.

3. Tactics Beyond COVID-19

- Explore what life after the COVID 19 pandemic will look like for downtown Traverse City.
 - Several businesses have successfully shifted their business transactions and staffing to include improved online shopping, updated websites, increased social media utilization, increased carry-out and curbside services, and so on. However, there still exists an opportunity to explore long-term strategies and transactions, while still offering the typical in-store shopping or dining experience.
 - Broaden the DDA service area marketing to shift perceptions for locals, visitors, and potential tenants:
 - **Explore the potential for the DDA to partner with “non-Front Street” businesses on promotion and marketing, such as the North Boardman Lake District Association or the Warehouse District and less visible locations, such as alleyways. A segment of this is a defined action step already identified in the DDA 2019 Strategic Plan 4E3: Explore if and how the DDA staff may work with the North Boardman Lake District Association on business promotion and marketing.**
 - Utilize another defined action step identified in the 2019 Strategic Plan 5C1: Work with a branding and marketing firm to develop the “look and feel” framework for DDA marketing materials.
 - Continue to develop a strong and distinct sense of place by broadening the ‘personality’ of downtown beyond just a destination to visit (shops, restaurants, and drinking culture) to a destination to live and work.
 - Incorporate a broader story that intentionally highlights commercial enterprise (office IT workers), arts, transportation, fiber internet, and the growing riverfront development. Utilize market research and track digital analytics to ensure the message is clear and being received.
- Continue bold experimentation, such as the Front Street closure, which received very positive feedback ratings. The economic fallout of the pandemic is far from over and necessitates these bold trials. The uncertainty and difficulty of the post-COVID recovery calls for speed, innovation, and creativity in the short-term. There is considerable downside to caution and prolonged discussion of alternatives. At the same time, there is much lower risk associated with bold experimentation in the new environment. The DDA can also encourage flexibility in zoning, regulations, and fee waivers that otherwise hinder enterprise formation.

- Conduct long-term research to determine the ideal target property use mix of office, retail, and residential for the downtown district, **which aligns with the DDA 2019 Strategic Plan Action Step 3E2 to work with a consultant to develop a market analysis of the retail and commercial market, noting potential opportunities and gaps.** This information could then be publicly articulated in the context of how DDA projects fulfill the goal.
- Establish small group discussions amongst businesses in similar industries or roles. For example, coordinate regular interval discussions amongst the H.R. Directors/staffing specialists for professional service businesses. Eventually, this can be a self-led group and DDA staff does not need to facilitate. Discussing long-standing issues, as well as immediate concerns, amongst peers is a key initiative for solving issues, combating isolation, and so on. The focus groups proved that communication amongst business leaders was helpful.
- Consider a downtown salary survey. A survey may compare employee wages by company or organization, according to job title or position, or earnings for workers in different industries. Survey results provide key insights into job roles and salaries, helping businesses determine and best create their own compensation strategy, ultimately leading to the recruitment and retention of the best employees.
- Explore the expansion of the existing SCORE business mentoring program in Traverse City to include business counselor staff specialists from the Small Business Development Center (SBDC) or Michigan Economic Development Center (MEDC). While SCORE focuses on business start-ups, SBDC and MEDC can be especially helpful for those second-stage growth businesses on an upward growth trend. This is not only a strategy to offer now for COVID-specific needs, but can be offered long-term at set monthly “office hour” times to address other issues identified by businesses.

CONTACT US

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231-922-2050

Memorandum

To: Downtown Development Authority

From: Jean Derenzy, CEO

Date: February 12, 2021

Subject: Lower Boardman – Retaining Wall Assessment

In the fall of 2018, the DDA, in cooperation with the Lower Boardman River Leadership Team, initiated a formal planning process to develop a comprehensive plan (referred to as the “Unified Plan”) for the 1.6 miles of Boardman River that meanders through Downtown.

Over the last two years, the Leadership Team, in cooperation with SmithGroup (the project consultant) worked to complete an inventory and understanding of the current conditions of the river corridor, identify guiding values and a general vision for the river corridor and develop preliminary recommendations around zoning regulations, land use, capital and habitat improvements and management. Throughout this planning effort, the Leadership Team hosted and facilitated several engagement activities with the community. Once complete, the Unified Plan will be approved by the DDA Board as well as the Planning Commission and City Commission.

As part of the due diligence process, this past June, SmithGroup conducted a site inspection of the retaining wall and the surrounding areas along the south edge of the Boardman River between Park and Union Streets (the 100 and 200 block alleys). The field inspection noted significance subsidence and settling along the back of the retaining wall (evidenced by sloped parking areas, cracked sidewalks and reoccurring sink holes).

Based in this field inspection, as well as a review of the original wall design and the results of a 2018 dive inspection, the SmithGroup team determined that the subsidence and settling was likely due to a loss of soil material (i.e. backfill) within about a 10-foot zone from the wall through a gap below the footing and through the wall at locations of penetrations. The SmithGroup team believed the loss of soil was likely due to continuous scouring and undermining of the wall footing by the river.

Furthermore, the SmithGroup team noted that soil material loss was likely exacerbated by the high water level of the Great Lakes, which causes soil saturation and loss of consolidation of the backfill soils.

The SmithGroup team noted that the continued subsidence of the backfill soil south of the retaining wall could have serious implications for the structural integrity of critical infrastructure in this area, including a large sewer main that resides just south of the retaining wall. In addition, the sewer connections (into the sewer main) from businesses along the 100 and 200 blocks could be become damaged or compromised.

Based on these preliminary findings, the DDA and the City of Traverse City entered into a contract with SmithGroup to conduct a stabilization assessment project for the south edge of the Boardman River between Union Street and Park Street (the 100 and 200 block alley). The assessment also included hydraulic modeling under different “treatment” options to better understand potential impacts (up and down stream), permitting needs and other possible land-use modifications

The assessment was important to city the as it provided an opportunity to address the structural integrity of the retaining wall (and associated sewer infrastructure) **and** hydraulic modeling was important to the Lower Boardman Leadership Team as it provided the foundation for potentially significant pedestrian, placemaking and habitat restoration elements to this portion of the river – a long-held desire for downtown to “turn and embrace” the river.

This contract with SmithGroup for the assessment totaled \$79,190; of which \$65,870 would be split evening between the DDA and the City for the assessment work and \$13,320 would be solely borne by the DDA for the hydraulic modeling.

At this time, staff has asked that SmithGroup to provide an update prior to the final report to allow the Board to understand the findings of the assessment and the alternatives being considered. This will provide an opportunity for board members to ask for additional information, and provide input regarding alternative considerations. A power-point summary of the assessment will be presented at your meeting and is attached for context and your review.

SMITHGROUP

DRAFT MEMORANDUM OF FINDINGS

February 4, 2021

PROJECT BACKGROUND

Along the frontage of the Lower Boardman River in the 100 and 200 block of Front Street a concrete retaining wall built in the 1930's supports a sanitary sewer main and surface parking and sidewalks. The wall is a cantilevered retaining wall, itself supported by a series of timber piles. In recent years it has become apparent that the river was scouring out the soil underneath the wall footing, which was confirmed by an underwater video inspection of the wall. During the spring of 2020 depressions formed in the landscape areas, paving showed signs of failure, and signposts began falling over, all of which indicated that soil stability issues existing adjacent to the wall.

The loss of soils is problematic to the community and the river as the support for the sewer service connections is lost and/or weakened, potentially contributing to the release of raw sewage into the river. In addition, the impact to the sewer system pipes and connections encourages ground water infiltration into the sewer pipes which increases the community costs to treat sewage on typical days and contributes to the failure of the sanitary sewer on larger storm event days as were experienced on three occasions in the spring of 2020.

In June of 2020, the Traverse City Downtown Development Authority (DDA) authorized an inspection of the wall by SmithGroup to investigate the soil stability issue, and recommendation how to stabilize the soils and wall.

Based on the review of the video of the dive inspection of the concrete wall, and the review of the wall engineering plans and details, and the observations of the field review it is apparent that there has been little to no movement of the concrete retaining wall. There is no evidence the wall has settled, canted, and no major cracking of the wall was evident (other than in locations that had been modified by subsequent construction along the wall). The inspection found that the subsidence and settling along the back side of the wall is due to a loss of soil material within the backfill of the wall, specifically within a zone of 10 feet +/- behind (south) of the wall. These soils are being lost due to scouring and undermining of the retaining wall footing. The material loss is exacerbated by high water levels of the Great lakes and connecting channels, causing soil saturation, loss of consolidation of the backfill soils, and loss of the soils through gaps below the footing and through the walls in locations of penetrations.

The inspection concluded that soils would continue to be lost due to these conditions, and even as water levels recede the soil loss will continue due to the lack of consolidation.

It was agreed that an assessment of options, and the determination of best and most feasible approach should be determined. The key components of this study include the topographic, bathymetric, and utility survey of the area, geotechnical borings, and analysis of the soils on the south side of the river, the development and feasibility assessment of alternative solutions, and the refinement of the river's hydraulic model and testing of alternative solutions to determine the impacts of the alternatives on the river system.

The DDA is in the process of creating a UNIFIED PLAN for the Lower Boardman/Ottaway River, and this study is developing recommendations on, among other topics, the restoration and management of the shoreline of the river to create habitat improvement to support riparian wildlife and fisheries. Extensive public engagement has been conducted as part of this planning effort and the greening of the river's edge

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and increasing the setback of parking and development along the river have each been significant interests of the community.

ALTERNATIVES CONSIDERED

SmithGroup explored many options to mitigate the undermining of the existing retaining wall due to scour. The options are detailed below. The criteria to assess the efficacy and suitability of the solutions includes:

1. Provide long term protection for adjacent properties and sanitary sewer.
2. Maintain the alley and service access on the north side of the commercial buildings facing Front Street to preserve the function and integrity of the historic structures.
3. Limit impact on the flooding elevation of the river; especially upstream of the project area.
4. Preserve opportunities in the future to achieve the developing goals of the UNIFIED PLAN, greening the river edge while creating opportunities for pedestrian access to the river.
5. Cost effective.

Sheet Pile on Land Side of the Wall

This option would require excavation behind the wall to expose the footer of the wall, the sanitary sewer and the sewer service leads. Sewer services could be repaired, and areas of settlement due to scour identified. As needed, a sheet pile wall would be driven into the earth behind the footing of the wall, sealed against the footing with tremied concrete. and the excavation backfilled with engineered fill.

Although this option would have no impact on the flood levels of the river, this option was found unsuitable because scour may continue to undermine new areas of the shoreline where sheet pile was not installed, limiting the value of the solution in the long term. Further, the construction logistics of installing sheet pile in and around the sewer, service lines, and other utilities is problematic, and could have cost impacts. On the 100 block, it is desired to recreate a natural shoreline for habitat restoration in the future and the investment in this solution would not further the long-term goals of the DDA and the Unified Plan.

Concrete Filled Geotextile Tube

This option would place a geotextile tube at the river bottom elevation on a bed of scour stone and filled with sand or concrete to close the gap between the river bottom and bottom of the existing wall footing.

This option was deemed unsuitable because this work would not be a long-term solution. Scour could continue to occur at the bottom of the river and could eventually expose and create another gap between the concrete filled geotextile sock and river bottom. This also is questionable due to the actual size of the tube and the extent to which the tube could intrude into the river, causing a raise to the flood elevation of the river that exceed other options. This option would also be abandoned or removed if the 100 block's shoreline is restored in the future.

Cores in the Footer

This option would require excavation of a trench behind the existing retaining wall and coring into the existing footer to pump concrete. The concrete would fill the gap due to scour below the concrete footer. A temporary dam would need to be placed in the river to create a dry area for pumping of concrete under the existing footer. Conventional concrete formwork would be used to contain the poured concrete on the river side of the wall foundation.

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This option was deemed unsuitable for many reasons. The first being the potential damage to existing utilities and wall. Coring into the footer could create issues in the currently sound footer and existing piles. It could also damage the existing sewer line that is behind the wall. This option also risks the occurrence of additional scour at the riverbed.

Wall Removal and Sewer Relocation

This option would remove the wall and leave the timber piles (and potentially the wall footing) in place. The sanitary sewer would need to be relocated to the south (closer to the buildings) and a slope installed with landscape and erosion and scour protection (likely, stone riprap). As a consequence of this option the northern 20-30 foot of paving would need to be removed. Designed correctly, this option could provide meaningful habitat benefits.

This option is feasible on the 100 block as adequate space exists to create the landscape slope without impacting the service function of the alley. However, on the 200-block space is more constricted and this approach could not be used without removing the service alley completely.

Sheet Pile Wall Protection

As described below, this option uses sheet pile along the face of the wall to prevent further scouring and allow for any voids below and next to the wall to be filled. This option is feasible for both the 100 and 200 blocks, although it would not forward the goals of the DDA and the Unified Plan and would cause some change to the flood elevation outside of the project area if completed for both blocks.

RECOMMENDED APPROACH

100 Block

SmithGroup recommends the removal of the wall on the 100 block. Removing the existing retaining wall allows for a natural shoreline and restoration of habitat along the riverfront. The existing stem and footing of the wall would be removed with the existing piles to remain. Riprap would be placed along the river bottom and up the shoreline to protect the shoreline from erosion and scouring while creating habitat for fish and other aquatic and riparian wildlife. Plantings, trees, grasses, and other landscape items will be added to protect the new bank from erosion and promote habitat.

We recommend removing only the vertical stem of the existing concrete wall, leaving the horizontal footing of the old wall in place as a shelter habitat for fish. Methods of creating a stable, scour resistant toe of the slope near the wall foundation will require further consideration during final design.

This approach requires the existing sanitary sewer line behind the wall to be rerouted further south within the alley. The 100 block has many sanitary leads that need to be replaced and this reroute provides the opportunity to fix and stabilize the leads (some of which may be dating back to the wall construction), which will reduce the infiltration of ground water into the sewer system.

200 Block

SmithGroup recommends installing a sheet pile wall on the river side of the wall in the 200 block. A sheet pile wall would be driven into the earth on the river side of the retaining wall. The top of the sheet pile would coincide with the top of the wall footing. Once the sheet pile is driven into the river bottom, concrete would be pumped between the sheet pile and the existing retaining wall and fill under the existing footer as well to completely fill the gap. The sheet pile would protect the wall from further scour. Rip rap could be placed into the river to provide some fisheries habitat benefit.

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The sanitary leads on this block were replaced about 10 years ago, so their condition is likely to be good. As a precaution, we recommend that removing the asphalt alley behind the concrete wall to locate any signs of soil subsidence and backfill with compacted aggregate material, as well as excavate and repair any storm or sanitary sewer service leads that appear compromised.

This option may be constructed with a temporary dam in the river and dewatering between the dam and the existing retaining wall.

Modeling Results

Option Not Recommended

Using HECRAS modeling software, it was found that the addition of a sheet pile wall in the 100 and 200 block will cause a rise in river flood elevations in the project area as well as upstream (to the Union Street Dam/FishPass) of the project area. Although the rise is limited, such an impact would require a Letter of Map Revision (LOMR) and Conditional Letter of Map Revision (CLOMR) which involves seeking approval of all impacted landowners.

This option was also modelled assuming the removal of the boardwalk on the 200 block and the expansion of the flood plain/creation of wetlands on both blocks. While these refinements helped reduce the rise in flood elevation impacts upstream, they did not eliminate these impacts.

Recommended Option

Combining the removal the retaining wall and laying the slope back to create a more natural shoreline on the 100 block and use of the sheet pile on the 200 block does increase the flood elevation in the project area, but eliminates the impacts upstream of the site. All other approaches were modeled, and all the other approaches raise the flood water levels upstream to the Boardman dam.

This approach has been modelled in several configurations, with slopes ranging from 3:1 to 4:1, with the installation of fish habitat, and with the preservation of the horizontal footing. While some minor variability is noted in project area flood level impacts, none resulted in upstream impacts. Further analysis could demonstrate that modifying the northern shoreline and removing the boardwalk could eliminate flood level impacts with even the project area; however, such actions need to be evaluated for cost effectiveness.

Due to the rise of water level, the recommended approach will require a LOMR and CLOMR permit. This process should be reasonably expeditious since the City of Traverse City is the predominate riparian landowner.

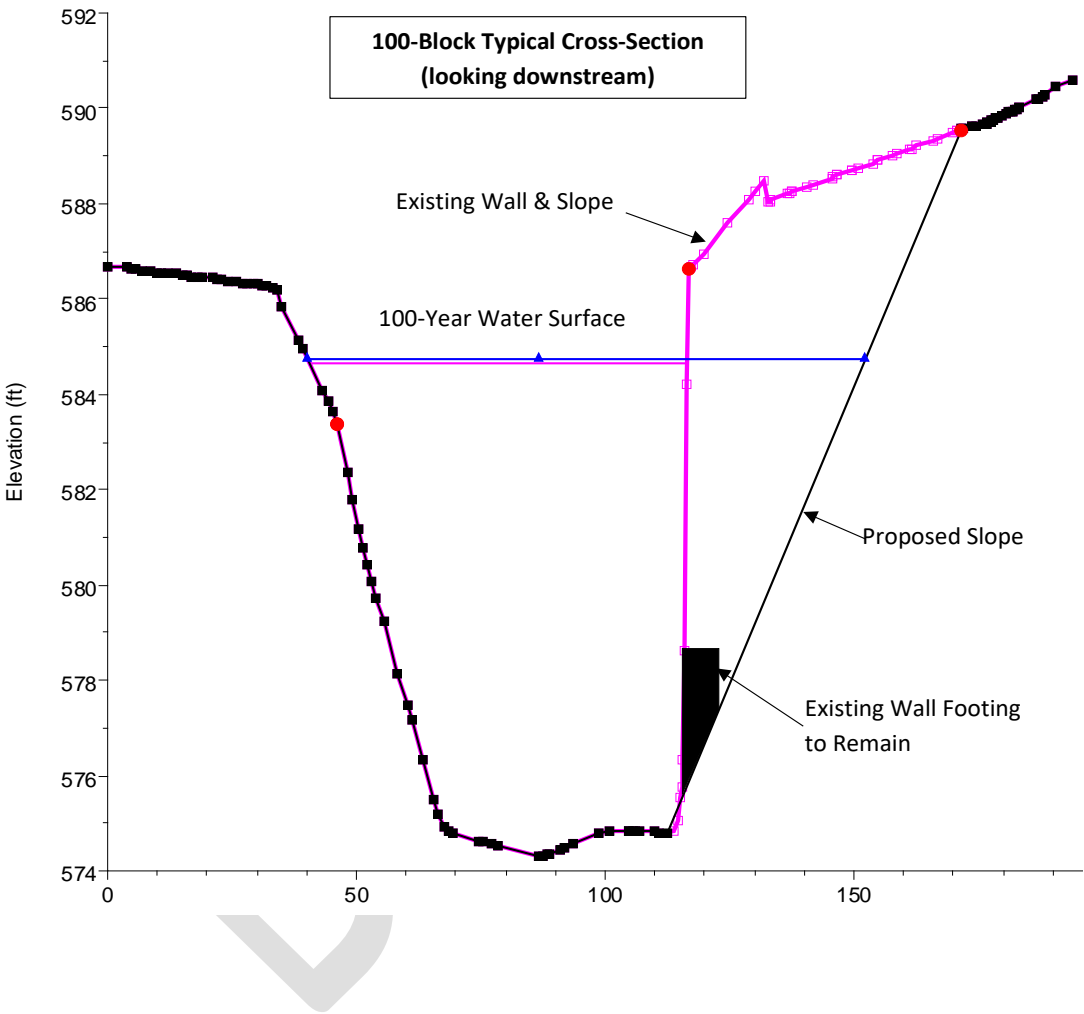
Modeling Process & Discussion

The original source model for this assessment is the FEMA Flood Insurance Study (FIS) model, which was further refined by the Boardman Dam project. A copy of the existing conditions model for the Boardman Dam project was provided by the Great Lakes Fisheries Commission. The model was further updated by the design team using the survey data collected on 11/24/2020. This updated, existing conditions model served as the baseline model upon which all of the design alternatives were evaluated.

The images below will present typical cross-sections for the proposed design (as represented in HEC-RAS) and a profile plot of the 100-year flood water surfaces (as predicted by HEC-RAS).

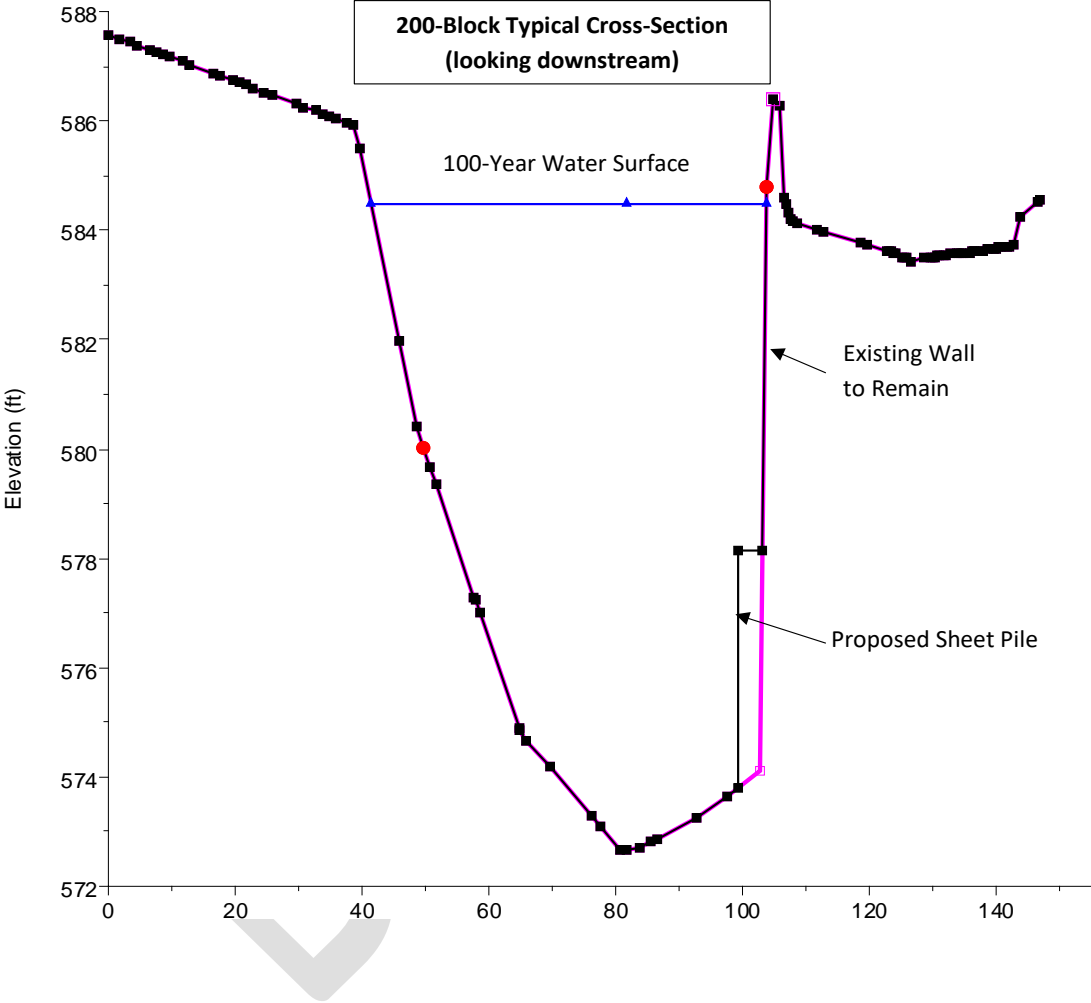
SMITHGROUP

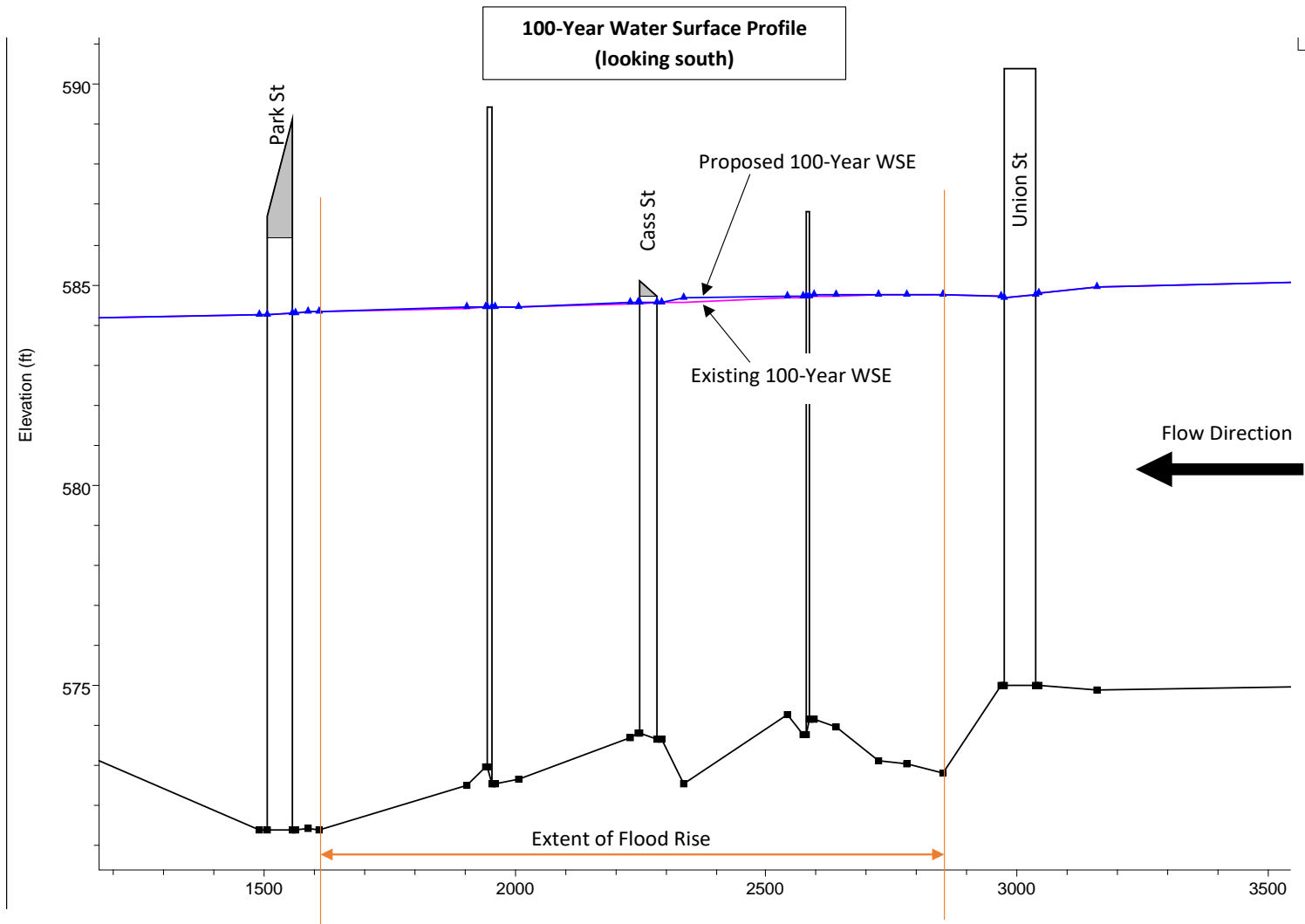
A typical cross-section from the 100 Block is presented below. This example utilizes a 4:1 side slope and extends the toe of the slope 3 feet in front of the retaining wall foundation.



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A typical cross-section of the 200 Block is presented below. The sheet pile extends up to the base of the wall and slightly constricts the channel.





BOARDMAN RIVER WALL STABILIZATION PROJECT

DDA BOARD MEETING
FEBRUARY 19, 2021

LimnoTech 

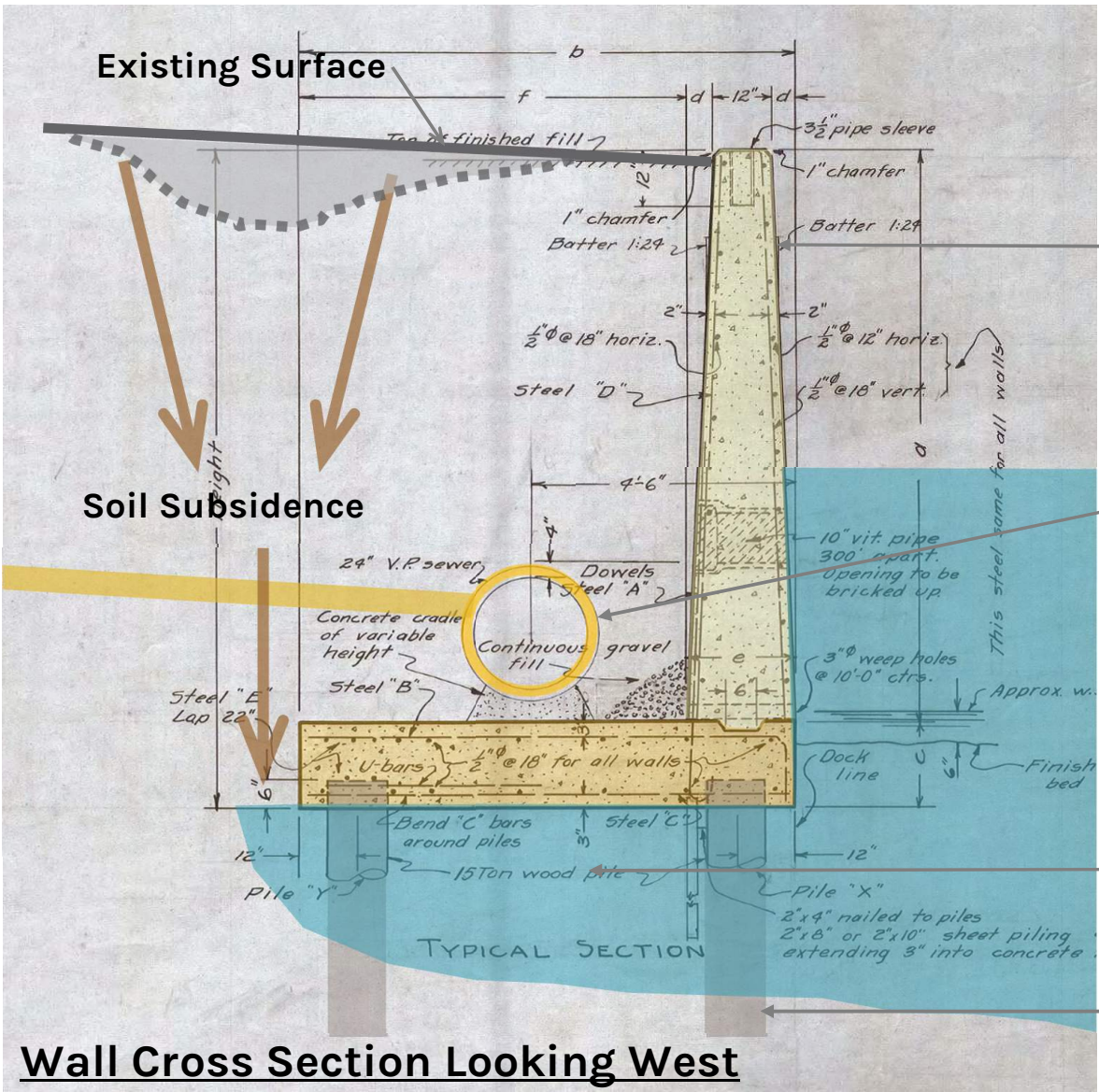
SMITHGROUP

PROJECT CONTEXT

Study Area-
100 and 200 blocks of
East Front Street



WALL CONDITIONS



Wall Cross Section Looking West

Existing Wall

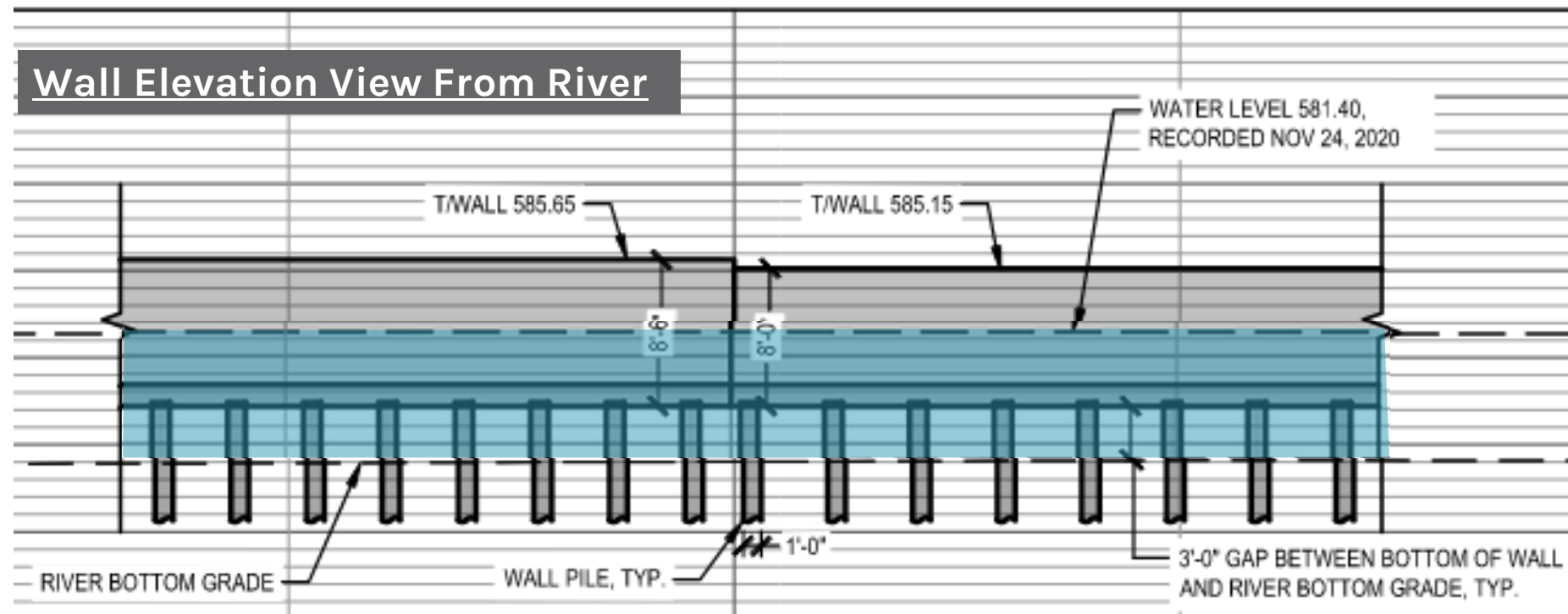
Existing 24" Sanitary Sewer

River Scouring Under Wall

Timber Piles Supporting Wall



WALL CONDITIONS



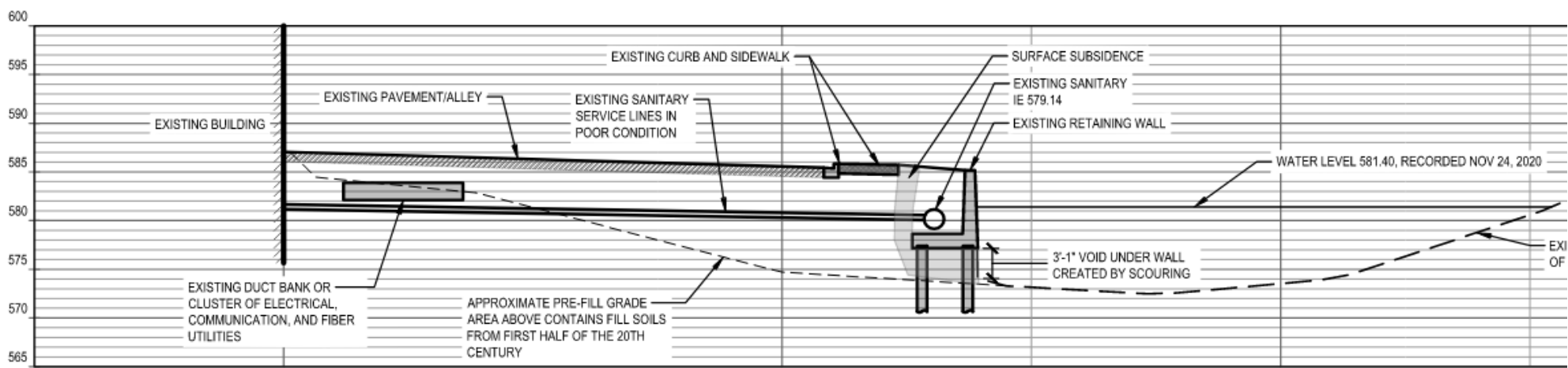
Summary of Issues

- Continued soil subsidence = pavement failure and disappearing sidewalks
- Issues with multiple sanitary sewer service line failures and river pollution
- Ground water infiltration into sanitary sewer increases treatment plant costs and potential for sewage releases into river.
- Long term destabilization of wall and sewer main

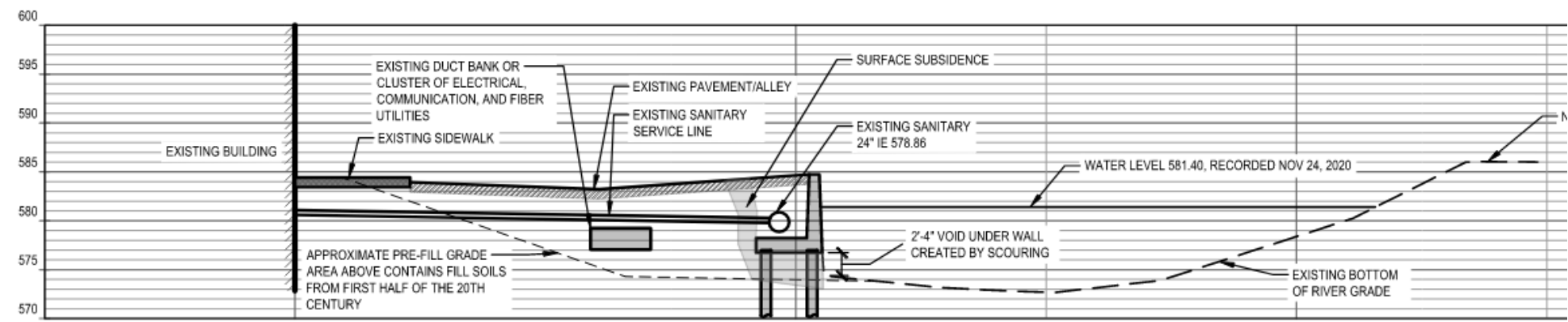
WALL ASSESSMENT PROCESS

Elements of the Study

- Topographic Survey
- Geotechnical Soil Borings
- Inspection of wall and review of existing documents
- Engineering Alternatives
- Hydraulic Modeling
- Evaluation and Recommendations



1 EXISTING CROSS SECTION - 100 BLOCK

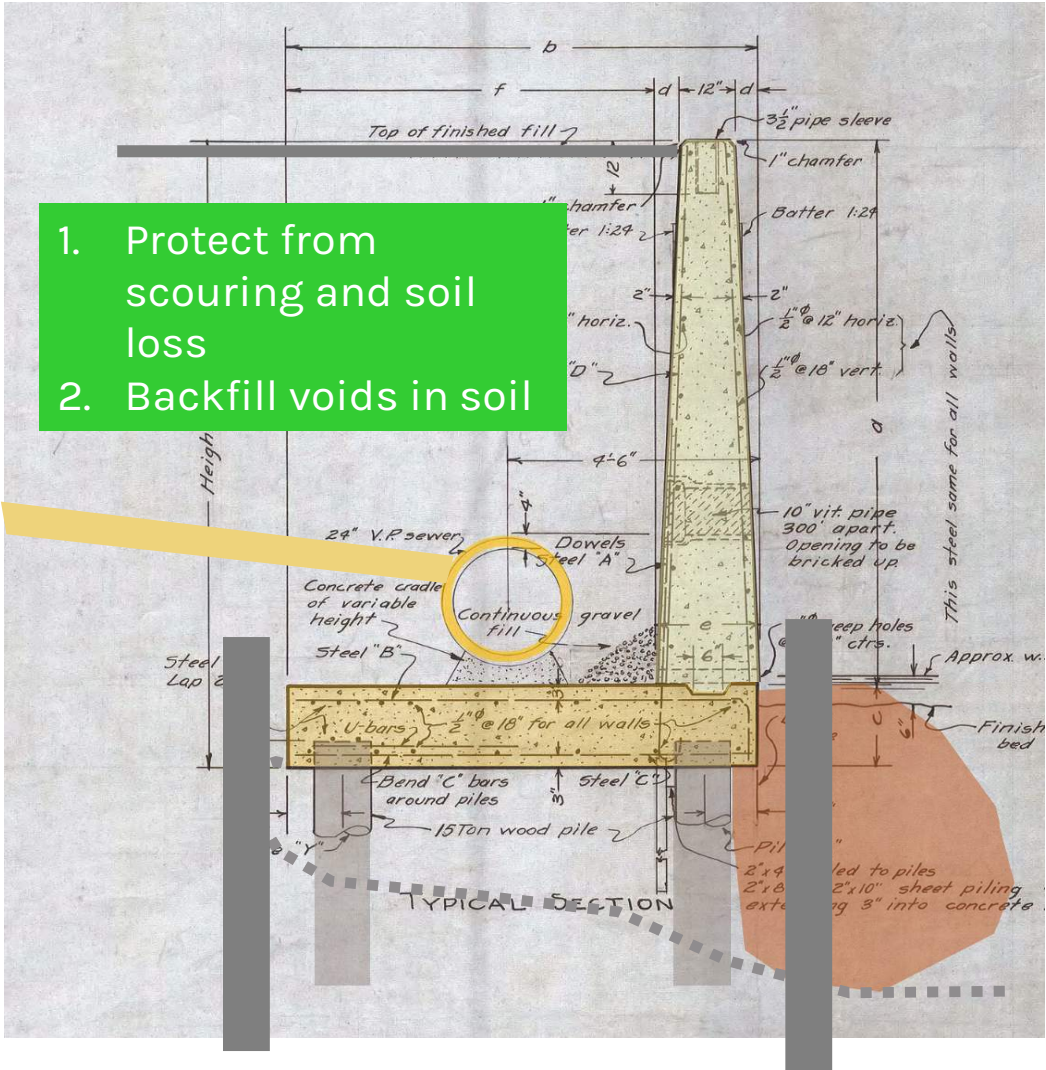


2 EXISTING CROSS SECTION - 200 BLOCK

ALTERNATIVES CONSIDERED

Criteria for Evaluation of Alternatives

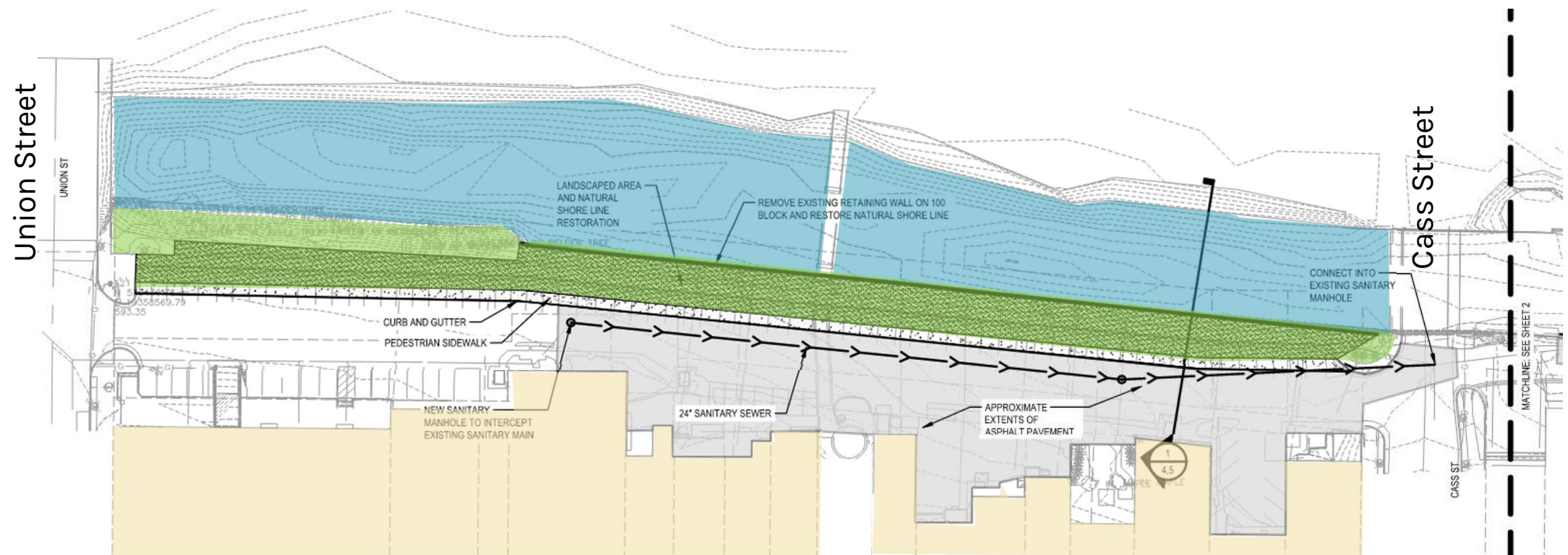
1. Provide long term protection for adjacent properties and sanitary sewer.
2. Maintain the alley and service access on the north side of the commercial buildings.
3. Limit impact on the flooding elevation of the river; especially upstream of the project area.
4. Preserve opportunities in the future to achieve the developing goals of the UNIFIED PLAN
5. Be cost effective.



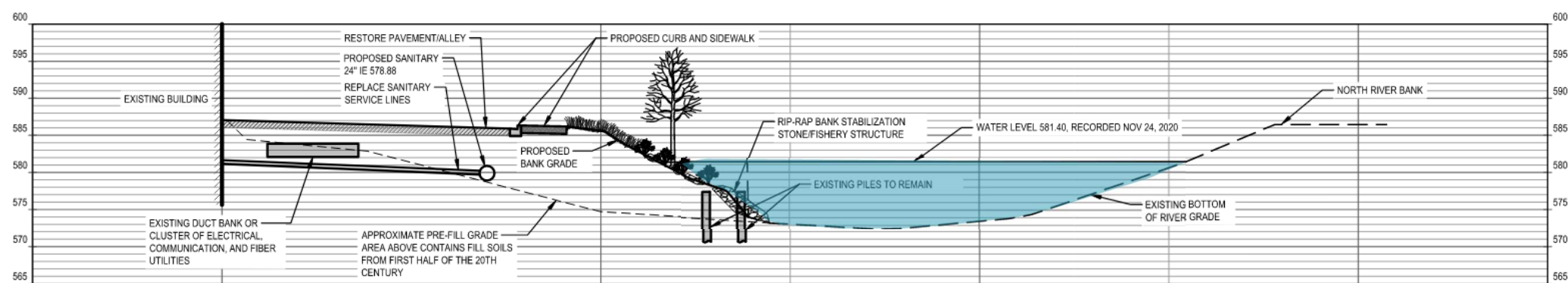
Alternatives Considered Include-

- Sheet Pile on Land Side of the Wall
- Concrete Filled Geotextile Tube
- Cores in the Footer
- Wall Removal and Sewer Relocation
- Sheet Pile Wall Protection

ALTERNATIVES CONSIDERED

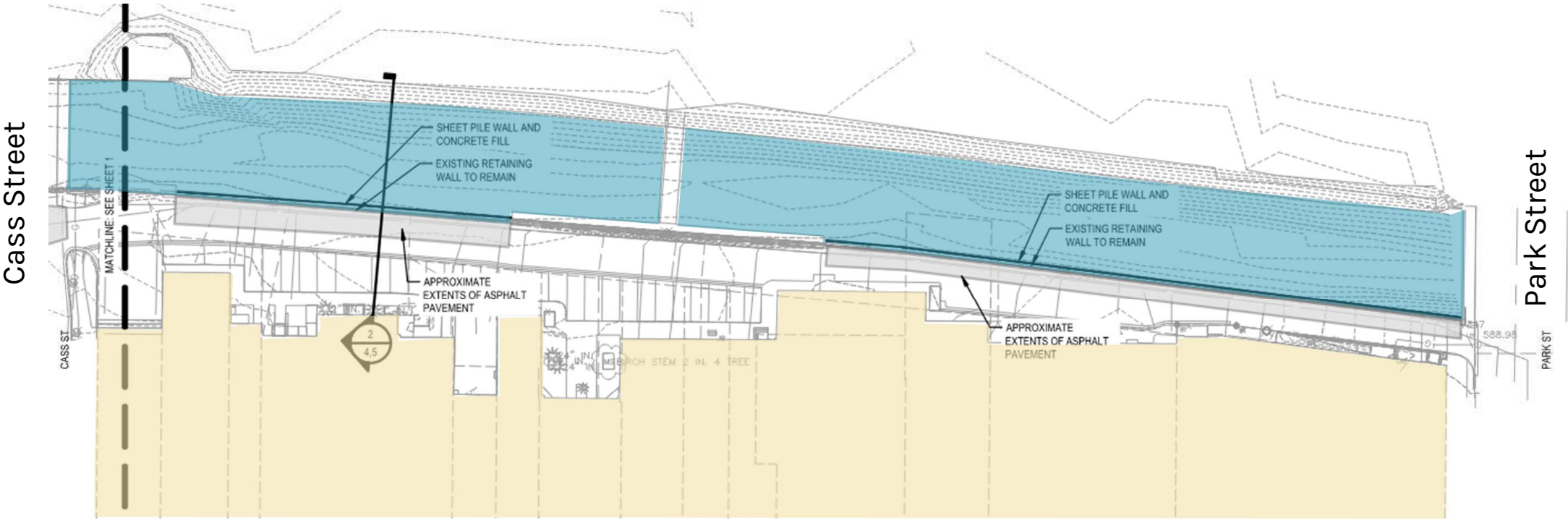


Plan of 100 Block

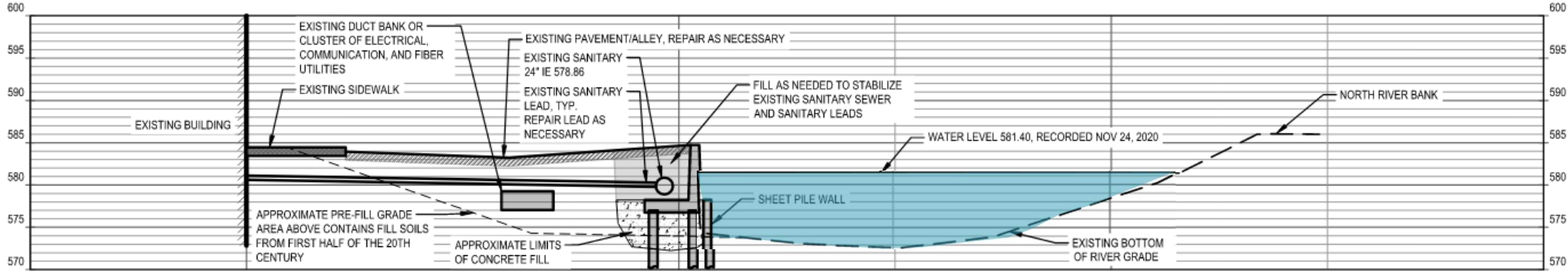


Section of 100 Block

ALTERNATIVES CONSIDERED

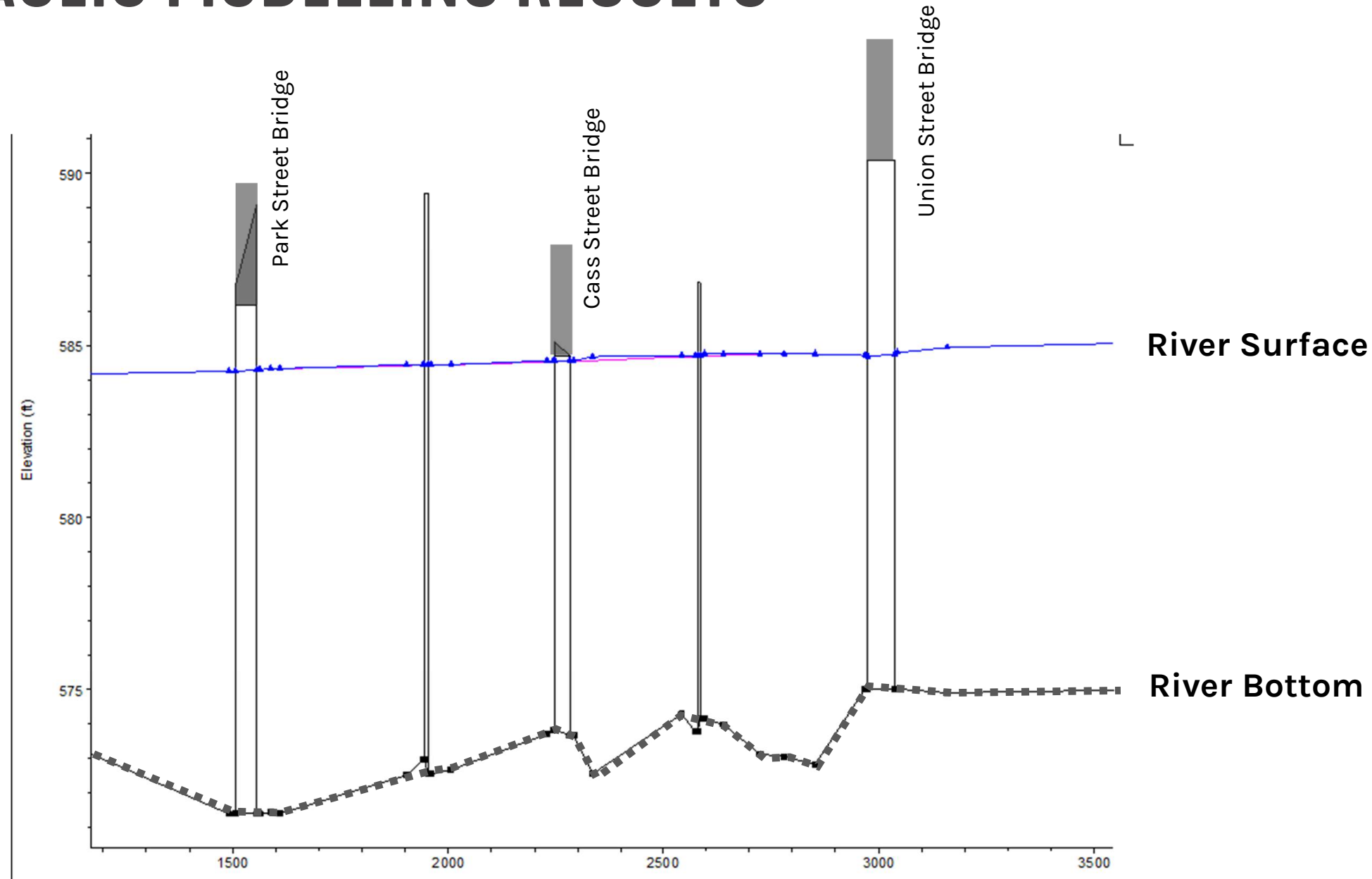


Plan of 200 Block



Section of 200 Block

HYDRAULIC MODELLING RESULTS



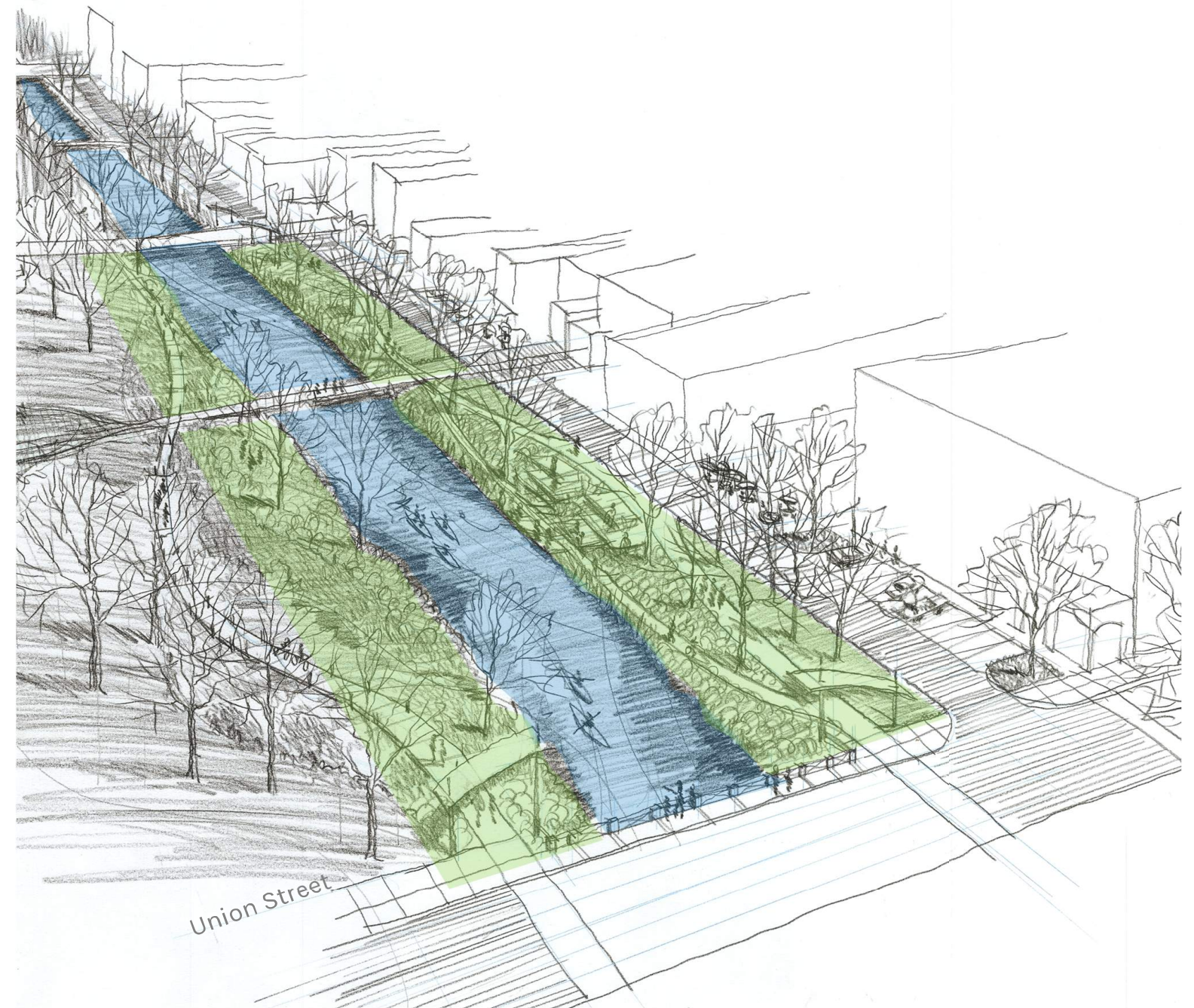
Profile of River Looking South

UNIFIED PLAN

DISCUSSIONS TO DATE

Key priorities from the Community Engagement Process

- Providing public access
- **Soften shore treatment/restore natural edge**
- **Remove/Limit parking from riverbanks**
- Utilize best practices to manage stormwater and other means of improving water quality.
- Shift the balance towards habitat and nature over human recreation and economic development
- Keep river corridor natural and passive



GREENING THE RIVERBANK

- Provides shade for water, reducing temperature and elevates dissolved oxygen
- Woody debris provides fish cover, basking for turtles, access path to bank
- Understory trees provide habitat and food for songbirds
- Creates a greener visual character

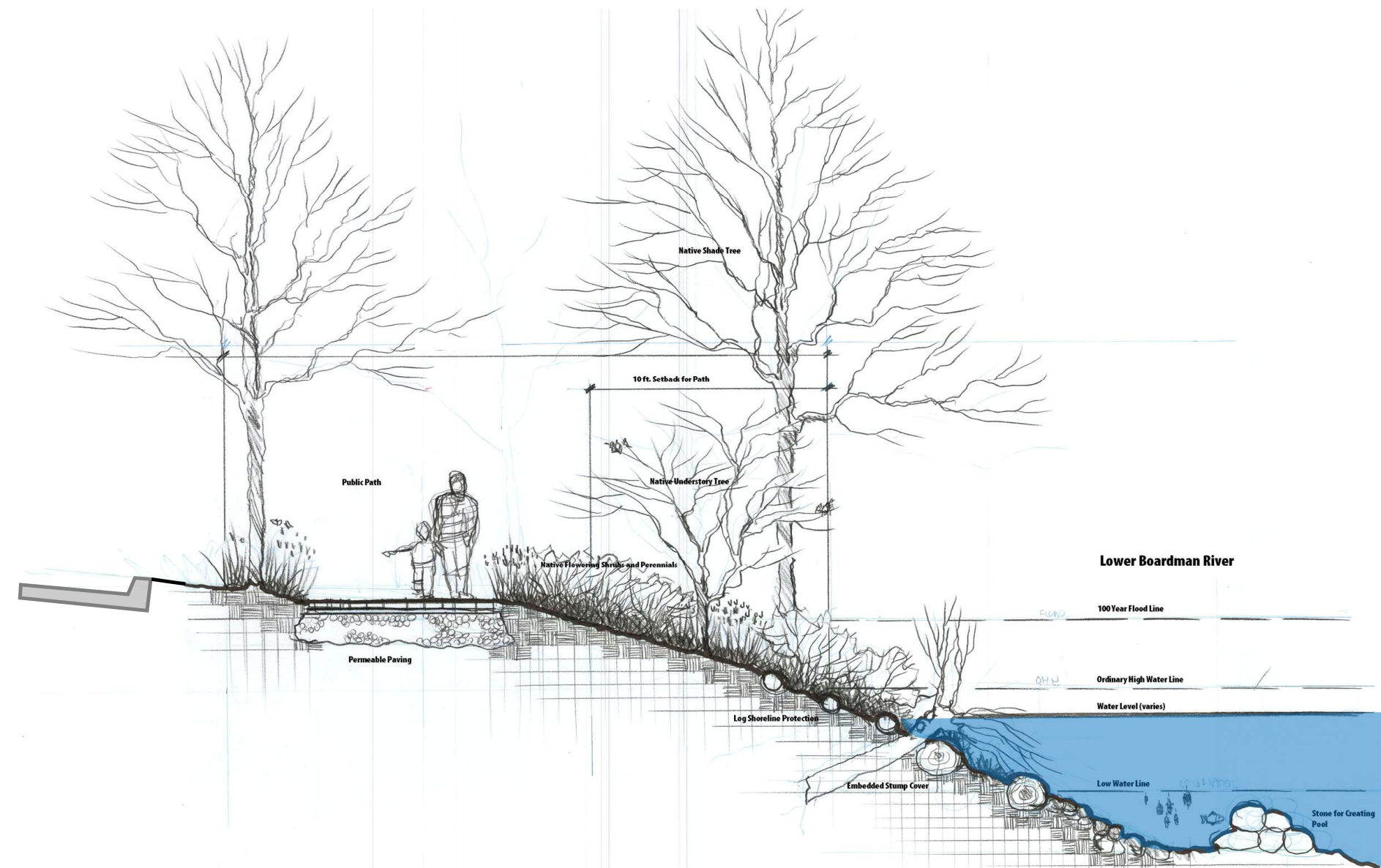


Figure Two: Typical Cross Section with Path

STEPS FORWARD

- Seek support for project by elected and appointed officials.
- Find source(s) of funding to limit financial impact to residents
- Submit for Permits
- Final Engineering
- Bidding and Construction



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
jean@downtowntc.com
231-922-2050

Memorandum

To: Downtown Development Board of Directors

Copy: Jean Derenzy, CEO

From: Governance Committee

Date: February 11, 2021

Re: CEO Annual Performance and Compensation Review

One of the roles and responsibilities assigned to the Governance Committee is to review documents, practices and policies of the Board and make recommendations for any updates. One the items listed is to review the "Board process and format for conducting an annual performance and compensation review of the CEO". The Committee has started this process and wanted to provide the Board one recommendation for consideration.

We contracted with Human Resource Partners (Kate Greene) to undertake an Executive Compensation Study. In addition to her resources, she used services of Dave Smith, Vice President of Compensation Services. In addition to providing a study of the market compensation for the CEO, it was requested by Mrs. Derenzy that the study include the positions directly reporting to her. The Study has been presented to the Committee (attached) and the Committee will be preparing a full report with recommendations for consideration for the March 19 Board of Directors Meeting (we hope). We will also be starting the review of the process and format of conducting the annual performance and will again utilize the services of Human Resource Partners to assist us. One point strongly emphasized from the Study is that compensation and performance are separate and distinct considerations.

The one recommendation we suggest at this point is regarding the Governance Committee makeup. Currently, the Committee is made up of four members and there is one vacancy, to be filled at the February 19 Board Meeting. Also it is not certain if there is a formal number of members to be on this Committee. It is our recommendation for your consideration that the number of the members of the Governance Committee not exceed five members and that one member shall be the Board Chair.

We will be prepared to address questions at the meeting.

February 5, 2021

Executive Compensation Report

Traverse City Downtown Development Authority

Prepared by Kate Greene, SHRM-SCP, GPHR, SPHR and
Dave Smith, Vice President of Compensation Services



Executive Compensation Study

Traverse City Downtown Development Authority (DDA)

Background

In late 2020, the Governance Committee of the Traverse City DDA hired HR Partners to collect and analyze data to provide market compensation ranges for the Chief Executive Officer position. Positions were analyzed and grouped based on their impact to the successful operation of the organization and relevant compensation data was collected for all positions that directly report to the CEO (to help establish internal equity). This detail will be included in a separate report to the CEO to assist with internal organizational administration.

Methodology

DDA staff each completed Job Questionnaires detailing the job duties and requirements of their positions. After review with the CEO for accuracy, this information and the job descriptions were ranked using a 20- point-factor analysis to establish internal relative worth which determined “levels” or grades which could then be linked to market compensation (see Appendix A).

Compensation ranges were developed by comparing the skills needed to successfully accomplish the duties required by each position to market pay data. HRP uses survey information from The Employers Association (TEA) database, which includes organizations from West Michigan, from Northwest Michigan and National data (depending on the position). Base compensation information from the following similar organizations (DDAs) were also included in the analysis.

- Boulder, CO
- Grand Rapids, MI
- Holland, MI
- Marquette, MI
- Birmingham, MI
- Grand Haven, MI
- Ann Arbor, MI
- Kalamazoo, MI
- Mt. Clemens, MI
- Ferndale, MI

Market pay ranges are based on skills needed to perform the duties. Comparable job pay rates (in industry) are an important data point but are not more heavily weighted than any other data points. Market ranges illustrate what the market is paying for the skills and responsibility of the position. Geographic adjustments are also included in the market ranges but differ depending on the location of the labor pool for the position. For example, an entry level position will be compared to wages within Grand Traverse County, where executive positions will include regional/state information. There are also adjustments for regional trends in pay.

Results

The results for the CEO position are presented in the attached chart. The annual pay rates indicate base cash compensation amounts.

The current base pay for the CEO is within the market range for the position, though it is below the POLICY (market-based rate of pay for an individual fully proficient within the job). The compa-ratio for this position is 0.87.

Position	Range Spread	Low	Policy	High	Current	Compa-ratio
CEO	50 %	\$ 78,000	\$ 104,000	\$ 130,000	\$ 90,1000	0.87

Low – this represents the average lowest wage for the position and/or the typical “spread” for ranges at this level within an organization (+/- 25% from Policy).

Policy – this is the average rate of pay that an individual “proficient” within the job would be paid to perform the job. This is also the number used to establish the Compa-ratio or how far below or above a pay rate is from market.

High – this is the average of the highest paid similar positions in the market and/or the typical “spread” for ranges at this level within an organization (+/- 25%).

Compa-ratio – this number represents how close the current wage being paid is to the Market Policy. For example, 1.0 means the current pay is equal to the market; 0.75 means it is paying about 25% below the policy or average/median; 1.30 would indicate pay is 30% higher than policy.

<1.0 Compa-ratio – this is appropriate rates for staff who are less experienced or are not fully proficient in skills needed to successfully perform the job.

1.0 Compa-ratio- this is midpoint for the market, often the target for organizations who want to be competitive in the market.

> 1.0 Compa-ratios- appropriate rates for staff who demonstrate high proficiency of skill in their position, who routinely exceed expectations and/or who have longer tenure in the position.

Benefits

Per its charter the DDA offers a similar package of benefits that City of Traverse City provides to its non-contracted (ACT) group of employees. Thus, the DDA’s benefit plan is very comparable to other municipality levels in Michigan and were not significantly different. Compared to the private sector, these plans combined offer slightly better-than-average insurance coverage (health, life, long and short term disability), paid time off programs (holiday, vacation, sick, personal), and retirement savings contributions.

Variable Pay

Variable pay information was also considered in this evaluation. The compensation for the CEO of the Traverse City DDA does not currently include any variable pay, incentive or “bonus” options. This is a very common practice in the private sector and it is most often tied to measurable outcomes such as profitability, meeting or exceeding revenue targets, or creating cost reductions. CEO bonus ranges vary widely (from 5 -50%). Variable pay is less common in public sectors, though quasi-government employers are beginning to adopt this strategy with ranges that are typically 3-25%.

Using variable pay is most often used to:

- incentivize business results (and staff behaviors), and/or
- as a tool to offer higher compensation opportunities without the raising the base cash compensation rate.

Note: Grand Rapids and Boulder DDAs do have bonus plans in place for their CEO (though specific numbers were not given). Further, about 60% of non-profits within the West Michigan region are moving towards more “pay at risk” programs.

Recommendations

Our recommendations to the DDA Board are as follows:

1. **Create a compensation philosophy to guide decision making.** Determine what the strategic goals are for compensation – where the organization aims to pay when compared to market – then adjust the recommended “Policy” to that point in the range and compensate the CEO based on that position.
2. **Determine and communicate how future raises will be determined for the CEO.** Considering this now will make subsequent discussions easier and could increase retention.
3. **Update wage ranges annually using market data.** We recommend updating these annually so that employees can progress in the range relative to the market, which avoids large/costly adjustments in a single year and can improve employee retention.

Linking to market data recognizes difference in skill value and position requirements, vs using a broad one-size-fits all increases (like CPI or COLA). Making the same percentage adjustment for all positions each year can lead to overcompensating average performers or under compensation for high-performers with in demand skills.

Thank you for allowing us to provide this information to you as you seek to support the efforts of the DDA’s staff who are working to make Traverse City a better place to live, work and visit.



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
jean@downtowntc.com
231-922-2050

Memorandum

To: DDA Board
From: Jean Derenzy, DDA CEO
Date: February 10, 2021
Re: Legal Counsel Contract

Last month, the DDA Board approved the hiring of Olson, Bzdok and Howard for legal counsel. I have attached the retainer agreement for your consideration and approval.

RECOMMENDATION

That the DDA Board of Directors authorizes the DDA CEO to enter into a retainer agreement with Olson, Bzdok and Howard for legal counsel.

OLSON, BZDOK & HOWARD



February 10, 2021

Jean Derenzy, Chief Operating Officer
Traverse City Downtown Development Authority
303 State Street
Traverse City, MI 49684

Via email: jean@downtowntc.com

RE: Retainer Agreement

Dear Jean:

The purpose of this letter is to set forth our mutual understanding of the terms and conditions under which the Traverse City Downtown Development Authority (“DDA”) retains the law firm of OLSON, BZDOK & HOWARD, P.C. (the “Law Firm”) to perform legal services.

1. The Law Firm agrees to represent the DDA and provide general legal services and advice as needed in the role of corporate counsel. In connection with those services, we owe the DDA a duty to preserve its confidences and secrets that we acquire, and to exercise our independent professional judgment on the DDA’s behalf. I will have primary responsibility for this matter.

2. The Law Firm is retained by the DDA to render both proactive advice on legal matters and also answer specific legal questions or requests for a monthly flat fee. Services covered under the monthly retainer include all legal services except those listed in Paragraph 3, below. Requests for legal work by the Law Firm shall be directed through the CEO, the chair of the Board of Directors, or the Board of Directors by majority vote. The law firm shall attend regular DDA meetings or subcommittee meetings at the request of the DDA.

3. The services rendered by the Law Firm for a flat fee under this Agreement shall include representation in litigation, administrative hearings, or unique projects that will substantially exceed the time estimates that the flat fee is based on.¹ To the extent that the Law Firm represents the DDA in any of the items listed in this paragraph, the law firm’s work shall be billed at an hourly rate. The DDA and Firm shall mutually agree on any “unique projects” that will be billed at an hourly rate.

4. Beginning February 1, 2021, the monthly flat fee for services performed under Paragraph 2 shall be \$5,325.00. For hourly rate services under Paragraph 3, the Law Firm will charge public interest reduced rates of \$185 per hour for time billed by Scott Howard or Ross Hammersley. \$165 per hour for time billed by Lydia Barbash-Riley, or \$50 per hour for legal assistant or paralegal

¹ The estimate is approximately 40 hours at a blended hourly rate of \$133/hour based on the rates in Paragraph 4.

Traverse City Downtown Development Authority

Page 2

February 10, 2021

time. At the conclusion of each month, we will send the DDA a detailed statement via email describing the legal services and expenses incurred.

5. The Law Firm and DDA staff will meet at least annually to evaluate whether there needs to be any adjustment to the flat fee. We will work together in good faith to make sure the flat fee appropriately serves the needs of the DDA for legal services and also fairly compensates the Law Firm for the hours worked on DDA matters. Any change to this Agreement must be ratified by the DDA Board of Directors.

6. The DDA agrees to pay the Law Firm for all fees and expenses charged, within 30 days of receiving a statement. If the DDA does not make timely payments, we will apply a finance charge at an annual percentage rate of 7% with a minimum finance charge of \$5.00 per monthly billing cycle.

7. The Law Firm will maintain malpractice insurance with a minimum coverage of one million dollars per occurrence and two million dollars aggregate. The Law Firm shall provide a certificate of insurance upon request to the DDA.

8. To the extent that there is a conflict of interest that prohibits the Law Firm from working for the DDA pursuant to the Michigan Rules of Professional Conduct, the DDA shall obtain advice from the City Attorney's office or from other secondary legal counsel. The DDA is aware that the Law Firm represents the Grand Traverse County Brownfield Redevelopment Authority ("BRA"). To the extent that a potential conflict of interest exists between the BRA and the DDA, the Law Firm will continue to represent the BRA and the City Attorney will represent the DDA. Any other potential conflict of interest will be dealt with on a case-by-case basis.

9. The DDA may terminate this engagement letter at any time upon written notice. The Law Firm may terminate this agreement for any reason allowed by the Michigan Rules of Professional Conduct. In the event of termination, the DDA will make arrangements for prompt payment of any amounts then owing to the Law Firm.

Please sign and return this letter to my office via this email. We are pleased to work with the DDA to keep Traverse City a vibrant community with a thriving downtown.

Sincerely,



Scott W. Howard
scott@envlaw.com

SWH:knf

Traverse City Downtown Development Authority
Page 3
February 10, 2021

Signature: _____
Jean Derenzy, Chief Operating Officer

Date: _____



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
jean@downtowntc.com
231-922-2050

Memorandum

To: DDA Board

From: Jean Derenzy, DDA CEO

Date: February 10, 2021

Re: 2019/2020 Audit

The Finance Committee met on Monday, February 8th to review and discuss the final 2019/2020 audit. Doug Vredevelt, from Vredevelt Haefner (the firm that completed our audit) presented an overview of the audit to the Committee.

Some of the highlights of the Audit:

- The Auditor's issued an unqualified (i.e. "clean") opinion on the financial statements.
- The Authority's total net position increased by \$1,497,320
- All accounting principles have been met.

The net position increase relates to our "pending projects" - projects that did not move forward last fiscal year (e.g., bridges, City Opera House, redevelopment of surface lots etc.). Brian Postma from the City Treasurer's Office will be available to go through the audit with all Board members to provide a high level overview.

The finance committee recommended approval of the audit as presented.

RECOMMENDATION:

The the DDA Board approve the annual audited financial statements for the Traverse City Downtown Development Authority for the year ended June 30, 2020.



**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City)**

**Annual Audited Financial Statements
For the Year Ended June 30, 2020**

**Prepared by City Treasurer's Office
Vredeveld Haefner LLC - Auditors**



**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the
City of Traverse City, Michigan)**

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INDEPENDENT AUDITORS' REPORT

December 24, 2020

Members of the Board
City of Traverse City Downtown Development Authority
Traverse City, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Traverse City Downtown Development Authority (the Authority), a Component Unit of the City of Traverse City, Michigan, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Traverse City Downtown Development Authority, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

-1-

Specializing in services to governmental and nonprofit entities

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the information on pages 21 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Orlando Hoefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

As management of the *City of Traverse City Downtown Development Authority* (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$4,658,266 (*net position*).
- The Authority's total net position increased by \$1,497,320.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$3,920,384 an increase of \$1,618,395 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Authority's assets and liabilities with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Authority's governmental activity is economic development. The Authority has no business-type activities.

The government-wide financial statements include only the Authority itself. The Authority has no legally separate component units for which the Authority is financially accountable.

The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority only has governmental funds. The Authority does not maintain enterprise or fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for all three funds; the General Fund, TIF 97 and Old Town TIF Special Revenue Funds, each of which are considered to be major funds. The governmental funds financial statements can be found on pages 10-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-20 of this report.

Other Information

The Authority adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison schedules have been provided as required supplementary information to demonstrate compliance with those budgets.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$4,658,266 at the close of the most recent fiscal year.

Downtown Development Authority's Net Postion

	<u>June 30</u>	
	<u>2020</u>	<u>2019</u>
Governmental Activities		
Current assets	\$ 6,762,704	\$ 5,997,296
Non Current assets	<u>120,756</u>	<u>120,756</u>
Total Assets	<u>6,883,460</u>	<u>6,118,052</u>
Long-term liabilities	55,122	66,799
Other liabilities	<u>2,170,072</u>	<u>2,890,307</u>
Total Liabilities	<u>2,225,194</u>	<u>2,957,106</u>
Net Position		
Net investment in capital	120,756	120,756
Restricted	3,865,826	2,544,285
Unrestricted	<u>671,684</u>	<u>495,905</u>
	<u>\$ 4,658,266</u>	<u>\$ 3,160,946</u>

The Authority's net position reflects its restricted net position for future expenditures within the guidelines of the tax increment finance district plans and unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in both categories of net position.

The Authority's net position increased by \$1,497,320, key highlights are as follows:

- The increase in net position for 2020 compared to an increase of \$394,019 in 2019. Charges for services increased by approximately \$224,000 due in part to an adjustment to the administrative service contracts with the DTCA and the City Parking System. Property taxes increased by approximately \$450,000 due in large part to a significant increase in the captured value of the TIF 97 plan and 2020 being the third year of capture for the Old Town TIF plan. The total expenses decreased by approximately \$385,000, due almost entirely to decreases in the amount each of the TIF districts contributed to district construction projects during 2020 compared to 2019.

Downtown Development Authority's Changes in Net Position

	June 30	
	2020	2019
Governmental Activities		
Program revenues		
Charges for services	\$ 991,207	\$ 767,341
Operating grants	189,243	145,077
Capital grants	-	-
General revenues		
Property taxes	3,070,404	2,620,259
Unrestricted investment earnings	948	732
Total Revenue	4,251,802	3,533,409
Expenses		
Economic development	2,754,482	3,139,390
Change in net position	1,497,320	394,019
Net position beginning of year	3,160,946	2,766,927
Net position end of year	\$ 4,658,266	\$ 3,160,946

Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Authority's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$3,920,384, an increase of \$1,618,395, from the prior year. \$3,193,578 of fund balance is restricted and available only for spending for the benefit of the applicable TIF district.

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$722,152. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 49 percent of total General Fund expenditures. During the current fiscal year, the fund balance of the Authority's General Fund increased by \$164,102 compared to an anticipated increase of \$32,100. The change in fund balance was attributed to actual expenditures being under the amended budget by approximately \$91,000, and actual revenues received being more than the budget by approximately \$41,000.

The TIF 97 Special Revenue Fund had a fund balance of \$2,974,201, which increased \$1,234,916 although anticipated to increase \$461,200. This difference was attributed to larger than anticipated Brownfield reimbursements related to the parking deck debt payments and actual expenditures being under budget because of the timing of construction projects the district has committed funding to.

The Old Town TIF Special Revenue Fund has a fund balance of \$ 219,377, an increase of \$219,377, compared to a projected decrease of \$202,600. The timing of district funded construction projects was the key factor in the increased fund balance for the Old Town TIF Fund there were zero actual contributions compared to a budgeted contribution of \$405,500.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the 2020-21 fiscal year:

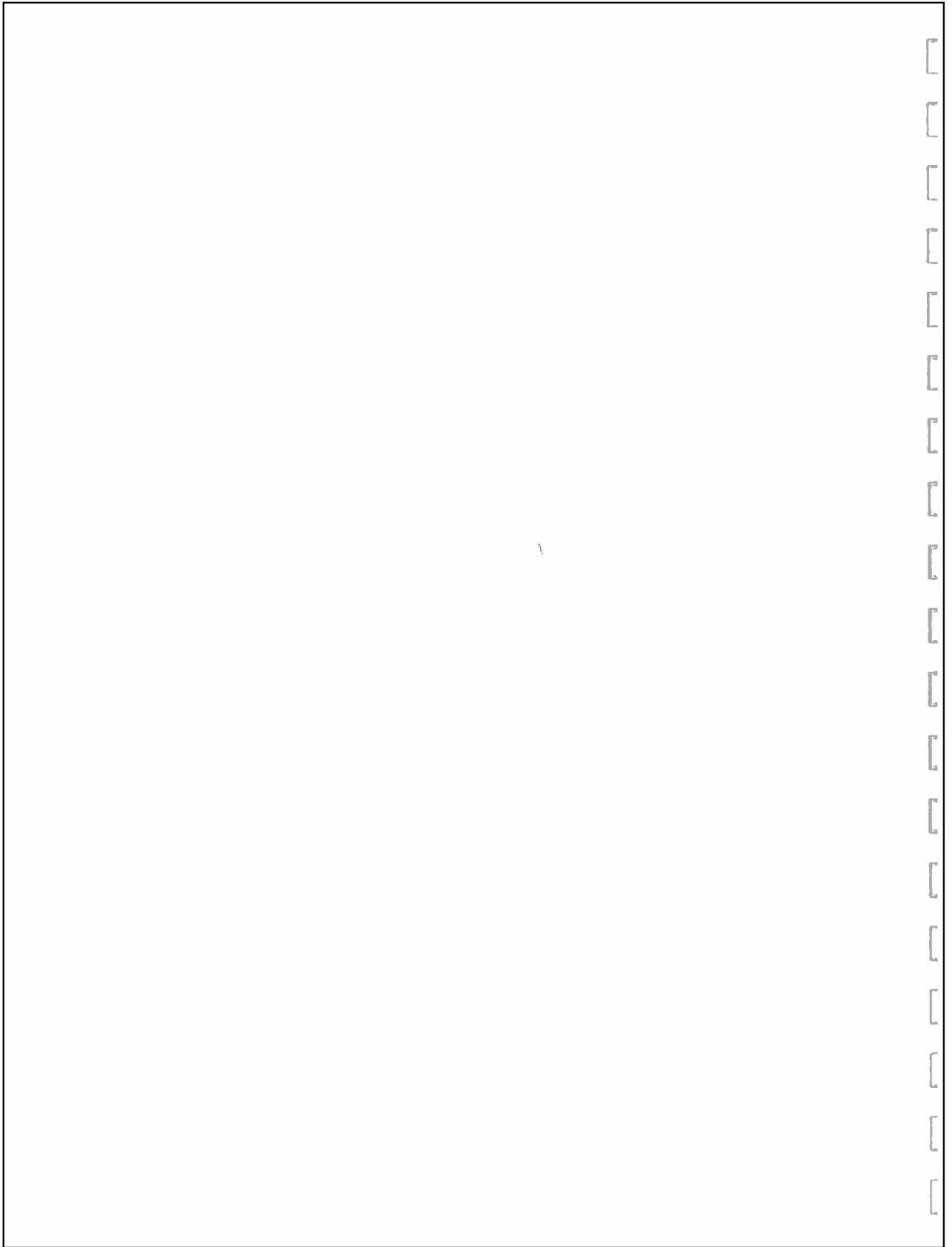
- Through a contract with the City of Traverse City, the Authority manages the Traverse City Parking Services. For fiscal year end June 30, 2020, the Authority budgeted an increase in the autoparking administrative reimbursement of \$22,000 to reflect increased staffing projections. The General Fund also budgeted for the receipt and use of grant funds related to the Civic Square Project of \$3,000,000.
- Various capital improvements are planned in the TIF 97 Funds for the 2020-21 fiscal year including Uptown/West Front Riverwalk completion, a snowmelt system in parts of West Front Street, City Opera House upgrades, East Front Street Streetscapes and West Front, South Cass and Park Streets Bridge Replacements.
- A \$65,000 payment to the Downtown WiFi project will be made by TIF 97 annually through 2024.
- The Old Town TIF captured taxes for the third time during fiscal year end June 30, 2020. Future projects being considered for Old Town TIF contributions include, South Cass and Eighth Street Bridge Replacements.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Authority's Executive Director, 303 State Street, Traverse City, Michigan.

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FINANCIAL STATEMENTS



**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Statement of Net Position
June 30, 2020**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 5,949,303
Due from other governments	808,747
Prepaid items	4,654
Capital assets not being depreciated	<u>120,756</u>
Total assets	<u>6,883,460</u>
Liabilities	
Accounts payable	129,536
Accrued liabilities	40,536
Unearned Revenue	2,000,000
Accrued compensated absences	
Due in more than one year	<u>55,122</u>
Total liabilities	<u>2,225,194</u>
Net position	
Net investment in capital assets	120,756
Restricted for tax increment finance districts	3,865,826
Unrestricted	<u>671,684</u>
Total net position	<u>\$ 4,658,266</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Statement of Activities
For the Year Ended June 30, 2020**

<u>Functions/ Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities	\$ 2,754,482	\$ 991,207	\$ 189,243	\$ (1,574,032)
	General revenues			
	Unrestricted property taxes			129,391
	Restricted property taxes for tax increment finance districts			2,941,013
	Unrestricted investment income			948
	Total general revenues			3,071,352
	Change in net position			1,497,320
	Net position, beginning of year			3,160,946
	Net position, end of year			\$ 4,658,266

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY**
(A Component Unit of the City of Traverse City, Michigan)

**Balance Sheet
Governmental Funds
June 30, 2020**

	<u>General Fund</u>	<u>TIF 97 Fund</u>	<u>Old Town TIF Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 3,026,624	\$ 2,781,390	\$ 141,289	\$ 5,949,303
Due from other governments	136,499	672,248	-	808,747
Due from other funds	51,790	292,934	93,060	437,784
Prepaid items	4,654	-	-	4,654
Total assets	<u>\$ 3,219,567</u>	<u>\$ 3,746,572</u>	<u>\$ 234,349</u>	<u>\$ 7,200,488</u>
Liabilities, deferred inflows, and fund balances				
Liabilities				
Accounts payable	66,231	51,833	11,472	\$ 129,536
Accrued liabilities	40,536	-	-	40,536
Unearned Revenue	2,000,000	-	-	2,000,000
Due to other funds	385,994	48,290	3,500	437,784
Total liabilities	<u>2,492,761</u>	<u>100,123</u>	<u>14,972</u>	<u>2,607,856</u>
Deferred inflows				
Unavailable revenue	-	672,248	-	672,248
Fund balances				
Nonspendable - prepaid expenditures	4,654	-	-	4,654
Restricted - tax increment finance districts	-	2,974,201	219,377	3,193,578
Unassigned	722,152	-	-	722,152
Total fund balances	<u>726,806</u>	<u>2,974,201</u>	<u>219,377</u>	<u>3,920,384</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,219,567</u>	<u>\$ 3,746,572</u>	<u>\$ 234,349</u>	<u>\$ 7,200,488</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Reconciliation of Fund Balances on the Balance Sheet for Governmental
Funds to Net Position of Governmental Activities on the
Statement of Net Position
June 30, 2020**

Fund balances - total governmental funds	\$ 3,920,384
--	--------------

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.

Add - Capital Assets	120,756
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Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Add - unavailable revenue	672,248
---------------------------	---------

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct - accrued compensated absences	<u>(55,122)</u>
---------------------------------------	-----------------

Net position of governmental activities	<u>\$ 4,658,266</u>
---	---------------------

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY**
(A Component Unit of the City of Traverse City, Michigan)

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020**

	<u>General Fund</u>	<u>TIF 97 Fund</u>	<u>Old Town TIF Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 129,391	\$ 2,534,458	\$ 406,555	\$ 3,070,404
Grants and contributions	134,243	-	-	134,243
Reimbursements	1,318,204	187,752	-	1,505,956
Rental income	43,910	-	-	43,910
Interest income	948	5,179	138	6,265
Total revenues	<u>1,626,696</u>	<u>2,727,389</u>	<u>406,693</u>	<u>4,760,778</u>
Expenditures				
Economic development				
Salaries	767,555	-	-	767,555
Fringe benefits	265,388	-	-	265,388
Office supplies and utilities	40,111	401	-	40,512
Professional services	362,933	592,863	187,316	1,143,112
Travel and conferences	10,475	-	-	10,475
Repairs and maintenance	3,910	-	-	3,910
Rentals	12,222	-	-	12,222
Contributions to district construction projects	-	40,390	-	40,390
Contributions to other governments - debt service	-	858,819	-	858,819
Total expenditures	<u>1,462,594</u>	<u>1,492,473</u>	<u>187,316</u>	<u>3,142,383</u>
Net change in fund balance	164,102	1,234,916	219,377	1,618,395
Fund balance, beginning of year	<u>562,704</u>	<u>1,739,285</u>	<u>-</u>	<u>2,301,989</u>
Fund balance, end of year	<u>\$ 726,806</u>	<u>\$ 2,974,201</u>	<u>\$ 219,377</u>	<u>\$ 3,920,384</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2020**

Net changes in fund balances - total governmental funds	\$ 1,618,395
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Noncurrent assets recorded on the fund statements are not available to fund current year operations and are unavailable in the funds.	
Add - current year additions to non current assets (long-term receivables)	55,000
Deduct - payments received on long-term receivables due from other governments	(187,752)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Add - decrease in compensated absences	<u>11,677</u>
Change in net position of governmental activities	<u>\$ 1,497,320</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The City of Traverse City Downtown Development Authority (the "Authority"), a discrete component unit of the City of Traverse City (the "City"), was created in September 1978 by the City Commission pursuant to Act No. 197 of the Public Acts of 1975 of the State of Michigan. It operates through a Board of Trustees (the "Board") consisting of the Mayor of the City of Traverse City and eleven members approved by the City Commission. The purpose of the Authority is to correct and prevent deterioration of the Downtown Development District, encourage historic preservation, create and implement development plans, and promote economic growth.

The Authority is a component unit of the City because the City appoints the Authority's Board of Directors, it has the ability to significantly influence the Authority's operations and it is financially accountable for the Authority as defined under GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61. Accordingly, the Authority is presented as a discretely presented component unit in the City's financial statements.

Government-wide and Fund Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The Authority has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The government-wide financial information is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the years for which they are levied.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2020**

Governmental fund financial information is reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and compensated absences expenditures are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Authority reports the following major governmental funds:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

The *TIF 97 and Old Town TIF Special Revenue Funds* account for financial resources that are legally restricted for activities within specific districts of the Downtown Development Authority.

Capital Assets - The Authority has capitalized one asset, a parcel of land purchased by the Authority for which it holds legal ownership. Infrastructure assets (e.g., roads, bridges, curbs, sidewalks, storm sewers and similar items), along with water and wastewater subsystems, constructed by the Authority are not recorded as the Authority's capital assets, even though the Authority may be obligated to repay the debt issued to finance the related projects. Such capital assets become the property of the City when they are placed into service and, accordingly, are then reported as the City's capital assets.

Deferred outflows/inflows of resources - In addition to assets, the statement of net position and the governmental funds balance sheet, when applicable, will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority does not report deferred outflows of resources.

In addition to liabilities, the statement of net position when applicable will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Authority reports deferred inflow of resources for unavailable revenue related to a long-term

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2020**

commitment from the Grand Traverse County Brownfield Authority.

Unearned revenue - The amount reported as unearned revenue consists of grant funds received in advance that have not yet been spent.

Accrued compensated absences - Employees are granted Sick Leave and Paid Time Off. **Sick Leave:** Employees hired before June 30, 2020 may have accumulated Sick Leave time. As of July 1, 2020, Sick Leave time will no longer accumulate. Sick Leave balances will be accessible and payable upon separation up to 480 hours until June 30, 2022. After 2022, Sick Leave pay banks and balances will be eliminated. **Paid Time Off:** If Paid Time Off is not used before the anniversary date, a maximum of 40 hours are eligible for rollover into the next work year and accumulation in the PTO "bucket." Unused PTO above 40 hours that remains on the anniversary date will be forfeited. The maximum payout upon separation will be 40 hours. The estimated amount due to employees as of June 30, 2020 is accrued in the government-wide financial statements.

Fund Balance - In the fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resource by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the Authority's highest level of decision making authority, the Authority's Board of Directors. A formal resolution by the Authority's Board of Directors is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts intended for specific purposes expressed and assigned by the governing body. Unassigned fund balance is the residual classification for the General Fund.

Net Position and Fund Balance Flow Assumptions - Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

2. CASH AND CASH EQUIVALENTS

Michigan Compiled Laws, Section 129.91 authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Authority is allowed to invest in

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2020**

bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Authority's deposit and investment policy is in accordance with statutory authority.

The Authority's cash and cash equivalents are comprised of bank deposits with a balance of \$5,948,755 and petty cash of \$548 at June 30, 2020.

Custodial credit risk - deposits

Custodial risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The State does not require and the Authority has not adopted a policy regarding custodial credit risk. The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared, or of deposits in transit) at \$6,092,178. The Federal Deposit Insurance Corporation insured \$250,000 and the remainder of \$5,842,178 is uninsured and not collateralized.

3. RECEIVABLES / UNAVAILABLE REVENUE

The General Fund reports \$1,878 of receivables from the City of Traverse City related to event administration services. Governmental funds reported unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. This unavailable revenue consists of taxes that will be captured in the future by the Brownfield tax districts to reimburse for costs incurred in this and past fiscal years for economic development. At the end of the current fiscal year, the various components of unavailable revenue amounted to \$672,248.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable are related to vendors and construction projects and includes \$4,259 due to the City of Traverse City related to contributions the DDA has committed for TIF eligible construction projects and \$3,500 due to the City for downtown Christmas lighting supplies. Accrued liabilities in the governmental activities consist of 63 percent accrued payroll liabilities, and 37 percent deposits payable.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2020**

5. INTERFUND PAYABLES AND RECEIVABLES

Expenses payable from the TIF 97 special revenue funds to the General Fund at June 30, 2020 netted to \$48,290. In addition, \$3,500 is due from the Old Town TIF fund to the General Fund for reimbursement of vendor payments made by the General Fund. TIF 97 reported amounts receivable from the General Fund including \$11,969 related to prior year adjustments, and \$280,965 related to current year brownfield reimbursements and property tax collections that were deposited into the General Fund bank account and were not transferred to the TIF 97 bank account as of June 30, 2020. Old Town TIF reported amounts receivable from the General Fund of \$82,379 related to prior year administrative fee adjustments and \$ 10,681 related to current year property tax collections deposited into the General Fund bank account and not transferred to the Old Town TIF bank account as of June 30, 2020.

6. ACCRUED COMPENSATED ABSENCES

Changes in accrued compensated absences consist of the following:

	Balance			Balance	Due
	<u>07/01/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/20</u>	<u>Within</u>
					<u>One Year</u>
Accrued compensated absences	<u>\$66,799</u>	<u>\$ 24,843</u>	<u>\$ 36,520</u>	<u>\$55,122</u>	<u>\$ -</u>

Compensated absences are liquidated by the General Fund.

7. PROPERTY TAXES

The Authority's property taxes are levied each July 1 on the taxable valuation of applicable property located in the Districts of the Authority as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through July 31 and unpaid taxes become delinquent if not paid by March 1 of the succeeding year. Assessed values as established annually by the City, and subject to acceptance by the County, are equalized by the State at an estimated 50 percent of the assessed value. The taxable value for real and personal property for the Authority for the 2019 levy was \$187,889,122. The Authority's general operating tax rate for fiscal year 2019-20 was 1.66580 mills.

Property tax revenue for the TIF's, which are included in the Downtown Development Authority, is derived pursuant to the tax increment financing development plans. The Old Town TIF tax increment financing development plan captured it's first taxes during the fiscal year end June 30, 2018. Real and personal property taxes are levied and attach as an enforceable lien on properties located within the boundaries of the tax increment financing districts. The City bills and collects the taxes on behalf of the Authority. Delinquent taxes on ad valorem real property at March 1 are purchased and collected by Grand Traverse County.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2020**

Collection of delinquent personal property tax remains the responsibility of the City of Traverse City. Property tax revenue is recognized when levied in the government-wide financial statements and in the fund financial statements to the extent that it results in current receivables.

Except for property taxes captured from local schools that exceed contractual obligations, the Authority is entitled to all taxes levied on property within the tax increment financing authority districts to the extent that the current taxable value exceeds the base year taxable value. The base year of initial properties was 1997 for TIF 97 (\$32,860,088). The base year on other properties is determined by the date of entry into the district. The fiscal year 2019-20 captured taxable values for TIF 97 was \$126,691,029. The base year of initial properties was 2017 for Old Town TIF (\$45,424,382). The base year on other properties is determined by the date of entry into the district. The fiscal year 2019-20 captured taxable values for Old Town TIF was \$60,805,082.

8. COMMITMENTS

The 2020 City of Traverse City Downtown Development Tax Exempt Refunding Bonds are reported on the City of Traverse City financial statements. The Authority has pledged tax increment revenues for the payment of these bonds. The City has pledged its limited tax full faith and credit for the payment of the principal and interest on the bonds. The following are the obligations, including interest, expected to be paid from the collection of tax increment revenues in the Tax Increment Financing and Development Plan No. 97.

<u>Fiscal Year</u> <u>End</u>	<u>Amount</u>
2021	\$ 893,586
2022	931,504
2023	973,160
2024	953,440
2025	913,720
2026-28	<u>2,482,656</u>
Total	<u>\$ 7,148,066</u>

The Authority has committed to assist the City with various infrastructure related projects within their boundaries including bridge repairs, streetscapes and river walk improvements. The estimated Authority commitment for projects that have started is \$1,215,500 at June 30, 2020. The Authority will pay these commitments using district eligible TIF captured funds.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2020**

9. ADMINISTRATIVE SERVICES REVENUE

The Authority entered into a contract with the Downtown Traverse City Association (a non-profit organization). The Authority provides office space and administrative services to the association for an annual fee of \$69,147.

The Authority entered into a contract on June 19, 2003 with the City of Traverse City in which the Authority will operate and manage the Traverse City Parking Services for an annual fee. The fiscal year end June 30, 2020 fee of \$750,000 is billed monthly at \$62,500.

The Authority's General Fund is reimbursed an administrative fee for indirect cost from the TIF 97 Fund as approved in the budget. The fee assessed is .2% of the TIF district's total taxable value. The Old Town TIF also reimburses the General Fund at .2% of the districts total taxable value. The revenue recorded in the General Fund and expenditures in the TIF Fund are eliminated in the government-wide financial statements. Income from the administrative fee for the year ended June 30, 2020 was \$376,224.

10. RISK OF LOSS

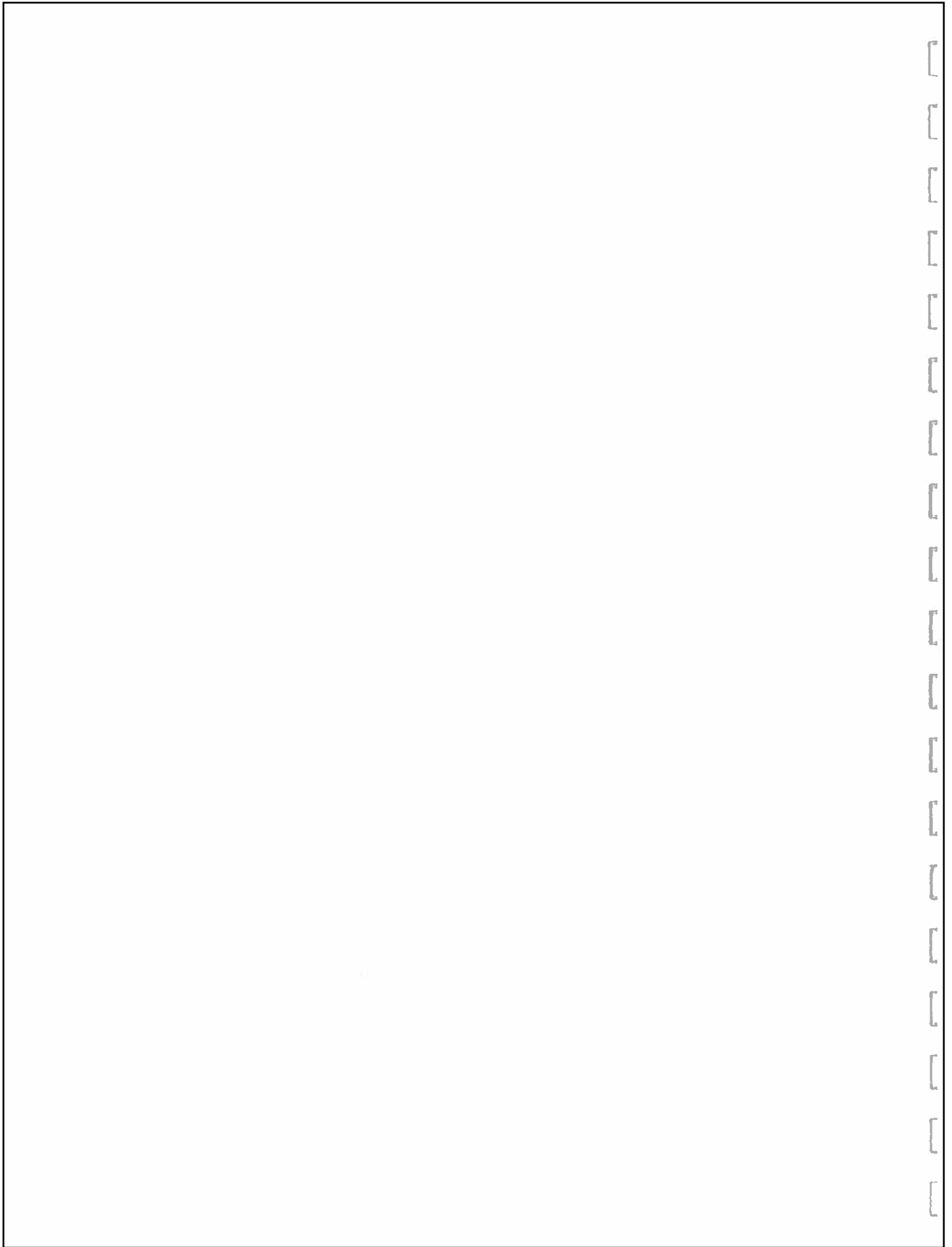
The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is covered for these risks via the Michigan Municipal Liability and Property Pool, Michigan Municipal Workers Compensation Insurance Fund and commercial health insurance. There has been no significant reduction in insurance coverage from the prior year and settlements have not exceeded insurance coverage for the past three fiscal years.

11. DEFERRED COMPENSATION PLAN

The Authority sponsors the Traverse City Downtown Development Authority Deferred Compensation Plan created in accordance with the Internal Revenue Code Section 457. The administrator of the plan is ICMA Retirement Corporation. The plan is available to all employees. The DDA automatically contributes 4% of the employee's gross wages each pay period. The 457 Plan allows employees to make their own contributions pre or post-tax (Roth). If employees choose to participate via payroll deduction, the DDA will match the employee's deferral up to 6%. Employees can individually choose investment options offered through this program. Plan provision and contribution requirements can only be amended by authorization of the Board of Directors. In fiscal year 2020 the Authority contributed \$51,438 and the employees contributed \$38,111 to this plan.

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**REQUIRED SUPPLEMENTARY
INFORMATION**



**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
General Fund
For the Year Ended June 30, 2020**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Taxes	\$ 137,500	\$ 137,500	\$ 129,391	\$ (8,109)
Grants and contributions	-	100,000	134,243	34,243
Reimbursements	1,195,400	1,295,400	1,318,204	22,804
Rental income	53,000	53,000	43,910	(9,090)
Interest income	200	200	948	748
Total revenues	<u>1,386,100</u>	<u>1,586,100</u>	<u>1,626,696</u>	<u>40,596</u>
Expenditures				
Economic development				
Salaries	892,000	892,000	767,555	124,445
Fringe benefits	269,000	269,000	265,388	3,612
Office supplies and utilities	45,800	45,800	40,111	5,689
Professional services	112,000	312,000	362,933	(50,933)
Travel and conferences	24,000	24,000	10,475	13,525
Repairs and maintenance	2,200	2,200	3,910	(1,710)
Rentals	9,000	9,000	12,222	(3,222)
Total expenditures	<u>1,354,000</u>	<u>1,554,000</u>	<u>1,462,594</u>	<u>91,406</u>
Net change in fund balance - revenues over (under) expenditures	32,100	32,100	164,102	132,002
Fund balance, beginning of year	<u>562,704</u>	<u>562,704</u>	<u>562,704</u>	<u>-</u>
Fund balance, end of year	<u>\$ 594,804</u>	<u>\$ 594,804</u>	<u>\$ 726,806</u>	<u>\$ 132,002</u>

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Special Revenue Fund - TIF 97
For the Year Ended June 30, 2020**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Taxes	\$ 2,589,100	\$ 2,589,100	\$ 2,534,458	\$ (54,642)
Grants and contributions	-	-	-	-
Reimbursements	130,000	130,000	187,752	57,752
Rental income	-	-	-	-
Interest income	4,500	4,500	5,179	679
Total revenues	<u>2,723,600</u>	<u>2,723,600</u>	<u>2,727,389</u>	<u>3,789</u>
Expenditures				
Economic development				
Office supplies and utilities	200	200	401	(201)
Professional services	596,900	596,900	592,863	4,037
Contributions to district construction projects	805,800	805,800	40,390	765,410
Contributions to other governments - debt service	859,500	859,500	858,819	681
Total expenditures	<u>2,262,400</u>	<u>2,262,400</u>	<u>1,492,473</u>	<u>769,927</u>
Net change in fund balance - revenues over (under) expenditures	461,200	461,200	1,234,916	773,716
Fund balance, beginning of year	<u>1,739,285</u>	<u>1,739,285</u>	<u>1,739,285</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,200,485</u>	<u>\$ 2,200,485</u>	<u>\$ 2,974,201</u>	<u>\$ 773,716</u>

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Special Revenue Fund - Old Town TIF
For the Year Ended June 30, 2020**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Taxes	\$ 434,900	\$ 434,900	\$ 406,555	\$ (28,345)
Interest income	100	100	138	38
Total revenues	<u>435,000</u>	<u>435,000</u>	<u>406,693</u>	<u>(28,307)</u>
Expenditures				
Economic development				
Professional services	232,100	232,100	187,316	44,784
Contributions to district construction projects	405,500	405,500	-	405,500
Total expenditures	<u>637,600</u>	<u>637,600</u>	<u>187,316</u>	<u>450,284</u>
Net change in fund balance - revenues over (under) expenditures	(202,600)	(202,600)	219,377	421,977
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (202,600)</u>	<u>\$ (202,600)</u>	<u>\$ 219,377</u>	<u>\$ 421,977</u>

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

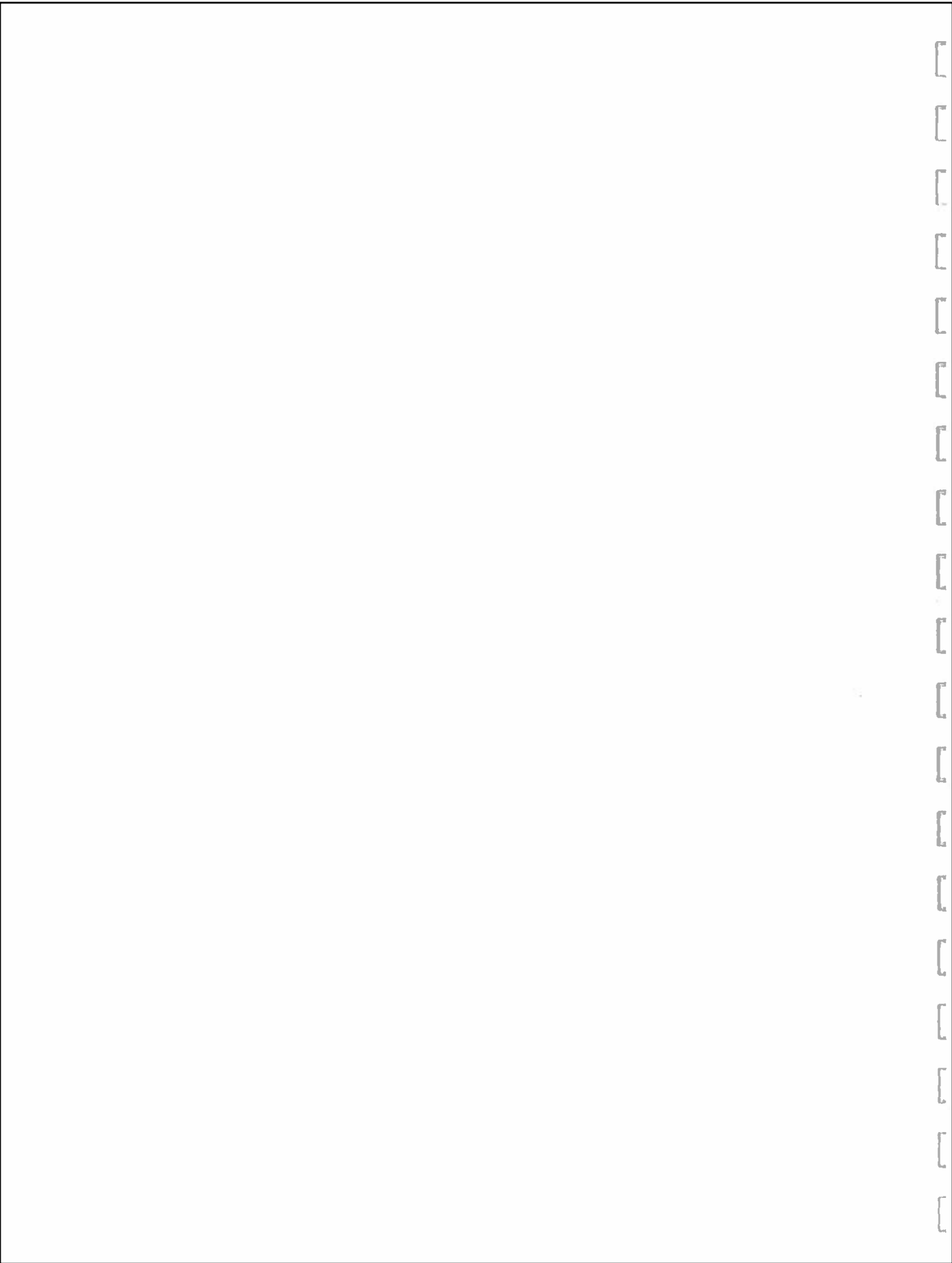
Notes to Required Supplementary Information

1. BUDGETARY INFORMATION

The general and special revenue funds are under formal budgetary control and their budgets are prepared on the same modified accrual basis of accounting used to reflect actual results. The Authority follows the City's budget process in establishing the budgetary data reflected in the financial statements:

- The Authority submits a proposed budget to the City Manager. After review and approval, the City Manager submits a recommended operating budget to the City Commission. Public hearings are held to obtain taxpayer comments. The budget is legally adopted through a City Commission resolution prior to the beginning of the budgetary year for the Authority's funds. The budget is then adopted by the Authority's Board.
- The budget is adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or amended by the City Commission during the year.
- The budget document presents information by fund, function and activity. The legal level of budgetary control adopted by the governing board is the fund level, which is the level at which expenditures may not legally exceed appropriations.

INTERNAL CONTROL AND COMPLIANCE





Vredeveld Haefner LLC

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 24, 2020

Members of the Board
City of Traverse City Downtown Development Authority
Traverse City, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Traverse City Downtown Development Authority (the Authority), a Component Unit of the City of Traverse City, Michigan, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

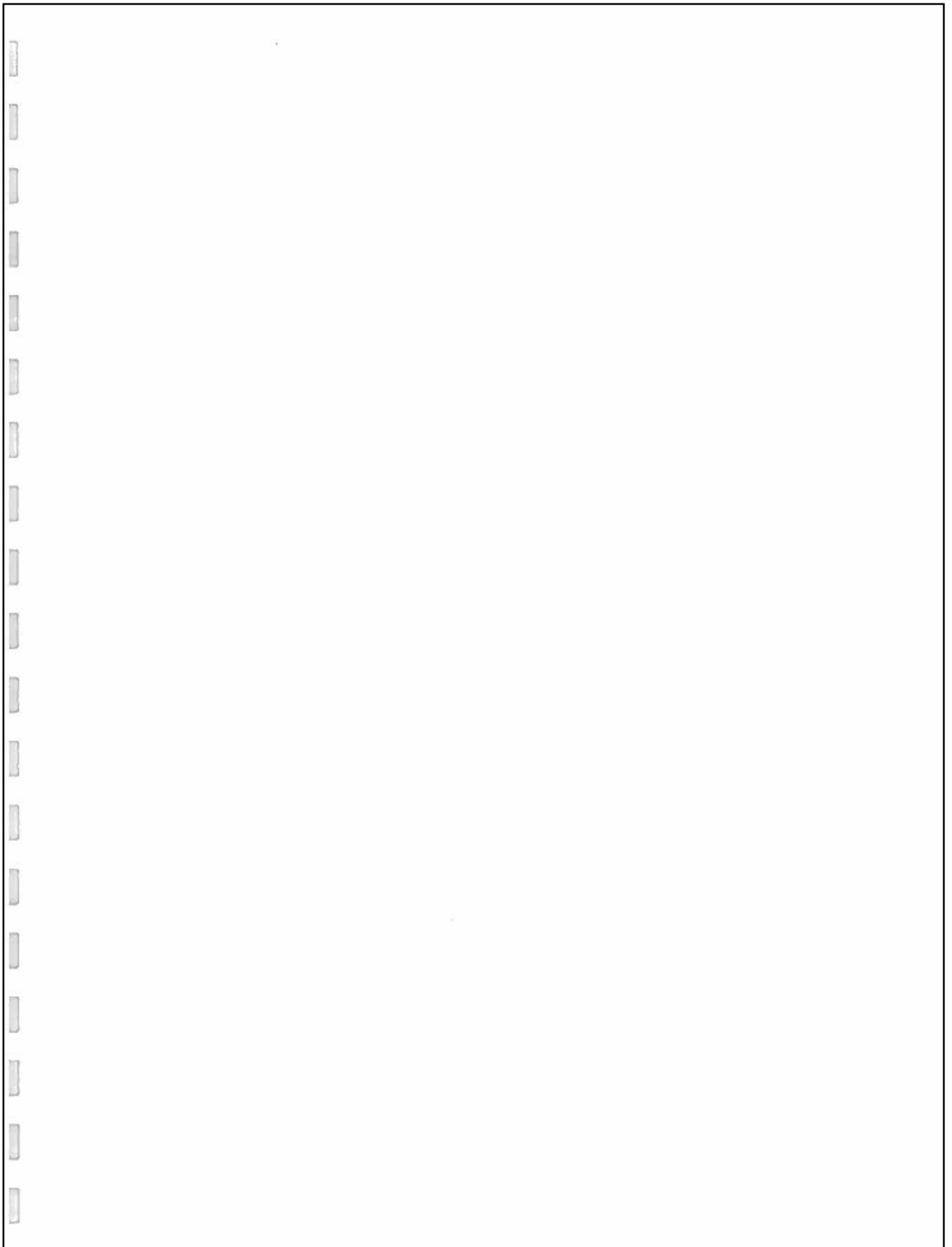
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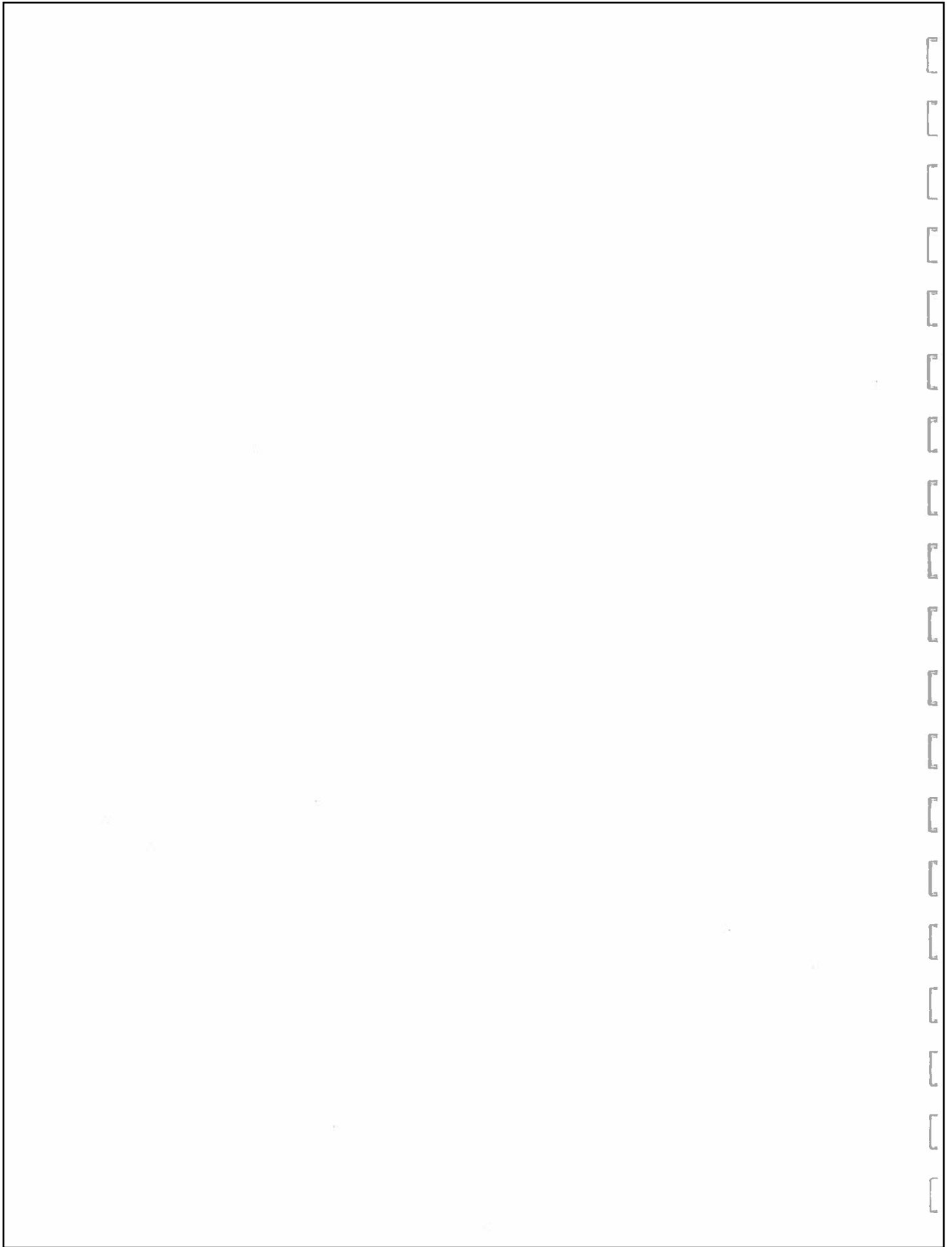
Specializing in services to governmental and nonprofit entities

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Orlando Haefner LLC







Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
jean@downtowntc.com
231-922-2050

Memorandum

To: DDA Board

From: Jean Derenzy, DDA CEO

Date: February 10, 2021

Re: Appointments to Standing Committees and Parking Committee

With the departure of Debbie Hershey, there are several open appointments to the following standing DDA Committees:

Finance Committee

Five members have sat on this Committee. However, there can be four or five members on this committee, at the Board's discretion. Currently, Committee members include: Chair Schneider, Vice-Chair Hardy, Treasurer Constantin and board member Lewis. A recommendation is needed to appoint a board member to the Governance Committee.

Governance Committee

Four members sit on the Committee, including Treasurer Constantin, and board members Lewis and Jackson. Per the memorandum from Governance Committee, a request has been made that the Chair of the DDA Board sit on the Governance Committee. A recommendation is needed to appoint a board member to the Governance Committee.

Parking Committee

The one committee that the DDA organized is Parking. This committee includes five DDA Board members and two citizen-at-large. Currently, Committee members from the DDA include: Hardy, Constantin, Jackson, and Lewis. The citizen-at-large appointments include: Rick Brown and Todd Knaus. We believe that seven members on this committee is beneficial, however in lieu of a DDA Board member we could request a third citizen-at-large. A recommendation is needed to appoint a board member to the Governance Committee.

A motion is required from the Board for nomination(s) to each committee.



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
jean@downtowntc.com
231-922-2050

Memorandum

To: Downtown Development Authority Board

From: Jean Derenzy, DDA CEO

Date: February 12, 2021

Subject: Project Updates

Rotary Civic Square

The Purchase Agreement from TCF has been received and executed by the DDA Chair, Secretary, CEO and legal counsel. I am waiting for receipt of TCF's signatures, which I anticipate at any time.

Under the current purchase agreement, we will be building a new mixed-use development in Lot G which will include a new bank branch on the ground floor and housing on the upper floors.

We are currently working with a special advisory committee to develop the Request for Information (RFI) for the infill development site. The advisory committee includes two city commissioners, two DDA board members as well as city and DDA staff. Our next advisory committee meeting is scheduled for February 23rd, where we will discuss and finalize the RFI. As a reminder, we have a 335 days due diligence period.

Given the recent merger between TCF and Huntington Bank, a second scenario may emerge, in which we would make an outright purchase of the bank branch. Under this scenario, we wouldn't have to build/relocate the bank branch, but still move forward a modified infill development. The due diligence period for this scenario is 90 days. Information on whether this scenario is feasible will not be available until after the first of June.

309 West Front Street

As you will recall, DDA staff and City staff were working with developer, Jeff Smoke and the State of Michigan to secure a Neighborhood Enterprise Zone (NEZ) designation for development at 124 and 309 West Front Street. The NEZ designation will provide a property tax incentive for the development of residential housing. The developer, is working to set aside 15% of the rental units for workforce housing – defined as 80% of the area medium income with income verification to be made by the Traverse City Housing Commission.

Firepits

In an effort to support Downtown through the last few months of winter, and especially for restaurant week(s), we are looking to place patio-flame tables (similar to the patio table in front of Brew) at strategic locations throughout downtown. The tables will provide a peaceful, illuminating and attractive gathering space.

Honor State Bank

I have been working with Honor State Bank on cost-sharing for streetscape improvements, which would include a snowmelt system. This item will be presented to the Finance Committee and a recommendation will be brought to the board for your consideration at your March meeting. We will work with Honor State Bank to care for and integrate these streetscape improvements as we work on streetscaping along the entire stretch of East Front Street.

East Front Street RFP

An addendum to the current Request for Proposal will be posted soon that includes a more comprehensive description of the needed utility (water, sewer) work that will be part of the overall reconstruction East Front Street. With this addendum, will extend our timeline to respond by one week. We have received several inquiries regarding the RFP and anticipate receiving several great proposals.



303 E. State Street
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231-922-2050

Memorandum

To: Downtown Development Authority Board of Directors

From: Harry Burkholder, DDA COO
Katy McCain, Community Development Director
Leah McCallum

For Meeting Date: February 19, 2021

Memo Date: February, 11 2021

SUBJECT: Arts Commission Update

Art on the TART

There were seven applications for the Art on the TART 10th Street Trailhead Project. The Arts Commission Selection Panel reviewed each applicant prior to their February 10th meeting and then held a discussion to narrow it down to three artists. Applicants were graded on a scale of 1-7 with the following three being chosen:

- Ferriby, Brian I Score: 6.0
- Petrakovitz, David I Score: 5.5
- Pierce, Nathan I Score: 5.5

Artist finalist notification will occur on Friday, February 12. Each finalist will be asked to submit a final concept by February 22nd, and then reviewed at the March 1st Selection Panel meeting.

Mural Project

The Arts Commission was awarded a \$2,000 MCACA mini-grant for the "Union Mural Pilot Project". The pilot project will consist of two pairings of two 5x5 paintings with the theme of unification on buildings along Union Street. Each set will have two artists (one per mural) that will play off of each other's paintings and the theme. Potential sites have been identified and are being narrowed down by the Arts Commission, pending approval from the building owners. The intent of the project is to add art to Union Street that also serves as a placemaking tool to draw people off of the main corridors of 8th and Front.



Memorandum

To: Jean Derenzy, DDA CEO
From: Nicole VanNess, Transportation Mobility Director
CC: Scott Hardy, Parking Subcommittee Chair
Date: February 10, 2021
Re: Board Member Report: Parking Subcommittee – February 2021

This month, the Parking Subcommittee approved the revised goals of the Transportation Demand Management (TDM) 3-year implementation work plan. The Subcommittee discussed the TDM objective to Ease Time Limits. The new smart meters will allow for various rate and time profiles to be programmed. Coupled with the sensors, the meters have the ability to ease time limits and offer a progressive pricing structure. The Subcommittee discussions included concerns related to reduced turnover by allowing all day parking and requested additional feedback be obtained by the business owners.

The Subcommittee reviewed an initial request to consider a credit card surcharge fee to be implemented with the new smart parking meters. The exact amount of credit card fees is unknown at this time, and will not be known until we start processing. The smart meters are capable of charging a surcharge fee to the end user similar to the Parkmobile convenience fee. The Subcommittee requested additional information be provided in an upcoming meeting.



Downtown Development Authority
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Traverse City, MI 49684
harry@downtowntc.com
231-922-2050

MEMORANDUM

To: DDA Board

From: Harry Burkholder, DDA COO
Pete Kirkwood

Date: February 10, 2021

SUBJECT: Review and Status of the Unified Planning Process

Plan Components

At our January Leadership Team meeting, we reviewed and discussed the draft land use/zoning recommendations, including the working-draft Riparian Buffer Ordinance. There were a handful of items within the recommendations and Buffer Ordinance that sparked debate and additional questions. As a result, the Leadership Team recommended that the zoning subcommittee reconvene to address these questions and reach consensus on final draft recommendations to be brought back to the full Leadership Team in February.

The Zoning Committee met on January 9th, and carefully reviewed and deliberated the zoning recommendations and working-draft riparian buffer ordinance – reaching consensus on several key points. These items will be reviewed and discussed at the February 17th meeting.

Outreach

We hope to have the draft Unified Plan complete and ready for community input/feedback in June. The Leadership Team will be working with our consultant to determine the best ways to move forward with public engagement, employing a number of different formats that will likely include both virtual and in-person activities.

In an effort to build up to this public engagement effort, we are recommending that the Leadership Team/Staff work with one or two of our local media outlets to secure a detailed story that includes a summary of our planning process (to date) and a “preview” of the results.

As a reminder, we continue to email a long list of citizens and stakeholders prior to each meeting, as well as other project updates. In addition, we continue to update the Lower Boardman page of the DDA website with more content as it develops.



303 E. State Street
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231-922-2050

Memorandum

To: Downtown Development Authority Board of Directors

From: Katy McCain, DDA Director of Community Development

Date: February 11, 2021

Re: Community Development Update

Parking Management System Communications Plan

Two Zoom meetings were held with permit holders on Tuesday, February 9. During these meetings Nicole walked them through the permit waitlist process and went over the logistics of how it works. There was also a Q&A session to clear up any confusion held by potential waitlisted individuals.

As part of the long term goal to keep parking communications open and transparent throughout all changes being made, we are making sure to keep the City Commission in the loop on our communication methods throughout the community. A memo will go out early in the week of February 15 to the commission updating them on the Zoom meetings we held in regards to the permit waitlist, as well as the alternatives to surface lot parking that we will be promoting.

A Ticker button will also go out in the second week of March promoting Destination Downtown and the waiving of participation fees.

Annual Report

We are in the finishing stages of completing the 2020 DDA Annual Report. It will be presented in full at the March 19 DDA Board Meeting. The report has a large focus on Downtown's pivot due to COVID-19, as well as, the new private investment and growth that occurred.

Social Media

January saw a net Instagram follower growth of 552. The most popular post on Instagram was the January 22 post sharing all of the Downtown versions of the Bernie Sanders Inauguration Day meme, with 2,056 engagements. The DTCA Facebook account netted 70 new likes in January, with the post on Breakwater Apartments

receiving the most engagement. The DDA Facebook netted 73 new likes last month. The most popular post was on Breakwater, just like with the DTCA.

Lower Boardman Leadership Communication

A communication plan is in the process of being designed and implemented for the Lower Board in regards to the Unified Plan draft. Most of the communication will go into effect June 1, or post Unified Plan completion. Prior to that, as the Unified Plan draft is still being created, we plan to reach out to the Northern Express and Ticker for a project update in April that will include: where we are now and what they can expect to see upon draft completion. Smith Group will also be creating a story map within the next couple of months to be placed on the DDA website and to be utilized in media interviews, explaining the steps of the project.



Memorandum

To: DDA Board
From: Nick Viox
Re: DTCA Events Update
Date: February 8, 2021

Presidents Day Weekend Sale

February 12 - 14 the DTCA will be hosting our annual Presidents Day Weekend Sale event. With over 30 member businesses providing specials throughout Downtown. In addition, we brought back last year's scavenger hunt, Lookin' for Lincoln. We hope this will encourage an outdoor strolling activity for people during this long weekend.

Traverse City Restaurant Week

2021 Restaurant Week will be two weeks and will span February 21 - March 6. The price tiers of \$25 and \$35 will remain and many restaurants may be offering to-go options regardless of any current orders from the State, but that will not be a requirement to participate.

Currently, we have 30 restaurants signed up and invoices are out to all participating locations. With restaurants recently opening, our staff is closely monitoring the State's requirements to make sure that this event can still be successful this year.

We will be hosting another photo competition this year where we ask participants to Share their best photos from Traverse City Restaurant Weeks by tagging Downtown TC on Facebook or Instagram and using the hashtag #TCRW for a chance to win \$75 from participating restaurants! The grand prize winner will be the photo with the most likes by the end of the two weeks.

Events Committee Update

On January 25th, members of the DTCA Events Committee (Susan Fisher, Karen Hilt, Amanda Walton, Katy McCain, & Nick Viox) met to discuss the upcoming first quarter of 2021 events. We focused on ways to update our current community favorite events and also how we could sprinkle in new events. Below are the notes from that meeting:

Art Walks

- Remove wine from this event - it will be unsafe for the foreseeable future
- Any partnership with wineries an option?
- Lasts a weekend/week
- Reviewed in February after restaurants have opened up

Celebration for Young Children

- Pivot to an Art Walk Junior
- Possible collaboration with Great Lakes Children's Museum
- Passport to make it interactive

Additional Events

- Buy MI Now/MI Forward event
- Punch card events for restaurants (i.e. Cocoa, Sweets, etc.)
- Snow Sculpture Competition

Art Fair Series

- Locations
 - OTART | Hannah & Lay, potentially
 - NCF | TBD based on NCF locations
 - DTART | Open Space Quadrant
- Application & Rule Edits
 - Add refund/cancellation policy regarding COVID
 - Include a social media and website link option
 - Remove late fee
- Dates
 - OTART | Saturday, June 12 (changed)
 - NCF | TBD based on NCF Schedule
 - DTART | Saturday, August 14
- Miscellaneous
 - Rubric for jurying - Karen to provide items
 - Norte volunteers for moving booths
 - NMC Dorms for artists
 - St. Francis for vendor parking (OTART)

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Memorandum

To: Jean Derenzy, DDA CEO
From: Nicole VanNess, Transportation Mobility Director
Date: February 10, 2021
Re: Staff Report: Parking Services – February 2021

Managed Parking Systems Approach – Surface Permit Lot Occupancy

On January 27, 2021, we implemented a waitlist for surface permit lot permit sales as the sales have exceeded the oversell threshold. Permits are still available for both parking garages. We will continue to monitor usage vs oversell to see if we can increase the oversell ratio.

January Parking Revenue

We have completed our November revenue reports. Throughout the month, we continued to see a decrease in revenue compared to prior months. Meter revenues were at 43% compared to December 2020. Prior months have averaged between 71%-76% compared to prior years' revenue. Hardy admissions were down to 17% and Old Town admissions increased from to 47% 73% compared to last year. These numbers continue to be lower than what we had projected in March 2019.

Smart Parking Meters and Sensors

We are working through the agreement with Hartland to establish the credit card processor. CivicSmart anticipates the meters and sensors arriving in Traverse City the first week of May.



**Minutes of the
Arts Commission for the City of Traverse City
Regular Meeting
Wednesday, January 20, 2021**

A regular meeting of the Arts Commission of the City of Traverse City was called to order remotely via ZOOM, at 3:30 p.m.

The following Commissioners were in attendance: Commissioner Ashlea Walter, Commissioner Charlotte Smith, Commissioner Chelsie Niemi, Commissioner Roger Amundsen, Commissioner Megan Kelto, and Board Chair Leah Bagdon-McCallum

The following Commissioners were absent: Commissioner Matt Ross

Chairperson Smith presided at the meeting.

(a) **CALL TO ORDER, ATTENDANCE, ANNOUCEMENTS**

(1)

Meeting called to order at 3:32 pm by Chairperson Smith

(b) **PUBLIC COMMENT**

(1)

No public comment.

(c) **APPROVAL OF MINUTES**

(1)

Consideration of minutes for the Arts Commission meeting of December 18, 2020 (approval recommended)

(d) **FINANCIALS**

(1)

Consideration of approving Financial Reports and Disbursements for Arts Commission (approval recommended)

(e) **PROJECT UPDATE**

(1)

Project Updates

See below for each individual project update...

(2)

Art on the TART

1. Extended deadline to 1/31
2. Walter reminded to reach out to Art Rapids and Legacy Art Park for more artists
3. Burkholder asks what is the game plan if we do not get enough responses by 1/31
4. Arts Commission will create a list and hold on to it in MailChimp of artists and those interested in projects

(3) Perry Hannah Statue

1. Perry Hannah Statue funded through Rotary Get it Done grant
2. Commissioner McCallum working on new text
3. Conversation will happen with Peg Jonkhoff on the changes

(4) Donation Button

1. On City's radar. Looking into how to proceed with processing fees etc. Will have answers by March

(5) Arts Commission Administration

1. See memo from Jean
 - a. Need to discuss with the commission on how to move forward.
 - b. Walter reminds bylaws call for revised master plan.
 - i. Burkholder states that we need to determine leadership path before revising the masterplan
 - c. Reminder of multiple terms being up. Conversation of if the new commission should be the one to determine this?
 - i. McCain reached out to E3 and others about openings on the Commission
 - ii. Ross' seat needs to be filled by City Manager
 - iii. Be on the lookout for an email on bios etc and matrix for board makeup

(f) OLD BUSINESS

(1)

none

(g) NEW BUSINESS

(1) Mural Project

1. Pilot project grant submitted to MCACA for \$4,000
 - a. Expense and revenue breakdown within the packet on page 18
 - i. Costs are best fit to stay competitive and get the best artists possible
 - b. McCallum asks how project will avoid the public backlash of other mural projects like the open space
 - i. How do we handle this push back if it happens?
 - c. Walter asks if selection panel will be involved.

- i. Smith states that selection panel will be used but was not important to include in timeline
- d. Walter questions how the timeline was structured
 - i. Pilot grant funds just need to be used by September 30
- 2. Need to formulate the plan for how the pairings will work between the artists

(h) **PUBLIC COMMENT**

(1) General

No public comment

(2) Commissioners

(i) **ADJOURNMENT**

(1) Motion to adjourn at 4:32pm

Charlotte Smith, Chairperson

DOWNTOWN TRAVERSE CITY ASSOCIATION

BOARD MEETING

THURSDAY, JANUARY 14, 2020
8:30 AM • Zoom
<https://us02web.zoom.us/j/2639464446>
Meeting ID: 263 946 4446

DRAFT MINUTES

1. Call to Order (*Fisher*) (8:32am)
 - a. Present: Susan Fisher, Karen Hilt, Amanda Walton, Blythe Skarshaug, Jeffrey Libman, Dawn Gildersleeve & Liz Lancashire
 - b. Absent: Margaret Morse & Jake Kaberle
2. Approval of [Minutes of the Board Meeting of December 10, 2020](#) (*Fisher*)
 - a. Motion to approve the minutes as presented, **motion by Walton and seconded by Gildersleeve. Motion carried unanimously.**
3. CEO Report (*Derenzy*)
 - a. DDA Activities
 - i. Lot Purchases that are working on in-fill, but will eat into our parking inventory by 2023/24. This would be consistent with our goal of getting a new parking garage.
 - b. Relief Fund
 - i. 57 applicants, 53 were DTCA members, all with significant need
 - ii. Actively promoting and fundraising for more funding to help address this need (TCLP grants, private donations, etc.)
 - iii. Monday announcement with disbursement to follow shortly
4. [Events Review](#) (*Viox & McCain*)
 - a. Social Media Update
 - b. Chili Cook Off Update
 - c. Traverse City Restaurant Week Update
 - d. Art Fair Series Update
 - i. Recommended to go ahead with the applications and discuss modifications at the Think Tank committee.
 - e. Additional Event Review
 - i. Think Tank Committee Created: Walton, Hilt, Fisher, Libman, & Lancashire
5. Executive Committee Report
 - a. Update on Release of Excess Gift Certificate Funds

- i. The Executive Committee will be meeting to review criteria and method of disbursement of funds. This will be reported out in February.
- 6. President's Report (*Fisher*)
 - a. One Up Web Online Gift Certificate Proposal
 - i. Motion to approve the presented contract from OneUpWeb for the wooCommerce addition to the website for Gift Certificate sales, **motion by Gildersleeve and seconded by Lancashire. Motion carried unanimously.**
- 7. Adjourn (9:22am)

**Minutes of the
Lower Boardman Leadership Team
Regular Meeting
Thursday, January 21, 2021**

A regular meeting of the Lower Boardman Leadership Team was called to order via ZOOM on Thursday, January 21, 2021.

The following members were in attendance: Jennifer Jay (Co-Chair), Elise Crafts, Christine Crissman, Jean Derenzy, Deni Scrudato, Frank Dituri, Russ Soyering, Tim Werner, Michael Vickery, Rick Korndorfer, Pete Kirkwood, and Brett Fessell (Co-Chair).

The following Members were absent: Sammie Dyal

Co-Chairpersons Fessell and Jay presided at the meeting.

(a) **CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS**

(1) Meeting called to order at 5:31 by Chairperson, Fessell

(b) **PUBLIC COMMENT**

(1) None

(c) **APPROVAL OF MINUTES FOR December 16, 2020**

(1) Meeting Minutes
Approval of December 2020 minutes.

Moved by Soyering, Seconded by Scrudato

Yes: Jennifer Jay, Elise Crafts, Christine Crissman, Jean Derenzy, Deni Scrudato, Frank Dituri, Russ Soyering, Tim Werner, Michael Vickery, Rick Korndorfer, Pete Kirkwood, and Brett Fessell.

Absent: Sammie Dyal

CARRIED 12-0.

(e) **PROJECT UPDATE**

(1) Dituri provided a FishPass update

- (2) Bob Doyle walked through the land use and zoning draft
The Leadership Team agreed that the zoning subcommittee should meet to discuss several of the following components:
- The reasoning and (scientific) justification for the suggested shift from a 10 foot setback to a 25 setback in certain C-4 districts.
 - The reasoning and justification for making the Riparian Buffer area the same size as the suggested setback and what should and should not be allowed in that zone.
 - The reasoning and justification for the the suggested 10-foot critical riparian protective area, and what should and should not be allowed in that zone.
 - Replanting stipulations for the 10-foot buffer.
 - A possible density bonus for increasing the setback.

(h) **PUBLIC COMMENT**

(1) None

(i) **ADJOURNMENT**

(1) Meeting was adjourned at 7:54pm

Moved by Derenzy, Seconded by Scrudato

Yes: Jennifer Jay, Elise Crafts, Christine Crissman, Jean Derenzy, Deni Scrudato, Frank Dituri, Russ Soyring, Tim Werner, Michael Vickery, Rick Korndorfer, Pete Kirkwood, and Brett Fessell.

Absent: Sammie Dyal **Carried 12- 0**

FARMERS MARKET ADVISORY BOARD

DRAFT MINUTES

Monday, January 18, 2021, 9:00 am

Zoom: <https://us02web.zoom.us/j/89687095534>

Webinar ID: 838 6381 7699

www.downtowntc.com

1. Roll Call (9:08am)
 - a. Present: Keith Adler, Lori Buchan, Scott Hardy, Nic Welty, Courtney Lorenz, Tricia Phelps, & Brenin Wertz-Roth (9:09am)
 - b. Absent: Joan Brown, Tim Werner & Meghan McDermott
2. [Approval of Minutes](#)
 - a. **Motion to approve the minutes as presented. Motion by Buchan, seconded by Lorenz. Motion carried unanimously.**
3. Public Comment
 - a. No public comment made.
4. Online Farmers Market Update (*Dunham*)
 - a. Lorenz - Inquired about what media option we've utilized so far and asked for further promotions to food assistance customers
 - b. Welty - Suggested contact through NMCAA, NW Food Coalition, & Father Fred for promotions.
5. Value Added Vendors Review (*Dunham*)
 - a. Phelps - Indicated that we should add vendors to increase variety but be cautious of over competition.
 - b. **Motion to approve Grand Traverse Distillery & Sobremesa Tamales into the online winter Farmers Market. Motion by Phelps, seconded by Buchan. Motion carried unanimously.**
6. [2021 Rules Review](#) (*Viox*)
 - a. **Motion to approve the recommended changes to the Farmers Market Rules as presented. Motion by Buchan, seconded by Lorenz. Motion carried unanimously.**
7. Public Comment
8. Adjournment

The Traverse City Downtown Development Authority does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. The DDA Director has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice Regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the DDA office.



**Minutes of the
Parking Subcommittee for the Downtown Development Authority
Regular Meeting
Thursday, January 7, 2021**

A regular meeting of the Traverse City Parking Subcommittee of the City of Traverse City was called to order over Zoom Meeting in Traverse City, Michigan, at 11 a.m.

The following Members were in attendance: Vice-chairperson Rick Brown, Stephen Constantin, T. Michael Jackson, Todd Knaus, and Richard Lewis

The following Members were absent: Chairperson Scott Hardy and Debbie Hershey

Vice-chairperson Brown presided at the meeting.

(a) **CALL TO ORDER**

The meeting was called to order at 11:04 AM.

(b) **ROLL CALL**

(c) **CONSIDERATION OF MINUTES**

- (1) Consideration of approving the minutes of the December 3, 2020 meeting.
Approval of the minutes of the October 1, 2020 meeting.

Moved by Richard Lewis, Seconded by Stephen Constantin

Yes: Rick Brown, Stephen Constantin, T. Michael Jackson, and Richard Lewis

Absent: Scott Hardy, Debbie Hershey, and Todd Knaus

CARRIED. 4-0-3 on a recorded vote

(d) **OLD BUSINESS**

- (1) Smart Parking Meter Purchase

Knaus arrived at the meeting at 11:20 AM.

Committee Discussion:

- Brown provided an overview of the Evaluation Committee's proposal review.
- Lewis would recommend amending the motion to a not-to-exceed amount.

Amended motion: The Parking Subcommittee recommends to the DDA Board entering into a contract with CivicSmart for the purchase phase 1 meters in an amount not to exceed \$175,000.

Moved by Richard Lewis, Seconded by Stephen Constantin

Yes: Rick Brown, Stephen Constantin, T. Michael Jackson, and Richard Lewis

Absent: Scott Hardy, Debbie Hershey, and Todd Knaus

CARRIED. 4-0-3 on a recorded vote

(2) Updates

Commission Discussion:

- Jackson would like to see if there is an opportunity with the airport to contract parking.

(e) **RECEIVE AND FILE**

- (1) The Post and Courier Article - January 1, 2021

(f) **PUBLIC COMMENT**

No public comment.

(g) **ADJOURNMENT**

- (1) Motion to adjourn the meeting
The meeting was adjourned at 11:29 AM.

Moved by T. Michael Jackson, Seconded by Stephen Constantin

Yes: Rick Brown, Stephen Constantin, T. Michael Jackson, Todd Knaus, and Richard Lewis

Absent: Scott Hardy and Debbie Hershey

CARRIED. 5-0-2 on a recorded vote

Rick Brown, Vice-chairperson