Traverse City Downtown Development Authority Finance Committee

September 12, 2022

9:30AM

Committee Room, Governmental Center
400 Boardman Avenue
Traverse City, Michigan 49684

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If you are planning to attend and you have a disability requiring any special assistance at the meeting and/or if you have any concerns, please immediately notify the ADA Coordinator.

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.downtowntc.com
303 East State Street, Suite C
Traverse City, MI 49684

Welcome to the Traverse City Downtown Development Authority Finance Committee meeting!

Agenda

CITY COMMISSION

GOALS & OBJECTIVES

2022-2023

HOUSING & HOMELESSNESS

Increase opportunities for more diverse housing through public and private options.

ACCESS & MOBILITY

Invest in multi-modal mobility strategies and existing and future infrastructure so that individuals of all ages, abilities and income have a network of complete, barrier free, safe, year round access to our community's amenities and basic needs.

CONNECTING PEOPLE WITH EACH OTHER AND NATURE

Invest in facilities and amenities in order to create vibrant City spaces that connect all people to nature and to each other.

ECONOMIC DEVELOPMENT

The City will foster economic development by adopting a growth mentality and by conserving and maintaining natural resources. It will work with partners to invest in and maintain amenities that support a wide variety of industries, build the workforce, and attract well-paying jobs with the region's future in mind.

WATER SYSTEMS

Proactively and consistently maintain, conserve, and manage water and water systems to reduce harm to the systems themselves as well as public health and safety.

CLIMATE CHANGE

Address climate within all of our City priorities, goals, policies, and actions.

Minutes of the
Downtown Development Authority for the City of Traverse City
Finance Committee
Monday, August 8, 2022

A regular meeting of the Downtown Development Authority Finance Committee of the City of Traverse City was called to order at the Committee Room, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, at 9:30 a.m.

The following Board Members were in attendance: Chairperson Gabe Schneider, Board Vice Chair Scott Hardy, and Mayor Richard Lewis

The following Board Members were absent: Board Member Damian Lockhart and Board Member Jeff Joubran

Temporary Chairperson Hardy presided at the meeting.

(a) **CALL TO ORDER**

Hardy called the meeting to order at 9:30AM.

(1)

Election of temporary chair for the August 8, 2022 Regular Finance Committee Meeting.

Gabe Schneider nominated Scott Hardy to temporarily chair the meeting.

That the DDA Finance Committee approve the election of Scott Hardy for the regular meeting of August 8, 2022.

Moved by Gabe Schneider, Seconded by Richard Lewis

Yes:	Gabe Schneider, Scott Hardy, and Richard Lewis
Absent:	Damian Lockhart and Jeff Joubran

CARRIED. 3-0-2 on a recorded vote

(b) **ROLL CALL**

(c) **APPROVAL OF MEETING MINUTES**

(1) Consideration of Approving May 9, 2022 DDA Finance Committee Meeting Minutes (approval recommended) (Jean Derenzy)

That the Finance Committee approves the minutes of the regular Finance Committee meeting of May 9, 2022.

Moved by Richard Lewis, Seconded by Gabe Schneider

Yes:	Gabe Schneider, Scott Hardy, and Richard Lewis
Absent:	Damian Lockhart and Jeff Joubran

CARRIED. 3-0-2 on a recorded vote

(d) **2021/2022 YEAR END PROJECTIONS**

(1) 2021/2022 Year End Projections

The Following Addressed the Committee:

Jean Derenzy, DDA CEO
Richard Lewis
Gabe Schneider
Scott Hardy

(e) **REFERRAL FROM JULY DDA BOARD MEETING - NEZ**

(1) Referral from July DDA Board Meeting - NEZ

The Following Addressed the Committee:

Jean Derenzy, DDA CEO
Gabe Schneider
Richard Lewis
Scott Hardy

(f) **PUBLIC COMMENT**

No public comment.

(g) **ADJOURNMENT**

(1)

Motion to Adjourn the Meeting.

That the DDA Finance Committee adjourn the regular meeting of August 8, 2022 at 10:18AM.

Moved by Scott Hardy, Seconded by Gabe Schneider

Yes:	Gabe Schneider, Scott Hardy, and Richard Lewis
Absent:	Damian Lockhart and Jeff Joubran

CARRIED. 3-0-2 on a recorded vote

Jean Derenzy, Traverse City DDA CEO

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

Memorandum

To: Finance Committee

From: Jean Derenzy, DDA CEO

Date: September 10, 2022

Subject: Neighborhood Enterprise Zone within DDA District

The Finance Committee has been talking through the NEZ tool and the feasibility of using this tool Downtown. I have asked Yarrow Brown, Executive Director of Housing North, to attend the Finance Committee to discuss the benefits for the NEZ and their advocacy for housing. Attached is Yarrow's letter of support for utilizing the NEZ.

There was also discussion on what makes 10 platted parcels. I have attached the platted parcel map for 124 West Front Street that has 11 platted parcels. Again, to be proactive about the use of the NEZ, looking at the Downtown and identifying locations for possible utilization would be beneficial to encourage housing.

As a reminder to members below is information relating to the NEZ:

The Neighborhood Enterprise Zone (NEZ) Act, PA 147 of 1992, as amended, provides tax exemptions for the development and rehabilitation of residential housing located within eligible distressed communities (Traverse City is identified as an eligible community) for a period of 6 to 15 years. Under the Act, the NEZ:

- Must contain not less than 10 platted parcels of land which are compact and contiguous.
- Can be designated in more than one areas of the city.
- Can be established for a period between 6 to 15 years. The duration of such is determined by the City. However, such a designation is subject to review and approval by the State Tax Commission.
- Be established prior to an application being received. Meaning that the NEZ is established in an area(s) and the private developer is then aware and could make application. An NEZ establishment does not guarantee approval of process.

It is important to note, the NEZ would be utilized on all rental units or homestead units, again depending on the development, but not on the commercial elements/non-housing elements within the development. Within the DDA District, an agreement would be entered into between the DDA, City and developer to ensure that the program is followed and agreements relating to target housing identified are met. In addition, there are other elements within the agreement ***that could be*** required; from meeting enhanced mobility goals to green infrastructure goals.

The NEZ provides an opportunity to establish a public/private partnership that would secure rental apartments with a mixed-income level from 60% to 120% of the area medium income (as determined annual by the Michigan State Housing Development Authority for the City of Traverse City or homestead housing depending on the development). The DDA has previously looked at utilizing TIF to obtain mixed-income rental apartments at 80% to 120% (or below) the area medium income. The NEZ program is another approach to achieve the same goal.

In addition to the tax reduction identified above, the last three years of the NEZ agreement would be reduced (meaning more taxes paid for the last three years). Below is an example of the tax rate.

Year No.	Year	**Annual (%) Reduction**
1	2023	**53%**
2	2024	**53%**
3	2025	**53%**
4	2026	**53%**
5	2027	**53%**
6	2028	**53%**
7	2029	**53%**
8	2030	**53%**
9	2031	**53%**
10	2032	**53%**
11	2033	**53%**
12	2034	**53%**
13	2035	**11%**
14	2036	**7%**
15	2037	**4%**

HOUSING NORTH

September 7, 2022

Dear Traverse City Downtown Development Authority Board,

On behalf of Housing North, I would like to thank you for continuing to make housing a priority in your community. Housing North is a mission driven nonprofit formed in 2018. We support community partners that are working towards housing solutions. Our mission is to build awareness, influence policy, and expand capacity so communities can create housing solutions that meet their unique needs. Our vision is that Northwest Michigan will be a place where families of all income levels can find homes that are safe and affordable.

We are writing to express our support the proposed Neighborhood Enterprise Zone program through the Traverse City Downtown Development Authority. We strongly feel allowing for an NEZ in this location and others will benefit those wanting to live and work in downtown Traverse City. We are excited about this opportunity and have been working on the state level through the Housing Michigan Coalition to expand the NEZ tool to more communities. Here is a link to the summary of the proposed legislation.

The NEZ program is a tool that will provide an opportunity to establish a public/private partnership that would secure rental apartments with a mixed-income level from 60% to 120% of the area medium income. It can also be used for renovation, which is an opportunity in our region.

The 2020 target market study showed that there is a need for almost 1600 units in Traverse City where most of the demand for rentals in was for households earning below $70,000/year – because that type of housing is largely unavailable. We hope through this NEZ Traverse City can help target that in-demand housing in a way that meets the City's goals to "Add more housing stock in the city for year-round residents, so that those who work in Traverse City can live and retire in the city." We also hope this process will support creative solutions to housing development and help streamline the process for developers to bring more housing online in an efficient way.

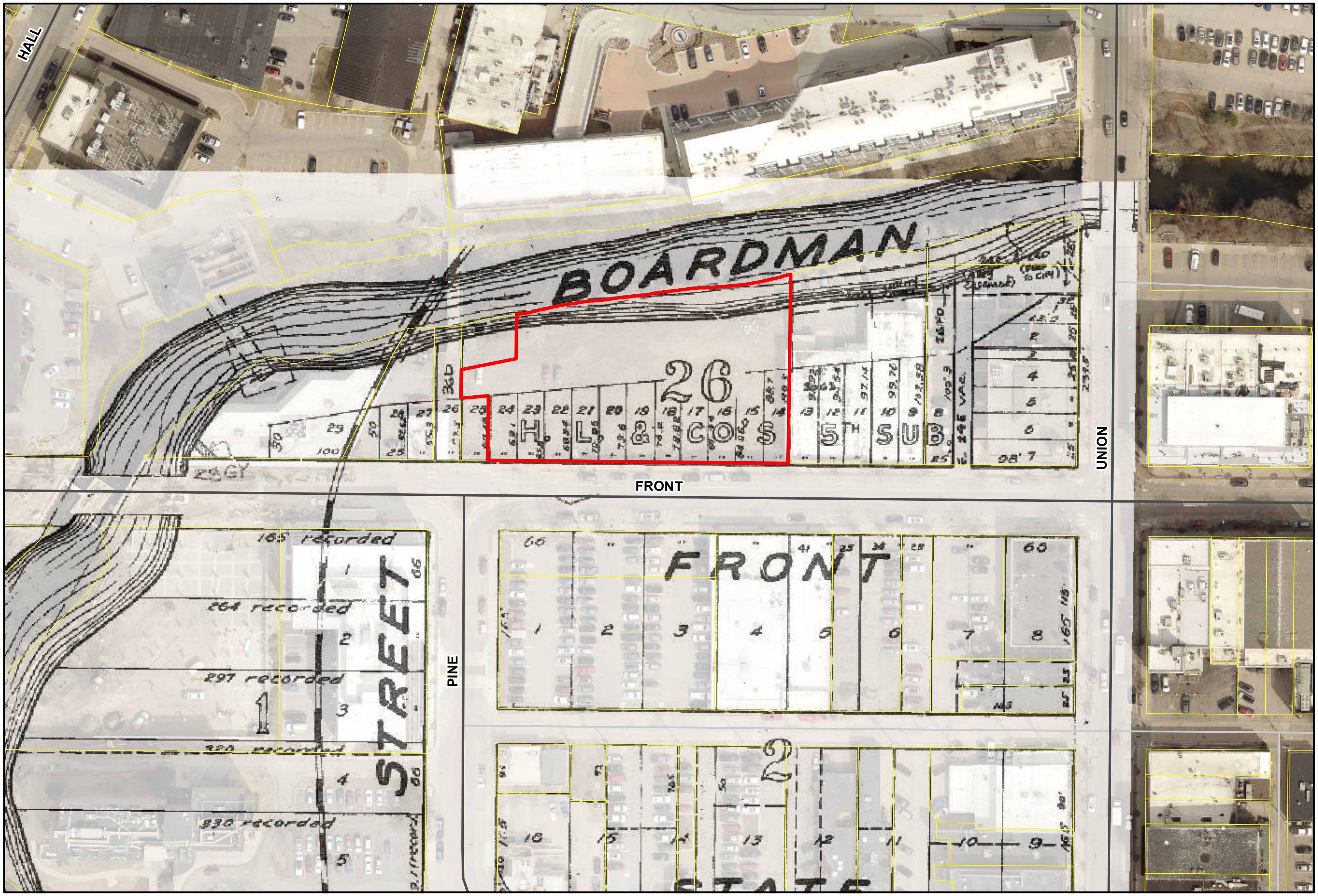
On behalf of Housing North, we support the proposed Neighborhood Enterprise Zone (NEZ) program and encourage the DDA board to approve this program. We are excited for the housing opportunities this project will provide for the work force in our region. We are encouraged that this effort aligns with the 2021 Planning Commissions Goals, the 2021 City Commission Strategic Goals, the City of Traverse City Master Plan (2009, updated 2017), and the City Commission's recent adoption of a resolution supporting Housing North's Homes for Our Future and Housing Ready Programs (2021).

We are here as a resource for the DDA and City of Traverse City and can help with some of the actions steps towards your goals as needed and support and answer questions related to housing as you navigate this process. Please don't hesitate to reach out to me at 231-335-1685 or via email yarrow@housingnorth.org to discuss any questions or concerns.

Sincerely,

Yarrow Brown

Yarrow Brown, Executive Director
Housing North



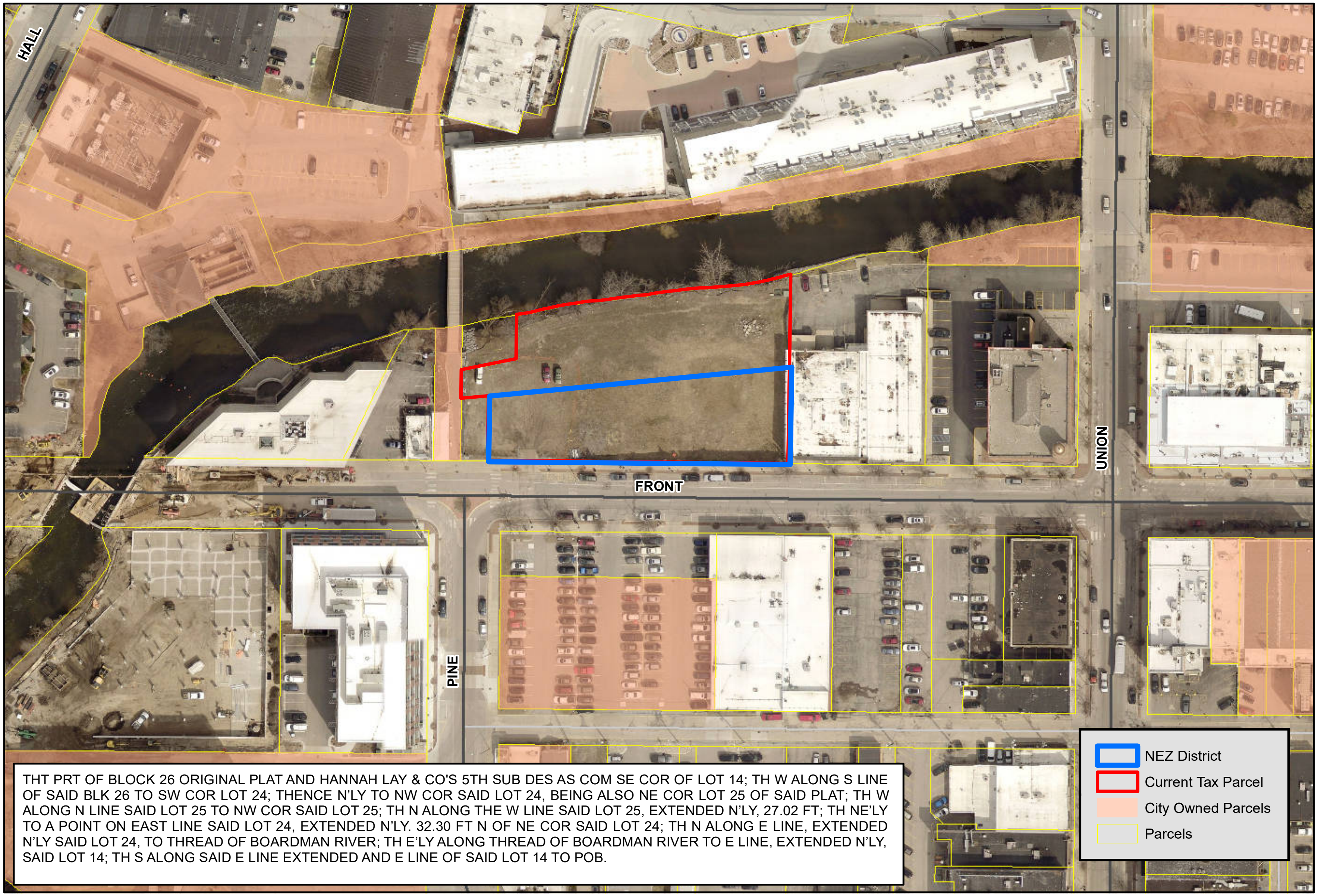
CITY of TRAVERSE CITY Geographic Information Systems

Document Path: G:\GIS\GIS Requests\DDA\TCDistrictDRAFT_124Front.mxd

NEZ District Boundary - 124 Front
11 Platted Parcels
1 Parcel

6/14/2022 GWS

This map is based on digital databases from the City of Traverse City.Traverse City cannot accept any responsibility for errors, ommissions or positional accuracy. There are no warranties expressed or implied.



CITY of TRAVERSE CITY
Geographic Information Systems

Document Path: G:\GIS\GIS Requests\DDA\TCDistrictDRAFT_124Front.mxd

NEZ District Boundary - 124 Front
11 Platted Parcels
1 Parcel

6/14/2022 GWS

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

MEMORANDUM

To: Finance Committee

From: Jean Derenzy, DDA CEO
Scott Howard, DDA Attorney

Date: September 10, 2022

Re: Uptown Development Request for Participation

Mike Wills is requesting reconsideration by the Finance Committee of entering into an interlocal agreement for the Uptown Brownfield Plan. The Finance Committee previously reviewed participating in reimbursement for public infrastructure costs at our May meeting (attached memorandum). Scott Howard, DDA Attorney, stated that development team (Wills, Burden, Whiteford) would need to sign a waiver of claims related to the matter which at that time Mr. Wills indicted he withdraws request for consideration. The purpose of the waiver of claims is to ensure that if payment was made to the Developer, that would be the end of the matter and there would be no legal action taken against the DDA (litigation has been threatened by the developer previously).

Further, Mr. Wills has stated that based on the memorandums presented to the City Commission that when the DDA TIF expires the Brownfield Authority would capture after 2028 (attached memorandum). However, the Brownfield Plan and the concurrence resolution approved by the City Commission, and the workplan submitted by the developer to the Brownfield Authority collectively contain no promise that TIF would expire. To the contrary, the workplan expressly acknowledges that TIF could be extended which would alter TIF projections. Nor would one expect a promise not to renew in these documents, as the determination of TIF renewal or expiration is made by the City Commission under a completely separate process.

Since the last Finance Committee discussion of this issue, the Brownfield Authority has declined to enter into an interlocal agreement at this time since the DDA has not make a determination about whether TIF 97 will be extended. The BRA stated that the request was premature and that it would not act until the DDA determines whether it will renew TIF 97.

Staff recommends that the Finance Committee take the same action as the BRA and determine that the request is premature in light of the fact that the DDA has not yet determined if it will extend TIF 97. If the DDA decides to extend TIF 97, the Developers could then ask the DDA to consider the interlocal agreement, and the DDA would make a determination on the request at that time.

Recommended motion: That the request to enter into an interlocal agreement for the Uptown project is denied at this time because it assumes extension of TIF 97, something that the DDA has not decided to do yet. The denial shall not prevent the developer from renewing the request for an interlocal agreement if the DDA and City Commission does extend TIF 97 at some point in the future.

Items removed from the Consent Calendar

a.

b.

c.

3. Old Business

a. Consideration of approving a request from the Traverse City Film Festival for a sign permit to place a sign at the Bijou by the Bay. (Jered Ottenwess)

4. New Business

a. Consideration of authorizing an agreement with Hagerty Insurance Agency, for it to provide $7,000 as a challenge grant in connection with the water bottle filling station fundraising campaign. (Approval recommended) (Commissioner Jeanine Easterday, Jered Ottenwess, Benjamin Marentette) (5 affirmative votes required)

b. Consideration of authorizing an agreement for the city to provide administrative, grounds maintenance and burial services for the Oakwood Catholic Cemetery. (Jered Ottenwess, Dave Green) (5 affirmative votes required)

c. Consideration of authorizing a property transfer agreement in connection with the development, *Uptown* and adopting a resolution concurring with the Brownfield Plan for Uptown. (Jered Ottenwess, Lauren Trible-Laucht) (5 affirmative votes required for property transfer documents)

d. Consideration of authorizing the release of a city easement at Lot 57 of the Traverse City Airport Industrial Park. (Jered Ottenwess, Lauren Trible-Laucht) (5 affirmative votes required)

5. Appointments

a. Consideration of appointing a committee to make a recommendation regarding appointments to the Brown Bridge Advisory Committee. (Jered Ottenwess, Katie Lowran)

6. Reports, Announcements and Correspondence

Please note: For this section of the agenda, when an actual report is included or expected, the item will be underlined.

a. Reports, announcements and correspondence from the City Manager.

b. Announcements from the City Clerk.

c. Reports, announcements and correspondence from the Mayor and City Commissioners.

d. Reports and correspondence from other City officials, boards and committees.

1. Report from the Mayor serving on the Downtown Development Authority.

2. Report from Commissioners serving on the Light and Power Board.

3. Report from the Mayor and Commissioner serving on the Planning Commission.

4. Report from Commissioners serving on other boards.

e. Reports and correspondence from non-City officials.

None.

The City of Traverse City

Communication to the City Commission

FOR THE CITY COMMISSION MEETING OF SEPTEMBER 16, 2013

DATE: SEPTEMBER 12, 2013

FROM: JO JERED OTTENWESS, CITY MANAGER

SUBJECT: UPTOWN DEVELOPMENT:
1) BROWNFIELD PLAN; AND
2) PROPERTY TRANSFERS

This memo covers two items relating to the Uptown Development – a Brownfield Plan and property transfers.

Item #1:

Attached is a memo from Grand Traverse County Deputy Director for Planning and Development Jean Derenzy, outlining a recommendation that the City Commission concur with a Brownfield Plan for 133 and 141 West State Street, which is the Uptown Development at Pine and State Streets. This development would add fourteen townhomes. The duration of the Brownfield Plan would not exceed 30 years, meaning it would expire in 2043.

As outlined by Ms. Derenzy, these properties have various environmental and geotechnical conditions. $2,872,212 in expenses have been identified as brownfield eligible.

These properties currently have a taxable value of $240,928, with an anticipated increase to $4 million with this development, which represents an increase in taxable value of $3,759,072. TIF 97 is set to expire at the end of 2027. Therefore, from 2028 to 2043, when this brownfield would expire, the increased tax revenue to the city would be $1,492,854 in total over that period. This revenue would be captured by the brownfield to reimburse the developer for brownfield eligible expenses.

On the following page is a chart which provides a visual of this information.

Current taxable value:	Anticipated taxable value after development:	Anticipated net increase in taxable value after development:	Tax revenue captured by BRA to pay obligations, after expiration of TIF 97 in 2027. (This is tax revenue foregone by the city from the period 2028 through 2043):
$240,928	$4,000,000	$3,759,072	$1,492,854

City Commission concurrence with this Brownfield Plan is required in order for it to move forward; and I recommend that the City Commission concur with it. Ms. Derenzy will be in attendance to make a very brief presentation regarding this brownfield plan; and Mr. Wills, one of the developers, will be in attendance to also make a brief presentation, with five minutes allotted as a combined time for both presentations.

Item #2:

Attached is a memo from City Attorney Lauren Trible-Laucht outlining a proposal from the developers, ONR Properties (Mike Wills and Tim Burden), for property transfers with the city. These transfers deal with two parcels.

Also attached is a memo from City Assessor Polly Cairns indicating the transfers equate to neither a gain nor a loss for the city or the developer.

As indicated by the City Attorney, there have been disputes between the city and the previous property owner as to title. Through the development plans, the city has the opportunity to deal with these title issues as well as providing for pedestrian access and a boardwalk along the river, which would be open to the public.

The developer is scheduled to close on the second parcel at issue on October 31. The recommended motion for the property transfers and conveyances is subject to the developer's successful closing on the second parcel.

I recommend the following motion (5 affirmative votes are required for the property transfer agreement):

that the Resolution Concurring with Grand Traverse County Brownfield Plan 133 and 141 West State Street (Uptown Development), be adopted;

and that the Mayor and City Clerk execute an agreement with ONR Properties, LLC, for property transfers in connection with the Uptown Development (133 and 141 West State Street), as outlined in the City Attorney's September 10, 2013, communication; and further

that the Mayor and City Clerk be authorized to execute all related conveyances in connection with the property transfers, with execution of the property transfer agreement and conveyance documents to occur after successful closing by ONR Properties, LLC, on the Phase II parcel, with the agreement subject to approval as to its substance by the City Manager and its form by the City Attorney.

JJO/bcm

e-copy: Jean Derenzy, Grand Traverse County Deputy Director for Planning and Development
Rob Bacigalupi, DDA Interim Executive Director
Polly Cairns, City Assessor
Tim Lodge, City Engineer
Mike Wills, ONR Properties, LLC – mikewills@chartermi.net
Tim Burden, ONR Properties, LLC – timkburden@gmail.com

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Memorandum

Grand Traverse County
Planning and Development
231.922.6890 Fax 231.922.4636
email: jderenzy@grandtraverse.org

To:	Traverse City Commission Jered Ottenwess, City Manager
From:	Jean Derenzy, Deputy Director Planning & Development Jean Derenzy
Date:	For September 16th Traverse City Commission Meeting
Subject:	Brownfield Plan - Uptown (133 and 141 State Street)

SUMMARY OF ITEM TO BE PRESENTED:

The Grand Traverse County Brownfield Redevelopment Authority (BRA) met on August 28, 2013 and reviewed the proposed Brownfield Plan for the Uptown Development. After due consideration the BRA approved the Brownfield Plan, and, as such, the BRA is seeking the attached Resolution of Concurrence from the City of Traverse City to proceed.

These properties have sat vacant and under-utilized for over 21 years. There are a number of benefits with this redevelopment, which include:

1. The opportunity to re-use property, bringing additional housing to the downtown area.
2. Improving the environmental conditions on the property and the River.
3. Gaining improved public access to the River.
4. Obtaining additional improvements through the undergrounding of utilities that improves not only this project but the adjacent properties as well.
5. Enhancing downtown Traverse City's "sense of place."
6. Additional tax increase recognizing a current taxable value of $240,298 and increasing to a taxable value of over $4,000,000.

In order to achieve a financially viable redevelopment effort of these site environmental conditions must be addressed. Recognized environmental and geotechnical conditions (RECs) identified in connection with the Property include: urban fill; oil unloading station; former fuel oil UST, adjoining gasoline station/automobile repair/salvage yard, and nearby drycleaner. Additional investigation into these RECs between 2012 and 2013 has revealed the presence of volatile organic compounds VOCs (e.g., PCE, 2-methylnaphthalene), semi-volatiles (e.g., benzo(a)pyrene, fluorene, etc.) and metals (e.g., lead, mercury, selenium, zinc, etc.) in soil, soil gas, and/or groundwater at the Property at concentrations exceeding MDEQ Residential Cleanup Criteria (RCC). Therefore, the development site meets the definition of a "facility" per Act 381.

Brownfield Plan Costs / Duration

The eligible activities for reimbursement total $2,872,212. The duration of the plan will not exceed 30 years, ending in 2043. The Brownfield Local Site Revolving Loan Fund has been identified within the Plan to capture five years after the completion of payback to the Developer, which must be completed by 2043. Should the Developer not be reimbursed the full amount prior to 2043, the local site will not capture into the fund. This payback time does anticipate that that the DDA Plan will expire in 2027. As with all Brownfield Plans, the original tax base of $240,298 will remain to be captured by the City after the DDA expires, the Brownfield Authority will capture the incremental increase due to the private development occurring. The anticipated city capture on the two parcels from 2028 to 2043 is $1,492,854.

Eligible activities are to be financed by the Developer; however, the County has received preliminary approval from the MDEQ for a $750,000 Brownfield Redevelopment Loan (BRL) to be used toward environmental eligible activities included in this Brownfield Plan. The Authority will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the Property as available.

The project also has an additional $1,000,000 of eligible environmental activities which is not included in this Brownfield Plan. The Brownfield Authority will be making application MDEQ for a $1,000,000 Brownfield Redevelopment Grant (BRG). Should the $1 million grant not be approved an amendment to the Plan will be required to allow for the redevelopment of Uptown.

Private investment is estimated at a little over $7,000,000; this cost does not include the brownfield costs of $2,872,212.

DDA Contribution/Match

As this Plan is within the DDA TIF 97 Plan, the Brownfield Authority will capture the increased taxes realized by this development from the Intermediate School District and State Education and School Operation taxes. The Brownfield Authority works with the DDA to leverage the public investment, either already implemented or planned (future) public infrastructure to be invested. This plan realizes the following DDA investments already made and the proposed public infrastructure projects as the match to the brownfield capture of state funds:

Light & Power Undergrounding (on site)	$ 373,115
Light & Power Underground (under river)	$ 204,582
Conduit installed State & Pine*	$ 50,000
Joint Swirl System – Public	$ 20,000
Relocation of Discharge lines to River	$ 30,000
Boardwalk & Public Access Steps to Boardwalk	$ 500,000
Repaving Pine & State*	$1,195,000
Sidewalk Curb & Gutters	$ 100,000
Front Street Bridge	$1,500,000
	$3,972,697

*DDA investments already made.

The DDA, at their August 16 meeting, approved identifying the Boardwalk and public access steps to boardwalk within the Brownfield Plan as a project that will be completed within the next five years.

Community Impact

As identified above, the community impact includes:

- The opportunity to re-use property, bringing additional housing to the downtown area.
- Improving environmental conditions on the property and the River.
- Gaining improved public access to the River.
- Additional tax increase from the current taxable value of $240,298 to $4,000,000.

RECOMMENDATION:

The Brownfield Authority recommends to the City Commission that concurrence be approved for the Uptown Brownfield Plan and adopt the attached resolution of concurrence.

The City of Traverse City

Office of the City Clerk

GOVERNMENTAL CENTER
400 Boardman Avenue
Traverse City, MI 49684
(231) 922-4480
tcclerk@traversecitymi.gov

Resolution Concurring with Grand Traverse County Brownfield Plan 133 and 141 West State Street (Uptown Development)

Because, The Brownfield Redevelopment Authority met in regular session on August 28, 2013 and reviewed the Brownfield Plan for 133 and 141 West State Street with recommendation for approval; and

Because, Properties within the Brownfield Plan are in the City of Traverse City; and

Because, Pursuant to Act 381, concurrence must be received by the governmental unit in which brownfield plan lies, being the City of Traverse City; and

Because, the Plan identifies eligible activities totaling $2,872,212; and

Because, the plan will allow for the clean-up of contamination and redevelopment of properties located at 133 and 141 West State Street into twelve to fourteen townhomes; now therefore be it

Resolved, The Brownfield Plan constitutes a public purpose and will facilitate investment and redevelopment of the properties in the Brownfield Plan by:

a. Increasing Tax base.
b. Demolition of underutilized structure.
c. Environmental Remediation.
d. Gaining improved public access to the River; and, further be it

Resolved, The Brownfield Plan is consistent with the requirements of Section 14(1) of Act 381 (MCL 125.2664), in particular:

a. The Brownfield Plan provides all of the information required in Section 13 of Act 381 (MCL.2663).
b. Financing the costs of eligible activities will be through the capture of tax increment revenue, with brownfield plan ending on or before 2043.
c. The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of the Brownfield Financing Act.

I hereby certify that the above resolution was adopted by the Traverse City City Commission at its regular meeting held on September 16, 2013, in the Commission Chambers of the Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

____

Benjamin C. Marentette, CMC, City Clerk

Memorandum

The City of Traverse City

TO: Jered Ottenwess, City Manager

COPY: Tim Lodge, City Engineer

FROM: Lauren Trible-Laucht, City Attorney LTL

DATE: September 10, 2013

SUBJECT: Uptown Development Property Swap

As you are aware, a new development at the corner of State and Pine Street has been proposed by ONR Properties, LLC (Mike Wills and Tim Burden). The development is planned in two phases and utilizes property which has historically had various disputes as to title between the City and the previous property owner. The property consists of two parcels. The parcel located to the west (Phase I) has been purchased by the aforementioned developer and the parcel located to the east (Phase II) is set for closing on October 31, 2013. The development plans offer the opportunity for the City to clarify the outstanding title matters on the site while allowing for pedestrian access and a boardwalk along the river, which will be open to the public. Staff, including the County Brownfield Redevelopment Authority and the DDA, has met with the developers to discuss the plans. Staff has indicated no objection to the proposed property swap subject to the conditions that all utilities are or will be moved to a position approved by the City Engineer and TCL&P and that there is a provision for a laminated pole in one of the easements for TCL&P purposes. The development was presented to the DDA Board at its meeting in August.

The developers have proposed a property swap between ONR Properties, LLC and the City, which would accomplish the above mentioned title clarifications and the creation of necessary easements for access and utilities. The attached map shows the subject parcels and is numbered to correspond to the explanations in this memorandum. The developers have provided the necessary property descriptions and surveys for City staff to review.

1. This is a small 8.25' x 16.5' rectangle within the street right of way that appears in the deeds, surveys and title work as belonging to ONR Properties, LLC. This property would be conveyed to the City in order to clear up this discrepancy.

2. A pedestrian walkway and steps leading down to the river is proposed to allow the public access to the river walk through the development. The exact location will be determined once the design is complete and an easement for pedestrian access would be granted by ONR Properties, LLC to the City.

3. ONR Properties, LLC will grant a pedestrian easement for a public river walk to be designed and built by the City/DDA.

4. ONR Properties, LLC will grant a pedestrian easement for a public river walk to be designed and built by the City/DDA.

5. ONR Properties, LLC will grant an extension of the 33' wide utility easement to the City, which presently stops at the north line of Parcel 2.

6. Parcel 2 appears in the deeds, surveys and title work as belonging to ONR Properties, LLC, but is also claimed by the City. This is the parcel which has been the subject of dispute with the previous owner since the 1990s. ONR Properties, LLC will convey this portion of Parcel 2 to the City because it is not necessary for the project.

7. Parcel 2 appears in the deeds, surveys and title work as belonging to ONR Properties, LLC, but is also claimed by the City. This is the parcel which has been the subject of dispute with the previous owner since the 1990s. The parcel consists of the steep river bank and is of no use except to the Uptown Project. The City will convey this portion of Parcel 2 to ONR Properties, LLC.

8. There is a question as to whether this 33' wide easement has not already been extinguished, but it must be for the project to occur. The City will formally extinguish this easement.

The City Assessor has reviewed the proposed property swap and made a determination of value. Please see her attached memorandum. If the City Commission is agreeable to the conveyances described above it would be appropriate that it authorizes the City Attorney to prepare a property swap agreement containing terms as described herein and that the Mayor and City Clerk be authorized to execute the agreement subject to approval as to content by the City Manager and form by the City Attorney. The agreement will be contingent upon the successful closing by ONR Properties, LLC on the Phase II parcel and the conveyances as described herein would take place after that closing. Finally the City Commission's action should authorize the parties to prepare the conveyance documents and follow through with the execution and recording of those documents.

Memorandum

The City of Traverse City

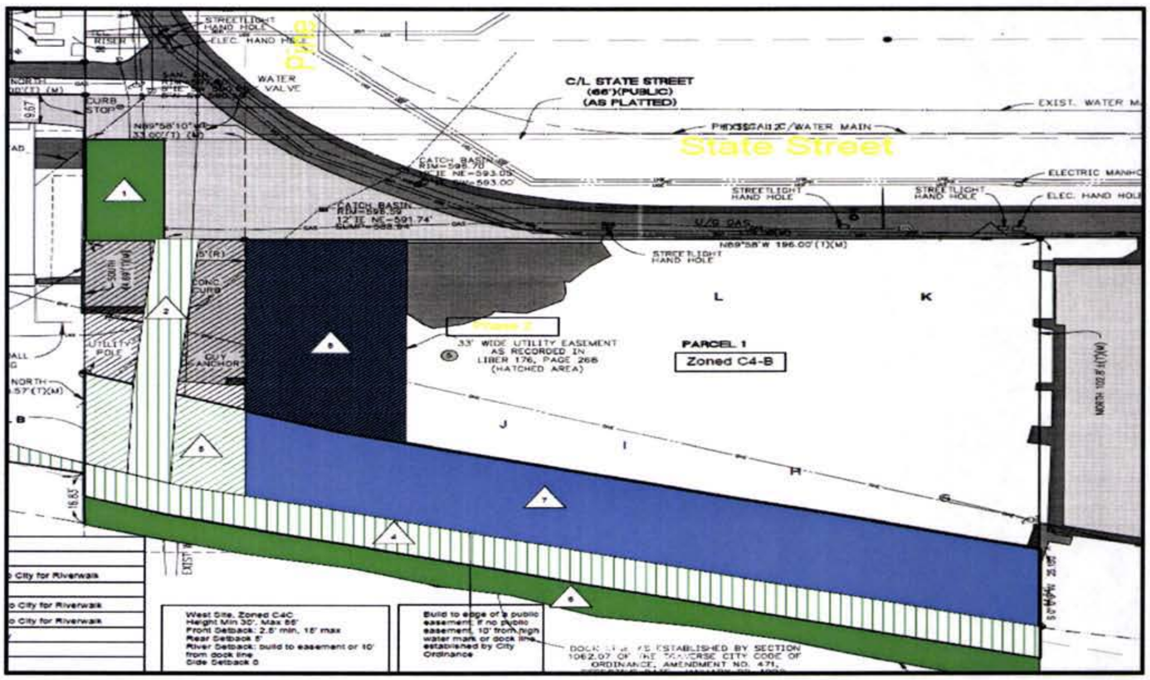
ASSESSING DEPARTMENT

TO: **Lauren Trible-Laucht, City Attorney**

FROM: **Polly (Watson) Cairns, City Assessor**

It is the opinion of the City Assessor that the parcels identified below for conveyance equate to neither a gain nor loss to either parties involved as recognized in this proposed exchange for the below proposed property areas located within the City of Traverse City.

ONR Properties LLC is proposing a swap of six (6) of the below seven (7) parcels in exchange for the parcel identified as Parcel 7.



PROPOSED CONVEYANCES:

1 ONR Properties LLC to Quit Claim to City

2 ONR Properties LLC grants Pedestrian Easement to City for Riverwalk (location to be determined)

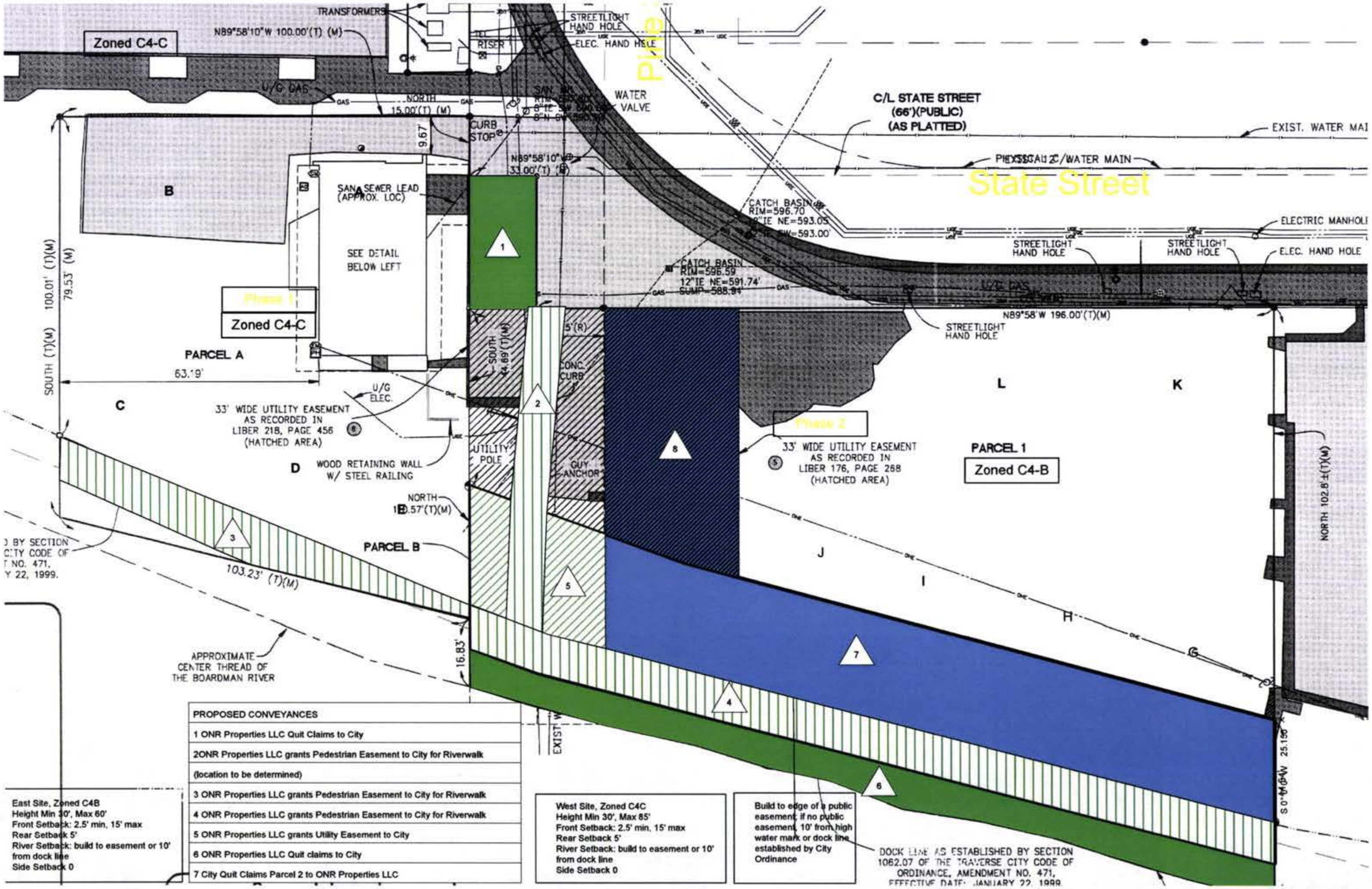
3 ONR Properties LLC grants Pedestrian Easement to City for Riverwalk

4 ONR Properties LLC grants Pedestrian Easement to City for Riverwalk

5 ONR Properties LLC grants Utility Easement to City

6 ONR Properties LLC Quit Claim to City

7 City to Quit Claim Parcel 2 to ONR Properties LLC



PROPOSED CONVEYANCES
1 ONR Properties LLC Quit Claims to City
2ONR Properties LLC grants Pedestrian Easement to City for Riverwalk
(location to be determined)
3 ONR Properties LLC grants Pedestrian Easement to City for Riverwalk
4 ONR Properties LLC grants Pedestrian Easement to City for Riverwalk
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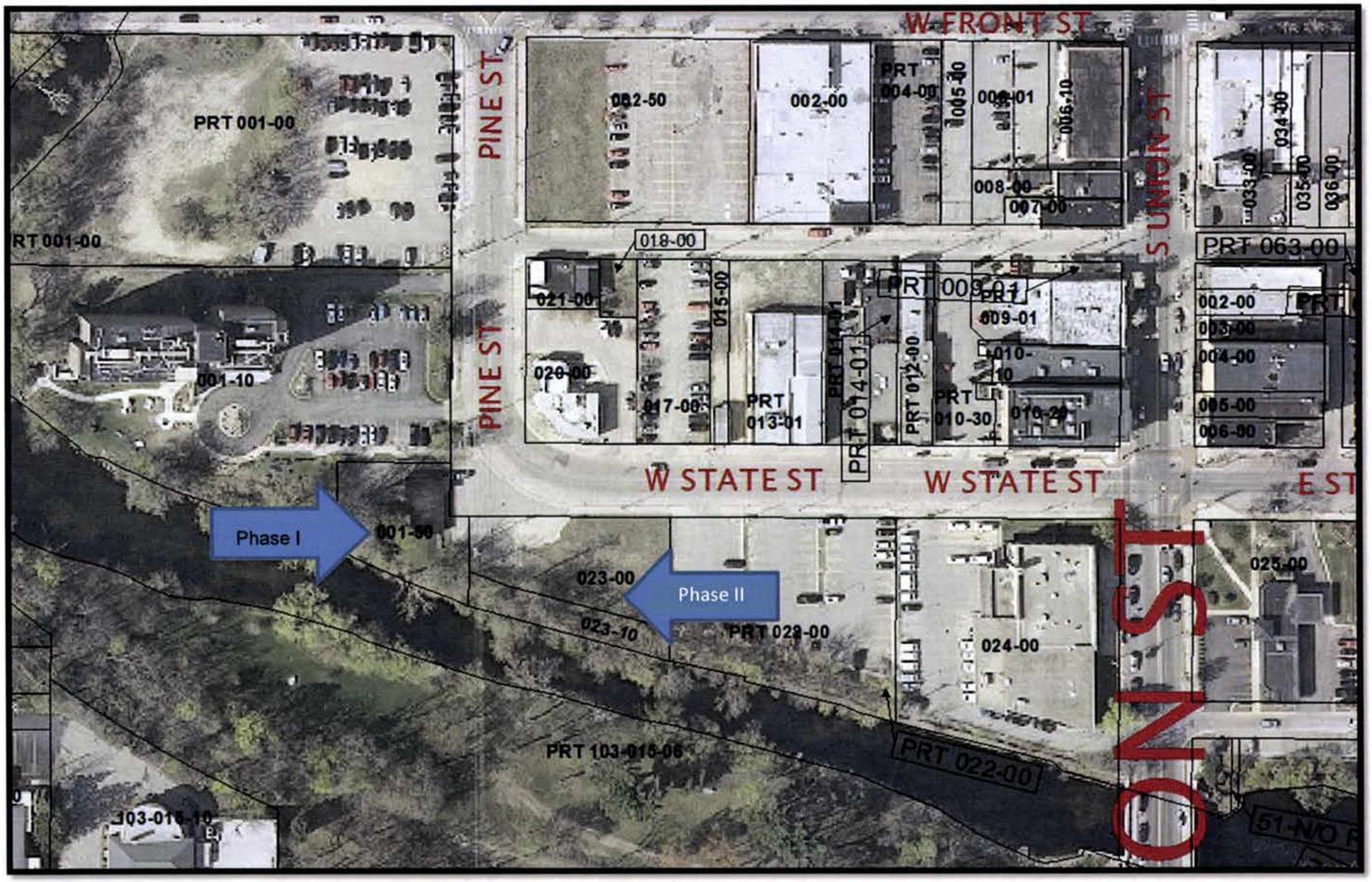
6 ONR Properties LLC Quit claims to City
7 City Quit Claims Parcel 2 to ONR Properties LLC



K:\CITYASSESSOR\USERS\PCAIRNS\Appraisal File\2013\Uptown Development

UPTOWN

On the Boardman River in the heart of Downtown Traverse City

Gabe Schneider
Traverse City Downtown Development Authority
303 E. State Street
Traverse City, MI 49686

Scott Hardy
Traverse City Downtown Development Authority
303 E. State Street
Traverse City, MI 49686

RE: Uptown Brownfield Development and Reimbursement Agreement & TIF 97

Mr. Gabe Schneider and Scott Hardy,

I am writing to you today on behalf of Uptown Development TC, LLC (Developer) to respectfully state our concerns about the impact that the pending TIF 97 extension would have on the reimbursement obligations described in the approved Brownfield Plan (the "Brownfield Plan") for the Uptown Development Project (Project). The partners and I are requesting that the Traverse City Downtown Development Authority (DDA) and the Grand Traverse County Brownfield Redevelopment Authority (GTCBRA) consider an Interlocal Agreement to allow the GTCBRA to begin capturing all eligible local and state tax increment revenues beginning in 2028 in conformance with our Development Agreement. We are aware that there is a precedence for such agreements, so it should be a relatively simple undertaking.

We hope you agree in our sentiment that the project is an enormous success; it is evidence of what can be accomplished by public-private partnerships. Not only did we remediate an environmentally contaminated site, we removed blight, created new public access to the Boardman River and added 15 new highly-sought-after downtown for-sale market rate condominium housing units. We began the project in 2014 and our last unit is under contract and expected to close by the end of June. To make the project financially feasible, we were forced to put together a creative and diverse capital stack which included substantial support in the form of incentives from the Michigan Department of Environmental Quality (MDEQ, now EGLE), the Michigan Economic Growth Authority (MEGA, now MSF) with the assistance of the Michigan Economic Development Corporation (MEDC), the City of Traverse City and, of course, the DDA and GTCBRA. This carefully developed package of incentives was barely enough to support the Project financially and allow for it to move forward. The deferment of reimbursement due to the DDA capture created an exceedingly difficult financial scenario that would be unacceptable to most developers (and was the crux of the MDEQ log jam, as we recall), but we were so heavily committed that we had no choice to accept it and proceed, even with a 1.5-year delay.

As you know, my partners and I have long been active in the Traverse City development arena and we represent that "development partner" mentioned so prominently in recent presentations to the DDA and the City. We understand the importance of the proposed West End parking deck and we fully support the extension of TIF 97 which will provide the mechanism to fund this parking deck, ***but not at our expense***. We also believe that when the Brownfield Plan was approved for our Project, it was with the understanding – by all parties – that the tax reimbursement period would be approximately 22 years and that that the availability of local taxes would be limited for approximately half of that term until the year 2027 when TIF 97 is currently set to expire. Without an Interlocal Agreement, the extension of TIF 97 threatens to substantially lengthen the reimbursement period for those eligible expenses that Uptown Development TC, LLC incurred to complete the Project. We ask you to consider an Interlocal Agreement, to share the future (post-2027) tax increment revenue produced by the completed project and commit to the projected timeline as presented in the Brownfield Plan.

Our financing plan for this Project relied heavily on the package of incentives that was secured up front and that includes the reimbursement projections as provided in the approved Brownfield Plan and its associated state-approved Act 381 Work Plan and executed Brownfield Development and Reimbursement Agreement. All the parties that were involved in the financing of this Project – our lenders, the state agencies, and we as developers – underwrote the Project based on a set of assumptions, among those, that the GTCBRA would have the ability to capture all eligible tax increment revenues upon the expiration of TIF 97 in year 2027. We have spent a substantial amount of time and energy analyzing and understanding what the effects the TIF 97 extension would have on our project and our financials and are sharing this analysis with you (appended to this letter).

We see two scenarios for moving forward and these are depicted in the appended analysis.

Scenario 1 (Our Request) – The GTCBRA and DDA execute an Interlocal Agreement which states that, upon the expiration of the original term of TIF 97 (the end of 2027), the DDA will forego capturing any revenue on the Uptown Development Property until such time that the obligations described in the Brownfield Plan are fulfilled.

Outcomes:

- The DDA continues capturing local tax increment revenue as it has been doing. We estimate that the total amount of taxes paid by Uptown Development TC LLC and captured by the DDA between 2015 and 2027 to be $2,735,174 which is higher than was expected when the Brownfield Plan was adopted. The original estimate in 2014 projected $1,484,941 in available revenue capture by the DDA. This is an increase of $1,250,233 in revenue for the DDA.
- Beginning in 2028 through 2035, the DDA foregoes any tax capture on the Uptown Development property thereby allowing the GTCBRA to capture those tax dollars for the purposes described in the Brownfield Plan.
- Uptown Development TC LLC is fully reimbursed in 21 years.. To reiterate, this was **the intention of all parties** at the time the incentive package for this Project was being prepared and executed.
    - Under this scenario, Uptown is reimbursed all of the principal eligible amount: $1,738,448
    - Uptown then is reimbursed all interest accrued over the term: $518,181
    - Total amount (principal + interest) paid to Uptown: $2,256,629

- Upon the fulfillment of the Brownfield obligations in year 2035, the DDA again begins capturing local tax increment revenue produced by the Uptown Development property. Between 2035 and 2040, the DDA is projected to capture an additional $1.15 million **more than projected** on this property.

Scenario 2 – The DDA captures local tax increment revenues until 2040, undermining the GTCBRA's ability to reimburse the Developer under the Project's Brownfield Plan **and unfair to the Developer.**

Outcomes:

- With the extension to TIF 97, the DDA is expected to capture a total of $4,167,490 between 2015 and 2040 in taxes paid on the Uptown Development property.
- Available local taxes for capture by the GTCBRA are stunted for an additional 13 years, causing the term for reimbursement of the $1,738,448 principal eligible activity to be extended 8 more years, **which is potentially beyond the life expectancy of any of the partners.**
- Interest continues to accrue during the extension, amounting to $692,344 **– an additional $136,268 compared to Scenario 1**.
- This scenario goes against the State approvals because it requires the BRA to capture a higher ratio of state tax dollars. The GTCBRA then must seek approval of an Act 381 Work Plan Amendment from the two State agencies (MSF/MEDC and EGLE) This is necessary in this scenario because of the extended period of limited local tax dollars available to reimburse the Developer. When the State agencies approved the Act 381 Work Plan for this Project, they established a maximum proportion of State dollars for capture: 52%. In Scenario 2, the ratio of State tax dollars necessary to reimburse the Developer is 62%.
  - Seeking this type of Act 381 Work Plan Amendment would:
    - i. require the Developer to incur more consultant fees to assist in this process which we would ultimately ask to be reimbursed under the Brownfield Plan and;
    - ii. not be looked upon favorably by the two State agencies.
- Lastly, I would like to point out that the projected term for reimbursement in Scenario 2 brings us precariously close to the statutory maximum of 30 years. If, for any reason, the taxes available for capture are less than what we have shown in our analysis or if the DDA should choose to extend TIF 97 a second time, the Developer would be at great risk of never being made whole for our investment.

What we are asking for is that the DDA and the GTCBRA recommit to the reimbursement terms originally agreed upon in the Brownfield Plan and its related agreements and plans. We ask that you respect the time and the effort that all of the public and private partners put into structuring the financing package for this project from the very beginning (over a 2.5-year period). We made certain promises to you, the community we work in, and while this Project has been far from smooth sailing, we're proud to have kept our promises and of what we built here. We also think it is only right that the "development partners" so vital to the TIF plans themselves be treated fairly.

328 Munson Ave, Suite B, Traverse City, Michigan 49684   231-941-8800

Please sincerely consider this request (Scenario 1) and the promises that you made to the Developers, too. We look forward to presenting our case to the DDA Finance Committee on June 14 and ultimately to the full DDA Board, if necessary, to bring this to a favorable conclusion.

Sincerely,

Michael W Wills
Project Manager
Uptown Development TC, LLC

ENCLOSURE: Uptown Development Reimbursement Projection w/ TIF 97 Extension

Cc: David Whiteford, Timothy Burden, Eric Helzer, Anne Jamieson-Urena, Jean Derenzy

328 Munson Ave, Suite B, Traverse City, Michigan 49684 231-941-8800

On the Boardman River in the heart of Downtown Traverse City

August 9, 2022

Jean Derenzy
Traverse City Downtown Development Authority
303 E. State Street
Traverse City, MI 49686

Gabe Schneider
Traverse City Downtown Development Authority
303 E. State Street
Traverse City, MI 49686

Scott Hardy
Traverse City Downtown Development Authority
303 E. State Street
Traverse City, MI 49686

Re: Resumption of Uptown Brownfield Development Interlocal Agreement Request

Greetings,

We are writing to request time on the Sept 12, 2022 DDA Finance Committee Meeting Agenda to resume our May 25, 2021 request for an interlocal agreement that would protect the reimbursement schedule to Uptown in the event that TIF 97 is extended. A great deal of time and effort by Jean Derenzy, Anne Jameison-Urena, Scott Howard and myself was spent exploring an alternative solution since our meeting and presentation to the Committee on June 14, 2021. That alternate approach involved two elements: a) payment by the DDA of eligible infrastructure costs paid by Uptown Development (determined to be $321,887) along with b) potential loan from the GTCBRA Revolving Loan Fund. The $321k DDA payment offer came with unexpected strings attached and was rejected and rescinded, but could have been acceptable if the GTCBRA had not also rejected our RLF funding request. Consequently, we wish to resume discussion on the interlocal agreement approach, as originally requested (copy of that request is attached).

As a result of the June 14, 2021, Scott Howard posed several questions of Eric Helzer. The attached ARS Memo answers those questions.

960 Industrial Circle   Traverse City, MI 49686   231-941-8800

In addition to the Park Place interlocal agreement already on record, I am also attaching two other interlocal agreements, that can provide examples of such an agreement.

What we are asking for is that the DDA and the GTCBRA recommit to the reimbursement terms originally agreed upon in the Brownfield Plan and its related agreements and plans. We ask that you respect the time and the effort that all of the public and private partners put into structuring the financing package for this project from the very beginning (over a 2.5-year period). We made certain promises to you, the community we work in, and while this Project has been far from smooth sailing, we're proud to have kept our promises and of what we built here. We also think it is only right that the "development partners", so vital to the TIF plans themselves, be treated fairly.

Specifically, we request that The GTCBRA and DDA **agree to execute** an Interlocal Agreement **if and when TIF 97 is extended**, which states that, the DDA will forego capturing any revenue beyond the original term of TIF 97 (the end of 2027) on the Uptown Development Property until such time that the obligations described in the Brownfield Plan are fulfilled.

Please sincerely consider this request and the promises that were made to the Developers, too.

Sincerely,

Michael W Wills
Project Manager
Uptown Development TC, LLC

ENCLOSURES:
ARS Memo DDA Questions for Interlocal Agreement.2022.Aug.04.pdf
Interlocal Agreement Request - 5-25-2021.pdf
INTERLOCAL AGREEMENT SAMPLE 1.pdf
Brownfield Interlocal Agreement-DDA BRA 2017 SAMPLE 2

Cc: David Whiteford, Timothy Burden, Eric Helzer, Anne Jamieson-Urena

ADVANCED REDEVELOPMENT SOLUTIONS
PO Box 204, Eagle MI 48822
Tel 517.648.2434
ephelzer@msn.com

MEMORANDUM

To: Scott Howard – Olson, Bzdok & Howard

From: Eric P. Helzer, EDFP, Principal – Advanced Redevelopment Solutions (ARS)

Copy: Michael Wills – Uptown Development

Date: August 04, 2022

Subject: Follow-up Questions from August 2021 to Interlocal Agreement
Uptown Development Project – Traverse City, MI

On behalf of the Uptown Development project, we are responding to some specific questions that you and the Traverse City Downtown Development Authority (DDA) had from August 2021 in consideration of an Interlocal Agreement. This information is being provided to the best of our knowledge and in our professional opinion based upon specific factors and assumptions we have made to draw our conclusions. If these factors and assumptions change, our conclusions may also change. Please advise to if there is any further information you need on our responses to the following questions upon your review.

DDA Questions:

1. **Point out uniqueness of our situation compared to other projects in TIF97 to build a case we are not setting a precedent that would cause others to ask for same treatment. How other projects will be expiring and/or do not rely as much on local Tax Increment Financing (TIF).**

   From the Projects that Advanced Redevelopment Solutions has been involved with over the last few years, we do not believe there will be any reason for any of these properties to seek an Interlocal Agreement to pass-through local taxes from the DDA to the Grand Traverse County Brownfield Redevelopment Authority (BRA) in the event that TIF97 is extended. The following projects are summarized below:

   <u>Park Place Hotel & Conference Center</u> – This project already has an Interlocal Agreement for use of local taxes passing through the DDA to the BRA.

   <u>305/309 W. Front Street</u> – This project recently had its Phase 1 completed at 305 W. Front St. and Phase 2 at 309 W. Front St. construction has begun in recent weeks. In our efforts on this two-phase project, we completed an Administrative Amendment to the Brownfield Plan through a Budget Line-Item Adjustment. The approach was to not have to trigger either an amendment to either the Brownfield Plan or Michigan Economic Development Corporation (MEDC)/Michigan Strategic Fund (MSF) Act 381 Work Plan which are reliant upon primarily State tax increment revenues, not local revenues, to protect the DDA for its continued tax capture under TIF97. We did complete amendments to a Michigan Department of Environment, Great Lakes and Energy (EGLE) Act 381 Work Plan and a Brownfield Michigan Business Tax (MBT) Credit along with securing a Michigan Community Revitalization Program (MCRP) Grant/Loan from the MEDC. Through our

multi-agency approvals, we maintained the Brownfield Plan's intent and both the EGLE and MEDC/MSF Act 381 Work Plan intent as primarily State reliant TIF Plans.

Grandview Place in the Warehouse District – This project is currently in the planning stage and in all four discussions to-date, the approach is to complete an Administrative Amendment to the Brownfield Plan through a Budget Line-Item Adjustment. This approach will not trigger either an amendment to the Brownfield Plan or MEDC/MSF Act 381 Work Plan which are reliant upon primarily State tax increment revenues, not local revenues, to protect the DDA for its continued tax capture under TIF97. We also plan on completing amendments to an approved EGLE Act 381 Work Plan. Through our multi-agency approvals, not unlike the 305/309 W. Front Street project, we will maintain the Brownfield Plan's intent and both the EGLE and MEDC/MSF Act 381 Work Plan intent as primarily State reliant Tax Increment Financing (TIF) Plans.

Lastly, to the best of our knowledge, we know of no other existing Brownfield Plan projects who could try to rely on local tax increment revenues if TIF97 is extended. Additionally, any new Brownfield Project within TIF97, even if not extended, will require an Interlocal Agreement for the Brownfield Plan's use of local tax increment revenues if State tax increment revenue use is needed under an Act 381 Work Plan request of either EGLE or the MEDC/MSF.

2. **What is the language in Section 6.0 Limitations of the Act 381 Work Plan about that states *"The incremental tax revenue estimates for the proposed development could vary from this estimate affecting the time period it takes to reimburse the eligible activities. For example, the DDA TIF District is set to expire in 2027 and if it is extended beyond this time the estimated time period to reimburse eligible activities would change significantly."* Does this Act 381 Work Plan language override the exhibits, in particular Table 2 of the Act 381 Work Plan where a line is drawn to show TIF97 expiring in 2028 and the note at the bottom, that note says *"DDA Plan expires. Full local TIR available henceforth".***

The text language in the body of the Act 381 Work Plan is a qualifier and a notification to the State (because the Act 381 Work Plan is specific to the use of State tax increment revenues and not local tax increment revenues) that in the event that the assumptions used in the development of the Act 381 Work Plan change (in particular the note on Table 2 that assumes that TIF97 will expire in 2028 and that full local tax increment revenues will be available henceforth), in the event that the Act 381 Work Plan may need to be amended because that would impact the State taxing jurisdictions by the increased use of State tax increment revenues and time period to reimburse eligible activities. Table 2 represents everyone's best effort at projecting the future and it is what everyone (DDA, City, BRA, EGLE, MEDC/MSF, and developers) relies on as a basis for approving a Brownfield project. All the text of an Act 381 Work Plan is secondary to that. If an Interlocal Agreement is agreed to, preserving the assumptions made in Table 2, allowing for local tax increment revenues to flow to the BRA as planned when TIF97 would have expired, an amendment to the Act 381 Work Plan will not be required.

3. **How does the Interlocal Agreement not trigger a Brownfield Plan or Act 381 Work Plan Amendment?**

   So long as there is an Interlocal Agreement between the BRA and DDA prior to any TIF97 extension that preserves the structure of Table 2 allowing for local tax increment revenues to flow to the BRA as planned when TIF97 would have expired (2028), an amendment to either the Brownfield Plan or the Act 381 Work Plan will not be required. In other words, the Interlocal Agreement is a tool to maintain the originally approved tax increment revenue structure. Amendments to a Brownfield Plan and Act 381 Work Plan would be required if an impact to the State taxing jurisdictions was to occur by either an increase in the amount of State tax increment revenue capture or by extending the amount of time needed for use of State tax increment revenues beyond what was allowed in the MSF Board Resolution.

   Additionally, a point of consideration is that an Interlocal Agreement avoids, rather than requires, amending the Brownfield Plan and Act 381 Work Plan, needing only DDA Board and BRA Board local approvals. Amending these plans would be very time consuming and expensive to the DDA, City, BRA, EGLE, MEDC/MSF, and developers and would bring more public scrutiny and perhaps be counterproductive to the DDA goals.

We look forward to our continued discussions on this matter.

Traverse City DDA - General
Budget vs. Actuals: 2021-22 Budget - FY22 P&L
July 2021 - June 2022

Friday, Sep 02, 2022 10:53:15 AM GMT-7 - Accrual Basis

	Total		
	Actual	Budget	Remaining
Income			
4100 TAXES			0.00
4101 Property Taxes	129,683.35	137,500.00	7,816.65
Total 4100 TAXES	**$ 129,683.35**	**$ 137,500.00**	**$ 7,816.65**
4200 GRANTS & CONTRIBUTIONS		2,159,900.00	2,159,900.00
4201 Contributions	1,000.00		-1,000.00
4204 Grants - EGLE cornwell	75,732.12		-75,732.12
4209 MEDC Civic Square	1,827,115.31		-1,827,115.31
4210 Grants & Contributions Healthy Drinking Culture Grant	33,837.44		-33,837.44
Total 4200 GRANTS & CONTRIBUTIONS	**$ 1,937,684.87**	**$ 2,159,900.00**	**$ 222,215.13**
4300 REIMBURSEMENTS		1,321,000.00	1,321,000.00
4302 Administrative Services	520,999.96		-520,999.96
4303 Parking Services	800,000.04		-800,000.04
4305 Farmers Market online Revenue	144,404.04		-144,404.04
Total 4300 REIMBURSEMENTS	**$ 1,465,404.04**	**$ 1,321,000.00**	**-$ 144,404.04**
4401 Rents		90,000.00	90,000.00
4501 Interest & Dividends	883.14	600.00	-283.14
4600 Miscellaneous Revenue	1,429.01		-1,429.01
Total Income	**$ 3,535,084.41**	**$ 3,709,000.00**	**$ 173,915.59**
Gross Profit	**$ 3,535,084.41**	**$ 3,709,000.00**	**$ 173,915.59**
Expenses			
5100 SALARIES		858,000.00	858,000.00
5101 Salaries & Wages	531,098.57		-531,098.57
5102 Hourly Wage Expense	343,272.12		-343,272.12
Total 5100 SALARIES	**$ 874,370.69**	**$ 858,000.00**	**-$ 16,370.69**
5200 FRINGE BENEFITS		310,000.00	310,000.00
5201 Health Insurance	63,477.41		-63,477.41
5202 Disabitly Insurance Benifits	5,163.53		-5,163.53
5203 Life Insurance Expense	1,668.71		-1,668.71
5204 457 Company Matching	71,037.04		-71,037.04
5207 FICA	443.57		-443.57
5208 Social Security Tax Expense	57,729.89		-57,729.89
5209 Medicare Tax Expense	13,561.56		-13,561.56
5210 SUTA Tax Expense	4,361.40		-4,361.40
5211 Workers Compensation	11,844.00		-11,844.00
5212 Employee Medical Expenses	1,059.25		-1,059.25
Total 5200 FRINGE BENEFITS	**$ 230,346.36**	**$ 310,000.00**	**$ 79,653.64**
5300 OFFICE SUPPLIES AND UTILITIES	1,708.00	85,800.00	84,092.00
5301 Office Supplies	32,429.86		-32,429.86
5302 Utilities	10,501.72		-10,501.72
5303 Operation Supplies	1,022.61		-1,022.61
5304 Equipment	9,710.64		-9,710.64
5305 Dues and Memberships	13,991.21		-13,991.21
5306 Printing & Publishing	6,840.48		-6,840.48
5307 Communications	10,942.80		-10,942.80
5308 Miscellaneous Expense	10,580.04		-10,580.04
5309 Civic Square	6,040.00	100,000.00	93,960.00
Total 5300 OFFICE SUPPLIES AND UTILITIES	**$ 103,767.36**	**$ 185,800.00**	**$ 82,032.64**
5400 PROFESSIONAL SERVICES	42,560.00	836,000.00	793,440.00
5401 Contract Services	56,040.00		-56,040.00
5402 Legal	69,240.00		-69,240.00
5403 Professional/Contractual	154,844.90		-154,844.90
5405 Community Promotion	12,629.90		-12,629.90

5409 Grant exp EGLE cornwell bldg	76,278.50		-76,278.50
5412 Grant exp Rotary IFF grant	2,600.00		-2,600.00
5413 Grant Exp SOM Civc Square	1,821,102.05	1,721,900.00	-99,202.05
5415 Online Farmers Market Expense	139,878.40		-139,878.40
5416 Prof Services Healthy Drinking Culture Grant	43,032.70		-43,032.70
Total 5400 PROFESSIONAL SERVICES	**$ 2,418,206.45**	**$ 2,557,900.00**	**$ 139,693.55**
5500 TRAVEL AND CONFERENCES	5,452.19	35,000.00	29,547.81
5501 Lodging, meals	3,276.80		-3,276.80
5502 Transportation	3,294.78		-3,294.78
5503 Training	150.00		-150.00
Total 5500 TRAVEL AND CONFERENCES	**$ 12,173.77**	**$ 35,000.00**	**$ 22,826.23**
5600 REPAIRS AND MAINTENANCE		3,000.00	3,000.00
5700 RENTAL EXPENSE		80,000.00	80,000.00
5701 Rentals	872.25		-872.25
Rent Expense	800.00		-800.00
Total 5700 RENTAL EXPENSE	**1,672.25**	**80,000.00**	**78,327.75**
Total Expenses	**3,640,536.88**	**4,029,700.00**	**389,163.12**
Net Operating Income	**(105,452.47)**	**(320,700.00)**	**(215,247.53)**
Net Income	**(105,452.47)**	**(320,700.00)**	**(215,247.53)**

Traverse City DDA - TIF 97
Budget vs. Actuals: 2021-22 Budget - FY22 P&L
July 2021 - June 2022

Thursday, Sep 01, 2022 07:02:30 AM GMT-7 - Accrual Basis

	Total		
	Actual	**Budget**	**Remaining**
Income			
4100 TAXES			0.00
4101 Property Taxes	3,154,317.80	3,106,550.00	-47,767.80
Total 4100 TAXES	**$ 3,154,317.80**	**$ 3,106,550.00**	**-$ 47,767.80**
4300 REIMBURSEMENTS	399,378.59	130,000.00	-269,378.59
4500 INTEREST INCOME			0.00
4501 Interest & Dividends	4,689.50	4,500.00	-189.50
Total 4500 INTEREST INCOME	**$ 4,689.50**	**$ 4,500.00**	**-$ 189.50**
Total Income	**$ 3,558,385.89**	**$ 3,241,050.00**	**-$ 317,335.89**
Gross Profit	**$ 3,558,385.89**	**$ 3,241,050.00**	**-$ 317,335.89**
Expenses			
5300 OFFICE SUPPLIES AND UTILITIES			0.00
5302 Utilities	46,134.06		-46,134.06
Total 5300 OFFICE SUPPLIES AND UTILITIES	**$ 46,134.06**	**$ 0.00**	**-$ 46,134.06**
5400 PROFESSIONAL SERVICES	92,171.36	739,300.00	647,128.64
5401 Contract Services	448,012.32		-448,012.32
5402 Legal	5,325.00		-5,325.00
5403 Professional/Contractual	109,237.30		-109,237.30
5405 Administrative	466,348.00		-466,348.00
Total 5400 PROFESSIONAL SERVICES	**$ 1,121,093.98**	**$ 739,300.00**	**-$ 381,793.98**
5500 CONTRIBUTIONS TO DISTRICT CONSTRUCTION PROJECTS	330,211.89	1,708,000.00	1,377,788.11
5600 CONTRIBUTIONS TO OTHER GOVERNMENTS-DEBT SERVICE	930,696.86	931,550.00	853.14
Bank Charges	3,406.73		-3,406.73
Capital Outlay	13,206.00		-13,206.00
Printing & Publishing		200.00	200.00
Repairs and Maintenance	9,164.97	15,000.00	5,835.03
Taxes Paid	7,329.48		-7,329.48
Estimated Final City Invoice for Projects	185,376.34	0.00	-185,376.34
Total Expenses	**2,646,620.31**	**3,394,050.00**	**747,429.69**
Net Operating Income	**911,765.58**	**(153,000.00)**	**(1,064,765.58)**
Net Income	**911,765.58**	**(153,000.00)**	**(1,064,765.58)**

Pending item:

June 30th bill from Progressive AE for Grandview Parkway project. Then City of TC needs to be invoiced for 54% of this project. So far $64,000 has been paid to Progressive AE for the $75,000 project.

DDA Old Town TIF
Budget vs. Actuals: 2021-22 Budget - FY22 P&L
July 2021 - June 2022

Thursday, Sep 01, 2022 06:55:24 AM GMT-7 - Accrual Basis

	Total		
	Actual	**Budget**	**over Budget**
Income			
4100 TAXES			0.00
4101 Property Taxes	593,951.48	555,000.00	38,951.48
Total 4100 TAXES	**$ 593,951.48**	**$ 555,000.00**	**$ 38,951.48**
4500 INTEREST INCOME			0.00
4501 INTEREST & DIVIDENDS	113.43	100.00	13.43
Total 4500 INTEREST INCOME	**$ 113.43**	**$ 100.00**	**$ 13.43**
Total Income	**$ 594,064.91**	**$ 555,100.00**	**$ 38,964.91**
Gross Profit	**$ 594,064.91**	**$ 555,100.00**	**$ 38,964.91**
Expenses			
5400 PROFESSIONAL SERVICES	0.00		0.00
5401 Contract Services	73,383.00		73,383.00
5403 Professional/Contractual	136,825.00	215,750.00	-78,925.00
Total 5400 PROFESSIONAL SERVICES	**$ 210,208.00**	**$ 215,750.00**	**-$ 5,542.00**
5500 CONTRIBUTIONS TO DISTRICT CONSTRUCTION PROJECTS	189,065.31	562,000.00	-372,934.69
Printing & Publishing		100.00	-100.00
Purchases	379.48		379.48
Estimated Final Invoice from City for Projects	2,493.00	0.00	0.00
Total Expenses	**402,145.79**	**777,850.00**	**(375,704.21)**
Net Operating Income	**191,919.12**	**(222,750.00)**	**414,669.12**
Net Income	**191,919.12**	**(222,750.00)**	**414,669.12**