

Traverse City Downtown Development Authority Regular Meeting

Friday, April 21, 2023

9:00 am

Commission Chambers, Governmental Center
400 Boardman Avenue
Traverse City, Michigan 49684



The City of Traverse City does not discriminate on the basis of disability in the admission to, access to, treatment in, or employment in, its programs or activities. Penny Hill, Assistant City Manager, 400 Boardman Avenue, Traverse City, Michigan 49684, phone 231-922-4440, TDD/TTY 231-922-4412, VRS 231-421-7008, 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 ADA Coordinator.

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.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. REVIEW AND APPROVAL OF AGENDA

- A. Consideration of approving the agenda as presented.

4. 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. Approval of minutes of the March 17, 2023 and April 14, 2023 Downtown Development Authority Board of Directors meeting (Approval Recommended) (Jean Derenzy) 6 - 16
[Downtown Development Authority Regular Meeting - 17 Mar 2023 - Minutes - PDF](#)
[Downtown Development Authority Study Session - 14 Apr 2023 - Minutes - PDF](#)
- B. Consideration of approving financial reports and disbursements for DDA, TIF 97, Old Town TIF, Parking and Arts Commission for March 2023 (Approval Recommended) (Jean Derenzy) 17 - 24
[DDA General, TIF 97, Old Town TIF Financials 2023 - PDF](#)
[TC Parking Services Financials March 2023 - PDF](#)
[TC Arts Commission Financials March 2023 - PDF](#)
- C. Consideration of approving a 3 year renewal term with Parkmobile (Approval Recommended) (Nicole VanNess, Jean Derenzy) 25 - 26
[Parkmobile Amendment to Extend Agreement \(Nicole VanNess, Jean Derenzy\) - PDF](#)

D.	Consideration of approving the year ending June 30, 2022 Downtown Development Authority Audit (Approval Recommended) (Jean Derenzy) Audit Memo (Jean Derenzy) - PDF TCDDA Audit 2021/2022 - PDF	27 - 61
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5.	ITEMS REMOVED FROM CONSENT CALENDAR	
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7.	NEW BUSINESS	
A.	2023/2024 Budget (Scheduling of a Public Hearing Recommended) (Jean Derenzy) 2023/2024 Budget Memo (Jean Derenzy) - PDF 2023/2024 Budget - PDF	67 - 79
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8.	CEO REPORT	
A.	Project Updates (Jean Derenzy) Project Updates Memo (Jean Derenzy) - PDF	80 - 81
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9.	BOARD MEMBER REPORTS	
A.	Arts Commission Update (Steve Nance) Arts Commission Update (Steve Nance) - PDF	82 - 83
B.	Mobility & Parking Advisory Board Update (Scott Hardy) Mobility & Parking Advisory Board Update (Scott Hardy) - PDF	84
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10.	STAFF REPORTS	
A.	Transportation & Mobility Director Report (Nicole VanNess) Transportation & Mobility Director Report (Nicole VanNess) - PDF	85 - 87
B.	Downtown Experience Coordinator Report (Abby Taylor) Downtown Experience Coordinator Report (Abby Taylor) - PDF	88 - 89
C.	Communications & Outreach Director Report (Art Bukowski) Communications Outreach Director Report (Art Bukowski) - PDF	90 - 91
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11.	RECEIVE AND FILE	

A.	Arts Commission February 2023 Meeting Minutes February 15, 2023 Arts Commission Meeting Minutes - PDF	92 - 93
B.	DTCA Board March 2023 Meeting Minutes March 9, 2023 DTCA Board Meeting Minutes - PDF	94 - 95
C.	Mobility & Parking Advisory Board March 2023 Meeting Minutes March 1, 2023 Mobility & Parking Advisory Board Meeting Minutes - PDF	96 - 98
D.	Farmers Market Advisory Board January 2023 Meeting Minutes January 23, 2023 Farmers Market Advisory Board Meeting Minutes - PDF	99

12. PUBLIC COMMENT

13. ADJOURNMENT



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
Regular Meeting
Friday, March 17, 2023**

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 9:00 a.m.

The following Board Members were in attendance: Chairperson Gabe Schneider, Board Member Steve Nance, Board Vice Chair Scott Hardy, Board Member Jeff Joubran, Mayor Richard Lewis, Board Member Pam DeMerle, Board Member Todd McMillen, and Board Member Michael Brodsky, Student Liaison Will Unger

The following Board Members were absent: Board Member Peter Kirkwood, Board Member Pam Marsh, and Board Member Katy Bertodatto

Chairperson Schneider presided at the meeting.

(a) **CALL TO ORDER**

Chairperson Schneider called the meeting to order at 9:01AM.

(b) **ROLL CALL**

(c) **REVIEW AND APPROVAL OF AGENDA**

- (1) Consideration of approving the agenda as presented.
Approval of the agenda as presented.

Moved by Jeff Joubran, Seconded by Steve Nance

Yes: Gabe Schneider, Steve Nance, Scott Hardy, Jeff Joubran, Pam DeMerle, Todd McMillen, and Michael Brodsky

Absent: Peter Kirkwood, Richard Lewis, Pam Marsh, and Katy Bertodatto

CARRIED. 7-0-4 on a recorded vote

(d) **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 of the February 17, 2023 and March 3, 2023 Downtown Development Authority Board of Directors meeting (Approval Recommended) (Jean Derenzy)
- (2) Consideration of approving the financial reports and disbursements for DDA, TIF 97, Old Town TIF, Parking Services and Arts Commission for February 2023 (Approval Recommended) (Jean Derenzy)
- (3) Consideration of renaming the Parking Advisory Board to the Mobility & Parking Advisory Board (Approval Recommended) (Jean Derenzy, Nicole VanNess)
That the DDA Board approve the consent calendar as presented.

Moved by Scott Hardy, Seconded by Todd McMillen

Yes: Gabe Schneider, Steve Nance, Scott Hardy, Jeff Joubran, Pam DeMerle, Todd McMillen, and Michael Brodsky

Absent: Peter Kirkwood, Richard Lewis, Pam Marsh, and Katy Bertodatto

CARRIED. 7-0-4 on a recorded vote

(e) **OLD BUSINESS**

- (1) Retail Incubator Update (Memo Forthcoming)

Richard Lewis arrived at 9:05AM.

The Following Addressed the Board:

Jean Derenzy, DDA CEO
Art Bukowski
Scott Hardy
Gabe Schneider

(f) **NEW BUSINESS**

- (1) Parking Lot B Financing of Redesign (Approval Recommended) (Nicole VanNess, Jean Derenzy)

The Following Addressed the Board:

Jean Derenzy, DDA CEO
Richard Lewis
Marty Colburn
Jeff Joubran

That the DDA Board concur with staff to reopen the Lot B (CIP-545) project and tentatively schedule for the 2025/2026 budget year.

Moved by Richard Lewis, Seconded by Jeff Joubran

Yes: Gabe Schneider, Steve Nance, Scott Hardy, Jeff Joubran, Richard Lewis, Pam DeMerle, Todd McMillen, and Michael Brodsky

Absent: Peter Kirkwood, Pam Marsh, and Katy Bertodatto

CARRIED. 8-0-3 on a recorded vote

- (2) Conceptual Phased Approach for the Lower Boardman (Approval Recommended) (Jean Derenzy)

The Following Addressed the Board:

Jean Derenzy, DDA CEO
Gabe Schneider
Scott Hardy

That the DDA Board of Directors supports efforts to issue an RFP for final design and engineering of the conceptual design for the Lower Boardman/Ottaway Downtown Riverwalk and furthermore, that the DDA Board of Directors recommends that the City Commission consider and authorize DDA staff to work with the city engineering department to develop and issue an RFP for final design and engineering of the conceptual design for the Lower Boardman/Ottaway Downtown Riverwalk.

Moved by Richard Lewis, Seconded by Steve Nance

Yes: Gabe Schneider, Steve Nance, Scott Hardy, Jeff Joubran, Richard Lewis, Pam DeMerle, Todd McMillen, and Michael Brodsky

Absent: Peter Kirkwood, Pam Marsh, and Katy Bertodatto

CARRIED. 8-0-3 on a recorded vote

- (3) West End Parking Structure Recommendation for RFP (Approval Recommended) (Jean Derenzy)

The Following Addressed the Board:

Jean Derenzy, DDA CEO
Gabe Schneider

Scott Hardy
Richard Lewis

That the DDA Board of Directors supports efforts to issue an RFP for final design and engineering of the west end parking structure and furthermore, that the DDA Board of Directors recommends that the City Commission consider and authorize DDA staff to work with the City Engineering department to develop and issue an RFP for final design and engineering of the conceptual design for the west end parking structure.

Moved by Richard Lewis, Seconded by Scott Hardy

Yes: Gabe Schneider, Steve Nance, Scott Hardy, Jeff Joubran, Richard Lewis, Pam DeMerle, Todd McMillen, and Michael Brodsky

Absent: Peter Kirkwood, Pam Marsh, and Katy Bertodatto

CARRIED. 8-0-3 on a recorded vote

(g) **CEO REPORT**

(1) Project Updates (Jean Derenzy)

The Following Addressed the Board:

Jean Derenzy, DDA CEO
Gabe Schneider
Richard Lewis
Steve Nance
Scott Hardy

(h) **BOARD MEMBER REPORTS**

(1) Arts Commission Update (Steve Nance)

The Following Addressed the Board:

Steve Nance
Gabe Schneider
Richard Lewis
Jean Derenzy, DDA CEO

(2) Parking Advisory Board Update (Scott Hardy)

The Following Addressed the Board:

Scott Hardy
Gabe Schneider

(i) **STAFF REPORTS**

- (1) Transportation & Mobility Director Report (Nicole VanNess)

The Following Addressed the Board:

Nicole VanNess
Jean Derenzy
Gabe Schneider
Jeff Joubran
Scott Hardy
Pam DeMerle

- (2) Communications & Outreach Director Report (Art Bukowski)

The Following Addressed the Board:

Art Bukowski
Gabe Schneider
Scott Hardy

- (3) Downtown Experience Coordinator Report (Abby Taylor)

The Following Addressed the Board:

Gabe Schneider
Jean Derenzy, DDA CEO
Todd McMillen
Steve Nance

(j) **RECEIVE AND FILE**

- (1) Arts Commission January 2023 Meeting Minutes
(2) Arts Commission February Rotating Arts Subcommittee Meeting Minutes

(k) **PUBLIC COMMENT**

No public comment.

(l) **ADJOURNMENT**

- (1) Motion to adjourn the meeting.
That the DDA Board adjourn the meeting at 9:54AM.

Moved by Scott Hardy, Seconded by Jeff Joubran

Yes: Gabe Schneider, Steve Nance, Scott Hardy, Jeff Joubran, Richard Lewis, Pam DeMerle, Todd McMillen, and Michael Brodsky

Absent: Peter Kirkwood, Pam Marsh, and Katy Bertodatto

CARRIED. 8-0-3 on a recorded vote

Jean Derenzy, Traverse City DDA
CEO

Draft



**Minutes of the
Downtown Development Authority for the City of Traverse City
Study Session
Friday, April 14, 2023**

A study session 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 12 p.m.

The following Board Members were in attendance: Chairperson Gabe Schneider, Board Member Steve Nance, Board Member Peter Kirkwood, Board Vice Chair Scott Hardy, Board Member Jeff Joubran, Mayor Richard Lewis, Board Member Pam Marsh, Board Member Pam DeMerle, Board Member Todd McMillen, and Board Member Katy Bertodatto

The following Board Members were absent: Board Member Michael Brodsky

Chairperson Schneider presided at the meeting.

(a) **CALL TO ORDER**

Chairperson Schneider called the meeting to order at 12:01PM.

(b) **ROLL CALL**

Richard Lewis arrived at 12:31pm.

(c) **TOPICS OF DISCUSSION**

(1) Downtown Business Report (Warren Call)

Hoisington distrusted an article to the Board:

The Following Addressed the Board:

Warren Call
Camille Hoisington
Pam Marsh

Steve Nance
Scott Hardy
Pam DeMerle
Katy Bertodatto
Pete Kirkwood
Gabe Schneider

[MEDC Article - PDF](#)

- (2) 2021/2022 Audit (Jean Derenzy)

The Following Addressed the Board:

Jean Derenzy, DDA CEO
Gabe Schneider
Richard Lewis
Steve Nance
Scott Hardy

- (3) 2023/2024 Budget (Jean Derenzy)

The Following Addressed the Board:

Jean Derenzy, DDA CEO
Gabe Schneider
Jeff Joubran
Katy Bertodatto
Scott Hardy
Pam Marsh
Warren Call
Pete Kirkwood
Nicole VanNess
Richard Lewis
Steve Nance
Will Unger
Pam DeMerle

- (d) **PUBLIC COMMENT**

No Public Comment.

- (e) **ADJOURNMENT**

Chairperson Schneider adjourned the meeting at 1:34PM.

Jean Derenzy, Traverse City DDA
CEO

Draft



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

Press Releases / 2023 / 04 /

Michigan Makes Commitment to Sustainable Maritime Mobility with Launch of First-of-Its-Kind Grant Program in United States

Kathleen Achtenberg

Monday, April 10, 2023

Fresh Coast Maritime Challenge enables the future of boating by electrifying Northwest Michigan's waterways

LANSING, Mich. – Today, Governor Gretchen Whitmer announced the Fresh Coast Maritime Challenge, a first-of-its-kind program in the United States that puts Michigan at the forefront of future-proofing sustainable maritime transportation including recreational boating activities, marina innovation, as well as commercial activities on the Great Lakes. The Challenge establishes a dedicated grant program that offers companies the opportunity to apply for assistance that will support the decarbonization and electrification of both marinas and watercraft across the state. Ultimately, the infrastructure created through the Fresh Coast Maritime Challenge will enable continued growth and innovation in Michigan's mobility industry, deliver considerable economic benefits and create a blueprint that can be adapted to fit ports and harbors across North America.

"The Fresh Coast Maritime Challenge represents the intersection of mobility, outdoor recreation, and economic development and will create wide-reaching benefits across the entire state of Michigan," said **Gov. Whitmer**. "This Challenge will serve to modernize one of the most prevalent methods of mobility in Michigan while supporting sustainable marinas and commercial watercraft and protecting the beauty of our Great Lakes for generations to come."

As part of the Fresh Coast Maritime Challenge, the Michigan Economic Development Corporation's (MEDC) [Office of Future Mobility and Electrification](#) (OFME) has partnered with [Traverse Connect](#) to identify grant recipients and facilitate the distribution of grant funds, which will provide support for resources that align with the overarching goals of the region. Additional partners for the initiative include the Michigan Department of Environment, Great Lakes, and Energy (EGLE); the Office of Outdoor Recreation Industry, the Michigan Department of Transportation (MDOT), and the Michigan Department of Natural Resources (DNR).

The Fresh Coast Maritime Challenge is designed to offer commercial enterprises of all sizes a sustainable, cost-effective and efficient means of transitioning watercraft from diesel to electric power. Its ongoing development will offer a growing network of shore-side charging facilities for clean-fueled marine vessels and electric passenger vehicles operating on the Great Lakes. Additionally, the presence of charging equipment at multiple sites will create natural testing environments for the electrification of vessels of all shapes and sizes. The initial phase of funding will focus on the northwest Michigan corridor, between Frankfort and Mackinac Island, a route known as "the boating capital of the Midwest" that offers a considerable concentration of accessibility to recreational boating – making the area ideal for the early adoption of new technologies.

"Our vision for the Grand Traverse region is to be the epicenter for the new electric boating industry – from

hosting development and manufacturing of watercraft and charging stations to serving as the hub of a fully-functioning corridor for recreational and commercial boat traffic," said **Warren Call, president and CEO of Traverse Connect**. "Electrification of the marine industry is at the heart of our growing Blue Economy, which will further diversify and grow our larger economic ecosystem".

The electrification of some of Michigan's waterways is already underway in northern Michigan, with the support of local, state, and federal partners. Key developments include the following:

- The [deployment of an AQUA superPower rapid charger at Elk Rapids Marina](#). AQUA superpower is the first fully maritized dockside network of fast chargers for electric boats with a supercharger specifically engineered and rated for use in marine environments to charge electric boats.
- The first-ever [conversion of a Mackinac Island passenger ferry to zero-emissions electric power](#) by the Mackinac Island Ferry Company (MIFC).
- State and Federal funding to [upgrade the Beaver Island Ferry](#) to be more efficient, reliable, and environmentally friendly

Today's news builds on [Governor Whitmer's commitment](#) to accelerate maritime mobility innovations, and her signing of [multiple pieces of legislation](#) designed to grow Michigan's maritime industry. It represents commitments made by Michigan both in the [MI Healthy Climate Plan](#), as well as the [MI Future Mobility Plan](#), and will help Michigan achieve its goal to be carbon neutral by 2050.

The Challenge will expand on current activities, like the [Lake Michigan EV Circuit](#), support new business growth and the development of further electric vessels, as well as other modes of transportation.

"Our Great Lakes are an integral part of Michigan's mobility ecosystem, which is why it is critical that we continue to prioritize the development of sustainable, accessible mobility solutions past just our roads," said **Kathryn Snorrason, interim chief mobility officer for the State of Michigan**. "We look forward to reviewing the proposals submitted for the Challenge, and partnering with forward-thinking innovators to create a modern electrified coastline."

Long term, the development and implementation of the Fresh Coast Maritime Challenge will also deepen the pipeline for career opportunities specific to maritime mobility. In Traverse City alone, both Michigan Technological University's research hub and Northwest Michigan College's Great Lakes Water Studies Institute are poised to position the region to advance the maritime mobility economy and freshwater innovation.

The application window for grants is open now through May 10. Companies interested in participating in the Fresh Coast Maritime Challenge can [visit here to learn more](#) at an April 11 information session in Traverse City; [here](#) for an upcoming virtual webinar, and [here](#) to apply for grant assistance through the Michigan Mobility Funding Platform.

About Michigan Economic Development Corporation (MEDC)

The Michigan Economic Development Corporation is the state's marketing arm and lead advocate for business development, job awareness and community development with the focus on growing Michigan's economy. For more information on the MEDC and our initiatives, visit www.MichiganBusiness.org. For Pure Michigan® tourism information, your trip begins at www.michigan.org. Join the conversation on: [Facebook](#) [Instagram](#) [LinkedIn](#), and [Twitter](#).

Traverse City DDA - General

Balance Sheet Summary

As of March 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	781,108.03
Accounts Receivable	286,048.33
Other Current Assets	7,766.25
Total Current Assets	\$1,074,922.61
Other Assets	43.30
TOTAL ASSETS	\$1,074,965.91
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	32,042.05
Credit Cards	17.99
Other Current Liabilities	442,106.37
Total Current Liabilities	\$474,166.41
Total Liabilities	\$474,166.41
Equity	600,799.50
TOTAL LIABILITIES AND EQUITY	\$1,074,965.91

Traverse City DDA - TIF 97

Balance Sheet
As of March 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 CASH AND CASH EQUIVALENTS	
1001 Fifth Third Checking - 8026	1,335,616.25
Total 1000 CASH AND CASH EQUIVALENTS	1,335,616.25
Total Bank Accounts	\$1,335,616.25
Accounts Receivable	
1200 ACCOUNTS RECEIVABLE	837,364.02
Total Accounts Receivable	\$837,364.02
Other Current Assets	
1100 OTHER CURRENT ASSETS	
1103 Due From Other Funds	0.00
1104 Due From DDA	0.00
Total 1100 OTHER CURRENT ASSETS	0.00
1230 Other AR-Advance to City/Primary Govt	5,555,900.00
Undeposited Funds	0.00
Total Other Current Assets	\$5,555,900.00
Total Current Assets	\$7,728,880.27
Fixed Assets	
Land	0.00
Total Fixed Assets	\$0.00
Other Assets	
Accounts Rec - DO NOT USE	0.00
Pre-Paid Expense	0.00
Work in Progress	0.00
Total Other Assets	\$0.00
TOTAL ASSETS	\$7,728,880.27
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 ACCOUNTS PAYABLE	0.00
Due to City - Capital Projects	0.00
Total Accounts Payable	\$0.00
Other Current Liabilities	
2100 DUE TO OTHER FUNDS	0.00
2200 DEFERRED REVENUE	48,631.87
Accounts Payable - DO NOT USE	0.00

Traverse City DDA - TIF 97

Balance Sheet
As of March 31, 2023

	TOTAL
Total Other Current Liabilities	\$48,631.87
Total Current Liabilities	\$48,631.87
Total Liabilities	\$48,631.87
Equity	
Opening Bal Equity	-21,200.00
Retained Earnings	4,833,620.97
Net Income	2,867,827.43
Total Equity	\$7,680,248.40
TOTAL LIABILITIES AND EQUITY	\$7,728,880.27

DDA Old Town TIF

Balance Sheet

As of March 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 CASH AND CASH EQUIVILENTS	
1001 Fifth Third Checking - 0650	1,268,385.44
Total 1000 CASH AND CASH EQUIVILENTS	1,268,385.44
Total Bank Accounts	\$1,268,385.44
Other Current Assets	
1100 OTHER CURRENT ASSETS	
1103 Due From Other Funds	0.00
1104 Due From DDA	96,108.86
Total 1100 OTHER CURRENT ASSETS	96,108.86
Total Other Current Assets	\$96,108.86
Total Current Assets	\$1,364,494.30
TOTAL ASSETS	\$1,364,494.30
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 ACCOUNTS PAYABLE	0.00
Total Accounts Payable	\$0.00
Other Current Liabilities	
2100 DUE TO OTHER FUNDS	0.00
Total Other Current Liabilities	\$0.00
Total Current Liabilities	\$0.00
Total Liabilities	\$0.00
Equity	
Retained Earnings	770,946.53
Net Income	593,547.77
Total Equity	\$1,364,494.30
TOTAL LIABILITIES AND EQUITY	\$1,364,494.30

GL NUMBER	DESCRIPTION	2022-23YTD BALANCE		ACTIVITY FOR			% BDGT USED
		NDED BUDGET	03/31/2023	MONTH ENCUMBERED	ENCUMBERED	ENCUMBERED	
				03/31/23	EAR-TO-DATE	BALANCE	
Fund 585 - AUTOMOBILE PARKING SYSTEM FUND							
Revenues							
Dept 000 - NON-DEPARTMENTAL							
585-000-528.000	OTHER FEDERAL GRANTS	0.00	13.47	0.00	0.00	(13.47)	100.00
585-000-652.000	PARKING FEES-COIN	1,700,000.00	1,473,315.22	45,975.69	0.00	226,684.78	86.67
585-000-653.000	PERMITS-SURFACE LOTS	200,000.00	207,716.00	1,848.00	0.00	(7,716.00)	103.86
585-000-653.007	PERMITS - NEIGHBORHOOD	0.00	1,960.00	0.00	0.00	(1,960.00)	100.00
585-000-653.010	DESTINATION DOWNTOWN	0.00	20.00	0.00	0.00	(20.00)	100.00
585-000-656.010	PARKING FINES	200,000.00	229,664.85	6,847.00	0.00	(29,664.85)	114.83
585-000-664.000	INTEREST & DIVIDEND EARNIN	66,000.00	41,706.93	0.00	0.00	24,293.07	63.19
585-000-677.000	REIMBURSEMENTS	4,700.00	5,251.04	3,038.31	0.00	(551.04)	111.72
585-000-686.000	MISCELLANEOUS INCOME	0.00	955.00	0.00	0.00	(955.00)	100.00
585-000-699.000	PRIOR YEARS' SURPLUS	0.00	0.00	0.00	(38,658.60)	38,658.60	0.00
Total Dept 000 - NON-DEPARTMENTAL		2,170,700.00	1,960,602.51	57,709.00	(38,658.60)	248,756.09	88.54
Dept 586 - HARDY DECK							
585-586-651.000	PARKING DECK PROCEEDS	250,000.00	253,327.13	4,144.40	0.00	(3,327.13)	101.33
585-586-653.005	PERMITS-PARKING DECK	180,000.00	156,104.00	(120.00)	0.00	23,896.00	86.72
Total Dept 586 - HARDY DECK		430,000.00	409,431.13	4,024.40	0.00	20,568.87	95.22
Dept 587 - OLD TOWN DECK							
585-587-651.000	PARKING DECK PROCEEDS	70,000.00	69,211.80	45.00	0.00	788.20	98.87
585-587-653.005	PERMITS-PARKING DECK	100,000.00	84,260.00	630.00	0.00	15,740.00	84.26
585-587-686.000	MISCELLANEOUS INCOME	0.00	1,250.00	0.00	0.00	(1,250.00)	100.00
Total Dept 587 - OLD TOWN DECK		170,000.00	154,721.80	675.00	0.00	15,278.20	91.01
TOTAL REVENUES		2,770,700.00	2,524,755.44	62,408.40	(38,658.60)	284,603.16	89.73
Expenditures							
Dept 585 - AUTOMOBILE PARKING SYSTEM							
585-585-702.000	SALARIES AND WAGES	9,700.00	7,770.31	289.70	0.00	1,929.69	80.11
585-585-704.000	EMPLOYEE OVERTIME	2,000.00	916.80	0.00	0.00	1,083.20	45.84
585-585-714.000	HEALTH SAVINGS ACCT EXPEN	0.00	29.73	(0.59)	0.00	(29.73)	100.00
585-585-715.000	EMPLOYER'S SOCIAL SECURITY	200.00	138.10	21.50	0.00	61.90	69.05
585-585-716.000	EMPLOYEE HEALTH INSURANC	100.00	88.12	9.79	0.00	11.88	88.12
585-585-717.000	EMPLOYEE LIFE/DISABILITY IN	0.00	20.90	2.32	0.00	(20.90)	100.00
585-585-718.000	RETIREMENT FUND CONTRIBU	700.00	459.07	56.18	0.00	240.93	65.58
585-585-727.000	OFFICE SUPPLIES	6,000.00	4,023.37	391.24	282.16	1,694.47	71.76
585-585-740.000	OPERATION SUPPLIES	37,000.00	32,065.89	2,350.19	33,933.55	(28,999.44)	178.38
585-585-801.000	PROFESSIONAL AND CONTRAC'	1,006,000.00	511,839.08	(166,467.66)	808,504.60	(314,343.68)	131.25
585-585-802.000	INFORMATION TECHNOLOGY S	197,550.00	66,536.16	3,658.50	274,746.56	(143,732.72)	172.76
585-585-810.000	COLLECTION COSTS	500.00	0.00	0.00	0.00	500.00	0.00
585-585-850.000	COMMUNICATIONS	24,000.00	10,533.78	908.15	195,873.00	(182,406.78)	860.03
585-585-854.000	CITY FEE	278,100.00	0.00	0.00	0.00	278,100.00	0.00
585-585-860.000	TRANSPORTATION	5,000.00	3,447.11	266.87	0.00	1,552.89	68.94
585-585-862.000	PROFESSIONAL DEVELOPMENT	2,000.00	1,250.00	0.00	0.00	750.00	62.50
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	65,000.00	0.00	0.00	0.00	65,000.00	0.00
585-585-900.000	PRINTING AND PUBLISHING	14,000.00	302.51	0.00	97.94	13,599.55	2.86

GL NUMBER	DESCRIPTION	2022-23YTD BALANCE		ACTIVITY FOR			% BDGT USED
		UNDEB BUDGET	03/31/2023	MONTH ENCUMBERED	ENCUMBERED	ENCUMBERED	
Fund 585 - AUTOMOBILE PARKING SYSTEM FUND							
Expenditures							
585-585-910.000	INSURANCE AND BONDS	13,000.00	8,934.24	0.00	0.00	4,065.76	68.72
585-585-920.000	PUBLIC UTILITIES	15,000.00	7,420.81	129.06	0.00	7,579.19	49.47
585-585-930.000	REPAIRS AND MAINTENANCE	519,800.00	31,316.58	2,306.94	46,210.98	442,272.44	14.91
585-585-930.005	RAMSDELL GATE REPAIR & MA	1,000.00	7.64	0.00	0.00	992.36	0.76
585-585-940.000	RENTAL EXPENSE	80,900.00	32,185.49	0.00	69,533.60	(20,819.09)	125.73
585-585-956.000	MISCELLANEOUS	3,800.00	13,794.20	125.29	0.00	(9,994.20)	363.01
585-585-959.000	DEPRECIATION EXPENSE	135,000.00	0.00	0.00	0.00	135,000.00	0.00
585-585-977.000	EQUIPMENT	165,000.00	47,500.00	0.00	113,203.00	4,297.00	97.40
585-585-977.000-22-7E	EQUIPMENT	0.00	0.00	0.00	295.98	(295.98)	0.00
585-585-977.000-22-7E	EQUIPMENT	0.00	3,699.90	0.00	3,699.90	(7,399.80)	100.00
Total Dept 585 - AUTOMOBILE PARKING SYSTEM		2,583,350.00	784,279.79	(155,952.52)	1,546,381.27	252,688.94	90.22
Dept 586 - HARDY DECK							
585-586-727.000	OFFICE SUPPLIES	1,000.00	98.76	0.00	0.00	901.24	9.88
585-586-740.000	OPERATION SUPPLIES	7,000.00	3,762.39	0.00	9,263.57	(6,025.96)	186.09
585-586-801.000	PROFESSIONAL AND CONTRAC'	131,000.00	170,356.67	145,415.77	274,003.98	(313,360.65)	339.21
585-586-802.000	INFORMATION TECHNOLOGY S	0.00	0.00	0.00	43,403.00	(43,403.00)	0.00
585-586-850.000	COMMUNICATIONS	6,300.00	1,792.00	0.00	0.00	4,508.00	28.44
585-586-910.000	INSURANCE AND BONDS	8,000.00	5,044.24	0.00	0.00	2,955.76	63.05
585-586-920.000	PUBLIC UTILITIES	55,000.00	48,892.82	10,236.82	0.00	6,107.18	88.90
585-586-930.000	REPAIRS AND MAINTENANCE	581,000.00	39,533.92	2,949.47	67,712.65	473,753.43	18.46
585-586-940.000	RENTAL EXPENSE	21,800.00	10,219.76	0.00	0.00	11,580.24	46.88
585-586-956.000	MISCELLANEOUS	10,000.00	7,918.48	0.00	0.00	2,081.52	79.18
585-586-959.000	DEPRECIATION EXPENSE	207,200.00	0.00	0.00	0.00	207,200.00	0.00
585-586-977.000	EQUIPMENT	5,000.00	0.00	0.00	179,963.89	(174,963.89)	3,599.28
Total Dept 586 - HARDY DECK		1,033,300.00	287,619.04	158,602.06	574,347.09	171,333.87	83.42
Dept 587 - OLD TOWN DECK							
585-587-740.000	OPERATION SUPPLIES	4,000.00	4,122.46	0.00	9,340.73	(9,463.19)	336.58
585-587-801.000	PROFESSIONAL AND CONTRAC'	90,500.00	29,964.45	22,807.44	102,650.61	(42,115.06)	146.54
585-587-802.000	INFORMATION TECHNOLOGY S	1,600.00	880.00	110.00	37,037.00	(36,317.00)	2,369.81
585-587-850.000	COMMUNICATIONS	5,800.00	3,276.30	138.13	62.90	2,460.80	57.57
585-587-910.000	INSURANCE AND BONDS	900.00	4,491.68	0.00	0.00	(3,591.68)	499.08
585-587-920.000	PUBLIC UTILITIES	50,000.00	19,646.18	6,383.60	0.00	30,353.82	39.29
585-587-930.000	REPAIRS AND MAINTENANCE	55,000.00	246,931.93	159.05	98,840.06	(290,771.99)	628.68
585-587-940.000	RENTAL EXPENSE	16,250.00	8,920.56	0.00	0.00	7,329.44	54.90
585-587-959.000	DEPRECIATION EXPENSE	183,100.00	0.00	0.00	0.00	183,100.00	0.00
585-587-977.000	EQUIPMENT	5,000.00	0.00	0.00	91,321.59	(86,321.59)	1,826.43
Total Dept 587 - OLD TOWN DECK		412,150.00	318,233.56	29,598.22	339,252.89	(245,336.45)	159.53
TOTAL EXPENDITURES		4,028,800.00	1,390,132.39	32,247.76	2,459,981.25	178,686.36	95.56
Fund 585 - AUTOMOBILE PARKING SYSTEM FUND:							
TOTAL REVENUES		2,770,700.00	2,524,755.44	62,408.40	(38,658.60)	284,603.16	89.73
TOTAL EXPENDITURES		4,028,800.00	1,390,132.39	32,247.76	2,459,981.25	178,686.36	95.56
NET OF REVENUES & EXPENDITURES		(1,258,100.00)	1,134,623.05	30,160.64	(2,498,639.85)	105,916.80	108.42

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REVENUE AND EXPENDITURE REPORT FOR TRAVERSE CITY
PERIOD ENDING 03/31/2023

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GL NUMBER	DESCRIPTION	ACTIVITY FOR					
		2022-23YTD BALANCE	MONTH ENCUMBERED	ENCUMBERED	% BDGT		
		ENDED BUDGET	03/31/2023	03/31/23	EAR-TO-DATE	BALANCE	USED

REVENUE AND EXPENDITURE REPORT FOR TRAVERSE CITY
 PERIOD ENDING 03/31/2023

GL NUMBER	DESCRIPTION	2022-23YTD BALANCE		ACTIVITY FOR		ENCUMBERED BALANCE	% BDGT USED
		UNDEB BUDGET	03/31/2023	03/31/23	YEAR-TO-DATE		
Fund 282 - PUBLIC ARTS COMMISSION FUND							
Revenues							
Dept 000 - NON-DEPARTMENTAL							
282-000-674.000	CONTRIBUTIONS-PUBLIC SOUR	5,000.00	0.00	0.00	0.00	5,000.00	0.00
282-000-695.000	TRANSFERS IN	30,000.00	30,000.00	0.00	0.00	0.00	100.00
Total Dept 000 - NON-DEPARTMENTAL		35,000.00	30,000.00	0.00	0.00	5,000.00	85.71
TOTAL REVENUES		35,000.00	30,000.00	0.00	0.00	5,000.00	85.71
Expenditures							
Dept 282 - PUBLIC ARTS COMMISSION							
282-282-801.000	PROFESSIONAL AND CONTRAC'	35,000.00	18,400.00	0.00	21,181.28	(4,581.28)	113.09
282-282-930.000	REPAIRS AND MAINTENANCE	0.00	2,038.67	0.00	0.00	(2,038.67)	100.00
Total Dept 282 - PUBLIC ARTS COMMISSION		35,000.00	20,438.67	0.00	21,181.28	(6,619.95)	118.91
TOTAL EXPENDITURES		35,000.00	20,438.67	0.00	21,181.28	(6,619.95)	118.91
Fund 282 - PUBLIC ARTS COMMISSION FUND:							
TOTAL REVENUES		35,000.00	30,000.00	0.00	0.00	5,000.00	85.71
TOTAL EXPENDITURES		35,000.00	20,438.67	0.00	21,181.28	(6,619.95)	118.91
NET OF REVENUES & EXPENDITURES		0.00	9,561.33	0.00	(21,181.28)	11,619.95	100.00



Memorandum

To: Jean Derenzy, DDA CEO
From: Nicole VanNess, Transportation Mobility Director
Date: March 27, 2023
Re: Parkmobile Amendment to Extend Agreement

In April 2017, the DDA Board and City Commission approved the recommendation to execute a three-year agreement with Parkmobile LLC for providing a mobile payment solution. This agreement was amended and extended on May 1, 2020. Conditions of the agreement include: 1) no cost to the City, 2) \$0.25 transaction fees paid by the end user for parkers using Parkmobile Mobile Wallet, 3) \$0.40 transaction fees paid for by the end user for parkers using all other payment methods, and 4) Parkmobile LLC to absorb all credit card processing fees. In reviewing our agreement, we would like to waive the competitive bidding process and continue our relationship with Parkmobile.

Our office staff has access to their Judicial Portal which has improved our visibility into mobile payment transactions, and has proved to be valuable in reviewing data for inquiries and reports. Continuing a relationship with Parkmobile LLC would eliminate additional costs to reestablish connections with a new vendor and eliminate the need for users to adjust to a new mobile application or sign-up for a new account.

Parkmobile, has a functioning integration with our other vendors T2 Systems and Genetec who we use for mobile enforcement software, Luke II multi-space pay station software, and license plate recognition software. Parkmobile LLC has been the MOR (Merchant of Record) and absorbed all credit card processing fees which means the service has truly been free to the city. With Parkmobile continuing to absorb all credit card fees, there is no cost for this service, and we retain 100% of our meter revenue.

The table below shows the increase of mobile parking payments. As you can see from the increased use, each year there continues to be significant increases in the number of transactions using the mobile application. This has reduced the amount of coin that we are collecting and counting in-house. Choosing to go with another vendor could cause usage to decrease and require re-training for users of the parking system.

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
July	7449	8651	22843	29165	22482	29165	37270
August	7499	9009	23594	29109	24095	29607	35882
September	6267	8280	17274	20034	20364	23871	26811
October	6245	9696	16995	21080	19504	24179	26744
November	5276	8996	14041	16841	9088	18041	20966
December	6086	9768	15360	19210	8875	22354	25573
January	5573	9775	12947	17633	7416	14421	20963
February	5716	10436	13188	17317	10551	15837	18750
March	6376	13005	15551	9129	14381	19129	
April	6284	12830	16534	389	15178	20147	
May	7201	15885	18740	2855	21706	23106	
June	7904	18648	21615	15368	29165	28768	
Total Transactions	77876	134979	208682	198130	202805	268625	212959

Recommended Motion

The DDA Board of Directors recommend the City Commission waive the competitive bidding process and amend the Parkmobile agreement to extend the term three years.



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: April 17, 2023

Re: 2021/2022 Audit

The audit for fiscal year ending 06/30/22 is attached for review. The City of Traverse City has reviewed and accepted the audit. The DDA should review and accept this audit at our Friday meeting.

At the study session, I went through some of the highlights of the audit, which include:

- The Auditor's issued an unqualified (i.e., "clean") opinion on the financial statements.
- The Authority's total net position increased by \$2,560,433, with recognition of long-established public infrastructure projects that have been identified (lower boardman/Ottaway and west end parking structure)
- Operating grants increased due in large part to the recognition of revenue related to the MEDC grant to purchase the Rotary Square property.

Economic Factors and Next Year's Budgets identified within audit:

- Contract with the City of Traverse City, the DDA will be contributing \$68,000 for trash removal services. This is the first time, that the DDA will be paying the city to manage a private garbage collection service. This contract is the beginning of a service agreement between the DDA and City.
- State Street pilot being converted to two-way
- Conceptual design plan for Lower Boardman/Ottaway Downtown Riverwalk and eventual implementation.
- The last payment of the downtown wi-fi project will be occurring in the 2023/2024 budget.

Recommended Motion

That the DDA Board approve the annual audited financial statements for the Traverse City Downtown Development Authority for the year ending June 30, 2022.



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, 2022

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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Vredevelde Haefner LLC

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INDEPENDENT AUDITORS' REPORT

December 21, 2022

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

Report on the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 Authority, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 budgetary comparison information on pages 21 through 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 21, 2022, 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 solely 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 the Authority's 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 the Authority's internal control over financial reporting and compliance.

Wredewold Haefner LLC

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Management's Discussion and Analysis

As management of the *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, 2022.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$8,352,267 (*net position*).
- The Authority's total net position increased by \$2,560,433.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$6,262,992 an increase of \$976,605 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 \$8,352,267 at the close of the most recent fiscal year.

Downtown Development Authority's Net Postion

	<u>June 30</u>	
	<u>2022</u>	<u>2021</u>
Governmental Activities		
Current assets	\$ 7,598,340	\$ 8,112,202
Non Current assets	<u>1,879,558</u>	<u>120,756</u>
Total Assets	<u>9,477,898</u>	<u>8,232,958</u>
Long-term liabilities	35,521	46,523
Other liabilities	<u>1,090,110</u>	<u>2,394,601</u>
Total Liabilities	<u>1,125,631</u>	<u>2,441,124</u>
Net Position		
Net investment in capital	1,879,558	120,756
Restricted	5,772,046	4,820,294
Unrestricted	<u>700,663</u>	<u>850,784</u>
	<u>\$ 8,352,267</u>	<u>\$ 5,791,834</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 \$2,560,433 key highlights are as follows:

- The increase in net position for 2022 compared to an increase of \$1,133,568 in 2021. Property taxes increased by approximately \$471,000 due in large part to a significant increase in the captured value of the TIF 97 plan and 2022 being the fifth year of capture for the Old Town TIF plan. Operating grants increased by approximately \$1,996,000 due in large part to the recognition of revenue related to the MEDC grant for purchase of the Civic Square property. Total expenses increased by approximately \$999,000, due in most part to additional contributions to City construction projects by the TIF funds, and professional services related to engineering and planning for the Grandview Parkway, East Front Street redesign and two way street change projects.

Downtown Development Authority's Changes in Net Postion

	June 30	
	2022	2021
Governmental Activities		
Program revenues		
Charges for services	\$ 1,022,136	\$ 1,062,974
Operating grants	367,754	199,134
Capital grants	1,827,115	-
General revenues		
Property taxes	3,877,952	3,406,918
Unrestricted investment earnings	915	908
Total Revenue	7,095,872	4,669,934
Expenses		
Economic development	4,535,439	3,536,366
Change in net position	2,560,433	1,133,568
Net position beginning of year	5,791,834	4,658,266
Net position end of year	\$ 8,352,267	\$ 5,791,834

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 \$6,262,992, an increase of \$976,605, in comparison with the prior year. \$5,526,808 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 \$733,072. 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 20 percent of total General Fund expenditures (which includes a one time capital outlay transaction related to the purchase of the Civic Square property of \$1,708,802). During the current fiscal year, the fund balance of the Authority's General Fund decreased by \$161,123 compared to an anticipated decrease of \$320,700. The change in fund balance was attributed to actual expenditures being under the amended budget by approximately \$325,000, and actual revenues received being less than the budget by approximately \$166,000.

The TIF 97 Special Revenue Fund had a fund balance of \$4,812,421, which increased \$945,809 although anticipated to decrease \$153,000. 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 \$714,387, an increase of \$191,919, compared to a projected decrease of \$227,750. The timing of district funded construction projects was the key factor in the increased fund balance for the Old Town TIF Fund.

Budgetary Highlights

The general fund budget was amended during the year to reflect the purchase of land.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the 2022-23 fiscal year:

- Through a contract with the City of Traverse City, the Authority will be contributing \$68,000 for trash removal services. This will be the first time, that the DDA will be paying the city to manage a private garbage collection service (completed by GFL) in Downtown. This contract is the beginning of a service agreement between the DDA and City which will identify responsibilities for services within the Downtown District.
- State Street pilot project being converted to two-way is also part of the 22/23 budget with \$100,000 allocated to this pilot project.
- \$315,000 has been allocated within TIF 97 for the conceptual design for 100/200 blocks of the lower boardman river, building off the lower boardman/Ottaway unified plan. This conceptual design will determine approaches for the 23/24 budget.
- Again, in the TIF 97 budget, implementation of a camera system will be worked on with the City Police, with over \$100,000 being set aside for this project.
- A \$65,000 payment to the Downtown Wi-Fi project will be made by TIF 97 annually through 2024.
- The Old Town TIF captured taxes for the fifth time during fiscal year end June 30, 2022. Projects pending or underway 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.

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, 2022**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 6,993,568
Due from other governments	601,660
Prepaid items	3,112
Capital assets not being depreciated	<u>1,879,558</u>
Total assets	<u>9,477,898</u>
Liabilities	
Accounts payable	742,340
Accrued liabilities	133,954
Unearned Revenue	213,816
Accrued compensated absences	
Due within one year	<u>35,521</u>
Total liabilities	<u>1,125,631</u>
Net position	
Net investment in capital assets	1,879,558
Restricted for tax increment finance districts	5,772,046
Unrestricted (deficit)	<u>700,663</u>
Total net position	<u>\$ 8,352,267</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)**

**Balance Sheet
Governmental Funds
June 30, 2022**

	<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	\$ 1,236,106	\$ 4,986,515	\$ 770,947	\$ 6,993,568
Due from other governments	53,861	533,162	14,637	601,660
Prepaid expenditures	3,112	-	-	3,112
Total assets	<u>\$ 1,293,079</u>	<u>\$ 5,519,677</u>	<u>\$ 785,584</u>	<u>\$ 7,598,340</u>
Liabilities, deferred inflows, and fund balances				
Liabilities				
Accounts payable	209,125	462,018	71,197	\$ 742,340
Accrued liabilities	133,954	-	-	133,954
Unearned revenue	213,816	-	-	213,816
Total liabilities	<u>556,895</u>	<u>462,018</u>	<u>71,197</u>	<u>1,090,110</u>
Deferred inflows				
Unavailable revenue	-	245,238	-	245,238
Fund balances				
Nonspendable - prepaid expenditures	3,112	-	-	3,112
Restricted - tax increment finance districts	-	4,812,421	714,387	5,526,808
Unassigned	733,072	-	-	733,072
Total fund balances	<u>736,184</u>	<u>4,812,421</u>	<u>714,387</u>	<u>6,262,992</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,293,079</u>	<u>\$ 5,519,677</u>	<u>\$ 785,584</u>	<u>\$ 7,598,340</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, 2022**

Fund balances - total governmental fund:	\$ 6,262,992
Amounts reported for <i>governmental activities</i> 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	1,879,558
Other noncurrent assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	
Add - unavailable revenue	245,238
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - accrued compensated absences	<u>(35,521)</u>
Net position of governmental activities	<u>\$ 8,352,267</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, 2022**

	<u>General Fund</u>	<u>TIF 97 Fund</u>	<u>Old Town TIF Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 129,683	\$ 3,154,318	\$ 593,951	\$ 3,877,952
Grants and contributions	1,947,124	-	-	1,947,124
Reimbursements	1,465,333	433,721	-	1,899,054
Interest income	915	4,690	113	5,718
Total revenues	<u>3,543,055</u>	<u>3,592,729</u>	<u>594,064</u>	<u>7,729,848</u>
Expenditures				
Economic development				
Salaries	874,456	-	-	874,456
Fringe benefits	273,587	-	-	273,587
Office supplies and utilities	104,960	66,035	-	170,995
Professional services	677,286	1,121,094	210,587	2,008,967
Travel and conferences	13,415	-	-	13,415
Rentals	1,672	-	-	1,672
Contributions to district construction projects	-	515,888	191,558	707,446
Contributions to other governments - debt service	-	930,697	-	930,697
Capital outlay	1,758,802	13,206	-	1,772,008
Total expenditures	<u>3,704,178</u>	<u>2,646,920</u>	<u>402,145</u>	<u>6,753,243</u>
Net change in fund balance	(161,123)	945,809	191,919	976,605
Fund balance, beginning of year	<u>897,307</u>	<u>3,866,612</u>	<u>522,468</u>	<u>5,286,387</u>
Fund balance, end of year	<u>\$ 736,184</u>	<u>\$ 4,812,421</u>	<u>\$ 714,387</u>	<u>\$ 6,262,992</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, 2022**

Net changes in fund balances - total governmental funds	\$ 976,605
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Add: Capital Outlay	1,758,802
<p>Noncurrent assets recorded on the fund statements are not available to fund current year operations and are unavailable in the funds.</p>	
Deduct - payments received on long-term receivables due from other governments	(185,976)
<p>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.</p>	
Add - decrease in compensated absences	<u>11,002</u>
Change in net position of governmental activities	<u>\$ 2,560,433</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, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The 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, 2022**

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 two parcels 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, 2022**

commitment from the Grand Traverse County Brownfield Authority.

Accrued compensated absences - Employees earn 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, 2022 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 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.

**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, 2022**

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

The Authority's cash and cash equivalents are cash on hand and demand deposits with a bank. The Authority's cash and cash equivalents are comprised of bank deposits with a balance of \$6,993,568 at June 30, 2022.

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 \$6,879,211. The Federal Deposit Insurance Corporation insures \$250,000 and the remainder of \$6,629,211 is uninsured and not collateralized.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable are related to vendors and construction projects and includes \$411,725 due to the City of Traverse City related to contributions the DDA has committed for TIF eligible construction projects and \$10,400 due to the City for insurance reimbursements. Accrued liabilities in the governmental activities consist of accrued payroll liabilities.

4. RECEIVABLES / UNAVAILABLE REVENUE

The General Fund reports \$45,136 of receivables from the City of Traverse City related to parking system web design and the Grandview Parkway design contract. 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 \$245,238.

5. ACCRUED COMPENSATED ABSENCES

Changes in accrued compensated absences consist of the following:

	<u>Balance</u> <u>07/01/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/22</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Accrued compensated absences	\$46,523	\$ 5,378	\$ 16,380	\$35,521	\$ -

Compensated absences are liquidated by the General Fund.

**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, 2022**

6. COMMITMENTS

The 2017 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 End</u>	<u>Amount</u>
2023	\$ 973,160
2024	953,440
2025	913,720
2026	874,459
2027	825,656
2028	<u>782,541</u>
Total	<u>\$5,322,976</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 \$1,520,959 at June 30, 2022. The Authority will pay these commitments using district eligible TIF captured funds.

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 2021 levy was \$224,321,729. The Authority's general operating tax rate for fiscal year 2021-22 was 1.63710 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 its 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

**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, 2022**

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. 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 2021-22 captured taxable values for TIF 97 was \$155,172,920. 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 2020-21 captured taxable values for Old Town TIF was \$68,383,031.

8. ADMINISTRATIVE SERVICES REVENUE

The Authority entered into a contract with the Downtown Traverse City Association (a non-for-profit organization). The Authority provides office space and administrative services to the association for an annual fee of \$73,000.

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, 2022 fee of \$800,000 was billed monthly at \$66,667.

The Authority's General Fund is reimbursed an administrative fee for indirect cost from the TIF 97 and Old Town TIF Funds as approved in the budget. 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, 2022 was \$448,000.

9. 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.

**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, 2022**

10. 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 employer contributes 4% to the plan and will match employee contributions up to an additional 6%. Plan provision and contribution requirements can only be amended by a resolution from the Board of Directors. In fiscal year 2022 the Authority contributed \$73,902 and the employees contributed \$75,487 to this plan.

**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, 2022**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 137,500	\$ 137,500	\$ 129,683	\$ (7,817)
Grants and contributions	438,000	2,159,900	1,947,124	(212,776)
Reimbursements	1,411,000	1,411,000	1,465,333	54,333
Interest income	600	600	915	315
Total revenues	<u>1,987,100</u>	<u>3,709,000</u>	<u>3,543,055</u>	<u>(165,945)</u>
Expenditures				
Economic development				
Salaries	858,000	858,000	874,456	(16,456)
Fringe benefits	310,000	310,000	273,587	36,413
Office supplies and utilities	85,800	85,800	104,960	(19,160)
Professional services	936,000	899,000	677,286	221,714
Travel and conferences	35,000	35,000	13,415	21,585
Repairs and maintenance	3,000	3,000	-	3,000
Rentals	80,000	80,000	1,672	78,328
Capital outlay	-	1,758,900	1,758,802	98
Total expenditures	<u>2,307,800</u>	<u>4,029,700</u>	<u>3,704,178</u>	<u>325,522</u>
Net change in fund balance - revenues over (under) expenditures	(320,700)	(320,700)	(161,123)	159,577
Fund balance, beginning of year	<u>897,307</u>	<u>897,307</u>	<u>897,307</u>	<u>-</u>
Fund balance, end of year	<u>\$ 576,607</u>	<u>\$ 576,607</u>	<u>\$ 736,184</u>	<u>\$ 159,577</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, 2022**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,106,550	\$ 3,106,550	\$ 3,154,318	\$ 47,768
Reimbursements	130,000	130,000	433,721	303,721
Interest income	4,500	4,500	4,690	190
Total revenues	<u>3,241,050</u>	<u>3,241,050</u>	<u>3,592,729</u>	<u>351,679</u>
Expenditures				
Economic development				
Office supplies and utilities	15,200	15,200	66,035	(50,835)
Professional services	739,300	739,300	1,121,094	(381,794)
Contributions to district construction projects	1,708,000	1,708,000	515,888	1,192,112
Contributions to other governments - debt service	931,550	931,550	930,697	853
Capital Outlay	-	-	13,206	(13,206)
Total expenditures	<u>3,394,050</u>	<u>3,394,050</u>	<u>2,646,920</u>	<u>747,130</u>
Net change in fund balance - revenues over (under) expenditures	(153,000)	(153,000)	945,809	1,098,809
Fund balance, beginning of year	<u>3,866,612</u>	<u>3,866,612</u>	<u>3,866,612</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,713,612</u>	<u>\$ 3,713,612</u>	<u>\$ 4,812,421</u>	<u>\$ 1,098,809</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, 2022**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 555,000	\$ 555,000	\$ 593,951	\$ 38,951
Interest income	100	100	113	13
Total revenues	<u>555,100</u>	<u>555,100</u>	<u>594,064</u>	<u>38,964</u>
Expenditures				
Economic development				
Professional services	215,850	215,850	210,587	5,263
Contributions to district construction projects	562,000	562,000	191,558	370,442
Total expenditures	<u>777,850</u>	<u>777,850</u>	<u>402,145</u>	<u>375,705</u>
Net change in fund balance - revenues over (under) expenditures	(222,750)	(222,750)	191,919	414,669
Fund balance, beginning of year	<u>522,468</u>	<u>522,468</u>	<u>522,468</u>	<u>-</u>
Fund balance, end of year	<u>\$ 299,718</u>	<u>\$ 299,718</u>	<u>\$ 714,387</u>	<u>\$ 414,669</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



Vredevelde 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 21, 2022

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, 2022, 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 21, 2022.

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*.

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.

Ordebold Haefner LLC



Vredeveld Haefner LLC

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December 21, 2022

To the Board of Directors
City of Traverse City Downtown Development Authority
Traverse City, Michigan

We have audited the financial statements of the governmental activities and each major fund of the City of Traverse City Downtown Development Authority (the DDA) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 31, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the DDA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the committed tax increment is based on various construction projects within the district. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures the required correction by management that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 2022.

Specializing in services to governmental and nonprofit entities

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as itemized in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the DDA Board of Directors and the City Commission of the City of Traverse City and management of the DDA and the City of Traverse City and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Ordebold Haefner LLC



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

Memorandum

To: Downtown Development Authority Board of Directors

From: Jeff Joubran, DDA Board Member
Jean Derenzy, DDA CEO

Date: April 17, 2023

Subject: Retail Incubator

As you may recall, I provided an overview of the retail incubator program (and space) at the February Board meeting. After a robust discussion, the two primary concerns expressed were:

1. Costs - both the build-out and yearly rent
2. Oversight of day-to-day operations

In addition, Board members asked to tour the site so they were familiar with the layout of the incubator space.

Since then, I have had several meetings with Tim Pulliam (the building owner) as well as with SCORE and possible contractors that could assist with day-to-day operations to ensure we are addressing concerns from the Board clearly as well as ensuring success for the incubator. To that end, the attached three-year overview of the incubator has been developed, with the DDA contributing \$50,000 per year. As we begin to lock-in participation and facilitate programming, we will develop other sources of revenue for the incubator. The first step, which will run concurrent with the application process, is to identify and build out the incubator space.

I am in discussion with a contractor to help identify potential first-year participants and designing the participant experience and programming. This approach will have the contractor build an application and programming for the first six months.

Support for the incubator is being provided through \$50,000 (within the TIF 97 budget) as well as an \$80,000 grant from USDA and \$37,000 from MEDC. The incubator will be located at 116 Cass Street. Building owners, Steve Morse and Tim Pulliam are willing to lease 1,954 square feet of ground-floor space in the back portion of their building, with a sidewalk facing entryway (along Cass Street), as well as opportunity for alleyway improvements.

The renovation for the space is \$87,000 which includes public restrooms and a new entryway on Cas Street. The yearly rental fee is \$54,011, which includes common area maintenance, security for the property, property insurance, and repairs.

Working with Mr. Morse and Mr. Pulliam, we have identified the incubator space would fit up to ten individual spaces, which the proforma shows is viable to cover all expenses, including management of the incubator. The 10-year lease would provide the DDA an opportunity to build and grow the incubator over time. There is also an opportunity to renew and/or opt out of the lease agreement after five years.

Recommended Motion

That the DDA Board approve the proposed buildout costs and lease terms for the downtown retail incubator, subject to approval and as to form and substance by the DDA CEO and DDA Attorney.

DDA - Retail Incubator

Estimated Funding	Total
Federal (USDA RD RBDG Program)	\$34,011
Applicant (Traverse City DDA)	\$50,000
State	\$37,000
Local	\$0
Other	\$0
Program Income (Incubator Clients)	\$15,000
Total Income	\$136,011

Expenses	Total
Project Administration	\$25,000
Contractual Services with	
<i>Rent</i>	\$ 54,011
Promotion and outreach (media - print, digital, social)	\$7,500
Incubator environment (space design, configuration)	\$10,000
Client Intake (lease arrangement, negotiation, facilitation)	\$2,000
Programming development (mentorship arrangements, education offerings, retail merchandising technical help)	\$10,000
<i>Incubator Operation (12 mos.)</i>	
Client administration	\$5,000
Program delivery	\$22,500
Event coordination/management	\$0
Total Expenses	\$136,011

Year 2

Estimated Funding	Total
Federal (USDA RD RBDG Program)	\$45,989
Applicant (Traverse City DDA)	\$50,000
Sponsorship	\$20,000
Programming	\$5,000
Other	\$0
Program Income (Incubator Clients)	\$15,000
Total Income	\$135,989

Pr

Expenses	Total
Project Administration	\$35,000
Contractual Services with	
<i>Rent</i>	\$ 54,011.00
Promotion and outreach (media - print, digital,	\$7,500
Incubator environment (space design,	\$0
Client Intake (lease arrangement, negotiation,	\$2,000
Programming development (mentorship arrangements, education	\$5,000
<i>Incubator Operation (12 mos.)</i>	
Client administration	\$5,000
Program delivery	\$22,500
Event coordination/management	\$0
Total Expenses	\$131,011

Year 3

Estimated Funding	Total
Federal (USDA RD RBDG	\$45,000
Applicant (Traverse City DDA)	\$50,000
Sponsorship	\$20,000
Programming	\$5,000
Other use of fund balance	
Program Income (Incubator	\$45,000
Total Income	\$165,000

Expenses	Total
Project Administration	\$35,000
Contractual Services with	
<i>Rent</i>	\$ 54,011.00
Promotion and outreach	\$7,500
Incubator environment	\$0
Client Intake (lease	\$2,000
Programming development (mentorship arrangements,	\$5,000
<i>Incubator Operation (12 mos.)</i>	
Client administration	\$5,000
Program delivery	\$22,500
Event	\$0
Total Expenses	\$131,011



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

MEMORANDUM

To: DDA Board of Directors
From: Jean Derenzy, CEO
Date: April 17, 2023
Re: 2023/2024 Budget

The proposed 2023/2024 budget is attached and a description is presented below. Based on the discussion at our Study Session, I have included a few additional components that require further discussion.

The budget presented includes projects and initiatives that advance the capital improvement and programmatic priorities listed in the Moving Downtown Forward Plan and align with the *Guiding Principles* of the Moving Downtown Forward Plan, as well as the *Goals and Objectives* of the City Commission.

Budget Process & Timeline

April 21: DDA Board reviews budget and schedules public hearing for May 19
May 19: DDA holds public hearing on 2023/2024 budget
May: Review of budgets with City Commission
June: Approval of budgets by City Commission
June 16: Approval of budgets by DDA Board

Overview of Budgets

For both the Old Town and the '97 Financing Plans (TIF), the primary focus for the coming year will be key public infrastructure projects, as well as a newly structured Service Agreement with the City, a full-time Community Policing Officer, stormwater management, the implementation of mobility initiatives and the purchase of equipment to begin establishing an in-house maintenance program (as identified within the Service Agreement). The in-house maintenance program will likely be contracted in 2023/2024.

In addition, for studies and plans that the DDA financially participates in, I am recommending that we set aside dollars for implementation (if the study is approved). This approach requires that the study, as well as its implementation, remains a focus and not just a study that sits on a shelf.

Old Town Financing Plan

The Old Town District continues to see steady growth and private investment. The captured taxable value is projected to be \$33,011,175, bringing in \$841,481 of projected revenue to the district.

As we discussed through the Moving Downtown Forward Plan, a service agreement with the city will clarify roles and responsibilities regarding services for the district and articulate the funding needed for such services. Therefore, a new line item will be included into the Old Town financing plan (and '97 financing plan) called "service agreement/city". For Old Town, the service agreement would be \$50,000/year with a 2% increase per year.

Professional Services

A. TraverseConnect \$5,000

I am recommending that we continue our partnership with TraverseConnect through a service agreement for business retention and attraction. As we continue to come out of the pandemic, the need for business attraction and retention remains critical.

B. Maintenance and Operation \$50,000

This line item remains important as we continue to focus on maintaining public infrastructure investments. This line item will be used for side-walk cleaning, summer assistance through our YouthCore partnership and the purchase of needed tools (e.g., purchase of a sidewalk cleaner). I am also looking at purchasing a truck that has already been identified by the city as "surplus". This truck would be the first piece of large equipment (along with a sidewalk cleaner) that would be purchased by the DDA and is needed to properly maintain and clean our downtown public infrastructure.

C. Marketing and Communication \$10,000

This is a new line item within this budget, as we coordinate marketing and communication efforts with the DTCA. The focus for these efforts will be on the residents of the city as well as the region.

Public Infrastructure Projects

A. Midtown Riverwalk Upgrade/Replacement \$300,000

The Midtown Riverwalk, which was put in over 20 years ago, is due for replacement. Replacement of the Midtown Riverwalk will take two years. Our design and aesthetic (e.g., materials) template will be consistent with the themes outlined in the Lower Boardman Unified Plan and the Conceptual Plan for the 100/200 Block Riverwalk as well as the design of the Boardman Lake Loop.

B. Hannah Park Improvement \$70,000

This project is related to the current reconstruction of the Union Street Bridge, including additional infrastructure (at the street level) to maintain and enhance

the pedestrian overlook of the river (and Hannah Park) as well as improvements to the staircase leading from the overlook to the riverbank.

- C. Eighth Street Intersection Improvements at Cass and Union \$300,000
The intersections of Eighth Street, at Cass and Union, are in poor condition. The DDA will be working with the city's streets and engineering departments to replace both intersections. The new intersections will utilize a design similar to the intersection of Union and State, which has proven to hold up better over time.

- D. Mobility Implementation \$25,000
The DDA financed half of the Mobility Action Plan, which is currently working its ways through the planning process. For this upcoming budget year, I am recommending we set aside dollars to implement the anticipated recommendations of the Plan.

- E. Streetscapes/Snowmelt \$100,000
Property owners have asked for a partnership with the DDA to implement a snowmelt system within Old Town. Snowmelt helps to provide for a safe and connected network of sidewalks throughout downtown. As we look at how to better connect the two districts, improvements to pedestrian infrastructure will be key.

'97 Financing Plan

There has been steady growth within this district, highlighted by significant public infrastructure projects. The captured taxable value within the '97 District is projected to be \$162,805,778, bringing in \$4,355,361 of revenue.

As a reminder, '97 advanced \$5,555,900 to the city for the purchase of several properties along State Street for the future West End Parking Structure. The '97 Fund will be repaid \$4,947,900 by June 30th (this current fiscal year), leaving a balance due of \$608,000. The City, through the auto-parking fund, will be repaying the '97 Fund over the course of the next three years. \$40,000 will be repaid for the upcoming fiscal year.

The focus for this District over the next year will be to advance the two transformational infrastructure projects the Board has identified in the Moving Downtown Forward Plan: Lower Boardman/Ottawa Downtown Riverwalk and the West End Parking Structure. The DDA will continue to work with private developers to improve and install new sidewalk and streetscape infrastructure, including snowmelt systems.

In addition, the previously mentioned service agreement with the city will clarify roles and responsibilities regarding services for the district and articulate the funding needed for such services. A new line item will be included into the '97 financing plan called "service agreement/city". For '97, the service agreement would be \$500,000/year with a 2% increase per year.

Professional Services

A. Traverse Connect \$35,000

I am recommending that we continue our partnership with Traverse Connect, through a service agreement for business retention and attraction.

B. Community Police Officer \$120,000

Continuing with our community police officer is critical for Downtown. This year, I am recommending to increase our contribution to pay for a full-time (previously, we paid for a part-time officer) officer. The full-time officer has been approved by Chief O'Brien, who supports the Community Police Officer (CPO) position in downtown. We will also be working to re-purpose 200 square-feet of the former restaurant space adjacent to the DDA office for the Community Police Officer.

C. WiFi \$65,000

This is our last year of payment to Traverse City Light and Power for WiFi.

D. Maintenance and Operation \$250,000

Continuing with this line item remains important as we focus on maintaining public infrastructure investments. This line item will be used for side-walk cleaning, summer assistance through our YouthCore partnership and the purchase of needed tools (e.g., purchase of a sidewalk cleaner). I am also looking at purchasing a truck that has already been identified by the city as "surplus". This truck would be the first piece of large equipment (along with a sidewalk cleaner) that would be purchased by the DDA and is needed to properly maintain and clean our downtown public infrastructure.

E. Marketing and Communication \$60,000

This is a new line item within this budget, as we coordinate marketing and communication efforts with the DTCA. The focus for these efforts will be on the residents of the city as well as the region.

Public Infrastructure

A. Design and Engineering Services \$1,000,000

As we have discussed at our previous study session, we plan to move forward with final design and engineering services for the for the Lower Boardman/Ottaway Downtown Riverwalk and the West End Parking Structure.

B. Two-Way Pilot Project (State Street) \$200,000

The two-way pilot project, including State Street, Boardman Avenue and Pine Street will remain a line-item in the budget for the duration of the pilot project. Funding will be utilized for data gathering (and analysis) costs and other change elements that will be required as the pilot moves into the first full-year.

C. Streetscapes/Snowmelt \$325,000

Streetscapes will remain important as new development continues throughout the district, leading to a connected network of sidewalks (which is paramount for walkability) throughout the district and beyond.

D. Mobility Implementation \$50,000

As identified in the Old Town budget, the DDA financed half of the Mobility Action Plan, which is currently working its ways through the planning process. For this upcoming budget year, I am recommending we set aside dollars to implement the anticipated recommendations of the Plan.

E. TART Trail Extension \$200,000

The TART Trail Extension project is currently underway, with the DDA paying for a third of this study. I am recommending to put dollars aside for possible implementation, or minimally a cost-share for grants (e.g., match)

F. Composting \$100,000

(New line-item proposed, see more below)

Additional Topics for Discussion

Sustainability and Climate Resilience

As discussed briefly at the last Study Session, and noted in the Moving Downtown Forward report, the DDA will be making every effort to incorporate sustainability principles and climate resilience practices into future infrastructure projects as well as programmatic and maintenance initiatives and practices. This effort will address, among other things, best practices related to energy consumption, stormwater management, waste management, building practices (and materials) and landscape management. As part of this effort, the DDA should be prepared to demonstrate and measure the savings and benefits associated with the sustainability principles and climate resilient practices incorporated into future project and initiatives.

Housing

Creating additional housing (especially affordable housing) has been discussed by the DDA for quite some time, as well as the City Commission. In fact, efforts to “champion the development of attainable and workforce housing” is one of the Guiding Principles listed in the Moving Downtown Forward Plan. On numerous occasions, both the city and DDA, have stated that neither entity would unilaterally build housing, but rather look for opportunities to partner with the private sector (and/or non-profit sector) to provide housing in the downtown district. To that end, we have looked at and encouraged the utilization of existing tools (e.g., NEZ, PILOT) to incentivize new housing development. The City Commission recently created an ad-hoc committee to examine the potential use of the NEZ program. Ultimately, it is only the City Commission that can authorized the use of State affordable housing incentives. The DDA would leverage opportunities with other incentives to obtain the housing objectives.

In recent years, the DDA initiated redevelopment housing efforts at Lot G, culminating with pre-proposals from three private developers. These efforts have been on hold until a final determination on building height is reached.

The DDA alone will not be able to significantly address the city's housing challenge and the DDA has limitations on what it can do in this realm. I believe the DDA should position itself as an advocate for attainable housing as well as a convener (and lead in some instances) and venue for collaboration. In some instances, the DDA can provide incentives and public infrastructure to attainable housing. Similar to the role the DDA played in the initial redevelopment steps of Lot O, the DDA will work with HomeStretch (or other non-profits) to survey sites and contribute to the costs of streetscaping and heated sidewalks. In addition, we could provide funding for underground utilities (e.g., water and gas) for new housing developments - costs that would otherwise be borne by the private developer and/or non-profit.

Composting

Cities around the country are implementing downtown composting programs to help divert organic waste from landfills. This movement was noted during the Moving Downtown Forward planning process and then included as a potential DDA service to address climate action and resilience in the final Moving Downtown Forward Plan.

There are a couple of approaches to consider in moving a composting program forward. The first is to work with the city and their pilot Compost and Food Waste Reduction Project, which is launching this year in partnership with SEEDS Ecology & Education Centers. The purpose of the program is start to provide some City residents and businesses with easy access to more organic material pickups, especially including food waste. The second option is to create a composting program specifically for downtown that features unmanned containers for the general public as well as targeted receptacles for downtown restaurants and other food venues. This would require exploring options for hauling the compost waste to another location. A specific downtown program could also be created simultaneously and in coordination with the city's project as well.

A line item has been created to identify a composting program.

DDA General Fund

The DDA General Fund is where all staffing costs are included, from administrative staff to parking staff. Contracts with the City for Parking as well as the DTCA for marketing and communication continues through the general fund budget.

Traverse City Parking Services

The Parking System has always taken a conservative approach to budgeting. This is reflected in the past budget cycles. We do not move forward with planned projects unless we have the right resources and information to do so, and we do as much as we can in-house before contracting out work. Over the past three budgets, the use of surplus funds was included in the budget in order to complete projects and navigate

system-wide usage changes caused by the pandemic. This is the first budget cycle where we have reduced expenses in order to eliminate the use of surplus funds. Additionally, this budget is reflective of the new use patterns that have been consistent throughout the pandemic, and will likely continue as office environments have shifted to hybrid options.

There are four revenue sources for the enterprise fund: 1) parking permit revenue, 2) hourly meter revenue, 3) hourly parking structure revenue, and 4) parking citations. Pre-pandemic parking revenues were near \$3.5 M. The past three budget cycles revenues have been near \$2.5 M, and the projection for the coming 2023-24 budget is estimated to remain the same as 1) surface permit sales will be reduced due to the sale of 145 W Front and 103 Pine, 2) reduced metered spaces in Lots J south of the Boardman River and Lot K north of the Boardman River for FishPass construction, 3) consistent seasonal transient use.

Parking Capital Improvements

Hardy Parking Deck

1. Pedestrian stair tower window maintenance, paint handrails and repair walls

Old Town Parking Structure

1. Pedestrian stair tower window maintenance, paint handrails and repair walls

General Parking Fund

1. Lot C Resurfacing (surface lot near Traverse Connect) – carried over from 2020-2021 budget
2. Cut and patch work in parking lot T (corner of Union and Grandview Parkway)
3. Curb cut in-fill for parking lot G (next to Mode's)

Professional and Contractual and Information Technology

The city added an Information Technology line item. The purpose of this item is to separate contractual expenses from recurring software and technology expenses. The decrease from Professional and Contractual is reflected in Information Technology along with additional expenses for recent software agreements.

City Fee

The City Fee was changed near 2010 to 10% of all enterprise revenues from Parking General, Hardy and Old Town funds. This year, the City Fee will be reduced from a 10% administrative fee to align with the 5% fee applied to all other enterprise funds.

Arts Commission

The Arts Commission budget for the coming year will focus on a handful of art installations along the TART Trail and Boardman Loop Trail, a mural festival (planned for 2024), a mini-grant program, a collaboration with Parks and Recreation to bring art into city parks and painted bump-outs at Front and Pine/Boardman as part of the two-

way pilot project. In addition, the Arts Commission will be working to complete a series of administrative activities outlined in the strategic plan work plan.

Recommended Motion

Motion to set a public hearing for the 2023/2024 DDA Budget for Friday, May 19, 2023 at 9:00am at the Governmental Center Commission Chambers.

City of Traverse City, Michigan
DDA COMPONENT UNIT
DDA GENERAL FUND
For the Budget Year 2023-24

	FY 21/22 Audited	FY 22/23 Budgeted	FY 22/23 Projected	FY 23/24 Requested
REVENUES				
Taxes	\$ 129,683	\$ 129,000	\$ 129,000	\$ 130,000
Grants and Reimbursements	1,947,124	1,200,000	1,200,000	100,000
Reimbursements	1,465,333	1,236,600	1,236,600	1,560,359
Rental Income	0	90,000	90,000	115,000
Interest Income	915	600	600	1,000
Miscellaneous	0	0	0	0
TOTAL REVENUES	3,543,055	2,656,200	2,656,200	1,906,359
EXPENDITURES				
Salaries and Wages	874,456	955,400	998,709	1,060,134
Fringe Benefits	273,587	320,000	296,151	390,382
Office Supplies and Utilities	104,960	64,000	45,800	63,000
Professional Services	677,286	306,800	325,000	254,720
Travel and Conferences	13,415	25,000	25,000	30,000
Repairs and Maintenance	0	0	0	0
Grants	1,672	96,000	96,000	45,000
Civic Square	1,758,802	1,050,000	1,050,000	50,000
TOTAL EXPENDITURES	3,704,178	2,817,200	2,836,660	1,893,236
EXCESS OF REVENUES OVER/UNDER EXPENDITURES				
Beginning Fund Balance	897,307	736,184	736,184	555,724
Ending Fund Balance	<u>\$ 736,184</u>	<u>\$ 575,184</u>	<u>\$ 555,724</u>	<u>\$ 568,847</u>
	(161,123)	(161,000)	(180,460)	13,123

Note: *note farmers market is in professional services

City of Traverse City, Michigan
DDA COMPONENT UNIT
97 FINANCING FUND

For the Budget Year 2023-24

	FY 21/22 Audited	FY 22/23 Budgeted	FY 23/24 Requested
REVENUES			
Property Taxes	\$ 3,154,318	\$ 3,778,000	\$ 4,180,861
Grant and Reimbursements	0	0	40,000
Reimbursements	433,721	200,000	130,000
Interest Income	4,690	2,000	4,500
TOTAL REVENUES	<u>3,592,729</u>	<u>3,980,000</u>	<u>4,355,361</u>
EXPENDITURES			
Professional Services	1,121,094	732,000	1,494,820
Printing and Publishing	66,035	200	20,000
Repair & Maintenance	0	250,000	250,000
Contribution to District Construction Project	515,888	2,271,500	2,125,000
Contribution to City - Debt Service	930,697	973,200	953,440
TOTAL EXPENDITURES	<u>\$ 13,206,000</u>	<u>\$ -</u>	<u>4,843,260</u>
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	945,809	(246,900)	(487,900)
OTHER FINANCING SOURCES (USES)			
Operating Transfer	0	0	0
NET CHANGE IN FUND BALANCE	945,809	(246,900)	(487,900)
Beginning Fund Balance	3,866,612	4,812,421	9,403,165
Ending Fund Balance	<u>\$4,812,421</u>	<u>\$4,565,521</u>	<u>\$8,915,266</u>

City of Traverse City, Michigan
DDA COMPONENT UNIT
OLD TOWN FINANCING
For the Budget Year 2023-24

	FY 21/22 Actual	FY 22/23 Budgeted	FY 22/23 Projected	FY 23/24 Requestd
REVENUES				
Property Taxes	\$593,951	\$702,800	\$ 717,791	\$ 841,481
Reimbursements	-	-	-	-
Interest Income	113	200	200	100
TOTAL REVENUES	<u>594,064</u>	<u>703,000</u>	<u>717,991</u>	<u>841,581</u>
EXPENDITURES				
Professional Services	210,587	118,800	118,810	231,039
Printing and Publishing	0	100	100	100
Contribution to District Construction Project	191,558	917,000	245,000	805,000
TOTAL EXPENDITURES	<u>402,145</u>	<u>1,035,900</u>	<u>363,910</u>	<u>1,036,139</u>
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	191,919	(332,900)	354,081	(194,558)
OTHER FINANCING SOURCES (USES)				
Operating Transfer	-	-	-	-
NET CHANGE IN FUND BALANCE	191,919	(332,900)	354,081	(194,558)
Beginning Fund Balance	<u>522,468</u>	<u>714,387</u>	<u>714,387</u>	<u>1,068,468</u>
Ending Fund Balance	<u>\$714,387</u>	<u>\$381,487</u>	<u>\$1,068,468</u>	<u>\$ 873,910</u>

OLD TOWN TIF REVENUE AND EXPENSE PROJECTIONS -BUDGET YEAR 2023/2024

FISCAL YEAR	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028
	<i>audited</i>	<i>estimated</i>	<i>estimated</i>	<i>estimated</i>	<i>estimated</i>	<i>estimated</i>	<i>estimated</i>
TAXABLE REAL PROPERTY INFLATION GROWTH - (Estimated @1.5%)			3,405,895	1,101,533	1,118,056	1,134,827	1,151,850
TAXABLE REAL PROPERTY NEW TO ROLL (100%) - includes uncapping			0	0	0	0	0
REAL PROPERTY TAXABLE VALUE		68,117,908	73,435,557	74,537,090	75,655,147	76,789,974	77,941,824
PERSONAL PROPERTY TAXABLE VALUE		5,409,902	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
TOTAL TAXABLE VALUE (audited)	68,383,031	73,527,809	78,435,557	79,537,090	80,655,147	81,789,974	82,941,824
BASE TAXABLE VALUE - 2017	45,424,382	45,424,382	45,424,382	45,424,382	45,424,382	45,424,382	45,424,382
CAPTURED TAXABLE VALUE FOR DISTRICT	22,098,649	28,103,427	33,011,175	34,112,708	35,230,765	36,365,592	37,517,442
Revenue/Decrease	3,186,827	5,144,778	4,907,748	1,101,533	1,118,056	1,134,827	1,151,850
REVENUE & EXPENSE	<i>audited</i>	<i>budgeted</i>	<i>estimated</i>	<i>estimated</i>	<i>estimated</i>	<i>estimated</i>	<i>estimated</i>
REVENUE							
TAXES - ((Captured Taxable Value / 1,000) x Total Captured Millage Rate)	593,951	732,791	856,491	874,479	884,843	888,237	911,789
ALLOWANCE FOR TRIBUNAL REFUNDS		(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
SUB-TOTAL TAXES	593,951	717,791	841,491	859,479	849,843	873,237	896,789
INTEREST	113	200	100	100	100	100	100
TOTAL REVENUE	594,064	717,991	841,591	859,579	849,943	873,337	896,889
EXPENSE							
PROFESSIONAL SERVICES	210,587	118,810	231,039	129,884	133,808	137,780	141,811
Downtown Development Authority Administration		56,207	115,539	119,384	123,308	127,260	131,311
City of Traverse City Administration		28,103	0	0	0	0	0
Legal		10,000	10,000	10,000	10,000	10,000	10,000
Mobility Study		24,000					
Service Agreement		50,000	50,000	50,100	50,200	50,301	50,401
Repairs and Maintenance		50,000	50,000	50,000	50,000	50,000	50,000
Traverse Connect Contract		5,000	5,000	5,000	5,000	5,000	5,000
Miscellaneous		500	500	500	500	500	500
GENERAL EXPENSES (Printing & Publishing)		100	100	100	100	100	100
CAPITAL IMPROVEMENT PROJECTS (per CIP/Budget for FYE 22/23)	191,558	245,000	805,000	1,202,000	803,800	821,000	419,200
South Union Street Bridge Repair		135,000					
Midtown Riverwalk		0	300,000	100,000	392,000	409,200	409,200
Riverine Riverwalk			70,000	392,000			
Hannan Park Improvements							
Union Street Streetscapes				700,000	401,800	401,800	409,200
Lake Avenue Streetscapes & Plaza							
Snowmelt - (Old Town)		100,000	100,000				
Rivers Edge Riverwalk Decking Replacement			300,000				
8th Street Intersections			25,000				
Mobility Implementation			10,000	10,000	10,000	10,000	10,000
Miscellaneous		10,000	1,036,139	1,331,994	937,708	958,880	581,111
TOTAL EXPENSE	402,145	363,910	1,036,139	1,331,994	1,118,056	1,134,827	1,151,850
CHANGE IN FUND BALANCE	191,919	354,081	(194,548)	(472,415)	(87,765)	(85,543)	335,778
FUND BALANCE END OF YEAR	714,387	1,068,468	873,910	401,494	313,729	228,187	563,965



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: April 17, 2023
Subject: Project Updates

The following memo is intended to provide a summary of on-going and anticipated projects throughout downtown.

200 Block – Boardman River Wall Stabilization

The second phase of this project, which includes back-filling and alley treatments, has started and should be complete by May.

TART Expansion Design and Engineering

As you recall, in February we officially kicked off activities with Progressive AE for design and engineering services related to improvements and an extension of the TART Trail along Grandview Parkway. This is a three-party initiative between the City of Traverse City, TART and the DDA. DDA staff continues to work with the project team to facilitate meetings with stakeholders along the proposed trail corridor, including NMC and the Delamar Resort. We anticipate roughly 60% of the design and engineering for this project will be completed in early May. A third round of discussion to review and discuss near-final plans and selected placemaking elements, will take place in either late April or in May.

Community Planning Initiatives - Mobility Action Plan and City Master Plan

This fall, the DDA (in partnership with the city) kicked off a comprehensive planning process to develop a Mobility Action Plan for the city. This planning effort is linked to the city's Master Planning effort for the city. The Master Plan Leadership Committee is currently reviewing draft chapters of the Master Plan and is facilitating a comprehensive series of neighborhood engagement meetings April 19th and 20th (additional virtual sessions will be held on the 22nd). The primary topic for the neighborhood meetings will be centered on potential changes to the zoning ordinance related to housing. A full list of each neighborhood meeting can be found on the project website. A Community Open House is also scheduled for April 26th.

Master Plan Project Website: <https://tcmasterplan-bria2.hub.arcgis.com/>

Mobility Action Plan Project Website: <https://tcmobility-pae.hub.arcgis.com/>

South Union Street Bridge

As you are aware, the reconstruction of the South Union Street bridge is underway. The sidewalks on both sides of the bridge will be widened and parking will no longer be permitted on the bridge. DDA staff is working with the city's Engineering Department and Parks and Recreation department to re-design and possibly replace the pedestrian landing and existing staircase on the south-west corner of the bridge. This item is part of the 2023/2024 budget.

100 Block – Sewer Realignment

The realignment of the sanitary sewer main along the river (as well as new leads to the existing businesses) began last week and should be completed by June 16th. We are working with the engineering/project coordinator (Hubbell, Roth & Clark, Inc.) to ensure deliveries and trash removal are maintained. In addition, a parking pass (to the parking structures) has been issued to business owners who have temporarily lost private parking due to construction.

Downtown Planters

We are currently solidifying efforts, in cooperation with MSU Extension, to plant the 46 planter boxes that get placed throughout downtown for the summer. Our "plant day" is scheduled for May 26th for any board members who's like to volunteer.

Summer Interns

We are excited to welcome Ava Warren, as our summer intern for the DDA. Ava is currently working towards a degree in economics at the University of Michigan. A Traverse City native, Ava has previously worked at a handful of downtown businesses during the summer. Ava will primarily be working on completing a "downtown census" for the DDA – a comprehensive database of each business and property in downtown. Ava will start working for the DDA in mid-May.

In addition, we will be welcoming Cole Maxson as our second summer intern. Cole is currently working towards a degree in Urban and Regional Planning at Michigan State University. Also a Traverse City native, Cole will be working to help implement the Parking Services PARCS configuration and data-analysis for the two-way pilot project.



303 E. State Street
Traverse City, MI 49684
harry@downtowntc.com
231-922-2050

Memorandum

To: Downtown Development Authority Board of Directors
From: Harry Burkholder, DDA COO & Steve Nance, DDA Board Member
Memo Date: April 17, 2023
Subject: Arts Commission Update

Strategic Planning & Budget

The Arts Commission is nearing the completion of their strategic planning initiative and should have a final report in May. The Arts Commission is also working on establishing its recommended budget and projects for the 2023/2024 fiscal year – a summary of which will be provided at your meeting.

Two-Way Circulation Pilot Project Painting

The Arts Commission agreed to take on efforts to paint the intersection bump-outs (Boardman and Pine) for the two-way circulation pilot project – they are currently working out the details of the design.

Mazzinaadin Signage

The City Commission approved to allocate public art trust funds for the Mazzinaadin sign (to accompany the framed pictures) in the lobby of the Chamber Room. The sign should be completed and installed soon.

Michigan Statewide Independent Living Center Council (MISILIC) Proposal

We are still working with MISILIC and their project partners to help promote and host a working Art Day celebration. Staff worked with the Grand Traverse County Parks Director to secure space at the civic center to host the event and also hang the piece on the concession/storage building near the baseball fields.

Bryant Park Initiative

Consideration and approval for a release of the RFP for a mural on the restroom building at Bryant Park will be added to the May 1st City Commission meeting.

Banner Project

I am working with Britten Banner to replace the current banners and add the banner artwork from Justin Shull. The artistic banners will be placed at the intersection of West Front Street and Maple – three banners on each side of the street.





Memorandum

To: Scott Hardy, Mobility & Parking Advisory Board Chair
 From: Nicole VanNess, Transportation Mobility Director
 CC: Jean Derenzy, DDA CEO
 Date: April 17, 2023
 Re: Board Member Report: Mobility & Parking Advisory Board – April 2023

Part of our solution to the "parking problem" downtown may include transportation and mobility options to achieve accessibility by moving users throughout downtown. We have started our discussions with Bay Area Transportation Authority (BATA) to see how we may be able to partner on a circulator project. The project goal is to offer better accessibility for individuals moving through the downtown area by providing a 15–20-minute route loop that includes both parking structures. Additional goals are to address our biggest challenges over the next 3 years: 1) Sale of parking lot V corner of W Front/Pine loss of 103 spaces, 2) MDOT Grandview Parkway project summer 2024, and 3) Construction of West End Parking Structure on lot P (52 spaces) in 2025.

These discussions will include identifying the feasibility related to the cost of operations in order to understand what is needed to move forward with a circulator using the existing BATA fleet and operations staff. Financing sources will need to be considered by the DDA Board for funding, and are not currently budgeted. It may take some time to identify the costs and secure funding.

The initial route in the image below would follow a figure 8 route that would include both parking structures to meet the needs of individuals commuting into the downtown area. The image shows using the stops from existing routes; 1, 2 and the Bayline. These stops may serve as transfer points for Destination Downtown participants.

The tentative timeline is to have preliminary expenses to operate at the June meeting.





Memorandum

To: DDA Board of Directors
CC: Jean Derenzy, DDA CEO
From: Nicole VanNess, Transportation Mobility Director
Date: April 17, 2023
Re: Staff Report: Parking Services – April 2023

PARCS Project

The parking access and revenue controls systems project has kicked off, and we are meeting weekly to begin the software configurations. Communications will be more detailed in the coming months. The following are some highlights of changes to come:

Overall changes for all parkers

Both Hardy and Old Town Parking Structure will 1) no longer be accepted cash payments in-lane. All cash payments will be accepted via pay-on-foot devices in the pedestrian star towers, 2) all exits will accept credit card payments, 3) permits purchased online will be immediately available for use via a QR code on the receipt, 4) fee schedules will calculate based on a rolling 24-hour period, and 5) the Hardy fee schedule will be programmed in 30 min increments.

The Hardy Parking Structure will have a ground floor traffic circulation shift from clockwise to counter-clockwise, and the south entrance and exit off of State Street will change from British-style to conform with two-way traffic on State Street.

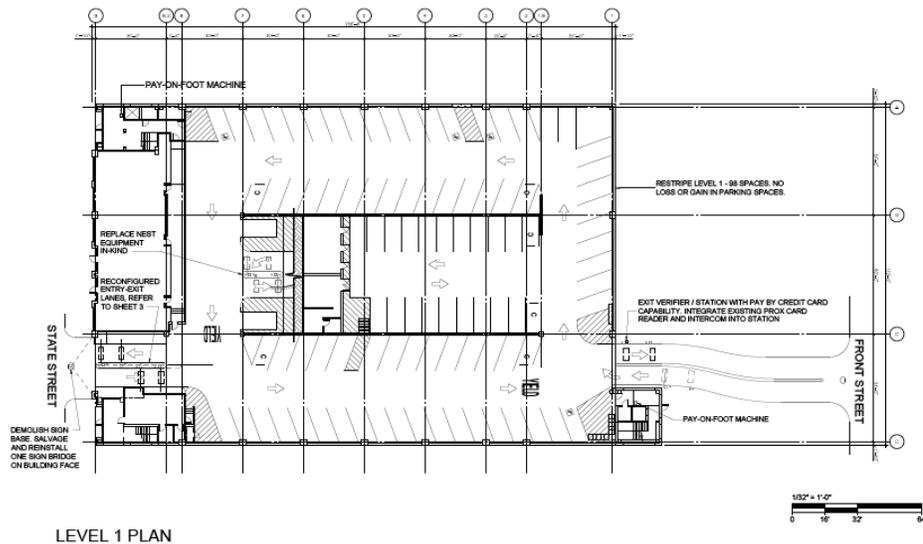
Enhancements for permit holders

All permit parkers will have the option to 1) setup a card on-file for monthly auto-renewals, 2) auto-renewals will have the option for AVI (toll road like tags) tags for hands-free access, and 3) access to generate their permit number to a QR code for temporary access.

Enhancements for businesses

Businesses will be able to validation parking for employees and customers by 1) applying validation directly to hourly ticket through a website, or 2) generating and printing QR codes from the website. Validation payments may be accepted online.

Businesses using shared accounts will be able to 1) manage permits that have access within their permit threshold, and 2) have the option to allow for hourly overages when employees exceed their permit threshold.



LEVEL 1 PLAN

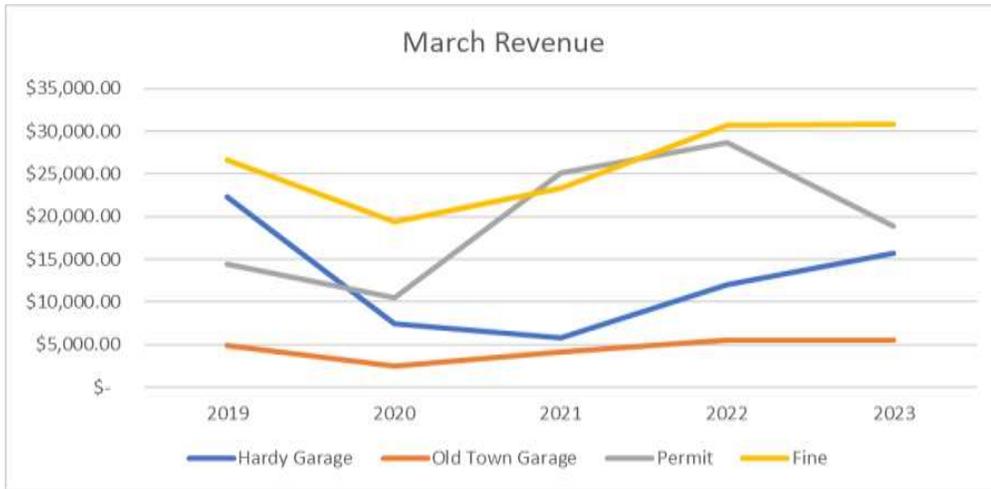
March Parking Revenue

Below are the February revenues compared to March 2019. Additional charts include four years of data to show pre and post-pandemic revenues.

Meter Revenues

Meter revenues were up 12% from 2022. The increase to pay-by-cell has been significant over 4 years.

Compared to 2019	2022	2023
Total Revenue	8%	22%
Coin/Cash/Credit	-6%	4%
Pay-by-Cell	45%	68%



Hourly Admissions

Old Town transient revenues are up 1% compared to 2019 and are up 12% compared to last year. Hardy transient revenues are up 31% compared to last year, but are still down 30% compared to 2019

Permits & Fines

Fine revenues were up 1% from last year up slightly from pre-pandemic revenues with an increase of 16% compared to 2019. Permit revenues are down 34% compared to last year.



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

Memorandum

To: Downtown Development Authority Board of Directors
Jean Derenzy, DDA CEO

From: Abby Taylor, DDA Downtown Experience Coordinator

Date: April 13, 2023

Subject: DTCA Events Update

Thank You

The Bunny Hop Scavenger Hunt on Easter weekend was a lot of fun. Officer Culver and I enjoyed walking around giving candy and stickers out to kids with their families. There were over 60 kids that completed a full card and turned it into Horizon Books. Thank to Mayor Lewis for orchestrating story time for all of the kids and families who came out that day!

Art Walk

The Spring Art Walk will be held May 5, 2023 from 4pm-7pm. This is a great event to get people walking and experiencing downtown. To date, we have sixteen locations signed up. We will be encouraging people to get out and enjoy artists in different businesses as well as doing live presentations outside on the sidewalks. Northwest Michigan Arts and Culture Network has been a lovely partner to assist in reaching the local artist market. In addition, there will be live jazz performed by JazzNorth7+1 in front of Horizon Books and an activity by Dennos Museum and Crooked Tree in the J. Smith walkway. We hope to feature a musician and artist every Friday in may following the Art Walk.

Downtown Art Fair Series

Applications for the 2023 Art Fair Series have been submitted and we are on course for a successful year, numbers-wise. We have 110 applicants for OTART, 205 for NCF, and 53 for DTART. The booth fee is \$200 per 10x10 space and the last day to apply for

these shows was April 10th. Acceptance letters will be going out in the next couple of weeks before May 1. Water's Edge Sweet Tooth and Maxbauer's will be out on their sidewalks encouraging more people to come spend the day in Old Town. McMillen's will be the sponsor for the Old Town Art Fair.

Sponsorships

We have put together a sponsorship proposal for different levels of support for Friday Night Live. Our goal is to have a full packet for all of the events in 2024 so that people can sponsor multiple events. So far, we have secured \$13,000 in sponsorships for Friday Night Live. These businesses include Superior Exteriors and Lume as presenting sponsors, TBA Credit Union and Blue Orange as the Premier Sponsors. I will continue to reach out to obtain more sponsorships for each event to continue to drive people downtown as our events remain free to families.

Event Intern

Arianna Bowman will be returning as an intern for the DDA in May, adding additional support for events throughout the summer. Arianna is currently a Junior at Central Michigan University studying Event Management. Arianna will be working with us for thirteen weeks before she goes back to school. We feel extremely lucky to have her back as she was a huge asset last year!

On the Horizon

Be sure to mark your calendars for some exciting events at Rotary Square that will take place starting in June! First, the DTCA will host a Downtown Employee BBQ on June 7 from 12-2pm. This is a chance to show appreciation for everyone working downtown and making Traverse City a special place. More details to come on how to register for this luncheon. In addition, we have the Traverse Symphony Orchestra Summer Series that will be held at the Rotary Square. Swing into Summer will be June 9, Patriotic Spectacular July 3, and Movie Music of John Williams on July 31. You can find more details and tickets on their website at traversesympphony.org.



**303 E. State Street
Traverse City, MI 49684
art@downtowntc.com
231-922-2050**

Memorandum

To: Downtown Development Authority Board of Directors
Jean Derenzy, DDA CEO

From: Art Bukowski, Communications, Marketing and Outreach Director

Date: April 14, 2022

Re: Communications

Farmers Market

The Farmers Market kicks off in a few short weeks, and we have a full slate of excellent vendors ready. Though we will be pinched for space a bit due to issues related to ongoing construction projects, we are looking forward to another wonderful season at everyone's favorite market.

Downtown Shopping Promotion

I'm very pleased to report that our social media promotion run from March 15 to April 15 generated just shy of \$10,000 in downtown spending. To recap, anyone who showed us receipts from at least five different downtown businesses dated during that time period was entered to win \$500, \$250 or \$100 in downtown gift certificates (1st, 2nd or 3rd prize). In future iterations of this contest (we are likely to repeat it once or perhaps twice a year), we will find a sponsor to ensure we have no cost, further maximizing the impact.

General Downtown Marketing

At Jean's request, I have pulled together a comprehensive plan for marketing downtown in the general sense (as opposed to the event-specific marketing we also undertake every year). The goal is to drive both locals and visitors to downtown throughout the year. Considering ongoing concerns about construction and other issues, we feel a strong desire to support our downtown merchants with an aggressive marketing push. I am looking forward to reviewing this plan with Jean and implementing it as soon as possible. Many elements of the plan are designed to be measurable as well as impactful, so we can adjust as necessary going forward.

General Communications and Advertising Design

As always, a large part of my time is spent with regular communications, including sourcing and posting social media content across multiple platforms (Facebook and Instagram) and multiple brands (DTCA/DDA/Arts Commission/Farmers Market, etc.), as well as crafting and sending emails, press releases, regular newsletters and other communications as needed. I also design and submit ads to multiple outlets for DDA and DTCA events.

Social Media and Downtown Photography

We have hired a photographer (Madi Taylor Thomas) on a monthly basis to help with downtown photography. Some of her shots will also be used on social. She may also assist with reels or other social media content.



**Minutes of the
Arts Commission for the City of Traverse City
Regular Meeting
February 15, 2023**

A regular meeting of the Arts Commission of the City of Traverse City was called to order at the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, at 3:30 p.m.

The following Commissioners were in attendance: Commissioners Admundson, Early, Stanley and Koebert

The following Commissioners were absent: Commissioners Nance, Niemi and Hoisington

Chairperson Admondson presided at the meeting.

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

(b) **CONSENT CALENDAR**

- (1) Consideration of Approving the January 18, 2023 Arts Commission Meeting Minutes (approval recommended)
- (2) Consideration of Approving the February 8, 2023 Rotating Arts Subcommittee Meeting
- (3) Consideration of Approving the January 2023 Arts Commission Financials
Motion to approve the Consent Calendar

Moved by Caitlin Early, Seconded by Roger Amundsen

Yes: Roger Amundsen, Mi Stanley, Caitlin Early, and Linda Koebert

Absent: Chelsie Niemi, Joshua Hoisington, and Steve Nance

CARRIED. 4-0-3 on a recorded vote

(c) **OLD BUSINESS**

- (1) Liaison Report

Mr. Burkholder provided a project update summary, noting:

- We received approval on the framework/language for the Paint It Forward program

- Commissioners agreed to use six images from Justin Shull for a small application of the banner project

(2) Strategic Planning

Ms. Motil facilitated a discussion with the Commission

(d) **NEW BUSINESS**

(1) New Business Update

Mr. Burkholder provided a summary of New Business items, noting:

- Commissioners agreed to spend not to exceed \$583.86 for a sign for the Mazzinaadin prints at the Chamber Room.
- Commissioners agreed to participate with MISILIC for their program.

(2) Arts Commission Website

Mr. Burkholder noted the updates to the website and received confirmation that commissioners would assist with some of the project summary's

(3) Arts Commission 2023-2024 Budget

Commissioners discussed the final components of the 2022/23 budget and discussed funding sources for the 2023/24 budget

(e) **PUBLIC COMMENT**

(1) General

(2) Commissioners

(f) **ADJOURNMENT**

(1) Motion to adjourn

Moved by Roger Amundsen, Seconded by Mi Stanley

Yes: Roger Amundsen, Mi Stanley, Caitlin Early, and Linda Koebert

Absent: Chelsie Niemi, Joshua Hoisington, and Steve Nance

CARRIED. 4-0-3 on a recorded vote

Roger Admundson, Chair

DOWNTOWN TRAVERSE CITY ASSOCIATION BOARD MEETING

THURSDAY, MARCH 9, 2023
8:30 AM

MINUTES

1. Call to Order (*Gildersleeve*) 8:36am
 - a. Present: Dawn Gildersleeve, Jeff Joubran, Sebastian Garbsch, Libby Hogan, Liz Lancashire, Karen Hilt
 - b. Absent: Gary Jonas, Amanda Walton, Jeff Libman
2. Approval of DTCA Board | 2.9.23 (*Gildersleeve*)
 - a. Motion to approve the minutes as presented motion by Karen Hilt and seconded by Liz Lancashire
3. Introduction of SamRose Entertainment (contractor for Comedy Fest)
 - 50% BIPOC
 - 50% over 40
 - April SamRose will have a contract
 - 80 comics, 2 improv groups, 12 local comedians
 - Profit of \$18,000
 - All but 4 or 5 were sell outs
 - Saturday there was \$10,000 in ticket sales
 - Sponsorship sales could be double next year as well as looking at doubling the revenue
 - Get more community involvement
 - Keep the doors open for restaurants and retail (get a list of specific places that will be open late night)
 - More packages for guests/comics
 - Ticket prices for larger comics could be increased
 - Colored bands to incorporate in the festival to allow people to stay in their seats if they have tickets for multiple shows
 - Volunteers had great feedback, but could have chairs, food, and a little better venue manager communication
 - More improv/ workshops
 - Key retail stores to have a place to hang out
 - Discount comedian card

4. DTCA Membership benefits (Derenzy) (Gildersleeve, Libman, Walton, Hilt)
 - Jeff Joubran: talked about getting rid o the base rate
 - Liz Lancashire: better branding of events
 - Karen Hilt: representative events and showing faces of the board and merchants. More involvement overall
 - Sebastian Garbsch: New branding is needed for the DTCA other than the logo that we have
 - Liz Lancashire: We should really take the time with new members
 - Jeff Joubran: make the restaurant as a separate category and include Restaurant Week as one of the membership benefits
 - Map of DTCA boundaries for next meeting
 - More promotion throughout downtown
 - Loyalty program and excitement for downtown employees
 - Jean getting with health services to get numbers to present to board
 - Committee work days
 - SYCD committee: Jeff Joubran, Liz Lancashire, Karen Hilt, Libby Hogan

5. Mark your calendars: Downtown Summit: Thursday, April 20, 2023 (9:00am-11:30am)

6. Events Review (*Taylor*)
 - a. Traverse City Restaurant Week Review
 - i. Survey will be going out next week to get feedback, we will review at April's meeting
 - b. April 8- Easter Egg Scavenger Hunt in windows/ participating stores
 - Brainstormed ideas of having a punch card for kids and having them find the eggs
 - This will be going out as a communication through Mailchimp along with the other 2023 events
 - Horizon Books is willing to host a story time if we provide volunteers
 - c. Friday Night Lives
 - August 4 and 11 will be called Friday Night Lives
 - The Accidentals are available on August 4
 - Starting the process of looking for sponsorships to cover costs of bands and food vendors

7. Parking update and [permit information](#)

8. Adjourn (Gildersleeve) 10:26am



**Minutes of the
Parking Advisory Board for the Downtown Development Authority
Regular Meeting
Wednesday, March 1, 2023**

A regular meeting of the Traverse City Parking Subcommittee of the City of Traverse City was called to order at the 2nd Floor Committee Room, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, at 11 a.m.

The following Members were in attendance: Board Vice Chair Scott Hardy, Committee Member Todd Knaus, Commissioner Doug Hickman, Board Member Katy Bertodatto, and William Clark

The following Members were absent: Board Member Pam Marsh

Chairperson Hardy presided at the meeting.

(a) **CALL TO ORDER**

Chairperson Hardy called the meeting to order at 11:00 AM.

(b) **ROLL CALL**

(c) **CONSIDERATION OF MINUTES**

- (1) Approval of approving the December 7, 2022 meeting minutes.
Motion to approve the meeting minute of the December 7, 2022 meeting.

Moved by Doug Hickman, Seconded by Katy Bertodatto

Yes: Scott Hardy, Todd Knaus, Doug Hickman, Katy Bertodatto, and William Clark

Absent: Pam Marsh

CARRIED. 5-0-1 on a recorded vote

(d) **OLD BUSINESS**

- (1) Employee Parking and Mobility Survey

The following addressed the Board:
Nicole VanNess, Transportation Mobility Director
Scott Hardy
Katy Betodatto
Doug Hickman
Todd Knaus
William Clark

(e) **NEW BUSINESS**

- (1) Advisory Board Role and TDM

The following addressed the Board:
Nicole VanNess, Transportation Mobility Director
Scott Hardy
Katy Bertodatto
Doug Hickman

- (2) Parking and Mobility Updates and Information

The following addressed the Board:
Nicole VanNess, Transportation Mobility Director

(f) **TRANSPORTATION DEMAND MANAGEMENT**

- (1) Circulator Update

The following addressed the Board:
Nicole VanNess, Transportation Mobility Director
Scott Hardy
Katy Bertodatto
William Clark

(g) **TRAFFIC COMMITTEE UPDATE**

- (1) City Department Updates

The following addressed the Board:
Nicole VanNess, Transportation Mobility Director

(h) **TOPICS FOR CONSIDERATION**

- (1) Parking for short-term stays

The following addressed the Board:
Nicole VanNess, Transportation Mobility Director
Katy Bertodatto
Scott Hardy

(i) **RECEIVE AND FILE**

- (1) Adopted TDM Reports

(j) **PUBLIC COMMENT**

(k) **ADJOURNMENT**

Chairperson Hardy adjourned the meeting at 12:34 PM.

Scott Hardy, Chairperson

Sara Hardy Downtown Farmers Market Advisory Board

Meeting Minutes – Jan. 23, 2023

Meeting called to order at 9:05 a.m. Sept. 23

Present: Megan Alexander, Michael Brodsky, Lori Buchan, Joanne Brown, Claire Farrell

Absent: Tim Werner, Meghan McDermott

- Introductions were held, with new board members new and old having a chance to introduce themselves and talk about their connection with the market.
- Officers were elected – Megan Alexander as President, Shea O’Brien as Vice President and Claire Farrell as Secretary
- Kyle and Art provided an update on the previously discussed plans to move the Wednesday market to the Civic Square space in the evenings. Due do parking concerns, the move will not happen in 2023, but may be revisited in the future.
- Art ascertained that we will need as many as 3 new board members after terms expire this year. These positions will be posted in summer.
- Amendments to the market rules were discussed and approved by the board
- A new Customer Experience Committee was created with Claire Farrell serving as chair and Shea and Kyle also serving as members. Instead of creating a farm visit committee, it was discussed and decided that all advisory board members should be available for these farm visits.
- No public comment
- Meeting adjourned at 10:50 a.m.