

Traverse City Downtown Development Authority Study Session

Friday, July 7, 2023

12:00 pm

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
study session**

Agenda

	Page
1. CALL TO ORDER	
<hr/>	
2. ROLL CALL	
<hr/>	
3. PUBLIC COMMENT	
<hr/>	
4. TOPICS OF DISCUSSION	
A. Moving Downtown Forward TIF Plan	4 - 9
Moving Downtown Forward TIF Plan - Memo	
MDF TIF Plan Attachment A - PDF	
MDF TIF Plan Attachment B - PDF	
MDF TIF Plan Project List - PDF	
<hr/>	
5. PUBLIC COMMENT	
<hr/>	
6. 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.



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, DDA CEO
Date: July 7, 2023
Subject: Moving Downtown Forward TIF Plan

Our July study session will include a review of what we have discussed the last four months and build on efforts to develop the new Moving Downtown Forward Financing (TIF) Plan. As a reminder, over the last four study sessions, we have discussed the following:

February

Review of the timeline on our two major proposed capital improvement projects: West End Mixed-Use Development and Lower Boardman/Ottaway Downtown Riverwalk (between Cass and Union) and the timeline on putting together the new Moving Downtown Forward TIF Plan (see Attachment A).

March

Overview of future parking needs and limitations as it relates to anticipated future growth/development – including a review of zoning regulations related to parking, multi-modal transportation and the Transportation Demand Management Study (TDM). (Parking Map - Attachment B)

May

Discussion on how tax increment financing funds can be utilized for building housing, but must be identified within the new Financing Plan (the current TIF 97 Plan does not allow for funds to be used on housing). The Old Town TIF Plan does include housing language: *“Contributions made to qualified non-profits, public agencies, or third party administrators for the purpose of constructing workforce housing with one half mile of the development area boundary”*

June

Reviewed Projects from the current TIF 97 Plan and the Amended Moving Downtown Forward Financing Plan. As identified in June, the Amended TIF 97 Plan will be called “Moving Downtown Forward Financing Plan”. Amending the TIF 97 Plan is needed to:

1. Projects cannot be completed without amendment
2. Maintenance and operation of downtown is current responsibility of the Downtown District versus the entire City/Neighborhoods.
3. Regional cost-sharing or TIF is the **only** regional tax sharing tool in Michigan for public infrastructure that is utilized by the entire region.
4. Opportunity for cost sharing with taxing jurisdictions on revenue growth.

Staff has considered the discussion and taken feedback from each study session and is now asking the Board to review the following chart. The chart is comprised of three columns: Column A (“Purposes of TIF”) identifies what types of projects can be financed through TIF (note: these are all statutorily allowed under PA 57); Column B identifies projects contained in the current TIF 97 Plan and Column C identifies projects being moved to the new Moving Downtown Forward Plan.

For this meeting, I am asking the Board to review Column A (“Purposes of TIF”) and be prepared to discuss which of these statements you feel requires more vetting, study and discussion. For example, we have discussed that “Housing” should be included in the new MDF TIF Plan – should it read similar to the language in the Old Town TIF Plan? If so, what is the distance we want to include?

I am also asking the Board to review Column C: Are there projects contained in this column that should be removed? Are there projects that we should add?

Other Notes

One question that has been asked is, how many times has the TIF 97 Plan been amended? TIF 97 has been amended four times over the last 26 years (see below). It is important to note that although the projects have been amended, the timeline or years available to complete ALL the projects has not.

2007

Amended to include funding for bridges and funding for a public/private parking structure at 305 West Front Street and marketing and communications.

2008

Amended to include bayfront improvements, street, alley and sidewalk improvements, and police services.

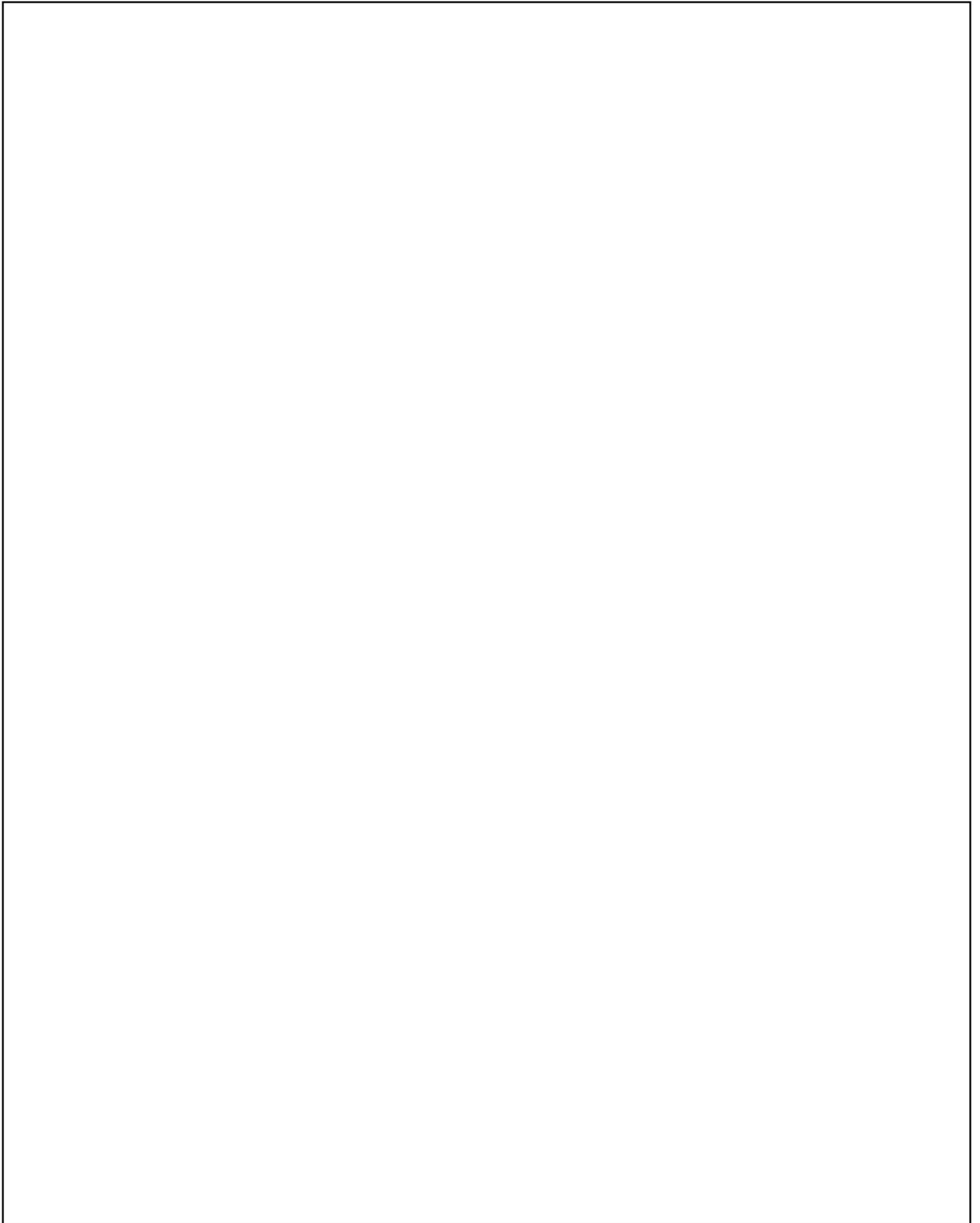
2011

Amended to include WIFI, public restrooms, park improvements, Farmers Market improvements and public art.

2015

Amended to include reimbursement of brownfield eligible expenses.

I look forward to our Friday discussion.



ATTACHMENT A

Moving Downtown Forward Capital Improvement Implementation																																							
Projects	2023												2024												2025						2026								
	Third Quarter			Fourth Quarter			First Quarter			Second Quarter			Third Quarter			Fourth Quarter			First Quarter			Second Quarter			Third Quarter			Fourth Quarter			First Quarter			Second Quarter			Third Quarter		
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Lower Boardman Riverwalk																																							
1.1	Determine Phases of Implementation																																						
1.2	Issue RFP for Design and Engineering of Phase I.																																						
1.3	Review, Select and Approve Final Proposal																																						
1.4	Complete Design and Engineering of Phase I.																																						
1.5	Determine Funding Options for Phase I.																																						
1.6	Approve Funding for Subsection of Phase I.																																						
1.7	Hire Contractor for Subsection A of Phase I.																																						
1.8	Construct Subsection A of Phase I.																																						
1.9	* Construct Remaining Components of Phase I.																																						
West End Parking Structure																																							
1.1	Complete Property Transfer																																						
1.2	Issue RFP for Design and Engineering																																						
1.3	Review, Select and Approve Final Proposal																																						
1.4	Complete Design and Engineering																																						
1.5	Determine Funding Needs for Project																																						
1.6	* Approve Funding for Construction																																						
1.7	* Hire Contractor for Construction																																						
1.8	* Construct Parking Structure																																						
Civic Square																																							
1.1	Issue RFP for Conceptual Design																																						
1.2	Issue RFP for Design and Engineering																																						
1.3	Review, Select and Approve Final Proposal																																						
1.4	Complete Design and Engineering																																						
1.5	Determine Funding Options																																						
1.6	Approve Funding																																						
1.7	Hire Contractor for Construction																																						
1.8	Construct Civic Square																																						
Base Level of Service Agreement																																							
1.1	Complete list of Mutual Services with City																																						
1.2	Develop Draft Contract Between City and DDA																																						
1.3	DDA Board Approves Conditions of Draft Contract																																						
1.4	City Comm. Approves Conditions of Draft Contract																																						
1.5	Execute Signatures of Service Agreement																																						
Other Capital Projects																																							
TIF Extension & Bond Approval																																							
* Depends of TIF Extension & Bond Approval																																							
Note: Project Tasks (and Sequencing) Will Require Approval by the DDA Board and City Commission																																							

ATTACHMENT B



Existing Downtown Surface/Deck Parking Spaces

Lot X: 56	Lot K: 22
Lot M: 117	Lot N: 51
Lot E: 57	Lot J: 38
Lot T: 141	Lot I: 5
Lot B: 99	Lot Q: 18
Lot C: 58	Lot W: 10
Lot D: 48	Lot L: 30
Lot R: 11	Loc CG: 18
Lot RB: 30	

Hardy Garage: 537
 Old T. Garage: 521 West End Garage: 625
Total: 2,462
 * Lots labeled in orange above are considered "parkland" and likely not to change

Planned Infill Development & Lost Surface Parking Spaces

- A Lot B -30 Partial (2023)
 - B Lot V -103 (2023)
 - C Lot O -25 (2025)
 - D Log G -55 (2025)
 - E Lot A -84 (2026)
- Total: -297**

Lose Lot P to Construct West End Parking Structure (2025-2026) -52 spaces

Combined Total Lost Parking Spaces: 349

New West End Parking Structure (2027)
 Parking Spaces: 625

Net Gain Parking Spaces: 276

Anticipated Infill Development

- A 309 W. Front (2023)
- B 232 East State Street (2024)
- C Hall Street (2025)
- D 211 Grandview PKWY (2025)
- E 326 E. State (2025)
- F 124 W. Front (2026)

*Some Parking Provided On-site
 * Retail on First Floor

March 2023

Moving Downtown Forward Financing (TIF) Plan - Purposes and Capital Infrastructure Projects for Consideration

Column A	Column B	Column C
Purposes for the Expenditures of TIF	Current TIF 97 Financing (TIF) Plan	Moving Downtown Forward Financing (TIF) Plan
1. Payments for public improvements, including parking and land acquisition	3.1 Park Street Parking Structure Hardy Parking Garage)	3.1 Project Completed: Project Eliminated
2. The necessary and appropriate demolition expenses as defined by the Authority	3.2 Garland Street Pedestrian Way (Pine Street Pedestrian Bridge)	3.2 Renamed: "Garland Street Greening"
3. The reasonable, necessary and appropriate administrative, legal, professional and personnel expenses, including district police services, of the Authority related specifically to the development area.	3.3 Pine and Front Structure (e.g., West End Parking Structure)	3.3 Keep but Renamed: West End Mixed-Use Development
4. Maintenance and development of parking areas	3.4 Plaza Bridge/Retaining Wall/Alley Work	3.4 Keep: Plaza Bridge/Retaining Wall/Alley Work
5. Utility improvements	3.5 Hannah Park Pedestrian Bridge (half of project)	3.5 Reclassified: All Lower Boardman Projects Consolidated under 3.24
6. Alley relocation	3.6 100 East State Street Parking Structure	3.6 Keep: 100 East State Street Parking Structure
7. Bridge repair and replacement	3.7 Boardman Street Pedestrian Bridge	3.7 Reclassified: All Lower Boardman Projects Consolidated under 3.24
8. Riverwalk/boardwalk improvements and repairs	3.8 Union Street/Grandview Parkway Pedestrian Tunnel	3.8 Keep: Union Street/Grandview Parkway Pedestrian Tunnel
9. Snowmelt infrastructure associated with other improvements allowed in the development plan	3.9 Civic Square (e.g., Rotary Square)	3.9 Renamed: Rotary Square
10. Public improvements as shown in the development plan	3.10 Convention Center Parking Structure	3.10 Keep: Convention Center Parking Structure
11. Marketing initiatives	3.11 Streetscape Improvements (1/4 funding) (W. Front, E. Front, Park, Garland, Hall, State, Pine & Boardman)	3.11 Modified: Streetscape Improvements (W. Front, E. Front, Park, Cass, Union, Pine, Boardman, Hall, Garland)
12. Contracts for wireless technology services and an ongoing maintenance of such serve in the district	3.12 North Union Street Bridge	3.12 Eliminated: Already listed under 3.16
13. Ongoing maintenance of public restrooms and public art	3.13 Grandview Parkway Landscaping	3.13 Keep: Grandview Parkway Landscaping
14. Mobility services such as shuttles, enhanced transit, car sharing and bike sharing.	3.14 Boardman River Riverwalk and Mooring	3.14 Reclassified: All Lower Boardman Projects Consolidated under 3.24
15. Contributions made to qualified non-profits, public agencies, or third party administrators for the purpose of constructing workforce housing with one half mile of the development area boundary	3.15 City Opera House Renovations	3.15 Keep: City Opera House Renovations
16. Brownfield-eligible expenses reimbursed to the Grand Traverse County Redevelopment Authority	3.16 Bridge Improvements (S. Union, N. Union, S. Cass, N. Cass, W. Front)	3.16 Modified: Bridge Improvements (S. Union, N. Union, S. Cass, N. Cass, W. Front, Park Street)
17. Expenses related to the Americans with Disabilities Act compliance for public facilities located within the development area	3.17 Bayfront Improvements (Implementation of projects within the broad categories identified by the Bayfront Plan)	3.17 Renamed "Bayfront and Open Space Improvements" (Implementation of projects within the broad categories identified in future site plan)
18. Expenses that advance climate action, sustainability, renewable energy , energy efficiency and resilience	3.18 Street, Alley and Sidewalk Improvements Improvements to public streets, alleys and other public rights of way within the district (includes resurfacing, reconstruction and utility relocation)	3.18 Renamed "Street, Alley, Trail and Sidewalk Improvements" Improvements to public streets, sidewalks , trails, alleys and other public rights of way within the district (includes resurfacing, reconstruction, snowmelt and utility relocation)
	3.19 Broadband and Wireless Technology Services Improvements to public streets, alleys and other public rights of way within the district for broadband and wireless technology services within the district	3.19 Renamed: "Wireless and Other Technology Services" Improvements to public streets, alleys and other public rights of way within the district for wireless and other technology services within the district
	3.20 Public Restrooms Acquisition, Construction or Improvements (Park Street) Acquisition of, construction, or improvement to, facilities for public restrooms in various locations throughout the district as determined by the board	3.20 Keep: Public Restrooms Acquisition, Construction or Improvements Acquisition of, construction, or improvement to, facilities for public restrooms in various locations throughout the district as determined by the board
	3.21 Parking Lot Renovations, Farmers Market Improvements and Multi-Purpose Plaza Construction (Lot B and Lot T and the Boardman River)	3.21 Renamed: Parking Lot Renovations and Multi-Purpose Plaza Construction (Lot B and Lot T and the Boardman River)
	3.22 Public Art Construction Construction of public art in conjunction with public improvements identified in the plan	3.22 Keep: Public Art Construction Construction of public art in conjunction with public improvements identified in the plan
	3.23 Park Improvements (Triangle Square)	3.23 Renamed: "East Front Street Gateway Improvements"
	<p>Note: TIF 97 has funded the completion of all/components of several projects listed above (column B) as well as projects that fit under the broad-based purposes of TIF (column A).</p> <p>Note: TIF 97 has been amended four times over the last 26 years with no change in years to complete</p>	3.24 New: Lower Boardman/Ottaway River Improvements (Implementation of projects within the broad categories identified by the Unified Plan)
		3.25 New: Mobility Improvements (Implementation of projects within the broad categories identified by the Mobility Plan)
		3.26 New: Redevelopment of Lot G with a mix of ground floor retail and housing
		3.27 New: District Wide Heating and Cooling System (Implementation of a district wide snowmelt system)
		3.28 New: Composting Program
		3.29 New: Farmers Market Improvements