

Traverse City Downtown Development Authority Study Session

Friday, April 14, 2023

12:00 pm

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



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

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

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

**Welcome to the Traverse City Downtown Development Authority
study session**

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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: Downtown Development Authority Board

From: Jean Derenzy, DDA CEO

Date: April 7, 2023

Re: Traverse Connect Update

Warren Call, President and CEO, of Traverse Connect, will be in attendance at our study session to provide an update on activities related to our partnership. Traverse Connect is our regional economic organization and works on attracting new business to the region as well as supporting the growth of our existing companies.

As you recall, “supporting job growth and varied career opportunities” is one of the *Guiding Principles* listed in the Moving Downtown Forward Plan – our partnership with TraverseConnect helps us advance this principle as well as the other economic development activities of the DDA.



Traverse City Downtown Development Authority Update April 14, 2023

Traverse Connect's partnership with the Traverse City Downtown Development Authority, the City of Traverse City, and other municipal entities is an important aspect of the comprehensive public/private partnership to drive economic development in the Grand Traverse Region. Taken together, this coordination sends a strong message that our region is supportive, collaborative, and a great place to grow a business and build a career.

The ongoing economic development services agreement between the Traverse City DDA and Traverse Connect outlines specific marketing and promotional activities focused on business and entrepreneurial attraction, as well as talent attraction efforts.

In addition to the focus outlined above, Traverse Connect continues to execute on our broad-based economic development objectives; enhancing the competitiveness of our region, direct support for growing firms, and workforce attraction and development.

Traverse Connect provides the DDA board with regular reporting to track the effectiveness of our work for targeted projects and the broader impact on the overall economy. Quarterly "Growth Barometer" reporting provided updates and metrics detailing the regional business sentiment and current challenges. Traverse Connect's annual report detailed strategic plan outcomes, industry-specific results, and regional dashboard metrics. Additional reports;

- **Q1 2022 Growth Barometer Report:** [Link](#)
- **Q2 2022 Growth Barometer Report:** [Link](#)
- **Q3 2022 Growth Barometer Report:** [Link](#)
- **Q4 2022 Growth Barometer Report:** [Link](#)
- **2022 Traverse Connect Annual Report:** [Link](#)

This report supplements the broad-based quarterly and annual reports with updates and progress on the specific digital marketing campaign objectives outlined in the ongoing services agreement.

As part of our agreement, Traverse Connect also provides direct organizational support services to the Traverse City DDA for events, communications, and professional development programs.

- **250+** Traverse City DDA information page views on Traverse Connect website
- **160+** Direct communications for news, events, programs, etc.
- **33** Direct referrals from Traverse Connect to the DDA
- **24** DDA attendees at Traverse Connect events

202 East Grandview Parkway, Traverse City, MI 49684
231.947.5075 | info@traverseconnect.com | traverseconnect.com

Business Attraction

Traverse Connect continues to directly promote the availability and attractiveness of DDA district office space to potential second-story tenants. We have engaged with startup and potential relocation businesses from diverse industries including boat manufacturing, electric charging componentry, video game development, outdoor recreation technology, industrial design, lab equipment technology, and financial services. Educational institutions and an Innovation Park developer have also toured space in the DDA district. In addition, we partnered with the Michigan Economic Development Corporation on a Familiarization Tour that brought national-level industrial site selectors to Traverse City. Highlights include;

- Traverse Connect hosted a roundtable event on 8/1/22 for approximately 65 attendees from across the country at Hotel Indigo during the annual CAR Conference week, in partnership with MICHAuto, MEDC, and the Michigan Office of Outdoor Recreation. The purpose of the event was to facilitate a discussion on the intersection of Michigan’s outdoor recreation, electrification, and mobility industries.
- Traverse Connect has established recurring meetings that bring together the Michigan Economic Development Corporation (MEDC), the Michigan Department of Environment, Great Lakes, and Energy (EGLE), and the Michigan Office of Outdoor Recreation Industry to discuss attracting outdoor recreation businesses to locate in the Grand Traverse region.
- Traverse Connect has been assisting AQUA SuperPower with establishing their rapid marine chargers at various coastal locations in Northern Michigan. We facilitated a discussion with AQUA superPower, the City of Traverse City, and Traverse City Light & Power leadership, to encourage the installation of Traverse City's first marine electric charger at Clinch Park marina. Traverse Connect hosted AQUA superPower’s VP of Business Development, Scott Canning, as well as Cri Boratenski, head of US Operations for Vita Yachts.
- Traverse Connect’s electric boat charging corridor concept has been featured in the most recent edition of the [Governor’s State of the Great Lakes Report](#) and the Front Street Irregulars gathering in October 2022 introduced speakers on the topic of Traverse City’s industry cluster development including e-boat opportunities.
- Traverse Connect has met with prospective companies that wish to relocate, establish satellite offices, or create headquarters in the Traverse City area, including Winnebago, Mercury Marine, Hercules Boats, Lilypad, (in addition to Aqua SuperPower and Vita Yachts mentioned above). Traverse Connect has provided these companies with business relocation resources, connections to municipalities, utilities, funding sources, and grant opportunities and incentives.
- Traverse Connect is working with the MEDC’s Office of Future Mobility & Electrification (OFME) to establish and jointly promote a new grant program – *The Fresh Coast Corridor Challenge* – which will offer several grants, totaling \$500,000, to companies developing cutting-edge technology in the field of electrification on waterways and decarbonization in marine and freshwater environments.

- Traverse Connect has met with High Street Insurance to further support their impressive growth and the expansion of the company’s workforce located in the region, as well as their efforts to host executive leadership summits and staff training in Traverse City.
- Traverse Connect has been directly involved in an opportunity to bring a new financial services firm to the region. This company, with national-level investment and staff and contractors from around the country would be headquartered and domiciled in Traverse City. We are currently supporting the founders in obtaining the final state and federal regulatory approvals and hope to see an announcement later this year.

Digital Marketing

The DDA Business Attraction Digital Marketing Campaign includes both display and search digital campaigns to promote and market the district to entrepreneurs and existing businesses in southern Michigan and targeted states. The initial phase of the campaign ran in spring of 2022 and was continued in summer of 2022, with results displayed below. Phase three will be initiated in the spring of 2023, suspending active promotion during the winter months but continuing with messaging on social media and in newsletters.

Spring/Summer/Fall 2022 Campaign Analytics:

- More than 150,000 impressions per day across Google Display and Meta Ads
- 11,890 total ad clicks across Google Display and Meta Ads
- Top Metro Markets – Google Search & Display:
 - Lansing
 - Kalamazoo
 - Saginaw
- Top States – Meta Ads:
 - Texas
 - California
 - Florida

2023 Search and Display Advertising

Michigan’s Creative Coast marketing and advertising outside of Michigan will include creative assets focused on all aspects of life in Downtown Traverse City, including cultural and social activities, business, nonprofit organizations, and outdoor recreation. This effort is focused on attracting entrepreneurs, small business owners, remote workers, and talent of all industries to the Traverse City region.

Talent and Remote Worker Attraction

Traverse Connect has continued and expanded our successful marketing campaign for Michigan’s Creative Coast to grow brand awareness of Traverse City and the Grand Traverse region to attract

out-of-state talent, remote workers and mobile entrepreneurs. These employees and entrepreneurs are attracted to a supportive entrepreneurial environment, abundant natural beauty, cultural amenities, and quality of life attributes.

Marketing is focused on the key demographics of the 25 to 45 age group who work in or are looking to work in the trade, tech, or creative industries. The program utilizes video production, photography, and creative ad design in digital advertisements across channels such as Google search, display network, & social platforms.

National Article Campaign: Traverse Connect initiated a series of articles with Livability Magazine that highlight Traverse City, Michigan's Creative Coast resources, and our entrepreneurial ecosystem. The articles listed below are promoted on LinkedIn and Facebook.

- **October–November–December:** [7 Reasons To Live in Traverse City, Michigan](#)
- **January–February:** [Move to Traverse City, MI \(And Bring Your Job With You\)](#)
- **March–April:** [The Cost of Living Diaries: Traverse City, MI](#)
- **May–June:** [Why Entrepreneurs and Tech Start-ups Are Flocking to Traverse City, MI](#)
- **July–August:** [Why I Love My City: Traverse City, MI](#)
- **September:** *Promotion of highest performing article from above list

Frequency: Advertising of highlighted stories is rotated quarterly based on social media traffic and click performance, with options to run two story highlights simultaneously.

Audience Info / Segmentation: Age: 22 – 40, college educated, young families, entrepreneurs, business owners, residents of metro areas that may wish to relocate for quality of life reasons.

DDA Digital Resource Modernization Initiatives

The Traverse City Downtown Development Authority has an opportunity to drive improvements with internal programs as well as in support of independent DDA district retailers. Traverse Connect proposes to work with DDA staff to implement several digital modernization efforts that will create internal efficiencies and growth opportunities for downtown businesses.

Digitize Downtown Employee Discount Card: Traverse Connect will research best practices and examples for digitizing downtown shopping rewards and discount programs. Based on the findings Traverse Connect will implement a digital solution (e.g., an app or online platform) to digitize the existing Downtown Discount card.

Digitize DDA Downtown Gift Card: Traverse Connect will research best practices and examples of gift certificate programs. Based on the findings Traverse Connect will establish and implement a new digital gift card program for the DDA.

E-Commerce for DDA Businesses: Traverse Connect will work to establish and publish guidelines, recommended actions, and workshops for DDA businesses to upgrade and take their businesses online via e-commerce platform(s).

Broad Regional Initiatives

Our region's economic development efforts are increasingly effective and more coordinated with collaboration between private and public sector partners. Traverse Connect continues to direct and support these efforts as envisioned in the community's 2019 economic development strategic planning process and has outlined several key priorities for 2023 collaboration.

Local Development Toolbox: Improve, expand, and market local incentives, including tax exempt revenue bonds, renaissance zones, brownfield, and land bank programs.

Talent-Oriented Economic Development: Work to mitigate significant and persistent labor shortages by addressing specific workforce challenges including workforce housing solutions, placemaking initiatives, and employee training programs.

Industry-Specific Events and Studies: Improve presence, participation, and attendance at key economic development events such as the CAR Conference, North American Space Summit, and NMC Lakebed 2030 Conference.

Metropolitan Planning Organization: Leverage the pending Census Bureau designation of our region as an MPO, with significant implications for the metropolitan planning process and federal transportation funding.

Industry Cluster Priorities: Develop and attract companies, researchers, and conferences by drawing upon our region's existing economic, educational, and geographic assets for industries such as marine technology, rural health, and unmanned aerial systems.



 **TRAVERSE
CONNECT**
— 2022 —
**ANNUAL
REPORT**

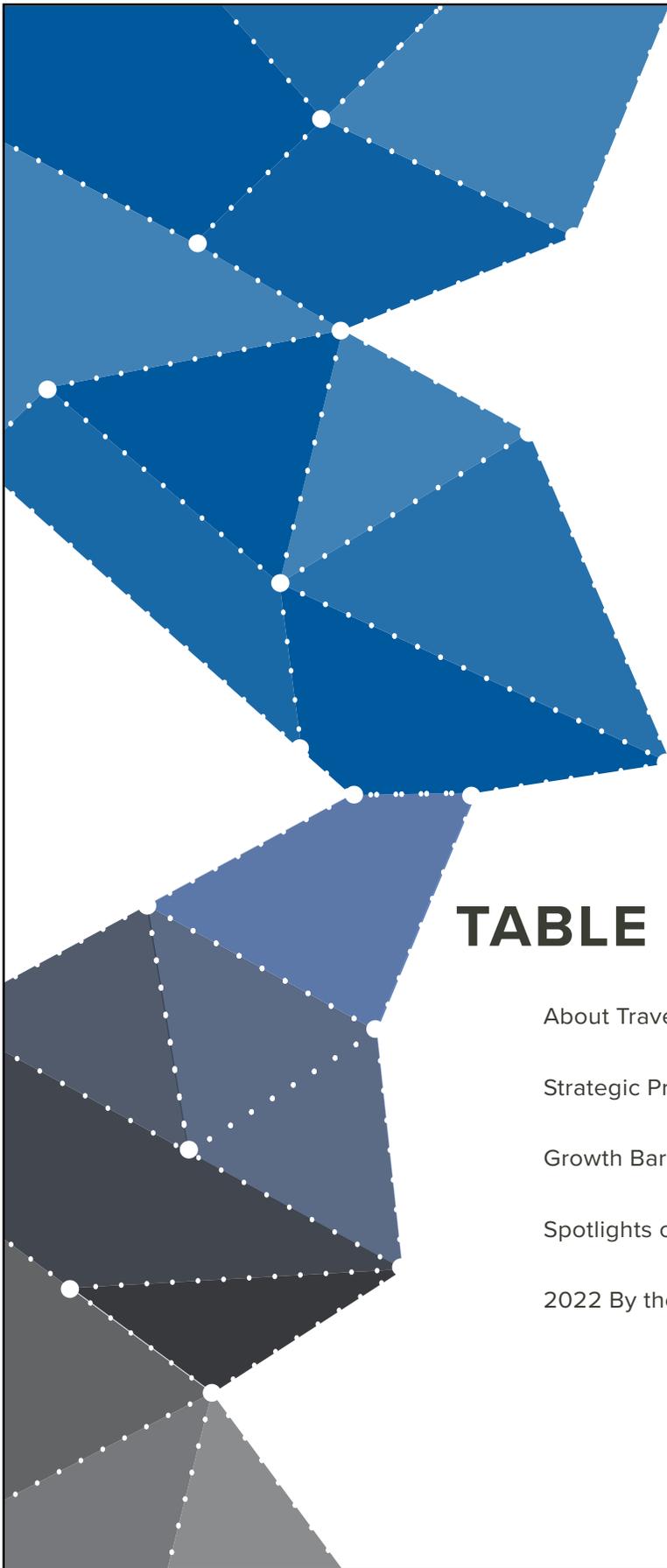


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TO OUR INVESTORS AND PARTNERS

The Grand Traverse regional economy enjoyed considerable positive momentum throughout 2022. Your organizations continued to demonstrate incredible creativity and resiliency to grow your businesses with ingenuity and move our community forward. Thank you to our member companies, community partners, and public sector leaders for driving sustainable regional growth. It is Traverse Connect's distinct honor to support your hard work.

As we continue to implement our strategic goals to improve the competitiveness of our region, foster business growth, and develop and attract a bright workforce, your businesses' and organizations' success is our first concern. We carried out your priorities in a number of crucial areas with success.

Our state-level advocacy work was successful, and in Lansing, we were able to pass several important bills. With an emphasis on enhancing the business environment in rural areas, Traverse Connect was instrumental in the planning, formation, and budget request leading to the creation of the new Office of Rural Development. We led a bipartisan coalition to pass a package of childcare bills that will make it easier to find and afford the care options our community needs. To support your workforce development, we successfully lobbied for the approval of a bipartisan package of state housing legislation in collaboration with our partners, the Northern Michigan Chamber Alliance and Housing North.

Traverse Connect launched a program in collaboration with Grand Traverse County to increase and enhance resources for our region's manufacturing businesses. This program includes upgrades to Industry 4.0 technology, improved communication with the Grand Traverse Area Manufacturing Council, and direct support for talent development. Nearly 100 regional businesses and entrepreneurs were featured in our "Grow Your Business" campaign, and we welcomed 96 new member businesses.

In our joint endeavor to create a qualified workforce with a variety of educational backgrounds and technical training, we made significant progress. We started the Skilled Trades Explorers Program in collaboration with Kingsley Area Schools to give middle school students a chance to learn more about skilled trades career paths. Our partnership with Michigan Tech facilitated the rollout of the new hybrid TechMBA® program focused on management skills in the manufacturing and technology sectors. More than 1,500 jobs are viewed each month on our Michigan Creative Coast job board.

Our collective efforts are leading to noticeable improvements in several key data points: 47.2% of our population now has a bachelor's degree or post-secondary certificate; we are growing our prime working age population of those 35-49 years of age; we have added new jobs in scientific, professional, technical, and IT fields; our GDP per employee has grown from \$67,000 to nearly \$70,000 per year; and local average wages have grown faster than the state of Michigan as a whole.

Forward-looking regional business sentiment is also on the upswing, with quarterly survey results showing that over 90% of businesses say that the Grand Traverse region is a good place to grow a business, and 77% of respondents say our region is improving as a place to grow a business, a figure that increased steadily throughout 2022.

We anticipate a successful and prosperous year ahead. The stories of local companies fostering economic expansion for our region, highlighted below, illustrate the important positive impact you and your businesses have on our region.

Only with the involvement and financial support of our members and partners is our work possible. We sincerely appreciate your ongoing support.



Sara Harding
Chair
Board of Directors



Warren Call
President & CEO
Traverse Connect

ABOUT TRAVERSE CONNECT

MISSION

To advance the economic vitality of the Grand Traverse Region through the growth of family-sustaining careers.

VISION

By 2030, the Grand Traverse Region will be a diversified economic destination of choice powered by growth-oriented enterprises providing competitive total compensation to match our world-class quality of life.

BOARD OF DIRECTORS

Sara Harding

Chair

Cherry Republic

Russ Knopp

Past Chair

Comfort Keepers

Matt Wille

Vice-Chair

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Goodwill Industries of Northern Michigan

Trey Devey

Interlochen Center for the Arts

Doug DeYoung

Consumers Energy

Laura Galbraith

Venture North

Paul Heidbreder

Traverse City Record-Eagle

Don Howe

Century Inc.

Jennifer Jones

Huntington Bank

Kevin Klein

Traverse City Airport

Jordan Lindberg

Stardust Memorials &

eFulfillment Service

Fernando Meza

Oneupweb

Chris Morse

Rehmann

Bill Myers

Promethient, Inc.

Nick Nissley

Northwestern Michigan College

Steve Perdue

Grand Traverse Industries

Amy Shamroe

City of Traverse City

Jessica Sullivan

Legado Family Office Management

Whitney Waara

Traverse City Tourism

Tonya Wildfong

Team Elmer's

Traverse Connect's accomplishments for 2022 are summarized in relation to our six focus areas that are aligned to our strategic priorities of enhancing the competitiveness of the Grand Traverse regional economy, driving growth of second-stage businesses, and developing and attracting a talented workforce.

STRATEGIC PRIORITIES

IMPROVING THE POLICY LANDSCAPE

- Traverse Connect coordinated with partner organizations to develop a comprehensive action plan for ARPA and Infrastructure funding. In partnership with Networks Northwest, Rotary Charities, and the Grand Traverse Regional Community Foundation, we developed a portfolio of potential projects in the five-county area that can be candidates for state and federal ARPA funds. The coalition received nearly 150 submissions for potential projects.



- Traverse Connect was instrumental in the planning, formation, and budget request leading to the creation of the new Office of Rural Development at the state level. The new office provides designated departmental staff to support rural Michigan communities and funding to implement a new rural grant program to support broadband, housing, infrastructure, education, workforce development, and other needs unique to rural areas of Michigan. In addition, we were instrumental in the passage of a package



of childcare bills in Lansing that will help to increase availability and affordability of care options to support staffing needs.

- Traverse Connect and the Northern Michigan Chamber Alliance published comprehensive election information to educate our region's business community on the fall 2022 elections and the issues most important to small businesses and our rural communities. Information included comprehensive candidate questionnaires for Michigan Senate and House races across northern Michigan, questionnaires from Grand Traverse County Commissioner candidates, a primary election guide, and a detailed breakdown of the new state House and Senate districts.



- Traverse Connect, the Northern Michigan Chamber Alliance, and Housing North successfully advocated for the bipartisan effort to pass a package of state housing legislation in December. The package provides new tools to address our local housing needs in several important ways, including new payment in lieu of taxes (PILOT) programs and temporary tax abatements for multi-family and single-family housing. Traverse Connect, the Northern Michigan Chamber Alliance, and Housing North attended the bill signing in Lansing.



STRATEGIC PRIORITIES

TELLING THE STORY OF OUR REGIONAL ECONOMY

- Traverse Connect initiated its “Grow Your Business” communications campaign, highlighting companies and entrepreneurs across the region in an effort to tell the full story of our diverse regional economy. The campaign included over a dozen articles and featured nearly 100 local businesses across newspapers, business periodicals, and social media platforms in the first quarter alone.

- Traverse Connect hosted the third annual Scale Up North Awards in May, with many great participant companies, including Oryana Community Cooperative as the winner of the Hagerty Scaling Business Award and FirstIgnite as the winner in the Emerging Business category. The program generated significant statewide press highlighting the diversity and strength of our regional businesses.



- The new [Economic Development landing page](#) on Traverse Connect's website launched in the summer, which emphasizes our Entrepreneurial Ecosystem Growth Model, reports the Scale Up Growth Barometer, and highlights key 'industry cluster' developments, including a webpage covering the growth of Northern Michigan's Blue Economy and how the Grand Traverse region is well positioned to be the global epicenter for freshwater innovation.

developments, including a webpage covering the growth of Northern Michigan's Blue Economy and how the Grand Traverse region is well positioned to be the global epicenter for freshwater innovation.



- Traverse Connect hosted its Annual Economic Summit in November, which featured keynote speaker Quentin L. Messer, Jr., CEO of the Michigan Economic Development Corporation. Mr. Messer and leaders from the Office of Rural Development, the Home Builders Association, and the Michigan Manufacturers Association also participated in a panel discussion that covered key regional issues, including manufacturing expansion, housing development, skilled trades, and broadband internet infrastructure.



STRATEGIC PRIORITIES

ADDRESSING THE NEEDS OF GROWING FIRMS

- Traverse Connect continues to work with private and public sector partners on targeted industry support services to companies in the manufacturing and skilled trades sectors. These efforts are intended to outline and develop actionable solutions for pressing challenges, including increased access to flexible capital options, programs to support the development of key employees, and improvements to the long-term talent development pipeline in our region.



SKILLED TRADES EXPLORERS PROGRAM
 Kingsley Middle School 2022/23
OCTOBER-DECEMBER 2022
 Tuesdays
 3:30-5:00 p.m.
 Room #25
 Mr Bob Shoaff - bshoaff@kingsleyschools.org

There has never been a better time to consider a career in the skilled trades and construction workforce!

The Skilled Trades Explorers Program is an eight-session program held once a week for 1.5 hours after school hours in Room #25 (The Wood Shop). The Program will help you explore career options in the skilled trades and help you gain inspiration into what particular skill or trade interests you most. By joining the Skilled Trades Explorers Program you'll gain:

- Hands-on learning in general construction, basic carpentry, plumbing and electrical skills that are used in skilled trades careers
- Meet construction trade professionals and guest speakers
- Learn why choosing a skilled trade can be a smart and fulfilling career path for you and how to make a plan to meet your career and life goals

FREE REGISTRATION:



SIGN UP TODAY!

<https://bit.ly/STEPKINGSLEY>




- In partnership with Kingsley Public Schools and Build Your Life, Traverse Connect launched the first Skilled Trades Explorers Program for middle school students. The free eight-week program helped 20 students explore career options in the skilled trades through after-school sessions with local professionals in the construction, carpentry, plumbing and electrical industries. Following the conclusion of the program, parents offered their enthusiastic support for continued growth and expansion of the program into new districts.

“Keep doing this! We need to educate our youth on careers that are not college based.”
 - Kingsley parent

“The program was amazing. I tell everyone about it and friends and family in other schools or states are very jealous and think it’s amazing.” - Crystal, Kingsley parent

- Traverse Connect initiated a partnership with the [Grand Traverse](#)

[Area Manufacturing Council](#) to strengthen the manufacturing industry and increase economic investment in the Grand Traverse region. Formal collaboration between our two organizations enhances our respective efforts and helps to raise the profile of the Grand Traverse region as a leader in providing a supportive environment for manufacturing companies to grow and prosper.

- A ‘Manufacturing Resources Awareness Campaign’ centered around developing and publishing a [Manufacturing Resource webpage](#) that provides Grand Traverse area manufacturers with the resources they need to grow and expand their businesses and improve the local manufacturing sector’s sustainability and growth.



- One of our significant development projects is moving forward with the announcement that Lear Corporation is slated to initiate a major expansion of their Traverse City location as part of their electric vehicle battery program. This expansion, including a new \$28M facility in Traverse City with 79 new high-paying advanced manufacturing jobs, will provide significant economic value to our regional economy and is an important next step in growing the segment of our workforce engaged in advanced and high-technology manufacturing.



STRATEGIC PRIORITIES

CREATING INTERACTIONS FOR BUSINESSES

- Business engagement was robust in the first quarter, with Traverse Connect providing over 60 business referrals and welcoming 33 new member companies. We conducted over 200 business outreach and retention visits and hosted a dozen events, such as the DEIB Summit, Coffee Connection, and the Northern Michigan Policy Conference with well over 400 total attendees, providing an opportunity for business and community leaders across our region to reengage with customers, clients, and partners.
- In the second quarter, Traverse Connect's business engagement included 125 direct business referrals and 22 new member companies. We conducted over 100 business outreach and retention visits and hosted nearly twenty events with well over 1,000 total attendees. Traverse Connect presented the third Scale Up North Awards Finals - the first to be in-person - in addition to the Distinguished Service Award Luncheon, Leadership Lessons from the Field with women leaders in sports from around the country, and the first of three Economic Strategy Session events of the year.
- The third quarter saw continued momentum with Traverse Connect's business engagement. We made 54 direct business referrals and welcomed 22 new member companies. We conducted over 140 business outreach and retention visits. We hosted 15 events with nearly 900 total attendees, including the Leadership Grand Traverse Golf Outing, Bully Pulpit, and two Economic Strategy Session events.



- Traverse Connect's business engagement continued on a strong trend for the fourth quarter, with 57 direct business referrals and 19 new member companies. We conducted 50 business outreach and retention visits and hosted seven events with a total of 985 total attendees, including the Annual Economic Summit - the highest-attended event of the year - and the Traverse Connect Candidate Forum with Michigan House and Senate candidates.



STRATEGIC PRIORITIES

BUILDING THE TALENT PIPELINE

- Traverse Connect launched a new [Internship Resource Portal](#) as part of the [Michigan's Creative Coast](#) program to support local companies in finding their next generation of talent. In addition, a new resume portal allows prospective employees to upload their resumes to a database that is shared with over 250 regional employers and HR Managers on a biweekly basis.
- The next step in our region's growing partnership with Michigan Technological University was announced in Q2. The new hybrid option of the TechMBA® program focused on business management skills in the manufacturing and technology sectors. The 30-credit degree program began in fall 2022 and included a cohort of students participating in person from the Michigan Tech Grand Traverse Research Office in the Traverse Connect building.



- A cohort of “[Northern Explorers](#)” were invited to attend the Traverse Connect Annual Economic Summit to learn more about our area’s exceptional career opportunities and lifestyles. These individuals from outside the Grand Traverse region wish to relocate here and represent a range of skills and expertise. Since the November event, several program participants have subsequently found jobs with local companies.
- Traverse Connect hosted four [Fresh Coast Quarterly Club](#) meetups for newcomers and current residents. The Meetups are an opportunity to gather in a welcoming space with other people living in the Grand Traverse region, as well as being a great way for remote workers and newcomers to the region to get plugged into a network, meet new people, and learn about one of the most vibrant arts & culture communities in Michigan, the Midwest, and beyond. [Sponsorships for 2023](#) are available.
- Traverse Connect’s [Community Mentoring](#) program launched to pair professionals in all stages of development with mentors aligned with competencies in which they sought further development. [Leadership Roundtables](#) expanded to serve manufacturing professionals and women executives. Applications for these, and all roundtables, are open to Traverse Connect investor companies.



STRATEGIC PRIORITIES

FOSTERING A CULTURE OF OPENNESS AND CREATIVITY

- Traverse Connect hosted the 2022 DEIB Summit, with over 150 total attendees who participated in employment and recruiting-related discussions with speakers and panelists. We have secured discounted rates from a DEIB facilitator for our member companies that wish to initiate or further diversity and inclusion training programs in their organizations.
- Traverse Connect has been awarded a Michigan Enhancement Grant to continue successfully driving out-of-state web traffic to the Michigan's Creative Coast job board, relocation resources, and regional information. This talent attraction program has also added new resources, including detailed information on housing, community engagement, and childcare.
- The Michigan's Creative Coast Freelance & Independent Talent Directory launched in the fall to showcase the creative freelancers and independent entrepreneurs "making it" in the



Grand Traverse region. The directory offers these entrepreneurs a microsite to showcase their resumes, portfolios, and services to businesses and employers looking for local talent. Two types of listings offer standard and enhanced marketing through Michigan's Creative Coast newsletters and social media.

- Traverse Connect continues to develop and improve diversity training programs and resources for our member companies and partner organizations. For 2023, we are launching an in-kind partnership with the Michigan Diversity Council to offer DEIB education and training opportunities to businesses and nonprofit entities across the Grand Traverse region.
- Five new local newcomers and longtime residents joined the Michigan's Creative Coast Northern Navigators program as regional ambassadors. Twenty-eight Northern Navigators come from a wide range of backgrounds, and offer diverse perspectives on living in the Grand Traverse region to newcomers while helping them get connected and feel welcomed.

CALLING ALL FREELANCERS, ARTISTS, SELF-EMPLOYED PROFESSIONALS, AND INDEPENDENT CONTRACTORS!

Are you ready to join the first-ever digital Freelance & Independent Talent Directory of the Grand Traverse region?

MICHIGAN'S CREATIVE COAST FREELANCE & INDEPENDENT TALENT DIRECTORY

MAKE IT HERE.

The Michigan's Creative Coast Freelance & Independent Talent Directory showcases the creative freelancers and independent entrepreneurs 'making it' in the Grand Traverse region. The directory offers these entrepreneurs a microsite to showcase their resumes, portfolios, and services to businesses and employers looking for local talent and creates business-to-business development with local businesses and freelancers.

Directory listings start at \$100 for a 12-month subscription.

See the features and benefits and sign up today!

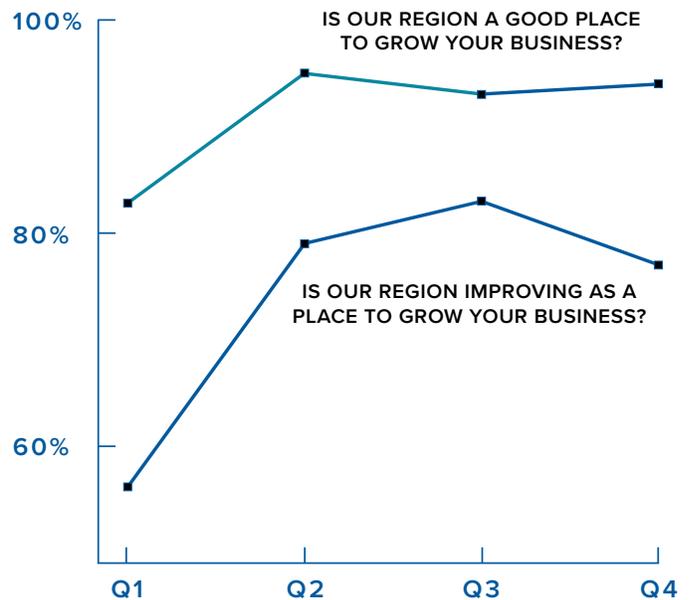
michiganscreativecoast.com/freelance





GROWTH BAROMETER & REGIONAL DASHBOARD

Measuring Entrepreneurial Ecosystem Building can be difficult and complex, but there are key performance indicators to highlight progress. We have adopted the use of a local Scale Up Growth Barometer measurement, adapted from the Babson College Entrepreneurship Ecosystem Platform, which asks two important questions of our local business community:



REGIONAL DASHBOARD

Traverse Connect is tracking five metrics in Talent Attraction & Development and Economic Development to measure the region's progress against our organization's vision and goals for 2030. The vision: By 2030, the Grand Traverse region will be a diversified economic destination of choice powered by growth-oriented enterprises providing competitive total compensation to match our world-class quality of life. Data is an imperfect, yet necessary, tool to measure those gains. All five key metrics on the Traverse Connect [Regional Dashboard](#) have trended positive for 2022.

TALENT ATTRACTION & DEVELOPMENT			ECONOMIC DEVELOPMENT	
BACHELOR'S DEGREE OR POST-SECONDARY CERTIFICATE 2030 GOAL: 60%	GROWTH OF PRIME WORKING AGE POPULATION (35-49) 2030 GOAL: 5%	SCIENTIFIC, PROFESSIONAL, TECHNICAL, & IT JOBS 2030 GOAL: 3,200	ANNUAL GDP PER EMPLOYEE 2030 GOAL: \$84,000	STATE AVERAGE WAGE PERCENTAGE 2030 GOAL: 90%
47.2% ▲	1% ▲	2,719 ▲	\$69,719 ▲	86% ▲

INVESTOR SPOTLIGHT

CENTURY, LLC

Century has been manufacturing and heat-treating parts in Traverse City for fifty years. The Janis family owned and operated Century Specialties and Century Sun Metal Treating from its inception. The first ownership change in the company's history occurred in June of 2021 when a group comprised of heavy hitters in the manufacturing world purchased the company. The last year and a half have seen a renewed effort by Century's ownership and management to rebuild relationships within the community.



Leadership team members are sitting on advisory boards at the Career Tech Center and have hosted multiple tours for students of their welding, machining, and engineering programs. We are also working closely with similar programs run at Northwest Michigan College. In addition, we are actively engaged with Northwest Ed and the programs they support.



Reengaging with Traverse Connect has been extremely beneficial to Century, LLC over the past year. We've hired a handful of employees that moved to Traverse City from other parts of Michigan and across the country. The resources that are available for transplants to our corner of the state are invaluable.

2022 was a year of stabilization and growth for Century. Early in the year, supplier and labor shortages impacted our manufacturing and thermal processing efficiencies. As we managed these disruptions and adjusted to fill key positions, the industries and customers we serve saw a steady increase in demand for our services and products. Century observed an increased demand overseas and domestically for our industrial tooling, aerospace, and energy components, along with heat-treat services that support automotive, aerospace, energy, performance off-road, heavy agriculture, flat rolled products, copper rod production, and seamless tube production for nuclear, aerospace, and chemical processing. The growing demand created a heavy workload for our workforce and impacted our turnaround performance. In the third quarter, our actions in employee retention and recruiting capacity relieved hiring lulls, driving throughput and contracting lead times. We have ended the year with a stronger workforce and increased flexibility to meet market demands. Inflationary trends throughout the year created many headwinds in raw materials, outsourced special processing, fuel, and energy costs. As a business, we took action to predict future risks and minimize the impact on the organization. We launched new training programs to increase employee training and drive operational efficiencies to create a stronger base going into 2023, where we forecast growth across the majority of our products and services.



Cross-training and diversifying the workforce will be a key focus for Century's resiliency as we grow. As customer order demand changes and industry sectors adjust to deal with inflation and economic fluctuations, we must be able to shift roles quickly and efficiently to meet that change. We are actively monitoring technological advances and evaluating our equipment to improve processes and identify efficiencies our workforce can implement to align our capabilities with market needs and our vision.



TALENT SPOTLIGHT

FUSTINI'S

At Fustinis, we strive to provide the best selection of oils and vinegars for everyone, for the beginning cook, to area chefs in many of our excellent restaurants. Our goal is to make the guest experience inspirational, informative, and fun. The pandemic made us look at things in a new way. If there is one thing we have learned, it is how to be adaptable. The challenges of the last few years have brought us chaos and a terrific opportunity. We have assessed our company's strengths and weaknesses and delved right into becoming a great place to work.



We conducted an internal poll of our employees and asked them to share their pain points. Not surprisingly, the cost of food, gas, and overall stress were at the top of the list. We knew we wanted to help our staff in these areas but didn't know where to begin. A quick meeting with Traverse Connect soon put us on a path. We implemented programs to help with these pain points, aiming to make measurable changes, not just provide a quick fix.

Key to addressing stress was the EAP (employee assistance program) available through Traverse Connect to all investors. Open to all employees, the EAP program offers a wealth of resources. One look at the website found counseling options, financial assistance options, and web seminars on personal finance. Within two weeks, our employees made contact with at least six resources, dealing with everything from grief counseling to animal sitting. Clearly, we would never have known about EAP without the guidance of Traverse Connect.



We had a strong year in all four locations, including Traverse City. The strength of the community is evident all year, but never as much as at the holidays. Our Men's Night and Ladies' Night brought us record sales, and it was great to see so many familiar faces.

The collaboration between local businesses and nonprofits has always been important to us and is something we will focus on this year. While we have always supported nonprofits who share our vision of helping people make healthy choices, this year, we plan to do it more deliberately. We will be rolling out some new initiatives in Q1 to help support those facing food insecurity. Stay tuned for us to share those with the community in the coming months.

Having a resource as talented and well-connected as Traverse Connect at our disposal has been immensely helpful. We have made connections that have helped us remain engaged with our community, on which our success depends.



ADVOCACY SPOTLIGHT

OFFICE OF RURAL DEVELOPMENT

Traverse Connect and the Northern Michigan Chamber Alliance in 2019 helped convene a group of nearly 100 stakeholders to develop a new concept – a new state Office of Rural Development (ORD). The goal of the ORD would be to support rural communities as they work to address their unique needs and to ensure coordinated, holistic action on complex opportunities and challenges, including workforce attraction, infrastructure, and access to health care.



In January 2022, Gov. Gretchen Whitmer heard our call and established the ORD within the Michigan Department of Agriculture and Rural Development (MDARD). In February, the governor subsequently made an official request in her executive budget recommendation to fund the ORD.

Later in the spring, the House MDARD Appropriations Subcommittee met to discuss funding for the new office. Though most legislators agreed with the concept, they had questions about specific functions of the office and were reluctant to approve funding until those questions were answered.



The immediate need for the new ORD was an experienced leader who could quickly develop a specific policy framework and office structure.

When former Lake Superior Community Partnership CEO and Alliance partner Sarah Lucas decided to apply, Traverse Connect actively supported her appointment. We engaged with interested stakeholders to contact the governor's office and help ensure that Sarah, an experienced community leader from northern Michigan, would fill that role.

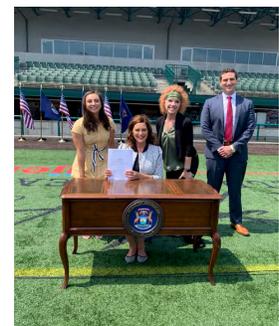
Indeed, on March 15, MDARD announced they had selected the former Traverse City resident and Alliance member to be the new Deputy Director for Rural Development, a significant win for northern Michigan and the Upper Peninsula.

Traverse Connect worked closely with the Northern Michigan Chamber Alliance (NMCA) and Director Lucas over the spring and summer to develop a specific policy framework and office structure. Our efforts helped develop a detailed office structure and list of objectives that answered questions from lawmakers.

Traverse Connect visited Lansing in June to meet with legislators and distribute this document, along with a letter of support demonstrating the broad range of support from nearly 100 Economic, Health, Energy, Education, and Labor organizations from across Michigan. Legislators appreciated the personal visit to share information and answer questions.

After months of work, legislators and the governor agreed on \$3.5 million in funding to launch the ORD.

Four years ago, the ORD was a new idea developed by Traverse Connect and other stakeholders from across northern Michigan. As of January 2023, the ORD will have four full-time staff dedicated to restoring vitality to rural communities through new policies and the development of a new rural grant program.



Traverse Connect looks forward to a continued partnership as the Office of Rural Development examines new, creative solutions to retain and attract talent in northern Michigan.

2022 BY THE NUMBERS

372
DIRECT MEMBER REFERRALS
IN 2022

29,778
SEARCHES OF OUR
INVESTOR DIRECTORY

+48%
REFERRALS TO INVESTOR
WEBSITES FROM DIRECTORY
FROM 2021 TO 2022

100+
MENTIONS BY LOCAL AND
STATE MEDIA

+8.6%
INCREASE IN FACEBOOK
PAGE FOLLOWERS



+51.6%
INCREASE IN
EMAIL LINK CLICKS



61.3K
WEBSITE USERS



+40.9%
GROWTH IN MICHIGAN'S
CREATIVE COAST
INSTAGRAM FOLLOWERS

26.4K
MICHIGAN'S CREATIVE
COAST JOB BOARD VIEWS



77.7K
MICHIGAN'S CREATIVE
COAST WEBSITE VIEWS



8.4K
NORTHERN NAVIGATOR
PAGE VISITS





Grow your business



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 7, 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 their April meeting.

At the study session, I will go 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.



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Peter S. Haefner, CPA
(616) 460-9388

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,

Ordedald Haefner LLC



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

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredevelde, CPA
(616) 446-7474
Peter S. Haefner, CPA
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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
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
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.	
Add: Capital Outlay	1,758,802
Noncurrent assets recorded on the fund statements are not available to fund current year operations and are unavailable in the funds.	
Deduct - payments received on long-term receivables due from other governments	(185,976)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Add - decrease in compensated absences	<u>11,002</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</u> <u>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 it's first taxes during the fiscal year end June 30, 2018. Real and personal property taxes are levied and attach as an enforceable lien on properties located within the boundaries of the tax increment financing

**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



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Peter S. Haefner, CPA
(616) 460-9388

**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



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 8, 2023
Re: 2023/2024 Budget

I am working to build the 2023/2024 budget. The budget 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 20: DDA Board reviews budget and schedules public hearing for May 19
May 19: DDA 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, 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.

Old Town Financing Plan

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

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 an 2% increase built in per year.

Public Infrastructure Projects

A. Midtown Riverwalk Upgrade/Replacement

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 Lower Boardman Unified Plan, the Conceptual Plan for the 100/200 block Riverwalk as well as the Boardman Lake Loop.

B. Hannah Park Improvements

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 current 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

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

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

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 are 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. In addition, 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 \$400,000/year with an 2% increase per year.

Professional Services

A. TraverseConnect

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

B. Community Police Officer

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 CPO 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

This is our last year of payment of Traverse City Light and Power for WiFi, for the cost of \$65,000.

D. Maintenance and Operation

Continuing with this line item remains important as we focus on maintaining public infrastructure. 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

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

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)

The two-way pilot project, including State Street, Boardman Avenue and Pine Street will remain a line-item in the budget during 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

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

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

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.

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.

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.

Parking

The Parking Budget for 2023/2024 focuses on capital improvements to infrastructure related to parking, including surface lots and the two parking structures. As this is an enterprise fund of the City of Traverse City, there are no general fund appropriations to this fund. Revenues are received from: 1) permit revenue; 2) hourly meter revenue; 3) hourly parking structure revenue and 4) parking citations.

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)
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)

City administrative fees will be 5%, which is consistent with all other city enterprise funds.

Arts Commission

The Arts Commission budget reflects projects in the bump-outs on Front and Boardman as well as Front and Pine (as part of the two-way pilot project). Work has started on a 2024 Mural Festival with several community partners. Finally, funding will be allocated for a large centralized art piece along the expanded TART Trail.

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	1,000,000
Fringe Benefits	273,587	320,000	296,151	367,329
Office Supplies and Utilities	104,960	64,000	45,800	63,000
Professional Services	677,286	306,800	325,000	230,000
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	1,785,329
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	(161,123)	(161,000)	(180,460)	121,030
Beginning Fund Balance	897,307	736,184	736,184	555,724
Ending Fund Balance	\$ 736,184	\$ 575,184	\$ 555,724	\$ 676,754

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

	FY 21/22	FY 22/23	FY 22/23	FY 23/24
	Audited	Budgeted	Projected	Requested
REVENUES				
Property Taxes	\$ 3,154,318	\$ 3,778,000	\$3,736,501	\$ 4,180,861
Grant and Reimbursements	0	0	4,947,900	40,000
Reimbursements	433,721	200,000	130,000	130,000
Interest Income	4,690	2,000	4,500	4,500
TOTAL REVENUES	3,592,729	3,980,000	8,818,901	4,355,361
EXPENDITURES				
Professional Services	1,121,094	732,000	732,797	1,389,820
Printing and Publishing	66,035	200	200	20,000
Repair & Maintenance	0	250,000	250,000	250,000
Contribution to District Construction Project	515,888	2,271,500	7,827,900	1,975,000
Contribution to City - Debt Service	930,697	973,200	973,160	953,440
Capital Outlay/Engineering Costs for Public Projects	\$ 13,206,000	-	-	-
TOTAL EXPENDITURES	2,646,920	4,226,900	9,784,057	4,588,260
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	945,809	(246,900)	(965,156)	(232,900)
OTHER FINANCING SOURCES (USES)				
Operating Transfer	0	0	0	0
NET CHANGE IN FUND BALANCE	945,809	(246,900)	(965,156)	(232,900)
Beginning Fund Balance	3,866,612	4,812,421	4,812,421	3,847,265
Ending Fund Balance	\$4,812,421	\$4,565,521	\$3,847,265	\$3,614,366

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	226,039
Printing and Publishing	0	100	100	100
Contribution to District Construction Project	191,558	917,000	245,000	785,000
TOTAL EXPENDITURES	<u>402,145</u>	<u>1,035,900</u>	<u>363,910</u>	<u>1,011,139</u>
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	191,919	(332,900)	354,081	(169,558)
OTHER FINANCING SOURCES (USES)				
Operating Transfer	-	-	-	-
NET CHANGE IN FUND BALANCE	191,919	(332,900)	354,081	(169,558)
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>\$ 898,910</u>

04/10/2023

BUDGET REPORT FOR TRAVERSE CITY
 FISCAL YEAR END 6/30/2024
 Fund 585 Automobile Parking System

GL NUMBER ----- DESCRIPTION -----
 Fund 585 - AUTOMOBILE PARKING SYSTEM FUND

	2021-22 ACTIVITY	2022-23 AMENDED BUDGET	2022-23 ACTIVITY THRU 03/31/23	2022-23 PROJECTED ACTIVITY	2023-24 DEPT REQUESTED BUDGET
ESTIMATED REVENUES					
585-000-451.073					
	\$ 400	\$ -	\$ -	\$ -	\$ -
585-000-652.000	2,002,000	1,700,000	1,473,200	2,030,000	1,800,000
585-000-653.000	242,000	200,000	207,700	258,000	200,000
585-000-653.007	700	-	2,000	2,200	2,200
585-000-653.010	100	-	-	-	-
585-000-656.010	285,200	200,000	229,700	335,000	225,000
585-000-664.000	63,900	66,000	41,700	66,000	66,000
585-000-664.002	(812,800)	-	-	-	-
585-000-677.000	6,400	4,700	5,300	6,000	6,000
585-000-686.000	7,100	-	1,000	1,700	1,700
585-000-687.000	10,000	-	-	-	-
585-586-651.000	305,400	250,000	253,300	320,000	250,000
585-586-653.005	217,800	180,000	156,100	219,000	150,000
585-586-668.000	7,300	-	-	-	30,000
585-587-651.000	79,500	70,000	69,200	91,800	70,000
585-587-653.005	131,400	100,000	84,300	129,000	100,000
585-587-677.000	300	-	-	-	-
585-587-686.000	-	-	1,200	1,200	-
TOTAL ESTIMATED REVENUES	2,546,700	2,770,700	2,524,700	3,459,900	2,900,900

APPROPRIATIONS									
585-585-702.000	SALARIES AND WAGES	10,900	9,700	7,800	10,200	10,600			
585-585-704.000	EMPLOYEE OVERTIME	2,100	2,000	900	1,200	2,300			
585-585-715.000	EMPLOYER'S SOCIAL SECURITY	200	200	100	200	200			
585-585-716.000	EMPLOYEE HEALTH INSURANCE	100	100	100	200	100			
585-585-718.000	RETIREMENT FUND CONTRIBUTION	700	700	500	700	700			
585-585-727.000	OFFICE SUPPLIES	3,800	6,000	4,000	5,000	6,000			
585-585-740.000	OPERATION SUPPLIES	29,700	37,000	32,100	37,000	37,000			
585-585-801.000	PROFESSIONAL AND CONTRACTUAL	1,198,100	1,006,000	511,900	1,055,000	968,000			
585-585-802.000	INFORMATION TECHNOLOGY SERVICES	-	197,500	66,500	197,500	175,200			
585-585-810.000	COLLECTION COSTS	-	500	-	-	500			
585-585-850.000	COMMUNICATIONS	24,200	24,000	10,700	21,000	20,800			
585-585-854.000	CITY FEE	329,500	278,100	-	339,400	114,500			
585-585-860.000	TRANSPORTATION	3,200	5,000	3,400	4,600	5,000			
585-585-862.000	PROFESSIONAL DEVELOPMENT	-	2,000	1,200	1,200	1,000			
585-585-863.000	TRAINING	-	2,000	-	1,000	2,000			
585-585-880.000	COMMUNITY PROMOTION	-	65,000	-	65,000	15,000			
585-585-900.000	PRINTING AND PUBLISHING	2,500	14,000	300	2,000	14,000			
585-585-910.000	INSURANCE AND BONDS	12,000	13,000	8,900	13,200	13,900			
585-585-920.000	PUBLIC UTILITIES	8,600	15,000	7,500	14,000	15,000			
585-585-930.000	REPAIRS AND MAINTENANCE	30,500	519,800	31,300	40,000	199,100			
585-585-930.005	RAMSDELL GATE REPAIR & MAINT	500	1,000	-	500	1,000			
585-585-940.000	RENTAL EXPENSE	100,800	80,900	32,200	81,000	48,800			
585-585-956.000	MISCELLANEOUS	3,500	3,800	13,800	14,000	40,000			
585-585-959.000	DEPRECIATION EXPENSE	77,700	135,000	-	80,000	135,000			
585-585-977.000	EQUIPMENT	2,200	165,000	47,500	120,000	125,000			
585-585-977.000-22-79	EQUIPMENT	-	-	3,700	3,700	-			
585-586-727.000	OFFICE SUPPLIES	-	1,000	100	500	1,000			
585-586-740.000	OPERATION SUPPLIES	6,300	7,000	3,800	7,000	9,000			
585-586-801.000	PROFESSIONAL AND CONTRACTUAL	13,200	131,000	170,400	180,000	111,900			
585-586-802.000	INFORMATION TECHNOLOGY SERVICES	-	-	-	-	8,800			

585-586-850.000	COMMUNICATIONS	3,100	6,300	1,800	3,100	3,300
585-586-910.000	INSURANCE AND BONDS	7,300	8,000	5,000	7,600	8,000
585-586-920.000	PUBLIC UTILITIES	52,800	55,000	52,500	55,000	55,000
585-586-930.000	REPAIRS AND MAINTENANCE	87,300	581,000	39,700	89,000	285,600
585-586-940.000	RENTAL EXPENSE	16,200	21,800	10,200	16,000	22,400
585-586-956.000	MISCELLANEOUS	8,400	10,000	7,900	8,500	10,000
585-586-959.000	DEPRECIATION EXPENSE	207,200	207,200	-	207,200	220,000
585-586-977.000	EQUIPMENT	-	5,000	-	5,000	5,000
585-587-740.000	OPERATION SUPPLIES	10,600	4,000	4,100	6,500	8,000
585-587-801.000	PROFESSIONAL AND CONTRACTUAL	22,800	90,500	30,000	50,000	87,700
585-587-802.000	INFORMATION TECHNOLOGY SERVICES	-	1,600	900	1,300	9,000
585-587-850.000	COMMUNICATIONS	4,700	5,800	3,300	5,100	5,100
585-587-910.000	INSURANCE AND BONDS	6,500	900	4,500	6,700	7,000
585-587-920.000	PUBLIC UTILITIES	29,500	50,000	19,600	28,000	50,000
585-587-930.000	REPAIRS AND MAINTENANCE	69,800	55,000	247,000	275,000	164,900
585-587-940.000	RENTAL EXPENSE	14,000	16,200	8,900	16,200	14,300
585-587-959.000	DEPRECIATION EXPENSE	183,100	183,100	-	183,100	183,100
585-587-977.000	EQUIPMENT	-	5,000	-	-	-
TOTAL APPROPRIATIONS		2,583,600	4,028,700	1,394,100	3,258,400	3,219,800
NET OF REVENUES/APPROPRIATIONS - FUND 585		(36,900)	(1,258,000)	1,130,600	201,500	(318,900)
BEGINNING FUND BALANCE		24,281,700	24,244,900	24,244,900	24,244,900	24,446,400
ENDING FUND BALANCE		\$ 24,244,800	\$ 22,986,900	\$ 25,375,500	\$ 24,446,400	\$ 24,127,500

04/10/2023

BUDGET REPORT FOR TRAVERSE CITY
 FISCAL YEAR END 6/30/2024
 Fund 282 public arts commission

GL NUMBER	DESCRIPTION	2021-22 ACTIVITY	2022-23 AMENDED BUDGET	2022-23 ACTIVITY THRU 03/31/23	2022-23 PROJECTED ACTIVITY	2023-24 DEPT REQUESTED BUDGET
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Fund 282 - PUBLIC ARTS COMMISSION FUND

ESTIMATED REVENUES						
282-000-674.000	CONTRIBUTIONS-PUBLIC SOURCES	\$ 15,000	\$ 5,000	\$ -	\$ 5,000	\$ 15,000
282-000-675.000	CONTRIBUTIONS-PRIVATE SOURCE	1,500	-	-	-	-
282-000-695.000	TRANSFERS IN	30,000	30,000	30,000	30,000	30,000
	TOTAL ESTIMATED REVENUES	46,500	35,000	30,000	35,000	45,000

APPROPRIATIONS						
282-282-801.000	PROFESSIONAL AND CONTRACTUA	23,700	35,000	18,400	18,400	33,000
282-282-930.000	REPAIRS AND MAINTENANCE	-	-	2,000	2,000	2,000
282-282-970.000-22-74	CAPITAL OUTLAY	11,600	-	-	-	-
	TOTAL APPROPRIATIONS	35,300	35,000	20,400	20,400	35,000

NET OF REVENUES/APPROPRIATIONS - FUND 282

BEGINNING FUND BALANCE	120,600	131,800	131,800	131,800	131,800	146,400
ENDING FUND BALANCE	\$ 131,800	\$ 131,800	\$ 141,400	\$ 146,400	\$ 156,400	