

Traverse City Downtown Development Authority Finance Committee

**Thursday, April 17, 2025
9:00AM**

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



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

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

Downtown Development Authority:
c/o Harry Burkholder, Executive Director
(231) 922-2050
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303 East State Street, Suite C
Traverse City, MI 49684

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

Agenda

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1. CALL TO ORDER	
2. ROLL CALL	
3. ADOPTION OF MINUTES	
A. Consideration of approving the December 6, 2025 Finance Committee Meeting Minutes (approval recommended) December 6, 2024 Finance Committee Meeting Minutes - PDF	3 - 4
4. NEW BUSINESS	
A. 2025 - 2026 DDA Budget(s) Budget Memo (Burkholder) - PDF Draft TIF Budget(s) - PDF DDA DDA General Budget - PDF	5 - 13
5. PUBLIC COMMENT	
6. ADJOURNMENT	



**Minutes of the
Downtown Development Authority for the City of Traverse City
Finance Committee
Friday, December 6, 2024**

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

The following Board Members were in attendance: Board Member Jeff Joubran, Board Member Gary Howe, Board Member Mike Powers, and Board Member Shelley Spencer

The following Board Members were absent: None

Chairperson Joubran presided at the meeting.

(a) **CALL TO ORDER**

The committee meeting was called to order by Chair Joubran at 8:37am.

(b) **ROLL CALL**

(c) **CONSENT CALENDAR**

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

- (1) Consideration of approving the July 2, 2024 Finance Committee Meeting Minutes (approval recommended)

That the Committee approve the July 2, 2024, Finance Committee Meeting minutes

Moved by Mike Powers, Seconded by Gary Howe

Yes: Jeff Joubran, Gary Howe, Mike Powers, and Shelley Spencer

Absent: None

CARRIED. 4-0-0 on a recorded vote

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

(e) **NEW BUSINESS**

(1) October 2024 Financial Report

The following addressed the board:

Harry Burkholder

Gary Howe

Jeff Joubran

Mike Powers

(2) Strategic Planning

The following addressed the board:

Harry Burkholder

Jeff Joubran

Mike Powers

Gary Howe

Shelley Spencer

Lauren Bohac

(f) **PUBLIC COMMENT**

(g) **ADJOURNMENT**

The meeting was adjourned at 9:22am by Chair Joubran

Harry Burkholder, Executive Director



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
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MEMORANDUM

To: DDA Finance Committee

From: Harry Burkholder, Executive Director, DDA

Date: April 14, 2025

Re: 2025 - 2026 Budget Discussion

Over the next three months, DDA staff will work with the Finance Committee and full DDA Board to develop the 2025/2026 Budget. The fiscal year for the DDA runs from July 1st through June 31st, concurrent with the City of Traverse City.

Here is an estimated timeline for the budget approval process. The City Commission must formally approve the DDA budget prior to formal adoption by the DDA Board.

Budget Process & Timeline (dates subject to change)

March 14 th	DDA Board reviews and discusses preliminary budget (completed)
April 17 th	DDA Finance Committee reviews and discusses draft budget
April 25 th	DDA Board reviews budget & schedules public hearing for May 16 th
May 5 th	DDA draft budget submitted to the City Commission
May 12 th	DDA draft budget discussed at City Commission Study Session
May 16 th	DDA holds public hearing on budget
May 19 th	City Commission holds public hearing on budget
June 2 nd	Approval of budget by City Commission
June 20 th	Approval of budget by DDA Board

DDA Budget and Funds

The DDA has three unique, but complementary, funds that comprise its budget:

DDA General Fund

Revenue sources for the DDA General Fund include a 2-mill levy of property within the Downtown District, grants, administrative fees from the TIF-97 and Old Town TIF Funds, and the DTCA's contract.

TIF-97 Fund

The TIF-97 Fund is funded through the harnessed appreciation of tax revenue within the TIF-97 District. The City of Traverse City contributes 53-cents on the dollar for TIF, with the remaining 47-cents contributed by the following regional taxing authorities:

- Commission on Aging - Veterans Affairs - Road Commission - NMC - BATA
- Conservation District - Animal Control - Grand Traverse County – Recreation Auth.

The captured taxable value within the TIF-97 District is projected to be \$170,026,825 which will bring in an estimated \$4,336,329 in revenue.

Old Town TIF Fund

The Old Town TIF Fund is funded through the harnessed appreciation of tax revenue within the Old Town District. The City of Traverse City contributes 53-cents on the dollar for TIF, with the remaining 47-cents contributed by the following regional taxing authorities:

- Commission on Aging - Veterans Affairs - Road Commission - NMC - BATA
- Conservation District - Animal Control - Grand Traverse County – Recreation Auth.

The captured taxable value within the Old Town District is projected to be \$33,556,796 bringing in an estimated \$829,992 of projected revenue to the district.

We will continue to work with the City's Treasury Department to refine estimated numbers for the 2025/2026 Fiscal Year as we continue through the budget process.

Budget Considerations – What Do We Consider?

In developing the 2025/2026 budget, it is helpful to think about the current plans, on-going initiatives and overarching strategies that have been adopted by the DDA and other community entities to serve as the framework for how the DDA allocates resources to invest in projects and services. These include, but are limited to:

The Capital Improvement Plan (CIP)

The City updates its six-year CIP annually to develop a schedule of major public infrastructure projects and inform the Planning Commission. The CIP is separate from the City budget and inclusion of a project or cost in the CIP does not commit a department to the project or cost, but serves as a general outline for future plans and expenses.

In its annual update to the CIP, the DDA included the following TIF-97 projects for FY 2025/2026:

- Rotary Square- \$1,000,000
- Boardman/Ottaway Phase 1-A (design/engineering): \$500,000
- State Street Two-Way Pilot: \$500,000
- West Front Riverwalk Staircase: \$247,000 - *Accounted for in CIP in case of DDA*

Board approval

- East Front streetscaping (design/engineering): \$150,000
- Farmers Market Pavilion (design/engineering): \$133,000
- Public Safety Video Surveillance System: \$40,000

Note: The DDA did not submit any Old Town TIF projects to be completed in FY 25/26. We will be discussing Board priorities for Old Town TIF at the February 21st Board meeting.

Continuing Expenses and Services

Some of the DDA's expenses are static and will remain approximately the same in FY 25/26, including:

- Legal, \$20,000
- Community policing (1 FTE), approx. \$125,000
- Retail Incubator rent, \$50,000
- City Service Agreement, approx. \$510,000

Contracts for continued services, such as the Downtown Composting program and the Sara Hardy Farmers Market, are in the works for FY 25/26.

For other existing programs and services, we will be evaluating previous fiscal years' budgeted versus actual operating costs to ensure funding is responsibly allocated and available where needed.

Moving Downtown Guiding Principles

1. Design a great place for all ages and for future generations
2. Protect and preserve small local independent businesses
3. Support job growth and varied career opportunities
4. Champion the development of attainable and workforce housing
5. Advance climate action, sustainability, renewable energy, energy efficiency and resiliency

The *Guiding Principles* were developed through input from more than 1,300 community members collected through various public engagement activities.

Traverse City Strategic Action Plan

While this Action Plan is still in development, a number of key themes have emerged through the process so far. These include topics identified critical to the future of Traverse City, such as:

- Building socio-economic systems and amenities
- Supporting environmental sustainability
- Strengthening place-making and neighborhood character

- Proactively managing urban design
- Fostering a regional collaborative approach
- Building a thriving year-round economy

Current Planning Documents and Initiatives

The DDA and City of Traverse City, respectively, have adopted extensive plans that create a framework for future infrastructure projects aligned with the community's goals, values, needs, and feasibility. These plans include but are not limited to:

- Lower Boardman Unified Plan
- TIF-97 Plan
- Moving Downtown Forward TIF Plan
- Old Town TIF Plan
- Mobility Action Plan
- City Master Plan

DDA Capital Improvement and Service Priorities

If TIF-97 is not extended, it will formally expire in December of 2027. That means the DDA may have limited time (and construction seasons) to advance and complete capital improvement projects. With this in mind, the DDA Board has narrowed its focus to prioritize advancement of 5 key infrastructure projects:

1. Rotary Square
2. East Front Street
3. Farmers Market (Pavilion only)
4. State Street (two-way)
5. Boardman/Ottaway Riverwalk - Phase 1-A (J-Smith Walkway, Pedestrian Bridge, Naturalized Abutments/Stormwater Infrastructure)

*The DDA Board also included the "Ambassador" (i.e., a Director of Downtown Facilities) position as a priority service.

Parameters of DDA Budget

In addition, it can be helpful to keep in mind the functions and limitations of the DDA.

WHAT DOES THE DDA DO?

The DDA **Does**

Implement critical physical improvements, including public infrastructure projects and initiatives (in partnership with the city):

- Issue bonds and use TIF funds to help build capital projects, including streetscape beautification, pedestrian bridges and trails and other public amenities.
- Contribute to and offer leadership for the planning, design and construction of wide variety of public improvements

Provide services that create a vital and vibrant Downtown experience, including:

- Implement "clean, green, safe and accessible initiatives":
 - Plan and implement the way-finding program
 - Operate and manage the Sara Hardy Farmers Market
 - Plan and facilitate Downtown cleaning
 - Plan and facilitate holiday lights
 - Plan and facilitate Downtown planting program
 - 'Fund the Downtown Police Officer position
 - Fund the removal of trash
- Work with, advocate for and promote Downtown business.
 - Manage the merchants association (DTCA) and lead Downtown events, promotions and the gift certificate program
 - Apply for grants
 - Convene Downtown stakeholders

WHAT DOESN'T THE DDA DO?

The DDA **Does Not:**

Maintain street, sidewalk, park and underground infrastructure

The physical maintenance of streets, sidewalks, parks and underground infrastructure is managed by the city. However, the DDA continues to explore ways to provide enhanced cleaning and snow removal and often contributes financially to these types of infrastructure project within the downtown district.

Provide direct funding to private developers

The DDA can help fund infrastructure in support of and associated with a private development (e.g., streetscaping, heated sidewalks), but cannot fund any other part of the private development.

Approve and reject private development proposals

The DDA can work only work with private developers to help identify possible locations and additional resources for existing building rehabilitation and improvements. The size and aesthetic of private development is governed by the city's zoning ordinance and planning commission.

Take a cut of parking revenue

Parking services is now operated directly by the city. All parking revenue (e.g., permits, tickets, etc.) is allocated to the city.

I have organized the two TIF Budgets (and their associated projects) under four categories (see below). I have also attached an updated draft budget based on the discussion at our last full board meeting and the draft DDA General Budget. **To be clear, these budgets are in draft form and are meant to establish a framework for our discussion.** The final projects (and expenses) will be discussed and refined through the budgeting process.

1. Running Downtown
2. Building and Maintaining Downtown
 - (a) Essential Public Infrastructure
 - (b) Essential Public Service
3. Transforming Downtown
 - (a) Transformative Public Infrastructure
 - (b) Transformative Public Services
4. Promoting and Celebrating Downtown

Working DDA TIF(s) 2025 - 2026 Budget
TIF-97

Taxable Value	\$ 170,026,825
Estimated Revenue	\$ 4,336,329
Est. Fund Balance of Previous Fiscal Year	\$ 6,599,401

Running Downtown	\$ 1,143,798
DDA Administration	\$ 595,094
Service Agreement with City	\$ 508,704
Legal Services	\$ 20,000
Miscellaneous	\$ 20,000

Building and Maintaining Downtown

(A) Essential Public Infrastructure	\$ 1,324,459
Hardy Parking Deck Payment	\$ 874,459
Streetscaping/Snowmelt	\$ 100,000
Stormwater Infrastructure	\$ 100,000
Bridge Repair	\$ 100,000
N. Union Deck/Stair Replacement	\$ 60,000
General infrastructure Repair	\$ 65,000
Miscellaneous	\$ 25,000

(B) Essential Public Services	\$ 362,631.00
Community Police Officer	\$ 120,431
Trash Removal*	\$ 60,078
Farmers Market	\$ 38,000
Public Restroom Program	\$ 6,000
Wayfinding Signage	\$ 13,000
Clean and Green Team	\$ 65,000
Landscaping**	\$ 10,000.00
City Truck Rental	\$ 5,200
Holiday Lights	\$ 80,000
Miscellaneous	\$ 25,000

Transforming Downtown

(A) Transformative Public Infrastructure	\$ 3,480,000
Rotary Square	\$ 150,000
Farmers Market Pavillion	\$ 2,500,000
Boardman/Ottaway Riverwalk	\$ 400,000
Two-Way Pilot	\$ 80,000
Mid-Block Crosswalks	\$ 250,000
West End Demolition	\$ 80,000
EV Station	\$ 20,000

(B) Transformative Public Services	\$ 70,000
Composting Program	\$ 10,000
Retail Incubator	\$ 50,000
Mobility Asset Investments***	\$ 10,000

Promoting and Celebrating Downtown	\$ 118,000
Communication, Marketing & Events	\$ 80,000
Traverse Connect	\$ 38,000

Total Expenses	\$ 6,498,888
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Estimated Remaining Fund Balance \$ 4,436,842

* Trash Removal included in the service agreement

** Planters and maintenance of Rotary Square and other downtown areas

*** Includes BATA's Destination Downtown Program

Old Town TIF

Taxable Value	\$ 33,556,796
Estimated Revenue	\$ 829,992
Est. Fund Balance of Previous Fiscal Year	\$ 878,401

Running Downtown	\$ 260,005
DDA Administration	\$ 117,449
Service Agreement with City	\$ 122,556
Legal Services	\$ 10,000
Miscellaneous	\$ 10,000

Building and Maintaining Downtown

(A) Essential Public Infrastructure	\$ 70,000
Streetscaping/Snowmelt	\$ 50,000
Stormwater Infrastructure	\$ 10,000
General infrastructure Repair	\$ 10,000

(B) Essential Public Services	\$ 54,500
Community Police Officer	\$ 3,000
Trash Removal*	\$ 20,000
Wayfinding Signage	\$ 2,500
Clean and Green Team	\$ 15,000
Landscaping**	\$ 3,000
City Truck Rental	\$ 1,000
Holiday Lights	\$ 20,000
Miscellaneous	\$ 10,000

Transforming Downtown

(A) Transformative Public Infrastructure	\$ 285,000
Rivers Edge Riverwalk	\$ 250,000
Riverwalk Signage	\$ 15,000
EV Station	\$ 20,000

(B) Transformative Public Services	\$ 10,000
Composting Program	\$ 5,000
Mobility Asset Investments***	\$ 5,000

Promoting and Celebrating Downtown	\$ 25,000
Communication, Marketing & Events	\$ 20,000
Traverse Connect	\$ 5,000

Total Expenses	\$ 704,505
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Estimated Remaining Fund Balance \$ 1,003,888

* Trash Removal included in the service agreement

** Planters and maintenance of Rotary Square and other downtown areas

*** Includes BATA's Destination Downtown Program

**City of Traverse City, Michigan
DDA Component Unit
DDA General Fund
For the Budget Year 2025-2026**

(Estimated As of March 15, 2025)

	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Projected	FY 25/26 Requested
Revenue				
Taxes	\$ 131,422	\$ 130,000	\$ 125,869	\$ 130,000
Grants and Contributions	189,567	1,875,000	157,041	1,757,750
Reimbursements	1,667,313	743,728	931,200	787,543
Rental Income	-	51,000	48,452	50,000
Vendor Income			21,500	21,500
Interest Income	4,882	2,000	5,374	5,300
Total Revenue	1,993,184	2,801,728	1,289,436	2,752,093
Expenditures				
Salaries and Wages	938,446	430,000	575,200	444,179
Fringe Benefits	327,813	111,113	135,934	132,773
Office Supplies and Utilities	35,125	85,000	37,980	39,000
Professional Services	562,104	451,000	388,671	
Travel and Conferences	14,451	5,000	1,371	5,000
Repairs and Maintenance	234	-	300	500
Rentals	446	-	-	
Capital Outlay	-	-	-	
Grants	-	1,375,000	385	1,257,750
Rotary Square	-	450,000	144,656	500,000
Total Expenditures	1,878,619	2,907,113	1,284,497	2,379,202
Excess of Revenues Over/ (Under) Expenditures	114,565	(105,385)	4,939	372,891
Beginning Fund Balance	461,467	576,032	576,032	580,971
Ending Fund Balance	\$ 576,032	\$ 470,647	\$ 580,971	\$ 953,862