

TIF 97 2020/2021 BUDGET NARRATIVE

The TIF 97 budget highlights the public infrastructure projects we plan to accomplish in 2020/2021. Several of the infrastructure projects are not only critical to the Downtown, but also the region.

Infrastructure Projects:

- Park Street Bridge Repair
- South Cass Street Bridge Repair
- West Front Street Bridge Replacement
- Opera House Improvement (Replace Boiler)
- Opera House Improvement (Retrofit Incandescent Lighting)
- Opera House Improvement (Retrofit T8 Fixtures)
- Front Street Streetscapes
- State Street Streetscapes
- Tree Replacement: \$50,000

The streetscape projects will include a partnership with private developers to install streetscape elements (e.g., brick pavers, trees, sidewalk) and a snowmelt system at 309 and 305 West Front Street and 160 and 109 East Front Street. Under the partnership, the DDA and the developer will split the costs of the streetscape improvements. This type of partnership is consistent with previous streetscape/snowmelt projects throughout Downtown (e.g., 101 West Front, Park Street, and Old Town Corners). In regards to the snowmelt system, the DDA will pay for half of the system coming in. However, the continued operation and maintenance will be provided by the private owners.

Staff will also work on developing formal streetscaping plans for the first two blocks of East Front Street (our entrance into Downtown). The DDA will hire a consultant to develop a complete schematic design for East Front Street. This effort will require significant engagement with the City and property owners along this stretch of Front Street. Funding for this planning and design effort will not come from TIF 97, but rather proceeds from the Hardy Parking Deck Bond.

Implementation of any streetscaping plans will be coordinated with Art Krueger (Sewer and Water Director) City Engineering and MDOT and their infrastructure and realignment plans on Grandview Parkway. Those two projects are scheduled for 2022/2023.

The Opera House work is a carry-over from last year's budget as implementation did not occur. However, these improvements are still needed and we will work with SEEDS and Light and Power on the energy efficiency component for this publicly owned building. We will continue to make this a priority for implementation.

On the administrative side of TIF 97, the budget remains consistent with administrative fees going to the City of Traverse City for *General* and *City Engineering* costs, *DDA Administrative fee*, one-half cost for the community police officer, downtown WIFI and an increase to the Arts Commission of \$20,000 for work on murals on Union Street. Continuation of the restroom stipend to businesses that open their restrooms for public use is recommended for the upcoming budget year.

A new line item was added for maintenance. This is minimal (\$15,000) but absolutely critical to the long-term functionality and appearance of infrastructure in the Downtown. I anticipate this will be an annual line item moving forward.

City of Traverse City, Michigan
 DDA COMPONENT UNIT
 TAX INCREMENT FINANCING 97 FUND
 For the Budget Year 2020-21

| | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Budgeted | FY 20/21 Requested |
|---|--------------------|--------------------|----------------------|-----------------------|
| REVENUES | | | | |
| Property Taxes | \$ 2,014,156 | \$ 2,224,531 | \$ 2,589,100 | \$ 2,872,538 |
| Grant and Reimbursements | - | - | - | - |
| Reimbursements | 130,000 | 182,877 | 130,000 | 130,000 |
| Interest Income | 5,436 | 7,832 | 4,500 | 4,500 |
| TOTAL REVENUES | 2,149,592 | 2,415,240 | 2,723,600 | 3,007,038 |
| EXPENDITURES | | | | |
| Professional Services | 476,686 | 488,583 | 596,900 | 725,863 |
| Printing and Publishing | - | 184 | 200 | 200 |
| Repair & Maintenance | - | - | - | 15,000 |
| Contribution to District Construction Project | - | 420,671 | 805,800 | 1,275,601 |
| Contribution to City - Debt Service | 807,599 | 828,719 | 859,500 | 893,586 |
| Capital Outlay/City Engineering Costs for Public Projects | - | 120,756 | - | 61,750 |
| TOTAL EXPENDITURES | 1,284,285 | 1,858,913 | 2,262,400 | 2,972,000 |
| EXCESS OF REVENUES OVER/UNDER EXPENDITURES | 865,307 | 556,327 | 461,200 | 35,038 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating Transfer | - | - | - | - |
| NET CHANGE IN FUND BALANCE | 865,307 | 556,327 | 461,200 | 35,038 |
| Beginning Fund Balance | 317,651 | 1,182,958 | 1,739,285 | 2,903,310 |
| Ending Fund Balance | \$ 1,182,958 | \$ 1,739,285 | \$ 2,200,485 | \$ 2,938,348 |

Note: