

DOWNTOWN DEVELOPMENT AUTHORITY
FINANCE COMMITTEE
Monday, November 2, 2020
9:30 am

The Downtown Development Authority Finance Committee Meeting will not be held at the Governmental Center. The Downtown Development Authority Finance Committee Meeting will be conducted remotely via Zoom.

The Downtown Development Authority Finance Committee Meeting can be viewed at:

<https://us02web.zoom.us/j/89188311373>

Anyone wishing to listen and give public comment will need to call in and wait in a “virtual waiting room” where their microphones will be muted until they are called upon:

Dial: 1 646 558 8656
Meeting ID: 891 8831 1373
Participant ID: # (yes just #)
Posted and Published

The DDA recognizes the importance of not bringing people together unnecessarily in an effort to stop the spread of the coronavirus. The Governmental Center has been closed to walk-in traffic and will be closed for all DDA meetings for the foreseeable future. Members of the DDA will not be present in the Governmental Center for official DDA meetings.

This meeting is being conducted remotely to assist in stopping the spread of the coronavirus. Individuals with disabilities may participate in the meeting by calling-in to the number as though they were going to be giving public comment as outlined below or by calling the TDD#.

For members of the DDA and key DDA staff, their name will appear on screen when they are speaking. For individuals who may wish to give public comment, the method for providing public comment during these remote-participation meetings is to call the number outlined in the header as well as enter the Meeting ID and Passcode as outlined in the header.

Callers wishing to give public comment may call in before the meeting starts and wait in a “virtual waiting room.” These instructions will be included in every official published agenda of the DDA. Those calling in will be able to hear the audio of the DDA Finance Committee, yet their microphone will be muted.

When the DDA Finance Committee accepts public comment, in the order calls were received, the meeting facilitator will identify the caller by the last

four digits of their telephone number and ask them if they would like to make a comment.

While not required, but so we do not have to go through an unnecessarily long list of callers, we ask, if possible, that those who do not wish to give public comment refrain from calling in and instead listen to the meeting.

The DDA CEO has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the DDA office.

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 DDA CEO

The DDA is committed to a dialog that is constructive, respectful and civil. We ask that all individuals interacting verbally or in writing with the DDA honor these values.

DDA:
c/o Jean Derenzy, CEO
(231) 922-2050
Email: jean@downtowntc.com
Web: www.downtowntc.com
303 East State Street, Suite C.
Traverse City, MI 49684

Information and minutes are available from the DDA CEO, 303 East State Street, Suite C, Traverse City, MI 49684, (231) 922-2050. If you are planning to attend the meeting and are handicapped requiring special assistance; please notify the DDA CEO as soon as possible. Any interested person or group may address the DDA Board on any agenda item when recognized by the presiding officer or upon request of any DDA Board member. Also, any interested person or group may address the DDA Board on any matter concerning the DDA not on the Agenda during the agenda item designated Public Comment. The comment of any member of the public or any special interest group may be limited in time. Such limitation shall not be less than five minutes unless otherwise explained by the presiding officer, subject to appeal by the DDA Board.

**Downtown Development Authority
Finance Committee**

1. Opening Public Comment
2. Approval of September 28, 2020 Minutes
3. Review of 2021/2022 CIP Projects
4. Budget for 2020/2021
5. Request for consideration to go into Closed Session to discuss potential property purchase pursuant to MCL 15.268(d)
6. Other Business
7. Closing Public Comment
8. Adjournment

Minutes
Traverse City Downtown Development Authority
Finance Committee

9:30am
September 28, 2020
Virtual Zoom Meeting

Scott Hardy called the meeting to order at 9:30am

Present: Scott Hardy, Debbie Hershey, Richard Lewis, Gabe Schneider

Absent: None

Attendees: Jean Derenzy

Opening Public Comment: None

Minutes of April 29, 2020: **MOVED** by Hershey seconded by Schneider to approve minutes of April 20, 2020. **Approved unanimously.**

Review of Budget and proposal for Lower Boardman: Derenzy provided overview of the lower boardman additional work proposed for the 100 and 200 block alleyways between Park and Union Street. Bob Doyle from Smith Group provided details on the study and breakdown of each line item. Study will determine the best way to stabilize the soil behind the River wall while protecting the infrastructure as well as determine long-term approaches/changes to this stretch of the River to become more accessible.

Discussion relating to the City's participation. Derenzy indicated Director of Utilities and City Engineer have been part of the discussion from the beginning. Discussion with the City Manager has been occurring on the cost sharing approach.

Derenzy indicated that the cost sharing approach provides for the DDA to pay one-half of the costs for each line item except the hydraulic modelling of alternatives which the DDA will pay 100%. Derenzy indicated that the cost would come from the TIF 97 budget from contingency.

MOVED by Hershey seconded by Schneider to approve the additional assessment for the 100 and 200 blocks of the alleyway contingent upon the City of Traverse City's participation in the study. **APPROVED unanimously.**

2020/2021 Budget: Derenzy provided the year end budget for the two TIF budgets, and General Budget. Overview of the current budget provided.

Schneider requested that a year-to-date comparison of where the DDA is at for each budget would be helpful and easy identifiable for Board members. Schneider will work with Derenzy on approaches for the Finance Commission. Lewis also volunteered to help create a spreadsheet which identifies, revenues and expenditures for the Board.

Consideration of Capital improvements: Derenzy indicated that the Capital Improvement Plan (CIP) will begin shortly for the 2021/2022 budget. She will bring to the Finance Committee an overview of projects so the Committee can help build the budget.

Calendar for 2021/2022 Budget: Derenzy will provide for the October meeting.

Other Business: None.

Public Comment: None

Meeting adjourned at 10:35

Scott Hardy, Chair



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

Memorandum

To: Finance Committee

From: Jean Derenzy, DDA CEO

Date: October 30, 2020

SUBJECT: Items for Monday's November 2nd Finance Committee Meeting

Attached you will find the Capital Improvement list for both TIF 97 and Old Town TIF. Currently, this list serves as a placeholder until I can review each project with an analysis of cashflow. Once that is complete, I will prioritize each project for consideration by the Finance Committee. The order of priority that I would recommend, based on our Strategic Plan, would likely be:

For TIF 97

1. East Front Street Streetscapes. This is consistent with the RFP that we are about to issue for pre-engineering and design services. It is critical that we complete this work prior to MDOT's re-construction of Grandview Parkway in 2023, so that we can alleviate potentially crippling traffic congestion Downtown.
2. Lower Boardman. Focus on the Lower Boardman is a top priority for the DDA. We anticipate the Unified Plan for the Lower Boardman will be completed by the first quarter of 2021.
3. Infill Development in Lot G.
4. Civic Square
5. Farmer's Market
6. Front Street Streetscapes
7. State Street Streetscapes
8. Stormwater (ongoing improvement)
9. Tree Replacements (ongoing improvement)
10. West End Parking Structure (visionary project, but critical)

For Old Town TIF

1. Midtown Riverwalk
2. Union Street Streetscapes
3. Riverine Riverwalk
4. Hannah Park Improvements

I am working with Harry to developed detailed project descriptions of each project so that the outcome is clear.

2020/2021 Budget

Attached are the budgets for 2020/2021. The budgets identify “where we are” within the budget. Richard has taken the “profit loss” that I run from QuickBooks and put into into spreadsheet form for our review. I have also attached the QuickBooks version that is utilized to make the spreadsheet.

Neighborhood Enterprise Zone (NEZ)

As previously reported, an NEZ is being considered for the new development at 124 West Front Street. This redevelopment project will include a mixed-use building with commercial spaces on the first floor and 80 year-round rental apartments on the upper floors. Twelve of the rental units are planned to be limited to 80% of the area medium income. We are working with the City Housing Commission to ensure that the restricted income levels are met.

Additional information will be brought before the Finance committee as we progress with this project.

Closed Session

A request is made to the Finance Committee that it enter into closed session to discuss a potential property purchase pursuant to MCL 15.268(d)."

A motion and roll call for such a closed session is required.



Six Year Capital Improvement Plan

All Projects Submitted for 2021-2022

Budget Year 2021-2022 by Fund

Bold - Indicates projects occurring in the first FY of the plan.

+ - Indicates projects with multiple funding

Project ID	Cat	Previous	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024	Fiscal Year 2024-2025	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Overall Programming Cost			
									Total Project Cost	City Funds	Non-City Funds	
IF 97												
Bridges												
714-21-CIP	V	\$0	\$817,000	\$0	\$0	\$0	\$0	\$0	\$817,000	\$817,000	\$0	\$0
186-21-CIP	V	\$0	\$93,000	\$0	\$0	\$0	\$0	\$0	\$1,323,000	\$260,500	\$1,057,500	\$0
Civic												
870-21-CIP	V	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$6,000,000	\$1,000,000	\$5,000,000	\$0
781-21-CIP	V	\$0	\$600,000	\$2,700,000	\$0	\$0	\$0	\$0	\$3,300,000	\$600,000	\$2,700,000	\$0
82-21-CIP	C	\$300,000	\$2,330,000	\$2,330,000	\$2,330,000	\$2,330,000	\$2,330,000	\$2,350,000	\$14,000,000	\$14,000,000	\$0	\$0
646-21-CIP	V	\$0	\$316,000	\$0	\$0	\$0	\$0	\$0	\$316,000	\$316,000	\$0	\$0
1141-21-CIP	C	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000	\$0	\$0
1158-21-CIP	V	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$0
General Government												
Parking												
1162-21-CIP	C	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000	\$0	\$0
645-21-CIP	V	\$0	\$652,975	\$611,657	\$18,000,000	\$670,993	\$909,511	\$902,313	\$19,800,000	\$21,747,449	\$0	\$0
Parks												
1194-21-CIP	V	\$0	\$0	\$0	\$300,000	\$0	\$0	\$0	\$300,000	\$300,000	\$0	\$0
Police												
Streets												
717-21-CIP	V	\$0	\$0	\$257,500	\$0	\$0	\$0	\$0	\$915,000	\$915,000	\$0	\$0
1157-21-CIP	C	\$0	\$3,742,500	\$0	\$0	\$0	\$0	\$0	\$3,862,500	\$3,742,500	\$0	\$0
1087-21-CIP	M	\$0	\$0	\$660,000	\$660,000	\$660,000	\$0	\$0	\$2,000,000	\$2,000,000	\$0	\$0
713-21-CIP	V	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0	\$500,000	\$500,000	\$0	\$0
1088-21-CIP	M	\$0	\$250,000	\$500,000	\$250,000	\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$0	\$0
1089-21-CIP	M	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$100,000	\$50,000	\$50,000	\$0
Walkways												
Total TIF 97												
			\$9,451,475	\$7,259,157	\$23,040,000	\$3,680,993	\$3,239,511	\$3,252,313				



**Six Year Capital Improvement Plan
Budget Year 2021-2022 by Fund**

Project ID	Cat	Previous	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Overall Programming Cost					
			2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	Total Project Cost	City Funds	Non-City Funds			
IF 2														
Parks														
1195-21-CIP	V	\$0	\$300,000	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000	\$600,000	\$0
1196-21-CIP	V	\$0	\$0	\$350,000	\$350,000	\$350,000	\$350,000	\$0	\$0	\$0	\$0	\$700,000	\$700,000	\$0
Streets														
1197-21-CIP	V	\$0	\$0	\$0	\$0	\$0	\$0	\$330,000	\$330,000	\$330,000	\$330,000	\$1,000,000	\$660,000	\$0
Total TIF 2														
			\$300,000	\$300,000	\$350,000	\$350,000	\$350,000	\$350,000	\$330,000	\$330,000	\$330,000	\$1,000,000	\$660,000	\$0

Bold - Indicates projects occurring in the first FY of the plan.

+ - Indicates projects with multiple funding



**Six Year Capital Improvement Plan
Budget Year 2021-2022 by Fund**

All Projects Submitted for 2021-2022

Project ID	Cat	Previous	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024	Fiscal Year 2024-2025	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Overall Programming Cost			
									Total Project Cost	City Funds	Non-City Funds	
IF Old Town												
Bridges												
186-21-CIP	V	\$0	\$93,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,323,000	\$260,500	\$1,057,500
Walkways												
316-21-CIP	V	\$0	\$0	\$0	\$690,700	\$0	\$0	\$0	\$0	\$690,700	\$690,700	\$0
Total TIF Old Town										\$93,000	\$0	\$0

Bold - Indicates projects occurring in the first FY of the plan.

+ - Indicates projects with multiple funding

City of Traverse City, Michigan
 DDA COMPONENT UNIT
 DDA GENERAL FUND

For the Budget Year 2020-21
 Year-to-Date as of September 30, 2020

	FY 18/19 Actual	FY 19/20 Unaudited	FY 20/21 Budget	FY 20/21 Year to Date	Variance (-)	
REVENUES						
Property Taxes	\$ 134,996	\$ 129,391	\$ 137,500.00	\$ 120,597	(16,903)	
Grants and Reimbursements (Civic Sq/EGLE/USDA)	117,200	65,268	3,450,000	3,125	(3,446,875)	TIF 97 361,835
Reimbursements	957,343	1,200,251	1,358,204	467,437	(890,767)	Old Town TIF 129,625
Rental Income	56,175	156,733	42,000	71,134	29,134	City of Traverse City - Auto Parking 772,099
Interest Income	732	955	500	236	(264)	Downtown Traverse City Association 71,000 1,334,559
Miscellaneous	0	5,129	0	305	305	
Use of Fund Balance	0	0	17,296	0	(17,296)	
TOTAL REVENUES	1,266,446	1,557,727	5,005,500	662,835	(4,342,665)	
EXPENDITURES						
Salaries & Wages	695,358	840,540	917,593	256,405	661,188	
Fringe Benefits	242,177	195,170	308,878	64,007	244,871	
Dues and Membership	0	975	0	1,535	(1,535)	
Office/Operating/Supplies	7,825	8,902	13,000	3,382	9,618	
Professional Services	195,829	74,753	110,000	115,162	(5,162)	
Contract Services	0	3,600	31,000	0	31,000	
Communications	6,389	9,066	50,000	2,536	47,464	
Transportation	479	47	5,000	0	5,000	
Lodging/Meals	4,386	2,656	10,000	432	9,568	
Training	1,772	7,772	10,000	0	10,000	
Farmers' Market	0	110,879	53,000	38,982	14,018	
Community Promotions	21,887	18,843	20,000	3,649	16,351	
Printing and Publishing	1,678	11,498	6,000	3,495	2,505	
Insurance and Bonds	455	1,196	1,800	0	1,800	
Utilities	8,135	7,634	9,000	1,463	7,537	
Repair & Maintenance	3,011	3,910	3,000	0	3,000	
Rentals	8,626	12,222	9,000	3,987	5,013	
Legal Services	4,500	0	5,000	0	5,000	
Miscellaneous	36	28	2,000	(2,000)	4,000	
Capital Outlay	4,534	70,276	438,000	0	438,000	
Civic Square	0	0	3,000,000	0	3,000,000	
TOTAL EXPENDITURES	1,207,077	1,379,967	5,002,271	493,034	4,509,237	
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	59,369	177,760	3,229	169,802	166,573	
Beginning Fund Balance	503,335	562,704	2,553,404	2,553,404		
Ending Fund Balance	\$ 562,704	\$ 740,464	\$ 2,556,633	\$ 2,723,206		

City of Traverse City, Michigan
 DDA COMPONENT UNIT
TAX INCREMENT FINANCING OLD TOWN FUND
 For the Budget Year 2020-21
 Year-to-Date as of September 30, 2020

	FY 18/19 Actual	FY 19/20 Unaudited	FY 20/21 Budget	FY 20/21 Year to Date	Variance (-)	+
REVENUES						
Property Taxes	\$ 260,732	\$ 406,555	\$ 447,800	\$ 56,696	(391,104)	
Reimbursements	0	0	0	0	0	
Use of Fund Balance	0	0	100,000	0	(100,000)	
Interest Income	186	138	100	0	(100)	
TOTAL REVENUES	<u>260,918</u>	<u>406,693</u>	<u>547,900</u>	<u>56,696</u>	<u>(491,204)</u>	
EXPENDITURES						
Printing and Publishing	0	171	100	0	100	
Professional Services	83,784	187,145	238,973	27,631	211,342	
Contribution to District Construction Project	356,065	0	282,900	0	282,900	
Capital Outlay/City Engineering for Costs for Public Projects	0	0	9,927	0	9,927	
TOTAL EXPENDITURES	<u>439,849</u>	<u>187,316</u>	<u>531,900</u>	<u>27,631</u>	<u>504,269</u>	
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	(178,931)	219,377	16,000	29,065	13,065	
Beginning Fund Balance	<u>178,931</u>	<u>0</u>	<u>219,377</u>	<u>235,377</u>		
Ending Fund Balance	<u>\$ -</u>	<u>\$ 219,377</u>	<u>\$ 235,377</u>	<u>\$ 264,442</u>		

Professional Services for Fiscal Year:	
DDA Administration	129,625
City Administration	64,825
Unallocated	44,523
Capital Projects for Fiscal Year: includes Engineering Cost	238,973
Eighth Street Bridge Repair	150,000
South Cass Street Bridge Repair	66,000
Rivers Edge Riverwalk Decking Replacement	119,700
	335,700

10/11/2020

City of Traverse City, Michigan
 DDA COMPONENT UNIT
TAX INCREMENT FINANCING 97 FUND
 For the Budget Year 2020-21
 Year-to-Date as of September 30, 2020

	FY 18/19 Actual	FY 19/20 Unaudited	FY 20/21 Budget	FY 20/21 Year to Date	Variance + (-)	10/11/2020
REVENUES						
Property Taxes	\$ 2,224,531	\$ 2,534,458	\$ 2,872,538	\$ 298,627	(2,573,911)	
Grant and Contributions	0	0	0	0	0	291,900
Reimbursements	182,877	187,752	130,000	0	(130,000)	145,900
Interest Income	7,832	5,563	4,500	0	(4,500)	51,250
TOTAL REVENUES	2,415,240	2,727,773	3,007,038	298,627	(2,708,411)	609,050
EXPENDITURES						
Printing and Publishing	184	401	200	0	200	
Professional Services	488,583	651,126	725,863	71,761	654,102	
Repair & Maintenance	0	0	15,000	1,600	13,400	
Contribution to District Construction Project	420,671	403,308	1,275,601	0	1,275,601	
Contribution to City - Debt Service	828,719	858,819	893,586	0	893,586	
Capital Outlay/City Engineering Costs for Public Projects	120,756	0	61,750	5,049	66,799	
TOTAL EXPENDITURES	1,858,913	1,913,654	2,972,000	78,410	2,903,687	609,050
EXCESS OF REVENUES OVER/UNDER EXPENDITURES	556,327	814,119	35,038	220,218	195,277	
Beginning Fund Balance	1,182,958	1,739,285	2,553,404	2,553,404		
Ending Fund Balance	\$ 1,739,285	\$ 2,553,404	\$ 2,588,442	\$ 2,773,622		1,337,351

Professional Services for Fiscal Year:	2020-21
DDA Administration	291,900
City Administration	145,900
Community Police	51,250
Arts Commission Admin/Projects	35,000
Downtown WiFi	65,000
Downtown Restrooms	20,000
Undesignated	116,813
Capital Projects for Fiscal Year: includes Engineering Cost	150,000
Park Street Bridge Repair	150,000
South Cass Street Bridge Repair	66,000
West Front Street Bridge Replacement	220,000
Replace Boiler @ Opera House	13,440
Lighting Projects @ Opera House	39,760
Front Street Streetscapes	302,400
State Street Streetscapes	280,000
Tree Replacement	50,000
Undesignated	215,751