

Traverse City Downtown Development Authority Finance Committee

Friday, October 27, 2023

8:30AM

Conference Room, DDA Office
303 East State Street
Traverse City, Michigan 49684



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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.downtowntc.com
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	
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2. ROLL CALL	
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3. SPECIAL ORDER OF BUSINESS	
A. Election of Vice Chair	
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DDA Finance Committee Roles and Responsibilities	
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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.

**Traverse City Downtown Development Authority (TCDDA)
Board of Directors
Finance Committee – Roles & Responsibilities**

Pursuant to the DDA Board’s by-laws, the Finance Committee is a standing committee of the DDA Board of Directors. The Finance Committee is charged with oversight responsibility for all assets and funds owned or administered by the TCDDA in accordance with all board-adopted financial policies. The Treasurer of the DDA shall be the chair of the Finance Committee.

1. Meet at least six times per year and provide meeting minutes to the full Board of Directors.
2. Recommend the format and information contained in monthly financial reports to the Board.
3. Review monthly financial statements and clarify any outstanding questions or issues with the CEO prior to monthly board financial reports.
4. Present and lead discussion on monthly financial reports to the board as a standard agenda item.
5. Receive and review with the CEO the Annual Operating Budget in advance of it appearing before the Board for consideration and adoption.
6. Develop, lead and oversee key financial strategies to ensure the organization’s long-term health and sustainability.
7. Recommend any financial management, investment, or spending policies to the board.
8. Any other periodic or regular board financial matters as desired by the Board of Directors.



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

Memorandum

To: Finance Committee
From: Jean Derenzy, DDA CEO
Date: October 23, 2023
Subject: Meeting Dates and Times

Dates Times of Meetings

As identified on the Finance Committee Roles and Responsibilities worksheet, meetings of this committee are to occur at least six times per year. Board members should identify meeting dates and times, recommended to occur the 2nd Friday or the 4th Tuesday.



**Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
231-922-2050**

MEMORANDUM

To: Finance Committee
From: Jean Derenzy, DDA CEO
Date: October 23, 2023
Re: Consideration from Mobility & Parking Advisory Committee

The Mobility & Parking Advisory Committee has been investigating opportunities to advance short-term and long-term initiatives for access to Downtown during Grandview Parkway project and identify opportunities for employees to get downtown. One short-term initiative is to work more closely with BATA on promoting the Bayline Program during the upcoming Grandview Parkway reconstruction project. The Bayline is the east/west connection, from Woodland Creek to Meijer. BATA is also implementing a north/south route that is similar to Bayline, after their LaFranier campus project is completed. A long-term initiative, is to look at a downtown circulator.

It is also important to recognize that the DDA has partnered with BATA on implementing "Destination Downtown". This program is free for any downtown employee looking to utilize BATA to get downtown. This program has been continuous for six years and has seen more utilization over the past year.

The Mobility & Parking Committee has been investigating opportunities to make it easier to get downtown for the past year and is recommending that the DDA consider utilizing TIF funds to both promote the Bayline Program in 2024 and take steps to initiate a downtown circulator.

Short-Term Proposal

During the 2024 Grandview Parkway reconstruction project, we are recommending to utilize \$3,000 from TIF 97 and Old Town for wraps on two buses to promote the Bayline route and another \$380,000 for two (2) electric trolley vehicles for use on the Bayline route. The two trolley vehicles would be part of the BATA fleet and not managed by the DDA.

The execution of \$383,000 for the wraps and electric trolley vehicles would require a budget adjustment and therefore, approval from the City Commission. My recommendation would be to utilize TIF funds equally from each TIF.

My recommendation to approve this expenditure is based on the following:

- 1) DDA Board has encouraged the Mobility & Parking Advisory Committee to investigate opportunities to make it easier to get to and circulate through downtown.
- 2) With the trolley type of vehicle it provides both market/visibility for public transit which can highlight the other services offered being “on demand services” and Destination Downtown”.
- 3) Our approach to utilize our contract with Greenlight to communicate with the public on the “ease to get downtown”.
- 4) Working with our public transit team provides greater opportunity to communicate and market that the use of public transportation is easy and available to all. Furthermore, continuation of communicating and marketing public transit in downtown including the Destination Downtown Program and the new north/south route sometime in 2024/2025.

Focus on public transit is important as we look at the guiding principles of the DDA



Design a Great Place All Ages and for Future Generations



Advance Climate Action, Sustainability, Renewable Energy, Energy Efficiency, and Resiliency

Both of the principles identified move Downtown into actionable steps to identify future generation needs. Advancing climate action, public transit assists as compared with driving alone, taking public transportation reduces CO2 emissions by 45%, decreasing pollutants in the atmosphere and improving air quality.

Based on the above outlined overview the following motion is recommended:

Recommended Motion

That the DDA Finance Committee recommend to the full DDA Board to expend \$383,000 with \$191,500 coming from Old Town and \$191,500 coming from TIF 97 for the purchase of wraps for two BATA buses and the purchase of two electric trolley vehicles.

Long-term Proposal

In reviewing the downtown circulator concept, the majority of the costs are operational (employee) and anticipated to be approximately \$1.5 million annually (see BATA Executive Director’s memo). The Mobility & Parking Advisory Committee has agreed to move forward with BATA’s recommendation to work with BATA to complete:

- A comprehensive community needs assessment that defines the problem at hand, the target audience and an inclusive process to build the solution
- Assurance of a sustainable funding source

For the comprehensive needs assessment, I will work with BATA’s executive director to determine when the assessment can be completed (and costs associated with same) and identify staff who would be assigned this task with BATA. At this time, costs for this would come back to the Finance Committee for consideration, possibly in our 2024/2025 budget. Depending on the time commitment for the needs assessment of staff and the costs associated with same, I can then make a better recommendation on if and when such an

assessment can be completed.



Memorandum

To: Jean Derenzy, DDA CEO
From: Nicole VanNess, Transportation Mobility Director
Date: October 23, 2023
Re: Recommendation from Parking and Mobility Advisory Board

For nearly a year, we have been reviewing information related to a circulator transit service that would meet the needs of visitors, employees and residents in the downtown area. This type of service is identified in the Transportation Demand Management study, and the TDM Appendices provided examples and details on services that may be implemented. The study recommended additional investigation to learn from other communities would have tried to implement services that were both successful and unsuccessful.

The Mobility & Parking Advisory Board identified the following guidelines for service: 1) service 7 days a week, 2) service hours from 8:00 AM-10:00 PM, and 3) service with 5-minute frequencies. Following a review of the existing services that are currently provided in the BATA network, BATA Executive Director, Kelly Dunham has provided an update on circulator options.

The overall discussion led to forming a group for a community needs assessment and funding source before recommending a dedicated downtown circulator. The immediate recommendation is to: 1) focus on marketing of the existing destination downtown program, 2) purchase bus wraps for all buses on the Bayline route, 3) purchase two trolley vehicles for use on the Bayline route, and 4) install monitors in the pedestrian towers at both parking structures to display real-time bus tracking. The immediate recommendations will provide more visibility to the transit options that include downtown. These services will benefit all of the users identified.



October 6, 2023

Traverse City Parking and Mobility Advisory Board
c/o Nicole VanNess, Mobility Director, Traverse City Parking Services
VIA Email: nicole@downtowntc.com

Re: Downtown Traverse City Circulator

Attached is a cost proposal of a circulator that meets the guidelines requested by the Traverse City Parking and Mobility Advisory Board. The proposal reflects the following:

- Serves Front Street, Pine Street, State Street, the Government Center, 8th Street, the Hardy Parking Deck, the Old Town Parking Deck, and the proposed west side parking deck.
- Five-minute frequency.
- Runs daily from 9:00am to 10:00pm.
- Projected annual operational cost of \$1,476,384 (18,928 service hours, requiring 10-12 drivers which is a significant increase in BATA's current service level).
- The cost of vehicles needed to supply the service is listed separately. If the service were to be provided with trolleys, the vehicle acquisition cost would be approximately \$1,520,000.

In order to further explore the feasibility of the circulator concept, BATA would need the following:

- A comprehensive community needs assessment that defines the problem at hand, the target audience and an inclusive process to build the solution.
- Assurance of a sustainable funding source.

The above points are critical to the success of a circulator. Both the Traverse City Parking Services and BATA have recent studies (the TDM study and the Transit Master Plan, respectively) that have indicated a lack of success in circulators across the country. Therefore, we must go above and beyond in outreach and engagement to provide a compelling justification to implement a new service that is outside our master plan. Perhaps a task force could be created to review examples of similar systems that show successful ridership, economic feasibility, and a community input process that shows public interest and support could be utilized.

As an alternative to a circulator concept, BATA can readily support:

- Enhancing its existing services according to its Master Plan (such as increasing Bayline Frequency and/or adding a north/south high frequency route).
- Exploring the potential of utilizing trolleys on BATA's Bayline (connecting tourists with downtown).
- Reinvalidate Destination Downtown through a targeted marketing campaign.

Respectfully,

Kelly Dunham
Executive Director

BAY AREA TRANSPORTATION AUTHORITY
3233 Cass Rd. Traverse City, MI 49684
231-941-2324 / bata.net



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

MEMORANDUM

To: Finance Committee
From: Scott Howard, DDA Attorney
Date: October 23, 2023
Re: Brownfield Interlocal Agreement

In 2022, the Brownfield Authority and Uptown Developer's Mike Wills, Tim Burden and Dave Whiteford identified that the State/Local match for this development was not met. This means that the local participation of public infrastructure was less than 50% with what the State is participating. Under Brownfield legislation, the DDA does not need to enter into an interlocal agreement, if public infrastructure costs needed for the project meets the State tax participation, or near 50%. At the time of this project, the riverwalk was anticipated to meet 50%. However, that has not been achieved.

The DDA's current match is \$670,028 for the riverwalk by Uptown with another \$600,000 needed to reach the 50% participation (with State taxes being utilized at approximately \$1.5). Per DDA legislation, TIF is not eligible to be used for private investment, only brownfield legislation allows this. Therefore, interlocal agreements between the DDA and Brownfield are entered into with the brownfield capturing local and state and reimbursing the private developer for eligible brownfield expenses.

To meet the legislative intent that local taxes and state taxes are equally utilized for the brownfield project, the approach is to reimburse the Brownfield Authority \$321,887 of public infrastructure costs that were paid by the private developer and reimbursed by the Brownfield Authority over a two-year timeframe. After further negotiations between the Brownfield Authority, DDA and Developer an agreement was reached to enter into an interlocal agreement for two years, in 2028 and 2029. This interlocal agreement between the DDA and Brownfield is only on the Uptown Development, and solely for years 2028 and 2029. The two years of capture is anticipated to be \$300,000 or a total of \$1,291,915 of local taxes and \$1,400,000.

With this approach the brownfield plan approved meets the legislative intent.

RECOMMENDED MOTION:

That the DDA Finance Committee recommend to the full DDA Board to pay \$321,887 from TIF 97 for eligible public infrastructure activities to the Brownfield Redevelopment Authority for the Uptown Brownfield Project and enter into interlocal agreement with the Brownfield Redevelopment Authority for years 2028 and 2029.



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MEMORANDUM

To: Finance Committee
From: Jean Derenzy, DDA CEO
Date: October 23, 2023
Re: Moving Downtown Forward Plan

Review of cost sharing approach for new amended Moving Downtown Forward Plan will be reviewed.