

**Traverse City Downtown
Development
Ad Hoc Committee Meeting
Saturday, November 9, 2024
8:00 am**



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

The City of Traverse City does not discriminate on the basis of disability in the admission to, access to, treatment in, or employment in, its programs or activities. Interim Assistant City Manager, 400 Boardman Avenue, Traverse City, Michigan 49684, phone 231-922-4440, TDD/TTY 231-922-4412, VRS 231-421-7008, 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 ADA Coordinator.

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
Web: www.dda.downtowntc.com
303 East State Street, Suite C
Traverse City, MI 49684

**Welcome to the Traverse City Downtown Development Authority
meeting**

Agenda

	Page
1. CALL TO ORDER	
<hr/>	
2. ROLL CALL	
<hr/>	
3. NEW BUSINESS	
A. Strategic Planning and Project Priorities	3 - 7
Strategic Planning Memo (Burkholder) - PDF	
<hr/>	
4. PUBLIC COMMENT	
<hr/>	
5. ADJOURNMENT	



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

MEMORANDUM

To: DDA Ad Hoc Committee

From: Harry Burkholder, Executive Director

Date: November 6, 2024

Re: TIF-97 Budget Priorities

Picking up from our continued board conversations, the need to determine what capital improvement projects we want to focus on and complete over the next three years – given that, if TIF-97 is not extended, it will formally expire in December of 2027, which means the DDA has three budget cycles remaining to fund and complete capital improvement projects.

To that end, I asked Board members to send me suggestions for criteria on how we might collectively evaluate the potential of projects and priorities. A handful of board members provided me their suggestions and they are, mostly, in line with the considerations and evaluation criteria we discussed at the September meeting (see Discussion Background below).

Given the complexity and nuance of many of the projects we have discussed, the ad-hoc committee is charged with:

1. Determining the criteria from which the DDA would evaluate the potential capital improvement projects.
2. Using the criteria to narrow the list of potential projects to five or six.
3. Bring the five or six projects back to the full DDA Board to then collectively discuss the criteria and narrow down and decide on our priority capital improvement projects.

I have provided a background of the discussion below to help frame the ad-hoc committee discussion.

Discussion Background

The DDA Board approved the Moving Downtown Forward TIF Plan in August and it has been sent on to the City Commission for discussion and consideration for approval (after a public hearing) at a date yet to be determined, but after the November election.

The approval of Proposals 1 & 2 will now require an affirmative vote of the citizens of Traverse City to extend and/or amend the TIF-97 Plan (i.e., Moving Downtown Forward TIF Plan).

If TIF-97 is not extended, it will formally expire in December of 2027, which means the DDA has three budget years remaining to fund and complete capital improvement projects. Although I remain optimistic about the approval and extension of the Moving Downtown Forward TIF Plan, I think it is prudent to consider scenarios in which TIF-97 is not extended. To that end, I believe it is in the best interest of the DDA to start a conversation about what capital improvement projects we want to focus on and complete over the next three years.

To reiterate, this is not to say the DDA is going to stop looking forward, beyond December of 2027. The DDA will continue to inform the community about the TIF tool, serve as an advocate and champion for the extension of TIF and help facilitate the approval of the Moving Downtown Forward TIF Plan. This conversation is only intended to help the DDA Board establish direction and priorities for the next three years, should TIF-97 not be extended.

How Much Money Is Available?

One of the first questions we need to know understand is how much money does the DDA have available over the remaining three budget cycles for capital improvements projects. I am working with our team from Rehmann to develop a working “TIF Revenue and Expense Projection Sheet” that estimates the revenue and expenditures of TIF-97 for the next three years. The numbers listed in the preliminary revenue and expense projection sheet reflect a few assumptions – mainly that the expenses for Professional Services (including Debt Service on the Hardy Parking Structure, General Expenses and Repairs and Maintenance) remains fairly consistent.

Therefore, the dollars remaining for Capital Improvement Projects for each future fiscal year is estimated to be:

Fiscal Year 2025 – 2026: \$1,624,680

Fiscal Year 2026 – 2027: \$1,715,190

Fiscal Year 2027 – 2028: \$1,178,920

The total dollars remaining for capital improvements, coupled with our estimated *End of Fiscal Year 2024-2025 Fund Balance* of \$4,798,515, means that the DDA has an estimated total of \$9,317,305 to spend on Capital Improvement projects over the next three years. I will continue to work with the team from Rehmann to refine the projection sheet, but it does provide a starting point.

What Capital Infrastructure Projects Do We Want to Spend the Money On?

This question is hard to answer because there are a number of considerations and variables at play, including:

- Are there other infrastructure projects the city has planned that will require TIF funding?
- Are there city infrastructure projects that we could dovetail on with our own project?

- What projects do we already have in the works?
- What projects does the community and City Commission support?
- What projects can the DDA realistically get completed by 2027?
- What project(s) align with the Moving Downtown Forward Guiding Principles?
- What projects have the highest ROI?
- What projects resonate with the City Commission?

Based on several years of DDA Board conversations and discussions regarding capital infrastructure projects, including community discussion from the Moving Downtown Forward planning process, the DDA have identified several capital infrastructure projects of interest:

Garland Street Improvements	Public Alley Improvements	Farmers Market Shed
Rotary Square	Board/Ottaway Riverwalk	City Opera House
Bridge Improvements	Bayfront Improvements	Heated Sidewalks
East Front Street	Downtown Cameras	Stormwater
Streetscaping Improvements	Housing (west end)	Mobility Improvements
Composting	Two-Way Streets	TART Trail Extension
General Repair	West Front Staircase	Lot G
East Front Gateway		

Based on the estimated amount of money we believe we have left in TIF-97, the number of budget cycles we have left, and the considerations mentioned above, I believe the following projects could use additional discussion and exploration for potential focus of the DDA. Given the amount of money available, it's likely that one or two (or maybe three) projects is possible. We also need to consider if the DDA should continue to budget dollars for infrastructure projects that it has traditionally supported, like streetscaping when new development occurs. Again, I believe all of the projects listed above are worth pursuing should TIF-97 be extended – this following list is just a starting point for discussion.

Rotary Square

Cost: Unknown

We are about to kick off the conceptual and schematic design process for this project and could implement “phase one” improvements within the next three years. Additional phases of improvements to Rotary Square could be implemented should TIF-97 be extended.

Farmers Market Shed

Cost: Unknown

In 2019, the DDA worked with Beckett and Reader to develop schematic designs for a permanent shed at the Farmers Market. The city has identified plans to reconstruct and reconfigure Lot B in the near future, which would provide the DDA an opportunity to implement the permanent farmers market shed at the same time. The DDA would need to work with Beckett and Reader to revisit and revise the schematic design to adhere to the reconfigured Lot B.

Boardman/Ottaway Riverwalk**Cost: Est. \$5 million****Project “One-A”: J-Smith Walkway, a new pedestrian bridge with abutment improvements on both sides of the river.**

As noted in the Executive Director report, the DDA and MEDC reached a mutual understanding that the DDA would likely be unable to fulfill the obligations of the \$1 million PAR Grant and have since terminated the grant agreement. We anticipate additional grant dollars (with awards of \$1million) from MEDC for placemaking projects will become available later this year with more flexible time constraints.

We have also budgeted \$1,000,000 in this fiscal year for engineering/schematic services and I have been working with INFORM Studio to secure a cost/proposal to complete this task.

Two-Way Circulation**Cost: Unknown**

As noted earlier in this meeting packet, we have nearly completed the two-year pilot project and will need to collectively decide how to proceed with the pilot project. We have budgeted \$500,000 in this fiscal year for additional modifications to the street network, as needed. Additional modifications for a permanent change in the future (whether it remains a two-way street or reverts back to a one-way street) will require additional TIF funding.

Bayfront TART Trail Improvements**Cost: \$200,000**

We have budgeted \$200,000 in this fiscal year for trail improvements/expansion along portions of the Bayfront Trail. Additional improvements/expansion through the TIF District will require additional funding, in collaboration with the City and TART. Funding could also be allocated to other non-motorized infrastructure in the downtown district, should we develop and determine a specific project(s).

Stormwater Infrastructure**Cost: Unknown**

Stormwater infrastructure has been identified as an infrastructure priority by both the DDA Board and City Commission. In fact, after additional budget discussions with the City Commission in June, the DDA included \$100,000 in the 2024-2025 budget to address this infrastructure priority. At this time, we do not have a specific stormwater project ready for implementation (I have been working with city staff to identify potential projects). Therefore, additional study and development of a project(s) would need to be facilitated, in partnership with city staff.

East Front Street/Gateway**Cost: Est. \$5 Million**

In 2021, we had a preliminary budget of just under \$5 million to reconstruct East Front Street (between Boardman Ave. and Grandview Parkway). Once the reconstruction of the new Grandview Parkway and East Front Street intersection is completed later this fall, I believe it will spark renewed interest in completing streetscaping along this gateway stretch of Front Street. This section of Front Street is one of the last remaining downtown streets to incorporate any streetscaping elements.

Ambassador Program**Cost: Unkown**

The day-to-day maintenance of the downtown, especially in the summer, is a challenge for the current DDA staff. Fortunately, we have been able to contract with YouthWorks to provide supplemental maintenance of downtown. While that relationship has proven to be successful, I believe it is in the best interest of Downtown if we take it up to another level and create a full-time, year-round downtown ambassador program. Funding for this kind of program could come from “serves” side of the budget, but I believe it is an important next step for downtown.