

Traverse City Downtown Development Authority Regular Meeting

Friday, January 17, 2025

9:00 am

Commission Chambers, Governmental Center
400 Boardman Avenue
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	
2. ROLL CALL	
3. REVIEW AND APPROVAL OF AGENDA	
4. PUBLIC COMMENT	
5. CONSENT CALENDAR <i>The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one DDA Board motion without discussion. Any member of the DDA Board, 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 DDA Board; 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 DDA Board action adopting the consent calendar.</i>	
A. Consideration of approving the minutes from the December 20, 2024 DDA Regular Board Meeting (approval recommended). December 20, 2024 DDA Board Meeting Minutes - PDF	4 - 7
B. Consideration of approving the December 2024 Financial Reports and Disbursements for DDA General, Old Town TIF, TI-97 and the Arts Commission (approval recommended). DDA General, Old Town TIF, TIF-97 Financial Report and Dashboard - PDF Arts Commission December 2024 Financial Report - PDF	8 - 16
6. ITEMS REMOVED FROM CONSENT CALENDAR	
7. OLD BUSINESS	
A. Capital Project Priorities Update Capital Project Priorities Update Memo (Burkholder) - PDF	17 - 20
8. NEW BUSINESS	

A.	DDA 2024 Annual Audit Report (approval recommended) DDA 2024 Audit Memo (Burkholder) - PDF DDA 2024 Audit Cover Letter - PDF DDA 2024 Annual Audit Report - PDF	21 - 68
B.	Annual Treasury Report 2024 Treasury Report Memo (Burkholder) - PDF 2024 Old Town TIF Treasury Report - PDF 2024 TIF-97 Treasury Report - PDF	69 - 73
C.	Governance Committee Recommendation (approval recommended) Governance Committee Memo - PDF DDA Governance Committee Roles and Responsibilities - PDF DDA Board Roles Responsibilities - PDF	74 - 80
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9.	EXECUTIVE DIRECTOR REPORT	
A.	Executive Director Report Executive Director Report (Burkholder) - PDF	81
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10.	BOARD MEMBER REPORTS	
A.	Arts Commission Report Art Commission Report (McMillen) - PDF	82
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11.	STAFF REPORTS	
A.	Director of Events and Engagement Report Director of Events and Engagement Report (Klebba) - PDF	83 - 84
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12.	RECEIVE AND FILE	
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13.	PUBLIC COMMENT	
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14.	ADJOURNMENT	



**Minutes of the
Downtown Development Authority for the City of Traverse City
Regular Meeting
December 20, 2024**

A regular meeting of the Downtown Development Authority of the City of Traverse City was called to order at the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, at 9:00 a.m.

The following Board Members were in attendance: Board Member Peter Kirkwood, Board Vice Chair Scott Hardy, Board Member Jeff Joubran, Board Member Todd McMillen, Board Member Ed Slosky, Board Member Hillary Ascroft, Mayor Amy Shamroe, Board Member Shelley Spencer, Board Member Gary Howe, and Board Member Mike Powers

The following Board Members were absent: None

Chairperson Hardy presided at the meeting.

(a) **CALL TO ORDER**

The meeting was called to order by Chair Hardy at 9:00am.

(b) **ROLL CALL**

(c) **REVIEW AND APPROVAL OF AGENDA**

(1) That the DDA Board approve the Agenda as presented:

Moved by Jeff Joubran, Seconded by Hillary Ascroft

Yes: Peter Kirkwood, Scott Hardy, Jeff Joubran, Todd McMillen, Ed Slosky, Hillary Ascroft, Amy Shamroe, Shelley Spencer, Gary Howe, and Mike Powers

Absent: None

CARRIED. 10-0-0 on a recorded vote

(d) **PUBLIC COMMENT**

The following addressed the board:

Fred Bimber

(e) **CONSENT CALENDAR**

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one DDA Board motion without discussion. Any member of the DDA Board, 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 DDA Board; 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 DDA Board action adopting the consent calendar.

- (1) Consideration of approving the minutes from the November 9, 2024 DDA Ad Hoc Committee Meeting (approval recommended)
- (2) Consideration of approving the minutes from the November 15, 2024 DDA Regular Board Meeting (approval recommended)
- (3) Consideration of approving the minutes from the December 13, 2024 DDA Ad Hoc Committee meeting (approval recommended)
- (4) Consideration of approving the November Financial Reports and Disbursements for DDA General, Old Town TIF, TIF-97 and the Arts Commission (approval recommended)

That the DDA board approve the Consent Calendar as presented.

Moved by Amy Shamroe, Seconded by Jeff Joubran

Yes: Peter Kirkwood, Scott Hardy, Jeff Joubran, Todd McMillen, Ed Slosky, Hillary Ascroft, Amy Shamroe, Shelley Spencer, Gary Howe, and Mike Powers

Absent: None

CARRIED. 10-0-0 on a recorded vote

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

(g) **OLD BUSINESS**

- (1) TIF-97 Budget Priorities

The following addressed the board:
Harry Burkholder

(h) **NEW BUSINESS**

- (1) Rotary Square Presentation

The following addressed the board:
Harry Burkholder
Jason Ball
Todd Meyer

Amy Shamroe
Scott Hardy

*Jeff Joubran & Todd McMillen left board meeting

(i) **EXECUTIVE DIRECTOR REPORT**

(1) Executive Director Report

The following addressed the board:
Harry Burkholder

(j) **BOARD MEMBER REPORTS**

(1) Arts Commission Report

The following addressed the board:
Harry Burkholder
Todd McMillen

* Pete Kirkwood left meeting

(k) **STAFF REPORTS**

(1) Director of Events and Engagement Report

The following addressed the board:
Harry Burkholder
Ed Slosky
Amy Shamroe
Gary Howe

(l) **RECEIVE AND FILE**

(1) Received Items

The following addressed the board:
Ed Slosky
Mike Powers
Hillary Ascroft
Scott Hardy

(m) **PUBLIC COMMENT**

n/a

(n) **ADJOURNMENT**

The meeting was adjourned by Chair Hardy at 10:30am.

Harry Burkholder, Executive Director

Draft

Traverse City DDA - General

Trial Balance

As of December 31, 2024

	DEBIT	CREDIT
1000 Fifth Third Checking - 3112	623,541.66	
1010 Fifth Third Savings - 6740	212,715.70	
1020 Petty Cash	0.00	
1072 Bill.com Money Out Clearing	0.00	
1200 Accounts Receivable	2,240.64	
1101 Due From APS (City of TC)	0.00	
1102 Due From Arts Council	0.00	
1103 Due From DTCA	0.00	
1104 Due From Other Funds	0.00	
1220 Grants Receivable	50.00	
1230 Other Receivable	0.00	
1300 Pre-Paid Expense	1,641.00	
1480 Payroll Advance	0.00	
1499 Undeposited Funds	0.00	
2000 Accounts Payable		5,425.62
2153 Credit Card		2,048.74
2050 Other Accrued Liabilities		150.00
2100 Due to Other Funds		0.00
2110 Due to Oldtown TIF		22,530.96
2120 Due to TIF 97		61,238.03
2200 Payroll Liabilities		0.00
2201 Payroll Liabilities:Direct Deposit Liabilities		0.00
2202 Payroll Liabilities:Accrued Payroll Liabilities		11,081.49
2203 Payroll Liabilities:Accrued Salaries		37,361.89
2205 Payroll Liabilities:457b Payable		1,709.32
2210 Payroll Liabilities:Federal Income Tax Payable		0.00
2215 Payroll Liabilities:Health, Dental, Vision Insurance Payable		55,767.67
2220 Payroll Liabilities:Life & Disability Insurance Payable		3,297.98
2225 Payroll Liabilities:Medicare Tax Payable		0.00
2230 Payroll Liabilities:Social Security Tax Payable		0.00
2235 Payroll Liabilities:State Income Tax Payable		0.00
2240 Payroll Liabilities:State Unemployment Tax Payable		0.00
2245 Payroll Liabilities:Wage Garnishment Payable		0.00
2300 Deposits Payable		0.00
2301 Deposits Payable:Double Up Food Bucks	9,664.39	
2303 Deposits Payable:NCF Reimbursements	469.00	
2304 Deposits Payable:Prescriptions for Health		0.00
2305 Deposits Payable:Project Fresh		764.00
2306 Deposits Payable:Senior Project Fresh	1,429.00	
2307 Deposits Payable:SNAP Food Assistance Payable		0.00
2403 GRANTS:EGLE - Cornwell Development		0.00
2407 GRANTS:MEDC Civic Square		100,000.00
2409 GRANTS:Rotary Charities		0.00
2600 Deferred Income		22,510.83
Bryan Crough Memorial Fund		0.00

Accrual Basis Sunday, January 12, 2025 05:25 PM GMT-05:00

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Traverse City DDA - General

Trial Balance

As of December 31, 2024

	DEBIT	CREDIT
Bumpout Project Funds Collected		0.00
Buy Local Give Local Campaign		0.00
Suspense		0.00
3000 Opening Bal Equity		107,606.27
3900 Retained Earnings		468,428.85
4101 TAXES:Property Taxes		123,558.81
4212 GRANTS & CONTRIBUTIONS:EGLE Grant-State Street West-End Mixed Use		1,485.00
4302 REIMBURSEMENTS:Administrative Services		378,114.00
4303 REIMBURSEMENTS:Parking Services		181,257.90
4306 REIMBURSEMENTS:Farmer's Market Booth Rental Income		48,940.68
4501 INTEREST INCOME:Interest & Dividends		4,066.45
5101 SALARIES:Salaries & Wages	262,615.45	
5102 SALARIES:Hourly Wage Expense	128,382.72	
5201 FRINGE BENEFITS:Health Insurance	63,137.51	
5202 FRINGE BENEFITS:Disability Insurance Benefits	3,137.04	
5203 FRINGE BENEFITS:Life Insurance Expense	832.08	
5204 FRINGE BENEFITS:457 Company Matching	28,648.74	
5208 FRINGE BENEFITS:Social Security Tax Expense	25,274.39	
5209 FRINGE BENEFITS:Medicare Tax Expense	5,910.88	
5210 FRINGE BENEFITS:SUTA Tax Expense	836.34	
5400 PROFESSIONAL SERVICES	165.00	
5401 PROFESSIONAL SERVICES:Contract Services	7,500.00	
5402 PROFESSIONAL SERVICES:Legal	27,069.00	
5403 PROFESSIONAL SERVICES:Professional/Contractual	117,374.32	
5409 PROFESSIONAL SERVICES:Grant exp EGLE cornwell bldg	1,250.00	
5418 PROFESSIONAL SERVICES:SNAP Food Assistance Expense	10,284.00	
5419 PROFESSIONAL SERVICES:EGLE Grant-State Street West-End Mixed Use	385.00	
5420 PROFESSIONAL SERVICES:Farmers Market Administrative Expense	23,290.39	
5421 PROFESSIONAL SERVICES:Marketing	43,240.00	
5501 TRAVEL AND CONFERENCES:Lodging, meals	545.39	
5502 TRAVEL AND CONFERENCES:Transportation	390.76	
5503 TRAVEL AND CONFERENCES:Training	275.00	
5601 REPAIRS AND MAINTENANCE:Repairs & Maintenance	269.78	
OFFICE SUPPLIES AND UTILITIES	80.00	
5301 OFFICE SUPPLIES AND UTILITIES:Office Supplies	9,055.98	
5302 OFFICE SUPPLIES AND UTILITIES:Utilities	2,471.63	
5303 OFFICE SUPPLIES AND UTILITIES:Operation Supplies	389.12	
5305 OFFICE SUPPLIES AND UTILITIES:Dues, Subscriptions and Memberships	8,705.81	
5306 OFFICE SUPPLIES AND UTILITIES:Printing & Publishing	691.31	
5307 OFFICE SUPPLIES AND UTILITIES:Communications	1,289.60	
5308 OFFICE SUPPLIES AND UTILITIES:Miscellaneous Expense	11,231.86	
5311 OFFICE SUPPLIES AND UTILITIES:Escheatment Liability	0.00	
5404 OFFICE SUPPLIES AND UTILITIES:Insurance, Bonds & Taxes	864.00	
TOTAL	\$1,637,344.49	\$1,637,344.49

Traverse City DDA - General

Trial Balance

As of December 31, 2024

Traverse City DDA - Old Town TIF

Trial Balance

As of December 31, 2024

	DEBIT	CREDIT
1001 Fifth Third Checking - 0650	1,485,903.55	
1072 Bill.com Money Out Clearing	0.00	
1200 Accounts Receivable	22,530.96	
1103 OTHER CURRENT ASSETS:Due From Other Funds	0.00	
1104 OTHER CURRENT ASSETS:Due From DDA	0.00	
1300 Pre-Paid Expense	0.00	
2000 Accounts Payable		0.00
2100 Due to Other Funds		0.00
3900 Retained Earnings		799,554.29
4101 Property Taxes		814,165.12
Sales		0.00
5302 OFFICE SUPPLIES & UTILITIES:Utilities	722.49	
5308 OFFICE SUPPLIES & UTILITIES:Miscellaneous Expense	146.10	
5400 PROFESSIONAL SERVICES	84,964.31	
5500 Contributions to District Construction Projects		3,500.00
5900 Repairs and Maintenance	23,401.77	
4501 INTEREST INCOME:Interest & Divident Income		449.77
TOTAL	\$1,617,669.18	\$1,617,669.18

Traverse City DDA - TIF 97

Trial Balance

As of December 31, 2024

	DEBIT	CREDIT
1001 CASH AND CASH EQUIVALENTS:Fifth Third Checking - 8026	9,096,488.19	
1072 Bill.com Money Out Clearing	0.00	
1200 Accounts Receivable	61,238.03	
1102 OTHER CURRENT ASSETS:Due from other governments	0.00	
1103 OTHER CURRENT ASSETS:Due From Other Funds	0.00	
1104 OTHER CURRENT ASSETS:Due From DDA	0.00	
1210 Deposits-Security Deposit	4,500.00	
1300 Pre-Paid Expense	0.00	
1499 Undeposited Funds	0.00	
2000 Accounts Payable		24,902.59
2300 Due to City - Capital Projects		0.00
2100 Due to Other Funds		0.00
2200 Deferred Revenue		0.00
3000 Opening Bal Equity	21,200.00	
3900 Retained Earnings		6,307,524.02
4101 TAXES:Property Taxes		3,675,701.91
4501 INTEREST INCOME:Interest & Dividends		718.70
5301 OFFICE SUPPLIES AND UTILITIES:Office Supplies	210.75	
5302 OFFICE SUPPLIES AND UTILITIES:Utilities	1,396.19	
5306 OFFICE SUPPLIES AND UTILITIES:Printing & Publishing	1,530.43	
5308 OFFICE SUPPLIES AND UTILITIES:Miscellaneous Expense	1,123.26	
5309 OFFICE SUPPLIES AND UTILITIES:Bank Charges	360.82	
5400 Professional Services	338,246.14	
5500 Contributions to District Construction Projects	363,334.79	
5600 Contributions to Other Governments-Debt Service	36,859.98	
5801 RENT OR LEASE EXPENSE:Rent Expense	27,000.00	
5901 REPAIR & MAINTENANCE EXPENSES:Repairs and Maintenance	55,358.64	
TOTAL	\$10,008,847.22	\$10,008,847.22

TC Downtown Development Authority (DDA)
Board Financial Report - Dashboard

12/31/2024

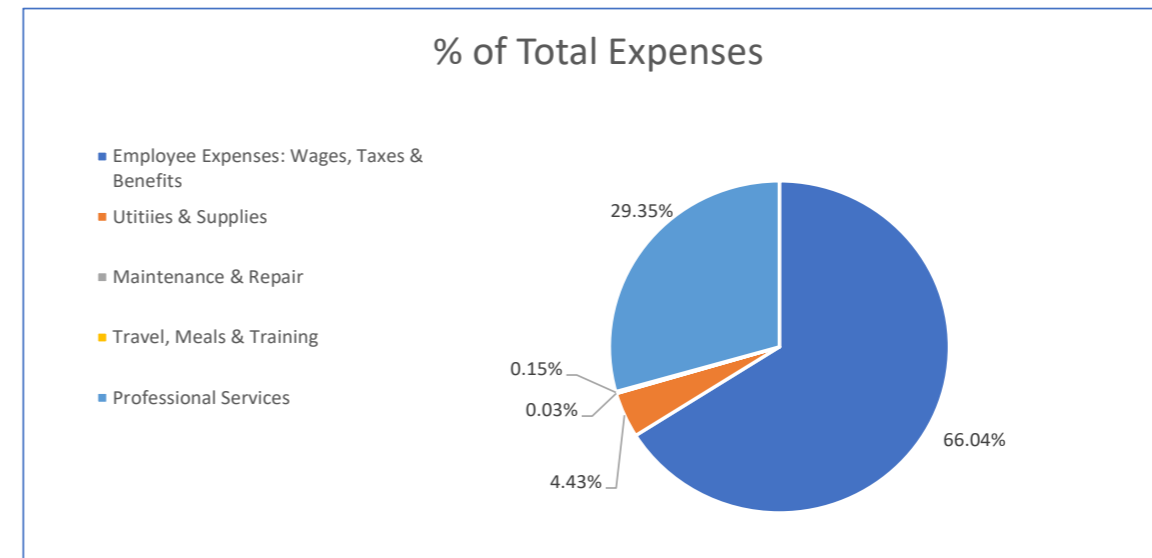
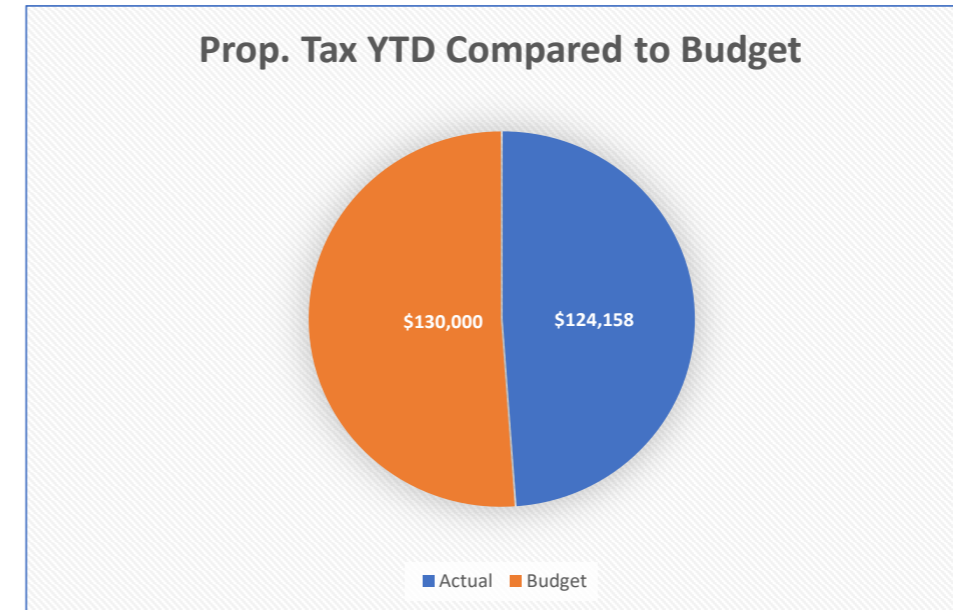
Financial Position	YTD as of 12/31/2024	Prior Year as of 6/30/2024 *	Change
Total Cash and Cash Equivalents	\$ 836,257	\$ 811,754	\$ 24,504
Other Assets	3,932	283,104	(279,172)
Total Assets	\$ 840,189	\$ 1,094,858	\$ (254,669)
Current Liabilities	\$ 7,474	\$ 337,420	\$ (329,946)
Total Other Liabilities	304,850	181,402	123,447
Total Liabilities	312,324	518,823	(206,498)
Fund Balance	527,865	576,035	(48,170)
Total Liabilities and Fund Balance	\$ 840,189	\$ 1,094,858	\$ (254,669)

* Prior year balances are pre-audit and subject to change

Revenue	YTD	Annual Budget	% of Budget
Property Taxes	\$ 123,559	\$ 130,000	95.0%
Grants & Contributions	1,485	1,875,000	0.1%
Reimbursements	559,372	743,728	75.2%
Rental Income	48,941	51,000	96.0%
Interest	4,066	2,000	203.3%
Total Revenue	\$ 737,423	\$ 2,801,728	26%

Expenses	YTD	Annual Budget	% of Budget
Employee Expenses: Wages, Taxes & Benefits	\$ 518,775	\$ 541,113	96%
Office Supplies & Utilities	34,779	80,000	43%
Maintenance & Repair	270	0	0%
Travel, Meals & Training	1,211	30,000	4%
Professional Services	230,558	377,800	61%
Rental Expense	-	-	0%
Total Expenses	\$ 785,593	\$ 1,028,913	76%

No CPA has audited, reviewed, compiled or expressed any assurances on these financial statements



Old Town Tax Increment Financing
Board Financial Report - Dashboard

12/31/2024

Financial Position	YTD as of 12/31/2024	Prior Year as of 6/30/2024 *	Change
Total Cash and Cash Equivalents	\$ 1,485,904	\$ 1,192,161	\$ 293,743
Other Assets	22,531	35,035	(12,504)
Total Assets	\$ 1,508,435	\$ 1,227,196	\$ 281,238
Current Liabilities	\$ -	\$ 427,642	\$ (427,642)
Total Other Liabilities	-	-	-
Total Liabilities	-	427,642	(427,642)
Fund Balance	1,508,435	799,554	708,880
Total Liabilities and Fund Balance	\$ 1,508,435	\$ 1,227,196	\$ 281,238

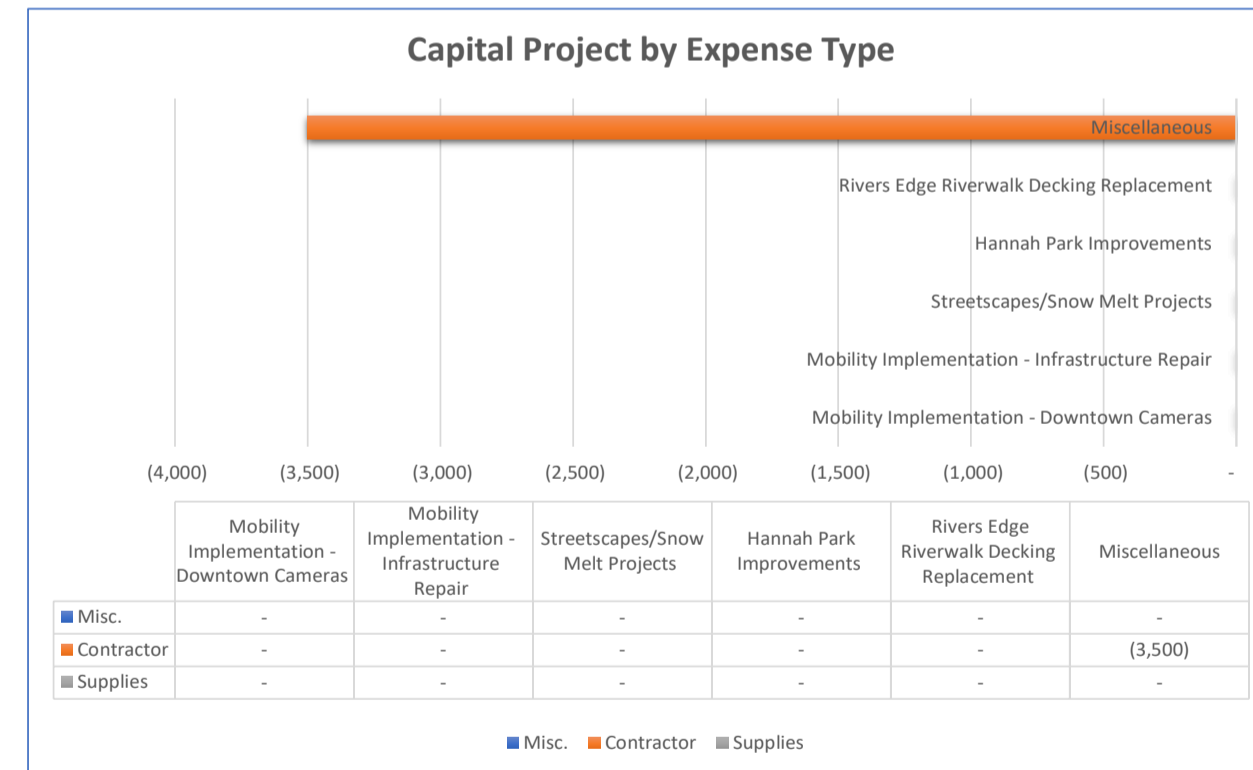
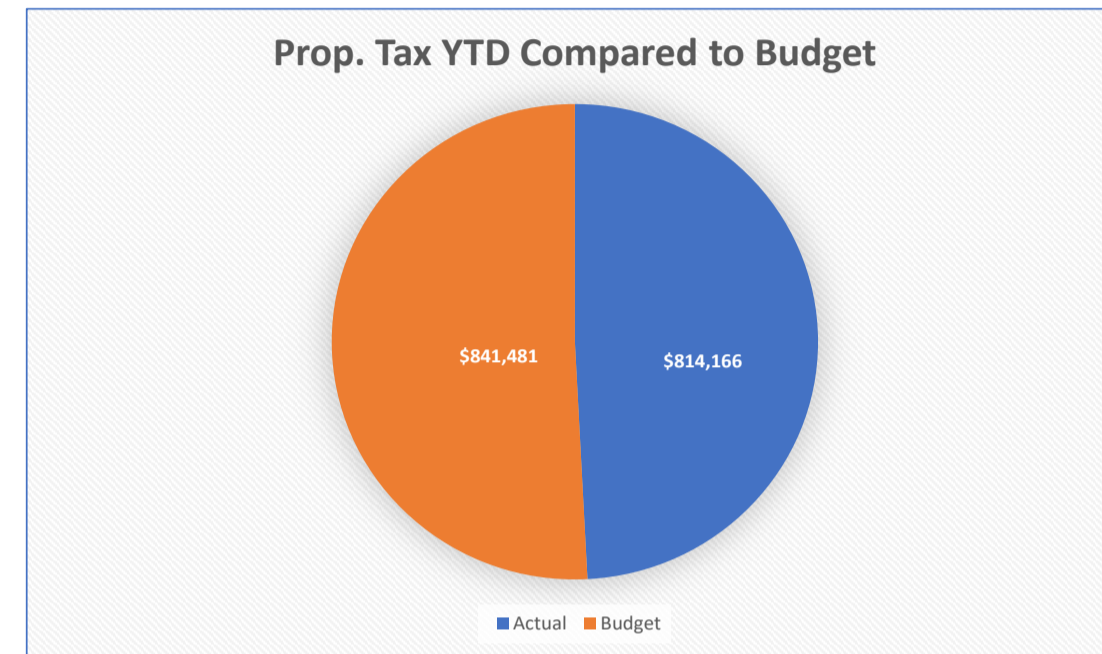
* Prior year balances are pre-audit and subject to change

Revenue	YTD	Annual Budget	% of Budget
Property Taxes	\$ 814,165	\$ 823,427	98.9%
Interest	450	100	449.8%
Total Revenue	\$ 814,615	\$ 823,527	99%

Expenses	YTD	Annual Budget	% of Budget
Utilities	\$ 722	\$ -	N/A
Professional Services	84,964	303,383	28%
Other: Printing/Publishing, Supplies	146	100	146%
Repairs & Maintenance	23,401	60,000	39%
Capital Projects	(3,500)	378,120	-1%
Total Expenses	\$ 105,734	\$ 741,603	14%

Capital Project Expenses:	YTD	Annual Budget	% of Budget
Mobility Implementation - Downtown Cameras	-	28,120	0%
Mobility Implementation - Infrastructure Repair	-	30,000	0%
Streetscapes/Snow Melt Projects	-	100,000	0%
Hannah Park Improvements	-	80,000	0%
Rivers Edge Riverwalk Decking Replacement	-	130,000	0%
Miscellaneous	(3,500)	10,000	-35%
Total Project Expenses	\$ (3,500)	\$ 378,120	-1%

No CPA has audited, reviewed, compiled or expressed any assurances on these financial statements



Tax Increment Financing Bond 97 (TIF97)
Board Financial Report - Dashboard

12/31/2024

Financial Position	YTD as of 12/31/2024	Prior Year as of 6/30/2024 *	Change
Total Cash and Cash Equivalents	\$ 9,096,488	\$ 6,109,666	\$ 2,986,822
Other Assets	65,738	274,515	(208,777)
Total Assets	\$ 9,162,226	\$ 6,384,181	\$ 2,778,045
Current Liabilities	\$ 24,903	\$ 97,857	\$ (72,954)
Total Other Liabilities	-	-	-
Total Liabilities	24,903	97,857	(72,954)
Fund Balance	9,137,324	6,286,324	2,851,000
Total Liabilities and Fund Balance	\$ 9,162,226	\$ 6,384,181	\$ 2,778,045

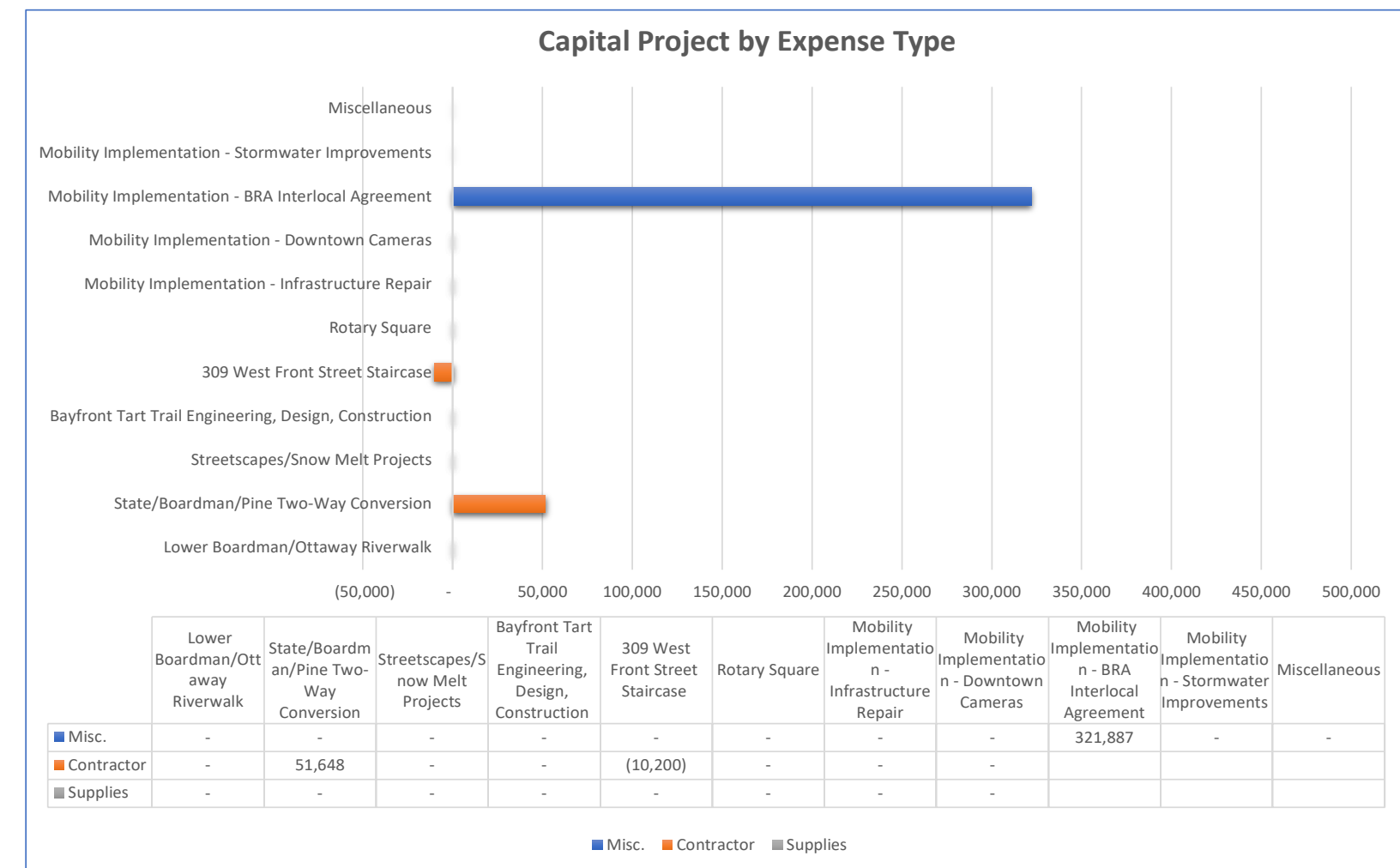
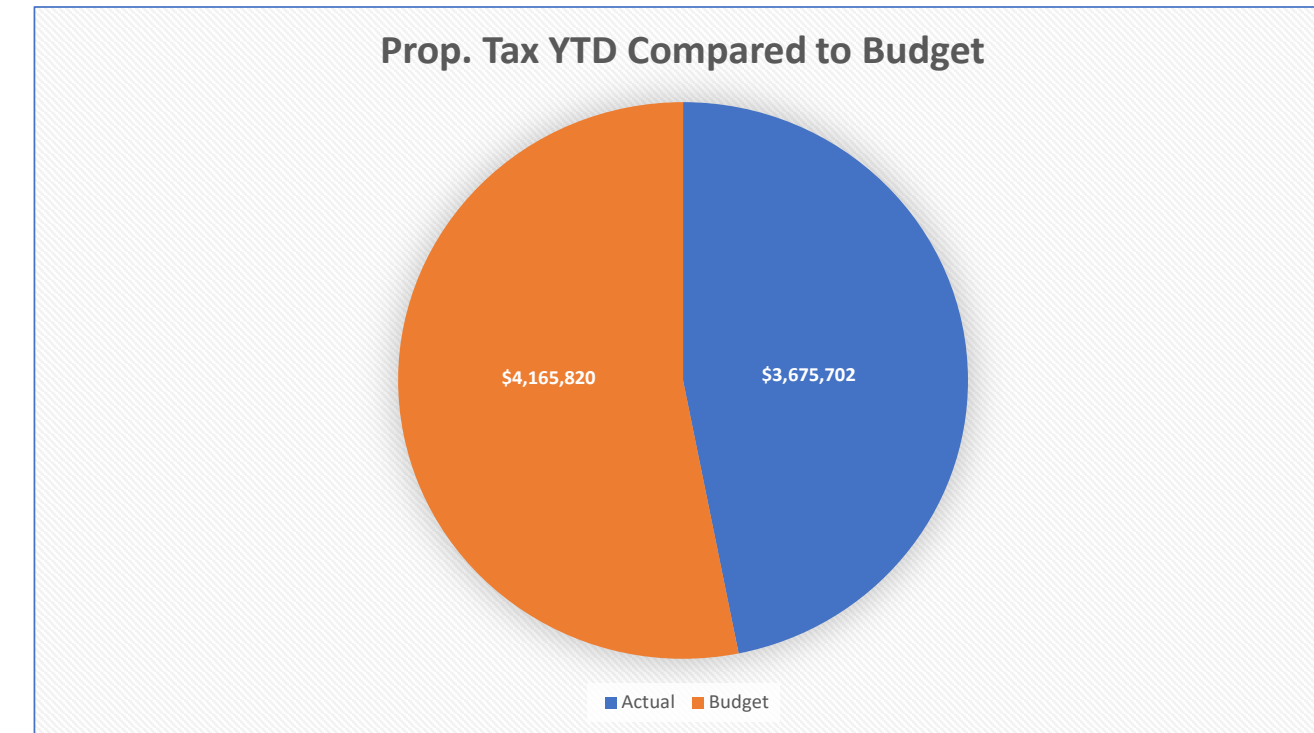
* Prior year balances are pre-audit and subject to change

Revenue	YTD	Annual Budget	% of Budget
Property Taxes	\$ 3,675,702	\$ 4,165,820	88.2%
Grant Revenue	-	-	N/A
Reimbursements	-	-	N/A
Interest	719	4,500	16.0%
Total Revenue	\$ 3,676,421	\$ 4,170,320	88%

Expenses	YTD	Annual Budget	% of Budget
Office Supplies & Utilities	\$ 4,621	\$ 20,000	23%
Professional Services	338,246	1,427,215	24%
Rent Expense	27,000	50,000	0%
Repair & Maintenance	55,359	250,000	22%
Capital Projects	363,335	3,034,367	12%
Debt Service	36,860	913,720	4%
Taxes & Transfers	-	-	0%
Total Expenses	\$ 825,421	\$ 5,695,302	14%

Capital Project Expenses:	YTD	Annual Budget	% of Budget
Lower Boardman/Ottaway Riverwalk	-	1,000,000	0%
State/Boardman/Pine Two-Way Conversion	51,648	500,000	10%
Streetscapes/Snow Melt Projects	-	400,000	0%
Bayfront Tart Trail Engineering, Design, Construction	-	200,000	0%
309 West Front Street Staircase	(10,200)	100,000	-10%
Rotary Square	-	100,000	0%
Mobility Implementation - Infrastructure Repair	-	100,000	0%
Mobility Implementation - Downtown Cameras	-	112,480	0%
Mobility Implementation - BRA Interlocal Agreement	321,887	321,887	100%
Mobility Implementation - Stormwater Improvements	-	100,000	0%
Miscellaneous	-	100,000	0%
Total Project Expenses	\$ 363,335	\$ 3,034,367	12%

No CPA has audited, reviewed, compiled or expressed any assurances on these financial statements



GL NUMBER	DESCRIPTION	2024-25YTD BALANCE		ACTIVITY FOR		ENCUMBERED BALANCE	% BDGT USED
		UNDEB BUDGET	12/31/2024	12/31/24	YEAR-TO-DATE		
Fund 107 - PUBLIC ARTS COMMISSION FUND							
Revenues							
Dept 000 - NON-DEPARTMENTAL							
107-000-664.000	INTEREST & DIVIDEND EARNIN	1,000.00	0.00	0.00	0.00	1,000.00	0.00
107-000-675.000	CONTRIBUTIONS-PUBLIC SOUR	15,000.00	0.00	0.00	0.00	15,000.00	0.00
107-000-692.000	PRIOR YEARS' SURPLUS	20,000.00	0.00	0.00	0.00	20,000.00	0.00
107-000-699.000	TRANSFERS IN	30,000.00	0.00	0.00	0.00	30,000.00	0.00
Total Dept 000 - NON-DEPARTMENTAL		66,000.00	0.00	0.00	0.00	66,000.00	0.00
TOTAL REVENUES		66,000.00	0.00	0.00	0.00	66,000.00	0.00
Expenditures							
Dept 000 - NON-DEPARTMENTAL							
107-000-801.000	PROFESSIONAL AND CONTRAC'	64,000.00	7,208.74	680.67	3,337.93	53,453.33	16.48
107-000-930.000	REPAIRS AND MAINTENANCE	2,000.00	0.00	0.00	0.00	2,000.00	0.00
Total Dept 000 - NON-DEPARTMENTAL		66,000.00	7,208.74	680.67	3,337.93	55,453.33	15.98
TOTAL EXPENDITURES		66,000.00	7,208.74	680.67	3,337.93	55,453.33	15.98
Fund 107 - PUBLIC ARTS COMMISSION FUND:							
TOTAL REVENUES		66,000.00	0.00	0.00	0.00	66,000.00	0.00
TOTAL EXPENDITURES		66,000.00	7,208.74	680.67	3,337.93	55,453.33	15.98
NET OF REVENUES & EXPENDITURES		0.00	(7,208.74)	(680.67)	(3,337.93)	10,546.67	100.00



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

MEMORANDUM

To: Downtown Development Authority Board
From: Harry Burkholder, Executive Director
Date: January 13, 2025
Re: TIF-97 Budget Priorities

As you recall, at our December 27th meeting, the DDA Board selected the following capital improvement project priorities:

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

This memo is intended to provide an update on the standing/status of each capital improvement project priority and provide the framework for next steps, critical decisions and budget allocation. I am working with staff to create a more visual “scorecard” for each project moving forward, but an update on each of these priorities will be provided in each DDA Board meeting moving forward.

Rotary Square

The first on-line survey for this project was released on January 13th and we are working with Progressive to plan future public engagement activities.

East Front Street

The DDA worked with Progressive Companies to develop a streetscaping plan for East Front Street in 2021. At the time, the scope of the project included East Front Street, from Grandview and Park Street, as well as Park Street (from Front Street to Grandview Parkway). The total estimated cost for the project at that time was roughly \$5-million, which also included underground utilities. Last month, I asked Progressive if they could provide an updated cost estimate for East Front Street.

Progressive staff was able to provide a preliminary cost estimate (based upon 60% plans that were previously developed) range of \$7 to \$7.7-million dollars. Keep in mind, this cost is just an estimate and is based on a number of design variables which could reduce the overall cost.

As was previously discussed, this project was intended to have two complimentary components – (1) the roadway and streetscape component which is now estimated to cost between \$4-million to \$4.3-million which would be funded by the DDA (with TIF) and; (2) Water and Sanitary Updates, which is estimated to cost between \$3-million to \$3.3-million and would be funded with city funds. These costs do not include costs related to Design Engineering and Construction Engineering.

To reiterate, these preliminary costs are just estimates and provide a starting point for additional investigation and discussion with both Progressive and the city. The scope of this project could also change if the Park Street component was eliminated, snowmelt elements were eliminated and an additional gateway design were requested to compliment the new intersection at Front Street and Grandview Parkway.

A possible next step would be to engage Progressive in additional design and engineering services to get a more definitive determination of actual costs. Other factors to consider include the determination and buy-in on the final design of the street features (e.g., bike-lane), the timing of implementation, and collaboration with the city on the underground utility components.

I am scheduled to meet with city engineering to discuss this project (and each of our capital improvement project priorities) later this week.

We would need to amend the current DDA budget or include funding in the 2025/2026 budget to advance this effort.

Farmers Market Pavillion

In 2017, the DDA engaged with Beckett and Reader to design a permanent pavilion for the Farmers Market, in Lot B. As noted in previous meetings, the city is investigating repaving Lot B (with additional stormwater infrastructure), which would provide an opportunity to incorporate the pavilion. The original design of the pavilion needs to be revised, as Lot B has been reconfigured (and will likely see additional modifications with the repaving and stormwater elements of the project). I asked Beckett and Reader if they could provide a cost estimate for redesigning the pavilion based on the current and proposed configuration changes with Lot B.

Beckett and Reader staff was able to provide a preliminary cost of roughly \$133,000 to redesign the pavilion and develop construction drawings. As noted above, I am scheduled to meet with city engineering to discuss this project later this week to outline the needs for this project.

Similar to East Front Street, to move forward with anything of substance, we would need to amend the current DDA budget or include funding in the 2025/2026 budget.

Boardman/Ottaway Riverwalk

Following the completion of the conceptual design for entire 1.6-mile riverwalk in 2022, the DDA issued an RFP for schematic design, design development and construction drawings for riverfront improvements along the 100 and 200 block alleys of Front Street. We received only one proposal from INFORM Studio (the firm who created the conceptual design).

Without action to move the project forward and additional discussion, the scope became more refined (Phase 1-A). Over the summer, I asked representatives from INFORM if they could provide a cost estimate for schematic design, design development and construction drawings for Phase 1-A. INFORM staff was able to provide a preliminary cost estimate of roughly \$1.3 million, as well as cost estimates for bidding and award and construction administration. Given the time lapse between the summer estimate and today, I am meeting with representatives from INFORM later this week to review the services needed and secure revised cost estimates.

We have budgeted engineering services for this project in the 2024/2025 budget.

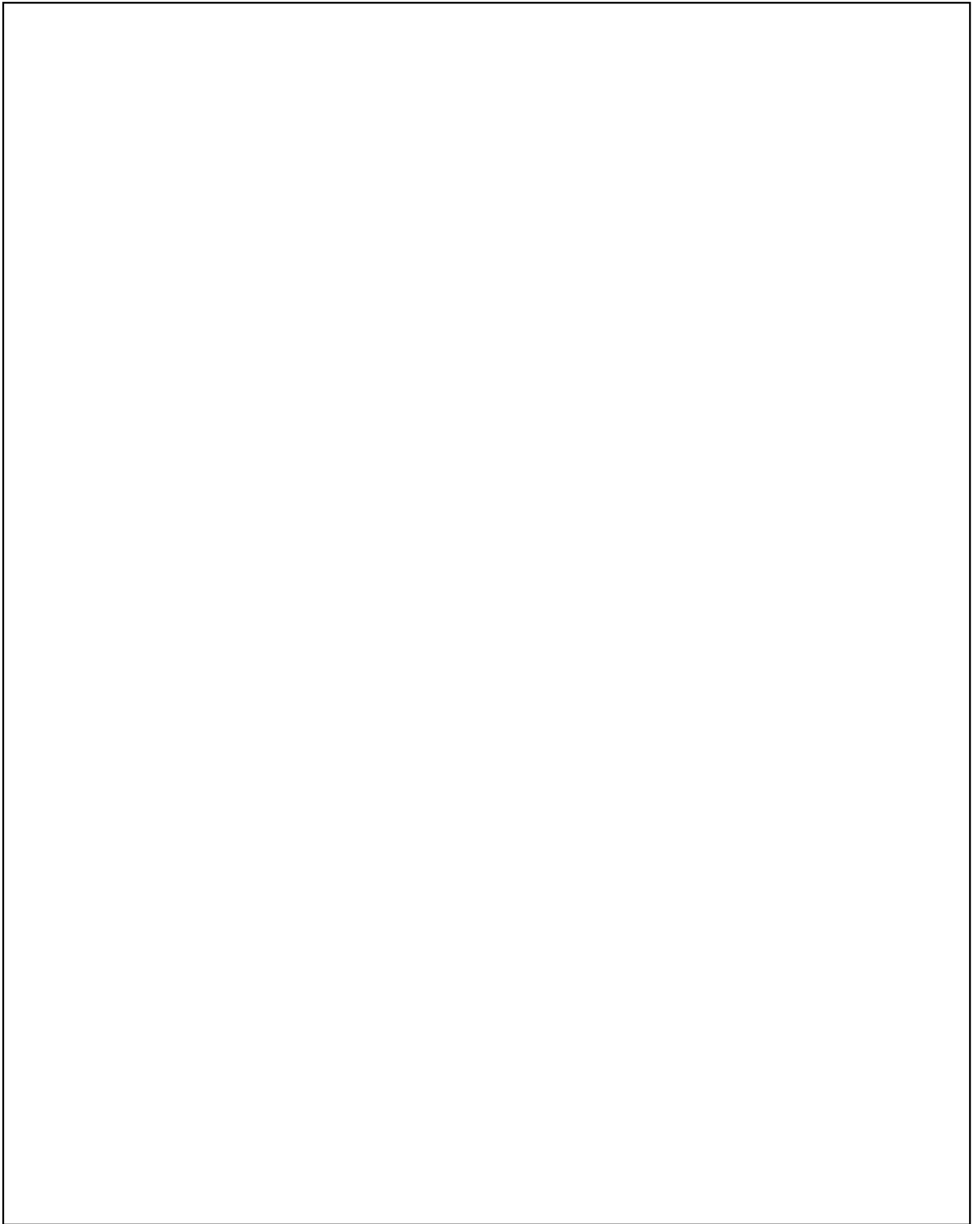
Additional/On-Going Projects and Initiatives Part of the Priority Discussion

State Street Two-Way

In addition to the preliminary costs staff has investigated for additional modifications to State Street in the pilot project is extended, I have been working with City Engineering to determine costs associated with mid-block crosswalks along state street. Preliminary costs vary, depending on location between \$250,000 to \$400,000. I will continue to work with city engineering to refine these cost estimates. If installed, the mid-block crosswalks would help support our long-term vision for the street (to slow traffic and make the street more pedestrian friendly), even if State Street were reverted to one-way traffic.

Ambassador Program

Last month, we connected with *Block by Block*, a well-respected national company that provides ambassador services in downtowns throughout the United States, about similar services for Traverse City. We were curious about the costs associated with a national company/program versus if we were able to contract locally and/or keep the ambassador position in-house. Block by Block provided a draft budget, with seasonality services 5-days per week at roughly \$650,000 annually. I think these costs demonstrate the value of keeping this position within the DDA.





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

Memorandum

To: DDA Board of Directors
From: Harry Burkholder, DDA Executive Director
Date: January 13, 2025
Subject: 2023/2024 DDA Audit

The audit for the fiscal year ending June 30, 2024, as well as the cover letter from Vredeveld Haefner LLC, the firm who conducts the audit on behalf of the City and DDA, is attached for your review. The Auditor issued an unqualified (i.e., “clean”) opinion on the financial statements:

In our opinion, the financial statements referred to above (each major fund of the DDA) present fairly, in all material respects, the respective financial position of the governmental activities for each major fund of the Authority, as of June 30, 2024, and the respective changes in the financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Financial Highlights of the Audit (as noted on page 3):

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$9,630,795 (net position).
- The Authority’s total net position increased by \$494,157
- As of the close of the current fiscal year, the Authority’s governmental funds reported combined ending fund balances of \$7,661,912, an increase of \$529,160 in comparison with the prior year.

Brain Postma, from the City’s Treasury Department will be at our meeting to answer any questions, if needed.

Recommended Motion

That the DDA Board accept the annual audited financial statements for the Traverse City Downtown Development Authority for the year ending June 30, 2024



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Michael J. Vredeveld, CPA
(616) 648-8447

December 19, 2024

Harry Burkholder, CEO
Traverse City Downtown Development Authority
303 E. State Street, Suite C
Traverse City, MI 49684

Dear Harry:

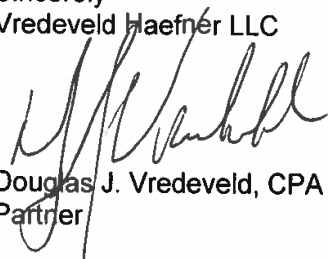
We appreciate the opportunity to work with you.

Enclosed please find the following:

- Twelve copies of the audited financial statements of the City of Traverse City Downtown Development Authority as of June 30, 2024.
- Twelve copies of our required communications letter.

The reports were uploaded to the State of Michigan to meet their requirements. Please call if you should have any questions.

Sincerely
Vredeveld Haefner LLC



Douglas J. Vredeveld, CPA
Partner

Specializing in services to governmental and nonprofit entities



Vredeveld Haefner LLC

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(616) 446-7474
Michael J. Vredeveld, CPA
(616) 648-8447

December 17, 2024

To the Board of Directors
City of Traverse City Downtown Development Authority
Traverse City, Michigan

We have audited the financial statements of the governmental activities and each major fund of the City of Traverse City Downtown Development Authority (the DDA) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 5, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the DDA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the committed tax increment is based on various construction projects within the district. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures the required correction by management that were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 17, 2024.

Specializing in services to governmental and nonprofit entities

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as itemized in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the DDA Board of Directors and the City Commission of the City of Traverse City and management of the DDA and the City of Traverse City and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Ordevelde Haefner LLC



Vredevelde Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredevelde, CPA
(616) 446-7474
Michael J. Vredevelde, CPA
(616) 648-8447

December 17, 2024

To the Board of Directors
City of Traverse City Downtown Development Authority
Traverse City, Michigan

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Specializing in services to governmental and nonprofit entities

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Restriction on Use

This information is intended solely for the use of the DDA Board of Directors and the City Commission of the City of Traverse City and management of the DDA and the City of Traverse City and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

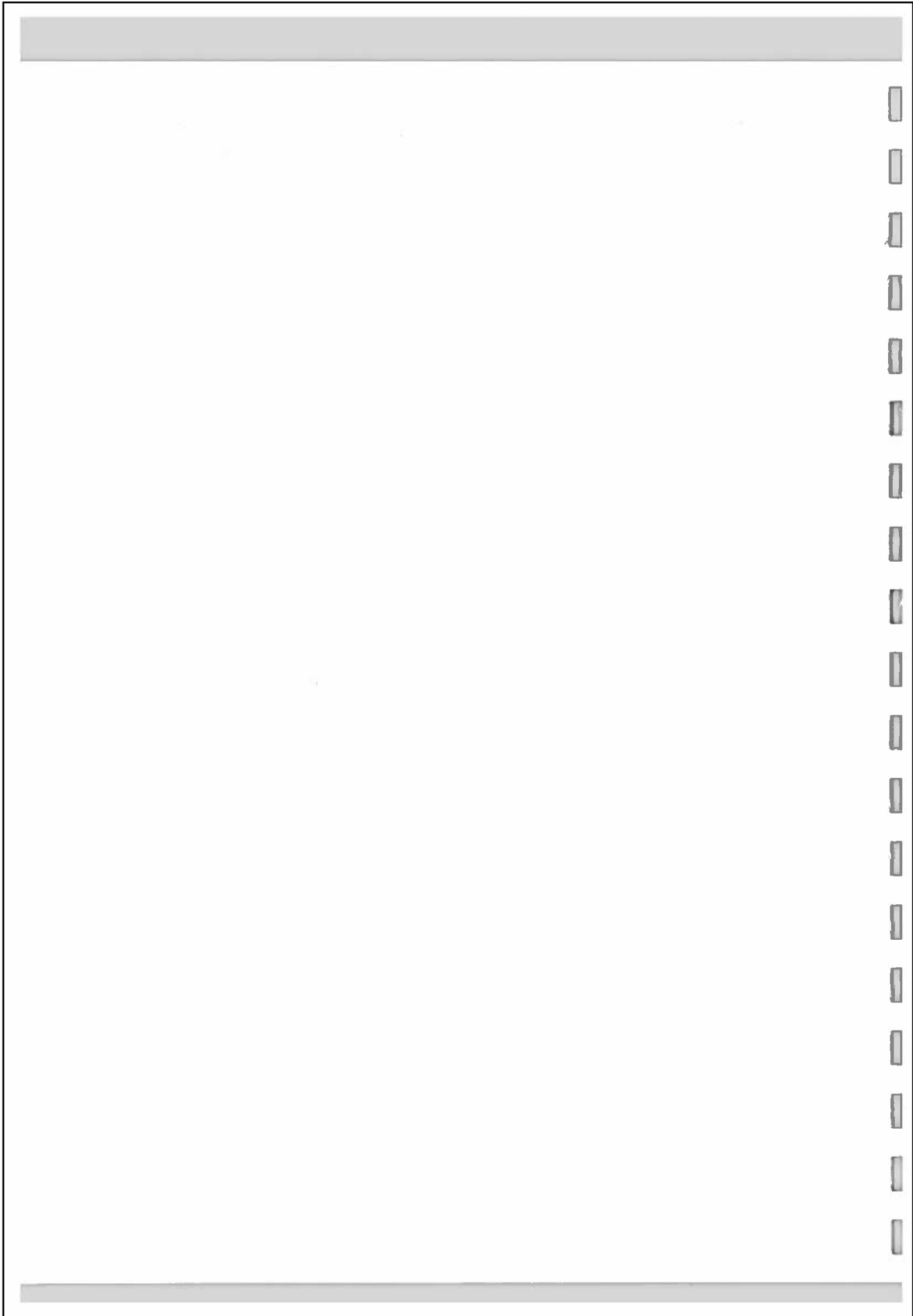
Oradavold Haefner LLC



CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City)

Annual Audited Financial Statements
For the Year Ended June 30, 2024

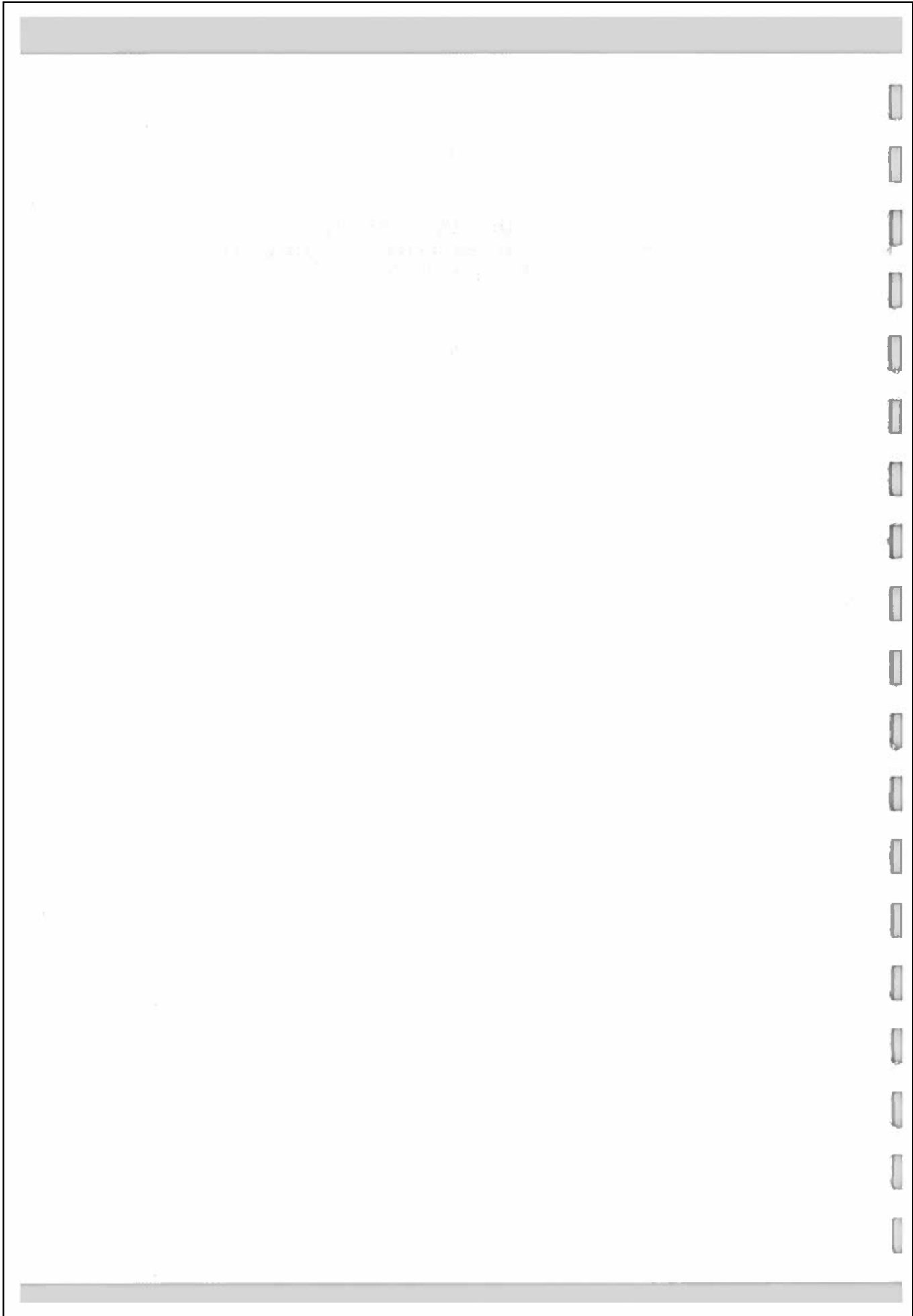
Prepared by City Treasurer's Office
Vredeveld Haefner LLC - Auditors



**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the
City of Traverse City, Michigan)**

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(616) 648-8447

INDEPENDENT AUDITORS' REPORT

December 17, 2024

Members of the Board
City of Traverse City Downtown Development Authority
Traverse City, Michigan

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Traverse City Downtown Development Authority (the Authority), a Component Unit of the City of Traverse City, Michigan, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

-1-

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the budgetary comparison information on pages 21 through 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Uradasold Haafner LLC

MANAGEMENT'S DISCUSSION
AND ANALYSIS



Management's Discussion and Analysis

As management of the *Downtown Development Authority* (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$9,630,795 (*net position*).
- The Authority's total net position increased by \$494,157.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$7,661,912 an increase of \$529,160 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Authority's assets and liabilities with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Authority's governmental activity is economic development. The Authority has no business-type activities.

The government-wide financial statements include only the Authority itself. The Authority has no legally separate component units for which the Authority is financially accountable.

The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority only has governmental funds. The Authority does not maintain enterprise or fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for all three funds; the General Fund, TIF 97 and Old Town TIF Special Revenue Funds, each of which are considered to be major funds. The governmental funds financial statements can be found on pages 10-13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-20 of this report.

Other Information

The Authority adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison schedules have been provided as required supplementary information to demonstrate compliance with those budgets.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$9,630,795 at the close of the most recent fiscal year.

Downtown Development Authority's Net Position

	<u>June 30</u>	
	<u>2024</u>	<u>2023</u>
Governmental Activities		
Current assets	\$ 8,333,996	\$ 8,126,461
Non Current assets	1,997,110	1,997,110
Total Assets	<u>10,331,106</u>	<u>10,123,571</u>
Long-term liabilities	28,227	41,856
Other liabilities	672,084	945,077
Total Liabilities	<u>700,311</u>	<u>986,933</u>
Net Position		
Net investment in capital	1,997,110	1,997,110
Restricted	7,064,453	6,685,312
Unrestricted	569,232	454,216
	<u>\$ 9,630,795</u>	<u>\$ 9,136,638</u>

The Authority's net position reflects its restricted net position for future expenditures within the guidelines of the tax increment finance district plans and unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position.

The Authority's net position increased by \$494,157 key highlights are as follows:

- The increase in net position for 2024 compared to an increase of \$784,371 in 2023. Property taxes increased by approximately \$269,000 due in large part to a significant increase in the captured value of the TIF 97 plan and 2024 being the seventh year of capture for the Old Town TIF plan. Operating grants decreased by approximately \$555,000 due in large part to the MEDC grant for upgrading downtown infrastructure being completed in 2023. Total expenses decreased by approximately \$13,000, with Old Town TIF contributions to construction projects increasing by \$850,000 and DDA general operating expenditures decreasing by \$713,000 due to completion of grant projects in 2023.

Downtown Development Authority's Changes in Net Position

	June 30	
	2024	2023
Governmental Activities		
Program revenues		
Charges for services	\$ 1,037,719	\$ 978,783
Operating grants	176,912	732,710
Capital grants	56,226	135,079
General revenues		
Property taxes	4,753,542	4,484,538
Unrestricted investment earnings	4,882	2,211
Total Revenue	6,029,281	6,333,321
Expenses		
Economic development	5,535,124	5,548,950
Change in net position	494,157	784,371
Net position beginning of year	9,136,638	8,352,267
Net position end of year	\$ 9,630,795	\$ 9,136,638

Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Authority's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$7,661,912, an increase of \$529,160 in comparison with the prior year. \$7,064,453 is restricted and available only for spending for the benefit of the applicable TIF district.

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$572,817. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 30.4 percent of total General Fund expenditures. During the current fiscal year, the fund balance of the Authority's General Fund increased by \$114,565 compared to an anticipated increase of \$27,843.

The TIF 97 Special Revenue Fund had a fund balance of \$6,286,325, which increased \$742,578 although anticipated to decrease \$665,642. This difference was attributed to actual expenditures being under budget because of the timing of construction projects the district has committed funding to.

The Old Town TIF Special Revenue Fund has a fund balance of \$799,555, a decrease of \$327,983 compared to a projected decrease of \$850,314. The timing of district funded construction projects was the key factor in the increased fund balance for the Old Town TIF Fund.

Economic Factors and Next Year's Budgets

The following factors were considered in preparing the Authority's budget for the 2024-25 fiscal year:

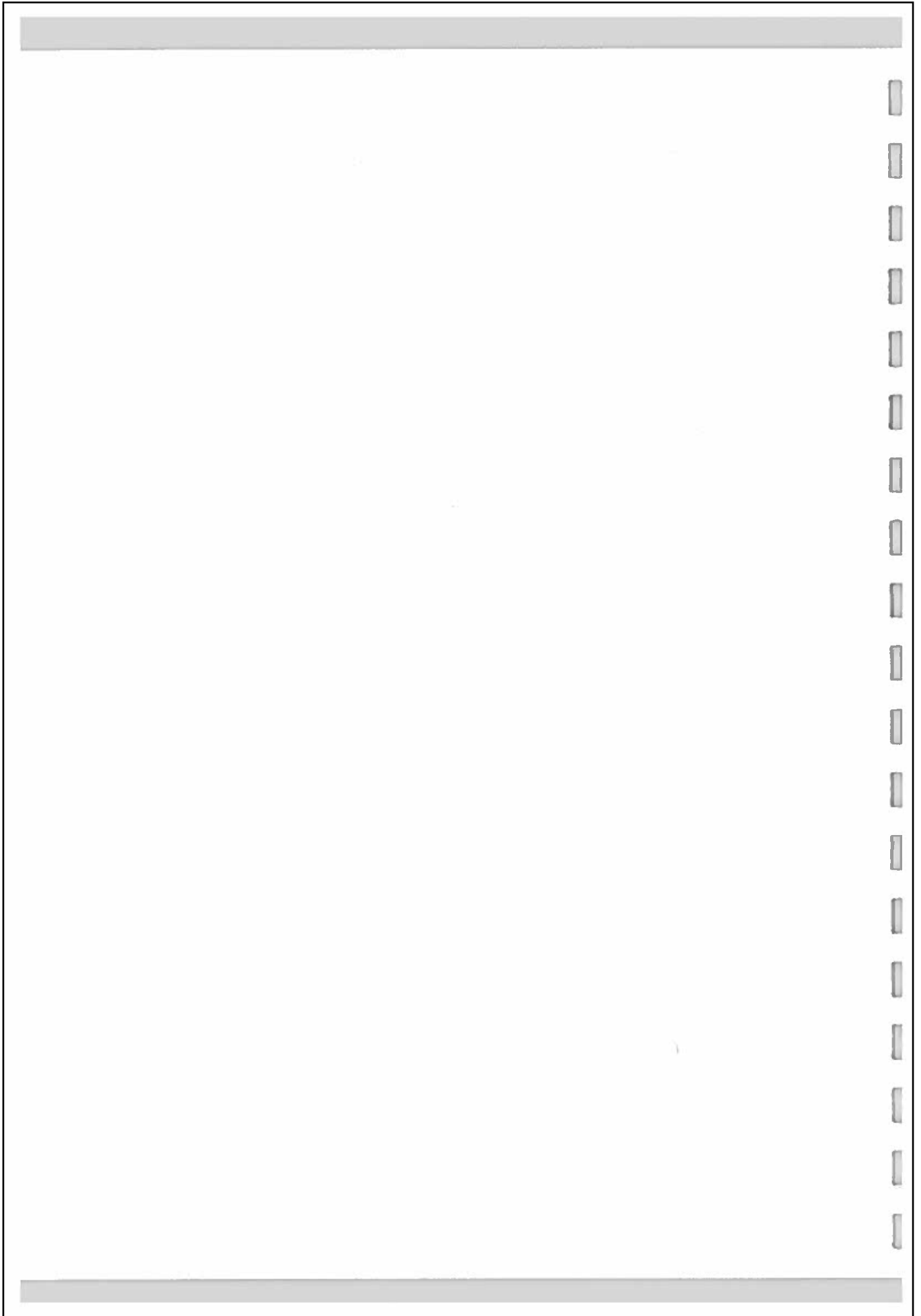
- Work on the Lower Boardman/Ottaway Riverwalk including a \$1 million MEDC grant and a \$900,000 EGLE grant.
- Work on Rotary Square including use of the \$1 million grant from Rotary Charities.
- Work on two-way State Street Pilot Project.
- Assistance with downtown streetscape and snowmelt projects.
- Transitioning Auto parking employees to the City primary government payroll.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Authority's Executive Director, 303 State Street, Traverse City, Michigan.

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FINANCIAL STATEMENTS



**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Statement of Net Position
June 30, 2024**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 8,113,590
Due from other governments	195,764
Prepaid items	24,642
Capital assets not being depreciated	<u>1,997,110</u>
Total assets	<u>10,331,106</u>
Liabilities	
Accounts payable	490,680
Accrued liabilities	58,893
Unearned revenue	122,511
Accrued compensated absences Due in more than one year	<u>28,227</u>
Total liabilities	<u>700,311</u>
Net position	
Net investment in capital assets	1,997,110
Restricted for tax increment finance districts	7,064,453
Unrestricted	<u>569,232</u>
Total net position	<u>\$ 9,630,795</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Statement of Activities
For the Year Ended June 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental activities	\$ 5,535,124	\$ 1,037,719	\$ 176,912	\$ 56,226	\$ (4,264,267)
General revenues					
Unrestricted property taxes					131,422
Restricted property taxes for tax increment finance districts					4,622,120
Unrestricted investment income					4,882
Total general revenues					4,758,424
Change in net position					494,157
Net position, beginning of year					9,136,638
Net position, end of year					\$ 9,630,795

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Balance Sheet
Governmental Funds
June 30, 2024**

	<u>General Fund</u>	<u>TIF 97 Fund</u>	<u>Old Town TIF Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 811,763	\$ 6,109,666	\$ 1,192,161	\$ 8,113,590
Due from other governments	178,462	17,302	-	195,764
Due from other funds	101,417	247,057	28,265	376,739
Prepaid expenditures	3,215	14,656	6,771	24,642
Total assets	\$ 1,094,857	\$ 6,388,681	\$ 1,227,197	\$ 8,710,735
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 62,099	\$ 25,652	\$ 402,929	\$ 490,680
Accrued liabilities	58,893	-	-	58,893
Unearned revenue	122,511	-	-	122,511
Due to other funds	275,322	76,704	24,713	376,739
Total liabilities	518,825	102,356	427,642	1,048,823
Fund balances				
Nonspendable - prepaid expenditures	3,215	14,656	6,771	24,642
Restricted - tax increment finance districts	-	6,271,669	792,784	7,064,453
Unassigned	572,817	-	-	572,817
Total fund balances	576,032	6,286,325	799,555	7,661,912
Total liabilities and fund balances	\$ 1,094,857	\$ 6,388,681	\$ 1,227,197	\$ 8,710,735

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Reconciliation of Fund Balances on the Balance Sheet for Governmental
Funds to Net Position of Governmental Activities on the
Statement of Net Position
June 30, 2024**

Fund balances - total governmental funds	\$ 7,661,912
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	
Add - Capital Assets	1,997,110
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - accrued compensated absences	<u>(28,227)</u>
Net position of governmental activities	<u>\$ 9,630,795</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>TIF 97 Fund</u>	<u>Old Town TIF Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 131,422	\$ 3,832,136	\$ 789,984	\$ 4,753,542
Grants and contributions	189,567	-	-	189,567
Reimbursements	1,667,313	92,203	-	1,759,516
Other income	-	700	-	700
Interest income	4,882	54,755	290	59,927
Total revenues	<u>1,993,184</u>	<u>3,979,794</u>	<u>790,274</u>	<u>6,763,252</u>
Expenditures				
Economic development				
Salaries	938,446	-	-	938,446
Fringe benefits	327,813	-	-	327,813
Office supplies and utilities	35,125	134,574	-	169,699
Professional services	562,104	1,318,785	267,432	2,148,321
Travel and conferences	14,451	-	-	14,451
Repairs and maintenance	234	-	-	234
Rentals	446	-	-	446
Contributions to district construction projects	-	830,746	850,825	1,681,571
Contributions to other governments - debt service	-	953,111	-	953,111
Total expenditures	<u>1,878,619</u>	<u>3,237,216</u>	<u>1,118,257</u>	<u>6,234,092</u>
Net change in fund balance	114,565	742,578	(327,983)	529,160
Fund balance, beginning of year	<u>461,467</u>	<u>5,543,747</u>	<u>1,127,538</u>	<u>7,132,752</u>
Fund balance, end of year	<u>\$ 576,032</u>	<u>\$ 6,286,325</u>	<u>\$ 799,555</u>	<u>\$ 7,661,912</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2024**

Net changes in fund balances - total governmental funds	\$	529,160
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Noncurrent assets recorded on the fund statements are not available to fund current year operations and are unavailable in the funds.		
Deduct - payments received on long-term receivables due from other governments		(48,632)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
Add - decrease in compensated absences		<u>13,629</u>
Change in net position of governmental activities	\$	<u>494,157</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Downtown Development Authority (the "Authority"), a discrete component unit of the City of Traverse City (the "City"), was created in September 1978 by the City Commission pursuant to Act No. 197 of the Public Acts of 1975 of the State of Michigan. It operates through a Board of Trustees (the "Board") consisting of the Mayor of the City of Traverse City and eleven members approved by the City Commission. The purpose of the Authority is to correct and prevent deterioration of the Downtown Development District, encourage historic preservation, create and implement development plans, and promote economic growth.

The Authority is a component unit of the City because the City appoints the Authority's Board of Directors, it has the ability to significantly influence the Authority's operations and it is financially accountable for the Authority as defined under GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61. Accordingly, the Authority is presented as a discretely presented component unit in the City's financial statements.

Government-wide and Fund Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The Authority has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The government-wide financial information is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the years for which they are levied.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2024**

Governmental fund financial information is reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service and compensated absences expenditures are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Authority reports the following major governmental funds:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

The *TIF 97 and Old Town TIF Special Revenue Funds* account for financial resources that are legally restricted for activities within specific districts of the Downtown Development Authority.

Capital Assets – The Authority has capitalized two parcels of land purchased by the Authority for which it holds legal ownership. Infrastructure assets (e.g., roads, bridges, curbs, sidewalks, storm sewers and similar items), along with water and wastewater subsystems, constructed by the Authority are not recorded as the Authority's capital assets, even though the Authority may be obligated to repay the debt issued to finance the related projects. Such capital assets become the property of the City when they are placed into service and, accordingly, are then reported as the City's capital assets.

Deferred outflows/inflows of resources – In addition to assets, the statement of net position and the governmental funds balance sheet, when applicable, will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Authority does not report deferred outflows of resources.

In addition to liabilities, the statement of net position when applicable will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Authority does not report deferred inflows of resources.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2024**

Accrued compensated absences - Employees earn Paid Time Off, if Paid Time Off is not used before the anniversary date, a maximum of 40 hours are eligible for rollover into the next work year and accumulation in the PTO "bucket." Unused PTO above 40 hours that remains on the anniversary date will be forfeited. The maximum payout upon separation will be 40 hours. The estimated amount due to employees as of June 30, 2024 is accrued in the government-wide financial statements.

Fund Balance - In the fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resource by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the Authority's highest level of decision making authority, the Authority's Board of Directors. A formal resolution by the Authority's Board of Directors is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts intended for specific purposes expressed and assigned by the governing body. Unassigned fund balance is the residual classification for the General Fund.

Net Position and Fund Balance Flow Assumptions - Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position/fund balance and unrestricted - net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

2. CASH AND CASH EQUIVALENTS

Michigan Compiled Laws, Section 129.91 authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Authority is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2024**

The Authority's deposit and investment policy is in accordance with statutory authority.

The Authority's cash and cash equivalents are cash on hand and demand deposits with a bank. The Authority's cash and cash equivalents are comprised of bank deposits with a balance of \$8,113,590 at June 30, 2024.

Custodial credit risk - deposits

Custodial risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The State does not require and the Authority has not adopted a policy regarding custodial credit risk. The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared, or of deposits in transit) at \$8,113,608. The Federal Deposit Insurance Corporation insures \$250,000 and the remainder of \$7,863,608 is uninsured and not collateralized.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable are related to vendors and construction projects including approximately \$398,000 due to the City primary government for Old Town TIF district construction projects. Accrued liabilities in the governmental activities consist of accrued payroll liabilities.

4. DUE FOR OTHER GOVERNMENTS

The General Fund amounts due from other governments includes \$68,750 of receivables from the City primary government related to the auto parking system's administration agreement.

5. CAPITAL ASSETS

Capital assets consist of land purchased and improved for the City Civic Square.

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not depreciated:				
Land	\$ 1,977,110	\$ -	\$ -	\$ 1,977,110

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2024**

6. ACCRUED COMPENSATED ABSENCES

Changes in accrued compensated absences consist of the following:

	<u>Balance</u> <u>07/01/23</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/24</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Accrued compensated absences	\$41,856	\$ 36,181	\$ 49,810	\$28,227	\$ -

Compensated absences are liquidated by the General Fund.

7. COMMITMENTS

The 2017 City of Traverse City Downtown Development Tax Exempt Refunding Bonds are reported on the City of Traverse City financial statements. The Authority has pledged tax increment revenues for the payment of these bonds. The City has pledged its limited tax full faith and credit for the payment of the principal and interest on the bonds. The following are the obligations, including interest, expected to be paid from the collection of tax increment revenues in the Tax Increment Financing and Development Plan No. 97.

<u>Fiscal Year</u> <u>End</u>	<u>Amount</u>
2025	\$ 913,720
2026	874,459
2027	825,656
2028	782,541
	<u>\$ 3,396,376</u>

The Authority has committed to assist the City with various infrastructure related projects within their boundaries including bridge repairs, street upgrades and streetscape improvements. The estimated Authority commitment for projects that have started is \$453,359 at June 30, 2024. The Authority will pay these commitments using district eligible TIF captured funds.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2024**

8. PROPERTY TAXES

The Authority's property taxes are levied each July 1 on the taxable valuation of applicable property located in the Districts of the Authority as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through July 31 and unpaid taxes become delinquent if not paid by March 1 of the succeeding year. Assessed values as established annually by the City, and subject to acceptance by the County, are equalized by the State at an estimated 50 percent of the assessed value. The taxable value for real and personal property for the Authority for the 2023 levy was \$270,259,201. The Authority's general operating tax rate for fiscal year 2023-24 was 1.5927 mills.

Property tax revenue for the TIF's, which are included in the Downtown Development Authority, is derived pursuant to the tax increment financing development plans. The Old Town TIF tax increment financing development plan captured its first taxes during the fiscal year end June 30, 2018. Real and personal property taxes are levied and attach as an enforceable lien on properties located within the boundaries of the tax increment financing districts. The City bills and collects the taxes on behalf of the Authority. Delinquent taxes on ad valorem real property at March 1 are purchased and collected by Grand Traverse County. Collection of delinquent personal property tax remains the responsibility of the City of Traverse City. Property tax revenue is recognized when levied in the government-wide financial statements and in the fund financial statements to the extent that it results in current receivables.

Except for property taxes captured from local schools that exceed contractual obligations, the Authority is entitled to all taxes levied on property within the tax increment financing authority districts to the extent that the current taxable value exceeds the base year taxable value. The base year of initial properties was 1997 for TIF 97 (\$32,860,088). The base year on other properties is determined by the date of entry into the district. The fiscal year 2023-24 captured taxable values for TIF 97 was \$188,880,794. The base year of initial properties was 2017 for Old Town TIF (\$45,424,382). The base year on other properties is determined by the date of entry into the district. The fiscal year 2023-24 captured taxable values for Old Town TIF was \$76,942,900.

9. ADMINISTRATIVE SERVICES REVENUE

The Authority entered into a contract with the Downtown Traverse City Association (a not-for-profit organization). The Authority provides office space and administrative services to the association for an annual fee of \$75,000.

The Authority entered into a contract on June 19, 2003 with the City of Traverse City in which the Authority will operate and manage the Traverse City Parking Services for an annual fee. The fiscal year end June 30, 2024 fee of \$825,000 was billed monthly at \$68,750.

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Notes to Financial Statements
For the Year Ended June 30, 2024**

The Authority's General Fund is reimbursed an administrative fee for indirect cost from the TIF 97 and Old Town TIF Funds as approved in the budget. The revenue recorded in the General Fund and expenditures in the TIF Fund are eliminated in the government wide financial statements. Income from the administrative fee for the year ended June 30, 2024 was \$685,339.

10. RISK OF LOSS

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is covered for these risks via the Michigan Municipal Liability and Property Pool, Michigan Municipal Workers Compensation Insurance Fund and commercial health insurance. There has been no significant reduction in insurance coverage from the prior year and settlements have not exceeded insurance coverage for the past three fiscal years.

11. DEFERRED COMPENSATION PLAN

The Authority sponsors the Traverse City Downtown Development Authority Deferred Compensation Plan created in accordance with the Internal Revenue Code Section 457. The administrator of the plan is ICMA Retirement Corporation. The plan is available to all employees. The employer contributes 4% to the plan and will match employee contributions up to an additional 6%. Plan provision and contribution requirements can only be amended by a resolution from the Board of Directors. In fiscal year 2024 the Authority contributed \$69,056 and the employees contributed \$54,230 to this plan.

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**REQUIRED SUPPLEMENTARY
INFORMATION**



**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
General Fund
For the Year Ended June 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 130,000	\$ 130,000	\$ 131,422	\$ 1,422
Grants and contributions	100,000	100,000	189,567	89,567
Reimbursements	1,585,359	1,585,359	1,667,313	81,954
Rental income	115,000	115,000	-	(115,000)
Interest income	1,000	1,000	4,882	3,882
Total revenues	<u>1,931,359</u>	<u>1,931,359</u>	<u>1,993,184</u>	<u>61,825</u>
Expenditures				
Economic development				
Salaries	1,060,134	1,060,134	938,446	121,688
Fringe benefits	390,382	390,382	327,813	62,569
Office supplies and utilities	63,000	63,000	35,125	27,875
Professional services	360,000	360,000	562,104	(202,104)
Travel and conferences	30,000	30,000	14,451	15,549
Repairs and maintenance	-	-	234	(234)
Rentals	-	-	446	(446)
Capital outlay	-	-	-	-
Total expenditures	<u>1,903,516</u>	<u>1,903,516</u>	<u>1,878,619</u>	<u>24,897</u>
Net change in fund balance - revenues over (under) expenditures	27,843	27,843	114,565	86,722
Fund balance, beginning of year	<u>461,467</u>	<u>461,467</u>	<u>461,467</u>	<u>-</u>
Fund balance, end of year	<u>\$ 489,310</u>	<u>\$ 489,310</u>	<u>\$ 576,032</u>	<u>\$ 86,722</u>

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Special Revenue Fund - TIF 97
For the Year Ended June 30, 2024**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,180,861	\$ 4,180,861	\$ 3,832,136	\$ (348,725)
Grants and contributions	40,000	40,000	-	(40,000)
Reimbursements	130,000	130,000	92,203	(37,797)
other income	-	-	700	700
Interest income	4,500	4,500	54,755	50,255
Total revenues	<u>4,355,361</u>	<u>4,355,361</u>	<u>3,979,794</u>	<u>(375,567)</u>
Expenditures				
Economic development				
Office supplies and utilities	270,000	270,000	134,574	135,426
Professional services	1,672,563	1,672,563	1,318,785	353,778
Contributions to district construction projects	2,125,000	2,125,000	830,746	1,294,254
Contributions to other governments - debt service	953,440	953,440	953,111	329
Capital Outlay	-	-	-	-
Total expenditures	<u>5,021,003</u>	<u>5,021,003</u>	<u>3,237,216</u>	<u>1,783,787</u>
Net change in fund balance - revenues over (under) expenditures	(665,642)	(665,642)	742,578	1,408,220
Fund balance, beginning of year	<u>5,543,747</u>	<u>5,543,747</u>	<u>5,543,747</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,878,105</u>	<u>\$ 4,878,105</u>	<u>\$ 6,286,325</u>	<u>\$ 1,408,220</u>

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
Special Revenue Fund - Old Town TIF
For the Year Ended June 30, 2024**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 841,481	\$ 841,481	\$ 789,984	\$ (51,497)
Interest income	100	100	290	190
Total revenues	<u>841,581</u>	<u>841,581</u>	<u>790,274</u>	<u>(51,307)</u>
Expenditures				
Economic development				
Professional services	303,450	303,450	267,432	36,018
Contributions to district construction projects	805,000	1,388,445	850,825	537,620
Total expenditures	<u>1,108,450</u>	<u>1,691,895</u>	<u>1,118,257</u>	<u>573,638</u>
Net change in fund balance - revenues over (under) expenditures	(266,869)	(850,314)	(327,983)	522,331
Fund balance, beginning of year	<u>1,127,538</u>	<u>1,127,538</u>	<u>1,127,538</u>	<u>-</u>
Fund balance, end of year	<u>\$ 860,669</u>	<u>\$ 277,224</u>	<u>\$ 799,555</u>	<u>\$ 522,331</u>

**CITY OF TRAVERSE CITY
DOWNTOWN DEVELOPMENT AUTHORITY
(A Component Unit of the City of Traverse City, Michigan)**

Notes to Required Supplementary Information

1. BUDGETARY INFORMATION

The general and special revenue funds are under formal budgetary control and their budgets are prepared on the same modified accrual basis of accounting used to reflect actual results. The Authority follows the City's budget process in establishing the budgetary data reflected in the financial statements:

- The Authority submits a proposed budget to the City Manager. After review and approval, the City Manager submits a recommended operating budget to the City Commission. Public hearings are held to obtain taxpayer comments. The budget is legally adopted through a City Commission resolution prior to the beginning of the budgetary year for the Authority's funds. The budget is then adopted by the Authority's Board.
- The budget is adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted or amended by the City Commission during the year.
- The budget document presents information by fund, function and activity. The legal level of budgetary control adopted by the governing board is the fund level, which is the level at which expenditures may not legally exceed appropriations.

INTERNAL CONTROL AND COMPLIANCE





Vredevelde Haefner LLC

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

December 17, 2024

Members of the Board
City of Traverse City Downtown Development Authority
Traverse City, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Traverse City Downtown Development Authority (the Authority), a Component Unit of the City of Traverse City, Michigan, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 17, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

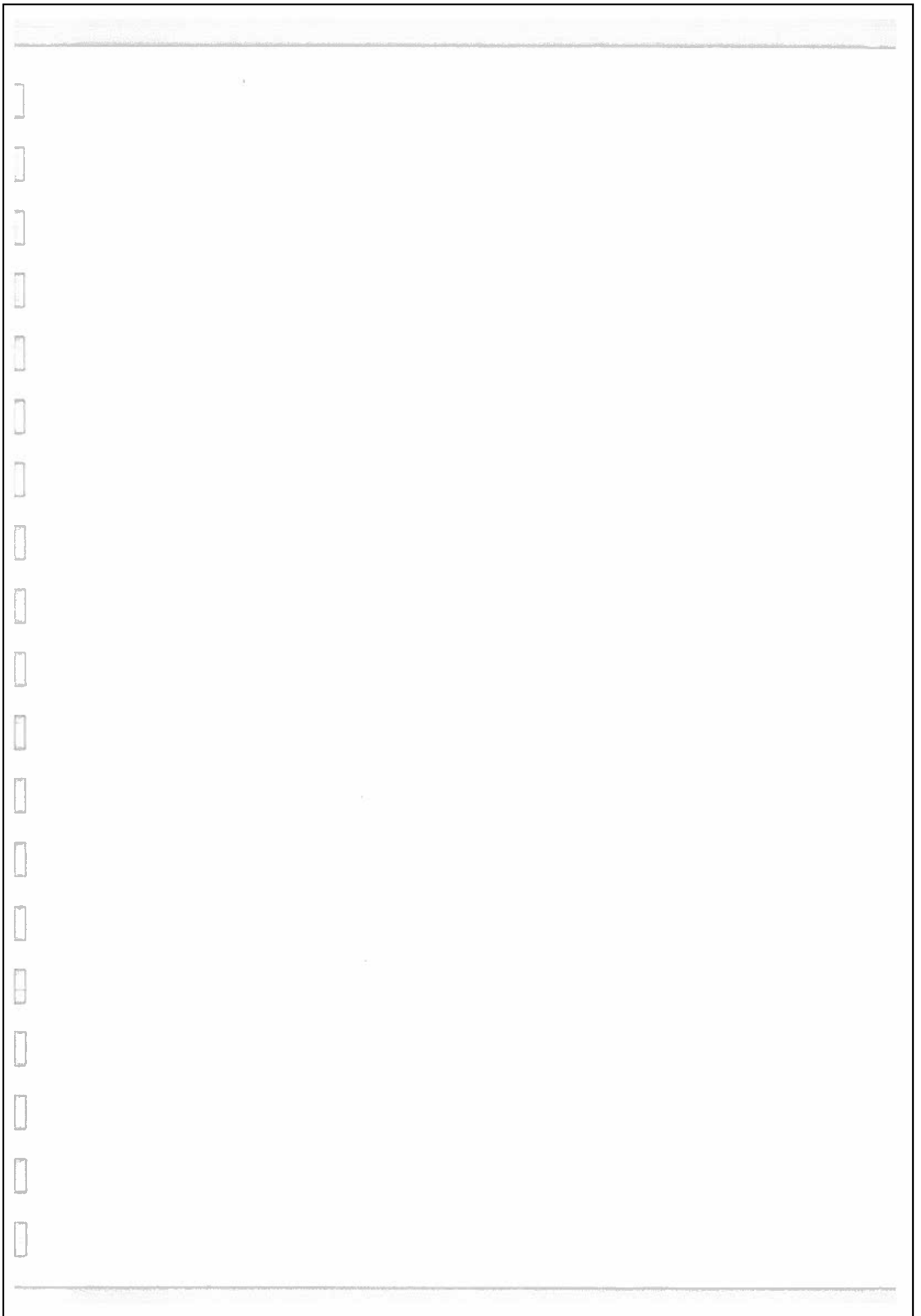
Compliance and Other Matters

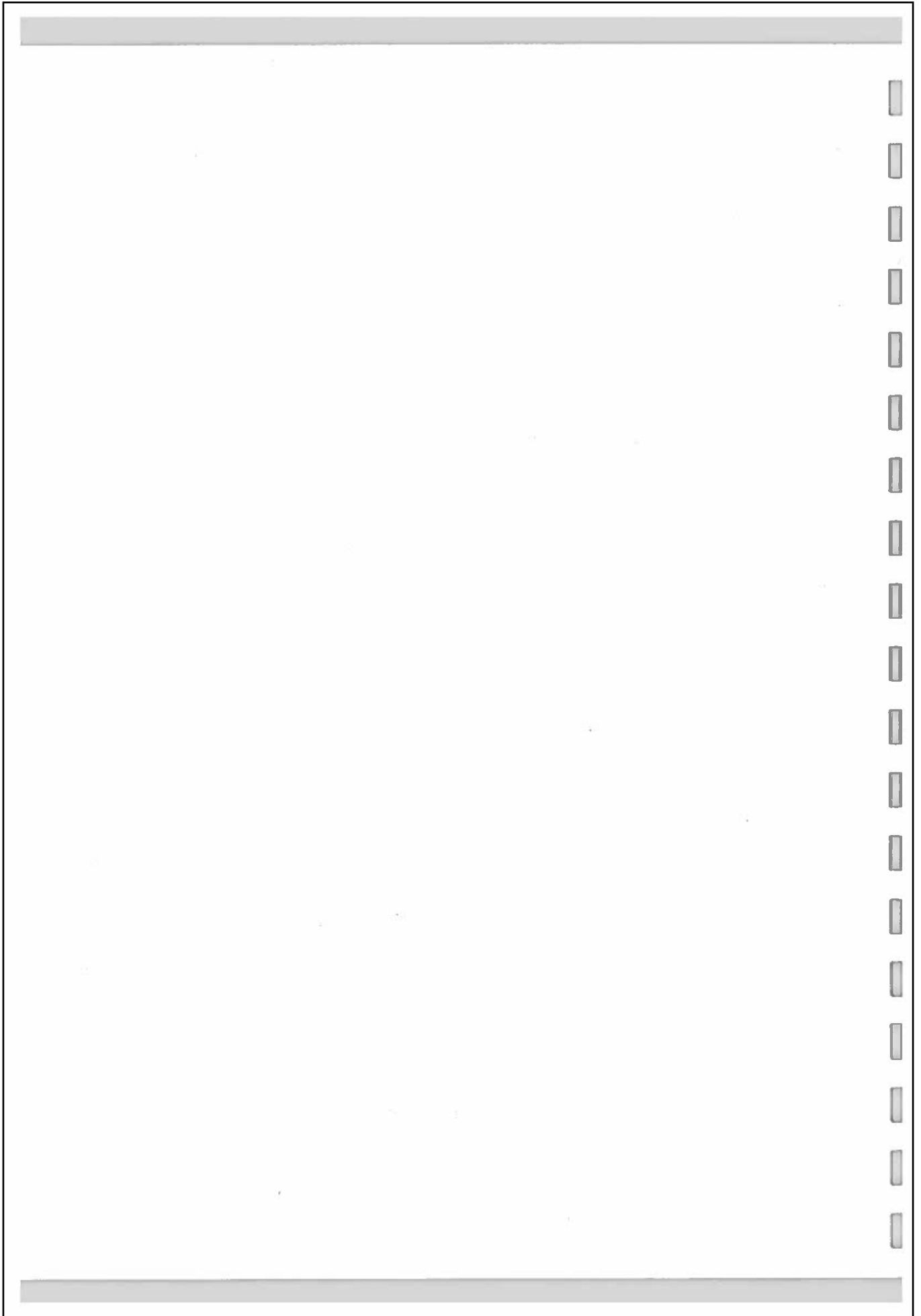
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Orlando Hoefner LLC







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

Memorandum

To: DDA Board of Directors
From: Harry Burkholder, DDA Executive Director
Date: January 13, 2025
Subject: Annual Treasury Report

Under state statute, the DDA is required to fill out and submit an annual report on the status of the Tax Increment Financing Plans for the City of Traverse City DDA's TIF 97 and Old Town TIF to Michigan Department of Treasury. With the help of the City's Treasury Office, we submitted the report prior to the holiday break. A copy of each report is attached.

Annual Report on Status of Tax Increment Financing Plan

Send completed form to: Treas-StateSharePropTaxes@michigan.gov Issued pursuant to 2018 PA 57, MCL 125.4911 Filing is required within 150 days of end of authority's fiscal year ending in 2024. MCL 125.4911(2)	City of Traverse City DDA	TIF Plan Name	For Fiscal Years ending in
	Downtown Development Authority	Old Town TIF	2024
	Year AUTHORITY (not TIF plan) was created:	1978	
	Year TIF plan was created or last amended to extend its duration:	2017	
	Current TIF plan scheduled expiration date:	Dec-41	
	Did TIF plan expire in FY24?	No	
	Year of first tax increment revenue capture:	2018	
	Does the authority capture taxes from local or intermediate school districts, or capture the state education tax? Yes or no?	No	
	If yes, authorization for capturing school tax:		
	Year school tax capture is scheduled to expire:		

Revenue:	Tax Increment Revenue	\$ 791,485
	Property taxes - from DDA millage only	\$ 21,919
	Interest	\$ 290
	State reimbursement for PPT loss (Forms 5176 and 4650)	\$ -
	Other income (grants, fees, donations, etc.)	\$ -
	Total	\$ 813,694

	Revenue Captured		Millage Rate Captured
From counties	\$ 205,327		6.5149
From cities	\$ 494,253		15.6815
From townships	\$ -		
From villages	\$ -		
From libraries (if levied separately)	\$ -		
From community colleges	\$ 64,843		2.0574
From regional authorities (type name in next cell)	BATA \$ 15,089		0.4788
From regional authorities (type name in next cell)	Recreation Authority \$ 11,973		0.3800
From regional authorities (type name in next cell)	\$ -		
From local school districts-operating	\$ -		
From local school districts-debt	\$ -		
From intermediate school districts	\$ -		
From State Education Tax (SET)	\$ -		
From state share of IFT and other specific taxes (school taxes)	\$ -		
Total	\$ 791,485		

Expenditures	Professional Services	\$ 268,933
	Contributions to district construction projects	\$ 850,825
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
Transfers to other municipal fund (list fund name)		\$ -
Transfers to other municipal fund (list fund name)		\$ -
	Transfers to General Fund	\$ 21,919
	Total	\$ 1,141,677

Total outstanding non-bonded indebtedness	Principal	\$ -
	Interest	\$ -
Total outstanding bonded indebtedness	Principal	\$ -
	Interest	\$ -
	Total	\$ -

Bond Reserve Fund Balance	\$ -
Unencumbered Fund Balance	\$ -
Encumbered Fund Balance	\$ -

PROPERTY CATEGORY	Current Taxable Value	Initial (base year) Assessed Value	Captured Value	Overall Tax rates captured by TIF plan	
				Overall Tax Rate	TIF Revenue
Ad valorem PRE Real	\$ 20,432,081	\$ 17,537,735	\$ 2,894,346	25.1126000	\$72,684.55
Ad valorem non-PRE Real	\$ 51,377,548	\$ 23,315,347	\$ 28,062,201	25.1126000	\$704,714.83
Ad valorem Industrial personal	\$ -	\$ -	\$ -	0.0000000	\$0.00
Ad valorem commercial personal	\$ 5,132,200	\$ 4,571,300	\$ 560,900	25.1126000	\$14,085.66
Ad valorem utility personal	\$ -	\$ -	\$ -	0.0000000	\$0.00
Ad valorem other personal	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility real property, 0% SET exemption	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility real property, 50% SET exemption	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility real property, 100% SET exemption	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility personal property on industrial class land	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility personal property on commercial class land	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility personal property, all other	\$ -	\$ -	\$ -	0.0000000	\$0.00
Commercial Facility Tax New Facility	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT Replacement Facility (frozen values)	\$ -	\$ -	\$ -	0.0000000	\$0.00
Commercial Facility Tax Restored Facility (frozen values)	\$ -	\$ -	\$ -	0.0000000	\$0.00
Commercial Rehabilitation Act	\$ -	\$ -	\$ -	0.0000000	\$0.00
Neighborhood Enterprise Zone Act	\$ -	\$ -	\$ -	0.0000000	\$0.00
Obsolete Property Rehabilitation Act	\$ -	\$ -	\$ -	0.0000000	\$0.00
Eligible Tax Reverted Property (Land Bank Sale)	\$ -	\$ -	\$ -	0.0000000	\$0.00
Exempt (from all property tax) Real Property	\$ -	\$ -	\$ -	0.0000000	\$0.00
Total Captured Value	\$ 45,424,382	\$ 31,517,447	\$ 31,517,447	Total TIF Revenue	\$791,485.04

**Tax Increment Revenue
Specific Taxes Allowable for Capture by PA 57 Authorities
As of January 1, 2024**

NOT PA 57

Former Public Act (now repealed) Year	DDA	TIFA	LDFA	NSRA	CIA	WRITIFA	NIA	BRFA
	197 1975	450 1980	281 1986	35 1867	280 2005	94 2008	61 2007	381 1996
PA 57 PART	2	3	4	5	6	7	8	
2018 PA 57 MCL Citation for "specific tax" definition	125.4201 (aa)	125.4301 (w)	125.4402 (hh)	125.4523 (9)(e)	125.4603 (e)	125.4703 (d)	125.4803 (e)	125.2652
PA 189 of 1953 Lessees/Tax Exempt Property	X	X	X	X ¹	X	X	X	X
PA 198 of 1974 IFT	X	X	X	X	X	X	X	X
PA 255 of 1978 CFT	X	X	X	X	X	X	X	X
PA 385 of 1984 Tech Park	X	X	X	X	X	X	X	X
PA 224 of 1985 Enterprise Zone			X					X
PA 147 of 1992 NEZ				X			X	X
PA 146 of 2000 OPRA			X	X				X
PA 260 of 2003 Eligible Tax Reverted Property (Land Bank 5/50) Tax								X ²
PA 210 of 2005 Commercial Rehabilitation				X			X	X
PA 236 of 2022 Attainable Housing Facilities								X
PA 237 of 2022 Residential Housing Facilities								X

Blue highlighted cells--properties located in renaissance zones are exempt from these taxes to the degree listed in 1996 PA 376 at MCL 125.2689 (same extent as ad valorem taxes)

Yellow highlighted cells--properties located in renaissance zones are exempt from these taxes to the degree listed in the respective public acts (same as the others, just exempted in the individual acts instead of in the RenZone Act)

¹ MCL 125.4523(9)(e) also lists 1976 PA 430, but that PA is merely an amendment to 1953 PA 189

² Limited to amount not reserved for Land Bank Fast Track Authority (PA 258 of 2003)

Annual Report on Status of Tax Increment Financing Plan

Send completed form to: Treas-StateSharePropTaxes@michigan.gov Issued pursuant to 2018 PA 57, MCL 125.4911 Filing is required within 150 days of end of authority's fiscal year ending in 2024. MCL 125.4911(2)	City of Traverse City DDA	TIF Plan Name	For Fiscal Years ending in
	Downtown Development Authority	TIF-97	2024
	Year AUTHORITY (not TIF plan) was created:	1978	
	Year TIF plan was created or last amended to extend its duration:	1997	
	Current TIF plan scheduled expiration date:	Dec-27	
	Did TIF plan expire in FY24?	No	
	Year of first tax increment revenue capture:	1998	
	Does the authority capture taxes from local or intermediate school districts, or capture the state education tax? Yes or no?	No	
	If yes, authorization for capturing school tax:		
	Year school tax capture is scheduled to expire:		

Revenue:	Tax Increment Revenue	\$ 3,954,161
	Property taxes - from DDA millage only	\$ 109,504
	Interest	\$ 54,755
	State reimbursement for PPT loss (Forms 5176 and 4650)	\$ 28,471
	Other income (grants, fees, donations, etc.)	\$ 92,903
	Total	\$ 4,239,794

	Revenue Captured		Millage Rate Captured
From counties	\$ 989,631	6.5149	
From cities	\$ 2,385,038	15.6815	
From townships	\$ -		
From villages	\$ -		
From libraries (if levied separately)	\$ 136,933	0.9044	
From community colleges	\$ 312,209	2.0574	
From regional authorities (type name in next cell)	BATA \$ 72,819	0.4788	
From regional authorities (type name in next cell)	Joint Rec. Authority \$ 57,531	0.3800	
From regional authorities (type name in next cell)	\$ -		
From local school districts-operating	\$ -		
From local school districts-debt	\$ -		
From intermediate school districts	\$ -		
From State Education Tax (SET)	\$ -		
From state share of IFT and other specific taxes (school taxes)	\$ -		
Total	\$ 3,954,161		

Expenditures	Office Supplies and Utilities	\$ 134,574
	Professional Services	\$ 1,469,281
	Contributions to district construction projects	\$ 830,746
	Contributions to other governments - debt service	\$ 953,111
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
Transfers to other municipal fund (list fund name)		\$ -
Transfers to other municipal fund (list fund name)		\$ -
	Transfers to General Fund	\$ 109,504
	Total	\$ 3,497,216

Total outstanding non-bonded indebtedness	Principal	\$ -
	Interest	\$ -
Total outstanding bonded indebtedness	Principal	\$ -
	Interest	\$ -
	Total	\$ -

Bond Reserve Fund Balance	\$ -
Unencumbered Fund Balance	\$ -
Encumbered Fund Balance	\$ -

PROPERTY CATEGORY	Current Taxable Value	Initial (base year) Assessed Value	Captured Value	Overall Tax rates captured by TIF plan	
				TIF Revenue	
Ad valorem PRE Real	\$ 13,681,974	\$ -	\$ 13,681,974	26.0170000	\$355,963.92
Ad valorem non-PRE Real	\$ 163,808,645	\$ 26,008,641	\$ 137,800,004	26.0170000	\$3,585,142.70
Ad valorem industrial personal	\$ 700	\$ -	\$ 700	26.0170000	\$18.21
Ad valorem commercial personal	\$ 7,021,400	\$ 6,795,547	\$ 225,853	26.0170000	\$5,876.02
Ad valorem utility personal	\$ 331,100	\$ 55,900	\$ 275,200	26.0170000	\$7,159.88
Ad valorem other personal	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility real property, 0% SET exemption	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility real property, 50% SET exemption	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility real property, 100% SET exemption	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility personal property on industrial class land	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility personal property on commercial class land	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT New Facility personal property, all other	\$ -	\$ -	\$ -	0.0000000	\$0.00
Commercial Facility Tax New Facility	\$ -	\$ -	\$ -	0.0000000	\$0.00
IFT Replacement Facility (frozen values)	\$ -	\$ -	\$ -	0.0000000	\$0.00
Commercial Facility Tax Restored Facility (frozen values)	\$ -	\$ -	\$ -	0.0000000	\$0.00
Commercial Rehabilitation Act	\$ -	\$ -	\$ -	0.0000000	\$0.00
Neighborhood Enterprise Zone Act	\$ -	\$ -	\$ -	0.0000000	\$0.00
Obsolete Property Rehabilitation Act	\$ -	\$ -	\$ -	0.0000000	\$0.00
Eligible Tax Reverted Property (Land Bank Sale)	\$ -	\$ -	\$ -	0.0000000	\$0.00
Exempt (from all property tax) Real Property	\$ -	\$ -	\$ -	0.0000000	\$0.00
Total Captured Value	\$ 32,860,088	\$ -	\$ 151,983,731	Total TIF Revenue	\$3,954,160.73

**Tax Increment Revenue
Specific Taxes Allowable for Capture by PA 57 Authorities
As of January 1, 2024**

NOT PA 57

Former Public Act (now repealed) Year	DDA	TIFA	LDFA	NSRA	CIA	WRITIFA	NIA	BRFA
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PA 189 of 1953 Lessees/Tax Exempt Property	X	X	X	X ¹	X	X	X	X
PA 198 of 1974 IFT	X	X	X	X	X	X	X	X
PA 255 of 1978 CFT	X	X	X	X	X	X	X	X
PA 385 of 1984 Tech Park	X	X	X	X	X	X	X	X
PA 224 of 1985 Enterprise Zone			X					X
PA 147 of 1992 NEZ				X			X	X
PA 146 of 2000 OPRA			X	X				X
PA 260 of 2003 Eligible Tax Reverted Property (Land Bank 5/50) Tax								X ²
PA 210 of 2005 Commercial Rehabilitation				X			X	X
PA 236 of 2022 Attainable Housing Facilities								X
PA 237 of 2022 Residential Housing Facilities								X

Blue highlighted cells--properties located in renaissance zones are exempt from these taxes to the degree listed in 1996 PA 376 at MCL 125.2689 (same extent as ad valorem taxes)

Yellow highlighted cells--properties located in renaissance zones are exempt from these taxes to the degree listed in the respective public acts (same as the others, just exempted in the individual acts instead of in the RenZone Act)

¹ MCL 125.4523(9)(e) also lists 1976 PA 430, but that PA is merely an amendment to 1953 PA 189

² Limited to amount not reserved for Land Bank Fast Track Authority (PA 258 of 2003)



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

Memorandum

To: DDA Board of Directors
From: Governance Committee
Date: January 13, 2025
Subject: DDA Board Roles and Responsibilities
Governance Committee Roles and Responsibilities

The Governance Committee met on December 9, 2024 to discuss several documents related to the practices and policies of the DDA. Two specific documents, the *Governance Committee Roles and Responsibilities* and *DDA Board Roles and Responsibilities* were reviewed, discussed and revised - and now attached here for review and discussion by the DDA Board.

Recommended Motion

That the DDA Board approve the Governance Committee Roles and Responsibilities Document and the DDA Board Roles and Responsibilities Document.



Traverse City Downtown Development Authority (DDA)
Board of Directors
Governance Committee – Roles & Responsibilities
Draft Approved: December 9, 2024 by Governance Committee
Final Document Approved: January 17, 2025 by DDA Board

Pursuant to the DDA Board’s by-laws, the Governance Committee is a standing committee of the DDA Board of Directors. The Governance Committee is charged with oversight, review and recommendations regarding board operations to enhance the quality and future viability of the Board. The Governance Committee has the following roles and responsibilities:

1. Meet at least quarterly and provide meeting minutes to the full Board of Directors.
2. Lead the board in regularly reviewing and updating its understanding of its roles, responsibilities, and expectations of individual board members.
3. Serve as the planning and review team for organizational strategic planning activities.
4. Assess, on an on-going basis, the current and anticipated needs for board composition.
5. Develop and recommend the following documents, practices, and policies; conduct annual review of all these items and make recommendations for any updates that may be needed:
 - a. Board Committee job descriptions;
 - b. DDA Board Roles and Responsibilities Statement
 - c. Board Orientation and Operating Manual, including new member on-boarding process, protocols, content, and schedule;
 - d. Board annual self-assessment protocol and tool, by January 31st of each year.
 - e. Grievance Policy;
 - f. Board process and format for conducting an annual performance and compensation review of the Executive Director;
 - g. Any other board policies as needed.
6. Establish and conduct reviews of the Downtown Development Authority Employment Handbook every other year and make recommendations to the Board for any adjustments.

7. Review the DDA Board's by-laws annually and make recommendations for any changes if needed.
8. Assist the Executive Director in planning and implementing board retreats, as desired.
9. Regularly review the board's practices and status regarding member participation, confidentiality, attendance and conduct, and provide any recommendations as needed to enhance board effectiveness.
10. Any other periodic or regular Board Governance matters as desired by the Board of Directors.



DDA Board Roles & Responsibilities

Assure service to the designated constituents

1. Create, regularly review/modify, and monitor progress on the organization's Strategic Plan.
2. Establish goals, strategies, and priorities based on the mission and community needs.
3. Ensure adequate resources to accomplish the organization's mission and goals.
4. Periodically review and evaluate funding priorities and goals to ensure effectiveness and impact.
5. Be guided by the organization's guiding principles.
6. Promote diversity and demonstrate equity and inclusion in all matters.
7. Participate in a regular schedule of strategic planning to maintain excellence and refine the organization's future direction.

Serve as a continuous link between the organization and the community

1. Act as the organization's ambassador to the community consistent with the organization's communications strategy and at the request of, or in coordination with, the Executive Director.
2. Periodically review the organization's communication plan and strategies.
3. Be an advocate for the organization consistent with the organization's advocacy/communications strategy, and at the request of, or in coordination, with the Executive Director.
4. Do not respond to internal or external hearsay but report it to the Executive Director for discussion and clarification.

Hire, support, and evaluate the Executive Director

1. Clearly identify roles, responsibilities, and accountabilities of the Executive Director.
2. Establish criteria to monitor and evaluate the performance of the Executive Director.
3. Establish channels of communication with the Executive Director that will provide continuous input regarding responsibilities, expectations, and performance.
4. Establish and maintain the highest possible levels of mutual trust and confidence with the Executive Director.
5. Conduct an annual formal performance review with the Executive Director.
6. Approve the Executive Director's annual compensation package.



Ensure legal, ethical, and fiscal integrity

1. Establish monitoring policies and procedures, relative to the Strategic Plan and the organization's progress.
2. Exercise fiduciary responsibility and oversight for all assets.
3. Adopt an annual operating budget and regularly assess budget status.
4. Oversee the provision of a regular financial audit by an independent auditor.
5. Faithfully review and understand the financial statements.
6. When representing the organization, act consistently in public with its overall strategy, values, and communication plans.
7. Cause no harm to the organization; instead, pursue board member duties as an advocate for excellence.

Ensure continuing effectiveness of the Board

1. Establish criteria to monitor the Board's performance.
2. Conduct board self-evaluations every other year (at a minimum).
3. Recruit and orient new board members.
4. Develop and implement an on-going Board Learning and Development Plan.
5. Develop and periodically assess/strengthen board policies.

Learning and board participation expectations

1. Steward the organization's vision, mission, goals, and objectives.
2. Embody the organization's values and guiding principles.
3. Focus on the overall strategy, policy, and integrity of the organization; respect the Executive Director's role in administering and operating the organization.
4. Adhere to all board policies and state and federal laws regarding avoidance of harassment and discrimination.
5. Attend at least 75% of regular board meetings annually (9 meetings)
6. Serve in leadership positions or undertake committee assignments or special assignments willingly when asked.
7. Represent the organization at community events, as requested by the board Chair or Executive Director
8. Keep abreast of trends in the field.
9. Prepare for and actively participate in Board and committee meetings and other organizational activities.
10. Ask timely, relevant, and substantive questions.
11. Respect and maintain confidentiality of the Board discussions.
12. Suggest agenda items periodically for Board and committee meetings, to ensure that significant strategy, policy, fiscal, and reputational matters are addressed in a timely fashion.
13. Participate in fund development activities as specified for individual board members (if applicable).
14. Adhere to federal and state laws regarding the Open Meetings Act and other public organizational legal requirements (when applicable).

Draft Approved: December 9, 2024 by Governance Committee
Final Document Approved: January 17, 2025 by DDA Board



Avoid Conflict

1. Serve the mission and community as a whole, rather than special interest groups.
2. Publicly and privately support the majority-voted decisions and positions of the board.
3. Represent the entire constituency as opposed to one or more sub-sets.
4. Avoid even the appearance of a conflict of interest and disclose any possible or potential conflicts in advance.
5. Maintain independence and objectivity and do with a sense of fairness, ethics, and personal integrity dictate.
6. Never accept or offer favors or gifts from or to, anyone who may be affiliated with the organization.

Relationship with Staff

1. Counsel the Executive Director as appropriate and offer support.
2. Respect the distinction between your role and that of the Executive Director. Do not assign tasks, give directions, or provide performance feedback to the Executive Director's staff.
3. Avoid judgements on the basis of internal hearsay and urge those with concerns to work directly with the Executive Director.
4. Understand that board members are largely selected on the basis of skills, background, and experience primarily for the purpose of policy, fiscal integrity, and strategy.
5. Make a distinction between your roles as a board member vs. as a volunteer on a specific project of program.

Relationships with other Board Members

1. Bring a sense of openness, honesty, respect, patience, and good humor to the Board's deliberations.
2. Do not remain silent. Express your ideas, opinions, and questions.
3. Promote candor among Board members to create trust in each other's judgment and the acceptance of differing opinions.
4. Deal openly and honestly with difference of opinion, without personal rancor or resentment.
5. Following full consideration of issues, support the majority decision of the Board outside of the boardroom.
6. Suggest potential nominees for the Board when needed.



Acknowledgment

To be reviewed and signed by each board member annually, at the September Regular DDA Board meeting.

I have read and reviewed the roles and responsibilities of the Board and its individual members. I understand and accept my role, and I agree to comply with the responsibilities of this office.

Name: _____

Signature: _____ Date: _____

Draft Approved: December 9, 2024 by Governance Committee
Final Document Approved: January 17, 2025 by DDA Board



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

Memorandum

To: DDA Board of Directors
From: Harry Burkholder, DDA Executive Director
Date: January 13, 2025
Subject: Executive Director Report

Below is an overview of projects and initiatives that the DDA is working on.

Hannah Park Overlook

This project began on January 13th and should last until the end of March. The sidewalk adjacent to the project will remain closed and traffic will be shifted throughout the duration of the project.

Rotary Square

Work continues with Progressive Companies on the conceptual design for Rotary Square. The first community survey was released on January 13th, and staff participated in several press events during the week.

Two-Way Pilot Project

DDA staff, in collaboration with City staff and representatives from Progressive Companies, provided an overview of the last two years of the two-way pilot project as well as plans for a possible two-year extension of the pilot to the City Commission at their Monday study session. Commissioners will consider formal action regarding the proposed two-way pilot extension at a future regular City Commission meeting (TBD).

Capital Improvement Plan (CIP)

DDA staff is working congruently with city staff to develop the 2025/2026 capital improvement plan. This process provides the DDA an opportunity to discover and potentially sync future DDA/City capital improvement projects. The formal approval process, including public hearings on the CIP, will begin in February.



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Memorandum

To: Downtown Development Authority Board of Directors

From: Harry Burkholder, DDA Executive Director & Todd McMillen, DDA Board Member

Memo Date: January 13, 2025

Subject: Arts Commission Update

Inaugural Mural Festival

The RFP for artists - for the Mural Festival – was released prior to the Holidays and we have already received a handful of submissions. Applications are due in February. We are currently meeting with representatives from NOBO to identify building owners interested in participating in the festival.



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Memorandum

To: Harry Burkholder, DDA Executive Director
Downtown Development Authority Board of Directors

From: Sara Klebba, DDA Director of Events & Engagement

Date: January 13, 2024

Subject: DTCA Director of Events & Engagement Update

Traverse City Restaurant Week (Feb 23-Mar 1)

46 restaurants registered as of Jan 13 (deadline is Jan 20):

- Aerie Restaurant & Lounge
- amical
- Apache Trout Grill
- Artisan Traverse City
- Barrio
- Blue Tractor Barbeque
- Brengman Family Wines
- Boathouse Restaurant
- Bubba's Burgers & Bar
- Bushell's Kitchen + Cocktails
- Crocodile Palace @ The Little Fleet
- Farm Club
- FireFly
- Harrington's By The Bay
- Hopscotch Brick Oven and Taproom
- Jolly Pumpkin
- Loco Boys Brewing Company
- Mama Lu's
- Mammoth Distilling
- McGee's 72
- MiddledCoast Brewing Company
- Minerva's
- Modern Bird
- NIIJII Restaurant
- NoBo Riverside
- North Peak Brewing Co.
- Oakwood Proper Burgers
- Oaky's Tavern
- Parkshore Lounge
- Peninsula Grill
- Poppycocks
- Rare Bird Brewpub
- Red Ginger
- Red Mesa Grill
- Reflect Bistro, Inside Cambria Suites
- SLATE
- Smoke and Porter Public House
- Sorellina
- The Burrow TC
- The Cooks House
- The Flying Noodle
- The Good Bowl
- The Tasting Room
- Trattoria Stella
- Warehouse KiTChen and Cork
- West End Tavern

Event Details:

- Prix fixe menus will be offered at \$25, \$35, or \$45 and posted on downtowntc.com and the digital passport.
- Digital Passport by TC Tourism: We'll promote TCRW/restaurants through the passport, which includes event details, menus, and locations. Participants will all have a chance to win prizes.
- Restaurant must be in Grand Traverse County or have a Traverse City mailing address.
- Application deadline is Jan 20, menus due Feb 1, and \$50 gift cards (prize giveaways) due Feb 14.
- Restaurants will be able to offer dine-out or take-out menus.
- Marketing promotion through DDA/DTCA and TC Tourism channels, print, digital, outdoor, PR, signage, etc.
- We are reaching out for sponsors and open to discussions for this weeklong event!

2025 DTCA Event Calendar

The DTCA Board reviewed recommendations from the Events Committee for 2025. While some events are still in planning/discussion, the 2025 event slate is set as follows (to be posted on downtowntc.com):

Feb 23-Mar 1 (last weekend of Feb): TC Restaurant Week

March TBD: Pre-Spring Break themed shopping promo/scavenger hunt

April TBD: Shoulder season Saturday shopping event

May 2 (first Fri): Art Walk (*or move to FNL #2* – to confirm with arts network; to possibly replace with another art-focused event)

May/June: Toast to Downtown Revisited

Jun TBD: Old Town Arts & Crafts Fair

Jun 29 (first Sun of NCF): NCF Arts & Crafts Fair

Aug 1 (first Fri): Street Sale

Aug 1 & 8 (first and second Fri): Friday Night Live (8/8: to combine with Art Walk)

Aug 16 (third Sat): Downtown Art Fair

Late Sept/early Oct: Fall-themed event

Oct 17-31 (2 wks before Halloween, starting Fri): Haunts & Harvest Window Walk

Oct 25 (last Sat): Halloween Walk

Nov 8 (second Sat): Shop Your Community Day

Nov 15-Dec 21 (pre-Light Parade, pre-Christmas): Jingle Bell Shop holiday window display competition

Nov 22 (Sat before Thanksgiving): Tree Lighting & Light Parade

Nov 28 & 29: Black Friday & Small Business Saturday

Dec 4 (first Thur): Ladies' Night

Dec 11 (second Thur): Men's Night

Dec 18 (third Thur): Group Shopping Night/"Wrap It Up" working title