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## **DOWNTOWN DEVELOPMENT AUTHORITY**

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City Ordinance established the Downtown Development Authority (DDA) in April of 1980 with the mission to revitalize Downtown Alpena and implement positive physical, economic, and aesthetic changes in the downtown district. Alpena's DDA operates in accordance with state law (Public Act 197 of 1975, now Public Act 57 of 2018). The DDA's projects are funded through tax increment financing (TIF) and the levy of an ad valorem tax (2 mill maximum) on all taxable property within the DDA district. The revenue from this ad valorem tax contributes to the operations of the authority, and funding that comes from TIF is invested into major projects and improvements in the downtown district led by the DDA.

In 2023, Alpena City Council expanded the boundary of the DDA district to include additional part of North Second Avenue (up to Clark Street), the south part along Thunder Bay River, and the Chisholm Street corridor (up to 14<sup>th</sup> Street). City taxes are subject to capture in the new district under the 2023 Development & Tax Increment Financing Plan. City Council and the Alpena County Commissioners approved an Interlocal Agreement in lieu of a tax capture of County taxes, the DDA will receive two lump sump payments (\$129,166 in the first two years) and \$4,166 a year for the duration of the 2023 TIF plan.

The DDA allocates TIF funds following the improvements and projects as identified and outlined in the 2023 Downtown Development and TIF Plan. The DDA has further identified priority projects and improvements through its Capital Improvement Projects for the next five years, which have been approved by the DDA Board of Directors, City Council, and Planning Commission.

The DDA received additional funds for downtown projects to take place in FY 2024/2025:

- \$200,000 from the Michigan Economic Development Corporation (MEDC) from a Façade Restoration Initiative (FRI) grant that will be re-granted out to downtown properties for façade improvements. The first \$200,000 was received in FY 2023/2024
- \$2,100 for the second payment from a Project Support Grant from the Michigan Arts & Culture Council (MACC) to support our Fresh Waves project. The first \$11,900 was received in FY 2023/2024

The primary projects that are budgeted for FY 2024/2025 include:

- \$480,000 for Façade Grants including \$470,000 for commercial properties (from the FRI Grant and required DDA match) and \$10,000 for the new Residential Façade Grant program
- \$53,000 for Capital Improvement projects
- \$8,400 for Beautification Projects including hanging flower baskets, flowers to plant around the tree bases, and seasonal planters

Additionally, the DDA has budgeted to continue marketing the downtown district, hosting promotional events, leading economic development activities, and investing in beautification initiatives.

The DDA currently has two full-time employees: Executive Director and a Parking Attendant/Administrative Assistant. The DDA also hires two-three seasonal employees that pick-up trash and cigarette butts throughout the downtown district.

**Capital Outlay and Major Projects**

Façade Grants - Design	246-728-967.002	\$	480,000
Cap - Land Improvements Fresh Waves	246-728-982.200		28,000
Cap - Land Improvements Lighting Improvements	246-728-982.200		15,000
Cap - Land Improvements Alleyway	246-728-982.200		10,000
<b>TOTAL DDA</b>		<b>\$</b>	<b>533,000</b>

**BUDGET REPORT FOR CITY OF ALPENA**

**DOWNTOWN DEVELOPMENT AUTHORITY (DDA)**

GL NUMBER	DESCRIPTION	2022-23 ACTIVITY	2023-24 PROJECTED ACTIVITY	2024-25 RECOMMENDED BUDGET	2025-26 RECOMMENDED BUDGET
<b>Fund: 246 DOWNTOWN DEVELOPMENT AUTHORITY</b>					
<b>ESTIMATED REVENUES</b>					
<b>Dept 000 - GENERAL GOVERNMENT</b>					
246-000-402.000	CURRENT REAL PROPERTY TAXES	29,046	31,083	45,000	47,000
246-000-402.001	TAX INCREMENTS	150,425	179,417	170,000	175,000
246-000-410.000	CURRENT PERSONAL PROPERTY TAX	2,077	2,124	2,200	2,300
246-000-412.000	DELINQUENT PERSONAL PROPERTY TAX	258	0	0	0
246-000-412.005	PERSONAL PROPERTY TAX REIMB	0	3,581	3,500	3,500
246-000-445.000	INTEREST & PENALTIES ON TAXES	15	0	0	0
246-000-540.000	STATE GRANTS - MISC	71,416	269,583	202,100	0
246-000-573.000	LOCAL COMM STABILIZATION SHAF	1,334	0	0	0
246-000-584.000	CONTRIBUTION FROM LOCAL UNIT	0	129,166	129,166	4,166
246-000-607.003	FEES	8,651	10,300	10,000	10,000
246-000-658.000	PARKING FINES	1,430	1,200	1,200	1,200
246-000-665.000	INTEREST INCOME - INVESTMENTS	4,540	9,370	9,000	9,000
246-000-667.011	PARKING LOT RENTAL	5,041	5,000	5,000	5,000
246-000-667.012	BIKE RACK RENTAL	665	700	700	700
246-000-674.000	DONATIONS	3,174	3,000	3,000	3,000
246-000-675.000	LOCAL GRANTS	1,500	2,300	0	0
246-000-677.000	MISCELLANEOUS	3,811	3,300	3,400	3,400
246-000-687.001	REFUNDS/REBATES	546	516	500	500
Totals for dept 000 - GENERAL GOVERNMENT		283,929	650,640	584,766	264,766
<b>Dept 931 - TRANSFERS IN/OTHER FINANCING SOURCES</b>					
246-931-699.248	FROM DDA FUND #5	3,898	0	0	0
Totals for dept 931 - TRANSFERS IN/OTHER FINANCIN		3,898	0	0	0
<b>TOTAL ESTIMATED REVENUES</b>		<b>287,827</b>	<b>650,640</b>	<b>584,766</b>	<b>264,766</b>
<b>APPROPRIATIONS</b>					
<b>Dept 223 - EXTERNAL AUDIT</b>					
246-223-801.008	CONTRACT - AUDITORS	883	1,255	1,300	1,400
Totals for dept 223 - EXTERNAL AUDIT		883	1,255	1,300	1,400
<b>Dept 728 - ECONOMIC DEVELOPMENT</b>					
246-728-702.000	SALARIES & WAGES	104,059	89,335	106,280	111,594
246-728-703.000	OVERTIME	23	0	0	0
246-728-709.000	WORKERS COMPENSATION INSURA	0	1,173	1,200	1,300
246-728-710.000	HEALTH INSURANCE	3,597	3,480	3,600	3,960
246-728-712.000	LIFE INSURANCE	122	122	122	122
246-728-713.000	LONG TERM DISABILITY	297	322	322	322
246-728-714.000	FICA	7,927	6,834	8,130	8,537

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<b>APPROPRIATIONS</b>					
<b>Dept 728 - ECONOMIC DEVELOPMENT</b>					
246-728-716.000	DEFINED CONTRIBUTION	5,033	3,655	3,800	3,952
246-728-717.000	DEFERRED COMP	1,566	1,648	1,714	1,783
246-728-721.000	HSA CONTRIBUTION	2,235	1,490	1,490	1,490
246-728-722.000	INSURANCE OPT-OUT	1,000	0	1,000	1,000
246-728-724.000	CONTINUING EDUCATION	2,202	1,500	1,900	1,900
246-728-727.000	SUPPLIES	8,781	8,479	5,000	5,000
246-728-730.000	DURABLE GOODS	0	11,000	0	0
246-728-791.000	DUES & SUBSCRIPTIONS	300	2,521	3,850	3,850
246-728-801.000	PROF & CONTRACTUAL	16,419	21,865	21,400	16,760
246-728-803.000	COMPUTER ADMIN SERVICES	2,897	3,437	4,382	4,880
246-728-825.000	GENERAL FUND SERVICES	4,692	4,833	4,978	5,127
246-728-850.000	COMMUNICATIONS	720	720	720	720
246-728-880.000	COMMUNITY PROMOTION	22,134	27,000	20,000	17,500
246-728-880.002	BEAUTIFICATION COMMITTEE	14,967	8,400	8,400	8,400
246-728-881.000	ECONOMIC PROMOTION	62,903	51,840	0	0
246-728-900.000	PRINTING AND PUBLISHING	0	1,000	1,000	1,000
246-728-920.000	UTILITIES	2,334	3,596	3,400	3,500
246-728-930.000	REPAIRS & MAINTENANCE	6,325	3,800	3,800	3,800
246-728-932.012	MAINT - DDA SNOW REMOVAL	1,785	1,200	2,000	2,000
246-728-944.000	FIBER OPTIC RENT	240	247	254	262
246-728-953.000	RENTAL	2,700	2,500	2,500	2,500
246-728-956.007	MISCELLANEOUS - TAXES	22	0	0	0
246-728-961.000	FEES	209	500	500	500
246-728-962.000	REIMBURSEMENTS	0	1,532	1,500	1,500
246-728-964.000	REFUND/REBATE	170	0	0	0
246-728-965.000	INSURANCE & BONDS	299	99	107	116
246-728-967.002	FACADE GRANTS - DESIGN	0	0	480,000	20,000
246-728-982.200	CAP - LAND IMPROVEMENTS	0	29,590	53,000	25,000
Totals for dept 728 - ECONOMIC DEVELOPMENT		275,958	293,718	746,349	258,375
<b>Dept 906 - DEBT SERVICE</b>					
246-906-991.007	LAND ACQUISITION - PRINCIPAL	3,641	3,798	3,968	27,744
246-906-993.000	LAND ACQUISITION - INTEREST	1,630	1,474	1,304	1,043
Totals for dept 906 - DEBT SERVICE		5,271	5,272	5,272	28,787
<b>TOTAL APPROPRIATIONS</b>		<b>282,112</b>	<b>300,245</b>	<b>752,921</b>	<b>288,562</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 246</b>		<b>5,715</b>	<b>350,395</b>	<b>(168,155)</b>	<b>(23,796)</b>

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<b>Fund: 246 DOWNTOWN DEVELOPMENT AUTHORITY</b>					
	BEGINNING FUND BALANCE	233,530	239,244	589,639	421,484
	ENDING FUND BALANCE	239,245	589,639	421,484	397,688

**PROJECTED FUND BALANCE**

<b>BUDGETED NET OF REVENUES (EXPENDITURES)</b>	<b>6/30/2025</b>	<b>\$ (168,155)</b>
<b>CURRENT EST. OPERATING SURPLUS (DEFICIT)</b>	<b>6/30/2024</b>	<b>\$ 350,395</b>
<b>FUND BALANCE FROM PRIOR YEAR</b>	<b>6/30/2023</b>	<b>\$ 239,244</b>
<b>FUND BALANCE</b>		<b>\$</b>
<b><u>ASSIGNED</u></b>		
<b>ECONOMIC DEVELOPMENT</b>		<b>\$ 63,697</b>
<b>FAÇADE GRANTS</b>		<b>\$ 45,000</b>
<b><u>UNASSIGNED</u></b>		
<b>PROJECTED UNASSIGNED FUND BALANCE AT FISCAL YEAR END 2024-25</b>		<b>\$ 312,787</b>
<b>PROJECTED TOTAL FUND BALANCE</b>		<b>\$ 421,484</b>