

DOWNTOWN DEVELOPMENT AUTHORITY
Regular Meeting of March 18, 2014
Meeting Room – 8:00 AM

The regular meeting of the DDA Board was called to order at 8:04 a.m.

ROLL CALL

Present: *Greg Presley, Jim Long, Shawn Riley, Margene Buckhave, Mary Starring, John Casey, Lynda Heaton*

Absent: *Carolann Ayers, Excused, Mayor Chris Johnson, Excused*

Also Present: *City Manager/Patrick Sullivan, DDA Director/Lori Ward, DDA Planning Coordinator/Kate Knight, DDA Marketing & Communications Coordinator/Christa Williams, Northville School Board President/Ken Roth, City of Northville Finance Director/Sandi Wiktorowski, Resident/Fred Sheill*

AUDIENCE COMMENTS

None

APPROVAL OF AGENDA AND CONSENT AGENDA

Consent agenda as follows:

- Minutes of DDA Meeting February 2014
- Financial Statement of February 2014
- Invoice Report February 2014
- PR Summary February 2014

Motion by Casey, seconded by Riley, to approve the Agenda and Consent Agenda. Motion carried unanimously.

DDA OPERATING BUDGET 2014-2015

Ward noted three changes to the revenue stream for the DDA's 2014-2105 fiscal year budget. Wiktorowski presented the first change: based on the latest state reform, there is a decrease in the collection of personal property tax. Proposed legislation has been introduced that would reimbursement municipalities for the lost revenue, however it doesn't look like the reimbursement will occur until 2016 for the 2014-2015 fiscal year. In addition, the reimbursement is contingent on both the passage of the proposed

legislation and the passage of the August ballot question which would direct the revenue to local governments. If the ballot question passes, the DDA will be reimbursed the \$32,000 in lost revenue.

Ward presented the second change, which is a change to the tax capture entities: DIA and the Detroit Zoo. Based on legislative reform, these two entities are no longer included in the DDA's tax capture. The Wayne County Jail Millage is now included in the tax capture. The net increase is approximately \$16,000.

The third impact to the DDA revenue stream is the declining commercial property value. Last year, commercial property values decreased by approximately 6%. This decline is due in part to the limited sales of commercial property within the DDA. The Wayne County Assessor's Office uses surrounding area commercial property value data when assessing property values. Until more commercial property sales occur within the DDA, and accurate data can be collected, assessments will continue to be lower than expected. Within the current fiscal year (2013-2014), there have been a few commercial property sales, so hopefully for the next fiscal year, this revenue stream will improve.

A subset of the DDA Board, Carolann Ayers and Shawn Riley, the City Finance Director, Sandi Wiktorowski, Ken Roth and Lori Ward met to discuss the DDA Fund Balance. Historically, the fund balance has fluctuated from year to year depending on the physical improvement projects executed that year. The group recommended that the fund balance not drop below 50% which would require the DDA to maintain a \$325,000 fund balance. Maintaining the fund balance at this level would allow the DDA to continue to service the bond debt and obligations for approximately one to one and a half years.

Currently the DDA pays approximately \$35,000 toward a loan repayment to the City. In the fiscal year 2017-2018 this debt will be paid in full. A suggestion was made to pay the loan back early, in its entirety. This would save the DDA \$16,500 in interest over the next four years. This would require use of the DDA's fund balance to happen.

Motion by Long, seconded by Riley. Pending review by staff if there are no prepayment penalties, the loan to the City of Northville be paid in full. **Motion carried unanimously.**

Lori Ward presented several areas of the budget which could be reduced or eliminated, to minimize the impact on the fund balance. The proposed budget included in the March Board packet reflected the following changes:

| | | |
|----------|---------------------------------|--------------------------------|
| \$40,000 | BAP Cycle 9 | Elimination |
| \$15,000 | Remove Dumpster Project | Solid Waste Budget through DPW |
| \$2,500 | Town Square Decorative Lighting | Postpone for Later |
| \$5,000 | Amended and Restated Plan | On Hold |

In addition, discussion took place on two other areas of reduction that could save the DDA money. The reduction or elimination of the DDA's public restroom program which is \$18,650 a year was discussed as well as the reduction of support to outside organizations for their programs and events.

Motion by Casey, seconded by Long. Reduce the line item in the budget for Public Restrooms to a not exceed amount of \$8,000. **Motion carried unanimously.**

Moving forward, financial support to other organizations will decline over the next four fiscal years.

Motion by Riley, seconded by Casey. Approve the proposed budget with the two amendments applied (public restrooms motion and bond debt motion). **Motion carried unanimously.**

SUMMER PLANTING CONTRACT UPDATE

The DDA submitted a Request for Bid for the Summer Planting Project. Five bids were received. Of these five, Commercial Grounds Services was the best choice based on pricing, and the successful execution of the 2013 Fall and Winter Planting. It is recommended that the Northville DDA approve the contract for services and materials for a not-to-exceed amount of \$5,903 for the 2014 Summer Planting Project to Commercial Grounds Services.

Motion by Heaton, seconded by Starring. Approve the bid for the Summer Planting Contract. **Motion carried unanimously.**

COMMITTEE UPDATES

Design Committee

Staff referred the DDA Board to the written Design Committee Communications included in the packet.

Marketing/Business Mix Committee

None

Parking Committee

None

Organizational Committee

None

COMMUNICATION

Board and Staff Communications

The next DDA Board meeting is April 15, 2015. Girls' Night out is scheduled for April 11, 2014.

Meeting adjourned at 9:50 a.m.

Respectfully submitted,

Christa Williams
Northville DDA
Marketing & Communication Coordinator