

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**Regular Meeting of October 15, 2013**  
**Meeting Room – 8:00 AM**

The regular meeting of the DDA Board was called to order at 8:03 a.m.

**ROLL CALL**

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

**Absent:** *None*

**Also Present:** *City Manager/Patrick Sullivan, DDA Director/Lori Ward, DDA Planning Coordinator/Kate Knight, John Argenta/Resident, Northville School Board President/Ken Roth*

**AUDIENCE COMMENTS**

None

**APPROVAL OF AGENDA AND CONSENT AGENDA**

Consent agenda as follows:

- Minutes of DDA Meeting September, 2013
- Financial Statement of September 2013
- Invoice Report September 2013
- PR Summary September 2013

**Motion by Ayers, seconded by Riley**, to approve the agenda and consent agenda.  
**Motion carried unanimously.**

**WAYFINDING RECOMMENDATION OF AWARD**

Lori Ward presented wayfinding recommendation, reminding the Board that this is our second round of evaluation for our wayfinding system. John Argenta, Wayfinding Subcommittee member, gave the Committee's supporting view and recommendation to hire Bizzell Design, a small firm from Davidson, NC. Greg Presley, also a Wayfinding Subcommittee member, concurred that Bizzell's body of work and proposal was compatible with Northville's size, demographics, and standards for quality of service. Additionally, the contract price was considerably less than the majority of the other ten vendor applicants. **Motion by Long, seconded by Heaton** to hire Bizzell Design for

Wayfinding and Signage Plan Program for a fee of \$25,720.00, including \$4,420.00 in travel in lodging. **Motion carried unanimously.**

### **MARQUIS PLAZA PLANTING RECOMMENDATION OF AWARD**

Lori Ward presented background for the Marquis Plaza Planting Project portion of DPW's Marquis parking lot resurfacing. The Plaza provides pedestrian connection from parking to Main Street via the Comerica Community Connection, with decorative concrete, planting, seating, bollards and lighting. The planting portion of the project includes a ten foot diameter Brussels block planter, tree and plant material. This portion of the project (Marquis Plaza Planting) was posted to bidders in early October. There were zero applicants. The DDA re-solicited local vendors and received competitive numbers for the project. DDA staff recommends the award of the Marquis Plaza Planting Project to Stuart Leve, Inc. **Motion by Ayers, seconded by Casey** to hire Stuart Leve, Inc. for a contract amount not to exceed \$15,000. **Motion carried unanimously.**

### **COMMITTEE UPDATES**

#### **Design Committee**

The Marquis parking lot and plaza are nearing completion.

The trees are on order for installation downtown.

#### **Marketing Committee**

The DDA staff and steering committee are evaluating marketing proposals.

The "Skeletons are Alive" event on October 4th was an incredible success, with full streets and live music.

#### **Business Mix Committee**

The Joint Master Planning Review Committee met October 14th. Result was an in-depth design charette. Carlisle Wortman will disseminate and present results at a second meeting.

#### **Parking Committee**

None

## **Organizational Committee**

Ayers explained that the Executive Committee was evaluating the Committee structure of the DDA, and will be making recommendations regarding relevancy and efficiency to the full Board of Directors.

## **COMMUNICATION**

### **Board and Staff Communications**

None

**Meeting adjourned at 8:58a.m.**

Respectfully submitted,

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Kate Knight  
DDA Planning Coordinator



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DB: Northville

PERIOD ENDING 10/31/2013

OCTOBER 2013 BENCHMARK 33%

GL NUMBER	DESCRIPTION	2013-14	2013-14	YTD BALANCE	ACTIVITY FOR	AVAILABLE		% BDGT USED
		ORIGINAL BUDGET	AMENDED BUDGET	10/31/2013 NORM (ABNORM)	MONTH 10/31/2013 INCR (DECR)	BALANCE NORM (ABNORM)		
Fund 370 - Downtown Development Authority Revenues								
	Contributions From Other Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Dept 000		939,933.00	939,933.00	2,371,281.41	1,711,195.39	(1,431,348.41)		252.28
TOTAL Revenues		939,933.00	939,933.00	2,371,281.41	1,711,195.39	(1,431,348.41)		252.28
Expenditures								
Dept 753-DPW Services								
370-753-706.000	Wages - Regular Full Time	6,660.00	6,660.00	1,034.06	226.50	5,625.94		15.53
370-753-707.000	Wages - Regular Overtime	600.00	600.00	0.00	0.00	600.00		0.00
370-753-939.000	Automotive Service	500.00	500.00	0.00	0.00	500.00		0.00
370-753-943.000	Equipment Rental - City	5,000.00	5,000.00	485.66	165.58	4,514.34		9.71
370-753-956.000	Contingencies	130.00	130.00	0.00	0.00	130.00		0.00
370-753-967.000	Fringe Benefits	7,690.00	7,690.00	1,056.69	223.60	6,633.31		13.74
Total Dept 753-DPW Services		20,580.00	20,580.00	2,576.41	615.68	18,003.59		12.52
Dept 860-Business Mix Committee								
370-860-706.000	Wages - Regular Full Time	17,595.00	17,595.00	5,121.02	1,280.26	12,473.98		29.10
370-860-726.000	Supplies	50.00	50.00	0.00	0.00	50.00		0.00
370-860-733.000	Facade Grant	0.00	0.00	1,446.45	0.00	(1,446.45)		100.00
370-860-785.000	Business Retention Program	3,750.00	3,750.00	2,681.83	0.00	1,068.17		71.52
370-860-801.000	Contractual Services	0.00	0.00	0.00	0.00	0.00		0.00
370-860-802.200	Contracted Planning Services	5,090.00	5,090.00	1,689.60	480.00	3,400.40		33.19
370-860-802.300	Contracted Marketing Services	5,090.00	5,090.00	1,316.40	0.00	3,773.60		25.86
370-860-967.000	Fringe Benefits	7,615.00	7,615.00	2,271.28	567.82	5,343.72		29.83
Total Dept 860-Business Mix Committee		39,190.00	39,190.00	14,526.58	2,328.08	24,663.42		37.07
Dept 861-Design Committee								
370-861-706.000	Wages - Regular Full Time	21,990.00	21,990.00	6,401.31	1,600.33	15,588.69		29.11
370-861-707.000	Wages - Regular Overtime	0.00	0.00	0.00	0.00	0.00		0.00
370-861-710.000	Wages - Temp / Part Time Reg	14,000.00	14,000.00	9,440.00	1,520.00	4,560.00		67.43
370-861-726.000	Supplies	300.00	300.00	0.00	0.00	300.00		0.00
370-861-740.050	Downtown Materials	13,250.00	13,250.00	3,475.00	1,010.00	9,775.00		26.23
370-861-801.000	Contractual Services	31,227.00	31,227.00	4,325.75	0.00	26,901.25		13.85
370-861-801.160	Restroom Program	18,650.00	18,650.00	8,786.30	4,398.82	9,863.70		47.11
370-861-801.900	Sidewalk Repairs	0.00	0.00	0.00	0.00	0.00		0.00
370-861-801.940	Brick Repair & Maintenance	0.00	0.00	0.00	0.00	0.00		0.00
370-861-802.200	Contracted Planning Services	12,730.00	12,730.00	4,224.00	1,200.00	8,506.00		33.18
370-861-802.300	Contracted Marketing Services	0.00	0.00	237.60	237.60	(237.60)		100.00
370-861-803.200	Planning & Design Studies	0.00	0.00	0.00	0.00	0.00		0.00
370-861-803.490	Town Square Project	0.00	0.00	0.00	0.00	0.00		0.00
370-861-803.550	Downtown Sidewalk & Landscape Repl. Proj	0.00	0.00	0.00	0.00	0.00		0.00
370-861-803.580	Comerica Community Connection	0.00	0.00	(36,906.43)	123.50	36,906.43		100.00
370-861-803.590	Signage and Markers Projects	105,000.00	105,000.00	0.00	0.00	105,000.00		0.00
370-861-803.810	Alleyway Improvements	0.00	0.00	0.00	0.00	0.00		0.00
370-861-850.000	Landscape Maintenance	31,000.00	31,000.00	20,562.58	6,480.00	10,437.42		66.33
370-861-920.010	Electric Power	2,750.00	2,750.00	1,485.22	252.83	1,264.78		54.01
370-861-920.020	Natural Gas	3,570.00	3,570.00	236.77	11.65	3,333.23		6.63

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PERIOD ENDING 10/31/2013

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		ORIGINAL BUDGET	AMENDED BUDGET	10/31/2013 NORM (ABNORM)	MONTH 10/31/2013 INCR (DECR)	NORM	(ABNORM)	
Fund 370 - Downtown Development Authority								
Expenditures								
370-861-920.030	Water & Sewer Service	6,260.00	6,260.00	3,837.65	3,261.84	2,422.35		61.30
370-861-943.000	Equipment Rental - City	0.00	0.00	0.00	0.00	0.00		0.00
370-861-950.010	O/T to DDA Construction Fund	0.00	0.00	0.00	0.00	0.00		0.00
370-861-950.220	Oper Tfr To Major Street Fund	0.00	0.00	0.00	0.00	0.00		0.00
370-861-967.000	Fringe Benefits	10,735.00	10,735.00	3,574.46	828.20	7,160.54		33.30
370-861-976.010	Street Furnishings	48,200.00	48,200.00	22,177.50	0.00	26,022.50		46.01
Total Dept 861-Design Committee		319,662.00	319,662.00	51,857.71	20,924.77	267,804.29		16.22
Dept 862-Marketing								
370-862-706.000	Wages - Regular Full Time	17,595.00	17,595.00	5,121.02	1,280.24	12,473.98		29.10
370-862-726.000	Supplies	100.00	100.00	60.91	60.91	39.09		60.91
370-862-784.000	Downtown Programming & Promo	20,950.00	20,950.00	13,883.92	923.00	7,066.08		66.27
370-862-784.010	Construction Marketing	0.00	0.00	0.00	0.00	0.00		0.00
370-862-801.000	Contractual Services	64,000.00	64,000.00	20,139.18	4,894.00	43,860.82		31.47
370-862-801.340	Web Site Maintenance	1,969.00	1,969.00	660.00	90.00	1,309.00		33.52
370-862-802.200	Contracted Planning Services	0.00	0.00	201.60	0.00	(201.60)		100.00
370-862-802.300	Contracted Marketing Services	15,280.00	15,280.00	4,662.00	712.80	10,618.00		30.51
370-862-950.050	O/T to Parks & Recreation	18,000.00	18,000.00	0.00	0.00	18,000.00		0.00
370-862-967.000	Fringe Benefits	7,615.00	7,615.00	2,271.30	567.82	5,343.70		29.83
Total Dept 862-Marketing		145,509.00	145,509.00	46,999.93	8,528.77	98,509.07		32.30
Dept 863-Parking								
370-863-706.000	Wages - Regular Full Time	7,330.00	7,330.00	2,133.75	533.44	5,196.25		29.11
370-863-726.000	Supplies	50.00	50.00	0.00	0.00	50.00		0.00
370-863-786.000	Downtown Parking Program	250.00	250.00	0.00	0.00	250.00		0.00
370-863-801.000	Contractual Services	500.00	500.00	0.00	0.00	500.00		0.00
370-863-801.190	Computer Program Services	0.00	0.00	0.00	0.00	0.00		0.00
370-863-801.930	Parking Structure Maintenance	1,480.00	1,480.00	0.00	0.00	1,480.00		0.00
370-863-802.200	Contracted Planning Services	5,090.00	5,090.00	1,584.00	475.20	3,506.00		31.12
370-863-802.300	Contracted Marketing Services	0.00	0.00	0.00	0.00	0.00		0.00
370-863-950.210	Oper Tfr To General Fund	126,540.00	126,540.00	42,180.00	10,545.00	84,360.00		33.33
370-863-967.000	Fringe Benefits	3,172.00	3,172.00	946.39	236.60	2,225.61		29.84
370-863-977.160	Parking Expansion	0.00	0.00	3,086.34	0.00	(3,086.34)		100.00
Total Dept 863-Parking		144,412.00	144,412.00	49,930.48	11,790.24	94,481.52		34.58
Dept 864-Organizational								
370-864-706.000	Wages - Regular Full Time	8,795.00	8,795.00	2,560.50	640.13	6,234.50		29.11
370-864-710.000	Wages - Temp / Part Time Reg	0.00	0.00	377.50	0.00	(377.50)		100.00
370-864-726.000	Supplies	1,175.00	1,175.00	276.81	42.32	898.19		23.56
370-864-730.000	Postage	100.00	100.00	63.23	27.31	36.77		63.23
370-864-731.000	Publications	45.00	45.00	0.00	0.00	45.00		0.00
370-864-801.000	Contractual Services	0.00	0.00	0.00	0.00	0.00		0.00
370-864-801.190	Computer Program Services	1,715.00	1,715.00	798.80	161.90	916.20		46.58
370-864-801.450	DDA Boundary Expansion	7,000.00	7,000.00	0.00	0.00	7,000.00		0.00
370-864-802.010	Legal Services - General	3,000.00	3,000.00	2,796.00	1,149.49	204.00		93.20
370-864-802.200	Contracted Planning Services	2,550.00	2,550.00	741.60	237.60	1,808.40		29.08
370-864-802.300	Contracted Marketing Services	5,090.00	5,090.00	1,554.00	237.60	3,536.00		30.53
370-864-805.000	Auditing Services	4,490.00	4,490.00	3,920.00	0.00	570.00		87.31
370-864-900.000	Printing & Publishing	1,000.00	1,000.00	150.00	0.00	850.00		15.00

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PERIOD ENDING 10/31/2013

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GL NUMBER	DESCRIPTION	2013-14	2013-14	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		ORIGINAL BUDGET	AMENDED BUDGET	10/31/2013 NORM (ABNORM)	MONTH 10/31/2013 INCR (DECR)	BALANCE NORM (ABNORM)	
Fund 370 - Downtown Development Authority							
Expenditures							
370-864-910.000	Liability & Property Ins Pool	5,310.00	5,310.00	2,976.00	0.00	2,334.00	56.05
370-864-917.000	Workmen's Comp Insurance	0.00	0.00	317.25	0.00	(317.25)	100.00
370-864-920.000	Utilities	1,205.00	1,205.00	401.04	170.52	803.96	33.28
370-864-950.330	Oper Tsfr to Insurance Retention Fund	0.00	0.00	0.00	0.00	0.00	0.00
370-864-956.000	Contingencies	1,390.00	1,390.00	0.00	0.00	1,390.00	0.00
370-864-958.000	Membership & Dues	940.00	940.00	890.00	400.00	50.00	94.68
370-864-960.000	Education & Training	1,500.00	1,500.00	350.00	0.00	1,150.00	23.33
370-864-967.000	Fringe Benefits	3,810.00	3,810.00	1,142.85	283.98	2,667.15	30.00
370-864-967.020	Overhead - Admin & Records	9,030.00	9,030.00	3,010.00	752.50	6,020.00	33.33
Total Dept 864-Organizational		58,145.00	58,145.00	22,325.58	4,103.35	35,819.42	38.40
Dept 945-Debt Service							
370-945-949.000	Financing Outlay	0.00	0.00	1,682,972.42	1,682,972.42	(1,682,972.42)	100.00
370-945-950.490	Oper Tfr To Debt Service Fund	174,185.00	174,185.00	0.00	0.00	174,185.00	0.00
370-945-990.020	Bond/Note Interest Expense	8,250.00	8,250.00	8,250.00	0.00	0.00	100.00
370-945-990.040	Bond/Note Principal Expense	30,000.00	30,000.00	30,000.00	0.00	0.00	100.00
370-945-990.070	Bond Issuance Costs	0.00	0.00	26,850.00	26,850.00	(26,850.00)	100.00
Total Dept 945-Debt Service		212,435.00	212,435.00	1,748,072.42	1,709,822.42	(1,535,637.42)	822.87
Dept 999-Reserve Accounts							
370-999-956.000	Contingencies	0.00	0.00	0.00	0.00	0.00	0.00
370-999-999.000	Unallocated Reserve	0.00	0.00	0.00	0.00	0.00	0.00
370-999-999.030	Reserved for Special Projects	0.00	0.00	0.00	0.00	0.00	0.00
Total Dept 999-Reserve Accounts		0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Expenditures		939,933.00	939,933.00	1,936,289.11	1,758,113.31	(996,356.11)	206.00
Fund 370:							
TOTAL REVENUES		939,933.00	939,933.00	2,371,281.41	1,711,195.39	(1,431,348.41)	252.28
TOTAL EXPENDITURES		939,933.00	939,933.00	1,936,289.11	1,758,113.31	(996,356.11)	206.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	434,992.30	(46,917.92)	(434,992.30)	100.00

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 370 Downtown Development Authority					
Dept 860 Business Mix Committee					
370-860-802.200	Contracted Planning Services	KATHERINE KNIGHT	PLANNING CONSULTING SERVICES	235.20	85492
370-860-802.200	Contracted Planning Services	KATHERINE KNIGHT	MONTHLY PLANNING SERVICES	244.80	85610
Total For Dept 860 Business Mix Committee				480.00	
Dept 861 Design Committee					
370-861-740.050	Downtown Materials	BEGONIA BROTHERS RETAIL	TREE LIGHTS	1,010.00	85462
370-861-801.160	Restroom Program	CHURCH SQUARE - NORTHVILLE	OCT-DEC 2013 RESTROOMS RENTAL	4,350.00	85615
370-861-802.200	Contracted Planning Services	KATHERINE KNIGHT	PLANNING CONSULTING SERVICES	588.00	85492
370-861-802.200	Contracted Planning Services	KATHERINE KNIGHT	MONTHLY PLANNING SERVICES	612.00	85610
370-861-802.300	Contracted Marketing Services	CHRISTA SHOPS FOR YOU LLC	MARKETING CONSULTING SERVICES	237.60	85491
370-861-803.580	Comerica Community Connection	FIRE SYSTEMS OF MICHIGAN I	FIRE EXTINGUISHER CABINETS - WALKWAY	123.50	85466
370-861-850.000	Landscape Maintenance	STUART LEVE, INC.	TREE PLANTING PROJECT	6,480.00	85516
370-861-920.010	Electric Power	DTE ENERGY	ELECTRIC BILL TOWN SQUARE	252.83	85673
370-861-920.020	Natural Gas	CONSUMERS ENERGY	GAS USAGE 9/7-10/7/13	11.65	500151
Total For Dept 861 Design Committee				13,665.58	
Dept 862 Marketing					
370-862-726.000	Supplies	LORI WARD	MARKETING RFP INTERVIEW CATERING	29.95	85586
370-862-726.000	Supplies	LORI WARD	SUPPLIES FOR MEETINGS	30.96	85586
370-862-784.000	Downtown Programming & Promo	JOHN'S SANITATION	PORTA-POTTY SKELETONS	115.00	85474
370-862-784.000	Downtown Programming & Promo	PROGRESSIVE PRINT INC.	EVENT POST CARDS	389.00	85477
370-862-784.000	Downtown Programming & Promo	PROGRESSIVE PRINT INC.	PRINTING SKELETON POSTER	94.00	85477
370-862-784.000	Downtown Programming & Promo	BAKED POTATO PRODUCTIONS,	ENTERTAINMENT - SKELETONS	650.00	85490
370-862-801.000	Contractual Services	OBSERVER & ECCENTRIC NEWSI	PRINT ADVTG VICFEST	394.00	85543
370-862-801.000	Contractual Services	CUMULUS DETROIT	RADIO ADVTS SKELETONS	90.00	85607
370-862-801.000	Contractual Services	CUMULUS DETROIT	RADIO ADVTG SKELETONS	2,410.00	85607
370-862-801.000	Contractual Services	DETROIT MEDIA PARTNERSHIP	2 PRINT ADS	500.00	85518
370-862-801.000	Contractual Services	JEANNE A. MICALLEF	MONTHLY PR & MARKETING SERVICES	1,500.00	85519
370-862-801.340	Web Site Maintenance	LORI WARD	MAILCHIMP	30.00	85401
370-862-801.340	Web Site Maintenance	LORI WARD	MONTHLY MAILCHIMP BILL	30.00	85853
370-862-802.300	Contracted Marketing Services	CHRISTA SHOPS FOR YOU LLC	MARKETING CONSULTING SERVICES	712.80	85491
Total For Dept 862 Marketing				6,975.71	
Dept 863 Parking					
370-863-802.200	Contracted Planning Services	KATHERINE KNIGHT	PLANNING CONSULTING SERVICES	235.20	85492
370-863-802.200	Contracted Planning Services	KATHERINE KNIGHT	MONTHLY PLANNING SERVICES	240.00	85610
Total For Dept 863 Parking				475.20	
Dept 864 Organizational					
370-864-726.000	Supplies	LORI WARD	SUPPLIES FOR BOARD MEETING	22.96	85401
370-864-726.000	Supplies	OFFICE DEPOT	28571763 COFFEE, AIR FRESHNER, PAPER	19.36	85512
370-864-801.190	Computer Program Services	LORI WARD	MONTHLY INTERNET	79.90	85401
370-864-801.190	Computer Program Services	NORTHVILLE TOWNSHIP	IT SERVICES 9/7-10/6/13	82.00	85455
370-864-802.010	Legal Services - General	MONAGHAN PC	ATTORNEY FEES FOR ZOO MILLAGE	251.49	85493
370-864-802.010	Legal Services - General	PLUNKETT COONEY	LEGAL FEES - GENERAL SEPT 2013 (37.5)	898.00	85548
370-864-802.200	Contracted Planning Services	KATHERINE KNIGHT	PLANNING CONSULTING SERVICES	117.60	85492
370-864-802.200	Contracted Planning Services	KATHERINE KNIGHT	MONTHLY PLANNING SERVICES	120.00	85610
370-864-802.300	Contracted Marketing Services	CHRISTA SHOPS FOR YOU LLC	MARKETING CONSULTING SERVICES	237.60	85491
370-864-920.000	Utilities	AT&T	TELEPHONE SERVICE 10/4/13 - 11/3/13	140.52	85549
370-864-958.000	Membership & Dues	MICHIGAN DOWNTOWN ASSOCIAI	ANNUAL DUES	400.00	85514
Total For Dept 864 Organizational				2,369.43	



11/14/2013 01:18 PM  
User: Lward  
DB: Northville

INVOICE GL DISTRIBUTION REPORT FOR CITY OF NORTHVILLE  
POST DATES 10/01/2013 - 10/31/2013  
BOTH JOURNALIZED AND UNJOURNALIZED  
PAID

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 370 Downtown Development Authority					
			Total For Fund 370 Downtown Development Authority	23,965.92	
			Fund Totals:		
			Fund 370 Downtown Develc	23,965.92	
			Total For All Funds:	23,965.92	

## **DOWNTOWN NORTHVILLE PR / ADVERTISING SUMMARY (September - October 31, 2013):**

### **PUBLICITY:**

#### **Press materials that have been prepared & sent out during October:**

- Calendar of events

#### **Press coverage received to date – Includes *top* press hits through October 31:**

- October 5: Fox2 ~ Broadcast live during the morning show from Town Square to preview the Skeletons Are Alive event
- October 6: Northville Patch ~ Post event article about the Skeletons event (with video)

#### **Upcoming November press releases:**

- Small Business Saturday
- Holidays in Northville
- Calendar (November/December events)

### **SOCIAL MEDIA:**

- Facebook ~ Continued to maintain the page, including daily posts on events and business announcements
- Twitter ~ Continued to maintain the page, including daily posts on events and business announcements

### **PAID ADVERTISING:**

#### **October paid advertising that ran:**

- October 3 ~ 2 ads in the Detroit News/Detroit Free Press entertainment sections for the Skeletons event
- October 1-October 4 ~ radio spots for the Skeletons event on WDVD FM

#### **Upcoming paid advertising:**

#### **PRINT:**

- November 7 ~ O&E Special Women's Issue ~ 1/4-page Small Business Saturday Ad
- Week of November 24 ~ Facebook Small Business Saturday promoted post
- Dates TBD ~ Holiday print ads

#### **RADIO:**

- Week of November 18 (Small Business Saturday)
- Week of November 25 (Small Business Saturday)
- Week of December 2 (Holidays)

- Week of December 9 (Holidays)
- Week of January 27 (TBD/Movie Series)

# **Northville Downtown Development Authority**

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## **Financial Report with Supplemental Information June 30, 2013**

# **Northville Downtown Development Authority**

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## Independent Auditor's Report

To the Board of Directors  
Northville Downtown Development Authority

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the General Fund and the governmental activities of the Northville Downtown Development Authority (the "DDA"), a component unit of the City of Northville, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Northville Downtown Development Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Directors  
Northville Downtown Development Authority

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund and the governmental activities of the Northville Downtown Development Authority as of June 30, 2013 and the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the major fund budgetary comparison schedule on pages 3-6, and 19, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

*Plante & Morse, PLLC*

October 25, 2013

# **Northville Downtown Development Authority**

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## **Management's Discussion and Analysis**

The following discussion and analysis of the financial performance of the Northville Downtown Development Authority (the "DDA") provides an overview of the DDA's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the DDA's financial statements.

### **Financial Highlights**

The DDA captures tax increment revenues. The captured value decreased due to the decline in the value of commercial property this year resulting in \$56,408 less in captured taxes from the prior year. The DDA began capturing the jail millage this fiscal year. The DDA also levied 1.8255 mills for operations which generated \$61,349.

The downtown streetscape project was completed this fiscal year. This was a multi-year project which improved downtown Northville that was funded primarily by Limited Tax General Obligation Bonds. In addition, a pedestrian walkway that connects Main Street to the major downtown parking lot was substantially complete this year. This project was funded with Limited Tax General Obligation Bonds, tax increment revenues, and a private donation.

The DDA continues sponsoring popular downtown events such as the Friday Night Concerts, Tunes on Tuesday Concerts, the Buy Michigan Now Festival, and various other events in cooperation with Northville Parks and Recreation, Northville Arts Commission, and the Chamber of Commerce.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the DDA as a whole and present a longer-term view of the DDA's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the DDA's operations in more detail than the government-wide financial statements.



# Northville Downtown Development Authority

## Management's Discussion and Analysis (Continued)

### The Commission as a Whole

The following table shows, in a condensed format, the current year's net position compared to the two prior years:

#### Summary Condensed Statement of Net Position

	2011	2012	2013	Changes from Prior Year	
				In Dollars	Percent
<b>Assets - Current assets</b>	\$ 1,375,536	\$ 1,366,146	\$ 1,080,832	\$ (285,314)	(21)
<b>Liabilities</b>					
Current liabilities	258,160	350,989	127,212	(223,777)	(64)
Long-term liabilities	180,000	150,000	120,000	(30,000)	(20)
Total liabilities	438,160	500,989	247,212	(253,777)	14
<b>Net Assets - Unrestricted</b>	<b>\$ 937,376</b>	<b>\$ 865,157</b>	<b>\$ 833,620</b>	<b>\$ (31,537)</b>	(4)

The above decrease in unrestricted net assets is consistent with the DDA's long-term financial plan. Cash reserves were intentionally decreased for the continuation of two multi-year major projects which continued during the current fiscal year. The two projects are the downtown streetscape enhancement project and the downtown pedestrian walkway project.

The decrease in current liabilities is related to invoices payable at year end in the prior year for the downtown pedestrian walkway project and the decrease in the reserve for tax appeals. The decrease in long-term liabilities is due to the maturing of long-term debt.

# Northville Downtown Development Authority

## Management's Discussion and Analysis (Continued)

The following table shows the changes in net assets during the current year in comparison with the two prior years:

### Summary Condensed Statement of Activities

	2011	2012	2013	Changes from Prior Year	
				In Dollars	Percent
<b>Revenue</b>					
Property taxes	\$ 744,181	\$ 702,413	\$ 849,087	\$ 146,674	21
Operating levy	67,537	68,207	61,349	(6,858)	(10)
Contributions	739,108	600,507	491,526	(108,981)	(18)
Other income	23,562	138,147	1,432	(136,715)	(99)
Total revenue	1,574,388	1,509,274	1,403,394	(105,880)	(7)
<b>Expenditures</b>					
Business mix committee	44,935	72,496	62,371	(10,125)	(14)
Design committee	859,945	1,012,816	852,880	(159,936)	(16)
Marketing committee	150,710	154,459	139,550	(14,909)	(10)
Parking committee	89,344	89,676	125,114	35,438	40
Organizational committee	53,287	53,734	57,780	4,046	8
Public works	30,663	15,699	17,769	2,070	13.2
Debt service	11,825	10,250	8,450	(1,800)	(18)
Debt service - Pass-through commitment	166,900	172,363	171,017	(1,346)	(1)
Total expenditures	1,407,609	1,581,493	1,434,931	(146,562)	(9)
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>\$ 166,779</b>	<b>\$ (72,219)</b>	<b>\$ (31,537)</b>	<b>\$ 40,682</b>	<b>(56)</b>

Property taxes include captured taxes and an adjustment to the reserve for property tax appeals. The increase in property taxes was primarily related to the lower reserve required for future property tax appeals offset by the decrease in captured taxes.

The decrease in the operating levy was due to the decline in commercial real property taxable values.

The decline in contributions was directly due to the amount of bond proceeds required each year for the two major downtown improvement projects.

The decrease in other income was expected as the prior year included the receipt of a private donation for the downtown pedestrian walkway project.

The decrease in expenditures for the business mix committee was expected due to the elimination of the business assistance program.

The decrease in design committee was directly related to the timing of the two major downtown improvement projects.

# **Northville Downtown Development Authority**

## **Management's Discussion and Analysis (Continued)**

The decrease in the marketing committee expenditures was expected as the Movies at the Marquis was eliminated this year.

The increase in the parking committee expenditures was anticipated due to the increased allocation to the City's General Fund to pay for downtown street lighting and parking lot electrical costs.

### **The DDA's Fund**

The DDA maintains one fund, the General Fund. The fund provides detailed information about the DDA as a whole. The use of this fund helps to manage money for specific purposes as well as to show accountability for certain activities.

### **General Fund Budgetary Highlights**

The General Fund accounts for all programming, maintenance, construction, and administrative functions of the DDA within the DDA boundaries. The budget is monitored closely and amended quarterly.

### **Capital Asset and Debt Administration**

The DDA contributes financial support to the City of Northville for some of the construction and maintenance of assets within the DDA's boundaries. Most of those costs are recorded in the financial statements under the category of design committee expense. The DDA does not have any capital assets of its own.

The DDA has one outstanding loan. The City's General Fund loaned the DDA \$300,000 in fiscal year 2008 to assist with financing of the Town Square Project. It is payable over a 10-year period. Installment number five was paid during this fiscal year.

### **Economic Factors and Next Year's Budgets and Rates**

The DDA will continue to focus attention and resources on business recruitment and retention efforts in the downtown. Expenditures continue to grow at a faster rate than revenue, which will continue to be a challenge for the DDA.

It is expected that captured taxes and the operating levy will decrease due to legislative changes related to personal property taxes and captured taxes of the Detroit Zoological Authority and the Detroit Institute of Arts.

### **Contacting the DDA's Management**

This financial report is intended to provide the citizens, taxpayers, customers, and investors with a general overview of the DDA's finances and to show the DDA's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Northville Downtown Development Authority's office at 215 West Main Street, Northville, Michigan 48167, or via the DDA's website at [www.downtownnorthville.org](http://www.downtownnorthville.org).

# Northville Downtown Development Authority

## Statement of Net Position/Governmental Fund Balance Sheet June 30, 2013

	<u>General Fund</u>	<u>Adjustments (Note 4)</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash and cash equivalents (Note 5)	\$ 1,063,585	\$ -	\$ 1,063,585
Due from other governmental units	3,616	-	3,616
Other assets	<u>13,631</u>	<u>-</u>	<u>13,631</u>
Total assets	1,080,832	-	1,080,832
<b>Liabilities</b>			
Accounts payable	63,773	-	63,773
Accrued and other liabilities	9,789	23,650	33,439
Long-term debt (Note 7):			
Due within one year	-	30,000	30,000
Due in more than one year	<u>-</u>	<u>120,000</u>	<u>120,000</u>
Total liabilities	73,562	173,650	247,212
<b>Fund Balance/Net Position</b>			
Fund balances			
Nonspendable - Prepays	6,385	(6,385)	-
Committed - Business assistance program	7,036	(7,036)	-
Assigned:			
Subsequent year budget expenditures in excess of budgeted revenue	156,064	(156,064)	-
Compensated absences	16,775	(16,775)	-
Boundary expansion	8,812	(8,812)	-
Unassigned	<u>812,198</u>	<u>(812,198)</u>	<u>-</u>
Total fund balance	1,007,270	(1,007,270)	-
<b>Net Position - Unrestricted</b>		<u>833,620</u>	<u>833,620</u>
Total net position		<u><b>\$ 833,620</b></u>	<u><b>\$ 833,620</b></u>

# Northville Downtown Development Authority

## Statement of Activities/Governmental Fund Revenue, Expenditures, and Changes in Fund Balance Year Ended June 30, 2013

	<u>General Fund</u>	<u>Adjustments (Note 4)</u>	<u>Statement of Net Position</u>
<b>Revenue</b>			
Captured taxes	\$ 726,686	\$ -	\$ 726,686
Operating levy	61,349	-	61,349
Other income	1,432	-	1,432
Property taxes - Other	122,401	-	122,401
Contributions	491,526	-	491,526
	<u>1,403,394</u>	<u>-</u>	<u>1,403,394</u>
<b>Expenditures</b>			
Business mix committee	62,090	281	62,371
Design committee	852,528	352	852,880
Marketing committee	139,269	281	139,550
Parking committee	124,996	118	125,114
Organizational committee	57,639	141	57,780
Public works	17,769	-	17,769
Debt service	39,900	(31,450)	8,450
Debt service - Pass-through commitment	171,017	-	171,017
	<u>1,465,208</u>	<u>(30,277)</u>	<u>1,434,931</u>
<b>Net Change in Fund Balance/Net Position</b>	(61,814)	30,277	(31,537)
<b>Fund Balance/Net Position - Beginning of year</b>	<u>1,069,084</u>	<u>(203,927)</u>	<u>865,157</u>
<b>Fund Balance/Net Position - End of year</b>	<u><b>\$ 1,007,270</b></u>	<u><b>\$ (173,650)</b></u>	<u><b>\$ 833,620</b></u>

# **Northville Downtown Development Authority**

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## **Notes to Financial Statements June 30, 2013**

### **Note I - Summary of Significant Accounting Policies**

The accounting policies of Northville Downtown Development Authority (the "DDA") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Northville Downtown Development Authority.

#### **Reporting Entity**

Northville Downtown Development Authority was formed under Act 197 of the Public Acts of 1975 to develop downtown Northville. A revised development plan was adopted in 1993 that provided the financing plan for the construction of downtown parking facilities. The final payment was made during the year ended June 30, 2009.

The City of Northville issued bonds on behalf of the DDA for a streetscape improvement project which were issued in February 2010 in the amount of \$2,000,000. The bonds are payable in 15 annual installments beginning in April 2011. The board of the DDA adopted a related resolution pledging future tax increment revenue for the payment of the bonds. The principal and interest to be paid on the bonds totaled \$2,888,122 before the Build America Bonds interest subsidy. The total Build America Bonds interest subsidy is \$310,844. During the current year, captured tax revenue of the DDA was \$726,686 compared to related debt service requirements of \$171,017.

The accompanying financial statements pertain to the financial activities of the DDA. These activities have also been presented within the financial statements of the City of Northville, Michigan as a component unit.

#### **Government-wide and Fund Financial Statements**

The government-wide financial statements report information on all of the activities of the DDA. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

# Northville Downtown Development Authority

## Notes to Financial Statements June 30, 2013

### Note I - Summary of Significant Accounting Policies (Continued)

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the DDA 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 expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Revenue is recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the fiscal period. All other revenue items are considered to be available only when cash is received by the DDA.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the DDA's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the DDA's policy to spend funds in this order: committed, assigned, and unassigned.

The General Fund is the DDA's only operating fund. It accounts for all financial resources of the general government.

#### Assets, Liabilities, and Net Position or Equity

**Bank Deposits and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income is allocated using a weighted average of balance for the principal.

**Capital Assets** - Capital assets are defined by the DDA as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. The DDA has no assets that meet this criterion.

# Northville Downtown Development Authority

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## Notes to Financial Statements June 30, 2013

### Note I - Summary of Significant Accounting Policies (Continued)

**Compensated Absences (Vacation and Sick Leave)** - It is the DDA's policy to permit employees to accumulate earned but unused sick and vacation pay benefits and accumulate compensatory leave time. After 10 years of service, employees may receive payment of the accumulated sick leave balance at the rate of 50 percent upon retirement or 25 percent for other types of termination. A liability is accrued when incurred in the government-wide financial statements.

**Fund Equity** - In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the DDA's board of directors for use for specific purposes. Commitments are made and can be rescinded only via resolution of the DDA's board of directors.
- **Assigned:** Intent to spend resources on specific purposes expressed by the DDA's board of directors
- **Unassigned:** Amounts that do not fall into any other category above.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**New Accounting Standard** - In the current year, the DDA implemented Governmental Accounting Standards Board Statement (GASB) No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB No. 63 incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concept Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provided a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.



# Northville Downtown Development Authority

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## Notes to Financial Statements June 30, 2013

### Note 2 - Upcoming Accounting Pronouncements

In March 2012, the GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented for financial statements for periods beginning after December 15, 2012. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 will be implemented for the DDA as of fiscal year 2013-2014.

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The DDA is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the 2014-2015 fiscal year. Currently, there are no DDA employees participating in the pension plan; therefore, this pronouncement will not have an effect on the financial statements.

### Note 3 - Stewardship, Compliance, and Accountability

**Budgetary Information** - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. All annual appropriations lapse at fiscal year end. The annual budget is prepared by the director and then reviewed by the DDA. After the budget is approved by the DDA, it is then presented to the City of Northville for approval prior to the start of the fiscal year. The budget is reviewed by the DDA and the City on a quarterly basis and amended as necessary.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing bodies is the department level. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. During the current year, the budget was amended in a legally permissible manner. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. The comparison of actual results of operations to the General Fund budget is presented for analytical purposes only.

# Northville Downtown Development Authority

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## Notes to Financial Statements June 30, 2013

### **Note 3 - Stewardship, Compliance, and Accountability (Continued)**

**Excess of Expenditures Over Appropriations in Budgeted Funds** - The DDA did not have significant expenditure budget variances.

### **Note 4 - Reconciliation of Government-wide and Fund Financial Statements**

Total fund balances and the net change in fund balances of the DDA's governmental funds differ from net position and changes in net position of the governmental activities reported in the statement of net position and statement of activities. This difference results primarily from the long-term economic focus of the statement of net position and statement of activities versus the financial resources measurement focus of the governmental fund balance sheet.

The reconciliation of fund balance to net position relates to compensated absences and long-term debt that are included as a liability for the statement of net position. The reconciliation of the net change in fund balance to net change in net position relates to the decrease in the accrual for long-term compensated absences as well as long-term debt payments which are reported as expenses in the statement of activities, but are not reported as expenses in the governmental fund.

### **Note 5 - Deposits and Investments**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures 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; mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan; and investment pools organized under the Surplus Funds Investment Pool Acts of the State of Michigan. The investment policy adopted is in accordance with Public Act 196 of 1997 and has authorized investment in all vehicles covered by the state statute listed above.

Cash and investments are subject to several types of risk. At year end, the carrying amount of the DDA's cash and investments is held by the City's cash and investments pool. For the purpose of risk disclosure, it is not practical to allocate risk to each entity in the investment fund. The disclosures below are related to the overall risk for the cash and investments totals that are presented in the City's financial statements. The DDA's cash and investments, however, represent 6.8 percent of the total portfolio managed by the City.

# Northville Downtown Development Authority

## Notes to Financial Statements June 30, 2013

### Note 5 - Deposits and Investments (Continued)

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. The policy for custodial credit risk limits bank options to those approved by the DDA. All banks must supply audited financial statements, proof of state registration, and certification of compliance with the investment policy. Overall, the City had \$1,797,804 in bank deposits (checking and savings accounts in addition to certificates of deposit) that were uninsured and uncollateralized. Each financial institution where funds are deposited is evaluated to assess the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. As of June 30, 2013, five banks are utilized for the deposit of the DDA's funds.

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The DDA's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. At year end, the average maturities of investments are as follows:

Investment	Percentage of Total Portfolio	Weighted Average Maturity
Federal Home Loan Mortgage Co.	7 %	28
Federal National Mortgage Assoc.	17	238
Federal Home Loan Bank	12	43
Federal Farm Credit Bank	14	113
Municipal bonds	35	169
Commercial paper	14	83

# Northville Downtown Development Authority

## Notes to Financial Statements June 30, 2013

### Note 5 - Deposits and Investments (Continued)

**Credit Risk** - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The DDA has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Percentage of Total Portfolio	Standard & Poor's Rating
Bank investment pools	1 %	N/A
Federal Home Loan Mortgage Corp.	7	AA+
Federal National Mortgage Assoc.	17	AA+
Federal Home Loan Bank	12	AA+
Federal Farm Credit Bank	14	AA+
Commercial paper	5	A-I
Commercial paper	9	A-I +
Municipal bonds	3	A
Municipal bonds	3	A+
Municipal bonds	8	AA
Municipal bonds	7	AA-
Municipal bonds	4	AA+
Municipal bonds	3	AAA
Municipal bonds	1	NR
Municipal bonds	6	SP-I

**Concentration of Credit Risk** - It is the policy of the DDA to diversify the investment portfolio with a goal of 5 percent maximum exposure to any one credit risk at the time of purchase. This requirement does not apply to investments issued by the U.S. government or its agencies, investments in mutual funds, and external investment pools and other pooled investments. The concentration of credit risk is shown below:

Investment	Percent
Federal National Mortgage Assoc.	15 %
Federal Farm Credit Bank	13
Federal Home Loan Bank	11
Federal Home Loan Mortgage Company	6

# Northville Downtown Development Authority

## Notes to Financial Statements June 30, 2013

### Note 6 - Captured Taxes

Captured taxes represent the property taxes on the increment in taxable value of the downtown development district property since the adoption of the development plan. These taxes are earmarked for debt retirement purposes and other purposes consistent with the development plan.

Based on the 2012 taxable value subject to capture, the taxes captured by the Northville Downtown Development Authority are as shown below.

	<u>2012 Tax Captured</u>
City of Northville	\$ 414,630
Wayne County	179,263
Wayne Parks	6,639
Schoolcraft Community College	48,520
Huron Clinton Metropolitan Authority	5,794
Northville District Library	38,408
Detroit Institute of Arts	5,400
Wayne County Zoological Authority	2,699
Wayne Public Safety	<u>25,333</u>
Total	<u>\$ 726,686</u>

### Note 7 - Long-term Debt

The outstanding debt of the DDA consists of the following amounts borrowed from the City of Northville's General Fund:

<u>Interest Rate</u>	<u>Principal Matures</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
5.50%	2018	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 150,000</u>	<u>\$ 30,000</u>

Annual debt service requirements to maturity for the above debt obligation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 30,000	\$ 8,250	\$ 38,250
2015	30,000	6,600	36,600
2016	30,000	4,950	34,950
2017	30,000	3,300	33,300
2018	<u>30,000</u>	<u>1,650</u>	<u>31,650</u>
Total	<u>\$ 150,000</u>	<u>\$ 24,750</u>	<u>\$ 174,750</u>

# Northville Downtown Development Authority

## Notes to Financial Statements June 30, 2013

### Note 8 - Commitment

The DDA has pledged future tax increment revenue for the payment of the 2010 bonds issued by the City of Northville for the streetscape improvement project. Future debt service payments on those bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest - Net of Subsidy</u>	<u>Total</u>
2014	\$ 120,000	\$ 53,735	\$ 173,735
2015	120,000	51,239	171,239
2016	125,000	48,431	173,431
2017	125,000	45,100	170,100
2018	130,000	41,444	171,444
2019-2023	725,000	140,221	865,221
2024-2025	325,000	18,528	343,528
Total	<u>\$ 1,670,000</u>	<u>\$ 398,699</u>	<u>\$ 2,068,699</u>

Subsequent to June 30, 2013, the Northville City Council approved a refunding of the 2010 streetscape improvement bonds. The refunding occurred on October 22, 2013.

### Note 9 - Defined Contribution Pension Plan

The City of Northville sponsors the pension plan on behalf of the Downtown Development Authority. The employer of record for the DDA is the City of Northville. The DDA has only one employee who participates in the defined contribution pension plan, but is not eligible to participate in the postretirement healthcare plan. Accordingly, the employee of the DDA participates in the City's employee benefit programs and policies and is pooled with City employees for benefits administration subject to those benefits outlined in an employment contract with the DDA director. The City charges the DDA for its pro-rata share of employee fringe benefit costs in the same manner as City departments are charged for fringe benefits. Employees are eligible to participate in the defined contribution pension plan from the date of employment. As established by City Council action, the DDA contributes 5 percent of employees' gross earnings for eligible part-time employees, and 10 percent for full-time employees. The DDA's contribution plus investment earnings are fully vested by the employee after seven years of service. There are no retirees of the DDA. A description of the pension plan and related overall funding levels may be obtained from the City of Northville's financial statements. Those statements may be obtained by contacting the City of Northville, 215 West Main Street, Northville, Michigan 48167.

The DDA's total payroll during the current year was \$98,095. The current year contribution was calculated based on covered payroll of \$72,542, resulting in an employer contribution of \$7,245. Total payroll is greater than covered payroll because part-time staff and the Department of Public Works wages are not included in the DDA's covered payroll.

## **Required Supplemental Information**

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# Northville Downtown Development Authority

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Captured taxes	\$ 727,582	\$ 726,690	\$ 726,686	\$ (4)
Operating levy	64,683	61,349	61,349	-
Other income	2,798	3,473	1,432	(2,041)
Property taxes - Other	(29,700)	(17,300)	122,401	139,701
Contributions	-	491,525	491,526	1
Total revenue	765,363	1,265,737	1,403,394	137,657
<b>Expenditures/Expenses</b>				
Business mix committee	48,767	72,332	62,090	10,242
Design committee	152,320	949,792	852,528	97,264
Marketing committee	171,402	162,605	139,269	23,336
Parking committee	146,443	121,872	124,996	(3,124)
Organizational committee	57,959	60,305	57,639	2,666
Public works	22,230	17,330	17,769	(439)
Debt service	39,900	39,900	39,900	-
Debt service - Pass-through commitment	171,017	171,017	171,017	-
Total expenditures	810,038	1,595,153	1,465,208	129,945
<b>Net Change in Fund Balances/Net Position</b>	(44,675)	(329,416)	(61,814)	267,602
<b>Fund Balances/Net Position - Beginning of year</b>	1,069,084	1,069,084	1,069,084	-
<b>Fund Balances/Net Position - End of year</b>	<u>\$ 1,024,409</u>	<u>\$ 739,668</u>	<u>\$ 1,007,270</u>	<u>\$ 267,602</u>





## DDA Communication

**To:** Northville Downtown Development Authority

**From:** Lori M. Ward, DDA Director

**Subject:** Professional Marketing and Public Relations Services

**Date:** November 19, 2013

### **Background:**

IMJ Communications, LLC, was part of the team, led by New Moon Visions, that was selected in 2007 to develop a Marketing Plan for Downtown Northville. The Marketing Team met numerous times throughout the development of the Plan with a volunteer Marketing Committee. The Plan was completed in July 2007 and adopted by the DDA Board of Directors at their July 17, 2007 meeting. Many of the original items identified for implementation in the original plan have been completed. In 2008, the DDA began working directly with IMJ Communications to provide ongoing PR and marketing consulting services.

The efforts of the marketing campaign have resulted in increased exposure of Downtown Northville through new events, direct mail, and print and radio advertising. In addition, the PR campaign has resulted in increased exposure in print, radio, and TV coverage. These placements are free, and are result of the bi-weekly calendar and press releases sent to various media and through contacts made by our PR consultants.

### **Analysis:**

For a brief time in 2010, the DDA contracted with a local marketing firm, Street Marketing. Street Marketing terminated the contract early when their work load became too great to adequately serve the Northville DDA. At that time, the DDA began contracting monthly with IMJ Communications to provide those services.

DDA staff recently drafted a Request for Professional services (Attachment A) for PR and Marketing that was issued to area firms, firms recommended by other DDAs and listed on MITN. A monthly stipend of \$2,000 was set. Nine firms submitted proposals (Attachment B).

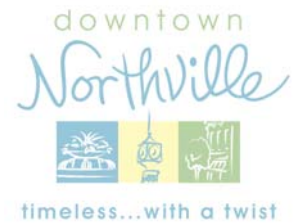
A Selection Committee was formed to review the proposals. The Selection Committee was made up of members of the DDA, NCBA, Chamber of Commerce, Art House, and City of Northville. The Committee met several times to review the proposals and selected 3 firms for interview. The firms selected for interviews included IMJ Communications, Rutiger Consulting, and Trent Design.

On October 9<sup>th</sup> the three firms were interviewed. The Committee then followed up on October 16<sup>th</sup> to discuss the interviews and firm qualifications. At the conclusion of the discussions the group unanimously voted to renew the contract with IMJ Communications. IMJ Communications addressed all of the DDA's requested scope of work, has an excellent record of PR and marketing for the community, and has an existing relationship with all of the players.

**Budget Impact:**

The budgeted amount for ongoing services for the year is \$24,000 or \$2,000/month. This line item, 370-862-801.00, was originally set established at \$18,000. The DDA approved an increase in this line item to \$24,000 at their September 2013 Board meeting. This increase will be reflected in the DDA's 2<sup>nd</sup> quarter budget amendments.

**Recommendation:** DDA staff recommends that the DDA Board of Directors approve the Marketing Selection Committee's recommendation of IMJ Communications to provide Marketing and PR Services to the DDA in the amount of \$24,000 and forward the recommendation to City Council for approval.



## City of Northville Downtown Development Authority Request for Marketing Proposal Fall 2013

### Overview

The Northville Downtown Development Authority (DDA) is charged with overseeing the economic growth and vitality of the City of Northville. In this effort, the DDA is currently seeking proposals from qualified marketing and public relations consultants to assist the Northville DDA with its advertising, public relations, and communications efforts. Currently, Northville runs advertisements through print, radio, direct mail, internet and social media. A successful candidate will bring a high level of experience in use of this media, industry contacts, and new and creative ways to advertise all that Northville has to offer.

### Goals

- Increase the regional profile of Northville.
- Support existing businesses in Downtown Northville.
- Increase the number of customers from the greater regional market to position Northville as a top choice for businesses seeking a vibrant downtown atmosphere.
- Increase number of customers and foot traffic within Downtown Northville.
- Increase the awareness of the public to the DDA and its activities.

### Main Duties

- Prepare an annual marketing and promotions work plan and schedule, including, but not limited to special events, cooperative advertising, image-building and marketing of the DDA district. The plan will include a detailed budget.
- Develop and conduct an ongoing program designed to increase awareness of Downtown Northville through local and regional media, particularly in print and broadcast media, and the Internet.
- Work with the DDA's Marketing and Communications Coordinator to communicate the marketing plan to the business community in an effort to garner more support and participation in marketing initiatives.
- In conjunction with the DDA's Marketing and Communications Coordinator, implement all aspects of the plan, including development of promotional materials with the assistance of professional services, as needed.

- Attend meetings of the Marketing Committee and of the DDA Board of Directors, as necessary.
- Public Relations – Research, create, distribute, and follow up on press material for Downtown Northville as they relate to the annual marketing and promotions work plan.
- Advise and secure all advertising placement to support the marketing plan.
- Maintain all social utility network sites.
- Track and prepare a monthly summary, and success indicators/measurements, of all PR and marketing efforts.

### Minimum Qualifications

- A. The selected candidate will have documented experience in marketing and promotions including the development of special events.
- B. The candidate firm will have the ability to communicate effectively orally and in writing with local businesses, and the general public and ability to establish effective working relationships.
- C. The candidate firm will provide strong organizational skills, have an aptitude for downtown revitalization programs and exhibit understanding of issues confronting downtown businesses and property owners.
- D. Meet minimum insurance coverage requirements as stated in Attachment 1.

### General Instructions

1. Issuing Office. This Request for Proposal (RFP) is issued by the Northville Downtown Development Authority, Northville, Michigan.
2. Questions. All questions may be directed to the following contact person:  
Lori M. Ward, Director  
Northville DDA  
Phone: 248-349-0345  
Fax: 248-305-9049  
Email: [LoriWardDDA@comcast.net](mailto:LoriWardDDA@comcast.net)

3. **Response Date.** Six (6) copies of the proposals must be submitted to the City Clerk's office, 215 West Main Street, Northville, Michigan 48167 on or before 3:00 p.m. on Tuesday, September 24, 2013. All proposals will be held, unopened, until the deadline. The proposals will then be forwarded to a Selection Committee established by the Northville Downtown Development Authority (DDA). The Selection Committee will review the proposals and determine if interviews will be required. If the Selection Committee deems that interviews are necessary, they will be scheduled for October 1-4, 2013.
4. **Content.** To be considered, firms must submit a complete response to the RFP in the form requested.
5. **Right of Refusal.** The Northville DDA reserves the right to reject any and all proposals, or any parts thereof, or to waive any informality or defect in any bid if it is in the best interest of the DDA and the City of Northville. All proposals, plans, and other documents submitted shall become the property of the Northville DDA. Responses to this RFP are considered public information and are subject to discovery under the Freedom of Information Act.
6. **Liability of Costs.** Respondents are responsible for their own expense in preparing, delivering or presenting a proposal, and for subsequent negotiations with the DDA, if any.

## **Submissions**

At a minimum each respondent shall submit the following information:

1. **Firm History.** Name, address, and brief history of the firm. In addition, include relevant information of any firm that you intend to subcontract with for any portion of the project.
2. **Personnel.** Include resumes of key personnel to be assigned to this project, indicating relevant qualifications and experience. Indicate the role that they will be playing in the development of the Marketing and Promotion Plan
3. **Related Experience.** Include information on projects where the firm rendered professional services similar to those requested in this RFP
4. **References.** Provide a list of three applicable references. Include name, title, and contact information for each reference as well as a brief description of the specific services provided.
5. **Fees.** The selected firm will work on a monthly retainer \$2,000. All work outside of the negotiated contract will be billed on time and materials. Please include an

hourly rates schedule and costs for reimbursable expenses for all negotiated work outside the scope of the original contract. If any additional services are proposed, they should be clearly identified.

6. Work Plan. Please provide a detailed description of the services that will be provided for the fixed monthly retainer and the process that will be utilized to develop these products.

<b>EVALUATION CRITERIA FOR 2013 MARKETING SERVICES RFP</b>					
<b>Name of Firm</b>	<b>Firm Experience working for DDAs or Cities (0 - 10 pts)</b>	<b>Experience and of Team members including use of sub contractors (0 - 10 pts)</b>	<b>Work Plan provided for the monthly retainer (0 - 15 pts)</b>	<b>Fee Structure and Response to DDA Budget (0 - 10 pts)</b>	<b>Additional Significant Factors (Please identify) (0 - 5 pts)</b>
ASG Renaissance					
Edgar Norman Creative					
Halo Creative Group					
IMJ Communications					
Jankowski Co.					
M3 Group					
My Marketing Group					
Rutiger Consulting					
Trent Design					
<b>Total Points Awarded</b>					