Northville Downtown Development Authority

Overview

The Northville Downtown Development Authority (DDA) was established in 1978 to address declining property values in downtown Northville. Over the years, the Development Area has expanded, and the original plan has been amended multiple times. In 1997, the Northville City Council approved a two-mill operating levy, as recommended by the DDA Board of Directors and authorized by State statute. The DDA Plan, which expires in 2049, outlines projects funded by TIF revenue, including estimates and prioritization.

DDA staff divides their time between overseeing physical improvement projects, economic development, parking management, business recruitment and retention, planning, marketing, website maintenance, administrative tasks, and organizing special events. They also collaborate with the Northville Central Business Association, the Chamber of Commerce, and City staff to ensure a vibrant and economically thriving downtown.

Proposed Fiscal Year Highlights

The DDA's taxable value subject to capture increased by $7.1 million, or 19.4%, resulting in an estimated $191,265 increase in tax increment and special levy revenues. Of this amount, $110,394 is attributable to the Brownfield redevelopment project. Per the reimbursement agreement, the DDA will retain the first $50,000 of incremental revenue, with the remainder applied toward developer reimbursement until eligible costs are fully recovered.

The DDA is projected to receive approximately $31,000 from the State of Michigan as reimbursement for the Small Taxpayer Exemption on personal property with a taxable value under $180,000.

Unrestricted fund balance at the end of fiscal year 2027 is estimated at $257,000, or approximately 20% of annual expenditures, consistent with maintaining adequate financial reserves.

The DDA continues to partner with the City in funding the downtown parking system and is budgeted to cover 89% of total maintenance costs, or $111,860.

All special events, including concerts, the skeleton display, and holiday programming, are budgeted to break even. Downtown maintenance operations will shift toward reduced reliance on Public Works staff, with increased utilization of part-time and seasonal staff.

Annual operating costs associated with new street lighting improvements in and around the Cady Street corridor are estimated at $19,000 and will be funded from the $50,000 portion of Brownfield tax increment revenue retained by the DDA.

The overhead/indirect cost allocation represents reimbursement to the City's General Fund for administrative support services. While the total calculated cost is $137,609, the DDA is budgeted to be charged $75,685.

All major downtown improvements are anticipated to be completed prior to the start of FY2027. Accordingly, only minor capital projects are planned for the fiscal year, including replacement of the heat melt system boiler, installation of new trash receptacles, and engineering for the Cady Street pedestrian connection.

The first installment payment on the loan from the City, in the amount of $220,000, is due in FY2027.

Downtown Development Authority

2025 Calendar Year Significant Accomplishments

- Initiated Placer AI analysis services to collect data on the district activity
- Developed Maintaining Main improvement plan and funding strategy
- Organized 45 downtown concerts
- Managed key downtown events, including Holiday to Remember, Chilin' in the 'Ville, Skeletons are Alive, and October Nights
- Hosted a social media workshop for 24 businesses
- Implemented a new Downtown Northville gift card program
- Provided social media analytics dashboard at Board meetings

Description	2023-24 Actual	2024-25 Actual	2025-26 Projected	2026-27 Proposed Budget	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast
Calculation of Tax Revenues							
Captured Property Taxes =							
Taxable Value Subject to Capture			36,801,438	**43,925,085**	45,023,212	46,148,792	47,302,512
x Estmated Tax Levies per Mill			25.0907	**25.0907**	25.0907	25.0907	25.0907
DDA Operating Levy =							
Prior Years' Millage Approved			1.7608	**1.7585**	1.7585	1.7585	1.7585
x Millage Reduction Fraction			0.9987	**1.0000**	1.0000	1.0000	1.0000
=Allowable Levy			1.7585	**1.7585**	1.7585	1.7585	1.7585
x DDA Taxable Value per Mill			44,091	**51,215**	52,495	53,807	55,152
Revenues							
Captured Taxes	819,048	872,921	923,374	**1,050,556**	1,075,253	1,100,566	1,126,513
Operating Levy	69,642	73,627	75,819	**80,223**	82,263	84,355	86,499
Personal Property Tax Reimbursement	46,074	45,453	48,672	**31,000**	31,000	31,000	31,000
Financing Proceeds	-	-	1,000,000	**-**	-	-	-
Grants	-	-	-	**-**	686,050	-	-
Other Income	159,307	125,981	97,470	**76,650**	76,650	76,650	76,650
Total Revenues	1,094,071	1,117,982	2,145,335	**1,238,429**	1,951,216	1,292,571	1,320,662
Expenditures							
Personnel Services	275,932	390,732	397,675	**401,020**	411,190	419,715	432,880
Contractual Services	133,366	133,903	319,025	**124,580**	109,680	99,780	99,930
Other Services & Charges	227,785	186,946	228,795	**224,215**	226,288	234,035	239,004
Overhead/Indirect Cost Allocation	13,480	119,980	150,960	**137,609**	141,737	145,989	150,369
Overhead/Indirect Cost Subsidy	-	(60,505)	(75,480)	**(61,924)**	(60,593)	(59,290)	(58,015)
Debt Commitment	170,075	167,394	-	**220,000**	216,000	212,000	208,000
Capital Outlay	30,000	-	933,750	**123,000**	960,500	-	-
Transfers to Other Funds	246,402	154,430	307,560	**111,860**	117,450	123,320	129,490
Total Expenditures	1,097,040	1,092,880	2,262,285	**1,280,360**	2,122,252	1,175,549	1,201,658
Fund Balance Analyis							
Beginning Fund Balance			464,674	**347,724**	305,793	134,757	251,779
Change in Fund Balance			(116,950)	**(41,931)**	(171,036)	117,022	119,004
Projected Ending Fund Balance			347,724	**305,793**	134,757	251,779	370,783
Fund Balance Constraints							
Restricted for Street Improvements			-	**24,000**	-	24,000	24,000
Assigned for Compensated Absences			21,587	**25,000**	30,000	35,000	40,000
Non-spendable - Prepaids			-	**-**	-	-	-
Unrestricted Fund Balance			326,137	**256,793**	104,757	192,779	306,783
Projected Total Fund Balance			347,724	**305,793**	134,757	251,779	370,783
Unrestricted Fund Balance as a % of Expenditures			14%	**20%**	5%	16%	26%