

SECTION VIII

Downtown Development Authority (DDA) (Component Unit)

This section details the proposed activities of the Northville Downtown Development Authority (DDA). The DDA is a Tax Incremental Finance Authority established by City ordinance in 1978 under Public Act 197. The DDA captures incremental tax increases to fund programs, improvements, and activities to enhance the downtown commercial district. Included in Appendix B is the overview, graphs demonstrating revenues and expenditures, and a five-year line item budget.

City of Northville
Line Item Budget for the Year Ended June 30, 2021 and
Five Year Plan – 2021 through 2025

ACTIVITY: Downtown Development Authority

FUND NUMBER: 370

SUPERVISOR: Downtown Development Authority



City of Northville
Line Item Budget for the Year Ended June 30, 2021 and
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Downtown Development Authority – continued

General Description of Activity

The Northville Downtown Development Authority (DDA) was created in 1978 to halt the deteriorating property values in downtown Northville. In subsequent years the Development Area described in the original plan was expanded, and several times the Plan was amended in scope. In 1997 the Northville City Council approved a two-mill operating levy as recommended by the DDA Board of Directors and allowed by State statute. The two-mill levy has been permanently reduced down to 1.8158 mills due to Headlee.

In February 2015 the DDA and City held public hearings to amend and restate the Development and Tax Increment Financing Plan for Northville. The Amended and Restated consolidated the original Plan and the five subsequent amendments to the Plan into one clear and concise document and adjusts the DDA's Development Area and Downtown District boundaries to make the two boundaries congruent. The Plan, which expires in 2040, identifies DDA projects that will be funded by TIF revenue and provides estimates and prioritization to these projects.

In 2016, the Northville DDA and the Northville City Council updated the Strategic Plan for Downtown Northville. The previous Strategic Plan was adopted in 2006 and had served as the blueprint for planning and development over the past decade. The updated Plan outlines recommendations for the physical and economic revitalization of the downtown. The plan includes short- and long-term action plans, cost estimates, financing/revenue sources, prioritized tasks, and a timeline. To assist in the implementation of the updated Strategic Plan, the DDA utilized the committee structure which assigns each recommendation to a DDA Committee: Organization, Design, Marketing, Economic Development and Parking.

The DDA staff allocates its time between physical improvement projects, economic development, parking, business recruitment and retention, planning, website maintenance, administrative duties, marketing and special events. Time is also spent working with the Northville Central Business Association, Chamber of Commerce, and City officials to achieve and maintain a vibrant and economically viable downtown. Currently the DDA is staffed by a full time Executive Director, a part-time Marketing and Communications Director, and 3 seasonal employees.

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Downtown Development Authority – continued

Proposed Fiscal Year Overview

The taxable value subject to DDA capture increased 1.2% from last year generating an additional \$8,884 in captured taxes. The State is anticipated to reimburse \$34,000 to the DDA for the small taxpayer exemption from personal property with taxable values of less than \$40,000. The taxable value for the DDA's special levy increased 1%. The 2-mill levy has been permanently reduced to 1.8158 due to Headlee. That levy provides for an additional \$591 over the prior year.

This year's budget does not rely on the use of the DDA's fund balance to accomplish any of the capital projects, events or programs. Several new development projects that are located within the DDA boundaries have been approved by the City. When complete, these projects will provide an additional source of TIF revenue for DDA projects and programs. Phase 1 of the Northville Downs project lies within the DDA boundaries and will contribute a significant source of revenue that could be utilized on public amenities for this and future projects. The fund balance for the end of fiscal year 2021 is projected at \$142,288 fund balance, which is approximately 16% of the DDA's expenditures. Of that balance, approximately \$48,000 will be restricted for street improvements, leaving approximately \$95,000 available. This is the lowest the fund balance has been in the past decade. This is the result of the DDA utilizing fund balance to complete the repair of the Cady Street Parking Structure. It is the DDA's plan going forward to contribute to the fund balance to ensure that it is more robust going forward.

The City and DDA jointly finance the improvements, operation, and maintenance of the City's parking system and DPW is charged with the maintenance of the structures and the lots. Annually, the DDA makes an operating transfer to the Parking Fund for the DDA's share of the operation and maintenance costs. These expenses include lighting, sweeping, salting, striping, snow plowing, and minor maintenance issues. This year, the DDA will transfer \$118,220 which is estimated to be approximately 83% of the parking system routine maintenance costs. An additional \$50,000 is transferred to the General Fund to cover the downtown street lighting and electrical costs, which is approximately 38% of the street lighting costs for the entire City.

The biggest challenge facing the DDA over the next several years will be the immediate and long-term plan to address the maintenance of the city's parking system. The MainCentre and Cady Street Parking Decks were constructed in 1994 to serve the Northville business community. Over the years, the City/DDA has implemented a number of repairs to the structure, including patching the concrete slabs that make up the driving and parking surface of the garage, sealing the deck, painting the railings, and other maintenance tasks.

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Downtown Development Authority – continued

In April 2018, The DDA retained the parking consulting firm Carl Walker/WGI to evaluate the two parking decks and develop an improvement plan to bring the two decks up to good condition and develop a long-term maintenance plan for the decks. The plan details routine annual maintenance items that are recommended to keep the parking decks in good condition through their entire life cycle. The Cady Street Parking Deck restoration project was completed in the Fall of 2019 at a cost of approximately \$252,000 that was funded through the DDA's TIF revenue. The MainCentre Parking deck restoration project is scheduled to be completed this spring and will be funded initially through by the City's Parking Fund. The DDA and City are working together to develop a finance plan to fund the MainCentre Parking deck restoration, the repairs of the City's parking lots and general maintenance to the parking system.

Action Steps Related to City Council Goals & Objectives

Implementation of Downtown Strategic Plan

- Update DDA website.
- Install additional bike racks and bike repair stations.
- Install downtown murals and historic markers.
- Replace remainder of DDA street lights with energy efficient alternatives. Review other ways to introduce sustainable programs and projects to the downtown area.
- Replace Festoon lights in Town Square.
- Install cross-street banner poles.
- Develop new Holiday Event for Downtown in conjunction with the NCBA.
- Develop a Strategy to repair and maintain the City's parking decks.
- Participate in the evaluation of proposed projects in the DDA district to ensure positive economic impact.

City of Northville
Line Item Budget for the Year Ended June 30, 2021 and
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Performance Measures

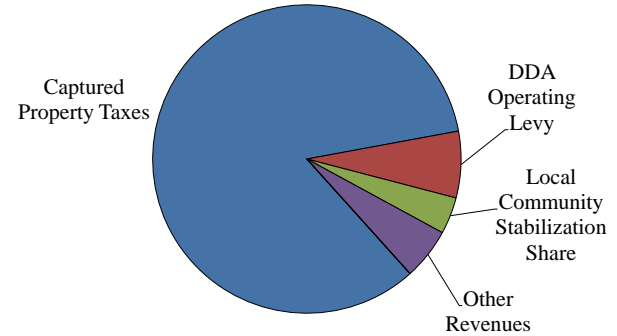
Measure	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Projected	FY2021 Estimate
Inputs & Outputs					
Number of Print Ads Run	23	25	30	35	22
Number of TV Spots/Features	18	15	12	10	12
Number of Press Releases Sent	18	20	17	12	20
Number of Press Coverage Received	65	65	70	65	70
Number of Direct Mailing	1	0	0	0	0
Number of Newsletters Produced	6	6	6	6	6
Number of Event Cards	7	7	7	7	7
Number of Internet/Electronic Ads	0	0	2	2	2
Number of Social Media Posts	550	650	700	750	800
Number of Social Media Promoted Posts	4	6	6	6	13

City of Northville
Proposed 2020-21 Downtown Development Authority Budget
(with historical comparative data)

Revenues

	FY19 Actual	FY20 Projected	FY21 Proposed	FY21 % Total
Captured Property Taxes	\$ 670,195	\$ 729,072	\$ 737,956	83.7%
DDA Operating Levy	58,180	60,827	61,418	7.0%
Local Community Stabilization Share	32,041	34,144	34,000	3.9%
Other Revenues	41,276	52,938	47,620	5.4%
Operating Transfer	-	-	-	0.0%
Approp of Prior Year Surplus	-	304,766	-	0.0%
Total Revenues	\$ 801,692	\$ 1,181,747	\$ 880,994	100.0%

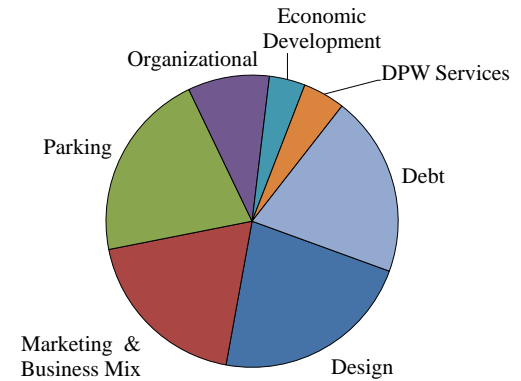
2020-21 Budgeted Revenues



Expenditures

	FY19 Actual	FY20 Projected	FY21 Proposed	FY21 % Total
Design	145,522	303,745	194,335	22.1%
Marketing & Business Mix	124,346	152,680	165,880	18.8%
Parking	170,232	408,027	182,785	20.7%
Organizational	62,913	76,030	78,685	8.9%
Economic Development	28,683	33,835	34,675	3.9%
DPW Services	28,496	33,600	40,655	4.6%
Debt	173,170	173,830	174,335	19.8%
Total Expenditures	\$ 801,692	\$ 1,181,747	\$ 880,994	100.0%

2020-21 Budgeted Expenditures



City of Northville
Line Item Budget for the Year Ended June 30, 2021 and
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DOWNTOWN DEVELOPMENT AUTHORITY

Revenue	2017-18 Actual	2018-19 Actual	2019-20 Projected	2020-21 Proposed Budget	2021-22 Estimated Budget	2022-23 Estimated Budget	2023-24 Estimated Budget
Captured Property Taxes =							
Taxable Value Subject to Capture			26,695,879	27,021,167	27,561,590	28,112,822	28,675,078
x Estimated Tax Levies per Mill			27.3106	27.3106	27.3106	27.3106	27.3106
DDA Operating Levy =							
Prior Years' Millage Approved			1.8158	1.8158	1.8158	1.8158	1.8158
x Millage Reduction Fraction			1.0000	1.0000	1.0000	1.0000	1.0000
= Allowable Levy			1.8158	1.8158	1.8158	1.8158	1.8158
x DDA Taxable Value per Mill			33,499	33,824	34,501	35,191	35,895
370-000-403.00 Captured Property Taxes	646,845	670,195	729,072	737,956	752,716	767,770	783,126
370-000-403.01 DDA Operating Levy	56,823	58,180	60,827	61,418	62,647	63,900	65,178
370-000-403.04 Local Community Stabilization Share	36,178	32,041	34,144	34,000	34,000	34,000	34,000
370-000-417.00 Delinquent Personal Property Taxes	176	851	-	-	-	-	-
370-000-418.00 Property Taxes - Other	6,355	14	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
370-000-586.02 Sponsorships	1,000	7,953	33,500	39,500	33,500	33,500	33,500
370-000-659.11 Rental Income - Town Square	150	800	400	500	500	500	500
370-000-664.xx Net Investment Income	890	18,448	8,920	8,920	8,920	8,920	8,920
370-000-666.00 Miscellaneous Revenue	-	1,182	291	200	200	200	200
370-000-667.00 Insurance Proceeds	-	7,427	11,327	-	-	-	-
370-000-687.01 MMRMA Distribution	-	4,601	-	-	-	-	-
	748,417	801,692	876,981	880,994	890,983	907,290	923,924
Total Revenue	748,417	801,692	876,981	880,994	890,983	907,290	923,924
Fund Balance Reserve							
370-000-699.01 Approp of Prior Years' Surplus	4,268	-	304,766	-	-	-	-
Total Budget	752,685	801,692	1,181,747	880,994	890,983	907,290	923,924

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City of Northville
Line Item Budget for the Year Ended June 30, 2021 and
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DOWNTOWN DEVELOPMENT AUTHORITY (continued)

Expenditures	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Projected	Proposed	Estimated	Estimated	Estimated
				Budget	Budget	Budget	Budget
Design							
370-861-706.00 Wages-Regular Full Time	23,689	16,108	16,630	16,845	16,845	16,845	16,845
370-861-707.00 Wages-Regular Overtime	45	-	-	-	-	-	-
370-861-710.00 Wages - Part Time	16,185	15,416	27,520	31,185	31,185	31,185	42,320
370-861-726.00 Supplies	258	247	625	575	575	575	575
370-861-740.05 Downtown Materials	16,252	18,165	20,900	19,700	18,700	19,700	18,700
370-861-751.00 Fuel & Oil	-	371	500	500	500	500	500
370-861-801.00 Contractual Services	21,410	27,179	31,680	49,580	25,580	24,580	25,580
370-861-801.16 Public Restroom Program	3,177	2,134	2,750	2,750	2,750	2,750	2,750
370-861-801.94 Brick Repair & Maintenance	-	-	2,000	2,000	2,000	2,000	2,000
370-861-803.59 Signage and Marker Projects	69,163	-	5,000	-	-	-	-
370-861-803.81 Alleyway Improvements	-	-	15,000	-	-	-	-
370-861-850.00 Landscape Maintenance	25,690	23,182	28,250	28,810	28,810	28,810	28,810
370-861-913.00 Vehicle Insurance	-	346	360	370	380	390	400
370-861-920.01 Electrical Service - Town Square	925	826	1,330	3,360	3,430	3,500	3,570
370-861-920.02 Natural Gas Service - Town Square	4,610	7,878	4,010	4,090	4,170	4,250	4,330
370-861-920.03 Water Service - Irrigation	6,812	4,398	8,040	8,440	8,860	9,300	9,760
370-861-967.00 Fringe Benefits	9,895	7,046	9,300	10,490	10,490	10,490	10,490
370-861-973.00 Capital Outlay <\$5,000	-	1,500	-	-	-	-	-
370-861-976.01 Street Furnishings	1,658	20,727	129,850	15,640	12,320	12,320	12,320
	199,769	145,522	303,745	194,335	166,595	167,195	178,950

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Line Item Budget for the Year Ended June 30, 2021 and
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DOWNTOWN DEVELOPMENT AUTHORITY (continued)

Expenditures (continued)	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Projected	Proposed Budget	Estimated Budget	Estimated Budget	Estimated Budget
Marketing & Business Mix							
370-862-706.00 Wages-Regular Full Time	23,977	16,108	16,630	16,845	16,845	16,845	16,845
370-862-710.00 Wages - Part Time	11,648	3,053	19,090	19,325	19,325	19,325	19,325
370-862-726.00 Supplies	104	50	150	150	150	150	150
370-862-784.00 Downtown Programs & Promotions	27,531	41,380	32,000	58,500	56,000	56,000	56,000
370-862-785.00 Business Retention Program	2,857	-	1,910	2,660	2,660	2,660	2,660
370-862-801.00 Contractual Services	60,720	57,028	69,000	59,000	59,000	59,000	59,000
370-862-801.34 Web Site	735	720	5,840	900	900	900	900
370-862-950.05 Transfer to Parks & Recreation	2,400	-	-	-	-	-	-
370-862-967.00 Fringe Benefits	8,541	6,007	8,060	8,500	8,500	8,500	8,500
	138,513	124,346	152,680	165,880	163,380	163,380	163,380
Parking							
370-863-706.00 Wages-Regular Full Time	7,896	8,090	8,315	8,425	8,425	8,425	8,425
370-863-710.00 Wages-Part Time	-	305	1,910	1,935	1,935	1,935	1,935
370-863-726.00 Supplies	62	-	50	50	50	50	50
370-863-786.00 Downtown Parking Program	140	250	1,500	500	-	500	-
370-863-950.21 Contrib. to General Fund - Street Lights	50,000	50,000	50,000	50,000	50,000	50,000	50,000
370-863-950.26 Contrib. to Parking Fund - Maintenance	105,839	108,628	342,812	118,220	120,900	123,660	126,500
370-863-967.00 Fringe Benefits	2,803	2,960	3,440	3,655	3,655	3,655	3,655
	166,740	170,232	408,027	182,785	184,965	188,225	190,565
Debt							
370-945-950.49 Contribution to DDA Debt Service Fund	172,355	173,170	173,830	174,335	174,685	169,880	170,075
	172,355	173,170	173,830	174,335	174,685	169,880	170,075

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DOWNTOWN DEVELOPMENT AUTHORITY (continued)

Expenditures (continued)	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Projected	Proposed	Estimated	Estimated	Estimated
				Budget	Budget	Budget	Budget
Organizational							
370-864-706.00 Wages-Regular Full Time	23,399	20,188	20,790	21,055	21,055	21,055	21,055
370-864-710.00 Wages-Temp/Part Time	-	1,527	9,545	9,665	9,665	9,665	9,665
370-864-726.00 Supplies	515	2,895	900	850	850	2,850	850
370-864-730.00 Postage	1	-	100	100	100	100	100
370-864-731.00 Publications	65	128	65	65	65	65	65
370-864-801.19 Computer Program Services	2,286	2,517	3,215	2,100	2,100	2,100	2,100
370-864-802.01 Legal Services	3,530	2,749	5,000	3,500	3,500	3,500	3,500
370-864-805.00 Auditing Services	4,687	4,754	4,870	4,965	5,090	5,220	5,350
370-864-900.00 Printing & Publishing	1,738	2,082	1,315	1,315	1,315	1,315	1,315
370-864-910.00 Insurance	5,320	4,174	5,000	6,460	6,580	6,700	6,830
370-864-920.00 Utilities	1,318	1,419	1,420	1,420	1,420	1,420	1,420
370-864-956.00 Contingencies	-	-	-	2,980	9,060	15,380	22,400
370-864-958.00 Membership & Dues	1,408	1,338	1,340	745	745	745	745
370-864-960.00 Education & Training	611	-	1,400	1,250	1,250	1,250	1,250
370-864-967.00 Fringe Benefits	9,395	7,624	8,970	9,505	9,505	9,505	9,505
370-864-967.02 Overhead	10,970	11,520	12,100	12,710	13,350	14,020	14,720
	65,243	62,913	76,030	78,685	85,650	94,890	100,870
Economic Development							
370-865-706.00 Wages-Regular Full Time	-	20,400	20,790	21,055	21,055	21,055	21,055
370-865-710.00 Wages-Temp/Part Time	-	611	3,820	3,865	3,865	3,865	3,865
370-865-726.00 Supplies	-	33	200	200	200	200	200
370-865-785.00 Business Retention Program	-	-	500	500	500	500	500
370-865-967.00 Fringe Benefits	-	7,640	8,525	9,055	9,055	9,055	9,055
	-	28,683	33,835	34,675	34,675	34,675	34,675

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DOWNTOWN DEVELOPMENT AUTHORITY (continued)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	Actual	Actual	Projected	Proposed Budget	Estimated Budget	Estimated Budget	Estimated Budget
Expenditures (continued)							
DPW Services							
370-753-706.00 Wages-Regular Full Time	3,553	11,198	13,250	13,740	13,740	13,740	13,740
370-753-707.00 Wages-Regular Overtime	283	616	1,170	1,220	1,220	1,220	1,220
370-753-939.00 Automotive Services	-	549	500	500	500	500	500
370-753-943.00 Equipment Rental	2,203	4,337	4,800	10,600	10,600	10,600	10,600
370-753-967.00 Fringe Benefits	4,026	11,797	13,880	14,595	14,595	14,595	14,595
	<u>10,065</u>	<u>28,496</u>	<u>33,600</u>	<u>40,655</u>	<u>40,655</u>	<u>40,655</u>	<u>40,655</u>
Total Expenditures	<u>752,685</u>	<u>733,362</u>	<u>1,181,747</u>	<u>871,350</u>	<u>850,605</u>	<u>858,900</u>	<u>879,170</u>
Fund Balance Reserve							
370-999-999.00 Unallocated Reserve	-	68,331	-	9,644	40,378	48,390	44,754
	<u>-</u>	<u>68,331</u>	<u>-</u>	<u>9,644</u>	<u>40,378</u>	<u>48,390</u>	<u>44,754</u>
Total Budget	<u>752,685</u>	<u>801,692</u>	<u>1,181,747</u>	<u>880,994</u>	<u>890,983</u>	<u>907,290</u>	<u>923,924</u>
Analysis of Fund Balance:							
Beginning of Year			437,410	132,644	142,288	182,666	231,056
Revenues			876,981	880,994	890,983	907,290	923,924
Expenditures			(1,181,747)	(871,350)	(850,605)	(858,900)	(879,170)
End of Year Fund Balance			<u>132,644</u>	<u>142,288</u>	<u>182,666</u>	<u>231,056</u>	<u>275,810</u>
Fund Balance Assigned for Street Improvements			24,034	47,624	71,981	96,108	120,336
Fund Balance Unassigned			108,610	94,664	110,685	134,948	155,474
			<u>132,644</u>	<u>142,288</u>	<u>182,666</u>	<u>231,056</u>	<u>275,810</u>