

**DOWNTOWN DEVELOPMENT AUTHORITY
Regular Meeting of February 21, 2017
Meeting Room A**

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

ROLL CALL

Present: *Mayor Ken Roth, Chairman Shaw Riley, Carolann Ayers, Margene Buckhave, John Casey, Lynda Heaton, Jim Long, Greg Presley, Mary Starring*

Absent:

Also Present: Patrick Sullivan/City Manager, Lori Ward/DDA Executive Director, Aaron Cozart/Resident

AUDIENCE COMMENTS

None

APPROVAL OF AGENDA AND CONSENT AGENDA

Consent agenda as follows:

- a. October 18, 2016 DDA Meeting
- b. October 27, 2016 Special DDA Meeting Minutes
- c. November 15, 2016 DDA Meeting Minutes
- d. November 17, 2016 Special DDA Meeting Minutes
- e. November 17, 2016 Closed Meeting Minutes
- f. January 2017 Financial Statement
- g. January 2017 Invoice Report

Motion by Roth seconded by Buckhave to approve the Consent Agenda. **Motion carried unanimously.**

DRAFT DDA BUDGET 2017 -18

Ward directed Board members to the Budget Communication that was included in the Board packet. The Communications provided background information and identified areas that the Board needs to address in this year's budget. For several years the DDA has been relying on fund balance to accomplish several large scale projects including the Comerica Community Connection Exhibit, Wayfinding Signage and parking repairs. While these expenditures were planned, the DDA is now in the position that they no longer can continue this practice as much of the fund balance has been drawn down.

The DDA is starting out the fiscal year 2017-18 with \$189,705 which is roughly 24% of the DDA's budget. The DDA will need to review possible areas to reduce costs, as the budget currently relies on approximately \$15,456 in fund balance. The DDA should determine what level of revenue it wants to keep in fund balance. Ward identified several areas in the budget that could be reviewed for possible reductions, these include:

- Downtown WiFi
- Vacant DDA Staff position
- Charge event organizers for use of Port-a-potties
- Reduction in contributions for outside organizations for events
- Reduction in overall marketing and advertising – which has taken a hit in several previous years.
- Operating Transfers to City for Parking system maintenance, snow removal or street lighting.

In addition, to these possible reductions there are a number of items that were not included in this year's proposed budget due to lack of funds. These items that are not currently funded include:

- Any funds for the implementation of the Strategic Plan
- Updating our branding and logo to match the Wayfinding Signs
- Update print items
- Wayfinding Signage III
- Crossroad banners
- Parking Deck Repairs – overall long term repairs. Fund for this project could be accessed from the Parking Credit Fund.

Ayers reviewed the proposed budget with staff the previous week. Ayers reminded the Board that the reserve fund is not growing. There are many things we could do to tweak the budget, but the DDA should stop relying on the Fund Balance to balance our budget.

Presley inquired whether the budget included any projections for growth in coming years. Ward answered that it does not, the budget is very conservative. Presley asked when Cornerhouse project would be coming online. Sullivan responded that the project has been in the pipeline for several years. Ayers reminded the group that there are still success tax appeals that occur each year in the downtown that impact the DDA's capture.

Roth suggested that we could approach the budget in two ways, we could make some line by line reductions or a hundred small cuts to reduce the budget by roughly \$15,000. Roth also suggested that we explore the idea of selling advertising on our public WiFi. Many places rely on the advertising revenue to offset the cost of delivering the service. Ayers reminded the group that the DDA is not only responsible for the debt service on previously issued bonds, but also water, gas, electricity for streetlights, landscaping, irrigation.

Roth expressed concern with the uncertainty of the DDA's funding sources in the future with the discussions that have been going on in Lansing. It was suggested that the DDA should plan for the inevitable where funding is decreased. Ayers stated that the DDA has until recently the DDA has had the luxury of relying on Fund Balance for projects, but we no longer have that option as we have drawn down a lot of the Fund Balance. Roth suggested that one solution might be to remove the Pavilion repair in the upcoming year, which would balance the budget and wait to see what happens with the legislature. Long asked if the DDA could continue to not address the Pavilion. Discussion took place on when the repair to the Pavilion glass should be repaired.

Riley asked what happens to the funds that are collected by the sale of parking credits. Sullivan responded that the funds are used for parking repair and expansion. Ward stated that she had met with the Finance Director and the DPW Director in preparation for the DDA Board meeting and that the group discussed this fund as a possible revenue source for the parking deck repairs. Examples of the use of the funds were discussed including the Marquis Parking Lot recent repairs and the development of the parking lot behind Starbuck. Starring asked if the fund could be used for parking deck repairs. Sullivan answered that it could be used, but then there would be no funds for future expansion when opportunities came up. Riley asked how much the DDA paid annually for the maintenance of the decks/lots. Ward responded that the DDA pays to the City in an operating transfer approximately \$81,650 annually. This amount increases 3% annually.

Ayers asked if we have the ability to bond. Ward responded that the DDA does, but it would be difficult to find the revenue to service the debt.

Riley asked what would happen if the City approved a Principal Shopping District, would that free up more funds to utilize for other items. Ward responded that it would free up funds and address the need for marketing with a stable stream of revenue. The DDA's existing budget shows several years of continued decline of funds earmarked for marketing. A PSD would address that issue. Presley asked how the idea of a PSD was received by the public at the Town Hall Meeting. Ward responded that it is a fairly technical issue to explain in a large group meeting.

Ward asked the Board for direction on how to proceed with the DDA's 2017-18 Budget. The Board discussed how to address the Pavilion repair. Long asked if our insurance would cover the Pavilion repair. Sullivan asked whether staff had pursued an insurance claim. Ward said that she had spoken to the Clerk when the damage occurred and was advised that the City has a high deductible that would make it difficult to claim. Sullivan checked with the City Clerk and the City's deductible is \$1,000 and Sullivan suggested the DDA submit the claim.

Ward discussed her meeting with the Finance Director and DPW Director. Ward requested that the Finance Director investigate the division on which the electrical bill for street lighting is divided by the City and the DDA. Currently the DDA pays 50% of the cost or \$50,000 annually in street lighting costs, however the majority of the DDA's poles are Induction lights that are energy efficient. Ward said the goal would be to make sure that the DDA is paying only lighting for the poles located in the downtown.

Buckhave asked why the City charges the DDA for any of the street lighting. Riley asked what the DDA gets for the \$81,650. Ward responded street sweeping, snow removal, light repairs.

DDA staff was given the task of reducing a series of small ticket items of the budget to ensure that we have a positive cash flow. In addition, staff was directed to look for additional sponsors for items like WiFi and porta-potties, submit an insurance claim on the Pavilion repair, and explore the real cost associated with providing street lighting for the downtown.

WAYFINDING PHASE II CONTRACT AWARD

Ward provided background information on the Wayfinding program. Phase I was installed in the fall of 2015 and included 20 Downtown Directional signs and 27 Parking signs. Staff is now working on the Phase II signs which include the Mile Road signs directing visitors to Downtown Northville. We reached a snag with Wayne County Road Commission permitting process and hired engineer Cheryl Gregory of Spaulding DeDecker to help the DDA navigate through the approval process.

The DDA bid the fabrication and installation of the Phase II signs out and received 3 bids:

- WCI - \$53,800
- Universal Signs, Inc. – \$73,187.52
- Signs by Crannie - \$91,075

DDA staff and Architect John Argenta, a member of the DDA's Design Committee, met with the low bidder WCI in mid-December to discuss the project and ensure that representatives from WCI clearly understood the project. During the meeting with WCI it was discovered that PCR had substituted poles for the project that were not specified. Staff followed up with sign designer Bizzell, and determined that the poles were inadequate to carry the load of the signs. WCI's bid was rejected. DDA staff contacted the 2nd low bidder, Universal Signs to review their bid and go over the project. Universal has recently worked with the DDA on the installation of the Exhibit project in the Comerica Community Connection. Rather than rebidding the project, it is the DDA staff recommendation to award the bid to Universal Signs.

Motion by Presley, seconded by Long, to approve the Wayfinding Contract with Universal Signs for the Phase II Wayfinding signs. **Motion carried unanimously.**

COMMITTEE INFORMATION AND UPDATES

- a. *Design Committee* – Ward directed the Board to Attachment 8.a the Design Committee update. Ward informed the Board that the repairs to the Cady Street Parking Deck are underway and are expected to take roughly 4 weeks. RAM Construction has noticed additional work that needs to be accomplished in the deck. Ward stated that the DDA needs to prepare an RFP for engineering services to prepare an evaluation of work to be performed on the two parking deck. Sullivan suggested that Ward just obtain 3 quotes for professional services

to perform the work. Because it is a professional service contract, it does not need to be bid. The Board concurred with this approach.

- b. *Marketing Mix Committee* – Riley updated the Board on the recent Marketing Mix Committee where discussion took place on adding an event to early spring that would bring visitors in to downtown for an entire month with a program similar to Skelton's are Alive. A subcommittee has been formed to explore the possibilities of collaborating the Art House, Chamber, and Merchants organization. In addition, the Marketing Mix Committee discussed having the Reel Michigan event spin off to a separate winter event. It is currently part of Arts and Acts.
- c. *Parking Committee* – No recent Committee meetings. Casey stated that the recent surveys completed as part of the Strategic Plan show that those surveyed do not feel that there is a parking shortage in downtown.

Riley had shared with the Board information that he had received from a restaurant owner in the downtown. When patrons have had too much to drink and Uber home, they leave their cars in the parking lot overnight had receive tickets. The owner asked if there was a way to encourage more people to be responsible and leave their cars in the lot and not drive. Casey stated that you can call the Police Department and provide your license plate number and leave your car. Riley stated that the problem is that patrons don't know this is an option or do not remember to do it. Discussion took place and the issue was referred to the Parking Committee for consideration.

- d. *Organizational Committee* – Ward recapped the recent Town Hall Meeting. Approximately 75 residents participated. Riley noted that crowd was positive.

FUTURE MEETINGS/ IMPORTANT DATES

- a. Marketing Mix Meeting – March 2, 2017
- b. First Friday Experience – March 3, 2017
- c. Executive Committee Meeting – March 8, 2017
- d. Northville Business Showcase – March 18, 2017
- e. DDA Board Meeting – March 21, 2017

BOARD AND STAFF COMMUNICATIONS

Presley informed the Board that the option that was held on Foundary Flask has expired and a new group of local individuals is pursuing the project. Presley asked if the City/DDA was going to pursue creating and sharing the community's vision for the Foundary Flask and Northville Downs. He suggested that a volunteer design group could work with Beckett and Raeder to take the existing data that has been developed as part of the Master Plan update and create a perspective drawing and support material that could be shared with the development community. There was discussion about how much an effort like this would cost and what it would address.

Casey mentioned that new FEMA maps would be available in April that may very well impact this site. Sullivan mentioned that he had met recently with Wane County where the Northville Downs project was discussed. The City's interest in daylighting the middle Rouge River was mentioned and the County was receptive to working with the City to help identify funding sources.

The next DDA Board meeting is March 21, 2017

Meeting adjourned at 9:38 am

Respectfully submitted,

Lori M. Ward, Director
Northville DDA