



CITY COUNCIL

CITY OF LATHRUP VILLAGE
27400 Southfield Road, Lathrup Village, Michigan 48076

STUDY SESSION AGENDA

MONDAY, MAY 18, 2020

6:00 P.M.

REMOTE MEETING – ZOOM

Log in:

<https://zoom.us/j/94411296112?pwd=enR2SUM0ZENtd3lsME5qaXJrNFJFdz09>

Phone in:

312 626 6799 or 646 558 8656

Webinar ID: 944 1129 6112

Password: 334772

AGENDA ITEMS

1. **Call to Order** by Mayor Garrett
2. **Discussion Items:**
 - A. Discussion – Fiscal Year 2020/21 Budget
 - B. Discussion – Fiscal Year 2020/21 DDA Budget
 - C. Discussion – Agenda Items
3. **Mayor and Council Comments**
4. **Public Comments**
5. **Adjourn**

CITY OF LATHRUP VILLAGE – FISCAL YEAR 2020/21 BUDGET CHART

CITY OF LATHRUP VILLAGE
SUMMARY OF REVENUES BY FUND AND SOURCE
FY 2020-21

FUND/ACTIVITY	ACTUAL FY18-19	BUDGETED FY19-20	ESTIMATED FY 19-20	ACTUAL 2/28/2020	PROJECTED FY 20-21	INCREASE (DECREASE)
GENERAL FUND						
BEGINNING FUND BALANCE	1,397,794	1,633,644	1,633,644	1,633,644	1,551,808	(81,836)
TAXES:						
General Operating	2,413,465	2,693,123	2,693,123	2,565,480	2,714,127	21,004
Public Safety	-	-	-	-	-	-
Refuse Collection	362,150	403,957	403,957	390,890	407,107	3,150
Library	-	-	-	-	-	-
Streets	-	-	-	-	-	-
Administrative Fee	77,172	77,000	81,000	80,506	81,000	4,000
Tax Penalties	35,824	38,500	38,500	15,932	35,000	(3,500)
Total - Taxes	2,888,612	3,212,580	3,216,580	3,052,808	3,237,234	24,654
STATE SHARED REVENUE	402,277	416,425	416,425	300,000	416,425	0
FEDERAL AND STATE GRANTS	4,645	1,469	-	1,469	-	(1,469)
OTHER REVENUE	831,885	812,013	736,499	401,935	723,745	(88,268)
TRANSFER - OTHER FUNDS	-	-	-	-	-	-
Total Resources Available	5,525,213	6,076,131	6,003,148	5,389,855	5,929,212	(146,919)
REVENUES NEEDED	4,127,419	4,442,487	4,369,504	3,756,211	4,377,404	(65,083)
EXPENDITURES	3,961,100	4,452,946	4,451,340	2,887,310	4,602,501	149,555
OPERATING TRANSFERS OUT						-
FUND BALANCE NEEDED	166,318	(10,459)	(81,836)	868,901	(225,097)	(214,638)
ENDING FUND BALANCE	1,633,644	1,623,185	1,551,808		1,326,711	
MAJOR STREETS	317,803	386,386	386,386	141,049	389,595	3,209
LOCAL STREETS	429,125	510,071	496,468	445,956	293,068	(217,003)
WATER	755,068	857,360	841,568	472,224	1,130,678	273,318
SEWER	1,353,727	1,550,470	1,542,270	898,649	1,952,101	401,631
CAPITAL ACQUISITIONS	95,113	113,350	112,950	114,081	97,021	(16,329)

CITY OF LATHRUP VILLAGE
SUMMARY OF EXPENDITURES BY FUND AND SOURCE
FY 2020-21

DEPARTMENT	ACTUAL FY18-19	BUDGETED FY19-20	ESTIMATED FY 19-20	ACTUAL 2/28/2020	PROJECTED FY 20-21	INCREASE (DECREASE)
GOVERNMENT SERVICES	528,898	509,738	513,271	328,258	490,750	(18,988)
ADMINISTRATION	599,348	711,060	700,521	420,759	742,524	31,464
BUILDING AND GROUNDS	126,770	124,428	125,928	75,489	148,428	24,000
POLICE DEPARTMENT	1,938,865	2,174,996	2,182,896	1,383,105	2,327,364	152,368
DPS- LEAF & REFUSE COLLECTION	464,560	525,249	525,249	312,417	567,507	42,258
RECREATION	63,139	100,713	96,713	60,520	80,106	(20,607)
CONTINGENCIES & CAPITAL FUND	239,520	306,762	306,762	306,762	245,821	(60,941)
Total - General Fund	3,961,100	4,452,946	4,451,340	2,887,310	4,602,501	149,555
MAJOR STREETS FUND	233,153	375,573	361,045	303,401	169,156	(206,417)
LOCAL STREETS FUND	504,059	484,863	485,703	202,908	393,816	(91,047)
WATER FUND	1,013,407	1,723,982	1,717,982	1,162,989	1,185,230	(538,752)
SEWER FUND	1,515,926	1,551,098	1,452,113	727,022	1,878,610	327,512
DEBT SERVICE FUND	122,297	124,002	124,002	124,002	124,002	-
CAPITAL ACQUISITIONS	95,875	112,950	112,950	54,096	96,621	(16,329)
Total Expenditures - All Funds	7,445,818	8,825,414	8,705,135	5,461,727	8,449,936	(375,478)

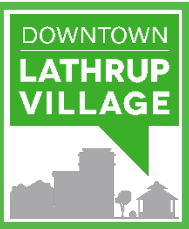


Lathrup Village
Downtown Development Authority
2020/2021 Budget



Contents

Mission	3
Board of Directors.....	3
Activities	4
<i>Business Development</i>	4
<i>Streetscaping and Beautification</i>	4
<i>Events</i>	5
Looking Forward.....	5
<i>Training & Strategic Planning</i>	6
<i>Joint Meetings</i>	6
<i>DDA Street Crew & Corridor Cleanup</i>	6
<i>Future Development</i>	6
<i>Main Street Oakland County</i>	7
DDA Revenue	7
<i>Revenue 2010 through 2019</i>	7
<i>Revenue Sources</i>	7
<i>Table: 2020-2021 Budget Revenue Summary</i>	8
DDA Expenditures	9
<i>Proposed 2020-2021 Expenditures</i>	9
<i>Table: 2020-2021 Budget Expenditures Summary</i>	11
<i>History of Expenditures and Revenues</i>	12



Mission

The Lathrup Village Downtown Development Authority's mission is to undertake public improvements that have the greatest impact to strengthen the downtown area and attract new investments. To serve this mission, the DDA is dedicated to combining public and private resources for the physical and economic development of properties located within the district borders.

Board of Directors

Dan Sugg, Chair

Fred Prime, Vice Chair

Kelly Garrett, Mayor

Sheryl Mitchell, City Administrator/DDA Secretary

Bryan Ford

Bobbi Lovins

Pam Shermeyer

Dan Verderbar

Cory Fortson (Board alternate)



Activities

Over the years DDA activities included hosting events, implementing business assistance programs such as a façade improvement & sign grants, and streetscaping initiatives. The DDA intends to continue and expand these activities, reprogramming funds to more effectively support the business communities when necessary. These activities demonstrate the DDA's desire to foster a business-friendly environment while transforming the commercial corridor into an identifiable & desirable destination.

Business Development

Lathrup Village is a great location for small business startups. Space is affordable and major transportation arteries are accessible. Attracting new business and retaining current business is – and will continue to be – a focus. In previous years, the DDA budget allocated funds for a façade improvement and sign grant programs. While the sign grant program has been successfully utilized by Lathrup Village business, the façade improvements program funds are not being sought after, despite being promoted.

Unfortunately, the current COVID-19 pandemic is having negative impact on Lathrup Village businesses, as many are characterized as “non-essential” and have been closed for several weeks due to the Governor’s Executive Order. In response to the economic hardships of the pandemic, Oakland County established the Small Business Stabilization Grant program. Lathrup Village and Southfield were combined into a single district and allocated \$1,522,000 to award to eligible businesses. Approximately one-third of Lathrup Village businesses applied for these funds and it is expected nearly all will receive assistance.

While the full economic impact of the COVID-19 pandemic remains to be fully realized, one thing is certain – our businesses will need support from the DDA. The DDA will actively seek ways to incubate and support the our businesses, including developing a business relief mini-grant program.

Streetscaping and Beautification

Southfield Road is the main commercial corridor; however, this thoroughfare poses many challenges to fostering a thriving business district. Some of these challenges include a wide public right-of-way, lack of curbs and pedestrian crossings, high travel speeds, and old stormwater ditch system. The Road Commission for Oakland County (RCOC) has spent numerous years working with Lathrup Village, Southfield, and Beverly Hills to develop a preferred alternative for the reconstruction of Southfield Road. In 2017, the city’s Planning



Commission formally supported this plan which seeks to address many of those challenges. The required environmental assessment for the preferred alternative is expected to be submitted in 2020; however, it is generally believed that federal funding will not be secured until after 2023.

Enhancing the “curb appeal” of Southfield Road is a DDA priority. The uncertainty of *when* the long awaited Southfield Road reconstruction will occur has put the DDA in limbo and resulted in an overall lack of investment. Historically, the board has focuses on building a large fund balance which would be committed to streetscaping when RCOC’s redevelopment nears completion. While this remains the primary objective, the board is no longer content waiting to begin beautification & streetscaping efforts. The current consensus is that we begin using our fund balance to make investments identified in the Development Plan. Defining Lathrup Village as an identifiable place is priority. This includes activities such as banners, flowers, trash receptacles, etc.

As parking & landscaping continuously come up as a challenges facing Lathrup Village businesses, it is thought that the façade improvement program funds may be allocated in a way to help offset these expense. An alternative to reprogramming the funds is to redesigned the façade improvement program to be more responsive to business/property owner needs.

Events

DDA-sponsored events include the annual Southfield Corridor Cleanup, Lathrup Village Business BINGO, and Small Business Saturday Artisan Market. For many years the Farmers Market was included on that list; unfortunately that program is no longer sustainable. There is close coordination of events & programming between the DDA & city staff, which has resulted in 2 new programs: Lathrup Village Business BINGO and Artisan Market. These 2 programs are tied to a larger Shop Small Saturday initiative. Opportunities to expand the DDA presence at events will be explored. The DDA will continue providing grand opening ribbon-cuttings to new businesses.

Looking Forward

Over the past several years there has been fairly significant staff turnover at the city and DDA-level. This has led to a bit of stagnation and a lack of certainty on a clear path forward on engaging with stakeholders and revitalizing the corridor. Thankfully, this is no longer an issue and the DDA is once again gaining momentum.



Training & Strategic Planning

Now that staffing has stabilized, efforts are being made to ensure board members have access to training and they are actively encouraged to take advantage of these opportunities. The Board of Directors will also begin facilitated strategic planning efforts to guide our revitalization efforts.

Joint Meetings

The DDA Board of Directors will continue participating in quarterly joint meetings with City Council and Planning Commission to ensure consistent communication and collaboration on planning projects, zoning ordinance amendments, and related initiatives.

DDA Street Crew & Corridor Cleanup

The visual appearance of the Southfield Road corridor has an impact on how the city is perceived on many different levels. Working with the Parks & Recreation Department, the DDA will be undertaking efforts to hire a new DDA Street Crew to maintain the alleyways, public right-of-ways, and Municipal Park. Previous efforts to hire and retain a crew have been unsuccessful. These will be part-time, seasonal positions.

Southfield Road Corridor Cleanups have been a somewhat consistent program throughout the years. The DDA is interested in expanding our cleanup efforts and engaging a broader base of volunteers. Currently the Lathrup Village Lions Club have adopted Southfield Road under the Road Commissioner for Oakland County (RCOC) Adopt-A-Road program. The DDA is researching how to take over this responsibility, as the Lions have expressed that it is too much for their membership to handle.

Future Development

2019 brought the completion of The Mint –Michigan First Credit Union’s conference center, redevelopment and opening of The Jagged Fork (former Honey Tree Restaurant), and demolition of the old HealthQuest building to make way for the future BP Gas Station. Despite the onset of the COVID-19 pandemic, conversations are still being had with property owners regarding the redevelopment of site. For example, the city’s largest property owners are undertaking significant site plan improvements on 2 of their properties in 2020.

The city continues to refine its processes to better align with the Redevelopment Ready Communities (RRC) best practices. This has included updating the city’s development guide,



establishing pre-application meetings, and generally fostering a welcoming, business-friendly atmosphere. It is expected that these efforts will help attract future development.

Main Street Oakland County

Lathrup Village is an associate level community – the second rung of Main Street Oakland County’s three-tiered system. The DDA’s goal is to move up to the Select level which will provide greater access to MSOC resources and enhanced funding opportunities. The DDA continues to work closely with MSOC on numerous programs and initiatives.

DDA Revenue

Revenue 2010 through 2019

Revenues have significantly declined since their peak in 2009. Since that time, DDA revenues have been reduced by more than 50 percent due to the devaluation of commercial property (see chart on Page 12). In 2015, revenues began to slightly improve which has continued now into the new decade. Commercial properties are seeing investment and values are expected to increase, but not at the quick pace at which they decreased during the Great Recession.

Furthermore, the COVID-19 pandemic has had an immediate economic impact on businesses small & large, it remains to be seen what impact this will have in the medium to long-term. Lathrup Village as a whole is anticipating significant tax revenue losses; however, remaining cautiously optimistic that anticipated projects come to fruition.

Reliant on tax revenues, DDAs have been encourage to diversify revenue sources. Efforts to identify new potential sources of revenue be encouraged.

Revenue Sources

The revenue sources for the DDA are outlined and briefly described below:

Tax Increment Financing (TIFA-CAPTURE TAXES): Tax increment financing is the largest funding source. This funding mechanism captures increases in taxable value for the DDA. Since the 2008 Great Recession, taxable value – and the DDA’s revenue – declined dramatically. Some properties even dipped below their base valuation, which is the value of the properties when the DDA was established in 1998 and 1999. The development of The Mint provided a significant increase.

DDA Millage (TAX COLLECTED OTHER): The DDA levies an additional millage on properties within its boundaries. This is the second largest funding source for the DDA. The 2020/21 millage rate



is calculated to be **1.8823 mills** for every dollar of taxable value in the DDA District. Often, as property values increase, the Headlee Amendment requires millage rates to roll back to not exceed the rate of inflation. This year, there is a modest roll-back of the millage rate.

Special Assessment: There is an ongoing payment to the DDA for the reimbursement of construction costs for the public-private parking lot adjacent to The Jagged Fork. The DDA Director is in communication with the new commercial property owners to either pay-off the outstanding balance or re-establish a payment plan.

Investment Interest: The DDA earns interest on its saved fund balance.

Federal/State Grants: The DDA routinely seeks out and applies for grant funding to support its programs & initiatives.

Miscellaneous Revenues: This is comprised of personal property taxes paid to the state and passed on to the DDA.

Table: 2020-2021 Budget Revenue Summary

REVENUES	ACTUAL 18/19	ESTIMATED 19/20	BUDGETED 19/20	ACTUAL 5/31/20	PROJECTED 20/21	INCREASE (DECREASE)
TIFA-CAPTURE TAXES	103,072	92,837	92,837	308,173	255,000	215,336
TAX COLLECTED OTHER	37,632	45,000	45,000	36,147	24,643	(8,853)
SPEC ASSESSMENT - REVENUE	-	1,800	1,800	-	1,800	1,800
INVESTMENT INTEREST	13,548	10,000	10,000	10,467	10,000	(467)
FEDERAL/STATE GRANTS	-	-	-	-	-	-
MISC. REVENUES	9,623	6,000	6,000	11,445	6,000	(5,445)
Total Revenues	163,875	155,637	155,637	366,232	297,443	202,372



DDA Expenditures

Proposed 2020-2021 Expenditures

Salary & Wages: The DDA pays the salary and fringe benefits for the executive director and a small percentage of the city administrator, city treasurer, and Parks & Recreation Coordinator salaries.

Employee Taxes & Benefits: The DDA pays the taxes and benefits for the executive director and a small percentage of those items for the city administrator and treasurer.

Part Time Seasonal Crew: A two-person crew to performance maintenance in the district.

Legal Services: This fund covers the costs of legal advice and/or the drafting of agreements.

Office Supplies: This fund covers costs of paper, ink, etc.

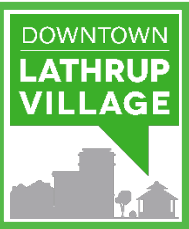
Tax Tribunal Returns: The DDA sets aside approximately \$2,000 for the Tax Tribunal refunds.

Auditing & Accounting: The DDA sets aside approximately \$800 for these financial services.

Training and Memberships: Training sessions and memberships are important for staff and boards/commission. These opportunities help sharpen skills, educate about latest trends and research, and build social capital for the city. Funds in this line item include registration and travel expenses for regional, state & national conferences. It also covers memberships for the DDA Board of Directors, Planning Commission and Historic District Commission, as the focus of the latter bodies lies within the district boundaries.

Main Street Program: The funds in this line item are broadly defined for business assistance, with an eye toward COVID-19 relief such as the Business Relief Mini-Grant program. The DDA will work to craft additional programs are more accessible to Lathrup Village businesses and effective at achieving the district goals. This line also includes costs incurred in the Southfield Corridor Cleanups, Business BINGO, Artisan Fair, etc.

Streetscaping: Investing in the DDA district includes the maintenance of the two gateway gardens/signs in the district. This fund also includes the maintenance hanging flower baskets, planters, and new seasonal banners. In 2020/21 this will include a bike repair kiosk.



Planning/Consulting Fees: This includes a monthly fixed retainer cost, development plan review fees, and costs associated with the Comprehensive Plan update. In 2020/21 this will include a portion the design & construction engineering costs associated with the city's TAP grant.

Printing/Publication Costs: Expenses related to advertising and marketing of the DDA and events.

Postage Fees: Expenditures for mailing DDA-related items.

Repairs & Maintenance: This fund reflects investment in the DDA district and is used for paying electricity bills for the streetlights within the district.

Miscellaneous Expenditures: This includes general and/or unanticipated costs, as well as general board of directors' costs.

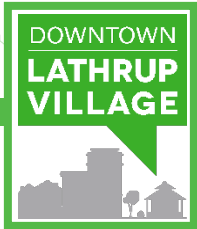
Sign Grant Program: This program was reinstated two years ago and has been successful tool for new and existing businesses.

Façade Improvement Program Grant: A program expressly identified in the TIF Plan, the façade improvement program was reinstated two years ago. While it has not been as popular as the Sign Grant Program, it is still a resource. The program may be revamped to be more responsive to business/property owner needs.



Table 2020-2021 Budget Expenditures Summary

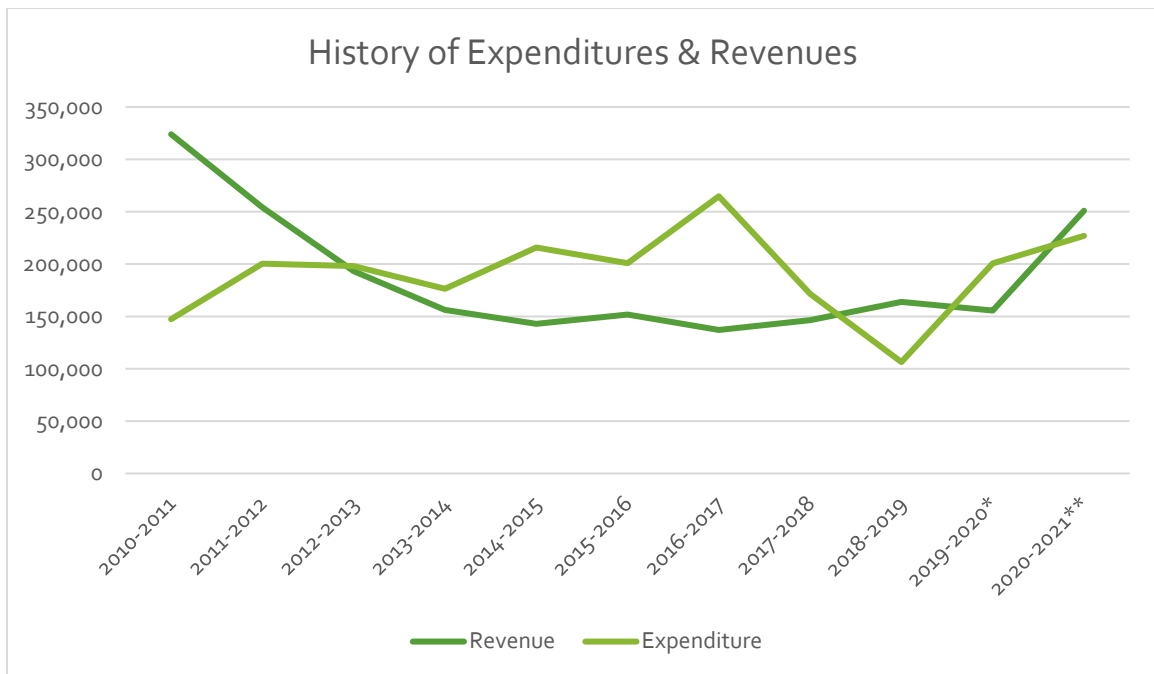
EXPENDITURES	ACTUAL 18/19	ESTIMATED 19/20	BUDGETED 19/20	ACTUAL 5/31/20	PROJECTED 20/21	INCREASE (DECREASE)
SALARIES & WAGES	43,848	53,853	56,136	46,852	71,820	15,684
EMPLOYEE TAXES & BENEFITS	16,631	21,885	22,000	22,220	22,000	-
PART TIME SEASONAL CREW	-	9,250	5,840	2,259	5,500	(340)
LEGAL SERVICES	-	-	900	-	900	-
OFFICE SUPPLIES	-	200	200	72	200	-
TAX TRIBUNAL RETURNS	-	2,000	2,000	-	2,000	-
AUDITING & ACCOUNTING	800	800	800	800	800	-
TRAINING/MEMBERSHIP	638	700	2,000	1,278	4,500	2,500
MAIN STREET PROGRAM	4,350	4,000	6,000	4,816	20,000	14,000
STREETSCAPING	2,830	3,000	7,910	4,715	10,000	2,090
FARMERS MARKET	11,963	19,270	18,000	18,488	-	
PLANNING/CONSULTING	25,627	20,000	35,000	27,197	46,250	11,250
PRINTING/PUBLICATION COSTS	2,000	1,200	2,000	884	2,000	-
POSTAGE FEES	300	-	200	-	200	-
REPAIRS & MAINTENANCE	8,987	9,500	8,900	10,582	9,500	600
MISC. EXPENDITURES	388	800	1,300	1,516	1,300	-
SIGN GRANT PROGRAM	-	1,000	10,000	2,000	10,000	-
FAÇADE GRANT PROGRAM	-	20,000	20,000	-	20,000	20,000
TOTAL EXPENDITURES	118,363	167,458	199,186	143,678	226,970	27,784

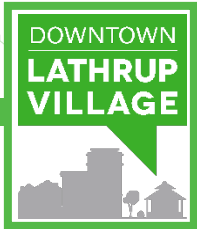


History of Expenditures and Revenues

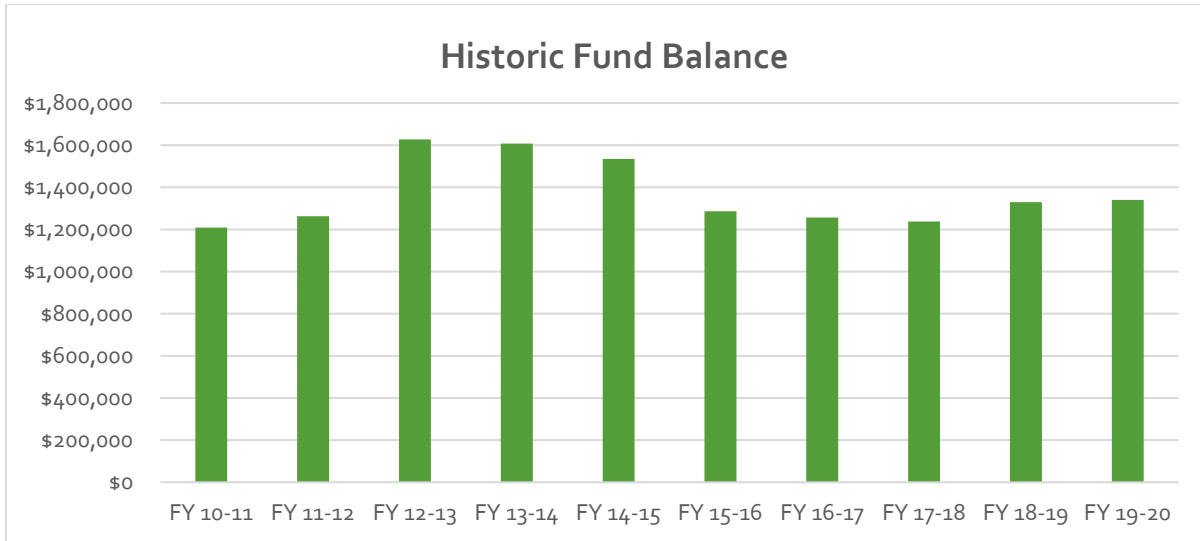
The following charts and graphs are meant to provide an overview of previous budget years.

History of Expenditures and Revenues		
Fiscal Year	Revenue	Expenditure
2010-2011	323,943	147,303
2011-2012	254,118	200,418
2012-2013	193,228	198,028
2013-2014	156,217	176,392
2014-2015	142,843	215,848
2015-2016	151,691	200,782
2016-2017	137,045	264,682
2017-2018	146,375	171,420
2018-2019	163,875	106,400
2019-2020*	366,232	143,678
2020-2021**	250,923	226,970





Fund Balance: FY 10-11 to FY 19-20



The DDA has successfully built a healthy fund balance with the intent of utilizing those funds as the primary match for the reconstruction of Southfield Road. Over the years, declining revenues and increasing expenditures have resulted in a need to rely on the DDA’s fund balance for operational expenses. Additionally, in accordance with PA 57, the DDA intends to start dipping into the fund balance to enhance the physical appearance and functioning of the Southfield Road corridor, as well as enhance the programs of the DDA.

Historical Fund Balance	
Fiscal Year	Fund Balance
FY 10-11	\$1,209,248
FY 11-12	\$1,262,948
FY 12-13	\$1,627,708
FY 13-14	\$1,607,533
FY 14-15	\$1,534,528
FY 15-16	\$1,286,278
FY 16-17	\$1,256,738
FY 17-18	\$1,237,849
FY 18-19	\$1,329,994
FY 19-20	\$1,340,050