



**Lathrup Village**  
**Downtown Development Authority**  
**Proposed 2018-2019 Budget**



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## **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**

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## Activities

In the recent past, the DDA’s activities include hosting events, business development, streetscaping, and funding the construction of parking lots. This range demonstrates the authority’s desire to create a business-friendly environment while transforming the commercial corridor into a destination.

### **Streetscaping and Beautification**

The enhancement of “curb appeal” is a DDA priority. However, Southfield Road poses many challenges: Its width, lack of curbs, lack of crosswalks, and the stormwater ditch system. The Road Commission for Oakland County’s (RCOC) hoped-for redevelopment of Southfield Road allows for the possibility that these items will be addressed. The Federal Highway Administration (FHWA) is expected to release its findings in spring 2018, and this may provide a more precise timeline for Southfield Road redevelopment. Historically, the general consensus among DDA directors is that resources will be committed to streetscaping when RCOC’s redevelopment nears completion. The DDA is seeking to reestablish a two-person “street crew” that will concentrate on cleanup efforts.

### **Business Development**

Lathrup Village offers great opportunities 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 that is reflected in the proposed budget through the reintroduction of sign and façade improvement grants.

### **Farmers Market**

This is the market’s eighth year. Lathrup recently hired a new recreation coordinator/market manager who is exploring ways to grow the market, which will again be held on Wednesdays.

### **Events**

DDA-sponsored events include the annual Southfield Corridor Cleanup and Food Truck Fridays, which will enter its third year. The Detroit Institute of Arts’ Inside/Out program is coming to Lathrup – both within and outside the DDA – in summer 2018. Grand opening ribbon-cuttings occur regularly throughout the year. New in 2018 is the Hortulus Gardens pop-up garden center on the north parking lot of Annie Lathrup School.



## DDA Revenue Sources

**Tax Increment Financing (TIFA-CAPTURE TAXES):** Tax increment Financing is the DDA’s largest funding source. This funding mechanism captures increases in taxable value for the DDA. Since the 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 DDA captured no revenue from said properties.

**DDA Millage (TAX COLLECTED OTHER):** The DDA also levies a millage on properties within its boundaries. This is the DDA’s second largest funding source – 1.9 mils 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 to the west of the building.

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

**Farmers Market:** Revenue from the Farmers Market comes primarily from booth fees, tent rentals and sponsorships.

**Main Street Revenues:** Revenue from Main Street comes primarily event registrations, fundraising and sponsorships.

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



## 2018-2019 Budget: Revenue Summary

LATHRUP VILLAGE						
DOWNTOWN DEVELOPMENT AUTHORITY						
FY 2018-19						
REVENUES	ACTUAL FY 16-17	BUDGETED FY17-18	ESTIMATED FY 17-18	ACTUAL 2/28/2018	PROJECTED FY 18-19	INCREASE (DECREASE)
TIFA-CAPTURE TAXES	76,713	75,000	80,286	17,095	80,000	5,000
TAX COLLECTED OTHER	37,604	37,670	33,964	4,872	40,000	2,330
SPEC ASSESSMENT - REVENUE	1,800	1,800	1,800	1,800	1,800	-
INVESTMENT INTEREST	7,353	7,200	9,649	8,649	8,500	1,300
FEDERAL/STATE GRANTS	12,500	-	-	-	-	-
FARMERS MARKET	1,076	6,000	1,000	-	1,910	(4,090)
MAIN STREET REVENUES	-	5,000	-	-	1,100	(3,900)
MISC. REVENUES				8,147		
<b>Total Revenues</b>	<b>137,045</b>	<b>132,670</b>	<b>126,699</b>	<b>40,563</b>	<b>133,310</b>	<b>640</b>

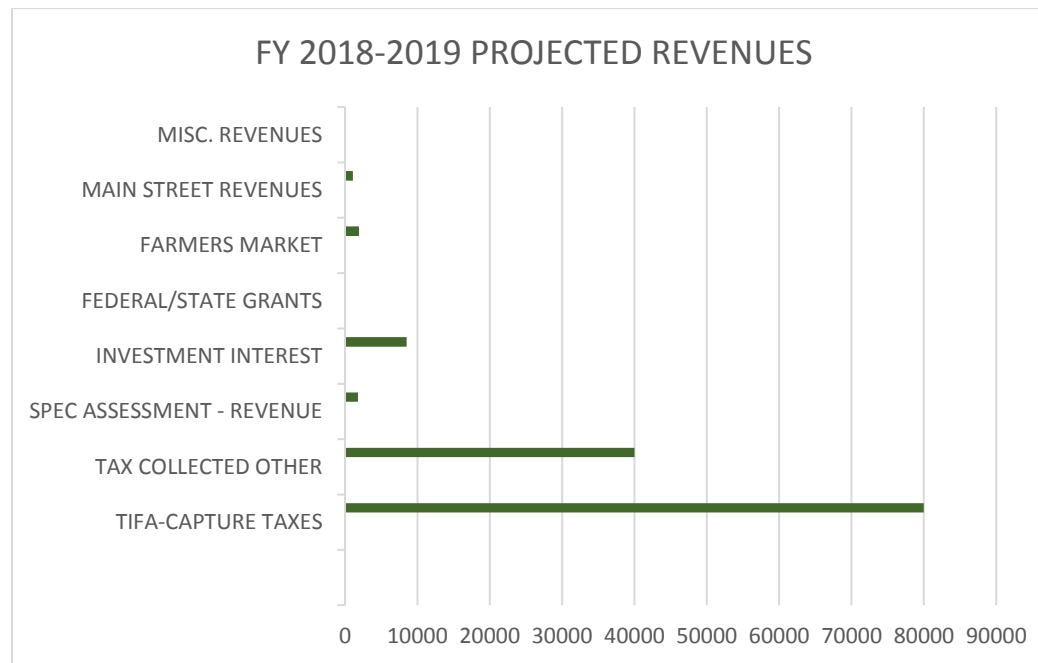


## DDA Revenue 2010 through 2018

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. As this decade nears its end, commercial property values are expected to increase, but not at the quick pace at which they decreased during the Great Recession.

### 2018-2019 Revenues

TIF capture comprises more than half of the DDA’s revenue. Over time, the DDA has reached out to diversify its revenues. At this time, these alternate revenue sources are by no means capable of generating a surplus for the authority, but rather offset some of the existing costs. It is important that new potential sources of revenue be explored if the DDA hopes to remain effective.





## 2018-2019 Expenditures

**Salary & Wages:** The DDA pays the salary and fringe benefits for the executive director and a small percentage of the city administrator's and treasurer's salaries.

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

**Part Time Seasonal Crew:** The DDA employs 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:** Each year, the DDA sets aside approximately \$2,000 for the Tax Tribunal refunds.

**Auditing & Accounting:** Each year, the DDA sets aside approximately \$800 for these financial services.

**Training and Memberships:** Training sessions and memberships are important for staff and DDA directors to sharpen skills, learn about latest trends and research, and building social capital for the city.

**Main Street Program:** As a Main Street community, Lathrup Village receives benefits and services from Main Street Oakland County (MSOC). Expenses include enrollment fees for training sessions, the national membership fee and conference costs. Moreover, MSOC considers budgets for each Main Street Committee (three in Lathrup Village's case: Promotions, Design and Economic Vitality) as important factors when evaluating a community's re-certification and level of service in its program. This fiscal year, **each committee** will have a designated budget reflected in this fund. In addition, this line item includes money for a business beautification award program.

**Streetscaping:** Investing in the DDA district includes the maintenance of the two gateway gardens/signs in the district. This fund may cover other street improvements in the district.





## 2018-2019 Expenditures (continued)

**Planning/Consulting Fees:** This is a monthly fixed retainer cost.

**Farmers Market:** The DDA dedicates a significant amount of its budget to the Lathrup Village Farmers Market. The DDA pays 25 percent of the staff costs for the recreation coordinator for Farmers Market activities. Additional expenditures include supplies and marketing.

**Printing/Publication Costs:** This includes expenditures for advertising and marketing of the DDA and its 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.

**Depreciation Infrastructure:** This is related to the annual audit regarding infrastructure – primarily alleys – in the DDA district and is typically determined well after the budgeting process.

**Capital Expenditure:** This fund would include investments in the DDA district in the form of equipment purchases or maintenance.

**Sign Grant Program:** As a Main Street community, Lathrup Village receives benefits and services from Main Street Oakland County (MSOC). The sign grant is being reinstated this fiscal year because MSOC views it as an investment in the DDA, and an important factor when evaluating a community's re-certification and level of service.

**Façade Grant Program:** As a Main Street community, Lathrup Village receives benefits and services from Main Street Oakland County (MSOC). The façade grant is being reinstated this fiscal year because MSOC views it as an investment in the DDA, and an important factor when evaluating a community's re-certification and level of service.

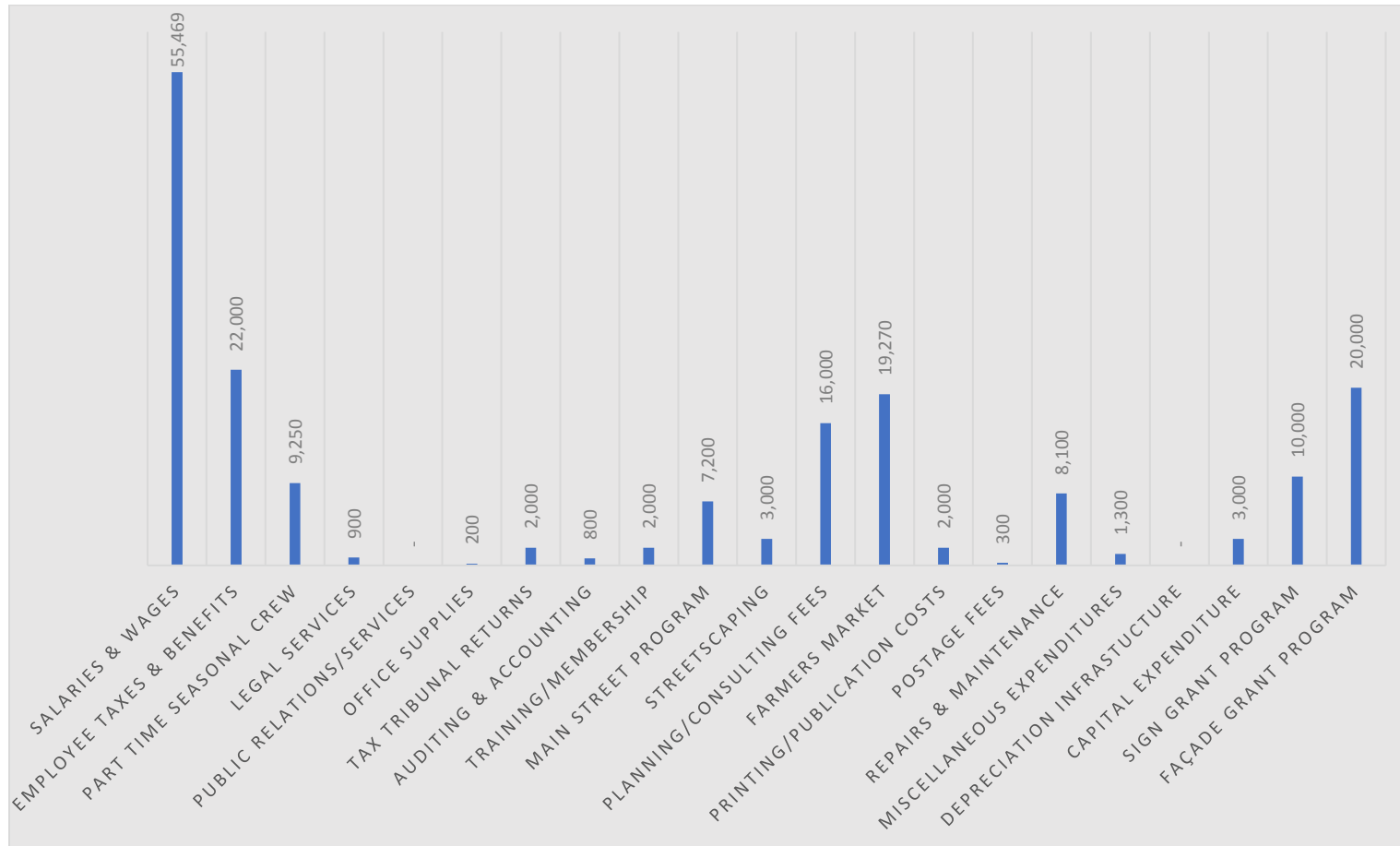


## 2018-2019 Expenditures Summary

EXPENDITURES	ACTUAL FY 16-17	BUDGETED FY17-18	ESTIMATED FY 17-18	ACTUAL 2/28/2018	PROJECTED FY 18-19	INCREASE (DECREASE)
SALARIES & WAGES	59,480	57,045	53,853	35,045	55,469	(1,576)
EMPLOYEE TAXES & BENEFITS	28,707	17,906	21,885	16,207	22,000	4,094
PART TIME SEASONAL CREW	-	-	-	-	9,250	
LEGAL SERVICES	65	1,000	-	-	900	(100)
PUBLIC RELATIONS/SERVICES	2,006	-	-	-	-	-
OFFICE SUPPLIES	138	300	-	-	200	(100)
TAX TRIBUNAL RETURNS	-	2,000	2,000	-	2,000	-
AUDITING & ACCOUNTING	800	800	800	-	800	-
TRAINING/MEMBERSHIP	2,299	1,120	1,120	1,120	2,000	880
MAIN STREET PROGRAM	6,370	831	6,514	6,039	7,600	6,769
STREETSCAPING	10,238	1,000	3,000	2,090	3,000	2,000
PLANNING/CONSULTING FEES	33,734	15,600	15,600	13,510	16,000	400
FARMERS MARKET	31,062	24,268	24,268	13,307	19,270	(4,998)
PRINTING/PUBLICATION COSTS	1,235	1,000	1,989	2,189	2,000	1,000
POSTAGE FEES	-	300	-	-	300	-
REPAIRS & MAINTENANCE	23,001	6,000	8,031	8,031	8,100	2,100
MISCELLANEOUS EXPENDITURES	1,274	500	1,300	1,180	1,300	800
DEPRECIATION INFRASTRUCTURE	46,914			-		
CAPITAL EXPENDITURE	3,359	3,000	8,151	8,151	3,000	
SIGN GRANT PROGRAM	14,000	-	-	683	10,000	10,000
FAÇADE GRANT PROGRAM	-	-	-	-	20,000	
	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>264,682</b>	<b>132,670</b>	<b>148,511</b>	<b>107,551</b>	<b>163,189</b>	<b>30,519</b>



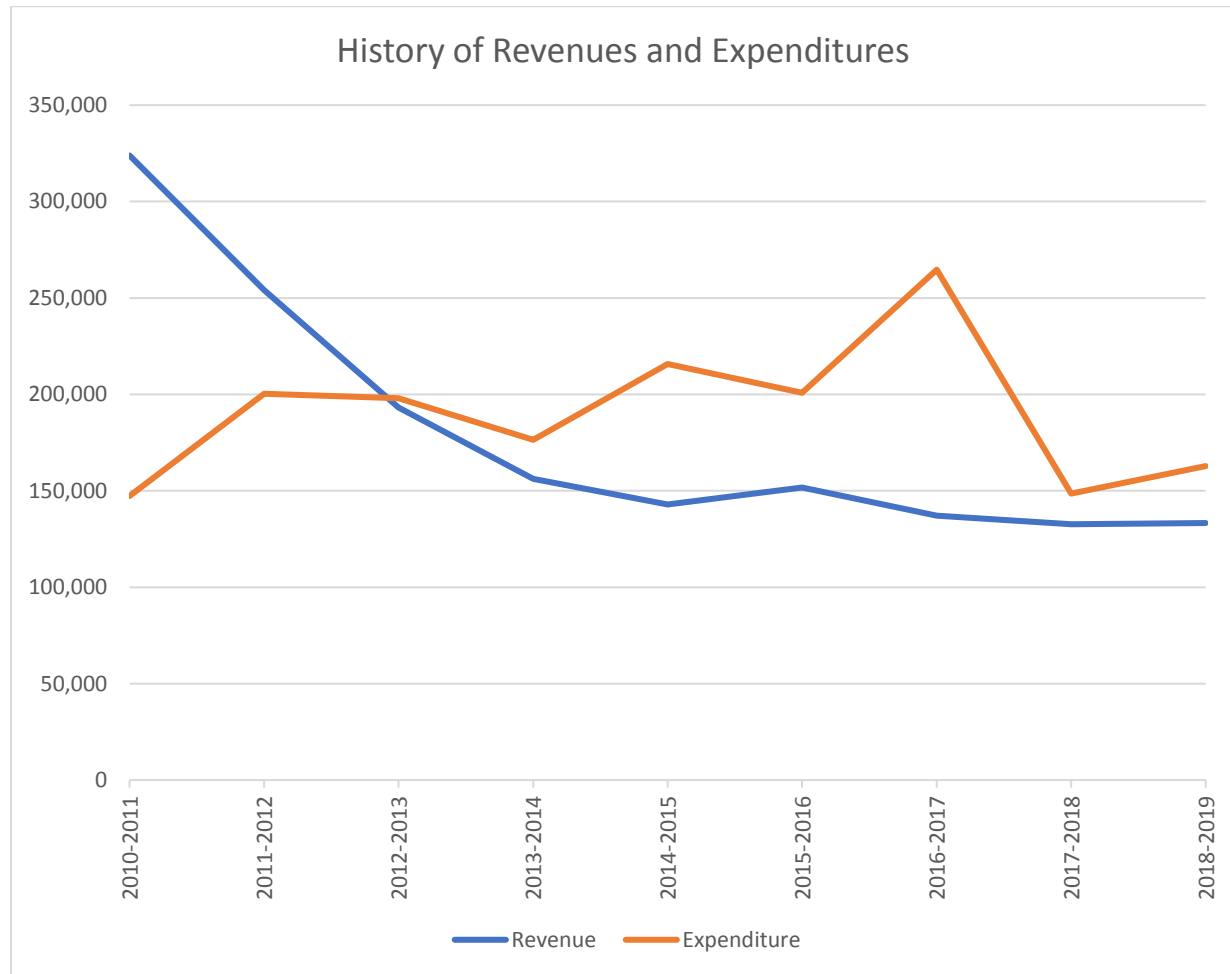
## 2018-2019 Expenditures Summary





## History of Expenditures and Revenues

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	132,670	148,511
2018-2019	133,310	162,789



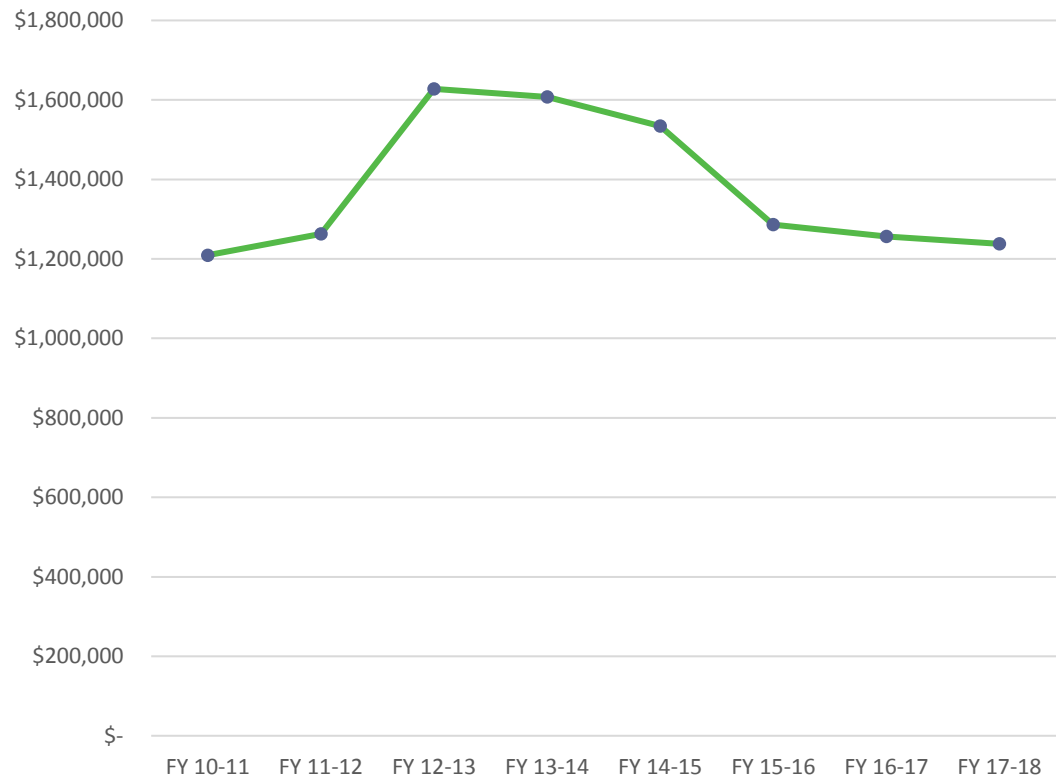


## Fund Balance

Over the years, declining revenues and increasing expenditures have placed a strain on the DDA’s fund balance. Built up over the years when revenues were much higher, the last few years have experienced a decline in the DDA’s fund balance as it strives to maintain levels of service with scarce resources. Efforts are being made to reduce the reliance upon fund balance, however the sustainable solution to this problem is to seek new and additional revenue sources and work to improve commercial property values.

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

Fund Balance: FY 10-11 to FY 17-18





## Recap of 2017-2018

### **Staff Transition**

Staff changes occurred this fiscal year. The previous economic development director resigned in August 2017 and an interim director was named the following month. The parks and recreation coordinator/market master resigned in January 2018 and a replacement was hired in March. While turnover temporarily hindered momentum, staffing is now leveled and the district is moving forward.

### **Food Truck Fridays**

The 2016 Food Truck Fridays program encompassed 6 Fridays in September and October and was staged in the City Hall parking lot near the pavilion. The 2017 Food Truck Fridays program was moved to the Annie Lathrup School Tennis Court “lot,” began in the spring, and was held every Friday through September. The DDA also funded costs for insurance coverage to sell alcohol at the events.

### **Farmers Market**

The 2017 Farmers Market was moved to the Annie Lathrup School Tennis Court “lot.” The market ended approximately one month early due to a drop in vendors and customers.

### **DDA Street Crew**

The DDA hired a two-person, part-time street crew to help with set up, take down and staffing of events, and with general cleanup and maintenance within the district. Both members resigned after working just a few months. Efforts to hire a new crew continue.



## Looking Forward

### **Strategic Planning Session**

The DDA board of directors is start the new fiscal year with a strategic planning session conducted by the city planner. This will be a special meeting on a date separate from the regular monthly board meeting. The agenda will include the streetlight addition plan, the personal shopping district plan, and other items.

### **Southfield Road Reconstruction**

The Road Commission for Oakland County (RCOC) has decided on a preferred alternative that has been endorsed through resolution by communities of Beverly Hills, Lathrup Village and Southfield. The Federal Highway Administration (FHWA) is scheduled to release its “Review and Decision” in spring 2018.

### **Future Development**

The DDA can look forward to additional tax revenue in 2019 from two new developments. The Michigan First Credit Union expansion and the Townhomes of Lathrup development are both located on 11 Mile Road within the district.

### **Main Street Oakland County**

Lathrup Village is an associate level community – the lowest rung of Main Street Oakland County’s three-tiered system. The DDA’s goal is to move up the chain to the affiliate and then select levels, thus increasing the services that the program offers. The 2018-2019 fiscal year budget addresses several needs in order for elevation within the program to occur.