



Lathrup Village
Downtown Development Authority
2019-2020 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. 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 ninth year. Lathrup Village recently hired a new recreation coordinator/market manager who is exploring ways to grow the market, which will now be held on Saturday mornings.

Events

DDA-sponsored events include the annual Southfield Corridor Cleanup and Food Truck Fridays, which will enter its fourth year. Grand opening ribbon-cuttings occur regularly throughout the year.



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.

DDA 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. 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.



2019-2020 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.

2019-2020 Budget: Revenue Summary

REVENUES	ACTUAL FY 17-18	BUDGETED FY 18-19	ESTIMATED FY 18-19	ACTUAL 2/28/2019	PROJECTED FY 19-20	INCREASE (DECREASE)
TIFA-CAPTURE TAXES	85,252	80,000	80,286	16,977	92,837	7,837
TAX COLLECTED OTHER	37,567	40,000	33,964	19,728	45,000	5,000
SPEC ASSESSMENT - REVENUE	-	1,800	1,800	-	1,800	-
INVESTMENT INTEREST	14,051	8,500	11,914	9,778	10,000	-
FEDERAL/STATE GRANTS	-	-	-	-	-	-
FARMERS MARKET	1,358	1,910	1,500	-	-	(1,500)
MAIN STREET REVENUES	-	1,100	-	-	1,100	-
MISC. REVENUES	8,146	-	-	5,927	6,000	6,000
Total Revenues	146,375	133,310	129,464	52,411	156,737	11,337



2019-2020 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 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.



2019-2020 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.



2019-2020 Expenditures Summary

EXPENDITURES	ACTUAL FY 17-18	BUDGETED FY 18-19	ESTIMATED FY 18-19	ACTUAL 2/28/2019	PROJECTED FY 19-20	INCREASE (DECREASE)
SALARIES & WAGES	53,853	55,469	53,853	24,506	56,136	667
EMPLOYEE TAXES & BENEFITS	25,428	22,000	21,885	8,874	22,000	-
PART TIME SEASONAL CREW	-	9,250	-	-	5,840	(3,410)
LEGAL SERVICES	-	900	-	-	900	-
OFFICE SUPPLIES	-	200	-	-	200	-
TAX TRIBUNAL RETURNS	-	2,000	2,000	-	2,000	-
AUDITING & ACCOUNTING	800	800	800	800	800	-
TRAINING/MEMBERSHIP	1,865	2,000	700	418	2,000	-
MAIN STREET PROGRAM	6,146	7,600	4,000	450	6,000	(1,600)
STREETSCAPING	2,675	3,000	3,000	2,830	7,910	4,910
PLANNING/CONSULTING FEES	20,432	16,000	20,000	16,837	35,000	19,000
FARMERS MARKET	17,139	19,270	15,000	9,247	18,000	(1,270)
PRINTING/PUBLICATION COSTS	2,139	2,000	1,200	971	2,000	-
POSTAGE FEES	-	300	-	-	200	-
REPAIRS & MAINTENANCE	8,887	8,100	9,500	8,987	8,900	-
MISCELLANEOUS EXPENDITURES	1,828	1,300	800	-	1,300	-
DEPRECIATION INFRASTRUCTURE	29,547	-	-	-	-	-
CAPITAL EXPENDITURE	-	3,000	1,000	-	1,500	-
SIGN GRANT PROGRAM	683	10,000	1,000	-	10,000	-
FAÇADE GRANT PROGRAM	-	20,000	-	-	20,000	-
TOTAL EXPENDITURES	171,420	183,189	134,738	73,920	200,686	18,297

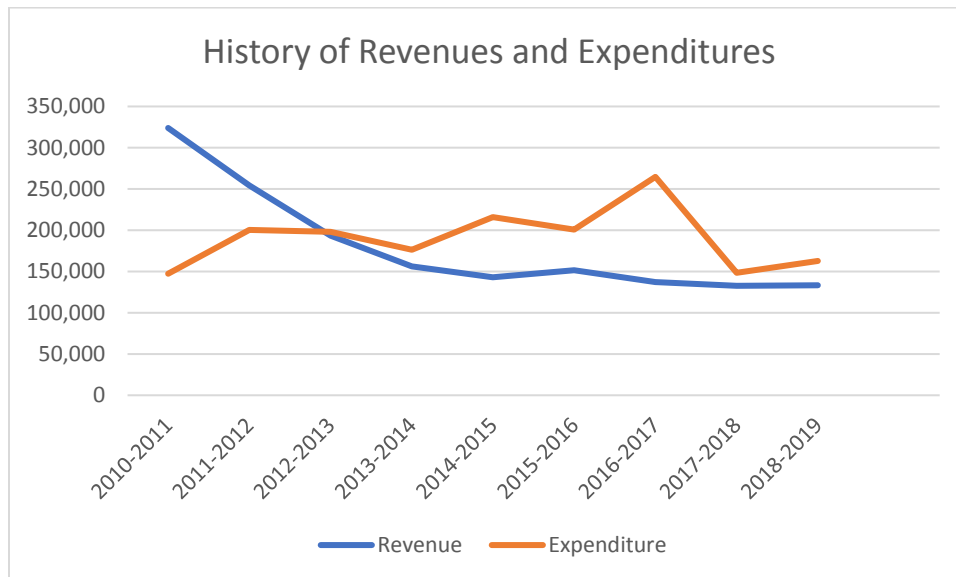


History of Expenditures and Revenues

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*	133,310	134,738
2019-2020**	156,737	200,686

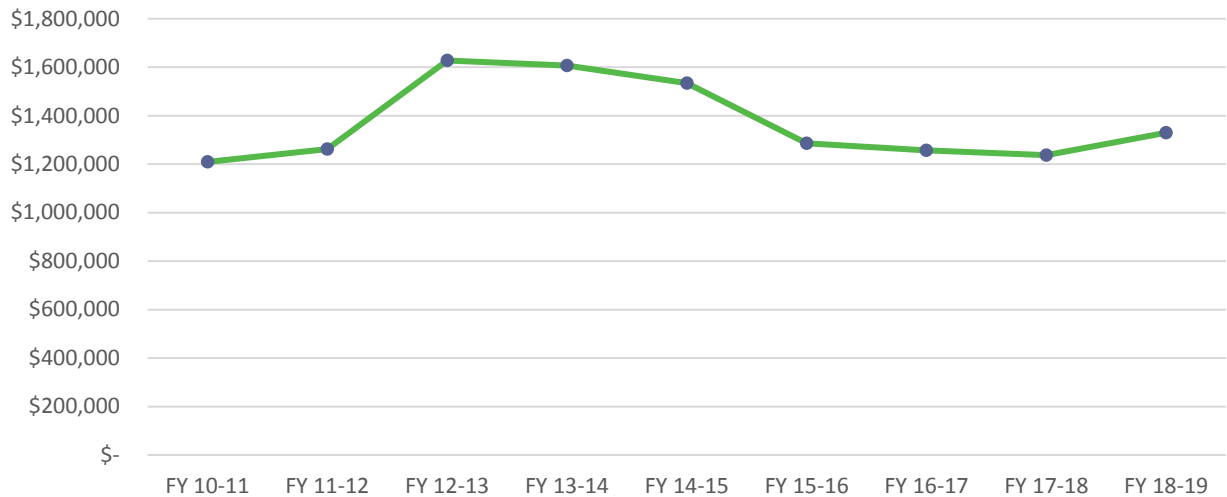
*Budgeted

**Projected





Fund Balance: FY 10-11 to FY 18-19



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
FY 18-19	\$ 1,329,994



Recap of 2018-2019

Staff Transition

Staff changes occurred this fiscal year. The previous economic development director resigned in August 2018 and a manager of community & economic development was hired in February in 2019. Additionally, the parks and recreation coordinator/market master resigned in January 2018; a replacement was hired in March and then resigned in September. The parks and recreation coordinator position has now been filled. While turnover has impeded forwarded momentum, the staff is ready to renew efforts to positively impact the district.

Food Truck Fridays

While the event was well-received in its initial years, participation has waned. This is likely due to the staff turnover. Staff is looking for ways to refresh and invigorate this program.

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.

Looking Forward

Joint Meetings

The DDA board of directors will begin participating in joint meetings with City Council and Planning Commission on several planning projects, including updating the master plan, downtown plan, parks and rec plan, and zoning ordinance amendments.

DDA Street Crew

The initial staff hired for to assist in these efforts resigned after a couple of months. Efforts to hire a new crew continue.

Future Development

The DDA can look forward to additional tax revenue in 2019 from the Michigan First Credit Union expansion, which is located on 11 Mile Road within the district. The new manager of community & economic development will be working diligently to bring in new projects.

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 the chain to the affiliate and then select levels, thus increasing the services that the program offers.