

**DOWNTOWN DEVELOPMENT AUTHORITY
Meeting of the DDA Board of Directors
February 28, 2023**

The February meeting of the DDA Board was called to order at 8:02 am.

ROLL CALL

Present: *Mayor Brian Turnbull, DJ Boyd, Margene Buckhave, Aaron Cozart, Steven Huprich, Mike Jaafar, Ryan McKindles, Shawn Riley*

Absent: *David Cole, Jim Long, Greg Presley*

Also Present: *Lori Ward/DDA Executive Director, Jeri Johnson/DDA Marketing & Communications Director, Jessica Howlin/DDA Marketing & Administrative Assistant, Mark Wollenweber/Interim City Manager, Sandi Wiktorowski/City of Northville, Barbara Morowski-Browne/City Council, Sara Prescott, Fred Shiel, Nancy Darga, Dave Gutman, Joe Corriveau, Richard Corriveau, Jim Nield*

AUDIENCE COMMENTS

None.

APPROVAL OF AGENDA AND CONSENT AGENDA

Motion by McKindles, seconded by Cozart, to approve the agenda and consent agenda.
Motion carries.

ELECTION OF OFFICERS

Ward said the annual election of officers was pushed back to February due to the joint City Council/DDA meeting in January. Staff sent out an email to announce the scheduling of the election of officers for 2023. The existing slate of officers all expressed interest in remaining in office. The current officers include Shawn Riley at Chair, DJ Boyd as Vice Chair, Ryan McKindles as Treasurer, and DDA staff Jessica Howlin as Secretary. Ward said nominations would also be accepted at the meeting today if anyone is interested in taking an officer position.

Motion by Turnbull, seconded by Buckhave, to elect the current officers for another term.
Motion carries.

DDA 2023-24 BUDGET DISCUSSION

Ward said the budget discussion will take place at the February and March DDA board meetings and discuss funding priorities for the DDA for the 2023/2024 fiscal year, which begins on July 1st. The DDA budget is broken into committees, and includes DPW, Parking, EDC, Marketing, Design and Organizational. This year the DDA's TIF revenue has been projected to

increase by approximately \$30,000 due in part mostly to new construction that has come fully online. The number will change slightly before the budget is finalized as the City Assessor is currently working on updating assessments. Ward said in addition to the increased TIF revenues, changes can be seen in the Appropriation of Prior Year Surplus of \$18,386 due to expenditures from a road repair project scheduled in fiscal year 2023-24 that would repair Main Street between Center and Hutton.

Ward said another change from year to year on the revenue page is an increase of approximately \$6,000 annually for insurance proceeds. Ward said this is from replacing damaged and aging light poles and luminaires, which has been happening with increased frequency. Many of the poles and head were installed during the Main Street '79 project and the DDA is seeing a need to replace these. The DDA has also pursued insurance claims, when possible, to recoup some of the replacement costs.

Ward said the design budget has remained fairly consistent with the exception of \$110,000 for a Main Street Improvement project. Six new businesses have also been added to the social district. This will increase social district expenses for labor, signage, trash receptacles and print materials. Ward said DPW has requested funding for maintenance projects and lighting, which is about \$100,000 and higher than anticipated. Water increased by 400% and gas increased by 200% this year. It was recently discovered that a third water meter was not being billed properly and has now been corrected, adding significantly to the DDA's water budget.

Ward said the marketing budget has remained relatively unchanged, but noted an increase in promotions and programming, which includes larger bands on stage twice monthly during the summer. The parking committee budget includes a recommendation to design and print parking maps. The DDA also budgets \$25,000 annually for parking deck improvements. When these funds are not spent, they revert to the DDA fund balance. Ward said DDA staff has been working with the City to negotiate with Singh Development to find a solution where Singh Development more fully participates in the upkeep and operation of the MainCentre deck. Once the new City Manager is settled into his new role, the facilitation process will continue.

Ward said under the Operating Committee, the budget has declined by \$14,000 this year due in part to the reduction of legal fees related to the Downs Project and Singh discussions. Legal fees associated with the Northville Downs project will be reimbursed by Hunter Pasteur, as noted on page 7 of the budget documents.

Ward said the Economic Development Committee budget decreased from \$85,410 to \$38,885. In the current fiscal year, the DDA funded planning and design fees including Bob Gibbs retail study, Grissim Metz pedestrian plan and \$10,000 budget for an update and printing of a Business Investment Guide that can be used to attract new and retain existing business. These expenses will be incurred in this fiscal year, resulting in a smaller amount budgeted for studies in 2023-24 fiscal year.

Ward said the DPW budget has remained consistent from year to year as most repairs and maintenance costs are contracted with outside vendors due to the work load of the DPW. Ward noted that the beginning year fund balance started at \$414,000 and had an end balance of \$333,275 with \$249,408 unrestricted, which is within the DDA's goal of ensuring there is approximately 25% of annual revenues in the fund balance. DDA will need to discuss if it

wants to use fund balance for items such as DPW requests, make additional cuts in line items like events and marketing, or leave items underfunded.

Ward said the EDC is meeting this afternoon with Beckett & Raeder to discuss TIF and Development Plan updates as part of the Hunter Pasteur request. The DDA needs to ensure all outstanding projects are included in the TIF plan because the DDA cannot use TIF revenues on any projects not listed in the plan. Boyd said he would like to highlight that the DDA TIF revenues are from a variety of property tax capture including the DDA capturing tax revenues of \$442,000 from the City of Northville, \$189,000 from Wayne County, and \$64,000 from Schoolcraft College.

McKindles asked where the \$110,000 earmarked for road repairs falls off in the next year budget. Ward said the DDA has been putting aside approximately \$25,000 per year into this account and it has now accrued about \$118,000 for street improvements. Once those funds are used for the street improvement project, the balance will drop to \$8,000 and then grow again in the future. Ward said that the drop in 2025/26 is reflective of when the bonds are fully matured, which currently accounts for about \$175,000 per year.

STREET CLOSURE UPDATE

Ward said last summer the DDA voted to recommend to City Council to reopen Center Street to vehicular traffic and continue a seasonal closure of Main Street to vehicular traffic. City Council deliberated the recommendation, considering additional information in their discussions. City Council ultimately opted to closed both permanently and tasked the DDA to design the pedestrian area. DDA and Council jointly funded a pedestrian plan created by Grissim Metz Andriese (GMA) and Council also hired Fleis & Vandenbrink (F&V) to work out impacts of traffic. The DDA and City need to determine how improvements are funded and this is the biggest challenge for this year. The DDA currently has approximately \$250,000 in unrestricted fund balance. The DDA has set a goal to keep 25% in this account, which it currently does. In addition to using fund balance another means of financing projects is the use of bonds.

Ward said the DDA met several times with bond counsel to determine how to fund these projects. Staff asked the bond team to look at several different issues for the DDA to explore with the amount and duration varying in each scenario. The typical bond issue would have the City of Northville issue the bonds and pledge their full faith and credit, resulting in lower interest rates. The DDA then would service the debt with future TIF revenue. Ward said general obligation bonds come with a right of referendum, meaning there is a 45-day window for signatures to be collected and to have the item put to election. The next scheduled election is November. There is an August date scheduled but nothing on the ballot so there would be a rough cost of about \$20,000 for a special election. Election results could provide support to the project or result in the project being canceled. Ward said the next steps with GMA included design development drawing, scope of work, electrical study, continued discussions with the HDC and an electrical study costing \$14,000, which does not include implementation of solutions.

Riley said to start the discussion he would like to read an email received from board member David Cole. Cole expressed in the email that he is not in favor of funding the project at this

time and if the DDA moves forward, there will be little to no funding leftover to do anything else downtown.

Jaafar said he is in agreement with Cole and is in favor of a seasonal closure on Main Street. Jaafar added that he is uncomfortable funding the pedestrian project. McKindles asked if there was a disclaimer that the City was not willing to participate at all. Ward said the DDA has been told that with all the projects going on there would be limited funding from the City. Turnbull said there are many projects going on in Northville but Council did agree on a partnership. Turnbull said the street closures kept businesses alive during covid and Council agreed to be flexible. Turnbull said when it first came to Council for a vote, many people seemed to want it to continue. Council now needs to assess where it is today and where it's going. Turnbull said Council will take a stronger look at this issue at the City Council meeting on March 20th. Turnbull added that there were many great points on the study and some items have been discussed before the streets closed, including bollards, that can be implemented even if there were seasonal or event closures.

Ward said the difficult decision is whether to continue design plans without first figuring out a funding source, and not being able to bring a plan to fruition. McKindles said there should be contingencies in place to ensure the City assists with associated costs. Boyd said with the competing priorities, some information in the GMA plan is very valuable but the DDA does not have the capacity to enter into the process to execute a plan like that right now. The DDA is capable of funding the installation of a bollard system, with the utilization of bond servicing, to ensure a better street closure system for either seasonal or festival/event closures.

Boyd sat in a discussion with the City's finance director Sandi Wiktorowski, DDA Director Lori Ward, and bond counsel. A part of the discussion was how much is available to the DDA while essentially keeping bond servicing levels the same. Boyd said with a 10-year bond at \$1.58 million in principal, the interest would be about \$369,000 for a total expenditure of approximately \$1.9 million over the 10-year term. A 15-year bond estimate of about \$2.175 mill is also available. The DDA currently spends about \$175,000 per year in bond service. Adding this debt load would increase the expense for two years for \$45,000 per year and then would go back to \$175,000 per year. At the 15-year rate, the DDA two-year spend would be about \$72,000 more per year, then will drop back to \$175,000 per year. Boyd said it is also possible to issue bonds solely on the DDA tax capture but the interest rate expense would increase by roughly 1%. Boyd said the best choice would be to work with Council and the community to effectively communicate a change in scope of work to get support for something that is a needed budget-friendly improvement in the City.

Huprich said he would like clarification on estimates and asked if the DDA will bond the project regardless of what aspects of the plan move forward. Ward said there is about \$250,000 in fund balance that can be spent but if spent, the balance would fall below the DDA goal of maintaining a cushion. Ward added that the \$750,000 figure is on the low end of the scope of work and includes upgraded electrical, bollards and such without including extras in the original design plan. The DDA does not have \$750,000 in cash to complete these projects. Huprich expressed concern that a bond issue will not pass with how controversial the plan currently is, and that if the DDA decides to go forward with a bond, the DDA needs to be very clear on plan guidelines. Huprich added that if the DDA goes for a bond, that it should be a partnership between the DDA and City.

Wollenweber said that there is capacity for this project and there has historically been 2-3 times that bonds have not gone to referendum. Wollenweber agrees that the DDA and City need to revise scope of project. Wollenweber added that during bond counsel discussions these bonds are likely to be issued by local banks.

Buckhave said she would like to see an updated tally of businesses in favor of and against continuing the closures. Buckhave said the project would need to be implemented in phases and the DDA/City cannot go back on what was voted on back in August. Buckhave also said the top priority should be bollards, which are needed regardless whether the streets remain closed or reopen. Cozart said that the DDA could consider surveying the community again after seeing what a non-covid winter was like.

Boyd said a well thought out plan would give the business community a base to make good business decisions on moving forward. The DDA could offer design elements and safety but the most important is to develop a plan that all can live with as a community.

Dave Gutman, 903 Spring Drive: Gutman, chair of Sustainability Committee and co-chair of Mobility Network, said the mobility team's charter has been challenges of safe walkable streets and making fluid connections between the community. Mobility has been meeting extensively over the past month to update an analysis on the traffic situation, and has been in contact with F&V. One piece of assessment is the street closures. The group will present a rational analysis to City Council on March 20th and recommend that Center Street be reopened and closed for events only, and Main Street be open with a seasonal or events-only closure.

Nancy Darga, 516 N. Center St.: The Mobility Network came together due to a need to address traffic issues, safe walkable streets, and route bike routes. The study in 2021 did not address street closures. This has now been done and the team decided to focus on the core city area where most traffic conflicts are and reassess failure rates at these intersections. The city has two main arteries that are blocked off - traffic is being circumvented on streets that are not capable of handling the rerouted traffic. The team thinks things need to be modified so Center Street does not become a cut through as it was in the past and address slowing traffic on Center, with drop off zones. The mobility team feels that sidewalks growing or utilizing parking spaces for benefit of business will not negatively impact disbursement of traffic. The team is in favor of businesses using the street more than before and the GMA study has a lot of great components that will help safely close streets for events and do it attractively.

Sarah Prescott, 105 E. Main St.: On August 18th, a guest coming into Salvatore, Prescott & Porter collapsed on Main Street and died. Emergency services were further away from the emergency than she preferred and paramedics tried to resuscitate him, but did not succeed. Prescott offers support to all that are making these decisions.

Joe Corriveau, 237 S. Wing St: Corriveau said the cut through traffic has impeded on his quality of life and safety of his children. There are a lot of spoken and unspoken individuals that are against this. Corriveau said he will support whatever needs to be done but the permanence needs to be removed before anything moves forward.

Richard Corriveau, 327 E. Main St: People were enthusiastic about closing the streets before they experienced what closing the streets meant. There are at least 10 business owners, not wanting to speak out for whatever reason, that have said the closed streets have negatively

impacted their businesses. Corriveau Law is located east of the closures and is opposed to the closures. Corriveau said one issue that has not been discussed is ADA violations, and the Attorney General is currently looking at this problem.

Motion by Boyd, seconded by McKindles to recommend to City Council to partner in developing a plan including funding for non-permanent downtown street closures with emphasis on creating a street closure mechanism that is flexible, safe, well designed and affordable. **Motion carries.**

NORTHVILLE DOWNS PROJECT UPDATE

Ward said when the DDA met in December and January, the DDA approached Hunter Pasteur to pay for the boundary expansion and development plan. Hunter Pasteur has agreed to pay \$20,000 and the City has agreed to pay any difference above that. The DDA has proceeded with the boundary expansion and the first meeting is today at 3:00 pm.

COMMITTEE INFORMATION AND UPDATES

- a. *Design Committee*: No report.
- b. *Marketing Committee*: Johnson said the chili cookoff was hugely successful. Fox 2 News was on site for news coverage in the morning. MOD Market sold 679 sets of sample tickets. Many participants doubled their efforts and still ran out of chili early. 13 ice sculpture sponsorships were sold, including two live carving demonstrations.
- c. *Parking Committee*: No report.
- d. *Organizational Committee*: Boyd encourages the board to take time to look through all budget documents and ask questions. The intent is to bring the budget discussion to next month's meeting for action on setting the budget for next year.
- e. *Economic Development Committee*: No report.

BOARD COMMUNICATION

Riley noted that the 2023 meeting dates are listed in the back of the packet and the meetings are the 4th Tuesday monthly.

Motion by Turnbull, seconded by Jaafar to adjourn the DDA Board meeting. **Motion carries.**

Meeting adjourned at 9:39 am.

Respectfully submitted,
Jessica Howlin, Marketing & Administrative Assistant
Northville DDA