

Lathrup Village Downtown Development Authority

Fiscal Year 2022/2023 Budget



LATHRUP VILLAGE
Downtown Development Authority



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Contents

Mission.....	2
Board of Directors	2
Staff.....	2
Historical Snapshot	3
Planned Activities: 2022/2023	3
<i>Business Development</i>	3
<i>Streetscaping and Beautification</i>	4
<i>Events</i>	4
<i>Training & Strategic Planning</i>	5
<i>Joint Meetings</i>	5
<i>Future Development</i>	5
<i>Main Street Oakland County</i>	5
DDA Revenue.....	6
<i>Revenue 2010 through 2021</i>	6
<i>Revenue Sources</i>	6
DDA Expenditures.....	8
<i>Proposed 2022-2023 Expenditures</i>	8
<i>History of Expenditures and Revenues</i>	11
Appendix	13
<i>Cost - Share Agreement</i>	14
<i>Fiscal Year 2022/2023 Budget Detail</i>	15

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

Fred Prime, Chair

Bryan Ford, Vice Chair

Pam Shermeyer, DDA Secretary

Kelly Garrett, Mayor

Charlotte Jones

Bobbi Lovins

Scott McKee, Interim City Administrator/Police Chief

Dan Sugg

Mark Watts

Staff

Susie Stec, DDA Director

Brittany Dorsey, DDA & Special Projects Manager

Pam Bratschi, Treasurer

Historical Snapshot

Over the years, DDA activities included hosting events, implementing business assistance programs such as a façade improvement grant, sign grant, and streetscaping initiatives. These activities demonstrate the DDA's desire to foster a business-friendly environment while transforming the commercial corridor into an identifiable & desirable destination. While the DDA intends to continue and expand these activities, the circumstances of the pandemic challenged us to refine and find new ways to support our business community more fully. The 2021 DDA Annual Report details how the pandemic continued to influence our activities last year.

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 curbing and pedestrian crossings, high travel speeds, and an 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. The required environmental assessment for the preferred alternative was submitted in 2021; however, it is generally believed that federal funding will not be secured for several more years. As a result, the city is working with RCOC to design interim improvements with construction to be completed in 2024.

Finally, both the City and LVDDA have experienced staff turnover in the 3rd and 4th quarter of the fiscal year. The result has been a temporary diminishment of programming and activities. Thankfully, the new DDA & Special Projects Manager started in May 2022 and programming is expected to begin ramping up in the new fiscal year.

Planned Activities: 2022/2023

Business Development

Lathrup Village is a great location for small business startups – space is affordable and major transportation arteries are easily accessible. While attracting new business remains a priority, supporting and retaining current business is our current focus. At the outset of the pandemic there were several financial assistance programs developed by the county which were then supplemented by Lathrup Village DDA with the establishment of an incubator program – Lovin' Lathrup Village Business Relief Mini-Grants. While implementation of this mini-grant faltered in FY 21/22 due to staff turnover, the Economic Vitality Committee will re-evaluate the grant requirements to fully implement the mini-grant in FY 22/23.

LVDDA assistance has not been exclusively financial but has included a concerted effort to provide opportunities for increased digital marketing, virtual events and trainings. LVDDA has partnered with Oakland County on the Business Forward pilot program which provides embedded staff who are able to meet with local business owners and prospective businesses and direct them to necessary support services. Other programs to be rejuvenated include Live in LV videos, Fireside Fridays, and reestablishing a quarterly e-newsletter specifically for businesses.

Streetscaping and Beautification

In previous years, the DDA budget allocated funds for a façade improvement and sign grant programs. The sign grant program continues to be well-utilized by businesses. The façade improvements program was revamped to include site beautification activities such as landscaping and parking lot improvements.

Enhancing the “curb appeal” of Southfield Road continues to be a DDA priority. In the past, the uncertainty of *when* the long-awaited Southfield Road reconstruction will occur put the DDA in limbo and resulted in an overall lack of investment. Over the past three (3) years, beautification & streetscaping efforts have included the installation of banners, flowers, and flower planters, increased the number of corridor cleanups, and landscaping improvements at both gateway flowerbeds and at City Hall. Streetscaping improvements will continue in FY 22/23 with the implementation of the Sidewalk Replacement Program, and alleyway and approach paving initiatives.

A Beautification Task Force was formed in 2021 to assist with additional streetscaping and placemaking efforts. Previously, the DDA hired part-time, seasonal staff to maintain the aforementioned flowerbeds and watering of the hanging flower baskets along the corridor. A partnership with Boys2Men Youth Mentoring, and their partnership with MiWorks!, will allow the LVDDA cut costs in this regard, though more importantly, it will provide workforce development opportunities to young people.

Events

DDA-sponsored events include the annual Southfield Corridor Cleanup, Small Business Saturday Winter Artisan Market, Fireside Fridays, Spring into Self-Care, Juneteeth Celebration, and Corvette Car Show. There is close coordination of events & programming between the DDA & the city. Opportunities to expand the DDA presence at events will be explored, as will adding new events such as an art fair and movie in the park. The DDA will continue providing grand opening ribbon-cuttings to new businesses.

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 participated in strategic planning efforts lead by the National Main Street Center to guide our COVID-19 recovery efforts. These workplans will be the foundation to guide our activities over the next few years. Board members will be encouraged to attend the National Main Street Conference.

Joint Meetings

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

Future Development

2020 saw the redevelopment of Lathrup Plaza (southeast corner of I-696/Southfield), beginning construction stages of BP Gas Station, and completion of phase two of the Lathrup Apartments along the 11 Mile Service Drive. 2021 brought improvements to a new MRI/Life Center, a new physical therapy practice, Anchor Seafood, and Beauty Hunters. 2022 will see the completion the BP Gas Station, improvements to Discount Tire, new church & social services at 18411 W. 12 Mile, and a brand-new Panera Bread the former Citizens Bank. There remains significant interest from the cannabis industry. There will be language on the November ballot for residents to decide if cannabis should be allowed. If permitted, cannabis will have a significant impact on development activity.

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 in FY 22/23 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 2021

The district has seen revenues fluctuate in response to the various economic stressors. Revenues gradually began to climb in 2015, and by FY 19/20 the LVDDA district had exceed the highpoint from a decade ago. While investment in commercial properties happens at a slower pace than perhaps in neighboring communities, overall, the district sees a consistent number of redevelopment projects annually. This has led to increased property values. It should be noted that there is still a high level of uncertainty on the medium to long-term economic impact on businesses small & large due to the pandemic and the current global economic conditions. Reliant on tax revenues, DDAs across the county have been encouraged 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.

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 2021/22 millage rate was **1.8823 mils** for every dollar of taxable value in the DDA District. This rate is anticipated to remain the same in 2022/2023.

Special Assessment: There was an ongoing payment to the DDA for the reimbursement of construction costs for the public-private parking lot adjacent to The Jagged Fork. The entire balance was paid in December 2021. No revenues are planned in this category.

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: 2022-2023 Budget Revenue Summary

REVENUES	AMENDED JAN 20/21	ACTUAL 20/21	ADOPTED 21/22	AMENDED JAN 21/22	ACTUAL 5/31/22	BUDGETED 22/23	INCREASE (DECREASE)
TIFA-CAPTURE TAXES	255,000	326,888	305,000	305,000	360,585	311,100	6,100
TAX COLLECTED OTHER	24,643	37,117	24,643	24,643	36,183	36,676	12,033
SPEC ASSESSMENT - REVENUE	1,800	-	1,800	1,800	-	-	(1,800)
MISC. REVENUES	6,000	18,681	6,000	6,000	21,177	6,000	-
INVESTMENT INTEREST	10,000	2,701	10,000	10,000	2,832	10,000	-
FEDERAL/STATE GRANTS	-	33,623	-	-	-	-	-
Total Revenues	297,443	419,011	347,443	347,443	420,777	363,776	16,333

DDA Expenditures

Throughout the fall of 2020, the DDA Executive Committee and City worked to develop a Cost-Share Agreement that clearly articulated shared expenses and areas ripe for formalized collaboration. This agreement was adopted in January 2021 and is included in the appendix. The expenditures outlined below are aligned with this agreement. A detailed breakdown is included in the appendix.

Proposed 2022-2023 Expenditures

Salary & Wages: The DDA pays the salary for the DDA Director, DDA & Special Manager, and a percentage of the City Administrator, City Treasurer, and Code Enforcement Officer salaries.

Employee Taxes & Benefits: The DDA pays the taxes and benefits for the DDA Director, DDA & Special Projects Manager, and a percentage of the City Administrator, City Treasurer, and Code Enforcement Officer salaries.

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 general office supplies, Adobe subscriptions for staff, and shared cost of website, technology/software subscriptions.

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 and Planning 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 as business assistance. The DDA works to craft programs which are more accessible to Lathrup Village businesses and effective at achieving the district goals. This line includes costs incurred in the Business Mini-Grants, Southfield Corridor Cleanups, Juneteenth, Artisan Fair, Movie Night in the Park, and updated branding materials.

Streetscaping: Investing in the DDA district includes the maintenance of the two gateway gardens/signs in the district, landscaping surrounding City Hall. This line items includes district flowers, banners, holiday decorations, trash receptacles, and bike loops.

Planning/Consulting Fees: This includes a monthly fixed retainer cost, development plan review fees, zoning ordinance updates, and implementation of the Comprehensive Plan.

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

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, I-696 Service Drive Mowing & Snow Removal, Sidewalk Replacement Program, alley & approach repaving, and installation of a pedestrian (HAWK) signal. The DDA will be utilizing a portion of its fund balance on these infrastructure projects, which are in alignment with the Development Plan.

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

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: 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. The program was revamped to be more responsive to business/property owner needs related to overall site beautification.

Table 2022-2023 Budget Expenditures Summary

EXPENDITURES	AMENDED JAN 20/21	ACTUAL 20/21	ADOPTED 21/22	AMENDED JAN 21/22	ACTUAL 5/31/22	BUDGETED 22/23	INCREASE (DECREASE)
SALARIES & WAGES	198,565	111,326	204,522	116,174	132,095	157,595	41,421
PART TIME SEASONAL CREW	900	331	5,000	5,000	3,603	5,000	-
EMPLOYEE TAXES & BENEFITS	46,000	41,466	34,000	34,000	43,617	34,000	-
LEGAL SERVICES	900	-	900	900	-	900	-
OFFICE SUPPLIES	2,900	1,482	1,480	1,480	1,167	3,360	1,880
TAX TRIBUNAL RETURNS	2,000	-	2,000	13,791	13,800	2,000	(11,791)
AUDITING & ACCOUNTING	800	800	800	800	800	800	-
TRAINING/MEMBERSHIP	2,000	1,675	4,500	4,500	2,392	8,175	3,675
MAIN STREET PROGRAM	43,000	70,103	16,500	16,500	6,461	22,200	3,700
STREETSCAPING	32,000	27,626	24,000	24,000	23,140	33,300	9,300
PLANNING/CONSULTING FEES	46,250	54,203	42,100	42,100	44,091	15,300	(26,800)
PRINTING/PUBLICATION COSTS	2,000	2,081	1,500	2,500	2,145	2,000	(500)
POSTAGE FEES	200	6	200	200	135	200	-
REPAIRS & MAINTENANCE	515,624	11,116	19,500	230,314	88,757	505,624	275,310
MISCELLANEOUS EXPENDITURES	6,100	2,011	6,100	6,100	737	8,457	2,357
SIGN GRANT PROGRAM	10,000	386	10,000	10,000	4,000	10,000	-
FAÇADE GRANT PROGRAM	20,000	-	20,000	20,000	11,640	20,000	-
TOTAL EXPENDITURES	929,239	324,610	393,102	528,359	378,579	828,911	298,552

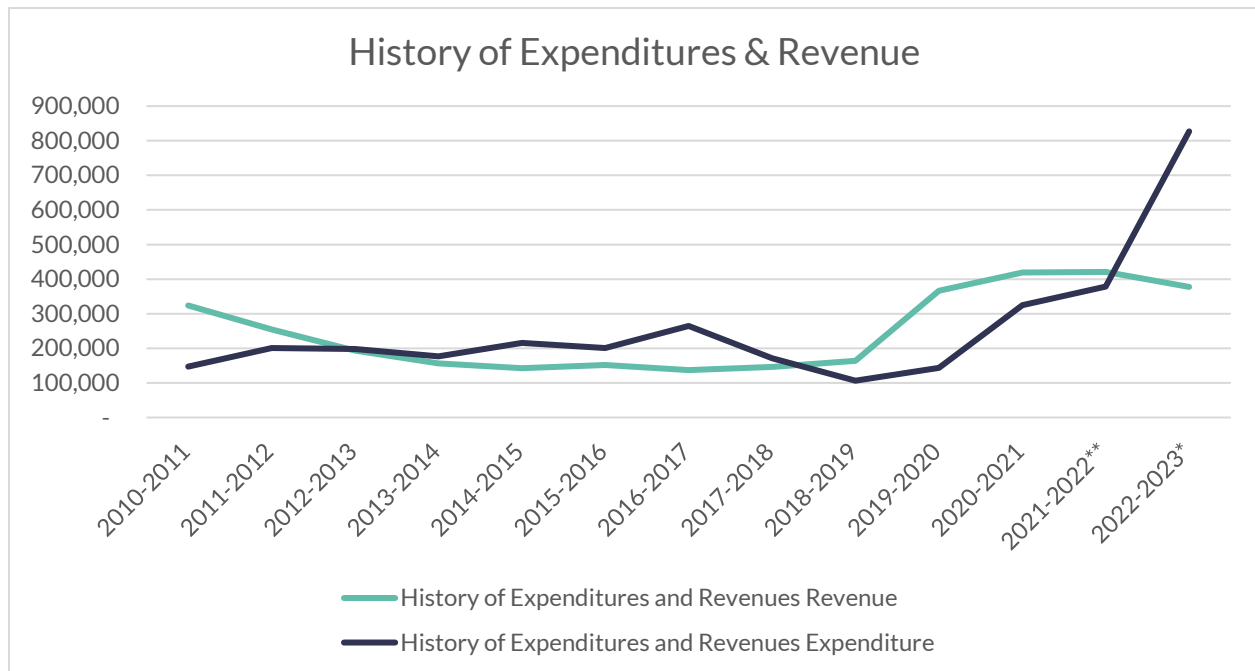
History of Expenditures and Revenues

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	419,011	324,610
2021-2022**	420,776	378,589
2022-2023*	377,726	826,911

*budgeted

**projected

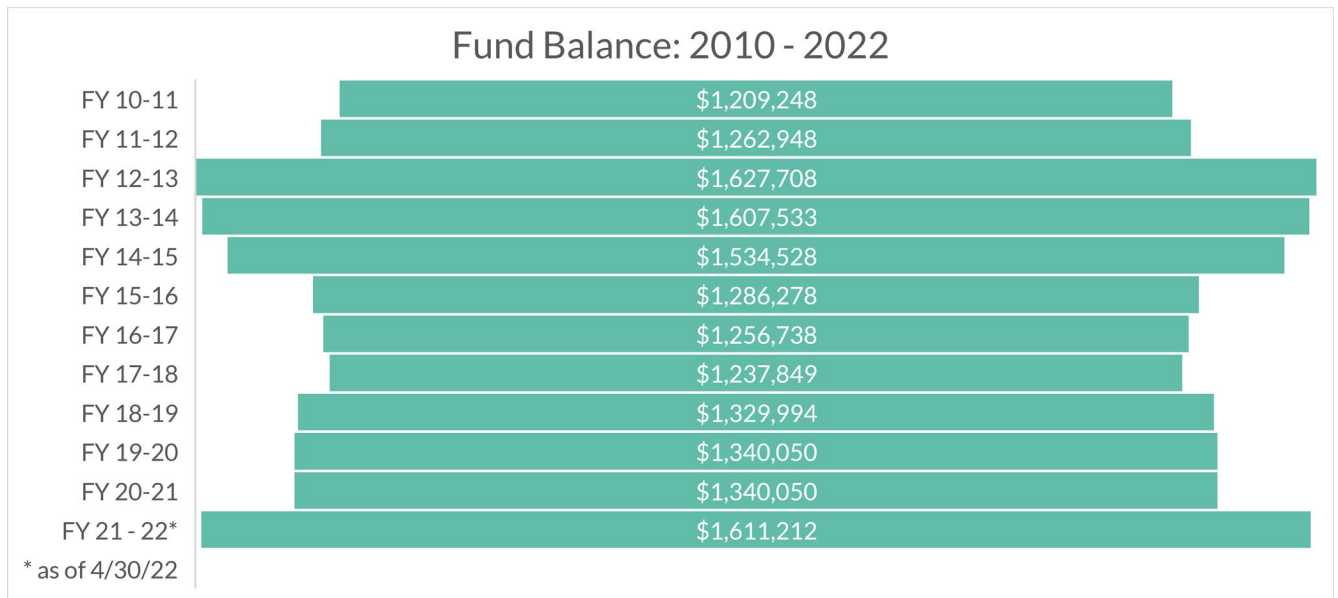


Fund Balance: FY 10-11 to FY 21-22

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
FY 20-21	\$1,340,050
FY 21 - 22*	\$1,611,212

* As of 4/30/22

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. The DDA has only use its fund balance for operational expenses in a limited manner. 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. Projects include the Sidewalk Replacement Program, Alley & Approach Paving, and installation of pedestrian (HAWK) signals.



Appendix

Cost – Share Agreement

LATHRUP VILLAGE DOWNTOWN DEVELOPMENT COST SHARE AGREEMENT
2021 -2026

THIS AGREEMENT is entered into between LATHRUP VILLAGE DOWNTOWN DEVELOPMENT AUTHORITY (hereinafter referred to as "DDA"), and the CITY OF LATHRUP VILLAGE (hereinafter referred to as the "CITY").

WHEREAS, DDA has demonstrated special expertise in promoting the economic, physical and aesthetic redevelopment and maintenance of the downtown area, and these activities are directly and indirectly related to implementing the Development Plan and Tax Increment Financing Plan; and

WHEREAS, the expenses related to these activities are above and beyond what the CITY would incur, and it is more practical and efficient for the CITY and DDA to share or take on the expenses set forth herein than it would be for the CITY to incur these expenses on their own.

NOW THEREFORE, for mutual consideration, the parties hereby agree as follows:

1. **Term of Agreement.** The term of this Agreement shall be from January 1, 2021, through June 30, 2026, to be reviewed every 3-years.
2. **DDA Scope of Services.** DDA, its Director and staff shall devote their best professional efforts towards the following:
 - A. Provide staff assistance for the CITY by:
 - Coordinating with CITY staff in preparation of the DDA budget.
 - Administration of DDA grant programs to include disseminating information and distributing press releases about DDA grant programs; coordinating application intake; coordinating review of applications for completeness; conducting committee meetings for application review and recommendations; preparation and administration of grant contracts; inspection and validation of completed work and coordination of payment of grant funds.
 - Administer all planning and zoning related activities, including management of planning consultants.
 - Attending CITY Commission meetings and various committee meetings as requested by CITY staff.
 - B. Develop and implement projects and programming that further the mission and Development Plan of the DDA, including corridor cleanups, beautification, and placemaking projects.
 - C. Assisting CITY staff and CITY Commissioners on projects, meetings, and workshops pertaining to downtown redevelopment.

- D. Maintain an inventory/database of occupied and vacant properties in the DDA district to be updated quarterly.
- E. Assist CITY with Code Enforcement and property maintenance activities in the DDA district.
- F. Work with the CITY to evaluate and prioritize public infrastructure needs in the DDA district, emphasizing alley repairs, and establish an alley maintenance fund.
- G. Coordinate and work with CITY on public infrastructure projects in the DDA District, including Southfield Road project, installation of side street parking, alleyways, bus stops, non-motorized transportation, etc.
- H. Implement the Downtown Development Plan and support the CITY's implementation of the Comprehensive Plan.
- I. Manage the maintenance contract for the I-696 Service Drive.
- J. Maintain and enhance the streetscaping along Southfield, 11 Mile and Twelve Mile Roads, to include features such as banners, flower baskets, and holiday decorations. The DDA will also maintain the gateway flowerbeds, flowerbeds and planters at City Hall.
- K. Promote programs and initiatives of the DDA and CITY by way of social media, e-newsletters, website, and printed marketing materials.

3. CITY Scope of Services. The CITY, its City Administrator and staff shall devote their best professional efforts towards the following:

- A. Providing all financial services required of the DDA.
- B. Assisting the DDA with organizing and management of promotional activities and events held in Municipal Park and/or Community Room
- C. Attending DDA Board of Directors meetings and various committee meetings as requested by DDA staff.
- D. Facilitate operational need of the DDA including office space, technology & software, etc.

4. Compensation. The DDA agrees to share the following annual expenses with the CITY:

- A. I-696 Service Drive Maintenance - \$5,000
- B. Streetscaping - \$10,000
- C. Technology/Software - \$2,700
- D. Planning consultant fees - \$15,300
- E. Liability insurance - \$4,657
- F. A percentage of the salaries and fringe benefits for the employees listed below.
Percentage split is identified listing first the DDA, then the CITY:
 - DDA/CED Director (90/10)
 - DDA & Special Projects Manager (90/10)
 - City Administrator (10/90)
 - Treasurer (10/90)
 - Code Enforcement Officer (45/55)

5. Reporting. DDA shall provide an account of activities to the CITY, through Board of Directors agendas, minutes and Director Reports provided to the CITY. These reports shall include detailed information regarding projects and programs of the DDA.

SIGNED BY DDA this _____ day of _____, 2021

SIGNED BY CITY this _____ day of _____, 2021

City of Lathrup Village

Lathrup Village Downtown Development Authority

BY: _____
Mykale Garrett, Mayor

BY: _____
Susie Stec, DDA Director

BY: _____
Sheryl L. Mitchell Theriot, City Administrator

BY: _____
Yvette Talley, City Clerk

Fiscal Year 2022/2023 Budget Detail

EXPENDITURES	AMENDED 1/21/2022	BUDGETED 22/23
SALARIES & WAGES	116,174	157,595
DDA Director		69,615
DDA & Special Projects Mgr		44,290
City Administrator & Treasurer		20,000
Code Enforcement		23,690
PART TIME SEASONAL CREW	5,000	5,000
EMPLOYEE TAXES & BENEFITS	34,000	34,000
LEGAL SERVICES	900	900
OFFICE SUPPLIES	1,480	3,360
Adobe Subscription (SS & BD)		360
Technology/Software		2,700
Office supplies		300
TAX TRIBUNAL RETURNS	13,791	2,000
AUDITING & ACCOUNTING	800	800
TRAINING/MEMBERSHIP	4,500	8,175
MAP		675
MDA		250
National Main Street Conf (Director, Manager, 2 Board)		5,000
MEDA		250
misc. trainings		2,000
MAIN STREET PROGRAM	16,500	22,200
Corrdior Cleanup		200
Artisan Market		5,000
Juneteenth		3,000
Branding		2,000
Movie Night in the Park		2,000
Business Mini-Grant		10,000

STREETSCAPING	24,000	33,300
Flowers		1,500
Banners		1,500
Holiday Decorations		10,000
Trash Receptacles		13,000
Bike Loops		7,300
PLANNING/CONSULTING FEES	42,100	15,300
PRINTING/PUBLICATION COSTS	2,500	2,000
POSTAGE FEES	200	200
REPAIRS & MAINTENANCE	230,314	505,624
Alleys & Approaches		155,624
SRP Yr2		80,000
Excell (696 Mowing & Snow)		5,000
Alley Maintenance		5,000
HAWK Pedestrian Signals		250,000
Streetlight/DTE		10,000
MISCELLANEOUS EXPENDITURES	6,100	8,457
Meadowbrook Liability Insurance		4,657
misc. expense		500
LVTV -DDA mtg		3,300
DEPRECIATION INFRASTRUCTURE	-	-
CAPITAL EXPENDITURE	-	-
SIGN GRANT PROGRAM	10,000	10,000
FAÇADE GRANT PROGRAM	20,000	20,000
TOTAL EXPENDITURES	528,359	828,911