





**BUSINESS
IMPROVEMENT
ZONE**

Board of Directors Meeting

May 23, 2023, 9:00 a.m.

Guest Network: DDP Ambassador Guest
Password: Welcome2DDP



I. Call to Order



II. Roll Call



III. Approval of Agenda



IV. Approval of Minutes

a. February 28, 2023 – Regular Meeting



V. Administrative Report



BIZ Act Fix

- Senate Bill 164
- House Bill 4454



Marketing & Small Business Support

- Strategic, dedicated effort toward storytelling leading to renewal
- 40-percent monthly open rate, exceeding industry standard
- Built robust visuals - how the BIZ keeps Downtown vibrant
- Humanize and put a face to the momentum that the BIZ has created Downtown Detroit
- Tell the story consistently, deliberately and strategically
- NEW in 2023: Small Business Spotlight videos





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Downtown Job Fair

1,000+ JOB OPENINGS!

Wed., March 1 from
11:00 a.m. – 2:00 p.m.
1001 Woodward Avenue



MORE INFO
march1jobfair.eventbrite.com

DowntownDetroit.org

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WELCOME Downtown BIZ Connect



DOWNTOWNDETROIT.ORG/BIZ



@DOWNTOWNDET



**BUSINESS
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BEST



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Statement of Activities Compared with Budget

	Year to Date Total	% Budget Actual	2022-2023 Budget	Year to Date Variance Over/(Under)
Revenues				
Property Tax Revenues	\$ 5,086,637.82	100.90	\$ 5,041,120.00	45,517.82
Delinquent Tax Revenue	4,048.55	2.68	150,911.00	(146,862.45)
BIZ Supplemental Revenue	51,854.71	69.14	75,000.00	(23,145.29)
Property Tax Interest/Penalty	<u>6,741.46</u>	0.00	<u>0.00</u>	<u>6,741.46</u>
Total Revenues	<u>5,149,282.54</u>	97.76	<u>5,267,031.00</u>	<u>(117,748.46)</u>
Expenses				
Street Landscaping	316,841.30	70.25	451,000.00	(134,158.70)
Winter Season Lighting	0.00	0.00	100,000.00	(100,000.00)
Parks & Common Areas	625,314.75	75.34	830,000.00	(204,685.25)
Downtown Ambassadors	1,692,276.70	69.93	2,420,000.00	(727,723.30)
Comm. Mktg. & Outreach	129,276.55	60.98	212,000.00	(82,723.45)
Infrastructure & Planning	21,544.80	30.78	70,000.00	(48,455.20)
Safety & Security	181,669.23	54.23	335,000.00	(153,330.77)
Contingency	0.00	0.00	72,000.00	(72,000.00)
Memberships& Prof. Dev.	10,050.14	67.00	15,000.00	(4,949.86)
Legal Fees	22,500.00	75.00	30,000.00	(7,500.00)
Audit Fees	0.00	0.00	6,000.00	(6,000.00)
Admin Insurance	0.00	0.00	10,000.00	(10,000.00)
Meeting Expense	2,363.76	29.55	8,000.00	(5,636.24)
Capital Outlay	6,123.73	2.04	300,000.00	(293,876.27)
Project Mgmt/Admin	626,597.49	66.10	948,000.00	(321,402.51)
Office/Tel/Info Tech Expense	<u>103,138.54</u>	93.76	<u>110,000.00</u>	<u>(6,861.46)</u>
Total Expenses	<u>3,737,696.99</u>	63.17	<u>5,917,000.00</u>	<u>(2,179,303.01)</u>
Net Surplus / (Deficit)	<u>\$ 1,411,585.55</u>	(217.18)	<u>(\$ 649,969.00)</u>	<u>2,061,554.55</u>

(for the nine months ending
March 31, 2023)



VI. Audits

a. Overview of Audit Report for FY 2021-2022



VII. Committee Reports

a. Executive Committee Meeting of May 2, 2023



VIII. Old Business



IX. New Business



IX. New Business

**a. FY 2023-2024 Budget Time Schedule
(Proposed Res. 2023-03)**



a. FY 2023-2024 Budget Time Schedule (Proposed Res. 2023-03)

On or About	Budget Process Item
May 2, 2023	Chief administrative officer requests Downtown Detroit, Inc. (“DDI”) to provide information necessary and essential for preparation of recommended FY 2023-2024 budget, including for any budgetary centers of the Zone.
May 2, 2023	DDI, on behalf of any budgetary centers of the Zone, present the chief administrative officer and executive committee with information requested relating to FY 2023-2024 budget.
May 23, 2023	Chief administrative officer presents recommended FY 2023-2024 Budget and draft general appropriations act to Board of Directors.
June 13, 2023	Public hearing on budget at regular meeting of Board of Directors.
June 13, 2023	Board of Directors adopts budget.



IX. New Business

**b. Certification of 2023 Assessment Calculation
(Proposed Res. 2023-04)**



BIZ Assessment Total

2022 Assessment	
Assessable Ad Valorem Parcels	Total Assessment
578	\$5,197,031.48
2023 Assessment	
Assessable Ad Valorem Parcels	Total Assessment
581	\$5,671,460.11



Parcel Road Map

Start: Number of Parcels, 2022

578

Step 1: Parcels No Longer Assessable

1 parcels transferred to non-assessable use-type.

Step 2: Retired Parcels

7 assessable parcels were retired this year. Parcels are retired generally when they are combined to make a larger parcel or split into pieces.

Step 3: New Parcels

7 new parcels were created this year. New Parcels are created when there are parcel combinations or splits.

Step 4: Parcels Now BIZ Assessable

4 existing parcels are now assessable in the BIZ. These properties were previously exempt from assessment because they were owned by a non-taxable entity such as the City, a religious institution or the Detroit Land Bank.

Finish:

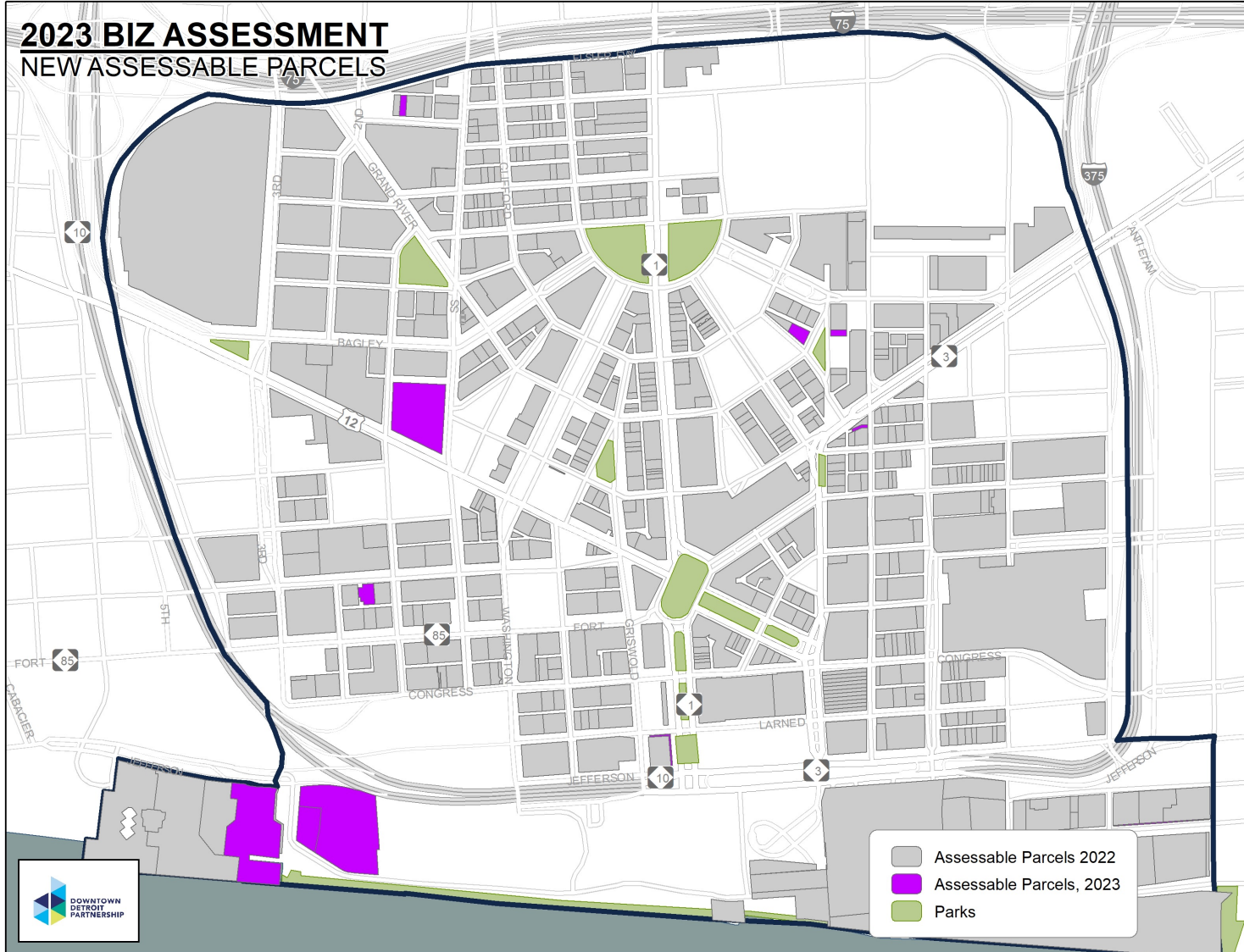
581 Parcels on the 2023 BIZ Assessment Roll

2023 TOTAL
ASSESSMENT
\$5,671,460.11

 \$474,429



New BIZ Assessable Parcels in 2023



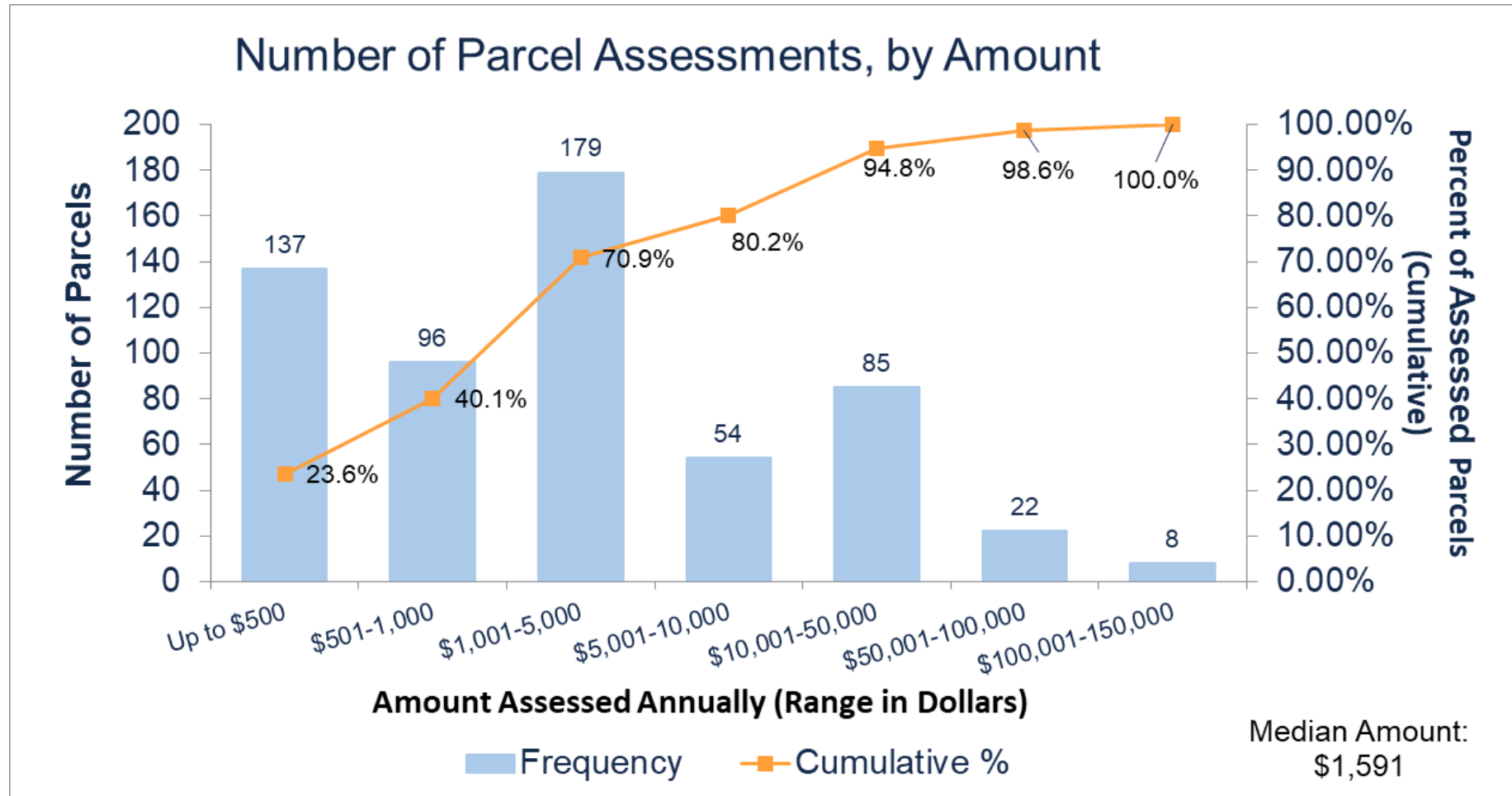
Assessment Summary

2022 Assessment	
Assessable Ad Valorem Parcels	Total Assessment
578	\$5,197,031.48
2023 Assessment	
Assessable Ad Valorem Parcels	Total Assessment
581	\$5,671,460.11

BIZ Assessment Road Map / Summary						
Start: 2022 BIZ Assessment	Step 1: Decreases in Assessment	Step 2: No Longer BIZ Assessable	Step 3: Retired Parcels	Step 4: Increases in Assessment	Step 5: New Parcels Or Newly Assessable	Finish: 2023 BIZ Assessment
\$5,197,031.48	-\$26,181.21	-\$184.60	-\$5,077.21	\$286,787.40	\$219,084.24	\$5,671,460.11
					Total Change	\$474,428.62



Number of Parcels by BIZ Assessment Amount



Top 30 Owners by BIZ Assessment

Rank	DDP Owner Alias
1	Bedrock
2	General Motors
3	VICI Properties
4	Olympia
5	DTE Energy
6	Blue Cross/Blue Shield of Michigan
7	Sterling Group
8	Redico
9	MGM
10	Reign Capital

Rank	DDP Owner Alias
11	TEG RF Owner LLC
12	City Club Apartments
13	Oxford Capital
14	Triple Properties
15	Roxbury
16	Foster Financial
17	Michael Higgins and Associates
18	Karp and Associates
19	Zaid Elia
20	Basco

Rank	DDP Owner Alias
21	Barbat Holding LLC
22	Maria Gatzaros*
23	Detroit Athletic Club
24	Charter County of Way
25	Comerica
26	Detroit Lions
27	MVP Detroit Center Garage LLC
28	Port Atwater Parking
29	Southeast Company LLC
30	Hamilton Point Investments

*Includes shared ownership of Atheneum Hotel



Notable Impacts: 2023

Building Name	True Owner	Property Address	Current BIZ Asmt	Notes
Current Year Impact				
AT&T Building	Reign Capital	444 Michigan Ave	\$150,000	Newly assessable
Book Cadillac Hotel	Oxford Capital	1114 Washington Blvd	\$97,395	Uncapped due to sale
City Club Detroit CBD	City Club Apartments	1501 Washington Blvd	\$66,049	First full assessment of new building
United Artists Theater Building	Olympia	150 Bagley	\$50,049	Renovation underway
Gabriel Houze / Sonder STR	Barbat Holdings LLC	305 Michigan Ave	\$24,789	First full assessment of building

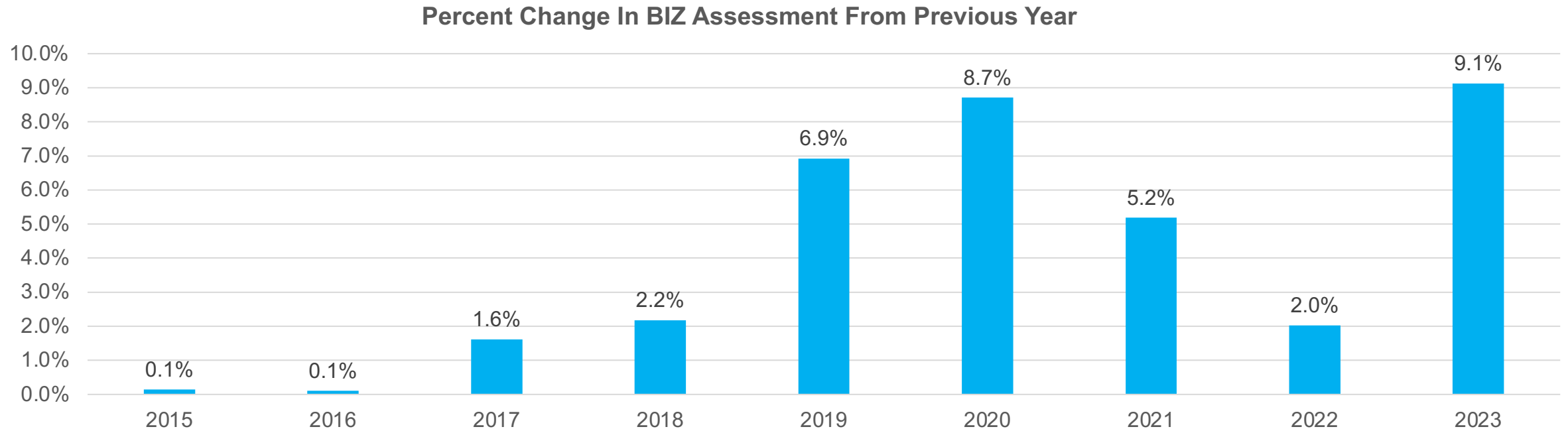


Notable Impacts: Future

Building Name	True Owner	Property Address	Notes
Future Projects			
Old Police HQ	Bedrock	1300 Beaubien	Fiscal Impact likely years away
Monroe Block	Bedrock	50 Cadillac Sq	Fiscal Impact likely years away
Hastings Place	Randolph Capital/ Hiram Jackson	1407/1427 Randolph	Hiram Jackson led, Paradise Valley Apartments. Land transferred from DDA this year.
Hudson Block	Bedrock	1208 Woodward Ave	Fiscal Impact likely years away
Hamilton Anderson Building Expansion in Paradise Valley	Rainy Hamilton	1435 Randolph	Part of Paradise Valley renovation projects likely to affect BIZ in several years
TCF/Huntington Bank HQ	Sterling Group	2047 Woodward	Full assessment next year
The Exchange	Mark Bennett/ Norman Pappas	316 Gratiot	New build on Gratiot, Impact starting next year
Book Building and Tower	Bedrock	1249 Washington Blvd	Fiscal Impact next year
Cadillac Tower	Bedrock	65 Cadillac Sq	Sold to Bedrock last year. Plans for Redevelopment?
Joe Louis Site (Residences at Water Square)	Sterling Group	600 Civic Center Dr	Newly assessable next year; largest impact a few years out
New Related/Olympia Projects	Related/Olympia	Various	Several new projects announced in District Detroit will have major impacts in several years



Growth in Total BIZ Assessment



Change in Assessed Value

Total Assessment		
2022	2023	Percent Change
\$5,197,031.48	\$5,671,460.11	9.1%

Total Assessed Value (Of Assessable Parcels)		
2022	2023	Percent Change
\$2,278,511,600.00	\$2,714,832,080.00	19.1%



IX. New Business

c. Publication of FY 2023-2024 Budget Hearing
Notice (Proposed Res. 2023-05)



IX. New Business

d. Presentation of recommended FY 2023-2024
budget



DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE BUDGET

DRAFT 5-23-23 FOR BIZ BOARD

PROJECTED REVENUE	ADOPTED FY 2022-2023	DRAFT FY 2023-2024 WITH Reauthorization	DRAFT FY 2023-2024 WITHOUT Reauthorization
BIZ board certification of assessment calculation	\$ 5,197,031	\$ 5,671,460	\$ 5,671,460
BIZ adjusted assessment roll (as billed by city)			
Assessment revenueue collected as % of certification	97%	97%	97%
Initial projected assessment revenue	\$ 5,041,120	\$ 5,501,316	\$ 5,501,316
Surplus revenue at 7/1 of prior year	\$1,050,000	\$ 600,000	\$ 600,000
Allocation of surplus revenue	\$ 650,000		
BIZ Supplemental Revenue	\$ 75,000	\$ 75,000	\$ 75,000
Wayne County DTRF	\$ 150,911	\$ 165,144	\$ 165,144
TOTAL BIZ REVENUE THROUGH 6-30-24		\$ 6,341,460	\$ 6,341,460



DOWNTOWN DETROIT BUSINESS IMPROVEMENT ZONE BUDGET

DRAFT 5-23-23 FOR BIZ BOARD

PROJECTED EXPENSES	ADOPTED FY 2022-2023	DRAFT FY 2023-2024 WITH Reauthorization	DRAFT FY 2023-2024 WITHOUT Reauthorization
Direct BIZ expenses	\$ 54,000	\$ 64,000	\$ 64,000
<i>Legal</i>	\$ 30,000	\$ 40,000	\$ 40,000
<i>Audit</i>	\$ 6,000	\$ 6,000	\$ 6,000
<i>D&O insurance</i>	\$ 10,000	\$ 10,000	\$ 10,000
<i>Meeting Supplies</i>	\$ 8,000	\$ 8,000	\$ 8,000
DDI administrative expenses	\$ 1,073,000	\$ 1,099,390	\$ 824,543
<i>Project Management/Administration</i>	\$ 948,000	\$ 948,390	\$ 711,293
<i>Office/Telecommunications/Information Technology</i>	\$ 110,000	\$ 136,000	\$ 102,000
<i>Memberships and Professional Development</i>	\$ 15,000	\$ 15,000	\$ 11,250
DDI project expenses	\$ 4,493,000	\$ 5,060,000	\$ 3,795,000
<i>Street Landscaping</i>	\$ 451,000	\$ 500,000	\$ 375,000
<i>Winter Season and Supplemental Lighting</i>	\$ 175,000	\$ 100,000	\$ 75,000
<i>Parks and Common Areas</i>	\$ 830,000	\$ 880,000	\$ 660,000
<i>Ambassadors</i>	\$ 2,420,000	\$ 2,750,000	\$ 2,062,500
<i>Communications, Marketing, Engagement and Data</i>	\$ 212,000	\$ 260,000	\$ 195,000
<i>Infrastructure and Planning</i>	\$ 70,000	\$ 70,000	\$ 52,500
<i>Safety and Security</i>	\$ 335,000	\$ 500,000	\$ 375,000
Capital Outlay	\$ 300,000	0	\$ -
Unassigned fund balance for dissolution and potential redistribution			\$ 1,657,918
Project contingency (with reauthorization) OR BIZ wrap-up (without Reauthorization)		\$ 118,070	

IX. New Business

e. Amendment to FY 2022-2023 General Appropriation Act (Proposed Res. 2023-06)

Recommendation to release \$72,000 contingency and apply funds to increased costs in Ambassador Program line item



X. Public Comment



XI. Other Business



XII. Adjournment





**BUSINESS
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