

DOWNTOWN DEVELOPMENT AUTHORITY

P.O. Box 2451 ♦ DAYTONA BEACH, FL 32115-2451 ♦ (386) 671-8180

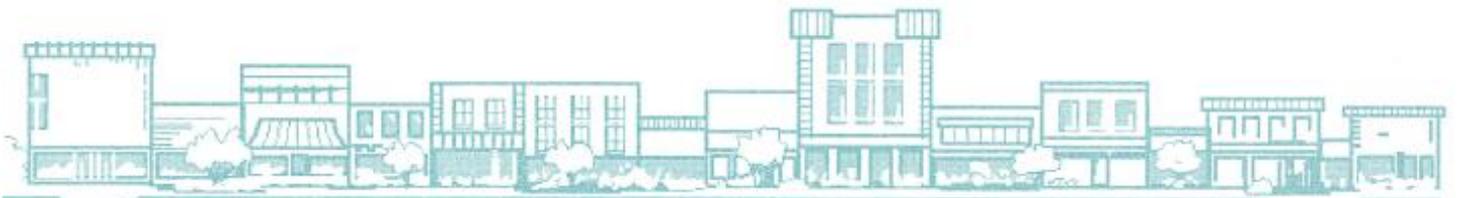
AGENDA

Friday, August 26, 2011 9:00 a.m.
Conference Room 116

NOTICE – If any person decides to appeal any decision of the Downtown Development Authority at this meeting, they will need a record of the proceedings. Interested persons may wish to ensure that a verbatim record of the proceedings before the Board is made, including any testimony or evidence presented to the Board. The City does not prepare or provide a verbatim record of Board proceedings.

PLEASE NOTE MEETING DATE & LOCATION CHANGE

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes: July 26, 2011**
4. **DBPA Request to Terminate Grant Agreement with the DDA**
5. **Downtown Holiday Marketing & Promotion**
6. **Request for Proposals (RFP) to Manage Downtown Marketing & Promotions**
7. **DBPA Update**
8. **Staff Update**
9. **Public Comments**
10. **Other Business**
11. **Adjournment**



**DOWNTOWN DEVELOPMENT AUTHORITY
MINUTES**

July 26, 2011

There was a meeting of the Downtown/Balough Road Redevelopment Area Board held Tuesday, July 26, 2011 at 8:00am in the Conference Room 149-B at 301 South Ridgewood Avenue, Daytona Beach, Florida. The following people were present:

Board Members

Mr. Bob Abraham, Chair
Ms. Sheryl Cook
Mr. Joseph Hopkins
Ms. Stacey Lipton
Ms. Kelly White

Staff Members Present

Mr. Reed Berger, Redevelopment Director
Mr. Jason Jeffries, Project Manager
Mr. Bob Jagger, Deputy City Attorney
Ms. Jeanne Tolley, Redevelopment Technician
Ms. Cathleen Olson, Recording Secretary

1. Call to Order

Mr. Abraham called the meeting to order at 8:07am.

2. Roll Call

Ms. Olson called the roll and noted members present as stated above.

3. Approval of the Minutes of June 28, 2011 and July 11, 2011

Ms. Cook made a motion to approve the minutes of June 28, 2011. Ms. Lipton seconded the motion and it was approved unanimously (5-0).

Mr. Hopkins made a motion to approve the minutes of July 11, 2011. Ms. Cook seconded the motion and it was approved unanimously (5-0).

4. Quarterly Budget Report

Mr. Jeffries outlined the status of DDA expenditures as shown on page 17 of the packet, noting the possibility of line item transfers to cover potential overexpenditures in certain funds in September.

Ms. White asked where the money would be transferred from..

Mr. Jeffries stated that money could be transferred to projects and events from holidays, noting an excess of \$2,000 in holiday budgeting.

5. DBPA Grant Quarterly Report

Mr. Hopkins read for the record form 8B, signifying he had a conflict of interest.

Mr. Jeffries stated that the DBPA had submitted the required quarterly project report, and noted a worksheet prepared by Staff with the status of eligible grant expenses to date. He stated that Staff proposed a payment of \$29,960 for the third quarter, instead of \$30,606 documented by the DBPA, and noted that the Downtown magazine was no longer in publication. He stated that the documented eligible expenses submitted by the DBPA for the first three quarters, totaling \$71,895.86, exceeded the grant allocation of \$71,250 for the first three quarters. The proposed quarterly payment of \$29,960 reflected a payment to reimburse a total of \$71,250 for the first three quarters.

Ms. Weiss stated that the Downtown brochures were ready for distribution later in the week. She stated that the DBPA was in negotiations with a new publisher for the Downtown magazine, with the goal of creating a self-sustaining publication. No hours towards the magazine had been included in the hourly backup of the executive director.

Board Action

Ms. Cook made a motion to approve the proposed quarterly payment of \$29,960. Ms. Lipton seconded the motion and it was approved unanimously (5-0).

6. Concierge Book Advertising

Mr. Jeffries outlined a proposal submitted by Deb Smith, See Coastal Media, for the DDA to fund advertising in the In-Room Concierge Book at the cost of \$7,500, and provide a discount to participating Downtown businesses. He stated that there were two possible plans, one of which was outlined in the packet, with a one-page Downtown ad, and one with a half-page ad.

Ms. Deb Smith outlined the two proposals, stating that the map had been revised to include the appropriate Downtown area. She stated that for the one-page ad, there was \$2,400 remaining from the \$7,500 being incorporated into the discount to incentivize Downtown businesses to participate. She stated that See Coastal Media would provide an overall discount of 15%, and Plan A, with a full-page ad, had an additional 10% off, and Plan B, with a half-page ad, had a further 10% discount. She stated that if 18 businesses participated with a spread of different-sized ads, it would total \$4,434 for Plan B.

Ms. Cook asked for further clarification as to Plan A versus and Plan B.

Ms. Smith stated that Plan A was a full-page ad and Plan B was a half-page ad. If Plan A was adopted, participants would receive an additional 10% discount based on the DDA's contribution, while in Plan B, participants would receive an additional 10% on top of that, noting that the cost to the DDA would remain \$7,500 regardless of which plan was adopted.

Ms. Lipton stated that a half-page ad could help spread the cost and render the advertising more accessible to Downtown merchants.

Ms. White asked what would happen with Plan B if all of the advertising space were not sold.

Ms. Smith stated that if the \$4,315 in sales was not reached, she would go back and work with each advertiser and reduce the amount owed. She also asked if the trolley could purchase advertising with the Downtown discount.

Mr. Jeffries stated that it would depend on the nature of the advertisement, but if the ad was promoting the trolley to come Downtown specifically, the discount could be applied.

Mr. Abraham asked about the cost to the DDA under the two plans.

Ms. Smith stated that the cost to the DDA would be \$7,500 under both plans.

Mr. Jeffries stated that it was a question of how to allocate the benefits of the plans, with the full-page ad of Plan A promoting Downtown in general, while the half-page ad of Plan B put more direct benefits to participating businesses. He also noted that the payment would come out of the following year's budget, as the payment would not be due until after October 1.

Mr. Abraham noted that Plan B seemed to subsidize those businesses who elected to advertise more than those who did not, and questioned if that was appropriate for the DDA.

Ms. Smith stated that the main goal was to promote the destination, and that more participants created more energy to encourage people to go Downtown.

Ms. White stated that she preferred Plan B with the option of a small, 1/12 page advertisement, noting that ads could be prohibitively expensive particularly for new businesses even if they were interested in doing so.

Mr. Abraham stated that with more businesses participating, a half-page ad could be as beneficial as a full-page ad, with even non-participating businesses receiving benefit from increased numbers of people coming Downtown.

Ms. Lipton stated that Plan B made the advertisements more accessible to more Downtown businesses.

Ms. Cook asked if there would be any rollover money in the budget.

Mr. Jeffries stated that there would be very minimal rollover, if any, though there was some unallocated reserve money.

Ms. White asked what line item the project would come from.

Mr. Jeffries stated that the money would come from the marketing line item.

Ms. White asked how much money was in the marketing budget.

Mr. Jeffries stated that \$43,250 was in the marketing budget, including the money reallocated to marketing by vote at the previous meeting.

Board Action

Ms. Cook made a motion for the DDA to fund Plan B to increase the number of Downtown businesses who could participate. Ms. White seconded the motion and it was approved unanimously (5-0).

Ms. White asked if See Coastal Media would be responsible for selling the advertisements.

Ms. Smith stated yes they would be responsible for marketing the advertisements, but asked the DDA for support in distributing information about the project.

Mr. Abraham asked for a future report about how many businesses would be participating.

Ms. Smith stated that she would provide reports to Mr. Jeffries on a regular basis.

7. Downtown Branding

Mr. Jeffries stated that Mr. Berger's notes from the Town Hall meeting were provided in a memo in the packet.

Ms. Weiss handed out the results from a merchant survey done after the Town Hall meeting.

Mr. Abraham stated that the Orange & Palm logo appeared to be more popular at the Town Hall meeting, while it was the least favorite among the Board at the previous meeting. He stated that the Board could either choose one of the presented logos or request more tweaking of one or more logos.

Mr. Jeffries stated that he could do minor tweaking, such as colors or fonts, at no additional cost.

Mr. Abraham noted that there would also be taglines used with the selected logo, such as incorporating the words “historic”, “riverfront”, “beautiful”, or individual taglines from businesses.

Ms. White asked Ms. Weiss if the merchants were excited about the branding project.

Ms. Weiss stated she did not influence the merchants’ opinions, but most merchants knew instantly which logo they favored. She stated no merchants had strong negative feelings about any of the logos.

Ms. Lipton noted that despite concern about representing the beach versus the river, most people seemed to favor the logo that did not depict water.

Ms. Weiss stated that there had been frequent comments that aspects that were not sufficiently prevalent in the logo could be incorporated into the tagline. She stated that the biggest concern seemed to be creating a logo that was unique.

Mr. Berger stated that there had been enough critique that a fourth or fifth option might have been chosen if available. He stated that there had been concerns about whether the designs represented the river or the ocean.

Ms. Cook asked if there were concerns with the colors being too primary and not historic enough.

Ms. Weiss stated there had not been substantial concerns about the primary colors.

Ms. Lipton stated that most people tended to gravitate to brighter oranges and yellows as invigorating and energizing colors.

Mr. Hopkins asked about participation at the Town Hall meeting.

Ms. Weiss stated that about 15 people had been at the Town Hall meeting, including five merchants.

Mr. Hopkins stated that the first logo, the City on the River, incorporated the essence of Downtown and could be better implemented than the others.

Ms. White stated that the third logo, Orange & Palm, was a strong design with the icon not reliant on words, noting that the colors and fonts could be adapted at no charge.

Ms. Lipton noted that the first and third logos incorporated the same font.

Ms. Cook stated that it would be beneficial to show how the Orange & Palm logo appeared in black and white.

Ms. Weiss stated that the logos were shown in color and in black and white in the packet for the last meeting.

Mr. Abraham asked how the City on the River logo would appear on a banner.

Ms. Lipton stated that the font could be done similarly to the Orange & Palm logo and the wave removed from the design.

Mr. Jeffries stated that he could work with Mr. Mastando on the coloring of the Orange & Palm logo and bring it back at the next meeting.

Mr. Hopkins asked if it could be shown visually how each of the designs could be incorporated into banners and other media.

Mr. Abraham recommended removing the revised Iconic Palm Tree from contention due to lack of overall enthusiasm to simplify the discussions.

Ms. Lipton asked if it could be shown where the taglines would be placed on the designs.

8. DBPA Update

Ms. Weiss presented updates from the DBPA, noting that a copy of the committee updates was included with the quarterly report, as well as a status update in terms of the work plan set out at the beginning of the year. She stated that the committee update outlined highlights from the Promotions Committee, noting that the Taste of Downtown would continue through September, instead of August as stated on the memo. She updated the Board on the Economic Restructuring Committee and the Design Committee, noting the launch of the Riverfront Park Demonstration Project/Downtown Plaza at the corner of ISB and Beach Street on Thursday, July 21 at Ivy Lane Bistro, and noted that the brick paving stone sponsorship project was underway. She outlined upcoming events, including a Downtown Booth at the News-Journal Home Show on October 21-23, a monthly Science Café at Sweet Marlays Coffee on the third Thursday of each month at 6:30pm, and the monthly Critical Mass bike ride on the last Friday of each month, beginning at 5:30pm at the City Island Library. She also noted the News-Journal Food & Wine Festival as well as the Taste of Downtown planned for September

as promotion of “all things happening Downtown”, such as the French Market, the Farmer’s Market, the Art of the Automobile, etc. She noted that a rental permit fee had been included in addition to the market budget, which the DDA had supported for past events.

Mr. Abraham asked if event funding would come from the marketing budget.

Mr. Jeffries stated that funding would be under DDA events, noting that \$29,400 were budgeted towards events, including Staff time, with some events having been changed as they came before the Board for approval. He stated that there was approximately \$6,500 left in the allocation for events.

Ms. Weiss stated that the DBPA was working from the balance sheet provided on page 19 of the packet, noting that the DBPA had spent \$22,000 of \$39,000 in the events category, and stated that there would be a \$5,000 cap in spending for the Summer Recess.

Mr. Jeffries stated that the DBPA had not yet submitted receipts for the Summer Recess series.

Mr. Abraham asked when the DBPA needed a commitment from the DDA regarding the Taste of Downtown event.

Ms. Weiss stated that she wanted the Board’s opinion of the event, noting that the DBPA was working on marketing of the event and would not spend more than was allocated.

Ms. White asked about the possibility of combining the event with closed-street events such as the Rock & Rhythm event.

Ms. Weiss stated that the idea was to create an event with a lot of people in a smaller area, versus having people more spread out as during closed-street events, and noted weather concerns with closed-street events as well.

Ms. Lipton stated that a similar event had been held about ten years ago to great success, but noted that key people had been specifically invited, such as hoteliers, Commissioners, the Mayor, advertisers, etc., and emphasized the benefits of a predictable, air-conditioned space instead of an open-air event. She stated that she considered the event to be an outstanding idea and worth the work involved.

Mr. Abraham asked if the Taste of Downtown event was allocated into the budget.

Mr. Jeffries stated that the event was not specifically allocated but was supportable under the event line item.

Mr. Abraham asked if it was possible to approve the event for less than the amount requested.

Ms. Weiss stated that if a smaller amount was approved, the DBPA would work to tweak the event to fit within the approved budget.

Mr. Jeffries stated that Staff felt comfortable with the funding request of \$6,500.

Board Action

Ms. Lipton made a motion to approve up to \$6,500 to fund the Taste of Downtown event in September. Ms. Cook seconded the motion and it was approved unanimously (5-0).

Ms. White asked for clarification of the specific date of the event.

Ms. Weiss stated that the event was planned for the second week in September.

9. Staff Update

Mr. Jeffries outlined updates regarding issues brought before the Downtown/Balough Road Redevelopment Area Board at the July 12, 2011 meeting. He stated that the Downtown/Balough Road Board had approved a wall graphic for Sweet Marlays Coffee Shop, and their request for a sidewalk café would be brought back at the next meeting. He stated that a sidewalk café had been approved for the new Rhokkoh's Frozen Yogurt.

Ms. Lipton asked if there were quality standards for the furniture allowed in Downtown sidewalk cafés.

Mr. Jeffries stated that the issues of standards in sidewalk cafés had been addressed at the last Downtown/Balough Road meeting. He stated that sidewalk cafés were currently a two-step process, with the Downtown/Balough Road approving the conditional use, and the license agreement from the City Commission, which involved language regarding quality materials for the sidewalk furniture. He stated that there were no current problems with sidewalk cafés, but acknowledged problems with tables outside restaurants on business-owned properties that were not technically sidewalk cafés.

Ms. White stated that it was difficult for businesses to even find sandwich board signs that fully met design standards, and the same problem frequently applied to sidewalk café-type furniture. She suggested the possibility of providing resources for Downtown businesses to find quality furniture and signs at affordable prices.

Mr. Jeffries updated the Board on the West ISB Project, encompassing ISB from Ridgewood Avenue to Atlantic Avenue on both sides of ISB. He stated that there

would be a public meeting in September, and noted that parking would remain nearly or entirely intact, but with the intent of increasing safety of pedestrian crosswalks.

Ms. Cook asked if Code had the ability to address problems with vehicles obstructing the view of oncoming traffic on Beach Street.

Mr. Jeffries stated that part of the ISB Project emphasized safety and slowing traffic on Beach Street.

Mr. Jagger stated they could possibly create a loading zone, but the size of vehicles could not be regulated.

10. Public Comments

Ms. Ritzi noted that there had been a request the previous month for information regarding the DBPA's budget, including the funding of the current budget, and stated that the DBPA wanted to include the in-kind value from partner businesses to demonstrate their value.

Ms. Weiss stated that the DBPA memo addressed the DBPA's actual spending for 2009, 2010, and income, as well as their actual income year-to-date for 2011. She stated that the final column outlined the year-to-date information income, in terms of sponsorships and in-kind services. She stated that the Downtown Plaza design hours were not included, but emphasized that the time was extensively tracked and documented, and noted a three-page outline of the current activities of the DBPA.

Ms. Ritzi stated:

“Also, I know that in your packet that you did receive from Jason, on the very last page there was an email that was sent from myself to Jason, and it was in response to the request for not only for quarterly reimbursement money, but also asking us to submit a grant budget for next year for our organization. We have had, within our Downtown associations, some major meetings regarding the budget, the proposed budget for next year. We originally were told, I guess a few months ago, that the budget would be about \$80,000 to the DBPA, and we've since been asked by Jason to revise that budget down to \$50-55,000, and that effective budget that we saw last month was about \$45,000, \$47,000 billed to the DBPA.

Our executive committee has met several times within the last week or two, because we have been given this information kind of last-minute as far as revision, and feel that upon discussion with that, we have some serious concerns about our being able to fulfill the grant agreement as it is stated currently for next year, and also we have been provided some information from both Jason and

some people on this Board that indicates that they would like the DBPA to have more independence from the funding of this group, and we understand of course that funding is going down for everybody. So we have some concerns about submitting at this point in time any type of a budget that could be for October of next year.

I believe that the current budget does not support the activities of the DBPA; it doesn't support the grant agreement. And so far, we [directed?] our Board to draft a letter than basically states that at this point in time, we're not willing to submit a budget and that we're not certain that we'll be able to renew the grant agreement come October with the DDA, unless there's some additional discussion about it, we really feel that the budget has been taken to a level where -- mandating that we have a Main Street program, for one thing, is very expensive for our group to do that; it requires us to have a full-time director, it requires us to have a full-time office, it requires us to have office hours of 35 hours a week representing everybody in the district, and for somebody to be able to accomplish that on a part-time salary isn't possible, absolutely impossible. Naomi has her timesheets which she brought here, which we'd be happy to distribute to you all; I know that we give them to Jason every month, but he doesn't forward them to you all, at least we haven't seen them in the packet. I think you would be probably very interested to see that she puts 50 to 60 hours in a week for -- on behalf of the Downtown.

And so we, we're kind of faced with the situation of feeling like the budget for next year that's submitted by Jason really didn't have any directives from our group at all, so we were very unhappy as a Board to be given kind of our marching orders, as we feel, without really being able to have any input to that. And the reduced amount is such that we don't really feel we can operate within those parameters. So we -- what we would like to do, we were going to originally make a presentation today, that's why we suggested that we wouldn't do that, because our Board needs to meet in a lengthy meeting, which we're planning for the next two weeks, it would be a workshop, to be able to hash out kind of how we transition forward from here as the DBPA, and also possibly come up with an alternate plan of how we can address the budget shortfall, and how we can interact with the DDA within the parameters of this new budget, because currently, it's just not going to work for the DBPA."

Mr. Abraham emphasized that if the DBPA moved forward as an entity independent of financial support from the DDA, the DDA would continue to fund events, with the only substantial difference involving funding for the Main Street Program.

Ms. Ritzi stated that a half-day retreat was planned for the DBPA to address issues and priorities.

Mr. Abraham noted that it had been a goal of the DDA for the DBPA to become more financially independent, given the limitations on the ability of the DDA to continue funding the DBPA at level it had been. He stated that the DDA appreciated the position of the DBPA and looked forward to continue working with the DBPA to accomplish the goals for Downtown.

11. Other Business

Ms. Lipton stated that the French Market was moving forward, with planned events on October 29, November 19, and December 3.

Ms. White asked when the directory kiosks would be implemented.

Mr. Jeffries stated that they would be implemented within the next few weeks, with the final draft having been submitted the previous day.

Ms. White asked how often the kiosks would be updated.

Mr. Jeffries stated that the kiosks would be updated three to four times each year.

Ms. White asked if there was a way to promptly include new businesses within the DDA boundaries in the directories.

Mr. Jeffries stated that a new business form would be available soon.

Ms. White emphasized the need for resources for new businesses to obtain quality items that met design standards. She understood that staff could not recommend any one business.

Ms. Weiss stated that it was possible for the DBPA to identify good examples of businesses adhering to design standards.

12. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:49am.

Bob Abraham, Chairman

Cathleen Olson, Board Secretary



THE CITY OF DAYTONA BEACH

REDEVELOPMENT DIVISION

POST OFFICE BOX 2451
DAYTONA BEACH, FLORIDA 32115-2451
PHONE (386) 671-8180
Fax (386) 671-8187

MEMORANDUM

DATE: August 18, 2011

TO: Downtown Development Authority Members

FROM: Jason Jeffries, Project Manager

SUBJECT: DBPA Request to terminate the Grant Agreement

Attached is a letter from Cynthia A. Ritzi, President of the Daytona Beach Partnership Association requesting termination of the grant agreement with the DDA. The letter was presented to the Authority at the end of the last meeting. This item is for the DDA to take formal action on the request to terminate the grant agreement.

Daytona Beach Partnership Association



July 25, 2011

To: Downtown Development Authority

From: Daytona Beach Partnership Association

RE: DBPA Grant Budget Submittal for 2011-2012

Please accept this letter, drafted and approved by the Daytona Beach Partnership Association (DBPA) Board of Directors, as our official response to the request for a budget submittal to the Downtown Development Authority (DDA) Board for fiscal year 2011-2012, which begins in October 2011.

As we all acknowledge that the budget for the DDA and consequently the DBPA is being severely impacted by continuing poor economic conditions, the DBPA has been asked to “revise” our budget downward to a level that makes it no longer practicable for the DBPA to meet its obligations under the Downtown Development Authority Grant Agreement.

The DBPA Board does believe that past financial support of our organization has offered a tremendous value to the City of Daytona Beach and the DDA. Our substantial base of dedicated volunteers and our loyal, tireless Executive Director have worked diligently over the past number of years to provide valuable assistance to the City Redevelopment office and have implemented extensive promotional, design and economic programs to positively impact the downtown business community.

We have been asked by both the City Redevelopment Staff and the DDA to work on plans and programs that would enable us to become more independent of the annual grant funding. Also, the desire of both parties to spend larger portions of the Grant Budget on the direct purchase of advertising and sponsorship of select downtown events has a significant impact on the funding available to the DBPA. The DBPA is in agreement that there is a need for more independence for our organization, from both a funding and oversight perspective.

Daytona Beach Partnership Association

The DPBA is very confident that we can still fulfill our mission for the betterment of downtown and maintain the positive momentum that we have built over the past several years. We are formulating a detailed business plan that will enable us to proceed uninterrupted. Our terrific Board, Executive Director and volunteers have expressed their support of this transition and look forward to the promise and responsibility that independence brings.

Therefore, the Daytona Beach Partnership Association Board has voted not to renew the Downtown Development Authority Grant Agreement, as currently drafted, for fiscal year 2011-2012. Of course, we will be honoring our current agreement through the end of September and providing the same level of service and commitment to Downtown which we have always shown through the years. However, we would like to present to the DDA next month a detailed plan of how we can make this transition in a manner that will work for all parties involved.

We look forward to working in concert with the DDA and City of Daytona Beach toward the common goal of continued economic revitalization of our beautiful downtown.

Respectfully submitted,



Cynthia A. Ritzi

President, Daytona Beach Partnership Association



THE CITY OF DAYTONA BEACH

REDEVELOPMENT DIVISION

POST OFFICE BOX 2451
DAYTONA BEACH, FLORIDA 32115-2451
PHONE (386) 671-8180
Fax (386) 671-8187

MEMORANDUM

DATE: August 18, 2011

TO: Downtown Development Authority Members

FROM: Jason Jeffries, Project Manager

SUBJECT: Downtown Holiday Marketing & Promotion for 2011

This item is to discuss an interim measure for the Downtown Development Authority (DDA) to market and promote Downtown during the Holidays. In the past, the DBPA has promoted Downtown during the holidays with the grant funds from the DDA. If the grant agreement is terminated, an experienced marketing firm could be hired to coordinate the marketing efforts for this upcoming holiday.

Staff has contacted a local marketing firm to coordinate the holiday marketing with a budget of about \$11,000. The following is an outline of a proposed marketing and promotion efforts for the holidays. A more detailed proposal will be forwarded prior to meeting next week.

Downtown Booth

- Create a 10x10 tent that can be used at the Halifax Art Show, French Market, and Farmers Market to promote the Downtown and collect data in order to build a mailing list of potential customers.

Holiday Discount Card

- Get input from merchants to determine optimum discount to create incentive for customers to shop at participating merchants.
- Purchase email address list to promote Holiday card in exchange for personal data.
- Use card in all media advertising.

Holiday Open House

- Promote a Downtown Open House 2-6pm on a Saturday. Participating merchants would give out free food, drinks and offer special sales on the day of the Open House
- Have contest to give away a 12ft Stocking full of gifts from participating merchants.
- Same day as the Boat parade or Downtown Holiday Festival, early in December.
- Have entertainment with Holiday Music and caroler's.
- Promote Downtown retail with special sales.
- Promote Downtown restaurants during and after Open House

Advertising

Use print, radio, cable TV, and email blasts to promote Open House, Downtown shopping and dining, and the discount card.

The DDA has \$20,000 budgeted in the Downtown Holidays line item for Fiscal Year 2011/12. The DDA has already committed \$8,540 (Three Year Contract Approved 9/21/10) to CDI Enterprises for Downtown Decorations. The DDA has \$11,460 available in the Downtown Holiday line item for FY 2011/12.



In Partnership with Al Smith Productions

DOWNTOWN DEVELOPMENT AUTHORITY

Proposal Summary - Draft

Goals

Boost traffic in downtown Daytona Beach business establishments

Drive holiday shoppers and diners to downtown

Drive acquisition of consumer data to create and establish an on-going, year-round relationship with area consumers keeping Downtown top of mind

Long term goals: encourage Downtown loyalty – build a consumer preference for downtown – increase customer retention and improve consumer relations

4th Q Plan of Action

Develop a “Downtown Discount Card” (DDC) with a January 31 expiration date. Discounts and specific offers to be determined. We recommend a 10% discount not to exceed \$100, and double up days (Mondays and Tuesdays) to increase traffic at the beginning of the week. Culminate the 4th Q push with an open house event on Saturday, December 3 from 2-6, followed by the Boat Parade at 6:30 and a give-away of a 12’ Christmas Stocking to a randomly pulled DDC holder. Stocking to be filled with merchant donated merchandise valued at \$50 or more

Execution

- Create an internet landing page for anyone who wants a DDC. The card is free in exchange for permission to send them downtown updates and providing their contact information. Upon registering, they will be mailed a DDC.
- Distribute DDC rack cards to area merchants to give to customers in exchange for permission to send them downtown updates and providing their contact information. Once they fill out the registration, merchant snaps the DDC off the rack card and gives the DDC to customer. Merchant to hold on to the registration information to be picked up or mailed in to be incorporated into the master mailing list.
- Purchase 30,000+ list of local emails to promote the landing page for the DDC – recommend sending emails weekly or bi-weekly through the 4th Q promotional period – possibly offer area merchants low cost advertising/spotlights (with write up) in emails
- Set up PR booth on-site at Biketoberfest, Art Festival, French Markets and Farmers Market to engage and register consumers and distribute DDCs – possibly incorporate spin the wheel for a prize game to pull people to booth
- Create, book and execute miscellaneous media buys to promote the DDC and the locations/events/web where consumers can obtain a DDC of their own.
- Distribute press releases to all area media promoting the DDC and the locations/events/web address where consumers can obtain a DDC of their own.
- Position open house event on all area event calendars.

DOWNTOWN DEVELOPMENT AUTHORITY PROPOSAL - DRAFT

-2-

Approximate Budget

| | | |
|---|---------|---------|
| Landing Page | \$800 | |
| Email List (30,000+ addresses) | \$2,500 | |
| Six bi-weekly email newsletters | \$750 | |
| OR 12 WEEKLY EMAIL NEWSLETTERS | | \$1200 |
| 2,000 4 x 9 Rack Cards | \$600 | |
| Miscellaneous Media Buys: | | |
| October | \$2,000 | |
| November | \$4,000 | |
| December | \$3,000 | |
| Agency Fee | \$2,250 | |
| Approximate Postage | \$110 | |
| 50 Posters for Merchants | \$100 | |
| Booth | \$500 | |
| Open House Mgmt & Coordination | \$ | |
| Human Resources (PR Campaign to man booth at Biketoberfest (2 days), Art Festival (2 days), French Markets (3 days), Farmers Markets (8-10 Saturdays): | | \$3,150 |

BULLSEYE DIRECT LLC
FULL SERVICE MARKETING COMPANY



In Partnership with Al Smith Productions



THE CITY OF DAYTONA BEACH

REDEVELOPMENT DIVISION

POST OFFICE BOX 2451
DAYTONA BEACH, FLORIDA 32115-2451
PHONE (386) 671-8180
Fax (386) 671-8187

MEMORANDUM

DATE: August 18, 2011

TO: Downtown Development Authority Members

FROM: Jason Jeffries, Project Manager

SUBJECT: RFP to Manage Downtown Marketing & Promotions

This item is to discuss the steps the Downtown Development Authority (DDA) will take for marketing and promotion of Downtown in the future, if the contract with the DBPA is terminated. One potential course of action is for the DDA to issue a request for proposal (RFP) to hire an individual or a marketing firm to implement marketing and promotion efforts for Downtown. Staff is requesting direction from the Authority members on the desired next steps with marketing and promoting Downtown.

The following is an outline of a proposed RFP to select an individual or firm with experience to manage the marketing of Downtown.

Proposed Function or Duties of Marketing Individual or Firm

Goal of creating a coordinated image and associated campaign for Downtown Daytona Beach to entice residents, daytime visitors and tourists to visit Downtown Businesses. The development and implementation of the Marketing and Promotion Plan will:

1. Update the Downtown Marketing Plan
2. Ensure the marketing plan and media placement strategy reflects the identified target markets in the Gibbs Retail Market Study
3. Coordinate the implementation of the brand for the downtown
4. Develop and implement a media placement strategy and calendar; selected media may include websites, magazines, newspapers, television, and radio, etc.

5. Develop and maintain a website for Downtown and implement a strategy for presence on social media.
6. Determine appropriate message and design ads for selected media.
7. Implement an annual marketing and event promotion program with a budget approved by the DDA, including management fees.
8. Develop a comprehensive promotional plan for Downtown events
9. Develop a public relations campaign
10. Develop an implementation strategy including a project budget and schedules for DDA approval
11. Communicate with Downtown merchants about the marketing strategy

Information to be Submitted for Review

1. *Firm History*: Name, address, and brief history of the firm.
2. *Personnel and related experience*: Include resumes of key personnel indicating relevant qualifications and experience; information on projects where the firm rendered similar professional services.
3. *Proposed Work Plan*. Provide the technical approach recommended accomplishing the required work. Include tasks, methodologies, and a description of the client/stakeholders involvement in the process.
4. *References*. Provide a list of three applicable references.
5. *Fees*. Provide fee quotation for the services outlined in the work plan. Price may not be a determining factor in the award.

Evaluation Criteria

All proposals could be reviewed directly by the DDA or the submittals could be narrowed to three firms or individuals and presentations by the final three made to the DDA. The DDA would make the final selection. Each proposal will be reviewed and evaluated based on the following:

1. Thoroughness and clarity of proposal
2. Past experience of firm with similar work with marketing a Main Street area.
3. Past experience of personnel proposed for this project
4. Past performance of marketing functions with accuracy, timeliness, and a quality product.
5. Proposed budget and timeline
6. Understanding of the issues impacting Downtown

Proposed Schedule

1. August 26, 2011 RFP Discussed by DDA
2. September 21, 2011 RFP Approved by DDA
3. September 23, 2011 RFP Issued
4. October 7, 2011 Proposals Due
5. October 10-14, Selection of Proposals for Interview
6. October 25, 2011 Interviews and approval by DDA
7. November 1, 2011 Project Begins



The Daytona Beach Partnership Association

126 E. Orange Avenue - Daytona Beach, Fl - 32114

DBPA Updates
August 2011

Based on the anticipated 50% funding cut of the DDA Grant for 2011-2012, most of which is expected to be directly related to overhead and staff support, the Daytona Beach Partnership board of directors is currently in a planning phase related to reformatting the organization.

1. Promotions

- Summer recess in downtown
 - This weekend, Aug. 27th: Learn-to-Row and Fall Preview with the Halifax Rowing Association from 8 am to 1 pm
 - Change of Plans: Closing weekend: September 3rd Ultimate Frisbee & BBQ with the Daytona Young Professionals on City Island – 10 am to 1 pm (tennis was originally planned)
- “Taste of Downtown” – on hold due to DBPA Board Planning
- Working with the Design Team to promote / fundraise for the Downtown Plaza Project, including coverage in local media

2. Economic Restructuring

- Completing “Summer Recess”
- Developing work plan for 2011-2012 based on outcome of DBPA Board Planning

3. Design

- Focus on the fundraising for the Riverfront Park Demonstration Project at the corner of Beach Street and ISB.
 - Fundraising materials attached

General Updates:

1. Next Town Hall Meeting – To be determined. DBPA in planning phase.

2. Upcoming events:

Monthly Science Café at Sweet Marlays’ – 3rd Thursday, 6:30 pm

Monthly Critical Mass Bike Ride – Last Friday of the month, City Island Library 5:30 pm

Octoberfest – September 17th

Downtown Booth at the News-Journal Home Show – October 21st, 22nd, 23rd

French Market – October 29th, November 19th, December 3rd

Halifax Art Festival – November 5th & 6th

Cinematique presents Daytona Beach Film Festival – November 11th, 12th, & 13th

News-Journal Food and Wine Festival – Weekend of November 12th



THE CITY OF DAYTONA BEACH

REDEVELOPMENT DIVISION

POST OFFICE BOX 2451
DAYTONA BEACH, FLORIDA 32115-2451
PHONE (386) 671-8180
Fax (386) 671-8187

MEMORANDUM

DATE: August 19, 2011

TO: Downtown Development Authority Members

FROM: Jason Jeffries, Project Manager

SUBJECT: Staff Update

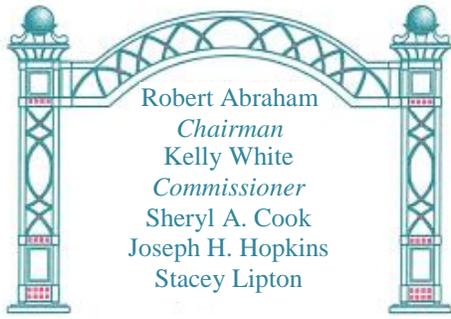
The following are brief updates regarding issues brought before the Downtown / Ballough Road Redevelopment Board on August 2, 2011:

- Approved a sidewalk café for Sweet Marlay's Coffee Shop.
- Discussed revisions to grant programs to further focus the business incentives and grant programs to maximize the benefits to Downtown, based on the limited funds available. The following proposed changes were discussed:
 - Limit the Commercial Façade Grant Program to visible exterior improvements. Interior improvements, mechanical replacement (A/C units), and roof repairs would no longer be eligible.
 - Limit the Residential Façade Grant Program to homesteaded, homeowner occupied properties.
 - Only taxable commercial properties would be eligible for the façade programs. Churches and other non-taxable properties would not be eligible.
 - Focus the business incentive grants (business façade, leasehold improvement, and lease subsidy) to attract retail and restaurant businesses.

Attached is the proposed budget that will be in the agenda packet for the budget hearings in September. Reminder: the budget hearings are scheduled for Wednesday, September 7 and Wednesday, September 21 at 6PM in City Commission Chambers. The regular DDA meeting will be held on Wednesday, September 21 prior to the budget hearing at 4PM.

The following is an update on other DDA projects:

- The engagement letter with Dennis Raposa for the Review of DBPA Grant Expenses has been signed. Mr. Raposa has begun his work on the approved procedures and should be completed by September 7. The report will be presented to the DDA at the September meeting. The engagement letter is attached.
- Mastando Media is working on revisions to the proposed Downtown logos, based on the discussion at the last DDA meeting. The revisions will be presented at the September meeting.
- Stacey Lipton is working with City Staff to have three French Markets during the fall. Discussions are occurring for the December French Market to be on the same date as the City's Holiday Festival in Riverfront Park as a substitution for the Holiday Parade. If any additional funding is needed to support the French Market, a funding request will be on the September agenda.



DOWNTOWN DEVELOPMENT AUTHORITY

P.O. Box 2451 ♦ DAYTONA BEACH, FL 32115-2451 ♦ (386) 671-8180

PROPOSED 2011 – 2012 BUDGET

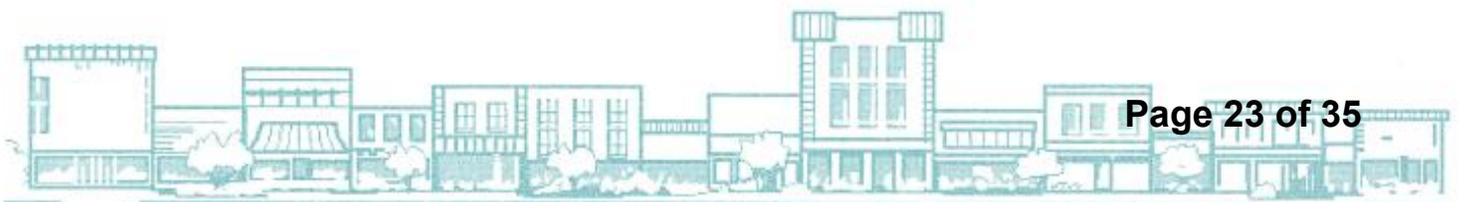
| Item | Total |
|---------------------------------|-------------------|
| Professional Services | 1,000 |
| Office Supplies | 250 |
| Care and Subsistence | 400 |
| Professional Memberships | 600 |
| Downtown Marketing | 42,750 |
| Downtown Events | 32,500 |
| Downtown Holidays | 20,000 |
| Main Street Program | 22,500 |
| Payment to Downtown CRA | 31,824 |
| Total | \$ 151,824 |

Revenue

| | |
|-------------------------------|---------------|
| Ad Valorem Taxes | \$101,300 |
| Transfer from CRA | 31,824 |
| Interest on Investments | 200 |
| Appropriation of Fund Balance | <u>18,500</u> |
| | \$151,824 |

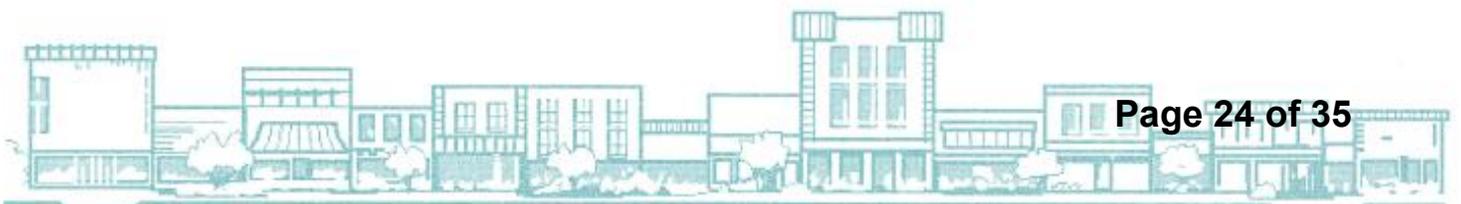
Attachments:

- 1) Breakdown of the proposed expenditures based on source of funding (DDA or CRA) Worksheets with detail of the Proposed DDA Budget.



**PROPOSED 2011 – 2012 BUDGET
BY SOURCE OF FUNDING**

| Item | Base Expenditures | CRA Expenditures | Total |
|--------------------------|-------------------|------------------|-------------------|
| Professional Services | 1,000 | 0 | 1,000 |
| Office Supplies | 250 | 0 | 250 |
| Care and Subsistence | 400 | 0 | 400 |
| Professional Memberships | 600 | 0 | 600 |
| Downtown Marketing | 33,426 | 9,324 | 42,750 |
| Downtown Events | 32,500 | 0 | 32,500 |
| Downtown Holidays | 20,000 | 0 | 20,000 |
| Main Street Program | 0 | 22,500 | 22,500 |
| Total | \$ 88,176 | \$ 31,824 | \$ 120,000 |





August 10, 2011

Board of Directors
Downtown Development Authority
PO Box 2451
Daytona Beach, FL 32115-2451

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the Downtown Development Authority.

We will apply the agreed-upon procedures which the Downtown Development Authority has specified, listed in the attached schedule (Agreed Upon Procedures Work Program), to report on questioned costs identified by the Downtown Development Authority, the Accountant's Report and Schedule of Support and Expenditures for the year ending September 30, 2010, and selected internal controls related to the Schedule's content and preparation (collectively known as the "Subject Matter") of the Daytona Beach Partnership Association for the period ended September 30, 2010 in accordance with the Downtown Development Authority Grant Agreement dated August 19, 2008.

This engagement is solely to assist the Downtown Development Authority in gathering and reporting on selected information related to the Downtown Development Authority Grant Agreement expenditures made by the Daytona Beach Partnership Association (DBPA) during the fiscal year ending September 30, 2010.

Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination, we will not express an opinion on the Subject Matter. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of the Downtown Development Authority, and should not be used by anyone other than this specified party. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

You are responsible for selecting the criteria and determining that such criteria are appropriate for your purposes.

Dennis Raposa is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We plan to begin our procedures on approximately August 17, 2011 and, unless unforeseeable problems are encountered, the engagement should be completed by September 7, 2011.

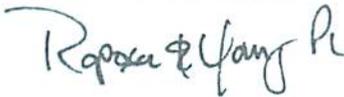
We estimate that our fees for these services will not exceed \$3,000. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. Additional expenses are estimated to be \$-0-. The fee estimate is based on anticipated cooperation from your personnel and DBPA management

and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of procedures.

Sincerely,

RAPOSA & YOUNG, PL



RESPONSE:

This letter correctly sets forth the understanding of the DOWNTOWN DEVELOPMENT AUTHORITY.

By: Robert Blahon

Title: Chairman, Downtown Development Authority

Date: 8/10/2011

Downtown Development Authority Agreed Upon Procedures Work Program

Analysis of questioned costs for the period ending September 30, 2010

1. Make a written request and obtain copies of documentation and supporting information from the Daytona Beach Partnership Association (DBPA) for the following *vendors* to support the expenditures submitted to the Downtown Development Authority (DDA) under the Downtown Development Authority Grant Agreement (the "Grant Agreement") for the fiscal year ending September 30, 2010:
 - a. AT&T Phone bills – DBPA to provide monthly phone bills with itemized long distance call detail, including the name and business purpose of each person or business called.
 - b. News Journal Corporation – DBPA to provide monthly invoices that indicate charges and credits applicable to the Downtown Gang Page.
 - c. My Bliss Magazine (2 Gems Publishing) - DBPA to provide monthly invoices and ad copy for each advertisement charged to the Grant.

2. Make a written request and obtain copies of documentation and supporting information from the Daytona Beach Partnership Association for the following *VISA Credit Card Expenditures* to support the expenditures submitted to the Downtown Development Authority under the Grant Agreement for the fiscal year ending September 30, 2010:

Restaurant / Food Charges – DBPA to include actual receipts and supporting information (ex. meeting agendas) for each expenditure.

| | | | | |
|----|------------|-------------------------|---------|--------------------|
| a. | 10/14/2009 | Zen Bistro | \$28.22 | [Trans Date 8/24] |
| b. | 11/13/2009 | Christina's Café | \$21.90 | [Trans Date 9/24] |
| c. | 11/13/2009 | Java Junction | \$23.17 | [Trans date 9/25] |
| d. | 11/13/2009 | Christina's Café | \$17.56 | [Trans date 9/28] |
| e. | 11/13/2009 | Stavros | \$22.37 | [Trans Date 10/1] |
| f. | 11/13/2009 | Angell & Phelps | \$27.95 | [Trans Date 10/14] |
| g. | 11/13/2009 | Hound Dogs | \$59.10 | [Trans Date 10/19] |
| h. | 11/13/2009 | Dancing Avocado Kitchen | \$75.00 | [Trans Date 10/13] |
| i. | 12/16/2009 | Java Junction | \$16.48 | [Trans Date 11/10] |
| j. | 01/06/2010 | Java Junction | \$26.20 | [Trans Date 12/8] |
| k. | 03/17/2010 | Java Junction | \$25.50 | [Trans Date 2/5] |
| l. | 03/17/2010 | Java Junction | \$22.34 | [Trans Date 2/9] |
| m. | 04/05/2010 | Panera Bread | \$38.35 | [Trans Date 3/9] |
| n. | 05/27/2010 | Panera Bread | \$33.85 | [Trans Date 5/13] |
| o. | 06/02/2010 | Ivy Lane Bistro | \$16.45 | [Trans Date 4/28] |
| p. | 06/02/2010 | Ivy Lane Bistro | \$15.37 | [Trans Date 5/19] |
| q. | 07/06/2010 | Panera Bread | \$45.54 | |
| r. | 07/13/2010 | Panera Bread | \$38.85 | |
| s. | 07/19/2010 | BJ's | \$34.80 | |
| t. | 08/10/2010 | Panera Bread | \$33.60 | |
| u. | 09/14/2010 | Panera Bread | \$57.85 | |
| v. | 09/21/2010 | Panera Bread | \$40.00 | |

| | | | |
|-----|------------|-----------------|---------|
| w. | 08/27/2010 | Ivy Lane Bistro | \$39.95 |
| x. | 09/07/2010 | Ivy Lane Bistro | \$13.38 |
| y. | 09/09/2010 | Ivy Lane Bistro | \$6.25 |
| z. | 09/09/2010 | Zen Bistro | \$24.34 |
| aa. | 07/27/2010 | Stavros | \$75.55 |
| bb. | 09/02/2010 | Publix | \$89.52 |
| cc. | 09/02/2010 | Angell & Phelps | \$51.92 |

Postage Charges – DBPA to include actual receipts, purpose, and identity of each applicable addressee.

| | | | | |
|----|------------|------|---------|--------------------|
| a. | 10/14/2009 | USPS | \$18.99 | [Trans Date 8/31] |
| b. | 12/16/2009 | USPS | \$26.40 | [Trans Date 10/30] |
| c. | 03/17/2010 | USPS | \$5.64 | [Trans Date 1/27] |
| d. | 05/27/2010 | USPS | \$26.40 | [Trans Date 4/9] |
| e. | 06/02/2010 | USPS | \$23.14 | [Trans Date 4/26] |
| f. | 07/21/2010 | USPS | \$17.60 | |
| g. | 08/09/2010 | USPS | \$14.34 | |

Office Supplies – DBPA to include actual receipts and purpose of each expenditure.

| | | | | |
|----|------------|------------|----------|--------------------|
| a. | 11/13/2009 | Staples | \$130.06 | [Trans Date 9/23] |
| b. | 11/13/2009 | CVS | \$10.00 | [Trans Date 9/30] |
| c. | 11/13/2009 | Staples | \$85.71 | [Trans Date 10/14] |
| d. | 01/06/2010 | Target | \$46.86 | [Trans Date 11/30] |
| e. | 01/06/2010 | Staples | \$9.58 | [Trans Date 11/30] |
| f. | 03/17/2010 | CVS | \$9.77 | [Trans Date 2/2] |
| g. | 04/05/2010 | Staples | \$22.66 | [Trans Date 2/25] |
| h. | 05/27/2010 | Staples | \$104.36 | [Trans Date 4/7] |
| i. | 04/05/2010 | Target | \$10.60 | [Trans Date 3/12] |
| j. | 06/04/2010 | Staples | \$46.83 | |
| k. | 06/16/2010 | Target | \$32.18 | |
| l. | 06/16/2010 | Staples | \$87.29 | |
| m. | 09/07/2010 | Home Depot | \$34.06 | |
| n. | 08/02/2010 | Staples | \$142.69 | |

Marketing Supplies– DBPA to include actual receipts and purpose of each expenditure.

| | | | | |
|----|------------|--------------------|---------|-------------------|
| a. | 10/14/2009 | Michael's | \$55.35 | [Trans Date 9/10] |
| b. | 10/14/2009 | Barnes & Noble | \$27.03 | [Trans Date 9/10] |
| c. | 11/13/2009 | Barnes & Noble | \$26.61 | [Trans Date 9/29] |
| d. | 09/02/2010 | Michael's | \$55.52 | |
| e. | 09/02/2010 | AmeriCrown Daytona | \$51.12 | [Trans Date 9/3] |

3. Procedures:

- a. AT&T Documentation – Segregate long distance phone calls between allowable/unallowable grant expenses.
- b. News Journal Documentation - Segregate expenditures between allowable/unallowable grant expenses.

- c. My Bliss Magazine Documentation – Segregate expenditures between allowable/unallowable grant expenses.
- d. VISA Credit Card Documentation – Segregate expenditures between allowable/unallowable grant expenses.

Document selected DBPA internal controls

- 1. Provide the following questionnaires to DBPA management and obtain responses:
 - a. Schedule 1 – Control Activities for Grants and Similar Programs.
 - b. Schedule 2 – Control Activities for Expenses for Program and Supporting Services
- 2. Make the following inquiries of DBPA management:
 - a. Authorization procedures for expenditure of Grant Agreement funds:
 - i. How and by whom are the transactions initiated and authorized?
 - ii. What accounting records and supporting documents are used or created when authorizing transactions?
 - b. Recording/processing procedures for Grant Agreement expenditures:
 - i. What source documents are used to capture information in the accounting system?
 - ii. How and by whom are transactions originally entered in the accounting system for processing?
 - iii. What are the accounting processing steps, both automated and manual, from original entry to inclusion in the general ledger and who performs them?
 - iv. What are the procedures for allocating payroll costs to Grant funds?
 - c. Reporting procedures used to report to the DDA under the Grant Agreement:
 - i. What accounting system does the DBPA use?
 - ii. What management reports or other information is generated from the system and is used by management to monitor the Grant?
 - iii. What key analyses are performed during the period-end close process?
 - iv. What procedures are used to prepare the reports/information required by the Grant?
 - v. Are all key procedures, reconciliations, analyses, entries, and adjustments in the financial close and reporting process appropriately supervised and reviewed?

Make selected inquiries of John L. Myers, PA in order to assist with the disclosure of DBPA financial records for the year ending September 30, 2010 and the related Myers Report performed under Section 4 of the Downtown Development Authority Grant Agreement dated August 19, 2008

- 1. Were there any significant disagreements with management?
- 2. Did the Firm refuse to provide *this* Agreed Upon Procedures (AUP) service. If so, why?
- 3. Do any communications exist to those charged with governance regarding fraud or other illegal acts performed by the DBPA and its employees, the DDA and its employees, and internal control related matters?

4. Did the Firm evaluate internal controls? What were the findings, if any.
5. Did the Firm provide any management comments or recommendation letter?
6. Obtain a reconciliation and related documentation for tested expenses identified in the September 30, 2010 report that are in excess of the DDA payment.

Other

1. Obtain a copy of the DBPA financial statement for the year ending September 30, 2010.
 2. Obtain the DBPA Form 990 for the year ending September 30, 2010.
-

Schedule 1

Control Activities for Grants and Similar Programs

| | Control Has Been Implemented? | Automated? | Inquired of / Prepared by: | Comments / Explanation of the control in place (attach additional sheets if necessary) |
|---|-------------------------------------|------------|-------------------------------|---|
| Recording Grants and Similar Programs | | | | |
| The organization has procedures for identifying grants. | | | | |
| The organization has accounting procedures, charts of accounts, etc., for identifying and recording receipts and expenditures of program funds separately and in the appropriate cost category for each award or grant. | | | | |
| The organization provides written notification to employees when grant provisions or regulations impose requirements that differ from the organization's normal policies and procedures. | | | | |
| Reconciliations of grant financial reports with supporting accounting records are prepared, reviewed, and approved by a responsible official before filing. | | | | |
| Financial reports are prepared for required accounting periods within the time imposed and on the basis of accounting required by the grantor agencies. | | | | |
| Financial reports and claims for advances and reimbursements agree with the supporting financial records and general ledger. | | | | |
| Processing Program Receipts | | | | |
| Governmental funds are deposited in a separate bank account or accounted for through grant-loan fund control accounts. | | | | |
| A responsible official approves requests for advances or reimbursement. | | | | |

| | Control Has Been Implemented? | Automated? | Inquired of / Prepared by: | Comments / Explanation of the control in place (attach additional sheets if necessary) |
|---|-------------------------------------|------------|-------------------------------|---|
| The organization's calculation of required governmental funds considers updated estimates of allowable program costs. | | | | |
| The organization has a formal approval process for activities generating program income. | | | | |
| The organization has accounting procedures, charts of accounts, etc., for identifying and recording receipts and expenditures of program funds separately and in the appropriate cost category for each award or grant. | | | | |
| Financial reports and claims for advances and reimbursements agree with the supporting financial records and general ledger. | | | | |
| Processing Program Expenditures | | | | |
| The organization has established controls to preclude charging DDA Grants with unallowable costs and expenditures. | | | | |
| The organization has procedures for tracking property and equipment purchased with DDA funds. | | | | |
| The organization has written personnel policies covering job descriptions, hiring procedures, salary or wage levels, promotions, dismissals, and conflicts of interest. | | | | |
| The organization has written policies prohibiting discrimination based on race, sex, age, or marital status in its employment practices. | | | | |
| The organization has procedures that provide reasonable assurance that consistent treatment is applied in the distribution of charges as direct or indirect costs to all awards or grants. | | | | |
| The organization has accounting procedures, charts of accounts, etc., for identifying and recording receipts and expenditures of program funds separately and in the appropriate cost category for each award or grant. | | | | |

| | Control Has Been Implemented? | Automated? | Inquired of / Prepared by: | Comments / Explanation of the control in place (attach additional sheets if necessary) |
|--|-------------------------------------|------------|-------------------------------|---|
| A responsible member of management reviews costs charged to direct and indirect cost centers in accordance with applicable grant agreements pertaining to cost principles. | | | | |
| The organization has an approved indirect cost allocation plan.. | | | | |
| The organization has an approved employee time allocation method. | | | | |
| The organization has a written procurement manual that complies with the applicable grant agreements. | | | | |
| Reporting for Grants and Similar Programs | | | | |
| The organization has a documented time schedule for filing financial reports with grantors and policies for identifying special requirements of grants. | | | | |
| The appropriate level of management or another appropriate person reviews reports from audits of the organization's awards or grants prepared by other auditors. | | | | |
| Reconciliations of grant financial reports with supporting accounting records are prepared, reviewed, and approved by a responsible official before filing. | | | | |
| Financial reports are prepared for required accounting periods within the time imposed and on the basis of accounting required by the grantor agencies. | | | | |
| Financial reports and claims for advances and reimbursements agree with the supporting financial records and general ledger. | | | | |

Schedule 2

Control Activities for Expenses for Program and Supporting Services

| | Control Has Been Implemented? | Automated? | Inquired of / Prepared by: | Comments / Explanation of the control in place (attach additional sheets if necessary) |
|--|-------------------------------|------------|----------------------------|--|
| Recording Purchases | | | | |
| Management reviews the entity's financial statements on a periodic basis and investigates significant variances from budgets and expected results. | | | | |
| Management or governing board approval of purchase orders is required for purchases that exceed established limits according to entity policy. | | | | |
| Purchase order, receiving report, and invoice are matched and cancelled prior to payment. | | | | |
| A current purchasing manual defines restrictions on purchases of goods or services from governing board members, employees, or other suppliers that would create a conflict of interest. | | | | |
| Purchases are reviewed for compliance with requirements of laws and regulations, the governing board, and of funding sources, if applicable (for example, competitive bidding requirements). | | | | |
| The organization has procedures for coding expenditures in compliance with funding and organization accounting requirements. | | | | |
| Purchase orders are reviewed to ensure the expenditure is within budget or funding source restrictions. | | | | |
| Processing Accounts Payable and Accruals | | | | |
| After each period end, management creates a log of all invoices received above the limit dictated by entity policy and checks to ensure that they were recorded in the proper period. | | | | |
| Accruals for goods/services received but not invoiced are reviewed. | | | | |

| | Control Has Been Implemented? | Automated? | Inquired of / Prepared by: | Comments / Explanation of the control in place (attach additional sheets if necessary) |
|--|-------------------------------------|------------|-------------------------------|---|
| Processing Disbursements | | | | |
| Management reviews the entity's financial statements on a periodic basis and investigates significant variances from budgets and expected results. | | | | |
| System rejects duplicate entry of an invoice from a vendor. | | | | |
| Purchase order, receiving report, and invoice are matched and cancelled prior to payment. | | | | |
| Accounts payable aging/subledger is reviewed and reconciled to the general ledger. | | | | |
| There is adequate segregation of duties among those who: <ul style="list-style-type: none"> • Review, authorize, or sign checks. • Initiate checks for expenditures. • Prepare checks. • Mail checks. • Edit the vendor master file. • Investigate discrepancies or issues involving expenditures. • Open the mail or copy checks received. • Reconcile bank accounts. | | | | |
| Checks are prenumbered, the sequence is accounted for regularly, and unissued checks are controlled and kept in a secure location. | | | | |
| The check signer reviews all supporting documentation prior to signing check. | | | | |
| Passwords are established and used for individuals authorized to make wire transfers, and bank callback verifications are in place for telephone transfers exceeding a predetermined dollar amount. | | | | |
| Bank reconciliations are prepared and reviewed in a timely fashion. | | | | |
| Bank statements are received and reviewed by a responsible person other than the person who reconciles the bank account before being submitted for reconciliation. | | | | |