



2016

ANNUAL  
REPORT







# 2016

# ANNUAL REPORT

PRESIDENT'S MESSAGE — PAGE 2

ABOUT DFI — PAGE 4

BOARD OF DIRECTORS AND STAFF — PAGE 5

PROGRAMS — PAGE 6

GENERAL MANAGER'S REPORT — PAGE 8

MARKETING REPORT — PAGE 12

MINUTES FROM THE 2016 AGM — PAGE 15

AUDITED FINANCIAL REPORT (12/31/16) - PAGE 18



# PRESIDENT'S MESSAGE

## MEMBERS,

With each passing year, Downtown Fredericton continues to develop and grow into a place where business and residential developments can flourish!

We aren't resting on our laurels though.

Downtown Fredericton is ramping into high gear. Numerous projects are currently in the works; not the least of which is the construction/renovation of the Centennial Building, and the major construction of a new Provincial Courthouse. Development of Officers' Square is on the radar, and a new Performing Arts Centre is on the way! Additionally, Kileel Developments and Ross Ventures have proposed new developments that we are excited to see come to fruition within the coming years.

Outside of these exciting future developments, within the last year, we've seen construction of a new hotel on Queen Street begin, a major addition to the Art Gallery is well underway, construction of a new multi-purpose building on King and Northumberland is taking shape, and King and Carleton Streets have had significant upgrades to pedestrian walkways.

On the home front, DFI hired Krista Rae as our full-time Marketing Coordinator; the results of her expertise and hard work have been amazing.

She has brought a vitality to our marketing and social media campaigns that is both refreshing and much needed.

Moving forward, we are looking at the possibility of expanding our DFI borders, a move that would bring more voices, businesses and business owners into the DFI family.

DFI has played a significant role in improving Downtown Fredericton for over two decades. There is no doubt that we would not enjoy the wonderful downtown that we have, if not for the hard work of DFI Staff (Vicki, Krista, and Bruce) and its board members, both past and present. Particularly, I extend my thanks to our General Manager, Bruce McCormack. His tireless devotion to Downtown Fredericton and its success is very much recognized and appreciated.

With the continued dedication of our Downtown businesses and business owners, there is no doubt that the future of Downtown Fredericton is in good hands.

All the best,  
**Matt Savage**  
**President**  
**Downtown Fredericton Inc.**









# ABOUT DOWNTOWN FREDERICTON INC.

## WHO WE ARE

Downtown Fredericton Inc. (DFI) is a non-profit Business Improvement Area dedicated to sustaining and encouraging growth and development in the central business district of Fredericton, New Brunswick. To do this we implement programs designed to revitalize, promote and enhance the commercial viability of the downtown on behalf of our 650 plus members in cooperation with private and public sector partners. Our goal is to create a vibrant downtown community, full of energy for you to enjoy.

## ABOUT THE BIA

A Business Improvement Area (BIA for short) is a geographically defined urban area containing primarily non-residential properties generally located in a city's Central Business District. The BIA concept promotes a collaborative relationship between business and property owners, encouraging them to work together, creating a vibrant and thriving downtown. Downtown Fredericton Inc. was founded in 1980 and received its official BIA designation under the aegis of the Business Improvement Area Act in 1982.

## MANAGEMENT AND FUNDING

Downtown Fredericton Inc. is governed by a volunteer Board of Directors comprised of up to ten elected members from the business community and one appointed member from City Council.

Members of the Board are elected at the Annual General Meeting and all are property owners and tenants within the BIA boundaries. All members are eligible to vote at the AGM, make nominations to, and serve as a member of the Board of Directors.

DFI has three full-time staff that are responsible for day-to-day management of the organization and implementation of programs as directed by the Board of Directors. Part-time and seasonal staff are hired to assist in peak periods of activity.

The operating budget of DFI is funded solely by a Municipal Business Improvement levy that is paid by all commercial properties within the boundaries of the BIA. This levy is based on a percentage of the property's assessed value and appears on the property tax bill. The rate for the DFI BIA is 20 cents per \$100.00 of assessed value.

## OUR MEMBERS

Downtown Fredericton Inc. represents all commercial property owners and commercial tenants in non-residential properties located within the BIA. Businesses and property owners are automatically members of DFI by virtue of their location within the defined boundaries of the BIA (center line of Brunswick Street northward to the Saint John River and from the centre line of Smythe Street eastward to the centre line of St. John Street.



# BOARD OF DIRECTORS AND STAFF 2016-2017

## PRESIDENT

Matt Savage – Savage's Bicycle Center

457-7452

[msavage@sbcoutlet.com](mailto:msavage@sbcoutlet.com)

## VICE-PRESIDENT

Mike Davis – The Radical Edge

459-3478

[mikedavi@nbnet.nb.ca](mailto:mikedavi@nbnet.nb.ca)

## SECRETARY/TREASURER

Shane Sutherland – S/S Tire and Auto Service

458-8262

[admin@sstireandauto.com](mailto:admin@sstireandauto.com)

## DIRECTORS

Brad Toole – Wilson's Insurance

458-8505

[tooleb@wilson.nb.ca](mailto:tooleb@wilson.nb.ca)

Heather Libbey – Opportunities New Brunswick

470-8927

[heather.libbey@gnb.ca](mailto:heather.libbey@gnb.ca)

Mike Babineau – Cora Breakfast and Lunch

455-2583

[mikebabineau1@gmail.com](mailto:mikebabineau1@gmail.com)

Jamie Boyle – Ross Drug

458-9951

[jamie@rossdrug.ca](mailto:jamie@rossdrug.ca)

Barry Morrison – Morrison Holdings Ltd.

459-1770

[barrymorrison@gmail.com](mailto:barrymorrison@gmail.com)

Ruth Chippin – Chippin's Real Estate

458-1994

[rchippin@yahoo.com](mailto:rchippin@yahoo.com)

Stephen Chase – City of Fredericton

460-2020

[stephen.chase@fredericton.ca](mailto:stephen.chase@fredericton.ca)

## STAFF

Bruce McCormack – General Manager

461-8323

[bruce@downtownfredericton.ca](mailto:bruce@downtownfredericton.ca)

Vicki Stickles – Office Manager

458-8922

[vicki@downtownfredericton.ca](mailto:vicki@downtownfredericton.ca)

Krista Rae – Marketing/Communications Coord.

461-7484

[krista@downtownfredericton.ca](mailto:krista@downtownfredericton.ca)





# PROGRAMS

## PLANNING AND DEVELOPMENT

Downtown Fredericton Inc. seeks input through member committees, and private and public stakeholder consultations to develop annual and long term goals for the organization. The plan is developed based on a community partnership approach, financial resources available and on priorities identified in the areas of administration, promotion, economic development, physical improvement, advocacy, business assistance and consultation services. The Board of Directors has final approval on recommended policies, programs and annual budget. The budget is then presented to City Council for final approval as part of the BIA mandate.

## PROMOTION

Our primary goal is to promote the downtown to new and existing consumer markets as the preferred place to shop, dine, work, live, play, stay and do business. Our main strategy focuses on attracting people to the downtown by creating and promoting a vibrant environment, community and centre of activity. DFI offers grants for event organizers and also coordinates seasonal and year-round promotions and advertising campaigns that include co-operative advertising opportunities for downtown business members.



## PHYSICAL IMPROVEMENTS

Programming designed to provide an attractive, safe, clean, and pedestrian friendly downtown include initiatives such as streetscape improvements and financial assistance for property owners and tenants for façade, security and parking improvements. Businesses that would like financial assistance with façade can apply and, if chosen, receive 50% of the total costs to a maximum of \$2500.00 per façade, maximum of two façades per building. DFI will cover 50% of the total costs of security improvements up to a maximum of \$1500.00 per property. DFI will cover 40% of the total costs of parking improvements up to a maximum of \$2000.00 per property.

## ECONOMIC DEVELOPMENT

DFI works in partnership with private developers, all levels of government and community agencies to develop strategies that seek to support and enhance the level of economic stability of the downtown core. Programs that work to provide an attractive and welcoming downtown set the stage for economic growth, raising property values which benefit everyone. Programming includes redevelopment projects, business retention, recruitment and expansion strategies, tourism development initiatives, grants for downtown festivals and special events.

## ADVOCACY

Downtown Fredericton Inc. provides a unified “voice” for downtown businesses on issues and areas of concern affecting the downtown core, working to inform and generate awareness among government representatives, policy makers and staff. BIAs can also be very effective in advocating change at the public planning and policy makers and staff.

BIAs can also be very effective in advocating change at the public planning and policy development level when problem areas have been identified.

## BUSINESS ASSISTANCE AND CONSULTATION SERVICES

DFI offers a variety of business support services and programming designed to assist business members so they may compete effectively and prosper in today's marketplace. Services include: research information, consultation assistance on marketing, advertising, façade & security improvements, signage, municipal by-laws and zoning, co-operative advertising opportunities, group volume discounted advertising rates, customer opportunities, customer service support programs, free business listings in promotional brochures, financial assistance programs, educational/training resource support, downtown leasing information, free DFI website member directory listing including free links to their business website.

## VISION STATEMENT

With its rich cultural history at its foundation, the City Centre will reflect Fredericton's status as a capital city and will be the vibrant heart of business, government, learning, social, cultural and tourism activities. It will build on its success and become a place defined by excellence in design, innovation and stewardship. The Saint John River will once again be a feature of the City Centre. It will be a place that inspires and excites both residents and visitors. Above all, it will be a unique place – a place that captures the essence of Fredericton and its values, a place that is both proud and welcoming to all. For more information and/or a current listing of Programs and Services offered by DFI, visit our Downtown Fredericton Inc. website at [www.downtownfredericton.ca](http://www.downtownfredericton.ca)



# GENERAL MANAGER'S REPORT

As I look back through our past year at Downtown Fredericton Inc. there are many things that have contributed to us reaching our goals and objectives in creating and sustaining a vibrant downtown while encouraging growth and development.

To achieve the Goals and Objectives there are many things that must be done.

First, we need a Board of Directors that are committed to the vision of Downtown Fredericton. Then we need their commitment to make recommendations and give advice on issues that will impact all businesses in the downtown and work with our partners to achieve our goals. We have that; our President, the Executive and board of directors are all very committed and volunteer their valuable time to help this organization succeed.

Secondly, we need staff to implement the plan. Vicki celebrates her eighteenth year with DFI in 2017 and Krista her first year. We have had great staff over the years and that hasn't changed. The things we accomplish could not be done without their efforts.

Each year we talk about Partners and the last few years we have had great support from the City of Fredericton, both Council and staff. Their commitment and attention to the planning and funding for special projects in downtown has been excellent.

Here are just a few of the City's commitments and accomplishments: The Fredericton City Centre Plan (an award winning plan), Historic Garrison District Plan, the purchase of the Garrison District lands including Officers' Square, the Cultural Plan, the Downtown Parking Master Plan, the Hilton Garden Inn (8 story, 120 rooms attached to the Fredericton Convention Centre), implementation of the Streetscape improvements and new urban design for the "Shared Street" concept for Carleton Street, north of Queen St, and council setting their main priority to construct a new Performing Arts Centre in Downtown. Even smaller projects like the painting of lampposts was a welcome partnership.

The Board acknowledges these accomplishments as well as others and appreciates the City's support and commitment and looks forward to continuing our strong working relationship.



## SUMMARY OF 2016 -

- Construction began on the Hilton Garden Inn
  - Worked with adjacent property owners on garbage removal and access to the inter block during construction of the hotel
  - Helped negotiate a plan to increase the number of metered parking spots on the block of Queen St. affected by the hotel construction and planned traffic changes. A big "Thank You" goes out to Jason and Tina LeJeune of Isaac's Way, for working with the city and creating fourteen additional parking spaces.
- Began a Fredericton Master Parking Plan – including public meetings, downtown business meetings, on-street surveys and an open house.
- Worked with Hot Spot parking after we discovered the equipment changes to the City equipment would not accept DFI parking tokens. Hot spot and DFI will roll out the new program this spring.
- Development and opening of the Fredericton Downtown Community Health Centre; Horizon and UNB faculty of nursing formed a partnership to create an integrated program that delivers primary health care services, teaching and research all combined. This is first of it's kind in NB.
- Downtown Fredericton Business Improvement Area Expansion -DFI has begun to investigate the opportunities to expand the area as proposed in the City Centre Plan.
- Letters have been sent out and a meeting was held to detail the expansion plan.
- Imagine Fredericton, the City Municipal Plan review began and our Vice President, Mike Davis, sits on the steering committee.
- Food vendors- Downtown Fredericton has been working with the city to establish new guidelines on the design, food quality and location for food vendors.
- Panhandling continues to be an issue for downtown businesses and customers. DFI will continue to work with city council and staff to find solutions to this problem. Changing the enforcement from Police only to adding Bylaw Enforcement Officers could help.
- DFI is looking to install sidewalk decals in an effort to reduce skateboarding and bicycling on the sidewalk.
- Encourage the use of our Façade Improvement Programs. This program has been well utilized over the past years and in 2017 the DFI Board raised the funding assistance.
- Construction began on the new Simms Home Hardware store on the SW corner of King and Northumberland St. This is a very welcome addition to downtown.
- Ross Ventures announced a new development on the corner of Brunswick and Carleton Streets. Great proposed development.
- Kileel Developments is looking at opportunities to develop a new office building on the corner of King and Westmorland Streets, presently a surface parking lot.
- The Province announced the redevelopment of the Centennial Building on the King St. façade. This will bring 600-800 additional employees into downtown.
- Also, the Province announced a new Provincial Courthouse which will be located at the south side of the Centennial building on Brunswick St. The south wing of the existing Centennial building will be demolished for the construction of this new Courthouse.
- The Justice Building on Queen St. is being discussed as the home for the new Performing Arts Centre.



## GENERAL MANAGER'S REPORT

- A great addition to Downtown Fredericton, giving his valuable time, is Mr. John Leroux. John received his degree in Architecture at McGill, his Masters in Canadian Art History at Concordia and is presently working on his Doctorate while teaching at UNB. As an advisor for DFI to assist property owners looking to do renovations, additions or new developments, John brings his expertise, knowledge of art history and love for downtown to each project he works on. Anyone wishing to discuss opportunities with John please contact me. DFI is very fortunate to have John working with us.
- Graffiti removal program - This winter has been out of control, unreal. DFI continues our program to remove Graffiti from properties in downtown. The problem is we can't remove during the winter. The few nicer days this winter has contributed to an excess amount of graffiti. This act of vandalism is one huge pain and incurs a huge cost to remove the work. We need the Police to step up and charge the vandals and the courts must deliver larger fines.
- Busker Project – DFI and the City have been working on a Busker program for Downtown. We hope this program will go to council in the spring of 2017 for approval.
- Kindness Meters – Two charities, the Fredericton Community Kitchen and the Fredericton Emergency Shelter benefit greatly from this program. The additional funds raised by the

Kindness Meters (approximately \$6000 since the beginning of the program) helps support new initiatives that would not be possible without these special contributions.

- DFI continues to support existing festivals and events like the Calithumpians, Highland Games, Harvest Jazz and Blues and others but also looks for new events that will bring visitors to downtown. In 2016 we partnered with the City of Fredericton to sponsor the Tragically Hip concert which entertained over 10,000 people in Officers' Square. 2017 Began with an big bang on New Year's Eve beginning the year long Canada 150th celebration. DFI participated with the city on this event.
- July 1<sup>st</sup> Canada Day will be huge this year, continuing the 150th celebrations. Stay tuned for the events schedule.

Again, I would like to thank all the board members for the contribution to this organization, the volunteer hours you contribute on behalf of our members has such a positive impact in creating a vibrant downtown. And to Vicki and Krista thank you for your excellent work and strong commitment.

**"DOWNTOWNS MAKE US WHO WE ARE"**  
*unknown*









# MARKETING REPORT – 2016

2016 was a busy and exciting year for marketing at Downtown Fredericton Inc. As the saying goes, I “hit the ground running” when hired in April last year – there were many projects already underway and the whole year was full of interesting and exciting programs, plans and campaigns. Here are a few highlights from the year:

By far, the biggest project of 2016 was the creation of a new, mobile first, fully responsive website. The majority of the design was ready in early June, after which the summer months were spent uploading content and creating member business listings. After some final design tweaking in September the new site went live. It is a beautiful and contemporary site, including new photographs taken during 2 photoshoots – one arranged by Ginger Design in early April, and the other from a partnership with Fredericton Tourism.

We worked to evolve the Downtown Fredericton brand with a small refresh in 2016. This started with adding new colours and experimenting with a few different branding elements, which eventually flowed into creative and adaptable new usage, including use of our updated photography. The refreshed look is just that: refreshing, with a clean and fun appearance.







The summer advertising campaign focused on a local audience, and aimed to encourage Frederictonians and surrounding area residents to visit the downtown. Staying local for 2016 was a strategic move to capture the attention of those who encountered barriers to accessing uptown shopping centres due to major construction at the top of Regent Street. “Downtown Day or Night” reached out to multiple demographics with a contest that awarded prizes in 4 categories: Get Cultured, Family Fun, Pamper Yourself and Games Night. Advertising for the campaign included radio and video with Bell Media’s 106.9 Capital FM, a direct mail piece sent out to 10,000 local residents, and a social media push. All advertising and promotion of the contest pushed people to visit [loveyourdowntown.ca](http://loveyourdowntown.ca) where they could enter to win any or all of the prizes. We received just over 3400 entries and received 50 names for our email database.



The Holiday Spirit campaign ran from December 1-23, and encouraged local residents to shop downtown for a chance to win great prizes. Through donations from our member businesses, we were able to give away 6 prize packages, plus over a dozen individual gift certificates. Shoppers in the downtown received a Holiday Spirit passport which they could get stamped at participating businesses with a \$10 purchase. With ten stamps on the card, they would submit the card as a ballot. This traditional, hands on contest saw over 2000 entries from which we increased our email database with approximately 100 new names.



In addition to the contest, other holiday promotions and events included the Downtown Dollar Blowout on November 17th, when we sold out of \$50,000 Downtown Dollars in an hour! This annual sale offers individuals the opportunity to purchase up to \$500 Downtown Dollars at a 20% discount.



Black Friday was on November 25th, and we had around 30 businesses participate in this initiative. For the first time, we printed door decals which businesses could display to let passerby know that they would find Black Friday deals inside.

A new event for 2016 was the Family Holiday Party. We partnered with the Fredericton Public Library and Chess Piece Patisserie & Café to hold this event on Saturday, December 17 from 11am-2pm.



Frantically Atlantic, a local music and storytelling duo was hired to perform at the event, and several crafts, games and treats were available for children of all ages. The event was very successful with approximately 200 people in attendance, most of whom were new families to the library. A visit from a local reporter resulted in an article about the event being published in both the Daily Gleaner and the Telegraph Journal.

As in previous years, Santa Claus and the Elm City Echoes visited Downtown Fredericton during the month of December on several occasions, and the Ticket Terminators were out and about, topping up parking meters to save shoppers from receiving a parking ticket.



## MARKETING REPORT – 2016

Other events and partnerships through the year included Skating Parties in Officers' Square during FROSTival, the Sweetheart Skate for Valentine's Day, the Harvest Jazz & Blues decorative display contest for DFI members, participation with the Fredericton Community Foundations' Random Acts of Kindness Day, contest partnerships with Dance Fredericton for their performance of the Nutcracker, and with the New Brunswick Country Showcase.

A shining moment occurred in September when Downtown Fredericton Inc. was awarded the "2016 IDA Excellence Award in Marketing and Communications" for the #LoveYourDowntown campaign. The week-long, multi-channel promotional campaign, executed in June 2015, was among 18 qualified entries in the category of Marketing and Communications. This category highlights plans or strategies that used print, electronic media, or multimedia efforts to promote downtown and further the value of city centers.

2016 was the inaugural year for this award at the International Downtown Association's annual conference and trade show. We would like to acknowledge the great work of Ginger Design Inc. who was DFI's partner agency for this marketing campaign.

Respectfully Submitted,

**Krista Rae**  
**Marketing and Communications Coordinator**  
**Downtown Fredericton Inc.**







# ANNUAL GENERAL MEETING

## DOWNTOWN FREDERICTON INC.

### WEDNESDAY, MAY 18TH, 2016

#### IN ATTENDANCE:

Peggy Currie, Quality Shoes  
Brigitte Ricolel, Quality Shoes  
Jane MacTavish, MacTavish's Source for Sports  
Neil Fennell  
Patricia Donnelly, Fredericton Convention Center  
Cathy Pugh, Fredericton Convention Center  
Janet North, Westminster Books  
Tim Yerxa, Fredericton Playhouse  
Dave Traboulsee, River Valley Footwear  
Tom Morrison, Morrison Holdings  
Paul Arsenault, Paul Arsenault Construction  
Ruth Chippin, Chippins Ltd.  
Dan Myers, Crowne Plaza Hotel  
Leslie Saad, Crowne Plaza Hotel  
Shawn Bilerman, J B Real Estate  
Shane Sutherland, S/S Tire  
Brad Toole, Wilson Insurance  
Lincoln Thompson, Gardiner Realty Ltd.  
Peter Pacey, Fredericton Outdoor Summer Theatre

Donna Thompson, Gardiner Realty Ltd.  
Gary Morrison  
Kate Rogers, City of Fredericton  
Kerry Wells, Ginger Design  
Andrew Bedford, Ginger Design  
Michael Carrier, Grant Thornton Chartered Accountants  
Dave Loten, Damda Restaurant  
Traci Price, Traci Price Interior Design  
Andy Belyea, Joy of Framing  
Eric Price, Chippins Ltd.  
Wes Ward, Capital Complex  
Matt Savage, Savage's Bicycle Centre  
Krista Rae, DFI  
Vicki Stickles, DFI  
Bruce McCormack, DFI  
Mike Babineau, Cora Breakfast and Lunch

## WELCOME:

The Annual General Meeting was called to order at 12:00pm.

General Manager, Bruce McCormack welcomed those in attendance to the 34th Annual General Meeting. Welcome to city councillors in attendance, Eric Price and Kate Rogers.

Greetings from the City of Fredericton by Councillor Kate Rogers. There is a great partnership between City Council and DFI, we work closely together. New Council members and outgoing council thanks DFI for their continued support.

President, Wes Ward, extended a welcome to everyone in attendance. Wes has served on the DFI board of directors for six years and has enjoyed his time. Great board to be a part of. Thank you to the board members as well as the staff of DFI.

## APPROVAL OF MINUTES:

Approval of minutes from 2016 Annual General Meeting: Motion to accept minutes as circulated, moved by Gary Morrison, seconded by Dave Traboulsee, motion carried.

## AUDITED FINANCIAL STATEMENTS FOR 2015:

General Manager, Bruce McCormack, introduced Michael Carrier of Grant Thornton Chartered Accountants. There were no problems found within the audit. On page 3, financial statements, the revenue increased \$50,000 over last year. On page 5, the balance sheet, the organization shows it is in a strong position. Mr. Carrier asked if there were any questions from those in attendance, no questions received.

Motion to accept audited financial statements as prepared by Grant Thornton Chartered Accountants, moved by Lincoln Thompson, seconded by Donna Thompson, motion carried.

## GENERAL MANAGERS REPORT

### – Bruce McCormack:

Bruce showed a power point presentation, outlining key priorities:

- DFI Strategic Framework and corporate plan – Dr. Taylor Gray of Tacit Elements
- Work with the city to complete Urban Design Plan
- Continue to improve the Façade Improvement Program
- Continue with the Graffiti Removal Program
- Support a hotel development
- Support the Historic Garrison District Master Plan
- Kindness Meters – this new initiative has given approximately \$5200 between the Fredericton emergency Shelter and the Fredericton Community Kitchen. Program is working well
- After peak hours parking pilot is back on Regent Street
- DFI would like to see a policy on art in the city, Public Art Policy
- Performing arts center – working with timelines, continue to move forward
- The centennial building will be vacant, SMT station on Regent also vacant. Might be possible locations for new performing arts center.
- DFI boundary should be expanded as per the suggestions in the City Centre Plan.

There will be a new health clinic opening in the downtown in the fall of 2016 at the old IRock location. The new clinic will be a teaching clinic and is very timely as some of our seniors, students and new immigrants moving to Fredericton do not have doctors.

There will also be a new parking study completed by 2017.

The new Hilton Garden Suites hotel will continue, work with Fredericton Convention Center, the Crowne Plaza and Hilton to develop programs that bring visitors downtown.



## MARKETING AND COMMUNICATIONS REPORT

### – Krista Rae:

Bruce welcomed new marketing and communications manager for Downtown Fredericton Inc., Krista Rae. Krista worked at City of Fredericton Tourism office for past couple of years, previous to that she worked for Kings Landing. Ginger Design provided marketing and communications services for the past year as our Marketing Manager position was vacant.

A marketing plan was submitted to the board in 2015, this plan outlined a year long series of marketing activities and promotional campaigns. Highlights of this plan included a holiday campaign, #DearDowntown, as well as the introduction of a new summer campaign, #LoveYourDowntown. The plan also allowed monies to be redistributed to allow for online social media advertising and activities. Both campaigns were largely successful.

We will be holding a marketing meeting to get some new ideas from businesses on June 7th, in our offices.

## NOMINATION REPORT:

### Nomination for re-election:

Brad Toole

Mike Davis – elect for Vice President

Matt Savage – elect for Incoming President

Heather Libbey

Shane Sutherland – elect for Secretary/Treasurer

### New nominations:

Ruth Chippin, Director

Kate Rogers, appointed by City of Fredericton

### Not Renewing:

Wes Ward

Malcolm Suttie

Donna Boudreau

Bruce McCormack called for nominations from the floor three times.

Motion to cease nominations moved by Jane MacTavish, motion carried.

Bruce thanks all new nominations and positions on the Downtown Fredericton board of directors, welcome new board member, Ruth Chippin (first term 2016-2018).

New executive for DFI will be Matt Savage, President, Mike Davis, Vice-President and Shane Sutherland, Secretary/Treasurer.

### Incoming President – Matt Savage:

Matt thanked staff and board members of DFI for all their assistance. He is looking forward to this coming year as President of the organization.

### Presentation of Awards – Bruce McCormack:

Mazzuca Award – The Mazzuca Award is awarded to a downtown business, business owner or individual in honour of their contribution and commitment to the character and spirit of Downtown Fredericton.

This year's winner of the Mazzuca Award goes to Andy Belyea

Façade Improvement program award winners – Damda Restaurant and Morrison Holdings

Congratulations to all the award recipients!

Bruce thanked everyone in attendance for attending the Annual General Meeting of Downtown Fredericton Inc.

Meeting adjourned.





# 2016

## AUDITED FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT  
PAGE 19

STATEMENT OF OPERATIONS  
PAGE 20

STATEMENT OF CHANGES IN NET ASSETS  
PAGE 20

STATEMENT OF FINANCIAL POSITION  
PAGE 21

STATEMENT OF CASH FLOWS  
PAGE 22

NOTES TO THE FINANCIAL STATEMENTS  
PAGE 23

SCHEDULE 1 – IMPROVEMENT GRANTS  
PAGE 27

SCHEDULE 2 – FESTIVAL &  
SPECIAL EVENT GRANTS  
PAGE 28





Grant Thornton

## Independent Auditor's Report

To the Members of  
Downtown Fredericton Inc.

Grant Thornton LLP  
4th Floor  
570 Queen Street, PO Box 1054  
Fredericton, NB  
E3B 5C2

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F +1 506 453 7029  
www.GrantThornton.ca

We have audited the accompanying financial statements of Downtown Fredericton Inc., which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for qualified opinion

Downtown Fredericton Inc. sells Downtown Dollars which function similar to gift certificates and can be used at most downtown businesses. As at December 31, 2016 there was a liability for Downtown Dollars totalling \$29,220, which forms part of the accounts payable and accrued liabilities on the statement of financial position. We were unable to obtain sufficient appropriate audit evidence about the accuracy or completeness of the balance of the liability related to Downtown Dollars, consequently, we were unable to determine whether any adjustment to the liability and excess of revenue over expenditures was necessary.

### Qualified Opinion

In our opinion, except for the possible effect on the statement of financial position of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Downtown Fredericton Inc. as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Audit • Tax • Advisory  
Grant Thornton LLP, A Canadian Member of Grant Thornton International Ltd

Fredericton, Canada  
March 28, 2017

*Grant Thornton LLP*

Chartered Professional Accountants

## Downtown Frederickton Inc. Statement of Operations

Year ended December 31

	2016	2015
Revenue		
Business improvement area tax levy	\$ 590,597	\$ 583,227
Parking promotion	7,570	6,525
Regent St. Wharf (Note 5)	3,000	3,000
Interest income	1,588	2,932
Grants	-	4,414
Miscellaneous income	(1,004)	3,218
	<u>601,751</u>	<u>603,316</u>
Expenditures		
Amortization	10,081	11,484
Bank charges	1,917	1,840
Business development	25,265	30,539
City center plan	-	19,839
Festival and special event grants (schedule 2)	41,350	34,350
Grants (schedule 1)	50,003	31,171
Maintenance	16,420	13,690
Marketing and communications (Note 3)	102,234	137,907
Occupancy and telephone	32,176	31,227
Office and postage	19,687	16,940
Parking token redemption	5,228	6,091
Professional fees	5,399	7,328
Regent St. Wharf	1,254	1,221
Salaries and benefits (Note 4)	235,125	200,427
Sponsorship	17,500	18,065
Strategic planning initiatives	6,380	4,121
Streetscape	9,229	4,245
	<u>579,248</u>	<u>570,485</u>
Excess of revenue over expenditures	<u>\$ 22,503</u>	<u>\$ 32,831</u>

## Downtown Frederickton Inc. Statement of Changes in Net Assets

Year ended December 31

	Severance Reserve Fund	Unrestricted	Total 2016	Total 2015
Balance, beginning of year	\$ 63,000	\$ 109,316	\$ 172,316	\$ 139,485
Excess of revenue over expenditures	<u>-</u>	<u>22,503</u>	<u>22,503</u>	<u>32,831</u>
Balance, end of year	<u>\$ 63,000</u>	<u>\$ 131,819</u>	<u>\$ 194,819</u>	<u>\$ 172,316</u>

See accompanying notes to the financial statements.

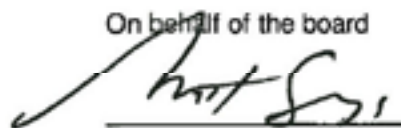



# Downtown Frederickton Inc. Statement of Financial Position

December 31	2016	2015
<b>Assets</b>		
Current		
Cash	\$ 120,298	\$ 83,683
Cash - restricted	63,000	63,000
Accounts receivable	29,382	28,460
Prepaid expenses	<u>4,308</u>	<u>4,415</u>
	216,988	179,558
Property and equipment (Note 5)	<u>48,715</u>	<u>50,631</u>
	<b>\$ 265,703</b>	<b>\$ 230,189</b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 66,563	\$ 57,873
Government remittances	<u>4,321</u>	<u>-</u>
	<u>70,884</u>	<u>57,873</u>
<b>Fund balances</b>		
Severance reserve fund (Note 6)	63,000	63,000
Unrestricted	<u>131,819</u>	<u>109,316</u>
	<u>194,819</u>	<u>172,316</u>
	<b>\$ 265,703</b>	<b>\$ 230,189</b>

Commitments (Note 7)

On behalf of the board

 Director

 Director

See accompanying notes to the financial statements.

## Downtown Fredericton Inc.

### Statement of Cash Flows

Year ended December 31	2016	2015
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenue over expenditures	\$ 22,503	\$ 32,831
Item not affecting cash		
Amortization	<u>10,081</u>	<u>11,484</u>
	<b>32,584</b>	<b>44,315</b>
Change in non-cash working capital items		
Accounts receivable	(922)	(3,355)
Prepaid expenses	107	1,654
Accounts payable and accrued liabilities	8,690	8,563
Government remittance	<u>4,321</u>	<u>-</u>
	<b>44,780</b>	<b>51,177</b>
<b>Investing</b>		
Purchase of property and equipment	<u>(8,165)</u>	<u>-</u>
Increase in cash and cash equivalents	<b>36,615</b>	<b>51,177</b>
Cash and cash equivalents		
Beginning of year	<u>146,683</u>	<u>95,506</u>
End of year	<u><b>\$ 183,298</b></u>	<u><b>\$ 146,683</b></u>
<b>Cash consists of:</b>		
Cash	\$ 120,298	\$ 83,683
Cash - restricted	<u>63,000</u>	<u>63,000</u>
	<u><b>\$ 183,298</b></u>	<u><b>\$ 146,683</b></u>

See accompanying notes to the financial statements.



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# Downtown Fredericton Inc.

## Notes to the Financial Statements

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December 31, 2016

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### 1. Nature of operations

Downtown Fredericton Inc. ("the Organization") is incorporated under the New Brunswick Business Companies Act and its principal business activity is to create and foster, on behalf of downtown business, an environment that attracts people to shop, do business and be entertained downtown. It is exempt from federal and provincial corporate taxes under paragraph 149(1)(l) of The Income Tax Act of Canada.

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### 2. Accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

#### Revenue recognition

The Organization derives the majority of its revenue through the Business improvement area levy which is 20 cents per \$100 of property assessment from all non-residential property owners in the defined area. This revenue is collected by the Province of New Brunswick through the property tax assessment process and, along with other revenue, is recorded on the accrual basis.

#### Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided on either a straight line or declining balance basis over the estimated useful life of the asset.

The amortization rates used for each class of property and equipment are:

Tender boat	6 years Straight-line
Office furniture and equipment	20% Declining balance
Tree lights	20% Declining balance
Computer equipment/software	20-30% Declining balance
Signs	10% Declining balance
Banners	20% Declining balance
Website	25% Declining balance
Parking tokens	5 years Straight-line
Poster boards	10% Declining balance

#### Cash and cash equivalents

Cash includes cash on hand and short term deposits.

#### Downtown Dollars

The Organization sells Downtown Dollars which function similar to gift certificates and can be used at most downtown businesses. Downtown Dollars do not have an expiration date and the Organization honours all Downtown Dollars redeemed by members. The Organization records a liability for unredeemed Downtown Dollars at the time they are sold, and the liability is reduced when the dollars are redeemed. At this time, the Organization has not reduced the liability to recognize breakage (Downtown Dollars issued that are not expected to be redeemed).

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## Downtown Fredericton Inc.

### Notes to the Financial Statements

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December 31, 2016

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#### 2. Accounting policies (continued)

##### Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash
- accounts receivables
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

##### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates include useful life for property and equipment and the liability for Downtown Dollars. Actual results could differ from those estimates.

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#### 3. Marketing and communications

	<u>2016</u>	<u>2015</u>
General advertising & marketing	\$ 55,495	\$ 66,539
Seasonal promotions	31,676	49,170
Printing costs	10,382	9,516
Outside services	<u>4,681</u>	<u>12,682</u>
	<u>\$ 102,234</u>	<u>\$ 137,907</u>

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## Downtown Fredericton Inc.

### Notes to the Financial Statements

December 31, 2016

#### 4. Salaries and benefits

	<u>2016</u>	<u>2015</u>
Salaries - full-time	\$ 185,823	\$ 145,687
Salaries - summer/part-time	30,164	38,988
Benefits	<u>19,138</u>	<u>15,752</u>
	<u>\$ 235,125</u>	<u>\$ 200,427</u>

#### 5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Tender boat	\$ 6,567	\$ 6,567	\$ -	\$ -
Office furniture and equipment	82,532	72,229	10,303	8,961
Tree lights	47,700	40,304	7,396	3,976
Computer equipment/software	43,776	38,867	4,909	6,158
Signs	20,452	15,778	4,674	5,193
Banners	58,066	41,334	16,732	20,915
Website	3,861	2,945	916	1,222
Parking tokens	3,353	3,353	-	-
Poster boards	<u>11,427</u>	<u>7,642</u>	<u>3,785</u>	<u>4,206</u>
	<u>\$ 277,734</u>	<u>\$ 229,019</u>	<u>\$ 48,715</u>	<u>\$ 50,631</u>

During the year, under the terms of an agreement with the Capital City Boat Club, the organization transferred ownership of wharf assets upon receipt of the final payment of \$3,000 (total consideration of \$36,000). The assets were fully amortized; the payment of \$3,000 is considered revenue for right to use the assets and therefore there is no gain or loss on the disposition.

#### 6. Severance reserve fund

Effective in 2011, the Board of Director's adopted a severance package model for its permanent salaried personnel. Under this arrangement, for every year of full-time service, personnel would receive one week equivalent of their regular gross wages up to a maximum of twenty six weeks. This would apply to all eligible full-time staff members. Yearly allocations to the severance fund were to be made until the fund reached approximately \$63,000, which has been achieved and therefore no amount has been transferred to the fund during the year.

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## **Downtown Fredericton Inc.**

### **Notes to the Financial Statements**

December 31, 2016

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#### **7. Commitments**

The Organization leases operating premises under terms of a lease which is due for renewal in October 2018. The organization's annual gross rent obligation, under the current agreement, exclusive of occupancy costs, is \$18,000 plus HST.

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#### **8. Financial instruments**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at December 31, 2016.

##### **(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of its operations.

##### **(b) Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

There have been no significant changes in exposures to the various risks from the prior year.

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#### **9. Comparative figures**

Comparative figures have been adjusted to conform to changes in the current year presentation.

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# Downtown Fredericton Inc.

## Grants

Year ended December 31

Schedule 1

Downtown Fredericton Inc. promotes the Façade, Security and Parking Lot Improvement Program to all Downtown Fredericton Inc. members, including volunteer members of the Board of Directors (businesses related to board members are identified with an \*). This funding program is administered and approved by the staff of the Organization and is intended to provide financial incentive and aid to property owners and tenants to improve the exterior appearance, security and private parking lot on the properties. The end result is a higher assessment to the property which directly benefits the Organization's budget. All outstanding receivables, including the Business Improvement Area Levy, must be up to date to be eligible for a grant under these programs.

		<u>2016</u>	<u>2015</u>
<b>Façade</b>			
513214 NB Ltd.	546 Queen Street	\$ 345	\$ -
540 Restaurant & Bar	540 Queen Street	589	2,500
671617 NB Ltd.	546 Queen Street	5,000	-
Andrei Master Tailors Ltd.	66 York Street	1,330	-
Appleco Inc.	372 Queen Street	-	750
Belmont Holdings Ltd.	532 Queen Street	850	-
Blonde Inc.	530 Queen Street	1,205	-
Caribbean Flava's	123 York Street	2,094	-
Chess Piece Patisserie & Café	361 Queen Street	-	2,500
Decipher Escape Rooms	393 Mazzuca Lane	1,447	-
Estate of Dora Chippin*	89 York Street	2,135	1,800
Gallery on Queen	406 Queen Street	2,500	-
J B Real Estate Ltd	212 Queen Street	5,000	-
Klub Khrome Inc.	375 King Street	-	1,165
Morinco Holdings Ltd	494 Queen Street	300	-
Ninety-Nine Corporation*	441 King Street	2,500	-
Patrick AA Ryan	57 Carleton Street/498 Queen Street	-	5,000
Posh Beauty Bar Fredericton Ltd.	349 King Street	-	660
Priority Personnel Inc.	120 Carleton Street	-	1,520
Radical Edge*	127 Westmorland Street	900	-
Regent Holdings Ltd	595 King Street	163	-
Robert Dugas	461 King Street	664	-
Room2remember	100 York Street	-	2,460
Royal Barbershop	397 King Street	590	-
S/S Tire*	315 Brunswick Street	-	5,000
Savages Bicycle Centre*	441 King Street	-	638
Taymax Corp	117 York Street	5,000	-
The Blue Door	100 Regent Street	-	2,400
The Capital Complex*	362 Queen Street	1,210	-
The Modern General Store	59 York Street	1,120	-
Tilleul	593 King Street	465	-
Unplugged Board Game Café	418 Queen Street	-	865
Vault 29	426 Queen Street	2,500	-
Ward Holdings*	221 King Street	5,000	-
		<u>\$ 42,907</u>	<u>\$ 27,258</u>

## Downtown Fredericton Inc.

### Grants

Year ended December 31

Schedule 1

#### Parking lot improvement

Center Court Properties Ltd.	Wilmot Alley	\$ 1,400	\$ -
Ginger Design	461 King Street	-	720
J B Real Estate Ltd.	212 Queen Street	244	-
Ninety-Nine Corporation*	441 King Street	720	-
Radical Edge*	127 Westmorland Street	-	598
S/S Tire*	315 Brunswick Street	-	795
The Blue Door	100 Regent Street	-	1,800
		<u>\$ 2,364</u>	<u>\$ 3,913</u>

#### Security

Caribbean Flava's	123 York Street	\$ 180	\$ -
Decipher Escape Rooms	393 Mazzuca Lane	680	-
Gallery on Queen	406 Queen Street	230	-
J B Real Estate Ltd.	212 Queen Street	1,115	-
S/S Tire*	315 Brunswick Street	1,027	-
Ward Holdings*	221 King Street	1,500	-
		<u>4,732</u>	<u>-</u>
		<u>\$ 50,003</u>	<u>\$ 31,171</u>

## Downtown Fredericton Inc.

### Festival and special event grants

Year ended December 31

Schedule 2

#### Festivals and special events

Bard in the Barracks Inc.	\$ 1,000	\$ 1,000
Capital Arts Support	5,000	5,000
Civic Pride Committee	1,000	1,000
Dine around Freddy	250	250
Entertaining Elm City Inc.	-	5,000
Fredericton Arts Alliance	1,250	1,000
Fredericton Marathon	1,250	1,000
Fredericton Outdoor theatre	9,000	8,000
Fredericton Region Museum	-	750
Fredericton Trails Coalition	150	150
Frostival	1,200	200
Heritage Trust	50	-
Hip concert	5,000	-
Maritime Countryfest	-	2,500
Multicultural Association of Fredericton Inc.	3,500	3,000
Nashwaaksis Kinsman Club	1,000	-
NB Craft Council	1,500	1,500
NB Highland Games & Scottish Festival Inc.	2,000	2,000
New Brunswick Country Showcase	2,200	-
New Year's	1,500	-
Noteable Acts	2,000	2,000
Theatre New Brunswick	1,500	-
York Sunbury Museum	1,000	-
	<u>\$ 41,350</u>	<u>\$ 34,350</u>

# DOWN TOWN • FREDERICTON •



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