

# DOWN TOWN • FREDERICTON •



## 2017 ANNUAL REPORT









# 2017

# ANNUAL REPORT

## Table of Contents

### President's Message

Page 5

### About Downtown Fredericton Inc.

Page 6

### Board of Directors and Staff

Page 7

### Programs

Page 8

### General Manager's Report

Page 10

### Marketing Report

Page 14

### Minutes from the 2017 Annual General Meeting

Page 16

### Audited Financial Report (December 31, 2017)

Page 20









# PRESIDENT'S MESSAGE

## MEMBERS,

I recently took a walk Downtown, as I often do, to get away from work for a short time and to get some fresh air. I couldn't help but be in awe of the friendly faces and the numerous retailers -- the business owners who show up every day to greet customers, and the feeling that something good is happening in Downtown Fredericton! The smell of fresh baked goods on Queen, the sounds of music coming from Tony's Music Box, the bustle of activity on King, and the happy faces on York reassure me that our Downtown is THE place to be in Fredericton!

We are fortunate to have an amazing cast of characters in our Downtown that provide colour, and customer service beyond anything imagined in a big box store. We have access to a range of businesses that truly create a vibrancy that must be experienced to be appreciated!

And the good news? It's only getting better!

We have seen amazing growth in our Downtown in the last year. The completion of a new residential and commercial building at King and Northumberland; the completion of the impressive Art Gallery addition; the near completion of the hotel on Queen Street; and of course, the completion of the Carlton Street shared space which provides a vision for what our Downtown will strive to be in the coming years!

We still have a lot of work to do.

There are numerous developments on the table. Ross Ventures has started construction on Brunswick Street, Kileel Developments is preparing a new building, and we

are all excited to see initial plans for a new Performing Arts Centre announced! Construction has begun at the Centennial Building property, and there are discussions (as well as need) around a new parking garage. We are very excited to see work begin as we rebuild Officers' Square. Additionally, Downtown Fredericton Inc. has been working to expand our borders. We are excited about this and look forward to working with our new Members! We expect to have this completed by the end of 2018.

On the home front, I wish to thank our Board Members (both present and past) as well as our office staff. Krista Rae, our full-time Marketing Guru has done an outstanding job creating a buzz in Downtown Fredericton; from Downtown Dollars to social media campaigns that rock, Krista is on the Job! Vicki, our Office Manager, is the steady hand that keeps our staff and finances together -- for that we thank you! As always, our General Manager, Bruce McCormack has worked tirelessly to make Downtown a better place to be -- Bruce's commitment to Downtown is significant and has not gone unnoticed -- we are incredibly fortunate to have you on our team!

As we move forward to another busy year, I can't help but reflect on the work that we have completed at DFI -- work that I am immensely proud of! As I look forward to the future I am confident that our Downtown will be better than ever and that DFI will continue to work tirelessly to the benefit of business and retailers alike.

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.

6

## 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

## 2017-2018

### PRESIDENT

Matt Savage – Savage's Bicycle Center

### VICE-PRESIDENT

Mike Davis – The Radical Edge

### SECRETARY/TREASURER

Shane Sutherland – S/S Tire and Auto Service

### DIRECTORS

Heather Libbey – Opportunities New Brunswick

Mike Babineau – Cora Breakfast and Lunch

Barry Morrison – Morrison Holdings Ltd.

Ruth Chippin – Chippin's Real Estate

Vanessa Gray – Cox & Palmer

Gabriel el Zayat – Property Owner

Jim Allain – Andal Corporation

Stephen Chase – City of Fredericton

### STAFF

Bruce McCormack – General Manager

Vicki Stickles – Office Manager

Krista Rae – Marketing/Communications Coord.

461-8323

458-8922

461-7484

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

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

[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 \$3000.00 per façade, maximum of two façades per building. DFI will cover 50% of the total costs of security improvements up to a maximum of \$2500.00 per property. DFI will cover 40% of the total costs of parking improvements up to a maximum of \$2500.00 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

Downtown Fredericton is a very special place, a multi-faceted center, where you will find a variety of independent retail, service retail, pubs, restaurants and a wide variety of professional businesses. All this mixed in with a historic, cultural and tourist area, located in our Business Improvement Area.

Our board and staff have been involved with a number of exciting initiatives coming from the planning process of the Downtown City Centre plan.

In 2017 we saw the first major investment from the plan. The Shared Street concept on Carleton St from Queen north to the Fredericton Public Library. The concept of a shared street will see slow moving vehicle traffic intermingled with pedestrians and bikes, all flowing together. The design speaks to the History and Culture of the Historic Garrison District and will come alive with festivals, events, and the new 2018 Thursday Night Market organized by Fredericton Tourism with support from DFI.

### On behalf of our members DFI has been involved with a number of initiatives:

- Boundary expansion process began with correspondence to all non-residential and residential property owners, brochures delivered and a special meeting explaining the process.
- DFI's parking token program has been replaced with Hotspot. The new pay by space payment machines at the city parking garages are not able to accept the parking tokens.
- Downtown Parking Master plan – a draft of the new Parking plan is now being reviewed. The final draft will be released later this spring.
- Fredericton Downtown Community Health Clinic was opened, a great asset to downtown and a model to be used around the province.



- West End development – Simms Home Hardware opened, as well as the upper floor residential apartments.
- 70-million-dollar renovation of the Centennial building has begun as well as plans for the new Provincial court house on Brunswick St. replacing the south wing of the Centennial building.
- Performing Arts Centre – the Board of the Fredericton Playhouse has finalized their position to construct the new building at the existing site. Construction is planned to begin as soon as financing is in place.
- The Façade Improvement Program was well used in 2017. We had 16 properties participating. This has been a successful program which the board continues to support.
- Graffiti Removal Program unfortunately is being used more than we would like. Over the past couple of years there has been an increase in graffiti on both public and private buildings. We continue to discuss solutions with the City Police. If you have graffiti, please call DFI and let us know where.
- DFI has been working with the City Police and Kings Place to help find solutions with minor issues. A CPTED (crime prevention through environmental design) analysis was completed by the Police force and a report was developed to discuss and find solutions
- In December the City Engineering Department introduced a proposal for a Pilot Project to install Bike lanes in downtown. Our board had a number of questions and concerns. A meeting for members was held this spring to detail the city plans. 30 plus members were present and identified a number of issues and concerns. We are waiting to see if the city introduces any changes following our meeting. The city is proposing a bike lane on Brunswick and Queen Streets with Carleton Street being the north/south connector. Under the proposal, Queen Street will change from two lanes to one lane of traffic with no double parking for deliveries permitted. All parking and loading zones will be removed from Carleton Street between Brunswick and Queen Streets.

DFI is concerned that the removal of two lanes on Queen and removal of parking (especially on Carleton Street) will have a negative economic impact on retail businesses, banks and food and beverage.

In 2012 Queen Street was named as Canada's Great Street; we don't want to lose this Prestigious Award.

## EXCITING DEVELOPMENTS FOR 2018:

- Phase I of Officers' Square will begin this Spring, starting with Infrastructure renewal on Regent Street from the Lighthouse to Queen Street. This area will be closed from May to August. After Harvest Jazz and Blues, demolition will begin in Officers' Square which will be closed off to the public and all festivals, events and activities will be staged outside of the construction area. Plans for reopening will be in 2019. We want City Council to know their investment into the Historic Garrison District has not gone unnoticed. We realize this is a huge commitment but very worthwhile.
- Panhandling education will begin this summer with enforcement being handled by the parking commissioners. This new initiative will be a great service to downtown businesses and customers.
- Ross Ventures to begin construction on Carleton Street of a five storey, 90,000 square foot office complex.
- Kileel Developments Ltd. has announced plans for construction of a mixed-use building on the corner of King and Westmorland Streets. This will be up to seven storeys, 75,000 square feet of office space and twenty to twenty-four residential units.
- Commercial Properties/Irving has proposed a 92,000 square foot mixed-use development including retail, office and residential on the Regent and King Street location.
- 348 King Street – Greg MacFarlane is renovating the old Relish complex for retail and office tenants.
- John Burgess – old Simms Home Hardware building is being renovated for multi-use retail space including Tommy's Flooring, Shear Beauty and more.
- Gabriel el Zayat is planning a residential development on the old Francis Atkinson property at the head of Queen Street at Smythe Street.
- Mike Babineau and business partner Gabriel el Zayat are renovating and renaming the old Mexi's Building on the corner of King and Westmorland Streets. A fresh new name and menu will be announced soon.



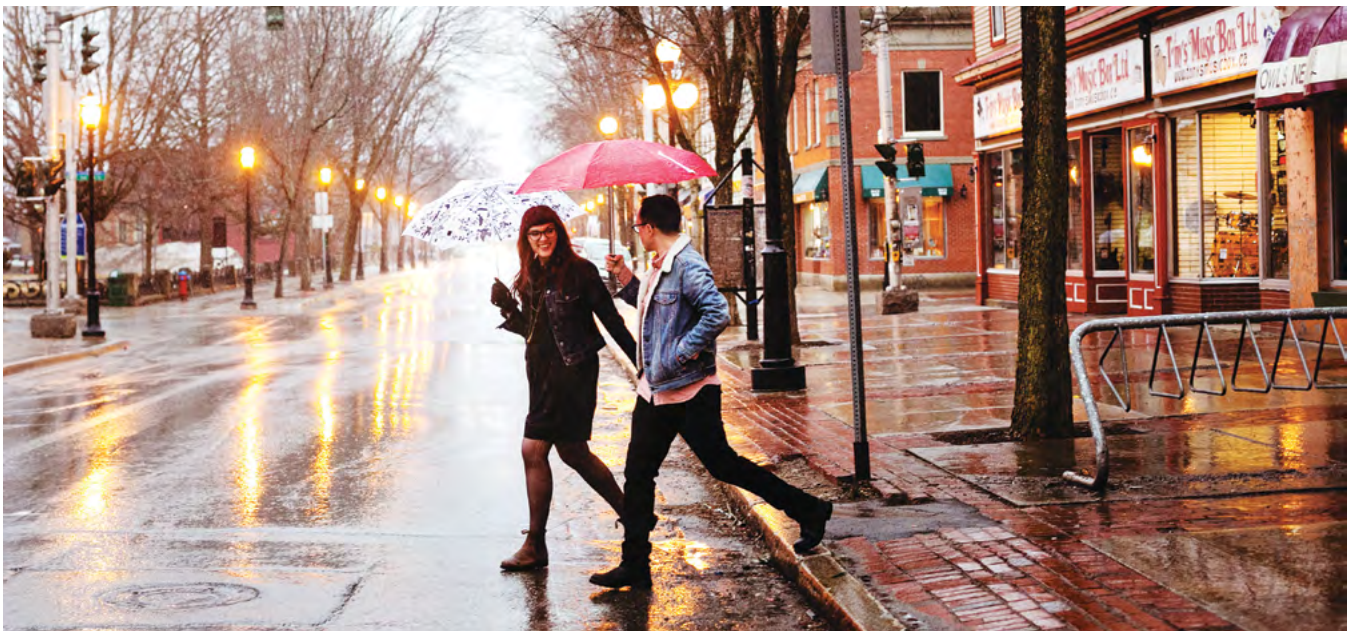




## 2018-2021 PRIORITIES

In March the Board and staff met to Identify priorities for the next 2-3 years. A SWOT analysis was discussed followed by setting the most important priorities.

- **New Parking Garage** – with the proposed developments over the next 3-5 years (see Opportunities), the sale of Brunswick Street Parking Garage to Ross Ventures Ltd., reduction in capacity in Kings Place Parking Garage; DOWNTOWN is in dire need of a planned, centrally located 500 space Parking Garage.
- **Safe & Clean** = A Vibrant Downtown – foot patrols, enforcement of property damage and Graffiti – huge concern
- **Transportation**
  - o Downtown requires an adequate late night taxi service which will reduce the concern of patrons.
  - o Removing the Transit Hub from the King Street side of Kings Place as identified in the City Centre plan. This is very important to the redevelopment of Kings Place.
  - o Work to reduce concern for businesses that will be affected by the introduction of Bike lanes. The complete removal of on-street parking spaces off Carleton St. between Brunswick and Queen St is the major concern.
- **Support Members programs** - work to develop new programs and expand existing programs. Reach out to the newly expanded area businesses and include them in existing programs.
- **BIA Expansion area** - (when BIA expansion goes through- September 2018)
  - o Seat on Board
  - o Education/Orientation
- **Member educational opportunities**
  - o Sunday Shopping (encourage members to open; opportunity if the City introduces Sunday Transit schedule)
  - o Social Media (training/information session)
  - o Find out what one another is doing (networking)
  - o Best business practices (experienced business owners giving information to newer businesses)
- **Major Promotion for Downtown Fredericton** - take ownership "Own a Holiday/or event"
- **Directional Signage** – Reverse Hub and Spoke approach.







## MARKETING REPORT 2017

During my second year as Marketing and Communications Coordinator for Downtown Fredericton Inc., my understanding of what an amazingly vibrant and active Business Improvement Area we have continued to grow!

Our members work hard at what they do, and it shows through the busy and brilliant atmosphere on every street of our downtown. Also, our members help me out immensely with their feedback and ideas. Because of all this, the job of promoting Downtown Fredericton as a destination to shop, dine, stay and play is made easier!

One of the new advertising endeavours that we embarked on in 2017 was to advertise in the Saint John market. This area is such a short drive away that we feel it is an obvious one to test. We went into this market with a direct mail piece in the early summer, which was delivered to mailboxes in hand-picked neighbourhoods which fall in our target demographic. We supplemented this with a digital advertising campaign in the same area, at the same time. Following this early summer approach, we continued in the Saint John market with our digital campaign through geo-fencing events like Area 506 and the Tall-Ships, as well as hotels.

Within our local area, our advertising targeted two markets: residents and intercept. The intercept campaign saw Downtown Fredericton digital advertisements being served through geo-fencing all of the uptown hotels plus a few key restaurants up the hill. The goal was to serve ads to people visiting Fredericton, who were staying uptown, and try to pull them into the downtown. In addition to the digital ads, our Shopping and Dining guide was distributed to all hotels and we secured dedicated space within hotel-room information binders.

Our advertising to residents of the greater Fredericton area continues to use a variety of channels from social media to radio to print materials (newspaper, magazines, direct mail) with a goal of keeping Downtown Fredericton "Top of Mind" as the best place to shop, dine, enjoy music and cultural events and be social.

Throughout the year, our social media channels continued to perform well, with all three channels (Facebook, Twitter & Instagram) seeing steady growth through the year. We continue to attract new followers and see lots of great engagement.





Through 2017 we designed and printed many new lamp post banners, both for Summer and Christmas. In addition, for the first time, we created large banners to celebrate Canada 150 which were displayed along the riverfront trail between the pedway and the Lighthouse. Also, we have been putting up branded signage at the entrances to the BIA, which are seasonal in nature.

November and December were very busy for us, with many aspects to our holiday campaign:

- Downtown Dollar Blowout - We sold \$50,000 worth of Downtown Dollars at a 20% discount (maximum purchase per person is \$500). We sold out in just over an hour! This annual sale continues to be a very successful marketing event which ensures an infusion of spending in the downtown.
- Black Friday is a big day in downtown where we advertise the many deals to be had at downtown businesses on that day. For the second year, we produced Black Friday door decals for participating businesses to display which lets passerby know where to find the deals.
- Stop, Shop & Win was a contest we held in December in partnership with 10 downtown businesses and New Country 92.3. Each of the 10 businesses were featured one day during the two-week contest and gave away a \$50 gift certificate on their day to a qualifier. All contest entries were also entered to win a grand prize at the end of the contest period for \$500 Downtown Dollars.
- For the second year we held a Family Holiday Party in partnership with the Fredericton Public Library and Chess Piece Patisserie, hosting 250 people for crafts, games, treats, music and storytelling. Frantically Atlantic, a local music and storytelling duo performed at the event, and Santa Claus even made an appearance!
- Santa and the Elm City Echoes visited Downtown Fredericton several times during the month of December as has been the tradition for many years.
- A new tradition this year was to hold two Free Parking days in the downtown during the holiday season (On Black Friday and on December 15). We partnered with Hotspot Technologies for these days, offering Hotspot users up to 2 hours of free parking. This replaced the Ticket Terminator program, which was retired due to tokens no longer being used in the downtown. An advantage to the Hotspot program is that it allowed us to serve a larger area of the downtown, including the parking garages and lots.

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

Respectfully Submitted,  
 Krista Rae  
 Marketing and Communications Coordinator  
 Downtown Fredericton Inc.





# ANNUAL GENERAL MEETING

16

## DOWNTOWN FREDERICTON INC. WEDNESDAY, APRIL 26TH, 2017

### IN ATTENDANCE:

Shawn Bilerman  
Alan Aikens  
Dan Myers  
Andrew Bedford  
Peter Pacey  
Laurie Guthrie  
Jason LeJeune  
Matt Savage  
Dave Traboulsee  
Dianne Arsenault  
Shane Sutherland  
Bruce McCormack  
Vicki Stickles  
Krista Rae

Budd Lynch  
Seth Chippin  
Ruth Chippin  
Kathy Pugh  
Joanne Gallant  
Wes Ward  
Stephen Chase  
Julia Stewart  
Kim Bent  
Dave Seabrook  
Janet North  
Luke Randall  
Kate Rogers

### CALL TO ORDER

Meeting was called to order at 12:00pm by General Manager, Bruce McCormack

Bruce welcomed everyone in attendance for the Annual General Meeting of Downtown Fredericton Inc. Bruce introduced President, Matt Savage.

### WELCOME – DFI PRESIDENT

President, Matt Savage, also welcomed everyone in attendance. We will have our meeting with review of the minutes from last year, review audited financial statements completed by Grant Thornton, awards, and some time for questions. Matt introduced Deputy Mayor of the City of Fredericton, Kate Rogers.



## WELCOME FROM CITY OF FREDERICTON

Deputy Mayor Kate Rogers brought greetings from the City of Fredericton. Welcome from City of Fredericton, Mayor and Council, I enjoy being in the company of those who do so much for our city.

Walking downtown this past weekend there was the Flourish Festival taking place. Our downtown was vibrant, and full of people. I appreciate the efforts of Downtown Fredericton Inc. There are many challenges with construction but it will have long term gains.

Approval of minutes from May 18th, 2016, approved by Dave Traboulee, seconded by Jason Lejeune, all in favor, motion carried.

## GRANT THORNTON – AUDITED FINANCIAL STATEMENTS

Grant Thornton Chartered Accountants, Dianne Arsenault – Presentation of the Audited Financial Statements for 2016.

Auditors report is on page 19, statement of operations page 20, the organization had a good year; the revenue was same as previous year and expenses were consistent with previous year.

Balance sheet is on page 21, again very consistent with previous year. There are no concerns to report.

General Manager, Bruce McCormack thanked Dianne for her work and presentation of audited statements.

Motion to accept the audited financial statements as presented, moved by Shane Sutherland, seconded by Shawn Bilerman, motion carried.

## GENERAL MANAGER- BRUCE MCCORMACK

Bruce gave PowerPoint presentation to those present.

### 2016 Priorities

- Performing Arts Center
- Work with City on the two-way traffic on Queen Street – St. John – Regent Street
- Encourage the Regent St. property owners to look at a new design of the rear of their properties. Invite the City to partner
- Work with property owners to redevelop 2nd & 3rd floor for Start-up companies. Include as an Improvement Program. Invite the City to partner.
- Work with City to implement HGD plan
- Façade Improvement Program – enhance the program to build new retail space in new downtown developments
- Continue to encourage Festivals and Events into the Downtown
- Work with the Mayor, new City Council and developers to encourage them to adopt a Public Art Policy for Downtown
- Continue the process to expand DFI as described in the City Center Plan
- Support more high density residential downtown

The old Elm City Chrysler – on King Street owned by John Burgess was demolished May 11th, 2016. New building to go up which will include residential.

Peter Pacey commented after Power point presentation about concerns for some areas downtown like the old justice building being torn down when it is a perfectly good building. City needs to keep heritage properties downtown. Buildings should be re-purposed.







## NOMINATION REPORT

### Re-offering directors

Mike Davis	Radical Edge	2017-2019 term
Barry Morrison	Property owner	2017-2019 term
Mike Babineau	Cora's	2017-2019 term

### New Directors

Vanessa Gray	Cox Palmer Law	2017-2019 term
Jim Allain	Andal Corp.	2017-2019 term
Gabriel El Zayat	Property Owner	2017-2019 term

### Not returning directors

Jamie Boyle  
Brad Toole

For the new directors, Bruce called for any other nominations from the floor, 3 times, nominations ceased.

**Motion to accept Vanessa Gray, Jim Allain, Gabriel El Zayat to Downtown Fredericton board of directors, moved by Mike Babineau, seconded by Ruth Chippin, motion carried.**

We present the new 2017-2018 Board of Directors for Downtown Fredericton Inc.

Matt Savage, President  
Mike Davis, Vice President  
Shane Sutherland, Secretary/Treasurer  
Ruth Chippin, director  
Heather Libbey, director  
Barry Morrison, director  
Mike Babineau, director  
Vanessa Gray, director  
Jim Allain, director  
Gabriel El Zayat, director  
Councillor Stephen Chase, appointed

## PRESENTATION OF AWARDS

**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 is Jason LeJeune of Isaac's Way. Congratulations!

### Façade Improvement Award:

This year's winner of the façade improvement award is Graystone Brewery – Wes Ward. Wes thanked Downtown Fredericton Inc for the award and will be doing improvements to his property on Queen Street as well in the spring

## CLOSING REMARKS –

### President, Matt Savage

Downtown is about people. Mazzuca, Tony's Music Box, long term businesses that have shaped our downtown. Thank you everyone for contributing in your own way to make a more vibrant downtown. Downtown Fredericton Inc has very good staff members, thank you Krista, Vicki and Bruce for all that you do. This year marks the 35th year of the Calithumpians in Officers Square. Congratulations!

## ADJOURN

General Manager thanked all those in attendance for coming to our Annual General Meeting this year. Meeting adjourned 1pm, motioned by Mike Babineau.







# 2017

# AUDITED FINANCIAL REPORT

Independent Auditor's Report  
Page 21

Statement Of Financial Position  
Page 22

Statement Of Changes In Net Assets  
Page 23

Statement Of Operations  
Page 24

Statement Of Cash Flows  
Page 25

Notes To The Financial Statements  
Page 26

Schedule 1 – Improvement Grants  
Page 29

Schedule 2 - Festival & Special Event Grants  
Page 30





NICHOLSON & BEAUMONT  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
Downtown Fredericton Inc.

We have audited the accompanying financial statements of Downtown Fredericton Inc., which comprise the statement of financial position as at December 31, 2017, 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 judgement, 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.

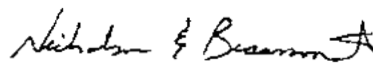
### Basis for qualified opinion

Downtown Fredericton Inc. sells Downtown Dollars which function similar to gift certificates and can be used at most downtown businesses. As at December 31, 2017 there was a liability for Downtown Dollars totalling \$45,465, 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, 2017 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.

Fredericton, NB  
April 6, 2018

  
Chartered Professional Accountants

Independent member of Porter Hétu International, professional services group.

● 328 King St, Fredericton, NB, E3B-5C2 ● Office - (506) 458-9815 Fax - (506) 459-7575 ● [www.nicholsonbeaumont.com](http://www.nicholsonbeaumont.com)



# Downtown Fredericton Inc.

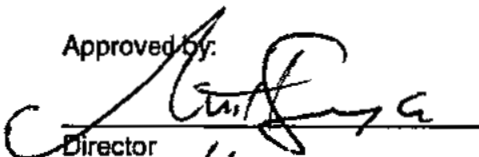
## Statement of Financial Position


As at December 31, 2017

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 159,086	\$ 120,298
Cash - restricted	73,000	63,000
Accounts receivable	21,675	29,382
Prepaid expenses	<u>5,276</u>	<u>4,308</u>
	259,037	216,988
Property and equipment - Note 5	<u>52,875</u>	<u>48,715</u>
	<u>\$ 311,912</u>	<u>\$ 265,703</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 67,821	\$ 66,563
Government remittances	<u>5,004</u>	<u>4,321</u>
	<u>72,825</u>	<u>70,884</u>
<b>Fund balances</b>		
Severance reserve fund - Note 6	73,000	63,000
Unrestricted net assets	<u>166,087</u>	<u>131,819</u>
	<u>239,087</u>	<u>194,819</u>
	<u>\$ 311,912</u>	<u>\$ 265,703</u>

### Commitments - Note 7

Approved by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



## Downtown Fredericton Inc.

### Statement of Changes in Net Assets

For the Year Ended December 31, 2017

---

	<u>Severance reserve fund</u>	<u>Unrestricted</u>	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 63,000	\$ 131,819	\$ 194,819	\$ 172,316
Excess of revenue over expenditures	<u>10,000</u>	<u>34,268</u>	<u>44,268</u>	<u>22,503</u>
Balance, end of year	<u>\$ 73,000</u>	<u>\$ 166,087</u>	<u>\$ 239,087</u>	<u>\$ 194,819</u>

# Downtown Fredericton Inc.

## Statement of Operations

For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
<b>Revenue</b>		
Business improvement area tax levy	\$ 586,593	\$ 590,597
Parking promotion	3,300	7,570
Regent St. Wharf	-	3,000
Interest income	1,977	1,588
Miscellaneous income	-	(1,004)
	<u>591,870</u>	<u>601,751</u>
<b>Expenditures</b>		
Amortization	10,507	10,081
Bank charges	2,122	1,917
Business development	25,008	25,265
Festival and special event grants - Schedule 2	31,925	41,350
Grants - Schedule 1	43,014	50,003
Maintenance	19,114	16,420
Marketing and communications - Note 3	74,706	102,234
Occupancy and telephone	28,920	32,176
Office and postage	15,810	19,687
Parking token redemptions	5,930	5,228
Professional fees	5,553	5,399
Regent St. Wharf	-	1,254
Retirement allowance	10,000	-
Salaries and benefits - Note 4	260,740	235,125
Sponsorship	16,848	17,500
Strategic planning initiatives	2,846	6,380
Streetscape	4,559	9,229
	<u>557,602</u>	<u>579,248</u>
Excess of revenues over expenditures	<u>\$ 34,268</u>	<u>\$ 22,503</u>



# Downtown Fredericton Inc.

## Statement of Cash Flows

For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenues over expenditures	\$ 34,268	\$ 22,503
Amortization	<u>10,507</u>	<u>10,081</u>
	44,775	32,584
Changes in working capital		
Accounts receivable	7,707	(922)
Retirement allowance	10,000	-
Prepaid expense	(968)	107
Accounts payable and accrued liabilities	1,258	8,690
Government remittance	<u>683</u>	<u>4,321</u>
	63,455	44,780
<b>Investing Activities</b>		
Purchase of property and equipment	<u>(14,667)</u>	<u>(8,165)</u>
Net increase in cash and cash equivalents	48,788	36,615
Cash and cash equivalents - Beginning of year	<u>183,298</u>	<u>146,683</u>
Cash and cash equivalents - End of year	<u>\$ 232,086</u>	<u>\$ 183,298</u>
<b>Cash consists of</b>		
Cash	\$ 159,086	\$ 120,298
Cash - restricted	<u>73,000</u>	<u>63,000</u>
	<u>\$ 232,086</u>	<u>\$ 183,298</u>

# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2017

---

### 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.

### 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:

Office furniture and equipment	20% Declining balance
Tree lights	20% Declining balance
Computer equipment	20% Declining balance
Signs	10% Declining balance
Banners	20% Declining balance
Websites	25% Declining balance
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).



# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2017

### 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.

### 3. Marketing and communications

	<u>2017</u>	<u>2016</u>
General advertising and marketing	\$ 28,929	\$ 55,495
Seasonal promotions	28,497	31,676
Printing costs	6,598	10,382
Outside services	<u>10,682</u>	<u>4,681</u>
	<u>\$ 74,706</u>	<u>\$ 102,234</u>

### 4. Salaries and benefits

	<u>2017</u>	<u>2016</u>
Salaries - full-time	\$ 208,475	\$ 185,823
Salaries - summer/part-time	29,437	30,164
Benefits	<u>22,828</u>	<u>19,138</u>
	<u>\$ 260,740</u>	<u>\$ 235,125</u>

# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2017

### 5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2017</u>	<u>2016</u>
Office furniture and equipment	\$ 83,386	\$ 74,375	\$ 9,011	\$ 10,303
Tree lights	47,700	41,782	5,918	7,396
Computer equipment	43,653	39,824	3,829	4,909
Signs	20,452	16,246	4,206	4,674
Banners	71,879	46,062	25,817	16,732
Website	3,861	3,174	687	916
Poster boards	11,427	8,020	3,407	3,785
	<u>\$ 282,358</u>	<u>\$ 229,483</u>	<u>\$ 52,875</u>	<u>\$ 48,715</u>

### 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. This applies to all eligible full-time staff members.

### 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.

### 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, 2017.

#### 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.

#### 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 change in exposures to the various risks from the prior year.



# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2017

### Schedule 1

Downtown Fredericton Inc. promotes the Facade, Security and Parking Lot Improvement Program to all Downtown Fredericton Inc. members. 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>2017</u>	<u>2016</u>
<b>Facade</b>			
11 Mile Food Co.	87 Regent Street	\$ 1,043	\$ -
513214 NB Ltd.	546 Queen Street	-	345
540 Restaurant & Bar	540 Queen Street	-	589
671617 NB Ltd.	546 Queen Street	-	5,000
Andrei Master Tailors Ltd.	66 York Street	-	1,330
Belmont Holdings	532 Queen Street	-	850
Blonde Inc.	530 Queen Street	-	1,205
Caribbean Flava's	123 York Street	-	2,094
Daze Holdings Inc.	95 York Street	3,000	-
Decipher Escape Rooms	393 Mazzuca Lane	-	1,447
Estate of Dora Chippin	89 York Street	-	2,135
Gallery on Queen	406 Queen Street	-	2,500
Harvest Jazz and Blues	81 Regent Street	1,328	-
J B Real Estate	212 Queen Street	6,000	5,000
Megan Tardif-Woolgar	385 Mazucca Lane	370	-
Moco	100 Regent Street	1,130	-
Morinco Holdings Ltd.	494 Queen Street	-	300
Neili Street Investments	228 Queen Street	2,315	-
Ninety-Nine Corporation	441 King Street	-	2,500
Radical Edge	127 Westmorland Street	-	900
Regent Holdings Ltd.	595 King Street	-	163
Robert Dugas	461 King Street	-	664
Robert Simmonds	400 King Street	5,500	-
Royal Barbershop	397 King Street	-	590
Taymax Corporation	117 York Street	3,000	5,000
The Capital Complex	362 Queen Street	-	1,210
The Details Design	65 York Street	288	-
The Modern General Store	59 York Street	-	1,120
Thompson Holdings	490 Regent Street	12,200	-
Tilleul	593 King Street	-	465
Vault 29	426 Queen Street	-	2,500
Ward Holdings	221 King Street	-	5,000
		<u>\$ 36,174</u>	<u>\$ 42,907</u>
<b>Parking lot improvement</b>			
Center Court Properties Ltd.	Wilmot Alley	\$ -	\$ 1,400
J B Real Estate Ltd.	212 Queen Street	-	244
Ninety-Nine Corporation	441 King Street	-	720
S/S Tire	315 Brunswick Street	358	-
Simms Home Hardware	190 King Street	5,000	-
		<u>\$ 5,358</u>	<u>\$ 2,364</u>

# Downtown Fredericton Inc.

## Notes to the Financial Statements

As at December 31, 2017

		<u>2017</u>	<u>2016</u>
<b>Security</b>			
Caribbean Flava's	123 York Street	\$ -	\$ 180
Center Court Properties Ltd.	Wilmot Alley	683	-
Daze Holdings Inc.	95 York Street	623	-
Decipher Escape Rooms	393 Mazzuca Lane	-	680
Gallery on Queen	406 Queen Street	-	230
J B Real Estate	212 Queen Street	-	1,115
Morinco Holdings Ltd.	494 Queen Street	196	-
S/S Tire	315 Brunswick Street	-	1,027
Ward Holdings	221 King Street	-	1,500
		<u>1,482</u>	<u>4,732</u>
		<u>\$ 43,014</u>	<u>\$ 50,003</u>

### Schedule 2

#### **Festivals and special events**

Atlantic Regional Firefighters	\$ 300	\$ -
Bard in the Barracks Inc.	1,000	1,000
Capital Arts Support	3,000	5,000
Civic Pride Committee	500	1,000
Dine around Freddy	750	250
Everest Canadian Seniors Curling	500	-
Flourish Festival	1,500	-
Fredericton Arts Alliance	1,000	1,250
Fredericton Downtown Community Health	250	-
Fredericton Marathon	1,250	1,250
Fredericton Outdoor Theatre	9,000	9,000
Fredericton Region Museum	1,000	-
Fredericton Trails Coalition	175	150
Frostival	1,200	1,200
Heritage Trust	50	50
Hip concert	-	5,000
Multicultural Association of Fredericton Inc.	3,000	3,500
NB Craft Council	-	1,500
NB Highland Games & Scottish Festival Inc.	2,500	2,000
Nashwaaksis Kinsman Club	-	1,000
New Brunswick Country Showcase	1,200	2,200
New Year's	-	1,500
Notable Acts	2,000	2,000
Science East	250	-
Theatre New Brunswick	1,500	1,500
York Sunbury Museum	-	1,000
	<u>\$ 31,925</u>	<u>\$ 41,350</u>



# DOWNTOWN • FREDERICTON •

Downtown Fredericton is a thriving Business Improvement Area consisting of 18 blocks of retail, service retail, bars, restaurants, professional services, hotels and convention services as well as the Historic Garrison District, a renowned Tourist Attraction.





349 King Street, Suite 1

Fredericton, NB, E3B 1E4

506-458-8922

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

[www.downtownfredericton.ca](http://www.downtownfredericton.ca)