

Royal Oak Township

DDA Market Analysis

Prepared for:

Royal Oak Downtown Development Authority

Charter Township of Royal Oak, Oakland County, Michigan

Administrative Offices

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August, 2013

Acknowledgements

We would like to thank the following persons for their dedicated work on this project.

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EXECUTIVE SUMMARY

The most successful redevelopment plans are those based on market realities and thus require an in-depth analysis of the target market. This report is an analysis of the retail and commercial market conditions as of Summer 2012. Market studies have a limited shelf life, which is dependent upon larger economic and social forces. Nevertheless, the purpose of this study is to provide a snapshot of retail demand within the Eight Mile Boulevard trade area so that the Township can identify the best opportunities for redevelopment on Eight Mile Boulevard. The Charter Township of Royal Oak DDA and the Township will use this Market Study to target retailers and businesses in sectors with significant opportunity and will tailor individual parcels to attract this new investment to Royal Oak Township.

Trade Area

The Eight Mile Boulevard district is $\frac{1}{2}$ mile commercial district on Eight Mile Boulevard between Meyers Road and Wyoming Avenue. Within this district, there are currently a range of commercial uses including auto repair, auto parts, fast food restaurants, Henry Ford Kingswood Hospital, personal and beauty services, and general retail. The parcels within this district range between 10,000 square feet (sq. ft.) and 15 acres.

The Eight Mile Trade Area is determined by a combination of factors. The relatively small size of some of the parcels along Eight Mile Boulevard support neighborhood-scale convenience businesses that draw customers from a 5 minute driving radius. Some of the larger parcels, including the former auto dealership properties, could support uses that have a larger trade area of 10 minutes or more. This trade area is the area from which the majority of customers will travel to use these businesses and sets an area that we use to measure population trends, spending potential, and income density.

Demographics and Income

The Eight Mile Boulevard trade area population is projected to decline slightly over the next five years; however, it has remained remarkably steady over the past ten years. The most important figure for Royal Oak Township is the Aggregate Income Density of the trade area - \$1.5 billion, which translates to \$178,000 per acre. This measures the buying power of the Eight Mile Boulevard trade area and is thus the number that is most important for potential commercial investors.

Market Potential and Opportunity Gap Analysis

The Trade Area Market Potential for the district is \$3.16 Billion. The potential for the Eight Mile Boulevard market area is determined by examining the supply and demand of different commercial sectors. To determine the sectors with the greatest opportunity in the trade area, this study has examined the sales for 108 categories of commercial activities. This analysis indicated significant opportunity for, general retail stores, home and garden stores, pharmacies, restaurants, and books and music stores. These are the commercial sectors where residents of the Eight Mile Boulevard trade area are leaving the trade area to purchase these goods and services. The district is over-served with clothing stores, furniture stores, auto sales and services among others.

This opportunity gap analysis indicates that Royal Oak Township's Eight Mile Boulevard district can support an additional 185,000 sq. ft. of home and garden/hardware store space, 80,000 sq.ft. of grocery store space, 20,000 sq. ft. of pharmacy and 12,500 sq. ft. of new bar/tavern and book store space.

Conclusions

Just because the market economics show that there is significant supportable floor space for the aforementioned commercial uses does not mean that the Eight Mile Boulevard district can physically support these uses. The limited size of many of the parcels, combined with standard industry parking and signage needs and stormwater detention requirements will serve to cap the size of new development.

TRADE AREA AND COMMUNITY PROFILE

Trade Area Definition

The trade area is the geographic area from which new development along Eight Mile Boulevard is expected to draw regular customers. It is these regular customer's spending that will support the businesses in the study area. Our trade area was defined based on the size and configuration of the parcels along Eight Mile Boulevard, and the size and scale of commercial or office building that will fit on those parcels. In general, development parcels within the study area will have an area between 10,000 sq. ft. and 15 acres. In an urban context such as Royal Oak Township, these parcel areas will support convenience and community-scale development that will draw from a trade area with a 10 minute driving radius.

The actual shape of the trade area is determined by the location of transportation corridors, natural features and other impediments to circulation, and the location of competing facilities. Based on these considerations, the boundaries of the Eight Mile Boulevard study area trade area is shown in Map 1.

Demographic Profile

The following is a summary of demographic and household information for the population that resides in the trade area.

Table 1. Trade Area Population and Households			
	2000 Census	2010 Census	2015 (proj.)
Population	218,609	208,849	203,157
Households	84,592	81,555	79,585

Source: U.S. Census Bureau, ESRI

The trade area population and households are 208,849 and 81,555, respectively, in 2010. The trade area population and households have remained fairly steady over the 2000 – 2010 period, and are expected to decrease slightly over the next 5 years. This fact means that there will not be a built-in market for new retail or office services to meet the demands of a growing population, so new development along Eight Mile Boulevard will have to identify and meet a demand for a good or service that is not currently being met within the trade area or to compete away business from other establishments.

Table 2. Trade Area Income

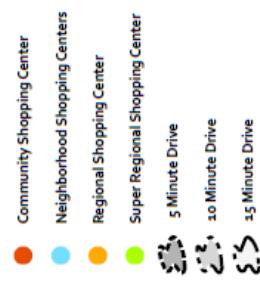
	Census 2000	2010	2015 (proj.)
Median Household Income	\$43,579	\$53,455	\$60,749
Per Capita Income	\$21,547	\$25,680	\$29,375

Source: U.S. Census Bureau, ESRI

Retail Geography

Draft

Downtown Market Analysis Royal Oak Township, Michigan

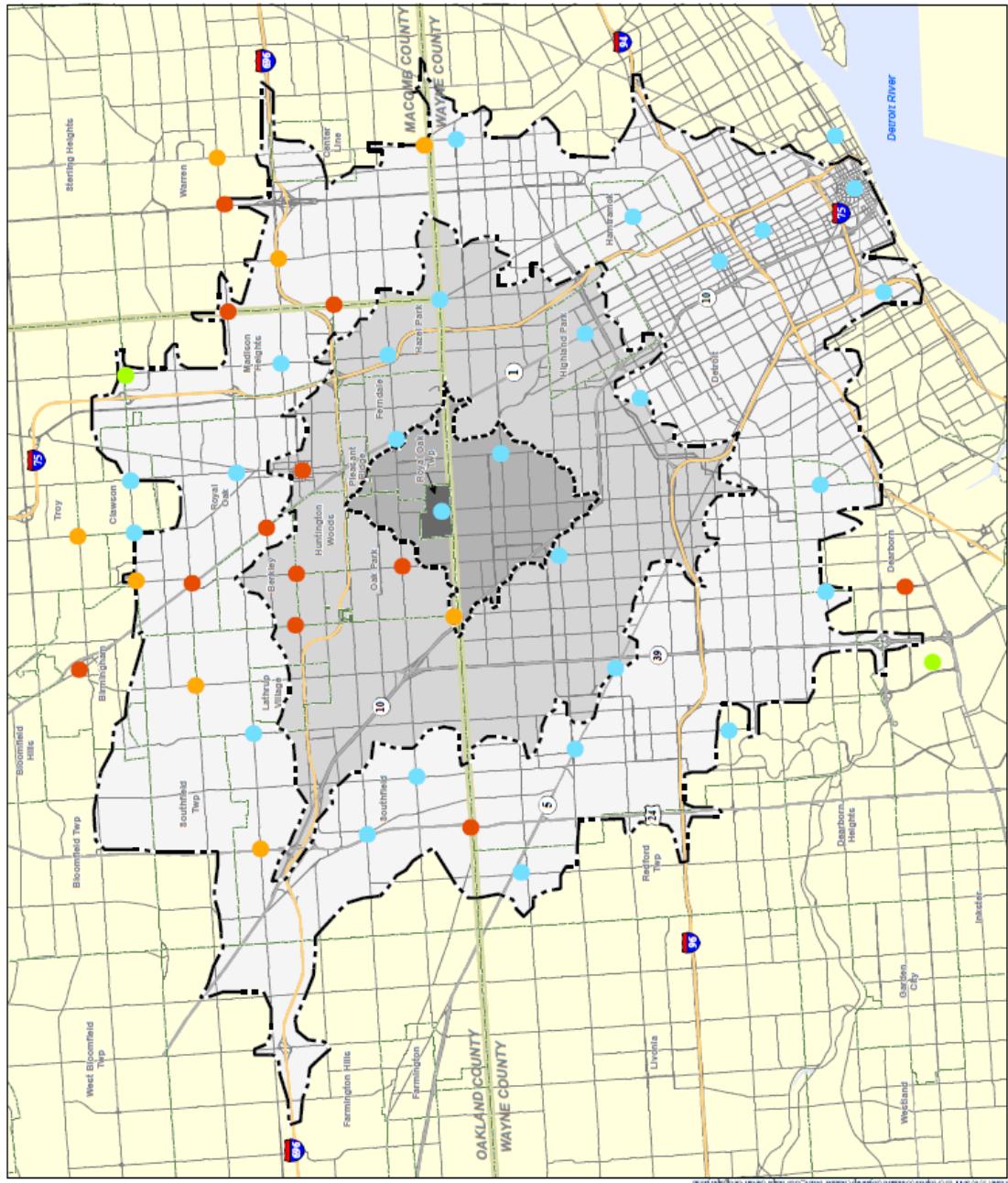


Data Source: Michigan Geographic Framework,
Michigan Center for Geographic Information, Version 8a.

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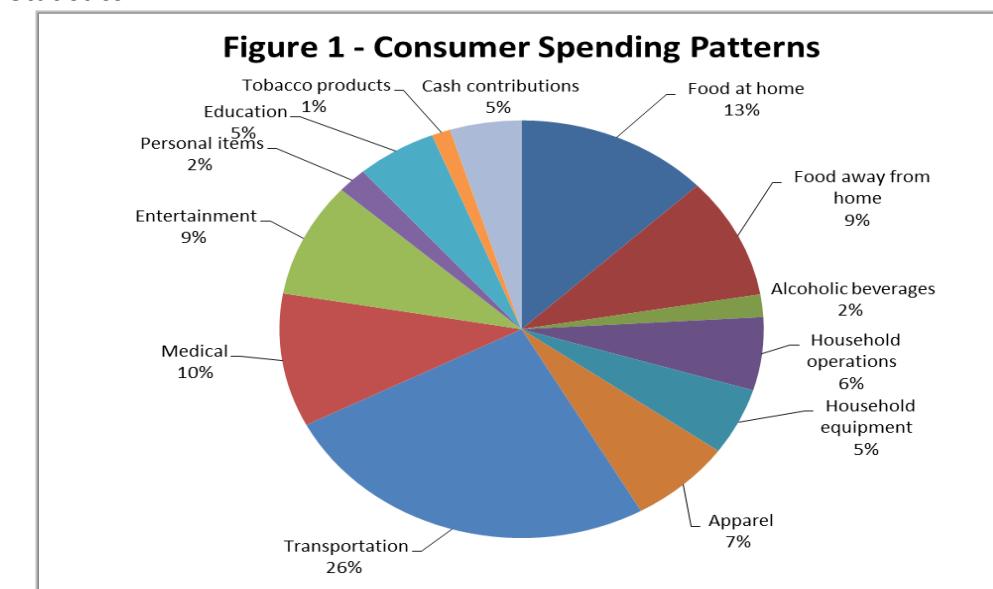
The median household income in the trade area have also remained fairly steady since 2000. This trend is expected to continue over the next 5 years.

Table 3. Aggregate Income and Income Density - 2010		
Community	Aggregate Income	Income Density (income/acre)
Trade Area	\$4.4 Billion	\$184,000
Canton Township	\$2.8 Billion	\$123,000
Dearborn	\$2.2 Billion	\$141,000
Livonia	\$3.0 Billion	\$133,000
Farmington Hills	\$3.2 Billion	\$149,000
Southfield	\$2.0 Billion	\$120,000

Source: U.S. Census Bureau

Demand for retail and professional office space is largely driven by a combination of rooftops and dollars. Historically, retail and office location decision-makers have paid more attention to high levels of household income, while overlooking the impact of concentrated buying power where household densities may be higher but average household incomes may be lower. While it is important to not overstate the case in Royal Oak Township, the above table demonstrates the relative superiority of the trade area in terms of income density. Income density is a measure of concentrated buying power in the trade area. The trade area has the highest income density of other comparable communities in western Wayne and southern Oakland County.

The household expenditures information in Figure 1 shows how trade area households spent their disposable income in 2007. The table is based off of information included in the most recent Consumer Expenditure Survey conducted by the Bureau of Labor and Statistics.



OPPORTUNITY GAP ANALYSIS

Retail and service industry establishments provide a good or service that is demanded in the local community. It follows that in order for a retail or service establishment to be successful, there must be sufficient demand for the good or service that establishment provides. If there is no demand for paint or bicycles in the local community, it is unlikely that a paint or bicycle store will succeed. Similarly, if there is a demand for paint, but an existing paint store is already meeting that demand, it is unlikely that the market will support another paint store.

This fundamental relationship between supply and demand in the local community is at the heart of an opportunity gap analysis. This analysis examines the demographic profile of the population located in the trade area to determine the amount of goods and services that population demands. Then, the supply is determined by examining the stores and service providers located in the trade area and the amount of demand that those stores and service providers can meet.

The opportunity gap is the difference between supply and demand in the trade area. If the people living in the trade area demand a particular good or service, but there is no store or establishment that provides the desired good or service, residents of the trade area are then forced to search elsewhere to make their purchases. These non-local purchases represent “leakages” from the trade area, and reduce the number of potential employment and income opportunities in the community.

This section examines the supply/demand balance to identify demands for goods or services that are not being met in the trade area. Where there is an unmet demand, there may be a profitable business opportunity in the trade area. Identifying these potentially profitable business opportunities will help focus business recruitment efforts for the study area.

Market Potential

The demand for goods and services generated by households in the trade area is referred to as the market potential. The market potential information contained in this section is based on the number of households in the trade area and the effective buying income of those households. Once the overall market potential is determined, we can estimate where those dollars will be spent based on the consumer spending patterns listed in Figure 1.

Table 4. Trade Area Market Potential - 2010

Number of Households:	81,555
Average Annual Household Expenditures:	\$30,256
Annual Market Potential:	\$2.46 Billion
<i>Source: ESRI</i>	

The annual market potential is based on after-tax income, which explains why it is lower than the aggregate income for the trade area reported in Table 3.

Supply Analysis

Information regarding the supply of retail and service establishments located in the trade area was obtained from Claritas, an independent third party data provider. The information provided by Claritas summarizes the number and annual sales of different types of establishments located in the trade area. The following Table 5 summarizes that information.

Table 5. Supply and Number of Businesses

	Supply	Number of Businesses
Motor Vehicle & Parts Dealers	\$183,773,706	148
Automobile Dealers	\$153,069,747	69
Other Motor Vehicle Dealers	\$1,928,068	7
Auto Parts, Accessories & Tire Stores	\$28,775,890	73
Furniture & Home Furnishings Stores	\$48,368,874	60
Furniture Stores	\$27,369,344	22
Home Furnishings Stores	\$20,999,530	38
Electronics & Appliance Stores	\$94,831,065	124
Bldg Materials, Garden Equip. & Supply Stores	\$47,862,959	123
Bldg Material & Supplies Dealers	\$45,893,798	104
Lawn & Garden Equip & Supply Stores	\$1,969,161	18
Food & Beverage Stores	\$275,339,169	287
Grocery Stores	\$170,700,418	131
Specialty Food Stores	\$32,284,660	46
Beer, Wine & Liquor Stores	\$72,354,091	110
Health & Personal Care Stores	\$131,704,101	177
Gasoline Stations	\$387,898,699	133
Clothing & Clothing Accessories Stores	\$101,806,817	424
Clothing Stores	\$70,548,251	272
Shoe Stores	\$17,906,924	57
Jewelry, Luggage & Leather Goods Stores	\$13,351,642	96
Sporting Goods, Hobby, Book & Music Stores	\$16,370,338	94
Sporting Goods/Hobby/Musical Instr Stores	\$8,599,395	61
Book, Periodical & Music Stores	\$7,770,943	33

Table 5. Supply and Number of Businesses

	Supply	Number of Businesses
General Merchandise Stores	\$203,192,334	77
Department Stores Excluding Leased Depts.	\$46,899,962	25
Other General Merchandise Stores	\$156,292,371	52
Miscellaneous Store Retailers	\$30,619,419	274
Florists	\$3,892,061	35
Office Supplies, Stationery & Gift Stores	\$14,588,002	85
Used Merchandise Stores	\$2,442,128	71
Other Miscellaneous Store Retailers	\$9,697,227	83
Nonstore Retailers	\$50,256,590	33
Electronic Shopping & Mail-Order Houses	\$26,260,545	7
Vending Machine Operators	\$14,120,917	15
Direct Selling Establishments	\$9,875,127	11
Food Services & Drinking Places	\$370,719,126	706
Full-Service Restaurants	\$161,125,516	381
Limited-Service Eating Places	\$155,431,453	208
Special Food Services	\$39,046,686	53
Drinking Places - Alcoholic Beverages	\$15,115,471	64

Opportunity Gaps

The following Figure 2 shows opportunity gaps for major retail and service categories, based on the supply and demand for goods and services in the trade area derived from the previous pages. The chart shows the amount of surplus or unmet demand for each type of store or service in dollars. A bar to the right indicates that there is an unmet demand for that type of good or service, while a bar to the left indicates that there is a surplus, and there will likely not be a robust market for additional goods or services of that type in the trade area.

Figure 1 - Opportunity Gap

Leakage/Surplus Factor by Industry Group



The detailed information that was used to create Figure 2 is contained in Table 6, below. Table 6 indicates the size of the opportunity gap or surplus for various merchandise lines. Again, note that this information is for the goods and services offered, rather than for types of store.

Table 6. Demand, Supply and Retail Gap

	Demand	Supply	Retail Gap
Motor Vehicle & Parts Dealers	\$621,128,471	\$183,773,706	\$437,354,765
Automobile Dealers	\$523,713,915	\$153,069,747	\$370,644,168
Other Motor Vehicle Dealers	\$40,281,205	\$1,928,068	\$38,353,137
Auto Parts, Accessories & Tire Stores	\$57,133,351	\$28,775,890	\$28,357,461
Furniture & Home Furnishings Stores	\$73,041,524	\$48,368,874	\$24,672,650
Furniture Stores	\$46,224,633	\$27,369,344	\$18,855,289
Home Furnishings Stores	\$26,816,891	\$20,999,530	\$5,817,361
Electronics & Appliance Stores	\$101,256,211	\$94,831,065	\$6,425,146

Table 6. Demand, Supply and Retail Gap

	Demand	Supply	Retail Gap
Bldg Materials, Garden Equip. & Supply Stores	\$101,926,318	\$47,862,959	\$54,063,359
Bldg Material & Supplies Dealers	\$92,442,166	\$45,893,798	\$46,548,368
Lawn & Garden Equip & Supply Stores	\$9,484,152	\$1,969,161	\$7,514,991
Food & Beverage Stores	\$384,021,714	\$275,339,169	\$108,682,545
Grocery Stores	\$301,542,365	\$170,700,418	\$130,841,947
Specialty Food Stores	\$28,909,139	\$32,284,660	(\$3,375,521)
Beer, Wine & Liquor Stores	\$53,570,210	\$72,354,091	(\$18,783,881)
Health & Personal Care Stores	\$136,653,354	\$131,704,101	\$4,949,253
Gasoline Stations	\$439,201,944	\$387,898,699	\$51,303,244
Clothing & Clothing Accessories Stores	\$119,836,040	\$101,806,817	\$18,029,223
Clothing Stores	\$91,382,579	\$70,548,251	\$20,834,328
Shoe Stores	\$14,497,467	\$17,906,924	(\$3,409,456)
Jewelry, Luggage & Leather Goods Stores	\$13,955,994	\$13,351,642	\$604,352
Sporting Goods, Hobby, Book & Music Stores	\$40,875,171	\$16,370,338	\$24,504,833
Sporting Goods/Hobby/Musical Instr Stores	\$20,161,478	\$8,599,395	\$11,562,084
Book, Periodical & Music Stores	\$20,713,693	\$7,770,943	\$12,942,750
General Merchandise Stores	\$541,017,439	\$203,192,334	\$337,825,106
Department Stores Excluding Leased Depts.	\$173,390,964	\$46,899,962	\$126,491,002
Other General Merchandise Stores	\$367,626,475	\$156,292,371	\$211,334,104
Miscellaneous Store Retailers	\$54,769,494	\$30,619,419	\$24,150,075
Florists	\$4,307,334	\$3,892,061	\$415,272
Office Supplies, Stationery & Gift Stores	\$23,313,985	\$14,588,002	\$8,725,983
Used Merchandise Stores	\$1,987,421	\$2,442,128	(\$454,707)
Other Miscellaneous Store Retailers	\$25,160,754	\$9,697,227	\$15,463,527
Nonstore Retailers	\$81,646,781	\$50,256,590	\$31,390,191
Electronic Shopping & Mail-Order Houses	\$39,864,317	\$26,260,545	\$13,603,772
Vending Machine Operators	\$15,318,085	\$14,120,917	\$1,197,168
Direct Selling Establishments	\$26,464,378	\$9,875,127	\$16,589,251
Food Services & Drinking Places	\$465,964,040	\$370,719,126	\$95,244,914
Full-Service Restaurants	\$197,745,974	\$161,125,516	\$36,620,458
Limited-Service Eating Places	\$207,004,308	\$155,431,453	\$51,572,854
Special Food Services	\$46,566,591	\$39,046,686	\$7,519,905
Drinking Places - Alcoholic Beverages	\$14,647,168	\$15,115,471	(\$468,303)

Source: ESRI

Supportable Floor Space

The opportunity gap in Figure 2 and Table 6 is presented in dollars, so it only tells you how much money residents of the trade area may be spending outside of the trade area. In order to convert this spending into an estimate of demand for additional retail or service floor space in the trade area, we must divide the dollar value by a sales per square foot value. Table 7, below, shows the amount of floor space needed to meet the opportunity gaps included in Figure 2 and Table 6.

Table 7. Supportable Floor Space

Type of Store	Supportable Floor Space
General Merchandise	1,334,275 square feet
Full Service Restaurants	276,216 square feet
Home and Garden/Hardware	139,106 square feet
Books/music/sporting goods	99,605 square feet
Furniture Stores	62,024 square feet

Strategic Plan

Introduction

The strategic plan identifies the projects and programs that are needed to fully realize the community's vision for the future of Royal Oak Township. The first part of this chapter presents the strategic plan in tabular form, divided into short-term, mid-term, and long-term projects. The second part of the chapter described each project and program in detail.

Responsibility and Accountability

A key element of a strategic plan is delegation of implementation responsibility. For each project or program, the strategic plan identifies one entity as the responsible party. Other parties may also be identified because they can offer support in implementation. But for each project and program only one party has the *responsibility* to accomplish the endeavor.

By assigning responsibility, the strategic plan offers a method of accountability. Each party that is identified as responsible for one or more projects or programs has agreed to be included in the strategic plan. As the plan is implemented over time, each responsible party can be held accountable for success or failure of each project or program.

Time Frame

The strategic plan divides projects and programs into three time frame categories:

- Short-term: To be implemented over the next 2 years: 2012 through 2014
- Mid-term: To be implemented in 3 to 6 years: 2015 through 2018
- Long-term: To be implemented in 7 to 10 years: 2019 through 2022

Short-term projects are those that have resources – financial and human – dedicated, and are ready to be implemented. Mid-term projects are those that have identified but not yet committed resources and/or that build on short-term projects and programs. Long-term goals are those that do not have identified resources and/or that build on short- and mid-term projects and programs.

The time frame designations in the strategic plan should be considered as general. In actual practice, projects and programs may move closer or further out in implementation as resources become more or less available.

Long Term Implementation

To assure the long-term implementation of the strategic plan, the Township should appoint a steering committee. Each year the steering committee would determine which projects and programs to move from the mid-term to the short-term list and which programs to move from the long-term to the mid-term list. The steering committee would also prepare a report to the Township Board on the previous year's accomplishments and failures.

Strategic Plan – Tabular Form

The strategic plan is presented in the following tables:

Table 1

Strategic Plan: Short-Term Objectives, on page 15

Table 2

Strategic Plan: Mid-Term Objectives, on page 17

Table 3

Strategic Plan: Long-Term Objectives, on page 19

In each table, the first column provides a unique project number for each project or program in the strategic plan. The project number can be used to find the detailed description of each project or program in the final section of this chapter.

The second column indicates the type of project or program. There are four project types: planning and design, organization, project implementation, and promotion. Planning and design projects are those that are intended to formulate a plan or design that will be used in subsequent projects. Organization projects are those that build the capacity of existing organizations and agencies or establish new agencies. Project implementation is construction and development projects. Promotion projects are the projects and programs intended to attract new businesses and new customers to the downtown area.

The third column identifies the name of the project or program. The fourth column identifies the financial resources available to implement the project. The fifth column indicates which entity has responsibility for the project, and identifies other parties whose support is needed for the project. The sixth column indicates the year(s) in which the project will be implemented.

Table 1
Strategic Plan: Short-Term Objectives

SHORT TERM OBJECTIVES (1 – 2 YEARS : 2013 through 2015)						
Project Number	Project Type	Project	Potential Funding Sources	Implementation Responsibility	Timing	Priority
(1)	Project Implementation	Former Dealership Redevelopment	Private Investment TIF Revenue (DDA or BRA) MEDC Grants MDOT Grants CDBG MDEQ	Township Board DDA or BRA Property Owner Private Developer	2013 – 2015	High
(2)	Planning & Design	DDA or BRA TIF Plan Revision	TIF Revenue MEDC Grant General Fund	DDA or BRA	2013-2014	High
(3)	Planning & Design	Urban Design Plan: - Streetscape - Civic space - Signage - Design guidelines - Façade improvements - Lighting	General Fund TIF Revenue MEDC Grant HUD Grant	Steering Committee: Township Board Planning Commission DDA	2013-2014	High
(4)	Planning & Design	Zoning Ordinance Amendments	General Fund TIF Revenue	Planning Commission Township Board DDA Township Residents	2013-2014	Medium

(5)	Organization	New Economic Development Entities	General Fund TIF Revenue	Township Board	2013-2014	High
(6)	Project Implementation	Code Enforcement	General Fund Fines	Township Board Director of Planning & Community Development Township Attorney	(On-going)	High
(7)	Project Implementation	Opportunity Purchases of Key Parcels	General Fund TIF Revenues	DDA Township Board	2013 – 2015	High
(8)	Promotion	Signature Event	TIF Revenue Private Funds Event Proceeds Donations	DDA Steering Committee: DDA Township Board Downtown Area Businesses Community Organizations Township Residents	2013– (On-going)	High

Source: McKenna Associates, Inc., 2005.

Table 2

Strategic Plan: Mid-Term Objectives

MID-TERM OBJECTIVES (3 – 6 YEARS : 2015 through 2018)					
Project Number	Project Type	Project	Potential Funding Source	Implementation Responsibility	Timing
(9)	Project Implementation	Business Recruitment	TIF Revenue	DDA Downtown Area Businesses Regional Organizations	2015-(On-going)
(10)	Project Implementation	Code Enforcement	General Fund Fines	Township Board Township Manager Director of Planning & Community Development Township Attorney	(On-going)
(11)	Project Implementation	New Housing Development	Private Investment HUD MSHDA Tax Credits General Fund TIF Revenues	Township Board DDA or BRA Property Owners Private Developer Housing Organization	2015 – 2018

(12)	Project Implementation	New Office Development	Private Investment CDBG MEDC Grants TIF Revenues General Fund	Township Board DDA or BRA Property Owner Private Developer Township Board	2015 – 2018
(13)	Project Implementation	Façade Improvement	TIF Revenue Private Investment Saginaw Community Foundation Bank CDC	DDA Downtown Area Businesses Property Owners	2015- (On-going)
(14)	Project Implementation	Vacant Parcel Development and Marketing	Private Investment TIF Revenue	DDA Property Owners Realtors	2015-(On-going)
(15)	Promotion	Signature Event	TIF Revenue Private Funds Event Proceeds Donations	DDA Steering Committee: DDA Township Board Area Businesses Community Organizations Township Residents	(On-going)
(16)	Promotion	Downtown Promotion	TIF Revenue Private Funds	DDA Area Businesses	(On-going)

Source: McKenna Associates, Inc., 2012.

Table 3
Strategic Plan: Long-Term Objectives

LONG-TERM OBJECTIVES (7 – 10 YEARS: 2019-2022)					
Project Number	Project Type	Project	Potential Funding Source	Implementation Responsibility	Timing
(17)	Planning & Design	Market Analysis	TIF Revenue	DDA Downtown Area Businesses	2015-(On-going)
(18)	Project Implementation	Code Enforcement	General Fund Fines	Township Board Township Manager Director of Planning & Community Development Township Attorney	2019 – 2022 (On-going)
(19)	Project Implementation	Business Recruitment/ Retention/ Expansion	TIF Revenue Private Funds from Participating Businesses	DDA Downtown Area Businesses Regional Organizations	2019 – 2022 (On-going)
(20)	Project Implementation	Façade Improvement	TIF Revenue Private Investment	DDA Downtown Area Businesses Property Owners	2019 – 2022 (On-going)

(21)	Project Implementation	Vacant Parcel Development	Private Investment TIF Revenue	DDA Property Owners Realtors	2019 – 2022 (On-going)
(22)	Project Implementation	New Housing Development	Private Investment HUD MSHDA Tax Credits General Fund TIF Revenues	Township Board DDA or BRA Property Owners Private Developer Housing Non-Profit	2019 (Completion)
(23)	Project Implementation	New Office Development	Private Investment CDBG MEDC Grants TIF Revenues General Fund	Township Board DDA or BRA Property Owner Private Developer Township Board	2019 (Completion)
(24)	Project Implementation	Streetscape – Phase 2	MDOT Private Investment TIF Revenue	DDA Downtown Area Businesses	2019 – 2020
(25)	Promotion	Signature Event and Downtown Promotion	TIF Revenue Private	DDA Steering Committee	2019 – 2022 (On-going)

Source: McKenna Associates, Inc., 2012.

STRATEGIC PLAN: PROJECT DESCRIPTIONS

Project (1): Redevelopment of Former Auto Dealerships

The market analysis demonstrates that there is more than adequate consumer spending in the trade area to support significant retail and entertainment. Township residents were clear in their desire to see fewer auto related uses and more substantial retail and entertainment uses in the redevelopment of the former auto dealerships.

The former dealerships are privately owned, complicating efforts to redevelop the area. Redeveloping the dealerships requires, as a first step, the Township negotiate with the property owner to determine a feasible redevelopment strategy. It is assumed for the following information, that the current property owner is willing to sell the site to a developer interested in redeveloping the dealerships in accordance with the Master Plan.

The Township will prepare an RFP to recruit a developer for the site. The selected developer will purchase the site, demolish the dealerships, redevelop the shopping center, and attract retail tenants. If necessary, the Township may purchase the site from the current property owners and then transfer the site to the selected developer. The developer will also construct the civic park space, in accordance with the urban design plan. The shopping center developer or another developer will construct the non-retail portions of the dealerships redevelopment.

The Township Board will manage the negotiations with the site's existing property owner, and will manage the RFP and developer selection process. The Township will subsidize the site's redevelopment to the extent feasible. The Township will rely on DDA TIF revenues or establish a Brownfield Redevelopment Authority to help finance demolition and site preparation (see Project (2) and Project (5)). The Township will reimburse the developer for the cost to develop the civic space park.

The Township Board may pay the cost of initial negotiations through the general fund. The Township may subsidize the site's redevelopment with DDA of BRA TIF revenues. The Township anticipates that MEDC will award SBT credits to the developer to promote the site's redevelopment. MDOT economic development grants may defray the cost of road improvements needed for the site's redevelopment. Finally, the Township may apply for CDBG funds to contribute to the site's redevelopment.

Dealerships Redevelopment:

Responsible Party: Township Board

Supporting Party: DDA

BRA

Current Property Owner

	Private Developer
Financial Resources:	Private Investment
	DDA or BRA TIF revenues
	Township General Fund
	MEDC SBT Credits
	MDOT Economic Development Grant
	CDBG
Timing:	2013 – 2015

Project (2): DDA or BRA TIF Plan Revision

The purpose of this project is to either revise the tax increment financing (TIF) plan for the Downtown Development Authority (DDA) or to prepare an original TIF plan for a Brownfield Redevelopment Authority (BRA). Depending on which entity is deemed to be the appropriate authority to assist in the financing of the Fort Saginaw Mall redevelopment, Project (1), tax increment financing will likely be an important component of the overall redevelopment financing. DDA's are authorized to use TIF pursuant to the Downtown Development Authority Act, PA197 of 1975, as amended. BRA are authorized to use TIF pursuant to the Brownfield Redevelopment Financing Act PA 381 of 1996, as amended.

DDA TIF Plan Revision

If the DDA provides TIF funding to the dealerships redevelopment project, then the DDA will prepare a Development Plan and TIF Plan amendment. The DDA will most likely use a consultant to prepare the two plans, combined into a single document. The DDA then recommends the Development Plan and TIF Plan amendment to the Township Board, which adopts the plans by ordinance after holding a public hearing. The TIF Plan is effective upon Township Board adoption.

The DDA's existing TIF revenues and/or the Township's general fund may pay Development Plan and TIF Plan preparation and adoption costs. The Township may apply for an MEDC economic development planning grant for a portion of the costs.

DDA TIF Plan Revision:

Responsible Party:	DDA
Supporting Party:	Township Board
Financial Resources:	DDA TIF revenues
	Township General Fund
	MEDC
Timing:	2013-2014

BRA TIF Plan Adoption

If a BRA provides TIF funding to the redevelopment project the TIF Plan adoption process is different. The BRA first adopts a Brownfield Redevelopment Plan, which includes the TIF Plan, for the site. Next a Work Plan is prepared. The developer may prepare and submitted a Work Plan to the BRA or the BRA may prepare the Work Plan. Once the BRA is satisfied with the Work Plan, the Township Board and the developer enter into a Development Agreement for the site. The BRA then submits the Work Plan and the Development Agreement to the Michigan Department of Environmental Quality (MDEQ) for environmental response activities, and to the Michigan Economic Development Corporation (MEDC) for demolition and site preparation activities. Capturing school tax revenues requires MDEQ and MEDC Work Plan approval. The TIF Plan goes into affect after MDEQ and MEDC approval.

The Brownfield Redevelopment Act does not permit a BRA to capture TIF revenues from a lot or parcel if a DDA is already capturing TIF revenues. If the Township elects to use BRA TIF revenues to finance shopping center redevelopment, the DDA must first amend its Development Plan and TIF Plan to exclude the dealerships site.

Either the Township's general fund or the dealerships developer can pay the costs to prepare and approve the Brownfield Redevelopment Plan (including the TIF Plan), the Development Agreement, and the Work Plan. The BRA, once it is operating and collecting TIF revenues, can reimburse the Township and/or the Developer for the costs to prepare and approve the plans. The Township may apply for an MEDC economic development planning grant for a portion of the costs.

BRA TIF Plan Adoption:

Responsible Party:	BRA
Supporting Parties:	Township Board Dealerships Developer
Financial Resources:	Township's General Fund Shopping Center Developer BRA TIF Revenues MEDC
Timing:	2013-2015

Project (3): Urban Design Plan

The purpose of this project is to prepare a plan that will guide urban design in the downtown area. Specifically, the urban design plan would contain recommendations for:

- Streetscape

- Civic space
- Signage
- Design guidelines
- Façade improvements
- Lighting

The urban design plan will establish a unified design scheme for all of these separate elements that will be implemented in a variety of locations in the downtown area and implemented over the short-, mid-, and long-term.

The urban design plan will provide the conceptual design for the streetscape and will be the basis of the grant application for a TEA-21 grant to fund the streetscape. The urban design plan will include the preliminary design plans for the civic space or downtown area park. The urban design plan will establish a comprehensive signage plan for the downtown area, which can be amended into the Township Zoning Ordinance. The urban design plan will formulate design guidelines that the Township can use to plan future developments in the downtown area. The design guidelines also serve as the basis for a façade improvement program and a lighting plan for the downtown area.

Typically an urban design plan for a downtown area would be formulated by the DDA. In the present case, however, the Township will incorporate the urban design plan into many different Township policies, regulations, and programs. The Township Board should appoint an ad hoc steering committee, including representatives of the Township Board, the DDA, the Planning Commission, and downtown area businesses to manage the urban design plan. Typically, urban design professionals would prepare the urban design plan as consultants to the Township.

The Township Board can use the general fund to pay the cost of the urban design plan, or the DDA can use existing TIF revenues to pay the costs of the urban design plan, or a combination of the two.

Urban Design Plan:

Responsible Party:	Steering Committee
Supporting Parties:	Township Board Planning Commission DDA Downtown Area Businesses
Financial Resources:	Township's General Fund DDA TIF Revenues
Timing:	2013-2014

Project (4): Zoning Ordinance Amendments

This project will formulate zoning ordinance amendments necessary to permit the mixed-use development concept for the dealerships redevelopment and to incorporate recommendations from the urban design plan. The zoning ordinance currently permits mixed-use development through the planned unit development process, although the procedures involved would be complicated for the type of project envisioned in the area development plan. The zoning ordinance could be improved for the project by including mixed-use development as a separate zoning district.

Both the Planning Commission and the Township Board may initiate an amendment to the Zoning Ordinance. Typically, the Planning Commission develops the specific language and maps for a zoning ordinance amendment. With the comprehensive nature of the envisioned amendments, the Planning Commission should appoint an ad hoc task force with representatives of the Commission, the Township Board, the DDA, residents and downtown area businesses to review and comment on the proposed amendments.

After finalizing the draft amendments, the Planning Commission will conduct a public hearing to explain the amendments and receive public input. The Planning Commission then votes to recommend the amendments to the Township Board for approval or denial. The Township Board may conduct a second public hearing, although it is not required. The Township Board has the final authority to adopt the zoning ordinance amendment.

Township boards typically pay the costs of zoning ordinance amendments, most often through planning commission budgets in the general fund.

Zoning Ordinance Amendments:

Responsible Party: Planning Commission
Supporting Parties: Township Board
DDA
Township Residents
Downtown Area Businesses
Financial Resources: General Fund
Timing: 2013-2014

Project (5): New Economic Development Entities

This project will establish new economic development entities needed to capitalize on state-authorized economic development programs. Specifically, the Township may need to reconvene the Brownfield Redevelopment Authority (BRA) and establish an

Economic Development Corporation (EDC). The nature of the dealerships's redevelopment will determine which economic development entities are required.

Reconvene the Brownfield Redevelopment Authority

The Township has established a BRA, but it has not been active recently. If BRA financing is required for the dealerships redevelopment, the Township will have to reconvene the BRA. This is a rather simply matter of review officials appointments, contact members and organizing a meeting of the Authority.

The Township Board can use its general fund to pay the any costs to reconvene the BRA, although using existing Township staff should to undertake this activity should minimize or even eliminate any direct costs.

Reconvene the Brownfield Redevelopment Authority:

Responsible Party:	Township Board
Supporting Parties:	BRA
Financial Resources:	Township's General Fund BRA TIF Revenues
Timing:	2005 –2006

Establish an Economic Development Council

Economic Development Corporations may own real property for economic development purposes, and such property is exempt from property taxation. Property owned by the DDA or a BRA is subject to property tax. If the dealerships redevelopment requires public ownership of real property for any length of time, then establishing an EDC will help lower the costs of redevelopment. The Township Board may establish an EDC by ordinance.

Township boards typically pay the costs to establish an EDC.

Establish an Economic Development Council:

Responsible Party:	Township Board
Supporting Parties:	Dealerships Developer
Financial Resources:	Township's General Fund
Timing:	2013-2014

Project (6): Code Enforcement

This project will enhance the Township's code enforcement in the downtown area. Code enforcement generally refers to all local ordinances and regulations, but most often to zoning and building codes. The Township Board is responsible for code enforcement, usually delegating that responsibility to the Building Official.

The Township Board would pay the cost of enhanced code enforcement through the general fund, although fines may be used to offset the costs.

Code enforcement will be an on-going activity in each year of the strategic plan.

Code Enforcement:

Responsible Party: Township Board
Supporting Parties: Township Manager
Director of Planning and Community Development
Township Attorney
Financial Resources: General Fund
Fines
Timing: (On-going)

Project (7): Opportunity Purchases of Key Parcels

The Area Development Plan shows new development on several privately owned parcels of land. The Area Development Plan intends for the development of those sites to be accomplished by the property owner and private developers. However, if those sites are put up for sale, the Township should be prepared to purchase the sites. Township ownership will give the public a greater role in determining the nature and character of development than relying on zoning controls and development incentives alone.

The DDA should maintain a reserve balance for the opportunity purchase of key parcels, although the Township Board may also purchase key parcels. The Township Board may pay for property purchases through the general fund and the DDA may use TIF revenues to pay for property purchases.

Opportunity Purchases of Key Parcels:

Responsible Party: DDA
Supporting Parties: Township Board
Financial Resources: DDA TIF Revenues
General Fund
Timing: 2013-2015

Project (8): Signature Event

This project will combine one or more existing community events into the Township's signature special event. Over time, residents and visitors will identify Buena Vista Township with its signature event. The DDA will channel its resources into building the signature event into a leading tourism event. The DDA will be responsible for the event because it has dedicated resources to contribute. However, successful event hosting

year after year requires that the signature event be planned and managed by a steering committee representative of the diverse interests in the community.

The DDA may pay the costs to plan and host the signature event with its TIF revenues. Proceeds from the event may offset the total costs.

Planning and hosting the signature event will be an on-going activity in each year of the strategic plan.

Signature Event:

Responsible Party: DDA
Supporting Parties: DDA Steering Committee
Township Board
Downtown Area Businesses
Community Organizations
Residents
Financial Resources: DDA Revenues
Private Funds
Event Proceeds
Donations
Timing: 2014 - (On-going)

Project (9): Business Recruitment

This project will establish a formal, on-going DDA project to recruit new businesses to the downtown area. Initially, the dealerships developer will attract tenants to the redeveloped retail shopping center. To transform the downtown area into a thriving commercial district, the DDA will actively recruit new retail businesses and office users. The DDA can draw upon a variety of business recruitment activities and programs successfully used by other downtown organizations.

The DDA can pay the business recruitment program costs with TIF revenues.

Business Recruitment:

Responsible Party: DDA
Supporting Parties: Downtown Area Businesses
Regional Organizations
Financial Resources: TIF Revenues
Timing: 2014 - (On-going)

Project (10): Code Enforcement

Code enforcement is an on-going project begun as Project (8).

Project (11): New Housing Development

This project will develop new housing opportunities in the downtown area. The Area Development Plan identifies two potential locations to be (re)developed with multiple-family housing, and one potential location to be assembled and redeveloped with single-family detached housing. The Area Development Plan intends that a private developer be recruited to achieve the redevelopment projects.

The Township will employ a process similar to the dealerships redevelopment, Project (1). First the Township will have prepared a market analysis to determine the demand for housing development in the downtown area. Secondly, the Township will negotiate with the property owner to interest them in the proposed housing development. As property owners of the various sites express an interest, the Township will prepare an RFP and select a developer to develop the site.

The Township may utilize a housing non-profit or community development corporation to implement this project. An existing entity may be used, or the Township may establish a new housing organization.

It is envisioned that new housing development will take five years to complete. This project is related to Project (9), opportunity purchases of vacant parcels. If sites are put up for sale, the Township may purchase the site. Thus, the timing of this project may be adjusted to reflect land availability.

As with the Project (1), dealerships redevelopment, a variety of public financing programs are available to encourage the desired development. The Township Board may pay the costs of the market analyses, negotiating with property owners, and selected developers through the general fund. Additionally, the DDA or a BRA may use TIF revenues to fund certain development related improvements. Private investment, along with HUD, MSHDA, and tax credit programs, will pay the majority of the actual housing development costs.

New Housing Development:

Responsible Party: Township Board
Supporting Parties: DDA
BRA
Property Owners
Private Developers
Housing Organization
Financial Resources: Private Investment
HUD Programs
MSHDA Programs

Tax Credits
General Fund
TIF Revenues
Timing:
2014-2018

Project (12): New Office Development

This project will develop new office buildings in the downtown area. The Area Development Plan identifies two potential locations to be developed with new office buildings. The Area Development Plan intends that a private developer be recruited to construct the office development projects.

The Township will employ a process similar to the dealerships redevelopment, Project (1). First the Township will have prepared a market analysis to determine the demand for office development in the downtown area. Secondly, the Township will negotiate with the property owner to interest them in the proposed housing development. As property owners of the various sites express an interest, the Township will prepare an RFP and select a developer to develop the site.

It is envisioned that new housing development will take five years to complete. This project is related to Project (9), opportunity purchases of vacant parcels. If sites are put up for sale, the Township may purchase the site. Thus, the timing of this project may be adjusted to reflect land availability.

As with the Project (1), dealerships redevelopment, a variety of public financing programs are available to encourage the desired development. The Township Board may pay the costs of the market analyses, negotiating with property owners, and selected developers through the general fund. Additionally, the DDA or a BRA may use TIF revenues to fund certain development related improvements. Private investment, along with potential MEDC and CDBG grants, will pay the majority of the actual development costs.

New Office Development:

Responsible Party: Township Board
Supporting Parties: DDA
BRA
Property Owners
Private Developers
Financial Resources: Private Investment
CDBG
MEDC
General Fund
TIF Revenues

Timing: 2015 – 2018

Project (13): Façade Improvements

This project will establish an on-going program to provide grants and loans to assist local businesses to improve building façades. Many DDAs fund façade improvement programs improving community appearance. The façade improvement program is one tool to implement the urban design plan, Project (3).

Façade improvement programs typically use a revolving loan fund to finance all of the improvement costs through a low-cost loan, or else provide a matching grant to supplement private improvement funds. The DDA will decide whether to use loans or grants when it establishes the façade improvement program.

The DDA may fund the façade improvement program through TIF revenues. When the program is implemented, the DDA will investigate the availability of grants to fund project start-up.

Façade Improvement Program:

Responsible Party: DDA
Supporting Parties: Downtown Area Businesses
Property Owners
Financial Resources: TIF Revenues
Private Investment
Timing: 2014 - (On-going)

Project (14): Vacant Parcel Development

This project establishes an on-going program to market downtown area vacant parcels for development. The DDA will create and maintain an inventory of vacant parcels in the downtown area. The DDA will use the inventory to market vacant parcels for development. The DDA may partner with local realtors and property owners to improve the effectiveness of the program.

The DDA may pay the costs to develop the vacant parcel inventory and to administer the program with TIF revenues. Private funds from realtors and participating property owners may defray program costs.

Façade Improvement Program:

Responsible Party: DDA
Supporting Parties: Property Owners
Realtors
Financial Resources: TIF Revenues
Private Funds

Timing: 2014 - (On-going)

Project (15): Signature Event

Planning and hosting the signature event is an on-going project begun as Project (11).

Project (16): Downtown Promotion

This project establishes an on-going DDA program to promote the downtown area. The downtown promotion program may include a number of activities including area marketing, advertising, public relations. Promotion also includes hosting and/or promoting events.

The DDA may pay the costs of downtown promotion through TIF revenues. Fees and donations from downtown area businesses may supplement DDA funds.

Downtown Promotion:

Responsible Party: DDA
Supporting Parties: Downtown Area Businesses
Financial Resources: TIF Revenues
Private Funds
Timing: 2014 - (On-going)

Project (17): Market Analysis

This project will conduct a revised market analysis. Mature DDAs update their market analysis on a periodic basis, such as once every five years. After six years of developing new retail centers, housing, offices, and recruiting new retail businesses, the DDA will update and revise the market analysis to guide the remaining long-term projects.

The DDA can pay the cost to update the market analysis with TIF revenues.

Downtown Promotion:

Responsible Party: DDA
Supporting Parties: Downtown Area Businesses
Financial Resources: TIF Revenues
Timing: 2015 – (On-going)

Project (18): Code Enforcement

Code enforcement is an on-going project begun as Project (8).

Project (19): Business Recruitment/Retention/Expansion

This project establishes an on-going program to recruit new businesses to the downtown area, retain existing businesses, and assist local businesses to expand in the downtown area. This project builds on the ongoing business recruitment program,

begun as Project (12). The DDA can draw upon a variety of business recruitment, retention, and expansion activities and programs successfully used by other downtown organizations.

The DDA can pay the business recruitment program costs with TIF revenues. Private funds from businesses participating in the recruitment, retention, and expansion program can defray program costs.

Business Recruitment/Retention/Expansion:

Responsible Party: DDA
Supporting Parties: Downtown Area Businesses
Regional Organizations
Financial Resources: TIF Revenues
Private Funds from Participating Businesses
Timing: 2019-(On-going)

Project (20): Façade Improvements

Façade improvements is an on-going program begun as Project (17).

Project (21): Vacant Parcel Development

Vacant parcel development is an on-going project begun as Project (18).

Project (22): New Housing Development.

This project is the completion of new housing development begun as Project (14).

Project (23) New Office Development

This project is the completion of new office development begun as Project (16).

Project (24): Streetscape Phase 2

This project will construct the second phase of the streetscape project proposed in the Area Development Plan. The DDA will oversee the construction of the streetscape. DDA TIF revenues can be used to pay the costs of engineering and design, and the minimum 20 percent matching funds required for a TEA-21 grant.

Streetscape Phase 2:

Responsible Party: DDA
Supporting Parties: Downtown Area Businesses
Financial Resources: MDOT TEA-21 Grant
Private Investment
TIF Revenues
Timing: 2019 – 2020

Project (25): Signature Event and Downtown Promotion

This project combines and continued the promotion and hosting of the signature event, an on-going activity begun as Project (11) and downtown promotion, an on-going event begun as Project (20).

PLANNING AND ECONOMIC DEVELOPMENT CONSULTANT

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