



1983

2008

State of the Downtown

Report

A report prepared for City Council on the state of downtown Garden City within the Downtown Development Authority as of July 2008.

Background

In 1983 the Garden City Downtown Development Authority was established by City Ordinance in accordance with Michigan Public Act 197 to give the City of Garden City the tools needed to assist in the redevelopment of the downtown area for the benefit of the community's economic health.

1983 - 1995

The City Council took this action upon the recommendation of a consulting firm which had been hired to research the condition of the downtown district and to make recommendations as to strategies that could be used to eradicate the high commercial vacancy rate, its perceived poor aesthetic posture and the general lack of a City identity that many residents and business owners thought could be gained by the stabilization and improvement of the downtown district.

A district was established which includes the main commercial intersection of Ford and Middlebelt Roads and then radiates out on both roads; along Ford Road from Harrison to Henry Ruff and along Middlebelt Road from Bock to Maplewood. The exact properties contained in the district are listed in the City's DDA Ordinance 33.165 (see 33.171). The City Council determined that the Tax Increment Financing Plan constituted a public purpose; the district's initial taxable value (baseline) was established and from this point forward a portion of increased taxes from the appreciated taxable value was captured by the DDA to fund its development project. See page 3 for a comparison of the taxable value "1983 - 2005".

Twelve trustees were appointed to serve on the initial DDA Board:

Chairman Mary Jane Schildberg
Sue Discher
Orin Mazzoni Jr.
Vernon Schatz

Gareth Baker
Joseph Dul
Al Nash
Larry Silvestri

William Crump
Perry Dunlap
Forrest Saylor
Peter Tavormina

A Development Plan was constructed and financing was created by the amount of taxes generated on the increased taxable value of the properties within the DDA district. The City's master plan called for the development of the Garden Plaza and encouraged a façade design that was carried out with timber framing and planted beds to follow a garden theme. A streetscape project along Ford Road was completed by the DDA with public improvements in the right-of-way.

The DDA assisted with the Lakritz-Weber’s Garden City Town Center development at the northeast corner of Ford and Middlebelt. Also during this time frame, the DDA purchased, demolished, and constructed the establishment of the Commons at the corner of Ford and Middlebelt. The DDA also assisted in the sale of the former Police Station property which resulted in the Aldi and Rite Aid development at the southwest corner of Ford and Brandt.

In the early days, support staff was shared with the City and individuals such as Helen Parks, Terry Carroll, Jeff Martell and Jeff Thompson provided needed administration.

1995 - 2000

In 1995 the DDA commissioned a market analysis conducted by Hyett-Palma for downtown Garden City at a cost of \$34,000.00. The results formed the foundation for a very active time for Garden City. Cindy Johnson was hired as the first full time Executive Director and the DDA established a business office located in the downtown as recommended by the Economic Enhancement Strategy Report.

The DDA’s Development and Tax Increment Finance Plan was updated and planning began on the streetscape and water main project proposed for the core area in the downtown. The City Council approved a Bond Sale of \$3,000,000.00 and the streetscape and water main project was constructed during 1998 and 1999. Streetscape components include the decorative street and pedestrian lighting, now owned by the City, mast arms for the traffic signals at Ford and Middlebelt Roads, brick pavers, landscape plantings, and brick screen walls to screen the parking areas along the property frontage.

Repayment of the Streetscape Bonds began in 1998 using tax increment funds with an average annual payment of \$225,000.00; the bonds will be paid off in 2019.

In 1998 the DDA hired Jerry Couch as its Executive Director, along with Julie Jenkins, Administrative Assistant; the streetscape project was the primary focus of the DDA and City at this time.

The Central Business District (CBD) Ordinance was created that established design standards for development and specified types of businesses that could locate within the CBD to encourage a certain business mix. The Architectural Assistance Grant and Façade Improvement Loan programs were established to encourage private investment.

During this time frame, six businesses participated in the DDA’s low- interest loan program, borrowing a total of \$359,734.00. The loans represented only a portion of the actual private investment and four of the six loans have been paid in full with interest. Several received Architectural Assistance Grants for their projects. The monies loaned are treated like property taxes and could become a lien against the property if in default. All loans are being paid back in a timely manner and the funds are made available for more private development.

Projects:	Loan Amt:
29627 Ford	\$ 85,000.
1854 Middlebelt	\$ 94,500.
5637 Middlebelt	\$ 14,908.
28825 Ford	\$ 34,000.
29517-29521-25 Ford	\$100,500.
2020 Middlebelt	\$ 30,826.

A streetscape and landscape maintenance bid was created to keep the downtown in top notch condition and costs the DDA approximately \$50-75,000.00 annually.

The DDA, Chamber of Commerce and City worked together to streamline processes for getting businesses started up and together published the Business Navigator Booklet, still in use today.

2000 - 2005

In 2000 the DDA hired Julie Jenkins as the Executive Director; marketing and business development was the focus at this time. Unfortunately, the DDA and City were sidetracked by litigation and the director position was paired down to part time pending the outcome of the Wayne Oakland Lawsuit.

The DDA hired McKenna, Assoc. to develop the concept for the Gateways improvements; the project was to continue the streetscape improvements along Ford and Middlebelt Roads out to the entry points to the downtown. The concept phase was completed but halted due to the pending litigation.

In 2001 the DDA was awarded the Presidential Award by the State of Michigan, Keep America Beautiful, for the streetscape and landscape elements in the downtown.

In 2002 the DDA hired Jackie Schatz as the part time Executive Director. Due to the uncertainty created by the lawsuit, the DDA was directed to focus on maintaining the downtown and encouraging private investment with the Façade and Parking Improvements incentives.

During this time frame, six businesses participated in the DDA's low interest loan program borrowing a total of \$348,711.00. The loans represented only a portion of the actual private investment. Two projects involved a property purchase with the DDA loan incentivizing the building and parking renovations that facilitated two new businesses in Garden City. One project involved the complete exterior renovation and interior renovation to expand the store's retail floor plan. Several received Architectural Assistance Grants for their projects.

Projects:	Loan Amt:
29522-29526 Ford	\$ 60,900.
29510 Ford	\$ 35,000.
6327 Middlebelt	\$ 36,407.
28715 Ford	\$105,000.
29830-29848 Ford	\$ 70,000.
29317 Ford	\$ 41,404.

As development occurred the DDA district's taxable value increased approximately 5% annually between 1983 to 2005. During this time, new businesses were started such as Pep Boys and several existing businesses upgraded to keep pace with the marketplace.

Taxable Value Comparison "1983 - 2005."

<u>1983</u>		<u>2005</u>
\$11,084,143.00	Real Property	\$24,131,259.00
\$ 1,437,850.00	Personal Property	\$ 3,872,788.00

The DDA participated in the City’s visioning project that resulted in the mission statement and slogan “A Great Place to Call Home”. The DDA also participated in the newly developed City website to promote the downtown.

2005 - Present

The DDA worked with Savon Drugs, a landmark property in the downtown, to remove the wood siding and replace with a brick façade; an architectural assistance grant for design and construction was provided. The entire project was funded by the business owner. At the same time another landmark property was being considered for purchase and redevelopment. The DDA worked with the new owner of the Silver Bar property that led to the successful development of Albert’s on the Alley. The project was privately funded and involved restoration and preservation of the building’s unique character that greatly contributes to the downtown’s identity.

Due to several years of spending restrictions, the DDA was able to amass and contribute a \$1 million dollars toward the Wayne Oakland Lawsuit Award. The DDA also shared the legal costs with the City for appeal work.

In 2006 the DDA amended its Development Plan to assist with the Fire Station improvements project. The Fire Station is located within the DDA District and an important icon in the City’s public facilities.

In 2006 the DDA worked with McKenna Assoc. to update its Development Plan and Tax Increment Finance Plan. Having completed many of the projects contained in the current plan it was time to consider new initiatives and direction for the DDA. The DDA worked with the City for the appraisal and assisted in the sale of the former library property.

During this time frame, four businesses participated in the DDA’s low interest loan program borrowing a total of \$96,401.00. The loans represent only a portion of the actual private investment. One project involved a property purchase with the DDA loan encouraging the building renovations that resulted in a new business in Garden City. One project involved a parking lot improvement with the business owner constructing a large addition to his building by doubling its size. The building expansion was funded by the business owner.

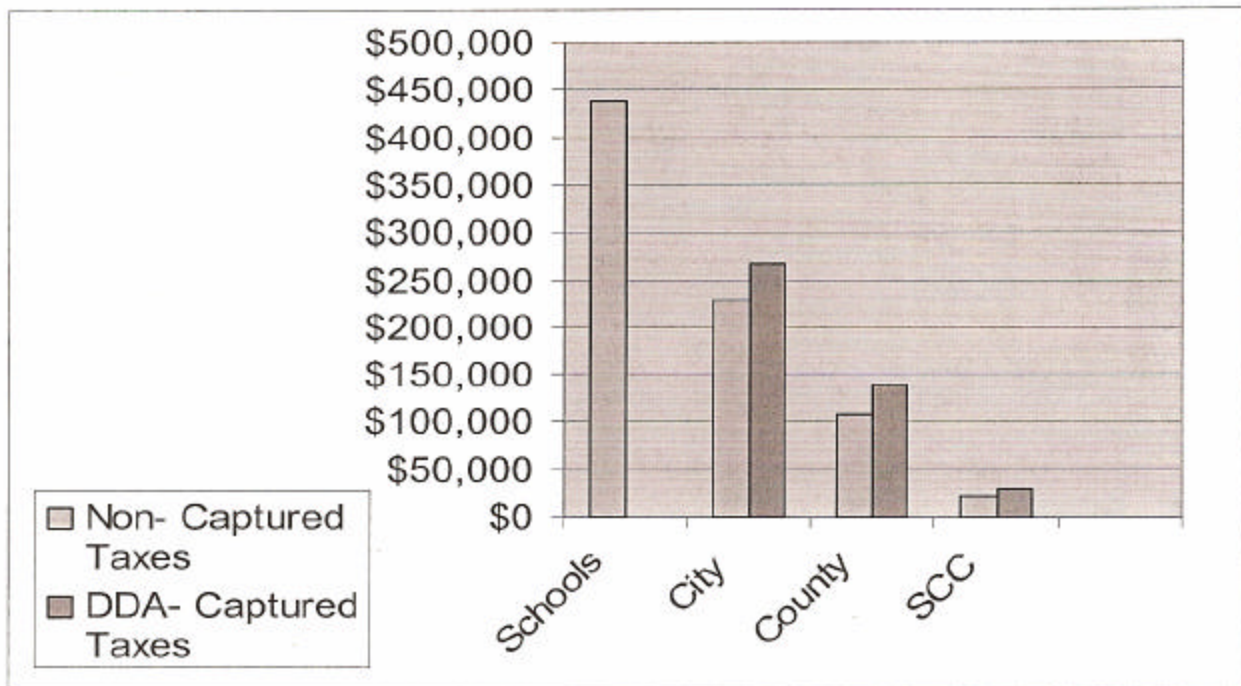
Projects:	Loan Amt:
29236 Ford	\$33,800.
29510 Ford	\$11,885.
9210 Ford	\$22,970.
29540,44,52,98 Ford	\$27,746.

The DDA is currently working with the following three projects that are in the concept phase: 29207 Ford, 2012 Middlebelt, 29484 Ford. All three are existing businesses that have been retained with the DDA’s assistance.

Based on the updated Development and Tax Increment Finance Plan, the DDA has developed a comprehensive list of goals and a work plan that reflects the plan and the community’s vision. Many things are currently being worked on such as hiring a consulting firm for the Downtown Market Analysis, the Garden Plaza Redevelopment and promotions to bring customers into the downtown. The Farmers Market represents the dedicated efforts of the Chamber of Commerce and the DDA working together. Other things are also being worked on like replacement of the gazebo at the Commons Corner.

The DDA has created a website that links from the City's website whereby the DDA has expanded its business appearance and actively promotes its 220 businesses in the downtown. In the summer of 2007, the DDA began publishing the quarterly newsletter that is sent to all businesses. The newsletter has increased awareness of the DDA's economic development efforts and has greatly improved communication between the businesses. Volunteer interest has increased and provides great support for the Farmers Market, the spring plantings and new things that are being worked on for the fall.

The following chart illustrates the actual taxes paid by the property owners within the DDA district based on the 2007 taxable value of \$28,704,148. The DDA legally captures taxes to finance the projects contained in the development plan while benefiting the entire community with increased taxes for the schools. The community also benefits with improved local shopping and services caused by increased business development. Additional jobs become available which further strengthen the local economy.



Since 1983, there have been many different individuals that have focused on downtown Garden City's economic health while guided by the community's vision. It is important to continue the momentum to ensure the future success of Garden City.

Sincerely,

Ronald Tyszkiewicz
 Ronald Tyszkiewicz, DDA Chairman

Jacqueline E. Schatz
 Jacqueline Schatz, Executive Director