



# Moving Downtown Forward | Traverse City, MI

## Public Open House

June 22<sup>st</sup>, 2022

# Meeting Agenda

1. Guiding Questions
2. Global Trends & Implications for Downtown Traverse City
3. Outreach Themes
4. DDA & TIF Overview
5. Discussion



# Guiding Questions for the Future of the DDA

## For the Moving Downtown Forward Process



1. What's next for Downtown Traverse City (i.e. infrastructure and services)?
2. What's next for the Traverse City DDA?



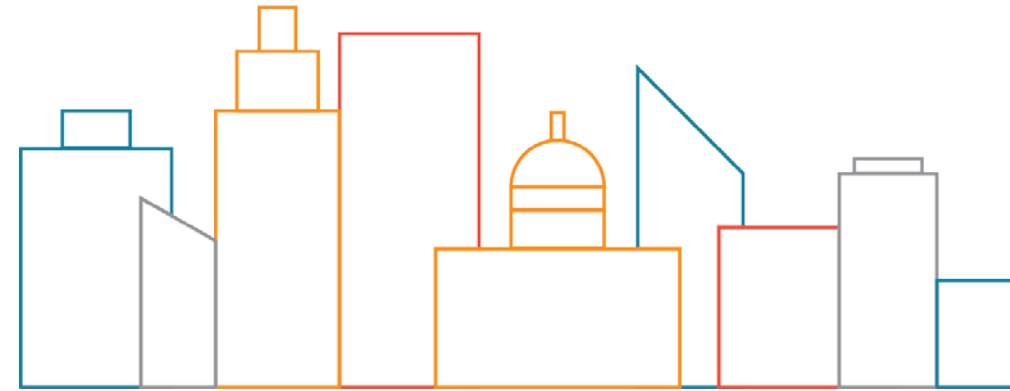


# Global Trends & Implications for Downtown Traverse City



# P.U.M.A.'s Global Trends Report

- Initially created in 2007 to inform the Downtown Denver Area Plan
- Trends resonate in downtowns throughout the nation, small and large
- 2020 was the fourth update



## Pandemic Update: What's Changed, What Hasn't & What *Needs* to Change



2007

**DEMOGRAPHICS**

Changing American Demographics  
Immigration Trends  
Changes within the “Creative Class”

**LIFESTYLES**

Traffic Congestion & Value of Time  
Trends in Health Care/Wellness/  
Recreation  
Growth of Tourism  
America’s Growing Debt Burden

**COMPETITION**

Emergence of a Planetary Middle Class  
Continued Advances in Technology,  
Environmentalism, Sustainability,  
Climate Change

2011

**DEMOGRAPHICS**

Changing American Demographics  
Education, Talent & Jobs  
Emergence of Young Professional  
Women

**LIFESTYLES**

Changing Consumer Behaviors  
Shifts in Transportation & Mobility  
Health, Wellness & Urban Form  
The Age of Austerity

**COMPETITION**

Emergence of a Planetary Middle Class  
Continued Advances in Technology  
Sustainability Mainstreamed

2014

**DEMOGRAPHICS**

Changing American Demographics  
Education, Talent & Jobs  
Influence of Women

**LIFESTYLES**

Changing Consumer Behaviors  
Shifts in Transportation & Mobility  
Health & Wellness  
Rise of Regionalism

**COMPETITION**

Shifts in Global Wealth  
Continued Advances in Technology  
Social Equity – The Neglected Pillar  
of Sustainability

2017

**DEMOGRAPHICS**

Changing American Demographics  
Education, Talent & Jobs  
Rise of the Mid-Tier City

**LIFESTYLES**

Changing Consumer Behaviors  
Shifts in Transportation & Mobility  
Housing & Livability  
Regionalism

**COMPETITION**

Shifts in Global Wealth  
Continued Advances in Technology  
Social Equity

2020

**DEMOGRAPHICS**

Changing American Demographics  
Education, Talent & Jobs

**LIFESTYLES**

Changing Consumer Behaviors  
Shifts in Transportation & Mobility  
Housing  
The Power of Place

**DISRUPTION**

Divisive Politics  
Continued Advances in Technology  
Climate Change  
Social Equity

# CONCLUSION

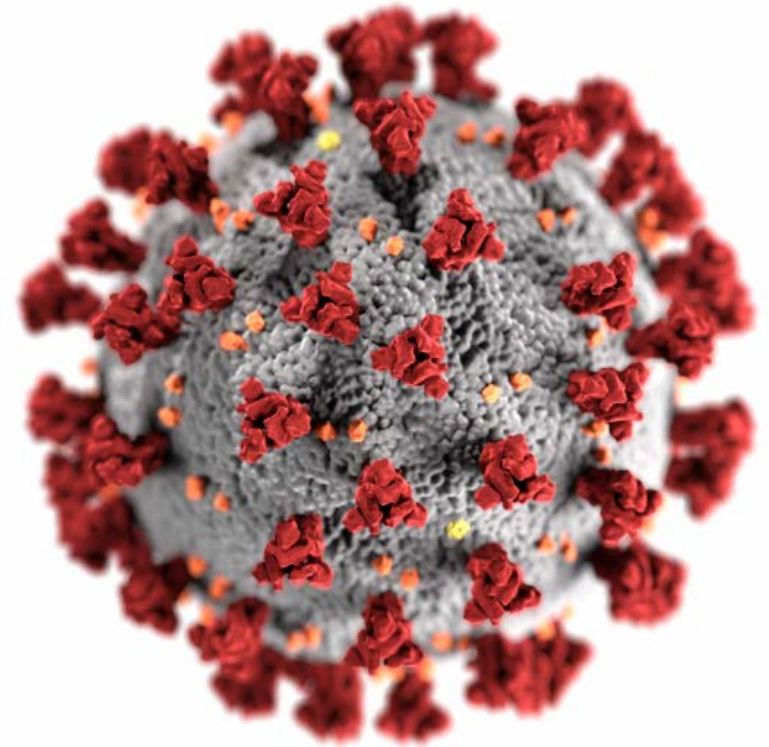
*For the 15+ years leading to 2020, converging trends have been favorable for vibrant downtowns*



# COVID-19



*Pandemic was a colossal public health disruption, but more an **accelerator** than a game-changer*







# Accelerating Trends & Implications for Downtown Traverse City





# Big Assumption on Demographics



## Younger generations return to pre-pandemic preferences quickly

- Experiencing less personal health risk
- Anticipate a continuing surge in demand for entertainment, dining and services
- Racial justice protests solidify activism role of Millennials and Gen Z





# Accelerated Trend: Retail



## Euthanasia for outdated formats

- Ecommerce less than 10% of sales, but expect modest acceleration
- Preferences for local, authentic & emotional connections to products will remain
- **More community-focused retail with premium on social impact**
- Expect a surge in entrepreneurship that can be channeled to storefronts





# Accelerated Trend: Nature of Work



## Will The Office Fundamentally Change?

- Expect more work/home flexibility, near-term soft demand for office
- **Conventional formats remain essential for creativity, teamwork and career advancement**
- Institutional support fields will remain in locations close to key anchors (i.e. government, education, health)





# Accelerated Trend: Housing



## Downtowns Becoming Neighborhoods

- Gen Z & Millennials continue to be drawn to downtown living
- Affordability *the* critical economic & social stabilizer
- Alternative ownership and rental types – cooperatives, group living options, live/work, conversion of hotels & office
- **Advantages of smaller cities** – attracting retiring Boomers and remote workers, increasing pressure on prices





# Accelerated Trend: Power of Place



## Creating Unique Experiences

- “Contextualism” values history, culture and existing populations
- Fundamentals include safe, clean, walkable, human scale
- **Change streets, activate outdoor spaces – time to take risks!**
- Engage and support arts & culture to help reinvent public space





# Accelerated Trend: Climate Change



## Cities on the Front Line

- Majority of Millennials and two-thirds of Gen Z see climate change crisis
- Early pandemic offered glimpse of reduced carbon world
- **Anticipate growing activism & investment in renewables, non-carbon vehicles**





# Accelerated Trend: Social Equity



## Diversified City = Diversified Economy

- U.S. income inequality extreme
- Rising tide of civic activism promoting equity in schools, wages, housing – racial justice protests will influence other realms
- Cities that offer greater opportunity and equality have higher aggregate growth
- **Downtowns need to lead, find a meaningful role to advance solutions**



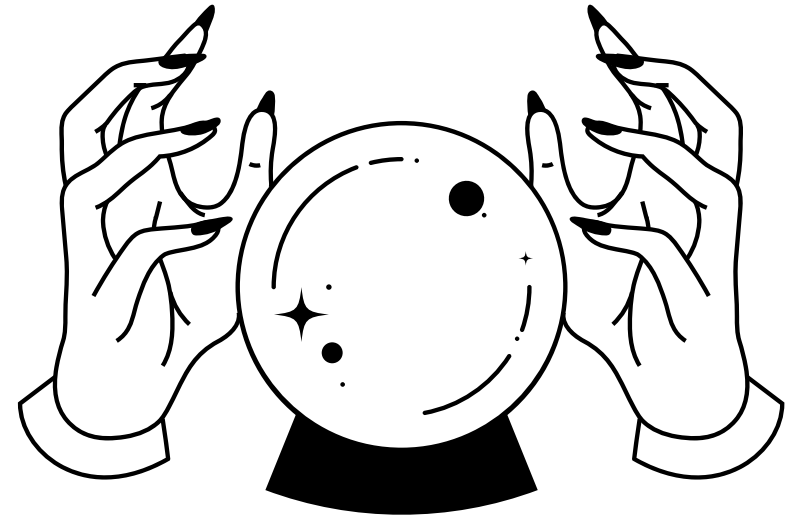




# Conclusions 2022 A.C. (After Covid?)

## *Trends remain favorable for Downtown Traverse City*

- Welcome demographic diversity and youth
- Capture Millennial & Gen Z talent
- Opportunity to diversify, curate storefronts
- Office market will recover, but at a slower pace
- Housing affordability critical
- Capitalize on public space innovations
- Climate goals best met by downtown lifestyles
- Economic opportunity and racial justice are key





# Outreach Themes

# City Commission & DDA Board Feedback

## Regarding the Future of Downtown



- **Housing**, including:

- Need for affordable and workforce housing
- Housing and office mix based on market needs
- Office vacancies & potential conversion to housing
- Housing/use of parking lots/development of West End parking deck (scenarios and impacts)

- **Parking** structure, including:

- Do we need it?
- Is there the political will to build it?
- Should we live and work with what we have?

Also mentioned:

- Office vacancies
- Riverwalk
- Civic Square
- Need for diversity of people and ideas
- Employee attraction and retention
- Building height restrictions
- Maintaining character while encouraging growth and change
- Need for a vision/storyboard for downtown – What do we want to see 10 years from now?

# Downtown Stakeholder Feedback – May 2022



Stakeholder Group	First Most Popular Response	Second Most Popular Response	Third Most Popular Response
<b>Business Owner Group #1</b>	<b>Increase parking supply</b> in the form of structures (8 votes)	<b>Snowmelt</b> system (6 votes)	<b>Lower Boardman River</b> improvements (5 votes)
<b>Business Owner Group #2</b>	Improve <b>transit connections</b> to remote lots (4 votes)	Improve <b>signage and wayfinding</b> (3 votes), more <b>public restrooms</b> (3 votes), increase <b>cultural diversity</b> (3 votes), <b>improve other districts</b> within downtown like Eighth Street, Warehouse District (3 votes)	
<b>Partner Organizations</b>	<b>Lower Boardman River</b> improvements (7 votes), make downtown more welcoming and inclusive (7 votes)		<b>Increase supply of affordable housing and mixed-use development</b> (6 votes)
<b>Property Owners</b>	<b>Increase parking supply</b> (10 votes)	<b>Revisit existing zoning and height restrictions</b> (9 votes)	<b>Increase supply of affordable housing</b> (6 votes), Improve convenient, accessible <b>transit</b> (6 votes)
<b>Project Working Group</b>	<b>Lower Boardman River improvements</b> (8 votes)	<b>Increase parking supply</b> in the form of structures (7 votes), develop second floors above retail or restaurants <b>into long term rentals</b> (7 votes)	

# Online Survey – Preliminary Results Snapshot

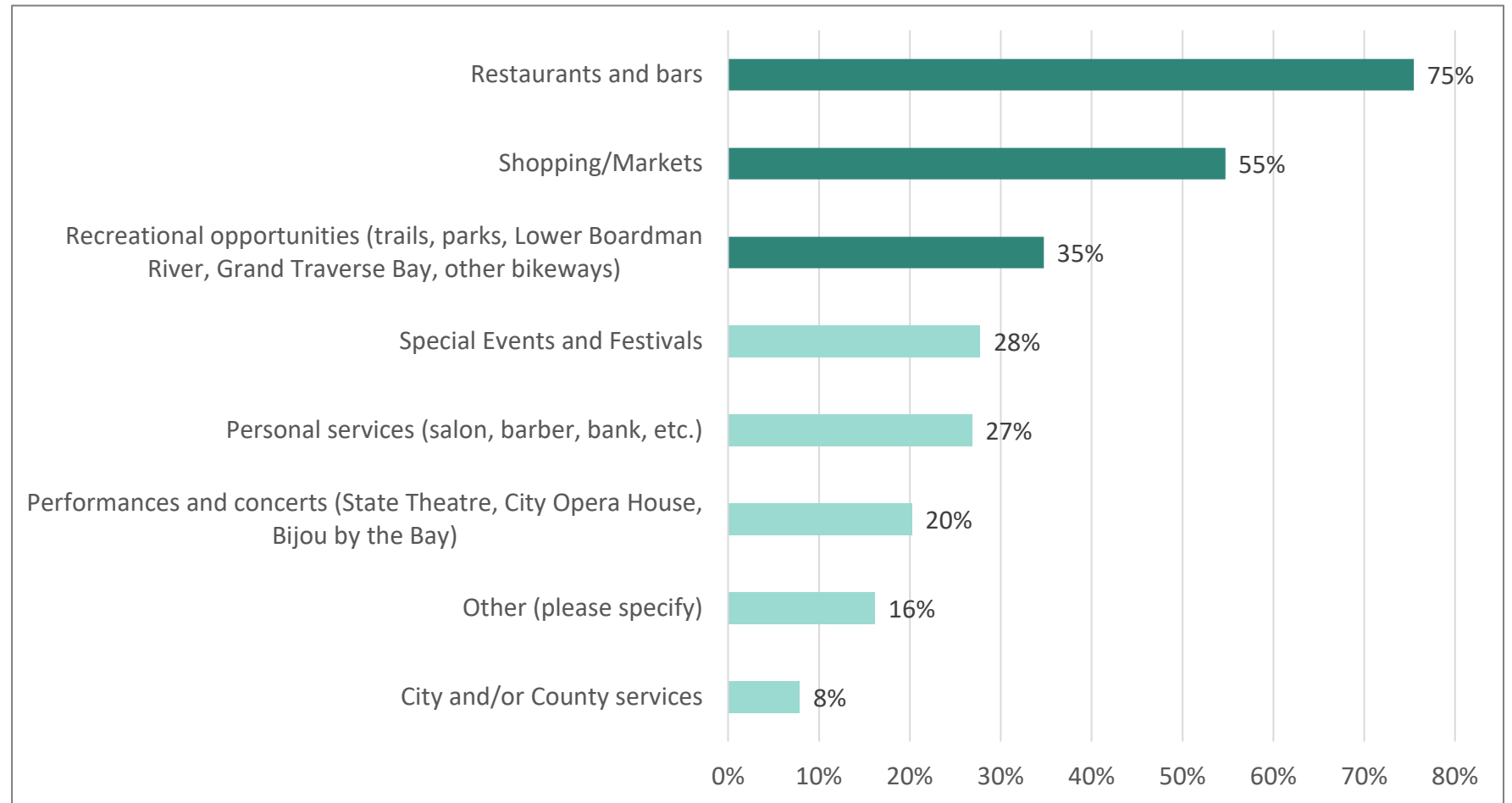


- 786 Responses
- Who we heard from:
  - **36%** of respondents come downtown once a week or more, **34%** daily
  - **Interest in downtown: 37%** live elsewhere in Traverse City, **25%** downtown visitors, **24%** live in Grand Traverse County outside of Traverse City
  - **Age: 23%** 35 to 44, **21%** 55 to 64, **17%** 45 to 54
  - **Gender: 64%** female, **29%** male
  - **Race/ethnicity: 83%** White, **14%** prefer not to answer
  - **Income: 37%** Annual HH Income under \$100,000, **44%** over \$100,000

# Online Survey – Preliminary Results Snapshot



*What most often brings you downtown?*



# Online Survey – Preliminary Results Snapshot



*Do you think the following characteristics of downtown have become better or worse in the past five years?*

	Much Better	Slightly Better	No Change	Slightly Worse	Much Worse
General appearance, including landscaping and beautification	19%	45%	21%	10%	5%
Mix of restaurants and nightlife	13%	41%	29%	13%	3%
Parks and open space	9%	29%	46%	12%	4%
Arts and cultural activities	8%	33%	48%	10%	2%
Pedestrian & bicycle friendliness	8%	38%	35%	14%	5%
Cleanliness (e.g., sidewalks, litter removal, snow removal)	8%	25%	48%	14%	5%
Mix of retail and shopping options	7%	31%	43%	16%	3%
Public Safety	5%	20%	54%	15%	5%
Businesses and jobs	5%	28%	43%	19%	4%
Parking options	3%	12%	27%	27%	32%
Unhoused Population	1%	6%	30%	38%	24%
Housing options and affordability	1%	2%	11%	23%	63%

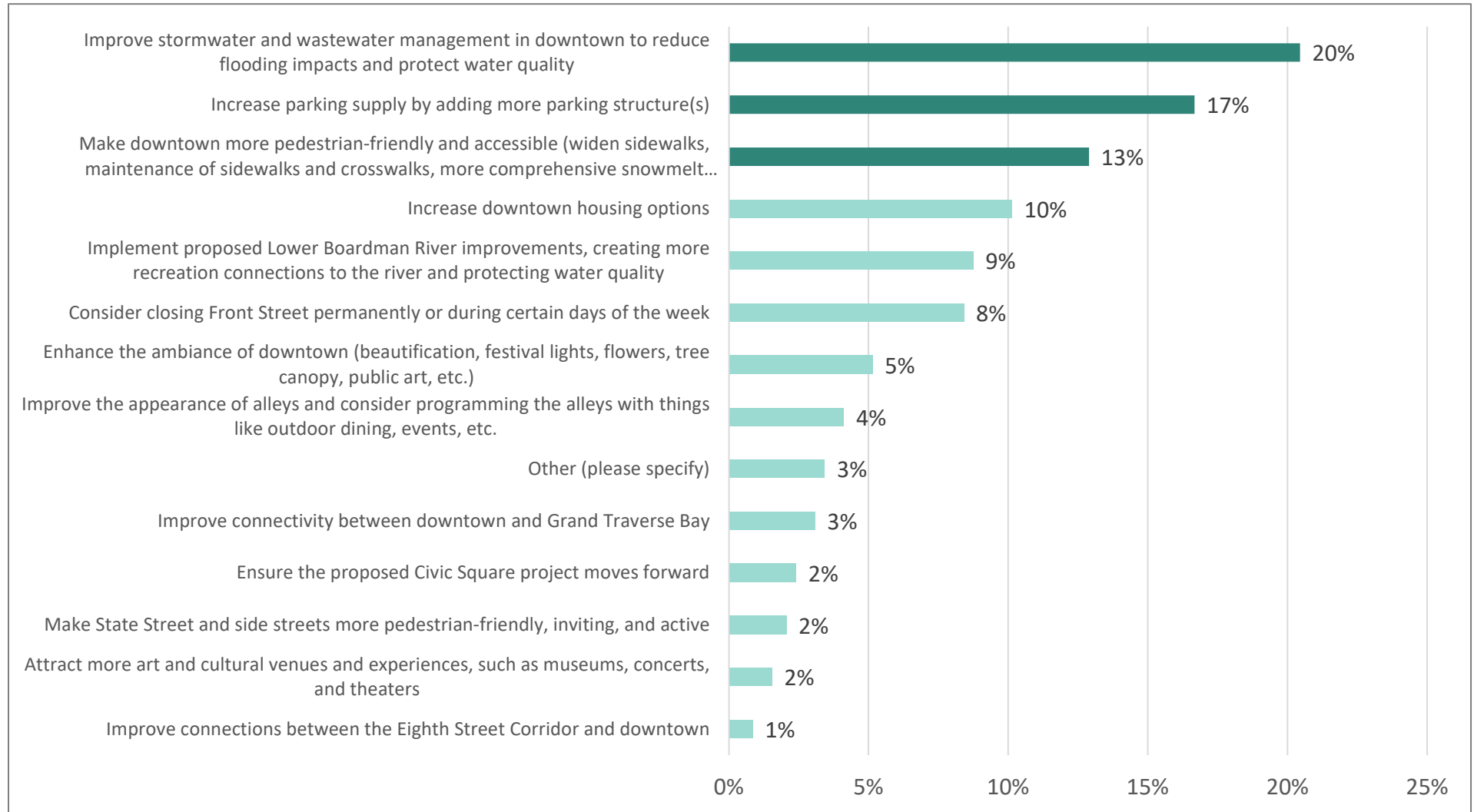




# Online Survey – Preliminary Results Snapshot



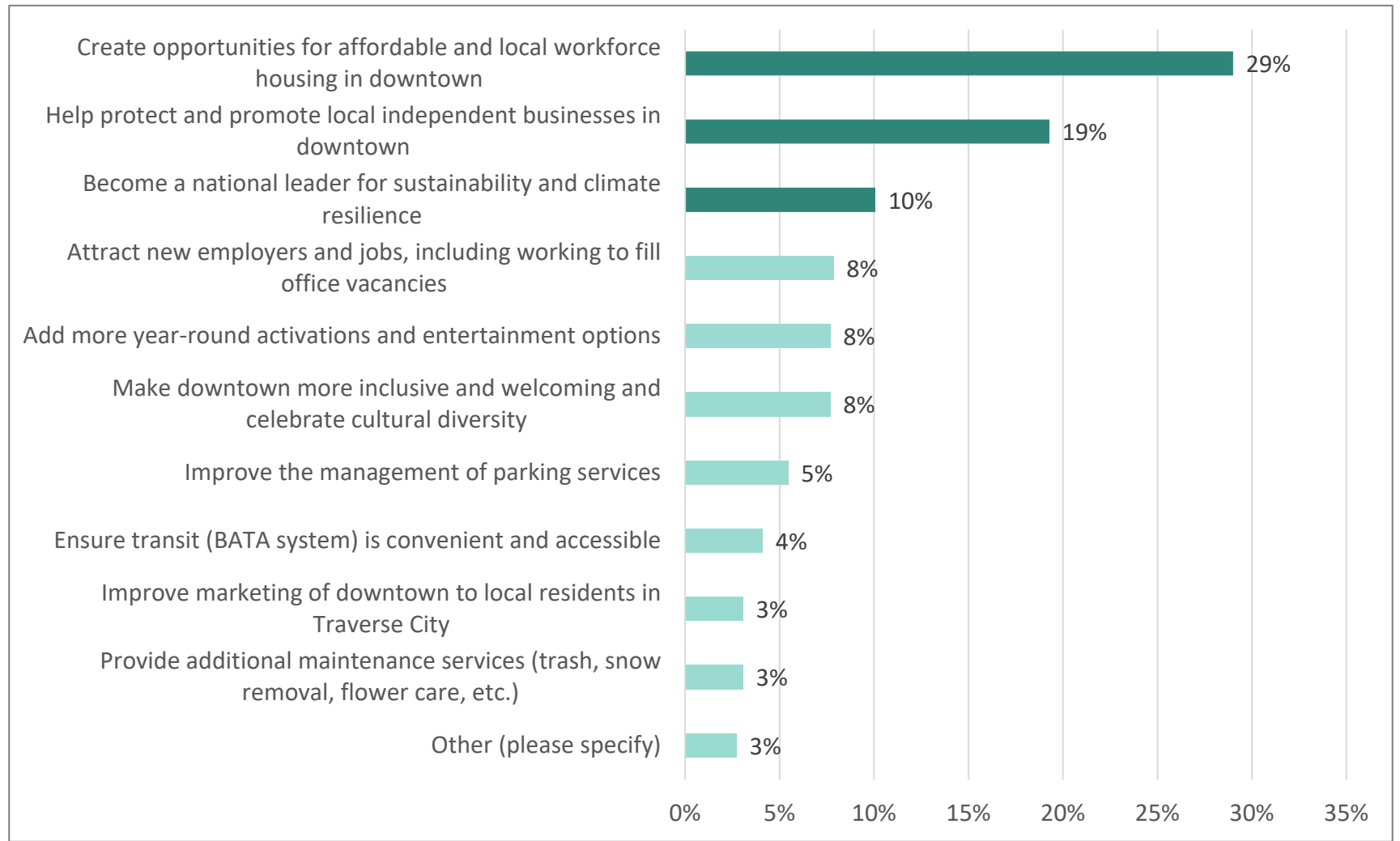
*What ONE physical improvement will be MOST important to improve downtown?*





# Online Survey – Preliminary Results Snapshot

*What ONE program or service will be MOST important to improve downtown?*





# Emerging Priorities for Downtown Across Input & Feedback Channels

- Housing – affordable and workforce
- Parking supply
- Stormwater management
- Transit
- Snowmelt system for sidewalks
- Lower Boardman improvements



# DDA & TIF Overview

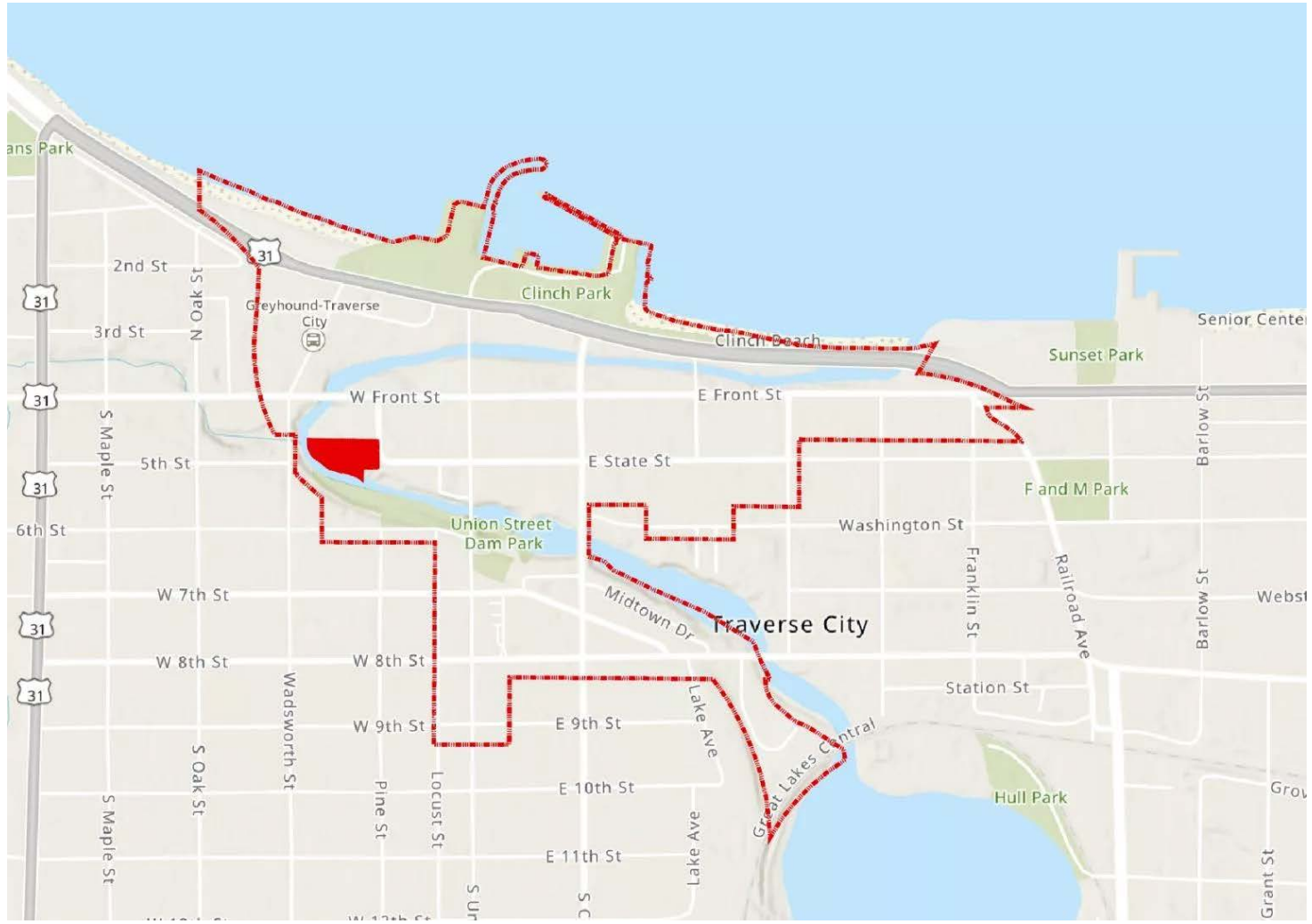


# What is the DDA?

- The DDA is a “component unit” of the City of Traverse City
- Why was the DDA established?



# What is the DDA district?





# What does the DDA do?

Serves as lead agent and catalyst for community and economic development in downtown. The DDA also...

## **A. Implements public infrastructure projects & manages the experience**

- Manage the DTCA (merchant association) downtown events, promotions and gift certificates
- Manage Parking Services on behalf of the city
- Manage Arts Commission on behalf of the city
- Manage the Sarah Hardy Farmers Market

## **B. Works with, advocates for and promotes downtown businesses**

- Plans and implements way-finding program
- Plans and facilitates downtown cleaning
- Plans and facilitates holiday lights
- Plans and facilitates downtown planting program
- Applies for grants
- Convenes Stakeholders



# What doesn't the DDA do?

## **1. The DDA Doesn't...Provide Direct Funding to Private Developers**

The DDA can help fund public infrastructure in support of a development (e.g., streetscaping, heated sidewalks).

## **2. The DDA Doesn't...Approve and Reject Private Development Proposals**

The DDA can work with private developers to help identify possible locations and additional resources for existing building rehabilitation and improvements.

## **3. The DDA Doesn't...Take a Cut of Parking Revenue**

The City pays an administrative fee to the DDA to manage parking for the city. All other revenues – meters, permits, fines -- are allocated to the City.

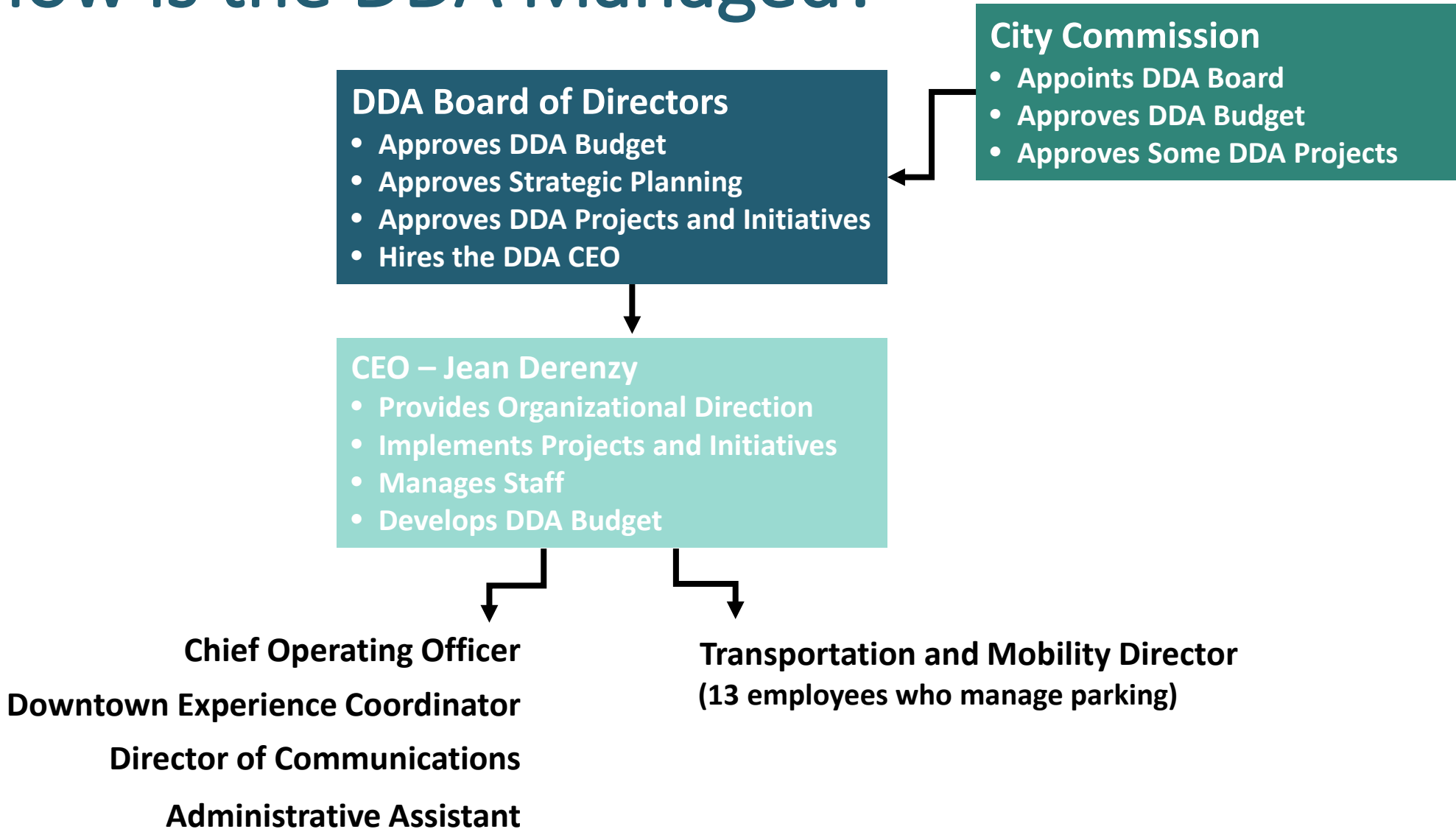
## **4. The DDA Doesn't...Have Ownership of Infrastructure**

Streets and sidewalks are owned, managed, and maintained by the City, although the DDA is exploring ways to provide enhanced services and has done so in the past.





# How is the DDA Managed?





# How is the DDA Funded?

The DDA has three budgets:

- 1. Operational Budget**
2. TIF 97 Budget & Old Town TIF Budget

- Funded through:
  - 2-mill levy on property owners within the DDA District
  - Intergovernmental contracts and fees
- Supports:
  - Administration
  - Professional Services
  - Office Supplies/Rentals
  - Professional Development



# How is the DDA Funded?

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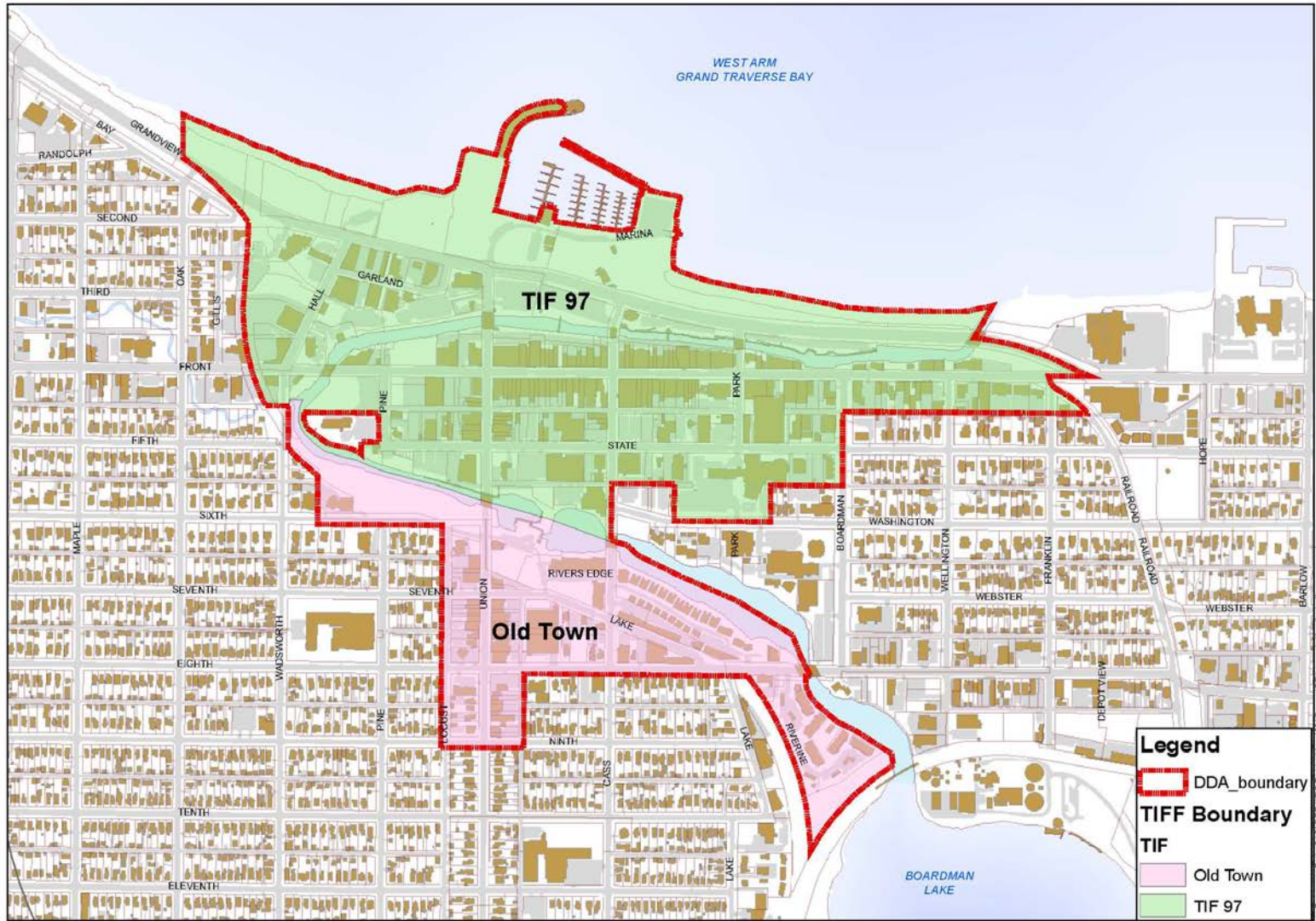
1. Operational Budget

2. **TIF 97 Budget & Old Town TIF Budget**

- Funded through:
  - Incremental increases on assessed property values within the downtown district over time
  - 1997 and 2016 respectively
- Supports:
  - Construction, Maintenance and Facilitation of Critical Public Infrastructure and Initiatives throughout Downtown



# TIF 97 and Old Town TIF Areas





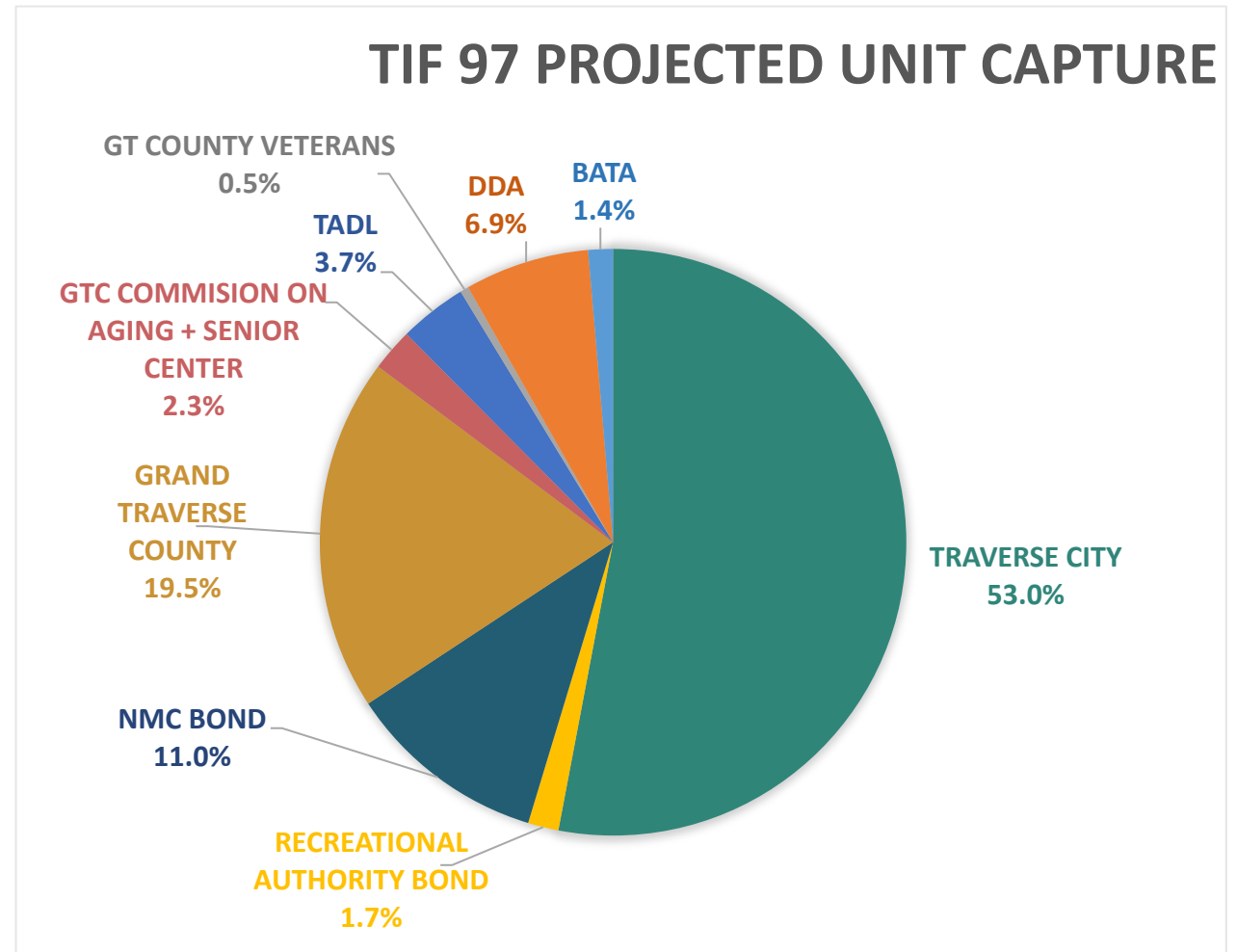
# Sources of TIF Funding:

## *Regional Cost-Sharing for Regional Benefit*

### Taxing Jurisdictions\*

1. Grand Traverse County
2. BATA
3. NMC
4. NMC Bond
5. DDA
6. City of Traverse City

*\*For every dollar collected through TIF, 47% comes from other jurisdictions or entities*





# How Much Have TIF Funded Public Projects Contributed to the Overall Value of the District(s)?

## Completed TIF Funded Projects

- City Streetscapes, including bump-outs and snow melt systems
- Hardy and Old Town Parking Garages
- Farmer's Market
- Downtown Wifi
- Placemaking elements
- Pedestrian and vehicular wayfinding signage
- City Opera House Improvements
- Clinch Park Improvements
- Pine Street Pedestrian Bridge
- Boardman Riverwalk
- Public Restrooms
- Garland Street
- Bridge Repairs
- Community safety services

## Total TIF Funds Invested

\$20,473,901

## Taxable Value of Downtown

### District Year Prior to TIF

\$32,860,088

## Incremental Increase in Value

### in Downtown from 1997 to

### Today

\$144,693,033

# Before TIF



# After TIF







# Future TIF Supported Projects?

- Stormwater infrastructure
- 3rd Parking Garage
- Housing
- Connections to the Lower Boardman
- Bridge Repairs
- Civic Square
- Farmers Market Space
- Snowmelt
- New Streetscapes
- Infill Development
- Reconstruction of East Front Street
- Expansion of TART Trail
- Maintenance - w/Agreement with City
- Future (Unpredicted) Projects and Initiatives





# Questions & Discussion



# Guiding Questions



# Guiding Questions for the Future of the DDA

## Informed by City Commission & DDA Board Feedback

1. What structure and financial model and tools will best support the vision for downtown, and infrastructure and service needs associated with that vision?
2. How may we gain clarity regarding City and DDA roles and responsibilities? What will be the respective roles of different entities in the future?
3. How might we restructure the management or operation of public programs and services such as Parking, Arts Commission, Housing, and the DTCA, including the use of 501c3, City Department(s), privatized services models?



# Guiding Questions for the Future of the DDA

## Informed by City Commission & DDA Board Feedback

4. How may we take a regional approach to issues including relationships with taxing jurisdictions, or partnering and getting rid of “siloed” commissions and board to address issues?
  - How might we coordinate by using integrated project management and software?
  - How might we structure pro-formas for each public infrastructure project to show the sources and uses of funds?
5. What funding sources and financing tools are available and are the best fit for future downtown needs?
  - How will we pay for things like housing?
6. How will we communicate about any transition we make to the way projects are managed or funded, or the way services are offered?