

**DOWNTOWN DEVELOPMENT AUTHORITY
STRATEGIC PLANNING AGENDA
Friday, August 16, 2019
8:00AM – 2:00PM
City Opera House
106 E. Front Street – Overture Room – 3rd Floor
Traverse City, MI 49684, Second Floor
www.downtowntc.com**

Information and minutes are available from the DDA CEO, 303 East State Street, Suite C, Traverse City, MI 49684, (231) 922-2050. If you are planning to attend the meeting and are handicapped requiring special assistance; please notify the DDA CEO as soon as possible.

1. Roll Call
2. Opening Remarks (Jean)
3. Strategy Process/Execution Rhythm Overview (Eric Okerstrom)
4. Define Strategic Content (Board)
 - Mission
 - Vision
 - SWOT
 - Strategic Objectives

Break – Noon for Lunch (served in Overture Room)

5. Execution Model Overview (Eric)
6. Wrap up / Next Steps (Jean)
7. Public Comment
8. Adjournment

The Traverse City Downtown Development Authority does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. The DDA CEO has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the DDA office.



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
jean@downtowntc.com
231-922-2050

Memorandum

To: Downtown Development Authority
From: Jean Derenzy, DDA CEO
Date: August 12, 2019
Re: Strategic Planning

I look forward to our Friday session to begin looking at the vision for the DDA District. It is within that vision that strategic objectives will be put together to reach that vision.

First and foremost, this is not about Tax Increment Financing, this truly is about “where does the Board see the Downtown in 5 to 10 years”. When you close your eyes, what does the Downtown look like. Strategies to get us to that vision can be accomplished.

A vision statement has specific qualities. It needs to be inspirational, aspirational, specific/measurable, informed and time-based. To be clear, mission and vision are different, yet we see them used interchangeably all the time diluting their usefulness—but done properly they give freedom of action and can drive organizational performance.

When you look at our current mission statement, it reads specific to statutory requirements, how does the vision speak to you?

To help Board members with what has been accomplished to help with the strategic planning process, I have attached:

1. DDA Board's Leadership Meeting in November
2. Current strategic Planning Document
3. Sample of some inspirational Vision Statements

I look forward to working with you on Friday to carry out your mission, vision and objectives to achieve success for our Downtown.



Woodside Strategies

Organizational Consulting

**Traverse City Downtown Development Authority
Board of Directors – Leadership Development Session
Follow-up Summary and Recommendations
January 3, 2019**

Summary of Discussion Notes

- Copy of Woodside Strategies power point slides is attached (not for distribution).
- Easel pad notes:
 - What do board members think it means to be prepared for meetings?
 - Know the agenda
 - Read the materials and think in advance
 - Ask questions in advance of and during the meeting
 - Be committed to the time allotment needed for the preparation and meeting
 - Question the assumptions behind the materials and the recommendations
 - Continually increase knowledge and understanding of relevant topics
 - Tie back decisions and priorities to the strategic plan
 - Know and fully understand the board's roles, responsibilities, and policies
 - Fully understand the organization's history
 - Provide wise counsel
 - How can we improve as a board and what do we need?
 - Form and properly use a Finance Committee
 - Consistent and regular communication with the public
 - Develop a communications policy and plan
 - Develop a Board Code of Conduct Policy
 - Develop a Board Roles & Responsibilities Policy
 - Develop a Board Manual and Orientation process

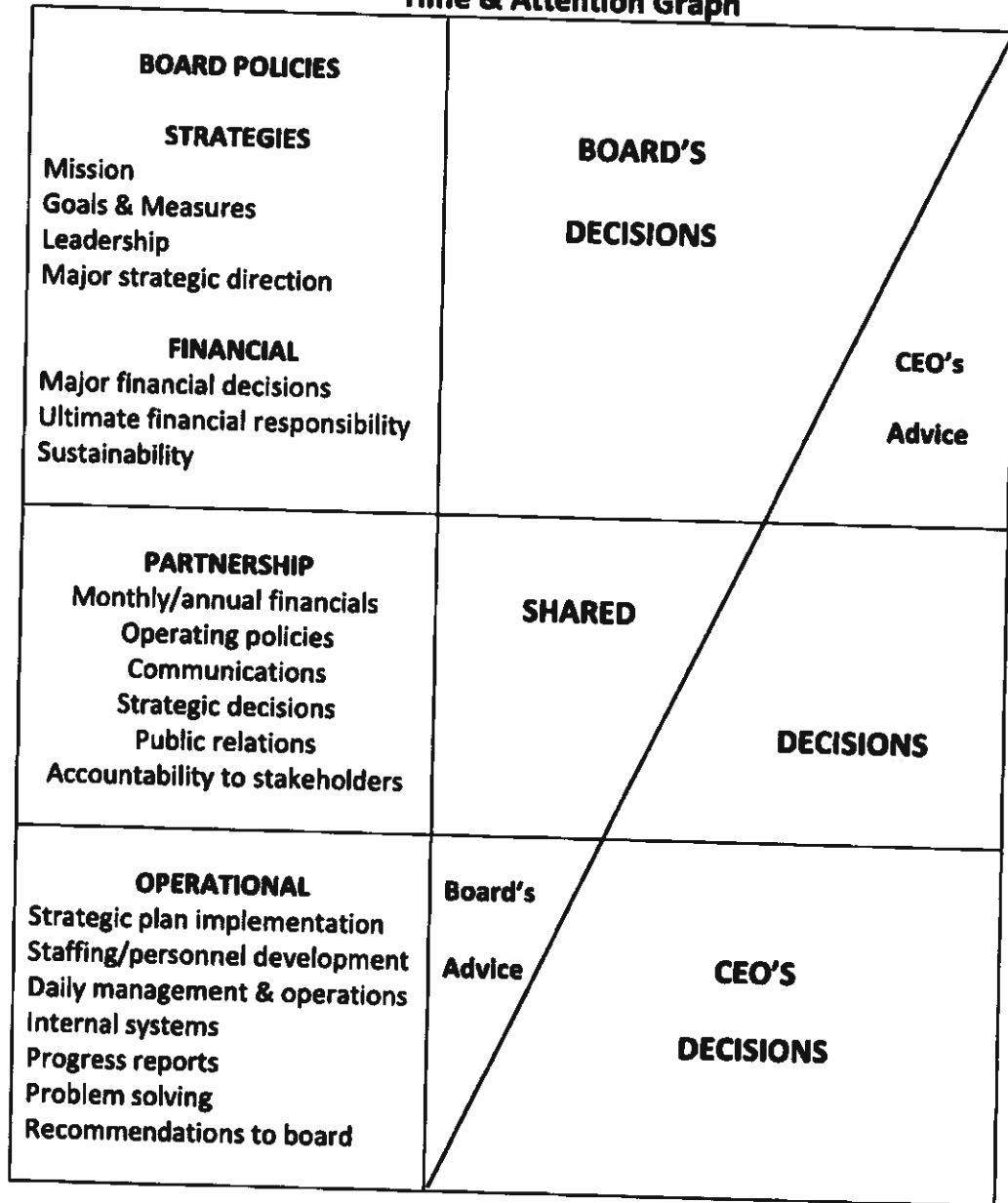
Continued....

**Woodside Strategies LLC
451 N. Madison
Traverse City, MI 49684**

**Elaine Wood, President
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231-499-6264**

- Annually review by-laws for committee structure/functions, membership requirements, terms, and other details
- Develop a Conflict of Interest Policy
- Develop a qualifications grid for consideration of potential board members
- Conduct an annual board self-evaluation
- Develop a comprehensive board education and development process
- Develop a grievance policy & process
- Clearly define roles of board vs. CEO, per a method such as:

Time & Attention Graph



RECOMMENDATIONS

Woodside Strategies recommends that the TCDDA Board take the following actions in follow-up to the leadership development session. These can be accomplished over the course of a few months, and outside professional help is often used by boards to accomplish many of these things.

- 1. Form a Finance Committee**
- 2. Form a Governance Committee**
- 3. Form a Marketing/Communications Committee**
- 4. Eliminate the Executive Committee**
- 5. Develop a "job description" for each committee**
- 6. Develop a Board Member Roles & Responsibilities Policy**
- 7. Develop a Board Code of Conduct Policy**
- 8. Develop a Board Conflict of Interest Policy**
- 9. Develop a substantial Board Manual and a Board Orientation policy & process**
- 10. Develop a qualifications grid for consideration of potential board members**
- 11. Develop a Board education and development protocol, content, and schedule**
- 12. Develop and implement an annual Board self-assessment process**
- 13. Develop a general Board-CEO Roles Policy**
- 14. Develop a Grievance Policy**

Strategic Plan



Traverse City Downtown Development Authority

2017 - 2020

November 2017



October 12, 2017

Dear Friends and Colleagues,

We are pleased to present the Traverse City Downtown Development Authority's (TCDDA) Strategic Plan covering 2017-2020 period. This Plan establishes the mission, vision, values and strategic direction of the TCDDA.

We hope you agree that great things await the Traverse City Downtown, a downtown unlike any other.

Sincerely,

Bill Golden, Chair

Leah McCallum, Vice-Chair

Steve Constantin, Secretary

Gabe Schneider, Treasurer

Allison Beers

Scott Hardy

Harry Burkholder

Jim Carruthers, Mayor

Debbie Hershey

T. Michael Jackson

Jeff Joubran

Purpose

- *21 Nicest Small Towns in America Everyone Should Visit before They're 50* (Reader's Digest, April 2017)
- *21 of the Best Small Towns in America* (Architectural Digest, October 2016)
- *25 Coolest Midwest Lake Vacation Spots* (Midwest Living, August 2016)
- *Top 25 Places to Retire* (Forbes Magazine, April 2016)
- *20 Best Small Towns* (Smithsonian Magazine, April 2015)

Traverse City's downtown is unlike all others. It is at the center of the Great Lakes that hold 1/5th of the World's fresh water. It a regional driver of economic development, a four-season feast for culinary aficionados, a palette of choices for shoppers and a place to live, work and play for all.

The acclaim for downtown, the expectations of a global destination and the need to sustain a balanced and economically sustainable community create a substantial responsibility and challenge for those charged with developing and governing the City. An important part of that load is shouldered by the Traverse City Downtown Development Authority (TCDDA).

This is the TCDDA's Strategic Plan for the 2017-2020 period. One purpose of the Plan is to establish performance goals that will guide annual work plans of the organization. As this Plan was being prepared, the TCDDA Board was recruiting to fill the Chief Executive Officer (CEO) position for the organization. Once that position is filled, the CEO will collaborate with the Board to establish a more definitive timetable and budget to implement the Strategic Plan.

Progress toward achieving the mission, goals and action steps will be assessed to quantify and report progress and ensure that the Plan is updated as conditions evolve.

The TCDDA, through its Board and staff, welcomes ideas and input from all interests. Input may be provided at meetings of the TCDDA Board, by mail or email or by direct contact with TCDDA staff or Board members. Contact information for the TCDDA and more information about the organization is available at www.downtowntc.com.

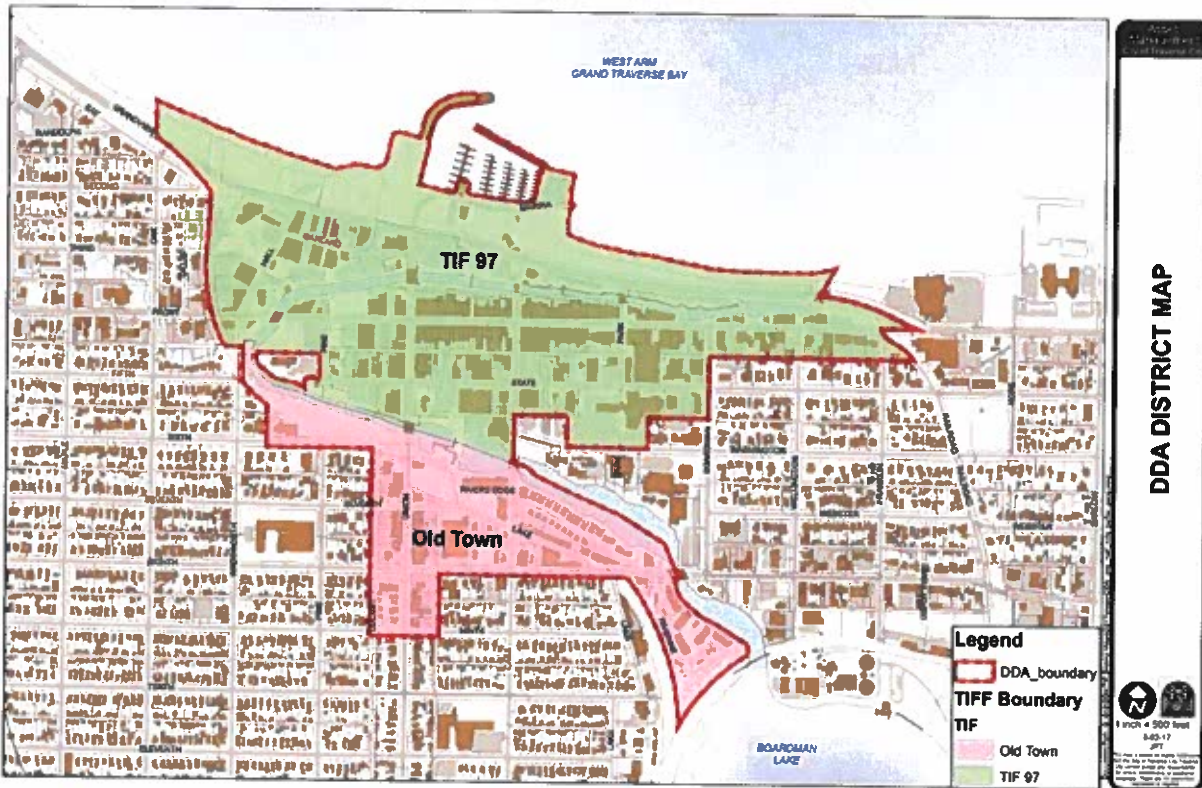
Process

This Strategic Plan, prepared with support from the North Sky Nonprofit Network administered through Rotary Charities of Traverse City, was developed through the following steps:

1. Review of bylaws, policies and procedures, budgets, financial statements, prior plans and other documents.
2. Individual interviews with Board members, management staff and stakeholders.
3. Facilitated work sessions with the Board to develop the Strategic Plan content.

Figure 1 delineates the downtown district that is the primary focus of the TCDDA and this Strategic Plan.

Figure 1 - TCDDA District



Mission

The mission of the TCDDA is to *collaborate with all stakeholders to provide a world class downtown that is active, thriving and inclusive.*

Through investments in sound, sustainable infrastructure and civic amenities, the DDA corrects and prevents deterioration in the Downtown District to encourage historic preservation, to create and implement development plans and to promote economic growth.

The mission is consistent with the purpose that is established in Article I of the Rules Governing the TCDDA: (Act 197, P.A. 1975))

"...to correct and prevent deterioration in the Downtown Development District, to encourage historic preservation, to create and implement development plans, and to promote economic growth."

Vision

The vision reflects what the TCDDA Board believes is the ideal future state of the downtown and how it will influence the City:

Traverse City is America's most inclusive, family-friendly fresh water destination - featuring world class dining and shopping, a growing economy, entrepreneurial opportunity, and all season recreation.

Values

The **Values** of TCDDA Board guide Board decisions, processes and operations. The Mission, Vision and Values serve as “filters” for decision making. The Board Values are:

- **Sustainability** of the TCDDA and the Downtown District
- **Inclusivity** and **collaboration** in developing and implementing this Strategic Plan
- An **economically healthy**, vital TCDDA and Downtown District
- **Transparency** in the TCDDA’s strategies, priorities and plans for Downtown

Stakeholders

The success of the TCDDA and, more importantly, of Traverse City’s downtown, will depend on partnership and collaboration and the unification of stakeholders around priorities and plans for the community. Stakeholders include but are not limited to:

Downtown businesses	Northwestern Michigan College
Visitors	Munson Medical Center
Downtown and neighborhood residents	Grand Traverse Band of Ottawa & Chippewa
Developers	Indians
Nonprofit organizations	Mich. Dept. of Natural Resources
City of Traverse City Government	Mich. Economic Development Corporation
Neighboring/regional townships, villages	Great Lakes Fisheries Commission
Grand Traverse County	Rotary Charities of Traverse City
Traverse Connect	Networks Northwest
Venture North	Grand Traverse Area Community Foundation
Traverse City Tourism	Neighborhood Organizations

How is the TCDDA Funded?

It's important for all stakeholders to understand how the TCDDA is funded to carry out its mission.

The Downtown Development Act, Act 197 of 1975, provides ways DDA's to partner with municipalities, property owners and developers to finance public improvements in a defined downtown area. These include:

- Levying up to two (2) mills on DDA property owners.
- Special assessments on property within the DDA.
- Tax Increment Financing, also known as TIF.

TIF is often a poorly understood financing tool for a DDA. Under TIF, a specific area or district within the DDA is defined, a development plan is adopted, and the future property tax revenues are captured within that district to be used to finance the public improvements needed to carry out the development plan. Revenues through TIF may be the sole source of financing for these public projects or they may be used in combination with other financing or funding sources.

The statutory goal of TIF, created by the DDA Act, is to help cities correct and prevent deterioration of downtown business districts, encourage historic preservation and promote economic growth in the designated downtown area. Since many downtowns are the oldest areas in a city, providing and upgrading infrastructure is essential for downtown prosperity. The DDA statute provides for the use of TIF, setting up a mechanism for partnerships with other benefitting taxing units who also have a stake in the health of downtown, ensuring funds are used for needed public improvements. Public investment is a catalyst for private investment creating the tax revenue to pay for the public improvements. When a TIF district is created, its current taxable value is established and that is the value base for the duration of the TIF's existence. The taxable value base is also the value base for all taxing units that contribute to TIF. As long as the TIF District exists, the City continues to receive revenues normally generated by this taxable value base, dependent upon the annual millage rate adopted by the City. After the TIF district is established, revenues generated from the difference between the new annual taxable value and the value base are placed into the TIF Fund and use for public improvements identified in the TIF development plan.

As an example, some of the projects including in the TCDDA ~~TIF-2~~ Old Town District include: streetscapes on Union Street and in Old Town; landscaping and sidewalks from Union Street to Lake Avenue and the Cass Street corner improvements; utility relocation, river bank stabilization, river walk and streetscape to support the River's Edge Project; streetscapes and other renovations on Lake Avenue; and the Riverwalk on the Boardman River along the Mid-Town Development. TIF funds along with grants, special assessments and utility funds in this case supported over \$3.5 million in improvements.

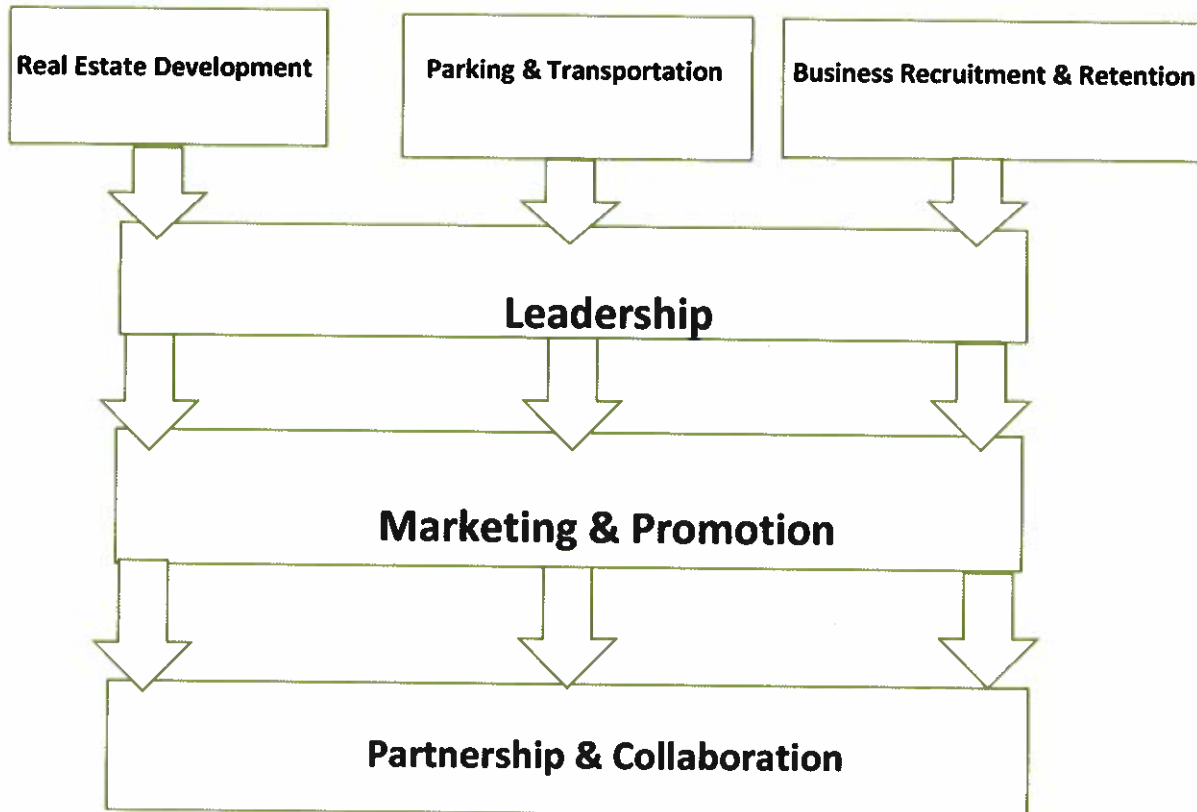
Areas of Focus and Strategic Goals

The TCDDA has strategic goals for the following areas of focus (numerical order does not infer priority):

1. **Real Estate Development**
2. **Parking & Transportation**
3. **Business Recruitment & Retention**

To attain goals in the areas of focus, the DDA will strengthen and apply the following core strengths:

- **Leadership**
- **Marketing and promotion**
- **Partnerships and collaboration**



Implementation Snapshot

Areas of Focus: Strategic Goals

Real Estate & Place Making

- Continue existing TIF Plans, begin process to update TIF Plans.
- Establish process to identify and acquire properties for reuse and redevelopment.
- Develop & implement universal access system so people of all ages, needs and abilities can enjoy from lower Boardman River, complimenting Union St. Dam work.
- Finalize site plan and design and initiate funding campaign for Farmers Market.

Parking & Transportation

- Update definitive parking strategy and develop parking business plan using results of Transportation Study.
- Proceed with West End Parking Deck when financially feasible.
- Prepare and implement strategy for Transportation Demand Management Study to be completed fall of 2017.
- Provide leadership for regional commuting strategy.

Business Recruitment & Retention

- Expand Redevelopment Ready Certification and attain true development readiness.
- Work with appropriate interests to develop a one-stop development response program.

Areas of Focus: Core Strengths

Leadership

- Establish experience and qualification criteria for TCDDA Board representation.
- Implement a Board Development program to ensure Board capacity.
- Hire a TCDDA Chief Executive Office in 2017 to ensure strategic direction is met.
- Create capacity to seek grants or other funding to support implementation of strategic plan.

Marketing & Promotions

- Develop and sustain a marketing initiatives aimed at optimizing community assets to create living wage job opportunities; identify and fill market gaps; make best use of and focus of promotional resources.
- Determine if added processes are needed to assess the costs/benefits of promotional events and programs.

Partnership & Collaboration

- Use a variety of communications tools to engage of all interests in the management , development and prosperity of downtown, including collaboration with Traverse City outside of DDA boundaries so that the entire community is unified around shared goals and opportunities.

1. Real Estate & Place Making Development Goals and Steps

- A. GOAL: TIF 1997 Update.** To implement the TIF 97 Project plan that calls for projects through the 2022-23 Fiscal Year.

STEPS:

- See Attachment A that lists projects, their prioritization, type of project and funding and estimated project costs, a total of over \$21.5 million through FY 2022-23.
- B. GOAL:** To optimize economic sustainability and growth through the development of real estate in keeping with the needs, opportunities and character of downtown.

STEPS:

- **Property Reuse or Redevelopment.** Complete a process to inventory and identify key properties for acquisition and reuse or redevelopment. This will require an identification of the capacities and expertise needed to carry out the project and, potentially, new funding to support the process.
 - **Boardman River.** Complete and begin implementation of a definitive plan involving various forms of access and amenities for the lower Boardman River that complement the Union Street dam modifications, including but not limited to: 1) access to use and enjoy the River by people of all ages, needs and abilities; 2) reduction/elimination of non-point sources of pollution within the downtown district.
 - **Transportation.** Develop the implementation schedule for the Transportation Study due to be completed in October.
- C. GOAL: Farmers Market.** To redesign the current Farmers Market and make the Traverse City downtown a hub for the direct sale of locally grown foods by growers to consumers that compliments and supports other downtown businesses.

STEPS:

- Confirm design and site plan and develop cost estimates
- Develop and implement a fund development strategy to secure resources to complete final engineering and construction of the Farmers Market using North Sky resources.

2. Parking and Transportation (or Mobility) Goals and Steps

- A. GOAL: Parking Capacity.** To ensure that parking infrastructure and parking programs support the vision and mission of the TCDDA and the needs of businesses, organizations and events.

STEPS:

- **West Front Parking Garage** – work with West Front Parking Committee to accomplish:
 - + Collaborate with City Treasurer to refine and update financial projections as conditions change until a favorable financing package is achieved.
 - + Develop communications plan, including collateral for the project, emphasizing need, benefits and process.
 - + Work with City Engineer and Parking Administrator to manage the design, focusing on public and stakeholder engagement.

- **Streamline Parking Management** – work with DDA Board and CEO toward more efficient parking oversight, including:
 - + Review various management models from other downtown organizations in Michigan including parking authorities and contracted services.
 - + Provide objective and subjective evaluation of options to establish direction.
 - + Develop a definitive 3-year business plan for parking, including financial proforma.

- B. GOAL: Transportation Demand Management (TDM) Implementation.** Work with DDA Board, CEO and partners to prioritize and implement TDB strategies.

STEPS:

- Facilitate prioritization of TDM recommendation strategies to prepare three-year plan.
- Develop and implement communications plan to TDM study and its implementation.
- Retain consultant if needed to assist in plan execution if needed.

3. Business Recruitment & Retention Goals and Steps

- A. GOAL:** To collaborate with the City of Traverse City, Grand Traverse County and other interests to attain and maintain **development readiness** to the benefit of current and future developments and the health and well-being of downtown.

STEPS: In keeping with the implementation of the City's redevelopment ready certification, in 2018, the TCDDA will seek appropriate partnerships to either lead or participate in a process to:

- Develop and define internal processes and procedures encompassing all local government planning, permitting and other programs and services to establish clear and consistent expectations for developers that create predictability and reliability of government/TCDDA responses, including zoning and land use review, permits and licenses and other authorizations.

- B. GOAL:** In keeping with development readiness, facilitate or participate in a "one-stop" program and service that provides an integrated response to developers and developments. involving but not limited to the following programs and services:

STEPS: Involve the following to develop a true, functional one-stop process:

- **Local government:** Zoning and planning; Brownfield Authority; building codes and code compliance/enforcement.
- **Regional government (Networks Northwest):** Procurement Technical Assistance Center, Small Business Development Center, Skilled Trades Training Fund, Healthcare Skills Alliance, Hospitality Skills Alliance, and NW Michigan Agriculture and Food Systems Sector Alliance.
- **Michigan Economic Development Corporation:** Community Assistance Team, Community Revitalization Program, Community Development Block Grant Program and Licensing.
- **Other Agencies:** MDARD; MSHDA; MDOT; SCORE, Venture North; Goodwill Industries of Northern Michigan; Michigan Works; Consumers Energy; DTE and others.

To achieve these goals we will enhance our core strengths as follows:

4. Leadership Goals and Steps

- A. Goal: Board Skills and Experience.** To establish criteria for making TCDDA Board appointments to ensure the Board has the diversity and expertise to support the vision and mission of the organization.

STEPS. We recommend that the TCDDA Board appointments achieve composition as follows:

- TIF boundaries business owner or operator
- TIF boundaries property owner
- TIF boundaries resident
- City business owner or operator
- City property owner
- City resident

We further recommend that appointees reflect the diversity of the community and have well-rounded expertise and qualifications in areas involving finance, real estate, banking and finance, business and municipal law. To support the composition objectives, the TCDDA Board will, on an ongoing basis, complete and update a matrix of Board skills, qualifications and age/ethnicity so that gaps can be readily filled.

- B. GOAL: Board Development.** To ensure that all TCDDA Board members receive thorough orientation and training so that they are informed and have an instrumental role in achieving the missions and goals of the organization.

STEPS. The DDA will have a Board development plan:

- Each new board member will participate in a comprehensive education program on the following:
 - a. The roles and responsibilities of a DDA board member
 - b. The relationships between the DDA and Parking Services, DTCA, City Council, Chamber, Regional Brownfield Authority.
 - c. How Tax Increment Financing works, rules, boundaries, where and how funds can be spent
 - d. Review of other programs available in addition to TIF
 - e. The history of TIF in Michigan
 - f. The history of TIF in Traverse City
 - g. The TIF97, TIF2 and Old Town TIF Plans and current situation
 - h. Current budget
 - i. DDA Strategic Plan and Annual Goals.
- Each board member will participate in annual development activities to ensure they have capacity to give a standard TIF presentation and, as part of that process, update their understanding by reviewing:
 - a. How TIF works, rules, boundaries, where and how funds can be spent.
 - b. Other programs available in addition to TIF

- c. All TIF Plans, budgets and priorities
- d. The DDA Strategic Plan and annual goals

C. GOAL: Chief Executive Officer. To recruit and hire a Chief Executive Officer (CEO) for the TCDDA who will succeed in carrying out the strategic direction of the Board in a way that unites community interests.

STEPS.

- Partner with NorthSky Nonprofit to support recruitment, posting and screening leading up to interviews of finalists and candidate selection in 2017.
 - Develop and provide an orientation to the TCDDA, including bylaws, financials, board representation and affiliations, Strategic Plan, position requirements, partners and partnerships.
 - Provide a mentor or mentors to support the orientation and introductory process.
 - Establish the process, desired content and schedule for completion of the operating plan by the CEO to implement this strategic plan.
 - Identify and develop a schedule to meet training needs.
 - Develop the process and schedule to create the 360 evaluation process to ensure formal, constructive feedback.
- D. GOAL: Fund Development.** Develop a process to systematically identify and seek funding to support TCDDA missions and goals.

STEPS:

- Assess options, approaches and needs and, through internal or external resources create a fund development function for the TCDDA that identifies, secures and manages public and private funding sources and takes advantage of collaborative opportunities with partners, including Traverse City and other political jurisdictions. This would also identify and establish a process for TCDDA entities to become aware of and seek capital and other forms of financing from a variety of sources, including Venture North, Rotary Charities of Traverse City, the Grand Traverse Regional Community Foundation and others.

5. Marketing & Promotion

- A. GOAL:** To create and sustain an ongoing market analysis and marketing program that includes:

STEPS:

- Assessment of all commercial properties downtown in terms of location, dimensions, amenities, owner/lessor requirements/objectives.
- A market analysis of the scope and scale of Downtown business offerings, programs and services and an analysis of offerings, programs and services that are potential gaps within the Downtown market.
- A consumer analysis of the composition, character and demand preferences of current and anticipated future Downtown consumers.
- An ongoing, meaningful needs analysis of downtown businesses along with corresponding programs, including education and training, to respond to those needs.
- An annual strategy to approach existing businesses or businesses not currently within the downtown district to fill gaps defined through the analyses.
- Development of strategies to: (1) build stronger and effective linkages between businesses seeking to fill jobs and the labor pool, including education about the breadth, scope and compensation of positions; and (2) to partner with businesses and providers of training and skill certification to support a program of employee growth and development that would trigger an increase in employee wage/benefits.
- Examination of user needs studies and the development of other processes needed to assess existing promotional programs and events.

6. Partnership & Collaboration

- A. GOAL:** To use multiple channels of outreach to invite partnership and collaboration in the ongoing development and refinement of this Strategic Plan and in programs and activities to implement the Strategic Plan.

STEPS:

- Present this Strategy to diverse interests to encourage dialogue and input and establish a baseline for accountability, including presentations to neighborhood groups; neighboring local governments; key stakeholder organizations; economic development organizations; nonprofits; and others.
- Provide and present at least annually a progress report on the attainment of Strategic Goals and modifications to the Strategic Plan.

- **As appropriate, use tools such as partnership agreements, service sharing agreements or agreements under the Urban Cooperation Act to articulate and formalize partnerships that create efficiency in operations, eliminate duplication or establish unity and roles and relationships for attaining mutual goals and objectives.**

Inspirational and Aspirational Vision Statements

On a National Level:

"First, I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to the Earth. No single space project in this period will be more impressive to mankind, or more important in the long-range exploration of space; and none will be so difficult or expensive to accomplish."

John F. Kennedy, May, 25 1961

On a City Level:

Kansas City, MO

Vision: "Our local government will be nationally known for its transformative efforts that make Kansas City the diverse and sustainable community of choice for people to live, work, and play as a result of its safety; vibrant neighborhoods; business, educational, and cultural opportunities; connectedness; and vitality.

On a Business Level

Patagonia:

"Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis".

On a Non-Profit Level

Cleveland Clinic: "Striving to be the world's leader in patient experience, clinical outcomes, research and education."