

# City of Gladstone

## Downtown Development Authority (DDA)

### 2018 Calendar Year Report



**Background:** The City of Gladstone Downtown Development Authority (DDA) was established in 1992 to enhance the quality of life for the City of Gladstone residents and to develop a positive image of Downtown Gladstone and the DDA District for businesses, residents, and visitors. This annual report shows continued positive activity across a range of DDA actions since the 2017 report.

**Public Act 57 of 2018:** Until Public Act 57 was adopted, all Downtown Development Authorities were governed by Public Act 197 of 1975. Public act 57, which became law on January 1, 2019, has many changes which now steer DDA activities. For example, the Michigan Department of Treasury is now responsible for all reporting of DDA activities and established a consistent format to be used across the State.

In addition, PA 57 now has increased reporting to insure greater transparency across all stakeholders. For example, starting in January 2019, all DDA's must hold two informational meetings which must include the affected taxing jurisdictions and notices must be published prior to the meetings. A website must be established that is used to house all relevant documents for each DDA. This would include, among other things, copies of the DDA Plan, contact information for key personnel, and copies of all meeting minutes.



**Collaboration With Stakeholders**

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**Collaboration with Stakeholders:** In keeping with the spirit of Public Act 57, the Gladstone DDA must work in concert with the City Commission, other City Boards, and the public. As part of the Redevelopment Ready Communities initiative, the DDA spearheaded a Public Participation Plan which was approved on August 8, 2018 by the City Commission. The purpose of adopting this Plan is to ensure accountability and transparency while providing feedback to the public that ultimately affects everyone.

During the course of 2018, the DDA held several joint meetings on such important efforts as the Ninth Street reconstruction effort and the North Shore Project. In addition, members including the City, City Commission and the DDA Board work together on a 9th Street Sub-committee to help guide the project.



**Business Attraction - Three Year Horizon:** Since the initial annual written report, let's take a look at business attraction into the DDA District. Although several other new business development in 2018 will be discussed in the Façade Program section, the next page shows the great interest in opening businesses in Downtown Gladstone in a short period of time.

We celebrated the grand opening of the Gladstone Pharmacy, long an identified need for Gladstone. The OSF Hospital and Medical Group opened the Gladstone Clinic in an exciting ribbon cutting, UP State Bank opened their doors last year, and Trotters Floral moved to an expanded location, opening up other downtown space for development.

China Lily and State Wide opened up businesses on Delta Avenue, and the Dewdrop Restaurant opened with great fanfare in 2018. The Delta Deli is a great addition to the corner of Delta and 9th Street while across the street several new businesses opened shop in the old bank building. Finally, Lakeview Assisted Living opened a new wing at their Gladstone location.

**The bottom line - more businesses means more jobs and means a larger tax base for everyone in the county.**



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**GLADSTONE**



**Gladstone Pharmacy**

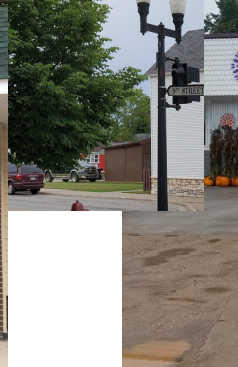
#### New Bank Businesses



**China Lily**



**Delta Deli**



**Trotters**



**OSF Gladstone**

**UP State Bank**



**Final Touches**

**Lakeview Assisted Living**



**Dewdrop**



**State Wide**



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**Façade Program:** One of the economic development tools that the Gladstone Downtown Development Authority uses to encourage growth and support new business development within the DDA district is the Façade Program.

Whether starting up a new business or relocating an existing business, there are many startup costs involved which may preclude investments in the façade. Through the Façade Program, not only is the property value of the location enhanced, but the visual improvements can also encourage additional development.

The DDA recently revised the guidelines and application process for the Façade Program. The requirements were simplified and a minimum owner's match of 50 percent is now required regardless of the size of the improvements. The latest information is available at:

[http://www.gladstonemi.org/how\\_do\\_i/download/how\\_do\\_i/documents.php](http://www.gladstonemi.org/how_do_i/download/how_do_i/documents.php)

### Façade Program Examples

At the February DDA Board Meeting, a façade improvement was awarded to the Dairy Flo to improve the Delta Avenue front of the building as well as a highly visible Pavilion on the adjacent street. These improvements encourage patrons to spend time relaxing and enjoying downtown.





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At the April 2018 DDA Board Meeting, two façade Awards were granted - one for the relocation of A-1 Septic & Drain Cleaning and one to the owner of the old hardware store at 805 Delta Avenue.

The A-1 Septic award was for new signage and electronic messaging center. The signage is very visible from heavily trafficked US 2-41 corridor and the owners offered to allow messages of local importance to be displayed on the message center.



So a true win-win for the business and the City.



The second façade award was for the new owner of the old hardware store at 805 Delta Avenue. This allowed for both improvements to the front of the building, but also to the rear entrance which will showcase better parking and a separate stairway leading to the second floor tenants.

The revised guidelines for Façade Awards encourage not only street side improvements, but can be a key enabler to encourage businesses to explore opportunities to utilize often vacant second story space.

The DDA is also working with MEDC on Rental Rehabilitation opportunities where MEDC may be able to assist with funding.



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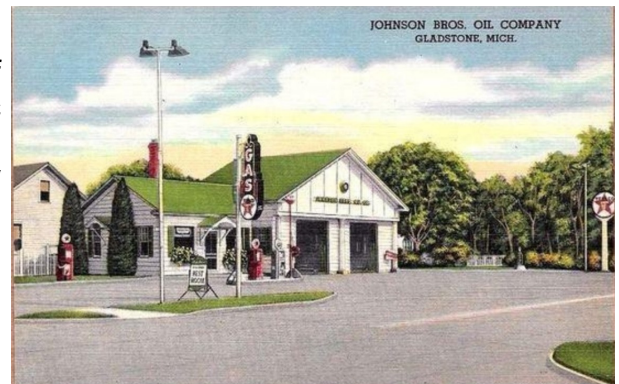


In October, a façade was awarded to the owner of Rock Electric Services who purchased the historic Johnson Brothers Oil Company on 9th Street and Montana Avenue. This building was lastly used by the City's Parks and Recreation Department for storage, and the new owner is envisioning added technical jobs which will be located at the new location.

The award will include pressure cleaning and scraping of the exterior and a replacement of the entry and egress system as well as some aesthetic exterior items such as plantings and flagpoles.

And finally, the project has finally put to bed the questions long time Gladstone residents have been asking - "Is the clock on the old gas station ever going to be fixed?"

The answer is a resounding - YES!



## Major DDA Projects

The Gladstone DDA is spearheading several major projects in the DDA District. These projects consume more than 75 percent of the DDA's fiscal year budget and should result in significant opportunities for added business development, increased housing, and are part of the City and DDA's planning process.

These projects are:

1. The 9th Street Renovation Project.
2. North Shore Redevelopment
3. Extending the life of the DDA Plan
4. Achieving Redevelopment Ready Communities Certification



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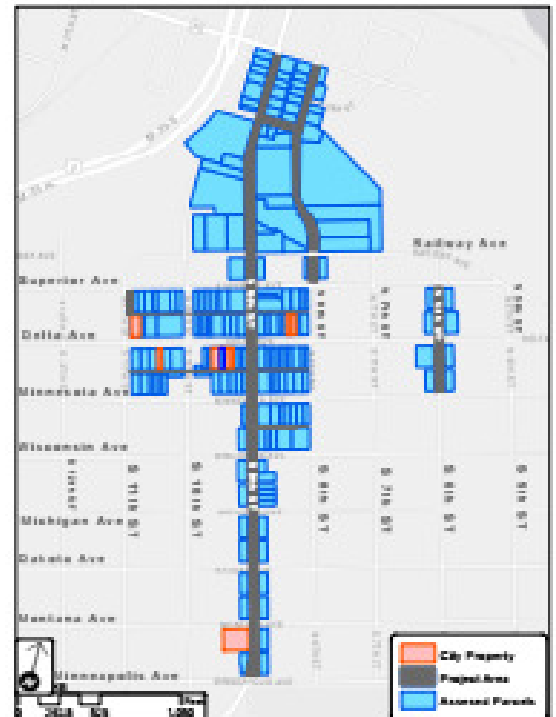
#### 9th Street

The DDA has been spearheading the 9th Street Rehabilitation project since 2016 when the Board was exploring solutions to flooding issues in the alleys north and south of Delta Avenue. Bonding for the project through City General Obligation Bonds was explored and the City formed a Committee comprised of the City Manager, City Staffs, two members of the City Commission, and three DDA Board Members to guide the project forward.

On April 25, 2018 a Business Owners Meeting was held to inform businesses of the project scope and potential timing. On July 18th, a public meeting was held to give residents an overview of the project.

Survey work began in April 2018 and borings were made in the alleys in preparation for engineering design work.

The DDA allocated almost \$230,000 for the bond requirement as well as funds for engineering work on the project. The impact this improvement can have on the health of the City is significant..



## North Shore Project



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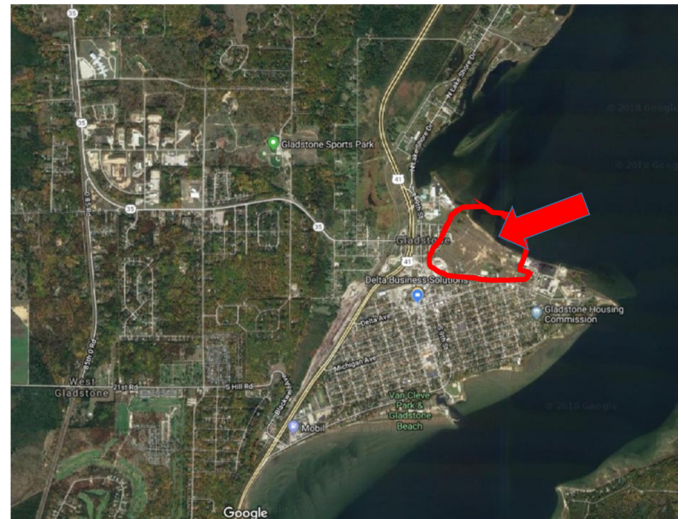


#### North Shore

Developing the vacant North Shore property has long been a goal for both the City and the DDA. The City Master Plan identifies development of the area as a priority as well as the approved DDA Plan.

Last year's annual report discussed the Vision phase which included three public meetings.

On April 23, 2018, a joint meeting of the City Commission, Planning Commission and the DDA invited development experts Place & Main Advisors, LLC to present their work plan for the next phase of the project - taking the vision to reality.



Place & Main was approved to facilitate focus groups consisting of stakeholders across Delta County including participants from the Young Professionals group (Upper Edge) and the Delta County Economic Development Alliance.



#### North Shore Market Analysis & Recommendations

City of Gladstone  
Gladstone Downtown Development Authority

In addition, Place & Main coordinated a survey which looked at the most wanted requirements and also prepared an analysis and market recommendations as well as developing a framework for a Request for Qualifications.

The conclusions, supported by outside verification, indicated a need for housing in the range that is anticipated for the North Shore, and will help the entire County when business

attraction can be hurt by a lack of suitable housing alternatives.



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#### DDA Plan Extension

The current DDA Plan was last amended in 2009. As such, the DDA is prudently investigating extending the life of the plan, consistent with legal recommendations.

To begin the process, legal experts Miller - Canfield were approved to guide the DDA through the process. One of the first steps is to form a Citizens Advisory Committee, and that occurred just after the end of calendar year 2018.

#### 2009 DDA Plan

##### City of Gladstone 2009 Amendments to DDA Plan

###### I. INTRODUCTION

The City of Gladstone Downtown Development Authority (the "Authority") and the City Commission of Gladstone (the "City") approved and adopted the original Development Plan and Tax Increment Financing Plan (the "Original Plan") of the Authority in 1992. The Authority and the City wish to continue projects outlined in the Original Plan and to proceed with new projects in the downtown development district.

The primary purpose of this 2009 Amendment is to extend the life of the Original Plan to 2029 and to amend the Improvement Program in the Original Plan. This 2009 Amendment is an update and addition to the Original Plan and must be read in concert with the Original Plan. (The Original Plan as amended by the 2009 Amendment is referred to herein as the "2009 Amended Plan.")

###### II. DEVELOPMENT PLAN

###### A. Area Boundaries

The development area encompasses the entire DDA District. A boundary map and legal description is included in Appendix A.

#### Redevelopment Ready Communities



The DDA has been spearheading the process to become RRC certified. Certification has significant advantages, including free technical support and marketing expertise from MEDC.

One of the first hurdles was to create and get approval for a Public Participation Plan. This document was approved by the City Commission in August 2018.

Another requirement is to have a Developers Toolbox available on the City website. The toolbox was completed in 2018 and is now on the City website. Although many improvements are being considered.

The remaining major requirements are a revised zoning code and an Economic Development Strategy document. Both requirements were underway at the end of 2018 and the next report will include updates.

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#### Community Involvement

Although the DDA Board made a strategic decision several years ago to focus on major infrastructure and economic development projects, the DDA funds several very popular community oriented activities. One is the Farmers Market and the other is the Old Fashioned Christmas Celebration.

#### Farmers Market

The Farmers Market is located at 911 Delta Avenue, next to the Gladstone Square Pharmacy. It operates May through October and offers a variety of fresh produce, fish, baked goods, and various other interesting items when the harvest is not in season.

The Market operates at capacity, which is 18 vendors and offers special events to keep the interest going. For example, Senior Day is always a hit with a polka band and special guests.



In the fall, pumpkins adorn the market and is a perfect place to get special pictures with the kids or grandkids.

The DDA was able to get a CUPPAD mini grant in 2018 which allows the procurement of added tables, flags, signage, and a wagon. This was used to supplement a very tight \$6,000 operating budget. The DDA has an oversight committee but the day to day market operations are run by a Market Coordinator position which is included in the operating budget.



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#### Old Fashioned Christmas

A long time Gladstone tradition is the Old Fashioned Christmas celebration which is held each year on the Friday after Thanksgiving.

Horse drawn rides were again a major attraction, as was the games for kids held at the American Legion and Santa holding court in the Rialto Center.

Planning for the event starts with a DDA sub-committee meeting in August and guides the OFC until the event. Again, the DDA Board has allocated a modest \$3,500 for the event, although generous donations from businesses help to defray the cost.



This year the committee recognized that the wreaths that adorn Delta Avenue had, after thirty years of good service, become worn and raised safety concerns.

The DDA was able to locate a grant which was able to defray most of the cost of the purchase of the new wreaths.

This event is always special.



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## **Future Plans**

**The Gladstone Downtown Development Authority ended 2018 on a very positive note. Looking ahead, much of the DDA's resources will be devoted to insuring a successful 9th Street Project launch and marketing and implementing the North Shore development.**

**A key goal continues to be achieving Redevelopment Ready Communities Certification, and the DDA wants to make sure that not only downtown Gladstone, but the City and Delta County will prosper due to our strategic goals.**

**As the DDA Plan Amendment moves forward, we encourage citizen participation and involvement in the effort. DDA meetings are held on the third Tuesday of every month in the Electric Department Conference Room and the public is always welcome.**

**Since an added report will be presented to all stakeholders later in 2019, we will use that report to highlight new information which will be available and further update the public on progress toward our goals.**