

City of Gladstone

GLADSTONE

Downtown Development Authority (DDA)

2017 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 2016 report.

Annual Report: Once a year, the Michigan Department of Treasury requires that all DDA's file a financial report outlining accomplishments throughout the year. The purpose of this report is to supplement the State Financial Report by highlighting the actual activities that the Gladstone DDA has worked on in 2017 through photos and narrative.

The State Financial Report is a document showing funds collected and expended on a calendar year basis. The DDA's budget is based on the city's fiscal year which ends in March. So we caution people when looking at the two different reports since the numbers will reflect different reporting periods.

Collaboration: The Gladstone DDA does not work alone but collaborates with the City Commission, all other City Boards, City Staff, and through public meetings with stakeholders. To achieve this goal of cooperation, the DDA holds joint meetings with the City Commission and strives to have representatives attend other meetings to facilitate dialog and understanding. All meetings are open to the public and public participation is encouraged.





Accomplishments

Façade Grants: One of the economic development tools that Downtown Development Authorities have to encourage growth and support new business development within the DDA district are Façade Grants. The DDA recently revised the guidelines and application process for Façade Grants and the latest information is available at:

http://www.gladstonemi.org/how_do_i/download/how_do_i/documents.php

In last year's Annual Report, we reported that the new Gladstone Square Pharmacy had moved into the space at 911 Delta Avenue. At the March 14, 2017 DDA meeting, the Board approved a façade request from the Pharmacy to further improve the appearance of the building from the street and also tie in with themes from other projects.

The Pharmacy has invested a significant amount of funds to renovate the building, and this grant was able to assist with further improvements.



Signage: The DDA needed to improve signage at the west entrance to the business district on Delta Avenue. In July, new signage was installed on Delta Avenue and US 41.

This fits in nicely with the bicycle racks, garbage receptacles, and way finding signage installed last year and is part of the effort to continually make improvements in the district.

**Downtown Development Authority
(DDA)**

2017 Calendar Year Report - Page 3



Major Developments: As we reported in the last report, the DDA supported a Sustainable Build Environment Initiative with a \$7,500 in-kind match for a grant to study opportunities for developing the North Shore. In 2017, three public meetings were facilitated by the MSU Extension, MSU School of Planning, Design and Construction, and the DDA. Meeting One was held in February 2017 and focused on Community Visioning for the project and asked questions like “What would you like to see as you float over the site 15 years from now?”. These meetings were very attended and attracted a wide cross section of stakeholders.



The second meeting in July asked the public for input on Key Design Elements for the project, and the final presentation in September offered planning recommendations which included advice to develop a marketing strategy to develop the area without competing with the downtown district. After the end of 2017, the DDA followed up on the recommendation by contracting with an expert in these types of developments who is currently working on the marketing and realtor agreements needed to hand the project off to developers for possible implementation.





In another major development, at a special DDA meeting on June 8, 2017, the DDA met with representative of the UP State Bank to explore options including brownfield funding or DDA funding to spur the development of the new facility at the corner of Lakeshore Drive and US-41.

The UP State Bank reported that there would ultimately be six to eight employees at the Gladstone location and they expressed a desire to work with the City and DDA to enhance the plan. After reviewing tax revenue projections from the project, the DDA concluded that funding over a six year period would provide the best financial option for the City.

The proposal then went to the June 12th City Commission meeting and after discussion, the motion was made and approved without dissent to approve funding over the six year period.

Groundbreaking for the new facility took place on July 12, 2017 and construction rapidly progressed with a grand opening expected in July 2018.





Infrastructure: During 2016, the new OSF St Francis Hospital & Medical Group started taking shape. On September 13, 2017, a Blessing & Dedication ceremony was held to open the new facility to Gladstone residents and stakeholders.

This project required the DDA to take the lead on funding two related projects - the South Court Extension (the road west of the new facility) and to build a new playground which was removed due to the construction.

The South Court Extension project was completed in 2017 at a cost of \$173.7 thousand, or over \$5 thousand lower than the budgeted amount. The new playground was also completed in 2017 at a cost of just over \$16 thousand. Both of these projects greatly enhance the OSF / Public safety area, and will also be well positioned as the North Shore Project moves forward. **Both of these infrastructure projects were totally funded through DDA funds.**





A very large project, the Ninth Street Reconstruction project, took shape in 2016 when the DDA was looking for solutions to flooding issues to businesses in the alleys north and south of Delta Avenue. At the February 2017 DDA meeting, Coleman Engineering provided estimates of \$428.4 thousand to construct new alley with proper drainage between 9th and 11th Street north and south of Delta Avenue. The DDA wanted to investigate bonding as a way to fund the project. Miller Canfield (legal firm representing Michigan DDA's) and the City of Manistique (who just completed some major bonding projects) both concluded that bonding was not feasible for projects under \$1 million.

Current Scope of Project



GLADSTONE DOWNTOWN DEVELOPMENT AUTHORITY
Proposed 9th Street Reconstruction
Gladstone, Michigan

Symbol Legend
Road Improvements
Driveways
Sidewalks
Proposed Greenspace



Scale
1 inch = 100 feet



Downtown Development Authority (DDA)

2017 Calendar Year Report - Page 7



The DDA then requested Coleman Engineering to study increasing the scope of the project which would include Ninth Street from Minneapolis to Fourth Avenue and some ancillary streets within the DDA district. In July, they provided an estimate for the increased scope to be over \$3 million. Since some of this work would include storm water, electrical, and sewer work, and although spearheaded by the DDA, not all of the costs would be covered by the Downtown Development Authority budget.

In August, City Manager Darcy Long organized a conference call with Miller Canfield and R. W. Baird (Financial Advisors) to inquire about the feasibility of the City of Gladstone taking on a project of this magnitude. After initial study, Baird concluded that Gladstone was in good financial shape and could reasonably move forward with a project of this size.

Further engineering and financial studies were planned to continue in 2018 and the City Commission and the DDA had a joint session on October 4, 2017 to further study the bonding proposal. In 2017, a joint subcommittee including the DDA, City Commission and City Staffs was formed to guide the project.

Farmers Market: The Gladstone Farmers Market continued to show growth in 2017 and the site was nearing capacity. Due to increased interest, the DDA approved funding in the amount of \$2,000 to purchase new tents for the market and to fund music during some of the market days.



The Farmers Market Coordinator had four different bands play on market days and this added to the ambiance and attendance at the market. In addition, the Farmers Market extended the season during the fall to incorporate unique fall items at the market.



Rialto Center: Recognizing that the Rialto Center is a very large project and does not really fit into existing guidelines for a traditional façade grant, the DDA explored this project as a major economic development initiative. As such, the DDA agreed to explore funding over a three fiscal year period and that a development agreement would be created as a mechanism to fund improvements over the project life.



Legal Expenses: During calendar year 2017, the DDA had to spend almost \$22 thousand dollars for the defense of a lawsuit which, as of the end of 2017, was still pending. It is anticipated that significant dollars will once again be required in 2018 in the defense of this lawsuit. This takes away precious funding for other infrastructure and project needs within the DDA district.



Personnel: The Administration Sub-committee of the DDA met numerous times during 2017 to discuss assistance with various projects and on-going support needed for an expanding number of DDA projects being proposed for the current and future years. At the January 26, 2017 meeting, the Sub-committee began investigating a possible contracted position to handle the increasing workload and financial reporting for the DDA.

At the May 11th Sub-committee meeting, the Farmers Market Coordinator position was approved to take the lead in managing farmers market activities and approval was given to begin the interview process for the Coordinator position. During March and April, the Sub-committee developed and revised a position description for a DDA/EDC Coordinator position which was approved in May. In June, the DDA/EDC Coordinator position was filled and later in the year the Old Fashioned Christmas Coordinator position was filled..

These positions were considered since the DDA recognized that the combined workload for these functions exceed the available resources from a totally volunteer organization and were funded within the existing budget.



This year, horse drawn rides kept everyone excited, the crisp air was great for making s'mores, and Santa held court in the Rialto Center thanks to the generosity of the Rialto Center owners.

Old Fashioned Christmas: Once again the final highlight of the year was a very well attended Old Fashioned Christmas celebration on Delta Avenue.



City of Gladstone

GLADSTONE

**Downtown Development Authority
(DDA)**

**2017 Calendar Year Report -
Page 10**



Conclusion:

The Gladstone Downtown Development Authority ended 2017 on a very positive note. A very good balance was kept between working on major development and infrastructure projects, helping existing businesses with Façade Grants, and funding long cherished events like the Old Fashioned Christmas.

The DDA looks forward to a very successful 2018 and, as always, extends a warm welcome to anyone to attend our meetings and make your ideas known in public comment or by contacting the DDA directly.

