

Alpena Downtown Development Authority

Boundary Expansion December 2022



WHAT IS A DOWNTOWN DEVELOPMENT AUTHORITY?

- PA 197 of 1975 (now Act 57 of 2018)
- The mission of the DDA:
 - Correct and prevent deterioration within the established DDA district;
 - To encourage historic preservation;
 - To acquire (buy) and dispose of interests (sell) in real and personal property;
 - To create and implement development plans in the district;
 - To promote the economic growth of the district.

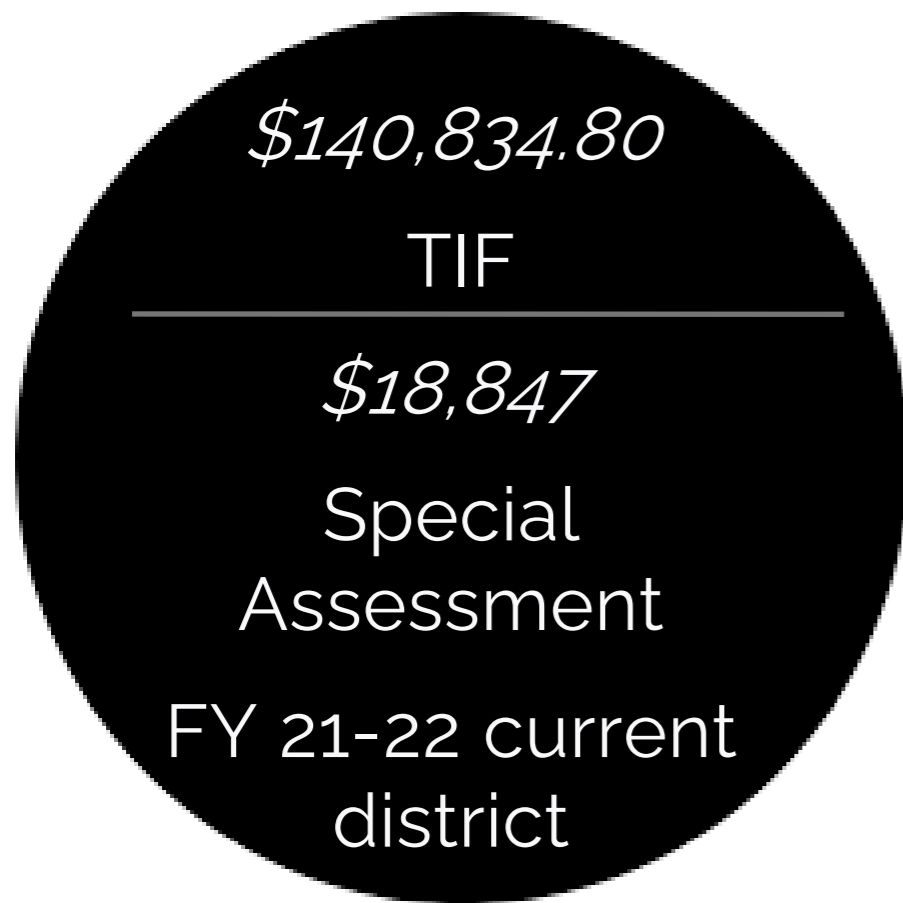


ALPENA DDA

- Formed in 1980 by the City
- Goal is to implement positive economic, physical, and aesthetic changes in Downtown Alpena.
- Boundaries have expanded in 1985, 1988, 1989 and 2004.
- Authority of the City of Alpena
- Governed by a volunteer Board of Directors appointed by Mayor or City Council
 - Majority must have financial interest in the district
 - One downtown resident and one citizen at large

FINANCES & FUNDING

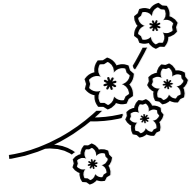
- Funding comes from two primary sources from property taxes on the downtown district:



- Tax Increment Financing (TIF), which finances projects and improvements according to our TIF plan
- A 1.98-millage assessment on downtown properties, which goes towards the DDA's operations

- Other revenue includes grants, event revenue, donations, parking citations, and parking permit rental.

CURRENT PROJECTS + INVESTMENTS



Hanging flower baskets

Bike racks

Seasonal banners

Holiday greens in Culligan Plaza

Alleyway project

Fresh Waves mural project



Shopping events (Witches Night Out, Sidewalk Sales, Holiday Open House)

Visit with Santa

Chili Chowder Cook-off

Downtown Social District

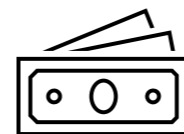
Alpena Ice Festival



Marketing campaigns

Social media management

Downtown Alpena website & blog



Business recruitment

Façade Grant program

Recruitment Grant program

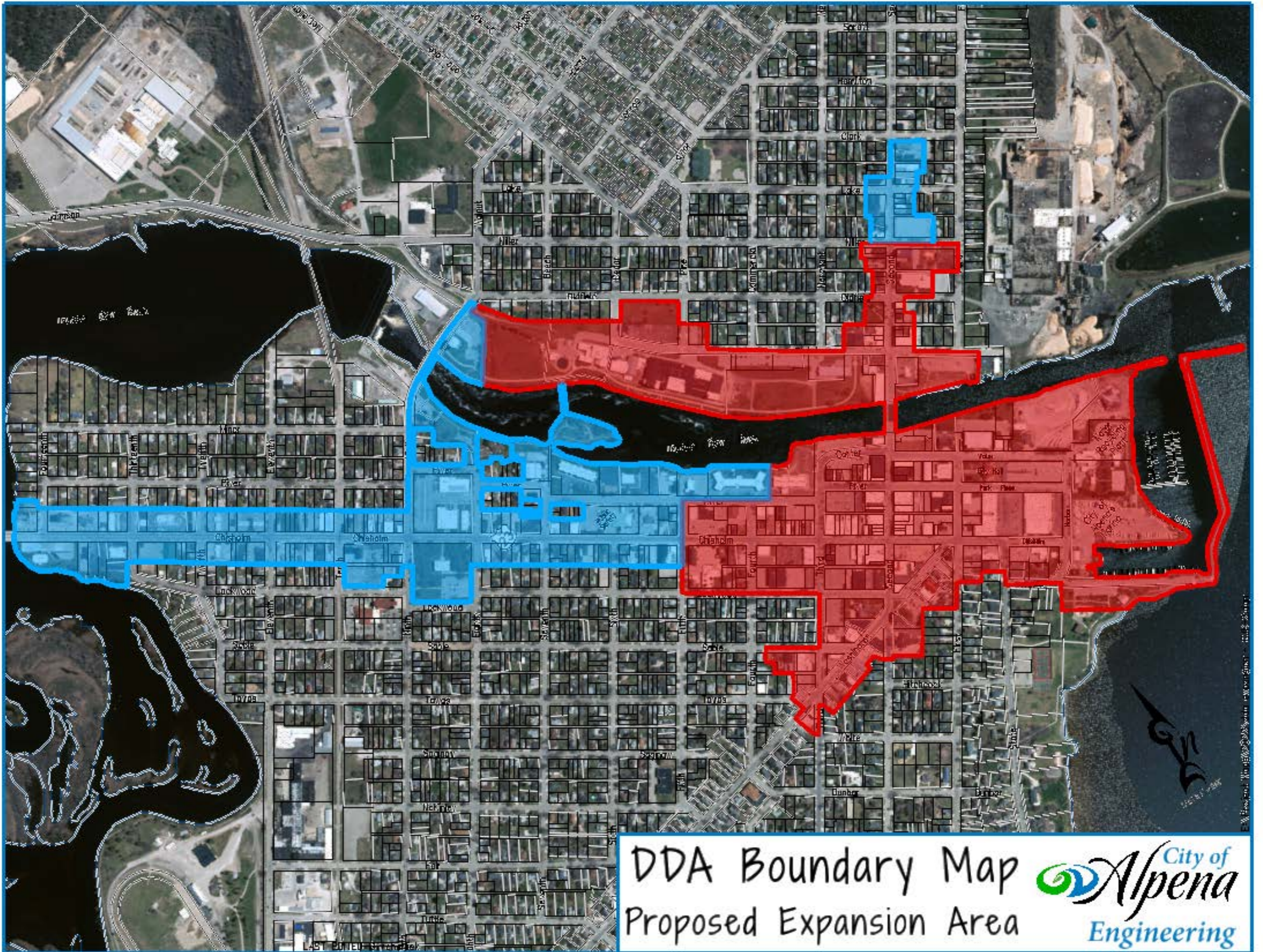
Grant liaison + outreach

Match on Main grant program



PROCESS

- Request from business and property owners to be added to the district
- Boundary Expansion committee formed
- Contracted Beckett & Raeder in December 2021
- Mailing sent out to property owners in June 2022
- Removal of residential parcels along River St. + notification
- Public hearing date set
 - Property owners notified via mail + public notice
- Public hearing (December 5)
- Sixty days until ordinance can be adopted



DDA Boundary Map
Proposed Expansion Area



WHY THESE AREAS?

- Key corridor coming into the City (Chisholm St)
- Need for continuous streetscape improvements
- Opportunity for redevelopment along Thunder Bay River
- Opportunity for in-fill development
- Concentration of key historic buildings on North Second Ave.
- Positive momentum from current district into other contiguous areas

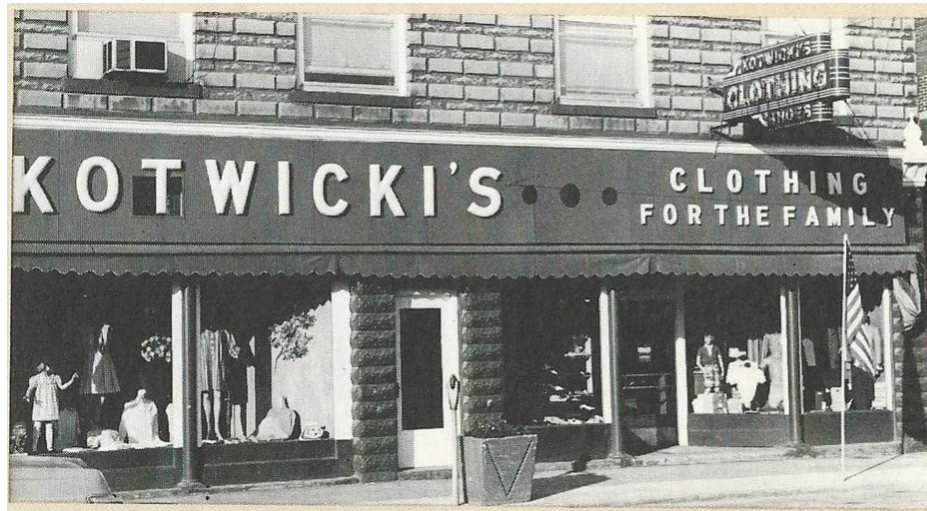


RESIDENTIAL

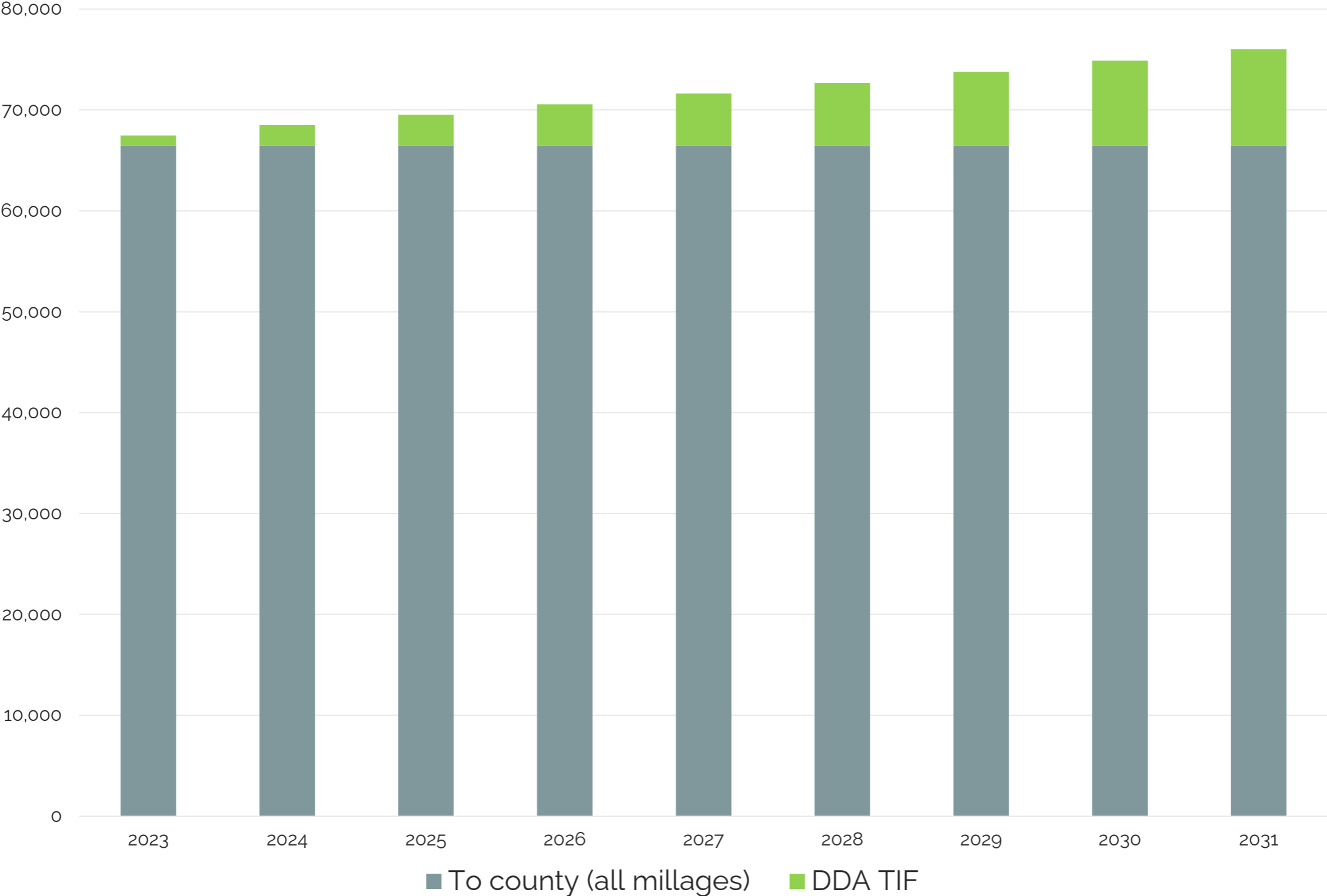
- All residential properties along River St. have been removed
- Remaining residential parcels are lawful non-conforming in B1, B2, or CCD districts
- Residential parcels along Chisholm St.:
 - 7 rentals
 - 6 single-family owner occupied
 - 2 vacant homes
 - 2 vacant lots
 - 2 owned by Sunrise Mission
- 2 multi-family rentals remain on North Second Ave.

SUPPORT OF EXPANSION

- Old Polish Corner (Brian Peterson)
- Smigelski Kielbasa
- Celina (owner of 700 N. Second Ave).
- Wolverine State Credit Union
- Players Pub (Ben Young)
- Edward Jones- Andrew Kowalski
- Franks Key & Lock (Phil Agius)
- Sports Page
- Dairy Queen
- Zolneirek Building (Brian Winter)
- Allegra Printing
- Muffler Man
- Clem's Bait & Tackle
- Star Staffing
- Bruce Dietz & Chris Lawrence (Habit for Humanity Site)



DDA Tax Increment Financing (Proposed Expanded District)



Proposed expansion area base is \$6,964,212

DDA TIF shows captures from County millages (operating, library, jail, veterans, recreation, and seniors)

Estimated DDA TIF capture reflects estimated 1.5% increase in district value each year

BOUNDARY EXPANSION TAX INCREMENT FORECAST

Base Year	1.50%	Capture	County of Alpena								Total County	ACC Operating	City		DDA			
			Oper	Lib	Amb	Jail	OPF#1	OPF#2	Vet	Rec			Operating	Extra Voted	Total Annual Capture DDA	Accum Capture	DDA 2 Mil 1.9800	Total DDA Increase
			4.7936	0.9985	1.4979	0.9986	0.5386	0.0105	0.2097	0.4993	9.5467	2.4957	16.1066	1.0000				
1	7,068,675	\$ 104,463	\$ 501	\$ 104	\$ 156	\$ 104	\$ 56	\$ 1	\$ 22	\$ 52	\$ 997	\$ 261	\$ 1,683	\$ 104	\$ 3,045	\$ 3,045	\$ 13,996	\$ 17,041
2	7,174,705	210,493	1,009	210	315	210	113	2	44	105	2,010	\$ 525	3,390	210	6,136	9,181	14,206	\$ 20,342
3	7,282,326	318,114	1,525	318	477	318	171	3	67	159	3,037	\$ 794	5,124	318	9,273	18,453	14,419	\$ 23,692
4	7,391,561	427,349	2,049	427	640	427	230	4	90	213	4,080	\$ 1,067	6,883	427	12,457	30,910	14,635	\$ 27,092
5	7,502,434	538,222	2,580	537	806	537	290	6	113	269	5,138	\$ 1,343	8,669	538	15,689	46,599	14,855	\$ 30,543
10	8,082,252	1,118,040	5,359	1,116	1,675	1,116	602	12	234	558	10,674	\$ 2,790	18,008	1,118	32,590	175,242	16,003	\$ 48,593
15	8,706,881	1,742,669	8,354	1,740	2,610	1,740	939	18	365	870	16,637	\$ 4,349	28,068	1,743	50,797	392,271	17,240	\$ 68,037
20	9,379,784	2,415,572	11,579	2,412	3,618	2,412	1,301	25	507	1,206	23,061	\$ 6,029	38,907	2,416	70,412	704,515	18,572	\$ 88,983
30	10,885,622	3,921,410	18,798	3,916	5,874	3,916	2,112	41	822	1,958	37,437	\$ 9,787	63,161	3,921	114,305	1,644,656	21,554	\$ 135,859
			\$ 270,466	\$ 56,338	\$84,515	\$56,343	\$30,389	\$ 592	\$11,832	\$ 28,172	\$ 538,648	\$140,813	\$908,773	\$ 56,422	\$1,644,656		\$ 525,391	\$ 2,170,047

		Tax Revenue
Replacement Tax Value Needed to Offset DDA Capture Yr	5	\$ 538,222
Replacement Tax Value Needed to Offset DDA Capture Yr	10	\$ 1,118,040
Replacement Tax Value Needed to Offset DDA Capture Yr	20	\$ 2,415,572
Replacement Tax Value Needed to Offset DDA Capture Yr	30	\$ 3,921,410

PARTIAL CAPTURE

- County may opt out of capture of certain millages
 - *Not an “all or nothing” scenario for capture*
- If only the County Operating millage was captured:
 - \$501 in first year
 - \$270,466 over thirty years
 - Less revenue to DDA over 30 years is \$268,182

EFFECT OUTSIDE THE DISTRICT

- To make up for the future revenue “loss,” the County would have to see:
 - \$538,222 in property value increase over 5 years outside of the district
 - \$1,118,000 increase in 10 years
 - \$2,415,572 increase in 20 years
 - \$3,921,410 increase in 30 years
- Over 30 years, estimated investment from County is \$538,648.
- *For reference, the grant awarded for the renovation of Red Brick was over \$622,000; the Habitat Site has a grant award for \$4.967 million for mixed use redevelopment*



BOUNDARY EXPANSION PROPOSED TAX INCREMENT INVESTMENT

	Newly Collected Taxes (TIF and special assessment)	Funds to be invested in expanded area
Years 1-3 (50%)	\$61,074	\$30,538
Years 4-5 (75%)	\$57,636	\$43,227
Years 6 and beyond (100%)	\$34,047	\$34,047

Total reinvested into district through Year 6	\$107,812
Total County taxes captured	\$21,474
% of county funds reinvested	502%

EFFECT OUTSIDE THE DISTRICT

- From 2008- 2019, the MEDC studied the impact of their investment across the state
- The study highlighted the impact of 7 grants issued in Alpena
- For properties within 2,000 feet of the investments:
 - Property values increased by \$13,420,119
 - 96 residential properties increased 7.34% in value
 - 24 commercial properties increased 20.55% in value

[Quantifying the Placemaking Effect](#), MEDC



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

INVESTMENT IN NEW DISTRICT

- Short Term Projects
 - Committee + board involvement from stakeholders in new district
 - Outreach about grant opportunities (DDA + MEDC)
 - New lamppost banners
 - Opportunity to apply for a Fresh Waves mural
 - Access to DDA Façade Grant program
 - Inclusion in DDA Marketing efforts
 - Website, social media, cooperative marketing, blog features
 - Participation in events
- Long Term Vision
 - Cohesive flower planters + bike racks in new district
 - Updated lampposts + streetscaping
 - Addition of greenery: hanging flower baskets and trees
 - Encourage in-fill development + addition of housing

BENEFITS FOR PROPERTY & BUSINESS OWNERS

- Access to DDA Façade Improvement Grants & Retail Recruitment Grants
- Increased property value
- Increased demand for commercial and residential units
- Beautification initiatives that make the area more walkable and enjoyable
- Access to Redevelopment Liquor Licenses
- Participation in DDA marketing and events
 - Fresh Waves project
 - Cooperative marketing (digital, radio, print)



DIRECT BENEFITS FOR THE COUNTY

- Access to DDA Façade Improvement Grant Program
 - *Up to \$10,000 per façade*
- Access to Fresh Waves mural project
 - *Up to \$5,000 for mural painting*
- Access to business recruitment tools if building use changes
 - *Match on Main program (up to \$25,000)*
 - *DDA Recruitment Grant Program (up to \$10,000)*

A single one of these tools could make up for the first three years of revenue “loss” for all County millages

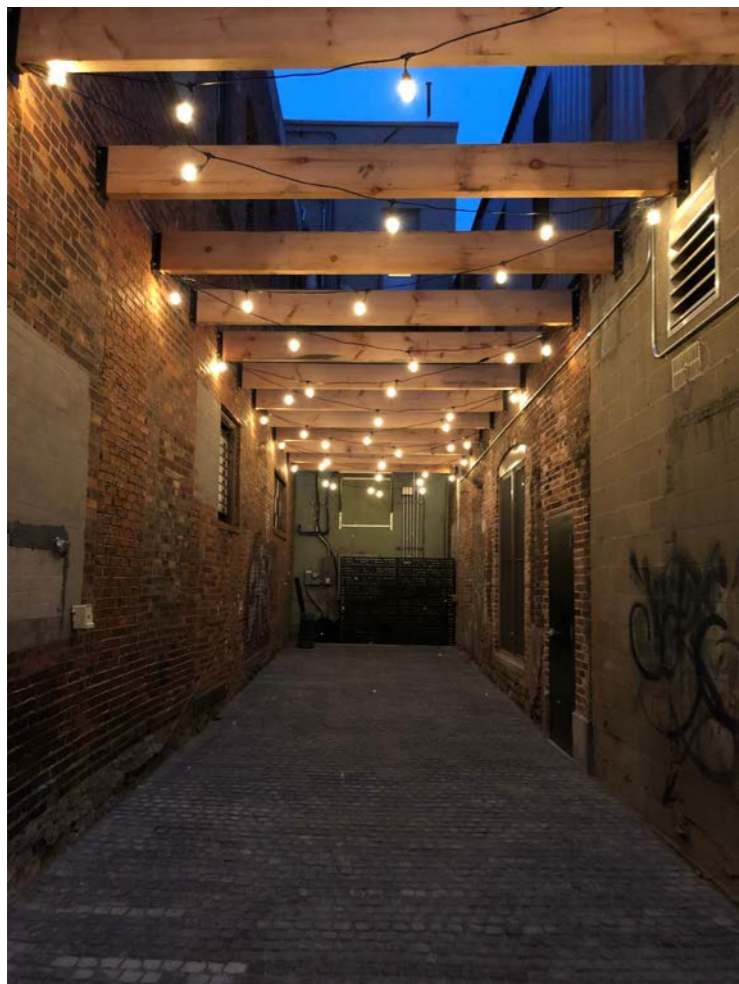


GRANT OPPORTUNITIES

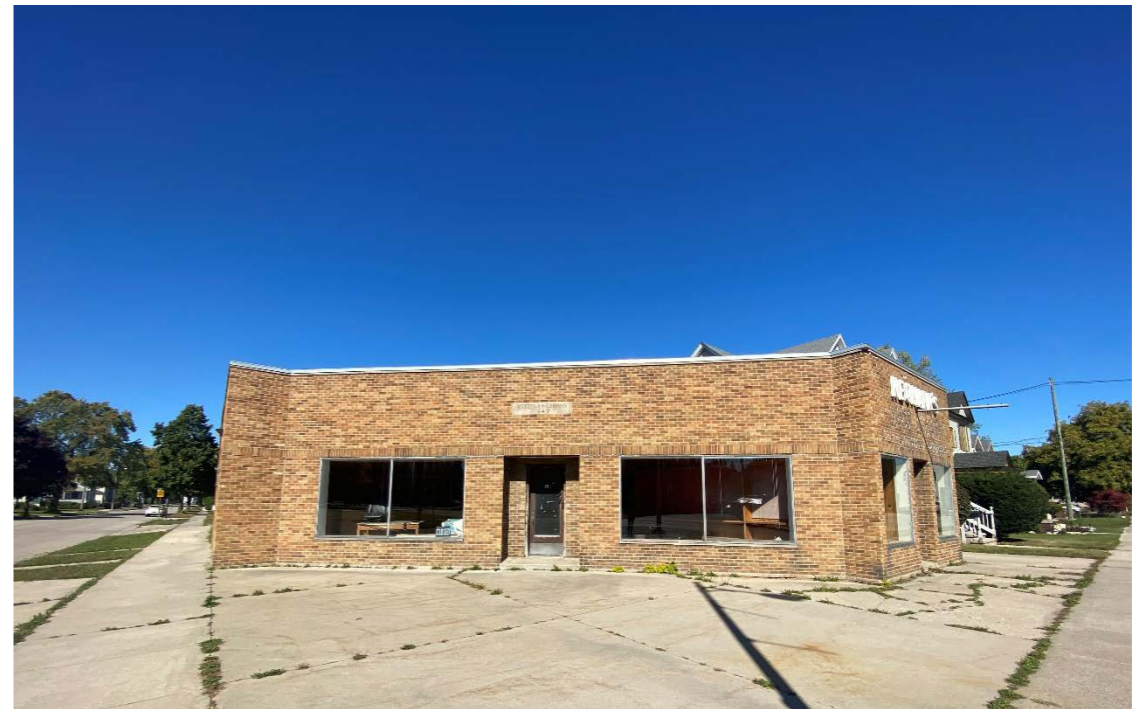
- Many grants through the Michigan Economic Development Corporation (MEDDC) are only available to properties within a designated DDA district
 - Building renovation + historic preservation (CRP + CDBG programs)
 - Rental Rehab for addition of housing
- Match on Main grants for activation of underutilized space + business expansion
- DDA grant writing for projects and district improvements



<p>\$3,808,125</p>	<p>Total MEDC grant investment in current DDA district over last 10 years</p>
<p>\$11,063,107</p>	<p>Total investment as a result of MEDC grant support in current DDA district over 10 years</p>
<p>\$61,605</p>	<p>Total DDA Façade Grants awarded to downtown properties in last 5 years</p>
<p>\$96,250</p>	<p>Total grants awarded written by DDA staff to support business expansion in the last year</p>
<p>40 second floor apartments added in the last 5 years</p>	<p>16 New business opened in 221</p>



OPPORTUNITIES



RIVER ST.





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