



DATE: August 3, 2023
TO: Alpena County Commissioners
COPY: Mary Catherine Hannah, County Administrator
FROM: Anne Gentry, Downtown Development Authority
RE: Interlocal Agreement: Alpena Downtown Development Boundary Expansion & Amended and Restated Downtown Development and Tax Increment Financing Plan (TIF)

Dear Commissioners,

Thank you for the opportunity to attend your Economic Development Committee meeting in July to share feedback from Alpena City Council about the boundary expansion. Cindy Johnson, Mayor Pro-Tem, also attended and shared Council's perspective and need for a longer-term commitment from the County for the boundary expansion to be approved.

Included with this memo is a draft Interlocal Agreement for your consideration, which would provide a 30-year commitment to economic development activities within the expanded boundaries. We have developed a table for a contribution that is based on the estimated tax capture for the County's operating millage only. Mike Mahler will attend the Tuesday, August 8 Finance Committee Meeting to walk you through how we developed these numbers.

With this agreement, this would not be a tax capture. The County would capture the increase in taxable value for improvements in the new district. Meaning, as the new district increases in value, the County (and all the millages under its umbrella) would see increased tax revenues from the district as properties are improved or built. This 30-year commitment is essential to move the expansion forward.

I want to give you a snapshot of our work through the DDA in this last month alone:

- Received a \$400,000 Façade Improvement Grant from the Michigan Economic Development Corporation (MEDC) to re-grant out to downtown properties through our DDA grant program
- Received a \$723,391 grant for the renovation of Thunder Bay Theatre, which will add six new units of housing downtown
- Wrote and re-granted two \$25,000 grants for Rusty Petunias Marketplace and My Glass Wings through the MEDC Match on Main program for property renovation and business expansion
- Supported a \$6 million grant application submitted by Target Alpena, including a mixed-use development that would 60+ units of housing at 123 Water St
- Wrote \$25,000+ in grant requests for public art and beautification projects downtown
- Assisted the Sanctuary Cinema in their acquisition of a Downtown Redevelopment Liquor License to serve beer and wine

These projects would not happen without the DDA being in place and without the efforts of DDA staff. These are tools and pools of grants funding that are only available to properties within a DDA district.



Alpena Downtown Development Authority (DDA)
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From grant-writing to beautification projects to promotional events, the activities the DDA leads are essential to creating a healthy downtown where people want to spend their money and time. Without a loyal customer base, our businesses don't thrive. Without these grants, these projects don't happen.

As Cindy Johnson shared, it has taken thirty years to get our downtown where it is today. I encourage you to come down on a summer weekend and notice the improvements, activity, and buzz. Residents from throughout the County come downtown to shop, eat, listen to live music, attend events, watch a movie, get their haircut, and more. Our current district is thriving; now is the time to expand the boundaries of the DDA to further this growth.

I appreciate the time and energy you have put in to come up with a path forward to revitalize these key corridors in our community.

A handwritten signature in black ink, appearing to read "Anne Gentry".

Anne Gentry
Executive Director

Thank you for allowing me to speak on behalf of the DDA expansion.

The DDA has been a passion of mine for more years than I care to remember, I was on DDA committees during lean times, businesses moved to the new mall, big box stores were all the rage, and local plants that provided good jobs for generations either closed or downsized, they were difficult times, but the DDA never lost focus.

We rolled up our sleeves and got to work; we created the Façade Grant Program. The program's purpose was to encourage local business owners to invest in their buildings and maintain the historic nature of the downtown. The original \$5,000 investment from the DDA proved to be one of the most successful programs and still provides the seed money for businesses to invest in their properties. Combined with the Neighborhood Enterprise Zone and money from the rental rehab program we encouraged businesses to use upstairs space and convert it into apartments. When I started volunteering, we had maybe six total apartments, and we now have over 50 upper apartments or daily rentals, and they are always full.

Quietly things were always happening and being fostered and encouraged by the DDA. NOAA was working out of a small space in the Federal Building. With the DDA's last expansion and Jeff Koncak's investment, we all benefited from expanding the boundaries; the entire region still benefits from the forward-thinking of the DDA.

The DDA banked liquor licenses for the DDA and many local businesses in the DDA have utilized the program, including the new Sanctuary Cinema.

Businesses combine many local resources, state and federal dollars, and continue investing in the DDA. They have brought tens of millions of dollars in downtown improvements, benefiting the entire region. Red Brick is a perfect example of the money captured from many sources to bring over 2 million dollars into one building.

The DDA Board has little oversight and doesn't need it. It is run by business owners and people who have invested in the DDA and want to see it thrive; it is a motivating factor to see all succeed because it will benefit them personally.

Our current DDA exemplifies tenacity, investment, buy-in, and grant dollars. It happens at its own pace but picks up steam when improvements start to show promise, but nothing happens overnight, and no one can dictate which properties

are improved. They are privately owned and dependent on the owner's willingness to improve them.

I encourage you to support the expansion of the DDA with a system that supports the work of the DDA that matches the current system. The DDA has been considerate of all property owners during the expansion process. The business owners in the expansion want to capture dollars not currently available to them to improve the new area. It needs to be a long-term commitment by everyone to make it a reality but will be worth the investment for the entire region.

I appreciate your consideration.

Cindy Johnson
Alpena City Council

INTERLOCAL
AGREEMENT- SAMPLE

This Interlocal Agreement is made by and between the County of Alpena (hereinafter "County") and the City of Alpena (hereinafter "City").

Recitals

Whereas, the County and the City are local government units as defined in Section 2 of 1967 P.A. 7, Extra Session, known as the Urban Cooperation Act of 1967, MCL 124.501 *et seq.* (hereinafter "Act"); and

Whereas, pursuant to Section 5a of the Act, the County and the City may enter into an interlocal agreement for the sharing of all or a portion of revenue derived by and for the benefit of a local governmental unit entering into that agreement, which revenue results from the levy of general ad valorem property taxes or specific taxes levied in lieu of general ad valorem property taxes upon any property; and

Whereas, the City will adopt an expanded 2023 Development Plan and Tax Increment Financing Plan (the "Plan"). The Plan permits the Alpena DDA to capture incremental tax revenues attributable to increases in values of the real and personal property located within the approved development district. A map of the approved development district is attached as Exhibit A; and

Whereas, it is anticipated that the enhancement of values in the district, and the values of nearby properties, will indirectly benefit all local governmental units, including the County, both during and after the completion of the Plan, and

Whereas, the County "opted out" of the Plan, but agrees to participate as detailed herein, as authorized by Section 5a of the Act.

Terms

1. The Plan shall remain active for thirty (30) years, beginning in 2023 and ending on December 31, 2053.
2. During the period of the Plan, the County shall contribute according to the table laid out in Exhibit B.
3. Funds shall be used for activities as outlined in the 2023 Downtown Development & Tax Increment Financing Plan with the purpose to:
 - Correct and prevent deterioration within business districts
 - To promote economic growth and revitalization
 - To encourage commercial revitalization and historic preservation

4. This agreement may be terminated or rescinded by a referendum of the residents of either the County or the City not more than 45 days after the approval of the agreement by the governing body.

Signed:

Alpena County

City of Alpena

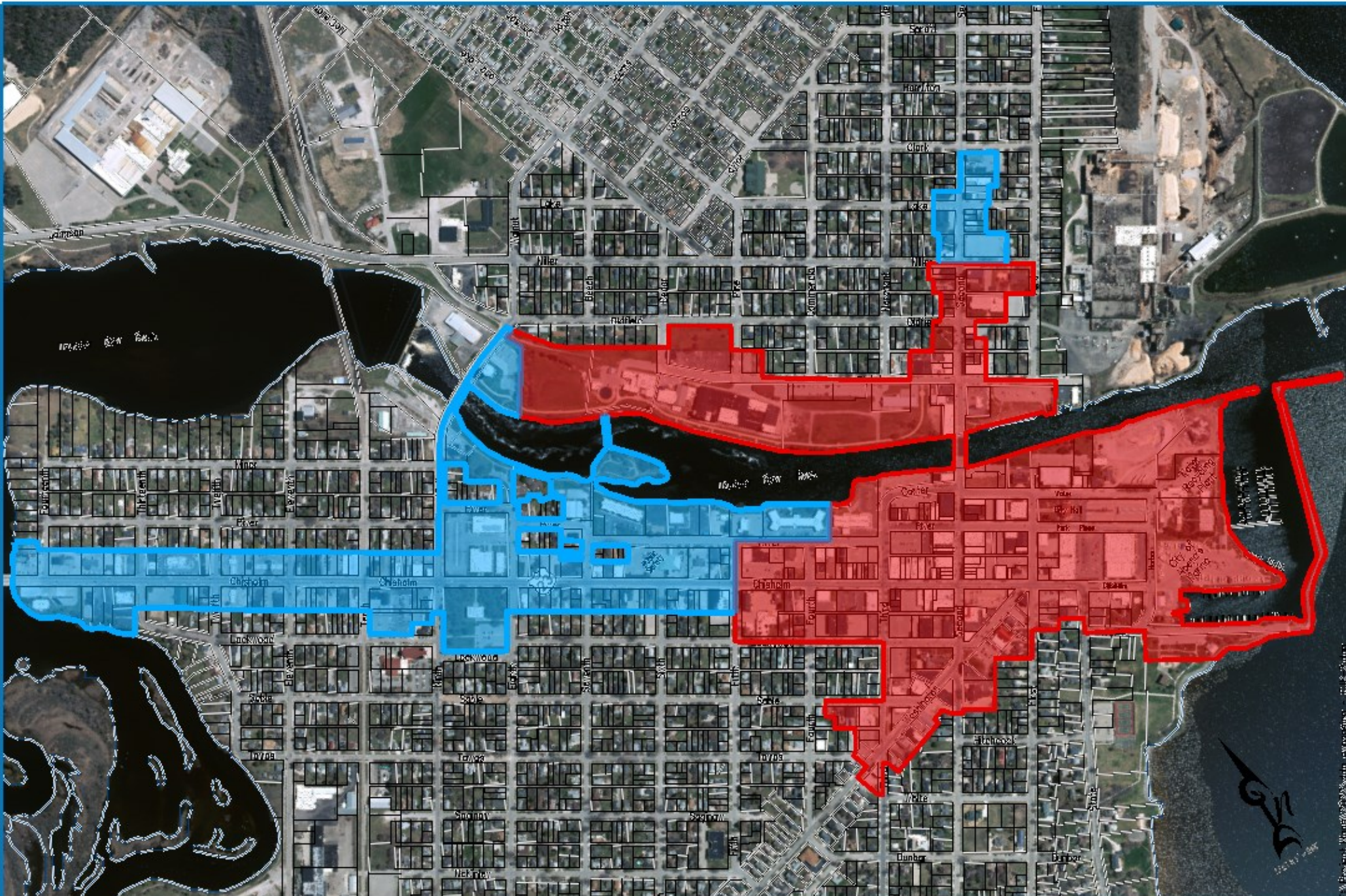


Exhibit A

Red = existing DDA district

Blue= proposed parcels to add to DDA

DDA Boundary Map
Proposed Expansion Area



City of Alpena Engineering
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 Fax: 517-353-2301
 Email: info@alpenaengineers.com
 Website: www.alpenaengineers.com

Exhibit B- Alpena County Contribution

2023 Downtown Development & Tax Increment Financing Plan

Year	Contribution
1	\$2,500
2	\$2,500
3	\$2,500
4	\$2,500
5	\$2,500
6	\$5,000
7	\$5,000
8	\$5,000
9	\$5,000
10	\$5,000
11	\$10,000
12	\$10,000
13	\$10,000
14	\$10,000
15	\$10,000
16	\$15,000
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18	\$15,000
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21	\$20,000
22	\$20,000
23	\$20,000
24	\$20,000
25	\$20,000
26	\$22,500
27	\$22,500
28	\$22,500
29	\$22,500
30	\$22,500

