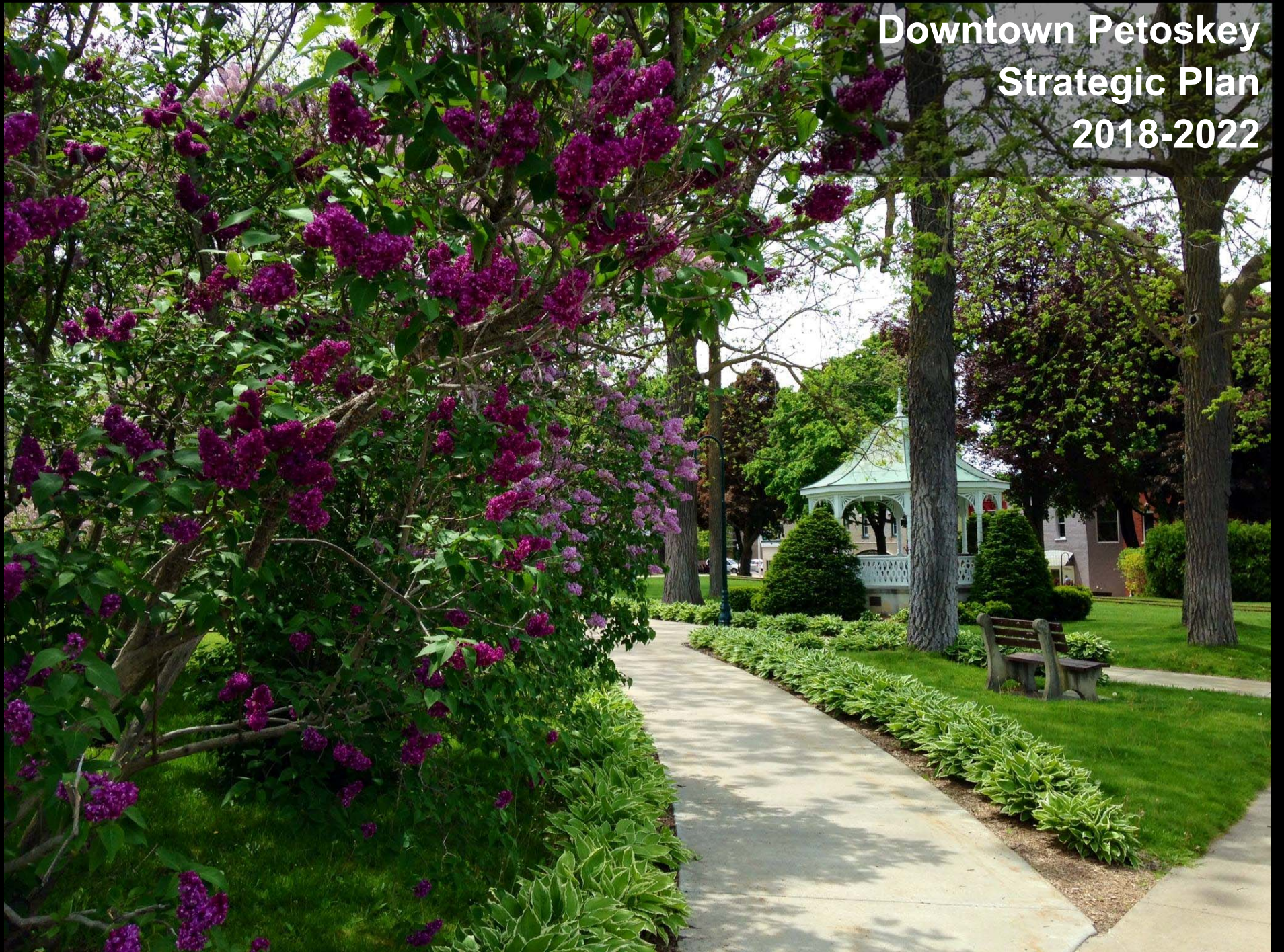


**Downtown Petoskey
Strategic Plan
2018-2022**



Plan Process Committee

John Murphy, Mayor of Petoskey

Larry Rochon, DDA/ DMB (former)

Reg Smith, DDA/ DMB

Robin Bennett, DDA/ DMB

Dana Andrews, Petoskey Planning Commission

Rick Neumann, Petoskey Planning Commission

Staff: Becky Goodman, Downtown Director

Amy Tweeten, AICP, City Planner

Downtown Management Board

Robin Bennett

Doug Buck

Dan Harris

Edward Karmann

Noah Marshall-Rashid

John Murphy, Mayor

Ben Slocum

Reg Smith

Jessica Stubbs

Staff: Becky Goodman, Downtown Director

Rob Straebel, City Manager





Downtown Strategic Plan 2018-2022

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- B. 2012 Strategies and Actions Implementation Status
- C. Parking Management Plan, 2015

PURPOSE AND PROCESS

Downtown Petoskey is an essential component to the sense of place of our community. This importance has been recognized since the 1980s, when the first downtown plan was created and followed with successive plans.

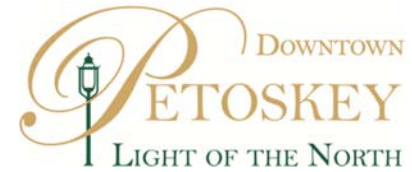
The Downtown Development Authority (DDA) and Downtown Management Board (DMB) were created in 1993 and 1994, respectively, to ensure that proper attention was given to the heart of the community. The membership of the two boards are coterminous and made up of nine (9) members with the purposes of the DMB to:

- (1) Provide leadership for the implementation of improvements to the district;
- (2) Promote public and private development and infrastructure improvements;
- (3) Serve as an advisory body to the City of Petoskey; and
- (4) Coordinate appropriate downtown programs and services.

The DMB fulfills its purpose through a committee structure that is coordinated by staff. The four standing committees are Events, Marketing, Design and Economic Enhancement. It is the twenty three (23) committee volunteers that provide the “bottom up” recommendations for programmatic or aesthetic changes within the DDA district. There is also a Parking Committee that provides oversight to the staff operations.

Beginning in the early 2000s, other northern Michigan communities began to realize the importance of their historic business districts and focused resources toward revitalization. So while Petoskey remains a premiere downtown destination, to maintain the high quality business district that locals and visitors expect, frequent examination is needed of how we are doing and changes needed to maintain vibrancy and relevance into the

future. To this end, the DMB has created a five-year strategic plan since 2007, which is then incorporated into the City of Petoskey Master Plan.



Downtown Management Board Mission

To plan, promote, and preserve the downtown business district – the hub of our community - for the greater good of the business, professional, social, cultural and service activities located within the defined downtown area.

This document began with the creation of a committee that included members from the DMB, DMB advisory committees, and Planning Commission to oversee the planning process. The committee was staffed by the Downtown Director and City Planner. At the recommendation of the committee, the DMB hired Gibbs Planning Group (GPG), to educate the community on trends in downtown revitalization and to facilitate the stakeholder and focus group sessions. Mr. Gibbs, the principal of GPG, is an international expert on commercial district revitalization and has lived and worked in northern Michigan. The committee felt that this unique combination of qualifications would be beneficial to the five-year evaluation.

This five-year plan incorporates input from downtown stakeholders and users, as well as data on existing business mix, occupancy, parking ratios, and demographics to establish a set of priority actions and projects to be undertaken by the DMB, City of Petoskey, and Downtown stakeholders over the next five years and beyond. These actions are recommended to keep Petoskey competitive, vibrant, and relevant into the future.

Downtown Petoskey means different things to different people. For purposes of this document, the geographic boundaries are those of the DDA/DMB and illustrated in Figures 1 and 2. A clear understanding of the term is important, as many funding opportunities through the state are only available to traditional downtowns.

FIGURE 1
Downtown Shopping Map

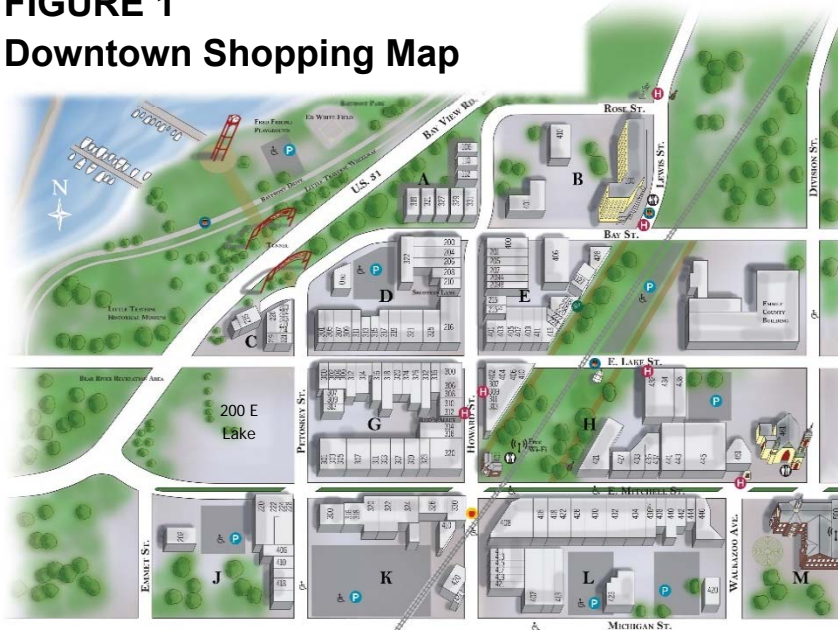


FIGURE 2
DDA/ DMB Boundary



As noted above, there have been a succession of downtown plans since the late 1980s, with a majority of identified action items completed. The 2012 strategic plan was no different, with several of the recommended actions being implemented. The table provided in Appendix B is a status summary of several action items from that plan. Major accomplishments include:



- Expansion of the DDA Boundaries;
- Creation of two new events: Petoskey Rocks and Ladies Opening Night;
- Creation of the Promotions Coordinator position;
- Promotion of “Shop Local” through continued use of Downtown Dollars and the “Small Business Saturday”;
- Marketing changes including the new Light of the North logo and creation of the holiday catalogue;
- Continued upgrades to parking technology;
- After completion of a feasibility study, the DMB decided to sell the rail trolley and put funding toward the road trolley due to the cost and logistics of maintaining the rails for train use. However, there continues to be interest in keeping the rails through Pennsylvania Park for the historic value and sheer enjoyment of people walking the rails!

All of these actions have helped to position Downtown for continued success that is reflected in increased attendance at events, more than twenty (20) property transactions in the past five years, and increased evening activity. The recommended actions in this plan are intended to continue moving Downtown forward, while retaining its unique character.

Downtown by the Numbers (January 2018)

95	Residential units in the DDA District
41%	Owner-occupied Downtown buildings
3	Property Owners control 24% of the buildings Downtown
17	Annual Events Held in Downtown
3	DDA liquor licenses issued (1 pending)
17	Bike racks (including two bike corrals)
23	Volunteers serve on downtown committees
909	Metered parking spaces
\$19,110	Downtown Dollars put into circulation January-November 2017
\$ 4.1M	Downtown Private investment over the past five years for building improvements

Downtown Today



Downtown Petoskey is healthy. Low vacancy rates, increased night life, and additional housing units all point to a resilient downtown that quietly gets business done. It is also a large business district relative to the year-round City population of just under 6,000, encompassing 826,684 square feet of ground floor, basement, and upper story

commercial space, as well as vacant land.¹ The County facilities, approximately 140,000 square feet, are not included.

Downtown real estate is increasing in demand as indicated by the number of property transfers. The high number of transfers has uncapped property assessments, which resulted in an increase of 23% in State Equalized Value (SEV) of the district over the past five years. While downtown is moving in the right direction, the SEV of the district has only returned to the value it had in 2008.

Nationally, stores are closing and the impact of on-line retail sales from Amazon, Yahoo, etc. is felt locally as they continue to erode the ability of small businesses to compete. Given the difficult retail climate, independent businesses need to continue attracting customers with personal service, experiential shopping, and unique offerings and services. Regionally, there is increased competition from other northern Michigan downtowns, particularly in the hospitality sector, with the Walloon Village revitalization, Harbor Springs creating a DDA, Charlevoix becoming a Main Street community, and new development in Boyne City. However, Downtown Petoskey's retail sector continues to be strong, with daytime traffic that surpasses other communities.

Business Mix

Downtown has followed the national trend of moving toward a more service-sector business district. In the mid-2000s there was an increase in storefronts used by salons and fitness businesses, followed by an increase in restaurants, and more recently there has been an increase in interior design studios—some with a retail component. This new mix of businesses has resulted in one of the lowest storefront² vacancy rates in the past 10 years (6.5%), creating a situation where previously vacant, non-street fronting spaces are being converted to commercial use (e.g. Ernesto's Cigar Bar and Lounge).

Business mix and placement is a “science” in traditional shopping malls that have the ability to control what business goes where, which is not possible in a downtown where buildings are individually owned. Also, downtowns are more multi-purpose than malls, serving as the community gathering place in addition to a shopping/dining/service destination. As of December 5, 2017, we continue to have a strong retail sector at 45% occupancy of storefront spaces (49% in 2012). There has not been a significant increase in the number of restaurants (net gain of 1 since 2012), but the type of restaurants are more evening focused which has enhanced Downtown activity after 5:00 p.m. The top five sectors out of 169 storefront spaces in the 10 block district were:

Retail	45%
Restaurant/Bar	15%
Personal Service/Fitness	10%
Finance/ Real Estate	8%
Interior Design/ Improvement	6%

The desirability of Downtown Petoskey as a place to do business is reflected in our 6.5% storefront vacancy rate when the national

¹ 2017 Downtown Assessment Roll

² Storefront spaces were used to determine occupancy as the most visible measure of downtown vibrancy rather than total building square footage used in previous plan.

average is 10% according to Gibbs Planning Group. Vacancies vary greatly by location, with the block of E. Lake Street between Petoskey and Howard at a 3.8% vacancy (1 storefront) and the 400 block of E. Mitchell at 18.5% (5 storefronts).

So while our overall rate is low, the vacancies we have are clustered and visibly located which reinforces the public perception that downtown is not doing well. It is interesting to note that the block with the highest vacancy rate actually increased its number of storefronts by two (2) in the past five years with changes to the Ethnic Creations (420 E. Mitchell) and Ben Franklin (416 E. Mitchell) buildings. From January 2013 through October of 2017, 65 businesses opened and 54 businesses closed with several businesses relocating to larger spaces within the downtown or expanding into additional storefronts (e.g., Beard's Brewery, Vogue Salon, Craig Ryan). Of the businesses that closed, 30% lasted five years or less, which unfortunately is a common business start-up statistic.

Downtown Petoskey has, over many years, become a year-round district and less of a seasonal location than other downtowns in the region, however, a few more seasonal, tourist-oriented stores have appeared in the past two years. Downtown continues to balance the needs and desires of locals and visitors with regard to seasonal businesses, with resident focus groups identifying a desire to allow food trucks which, most likely, would only be here seasonally. Whether additional seasonal businesses are good for downtown is yet to be seen.

Multi-Generational Businesses

One of Downtown Petoskey's competitive advantages is the number of multi-generational businesses that own their real estate. The stability these 14 businesses provide is a significant, unique value to the

The greatest asset a city or neighborhood can have is something different from every other place.

Jane Jacobs

business community, offering

institutional memory, as well as a long-term view of downtown's success, and is something that should be celebrated.

Operating a small business for 20+ years takes a certain tenacity and requires succession planning in addition to adaptability in the face of changing preferences and market conditions. Over the past five years, Downtown lost several long-term businesses including Jespersen's, Gattle's, Horizon Books, Ethnic Creations, and Whitecaps. On the positive side, these vacancies have either been filled or have pending tenants, which is an indicator of Downtown Petoskey's continued attractiveness as a business location. Two of the spaces are, or will be, filled with return retailers (Mettlers American Mercantile and Glik's).

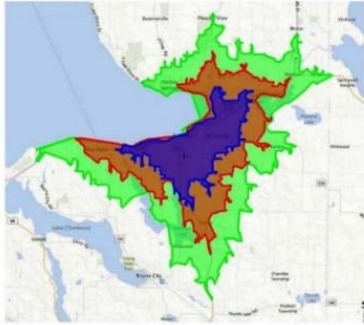


Market Data

In 2012, the DMB contracted with Finnicum Brownlie Architects and others for a downtown theatre feasibility study. The study provided in-depth data for an identified "prime downtown market area" and the "extended downtown market area," or the most frequent users of Downtown Petoskey. As it is the year-round population that many businesses feel is critical for their business success, the data from the theatre plan is summarized here. While there is more current data, for the purposes of this plan, the community demographics would not have changed

significantly over the past five years. As noted above, what has changed over the past five years is increased competition as other northern Michigan communities have focused on place making through downtown revitalization, theaters that have opened in these communities, and the impact of on-line retailers.

Downtown Petoskey Prime Market Area³ (20 Minute Drive)



Downtown Petoskey Extended Market Area (20 Mile Drive)

	Prime Market	Extended Market
Population	31,171	62,911
Average Household Income	\$63,418	\$58,957
Average Disposable Income	\$47,676	N/A

Source: Theatre Development Plan, Finnium Brownlie Architects, et al, 2012

The Esri® Tapestry™ Segmentation System was used to analyze the market for the theatre plan as well, with findings

³ Maps created for the Theatre Development Study by Finnium Brownlie Architects, et. al., 2012

similar to those from the 2012 Downtown Strategic Plan. According to Esri®, “Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes—“like seeks like.” These behaviors can be measured, predicted, and targeted.” The market segmentation data provides information on downtown’s best customers, what they buy, where more customers like them can be found, and how can they be reached.

The Petoskey prime and extended market areas continue to show the top Tapestry™ segments to be Rural Resort Dwellers, Green Acres, and Midland Crowd. Details on these segments can be found at www.Esri.com/data/tapestry. For the purposes of a destination downtown, it is important to remember the model is based on the premise that people seek areas where their tastes are reflected. The larger scale market of Downtown Petoskey is further reflected in the number of regional and national publications in which it is mentioned (see partial list of awards and accolades below).

Downtown Housing

After years of having the goal of increasing upper-floor residential to enhance the vibrancy of downtown and provide ready business customers, we are finally seeing renovated existing and new upper-story residential units. In addition to the seven (7) renovated units on Waukazoo Avenue with the Rental Rehabilitation program, there were ten (10) new units completed in the past two years on E. Mitchell Street and three are under construction on Howard Street. There are also plans to add twelve (12) more upper-story units to three other buildings. With a Walkscore® of over 80, downtown is an attractive address to those who do not want to rely on their individual motor vehicle.

416 E. Mitchell before two-story addition



However, return on investment for these projects is the primary factor limiting additional conversions of under-utilized space. The cost of construction drives up prices, while the lack of parking availability limits the desirability of the units to those that could pay the required rents. According to the 2014 Target Market Analysis (TMA) for Emmet County completed by Land Use/USA on behalf of Networks Northwest, downtown living is what the household lifestyle clusters moving to the area are looking for so additional units could be absorbed if the development challenges are addressed.⁴

Housing for service sector workers is an issue that will continue to be more of a crisis, particularly for seasonal workers. Given the market for housing, if workforce housing is desired in proximity to downtown, it will need to be higher density and likely require incentives through loans, grants or abatements.

416 E. Mitchell after two-story addition



Awards and Accolades

“Ten Great Shopping Streets in the US”; *USA Today* ♦ “The 20 Best Small Towns to Visit in 2013”; *Smithsonian Magazine* ♦ “100 Best Small-Town Getaways” *Midwest Living* ♦ *America’s 100 Best Places to Retire* ♦ “25 Coolest Midwest Lake Vacation Spots” *Midwest Living* ♦ *America’s Best Low-Tax Retirement Towns, 3rd Edition*

⁴ The full TMA for Emmet County can be found here:
<http://www.networksnorthwest.org/userfiles/filemanager/3509/>

COMMUNITY OUTREACH

Stakeholder input into this five-year plan came from several methods including a business owner survey, stakeholder sessions, and focus groups. This series of input provided some general direction, which was then followed up with an additional business questionnaire. The Process Committee used this feedback to develop actions and strategies for the next five years. Summaries of each feedback method are included in Appendix A.

Business Owner Surveys

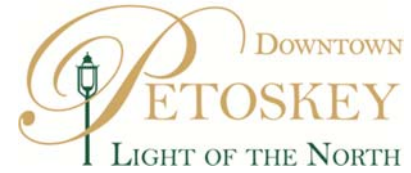
The on-line survey was sent to 213 email addresses representing 130 businesses and hard copies were delivered as well. We received 59 survey responses, for a response rate of 27.7%.

Respondents to the initial survey were largely retail businesses (66%) and the majority (54%) had been in business in Downtown Petoskey for more than 20 years. This level of business experience was valuable for the long-term view concerning marketing strategies and property assessment expenditures.

Responses on the most beneficial marketing media for the downtown image campaign indicated a strong preference for social media and digital. Events, image campaign, and sidewalk snow removal were identified as priority spending areas, while development of 200 E Lake Street, a parking structure, and downtown housing were seen as the items that would have the greatest positive impact on the future of downtown.

Challenges to doing business downtown included seasonality, high rents, the national retail environment, and parking – with varying views of the problem. For the

most part, businesses believe that more parking is needed for downtown to remain viable as a commercial district into the future. There was an attempt to gather information on employee numbers, but this is data that needs to be provided by all businesses to be meaningful.



Suggestions for the continued success of downtown included attracting a movie theater, an additional hotel, and more restaurants, housing, and quality events.

A second questionnaire was sent to drill down on some of the initial responses, with 64 respondents. There was a majority that felt there should be weekly community events with street closures in the summer, with many caveats in the comments, but most in favor of non-downtown sponsors for such events with supplemental funding by the Parking Fund. There was strong support for food trucks on private property, but not in public parking spaces unless in conjunction with a community event.

From survey responses, it does not appear that rents are out of line with the standard provided by Gibbs Planning Group (8-10% of retail sales), which indicates rents may not be an impediment to doing business Downtown.

Downtown Stakeholder Meetings and Focus Groups

Gibbs Planning Group held a series of sessions with downtown stakeholder groups including retailers, hospitality businesses, office sector businesses, landlords, institutions and property owners as well as focus groups with area residents, young families, and empty nesters/retirees. The sessions were promoted through press releases, articles in Chamber and City on-line

newsletters, Downtown Facebook page, announcements at service group meetings, downtown customer contacts, posters placed at businesses, email to all downtown email lists, and door-to-door recruiting by the Downtown Director.

The sessions were free-flowing, with topic categories of special events, parking, 200 E. Lake Street, downtown retail, frequency of visits to other downtowns, maintenance and beautification of public spaces and buildings, and conditions that impact doing business downtown.

One-on-one conversations were held with the Mayor, City Manager, DMB Chairman, Downtown Director, and key property owners.

Based on the discussion and experience with similar cities, Gibbs Planning Group provided several recommendations, which are detailed in Appendix A. To summarize:

- A parking deck needs to be developed in the central downtown area, preferably lined with retail and/or residential uses.
- There is a need for housing development in and adjacent to Downtown for workers and retirees. This will require increased densities.
- There is a need to protect the historic integrity and quality of downtown. This could be accomplished through a local historic district with a design review board of qualified architects and planners.
- A master plan and redevelopment strategy needs to be developed for 200 E. Lake Street, and the City/DMB should consider purchasing the site and seeking a master developer or developers to implement the plan.

- Maintenance of buildings was raised as an issue. Expanded inspections and building maintenance standards need to be created and enforced.
- There is a need for more businesses that appeal to the average Petoskey family.
- To maintain a quality pedestrian environment all year round, sidewalk snow removal must be improved either through expanded plowing or installation of heated walks.
- The holiday decorations create an ambiance that should be expanded through February.



Summaries of all public input is included in Appendix A.

FUNDING PROGRAMS AND PROJECTS

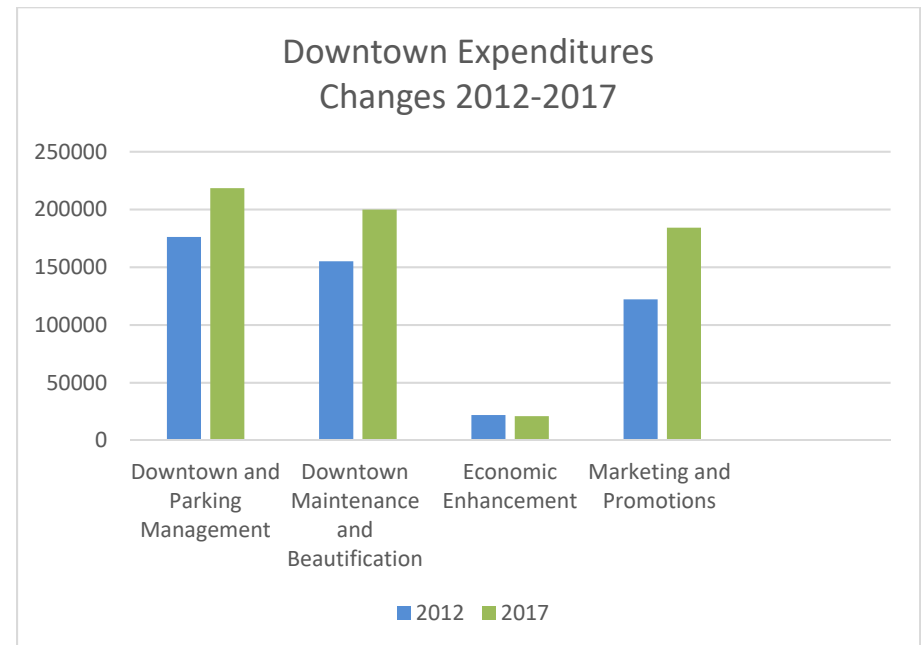
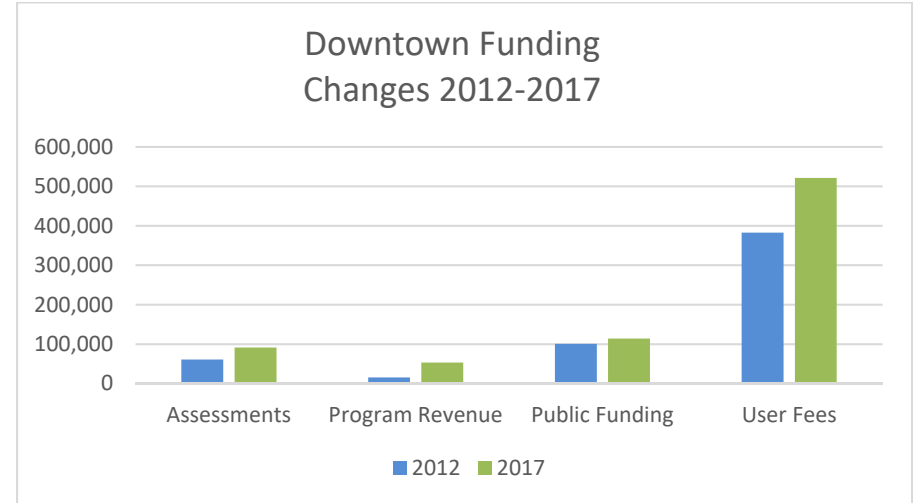
Downtown Petoskey is unique in many ways, and the funding of programs and services is one of them. It is one of very few Michigan DDAs that does not fund operations through a DDA Tax Increment Finance District, which was helpful in keeping funding stable during the last recession. Many DDAs saw decreases of 20 to 50% in their revenues which meant a decrease in services. Regionally, Boyne City DDA receives approximately 78% of its budget from the DDA TIF and Harbor Springs receives 25%.

Rather than utilize TIF funding, the City enacted a special assessment district in 1994, which had its last rate increase in 2012. For 2018, the assessment ranges from 4 cents to 16 cents per square foot of commercial space, which is anticipated to bring in just over \$90,000. The assessment funds marketing, promotions, economic enhancement, and beautification.

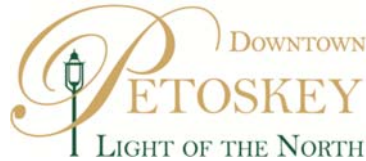
The Downtown Office also manages the Parking Fund, which generates revenue from parking meters, monthly passes and fines. In municipal finance terms, these are identified as “user fees” as they are revenues paid by those who use downtown and the parking system. Sidewalk snow removal and façade grants are two downtown services that were previously paid for with the special assessment, but are now paid with parking revenues. The Parking Fund also funds parking system maintenance and management, trolley operations, and the Downtown Office staffing and operations.

Because of Downtown’s importance to the community at large, there is also funding in the City General and Electric Funds for maintenance, event support and installation/removal of holiday decorations. A comparison of

revenues and expenditures in 2012 and 2017 is provided to illustrate changes over the past five years.



The DMB budget increased 31% over the past five years, net of capital outlay expenditures that vary greatly year by year.



Expenditure increases funded the new Promotions Coordinator position, trolley operations, updated landscaping, and parking technology updates.

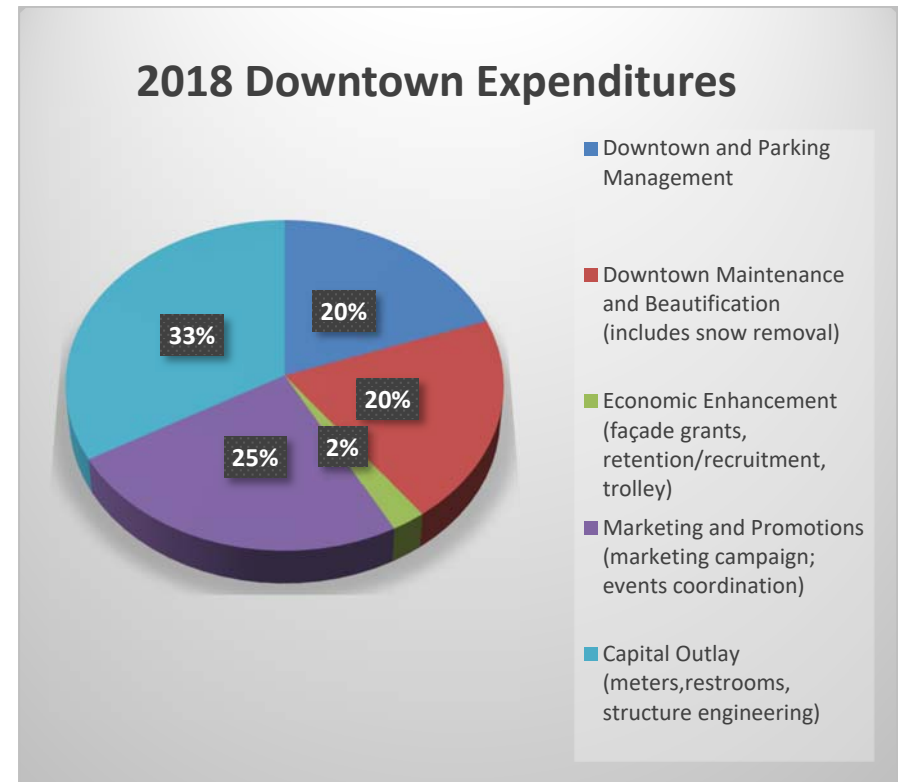
Future Funding

The 2018 Budget again shows increases in program revenue as a funding source, which means additional event sponsorships will be needed. Based on input received through the planning process, there is a desire from downtown stakeholders and area residents for more community events.

There are two types of events funded by the DMB – community events and business events. The difference is the focus of the event – either a feel-good gathering (Holiday Open House, Petoskey Rocks!) or an event designed for business exposure (shopping scramble, progressive dinners, ladies opening night). Participants in the planning process felt that the larger community events should be supported by businesses outside of the downtown. The DMB has discussed the issue of event sponsorships by non-downtown businesses, but has not yet created a policy.



Capital projects are identified through the City's six-year Capital Improvements Plan (CIP), which includes projects that may not yet have identified funding sources. Capital projects coming from the Parking Fund in 2018 include replacement of parking meter heads, partial funding of the downtown restroom reconstruction, and possible engineering costs associated with construction of a parking structure. The restroom expansion was a recommended action in the 2012 plan and will be a great improvement for park users, event attendees, and shoppers.



While it is certainly helpful that the Parking Fund is available for these projects, if the primary purposes of the fund are to increase parking capacity and to maintain existing parking lots, other funding for important capital projects will be needed.

In 1997 a special assessment was levied on a street-frontage basis for the current streetscape. At twenty years of age, it is not too early to start thinking about what changes may be needed or desired moving forward and from where funding would come. Consideration should be given to the desired balance between non-motorized accessibility and on-street parking. The third phase of the Downtown Greenway Corridor is a proposed widening of the sidewalk on Park Avenue to create a promenade. The widening will enhance Pennsylvania Park accessibility as well as improve outdoor dining options, which has been a long-standing strategy to increase Downtown vibrancy. The park is located in the middle of a commercial district that is a hub of community activity and these types of improvements are designed to serve both park visitors and downtown commerce.

Other possible options for funding are a DDA millage, which could raise up to \$52,858 based on the 2017 taxable value of the district, or a special assessment for parking development.¹ Given the high priority of parking development to downtown stakeholders, a question was included regarding preferred funding methods. Of the 41 responses received, the preferred methods were a special parking assessment or a combination of an assessment and increased parking fees and fines (see Appendix A).

¹ The DDA may levy up to 2 mils.

To maintain our position as a destination downtown, thought must be given to capital projects beyond the six-year horizon - whether it be parking lot maintenance, updates to the streetscape, or wayfinding sign replacements. Consideration of funding sources for these longer-term projects needs to happen sooner than later. Below are projects that are anticipated to occur over the next six years in-and-on the periphery of Downtown, however, many are dependent on finding a funding source.



A widened Park Avenue

Numbers provided by businesses who recently installed heated sidewalks indicate an installation cost between \$37 and \$39 per square foot. An estimate of the cost applied to one side of the 400 block of E. Mitchell would then be a minimum of \$154,000 plus brick work. There would then be the on-going cost of utilities by the property owner/tenant, and snowbank removal by the City/DMB.

**2018-2023 Capital Improvements Plan
Downtown Projects***

2018

- ❖ Restroom renovation/expansion
- ❖ Reconstruction of E. Lake from US 31 to Petoskey Street; Petoskey/Lake Street intersection; Petoskey Street from Reid's Alley to Bay Street
- ❖ Parking deck engineering

2019

- ❖ Lewis Street realignment
- ❖ Phase III Downtown Greenway Corridor construction – widened sidewalk and amenities on Park Avenue
- ❖ Parking deck construction

2020

- ❖ Darling lot paving/possible pay stations

2021

- ❖ Repaving of Petoskey/Mitchell intersection and Petoskey Street to Michigan Street
- ❖ Parking lot paving

2022 and 2023

- ❖ Parking lot paving/possible pay stations

**Projects identified; funding not determined beyond 2018 Budget year.*

STRATEGIES AND ACTIONS

Based on input, data, and observation the following strategies are recommended.

Economic Enhancement

Redevelopment Ready Communities

Downtown has two downtown sites identified as priority redevelopment sites in the City's Economic Development Strategy, 200 E. Lake Street and the Darling Lot. It has been determined that both sites are Brownfield eligible, and the Plan indicates that use of Brownfield Tax Increment Financing would be considered for redevelopment of these sites that incorporates public parking or workforce housing.

Workforce Issues

Getting and keeping good employees is not an issue unique to Downtown, but is something that was brought up in stakeholder meetings. The issue of housing for employees – particularly during the summer season- has become more pressing in recent years and given the economic issues discussed previously, there will be no easy answer. It is recommended by Gibbs Planning Group that workforce housing be created in or near downtown, but new development that could be afforded by most employees will require subsidies, incentives or a combination of both. The Rental Rehab program that has been successfully used for rehabilitation of existing units could be helpful, but may be insufficient given the current market conditions.

Parking

Based on national ratios, as well as local opinion, downtown needs more parking. Citing Gibbs Planning Group, an ideal parking ratio for a walkable downtown is between 2.75 and 3 parking spaces per 1,000 square feet of commercial space. Using the 2017 assessment data of commercial space, our ratio is 1.8 spaces per 1,000 square feet, or well under the ideal ratio.¹ This ratio does not include the square foot area of County facilities, but does include un-metered parking spaces on Lewis Street and in Arlington Park.

It must be kept in mind that the square foot number indicates the *potential* of downtown economic activity, as it includes vacant or under-utilized space. The low ratio is reflective of what has been said for many years that the lack of structured parking is holding back investment in downtown, particularly given the expense of upper story redevelopment.

In 2016, the DMB contracted with Walker Parking Consultants to evaluate designs and costs of a parking structure on the City-owned Darling Lot due to the lack of activity at 200 E. Lake Street. The purpose of the study was to create two scenarios for possible parking development that would give cost and preliminary design parameters. The two scenarios were a stand-alone structure and a structure with a transfer plate to enable future residential development on top of the structure by a private entity. The structures' costs were estimated at \$6.5M and \$9.2M, respectively for an estimated net increase of 153 spaces. The study also included soils testing that showed the property meets the definition as a Part 201 Facility under Michigan's Natural Resources and Environmental Protection Act, Act 451, PA 1994 as

¹ There are 1,494 spaces downtown (public and private)

amended, and the definition of Eligible Property under Michigan's Brownfield Redevelopment Financing Act, Act 381, PA 1996, as amended.

Walker Parking Consultant also updated the possible costs of a joint City-County parking structure across from the Emmet County Building at just under \$4M for a net increase of 121 spaces. Given the costs of a structure, a partnership would be needed for its construction and possibly long-term maintenance. It is Gibbs Planning Group's recommendation that any parking structure is lined with retail or residential space.

There are those who do not believe more parking is needed nine months of the year, and in the three months of increased demand, there is free parking in Bayfront Park or on neighborhood streets. This concept works to a degree, but continued use of parkland for downtown parking could be restricted in the future. If the parking spaces frequently used by downtown employees in adjacent neighborhoods and Bayfront Park are taken into consideration, our ratio becomes 2 spaces per 1,000 of floor area (not including County facilities), which is still well below the ideal ratio.

As was discussed in the 2012 plan, demand management is a necessary balance to parking supply. This includes alternative methods of getting to and around downtown, whether that is non-motorized transportation, use of the trolley as an employee shuttle, or creating a car sharing program for downtown residents. All of these methods for reducing parking demand are still relevant.

Desired Businesses

A frequent response to a survey question on a business type that would benefit Downtown was a movie theater. This has been the case since the theater left in the early 2000s and is why the DMB contracted for the Theater Study in 2012. Since no operator has come forward to invest the anticipated \$9M, it may be that the non-profit model will be the only way to get a new theater as it has worked in Harbor Springs, Traverse City and Manistee. Other desired businesses are an additional hotel, additional restaurants, a full service grocery store, and a pharmacy. As previously noted, there is also an interest in allowing food trucks in the community. Gibbs Planning Group recommends recruitment of retailers that appeal to the local consumer.

Early Food Truck in Petoskey (Popcorn King, circa 1913)



Economic Enhancement Actions:

- Recommend to City Council elimination of the existing DDA TIF at 200 E. Lake to position the site for a Brownfield TIF.

- Recommend that City Council consider financial incentives for workforce housing and public parking in or near downtown.
- Continue exploration of heated sidewalk feasibility while monitoring snow removal expenditures.
- Initiate a committee to pursue a not-for-profit organization to develop and operate a theater.
- Review/Revisit the 2015 Parking Plan elements (see Appendix C).
- Share the business successes of Downtown, demonstrating the ease of doing business here.
- Work with businesses to develop incentives for parking demand management (carpooling, walking and biking).
- Explore a car-share program to reduce parking needs of downtown residents.
- Build a parking structure through a public-private or public-public partnership (Emmet County).

Design and Beautification

Design and beautification of the public realm downtown is a shared responsibility of the City, DMB and property owners. The DMB has used the façade grant program for nine years as a way to encourage property owners to make building improvements consistent with the Downtown Design Guidelines, however, these are simply guidelines and not enforceable. A recommendation of previous plans and reinforced by Gibbs Planning Group is the creation of a local historic district and special design review board to increase the commercial and residential design standards of downtown buildings.

The Downtown Gateway plan created in 2012 has not gained much traction given the lack of activity at 200 E.

Lake Street. There will be improvements to the entrance of downtown in 2017 and 2019 (see 2018-2023 Capital Improvements Plan listing), but the plan should be reviewed for implementation opportunities by the DMB before a development moves forward at 200 E. Lake. The evergreen trees at the entrance to downtown continue to block views down E. Mitchell Street. Thought should be given to use of these trees as a replacement for the existing Pennsylvania Park Christmas Tree. Should this tree come down, it would open up views into Pennsylvania Park and possibly create additional activity space.

An issue affecting all downtown businesses is waste removal. Joint disposal areas, such as the one placed behind the Chamber of Commerce building, could create cost savings and would improve alley aesthetics. There has been interest in using alleys for events and the consolidation of trash could make alleys more useable as public space. Single-point trash contracting has also been discussed in the past, with downtown property owners surveyed on collection needs and costs. Even if 100% participation could not be achieved, some coordination could lessen the impact of trash haulers on downtown and reduce use by businesses and residents of public, street-side receptacles which is prohibited.

There is an interest in keeping holiday decorations up longer. This is something that will need to be discussed with the Department of Public Works as the installer. At a minimum, it would be helpful if the lighting could stay up during the dark winter period.

Design and Beautification Actions:

- Begin discussions on possible streetscape updates before it becomes “dated” and

maintenance costs increase. Gibbs Planning Group noted that concrete score patterns can be an attractive alternative to brick pavers, which tend to heave and create trip hazards in our climate. The streetscape should maintain walkability, while also considering improvements for bicycle mobility, which may include additional bike racks and corrals, as well as wayfinding signs.

- Explore single-contract waste removal as well as joint receptacle areas.
- Review Downtown Gateway Plan implementation opportunities for possible partnership with future developer of 200 E. Lake Street.
- Advocate for the creation of a Downtown Local Historic District and coordinate the process of creating the design review board.
- Increase enforcement of property maintenance codes to keep problem properties from negatively impacting downtown.
- Expand seasonal lighting display through February.
- Work with the Department of Parks and Recreation to become involved in the long term planning efforts of Pennsylvania Park to ensure improvements also enhance park use for community events.
- Install tent stake sleeves in Pennsylvania Park to simplify event setup.

Events and Promotion

Currently, it is the Downtown Office that coordinates most events held Downtown, with the Chamber of Commerce and Crooked Tree Arts Center notable exceptions. Events that start with an idea, are vetted by

the Events Committee, and ultimately approved for funding by the DMB. The process is lengthy, but necessary to ensure adequate review of potential impacts.



ARCHITECTURAL TREASURES DOWNTOWN PETOSKEY



Children's Parade, southeast corner Lake and Howard, circa 1918-1929

Input received during the planning process indicated an interest in additional community events Downtown and that these events could be sponsored by non-downtown businesses. Petoskey Rocks! has been successful in bringing bands with regional draw, but there is a significant price differential from the smaller local bands. If it is this type of draw that is desired, it only makes sense that the cost is shared more broadly. This would be a change from how events and sponsorships are currently handled and will need a clear policy to determine when it should be the DMB that is the coordinating organization.

Given the interest in increased events, a mechanism to allow business-specific or sector-specific events use of the public rights-of-way could be considered. If these more private events are a way to create the energy downtown is seeking, a tool such as the licenses for outdoor dining might be explored.

Relationship-building events are important, but must be balanced with Downtown's primary function as a business district and economic engine. **Events and Promotion Actions:**

- Increase the number of events.
- Continue work on a policy for event sponsorships by non-downtown entities.
- To maximize event funding, review the Special Assessment Role.
- Enhance the community connection to Downtown history and architecture through the use of historically relevant activities and architectural guides or scavenger hunts.
- Explore possible mechanisms to allow business events to use public rights-of-way within reason, similar to the outdoor dining license process.

Marketing

Input into marketing downtown had strong support for expenditures on social media and electronic messaging, followed by entertainment guides and regional magazines. This is a huge change from when the Downtown Marketing Plan was completed in 2008, which does not even mention social media. A review and possible update to the marketing plan should therefore be a top priority to ensure that the Downtown Image Campaign is reaching the desired audiences.

Marketing Actions:

- Increase social media presence for Downtown image campaign.
- Explore additional cooperative marketing activities such as gift bags and Downtown Dollars.
- Update the 2007 Marketing Plan.



SUMMARY

Downtown Petoskey is in a fortunate position as an historic commercial district. Previous planning efforts have improved the public realm, created an organizational framework, and established goals and strategies that continued the on-going revitalization process. Occupancy rates, number of business start-ups, and property values are all strong indicators of past and present success. This document is the next step in the process to ensure that downtown continues to be relevant and vibrant into the future.

Following adoption of the strategic plan, it will be the responsibility of the Downtown Management Board to further refine the actions and establish priorities for the next five years. The actions are intended to position downtown to continue meeting the changing demands and needs of the residents and visitors of Petoskey, while maintaining its unique qualities and character.

