









Photo credit: Downtown Petoskey Facebook page & Petoskey Area Chamber

STRATEGIC PLANNING

DOWNTOWN PETOSKEY MANAGEMENT BOARD PETOSKEY, MI

Report

Prepared for: Becky Goodman, Director Report issued: August 2022

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ACKNOWLEDGEMENTS

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2 INTRODUCTION

What is it about Downtown Petoskey that would make a person or family want to visit, spend time, spend money, make their lifetime of memories there? How can the Downtown staff deliver a product compelling enough to facilitate economic growth, whether residential or commercial, while generating enough vibrancy and excitement to provide value to residents who call the community home?

Action. Change. Evolution. It is these things that drive engagement, vibrancy, and ultimately result in that intangible essence that is so widely sought by private and public organizations alike. Allowing a community to stagnate – for infrastructure, operations, and amenities to not evolve to meet current needs – is the direct path away from economic solvency and is, in effect, the willful release of the unique personality of your community.

Of course, action, change, and evolution are the result of focused, dogged implementation of a plan. Plans must be rooted in the market realities that have evolved over the recent past and look to build on current assets to affect a positive future, ideally, long into the future. Plans such as these require a mission, vision, values, understanding of the environment, goals, objectives, strategies, timeline, responsible parties, measures of success, and budget estimates.

Strategic Planning is the art and science of strategic change making. It takes an honest look at current circumstances and outlines a path to achieve a visionary future. Planning looks at who the community is now, and who they want to be in the future. It sets out a course of action to ensure that vision is realized.

The process includes assessing the local community and economic conditions and formulating goals, objectives and strategies that are, 1) compatible with the community's vision; 2) financially and politically feasible; 3) visionary and innovative; and 4) implementable.

Thoughtful plans with buy-in from staff, downtown stakeholders, elected officials, and often residents, stand the test of time and changing leadership. They set a course for the future of the community and provide a guide-map for current and future leadership.

3 EXECUTIVE SUMMARY

The following are outcome statements generated through strategic planning workshops with staff and Downtown Management Board members. These outcome statements are supported by specific action steps in the strategic framework of this plan. This summary gives a broad overview of the desired outcomes over the next five years in eight core areas: Perception of Downtown Staff, Downtown Staff Disconnect from City Hall, Non-Business Friendly Reputation, Non-Local Property Owners, Who is Downtown For?, Fresh Perspectives, Future of Events, and Marketing Direction.

Perception of Downtown Staff

- Hire a Parking Services Manager who has a jolly attitude, experience with numbers, and parking management experience.
- · Separate Parking Services from Downtown Staff (physically and programmatically).
- · Downtown Staff will feel valued.
- Business Owners and Staff understand that parking spaces are a premium and they are kept open for guests.
- Downtown office measurables are shared annually with business owners.
- · People understand the parking fund and what good it does.

Downtown Staff Disconnect from City Hall

- · City Hall as an organization understands the cultural and economic impact of Downtown.
- · Downtown Director is viewed as an integral cohort of other department heads in City Hall.
- · Create a streamlined process as a redevelopment-ready community with Downtown Director's involvement.
- Have a dual office space for the Downtown offices one in Downtown District and one in City Hall.

Non-Business Friendly Reputation

- The Hole is filled with a viable development that helps the year-round economic vitality of the area, and this is accomplished with a TEAM!
- A streamlined, available, and understood system for business development is established (that runs through the Downtown office) when a business wants to locate downtown.
- · City staff and Council understand the downtown's stake and expertise in economic development.
- Downtown business owners are a bloc that advocates for good development.
- People understand and value new ventures (vs. a culture of resistance).

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· A new boutique hotel opens in Downtown Petoskey.

Non-Local Property Owners

- Downtown office is a strong economic development resource.
- City ordinances address blight, vacancy, mandate rental inspections, or require inspections upon granting of a new occupancy permit.
- · City hires a Code Enforcement officer.
- Downtown is resilient and prepared for a natural disaster (educate business owners on code, property maintenance, ensure that a major fire doesn't happen, for example).
- · Ordinances allow live/work spaces (for smaller SF spaces with residential on the main floor rear of buildings).
- Find ways for non-local owners to sell/reinvest their properties to avoid capital gains taxes.

Who is Downtown For?

- · A more affordable anchor store is located downtown.
- · Year-round visibility is enhanced for the community, which balances out the seasonality of the market.
- · A movie theatre is attracted to downtown.
- A pharmacy or grocery use is incorporated in the redevelopment of The Hole.
- There is a balance between affordable businesses and events and higher-priced businesses targeting visitors.

Fresh Perspectives

- We are open to change and new ideas, but we are thoughtful and mindful in how we approach it. We aren't replicating other places, but rather developing our evolved version of ourselves.
- We (as an organization) have more facetime with our business members.
- We are stewards of existing businesses and help to preserve legacy in Petoskey.
- The Downtown Petoskey business community is highly connected to one another.
- Petoskey is a destination for younger people to relocate to.
- Downtown Management Board members have a unified message ("elevator pitch") about the Downtown organization and district.

Future of Events

- Downtown Petoskey is a vibrant year-round community and our organization focuses on events in our shoulder and off-season.
- The Downtown Petoskey events calendar matches the capacity of Downtown staff to coordinate and Downtown merchants' capacity to participate.
- The Downtown office has a cohesive relationship with other City departments in order to deliver great events.
- · Downtown office helps to co-fund an events-focused staff position in the Parks and Recreation Department.

Marketing Direction

- Petoskey is a destination for young professionals to live (which sets the tone of downtown vibrancy).
- · Downtown Petoskey has a presence on TikTok (or other emerging social media channels).
- · Downtown Petoskey has a cohesive marketing strategy with an emphasis on experiences had in Downtown Petoskey.
- · Downtown Petoskey engages in more social media marketing direct campaigns.
- Downtown Petoskey markets to outdoor recreation visitors already in the area.
- · Active transportation is supported in Downtown Petoskey.

4 APPROACH & PROCESS

Objective of the Strategic Planning Process

The objective of this five-year strategic planning process is to develop a framework that is consensus-driven to guide Petoskey's Downtown organizational board members and staff in the near to long-term future. The plan will work to address a number of key areas for the organization:

- Provide an understanding of changes in the community's tourism demographic that are forecasted by regional tourism partners.
- Provide direction on the broad community outcomes that leadership envisions for Petoskey and how the downtown interfaces with the various audiences within the community.
- Establish a broad organizational vision from both the staff and elected official perspective.
- Establish a specific mission statement from both the staff and elected official perspective for the five-year timeframe of this strategic plan.
- · Develop a statement of values of the core values that the organization already embodies and seeks to strengthen. This

METHODOLOGY

document can be used to guide internal professional development and training efforts as well as in efforts to recruit new board members and staff members.

- Identify Strengths, Weaknesses, Opportunities, and Threats that the organization is or may be likely to encounter in the five-year timeframe of this strategic plan.
- Provide an analysis of the organization's staffing structure and develop a proposed organizational chart to serve as a future growth model for the organization.
- Provide an analysis on the organization's budgetary model and funding sources.
- · Provide an analysis on the organization's bylaws, particular to issues brought forth by staff.
- Establish outcomes, action steps, and strategies to define the organization's direction over the next five years.
- Within the strategic framework of outcomes and action steps, include timelines and responsible parties to serve as internal leads on specific initiatives.
- Implementation recommendations on how to monitor plan performance and report meaningful metrics to board members and the downtown merchant community.

Methodology

PROJECT STEP	OUTCOMES
1. Internal and External Surveys	Identify key themes from initial survey of downtown staff, Downtown Management Board members, and business community.
2. Community Member Interviews	Dive deeper into key themes and identify issues through confidential one-on-one interviews with City department heads, elected officials, and representatives from a cross-section of the business community.
3. Organizational Staffing, Budgetary and Guiding Document Analysis	Identify potential staffing structural changes, analyze funding sources, and advise on changes to guiding documents if needed.
4. SWOT Analysis	Through research to this point, present an understanding of current strengths, weaknesses, opportunities and threats within the organization.
5. Mission / Vision / Values Workshop	Facilitate workshop with Downtown Management Board to reach a consensus-driven mission and vision for the organization, as well as to confirm core values.
6. Strategic Planning Workshops	Conduct workshops (3) for Organizational Task Force Members to define outcomes around weaknesses and threats for the organization.
7. Strategy Development	Working with leadership, develop a functional framework that is outcomes-focused from staff and elected officials' feedback at earlier workshops.
8. Final Presentation	Present the final report and wrap up all research activities.

5 MISSION, VISION, VALUES

HISTORIC MISSION & VISION STATEMENTS

The Downtown Management Board's mission statement which was included in the request for proposal is as follows:

"The Downtown Management Board is a self-governing board dedicated to planning, promoting, and preserving 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."

Specific outlined purposes for the organization are also listed, including:

- Provide leadership for the implementation of improvements as outlined in the current Downtown Plan.
- Promote public and private development and physical improvements in the downtown business district as initiated by individuals and organizations.
- · Serve as an advisory body to the City of Petoskey in matters pertaining to the downtown business district.
- Coordinate appropriate downtown programs and services.

No previously adopted vision statement or statement of values were provided to the consultants.

REVISITING MISSION AND VISION STATEMENTS

A Mission, Vision and Values workshop was facilitated with the Downtown Management Board on June 21, 2022. During this session, we challenged participants to revisit their broad community vision and to frame specific, measurable missions for the organization within the five-year timeframe of the strategic plan.

Community vision, revisited:

In small groups of participants, we asked those in attendance to frame an aspirational purpose to guide the organization — and to make this something that may or may not functionally be attainable. We encouraged the use of superlatives in this process to find consensus behind the vision and direction for the organization. Aspirational purposes or vision statements crafted by the group were as follows (as organized into like categories).

Downtown is a gathering place for everyone.

- Downtown is the center of the entire community.
- Downtown is a community gathering place.

Downtown is vibrant and recognized for its economic value year-round.

- · Vibrant, year-round community serving local interests.
- · Downtown has a 365-day economy.
- A regionally–recognized <u>great place to invest</u> which is attractive to businesses and is not solely dependent on the tourism economy, weather, or beautiful scenery.
- · The best, most welcoming place to live year-round or visit.

Downtown is charming and beautiful.

- · <u>Historic charm</u> with modern convenience and customer service.
- A <u>wonderful</u>, <u>beautiful</u> downtown full of quaint stores and restaurants set against the backdrop of Little Traverse Bay make this THE place East of the Mississippi River to shop, dine, relax, live, and experience the best things in life.
- · Most beautiful downtown in the USA!
- An arts and entertainment destination with historic charm.

Downtown is an experience-driven place that appeals to visitors and new residents.

- Petoskey is a remarkable, <u>experience-driven vacation destination</u> that perfectly preserves their history while welcoming residents and visitors alike with new attractions.
- Best place to visit and live for a wide range of people in the USA.
- Petoskey is a remarkable, <u>experience-driven community</u> that perfectly preserves their history while welcoming visitors and new residents alike.

These vision statements are in-line with the strengths outlined in the organizational SWOT Analysis. The two primary strength buckets for the organization were **Hallmark Movie Look and Feel** and **Marketing Really Well to a Core Customer Demographic.**

All board members had the opportunity to vote on the purpose statement which resonated with them the most. The three leading purpose statements were:

- 1. A <u>wonderful</u>, <u>beautiful</u> downtown full of quaint stores and restaurants set against the backdrop of Little Traverse Bay make this THE place East of the Mississippi River to shop, dine, relax, live, and experience the best things in life. (6 votes)
- 2. The best, most welcoming place to <u>live year-round or visit</u>. (5 votes)
- 3. Petoskey is a remarkable, <u>experience-driven vacation destination</u> that perfectly preserves their history while welcoming residents and visitors alike with new attractions. (4 votes)

Key themes which emerged from these purpose statements were:

- We are not **geared exclusively toward seasonal visitors** downtown is a great place to live and invest, year-round.
- Downtown is for all. We are a gathering place where people want to be for the experiences, connections, and to be entertained.
- We are **welcoming to all** all residents, visitors and businesses.
- · Our historic charm and quaint offerings set us apart.
- We want to be a great community to live first and foremost so much so that people want to visit to partake.

STRATEGIC PLAN 7

5-YEAR MISSION, WITHIN THE TIMEFRAME OF THIS STRATEGIC PLAN:

Through a strategic planning process, we build the plane as we are flying it, to some extent. We challenge organizations to frame specific and measurable mission statements for the timeframe of the strategic plan. This does not conflict with or oppose the broad organizational mission or purpose, but it provides clear direction for the coming years.

The three components of a mission statement are **audiences, contributions**, and sometimes – **distinctions**. The Downtown Management Board developed lists of these three items which we have been able to piece together into potential missions for the organization over the next five years. We recommend that the board consider the full list and the context of this entire strategic plan to pick 1–3 which really resonate with the Board.

Audiences:

- Full-time residents
- Seasonal residents
- Tourists
- Business owners
- Families
- Pedestrians
- Pet owners

Contributions:

- Marketing
- Parking management
- Events
- Dining
- Entertainment
- Retail
- Services
- Placemaking
- Experiences
- Economic Impact

Distinctions:

- Not a membership-based organization
- Attracts people who are already in the region
- Diverse mix of stakeholders representing a wide mix of businesses
- Self-funded / not as dependent on fundraising as other organizations
- Involved in everything touching downtown
- · Not an advocacy organization

Some potential 5-year mission statements for Downtown Petoskey include:

- 1. To provide residents, seasonal residents and visitors with a gathering place to connect and have memorable experiences.
- 2. We are a non-membership-based organization which provides direct services and advocacy opportunities to Downtown business owners to drive economic impact.
- 3. To make Downtown Petoskey a special and unique place for all through placemaking and experiences.

DEFINING VALUES FOR PETOSKEY

Organizational Core Values

In small groups, participants identified 2–3 individuals who were top of mind when thinking of a positive individual who played a major role in local government or within the community. Each group assigned top values to the person that they had thought of and a list was compiled of values that defined Downtown Petoskey at its best. This list was refined down through a voting process to reach a smaller list of core values. The full list of values is included in the word cloud visualization. This visualization is weighted (larger words indicate a higher number of votes for that value).

The final core values list (7) that the group agreed upon included:

- Enthusiastic
- Generous
- Passionate
- Positive Energy
- Committed
- · Treats others with respect
- · Inclusive

Statement of Values

It was desired by the organization that the final strategic plan deliverable include a statement of values. The goal was to be able to use this statement of values in a human resources capacity, to both attract new team members and to onboard new hires. The statement of values below has been crafted by the consultant teams using themes from interviews and workshops.

Collectively and individually, as team members for Petoskey, we hold these core values:

- We are **ENTHUSIASTIC** about making downtown a special and unique place for all through placemaking and experiences.
- · We are **GENEROUS** and lend a helping hand to businesses in our community. Even through uncertain times, we look

out for one another in the interest of our collective success.

- We are PASSIONATE about this wonderful place! We know how special and unique our community is and want to help make memories and experiences for all who live in or visit Petoskey.
- We bring POSITIVE ENERGY and COMMITMENT to our work. It is a long game sometimes, but we believe that the work we do will have a long-lasting, and meaningful economic impact.
- We TREAT OTHERS WITH RESPECT.
 We want every customer and business interaction to end on the best possible note.
- We strive to be INCLUSIVE. We want all visitors, residents, and new and existing businesses to feel that Downtown is a place for them to connect and gather.



6 ENVIRONMENTAL SCAN

Petoskey is a small Northern Michigan City (population 5,746 as of 2022) and the County seat of Emmett County. Petoskey's residents enjoy the benefits of a thriving downtown district, natural beauty of Little Traverse Bay, and a high quality of life. The community (and surrounding destinations in Northern Michigan such as Charlevoix, Boyne City, Traverse City, and Mackinac Island) benefits from seasonal tourism — which has an oversized impact on the economic viability downtown area.

The population within a fifteen-minute drive time of downtown Petoskey has also been declining since 2010 as well and is projected to further decline by 1%. The population of Petoskey increased from 2010 to 2020, however Esri estimates that the population has decreased over the last two years by 131 people (2.2%). Over the next five years, the population of Petoskey is projected to decrease another 2.5%.

As indicated in the following charts, median household income (MHI) and median home value (MHV) are slightly higher in a fifteen-minute drive time range from Downtown Petoskey. MHI is projected to increase by 2.2% annually in the City of Petoskey, and 2.4% annually in the fifteen-minute drive time area from downtown. Additionally, the share of households greater than \$50,000 annually is higher than residents of Petoskey.

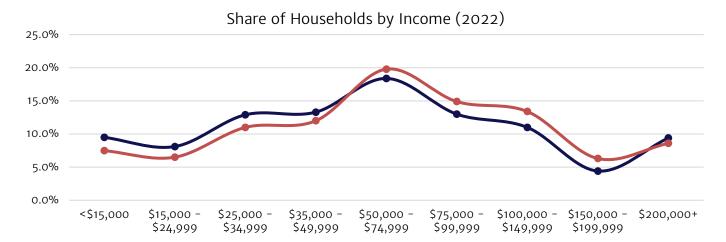
Population Trends (2010-2027) 2010 2020 2022 2027 Petoskey 15 minutes Drive Time

Data Source: ESRI Community Profile. Note: Drive time is within 15 minutes of 300 E Mitchelle St., Petoskey, MI.

2022 2027 Petoskey Petoskey 2027 In part of the property o

Median Household Income

Data Source: ESRI Community Profile. Note: Drive time is within 15 minutes of 300 E Mitchelle St., Petoskey, MI.

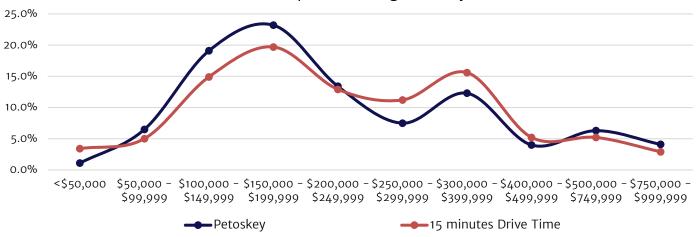


Data Source: ESRI Community Profile. Note: Drive time is within 15 minutes of 300 E Mitchelle St., Petoskey, MI.

Petoskey

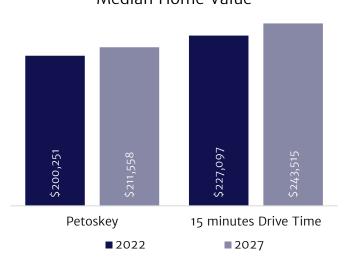
15 minute Drive Time

Share of Owner Occupied Housing Units by Value (2022)



Data Source: ESRI Community Profile. Note: Drive time is within 15 minutes of 300 E Mitchelle St., Petoskey, MI.

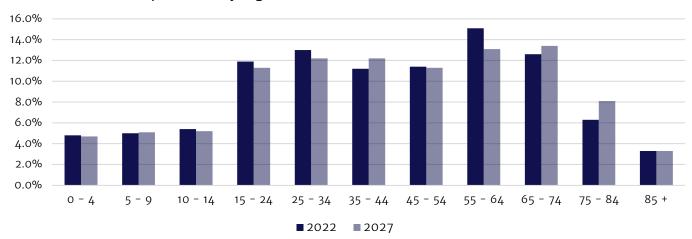
Median Home Value



Data Source: ESRI Community Profile. Note: Drive time is within 15 minutes of 300 E Mitchelle St., Petoskey, MI.

Median home values (MHV) are also projected to increase in both study areas, however not at the same rate as MHI. In the City of Petoskey, MHV are projected to increase by 1.1% annually, and by 1.4% annually within the fifteen-minute drive time area. Additionally, the share of homes valued at less than \$250,000 is greater in the City of Petoskey compared to the fifteen-minute drive time area.

Population by Age Trends within 15 min. of Downtown



Data Source: ESRI Community Profile. Note: Drive time is within 15 minutes of 300 E Mitchelle St., Petoskey, MI.

Petoskey itself enjoys a slightly younger median age of residents. As touched on throughout this report, there is a strong desire from a workforce standpoint to attract young working professionals to live in Northern Michigan. The largest share of Petoskey residents is aged 55–64 in 2022. According to Esri, the population will plateau between ages 15 and 74 by 2027. (See chart above.)

HISTORY OF DOWNTOWN ORGANIZATION

The Petoskey Downtown Management Board was formed in 1997 in accordance with the State of Michigan Enabling Act with the purpose of overseeing the special assessment district. The Downtown organization manages this fund to this day and provides direct programs and services to the downtown property and business owners through this fund. At the time of formation, the Chamber of Commerce and City of Petoskey had a contractual agreement for oversight of the downtown district and the Downtown Management Board. In 1999, parking management became a function of the Downtown organization and management of that revenue source served as a secondary funding source. This funding source funds operations, staffing, and other non-program or service functions of the downtown office. In 2011, the Downtown Management Board separated from the Chamber of Commerce and became a formal department within the City of Petoskey (although it has never been formally named as one and operates fairly independently).

Staff within the organization are noted on the current organizational chart in the addenda of this document. All part-time and full-time employees are City of Petoskey employees. The Downtown organization maintains a physical office location on Park Avenue. The office (as of the time of this report) is primarily used as a destination for individuals seeking assistance with parking issues. Organizational meetings for the various committees within the Downtown Petoskey organization occur at City Hall.

The downtown organization loosely follows the National Main Street program model of a board of directors and committees. Committee members are appointed to one of the many committees the organization has, including the Economic Enhancement Committee, Marketing Committee, Organization Task Force (serves as an Executive Board to some degree), Events Committee, Design Committee, Parking Committee and Beautification Committee. The Economic Enhancement, Marketing (promotions), Organization, and Design Committee model is directly sourced from the National Main Street model of downtown revitalization organizations.

DEMOGRAPHICS OF CURRENT AND TARGETED VISITORS TO PETOSKEY

Downtown Petoskey has a clear aim to encourage those who are already in the region (as a local or a visitor) to make Downtown a part of their experience. As such, the downtown organization is a partner to, rather than a competitor of the local tourism agency in the region. The primary organization driving tourism in this part of Northern Michigan is the Petoskey Area Visitors Bureau. We are thankful to that organization's leadership for their willingness to interview with our firm and share important data and insights.

Petoskey and Northern Michigan as a whole is a premier year-round vacation destination for lower Michigan and the regional Midwest. Petoskey's regional tourism representative organization is the Petoskey Area Visitors Bureau, which serves a larger regional area from Boyne City north to Little Traverse Bay including the communities of Alanson, Bay View, Bay Harbor, Boyne City/Boyne Falls, Harbor Springs and Petoskey. Petoskey is the largest urban hub within their coverage area.

There was not significant recent data on visitor trends or demographics available from the Petoskey Area Visitors Bureau,

ENVIRONMENTAL SCAN

but staff graciously shared a 2015 analysis of visitor profiles and image survey from prior visitors. The data at that time consisted of approximately 600 survey respondents, with the respondents skewing heavily over the age of 55 (67%), and as higher income earners (42% of responders earned more than \$100,000 per year). Only 16% of respondents were a single occasion visitor, whereas 48% of respondents had visited the region 10+ times.

This audience overwhelmingly indicated their top three activities engaged in in the greater region included shopping, scenic drives, and sightseeing. Area attributes that had an excellent rating (a very high association for responders) included charming/quaint, relaxing, unique destination, friendly, family friendly, lots to do and unique shopping. Visitors reported an average stay of 4 nights per visit, and 57% of respondents stayed in Petoskey. 55% reported staying in a hotel during their visit.

The Petoskey Area Visitors Bureau staff discussed generally what they perceive may have changed since that time and several key takeaways were shared anecdotally (*although, not supported by formal research or data).

- A younger audience is gaining interest in the region. Current website analytics for June 2022 for the Petoskey Visitors Bureau indicate that the highest website traffic came from the 45-54 age demographic, followed closely by the 35-44 age demographic.
- Food tourism and outdoor recreation likely moved up as activities engaged in. Staff felt that wineries and breweries, cycling, golf, and outdoor recreation broadly would have moved up in the activity matrix.
- **Shift to short term rental stays.** Staff felt that it was highly likely that more stays are happening in vacation rentals (through providers like Airbnb and VRBO), particularly for younger demographics.

The Petoskey Area Visitors Bureau current marketing efforts are heavily focused on outdoor recreation and use the words "escape routine" paired with imagery of beaches, biking, hiking, shopping, kayaking, stand-up paddleboarding and activities such as ziplining. The Visitors Bureau currently has a large focus on digital marketing combined with a strong social media presence on Facebook and Instagram.

BUDGETARY ANALYSIS

Downtown Petoskey, while a city department, is self-funded. The organization manages two separate budgets with total revenues of around \$1m annually. Expenditures support operations, public events, downtown marketing, B2B programs and services, and expenses related to downtown parking management.

Budget #1 - Special Assessment Fund

Approximately \$100,000 is generated annually in special assessment payments. These payments are paid directly by property owners and are calculated based on square footage of commercial space in central business district properties. Residential properties are exempt. The assessment rate per SF had been held flat for a number of years but only recently introduced a percentage-based increase year over year. All revenues from the special assessment fund support programs and services for businesses — and this pool primarily funds events and marketing efforts.

There are no recommendations from the consultants at this time to modify this fund source. It would be recommended to continue the small percentage increase year over year to ensure that the fund generates a sufficient budget to support events and marketing in an inflationary environment.

Budget #2 - Parking Management Fund

Approximately \$900,000 is generated annually through parking management in Downtown Petoskey. Parking can be paid per use at the meter, through meter coins (which offer a bulk discount) or through parking passes for specific lots. The parking revenues are used to cover more broad organizational expenses and operational costs. These include salaries and benefits for all Downtown Petoskey employees, streetscape and placemaking efforts like bicycle racks and a façade grant program, the downtown trolley, and downtown snow removal, among other services.

It is recommended by the consultants that Downtown staff and the Downtown Management Board reconsider how they 'market' the benefit of the parking management fund. Parking has been a historically tense issue in the community. There have been questions about whether it is an unfair burden to local business owners, if it is a burden to locals who frequent downtown, and questions about where those funds go. Downtown staff and the Downtown Management Board are well aware that managing parking effectively leads to an enhanced customer experience (this is touched on in the strategic framework and narrative). That said, the marketing and language around the parking revenues could be improved upon.

RECOMMENDATIONS

The special assessment fund has historically been marketed to businesses (who are the direct payors of this fee) as the fund which pays for programs and services that benefit them directly. Candidly, this is largely over-simplified. When analyzing all programs and services that Downtown Petoskey supports that benefit the business community (such as parking studies, strategic planning efforts, wayfinding signage), the parking budget is a large supporter of these broad downtown

services, too. Our analysis indicates that the 2022 budgetary value of events, marketing, and programs benefiting businesses to be just under \$500,000 (\$489,950). Only \$103,600 of this comes from special assessments directly. For every \$1.00 paid in special assessments, downtown businesses gain \$4.73 in program and service value.

It has also been promised that parking surplus funds (put aside in a reserve fund each year) would support the eventual construction of a parking deck. While options have been considered, no deck has yet been constructed. As recommended later in the plan, costs are not declining in the near future. It is recommended that a parking deck be built using these funds within the five-year span of this strategic plan. To not do so loses credibility with the local business community who have been patiently awaiting the addition of more parking.

There would be benefit, as well, in educating business community members on the other programs and services that the parking budget supports. Snow removal, for example, was one of the most highly rated services that businesses indicated that they value from the Downtown organization. It is likely not clear to many that parking revenues directly support that service. This broader education also reinforces that the parking revenue should continue to be collected even after a parking deck is constructed.

Organizational Bylaws Analysis

The organizational bylaws which govern the Downtown Management Board were adopted in 1994 upon initial organization of the entity. In reviewing this document and discussing board performance with leadership, our firms make the following recommendations:

Specify background, skillsets or characteristics that the board composition should reflect

If it is a desire of the Downtown organization to ensure that a percentage of board seats are held by downtown business owners or property owners, this should be articulated. It would also be recommended that while appointment is at the discretion of the Mayor, that Downtown staff might suggest candidates to the Mayor directly.

Establish a formal attendance policy

While bylaws reflect that failure to attend meetings regularly is grounds for the "chairperson to request review of said membership by the Mayor", this is not specific at all in nature. It would be recommended that a formal attendance policy be implemented specifying the number of absences that would trigger review of board membership.

Committee membership

The bylaws do not indicate the numerous committees which are a part of the Downtown Petoskey organization at present, only two committees — the Program–Services Budget Committee and the Special Assessment Formula Committee. There is a separate Downtown Management Board Committee Structure document shared with our firms that outlines the additional six committees, their purpose and membership. It would be recommended to specify in the organizational bylaws this information.

There has been some feeling from board leadership that some board members do not participate adequately in committees. It would be recommended to require that each board member serve on one committee and that the Board Chair would be responsible for assigning committee membership on an annual basis in coordination with the annual election process.

Conflict of Interest and Ethics Policy

It is a best practice within organizations of this nature (not a non-profit, but functioning like one) to require an annual signature from all board members on a conflict of interest and ethics policy. This serves as a useful reminder to all board members of the ethical responsibilities they carry as a member of the organization.

7 | STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) ANALYSIS

A key starting point for a municipal strategic planning process is conducting a SWOT analysis. This step requires elected officials and staff to look internally (and often look past an inherent ego that we bring to our professions). All organizations have positive features (strengths), and all organizations have room for improvement (weaknesses). An honest assessment of where an organization can grow and improve itself is key to having productive strategic planning with staff and elected officials. As consultants, we always remind municipalities that organizational problems do not have to become personal problems. But individual staff can play an important role in their organizations' continual self-improvement.

STRENGTHS

Organizational strengths are those which must always be protected and preserved. All actions should be taken with the internal perspective in mind 'will this help to protect and preserve our strengths?'.

Downtown Petoskey's strengths fall into two categories: **Hallmark Movie Look and Feel** and **Marketing Really Well to a Core Customer Demographic**. These are further detailed below.

Hallmark Movie Look and Feel:

- Well-maintained, contiguous historic district with excellent architectural preservation.
- Well-maintained infrastructure is a priority of the City (no rusty poles, clean and well-landscaped).
- Downtown delivers a unique experience: the opposite of Amazon and Door Dash. Rather than being fast, convenient and impersonal, Petoskey invites exploring and discovering with friendly customer service.

Marketing Really Well to a Core Customer Demographic:

- Business members really value Downtown organization's social media marketing and print materials (Downtown Shopping Map, Holiday Guide).
- · Petoskey is a beloved, repeat destination for affluent resorters and secondary home owners in Northern Michigan.

OPPORTUNITIES

Opportunities are the tools that can be used to address weaknesses and threats, and by doing so, serve to protect and preserve strengths. Opportunities often take the form of **policy change, leadership setting expectations**, or **resources** (staff, contractors, technological enhancements to deliver a service). Strategic planning is a particularly helpful process for leadership to set expectations. It can be easy to stay on the hamster wheel of a municipal budget cycle and avoid major changes, but the thoughtful and honest discussion around weaknesses and threats presents a unique opportunity for leadership to establish priorities and expectations for the near to long-term future.

Downtown Petoskey's opportunities fall into two categories: **Repositioning Downtown Management Board's Role in Programs and Services**, and **Reaching a New Customer Demographic**. These are further detailed below.

Repositioning Downtown Management Board's Role in Programs and Services:

- Two years of cancelled events during a pandemic showed staff and businesses that they're financially OK without quite so many of them. A focus on fewer events done really well will use fewer staff resources.
- Business owners value marketing highly, but also prioritize business retention. Moving away from such a heavy events emphasis might open more time for face-time BRE visits with downtown owners.
- Nobody takes the lead on economic development in Petoskey. This leadership vacuum opens up an opportunity for the DMB to partner with the Chamber and City as economic development advocates. There is room for the DMB to support economic initiatives that are outside downtown, too, but have an impact like affordable housing.

Reaching a New Customer Demographic:

- There are beautiful outdoor recreation opportunities in and near downtown. Piggybacking on the CVB's emphasis on outdoor recreation can be a new way for Petoskey to attract bicyclists, kayakers, etc.
- A focus on walkability and bikeability in downtown (protecting and enhancing) will bring in a customer demographic that is not too phased about paying to park and walking.
- Petoskey is well-positioned to attract remote workers and climate refugees (yes, there is still a housing shortage). By selling Petoskey's quality of life, new residents could bring more year-round business for downtown operators and help with seasonal workforce shortages.
- A boutique hotel in Downtown Petoskey would supplement the rooms available at The Perry Hotel and target a younger customer demographic. (Like Hotel Earl in Charlevoix).

Weaknesses

Weaknesses are liabilities that threaten an organization's strength. Weaknesses are imminent — either already facing the organization or soon to be facing the organization. Because of the liability they pose to an organization's strengths, weaknesses are targeted head—on in a strategic planning process. Our strategic planning process challenges staff to define outcomes first (when you consider this challenge, what outcome do you wish you were facing?). From there, we work backwards to break down big picture outcomes over a ten–year timeframe into small, manageable action steps divided into four smaller timeframes.

Downtown Petoskey's weaknesses fall into three categories: **Downtown Staff are the "Bad Guys"**, **Downtown Management Board Isn't Viewed as Part of City Hall**, and **Reputation that Petoskey is not Business-Friendly**.

These are further detailed below.

Downtown Staff are the "Bad Guys":

- · Nobody likes the people giving out parking tickets. It is also very difficult to succesfully collect parking ticket fines.
- DMB doesn't treat everyone equally. Some businesses get VIP treatment, out of parking tickets, or ability to circumvent the rules. Treating all equally helps them to not be the bad guys.
- DMB Staff feel that business owners can be very rude and disrespectful. There is an imbalance between providing good customer service and an environment where staff are walked all over.

Downtown Management Board isn't Viewed as Part of City Hall:

- While DMB employees are City employees, they don't feel as though they are. They're excluded from communications, not engaged with by leadership, and treated as a non-essential service.
- Communication channels with other City departments are challenging. Collaboration takes significant heavy lifting for Downtown staff, and sometimes other departments steamroll the DMB.

Reputation that Petoskey is not Business-Friendly:

- Former elected officials left the community with a bad taste in their mouth. There is a perception that Petoskey is unreasonable to work with and doesn't want outside investment.
- There is an impression that a vocal minority drives decision–making at the Council level. Decisions are made based on what personal friends and neighbors think vs. what is best for the community.

THREATS

Threats are liabilities, like weaknesses, but they are smoke rather than fire. These should still be monitored by an organization, but they are not as imminent as weaknesses. These are often bigger or more existential challenges than an organization must address. The strategic planning process offers a unique opportunity for staff and elected officials to thoughtfully consider these bigger picture challenges and work toward defining a desired outcome.

Downtown Petoskey's threats fall into three categories: **Non-Local Property Owners**, **"Downtown Isn't For Me"**, and **Need for Fresh Perspectives**. These are further detailed below.

Non-Local Property Owners:

- Two individuals own a significant number of real estate properties in Downtown Petoskey. These two individuals have a large influence on lease rates in the community, which are increasingly becoming more expensive.
- One individual lives out of town and views their holdings strictly as an investment (not looking to sell at this time). Turnover and vacancy are higher in his properties. The City has no real carrot or stick to motivate investment in the properties or to discourage vacancy.

"Downtown Isn't for Me":

- The business mix in downtown is heavily catered to a white, affluent, 55+ customer. This customer demographic will phase out in years to come.
- Downtown relies on repeat visitors "you come and fall in love with Petoskey". A new demographic needs to be reached to be the new repeat visitor.
- Downtown businesses are wholly dependent on tourism some earning as much as 75–80% of their revenue in the peak season. Some feel that you need to be more diversified serving year round residents and a tourist demographic.
- Petoskey is viewed as a premier community, but it is socioeconomically out of reach for more and more community members. Locals can't afford to shop or dine downtown and they are having difficulty finding places to live, too.

Need for Fresh Perspectives:

- DMB should strive to represent a broader mix of new business owners, non-multi-generational Petoskey families. Engage and welcome fresh perspectives.
- People love what Petoskey has now, and a desire to preserve what is present now can result in serious hesitancy to change. Opportunities for Petoskey might be missed by dragging of feet.

Strengths

Hallmark Movie Look and Feel

Well-maintained, contiguous historic district with excellent architectural preservation.

Well-maintained infrastructure is a priority of City (no rusty poles, clean and well-landscaped)

Downtown delivers a unique experience: the opposite of Amazon and Door Dash. Rather than being fast, convenient and impersonal – Petoskey invites exploring and discovering with friendly customer service.

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Weaknessess

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Nobody likes the people giving out parking tickets. It is also very difficult to successfully collect parking ticket fines.

DMB doesn't treat everyone equally. Some businesses get VIP treatment, out of parking tickets, or ability to circumvent the rules. Treating all equally helps them to not be the bad guys.

DMB Staff feel that business owners can be very rude and disrespectful. There is an imbalance between providing good customer service and an environment where staff are walked all over.

DMB isn't viewed as part of City

While DMB employees are City employees, they don't feel as though they are. They're excluded from communications, not engaged with by leadership, and treated as a non-essential service.

Communication channels with other City departments are challenging. Collaboration takes significant heavy lifting for Downtown staff, and sometimes other departments steamroll the DMB.

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Opportunities

Repositioning DMB's Role in Programs and Services

2 years of cancelled events during a pandemic showed staff and businesses that they're financially OK without quite so many of them. A focus on fewer events done really well will use fewer staff resources.

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Threats

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"Downtown isn't for me"

The business mix in downtown is heavily catered to a white, affluent, 55+ customer. This customer demographic will phase out in years to come.

Downtown relies on repeat visitors – "you come and fall in love with Petoskey". A new demographic needs to be reached to be the new repeat visitor.

Downtown businesses are wholly dependent on tourism – some earning as much as 75–80% of their revenue in the peak season. Some feel that you need to be more diversified - serving year round residents and a tourist demographic.

Petoskey is viewed as a premier community, but it is socioeconomically out of reach for more and more community members. Locals can't afford to shop or dine downtown and they are having difficulty finding places to live, too.

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DMB should strive to represent a broader mix of new business owners, non-multi-generational Petoskey families. Engage and welcome fresh perspectives.

People love what Petoskey has now, and a desire to preserve what is present now can result in serious hesitancy to change.

Opportunities for Petoskey might be missed by dragging of feet.

8 STRATEGIC PLANNING WORKSHOPS

Three strategic planning workshops were held with staff, both remotely and in-person with the Organizational Task Force and Downtown Director (June 22nd, June 28th, and July 18th). One of these workshops was an individual session held with an Organizational Task Force member who was unable to attend the regular session on June 22, 2022. The workshops were focused on defining community vision and defining desired outcomes within the identified weaknesses and threats from the organizational SWOT Analysis.

Defining Community Vision

Staff and elected officials were challenged to brainstorm key words and sentences describing how they hoped Petoskey to be recognized and perceived as an organization and as a community five years into the future. These words and sentences were clustered into like groups and were titled. The seven titles or categories for a future vision of Petoskey were: Vibrant, Aesthetic, Accessible, Timeless, Reaching New People / Inclusive, Livable, all of which combined will achieve the goal of making Petoskey truly Unique.

Defining Outcomes for Weaknesses and Threats

Organizational Task Force members reviewed the six weaknesses and threats that the organization is currently or will likely be facing in the near future as well as two requested areas that were not included in the original SWOT analysis. Topics reviewed included: Perception of Downtown Staff, Downtown Staff Disconnect from City Hall, Non-Business Friendly Reputation, Non-Local Property Owners, Who is Downtown For?, Fresh Perspectives, Future of Events, and Marketing Direction.

Working in pairs or as a small group, all three workshops consisted of an exercise where participants defined the outcome they hope to reach on the issue in five years, brainstormed specific action steps to reach that outcome, and assigned prioritization. Prioritization used a 1, 2, 3 process with one being defined as an emergency, two being defined as important but not urgent, and three being defined as a nice to have outcome that isn't an emergent issue.

Why this Approach Works

This strategic planning approach puts the do-ers (staff) and decision-makers (Board Members) in the drivers seat for their own planning document. Staff consensus and elected official buy-in are critical to developing strategic plans which can be implemented. Our firms take direct feedback from staff and Board Members in these workshops and use it to build a strategic framework.

The strategic framework spells out clear outcomes (sourced from participant feedback), denotes specific action steps, assigns a timeline for completion (born from the prioritization exercise with staff), and assigns internal leads and resource needs with leadership input. The final strategic plan should look familiar to staff and Board Members as the major ideas within it are their very own.

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ORGANIZATIONAL CHALLENGE: DOWNTOWN STAFF ARE THE "BAD GUYS"

The perception that Downtown staff are the "bad guys" was a weakness identified in the organizational SWOT Analysis. While not an issue localized to Petoskey, it does appear that two years of pandemic-related fears, staffing woes, economic uncertainty, and supply chain shortages have people on the whole feeling slightly more impatient. We heard from staff members and board members that the business community can be downright disrespectful to Downtown staff. Burnout and poor treatment by the community directly caused the turnover of an experienced staff position in 2021 and the organization hopes to wrap their arms around this challenge as they seek to fill position vacancies.

A major driver behind the "bad guy" reputation is the unfortunate marriage of parking management and downtown programs and services. Parking management is a key function for the downtown area to ensure a positive customer experience in accessing the downtown area, but somebody has to be the "bad guy" issuing tickets. Staff bemoaned that businesses and their staff dislike the parking experience and that it is unfairly associated as the primary function of the downtown organization.

One alarming anecdotal note that was shared (which our firms are curious if this opinion is held more widely) was that the downtown organization had been "dishonest" about intending to build a new parking deck. It has been promised since the mid-1990s that parking revenues will contribute toward a new parking deck. Despite multiple studies, the deck has yet to be supported by City Council for construction. The continued collection of parking revenues by the downtown organization without commitment to constructing parking infrastructure runs the risk of tarnishing the downtown organization's credibility.

STRATEGIC PRIORITIES FOR DOWNTOWN STAFF BEING PERCEIVED AS THE "BAD GUYS":

- 1. Hire a Parking Services Manager who has a jolly attitude, experience with numbers, and parking management experience.
- 2. Separate Parking Services from Downtown Staff (physically and programmatically).
- 3. Downtown staff will feel valued.
- 4. Business owners and staff understand that parking spaces are a premium and they are kept open for guests.
- 5. Downtown office measurables are shared annually with business owners.
- 6. People understand the parking fund and what good it does.

These strategic priorities are detailed in the strategic framework, with specific action steps aligned to each outcome.

CONSULTANT RECOMMENDATIONS

Beyond what was generated from a staff and Board level on this topic, the consultants recommend the following:

Reorganization of Parking Division

- Restructure the Parking Division and create a managerial role within that division that will reduce the need of the Downtown Director to manage parking as much as is presently done. The Downtown Director's talents are not being used in their highest and best way by managing customer service interactions within the parking division. The creation of a new managerial role will reduce the occurrence of the Downtown Director's involvement.
- Presently the Parking Management division consists of a Chief Parking Ambassador, Lead Parking Ambassador and Parking Ambassador(s). Parking Ambassadors and Lead Ambassadors are primarily out in the field, while the Chief Parking Ambassador handles more logistics, customer interactions at the Downtown offices and handles training and delegation. A long-time employee is in the Chief Parking Ambassador role.
- Some challenges that have caused the Downtown Director to have an outsized role in the parking management division are customer-service related. This needs to be addressed by the creation of a managerial role that will reinforce customer service expectations and handle the division with greater autonomy. The variation of roles like Chief Ambassador / Lead Ambassador should be evaluated holistically when developing a managerial role position description. Knowing that workforce attraction is challenging at this time, there is a desire to retain staff, but to evaluate through this reorganization that employees are in the roles they are best suited to perform well in not where it is convenient to have them.
- Staff retention will be a primary focus for the organization in particular with the workforce shortages occurring nationally. Personnel management practices like stay interviews are growing in popularity and cost nothing to implement. The Downtown Management Board would be advised to heed closely feedback from staff and internally evaluate when employees do leave (ensuring that an exit interview is completed, as well!).

Office Location

• Physically and digitally separate parking from the downtown organization. A separate office entrance, separate website, and separate staff ensure that a business or downtown employee's potentially negative parking experience does not reflect on the downtown organization.

Messaging

- The issue of parking and the need for it to be managed is one that is not easily resolved. The recommended means of addressing it from our firm's perspective would be to reinforce through consistent messaging that the value gained far outweighs the inconvenience. Over the top customer service to businesses with parking offender employees (such as the provision of a parking map and easy payment options) gives business owners the opportunity to resolve an issue for their employees, rather than to shrug their shoulders.
- The associated review of the downtown organization's two funding budgets (special assessment-funded programs and services and parking management-funded operations) indicates that businesses do not readily realize how much they benefit from the wealth of the parking fund. Repositioning language around the parking fund to demonstrate return on investment is highly recommended such as "for every \$1 paid in parking, businesses receive \$4 in value".
- Easy to digest, highly visual messages about the value of the parking fund and the good it does make the message easier to receive (even if it isn't wholeheartedly accepted by the business community). The Downtown Management Board can use these messages as a tool to advocate for the organization and on behalf of the staff when meeting with peer business owners.

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Construction of a Parking Deck

- Lastly, the Downtown organization needs to push City Council to make a decision on the construction of a parking deck. Costs continue to increase and the funds are there to facilitate construction of a deck now. To continue pushing this project down the road diminishes the downtown organization's good faith and credibility with the business community.
- The Parking Revenue Carryover fund has barely kept pace with rising construction costs in an inflationary market. If these funds are not sufficient when a project is bid and construction is on track to occur, it is highly recommended that the City Council support General Fund commitment to make up the difference and ensure that a parking deck is constructed. Such a project has been a longtime CIP (capital improvement plan) project that has yet to be implemented.

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Downtown Staff are the "Bad Guys"

SWOT Challenge:

Desired Outcome by 2028	Action Steps to Reach Outcome	Timeline to Complete Action Steps	Resources Needed to Complete Action Step	Internal Lead on Action Step
	Rework Chief Parking Ambassador Position Description to identify what would remain in this role and what would move up to a supervisor role.	2023-2024	Research	Downtown Director, Downtown Management Board
 Hire a Parking Services Manager who has a jolly attitude, experience with numbers, and parking management experience. 	Develop Parking Services Manager Position Description that would supervise Chief Parking Ambassador and manage the Parking Services office day-to-day.	2023-2024	Research	Downtown Director, Downtown Management Board
	Knowing difficulty of hiring parking ambassadors and challenging nature of this work, budget to compensate Parking Services Manager role aggressively in order to attract talent competitively.	2023-2024	Budgetary support	Downtown Director, Downtown Management Board
	IF decision is made to relocate into Chamber of Commerce building for new Downtown offices location, modify building to have separate entrances for Parking Services and Downtown Services.	2023-2024	Research, Budgetary support	Downtown Management Board
2. Separate Parking Services from	IF decision is made to remain in current location, move Downtown Services staff to City Hall and have present location exclusively be a Parking Services office.	2023-2024	Leadership sets expectation	Downtown Management Board, City Manager
Downtown Staff (physically and programmatically).	Presently the Downtown Petoskey website only lists the Downtown Director by name (no other staff are listed). Parking Services Manager should be listed by name on the Parking page.	2023-2024	Website enhancements	Downtown Staff
	Evaluate the cost of developing a separate website or landing page for parking such as ParkPetoskey.com that exclusively addresses parking. This can be linked to from the Downtown Petoskey website.	2023-2024	Website enhancements	Downtown Staff

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	When new employees are onboarded into the organization, an effort is made to spotlight those individuals – such as a social media welcome post, bio on the website, or a meet and greet in conjunction with a B2B event (like Downtown Social or Thirsty Thursdays).	2023-2024	Messaging, Leadership sets expectation	Downtown Staff
3. Downtown Staff will feel valued.	Downtown Management Board members will have a unified message when conversing with business members to combat "that parking lady" chatter about Downtown staff.	2023-2024	Messaging, Leadership sets expectation	Downtown Management Board
	Regular "stay interviews" (informal check-ins) will be a priority between the Downtown Director and staff members to identify issues that might impact staff retention. Issues meriting such action are escalated to a Downtown Management Board level.	2023-2024	Leadership sets expectation	Downtown Director
	Exit interview results are shared with the Downtown Management Board after every staff departure and the Board establishes a roadmap of how to address core issues.	2023-2024	Leadership sets expectation	Downtown Director
	Parking Services staff evaluate if current parking app is the best fit for the community in the long-term or if a better competitor product is available.	2025-2026	Research	Downtown Staff
Pare Program Case	Parking Services staff explore means of offering parking validation that businesses can extend to their customers.	2025-2026	Research	Downtown Staff
es are open	A customer-facing parking FAQ that explains kindly that paid parking ensures that spots are available is produced for businesses who may want to display it in their stores. This would pair well with a validation option, if available.	2025-2026	Messaging	Downtown Staff
	A direct effort is made to educate repeat "parking offender" businesses on the importance of parking turnover and guest parking space availability.	2025-2026	Leadership sets expectation	Downtown Staff

	A parking map that highlights long term parking locations and easy payment options are made available for businesses to share with their employees (removes burden of education from business owner).	2025-2026	Messaging	Downtown Staff
	A State of Downtown event is developed (perhaps in conjunction with Downtown Management Board's bylaw-required annual meeting or in the off-season?) where downtown merchants are invited to attend.	2025-2026	Leadership sets expectation	Downtown Staff, Downtown Management Board
5. Downtown office measurables are shared annually with business owners.	An infographic or visually–focused annual report is developed and shared with merchants to highlight the accomplishments of the Downtown Services office.	2025-2026	Messaging	Downtown Staff
	The special assessment and parking management revenue sources are shared in terms of return on investment with downtown businesses. For example, "for every \$1 paid in parking or every \$1 in special assesments, downtown businesses receive \$4 in services"	2025-2026	Messaging	Downtown Staff
	A parking deck location is selected and a design is moved forward with to deliver on the promise of structured parking development.	2025-2026	Budgetary support	Downtown Management Board, City Council
	City Council should support parking deck construction with General Funds if Parking Deck Carryover Fund proves to be insufficient.	2025-2026	Budgetary support, Leadership sets expectation	Downtown Management Board, City Council
6. People understand the parking fund and what good it does.	The customer–focused parking FAQ notes that snow removal and downtown operations are funded through the parking fund.	2025-2026	Messaging	Downtown Staff
	Downtown Management Board members have unified message on parking and can educate business owners on the services the parking fund supports.	2025-2026	Messaging	Downtown Management Board
	A visual graphic is developed on a post card that board members can share with businesses highlighting the nature of the parking and special assessment funds.	2025-2026	Messaging	Downtown Staff

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ORGANIZATIONAL CHALLENGE: DOWNTOWN STAFF DISCONNECT FROM CITY HALL

The Downtown organization's staff disconnect from peers in the City of Petoskey was a weakness identified in the organizational SWOT Analysis. This is likely caused and exacerbated by several factors: the recency of the Downtown organization removing itself from the Chamber of Commerce and becoming a part of the city, the longevity of staff who were in department head roles before this reorganization, and the physical separation of having no Downtown department presence in City Hall. This disconnect makes collaboration difficult and undermines the Downtown Director's authority in decision making, at times. Downtown staff shared that functions like being able to use the same server as City Hall employees are not available to them due to their offsite location. The Downtown Director has been inconsistently treated as a department head within the City of Petoskey, depending on the whims of city leadership. For the downtown organization to function like an actual City department, it must be treated as a peer department functionally. Processes should also be better defined at an organization-wide level to ensure that communications are appropriately routed and Downtown input is provided on community economic development efforts. As is noted in the strategic framework, no formal Downtown Services department has been established within the City's organizational chart and is recommended that this occur.

STRATEGIC PRIORITIES FOR DOWNTOWN STAFF DISCONNECT:

These strategic priorities are detailed in the strategic framework, with specific action steps aligned to each outcome.

- 1. City Hall as an organization understands the cultural and economic impact of Downtown.
- 2. Downtown Director is viewed as an integral cohort of other department heads in City Hall.
- 3. Create a streamlined process as a Michigan Redevelopment-Ready community with Downtown Director's involvement.
- 4. Have a dual office space for the Downtown offices one in the Downtown District and one in City Hall.

CONSULTANT RECOMMENDATIONS

Beyond what was generated from a staff and Board level on this topic, the consultants recommend the following:

Better External Information Sharing

- Information highlighting the success and impact of the Downtown organization is compiled and shared in a meaningful way, such as through regular reports to peers and elected officials, as well as through the development of an
 annual report. The determination of which benchmarks are most meaningful and define success of the downtown
 organization's efforts can take many forms (vacancy percentage, business opening rates, physical building improvements, expansions of existing businesses, business retention visits, etc.).
- The digital presence of the Downtown organization should be tied more clearly to the City the Downtown website should be directly linked from a department page on the City of Petoskey website and the Downtown website should clearly link back to the City website. While the average visitor may directly access the downtown website for business, event, or parking information, a potential business looking to locate in Petoskey is more likely to route through the City's website. The downtown organization is already a strong champion for economic development in Petoskey. This can be furthered by ensuring interested parties reach the downtown organization through various channels.
- Conversation was had with staff about the Michigan Economic Development Corporation Redevelopment-Ready Site certification program. The process of gaining certification was a rigorous one and at this time, includes one downtown site. There has been inconsistent messaging on the future of one site in particular. The Darling Lot is one of the two identified sites on the Redevelopment-Ready website, but it has been considered as a location for a parking deck development for a number of years (with multiple studies commissioned by the Downtown organization in that time-frame). Consistent vision on future redevelopment site potential between the Downtown organization, City staff and elected officials is a must to work effectively together toward continued economic development.
- A point that was brought forward in the Business-Friendly Reputation section was the methodology behind where the
 point of contact is for economic development in the community. The downtown organization (Board and Staff) feel
 strongly that they should be the primary point of contact for all downtown economic development-related communications. Our firms understand that this perspective is likely strongly tied to not being included in important economic
 development communications in the past. A desire for control and inclusion is understood, but our firms do not necessarily agree that the Downtown organization should be the primary point of contact.
- An improvement of website presence for both the Downtown organization and City Hall (as referenced within this plan is a good start). A process and system for managing all business and economic development inquiries is sorely needed. This process and system should be developed by the City Manager's office, City Planning Department and Downtown Services Department. There should be one sole point of contact for all initial economic development inquiries. That individual, in a triage role, will follow a documented and understood process to route calls to the best party. If an investor is looking at a downtown property, the Downtown Director is engaged in the conversation immediately. This

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is not intended to box out or exclude the Downtown organization, but rather it recognizes that economic development inquiries often start as a broad funnel. If staff in City Hall have the greatest breadth of knowledge on state economic development incentives tied to Redevelopment-Ready sites, that staff person should be engaged in conversations, too. By starting with one consistent intake procedure, the customer is assured access to the best information and resources and doesn't have to navigate who to call first from the outside.

Office Relocation

Our firms feel strongly that a physical office presence for the Downtown Director in City Hall will help to establish the department as a peer to other City departments. The functionality and capacity of the organization's current office space is constrained and if an opportunity to relocate to another space (perhaps the current Chamber of Commerce building) comes available, this should be weighed by the organization.

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SWOT Challenge:	Downtown Staff Disconnect from City Hall	City Hall		
Desired Outcome by 2028	Action Steps to Reach Outcome	Timeline to Complete Action Steps	Resources Needed to Complete Action Step	Internal Lead on Action Step
	The Downtown organization is formally established as a Department of City Hall as the Downtown Services Department.	2023-2024	Leadership sets expectation	City Manager, Downtown Director
 City Hall as an organization understands the cultural and economic impact of Downtown. 	Downtown Services Department provides reports to City Council and City Manager on a quarterly basis highlighting vacancy rates, business inquiries, physical building improvements, new business openings or expansions and other established benchmarks.	2023-2024	Leadership sets expectation	Downtown Director
	The Downtown Services Department's mission and vision is clear that Downtown is for everyone, not just for visitors, and that the Downtown Services Department is focused on livability and vibrancy year-round.	2023-2024	Messaging	Downtown Director
	Downtown Director regularly attends all standing department head meetings with other City Departments.	2023-2024	Leadership sets expectation	City Manager, Downtown Director
2. Downtown Director is viewed as an integral cohort of other	Downtown Director maintains an office presence in City Hall.	2023-2024	Budgetary support (if needed)	City Manager, Downtown Director
department neads in City Hall.	Downtown Services Department is added on City website and in all other places where City departments are listed.	2023-2024	Leadership sets expectation	City IT Division
3. Create a streamlined process as	Ensure that Redevelopment-Ready listed sites through Michigan Economic Development Corporation have accurate contact information listed (current listed information is a former employee).	2023-2024	Leadership sets expectation	City Manager, City Planner, Downtown Director
a Michigan Redevelopment-Ready Community with Downtown Director's involvement.	Revisit sites that are listed as Redevelopment–Ready and ensure that City Council and City staff are on the same page about future redevelopment goals.	2023-2024	Leadership sets expectation	City Manager, City Council
	Use newly-formed economic development task force to ensure that site developments are communicated consistently to all partners.	2023-2024	Leadership sets expectation	City Manager, City Planner, Downtown Director

Downtown Management Board	Downtown Management Board	City Manager, Downtown Management Board
Research	Budgetary support	Leadership sets expectation
2023-2024	2023-2024	2023-2024
Evaluate financial impact on budget of relocating to Chamber of Commerce Building from current Downtown office location.	Evaluate long–term lease of current Chamber of Commerce Building as the potential new office for Parking Services and Downtown Services.	Maintain an office for Marketing and Promotions Coordinator and a secondary (flex space) office for the Downtown Director in the larger building. Primary office for Downtown Director would be in City Hall.
	4. Have a dual office space for the Downtown offices - one in Downtown District and one in City	Hall.

STRATEGIC PLAN 27

ORGANIZATIONAL CHALLENGE: PETOSKEY'S REPUTATION OF NOT BEING BUSINESS-FRIENDLY

The community reputation of the city not being friendly to business investment was a weakness identified in the organizational SWOT Analysis. There have been recent shifts in staff and on the City Council which have (hopefully) reversed the course of this reputational challenge. Confidential interviews with both staff and community and business leaders indicated that this attitude seemed empowered by a vocal minority that was in opposition to change or redevelopment of "The Hole" as well as an outward distrust of "non-local" investors. On the subject of "The Hole", the stops and starts on development efforts for this particular site have been a tiring subject for the downtown organization and it has given the community a bit of a black eye with the development community.

Additionally, an evaluation of the development review process brought to light that there is not a clear "advocate" for developers who wish to invest in the community – whereas in another community a key staff member would be the liaison between the developer and the deciding elected and appointed bodies.

The attitude of change-resistance is well-motivated (to protect the asset of the well-maintained historic district). Petos-key's downtown is a tremendous economic success story, but we would advise that the community not rest on its laurels. Special and unique places like Downtown Petoskey are successful because of their perpetual, incremental evolution. It is not remaining the same which garners relevancy, it is small changes over time that maintain the quality of the product and the relevancy to an ever-changing consumer preference. Internal procedure and process review as well as a repositioning of the downtown organization's role in economic development will help to turn the tide on this negative reputation.

STRATEGIC PRIORITIES FOR PETOSKEY'S REPUTATION OF NOT BEING BUSINESS-FRIENDLY:

These strategic priorities are detailed in the strategic framework, with specific action steps aligned to each outcome.

- 1. The Hole is filled with a viable development that helps the year-round economic vitality of the area, and this is accomplished with a TEAM! (Downtown organization, City Hall, Chamber of Commerce, other stakeholders) or City hires an economic development director to spearhead this effort.
- 2. A streamlined, available, and understood system for business development is established (that runs through the Downtown office) when a business wants to locate downtown.
- 3. City staff and Council understand the downtown's stake and expertise in economic development.
- 4. Downtown business owners are a bloc that advocate for good development.
- 5. People understand and value new ventures (vs. a culture of resistance).
- 6. A new boutique hotel opens in Downtown Petoskey.

CONSULTANT RECOMMENDATIONS

Beyond what was generated from a staff and Board level on this topic, the consultants recommend the following:

Improved Economic Development Communications with Partners

- An economic development task force group is formed which meets regularly. This will ensure that organizations are
 working in tandem to bring forth positive investment for the community. It will further ensure that proactive advocacy
 can occur from member organizations. The Chamber of Commerce has already made an effort to encourage members
 to support initiatives within the community vocally at Council meetings. As is the case in many communities, public
 meeting attendance is often sparse unless filled with opponents.
- Internal process and procedures for development and business interest intake within City Hall will ensure that all parties work together without stepping on each other's toes. By formalizing an intake process, businesses looking at investing downtown will be properly routed to the Downtown Director, and other City departments (as-needed) will loop the downtown organization in when redevelopment sites are being considered.

Advocacy Role for Downtown Businesses

- In this same vein, the Downtown Management Board has a unique opportunity to energize their base of merchant and business members to support redevelopment and investment in the downtown area. The downtown organization in the past has taken a neutral stance on development, but moving into a direction of advocacy will help to solidify the downtown organization's significant economic influence.
- This advocacy direction could also help to reinforce the value of the Downtown Management Board and organization to the local business community. Businesses could subscribe to an action alert email list to be notified of upcoming

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reviews or encouraged to attend public meetings to voice their support.

Celebrate Downtown Successes Loudly and Proudly

• The Downtown organization's leadership is markedly humble. This is a good character trait, but it does not effectively communicate the economic impact that the downtown district has on the greater Petoskey community. We would recommend the creation of an event focused on downtown economic development, perhaps in tandem with the annual meeting, such as a "State of Downtown" event. This event would not only be accessible for business owners to attend, but would also invite local and regional elected officials. This event could be used as an opportunity to highlight recent successes and to reinforce the downtown's position as the economic center of the community.

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Petoskey's Reputation of not being Business-Friendly

Desired Outcome by 2028	Action Steps to Reach Outcome	Timeline to Complete Action Steps	Resources Needed to Complete Action Step	Internal Lead on Action Step
1. The Hole is filled with a viable development that helps the year-round economic vitality of the area, and this is accomplished with	An economic development task force is formed with member organizations and departments (Downtown Petoskey, City Planning Department, City Managers Department, Chamber of Commerce). This entity should meet on a standing basis.	2023-2024	Relationship management	Downtown Director, City Manager
Chamber of Commerce, other stakeholders) - or City hires an economic development director to spearhead this effort.	Downtown Director, Planning Department, and City Manager to make outreach efforts or meet with owner of The Hole property quarterly for site updates and to see if additional resources are needed.	2023-2024	Relationship management	Downtown Director, City Manager
2. A streamlined, available, and	Staff from Downtown office, City Management Dept, and Planning Dept. outline business contact procedures when a new business is interested in locating in Petoskey. (If locating downtown, Downtown Director should be the primary point of contact).	2023-2024	Leadership sets expectation	Downtown Director, City Manager, City Planner
development is established (that available real estaturuns through the Downtown office) lease and for sale).	Downtown office maintains a database of available real estate in Downtown Petoskey (for lease and for sale).	2023-2024	Research	Downtown Staff
wnen a business wants to locate downtown.	An economic development landing page for prospective businesses is linked from both the Downtown Petoskey and City of Petoskey websites.	2023-2024	Website enhancements	Downtown Staff, City Planner
	Downtown Petoskey is linked from the City of Petoskey website for business/investment inquiries related to Downtown.	2023-2024	Website enhancements	City Manager or IT Division

SWOT Challenge:

3. City staff and Council understand the downtown's stake and expertise in economic development.	An annual report with metrics is shared annually with City Council (vs. just with the Downtown Management Board) at a City Council meeting. This report could highlight measurables like vacancy rates, taxable value of downtown, new business openings, expansions of businesses, and physical building improvements.	2023-2024	Leadership sets expectation	Downtown Staff, City Manager
	A State of Downtown event for downtown merchants and retailers is opened to Council members and City Department heads to attend.	2023-2024	Leadership sets expectation	Downtown Staff, City Manager
	An advocacy action plan is developed for the Downtown Petoskey organization. This will specify how the organization will alert members of upcoming initiatives and when it will take a position on Council action items.	2025-2026	Leadership sets expectation	Downtown Director, Downtown Management Board
4. Downtown business owners are a bloc that advocates for good development.	Once an action plan is developed, Downtown Petoskey staff will use a separate email list or the internal merchant Facebook page to alert business owners of opportunities to voice their support for new developments.	2025-2026	Leadership sets expectation, Messaging	Downtown Staff
	Downtown Management Board members may choose to write letters of support from the Board (and on behalf of the business community) for developments in the Downtown area to be read and placed on the record during Council meetings.	2025-2026	Leadership sets Downtown expectation, Messaging Management Board	Downtown Management Board
5. People understand and value	The Downtown organization drowns out negative response to new ventures by vocally and consistently welcoming and suppporting new businesses into the Downtown area.	2025-2026	Messaging	Downtown Staff, Downtown Management Board
new ventures (vs. a culture of resistance).	Downtown staff will work with Planning Department staff if new uses emerge that are considered harmful or undesirable to identify ways through zoning code to prohibit or limit such uses.	2025-2026	Research, Policy Change	Downtown Director, City Planner

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	Downtown Management Board members will receive timely information from Downtown staff (in between meetings if necessary to expedite information sharing) on new ventures, so that Board Members can speak clearly to what new ventures are (and their function, if unclear).	2025-2026	Messaging	Downtown Staff
	Downtown Petoskey works in partnership with the Petoskey Area Visitors Bureau to commission a hotel market analysis on gaps in urban hotel product in the visitor area.	2027-2028	Research, Budgetary support	Downtown Director
6. A new boutique hotel opens in	Sites for a potential boutique hotel are identified by the Downtown Services Department to be	2027-2028	Research	Downtown Director, City Planner
Downtown Petoskey.	An analysis of peer Michigan vacation destination communities is completed with an understanding of their hotel landscape and identifying their respective hoteliers.	2027-2028	Research	Downtown Director, City Planner
	Financial incentives and gap financing sources are identified by the Downtown Services Department.	2027-2028	Research	Downtown Director, City Planner

*Note: the Marketing and Events position for Downtown Petoskey can take on a website update and administrator role.



ORGANIZATIONAL CHALLENGE: NON-LOCAL PROPERTY OWNERS

The large number of properties owned by two developers, including one who is not local to the area, was a threat identified in the organizational SWOT Analysis. With one property owner in particular, there have been ongoing concerns that the properties are not maintained to the same standard as other properties downtown. These properties have a higher rate of vacancy and tenant turnover than other properties, as well. While the exterior of the properties meets code (or sometimes is hovering just above meeting code compliance), there is little known about the interior condition of these properties. The inherent "shared wall" nature of downtown commercial buildings is that the condition of a neighboring property can directly and adversely impact your own property.

A goal in previous strategic plans for the downtown organization has been to maximize upper floors in commercial buildings for residential units. With a pressing housing shortage in Emmett County and Northern Michigan, this priority remains particularly important for Downtown Petoskey. Some longtime property owners have argued that they "don't want to deal" with residential property management, but it is highly likely that property owners do not realize the economic value or potential profitability of providing greater housing within their existing properties.

STRATEGIC PRIORITIES FOR NON-LOCAL PROPERTY OWNERS:

These strategic priorities are detailed in the strategic framework, with specific action steps aligned to each outcome.

- 1. Downtown office is a strong economic development resource.
- 2. City ordinances address blight, vacancy, mandate rental inspections, or require inspections upon granting of a new occupancy permit.
- 3. City hires a Code Enforcement officer.
- 4. Downtown is resilient and prepared for a natural disaster (educate business owners on code, property maintenance, ensure that a major fire doesn't happen, for example).
- 5. Ordinance allows live/work spaces (for smaller SF spaces with residential on the main floor rear of buildings).
- 6. Find way for non-local owners to sell/reinvest their properties to avoid capital gains taxes.

CONSULTANT RECOMMENDATIONS

Beyond what was generated from a staff and Board level on this topic, the consultants recommend the following:

Code Enforcement and Vacancy

- If property owners neglect to lease their own properties, a two pronged approach of a carrot and a stick could be deployed. The carrot is to help to drive prospective tenants to vacant property owners. The stick would be to create a Vacant Property Registry ordinance which would include mandating commercial inspections and implementing fines for prolonged property vacancy. Such actions have been used in Michigan cities including Dearborn and Detroit. Vacant Property Registries are a beneficial tool which can be used to ensure that municipalities can contact property owners, protect the interests of adjacent property owners, and to protect emergency responders. It also discourages landlords through inconvenience maintaining vacant properties.
- It would be beneficial to the City of Petoskey organizationally if the downtown organization were to partially fund a Code Enforcement officer creation within the City Planning department. Rather than the downtown staff being the "bad guys", proper enforcement of existing zoning codes will ensure that property owners feel pressure to keep their properties to a minimum established standard of maintenance.
- Recognizing the inherent threats of vacant properties (and their likely deferred maintenance) in a shared wall scenario, it is recommended that Downtown staff partner with local emergency response services to implement carrot and stick approaches to ensuring building safety. A carrot would be the creation of an educational program for property owners. A stick would be a rental inspection program or an enhanced fire inspection frequency.

Focus on Downtown Housing Development

- As far as ensuring that downtown housing is maximized, efforts should continue to encourage the development of upper story housing in the downtown corridor. Creative zoning code adjustments could allow for live/work spaces that create livable space on the rear of buildings with smaller SF commercial spaces (which might be ideal for creators or artists).
- Lastly, we would encourage City officials to rethink their zoning requirements for The Hole site. Presently, all four sides of the development are considered the "front" of the development. Such an interpretation would require first floor commercial use on all four sides. This seems to not be in line with the market needs for the community (there is

no indication that much commercial space is demanded), increases project cost (residential units are more profitable per SF than commercial units), and does little to address the housing shortage that the region is facing. By considering the Mitchell Street or Bay View Road frontages to be a rear façade, allowable uses such as a brownstone townhome or apartment-type use (perhaps with a fitness center or remote office space on the ground floor) could be incorporated into the site redevelopment, thereby the regional housing shortage could be addressed in some small way.

Support Avenues for Renters to Buy Downtown Properties

An important way to maintain local ownership of downtown properties is to encourage local property acquisition.
 Education or resources which could be provided to downtown business owners who currently rent their properties, who may be interested in long term property acquisition could be a program offering that the Downtown organization provides. Program offerings might include education, access to financial resources or a preferred lender relationship program with a local financial institution.

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SWOT Challenge:	Non-Local Property Owners			
Desired Outcome by 2028	Action Steps to Reach Outcome	Timeline to Complete Action Steps	Resources Needed to Complete Action Step	Internal Lead on Action Step
	Downtown Director makes outreach efforts to vacant or under-utilized property owners quarterly for site updates and to see if additional resources are needed.	2023-2024	Relationship management	Downtown Director
1. Downtown Office is a strong economic development resource.	Downtown Director regularly researches trends in downtown business development (what new types of businesses are opening in other communities).	2023-2024	Research	Downtown Director
	Downtown Director regularly works with Chamber of Commerce and other entrepreneurial organizations to encourage start ups or mobile businesses consider brick and mortar locations in Downtown.	2023-2024	Relationship management, Messaging	Downtown Director
	Staff research code requirements in other well-maintained historic peer communities to ensure that Petoskey has similar standards for inspections and what defines "blight".	2023-2024	Research, Policy change	Downtown Director, City Planner
2. City ordinances address blight, vacancy, mandate rental	Create vacant property registry and associated ordinance to ensure commercial inspection and database monitoring vacant properties in the Central Business District.	2023-2024	Policy change	Downtown Director, City Planner
inspections, or require inspections upon granting of a new occupancy permit.	Downtown Management Board writes a letter of support to Plan Commission and City Council for ordinance changes to strengthen code where needed.	2023-2024	Messaging, Leadership sets expectation	Downtown Management Board
	Downtown Director and Downtown Management Board regularly report code violations or poorly–maintained buildings to the Planning Department and Code Enforcement officer.	2023-2024	Communication, Leadership sets expectation	Downtown Staff, Downtown Management Board

STRATEGIC PLAN

	Evaluate budgetary impact of partially or fully funding a code enforcement role within the City Planning Department.	2023-2024	Research	Downtown Management Board
3. City hires a Code Enforcement officer.	Aide in development of the Code Enforcement officer position description to ensure a focus on downtown commercial properties within the role.	2023-2024	Research	Downtown Director, Downtown Management Board, City Planner
	Measure progress in violations addressed and general curb appeal of downtown buildings one year after role creation.	2023-2024	Research, Messaging	Downtown Staff
4. Downtown is resilient and prepared for a natural disaster (educate business owners on code,	Downtown Services Department works in coordination with local Fire Department to offer education and resources to property owners on disaster prevention.	2023-2024	Messaging, Leadership sets expectation	Downtown Director, Fire Department
property maintenance, ensure that a major fire doesn't happen, for example).	Downtown Services Department works in coordination with local Fire Department to understand frequency of and results of commercial fire inspections in Downtown area.	2023-2024	Leadership sets expectation, Research	Downtown Director, Fire Department
5. Ordinance allows live/work	Downtown staff will work with Planning Department staff to propose a code change to allow for more affordable housing (live/work units) to come online in the Downtown area.	2025-2026	Policy change	Downtown Director, City Planner
spaces (for smaller SF spaces with residential on the main floor rear of buildings).	Downtown Management Board writes a letter of support for code changes that would allow more affordable housing (live/work units) to be developed in the Downtown area to be read and placed on the record during Council meetings.	2025-2026	Messaging, Leadership sets expectation	Downtown Management Board
6. Find way for non-local owners to sell/reinvest their properties to avoid capital gains taxes.	Downtown Director and City Planner to meet with local bankers, finance professionals, and state economic development specialists to understand tax programs and opportunities for property owners to divest.	2027-2028	Research	Downtown Director, City Planner



ORGANIZATIONAL CHALLENGE: WHO IS DOWNTOWN FOR?

The question "Who is Downtown for?" was a threat identified in the organizational SWOT Analysis. It was originally included in the SWOT analysis as Downtown Isn't For Me. Conversations with regional leaders, staff and stakeholders centered on WHO uses downtown and who the programs and services are designed around. Questions such as "who do you think goes downtown?" or "what do you personally go downtown to do?" were asked of interviewees. It is apparent that Downtown Petoskey caters incredibly well to a 55+, white, affluent tourist or seasonal resident customer demographic. As reinforced by the Petoskey Area Visitor Bureau's data (included in the Environmental Scan chapter), many visitors to Petoskey are repeat visitors. As it was described to us, "you come to Petoskey and you fall in love". This is an excellent testament to the quality of Petoskey's offerings and environment, but it spells out an unclear and uncertain future.

Conversations surrounding how to expand downtown messaging and continue to attract a new demographic of repeat visitors was a major theme within the topic of marketing. In conversations specific to this topic, the Downtown Management Board and Organizational Task Force were consistent in their desire to ensure that downtown is for everyone. This means an intentional effort to attract a more diverse base of customers and businesses, and to ensure that residents feel that downtown is a place for them, as well. The cluster of businesses that has performed very well in Petoskey is not as socioeconomically inclusive as it could be. This is not a knock on the businesses who operate in this market — but there is a desire to ensure that locals can use downtown to access things they need and that the community feels livable and accessible for all.

STRATEGIC PRIORITIES FOR "WHO IS DOWNTOWN FOR?":

These strategic priorities are detailed in the strategic framework, with specific action steps aligned to each outcome.

- 1. A more affordable anchor store is located downtown.
- 2. Year-round visibility is enhanced for the community, which balances out the seasonality of the market.
- 3. A movie theatre is attracted to downtown.
- 4. A pharmacy or grocery use is incorporated into the redevelopment of The Hole.
- 5. There is a balance between affordable businesses and events and higher-priced businesses targeting visitors.

CONSULTANT RECOMMENDATIONS

Beyond what was generated from a staff and Board level on this topic, the consultants recommend the following:

- Continue to maintain and market the business mix you already have that is performing well. But make a concerted effort to research and encourage the development of amenities that would be more largely used by locals, in addition to visitors. These might include developments like a movie theatre, grocery use, or a pharmacy.
- As is reiterated in the Future Role of Marketing and Future Role of Events sections of the strategic plan, there needs to
 be a larger emphasis placed on the off season. The downtown is already, in many ways, at capacity during the summer months. The incredibly seasonal nature of business means that downtown businesses rely on seasonal workforce
 (harder than ever to attract). The downtown organization's efforts to market and create a livable environment outside
 of the summer (often by engaging local, year-round residents) will strengthen a typical down time of year for businesses and increase the message that downtown is not just for tourists.
- Downtown Petoskey has in the past marketed itself with language that conveys luxury, expense, refinement, and frankly, quite highbrow. The 'Gaslight' District and use of verbiage like treasure, or even 'rare quality', do not necessarily convey the current message that the Downtown Management Board has embodied in this strategic planning process. Messages of inclusion, shared experiences and memory-making are much more the vein that current internal conversations have taken. It may be time for Downtown Petoskey to consider their branding and messaging to ensure that it meets their present goals of inclusivity and experiences.

SWOT Challenge:	Who is Downtown "for"?			
Desired Outcome by 2028	Action Steps to Reach Outcome	Timeline to Complete Action Steps	Resources Needed to Complete Action Step	Internal Lead on Action Step
1 A more affordable anchor store	A market gap analysis is completed to understand market leakage areas.	2023-2024	Research, Budgetary support	Downtown Management Board
is located downtown.	Downtown staff works with the City Manager and City Planning Department to communicate with site selectors on specific sites.	2023-2024	Relationship management	Downtown Director, City Manager, City Planner
2. Year-round visibility is enhanced for the community,	Downtown organization focuses their marketing and events efforts in the shoulder and off-season to promote amenities, activities to local audience as well as visitors.	2023-2024	Leadership sets expectation	Downtown staff
which balances out the seasonaily of the market.	Downtown organization works with Petoskey Area Visitors Bureau to maximize winter season area tourism.	2023-2024	Relationship management, Messaging	Downtown staff
	The movie theatre market analysis which was completed by the Downtown organization is reviewed with City Manager and City Planning Department and next steps are established.	2025-2026	Relationship management, Leadership sets expectation	Downtown Director, City Manager, City Planner
3. A movie theatre is attracted to downtown.	Specific sites for a small–format movie theatre are identified in the downtown area.	2025-2026	Research	Downtown Staff, City Planner
	Direct outreach is made to movie theatre operators within a 2-hour radius to explore feasibility of additional location in Petoskey.	2025-2026	Relationship management, Messaging	Downtown Staff, City Planner

	A market gap analysis is completed to understand market leakage areas.	2025-2026	Research, Budgetary Support	Downtown Management Board
4. A pharmacy or grocery use is incorporated in the redevelopment of The Hole.	Downtown staff works with the City Manager and City Planning Department to communicate with site selectors or specific operators that might consider being an anchor tenant in such a development.	2025-2026	Relationship management, Messaging	Downtown Director, City Manager, City Planner
	City staff and City Council set an expectation that a community-serving retail component is a highly desired component of any proposed development for The Hole.	2025-2026	Messaging, Leadership sets expectation	Downtown Director, City Manager, City Planner, Plan Commission, City Council
	Downtown Petoskey organization does not brand itself around the type of businesses in the downtown (such as high end, boutiques), but instead focuses on the variety of businesses.	2027-2028	Messaging	Downtown Staff
5. There is a balance between affordable businesses and events and higher-priced businesses targeting visitors.	Downtown Petoskey organization widens its brand messaging beyond the "Gaslight District", which sends a message of exclusivity and affluency that may not appeal or be accessible to many visitors.	2027-2028	Messaging	Downtown Staff
	Downtown organization continually identifies missing types of businesses that would benefit the mix of downtown offerings and solicits their location in the downtown area.	2027-2028	Research	Downtown Director, City Manager, City Planner



ORGANIZATIONAL CHALLENGE: FRESH PERSPECTIVES ARE NEEDED IN PETOSKEY

The need for fresh perspectives in Petoskey was a threat identified in the organizational SWOT Analysis. Petoskey's emphasis on maintaining the quality of the downtown product (a Hallmark look and feel, so to speak) is interpreted by some as a resistance to change which spells out future irrelevancy. Some others feel that the downtown organization favors the insights and voices of legacy business owners in the community and is not welcoming to newcomers.

In discussing this dynamic with board members, they shared that some new business owners enter the community with a desire to "mold Petoskey into something different" or to "fix it". Board members resoundingly feel that the community is not broken. This said, the organization as a whole must find a way to ensure that business owners feel valued and that their voices are heard, while not compromising on the identity that Petoskey has built over time.

STRATEGIC PRIORITIES FOR PETOSKEY'S REPUTATION OF NOT BEING BUSINESS-FRIENDLY:

These strategic priorities are detailed in the strategic framework, with specific action steps aligned to each outcome.

- 1. We are open to change and new ideas, but we are thoughtful and mindful in how we approach it. We aren't replicating other places, but rather developing our evolved version of ourselves.
- 2. We (as an organization) have more facetime with our business members.
- 3. We are stewards of existing businesses and help to preserve legacy in Petoskey.
- 4. The Downtown Petoskey business community is highly connected to one another.
- 5. Petoskey is a destination for younger people to relocate to.
- 6. Downtown Management Board members have a unified message ("elevator pitch") about the Downtown organization and district.

CONSULTANT RECOMMENDATIONS

Beyond what was generated from a staff and Board level on this topic, the consultants recommend the following:

Strive for Improved Business Feedback and B2B Connectivity

- It can be tempting to not solicit feedback as an organization when feedback is more often critical than not or when efforts to solicit feedback (such as online surveys) have had limited response. It is important that the downtown organization powers through and creates opportunities for business owners to share feedback in multiple formats. One mechanism to invite more personal feedback is by facilitating events that are B2B (business to business).
- The downtown organization used to coordinate a Thirsty Thursday social event for downtown businesses before the pandemic. It is recommended that this be brought back, as well as creating a morning counterpart event ("Business over Brew" or something of that nature) to be inclusive of varying schedules and availability. Now that time has been taken off from this event, it will be a good time to test if the relevancy and desirability of the event is still there.
- Garnering face time with business community members is an invaluable way to gain the trust and feedback from the business community on their own turf. It is recommended that the Downtown Management Board develop and implement a Downtown Block Captain program where board members are encouraged (strongly!) to visit their list of businesses on a quarterly basis. While time is always a challenge, it is strongly recommended that the Downtown Director spend a minimum of 8 hours monthly (or 2 hours weekly) on business visits.

Messaging

- The organization's current marketing and social media policy uses words that favor multigenerational businesses such as "legacy" or "iconic". It is important that the Downtown organization find balance between celebrating multigenerational business' success and welcoming newer businesses. Equal treatment will ensure that no business feels that they are undervalued or underrepresented by the organization. Our firms would recommend that business members should be treated equally and no preferential treatment (perceived or otherwise, including from a marketing standpoint) should be bestowed to any particular businesses.
- In keeping with themes of livability and vibrancy throughout the strategic planning process, there was a reflected desire to attract more residents to Petoskey and to continue to enhance the community for a resident base (current and future). Remote work has its down sides, but the future of work and its ability to happen anywhere has opened up opportunities for flight to quality. Petoskey's remarkable quality of life makes it a prime candidate for relocation. Communities like Tulsa, OK and the State of Vermont have successfully deployed relocation efforts marketing the community as an excellent quality of life place to live and work.

h Perspectives	•
Petoskey needs Fresh	•
SWOT Challenge:	

Desired Outcome by 2028	Action Steps to Reach Outcome	Timeline to Complete Action Steps	Resources Needed to Complete Action Step	Internal Lead on Action Step
	Downtown Director and Board Chair make a priority to hear out business owner's perspectives and separate potential criticism from the end result that the business owner desires.	2023-2024	Relationship management, Leadership sets expectation	Downtown Management Board, Downtown Director
1. We are open to change and new ideas, but we are thoughtful and mindful in how we approach it. We	When a change is requested to an event or a policy, it is brought before the appropriate committee and the business owner is invited to attend and speak on the topic.	2023-2024	Leadership sets expectation	Downtown Management Board, Committees
aren't replicating other places, but rather developing our evolved version of ourselves.	Our mission and vision for Petoskey as an organization is ALWAYS considered when changes are requested. By ensuring that we honor our mission and vision, we can evolve in the right way without losing that which makes us special and unique.	2023-2024	Messaging, Leadership sets expectation	Downtown Management Board, Committees
	Downtown Director and Downtown Management Board consider new mechanisms to solicit and evaluate feedback from the Downtown business community.	2023-2024	Relationship management, Leadership sets expectation	Downtown Management Board
2. We (as an organization) have more facetime with our business	Develop and deploy a block captain program where Downtown Management Board members are assigned a list of businesses to visit on behalf of the organization once a quarter.	2025-2026	Leadership sets expectation	Downtown Management Board
members.	Downtown Director to dedicate 2+ hours weekly to face time with downtown business owners. Management Board members can and should communicate business owners that should be a priority for visits.	2025-2026	Leadership sets expectation	Downtown Director

	Adopt a morning coffee event (as a counter to Thirsty Thursday) such as "Business Brew" where merchants who can't make an after hours commitment can meet and network with peer business owners.	2025-2026	Leadership sets expectation	Downtown Staff
	Reintroduce Thirsty Thursday event for merchants to make positive association of Downtown Organization serving as a business connector.	2025-2026	Leadership sets expectation	Downtown Staff
3. We are stewards of existing	Downtown organization develops a business transition program to provide candidate merchants (legacy businesses looking to transition ownership) with accounting assistance to position themselves for transition.	2025-2026	Relationship management, Leadership sets expectation	Downtown Director
legacy in Petoskey.	Downtown organization strives to treat all business members as though they could be future legacy businesses – and rethinks social media / marketing policy which shows preferential treatment to iconic or legacy businesses.	2025-2026	Policy change, Leadership sets expectation	Downtown Director, Marketing Committee
4. The Downtown Petoskey business community is highly	Establish a Downtown Petoskey ambassador program of fellow merchants and business owners. This committee can accompany the Downtown Director on new business welcome visits.	2027-2028	Relationship management, Leadership sets expectation	Downtown Staff
connected to one another.	Incorporate a business highlight or profile on business owners into B2B communications put out by Downtown Petoskey, helping fellow business owners to understand the background of their peers.	2027-2028	Messaging	Downtown Staff
5. Petoskey is a destination for younger people to relocate to.	Downtown Petoskey works with City leadership, the Petoskey Chamber, and regional leaders to develop messaging around why Petoskey is a destination for relocation.	2027-2028	Relationship management	Downtown Director

Relationship management	Relationship management, Downtown Director Budgetary Support	Messaging, Leadership Management Board, sets expectation Downtown Staff	Leadership sets expectation
2027-2028	2027-2028	2027-2028	2027-2028
Downtown Petoskey works with City leadership, the Petoskey Chamber, and regional leaders to develop a relocation program, complete with resources about amenities, housing, and how to connect with other transplants.	Downtown Petoskey works with City leadership, the Petoskey Chamber, and regional leaders to financially support a relocation program to help financially encourage relocation to the Petoskey area.	Downtown Management Board and Downtown Director consider their audiences and identify key messages for each respective audience. New board members are oriented in these messages to ensure consistency.	Downtown office employees all receive a brand message training, to understand the identity of the organization, its role in the community, and the customer service expectations.
		6. Downtown Management Board members have a unified message	



ORGANIZATIONAL CHALLENGE: FUTURE OF DOWNTOWN EVENTS

While not identified in the organization's SWOT analysis, the Downtown Management Board asked that we address the topic of downtown events directly in their initial RFP. Downtown Petoskey coordinates roughly a dozen signature events and promotions throughout the year through their Programs and Services budget, which is funded directly through downtown property owner special assessments. During the COVID-19 pandemic in 2020 and 2021, many events were cancelled. In the business survey conducted as a part of the strategic planning process, it was not clear that the business community truly missed having such a robust calendar of events — or that it had a financial impact on their business either way.

Coordination of downtown events has been a contributor to staff burnout within the Downtown organization, an issue which was addressed at length under the Downtown Staff are the "Bad Guys" and the Downtown Staff Disconnect from City Hall sections of this plan. While events serve an important purpose in facilitating the vibrancy of a place, there is a desire to rethink events and the Downtown organization's role in them.

During an Organizational Task Force meeting in July on Zoom, board members sorted the series of current downtown events into four buckets. These buckets and the associated events are indicated below. Some events are located in multiple buckets. Events that are held downtown, but coordinated by another organization are indicated with an asterisk* and italicized text. If an event is not listed, it is either under reconsideration for future years or has been discontinued.

Events Which Encourage Direct Patronage of Local Downtown Businesses:

- Sidewalk Sales
- · Ladies' Opening Night
- Staycation
- · Restaurant Week*

Events Which Reinforce Downtown as a Destination for Arts, Entertainment, and Culture:

- · Summer Send-off
- · Concerts in the Park
- · Gallery Walk*

Events Which Strengthen the Connections Between Downtown Businesses:

- · Thirsty Thursdays
- · Downtown Social
- Events that Create Memorable Downtown Experiences:
- Staycation
- · Friday Night Movies
- · Wonderful Winter Weekend
- · Farmer's Market*
- · Downtown Trick or Treat
- · Holiday Parade*
- · Summer Celebration
- · Summer Send-off
- · Christmas Open House
- Friday the 13th Ghost Walks*
- · Santa's Visit*

It is clear from this sorting exercise that the **Creating Memorable Downtown Experiences** bucket indicates a strong suit for Downtown Petoskey's events (and downtown events that they support from other organizers). While not all events need to fit into this category, this does seem to be a category that performs very well. It is recommended that new events under consideration fit into one of these four buckets.

STRATEGIC PRIORITIES FOR THE FUTURE OF EVENTS:

These strategic priorities are detailed in the strategic framework, with specific action steps aligned to each outcome.

- 1. Downtown Petoskey is a vibrant year-round community and our organization focuses our events in our shoulder and off-season.
- 2. The Downtown Petoskey events calendar matches the capacity of Downtown staff to coordinate and Downtown merchants' capacity to participate.
- 3. The Downtown office has a cohesive relationship with other City departments in order to deliver great events.



ORGANIZATIONAL CHALLENGE: FRESH PERSPECTIVES ARE NEEDED IN PETOSKEY

4. Downtown office helps to co-fund an events-focused staff position in the Parks and Recreation Department.

CONSULTANT RECOMMENDATIONS

Beyond what was generated from a staff and Board level on this topic, the consultants recommend the following:

Develop Methodology for Adding and Evaluating New Events

- Improvements could be made to the methodology of creating new events. It is recommended that a Pre-Event Expectations sheet and a Post-Event Evaluation sheet be developed to understand how an event performed (and if its performance aligned with expectations).
- Business capacity to participate in events has been hindered by the severe workforce shortages that are being experienced regionally and nationally. As such, it is advised that the Downtown organization be highly mindful of this in coordinating events. By engaging in direct request for feedback from businesses who have pulled back in their participation, the organization can gain a greater understanding of where business capacity is (a different season? A different time of the day?).

Work Toward Improved Interdepartmental Functionality

- There is interest from the City Parks and Recreation Department to support an events-focused role. Such a role would have natural alignments between the Parks and Recreation and Downtown Services Department. The position could be jointly funded and shared between the two organizations, or the Parks and Recreation Department could facilitate programming of events in downtown parks that the Downtown organization could use to promote downtown as a highly livable destination. This event could also take some of the burden off the shoulders of the Downtown Staff.
- As touched on the Downtown Disconnect from City Hall section, our firms feel that interdepartmental relations will be strengthened through the Downtown office having a presence in City Hall. Regular communications and interactions between departments like Parks and Recreation, Public Works and the Police Department would ensure that events logistics are on the radar and do not come as a surprise to organizational staff.
- Our firms would recommend filling the Marketing and Promotions Coordinator position, but strongly weighing how and if a partnership with a Parks and Recreation position could reduce some of the challenges associated with event coordination. We would recommend a methodical reintroduction of events post COVID-19 and implementation of preevent and post-event measurements to interpret the impact and value the events garner on an individual level.

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SWOT Challenge:

The Role and Future of Events

Desired Outcome by 2028	Action Steps to Reach Outcome	Timeline to Complete Action Steps	Resources Needed to Complete Action Step	Internal Lead on Action Step
	The Events Committee evaluates the full series of events and eliminates or significantly scales back on peak summer season events.	2023-2024	Leadership sets expectation	Downtown Staff, Events Committee
1. Downtown Petoskey is a vibrant year-round community and our	The Events Committee focuses on experiencedriven and memory-making events as their main focus when considering new events or continuation of existing events.	2023-2024	Leadership sets expectation	Downtown Staff, Events Committee
organization focuses our events in our shoulder and off-season.	Promotions and contests that still facilitate the goals of experiences and memory-making, but which are less staff intensive are a primary goal moving forward.	2023-2024	Leadership sets expectation	Downtown Staff, Events Committee
	Downtown organization continues to financially support other event organizers that facilitate beloved community events.	2023-2024	Leadership sets expectation, Budgetary Support	Downtown Management Board
2. The Downtown Petoskey events	Exit interview feedback from prior Events Staff are reviewed and considered in developing a new position description for the role.	2023-2024	Leadership sets expectation	Downtown Management Board, Downtown Director
calendar matches the capacity of Downtown staff to coordinate and Downtown merchants capacity to participate.	A targeted survey is distributed to retailers and merchants who have not participated in events in recent years to understand WHY and what could be done differently.	2023-2024	Research	Downtown Staff
	Survey feedback is considered by the Events Committee in developing the next season event slate. Surveys should be distributed by mail or in-person as online survey responses have been poor historically.	2023-2024	Research	Downtown Staff

	A pre-event expectations sheet is completed before every event defining success (Attendees, dollars generated, participation by businesses, seamless collaboration with City staff).	2023-2024	Policy development	Downtown Staff, Events Committee
	A post-event evaluation is completed after every event. Event participants (staff, businesses, committee members) are invited to share feedback. This tool is used to determine if events should continue in the future.	2023-2024	Policy development	Downtown Staff, Events Committee
	Through relocation to offices in City Hall, Downtown Staff meet regularly with Parks and Public Works Department staff members to review event needs.	2023-2024	Relationship management	Downtown Staff
3. The Downtown office has a cohesive relationship with other City departments in order to deliver great events.	A City Special Events review committee is established (if not already in existence) to review City-supported event needs for Downtown and other organization events.	2023-2024	Policy development, Leadership sets expectation	Downtown Staff, City Manager
	Downtown Staff develop an internal-facing events calendar and indicate dates where City staff support is needed which is distributed to each relevant department on a quarterly basis.	2023-2024	Leadership sets expectation	Downtown Staff
	Downtown Staff discuss goals of an events–focused role in the Parks Department to understand if there could be overlap or partnership between the two departments.	2025-2026	Research	Downtown Staff, Parks and Recreation Department
4. Downtown office helps to co- fund an events-focused staff position in the Parks and Recreation Department.	Develop a position description for a shared events-focused staff position within the Parks and Recreation Department with clear expectations of what downtown events would be supported through this role and to what capacity (hours).	2025-2026	Research	Downtown Staff, Parks and Recreation Department
	Evaluate amount that Downtown organization budget could support the creation of the events-focused staff role in the Parks and Recreation Department and benchmarks for success.	2025-2026	Budgetary Support	Downtown Staff, Downtown Management Board

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🚱 ORGANIZATIONAL CHALLENGE: FUTURE OF DOWNTOWN MARKETING

While not identified in the organization's SWOT analysis, the Downtown Management Board asked that we address the topic of marketing efforts directly in their initial RFP. Downtown Petoskey's marketing aim is to reach individuals who are already in the area (regional visitors, seasonal residents, locals) - not to necessarily draw new visitors to the region. By targeting individuals who are already in the area, the Downtown organization seeks to motivate these individuals to make Downtown Petoskey a part of their time in the area.

The downtown organization has a presence on Facebook, Twitter (this presence is not particularly active), and Instagram, as well as their website for digital marketing. Print materials such as a downtown shopping map and a holiday guide are printed and made available on a seasonal basis. Currently, the downtown organization works with a contractor to plan and execute social media marketing posts. The Events and Marketing staff position (not currently filled) managed social media and events execution prior to this.

The Marketing Committee of the downtown organization describes their audiences as a three-legged stool - aiming to communicate with the three target audiences of locals, regional visitors, and seasonal residents. There has been some concern in recent months from some Marketing Committee members on where the priority should lie between those three legs. The committee aims to balance the three at present.

STRATEGIC PRIORITIES FOR THE FUTURE OF MARKETING:

These strategic priorities are detailed in the strategic framework, with specific action steps aligned to each outcome.

- 1. Petoskey is a destination for young professionals to live (which sets the tone of downtown vibrancy).
- 2. Downtown Petoskey has a presence on TikTok (or other emerging social media channels).
- 3. Downtown Petoskey has a cohesive marketing strategy with an emphasis on experiences had in Downtown Petoskey.
- 4. Downtown Petoskey engages in more social media marketing direct campaigns.
- 5. Downtown Petoskey markets to outdoor recreation visitors already in the area.
- 6. Active transportation is supported in Downtown Petoskey.

CONSULTANT RECOMMENDATIONS

Beyond what was generated from a staff and Board level on this topic, the consultants recommend the following:

Clearly Define Audiences and Messages

- · It was quickly evident that the messaging geared toward the three audiences is somewhat similar. This one size fits all approach for messaging is assuredly, more efficient, but the reality is that the messages that Petoskey has for its different audiences, are also different. A messaging matrix is included in the appendix of this strategic plan with a recommended approach for how the messages differ from audience to audience.
- On the whole throughout the strategic planning process, the Board and Organizational Task Force are leaning into messages and themes of inclusivity, livability and accessibility. With the idea being first and foremost that Petoskey is a highly livable community – one that is so much so that it is also a vacation destination, the messaging methodology may change to deliver this message effectively.

Placemaking as Marketing

- Recommendations outlined here speak not only to direct marketing efforts, but also efforts within the downtown area that send a message indirectly (such as the types of programs or placemaking efforts that occur).
- Downtown's current image is very Hallmark movie, and this imagery dominates the social media feeds with pictures of landscape (parks, flower boxes, Little Traverse Bay), storefronts and timeless charm. These pictures do not necessarily send a message of creativity, vibrancy or livability – it seems like something you'd see in a movie, but not a place where you might live. A stronger emphasis on placemaking efforts from the downtown organization, or perhaps coordinated programming with the Parks and Recreation department could foster a better feel of livability (such as pop-up lawn games and programs, outdoor fitness classes, or public art).

Social Media Messaging and Imagery

From a social media standpoint, a stand out account to refer to is Downtown Grand Rapids. Their Instagram account consistently highlights activities, people engaging in unique Grand Rapids experiences, public art installations, and highlighting local businesses. This account sends a consistent message that Grand Rapids is a highly livable, experien-

ACTION PLANS & IMPLEMENTATION

tial and creative community.

- In order to address the concern raised in the "Who is Downtown For?" section, it is highly recommended that the downtown organization be very conscious of representation in imagery. Wherever possible, images should show inclusive audiences of different ages, races/ethnicities, abilities, etc. If a focus on inclusion is a true priority of the Board, messaging should reflect this in its imagery.
- Board members indicated a desire to see social media marketing deployed more strategically. Rather than simply directing static content toward real time viewers, geo-fenced or location specific deployed ads and posts can help your message reach a target demographic. If a goal is to enhance the profile of the region in the off-season, geo-fenced advertising targeting winter recreation enthusiasts at Boyne Mountain might make sense for supporting with a small social media promotions budget.

Outdoor Recreation and Active Transportation

- The regional messaging from the Petoskey Area Visitors Bureau is leaning heavily into outdoor recreation and outdoor experiences. Wherever possible, Petoskey's downtown organizations should make connections in messaging between recreation in proximity, such as the Little Traverse Wheelway, Petoskey State Park, or Little Traverse Bay recreation options.
- Lastly, another element discussed as a part of the 5-year vision for Petoskey was to ensure that downtown was more accessible. Part of this is to help mitigate the parking demand by making active transportation a more functional means of accessing Petoskey. The Downtown Trolley has not returned consistently since COVID-19 due to staffing shortages and an inability to access licensed CDL drivers to operate them. The trolley is a key mechanism to transport individuals outside of Petoskey into the community and it should be established as a top priority to resume this service, even if additional compensation is needed to make this a reality.

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Desired Outcome by 2028	Action Steps to Reach Outcome	Timeline to Complete Action Steps	Resources Needed to Complete Action Step	Internal Lead on Action Step
	Placemaking efforts become a bigger focus of the role of the Downtown organization (such as pop-up uses in Downtown spaces, pop-up programs).	2023-2024	Budgetary support, Leadership sets expectation	Downtown Management Board, Downtown Staff
1. Petoskey is a destination for	Public art is welcomed into the Downtown area and is not highly regulated to ensure a "brand fit", rather creative expression is encourage even if it departs from the standard look and feel of downtown.	2023-2024	Policy development, Leadership sets expectation	Downtown Management Board, Downtown Staff
sets the tone of downtown vibrancy).	Programs are jointly coordinated with the Parks and Recreation Department in downtown parks that promote livability and accessibility (such as pop-up shuffleboard, lawn games, yoga, etc.)	2023-2024	Leadership sets expectation	Downtown Staff, Parks and Recreation Department
	Social media and marketing images and messages focus on livability and highlight diverse groups of people enjoying activities and experiences (rather than focusing so heavily on imagery of parks, waterfront).	2023-2024	Messaging	Downtown Staff, Marketing and Social Media Contractor
2 Downtown Detockey has a	Downtown organization ensures that new social media outlets are evaluated yearly and built into social media management contract for inclusion.	2023-2024	Leadership sets expectation, Budgetary support	Downtown Staff, Marketing and Social Media Contractor
presence on TikTok (or other emerging social media channels).	Downtown organization evalutes what audiences they are reaching through their various social media platforms and joins new platforms with intentionality of what market segments they want to reach (gap identification).	2023-2024	Research	Downtown Staff, Marketing and Social Media Contractor

SWOT Challenge:

	Downtown organization prioritizes a presence on a sustainable number of platforms. If a platform fails to perform well, the organization maintains a presence on platforms that show potential and good progress.	2023-2024	Leadership sets expectation	Downtown Staff, Marketing and Social Media Contractor
	A new approach on social media focuses on images of people having experiences and serves as a direct call to action to have experiences and make memories.	2023-2024	Messaging	Downtown Staff, Marketing and Social Media Contractor
3. Downtown Petoskey has a cohesive marketing strategy with an emphasis on experiences had in	Images highlighted in marketing show a wide diversity of types of people (ages, abilities, race or ethnicity, etc.) engaging in expereinces and memory-making in Petoskey.	2023-2024	Messaging	Downtown Staff, Marketing and Social Media Contractor
Downtown Petoskey.	A messaging matrix is developed that seeks to deliver specific messages to different demographic segments. This may mean that different content is shared on different platforms to more effectively reach a targeted demographic.	2023-2024	Messaging, Research	Downtown Staff, Marketing and Social Media Contractor
4. Downtown Petoskey engages in more social media marketing	By using geofence technology, Downtown Petoskey can target specific messages to key demographic users seasonally (for example – highlight restaurants to Boyne Mountain users in winter months) with a targeted ad.	2023-2024	Messaging, Budgetary Support	Downtown Staff, Marketing and Social Media Contractor
direct campaigns.	Downtown organization uses paid social media advertising to further the reach of promotions in shoulder seasons that promote visitation.	2023-2024	Messaging, Budgetary Support	Downtown Staff, Marketing and Social Media Contractor
5. Downtown Petoskey markets to outdoor recreation visitors already	Downtown Petoskey works with the Petoskey Area Visitors Bureau to understand their targeted visitor demographics and what the preferences and consumer habits of those demographics are.	2025-2026	Relationship management, Research	Downtown Staff
in the area.	Downtown organization uses targeted campaigns to highlight outdoor recreation or sustainability–focused business offerings in Petoskey to regional visitors.	2025-2026	Messaging, Budgetary Support	Downtown Staff, Marketing and Social Media Contractor

	Downtown organization considers outdoor advertising options near major outdoor destinations (State Parks, ski hills, wheelways).	2025-2026	Messaging, Budgetary Support	Downtown Staff, Downtown Management Board
	Downtown Trolley is able to return annually through significant compensation (treat this as a loss leader).	2025-2026	Budgetary Support, Leadership sets expectation	Downtown Management Board
6. Active transportation is coordinate a supported in Downtown Petoskey. Downtown.	Downtown Petoskey works with City staff to coordinate a bike share or scooter system in Downtown.	2027-2028	Budgetary Support, Leadership sets expectation	Downtown Staff, City Manager, City Planner
	Pedestrian wayfinding that directs pedestrians and cyclists toward wheelways is promoted (vs. just automobile centric wayfinding).	2027-2028	Messaging, Budgetary Support	Downtown Staff, City Manager, City Planner



IMPLEMENTATION AND FUTURE PLANNING CONSIDERATIONS

As this plan was developed, Downtown staff and Downtown Management Board members were included in a meaningful way in the planning process. Over time, these individuals will change, and it is important that this plan remains a fluid document, capable of changing with changing leadership. As the faces that make up Downtown Petoskey leadership change in the coming years, organizational or community desires, priorities, and wishes may also evolve. This document should be reviewed and updated more regularly than once a decade. In fact, as with past strategic planning documents, Downtown Petoskey has had great success in implementing and updating strategic plans as an organization.

Specific recommendations for implementation and progress measurement in Petoskey:

- As a part of the City of Petoskey, the larger organization does not have a Human Resources department. Department heads (including the Downtown Director) are asked to complete employee evaluations once annually with all department employees and these are kept on file. Per the Downtown Director, the City has not asked for copies of evaluations in the past. There is no formal template for conducting employee evaluations. The current model of employee evaluations for the Downtown organization is for the Director to once a year review the employee's job description and note what is working well or where more efforts should be focused in the coming year. The process was described to our firms as "brief, conversational, and sometimes uncomfortable".
- Our firms recommend that the Downtown organization begin implementing a more contemporary trend of 3-4 time per year "stay interviews" with current employees. These casual and conversational touchpoints between leadership and staff are a way to unearth challenges or opportunities early on, as well as to ensure that roles are a right-fit for employees and vice versa. Stay interviews are short (30 minutes or less) and are often paired with employee-initiated performance feedback tools that are open-ended in nature. This is a departure from the traditional scorecard employer-initiated performance review which is inherently one-way and does not invite conversation as organically. An example of an employee-initiated tool is included within this plan.
- Our firms would recommend seamless integration of strategic plan benchmarks into a new stay interview process. As many of the strategic plan initiatives have the Downtown Director as the lead, the Director should have their own "stay interview" with the Downtown Management Board Chair. Some examples of open-ended strategic planning questions could be include:
 - O Thinking of our 5-year Downtown Petoskey strategic plan for 2023–2028, what outcomes have you been a part of working toward? What outcomes do you feel you'd like to focus on in the coming year?
 - O One of our strategic plan missions for 2023–2028 was "to make Downtown Petoskey a special and unique place for all through placemaking and experiences", what specific things are being implemented right now that are moving Downtown Petoskey in the direction of that mission?
 - O Is there an outcome defined in our 2023–2028 strategic plan that you feel we are doing a good job of moving toward within our organization? Is there an outcome that you feel we need to focus more on in the coming year?
- We also recommend that new staff members receive a Downtown organization mission and values onboarding process. It is important for all Downtown employees to understand how their role fits into the larger mission of the organization (both the values, mission and the strategic goals) and to understand that their performance will in part be evaluated on how they are honoring the mission, values and goals through their work.
- An opportunity for Downtown Petoksey to further implement and measure implementation of the strategic plan is the
 hiring of a new individual for the Marketing and Promotions role. With specific outcomes being defined for Petoskey's
 messaging and marketing (see Messaging Matrix in the plan appendix), this role can be leveraged to use new messaging strategies to reinforce strategic plan outcomes that the organization is working toward.
- Lastly, with the goal of greater connectivity within the Downtown business community, Downtown Management Board
 members and staff should be delivering a unified message to the local business community in their interactions. Use
 of an annual meeting, a State of Downtown event, and the return of the Thirsty Thursday downtown business owner
 networking events will drive better connection and engagement and a mechanism to deliver the Downtown message.
 Implementation of new annual report deliverable and a Block Captain program will also help to drive connectivity and
 an understanding of the importance and core function of the Downtown organization.
- In generating reports and messaging, keep in mind that reporting of metrics and measures should take place more
 frequently than annually, and the Events and Marketing (or contracted social media manager) can help Downtown
 Petoskey to create visual reporting metrics vs. written narrative. Information consumption for many now happens
 through skimming vs. reading, and the incorporation of visuals, infographics, or quick takeaways may be digested in a
 more meaningful way than a long-winded report. If the Downtown Director could incorporate 2-3 visual metrics on a

monthly basis to the Downtown Management Board, this would likely serve the goal of keeping strategic planning in the front of leaderships' minds and to ensure that data is received in a meaningful way.

Downtown Redevelopment Considerations

In the appendices of this document, our firm has included a map of Central Business District parcels by tenant use. Parcels indicated in red are vacant as of the time of this report. Downtown Petoskey enjoys a relatively low commercial vacancy percentage, due in part to the high quality of the historic commercial structures and a market desirability for tenants to want to be in the bustling commercial district. Some specific recommendations related to vacant properties are included in the Non-Local Property Owner section of this report.

Beyond those properties which are vacant at the time of this report, our firms do recommend that the Downtown Management Board and City staff keep inventory of possible sites for redevelopment. What makes a site a potential redevelopment site?

Properties which are candidates for redevelopment may or may not be vacant at present, but there are site conditions which may make a site eligible or desirable to redevelop. Sites are not named specifically in this plan, but we recommend that staff inventory properties which may be eligible for redevelopment. This is a list of conditions which might apply in any community, and is not specific to Petoskey.

Conditions which might favor redevelopment:

- · Property conditions are deteriorating or significantly aged
- Properties have historic facades that have been replaced or modified to an extent that the architecture is no longer actively contributing to the district
- Density of a property does not match neighboring properties, and is therefore underutilized (for example, a one-story building in a block of contiguous two-story developments)
- · Property that is single-use in design and not suitable for the majority of potential property occupants
- The interior conditions of the building are aged and may pose a safety hazard (such as non-code compliant wiring or inadequate emergency egress, for example)
- · A parcel layout is faulty, or the layout of a former use is inconducive to a future use
- · A corner building on a city block that fails to anchor or complete the contiguous streetscape of the block
- · Tax or special assessment delinquencies outweigh the market value of land
- · Defective or unusual title restrictions on a property
- · Overcrowding which may pose a human hazard
- A structure's location, size, platting, or other condition impairs or arrests the community's sound growth

Our firms recommend that the Planning Department and Downtown Services Department work together and share information related to tenancy, building condition, and code enforcement to identify possible sites for redevelopment. The use of a vacant property registry ordinance (as recommended in the Non-Local Property Owners section) can also help to better manage an inventory of structures and understand their conditions.

Some properties which might be eligible candidates for future redevelopment include the following:

- · 202 E. Mitchell Street
- · 301 E. Mitchell Street
- · 319 E. Mitchell Street
- · 324 E. Mitchell Street
- · 408 E. Mitchell Street
- · 426 E. Mitchell Street
- · 430 E. Mitchell Street

- · 446 E. Mitchell Street
- · 445 E. Mitchell Street
- · 217 Howard Street
- · 200 Howard Street
- · 209 Howard Street
- 400 Bay Street
- · 313 Petoskey Street

ACTION PLANS & IMPLEMENTATION

Future Planning Considerations

Our firms' goal is to provide our clients with plans that are embraced by staff and leadership, and which are functional to implement. This means that our plans are designed with the end-users' ease of use in mind. We design a strategic framework that provides clear direction and a checklist of action steps to move forward with and a recommended timeline for completion. We know that the unexpected often happens, and changes like leadership movement or staff turnover may interrupt strategic plan implementation.

As such, for plans of this length we recommend a check-in at the end of years 1, and 2 between clients and our firm. In these 30-minute check-in meetings, we meet with clients to understand the following:

- · How implementation is proceeding
- · How responsible internal leads are implementing their assigned action steps and what barriers to completion exist
- · How metrics surrounding implementation are being shared with leadership and key funders
- · How the public / customer base is responding to the strategic goals and statement of values

Our firms will follow up directly with Petoskey in:

- · September 2023 (1 year from plan adoption)
- · September 2024 (2 years from plan adoption)

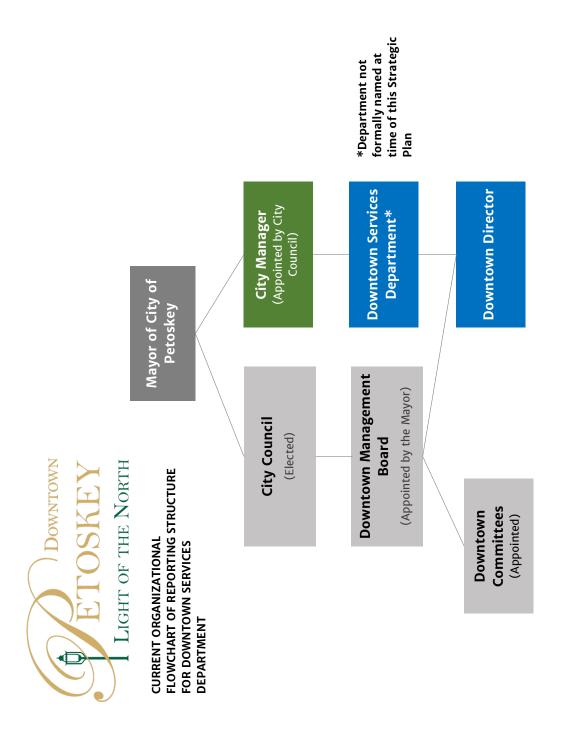
We recommend that all strategic plan clients begin initiating the planning process for their next strategic plan in the final 12-months of their current plan scope. For this current plan, we recommend that Downtown Petoskey begin in earnest the process of soliciting a new firm for a next five-year iteration in the beginning of 2027.

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10 | ADDENDA

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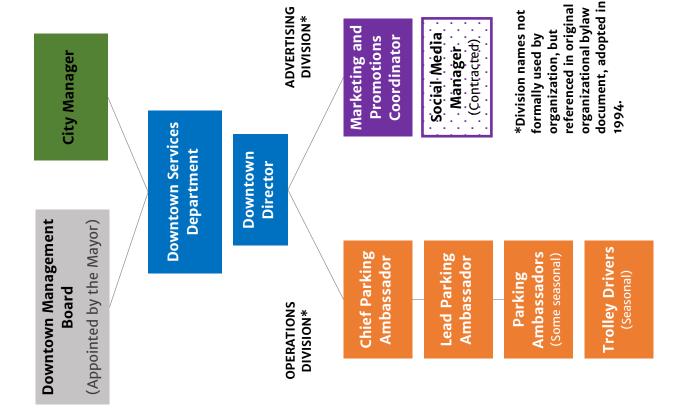
ORGANIZATIONAL CHART MODELS





CURRENT ORGANIZATIONAL FLOWCHART OF REPORTING STRUCTURE FOR DOWNTOWN SERVICES DEPARTMENT

Patterned Boxes indicate Current Contracted Roles





STRUCTURE FOR DOWNTOWN FLOWCHART OF REPORTING **SERVICES DEPARTMENT** FUTURE YEARS 1-5 ORGANIZATIONAL

Creation in Years 1-5 **Potential New Role Red Boxes Indicate**

Current Contracted Roles Patterned Boxes indicate

(Parks and Rec Dept.) Planning Departmen **Enforcement** Coordinator Officer **Events** WITH OTHER CITY SHARED ROLES **DEPARTMENTS DOWNTOWN POSSIBLE** SERVICES DIVISION **Marketing and** City Manager Social Media **Promotions** Coordinator Manager **Downtown Services Department** Downtown Director **Downtown Management** (Appointed by the Mayor) Parking Services **Chief Parking** Board Manager SERVICES **PARKING** DIVISION

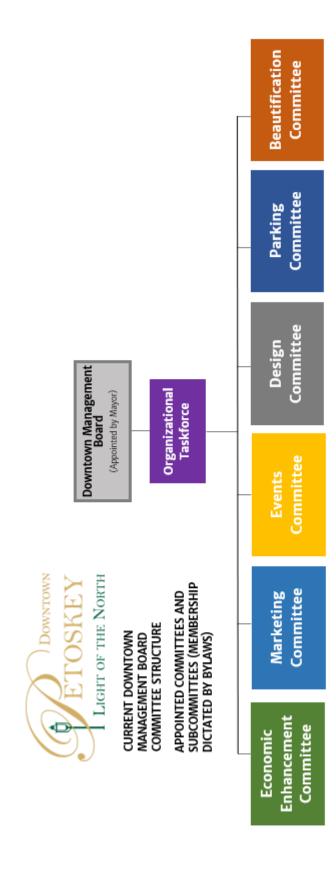
Trolley Drivers (Seasonal)

Ambassadors

Parking

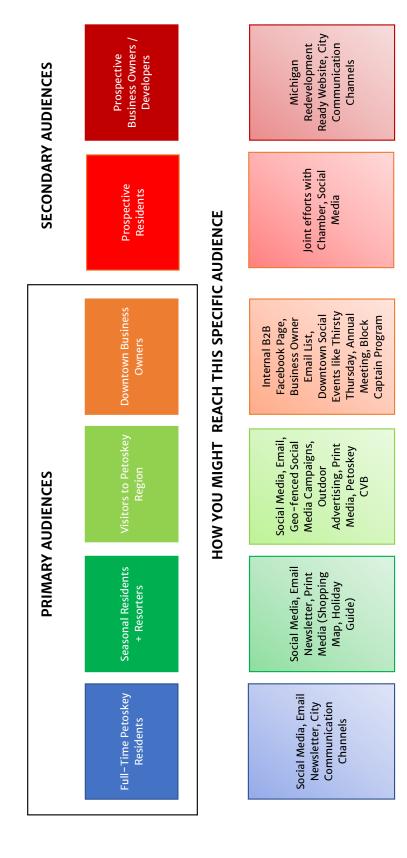
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Ambassador





MESSAGING MATRIX: AUDIENCES REACHED BY DOWNTOWN PETOSKEY





MESSAGING MATRIX: AUDIENCE-SPECIFIC MESSAGES

SECONDARY AUDIENCES	Prospective Business Owners Developers	Great place to invest with a year round economy.	Inclusive to new types of businesses.	A place your employees will want to live.
SECONDAR	Prospective Residents	Where quality of life meets opportunity.	A highly livable community with year-round vibrancy.	Inclusive of all types of people and socioeconomic levels.
	Downtown Business Owners	The Downtown org. drives experiences and vibrancy.	The Downtown org. drives new business investment.	The Downtown org. provides services you value.
PRIMARY AUDIENCES	Visitors to Petoskey Region	Year-round vibrancy.	An experience- driven destination.	Inclusive of all types of visitors and customers.
PRIMARY A	Seasonal Residents + Resorters	Year-round vibrancy.	An experience- driven destination.	Inclusive of all types of visitors and customers.
	Full-Time Petoskey Residents	Downtown is the community gathering place.	Year-round vibrancy.	A highly livable, experience-driven community.

SAMPLE STAY INTERVIEW QUESTIONNAIRE

EMPLOYEE FEEDBACK INTERVIEW				
Employee:				
Check-In Date:				
List 2-3 of your most important accomplishments or contributions since your last check-in:				
2. What's going well within our organization right now? What is your overall sentiment towards your job?				
3. What do you feel you need to work on? Do you have any challenges or road blocks to those areas that need improvement?				

- 4. Our three 2023-2028 Strategic Plan missions were as follows:
 - a. To provide residents, seasonal residents and visitors with a gathering place to connect and have memorable experiences.
 - b. We are a non-membership-based organization which provides direct services and advocacy opportunities to Downtown business owners to drive economic impact.
 - c. To make Downtown Petoskey a special and unique place for all through placemaking and experiences.

Share an example of how you are working toward one of these missions in your role:

<u>Additional topics of discussion</u>. We suggest that you ask about additional topics for further discussion with employees. Feel free to use the sample questions below, or other questions that you feel would be beneficial to discuss.

- Is there an outcome defined in our 2023-2028 strategic plan that you feel we are doing a good job of implementing right now? Where do you think we should be putting more focus?
- What are you learning here in your role, and what do you want to learn?
- What keeps you with the Downtown organization? Tell me more about why that is so important to you. Is that the only reason that you stay, or are there others?
- What skills or talents do you have that you aren't using often enough in your work today?
- What would you like to be different in our workplace? What solutions do you suggest?
- What can I do (as your supervisor or as a board member) to make your job better for you? Do I tell you when you do something well? Do I say and do things that help you do your job better?





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