

Edison Neighborhood Work Plan



The Edison Neighborhood Association

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LSL Planning, Inc.
Community Planning Consultants

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TABLE OF CONTENTS

INTRODUCTION

Why a Work Plan?	Page 2
How to Use the Work Plan.....	Page 2
Organization and Public Involvement.....	Page 3
About the Edison Neighborhood	Page 3
Demographic Data	Page 4

MARKET ASSESSMENT

Introduction	Page 7
Comparative Assessment	Page 7
Under-represented Industries	Page 10
Implications.....	Page 12
Demand Forecast	Page 12
Market Area	Page 13
Primary Market Retail & Related Services Sales.....	Page 14
Primary Market Retail & Related Services Supportable Space.....	Page 18
Primary Market Implications	Page 24
Tertiary Retail Sales & Supportable Space.....	Page 25
Retail & Related Activity Conclusions	Page 27

HOUSING DEMAND

Housing Activity Conclusions & Suggestions	Page 29
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ACTIONABLE PRIORITY TASK LIST FOR THE PROJECTS

2005 Portage Street Streetscape Project – High Priority	Page 33
Market Place Housing Development – High Priority	Page 38
Cool Cities	Page 41
Edison Place	Page 44
Upjohn Park Aquatic Center	Page 47
Washington Square Library Amphitheater	Page 48
Miller-Davis	Page 49
Schedule of Activity	Page 50
Project Roles	Page 55
Flow Chart	Page 60

INTRODUCTION

A plan can only be as effective as its ability to be implemented, but frequently this most important step is forgotten in the rush to completion. Successful plans include an implementation strategy consisting of planning-related actions and their rationale, along with the responsibilities and priorities of who needs to do what and when. While the plans that have been developed for such projects as the Portage Street corridor streetscape improvements, the library amphitheater, and the Market Place housing project have been well-received and supported by the community, the completion and implementation components need to materialize. Therefore, this Edison neighborhood Work Plan was prepared to address and synthesize the action steps of seven applicable Connecting-the-Dots projects for the neighborhood:

- *2005 Portage Street Streetscape Project*
- *Market Place Housing development*
- *Cool Cities*
- *Edison Place*
- *Upjohn Park Aquatic Center*
- *Washington Square Library amphitheater*
- *Miller-Davis*



Why a Work Plan?

The Edison Neighborhood Work Plan builds on the actions associated with each of the previously prepared plans, the responsibilities assigned to carry out those actions and a schedule of activities and a process to implement them. Specifically, this plan will help

- Prioritize Connecting-the-Dots projects
- Identify stakeholders, strategies and roles
- Support the lead organization and partners responsible for implementing projects and marketing the corridor
- Serve as a resource guide for development activity

How to Use the Work Plan

An Actionable Priority Task List for the Projects detailing the previously described projects and specific actions is presented. An introductory paragraph describes each project followed by specific action steps. Tables provide a comprehensive, easy-to-use reference for each of the organizations to determine their role in the implementation process indicating the project roles for each participant organization—and whether the role is in the form of leadership, support, or advisory capacities. Under the leadership role, the organization is the responsible entity; with the

supporting role, the organization supports the action with either technical assistance, public show of support, and/or financial consideration; with the advisory role, the organization provides sound advice, guidance, and/or other advisory resources for the action.

Next, an *Implementation Time Frame Table* indicates when the specific project will commence (beginning in 2009) and end or continue (through the year 2013). Some items have a specific completion date while others are ongoing. This table establishes deadlines for implementation and creates target completion dates for each of the organizations identified.

Organization and Public Involvement

To gain a better understanding of the current status of key neighborhood projects and their progress, a series of one-on-one stakeholder interviews was first conducted. These helped identify which projects had, for the most part, been completed; which were affected by outside forces and were in effect temporarily stalled; and which ones were on-hold for the foreseeable future due to changing priorities and economic conditions.

In addition, a series of meetings was held with neighborhood stakeholders that included Edison neighborhood staff and its leadership, the Edison Mainstreet Committee, LISC, DKI, and the city of Kalamazoo. These groups met on a regular basis to review the initial findings of the market assessment, draft priority projects and implementation strategies, and provide guidance regarding the market potential for the Market Place housing development. Ultimately, the responsibility to guide the development of this plan fell to the Edison Neighborhood Association Board.

About the Edison Neighborhood

Located just southeast of downtown, Edison is the largest of the city's twenty one identified neighborhoods, with nearly 10,000 residents. It is home to the largest Hispanic community in Kalamazoo County, is considered the most diverse neighborhood in the city, and in recent years has accommodated residents seeking alternate lifestyles. The neighborhood includes two public schools, the Kalamazoo Farmer's Market, Mayor's Riverside Park (home of Kalamazoo's semi-pro baseball team), Upjohn Park, a public library branch, and many historic buildings and homes.



Washington Square Library

Once a premiere working class neighborhood, the area declined as manufacturing jobs disappeared. By the late 1980's the Edison neighborhood had become Kalamazoo's poorest and most crime-ridden. Housing values had plummeted and businesses on once-thriving Portage Street had closed or been supplanted by adult-oriented businesses. Prostitution and drug-related crime were significant problems.

In the late 1990's, after a successful city-wide comprehensive planning effort, the city Commission turned to tackling the issues of poverty, with an emphasis on the poorest neighborhoods. Since its inception in 1968 the Edison Neighborhood Association has been

organized to help combat youth crime, blight and address housing issues. Various programs, funded by the city, state, county and federal agencies and local foundations and corporations, have contributed in helping the neighborhood turn around. These included Partners Building Community, the Edison Weed and Seed Program, Edison Main Street, Edison Business Association, Kalamazoo Neighborhood Housing Services and many others, including neighborhood churches and other grass roots organizations. Many of these programs were supported and partially funded by neighborhood employers such as Bronson Hospital and the Upjohn Corporation (now Pfizer), who had taken an interest in revitalizing the neighborhoods surrounding their facilities.

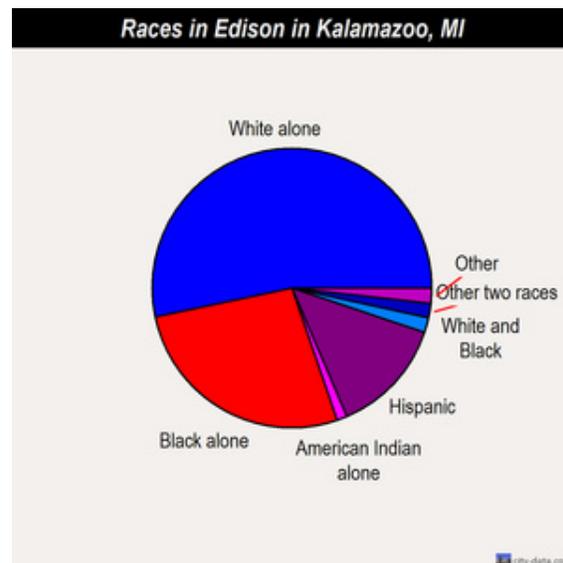
These initiatives have resulted in the purchase of buildings and the subsequent removal of a major adult club, which was the catalyst for the remaining adult activities to leave the neighborhood. As a result, homes have been revitalized, with help from various sources.

Slowly, reinvestment in the neighborhood has taken place, and public amenities (such as parks and the branch library) have been revitalized. Crime has decreased, and many homes have been rehabilitated. However, the Edison neighborhood remains one of the poorest in the city, and the downturn in the economy and a lack of good paying jobs still impacts residents. The well organized neighborhood association and agencies, however, provide a strong framework to keep things moving forward.

Demographic Data¹

Data show that the Edison neighborhood suffers from housing values that are lower than the city as a whole. Single family detached homes comprise 66.2 percent of all dwelling units and the average estimated home value is \$76,915, compared to \$129,462 for all of Kalamazoo.

The neighborhood is also racially diverse. The percentage of Black and Hispanic persons, in comparison to the White population, is the highest in the city; and there are more non-English speakers than anywhere else. Of the total Edison neighborhood population, 2.8 percent of its residents are currently in a correctional institution. Other data that were compared include:



¹ All demographic data is taken from [city-data.com](http://www.city-data.com/neighborhood/Edison-Kalamazoo-MI.html) <http://www.city-data.com/neighborhood/Edison-Kalamazoo-MI.html> and is 2007 data unless noted otherwise.

Percentage of people that speak English not well or not at all:

Edison:  2.6%

Kalamazoo:  1.4%

Average household size:

Edison:  2.7 people

Kalamazoo:  2.3 people

Average family size:

Edison:  3.4 members

Kalamazoo:  3.0 members

Percentage of married-couple families with children (among all households):

Edison:  16.6%

Kalamazoo:  12.8%

Percentage of people 3 years and older in K-12 schools:

Edison:  24.0%

Kalamazoo:  14.9%

Percentage of single-mother households (among all households):

Edison:  18.2%

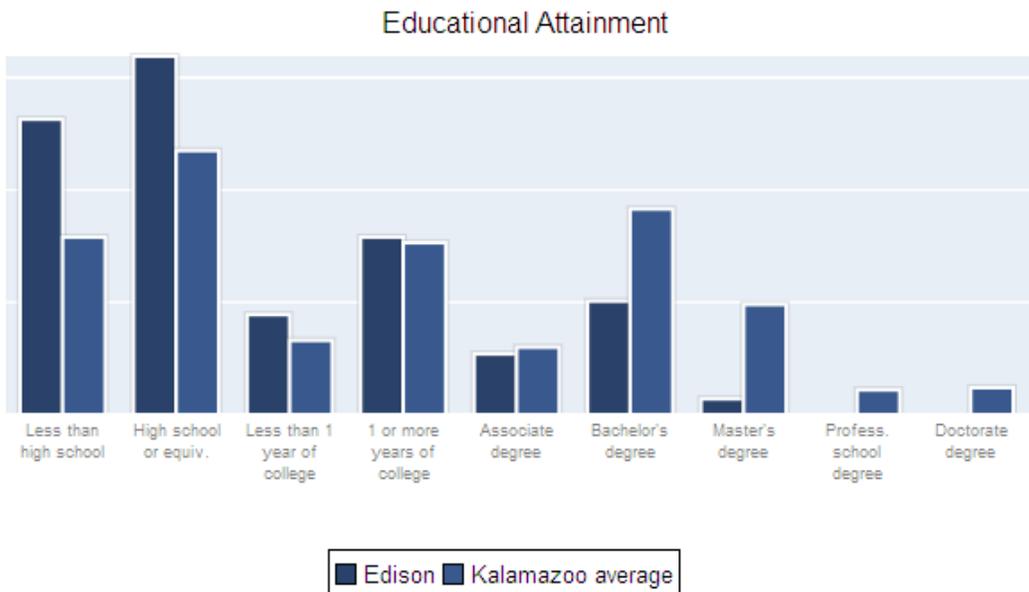
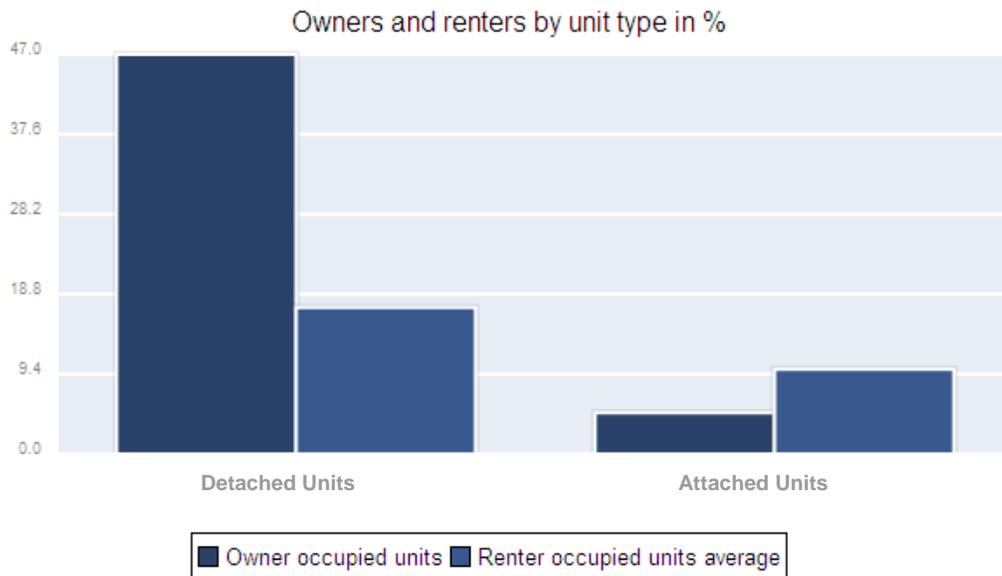
Kalamazoo:  11.4%

Percentage of population below poverty level:

Edison:  25.7%

Kalamazoo:  24.3%

With an average household and family size, and a percentage of married-couple families with children somewhat larger than the city as a whole, the Edison neighborhood is home to a high percentage of children. Consequently, there is a significantly higher percentage of school-aged children in the neighborhood when compared city-wide. A higher percentage of single mother households, however, indicates that many of these children are economically disadvantaged and this is borne out by the higher percentage of Edison residents living below the poverty level.



Edison residents also have fewer years of formal schooling than the population of the city as a whole. As a university city, Kalamazoo has a high percentage of persons who have attained a bachelor's degree or higher. Edison, however, has significantly fewer residents with college degrees. One positive statistic is the ratio of owner occupied units versus rental occupied units in single family detached homes. The Edison Neighborhood Association and the other agencies working in or serving Edison have made a major effort to increase homeownership among the neighborhood's residents and this bodes well for the future.

Edison is a neighborhood in transition. While great strides have been made, the neighborhood still is impacted by crime and a weak economy. Therefore, it is paramount that the efforts to revitalize the neighborhood continue. Through maintaining and growing the existing strong foundation of community services and grass roots activism, the Edison neighborhood should not only survive, but thrive.

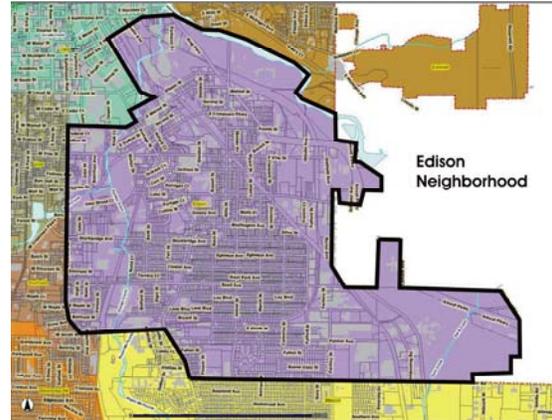
MARKET ASSESSMENT

Introduction

The following is an assessment of select market opportunities for the Edison neighborhood. The analysis was prepared by The Chesapeake Group, Inc. (TCG) a nationally know economic development consulting firm.

The Edison neighborhood is located on the east side of Kalamazoo, southeast of downtown and much of its commercial activity is centered near the boundary with downtown. There are also a major medical complex and research facilities in the northwestern portion of the neighborhood.

The assessment of the market for activity in the neighborhood employs two methodologies, both of which yield information on potential opportunities. The first methodology is a comparative assessment while the second is a forecast of demand.



Estimates of demand are considered conservative in nature, tending to understate rather than overstate opportunities. They and all other suggestions represent TCG's opinion based on secondary available data, presented information, and experiences. It is noted that success of any geographic area, community or collection of activity is dependent upon other factors as well as marketability. Some of those other factors are management practices, marketing practices, financial feasibility, and regulations.

In the analyses, names of specific businesses may be mentioned. Their inclusion does not represent an endorsement by The Chesapeake Group, nor concurrence or any indication of interest on their part.



Comparative Assessment

The U.S. Census Bureau provides annual information on business patterns throughout the nation in three different geographical formats: county, zip code, or by Metropolitan Statistical Area. This analysis includes an assessment of local business patterns by zip code. The identified business gaps defined in this process may or may not be appropriate because of the nature of operations, scale, or other factors.

The assessment compares the business structure of Zip Code Tabulation Area 49001 (ZCTA) to that associated with other ZCTAs in other areas that are similar. Zip Code Tabulation Area 49001 encompasses the majority of the Edison neighborhood with the exception of the very northwest section (north of East Vine Street, East Crosstown Parkway and Gibson Street). Non-residential uses in this section largely consist of the hospital complex and manufacturing facilities. In selecting communities for which a comparison can be made, the following criteria were used:

- The population size and household numbers had to be similar to those associated with Zip Code 49001, since demand for goods and services within neighborhoods is ultimately dependent largely upon the size of the local market served.
- The selected ZCTAs all have median household incomes that are comparable to ZCTA 49001 reported incomes.
- Transportation and interstate highway access had to be similar.
- All had to be located inland.

Based on the criteria, the eight communities, defined by ZCTA, were identified for which a comparison in economic structure was made:

17403, York, PA
15068, Lower Burrell, PA
21221, Essex, MD
27405, Greensboro, NC
40216, Shively, KY
44111, Cleveland, OH
44203, Norton, OH
61201, Rock Island, IL

All population and household estimates upon which the comparisons are made were derived from the same source, U.S. Census Bureau's 2000 data. Also for consistency, a single source, the U.S. Census Bureau's 2006 County Business Patterns, was employed to define the business structure within all zip code areas.

The North American Industry Classification System (NAICS) was introduced in 1997 as a more effective business classification system that identifies and groups establishments according to the activities in which they are primarily engaged. NAICS replaces the older Standard Industry Classification (SIC) coding system that was first employed in 1938. NAICS identifies and groups 1,170 different types of "industries" or establishments into twenty major industry sectors ranging from Agriculture (Sector 11) to Public Administration (Sector 92). This analysis examined and extracted data from all of the twenty sectors for all areas. These sectors are:

- Agriculture, Forestry, Fishing and Hunting (Sector 11): Crop and animal production, forestry and logging, fishing, hunting, trapping, support activities for agriculture and forestry.

- Mining (Sector 21): oil and gas extraction, mining, support activities for mining.
- Utilities (Sector 22): power generation, transmission, and distribution, water, sewage, and other systems.
- Construction (Sector 23): building, developing, general contracting, heavy construction, special trade contractors.
- Manufacturing (Sector 31-33): food, beverage and tobacco product, textile and textile product mills, apparel, leather and allied products, wood product, paper, printing and related support activities, petroleum and coal products, chemicals, plastics and rubber products, nonmetallic mineral products, primary metals, fabricated metal products, machinery, computer and electronic products, electronic equipment, appliances, and components, transportation equipment, furniture and related products.
- Wholesale Trade (Sector 42): durable and nondurable goods.
- Retail Trade (Sector 44-45): Motor vehicle and parts, furniture and home furnishings, electronics and appliances, building material and garden equipment and supplies, grocery and beverage, health and personal care, gasoline stations, clothing and accessories, sports, hobby, books and music, general merchandise and miscellaneous store retailers.
- Transportation and Warehousing (Sector 48-49): air, rail, water, and truck transportation, transit and ground passenger transportation, pipeline transportation, scenic and sightseeing transportation, support activities for transportation, postal service, couriers and messengers, warehousing and storage.
- Information (Sector 51): Publishing, motion picture and sound recording and exhibition, broadcasting and telecommunications, information services and data processing.
- Finance and Insurance (Sector 52): Monetary authorities, credit intermediation, securities, commodities, insurance, funds, trusts, and other financial vehicles.
- Real Estate, Rental and Leasing (Sector 53): Real estate, rental centers and leasing services.
- Professional, Scientific and Technical Services (Sector 54): Lawyers, accountants, engineers, computer services, veterinary services, etc.
- Management of Companies and Enterprises (Sector 55): Management, holding companies, corporate and regional offices.
- Administrative and Support, Waste Management and Remediation Services (Sector 56): Administrative and facilities support services, employment and business support services, travel arrangements, investigative and security systems and other business services.

- Educational Services (Sector 61): Public sector schools, business, technical, trade schools and instruction.
- Health Care and Social Assistance (Sector 62): Ambulatory health care services, hospitals, nursing and residential care facilities and social assistance.
- Arts, Entertainment, and Recreation (Sector 71): Performing arts, spectator sports, museums, historical sites, amusement, gambling and recreation industries.
- Accommodation and Food Services (Sector 72): Accommodations, food service and drinking places.
- Other Services (Sector 81): Repair and maintenance, personal and laundry services, and religious, grant making, civic and professional organizations.
- Public Administration (Sector 92): executive, legislative, and other general government support.

Under-Represented Industries

Under-represented “industries” were defined as those where ZCTA 49001 had a lesser number of businesses than at least six of the eight comparable communities. Thus, the number of businesses in ZCTA 49001 compared to the other communities was below what might be expected. In some cases, the differences are great, in other instances no businesses in the under-represented categories were identified in ZCTA 49001. Once again, under-representation does not mean that the identified categories of businesses are desirable for the Edison neighborhood (or similarly elsewhere in Kalamazoo).

The following highlighted 58 “industries” or businesses are identified as being under-represented in ZCTA 49001.

Table 1 – Under-represented Businesses/”Industries” in the Edison Neighborhood*

NAICS Code	Type of Business
236115	New Single-Family General Contractors
238110	Poured Concrete Structure Contractors
238130	Framing Contractors
238220	Plumbing, Heating, and Air-Conditioning Contractors
238310	Drywall and Insulation Contractors
238330	Flooring Contractors
238350	Finish Carpentry Contractors
423510	Metal Service Center and Other Metal Merchant Wholesalers
441110	New Car Dealers
441120	Used Car Dealers
443112	Radio, Television, and Other Electronics Stores
443120	Computer and Software Stores
444130	Hardware Stores
446110	Pharmacies and Drug Stores
446120	Cosmetics, Beauty Supplies, and Perfume Stores
447110	Gasoline Stations with Convenience Stores
447190	Other Gasoline Stations
448120	Women’s Clothing Stores
448310	Jewelry Stores
452112	Discount Department Stores
453310	Used Merchandise Stores
488410	Motor Vehicle Towing
488510	Freight Transportation Arrangement
522110	Commercial Banking
522292	Real Estate Credit
523110	Investment Banking and Securities Dealing
524210	Insurance Agencies and Brokerages
531120	Lessors of Non-residential Buildings and Dwellings (except miniwarehouses)
531130	Lessors of Miniwarehouses and Self-Storage Units
531210	Offices of Real Estate Agents and Brokers
541110	Offices of Lawyers
541191	Title Abstract and Settlement Offices
541213	Tax Preparation Services
541310	Architectural Services
541430	Graphic Design Services
541512	Computer Systems Design Services
541611	Administrative Management & General Management Consulting Services
561310	Employment Placement Agencies
561510	Travel Agencies
561710	Exterminating and Pest Control Services
561730	Landscaping Services
621111	Office of Physicians (except Mental Health Specialists)

NAICS Code	Type of Business
621210	Offices of Dentists
621320	Offices of Optometrists
621420	Outpatient Mental Health and Substance Abuse Centers
722110	Full-Service Restaurants
722211	Limited-Service Restaurants
722213	Snack & Nonalcoholic Beverage Bars
722410	Drinking Places (alcoholic beverages)
811112	Automotive Exhaust System Repair
811121	Automotive Body, Paint, and Interior Repair and Maintenance
811310	Commercial and Industrial Machinery & Equip. (except Auto & Electronic) R&M
812112	Beauty Salons
812210	Funeral Homes and Funeral Services
812220	Cemeteries and Crematories
812310	Coin-operated Laundries and Drycleaners
813110	Religious Organizations
813410	Civic and Social Organizations

*Developed by The Chesapeake Group, Inc., 2008

Implications

Shaded in gray in the above table are retail operations; retail related services, such as restaurants; and other services often found in neighborhood commercial areas in many different settings throughout the country. In some cases, but not all, the proximity to downtown Kalamazoo likely impacts the “gaps” in retail activity. However, many of the defined retail operations either are not typically located downtown or are advantageously located in neighborhoods on the periphery of downtown.

In “bold type face” in the table are professional services, both medical and non-medical, that are also frequently found in neighborhoods. In one or two cases, the proximity to downtown Kalamazoo likely impacts their number.

Once again, any defined activity should be viewed as a “gap” or an under-representation, not necessarily activity that should be developed or pursued.

Demand Forecast

The market is the driving force behind economic viability, whether it is a commercial, service, or residential opportunity. In an effort to define opportunities specifically for commercial activity in the Edison neighborhood, a forecasting of demand for retail goods and services was performed. Secondary information was used to define factors employed in the computer model for the estimates. Salient information or processes follow:

- Information on population, households, and income is based on estimates from the U.S. Census Bureau, the 2006 American Community Survey, and Southwest Michigan First.

- The neighborhood has a relatively substantial concentration of Hispanics when compared to other areas of Kalamazoo.
- As a result of the above and to develop quality spending projections (since no recent survey of spending associated with the population in the neighborhood is available) TCG examined and employed spending patterns and information from all or parts of the following communities that have substantial Hispanic populations.

Denton, TX
Las Cruces, NM
Longview, TX
Deltona, FL
Upland, CA
Cicero, IL
Tyler, TX
Killeen, TX
San Angelo, TX
Compton, CA

- It is noted that all of the communities have essentially the same population as Kalamazoo.

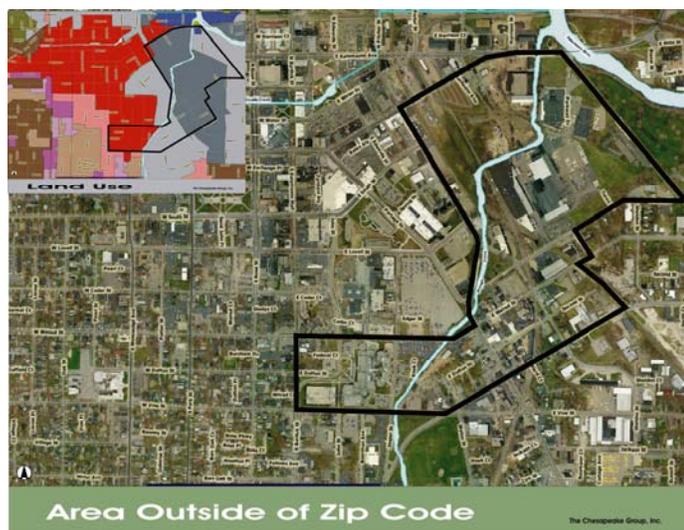
The following represents a review of demand for retail and related service activity. It is noted that:

- All estimates are in 2008 dollars. Inflation has been excluded from all estimates of future demand and associated sales, revenues, and supportable space.
- There have been some substantial changes in consumer spending in the past year that are anticipated to remain relatively constant over the next few years, if not longer.

Market Area

As previously noted, the neighborhood falls largely within ZCTA 49001. For simplicity, that zip code is used as the primary market area. While penetration levels may be somewhat less in the southern most sections of the zip code than in the northern sections, there are no substantial natural barriers to movement throughout most of the zip code area.

A tertiary market for activity in the neighborhood is defined as



the larger Kalamazoo County area. The probability of attracting patronage from this larger area is most likely dependent upon attracting users of the medical complex, attracting users and workers in downtown; providing a sense of quality and safety to the potential patron; and creating unique niches (a reason to go) that will draw patrons, as an example or such as ethnic restaurants.

Primary Market Retail & Related Services Sales

Aggregate retail goods and related services sales generated by the residents of the primary market are estimated at about \$301.8 million in 2008. As a result of changes in the market, sales are expected to increase to about \$327.9 million by 2018.

Aggregate retail sales figures represent a compilation of sales associated with ten major categories. The ten major categories of retail goods and related services are as follows:

- Food, such as groceries and related merchandise generally purchased for home preparation or consumption.
- Eating and drinking, consisting of prepared food and beverages generally consumed on the premises or carried to another location.
- General merchandise, including variety stores, department stores and large value oriented retail operators.
- Furniture and accessories, including appliances and home furnishings.
- Transportation and utilities, including the sale of new and used automotive and other personal vehicles and parts and basic utilities for the home.
- Drugstores, including those specializing in health and beauty aids or pharmaceuticals.
- Apparel and accessories.
- Hardware and building materials, including traditional hardware stores and garden and home improvement centers.
- Auto services, including gasoline and vehicle repair.
- Miscellaneous, including a plethora of retail goods and services ranging from florists to paper goods.

Many of today's better known operations in fact fall into more than one category. For example, many of the "big box" general merchandisers, such as Meijer or Wal-Mart, have traditional supermarket components within their operations.

Table 2 contains a breakdown of the estimated 2008 retail goods and related services sales generated by the primary market and the anticipated growth. It is noted that:

- Most growth is anticipated in the latter period. In fact, the estimates are based on no growth over the next few years in retail goods and related services sales.
- The largest category in terms of spending is associated with combined transportation categories, surpassing "General Merchandise" and "Food".

Table 2 - Estimates of Retail Goods and Related Services Sales Generated by Residents of the Primary Market in 2008, 2013 and 2018*

Category	2008	2013	2018
Food	\$50,709,000	\$51,723,000	\$55,085,000
Eat/Drink	38,635,000	39,408,000	41,969,000
General Merchandise	47,328,000	48,275,000	51,413,000
Furniture	6,640,000	6,773,000	7,213,000
Transportation	22,306,000	22,752,000	24,231,000
Drugstore	20,495,000	20,905,000	22,263,000
Apparel	7,878,000	8,036,000	8,558,000
Hardware	33,474,000	34,143,000	36,363,000
Vehicle Service	40,537,000	41,347,000	44,035,000
Miscellaneous	34,138,000	34,821,000	37,084,000
TOTAL	\$301,838,000	\$307,874,000	\$327,886,000

*Developed by The Chesapeake Group, Inc., 2008

It is important to understand that irrespective of the strength, location, mass, or other factors, no community is capable of attracting all of the sales generated in a primary or other market area. As examples, workers often spend resources at or near their places of employment. People often provide income and resources to other family members and elderly parents to whom they have responsibilities. At other times, people make visits and spend money with relatives and friends living in other locations or while on vacations.

There are sub-categories found within each retail category. In general, each of these sub-categories is associated with a particular type or cluster of businesses. While not necessarily the largest in terms of sales, the miscellaneous category contains more sub-categories or types of establishments than any other major retail category.

Table 3 contains the sub-category sales and revenue volumes generated by the primary market area residents.

Table 3 – Sub-category Estimates of Retail Goods and Related Services Sales Generated by Residents of the Primary Market in 2008, 2013 and 2018*

Sub-category	2008	2013	2018
Food	\$50,709,000	\$51,723,000	\$55,085,000
Supermarkets	42,342,015	43,188,705	45,995,975
Independents	4,056,720	4,137,840	4,406,800
Bakeries	1,115,598	1,137,906	1,211,870
Dairies	659,217	672,399	716,105
Others	2,535,450	2,586,150	2,754,250
Eat/Drink	38,635,000	39,408,000	41,969,000
General Merchandise	47,328,000	48,275,000	51,413,000
Dept. Stores	17,274,720	17,620,375	18,765,745
Variety Stores	3,407,616	3,475,800	3,701,736
Jewelry	3,265,632	3,330,975	3,547,497
Sporting Goods/Toys	5,158,752	5,261,975	5,604,017
Discount Dept.	17,227,392	17,572,100	18,714,332
Antiques, etc.	236,640	241,375	257,065
Others	757,248	772,400	822,608
Furniture	6,640,000	6,773,000	7,213,000
Furniture	1,567,040	1,598,428	1,702,268
Home Furnishings	2,310,720	2,357,004	2,510,124
Store/Office Equip.	1,447,520	1,476,514	1,572,434
Music Instr./Suppl.	285,520	291,239	310,159
Radios, TV, etc.	1,029,200	1,049,815	1,118,015
Transportation	22,306,000	22,752,000	24,231,000
New/Used Vehicles	7,807,100	7,963,200	8,480,850
Tires, Batt., Prts.	9,836,946	10,033,632	10,685,871
Marine Sales/Rentals	1,182,218	1,205,856	1,284,243
Auto/Truck Rentals	3,479,736	3,549,312	3,780,036
Drugstore	20,495,000	20,905,000	22,263,000
Apparel	7,878,000	8,036,000	8,558,000
Men's and Boy's	1,032,018	1,052,716	1,121,098
Women's and Girl's	2,615,496	2,667,952	2,841,256
Infants	165,438	168,756	179,718
Family	2,190,084	2,234,008	2,379,124
Shoes	1,646,502	1,679,524	1,788,622
Jeans/Leather	31,512	32,144	34,232
Tailors/Uniforms	141,804	144,648	154,044
Others	55,146	56,252	59,906
Hardware	33,474,000	34,143,000	36,363,000
Hardware	16,201,416	16,525,212	17,599,692
Lawn/Seed/Fertilizer	636,006	648,717	690,897
Others	16,636,578	16,969,071	18,072,411
Vehicle Service	40,537,000	41,347,000	44,035,000
Gasoline	13,782,580	14,057,980	14,971,900
Garage, Repairs	26,754,420	27,289,020	29,063,100
Miscellaneous	34,138,000	34,821,000	37,084,000
Advert. Signs, etc.	546,208	557,136	593,344
Barber/Beauty shop	2,082,418	2,124,081	2,262,124

Sub-category	2008	2013	2018
Book Stores	1,570,348	1,601,766	1,705,864
Bowling	785,174	800,883	852,932
Cig./Tobacco Dealer	238,966	243,747	259,588
Dent./Physician Lab	1,365,520	1,392,840	1,483,360
Florist/Nurseries	2,560,350	2,611,575	2,781,300
Laundry, Dry Clean	1,160,692	1,183,914	1,260,856
Optical Goods/Opt.	819,312	835,704	890,016
Photo Sup./Photog.	2,355,522	2,402,649	2,558,796
Printing	2,765,178	2,820,501	3,003,804
Paper/Paper Prod.	1,467,934	1,497,303	1,594,612
Gifts/Cards/Novel.	4,881,734	4,979,403	5,303,012
Newsstands	273,104	278,568	296,672
Video Rent/Sales	4,437,940	4,526,730	4,820,920
Others	6,827,600	6,964,200	7,416,800
TOTAL	\$301,838,000	\$307,874,000	\$327,886,000

*Developed by The Chesapeake Group, Inc., 2008

From a public policy perspective, opportunities that evolve from growth are as important as the exportation of dollars and the ability to bring revenues and associated jobs into a community from outside. Growth allows one to focus on opportunities resulting from new sales or revenues that do not exist at the present time. Assuming reasonable competitive positions, no sales or revenues are extracted from existing operations to create or attract new business or businesses. Thus and theoretically, expansion or new business does not come at the expense of existing ones. Table 4 contains the 2008 sales and the anticipated change in sales from 2008 through 2013 and 2008 through 2018 generated by the residents of the primary market. Over the first five years, sales are expected to grow by only about \$6 million, with that coming in the latter two years. Sales will grow by about \$20 million dollars over the five years from 2013 to 2018.

Table 4 - Estimates of Retail Goods and Related Services Sales Generated by Residents of the Primary Market in 2008, and Growth from 2008 to 2013 and 2008 to 2018*

Category	2008	2008-2013	2008-2018
Food	\$50,709,000	\$1,014,000	\$4,376,000
Eat/Drink	38,635,000	773,000	3,334,000
General Merchandise	47,328,000	946,000	4,084,000
Furniture	6,640,000	133,000	573,000
Transportation	22,306,000	446,000	1,925,000
Drugstore	20,495,000	410,000	1,769,000
Apparel	7,878,000	158,000	680,000
Hardware	33,474,000	669,000	2,889,000
Vehicle Service	40,537,000	811,000	3,498,000
Miscellaneous	34,138,000	683,000	2,946,000
TOTAL	\$301,838,000	\$6,036,000	\$26,048,000

*Developed by The Chesapeake Group, Inc., 2008

Primary Market Retail & Related Services Supportable Space

Retail sales and related services revenues are converted to supportable space through the application of sales or revenue productivity levels. A sales or revenue productivity level is the level of sales or revenues per square foot at which it is assumed that the business will generate sufficient revenue to cover all costs of operation as well as provide a reasonable return on investment for the ownership or operating entity.

Sales productivity levels vary for each sub-category, type of business operation, or store-type. The productivity levels vary from low figures for bowling centers to hundreds of dollars for others. Supportable space is derived by dividing the amount of sales by a productivity level.

Table 5 - Estimates of Retail Goods and Related Services Sales Generated by Residents of the Primary Market by Sub-category in 2008, and Growth from 2008 to 2013 and 2008 to 2018*

Sub-category	2008	2008-2013	2008-2018
Food	\$50,709,000	\$1,014,000	\$4,376,000
Supermarkets	42,342,015	846,690	3,653,960
Independents	4,056,720	81,120	350,080
Bakeries	1,115,598	22,308	96,272
Dairies	659,217	13,182	56,888
Others	2,535,450	50,700	218,800
Eat/Drink	38,635,000	773,000	3,334,000
General Merchandise	47,328,000	946,000	4,084,000
Dept. Stores	17,274,720	345,290	1,490,660
Variety Stores	3,407,616	68,112	294,048
Jewelry	3,265,632	65,274	281,796
Sporting Goods/Toys	5,158,752	103,114	445,156
Discount Dept.	17,227,392	344,344	1,486,576
Antiques, etc.	236,640	4,730	20,420
Others	757,248	15,136	65,344
Furniture	6,640,000	133,000	573,000
Furniture	1,567,040	31,388	135,228

Sub-category	2008	2008-2013	2008-2018
Home Furnishings	2,310,720	46,284	199,404
Store/Office Equip.	1,447,520	28,994	124,914
Music Instr./Suppl.	285,520	5,719	24,639
Radios, TV, etc.	1,029,200	20,615	88,815
Transportation	22,306,000	446,000	1,925,000
New/Used Vehicles	7,807,100	156,100	673,750
Tires, Batt., Prts.	9,836,946	196,686	848,925
Marine Sales/Rentals	1,182,218	23,638	102,025
Auto/Truck Rentals	3,479,736	69,576	300,300
Drugstore	20,495,000	410,000	1,769,000
Apparel	7,878,000	158,000	680,000
Men's and Boy's	1,032,018	20,698	89,080
Women's and Girl's	2,615,496	52,456	225,760
Infants	165,438	3,318	14,280
Family	2,190,084	43,924	189,040
Shoes	1,646,502	33,022	142,120
Jeans/Leather	31,512	632	2,720
Tailors/Uniforms	141,804	2,844	12,240
Others	55,146	1,106	4,760
Hardware	33,474,000	669,000	2,889,000
Hardware	16,201,416	323,796	1,398,276
Lawn/Seed/Fertil.	636,006	12,711	54,891
Others	16,636,578	332,493	1,435,833
Vehicle Service	40,537,000	811,000	3,498,000

Sub-category	2008	2008-2013	2008-2018
Gasoline	13,782,580	275,740	1,189,320
Garage, Repairs	26,754,420	535,260	2,308,680
Miscellaneous	34,138,000	683,000	2,946,000
Advert. Signs, etc.	546,208	10,928	47,136
Barber/Beauty shop	2,082,418	41,663	179,706
Book Stores	1,570,348	31,418	135,516
Bowling	785,174	15,709	67,758
Cig./Tobacco Dealer	238,966	4,781	20,622
Dent./Physician Lab	1,365,520	27,320	117,840
Florist/Nurseries	2,560,350	51,225	220,950
Laundry, Dry Clean	1,160,692	23,222	100,164
Optical Goods/Opt.	819,312	16,392	70,704
Photo Sup./Photog.	2,355,522	47,127	203,274
Printing	2,765,178	55,323	238,626
Paper/Paper Prod.	1,467,934	29,369	126,678
Gifts/Cards/Novel.	4,881,734	97,669	421,278
Newsstands	273,104	5,464	23,568
Video Rent/Sales	4,437,940	88,790	382,980
Others	6,827,600	136,600	589,200
TOTAL	\$301,838,000	\$6,036,000	\$26,048,000

*Developed by The Chesapeake Group, Inc., 2008

Residents of the primary market support at any and all locations, both within and outside Kalamazoo's jurisdictional boundaries, about 870,000 square feet of retail goods and related services space. Table 6 indicates how that space is divided.

Table 6 - Estimates of Retail Goods and Related Services Space Generated by Residents of the Primary Market in 2008, 2013 and 2018 (in Square Feet)*

Category	2008	2013	2018
Food	94,702	96,596	102,874
Eat/Drink	96,588	98,520	104,923
General Merchandise	154,379	157,469	167,703
Furniture	20,851	21,267	22,649
Transportation	64,908	66,205	70,509
Drugstore	40,990	41,810	44,526
Apparel	24,513	25,006	26,629
Hardware	142,298	145,141	154,578
Vehicle Service	98,686	100,658	107,202
Miscellaneous	131,851	134,490	143,230
TOTAL	869,766	887,162	944,823

*Developed by The Chesapeake Group, Inc., 2008

The following table contains the growth in new space anticipated from 2008 to 2013 and from 2008 to 2018, as well as the 2008 estimates of supportable space.

Table 7 - Estimates of Retail Goods and Related Services Space Generated by Residents of the Primary Market in 2008, and Growth from 2008 to 2013 and 2008 to 2018 (in Square Feet)*

Category	2008	2008-2013	2008-2018
Food	94,702	1,894	8,172
Eat/Drink	96,588	1,933	8,335
General Merchandise	154,379	3,087	13,322
Furniture	20,851	418	1,799
Transportation	64,908	1,298	5,602
Drugstore	40,990	820	3,538
Apparel	24,513	491	2,116
Hardware	142,298	2,843	12,281
Vehicle Service	98,686	1,974	8,516
Miscellaneous	131,851	2,639	11,379
TOTAL	869,766	17,397	75,060

*Developed by The Chesapeake Group, Inc., 2008

Sub-category information on the 2008 supportable space as well as the change in space from 2008 to 2013 and from 2008 to 2018 is found in Table 8.

Table 8 - Estimates of Retail Goods and Related Services Supportable Space Generated by Residents of the Primary Market by Sub-category in 2008, and Growth from 2008 to 2013 & 2008 to 2018 (in sq. ft.)*

Sub-category	2008	2008-2013	2008-2018
Food	94,702	1,894	8,172
Supermarkets	71,766	1,435	6,193
Independents	10,142	203	875
Bakeries	3,719	74	321
Dairies	1,831	37	158
Others	7,244	145	625
Eat/Drink	96,588	1,933	8,335
General Merchandise	154,379	3,087	13,322
Dept. Stores	57,582	1,151	4,969
Variety Stores	13,106	262	1,131
Jewelry	4,599	92	397
Sporting Goods/Toys	17,196	344	1,484
Discount Dept.	57,425	1,148	4,955
Antiques, etc.	1,029	21	89
Others	3,442	69	297
Furniture	20,851	418	1,799
Furniture	5,055	101	436
Home Furnishings	6,602	132	570
Store/Office Equip.	4,825	97	416
Music Instr./Suppl.	1,428	29	123
Radios, TV, etc.	2,941	59	254
Transportation	64,908	1,298	5,602

Sub-category	2008	2008-2013	2008-2018
New/Used Vehicles	19,518	390	1,684
Tires, Batt., Prts.	32,790	656	2,830
Marine Sales/Rentals	3,195	64	276
Auto/Truck Rentals	9,405	188	812
Drugstore	40,990	820	3,538
Apparel	24,513	491	2,116
Men's and Boy's	2,580	52	223
Women's and Girl's	7,069	142	610
Infants	551	11	48
Family	7,300	146	630
Shoes	5,987	120	517
Jeans/Leather	105	2	9
Tailors/Uniforms	709	14	61
Others	212	4	18
Hardware	142,298	2,843	12,281
Hardware	64,806	1,295	5,593
Lawn/Seed/Fertil.	1,871	37	161
Others	75,621	1,511	6,527
Vehicle Service	98,686	1,974	8,516
Gasoline	9,505	190	820
Garage, Repairs	89,181	1,784	7,696
Miscellaneous	131,851	2,639	11,379
Advert. Signs, etc.	1,986	40	171
Barber/Beauty shop	10,412	208	899

Sub-category	2008	2008-2013	2008-2018
Book Stores	4,244	85	366
Bowling	7,852	157	678
Cig./Tobacco Dealer	478	10	41
Dent./Physician Lab	4,202	84	363
Florist/Nurseries	6,024	121	520
Laundry, Dry Clean	3,869	77	334
Optical Goods/Opt.	2,341	47	202
Photo Sup./Photog.	6,730	135	581
Printing	10,055	201	868
Paper/Paper Prod.	7,340	147	633
Gifts/Cards/Novel.	16,272	326	1,404
Newsstands	546	11	47
Video Rent/Sales	22,190	444	1,915
Others	27,310	546	2,357
TOTAL	869,766	17,397	75,060

*Developed by The Chesapeake Group, Inc., 2008

Primary Market Implications

The following are implications associated with the forecast for the primary market:

- There are substantial amounts of space in General Merchandise and Hardware which could support large or moderate size anchor activity if consolidated.
- Assuming individual operations range from 2,500 to 7,500 square feet, substantial numbers of food service operations can be supported.
- Opportunities for vehicle service also exists, composed of operations ranging in scale from 7,500 square feet to 17,000 square feet.

- New growth in the primary market will support little additional opportunity for new businesses, with a minor exception in the food services arena, but could bolster existing operations.

Tertiary Retail Sales & Supportable Space

In terms of sales potential and supportable space, the size of the tertiary market, as would be expected, dwarfs that of the primary market. For this year, the sales are expected to be about \$3 billion, excluding those from the primary market area residents. The supportable space is estimated at more than 9 million square feet. The breakdown of this space by category is found in Table 9.

Table 9 - Estimates of Retail Goods and Related Services Sales and Supportable Square Footage of Space Generated by Residents of Kalamazoo County without the Primary Market for 2008*

Category	2008 Sales	2008 Space
Food	\$282,404,000	527,405
Eat/Drink	261,779,000	654,448
General Merchandise	396,318,000	1,292,753
Furniture	64,414,000	202,267
Transportation	526,731,000	1,532,717
Drugstore	215,452,000	430,904
Apparel	82,817,000	257,704
Hardware	415,356,000	1,765,667
Vehicle Service	426,145,000	1,037,443
Miscellaneous	358,875,000	1,386,089
TOTAL	\$3,030,291,000	9,087,397

*Developed by The Chesapeake Group, Inc., 2008

Table 10 contains the breakdown of this space by type of operation or sub-category. As previously noted, the probability of attracting patronage from this larger area is most likely dependent upon attracting users of the medical complex, attracting users and workers in downtown, providing a sense of quality and safety by the potential patron, and creating unique niches (a reason to go) that will draw patrons, such as ethnic restaurants.

Table 10 - Estimates of Retail Goods and Related Services Sales and Supportable Square Footage of Space Generated by Residents of Kalamazoo County without the Primary Market for 2008 by Sub-category*

Sub-category	2008 Sales	2008 Space
Food	\$282,404,000	527,405
Supermarkets	235,807,340	399,673
Independents	22,592,320	56,481
Bakeries	6,212,888	20,710
Dairies	3,671,252	10,198
Others	14,120,200	40,343

Sub-category	2008 Sales	2008 Space
Eat/Drink	261,779,000	654,448
General Merchandise	396,318,000	1,292,753
Dept. Stores	144,656,070	482,187
Variety Stores	28,534,896	109,750
Jewelry	27,345,942	38,515
Sporting Goods/Toys	43,198,662	143,996
Discount Dept.	144,259,752	480,866
Antiques, etc.	1,981,590	8,616
Others	6,341,088	28,823
Furniture	64,414,000	202,267
Furniture	15,201,704	49,038
Home Furnishings	22,416,072	64,046
Store/Office Equip.	14,042,252	46,808
Music Instr./Suppl.	2,769,802	13,849
Radios,TV, etc.	9,984,170	28,526
Transportation	526,731,000	1,532,717
New/Used Vehicles	184,355,850	460,890
Tires, Batt., Prts.	232,288,371	774,295
Marine Sales/Rentals	27,916,743	75,451
Auto/Truck Rentals	82,170,036	222,081
Drugstore	215,452,000	430,904
Apparel	82,817,000	257,704
Men's and Boy's	10,849,027	27,123
Women's and Girl's	27,495,244	74,311
Infants	1,739,157	5,797
Family	23,023,126	76,744
Shoes	17,308,753	62,941
Jeans/Leather	331,268	1,104
Tailors/Uniforms	1,490,706	7,454
Others	579,719	2,230
Hardware	415,356,000	1,765,667
Hardware	201,032,304	804,129
Lawn/Seed/Fertil.	7,891,764	23,211
Others	206,431,932	938,327
Vehicle Service	426,145,000	1,037,443
Gasoline	144,889,300	99,924
Garage, Repairs	281,255,700	937,519
Miscellaneous	358,875,000	1,386,089
Advert. Signs, etc.	5,742,000	20,880
Barber/Beauty shop	21,891,375	109,457
Book Stores	16,508,250	44,617
Bowling	8,254,125	82,541
Cig./Tobacco Dealer	2,512,125	5,024
Dent./Physician Lab	14,355,000	44,169
Florist/Nurseries	26,915,625	63,331
Laundry, Dry Clean	12,201,750	40,673
Optical Goods/Opt.	8,613,000	24,609

Sub-category	2008 Sales	2008 Space
Photo Sup./Photog.	24,762,375	70,750
Printing	29,068,875	105,705
Paper/Paper Prod.	15,431,625	77,158
Gifts/Cards/Novel.	51,319,125	171,064
Newsstands	2,871,000	5,742
Video Rent/Sales	46,653,750	233,269
Others	71,775,000	287,100
TOTAL	\$3,030,291,000	9,087,397

*Developed by The Chesapeake Group, Inc., 2008

Retail & Related Activity Conclusions

The analyses indicate that there may be potential to meet the needs of the community by the recruitment, expansion or development of the following activity that would most likely be compatible with other goals and objectives for community enhancement.

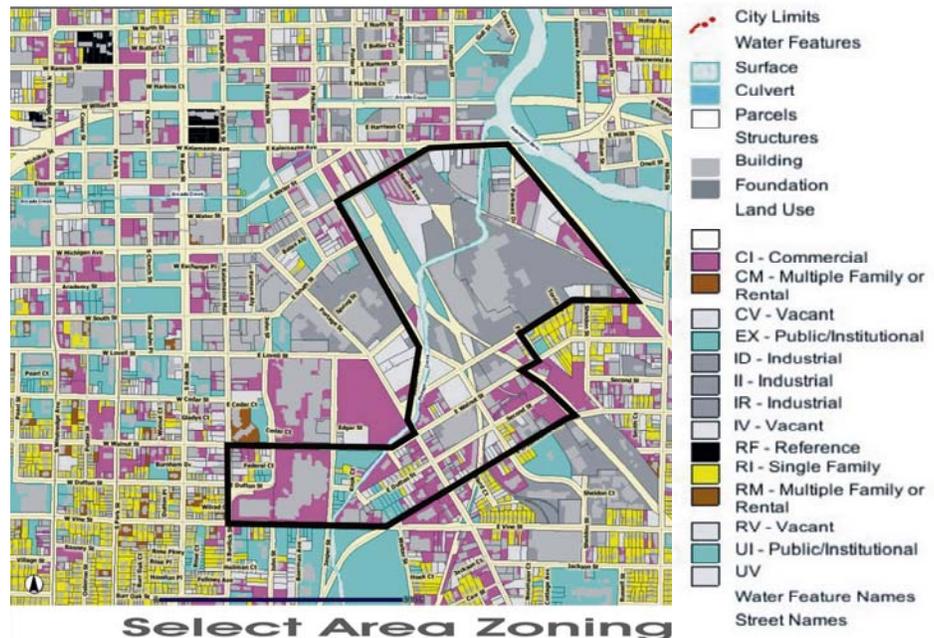
- Radio, Television, and Other Electronics Stores
- Hardware Stores
- Pharmacies and Drug Stores
- Cosmetics, Beauty Supplies, and Perfume Stores
- Gasoline Stations with Convenience Stores
- Other Gasoline Stations
- Discount Department Stores
- Used Merchandise Stores
- Commercial Banking
- Insurance Agencies and Brokerages
- Tax Preparation Services
- Employment Placement Agencies
- Travel Agencies
- Offices of Dentists
- Offices of Optometrists
- Full-Service Restaurants
- Limited-Service Restaurants
- Snack & Nonalcoholic Beverage Bars
- Automotive Exhaust System Repair
- Automotive Body, Paint, and Interior Repair and Maintenance
- Beauty Salons
- Coin-operated Laundries and Drycleaners

Within the context of the above, there would appear to be substantial current and some additional future opportunities:

- In the foods services arena, such as restaurants.
- To create commercial activity anchored by a substantial hardware/home improvement operation.

- To create commercial activity anchored by substantial “discount” department store.
- In most cases, additions of merchandise lines or functions to existing operations associated with the above “gaps” are the preferred options.
- In order to take advantage of the opportunities, the neighborhood, in partnership with others, would likely need to establish:
 - ✓ A targeted recruitment program.
 - ✓ A targeted entrepreneurial program that would include apprenticeships.
 - ✓ Potential incubator opportunities.
 - ✓ Linkages to property acquisition and business financing.

Based on land use plans and zoning maps that much of the current commercial is clustered in the northwest of the neighborhood, in closest proximity to the hospital and downtown. In developing plans for the area, there may be opportunities to continue such a pattern while also rethinking options to establish a node within the neighborhood in a nearby or totally different location with new anchors.



Furthermore, there is a substantial larger market, defined in the analysis as the tertiary market that can be tapped as well. Doing so would require:

- Marketing to the medical complex’s patron and employee base. (Because of the nature of hospitals, short break periods, often policies that require staff to stay on premises during lunch or other times, and shift work; the patron base represents a greater opportunity in most cases than the employee base.)

- Creating quality clusters of activity that would be unique, likely focused on ethnic activity. (Having the greatest concentration of Hispanic population in Kalamazoo can make such positioning relatively natural for both the neighborhood residents and visitor-patrons.)

Given changes in retail spending, most likely the entire region will see increases in retail vacancies in the short-run and a need to adjust activity to reflect changes in spending. Those adjustments will not occur over night but will likely take several years.

HOUSING DEMAND

Growth in retail goods and services come from basically two potential sources. One is to capture or recapture dollars that already exist currently going to other communities. (This is the primary opportunity in Edison.) The second is from growth in new households, most often associated with the addition of housing units or increased occupancy of existing units. The available information and past trends indicate that the Edison area is not likely to see substantial new growth in housing units in the foreseeable future, and that stabilization in housing is largely dependent upon maintaining occupancy rates and enhanced investment in the existing housing stock in the neighborhood through a variety of means, including but not limited to increased homeownership. The following is a synopsis of the patterns and trends that impact new housing:

- From 1996 through the present, the city of Kalamazoo in total has averaged only 85 new housing units a year. The total number of units over the 12-year time frame equaled slightly more than 1,000.
- Kalamazoo has put into place some innovative and impressive programs, including efforts in downtown, the reinvigation of the pharmaceutical industry, and the provision/promise of college funding for residents. While the benefits have been and are likely to be felt in many ways, they have not had a substantial visible impact on the number of new residential unit permits.
- Since 2004, the number of units constructed has been well below the historic average. A synopsis of Bureau of the Census housing related construction is found in the table that follows

Table 11 - Kalamazoo City Residential Building Summary for 1996 through 2007*

Year	Buildings	Units	Construction Cost
1996	42	98	\$6,170,856
1997	42	107	\$7,374,655
1998	56	100	\$7,643,736
1999	19	72	\$9,786,495
2000	23	46	\$6,554,642
2001	38	45	\$4,231,115
2002	29	143	\$18,061,623
2003	39	73	\$9,218,206
2004	88	166	\$18,115,255
2005	53	66	\$9,681,251

Year	Buildings	Units	Construction Cost
2006	46	46	\$5,913,266
2007	35	54	\$5,649,505
Totals	510	1,016	\$108,400,605
Annual Average	43	85	\$9,033,384

*Developed by The Chesapeake Group, Inc., based on U.S. Census Bureau information.

- Over the past 12 years the number of single-family units permitted in Kalamazoo about equaled the number of multi-family units as found in Table 12.

Table 12 – Permitted Residential Units in Kalamazoo City by Type for 1996 to 2007*

Type of Unit	Units	% of Total	Construction Costs	% of Total
Single Family	411	40.5	\$54,946,348	50.7
Two Family	84	8.3	\$6,736,976	6.2
3 & 4 Family	93	9.1	\$7,764,234	7.2
5 or More	428	42.1	\$38,953,047	35.9
Totals	1,016	100	\$108,400,605	100

*Developed by The Chesapeake Group, Inc., based on U.S. Census Bureau information.

- Trends inside the city will continue to be impacted by factors that are beyond Kalamazoo’s influence. State and national foreclosure numbers and declining housing sale prices are felt by most areas at this time. Stabilization may occur, but as a result of the number of units on the market, the substantial fall in prices that has occurred, the aging of population in general and the level of foreclosures; it is highly unlikely that valuations will do more than stabilize in the next few years. At the same time, construction costs have risen, making home building increasingly difficult.
- Assuming stabilization in the market occurs in the next few years, for other than assisted living and related senior housing, it is unlikely that the historic average number of housing permits issues for Kalamazoo will be exceeded in the next five years through local/city generators of demand.
- As is the case with retail, there is probably greater opportunity to extract residents from the tertiary market than depend upon holding or new household creation within the city. As found in Table 13, over a longer time frame (1990 through 2007) than that examined for the city, Kalamazoo County averaged 1,174 new units annually. Importantly, this average held fairly constant with little annual fluctuation from 1994 through 2006. 2007 represented that first year since 1993 that the number of permitted units was not roughly equal or below the historic average.
- Even for 2007, the number of permitted units was reasonable considering the general economic conditions. The number of units permitted was generally similar to the number in the early and mid 1990’s. In other words, they did not “drop off the face of the earth” as many would believe.

- Furthermore, 2008 figures are likely to be below those of 2007. These reflect changed credit conditions and accelerated economic decline nationally more than significantly continued worsening of local economic conditions. Thus, as credit markets improve and the general economy approaches stabilization, whether that be in 2009, 2010 or 2011, the number of units permitted should likely be maintained at or near the early 1990's level.

Table 13 - Kalamazoo County Residential Building Summary for 1990 through 2007*

Year	Buildings	Units	Construction Cost
1990	671	728	\$79,217,262
1991	652	691	\$68,612,537
1992	698	810	\$86,404,015
1993	840	987	\$105,614,414
1994	917	1,217	\$133,464,049
1995	984	1,438	\$137,567,996
1996	977	1,227	\$148,526,534
1997	932	1,380	\$150,951,858
1998	943	1,142	\$142,297,020
1999	954	1,069	\$152,336,028
2000	952	1,487	\$181,803,889
2001	978	1,226	\$182,676,682
2002	1,060	1,271	\$200,116,845
2003	1,209	1,996	\$262,045,034
2004	1,150	1,373	\$218,553,995
2005	1,102	1,156	\$202,897,651
2006	889	1,161	\$196,933,149
2007	590	779	\$165,248,327
Totals	16,498	21,138	\$2,815,267,285
Annual Average	917	1,174	\$156,403,738

*Developed by The Chesapeake Group, Inc., based on U.S. Census Bureau information.

- Further evidence of the tertiary market can be seen in the types of units constructed since 1996 through 2007 in Kalamazoo County. During that time frame, about 21% of all units permitted were multi-family units. This represents about 3,150 units. During the same time frame, 42% of all city permits were for multi-family units.

Table 14 – Permitted Residential Units in Kalamazoo City by Type for 1996 to 2007*

Type of Unit	Units	% of Total	Construction Costs	% of Total
Single Family	11,159	73.0	\$1,882,766,523	85.4
Two Family	350	2.3	\$33,162,616	1.5
3 & 4 Family	622	4.1	\$56,470,684	2.6
5 or More	3,136	20.6	\$231,987,189	10.5
Totals	15,267	100	\$2,204,387,012	100

*Developed by The Chesapeake Group, Inc., based on U.S. Census Bureau information.

- Demographic changes likely contribute to future opportunities in the city of Kalamazoo to attract a greater proportion of additional housing units once stabilization in housing

- occurs. Studies performed by The Chesapeake Group for private developer interests indicate that there is substantial latent demand for assisted living and other adult living. That demand will, to a large extent unless absolutely necessary, not be exercised by individuals or the collective population until two changes occur. These are: (1) stabilization of the housing prices; and (2) an increase in the ability to sell units at a stable price (likely to be at about prices people perceived houses to be sold for prior to the past 5 years).
- In addition, the “Kalamazoo Promise” has had an impact in the very recent past on bringing residents to Kalamazoo since its introduction (largely in existing units). Other cities are now duplicating the effort. The potential implication of the duplication will likely shift the impact of the “Promise” in favor of residents relocating from another community in the Kalamazoo region to the city. Those relocating for the “Promise” tend to be a market component different than that previously noted (being seniors) by definition. Thus, while the “Promise” may not result in more overall units in the region, it could well shift internal demand from the county or elsewhere in the region to the city.

Housing Activity Conclusions & Suggestions

There are several conclusions and suggestions with respect to housing opportunities for the Edison neighborhood that can be gleaned from the available information. The salient conclusions and suggestions follow.

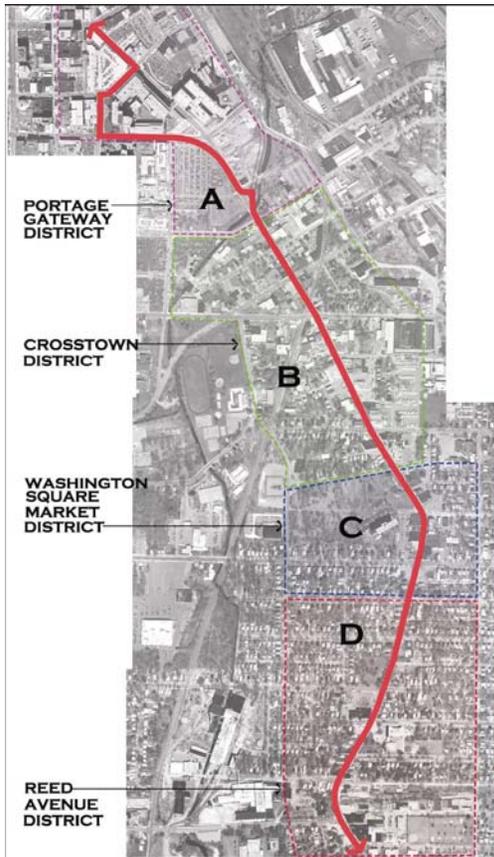
- The probability of new market rate housing being constructed in Edison over the next two to three years is very small.
- Yet, Edison is ideally located in close proximity to major employers (medical complex) and downtown. It is favorably located to be an “in town” neighborhood within easy walk or transit to downtown and a major employment center.
- Medical complexes in other communities have facilitated reinvestment in housing and neighborhoods through direct investment, and by directing and sometimes providing incentives for employees to reside in surrounding areas. Such activity in Kalamazoo coupled with the Kalamazoo Promise could enhance the housing market in the Edison neighborhood.
- While not at the present time, there would be the likelihood of additional housing in Edison to serve both the nearby employment base and seniors because of the locational advantages offered and broader market changes. Capturing 40 to 75 senior households and 35 to 100 non-senior households may be plausible in a ten year period, with the majority coming after 2012 or 2013.
- The locational advantages, with program changes and other efforts, could result in investment in existing neighborhood housing over the next ten years as well. Most of that investment would likely occur between the fifth and tenth year 2013 to 2018.

ACTIONABLE PRIORITY TASK LIST FOR THE PROJECTS

2005 PORTAGE STREET STREETScape PROJECT – HIGH PRIORITY

Imagine Portage Street as a signature gateway into downtown Kalamazoo - a thriving place in which to work, do business, and play, as envisioned by the Edison neighborhood's businesses, property owners, and residents. Portage Street, the first commercial corridor outside downtown Kalamazoo, is the major artery connecting the Kalamazoo-Battle Creek airport and Interstate 94 to downtown.

As such, it represents for many visitors their first impressions of the city - explaining why major Kalamazoo employers have targeted the revitalization of Portage Street as a necessary tool for recruiting and retaining employees.



Among the key projects slated for the corridor is a streetscape enhancement project for an almost two-mile section of Portage Street; starting with the Alcott Street intersection on the south and ending at Michigan Avenue. Washington Square is currently defined as the pilot project (\$3 mill.), while the total 12 block street improvement project is estimated at \$12 million.

The planning for the streetscape design relied significantly on local input and feedback from business owners/merchants, neighborhood residents, local government officials, and other stakeholders. This section of the corridor includes approximately 80 businesses ranging from retail to light industrial and residences, and is traveled daily by approximately 20,000 cars, in addition to Metro Transit buses, bicyclists, wheelchair users, and pedestrians.

Portage Street Streetscape Project



Corridors provide key linkages to downtown and should be more welcoming.

The importance of the corridor, and especially its physical character and appearance, was reinforced by the recently completed plan for downtown Kalamazoo. The plan identifies that, in particular, attention should focus on providing easy access **and** attractive gateways into the downtown. As illustrated on the adjacent graphic, Portage Street is one of the key corridor linkages identified that needs to be improved; specifically to:

- Improve pedestrian connections.
- Develop recognizable gateways into the downtown.

- Employ traffic calming techniques to slow traffic and make biking and walking more inviting.
- Encourage mixed use development creating destinations along the way.
- Animate public spaces with a mixture of uses, quality streetscapes and appropriate lighting to make these areas safer and more inviting.
- Place buildings at defined build-to lines located adjacent to the sidewalk.
- Make intersections easier and safer to cross.

In addition, the plan identifies a planned Medical/Biomedical/Life Science/Research Village, related to investment by Bronson Hospital, Pfizer and MPI, within close proximity to the Edison neighborhood. This investment activity over the past few years and in the future offers long term benefits not only to the downtown, but to the neighborhood as well. The recent expansion of jobs makes this area a new center for growth in the city. This development will require new housing and support services to attract the quality of professionals to work in these science-related businesses. The concept of creating a “village” atmosphere could draw those young professionals seeking an urban lifestyle. Setting up state of the art research labs for the graduation of biomedical start-ups from the Southwest Michigan Innovation Center would be a goal of the village plan. This bodes well for the Edison neighborhood and reinforces the importance of Portage Street as a key regional transportation corridor and the need to implement the planned streetscape enhancements.

Given the significance of this project, the Edison Neighborhood Association board has identified the Portage streetscape improvements as **the** key corridor investment opportunity given the potential to:

- Provide a catalyst for other neighborhood and downtown investment since an enhanced Portage Street has the capacity to be among the most significant transformative projects in the city. Improvements have the potential to trigger a series of tipping points for other investment, such as those related to current and future downtown employers, the planned Medical/Biomedical/Life Science/Research Village and Kalamazoo’s institutions of higher learning.
- Enhance overall community image and not just the Edison neighborhood.
- Improve perceptions especially when recruiting future employees for many of Kalamazoo’s world class institutions.

Actions

The various ideas and potential streetscape design concepts for Portage Street were derived from the charrette held in the neighborhood. A charrette is a collaborative session in which a group of designers draft a solution to a design problem together with public input. Charrettes are a way of quickly generating design solutions while integrating the attitudes and interests of a diverse group of people.

In any design process there are increasing levels of detail applied to any potential solution. The initial stage, called schematic design, indicates an overall concept and shows general relationships of uses and design elements. The next stage is design development, which is a further refinement

of schematic drawings and typically shows options for more refined design ideas, specific dimensions and materials. The completion stage includes construction or fabrication documents which are refined drawings that show very specific details, materials and dimensions. Construction drawings are used in the field by those who will actually build a project.

While the charrette for Portage Street resulted in overall design direction at a schematic level for the corridor, significant work remains before the project can actually be realized. First, a process to complete design development must be defined and the level of public involvement determined; funds to design and implement projects must be secured; a consultant hired; base drawings and studies prepared; plans for individual projects developed; approvals secured; and then projects must be bid for construction. Based on such a process the following steps should be taken:

Design and undertake a detailed streetscape study for Portage Street that is based on the charrette.

- Establish a project leadership group and a public participation and design process.
- Write a job description, recruit, and hire a Portage Street Corridor Coordinator. To help guarantee success, a Corridor Coordinator, acting as a project manager to implement and administer this and other related projects and tasks, should be hired on a permanent basis. This work could also be administered by another organization such as DKI:
 - ✓ Using this Work Plan as a guide, prepare a job description and define position responsibilities and measures of success.
 - ✓ Explore and secure short and long term funding for the position.
 - ✓ Advertise the position, recruit and hire.
 - ✓ Track performance and accomplishments on a short and long term basis using this Work Plan as a guide.
 - ✓ Adjust the job goals and performance criteria over time, based on accomplishments and changes in responsibilities.
- Define priority elements based on a primary objective, which is to: prioritize and focus investments to the Washington Square area; avoid spreading immediate efforts along the entire corridor.
- Meet with public agencies, such as the city of Kalamazoo Engineering and Planning Departments, KATS and MDOT to determine processes for such factors as including the project on the Transportation Improvement Plan, funding, project design criteria (including changes to lane configuration to allow on-street parking), **long term maintenance responsibilities**, and the approval process.
- Refine project priorities and direction based on outcomes.
- Establish budgets for professional assistance including project management during the construction phase and seek project funding.

- Review the Portage St. Streetscape Master Plan as a reference manual when considering appropriate streetscape treatments.
- Write and solicit proposals from consultants.
- Interview/hire individual or firm.
- Reconsider current street configuration to allow on-street parking and simplify design treatments to be conscious of the overall budget and long-term maintenance.
- Begin the design development phase of Washington Square, based on direction and design elements from the previous Portage Street Charrette. For reference these include:
 - ✓ Streetscape cross-sections by type and location on corridor
 - ✓ Enhanced paving for crosswalks
 - ✓ Banners and signs
 - ✓ Ornamental lights
 - ✓ Raised planters
 - ✓ Enhanced paving in key locations in the corridor
 - ✓ Street trees
- Establish implementation priorities, a schedule and budgets.
- Secure construction funding and begin the approval process.
- Complete construction drawings, gain final approvals and seek bids.
- Select contractor.
- Implement a public information campaign that addresses disruptions during construction.
- Begin and complete construction.
- Review remaining projects, reprioritize and restart process for those.
- Ongoing maintenance - as with any public beautification effort, its ultimate success will hinge on whether public and private spaces are cared for. Therefore, it is imperative that maintenance be addressed both in terms of responsibility and the desired level of quality. This necessitates a solution identifying a permanent organization to undertake this effort and should be discussed in conjunction with overall corridor development strategies.

Potential Funding Sources

Obviously, by including the Portage Street project on the Capital Improvement Program, the city of Kalamazoo has indicated its support for the effort. As such, this implies the city will support the revitalization and enhancement of Portage Street through traditional funding means.

However, additional sources will have to be explored and secured to help with that process. The following should be further studied:

- ***Downtown Urban Revitalization 2.0 Entitlement Grant Program 2009***

Issued by the Michigan Economic Development Corporation (MEDC), this program is available to the city of Kalamazoo and provides funding for public Infrastructure, façade improvements and signature building projects. This one-time allocation requires a 50/50 local cash match and funds are available to individual qualifying communities in any dollar increment between \$25,000 and \$100,000. The total amount available in connection with this program is \$400,000. Projects with an emphasis on promoting density, walkability, and sustainability are viewed favorably. Preference is given for projects that create jobs and that leverage multiple sources of public and private funding. The local match requirement, however, must be a cash match from the community and other state and/or local grant dollars cannot be used for this purpose. While the 2009 deadline for this program has passed, its availability for 2010 and beyond should be explored with the MEDC. All questions regarding the program should be directed to:

Contracts and Grants

*Michigan Economic Development Corporation
300 North Washington Square, 2nd Floor
Lansing, Michigan 48913
contracts&grants@michigan.org*

- ***Transportation Enhancement (TE) Program***

The Michigan Department of Transportation's program funds non-traditional road projects (outside the traditional curb and gutter) such as streetscapes, non-motorized paths and historical restoration of transportation facilities. Among its primary goals is to support Michigan's entitlement communities for high-priority urban revitalization projects and, therefore, Portage Street would appear to be a prime candidate. Any ACT 51 agencies (Cities, Villages, and Counties), MDOT, MDNR, Native American Tribes and other Federal Agencies are eligible for this program and it accepts applications year-round. The program holds Selection Advisory Committee meetings four to eight times per year to determine which applications will be recommended for selection. A minimum 20% local match is required, but over-matching is encouraged and is a factor in determining which applications will be selected. The average match is 32% and only cash matches or real estate donated to the project, such as a Right of Way (ROW), is accepted. Unfortunately, the program will not fund burying utilities except in association with new streetlights for a streetscape project.

Further information about the program is available *at www.michigan.gov/tea for the online application and instructions, or by calling (517) 335-1069.*

- ***Federal Stimulus Package Programs***

The city of Kalamazoo has submitted a total request of \$69,539,100 for projects to be funded under the American Recovery and Rehabilitation Act of 2009. This includes \$3,340,000 for the Portage Street Streetscape Plan, Phase I (the Washington Square area). Since the Stimulus Package program targets ready-for-construction projects it will be

important for the next phase of the Portage Street streetscape to begin soon so these funds can be utilized.

MARKET PLACE HOUSING DEVELOPMENT – HIGH PRIORITY

The Market Place site comprises approximately seven acres, and is currently platted to accommodate 31 single-family detached homes. However, based on Edison Neighborhood Association goals, that number should be reduced to 24 to provide larger lots to accommodate families with children. Because of its internal neighborhood location, the Association also wishes to target a residential mix that is limited to owner-occupied single-family housing.

While the residential assessment indicates a low probability of new single family detached market-rate housing being constructed in the Edison neighborhood over the next two to three years; and a previous residential market analysis by Zimmerman Volk in 2006 also suggests that from a market perspective, the addition of for-sale townhouses to the mix would expand the market and increase the absorption pace of development; there are certain locational advantages of the site that could perhaps help overcome these obstacles:

- The development is ideally located in close proximity to major employers, the downtown, and the planned Medical/Biomedical/Life Science/Research Village.
- Medical complexes in other communities have facilitated redevelopment of housing and neighborhoods through direct investment, and by targeting and providing incentives for employees to reside nearby. This already exists in Kalamazoo and coupled with the Kalamazoo Promise could enhance the housing market in the Edison neighborhood.
- There could be additional housing demand for seniors because of the location of the site and the broader market changes of an aging population.
- The advantages of its location near the downtown and major employers, coupled with program changes and other efforts (including streetscape improvements, and commercial reinvestment) could well enhance investment in existing neighborhood housing over the next ten years and consequently trigger a greater demand for new housing.

Since the neighborhood desires well designed and constructed homes that fit with the character of an urban neighborhood, it will be imperative that clear and well conceived design standards are developed and applied to the project. As currently written the applicable guidelines do little to guarantee that outcome.

Actions

Given these parameters, the following steps should be taken:

- Establish a Market Place project leadership group and develop a planning and implementation process and schedule; identify and agree on necessary financing options and incentives for the purchase of homes.

- Verify that Kalamazoo Neighborhood Housing Services (KNHS) will own and control the property and the development and sales process.
- Seek project partners to help with development and related costs.
- Verify with city departments the process and timeframe necessary to modify lot sizes and to accommodate the resulting changes to site drainage and driveway curb cuts.
- Solicit developer interest and guidance before redesigning the plat to determine if additional changes are recommended.
- Secure funding to purchase the property based on the reconfigured lots; then acquire the property.
- Based on previous input, solicit proposals and hire a consultant to modify the plat and any related site improvements; develop legally binding design standards to guarantee desired outcomes.
- Complete site/street construction drawings and building design standards; gain final approvals and seek bids.
- Prepare promotional materials describing the project, the market and available finance tools and incentives
- Begin soliciting builder interest to construct homes and begin lot sales.
- Select contractor and complete any changes to the streets/site.
- Continue marketing efforts to sell lots.

Potential Funding Sources

A key to the success of the Market Place development will be the character and quality of future homes. In addition, though, the ability to attract buyers in a depressed housing market will depend on providing incentives. Therefore, the following funding opportunities should be explored to determine if their requirements meet the goals of the neighborhood and city:

- ***Community Development Block Grant Funds***
As an entitlement city, Kalamazoo receives an allotment of CDBG funds from the Federal government, which can be used as the city sees fit, so long as the funded programs meet CDBG targets and objectives. Since Edison is a target neighborhood these funds could be used for infrastructure improvements. In this case, it may be possible to use CDBG funds to help pay for any modifications to the street and drainage necessitated by a redesign of the plat.
- ***HOP (Home Ownership Program)***
This is a purchase/rehabilitation mortgage lending program administered by KNHS and its three main goals are:

- To help stabilize Kalamazoo's six CDBG neighborhoods by increasing owner-occupancy rates.
- To provide for the simultaneous purchase and rehabilitation of substandard housing by providing two mortgages.
- To provide an affordable mortgage product for low to moderate income buyers by providing favorable terms and a low down payment.

▪ ***Homeownership for Public Employees***

While the audience of participants may be relatively small the HOPE program does provide deferred loans to eligible full-time employees of the city of Kalamazoo who wish to purchase a primary residence on an owner-occupied basis within the geographic boundaries of the city. The applicable loan ceiling for the Edison neighborhood is \$10,000.

▪ ***BHOP (Homeownership for Bronson Employees)***

Under B-HOP guidelines, qualified Bronson employees get assistance when purchasing or rehabilitating a home in the Edison neighborhood:

- Eligible to receive a no-interest deferred loan, tied to the amount of investment made, up to \$10,000.
- Up to \$2,500 can be applied toward closing costs.
- No loan payments are required during the first five years.
- Loan payable over 15 years with stipulations.

▪ ***Michigan State Housing Development Authority***

MSHDA offers a variety of loan products for low to moderate income homebuyers. All of the following products are 30-year, fixed-rate mortgages, allow the use of gift funds, and may be formally assumed (subject to approval).

- Conventional 95% to 97% loan to value
- Federal Housing Administration (FHA)
- United States Department of Veterans Affairs (VA)

▪ ***Individual Development Accounts***

Recognizing the need to support families in their exit from poverty, this program encourages the accumulation of wealth and assets. IDAs are matched savings accounts designed to help low-income and low-wealth families accumulate a few thousand dollars for high return investments, including homeownership. Individuals must meet IDA program acceptance criteria, complete a financial management course and training related to their asset goal, and save money toward their future dream over a period of between six to thirty-six months. Once they have completed the program, their savings of up to \$1,000 is matched by the Michigan IDA Partnership (MIDAP) at a ratio of 3:1 for a home purchase. Program highlights include:

- Zero-interest, non-amortizing loan with no monthly payments.
- Maximum assistance is \$7,500.

- Available with MSHDA's FHA, Rural Development or 97 percent Conventional first mortgage.
- Funds may be used for down payment, closing costs, prepaid/escrow expenses and a home inspection performed by a licensed home inspector.
- The loan is due upon sale or transfer of the property or if the first mortgage is refinanced or paid in full.

▪ ***Department of Housing and Urban Development***

The ***HOME Program*** provides formula grants to states and localities that communities use, often in partnership with local nonprofit groups to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership for low-income people. The incomes of households receiving HUD assistance must not exceed 80 percent of the area median. Eligible activities include site acquisition or improvement.

The ***Neighborhood Stabilization Program (2008 Housing and Economic Recovery Act)*** is a potential funding source since the city of Kalamazoo has submitted an application for \$1.7 million. These funds are part of the \$3.94 billion allocated by Congress to the U.S. Department of Housing and Urban Development (HUD) under Title III of the Housing and Economic Recovery Act (HERA) intended to assist municipalities in addressing and mitigating the negative effects of large numbers of housing foreclosures, vacated buildings, and resulting neighborhood blight. The city's application requests funding for NSP-eligible activities as follows:

- \$650,000 for purchase and rehabilitation of foreclosed residential properties.
- \$300,000 for the demolition of foreclosed blighted properties which are beyond repair.
- \$480,000 for redevelopment of vacant or foreclosed property.
- \$100,000 for homeownership assistance, for example, down payment assistance.
- \$170,000 for administration, compliance monitoring, and reporting.
- Of the total award, 25%, or \$425,000, will be used to assist individuals or households whose annual income is less than 50% of the area median income.

▪ ***Local Partnerships***

The Market Place project may be complex and challenging but its success has the potential to leverage other neighborhood, corridor, and nearby employment area investment opportunities. Therefore, it would be to everyone's benefit to explore partnerships with key stakeholders such as the city, KNHS, WMU, Bronson Hospital, Pfizer and MPI.

COOL CITIES

The Edison neighborhood successfully orchestrated the removal of an adult entertainment complex from its main commercial corridor, Portage Street. The Déjà Vu strip club was a hub of prostitution and crime and its presence hindered revitalization efforts. In 2005, with assistance from the state of Michigan and *Cool Cities* funds, the city successfully closed its doors. Since that time various development options have been discussed for the remaining former bookstore building, the vacant site of the former strip club and parking lot. Most recently, LISC

funded an interior space planning and façade improvement study for the building. While the adult use no longer impacts the corridor, nevertheless, the building and site remain vacant. This is due to a variety of issues including the overall character of the Portage Street corridor, which is inextricably linked to the success of this and other projects.

Downtown Tomorrow, Inc. currently owns the former Déjà Vu site and bookstore and has recently invested \$100,000 for a new roof and windows, masonry repairs, and interior demolition to prepare the building for leasing. While a local credit union has been interested in 900 sq. ft. there is no money available for interior build out and redevelopment currently appears to be financially infeasible. However, Downtown Kalamazoo, Inc. continues to search for tenants.

Given the assessment of the retail market there would appear to be substantial current and some additional future opportunities for:

- Uses in the food services arena, such as restaurants.
- Commercial activity anchored by a substantial hardware/home improvement operation.
- Commercial activity anchored by a substantial “discount” department store.

The preferred option would be to fill these gaps by enhanced merchandise lines or functions at existing stores. However, until such time existing buildings on Portage Street have been filled, new development on the former Déjà Vu site should be delayed. Rather, the focus should be on rehabilitating the bookstore building and cleaning and improving the adjacent parking lot.

Actions

Given these general recommendations the following steps should be undertaken:

- Establish a project leadership group that dovetails with the one created for the Portage Street streetscape.
- Develop a corridor business strategy that includes:
 - A targeted business recruitment program.
 - A targeted entrepreneurial program supporting apprenticeships.
 - Potential incubator opportunities.
- Explore available organizational structures and funding options including DDA Expansion, Business Improvement District, Corridor Improvement District:
 - Research the benefits and costs associated with each and the potential to fund projects in this Work Plan including the Portage Street Corridor Coordinator position. The research will determine the feasibility and political reality of expanding the current DDA boundaries to include a significant part of the Portage Street corridor, which is the preferred option. In addition though, determine the feasibility of employing the Corridor Improvement Authority Act 280 of 2005, and Principal Shopping Districts and Business Improvement Districts Act 120 of 1961.

- Organize the community and start a public education campaign to build support for DDA expansion.
- If support is achieved, pursue discussions with City staff for the process to achieve designation.
- If approved, implement program(s) and evaluate effectiveness.
- Restructure current loan to more favorable terms.
- Seek funds to pay for building and site improvements and related consultant fees.
- Seek a consultant to complete architectural and site design and complete working drawings.
- Prepare a strategy to lease available space using previously prepared retail findings to target potential tenants and continue a tenant search.
- Initiate all formal approvals for construction.
- Bid the construction contract, select a contractor and complete work.
- Continue leasing efforts and building and site maintenance; monitor results.

Potential Funding Sources

Various funding options are available to assist with the redevelopment and operation of the *Cool Cities* building and site. However, it is important to note that some programs include tax abatements that freeze the taxable value of a building and exempt any new investment from local taxes. When coupled with an expanded DDA, BID or CID, such an approach will be counter-productive as it will not allow incremental tax increases to be shared district wide. Given current loan requirements and the generally depressed real estate market, selling the property at this time is not a viable option. Therefore, the following should be thoughtfully and carefully be explored:

- ***Commercial Rehabilitation Act***
Public Act 210 of 2005, encourages the rehabilitation of commercial property that is 15 years old or older by abating the taxes on new investment. Commercial property is defined as a qualified facility primarily used in the operation of a commercial business. Certain residential improvements are also eligible for abatement, but land and personal property are not. The abatement process is similar to PA 146, the Obsolete Property Rehabilitation Act. The city must first hold a hearing to establish a Commercial Rehabilitation District and the county board of commissioners and all real property owners in the proposed district must be notified of the hearing. The district must be at least three acres in size unless it is located in a downtown or business area or contains a qualified retail food establishment.

- **Downtown Urban Revitalization 2.0 Entitlement Grant Program 2009**

Funds are available for public infrastructure, façade improvements and signature building projects. This one-time allocation requires a 50/50 local cash match and funds will be available to individual qualifying communities in any dollar increment between \$25,000 and \$100,000. The total available for this grant is \$400,000. Projects with an emphasis on promoting density, walkability, and sustainability will be viewed favorably. Preference will be given for projects that create jobs and that leverage multiple sources of public and private funding. The local match requires cash from the community; other state and/or local grant dollars cannot be used. While the grant period for 2009 has passed, the program should be tracked for subsequent years.

Façade Improvement Project grants are available for communities that seek to target areas of traditional downtowns for improvements that will have a significant positive impact. The Downtown Façade Program is structured to provide commercial/mixed-use building façade improvements to sustain and minimize deterioration of downtowns. This program is based on the premise that the exterior improvements will stimulate additional private investment in the buildings and the surrounding area, attract and increase the number of customers, thereby resulting in additional downtown economic opportunities. Proposals with multiple buildings are accepted and are encouraged. The request must identify whether the proposed project is located within a Downtown Development Authority, a Principal Shopping District, a Business Improvement Zone, a Corridor Improvement Authority or a Historic District. (*Note: the project is not required to be located in a development district.*)

Signature Building Project grants are available for communities seeking to acquire vacant, partially vacant or substantially underused buildings located in downtowns for rehabilitation into a commercial/mixed use building that will hopefully result in job creation. This program enables a community to secure a building that is a focal point within the downtown for commercial rehabilitation purposes that will make a significant contribution to the overall downtown area. If the project is located within a Downtown Development Authority, a Principal Shopping District, a Business Improvement Zone, a Corridor Improvement Authority or a Historic District, it should be identified as such. (*Note: the project is not required to be located in a development district.*)

Downtown Infrastructure grants are available to provide public infrastructure improvements that directly support private redevelopment projects in traditional downtowns. Public infrastructure includes items such as: parking facilities, streetscape, public water or sanitary sewer lines and related facilities, streets, roads, bridges and public utilities. The request must identify whether the proposed project is located within a Downtown Development Authority, a Principal Shopping District, a Business Improvement Zone, a Corridor Improvement Authority or a Historic District. (*Note: the project is not required to be located in a development district.*)

EDISON PLACE

In 2001, Kalamazoo LISC forged a partnership with Downtown Tomorrow, Inc. (DTI) to revitalize the Portage Street/Washington Square corridor into downtown Kalamazoo. This partnership helped launch the Edison Mainstreet program and among its first projects

was Edison Place, which is located in the former Green Building on Portage Street. The 13,000 square foot building is owned by DTI and has been rehabilitated to include commercial space on the first floor and seven residential units on the second and third floors.

Edison Place is in the "heart" of the Edison Main Street project area and was planned as a catalyst to help achieve neighborhood community development objectives. The Edison Neighborhood Association, the Edison Business Association, the Edison Neighborhood Community Policing officer, Edison Weed and Seed, the Edison Neighborhood Assistant Prosecuting Attorney and the Hispanic American Council originally shared Edison Place. Since that time leasing and full utilization of the building has been a challenge. The YWCA leases space at the street level and additional storefront uses are being marketed. Other issues include problems with some residential tenants vandalizing units and similar to the *Cool Cities* building, the current loan requirements and the generally depressed real estate market make selling the property at this time a poor option.

Actions

Given these general observations the following steps should be undertaken:

- Establish a project leadership group that dovetails with the one established for the Portage Street streetscape.
- Develop a corridor business strategy that includes:
 - A targeted business recruitment program
 - A targeted entrepreneurial program supporting apprenticeships
 - Potential incubator opportunities
- Explore available organizational structures and funding options including DDA Expansion, Business Improvement District, Corridor Improvement District:
 - Research the benefits and costs associated with each and the potential to fund projects in this Work Plan including the Portage Street Corridor Coordinator position. The research will determine the feasibility and political reality of expanding the current DDA boundaries to include a significant part of the Portage Street corridor, which is the preferred option. In addition, though, determine the feasibility of employing the Corridor Improvement Authority Act 280 of 2005, and Principal Shopping Districts and Business Improvement Districts Act 120 of 1961.
 - Organize the community and start a public education campaign to build support for DDA expansion.
 - If support is achieved, pursue discussions with city staff for the process of designation.
 - If approved, implement program(s) and evaluate effectiveness.

- Restructure the current loan to more favorable terms.
- Seek funds to pay for building and site improvements and any related consultant fees.
- Develop strict residential tenant requirements as they pertain to property damage; implement enhanced tenant screening and closely monitor the building. If qualified individuals are not available internally to take on a property management role, contract for those services.
- Seek a consultant to complete any necessary architectural drawings for interior spaces and complete working drawings.
- Prepare a strategy to lease available space using previously prepared retail findings to target potential tenants and to continue a tenant search.
- Initiate all formal approvals for construction.
- Bid the construction contract, select a contractor and complete work.
- Continue leasing efforts and building/site maintenance; monitor results.

Potential Funding Sources

Various funding options are available to assist with the redevelopment and operation of Edison Place. However, it is important to note that some programs include tax abatements that freeze the taxable value of a building and exempt any new investment from local taxes. When coupled with an expanded DDA, BID or CID, such an approach will be counter-productive as it will not allow incremental tax increases to be shared district wide. Given current loan requirements and the generally depressed real estate market, selling the property at this time is not a viable option. Therefore, the following should be thoughtfully and carefully be explored:

- ***Commercial Rehabilitation Act***
Public Act 210 of 2005, encourages the rehabilitation of commercial property that is 15 years old or older by abating the taxes on new investment. Commercial property is defined as a qualified facility primarily used in the operation of a commercial business. Certain residential improvements are also eligible for abatement, but land and personal property are not. The abatement process is similar to PA 146, the Obsolete Property Rehabilitation Act. The city must first hold a hearing to establish a Commercial Rehabilitation District and the county board of commissioners and all real property owners in the proposed district must be notified of the hearing. The district must be at least three acres in size unless it is located in a downtown or business area or contains a qualified retail food establishment.
- **Downtown Urban Revitalization 2.0 Entitlement Grant Program 2009**
Funds are available for public infrastructure, façade improvements and signature building projects. This one-time allocation requires a 50/50 local cash match and funds will be available to individual qualifying communities in any dollar increment between \$25,000 and \$100,000. The total available for this grant is \$400,000. Projects with an emphasis on

promoting density, walkability, and sustainability will be viewed favorably. Preference will be given for projects that create jobs and that leverage multiple sources of public and private funding. The local match requires cash from the community; other state and/or local grant dollars cannot be used. While the grant period for 2009 has passed, the program should be tracked for the next and following years.

Façade Improvement Project grants are available for communities that seek to target areas of traditional downtowns for improvements that will have a significant positive impact. The Downtown Façade Program is structured to provide commercial/mixed-use building façade improvements to sustain and minimize deterioration of downtowns. This program is based on the premise that the exterior improvements will stimulate additional private investment in the buildings and the surrounding area, attract and increase the number of customers, thereby resulting in additional downtown economic opportunities. Proposals with multiple buildings will be accepted and are encouraged. Requests must identify whether the proposed project is located within a Downtown Development Authority, a Principal Shopping District, a Business Improvement Zone, a Corridor Improvement Authority or a Historic District. (*Note: the project is not required to be located in a development district.*)

Signature Building Project grants are available for communities seeking to acquire vacant, partially vacant or substantially underused buildings located in downtowns for rehabilitation into a commercial/mixed use building that will hopefully result in job creation. This program enables a community to secure a building that is a focal point within the downtown for commercial rehabilitation purposes that will make a significant contribution to the overall downtown area. If the project is located within a Downtown Development Authority, a Principal Shopping District, a Business Improvement Zone, a Corridor Improvement Authority or a Historic District, it should be identified as such. (*Note: the project is not required to be located in a development district.*)

Downtown Infrastructure grants are available to provide public infrastructure improvements that directly support private redevelopment projects in traditional downtowns. Public infrastructure includes items such as: parking facilities, streetscape, public water or sanitary sewer lines and related facilities, streets, roads, bridges and public utilities. The request must identify whether the proposed project is located within a Downtown Development Authority, a Principal Shopping District, a Business Improvement Zone, a Corridor Improvement Authority or a Historic District. (*Note: the project is not required to be located in a development district.*)

UPJOHN PARK AQUATIC CENTER

Upjohn Park has seen approximately \$1.5 million of recent investment. For the most part all significant planned park improvements have been completed and upgrades to the KIK pool are to be finished this spring. No additional upgrades to the pool are being considered since the recently adopted Park and Recreation Plan identified an aquatic center as a very low priority. Over \$2 million is needed to develop the kind of aquatic center desired by the neighborhood. Given the current financial outlook and the master plan results, it is doubtful that an aquatic center will be considered for the park in the foreseeable future.

Actions

However, if the Edison neighborhood still wishes to pursue that vision the following must be accomplished:

- Gather community support to revise the recently adopted city of Kalamazoo Recreation Master Plan so that an aquatic center at Upjohn Park can be identified as a high priority project. State criteria require projects to be included in the city's five year recreation plan.

Potential Funding Sources

If successful, petition the city of Kalamazoo to help fund the over \$2 million project and pursue other funding options including:

- *Grants from private foundations*
- *Michigan Department of Natural Resources Land and Water Conservation Fund.* Specific criteria include:

Program Objectives: The objective is to provide grants to local units of government and to the state to develop land for outdoor recreation.

Criteria: Applications are evaluated using four criteria: project need, applicant history, site and project quality, and alignment with the state's recreation plan. In 2009, the fourth criterion is determined to be primarily trails, community outdoor recreation, green technology in outdoor recreation, universal access and coordination and cooperation among recreation providers.

Applicant Eligibility: Any unit of government, including Native American tribes, school districts, or any combination of units in which authority is legally constituted to provide recreation. Local units of government, school districts, and local authorities must have a DNR-approved community five-year recreation plan to be eligible.

WASHINGTON SQUARE LIBRARY AMPHITHEATER

A concept plan for an amphitheater to be located on the north side of the Washington Square Branch Library was completed in 2004. It included a fenced outdoor theater with terraced seating, lighting, and a sound stage. It was planned to allow community and neighborhood events and its construction budget was estimated to be approximately \$165,000. Originally, library funds were seen as a capital source for funding, since no other seed money was available. Again, if a grant was to be pursued, library funds were envisioned to help secure it. However, due to competing interests and projects, the Kalamazoo Library Board has not endorsed the project.

Actions

However, if the Edison neighborhood still wishes to pursue the project the following must be accomplished:

- Gather community support to petition the Kalamazoo Public Library Board to support the project and to help provide funding. Given current fiscal constraints this will be a challenge.
- Explore designating the site a park which may then make it eligible for state funding. If successful, the city's five year recreation plan will need to be revised.

Potential Funding Sources

If successful, petition the city to help fund the project and pursue other funding options including: and the Michigan Department of Natural Resources *Land and Water Conservation Fund*.

- ***Grants from private foundations***
- ***Michigan Department of Natural Resources Land and Water Conservation Fund.***
Specific criteria include:

Program Objectives: The objective is to provide grants to local units of government and to the state to develop land for outdoor recreation.

Criteria: Applications are evaluated using four criteria: project need, applicant history, site and project quality, and alignment with the state's recreation plan. In 2009, the fourth criterion is determined to be primarily trails, community outdoor recreation, green technology in outdoor recreation, universal access and coordination and cooperation among recreation providers.

Applicant Eligibility: Any unit of government, including Native American tribes, school districts, or any combination of units in which authority is legally constituted to provide recreation. Local units of government, school districts, and local authorities must have a DNR-approved community five-year recreation plan to be eligible.

MILLER-DAVIS

Founded in 1909, Miller-Davis Company provides general contracting, construction management, design/build and construction consulting services. Given their location on Portage Street they are a business anchor within the corridor. As a company they are committed to preserving, enhancing and furthering their reputation and good corporate citizenship through service and support of organizations and communities in southwest Michigan.

Recently they completed building and site renovations that include a new parking lot, sign and landscaping that will be completed during the spring of 2009. The building interior was completely redone to add office space and its design accommodates future building expansion. Any action related to growth is obviously affected by the economy and at this point they indicate no further action is needed.

Schedule of Activity

Categories	Projects and Strategies	The Next Three Years				The Future		
		2nd Qtr 2009	2009	2010	2011	2012	2013	2014
Major Portage Street Streetscape Project Steps	Establish Project Leadership Team/ define design and public input process and funding option.	█						
	Write job description, recruit, and hire Portage Street Corridor Coordinator.	█						
	Define priority elements that focus investment in Washington Square.	█						
	Meet with public agencies to define process to include project on TIP; funding options; design criteria; maintenance responsibilities; and approval process.	█						
	Begin design development phase of Washington Square area.			█				
	Complete construction drawings, finalize approval process, and bid.				█			
	Select contractor; implement public information campaign to address disruptions during construction; begin and complete construction.					█		
	Review remaining project, reprioritize and restart process.					█		
	Ongoing maintenance					█		

Schedule of Activity

Categories	Projects and Strategies	The Next Three Years				The Future		
		2nd Qtr 2009	2009	2010	2011	2012	2013	2014
Major Market Place Housing Development Steps	Establish Project Leadership Team, develop planning/ implementation process and schedule; agree on financing options and incentives.							
	Seek project partners to help with development and related costs.							
	Verify process and timeframe to modify lot sizes and any resulting changes to site drainage and driveway curb cuts.							
	Solicit developer interest and guidance before replat to determine if additional changes are recommended.							
	Secure funds and purchase property.							
	Complete construction drawings and building design standards; gain final approvals, seek bids and make necessary improvements.							
	Prepare promotional materials, solicit builder interest to construct homes and begin lot sales.							

Schedule of Activity

Categories	Projects and Strategies	The Next Three Years				The Future		
		2nd Qtr 2009	2009	2010	2011	2012	2013	2014
Major Steps in the Cool Cities Development Process	Establish Project Leadership Team dovetailing with the Portage Street streetscape team.							
	Develop a corridor business strategy.							
	Explore funding options including DDA expansion, Business Improvement District, Corridor Improvement District.							
	Restructure current loan to more favorable terms.							
	Seek funds to pay for building and site improvements and related consultant fees.							
	Seek architect for building and site design.							
	Prepare strategy to lease available space using previous retail studies to target potential tenants and continue tenant search.							
	Secure formal construction approvals, bid/ select contractor and complete work.							
	Continue leasing efforts and building and site maintenance; monitor results.							

Schedule of Activity

Categories	Projects and Strategies	The Next Three Years				The Future		
		2nd Qtr 2009	2009	2010	2011	2012	2013	2014
Major Steps in Edison Place Development Process	Establish Project Leadership Team dovetailing with the Portage Street streetscape team.							
	Develop a corridor business strategy.							
	Explore funding options including DDA expansion, Business Improvement District, Corridor Improvement District.							
	Restructure current loan to more favorable terms.							
	Seek funds to pay for building and site improvements and any related consultant fees.							
	Develop residential tenant requirements; implement enhanced tenant screening and monitor closely; consider contracting for property management.							
	Prepare strategy to lease available space using previous retail studies to target potential tenants and continue tenant search.							
	Secure formal construction approvals, bid/ select contractor and complete work.							
	Continue leasing efforts and building and site maintenance; monitor results.							

Schedule of Activity

Categories	Projects and Strategies	The Next Three Years				The Future		
		2nd Qtr 2009	2009	2010	2011	2012	2013	2014
Upjohn Park Aquatic Center	Gather community support to revise the recently adopted Kalamazoo Recreation Master Plan.							
	Explore grants and funding opportunities.							

Schedule of Activity

Categories	Projects and Strategies	The Next Three Years				The Future		
		2nd Qtr 2009	2009	2010	2011	2012	2013	2014
Library Amphitheater	Gather community support to seek funding from library board.							
	Explore grants and funding opportunities.							

Project Roles

Categories	Projects and Strategies	Edison Neighborhood Association	LISC	Edison Mainstreet	KNHS	City	DKI	Nonprofit and/or Private
Major Portage Street Streetscape Project Steps	Establish Project Leadership Team/ define design and public input process and funding option.	A	A	L		A	A	A
	Write job description, recruit, and hire Portage Street Corridor Coordinator.	A	A	L		S	A	S
	Define priority elements that focus investment in Washington Square.	A	A	L		A	A	A
	Meet with public agencies to define process to include project on TIP; funding options; design criteria; maintenance responsibilities; and approval process.	S	S	L		A	A	A
	Begin design development phase of Washington Square area.	S	S	A		L	A	A
	Complete construction drawings, finalize approval process, and bid.	S		S		L	S	
	Select contractor; implement public information campaign to address disruptions during construction; begin and complete construction.	A		A		L	A	A
	Review remaining project, reprioritize and restart process.	A	A	L		A	A	A
	Ongoing maintenance	A	S	L		A	A	A

L = Leadership Role: Organization is responsible entity.

S = Support Role: Organization supports the action with either technical assistance, public show of support, and/or financial consideration.

A = Advisory Role: Organization supplies sound advice, guidance, and/or other resources for the action.

Project Roles

Categories	Projects and Strategies	Edison Neighborhood Association	LISC	Edison Mainstreet	KNHS	City	DKI	Nonprofit and/or Private
Major Market Place Housing Development Step	Establish Project Leadership Team, develop planning/ implementation	A	A	S	A	L	A	A
	Seek project partners to help with development and related costs.	S	A	A	A	L	A	A
	Verify process and timeframe to modify lot sizes and any resulting changes to site drainage and driveway curb cuts.	S	S	S	L	A	S	S
	Solicit developer interest and guidance before replat to determine if additional changes are recommended.	S	S	S	L	A	A	S
	Secure funds and purchase property.	S	S	L	L	A	A	A
	Complete construction drawings and building design standards; gain final approvals, seek bids and make necessary improvements.				L	A	A	
	Prepare promotional materials, solicit builder interest to construct homes and begin lot sales.	S	S	S	L	A	A	S

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Categories	Projects and Strategies	Edison Neighborhood Association	LISC	Edison Mainstreet	KNHS	City	DKI	Nonprofit and/or Private
Major Steps in the Cool Cities Development Process	Establish Project Leadership Team dovetailing with the Portage Street streetscape team.	A	A	L	S	A	A	A
	Develop a corridor business strategy.	A	A	L	S	A	A	A
	Explore funding options including DDA Expansion, Business Improvement District, Corridor Improvement District.	A	S	L	S	A	A	S
	Restructure current loan to more favorable terms.	S	A	A	S	A	L	A
	Seek funds to pay for building and site improvements and related consultant fees.	S	S	A	S	A	L	A
	Seek architect for building and site design.			A			L	
	Prepare strategy to lease available space using previous retail studies to target potential tenants and continue tenant search.			A			L	
	Secure formal construction approvals, bid/ select contractor and complete work.			A			L	
	Continue leasing efforts and building and site maintenance; monitor results.	S	S	S	S	S	L	S

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Major Steps in Edison Place Development Process	Establish Project Leadership Team dovetailing with the Portage Street streetscape team.	A	A	L	S	A	A	A
	Develop a corridor business strategy.	A	A	L	S	A	A	A
	Explore funding options including DDA Expansion, Business Improvement District, Corridor Improvement District.	A	S	L	S	A	A	S
	Restructure current loan to more favorable terms.	S	A	A	S	A	L	A
	Seek funds to pay for building and site improvements and any related consultant fees.	S	S	A	S	A	L	A
	Develop residential tenant requirements; implement enhanced tenant screening and monitor closely; consider contracting for property management.			A			L	
	Prepare strategy to lease available space using previous retail studies to target potential tenants and continue tenant search.			A			L	
	Secure formal construction approvals, bid/ select contractor and complete work.			A			L	
	Continue leasing efforts and building and site maintenance; monitor results.	S	S	S	S	S	L	S

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Project Roles

Categories	Projects and Strategies	Edison Neighborhood Association	LISC	Edison Mainstreet	KNHS	City	DKI	Nonprofit and/or Private
Upjohn Park Aquatic Center	Gather community support to revise the recently adopted Kalamazoo Recreation Master Plan.	L		S		S	S	
	Explore grants and funding opportunities.	L		S		S	S	

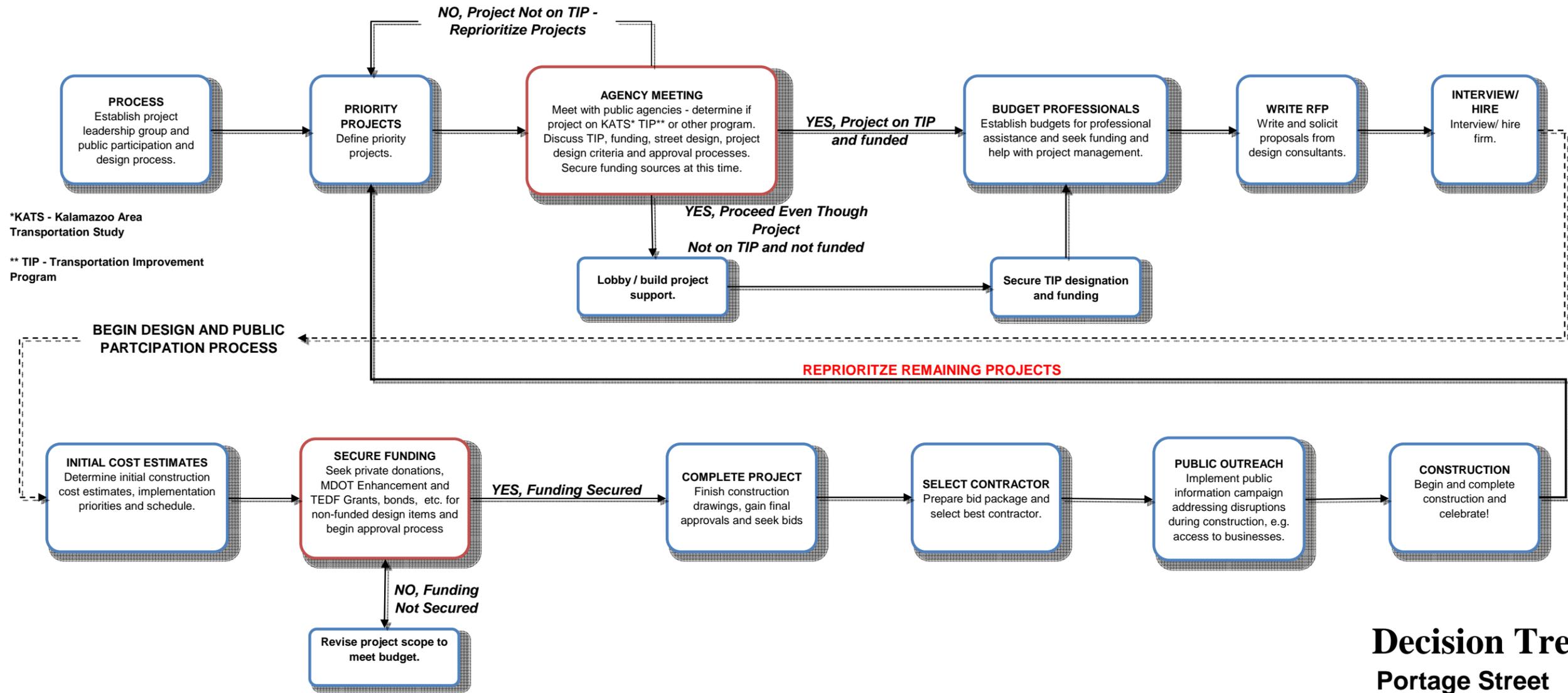
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	Explore grants and funding opportunities.	L		S		S	S	

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Decision Tree
Portage Street
Streetscape Study
 April, 2009