

BUCHANAN MARKET ANALYSIS + REAL ESTATE REDEVELOPMENT STRATEGY



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ABOUT THIS REPORT

This Real Estate Redevelopment and Economic Strategy is supported by Cornerstone Alliance and the Michigan Department of Agriculture and Rural Development's Rural Readiness Grant Program. The Rural Readiness Program is a multi-pronged approach to building capacity and readiness in Michigan's rural communities through networked support, funding opportunities and leadership development. Cornerstone Alliance is committed to assisting the communities of Berrien County as they develop aspirational, data-driven strategies to realize their visions for community growth.



Cornerstone
ALLIANCE

ECONOMIC DEVELOPMENT  BERRIEN COUNTY



Michigan Department of
AGRICULTURE
& Rural Development

ABOUT THE PROCESS

This plan was created utilizing the expertise of outside consultants, state and local-level partners, and community input. More specifically, the process included:

Third-Party Data Analysis

Market data provided by Claritas and extrapolated and interpreted by Place + Main Advisors, this data gives a snapshot of the potential opportunities for the district.

Community Tour

Understanding the context of the district and community is critical to developing a plan that takes the community's needs into account.

Property Tours

Representatives from the City of Buchanan provided our team access to the properties highlighted in this plan.

Our thanks to the City of Buchanan and the numerous residents, businesses, and property owners who participated in the creation of this plan.

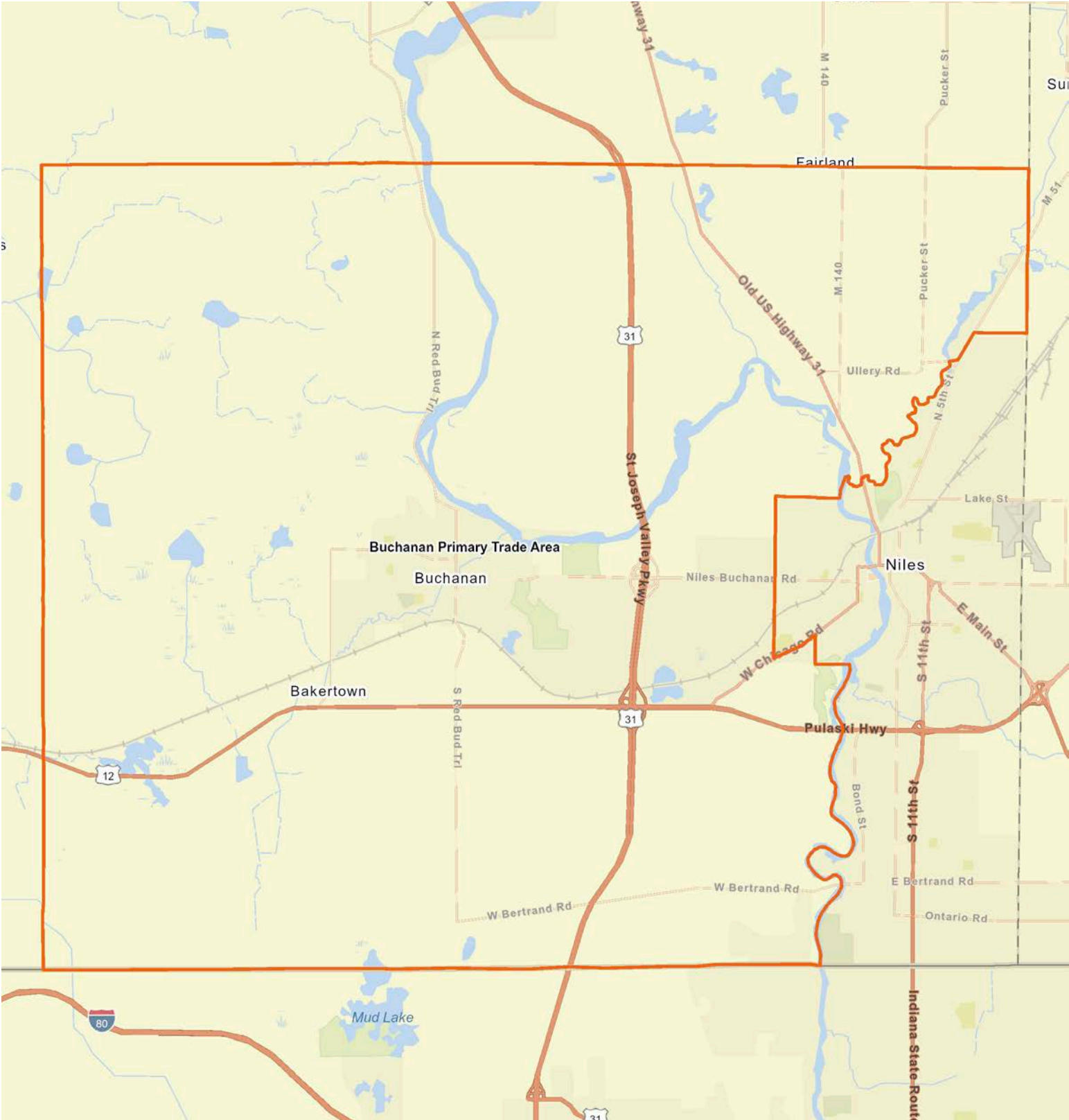
BUCHANAN, MICHIGAN MARKET DATA

The primary trade areas for this report were established by using mobility data, or cell phone data, to determine where people are coming from into the downtown district. Using this GPS-enabled technology called geofencing, the City of Buchanan can understand at the census block level where current customers in the district are originating. This allows for a better understanding of customer spending, needs, and the types of businesses that would be a best fit for the district.

This mobility data allows for the identification of geographic areas that make up the district's primary trade area. Once these areas are identified, Place + Main Advisors, LLC used this map to provide additional market data, including the following demographic and market retail data from data sources including Claritas, the U.S. Census, ESRI, and augmented with their own analysis and extrapolation of data.

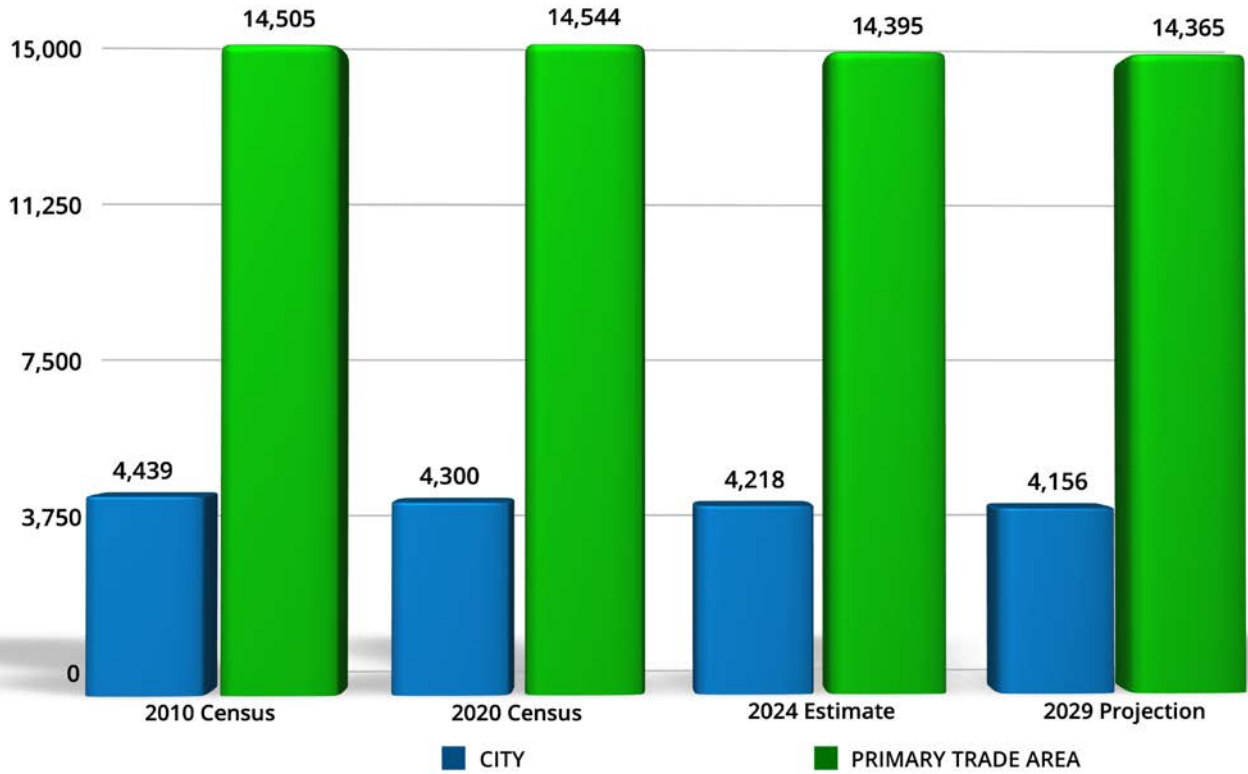


BUCHANAN TRADE AREA



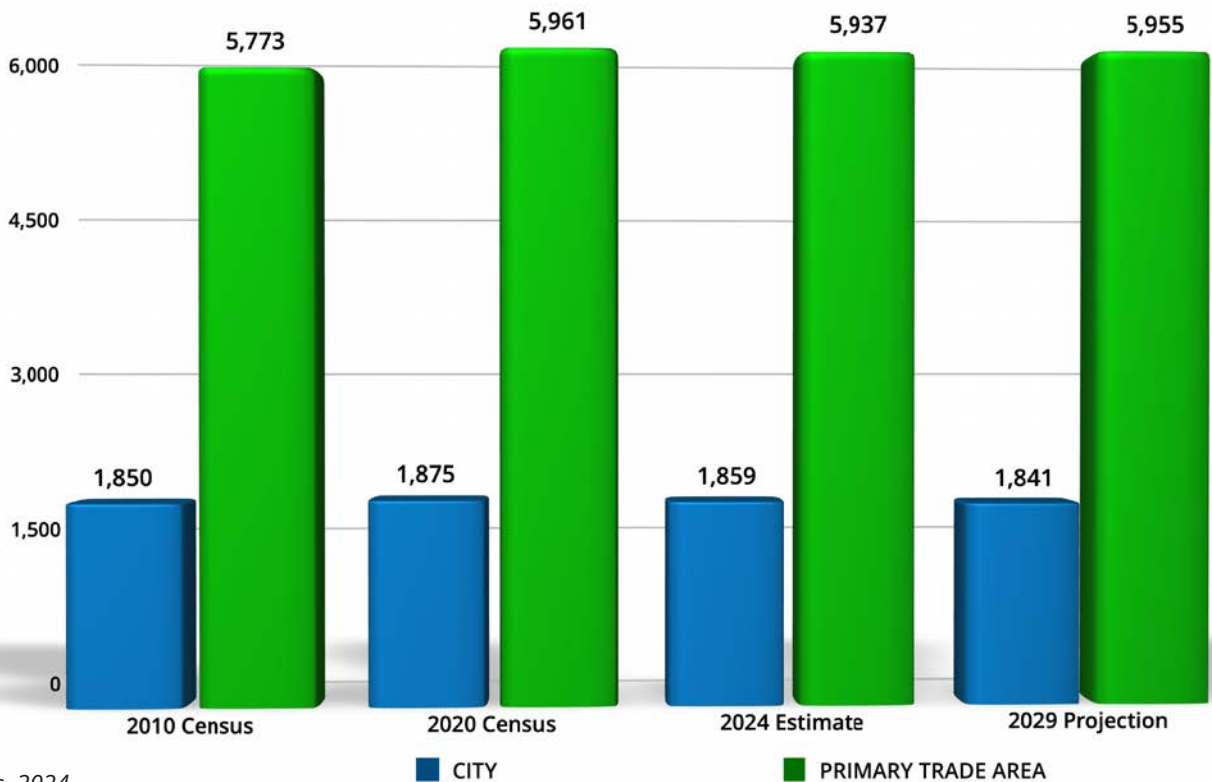
POPULATION & HOUSEHOLD TRENDS

POPULATION



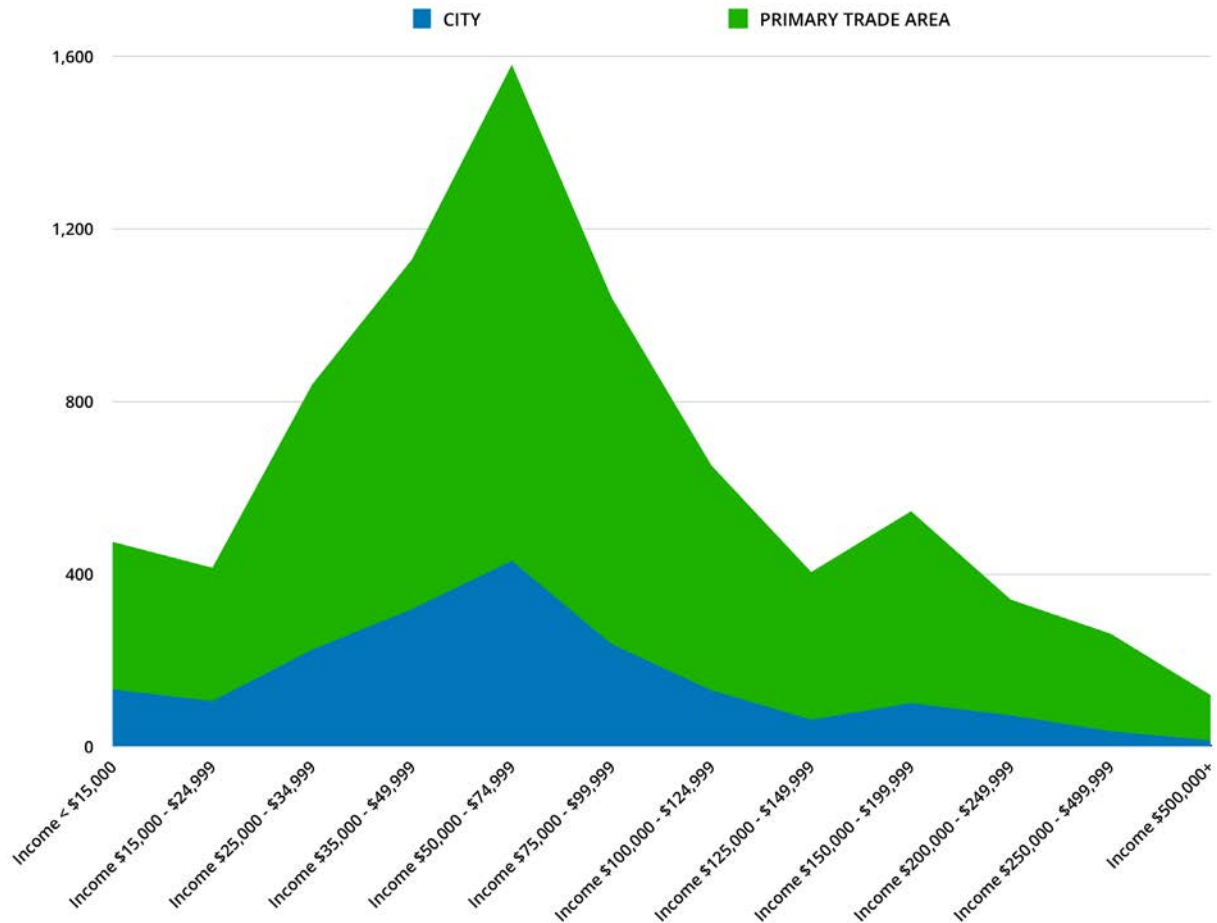
Source: Claritas, 2024

HOUSEHOLDS



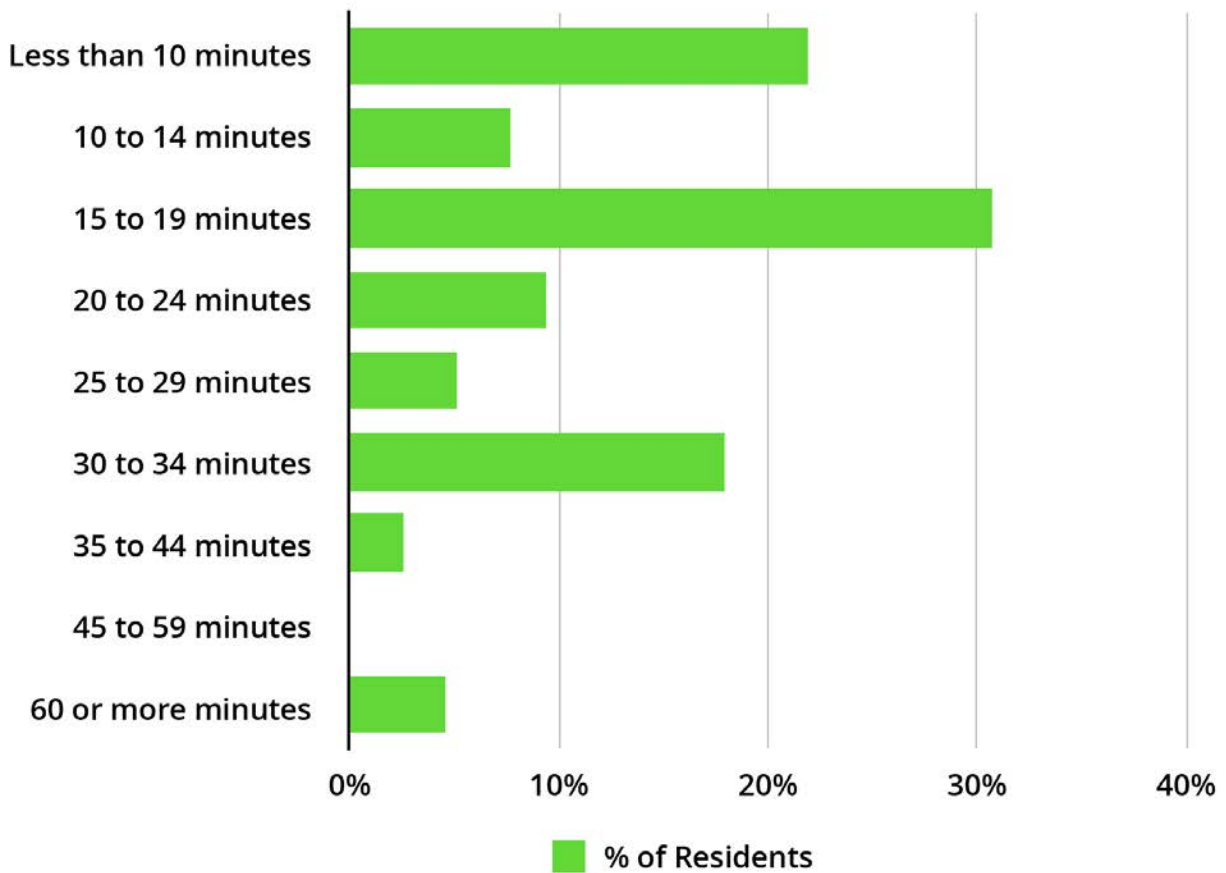
Source: Claritas, 2024

HOUSEHOLD INCOME



HOUSEHOLD INCOME	CITY OF BUCHANAN	BUCHANAN TRADE AREA
< \$15,000	132	342
\$15,000 - \$24,999	105	309
\$25,000 - \$34,999	224	615
\$35,000 - \$49,999	318	811
\$50,000 - \$74,999	430	1,150
\$75,000 - \$99,999	237	803
\$100,000 - \$124,999	130	521
\$125,000 - \$149,999	62	342
\$150,000 - \$199,999	100	445
\$200,000 - \$249,999	72	268
\$250,000 - \$499,999	35	226
\$500,000+	14	105
AVERAGE HOUSEHOLD INCOME	\$79,701	\$98,549
MEDIAN HOUSEHOLD INCOME	\$57,797	\$68,730

AVERAGE CITY RESIDENT COMMUTE



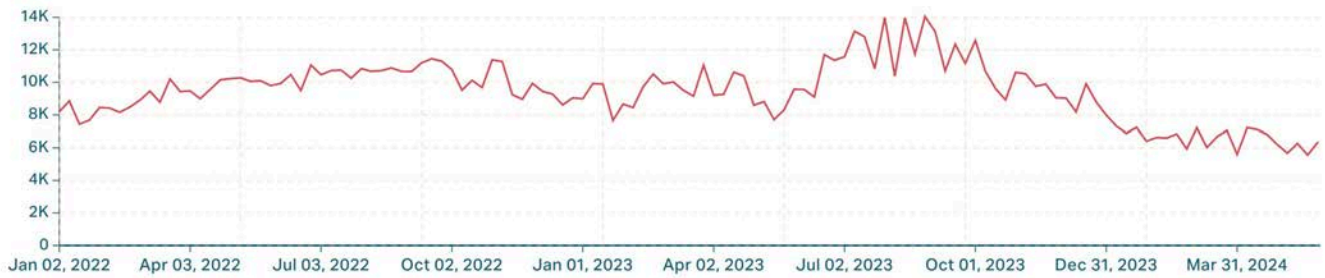
LEAVING HOME	% OF POPULATION	ARRIVING HOME
12:00 A.M. TO 4:59 A.M.	10.1%	9:00 A.M. TO 1:59 P.M.
5:00 A.M. TO 5:29 A.M.	0.9%	2:00 P.M. TO 2:29 P.M.
5:30 A.M. TO 5:59 A.M.	9.5%	2:30 P.M. TO 2:59 P.M.
6:00 A.M. TO 6:29 A.M.	13.2%	3:00 P.M. TO 3:29 P.M.
6:30 A.M. TO 6:59 A.M.	8.8%	3:30 P.M. TO 3:59 P.M.
7:00 A.M. TO 7:29 A.M.	10.0%	4:00 P.M. TO 4:29 P.M.
7:30 A.M. TO 7:59 A.M.	8.3%	4:30 P.M. TO 4:59 P.M.
8:00 A.M. TO 8:29 A.M.	9.4%	5:00 P.M. TO 5:29 P.M.
8:30 A.M. TO 8:59 A.M.	0.8%	5:30 P.M. TO 5:59 P.M.
9:00 A.M. TO 11:59 P.M.	28.9%	6:00 P.M. TO 8:59 P.M.

Source: US Census, 2022 ACS 5-Year Estimates

VISITOR DATA

Visitors are defined as all visits by all individuals to the geofenced area (downtown) for the calendar years of 2022-2023 and first quarter of 2024. Visitors must have been within the geofenced boundaries for at least seven minutes to be counted.

WEEKLY VISITS

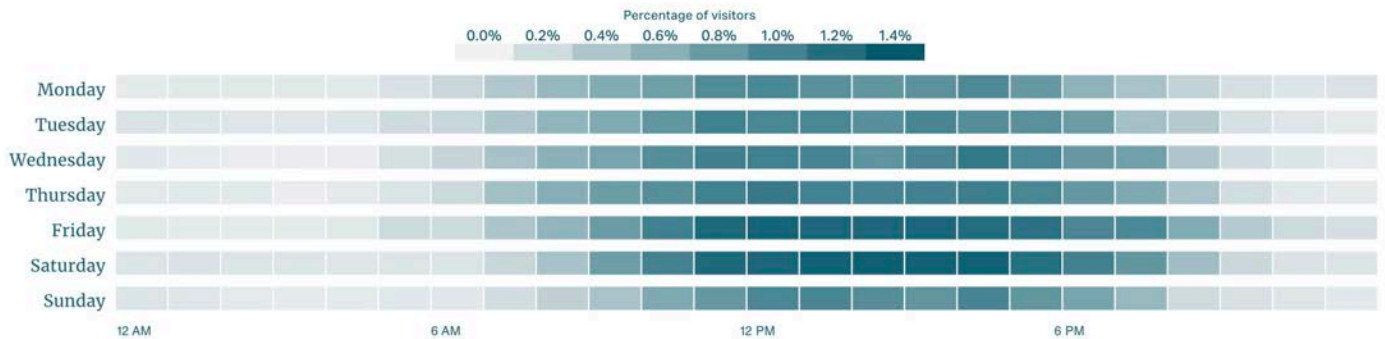


VISITS BY TIME OF DAY

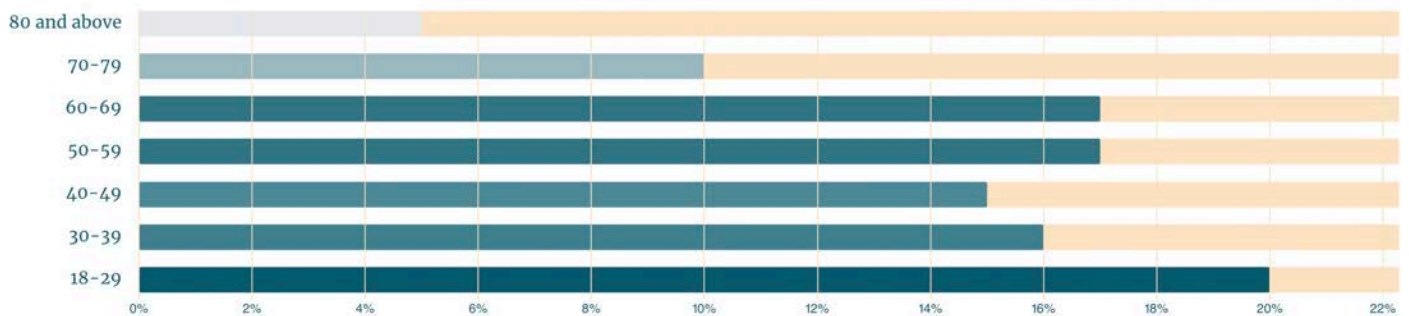
Popular visitation times

Visitors to the venue per day

📍 Saturday, 2 PM
Most popular time



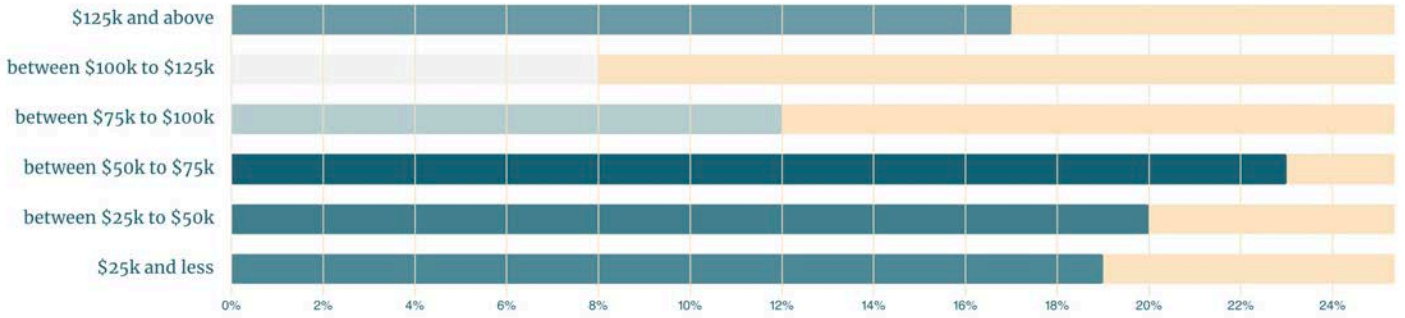
VISITOR AGES



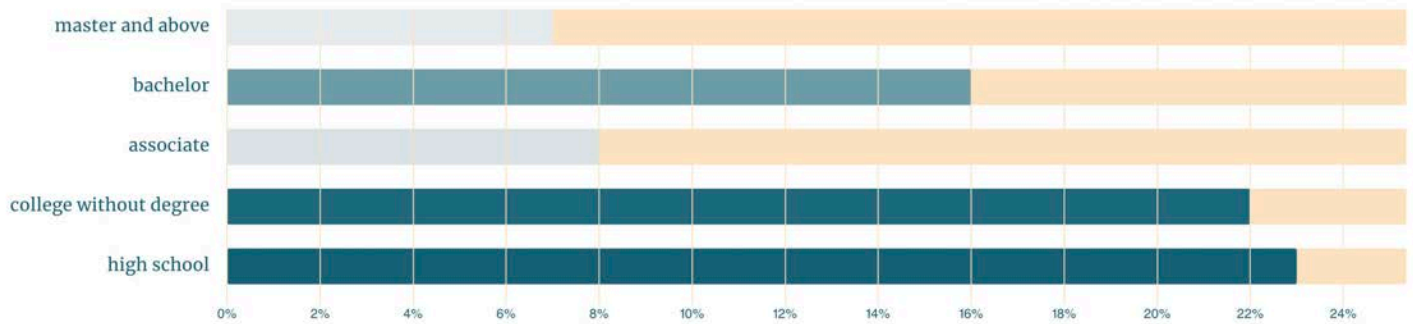
Source: Uncacast, 2024

VISITOR DATA

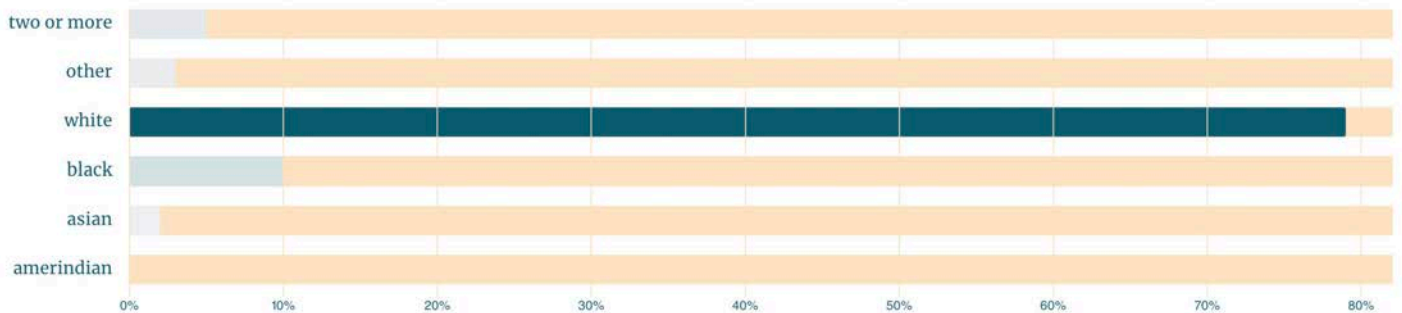
VISITOR INCOMES



VISITOR EDUCATION



VISITOR RACE



Source: Uncacast, 2024

BUCHANAN RETAIL GAP DATA

About Retail Gap Data

When an area's demand for retail goods and services does not match the supply, it creates what is called a Retail Gap. If there is more supply than demand in a geographic area, then one of two things (or a combination of the two) are occurring:

- 1) There may be a strong enough draw from a specific retailer/service provider or group of them that brings in additional customers from outside the defined area and/or;
- 2) There is an over-supply of a particular business type. Conversely, if there is more demand for a good or service than what exists in the area's supply, a gap (or leakage) is created.

This leakage is money that leaves the area to be spent in another area because the particular good or service is not available within the defined area. This leakage is the best potential source for the types of additional businesses the area may need.

The presence of a gap is not a guarantee of success for prospective businesses.

Local Advantages + Challenges

The retail gap data for the Buchanan Trade Area suggests the retail offerings in the region are significantly under-supplied on the whole.

The following charts show the market demand and highest leakage areas for the primary and secondary trade areas.

	2024 Demand	2024 Supply	2029 Retail Gap	2029 Projected Demand	2029 Projected Opportunity
Total Retail Trade and Food + Drink	\$316,665,027	\$99,553,488	\$217,111,539	\$347,941,459	\$248,387,971
Total Retail Trade	\$281,829,459	\$88,451,849	\$193,377,610	\$309,491,676	\$221,039,827
Total Food + Drink	\$34,835,568	\$11,101,640	\$23,733,929	\$38,449,783	\$27,348,143

SOURCE: Claritas, 2024; Place + Main Advisors, LLC, 2024

BUCHANAN TRADE AREA RETAIL OPPORTUNITIES

The opportunities listed in this section are those industries that are most compatible with the downtown environment with the highest amount of current and projected retail gap. Existing retail gap is calculated by subtracting 2024 Supply from 2024 Demand, while Projected Opportunity is calculated by subtracting 2024 Supply from the projected amount of Demand for 2029. Projected Opportunity assumes no increase of supply from 2024. Maximum Supportable Square Footage is calculated by dividing the total Projected Demand by the current national average sales per square of the respective industry. Opportunities are listed in order of their North American Industry Classification System (NAICS) number.



Furniture stores (NAICS 4421)

\$3,194,158	\$376,872	\$2,817,286
2024 Demand	2024 Supply	2024 Retail Gap
\$3,538,878	\$3,162,006	
Projected 2029 Demand	Projected 2029 Retail Gap	

Maximum Supportable Sq Ft **9,729**



Home furnishings stores (NAICS 4422)

\$2,467,341	\$345,135	\$2,122,206
2024 Demand	2024 Supply	2024 Retail Gap
\$2,739,044	\$2,393,909	
Projected 2029 Demand	Projected 2029 Retail Gap	

Maximum Supportable Sq Ft **11,346**

RETAIL OPPORTUNITIES



Supermarkets and other grocery (except convenience) stores (NAICS 44511)

\$33,035,553	\$19,764,408	\$13,271,146
2024 Demand	2024 Supply	2024 Retail Gap

\$36,518,620	\$16,754,212
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **33,508**



Beer, wine, and liquor stores (NAICS 4453)

\$2,749,878	\$125,558	\$2,624,320
2024 Demand	2024 Supply	2024 Retail Gap

\$3,030,460	\$2,904,902
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **2,641**



Pharmacies and drug stores (NAICS 44611)

\$16,644,668	\$2,456,476	\$14,188,192
2024 Demand	2024 Supply	2024 Retail Gap

\$18,802,366	\$16,345,890
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **26,322**



Women's clothing stores (NAICS 44812)

\$1,332,858	\$276,776	\$1,056,082
2024 Demand	2024 Supply	2024 Retail Gap

\$1,255,081	\$978,305
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **3,261**

RETAIL OPPORTUNITIES



Family clothing stores (NAICS 44814)

\$5,175,746	\$1,633,971	\$3,541,775
2024 Demand	2024 Supply	2024 Retail Gap

\$5,061,477	\$3,427,506
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **14,902**



Shoe stores (NAICS 4482)

\$1,319,771	\$0	\$1,319,771
2024 Demand	2024 Supply	2024 Retail Gap

\$1,436,264	\$1,436,264
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **4,788**



Sporting goods stores (NAICS 45111)

\$2,727,217	\$1,034,751	\$1,692,466
2024 Demand	2024 Supply	2024 Retail Gap

\$2,983,928	\$1,949,177
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **10,205**



Drinking places (alcoholic beverages) (NAICS 7224)

\$1,227,761	\$297,365	\$930,396
2024 Demand	2024 Supply	2024 Retail Gap

\$1,341,413	\$1,044,048
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **2,983**

RETAIL OPPORTUNITIES



Full-service restaurants (NAICS 722511)

\$15,567,761	\$4,160,837	\$11,406,924
2024 Demand	2024 Supply	2024 Retail Gap

\$17,177,152	\$13,016,315
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **21,338**



Limited-service restaurants (NAICS 722513)

\$13,034,757	\$3,996,030	\$9,038,727
2024 Demand	2024 Supply	2024 Retail Gap

\$14,423,909	\$10,427,879
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **52,139**



Snack and non-alcoholic beverage bars (NAICS 722515)

\$1,997,660	\$0	\$1,997,660
2024 Demand	2024 Supply	2024 Retail Gap

\$2,210,304	\$2,210,304
Projected 2029 Demand	Projected 2029 Retail Gap

Maximum Supportable Sq Ft **5,201**

BUCHANAN TRADE AREA MARKET SEGMENTATION

About Market Segmentation

As important as knowing what an area's retail gap is, understanding its market segmentation is equally valuable. What is market segmentation? Market segmentation is the process of dividing a market of potential customers into groups, or segments, based on different characteristics. The segments created are composed of consumers who will respond similarly to marketing strategies and who share traits such as similar interests, needs, or locations.

To define the various market segments the Buchanan trade area is divided into segments using the Tapestry Market Segmentation tool. Tapestry is a tool created by data firm ESRI to provide an accurate, detailed description of America's neighborhoods—U.S. residential areas are divided into 67 distinct segments based on their socioeconomic and demographic composition—then further classifies the segments into LifeMode and Urbanization Groups.

The charts on the following pages outline the Top 5 predominant Tapestry segmentations in the trade area. Their full profiles are hyperlinked in the chart (right.)

BUCHANAN TRADE AREA	
Tapestry Segment	% of Households
Salt of the Earth (6B)	32.2%
Heartland Communities (6F)	17.7%
Comfortable Empty Nesters (5A)	10.0%
Green Acres (6A)	7.6%
Retirement Communities (9E)	7.1%
Traditional Living (12B)	6.6%
Southern Satellites (10A)	6.5%
Midlife Constants (5E)	4.7%
Rustbelt Traditions (5D)	4.3%
Rural Resort Dwellers (6E)	3.2%

SEGMENT SUMMARY

Segmentation	Socioeconomic Traits	Market Profile
<p>Salt of the Earth (6B)</p> <p>Average Household Size: 2.59</p> <p>Median Age: 44.1</p> <p>Median Household Income: \$56,300</p>	<ul style="list-style-type: none"> • Steady employment in construction, manufacturing, and related service industries. • Completed education: 40% with a high school diploma only. • Household income just over the national median, while net worth is nearly double the national median. • Spending time with family is their top priority. • Cost-conscious consumers, loyal to brands they like, with a focus on buying American. • Last to buy the latest and greatest products. • Try to eat healthy, tracking the nutrition and ingredients in the food they purchase. 	<ul style="list-style-type: none"> • Outdoor sports and activities, such as fishing, boating, hunting, and overnight camping trips, are popular. • To support their pastimes, truck ownership is high; many also own an ATV. • They own the equipment to maintain their lawns and tend to their vegetable gardens. • Residents often tackle home remodeling and improvement jobs themselves. • Due to their locale, they own satellite dishes and have access to high-speed internet connections like DSL. • These conservative consumers prefer to conduct their business in person rather than online. They use an agent to purchase insurance.
<p>Heartland Communities (6F)</p> <p>Average Household Size: 2.39</p> <p>Median Age: 42.3</p> <p>Median Household Income: \$42,400</p>	<ul style="list-style-type: none"> • Retirees in this market depress the average labor force participation rate to less than 60%. More workers are white collar than blue collar; more skilled than unskilled. • The rural economy of this market provides employment in the manufacturing, construction, utilities, health-care, and agriculture industries. • These are budget-savvy consumers; they stick to brands they grew up with and know the price of goods they purchase. Buying American is important. • Daily life is busy but routine. Working on the weekends is not uncommon. • Residents trust TV and newspapers more than any other media. • Skeptical about their financial future, they stick to community banks and low-risk investments. 	<ul style="list-style-type: none"> • Traditional in their ways, residents of Heartland Communities choose to bank and pay their bills in person and purchase insurance from an agent. • Most have high-speed internet access at home or on their cell phone but aren't ready to go paperless. • Many residents have paid off their home mortgages but still hold auto loans and student loans. Interest checking accounts are common. • To support their local community, residents participate in public activities. • Home remodeling is not a priority, but homeowners do tackle necessary maintenance work on their cherished homes. They have invested in riding lawn mowers to maintain their larger yards. • They enjoy country music and watch CMT. • Motorcycling, hunting, and fishing are popular; walking is the main form of exercise. • To get around these semirural communities, residents prefer domestic trucks or SUVs.

SEGMENT SUMMARY

Segmentation	Socioeconomic Traits	Market Profile
<p>Comfortable Empty Nesters (5A)</p> <p>Average Household Size: 2.52</p> <p>Median Age: 48</p> <p>Median Household Income: \$75,000</p>	<ul style="list-style-type: none"> • Education: 36% college graduates; nearly 68% with some college education. • Average labor force participation at 61%. • Most households' income from wages or salaries, but a third also draw income from investments (Index 150) and retirement. • Comfortable Empty Nesters residents physically and financially active. • Prefer eating at home instead of dining out. • Home maintenance a priority among these homeowners. 	<ul style="list-style-type: none"> • Residents enjoy listening to sports radio or watching sports on television. • Physically active, they play golf, ski, ride bicycles, and work out regularly. • Spending a lot of time online isn't a priority, so most own older home computers. • Financial portfolio includes stocks, certificates of deposit, mutual funds, and real estate.
<p>Green Acres (6A)</p> <p>Average Household Size: 2.70</p> <p>Median Age: 43.9</p> <p>Median Household Income: \$76,800</p>	<ul style="list-style-type: none"> • Education: More than 60% are college educated. • Income is derived not only from wages and salaries but also from self-employment (more than 13% of households), investments (27% of households), and increasingly, from retirement. • They are cautious consumers with a focus on quality and durability. • Comfortable with technology, more as a tool than a trend: banking or paying bills online is convenient; but the internet is not viewed as entertainment. • Economic outlook is professed as pessimistic, but consumers are comfortable with debt, primarily as home and auto loans, and investments. 	<ul style="list-style-type: none"> • Purchasing choices reflect Green Acres residents' country life, including a variety of vehicles, from trucks and SUVs to ATVs and motorcycles, preferably late model. • Homeowners favor DIY home improvement projects and gardening. • Media of choice are provided by satellite service, radio, and television, also with an emphasis on country and home and garden. • Green Acres residents pursue physical fitness vigorously, from working out on home exercise equipment to playing a variety of sports. • Residents are active in their communities and a variety of social organizations, from charitable to veterans' clubs.
<p>Retirement Communities (9E)</p> <p>Average Household Size: 1.88</p> <p>Median Age: 53.9</p> <p>Median Household Income: \$40,800</p>	<ul style="list-style-type: none"> • Brand loyal, this segment will spend a little more for their favorite brands, but most likely they will have a coupon. • Frugal, they pay close attention to finances. • They prefer reading magazines over interacting with computers. • They are health conscious and prefer name-brand drugs. 	<ul style="list-style-type: none"> • Enjoy hard-cover books, book clubs, crossword puzzles, and Sudoku. • Contribute to political organizations and other groups. • Entertainment preferences: playing cards and reading books. • Prefer watching cable TV, including premium channels like HBO and Cinemax. • Like to travel—including visits to foreign countries. • Shop at diverse, large retail chains like Family Dollar, Target, and Walmart for convenience.

BUCHANAN

REAL ESTATE STRATEGIES

Buchanan has several opportunities to create a more dynamic market and have a significantly positive impact on both businesses and real estate in the district.

- 1 REPURPOSE “VISION BUCHANAN” FOR DEVELOPER FOCUS**
- 2 ESTABLISH ADDITIONAL TOOLS FOR REDEVELOPMENT**
- 3 ESTABLISH ADDITIONAL TOOLS FOR PLACE MANAGEMENT**
- 4 CREATE ADDITIONAL NATIONAL REGISTER DISTRICTS**
- 5 ADD HOUSING DOWNTOWN + NEAR NEIGHBORHOODS**
- 6 CREATE VACANT STOREFRONT ORDINANCE**



1 REPURPOSE “VISION BUCHANAN” FOR DEVELOPER FOCUS

WHY?

The City of Buchanan has put significant time, cost, and effort into assembling an excellent overall vision document for the city. This document, called Vision Buchanan, does an excellent job of laying out the desired improvements to specific public places and identifying a number potential private sector real estate projects. While this is an excellent vision document for the general public, it could be repurposed to be used as a developer recruitment tool.



DEVELOPER RECRUITMENT

One of the most effective ways to realize the city’s vision is to attract private sector developers who share a passion for transforming communities and creating vibrant spaces. The Vision Buchanan document, with its detailed renderings, conceptual site plans, and targeted project descriptions, can be reimaged as a powerful marketing asset designed specifically to engage potential development partners.

A well-crafted developer recruitment package can be created by using the visual assets, data, and insights from Vision Buchanan. This package would serve as a polished, professional presentation that can be shared directly with developers, investors, and real estate professionals. It should highlight Buchanan’s investment-ready opportunities, providing key information on available properties, zoning, market demand, and any local incentives or support available for new projects.

KEY FEATURES OF THE DEVELOPER RECRUITMENT TOOL

To effectively communicate the opportunities outlined in Vision Buchanan, the recruitment tool should include:

Highlighted Opportunities- A selection of high-priority development opportunities, complete with site-specific information such as location maps, property dimensions, current land use, and potential uses as envisioned in the plan.

Renderings and Site Plans- Using the high-quality visuals extracted from Vision Buchanan, show prospective developments and enhancements to key public and private sites.

Market Analysis- Using data from this Real Estate Redevelopment Plan, including key market data is crucial in showing the opportunity for businesses.

Financial Incentives and Support- A breakdown of the incentives available to developers, such as tax increment financing (TIF), grants, and assistance with navigating the local regulatory environment.

Case Studies and Testimonials- Success stories from past projects in Buchanan that have transformed the community and added value to the area.

2 ESTABLISH ADDITIONAL TOOLS FOR REDEVELOPMENT

WHY?

Michigan communities face unique challenges when it comes to redevelopment. Many towns and cities contain older industrial or commercial properties that have been underutilized, vacant, or contaminated over the years, making redevelopment complex and costly. Despite the incredible potential for transformation, these properties often remain idle due to the financial burdens associated with site preparation and remediation. To overcome these barriers and unlock the full potential of these sites, it is essential to implement targeted redevelopment tools, such as a Brownfield Redevelopment Authority, Downtown Development Authority Tax Increment Financing (TIF), and Housing TIF mechanisms.

The establishment of these tools would provide the necessary framework to support revitalization efforts, attract private investment, and ensure that Michigan communities remain competitive in an ever-changing economic landscape.

BROWNFIELD REDEVELOPMENT AUTHORITY

Establishing a local Brownfield Redevelopment Authority (BRA) enables communities to take a proactive stance in revitalizing contaminated or underutilized properties. By creating a BRA, communities gain access to a range of additional funding sources, including the ability to capture tax increment revenues, secure grants, and leverage various incentives. These financial resources help to reduce the upfront costs associated with environmental remediation and site preparation, making redevelopment projects more feasible. Additionally, properties within designated brownfield areas become significantly more attractive to developers due to the reduced uncertainty and lower risk associated with environmental liabilities, ultimately enhancing site marketability and project appeal.

HOUSING TAX INCREMENT FINANCING

While traditional Tax Increment Financing (TIF) is effective for many types of redevelopment, the unique challenges associated with developing new housing, particularly affordable and workforce housing, require a more specialized approach. Establishing a Housing TIF can help address Michigan's housing shortage by capturing incremental tax revenues generated from new housing developments and directing them to support projects that provide a diverse range of housing options, including affordable housing, senior living, and workforce housing. Additionally, a Housing TIF can encourage residential development in targeted areas by using these revenues to finance infrastructure improvements, site preparation, or gap funding, making it more feasible for developers to pursue housing projects in areas where market conditions may not otherwise support them. By expanding the supply of diverse housing options, communities can enhance stability, attract new residents, and support local economic growth by offering housing choices for employees of new or expanding businesses. This targeted approach ensures that housing developments align with broader community goals and meet the needs of a diverse population.

2 ESTABLISH ADDITIONAL TOOLS FOR REDEVELOPMENT

WHAT'S THE DIFFERENCE BETWEEN BROWNFIELD AND HOUSING TIF?

Michigan's Housing Tax Increment Financing (TIF) is distinct from the brownfield law, but the two can be related depending on the context of the development project.

Brownfield Law (Act 381 of 1996)

Michigan's brownfield law, known as the Brownfield Redevelopment Financing Act (Public Act 381 of 1996), allows for the use of TIF to capture tax increments for the redevelopment of brownfield sites. These are typically properties that are contaminated, blighted, or functionally obsolete. The captured taxes can be used to finance environmental remediation, demolition, site preparation, and other eligible activities necessary to redevelop the site.

Housing TIF (Act 57 of 2018)

The Housing TIF is governed by Public Act 57 of 2018, which consolidates and streamlines various tax increment financing statutes in Michigan, including those for Downtown Development Authorities (DDAs), Corridor Improvement Authorities (CIAs), and others. Housing TIF under this law specifically focuses on financing housing-related projects, particularly affordable housing. It is not limited to brownfield sites and can be used in a broader range of areas that may or may not be contaminated or blighted.

Relationship Between the Two

While Housing TIF is its own distinct tool under Act 57, it can be used in conjunction with Brownfield TIF under Act 381 when a housing development project is taking place on a brownfield site. In such cases, the project might benefit from both types of TIF:

Brownfield TIF: To cover costs associated with environmental remediation and site preparation.

Housing TIF: To finance the actual development of housing, particularly affordable housing, once the site is ready for redevelopment.

This combination allows communities to address environmental challenges while also meeting housing needs, making the redevelopment of challenging sites more feasible and financially viable.

3 ESTABLISH ADDITIONAL TOOLS FOR PLACE MANAGEMENT

WHY?

The City of Buchanan may want to reestablish a Downtown Development Authority (DDA) for several strategic reasons, particularly to enhance economic development, improve infrastructure, and attract investments in its downtown area. A DDA can serve as a critical tool for revitalizing the downtown, providing a structured framework for focused efforts to attract businesses, encourage development, and foster a vibrant environment that appeals to residents, visitors, and investors alike. One of the most compelling aspects of establishing a DDA is the ability to leverage Tax Increment Financing (TIF) and a 2-mill operating levy. TIF allows the DDA to capture increases in property tax revenues within the district as property values rise, and reinvest that revenue into infrastructure improvements, streetscapes, façade grants, and other projects that directly benefit the downtown area. This creates a dedicated source of funding for local development projects without placing the burden on the broader tax base. The 2-mill operating levy would be applied to the entire DDA district and help fund the day-to-day operations of the DDA.

ADDITIONAL BENEFITS OF A DDA

Additionally, a DDA could help Buchanan address key infrastructure needs, such as improving roads, sidewalks, parking facilities, lighting, and utilities within the downtown. These enhancements not only make the area more attractive and accessible to businesses and visitors but also contribute to the long-term economic vitality of the district. A DDA also offers the opportunity to provide incentives for business attraction and retention. Buchanan could use these tools to encourage new businesses to move into the downtown area and assist existing businesses in improving their properties or expanding operations. This would contribute to a more diverse mix of retail, restaurants, and services, which in turn boosts foot traffic and economic activity.

Historic preservation is another key benefit, as Buchanan is home to several historic buildings and has a rich heritage. A DDA could focus on preserving and restoring these assets, helping to maintain the unique character of downtown. Programs like façade improvement grants could assist property owners in restoring historic buildings, making the area more attractive to both businesses and tourists. Beyond the physical improvements, a DDA could foster a stronger sense of community and identity by organizing events, improving public spaces, and enhancing the overall downtown experience. These efforts could align with Michigan's placemaking initiatives, making the downtown a focal point for local pride and community activities.

Creating a DDA could also improve Buchanan's eligibility for state and federal grants, particularly those offered through the Michigan Economic Development Corporation (MEDC) and similar programs, which often prioritize communities with active DDAs. If Buchanan's DDA worked in conjunction with the Michigan Main Street Program, it could further amplify downtown revitalization efforts. Main Street organizations often collaborate with DDAs to implement projects focused on economic vitality, design improvements, and community promotion, creating a synergistic approach to downtown development.

3 ESTABLISH ADDITIONAL TOOLS FOR PLACE MANAGEMENT

WHAT ARE THE STEPS TO CREATE A DOWNTOWN DEVELOPMENT AUTHORITY?

Creating a Downtown Development Authority (DDA) in Michigan involves a formal process that is governed by the Downtown Development Authority Act (PA 197 of 1975). The steps to create a DDA typically include the following:

1. Assess the Need and Gather Support

Before beginning the formal process, the city should assess whether a DDA is the right tool for downtown revitalization. Local government officials and community stakeholders (such as business owners, property owners, and residents) need to agree on the need for a DDA.

2. Adopt a Resolution of Intent

The governing body (e.g., city council) must adopt a resolution of intent to create the DDA. This is the first formal step in the process. The resolution outlines the proposed boundaries of the DDA district and states the city's intent to hold public hearings on the matter.

3. Create a Development District Boundary Map

A critical part of establishing a DDA is defining the boundaries of the downtown district in which the authority will operate. The city must create a map showing the proposed DDA boundaries, including both private and public properties.

4. Hold a Public Hearing

After the resolution of intent is adopted, the city must schedule and conduct a public hearing to gather input from residents, business owners, and other interested parties. The city must provide notice of the public hearing at least 20 days in advance, including publication in a local newspaper and sending written notice to property owners in the proposed district.

5. Draft and Approve the Ordinance Establishing the DDA

After the public hearing, if the governing body decides to move forward, it must draft an ordinance officially creating the DDA. This ordinance will include the official DDA boundaries, the powers and responsibilities of the DDA, and the authorization to establish a board of directors to oversee DDA operations.

6. Establish a DDA Board of Directors

The ordinance will also establish the DDA Board of Directors. The board typically consists of between 8 and 12 members, including a mix of stakeholders, such as downtown business owners, property owners, and residents. One member must be a representative of the local government. The board's responsibilities include developing and implementing the downtown development plan, overseeing DDA activities, and managing finances.

7. Develop a Tax Increment Financing (TIF) Plan

One of the key functions of a DDA is to utilize Tax Increment Financing (TIF) to fund projects. Once the DDA is established, the board must develop a TIF plan that details how the captured tax increment will be used to finance downtown improvements. This plan must also go through a public review process and be approved by the city's governing body.

8. Approve the DDA Plan

The DDA must also develop a broader development plan, which outlines the projects, goals, and objectives for the downtown area. This plan should detail proposed infrastructure improvements, beautification efforts, and other initiatives designed to spur growth and revitalization. The governing body must approve this plan before the DDA can implement projects or spend funds.

4 CREATE ADDITIONAL NATIONAL REGISTER DISTRICTS

WHY?

The City of Buchanan already has several areas on the National Register of Historic Places. Listing on the register opens up the ability for commercial properties to utilize both state and federal historic tax credits, which are critical in redevelopment of these properties. The City should consider either amending or creating new national register districts to encompass any historic commercial property with the intention of redeveloping these sites.

BENEFITS OF HISTORIC TAX CREDITS

Federal and Michigan state historic tax credits play a critical role in real estate redevelopment, especially in projects that involve the preservation and rehabilitation of historic structures. The Federal Historic Preservation Tax Incentives program provides a 20% tax credit for qualified expenses incurred in rehabilitating certified historic buildings used for income-producing purposes, such as commercial, industrial, or rental residential properties. This program not only encourages developers to invest in older, historically significant buildings but also helps offset the often substantial costs associated with bringing these structures up to modern standards while preserving their historic character. By leveraging these credits, developers can make projects financially viable that might otherwise be too costly to pursue, thereby contributing to the economic revitalization of downtown areas and historic neighborhoods.

In Michigan, the State Historic Tax Credit program, which was reinstated in 2021, offers an additional layer of financial incentive by providing up to a 25% credit on qualified rehabilitation expenses for both income-producing and owner-occupied properties. This credit can be combined with the federal historic tax credit, making Michigan an attractive place for redevelopment projects that focus on historic preservation. These tax credits not only incentivize the preservation of culturally and architecturally significant buildings but also contribute to job creation, community revitalization, and local tourism. In many cases, historic buildings serve as iconic anchors in redevelopment projects, fostering a sense of place and continuity while catalyzing further investment in surrounding areas. Overall, federal and state historic tax credits are indispensable tools for developers aiming to preserve history while achieving economic viability in real estate redevelopment.

5 ADD HOUSING DOWNTOWN + NEAR NEIGHBORHOODS

WHY?

In order for existing businesses and new businesses in the district to be more successful, the community should look to increase density by adding additional housing units in the downtown core and in near neighborhoods.

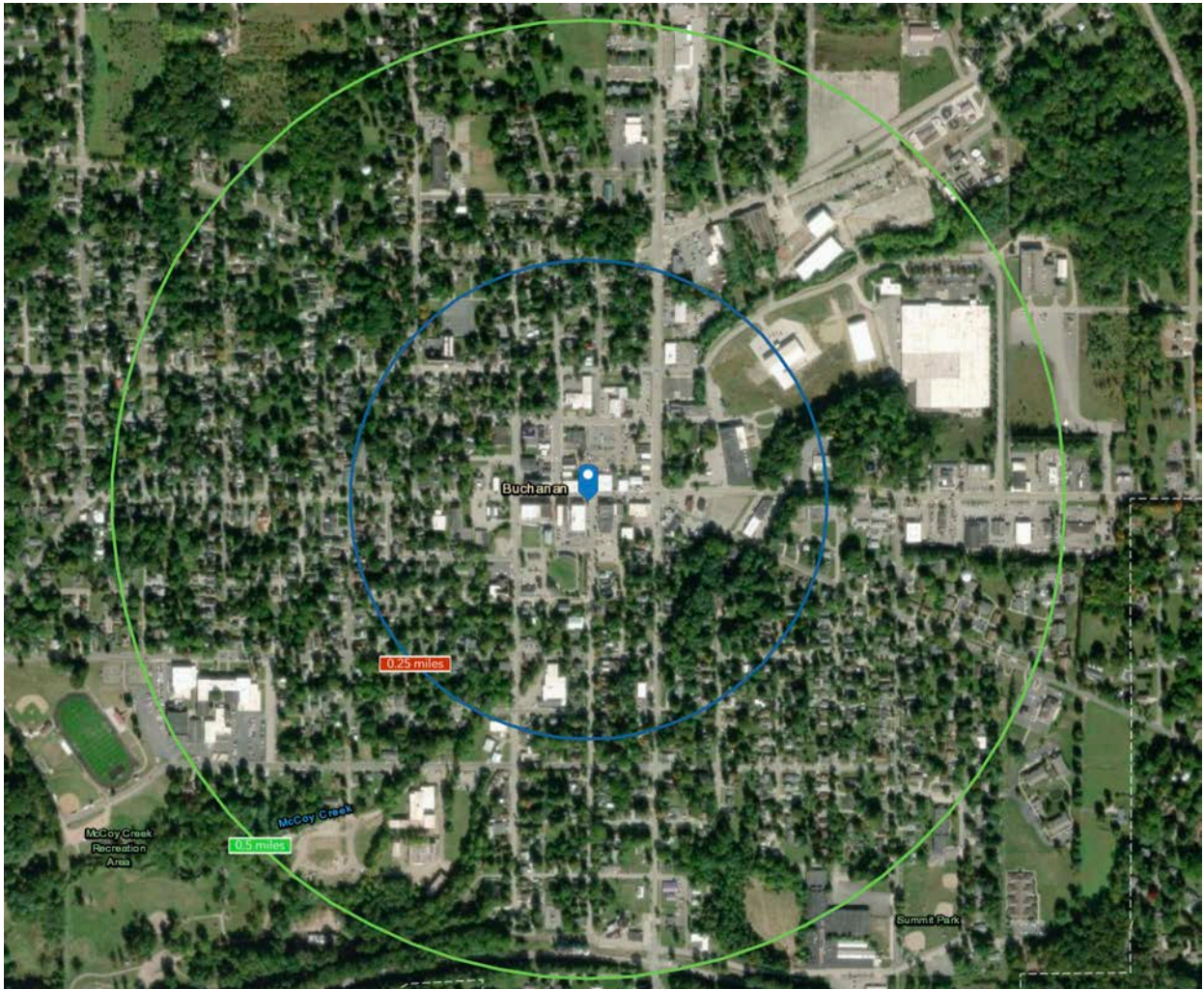
This strategy would allow for a better utilization of private property (including increasing the value of the real estate itself) as well as add new potential customers and spending to the immediate area while utilizing existing infrastructure, such as water and sewer capacity, without the need for significant new expenditures.

FINANCIAL IMPACT OF NEW HOUSING UNITS

The chart below shows the impact of what kind of additional new spending could be captured based on the aggregate number of new units. These projections are based on the estimated demand per household in 2029.

	2029 HH Demand	25 New Units	50 New Units	100 New Units	200 New Units
Total retail trade including food and drink (NAICS 44, 45 and 722)	\$58,605.60	\$1,465,140	\$2,930,280	\$5,860,560	\$11,721,120
Retail trade (NAICS 44 and 45)	\$52,129.30	\$1,303,233	\$2,606,465	\$5,212,930	\$10,425,861
Food services and drinking places (NAICS 722)	\$6,476.30	\$161,907	\$323,815	\$647,630	\$1,295,260

5 ADD HOUSING DOWNTOWN + NEAR NEIGHBORHOODS



LOCATION

The ideal locations for additional housing opportunities would be within 1/4 to 1/2 mile of the main intersection of downtown or other key commercial corridors. Walkability experts believe this 1/4 to 1/2 mile radius is the optimal distance people are willing to walk instead of drive.

In the downtown core, infill of vacant upper floors, single-story non-contributing commercial structures, and underutilized buildings and parking lots are prime candidates for these new units. Housing should also be added to existing neighborhoods first, leveraging vacant parcels, creating ancillary dwelling units (ADUs), and higher density housing units like duplexes. Any vacant or underused parcels where infrastructure is already existing should be primary targets.

The outskirts of the downtown district have several opportunities for redevelopment as well. Single story, non-historic, and vacant commercial structures or vacant land are the least difficult to redevelop. Former heavy commercial or industrial uses would also be strong candidates for redevelopment.

5 ADD HOUSING DOWNTOWN + NEAR NEIGHBORHOODS

HOUSING TYPES

There are several types of housing that could be used in the downtown and near neighborhoods of the downtown district. A few examples are:



UPPER FLOOR RESIDENTIAL

Most, if not all, upper floor units available in the downtown are currently occupied. Those buildings with the ability to support housing units in the upper floors should be encouraged to do so.



MID-RISE

New construction should do its best to fit into the context of the community to help introduce “gentle density,” where appropriate, to allow for more units without compromising the character of the downtown.



DUPLEXES, TRIPLEXES, AND QUADPLEXES

For those areas in residential neighborhoods near downtown, increasing density by encouraging multi-unit designs such as duplexes, triplexes, and quadplexes.



TOWNHOUSES AND ROW HOUSES

These are some additional types of housing for near neighborhoods that could gently increase density while maintaining the character of the community.

6 CREATE VACANT STOREFRONT ORDINANCE

WHY?

Establishing a vacant storefront ordinance can be an effective strategy for reducing the number of vacant commercial properties and revitalizing downtown areas. A well-designed ordinance creates accountability for property owners by setting clear expectations for maintaining and utilizing storefronts. It typically includes provisions that require owners to register their vacant properties with the city, maintain the storefronts in good condition, and actively market the spaces for lease or sale. This encourages property owners to be more proactive in addressing vacancies rather than allowing them to sit idle and detract from the overall vibrancy and attractiveness of the area.

One of the key benefits of a vacant storefront ordinance is that it helps prevent blight and deterioration in commercial corridors. Vacant properties can quickly become eyesores, lowering the appeal of surrounding businesses and discouraging potential tenants or investors. By enforcing maintenance standards, the ordinance ensures that these storefronts remain visually appealing, even if unoccupied, which helps preserve the vitality of the streetscape and keeps foot traffic flowing. In some cases, ordinances can also include financial disincentives, such as fines or fees, for properties that remain vacant for extended periods. This motivates property owners to either find tenants or sell the property, reducing the number of long-term vacancies and promoting more dynamic, economically active commercial districts.

KEY COMPONENTS

A good vacant storefront ordinance has several key components. These are:

Definition of a Vacant Storefront- Specify what constitutes a vacant property (e.g., a storefront that has been vacant for a certain number of days or months).

Registration Requirements- Establish a process for property owners to register vacant storefronts with the local government, providing information about the property, its condition, and any plans for leasing or selling.

Maintenance Standards- Include provisions requiring owners to maintain the physical condition of the property, such as keeping windows intact, ensuring cleanliness, and making any necessary repairs to prevent deterioration.

Marketing Requirements- Some ordinances require property owners to actively market vacant spaces, listing them for lease or sale with local brokers.

Financial Disincentives- Consider penalties for long-term vacancies, such as registration fees, fines, or higher property taxes, to discourage property owners from keeping storefronts empty for extended periods.

Incentives- Include potential incentives such as reduced fees for landlords who actively market their properties or find tenants within a certain time frame.

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