

## Downtown development authorities help make city centers cool, but can West Michigan communities afford to keep them?

By Matt Vande Bunte, The Grand Rapids Press  
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Emily Zoladz | The Grand Rapids Press

North Main Street in downtown Rockford is part of the Squires Street Square area, which was developed by the Rockford Downtown Development Authority.

Overlooking I-96 about halfway between **Grand Rapids** and Muskegon stands a green sign urging motorists to explore a place touted as “Rich in Tradition ... Invested in the Future.”

For a long time, as retired banker Bob Koch remembers, the small Ottawa County city of Coopersville was adrift between those two statements.

Now, 20 years after the city formed a Downtown Development Authority, more than \$300,000 of tax money is spent annually to make Coopersville a 21st-century destination that still hearkens back to its 19th-century origins as a railroad depot.

Creating a streetscape, including a public parking lot with a covered pavilion, was the first feat in the mid-1990s. Then came facade upgrades and handsome signs such as the one along the freeway.

Now, the DDA plans a central park at a downtown corner that once housed a car dealership.

“There were a lot of plans on paper (prior to 1990), but nobody



Mark Copier | The Grand

came up with funding to get the job done," said Koch, who chairs the DDA. If the authority were not formed, "there would still be plans up in the attic of the bank."

The Coopersville DDA recently erected a promotional sign along I-96 near town. Rapids Press

These DDAs — led by boards of merchants and community leaders with the power to spend tax money — are key to making aging downtowns attractive, livable, even cool.

In this area, their accomplishments include Van Andel Arena in Grand Rapids, a snowmelt system in Holland and the Rockford's Squires Street Square.

More than two dozen area communities have authorities, funded mostly by capturing property tax increases in the district as it improves.

But now, in the midst of a deep recession with shrinking tax collections, these DDAs are viewed as a tool for renewal and as a drain on general-fund coffers.

The dilemma raises the question: Can cities and townships still afford their DDAs?

How this tug-of-war ends will influence the look of Main Street in many West Michigan communities for years to come.

### Should taxes go to police?

Fast-growing Georgetown and Caledonia townships are looking to start DDAs. But in Grandville, where the DDA is on the cusp of the biggest investment in the city's history, there are rumblings the money could be spent better by bringing it back into Grandville's cash-strapped general fund and letting the county collect its share.

"That might help our city budget," City Councilman Dick Richards said. "I'm sure the county would love it, too."

Though some DDAs, enabled by a 1975 state law, are funded with millages, most capture tax growth. That tax money would otherwise go into the city, county, library and community colleges.

In Wyoming, there has been some talk about disbanding the city's 11-year-old DDA.

With annual revenues of about \$315,000, it is attempting to resurrect 28th Street SW, a thoroughfare that is losing stores.

Councilman Bill Ver Hulst sees value in the DDA. But if city finances remain in crisis — and if voters in May refuse a 1.25-mill tax increase — Wyoming may need to reclaim the DDA taxes.

"If it doesn't (pass), then I think we re-look at everything," he said. "That (DDA revenue) could be a couple policemen."

The long-term value of sustaining the so-called Wyoming Town Center outweighs the immediate cost, said Megan Sall, DDA director.

"Twenty-Eighth Street is a very important retail corridor for the community, and we can't just let it go," she said. "We understand we're not a traditional downtown. We understand we probably aren't going to be an Eighth Street (in Holland). At the same time, what can we do to

## THE LIST

### In the city centers

A look at area Downtown Development authorities:

#### BYRON TOWNSHIP

**Annual revenue:** About \$10,000

**Start date:** 2006

**Key projects:** 84th Street SW beautification with on-street parking planned this year

#### CASCADE TOWNSHIP

**Annual revenue:** About \$800,000

**Start date:** 1994

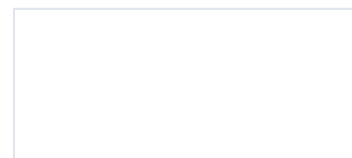
**Key projects:** Streetscape beautification including sidewalks, trees, decorative streetlights

#### CEDAR SPRINGS

**Annual revenue:** None

**Start date:** 1991, recreated in 2006

**Key projects:** Streetscape, parking lot paving, building facade grant program



bring people in?

Coopersville's DDA revenue also is declining, in part because the former Delphi Corp. plant at the city's west end is vacant. The DDA boundaries were drawn to include the huge former auto-parts plant to funnel some of that tax revenue downtown.

But if the site becomes a milk-processing plant as planned, the DDA budget will get a boost. City Manager Steve Patrick concedes that strategy has come under fire, mostly from property owners outside downtown asking, "When are you going to start throwing some money our way?"

### Grandville and Jenison

Grandville's DDA for years has saved money to fund a \$5.8 million streetscape project on Chicago Drive SW. The DDA board says the work is needed to keep the area from turning into a high-vacancy corridor like 28th Street SW.

"It's hard to conceive of something that's not there now, but that's really our job," City Manager Ken Krombeen said. "The purpose of this whole DDA process is to have a vision for the future."

The future of Baldwin Street in the Jenison commercial district has new possibilities with last year's opening of a new I-196 ramp. Suddenly, a forgotten stretch of the road east of Main Street is well-traveled, and Georgetown Township is exploring whether a DDA could rehabilitate the area.

Tim Boelema, who owns three commercially zoned century-old houses on Baldwin, thinks a DDA could coordinate the development of boutique businesses with rear parking and walking trails.

That would create "more of a village feel" for a community without a true downtown.

"That's the original Jenisonville. That was the downtown at the time," Boelema said. "The last thing we need is that you come off that ramp and see nothing but strip malls."

Dan Carlton, Georgetown Township manager, said there is concern about conflict between an independent DDA and elected officials. There also is an upfront cost to creating a DDA that may take a while to pay off since there would be no revenue from a declining tax base, he said.

### Cedar Springs, Caledonia, Byron Township

In Cedar Springs, the DDA is in a holding pattern after a declining tax base wiped out its revenue.

But earlier efforts led to remodeling of building facades. The public money also leveraged more than \$500,000 in private investment in downtown.

City Manager Christine Burns, who came to the city in 2007, has seen



Press file photo

Then-DDA President Larry Roelofs installs banners along West River Drive NE in downtown Comstock Park in 2004.

### COMSTOCK PARK

**Annual revenue:** About \$200,000

**Start date:** 1993

**Key projects:** West River Drive NE streetscape, parking, White Pine Trail beautification

### COOPERSVILLE

**Annual revenue:** \$306,500

**Start date:** 1990

**Key projects:** Parking, pavilion, streetscape beautification, signs, building facade grants

### GRAND RAPIDS

**Annual revenue:** About \$13 million

**Start date:** 1979

**Key projects:** Van Andel Arena, Monroe Center NW, Rosa Parks Circle, riverwalks and pedestrian bridges, building renovations and parking

### GRANDVILLE

**Annual revenue:** \$295,000

**Start date:** 1984

**Key projects:** Land acquisition for Center Town Mall, parking, acquisition of vacant site at Wilson Avenue SW and Chicago Drive, proposed Chicago Drive streetscape for 2011

the transformation.

"It looks totally different," she said.

A DDA also is being considered in Caledonia Township, where expected commercial growth along M-37 south of M-6 could generate enough tax revenue to be the "donor end" of a district.

In partnership with the village, the DDA could fund redevelopment of the community's aging downtown.

"I've seen what has been done in other communities, and I think (a DDA) is a worthwhile entity to look at for Caledonia," said Bryan Harrison, township supervisor.

In 2006, Byron Township launched its DDA and, with a \$200,000 general-fund subsidy, got a state grant that this summer will fund a beautification of 84th Street SW.

"People are driving very quickly right through our downtown and the (chamber and other business leaders) wanted to slow that traffic down," said Audrey Nevins Weiss, township supervisor and DDA president.

"It will hopefully say to people just passing through 'Hey, this is a nice little town here.'"

Cindy Timmerman hopes I-96 motorists will get the same idea about Coopersville. Main Street no longer has a dozen empty storefronts and some buildings now have upstairs apartments.

"It's alive. It's truly alive," said Timmerman, who doubles as DDA marketing director and executive director of the Coopersville Area Chamber of Commerce.

"That gives potential business owners confidence to invest their dollars in that area," she said.

### East Grand Rapids and Rockford

But not all downtown rebirths involve DDAs.

In East Grand Rapids, a bond from the city's street fund paid for a streetscape revitalization in Gaslight Village. Because of that, the city now has more fiscal flexibility as it deals with a \$280,000 budget deficit.

"We have always looked at it as the property taxes from Gaslight Village need to go into the general fund, and that's where we fund the day-to-day operations of Gaslight Village," City Manager Brian Donovan said.

In Rockford, store owner and DDA chairwoman Barb Stein said the good created by the DDA's tax capture over 24 years "has got to have been multiplied many times over."

That value has kept Stein's business a downtown staple and last year led the City Council to extend the DDA for 30 years.

"The people who know where the greatest good will be accomplished are



Press file photo

Holland City Parks Department employees A.J. VonIns, right, and Cal DeBoer place a fraser fir in a downtown planter in November. The pair put up about 60 of the 4-foot-tall Christmas trees on the sidewalk along Eighth Street.

### HOLLAND

**Annual revenue:** \$360,000

**Start date:** 1978

**Key projects:** Parking deck, public restroom, snowmelt system, community events

### HOWARD CITY

**Annual revenue:** About \$105,000

**Start date:** 1997

**Key projects:** White Pine Trail staging area with restrooms, building facades and \$1.2 million streetscape beautification planned in 2011

### HUDSONVILLE

**Annual revenue:** \$524,000

**Start date:** 1985

**Key projects:** Redeveloped Central Boulevard, developed Family Fare strip mall, removal of old buildings for future development

### MIDDLEVILLE

**Annual revenue:** \$140,000

**Start date:** 2001

**Key projects:** Parking,

making decisions," said Stein, owner of Great Northern Trading Co. "When (downtown) looks good, people want to come."

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streetscape beautification, riverfront parks, incentives for facades, community events

**ROCKFORD**

**Annual revenue:** \$218,000

**Start date:** 1986

**Key projects:** Streetscape beautification, road and parking lot paving, park development, outdoor sound system, purchase of old car dealership

**WYOMING**

**Annual revenue:** About \$315,000

**Start date:** 1999

**Key projects:** Decorative streetlights, trees, banners and sidewalks