CITY COUNCIL REPORT

March 14, 2007

TO: Phillip L. Nelson, City Manager

FROM: Brian Murphy, Assistant City Manager/Economic Development Services

SUBJECT: UM/ULI Funding Request

Background:

- Attached is a proposal from Michele Hodges asking the City of Troy to participate financially in the proposed UM/ULI Real Estate Forum.
- The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.
- The forum is designed to facilitate the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers dedicated to creating better places.
- The Troy Chamber will have representatives at the March 26th, City Council meeting to answer Council's questions and to ask for Council's consideration of the proposal.

Financial Considerations:

- The Chamber is requesting financial support from the City of Troy for the project. The request is for a gift of up to $60,000.

Legal Considerations:

- Under Section 12.2 of the Troy City Charter, "(t)he authority to contract on behalf of the City is vested in the Council and shall be exercised in accordance with the provisions of statute and of this Charter…"

Policy Considerations:

- Retain and attract investment while encouraging redevelopment. (Goal III)
- Enhance the livability and safety of the community. (Goal I)

Options:

- Council has the right to accept, amend or reject the proposal.

TROY Chamber of Commerce

GET connected. STAY connected.

Memorandum

To: Honorable Mayor Schilling, and Members of the Troy City Council

From: Michele Hodges, President, Troy Chamber of Commerce

Date: 13 March 2007

RE: Funding Support

Project Name
Creation of a **Walkable Urbanity Strategic Plan** for the Troy Transit Center Area, as part of the University of Michigan/Urban Land Institute (UM/ULI) Real Estate Forum.

Project Thumbnail Description
The yearlong study process will empower Troy to embrace relevant economic development strategies. It will accelerate the pursuit of economic viability, enhance implementation of the Big Beaver Corridor Enhancement Study, and further develop implementation strategies for the west end of the Maple Road Study, as recommmended by Lawrence Technological University.

The process includes a high profile, two-day, national real estate forum, earning Troy access to highly credible national developers and investors, as well as market and base studies, a five to twenty year strategic plan, a four day charrette, and published content.

Professional and student comprised teams, in tandem with local officials, will lead the process.

Funding Request
Financial Support of the Project, from the City of Troy, in an amount not to exceed $60,000.

Funding Explanation
The total project cost has a market value of $800,000, with $250,000 owed by the area of study (Troy and its stakeholders), thus making this initiative an important opportunity to leverage dollars. A number of in-kind resources are required in addition to this amount, and presently being identified by the Chamber. The Troy Chamber is also in the process of raising the $250,000 from foundations, other levels of government, and the private sector.

In order for early stages of the study process to commence, and to gain momentum in the fundraising effort, seed money is necessary. It is the hope of this body that the City of Troy can provide such dollars. $60,000 is needed immediately and, depending on the success of the fundraising effort, as much as $35,000 could be reimbursed to the City. With this scenario, the City of Troy's investment would not exceed $60,000, and could be as little as $25,000, depending on the success of the overall fund raising effort. Either way, the investment is a good value, with potential for high returns strong.

Expected Benefits

Quality input for community planning in the form of a market study, strategic plan, four-day charrette, and published content

National exposure to a high quality developer and investor audience

Substantial, high quality tax base growth

Greater capacity to implement the Big Beaver Corridor Enhancement Study

Transit readiness and infrastructure supportive of the creative class

Walkable urbanity designs

Sustainable development potentials identified

Background

The Troy Chamber, an eight-hundred member business organization, seeks to collaborate with the University of Michigan, Urban Land Institute, Brookings Institute, City of Troy, private sector, and others, in creating a **Walkable Urbanity Strategic Plan**. The epicenter for the area of study is the Transit Center, now proposed for the southwest corner of Maple and Coolidge Roads, and neighboring environs.

Neighboring environs will likely include the Big Beaver/Coolidge intersection, with the Somerset Collection, former Kmart site, and The Kresge Foundation headquarters impacted by it; as well as assets heading east on the Maple Road Corridor. By developing this area appropriately, an important opportunity to create walkable urbanity exists. The Troy Chamber hopes to leverage it for the benefit of the City, and for the Region.

In review, the land proposed for the multi-modal Transit Center is owned by Grand Sakwa, which has agreed to donate it if developed within a ten-year period, of which three remain. The site abuts the City of Birmingham, and SMART, Amtrak, and feeder transport providers are already engaged in preliminary planning processes with the City of Troy. The Troy Airport is also nearby, and presents yet another mode of transportation. An added benefit is the City of Troy's consideration of a significant series of pathways, with bicycles made readily available at key points throughout the community, including the Center area.

Additionally, the potential for artist colonies exists within the study area, which furthers the need to build the creative class, contributes to walkable urbanity, and is consistent with regional strategies under consideration. This is a recognized economic development strategy for the future economy, and will ensure Troy remains relevant going forward.

Best practice case studies from around the country make a compelling case for "transit ready" communities, with Washington DC, Reston, VA and Denver, CO important examples. Transit readiness drives development in a new and significant way, with the potential to make a substantive tax base contribution likely (early estimates suggest Troy could experience a $3-4M increase in annual tax revenue).

Transit readiness will create walkable urbanity in a quintessentially suburban locale, resulting in a level of prosperity that would contribute to regional health. The capacity for regional transit would be enhanced, favorably impacting the Troy economy, and the Region.

The U-M/ULI partnership is capable of high quality study, at a less than market rate; and it can engage a pedigreed audience of national real estate professionals and investors. Although difficult to measure, the market value of this strategic planning process is estimated at $800,000. To secure such service for $250,000 is a unique opportunity to leverage dollars, while making significant local and regional impact.

Creation of a strategic plan is a year long process, with the November 2007 U-M/ULI Real Estate Forum an important milestone. Troy could become a national prototype, and potential for robust economic development is highly likely. The study will look closely at the public right of way, and make recommendations for key areas, both public and private. The private sector can choose whether or not to develop accordingly.

In addition to the Forum, the process includes market and base studies, a five to twenty year strategic plan, four-day charrette, and published content. These process components are to be led by professional and student comprised teams, with local stakeholders active participants. The Troy Chamber, in concert with the appropriate agencies, will facilitate the process, thus reducing the impact on City of Troy staff resources.

The Forum also presents an important collaborative opportunity, with government, academia, and the private sector working in tandem. It addresses a market need, and the need to further sustainable development.

Before the strategy development process can begin, however, the Troy Chamber must identify willing partners and investors. We hope you choose to invest for, when complete, the outcome stands to include a vibrant, economically and socially viable, Troy. Walkable urbanity will exist, an infrastructure supportive of collaboration engaged, sustainable development given greater value, relevant economic development strategies engaged, implementation of the Big Beaver Corridor Enhancement and Maple Road Studies more likely, and yet another step towards quality planning taken.

Thank you for your time, and I'd be happy to aid your decision making process in any way possible, by providing additional information, as you see fit.

CARLISLE/WORTMAN ASSOCIATES, INC.
Community Planners /Landscape Architects

605 S. Main, Suite 1
Ann Arbor, MI 48104
734-662-2200
fax 734-662-1935

6401 Citation Drive, Suite E
Clarkston, MI 48346
248-625-8480
fax 248-625-8455

March 13, 2007

Honorable Mayor Schilling and City Council Members
City of Troy
500 West Big Beaver
Troy, MI 48084

Re: 2007 UM/ULI Real Estate Forum Walkable Urbanity Strategic Plan

Dear Mayor and Council:

Troy has been fortunate to be selected as the area of study for the UM/ULI Real Estate Forum. From past experience, I know this endeavor presents a significant opportunity to be a catalyst for new planning and economic development opportunities.

The recent completion of the Big Beaver Corridor Study and Futures Initiative, along with the initial concepts that have been discussed in the Master Plan update, reveal that the City is in an excellent position to pursue long term economic vitality and sustainability.

The Walkable Urbanity and Strategic Plan will contribute significantly to the City's efforts. By bringing national resources to the table with local officials and experts, the opportunities to accelerate economic developments along Big Beaver, Maple Road, and other areas of the City will be increased. Furthermore, the specific strategies that will be developed for walkable, transit oriented development will cement the City's reputation as offering a high quality of life to its residents.

The Troy Chamber is to be applauded for spearheading this effort. I urge your support and stand read to provide whatever cooperation and assistance may be helpful.

Sincerely,

CARLISLE/WORTMAN ASSOCIATES, INC.

Richard K Carlisle

Richard K. Carlisle, PCP, AICP

RKC: lh