

<u>l:</u> HOW/WHY- WHAT'S HAPPENED TO DATE:

In November when Governor Whitmer stopped indoor dining, the City of Niles in partnership with Niles DDA Main Street program requested that Council close 2nd Street between Main Street and the north alley and for that area to become a designated outdoor dining zone where food trucks can operate, brick and mortar businesses can deliver food, property licensed alcoholic drinks can be consumed, and entertainment can perform creating a place people can gather, socialize, drink and eat in an outdoor venue. It was the perfect COVID response to our MMS Transformational Strategy of becoming a Local Food District in order to give our businesses the best chance of survival.

The area became known as The NODE - Niles Outdoor Dining Experience.

The initial request was for closure of the road through January 11, 2021 and although it was done out of necessity as Lighter, Quicker, Cheaper project, throughout the winter the space was frequently used by diners. After learning more about how similar space had helped other communities, we began discussing the possibility of making the space more permanent.

We received outstanding local press on our creative use of space, and it has brought many new people to town to check it out. We are proud to say that in February, The NODE was voted Best Outdoor Dining in SW Michigan in an MLIVE poll.

Community support has been wonderful. A volunteer group of 8 formed that have taken on daily cleaning and trash removal at The NODE. We received over \$10,000 in sponsorship and donations, and five of our then current board members took on various roles to ensure that The NODE is successful.

On March 23, 2021, Council extended The NODE for one year. While the overwhelming majority of folks in and outside of our community felt positive about the space, almost all agreed it needed to be more attractive.

















At the January 17, 2022 Niles DDA Board meeting Melissa Smith, Denise DiCostanzo, John DiCostanzo, William Lakeman, Leslie Lakeman, Steven Ray, Cindy Ray, Don Kennedy, Dave Shier, Kim Wooden, Stephanie Reno, Jennifer Howell attended and during citizens participation there was a significant discussion about the current location, possible alternative locations, is it serving a purpose, what is its value, who's responsible for costs? It was noted that unless there's a planned event there is very little use of the space. It was also noted that the space was not very attractive other than the fire pit and needed wind control. The consensus of this group of people is that it is not currently in the appropriate location because of its negative impact on several businesses due to 2nd Street partial road closure.

In response, the board agreed that we need a strategy to determine appropriate location. needs, value, funding and usage, and a NODE committee needed to established. A motion was made by Melanie Kennedy to recommend to Council to close the NODE for winter to allow a formalized plan to determine how we proceed in the spring. Seconded by Charlie Spilman. The motion carried 5 in favor 3 against.

After hearing about the January meeting and decision to temporarily close the NODE, in February 2022, the Michigan Main Street team reached out and offered Technical Assistance to Niles Main Street for the NODE as they support communities with design assistance for public space/placemaking projects through working with Downtown Professionals Network.

The service offered was highlighted by a survey to showcase and collect input on evolving public space/placemaking concepts. For Niles this would be specific to The NODE, gathering input about aesthetic improvements, location, programming of the space, etc. The service culminated with an architect providing recommendations and renderings to showcase solutions. For Niles the recommendations and drawings would center around options for The NODE to bolster enhancement opportunities. The deliverables for the service include guiding principles for development & design, an identification of opportunity sites based on susceptibility to change, development patterns, etc., and concept illustrations and/or precedent images depicting possible opportunities for The Node.

DPN created a survey that went live April 2022.

On May 9th, Jay Schlinsog and Michael Schroeder from Downtown Professionals Network - DPN - came to Niles to assess potential locations in person, as well as to hold a series of stakeholder meetings to get community input.

On June 28th, 2022 Leigh Young from Michigan Main Street and Jay Schlinsog, Principal DPN presented their findings from both their visit and the survey to Council. **Full survey results attached

Re the survey, although 56% of the respondents preferred the location to be in an off-street parking lot or open space, the number one location for the space was determined to be the roadway between Main and 2nd.



A follow-up survey question asked "if a road was considered", and the results showed 64.2% were in favor of closing the road, or didn't care (8.4%) with only 15.2 wanting a lane open.

Q.12: If an on-street location were considered for a Niles downtown outdoor hub, which of the following layout options would you prefer?					
Response	Count	Percentage			
Full closure removing all vehicular traffic from a portion of a street	809	64.29			
Partial closure maintaining at least one lane of vehicular traffic on the street	191	15.29			
No preference or unsure	106	8.49			
None	154	12.29			
TOTAL	1,260	100.0%			

Also, 60.5% want on a hard surface so not really a space in the park.

Q.13: Which of the following surface options would you prefer?				
Response	Count	Percentage		
Hard and even surface (fully accessible to all users)	756	60.5%		
Soft and/or uneven surface (some components may not be accessible to all users)	241	19.3%		
No preference or unsure	222	17.8%		
None	30	2.4%		
TOTAL	1,249	100.0%		

Ultimately, the DDA Board took the advice of DPN and chose N 2nd Street between Main and the alley because the 2nd Street as the location. One of the reasons this location was chosen was that it only takes away 7 parking spaces and that made much more sense than taking more parking away when the purpose of this project is to invite more people downtown. The smallest downtown parking lot has 32 spaces-25 more spaces than 2nd Street.

Knowing that we would need additional funding to do this space properly, the DDA applied for RAP 1 funding for projects, including the NODE in June 2022, and was awarded the grant in August 2022. Details on the money below.

November 10 & 11, 2022 Jay Schlinsog and Michael Schroeder came to Niles and conducted a Design Charette, meeting with a group of key stake holders that became the Steering Committee, as well as holding several public meetings.

NODE Steering Committee:

Mayor - DDA, City, Council

Joe Ray - City

Fredda - Design Chair, DDA, HDC, Art Commission

Justin – Promotions Committee Chair and DDA Vice Chair entertainment person PLUS Volunteer that was in charge of management of NODE last round so know what it takes to manage

Paul – District Resident, Property Owner, Business Owner, knows what we need to have to be able to have proper entertainment

Linda Casperson - District Resident, Property owner, Business owner, HDC, Design Committee

Jessica Nelson – Business owner, ex- Council person, advocate for youth and the NODE, Promotions committee, Chamber member

Vikki Jurgonski – Business owner on the NODE, Design committee + subcommittee for furnishings for Streetscape, Chamber member

This group worked with Michael Schroder to create the design that ultimately went to bid, moving the current lanes to the west.



The City engaged Wightman to complete the engineering necessary for the project, and Suzannah Deneau has worked on the project with her team and with Michael Schroeder-DPN, packaging the project to go to bid January 2024 with bids due February 13, 2024. One bid was received, in the amount of \$1.1M. After receiving the one bid, Suzannah was asked to review the project and offer suggestions on how we could proceed within our budget of \$680,000. Suzanna presented three options to the DDA Board at a Special meeting held 3/22/24 (minutes attached), and to City Council at a Meeting of the Whole 3/25/24.

II:

THE MONEY: Grant funds ARPA, RAP, MEDC Vibrancy, Local Foundation. Grant funds can not be used for just anything. They must be used for grantor approved projects, in this case we were able to reallocate the award to another project include in the original ask. We were approved to reallocate funds to enhance the outdoor area since we did not receive enough to create a building. Also, t]he Forge will cost less than half what the Pavilion would cost AND the space can house the Market, music, games, dining, events by businesses...and ALL smack-dab in the center of town.

While the city could take the ARPA funds, if you scroll down, I explain why I wholeheartedly believe they should not.

In the original RAP Grant application, we asked for \$2,198,830 for the following projects:

		115 Main Street - New space for Traphouse 24 and 2 Market rate
Project 1	\$ 248,000.00	apartments
Project 2	\$ 86,025.00	4 Market Rate Apartments 222/226 E Main plus 2 roofs
Project 3	\$ 111,000.00	210 Main Street-HVAC system
Project 4	\$ 373,500.00	Iron Shoe reimbursement for expansion
Project 5	\$ 450,000.00	Streetscape
Project 6	\$ 757,989.00	Pavilion
Project 7	\$ 95,000.00	Ice rink
Project 8	\$ 47,316.00	NODE
Project 9	\$ 15,000.00	<u>Bathrooms</u>
TOTAL	\$ 2,183,830.00	

Council had approved using city ARPA funds as the match for the grant as a condition of our application, as well as budgeting \$1M from city funds for Streetscape before we even applied for RAP.

Ultimately, we received \$1.3 from RAP, which was appx. 59.1% of our ask. MEDC allowed us to reallocate the funds we were awarded in order to have full 50% funding to complete projects as we deem best.

Of that, the county will get 10%/\$13,000 for admin fees, leaving \$1,287,000.

The four Private Projects were funded at 59.1% of their ask and totaled \$483,970, leaving \$803,030 for our Public Projects.

Streetscape costs totaled \$924,602.00, with RAP reimbursement of \$462,301.00 leaving \$340,729.00 RAP/\$681,458 total with ARPA match for an outdoor gathering area and refurbishing the public restrooms.

Restrooms have a budget of \$30,000, leaving \$651,458 RAP w/ARPA for outdoor gathering area PLUS an extra \$10k for firepit installation and \$20k Vibrancy grant for furnishings making the grand total for outdoor area \$681,458.

Per the March 2024 Wightman estimate, the FORGE project is estimated to cost between \$650,000 and \$807,000.

\$807,423	Move the road leaving 2 lanes open
\$728, 401	Extend sidewalks on both sides to appx 20'
\$652,250	Close the road

We have \$681,458 for this project. Our request to close the road is based off of:

- 1) Our Public Works Director stating the safest way to do this project is to close the road *refer to minutes from 3/22/24

 Special DDA Meeting
- 2) The reality of the budget.

Why do I believe that the ARPA funds committed to this project should stay with this project?

The City's Entitlement Community Designation since 2005 allowed Niles to get \$7m vs \$2M. The Entitlement designation means the City receives an allotment of Community Development Block Grant (CDBG) funds each year, but also makes us ineligible to apply for additional funds for other projects.

CDBG funds may be used for activities which include, but are not limited to:

- -Provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities
- -Rehabilitation of residential and non-residential structures (building rehabilitation)
- -Construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes (including Streetscape)
 - -Acquisition of real property

Prior to Niles becoming an entitlement community, CDBG funds were used for the 2004 Streetscape & Façade removal/restoration project.

The entitlement designation also makes Niles ineligible to apply for Michigan State Housing Development Authority (MSHDA) residential rehab programs.

The current MSHDA program allows:

ELIGIBLE APPLICANTS

- Non-Entitlement Local Unit of Government
- Nonprofits and nonprofit community housing development organizations (CHDO).

ELIGIBLE ACTIVITIES

 Moderate or substantial rehabilitation of existing occupied or vacant rental housing or conversion of vacant space to rental units.

ELIGIBLE COSTS

The actual cost of rehabilitating housing, units includes:

- · Costs to meet applicable new construction or rehabilitation standards
- · Energy-related repairs or improvements
- Improvements necessary for persons with disabilities
- Abatement or reduction of lead-based paint hazards (restrictions apply)
- CDBG-Assisted: Façade improvements may be eligible as part of rehab project if improvements are generic or uniform to the building
- MSHDA and HOME project administration is limited to 10 percent of the grant amount and 10 percent project related soft costs. CDBG is limited to 18 percent administrative costs of the grant amount plus 2 percent project related soft costs.

PROJECT CONDITIONS

- 25 percent leverage on grant award required
- A successful place-based project must result in an eligible beneficiary
- \$40,000 per new unit created or \$25,000 per existing unit

In 2004, prior to Niles' designation as an entitlement community, 10 upper level apartments were created using this program. As an Entitlement community, we are ineligible to apply for these programs.

I wholeheartedly believe that our ask and Council's commitment of 12% of ARPA funds, or 16% of the "additional" ARPA funds to be invested as matching funds for the RAP Grant for ALL projects, although in different forms than originally applied for, except Pavilion is a legitimate request.

Lastly, *ALL THAT SAID*, the \$275,000/year entitlement funds the city receives has allowed the city to maintain some important programs notably provide the City the opportunity to run an excellent Code Enforcement Program as well as offer increased access to public services for youth, the homeless and impoverished. The CDBG Program in Niles offers increased opportunities to eliminate blight- a frequent source of crime and other hazardous problems in low income areas; it offers facilities support to important projects as well as repairs or provides for additions to local infrastructure.

<u> III:</u>

Questions pulled from Facebook threads answered:

Before addressing questions, I believe there are a few points worth noting:

The plan for this area since 2022 has been to have this space in the road, with lanes open although the survey results favored not in a road, but if it was, for the road to be closed.

The majority of building and business owners currently adjacent to the space are in favor of closing the road.

Joe Ray, Public Works Director, feels the safest alternative is to close the road.

Kim Shelton, owner of Cross the Street Collectibles reported a 60+% increase in business when the NODE was functioning.

Traphouse 24, the 24hr Gym previously located at 127 E Main, did not go out of business because of the NODE as the owner feared. Instead, the business morphed and moved to a larger space at 115 Main Street and is currently known as Elevate 24.

The Brass Eye closed after the NODE closed down. There has been interest, but always with the question about if/when the outdoor area was going to be reinstalled.

2nd & Main Coffeehouse and Wine Bar chose to locate in their current space at 127 E Main intentionally with the understanding that the outdoor space would be reinstalled.

The DDA has received a grant to be able to invest money to make this space attractive, vs the Lighter-Quicker-Cheaper version of before.

Where has this been discussed more publicly ... why haven't I heard more answers? ALL Niles DDA Main Street Meetings are open to the public and the Niles DDA Main Street has been working on this project since November 2020. IF you are unable to attend the meetings, the minutes from the Niles DDA Main Street meetings are posted on the Niles DDA Main Street website: www.uncoverniles.com. The Niles DDA Main Street Office is open daily (except during vacation times), and staff is available for inperson meetings, phone calls or emails to address and answer all questions and concerns. Contact info for all Niles DDA Main Street Board members is available at the Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com. Contact information for Niles DDA Main Street website www.uncoverniles.com.

Why do you want this in the road, and why are you asking to close the road? Choosing a visible road for a downtown gathering space offers the potential to create a dynamic and inclusive urban environment that celebrates the unique identity and vitality of the city center. It capitalizes on existing infrastructure, promotes economic activity, and fosters a sense of community and belonging within the heart of the city.

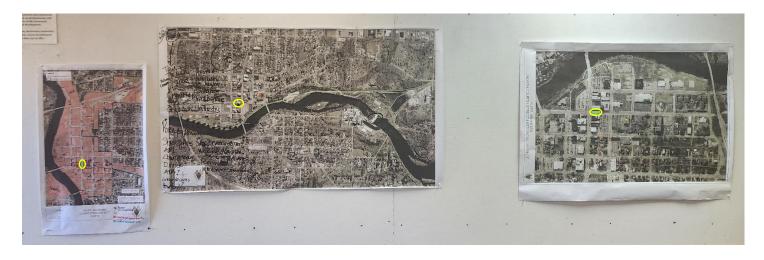
The option to close the road is the one that our Public Works director feels is the safest, and after over a year of due diligence working on the design and going to bid, closing the road is the only option that can be done within the budget we have to work with.

The 2nd Street location is about as close to dead center from Front Street Pizza Pub to Iron Shoe Distillery and from the Amphitheater to Ready Theater as possible.





The maps below have a neon green marker circled in yellow where the road closure is proposed to be. The time to drive around the block vs drive straight through 2nd to get to the parking lot or corner of Sycamore and 2nd Street has been clocked at taking a maximum of 45 extra seconds.



Won't it favor certain businesses? It is impossible to provide the same amenities to all businesses, and businesses chose locations based on the amenities they feel best suit their business.

There are businesses located on this street that will benefit by location, but the space is open for all businesses to use so it depends on how businesses use the space to advertise and attract visitors at the space to come to them. And again, the 2nd Street location is about as close to dead center from Front Street Pizza Pub to Iron Shoe Distillery and from the Amphitheater to Ready Theater as possible.

Fact is both Niles DDA Main Street and the City of Niles do our best to work with each and every district business to help meet their specific needs. From working on behalf of business to help them receive grants for their businesses-including Match on Main grants, RAP 1 Grants, and multiple Chamber of Commerce Grants- to leasing public space to allow expansion of outdoor space, to providing technical assistance and/or low interest loans, we try to meet the individual needs of businesses the best we can.

Why does Niles need another Public Gathering Space...we have a lovely park?

Yes, we do have a lovely Riverfront Park, but folks can drive there, park, enjoy and leave and NEVER even know there is a downtown. The park was developed so that there is not even a good line of site from the park to the downtown. Please feel free to ask any of the downtown businesses about the business that they get when there are events in the park, and they will likely tell you that they rarely *if* ever see any increase in business from Riverfront Park activities.

The NODE showed that a centrally located space within vision and walking distance of many downtown businesses is important. It brought people downtown. It brought new businesses -2^{nd} & Main Coffeehouse and Wine Bar is just one example.

It's so much money to spend on a place for people to eat and drink - why?

South Bend spent \$18.8M+ on a 16,000sq.ft. rink/waterpark combo outside of downtown their core 'traditional' downtown, but in the Howard Park area, benefitting a different set of businesses.

Mishawaka spent \$20.5M+ for a new ice rink, event center, and café, also not in their core Lincolnway 'traditional' downtown, but created Ironworks Plaza along their riverfront in the midst of new retail and residential development.

Unlike South Bend and Mishawaka, Niles only has one 'downtown' area and for \$670k, we will have a destination outdoor event center that will benefit ALL of our businesses as well as help attract new businesses to our downtown. It will have area for a stage for warm weather performances, a fire pit and we can possibly even afford (or work to find the funding for) a seasonal synthetic ice-skating rink that would accommodate 20 +/- skaters making it a clear year-round attraction to bring people to the core of our downtown.

Why not build the Pavilion? Unfortunately, we did not receive enough grant money in total to pay for even 50% of the estimated costs of the Pavilion we proposed in the original RAP Grant application.

Why not at Front and Main or in Riverfront Park? I can attest to the fact that after doing French market in the Front & Main parking lot for 12 years, people drove, parked, enjoyed market and left. They did not go to other downtown businesses. It is the same with events that take place in the Park.

The 2nd Street area makes visitors park their cars away from the 'event' area and walk to get to it, likely going past businesses.

As we have proven with Hunter Ice Festival, if we can get people in front of businesses their tendency is to visit them and spend money. Our first round with The NODE proved that fact for many businesses that were downtown at that time.

I do not want my tax dollars/additional millage to pay for this. It will not. This area is a project of the Niles DDA Main Street, and they are the entity that will be charged with managing and maintaining this area. Contrary to 'talk', the DDA's current budget is healthy enough to take on the anticipated expense of \$10,000 +/- per year, but they also plan to offer sponsorship opportunities at the space with the goal of having it be self-supporting, and possibly even income producing to help fund other projects.

I never saw anyone at the space before so why is this even being considered?









Was the space active 24/7/365? No, but it never will be. BUT it was used quite frequently. Pictures are the proof. Every Monday, a group hosted Open Mic Night, Niles District Library Olive Branch Book Club met here monthly, Homegrown Market was held 4x a month, Third Thursday's were packed with folks of all ages enjoying the music, held fundraising events with hundreds of dollars raised for multiple charities, and the space brought folks downtown on most every lovely weekend afternoon.

AND now, with the change in business mix, we anticipate it will be utilized organically more frequently, not including additional events that will be programed.

What about the Apple Festival Parade! Will this change the route? No, it will not. Removable bollards will be used in places that can be removed for the parade.

Why that location on 2nd Street and not some other street downtown? That half of a block, centrally located on 2nd Street that had been proven to be a success for events over the past 20 years was closed. The location was chosen for many reasons, including:

- It only impacts 7 parking spaces.
- It is NOT on an emergency route.
- It is adjacent to the parking lot where indoor public restrooms are located.
- It is adjacent to a 65 spot FREE public parking lot, and near an additional 100 more spots.
- There is adequate electricity on both ends of the space for vendors, speakers, lights, etc.
- It has 'eyes' on the space from Main Street & up to potentially 8 businesses and 5+ residences.

Why are communities everywhere creating areas like these? Are they important Economic Development tools? An outdoor common area can become an economic engine for several reasons:

- Attraction for businesses: A well-designed centrally located outdoor common area can attract businesses, such as cafes, restaurants, or shops, looking for a vibrant location with high foot traffic. This can lead to increased leasing demand and property values. With the funding from the RAP Grant with ARPA match, we will be able to create a very attractive area.
- 2. **Increased Foot Traffic:** Lively outdoor space draws in more people, increasing foot traffic to nearby businesses. This can result in higher sales for retailers, restaurants, and other establishments located around the common area.
- 3. **Events and Activities:** Centrally located outdoor common areas can host events, festivals, markets, and performances, which attract both locals and tourists and brings them in front of local businesses. These events offer opportunity to generate revenue not only for the businesses within the area but also for vendors and performers.
- 4. **Community Engagement:** A well-utilized outdoor space fosters community engagement and social interaction. As proved with the NODE, it became a place for everyone-all races, economic classes, gender, age and more- EVERYONE felt welcome. This can lead to increased loyalty from residents and visitors, who may frequent nearby businesses and contribute to the local economy.
- 5. **Property Value Appreciation:** A vibrant outdoor common area can enhance the overall appeal of a neighborhood or commercial district, leading to increased property values. This benefits property owners, who may see higher returns on their investments
- 6. **Build Brand and Marketing:** An aesthetically pleasing outdoor space can serve as a marketing tool for businesses and the surrounding area. It creates a positive impression and helps build brand recognition, attracting more customers and investors.
- 7. **Tourism and Destination Appeal:** A well-known outdoor common area can become a tourist destination, drawing visitors from far and wide. The NODE proved that fact, seeing visitors from all over that heard of the space and came to see. And it did stimulate our local economy!