

CITY OF MONTROSE

DOWNTOWN DEVELOPMENT AUTHORITY ALIGNMENT REPORT

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INTRODUCTION AND BACKGROUND

The Montrose Downtown Development Authority (DDA) plays a central role in advancing the City's vision for a thriving, walkable, and resilient downtown. The DDA's Tax Increment Financing (TIF) Plan, adopted in 2007 and extended through 2032, provides the financial framework for public investments that strengthen downtown infrastructure, support business growth, and enhance the overall quality of life. The City's 2040 Master Plan and Capital Improvement Plan (CIP) 2024–2030 both reinforce the community's vision and objectives. Together, these documents identify priority projects, funding mechanisms, and strategic initiatives that align with the DDA's statutory purpose, to halt the deterioration of taxable values and promote economic growth within the DDA district.

The general purpose of this report is to outline how the Master Plan and CIP can be leveraged to advance DDA related projects through targeted TIF investments, collaborative planning, and coordinated project delivery. The document also provides a prioritization and framework for collaborative support of initiatives and identifies alternative funding opportunities for creating capital stacks to serve the DDA's goals.

INITIAL ASSESSMENT AND FINANCIAL CONTEXT

The DDA's TIF Plan outlines its ability to capture incremental tax revenues generated within the downtown district and reinvest those funds in eligible public improvements. Since its establishment, the DDA has funded critical infrastructure, façade improvements, and beautification efforts that have laid the foundation for future redevelopment.

The implementation matrix within the City of Montrose Master Plan explicitly recognizes Tax Increment Financing (TIF) as a key funding source for downtown improvements, placing the DDA as a responsible partner in advancing projects related to economic development, streetscape enhancement, and civic space activation. Similarly, the CIP establishes a six-year framework for investment in streets, sidewalks, utilities, stormwater management, and community facilities, many of which directly benefit or are located within the DDA district.

Alignment between the City, component units such as the DDA, and planning documents provides a strong fiscal and policy basis for integrating DDA resources into the City's broader capital planning and redevelopment strategy.

Review of DDA Financials

Overview

The Montrose Downtown Development Authority (DDA) enters FY 2025–2026 with a strong financial position, fiscal discipline, and an ongoing commitment to reinvestment in the downtown district. The approved budget reflects the DDA's priorities to maintain stable operations, support small-scale improvement programs, and prepare for participation in larger infrastructure and redevelopment initiatives that align with the City's long-term vision.

Revenue Outlook

For FY 2025–2026, the DDA anticipates total revenues of approximately \$119,700, reflecting modest adjustments from the prior year's amended budget. The primary revenue source continues to be tax increment revenues (TIR) generated within the DDA district, supplemented by interest earnings and rental income from the Depot building.

Tax Increment Revenue (TIR):	\$115,000	Represents roughly 96% of total annual income. Capture levels remain stable, consistent with recent taxable value trends across the district.
Interest Earnings	\$1,200	Reflects returns on fund balance and short-term investments.

Depot Rental Income	\$3,500	Provides steady offset for utilities, maintenance, and insurance on the historic facility.
Other Income	\$0	No additional state grants or public contributions are projected for the upcoming fiscal year following the conclusion of the Jennings Memorial Grant.

Together, these revenues maintain the DDA's operational stability and provide flexibility for matching funds and future capital participation.

Expenditure Overview

The DDA's FY 2025–2026 total expenditures are projected at \$41,414.50, closely mirroring the previous year's adopted levels. The Authority continues to maintain a conservative spending posture while prioritizing activities that produce visible community benefit.

Administration and Operations	\$9,000	Includes salaries, IT, legal, and administrative costs to support daily functions.
Façade Improvement Program	\$7,000	Ongoing small-grant initiative supporting private property investment and downtown beautification.
Professional and Contracted Services	\$8,000	Provides technical assistance, marketing, and external consulting tied to strategic initiatives.
Utilities and Depot Operations	\$1,900	Covers electric, gas, and water expenses associated with the Depot facility.
Training, Dues, and Subscriptions	\$2,200	Supports board training, compliance with Act 57 reporting, and professional memberships.
Capital Allocation	\$40,000	Dedicated to future downtown infrastructure, streetscape, or grant-matching projects in coordination with City priorities.

The combination of steady operating expenses and strategic capital allocation ensures that DDA funds remain flexible, visible, and leverage ready for development purposes.

Financial Position and Fund Balance

The DDA closed FY 2024–2025 with a net operating surplus of approximately \$97,000 and enters FY 2025–2026 debt-free following the full retirement of prior obligations. With projected revenues exceeding expenditures by an additional \$78,285.50, the DDA's total available fund balance will strengthen further in the coming fiscal year.

This strong fiscal position allows the DDA to:

- Participate in cost-sharing partnerships for public improvements identified in the City's 2024–2030 Capital Improvement Plan and Street Asset Management Plan.
- Provide local match funding for potential MEDC, MSHDA, or EGLE grants targeting infrastructure, housing, or downtown revitalization.
- Sustain and expand the façade and sign grant program to encourage visible reinvestment by property owners.
- Reserve funds for future infrastructure participation, such as sidewalks, drainage, parking, and civic space enhancements outlined in the DDA & TIF Plan.

Strategic Fiscal Direction

Looking forward, the DDA's fiscal strategy will remain centered on leveraging limited local revenues to achieve maximum community impact.

Key fiscal principles include:

- Maintain a reserve balance equal to 50% of annual expenditures to ensure long-term stability.
- Align annual budgeting with the City's CIP and Master Plan implementation schedule.
- Monitor tax capture performance annually to identify new redevelopment opportunities within the district.

- Pursue external partnerships and grants to amplify local reinvestment and offset capital costs.

In summary, the DDA's FY 2025–2026 budget reflects a financially stable, forward-thinking organization. By maintaining operational efficiency, investing strategically in visible downtown improvements, and coordinating closely with City leadership, the DDA is well positioned to continue advancing its mission of fostering a vibrant, resilient, and economically active downtown Montrose. The DDA may also consider levying up to 2 mills of taxes for properties located in the DDA to help support project initiatives.

REVIEW OF DDA PLAN AND STRATEGIC INITIATIVES

The City of Montrose Downtown Development Authority (DDA) was established to reverse physical deterioration, improve the function and appearance of the downtown core, and encourage new private investment. The DDA and TIF Plan (2007–2032) identifies a comprehensive set of strategies designed to create an economically vibrant, walkable, and sustainable downtown district. The plan's goals remain relevant and well-aligned with the direction set forth in the City's 2040 Master Plan and Capital Improvement Plan (CIP 2024–2030), with each document reinforcing the role of the DDA as a central implementation partner in advancing economic development, infrastructure modernization, and community revitalization.

Economic Development Strategies

The DDA Plan positions downtown Montrose as the civic and economic heart of the community. Its strategy focuses on attracting private investment through public improvements, small business support, and coordinated marketing. The Plan emphasizes the need for:

- Business retention and attraction, including efforts to fill vacant storefronts, support existing merchants, and encourage new entrepreneurial activity within the district.
- Property improvement incentives, such as façade and signage grants, to enhance the visual quality of downtown buildings and promote reinvestment by property owners.
- Downtown events and marketing initiatives to draw residents and visitors, increase commercial foot traffic, and establish downtown as a regional destination.
- Public–private partnerships that leverage DDA funding with state and federal resources to support catalytic redevelopment projects.

These strategies closely mirror the City's Master Plan economic development framework, which calls for fostering small business growth, diversifying the local economy, and leveraging placemaking initiatives to attract new residents and visitors. The Master Plan identifies downtown Montrose as a “priority reinvestment area,” recommending proactive measures such as gap financing, TIF incentives, and targeted infrastructure upgrades to spur redevelopment.

Similarly, the CIP reinforces this economic development vision by dedicating funds toward public spaces, pedestrian infrastructure, and utility improvements that increase the functionality and attractiveness of the downtown district which serve as key preconditions for private investment. The coordination of these plans positions the DDA to act as a funding and implementation bridge between vision and execution.

Infrastructure Investment and Modernization

A defining component of the DDA and TIF Plan is the commitment to infrastructure improvement as the foundation for long-term economic vitality. The Plan identifies priority investments in:

- Street reconstruction, paving, and curbing to improve accessibility and circulation.
- Stormwater system upgrades, including the enclosure of open drains and improved drainage for Maple and side streets.
- Water and sewer extensions to accommodate redevelopment and new business activity.
- Pedestrian pathways, sidewalks, and lighting improvements to create a more cohesive and safer downtown environment.
- Utility burial and streetscape enhancement to modernize the aesthetic and reduce maintenance conflicts.

The CIP 2024–2030 strongly complements these objectives, outlining multi-year investments in the City's water, wastewater, and stormwater systems, including Hickory Street and Grover Street utility upgrades, and the Maple Street drainage improvements that directly overlap with DDA priorities. Additionally, the City's ongoing Sidewalk Improvement Program and Community Event Space project represent clear opportunities for DDA participation through TIF cost sharing and design coordination.

From a strategic standpoint, these infrastructure improvements not only support existing businesses but also open the door for mixed-use redevelopment, housing infill, and future public–private projects identified in the Master Plan's implementation framework. The DDA's financial role in these improvements, through either direct project funding or leveraging grants, ensures that downtown infrastructure investments remain aligned with economic development goals and community needs. Utilizing a mix of funds to support projects helps to offset the direct expenditures to the City's general fund by utilizing the tax increment collected from external taxing jurisdictions.

Revitalization and Placemaking

Revitalization is a recurring theme throughout the DDA and TIF Plan, emphasizing the creation of a downtown environment that supports both economic and social activity. The Plan envisions a revitalized core that balances functional improvements with aesthetic enhancements, supported by strategic investments in:

- Downtown beautification, including landscaping, decorative lighting, and coordinated signage.
- Public spaces such as mini/pocket parks, the Depot area, and potential civic gathering spaces that strengthen community identity and encourage year-round activity.
- Pedestrian-oriented design, promoting connectivity and accessibility throughout the DDA district.
- Façade restoration and architectural consistency, aligning private redevelopment with a cohesive downtown character.
- Cultural programming and festivals, such as the Montrose Blueberry Festival, that celebrate local heritage and drive economic activity.
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The 2040 Master Plan builds upon these revitalization elements, proposing a Downtown Framework centered around walkability, adaptive reuse, and community gathering spaces. The Plan's recommended strategies, such as implementing shared-use paths, on-street parking retrofits, and a new civic plaza, closely mirror the DDA's long-term goals for downtown enhancement. Importantly, the Master Plan identifies the DDA as a lead entity responsible for implementing these placemaking projects, with TIF revenues and public–private partnerships serving as the primary funding tools.

The CIP operationalizes these concepts through specific capital projects, including the Community Event Space (\$500,000) and Lions Park enhancements (\$200,000), both of which directly advance the DDA's placemaking objectives and provide opportunities for co-investment. These investments create the physical and social framework necessary to sustain long-term revitalization and downtown vibrancy.

Alignment with City Goals and Community Needs

Collectively, the DDA and TIF Plan, Master Plan, and CIP reflect a shared commitment to creating a vibrant, resilient, and connected downtown that meets both current and future community needs. In addition to the Master Plan and the CIP, Montrose also has a Street Asset Management Plan and Community Housing Study that are closely intertwined with the priorities of the DDA as identified in the DDA and TIF Plan. Below is a matrix of the DDA & TIF Priorities/Projects, key areas from each of the Plans aforementioned that relate to the DDA goals, along with correlation of each plans priorities to that of the DDA. Within the matrix, green identifies high correlation, yellow for moderate correlation, and red for low correlation.

<u>DDA & TIF Plan Priorities / Projects</u>	<u>Master Plan 2040 Alignment</u>	<u>Capital Improvement Plan (2024-2030)</u>	<u>Street Asset Management Plan (2024)</u>	<u>Community Housing Study (2025)</u>	<u>Integration / Implementation Notes</u>
Streetscape Enhancements (sidewalks, streetlights, benches, landscaping, signage)	Supports Downtown Framework Plan goals for a walkable, attractive core and placemaking.	Includes Sidewalk Improvement Program and Community Event Space design.	Identifies Maple, Hickory, and Saginaw corridors for resurfacing and drainage upgrades	Enhances neighborhood connectivity, supports aging population mobility.	Coordinate DDA façade and wayfinding upgrades with City sidewalk and streetscape projects to create visual continuity.
Parking Lot Improvements	Promotes Downtown Redevelopment & Infill Strategy—encourages shared parking for mixed-use redevelopment.	CIP identifies downtown parking resurfacing in outer years of 2027–2028.	Surface conditions rated 3–5 (fair/poor) on several downtown blocks	Supports housing density by enabling downtown mixed-use conversions.	Combine parking lot reconstruction with stormwater management and landscaping consistent with DDA design standards.
Public Utility Upgrades (storm, water, sanitary)	Ties to Infrastructure Capacity and Resiliency Chapter of Master Plan.	CIP lists Watermain Replacement and Storm Sewer Upgrades on Maple, Hickory, and Nanita Streets.	Recommends reconstruction where curb and drainage replacement required	Supports new infill and housing rehabilitation in downtown and adjacent areas.	DDA participation eligible as public infrastructure under PA 57—cost share where utility work benefits district parcels.
Façade and Sign Grant Program	Supports Downtown Design and Heritage Preservation Objectives—encourages rehabilitation and preservation.	Not a capital project but aligns with Master Plan redevelopment focus.	N/A	Housing Study recommends small-scale reinvestment and downtown upper-story rehabilitation	Expand program to include energy-efficiency, accessibility, and upper-story residential improvements.
Downtown Beautification / Landscaping	Implements Public Realm & Aesthetics Strategy.	Linked to Park Enhancements (Lions Park) and Event Space Development.	Enhances visual quality along streets with fair condition.	Improves quality of life and community identity.	Use TIF capture for landscaping in conjunction with park and streetscape phases.
Marketing and Business Development	Mirrors Economic Development Chapter focus on small business attraction and retention.	Indirect tie—supports event programming in CIP.	N/A	Housing Study notes need for workforce housing tied to local business sustainability.	DDA to coordinate promotions with City and Chamber; align marketing with business recruitment and local housing availability.

Wayfinding and Gateway Signage	Supports Branding & Identity Objective in Master Plan.	Can be paired with signage and park entrance improvements in CIP.	Recommended at corridor intersections in Street Plan (e.g., Saginaw, Maple).	Enhances sense of place and improves access for new residents.	Integrate signage design standards with façade program and City branding.
Lions Park & Civic Spaces	Identified as key placemaking and recreational asset.	Major line item in CIP 2025–2027 for Lions Park Improvements (lighting, parking, trail linkages).	Adjacent street surfaces rated “fair,” eligible for concurrent mill/resurface	Contributes to livability and senior-friendly recreation access	DDA can co-fund aesthetic improvements and support community event coordination.
Downtown Lighting Improvements	Reinforces Safe and Connected Downtown goal.	Included in future CIP phasing under electrical upgrades.	Street plan recommends replacement concurrent with street reconstructions.	Supports public safety and nighttime visibility near housing concentrations.	Coordinate installation during Maple/Hickory reconstruction phases to minimize disruption.
Redevelopment Site Support (vacant/underused parcels)	Central to Infill and Mixed-Use Development Strategy.	Not individually listed, but CIP prioritizes utility and access upgrades to serve redevelopment.	Street and infrastructure improvements enhance redevelopment readiness.	Housing Study calls for rehabilitation and infill of older homes and adaptive reuse downtown	DDA can prepare Redevelopment Opportunity Profiles and consider local TIF participation for eligible projects.

Key points of alignment include:

- Economic Development: Shared focus on small business support, commercial reinvestment, and leveraging incentives to stimulate private development.
- Infrastructure Readiness: Coordinated investments in water, sewer, stormwater, and transportation systems that remove redevelopment barriers and enhance public safety.
- Quality of Life Enhancements: Mutual emphasis on public spaces, pedestrian mobility, and aesthetic improvements that improve community pride and attract visitors.
- Governance and Collaboration: The Master Plan identifies the DDA as a key implementation partner, while the TIF Plan provides the financial mechanism to fund priority projects and match outside resources.

Through continued coordination, the DDA can ensure that its investment strategies remain consistent with the broader citywide vision, maximizing the impact of TIF resources and ensuring downtown Montrose evolves in a way that reflects both community aspirations and sound fiscal management.

FINDINGS AND RECOMMENDATIONS

The comprehensive review of the Montrose Downtown Development Authority (DDA) and Tax Increment Financing (TIF) Plan (2007–2032), the City of Montrose 2040 Master Plan, and the Capital Improvement Plan (CIP 2024–2030) reveals strong alignment between the City’s long-range vision and the DDA’s statutory mission. Each plan reinforces the importance of downtown as the community’s civic, economic, and social center. Collectively, these documents create a cohesive roadmap for guiding investment, supporting redevelopment, and ensuring fiscal accountability through coordinated planning and capital improvement.

The following findings and recommendations summarize key opportunities for the DDA to leverage its TIF resources and policy tools to advance community goals.

Key Findings

The DDA's Foundational Role in Implementation

The DDA continues to serve as the primary mechanism for financing and implementing downtown improvement projects. Its TIF Plan provides a flexible framework to fund a wide range of eligible activities, from infrastructure improvements to façade programs and marketing initiatives. This funding mechanism is essential to bridge the gap between City-led planning and project-level execution. The Master Plan explicitly identifies the DDA as a lead implementation partner for downtown revitalization, calling for expanded coordination between the DDA, City administration, and private developers.

Broad Alignment Between Plans

Each adopted document reinforces the same redevelopment objectives:

- The DDA and TIF Plan emphasizes investment in infrastructure, beautification, business support, and marketing.
- The Master Plan establishes policy direction for walkability, placemaking, and infill development in the downtown core.
- The CIP operationalizes these objectives by listing specific projects for streets, utilities, and parks that occur within or directly benefit the DDA district.

This alignment ensures that future DDA investments can be coordinated with broader municipal capital planning, maximizing efficiency and community impact.

Infrastructure as the Cornerstone of Revitalization

Both the DDA and City recognize that economic development relies on functional, modern infrastructure. The DDA Plan identifies core improvements, paving, drainage, curbing, sidewalks, and buried utilities, that directly influence redevelopment readiness. The CIP mirrors these priorities through water and sewer upgrades, stormwater projects, and sidewalk reconstruction, many of which fall within the DDA boundary. Coordinated project delivery will allow the DDA to strengthen downtown's physical foundation while advancing Master Plan objectives for mobility, safety, and aesthetics.

Strength in Small-Scale, Incremental Development

Montrose's scale and market dynamics favor incremental reinvestment, rehabilitation of existing buildings, façade improvements, small business expansions, and targeted public realm upgrades, rather than large-scale redevelopment. The DDA's existing façade and sign grant programs are well-suited to this model and remain some of the most visible and successful local reinvestment tools. Strengthening these programs with updated design guidelines, expanded funding tiers, and proactive marketing will maintain momentum and complement ongoing Master Plan strategies.

Growing Community Emphasis on Placemaking

The community's vision for downtown is evolving beyond traditional infrastructure improvements toward a focus on experiences—spaces that invite people to gather, shop, and participate in community life. The Master Plan's Downtown Framework and the CIP's inclusion of a Community Event Space and Lions Park enhancements reflect this shift. These projects represent high-visibility opportunities for the DDA to co-invest and demonstrate leadership in creating downtown destinations that reinforce civic pride and drive economic vitality.

Bringing it all Together – Leveraging Grant and Partnership Opportunities

The Montrose Downtown Development Authority (DDA) has built a strong foundation for reinvestment in the downtown district through its Tax Increment Financing (TIF) program. However, to achieve the scale of impact envisioned in the City's Master Plan and Capital Improvement Plan, the DDA must look beyond local revenues and actively pursue partnerships and external funding to amplify its financial capacity.

Michigan offers a robust network of programs that directly align with DDA priorities. By strategically pairing TIF dollars with state, federal, and philanthropic resources, the DDA can stretch its local funds further, deliver visible improvements sooner, and attract additional private investment downtown.

Coordinated funding efforts not only increase the size and scope of eligible projects but also strengthen competitiveness for future grants. Projects such as streetscape enhancements, public space development, and infrastructure modernization can often be “stacked” across multiple programs—such as combining MEDC’s Public Spaces Community Places Program (PSCP) with EGLE’s Clean Water State Revolving Fund (CWSRF) or MDOT’s Transportation Alternatives Program (TAP)—to achieve comprehensive upgrades with shared costs. Likewise, local and regional partners such as the Flint & Genesee Economic Alliance, Genesee County Land Bank, and Community Foundation of Greater Flint can help advance small business initiatives, site redevelopment, and community engagement that complement DDA investments.

By maintaining a healthy fund balance and aligning its project priorities with these programs, the DDA can position itself as a lead applicant and funding match partner, ensuring downtown Montrose remains competitive for state and regional investment. This approach reflects a core shift from relying solely on captured tax increment to leveraging those funds as “seed capital” a match that attracts additional dollars, resources, and partnerships into the community.

The following matrix outlines how each of the DDA’s core project priorities aligns with the City’s broader planning framework and identifies potential grant sources and regional partners that can support implementation. Together, these tools provide a roadmap for maximizing the return on local investment and accelerating the revitalization of downtown Montrose.

<u>DDA & TIF Plan Priority</u>	<u>Where it ties in (Master Plan / CIP / Street Plan / Housing)</u>	<u>Potential Funding & Local Partners (2025)</u>
Streetscape Enhancements (sidewalks, lighting, furnishings, landscaping, wayfinding)	MP 2040: walkable downtown & placemaking; CIP: Sidewalk Program & Event Space; Street Plan: corridor fixes	MDOT Transportation Alternatives Program (TAP) for ped/bike & streetscape; Safe Routes to School (SRTS) where schools are served; MEDC Public Spaces Community Places (PSCP) for public space & placemaking; USDA RD Community Facilities for downtown amenities; Community Foundation of Greater Flint (CFGF) small grants for public realm pilots; GCMPC TIP to align with federal funds.
Parking Lot Improvements (rebuild, resurfacing, green infrastructure)	MP 2040: infill & shared parking; CIP: outer-year resurfacing; Street Plan: surface ratings	Pair with TAP for access/ADA/paths into lots; PSCP for public realm/gathering interfaces; EGLE CWSRF for stormwater best-management (pervious, drains) as part of lot projects; USDA CF where it serves public facilities.
Public Utility Upgrades (water, sewer, storm; Maple/Hickory/Grover)	CIP: water/sewer/storm lines; Street Plan: drainage & recon; MP 2040: infrastructure readiness	EGLE SRF—CWSRF & DWSRF low-interest financing (advantage for small communities); MEDC CDBG—Water-Related Infrastructure (competitive); USDA RD Water & Waste (loan/grant); coordinate with GCMPC TIP if roadway work overlaps federal routes.
Façade & Sign Grant Program (expand, energy & accessibility add-ons)	MP 2040: downtown design standards & façade/sign programs; Housing Study: upper-story reuse	MEDC Match on Main (up to \$25k per business, municipality/DDA is applicant); MEDC PSCP (façade/public space rounds); local Flint & Genesee Economic Alliance small-biz assistance; CFGF neighborhood micro-grants for pilot blocks.

Downtown Beautification / Landscaping	MP 2040: public realm & aesthetics; CIP: Lions Park & Event Space	RAP for public space activation; DNR Michigan Natural Resources Trust Fund (MNRTF) for park/plaza features when eligible; USDA CF for plaza/site furnishings tied to public facilities; CFGF Neighborhood Small Grants for tactical placemaking.
Marketing & Business Development (events, promos, merchant support)	MP 2040: ED chapter & programming; DDA Plan Exhibit A	MEDC Match on Main (business buildout/working capital where eligible); Flint & Genesee Group / Economic Alliance for technical assistance & local programs; Community foundations & local donors for event seeding.
Wayfinding & Gateways	MP 2040: identity/branding; Street Plan: corridor nodes	TAP (non-motorized/wayfinding eligible when tied to ped/bike networks); RAP for downtown public space identity elements; USDA CF where incorporated into public facilities (depots, civic buildings).
Lions Park & Civic/Event Space	CIP: Lions Park upgrades & Community Event Space; MP 2040: central gathering place	DNR MNRTF (development); RAP (public space); USDA CF (community facilities); CFGF/Ruth Mott-aligned neighborhood grants for programming; coordinate with GCMPC TIP if access/sidewalks are federally eligible.
Downtown Lighting Improvements	MP 2040: safe/active streets; CIP: electrical upgrades; Street Plan: bundle with recon	TAP (ped lighting as part of non-motorized projects); USDA CF (public safety & facility grounds); PSCP when integrated with placemaking corridors.
Redevelopment Site Support (infill/mixed-use, utilities, access)	MP 2040: priority reinvestment areas; Housing Study: rehab/upper-story housing	MEDC MCRP gap financing (higher % in small communities); MEDC RAP (rehab/public realm); Genesee County Land Bank brownfield/cleanup partnerships & programs; MSHDA/Foundations for upper-story housing tie-ins (case-by-case).

Recommendations & Summary

Establish a Unified Downtown Investment Framework

Fleis & VandenBrink recommends that the DDA adopt a Downtown Project Prioritization Matrix that cross-references the DDA Plan, Master Plan, and CIP.

This document should categorize projects into three tiers:

- Immediate Priorities (0–2 years): Sidewalk improvements, wayfinding signage, façade and sign grants, and design participation in the Community Event Space.
- Mid-Term (3–5 years): Maple Street drainage and curbing, parking lot improvements, shared-use path extensions, and Lions Park enhancements.
- Long-Term (5+ years): Utility upgrades, overhead utility burial, and additional public space or redevelopment partnerships.

This prioritization will allow the DDA to focus its annual TIF expenditures on projects that are both impactful and feasible within its revenue projections.

Strengthen Coordination Between the DDA and City Capital Planning

The City's CIP and the DDA's TIF Plan should be updated annually in tandem. This joint process will ensure that any City-funded project within or adjacent to the DDA district is evaluated for potential TIF

participation or cost-sharing. Establishing a joint City–DDA capital coordination meeting each spring will improve planning efficiency and transparency.

Examples include:

- Incorporating DDA funds into the Sidewalk Improvement Program for downtown blocks.
- Partnering on stormwater and Maple Street drainage improvements identified in both plans.
- Contributing to civic space development and streetscape enhancements identified in the CIP.

Modernize and Expand the DDA Façade and Sign Grant Program

The DDA's façade and sign improvement program should be refreshed to reflect updated Master Plan design standards and align with current MSHDA and MEDC Community Development guidelines.

Recommended updates include:

- Expanding grant caps and cost-share ratios to encourage more impactful façade transformations.
- Incorporating energy-efficiency and accessibility improvements as eligible activities.
- Developing an annual marketing campaign to highlight completed projects and attract new applicants.
- Evaluating the feasibility of a “mini grant” tier for smaller property owners to enhance signage, lighting, or landscaping.

Advance Placemaking and Public Space Activation

The DDA should continue to support community-oriented events and placemaking initiatives that activate downtown year-round. Priorities include:

- Co-funding design and construction of the planned Community Event Space through TIF participation or grant leverage.
- Enhancing Lions Park with downtown-friendly amenities such as lighting, performance space, and improved connectivity.
- Continuing to sponsor and expand events like the Blueberry Festival that draw regional visitors and strengthen downtown identity.
- Coordinating with local organizations and schools to host recurring markets, art displays, or pop-up retail events that maintain activity between major festivals.

Support Redevelopment Readiness and Private Investment

To promote private redevelopment consistent with the Master Plan’s vision, the DDA should:

- Identify priority redevelopment parcels within the DDA district and prepare Redevelopment Opportunity Profiles showcasing site data, zoning, and infrastructure availability.
- Consider project-specific TIF or infrastructure gap financing for catalytic infill or mixed-use development projects that create new taxable value.
- Collaborate with property owners to align redevelopment design with downtown architectural and streetscape standards.
- Leverage MEDC Redevelopment Ready Communities (RRC) and Community Revitalization Program (CRP) incentives to attract private developers.

Enhance Transparency, Reporting, and Board Education

Maintaining strong governance practices is essential to sustaining community trust and regulatory compliance.

Fleis & VandenBrink recommends:

- Preparing an annual DDA Report summarizing TIF revenues, project expenditures, and outcomes, to be shared with the City Council and the public.
- Conducting an annual board training session focused on DDA roles, TIF management, and ethics under Michigan Public Act 57 of 2018.
- Developing a five-year DDA Capital Work Plan that forecasts revenue and allocates funding across short- and long-term priorities.

Montrose’s DDA has a strong foundation, a clear statutory purpose, and alignment with both the City’s policy and capital improvement frameworks. By refining its project priorities, strengthening coordination

with the City's planning process, and reinvesting strategically in infrastructure, placemaking, and small business support, the DDA can accelerate downtown revitalization while maintaining fiscal discipline.

Fleis & VandenBrink recommends that these findings be adopted as a guiding framework for the next phase of DDA planning and budget development, ensuring that all TIF expenditures continue to advance the community's shared vision for a vibrant and enduring downtown Montrose.