

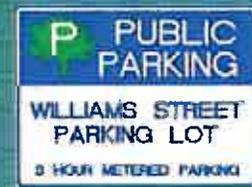


Amendment to

DOWNTOWN DEVELOPMENT & TAX INCREMENT FINANCING PLAN

*Royal Oak Downtown
Development Authority
City of Royal Oak, Michigan*

April 15, 2004





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***DOWNTOWN DEVELOPMENT &
TAX INCREMENT FINANCING PLAN***

ROYAL OAK DOWNTOWN DEVELOPMENT AUTHORITY

City of Royal Oak, Michigan

April 15, 2004

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Royal Oak
Downtown Development Authority
Development & Tax Increment
Financing Plan

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PREFACE

*The City of Royal Oak and its Downtown Development Authority (DDA) have been guided by two distinct Development Plans for the past twenty years. The **Barton/Lafayette Development Area: Tax Increment Financing and Development Plan** was adopted in 1980. The Barton/Lafayette Development Area delineates the Downtown or City Center. The **Woodward/I-696 Tax Increment Financing and Development Plan**, adopted in 1989, focuses on developing the southern portion of the City and the creation of a link to the Downtown. The two areas are distinct in character; however, they have an intrinsic physical, social, and economic connection to each other.*

This document will serve as an amendment to the existing plans, which were combined in a previous amendment with Ordinance No. 92-6 on March 9, 1992, and through the compilation will become the comprehensive Downtown Development and Tax Increment Financing Plan for the City of Royal Oak. The goals and objectives of the existing plans have been reviewed and analyzed to determine their current validity and feasibility. The DDA, through its Downtown Development Plan Subcommittee, revised the existing development plans to address current goals and objectives.

INTRODUCTION

The City of Royal Oak, as with many established and mature communities, has experienced cyclical development influenced by the economy, changes to the market, physical developments, policies and other external factors. Downtown Royal Oak was once a center of retail and office activity that provided products and services to support the greater Royal Oak area. However, population and development trends through the 1970's resulted in the erosion of much of its vitality. Significant changes in the retail and office market led to a movement from the downtown to regional shopping centers and office parks which assumed much of the commercial and social functions formally provided by the downtown Royal Oak.

While this phenomena was largely beyond the ability of the City to control, state legislation has given the City an opportunity to restore and revitalize its downtown. The City responded to these changes with the development of a Downtown Development Authority. The Downtown Development Authority has, for nearly 25 years, assisted in guiding and funding projects to ensure the downtown's ongoing viability.

Creation of Downtown Development Authority

The legal basis for creation of the Royal Oak Downtown Development Authority is Michigan Public Act 197 of 1975, the Downtown Development Act, as amended. This legislation provides Michigan cities, townships and villages with a means to achieve substantial and meaningful revitalization of downtown business districts. A copy of Act 197 is found in the Appendix. Act 197 was entitled as follows:

"An act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; and to authorize the use of tax increment financing."

Pursuant to the provisions of Act 197, the Royal Oak City Commission adopted Ordinance No. 76-26 on November 1, 1976. This ordinance provided for the creation of the Royal Oak Downtown Development Authority, hereinafter referred to as the "DDA." The DDA was given all the powers and duties prescribed for a downtown development authority pursuant to Act 197. A copy of Ordinance No. 76-26 is found in the Appendix. In adopting this ordinance, the City Commission found the following:

"The City Commission of the City hereby determines that it is necessary for the best interests of the City to halt property value deterioration and increase property tax valuation where possible in the business district of the City, to eliminate the causes of

that deterioration and to promote economic growth by establishing a Downtown Development Authority pursuant to Act 197.”

Pursuant to Ordinance No. 76-26, the by-laws of the DDA were adopted on March 16, 1977 and forwarded to the City Commission. The by-laws, which have since been amended, were approved by resolution of the City Commission on March 21, 1977.

In Ordinance No. 76-26, the City Commission also established the Downtown District within which the DDA could exercise its legislated powers. The established boundaries under the ordinance included the area between West Street and Troy Street, north of Lincoln Avenue and south of Eleven Mile Road. In accordance with the definitions contained in Act 197, this area designated by the City Commission as the Downtown District has been zoned Central Business District (CBD) since 1967.

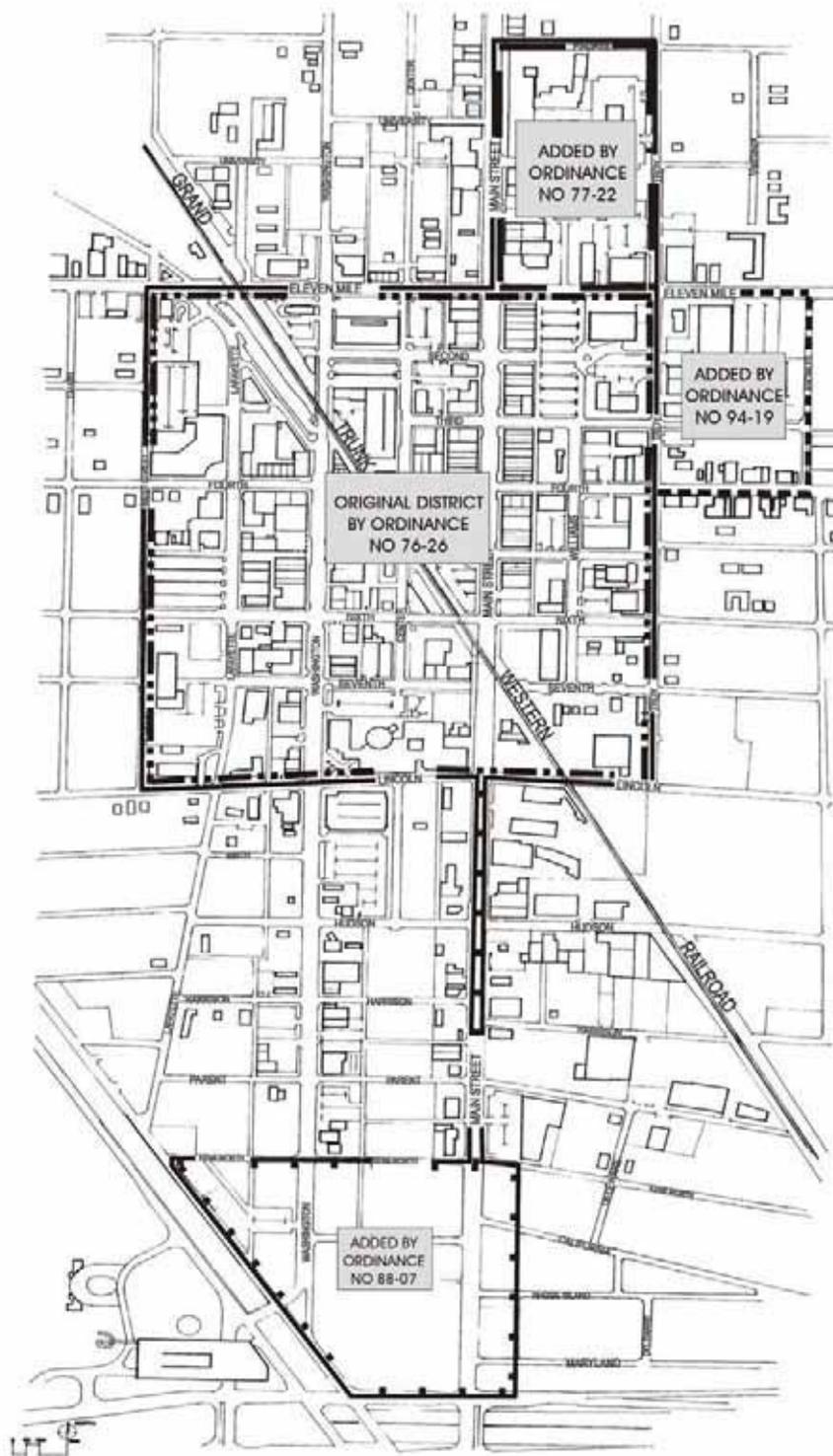
The City Commission enlarged these initial boundaries of the Downtown District on December 12, 1977, by adopting Ordinance No. 77-22. This ordinance provided for the addition of two (2) blocks of property to the initial Downtown District between Main and Troy Streets, north of Eleven Mile Road and south of Pingree Boulevard. A copy of Ordinance No. 77-22 is found in the Appendix.

The boundaries of the Downtown District were further amended on June 6, 1988 by Ordinance No. 88-07. This ordinance provided for an addition to the Downtown District of an area containing prime access to Woodward Avenue, Main Street and Washington Avenue. A copy of Ordinance No. 88-07 is found in the Appendix.

The boundaries of the Development Areas were combined by ordinance on March 9, 1992. This ordinance, No. 92-06, provides for the boundaries of the Barton/Lafayette Development Area to be expanded to include the Woodward/I-696 Development Area and likewise that the Woodward/I-696 Development Area be expanded to include the Barton/Lafayette Development Area. A copy of Ordinance No. 92-06 is found in the Appendix.

The boundaries of the Downtown District were further amended on December 5, 1994 by Ordinance 94-19. This ordinance provided for an addition to the Downtown District of the Civic Center area between Eleven Mile Road and Fourth Street, Troy Street and Knowles Street. A copy of Ordinance No. 94-14 is found in the Appendix.

The boundaries of the Downtown District are shown in Map 1, Downtown District, and as legally described in Ordinance No. 76-26, and as subsequently amended by Ordinance Nos. 77-22, 88-07, 92-06 and 94-19.



MAP 1
CITY OF ROYAL OAK
DOWNTOWN DEVELOPMENT AUTHORITY
DOWNTOWN DISTRICT

- DOWNTOWN DISTRICT
- - - - - ORDINANCE NO 94-19
- · · · · ORDINANCE NO 88-07
- · - · - · ORDINANCE NO 76-26
- ORDINANCE NO 77-22

(SOURCE: City of Royal Oak & HEPY Downtown Study)



The Board of the Royal Oak Downtown Development Authority is responsible for furthering the intent and purpose of Act 197. In doing so, the Board may complete the following activities:

- *Prepare analysis of economic changes within the Downtown District.*
- *Prepare analysis on the impact of metro growth upon the Downtown District.*
- *Plan and propose construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the Board, aids in the economic growth of the Downtown District.*
- *Plan, propose, and implement an improvement to a public facility within the Development Area to comply with the barrier-free design requirements of state and federal construction codes.*
- *Develop long-range plans to halt deterioration of property values.*
- *Implement any plan of development in the Downtown District necessary to achieve the purposes of Act 197, in accordance with the powers of the DDA as granted by Act 197.*
- *Make and enter into contracts necessary to exercise the powers of the DDA.*
- *Acquire or lease property.*
- *Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building and any necessary adjuncts thereto, within the Downtown District for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.*
- *Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the DDA.*
- *Accept grants and donations of property, labor, or other things of value from a public or private source.*
- *Acquire and construct public facilities*

Legal Basis for Development and Tax Increment Financing Plan

As noted above, Act 197 is intended to provide local officials with a means of addressing the need for revitalization in their downtown districts. Two sections of Act 197 provide the legal basis for this Development and Tax Increment Financing Plan.

Section 14 of Act 197 authorizes the DDA, upon a determination that it is necessary for the achievement of the purposes of the Act, to prepare and submit a tax increment financing plan to the City Commission. Tax increment financing results from the “capturing” of tax revenues by the DDA which are derived from the increase in assessed valuations in a development area over the valuations of the area at the time the development area was established. Tax increment revenues accrue to the DDA from the application of the tax rates of all political subdivisions levying taxes in a development area, including those of local school districts for eligible obligations pursuant to state statute. The tax increment revenues may be used by the DDA to make public improvements within a development area as provided for by Section 7 of Act 197.

The Tax Increment Financing Plan includes a detailed explanation of the tax increment procedure, the amount of bonded indebtedness to be incurred, the duration of the tax increment program, a statement of the estimated impact of the program on all taxing jurisdictions in the Development Area, and a statement of that portion of the tax increment revenue to be used by the DDA.

Section 17 of Act 197 requires that whenever a downtown development authority decides to finance a project within a development area through the use of tax increment revenues or revenue bonds, it must prepare a development plan. The development plan must contain, among others, the designation of the development area (i.e., the area within which tax increment revenues are to be captured and expended for public improvements); the projects to be undertaken; the estimated costs of the projects; an estimate of the stages of construction and time of completion; the proposed methods of financing the projects; and the impact upon the existing character of development in the area.

Section 18 of Act 197 provides for the adoption of a tax increment financing plan and development plan by adoption of an ordinance by the City Commission after a public hearing. Pursuant to these provisions, the City Commission held a public hearing on the Barton/Lafayette Development and Tax Increment Financing Plan on October 27, 1980. The City Commission, after the public hearing, determined that the Barton/Lafayette Development and Tax Increment Financing Plan constituted a public purpose and was necessary for the achievement of the purposes of Act 197, and adopted the Plan on November 3, 1980, by Ordinance No. 80-07. A copy of this ordinance can be found in the Appendix. The Barton/Lafayette Development and Tax Increment Financing Plan was then subsequently amended by Ordinance Nos. 83-02, 83-03, 83-10, 84-06, 89-14 and 90-18.

Further pursuant to the provisions of Section 18 of Act 197, the City Commission held a public hearing on the Woodward/I-696 Development and Tax Increment Financing Plan on March 31, 1989. The City Commission, after the public hearing, determined that the Woodward/I-696 Development and Tax Increment Financing Plan constituted a public purpose and was necessary for the achievement of the purposes of Act 197, and adopted the Plan on March 31, 1989, by Ordinance No. 89-07.

Again, further pursuant to the provisions of Section 18 of Act 197, the City Commission held a public hearing on the Barton/Lafayette and Woodward/I-696 Development and Tax Increment Financing Plans on March 9, 1992. The City Commission, after the public hearing, determined that combining the Barton/Lafayette and Woodward/I-696 Development and Tax Increment

Financing Plans into a single development and tax increment financing plan constituted a public purpose and was necessary for the achievement of the purposes of Act 197. The City Commission then adopted Ordinance No. 92-06, which amended both plans to combine them into a single development and tax increment financing plan. A copy of this ordinance can be found in the Appendix. The combined Barton/Lafayette and Woodward/I-696 Development and Tax Increment Financing Plan was then amended by Ordinance Nos. 94-20, 02-02, and 04-11. A copy of these ordinances can be found in the Appendix.

Purpose of Development and Tax Increment Financing Plan

The DDA has determined that the establishment of the Development Area and the activities proposed therein, as stated in the Development Plan, are necessary and appropriate to correct and prevent deterioration, promote economic growth and increase property tax valuation in the Downtown District. It is to these public purposes that the Development and Tax Increment Financing Plan has been prepared, which addresses the following areas:

- *Boundaries of the Development Area.*
- *Location and extent of existing streets and other public facilities.*
- *Description of existing improvements in the Development Area to be demolished, repaired, or altered, any repairs and alterations, and an estimate of the time required for completion.*
- *Location, extent, character and estimated cost of the improvements as well as time frames for completion.*
- *Construction stages and an estimated time of completion.*
- *Identification of open space and its use, description of any portion of the Development Area the authority desires to sell, donate, exchange or lease from or to the City of Royal Oak and the proposed terms.*
- *Description of desired zoning changes as well as changes to streets, street levels, intersections and utilities.*
- *Estimate of the cost, method of financing and the ability of the authority to arrange financing.*
- *Designation of the persons or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold or conveyed in any manner and for whose benefit the project is being undertaken.*
- *Procedure for bidding for the leasing, purchasing or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and person, natural or corporate, that*

all or a portion of the development will be leased, sold or conveyed in any manner to those persons.

- *Estimates of the number of persons residing in the development and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the DDA, the Development Plan shall include a survey of the families and individuals to be displaced including their income and racial composition, a statistical description of the housing supply in the City, including the number of private and public units in existence or under construction, the condition of those in existence, the number of private and public units in existence or under construction, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the City, and the estimated capacity of private and public housing available to displaced families and individuals.*
- *A plan for establishing priority for the relocation of person displaced by the development in any new housing in the Development Area.*
- *Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with federal uniform relocation assistance and real property acquisitions.*
- *A plan for compliance with Michigan Public Act No. 227.*
- *Other materials deemed appropriate.*

The specific purpose of the Development Plan is to define the improvements proposed for the Development Area, estimate improvement costs and stages of construction, document the impact these activities are expected to have on the existing structure of the Downtown District, indicate for whom the proposed activities are being undertaken and the methods proposed for financing the proposed activities. The specific purpose of the Tax Increment Financing Plan is to provide the legal authority and procedure necessary to permit the DDA to finance improvements deemed necessary to achieve the public purpose of this Plan through the use of financing powers granted in Act 197.

The Development Area is divided into two sections: the Downtown Section, formerly the Burton/Lafayette Development Area; and the Gateway Section, formerly the Woodward/I-696 Development Area. Both of these sections are designated on Map 3, Downtown District and Development Area Sections.

Proposed Method of Financing

Improvements proposed for the Development Area will be financed with tax increment revenues as provided for in Act 197. The Tax Increment Financing Plan in this document will show how tax increment revenues captured by the DDA from within the Development Area will be used to finance the cost of the proposed improvements.

DEVELOPMENT AREA

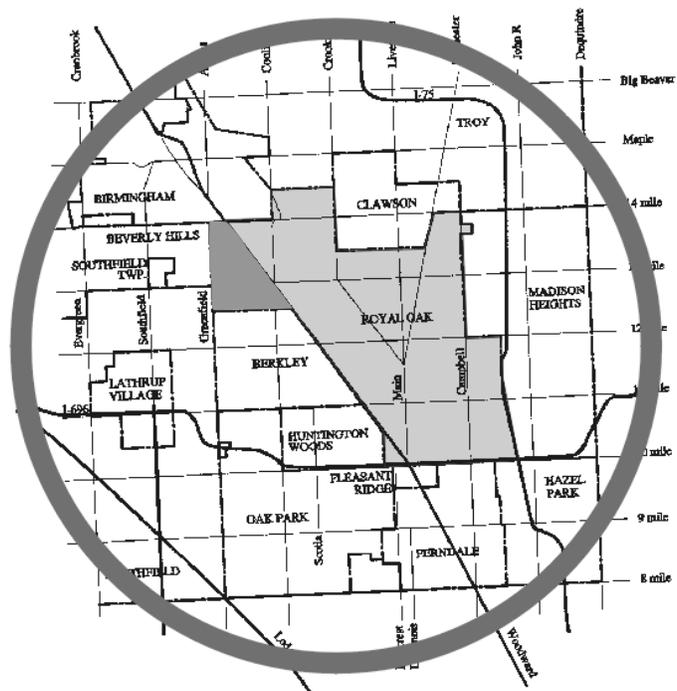
This section will present an overview of the DDA's purpose in creating the Development Area, the improvements proposed for it, the objectives and strategies inherent in the selection of these improvements, and the methods proposed to finance these improvements. The basis upon which the DDA determined the necessity for the Development Area and the rationale for its boundaries are also examined. The Development Area historically has consisted of two separate sections, the Downtown section (formerly known as the Barton/Lafayette area) and the Gateway section (formerly known as the Woodward/I-696 area). The boundaries of the Development Area are shown in Map 3, Downtown District and Development Area. A legal description of these boundaries is found in the Appendix and also in Ordinance Nos. 76-26, 77-22, 88-07, 92-06, 94-14, 02-02, and 04-11.

LOCATION

The City of Royal Oak is located in the southeast corner of Oakland County. Ten distinct communities border its 11.90 square miles. These communities are linked through a network of collector streets, arterial roads and highways. Major interstates, such as I-696 and I-75, provide easy access to the Royal Oak, making it a prime destination to live, work and recreate.

Woodward Avenue (Michigan State Highway M-1) serves as a primary north-south connector. It intersects five adjoining communities and serves as frontage for several commercial and office establishments. Office complexes, small to medium retail stores, hotels and motels, restaurants, personal services, and automobile service shops are some of the businesses that share frontage along Woodward Avenue.

Businesses along Woodward Avenue serve much of the City's retail and office needs. The east-west connectors, such as Eleven Mile Road and Thirteen Mile Road, are also being developed with higher intensity uses, such as multiple-family residential developments, commercial establishments and office complexes.



City of Royal Oak

The downtown provides one of the highest densities of commercial establishments. Its boundaries are Lincoln Avenue, West Street, Troy Street and Eleven Mile Road with most of the commercial development occurring on or between Main Street and Washington Avenue. The boundaries of the Downtown Development Authority have expanded in past years to include additional service areas, which provide a regional appeal and attraction to the downtown center.

PAST VISIONS

Royal Oak has a long history of providing quality community services as a traditional downtown center, offering all of the necessary conveniences and amenities of a traditional downtown to its citizens and surrounding communities. Single and multiple family housing developed along a grid pattern surrounding the downtown. Walking to shopping areas was common and the mix of retail experiences brought residents and visitors alike. The construction of architecturally significant buildings, presence of public and private institutions and the encouragement of an entrepreneurial spirit are evidence of the long term commitments made by community leaders and business owners have made to the downtown.



Streetscape Design

The City has shown a strong commitment to the Downtown as evidenced by the following projects:

- *Created one of Michigan's first Downtown Development Authorities (DDA) in November 1976.*
- *Improved streetscapes unifying the development area.*

Southeast Michigan is home to many major regional shopping and office centers, many which are located within 10 to 20 miles of Royal Oak. Recent developments have created increased competition for retail, office and entertainment space and dollars. Other suburban destinations are also within a short drive and contribute to the draw of activity out of Royal Oak. In response, the City and its business community developed and implemented a revitalization plan to maintain and foster new development in the downtown area.



Main Street Centre Condominiums

- *Envisioned and supported a mixed use development at I-696 to establish a presence at the new interchange without competing with the downtown.*
- *Provided new housing and commercial opportunities, which promote and enhance downtown and help make Royal Oak a regional destination.*
- *Cooperated with First of America (National City) to develop a new corporate headquarters in downtown.*
- *Created a favorable atmosphere for independent retail and entertainment businesses.*



National City Corporate Headquarters

This long range vision and commitment to action has paid off. Vacancy rates are low and downtown real estate is in high demand. Historic architecture is being restored throughout the downtown, while new developments and renovations are also occurring. Royal Oak has received a reputation of being a friendly City with a unique variety of shops, restaurants and entertainment.

The Downtown Development Authority recognizes these past accomplishments and through the Development Plan will continue to foster the downtown's growth and development. The issues facing the downtown area are not unlike other urbanized centers, with the development of regional retail centers drawing customers out of the downtown. It is important that the DDA continue to enhance and maintain the viability of the downtown through the use of economic development tools and techniques.

VISIONS FOR THE FUTURE

Downtown Royal Oak will continue to build upon the exciting combination of the traditional and unique. A strong sense of its past creates the foundation for its future. The downtown area entices a mix of shopping experiences, from small boutiques and specialty stores to restaurants and a thriving entertainment district. The combination of these experiences creates the framework that encourages development of both traditional as well as unique entrepreneurial ventures.

The City of Royal Oak contracted with Harley Ellington Pierce Yee Associates (HEPY) to develop a Downtown Master Plan. The study was completed in early 1994. HEPY assisted the community in developing a strategic plan through visioning sessions and surveys. During this planning process the community envisioned the downtown would offer:

- *New space for independent retailers in a pedestrian oriented storefront setting inspired by traditional downtown characteristics.*

- ❑ *More housing in downtown and strong circulation linkages to surrounding residential areas.*
- ❑ *A variety of office development options including civic and corporate office space; and opportunities for new landmark buildings.*
- ❑ *A variety of new and revitalized public parks and plazas.*
- ❑ *The incorporation of public art in the downtown area.*
- ❑ *Coordinated orientation and identification systems to make downtown safe and easy to use; and destinations easy to find.*



"Star Dream" by Marshall M. Fredericks, 1997

The pattern of development has created an urban streetscape that is woven with pathways, open spaces, parks and civic spaces all intertwined into the downtown business community. Royal Oak will continue to develop this urban streetscape by encouraging open spaces, which create both a series of inviting places to stroll, meet, sit and enjoy the urban activity. In addition, large civic spaces will be encouraged to provide areas within the downtown for organized events.

Basis of Necessity for Development Area

The basis upon which the DDA determined that establishment of the Downtown and Gateway Sections of the Development Area was necessary and appropriate to correct and prevent property value deterioration, promote economic growth, and increase property tax valuation was an analysis of past and existing economic conditions, property valuations, and economic development potential in the Downtown District. Much of this information was obtained by the Plan Commission during its analysis and planning for the study area of the Gateway Section. The information gathered by the DDA and an analysis of this information is found on the following pages.

Downtown Section of Development Area

1. Analysis of Downtown District Property Valuations. The following table of Downtown District real property valuations illustrates that from 1972 to 1980, property valuations remained relatively unchanged. However, as a percent of total city real property valuations, the Downtown Section of the Development Area has been decreasing at a slow but persistent rate. The increase noticed between 1972 and 1973 is attributable to the construction of a 247-unit senior citizen's housing facility.

TABLE 1
STATE EQAULIZED VALUATION HISTORY
DOWNTOWN DISTRICT AND CITY OF ROYAL OAK ¹

| <u>Year</u> | <u>Downtown District</u> | <u>City of Royal Oak</u> | <u>Downtown as % of City</u> |
|-------------|---------------------------|--------------------------|------------------------------|
| 1972 | \$6,748,320 | \$312,041,120 | 2.16% |
| 1973 | \$8,596,130 | \$321,815,700 | 2.67% |
| 1974 | \$9,184,882 | \$347,363,880 | 2.64% |
| 1975 | \$10,175,300 | \$381,287,200 | 2.67% |
| 1976 | \$10,164,000 | \$382,387,900 | 2.66% |
| 1977 | \$10,844,200 | \$410,705,900 | 2.64% |
| 1978 | \$10,705,800 ² | \$434,726,800 | 2.46% |
| 1979 | \$10,832,900 ² | \$475,180,600 | 2.28% |
| 1980 | \$10,401,600 ² | \$542,324,100 | 2.10% |

1. SEV is for real property only.
2. Excludes area added to Downtown Section of Development Area by Ordinance No. 77-22. This area had a 1978 SEV of \$982,770, a 1979 SEV of \$108,047,800, and a 1980 SEV of \$1,086,400.

Source: City of Royal Oak Assessor's Office.

The increase in property valuations between 1972 and 1980 totals \$4,653,280. This translates into an average annual increase of approximately 7.0%. However, if the 1980 valuation for the 247-unit senior citizen's housing facility of \$2,276,000 is excluded from the valuation of the Downtown Section, the increase between 1972 and 1980 is \$2,377,280. This represents an average annual increase of only 4.0%. When adjusted for inflation, it becomes evident that there has been no real growth in downtown property values.

It can also be seen that most increases in property valuations occurred between 1972 and 1975. Since 1975, property valuations have increased by only \$1,226,300 or 12.0%. On an annual basis, this represents increases of only 2.5%. It is also important to note that property valuation increases in the Downtown Section have not kept pace with those city-wide. The relationship between property valuations and downtown and for the entire city have steadily declined from 2.67% in 1973 to 2.10% in 1980. While these property valuations do not reveal any sudden and dramatic decrease, they are indicative of a slow process of property value stagnation and erosion.

2. Retail Activity. In a study of the Royal Oak Downtown District conducted in 1977 by the consulting firm of Vilican-Lehman and Associates, Inc., it was found that the Downtown Section of the Development Area contained only 290,000 square feet of comparison commercial floor area. The market area for downtown comparison commercial uses of approximately three (3) miles had a spending potential of \$198,000,000 and could support approximately 3.5 million square feet of comparison commercial floor area. The Royal Oak Downtown District, therefore, contained only 8.2% of the buildable area which its market area could support. Within the three-mile market area, however, are located only six shopping centers of any significant size. These centers contained a total floor area of 1.6 million square feet or less than half the floor area which the market area could support. Additionally, none of these centers are located within two (2) miles of the Downtown Section.

Based upon this data, it was the conclusion of the consultant that “a large percent of dollars is tapped by shopping facilities outside of the three mile market area.” With the physical improvement of the Downtown Section of the Development Area and implementation of modern marketing concepts, the Downtown Section could support additional shopping activity; particularly if a major retailer, in combination with other shops, could be established to serve as an anchor for the Downtown District.

3. Market Opinion Research Survey. As a part of the Vilican-Lehman and Associates’ study, the Market Opinion Research Corporation conducted a survey of Royal Oak residents, downtown shoppers, and downtown merchants. The survey of shoppers and residents revealed the following features disliked most about downtown:

- ◆ *Parking facilities.*
- ◆ *Lack of major department store.*
- ◆ *Lack of product variety and quality.*

The views of residents and shoppers toward downtown parking facilities can best be summarized by the following excerpts from the planning consultant’s study:

"Parking (availability of parking as well as the parking meters) is the major complaint of area residents. More than one-third (37%) of those who live in Royal Oak mention some aspect of parking as what they dislike about the Royal Oak CBD." (Page 22.)

"Parking is an important obstacle to potential CBD shoppers. The illusion of free parking in adjacent lots at shopping malls in the Royal Oak area provides a contrast to the CBD, on-the-street and lot metered parking. This contrast heightens the image that parking is scarce and difficult in downtown Royal Oak or any non-mall shopping area." (Page 23.)

The survey further revealed that most people patronize the downtown not to shop but to make a trip to the Post Office, bank, City Hall, library, and utility company offices. When shopping in the downtown, the three purchases most often made were for hardware goods, pharmaceuticals, or personal services (i.e., cleaning, beauty and barber shop, shoe repair, etc.).

Market Opinion Research interviews with merchants revealed that customer loyalty is the major factor creating downtown shopping trips. Most merchants have built up an effective good will over their years of operation. Correspondingly, the age of downtown shoppers was generally middle age to elderly. Little shopping activity occurred among those 30 years of age and younger.

As to what might be done to attract more shoppers, merchants generally felt that a major department store and other stores offering product lines comparable to those found in major shopping centers would be a very positive influence. It was felt that the spin-off effect could only benefit existing businesses. In correlation, many merchants recalled that their level of activity declined noticeably when the Montgomery Ward’s department store closed. In addition, merchants felt that more convenient long-term parking was necessary to facilitate comparison shopping.

The planning consultant concluded, based upon the Market Opinion Research Corporation findings, that “parking – free and convenient and a wider selections of goods – provided through a department store, seem to be the keys to attracting shoppers to the Royal Oak CBD.”

4. Parking. A significant portion of Downtown Section land is devoted to parking facilities. The City currently provides 2,169 off-street parking spaces and approximately 650 on-street spaces. Privately provided off-street customer parking in the Downtown Section of the Development Area totals only approximately 300 spaces.

This ratio of publicly provided or privately provided off-street parking facilities has resulted principally from three factors. They are:

- ❑ *High land acquisition costs which render it difficult, if not impossible, to develop private parking facilities of any significant size.*
- ❑ *The difficulty of assembling land which is improved and held under a multiplicity of ownership.*
- ❑ *Creation, in 1967 by the City, of the Central Business District zoning classification which eliminated off-street parking requirements in the CBD (the boundaries of this zoning district are contiguous with most of the adopted Downtown District.)*

The purpose of the CBD zoning classification was to promote economic growth of the CBD by having the City assume the difficult and costly responsibility of furnishing necessary parking facilities. In addition, assumption of parking responsibilities by the City provides an opportunity to achieve the more compact private development necessary to generate the intensive pedestrian activity desired in the downtown.

Gateway Section of Development Area

1. Existing Property Conditions. Information obtained during the analysis of the Woodward Avenue / I-696 study area revealed that as a progression is made from city-wide data to Development Area (Gateway Section) data, the percentage of rental housing increased, the age of the housing stock increased dramatically, housing value declined, and household income declined. The following table depicts these findings:

**TABLE 2
AGE OF HOUSING UNITS
GATEWAY SECTION AND CITY OF ROYAL OAK**

| | City | Study Area | Extended Gateway Section | Gateway Section |
|----------------------------|----------|------------|--------------------------|-----------------|
| Total Housing Units | 28,785 | 705 | 234 | 31 |
| Renter Occupied | 28% | 39% | 39% | 69% |
| Pre-1940 Units | 19% | 48% | 53% | 90%* |
| Median Value | \$44,900 | \$35,400 | N/A | \$35,000 |
| Median Income | \$22,343 | \$18,400 | \$13,200 | N/A |

* 83% constructed before 1920.

In addition to the above statistical information, the land use survey conducted for the study area indicated that the Gateway Section of the Development Area, as well as the “extended development area,” was characterized by numerous land-use problems as indicated below:

- ✓ *Nonconforming residential land uses; e.g., residential dwellings in commercial zoning districts and two and three family dwellings units in one family zoning districts.*
- ✓ *Nonconforming commercial land uses; e.g., land uses permitted only in industrial zoning districts located in commercial zoning districts.*
- ✓ *Nonconforming residential structures; e.g., one, two and three family dwellings on lots which do not meet minimum Zoning Ordinance requirements.*
- ✓ *Nonconforming commercial structures; e.g., commercial uses which are deficient in required on-site parking, and commercial structures which do not meet minimum setback requirements.*
- ✓ *Poor land use relationships; e.g., commercial buildings or billboards which are adjacent to or abut residential dwellings and lots.*
- ✓ *Mixed land uses; e.g., a single parcel of property being used for both commercial and residential purposes, or a commercial use in the midst of a residential area.*
- ✓ *Residential structures which have been converted to commercial use and likely do not meet current commercial building code standards.*
- ✓ *Lack of aesthetic treatments; e.g., inadequately screened and landscaped parking lots.*

In addition to the land use problems enumerated above, a survey of exterior building conditions indicated that numerous structures within the Gateway Section of the Development Area were in need of considerable maintenance, such as painting, broken glass repair, roof repair, foundation repair, etc.

2. Property Valuations. It has also been ascertained that the Gateway Section of the Development Area, as well as the “extended development area,” have experienced a decline in assessed valuations. A history of the real property assessments in these areas in comparison to that of the city as a whole is shown in the following table [all numbers are expressed in terms of millions (000)]:

TABLE 3
PROPERTY VALUES
GATEWAY SECTION AND CITY OF ROYAL OAK

| Year | City | Extended Gateway Section | % of City | Gateway Section | % of City |
|-------------|-------------|---------------------------------|------------------|------------------------|------------------|
| 1981 | \$637,945 | \$6,542 | 100% | \$2,137 | 33% |
| 1982 | \$667,259 | \$6,497 | 97% | \$2,141 | 32% |
| 1983 | \$651,067 | \$6,181 | 95% | \$2,070 | 32% |
| 1984 | \$651,639 | \$5,819 | 89% | \$2,068 | 32% |
| 1985 | \$682,053 | \$6,150 | 90% | \$2,173 | 32% |
| 1986 | \$683,462 | \$6,141 | 90% | \$2,019 | 29% |
| 1987 | \$722,653 | \$6,002 | 83% | \$1,654 | 23% |
| 1988 | \$808,894 | \$6,451 | 80% | \$1,884 | 23% |

As can be seen in the above information, assessed values in the Gateway Section of the Development Area, as well as in the “extended development area” have declined both in real terms and as a percentage of its contribution to the city’s total valuation.

3. Economic Development Potential. There are numerous factors that have created significant economic development potential for the Gateway Section of the Development Area. Among the most important of these are the following:

- ✓ *A prime location in Oakland County, which is one of the highest income counties in the nation, and which itself has experienced significant economic expansion in recent years.*
- ✓ *A central location in the northern Detroit metropolitan area.*
- ✓ *With completion of the I-696 freeway, outstanding accessibility to all parts of the Detroit region via the I-696 freeway and Woodward Avenue, both of which abut the Gateway Section of the Development Area, and the I-75 freeway, which is located only one mile east. Given these transportation routes and the Gateway Section of the Development Area’s central location, safe, fast and convenient access is provided to many of the region’s major attractions and employment centers.*
- ✓ *Location on the route of a future potential Detroit Area Light Rail Transit System.*

With the above factors in mind, the conceptual plans described previously in this report were prepared. The project envisions by these plans may be conservatively estimated to have a real property assessed value upon completion of approximately \$50 million. Given this valuation and the 1988 tax rate of 69.95 mills, it may be conservatively estimated that upon completion, annual ad-valorem tax revenue would be approximately \$3.5 million. This compares with 1988 real property ad-valorem tax revenue of approximately \$132,000. Clearly then, the project will have an immediate and substantial impact upon increasing property tax revenue for all taxing jurisdictions within the City of Royal Oak.

Or perhaps less immediate, but no less significant benefit, are the increases in economic activity and property values which can be expected to occur on immediately adjacent properties, properties within the Central Business District, and on property within the City of Royal Oak as

a whole. Projects of the nature proposed offer mature, residential communities such as Royal Oak an opportunity to stimulate and revitalize its commercial sectors. Such commercial revitalization also has positive economic benefits within a city's residential community, as the City becomes a more desirable location to work, shop and consequently, live. In general, then, the project has the ability to present a new image for the city, stimulating and revitalizing all sectors of its economy.

Rationale for Boundaries of Development Area

The boundaries of the Development Area have been established to provide the greatest opportunity for the DDA to achieve its purpose – to correct and prevent deterioration, promote economic growth and increase property tax valuation in the Downtown District.

The boundaries were established in an effort to coordinate future development efforts in a cohesive manner. The boundary delineation permits the DDA to capture all increases in assessed valuations resulting directly from development projects or improvements, determined to do the following:

- ◆ *Permit the Authority to capture all increases in assessed valuations resulting directly from anticipated development projects, thereby generating maximum tax increment revenues permitted by Act 197 within a minimum timeframe.*
- ◆ *It is property planned for major redevelopment in the future, which may require DDA financial involvement.*
- ◆ *It is property upon which the DDA proposes to make public improvements.*
- ◆ *It is property that will permit maximum flexibility in the selection of any future public improvements to be financed by the DDA.*

It should be noted that the DDA initially created two separate Development Areas to allow improvements to each area to proceed independently of each other. The intent was to allow surplus revenues from either Development Area to be distributed to all taxing jurisdictions as soon as possible. The two Development Areas were combined in 1992. This document will consolidate both Plans into a comprehensive Development and Tax Increment Financing Plan. This will provide for consistency within the Development Area and provide enhanced coordination of projects. The amended document shall be referred to as the Royal Oak Downtown Development Authority Development and Tax Increment Finance Plan.

The areas covered by the Development Plan serve distinct yet interrelated functions. The Barton/Lafayette or Downtown section has traditionally generated considerable pedestrian traffic and has served as the meeting place and commerce center for residents and visitors alike. The Woodward/I-696 or Gateway section to the south of the CBD is frequently described as the entryway to the Downtown. It is bounded by Woodward Avenue and Main Street and serves as the point of ingress and egress to I-696.

Downtown Section of Development Area

The Downtown Section has a sense of place which encourages visitors to seek the retail and entertainment facilities located in the downtown area. The downtown environment has changed over the years with Main Street becoming a cluster of restaurants and small specialty stores and Washington Avenue maintaining some large retail stores and a few small restaurants. The vacancy rate in the downtown area continues to decrease due in large part to the efforts of the Downtown Development Authority, Chamber of Commerce and a strong regional economy.

In the past several years the region has seen an influx of retail malls. These regional malls draw downtown shoppers because of their convenience, indoor facilities and accessibility. The downtown business district faces the dilemma of retaining the retail staples while providing a mix of restaurant and entertainment facilities to create and heighten the desirability of the downtown shopping experience. The balance of land uses within the downtown assists in preventing deterioration of the businesses by providing a varied market

The flow of pedestrian traffic and physical and visual linkages between Main Street and Washington Avenue is also an issue. The DDA has been exploring and developing ways to avoid segmentation and develop the character of the downtown area so that it presents as a unified district or experience.

Two senior citizen housing facilities with 210 and 196 units each were the only properties within the Downtown District that were projected in the near future to increase significantly in assessed value in 1980. These areas were included in the Development Area, as they together comprise the site of a major commercial redevelopment project which the DDA seeks to have developed and upon which some tax increment revenues are to be expended.

The remainder of the properties in the Downtown Section of the Development Area have been included for one or more of the following reasons: 1) it is property planned for major redevelopment in the future which may require DDA financial involvement; 2) it is property upon which the DDA proposes to make public improvements; and 3) it is property which will permit maximum flexibility in the selection of any future public improvements to be financed by the DDA.

Gateway Section of Development Area

What some refer to as the “gateway” to the community, I-696 and Woodward Avenue, has received considerable attention in the past several years. The area is planned for a mixed-use development, including; residential condominiums, a multiple-story hotel, convention and meeting space, an office complex, and eating and retail establishments. The “draw” that this type of development could generate for the City of Royal Oak would ultimately benefit the entire Downtown District. It was also important to control development of this highly visible corner to ensure it did not develop with uses that would compete with the downtown.

In July 1997, construction began on the residential component of the mixed-use development. The project includes the following components:

- ❑ *Condominiums (242 units) with a townhouse design. The buildings are three stories tall with 2 levels of living space per unit.*
- ❑ *An office complex with parking incorporated into the structure. The office complex will be developed in two phases. Phase I will occur along Main Street. The exact dimensions and tenants have yet to be identified.*
- ❑ *A regional hotel. A tenant/owner has yet to be identified. The hotel will overlook the Detroit Zoo to the west and the office complex and courtyard to the east.*

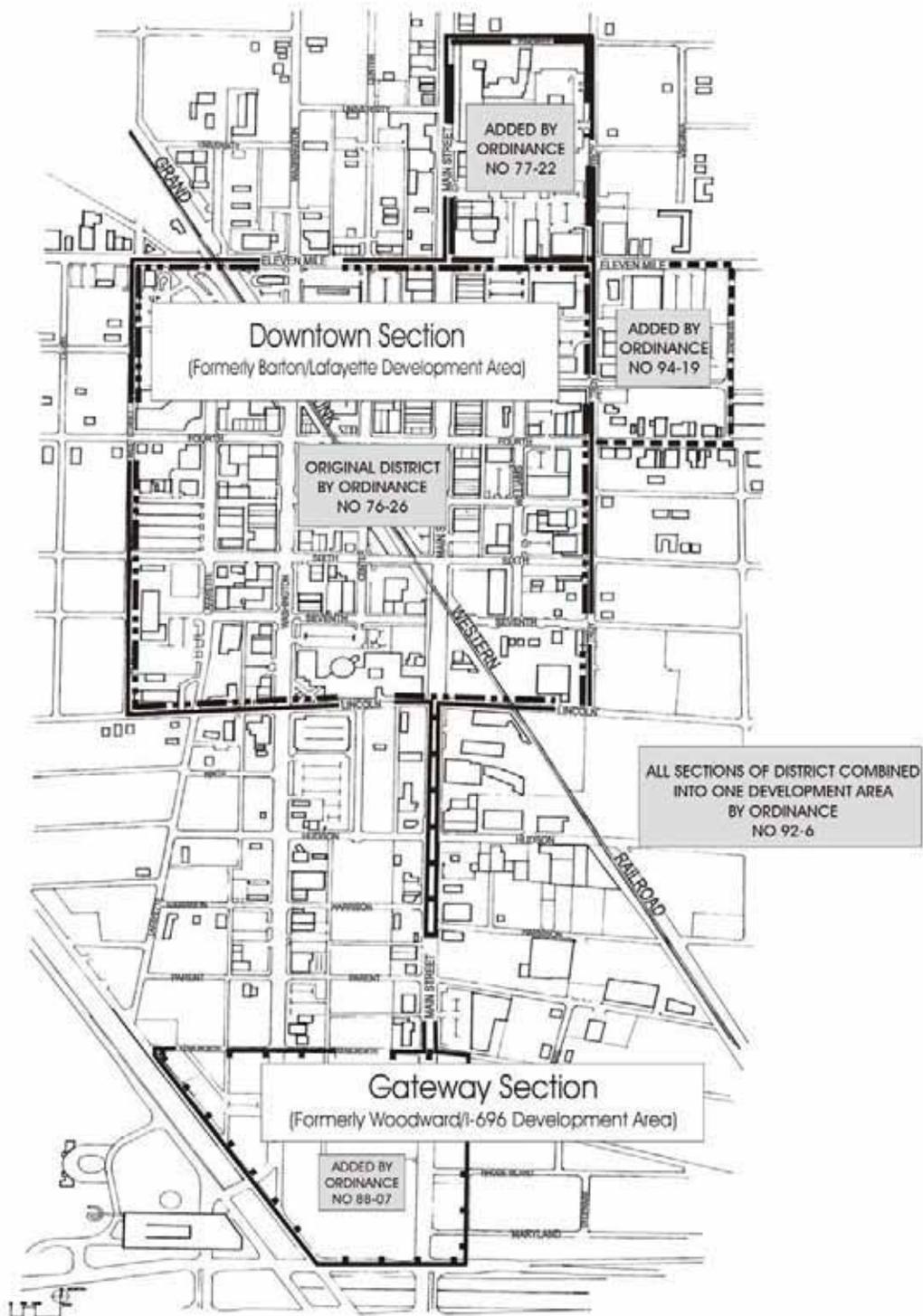
Several of the design characteristics utilized in the downtown are proposed for inclusion in this project as well. In an effort to create a unified approach, streetscapes have been designed to provide continuity. One of the most significant unifying elements is the introduction of a similar streetscape design. City staff anticipates that the project will be completed within three years, depending on current market conditions.

In addition to the proposed area east of Washington Avenue, the DDA has acquired 5 blighted properties between Woodward Avenue and Washington Avenue as a redevelopment site. Three private land holders remain in the approximately 3.5 acre triangular shaped property. These may be acquired by the DDA or by a private developer as part of a redevelopment project.

The boundaries of the Gateway Section were established to be coterminous with the boundaries of this project as conceptually defined by the Plan Commission. This delineation permits the Authority to capture all increases in assessed valuations resulting directly from the project, thereby generating maximum tax increment revenues within a minimum timeframe. This permits the Authority to accomplish the purposes of the Plan as expeditiously as possible and at least cost, thus minimizing the need for and use of tax increment revenues.

Also, as mentioned previously herein, there is an area delineated as an “extended development area.” This designation results from the Plan Commission study, which recommended this area for possible future redevelopment. If such redevelopment is to occur, it is altogether likely that an extension of the Gateway Section of the Development Area will be necessary.

Inclusion of this area into the Downtown District, and subsequently in the Gateway Section of the Development Area, was deemed unnecessary and inappropriate at this time. Such an inclusion would have resulted in the imposition of an additional 2-mill tax levy upon these properties, for which they would have received no significant benefit. Consequently, at the present time they have been omitted from the Downtown District and the Gateway Section of the Development Area.

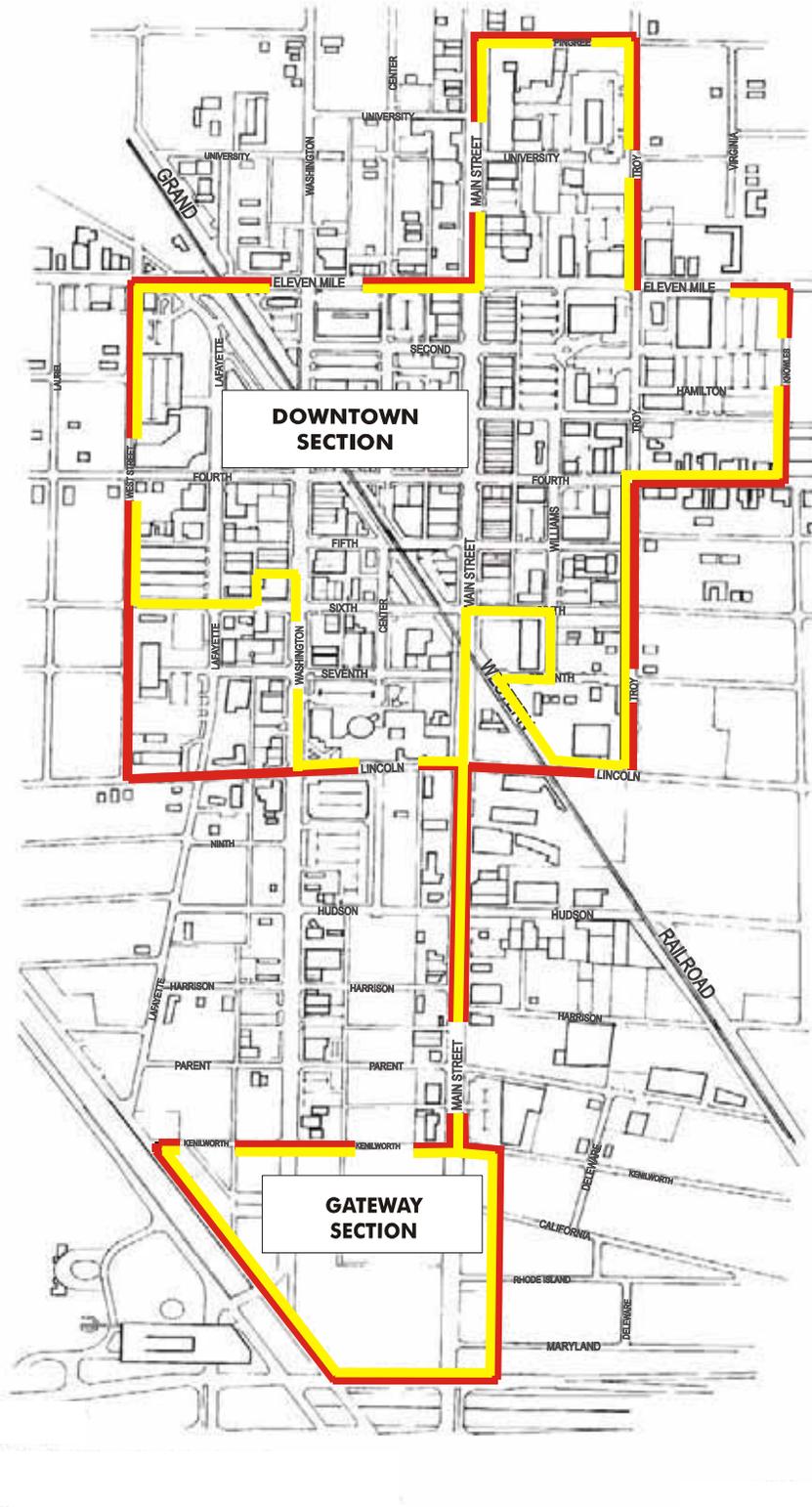


MAP 2
CITY OF ROYAL OAK
DOWNTOWN DEVELOPMENT AUTHORITY
DOWNTOWN DISTRICT
AND DEVELOPMENT AREA SECTIONS

- DOWNTOWN DISTRICT
- - - - - ORDINANCE NO 94-19
- · · · · ORDINANCE NO 88-07
- ORDINANCE NO 77-22
- · - · - ORDINANCE NO 76-26

NOTE: PER ORDINANCE NO 92-6 ALL DEVELOPMENT AREAS ARE COMBINED
 (SOURCE: City of Royal Oak & NEPY Downtown Study)





MAP 3
CITY OF ROYAL OAK
DOWNTOWN DEVELOPMENT AUTHORITY
DOWNTOWN DISTRICT AND DEVELOPMENT AREA

— DOWNTOWN DISTRICT
— DEVELOPMENT AREA

(SOURCE: City of Royal Oak & HEPY Downtown Study)



Improvements Proposed for Development Area

Over the past decade efforts have been made by the DDA and the City of Royal Oak to create a Development Area which prevents deterioration, promotes economic growth and increases property tax valuations in the Downtown District. Several guiding documents have been utilized to provide insight and identify development projects for the city. This amended Royal Oak Downtown Development Authority Development and Tax Increment Financing Plan is a compilation and enhancement of the previous two separate plans, the Barton/Lafayette and Woodward/I-696 Development and Tax Increment Financing Plans.

Downtown Section of Development Area

Upon formation of the DDA, a city planning consultant was retained by the city to assess the current condition of the Downtown District, define goals and objectives and make development recommendations. Its report, which was published in August 1977, proposed several of the objectives being sought by the DDA in this Plan. These goals and objectives are:

- *Provide sidewalks, street canopies, arcades, trees and landscape details to facilitate pedestrian movements and improve the visual environment throughout the core shopping area.*
- *Create plazas and other landscape areas to provide passive refuge in the downtown scene.*
- *Retain traffic on all major thoroughfares and expand and improve off-street parking facilities.*
- *Encourage building façade treatments.*
- *Actively pursue the development of a major retail outlet in the downtown area.*
- *Encourage the introduction of moderate to high density housing in the Central Business District.*

To achieve these objectives, the Development Plan has as its strategy the provision of public improvements which will act to further stimulate private and public investments in the Downtown District.

Gateway Section of Development Area

Improvements proposed for the Gateway Section of the Development Area were determined after an analysis of the area. Initiation of this study was prompted by the start of construction on the I-696 freeway. The realization that the long-delayed freeway would become a reality required that a study be undertaken to assess its impact on the area and the opportunities it might present. At the request of the Royal Oak City Commission, the study was undertaken by the Plan Commission with the assistance of the Oakland County Planning Division. The study was initiated in July 1984, and completed in January 1988, when a presentation of its findings and recommendations was made to the Royal Oak City Commission.

The study provided the city with a “Framework Plan” to guide overall development and redevelopment within the study area. In addition to the Framework Plan, the study further recommended that the area bounded by the I-696 freeway, Woodward Avenue, Kenilworth Avenue and, in general, the alley east of Main Street, be redeveloped in a mixed-use project of regional significance. Different conceptual plans varied in the magnitude of its uses and in its physical appearance, though all were based upon and incorporate the same general goals or “design elements.” These elements are the essential ingredients in improvements proposed for the Gateway Section. They are listed follows:

Regional Emphasis: Provide somewhere special to go and something special to see and do. Uses should complement and expand the market draw of the Detroit Zoo and the Central Business District.

Accessibility to Downtown: Provide varied opportunities for convenient, safe and attractive means of circulating to and from the Downtown. Transportation links should include pedestrian walkways, a public shuttle service and parking facilities.

Link to Zoo: Provide a highly visible, unique pedestrian bridge over Woodward Avenue connecting the intersection site with the Detroit Zoo.

East-West Connector: Provide adequate means of accommodating vehicular circulation between Washington Avenue and Main Street.

Land Use: Encourage pedestrian activity during the day and night by providing appropriately mixed land uses, activities and attractions. Suggested uses are:

- *Hotel*
- *Conference Center*
- *Office and Support Commercial*
- *Low/Medium/High Density Residential*
- *Entertainment Center*
- *Restaurant*
- *Parking*
- *Open Green Spaces*

Programs: Encourage pedestrian activity during the day and night by providing special facilities for programmed activities and special events. Programs would be coordinated and/or sponsored by the Detroit Zoo, Parks and Recreation Department, Oakland Community College, Chamber of Commerce, etc.

Continuity to the Downtown: Maintain visual continuity to the downtown. Use compatible colors and building materials (predominantly brick and stone). Limit building height to 4 stories (limited exceptions not to exceed 15 stories). Continue downtown landscaping.

Green Space: Development should incorporate sufficient open green space and landscaping so as to convey an overall feeling consistent with the rest of the community.

Pedestrian Plaza: Provide open space as a focus which is integral to the development.

Flexible Indoor/Outdoor Environments: Provide a variety of public facilities which can offer both indoor and outdoor exposure, depending on season and weather conditions.

PLANNING STUDIES AND ANALYSIS

Over the past several years studies have been completed that provide research and analysis on various components of the downtown. These included: the HEPY Downtown Royal Oak Master Plan; the Downtown Parking Study and Master Plan by Rich & Associates, with updates by Tetra Tech; and the City of Royal Oak Master Plan by Carlile/Wortman Associates.

HEPY Downtown Royal Oak Master Plan

The Downtown Royal Oak Master Plan, as previously noted, was developed through a community-based planning process under the guidance of Harley, Ellington, Pierce and Yee (HEPY). The Plan focuses on the Central Business District from Lincoln Avenue to Eleven Mile Road and West Street to Knowles Street. It examines the goals and objectives through the creation of development areas. Following is a list of those “Urban Development Objectives.”

- *Improve Parking Identification, Image and Lighting.*
- *Expand and Enhance Civic Center Functions and Identify (Civic Corridor).*
- *Extend Core Parking.*
- *Enhance Organizing and Identity Corridors.*
- *Circulation Revisions and Safety and Efficiency.*
- *OCC Campus Expansion.*
- *Encourage Small-Scale Commercial and Office In-fill.*
- *Promote 2nd Floor Residential Development.*
- *Expand DDA/TIF to Accomplish Redevelopment Strategies.*
- *CBD Gateways Identification and Image Enhancement.*
- *Reinforce Fourth Street Connector.*
- *Expand and Enrich Civic Center Open Space.*
- *Create a Civic Center Based Events Plaza.*
- *Improve Service Alley-Ways and Establish Maintenance Guidelines.*
- *Clean-Up and Enhance Railroad R.O.W. View Corridor.*
- *Improve Pedestrian Awareness and Safety at Intersections (Roadways and Railroads).*
- *Develop Special Street Lighting of Access Corridors for Safety and Identity.*
- *Selectively Update Streetscape Furnishings.*
- *Implement a Public Art Program.*
- *Provide a Clock Tower as an Orientation and Image Landmark.*
- *Celebrate Railroad Presence.*
- *Illuminate Historic Architecture.*
- *Promote Façade and Display Enhancement.*
- *Display Hours of Operation.*
- *Consolidate Residual Land for Greenspace system.*
- *Guide and Promote Flexible but Traditionally-Styled Private Property Improvements.*
- *Initiate Market Based Development Strategies.*
- *Signature Offices and Municipal Parking Deck.*
- *Street Retail and Core Parking.*
- *Continuing Care Residential Community.*
- *Farmer’s Market and Civic Center.*
- *Signature Office Buildings.*

The Royal Oak Downtown Development Plan, where applicable, will incorporate the aforementioned goals and objectives and design elements into future projects. These concepts have been utilized by the DDA in evaluating and assessing current development projects and identifying areas of focus for the development plan.

Royal Oak Parking Study And Master Plan

The City of Royal Oak in 1995, with the assistance of Rich and Associates, developed a Parking Study for the Central Business District. The Parking Study evaluated the need for parking spaces, fee structures, enforcement procedures, signage and the revenues generated. An update to the occupancy and turnover study was conducted in 1996 by Tetra Tech. The Parking Study shared some common element with the Downtown Royal Oak Master Plan compiled by HEPY. These included plans for a trolley that connected various spaces within the downtown and I-696 areas, general parking, streetscape improvements at the Farmer’s Market, and the need for signage and kiosks to help direct pedestrian traffic.

City of Royal Oak Master Plan

The city completed a revision to its Master Plan in August of 1999 with the assistance of Carlile/Worman Associates. The prior General Development Plan was adopted in 1968, which had subsequent amendments made to it throughout since its adoption.

The General Development Plan broke the Central Business District into “rings” and proposed concepts that would encourage continued growth in the downtown. One of the proposals was for a Central Business District Mall. It was intended to provide a central commercial nucleus within the City which would separate pedestrian and vehicular traffic, enhance ease of shopping and provide an attractive commercial environment for the pedestrian.

The newly adopted Master Plan instead calls to “maintain and improve a healthy and vibrant mixed-use downtown center as a desirable business address that integrates expanded commercial, entertainment, office, residential, retail and service uses.” The DDA will incorporate the goals, objectives and strategies of the city’s Master Plan into the Development Plan. The following is a list of objectives and strategies from the City of Royal Oak Master Plan as it pertains to the downtown area.

Objective: Enhance the physical appearance of the downtown.

- Strategies:*
- a. Develop design guidelines and provide assistance to enhance our vibrant urban environment with specific consideration for building height, style, setbacks, signage and streetscape design.*
 - b. Continue to improve public and private signage and lighting in the downtown.*
 - c. Upgrade parking and parking lots with improved safe lighting, signage and incorporate separation by landscaping and decorative screening measures that ensure compatibility with neighboring residential areas where applicable.*
 - d. Support strict code enforcement of commercial, residential and rental properties.*

Objective: Enhance the mixed-use environment downtown with emphasis on expanded retail, office and housing compatible with neighboring residential areas.

- Strategies:*
- a. Encourage an expanded retail environment in the core of downtown, including, but not only, mixed-use retail options combined with office and upper level residential uses.*
 - b. Encourage small to medium development projects within the downtown.*
 - c. Encourage the relocation of uses not dependent on a downtown location and allow conversion to uses, which are complementary to and compatible with a downtown environment.*
 - d. Encourage mixed-use multi-level parking structures, which provide the opportunity for retail and office ground floor and parking on upper floors.*
 - e. Create a central business overlay district which will permit increased building height for projects that include the following:*
 - ◆ Exemplary architectural and site design features;*
 - ◆ An appropriate mix of retail, office and upper level residential uses;*
 - ◆ Provide increased off-street parking;*
 - ◆ Incorporate landscaping and/or decorative screening measures that ensure compatibility with neighboring residential areas.*

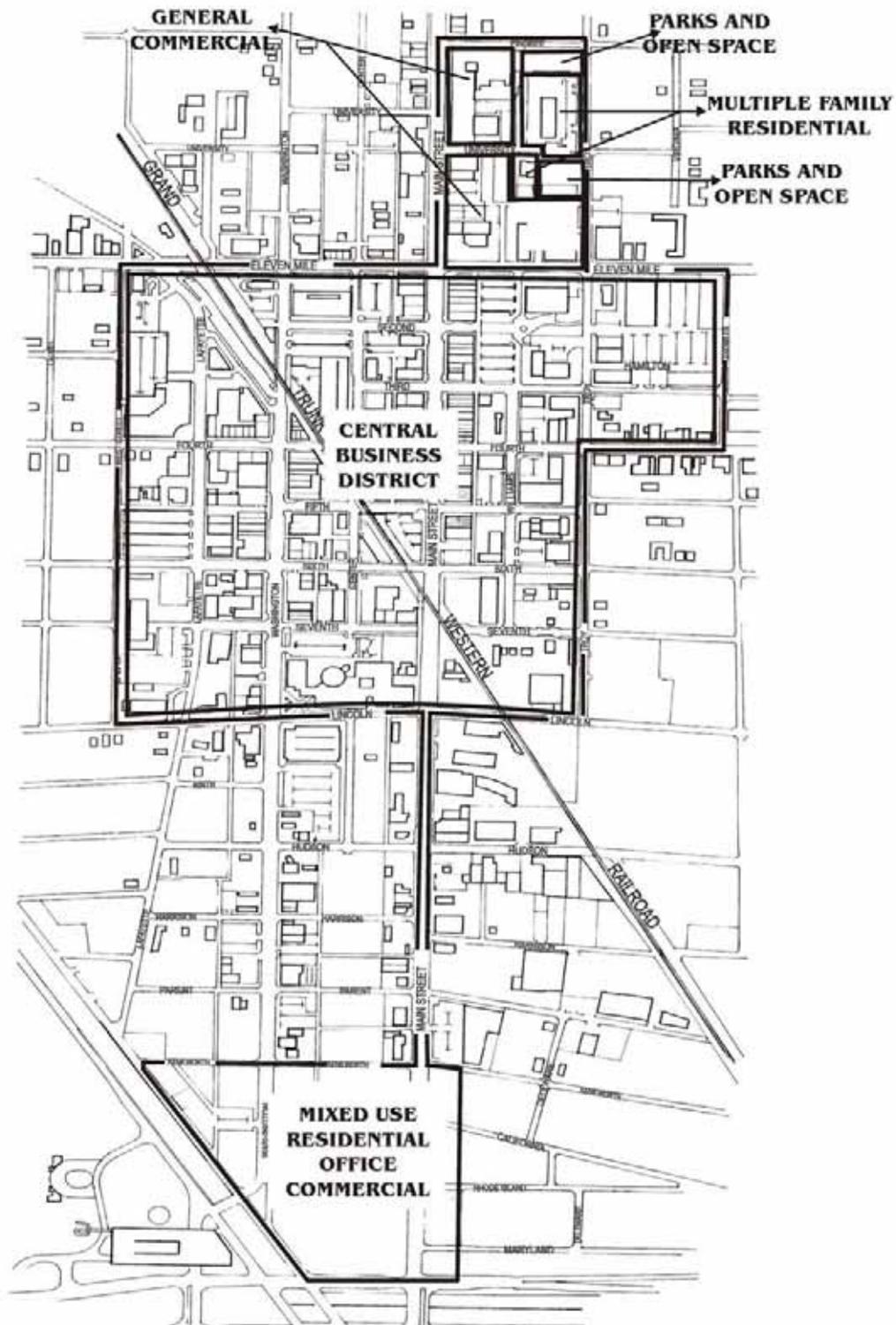
Objective: Provide design guidelines for treatment of buffers to create a smooth transition between residential areas and non-residential uses.

- Strategies:*
- a. Provide consistent screening of more intensive uses (i.e. multiple family, commercial/office uses) from residential neighborhoods through the use of walls, fences and/or landscaping.*
 - ◆ Provide separation as well as an attractive physical barrier between the residential and non-residential uses as necessary to minimize disruptive light, noise, odor, dust, unsightly appearances and intrusive activity relative to the residential environment.*
 - ◆ Buffer should consist of a landscape area along the residential boundary, with a decorative screen wall along the non-residential side of said buffer.*
 - ◆ Landscape area should be planted with trees and shrubs to visually screen non-residential areas and provide an attractive boundary that encourages continued investment in the adjacent residential property.*
 - ◆ Buffer and screening should be scaled in accordance with the scale of the non-residential use.*
 - b. Establish alternative design treatments of existing alleys typically located between residential and commercial/office uses.*

- ◆ *Attempt to create more space for screening of auto service, parking areas and storage areas through the use of fences walls and/or landscaping.*
- ◆ *Use alleys as second access to building parking and pedestrian ways through the use of alleyscape and courtyard amenities such as paving, landscaping, lighting and street furniture.*

Objectives: Promote a pedestrian friendly environment.

- Strategies:*
- a. *Increase pedestrian and bike access from surrounding neighborhoods with cross walks and consistent sidewalk ramps at key locations.*
 - b. *Provide continuous sidewalks linking neighborhoods, schools, community facilities and the Central Business District.*
 - c. *Discourage uses that are a detriment to pedestrian oriented environment such as drive-through and uses which require multiple curb cuts.*
 - d. *Continue to support the City's maintenance plan for new and existing sidewalks.*
 - e. *Continue to work with the railroads to provide safer crossings.*



MAP 4
CITY OF ROYAL OAK
FUTURE LAND USE PLAN

— DOWNTOWN DISTRICT

(SOURCE: Master Plan Adopted 1999 - City of Royal Oak & HRP Downtown Study)



Zoning Ordinance

While all of the studies and plans provide guidance for the development of the community, the City of Royal Oak Zoning Ordinance provides the regulatory tool to ensure the community's future growth and development as planned. It acts as a legally binding, enforcement document to the Master Plan.

As previously indicated, the City recently amended the city-wide Master Plan. The Zoning Ordinance has also been amended in keeping with the changes to the Master Plan. The revised Zoning Ordinance was adopted in November of 2001 with thirteen zoning districts.

The Development Area is comprised of the following districts (see Map 5 – Zoning Map):

Central Business District

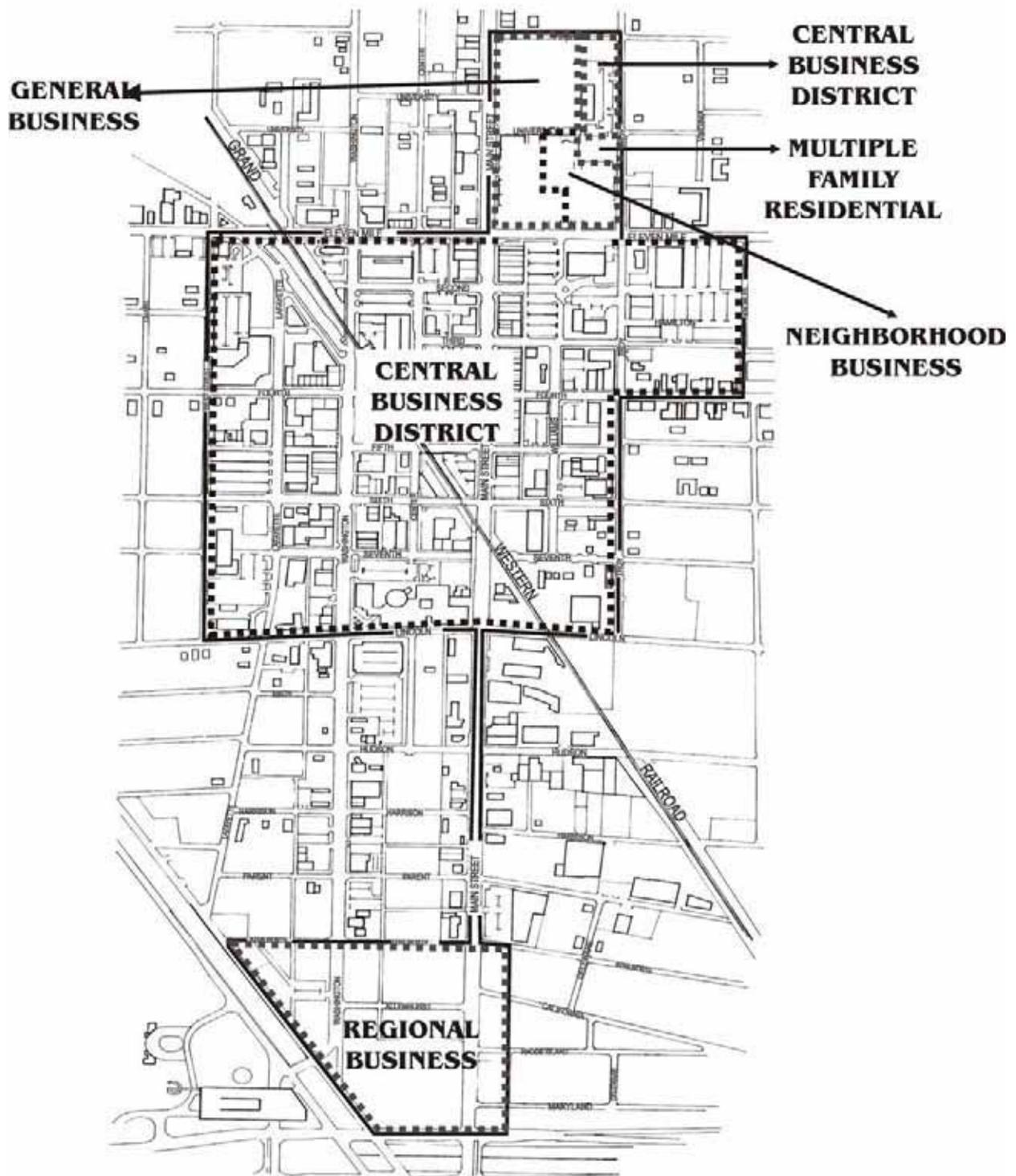
The Central Business District zoning is designed to serve the central business district's retail market function of the city, and to provide for professional and office activities, government and cultural activities and high-density residential dwellings. A prime characteristic of this district is its intense pedestrian activity. Most persons entering the district will come by automobile and typically park once to carry out several activities. Developments in this district do not have parking requirements, with the exception of residential or lodging uses. This allows a higher density of commercial operations with the municipality providing parking lots and decks. Permitted uses under this zoning district encompass a mix of office, commercial, service industries and residential land uses.

Regional Business District

The Regional Business District is intended to provide for a combination of large-scale office complexes, high-density multiple-family dwellings, and hotels in a planned development with the combination of ancillary retail and service. It is intended that this district will enhance and be compatible with the Central Business District rather than compete with it.

General Commercial

The General Commercial District provides a wider range of commercial opportunities than the Central Business District and the Regional Business District. The uses permitted under this include, but are not limited to, office complexes, filling stations, retail establishments, drive-through restaurants and banks, public garages and similar establishments.



**MAP 5
CITY OF ROYAL OAK
ZONING MAP**

— DOWNTOWN DISTRICT
- - - ZONING DISTRICT

SOURCE: City of Royal Oak & HBPY Downtown Study



DEVELOPMENT PLAN

Section 17 of Act 197 provides that when a downtown development authority decides to finance a project in a downtown district through the use of either revenue bonds or tax increment financing, it must prepare a development plan. This Development Plan is, therefore, being prepared as a result of the Royal Oak Downtown Development Authority's desire to use the above referenced financing methods to fund public projects as outlined herein. Section 17 of Act 197 also specifies the required contents of a Development Plan, and these contents follow as designated in that section.

Designation of Boundaries of Development Area

The boundaries of the Development Area, including both the Downtown and Gateway Sections, are illustrated on Map 3, Downtown District and Development Area. A legal description of these boundaries is found in the Appendix.

Location, Character and Extent of Existing Streets, Public Facilities and Private Land Uses

Existing Streets

Royal Oak is well served by arterial roads and highways. Eleven Mile Road, I-696 and Woodward Avenue feed both Washington Avenue and Main Street as connectors into the downtown. Main Street is the only major north/south regional connector through downtown, and therefore, carries substantial through-traffic – traffic that is not using the downtown as a destination.

The streets are set in a grid pattern with numeric streets running east and west and main connectors having a north and south orientation. The grid pattern is interrupted at several locations by the Canadian National Railroad tracks. The railroad intersects Washington Avenue and Main Street, as well as the major east-and-west connectors of Fourth Street and Sixth Street.

All street rights-of-way located within the Downtown District are dedicated to the public (City of Royal Oak, Oakland County, or State of Michigan), with the exception of private roads and drives in the Gateway Section of the Development Area. These rights-of-way revert to the ownership of abutting property owners upon vacation. Development Area right-of-way widths and street classifications are indicated in Table 4, Streets Within Development Area. In addition, there are alley rights-of-way within the Development Area of varying widths.

TABLE 4
STREETS WITHIN DEVELOPMENT AREA

| <u>Existing Street</u> | <u>Right-of-Way Width</u> | <u>Street Classification</u> |
|------------------------|---------------------------|------------------------------|
| Main Street | 100 feet | Principle Arterial |
| Woodward Avenue | 200 feet | Principle Arterial |
| Center Street | 70 feet | Minor Arterial |
| Eleven Mile Road | 68 feet | Minor Arterial |
| Fifth Street | 69 feet | Minor Arterial |
| Fourth Street | 70 feet | Minor Arterial |
| Lafayette Avenue | 70 feet | Minor Arterial |
| Lincoln Avenue | 66 feet | Minor Arterial |
| Sixth Street | 70 feet | Minor Arterial |
| Troy Street | 70 feet | Minor Arterial |
| Washington Avenue | 99 feet | Minor Arterial |
| West Street | 50 feet | Minor Arterial |
| Williams Street | 70 feet | Minor Arterial |
| Allenhurst Street | 60 feet | Urban Collector |
| California Street | 50 feet | Urban Collector |
| Hamilton Court | 40 feet | Urban Collector |
| Kenilworth Street | 60 feet | Urban Collector |
| Maryland Street | 50 feet | Urban Collector |
| Pingree Boulevard | 70 feet | Urban Collector |
| Rhode Island Street | 50 feet | Urban Collector |
| Second Street | 69 feet | Urban Collector |
| Seventh Street | 66 feet | Urban Collector |
| Third Street | 70 feet | Urban Collector |
| University Avenue | 70 feet | Urban Collector |

Public Facilities

Existing public facilities and land uses within the Downtown Section of the Development Area include the Royal Oak City Hall, Police Department, 44th District Court, Headquarters and Station No. 1 for the Fire Department, Farmer's Market, Royal Oak Public Library, Oakland Community College, and U.S. Postal Service. Municipal parking lots in the Downtown Section of the Development Area include the following:

- *Center Street Deck*
- *Center Street-Post Office Lot*
- *Sherman Drive Lot*
- *Lafayette Avenue Lot*
- *National City Deck*
- *City Hall-Williams Street Lot*
- *Farmer's Market-District Court Lot*
- *3rd Street-Williams Street Lot*
- *5th Street-Lafayette Avenue Deck*
- *2nd Street-Eleven Mile Road Lot*

Royal Oak has a clustering of municipal facilities at Troy Street, between Eleven Mile Road and Third Street. These include City Hall, the District Court, Library, Police Department and Farmers' Market. Other locations for civic activity are the Post Office on Second Street and Oakland County Community College located on Washington Avenue between Lincoln Avenue and Seventh Street. These areas are destination points and serve as anchors for the downtown.

Private Land Uses

The following table depicts land uses that existed at the adoption of the Downtown and Gateway Sections of the Development Area:

**TABLE 5
EXISTING LAND USES WITHIN DEVELOPMENT AREA**

| | |
|---------------------------|---------------------|
| Residential..... | 46 dwelling units |
| Commercial | 315,000 square feet |
| • Comparison | 224,000 square feet |
| • Convenience..... | 35,000 square feet |
| • Personal Services | 28,000 square feet |
| • Eating & Drinking..... | 28,000 square feet |
| Office | 262,850 square feet |
| General Commercial | 208,950 square feet |
| Vacant Buildings | 40,400 square feet |
| Vacant land | 82 acres |

The total square footage for all buildings is approximately 836,300 square feet. The residential land use has decreased significantly in the Downtown Section and increased in the Gateway Section. Vacant land remains scarce, as do vacant buildings.

Description of Existing Improvements to be Demolished, Repaired or Altered, and Estimate of Time Required for Completion

The DDA has evaluated the Downtown and Gateway Sections of the Development Area, Downtown Master Plan, Downtown Parking Study, and the Royal Oak Master Plan to identify strategies which will stimulate private and public investments in the Development Area. By assessing the current needs, identifying goals and objectives as outlined in planning documents and studies and examining the overall vision for the growth and development of the area, the following potential projects and activities were identified:

**TABLE 6
POTENTIAL PROJECTS AND ACTIVITIES**

| | |
|--|---------|
| ENCOURAGE AND SUPPORT EFFORTS TO ENHANCE MARKETABILITY OF DOWNTOWN AND ENSURE SUSTAINABLE DEVELOPMENT PATTERNS | page 36 |
| • Downtown Manager Position..... | page 38 |
| • Market Analysis and Marketing Plan | page 39 |
| • Attraction/Retention Program and Marketing Tools..... | page 40 |
| • Parking Advertising Program..... | page 41 |
| • Expansion of TIF Boundaries..... | page 43 |

**TABLE 6
POTENTIAL PROJECTS AND ACTIVITIES**

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- Installation page 45
- Lighting Fixtures page 47
- Planter Boxes..... page 48
- Interactive Information Sources page 48
- Gateway to Downtown page 49
- Visual Link Through Streetscape Design page 49
- Coordination of Signage and Wayfinding..... page 49

BUILDING RENOVATIONS PROGRAM page 50

AMTRAK SHELTER AND WALKWAY page 52

REOPEN FIFTH AND SEVENTH STREETS page 54

ALLEY IMPROVEMENT PROGRAM page 55

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- I – Civic Center Complex page 57
- II – Senior Residential Development..... page 58
- III – Second Street Residential/Office Development page 59
- IV – Fourth and Main Development page 59
- V – Parking Lot Developments page 60
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 - ◆ Fifth Street & Lafayette Avenue Deck page 60
 - ◆ National City Drive-Through Bank Site page 60
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MISCELLANEOUS PUBLIC SERVICES page 62

PUBLIC SAFETY page 63

REDEVELOPMENT OF GATEWAY SECTION page 63

Encourage and Support Efforts to Enhance Marketability of Downtown and Ensure Sustainable Development Patterns

The focus of the DDA since its inception has been toward “brick and mortar” projects as opposed to special events or program activities. Over the past decades, the DDA has been involved in soliciting and creating plans and studies which address the need for development or redevelopment in certain areas. They have also been involved in planning for the infrastructure that helps support these developments, such as municipal parking lots and decks, and streetscapes.

To date, several projects have occurred and although opportunities remain there is an on-going need for the creation of tools and techniques to guide the economic growth and/or stabilization of the downtown. These tools and techniques may include a detailed market analysis, a retention/attraction program, community outreach and heightened marketing activities. On-going partnerships with other community organizations will result in coordinated events and activities.

In the past, the DDA has not been directly involved in a “marketing program.” It has on occasion contributed funds to specific activities sponsored by the Chamber of Commerce. These included development of promotional materials, advertising and special events. The DDA, in cooperation with the Chamber of Commerce, has created a joint committee to explore and develop programs and activities that enhance awareness of downtown businesses. This coordinated effort is intended to maximize limited resources and reduce duplication of services and programs.

To effectively implement a marketing program of the downtown the DDA jointly explored with the city the creation of a Downtown Manager’s position, which was established in 1999. The Downtown Manager’s responsibilities include: coordinating downtown marketing programs; serving as a liaison between organizations and committees involved in downtown marketing plans, business retention and attraction activities; and overseeing Royal Oak’s “Main Street” program.

Over the past five years there has been an influx of new and expanded retail centers in surrounding communities, for example, the Somerset Collection and Great Lakes Crossing. A detailed market analysis has provided the DDA with information on the impact of new retail centers on the existing businesses and current consumer trends. The market analysis will assist the city in developing an action plan that incorporates marketing and business attraction and retention, and should be routinely updated to remain current.

The market analysis, an analysis of current regulations and policies, and their impact on economic development will be reviewed to determine the impact on the growth, development, preservation and aesthetics of the downtown.

The DDA, through its past and future planning efforts, have established themselves as the leaders in the development and on-going economic viability of the downtown. In order to become an identifiable entity in the downtown the DDA developed a custom logo. In addition, marketing tools that reach a broad audience through the internet and in electronic and video formats are being researched for development.

Parking studies and focus groups have identified parking as a critical component to the marketability of the downtown. The DDA, in cooperation with the City of Royal Oak, will continue to evaluate parking issues in the downtown. A parking advertising program identifying municipal parking facilities will be implemented as part of the comprehensive marketing strategy.

The balance of retail, entertainment, residential and office uses in the downtown has an impact on future redevelopment. The number of retail businesses in the downtown continues to decline. This may be due to higher rents and the ability for national restaurant and coffeehouse chains to pay the higher costs associated with renovating a building. Washington Avenue has experienced some new

development of retail space and the DDA is interested in providing tools to assist in maintaining a strong retail presence.

The downtown contains many restaurant and entertainment land uses. Attracting patrons to these activities and then retaining them as consumers for the retail uses is critical to the vitality of the retail market. Information about businesses and locations of parking facilities should be made easily accessible for pedestrians and vehicular traffic.

The DDA has considered expanding its Development Area boundaries in the past. As previously noted, the most recent additions were the Civic Center area in 1994 and the Regional Business District in 1988. The DDA is proposing expanding the tax increment financing boundaries to incorporate the area between Main Street and Troy Street and Lincoln Avenue and Fifth Street.

Through the following programs and projects the DDA will assist in enhancing the marketability of downtown Royal Oak and encourage continued planning for a sustainable downtown business mix.

Downtown Manager Position

The City of Royal Oak hired a Downtown Manager whose duties include:

- ◆ *Develop and maintain a comprehensive inventory of available buildings and sites for sale and rent in the downtown for economic development purposes.*
- ◆ *Establish and maintain a network of communication and cooperation with area brokers and real estate development firms, property owners, tenants, civic, community and business groups and Oakland County's Planning Department to coordinate tenant recruitment efforts and development.*
- ◆ *Serve as a liaison between the Royal Oak Downtown Development Authority, Oakland County, Greater Royal Oak Chamber of Commerce, Downtown Royal Oak Association, Gallery Association, and other public, private or non-profit groups and associations interested in downtown development.*
- ◆ *Oversee the city's "Main Street" program in conjunction with Oakland County and the National Trust for Historic Preservation.*
- ◆ *Create promotional materials for downtown development activities, to aggressively recruit businesses that diversify and complement the existing mix.*
- ◆ *Make public presentations before city boards, commissions, community groups, civic organizations, and the general public.*

The Downtown Manager's responsibilities also include the following programs and projects as identified in the Downtown Royal Oak Master Plan:

- ◆ *Serve as a "point person" for the promotion and marketing of downtown. Also the design and coordination of downtown business retention and recruitment activities including incentives for attracting targeted businesses.*

- ◆ *Design a standardized sign for downtown stores and restaurants to list hours of business.*
- ◆ *Coordinate and publicize business hours or encourage restaurants in close proximity to each other.*
- ◆ *Encourage standardized hours to enhance the downtown shopping experience.*
- ◆ *Secure agreements with employers to provide designated employee parking areas.*
- ◆ *Conduct small business seminars for downtown retailers addressing advertising, window displays and management topics.*
- ◆ *Assist in producing guidelines for façade design and improvements.*
- ◆ *Expand special events programs and strategies to help spotlight specific groups of businesses.*

It is intended that the Downtown Manager's position be funded through a combination of sources including but not limited to the City of Royal Oak General Fund, DDA operating and tax increment revenues, special assessments through a Principle Shopping District (PSD) or Business Improvement District (BID), etc. Initial cost should fall within the salary range of \$40,000 to \$60,000, depending upon the scope of services provided. The position has been filled through a contractual arrangement, utilizing City of Royal Oak General Fund to initiate the position. The DDA wants to ensure adequate and continued funding for this position and its activities, including the "Main Street" program and its associated committees.

Market Analysis and Marketing Plan

The DDA hired a consultant to complete a market analysis of the downtown. The purpose of the market analysis and marketing plan was to identify the downtown economic market and develop the tools and techniques to retain and attract retail businesses. One of the methods used to achieve this goal was to hire a marketing consultant to provide a market analysis of the downtown. Development of the marketing plan has assisted the DDA in determining which economic development tools and techniques will provide the greatest benefit to the downtown and surrounding land uses.

The DDA supports the Downtown Manager's position assisting in the facilitation and implementation of the marketing plan. The creation of the marketing plan was accomplished through a variety of venues, including a coordinated effort with Oakland County to provide a comprehensive market analysis and marketing plan for the region, and hiring a private consulting firm. Funding for this project might was achieved through joint efforts with local agencies, county economic development agencies, and others.

Marketing activities in cooperation with the Chamber of Commerce will continue to be reviewed. As funds are available, consideration will be given to provide support to events in the downtown in an effort to enhance visibility of existing businesses, such as Royal Oak

in Bloom, the Clay and Glass Art Show, and Holiday Magic. The actual cost depends on the services and programs, and current estimates are based on time and material. The anticipated budget of \$15,000 to \$20,000 will assist in getting the joint program started and assumes utilization of existing staff and volunteers or the Downtown Manager.



Research for the market analysis required the creation of a detailed inventory of the downtown, and this included the identification of land uses, lot sizes, building floor areas, site improvements and other related information. This data will provide a foundation for determining the current business mix in the downtown.

The detailed inventory will continue to be incorporated into a geographic information system (GIS), which will provide an integrated graphic and data source for research and marketing of downtown businesses. The DDA has discussed the dissemination of this type of information through interactive kiosks located throughout the downtown (see Streetscape Program).

Attraction/Retention Program and Marketing Tools

As part of the marketing plan, the DDA has recommended that an attraction and retention program be initiated. One of the chief concerns in the downtown is the current mix of businesses. The trend appears to be toward “entertainment” activities, such as restaurants, bars and coffee shops. In recent years, the downtown has experienced fewer office and residential developments. Existing retailers have expressed concerns with regard to the lack of “foot” traffic and marginal sales figures. The larger scale restaurants appear to be sustaining a good customer base; however, the carryover to the current mix of retail shops is not evident according to retail tenants.

The development of the attraction/retention program would be incorporated into the total cost of the market analysis and plan for the downtown. Because of Royal Oak’s close proximity to regional malls and other downtowns and commercial corridors, a regional review is required to assess the methods appropriate to retain and attract viable businesses that will help to create a sustainable business mix.

The DDA is examining economic development tools available to attract and retain new businesses to the area. One such tool is an interactive web page that provides links to individual businesses and merchant organizations. The features available on web sites range from a simple inventory of businesses and services to videos of downtown with interactive menus.

The estimated cost of an interactive web page varies greatly and is dependent upon the level of services provided. Initial costs for development range from \$5,000 to \$10,000 or more. Services may include on-going maintenance programs that provide updating data on a regular basis and incorporating new features as required. A combination of funds may be utilized for

this type of activity, including but not limited to the DDA operating budget, TIF revenues, special assessments through a Principle Shopping District (PSD), private fee-based services, and Chamber of Commerce and Oakland County Economic Development funds.

Another method to attract new businesses to the downtown is a utilization of the professionally designed video and CD-ROM. These tools can be used for presentations, information sharing, and Internet access. Both of these mediums can be designed to provide a “tour” of the downtown and highlight potential redevelopment sites. The estimated cost of developing a CD-ROM or video is between \$3,000 and \$5,000. The cost of each additional CD or video would be approximately \$1.00.

Parking Advertising Program

The City of Royal Oak has 10 municipal parking structures and surface lots in the DDA’s boundaries, providing 2,169 metered spaces. These parking facilities are open to the public 24-hours a day at a nominal fee. On-street parking along Second, Main, and Fourth Streets and Washington Avenue provide an additional 650 metered spaces. Public parking facilities were previously managed by the city’s Parking Committee. Those duties have now been assumed by the DDA.

The HEPY Downtown Royal Oak Master Plan Study indicated that the parking facilities were underutilized. Their analysis indicates that people prefer convenient storefront parking and surface lots to the parking structures. In 1994, most facilities averaged 40% to 70% utilization on weekdays and 40% to 95% on weekends according to the HEPY Study. The first choice for parking is on-street and surface lots. The problems causing low deck utilization are poor awareness of their availability to the general public, a low sense of security for the user, poor identification or understanding of intended users, poor understanding of rate structures and hours of enforcement, poor directional and identification signage and unconsolidated merchant parking programs and policies.

In 1995, Rich & Associates prepared a Downtown Parking Study and Master Plan, which has since been updated from a study by Tetra Tech. Recommendations from those analyses included: increased parking enforcement; separate parking system management; improvement to parking signage and amenities; incorporation of a trolley/circulation system; and a marketing program for parking.

The DDA has discussed the need for better advertising on the parking structures and surface lots which are under utilized. This advertising would include rate information, hours of operation, directional signage identifying entrances and exits, and the like. In addition, to heighten the comfort level when entering and exiting the structures, steps need to be taken to address the exterior aesthetics of the building and the need for increased lighting and directional signage.

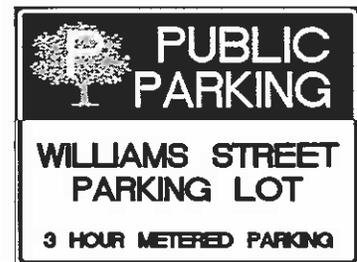
The DDA has requested additional information regarding the use of employee parking programs, in an effort to “free up” customer parking. Review of various programs have suggested mandatory employee permit parking and/or decreased meter time allowance for

on-street parking. In addition, some communities require businesses to provide a specific number of parking spaces for their customers in municipal lots through a permit system. This type of program can be based on parking spaces per square foot of usable floor area and the use of the building or the volume of sales for business use.

The advertising program would be implemented by the DDA. The DDA should hire a marketing/public relations consultant to work with the Parking Manager to set up a marketing program. The program may include radio and cable access spots, newspaper advertisements, give-a-ways, etc. Ideally, marketing would be coordinated with other groups, such as the Downtown Royal Oak Association and the Chamber of Commerce. The estimated cost is \$7,500 annually.

The HEPY Study identified some recommendations and implementation schedules. Many of these recommendations are consistent with the Parking Analysis completed by Rich and Associates. Some suggestions are as follows:

- Provide more distinctive and frequent parking orientation signage, which graphically coordinates with a comprehensive signage master plan for Royal Oak. Consider mounting this signage in conjunction with the traffic signals on Main Street. Give the decks names that the public can relate to and boldly display these names to help create a lasting identity and recognizable orientation mechanism.*
- Clearly identify deck locations and entrance points, using "super graphics," pageantry, landscape lighting, better internal lighting and signage. Make the Center Street deck not only identifiable, but also a true feature at the end of Third Street. Add a lighted glass stair tower at the Center Street deck as the visual terminus to Third Street. This will serve as identification as well as insure the potential user that it is easy to use, and safe. Add specialty lighting to Third Street to accentuate the route to the deck from Main Street. Add perimeter lighting inside the deck in addition to the city's proposed improvements. Supplement landscaping with ground plantings to soften and enhance the deck at the street level while maintaining good security sight lines. Incorporate landscape lighting to create a warm and safe appearance around the deck.*
- Both the Center Street and Lafayette Avenue (National City) decks need bold identification showing where to enter the deck and a clear indication that they are, in fact, open to the public.*
- Make the Center Street south stair tower more visible and approachable through long range planning that will incorporate it into the walkway connecting the passenger shelter along a railroad corridor to Main Street.*



Parking Lot Signage (Parking Master Plan – Rich & Assoc.)

Plans have been submitted for streetscape improvements along Third Street. The improvements include increased lighting, brick pavers and supplemental landscape materials. The plans also call for a walkway at the south entrance, connecting Third Street to the railroad walkway. Improvements to Third Street have been funded through the parking revenues.

Expansion of TIF Boundaries

The DDA has requested that a study be prepared to analyze the impact of incorporating the area between Fourth Street and Lincoln Avenue and Main Street and Troy Street, excluding the first block east of Main Street between Sixth Street and Seventh Street. The area is currently within the Downtown District boundaries of the DDA.

The DDA has identified the area as being suitable for expansion of an existing senior residential facility. A development of this type would require the DDA to acquire private properties. Specific properties have not been identified. A list of properties contained within the proposed expansion area, including existing land uses, zoning and taxable value, are identified in Table 7a, Proposed Development Area Expansion (Main St. & Fourth St.).

| Parcel ID Number | Address | Existing Land Use | Taxable Value | Homestead Percentage |
|-------------------------|-------------------------|-----------------------------|----------------------|-----------------------------|
| 25-22-108-003 | 411 South Main Street | Commercial | \$ 135,830 | 0% |
| 25-22-108-006 | 122 East Fourth Street | Commercial | Exempt | 0% |
| 25-22-108-011 | 401 South Main Street | Commercial | \$ 355,050 | 0% |
| 25-22-108-012 | 419 South Main Street | Commercial | \$ 552,960 | 0% |
| 25-22-109-002 | 214 East Fourth Street | Commercial/Office | Exempt | 0% |
| 25-22-109-004 | 421 Williams Street | Utility | Exempt | 0% |
| 25-22-151-001 | 501 South Main Street | Commercial | \$ 195,550 | 0% |
| 25-22-151-005 | 511 South Main Street | Commercial | \$ 143,000 | 0% |
| 25-22-155-002 | 609 Williams Street | Two Family Residential | \$ 41,210 | 0% |
| 25-22-155-003 | 611 Williams Street | Two Family Residential | \$ 37,290 | 0% |
| 25-22-155-004 | 613 Williams Street | Parking | \$ 28,620 | 0% |
| 25-22-155-006 | 610 South Troy Street | Commercial | \$ 51,040 | 0% |
| 25-22-155-011 | 222 East Sixth Street | Office | \$ 157,740 | 0% |
| 25-22-155-012 | 614 South Troy Street | Residential/Industrial | \$ 60,350 | 0% |
| 25-22-158-001 | 116 East Seventh Street | Commercial | \$ 50,040 | 0% |
| 25-22-158-002 | 118 East Seventh Street | Commercial | \$ 96,100 | 0% |
| 25-22-158-003 | 120 East Seventh Street | Single Family Residential | \$ 77,120 | 100% |
| 25-22-158-004 | 128 East Seventh Street | Single Family Residential | \$ 74,940 | 100% |
| 25-22-158-005 | 204 East Seventh Street | Multiple Family Residential | \$ 56,690 | 0% |
| 25-22-158-006 | 220 East Seventh Street | Industrial | \$ 97,560 | 0% |
| 25-22-158-007 | 209 East Seventh Street | Industrial | \$ 24,090 | 0% |
| 25-22-158-010 | 211 East Lincoln Avenue | Industrial | \$ 330,640 | 0% |
| TOTAL | | | \$ 2,565,820 | |

The DDA has an interest in completing streetscape elements in this area. The expansion of the TIF Development Area boundaries would allow the DDA to utilize revenues to continue the streetscape elements.

The DDA has requested a similar study in order to incorporate all of the properties at the northeast corner of Main Street and Eleven Mile Road within the development area. This entire area bounded by Main Street, Troy Street, University Avenue, and Eleven Mile Road is also currently within the Downtown District boundaries of the DDA. However, certain parcels were excluded from the previous Development Area.

The DDA has identified this area as being suitable for redevelopment as a mixed-use project of significant scale. Such a project could include retail stores and other commercial services on ground floors, offices and residential units on upper floors, and associated parking structures. DDA participation for upgrading of utilities and installation of streetscape amenities may be requested for a development of this scale. These upgrades would not include participation in parking facilities. A list of properties contained within the proposed expansion area, including existing land uses, zoning and taxable value, are identified in Table 7b, Proposed Development Area Expansion (Main St. & Eleven Mile Rd.).

TABLE 7b
PROPOSED DEVELOPMENT AREA EXPANSION (MAIN ST. & ELEVEN MILE RD.)
2003 TAXABLE VALUE - REAL PROPERTY ONLY

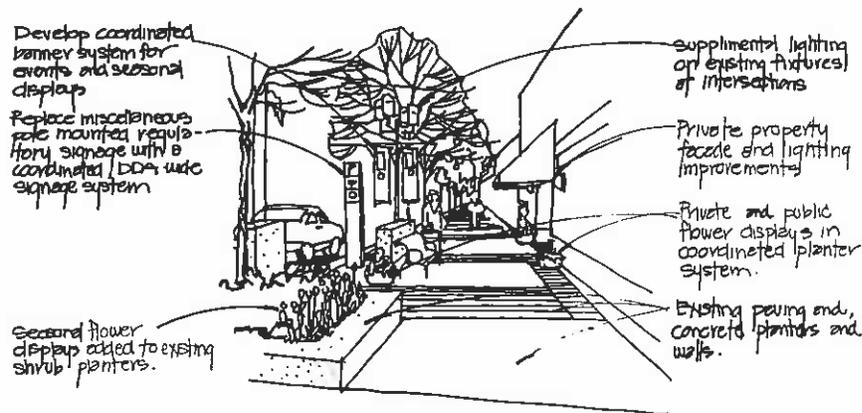
| Parcel ID Number | Address | Existing Land Use | Taxable Value | Homestead Percentage |
|---------------------|-------------------------------|-------------------|-------------------|-------------------------|
| 25-15-356-001 | 222 N. Main St. | Commercial-Vacant | \$ 384,210 | 0% |
| 25-15-356-002 | 218 N. Main St. | Commercial | \$ 26,590 | 0% |
| 25-15-356-003 | 216 N. Main St. | Commercial | \$ 50,640 | 0% |
| 25-15-356-004 | Lots 7-8 - E. University Ave. | Parking | \$ 18,480 | 0% |
| 25-15-356-007 | 200 E. University Ave. | Residential | \$ 200,600 | 0% |
| * 25-15-356-019 | 126 N. Main St. | Parking | \$ - | 0% |
| 25-15-356-024 | Lot 6 - E. University Ave. | Parking | \$ 39,540 | 0% |
| TOTAL | | | \$ 720,060 | |

* Includes parking lot north of building only. Existing building already included within Development Area.

Streetscape Program

The Downtown Development Authority has been working toward the installation of streetscape improvements in the downtown for the past several years. The first streetscape project was completed in 1980 along Fourth Street, Main Street and Washington Avenue. The streetscapes included the installation of lighting, benches, trash containers and trees with grates. Additional elements have been added to the streetscape program and include banners, coordinated signage and wayfinding, and proposed interactive display kiosks. The existing streetscape design is shown on the next page.

The DDA has spent considerable time and resources on the installation of the streetscape, and most recently purchased new benches, trash receptacles and flower containers. The DDA has replaced 105 trash receptacles, 70 benches and acquired 42 flower containers at a total cost of \$118,366.



Existing Streetscape Systems and Enhancements

Installation

It is the DDA's intent to complete the streetscape improvements, i.e., brickpavers, lights and benches that have become an integral part of the downtown atmosphere. Business owners on rights-of-way where no streetscapes exist continue to request these improvements. The DDA has identified streets to be completed as a first priority, while other potential streets remain to be completed as funds or development permits. The priority streetscapes are as follows:

| | |
|-------------------------|--|
| <i>Lafayette Avenue</i> | <i>Fourth Street to Fifth Street (west side only)</i> |
| <i>Lafayette Avenue</i> | <i>Fifth Street to Sixth Street (east side only)</i> |
| <i>Main Street</i> | <i>Rhode Island Avenue to I-696 Service Drive (east side only)</i> |
| <i>Third Street</i> | <i>Center Street to Williams Street</i> |
| <i>Fourth Street</i> | <i>Main Street to Troy Street</i> |
| <i>Second Street</i> | <i>Main Street to Center Street</i> |
| <i>Center Street</i> | <i>Second Street to Fourth Street</i> |
| <i>Sixth Street</i> | <i>Main Street to Center Street</i> |

In order to complete the priority installation and other remaining potential streetscapes, including concrete sidewalks, brickpavers, trees, lighting and grates, the estimated cost is \$6,670,000. The estimate is based on a cost of \$410 per lineal foot, including the construction costs as well as total project costs for engineering, inspection and contingencies.

The DDA has budgeted for streetscape elements to coincide with proposed projects, such as the Civic Center area and the railroad walkway project. These improvements have been made utilizing state and federal transportation enhancement funds, with the DDA and other funding sources providing the required matching monies. These projects will be coordinated with the construction of the proposed improvements.

