Situation Analysis

Downtown Muskegon – and the entire Muskegon community – is in the midst of a historic transformation. For downtown, that is a new era of a mixed-use, new urbanist, livable, and walkable downtown where everyone can work, live, play and stay. Starting with the 2001 closure of the Muskegon Mall, its demolition, and the development of the Imagine Muskegon plan in 2003, downtown has gone through a tremendous change. Much of that change has been accelerated in the past three to five years. There has been more than $300 million in downtown investment since the demolition of the Muskegon Mall, and another $100 million in investment and development is currently underway.

Just as the downtown is being transformed, the management of downtown Muskegon is also going through a progression. Due to Downtown Development Authority bonds for a third anchor of the Muskegon Mall in 1990 – which was never built – the Downtown Development Authority was paying off debt until the end of 2017. Downtown Muskegon Now – a small non-profit of downtown stakeholders – formed in 2001 under another name to provide traditional downtown management and promotion. Downtown Muskegon Now’s ability to finance downtown services and improvements were enhanced with the formation of a Business Improvement District in 2016. With the payment of the Downtown Development Authority bonds and a new substantial public funding source for downtown development, promotion and management, the Downtown Development Authority recently took its rightful leadership position in downtown’s operations and future vision. Downtown Muskegon Now agreed to merge into a rejuvenated Downtown Development Authority at the end of 2018.

Prior to deciding to merge, the Downtown Muskegon Now board -- with the participation of Business Improvement District and Downtown Development Authority board members -- went through a three-year downtown strategic planning process in April 2018. The three strategic initiatives or priorities that came out of that planning session were to:

1. Promote downtown Muskegon as a place to live.
2. Strengthen the connection between the historic downtown and the downtown waterfront north of Shoreline Drive.
3. Develop an overall downtown marketing plan for all stakeholders to use.

As the Downtown Development Authority ramps up its oversight of downtown management and expenditure of significant Downtown Development Authority revenues in the district, the Downtown Development Authority board also went through a similar strategic planning process. Suzanne Velarde of Velarde Marketing – who was hired by Downtown Muskegon Now
for its strategic planning process – facilitated a planning session with the Downtown Development Authority board at its March 2019 meeting. This report is a result of that session.

Downtown Development Authority Mission Statement

The mission of the Muskegon Downtown Development Authority is to allocate resources to support development, promotion and events to create a thriving downtown, including the waterfront, where all can live, work, play and stay.

Short-Term Strategies

The following strategies represent the Muskegon Downtown Development Authority’s priorities for the 2019/2020 fiscal year (July 2019 through June 2020):

Downtown Marketing

- **Support Current Marketing Efforts** – Continue to fund and support current marketing activities that were previously developed and managed by Downtown Muskegon Now. These activities include the Downtown Muskegon Now website, social media, email marketing, maps, billboards, print advertising, radio advertising, and geofencing efforts until a longer-term marketing plan is developed.

- **RFP/Contract with Marketing Agency** – Distribute a request for proposal and engage in a selection process for a marketing agency that will be contracted to develop and implement a Muskegon Downtown Development Authority marketing plan.

- **Coordinated Marketing Effort** – Muskegon Downtown Development Authority marketing should complement and be coordinated with other community groups and organizations to encourage a consistent message for Muskegon. Other community marketing organizations include, but may not be limited to:
  - Muskegon County Convention and Visitors Bureau
  - Muskegon Lakeshore Chamber of Commerce
  - Government entities, including the City of Muskegon and Muskegon County
  - Non-profit institutions (i.e. museums, Community Foundation for Muskegon County, libraries, Nelson Neighborhood Association)
  - Downtown event promoters
  - Muskegon schools
Connecting Downtown to the Waterfront

- Work with the City of Muskegon to support initiatives that create a stronger connection between the core downtown area and the downtown waterfront. Specific activities may include:
  - Developing a plan for a pedestrian-friendly crossing of Shoreline Drive at Third Street.
  - Enhanced lighting and streetscaping on pedestrian routes that go from the south side of Shoreline Drive to the waterfront. Priority should be given to established crossings (i.e. 3rd Street and 7th Street).

Wayfinding Signage

- Support the City of Muskegon’s improvement and expansion of wayfinding signage throughout the downtown, particularly signage that directs people to downtown parking areas.

Financial Incentives

- **Loan Program** - Provide financial support in the form of a low-interest loan program for new downtown developments, new downtown businesses or existing downtown businesses looking to expand within Downtown Development Authority boundaries. Preference should be given to retail businesses and businesses that expand the socio-economic diversity of downtown Muskegon.
- **Grant Program** – Offer a limited number of grant opportunities to area non-profits and/or public improvement initiatives (i.e. public art projects).
- **Facade Program** – Implement a façade program that offers financial incentives and design assistance to downtown businesses and homeowners who are seeking to improve/renovate the exterior of their building.

Lighting/Streetscaping

- Support efforts to enhance lighting and streetscaping on streets adjacent to the core downtown.
Long-Term Strategies

The following strategies represent the Muskegon Downtown Development Authority’s priorities for the 2020/2021 and 2021/2022 fiscal years (July 2020 through June 2022).

In general, the DDA intends to concentrate on developing and promoting varied living options, pursuing unique urban retailers in the digital Amazon world, creating entertainment-food-beverage options to enhance a dynamic nightlife, and seeking recreational opportunities to compliment the Muskegon Lakeshore.

Promoting and developing

- **Living** - Already offering subsidized housing for seniors and families, downtown needs to develop various market rate, student, “missing middle” and workforce development housing options within the DDA district. Both marketing and financial incentives of the short-term strategies can support promotion of living downtown.

- **Retail Business Attraction – Research and Strategic Planning** - Invest in a market study to research, analyze and prioritize the types of retail businesses to attract to Muskegon’s downtown. This work should also include the development of an attraction program, as well as urban retail training for owners and managers, and customer service training for employees of businesses within the Downtown Development Authority’s boundaries. One specific opportunity would be to attract an outdoor recreation outfitters or urban outfitters into the downtown to serve the Lakeshore region, as part of the Muskegon Lakeshore Chamber of Commerce’s 2019-2020 Take It Outdoors initiative.

- **Entertainment** - Building on the strengths of the L.C. Walker Arena, Fraunthal Center and The Block to name three, the DDA will continue to attract varied and diverse food and beverage businesses and market downtown Muskegon’s special events, festivals and activities. This will support the opening of the new convention center.

- **Recreation** - Two specific recreational pursuits can be further developed in the DDA district – bicycling and paddling – due to the Lakeshore Trail and the Muskegon Lake waterfront. Recreational improvements could include a children’s playgrounds, a skate park and a bike park. Others specifics might include:

- **Connecting Downtown to the Waterfront** – See description in short-term strategies above.

- **Expanded Bikeshare Program** - Support the expansion of the downtown bikeshare program that is scheduled for launch in summer, 2019. The Downtown Development Authority’s role may include:
  - Investment in additional bikes
  - Investment in additional bike rental locations to expand the service outside the core downtown area (i.e. Lakeside, Pere Marquette Beach)
o Financial support for ongoing management and upkeep of bike equipment and rental locations

Other Strategies

• Improve Downtown’s Walkability/Accessibility - Work with the City of Muskegon to support improved walkability and handicapped accessibility throughout the downtown area, including sidewalks and access to businesses, parks and other public spaces.
• Wayfinding Signage - See description in short-term strategies above.

Addendums:

• Addendum #1 – List of strategic priorities/voting results from March 2019 Muskegon Downtown Development Authority Board strategic planning session.

• Addendum #2 – Letter from Downtown Muskegon Now to the City of Muskegon and Muskegon Downtown Development Authority dated December 14, 2018 regarding endorsement of organizational transition and items for consideration in future Downtown Development Authority activities.

• Addendum #3 – Summary of findings from Downtown Muskegon Now strategic planning session – April 2018.
Muskegon Downtown Development Authority Strategic Planning - Project Vote Tally

March 13, 2019

Short-Term Votes (2019/2020 Fiscal Year):

7 Votes  Contract with a marketing firm for downtown promotion
5 Votes  Better connection between downtown and waterfront, including pedestrian-friendly crossing across Shoreline Drive
5 Votes  New/better wayfinding signage (City already working on this)
4 Votes  Downtown development gap financing incentive grant/loan program (prioritize minority-owned)
3 Votes  Better directional signage to parking
3 Votes  New lighting on side streets (adjacent to core downtown area)
3 Votes  Enhance streetscaping
3 Votes  Facade grant/loan program (accessibility is a priority)
2 Votes  Improve walkability/accessibility downtown (go beyond bare minimum)
1 Vote  Multi-cultural food festival
1 Vote  Expand deep water port
1 Vote  Parking (overall)
1 Vote  Re-pave two existing Downtown Muskegon Development Corporation (DMDC) parking lots

Projects Receiving NO Short-Term Votes

- Performing arts school
- Indoor music venue (500-1,000-person capacity)
- Shoppers docks
- Enhance Terrace Point access
- Visually connecting downtown and waterfront (consistent lighting/planters/banners, etc.)
- Electric vehicle charging stations
- New parking structure
- Downtown grocery store
- Expand year-around retail incubator opportunities
- Downtown movie theater
- Playground in core downtown
- Kayak/small boat launch at 3rd St. dock
- Kayak rentals
- Downtown retail – outfitter
- More frequent/targeted snow removal
- Water taxi
- Autonomous vehicles
- Make sure Business Improvement District funds for landscaping and snow removal are allocated properly
- Expand bike share rental program

**Long-Term Votes (2020/2021 and 2021/2022 Fiscal Years):**

<table>
<thead>
<tr>
<th>Votes</th>
<th>Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Better connection between downtown and waterfront, including pedestrian-friendly crossing at Shoreline Drive</td>
</tr>
<tr>
<td>4</td>
<td>Better directional signage to parking</td>
</tr>
<tr>
<td>4</td>
<td>Expand bike share rental program</td>
</tr>
<tr>
<td>3</td>
<td>Playground in core downtown</td>
</tr>
<tr>
<td>3</td>
<td>Downtown retail – outfitter</td>
</tr>
<tr>
<td>3</td>
<td>Improve walkability/accessibility downtown (go beyond bare minimum)</td>
</tr>
<tr>
<td>2</td>
<td>Multi-cultural food festival</td>
</tr>
<tr>
<td>2</td>
<td>Expand deep water port</td>
</tr>
<tr>
<td>2</td>
<td>Re-pave two existing Downtown Muskegon Development Corporation (DMDC) parking lots</td>
</tr>
<tr>
<td>2</td>
<td>Make sure Business Improvement District $ for landscaping and snow removal is allocated properly</td>
</tr>
<tr>
<td>1</td>
<td>Indoor music venue (500 – 1,000-person capacity)</td>
</tr>
<tr>
<td>1</td>
<td>Downtown grocery store</td>
</tr>
<tr>
<td>1</td>
<td>Enhance streetscaping</td>
</tr>
<tr>
<td>1</td>
<td>Facade grant/loan program (accessibility is a priority)</td>
</tr>
<tr>
<td>1</td>
<td>Expand year-around retail incubator opportunities</td>
</tr>
<tr>
<td>1</td>
<td>Downtown movie theater</td>
</tr>
<tr>
<td>1</td>
<td>Kayak/small boat launch at 3rd St. dock</td>
</tr>
<tr>
<td>1</td>
<td>Water taxi</td>
</tr>
</tbody>
</table>

**Projects Receiving NO Long-Term Votes**

- Performing arts school
- Shoppers docks
- Enhance Terrace Point access
- Visually connecting downtown and waterfront (consistent lighting/planters/banners, etc.)
- New/better wayfinding signage (City already working on this)
- Electric vehicle charging stations
- New parking structure
- Contract with a marketing firm for downtown promotion
- New lighting on side streets (adjacent to core downtown area)
- Downtown development gap financing incentive grant/loan program (prioritize minority-owned)
- Kayak rentals
- More frequent/targeted snow removal
- Autonomous vehicle
Muskegon Mayor Steve Gawron  
Muskegon City Manager Frank Peterson  
Muskegon DDA Chairwoman Martha Bottomley

Steve, Frank and Martha:

The Downtown Muskegon Now Board of Directors officially endorses the vision of consolidating downtown management and supports the specific direction of consolidating through the city of Muskegon’s Downtown Development Authority. The DMN board realizes that will mean its non-profit agency, which helped lead downtown Muskegon’s transformation by representing all downtown stakeholders since 2001, will cease operation sometime in 2019.

Now with a funded and re-energized DDA, the DMN board encourages a consolidation for downtown management, economic development, promotion, programming and events into this one entity.

With its endorsement and support of the DDA, the DMN board asks for consideration of several items through the coming months of transition:

- Carry on the Downtown Muskegon Now name, logo and downtown brand as the working name for the Muskegon DDA.
- Work with DMN Executive Director Dave Alexander as the DMN board’s representative and carry through with the proposed organizational model that keeps Dave in his current location and doing much of his current work as a DDA/city employee.
- Honor the history, legacy, and expertise of DMN by tapping its past and current board members, their businesses or institutions for representation on the DDA board or on any committees formed by the DDA for specific tasks.
- Takeover the Muskegon County lease and operations of the Downtown Muskegon PetSafe Bark Park to honor those who contributed to the first public dog park in Muskegon County.
- Assume the management of Downtown Muskegon Business Improvement District now managed by DMN through 2020.
- Allow Dave to continue to offer staff services to the Downtown Muskegon Development Corp. board as he currently does as DMN executive director.
- Accept the management of ongoing DMN downtown promotion now being paid for by the BID including such items as the downtown website, Facebook accounts, annual tri-
fold map, semi-annual promotional tear-off maps and ongoing marketing through billboards, print and radio advertising.

- Take charge of the annual Holiday in the Cities promotion and the annual Christmas Tree Lighting event in Hackley Park.
- Continue to further the DMN value of inclusion so that all of the Muskegon community is represented in the new emerging downtown.

Finally, DMN is thankful for the positive working relationship our board members, staff and stakeholders have had with Muskegon City Hall over the past two decades. Those relationships have helped foster the progress being made in downtown Muskegon. And without the city’s financial support, there would not have been a DMN the past few years.

We look forward to working through our merger as 2019 progresses.

Sincerely,

Andy Maciejewski
Chairman of Downtown Muskegon Now
Downtown Muskegon Now 3-year Strategic Plan
Adopted June 14, 2018

Downtown Vision:

Downtown Muskegon is the heart of the Muskegon Lakeshore. A diversity of Muskegon’s residents and visitors work, live and play in its premiere urban, waterfront environment.

Downtown Muskegon Now mission:

As a neutral facilitator between government and business, Downtown Muskegon Now is the go-to independent agency for communicating accurate and timely downtown information to all stakeholders. Downtown Muskegon Now promotes downtown economic and residential development, supports business and institutions, and advises organizers of downtown events. Downtown Muskegon Now builds downtown community.

Introduction:

Downtown Muskegon Now is a 501.c3 non-profit organization dedicated to the well-being of downtown Muskegon. The organization is led by an influential and engaged 15-member board of directors representing the major institutions, property owners and businesses in downtown Muskegon. The organization’s work is carried out by a modest staff of a full-time executive director and a part-time promotion, marketing and events manager. The board of directors and staff last conducted a strategic planning session in 2013 and from that developed a five-year vision. Great progress has been made on the 2013 plan and conditions in downtown Muskegon have improved significantly. Now in 2018, with the transformation of downtown Muskegon from the Muskegon Mall Era to a “new urbanist” mixed-use downtown, the Downtown Muskegon Now board believes it is an ideal time for an updated strategic plan for the agency.

History:

Downtown Muskegon Now traces its history to the 2002 formation of a Main Street organization for West Western Avenue and Third Street in downtown Muskegon, organized through the Muskegon-based Neighborhood Development Corp. In 2011, because the needs of downtown Muskegon centered heavily on the economic redevelopment of the 23-acre former Muskegon Mall site, the agency became Downtown Muskegon Now under the direction of the current non-profit board. Downtown Muskegon Now was associated with Muskegon Area First, the Muskegon county economic development agency.
**Current status:**

The current board leadership and executive director have been in place since the beginning of 2016. At that time, the board agreed the top priority of Downtown Muskegon Now would be to support the sale and development of the vacant former mall sites along Western Avenue. Other priorities were to develop “downtown” along Third Street (which has become Midtown) into the Nelson Neighborhood and along Pine Street into the McLaughlin Neighborhood, and to strengthen “downtown’s” link across Shoreline Drive to the Muskegon Lake waterfront. That year the city exclusively funded Downtown Muskegon Now with $100,000 in downtown brownfield repayment dollars.

Since 2016, the board also moved forward with fundraising, planning and construction of the Downtown Muskegon PetSafe Bark Park, a Downtown Muskegon Now facility opening at Western and Shoreline Drive in May 2018.

Downtown Muskegon Now entered into a letter of understanding with the Business Improvement District in early 2016 to operate the first year of that district. Upon the Business Improvement District’s second year, a $25,000 administrative fee was paid by the Business Improvement District to Downtown Muskegon Now for its management services to the Business Improvement District, while the City support dropped to $75,000. That annual management fee was included in the three-year renewal of the Business Improvement District through 2020. City leaders have indicated Downtown Muskegon Now will continue receiving $75,000 in support through 2020, thus giving the agency a stable $100,000 in revenue through the end of 2020.

Downtown Muskegon Now moved its association with Muskegon Area First to the Muskegon Lakeshore Chamber of Commerce in the second quarter of 2017 to better serve the missions of Downtown Muskegon Now, Muskegon Area First and the Chamber of Commerce. That arrangement is open-ended.

Finally, the Downtown Muskegon Now board has indicated a desire to remove the agency from the actual operation of downtown events to a more supportive role. Downtown Muskegon Now provides event coordination, the use of its 501.C3 status for beer tents and fundraising and offers promotion of downtown events. Thus, 2017 was the last year Downtown Muskegon Now produced the Taste of Muskegon event during the third weekend in June. The City of Muskegon will take over Taste of Muskegon beginning this year.

**Strategic planning process:**

At board direction, the executive director hired marketing/organizational consultant Suzanne Velarde to facilitate a planning process. At the suggestion of the City of Muskegon, members of the City’s Downtown Development Authority (DDA) and Business Improvement District (BID) were invited to participate in the Downtown Muskegon Now strategic planning session. Thirteen members of the Downtown Muskegon Now board, five members of the Downtown
Development Authority board and four members of the Business Improvement District board met April 17, 2018 for a three-hour planning session in the Frauenthal Center.

The Downtown Muskegon Now consensus was to plan for three years, taking the agency and its downtown goals through 2020.

Here is a summary of the planning session’s conclusions and outcomes:

**Downtown Geography/Downtown Muskegon Now Scope:**

- Downtown should be defined by the Downtown Development Authority map.
- Program funds and most all Downtown Muskegon Now staff resources should be limited to the Downtown Development Authority boundaries.
- Downtown Muskegon Now should be the organization that brings together not only downtown interests but provides the downtown’s connection to the urban neighborhoods, future waterfront developments and the overall Muskegon lakeshore community.

**Downtown Muskegon Now’s Top Priorities:**

- Connect downtown Muskegon to the waterfront
- Produce a comprehensive marketing plan to determine Downtown Muskegon Now’s target markets and message
- Promote downtown Muskegon as a place to live

**Downtown Muskegon Now’s Sustainability:**

- Downtown Muskegon Now should put itself in the position to provide staff services to the Business Improvement District and the Downtown Development Authority in the future.
- Moving forward, one organization needs to manage and oversee downtown efforts; Downtown Muskegon Now is in the best position to provide leadership and staff services in an independent and cost-effective way.
- Downtown Muskegon Now’s strength is being an independent, non-profit agency that can best meet the needs of both public and private sector.
- Downtown Muskegon Now should continue its ongoing association with the Chamber of Commerce for office space rental and to serve as the agency’s employer of record.

**Downtown Geography:**

Historically, the definition of downtown has been the blocks along West Western Avenue – Muskegon’s main street/business district – from Terrace Street to Ninth Street. The Imagine
Muskegon downtown vision plan of 2003 in the post-Muskegon Mall Era put the “center” of downtown and the entire Muskegon lakeshore community at Third Street and Western Avenue where the Johnson traffic circle was built and marked with the *Muskegon, Together Rising* sculpture.

But just where is “downtown Muskegon?” How is “downtown” geographically defined? What are its boundaries?

- Downtown Muskegon can no longer be defined as in the pre-mall era of only along Western Avenue or even a few blocks around Third and Western. Today, development and the potential of the Muskegon Lake waterfront must redefine downtown.
- The Business Improvement District boundaries are one potential geographic definition. This special assessment district includes Western Avenue, Midtown (Third Street) and Pine Street, but does not cross over Shoreline Drive to the north, east or west.
- The Downtown Development Authority boundaries are more extensive, following the Muskegon Lake waterfront from Lakeshore Yacht Harbor on the west to Fisherman’s Landing on the east, including Western Avenue, Midtown and Pine Street.
- The historic downtown is part of the mosaic of areas along the southern shoreline of Muskegon Lake from the former B.C. Cobb Plant to Pere Marquette beach. Possible connections between the port area on the east end of the lake to downtown, Western Avenue waterfront, Lakeside, Windward Pointe (former Sappi site) and the beaches of Lake Michigan were studied in 2017 in the City’s Imagine Muskegon Lake plan. In the future, a “new downtown” could be defined as the series of development areas along Muskegon Lake.

Downtown Muskegon Now discussions included:

- Downtown in the post-mall era already is spread out too much along Western Avenue.
- The traditional downtown needs to be redeveloped before a larger area is considered, especially in a three-year horizon.
- If downtown is defined too narrowly, important developments, places and events would not be part of Downtown Muskegon Now’s focus. An example of this is that the Downtown Muskegon Now-developed Bark Park is not within the Business Improvement District boundaries but is within the Downtown Development Authority.
- The unique Lakeside Business District adjacent to downtown to the west toward the beach has sought inclusion in “downtown” but has not been willing over the course of years to contribute the financial resources downtown business and property owners have.
• A strong downtown benefits everyone: urban residential neighborhoods of McLaughlin, Nelson and Nims, along with areas such as Lakeside and, in the future, Windward Pointe.

• Downtown Muskegon is the central hub of living, working and playing for all of Muskegon County and the Muskegon lakeshore region – home to the Frauenthal Center, L.C. Walker Arena, Muskegon Farmer’s Market, Hackley Public Library, the Muskegon Museum of Art, Heritage Landing, Hackley Park, the Lakeshore Museum Center, two full-service hotels, PetSafe Bark Park, Hackley-Hume Homes, two breweries, Western Market, a distillery, the Muskegon Heritage Museum, a variety of restaurants, and specialty retailing.

Downtown Muskegon Now’s conclusions on the geography of downtown in the next three years:

• Going forward, “downtown” should be defined by the Downtown Development Authority map as it includes the historic Western Avenue business district, Midtown, Pine Street, the Western Avenue waterfront and the Ottawa Street area to the east.

• All programming resources and most all Downtown Muskegon Now staff resources should be limited to the Downtown Development Authority boundaries.

• Downtown Muskegon Now should be the organization that not only brings together downtown interests but provides the downtown’s connection to the urban neighborhoods, future waterfront developments and the overall Muskegon lakeshore community.

Downtown/Downtown Muskegon Now Priorities:

The strategic plan process included all participants in brainstorming organizational priorities. After all of the ideas were recorded, participants voted for their top priorities. Those priorities are presented in two levels:

Immediate three-year priorities in order:

1. Connect Downtown Muskegon to the waterfront, including support of Imagine Muskegon Lake’s Shoreline Drive intersection suggestions, a sidewalk from Shoreline Inn to Shoreline Drive and Third Street, as well as “shopper docks” easily accessible to downtown businesses.

2. Produce a comprehensive marketing plan for downtown Muskegon that would explore Downtown Muskegon Now’s target audience, branding, stories, event promotion and support of a safe and diverse downtown.

3. Promote Downtown Muskegon as a place to live, stressing a variety of residential options, promoting this idea with Muskegon Lakeshore employers and anchor
institutions, and incorporating those who have been established downtown residents into the residential transformation. Educational options for downtown families will be key to development.

**Secondary** priorities to be on the Downtown Muskegon Now agenda in the next three years:

- Collaborate with surrounding neighborhoods to strengthen them and draw them into downtown Muskegon, creating an inclusive central business district that reflects all of Muskegon County.
- Support the development of Michigan Social (drinking) Districts in the state and explore with businesses, property owners and the City if such a district might be incorporated into the downtown.
- Provide support to the Lakeside District through collaboration, but not do the work for them.
- Work to fill retail storefronts both on Western Avenue and surrounding streets, specifically targeting needed businesses such as a grocery store.
- Inform and engage the community on development of a downtown convention center.

**Downtown Muskegon Now Organizational Sustainability:**

Over its relatively brief history, Downtown Muskegon Now has been funded by membership, key institutional contributions, the City of Muskegon and the Business Improvement District. The current revenues from the city and the Business Improvement District allow Downtown Muskegon Now staff to work on downtown issues instead of fundraising for the agency. Going forward, a similar stable funding source needs to be identified beyond 2020.

Outside of financial concerns, the organizations that have operated in downtown Muskegon in the post-mall era have sought to serve downtown’s needs but have provided a confusing and not always effective management structure for downtown Muskegon. Downtown Muskegon Now manages the Business Improvement District, but also provides staff to the Downtown Muskegon Development Corporation, the owner of the former mall properties. There is also a Downtown Condo Association formed by the initial property owners of the former mall site. Muskegon Area First and the Muskegon Lakeshore Chamber of Commerce have also been actively involved in downtown redevelopment and promotion.

All of this activity has filled the organizational void created by the Downtown Development Authority, which had been generating funds solely for the repayment of bonds from the mall era. The Downtown Development Authority will pay off those bonds this year, and the City has reordered the properties in the district to generate more tax increment financed revenues. The Downtown Development Authority’s portion of the City’s 2018-19 budget will show substantial revenues for the downtown district that until now have not been available. This is a great opportunity to accelerate downtown’s already robust transformation.
Downtown Grand Rapids Inc. offers Downtown Muskegon Now an organizational model for its future with its agreements with the City of Grand Rapids to provide staff services to its Downtown Development Authority, Business Improvement District and a special tax increment finance authority. Downtown Muskegon Now already has the relationship with the City of Muskegon for the Business Improvement District. The changing nature of the Downtown Development Authority offers Downtown Muskegon Now an opportunity to further enhance downtown management.

Downtown Muskegon Now concludes that for the next three years:

- The agency should put itself in the position to provide staff services to the Business Improvement District and the Downtown Development Authority in the future, as it has for the past two-and-a-half years to the Business Improvement District. Such a management proposal would need to be offered to City leadership and receive Downtown Development Authority approval. Downtown Development Authority management would necessitate some staff expansion.
- Moving forward, one organization needs to manage and oversee downtown efforts, and Downtown Muskegon Now is in the best position to provide leadership and staff services in an independent and cost-effective way.
- Downtown Muskegon Now’s strength is that – like Downtown Grand Rapids Inc. – it is an independent, non-profit agency that can best meet the needs of both the City and private sector. It is a respected facilitator among the City, businesses, property owners and investors that provides information and communication to keep the transformation of downtown Muskegon progressing.
- Downtown Muskegon Now should continue with its ongoing association with the Muskegon Lakeshore Chamber of Commerce for office space rental and serving as the agency’s employer of record.

**Topics for Future Board Discussions:**

- Presentation of the Downtown Muskegon Now three-year strategic plan to the City of Muskegon’s staff and commission
- Preparation of estimated budgets for key downtown priorities and identification of funding sources
- Proper Downtown Muskegon Now staffing levels in light of the strategic plan priorities
- Downtown Muskegon Now board structure and role with potential consolidation of downtown entities and the growing importance of the Downtown Development Authority
- Downtown Muskegon Now executive director succession