

## ***A NEW PERSPECTIVE***

### **WELCOME**

Ryan Reedy, Entertainment District  
“10 Years and Still Growing Big”

### **INTRODUCTION**

Bobby Hopewell, Mayor, City of Kalamazoo

### **REMARKS**

Fred Upton, Congressman  
“If you seek a pleasant downtown, look about you.”

### **MESSAGE FROM DKI BOARD OF DIRECTORS**

Chris Crowell, Gazelle  
“It’s about the people.”

### **STATE OF THE DOWNTOWN ADDRESS**

Ken Nacci, President, Downtown Kalamazoo Inc.

Thank you, Chris, for your perspective on downtown Kalamazoo and what downtown means to you.

Let me also at this time thank you, Congressman Upton, Mayor Hopewell, elected officials and downtown friends for being here today. Good afternoon – and welcome – all of you – to the annual State of the Downtown Address.

Every year on this third Monday in February for the last 10 years, we have been gathering together to share with you the status and future plans of downtown as we know it. Our purpose is to give a clear and direct look at standard indicators that help us to assess whether we are on track with our collective goals for redeveloping the urban core of Kalamazoo County. We have reported out on downtown programs, projects, policies, initiatives and opportunities generated by

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the public and private sectors that collectively - piece by piece - have positioned us to be one of the leading downtowns in redevelopment efforts. Today's restaurants, stores, cultural and educational destinations, performing arts, and special events have breathed life and opportunity into our sidewalks and storefronts, at street level and above ground.

In 2011, Downtown Kalamazoo Incorporated moved its offices of 16 years from the Mall Plaza on the Kalamazoo Mall. We moved to the 5<sup>th</sup> floor of the Argos East building on Michigan Avenue. This move off of the Mall is what has given us a "NEW PERSPECTIVE" as we witness new things we otherwise would have missed at the street level: pedestrian and vehicular traffic patterns, activity and life on floors above ground, and the orientation and relationships between buildings and their surroundings. It is an inspiring and motivating perspective to see the activity every day in its full scope and motion.

Today, we find ourselves in a new venue, intended to give us all a NEW PERSPECTIVE. From here we can see Michigan Avenue, our most vibrant traffic corridor. We see a history-rich skyline... and evidence of new development all around. This view comes from a building and a business model that has established these blocks of downtown as an entertainment district, now celebrating its 10<sup>th</sup> year in operation. What the Reedy Corporation has done in this building is an example of how opportunity was seized and developed. It's the Ryan Reedys, the Chris Crowells, all the businessmen and women, who see the potential and are making it happen EVERY SINGLE DAY. Your collective energy and commitment has positioned this downtown to be a "TOP TEN TURN AROUND" downtown, and the reason why our peers look to us as a front-runner in urban re-development.

When we measure our success, we look to several standard indicators. Let's do that now, through the DKI's committees.

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### **COMMITTEE OVERVIEW – Ken Nacci** **BUSINESS RECRUITMENT AND RETENTION**

Let's first start with the Business Recruitment and Retention Committee. Several studies completed this year serve as measurements for change and barometers of progress:

The preliminary 2011 employee survey results indicate an employee count of 12,225.

The number of employees working in downtown Kalamazoo slipped again slightly, due to a few larger offices downsizing or relocating.

The 2011 Occupancy study shows us that retail vacancy fell slightly to 10.4%. That means just under 90% of current retail inventory is being used.

Office vacancy rate fell significantly from 16% to 13%, due in part to smaller businesses returning to downtown.

The demand for residential space continues to fill current inventory with a vacancy rate that hovers under 2%. Residential remains the healthiest part of downtown development. New residential space is filling as quickly as it becomes available. People want to live where the action is.

#### ***Tenant Change List***

In 2011 we lost a total of 6 office users. We did see TWO VERY new, innovative concepts open to meet the growing demand for space for entrepreneurs, who, for a daily or monthly fee, can now get out of their basements or home offices and into a vibrant office environment with conference rooms, high speed internet and good coffee.

Changes in the retail scene - which includes restaurants, entertainment, and shopping - are MUCH more positive, and show a growth trend: A total of 13 new establishments opened their doors and we lost eight.

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### ***Retail Incubation Program***

Our retail incubation program continues to seek out new concepts that compliment the current mix. We are creating wealth by investing in entrepreneurs and creating vibrancy by filling storefronts with well-planned businesses. Two incubator businesses, Spirit of Kalamazoo and Your Home, opened in 2011 with three in the queue for 2012. Your Home, now occupies the former DKI office in the Mall Plaza allowing for the return of retail on street level.

***The Business Recruitment Retention Incentive Program*** made nearly \$43k in grants to assist 10 new and relocating businesses within downtown.

***The Building Revitalization Program*** made over \$32k in grants to assist 3 different projects, ranging from storefront signage to new residential units.

Education is a major component of “retention”. DKI staff supports the Downtown Kalamazoo Retail and Restaurant Association which offers an annual day-long seminar CONNECTING WITH CUSTOMERS to help businesses reach their best customer service potential and establish downtown as a center for excellence in customer service.

This year, the DKRRA is bringing in The Great Game of Business, a tool that allows businesses to engage their employees in the decision-making process. This will be the 5<sup>th</sup> year of the conference, which is geared toward helping our small business owners get the tools for success that normally wouldn’t be available to them.

### **MARKETING**

Our marketing committee members are the “Keepers of the Brand”, guiding image and event marketing.

In 2011 we continued with the LOOK CLOSER campaign, using radio, print advertising and the digital billboards to promote a variety of events designed to generate traffic.

We continued to see record crowds in attendance at downtown events...except for our inaugural run of Carfest, which unfortunately was literally washed out by rain and hail. We gave away another scooter through the FOLLOW THE SCOOTER, WHERE’S BUDDY program....We continued to partner with the Arts Council of Greater Kalamazoo for continued success with ART HOP & More, and sought

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ways to tie in with other community events, such as the Kalamazoo Marathon, and Western's Homecoming Spirit Week event.

Social media has become an effective tool in communicating to our downtown friends, who now number nearly 11,000 on Facebook. While certainly not the tell-all, we look to these cyber interactions as a way of fostering community pride for downtown, strengthening relationships with our constituents, and better understanding opinions, attitudes and behaviors. We have come to rely on this mechanism to promote our events and programs – helping to put the “buzz” out on the street, with little cost.

### **DOWNTOWN KALAMAZOO ASSOCIATION CHARITIES**

The Charities board serves two basic functions: to organize and fund major traffic generating events that create a “sense of place” and to manage the Arcadia Creek Festival Place.

DKAC makes possible important events for Kalamazoo such as the Doh Dah Parade, Art on the Mall, Mixer on the Mall, Safe Halloween and the Holiday Parade. We estimate that these events collectively draw nearly 100,000 visitors downtown annually.

In 2011, the DKAC approved a record number of events for the Arcadia Creek festival place.

- 37 events from April through October
- \$716,000 was reported to have been raised for charitable contributions to area organizations from festival sales.
- And these events are estimated to have attracted over 152,000 attendees throughout the season (up 13%).

A few of our ~~the~~ festivals recognized milestone years in 2011. We'd like to recognize GREEKFEST for its 35 years first brought to us by the late Theo Skartsiaris from his Dionysus Restaurant.

Community Advocates' RibFest celebrated 20 years and Race for the Cure, 15. Their long-time standing as successful festivals speaks to the organizations that run them, and the opportunities they find at the festival site for continued growth.

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The parade is a major undertaking for DKA Charities, providing one of the largest annual gatherings in the count, with an estimated attendance of 35 to 40 thousand people. Last year, it celebrated its 50<sup>th</sup> Anniversary drawing what we believe to be yet another record crowd.

We'd like to acknowledge our sponsors, whose support is very valued and necessary to continue programming. HOLD ON: That's not a sponsor....THAT is the woman who makes it happen every year. Deb Droppers. Deb is our event consultant and event manager extraordinaire...all these years of executing and she's never seen the parade as we have because she's been back in the trenches in the staging area.. Deb – we're here to tell you it's been a community pride and joy, much thanks to your talents.

### **RESIDENTIAL ADVISORY BOARD**

The DDA Citizens Council continues to be the eyes, ears and sounding board to the Downtown Development Authority. Because of the ever growing residential population, it's important to provide the insight on lifestyle issues affecting the downtown resident.

### **SAFETY COMMITTEE**

This group has worked diligently over the years to address and help problem solve the safety concerns – myths and realities - of urban life through its continued funding of a Community Police Officer, horse patrol, and surveillance.

Preliminary reports on over-all crime statistics for the downtown area continue to show a decrease, and as we see here, a fourth consecutive year of reduced part one crimes, down by 11% from the previous year.

Today, we would like to recognize Community Officer Josh Breese, for his five years of service to the downtown community. Josh – thank you for your dedicated service. We'll miss your quick wit, dry sense of humor, sardonic, long-winded, never-ending ....just kidding Josh. We wish you well on your future endeavors with Kalamazoo Department of Public Safety.

We should at this time introduce to you our new CPO, Chris Hancox. Chris is not new to downtown. He has been assigned to the beat in years past, and knows the community well. Chris, welcome!

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### **PARKING COMMITTEE**

Now to our most animated committee, the parking committee.

This group of downtown stakeholders continued to work through the Five Year Parking Plan as approved by the DDA and City Commission. Highlights include:

- Implementing new energy efficient lighting in all three public ramps
- Spent \$100,000 in parking system capital repairs
- Finalizing the Haymarket Lot #9 reconstruction plan
- Conducting two “Parking 101” public workshops.

### **COMPREHENSIVE PLAN UPDATE – MEASURING PROGRESS**

The committee reports show us what we’ve accomplished over the last year. The 2009 Downtown Comprehensive Plan is the plan that community put together to guide continued progress.

Here is our report card on where we are in meeting the goals of the plan. It represents collective downtown initiatives. Some of the bolded line items are projects we’ve already reviewed with you. But I’d like to highlight a few areas where we are making good progress by referencing the luminaries on the right. Three luminaries is good; No luminary is not so good.

### **REPORT CARD**

#### **A NEW PERSPECTIVE – FLY BY**

This is an exciting time of growth for Kalamazoo. Very few cities our size are experiencing the levels of development that we are seeing.

Today, I’d like to share with you a NEW PERSPECTIVE that that will show us those Projects from a bird’s eye view... but first, let me call up the developers behind these projects:

Greg Taylor, Phoenix Properties - The Exchange and Gazette building projects

James Dally, Mavcon – Metropolitan Center

Steve Deisler, representing the DDA – Haymarket Parking lot #9

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Patti Owens, Catalyst Development – Corporation Hall  
Steve Deisler on behalf of Natalie Huff - Valentine, Peregrine Realty – Peregrine Plaza  
Dr. Hal Jensen, Dean of the W. M. U. School of Medicine

As we are flying around downtown, we've asked each to give us a brief presentation on their respective projects. We'll have some time for questions and answers following the video.

### **ANIMATED FLY-BY**

### **AUDIENCE Q & A**

Thank you to the panelists.