Identifying Marketing Strategies & Best Management Practices for the City of Eastpointe and the City of Mount Clemens

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Spring 2009
Project Scope

Clients

- Steve Horstman, Eastpointe: Economic Development Director, DDA Director
- Bonnie McInerney, Mount Clemens: Director of Community Development
- Terry Gibb, Macomb County: Natural Resources Program Director

Project Goal

- Research and develop a “niche” marketing program for two communities with high foreclosures
- Develop marketing strategies and best management practices to attract new homeowners into Eastpointe and Mount Clemens
Presentation Outline

1. Community Profile
2. Foreclosure Data
3. Community Assets & Potential Niche Market
4. Property Marketing Strategies
5. Community Marketing Strategies
Eastpointe: Geography
Mount Clemens: Geography
Eastpointe:
Community Summary

• Largely residential
  - Similar housing size and style
  - Parks within walking distance
  - Lots of recreational opportunities

• Downtown corridor
  - “The Gateway to Macomb County”
  - Close proximity to Detroit
  - High traffic flow

• Foreclosure
  - Difficult to retain property value and attract homebuyers
  - Losing residents
Mount Clemens:
Community Summary

- **Neighborhoods**
  - Homes built in early 1900s
  - Rich history (mineral baths)

- **Vibrant Downtown**
  - Walkable
  - Clinton River
  - Variety of businesses
  - Macomb County’s seat

- **Foreclosure**
  - Not affecting all neighborhoods
  - Affecting housing value and city’s ability to market itself

Source: (http://www.pbase.com/1moremile/image/60254408)
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What is foreclosure?

Foreclosure:

A process that allows lien holders to recover the amount owed on a defaulted loan by selling or taking ownership (repossession) of the property securing the loan.

The process can be initiated by:

• Lenders (mortgage)
• Local Governments (taxes)
The Foreclosure Process (Michigan)

1. Homeowner defaults on mortgage
2. Foreclosure Sale Scheduled (90+ days delinquent)
3. Notice of sale published weekly in newspaper for no less than 4 weeks
4. Public Auction at Courthouse
5. Sherriff’s Deed Issued
   • REO
   • Private Purchaser
6. Redemption Period (6 months after sale)

*In Michigan, the typical foreclosure takes approximately 8 months.*
### Eastpointe and Mount Clemens: Foreclosures and Sheriff Deeds

- Eastpointe Foreclosures in 2007: 556
- Mount Clemens Foreclosures in 2007: 168

<table>
<thead>
<tr>
<th></th>
<th>Number of Sheriff Deeds</th>
<th>Number of Sheriff Deeds</th>
<th>Number of Sheriff Deeds</th>
<th>Foreclosures</th>
<th>Foreclosures</th>
<th>%Change (03-07)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>Eastpointe</td>
<td>135</td>
<td>151</td>
<td>216</td>
<td>239</td>
<td>556</td>
<td>311.85%</td>
</tr>
<tr>
<td>Mount Clemens</td>
<td>53</td>
<td>46</td>
<td>65</td>
<td>67</td>
<td>168</td>
<td>216.98%</td>
</tr>
</tbody>
</table>
Eastpointe:
Composite Foreclosure Needs Score

- Composite Foreclosure Needs Score: 14.17
- Ranked 27 among all cities in Michigan
- Eastpointe ranks first among the highest risk of foreclosure in Macomb County
Mount Clemens: Composite Foreclosure Needs Score

- Needs Score: 2.97
- Ranked 113 among all cities in Michigan.
- Ranked seventh among the neediest in Macomb County
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Eastpointe:
Community Assets

• Community Center
• Senior Citizen Center
• Children’s Garden
• Chapaton Boat Ramp

Source: (http://www.yelp.com/biz/childrens-garden-eastpointe)

Source: (http://www.eastpointeplayers.org/Tickets.htm)
Eastpointe: Potential Niche Market

- Senior Citizens (Aged 65+)

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Currently offered in Eastpointe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community and Senior Centers</td>
<td>✓</td>
</tr>
<tr>
<td>Delivery Services</td>
<td>✓</td>
</tr>
<tr>
<td>Volunteer Services (for assistance in home maintenance, shopping, etc.)</td>
<td></td>
</tr>
<tr>
<td>Outdoor gardens and parks</td>
<td>✓</td>
</tr>
<tr>
<td>Handicap Accessibility</td>
<td></td>
</tr>
<tr>
<td>Public Transit (Bus System)</td>
<td>✓</td>
</tr>
<tr>
<td>Access to Healthcare</td>
<td>✓</td>
</tr>
</tbody>
</table>
Mount Clemens: Community Assets

- The Clinton River
- Traditional Downtown
- Farmers Market
- Crocker House Museum
- Anton Art Center
- Michigan Transit Museum


### Mount Clemens: Potential Niche Market

- **Young Professionals**

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Currently offered in Mount Clemens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity and Tolerance (“Feeling Welcome”)</td>
<td>✔</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>✔</td>
</tr>
<tr>
<td>Entertainment Opportunities</td>
<td>✔</td>
</tr>
<tr>
<td>Outdoor Entertainment &amp; Recreation</td>
<td>✔</td>
</tr>
<tr>
<td>Cultural Events</td>
<td>✔</td>
</tr>
<tr>
<td>Shopping &amp; Retail Options</td>
<td>✔</td>
</tr>
<tr>
<td>Walkability</td>
<td>✔</td>
</tr>
<tr>
<td>Downtown Housing Options</td>
<td>✔</td>
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</tbody>
</table>
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Property Marketing Strategies

• Organize home buyer fairs and house tours
  - Stockton, California
  - Atlanta, Georgia

Source: bloomberg.net

Source:
(http://www.realestate4gilbert.com/Blogs/home.aspx)
Property Marketing Strategies Cont’d

• Develop a Blight Eliminating Committee
  - make a to-do list to repair or demolish blighted or abandoned buildings
  - inspectors place fines on maintenance ordinances that are being violated

• Land Bank Formation
  - Tax-foreclosed are assembled and redeveloped
Property Marketing Strategies Cont’d

• Form Rehabilitation Partnerships
  - Community Development Corporation (CDC)
  - Community Development Financial Institution (CDFI)
  - Community Housing Development Organization (CHDO)
  - Other 501(c)3 Nonprofit Organizations
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Community Marketing Strategies

• Maintain a website that offers extensive information on neighborhoods, home-buying incentives, and other matters of interest to potential residents
  - Baltimore, Maryland
  - Allegan, Michigan

Source: [cityofallegan.org](http://www.livebaltimore.com/)
Community Marketing Strategies
Cont’d

• Target marketing efforts towards specific demographic and/or geographic areas which expand economic investment for the city
  - Salt Lake City, Utah
  - Charlotte, North Carolina
  - State of New Jersey

Source: self-help.org/about-us

Source: saltlakemagazine.com
Community Marketing Strategies
Cont’d

• Provide information on financial incentives offered by the city
  - Richmond, Virginia
  - Hartford, Connecticut

Source: livehartford.org

Community Marketing Strategies
Cont’d

• Recruit real estate agents, title insurance companies, and others to become part of the marketing effort
  - Non-profit Real Estate Brokerage

• Generate positive word-of-mouth advertising by engaging residents as “city ambassadors”
  - Zeeland, Michigan

Source: ci.zeeland.mi.us
Community Marketing Strategies
Cont’d

• Prepare and distribute themed promotional materials, such as banners, bumper stickers, and license plates

![Sun City, Arizona](http://www.suncityaz.org/news.htm)

• Work with neighborhoods to mesh marketing efforts with a citywide strategy
Community Marketing Strategies Cont’d

• Work to mesh financial incentives with chosen marketing strategies
  - State of Florida
  - State of California

Source: floridacommunitydevelopment.org
Source: calhfa.gov
Conclusion

By understanding community demographics, foreclosure trends, and community assets it is possible for each city to develop a strategic plan towards attracting and retaining new residents as well as prevent the loss of property.
Questions?
Acknowledgements

We would like to thank the following people for devoting their time, energy and expertise to this endeavor:

- Steve Horstman, Economic Development Director, DDA Director, City of Eastpointe
- Bonnie McInerney, Director of Community Development, City of Mount Clemens
- Terry Gibb, Natural Resources Program Director, MSU Extension, Macomb County, Board of Commissioners
- John Paul Rea, Associate Planner, Macomb County Department of Planning and Economic Development
- Michael Rozny, Program Manager, Community Development Services Division, Department of Planning & Economic Development
- Zenia Kotval, Professor, Urban Planning Practicum, Michigan State University
- Rex LaMore, Professor, Center for Community and Economic Development
- Beata Ndovie, School Of Planning, Design & Construction
- Hamilton Anderson Associates