DIVERSIFYING THE TAX BASE
of
LUNA PIER, MICHIGAN

Nikki Ayres ● Alex Constantelos ● Matthew Galbraith ● Kevin Gill ● Jessica Sternberg ● Josh Vertalka

TOURISM ANALYSIS

Statistics on tourism in Southeast Michigan can provide relevant knowledge to Luna Pier for determining whom to target and the types of amenities and attractions tourists need. This information will help the city determine the number of visitors within the state. Tourists in Southeast Michigan are most typically 18-34 year olds who earn an average salary of $84,347. They generally stay for more than one day to visit family and friends and spend their money on transportation, food, and shopping.

MARKET GAP ANALYSIS

To attract in increments the tax base of Luna Pier, businesses with market potential growth were identified. Market growth potential is determined by subtracting actual from potential sales. The table to the right shows businesses in Luna Pier which were identified as needed the most improvement.

RECOMMENDATIONS

Recommendations were based on the body of findings. UPGRADES TO BLOCS 2, 3, AND 12 (NORTH SIDE OF LUNA PIER ROAD) WERE FOUND TO BE CRITICAL, AND SHOULD BE TACKLED FIRST. AREAS INCLUDING LANDING AREA, NORTHERN LANDING, AND NAUTIC CAFE 19.

IN ORDER TO EMULATE SOUTH HAVEN, THE CITY SHOULD DEVELOP A MARKETING CAMPAIGN TO PROMOTE LUNA PIER AS A TRAVEL DESTINATION WITH SPECIAL EVENTS AND FESTIVALS.

CASE STUDIES

ST. IGNACE, MI
Located in the northern part of Michigan, St. Ignace has a population of 2,452. Like Luna Pier, the city created a Downtown Development Authority, which has implemented TIF to fund a waterfront revitalization.

SOUTH HAVEN, MI
South Haven, pop. 4,403, is located on the eastern shore of Lake Michigan. Its well-protected beach and water sports provide an ideal setting for tourists. TIF can be used to attract successful beach towns for direction.

GRAND BEND, ON
This Canadian city's year-round population of 2,500 can swell to nearly 50,000 people at the height of summer. It revitalized its beachfront to include a large stretch of open space to host festivals and events.

LAKE GEORGE, NY
A town of 3,578 located on Lake George, NY, outside New York City. Its Route 9 Gateway Plaza has lost citizens for transforming the town's waterfront into a successful beach town. TIF can be used to attract suitable improvements.

TAX INCENTIVE FINANCING

To quickly implement new infrastructure and maintain Luna Pier, the city is considering a TIF. The city would begin projects now by borrowing against future property tax revenues. We give three scenarios for 20-year trends that will affect the city's potential.

SCENARIO 1: Baseline values continue to fall and real estate taxes are eliminated. No money at all for the first six years.

SCENARIO 2: New development. A large redevelopment project downtown is built in two phases, each worth $5.1 million. If both are completed, the TIF would generate $100,000.

SCENARIO 3: Steady Growth. In this projection, property values remain for a generation 3% each year. The city would capture $1,011,001 over 20 years.

BLOCK ASSESSMENT

To measure the quality of the physical infrastructure of Luna Pier, a block assessment was conducted. The city was split into 13 blocks (delineated in the map below) which were then evaluated against a set of criteria. The city's proposed design guidelines, including nautical theming, walkability, sidewalks, street furniture, and signage, were considered.

The city's proposed guidelines are as follows:

- Faceability: sidewalks, street furniture, and signage
- Walkability: sidewalks, street furniture, and signage
- Nautical theming
- Buffering
- Master plan

In Block 13, the blocks along the main corridor of Luna Pier Road were identified as needing the most improvement. Revenue could from the TIF could be used for sidewalks, street furniture, and signage improvements.

RECOMMENDATIONS

• The park in Block 13 should be located on the eastern shore of Lake Michigan and the Midwest. City input suggested a concept store that sells Michigan foods and products.

• Beachfront needs to be improved to include lights, benches, and an aesthetically pleasing beachfront.

• Present commercial properties should be filled using incentive if necessary. Marketing campaigns could be used to attract hotels, shops, beachfront activities, and other tourism-related businesses.

• Luna Pier must begin to brand and market itself. The “Troy Town of Michigan” slogan should be emulated by Luna Pier.

• Lastly, Luna Pier should seek grants as an alternative source of finance for the completion of the aforementioned recommendations.