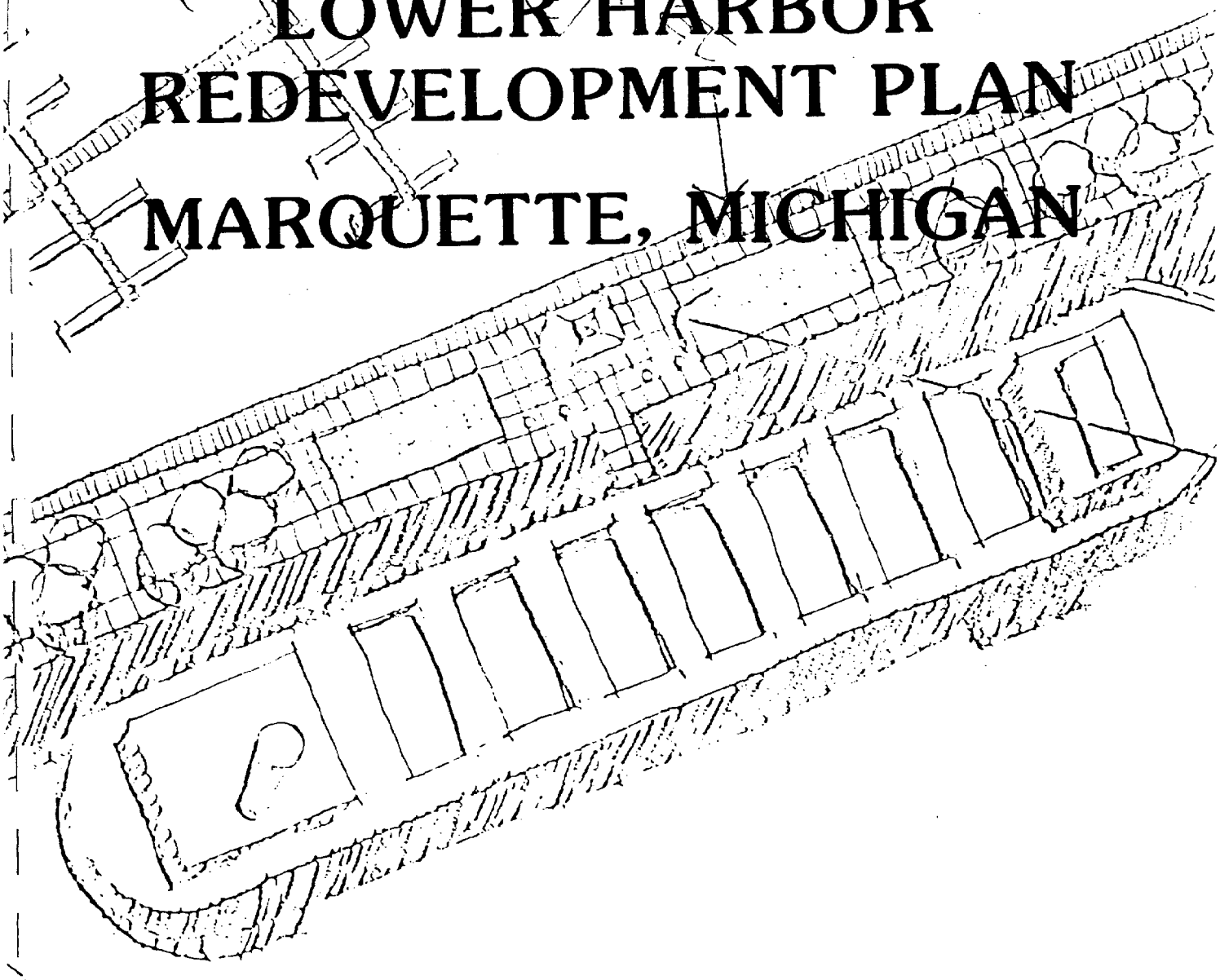
Final Report
LRP 8D-12.3

LOWER HARBOR REDEVELOPMENT PLAN

MARQUETTE, MICHIGAN



Gove Associates Inc.

MARQUETTE REDEVELOPMENT PLAN

MARQUETTE, MICHIGAN

GOVE ASSOCIATES INC.
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Preface

The preparation of this Plan would not have been possible without the interest shown by members of the Marquette City Council, Marquette Planning Commission, Marquette DDA, involved residents of the City, and without the assistance of City staff, as well as County and State staff that supplied valuable information. Formalization of the site design of the Redevelopment Area was completed by O'Boyle, Cowell, Blalock & Associates, Landscape Architects. The continued enthusiasm shown by those that attended the public meetings in the process of putting this Plan together is a tribute to the vibrancy of the City and its residents.

Because of the cooperative effort among all who were involved in this Plan, we believe it reflects the wishes of the majority of the City's residents. As a result of that, the proposals identified in this document will be easier to implement. And, while it is inevitable that certain elements of this Plan will be changed over the 20 years that it is projected to take for the Lower Harbor to be completely redeveloped, we believe the basic framework that is presented in this document will result in a successful program. Putting together the Lower Harbor Redevelopment Plan has been a unique and interesting experience. The City of Marquette is blessed with a shoreline that can and will become a major asset to the greater downtown area. It is now up to local officials and citizens to set this Plan in motion, and we are confident, given local leadership and resident involvement, that will be done.

We are pleased that we had the opportunity to assist the City in its shoreline redevelopment efforts, and we will, with interest, keep abreast of the new and exciting changes that will be taking place in the Lower Harbor Redevelopment Area.

Karl F. Freed, AICP
Director of Planning

Nick Evers, AICP
Senior Project Planner

EXECUTIVE SUMMARY

The City of Marquette, with the support of a Coastal Zone Management Grant from the Michigan Department of Natural Resources, commissioned Gove Associates Inc. to assist in putting this Marquette Shoreline Redevelopment Plan together. The City's objective is to develop and adopt a land use plan, as an element of the Marquette Comprehensive Plan, for improving the shoreline area of the Lower Harbor. After gathering written and documental data, talking to local residents and holding a series of four public meetings, this Plan document has been prepared for adoption by the Marquette Planning Commission.

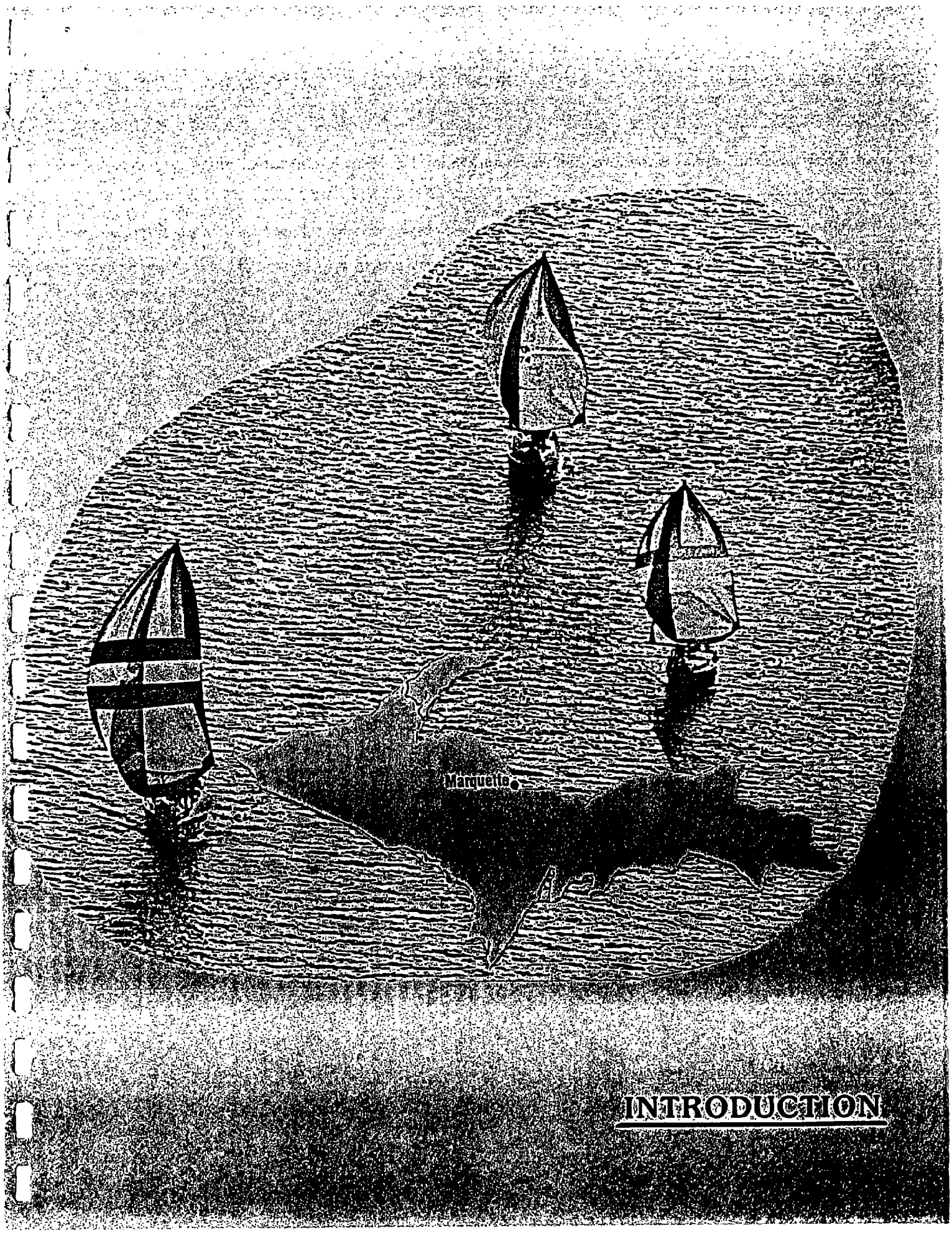
The Plan reviews the human, economic and physical resources of the Marquette area that have an effect, either directly or indirectly, upon the activities that currently and potentially will impact upon the site, which encompasses almost 72 acres. There are now three docks extending into Lake Superior from the site, the largest being the Soo Line Ore Dock, which is approximately 1,100 feet long and 85 feet high. This dock, which has been abandoned by the Soo Line Railroad, presents a challenge for adaptive reuse. A previous study has indicated a prohibitive cost of about $4.5 million to dismantle this structure. Consequently, this Plan attempts to extend its useful life by redeveloping the superstructure into a combined commercial mall and public access site, with a new extended structure tying the ore dock into the Central Business District, creating about 54,000 square feet of commercial mall space. In addition, the Plan calls for an extended Lakeshore Boulevard from Baraga Street south to the municipal power plant, a combined pedestrian boardwalk/walkway, with pedestrian scale lighting, benches and landscaping, as well as an observation deck. The site is proposed to contain about 100 to 150 single-family, condominium, and multiple-family housing units, with central open spaces and local street systems. A commercial recreational vehicle park will be constructed to supply necessary utilities for 50 vehicles and a privately owned and operated amusement park will be built adjacent to the R. V. park. The newly constructed Association dock will be retained for use by recreation boaters and a new marina/yacht club, with capacity to lift larger vessels in and out of the water will be located north of the Ore Dock. The commercial fish dock will also be retained and improved as a local historic/marine site, oriented toward tourist traffic. New and expanded parking will be constructed south of Lower Harbor Park and west of Lakeshore Boulevard. A pedestrian bridge over Lakeshore Boulevard will connect the new parking facility with the activities east of Lakeshore Boulevard. Washington Street, east of Front Street, will be given more of a "pedestrian" character with wider walkways, landscaping and pedestrian lighting. A tour train is recommended to run from the site to the Upper Harbor and perhaps to the Cleveland Cliffs mine. This

train would run from late Spring to early Fall. Finally, a new parking area adjacent to the Chamber of Commerce building would be constructed to accommodate recreational vehicles that are entering the City.

The estimated cost of these improvements over the next 20 years is $17 million, including $4.5 million in public improvements and $12.5 million in private development. The key to successful implementation is cooperation among the City, the State of Michigan and the Soo Line Railroad to allow the City to acquire the property now owned by the Soo Line and control development, working closely with private investors.

Tools recommended to assist in implementing this Plan include Tax Increment Financing (this should account for the majority of funds for required public improvements), bond issues, public/private co-development, banks, foundations, credit pools and state and federal programs, such as the Michigan Natural Resources Trust Fund, the Coastal Zone Management Program, Community Development Block Grant Program, State Employees Trust Fund and Small Business Association programs to aid smaller businesses in expansion, as well as other programs that change according to legislative dictates.

The Plan is intended to make use of the area's resources, particulary Lake Superior, and to tie the site into the Central Business District so that it might complement the downtown area and not compete with it. Marine oriented activities are an important factor in the overall character of the uses called for in the Plan. Public access on the Ore Dock, the pedestrian boardwalk, the new marina and yacht club and boat storage and access facilities reflect that orientation. The Plan is realistic, yet is intended to be flexible enough to allow for changes that are necesary as conditions dictate. This Plan represents the beginning of many new prospects and opportunities for the Lower Harbor Area. It is now up to City officials and local residents to ensure those opportunities are fulfilled.



INTRODUCTION

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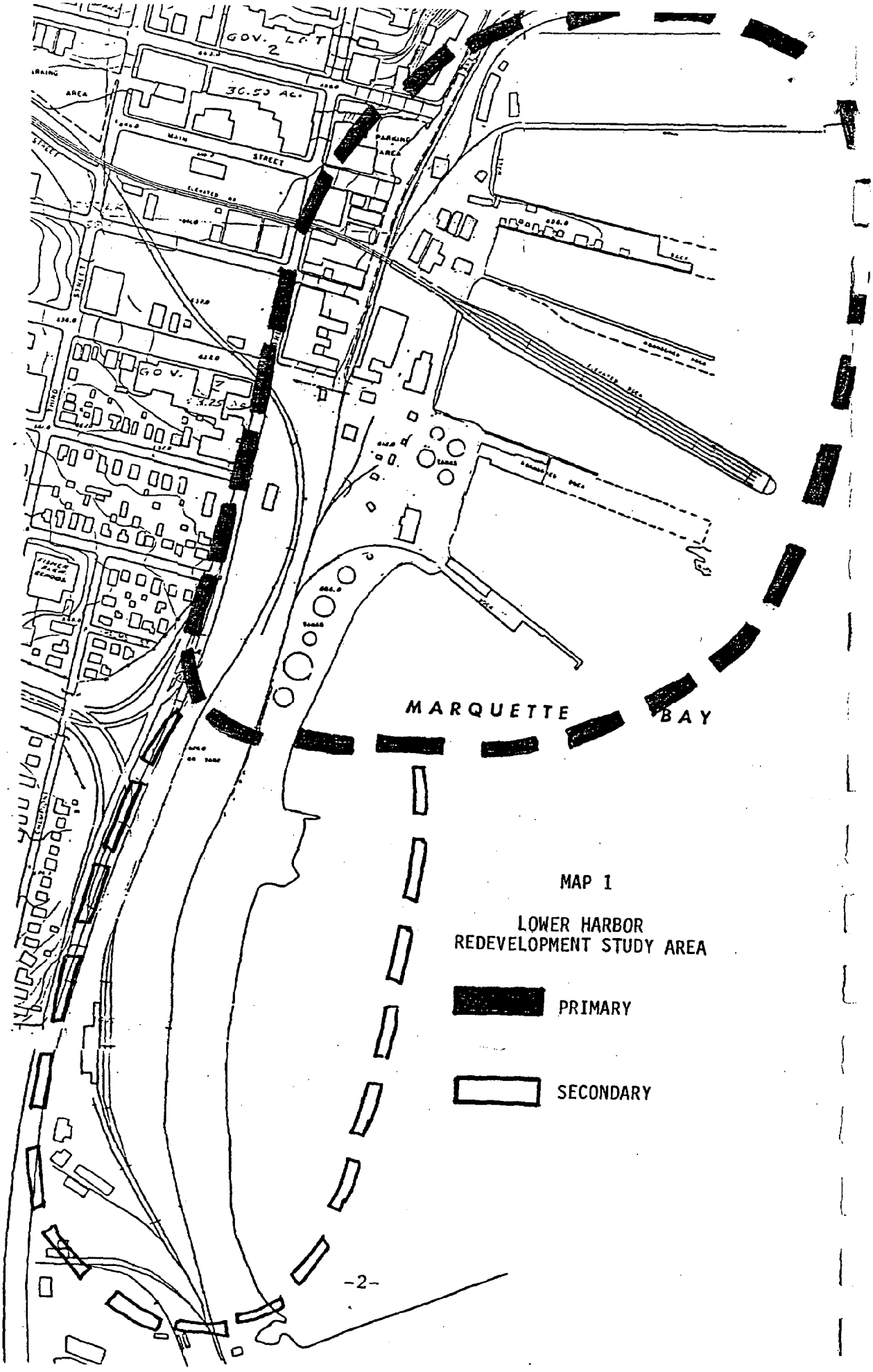
The City of Marquette, located on the shore of Lake Superior in Michigan's Upper Peninsula, is following a nationwide trend of coastal cities recognizing the potential of their undeveloped or previously developed shorelines. In most instances, these areas were originally developed for shipping and associated industrial activities, and Marquette follows this pattern. With an overall decline of manufacturing, a continuous growth in the service sector, an increased emphasis on leisure time activities, and a greater appreciation of proper land use distribution patterns and site planning, many Cities incorporating shoreline properties are looking for the most appropriate uses for those properties.

Marquette's location in the Upper Peninsula, its topography and its natural resources, particularly iron ore, make the City's shoreline unique. The City is the largest incorporated community in the Upper Peninsula, making it a regional center for finance, education, government and entertainment. These activities reflect the increasing importance and influence of the service sector in the City. The area's varying topography with the Central Business District located on higher elevation overlooking the Lower Harbor creates a visual and functional 'barrier' between the CBD and the shoreline. The mining of iron ore, which has historically been a key factor in the City's development and economic stability, precipitated construction of the Ore Dock, the most imposing structure in the Lower Harbor, if not the entire area.

With the abandonment of the Ore Dock by the Soo Line RR, the railroad's divestiture of properties in the Upper Peninsula, and the realization of the opportunities presented by the Lower Harbor, the City has initiated efforts, in conjunction with the Michigan Coastal Zone Management Program, to conduct a redevelopment study and develop a Lower Harbor Land Use Plan, which will be inserted as an amendment to the Marquette Master Plan. Map 1 depicts the defined redevelopment area.

This Study and Plan is the culmination of that effort and the result of five months of data collection, research, meetings and design proposals. It addresses the major issues that the City has identified as being critical to the successful redevelopment of the Lower Harbor: integration with the Central Business District; emphasis on water-oriented activities; activities and facilities that will attract people into the Central Business District and, through direct linkages, into the Lower Harbor area; provision of public access to the lake through public as well as private easements; preservation of scenic views of the lake through appropriate design and location of structures, and adaptive reuse of the Soo Line Ore Dock.



MAP 1

LOWER HARBOR
REDEVELOPMENT STUDY AREA

PRIMARY

SECONDARY

Section I is an inventory and analysis of socio-economic and physical resources within and around the redevelopment site. It reviews the characteristics of the existing population of the City and those living within a 25 mile radius, and forecasts the population for these areas to the year 2010. The economic conditions of the area are inventoried and analyzed, with emphasis on household incomes and retail sales. Land uses within the Central Business District and within the site itself are described and an assessment of those uses is offered, along with an indication of potential future activities that would be suitable for the site. These future uses are partially based upon a threshold analysis of the Marquette area. This threshold analysis is a computerized determination of commercial activities that might be considered for the Marquette area, based upon population forecasts and the existing number of each type of commercial activity. Although not all inclusive, the analysis can give a preliminary indication of the types of businesses that may or may not be in demand in Marquette. Current zoning of the Lower Harbor and surrounding areas is described as is the condition of the buildings and structures on and around the site (as determined by photographic review and the degree to which the structure might fit into a redevelopment program).

Section I also identifies utilities existing on the site to determine if the location and capacity of these utilities are adequate to meet future redevelopment demands. Water, storm sewers, sanitary sewers, natural gas and electrical transmission lines are depicted on maps of the immediate area. The local street and pedestrian circulation system and parking facilities are also evaluated for their capacity and ability to meet potential future demands as a result of traffic attracted to and generated from the site. Finally, natural resources consisting of soils, slopes, vegetation and lake currents and levels are identified and evaluated to determine the problems and opportunities associated with these resources and their impacts upon future development.

Section II is a brief review and analysis of the structural condition of the Ore Dock. This review is not a detailed structural analysis but a cursory evaluation of the ability of the structure to be adapted to other uses. A detailed structural analysis, which is beyond the scope of this project, should be undertaken prior to any reconstruction of the ore dock.

Section III identifies the goals, objectives and potential land uses and activities that could be located on the site. The identification of these objectives is an integral part of the rational planning process. Each preliminary alternative design is intended to meet these objectives, as is the final selected site plan.

In Section IV the four alternative conceptual site designs are presented in graphic form with a narrative explaining the land uses and activities programmed for each. These 'concept' designs are broad diagrams describing the relative sizes and relationships of various uses proposed for the redevelopment area. They represent the preliminary design phases that lead to the formulation of the final site plan.

Section V describes the final site design, based upon the selected alternative concept plan. The final site design is a more detailed depiction and narrative of uses proposed for the redevelopment area, including streets, walkways, landscaping, parking, lighting, building location, focal points, open spaces, etc. The narrative describes the rationale associated with the design plan and the costs associated with each element of the plan.

In Section VI the recommended logistics for actually realizing the plan are outlined. The implementation program for the Redevelopment Plan identifies the coordination and permit efforts of involved agencies and organizations at local and state levels. It outlines the most desirable timing associated with various phases of the development process and recommends financing programs and strategies that will effectively enable the redevelopment program to occur.

STUDY AREA RESOURCES

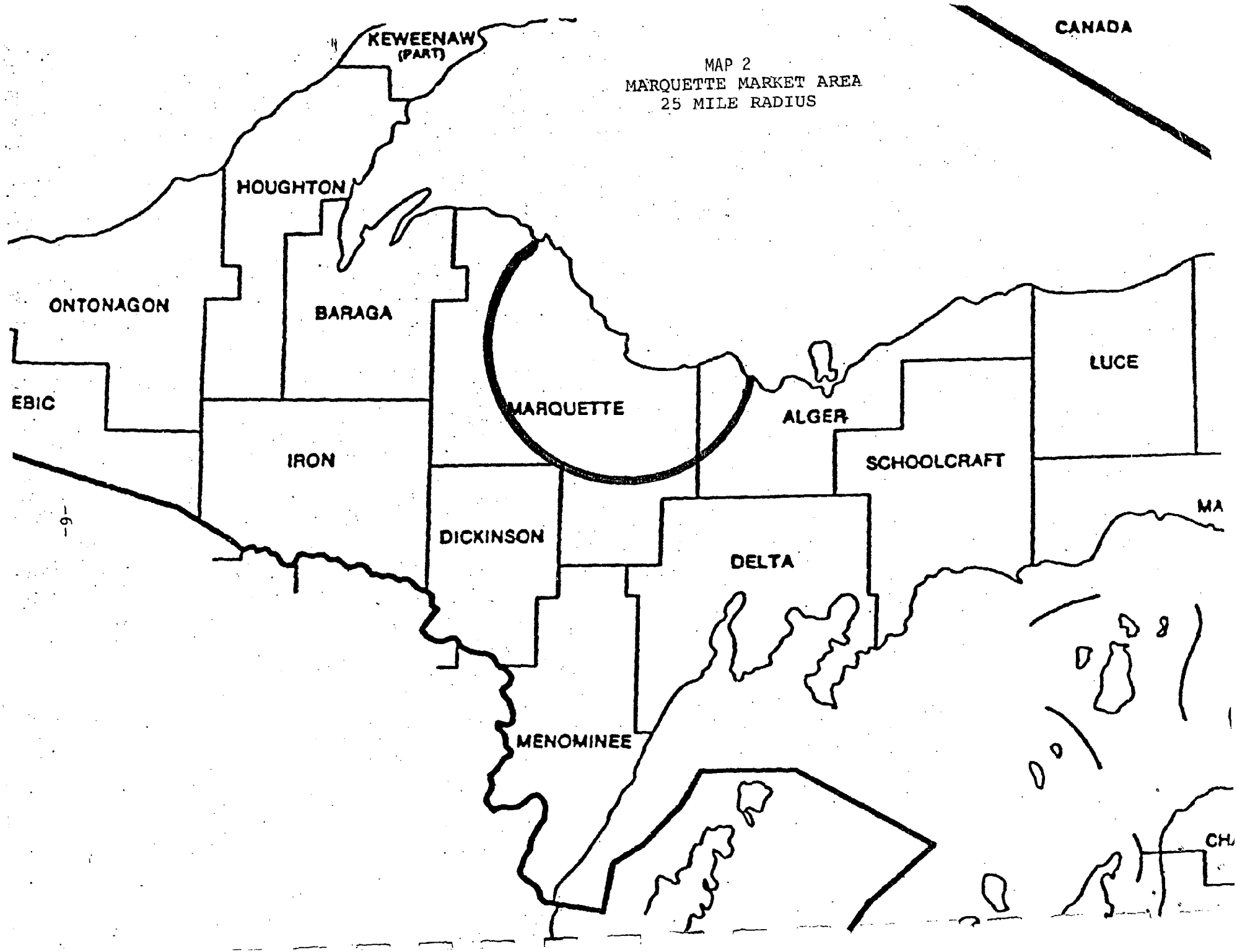
STUDY AREA RESOURCES

To best determine the optimum design and usage of the Marquette waterfront, existing area wide social, economic and physical resources must be reviewed. These resources impact upon, and will be affected by, the ultimate activities that will occur on the waterfront site. Understanding the characteristics of the population, its spending and purchasing habits, the natural environment in and around the site, and man-made utility improvements will lead to a more accurate assessment of the potentials and constraints of any proposal. The following analyses are intended to provide a clearer understanding of existing conditions in the Marquette area, present a realistic forecast of future conditions and study the impacts of those conditions upon the redevelopment site.

Population

The characteristics of the population of the Marquette area, as well as population projections, will affect the type and quantity of goods, services and shelter demanded and desired. Age and sex distribution, educational background and household characteristics affect the income levels, lifestyles and purchasing habits of individuals and households.

Table 1 depicts the 1980 age and sex distribution patterns for residents of the City of Marquette and those residing within a 25 mile radius of Marquette, including residents of the City. This 25 mile radius can be defined as the Marquette retail market area (see Map 2), and is used in this Plan because data for this area is readily available and has been utilized by the Marquette Economic Development Corporation and the Marquette Main Street Program. The age/sex distribution is based upon stage-of-life cycles for individuals and households, and each major stage-of-life category has its particular needs and preferences in purchasing goods and services.



MAP 2
MARQUETTE MARKET AREA
25 MILE RADIUS

TABLE 1

AGE/SEX DISTRIBUTION PATTERNS

AGE CATEGORY	1980 POPULATION MALE	FEMALE	TOTAL	PERCENT OF TOTAL MALE	FEMALE	TOTAL	STAGE OF LIFE	EXAMPLE NEEDS & DESIRES
City of Marquette								
0- 4	687	602	1,239	2.7	2.6	5.3	Pre-School	Toys, Infants & Toddler Goods
5-19	2,877	2,932	5,809	12.4	12.6	25.0	School Age	Toys, Clothes, Sporting Goods, Bicycles, Theatres
20-24	2,493	2,313	4,806	10.7	9.9	20.6	College Age	Clothing, Bookstore, Night-club, Music Store, Party Store
25-34	2,342	1,734	4,076	10.1	7.4	17.5	Young Family	Clothing, Grocery, Computers, Sporting Goods, Restaurants
35-54	1,919	1,720	3,639	8.2	7.4	15.6	Established Family	Clothing, Grocery, Auto, Hardware
55-64	757	864	1,621	3.3	3.7	7.0	Mature Family	Formal Restaurant, Jewelry, Bookstore, Auto Dealer
65+	780	1,318	2,098	3.3	5.7	9.0	Retired	Inexpensive Restaurant, Drug Store, Medical Office
TOTAL	11,805	11,483	23,288	50.7	49.3	100.0		
Marquette Area								
0- 4	3,103	2,998	6,101	4.3	4.2	8.5	Pre-School	Toys, Infants & Toddler Goods
5-19	9,292	8,831	18,123	12.9	12.3	25.2	School Age	Toys, Clothes, Sporting Goods, Bicycles, Theatres
20-24	5,373	4,711	10,084	7.5	6.6	14.1	College Age	Clothing, Bookstore, Night-club, Music Store, Party Store
25-34	7,293	6,130	13,423	10.2	8.5	18.7	Young Family	Clothing, Grocery, Computers, Sporting Goods, Restaurants
35-54	6,587	6,074	12,661	9.2	8.5	17.6	Established Family	Clothing, Grocery, Auto, Hardware
55-64	2,481	2,687	5,168	3.5	3.7	7.2	Mature Family	Formal Restaurant, Jewelry, Bookstore, Auto Dealer
65+	2,625	3,597	6,222	3.7	5.0	8.7	Retired	Inexpensive Restaurant, Store, Medical Office
TOTAL	36,754	35,028	71,782	51.2	48.8	100.0		

SOURCE: 1980 Census of Population; Marquette Economic Development Corporation

As Table 1 indicates, within the City of Marquette residents under the age of 24 comprise about 50 percent of the City's population. Within the 25 mile marketing radius, approximately 48 percent of all residents are under the age of 24. The City has a slightly higher percentage of residents over the age of 55 than does the market area. It must be remembered that the data for the market area includes the City. Consequently, separating the data for the two areas (i.e., the City of Marquette and the balance of the market area) would show that a comparatively larger proportion of elderly residents live within the City. Such a distinction would also show that females tend to live within the City more than within outlying areas. Young families and established families, however, tend to prefer living outside the City. These characteristics affect the location and types of activities that might best be suited for the waterfront redevelopment site. The median age of Marquette residents in 1980 was 24.7, compared to 26.67 for the market area, reflecting the impact of Northern Michigan University upon the City's population.

Attainment of various levels of formal education also impact upon the lifestyles and preferences of local residents. Within a 25 mile radius of Marquette, including the City, approximately 42 percent of all residents graduated from high school but did not further their formal education, 24 percent had not completed high school and over 16 percent had some college education. Almost 18 percent had graduated from college. Although not as important a factor as age and income in affecting the lifestyles and consumer demands of the market area population, the types and length of a person's formal education has a definite impact upon his or her decision-making capacities. For example, college graduates are likely to have a different purchasing priority or set of buying needs than high school graduates. Certain levels of education are often closely associated with income levels - the higher the educational attainment, the greater the income earning power and subsequent purchasing power.

Household composition is an important factor in the determination of shopping, recreation and entertainment needs. Married couple families usually have greater purchasing power and more leisure time experiences than families with only one spouse present. Single person households typically have less need for purchasing essential items, such as groceries and household goods, and are more liable than traditional families to change housing units. In addition, single person households require less living area than traditional family households. In 1980, 31 percent of all residents within a 25 mile radius of Marquette over the age of 15 were single while 57 percent were married. Only 4.85 percent were divorced and a little over 1 percent were separated. Within the City of Marquette, about 42 percent of all residents over the age of 15 were married while 46 percent were single. This indicates the influence of Northern Michigan University upon the characteristics of the City's population. In 1980, the market area contained 23,684 households - a 35.67 percent increase from 1970. The City of Marquette had 7,555 households in 1980 (32% of the total market area) - an increase of 33.1 percent over 1970. Within the City the average household contained 2.53 persons in 1980, while the market area averaged 3.03 persons/household, reflecting the larger proportion of single person households (related to the university) and elderly households in the City. As the elderly continue to become an increasingly larger part of the population and as younger residents continue to delay marriage, the average number of people that comprise the typical household will continue to decrease. As the population grows, this will create a demand for more and smaller housing units. Of all family households in the City, 3,828 (81%) are headed by a male and 878 (19%) are female headed. Among non-family households (with one individual or a number of unrelated individuals) 1,250 (44%) are headed by a male and 1,599 (56%) are female headed. Of all non-institutional households, over 4,700 (62%) are traditional family households and 38 percent are non-family households (primarily college students and retirees). As

mentioned earlier, the lifestyles and purchasing habits of these two major groups differ, and consequently can affect the characteristics of activities that will eventually occur within the redevelopment area. The market area contained 23,684 households in 1980, of which slightly more than 81 percent, or about 19,200, were occupied by families. At the same time, there were approximately 2,700 households that were non-family households. These figures indicate that traditional family households are more prevalent within the market area than within the City. This again reflects the influence of Northern Michigan University and the concentration of elderly housing within Marquette.

The future success of any economically motivated enterprise, such as the redevelopment of the Lower Harbor, is dependent upon continued growth of the local population. Table 2 depicts the forecasted population of the City of Marquette and the market area. These forecasts are derived from Population Projections for Michigan to the Year 2010 by the Michigan Department of Management and Budget. For the City of Marquette, the forecasts are established using the City's 1980 percentage of total Marquette County population and multiplying the County's projected population from the Department of Management and Budget by the same percentage over the forecast period. Projections for the market area are derived by using the Marquette County growth rate as estimated by the Michigan Department of Management and Budget. The state's projections are based upon the age-cohort survival method. Again, the City's and market area's projections are based upon their 1980 populations as a percentage of the County's 1980 population and the assumption that these percentages will remain constant through the planning period.

TABLE 2

POPULATION PROJECTIONS

	1980	1985	1990	1995	2000	2005	2010
City of Marquette	23,288	23,225	24,075	24,890	25,710	26,340	27,000
Market Area	71,781	71,590	74,200	76,700	79,200	81,200	83,200

SOURCE: Marquette Economic Development Corporation

Based upon these projects, the City can expect to increase its population by 3,775 people (or 16%) over the next 20 years. The market area can expect to house an additional 11,600 residents (a 16% growth). Table 3 depicts the estimated number of households within the City and market area over the projection period.

These household estimates are based upon an average decrease of 0.05 persons per household for each five year period. This is a conservative estimate, as the national average for household density changes is -0.5 for each 10 year period.

TABLE 3

PROJECTED NUMBER OF HOUSEHOLDS
(Figures Rounded to Nearest 10)

	1980	1985	1990	1995	2000	2005	2010
City of Marquette*	9,200	9,360	9,910	10,460	11,030	11,550	12,110
Market Area**	23,680	24,020	25,320	26,630	27,990	29,210	30,480

*1980 Average household density for City of Marquette - 2.53
**1980 Average household density for Market Area - 3.03

SOURCE: Gove Associates Inc.

These projections indicate that the City can expect an additional 2,750 households during the next 25 years and 6,460 households will be added to the total market area. Various factors could affect these projections; for example, an increased growth in surrounding townships could slow the City's growth rate. Consequently, these projections should be frequently reviewed and altered as necessary to reflect local conditions.

Economy

Economic conditions in the Marquette vicinity affect population growth within the City and market area and determine the viability of any development that might occur within the Study Area. The area's economy has historically been associated closely with mining, forestry and shipping operations. While these operations are still critical in terms of employment, retail and service businesses are becoming more influential in the area's total economy. Seventeen percent of the County's labor force is employed in retail trade and 37 percent are in the service sector, Marquette General Hospital, Northern Michigan University and the Marquette Prison being the largest service employers in the region. K. I. Sawyer Air Force Base, located 12 miles south of Marquette, has 3,800 military employees and provides employment for more than 400 area residents. Tourism is becoming an increasingly important factor in the economy of the Upper Peninsula, including the Marquette area, affecting employment in the service and retail sectors, which ultimately impacts the

construction industry. Marquette County is ranked second in the Upper Peninsula for revenues generated by tourism. In 1980 the County enjoyed tourist expenditures of $48,204,000. As efforts to advertise the tourist and recreational attractions of the Upper Peninsula continue, tourism can be expected to play an increasingly larger role in the Marquette area's economy.

Table 4 depicts the 1980 retail sales volumes by store group for the U.S., Michigan and Marquette County.

TABLE 4

1980 RETAIL SALES BY STORE GROUP ($000)

		U.S.	MICHIGAN	MARQUETTE COUNTY
Total Retail Sales ($000's)		$965,745,665	$40,545,384	$287,610
(% of U.S. Total)		(100%)	(4.1983%)	(0.02978%)
Sales by Store Group: $000's & % of Total	Food	$219,399,025 (22.72%)	$ 8,238,009 (20.32%)	$ 63,717 (22.15%)
	Eating and Drinking	87,309,502 (9.04%)	3,886,662 (9.59%)	31,998 (11.13%)
	General Merchandise	123,157,012 (12.75%)	5,996,429 (14.79%)	34,746 (12.08%)
	Home Furnishing	44,162,213 (4.57%)	1,924,008 (4.75%)	13,168 (4.58%)
	Auto	169,808,262 (17.58%)	7,055,674 (17.40%)	37,205 (12.94%)
	Drug	31,986, (3.31%)	1,571,818 (3.39%)	6,330 (2.20%)
Per Household Retail Sales		$ 11,792	$ 12,506	$ 11,459

SOURCE: Marquette Economic Development Corporation

Table 4 indicates that, in comparison to Michigan and the U.S., food sales, eating and drinking retail sales, general merchandise sales and home furnishing sales in Marquette County are comparable or more predominant as proportions of total retail sales. In general, Marquette County's retail and service sectors are as varied as any other place in the country.

Household incomes in the market area are primary determinants of the type, quality and number of activities, including retail and service, that might occur within the redevelopment area. A review of 1979 household incomes reveals that the average household income in the market area was $18,016 and the median household income was $16,497. Family incomes tended to be, on the average, $2,000 to $3,000 higher. Almost 50 percent of all

households had incomes between $10,000 and $24,000. The estimated average household income for the market area in 1983 was $24,956, an increase of 38 percent over 1979. As the national and state economies continue to improve, it is reasonable to project that the household incomes and subsequent spending power of the residents of the market area will also continue to improve. The combination of increased tourism and greater disposable incomes among local residents should continue to advance the area's retail and service economies. A negative factor that could impact that growth is a decrease in the area's employment. Between August 1981 and April 1986, Marquette County experienced a net decrease of almost 2,000 jobs. The labor force also decreased as people left the area or discontinued looking for employment. Economic development efforts should concentrate on a diversified employment base to avoid substantial negative impacts whenever major local employers cut back or terminate operations.

Land Use

General Description

The Marquette waterfront study area is currently dominated by industrial land uses. This study area is adjacent to the City's older and more dense Central Business District which consists primarily of retail, office and institutional activities. The site is physically and perceptually separated from the central business area by Lake Superior and Ishpeming Railroad Company tracks. The Soo Line Railroad trestle is another barrier that distinguishes higher densities to the north from lower densities to the south. An institutional area, composed of City Hall, County Courthouse, churches and schools, exists to the southeast of the Central Business District. The City's commercial land uses consist primarily of the Central Business District with multiple story buildings and "strip" commercial land uses running east of the CBD and bordering both sides of Washington Street. This linear pattern of relatively high intensive use therefore runs perpendicular to the study area and Lake Superior and is prevented from "tying" into the lake by the predominantly industrial use of the study area. Residential land uses are predominant to the north and south of the Lower Harbor Area. Lakeshore Boulevard also separates the study area from commercial and residential land uses to the west. Improved recreational facilities vary substantially in size and type and are located primarily along the shore and adjacent to or in the Central Business District. Eight shoreline recreation sites currently exist within the City limits. These range in size from 0.5 acres (Lakeside Park) to Presque Isle Park (312 acres). Uses and activities vary from open space and park benches at Lakeside Park to 19 different uses at Presque Isle Park. The only existing public pleasure boating facilities are Presque Isle Marina, which has 95 boat slips and two ramps, each of which has two launching sites, and Lower Harbor Park (covering 22 acres) with one boat ramp and 29 boat slips.

A bikepath adjacent to the shoreline from the northern city limits at Presque Isle Park to the southern city limits has been planned for construction in six phases. Phases I, II and III, with a combined length of approximately four miles, have been completed. Phases IV, V and VI which essentially run along the Lower Harbor for a little over one and three-fourths mile, are proposed for future development and will be integral components of this Redevelopment Plan. Extensions of this system are proposed for the residential neighborhoods north of the Central Business Area (see Map 3).

Activities in the Central Business District adjacent to the redevelopment site (that area along both sides of Front Street between Baraga Street and Ridge Street) are essentially retail, service and office oriented. Office space is predominant in this area. Financial institutions and restaurants provide the majority of service businessess along Front Street. Retail use is limited to Getz's Department Store, a newstand, antique store, auto parts sales and ceramics studio. Stores along Washington Street close to Front Street consist primarily of clothing and specialty stores. Map 4 depicts land uses in the Central Business District adjacent to the redevelopment site.

Site

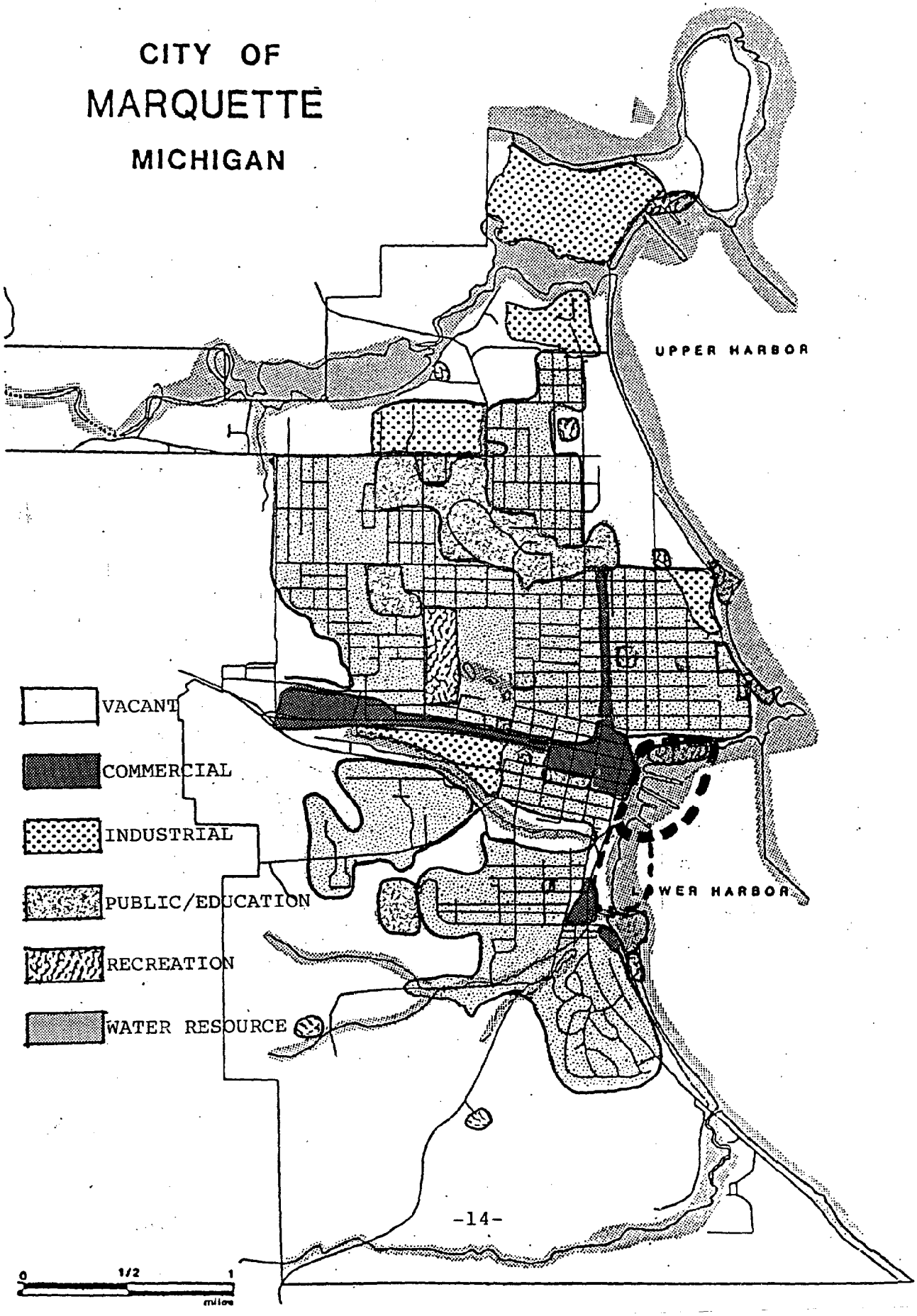
The Marquette Waterfront Redevelopment Area is divided into two segments. The primary area essentially includes the land extending from West Bluff Street on the north to the eastern extension of U.S. 41 on the south and from South Front Street to the Lower Harbor Shoreline. The secondary study area includes the primary area plus the properties extending from South Front Street to the shoreline and from a line extending eastward from the intersection of U.S. 41 and Front Street south to the Municipal Steam Plant. The entire area encompasses approximately 71.8 acres. The primary area is 44.8 acres, including the boat docks in the Lower Harbor and the secondary study area contains an additional 27 acres.

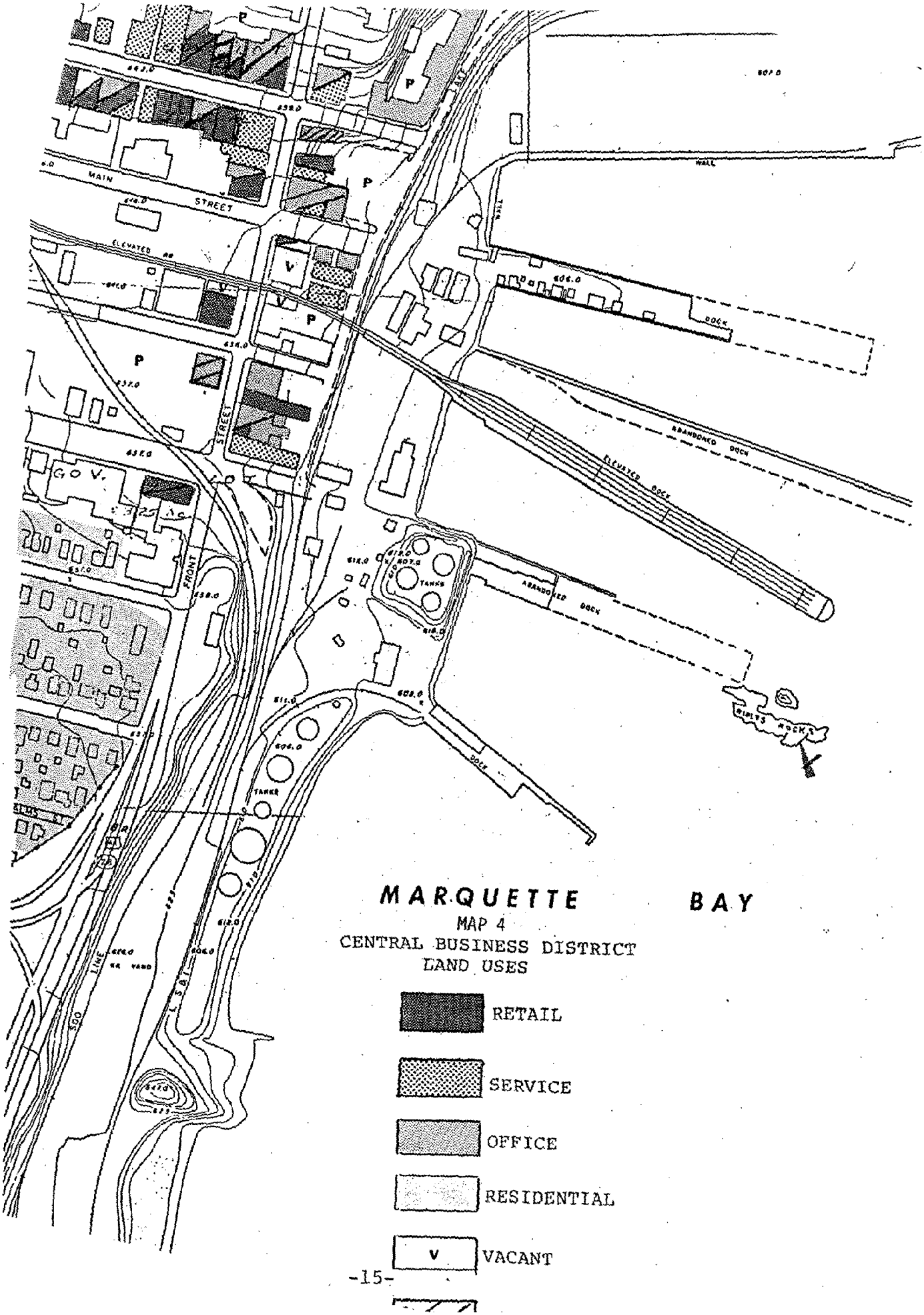
Existing land uses on the project site are water-oriented or located there because of easy access to and from Lake Superior. The most predominant structure is the Soo Line Ore Dock, approximately 85 feet high and extending 1,100 feet into the lake. The dock itself is about the length of three City blocks (the concrete structure is 969 feet long) and, when in use, was reached by a trestle approximately 2,000 feet long extending back to Fourth Street in the downtown area.

The southern-most dock in the primary study area is the former Spear Wharf which was used for bulk storage loading for oil until 1975. This dock is associated with the five oil storage tanks running south of the dock and parallel to the shoreline.

MAP 3

EXISTING LAND USE





MARQUETTE BAY

MAP 4
CENTRAL BUSINESS DISTRICT
LAND USES

The five tanks have a total capacity of five million gallons. The dock itself is not useable, much of it being submerged. These tanks are bordered on the west by six small gate houses/ equipment storage buildings. A larger (approximately 5,000 sq. ft.) equipment storage/office building is located south of the tanks.

The Cleveland Ore Wharf lies just north of the former Spear Wharf. The dock has deteriorated to the point where less than half its length is visible above the water. Two hundred fifty feet of the dock has been reconstructed to create a catwalk adjacent to a pipeline for transporting caustic soda. The pipeline serves four storage tanks with a total capacity of 2.3 million gallons. A recently discovered leak in one of the tanks precipitated emptying all four tanks of caustic soda and cleaning them.

The dock directly north of the Soo Line Ore Dock is now referred to as the "association dock". This dock had been able to moor about 20 pleasure craft until a recent storm all but demolished it. The Soo Line leases this facility to the Marquette Dock Association, and the dock has recently been reconstructed and expanded to a length of 600 feet with enough finger piers to accommodate 38 boats.

The fish dock, once known as the Merchants' Railroad Wharf is north of the boat dock. This facility, which has a useable length of 330 feet and is 60 feet wide, is the remains of a longer structure which at one time was twice its present length. The dock is owned by the Soo Line Railroad and leased to the Marquette Fish Producers' Association, which makes available a limited number of recreation boat "tie-ups" to local boaters. Ten fishing huts exist on the dock for cleaning, processing and selling fish, and for recreational boating.

The northside of the Study Area is comprised of a 17.1 acre parcel that covers what used to be the Spear Coal Dock and Grace Furnace Wharf. This is an area that has been filled and leveled and is currently used for special events and festivals. The site, owned by the City and referred to as Lower Harbor Park, is in the process of being developed as a park, with a bikepath and parking facilities. The Marquette Yacht Club maintains a small building on the western edge of this proposed park. An additional 2.94 acres to the east of this site is a boat launch and mooring area that will eventually become a 100 slip marina for small pleasure craft.

Sails Up Marine is located south of the Soo Line Ore Dock. This company's operations are housed in a one story 6,500 square foot maintenance and storage and sales building. About 40,000 additional square feet are used for outdoor boat storage and parking. A construction company office and storage yard is located north of the Ore dock trestle. This operation primarily consists of

corrugated steel quonset buildings used for storage. A specialty glass manufacturing company is housed in a two story rustic building between the fish dock and Lakeshore Boulevard. Two deteriorated vacant structures, a single story and a two story building, are located west of the storage tanks at the foot of Baraga Avenue. Approximately 4.6 acres within the primary project area are devoted to rail usage, including a 12 track rail siding. The major portion of railroad siding is in the secondary study area between the intersection of U.S. 41 and Front Street on the north and the Municipal Power Plant on the south. This area contains an additional six acres of trackage.

Most of the businesses immediately west of the site along the Lakeshore Boulevard and Front Street vicinity vary as do most Central Business Districts. Most of the businesses are service-oriented uses consisting of offices, finance, professional, technical and similar uses. Interspersed with these business services are retail activities such as restaurants, department store, furniture sales and others. Under the City's Downtown Development Authority, the Central Business District, particularly along Washington Street and Front Street, has undergone substantial streetscape and building facade renovation. The concept of retaining the area's historical design should affect the overall character and architecture of the activities that will ultimately locate within the waterfront redevelopment area.

Overview/Assessment

Today almost all communities adjacent to large bodies of water are rediscovering the potential offered by waterfront properties. In almost all cases, these shoreline areas were used for shipping and manufacturing/warehousing activities, where water provided a direct and inexpensive means of eliminating industrial wastes. We now realize that waterfront properties, particularly in built-up urban areas, are economically viable for commercial, residential and recreational use. The City of Marquette is in a similar situation. Opportunities are now being presented for total redevelopment of the shoreline, from the southern-edge of Lower Harbor Park to north of the municipal power plant. Within that area, the waterfront between Lower Harbor Park and the U.S. 41/Front Street intersection is the most critical in terms of impact upon the Central Business District and is the property that comprises the Primary Study Area of this Redevelopment Plan. The 45 acres of this site are primarily in unimproved or transitional use, with the abandoned ore dock and unused or underutilized storage tanks, deteriorated docks and unused rail line. The storage of industrial equipment and construction materials on the site contributes to the sense of unplanned land uses in the area. Beyond the immediate perception of the shoreline as an inactive or underutilized industrial and water-oriented transportation area, there is little recognition of a defined, cohesive sense of place. The objective of this Study is to promote a land

use/activity plan that will overcome this sense of disorganization. In addition, the shoreline's rich history, particularly the variety of boat and shipping docks that have been constructed and dismantled, add to the factors that must be considered in planning for the future of the area.

Future Needs

Residents and the activities they generate within the Marquette market area impact the type and volume of economic activities, particularly retail and service, that occur within the City. Because data is immediately available for population and businesses within a radius of 25 miles of Marquette, that area is designated, for purposes of this analysis, as the Marquette market area. One method of determining future retail and service needs within a community and its market area is the utilization of a threshold analysis. Threshold analysis is a comprehensive study providing data for a wide range of businesses. Its application has limitations because the concept was developed in the 70's, and the equations used in the calculations have not been updated for 1980 conditions. In addition, the necessary mathematical functions have not yet been developed for all types of establishments. The basic theory behind the analysis is, however, still valid and has been used in this Study as a very general indicator of the types of businesses that may potentially be suited for Marquette.

Table 5 shows a comparison between the extent of the existing commercial/service base and the potential of the retailing sector in five year increments for the Marquette market area.

The projected threshold estimates are determined by applying an estimated market population to a discrete formula for each type of business or service listed. The statistical model used in this instance has the formula Log Y = a + b Log X where:

Y is the number of establishments in a type of business in an area,

X is the population required to support a particular business and,

a and b are the parameters to be fitted by statistical analysis.

The best fit statistical relationship between population and establishments is curvilinear which indicates that establishments of a given business type are added as a town's population increases, but at a decreasing rate. The population required to support two local stores is more than simply twice the initial threshold population. Each additional establishment requires an

increasingly larger population to be viable. This relationship is consistent with other threshold estimation studies which have been conducted throughout the United States.

Under the Threshold Analysis model, residents of the trade area, particularly those living within close proximity to the City, are the most likely to shop in Marquette for convenience goods. When the population of the market area is plugged into the threshold model, the maximum number of establishments selling convenience goods and services is determined. The same applies to comparison items and services. For example, the Threshold Analysis indicates that the 1985 Marquette market area population will support, among others:

3 Florists
80 Restaurants
3 Jewelry Stores
5 Women's Clothing Stores

It is important to recognize that these figures area based upon the projected populations of the entire market area and therefore those businesses could be located anywhere within the market area and not necessarily be limited to Downtown Marquette. Since Marquette is the center of that defined market area, however, the City is an appropriate location for those businesses.

Using Threshold Analysis, it is easy to spot those types of businesses and services which might be saturating the market. This information can be helpful in discouraging current businesses from expanding and potential businesses from starting up. It is also easy to spot those businesses that appear to be deficient in the market area and which may be encouraged to locate in Marquette and particularly in the redevelopment area. Again, the whole idea is to attract more consumers downtown and to the Lower Harbor by providing an adequate mix of businesses - that is, attract those businesses that complement existing outlets or fill a demand and discourage those that have already saturated the market.

Another consideration is that certain types of businesses which appear to saturate the market area may be lacking at a particular location. For example, a women's specialty clothing store in Downtown Marquette would complement local shoe and local fabric stores. However, there are already three such shops in the market area. Consequently, the addition of a women's clothing outlet in Downtown Marquette may require careful planning. For example, to be successful, such a store might emphasize large or full-figure women's clothing.

Table 5 is a display of the computerized Threshold Analysis of the Marquette Market area. It provides an easy method of identifying oversaturations or opportunities in the existing commer-

cial business mix. Some of the businesses identified in the table could be aggregated, as in a mini-mall or mixed-use development. Others are more suited to locations near offices or by themselves. It must be kept in mind that this analysis reflects only quantitative information, comparing existing and potential numbers of businesses. It does not consider information that requires a more detailed account of "qualitative" conditions, such as the variety or value of merchandise offered, or the management and promotion skills of the merchant. Such conditions should be studied before a particular business considers locating in the market area.

Table 5 lists types of businesses by General Category (Column 2) and by Land Use Code from the Standard Industrial Classification (SIC) Code (Column 3). The numbers of existing establishments, which were tabulated from phone book inventory are listed in Column 4. The numbers of establishments in each category that the market area will reasonably hold for 1990, 1995 and 2000 are listed in Columns 5, 6 and 7. These numbers are derived from the statistical model described earlier using the projected population figures established in Section II. Columns 8 and 9 display the positive and negative population increments associated with each retail category.

When Column 4 is less than Columns 5, 6 or 7, the positive increment (Column 8) represents the number of people needed to support one more establishment in that category. When the number in Column 4 equals Column 5, 6 or 7, and the positive increment (Column 8) contains a number, that number represents the number of persons required to support the existing number of establishments in that category (this does not presently occur in Marquette for the types of establishments listed in Table 5).

Column 9 indicates negative increments. That is, when the existing number of establishments (Column 4) exceeds the threshold number of establishments in Columns 5, 6 or 7, then Column 9 (the negative increment) indicates the number of additional people necessary to support the existing number of establishments. For example, in line 14 (hardware stores) - there is currently eleven establishments; yet at a population of 79,200, only 10 such establishments are required. When the population reaches 114,365 (79,200 + 35,165) then the market can sustain eleven hardware stores. When Column 4 equals Column 5, 6 or 7, then the number in Column 9 is the additional number of people necessary to support one additional store. For example, there are presently four auto washes in the market area. The current population supports four and an additional 22,932 people are needed, beyond the population of 79,200 for the year 2000 to support a fifth auto wash. The *N.A.* response in the positive and negative columns represent calculations resulting in exceedingly large population increments or which are close to zero.

TABLE 5

THRESHOLD ANALYSIS

GOVE ASSOCIATES, INC.
THRESHOLD ANALYSIS

MARQUETTE MARKET AREA

1. NO.	2. TYPE OF ESTABLISHMENT CATEGORY	3. LAND USE CODE	4. ASSUMED NUMBER OF ESTABLISHMENTS	5. ESTABLISHMENT THRESHOLD 1990 POP 74200	6. 1995 POP 76700	7. 2000 POP 79200	8. POPULATION INCREMENT POS.	9. NEG.	10. DETERMINED INVESTMENT POTENTIAL
1	FILLING STATIONS	55	45	98	101	103	778	0	9
2	FOOD STORES	54	23	6	7	7	0	**N/A**	0
3	RESTAURANTS AND SNACK BARS	58	78	78	80	82	0	115	5
4	TAVERNS	58	38	63	64	65	1431	0	6
5	PHYSICIANS	65	77	31	32	33	0	**N/A**	0
6	REAL ESTATE AGENCIES	61	26	28	29	29	3972	0	4
7	APPLIANCE STORES	57	6	6	6	6	32369	0	2
8	BARBER SHOPS	62	19	5	5	5	0	**N/A**	0
9	NEW & USED AUTO DEALERS	55	23	24	24	25	5134	0	2
10	INSURANCE AGENCIES	61	55	106	109	112	733	0	0
11	FUEL OIL DEALERS	59	15	20	20	20	6142	0	1
12	DENTISTS	62	43	20	20	21	0	**N/A**	0
13	MOTELS	13	29	9	9	9	0	**N/A**	0
14	HARDWARE STORES	52	11	9	9	10	0	35165	3
15	AUTO REPAIR SHOPS	64	54	26	27	28	0	**N/A**	0
16	DRUGSTORES	53	8	6	6	6	0	**N/A**	0
17	BEAUTICIANS	62	41	24	24	25	0	**N/A**	0
18	AUTO PARTS DEALERS	55	30	5	5	5	0	**N/A**	0
19	AUTO WASHES	82	4	4	4	4	0	22932	3
20	LAWYERS	65	78	58	60	61	0	32888	0
21	FURNITURE STORES	57	12	5	5	5	0	**N/A**	0
22	VARIETY STORES 5 & 10	53	4	2	2	2	0	**N/A**	0
23	FREIGHT LINES & STORAGE	62	8	3	3	3	0	**N/A**	0
24	VETERINARIANS	65	4	2	2	2	0	**N/A**	0
25	LUMBERYARDS	52	8	2	2	2	0	**N/A**	0
26	BANKS/RELATED FUNCTIONS	61	16	3	3	3	0	**N/A**	0
27	GARDEN SHOPS	52	2	5	5	5	10578	0	6
28	ELECTRIC REPAIR SHOPS	64	1	1	1	1	**N/A**	0	3

TABLE 5 - THRESHOLD ANALYSIS, Continued

MARQUETTE MARKET AREA

1. NO.	2. TYPE OF ESTABLISHMENT CATEGORY	3. LAND USE CODE	4. ASSUMED NUMBER OF ESTABLISHMENTS	5. ESTABLISHMENT THRESHOLD 1990 POP 74200	6. 1995 POP 76700	7. 2000 POP 79200	8. POPULATION INCREMENT POS.	9. NEG.	10. DETERMINED INVESTMENT POTENTIAL
29	FLORISTS	59	12	3	3	3	0	**N/A**	0
30	DRYCLEANERS	62	5	6	6	6	26287	0	3
31	LOCAL TAXI SERVICE	62	1	1	1	1	**N/A**	0	3
32	BILLIARD HALLS AND BOWLING	74	4	2	2	2	0	**N/A**	0
33	JEWELRY STORES	56	8	3	3	3	0	**N/A**	0
34	HOTELS	13	3	1	1	1	0	**N/A**	2
35	SHOE REPAIR SHOPS	62	4	1	1	1	0	**N/A**	0
36	SPORTING GOODS STORES	59	13	3	3	3	0	**N/A**	0
37	FROZEN FOOD LOCKERS	62	1	1	1	1	**N/A**	0	5
38	SHEET METAL WORKS	34	7	2	2	2	0	**N/A**	1
39	DEPARTMENT STORES	53	9	5	5	5	0	**N/A**	1
40	OPTOMETRISTS	65	3	2	2	2	0	**N/A**	0
41	HOSPITALS & CLINICS	65	4	3	3	3	0	**N/A**	3
42	UNDERTAKERS	62	7	4	4	4	0	**N/A**	1
43	PHOTOGRAPHERS	65	9	3	3	3	0	**N/A**	0
44	PUBLIC ACCOUNTANTS	63	16	2	2	2	0	**N/A**	0
45	LAUNDRIES & LAUNDROMATS	62	5	5	5	5	0	25068	3
46	GENERAL CLOTHING	56	3	1	1	1	0	**N/A**	0
47	WOMENS CLOTHING	56	12	5	5	5	0	**N/A**	0
48	MENS CLOTHING	56	6	2	2	2	0	**N/A**	0
49	SHOES	56	8	4	4	4	0	**N/A**	0
50	SUPERMARKET	54	24	8	8	8	0	**N/A**	0
51	BAKERY	54	9	3	3	3	0	**N/A**	0
52	LIQUOR STORE	54	13	5	5	5	0	**N/A**	0
53	BUILDING MATERIALS	52	18	2	2	2	0	**N/A**	0
54	RADIO-TV SALES & SERVICES	64	12	16	16	16	7055	0	8
55	PLUMBING	64	8	7	7	8	0	17462	3
56	MOVIES	79	4	1	1	1	0	**N/A**	0
57	DRIVE-IN EATING PLACES	54	8	5	5	5	0	**N/A**	0

The following list is an example of businesses which, with proper planning and management, should potentially be successful in the Marquette market area. Once again, it must be emphasized that this is a general guide and may not give the same result as a detailed market study for a particular business. It is not intended to be a basis for opening or expanding a store or office. As in any endeavor, sound business practices must prevail.

A) Service Businesses

Real Estate Agencies
Insurance Agencies
Dry Cleaners

B) Retail Convenience Goods

Filling Stations
Restaurants/Snack Bars
Taverns
Fuel Oil Dealers
Garden Shops
Dry Cleaners

C) Retail Comparison Goods

New and Used Auto Dealers
Radio-T.V. Sales and Service

It must be remembered that these are businesses which could potentially be successful in Marquette according to population parameters. There are others which might be popular among consumers, such as a health spa, theatre and bookstore and may also have a high success potential.

In addition to the "mix" or combination of retail and service establishments in the Central Business District, it is also important to consider the physical distribution of stores in order to create a compatibility among stores which in turn helps generate a larger volume of customers and sales.

Zoning

The current Marquette Zoning Ordinance was adopted in 1978 and amended in 1983 and 1984. The redevelopment site encompasses three different zoning districts and is bordered on the north, west and south by six other districts. Consequently, a wide variety of activities, land uses and densities do, or potentially can, occur in a relatively small area, setting the stage for an intense, highly interactive downtown/waterfront area.

Property north of the redevelopment site is classified under three separate zoning districts: RM-Multiple-Family; RG-General

Residential and CBD-Central Business District. The Multiple-Family Residential zone is intended to accommodate higher density residential units, but will also allow detached single-family homes as well as duplexes. A variety of other more intensive activities can also, with conditional permission, locate in this district: schools, cemeteries, churches, group day care homes, home occupations, universities, hospitals, convalescent homes and similar health care facilities, rooming homes, fraternities and sororities. Apartment buildings over 35 feet high can potentially be constructed.

The General Residential District, which is also west and south of the Redevelopment Area, is designed for medium-density residential development (one-fifth acre per lot) and allows single-family residents and family day care homes by permit. More intensive uses, such as schools, churches, cemeteries, public buildings and recreational facilities, home occupations, group day care facilities, universities and duplexes are allowed after meeting conditional use requirements.

The Central Business District zone is one of the most intensive zones in the City. There are no minimum lot requirements that must be met and buildings up to 60 feet high can be constructed there. The CBD zone also encompasses 13 blocks to the west of the redevelopment site. This district permits a wide variety of retail, office and service activities (in enclosed buildings). Motels, hotels, churches and residential units (primarily apartments in commercial buildings) are also allowed under special permit.

A small portion of land west of the site and bordering Front Street is zoned OS-Office District. Professional offices, medical and dental clinics, government offices, churches and residential units are allowed in this district. This OS zone allows approximately the same density as the General Residential District, except that required yard setbacks are substantially less. The maximum allowable height is 30 feet.

The General Business District is located southeast of the Redevelopment Area and is separated from the more intensive Central Business District to the north by the General Residential zone. Allowable activities in the General Business zone, which is intended to serve vehicular commercial traffic, include just about all retail service and wholesale trade establishments. As with other commercial and industrial zones, no minimum lot sizes are specified. Buildings can be constructed up to 40 feet high.

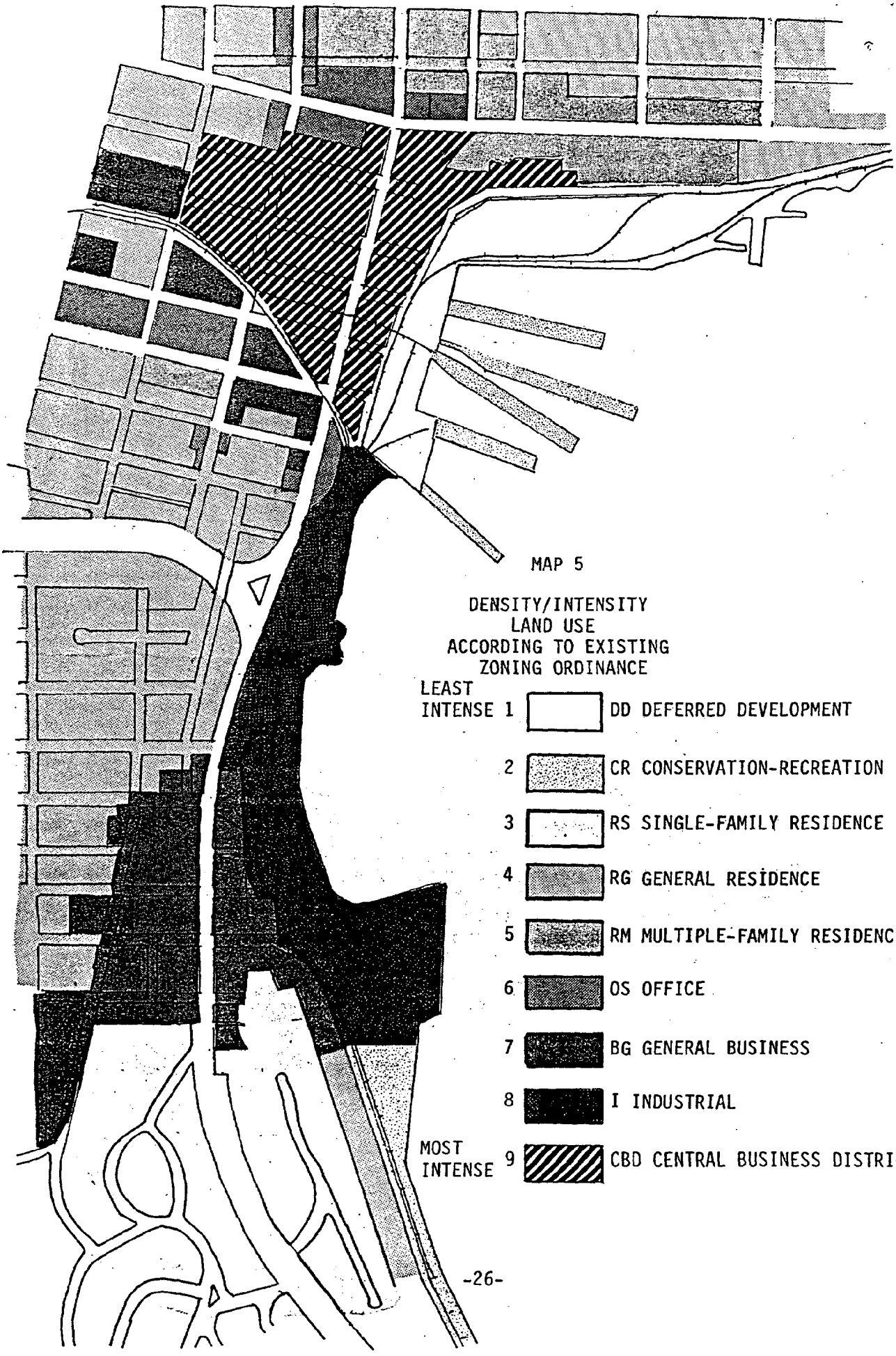
The RS-Single-Family Residential District is south of the redevelopment site and is intended to accommodate detached single-family dwellings and family day care homes. This district is the least dense of all districts that allow development in the City. The minimum required lot size is approximately one-fourth acre

and the maximum building height is 30 feet. More intensive uses that are allowed by conditional approval include schools, churches, cemeteries, recreational facilities, home occupations, day care facilities and duplex units.

The three zones that are presently designated in the Redevelopment Area are DD-Deferred Development, I-Industrial and CR-Conservation and Recreation. The Deferred Development zone, encompassing the northern half of the redevelopment site, is intended to reserve the study area for future development (as recommended and described in this Plan). No structures or scattered development is allowed in this district. Once this Plan is adopted, this district will be changed to an appropriate designation as part of the implementation process. The wharfs and docks east of the Deferred Development District are zoned CR-Conservation and Recreation, as is shoreline property south of the study area. This district is intended to preserve properties which have outstanding natural recreational or scenic qualities. Consequently, only agriculture/forestry and conservation or educational activities are allowed by right. Intensive recreational uses, port facilities and natural resource extraction operations are allowed by conditional use permit. The maximum building height in the CR zone is 15 feet. The I-Industrial zone, along with the CBD zone, allows for the most intensive development in this area. This district, which covers the southern one-half of the Redevelopment Area allows warehousing, distribution and wholesaling operations. Light and heavy manufacturing, repair and maintenance, processing and packaging operations and bulk storage are allowed as conditional uses. No minimum lot sizes are required in this zone and the maximum allowable building height is 80 feet.

The following map describes the hierarchy of land use by intensity for the redevelopment site and surrounding properties according to the City's current zoning ordinance. As Map 5 depicts, the site itself can potentially be used for activities at the extreme end of the density range, with low density deferred development and conservation/recreation districts on the north end of the site and a high density light/heavy industrial district on the southern portion of the site. The density/intensity gradient of zoning districts around the site runs from light and medium to the north, then high density in the Central Business District, medium to low density south of the Central Business District, to medium density south of Jackson Street, then to low density south of Furnace Street.

Building heights in the north end of the study area are limited to 15 feet. However, the industrial zone on the southern end of the site allows structures up to 80 feet high and the Central Business District permits structures up to 60 feet in height. In effect, these conditions create a potential whereby the site


MAP 5
DENSITY/INTENSITY
LAND USE
ACCORDING TO EXISTING
ZONING ORDINANCE
LEAST
INTENSE 1
DD DEFERRED DEVELOPMENT
2
CR CONSERVATION-RECREATION
3
RS SINGLE-FAMILY RESIDENCE
4
RG GENERAL RESIDENCE
5
RM MULTIPLE-FAMILY RESIDENCE
6
OS OFFICE
7
BG GENERAL BUSINESS
8
I INDUSTRIAL
MOST
INTENSE 9
CBD CENTRAL BUSINESS DISTRICT

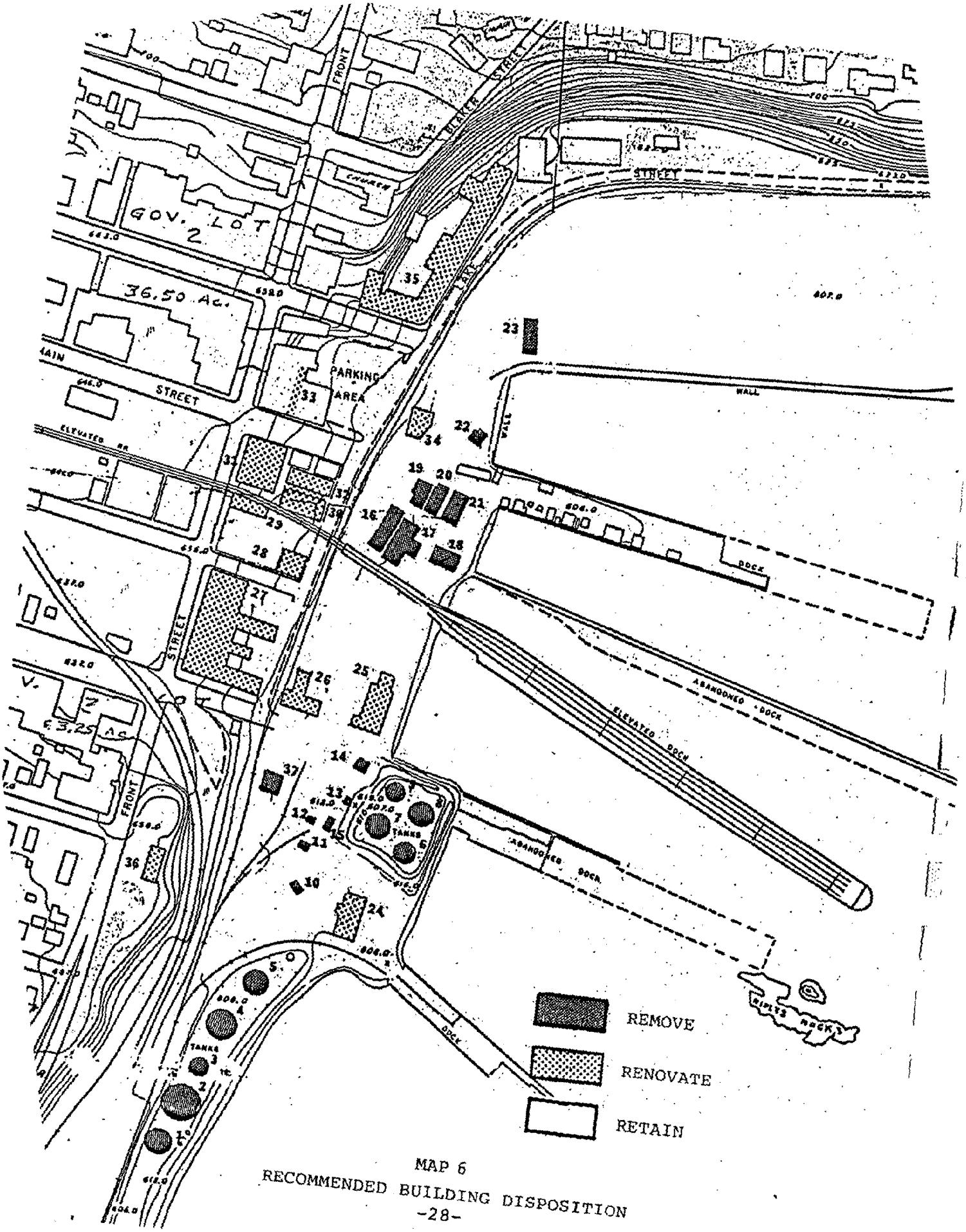
could be surrounded by taller buildings. The height allowed in the industrial zone along the shoreline could in effect block viewing access to the waterfront.

Existing Structures

The structures within and adjacent to the Study Area were built at different times and with different materials, design and structural capacity. Consequently, the useability and condition of those buildings vary. A number of the structures on the site, such as the small service structures associated with the storage tanks, were built for a particular limited use and are not necessarily easily adaptable to other functions, or are small enough so their removal can be easily accomplished. Preliminary analysis of these structures indicates that the disposition of each will fall into one of three general categories: removal (complete dismantling of the structure); rehabilitation (partial or complete remodeling/enlarging of the structure); retention (no major structural or design changes required). Map 6 depicts the proposed programming of these structures. The nine fuel storage tanks (1 through 9) present a physical and visual barrier to the lake and are not conducive to future land use activities that promote public access to the shoreline. The six small accessory buildings that are associated with these tanks (10 through 15) are obstacles to any cohesive future development on the site. The single story deteriorated building (37) west of the storage tanks and adjacent to the rail lines could either be removed or rehabilitated as a useable structure. Several quonset buildings and an office belonging to a construction company (16 through 21) north of the ore dock are not conducive to people-oriented activities and should be removed. The quonset buildings (16, 17, 18, 20, 21) are corrugated metal and concrete block structures that cannot be considered as fixed permanent structures that will last over a long period of time without major replacement or maintenance. The office building (19) while of a more permanent construction, is not easily adaptable to reuse. The storage silos on this site should also be removed.

The Lake Superior Yacht Club building (22), while a structurally sound building that is not necessarily incompatible with a well-planned people-oriented shoreline activity center, is not of a desirable size or design that would maximize its potential within the site. This structure should therefore be removed or extensively enlarged and remodeled into a restroom to serve the adjacent Lower Harbor Park.

A number of buildings have historical, aesthetic or structural values that make them candidates for reuse after they are rehabilitated or remodeled. The building located between the two sets of storage tanks and adjacent to the southernmost dock has potential for reuse as an office or commercial business site. The existing Sails Up Marine building (25) appears to be structurally sound.



MAP 6
RECOMMENDED BUILDING DISPOSITION

In altering the shoreline to a people-oriented development, this building should be aesthetically improved with an exterior design that is compatible with surrounding uses and structures or, if site design conditions require a more functional use for that site, this building could be removed. Building 26 is a redstone building of historic value that is currently being used as an appliance warehouse. This structure could enhance the site if rehabilitated and adapted to retail or office use. The group of two story buildings (27, 29, 31) bordering on Front Street, while not within the redevelopment site, are immediately adjacent to it, and consequently will have a direct interrelationship with proposed development on the site. These structures appear to be in sound structural condition but are in need of facade renovation in the front and rear. Rear facade renovation, with access to Lakeshore Boulevard, will help create a direct linkage between the Central Business District and the waterfront. Most of the buildings in the block bordered by Front, Lakeshore Boulevard, Main and Spring streets (28 through 32) are also in need of facade renovation. Buildings 29 and 31 should have their rear facades improved to provide a design linkage with the waterfront area. As an alternative, if these buildings cannot economically be rehabilitated, they should be removed and replaced with structures that would more practically lend themselves to integration with the Ore Dock. (The location of Buildings 29 and 31 is the most logical choice for tying the Ore Dock into Front Street and the CBD, if a pedestrian mall concept is used.) Buildings 30 and 32 should be extensively remodeled and readapted for commercial or office activity. The rear facades of the buildings on the corner of Front and Main streets should likewise be altered to accommodate better pedestrian and visual access between the Central Business District and the redevelopment site. The two story building at the foot of Main Street occupied by a specialty glass manufacturer appears to be structurally sound with a design and exterior cover that is compatible with the historic characteristics of the waterfront. This building (34) could essentially remain intact and contribute to the desired atmosphere of the waterfront. It could also possibly set the design standards for other buildings on the site. The lone two story building on the corner of Lakeshore Boulevard and Washington Street is currently used as an office. This building has unique design elements that should be retained. Minor modifications, such as landscaping and possible removal of exterior paint to allow exposure of the brick face, should be studied. The existing Chamber of Commerce office (building 36) is located on a prime site adjacent to Lakeside Park with a scenic view of the Lower Harbor area as well as the Central Business District. The design of this building should be updated and the Chamber site should be more closely linked with Lakeside Park. Potential also exists for tying the building and grounds into the waterfront site through pedestrian walkways, and using this site as an entranceway into the Downtown area from the south.

In general, the majority of existing structures on the redevelopment site should be removed to accommodate future site design elements. Several buildings are structurally sound and could, through altering of size and/or facades, fit well into any future design program. The buildings on the fish dock are an integral part of the overall function of that facility and should be retained, under the assumption that the fish dock and its current activities will contribute to the posture of the redevelopment site as a water-oriented, intensively used area. Although not on the site itself, many of the buildings between Front Street and Lakeshore Boulevard will impact upon and be influenced by the site design and activities along the waterfront. Consequently these buildings should be altered to maximize their association with the waterfront. Such alterations should consist mostly of facade renovation, although potential exists for physically tying some of these structures into one another and into compatible activities on the waterfront. Many of the other buildings within the Central Business District, especially along Washington Street, have already been renovated. Future site design programs should attempt to tie into the existing predominant building and street-scape design of this area.

Utilities

The redevelopment site is presently served with all energy, water and wastewater facilities needed for development. The intensity, design and specific use of the area will determine the size and scope of on-site utilities.

Water, Sanitary Sewer, Storm Sewer - The site is bordered on the east by an 18" concrete main intercepting sanitary sewer adjacent to the Lakeshore Boulevard right-of-way. A pumping station on the corner of Baraga Avenue and Lakeshore Boulevard is used to advance the flow of sewage to the areawide treatment plant south of the site near the Marquette prison facility. There are no sewer laterals currently on the site to serve existing activities. There should be little or no problem, however, in tapping into the 20" main interceptor running along Lakeshore Boulevard to serve new development.

Water is available through 12" and 16" lines within the Lakeshore Boulevard right-of-way. A 2" service line runs eastward from the 12" line for a distance of about 100 feet near the construction company office and the fish dock area. No other municipal water lines are located on the site. Fire protection is provided through fire hydrants on the 12" main at each intersection on Lakeshore Boulevard between Washington Street and Baraga Avenue. Additional fire protection is available in this area by pumping water from Lake Superior.

Storm sewers exist within the rights-of-way of all the dedicated streets north and west of the site. A 60" concrete storm sewer main runs within the right-of-way of Spring Street and through

the site, emptying into Lake Superior south of the ore dock. A 12" line running the length of Lakeshore Boulevard empties into this collector which is the City's central outfall, collecting stormwater from a 3.7 square mile area. The location of this line on the site will facilitate the placement of a storm water system, if necessary, between Lakeshore Boulevard and the shoreline as development occurs. These systems are all owned and serviced by the City of Marquette.

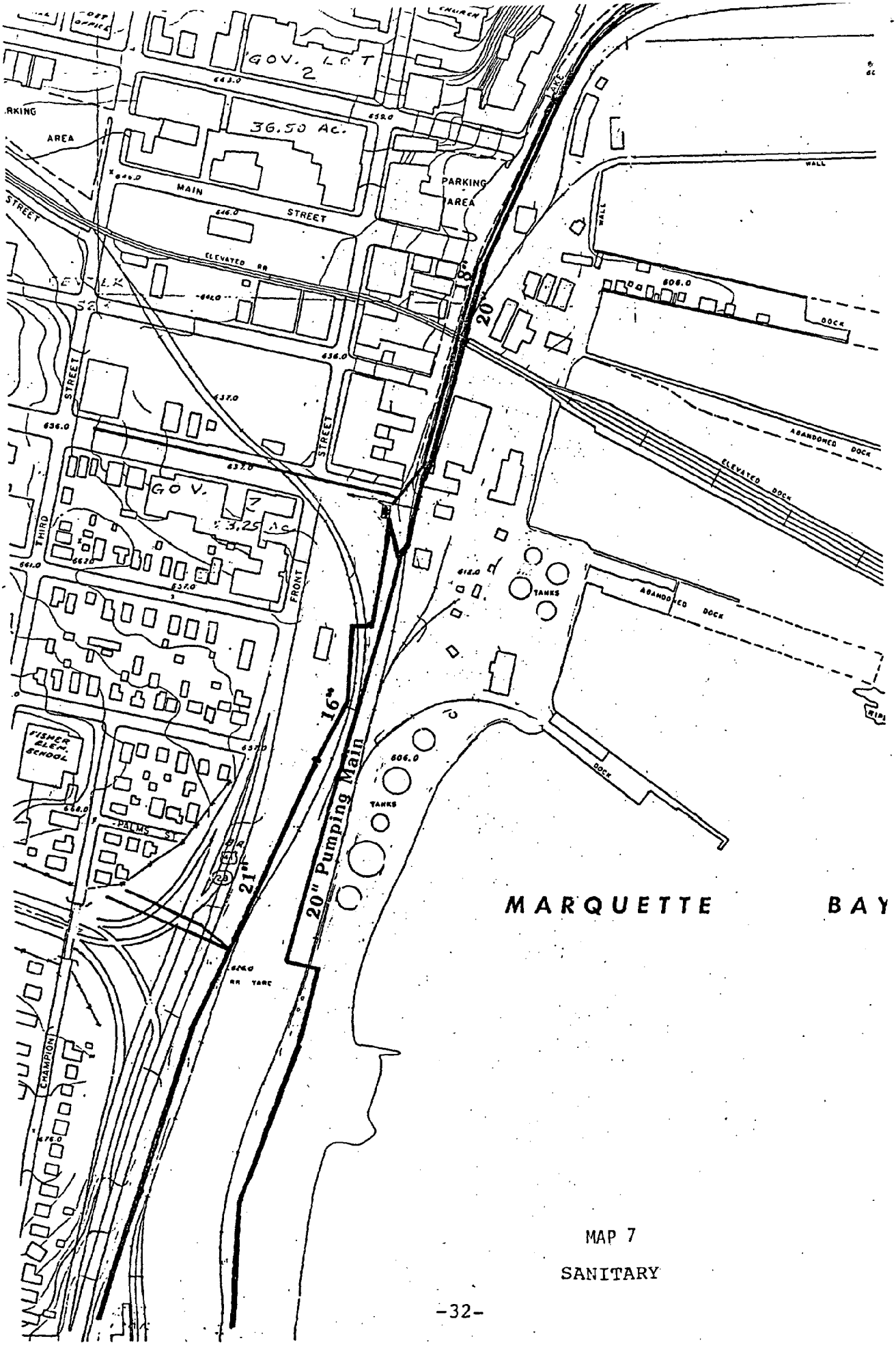
Electricity - The Marquette Board of Light and Power, a municipal utility, provides electricity to residents of the City and surrounding townships from the Shiras Municipal Power Plant located on the southern edge of the study area. Three phase, 7,200 volt transmission lines run along the shoreline from the power plant. Electrical power is therefore easily accessible and more than adequate to serve the needs of any activities proposed for the site.

Natural Gas - Michigan Power Company, with headquarters in Three Rivers, Michigan, provides the Marquette area with natural gas. Both high and low pressure lines are available in the general area, although the largest high pressure line has only a 4" diameter. An 8" low pressure line runs along the abandoned Lakeshore Boulevard right-of-way; this is reduced to a 6" line north of Baraga Street and to a 2" line north of Washington Street. A number of buildings on the redevelopment site are served by feeder lines off of this main line along Lakeshore Boulevard.

In essence, the site is adjacent to sewer, water and power utilities that are adequate enough in size and flow to serve any commercial, recreational, office and residential activity that might be constructed. Maps 7 through 11 depict the distribution of these utilities in and around the redevelopment area.

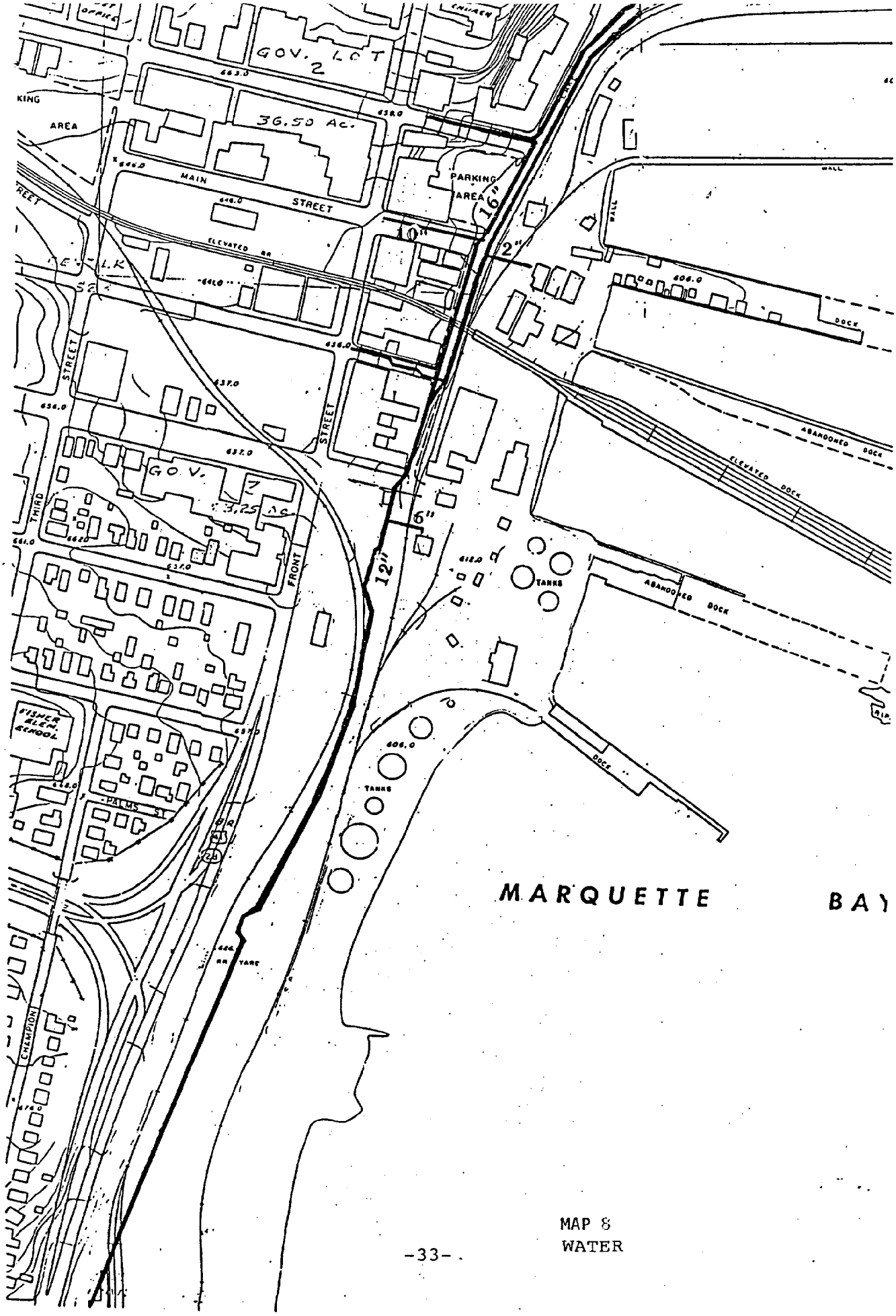
Transportation

Transportation in the City of Marquette, as in most communities, is oriented to the automobile. The grid pattern of streets in the Central Business District west of the study area carry relatively large volumes of traffic (approximately 6,000 to 15,000 vehicles per day according to 1982 Michigan Department of Transportation traffic counts). Washington Street is the primary east-west route for local business traffic. The City's Comprehensive Downtown Development Plan (1979) states that two important "nodal points", resulting from high traffic volumes, exist in the downtown area - one at Front Street, which is a northerly "extension" of U.S.-41, is also a major route within the downtown area, particularly between Washington Street to the north and U.S.-41 to the south. Lakeshore Boulevard, (Lake Street) paralleling the study area from Baraga Street north, is a link between the Central Business District and the shoreline of Presque Isle Harbor up to Presque Isle Park, the largest

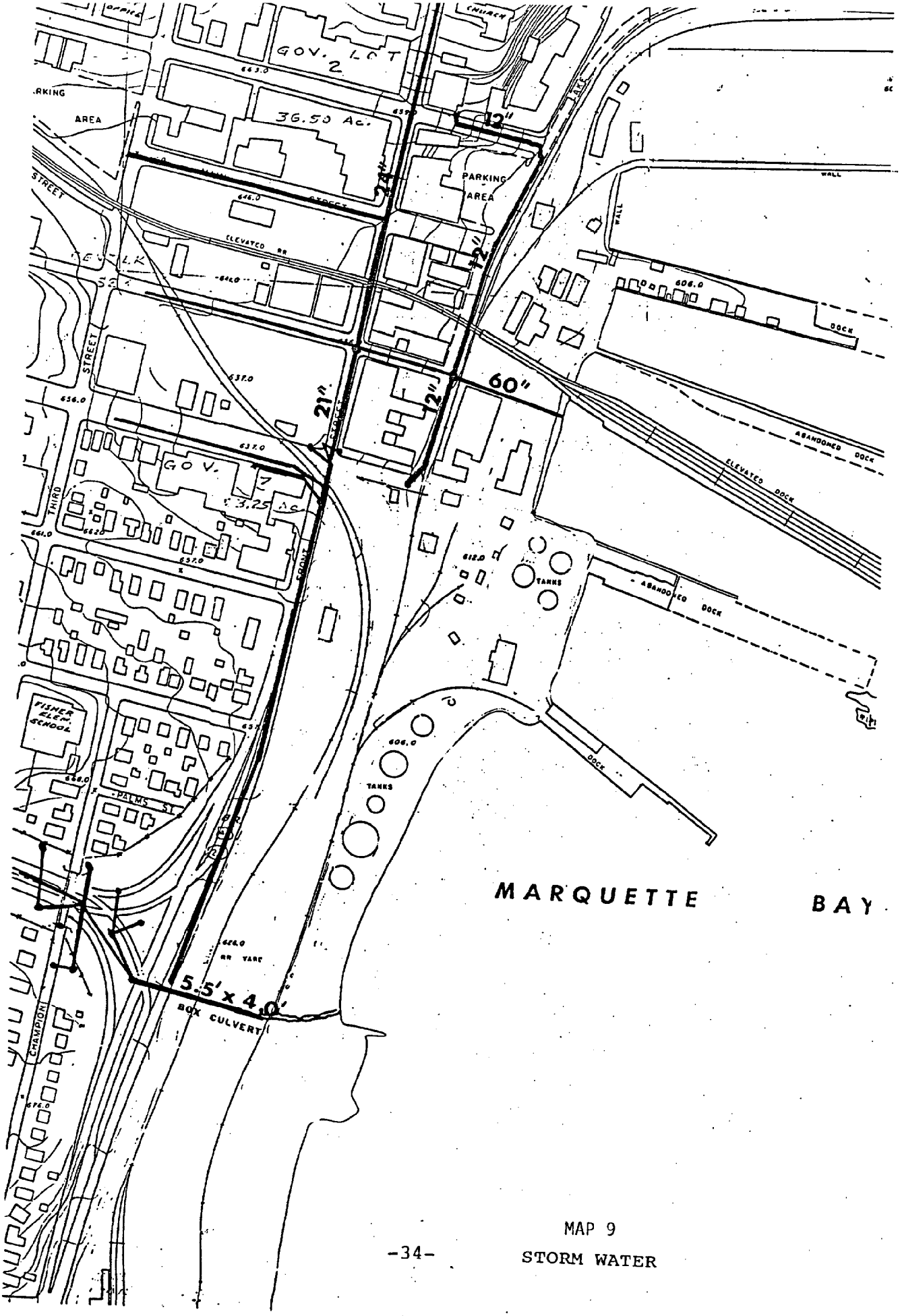


MAP 7

SANITARY

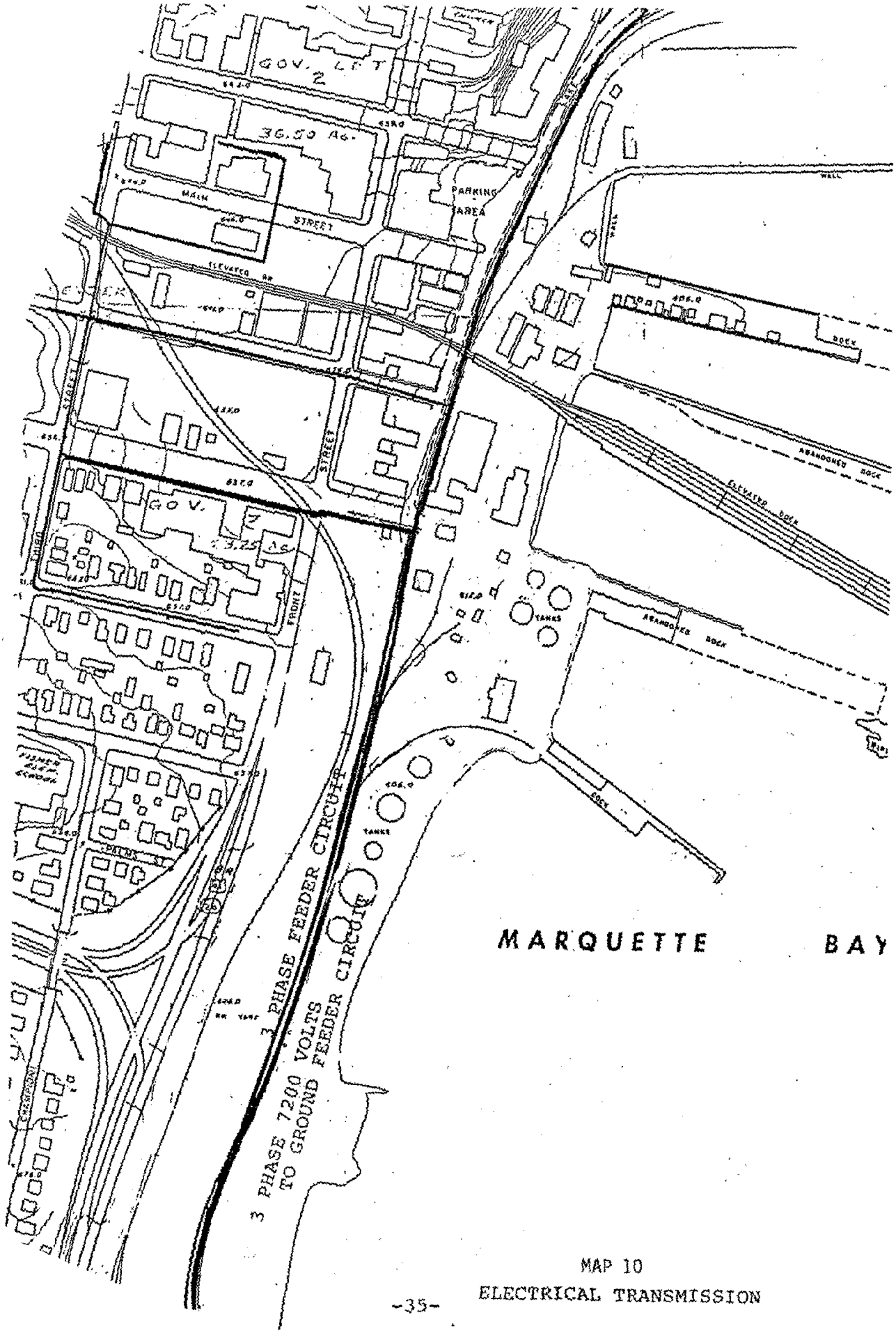

GOV. LOT 2
36.50 Ac.
KING
AREA
MAIN
STREET
PARKING
AREA
16"
10"
2"
ELEVATED RR
STREET
STREET
GOV. 7
3.25 Ac.
THIRD
FRONT
6"
12"
TANKS
ABANDONED DOCK
ELEVATED DOCK
DOCK
FISHER ELEM. SCHOOL
PALMS ST
CHAMPION
MARQUETTE BAY

MAP 8
WATER



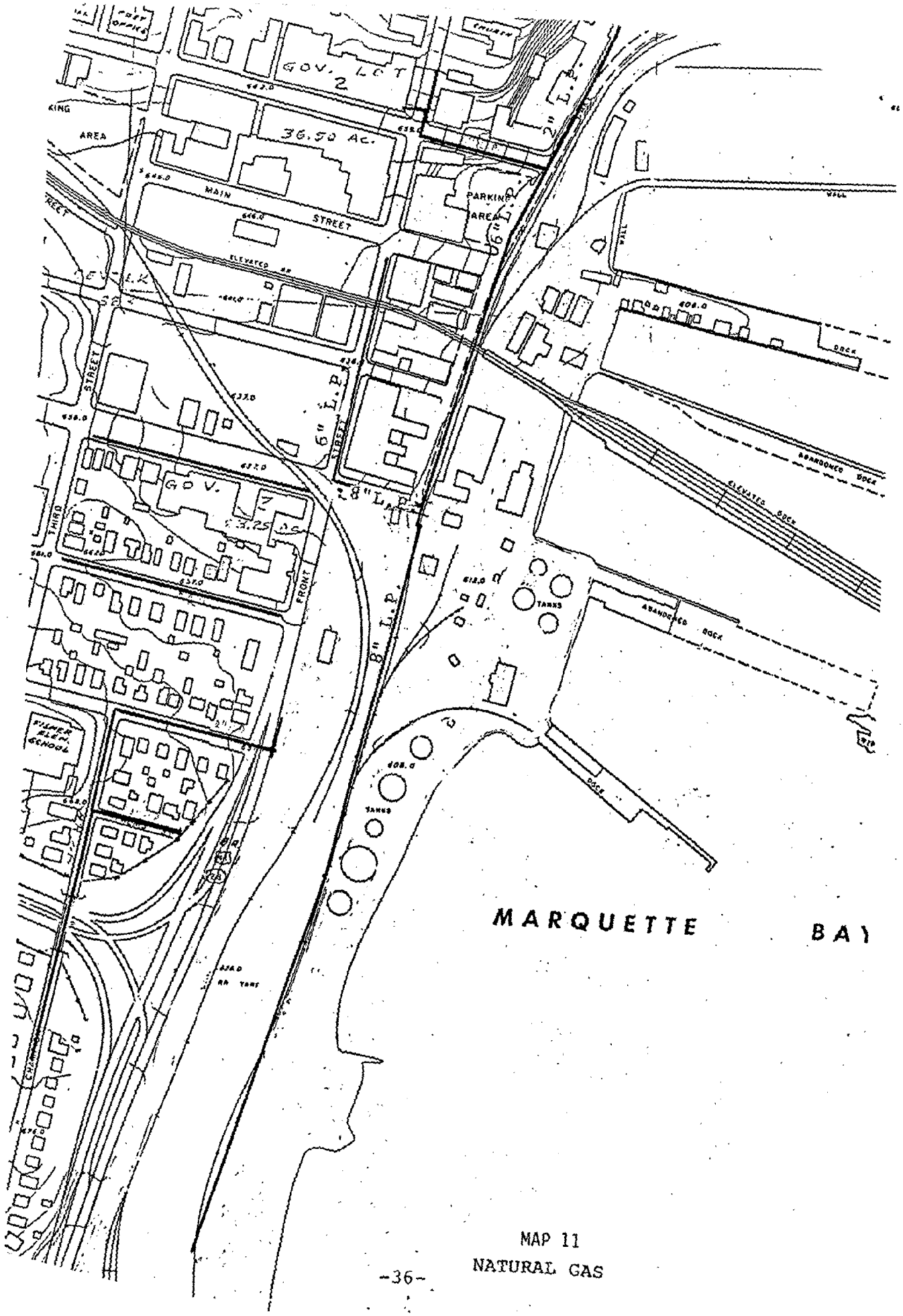
MAP 9

STORM WATER



MAP 10

ELECTRICAL TRANSMISSION



MAP 11
NATURAL GAS

recreational site in the Marquette area. Lakeshore Boulevard forms the western and northern boundaries of the Deferred Development zone and is the major vehicular route within the study site.

Washington Street and Main Street provide the major linkages between the Lower Harbor site and the central business area. The Downtown Development Plan calls for a one-way street system running counterclockwise on Washington, Third, Spring and Front Streets, Main Street will run one-way (westerly) between Lakeshore Boulevard and Front Street and one-way (easterly) between Front Street and Lakeshore Boulevard. Off-street parking is planned for four sites between Front and Fourth Streets as well as Lower Harbor Park on the north end of the study area. The Downtown Redevelopment Plan also briefly proposes general types of land uses and functions for the waterfront area. The plan recommends off-street parking in this area to serve commercial and recreational activities. There are currently 11 public and private off-street parking lots within approximately 800 feet of the redevelopment site plus a new multi-level public parking garage. There are roughly 1,000 off-street parking spaces and 100 on-street parking spaces in the Downtown Development Authority District, which is bounded by Bluff, Fourth and Baraga streets, and the Lower Harbor shoreline - an area of approximately 12 blocks.

Pedestrian circulation is an important element in making the Central Business District and waterfront area more viable as places to shop, do business and engage in recreational activities. The Downtown Development Plan calls for street and sidewalk changes in the Central Business District between Lakeshore Boulevard and Third Street, primarily along Washington Avenue and along Front Street. Covered arcades and enclosed stairways to provide protection from the elements are also outlined in the Plan. Landscaping is an integral part of pedestrian movement. Lighting, park benches and other street furniture and focal points are designed in conjunction with pedestrian circulation patterns. Pedestrian access to water in the study area is an important parameter of the overall waterfront redevelopment program.

A bikepath system is also proposed for the Lower Harbor area. This path is scheduled as Phases 3, 4 and 6 of a shoreline bike path system from Presque Isle Park to the southern City limits. The bike path has already been designed for the Lower Harbor Park site and will connect with the path that will be incorporated into this redevelopment design.

The Downtown Redevelopment Plan also calls for a multi-modal transportation facility. A multi-modal transportation center is located downtown on the corner of Spring and Third Streets. It is used as a central storage, dispatching and office space for

Marq-Trans (the local Dial-A-Ride system). It is also used as a central storage facility for the Marquette-Alger Intermediate School District and as a passenger station for Greyhound Bus Lines. Easy access of such a facility to and from the redevelopment area is an asset when developing projects that promote and enhance tourism.

The existing railroad system within the City of Marquette has a substantial impact upon the Redevelopment area. The Soo Line Railroad owns the trackage that enters the site from the west between Baraga Street and Lakeside Park. The Soo Line also owns one set of tracks that run the length of the site and the LS&I Railroad owns the other set. The LS&I Line follows the shoreline from the site to the Upper Harbor. The Soo Line owns the one set to Harvey and on through the northern part of the Upper Peninsula to Munising and Sault Ste. Marie. The rail siding yard, located in the southern one-half of the redevelopment area, contains 12 to 14 sets of tracks at its widest point, along with several warehousing/loading buildings. This yard is not used as extensively as in the past due to the Soo Line's cutback in rail services. The railroad's prospective termination of service in the Marquette area virtually eliminates the need for the railyard, which in effect would make that portion of the site available for other uses. One of the tracks running from the Upper Harbor southward should be retained. Although this will present a limitation to site design because the tracks act as a barrier, the retention of at least one line is necessary because of the probable future use of the track by the LS&I Railroad. While the future volume of traffic on this line is uncertain, it is projected that LS&I will use this route relatively infrequently, perhaps once a week. Obviously, the less the line is used for commercial rail traffic, the smaller the impact upon planned uses on the site.

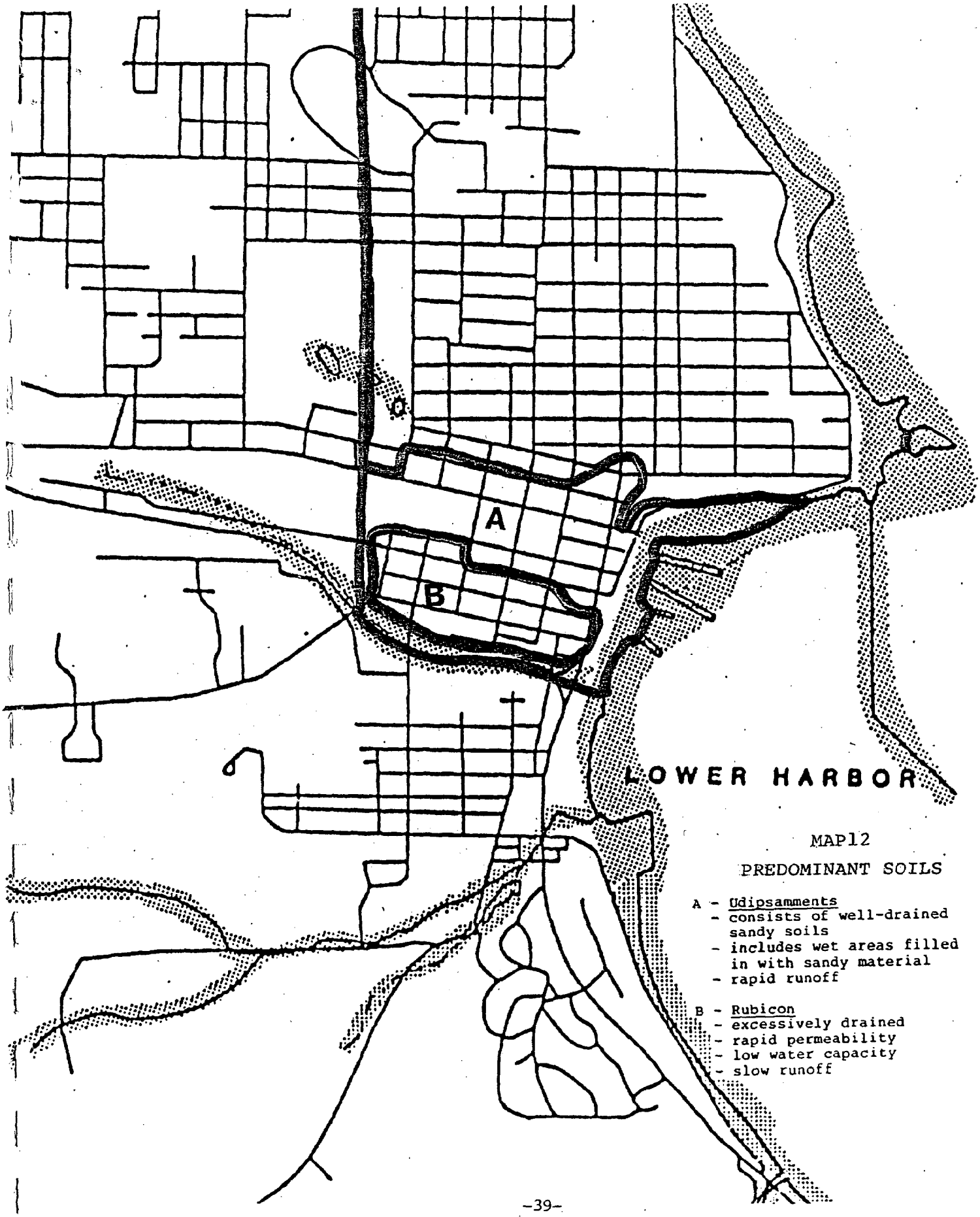
Natural Resources

Soils*

This section briefly describes the predominant soil groups in the study area, and the downtown district. This will provide information in order to determine whether or not the soil contains characteristics conducive to development. For instance some soil groups (e.g., "muck") have very little soil bearing capacity and poor drainage. As a result, these soils are not desired for building purposes.

Fortunately the soils in the study area are quite able to accommodate most types of development. According to Map 12 the primary study area consists entirely of "Udipsamments" - urban land, while approximately a 16 block area between U.S. 41 and downtown

*SOURCE: U.S. Geological Survey, District Office



MAP12

PREDOMINANT SOILS

A - Udipsamments
- consists of well-drained sandy soils
- includes wet areas filled in with sandy material
- rapid runoff

B - Rubicon
- excessively drained
- rapid permeability
- low water capacity
- slow runoff

area, in effect visually tying the Central Business District to the shoreline. One of the major objectives of the redevelopment plan is to physically and visually tie the redevelopment site to the downtown area. The design that will be used to accomplish that must adapt to and use the topography of the area.

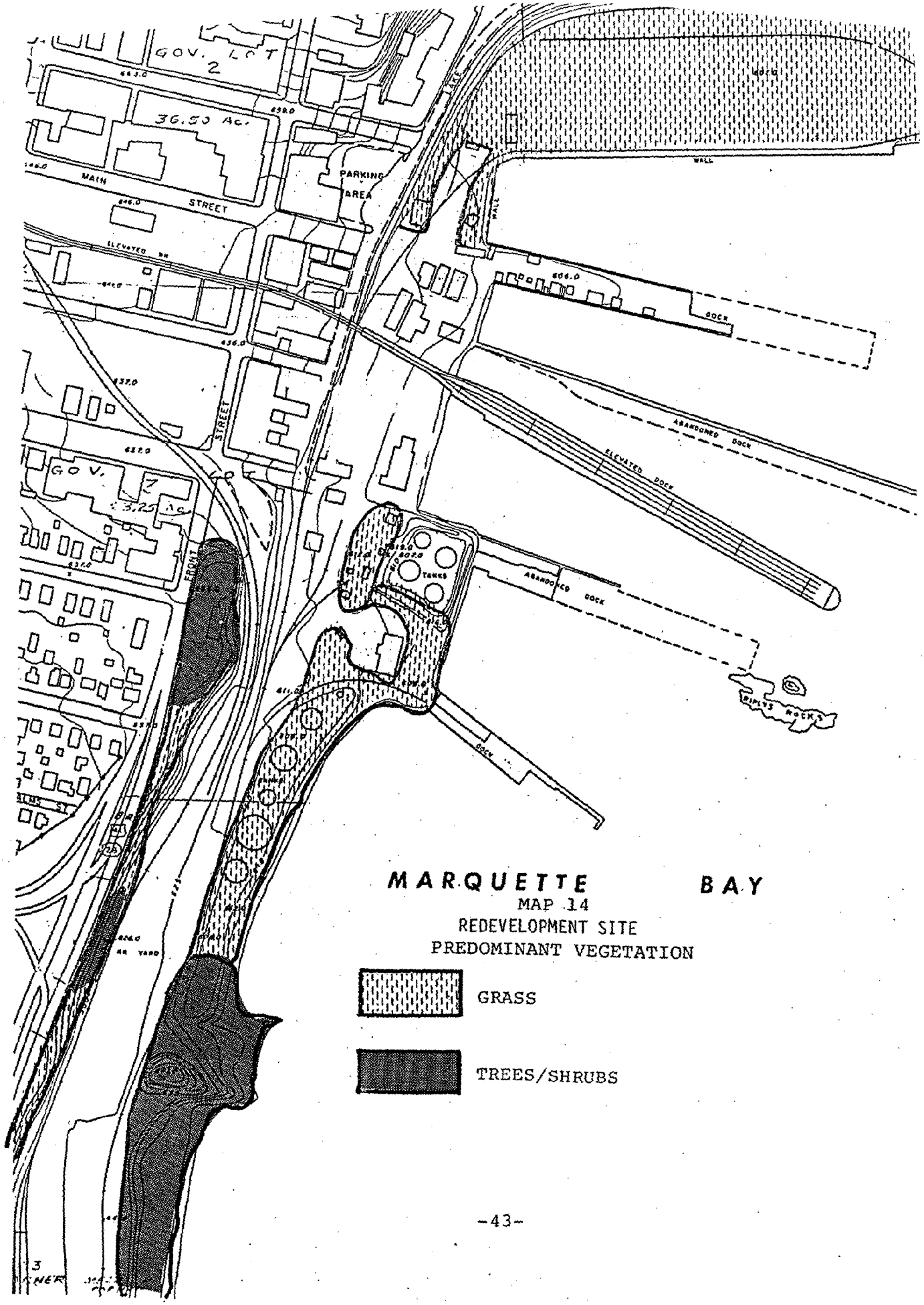
Vegetation

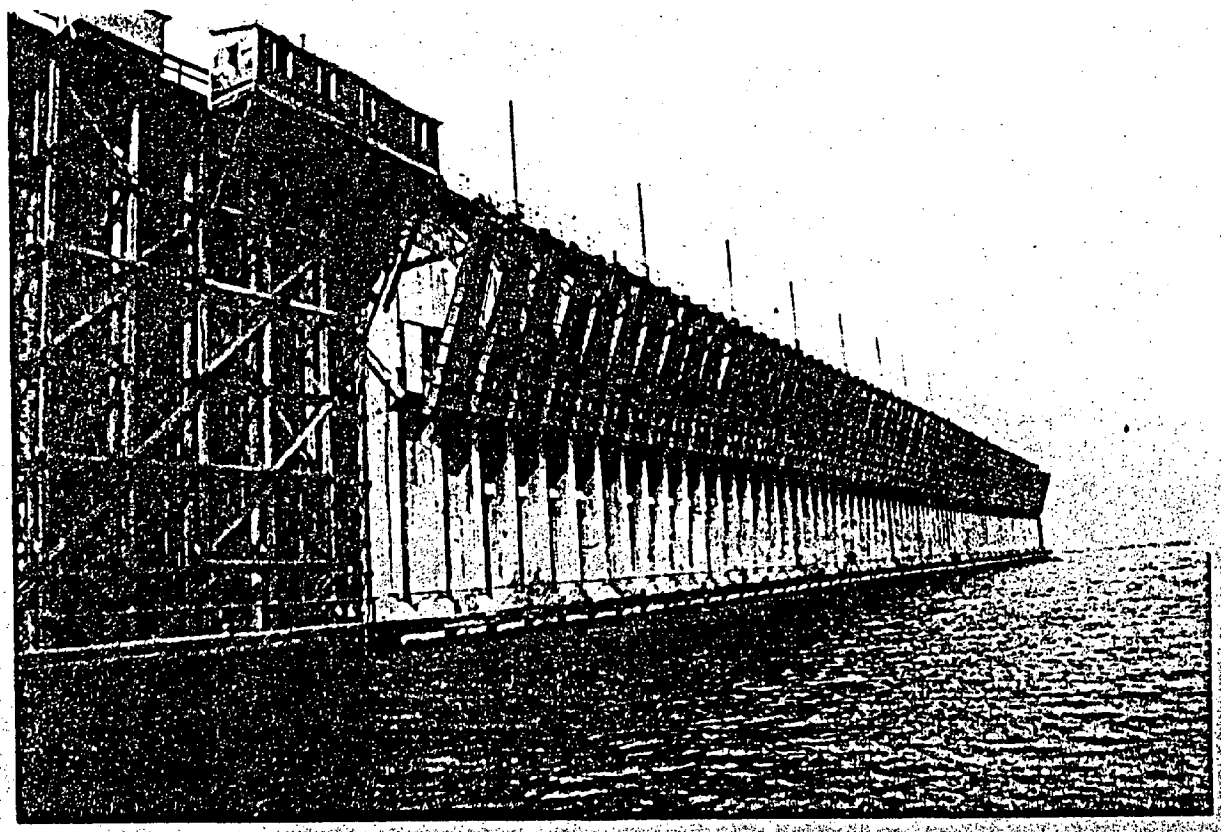
Vegetation within the site is relatively sparse north of Baraga Street. The Lower Harbor Park, a flat, earth filled site covering about 22 acres, has been planted in grass and is heavily used only a few times each year during special events and festivals. The area around the ore dock and storage tanks has no formal landscaping. Natural vegetation, including several larger elm trees, shrubs of various species and natural grasses are located there. In much of this area natural cover has been excavated for parking, entrance roads and railroad rights-of-way. The redevelopment area south of the storage tanks contains the heaviest amount of vegetation, particularly along the shoreline with natural growth of birch, poplar and other trees. The steeply sloped terrain between the railroad yard and Front Street has vegetation of various levels of density, allowing periodic viewing of the lake as one travels along Front Street. The property surrounding the Chamber of Commerce building is relatively well landscaped with larger deciduous trees. In general, redevelopment of the Lower Harbor shoreline would require the addition of plantings in areas that are now devoid of vegetation, such as the railroad yard, while other areas of the site can retain their natural tree, shrub and grass growth. Map 14 indicates the general location of existing predominant vegetation on the site.

Lake Conditions

Local natural phenomena such as wind velocity and direction, and water levels, affect the impact of the lake upon the shoreline and existing and potential dock facilities. The predominant wind direction is out of the northwest, which does not create large wave action within the Lower Harbor. Occasionaly, however, (about once a year) a storm with east/northeasterly winds will create large waves (up to 10 feet in height) in the Lower Harbor causing shoreline erosion problems. Measures should be taken to protect shoreline development and dock facilities that will be constructed in accordance with this Plan.

Datum from the National Ocean and Atmospheric Administration indicates that, since 1900 the elevation of Lake Superior has not exceeded 602 feet above sea level. The lowest point on the site (adjacent to the shoreline along the southern portion of the redevelopment area) is approximately 604 feet. Some type of protection, such as rip-rap or concrete wall might be necessary in this area to accommodate the Plan's proposed development, particularly from occasional winter storms out of the northeast.


GOV. LOT 2
36.50 Ac.
MAIN STREET
PARKING AREA
WALL
DOCK
ABANDONED DOCK
ELEVATED DOCK
STREET
GOV. LOT 1
3.25 Ac.
TANKS
RIPLYS ROCKS
MARQUETTE BAY
MAP 14
REDEVELOPMENT SITE
PREDOMINANT VEGETATION
GRASS
TREES/SHRUBS



STRUCTURAL ASSESSMENT OF THE ORE DOCK

STRUCTURAL ASSESSMENT OF THE ORE DOCK

The following is a brief assessment of the structural integrity of the superstructure of the ore dock. As only a cursory on-site review of the structure was completed, this assessment is not intended as a full structural analysis. Such an analysis should be undertaken prior to any serious plan for redevelopment of the facility.

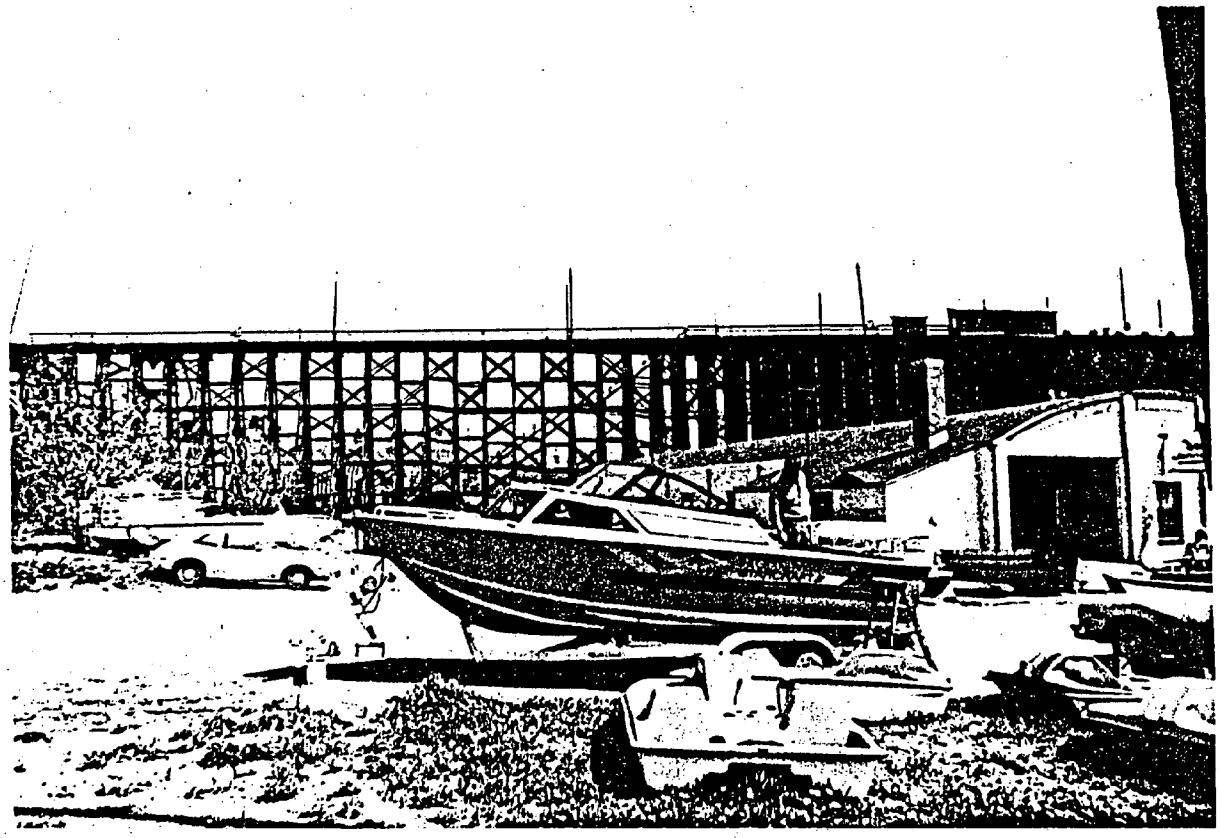
On July 22, 1986, a registered structural engineer from Gove Associates Inc. performed a "walk-through" inspection of the ore dock superstructure. The following items were observed during this inspection:

1. Several of the concrete columns have some of the reinforcing rods exposed.

2. Hairline cracks occur in a transverse direction running the entire width of the pile cap throughout the length of the structure, there are, however, no signs of settlement or other relative movements.

3. Generally, the concrete appears to be in good condition, except at points noted in Item #1. Actual strength of the concrete was not determined; this can only be done by sampling and testing. Because of the questionable safety of the wood stairway the top deck, bins, etc., were not inspected. Also, no inspection was made of the wood piles supporting the structure. Review of a hydrograph of monthly mean levels of the Great Lakes indicates that, except for short periods of time during the year (one or two months) when the top several inches of the piles may have been above the level of the lake, there has been no major exposure of the pilings to air. These pilings should therefore be in relatively good condition.

In conclusion, it appears the ore dock has very good structural integrity. It must be emphasized again that when the ore dock is seriously considered for adaptive reuse, a detailed structural analysis should be commissioned.



PROJECT GOAL AND OBJECTIVES

PROJECT GOAL AND OBJECTIVES

The City of Marquette has undertaken a considerable amount of discussion and has generated substantial interest within the community about the future of the Lower Harbor area. Prior to commissioning this Plan, the City had established a well-defined set of parameters that were to be followed in developing the project area design. These parameters have been categorized into six major objectives under the one goal of redeveloping the lower harbor shoreline. To maximize the opportunities for redeveloping the shoreline, a number of design concept options have been assigned to each objective. These options provide for different ways to accomplish the same objective and become the basis for alternative site designs. In many instances, more than one option can be utilized to achieve a particular objective.

The following goal, objectives and design concept options for the Lower Harbor area will be used in the development of alternative conceptual designs for this study.

GOAL: Redevelopment of the Lower Harbor Shoreline and Dock Areas

OBJECTIVES:

A. Provide for People Access (Public and Private)
B. Preserve View of the Lake
C. Provide Linkages Between Downtown and the Lake
D. Achieve a Development Intensity that is Consistent with the Scale of Downtown
E. Retain Preferred Businesses, that:

    1. Provide/Maintain Public Lake Access
    2. Generally Attract the Public
    3. Increase Tourism
    4. Complement Existing Development

F. Improve the Aesthetics of the Site

STUDY AREA DESIGN CONCEPT OPTIONS

A. Provide for People Access

    1. Complete Lake Access (Keep Shoreline Clear) for Public
    2. Limited Lake Access (for Public and Private)
    3. Access for Public Separate from Private Access Along Entire Shoreline

B. Preserve Lake View

    1. Large Open Space Areas

2. Low-lying Buildings
3. Eliminate Ore Dock
4. Prohibit all Development

C. Provide Linkage Between Downtown and Lake

1. Pedestrian Access Only
2. Vehicular Access Only
3. Combine Vehicular/Pedestrian Access
4. Site and Building Design Compatible with Downtown
5. Use Existing Rail System
6. Eliminate Existing Rail System

D. Development Intensity Consistent with Downtown Scale

1. "Step-down" Gradient Intensity from CBD to Shoreline
2. Same Intensity as CBD (Overall Sq. Ft. of Building Space per Acre)
3. Combined Similar Intensity/Gradient

E. Preferred Businesses, that:

1. Provide or Maintain Public Lake Access

   a. Recreation-Oriented
   b. Passive Viewing Oriented
   c. Combination a. and b.

2. Generally Attract Public

   a. Recreation
   b. Retail
   c. Historical/Informative
   d. Eating/Drinking
   e. Tourist-Oriented
   f. Living
   g. Office

3. Increase Tourism

   a. Specialty Shops
   b. Historical Interests
   c. Eating/Drinking
   d. Formal Amusement/Recreation
   e. Hotel/Motel

4. Complement Existing Development

   a. Relate to Lower Harbor Park
   b. Use Existing Structures

c. Eliminate all Existing Structures
d. Design Similar to Downtown Buildings
e. Design Compatible with Downtown Buildings
f. Industrial Development
g. Commercial Development
h. Recreational Development
i. Use Existing Rail System

F. Improve Aesthetic of Site, through:

1. Natural Landscaping
2. Art and Structure
3. Removal of Ore Dock
4. Adaptive Reuse of Ore Dock
5. Removal of Storage Tanks
6. Adaptive Reuse of Storage Tanks
7. Building or Landscaping Around Storage Tanks

ALTERNATIVE DESIGN CONCEPTS

ALTERNATIVE DESIGN CONCEPTS

To determine an optimum site design for the Lower Harbor Redevelopment area, it is necessary to develop a rational process of putting together alternative conceptual land use configurations. The four land use configurations described in this section are based upon preliminary design concepts advocated by the City and discussions that were held during public meetings on the redevelopment plan. Each of the four preliminary alternatives is designed to meet all the design concepts established by the City (these are designated as Objectives in Section IV): provide for public and private access to the lake; preserve views of the lake; provide linkages between downtown and the lake; establish a development intensity that is compatible with the scale of the Central Business District; encourage businesses that provide and maintain public lake access, generally attract the public, increase tourism and complement existing development; and improve the aesthetics of the site.

There are a variety of activities and land use configurations and relationships that have the potential of meeting all of those objectives. The four presented here are examples of how the defined concepts (objectives) can be transformed into workable land use patterns. In the first alternative (see page 52), park and open space area and residential land use cover the largest portions of the site. Park/open space lands are located between the railroad right-of-way and shoreline, keeping much of the shoreline in its natural state and encouraging public access to the site and the shoreline. Residential (mixed use) activities are on the higher elevation west of the rail line and immediately south of the ore dock. The location of housing on the site will generate more consistent, intense activity and better security in the Redevelopment Area. The ore dock is to remain intact and expanded and redeveloped into a multiple use facility, consisting of specialty retail stores, parking and boat storage. The dock will be expanded to provide a covered 'mall' linking the existing structure with the buildings on Front Street, essentially physically tying the ore dock into the Central Business District. Additional commercial activity, limited to pedestrian traffic, is designated in this alternative for the area north of the ore dock. Public off-street parking is proposed between this commercial area and the shoreline to serve the activities in the commercial area and the fish dock, which is to remain intact with moderate or minimal alteration. An office 'park' is scheduled for the parcel between the fish dock and the Lower Harbor Park as well as around the Chamber of Commerce office south of Baraga Street. As with residential land uses, offices in these areas are intended to heighten the pedestrian activity that takes place on the site. A public/cultural land use is proposed south of a line representing the easterly extension of Baraga Street. This site would include such uses as public botanical gardens, the

display of a replica of a Great Lakes schooner, ice skating rink, etc. A small recreational vehicle park for tourists and travelers would be located south of the public/cultural site. This would facilitate tourist access to the activities taking place in the Redevelopment area. Finally, a greenbelt (approximately 15 to 20 feet wide) would be located along the entire shoreline for direct public access to the lake and a bikepath would continue through Lower Harbor Park along Lakeshore Boulevard to Baraga Street, then south along Front Street to connect with the existing bikepath near the municipal power plant.

In Alternative 2 (see page 53), the R.V. park and office space take up the largest portion of the site. This alternative allows for a larger R.V. park to accommodate more vehicles and to utilize more of the shoreline. Office space is located along Front Street, with a density that would complement the existing land uses and traffic volumes in that area, and again, promote daily pedestrian use of the commercial activities proposed for the redevelopment site (e.g., restaurants for business lunches). The existing Lakeside Park and the land surrounding the Chamber of Commerce building will remain an expanded park/open space site. The ore dock would, as in Alternative 1, become a multiple-use facility, with specialty shops, parking, restaurants, boat storage, fishing and boating facilities. The dock would be extended back only to the shoreline and pedestrian and vehicular entrances would be located at that point. The fish dock would also be retained in this alternative. Off-street parking would be established between the ore dock and the Lower Harbor Park, to serve the fish dock and smaller clusters of retail commercial establishments. A public/cultural activity area would be situated on the site between Baraga and Spring Streets, for uses similar to those described in Alternative 1. Residential (mixed) use would be placed between the public/cultural area and the recreational vehicle park. This would facilitate more intensive daily use of the shoreline and the commercial businesses designated for this area. A combined bikepath/pedestrian greenbelt is proposed along the shoreline between Lower Harbor Park and the R.V. park, where the bikepath separates from the pedestrian walkway and runs south adjacent to the railroad line. The pedestrian greenbelt continues along the shoreline and terminates at a small public open space area.

Alternative 3 (see page 54) allocates the southern half of the redevelopment area to residential use, on both sides of the railroad right-of-way. Office space is located around the fish dock and south of the ore dock, promoting easy access for employees to daytime public and commercial activities on the site. Public off-street parking is placed between these two clusters of office space to serve both, as well as the fish dock and, in part, the ore dock. South of the southerly office area (adjacent to the easterly extension of Baraga Street) is a public/cultural site with uses as identified in Alternatives 1

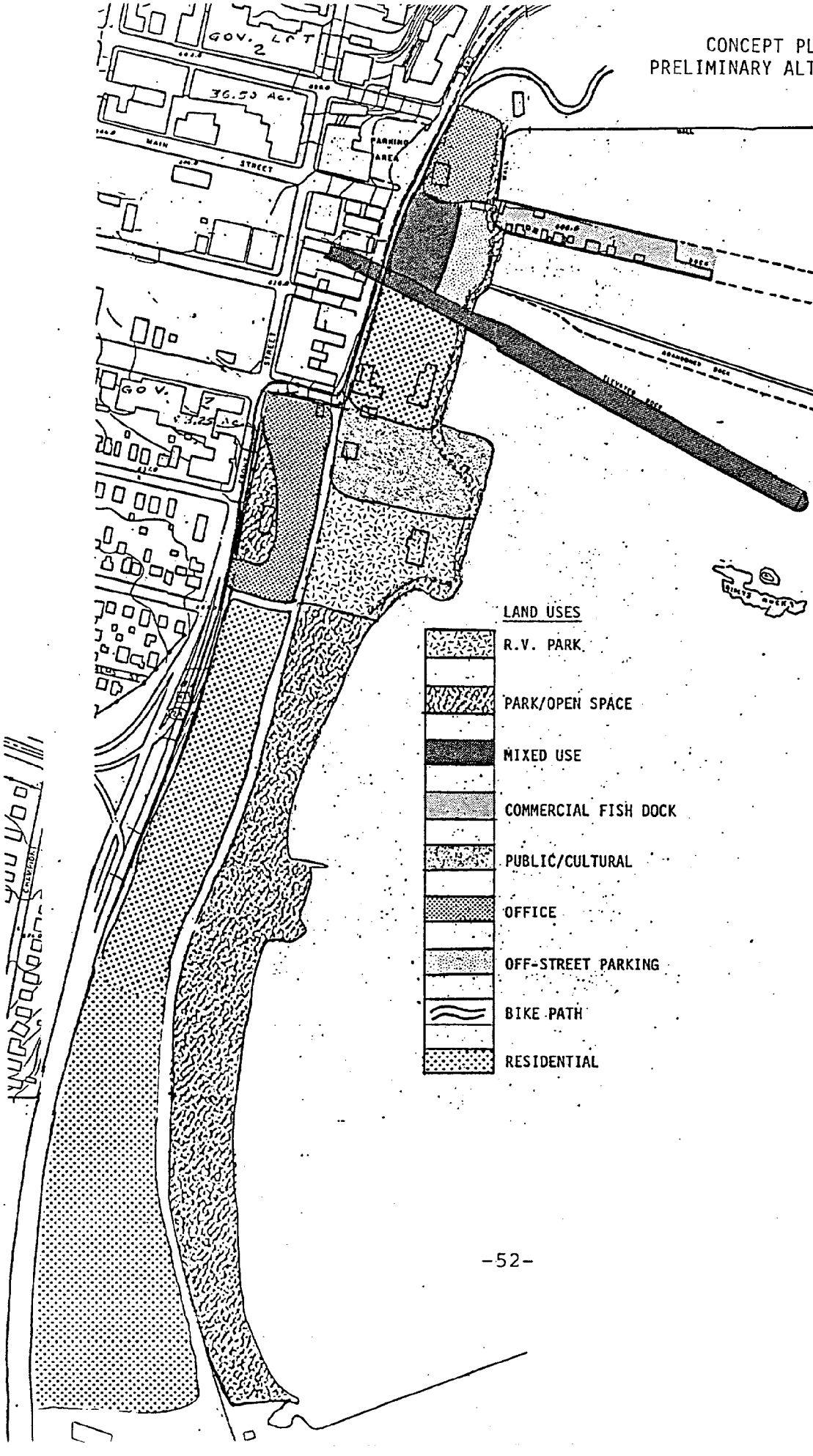
and 2. Immediately west of this area, south of Baraga Street, the existing off-street parking facility is proposed for expansion and improvement. Lakeside Park and the Chamber of Commerce building are included in an expanded park/open space site, with a view of the shoreline. As in the first two alternatives, a greenbelt is provided along the shoreline. Between the Lower Harbor Park and the easterly extension of Baraga Street, the bikepath and pedestrian walkway within the greenbelt are coterminous. The bikepath at this point heads west along Baraga to Front Street, then south to join with the existing bikepath on Lake Street. In all three alternatives, it is assumed the Lower Harbor Park will be developed, for the most part, according to the park plan that was recently drafted. That includes an improved marina, parking area and bikepath through the middle of the park. All three of the concepts described here call for joining the bikepath in the development site with the bikepath proposed for Lower Harbor Park to the north and the existing bikepath terminating near the municipal power plant to the south.

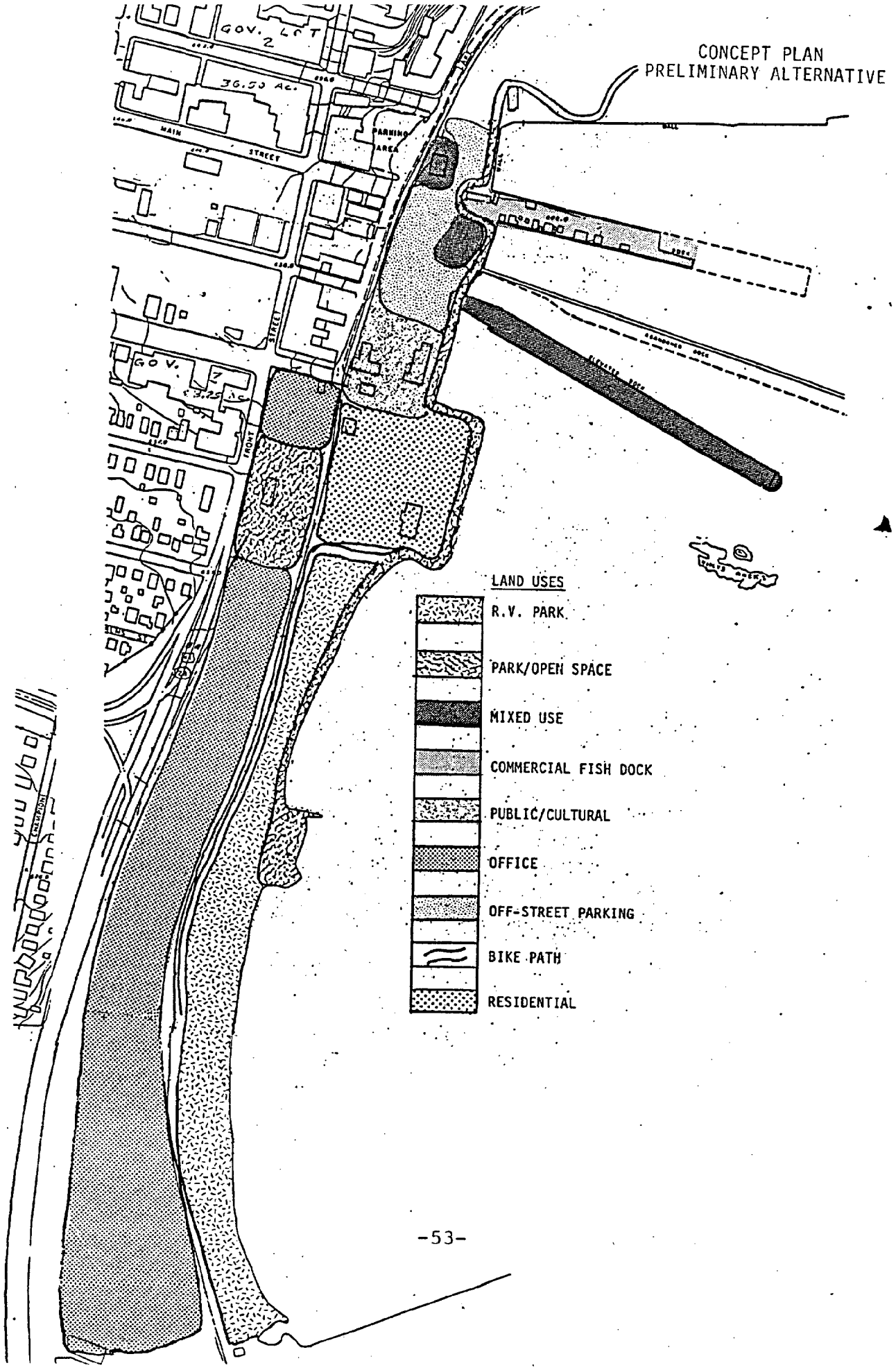
All of the above concepts concentrate the higher intensity uses, e.g. mixed commercial activities, on and around the ore dock and assume the ore dock itself will be a privately developed facility. A fourth alternative (see page 55) centers on the concept of limiting the ore dock to public access for water-oriented uses. Such activities could include boat dockage, fishing, pedestrian walkways, and special public events. This alternative is predicated on the possible limitation of dock usage by the State under the Submerged Land Act. In this alternative, the ore dock would be partially dismantled and the superstructure leveled to an elevation of 6 to 8 feet above the lake and reconstructed to accommodate pedestrian and vehicular access. Entrance would be directly from the shoreline. Public parking would be constructed on the shore west of the ore dock, with facilities for launching larger pleasure craft. The fish dock would remain and commercial nodes (limited to pedestrian traffic) would be located on either end of the parking lot. A public cultural area would be constructed adjacent to the southernmost commercial site. South of the public/cultural area, and separated from it by a greenbelt/open space area, a recreational vehicle park would be developed. This R.V. park would continue to the municipal power plant and also be located between U.S. 41 and the railroad right-of-way, south of the U.S. 41-Front Street intersection. An office park would be constructed north of this area along Front Street. The site around the Chamber of Commerce building and Lakeside Park will be retained as a park/open space site. The existing parking lot south of Baraga Street would be expanded and improved. A public linear greenbelt would again be located along the shoreline and include a bikepath between the Lower Harbor Park and an imaginary line representing the easterly extension of Baraga Street. The bikepath then runs south along Lake Street (which is constructed adjacent to the existing rail line to connect with U.S. 41 near the municipal power plant.

These alternatives were presented at public meetings for review and discussion. As preliminary alternatives, they were subject to revision. The two final design concepts presented here (see pages 58 and 59) are the results of these meetings and discussions. Concept A (the preferred land use program) is based upon redeveloping the ore dock as a multiple use facility, incorporating private commercial activities and public access. Concept B differs from Concept A in that the ore dock is taken down to several feet above mean water level and limited to public access.

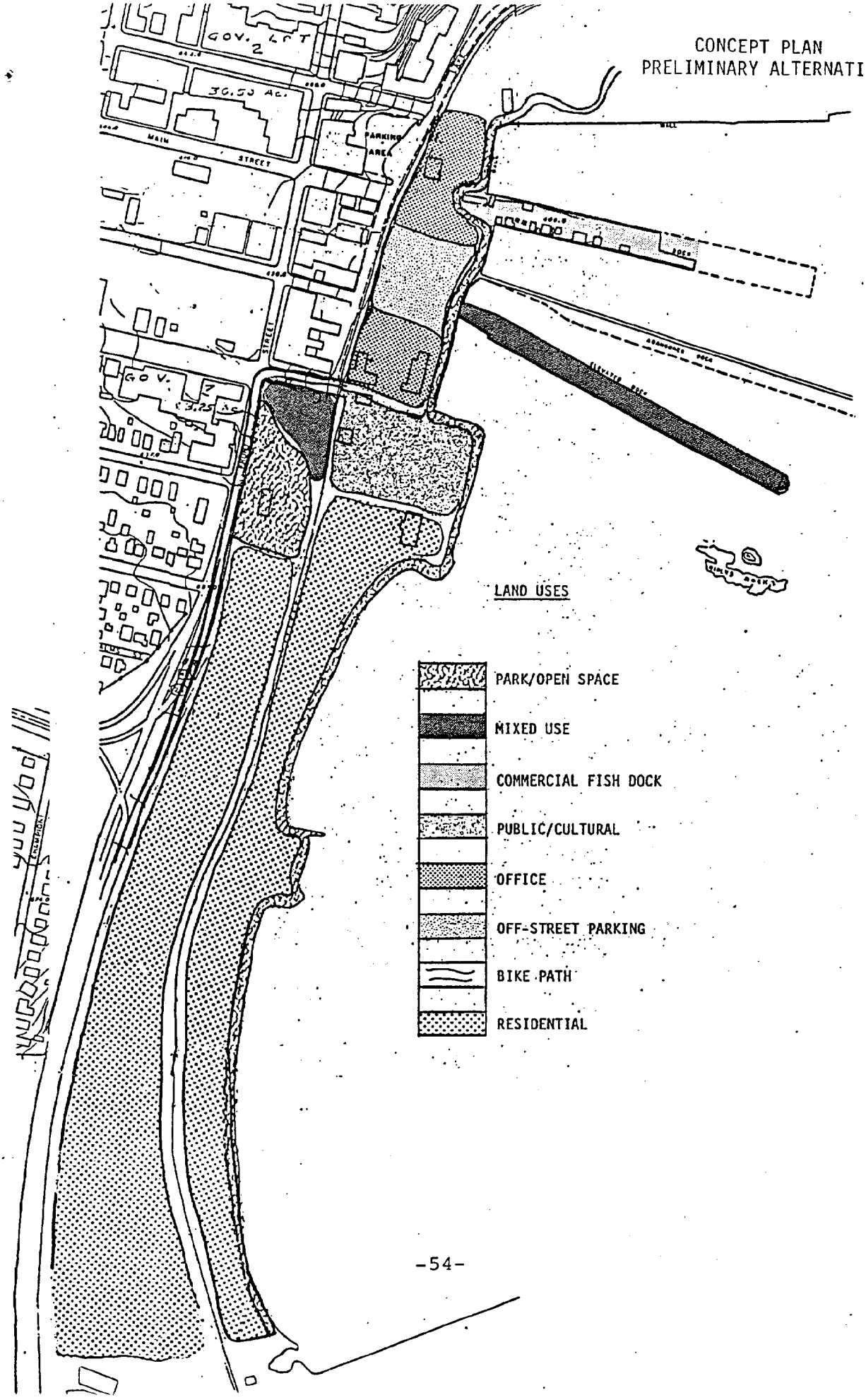
As a result of these public meetings, several concept design changes were suggested and various elements of each alternative were combined with elements of other alternatives. The two final design concepts presented here will be used as a foundation for the final site design.

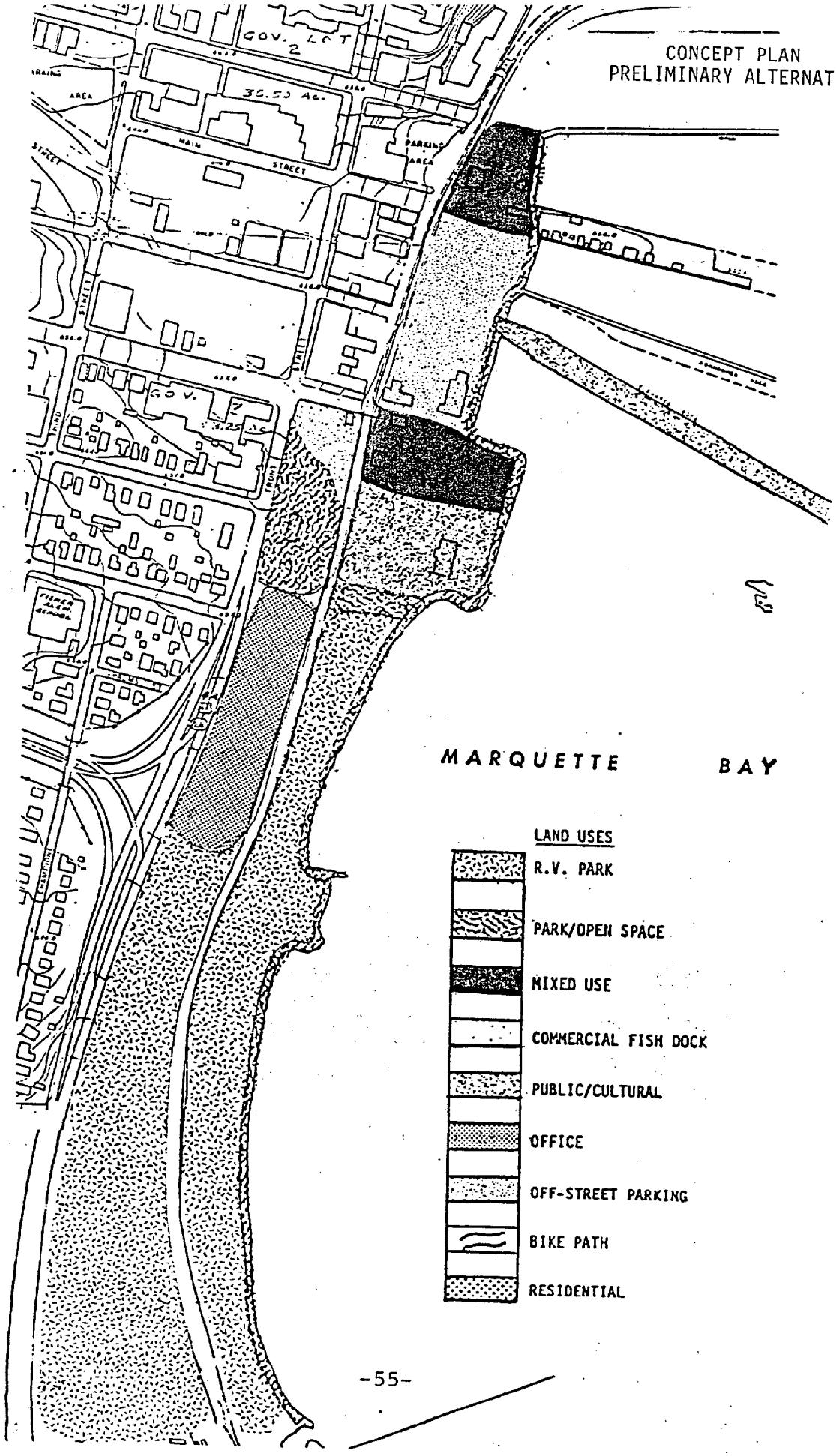
CONCEPT PLAN
PRELIMINARY ALTERNATIVE 1




CONCEPT PLAN
PRELIMINARY ALTERNATIVE 2
GOV. LOT 2
36.50 Ac.
MAIN STREET
PARKING AREA
GOV. LOT 1
3.25 Ac.
FRONT STREET
LAND USES
R.V. PARK
PARK/OPEN SPACE
MIXED USE
COMMERCIAL FISH DOCK
PUBLIC/CULTURAL
OFFICE
OFF-STREET PARKING
BIKE PATH
RESIDENTIAL

CONCEPT PLAN
PRELIMINARY ALTERNATIVE #3




CONCEPT PLAN
PRELIMINARY ALTERNATIVE 4
GOV. LOT 2
36.53 Ac.
MAIN STREET
PARKING AREA
GOV.
MARQUETTE BAY
LAND USES
R.V. PARK
PARK/OPEN SPACE
MIXED USE
COMMERCIAL FISH DOCK
PUBLIC/CULTURAL
OFFICE
OFF-STREET PARKING
BIKE PATH
RESIDENTIAL

SELECTED SITE DESIGN CONCEPTS

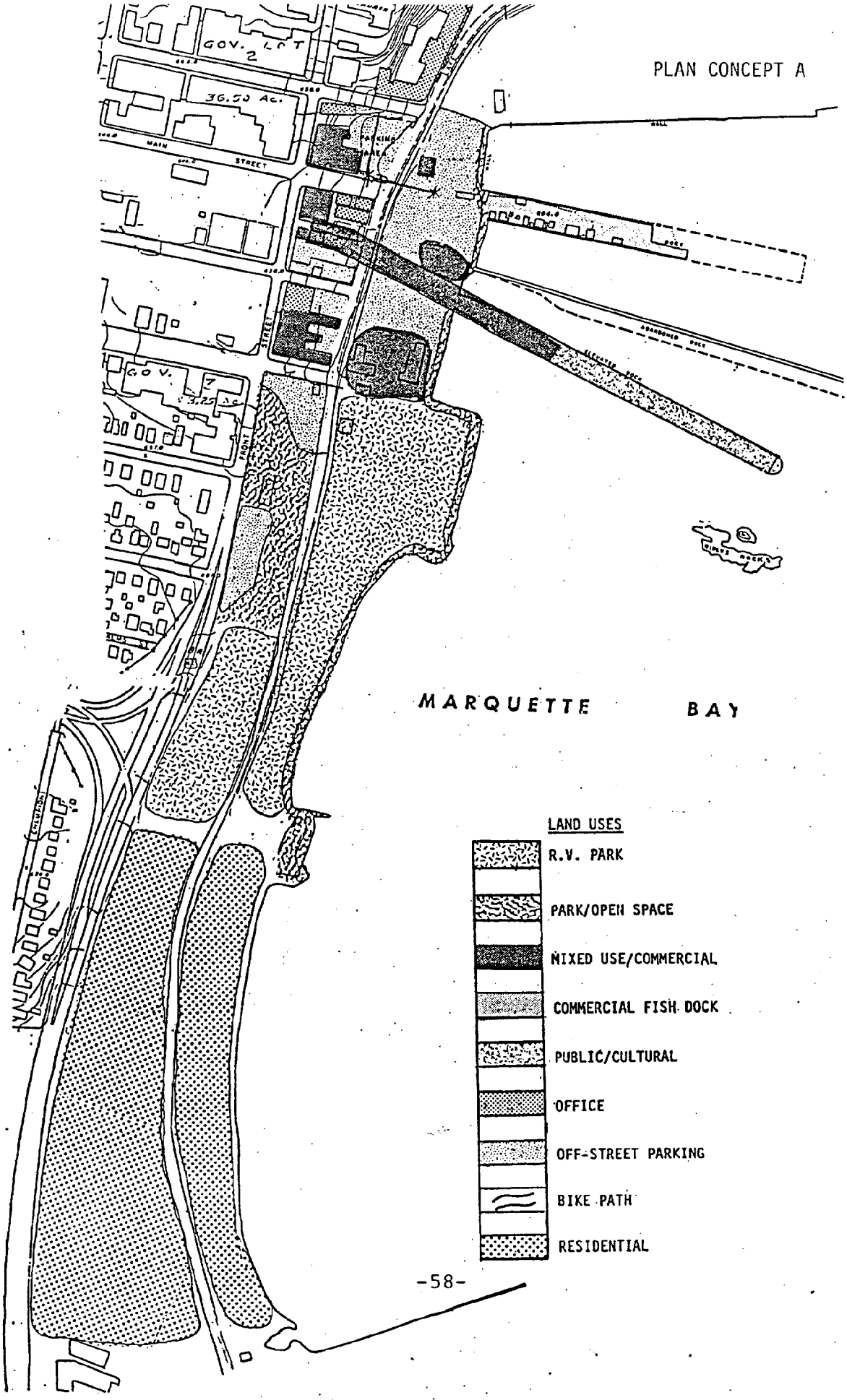
SELECTED SITE DESIGN CONCEPTS

Final Design Concept Alternative A and B are essentially combinations of the four preliminary alternatives described and they also contain several additional proposals that were not included in those alternatives.

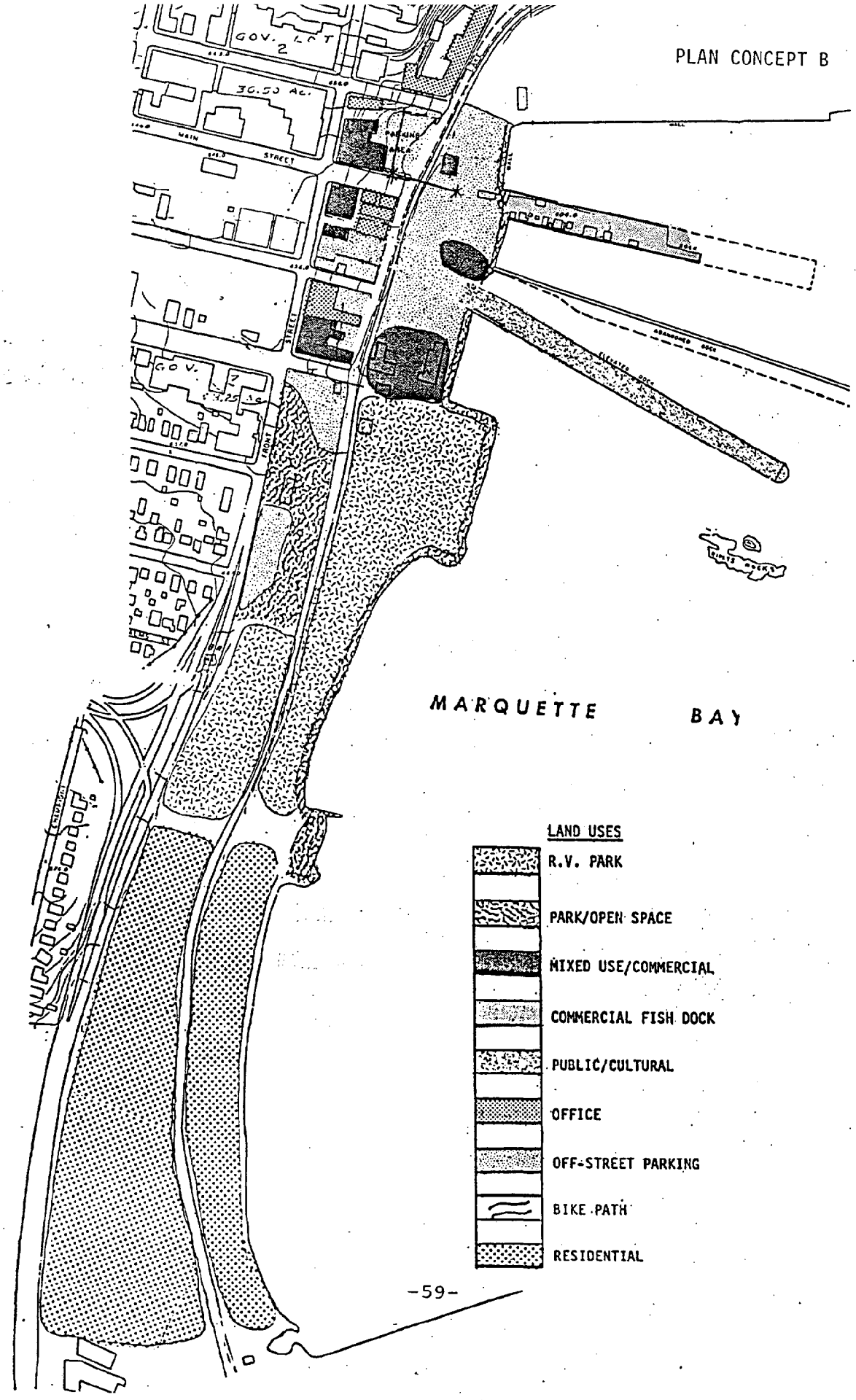
In Alternative A (see Plan Concept A, page 58), the redevelopment site (the area east of Lakeshore Boulevard) is more significantly tied into the Central Business District through provisions for off-street parking and pedestrian walkways west of Lakeshore Boulevard. Specifically the parking lot west of Lakeshore Boulevard between Washington and Main streets is proposed for expansion and improvement, becoming a two-story parking structure with vehicular and pedestrian access off of Front Street and Washington Street. Washington Street would be closed off entirely to vehicular traffic or traffic flow would be reduced substantially to accommodate more pedestrian traffic. A pedestrian bridge would provide linkage between this area and the redevelopment site east of Lakeshore Boulevard. Off-street parking would be provided east of Lakeshore Boulevard in this area to accommodate parking demand for the Lower Harbor Park, the fish dock and other public and commercial activities adjacent to this site. A public/private marina would be placed on the shoreline adjacent to the ore dock to serve the needs of larger pleasure boats. South of the ore dock, additional off-street parking would be provided. The ore dock itself would be tied into the business area on Front Street between Main Street and Spring Street via an enclosed pedestrian "mall". Parking would be located at ground level under this "mall" structure. A private amusement/ recreation park would be located south of the parking lot. This park would house, among other attractions, a railroad passenger station for a small steam driven passenger train that would make scheduled runs between the Lower Habor and Presque Isle Park, using the existing rail line. This would primarily serve visitors of the adjacent recreation vehicle park as well as other tourists. A mixed residential area would be located south of the R.V. park and Lakeshore Boulevard would be extended to accommodate local and R.V. traffic as well as the shoreline bikepath. The superstructure of the ore dock would be used for mixed commercial uses, parking and/or boat storage and public access. About one-third of the top deck would consist of an enclosed commercial area. The remaining two-thirds would be for public access, with a museum or working model of the ore mining and loading process, an observation deck and access to a full size ore freighter on display on the south side of the dock. A boardwalk and boat slip would be constructed just above water level on the north side of the dock. The greenbelt walkway would be placed along the shoreline to a public viewing site between the R.V. park and the residential area. Additional parking would be located near the Chamber of Commerce office for R.V. and tourist use.

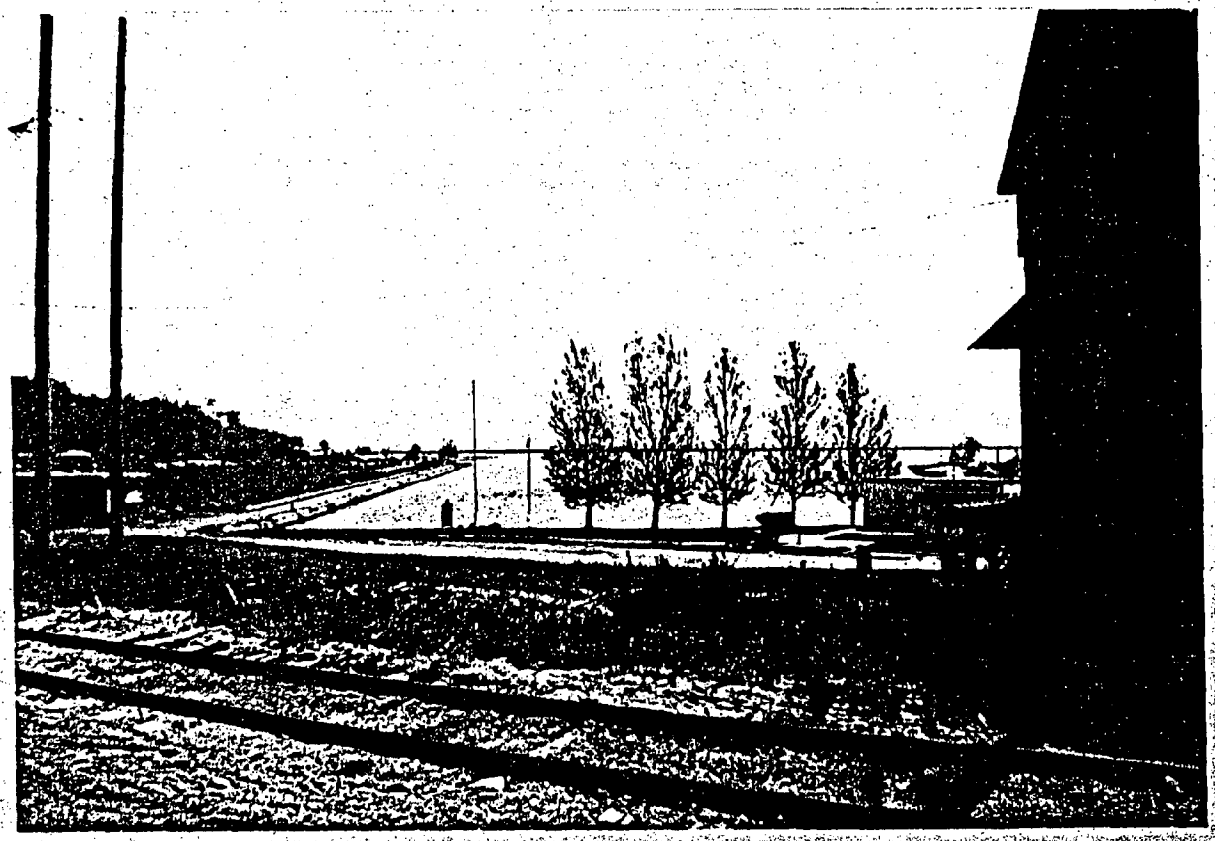
Under Alternative B (see page 59), virtually all uses will remain as in Alternative A, except that the ore dock would be dismantled to approximately eight to 10 feet above lake level and would be used for pedestrian and vehicular access (parking) to include walking, fishing and boat mooring. A rest area/observation deck would be located at the end of the dock. Private commercial activities would be prohibited or limited to a few select uses, such as a mobile hot dog/ice cream stand, bait shop, or other similar retail operations.

PLAN CONCEPT A



PLAN CONCEPT B





SHORELINE REDEVELOPMENT PLAN

PREFERRED
SHORELINE REDEVELOPMENT PLAN

The following describes the specific improvements recommended for the Redevelopment Area, based upon the selected concept plan for the site (see Map 15). In general, the plan calls for commercial and quasi-public uses for those portions of the site north of the existing petroleum storage tanks, establishing a relatively intense activity area. The area south of the present storage tanks to the approximate northern edge of the rail storage yard will be primarily devoted to a recreation vehicle park. The portion of the site south of this point to the municipal power plant will be allocated to mixed residential use. New streets and pedestrian/non-motorized vehicle paths will be constructed throughout the site. Redevelopment of this area will require the retention and improvement of some structures to blend into proposed uses and the demolition of others to accommodate new development.

While this plan does address removal or reuse of the five docks in the area, these docks are all owned by the Soo Line Railroad. It is the City's belief that these docks are in trespass on the state owned bottom lands of Lake Superior. This belief is based upon a trespass suit filed by the Michigan Department of Natural Resources against the Soo Line in late 1986. It is understood that any use of these five docks will require review by the Michigan Department of Natural Resources under Act 247 of 1955 as amended. It is also understood that the likelihood of deeds being issued for the bottomlands occupied by these docks is very small.

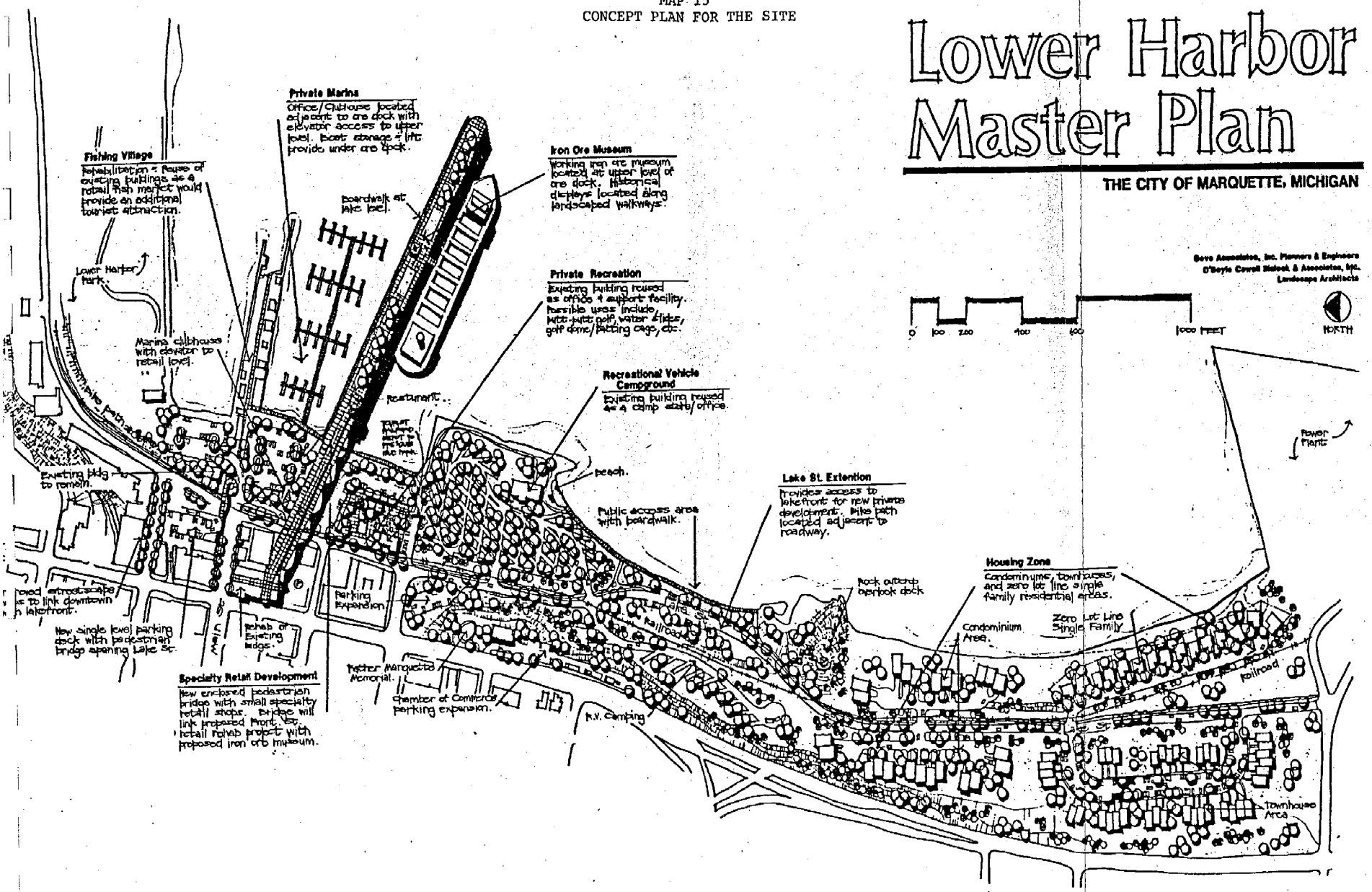
Retention

A number of existing structures will be retained including the Peterson Glass building, all of the existing buildings on the fish dock, the redstone or sandstone building at the northeast corner of Baraga and Lake Street, the superstructure of the ore dock, the building currently housing offices and equipment associated with the storage tanks, and the Chamber of Commerce office. These structures may be remodeled structurally or their facades may be renovated to appropriately reflect marine-oriented activities. The exception is the Peterson Glass building, which should remain essentially intact. The redstone or sandstone building is an example of the older buildings of Downtown Marquette made of stone indigenous to the area. This structure should be preserved through renovation and used as a commercial building. The single main rail line parallel to Lakeshore Boulevard and running through the middle of the site will be retained.

Demolition

All other existing buildings and structures on the site are scheduled for demolition. Those include the buildings located on the Lower Harbor Park property, the yacht club building, the quonset hut and office belonging to the construction company, the boat

MAP 15
CONCEPT PLAN FOR THE SITE



sales and repair building, the petroleum storage tanks and associated buildings and fences, the rail storage yard buildings on the southern end of the site, the rail lines running to the rail storage yard west of the Central Business District between Washington and Main streets, all spur trackage, and the rail siding tracks in the southern portion of the site. In all, there are 23 frame buildings, nine storage tanks and approximately 26,000 linear feet of railroad track that need to be removed. In addition, about 30,000 square feet of deteriorated or unused dockage and petroleum loading/unloading facilities are proposed to be removed, as is the trestle leading to the ore dock. Removal of the trestle would result in an easement that could be used for the placement of buildings or street right-of-way between Front and Fourth streets. There are also several privately owned commercial buildings bordering U.S. 41 near Hampton Street. To facilitate residential development in this area, it will be necessary to either relocate these businesses or, if possible, replat the lots on which they are located to decrease lot depths, allowing more room for residential development.

New Construction/Renovation

The majority of the site is scheduled for new construction and landscaping. Commercial construction consists of redevelopment of the ore dock, a new marina, private amusement park, an extension of the ore dock to Front Street with possible renovation or redevelopment of existing buildings on the east side of Front Street between Main and Spring streets, preservation/renovation of the redstone building east of Lakeshore Boulevard development of a recreational vehicle park, including renovation of the existing office/storage building between the two sets of storage tanks. Residential development consists of single and multiple-family housing and public/quasi public facilities consist of collector and local streets, off-street parking, a two story parking structure, boardwalk, bikepath, small beach, picnic area, observation deck and pedestrian lighting, benches, signage and landscaping. Natural gas, water, sewer, and electrical utility expansion will also be required to accommodate the development called for in this plan.

Commercial

Almost all new commercial development within the site will be integrated into the ore dock. The concrete superstructure of this facility will essentially remain intact, with necessary structural improvements. The top deck will be reconstructed to house a mixed use glass enclosed mall on the western one-third of the dock. The remaining two-thirds of the structure will be retained for public access with activities consisting primarily of strolling, viewing of the harbor and the downtown area, and entry into an actual iron ore freighter which will be berthed on the south side of the dock as a tourist attraction. The top of

the deck would have landscaping in portable planter boxes, an observation deck, seating and pedestrian lighting. A museum containing a working scale model of the ore dock showing the actual loading of a freighter, would be located on the deck. To connect the ore dock to Front Street, a new structure approximately the same width as the ore dock and bridging Lakeshore Boulevard and the rail line, would be built. This structure would allow access at the Front Street level and gradually rise to the elevation of the top deck of the ore dock. It would contain retail and office space and be glass enclosed. The existing vacant buildings on Front Street that this new structure would tie into should be renovated or, if renovation is not economically viable, they should be removed and replaced with linear extensions perpendicular to this bridge structure along the east side of Front Street. The resultant mixed use mall including the western one-third of the ore dock and the new 'bridge' structure would encompass 54,000 square feet of circulation, retail and service, commercial and office space. The site should be limited to "specialty" commercial businesses, such as restaurants, clothing, gift, bookstores and professional office space.

The interior of the ore dock could be used for loading and unloading of freight for the businesses in the mall, using an elevator or conveyor system. Boat storage, connected with the marina, would also be accommodated in this space. It is also possible that additional parking, consisting of one row of parking bays and room for two-way traffic, could be located within the superstructure. Access to the top deck from the interior would be by ramp or elevator.

The fish dock and its existing buildings would remain essentially intact and fish would continue to be commercially sold on the site. The building now occupied by Peterson Glass would remain and continue its present use. The redstone or sandstone building adjacent to Lakeshore Boulevard would be renovated while retaining as much of its original design and materials as possible and be used for specialty commercial use oriented to tourist trade or a passenger station for the proposed passenger rail system. A new marina would be constructed between the ore dock and fish dock. The facility would accommodate the sale and repair of pleasure boats and accessory items, the launching and removal of larger craft (incorporating onshore removal with a lift mechanism) and storage of boats in the interior of the ore dock. The Marquette Yacht Club would also be housed in this building with separate private access and facilities.

An amusement recreation park, covering about one and one-half acres, including its own off-street parking facility for about 25 vehicles, will be placed south of the ore dock. The park could house such activities as a miniature golf course with steep terrain, waterfall, tunnel, ponds, etc. and a water slide. This facility would lend itself to seasonal use from occupants of the adjacent R.V. park and other tourists.

The recreational vehicle park will encompass about 8.3 acres and contain enough spaces for approximately 50 motor homes, trailers, fifth wheelers, pop-up campers, etc. The building scheduled to remain on this site will be used as Park office, R.V. repair and sales facility. This park would contain full service hookup for each site, have paved roads and storm water drainage as necessary, and be landscaped and have appropriate lighting. It will contain approximately 3,500 linear feet of street surface. The existing building housing the machine shop on the west side of Lakeshore Boulevard between Main and Spring streets should be redeveloped into office or commercial space more compatible with existing and proposed land uses.

All of the above commercial endeavors would be privately owned and operated, except for that portion of the ore dock scheduled for public access, including the ore freighter. The operation and maintenance of this eastern two-thirds of the ore dock superstructure and the freighter would be the responsibility of a public or quasi-public entity, such as a Port Authority, Harbor Commission, or other such organization.

Residential

The southern portion of the Redevelopment Area is scheduled for mixed residential development. About 20 acres is allocated to this activity, which will consist of three separate housing areas and types of units, with densities ranging from five units per acre to eight units per acre. Approximately 100 units, and possibly 150 units, could be developed on this 20 acre site.

The northern portion of the residential area is almost seven acres of condominium housing. This area will contain about 41 units, or approximately six units per acre. These units will be developed in clusters separated by open space areas. Lake access will be available to owners of these units. Single-family units would be constructed south of the condominium development and on the shoreline. These would be platted as zero-lot-line residential lots whereby one side of each unit could abut the property line, allowing for a higher density while retaining a reasonable amount of open space between each unit. This area encompasses about three acres and contains approximately 15 units, for an average density of five units per acre. On the west side of the site, between the extension of Lakeshore Boulevard and M-41, approximately six acres have been set aside for 47 units of townhouse (or condominium) development. This area has a density of approximately eight units per acre, which could be doubled if two story separate units are built. These are also to be built in clusters, with expanses of open space between concentrations of housing.

None of the units will access directly to the proposed Lakeshore Boulevard extension, but will abut on narrower local streets or drives. The residential portion of the Redevelopment Area is separated from the recreational vehicle park by about 400 linear feet of open space west of Lakeshore Boulevard and 1,200 linear feet of open space on the east side of Lakeshore Boulevard.

Public Improvements

To facilitate the variety of uses proposed for the Shoreline area, it is necessary to construct a number of different public improvements to serve these uses. Paved streets, sewer, water and stormwater placement will comprise the majority of required public improvements. The plan proposes that Lakeshore Boulevard be extended from Baraga Street south to Hampton Street for a distance of about 3,250 feet. This extension of Lakeshore Boulevard would allow for local through traffic movement* and serve the proposed residential areas and recreational vehicle park. This street would have a pavement width of 22 to 24 feet with a 66 foot right-of-way. Approximately 2,350 feet of local streets, loading onto Lakeshore Boulevard, would be constructed to provide access to the proposed residential developments. These streets would consist of three loop service roads and one cul-de-sac. The R.V. park would have approximately 3,500 linear feet of service road, ranging from 10 to 20 feet in width to serve the approximately 50 spaces. These R.V. park streets could be one-way loops and they are separated from the heavier traffic flows of Lakeshore Boulevard. Appropriate signage would be placed on this system to prevent through traffic from using the R.V. park.

An easterly extension of Main Street (approximately 200 feet long) would be constructed to provide access to the off-street parking area east of Lakeshore Boulevard and would also provide a visual linear linkage to the fish dock.

Pedestrian movement within and to the site is critical to the success of the redevelopment area as a people-oriented place. Direct access to the lake is also important as a design factor. Consequently, the plan provides for about 1,750 linear feet of six foot wide wooden boardwalk and 1,500 linear feet of six foot wide asphalt walk along the shoreline between the Lower Harbor Park on the north and an observation/focal point between the R.V. park and the residential area to the south. This linear walkway/boardwalk would be limited to pedestrian use and contain pedestrian scale lighting and park benches placed at appropriate

*Local traffic that would use Lakeshore Boulevard for access to the site and possibly continue through to the Upper Harbor or to Harvey, as opposed to general recreational and business traffic that would use U.S. 41 and Front Street.

intervals and be designed and constructed with a railing for pedestrian protection. An additional boardwalk would be constructed along the north side of the ore dock to be used for fishing, boat mooring and general pedestrian access.

A beach area would be provided along the shoreline for public use. This would be located between the R.V. park and the roadside park and the walkway/boardwalk would provide access to it. An observation deck would provide a pedestrian focal point about 800 feet south of the beach. This deck could contain a gazebo-like structure and be built on a man-made hill. This would provide a Lower Harbor observation point. Access to the deck would be by a boardwalk stairway. A Class II bikepath would be constructed adjacent to the east side of Lakeshore Boulevard. This park would run the full length of the site and connect with the proposed Class I bikepath in Lower Harbor Park and the existing bikepath on Lake Street to the south. This 4,500 feet of Class II bikepath would complete the City's shoreline bikeway system.

Off-street parking facilities would be constructed for public and private use. New public off-street parking would be located in two lots on the shoreline north and south of the fish dock and in the block west of Lakeshore Boulevard between Washington and Main streets. The northern lot adjacent to Lower Harbor Park would contain approximately 20,000 square feet, or roughly enough spaces for 56 vehicles. The southern most lot would encompass about 80,000 square feet and contain enough spaces for approximately 85 vehicles, for a total of about 140 vehicles for both lots. These parking areas would have entrances and exists on either side of the road that is the easterly extension of Main Street and be heavily landscaped and well lighted. The northern lot would also access to Lakeshore Boulevard. They would serve the Lower Harbor Park, the fish dock, the Peterson Glass Company building, the proposed marina/yacht club, the boat launch area and the ore dock. Additional off-street parking would be placed in an existing lot on the west side of Lakeshore Boulevard and a new deck to be constructed over the lot. The revamped parking area would be able to contain approximately 125 vehicles, with entrances and exits off of Lakeshore Boulevard and Front Street. An elevator would be placed in this structure to facilitate pedestrian access to and from Front Street. This additional parking would essentially handle any overflow from the off-street parking on the east side of Lakeshore Boulevard. The construction of a new parking deck and elevator would help provide a linkage between the central business district and the Redevelopment Area. Further linkages between the central business district and the activities east of Lakeshore Boulevard would be provided by a pedestrian walkway and bridge spanning Lakeshore Boulevard. This walkway would begin on Washington Street east of Front Street and access the proposed parking deck. It would traverse the deck parallel to Front Street and then run

eastward to the southeast corner of the deck. At that point a pedestrian bridge would be built over Lakeshore Boulevard and the single set of railroad tracks to a pedestrian walkway adjacent to the building occupied by Peterson Glass. From this point pedestrians would then gain access to the Lower Harbor Park, fish dock, marina and ore dock. This proposal would require that Washington Street between Front Street and Lakeshore Boulevard be altered to include more pedestrian space and landscaping and that vehicular traffic flow be reduced to one lane. The existing parking lot on the south side of Baraga Street would be improved with pavement and landscaping and contain enough spaces for about 15 vehicles. A pathway would link this lot with Lakeside Park and the Chamber of Commerce offices. Additional parking south of the Chamber building would be constructed for larger recreational vehicles, with entrances and exits onto Lakeshore Boulevard. This lot would provide enough parking space for 3 to 6 R.V.'s at one time and would act as an identifiable point of entrance into the downtown area and allow motorists to more easily recognize the Chamber building upon approaching this area.

All rail lines would be removed from the Redevelopment Area, except for a single set of tracks that would provide rail service between the ore dock at Presque Isle Harbor and the tracks belonging to the Soo Line south of the Redevelopment Area, which runs to Munising and other parts of the Upper Peninsula. At this time, it is projected that the Soo Line Railroad will turn over ownership and control of this line to the L.S.&I Railroad. This line can also be used as a means of transporting tourists between the Lower Harbor and Presque Isle Park. A passenger train or trolley could be purchased to make such scheduled runs during the summer months. A passenger station could be constructed adjacent to the R.V. park-amusement area or the existing redstone or sandstone building in this area could be adapted to a mixed commercial business/passenger station. The station should reflect the original architecture of early Marquette. A small steam engine and several passenger cars could be obtained to make the 10 mile round trip and tracks could perhaps be extended to the old depot in Presque Isle Park. An area would have to be set aside at each end of the trip to allow the train to switch direction for the return trip.

The existing water, storm water, sanitary sewer, natural gas and electric utilities on the site must have public easements to allow for access for removal, repairs or replacement. Consequently all structures, particularly the residences proposed for the south end of the redevelopment area must be located on the site so as not to interfere with access to existing underground utilities. All electrical transmission lines should be placed underground in proposed rights-of-way, such as Lakeshore Boulevard and the shoreline boardwalk/walkway.

Project Organization

The rational redevelopment of the Lower Harbor will require a combined effort among public and private interests. To successfully realize the implementation of this plan, an outline of how these interests might interact and combine forces to maximize the benefits of each party is presented here. This is only one suggested scenario. Circumstances, organization and individuals will determine what the final structure for implementation will actually be. At the present time, almost the entire shoreline area between the Lower Harbor Park and Lake Street near the municipal power plant is owned by the Soo Line Railroad, including the properties between Lakeshore Boulevard and Front Street on the west and Lake Superior on the east, and the five existing docks. The City owns the parcel on which the Chamber of Commerce Office and Lakeside Park are located. There are 11 separate parcels in the Redevelopment Area, plus the five docks of which two are delapidated. There are approximately seven lessees currently using these properties under contract with the Soo Line.

The State of Michigan is now in the process of suing the Soo Line Railroad, which ceased operations on the ore dock over a decade ago, claiming the company's dock trespasses on the bottomlands of Lake Superior and that the State has the right to demand removal of the dock in accordance with the Submerged Lands Act. The recent engineering study indicated, however, that the cost of dismantling the ore dock superstructure and trestle work leading to the dock would be over $4 million, which is prohibitive for all parties involved.

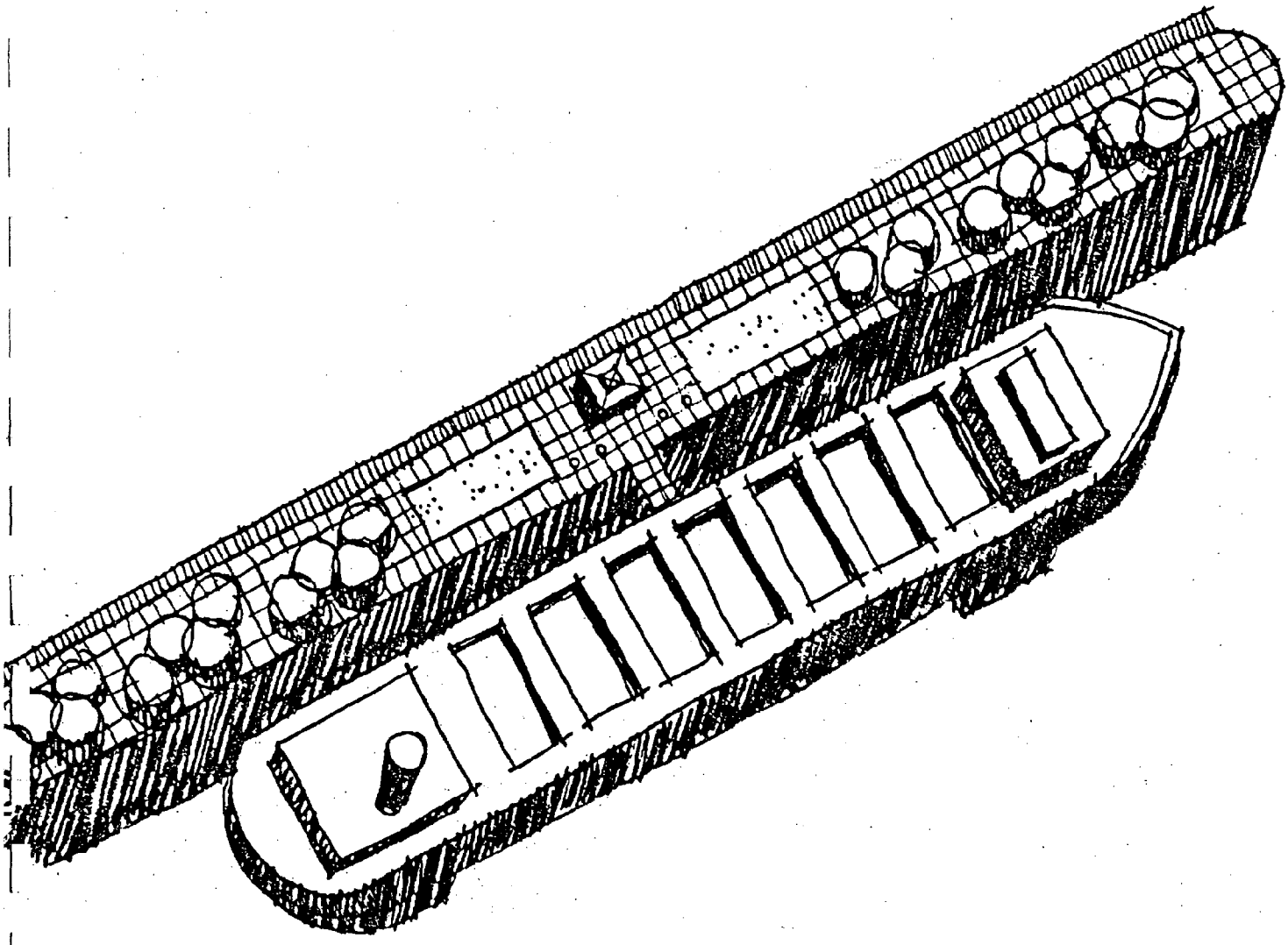
To realize the implementation of this plan, it is proposed that the Soo Line Railroad and the City of Marquette reach an agreement with the State of Michigan whereby the Soo Line turn over its interest in the ore dock to the City of Marquette for a $1 fee, provided that the City agrees to maintain at least a portion of the dock for public access. As compensation for being able to alleviate the financial burdens it would incur from having to dismantle the the ore dock or defend itself in litigation with the State, the Soo Line would also deed all of its shoreline property included in the Redevelopment Area, except for the right-of-way of the single set of tracks proposed to remain on the site, to the City. The Soo Line would therefore divest itself of all responsibilities and liabilities connected with the site and its redevelopment. Current leases of properties on the site would therefore be picked up by the City and would either be retained or terminated depending upon particular circumstances. The disposition of each lease would depend upon the status of that particular property in accommodating the redevelopment plan. That is, a parcel under lease that is scheduled for development in the earlier stages of the plan would have its lease terminated so that redevelopment could occur.

The City would retain the properties along the shoreline as a "land bank", to be held for development at the appropriate time. With full title to these parcels, the City can replat them to facilitate the proposed redevelopment program. Lease revenues would also accrue to the City. Most importantly, Marquette could, with little or no financial encumbrances on the property, afford to provide a substantial land "writedown" to entice developers to the site. Arrangements might also be made whereby the City would become a partner in one, several or all of the private developments proposed in the plan. Under such a scenario, the City could lease the particular property to the developer at a minimal rate and receive a stipulated percentage of net profits received from the enterprise. A specific municipal/ developer relationship should be established for each segment of the redevelopment program.

Public improvements would be required on the site, to have better control over the design and development of the area as well as to provide the necessary and desirable "infrastructure" to make the site more attractive to developers. These improvements would be made by the City, in phases that coordinate with projected private development, to ensure a quick return on public investment. The City would designate utility easements to guarantee access to existing utilities. The final site plan takes into consideraiton, as closely as possible with available information, the location of existing utilities. Should the actual location of those utilities be different, the alignment of proposed structures would have to be changed to ensure the ground above the utilities will remain free of buildings.

The key to implementation therefore, is cooperation, coordination, and perhaps even partnership between the City and private developers, precipitated by cooperation and agreement among the City, the Soo Line Railroad and the State of Michigan.

To guarantee the maintenance and improvement for that portion of the ore dock designated for public access, and if deemed preferable by the City, to designate responsibility for overseeing the development of the shoreline and maintenance of publicly owned facilities on the site, a Port Authority could be formed under Public Act 639 of 1978. The institution of a Port Authority by the City in conjunction with the County of Marquette, would establish an agency that would have the full-time responsibility for managing the redevelopment of the shoreline, maintaining the public facilities in the area and providing financing for public improvements. Under Act 639 the Port Authority could operate public boat dockage on the ore dock, apply for federal and state grants or loans, accept contributions, provide for special assessments and issue revenue bonds. While the City of Marquette has much the same power under existing laws, the advantage of establishing a Port Authority is that a body is thereby created that has the power and capacity to oversee the daily development and operational activities of the redevelopment area.



IMPLEMENTATION PROGRAM

IMPLEMENTATION PROGRAM

In order for this Plan to progress from a series of statements of facts and analysis of Marquette's Lower Harbor Area, and from recommended programs and physical design improvements to actual "brick and mortar" construction, it is necessary to specify recommended improvements, their costs and suggested methods of financing those improvements. More precisely, this section will indicate the capital improvements called for in the Master Plan, propose developmental/organizational programs, set forth a time schedule for undertaking improvements and describe various means of financing.

Cost Estimates

The cost estimates defined here reflect recommended specific public and private improvements by geographic area, according to the description of the Lower Harbor Redevelopment Design Plan on pages 60 through 69. These costs are in 1986 dollars and consist of materials, labor and contingencies (at 50%) such as legal, architectural and engineering fees. These figures are not intended to be specific or unquestionably accurate at this level of detail; they are, however, at or above what the actual costs might be, so that the costs of financing these projects are not underestimated. Each element in the estimates are categorized as either public or private improvements. Public improvements are those that are the responsibility of the City and/or public and quasi-public entities, such as a Port Authority. Private improvements are those projects and developments that are the responsibility of investors and developers. These are capital improvement costs only, and do not reflect maintenance and operating expenses.

Cost Estimate - Marquette Waterfront

Public	Removal of Approach Trestle*		$ 71,000
Private	Residential Area		
	Zero Lot Line S.F.	15 Units @ $75,000	$1,125,000
	Condominiums	41 Units @ $90,000	$3,690,000
	Townhouses	47 Units @ $60,000	$2,820,000
Public	Roadway Construction 2,300 L.F. x 22' Width with sewer and water utility		$ 200,000

*Net cost after sale of salvaged material. Removal Estimate of the Soo Line Ore Dock in Marquette, Michigan. Krech & Ojard, 1985

Public	Off-Street Parking	
	East of Lakeshore Blvd. (142 spaces) plus road construction	$ 589,000
	West of Lakeshore Blvd. (with/new deck-128 spaces)	$ 640,000
Private	Amusement Area	
	Miniature Golf/Water Slide	$ 300,000
	Parking	60,000
	R.R. Station, Steam Locomotive and Passenger Cars	$ 500,000
	Marina/Yacht Club	$ 450,000
Public	Lakeshore Boulevard Construction 3,300 L.F. x 24' Width without utilities 16,500 C.F.	$ 350,000
	Bikepath in R.O.W. - 4,500 C.F.	$ 15,000
Private	Ore Dock	
	Super Structure - 18,000 S.F.	$1,080,000
	Extension - 36,000 S.F.	$2,500,000
Public	Pulic Access Space on Dock - 42,000 S.F.	$ 880,000
Private	Recreation Vehicle Park - 50 Sites	$ 150,000
Public	Boardwalk - 1,750 L.F. x 6' - 10,500 S.F.	$ 200,000
	and Footpath - 1,500 L.F. x 6'	$ 12,000
	Picnic Area with Overlook Gazebo Parking Spaces, Benches, etc.	$ 220,000
	Pedestrian Walkway/Bridge Area Access	$ 585,000
	2 Parking Lots - Chamber of Commerce	$ 90,000
Public	Miscellaneous	$ 519,000
	. Landscaping $54,000	
	. Beach Area $30,000	
	. Area Lighting $420,000	
	. Signage $15,000	
	Total Public $4,386,000 or =	$4,500,000
	Total Private $12,645,000 or =	$12,500,000

*Does not include cost of obtaining, relocating and refurbishing ore freighter.

Project Phasing

The success of this Plan depends not only upon organization and financing, but also upon putting the individual projects listed in the previous section in the right sequence or order and completing each in the appropriate time frame. Three factors must be considered in establishing the sequence and timing of those projects: the amount of financing available, the impact of the project upon the Redevelopment program, and the technical difficulty or logistics involved in the project. Applying those factors to Marquette, the key element in project implementation is coordination of public and private improvements. To ensure orderly and cost effective redevelopment, it is desirable to concentrate improvements in one area at a time, rather than work on a specific element (such as sewer and water extension) throughout the entire area. Putting in public improvements on an element by element basis would result in infrastructure being completed just before private development occurs and tax revenues to the City are realized.

At this time, the improvements outlined in this Plan are proposed to occur over a maximum 20 year period. These projects are related to development of specific major components of the Plan. The City should control the phasing of development to ensure that these components complement each other and fit into the overall design plan of the Redevelopment Area. Proper phasing will also increase the potential for a desirable return on investment and make the project more attractive to potential investors/developers. The following is the recommended sequences of development for the major components of the Redevelopment plan.

Phase I - Removal of the Trestle Leading to the Ore Dock
II - Marina Construction
III - Parking Lot Development - East Side of Lakeshore Boulevard
IV - Extension of Lakeshore Boulevard, Construction of Bikepath
V - Development of R.V. Park
VI - Amusement Park Construction, Passenger Railroad Operation
VII - Residential Development
VIII - Improvements to Chamber of Commerce Area
IX - Boardwalk, Beach and Picnic Area, Construction
X - Redevelopment and Mall Extension of the Ore Dock
XI - Construction of New Parking Deck, Pedestrian Walkway and Bridge.

To facilitate this phasing schedule, the following table sets forth the recommended sequence for constructing public improvements.

TABLE 6
PROJECT SEQUENCE AND YEAR OF CONSTRUCTION
PUBLIC IMPROVEMENTS

SEQUENCE	ASSOCIATED PHASE	PROJECT	YEAR	ANNUAL COST (in 1986 DOLLARS)
1	I	Trestle Removal	1986	$ 71,000
2	III	Parking Lot & Road Construction (east of Lakeshore Blvd.)	1990-1991	$294,500
3	IV	Extension of Lakeshore Boulevard	1993	$350,000
4	IV	Bikepath Construction	1993	$ 15,000
5	VII	Chamber of Commerce Parking Improvements	1995	$ 90,000
6	IX	Boardwalk & Footpath Construction, Lighting & Signage	1996-1997	$231,000
7	IX	Picnic Area	1998	$250,000
8	IX	Beach Development	1999	$ 30,000
9	IX	Landscaping	2000	$ 54,000
10	X	Redevelopment of Ore Dock for Public Access	2004-2005	$440,000
11	XI	Parking Deck Construction	2006	$640,000
12	XI	a. Pedestrian Walkway - Washington St. b. Footbridge to Site	2007	$585,000

It must be emphasized that this sequence of projects and the time frame for completing those projects is only a proposal. Conditions, events, and available financing will certainly affect the ability of the City and the Downtown Development Authority, Tax Increment Finance Authority or Port Authority (if one is established) to adhere to this schedule. In fact, it is probable that this schedule will not be followed. The sequence of projects may change to accommodate immediate needs and available financing may accelerate or set back these proposed construction

dates. The primary value of Table 8 is that it functions as a guide for implementing the public improvements called for in this Plan over the next 20 years, or longer.

Project Financing

The most complex task in implementing this Plan is packaging financing programs that will enable both the public sector and developers to undertake the improvements called for in this Section. There are a number of financing options available and the sources vary. In simple terms, however, there are three categories of sources that can provide financing - the City, the local private sector and state and federal governments. The optimum strategy is to use all three in a combined effort. As mentioned earlier, this is referred to as a public/private partnership and requires cooperation and flexibility among each of the entities involved.

No one source will provide the total amount of financing required to complete the entire project. That makes the public/private partnership approach even more applicable as a means of generating revenue and ensuring that the business community, as well as the City, is satisfied with the final product.

This section of the Plan will describe the various funding sources (municipal, state/fedreal and private) that are currently available and applicable to this project. Following that general description, an outline of the strategy for applying those revenue sources toward the shoreline redevelopment area will be presented.

- Local Funding Sources

The essential power accorded to cities for operations and capital improvements is the power of taxation. Although limited by law, taxation of real and personal property has been the primary source of revenue for municipalities. Over the years, and in particular within the past 10 years, state enabling legislation has attempted to liberalize the use of property taxation as a tool for development. Specifically, programs such as tax increment financing are designed to promote development and redevelopment of commercial and industrial areas. These programs may not, in the short run, generate optimum tax revenues for the City. in the long run, however, they promote substantial windfalls in revenue derived from real and personal property taxes.

1. Tax Increment Financing

The theory of tax increment financing is that developing an area within the municipality will give all taxing jurisdictions greater tax revenues from that area than would otherwise occur if no special development were undertaken. Therefore it is important

to earmark a portion of the increased tax revenues for the purpose of paying the cost of development in that area. Under P.A. 197, the Downtown Development Authority has the power to implement a tax increment finance plan. However, since some of the development area is outside of the Central Business District, it may be more appropriate for the City to establish a Tax Increment Finance Authority under P.A. 450 to establish a TIF program for the site. Alternatively, the present Downtown Development Authority District may be expanded to include the entire Redevelopment Project Area.

Tax increment revenues are based upon the concept of "captured assessed value" which simply means the increase in assessed valuation of the project area in any given year over the valuation of that area at the time the development plan was adopted. In other words, property valuations (assessments) are "frozen" at the beginning of the TIF and all increases in assessments due to property improvements are either pledged for bonds or used directly for making further improvements in the TIF district.

In translating the concept to reality the Downtown Development Authority Act and the Tax Increment Finance Authority Act treat all increases in valuation as resulting from a development plan, whether in fact these increases bear any relation to the development or not.

Tax increment revenues for the DDA for the TIFA come from the application of the general tax rates of the municipality. All other political subdivisions that levy taxes in that area also receive revenues based upon the captured assessed value at the end of the TIF program.

The table on page 79 reflects the potential revenues that could be captured by the City under the application of a tax increment financing program over a period of 20 years. It is a computer generated "model" containing state equalized valuations (SEVs), millage rates, SEV growth rates, a discount or present worth rate and the SEV of private sector capital improvements that are already scheduled and/or proposed in this Plan. Under tax increment financing, a district is formed and the tax increment financing program is applied to all properties within that district. Since no Tax Increment Finance District Project Area has yet been formed the calculations in the model in Table 8 are only for the improvements associated with the redevelopment area, and therefore may reflect an incomplete tabulation of captured revenues. The total value of captured revenues in an established district project area would be larger if the project area itself covers a greater area than the Redevelopment Site. For purpose of describing how the program works, however, it is assumed that the Redevelopment area is a single project area and for all intensive purposes is a 'district'.

Description - Tax Increment Finance Program Computer Model

Table 8 describes the fundamental dynamics of the TIF program for the Lower Harbor Redevelopment area. The program uses actual current data and neccessarily makes assumptions regarding the type, number, cost and timing of future capital improvements, as well as future inflation rates.

The model is divided into two parts. In Part I (pages 79 and 80), actual and assumed factors are 'input' into the computer to determine the annual and cummulative amount of taxes that will be captured to make the improvements specified in this Plan. Part 2 calculates the financial impacts of the TIF program upon the various taxing jurisdictions that cover the Redevelopment area. Table 7 shows the estimated revenues (Column 4) that will accrue to each taxing jurisdiction in the project area when the tax increment finance program takes effect beginning in 1988. These revenues will be frozen at these levels for the life of the program. They are calculated by multiplying the millage rate by the jurisdiction's estimated 1988 SEV and multiplying the resultant figure by Column 3.

TABLE 7

1988 - ESTIMATED PROPERTY TAX REVENUES ALLOTTED TO TAXING JURISDICTIONS FROM THE REDEVELOPMENT AREA

	(1) MILLAGE RATE	(2) ESTIMATED 1988 SEV	(3) REAL PROPERTY IN REDEVL. AREA AS % OF JURISDICTION SEV*	(4) REAL PROPERTY TAXES TO JURISDICTION FROM REDEVELOPMENT AREA
Marquette Public Schools	31.965	329,591,000	0.19	2,000
Marquette-Alger Intermediate School District	2.235	738,367,000	0.009	148
County of Marquette	6.6	642,582,000	0.010	424
City of Marquette	11.35	243,809,000	0.026	719
Total	52.15			

The year that the State Equalized Valuation (SEV) is 'frozen' (the starting year of the program) is 1988. All tax revenues

over and above what is collected for 1988 assessments will be allocated to the financing of public improvements as specified in this Plan, until all required improvements are completed. These additional tax revenues will come from growth in State Equalized Valuation of existing properties and from new private development. The number of years of the TIF program, millage rate applied to all taxable properties within the program area, expected growth rate of the development area's SEV, the present worth interest rate (the future price of money in 1986 dollars), the estimated 1988 State Equalized Valuation of the project area, the year of the proposed private improvement(s) and the expected SEV of the improvement(s) are given factors that are inserted into the model to determine the amount of taxes that are expected to be captured. The total SEV of all proposed investments is approximately $6,000,000 (in 1986 dollars). Page 80 utilizes the data in page 79 and, through systematic inclusion of capital investments, calculates the amount of taxes that can be expected to be captured (annually and cumulatively) for public improvements. The present worth value ("discounted" annually at 6%) of the cumulative captured tax is also calculated. This figure represents the amount of captured tax that may be used to cover any tax increment finance bonds that may be issued. If all the projected public improvements that were to be made in the development area were to be paid through the issuance of tax increment finance bonds at, say 7 percent, with equal annual principal repayments, the total interest to be paid over 20 years would be $3,237,000. The cost of the project to the Tax Increment Finance or Downtown Development Authority would therefore be $7,737,000 plus the costs associated with preparing and issuing the bonds. According to P.A. 450, the Tax Increment Finance Act, "the total aggregate amount of borrowing shall not exceed an amount which the 80 percent of the estimated tax increment revenue will service as to annual principal and interest requirements". Therefore, using the Present Worth figures (in Column 8), the Authority, if it chooses to bond for the entire cost of the proposed public improvements at the beginning of the program, would, if all capital improvements were to occur in the project area according to the assumptions made in this program, not realize enough revenues to pay back that bond issued by 2008 or earlier. If bonds are not used to finance the project, the entire program could potentially be completed by 2009 or 2010. Certainly the acquisition of federal and state funds (CDBG, Coastal Zone Management, Natural Resources Trust Fund) would substantially reduce the amount of money that may have to be acquired through bond issue.

Part 2 of the model (page 81 through 84) shows the impacts that the proposed tax increment finance program will have upon the jurisdictions which levy millages within the Redevelopment area and that will consequently be affected by the program. The millage rate, 1988 non-property tax revenue, annual growth rate of non-property tax revenue and initial SEV of each taxing jurisdiction are given. Column 2 for each jurisdiction shows the projected SEV at a given annual growth rate, both with and without

TIF. Without TIF, each jurisdiction would experience a normal increase in the SEV of all properties within its boundaries. With the institution of a tax increment finance program, however, the development area's SEV is frozen at 1988 values and that value is kept constant throughout the life of the program. The project area captures all revenues (minus what is due to each taxing jurisdiction according to any agreed-upon "pass-through" provisions) resulting from increased SEV's due to normal SEV growth and all private capital improvements in the area. The figures in Column 2 for SEV with the TIF program represent the valuations of the remainder of the City (outside the development area) which increase each year at the given annual growth rate. Essentially the SEV without TIF is slightly larger than with TIF for each jurisdiction because the jurisdiction will not be capturing the inflation in the SEV of the project area. This program assumes that improvements would not be made without TIF, and therefore increased tax revenues would not accrue to each jurisdiction without the TIF program. Because of the TIF program, however, each jurisdiction will enjoy the increased SEV resulting from those improvements after the program is terminated.

Columns 6 and 7 are the results of multiplying the projected SEV (with and without TIF) by the millage rate (which is assumed to be constant through the life of the program). The total revenues allocated to each jurisdiction, with and without institution of the TIF program (Columns 8 and 9) are obtained by adding the projected tax revenues with and without TIF (Columns 6 and 7) to the non-property tax revenues (Column 5), which increases annually at a given rate. Column 10 depicts the difference each year between revenues that would normally be collected without a TIF program and those that would be collected by the taxing jurisdiction as a result of the TIF program. Column 11 depicts that difference as a percentage of the taxing unit's total revenue for that year. Over the 20 year life of the program none of the taxing jurisdictions would suffer any losses of revenue (this does not include revenue that wuld be received from the projected redevelopment). Once the program is terminated each jurisdiction would receive a substantial increase in tax dollars resulting from the new development.

As mentioned earlier, the primary assumptions in the model consist of the proposed commercial and residential construction in the development area, including the estimated value and timing of improvements, the retention of the estimated 1988 millage rate over 20 years for each jurisdiction, and annual percentage increases in SEV's for the project area and taxing jurisdictions over the life of the program. In reality, these assumptions may change, and probably will. The model is, however, useful in estimating the benefits and the impacts of the TIF program and should be used only as an illustration of the mechanics of the program. None of the taxing jurisdictions would suffer any losses of revenue (discounting immediate revenue increases received from the projected redevelopment).

TABLE 8

GOVE ASSOCIATES, INC.
TAX INCREMENT FINANCING PROGRAM
VERSION 3, NOVEMBER 1985
NOT CAPTURING INFLATION

CITY OF MARQUETTE TAX INCREMENT FINANCING

STARTING YEAR OF TIF PROGRAM	1988
NUMBER OF YEARS FOR TIF PROGRAM	20
MILLAGE RATE FOR TIF PROGRAM	52.1500
INFLATION AND APPRECIATION RATE	1.00
PRESENT WORTH INTEREST RATE	3.00
INTIAL SEV OF TIF AREA	$ 62800.00

CAPITAL IMPROVEMENTS

YEAR OF IMPROVEMENT	SEV OF IMPROVEMENT	NAME OF IMPROVEMENT
1989	$ 260000.00	NEW MARINA/YACHT CLUB
1994	$ 111000.00	R.V. PARK
1995	$ 605000.00	AMUSEMENT PARK, PASSENGER RAILROAD
1995	$ 415000.00	RESIDENTIAL DEVELOPMENT
1996	$ 436000.00	RESIDENTIAL DEVELOPMENT
1997	$ 1506000.00	RESIDENTIAL DEVELOPMENT
1998	$ 1581000.00	RESIDENTIAL DEVELOPMENT
1999	$ 1266000.00	RESIDENTIAL DEVELOPMENT
2000	$ 1329000.00	RESIDENTIAL DEVELOPMENT
2004	$ 1367000.00	ORE DOCK REDEVELOPMENT
2005	$ 1436000.00	ORE DOCK REDEVELOPMENT
2006	$ 1508000.00	ORE DOCK REDEVELOPMENT
	$11820000.00	TOTAL SEV OF INVESTMENTS

CITY OF MARQUETTE TAX INCREMENT FINANCING

1. YEAR	2. SEV	3. CAPITAL INVESTMENT IN SEV	4. MILLS	5. LEVIED TAXES	6. CAPTURED TAXES	7. CUMULATIVE CAP. TAX	8. PRESENT WORTH OF COLUMN 7. AT 3.00%
1988	$ 62800.00	$ .00	52.1500	$ 3275.02	$ .00	$ .00	$ .00
1989	$ 63428.00	$ 260000.00	52.1500	$ 3307.77	$ .00	$ .00	$ .00
1990	$ 326662.28	$ .00	52.1500	$ 17035.44	$ 13694.59	$ 13694.59	$ 13295.72
1991	$ 329928.90	$ .00	52.1500	$ 17205.79	$ 13831.54	$ 27526.13	$ 26337.14
1992	$ 333228.19	$ .00	52.1500	$ 17377.85	$ 13969.85	$ 41495.98	$ 39133.00
1993	$ 336560.47	$ .00	52.1500	$ 17551.63	$ 14109.55	$ 55605.53	$ 51691.80
1994	$ 339926.08	$ 111000.00	52.1500	$ 17727.14	$ 14250.65	$ 69856.17	$ 64021.79
1995	$ 455435.34	$ 1020000.00	52.1500	$ 23750.95	$ 20239.69	$ 90095.86	$ 81807.26
1996	$ 1490189.69	$ 436000.00	52.1500	$ 77713.39	$ 74167.02	$ 164262.88	$ 151431.33
1997	$ 1945451.59	$ 1506000.00	52.1500	$ 101455.30	$ 97873.46	$ 262136.33	$ 242043.49
1998	$ 3485966.11	$ 1581000.00	52.1500	$ 181793.13	$ 178175.47	$ 440311.81	$ 407979.57
1999	$ 5117635.77	$ 1266000.00	52.1500	$ 266884.71	$ 263230.87	$ 703542.68	$ 651660.62
2000	$ 6447472.12	$ 1329000.00	52.1500	$ 336235.67	$ 332545.30	$ 1036087.97	$ 955539.73
2001	$ 7854236.85	$ .00	52.1500	$ 409598.45	$ 405871.17	$ 1441959.15	$ 1321758.16
2002	$ 7932779.21	$ .00	52.1500	$ 413694.44	$ 409929.88	$ 1851889.03	$ 1681250.53
2003	$ 8012107.01	$ .00	52.1500	$ 417831.38	$ 414029.18	$ 2265918.22	$ 2034252.15
2004	$ 8092228.08	$ 1367000.00	52.1500	$ 422009.69	$ 418169.48	$ 2684087.69	$ 2380991.87
2005	$ 9553820.36	$ 1436000.00	52.1500	$ 498231.73	$ 494353.11	$ 3178440.80	$ 2791597.07
2006	$ 11099718.56	$ 1508000.00	52.1500	$ 578850.32	$ 574932.92	$ 3753373.72	$ 3268475.71
2007	$ 12733795.75	$ .00	52.1500	$ 664067.45	$ 660110.87	$ 4413484.59	$ 3814161.73
2008	$ 12861133.70	$ .00	52.1500	$ 670708.12	$ 666711.98	$ 5080196.56	$ 4350362.82

GOVE ASSOCIATES, INC.
TIF PART 2 - NOT CAPTURING INFLATION
VERSION 3, NOVEMBER 1985

CITY OF MARQUETTE TAX INCREMENT FINANCING - CITY

STARTING YEAR OF TIF PROGRAM	1988
NUMBER OF YEARS OF TIF PROGRAM	20
MILLAGE RATE FOR TAXING JURISDICTION	11.3500
INITIAL NON-PROPERTY TAX REVENUE	$ 7830000.00
GROWTH RATE OF NON-PROPERTY TAX REVENUE	9.00
INTIAL SEV OF TAXING JURISDICTION AREA	$ 243809000.00

IMPACT

1. YEAR	2. PROJECTED SEV AT 1.50% GROWTH WITHOUT TIF	3. PROJECTED SEV AT 1.50% GROWTH WITH TIF	4. MILLAGE	5. NON-PROPERTY TAX REVENUE AT 9.00%	6. PROJECTED TAX REVENUE WITHOUT TIF	7. PROJECTED TAX REVENUE WITH TIF	8. TOTAL REVENUE WITHOUT TIF	9. TOTAL REVENUE WITH TIF	10. REVENUE DIFFERENCE DOLLARS	11. REVENUE DIFFERENCE PERCENT
1988	243809000.	243809000.	11.3500	7830000.	2767232.	2767232.	10597232.	10597232.	0.	.00
1989	247466135.	247465507.	11.3500	8534700.	2808741.	2808734.	11343441.	11343434.	7.	.00
1990	251178127.	251177493.	11.3500	9302823.	2850872.	2850865.	12153695.	12153688.	7.	.00
1991	254945799.	254945158.	11.3500	10140077.	2893635.	2893628.	13033712.	13033705.	7.	.00
1992	258769986.	258769339.	11.3500	11052684.	2937039.	2937032.	13989723.	13989716.	7.	.00
1993	262651536.	262650882.	11.3500	12047426.	2981095.	2981088.	15028520.	15028513.	7.	.00
1994	266591309.	266590649.	11.3500	13131694.	3025811.	3025804.	16157505.	16157498.	7.	.00
1995	270590178.	270589512.	11.3500	14313546.	3071199.	3071191.	17384745.	17384737.	8.	.00
1996	274649031.	274648358.	11.3500	15601765.	3117267.	3117259.	18719032.	18719024.	8.	.00
1997	278768767.	278768086.	11.3500	17005924.	3164025.	3164018.	20169950.	20169942.	8.	.00
1998	282950298.	282949611.	11.3500	18536458.	3211486.	3211478.	21747943.	21747936.	8.	.00
1999	287194552.	287193859.	11.3500	20204739.	3259658.	3259650.	23464397.	23464389.	8.	.00
2000	291502471.	291501770.	11.3500	22023165.	3308553.	3308545.	25331718.	25331710.	8.	.00
2001	295875008.	295874300.	11.3500	24005250.	3358181.	3358173.	27363431.	27363423.	8.	.00
2002	300313133.	300312418.	11.3500	26165723.	3408554.	3408546.	29574277.	29574269.	8.	.00
2003	304817830.	304817108.	11.3500	28520638.	3459682.	3459674.	31980320.	31980312.	8.	.00
2004	309390097.	309389368.	11.3500	31087495.	3511578.	3511569.	34599073.	34599064.	8.	.00
2005	314030949.	314030212.	11.3500	33885370.	3564251.	3564243.	37449621.	37449613.	8.	.00
2006	318741413.	318740669.	11.3500	36935053.	3617715.	3617707.	40552768.	40552759.	8.	.00
2007	323522534.	323521783.	11.3500	40259208.	3671981.	3671972.	43931188.	43931180.	9.	.00
2008	328375372.	328374614.	11.3500	43882536.	3727060.	3727052.	47609597.	47609588.	9.	.00

GOVE ASSOCIATES, INC.
TIF PART 2 - NOT CAPTURING INFLATION
VERSION 3, NOVEMBER 1985

CITY OF MARQUETTE TAX INCREMENT FINANCING - MARQUETTE COUNTY

STARTING YEAR OF TIF PROGRAM	1988
NUMBER OF YEARS OF TIF PROGRAM	20
MILLAGE RATE FOR TAXING JURISDICTION	6.6000
INITIAL NON-PROPERTY TAX REVENUE	$ 2062000.00
GROWTH RATE OF NON-PROPERTY TAX REVENUE	1.00
INTIAL SEV OF TAXING JURISDICTION AREA	$ 642582000.00

IMPACT

1. YEAR	2. PROJECTED SEV AT 4.00% GROWTH WITHOUT TIF	3. PROJECTED SEV AT 4.00% GROWTH WITH TIF	4. MILLAGE	5. NON-PROPERTY TAX REVENUE AT 1.00%	6. PROJECTED TAX REVENUE WITHOUT TIF	7. PROJECTED TAX REVENUE WITH TIF	8. TOTAL REVENUE WITHOUT TIF	9. TOTAL REVENUE WITH TIF	10. REVENUE DIFFERENCE DOLLARS	11. REVENUE DIFFERENCE PERCENT
1988	642582000.	642582000.	6.6000	2062000.	4241041.	4241041.	6303041.	6303041.	0.	.00
1989	668285280.	668284652.	6.6000	2082620.	4410683.	4410679.	6493303.	6493299.	4.	.00
1990	695016691.	695016057.	6.6000	2103446.	4587110.	4587106.	6690556.	6690552.	4.	.00
1991	722817359.	722816718.	6.6000	2124481.	4770595.	4770590.	6895075.	6895071.	4.	.00
1992	751730053.	751729406.	6.6000	2145725.	4961418.	4961414.	7107144.	7107140.	4.	.00
1993	781799255.	781798602.	6.6000	2167183.	5159875.	5159871.	7327058.	7327053.	4.	.00
1994	813071226.	813070566.	6.6000	2188855.	5366270.	5366266.	7555125.	7555120.	4.	.00
1995	845594075.	845593408.	6.6000	2210743.	5580921.	5580916.	7791664.	7791660.	4.	.00
1996	879417838.	879417164.	6.6000	2232851.	5804158.	5804153.	8037008.	8037004.	4.	.00
1997	914594551.	914593871.	6.6000	2255179.	6036324.	6036320.	8291503.	8291499.	4.	.00
1998	951178333.	951177646.	6.6000	2277731.	6277777.	6277772.	8555508.	8555503.	5.	.00
1999	989225466.	989224773.	6.6000	2300508.	6528888.	6528883.	8829396.	8829392.	5.	.00
2000	1028794485.	1028793784.	6.6000	2323513.	6790044.	6790039.	9113557.	9113552.	5.	.00
2001	1069946264.	1069945557.	6.6000	2346748.	7061645.	7061641.	9408394.	9408389.	5.	.00
2002	1112744115.	1112743400.	6.6000	2370216.	7344111.	7344106.	9714327.	9714322.	5.	.00
2003	1157253880.	1157253158.	6.6000	2393918.	7637876.	7637871.	10031794.	10031789.	5.	.00
2004	1203544035.	1203543306.	6.6000	2417857.	7943391.	7943386.	10361248.	10361243.	5.	.00
2005	1251685796.	1251685060.	6.6000	2442036.	8261126.	8261121.	10703162.	10703157.	5.	.00
2006	1301753228.	1301752484.	6.6000	2466456.	8591571.	8591566.	11058027.	11058022.	5.	.00
2007	1353823357.	1353822606.	6.6000	2491121.	8935234.	8935229.	11426355.	11426350.	5.	.00
2008	1407976291.	1407975533.	6.6000	2516032.	9292644.	9292639.	11808675.	11808670.	5.	.00

GOVE ASSOCIATES, INC.
TIF PART 2 - NOT CAPTURING INFLATION
VERSION 3, NOVEMBER 1985

CITY OF MARQUETTE TAX INCREMENT FINANCING - MARQUETTE SCHOOLS

STARTING YEAR OF TIF PROGRAM	1988
NUMBER OF YEARS OF TIF PROGRAM	20
MILLAGE RATE FOR TAXING JURISDICTION	31.9650
INITIAL NON-PROPERTY TAX REVENUE	$ 4134000.00
GROWTH RATE OF NON-PROPERTY TAX REVENUE	5.00
INTIAL SEV OF TAXING JURISDICTION AREA	$ 329591000.00

IMPACT

1. YEAR	2. PROJECTED SEV AT 1.00% GROWTH WITHOUT TIF	3. PROJECTED SEV AT 1.00% GROWTH WITH TIF	4. MILLAGE	5. NON-PROPERTY TAX REVENUE AT 5.00%	6. PROJECTED TAX REVENUE WITHOUT TIF	7. PROJECTED TAX REVENUE WITH TIF	8. TOTAL REVENUE WITHOUT TIF	9. TOTAL REVENUE WITH TIF	10. REVENUE DIFFERENCE DOLLARS	11. REVENUE DIFFERENCE PERCENT
1988	329591000.	329591000.	31.9650	4134000.	10535376.	10535376.	14669376.	14669376.	0.	.00
1989	332886910.	332886282.	31.9650	4340700.	10640730.	10640710.	14981430.	14981410.	20.	.00
1990	336215779.	336215145.	31.9650	4557735.	10747137.	10747117.	15304872.	15304852.	20.	.00
1991	339577937.	339577296.	31.9650	4785622.	10854609.	10854588.	15640231.	15640210.	20.	.00
1992	342973716.	342973069.	31.9650	5024903.	10963155.	10963134.	15988058.	15986037.	21.	.00
1993	346403453.	346402800.	31.9650	5276148.	11072786.	11072765.	16348934.	16348913.	21.	.00
1994	349867488.	349866828.	31.9650	5539955.	11183514.	11183493.	16723470.	16723449.	21.	.00
1995	353366163.	353365496.	31.9650	5816953.	11295349.	11295328.	17112303.	17112281.	21.	.00
1996	356899824.	356899151.	31.9650	6107801.	11408303.	11408281.	17516104.	17516082.	22.	.00
1997	360468823.	360468143.	31.9650	6413191.	11522386.	11522364.	17935577.	17935555.	22.	.00
1998	364073511.	364072824.	31.9650	6733850.	11637610.	11637588.	18371460.	18371438.	22.	.00
1999	367714246.	367713552.	31.9650	7070543.	11753986.	11753964.	18824529.	18824507.	22.	.00
2000	371391389.	371390688.	31.9650	7424070.	11871526.	11871503.	19295596.	19295573.	22.	.00
2001	375105302.	375104595.	31.9650	7795274.	11990241.	11990218.	19785515.	19785492.	23.	.00
2002	378856355.	378855641.	31.9650	8185037.	12110143.	12110121.	20295181.	20295158.	23.	.00
2003	382644919.	382644197.	31.9650	8594289.	12231245.	12231222.	20825534.	20825511.	23.	.00
2004	386471368.	386470639.	31.9650	9024004.	12353557.	12353534.	21377561.	21377538.	23.	.00
2005	390336082.	390335345.	31.9650	9475204.	12477093.	12477069.	21952297.	21952273.	24.	.00
2006	394239443.	394238699.	31.9650	9948964.	12601864.	12601840.	22550828.	22550804.	24.	.00
2007	398181837.	398181086.	31.9650	10446412.	12727882.	12727858.	23174295.	23174271.	24.	.00
2008	402163655.	402162897.	31.9650	10968733.	12855161.	12855137.	23823894.	23823870.	24.	.00

GOVE ASSOCIATES, INC.
TIF PART 2 - NOT CAPTURING INFLATION
VERSION 3, NOVEMBER 1985

CITY OF MARQUETTE TAX INCREMENT FINANCING - INT. SCHOOL DISTRICT

STARTING YEAR OF TIF PROGRAM	1988
NUMBER OF YEARS OF TIF PROGRAM	20
MILLAGE RATE FOR TAXING JURISDICTION	2.2350
INITIAL NON-PROPERTY TAX REVENUE	$ 4120000.00
GROWTH RATE OF NON-PROPERTY TAX REVENUE	6.00
INTIAL SEV OF TAXING JURISDICTION AREA	$ 738367000.00

IMPACT

1. YEAR	2. PROJECTED SEV AT 3.25% GROWTH WITHOUT TIF	3. PROJECTED SEV AT 3.25% GROWTH WITH TIF	4. MILLAGE	5. NON-PROPERTY TAX REVENUE AT 6.00%	6. PROJECTED TAX REVENUE WITHOUT TIF	7. PROJECTED TAX REVENUE WITH TIF	8. TOTAL REVENUE WITHOUT TIF	9. TOTAL REVENUE WITH TIF	10. REVENUE DIFFERENCE DOLLARS	11. REVENUE DIFFERENCE PERCENT
1988	738367000.	738367000.	2.2350	4120000.	1650250.	1650250.	5770250.	5770250.	0.	.00
1989	762363928.	762363300.	2.2350	4367200.	1703883.	1703882.	6071083.	6071082.	1.	.00
1990	787140755.	787140121.	2.2350	4629232.	1759260.	1759258.	6388492.	6388490.	1.	.00
1991	812722830.	812722189.	2.2350	4906986.	1816436.	1816434.	6723421.	6723420.	1.	.00
1992	839136322.	839135675.	2.2350	5201405.	1875470.	1875468.	7076875.	7076873.	1.	.00
1993	866408252.	866407599.	2.2350	5513489.	1936422.	1936421.	7449912.	7449910.	1.	.00
1994	894566520.	894565860.	2.2350	5844299.	1999356.	1999355.	7843655.	7843653.	1.	.00
1995	923639932.	923639266.	2.2350	6194957.	2064335.	2064334.	8259292.	8259290.	1.	.00
1996	953658230.	953657557.	2.2350	6566654.	2131426.	2131425.	8698080.	8698079.	2.	.00
1997	984652122.	984651442.	2.2350	6960653.	2200697.	2200696.	9161351.	9161349.	2.	.00
1998	1016653316.	1016652630.	2.2350	7378293.	2272220.	2272219.	9650513.	9650511.	2.	.00
1999	1049694549.	1049693656.	2.2350	7820990.	2346067.	2346066.	10167057.	10167056.	2.	.00
2000	1083809622.	1083808921.	2.2350	8290249.	2422315.	2422313.	10712564.	10712562.	2.	.00
2001	1119033435.	1119032727.	2.2350	8787664.	2501040.	2501038.	11288704.	11288703.	2.	.00
2002	1155402021.	1155401307.	2.2350	9314924.	2582324.	2582322.	11897248.	11897246.	2.	.00
2003	1192952587.	1192951865.	2.2350	9873820.	2666249.	2666247.	12540069.	12540067.	2.	.00
2004	1231723546.	1231722817.	2.2350	10466249.	2752902.	2752900.	13219151.	13219149.	2.	.00
2005	1271754561.	1271753825.	2.2350	11094224.	2842371.	2842370.	13936595.	13936594.	2.	.00
2006	1313086585.	1313085841.	2.2350	11759877.	2934749.	2934747.	14694626.	14694624.	2.	.00
2007	1355761899.	1355761148.	2.2350	12465470.	3030128.	3030126.	15495598.	15495596.	2.	.00
2008	1399824160.	1399823402.	2.2350	13213398.	3128607.	3128605.	16342005.	16342003.	2.	.00

2. Local Bonding Options

The City, under State enabling legislation, may issue general obligation, revenue and special assessment bonds to raise money for public capital improvements. General obligation bonds are backed by the full faith and credit of the City. In most cases, a general obligation bond issue requires approval by the voters in the City. Under the City's Charter, the debt incurred through general obligation bonds cannot exceed]0 percent of the City's current SEV. Since the City's 1986 SEV is approximately $239 million, the maximum amount of bonded debt that can be entered into at any one time is $23.9 million. At the present time the City has no outstanding general obligation bond issues.

Revenue bonds do not require voter approval, as the principle and interest of the bond is paid back through the revenue received from the project after it is completed. This type of bond is usually issued to construct or improve revenue-producing public projects, such as city-owned utilities, industrial parks, toll bridges, golf courses, etc.

Special assessment bonds are used to pay for specific improvements to designated properties and the properties benefiting from the improvements are assessed to pay off the bond. A public hearing is required before a special assessment can be approved and as with revenue bonds, the debt financed by the bonds is not subject to debt limitations.

Tax Increment Financing, under P.A. 197 and P.A. 450 (the Downtown Development Authority Act and Tax Increment Finance Act) may be instituted using a revenue bond. The captured tax increment received as a result of public capital improvements in the TIF District can be used as revenue to retire the bond issue. Because revenue bonds are used, the bond debt limitation is not affected and it is not necessary for the City to back the bonds with its full faith and credit, although it may choose to do so. These revenue bonds are issued by the Downtown Authority itself and must mature within 30 years or less.

The City can also issue general obligation bonds, subject to the debt limitations mentioned above. These bonds also must mature within 30 years and be subject to Public Act 202 of 1943. No more than 80 percent of the estimated revenue to be received from a development area for a given year may be pledged for annual debt retirement and, according to P.A. 197 "....the total aggregate amount of borrowing shall not exceed an amount which the 80 percent of the estimated tax increment will service as to annual principal and interest requirements."

Approximately 6.5 months should be allowed for the bonding process to occur. That is the amount of time usually required for posting and holding a public hearing, passing a resolution to order

the project, preparing the project plans, advertising for and collecting construction bids, awarding contracts, passing a resolution to sell the bonds, preparing an official bond statement, completing the legal opinion, printing the bonds, selecting the paying agent and receiving the money.

Bond issues are an important part of implementing this Plan, as they are an integral component of a Tax Increment Finance Plan. The City, however, may choose to implement these projects on a "pay-as-you-go" basis, and not issue bonds. That, however, would limit the number of public improvements that should initially be made, as increased tax revenues would not be immediately available and revenues from the City's general fund would be insufficient. It is recommended that the City undertake a detailed evaluation of the advantages and disadvantages of financing these proposed improvements on a pay-as-you-go basis vs. bonding. Then, if bonding is deemed more beneficial, further analysis should determine whether general obligation or revenue bonds, or a combination of both, should be used.

Recent and proposed legislation would also assist the financing of those improvements called for in this Plan. Public Act 157 of 1984 allows for a new form of municipal bond which is similar to an adjustable rate mortgage, and which allows the municipality rather than the bank to periodically adjust the interest rates on the bonds to the current short-term market rate. The rate can change weekly, monthly, semi-monthly, annually, bi-annually, etc. This could allow the City to borrow money at a lower rate than would be available under a long-term fixed rate bond issue.

Michigan has also recently instituted an Infrastructure Bond Program. This is similar to P.A. 157 in that it also makes "cheaper" money available t localities. Using the state's bond rating, local units can issue bonds to finance capital improvements. Bond revenues under this program would be used for public infrastructure projects, such as streets, sewer and water lines. etc.

3. Other Programs and Incentives

Additional local public sources of financing or encouraging commercial development include land write-downs, application of the commercial Redevelopment Act (if and when it is reinstated by the Michigan Legislature), public/private co-development, loan pools, the City's special Economic Development Corporation, assessment and zoning. Under land write-downs, the City would provide utilities and make other improvements to property it owns and wants to develop commercially (those areas of the site designated for marina, R.V. park, residential and ore dock development). After

those improvements (or even without improving the site) the City would sell the parcel to a developer at a price substantially below market. The intent is that the City would encourage development of that site by making it more financially attractive while controlling the type of development by approving the sale upon guarantee that the property would be developed according to stipulations set forth by the City.

Public/private co-development is another tool to induce commercial growth. One form of co-development is ground leasing, whereby the City leases the land or buildings it owns on the site to a developer or business for a minimum base payment plus a percentage of the income generated by the project or business or by some other arrangement. There are several advantages to ground leasing as a means of public/private partnership in commercial development. If the project is successful, the City can recover all of its costs plus additional revenues. Ground leases can be subordinated - the City can mortgage its interest in the property as security for a development loan to the business or developer. The smaller capital investment required for leasing a space will give a developer a better return on his or her investment. Leasing also allows the City control over the way the property is developed or used, and offers flexibility by structuring payments to meet the needs of the project's requirements for cash flow.

Loan pools established by the City to assist local commercial development are helpful in that they can be used to subsidize interest rates on public and private sector loans made to the developer or business. Such a pool set up by the City would be a revolving fund, with the loan payments it receives going back into the pool for further distribution (a revolving fund). These funds can also be used to "leverage" money from public grant and loan programs, such as EDC and SBA, as well as from private lending sources.

The City has an Economic Development Corporation which, under state and federal law, can permit the sale of tax-free industrial revenue bonds for the development or expansion of businesses within the City. The intent of the legislation establishing EDC's is to create employment through business placement or expansion. The City does not put its full faith and credit behind the bonds and therefore does not incur liability. The borrower is responsible for paying the principle and interest on the loan. Most EDC's are passive organizations and have not used the full authority given them under state legislation to actively promote and attract business into the community. Marquette's EDC should be used by prospective and existing businesses for commercial and

industrial development and expansion. In those instances where the EDC is to be used by a business for commercial development in the project area, the City's DDA and EDC should coordinate review and, if called for, partial financing of the project.

Special assessment taxes are another means of financing public improvement in the Redevelopment area which, in turn, can lead to further private development. Special assessment districts (in this case, the Lower Harbor Redevelopment area) require the approval of the majority of the property owners in the proposed district. Since this is, in essence, a self-imposed tax, there is little likelihood of approval of an assessment district unless the projects it is intended to fund are regarded by those property owners as necessary. Such a district is beneficial if the improvements lead to increased business in the area, and it is established only for a specified period of time, unless it is approved by the property owners as an ongoing assessment, as is the case of an annual assessment for downtown promotion. The taxes that can be levied by a Downtown Development Authority (up to 2 mills) is a form of special assessment.

Zoning is another tool that can be used by the City to facilitate and encourage commercial development. Innovative and flexible zoning that permits mixed uses and creative design will better meet the needs of today's developers and retailers than the traditional ordinance which requires that certain standards be adhered to which do not meet the needs or criteria of modern retailing practices. By encouraging unusual store designs and space distribution through flexibility in zoning, the City is more likely to achieve a unique area consistent with the overall concept of this Plan.

Associated with zoning and the physical distribution and design of buildings in the area, architectural design ordinances and sign ordinances are tools that will enable the merchants and the City to encourage building aesthetics. At the same time these regulations should be structured to determine and/or eliminate dilapidation and deterioration of commercial buildings by providing penalties for failing to adhere to the standards set forth in those ordinances.

4. Private Developers

The Lower Harbor Redevelopment Plan calls for commercial and residential development on existing vacant parcels within the project area. Traditionally, if and when the market warranted it, a property owner and/or developer would construct a commercial building and sell or lease the building to one or more businesses.

The City's only involvement was through the issuance of building and zoning permits. This is still the most common procedure used in most cities for putting together a commercial or residential development. This system essentially relies on the supply and demand of the free market, with the municipal government designating the areas for development and then waiting for a developer to come along to put the investment and construction package together.

This process works in many if not most instances and is a desirable method in that it minimizes public involvement and investment in private sector operations. If there is interest in new development in the project area, the free market/free enterprise system should prevail. However, it could very well be more beneficial to the community to initiate a project and work closely with the developer throughout the development process. This approach is desirable when the costs of conventional financing prohibits investment or the City desires greater control of the overall design and timing of the project.

Private developers should be encouraged to work as closely as possible with the City so that the design of the structure being built, as well as parking and open space facilities, are in accord with the desires of the City. This may require a design review mechanism as part of the City's zoning ordinance. While it is the developer's primary objective to maximize the dollar return on his or her investment, a close and amicable working relationship between the City and the developer should be the City's objective. Consequently, it is the developer's role to react responsibly to the City's stated development policies by entering into a pattern of negotiation with the City to assure that the City's needs, as well as the developer's, are being met.

Developers seriously contemplating a project in the Lower Harbor Redevelopment Area should undertake a detailed feasibility study. The feasibility study has three basic roles. First, it minimizes investment risk by thoroughly analyzing the type and amount of the facilities proposed. Second, it determines the financial feasibility of the project given the developer's investment needs. Third, it gives the developer a tool by which to obtain pre-lease agreements from prospective business(es). With these pre-lease agreements in hand, he is in a much better position to negotiate workable loan terms. Such a feasibility study would be most critical for adaptive reuse of the ore dock.

To a certain extent, front money is sometimes needed even before the feasibility study is done. Major tenants, especially, are likely to want to see preliminary plans and architectural sketches before

they commit themselves to locate within the project. Some of the money to carry out this first phase could come from a HUD Start-up grant for which the City or DDA could apply.

Once the feasibility study is completed by the developer, he should work to identify potential leasees. Major tenants should first be sought because they will serve to interest other small tenants. In analyzing the profitability of the project, potential investors will look at the financial backgrounds not only of the developers but also of the tenants who pay the rent.

Once the key tenants are selected (particularly in reference to the mixed use concept on the ore dock), smaller tenants should be sought (unless, of course, the key tenant fills the whole building). When approaching a local tenant, the developer should carefully consider his or her background and history.

The first pre-lease agreement in a larger project is the most important because it is the standard by which following leases are negotiated. Major tenants often try to negotiate their leases so that they dictate layout, policy and operation of the entire project. If this happens, the developer can continue to experience trouble in future years.

Permanent financing needs to be arranged immediately after the initial layout of the project is completed and some leasing accomplished. Financing land acquisition and construction can be accomplished through a variety of sources, including banks, foundations, credit pools and joint ventures with experienced developers.

5. Banks

Banks typically require high credit standards, but forward looking banks do accept marginal risks because increased local trade and prosperity mean more depositors as well as more loan business. Furthermore, many banks have a large number of outstanding loans to CBD businesses and have a vested interest in helping to create an improved business climate to protect those loans.

A DDA, TIFA or Port Authority can work with the local bank(s) to lower interest rates while protecting the needs of the financial community. The SBA "503" Program and the HUD Small Cities Program are two programs which can make this possible.

6. Foundations

One good way to lower an effective interest rate which is largely free of federal regulations and independent of the grant process is to establish a low interest loan pool with foundation money supplementing special set aside bank dollars. Under such a pro-

gram, each project developer would receive two loans: one from the bank at a competitive rate and the other from the foundation at zero (or very low) interest. The blended rate would therefore be perhaps two-thirds of the "going rate", while foundation money repaid would be recycled for other loans.

7. Credit Pools

Using a credit pool, a group of individuals and businesses can create the collateral with which a DDA, TIFA or Port Authority can obtain loans or guarantee loans to businesses in the area. This pool of money is established by the Authority recruiting key individuals, businesses (including industry) and foundations to commit themselves (perhaps for 10 or more years) to provide a specific amount of collateral. This commitment is typically in the form of a guarantee agreement between the Authority and a bank. The guarantee delineates the terms of years, amount committed and the bank's rights pending default.

- State Legislation and Funding Sources

Michigan, as other states, has historically developed legislation and programs to assist and encourage local community development. These laws and programs have attempted to promote such development through innovative property tax programs, such as those cited above, or through direct funding of programs and facilities. As The federal government continues to transfer the responsibility for funding domestic programs to state and local governments, it is expected that Michigan will take a more active role in assisting its local units in community development, including area revitalization. While this does not necessarily mean the state will fill the funding gap left by a decrease in federal involvement, it does point to the prospects for more innovative legislation and technical assistance from the state.

The following are Michigan programs that might be applied to the implementation of this Plan.

1. Michigan Natural Resources Trust Fund

The Kammer Land Trust Fund Act of 1976 created the Michigan Land Trust Fund to provide funds for public acquisition of recreational lands. In 1986, the Michigan Natural Resources Trust Fund (MNRTF) replaced the Michigan Land Trust Fund. Both land acquisition and development proposals can be submitted to the DNR for funding. The local match is 25 percent and can be "in-kind". While there is no minimum or maximum amount for acquisition projects, the minimum funding request for development projects is $15,000 and the maximum amount that can be awarded is $750,000.

Applications are due on April 1st, and it is expected that, because of processing and administrator lead time, project construction would not begin until the Fall of the following year.

The MNRTF funds outdoor recreation projects only, including outdoor recreation support buildings and other similar facilities, as well as renovation of existing structures. This Plan recommends the City submit an application to the Land Trust Fund for construction of the boardwalk and bikepath property. Development of other portions of the site as specified in the Plan can be partially funded by the Michigan Natural Resources Trust Fund.

2. Coastal Zone Management

The Coastal Zone Management program is a national effort at protecting the shorelines of coastal states, including those that border upon the Great Lakes. The Michigan Coastal Zone Management program is administered by the DNR. Local communities may apply for funding to undertake studies, prepare plans, acquire properties and do necessary engineering and construction to protect and enhance properties within 1,000 feet of the coastline. Local applicants must supply a 50 percent match, which can be "in-kind". It is suggested that CZM monies be used for redevelopment of the public access portion of the ore dock, landscaping of public portions of the project area, interpretive signage, and possible acquisition of an ore freighter.

3. Community Development Block Grant (CDBG) - Small Cities Program

The Community Development Block Grant is actually a federal program under the jurisdiction of the Department of Housing and Urban Development, but it is mentioned here because it is administered in Michigan to non-entitlement communities (small cities) by the Michigan Department of Commerce, in conjunction with the Michigan State Housing Development Authority (MSHDA). The Michigan Department of Commerce administers those projects that are concerned with economic development and public works while MSHDA awards grants for housing construction and rehabilitation projects.

The CDBG Small Cities program functions as a competitive process where communities (counties, cities, villages, townships) apply for specific projects. The primary criteria for economic development grants is the number of jobs that the project will directly or indirectly generate. The same general evaluation criteria apply to a lesser degree to a public works proposal. The grant is a 50-50 match grant - that is, local and private investment will be matched dollar for dollar by Small Cities funds.

In order to determine which communities are more in need than others for economic assistance, the state has developed a "Need Ranking Index for the Michigan Small Cities program". All those local units of government that qualify for non-entitlement status are ranked according to a formula based upon various economic conditions in the area. In 1986, Marquette was ranked 786 among 1,661 local units or in the 2nd quartile, yielding 20 points in the application process. Merits of the project, including estimated employment, are also considered by the state in the application for these funds.

4. State Employees Retirement Fund

Business expansion can be funded through investments by the Michigan State Employees Retirement Fund. Considerable funds are available to employment generating private, industrial and commercial investments located within the State of Michigan.

5. State Wide Certified Development Corporation (CDC)

A CDC provides a vehicle to secure long-term favorable rate financing of fixed assets through the use of subordinate SBA second mortgage financing via 100 percent guaranteed debentures.

6. Michigan Single Business Tax Act-228 of 1975

While the Single Business Tax provides no direct financial help to a business or to a local economic development group, its features lend some clear advantages to certain businesses operating in this state, rather than in other states with different tax structures. A working knowledge of Single Business Tax features will be useful to community development groups actively seeking businesses from out-of-state.

The Single Business Tax Act repealed all local property taxes on inventory, and it consolidated a variety of former taxes levied only on businesses in certain categories into a single state tax levied "upon the privilege of doing business and not upon income." The base for the single business tax is 50 percent of gross receipts, with current rate of taxation at 2.35 percent of this base. Exclusions are offered within the law for certain types of businesses, and certain special business activities. These exclusions include: 1) An immediate, 100 percent write-off of new capital investments against gross receipts, reducing the tax base by the full value of capital improvements; 2) Small businesses may qualify for specific dollar exemptions of up to $34,000; 3) Direct labor expenses in excess of 65 percent of the tax base may be deducted from gross receipts; 4) Publishers, research and development organizations, and other businesses that receive royalties on the sale of licensed products may deduct these payments from gross receipts; and 5) Special exemptions are provided for real estate companies, food retailers, security guard services, and transportation companies.

Most firms will calculate their tax base by adding compensation paid, depreciation, royalties paid and interest paid to their federal taxable income and subtracting interest received, royalties received, and investments made during the year.

While the Single Business Tax likely will be amended many times to adjust inequities and windfalls provided to certain kinds of businesses, the essential structure of the tax law probably will not change. As it currently stands, the tax law tends to favor large manufacturers, small retailers, and wholesalers. Professionals, large retailers, and some small manufacturers tend to pay more in taxes than under the former Michigan business tax system.

- Federal Legislation and Funding Sources

Federal revenues through various departments and agencies are highly competitive and entail a time consuming process before the community is actually awarded funds. Although at the local level a project has an apparent critical need, it often loses its impact by a poorly described narrative or by a narrative that alters the actual need to fit a federal program. It is important for Marquette to be selective and work only with those programs whose purpose concurs with local needs. Although fewer federal programs and dollars are available, there are still enough active, funded programs to be of assistance to the City and merchants in implementing the Plan. The following describes those that would be beneficial to Marquette's Lower Harbor Redevelopment program.

1. Small Business Administration (SBA) Local Development Companies Section (502) Program

The Small Business Administration (SBA) has several different programs that can help city governments stimulate downtown commercial revitalization. The following discusses the two most effective SBA programs.

Section 502 Local Development Company Program - The "502" program was started in the Small Business Investment Act of 1958 and has for the majority of those years focused mostly on smaller towns and communities by offering them long-term low-interest loans for industrial development. However, as of 1976, the SBA has initiated a nationwide program with a two-fold goal: industrial development and commercial revitalization.

The concept of the "502" program is that the federal government will help support a legitimate self-help effort in a local community, with long-term loans and loan guarantees, if the local group organizes itself into a qualifying Local Development Company (LDC), invests local funds, and identifies feasible projects. The LDC must invest 10-20 percent of each project as the "local injection".

The LDC's purpose is to set overall policy, recommend businesses for financing, help to coordinate with local banks and other businesses, coordinate with local government agencies, and to guide the overall development effort in the specific community. In non-profit LDC's the members are not investors, nor do they have financial liabilities, as their purpose is to provide the leadership within the area for local community development.

The LDC's are usually associated with a local group or organization such as a Downtown Development Authority, Chamber of Commerce, community group, etc. They often have the same officers and members and their business is conducted at the regular meetings of the established sponsoring organizations.

LDC's must have at least 25 members and can be a "profit" or "non-profit" organization. Most smaller towns use "for profit" LDC's that raise funds by selling common stock because each local merchant can benefit from the increased business as a result of a revitalized downtown business district.

The amount of the local injection ranges from 10-20 percent of the total project cost (fixed assets only) depending on certain local economic factors and regulations. In most cities, especially those needing an active economic development effort, the local injection requirement is 10 percent.

On most LDC projects, the small business can account for 25 percent of the local injection, and the remaining 75 percent must come from outside sources such as loans, stocks, grants, in-kind contributions, etc.

On "Multiple" projects, such as neighborhood revitalization retail areas where the LDC sponsors a group of small businesses, then 75 percent of the local injection can be from the small business with only 25 percent from an outside source (such as a city government).

A fund must be established to finance the "local injection" of each individual project. These funds can be from city or private sources. A fund of $250,000 could generate up to $10 million of reinvestment in business each year, equivalent to 40 to 1 leverage. The fund can be a result of stock or bond sale, or grants or loans. Debt financing must have a maturity equal to or longer than the SBA financing (up to 25 years) and can be at a market rate of interest. Oftentimes these funds can be raised jointly by the City and bank.

For best results, the City needs to allocate a person to assist the DDA and their Local Development Company in packaging loan applications for submission to the SBA and to the bank, etc. Someone with bank commercial lending or other "deal making" experience is important.

The local city government benefits the most from the proposed program of commercial revitalization due the increases in real property taxes, sales taxes or income taxes from the improvements in buildings in the neighborhoods or downtown commercial areas. Local jurisdictions such as city governments benefit the most from increases from real estate taxes, and the 502 loan program only finances construction or renovation of real property, since it actually "pays" the City to invest in projects to be financed by 502 loans due to the resultant increases in real estate taxes directly to the City.

Other benefits to the city government include: creation of jobs for city residents, increased real estate tax revenues, increased sales tax or income tax revenues, opportunities for younger people, recycling of empty or underutilized commercial buildings etc.

The concept of "return on investment" is familiar in private sector investment analysis. Using the same techniques to relate the increased real estate revenues to the City's investment in sample projects reveals that (on typical projects):

Each $100 invested once by the City generates:

$26 of saved real estate taxes for the City

$13 of new real estate taxes for the City

$ 8 of interest income for revolving fund

$47 total benefits to the city each year

In summary, a one-shot investment of $100 by the City generates $47 of benefits, excluding the importance of jobs and resultant payrolls, each year continuing thereafter. The "net" return, after the City's expenses, probably averages $30-35 per year -- or a 30-35 percent "Return on Investment".

Why this tremendously high Return on Investment? Because of the leverage available in the 502 program and because of the reinvestment in construction and renovation of real property which increases real estate taxes for a local city government. Only the city government benefits directly from this type of reinvestment program.

Section 503 authorizes qualified local development corporations to issue debentures guaranteed 100 percent by SBA. A minimum of 50 percent of the project cost must come from local private sector

lending institutions and the investor, and up to 50 percent of the remaining cost can be provided by a 503 qualified local development corporation. Terms and purposes for loans under Section 503 are the same as those under Section 502.

2. Small Business Loans (Regular Loans - 7(a) Loans) Program

This program assists small businesses in financing their needs. Guaranteed/insured loans are provided to construct, expand or convert facilities, to purchase building equipment or materials and for working capital. A small business which is independently owned and is not dominant in its field is eligible.

3. Economic Opportunity Loans for Small Business (EOL) Section 7(i) Programs

This program provides management assistance and loans (direct and guaranteed/insured) up to $100,000 with a maximum maturity of 15 years to low-income or socially or economically disadvantaged persons to establish, preserve and strengthen small businesses.

Low-income or disadvantaged persons who have been denied the opportunity to acquire adequate business financing through normal lending channels on reasonable terms are eligible.

4. Management Assistance to Small Business Program

This program provides advisory services and counseling, training and dissemination of technical information to prospective and existing small businessmen to improve their skills in managing and operating a business.

Assistance includes: 1) workshops for prospective small business owners, 2) management counseling for non-borrowers, including assistance from SCORE (Service Corps of Retired Executives), and ACE (Active Corps of Executives), graduate and undergraduate students of business management schools participating in the Small Business Administration and the Veterans Administration with special business ownership training available to eligible veterans. Actual and potential small businessmen and, in some cases, members of community groups are eligible.

5. Farmers Home Administration (FmHA) Business and Industrial Loan Program, U.S. Department of Agriculture

Tailored to rural communities, the Farmers Home Administration (FmHA) business and industrial loan program will guarantee 90 percent of the principal and interest for loans by local lenders to businesses and industry. Most banks, credit unions, and banking cooperatives are eligible to apply for FmHA guarantees on behalf of company clients.

Business purposes that qualify for FmHA assistance are: capital facilities purchases, construction and repair, land and equipment acquisition, start-up and working capital, and pollution control. Loan amounts can include the costs of feasibility studies, interest, fees and membership charges associated with the loan transaction.

Planned improvements must be in a community of less than 50,000 population. Priority is given to applicants located in "open country, rural communities, and towns of 25,000 or less."

Like other federal loan programs, the FmHA may not assist a business to relocate from one region to another. Loans must be secured by collateral, with the general requirement that the loan applicant must hold at least 10 percent equity in the company to benefit by the loan. A fee is charged for the FmHA guarantee--1 percent of the principal multiplied by the percentage of guarantee--up to 90 percent.

Repayment of loans for land, buildings, and permanent fixtures may extend up to 30 years; machinery and equipment 15 years; and working capital seven years. Interest rates are at the discretion of the lender. They can be fixed or variable.

- Urban Development Action Grants (UDAG)

This program was instituted in 1977 as a way of assisting needed development in urban areas that meet certain economic distress criteria and to leverage private dollars for investment in urban areas. A minimum ratio of 2.5 private dollars for every UDAG dollar is required and a project should take no more than four years to complete. The private sector's financial commitment must be secured by the community prior to preliminary approval of the grant. The greater the ratio of private to public dollars committed to the project, the greater the chances of receiving a favorable review from the Department of Housing and Urban Development. This program has proven successful in promoting new and expanded development in downtown areas and would certainly enhance the prospect of new commercial development in the Lower Harbor area.

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