

Economic and Community Development Department Executive Summary

Mission Statement

The mission of the Economic and Community Development (ECD) Department of the City of Dearborn is to stabilize and enhance the tax base and maintain and enhance the quality of life by:

- Identifying redevelopment opportunities throughout the City on a priority basis that will foster continued economic development, redevelopment and reuse of commercial and industrial sites, facilities and districts;
- Assisting in the financing of public and private capital improvement projects;
- Improving housing stock and, stabilizing and improving neighborhoods; and,
- Promoting improvement of the human environment.

Service Highlights

Some service highlights from Core and Non-Core Services by the ECD Department to the people of Dearborn are as follows:

Economic Development

1. **Brownfield Redevelopment** – BRA Plan # 11 was established for the redevelopment of vacant property located at 760-780 Town Center Drive. The developer will invest approximately \$47 million. This project remedies two community needs: the reuse of surplus, vacant commercial buildings and the ability to provide student housing to the University of Michigan--Dearborn, a much desired and important feature to the university and community. In addition, a pedestrian bridge will be built over Evergreen Street. The three buildings will encompass a first phase of up to 506 beds, comprised of studio, one, two, three and four-bedroom suites. Most suites will have individual bedroom and bathroom combinations, plus common kitchen and living area for the resident students. The second phase will add several hundred beds, a student activity center, and more amenities for the comfort of the occupants. Approximately 20 full time and 35 part time jobs will be created by the development.

This redevelopment project will generate renewed life and expand/create new business opportunities.

2. **Intermodal Passenger Rail Facility** – A \$28 million grant from the Federal Railroad Administration (FRA) through the Michigan Department of Transportation (MDOT) for construction of the new Dearborn station is a major focus of the department and involves a great deal of time and effort. This state-of-the-art facility should be completed in FY14. The City is also exploring Transit Oriented Development (TOD) opportunities around the new station. TOD typically occurs around major rail stations and consists of mixed-use development including residential, retail, hospitality and entertainment uses.

3. Department Reorganization--Commercial Services –The ongoing task of reorganizing the department to include Commercial Services continues. Progress has been made in some areas, such as streamlining the re-occupancy process, but there are still many challenges related to incorporating modern technology and improving customer service/convenience. The Mayor’s initiative to improve customer service will require re-structuring the permit counter, simplifying the permit/plan review process, and cross training personnel. Major decisions are being made regarding staffing and space planning. Consideration of out-sourcing parts of the Commercial Services Division is being explored.

Community Development

1. Home Rehabilitation Programs: - In over 30 years of service, a combination of leveraged programs from federal, state and local sources has rehabilitated about 1,200 homes at a rate of 15-35 homes per year depending on complexity of the cases and staff available to manage the workload. Due to additional funding sources, home rehabilitation efforts have recently been expanded. For example, the department obligated almost \$2.5 million of HUD-Neighborhood Stabilization Program (NSP) funding during 2010. Another round of HUD NSP funds representing \$1 million was received in 2011. In addition, new housing assistance programs through the Wayne County HOME Consortia will be implemented in 2011. Consortia funding represents another \$600,000 annually.
2. Habitat Housing Project: - The City and Habitat for Humanity Detroit are partnering to build a dozen homes in Dearborn over the next two years. ACCESS is also a partner in this project, and will assist Habitat in serving two important populations with this project. Veterans and domestic violence victims will be assisted by these beautiful residences. This project will be funded by a combination of NSP 3 and HOME funds.

Challenges for the Future

The biggest challenge facing the ECD Department is the staff capacity to address workload in core areas where increased activity is likely to occur over the next few years. These areas are:

Business Attraction and Retention – Moving to diversify Dearborn’s economy and attract the next wave of entrepreneurs and creative class young people to the City is our goal and priority. ECD currently runs a modest program that will decrease significantly due to staff retirements. Economic conditions suggest that these services should actually be expanded, not contracted. This essential **service will be eliminated** unless new approaches to structuring this activity are developed. Possibilities include additional budget being made available for consulting services, increased collaboration with economic development and related professionals at the local, county and state levels, and new partnerships within Dearborn to bring all available resources to bear on this critical function.

Commercial Intake and Re-Occupancies – The streamlined nature of our current processes have improved investment opportunity in Dearborn. These programs require additional staff assistance to keep pace with demand. Permitting and plan review service fees have been increased and restructured to recoup the cost of these services. Next steps include continued balancing of staffing required to complete identified goals and achieve a revenue neutral position regarding General Fund subsidy. Monitoring and additional adjustments will continue to occur in 2013.

Neighborhood Stabilization – Personnel from the Office of the Mayor, Assessors, Residential Services, City Plan, Corporation Counsel and ECD are working together to design and implement new programs to reverse the negative impacts of foreclosure in our at-risk neighborhoods. The Administration and Council have set aside significant funding to address these needs. Long term program funding and ongoing staffing capacity remain the greatest challenges in this endeavor.

Decisions Needed for the Future

Some decisions that would help to move ECD forward in pressing areas:

1. Focus on priority infrastructure improvements, marketing opportunities, organizational issues and redevelopment activities in each of five destination commercial areas including Dix Avenue, East Downtown, Fairlane Town Center, Warren Avenue and West Downtown. Creation of “corridor improvement districts” that may provide a tax increment funding mechanism for the Dix Avenue, Warren Avenue, and Fairlane districts is underway with the first two well into the process and Fairlane Town Center targeted for 2013.
2. Refocus business attraction and retention to give Dearborn the maximum advantage by coordinating with County and State agencies to retain/attract desired investment.
3. Supplement support staff for commercial intake and re-occupancies to allow the improved systems to function better with necessary management and follow-up to expedite investment in Dearborn.
4. Manage potential retirements with part time and consulting contracts.
5. Develop a consolidation plan and future restructuring strategy to achieve the mission of the department and the City government in a revenue neutral state. This is achievable today in two of the three focus areas, Commercial Services and Grants Management. Economic Development services is a non-revenue producing function that needs to be re-visited for 2013 as well as consolidation potential with other City departments to minimize dependence on General Fund subsidy.