



Alternative Futures: With and Without TIF

Charter Township of Lansing, Michigan



**Vandewalle
& Associates**

PLANNING CREATING REBUILDING

Alternative Futures: Lansing Charter Township With and Without TIF

Executive Summary

The Metropolitan Lansing area is poised to become an important growth pole in the “New Economy”. This economy is characterized by new forms of work and leisure and the specialized settings in which they take place. The Eastwood shopping district is one such setting that has the potential to form the nucleus of a genuine urban village combining shopping with housing, recreation, entertainment and employment. Making this larger vision a reality however will require a high level of public intervention to eliminate blighted conditions, and other impediments to private investment existing in large parts of the DDA District. Without these additional “place-making” public and private investments, Eastwood runs the risk of being yet another isolated shopping mall stranded in the suburban landscape. It will also be limited in its ability to spawn other high quality development and property valuation increases in the DDA district as well as in surrounding jurisdictions.

The vehicle that makes this larger vision a reality is tax increment finance (TIF). Only TIF will provide the resources to assemble land and extend public services to prep interior parts of the DDA district for further private development – investments that will otherwise be lost to less encumbered, sprawl-inducing “greenfield” sites in neighboring counties. TIF also allows the Township to pay for needed public amenities that will give the district a true sense of identity and “place”.

TIF is a fairly straightforward investment strategy not just for the host community, but for all affected taxing jurisdictions. It asks these jurisdictions to forgo a portion of future dividends for the promise of even larger payoffs down the road. These larger payoffs are the result of value enhancing improvements to private property made possible by TIF-funded investments. Without these improvements, future tax revenue increases are likely to be significantly lower because the tax base itself will not have been maximized. Besides being put on a path of higher future revenues, the taxing bodies will continue to receive current year tax revenues on an annual basis.

Introduction

This paper discusses potential development opportunities for Lansing Charter Township’s DDA District. Its purpose is to put the district into context with development opportunities existing within the region, and to explain how tax increment finance (TIF) can help leverage these opportunities. This paper is also a precursor to a more detailed district master plan that will ultimately create a larger vision from the individual projects identified in the DDA plan. The plan, along with the projects it will prescribe, will be funded through the proposed TIF.



Eastwood today

Part I The Regional Context

The Metro Lansing area is centrally located within a large cluster of urban centers that are only a short drive away via I-96, I-69 and U.S.- 127. By one estimate, it is 90 minutes from 90% of the State's population. As both the seat of state government and host to a major research university, the Lansing area is fertile ground for the growth of New Economy industries spawned by MSU and the other universities in the state's fledgling technology triangle (formed by Lansing, Kalamazoo, and Ann Arbor/Detroit). The State's recently christened "Tri-Corridors" initiative is attempting to create a technology identity for this region. The corridors initiative also provides regional impetus for technology transfer and the commercialization of university generated research, particularly in the area of life sciences.

However, compared with many other Capitol/University towns that have emerged as the "growth poles" of the New Economy, the Metropolitan Lansing area has not yet achieved its full potential. Bifurcated local governmental, and the physical distance between Downtown and the MSU campus may have much to do with its current lack of urban synergy and focus. In spite of this absence, the Lansing area, by sheer virtue of its location and its government/university supported economy, seems ready to take its place among other mid-sized "creative class" communities of the Midwest such as Columbus and Madison. And unlike many other capitol/university towns whose economies have been driven largely by administrative functions, Lansing's economy also has a long manufacturing history which has left it with a large stock of industrial loft buildings and something of an edgy "post industrial" aesthetic. These features have proven particularly attractive to technology companies and their workers in other cities.

Signs of the region's awakening can already be seen on the edges of downtown and along the Grand River Road corridor in East Lansing. Experiences in other cities suggest that a prolonged phase of urban infill and restoration in the metropolitan core will take place concurrently with new infill development in fringe areas. Much of this growth will be fueled by the retention and attraction of young knowledge workers, and empty

nester households who want to be close to where the action is; therefore, an emphasis on centrality, convenience, a sense of community, and a variety of housing alternatives geared toward young professionals and active seniors will be paramount. A hint of this demand can already be seen on the opposite side of U.S.-127 in East Lansing's "Northern Tier" planning area, where quality multi-family housing is being quickly absorbed into the local real estate market.

In addition to downtown living, a market tested format that appeals to many younger knowledge workers and retirees is the "Urban Village" or satellite district tethered to downtown via a major transportation spine. The planning and design of such a district will be the focus of the pending DDA District master plan.

Lansing area is fertile ground for the growth of New Economy industries spawned by MSU and the other universities in the state's fledgling technology triangle

Crossroads of Technology and Transcontinental Trade

The I-96 Life Sciences Corridor

As mentioned above, the Michigan Economic Development Corporation (MEDC) has recently launched a technology corridor initiative centered on I-96. This corridor connects Michigan's three largest cities: Detroit, Grand Rapids, and Lansing respectively. The purpose of the initiative is to coalesce technology transfer developed from the various university and research institutions within the corridor into a "critical mass" that will attract a cadre of New Economy entrepreneurs and venture capitalists to the region. As its midpoint, Lansing is poised to be the linchpin of this corridor. In addition, the advent of high-speed cross-lake ferry service, scheduled to begin in the summer of 2004, will effectively extend this corridor to the west by connecting I-96 to I-94 at Milwaukee, and put Lansing squarely in the path of cross-lake as well as cross-state travel. This connection will also help put the City in more direct orbit of other technology centers such as Minneapolis and Madison.

The I-69 International Trade Corridor

At the national level, the North America Free Trade Agreement (NAFTA) has spawned a major new Federal initiative to extend I-69 (from where it currently ends in Indianapolis) to Laredo, TX. This route is being touted as a major conduit for international trade connecting many of the cities of the south and southwest to ports in the Great Lakes, Canada, Mexico, and the Gulf of Mexico. Many communities along the proposed corridor are embarking on aggressive economic development initiatives intended to capitalize on this major Federal project and the commerce it will bring.

These larger regional and national initiatives should create a sense of urgency among local and state leaders to focus their energies to help the Lansing area become a regional center of trade and technology. The Township, like the rest of the Metro area, should seize upon the impending opportunities by planning special districts and neighborhoods where the workforce of the New Economy can live, work, play, and spend.

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Tri-County Plan

The official Tri-County Regional Growth Plan (www.tricountygrowth.com) completed in 2003, shows Lansing Charter Township as part of Lansing's Metropolitan urban core. This implies that the Township should be viewed as an urban infill area and that new development should be built at urban densities. Adherence to sustainable (i.e. anti-sprawl) development practice makes it incumbent upon the Township to redevelop in an efficient manner so that it can effectively absorb a portion of the metropolitan growth that would otherwise locate farther out. Realizing this type of development will require proactive measures on the part of the DDA to intervene in the local real estate market by assembling land, relocating businesses and residents whose property can be used for a higher and better use; mapping road and utility extensions; rezoning; and working to redevelop difficult brownfield and landfill sites. As explained below, only a TIF would provide the Township with the wherewithal to carry out these protracted and expensive projects.

Positioning the DDA District

The Township's DDA district forms the northern gateway to the City of Lansing via U.S. 127. Given its access to downtown, the regional airport, the freeway system, and the Grand River Road corridor, the Township's DDA district is well positioned to attract new employment and urban lifestyle housing in addition to more retail uses. It must be said, however, that these high quality uses rarely come to a location that does not offer an attractive and development-ready environment that accommodates high quality private investment. Currently, the preponderance of marginal land uses and brownfields poses a blighting influence that discourages major new development in the district's interior. Much of the needed prep work to make these sites development-ready, will require the actions of an aggressive and well financed DDA.

Additionally, it should be pointed out that urban-themed development in the Township (discussed in more detail below), is not intended to usurp or challenge Downtown Lansing as the cultural and commercial hub of the Metropolitan region. Rather, urban development in the Township will support the ongoing revitalization of Downtown Lansing. The Township's proposed type of development should be compared to the original street-car suburbs of the early 20th Century that acted as satellite centers surrounding and helping sustain the urban core.

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Shaping the District

The DDA district itself contains a great deal of undeveloped and underutilized land that is either already served with water and sewer service, or where these services are available nearby. There is a significant amount of landlocked acreage in the Township that could be developed if it could be accessed with new roads. A vacated rail right-of-way could be converted into a linear park/trail segment and/or used to expand the local road network. Such a conversion would provide a critical link to the "Northern Tier" planning area of East Lansing, and help stimulate development in this area. The Granger Landfill site could be partially reclaimed for new construction and alternative energy production. The Goesbeck golf course could be expanded into the Township and used to create an attraction for new upscale housing along its edges.

Under an expanded master development plan that incorporated additional property and uses, Eastwood could serve as the nucleus of a real village center that also included housing, employment, and civic uses. The Lake Lansing Road interchange could be redesigned to create a more attractive and functional "portal" to the Township, the City of Lansing, and the City of East Lansing. Streetscaping could be introduced along Lake Lansing Road and portions of Wood Road to help unify the district. The Township and City of Lansing should develop a joint corridor plan for the western end Lake Lansing Road. The corners of Lake Lansing Road and Wood Street could be redeveloped into an urban node with new buildings that book-end the intersection and enliven the spaces around it. These are the types of projects that will be spelled out in greater detail in the upcoming DDA Master Plan, and potentially funded through the proposed TIF.

Part II: Why TIF?

Over the past several decades, TIF has emerged as the most potent economic development tool in the planner's toolbox. Simply put, it is an effective way to finance public improvements by leveraging future streams of tax revenue made possible by these improvements. In urban markets where issues of land assembly, environmental contamination, and blight elimination are at issue, it is generally the only way to help pay for the types of public improvements needed to compete with greenfield development on the urban edge. It is also generally the only way for fiscally constrained municipalities to engage developers to contribute public amenities in private projects. Without TIF or other forms of public intervention, the things that distinguish a mere development project from a *destination*, or a commercial strip from a *community*, are left wishfully to the workings of the private real estate market with predictable results. In short, the use of TIF is *de rigueur* for the average community serious about attracting quality redevelopment.

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The Plight of Urban Townships

In many ways the story of Lansing Charter Township is the story of urban townships throughout the country. Like them, Lansing Charter Township has historically served as a depository for the types of land uses considered undesirable or difficult to locate within the boundaries of a mature city. Historically, marginal uses were drawn to townships due to: lower land costs and taxes, less stringent development and environmental standards, and the availability of larger tracts of land. Many were the types of land intensive uses that don't generate tremendous amounts of jobs or tax revenues and had been zoned out of large portions of the City proper. Common uses included such things as salvage yards, auto sales and repair, warehouses, quarries turned landfills, small manufactures, and even adult businesses. In successive rounds of municipal annexation, growing cities were often able to "cherry-pick" the most attractive portions of their unincorporated edges while sidestepping other areas that promised less tax revenue and were sometimes viewed as more "needy" of public services. In other instances, cities were thwarted from acquiring property by resistant property owners who feared higher taxes and greater government regulation. All of this has left many Townships, including Lansing Charter Township, with disjointed municipal boundaries and some of the most problematic land uses within the metropolitan area.

Making matters worse is the inefficient and inadequate provision of utilities and other public services in most urban townships. The first waves of township residential development generally occurred on large, deep lots fronting on trunk highways or arterials and were served only by private wells and septic. Utilities were usually introduced after-the-fact as these areas continued to urbanize in scattershot fashion. Because they followed an already thinly spread development pattern (instead of guiding the location and intensity of development), utilities were, and are, inefficiently provided and expensive to serve on a per unit basis. In short these areas were unplanned and the patchwork development pattern left in their wake has proven stubbornly resistant to change without major public intervention and financing through TIF. Many of the problems endemic to urban townships can be found in Lansing Charter Township and will impede its ability to reinvent itself per its pending master plan. These problems include:

- Fragmented property ownership
- Land use conflicts
- Brownfields & grayfields
- Inefficient land platting
- Landfill externalities
- Inadequate utilities
- Disjointed street system
- Landlocked acreage
- Lack of public amenities

Many of the problems endemic to urban townships can be found in Lansing Charter Township and will impede its ability to reinvent itself

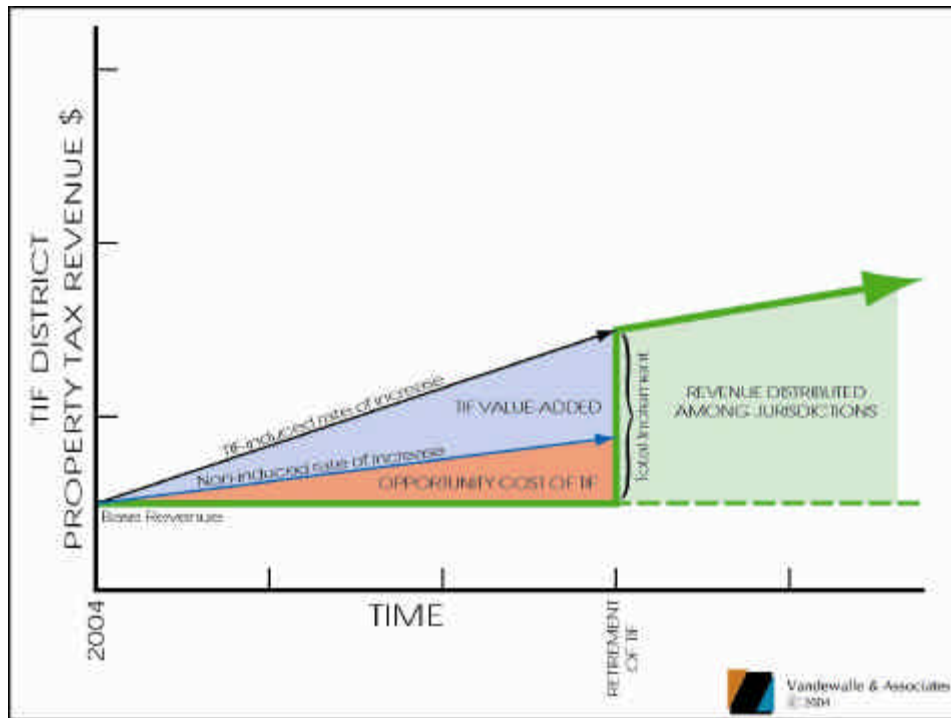
Without the resources that TIF can provide, many of these problems may cause private developers to simply bypass the Township for better prepared settings in which to build. Like earlier malls, Eastwood will likely remain an isolated, auto-oriented shopping center with no identifiable neighborhood built around it. As a result, the Township and the region (particularly the affected taxing jurisdictions) may lose increased future tax revenues generated by a more efficient, and urban development pattern. Such a pattern is only likely to be brought about by TIF-funded public improvements, such as badly needed street connections, utility extensions and upgrades, land assembly, and the provision of “public goods” such as a library, community center, and parks. These facilities will have to be thoughtfully planned and mapped out through a comprehensive master planning process also funded through the TIF.

Without resources that TIF can provide, developers may simply bypass the Township for better prepared settings in which to build

The Truth About TIF (Value Added vs. Opportunity Costs)

Affected taxing jurisdictions often oppose TIF due to real or perceived increases in their service burdens (caused by TIF-generated development) with no offsetting increases in tax revenues to meet those burdens. They often cite the projected tax revenue increase, which occurs only because of the public investment in quality development funded by TIF, as the amount they will “lose”, as though the TIF itself has nothing to do with the strength of those estimates. This is a serious misnomer because the TIF will not create a net *loss* of revenue in the absolute sense, and because *the TIF itself is the engine that drives these projections*. In truth, the actual tax revenues forgone over a 30-year period (or what can be more accurately described as the true “opportunity costs” discounted over the life of the TIF) would be far less if the TIF was not implemented. In the end, the taxing jurisdictions do not experience a net loss of revenue in the real sense, as their revenues are locked in at the pre-TIF level. Moreover, upon the TIF’s retirement, the added revenues flowing to the taxing jurisdictions should be expected to be much greater than the no-TIF scenario due to the value-enhancing public investments paid for via the TIF. In this sense, a TIF can be likened to an investment that promises a large payoff in the future in exchange for a prudent (if not always easy) investment today. On the flip side, the actual opportunity costs of the TIF are the gradual (but far less than optimal) increases in tax assessments that may naturally occur without the TIF.

A TIF can be likened to an investment that promises a large payoff in the future in exchange for a prudent investment today



How do taxing jurisdictions benefit from TIF?

Whit master-planned growth and the direction of TIF funds for infrastructure improvements, property acquisition, and development incentives results in higher-quality development and more robust overall revenue growth. Acreage originally land-locked becomes available for development and the overall density of development tends to increase. The resulting development generates much more tax revenue than the disjointed, low density development that would have resulted if unchecked. The pre-TIF (i.e. base) revenues continue to be distributed to the taxing jurisdictions throughout the life of the TIF; however, the distribution of revenues after the TIF is retired is greatly amplified because the TIF places the community on a higher tax revenue trajectory.

What are the opportunity costs of TIF?

The “opportunity costs” associated with TIF is the difference between the base level at the start of the TIF, and the change of tax revenue that would otherwise occur without the TIF. This is the uninduced portion of the increment. The total increment therefore consists of both TIF-induced and non-induced components—the value-added, and the normal increase respectively. Both are distributed back to the taxing jurisdictions upon the TIF’s retirement.

Part III: The TIF Scenario

The creation of a TIF will better enable the DDA to do the heavy lifting required to correct many decades of market-driven development. Deep pockets will be needed to acquire and replat sizable tracts of land, clear blighted structures, and extend roads and utilities. While the Township may be able to afford to do a few isolated projects without a TIF, big ticket items such as land assembly, business relocation, right-of-way condemnation/road construction, and the development of public facilities and amenities would likely be well beyond their reach.

As shown on the graphic on page 9, TIF will enable the Township to assemble lands and extend utilities to optimize the reuse/development potential of now isolated and underutilized parcels of land. Under a TIF, the Township could potentially convert the abandoned rail right-of-way into a local street that could serve as a critical connection to a potential new business park development on either side of U.S. 127. Chamberlain Street could possibly be extended to this new road providing another critical north-south connection through the community. Such a road would also open the northern tier of the DDA district, including reclaimed portions of the Granger Landfill for new employment-generating development and help alleviate traffic pressures on Lake Lansing Road.

With a TIF, the community could also envision the creation of a real “town center” including a civic and residential uses that tie into Eastwood. The civic area could perhaps be centered at the elbow of Lake Lansing Road – a site with high visibility in need of a landmark-quality building. A pedestrian-friendly street could connect this mixed-use area with Eastwood, and help unify the DDA District from east to west. Consistent streetscaping along Lake Lansing Road would further strengthen these connections. Improvements along Wood Road, including potential widening and utilities could open up this corridor for additional mixed use development with the potential for a 4-corner office node at the intersection of Wood and the converted rail right-of-way.

With a TIF, the community could envision the creation of a real “town center” including civic and residential uses that tie into Eastwood

The TIF would also enable the DDA to assemble the numerous isolated lots along Wood and Lake Lansing Roads that impede master-planned development. It would also allow the Township to contend with the possible relocation of the cement plant – a use whose high visibility and externalities will otherwise have a deadening effect on the redevelopment of the west end of Lake Lansing Road. A relocated cement plant creates the prospect of an expanded golf course along with higher density (downtown-view) condo development along its edges. The Plant could potentially be relocated to reclaimed portions of the landfill where it might present a productive re-use of that site.

Public improvements near the landfill would make future reclamation of this more feasible. Methane power already being collected on the site could potentially be used to heat and power nearby development. With this alternative power source already available, the landfill could ultimately be fashioned into an alternative power demonstration park that might also incorporate solar, wind and fuel-cell energy. Such a park could serve as a field lab for students and researchers at MSU as well as LCC. (We note that the later was the recent recipient of a NextEnergy grant from Wayne State University, as well as a \$1 million federal grant, to expand its alternative energy technologies program.) Examples of alternative energy parks already exist in Michigan at WSU’s Alternative Energy Renaissance Zone in Detroit, and at GVSU’s Alternative Energy Center in Muskegon.

Finally, a TIF could allow the Township to achieve a more compact, efficient, and pedestrian friendly build-out of Eastwood through structured parking thereby releasing several acres (otherwise devoted to surface parking), for new development.



Mixed-use, master-planned development (TIF assisted)



The No-TIF Scenario

Without the public improvements and detailed planning that a TIF could help finance, development in the DDA district is likely to continue in a piecemeal and uncoordinated fashion. Quality development will be inhibited by fragmented property ownership, awkwardly shaped land parcels, and inadequate infrastructure. The local road network will likely remain incomplete causing much acreage to remain landlocked and underdeveloped, with traffic on Lake Lansing Road continuing to worsen. Over time the entire Lake Lansing Road will become “stripped out” as the frontage lots are sold and redeveloped individually, each with its own sign and driveway. Developers of quality projects will likely bypass the Township altogether for more attractive areas in Clinton County where property is more easily assembled and where there is a commitment from the public sector to create quality public amenities that will enhance the value of their projects. Brownfield sites will likely remain undeveloped due to the dearth of public investment and the lack of momentum provided by “impact” projects nearby. The mix of uses and activities needed to instill a sense of community will probably not occur due to both the lack of available land the public amenities required to create “place”. New market rate housing in particular, would be inhibited by few public amenities, the lack of public improvements in the interior of the DDA district (where new housing would normally tend to locate), and the land use conflicts and environmental concerns posed by nearby brownfields. All of these present blighting influences that inhibit new housing development. Finally, without the public improvements and blight elimination that TIF-funded improvements can bring about, Eastwood will remain an isolated, car-oriented development instead of the centerpiece of a genuine satellite urban village.



Single-lot development pattern (No TIF)

Without the public improvements and detailed planning that a TIF could help finance, development in the DDA district is likely to continue in a piecemeal and uncoordinated fashion

	With TIF	Without TIF
Eastwood Buildout	Realistically maximized due to creative site planning and structured parking funded through TIF	Not maximized because of need for acres of surface parking under standard mall format
Tax Revenue Projections	Increase at an accelerated rate due to value-enhancing public improvements	Increase at a nominal rate. Value-added increment not realized
Developed Land Area (Tax Base)	Maximized due to funded public street and utility connections. Landlocked/underdeveloped lands used more productively	Not optimized. Lack of TIF-funded public improvements inhibits development in district interior and in areas just outside of district.
Public/Entertainment Uses in DDA District	To be planned/funded under TIF	Few likely. Privatized “public” amenities where provided
Induced Development Outside of DDA District	Road extension along existing rail right-of-way helps drive development in “Northern Tier” of E. Lansing	Lack of TIF-funded secondary connection slows/hampers development in Northern Tier
Brownfield Redevelopment	Enabled and prioritized. TIF-funding would provide wherewithal to acquire and prepare these sites for new, productive reuse	Redevelopment unlikely, except for other “dirty” or marginal uses
Lake Lansing Road Corridor	Individual lots/ uses can be acquired and consolidated for new mixed-use, “master planned” development. Corridor unified through consistent streetscape theme	Frontage becomes “stripped out” in single-lot development pattern. Little development/design coordination. Non frontage acreage “walled-off” from street and underutilized
New Residential Development in DDA District	Land assembly/clearance made possible by TIF revenues, allows removal of blighting influences. Extensions of public streets and utilities allows underutilized lands to be opened up for new neighborhood development.	Blighting influence of brownfields, fragmented property ownership, and lack of public improvements/amenities in district interior, discourage new housing development.

Development Scenario with TIF

Charter Township of Lansing DDA District

Potential Development

Use	Gross Acreage	Net Acreage (25% removed for stormwater & r.o.w.)	Square Footage (0.25 floor area ratio)	Value (per sq. ft.)	Market Value
Commercial	92 Acres	69 Acres	750,000	\$ 85	\$ 63,750,000
Lifestyle Ctr Com	35 Acres	27 Acres	300,000	\$ 85	\$ 25,500,000
Mixed Use	44 Acres	33 Acres	360,000	\$100	\$ 36,000,000
Civic	5 Acres	4 Acres	40,000	--	--
Subtotal	176 Acres	133 Acres	1,450,000	--	\$125,250,000

Use	Gross Acreage	Net Acreage (25% removed for stormwater & r.o.w.)	Dwelling Units (25 d.u. per acre)	Value (per dwelling unit)	Market Value
Residential	76 Acres	57 Acres	1,425	\$150,000	\$213,750,000
Total	252 Acres	190 Acres	--	--	\$339,000,000

* Note all numbers are approximate

Potential Uses

- Residential
- Commercial
- Mixed Use
- Office (0-10 years)
- Office (10+ years)
- Civic
- Recreation Corridor

- Existing Road
- Proposed Road
- Improvements to Existing Roads
- DDA Boundary
- Town Center Boundary

Town Center

Residential	76 Acres
Commercial	10 Acres
Mixed Use	44 Acres
Civic	5 Acres
Existing Commercial	10 Acres
Total	~ 145 Acres

Lifestyle Center

1,600,000 sq. ft. commercial with TIF
1,300,000 sq. ft. commercial without TIF

300,000 sq. ft. additional commercial with TIF

- Additional commercial obtained through increased FAR & structured parking which is possible with TIF funding

Created: January 2004

Development Scenario without TIF

Charter Township of Lansing DDA District

Potential Development					
Use	Gross Acreage	Net Acreage (25% removed for stormwater & r.o.w.)	Square Footage (0.25 floor area ratio)	Value (per sq. ft.)	Market Value
Commercial (0-10 yrs)	65 Acres	49 Acres	530,000	\$85	\$45,050,000
Commercial (10+ yrs)	23 Acres	17 Acres	185,000	\$85	\$15,725,000
Total	88 Acres	66 Acres	715,000	--	\$60,775,000
Unrealized Development	<164 Acres>	<124 Acres>	<775,000>		<\$278,225,000>

* Note all numbers are approximate

Potential Uses

Future Commercial (0-10 years)

Future Commercial (10+ years)

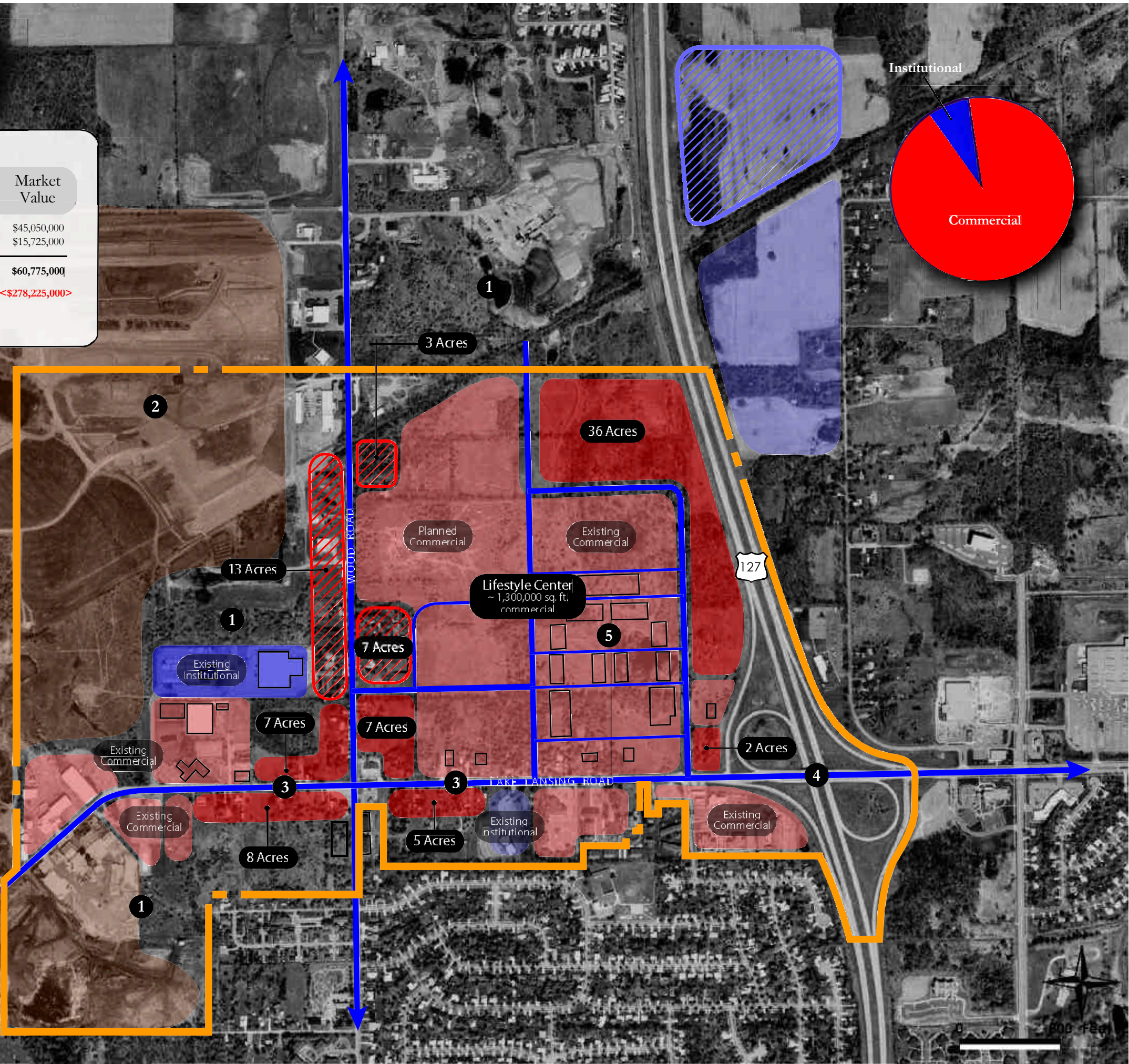
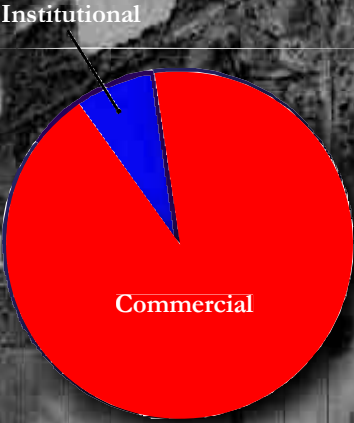
Office (0-10 years)

Office (10+ years)

Public/Institutional

Existing Road

DDA Boundary



MAP ANNOTATIONS

TIF Scenario:

- 1 Redesigned interchange improves functionality and makes more efficient use of surrounding land
- 2 Extension of roads/services to landfill area creates opportunity for useful landfill reclamation and alternative energy use
- 3 Structured parking allows increased development density in Eastwood
- 4 Land assembly at intersections creates opportunity for “master planned” Town Center and Civic Node
- 5 Road/ utility extensions open up underutilized land for tax and employment generating reuse
- 6 Major streetscape improvements along Lake Lansing Road to beautify and unify the corridor
- 7 Relocation of older industrial uses allows ‘higher and better’ use of the corridor and inclusion of public uses
- 8 New street segment connects development on either side of freeway to Eastwood creates value for inaccessible acreage, and drives development on east side of U.S. 127
- 9 Street connections to provide a stronger tie between potential residential, civic and employment areas and Eastwood

No-TIF Scenario:

- 1 Significant acreage remains landlocked due to lack of public improvements
- 2 Brownfields do not get redeveloped – has deadening effect on potential new development nearby
- 3 Lack of new or improved infrastructure causes development to cling to Lake Lansing Road resulting in “stripped out” corridor
- 4 Functionality continues to deteriorate without redesigned interchange
- 5 Eastwood remains exclusively auto-oriented. No public focus. Little supporting residential, employment nearby. Density not maximized.

TIF as an Insurance Policy

Much of the controversy surrounding the proposed TIF district stems from the assumption that the lifestyle center will enjoy a steady appreciation in value creating perpetual windfall increments for the DDA. Given the short history, and untested staying power, of the “lifestyle” format, this assumption may be overly optimistic. Their detractors suggest that lifestyle centers are little more than upscale outlet malls “in drag”, and that they are vulnerable to being trumped by the next post-mall development trend. Anecdotal evidence suggests that the most successful lifestyle centers are those that are conceived as part of a larger “New Urbanist” setting that includes a wide mix of land uses; a captive market of nearby residents and office workers; and an inviting public realm. Their role is both that of regional destination and local town center. The majority of lifestyle centers were developed as part of a public-private partnership involving some type of incentive from the local municipality, usually TIF.

The most successful lifestyle centers are those that are conceived as part of a larger “New Urbanist” setting that includes a wide mix of land uses; a captive market of nearby residents and office workers; and an inviting public realm.

At present, Eastwood is more of a stand-alone retail development akin to the early “motor court” malls of the 1950s, than an emerging town center. TIF, on the other hand, would enable the Township to realize the complete package by helping finance the public amenities that the private sector cannot be relied upon (or expected) to provide. Such amenities range from a library, appropriate firefighting equipment, a police substation, and parks, to more basic improvements such as new streets, utilities, and streetscaping. These improvements are necessary to build into Eastwood the features that would help give it “place” and ensure its long term viability in a volatile real estate market. In so doing, the taxing jurisdictions, who already receive considerable tax revenues from Eastwood, would have greater assurance that those revenues would continue to flow, and to grow in the future.

Cannibalize or Complement Other Retail?

Much of the angst directed at Eastwood has to do with the belief that it will drain the life out of other retail centers in the Metro area. Research conducted by the International Council of Shopping Centers however, indicates that patrons of lifestyle centers have significantly higher incomes and spend more per visit, than the average mall customer. These centers appear to be filling a growing niche for high-end retailing geared primarily to upper income customers. Moreover, the stores in these centers are not generally of the type inclined to locate in traditional malls and many of them are new to the local market. While existing retailers will certainly feel its presence, it is less likely that Eastwood will simply cannibalize existing local retail centers as grow the local retail market and provide more jobs. (Some existing retailers have actually reported increased sales since Eastwood’s opening.) Because they tend to expand consumer choice and target the affluent, they can be expected to help retain, if not attract, spending that might otherwise be lost to the upscale retail environments of Oakland and Kent Counties.

Anecdotal evidence suggests that the valuation of homes in Lansing’s Goesbeck neighborhood abutting the Township, and in DeWitt to the north, have increased appreciably since Eastwood’s opening. The magnitude and reach of these increases in valuations will depend on the Township’s ability to cobble together a genuine urban village from its currently scattered elements.