



# Downtown Idea Exchange

Essential Information for Downtown Revitalization

## *Business Recruitment & Retention*

### **Revolving loan fund and tax abatement spark development**

Re-envisioning the local economy and providing financial assistance are helping the village of Baroda, MI (est. pop. 873), reinvent itself. Baroda used to be the tool and die cast capital of the state, with eight mills employing more than 220 people. In recent years, those factories have dwindled down to four, providing only 61 jobs. In addition to multiple vacant industrial buildings downtown, Baroda also has a unique dead-end main street to contend with.

When citizens were trying to decide how to breathe new life into their village, they looked no further than the area's orchards, u-pick produce stands, family-run farms, nine wineries, and the locally-grown produce served in downtown eateries. The village, which is located six miles from Lake Michigan and within a six-hour drive of about 60 million people, is focusing on agri-tourism and reinventing the region as "the Heart of Wine Country."

#### **Preparing the way for new businesses**

In order to attract new businesses that will, in turn, attract tourists, the village took a number of steps. The village council obtained MDOT funds for three road improvement projects. The first, a streetscape project, includes new paving, sidewalks, street lighting, banners, and flowers. The other two involve creating gateways from I-94 and US Route 31 into the community.

"We also set up a Revolving Loan Fund (RLF)," says Diane Mensinger, village clerk. Funds to create the RLF were obtained via the USDA's Rural Business Enterprise Grant program. To date the village has provided RLF loans totaling \$50,000 to one business for facade improvements, and another for building renovations.

A second round of the RLF prompted village officials to run a newspaper ad stating, "We have \$20,000 reasons for you to expand or locate your business in downtown Baroda!" Bob Getz, village president, says that if a qualifying business that brings jobs and revenue to the community is interested, it will get a \$20,000 RLF loan.

"Our village and our consultant, Chuck Eck-stahler, also worked very hard with the legislature to try to get the commercial tax abatement opened up," says Mensinger. "We were one of the first places in the state to get that, and now other cities are calling us asking how we did it."

Two tax abatement districts were created, one downtown and one for the Lemon Creek entryway to the community, with up to a 100-percent abatement of local taxes available on the increased assessed value due to building renovations for qualified businesses. Five-year commercial renovation tax abatements have assisted the

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Baroda Tap & Grille and the Tabula Rasa Gallery in improving their buildings without paying taxes on the upgrades.

“Before, only existing businesses or buildings qualified for the tax abatement,” says Getz. “We introduced legislation to expand that to be used any place where there was a commercial building before, but there isn’t one now.” Village officials are hoping that the tax abatement incentive will entice a bed and breakfast interested in catering to wine country visitors to develop a lot formerly occupied by an elementary school downtown.

“We have a whole block which is in our Commercial Renovation Tax Abatement District so it can be rezoned for commercial use,” says Getz. “If someone builds a new facility there, we can give them a 100-percent, five-year tax abatement so all they need to pay is whatever the taxes are now for the empty lot.”

### **Strengthening the agri-tourism connection**

Village officials and individual business owners have taken steps to hone their identity as an agri-tourism destination. One local dairy farmer

has upgraded his licensing so that he can produce farmstead cheeses to go with locally-produced wines. One winery tour includes a stroll past beautiful handcrafted barrels carved by a local woodsman. Even though Tabula Rasa is an art gallery, the business features a deli case filled with locally-produced foods. The Baroda Tap & Grille serves locally grown and produced foods, as well.

The village has successfully applied for Arts Build Communities grant funds for downtown murals depicting wine, produce, and Pomona, the Roman goddess of agriculture, on the exterior of the feed mill.

And the Round Barn Winery is moving its brewery into an empty 10,000-square-foot tool and die cast building downtown. An Industrial Facilities Tax Exemption will allow the business to upgrade equipment, open a tasting room, and possibly add a restaurant next year, all without paying taxes on new equipment.

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