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2006 COOL CITIES GRANTS & PLANNING PROGRAMS COOL CITIES NEIGHBORHOODS IN PROGRESS PROGRAM REQUEST FOR PROPOSALS

Building on the strengths and learning from an analysis of the 2005 Cool Cities Grants & Planning Programs, we are pleased to announce the 2006 Cool Cities Neighborhoods in Progress program. This program is once again aimed at creating the kinds of neighborhoods that will make our cities magnets for jobs and people. We have learned that in order to create these vibrant, mixed-use, pedestrian-friendly neighborhoods, an organic, well reasoned and researched neighborhood action plan must be in place. This plan must be driven by local stakeholders. Those stakeholders must include individuals with a passion for "action" and the leadership to make it happen. We have also learned from survey responses that attracting urban pioneers requires special kinds of "cool" neighborhoods and that the state's role is to reinforce and support the unique and custom designed approaches created by each community.

Four elements or aspects of economic development are of special importance as we create these "cool" neighborhoods: talent, innovation, diversity and environment, or **T.I.D.E.** All of these elements are important to the economic health of our cities, so much so that we are incorporating the T.I.D.E. model as part of the evaluation of the strength of this year's Cool Cities Neighborhoods in Progress applications. Research suggests that the four conditions of T.I.D.E. are necessary – in tandem- for economic development and to create truly vibrant cities. (Please refer to the appendix and/or visit www.coolcities.com for additional information on the T.I.D.E. model.)

WHAT IS THE COOL CITIES 2006 NEIGHBORHOODS IN PROGRESS PROGRAM? The 2006 Cool Cities Neighborhoods in Progress grant program offers a Resource Toolbox that represents state resources that can be used to move our state toward the goal of creating Cool Cities that retain and attract people and jobs. This Resource Toolbox promotes investment in neighborhoods that are, or have certain potential to create a mix of residential, cultural and commercial uses, mixed-income housing and a pedestrian-friendly environment. This is as important for downtown and near downtown areas as it is for residential neighborhoods in proximity to traditional centers of commerce. Most of the resources in the Cool Cities Resource Toolbox are available to anyone, as long as they meet the respective criteria for each resource.

For 2006, we are again focusing the Cool Cities Neighborhoods in Progress program on neighborhoods in urban centers with the likelihood of attracting or retaining urban pioneers. We will be looking for neighborhoods that currently exhibit, and have plans to expand, activity in the four elements of the T.I.D.E. model. We will select up to twelve projects. Neighborhoods that are designated will benefit from priority access to the Resource Toolbox for up to three years, i.e., from the time the grant is awarded until December 31, 2009.

WHAT IS AVAILABLE? The Resource Toolbox (located at www.coolcities.com) constitutes key state agency resources - grant funds, loans, tax credits, or services that can help create vibrant, mixed-use neighborhoods. The Resource Toolbox “tools” are available to any area or entity as long as they meet the particular criteria tied to that “tool”. New for 2006 is the ability to search by the T.I.D.E. model in the Resource Toolbox. When combined with private and local public investment, plus good old-fashioned ingenuity and creativity, these tools can help transform our neighborhoods.

The twelve designated Cool Cities Neighborhoods in Progress will:

- Be assigned a State Neighborhood Champion to help educate you about the availability of resources and to advance plans for the neighborhood.
- Receive an opportunity to host state representatives for a discussion of potential resources with the community.
- Have priority access to the Resource Toolbox, which means whenever possible, upfront technical assistance, and applications submitted to state agencies for specific resources from the Resource Toolbox will be reviewed promptly. Where possible, applications will also receive additional points in the established review and scoring process for the respective agency applications.
- Receive a Catalyst Grant for up to \$100,000 for projects within neighborhoods that appear to have the greatest potential to attract and retain urban pioneers.

WHO IS ELIGIBLE TO APPLY? Local units of government, nonprofit organizations that are registered legally as a 501(c)(3), and quasi-governmental entities are eligible to apply (depending on the requirements of particular state programs). For-profits may partner with a local unit or nonprofit but the local unit or nonprofit must be the applicant. If you have received a Catalyst Grant under the 2004 or 2005 Cool Cities program, you cannot apply for and/or receive an additional Catalyst Grant for that neighborhood.

In order to apply, the neighborhood must be located within a city that has the following:

1. At least one 2- or 4- year Michigan institution (university, 4-year college, or community college) of higher learning.
2. Local Historic District Ordinance (or, at least one National Register Historic District).
3. Engaged and active Local Arts Agency.
 - This means that the organization functions in the capacity of an arts/culture producing, presenting, programming, and/or services organization within the community.
 - Has an active board of directors that is representative of the community.
 - Has knowledgeable leadership (paid or volunteer).
 - Receives support (funding, volunteers, in-kind contributions) for arts/cultural efforts from the local community.
 - Partners/collaborates with other arts and cultural resources and sectors in the community (i.e. education, government, faith-based, business, social and human services organizations) in developing and implementing its arts/cultural projects and initiatives.
4. An established Local Cool Cities Advisory Group (LCCAG). The LCCAG must be an established planning entity within the community that has a history of activity and a roster of members that includes representatives from a variety of sectors including business, culture, education, and government. Also, the LCCAG should include membership that represents both ethnic and age diversity. We especially urge LCCAG leadership to solicit membership from high school and college age students.

The following cities meet all of the requirements listed above.

Adrian	Flint	Midland	Port Huron
Albion	Grand	Monroe	Royal Oak
Ann Arbor	Rapids	Mt. Clemens	Saginaw
Battle Creek	Holland	Mt. Pleasant	Southfield
Bay City	Houghton	Muskegon	Traverse
Cadillac	Howell	Owosso	City
Dearborn	Jackson	Petoskey	Warren
Detroit	Kalamazoo	Plymouth	Ypsilanti
East Lansing	Lansing	Pontiac	
Farmington Hills	Livonia		
	Marquette		

WHAT IS THE T.I.D.E. MODEL? The Cool Cities program adopted a model for community and regional growth by focusing on the T.I.D.E. of economic development: talent, innovation, diversity and environment. Each one is necessary but by itself is insufficient for generating economic growth. To attract creative people, generate innovation and stimulate economic growth, there must be substantial, balanced performance across all four elements. By understanding and focusing on each of these four elements we can attract an increasing number of well-educated, creative workers who increasingly make location decisions based on more than just an employment opportunity. (See the appendix for a brief description of each element of T.I.D.E.)

WHAT WILL BE CONSIDERED WHEN THE APPLICATIONS ARE REVIEWED? New in 2006, the NIP applications will be evaluated according to their current and proposed focus on the four elements of the T.I.D.E. model as well as other important criteria. We will be looking for synergistic connections between the catalyst project and the neighborhood. Specifically, the following will be evaluated:

- 1. The strength and creativity of the connection between the neighborhood and its Catalyst Grant project, and the educational institutions in the vicinity (institutions of higher learning, technical schools, and K – 12).**

Our schools and universities are not only a source of a segment of the population we hope to attract and retain, they are one source for the innovative/entrepreneurial minds and ideas that can create new jobs in our economy. Applicants will be asked to describe current or proposed activities to engage secondary and higher education students and the staff in revitalization activities, in business development, in human capital development, as members of LCCAG, in showcasing and promoting educational success, and the like.

- 2. Evidence of identification and support for “innovations” in the business of the neighborhood; willingness to recognize and support new ideas that create jobs.**

Innovation involves introducing something new into the marketplace for economic return. Entrepreneurship is the process that organizes resources to capitalize on innovation. Innovation and entrepreneurship can manifest in many forms; be it technology incubators, business mercados, micro-business loan pools, and new firm development, just to name a few.

3. Evidence of activities that support and welcome diversity.

Encouraging diversity means everything from actively recruiting and welcoming a wide variety of residents and stakeholders into a neighborhood, to creating places where people can share a broad range of ideas and views.

4. Characteristics of the neighborhoods identified, including clearly defined boundaries.

What constitutes a neighborhood that is or has real potential to become vibrant, mixed-use, mixed-income, and pedestrian-friendly? We have learned that neighborhoods with the potential to attract urban pioneers embody a variety of characteristics. (The term “neighborhood” applies to a defined and/or distinct area, which may include mixed-use environs such as downtowns.) We will evaluate evidence and quality of the following neighborhood characteristics based on the information you supply in your application and onsite visits.

Neighborhood Characteristics:

- Existing, and opportunities for, mixed-income housing (including a range of housing types)
- A substantial (approximately 20 or more) number of commercial parcels of property that include multi-story buildings of historical or architectural significance
- A portion of the neighborhood must have been zoned, planned or used for commercial development for at least 50 years
- A significant amount of zero-lot-line development (buildings are flush with each other and the street)
- Pedestrian-friendly infrastructure
- Appropriate mix of business, services, and housing
- Historic districts
- Zoning and code enforcement support from local unit of government
- Community cultural venues - – galleries, shops, studios, museums, performance and gathering places
- Varied recreation opportunities
- Energy efficiency and/or low impact design (green buildings, rain gardens, storm water management) currently in the neighborhood, or included in the future revitalization/redevelopment plan for the neighborhood
- Green infrastructure including parks and other greenspace, hiking trails, bike paths
- Schools
- Clean, cared for public and private space
- A variety of restaurants, clubs, coffeehouses
- Accessibility

5. Neighborhood Action Plan: The apparent strength of the plan for revitalization and attraction of population, specifically urban pioneers.

We have also learned that a comprehensive plan for neighborhood revitalization/development must be in place. The plan must be developed by a broad range of stakeholders, and championed by people who are not only dedicated and passionate about the work at hand, but also able to lead the community. The plan must address activities associated with the T.I.D.E. model of economic development and provide evidence areas of the T.I.D.E. that are weak will be addressed. OR provide documentation as to how the community is addressing potentially weaker areas of T.I.D.E.

Specific elements of the action plan will be described in the application. We will evaluate evidence of resident involvement and effectiveness of the neighborhood planning group. We will look for evidence of how the plan will transform the neighborhood into a place where people want to live, work, and play.

6. The level of participation and expertise of the neighborhood planning team.

We will be looking for diverse partners, especially representatives from the business community, government, schools, residents, and faith community.

7. Evidence of diverse neighborhood partnerships.

Creating vibrant, mixed-use neighborhoods requires multi-faceted, diverse partnerships. Projects that demonstrate a wide array of local partners will be favored.

8. Neighborhood and Project Leverage: Level of current and projected public and private investment (both cash and in-kind, generally in the neighborhood, and specifically in the Catalyst Grant Project).

Neighborhood Plans must demonstrate in their applications the commitment of adequate public and private investment and support for the neighborhood, including:

- Evidence of private sector and foundation partners
- Evidence that state resources (e.g. Department of Environmental Quality, Department of Natural Resources, Department of Transportation, Department of History, Arts and Libraries) have been, or will soon be incorporated into the projects in the neighborhood
- Linkage with any existing local economic/community development incentives (e.g. Renaissance Zone, Neighborhood Enterprise Zone, Obsolete Property Rehab Tax abatement, Community Development Block Grant funds, Historic Preservation Tax Credits, local Historic District)

9. Cool Cities Catalyst Projects As Tipping Point: The Catalyst Grant Project's potential for "tipping" the neighborhood toward success.

Applications must demonstrate that the catalyst project will represent a tipping point for creating or strengthening a vibrant, higher-density, mixed-use, pedestrian-friendly neighborhood. The project should enhance the environment as a place where urban pioneers will choose to live.

10. Implementation: The feasibility of the catalyst project, and its sustainability.

Cool Cities Catalyst Grant applicants must demonstrate a high likelihood that the project will be implemented successfully and is sustainable.

- Projects must be feasible (the majority of funds for successful completion should be in place or committed).
- Projects must be administered/developed by an entity with sufficient experience and capacity.
- The project must be ready to start by December 31, 2006, and the applicant should provide evidence to that effect (e.g. letters from banks with specific project timeline, signed construction contract or development agreement).

- If applicable, the project must be “sustainable”. In other words, if the project requires ongoing operating and administration to be successful, the resources for this must be evident in the application. For example, if the project includes establishing a welcome center for new residents to the neighborhood that includes staffing, marketing and ongoing operating (in addition to the rehabilitation funding for the “center” provided by the Catalyst Grant); the application needs to provide evidence that those ongoing operating funds are committed and available.
- At least a 50% cash match is required for the Catalyst Grant and must be documented in the application. This means that at least 50% of the amount requested for the Catalyst Grant must be documented as match. (If you request \$100,000 for the Catalyst Grant, you must document \$50,000.) Higher levels of cash match will be considered as demonstrating a greater likelihood of success and sustainability.

WHAT ARE THE ELIGIBLE ACTIVITIES? Refer to the Resource Toolbox for specific activities tied to each program. These state resources have been carefully analyzed for their applicability to creating vibrant, mixed-use neighborhoods.

Eligible activities under the **Catalyst Grant Project** may include (BUT ARE NOT LIMITED TO):

- physical infrastructure
- façade improvements
- streetscaping (including public art)
- land acquisition or other publicly owned or controlled uses
- rehabilitation or new construction of buildings (including theaters, mixed-use housing, galleries, etc.)
- demolition associated with construction (where viable historic resources are not damaged)
- greenspace/parks/pavilions
- farmer’s markets
- recreation facilities

NOTE: *Catalyst Grant funds **cannot** be used for “soft” costs (studies, analyses, engineering) facility and administrative operating costs, rent, or to fund festivals or other special events.*

REPORTING REQUIREMENTS: For the twelve designated neighborhoods, the local planning team will be responsible for monitoring, documenting and reporting the neighborhood’s three-year implementation of the Cool Cities Neighborhoods in Progress program. Annual reports will include change in SEV, private investment, number of new jobs created, number of housing units developed, number of new businesses opened, population change, list of state/local resources invested, and other important data.

APPLICATION PROCESS: The Notice of Intent (NOI) is available online (www.coolcities.com) and **must be submitted** online no later than **March 21, 2006, 5:00 p.m.** We will review the NOI’s for eligibility and threshold criteria, on or before **March 31, 2006**. If your NOI meets these criteria you will receive an email notice inviting you to apply online. This notice will provide you with a secure password, and application instructions. The Cool Cities Neighborhoods in Progress online application will be accessible by March 31, 2006. Full applications must be submitted on line no later than **May 5, 2006, 5:00 p.m.** Representatives from the Cool Cities Coordinating Team will visit a sampling of the applicant neighborhoods **May 22 – June 19, 2006**. The 2006 Cool Cities Grants & Planning program designated neighborhoods **will be announced mid July 2006**.

PRE-BID WORKSHOP: We will host an interactive video-conference **Pre-bid Workshop on March 14, 2006, 1:30-4:00 p.m.** Video-conference sites will be in Marquette, Sault Ste. Marie, Traverse City, Grand Rapids, East Lansing, and two in the Detroit area. **Please see the press release posted on www.coolcities.com for details.** Frequently Asked Questions will be posted on www.coolcities.com by March 20th.

WHERE TO GET MORE INFORMATION? Look on the website at www.coolcities.com or contact the Cool Cities Collaborative, Elizabeth Armstrong, eaarmst@michigan.gov, (517) 373-9097.

APPENDIX 1

The Elements of T.I.D.E

The T.I.D.E. model, the development model for Cool Cities Initiative, was designed to use research on economic development such as Richard Florida's and tailor it to Michigan cities, both small and large.

- **Talent:** Talent is best understood as skillful human inputs into the economy. Our economy is moving from an older corporate-centered system defined by large companies, to a more people-driven structure. Companies now make location decisions based on access to talented and creative people rather than expecting those individuals to always come to them. Michigan has millions of creative people of all ages employed in every sector, and we want to bring in even more. To attract and retain these individuals we need to offer them centers of creativity in the places they live, work and play. Michigan recognizes that we need to identify wide-ranging opportunities to support the growth of this entire, newly identified and important sector of our economy. Our ability to grow and nurture our creative class will provide opportunities and competitive advantages to our communities.
- **Innovation:** Innovation considers business formation and growth, entrepreneurial activity, patents and intellectual property, new products and processes in every sector including manufacturing, IT, life sciences, agriculture, and service businesses. It is not limited to the traditional "high-tech" sector. There are creative jobs/occupations in all sectors of the economy. We recognize that our state's innovations are coming from our colleges and universities, industry R&D departments, corporations, small businesses, government research labs, entrepreneurs and garages. The purpose of identifying the "innovation" in a community helps us recognize and support new ideas that create jobs. This is not limited to inventions. It includes entrepreneurs and entrepreneurial activity across each region's economy.
- **Diversity:** Diversity supports our need to attract and retain creative talent. It strongly favors organizations and environments where individuals feel they can fit in and can get ahead. Diversity of backgrounds and opinions strengthens the creative process and brings a competitive advantage to our cities and state. Encouraging diversity also means being open to all people, including outsiders and helping them quickly connect with people in their new community. Communities that allow and support all people to assimilate into the community easily also tend to be more attractive to the creative sector.
- **Environment:** Environment, sometimes called Quality of Place, focuses on the amenities and other assets that attract and retain individuals and organizations. Creative workers demand natural, recreational, cultural and lifestyle amenities as well as a balance of economic opportunity and lifestyle when selecting a place to live, work and play.

APPENDIX 2

Definitions

Local Cool Cities Advisory Group (LCCAG): In September 2003 the Governor sent a letter to 267 mayors asking them to form Local Cool City Advisory Groups, or LCCAGs. The intent was to bring together non-traditional folks with traditional economic developers to raise the dialogue about supporting and investing in your city and to find ways to make people more interested in living, working, and shopping in your city. In order to obtain the broadest perspective, it is important that the LCCAG be a diverse group reflecting a mixture of ages, religions, occupations, and genders. More information can be found at www.coolcities.com What You Can Do/Advisory Groups/LCCAG.

Urban Pioneer: We were first familiar with the term to describe a person who had vision for a blighted urban area who moved into the area and worked to restore the neighborhood. We now think of the term to describe anyone who lives in an urban neighborhood or moves to an urban neighborhood to either restore or maintain it. Some of those urban pioneers are empty nesters, young knowledge workers, developers, immigrants, creative workforce, or persons with passion for their city who believe in building or rebuilding a vibrant community. No matter what age a person is, one who moves into a transitional area to be part of the rebirth of that neighborhood could be considered an urban pioneer. An urban pioneer can also be a developer who is investing in the neighborhood.