

CASE STUDY

Food Innovation Districts: Traverse City, MI

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INTRODUCTION

Many regions dream of flourishing local food systems, but development is often hampered by poor public policies, zoning restrictions, a lack of economic incentives, and poor infrastructure. Michigan is now fighting these barriers with a systematic approach. In 2010, the state issued the Michigan Good Food Charter, a policy platform intended to encourage healthy, green, fair and affordable food systems in the state. A key recommendation from the charter was to develop regional Food Innovation Districts or FIDs (Colosanti, 2010).



Fig. 1: Northwest Michigan
Source: Dansby, 2012

What Is a Food Innovation District?

According to Dansby (2012), a Food Innovation District is a geographically bound area that includes a high concentration and diverse mix of food oriented businesses and services. Functions performed by the businesses can include (but are not limited to) aggregation, warehousing, shared processing, coordinated distribution, wholesale and retail sales.

Economic Rationale

Behind the economic basis for FID development is the principle of *clustering*. Related businesses, clustered in a confined geographic space, create synergy and encourage the cross-pollination of ideas. Over time, clusters draw in new businesses that are attracted to high concentrations of workforce talent and economies of scale, which develop through shared supply chains and transportation infrastructure.

Traverse City's Initiative

Leaders near Traverse City, Michigan are developing a Food Innovation District on the 63 acre campus of an old hospital. Now called *The Village at Grand Traverse Commons*, this site lies within the boundaries of two small communities, and is surrounded by 480 acres of parkland. The Michigan Economic Development Corporation awarded the campus' custodians \$50,000 to develop the FID which will include a year-long farmers market, community kitchen, commercial kitchen, cold storage, product processing and aggregation for restaurants, schools, hospitals and grocery stores—in addition to the 18 other existing food related businesses (Dansby, 2012).

Public policies to support the FID include a mixed-use master plan supported by a variety of special zoning designations including historic district designation, Michigan tax-free Renaissance-Zone Designation, and brownfield designation. Although the project is still in early stages its developers have high hopes that the FID will boost employment opportunities for farmers, agri-food entrepreneurs, distributors and processors (Dansby, 2012).

Policy Tools for FID Development

While Traverse City used both public policies and economic incentives in planning and developing its FID, each community has a unique history and set of challenges and will also need a unique set of tools. However, in general, FID developers may want to consider the following options:

- *Centralize Coordination.* Most incorporated communities are eligible to form a Downtown Development Authority. Communities may task a local development entity, such as a DDA, with coordination efforts. Such an organization can channel funding to developers through private donations, revenue bonds, or grants from various levels of government and development corporations.
- *Create Economic Incentives.* Economic incentives can be used to attract businesses and finance development. A local government could offer Tax Increment Financing that allows tax revenues earned within a specified district to be reinvested in that district, rather than to traditionally funded projects. Similarly, tax abatement policies could suspend tax collection within FIDs for a period of time.
- *Allow Special Zoning.* Communities can consider issuing special land-use designations to ease project development. A single FID will contain a variety of activities, including: industrial, commercial, residential, and office—creating a zoning nightmare. A special zoning category or overlay zone can simplify the process and allow for more flexible development. Incorporating FIDs into a community’s Master Plan can also ensure that city planners make good zoning decisions in the future.

Scaling the FID Model

The Northwest Michigan Council of Governments (NWMCOG), in collaboration with the C.S. Mott Group for Sustainable Food Systems at Michigan State University, is constructing a toolkit to help communities develop an FID. This consortium formed an advisory committee and gathered input from a 10-county region in Northwest Michigan (McCauley, 2012). Patty Cantrell leads this effort and says the toolkit will be broken down into three main sections: 1) assessment tools, 2) the role of economic developers, and 3) the role of planners. Although the project’s main focus is Northwest Michigan, Cantrell hopes the toolkit will be used across the state and the country. It is intended to shorten the learning curve for communities interested in developing an FID at various scales and to spur local economic growth (Cantrell, 2012).



Fig. 2: Future site of Traverse City’s FID
Source: Dansby, 2012

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