



Tuesday, February 1, 2022

Dear Governor Whitmer and Capital Caucus Leaders,

As elected leaders for our state, we know that you understand Michigan deserves strong leadership, a clear vision, and a heartfelt commitment to those you serve. Now is the time that our statewide and local small businesses also deserve swift action to approve the allocation of recovery funding.

COVID has dealt a devastating blow to communities across Michigan, especially urban downtown communities. However, we strongly believe that no downtown has been more negatively impacted than downtown Lansing. We are ground zero for the pandemic. We are the state's capital city. The local business owners - the people and places that are your favorite lunch meeting locations, snack stops or outfitters – the ones who have managed to survive the pandemic thus far, are now on life support, with no end in sight. As you visit downtown, the evidence is clear. Downtown Lansing has been decimated and we are looking at a long 10-year road to recovery.

Last year alone, Downtown Lansing faced the following negative impacts:

- The State of Michigan has canceled over 1 million square feet of office space.
- Our downtown vacancy rate more than doubled in 2021 for first floor retail spaces.
- An estimated half of the State of Michigan's typical downtown workers are still working remotely, which has crippled downtown Lansing businesses.
- The estimated annual loss in the downtown Lansing business district has been \$50 million in 2021.
- More of the small businesses that you love, some that have been around for decades, are in danger of closing their doors permanently this year.
- Significant reduction of out of area business travel and visitors related to the State of Michigan, negatively impacting overnight hotel stays, restaurants and other downtown businesses.

There is still hope, but *only* if you take swift action. We are all lending our voices of support, respectfully requesting immediate action to approve \$5 million in funding support being awarded to Downtown Lansing Inc. They are leading downtown Lansing's recovery with a funding request and plan of action to offset the vastly reduced presence of State of Michigan workers.

The \$5 million in funding will help support their plan to:

- Reduce downtown vacancies through incubators and entrepreneurial programming.
- Implement a Downtown Revolving Loan Fund to support small businesses and local small-scale developers looking to rehab and make necessary improvements to their buildings. Buildings must be reconfigured for more flexible uses.

- Provide small business support grants to existing and new small business owners in the downtown Lansing business district, with a priority on supporting women and ethnic owned small businesses
- Provide rent/mortgage support grants to recruit and aid businesses in the downtown district.
- Enhance outdoor community spaces to provide COVID safe seating and gathering spaces to support residents and local businesses within the district.
- Add capacity to the Downtown Lansing Inc. team as they lead the comprehensive market analysis and actionable plans to chart a course forward for the heart of Lansing.

Without the traditional daily workforce traffic, downtown Lansing is going through a long-term forced shift to diversify our business mix and focus on those who live and experience our community at all hours of the day, all year-round. On Monday, Jan. 11, Downtown Lansing Inc. announced the launch of comprehensive market analysis to address the needs of those looking to live downtown and the business mix and priority sites we need to focus on for a strong future for downtown Lansing.

We cannot do this without your help and the much-needed funding. We look forward to immediate action from you, our elected leaders, to approve Downtown Lansing Inc.'s \$5 million recovery fund ask. The longer we wait for funding to keep downtown Lansing alive, the more expensive and less feasible it becomes to support the rebuilding, reimagining and revitalization of the community we all work, live and LEAD.

Sincerely,



Julie Pingston
President & CEO
Greater Lansing Convention and Visitors Bureau



Robert L. Trezise
President & CEO
Lansing Economic Area Partnership



Tim Daman,
President & CEO
Lansing Regional Chamber of Commerce