

Memorandum



Date: June 2, 2026
To: Buchanan City Commission
From: Tony McGhee
Subject: Application for USDA Funding to Support

The purpose of this memorandum is to recommend that the City Commission authorize an application to the United States Department of Agriculture Rural Business Development Grant Program in the amount of \$203,142 for construction of a new public parking lot at the site of the former Nelson’s Transfer Station. The grant would require a local match of \$71,375 from City funds.

The proposed parking lot would be constructed on the property that already serves as an informal parking lot near The Common. While the site is currently used for parking during the Farmers Market, concerts, and other downtown events, it is not improved to a standard that best supports the level of use it receives. Formalizing and improving this parking area would provide a cleaner, safer, and more functional public parking option in a location that is already serving that purpose.

The USDA Rural Business Development Grant Program is intended to support economic development and job creation projects in rural communities. The program provides grant funding to eligible public bodies, nonprofit entities, and other qualifying organizations for projects that support rural businesses and strengthen the local economy.

The program is a good fit for this project because reliable public parking is a core piece of downtown business infrastructure. Public parking may not always be the most visible economic development tool, but it directly impacts whether customers can conveniently access businesses, restaurants, events, and public spaces. For a downtown like Buchanan’s, where small businesses rely on steady customer access and community events bring people into the central business district, parking is an important part of supporting continued economic activity.

This project also builds on work that has already been completed through the same USDA program. All design work for the proposed parking lot has already been completed under a

previous USDA Rural Business Development Grant. Because the design phase has already been funded and completed, the City is now in a strong position to pursue construction funding and move the project from planning into implementation.

The new parking lot would also leverage other parking lot improvements planned for the downtown area in spring 2027. Or if funding needs necessitate, the project, if funded, could be pushed out to the City's FY 27/28 Fiscal Year. Those improvements are expected to update public parking throughout the central business district. Completing the former Nelson's Transfer Station lot as part of that broader effort would allow the City to take a more comprehensive approach to downtown parking rather than improving individual lots in isolation. Together, these projects would help create a more functional public parking system for residents, visitors, businesses, and event attendees.

Good public parking is especially important for downtown businesses. Customers are more likely to stop, shop, eat, and spend time downtown when parking is convenient, visible, and easy to use. Inadequate or poorly maintained parking can create friction for visitors and limit the ability of downtown businesses to capture customer traffic. Improving this lot would help support existing businesses while also positioning the downtown for additional investment and growth.

The location is also important because of its proximity to The Common. The Common hosts many of the City's major downtown events, including the Farmers Market, concerts, and other community gatherings. These events bring people into the downtown and create opportunities for additional spending at nearby businesses. Improving the parking lot next to The Common will better support those events, improve the experience for attendees, and help downtown businesses benefit from the foot traffic these activities generate.

Recommendation

Administration recommends that the City Commission authorize the submission of an application to the USDA Rural Business Development Grant Program in the amount of \$203,142 for construction of the public parking lot at the former Nelson's Transfer Station site, with a City match of \$71,375, and authorize the City Manager to execute any necessary documents related to the application.

Attachment A: Resolution for USDA RDBG Grant Application

Attachment A



CITY OF BUCHANAN
COUNTY OF BERRIEN, STATE OF MICHIGAN

A RESOLUTION TO APPROVE THE SUBMISSION OF A RURAL BUSINESS
DEVELOPMENT GRANT APPLICATION
FOR THE CITY OF BUCHANAN DOWNTOWN PARKING LOT CONSTRUCTION
PROJECT

RESOLUTION ##

WHEREAS, the City of Buchanan has identified the need for construction and improvement of the public parcel on Oak Street and Charles Court which was the former home of the Nelson transfer Station. The parcel is in the downtown district and the proposed lot would support business development, economic vitality, tourism, and public accessibility; and

WHEREAS, the parking lot serves surrounding downtown businesses in the central business district, community gathering spaces, and visitors utilizing The Common and adjacent public event spaces; and

WHEREAS, the proposed project will improve the functionality, appearance, accessibility, and long-term usability of an underutilized lot that would support commercial activity and community events; and

WHEREAS, the City of Buchanan recognizes the importance of maintaining and improving infrastructure that supports local businesses, encourages downtown investment, and enhances the visitor experience; and

WHEREAS, the City of Buchanan is hereby making a financial commitment to the project in the amount of \$71,375 in matching funds from the City of Buchanan; and

NOW THEREFORE, BE IT RESOLVED, that the City Commission of the City of Buchanan hereby authorizes the submission of a Rural Business Development Grant FY 2026 application for \$203,142 (74%), and further resolves to make available its financial obligation in the amount of \$71,375 (26%) of the total estimated project cost of \$274,517 during the XX fiscal year.

AYES:

NAYES:

ABSENT:

MOTION XX.

I HEREBY CERTIFY, that the foregoing is a Resolution duly made and passed by _____ of the City of Buchanan at their Commission Meeting held on Date, at Time p.m. in Buchanan, Michigan, with a quorum present.

Name, City Clerk Date