



Agenda

City of Charlevoix Downtown Development Authority and Main Street Meeting

Friday, September 23, 2022 - 8:00 AM

Council Chambers, City Hall

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call**
- 4. Inquiry Regarding Conflicts of Interest**
- 5. Consent Agenda**
- 6. Reports**
- 7. Old Business**
 - A. Property Acquisition Discussion
Lindsey Dotson, Main Street DDA Director
- 8. New Business**
- 9. Public Comment**
- 10. Request for Future Agenda Items**
- 11. Board Comments**
- 12. Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Clerk's Office at 231-547-3250 or by email clerk@charlevoixmi.gov. A 24-hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodations requests.

Charlevoix Downtown Development Authority and Main Street Old Business

Title: Property Acquisition Discussion

Date: September 23, 2022

Presented By: Lindsey Dotson, Main Street DDA Director

Background:

During the September DDA Board meeting, a discussion began about an opportunity to submit a proposal for acquiring property in the DDA district. The property owner sent a letter (attached) asking the DDA and two other parties to submit it before September 30th. More information has been made available to share:

- The other two parties have submitted offers:
 - The dentist submitted a low offer
 - The construction company submitted a competitive offer (\$1M) and wants to move forward with building a hotel with a rooftop bar.
- She has told others that she would be flexible on payment being broken up.
- She is open to granting us time to work out financing and possible partnership opportunities, but we would have to put that into our offer letter.
- The desired sale amount would be \$1 million.

The attachments included in this item are pages from the Futures report that had positive public feedback/support, the cut sheet that was created for the property when it was first designated as a priority redevelopment site, and a rendering that the construction company had shared with the property owner that led to the discussion we are having today.

Dan Leonard from the MEDC plans to attend our meeting on Monday to answer questions about what next steps would look like if we were to move forward.

The original Agenda Item read:

During our last work session to set/refine overarching goals, the Board discussed a number of goals related to housing, some of which include the following:

- Investigate investing in a property for housing that would be tied to year-round work requirements.
- Look at partnerships with area employers to create new housing units.
- Continue to engage with Housing North and the Chamber of Commerce.

Recently I was made aware of the fact that a redevelopment project is not moving forward at one of our Priority Sites for RRC & the owners are now going to sell. We received correspondence from the property owner notifying us of this sale requesting an offer from the DDA. Two other parties received

the same letter. The offer must be submitted by the end of September.

Generally speaking, if the DDA were to acquire a piece of property, the MEDC would work with us through the preliminary stages of public engagement and formal bidding process for a redevelopment team to purchase the property with certain parameters put into place, like the year-round work requirement, for example.

Recommendation:

Board discussion and direction.

Attachments:

1. Hurlbut Property Cutsheet
2. Futures Report - Hurlbut
3. Futures Report - Hurlbut pg. 2
4. Futures Report - Hurlbut pg. 3
5. Futures Report - Hurlbut pg. 4
6. Hurlbut Rendering - Socks Construction

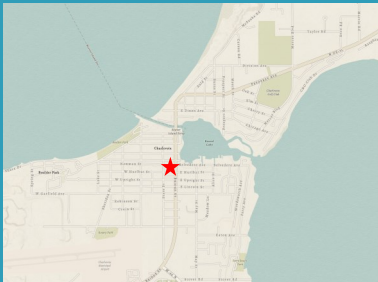
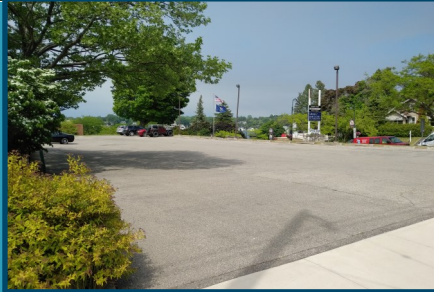


AVAILABLE PROPERTY

.66 ACRES

**101-109 Hurlbut Ave
Charlevoix, MI 49720**

**For pricing information,
please contact:
DENNIS KUSINA**



**Location within the City of
Charlevoix**



Location of Charlevoix, MI

COMMUNITY VISION

The opportunity at 101-109 Hurlbut Avenue provides developers with a large site in Charlevoix's historic downtown. The 100 block of Hurlbut is elevated between 10-20 feet higher than the downtown parcels to the north. Development on the eastern and northern portions of the site could result in unparalleled views of Round Lake, Downtown Charlevoix, East Park and Veteran's Park. Below grade parking could take advantage of the site's permitted lot coverage.

The community vision for this lot is high density and a variety of downtown living units. Apartments or condominiums offering a large range of sizes or townhouses/row houses would utilize the lot well. Professional office space could be retained. Traditional architectural style should be a heavy consideration for any project. Developers should aim for designs that are harmonious with downtown design standards, such as classic resort architecture.

Financial incentives could be available for projects that accomplish the community vision for this lot.



CHARLEVOIX



AVAILABLE PROPERTY

Additional Information

Community Demographics

**101-109 Hurlbut Ave
Charlevoix, MI 49720**

City of Charlevoix Population: 2,338

Current Owner: Dennis Kusina

Median Age: 47.5

Parcel Identification Number: 052-361-003-00

Median Household Income: \$31,885

Current Zoning: CM-Commercial Mixed Use

High School Diploma Attainment: 95.9%

Current Use: Professional Offices

Lot Size: .66 Acres /
~28,776 Square Feet

Average Residential Property SEV: \$156,200

Max Height per Ordinance: 35 feet

Annual Market Potential for Additional Residential Rental Units: 215

Maximum Lot Coverage: N/A

Min. Size of Multifamily Dwellings Permitted: N/A

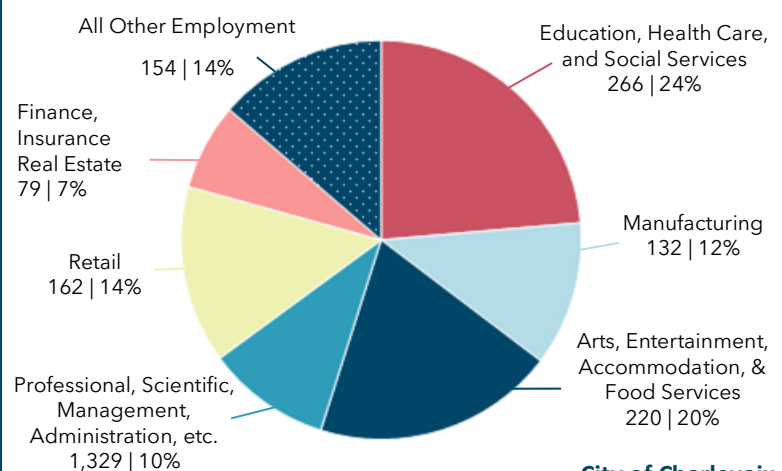
Utilities Available: City Water and Sewer, City Electric, Cable Broadband

Future Land Use/Community Vision: CM-Commercial Mixed Use

State Equalized Value: \$287,900

Incentives Available: To Be Determined

City of Charlevoix Workforce Statistics



DOWNTOWN EVOLUTIONS

Increased Downtown Housing

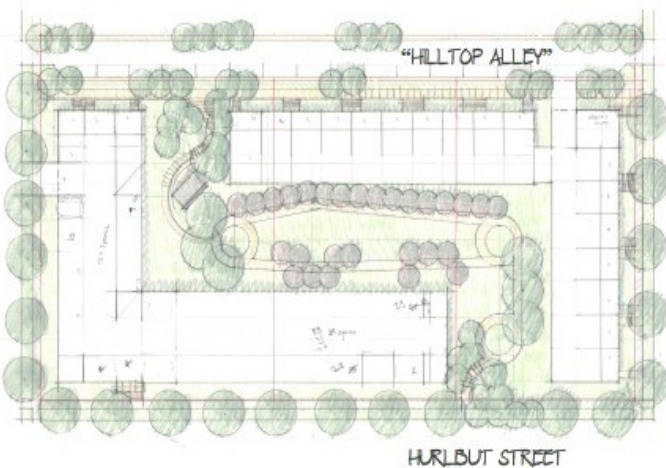
Creating housing across the spectrum of affordability and types is a goal of downtown, recognizing both the shortage of housing for downtown workers as well as housing that might be oriented to those seeking an environment like downtown Charlevoix for living simply because of its inherent attractions. In a largely built-out environment, opportunities to significantly expand housing might be limited, so incremental additions become important to pursue.

In the demonstrations for activation of the alleys and side streets, each new building should be imagined as containing an upper level that accommodates some residential use. While not a huge number, each allows for a step toward satisfying the shortage of downtown housing. Still, a more significant step toward the shortage is needed.

In an area referred to, for purposes of this report, as “Hilltop,” that significant step might be possible.

Hilltop Housing

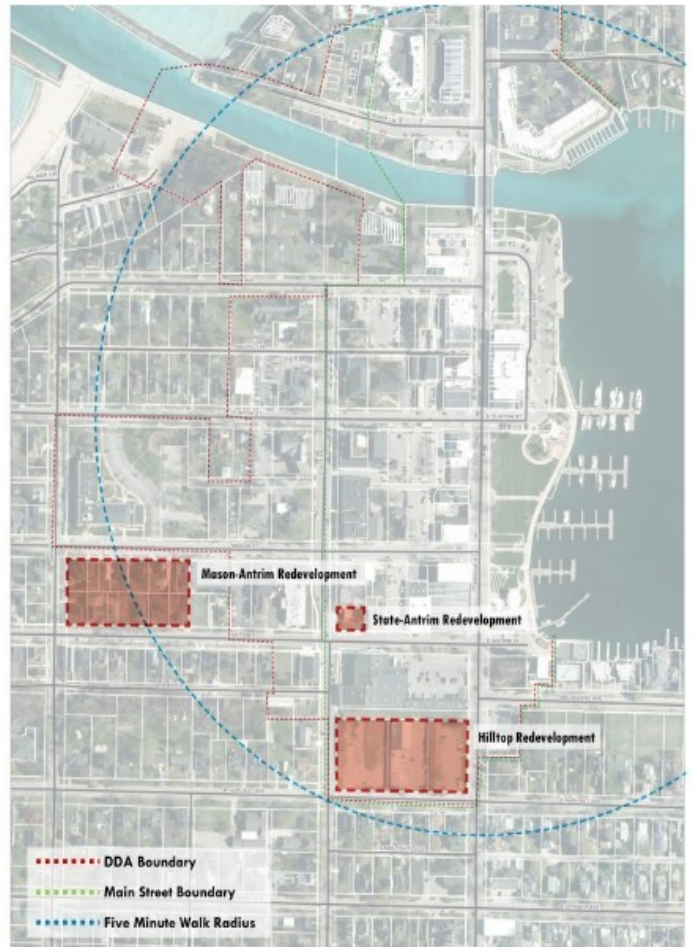
The half-block bounded by Bridge Street, State Street, Hurlbut Street, and an unnamed and undeveloped alley is Hilltop, located just at the edge of downtown’s south side. The area is comprised of three parcels, one of which is undeveloped and another of which is occupied by a private education facility. The third parcel is comprised of outdated office and retail space, and was recently selected as a Redevelopment Ready Communities priority redevelopment site.



Hilltop housing concept—site plan

The half-block referred to as Hilltop is one where very little retail activity is likely due to its slope and distance from the core of downtown, but it is certainly within reasonable walking distance for residential uses.

DEMONSTRATIONS



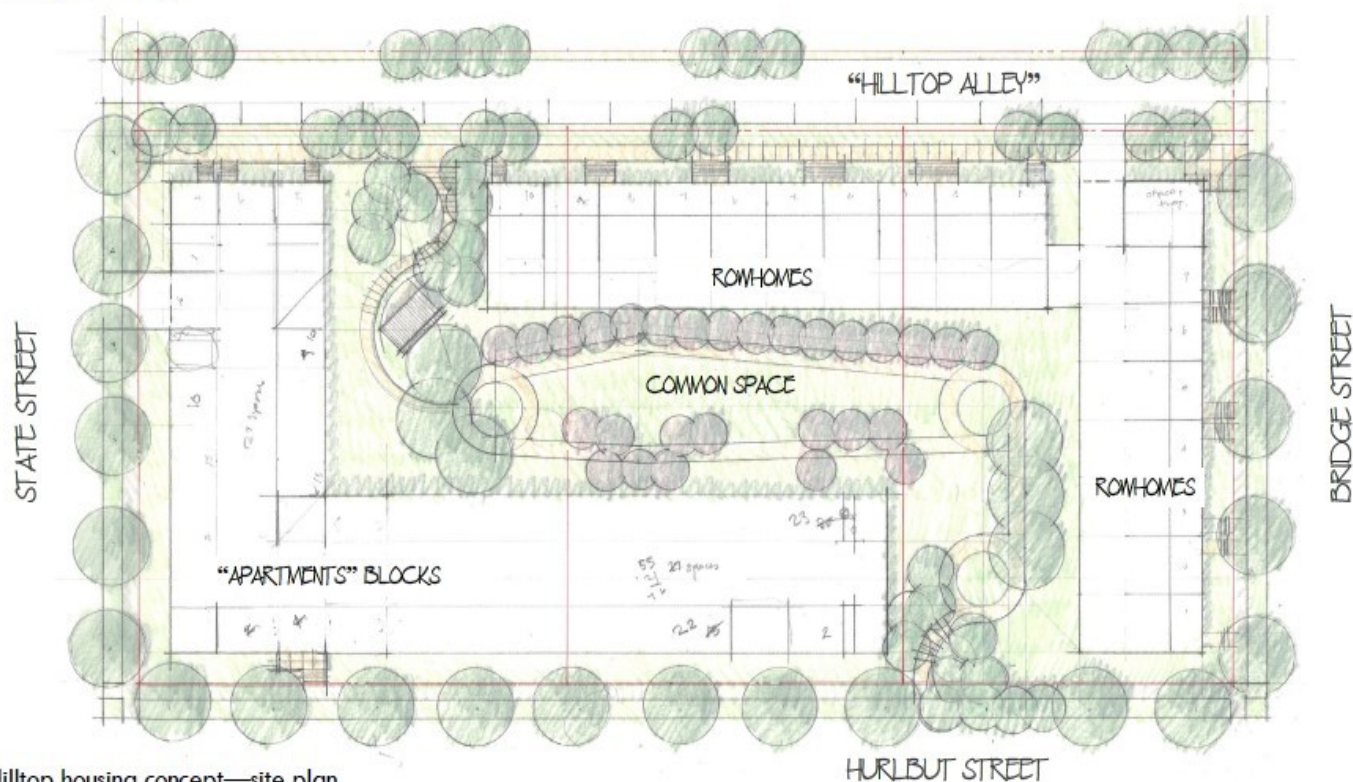
Redevelopment Opportunities and Demonstrations



The parcel at 101-109 Hurlbut Street, currently comprised of outdated office and retail space, and was recently selected as a Redevelopment Ready Communities priority redevelopment site. The property is part of the half-block referred to in this report as “Hilltop” and the Hilltop Housing demonstration.

Increased Downtown Housing

Hilltop Housing



Hilltop housing concept—site plan

In the Hilltop scenario, buildings should be strongly oriented to surrounding streets and a new alley. The central commons joins the development, creating a strong interior place for this new community.

In the demonstration, three patterns are evident, none of which is parking, which is accommodated below grade because of the natural slope of the site. The undeveloped alley becomes Hilltop Alley, a single lane, one way street with parking along one side and access to below grade parking. The central portion of the site is shown as a large and continuous common space with landscaping, walkways, and gathering spaces. The eastern portion, primarily along Bridge Street, is demonstrated as rowhomes with individual entries from the street. The possibility of having flats (one story units) over some rowhomes (with two or more levels) would introduce a second housing types. A portion of the street level nearest downtown could be occupied by retail or office spaces.

The remainder of the block is organized into two larger “apartment” blocks, separated into two pieces recognizing the likely staged implementation of housing on the Hilltop block. Some units, particularly those with more of a street level orientation to Hurlbut Street or some oriented to the interior common space might be townhome-style units with access directly from the outside. Some units might be larger and two-level, some might be standard units, and still others might be truly affordable micro-units. With an architectural style that includes a prominent roof, some units might be developed “in the roof” without adding a fourth floor.

Hilltop Housing Concept Features

- The undeveloped alley becomes “Hilltop Alley”
- Hilltop Alley provides access to below grade parking
- The central portion of the site features a large and continuous common space with landscaping, walkways and gathering spaces
- Housing styles could include rowhomes, flats (over rowhomes), apartments and townhome-style units, and micro-units
- A portion of the street level nearest downtown could be occupied by retail or office spaces.
- The two larger “apartment” blocks are separated into two pieces, recognizing the implementation of housing on the Hilltop block will likely be phased,
- Parking is provided at rates aimed at two enclosed spaces per unit for rowhomes and one enclosed space per unit for all other units.
- The total number of units demonstrated in this example is approximately 17 rowhomes (and perhaps a few flats) and 77 apartments of varying unit configurations. Further design, market research, and financing might demonstrate the potential for even greater density on this block.

Increased Downtown Housing

Hilltop Housing

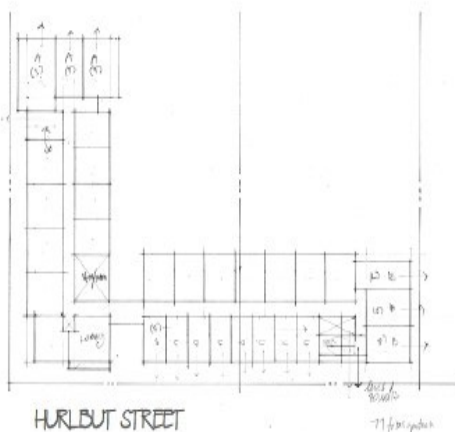


Hilltop Housing—North Elevation (along “Hilltop Alley”)

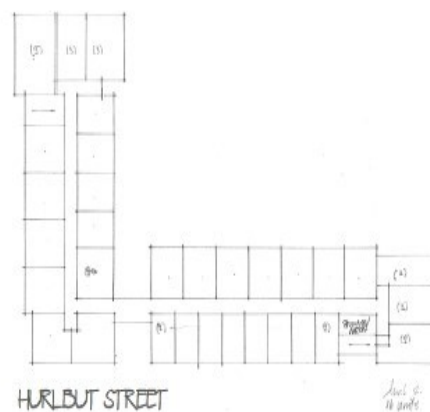


Hilltop Housing—South Elevation (along Hurlbut Street)

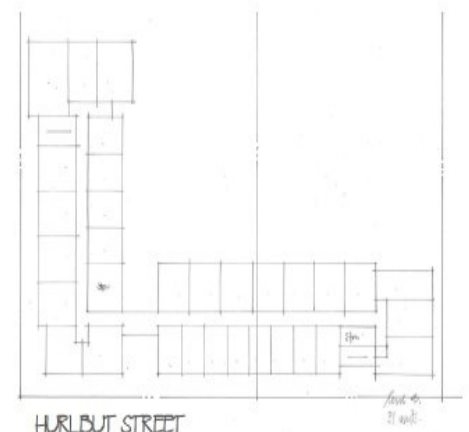
Like activating uses shown in demonstrations along downtown side streets, “shingle style” architecture is shown for the Hilltop Housing concept, with complementary materials, colors and features applied across the different styles of housing.



Hilltop Housing—“Apartment” Blocks—Level 1



Hilltop Housing—“Apartment” Blocks—Level 2



Hilltop Housing—“Apartment Blocks”—Level 3

The Hilltop Housing demonstration recognizes that a development of this magnitude is likely to be implemented in phases. The diagrams displayed above show a configuration for “apartment” blocks, separated into two pieces to recognize, again, the likelihood of a staged implementation scenario on the Hilltop block.

Demonstration C | Increased Downtown Housing

Further study required:

The major location at Hilltop for new housing is an initiative that would seem to address concerns of many downtown stakeholders. Further, the initiative is directed to a block in downtown where the opportunity for refreshing development seems obvious, and where a portion of the block has already been identified as a Redevelopment Ready Communities (RRC) priority site. The process of fully developing the half-block would be best facilitated through an assessment of not parcels, but the whole opportunity. In this case, the city may have to assist or even take the lead in land assembly. If that can be achieved, a solicitation for developer interest might be pursued, but the city's goals should be agreed upon and clearly articulated prior to dissemination of any solicitation. That suggests a refinement of the demonstration contained in this report would be a logical and necessary first step.

Implementation timing:

Activity advancing this initiative could happen at any time but the potential for self-evolution always remains. If the city takes a lead, it would be known to the parcel owners that activity is happening, and their supportive participation could result in a solution that is financially appealing and that would allow the entirety of the demonstration of be eventually implemented.

Costs:

Creating a preliminary plan is not costly and is not one requiring extensive time to prepare. With land assembly—or at least the idea that the three parcels could be acquired simultaneously, the process of creating a preliminary plan, engaging neighbors, and establishing a clear path to entitlements could happen in a period of about six months and for a consulting fee of \$50,000 to \$100,000, depending on the number of public meetings and the need for delivering quality “marketing” materials to support a solicitation. Opportunities to involve and coordinate planning and solicitation activities with MEDC RRC program leaders—and for possible technical assistance financial support for predevelopment activities to help offset local costs— should be seized upon.

