



Planning Commission  
97 North Broad Street  
Hillsdale, Michigan 49242-1695  
(517) 437-6440 Fax: (517) 437-6450

**Planning Commission Agenda**  
**August 18, 2020**

- I. Call to Order 5:30**
  - A. Pledge of Allegiance
  - B. Roll Call
  
- II. Public Comment**
  - Any Commission related item – 3 min. limit
  
- III. Consent Items/Communications**
  - A. Approval of agenda – **Action**
  - B. Approval of Planning Commission 07-21-2020 minutes – **Action**
  - C. Communications
    - a. EDC Minutes 06-18-2020
    - b. Hillsdale Market Study
    - c. 23 N. Broad St. RFQ Stakeholder Meeting 2 Presentation
  
- IV. Site Plan Review**
  - 49 Union St. – Exchange Club/City Basketball Court – **Action**
  
- V. Old Business**
  
- VI. New Business**
  
- VII. Master Plan Review**
  - Goals and Objectives - **Discussion**
  
- VIII. Zoning Ordinance Review**
  
- IX. Zoning Administrator Report**
  
- X. Commissioner’s Comments**
  
- XI. Adjournment**

**Next meeting September 15, 2020 at 5:30 pm**

**Planning Commission Meeting**  
**Hillsdale City Hall**  
**Council Chambers**  
**July 21, 2020**  
**5:30 pm**

**Call to Order**

Meeting opened with The Pledge of Allegiance by Vice Chairman Moore at 5:45

**Members Present**

Vice Chairman Eric Moore, Secretary Penny Swan, Mayor Pro-Tem Will Morrissey, Commissioner Jacob Parker, Commissioner Elias McConnell.

**Members Absent**

Chairman Sam Nutter, Commissioner Ron Scholl

**Public Present**

Zoning Administrator Alan Beeker

**Public Comment**

None

**Consent Agenda and Minutes**

Motion to approve the consent agenda and minutes made by Commissioner Morrissey, seconded by Commissioner Parker, Motion passed unanimously.

**Old Business**

None

**New Business**

None

**Master Plan Review**

Commissioner Morrissey submitted some of his thoughts about the goals for the master plan and discussed in more detail and explained his outline.

Alan Beeker elaborated on some of his work, thoughts, and goals around the city. Alan Beeker also gave some updates on the wayfinding signage, and the cost of redoing some of the streets when it came to our goals and future of the city master plan.

Continued further discussion on the zoning on homes being built up in the college area and how the current ordinances are written.

**Zoning Ordinance Review**

None

**Zoning Administrator Report**

Alan Beeker updated the commission on the work being done at the Dawn

**Commissioner Comment**

None

**Adjournment**

Motion to Adjourn made by Commissioner Morrisey Seconded by Commissioner Swan  
Motion passed unanimously, meeting adjourned at 6:07pm

**Next meeting: August 18, 2020 at 5:30 pm.**

# CITY OF HILLSDALE



Economic Development Corporation

97 North Broad Street  
Hillsdale, Michigan 49242-1695  
(517) 437-6426

## **Economic Development Corporation (EDC) MINUTES** **REGULAR MEETING** **CITY HALL, 97 N. BROAD ST., 3<sup>rd</sup> FLOOR** **June 18, 2020 at 7:30 am**

**Members Present:** Matt Granata, Dean Affholter, John Condon, Barry Hill, David Loader, Rich Moeggenberg

**Members Excused:** Amanda Janes, Ed Sumnar, Andrew Gelzer, Rachel Lott

**Others Present:** Kelly LoPresto, Economic Development Coordinator

**Meeting called to order at 7:30 a.m.**

**A. PUBLIC COMMENT ON AGENDA ITEMS** – No public comment.

**B. CONSENT AGENDA**

1. Approval of Minutes: Regular EDC Meeting February 20, 2020
2. Financial Statements as of May 31, 2020

Mr. Moeggenberg made a motion to approve the consent agenda. Mr. Condon seconded. Motion passed.

**C. COMMUNICATION**

1. New Year's Eve Bash Thank you Letter included.
2. Census Flyer included.
3. City of Hillsdale Summer Newsletter included.
4. Resolution - Mr. Affholter presented Mr. Hill with a plaque and a resolution thanking him for his years of service to the City of Hillsdale and the Economic Development Corporation board.

**D. OLD BUSINESS**

1. Three Meadows Property Disposition and Tax Implications – The requested information and documents were submitted. The State Tax Commission approved the request, so the last step is to have the Treasurer review it. We are hoping to hear something within the next couple of weeks.
2. Fiber – Mr. Hill advised waiting to meet with a developer from Lansing that is interested in looking at a public/private partnership on the Fiber project. The board discussed the importance of fiber. Mr. Affholter would like to get an update on what ACD.net is doing, meet with Mr. Mackie and schedule a Fiber Committee meeting soon. Mr. Hill advised he is willing to continue to serve on the Fiber Committee.
3. Three Meadows – Lot 1 – Hillsdale ISD is working on having the lot surveyed.

- a. Homeowners Association –Mr. Greg Bailey advised waiting for bank lobbies to open so the HOA can open a bank account.
- 4. **EDC Goals for 2020/2021**
  - a. Conduct a minimum of six retention / good will visits with a resident of the Manufacturing and Technology Park by 12/31/20. **Need to coordinate with Sue**
  - b. Chair one Joint meeting between EDC, ISD, Hillsdale Community Schools and Jackson College for purpose of creating at least one new avenue for retaining talent locally by 10/30/20. **Requesting Amanda to assist**
  - c. Share EDC Goals and subsequent bi-monthly updates with Council, TIFA, Planning Commission starting April 30, 2020. **April minutes shared ... will continue throughout year**
  - d. Fiber – develop two initiatives to promote the Fiber project by August 1, 2020. **Mr. Affholter to coordinate with Mr. Mackie**
  - e. Provide Financial Support to at least three Trade and /or Technical Training programs for purpose of skill and labor retention of area, by 12/31/2020. **Will need to implement during Fall Quarter w/ High School. On-going support for ISD build program**
  - f. Install at least two Phase I signs in support of the City wide Wayfinding Sign Project by 12/31/20. **Mr. Affholter to coordinate with Mr. Beeker**
  - g. Develop a go-forward plan for the Phases II and III for Three Meadows by 12/31/2020. **...On-going discussions ...City Engineer to present estimates at next meeting.**

#### **E. NEW BUSINESS**

- 1. Board Member replacement – The board discussed potential board members.
- 2. Officer Elections/Committee Assignments –
  - a. Officer Elections – Mr. Affholter agreed to serve as chair and Mr. Granata agreed to serve as Vice Chair for another year. Mr. Hill made a motion to appoint Mr. Affholter as chair. Mr. Condon seconded. Motion passed.  
Mr. Hill made a motion to appoint Mr. Granata as vice-chair. Mr. Condon seconded. Motion passed.
  - b. Committee Assignments – Mr. Moeggenberg made a motion to appoint the following:
    - 1. Architectural Control Committee – Mr. Loader- Chair, Ms. Janes, and Mr. Sumnar
    - 2. Business Review Committee/Other Projects – Mr. Moeggenberg – Chair, Mr. Gelzer, Mr. Condon and Ms. Lott
    - 3. Manufacturing & Technology Park Committee – Mr. Condon – Chair, Mr. Granata, and Mr. Loader
 Mr. Hill seconded. Motion passed.
- 3. RFP for Real Estate Broker Services – The board discussed the option of listing the remaining vacant land at Three Meadows and decided to table it for now.

4. Mr. Granata made a motion to extend the listing agreement for Hillsdale Manufacturing and Technology Park vacant land with JLL until August 4, 2021. Mr. Condon seconded. Motion passed.  
Mr. Condon made a motion to extend the listing agreement with Ms. Cathy Galloway on Lots 7 and 10 and the commercial lot at Three Meadows until August 15, 2021. Mr. Hill seconded. Motion passed.
5. Gift Card Program - Ms. LoPresto discussed a program other communities are doing to help the economy. The program includes businesses participating, providing gift cards, the consumer purchases \$25 and EDC would donate \$10 for each gift card. The consumer would receive a \$35 gift card and the business would receive \$35 for each gift card. The program is to help put money into the community. The Business Review Committee will meet to discuss in further detail.

**F. COMMITTEE REPORTS**

1. Three Meadows/ Architectural Control Committee – nothing at this time.
2. Manufacturing & Technology Park – nothing at this time.
3. Business Review Committee/Other Projects – nothing at this time.

**G. BOARD ROUND-TABLE/ECONOMIC DEVELOPMENT STERRING COMMITTEE UPDATE**

**H. PUBLIC COMMENT** – No public comment.

- I. Adjournment:** Mr. Condon made a motion to adjourn at 9:23 a.m. Mr. Loader seconded. Motion passed.

**Next Meeting: August 20, 2020**

## MARKET CONTEXT BACKGROUND

The City of Hillsdale's population is estimated at roughly 8,150 by the U.S. Census bureau in 2017. Hillsdale County's population was estimated at roughly 45,750 in 2018. Both figures show a marginal decline from the 2010 Census. The County had approximately 17,900 households in 2018. About 18% of the County's population lives in the City.

A major economic factor in Hillsdale City and County is Hillsdale College. Hillsdale College is a private institution located in the City of Hillsdale on a 400-acre campus. Founded in 1844, total undergraduate enrollment is 1,468 this year. There are a little over 50 graduate school students also enrolled. Hillsdale College ranks as the 64th "best" Liberal Arts colleges in the 2020 edition of Best Colleges in the *US News & World Report*.

The student-faculty ratio at the College is nine to one, with about 79 percent of its classes having fewer than 20 students. The most popular majors include Economics, English Language and Literature, History, Political Science and Government, and Finance. Hillsdale enrolls about 350 new students each year. The average freshman retention rate is 93 percent. The enrollment has increased since the end of the Great Recession but is not expected to expand rapidly in the next few years. Some negligible contraction may occur. Neither growth or contraction would alter market impact within the community in the foreseeable future.

Table 1 - Hillsdale College Enrollment

Year	Enrollment/Undergraduate	Graduate
1999	1190*	NA
2000	1190*	NA
2001	1058*	NA
2017	1490**	36**
2019	1468***	58***
2020	1468***	53***

\*Source: Toledo Blade Newspaper. \*\*Source: Indiana University.  
\*\*\*Hillsdale website/*US News & World Report*

The College's Slayton Arboretum draws visitors from well beyond the campus and community.

## HOUSING AND PROPERTY TRENDS

From 2003 through 2007, or before the Great Recession, Hillsdale County, in total, permitted 968 new housing units, of which 939 were single-family, and 29 were multi-family structures.

Table 2 - Total and Annual Average Housing Units Permitted in Hillsdale County from 2003 through 2007\*

Units	Totals	Annual Average
All units	968	193.6
Single-family units	939	187.8
Multi-family units	29	5.8

\*Developed by The Chesapeake Group, Inc. based on HUD data as reported by jurisdictions.

The annual average for the time frame was 194 new units per year, of which 188 were single-family (97 percent) and six units multi-family. The number of housing units permitted peaked in 2003 at 280.

*Table 3 - Annual Housing Units Permitted 2003 through 2007\**

	2007	2006	2005	2004	2003
Total Units	91	137	205	255	280
Units in Single-Family Structures	91	134	199	241	274
Units in All Multi-Family Structures	0	3	6	14	6
Units in 2-unit Multi-Family Structures	0	0	2	6	2
Units in 3- and 4-unit Multi-Family Structures	0	3	4	8	4
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0

\*Developed by The Chesapeake Group, Inc. based on HUD data as reported by jurisdictions.

From 2012 through 2018, or since the technical conclusion of the Great Recession in 2011, Hillsdale County permitted a total of 487 new housing units, of which 330 were single-family, and 157 were multi-family structures. Multi-family units represented 32% of all units permitted. The average for the time frame was 70 units permitted per year, of which an average of 22 units per year was multi-family.

*Table 4 - Annual Housing Units Permitted 2008 through 2018\**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Units	66	88	112	106	34	38	43	28	46	36	46
Units in Single-Family Structures	66	48	55	54	34	38	35	28	46	36	46
Units in All Multi-Family Structures	0	40	57	52	0	0	8	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	40	57	52	0	0	8	0	0	0	0

\*Developed by The Chesapeake Group, Inc. based on HUD data as reported by jurisdictions.

Salient residential property trends follow.

- For non-waterfront residential property in the area, the average square footage for units sold was roughly 1,800. The average sale price was approximately \$140,000. The per square foot price was roughly \$78.
- For waterfront residential, the average square footage was roughly 1,390. The average sale price was about \$238,500. The per square foot price was about \$171.
- For non-income based rental housing units, the average per square foot rate for leased one-bedroom units was \$0.99, with the average scale of 715 square feet and an average rent of \$711 per month,
- For non-income based rental housing units, the average per square foot rate for leased three-bedroom units was \$0.94, with the average scale of 3,080 square feet and an average rent of \$2,885 per month,
- For all non-income based rental housing units, the average per square foot rate was \$0.89, with the average scale of square feet of about 1,200 and an average rent of per month of about \$1,120, Examples of rental housing reviewed include Whitney Estates, Greenwood Village, 242 N. West Street, Medallion Circle, Spring Meadows, Apple Run, Beacon Hill Townhomes, Cherry Tree Village, and City Center Senior Apartments



Salient non-residential property trends follow.

- The average square foot for buildings across all non-residential properties was 7,911, and the average price was roughly \$383,000.
- For industrial, the average square footage for the property sold was 12,250 square feet, and an average price of \$210,000. The average is about \$17.11 per square foot.
- For retail, the average price for the sold property is about \$2.82 million for an average of 4,000 square feet. This is roughly \$708 per square foot. (There are only a few "arms length" recorded sales. When samples are small, a bias occurs by one or more large tracts of land being sold that has a very small building footprint as is the case in this situation.)

## RESIDENT SURVEY

For further input for determining opportunities for development for Hillsdale, a survey of residents of the area was conducted online using SurveyMonkey.

- Eighty-nine percent of the responding households reside in zip code 49242, with the remaining scattered. The scattering likely reflects the impact of Hillsville College enrollment and employment.
- Thirty-two percent of the respondents are students at a higher education institution.

*Table 5 - Resident Status for Responding Households\**

Full or Part-time & Students	Percent
Full-time	65%
Part-time	2%
Student at a higher education institution	32%

\*Developed by The Chesapeake Group, Inc. 2020.

- In many Michigan communities, people leave the state for warmer climates during the winter. Excluding students, 97 percent defined living in Hillsdale full-time, with ninety-five percent living there 11 to 12 months out of the year.

*Table 6 - Number of Months in Hillsdale*

Months	Percent
11 to 12 months	64%
9 or 10 months	20%
6 to 8 months	16%

\*Developed by The Chesapeake Group, Inc. 2020.

- Of those not living on campus or full-time students, ninety-six percent live in single-family homes.
- Excluding full and part-time students not working full-time, 15 percent of the households do not have anyone employed on a full-time basis. Almost one-half of all households have one person employed full-time.

*Table 7 - Number of People in Household Employed Full-time\**

<b>Number Full-time</b>	<b>Percent All</b>	<b>Percent WO Students</b>
0	35%	15%
1	36%	47%
2	26%	33%
3	3%	4%

\*Developed by The Chesapeake Group, Inc. 2020.

- The average age of the primary income earner in the household is 42.9 years, including students.

*Table 8 - Age of the Primary Income earner in the Household\**

<b>Age Cluster</b>	<b>Percent</b>
Under 25	35
25 to 34	12
35 to 44	32
45 to 54	23
55 to 64	18
65 to 74	14
75 or over	2

\*Developed by The Chesapeake Group, Inc. 2020.

- Average (mean) annual total household income, with students living on campus excluded, is \$96,010. The mean average better reflects the purchasing power than the median often used in government statistics. Generally, the mean is 50% higher than the median, which is the case in Hillsdale. The Census Bureau defines the 2018 median household income to be \$48,392.
- With students living on campus excluded, the average (mean) total household income for those likely to seek new housing in the future is \$197,200.

### **COMMERCIAL USE AND SPENDING PATTERNS**

The majority of households spend income on three basic commodities, irrespective of income levels. These are food, housing, and transportation.

- Kroger is in a dominant market position in Hillsdale, with a market share of between 77 percent and 72 percent, depending on whether or not students are included. The Market House captures between six percent and eight percent of the market.
- The average spending on groceries is \$88 a week. If students are excluded, households spend \$107 per week on average.

*Table 9 - Average Grocery Spending per Household\**

<b>Spending</b>	<b>Percent All</b>	<b>Percent WO Students</b>
Less than \$35	30%	14%
\$35 to \$44.99	9%	6%
\$45 to \$59.99	8%	9%
\$60 to \$74.99	6%	7%
\$75 to \$99.99	14%	19%
\$100 to \$124.99	14%	18%
\$125 to \$149.99	6%	8%
\$150 to \$199.99	5%	7%
\$200 to \$249.99	6%	8%
\$250 to \$299.99	2%	3%
\$300 or more	1%	2%

\*Developed by The Chesapeake Group, Inc. 2020.

Additionally, food dollars are spent eating at food service establishments.

- The majority of non-student households eat both lunch and dinner outside of the home at least once per week.
- Students also eat out frequently but slightly less regularly than non-student households.

*Table 10 - Frequency Eat Lunch and Dinner Outside of the Home\**

	<b>Lunch All</b>	<b>Lunch WO Students</b>	<b>Dinner All</b>	<b>Dinner WO Students</b>
A few times/week	21%	27%	10%	16%
About once/week	26%	30%	32%	34%
About twice/month	20%	13%	30%	25%
Once/ month	15%	11%	14%	13%
4 to 9 times/year	9%	8%	8%	5%
Once or twice/year	7%	8%	5%	5%
Less often than once/year	2%	3%	1%	1%
Total	100%	100%	100%	100%

\*Developed by The Chesapeake Group, Inc. 2020.

- The majority of non-student residents preferred to eat dinner (51%) and lunch (80%) at "national or regional chain full-service restaurants."

*Table 11 - Preferred Type of Establishment\**

<b>Preferred Type of Operation</b>	<b>Lunch All</b>	<b>Lunch WO Students</b>	<b>Dinner All</b>	<b>Dinner WO Students</b>
A national or regional chain full-service restaurant	6%	80%	10%	51%
A local non-chain full-service restaurant	53%	9%	76%	6%
Fast food operation	20%	0%	10%	2%
All you can eat buffet	1%	7%	0%	21%
Sub shop	15%	1%	2%	15%
Other	5%	3%	3%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Developed by The Chesapeake Group, Inc. 2020.

- Apparel is a surrogate for non-essential shopper goods. While Kohl's captures 14 percent of the market, Amazon and other online operations capture the largest share at between 20 and 21 percent.
- Forty-three percent of the non-students shop online typically at least once each week.
- About seven in ten non-students shop online at least twice each month, representing sizeable exportation of dollars. Students shop at least twice per month with almost the same frequency (65%).

*Table 12 - Frequency of Online Purchases\**

<b>Frequency</b>	<b>Percent All</b>	<b>Percent WO Students</b>
A few times/week	18%	24%
About once/week	18%	19%
About twice/month	31%	26%
Once/ month	16%	16%
4 to 9 times/year	9%	8%
Once or twice/year	3%	3%
Less often than once/year	4%	4%

\*Developed by The Chesapeake Group, Inc. 2020.

Increasingly retail and entertainment, in a variety of forms, are the focus of traditional downtowns and central areas of communities. This blending of activity provides a reason for "being" versus only reasons for "shopping" or obtaining "services." Excluding students, about one in ten partake of some form of entertainment outside of the home at least twice each month. Including students, about one in four partake of some kind of entertainment outside of the home at least twice each month. Hillsdale College students create a disproportionate market for entertainment activity that is most often non-sports related.

Table 13 - Frequency of Entertainment Trips\*

	Movie s	Arts/Craft s Shows	Prof. Sports	College Sports	High Sch. Sports	Any Entertainmen t
A few times/week All	0%	0%	0%	2%	5%	7%
A few times/week WO Students	0%	0%	0%	0%	0%	0%
About once/week All	1%	0%	1%	9%	4%	10%
About once/week WO Students	0%	0%	1%	5%	5%	1%
About twice/month All	7%	4%	1%	5%	6%	9%
About twice/month WO Students	7%	4%	1%	5%	6%	9%
Once/ month All	7%	3%	2%	9%	4%	19%
Once/ month WO Students	9%	2%	2%	7%	4%	23%
4 to 9 times/year All	32%	7%	6%	22%	9%	25%
4 to 9 times/year WO Students	29%	9%	6%	19%	11%	30%
Once or twice/year All	36%	32%	27%	24%	10%	12%
Once or twice/year WO Students	34%	35%	21%	27%	12%	17%
Less often than once/year All	20%	56%	64%	27%	64%	11%
Less than once/yr WO Students	20%	50%	68%	34%	55%	11%

\*Developed by The Chesapeake Group, Inc. 2020.

**HOUSING PATTERNS**

As previously defined, housing is a substantial commodity for households. The preponderance of non-student respondent households lives in single-family homes.

- About one-third of the homes have three bedrooms, while only 17% have lesser numbers of bedrooms.

Table 14 - Number of Bedrooms in Home\*

Number	Percent
1	7%
2	10%
3	33%
4 or more	50%

\*Developed by The Chesapeake Group, Inc. 2020.

- For non-student households, the average number of people living in a home is 2.85.

Table 15 - Number of People Living in the Home\*

Number	Percent All	Percent WO Students
1	11%	17%
2	22%	30%
3	11%	13%
4 or more	35%	41%
Not applicable as I live on campus	21%	Not App.

- Housing units range from less than 750 square feet to more than 3,500 square feet.
- The most substantial proportion of homes range from 1,000 to under 2,000 square feet.
- The average size of the Home is 2,052 square feet.

*Table 16 - Size of Current Housing Unit in the Hillsdale Area\**

<b>Size</b>	<b>Percent</b>
Under 750 square feet	6%
750 to 999 square feet	8%
1,000 to 1,999 square feet	36%
2,000 to 2,499 square feet	19%
2,500 to 2,999 square feet	12%
3,000 to 3,499 square feet	8%
3,500 square feet or more	10%
Total	100%

\*Developed by The Chesapeake Group, Inc. 2020.

- Excluding students, 23 percent of the households have lived at their current address for less than two years, indicating a relatively large influx of new residents. Only 12 percent have lived at their current address for more than 20 years.
- When students are included, almost one-half (45%) have lived at their current address for less than two years.

*Table 17 - Number of Years at Current Address\**

<b>Number</b>	<b>Percent All</b>	<b>Percent WO Students Likely to Move</b>
2 years or less	45%	23%
3 to 4 years	9%	10%
5 to 9 years	16%	24%
10 to 19 years	21%	31%
20 or more years	9%	12%

\*Developed by The Chesapeake Group, Inc. 2020.

- Excluding students living on-campus, 27% do not have any monthly mortgage or rent payment. Most often, this group includes those that have paid off mortgages, those living with another household, adult children considered to be their own household that lives with family members, and others.
- Including those with no payments, the average is \$729 per month.
- Excluding those with no payments, the average is \$1,006 per month.

*Table 18 - Monthly Rent or Mortgage Payments\**

<b>Monthly Amount</b>	<b>Percent</b>
Less than \$750/month	53%
\$750 to \$999/month	21%
\$1,000 to \$1,249/month	8%
\$1,250 to \$1,499/month	6%
\$1,500 to \$1,749/month	4%
\$1,750 to \$1,999/month	1%
\$2,000 to \$2,499/month	3%
\$2,500 to \$2,999/month	1%
\$3,000 or more/month	3%
<b>Total</b>	<b>100%</b>

\*Developed by The Chesapeake Group, Inc. 2020.

- Many respondents are likely or may move in the next five years. Over one-half (53%) of the residents are likely to move, and an additional 11 percent may move in the next five years. However, when students are excluded, the percentage that may or are likely to move declines to about 40 percent.
- The preponderance of non-students that will move will stay in Michigan.
- Non-students that may or are likely to move are generally of relatively high income. Excluding students, about one-half have a total household income of at least \$100,000.

*Table 19 - Income Levels for Those That May or Are Likely to Move Within the Next Five Years\**

<b>Income Range</b>	<b>Percent All</b>	<b>Percent Likely to Move, WO Students</b>
Less than \$5,000	10%	1%
\$5,000 to \$7,499	2%	0%
\$10,000 to \$14,999	3%	1%
\$15,000 to \$19,999	2%	2%
\$20,000 to \$29,999	3%	2%
\$30,000 to \$49,999	12%	13%
\$50,000 to \$74,999	16%	19%
\$75,000 to \$99,999	10%	11%
\$100,000 to \$149,999	24%	28%
\$150,000 to \$199,999	10%	11%
\$200,000 to \$249,999	5%	4%
\$250,000 or more	5%	6%

\*Developed by The Chesapeake Group, Inc. 2020.

- For the non-student households that may or are likely to move, six of ten will seek a home that is smaller than or the same size as the current unit.

*Table 20 - Size of the Next Home Compared to Current Home\**

<b>Size</b>	<b>Percent</b>	<b>Percent of All Likely to Move WO Students</b>
Larger	33%	40%
Smaller	32%	40%
Same	35%	20%

\*Developed by The Chesapeake Group, Inc. 2020.

- The majority of those that may or are likely to move that will seek a larger unit currently occupy a home that is between 1,000 and 2,000 square feet.

*Table 21 - Current Size Range for Those Likely to Move if Seek Larger Unit With Students Excluded\**

<b>Larger</b>	<b>Percent</b>
1,000 to 1,999 square feet	58%
2,000 to 2,499 square feet	25%
2,500 to 2,999 square feet	17%

\*Developed by The Chesapeake Group, Inc. 2020.

- The majority of those that would seek a similar-sized unit to that which they now occupy would also seek a home between 1,000 and 2,000 square feet.
- One-quarter of those seeking a similar-sized unit would seek a home that exceeds 2,500 square feet.

*Table 22 - Current Size Range for Those Likely to Move if Seek Similar-Sized Unit With Students Excluded\**

<b>Same</b>	<b>Percent</b>
750 to 999 square feet	17%
1,000 to 1,999 square feet	50%
2,000 to 2,499 square feet	8%
2,500 to 2,999 square feet	17%
3,000 to 3,499 square feet	8%

\*Developed by The Chesapeake Group, Inc. 2020.

- Those that will seek a smaller unit now occupy homes ranging from 1,000 square feet to more than 3,500 square feet.

*Table 23 - Current Size Range for Those Likely to Move if Seek Smaller Unit With Students Excluded\**

<b>Smaller</b>	<b>Percent</b>
1,000 to 1,999 square feet	33%
2,000 to 2,499 square feet	33%
3,500 square feet or more	33%

\*Developed by The Chesapeake Group, Inc. 2020.



- Table 24 contains the current size of the units by current monthly rent or mortgage.

Table 24 - Current Payments and Scale for those Likely to Move that Have Payments, Excluding Students\*

	<b>Under 750 sq ft</b>	<b>750 to 999 sq ft</b>	<b>1,000 to 1,999 sq ft</b>	<b>2,000 to 2,499 sq ft</b>	<b>2,500 to 2,999 sq ft</b>	<b>3,000 to 3,499 sq ft</b>
Less than \$750/month	100%	75%	62%	47%	0%	0%
\$750 to \$999/month	0%	25%	24%	33	29%	0%
\$1,000 to \$1,249/month	0%	0%	14%	7%	14%	25%
\$1,250 to \$1,499/month	0%	0%	0%	7%	14%	25%
\$1,500 to \$1,749/month	0%	0%	0%	0%	29%	0%
\$1,750 to \$1,999/month	0%	0%	0%	0%	14%	0%
\$2,000 to \$2,499/month	0%	0%	0%	0%	0%	0%
\$2,500 to \$2,999/month	0%	0%	0%	0%	0%	25%
\$3,000 or more/month	0%	0%	0%	7%	0%	25%

\*Developed by The Chesapeake Group, Inc. 2020.

- Those that may or are likely to move define living near recreation, walking areas, and work as being "extremely" (31%) or "very important" (41%).

Table 25 - Importance of Living Near Recreation, Walking Areas, and Work\*

<b>Importance</b>	<b>Percent</b>
Extremely important	31%
Very important	41%
Somewhat important	23%
Not so important	4%
Not at all important	1%

\*Developed by The Chesapeake Group, Inc. 2020.

- Most of those households whose primary income earner is less than 25 years of age or older than 75 generally rate walkability as being either "extremely" or "very" important.

Table 26 - Importance of Walkability by Age Cluster for Those Likely to Move, Excluding Students\*

	<b>Under 25</b>	<b>25 to 34</b>	<b>35 to 44</b>	<b>45 to 54</b>	<b>55 to 64</b>	<b>65 to 74</b>	<b>75 or over</b>
Extremely important	25%	50%	19%	41%	29%	7%	100%
Very important	75%	33%	56%	18%	35%	43%	0%
Somewhat important	0%	17%	16%	29%	35%	36%	0%
Not so important	0%	0%	6%	12%	1%	7%	0%
Not at all important	0%	0%	3%	0%	0%	7%	0%

\*Developed by The Chesapeake Group, Inc. 2020.

- Fifty-five percent of non-student households that may or are likely to move currently walk for fitness, commuting, or recreational purposes at least once per week.

*Table 27 - Frequency of Walking and Biking for Fitness, Commuting, or Recreational Purposes\**

	Once/wk or +	Few times/mon	Once/mon	Few times/yr	Less often	Rarely/Never
Bicycle	15%	19%	7%	18%	7%	35%
Walk All	65%	17%	4%	6%	1%	8%
Walk Those Likely to Move WO Students	55%	20%	6%	6%	1%	12%

\*Developed by The Chesapeake Group, Inc. 2020.

For those non-student households that may or are likely to move,

- Sixty-five percent finding housing options in Hillsdale as being either "poor" or "fair."
- Seventy-six percent find shopping options to which they can walk as being "poor" or "fair."
- Sixty-nine percent find Hillsdale's shopping experience as being either "poor" or "fair."
- Sixty-nine percent find Hillsdale's restaurant options as being either "poor" or "fair."
- Fifty-five percent find the availability of places that they can live, recreate, walk, and work at or near one location as being "poor" or "fair."

*Table 28 - Rankings for Specific Qualities of Hillsdale for Those That May or Are Likely to Move in the Next Five Years\**

Ranking	Poor	Fair	Good	Very Good	Excellent
Housing options All	17%	48%	30%	4%	1%
Housing options WO Students	26%	42%	28%	3%	1%
Availability of professional and personal services All	11%	42%	38%	8%	1%
Availability of professional and personal services WO Students	8%	38%	44%	8%	1%
Shopping options to which I can walk All	41%	35%	19%	3%	2%
Shopping options to which I can walk WO Students	37%	39%	20%	1%	3%
Hillsdale's shopping experience All	31%	40%	21%	7%	1%
Hillsdale's shopping experience WO Students	24%	45%	23%	7%	1%
Hillsdale's restaurant options	29%	41%	21%	8%	1%
Hillsdale's restaurant options WO Students	27%	42%	22%	8%	0%
Walking experiences that are safe, comfortable, and interesting	7%	34%	36%	17%	7%
Walking experiences that are safe, comfortable, and interesting	3%	32%	36%	20%	8%
The availability of places that I can live,. recreate, walk, and work at or near one location	19%	37%	30%	10%	5%
The availability of places that I can live,. recreate, walk, and work at or near one location	17%	38%	29%	9%	6%

\*Developed by The Chesapeake Group, Inc. 2020.

# MARKET DEMAND OPPORTUNITIES

## HOUSING

Based on historical patterns in Hillsdale County and City, as well as the additional database derived from The Chesapeake Group's survey of residents, the potential for new housing units in Hillsdale is defined. Two scenarios are presented. One is defined as "Market Share," while the other is called "Increased Market Share." Market share is an important economic concept implying "holding one's own" or "maintaining economic parity." It is noted that both estimates are not linked to holding capacity of available land, current zoning, current planned activity, current vacant space, or any existing development regulations. To achieve the figures, which are based solely on market factors, may require redevelopment or other similar options in the core of Hillsdale.

As contained in Table 29, in the Increased market Share alternative, Hillsdale will support a total of roughly 175 new homes by 2030. Of these, 45 to 60 could be non-single-family structures such as duplexes, townhomes, other attached structures, or the residential component of mixing of uses or mixed-use development. Excluded is the compendium of assisted living housing or below-market-rate housing.

*Table 29 - Market Rate Housing Potential 2020 to 2030\**

<b>2020 to 2030</b>	<b># of Added Units</b>
City "Market Share" Estimates	126
Increased Market Share Estimates	175

\*Developed by The Chesapeake Group, Inc. 2020.

Also excluded is the potential for a large-scale active adult community, which would most likely locate outside of the City's boundaries.

## RETAIL GOODS & RELATED SERVICES

New rooftops result in increased spending and demand for retail goods and related supportable space. It is noted that no jurisdiction can be expected to capture all demand created by any market. Spending will occur in many places, including operations near home and work. Online purchases, vacation spending, and other activity diminish local sales. On the other hand, people working within the area, employed nearby, and those coming to the area for a range of purposes will spend money in the City. Some dollars are exported, while others are imported to the City. Currently, there is an opportunity to diminish the exportation of dollars from Hillsdale residents as well as the College.

Capturable retail goods and services sales are the proportion of existing or new sales generated by and from the population of an area that can be expected to be captured with the geographic area. For 2020, capturable sales from both the people within the City and County of Hillsdale is expected to be about \$396 million. In constant dollars, this is likely to grow to \$411 million by 2030, or just over \$15 million.

*Table 30 - Retail Goods and Related Services Sales Generated by the Market and Capturable Within Hillsdale\**

	<b>Total Sales</b>	<b>Capturable Sales</b>
2020 Sales County	\$612,389,000	\$287,823,000
2020 Sales City	135,192,000	108,154,000
2030 Sales County	635,670,000	298,765,000
2030 Sales City	140,393,000	112,314,000
2020 Combined Capture	747,581,000	395,977,000
2030 Combined Capture	776,063,000	411,079,000
Change Capture 2020-30	28,482,000	15,102,000

\*Developed by The Chesapeake Group, Inc. 2020.

Based on the anticipated growth in rooftops, Hillsdale is expected to be able to capture at least an additional 50,000 square feet of retail goods and related services space by 2030. This is a conservative estimate and excludes the potential to recapture exported dollars and space in "Eat/Drink" or food services, "General Merchandise," and "Miscellaneous" retail that includes operations such as Florist/ Nurseries, and Gifts and Novelties. The increasing demand can be used to fill vacant space, reconfigure existing spaces and structures, foster new development, or enhance the marketing of the area.

*Table 31 - Capturable Square Feet for 2020 and 2030 and the Change from 2020 to 2030 for Hillsdale\**

<b>Category</b>	<b>2020 Space</b>	<b>2030 Space</b>	<b>2020-30 Space</b>
Food	64,438	66,895	2,458
Eat/Drink	109,083	113,243	4,160
General Merchandise	372,983	387,205	14,227
Furniture	14,766	15,328	565
Transportation	181,556	188,481	6,926
Drugstore	28,339	29,421	1,080
Apparel	52,844	54,862	2,014
Hardware	140,868	146,238	5,371
Vehicle Service	98,616	102,378	3,761
Miscellaneous	247,482	256,920	9,436
<b>TOTAL</b>	<b>1,310,975</b>	<b>1,360,971</b>	<b>49,998</b>

\*Developed by The Chesapeake Group, Inc. 2020.

## **OFFICE SPACE**

The office market continues to change with the increased emphasis on flexible work arrangements, co-working space, and in-home live/work activity. Added rooftops increase demand for professional services and related space derived from the new households. Rooftop growth and the identified desire of people to work near home, as defined in the survey, also provides the opportunity for office space growth.

New demand generates between 18,900 and 26,250 square feet of multi-tenant office space by 2030. Office space can be productive in filling vacancies. (Excluded is the opportunity for a single-user space associated with a major activity or employer moving to the area from outside the area.)

Table 32 - Multi-tenant Office Space Opportunities from 2020 to 2030\*

Market Share	18,900 square feet
Increased Market Share	26,250 square feet

\*Developed by The Chesapeake Group, Inc. 2020.

## ANALYSIS IMPLICATIONS AND SUGGESTIONS

There is expressed concern for what does appear to be low rent levels for commercial spaces in Hillsdale. The current rent levels are not believed to be sufficient to provide Return-On-Investment (ROI) for either new development, redevelopment, or rehabilitation. This situation is, in fact, more often than not the norm in communities that have opportunities but have not achieved those opportunities. However, there are ways to preserve and pursue the opportunities that can mitigate the condition in Hillsdale that are primarily private sector-oriented.

Based on the conditions in Hillsdale, the following suggestions are made.

- Attempt to spur investment by mixing of uses on a small property (or large property) basis. The strength and the highest short-term ROI at this time will be achieved in the housing component. Therefore, let housing be the driver to stimulate commercial investment on individual properties. Adding housing to what is now retail space, or adding housing building structures to sites would be playing to the market's strengths. In the short-term, the housing component of the ROI is used to offset, the non-ROI on the commercial element. If this can be done on several sites or properties simultaneously, commercial rents will rise within a two to three-year time frame.
- Related to the above, expand alternative or non-single family home structures in the core area where additional commercial investment is sought. The community is generally mobile, and many in the higher income strata will seek new housing units in the next few years. Attempt to accommodate alternative housing as well as alternative ownership mechanisms, such as cooperatives and condominiums.
- Enhance walkability in the targeted area where Hillsdale seeks higher amounts of commercial activity. The survey data indicates enhanced walkability would be well received by the community.
- Focus marketing or recruitment efforts on expanding restaurant opportunities blended with brewing, wine tasting, cider generation, or music that will appeal to both non-student and student residents of the City and County as well as visitors.
- Work with local astute building owners that will provide below-market short-term rents and leases with an "open books" policy linking increases in rents to increases in revenues. Similar to a "profit-sharing" format, there are examples in Michigan's downtowns where this has been or is now very successful at increasing long-term rent structures and creating an independent business base.
- Off-set development or redevelopment costs through matching infrastructure investment by the city and County. Develop a coordinated entrepreneurship extension program with and through Hillsdale College's economics program, in cooperation with a community college or technical school to foster entrepreneurial storefront activity.

## APPENDIX

### Zip Code Area of Respondents\*

Zip Code	Percent
49082	1%
49227	1%
49232	2%
49241	1%
49242	89%
49249	1%
49250	2%
49252	1%
49266	1%
49271	1%
49274	1%
49282	1%
49424	1%
Total	100%

\*Developed by The Chesapeake Group, Inc. 2020.

### Grocery Store Market Share\*

Store	Market Share All	Market Share WO Students
Aldi	2%	3%
Kroger	72%	77%
Hillsdale Market House	6%	8%
Meijer	3%	3%
Walmart	16%	10%
Others	1%	1%
Total	100%	100%

\*Developed by The Chesapeake Group, Inc. 2020.

## Apparel Shopping

Operation	Market Share All	Market Share WO Students
Amazon/online	20%	21%
Gordmans	5%	neg
JCP	2%	3%
Kohl's	14%	14%
Macy's	2%	3%
Maggie Anne's	2%	neg
Maurice's	2%	neg
Nordstrom Rack	2%	3%
Powers	3%	4%
Salvation Army/Goodwill	14%	6%
Target	4%	3%
Walmart	10%	10%
Others	18%	35%
Total	100%	100%

\*Developed by The Chesapeake Group, Inc. 2020.

## Type of Housing Unit

Type of Unit	Percent
single-family home	71%
duplex	2%
apartment or room	5%
On campus housing	22%
Sorority/organization house	1%

\*Developed by The Chesapeake Group, Inc. 2020.

## Likelihood of Moving in the Next Five Years\*

Likelihood	Percent
Yes	53%
No	36%

Maybe	11%
-------	-----

\*Developed by The Chesapeake Group, Inc. 2020.

### Reasons for Move\*

Reason For Change	Percent
lifestyle changes	21%
increase in the number of people living in the residence	6%
decrease in the number of people living in the residence	8%
housing market conditions	1%
changes in a household member's physical conditions/medical change	4%
changes in fiscal conditions	8%
graduate from school	35%
Other	16%

\*Developed by The Chesapeake Group, Inc. 2020.

### Potential to Relocate Outside of Michigan\*

Outside of Michigan	Percent
Yes	40%
No	38%
Uncertain	18%
Not applicable	4%

\*Developed by The Chesapeake Group, Inc. 2020.

### Number of Personal Vehicles for Household\*

Number	Percent
0	5%
1	16%
2	43%
3	18%
4 or more	18%

\*Developed by The Chesapeake Group, Inc. 2020.

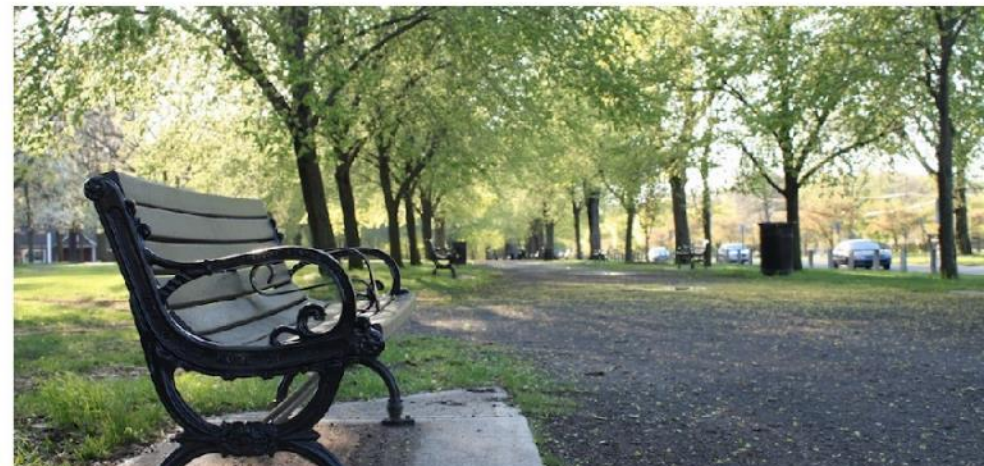


Estimated Capturable Demand for Retail Goods and Related Services\*

Sub-category	2020 Sales	2030 Sales	2020-30 sales	2020 Space	2030 Space	2020-30 Space
Food	\$40,508,000	\$42,053,000	\$1,545,000	64,438	66,895	2,458
Supermarkets	33,824,180	35,114,255	1,290,075	51,249	53,203	1,955
Independents	3,240,640	3,364,240	123,600	8,102	8,411	309
Bakeries	891,176	925,166	33,990	2,971	3,084	113
Dairies	526,604	546,689	20,085	1,463	1,519	56
Others	2,025,400	2,102,650	77,250	653	678	25
Eat/Drink	45,815,000	47,562,000	1,747,000	109,083	113,243	4,160
General Merchandise	62,842,000	65,238,000	2,397,000	372,983	387,205	14,227
Dept. Stores	22,246,068	23,094,252	848,538	92,692	96,226	3,536
Variety Stores	4,524,624	4,697,136	172,584	26,615	27,630	1,015
Jewelry	4,336,098	4,501,422	165,393	6,107	6,340	233
Sporting Goods/Toys	6,849,778	7,110,942	261,273	27,399	28,444	1,045
Discount Dept.	23,565,750	24,464,250	898,875	214,234	222,402	8,172
Antiques, etc.	314,210	326,190	11,985	1,366	1,418	52
Others	1,005,472	1,043,808	38,352	4,570	4,745	174
Furniture	6,415,000	6,659,000	245,000	14,766	15,328	565
Furniture	968,665	1,005,509	36,995	3,125	3,244	119
Home Furnishings	1,334,320	1,385,072	50,960	4,942	5,130	189
Store/Office Equip.	1,013,570	1,052,122	38,710	2,112	2,192	81
Music Instr./Suppl.	275,845	286,337	10,535	1,379	1,432	53
Radios,TV, etc.	2,822,600	2,929,960	107,800	3,208	3,330	123
Transportation	55,397,000	57,510,000	2,113,000	181,556	188,481	6,926
New/Used Vehicles	19,388,950	20,128,500	739,550	48,472	50,321	1,849
Tires, Batt., Prts.	24,430,077	25,361,910	931,833	101,792	105,675	3,883
Marine Sales/Rentals	2,936,041	3,048,030	111,989	7,935	8,238	303
Auto/Truck Rentals	8,641,932	8,971,560	329,628	23,357	24,247	891
Drugstore	28,906,000	30,009,000	1,102,000	28,339	29,421	1,080
Apparel	19,046,000	19,773,000	726,000	52,844	54,862	2,014
Men's and Boy's	2,495,026	2,590,263	95,106	6,238	6,476	238
Women's and Girl's	6,323,272	6,564,636	241,032	17,090	17,742	651
Infants	399,966	415,233	15,246	1,333	1,384	51
Family	5,294,788	5,496,894	201,828	21,179	21,988	807
Shoes	3,980,614	4,132,557	151,734	4,523	4,696	172
Jeans/Leather	76,184	79,092	2,904	254	264	10
Tailors/Uniforms	342,828	355,914	13,068	1,714	1,780	65
Others	133,322	138,411	5,082	513	532	20
Hardware	34,569,000	35,887,000	1,318,000	140,868	146,238	5,371
Hardware	16,731,396	17,369,308	637,912	60,841	63,161	2,320
Lawn/Seed/Fertil.	656,811	681,853	25,042	1,932	2,005	74
Others	17,180,793	17,835,839	655,046	78,095	81,072	2,977
Vehicle Service	40,508,000	42,053,000	1,545,000	98,616	102,378	3,761
Gasoline	13,772,720	14,298,020	525,300	9,498	9,861	362
Garage, Repairs	26,735,280	27,754,980	1,019,700	89,118	92,517	3,399
Miscellaneous	61,970,000	64,334,000	2,363,000	247,482	256,920	9,436
Advert. Signs, etc.	991,520	1,029,344	37,808	3,606	3,743	137
Barber/Beauty shop	3,780,170	3,924,374	144,143	18,901	19,622	721
Book Stores	2,850,620	2,959,364	108,698	15,837	16,441	604
Bowling	1,425,310	1,479,682	54,349	14,253	14,797	543
Cig./Tobacco Dealer	433,790	450,338	16,541	868	901	33
Dent./Physician Lab	2,478,800	2,573,360	94,520	7,627	7,918	291
Florist/Nurseries	4,647,750	4,825,050	177,225	10,936	11,353	417
Laundry, Dry Clean	2,106,980	2,187,356	80,342	7,023	7,291	268
Optical Goods/Opt.	1,487,280	1,544,016	56,712	4,249	4,411	162
Photo Sup./Photog.	4,275,930	4,439,046	163,047	12,217	12,683	466

Printing	5,019,570	5,211,054	191,403	18,253	18,949	696
Paper/Paper Prod.	2,664,710	2,766,362	101,609	13,324	13,832	508
Gifts/Cards/Novel.	8,861,710	9,199,762	337,909	29,539	30,666	1,126
Newsstands	495,760	514,672	18,904	992	1,029	38
Video Rent/Sales	8,056,100	8,363,420	307,190	40,281	41,817	1,536
Others	12,394,000	12,866,800	472,600	49,576	51,467	1,890
TOTAL	\$395,976,000	\$411,078,000	\$15,101,000	1,310,975	1,360,971	49,998

\*Developed by The Chesapeake Group, Inc. 2020.



Pre-Development Services: Stakeholder Meeting #2  
City of Hillsdale

August 5, 2020



# PRE-DEVELOPMENT SERVICES

giffels   
webster

t|c|g THE CHESAPEAKE GROUP, INC.  
BUILDING A FOUNDATION FOR THE FUTURE

## Overview of Project: 23 N. Broad Street

- Stakeholder Meeting #1 (October 9, 2019)
- ALTA Survey
- Market study
- Conceptual Design for Site
- Stakeholder Meeting #2 (today!)
- Marketing Information/RFQ



# STAKEHOLDER MEETING #1

## Meeting with the Planning Team and Stakeholders

- Strengths of the city:
  - Traditional downtown
  - Family-friendly
  - Great schools
  - Hillsdale College (1,400 students + faculty, staff)
  - Strong industries – manufacturing, agriculture
  - Airstrip – expansion planned
  - Locally-owned businesses & buildings

# STAKEHOLDER MEETING #1

## Meeting with the Planning Team and Stakeholders

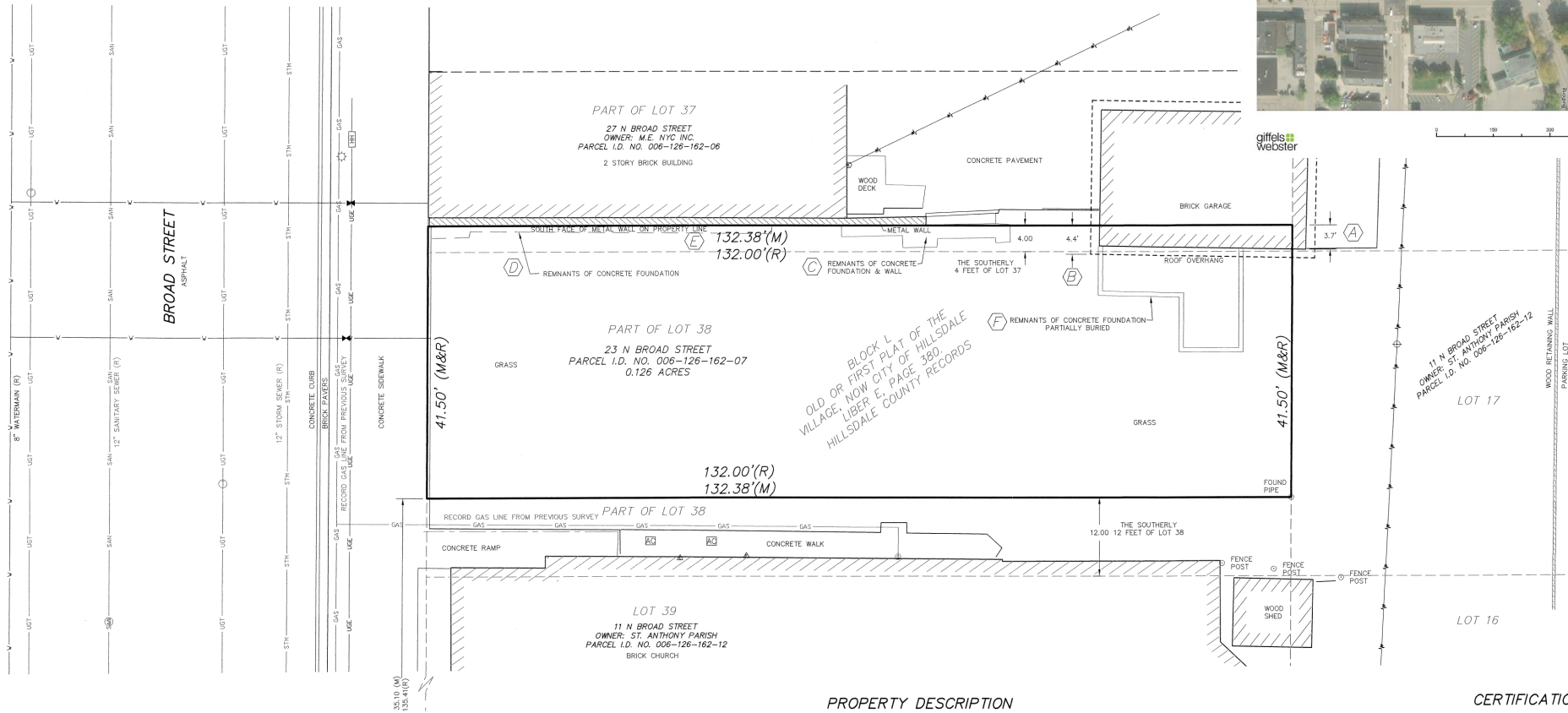
- What's missing:
  - Quality restaurants
  - Jobs with good wages
  - Young families
  - Hard to get downtown from college
  - Not walkable
  - Mid-income housing
  - Retaining graduates
  - Succession planning for retirees

# STAKEHOLDER MEETING #1

## Meeting with the Planning Team and Stakeholders

- Ideas for redevelopment site:
  - Mix of uses – retail, office, workspace
  - Entrepreneurial space
  - 3-4 stories
  - Maintain open connections to park and parking
  - Traditional building form and appearance

# ALTA SURVEY



PROPERTY DESCRIPTION

CERTIFICATION



# MARKET ASSESSMENT

## College Impact

- Enrollment was 1,468 in 2019
- 350 new students/year
- Enrollment will remain stable, but is not expected to expand rapidly in the next few years



Slayton Arboretum draws visitors from well beyond the campus and community. *Image: Hillsdale.edu*

# MARKET ASSESSMENT

## Housing

- Hillsdale County permitted 487 new housing units between 2012-2018. Of those, 32% were multiple family units
- Average non-waterfront residential property sales price \$140,000 or \$78/sf
- Average waterfront residential sales price \$238,500 or \$171/sf
- Non-income based rental housing average rent: \$1,120/mo

# MARKET ASSESSMENT

## Commercial/industrial

- The average building size for all non-residential properties was 7,911 sf, and the average price was roughly \$383,000.
- Industrial: the average building size for property sold was 12,250 sf, and an average price of \$210,000 or \$17.11 per square foot.
- Retail: the average building size for property sold was about \$2.82 million for an average of 4,000 square feet. This is roughly \$708 per square foot. (There are only a few "arms length" recorded sales. When samples are small, a bias occurs by one or more large tracts of land being sold that has a very small building footprint as is the case in this situation.)

# MARKET ASSESSMENT

## Resident Survey

- Annual average (mean) total household income (excluding students living on campus): \$96,010 – this figure represents the total income divided by number of households; “median household income” is \$48,392 – and means half of the households have income above and below this level.
- The average is a better indicator of community spending power.

# MARKET ASSESSMENT

## Resident Survey

- 89% of respondents from zip code 49242
- About 32% of respondents are students at a higher education institution
- Average age of respondents is 42.9, including students
- Grocery shopping: \$88/week per household (including students or \$107 excluding students)— Kroger captures 72-77% of market
- Most residents dine out for lunch and dinner at least once/week, eating at national or regional chain full-service operations
- About 14% of apparel shopping is done at Kohl's with Amazon and other online operations accounting for 20% of apparel purchases
- About 43% of residents (non-students) shop online at least once/week

# MARKET ASSESSMENT

## Resident Survey

Ranking	Poor	Fair	Good	Very Good	Excellent
Housing options All	17%	48%	30%	4%	1%
Housing options WO Students	26%	42%	28%	3%	1%
Availability of professional and personal services All	11%	42%	38%	8%	1%
Availability of professional and personal services WO Students	8%	38%	44%	8%	1%
Shopping options to which I can walk All	41%	35%	19%	3%	2%
Shopping options to which I can walk WO Students	37%	39%	20%	1%	3%
Hillsdale's shopping experience All	31%	40%	21%	7%	1%
Hillsdale's shopping experience WO Students	24%	45%	23%	7%	1%
Hillsdale's restaurant options	29%	41%	21%	8%	1%
Hillsdale's restaurant options WO Students	27%	42%	22%	8%	0%
Walking experiences that are safe, comfortable, and interesting	7%	34%	36%	17%	7%
Walking experiences that are safe, comfortable, and interesting	3%	32%	36%	20%	8%
The availability of places that I can live,. recreate, walk, and work at or near one location	19%	37%	30%	10%	5%
The availability of places that I can live,. recreate, walk, and work at or near one location	17%	38%	29%	9%	6%

# MARKET ASSESSMENT

## Resident Survey

- Average home size is 2,052 sf
- Over half of respondents (53% - including students) say they may or do plan to move in the next five years. Of non-students, 40% say they may or do plan to move.
- Those who may move say they are likely to seek a larger home – one that is between 1,000-2,000 sf.

# MARKET ASSESSMENT

## Demand Forecast

- Residential:
  - About 175 new residential units are supportable in the next ten years
  - Of those new units, between 45-60 could be duplex/townhome/multi-family units
- Office:
  - Between 18,900 – 26,250 sf of multi-tenant office space through 2030



# MARKET ASSESSMENT

## Demand Forecast

- Commercial:
  - Analysis suggests the city could support 50,000 sf of retail goods and related services space by 2030 – includes restaurants and entertainment.
    - 14,000 sf of general merchandise
    - 6,500 sf of food and eat/drink
    - 7,000 sf of transportation (auto related)

# MARKET ASSESSMENT

## Other observations

- Attempt to spur investment by mixing of uses on a small property (or large property) basis.
- The strength and the highest short-term ROI at this time will be achieved in the housing component.
- Adding housing to what is now retail space or adding housing building structures to sites would be playing to the market's strengths.
- If this can be done on several sites or properties simultaneously, commercial rents will rise within a two to three-year time frame.

# MARKET ASSESSMENT

## Other observations

- Enhance walkability in the targeted area where Hillsdale seeks higher amounts of commercial activity. The survey data indicates enhanced walkability would be well received by the community
- Focus marketing or recruitment efforts on expanding restaurant opportunities blended with brewing, wine tasting, cider generation, or music that will appeal to both non-student and student residents of the City and County as well as visitors.

# MARKET ASSESSMENT

## Other observations

- Work with local astute building owners that will provide below-market short-term rents and leases with an "open books" policy linking increases in rents to increases in revenues. Over time, this can lead increasing long-term rent structures and creating an independent business base.
- Off-set development or redevelopment costs through matching infrastructure investment by the city and County. Develop a coordinated entrepreneurship extension program with and through Hillsdale College's economics program, in cooperation with a community college or technical school to foster entrepreneurial storefront activity.

# CONCEPT

- 3-stories
- No setback
- Maintains setback adjacent to church
- Allows window openings on south side



# CONCEPT



- Traditional building form & building elements (vertically-oriented windows/doors, cornices, canopy, etc.)

# CONCEPT

- Pedestrian-oriented in scale
- Ground floor uses engage the sidewalk



# CONCEPT

- Building height transition between two existing structures





# CONCEPT

## Breakdown of space

- First floor: 5,478 sf gross commercial space
- Second floor: 5,478 sf residential
  - 4-5 Units depending on size/number of bedrooms
- Third floor: 5,478 sf residential
  - 4-5 Units depending on size/number of bedrooms

# DISCUSSION

- General questions on the market study?
- Feedback on concept

Next steps:

- Prepare RFQ
- Share with development community

# THANK YOU!

- Q/A



**TO: Planning Commission**

**FROM: Zoning Administrator**

**DATE: August 18, 2020**

**RE: 49 Union Site Plan Review**

**Background:** The Exchange Club is proposing the construction of a basketball court on a parcel owned by the City located at 49 Union St. The property is vacant and the plan is to develop the lot into a “pocket” park. It is located on the east side of Union St. across from 42 Union and north of the railroad spur. It could eventually serve as a trailhead for the existing walking trail.

# CITY OF HILLSDALE



ALAN C. BEEKER  
ZONING ADMINISTRATOR  
97 NORTH BROAD STREET  
HILLSDALE, MICHIGAN 49242-1695  
(517) 437-6449 FAX: (517) 437-6450

August 10, 2020

Below is a list of the items cited during the meeting to review the plans of the proposed development to be located at 49 Union Street. The project includes a new basketball court.

Present: Matt Taylor (MT Engineer), Scott Hephner (Police & Fire Chief), Mark Hawkins (Deputy Fire Chief), Jake Hammel (Dept. of Public Services Director), Kristin Bauer (City Engineer), Alan Beeker (Zoning Administrator), Chris McArthur (Board of Public Utilities Director), Chad Culbert (Board of Public Utilities Electric Dept.), Michael Nye (The Exchange Club), Chris MacArthur (Director Board of Public Utilities)

## MT Engineering

- Plan is conceptual, currently lacking an ALTA survey.
- Owner would prefer not to install a parking area. Is on-site parking required?

## Zoning

- On-site parking is not required in the PRF district. If it is provided, it must comply with related requirements.

## City Engineer

- Site is contaminated so any dirt moved on the site must remain on the site.
- Considering location and natural boundaries, would suggest waiving ALTA survey requirements.
- Respect the natural west to east sheeting of storm water with new development.

## Public Services

- Plans are in place to clean river area beginning in the Fall.
- No issues.

## Public Safety

### Fire Department

- No issues

### Police Department

- No issues.

## Board of Public Utilities (BPU)

- Suggested relocation of Elec service closer to street.

The Planning Commission will review the drawings at the regular meeting which will be held on August 18, 2020 at 5:30 pm. The location will be at City Hall, 97 N. Broad St. in the 3rd Floor Council Room.



**GENERAL NOTES:**

**PLAN GENESIS:**

1. All site data was compiled through Hillsdale County GIS Information Systems available at the time of planning. As such, all plans are schematic in nature and are NOT based on field run survey. Prior to construction, contractor is required to notify Engineer of any substantial deviations from that shown herein.
2. No subsurface utility locations were identified as a part of this planning effort. Prior to any work onsite, call for utility locates.
3. Upon construction layout the City of Hillsdale and the Exchange Club agree to make modifications to the final location of the court and walkway as they see fit to best coordinate with existing utilities and prevailing grades of the site.

**PROJECT OVERVIEW:**

1. Exchange Club of Hillsdale intends to provide to the City of Hillsdale a limited development of a park located at 49 Union Street that would include a basketball court and an approach walkway. The schematic plan herein would include the following components currently planned for the proposed park:
  - 1.1. Temporary soil erosion control measures
  - 1.2. Stripping and salvaging of topsoil
  - 1.3. Importing of engineered fill and machine grading for basketball base and walkway base.
  - 1.4. Furnishing, placing, compacting and fine grading of MDOT CLII granular material for basketball court sand base.
  - 1.5. Excavation, forming, placing and backfilling of basketball goal foundations.
  - 1.6. Forming, placing and finishing of concrete basketball court and perimeter court area.
  - 1.7. Forming, placing and finishing of concrete walkway as approach to basketball court.
  - 1.8. Installation of basketball goals and placement of court markings.
  - 1.9. Redistributing topsoil, fine grading, seeding and straw matting of all disturbed areas.
  - 1.10. Removal of soil erosion control measures upon grass establishment.



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**MTE**  
PROFESSIONAL  
ENGINEERING  
SERVICES

CLIENT  
City of Hillsdale  
96 N. Broad St  
Hillsdale, MI 49242  
PROJECT OVERVIEW

EXCHANGE CLUB - UNION STREET PARK  
CONCEPTUAL PLANNING  
PROJECT OVERVIEW  
SCHEMATIC SITE PLAN

1

DATE: 08-11-20  
SHEET OF  
CADD:  
ENG:  
PM:  
TECH:

JOB No. 00000  
REVISIONS:



**TO: Planning Commission**

**FROM: Zoning Administrator**

**DATE: August 18, 2020**

**RE: Master Plan Goals**

**Background:** As we continue to review and update the City Master Plan for 2020, I have included the goals in our new agreed format. Please review and start thinking about the objectives and action steps. How do we accomplish these goals, what type of deadlines should be considered and who should be responsible?



# Goals and Objectives Master Plan



## General Community Development

### ■ Goals

- *Vibrant downtown*
- *Increase drivability and walkability and safety within the City*
- *Promote and maintain historic architecture*
- *Develop existing water and waterway access*

### ■ Objectives

- Provide for planned, controlled, growth of the City of Hillsdale as a great place to live, work, shop and raise a family.
- Leverage the rich commercial, cultural and academic history of the community to drive revitalization.
- Support economic development through appropriate land-use policy.
- Improve intra-governmental and inter-governmental collaboration on issues related to land development to best serve the common interests of the City of Hillsdale.
- Encourage Alternative Energy development.

### ■ Action Steps

- Encourage efficient, clear, consistent development plan review process.
- Create and strengthen relationships with County and State agencies.
- Promote programs to attract new development.

- Develop River, Lake and Park resources.
- Develop long-range plans for infrastructure improvements
- Complementary Actions/Responsible Agency
  - Regular update City Master Plan (City Planning Commission)
  - Regular update City Capital Improvement Plan (City Planning Commission)
  - Regular review and update of City ordinances. (City Staff)
  - Promote Abatement and Grant Programs (Assessor and Economic Development)

## Neighborhoods

- Goals
  - *Support neighborhood revitalization*
  - *Encourage a variety of new residential development that will assure safe and sanitary housing to meet the needs of existing and future residents*
  - *Provide affordable housing for working families and senior residents*
- Objectives
  - Encourage home rehabilitation and support efforts to rid the community of blighted properties.
  - Improve the physical condition of the existing housing stock to increase property valuations.
  - Encourage a high percentage of home ownership and owner occupied dwellings.
  - Retain single family dwellings and limit conversion.
  - Preserve the historic character of neighborhoods.

- Encourage new residential development to be clustered in subdivisions and neighborhood areas located where appropriate community services and utilities can be feasibly provided.
- Assure that land use policy reflects changing demographics and associated needs including, senior living, evolving family definitions and single (live alone) residents.

■ Action Steps

- Adoption of form-based code and historic preservation tools.
- Consider zoning changes that better manage multi-family housing and work to preserve single-family housing where appropriate.
- Analyze & Recommend Neighborhoods for future Neighborhood Enterprise Zone (NEZ)
- Zone for appropriate mixed-use in residential neighborhoods that encourages redevelopment, walkability and small business development.
- Locate new residential development in areas where potential conflicts with incompatible land uses can be avoided. - Ongoing
- Amend ordinances that allow for variable density of residential uses to be mixed with commercial uses.

■ Complementary Actions/Responsible Agency

- Creation of Local Historic Districts
- Increase Neighborhood involvement through competition
- Research Adopt-A-Neighborhood and implement with non-profits
- Seek programs and grants for Blight Removal
- Create neighborhood pocket parks or gardens on empty lots

- Neighborhood Enterprise Zones (NEZ)
- Market Hillsdale as a great place to live

## Downtown District

### ■ Goals

- *Strengthen the vitality of the downtown district*

### ■ Objectives

- Concentrate on redevelopment and restoration of existing commercial areas rather than promoting new commercial development in fringe or strip areas.
- Preserve the historic character of the downtown business district centered on a historic theme and architectural style most common in the area.
- Enhance the unique qualities of the downtown business district by creating flexibility in zoning and land use.
- Encourage the redevelopment and use of second and third floor buildings in the downtown business district to include residential and other uses.
- Support continued rehabilitation of the Hillsdale
- County offices and the Post office within the downtown business district.
- Support the downtown business district property owners with assistance for the review and improvement of the building façades.
- Encourage alternate forms of transportation
- Develop resources for electric vehicles

■ Action Steps

- Amend Parking Ordinance to allow more on-street overnight parking
- Create bike lanes along major streets.
- Install bike racks in highly visible areas.

■ Complementary Actions/Responsible Agency

- Continue and promote the TIFA façade program and restoration grants (TIFA Board)
- Enforce existing code (City Code Enforcement Office)
- Seek programs and grants for Blight Removal
- Encourage non-profit involvement especially the arts
- Obsolete Property Rehabilitation Abatement (OPRA)
- Rental Rehabilitation Grants
- Redevelopment Ready Communities Program (RRC)
- TIFA Business incentive programs
- Creation of Local Historic District

## City/College Connection

■ Goals

- *Strengthen the physical and community connection between Hillsdale College and the Downtown district while maintaining and restoring the historic character of the connecting corridor.*
- *Encourage redevelopment and conversion of residential structures and vacant property in pre-determined areas.*

- *Develop Hillsdale as an academic excellence center.*
- Objectives
  - Support walkability along the City/College corridor streets.
  - Develop attractive and accessible connections at City/College corridor intersections.
  - Encourage maintenance and restoration of the historic commercial and residential integrity of transitional areas.
  - Encourage conversion and preservation of historic structures in transitional areas to professional office and street-level food, entertainment and other commercial uses.
  - Encourage physical renovation and rehabilitation of structures that are architecturally compatible with existing neighborhoods.
  - Encourage shared drives and off-street parking areas for office uses and develop Zoning Ordinance language that will provide necessary on-site parking areas or common shared off-street parking lots for staff of those facilities.
  - Encourage the expansion of multiple-post secondary educational options that address the needs of a variety of students.
  - Promote the wide range of primary and secondary educational options available in the area.
  - Encourage the development of academic and policy related organizations in the area. i.e. think tanks
  - Leverage rich culture of the community, availability of historic structures and the academic reputation of local institutions to attract related organizations.
- Action Steps

- Establish an annual meeting between the City of Hillsdale Planning Commission and Hillsdale College representatives.
  - Zone for appropriate mixed-use in residential neighborhoods that encourages redevelopment, walkability and small business development.
  - Analyze & Recommend Neighborhoods for future Neighborhood Enterprise Zone (NEZ)
  - Adopt Form Based Zoning Ordinance.
  - Amend Parking Ordinance to allow on-street parking for businesses.
  - Establish annual meeting time between the City of Hillsdale Planning Commission and Jackson College, Hillsdale College, HCISD, Hillsdale Community Schools, Hillsdale Prep., Will Carleton Academy and Hillsdale Academy.
- *Complementary Actions/Responsible Agency*
- Improve lighting and walkability along the corridor
  - Implement signage and way-finding to direct visitors
  - Eliminate blight from area
  - Promote and market area for future development
  - Market our many education opportunities from pre-School, to public, charter, private, junior college, Beauty College, Hillsdale College, Jackson College, etc.

## Brownfield/Industrial

- Goals

- *Encourage commercial/residential, mixed-use redevelopment of abandoned industrial sites outside of industrial parks.*
  - *Support industrial development*
  - *Encourage the development of light, clean industry clustered in industrial parks that will diversify the local economy, provide a stable tax base and will protect the local environment from degradation*
- Objectives
    - Redevelop existing abandoned industrial sites.
    - Allow light industrial uses that provide economic benefit to the community and that do not result in negative consequences to bordering neighborhoods.
    - Provide high-quality business locations with existing essential infrastructure
    - Increase local employment opportunities
    - Assure industrial uses have access to major thoroughfares and do not disrupt secondary and tertiary roadways.
    - Encourage industrial development in areas where soils are suitable and potential for groundwater contamination is minimized.
- Action Steps
    - Support grant requests for Brownfield redevelopment support. – Ongoing
    - Encourage industrial development to locate in well planned locations where these uses can be clustered and assure a high degree of compatibility with surrounding land uses. – Ongoing
    - Encourage location of industrial uses where sufficient infrastructure can support these uses. - Ongoing



- Buffer industrial uses from residential uses. - Ongoing
- Favor uses that do not pollute the air, soil, water, or are offensive to neighboring land uses because of noise, sight, or odor. - Ongoing
- Complementary Actions/Responsible Agency
  - Research and write grants for blight elimination
  - Industrial Facilities Tax Exemption (IFT)
  - Brownfield Redevelopment Authority (BRA)
  - Leverage high-speed internet infrastructure to attract technology related businesses. (EDC)
  - Support start-up businesses to locate in redeveloped sites. (EDC)
  - Partner with BPU to attract new business
  - Promote and find technology-based companies, especially data storage

## Commercial Development

- Goals
  - *Encourage the development of commercial uses to support the needs of the City of Hillsdale and surrounding area that will provide convenient shopping and related services to area residents and assure compatibility of commercial areas with other areas.*
- Objectives
  - Encourage clustered commercial development rather than sprawl or strip developments.
  - Locate commercial establishments so that they are accessible to efficient transportation systems.
  - Locate commercial uses so as to avoid incompatible adjacent uses.
  - Promote commercial activities in areas easily accessible to the area's residents.

- Encourage diversification in the type of commercial and business establishments in order to meet a greater range of citizen needs.
  - Develop commercial business that promote dollars to be spent locally rather than force residents to spend dollars outside the area.
  - Preserve the architectural integrity of older commercial areas when being redeveloped or re-stored.
- Action Steps
    - Provide zoning requirements for greater green space and landscaping.
    - Establish zoning ordinance safeguards to minimize the negative impacts of commercial activities on roads, adjacent land uses and the environment.
    - Evaluate Form Based Zoning ordinances that encourage historic preservation in commercial areas.
    - Encourage B-1 zones on major streets in residential areas.
  - Complementary Actions/Responsible Agency
    - Encourage and invite niche entrepreneurs to the area
    - Commercial Rehabilitation Exemption (CRE)

## M-99 Gateway (Broad Street)

- Goals
  - *Promote the redevelopment of the M-99 commercial corridor to provide necessary commercial services, promote economic development and serve as an attractive gateway to the City.*
- Objectives

- Encourage walkability and limit the number of automobile access points in M-99 redevelopment projects.
- Encourage a uniform streetscape and the development of an attractive gateway to the community.
- Encourage pedestrian and bike traffic.

■ Action Steps

- Plan for and encourage a uniform streetscape for the M-99 corridor.
- Align land use policy to economic development plans. – Ongoing
- Incorporate bike lanes along M-99.

■ Complementary Actions/Responsible Agency

- New signage
- Remove blight
- Support Fairgrounds restoration
- Create cohesive historic theme from north to south