



**CITY COUNCIL**  
**SPECIAL MEETING AGENDA**  
March 8, 2022

Mark Ammel, Mayor  
Karen Moore, Mayor Pro Tem  
Ronald J. Beauchamp, Council Member  
Tyler DuBord, Council Member  
Todd Flath, Council Member

Patrick S. Jordan, City Manager  
Phil DeMay, City Clerk

City Council Chambers located at: City Hall – 410 Ludington Street – Room C101 – Escanaba, MI 49829

The Council has adopted a policy to use a Consent Agenda, when appropriate. All items with an asterisk (\*) are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event, the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Special Meeting

**Tuesday, March 8, 2022, at 6:00 p.m.**

CALL TO ORDER

ROLL CALL

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION(S)

BRIEF PUBLIC COMMENT(S)

PUBLIC HEARINGS – None

UNFINISHED BUSINESS – None

NEW BUSINESS

**1. Presentations – Proposals for the Jail/Chamber Redevelopment.**

**Explanation:** Public presentations will be held from 4 developers that have submitted proposals for the jail/chamber redevelopment.

GENERAL PUBLIC COMMENT

ANNOUNCEMENTS

ADJOURNMENT

**Respectfully Submitted**

A handwritten signature in blue ink that reads "Patrick S. Jordan".

**Patrick S. Jordan**  
**City Manager**

Agenda Item: \_\_\_\_\_

Date: \_\_\_\_\_

## City Council Agenda Item Request

Date: Feb. 28, 2022

Name: Patrick Jordan

Department: Administration

Item: Public Presentations of Proposals for old Jail Site/Chamber site Re-development

Meeting date requested: March 8, 2022

Explanation for request:

Council and the public will hear from developers wishing to be awarded old County Jail/Chamber of Commerce re-development project.



# FORMER COUNTY JAIL SITE DEVELOPMENT PROPOSAL

**Terrace Bay Hotel, LLC**  
7146 P. Road, Gladstone, MI 49837



**Jarred Drown**  
[jarred@terracebayhotel.com](mailto:jarred@terracebayhotel.com)



## PROJECT OVERVIEW

Terrace Bay Hotel, LLC would like to propose development of an Upper Midscale Hampton Inn hotel at the former County Jail site in Downtown Escanaba. This development would bring an additional 40,000 tourists per year into downtown Escanaba.

### HAMPTON INN

Hampton Inn by Hilton is America's leading hospitality brand.

- **80 Rooms**
- **4 Stories, 49,000 sqft**
- **Contemporary Design**
- **Indoor Swimming Pool**
- **Demolition of Former County Jail**
- **\$12 Million Investment**



## PROJECT TIMELINE

➤ **2022 - WINTER 2023**  
*Planning Phase*

➤ **SPRING 2023**  
*Demolition & Ground Breaking*

➤ **SUMMER 2024**  
*Completion & Grand Opening*



## PHASE II CONCEPTS

Phase II would include the development of the former Chamber of Commerce parcel into an additional hotel facility and potential offices for a dinner cruise operation.

## DEVELOPMENT ESTIMATES



		<b>Hampton Inn</b>		
		<b>(Center Loaded Lobby)</b>		
PROTOTYPE VERSION		8.2		
PROTOTYPE DATE		May 2019		
STANDARDS VERSION		January 2021		
NUMBER OF KEYS		80		
ROOM MIX (includes accessible rooms)		K 31; DQ 49		
NUMBER OF FLOORS		4		
GROSS BUILDING AREA		49,430		
GROSS BUILDING AREA/KEY		617.9		
STRUCTURAL SYSTEM		CMU & Precast Plank		
LAND REQUIRED - ACRES		1.59		
LAND REQUIRED - SQ. FT.		69,297		
NUMBER OF PARKING SPACES		80		
		<b>Item Cost</b>	<b>Cost/Key</b>	<b>Cost/SF</b>
LAND (TBD by Owner)		TBD by Owner		
ARCHITECTURE, DESIGN & ENGINEERING		\$256,650	\$3,208	\$5
(Allowance at 3% of Construction Cost)				
PERMITS, LICENSES, & FEES		\$128,325	\$1,604	\$3
(Allowance at 1.5% of Construction Cost)				
CONSTRUCTION (1) (7)		\$8,555,000	\$106,938	\$173
FURNITURE, FIXTURES & EQUIP.		<b>Item Cost</b>	<b>Cost/Key</b>	<b>Cost/SF</b>
Guestrooms		\$395,600	\$4,945	\$8
Public Areas		\$114,900	\$1,436	\$2
Guestroom Equipment (2)		\$106,600	\$1,333	\$2
Public Area Equipment (2)		\$59,255	\$741	\$1
FF&E Freight & Tax (3)		\$118,463	\$1,481	\$2
FF&E Installation		\$48,000	\$600	\$1
Warehousing (10)		\$23,672	\$296	\$0
Laundry Equipment - Main Laundry		\$45,000	\$563	\$1
Guest Laundry Equipment		Optional		
Food Service Equipment - BOH/Retail (11)		\$102,333	\$1,279	\$2
Food Service Equipment - Freight & Installation		\$14,020	\$175	\$0
TOTAL FF&E		\$1,027,844	\$12,673	\$21
OPERATING SUPPLIES & EQUIPMENT (OS&E)		\$96,000	\$1,200	\$2
TELEPHONE SWITCH & INSTRUMENTS		\$40,000	\$500	\$1
OnQ SYSTEM		\$35,750	\$447	\$1
HSIA EQUIPMENT		\$44,480	\$556	\$1
EXTERIOR SIGNS		\$18,000	\$225	\$0
INVENTORIES (4)		\$60,000	\$750	\$1
PRE-OPENING (4)		\$110,000	\$1,375	\$2
PROJECT MANAGEMENT FEE		\$171,100	\$2,139	\$3
(Allowance at 2% of construction cost)				
PROCUREMENT FEE (5)		\$40,581	\$507	\$1
(Allowance at 6% of contract value)				
INSURANCE ALLOWANCE		TBD by Owner		
FINANCIAL, TAXES, LEGAL ALLOWANCE		TBD by Owner		
CONTINGENCY		\$855,500	\$10,694	\$17
TOTAL DEVELOPMENT COSTS (6) (8) (9)		\$10,583,730	\$132,297	\$214





# PROJECT SITE PLAN

Ludington Street

N 3rd Street



Phase 2





# OWNER QUALIFICATIONS

Our ownership team has developed a strong expertise in the hospitality industry with formal hospitality management education, over 12 years of industry experience including 9 years owning and operating a hospitality businesses in the Delta County market. Our experience, knowledge and expertise in the industry make Terrace Bay Hotel, LLC a great candidate for development of a Hotel on the former County Jail parcel in Downtown Escanaba.



## JARRED DROWN

**12 yrs of Hospitality Mgmt. Experience**

2016-Present

**Owner/ Operator  
Terrace Bay Hotel**

*President - Visit Escanaba  
Board of Directors - UPTRA  
Board of Directors -  
Wellspring Church*

2012-2020

**Owner/ Operator  
Sunset Lodge**

2011-2012

**General Manager  
Hampton Inn & Suites**

2008-2011

**Asst. General Manager  
Hampton Inn  
Crowne Plaza**

**Partial MBA**

**Hospitality  
Administration/ Mgmt.  
Virginia Tech University**



## JENNIFER DROWN

**12 yrs of Hospitality Mgmt. Experience**

2016-Present

**Owner/ Operator  
Director of Sales  
Terrace Bay Hotel**

*Board of Directors - BNI*

2012-2020

**Owner/ Operator  
Sunset Lodge**

2011-2012

**Catering Sales Manager  
Crowne Plaza**

2008-2011

**Business Dev. Manager  
Executive Conference &  
Training Center  
Holiday Inn**

**Bachelors Degree**

**Hospitality & Tourism  
Mgmt. / Sales & Catering  
Management  
Virginia Tech College of  
Business**



## RICK ELROD

**9 yrs of Tourism Marketing Experience**

2019-Present

**Owner/ Operator  
Marketing Director  
Terrace Bay Hotel**

*Secretary - Delta County  
Nonmotorized Trails  
Board of Directors - Noc  
Bay Flyers Disc Golf Club*

2017

**Interim Executive  
Director  
Visit Escanaba**

2012-2017

**Marketing Director  
Visit Escanaba  
Delta County Chamber  
of Commerce**

**Bachelors Degree**

**Marketing &  
Entrepreneurship  
Davenport University**



# WHAT WE'VE DONE SINCE 2016

Since purchasing Terrace Bay Hotel in 2016, we have experienced significant revenue growth as a result of improved business operations and building renovations.

➤ **Grew payroll from \$300K > \$1.2M not including owners**

➤ **266% revenue in growth from \$1.2M > \$4M > 2022 Projected \$4.8M**



# TERRACE BAY Hotel



## \$2 MILLION IN BUILDING DEVELOPMENT

Over the last 5 years our team has completed over \$2 million in building development and renovations at the Terrace Bay Hotel. In addition to managing our in-house maintenance and renovation team, we have gained experience working with trades contractors and general contractors to complete significant development projects.



Before



After

### Hotel Room Renovations

- Complete floor to ceiling renovations of 51 hotel rooms.
- Modern RFID Hotel Door Lock Installation



Before



After

### Hallway Renovations

- Paint, ceiling tiles, addition of wainscoting, lighting. local photography.



Before



After

### Complete Restaurant Renovation

Ceiling tiles, flooring, walls, artwork, lighting, windows, local hand crafted tables.

- Installation of tap beer system
- Updated kitchen equipment
- New kitchen flooring
- Walk-in freezer and cooler replacement



Before



After

### BIGGBY Coffee Shop Addition

- Renovation of lobby space into full service coffee shop
- Addition of drive-thru ramp & drive-thru window
- Partnered with local general contractor

### Additional Building Improvements

- Entire Building Hydronic Heat Installation
- Wireless Internet Infrastructure
- Parking Lot Expansion
- Shoreline Stabilization
- Dumpster Enclosure Relocation
- Building Addition for Walk-in Freezer
- Well Installation
- Pool Resurfacing
- Pool Equipment Upgrades





## BENEFITS OF LOCAL DEVELOPER

There are many benefits to selecting a local developer. As local owners and operators our plan will be to work with a local general contractor and subcontractors for the construction and development of the project, which will keep the entire \$12 million project cost invested right in our local economy. In addition to development investments, all revenue and profits from business operations will be reinvested back into the local economy through the use of local services and future development.

➤ **Local Owners**

➤ **Local General Contractor**

➤ **Local Sub-contractors**

➤ **Local Services**



## LOCAL ECONOMIC IMPACT

The development of a lodging facility in Downtown Escanaba will have a tremendous direct impact on the local economy. In addition to the development investments, the property will help to activate the downtown area with tourism traffic and help remedy housing shortages in the area.

➤ **\$12 Million investment in community**

➤ **40,000+ Additional Tourists Downtown Annually**

➤ **\$10 Million + Annual Tourist Economic Impact**  
(transportation, shopping, restaurants, entertainment, etc.)

➤ **Estimated \$600K-\$800K in annual payroll**

➤ **Creation of 25-30 Jobs**

➤ **Additional Tax Revenue for City**

➤ **Visit Escanaba Annual Marketing Contribution ~ \$180,000**

➤ **Mitigate housing shortages by increasing lodging availability**



## COMMUNITY NEED FOR LODGING

Tourism in the Upper Peninsula and Delta County have been steadily increasing. Data from Upper Peninsula Tourism Agencies and destinations shows significant increased demand over the last 5 years. AirBnB & VRBOs have proliferated in Delta County due to a shortage of hotel rooms. An investment in hotels will decrease the need for additional AirBnBs, VRBOs and short term rentals, reducing the strain on housing supply in Delta County.

➤ **Pictured Rocks Tourism Growth of 70%** [2016-2021]

➤ **Mackinac Bridge Growth 7.8%** [2016-2021]

➤ **Visit Escanaba Hotel Assessment Growth 54%** [2016-2021]

➤ **Escanaba US HWY 2 Annual Traffic Record - 7,044,500 Vehicles**



# Escanaba Hampton Inn Development Proposal



**Terrace Bay Hotel, LLC**  
7146 P. Road,  
Gladstone, MI 49837



**Jarred Drown**  
[jarred@terracebayhotel.com](mailto:jarred@terracebayhotel.com)  
443-745-2833



601 S McClellan Ave  
Marquette, MI 49855  
906 • 228 • 7080  
1 • 866 • 430 • 7080  
[embers.org](http://embers.org)

November 17, 2021

To whom it may concern:

This letter is to advise that Embers Credit Union is working with Jarred Drown for the purpose of a Member Business Loan to finance the purchase of real estate located in downtown Escanaba near Ludington Park which was formerly the site of the Delta County Jail.

Jarred Drown is considered a qualified borrower at Embers Credit Union and underwriting of the loan request will commence once a Purchase Agreement is received. He has met the preliminary threshold to be considered "pre-approved" with the assumption that there are no changes to the financial condition presented.

Sincerely,

A handwritten signature in black ink that reads "Julie Olson".

Julie Olson  
Commercial Loan Officer  
[jolson@embers.org](mailto:jolson@embers.org)  
906 228 9955



November 18, 2021

Escanaba City Council  
410 Ludington Street  
Escanaba, MI 49829

Visit Escanaba is the Destination Marketing Organization (DMO) for Delta County. We are an inclusive, community based, business advocate and leader that strives to maximize the economic vitality for the Cities of Escanaba and Gladstone and surrounding areas. Visit Escanaba's mission is to enhance and enrich the economy and community in Delta County while pursuing initiatives that sustain the area's heritage, character, and quality of life.

Tourism is a critical industry in our community and is helping drive economic growth that has a positive impact on tourists and residents alike. As tourism has increased in Delta County, the number of people coming here has outgrown our lodging capacity. There is a critical need for more accommodations in our area.

When we were made aware of a local developer wanting to convert the old jail property into a waterfront hotel, we were very excited. To also learn this group has a proven track record of success in this industry on a local level, it sounds like a match made in heaven.

Our organization supports the upscale waterfront hotel development proposal of the Escanaba Hampton Inn. This project will activate the main street of Escanaba and increase property values and tax revenue for the city. The project will also fill a huge need for more lodging in Escanaba bringing millions of dollars to the area every year.

We ask you to strongly consider this proposal and the incredible benefits it will provide to the community, especially the city of Escanaba. Feel free to reach out to me for more information regarding tourism in Delta County and the increased demand that is beyond our current capacity.

Thank you for considering this project and we look forward to welcoming thousands of new tourists to downtown Escanaba.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Micheau". The signature is written over a horizontal line.

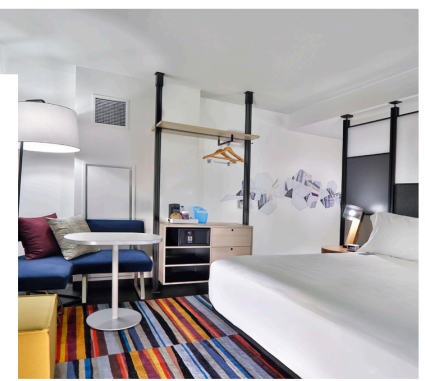
Robert Micheau  
Executive Director



## PHASE II - FORMER CHAMBER SITE



*Phase II would include development of former Chamber of Commerce site with an upscale hotel such as Aloft, featuring a cocktail lounge with upscale shareable plates.*



## Terrace Bay Hotel

Thank you for your response to the RFQ. Your proposal will be evaluated by a committee on February 18, 2022. This committee has been formed to collect information and score proposals. You will have the opportunity to present to the City Council prior to a decision being made.

The following questions have been drafted by the committee to clarify items in your submission and aid in scoring. **Please answer and return to Patrick Jordan, [pjordan@escanaba.org](mailto:pjordan@escanaba.org) by the end of Thursday, February 17<sup>th</sup>.**

1. What is the anticipated capital stack for financing of the development (purchase, demolition, construction, operation, etc.)?
  - a) List the percentage of investor/owner equity
    - a) SBA financing will requires a 15% owner equity investment, which we have secured.
  - b) Percentage traditional financing
    - a) Embers Credit Union with SBA Guarantee 85%
  - c) Percentage, if any, public assistance (grants, TIF, subordinated debt obligation, etc.)
    - a) None, although after initial investment, we will be seeking brownfield tax credits for eligible expenses.
  - d) What is the anticipated timeline to secure all components of financing?  
*If your financing is more intricate, please detail the capital structure as needed.*
    - a) *Financing has been pre-approved and secured. Pre approval letter from Embers Credit Union has been included with project proposal.*
2. You are scheduled for demolition in Spring 2023. What is the likelihood that the jail could be demolished in 2022?
  - a) After speaking with Roy Ness, our plan is to demolish the jail this year. This would be necessary to allow us to open in Summer of 2024.
3. Who will be the owner(s) and operator(s) of the hotel after completion?
  - a) Terrace Bay Hotel, LLC owned by Jarred & Jennifer Drown, Rick & Jessica Elrod.
4. Do you have a projection for the beginning date of Phase 2?
  - a) After three years of completed Hampton Inn financials, we would be able to secure financing for Phase 2.
5. Do you have any anticipated auxiliary uses for the hotel? i.e. banquet hall, restaurant, lakeshore boating/activities?

- a) With acquisition of the former Delta County Chamber of Commerce site, Phase II would include a dinner cruise operation. Our experience and expertise in hosting banquet dining will prepare us for successful dinner cruise execution. We anticipate starting development in 2027.

Please feel free to provide further explanation that you feel would help the committee understand the scope of your project. If you have any questions, please contact Patrick Jordan.

- a) The planning phase for a project of this scale generally takes over 12 months. An expedient decision would allow us to proceed with demolition this Summer for us to open in 2024.

Thank you

# NORTHSHORE FLATS



**CITY OF ESCANABA**

*RFQ RESPONSE*

1/18/2022

BARRY J. POLZIN  
ARCHITECTS

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*Swanee* INC.



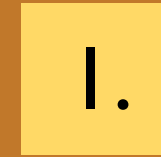
# NORTHSHORE FLATS

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6. ESTIMATED ECONOMIC IMPACT
7. RESUME OF FIRM AND DEVELOPMENT TEAM

# NORTHSHORE FLATS



## LETTER OF INTEREST

Patrick Jordan, Escanaba City Manager  
410 Ludington Street  
Escanaba, MI 49829

Dear Mr. Jordan:

This letter is to inform you of our interest in acquiring property within the City of Escanaba for the purpose of residential and commercial, mixed-use development. The combined, estimated investment in these functionally obsolete properties is \$37MM. After a great deal of investigation and research, it is our belief that we understand the current state of the land, the steps that are necessary to turn this brownfield site into development-ready property, and the quality and aesthetic of the buildings that are necessary to attract prospective clients.

Our renovation and management of the Historic Richter Brewery (AKA the Delta Building) into The Lofts on Ludington has proven to be a high quality, highly desired, residential and commercial property in our city. We receive inquiries weekly for apartments, and our waiting list is extensive, as our tenants rarely move out. We know that additional, high quality housing is needed in our city, and we know we are the ones that will see this development through to its successful completion.

We have the full support of Mike Nardi, President and CEO and Jeff Slagstad, Vice President of Baybank in Escanaba. We have long standing relationships with State of Michigan departments such as the State Historic Preservation Office, Michigan State Housing Development Authority, and the Michigan Economic Development Corporation. Mac McClelland, Brownfield and Environmental Consultant, has been advising us on compliant brownfield procedures, and we will utilize his expertise. The architect for The Lofts on Ludington and our proposed Northshore Flats development, Barry Polzin, not only has extensive brownfield experience, he is the architect and developer of the majority of the waterfront in the City of Marquette.

We are third generation business owners in Escanaba. We have raised our children here, we attend church here, we buy our groceries and our cars here, and we pay our taxes here. We're hardworking people that aren't afraid to get our hands dirty, and we aren't afraid to find another way when we hit a roadblock. We know this community and we are fully invested in it. It is our goal and desire to see Escanaba grow and succeed. We know this development is a risk worth taking. We believe in this city. That's why we care. That's why we can do this.

Sincerely,

Matthew D. Sviland  
Swanee, Inc.

Beth A. Sviland



# NORTHSHORE FLATS

2.

## CONCEPT PLANS & RENDERINGS



*Parcel 1*



*Parcel 2*

The Northshore Flats will provide a premier living experience on the beautiful shore of Lake Michigan. This exciting, two-phased project will be comprised of both residential and mixed-use properties. The development will completely transform the abandoned and lifeless north shore, bringing new vitality to Escanaba's downtown and our beautiful Ludington Park. The opportunity provided by The Northshore Flats will make Escanaba an inviting relocation destination for work and retirement.

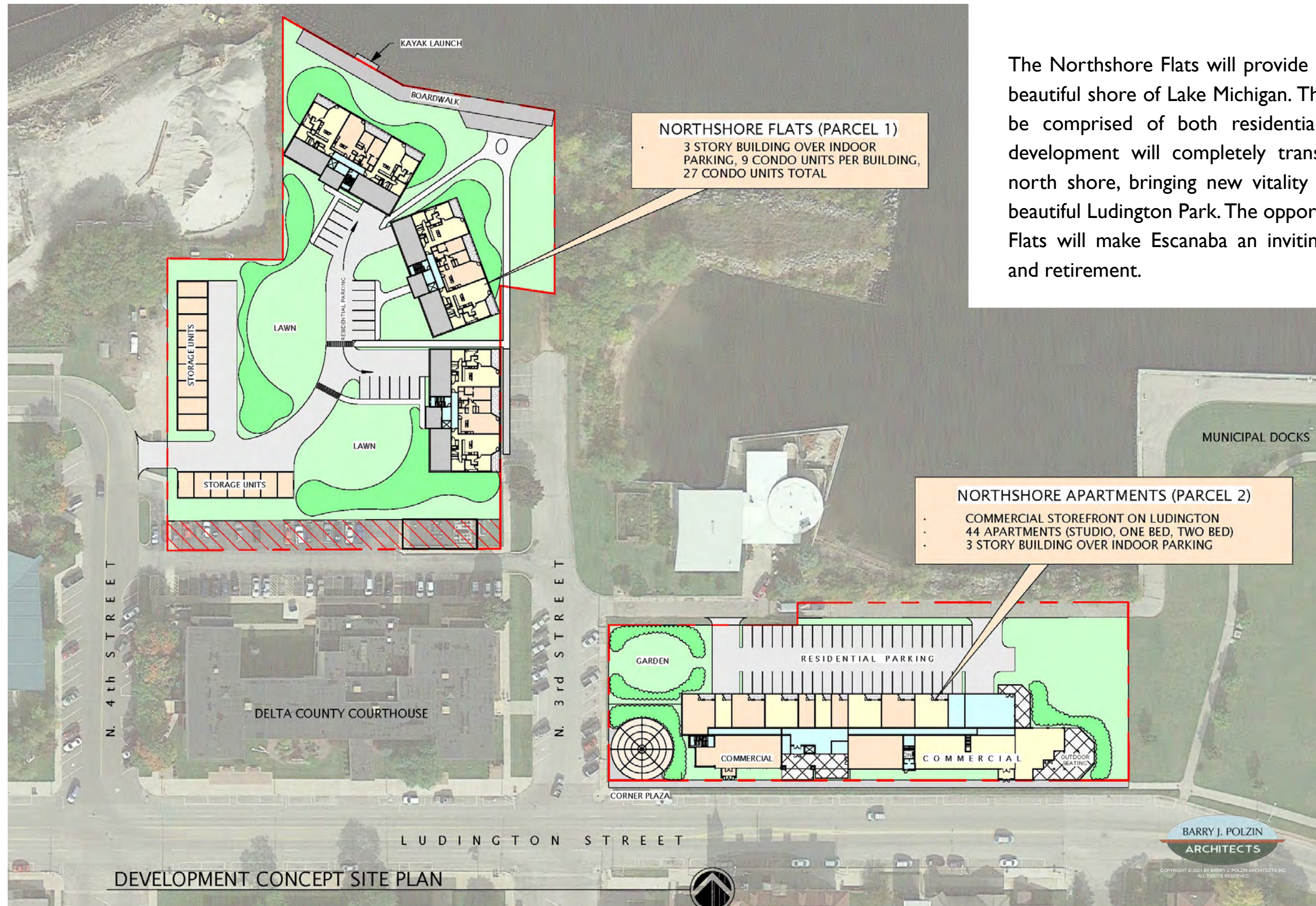
Phase one is the preparation and development of the former Delta County Jail site. This development entails the extensive demolition of the jail, the detailed and compliant treatment of the brownfield site, the construction of three, 4 story structures (with footprints of 8,500 square feet per building), convenient integrated parking, and beautification of the grounds. The three structures will be built consecutively, and will provide at least 27 spacious condominiums, all designed to enjoy Escanaba's beautiful lakeshore sunrises.

Phase two is the preparation and development of the former Chamber of Commerce building and adjacent property. This phase involves the demolition of the vacant Chamber of Commerce building, the detailed and compliant treatment of the brownfield site, the construction of a 4 story mixed-use development, and beautification of the grounds. This single structure will be comprised of 44 apartments (studio, one bedroom, and two bedrooms), with modern design aesthetics, over Ludington Street commercial storefronts and a park-side restaurant.

# NORTHSHORE FLATS

2.

## CONCEPT PLANS & RENDERINGS



The Northshore Flats will provide a premier living experience on the beautiful shore of Lake Michigan. This exciting, two-phased project will be comprised of both residential and mixed-use properties. The development will completely transform the abandoned and lifeless north shore, bringing new vitality to Escanaba's downtown and our beautiful Ludington Park. The opportunity provided by The Northshore Flats will make Escanaba an inviting relocation destination for work and retirement.

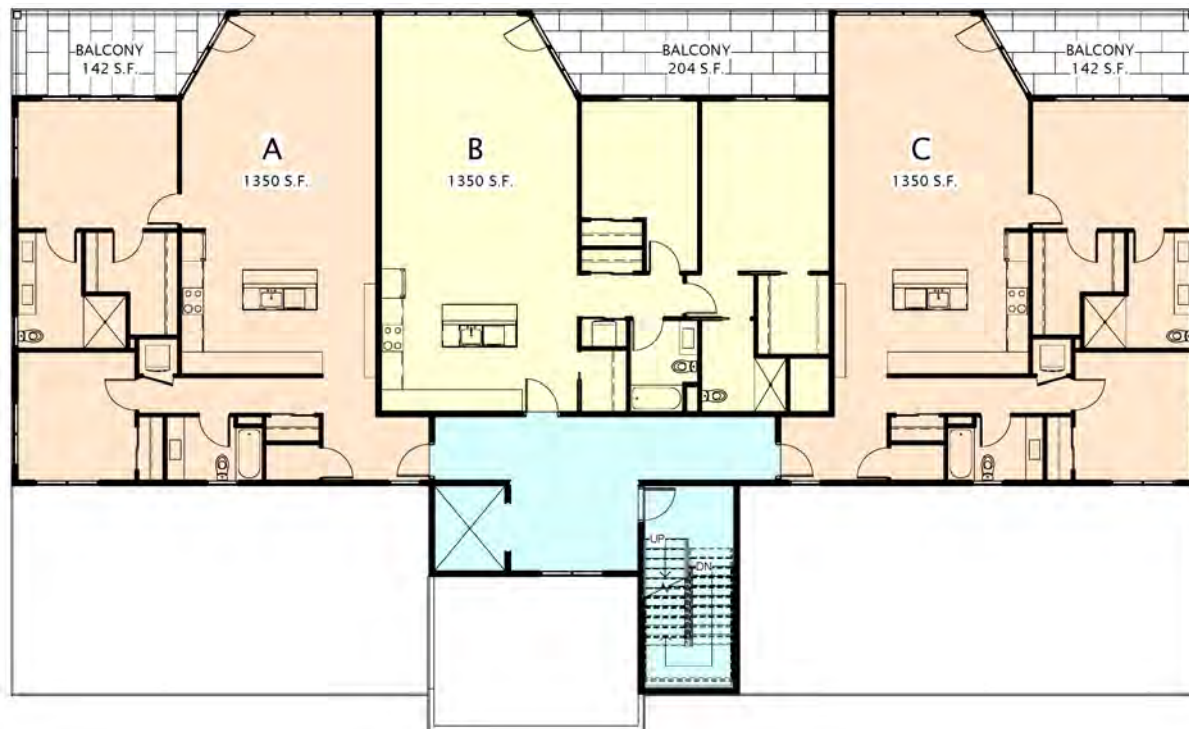
# NORTHSHORE FLATS

2.

## CONCEPT PLANS & RENDERINGS



PARKING LEVEL CONDOS



1<sup>st</sup> 2<sup>nd</sup> and 3<sup>rd</sup> LEVEL OF CONDOS

Phase one is the preparation and development of the former Delta County Jail site. This development entails the extensive demolition of the jail, the detailed and compliant treatment of the brownfield site, the construction of three, 4 story structures (with footprints of 8,500 square feet per building), convenient integrated parking, and beautification of the grounds. The three structures will be built consecutively, and will provide at least 27 spacious condominiums, all designed to enjoy Escanaba's beautiful lakeshore sunrises.



# NORTHSHORE FLATS

2.

## CONCEPT PLANS & RENDERINGS



AERIAL VIEW CONDOS



VIEW FROM BOARD WALK OF CONDOS



SOUTH ENTRY VIEW CONDOS

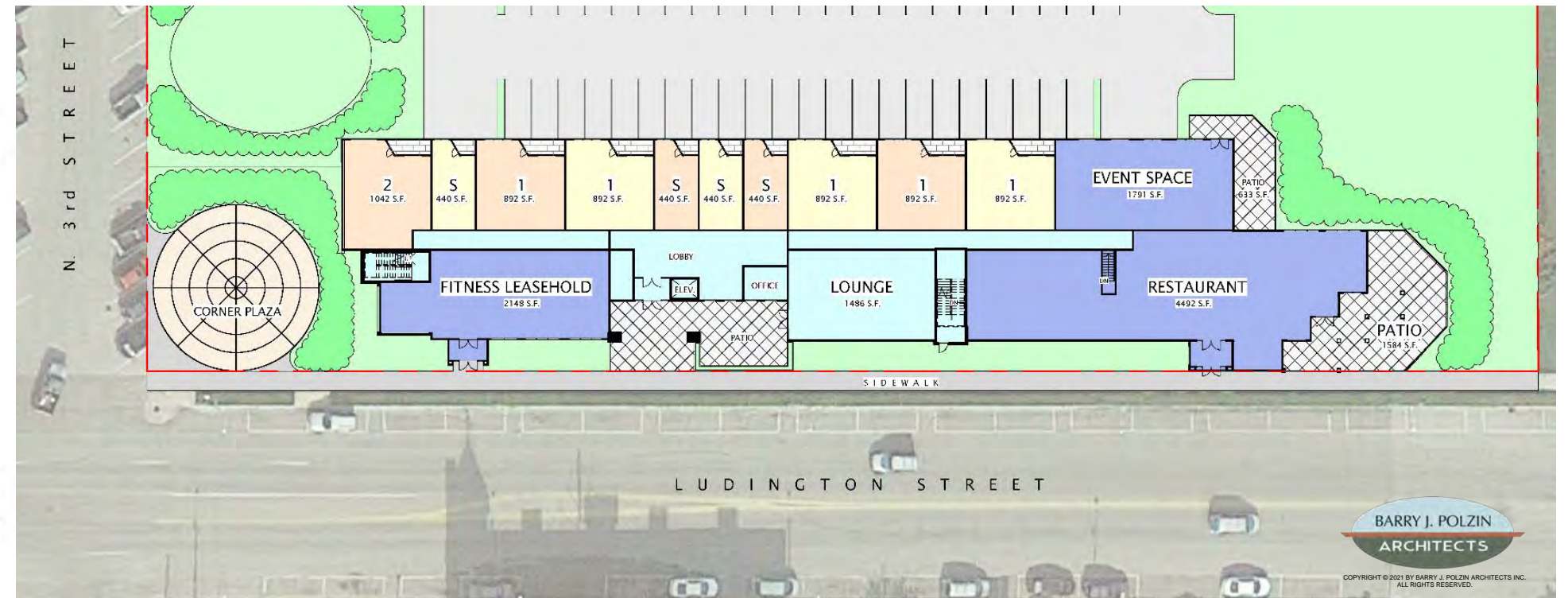


NORTH VIEW CONDOS

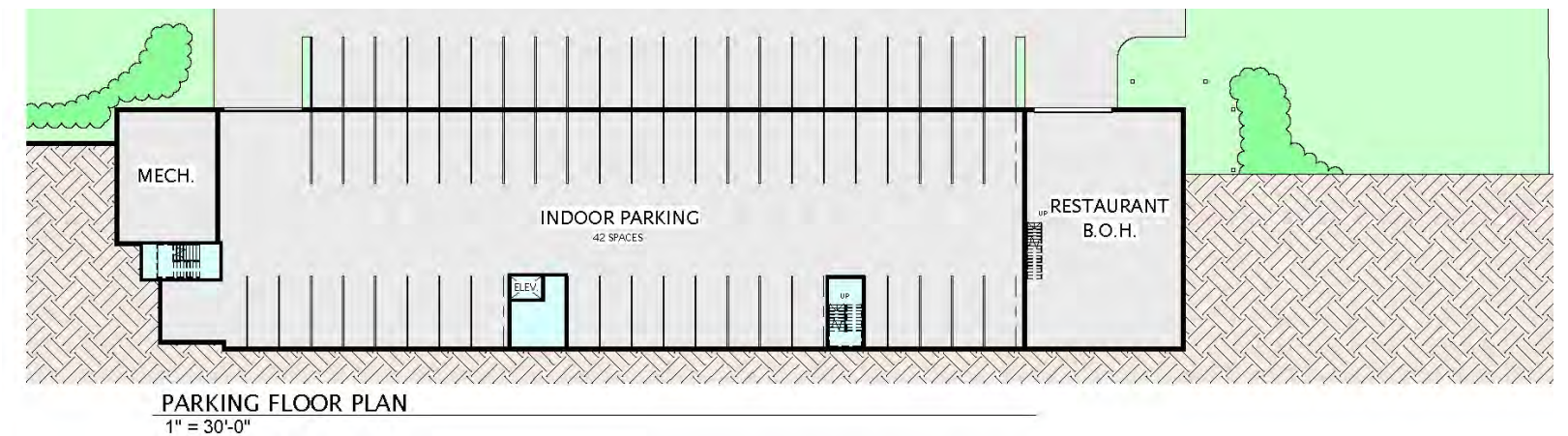
# NORTHSHORE FLATS

2.

## CONCEPT PLANS & RENDERINGS



Phase two is the preparation and development of the former Chamber of Commerce building and adjacent property. This phase involves the demolition of the vacant Chamber of Commerce building, the detailed and compliant treatment of the brownfield site, the construction of a 4 story mixed-use development, and beautification of the grounds. This single structure will be comprised of 44 apartments (studio, one bedroom, and two bedrooms), with modern design aesthetics, over Ludington Street commercial storefronts and a park-side restaurant.



# NORTHSHORE FLATS

2.

## CONCEPT PLANS & RENDERINGS



VIEW FROM LUDINGTON & S. 2<sup>ND</sup> ST.



AERIAL VIEW OF NORTH FACADE FROM WATER



AERIAL VIEW FROM LUDINGTON & N. 3<sup>RD</sup> ST.



VIEW FROM LUDINGTON & N. 3<sup>RD</sup> ST.



# NORTHSHORE FLATS

3.

## DEVELOPMENT EXPERIENCE



BEFORE



AFTER

### Development Team Previous Experience

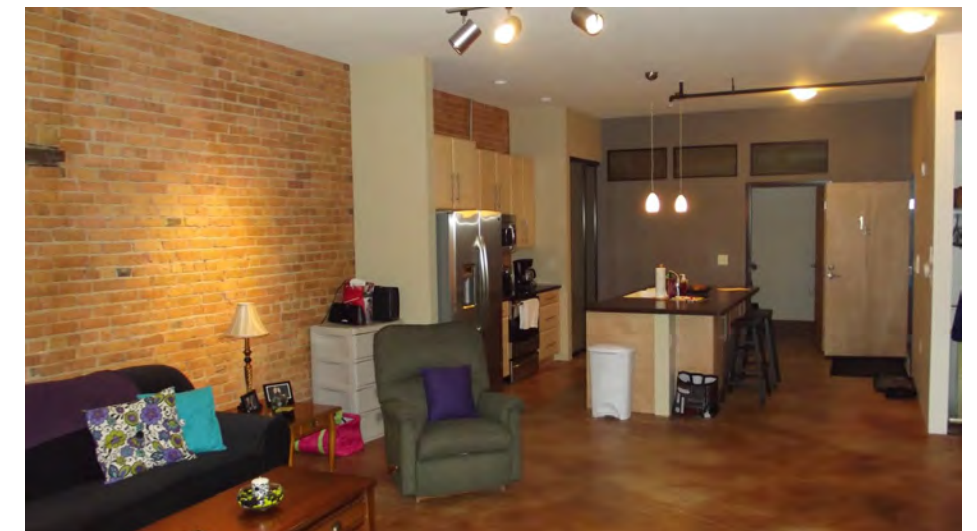
Swanee, Incorporated - Matthew and Beth Sviland

Developers of The Lofts on Ludington

Downtown Escanaba, mixed-use development, 2007- 2012



BEFORE



AFTER

# NORTHSHORE FLATS

3.

## DEVELOPMENT EXPERIENCE



BEFORE



AFTER



BEFORE



AFTER

# NORTHSHORE FLATS

3.

DEVELOPMENT  
EXPERIENCE



BEFORE



AFTER



BEFORE



AFTER

# NORTHSHORE FLATS

3.

## DEVELOPMENT EXPERIENCE



Bell Tower – Marquette, MI



One Marquette Place – Marquette, MI



Marquette Place

### Development Team Previous Experience

#### Barry J. Polzin Architects:

Barry J Polzin Architects Inc is a full service Architectural firm located in Marquette, Michigan providing premium design services throughout the Great Lakes region. Our designs reflect the place and context and craft spaces that render the human experience that they are intended for. Our years of experience producing buildings of all types throughout this region have resulted in our very thorough understanding of the cultural, climatic and economic forces involved in our projects. We work diligently through the construction of our projects to final completion and occupancy to insure that the design intent, our clients' needs and project budgets are met. We utilize a cooperative team approach including all players to bring about collective satisfaction and a successful project.

BJP architects has created a number of successful mixed use downtown and waterfront developments. The most recent is the development of Founders Landing in Downtown Marquette. This waterfront redevelopment includes 44 luxury condominium residences, an 84 room Hampton Inn, and 68 high-end apartments located on the waterfront. The remaining phases of the project will add offices, additional luxury condominiums and street front commercial space. All total the development investment is over 50 million dollars on the former railyard and tank farm.



Founders Landing Condos – Marquette, MI

# NORTHSHORE FLATS

3.

## DEVELOPMENT EXPERIENCE



*Gaines Rock Townhomes – Marquette, MI*



*The Vault – Houghton, MI*

**Expertise in development of high value projects of similar size and scope**

**Experience with development in the Upper Peninsula or similar markets.**

**Barry Polzin Architects**

**Founders Landing Redevelopment Marquette**

- The landing Condominiums (42 units) \$14.8 million
- The Hampton Inn Waterfront Marquette \$8.4 million
- One Marquette Place (68 apartments/café) \$16 million
- Fairfield Inn and Suites (2019) \$10 million
- Gaines Rock Townhomes (2019) \$6 million



*Fairfield Inn– Marquette, MI*





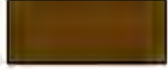

*Hampton Inn– Marquette, MI*



*100 Pearl Student Housing – Houghton, MI*

#### Development Schedule

- July 2022- December 2022 – Demolition and Brownfield Mitigation of Jail Site-\$8MM
- April 2023- December 2025 – Construction of Northshore Flats Condominiums -\$14MM
- April 2025 – August 2025 – Demolition and Mitigation of Chamber of Commerce Site- \$2.1MM
- September 2025 – December 2027 – Construction of Northshore Flats Mixed-use Building- \$12.8MM

2022	2023	2024	2025	2026	2027
					
					
					
					

# NORTHSHORE FLATS

5.

## EVIDENCE OF FINANCIAL CAPACITY



“To Us, It's Personal”

Dear: Matthew Sviland

This letter represents an interest of Baybank (the "Bank") to make the following loan to Matthew Sviland (Northshore Flats)(the "Borrower") subject to the fulfillment of the conditions set forth in this letter:

1. **Loan.** A term loan in the amount of \$ TBD (the "Loan"). The Loan will be used to Purchase business assets at the 111 North 3<sup>rd</sup> Street and Redevelopment into Condo's. The Loan will be on the following terms and conditions;
  2.
    - a. **Term, Interest Rate and Amortization:** The Loan will be repaid at of rate of TBD
    - b. **Guaranties.** The Loan will be individually and unconditionally guaranteed by Matthew Sviland ("Guarantors").
    - c. **Collateral.** The Loan will be secured by 111 North 3<sup>rd</sup> Street and personal guaranty.
2. **Fees and Costs.** Borrower will pay to Bank a loan fee of 1% of loan amount. Borrower will also pay all costs incurred in connection with the documentation and support of the Loan including appraisal fees, title insurance premiums, legal fees and recording costs.

The Bank's obligation to make the Loan will be conditioned upon the Bank's receipt of such supporting documentation as Bank deems appropriate, including but not limited to commitment for an ALTA mortgagee's policy of title insurance in the amount of the Loan showing that Bank will obtain a first mortgage on the real estate collateral, new appraisal of the real estate collateral satisfactory to Bank in all respects, flood plain certification, recording of UCC on equipment & assets as well as liquor license, except liquor and alcohol, copy of Borrower's articles of organization and operating agreement and insurance certificate naming Bank as an additional insured, copy of the business tax returns for the previous 3 years of the business being purchased to ensure cash flow meets the bank's policies. Satisfactory to Bank in all respects (in the Bank's sole discretion). Final term, rate, amount and overall loan approval is subject to board approval. This is not a commitment to lend.

Sincerely,

Jeffrey Slagstad  
VP, Baybank

2404 3RD AVENUE NORTH • ESCANABA, MI 49829 • (906) 786-2299 • FAX: (906) 786-5222  
10513 NORTH MAIN STREET • RAPID RIVER, MI 49878 • (906) 474-6631 • FAX: (906) 474-9232  
104 SOUTH TENTH STREET • GLADSTONE, MI 49837-0191 • (906) 428-4040 • FAX: (906) 428-3016

www.baybank.us  
MEMBER FDIC

- **BayBank Escanaba**
- **Brownfield Tax Increment Financing (TIF)** – Phase I and Phase II Environmental studies have been completed for these properties, and they are eligible for Brownfield TIF Financing.
- **Grants and Loans available through EGLE** (Michigan Department of Environment, Great Lakes, and Energy) – This development is eligible for a grant up to \$1M and a loan up to \$1M to revitalize these abandoned properties and return them to the tax rolls.
- **Brownfield Bridge Fund Grants and or Loans through MSF** (Michigan Strategic Fund) Managed by the MEDC (Michigan Economic Development Corporation) -Investment in Brownfield sites addresses brownfield conditions on qualified properties that are an impediment to economic growth to the surrounding community. Michigan has recognized the need for new housing at every price point. This program supports development of these highly-challenged sites, reducing or eliminating the need to privately finance costs associated with alleviating brownfield conditions. Transformation of brownfield sites into new housing and employment will result in stronger and healthier Escanaba neighborhoods and communities. Grant or loan amounts may be equal to the estimated cost of brownfield eligible activities as presented by Mac McClelland (the environmental consultant listed under “Team”). The State of Michigan is committed to ensuring these funds are disbursed to support brownfield development in every region of the state. It is estimated that this process will be complete by June 2022. These are American Rescue Plan funds which have been allocated to Michigan. The State of Michigan has set aside \$200MM for Brownfield assistance. It will be imperative not to close on the purchase of the Phase One property until these details have been worked out. The benefits of these funds to the City of Escanaba are paramount. The City of Escanaba will receive over \$600,000.00 in property taxes every year when both phases of this development are completed and a Brownfield Bridge Fund grant is procured. If the Brownfield Bridge Fund Grant is not awarded, the process is solely left to Brownfield TIF financing. In that case, most of that property tax revenue will be paid to the developer for reimbursement of brownfield costs over a 25 year period instead of being retained by the City of Escanaba.
- **Community Revitalization Program through MEDC** (Michigan Economic Development – This program allows for grants of up to the lesser of \$5M or 50% of project costs for priority sites identified by certified Michigan Redevelopment Communities. This would apply to Phase 2 of the development.

# NORTHSHORE FLATS

6.

## ESTIMATED ECONOMIC IMPACT



BEFORE



AFTER

The local economic impact created by these developments will begin immediately upon purchase of the property. Just as with The Lofts on Ludington project, it is our intent to utilize local labor and materials resources at every opportunity.

- Over 80 skilled and non-skilled labor positions will be required for the demolition, brownfield compliance, and construction of these developments.
- Over \$18MM in construction materials will need to be purchased over the course of this project.
- Subsequently, local gas stations, stores, and restaurants will see immediate increased economic benefits by the increased foot traffic and activity.

The total investment is anticipated at over \$37MM, and is projected to provide between 30 – 45 permanent jobs which will include condominium maintenance and care, and employment opportunities in the restaurant and commercial/retail spaces. We will initiate marketing for the commercial storefronts and the restaurant at the onset of construction of Phase I.



# NORTHSHORE FLATS

7.

## RESUMES OF FIRM AND TEAM MEMBERS

Swanee INC.



### Development Team Resumes

**Local Developers – Swanee, Incorporated - Matthew and Beth Sviland**

**Owners of Sviland Paint and Window Treatments**, third generation business owners since 1915, downtown Escanaba, 1987 – Present

**Developers of The Lofts on Ludington, downtown** Escanaba, mixed-use development, 2007- 2012 (see Appendix A)

**Extensive Brownfield Grant Writing** experience and leveraging of incentives, 2007 – 2012

**Successful cooperation** with The City of Escanaba, The State of Michigan, and

The United States Federal Government in obtaining financial incentives, 2007 – 2012,

Listed below:

- \$293,492 - **Brownfield** Tax Increment Financing (TIF)
  - 12 Year Obsolete Property Rehabilitation Act (OPRA) tax relief
  - \$20,000.00 - façade grant from the Escanaba Downtown Development Authority
  - \$525,000.00 – City of Escanaba Urban Development Action Grant (UDAG) loan
  - \$635,858 - MEGA MBT **Brownfield** Redevelopment Tax Credit for 20% of qualified expenses
  - \$240,000.00 - MSHDA Façade Grant and an additional 20% contingency of that grant were also awarded
  - \$525,000 - MSHDA Rental Rehabilitation Grant
  - \$816,056 - 20% Federal Historic Rehabilitation Tax Credit
  - \$753,495 - State of Michigan Historic Rehabilitation Tax Credits and Michigan Enhanced Historic Rehabilitation Tax Credit for a combined Michigan Historic Tax Credit total of 19.6%
  - \$1,560,000 - Federal New Market Tax Credits through the Michigan Magnet Fund
- 2012 - Delta County Chamber of Commerce Business of the Year  
2012 - Recipients of the Governor's Award for Historic Rehabilitation  
2012 – Present - Business and Brand Marketing Managers of Escanaba's premier rental property

# NORTHSHORE FLATS

7.

## RESUMES OF FIRM AND TEAM MEMBERS

BARRY J. POLZIN  
ARCHITECTS

### Barry J. Polzin Architects

Barry J. Polzin, President/ Principle Architect, 1997 – Present

#### Accreditation

Registered Architect – State of Michigan

National Council of Architectural Registration Board Certified

Certified Historic Architect – State of Michigan

#### Professional Memberships

American Institute of Architects

National Trust for Historic Preservation

Michigan Historic Preservation Network

National Association of Home Builders

#### Awards

2012 Michigan Governors Award for Historic Preservation

2018 Michigan Governors Award for Historic Preservation



Waterfront Condominiums – Marquette, MI

### MULTI-FAMILY DEVELOPMENTS

- One Marquette Place at Founders Landing – Marquette, Michigan – new rental residential.
- Grandview Marquette – Marquette, Michigan – historic rehab.
- Gaines Rock Townhouses at Founders Landing – Marquette, Michigan – new for sale residential.
- The Landing Condominiums at Founders Landing – Marquette, Michigan – new for sale residential.
- Apple Blossom Apartments – Iron River, Michigan – MSHDA funded historic rehab.
- Barnett Station – Shelby, Michigan – MSHDA funded new construction.
- Crystal View Apartments – Crystal Falls, Michigan – MSHDA funded historic rehab.
- Lofts on Ludington– Escanaba, Michigan – Historic rehab.
- Mapleview Condominiums – Mackinac Island, Michigan.
- Lower Harbor Properties – Marquette Michigan
- Flanigan Building re-use/renovation – residential condominiums
- Harbor Ridge Townhouses
- Waterfront Condominiums
- Hawks Ridge Condominiums – townhouse development – Marquette, Michigan.
- Koonala Rental Properties – 80 rental housing units – Marquette, Michigan.
- Enright Apartments – Marquette, Michigan
- Delta Hotel Restoration – MSHDA housing units and restaurant/brew/pub – Escanaba, Michigan.



Harbor Ridge Townhomes – Marquette, MI

# NORTHSHORE FLATS

7.

## RESUMES OF FIRM AND TEAM MEMBERS



BEFORE



AFTER

### Development Team Resumes

#### Brownfield and Environmental Consultant – Mac McClelland, Manager, Brownfield Redevelopment

Otwell Mawby P.C. Consulting Engineers

We have been in contact with Mr. McClelland regarding the Act 381 Brownfield Plan for these properties. Mr. McClelland has extensive experience in all phases of environmental assessment, soil and groundwater remediation, geotechnical services, permitting and grants procurement.

#### Governmental Liaison – Jennifer Tucker

Michigan Economic Development Corporation (MEDC)

Region 1 CATeam Representative

We have a long-standing relationship with Ms. Tucker, and have been in contact with her regarding both phases of this development. Phase 1 and Phase 2 are eligible for assistance through the Brownfield Bridge Fund which is outlined under “Financing.”

Phase 2 qualifies for additional assistance through the Community Revitalization Program, also outlined under the “Financing” heading.

#### Governmental Liaison – Abigail Hanson

Michigan Department of Environment, Great Lakes, and Energy (EGLE)

Brownfield Redevelopment Coordinator – Marquette District Office

We have been in contact with Ms. Hanson regarding the EGLE Grant and Loan process. This process is set to be initiated upon the execution of the purchase agreements.

## Northshore Flats

Thank you for your response to the RFQ. Your proposal will be evaluated by a committee on February 18, 2022. This committee has been formed to collect information and score proposals. You will have the opportunity to present to the City Council prior to a decision being made.

The following questions have been drafted by the committee to clarify items in your submission and aid in scoring. **Please answer and return to Patrick Jordan, [pjordan@escanaba.org](mailto:pjordan@escanaba.org) by the end of Thursday, February 17<sup>th</sup>.**

1. What is the anticipated capital stack for financing of the development (purchase, demolition, construction, operation, etc.)?

- a) List the percentage of investor/owner equity

The purchase, demolition, and construction phases of this two phase project will be financed through Bay Bank, Escanaba (see pg. 16 of our RFQ). There are no other investors.

Phase one is the development of condominiums (please see pgs. 6 & 7 of our RFQ). The persons purchasing the condos will own 100% of the development.

Phase two is the development of a mixed-use project, consisting of apartments and commercial leasehold spaces (please see pgs. 8 & 9 of our RFQ). Swanee, Inc. will be the sole owner.

- b) Percentage traditional financing

100% of the construction and operation will be traditional financing (please see pg.16 of our RFQ).

- c) Percentage, if any, public assistance (grants, TIF, subordinated debt obligation, etc.)

100% of the Brownfield associated costs will be covered by TIF (see pg. 16 of our RFQ). These costs were previously approved for Proxima Inc. by both the Escanaba City Council and Brownfield Board. The major difference that we have proposed is the manner in which that financing is paid down. We have been in contact with Mac McClelland, and both the MEDC and EGLE (see pg. 20 of our RFQ), for cooperation in applying for and acquiring assistance through the programs that are available to us. They all agree that projects, like those in our RFQ, are very suitable for obtaining these State funds to pay down the brownfield costs in contrasted to the City of Escanaba paying those costs. In essence, instead of waiting 24 years to receive the huge property tax increase our development would provide, the City would begin reaping the property tax benefits upon the completion of the projects. Our extensive experience, and ability to work with the various governmental entities, is outlined on pg. 18 of our RFQ.

d) What is the anticipated timeline to secure all components of financing?

We had an original proposed timeline (see pg. 15 of our RFQ). That timeline is dependent on when the City chooses a developer, and the time of year that choice is made. We would anticipate that if we are chosen, the financing and governmental incentives can be closed within at least six months of that decision. Supply chain issues are a matter that is completely out of our control, and can affect the proposed timeline.

*If your financing is more intricate, please detail the capital structure as needed.*

2. What will be the selling price of the condos?

\$475,000 - \$600,000

Currently, building supplies and contractor costs are at a premium, with supply availability being unpredictable. Because these dwellings will be exposed to aggressive weather patterns from the lake, premium construction products must be utilized. These buildings will be of the highest quality. We stand by our high-standards for construction.

3. What will be the rent for the apartments?

\$700- \$1600/month

4. Would you be interested in developing the lakeshore for boating or water activities?

We are open to the idea, but it would be subject to governmental approvals and cooperation with Basic Marine in order to make that possible.

5. Would you be interested in doing a subset of your plan; being selected for one of the phases only?

The RFQ did not specify this, therefore, our current RFQ, as outlined, doesn't provide for that contingency. We would need additional time, and the details of the selection, in order to answer that question.

Please feel free to provide further explanation that you feel would help the committee understand the scope of your project. If you have any questions, please contact Patrick Jordan.

As owners/managers of The Lofts on Ludington apartments, we receive an average of two inquiries per week from people relocating to the area or their realtors, who are looking for quality housing. Due to the quality of our Lofts on Ludington development, we rarely have any vacancies (the last time a tenant moved out was two years ago). Even our commercial spaces are consistently filled, which provides for an energetic and beautiful aesthetic at the entrance to Escanaba's downtown corridor.

Escanaba and Marquette are both beautiful waterfront communities; yet, Escanaba's population has decreased by 7.5% between the years 2000 and 2019 while Marquette's population increased by 6.8% in that same time period. Quality housing and rental housing are amenities sought by corporations for their workforces. Escanaba lacks this and is in urgent need of high-quality housing to attract job-creating businesses to the Escanaba area, and to accommodate the expansion at the paper mill and at EMP. These businesses offer people high paying jobs, and their employees will not qualify to live in any of the low income housing complexes available in Escanaba, nor will they have the time or inclination to buy a home with the maintenance that entails. Our experience with the Lofts on Ludington proves this to be true.

There will be opposition to our plan from people who wish to maintain the status quo, just as there was opposition to our plan to transform the blighted "Delta Building" into The Lofts on Ludington. Some will think our proposal to be too bold, or might block someone's view, or disrupt nature, or prevent access to the north shore waterfront. Currently, the properties in our RFQ are a liability to the City of Escanaba due to their environmental challenges. These properties generate zero income for the City in their current state and are an eyesore to visitors and residents alike. They are rarely used by anyone.

Our city has had difficulty attracting and retaining outside developers that would help Escanaba grow. Without growth, the future of Escanaba looks dismal. While we understand the disappointment of business owners whose view of the lake would be partially obstructed, we also know that people and businesses have not moved to Escanaba because of the lack of housing for professionals. Would it be right to continue to hold back the progress of this community for those few? This area is underutilized waterfront property. With our proposed boardwalk along the lake, this land will be more aesthetically pleasing, while encouraging increased foot traffic and activity. Our high-density development vision for these properties will provide the highest utilization for the most residents.

With the City's support, we have a plan to substantially beautify and increase the usability of these sites and put them on the tax rolls in a significant way. Brownfield TIF will be involved. With our plan, and our experience, we will utilize funds that are earmarked at the State level to stimulate the economy with this type of development. The money is available, and that State money will go to the cities that work with developers experienced in the process to invest in the future. Our team (see pgs. 18, 19, and 20 of our RFQ) has extensive experience utilizing the governmental initiatives and the technical know-how to transform Brownfield sites into beautiful and useful properties.

In the past, the City of Escanaba administration and council have given several large, outside developers various opportunities at development, and not one of them has been able to bring their ideas to fruition. We have, and with your approval, we will.

Thank you

# RED DEER LODGE DEVELOPMENT TEAM

## Phase One Vision: 2.77-Acre Waterfront "Jail" Parcel:

Our Red Deer Lodge Development Team, comprised of Jason Konrad, Michael Pollakowski, and Bryan Zaplitny are grateful for the opportunity to present Our Vision for the 2.77-Acre Waterfront "Jail" Parcel.

Our Vision is to Construct a Nationally Branded, 80+ Guestroom, Upper-Midscale, Extended-Stay Segment Lodging Facility, that attracts both Business and Leisure Travelers, and takes advantage of the Unique Waterfront Location. Examples include Home2 Suites by Hilton and TownePlace Suites by Marriott. Escanaba, Michigan's Abundant Natural Amenities, Historic Character, and Charming Aesthetic make an Ideal Destination for Tourists, Year-Round. Our Vision will Boost the Local Economy by Driving Tourism and Creating Jobs.

As a Full-Service, Licensed General Contractor, Konrad Construction is a good fit to develop Complex Hospitality Projects. Their vast Experience in High Volume Projects and Expertise in Executing Tight Timelines, make them the Premier Hospitality Contractor.





## **Projects Estimated Investment and Timeline:**

- The Projects Estimated Investment is anticipated to be \$12-15 Million. We further anticipate that the Development of the Proposed Hotel will Commence in 2023, and the Property would be Open and Operational by the Second Half of 2024.



## **Evidence of Financial Capacity:**

- Red Deer Lodge Development Principals have Executed Hundreds of Millions of Dollars in Complex Commercial Construction Projects. Additionally, they have the ability to Bond Projects up to \$50 Million.



### **Estimated Economic Impact - Jobs After Development and Spending Downtown:**

- Based on Our Experience, a Hotel of this nature will Employ as many as 30 Full-Time Equivalent Workers, in a combination of Hourly and Salaried Roles.
- With the Development of this Hotel, you could potentially Add up to \$224 Thousand in Sales Tax Revenue and an estimated \$135 Thousand in Property Taxes.
- Also, approximately 40-Thousand Additional People Per Year will Visit the Escanaba Waterfront and Downtown; Generating Substantially Increased Traffic for Local Retail, Food and Beverage, and Entertainment Venues.



# KONRAD CONSTRUCTION



**KONRAD CONSTRUCTION** partners with owners and developers that are looking for a licensed General Contractor who can understand and execute their vision for a project all the way from concept through completion. We pride ourselves in our team-based problem-solving approach, excellent communication, & always finishing on time. Our #1 goal is to build long-term relationships.

We can accommodate projects of all sizes, from pre-construction and design to close out and warranty. Throughout the duration of each project, our team will work with you and yours to simplify the construction process. Konrad Construction is best known for our work in warehouse distribution facilities, retail, hospitality, specialized healthcare, and medical office buildings.

If your company has made the commitment to upgrade your current facility, or if you are introducing a new one, contact the professionals who have understood the process and industry for over 25 years.



5701 Weatherstone Way, Johnsburg, IL 60050

[KONRADCONSTRUCTION.COM](http://KONRADCONSTRUCTION.COM) | (630) 556-8049 | [INFO@KONRADCONSTRUCTION.COM](mailto:INFO@KONRADCONSTRUCTION.COM)



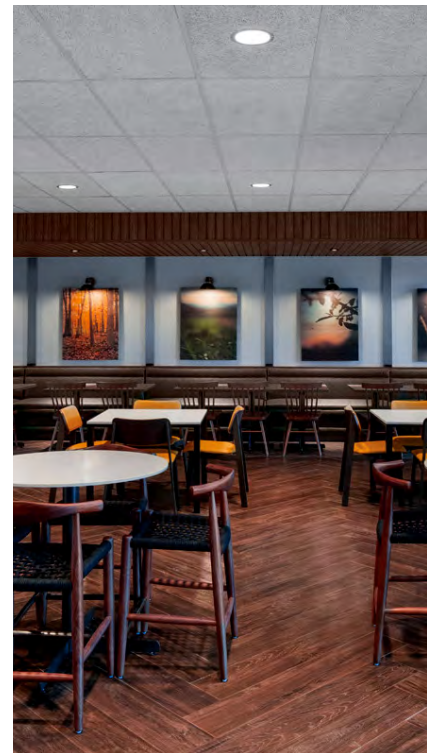
# CASE STUDY: LAKE GENEVA, WI



**THE CHALLENGE:** Lake Geneva, WI is well known as one of the Midwest's premier resort destinations. When they wanted to grow their market and boost the local economy, they needed to find the right hospitality solution that would attract a new audience of travelers.

**THE SOLUTION:** Konrad Construction performed an analysis of their current hospitality mix and determined a need for hospitality that caters to business travelers with loyalty memberships - providing them with a leisure destination to use their points.

To serve this new audience, Konrad developed a Fairfield by Marriott Inn & Suites. The 92-room hotel expanded the tourism market for Lake Geneva while creating jobs and contributing to the local economy.





# CASE STUDY: BLOOMHAVEN (AURORA, IL)



**THE CHALLENGE:** Aurora, Illinois is home to a vibrant downtown that serves as a regional entertainment destination. For decades, just outside the downtown, sat an abandoned hospital. The site not only underutilized the land adjacent to the downtown, it was an eyesore to the community. Without a viable use, there were plans to demolish the historical building and convert the site into a park, which would have been a major financial loss to the City.

**THE SOLUTION:** Konrad Construction saw an opportunity to repurpose the abandoned hospital into a mixed-use development that could offer hospitality and commercial space to growing and underserved markets. The development preserved the history of the building while revitalizing the area outside the downtown and boosting the local economy.

From conception to execution, Konrad is creating an innovative living community called Bloomhaven, which will be home to a senior living facility, an independent apartment community for individuals with intellectual or developmental disabilities, a medical office facility, and a school district administrative building.



# RED DEER LODGE DEVELOPMENT TEAM

The development team of Jason Konrad, Michael Pollakowski, and Bryan Zaplitny are pleased to introduce themselves to the Escanaba City Council.

Jason Konrad is the brother-in-law of Michael and the owner/founder of Konrad Construction. Konrad Construction has been involved in major projects for firms such as Marriott, Amazon, Harbor Freight, Target, and Menards only to mention a few. They are currently redeveloping an entire city block, [Bloomhaven - An Innovative Living Community](#), in Aurora, Illinois. The property was an abandoned hospital in utter shambles before Jason and his team had the vision of redevelopment for the property.

Bryan and Michael grew up together from grade school years and have remained friends and business partners for close to 50 years. Both grew up in Michigan and have always loved the beauty of the UP, and the relaxing feeling of crossing the bridge and escaping into the UP. They are avid supporters of building business to support Americans and especially Michiganders.

The three partners have combined business experience of well over 100 years in Business Development, Acquisition, Management, Finance, Construction, Sales and maybe most importantly experiencing the ups and downs of business over many years and always striving to do our very best in all situations.

We share a unified vision with the city of Escanaba and a great love for the area. Envisioning several phases starting with the old jail property. An investment of at least \$12 Million dollars will be committed for this initial vision. Many local jobs will be created, and quality traffic brought to the downtown lakefront area.

We submit this as our sincere interest in helping build and redevelop Escanaba.

**Jason, Michael, and Bryan**  
***Red Deer Lodge Development Team***

# RED DEER LODGE DEVELOPMENT TEAM BIO'S

## **JASON KONRAD, DIRECTOR OF DEVELOPMENT:**

Jason Konrad places a high value on hard work. This work ethic, along with extensive trade experience, and a natural affinity for working with others, is the foundation of Konrad Construction.

Jason has more than 25 years of experience in Construction and Real Estate, and an impressive track record of performance. He is adept at Site Selection, Planning and Design, Construction Management, and Financial Negotiation.

His market knowledge allows him to lead his teams through a variety of projects, including Retail, Office, and Multiuse Construction. Jason strives to create Options when Complex Development Issues arise.

## **MICHAEL POLLAKOWSKI, GENERAL MANAGER:**

Throughout a nearly 40-Year prominent career in Financial Services and Business Development, Mike values Commitment, Collaboration, and Entrepreneurial Spirit.

After graduating college in 1983, he started as an investment broker for a Wall Street firm, working in the Southfield Michigan office. He was promoted and moved to Kansas City in late 1985 to eventually take over the Kansas City office.

Head hunted by a pension firm, he provided retirement plans to the non-profit marketplace in 1989 and eventually becoming the Regional Manager over three states.

He took his entrepreneurial spirit and passion for financial services and founded Reliant Financial Services (RFS) in 1995, providing retirement plan enrollment and management to over 3,000 Missouri teachers. Now managing more than \$400-Million of individual 403b and IRA accounts for those teachers and their families.

Mike bought Tri-Star Systems of St. Louis Missouri to provide Section 125, Cobra, and Benefits Administration to Employers all over the USA. Subsequently, he sold this firm to a partner.

He has built a reputation for outstanding service in providing retirement plans, and is still active in the Business Management of RFS, on the Board of Directors of a Public Company, and working on other Land Holdings and Real Estate Projects.

## **BRYAN ZAPLITNY, FOUNDER:**

Bryan is the incorporator and creative force behind CGE Energy and has been involved in every aspect of the business since its inception.

His studies have included Accounting, Business Law, Energy Management, Industrial Management, and Marketing. He stays on the leading edge of the latest innovations in the energy industry by attending education seminars and national conferences, and by his personal association with the top minds in the alternative energy field.

He has testified before the State of Michigan Senate Sub Committee on Energy regarding finding ways to make lighting upgrades and energy savings easier and more accessible for organizations and individuals to implement.

Bryan's hard work and passion for this business has helped his reputation quickly rise. He has overseen hundreds of energy and construction projects, totaling more than \$400-Million. Prior to CGE, he owned and operated a property management company (Sterling Investments), that built and remodeled rental homes in the Detroit Metropolitan area.

# RED DEER LODGE DEVELOPMENT TEAM

Jason Konrad, Michael Pollakowski, & Bryan Zaplitny

## ❖ What is the Anticipated Capital Stack for Financing of the Development (Purchase, Demolition, Construction, Operation, Etc.)?

- **List the Percentage of Investor/Owner Equity:**
  - Phase 1 Investor/Owner Equity is Anticipated to be 25-30%.
- **Percentage Traditional Financing:**
  - 70-75%.
- **Percentage, if any, Public Assistance (Grants, TIF, Subordinated Debt Obligation, Etc.):**
  - Although Not Conditional, Red Deer Lodge Development is Interested in Working with Escanaba, MI to Explore Available Opportunities, such as TIF.
- **What is the Anticipated Timeline to Secure ALL Components of Financing?**
  - 180 Days.

## ❖ What is the Likelihood that the Jail could be Demolished in 2022?

- Very Likely.

## ❖ Who Will be the Owner(s) and Operators(s) of the Hotel After Completion?

- The Owner Will be Red Deer Lodge Development, and it's Anticipated the Operator Will be First Hospitality, Rosemont, IL.; <https://firsthospitality.com>

## ❖ Could you Provide Additional Details on Your Plans for Both Phases?

- **Which Parcel is Phase 1 in Your Proposal?**
  - 2.77 – Acre Waterfront “Jail” Parcel.
- **What is Your Proposed Use for Each Site?**
  - 2.77 – Acre Waterfront “Jail” Parcel = Hotel.
  - 1.64 – Acre “Chamber” Parcel = Mixed-Use.
- **Do You Have a Projection for the Beginning Date of Phase 2?**
  - Q1 2024.

## ❖ Do You Have Any Anticipated Auxiliary Uses for the Hotel? i.e., Banquet Hall, Restaurant, Lakeshore Boating/Activities?

- Red Deer Lodge Development Considers the Potential Design/Development of the Two Parcels a “Not To Be Missed” Opportunity for a Synergistic Approach and is Intrigued by the Endless Potential the Beautiful Lakefront Properties Afford. Red Deer Lodge Development is Eager to “Listen” and Partner with Escanaba, MI to Maximize this Opportunity.
- Red Deer Lodge Development Looks Forward to a Conversation with You to Consider what is Needed in the Community, and has Waterfront Ideas, Restaurant Included, To Share. For Red Deer Lodge Development this is an Opportunity to Collaborate for the Best Interest of the City, forging a Long-Term Relationship.



# North Shore

## MARINE TERMINAL & LOGISTICS

328 North 10<sup>th</sup> Street  
Escanaba, MI 49829

Phone: 906-786-7120  
Fax: 906-786-7168

[info@northshoremarineterminal.com](mailto:info@northshoremarineterminal.com)

January 20, 2022

City of Escanaba  
Patrick Jordan,  
City Manager  
pjordan@escanaba.org  
(906) 786-9402

Subject: RFQ for Development of Escanaba's former Jail House Property

Dear Mr. Jordan,

North Shore Marine Terminal and Logistics, Inc. is pleased to express our interest in the waterfront property development opportunities described in the Subject RFQ.

Our vision for the property is to expand our current marine terminal, enhance recent improvements, and to expand the commercial opportunities presented by Escanaba's existing Lake Michigan shoreline and marine industry. The concept of the development on and adjacent to the former Delta County Jail would also provide an aesthetically pleasing waterfront transition from the historic and industrial sites to the existing Municipal Dock and Ludington Park. The improvements would include the addition of a seawall and the facilities required to service more and larger vessels plying the Great Lakes, including Bulk and Cargo carriers, military and U.S. Coast Guard vessels, and smaller commercial ferries, tour boats, and work boats. North Shore Marine's recent improvements to our adjacent property have already provided significant positive impact on the local economy through the introduction of many outside companies and contractors brought to the area to support our expanding workload.

Acquiring and improving the Jail site property would allow North Shore Marine to expand this mission and service larger and more vessels in our area creating a significant positive economic impact. This organic growth will allow the area's existing businesses to grow to support the demand that will be created by having year-round industrial activity on the waterfront in support of our military, maritime and waterborne commerce.

The expansion of our current facility, and development of the seawall and waterfront access, would also allow for additional amenities for the enjoyment of residents and visitors to our historic waterfront area. North Shore is proposing to locate and support a Museum Ship allowing visitors to enjoy the profound beauty of the location, while also paying homage to Escanaba's long maritime history, including a revitalization of marine activity to this proud Great Lakes port region.

We look forward to discussing these concepts and plans with the Council and your representatives as you proceed through the evaluation process.

# North Shore

## MARINE TERMINAL & LOGISTICS

328 North 10<sup>th</sup> Street  
Escanaba, MI 49829

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### North Shore Marine Terminal and Logistics, Inc.

#### Request for Developer Qualifications

#### 1. Concept Overview

Benefits of the development concept presented by North Shore Marine are two-fold.

First, expansion of existing maritime activity in this once vibrant port on Lake Michigan's Little Bay de Noc is considered crucial to the long-term viability and continued economic success of the Escanaba community.

And secondly, enhancement and beautification of the transition from Escanaba's historic and commercial sector to the city's crowning jewel, Ludington Park. Improving the accessibility and aesthetics of this transition area will increase public activity and enjoyment of the area, including the beautiful, and some might say, underappreciated Municipal Dock Park.

The North Shore Marine concept includes:

- Installation of a seawall connecting the jail property to North Shore Marine's existing properties.
- Installation of utilities and services to match the existing Pier.
- Removal of the Jail building and creation of visitor parking and Greenspace (viewing park and museum ship access)
- Configure site to increase marine accessibility and servicing of High-Profile vessels.
- Offer the ability to dock and service Great Lakes passenger vessels.
- Utilize dock space to house a Museum Ship as an added attraction to the area.

#### 2. Concept Plan or Rendering

Our concept for this development is quite simple and can be appreciated by looking at the investment we have already put into the neighboring property. By improving the current shoreline with a significant seawall for current and future use and providing the facilities needed at the water's edge, the Escanaba area can increase the level of support provided to the Great Lakes vessels that will utilize the Escanaba port. The plan is simple, but it promises to continue the positive impact we have already brought to the area through our recent property improvements. The result is a vibrant attraction for residents and visitors alike and increased economic activity in this once vibrant maritime center.

# North Shore

## MARINE TERMINAL & LOGISTICS

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### 3. Evidence of Financial Capacity

As per our previous work, this would be self-funded by North Shore Marine Terminal & Logistics, Inc

### 4. Estimated Economic Impact

The ability for this site to bring in more and larger vessels will result in an increased professional workforce in our area. The resultant will be increased demand for our local establishments for Lodging, Restaurants and Shopping, and will continue to grow as this work continues and expands in the area.

North Shore Marine would welcome further discussions regarding this plan to ensure the considerations of Council are understood and addressed. We are not a professional development company, nor do we pretend to be one, we do what we know best, which is to service and support Great Lakes maritime activity and vessels. We can and will expand on this initial plan where necessary if the council needs a more comprehensive proposal on proposed economic impacts.

### 5. Resumes of Firm and Development Team Members

The North Shore Marine staff has been engaged in this type of work for decades. Our owners, staff, and local industry partners have serviced and performed many important functions for the Great Lakes Maritime Community since Basic Marine started on this site in the 1970's. This tradition continues through North Shore Marine, managing and developing these significant resources.

### 6. Conclusion

This next phase of expansion for North Shore Marine Terminal & Logistics is to expand and modernize our facilities and to revitalize the proud marine traditions associated with Escanaba, a return to our roots as a significant port town on the Great Lakes. We will continue supporting our civilian mariners and the military men and women who work on the water and enjoy professional careers utilizing the great natural resources we have available to us.

This opportunity will provide our area the ability to host many professional people and maritime companies to support the increased marine industrial activity. As the workload expands, we would anticipate many support companies will consider establishing local satellite facilities as well. We have already made good progress in this arena as many companies have spent a significant amount of time with us already this year and as this continues, we see a more permanent impact to our area.

Many of our current partners working on the vessels had not previously visited or worked in the Escanaba area and have expressed their enjoyment of spending off time in the community, many of them hoping work continues here in the future.

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We ask that our interest in how to best utilize this property be considered, even though it is not your typical Condominium, Hotel, Restaurant, and shopping proposal. We feel our vision does work with the Master Plan but as an intermediate step we give the area a designation of a place to be rather than a place to go. The ancillary development will come once we have built up our working economy and we get more people moving to the area to further their careers.

Our current interest is primarily in the Jail property although we will work with the City to develop the Chamber site if the Council chooses to develop both concurrently.

Aaron Kadish

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