Escanaba, MI















12 Critical Elements for Neighborhood & Downtown Vitality

1. SAFETY

clean and well-lit sidewalks "Eyes on the Street" community safety programs

2. MULTI-MODAL TRANSIT

bus, rail, bike lanes safe sidewalks for pedestrians

3. CHARACTER ARCHITECTURE

historic, distinct and memorable well-preserved facades human scale

4. ACTIVE STREETSCAPES

engaging storefronts
way-finding signs
lighting
street trees, plants, urban agriculture
manage blight and vacant
storefronts





Enliven Vacant Storefronts







WINDOW WRAPS

- quick and easy to install
- simple way to provide visual interest
- screen store interior
- attracts new business
- include leasing details

ART EXHIBITS

- fosters partnerships between city, DDA, chambers of commerce, property owners, students, local artists
- low cost venue for emerging and local artists and designers
- adds vitality to the sidewalk

POP UP RETAIL

- low cost and low-risk way for entrepreneurs to test products
- showcase local businesses and culture
- constantly changing storefronts draw public interest

5. PUBLIC, MULTI-USE DESTINATIONS community gathering spaces (squares/fountains, community gardens) life-long learning (libraries/community colleges) public recreation (YMCA/soccer fields/basketball courts, parks and trails)

6. YEAR-ROUND EVENTS & PROGRAMMING winter festivals, farmer's markets, restaurant week, movies in the park weekly, monthly and annual festivals and celebrations engage local merchants, artists, entrepreneurs



lafoundation.org











EXCITE THE WATERFRONT



CREATE A COMMUNITY FRONT YARD

- ሽሽሽሽ · unique character and sense of place
 - engaging, lively and memorable experiences
 - programming / public art / landscaping / lighting



ENGAGE THE WATERFRONT

- publicly accessible focal points / nodes of activity
- spaces for daily and occasional use
- special events and regular gathering places



PROMOTE CONNECTIONS

- physical access TO the water and ALONG the water
- tailored to the pedestrian experience
- wayfinding / seating / bike parking / landscaping
- sidewalks / pathways / riverfront promenades / bike lanes
- maximize views of the water from streets and buildings



MAINTAIN NATURAL SYSTEMS

- riparian buffer zone
- pervious and locally sourced materials
- green infrastructure / native plants







¹ "A Guide to Riverfront Development", 2013 Riverlife Pittsburgh, riverlifepgh.org Icons from The Noun Project (Ilsur Aptukov, Thales Muller, Shane Holly)

7. ARTS, SPORTS & ENTERTAINMENT

draw critical mass catalysts for redevelopment

8. UNIQUE SHOPPING, DINING & SERVICES

grocery, drug stores financial, medical/health & legal services bakeries, bookstores, cafes bars, restaurants & nightlife - 18 hour downtown community-oriented businesses















9. DIVERSITY OF PEOPLE AND LIFESTYLES

inclusive and welcoming existing residents and community stakeholders family and kid-friendly accessible for individuals with limited mobility

10. HOUSING OPTIONS

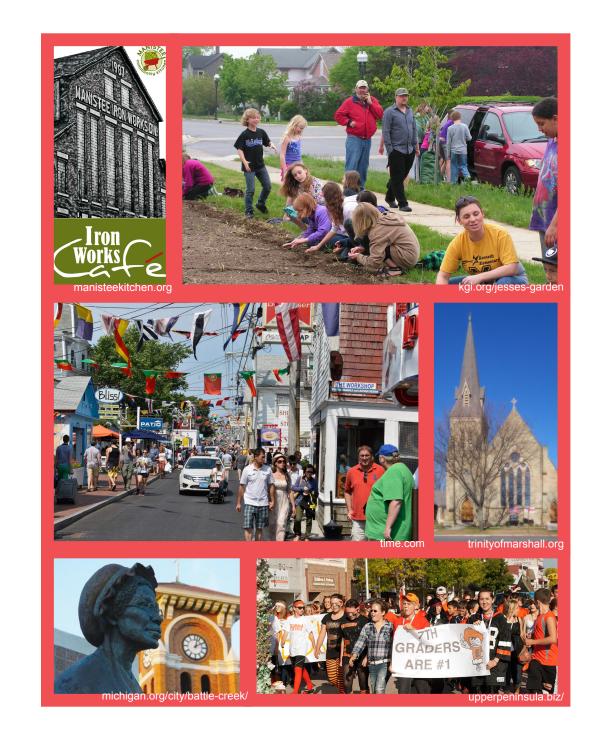
modern amenities in historic buildings increased tax base readily-available consumer base mixed market rate and affordable units

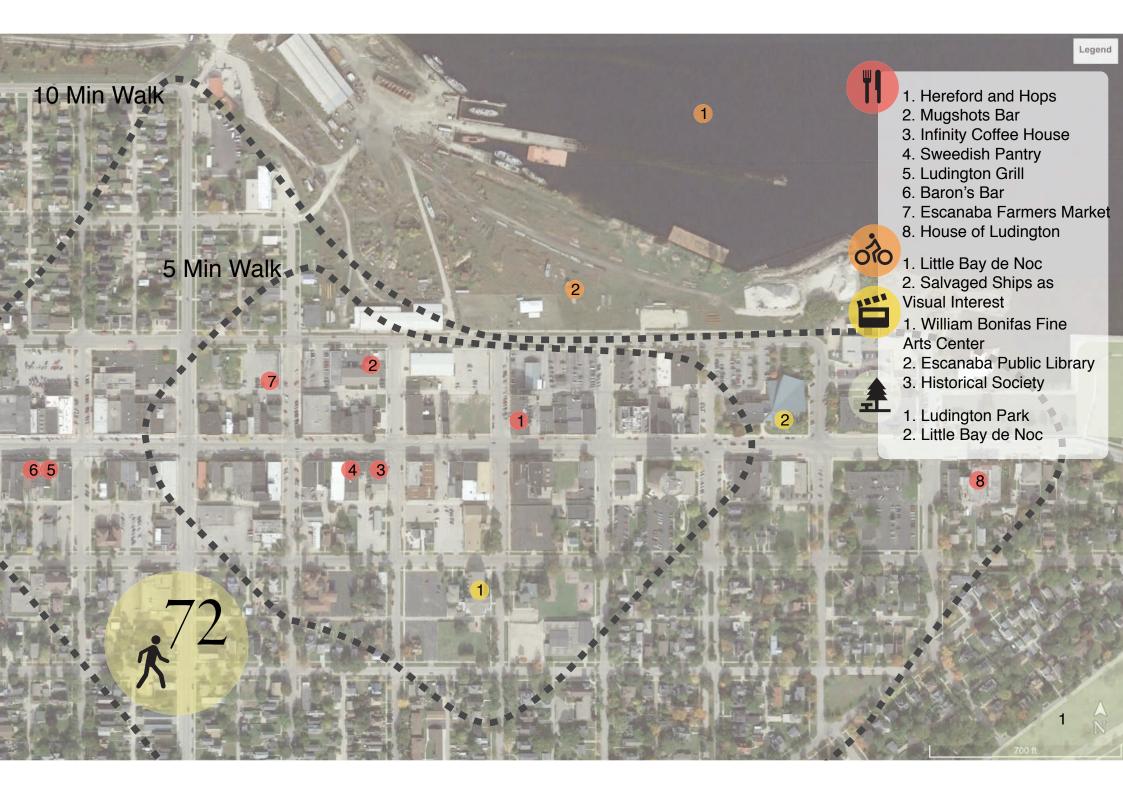
11. COMMUNITY AND SOCIAL ORGANIZATIONS

partnerships between civic/political/economic stakeholders community leagues, neighborhood block groups DDA/BIDs/merchants associations/CDCs social services

12. CULTURAL, HISTORICAL & RELIGIOUS LANDMARKS

historic and landmark preservation unique to downtown convey heritage of the community





Average Employment Growth & Corresponding Potential Income for Rent in Escanaba, Ages 22-34

Leading Industries	Average New Jobs	Average New Hires	Potential Income Towards Rent Per Month
Retail Trade (16.9%)	38	83	\$837
Other Services (except Public Admin.) (11.99)	%) 22	54	\$823
Construction (10.5%)	39	63	\$1,255
Health Care & Social Assistance (9.5%)	24	62	\$890
Accomodation & Food Services (9.1%)	45	90	\$461
Total	167	351	\$853

¹ Year Estimates between 2013 Q2 to 2014 Q1

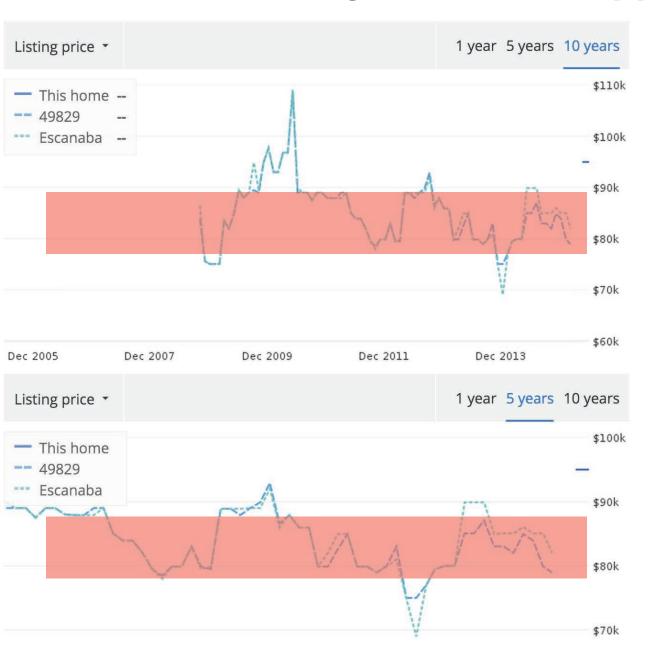
^{*} Based on county data from US Census Bureau County Business Patterns (CBP) program and the 2010 Census. CBP data for 2012 were released in May, 2014

Escanaba Salary Value: Compared to National Cities Based on Cost of Living

Escanaba	Detroit	Grand Rapids	Chicago	Dallas	New York	San Francisco
Current	22.5%	16.2%	33.7%	26.2%	50.6%	49.6%
\$30,000	\$36,750	\$34,860	\$40,110	\$37,860	\$45,180	\$44,880
\$40,000	\$49,000	\$46,480	\$53,480	\$50,480	\$60,240	\$59,840
\$50,000	\$61,250	\$58,100	\$66,850	\$63,100	\$75,300	\$74,800
\$60,000	\$73,500	\$69,720	\$80,220	\$75,720	\$90,360	\$89,760
\$70,000	\$85,750	\$81,340	\$93,590	\$88,340	\$105,420	\$104,720
\$80,000	\$98,000	\$92,960	\$106,960	\$100,960	\$120,480	\$119,680

source: marketwatch.com

Escanaba Housing Market: No Appreciation Since 2007





CoWORK Central Michigan University Research Corporation Mount Pleasant, MI

Business accelerator and incubator for entrepreneurs, startups, freelancers, and students; in the Mt. Pleasant Smart Zone



User Fees and Member Plans

(source: CMURC, CoWork)

Lite (\$80/month) - Access to CoWork Monday- Friday from 8-5pm Basic (\$100/month) - 24/7 access to CoWork, use of Collaboration Room (up to 2 hrs/month)

First Class (\$175/month) – 24/7 access to CoWork, designated mailbox and lockable file cabinet, use of Executive Board Room and Collaboration Room (up to 8 hrs/month), printing and copying Resident (\$250/month) – 24/7 access, dedicated desk and seat, access to Executive Board Room and Collaboration Room, mailbox and lockable file cabinet, printing and copying

Day Pass (\$15/day) - one day access on Monday- Friday from 8-5pm

Facilities Include

Open and private work stations
Collaboration room
Executive board room
Kitchen facilities
Mailbox room and file cabinet/storage

7Hills Makerspace Rome, Georgia



Baker Lofts Holland, MI



Warehaus Holland, MI



Makervillage is a member-based organization housed in five historic properties (over 9,200 SF). It supports the development of locallybased creative and tech industry in Rome, GA. Anchor tenants include SAI Digital, Brand Red Studios and **Civitium. (Northwest Georgia News)**

Mixed-use, historic building with 4,000 SF co-working space 23 lofts (studio, 1-3 bdrm), 8,000 SF coworking space (Baker Commons), event space, deli, restaurant, salon and storage facilities.

that provides a collaborative, social and innovative working environment for small businesses and freelancers.

Member Plans

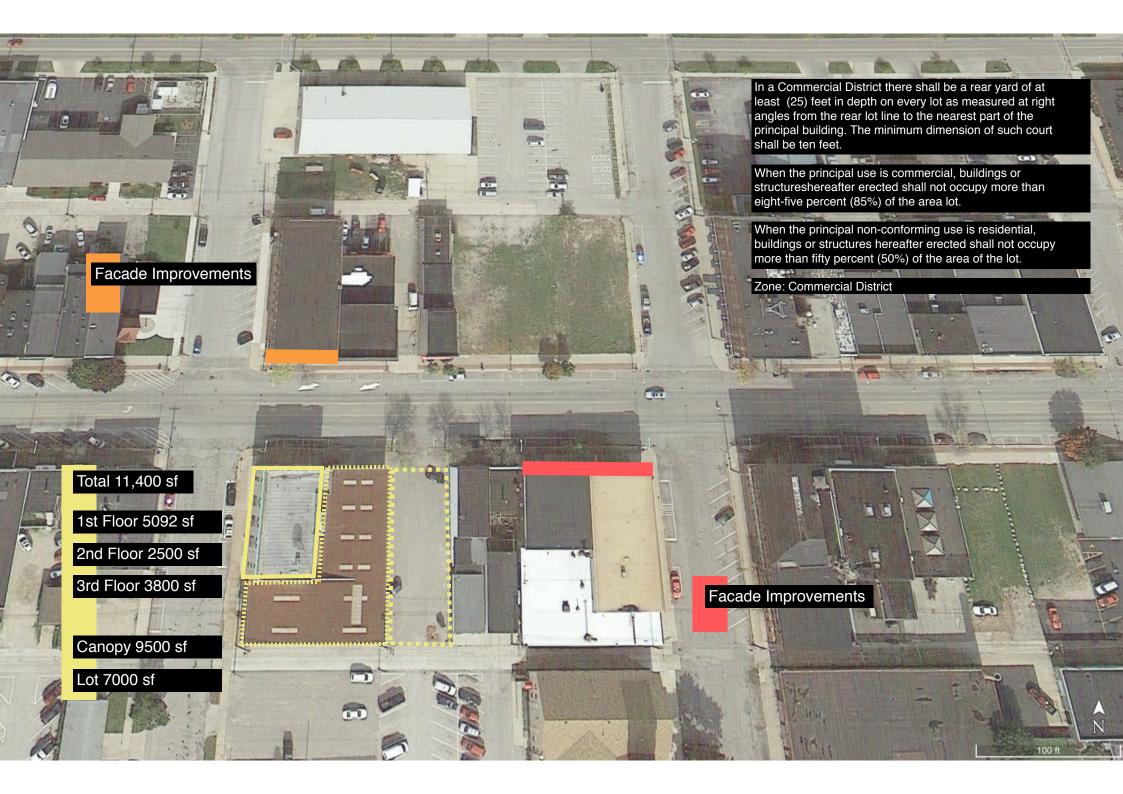
Keyed Member (\$80/month) Non-keyed Member (\$40/month)

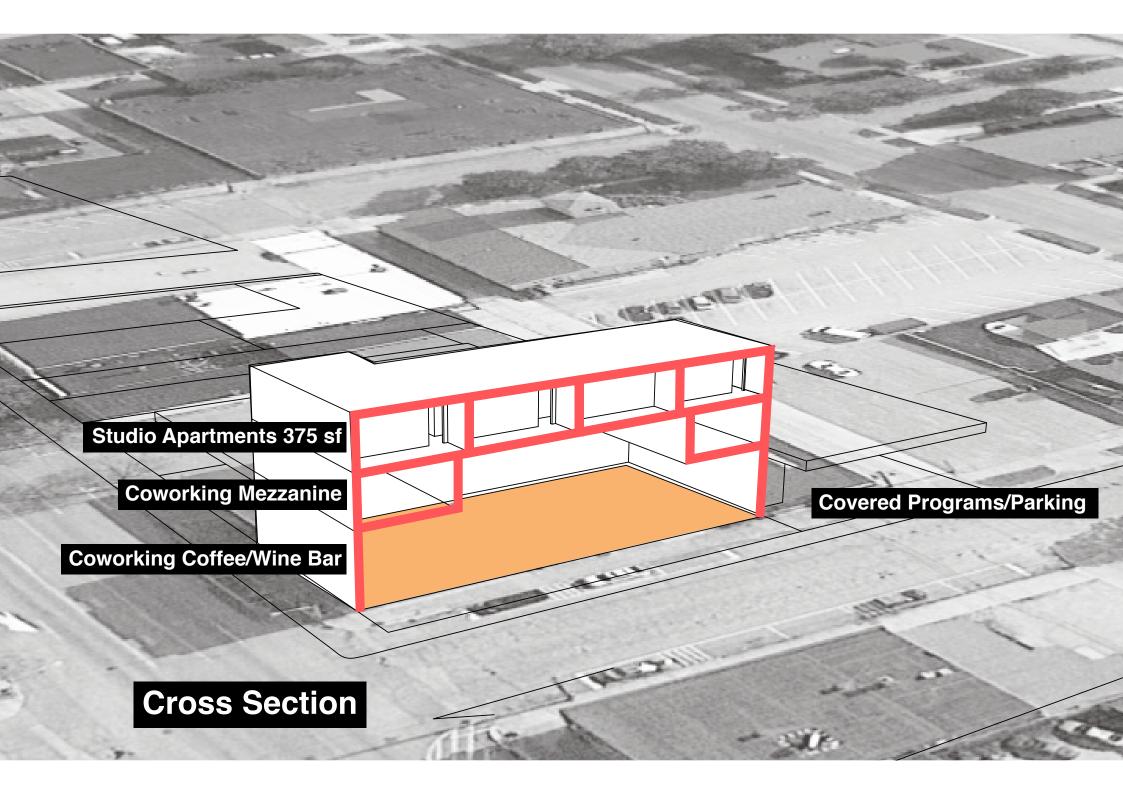
Member Plans

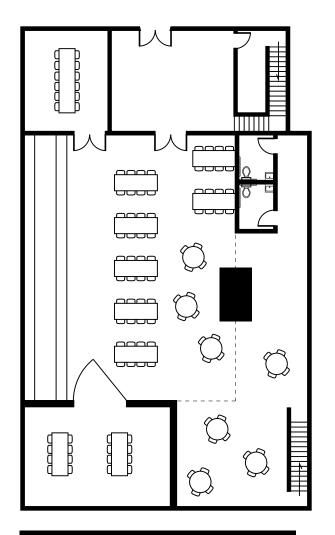
Single Day (\$10), Basic (\$125/ month) Pro (\$500/month)

Member Plans

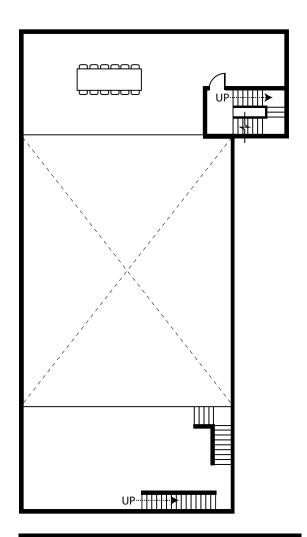
Basic membership (\$125/month) Office (\$400 - \$750/month)



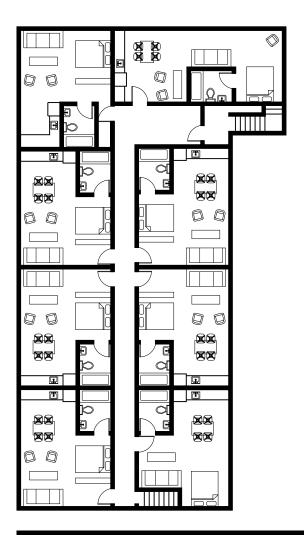




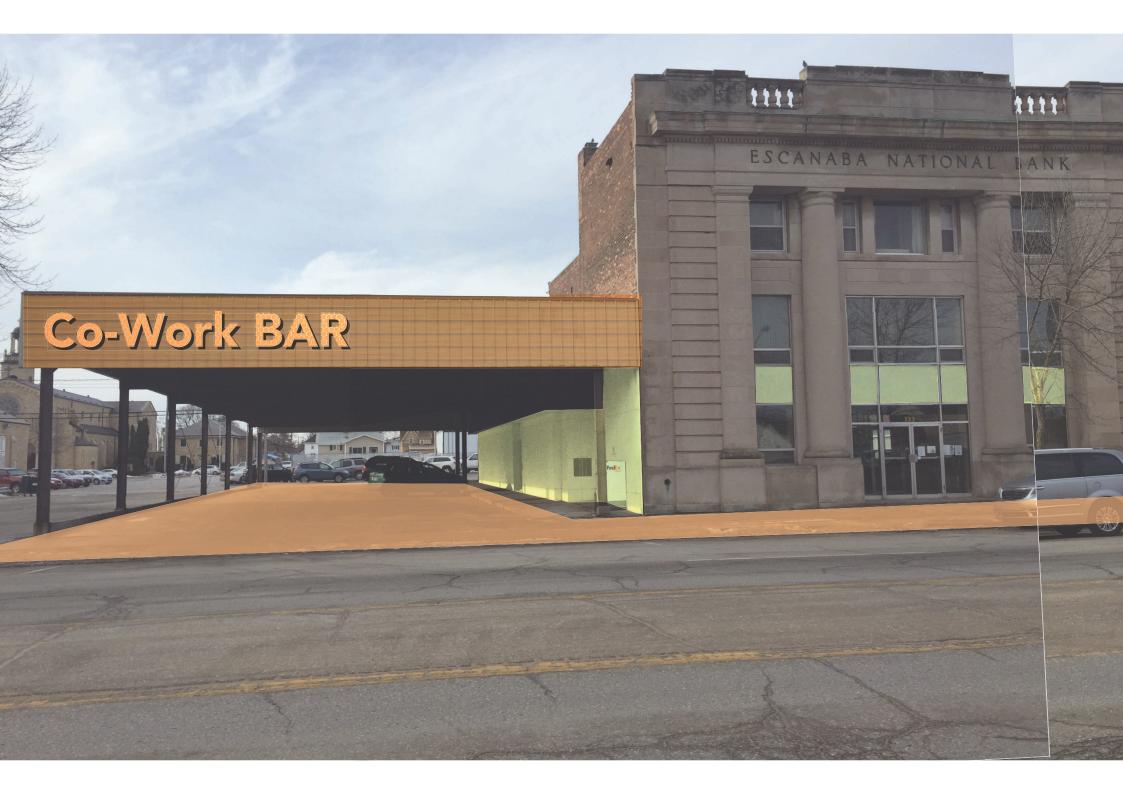




2nd Floor Incubator



3rd Floor Residential



Simple Downtown Facade Improvments







Efficiency Units

Co-working Space

Lifestyle







Escanaba is Lacking Third Place Work & Entertainment Space







- > Current property owner donates to local non-profit
- > Current property owner takes charitable deduction for fairmarket value of property
- > Assessed value reduced, based on vacancy
- > Local non-profit conveys title to local entrepreneur for \$1
- > Local entrepreneur earns development fee upon build-out and stabilization

THE BANK: PROFORMA

Building Cost	to Eco. Devel. Agency	\$1.00		
Construction	Costs	\$789,104		
	MEDC LOAN (50%)	\$394,552		
	Local Banks (50%)	\$394,552		
Annual Revenue		YEAR ONE	YEAR TWO	YEAR THREE
	Apartments (8 Studios) (\$600 Month)	\$57,600	\$59,328	\$61,108
	Web/Bar/Cafe	\$51,029	\$52,560	\$54,137
	Co-working Member Fee	\$18,000	\$36,000	\$54,000
	Total	\$126,629	\$130,428	\$134,341
	Annual Oper. Expenses	\$49,514	\$50,999	\$52,529
	Net Operating Income	\$71,579	\$73,726	\$75,938
	Debt. Service (BANK)	\$16,736	\$17,238	\$17,755
	Debt. Service (MEDC)	\$33,472	\$34,476	\$35,510
	Cash Flow After Debt Service	\$21,371	\$22,012	\$22,673

The Real Estate Development Feasibility Chart

The steps below represent the risks for the development of new or rehabilitated real estate. The order outlines the steps required to properly conduct the feasibility process.

Economic Cycles

Stabilized completion may take 3-5 years.

- -1st Cycle: Stabilize
- -2nd Cycle: Refinance Tax Free \$
 -Internet-based businesses are more resilient to local economic cycle

2 Environmental

Financial impacts

-Assume no environmental liabilities

Market Research

Opportunities under your nose.

- -For-sale vs. for-rent -Understand bookend generations of millennials and empty nesters
- -What is \$ potential for coworking space?

WOW! Architecture

Does my property reflect timeless, flexible design?

- -Live/Work, mixed-use -Quality of materials
- -Quality of materials
 -Green design and building
- -Historic preservation

Construction

How soon? How much?

- -Rehab vs. new construction
- -Partner with General Contractor
- -Affordable construction

Social and Community Goals

What does the community want?

- -Place Making / Third Place
- -Downtown vitality
- -Support for young entrepreneurs
- -Walk/transit/bike

Development Success

- Before Tax and After Tax Cash Returns of at Least 8%-10% per year
- Upvaluing Opportunities Yield Best ROIs
- Appreciation Doubles this Overall Yield

Key Assumptions

- -Clarify construction costs and rental/sales rates
- -Facade improvements to neighboring properties
- -Finding operators/users
- -Motivated building owners

Political Approvals

Ease of entitlements.

- -Rezoning
- -Upvaluing Site Plan
- -Historic Preservation
- -Local agency cooperation

Equity & Debt

Ideal Loan-to-Value

- -Cap Rate Trend
- -Return on Cost
- -Before Tax Cash Flow
- -After Tax Cash Flow
- -Internal Rate of Return

Personal & Family

You can make (or lose) a lot of money.

-Goals and Skills Assessment -Risk Tolerance

Legal Relationships

Handshakes & trust are as important as contracts.

INSERT LINES HERE

Property Management

My tenants are my partners. How can I help them grow?

- -Gross Effective Income
- -Operating Expenses
- -NOI
- -On-the-ground owners and managers

Sales vs. Leasing

Millennials want rentals.

- -Advantages of rental vs. sale -SBA504 loans for retail condos
- -Pro Forma
- -Airbnb

O Taxes

Developer Incentives

- -Before and After Tax Analysis
- -Depreciation
- -Historic tax credits
- -Obsolete Property Rehabilation Act