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109 MASON CHARLEVOIX, MICHIGAN

The City of Charlevoix seeks a development partner for the construction of 109 Mason located in the heart of Charlevoix. The City is eager to work with qualified respondents in negotiating a mutually beneficial arrangement for this one-of-a kind opportunity.









Prepared by SmithGroup and Mission North.

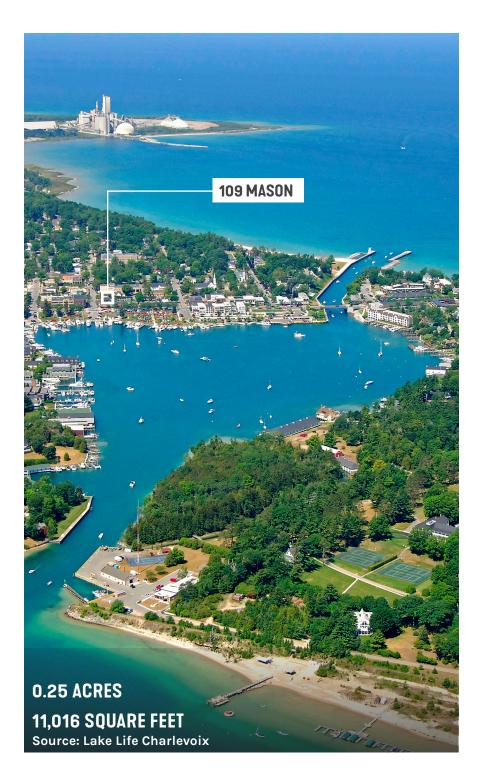
DEVELOPMENT OPPORTUNITY

CHARLEVOIX IS A DESTINATION WATERFRONT COMMUNITY, WITH A HOMETOWN FEEL. 109 MASON IS A MIXED-USE OPPORTUNITY TO SUPPORT YEAR ROUND RESIDENTS WITH HOUSING AND RETAIL.

Charlevoix's draw is no secret. Each year, visitors flock from far and wide to experience the city's lively downtown, sandy beaches, crystal clear water, and lush forests. Charlevoix is in close proximity to Northern Michigan destinations like Traverse City and Torch Lake, making it a highly desired stop on Northern Michigan's scenic route.

As Charlevoix continues to grow, 109 Mason prompts the opportunity for the community to inform what it wants to become. Fostering vibrancy is as much about attracting quality development as it is about retaining it's community, including younger adults and retirees who invigorate the space.

The City's vision for 109 Mason is a mixed-use development that provides community amenities for Charlevoix.



COMMUNITY OVERVIEW

CHARLEVOIX

Charlevoix (population 2,361) is located on the western edge of Charlevoix County on Lake Michigan in the northwest corner of Michigan's lower peninsula. It is located along US-31 roughly 50 miles south of the Mackinac Bridge, the largest suspension bridge in North America, which joins Michigan's upper and lower peninsulas.

Charlevoix's natural features and modern amenities are shared today by both seasonal and permanent residents including the Little Traverse Bay Bands of Odawa Indians who live and work in the community. The City of Charlevoix is largely responsible for the improvements to public spaces and private development that have helped Charlevoix remain a truly special place where residential, commercial, and public uses coexist.

Much of the city's housing stock is well-maintained historic homes with access to nearby schools and parks. The centrally located downtown features a commercial center that provides dining, retail, and entertainment opportunities while the nearby East Park is the recreational and cultural focal point of the city. This combination of quality housing, a walkable commercial center, and family-friendly recreation and trails creates a highly desirable place where the community can grow and thrive.

Climate migration is expected to contribute to a rise in population in the Midwest. Cities located safely away from increasing drought, fires, floods, and severe storms attract residents from parts of the country plagued by these weather-related disasters. Michigan in particular, has been cited as a state that stands to gain population because of its resilience to many of the climate disasters that are impacting other parts of the country.

The convergence of remote working, lifestyle pursuit, and climate migration show the need for increased housing to ensure Charlevoix remains competitive in this new era of resident choice.

The waterfront location and amenities, trail network, proximity to other Northern Michigan destinations, affordability, and investment in its Downtown provide many opportunities for 109 Mason.



REMARKABLE ASSETS

Charlevoix has a unique location with incredible proximity to areas ripe for the Michigan explorer. With the Charlevoix Municipal Airport and Charlevoix Marina, Charlevoix provides multi-modal access to regional and local assets. The city is in close proximity to regional destinations, and minutes from unsurpassed bucolic forests, beaches and fresh water.

HISTORIC SENSE OF PLACE

Just a block from 109 Mason is Charlevoix's charming, walkable downtown. Local events and festivals such as the Farmer's Market and Venetian Festival bring visitors from all over to the city.

UNSURPASSED NATURAL FEATURES

Charlevoix sits proudly in Northern Michigan along the shores of Lake Michigan, with access to incredible natural features. Residents and visitors can stroll along the shoreline of Lake Michigan, sail out of the city's deep water harbor, or hike in nearby forests.

GREAT LAKES ECONOMY

At the center of the Great Lakes mega-region, Charlevoix is exploring ways to leverage its unique surroundings in response to a shifting local, national and global economy. This includes engaging the unique environmental resources, local culture and the amenities of the Great Lakes, as well as the area's strong public research universities.

CLIMATE HAVEN

Cities in the Great Lakes, such as Charlevoix, are increasingly identified as "receiver cities" given their unique location and reduced risk profiles associated with climate change. As such, receiver cities are preparing for growth by improving infrastructure, expanding housing opportunities, and making more people aware of their increasing benefits.









MARKET CONDITIONS AND OPPORTUNITIES

REGION

The City of Charlevoix is located in northwestern lower Michigan, in northwest Charlevoix County. Charlevoix County largely surrounds Lake Charlevoix and follows along the southern edge of Walloon Lake. Charlevoix County borders Emmet County to the north, Cheboygan and Otsego Counties to the east, Antrim to the south, and Lake Michigan to the west. Charlevoix County has three economic centers, the City of Charlevoix, Boyne City, and the City of East Jordan.

The city surrounds Round Lake and sits on an isthmus between Lake Michigan on the west and Lake Charlevoix on the east. Round Lake is connected to Lake Michigan by the Pine River Channel. Charlevoix Township borders the city on the north and south. The total area of the city is roughly 1,352 acres, excluding Round Lake and the Pine River Channel.

TRANSPORTATION

Tourists, as well as seasonal and permanent residents can access regional economic and recreation destinations through two main highways. From the east, M 66 enters near the south city limits, connecting Ironton and East Jordan. US 31 cuts through the middle of Charlevoix and connects with Petoskey, Elk Rapids, and Traverse City. The Boyne City-Charlevoix Road runs from US 31 to the north of Charlevoix, through Horton Bay into Boyne City. Charlevoix County Transit, Beaver Island Boat Company, the Ironton Ferry, and Charlevoix Municipal Airport provides additional multi-modal circulation.

HIGHLY CONNECTED

17 MILES TO BOYNE CITY

17 MILES TO PETOSKEY

20 MILES TO TORCH LAKE

32 MILES TO BEAVER ISLAND

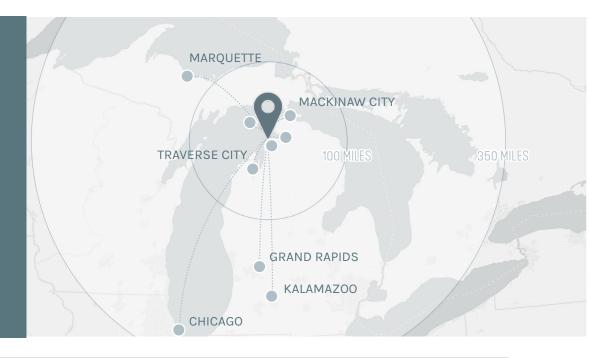
50 MILES TO TRAVERSE CITY

175 MILES TO GRAND RAPIDS

215 MILES TO MARQUETTE

230 MILES TO KALAMAZOO

350 MILES TO CHICAGO



MARKET OVERVIEW

A highest and best use analysis for the site was prepared by Mission North in May 2024. Based on the findings of the market study, there is a development opportunity for residential and institutional and/or co-working space. A shortage of urban housing types and the general age of housing in Charlevoix creates opportunity for the project, which includes micro units. Though commercial retail will be challenged by the project's location off of Bridge Street, the first floor could accommodate institutional and/or co-working space. This is in alignment with the city's vision to retain the visitor's center and office on the first floor, coupled with additional incubator retail space.

The Charlevoix Primary Market Area (PMA) had a 2022 estimated population of 13,695, according to the American Community Survey. The PMA had a median income close to that of the State and about 88% of the country's. The median age for the Primary Market Area is six to seven years higher than the State and Country. Finally, the PMA has a higher high school diploma rate than the other geographies. At 93.7%, it is higher than the nation's and state's but lower than the city and Charlevoix County.

109 Mason can help retain and attract younger residents who may eventually start families which would help bolster overall population.

POPULATION, INCOME, AGE

Trends through 2022 show that the Charlevoix market has become more educated, older and has generally seen income grow at a similar pace to that of the country's. At the same time, the PMA has lost younger population, as individuals move away for more economic opportunities in urban areas.

	Charlevoix	PMA
Population	2,474	13,695
Median Household Income	\$30,114	\$66,238
Median Age	44.7	49.7
Edu: High School or Higher*	96.7%	93.7%

^{*}For those age 25 and over

Source: 2022 American Community Survey, Mission North, LLC

ECONOMY

Charlevoix County's employment is dominated by manufacturing and health care. Tourism plays a large part in the economy too, with restaurants, hotels, tourist homes, and retail benefiting from summer tourism and a growing year round economy.

Unemployment in 2022 was lower in Charlevoix, the PMA, and the County than in Michigan and the country. More recent data for Charlevoix and Antrim counties show unemployment trending downward in March 2024. The two area zip codes had a payroll of nearly \$170 million in 2021. Since then, employees and payroll have risen dramatically in Charlevoix County, pegged at 11,067 jobs and \$621,559,000 in gross wages in the third quarter of 2023, up from 7,847 and \$390,902,000 in 2018.

HOUSING

Homes in the area are generally older, and there is less variety than is found nationally. Mission North's 2024 Housing Needs Assessment reported that Charlevoix County's rental housing stock is older than the other Northwest Michigan counties in the study. The County's owner-occupied housing is aged too, with 35% being pre-1970 product. 54% of the area's housing stock is over 40 years old with only 4% built after 2010. Housing types are limited largely to single-family, with mobile homes coming in as a distant second. Comparing the PMA's unit breakdown versus the country's shows how the area lags in apartment and single-family attached offerings.

PROPOSED USES

OWNER-OCCUPIED HOUSING

80% of the occupied housing stock in the Charlevoix Primary Market Area is owner-occupied. This is a higher percentage than that of the country and state, which are 65% and 73% respectively. Home values have rebounded since the Great Recession and shot up during the pandemic. Values have increased faster in Charlevoix market than in Michigan, rising over 59% in the Charlevoix Zip Code.

FOR-SALE DEMAND

The proposed development includes two floors of residential that could either be for sale or for rent. The development scenario as all for sale units was tested against capture rate standards. The capture rate is the percentage of qualified buyer households in the primary market area that the property must capture to fill the units. Qualified households were defined as those with an income between \$35,000- \$150,000, with 1-2 in the household. Based on this analysis, the project's proposed 16 for-sale units can be absorbed by the primary market area. These units should include various sizes, including 1-2 bedroom units.

Home values have increased faster in Charlevoix market than in Michigan overall, rising over 59% in the Charlevoix Zip Code in four years.

2020-TO APRIL 2024 HOME VALUES

	Increase
Michigan	40.5%
Charlevoix County	56.8%
49720 Zip Code (Charlevoix	59.1%
49729 Zip Code (Ellsworth)	51.3%

Zillow Home Value Index, Zillow, Inc.

A shortage of urban housing types and the general age of housing in Charlevoix creates opportunity for the project, which includes micro units.

CHARLEVOIX PMA DEMAND FOR 16 OWNER UNITS

Target Characteristics	
Household Income	\$35,000-\$150,000
Household Size	1-2 residents
Household Ages	All ages
Capture Rate (target ≤14%)	10%

Mission North, Preliminary Market Study (2024)

RENTAL HOUSING

Nationally, apartment occupancy is at a 10-year low, due to robust additions to supply. In December 2023, it stood at 94.1%. In the Charlevoix area, apartment properties are essentially at 0% vacancy.

The Primary Market Area has over 1,300 renter-occupied units, which represent about 20% of all occupied units in the PMA.

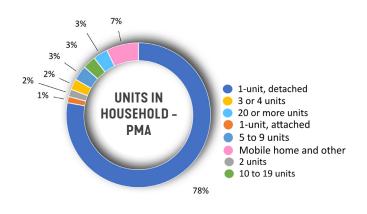
Realtors report that monthly rents in the City of Charlevoix range from \$800 to \$1,200 for one-bedroom units and up to \$2,000 for two-bedroom units. Apartments in nearby Petoskey's downtown are asking well above that. The project's prime location will certainly allow it to fetch the top rents in the market. It is suggested to target around \$36 to \$38 per square foot annually.

RENTAL DEMAND

As noted above, rental demand is robust in the City of Charlevoix. Like with owned units, demand was analyzed for 16 rental units using capture rate as the measure. Target households are those with an income of \$35,000 to \$150,000 and with household sizes of one and two. Again, the market easily supports the proposed units in the project.

OFFICE/INSTITUTIONAL

The site currently houses the Charlevoix Area Chamber of Commerce and Visit Charlevoix's visitors center. There is a desire for both organizations to occupy the first floor of the new building. In addition, there has been discussion of the Vault co-working space, which is operated by the Chamber of Commerce, also moving to the first-floor space. These uses are destinations and would be well suited for the location. Consideration for these organizations to remain within the current rent structure will be heavily weighted as they provide an important service to the community and inherent foot traffic.



The project's prime location will certainly allow it to fetch the top rents in the market. It is suggested to target around \$36 to \$38 per square foot annually.

CHARLEVOIX PMA DEMAND FOR 16 APARTMENT UNITS

Target Characteristics	
Household Income	\$35,000-\$150,000
Household Size	1-2 residents
Household Ages	All ages
Capture Rate (target ≤14%)	6%

Mission North, Preliminary Market Study (2024)

SITE OVERVIEW

109 Mason is a 11,016 square foot parcel measuring 162 feet in length and 68 feet in width. The site faces south towards Mason Street, with rear access parking and walking connections to the activated Hoop Skirt Alley in the heart of Downtown Charlevoix. The site is about 300 feet walking distance to Bridge Street and Charlevoix's downtown, and 480 feet to the water and East Park.

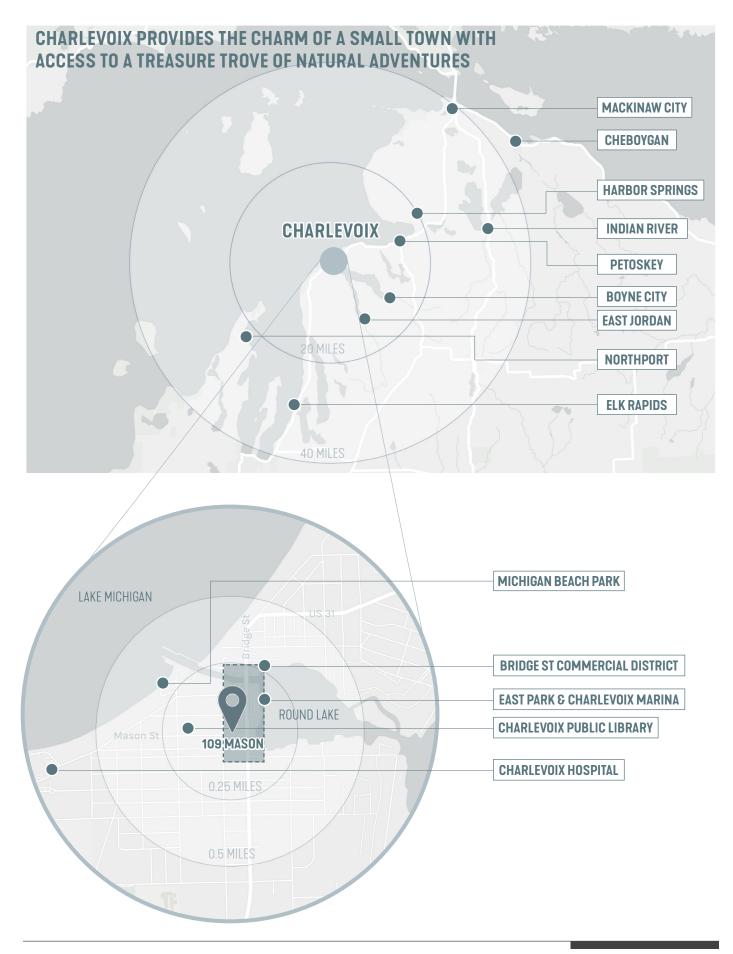
Adjacent to City Hall to the west, a residential rental complex to the east, and commercial uses to the south, the site currently hosts the Charlevoix Chamber of Commerce. The parking to the rear (north) is shared with the Charlevoix Fire Department.

The site has been home to a handful of uses since it's construction in 1956, most notably a post office, and residential housing. The building itself is not historically significant.

Charlevoix has continued to see development in the past decades. Given the prime location of 109 Mason, it is integral that the development positively contributes to the Charlevoix charm, and upholds the values set forth in the Charlevoix Master Plan. While Charlevoix has a significant tourism industry, it is important to support the needs of current and potential long-term, year-round residents, and provide resources for people of all lifestyles.

109 Mason offers an incredible investment opportunity to promote economic development and support diverse housing types in the downtown in order to ensure that current/future residents of Charlevoix have the choice to enjoy the community's walkable downtown and nearby recreational opportunities.





CURRENT PLANS

MASTER PLAN

The 2022 Master Plan sets the vision and goals for the city, with a focus on the following:

- Natural beauty
- Preservation of small town character
- Protection of historical and cultural resources
- Economic growth
- Sustainable utilities
- Environmental standards in land use
- Housing needs

These goals are key components in the development of 109 Mason and make it an area of great interest for the city.

ZONING

The site is zoned as CBD, Central Business District. The CBD District is designed to support the central activity area of the city by accommodating a mix of retail, office, service, entertainment and residential uses in a walkable, pedestrian-friendly environment. The district allows for a flexible range of uses including:

- Public/institutional
- Retail
- Entertainment
- Recreation and open space
- Offices and services
- Multi-family residential, and dwellings above the first floor

While the site is City-owned, it is imperative that the development is conducive with surrounding neighborhood design and character.

SITE UTILITIES AND LOCAL SUPPORT

This site is served by public streets and has full access to utilities provided by adjacent streets. For more information, contact the following:

CITY OF CHARLEVOIX

Mark Heydlauff, City Manager markh@charlevoixmi.gov (231) 547-2370

ZONING

Jonathan Scheel, Director of Planning and Zoning planner@charlevoixmi.gov
(231) 547-3265

PUBLIC WORKS

Pat Elliott, Public Works Superintendent pate@charlevoixmi.gov (231) 547-3276

ELECTRIC

John Griffith, Electric Department Director johng@charlevoixmi.gov (231) 547-3273

COUNTY OF CHARLEVOIX

Department of Building Safety buildingsafety@charlevoixcounty.org (231) 547-7236

CHAMBER OF COMMERCE

Sarah VanHorn vanhorn@charlevoix.org (231) 547-2101

VISIT CHARLEVOIX

amanda@visitcharlevoix.com
(231) 547-2101

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PRELIMINARY DEVELOPMENT SCENARIO

Northern Michigan cities such as Charlevoix are situated in one of the globe's most unique and majestic regions. Surrounded by over 22% of the world's fresh surface water supply, with long-term market-driving resilience benefits, and regional connectivity to North America's most noteworthy cities – from Chicago, to Toronto and Detroit – the development potential for Charlevoix continues to be celebrated. As Charlevoix continues to grow, it is important that development nurtures the unique culture of the city, and provides resources to transient and permanent residents of all ages.

Within this context, the preferred development scenario for 109 Mason is for-rent commercial and office space on the ground floor, and multi-family housing on the upper levels, with amenities like a publicly accessible bathroom, plaza space, and non-motorized connections providing access to an activated alleyway in the heart of downtown.

These uses – in alignment with the policy vision of Charlevoix's master plan, and the regulatory framework of its zoning – will leverage the unique existing characteristics of 109 Mason and the assets directly adjacent:

- Lake Michigan, including a marina for recreational boating, as well as the Charlevoix Airport
- Downtown Charlevoix, supporting walkable retail, cafes, and restaurants as well as seasonal festivals and events
- Other northern Michigan cities, from Traverse City, Boyne City, and East Jordan, to Marquette, Petoskey and Mackinaw City

109 Mason will foster unique opportunities for people looking to live within the downtown Charlevoix district. The investment made in property within the northern Great Lakes will leverage the increased value generated by market demand induced by climate change, related population migration, and the foundational resilience northern Great Lakes cities provide.



DEVELOPMENT CONCEPT

The following building concept has been prepared to demonstrate the potential building program and desired elements that Charlevoix is seeking in the future redevelopment of 109 Mason. The concept reflects alignment with local zoning, and the 2015 Michigan Building Code. The final development will include a unique combination of residential program elements including micro units, one-, and two-bedroom units, as well as office/commercial space on the ground floor. Publicly accessible restrooms on the west side of the building have been incorporated to enhance amenities for visitors and passersby, ensuring that they have access to clean and convenient restrooms independent of office or retail hours.

The proposed development concept includes the following:

MICRO UNITS (10 TOTAL)

These units are approximately 320-340 sq. ft.

ONE-BEDROOM UNITS (4 TOTAL)

These units are approximately 425-435 sq. ft.

TWO-BEDROOM UNITS (2 TOTAL)

These units are approximately 620 sq. ft.

OFFICE/RETAIL SPACE

Approximately 1,755 sq. ft. of office and/or retail space on the ground floor.

RESIDENTIAL UNIT BREAKDOWN

PROGRAM	GROUND Floor	SECOND Floor	THIRD Floor
MICRO	0	5	5
ONE-BEDROOM	0	2	2
TWO-BEDROOM	0	1	1
OFFICE	1	0	0
RETAIL	1	0	0
Total			16

A micro unit is a smaller variation of a "studio" unit. Micro units typically include a one-room living space designed to include a bed, kitchenette, seating, bathroom and storage. This unit approach leverages available nearby amenities and services in the community, while maintaining lower rents to support workforce and younger residents.

THE CASE FOR MINIMALISM & CHANGING DEMOGRAPHICS

"Micro housing is revolutionizing urban living, offering an innovative solution to the challenges of affordability, sustainability, and efficient space utilization. This trend reflects a shift in housing norms, addressing the needs of diverse urban populations with unique lifestyles while promoting a more inclusive and vibrant cityscape."

- Bryant Beltran, eXp Realty

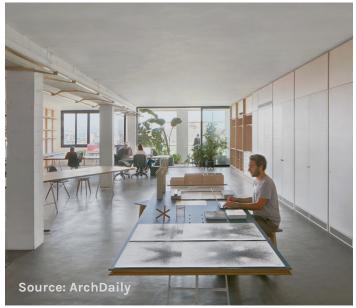












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THIRD FLOOR RESIDENTIAL

SECOND FLOOR RESIDENTIAL

GROUND FLOOR RETAIL+OFFICE



GROUND FLOOR

GROSS FLOOR AREA: 4284 SF

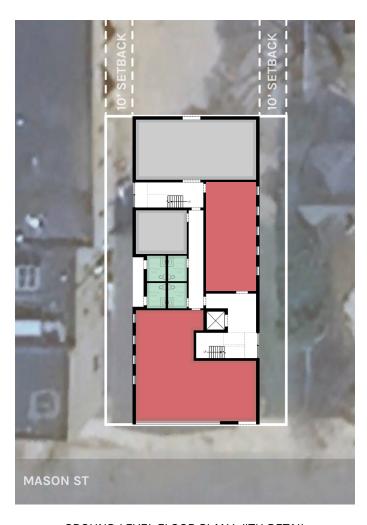
NET RENTABLE FLOOR AREA: 3017 SF

RETAIL AND/OR OFFICE - 1,755 SF

FLEXIBLE STORAGE/UTILITY - 1048 SF

BATHROOM -214 SF

TOTAL - 3,017



GROUND LEVEL FLOOR PLAN WITH RETAIL AND STORAGE SPACES

LEVELS 2 AND 3

LIVING UNIT TYPES

2 BEDROOM (2 TOTAL)

■ NET RENTABLE PER UNIT: 597 SF

1 BEDROOM (4 TOTAL)

■ NET RENTABLE PER UNIT: 413 SF

MICRO (10 TOTAL)

■ NET RENTABLE PER UNIT: 319 SF

TOTAL RESIDENTIAL GROSS FLOOR AREA:

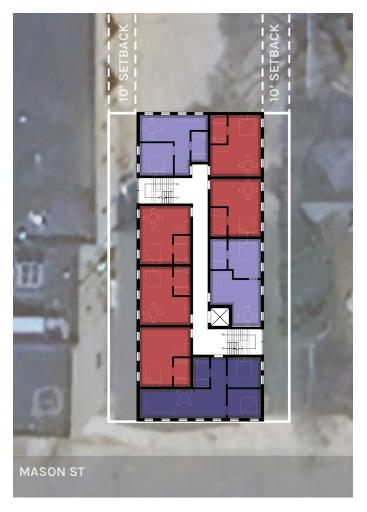
8,568 SF

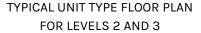
TOTAL RESIDENTIAL NET RENTABLE AREA:

6,043 SF

LIVING SPACE BEDROOM

KITCHEN BATHROOM







TYPICAL PROGRAM FLOOR PLAN FOR LEVELS 2 AND 3

109 Mason

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DESIGN OBJECTIVES AND PRELIMINARY CODE CONSIDERATIONS

The proposed program calls for new construction on 109 Mason. The information provided below is general in nature and intended to provide a broad sense of prevailing design objectives and cursory code considerations for the redevelopment project. All interested parties are encouraged to visit the property and to review all relevant state and local codes to ensure compliance.

DESIGN OBJECTIVES

- Respect Neighborhood Character. Complement the design elements of the surrounding neighborhood and downtown. This includes punched windows on the upper floors, parapets, and utilizing materials like brick and natural stone.
- Activated Ground Floors. Foster street frontage, access and an activated ground floor by providing primary street-fronting entry and a transparent facade.
- **Setbacks.** Allow 10 foot minimum building setbacks on the east and west sides, allowing windows on all floors. Preserve existing minimum rear allowance for emergency fire station access.
- Height. Maximum height is 40'-0" (3 stories) to align with neighborhood character and construction type.

CONSTRUCTION TYPE

The construction type has been identified as 5-B with fire suppression

PARCEL DATA

- 0.24 acre lot size (10,376sf)
- Parcel ID 052-347-017-00

ZONING

■ CBD (Central Business District).

OCCUPANCY

- Floor 1 Mercantile, Business
- Floors 2, 3 Multifamily Residential

CONSTRUCTION TYPE

- The construction type identified for the development is Type 5-B, with fire suppression (whole building).
- 1hr Fire Rated Second floor.

MAXIMUM BUILDING HEIGHT

40'-0

SIDE SETBACKS

- 10' 0" (associated with Type 5-B construction type)
- (Refer to 153.087 Area, Height and Placement Requirements).
- 3 Stories maximum

Information above is based on MBC 2015. Please consult MBC 2015, or local code officials for additional information or clarifications.

Note: The aforementioned considerations are for informational purposes only. Interested parties are encouraged to visit and evaluate the site, and engage local Building Code and zoning officials to confirm and clarify all requirements.

PROJECT INCENTIVES

Charlevoix and the MEDC are committed to making sure that all available incentives may be leveraged to ensure the selected developer can achieve a quality outcome commensurate with the project vision and goals. The City of Charlevoix looks to work with developers to create a mutually beneficial development based on the guiding principles of this document, our master plan, and the character of the community. We welcome innovative ideas and incentive structures to fulfill these objectives. Such incentives may include the following:

- Neighborhood Enterprise Zone (NEZ) allows for reduced property taxes for up to 15 years in designated areas to promote revitalization.
- Michigan Community Revitalization Program (MCRP). Through the MCRP, which is a program available from the Michigan Strategic Fund (MSF) in cooperation with MEDC, grants or loans may be available to fill financial gaps and promote community revitalization. MEDC and the City are committed to collaborate with the selected developer to ensure this tool is used efficiently and successfully in order to contribute to Michigan's employment opportunities, foster infill redevelopment of historic properties and reduce blight.
- New Markets Tax Credit financing may be available.
- The Michigan State Housing Development Authority (MSHDA) Housing Tax Increment Financing allows communities through Brownfield Redevelopment Authorities to create/finance attainable housing.

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SUBMISSION PROCESS

RFQ Release Date: October 2024

Qualification submission: Please provide information for us to consider your proposal.

- Letter of Interest: Provide a letter (up to 3 pages) identifying the development team and providing a brief description of the team's vision for the site and timeline
- · Concept plans or renderings
- Development Experience: Provide a short description of past projects of a relevant nature completed by the development team (up to 10 pages). Include a description of projects, cost, completion date, and references.
- Fiscal Capacity: Provide evidence of the development team's fiscal capacity to undertake the proposed project. Include an Initial Pro Forma, and Sources & Uses Worksheet
- Resume of firm and lead team members

Due Date: Qualifications are due to the City of Charlevoix no later than 12:00 pm EDT on August 7th.

Emailed or hard copy proposals must be received by noon and should be addressed to City Clerk Sarah Dvoracek, City Clerk

210 State Street Charlevoix, MI 49720

clerk@charlevoixmi.gov

Emailed proposals will be acknowledged. If you have not received an acknowledgment, assume we have not received your proposal and contact us. Late proposals will not be accepted for any reason including technical errors or omissions regardless of the cause of the error or omission. The City of Charlevoix assumes no responsibility or liability for the timely receipt of a proposal.

Initial Review: Qualifications will be reviewed within 45 days by city stakeholders.

Contact Information: Please contact Daniel Leonard, Director - Redevelopment Services, with any questions or for more information. Daniel can be reached at leonardd6@michigan.org or (989) 387-4467.

