

# REQUEST for DEVELOPER QUALIFICATIONS



**23 NORTH  
BROAD  
STREET**  
Hillsdale,  
Michigan

## **TIMELINE**

RFQ released:  
**05/10/2021**

Site Showcase  
event: **06/02/2021**

RFQ proposals due:  
**07/16/2021**

Evaluation period:  
**07/19–08/06/2021**

Finalists teams notified:  
**08/09/2021**

Finalist teams  
presentation to  
evaluation committee:  
**August 2021**

Finalize terms of a  
development and  
purchase agreement:  
**September 2021**



**MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION**





# REQUEST FOR DEVELOPER QUALIFICATIONS

23 N. BROAD STREET | HILLSDALE, MICHIGAN





## 23 N. BROAD STREET

### Hillside, Michigan

The City of Hillside seeks a developer for a vacant 5,478 sf parcel in the heart of downtown. Across the street from the Hillside County Courthouse and within walking distance of nationally known Hillside College, this location is ideal for a mix of commercial and residential uses.



RFQ | HILLSDALE  
23 NORTH BROAD STREET

giffels  
webster

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# TABLE OF CONTENTS

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Development Opportunity.....4

Community Overview.....5

Market Conditions and Opportunities .....10

Site Overview.....12

Site Utilities.....12

Preferred Development Scenario.....14

Project Incentives.....16





# DEVELOPMENT OPPORTUNITY

The City of Hillsdale is pleased to present an exciting development opportunity in the heart of downtown. The vacant site, located at 23 N. Broad Street, has 41 feet of frontage and is 132 feet deep for a total of 5,478 square feet. The site is located on the east side of Broad Street where an ample 15-foot wide sidewalk connects this site north and south along Broad Street. The site is directly across from the historic Hillsdale County Courthouse, which is also home to a variety of community events and activities.

Downtown Hillsdale is filled with historic brick two- and three-story buildings, the ground floors of which are filled with restaurants, specialty shops and office uses. Hillsdale College is located within walking distance. The grid streets and sidewalks between the college and downtown give students, staff and faculty a pleasant one-mile walking experience.

The City of Hillsdale and Michigan Economic Development Corporation (MEDC) have worked collaboratively to develop this RFQ. A range of incentives, at the local and state levels, may be leveraged as part of a negotiated pre-development agreement. Preference will be given to projects with a mix of uses that creatively incorporate key project goals, including a mix of housing, retail, and entertainment uses.



23 N. Broad is a vacant site located between existing occupied buildings.



View of the historic Hillsdale County Courthouse from the east side (rear) of the subject site.



# COMMUNITY OVERVIEW



Charming and well-maintained historic buildings fill the City of Hillsdale's Downtown.

Hillsdale, a typical Michigan county seat city, is located near the geographical center of Hillsdale County, near the Indiana and Ohio borders. Its success and prosperity is rooted in the city being the county seat, enhanced by the routing of the Michigan Southern railroad line through the town as well as the home of Hillsdale College. The City of Hillsdale and its business community are still strongly tied to its manufacturing and agricultural roots.

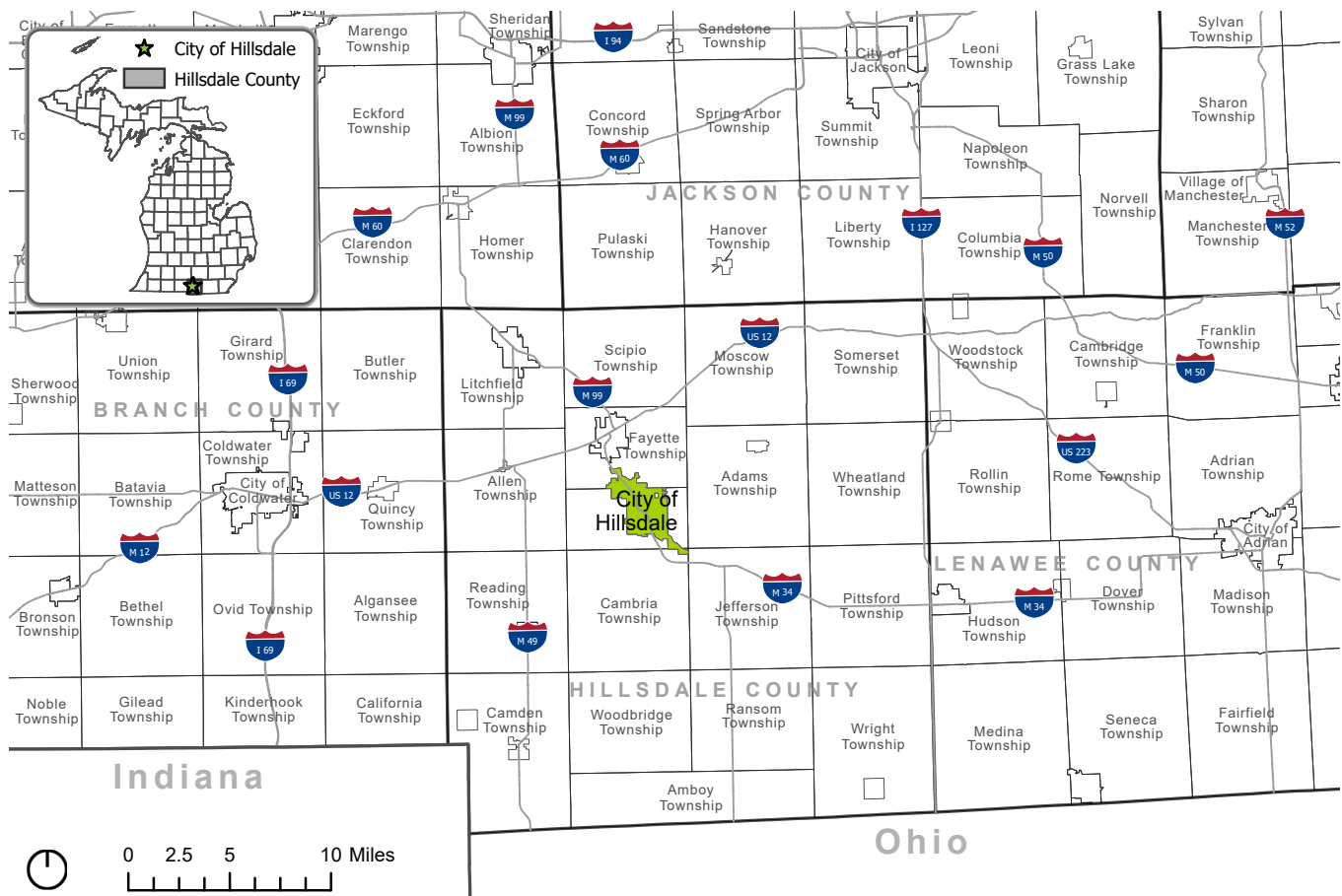
Hillsdale has a quiet, friendly charm, but is a close commute to larger metropolitan areas including Lansing, Jackson, Battle Creek, and Ann Arbor, Michigan and Toledo, Ohio. Interstates I-69 and I-80 can both be reached in 30 minutes or less and I-94 is just 45 minutes away.

The city's walkability, good schools, historic character and small-town lifestyle contribute to relatively low vacancy rates for both businesses and housing (12%).

## 2018 Key Demographics

- The City has a total population of 8,125 with a median age of 28.8. The average household size is 2.37 people. The racial composition in Hillsdale is predominantly white at 95.3%.
- A majority of the total population (about 80.3%) are 18 years and about 15.7% include older adults 65 and above.
- The median household income was estimated at \$35,100 with a per capita income of \$18,320.
- The total number of housing units occupied in Hillsdale was 3,013 with 1,622 (53.83%) of those being owner-occupied and 1,391 (46.17%) were rental units. The median home value for the city is \$80,000 and median residential rent is \$515/month.





## Historic Downtown Business District

Hillsdale's downtown business district is a cohesive entity spanning the town's development from a small pioneer community through its railroad and government boom and its present incarnation as a small college and government town. Its clear organization with the railroad spine crossing the twin commercial streets, Broad and Howell, its anchorage of large, formal governmental buildings, create a strong and "tight" urban plan. The central courthouse square provides both a focal point and a public green space. The buildings display a range of well-preserved architectural styles from Commercial Italianate through "Commercial Brick," with few physical or stylistic gaps.



City of Hillsdale Farmers Market at the Courthouse..

## Parks and Recreation

The quality of life in Hillsdale is considered by residents and businesses to be one of the city's greatest assets due in large part to its safety, schools, civic activities and abundant recreational opportunities. The City of Hillsdale provides ten formal parks which contain a variety of recreation facilities. Waterworks Park, Owen Memorial Park, Sandy Beach Park, and the Baw Beese Trail form an important component of the City's park system centered on Baw Beese Lake (a 414-acre park). The continued redevelopment of Sandy Beach on Baw Beese Lake in the City of Hillsdale has been a grand scale effort by Hillsdale Rotary and the City to bring a local gem back to its splendor.

## Economic Development Plans

The City of Hillsdale is very proactive in improving the community. The City was one of the few communities selected for Region 9 for the Governor's Prosperity Project, Rising Tide Initiative. The project's primary goal is to establish a vision and five-year strategy plan to enhance economic prosperity in the region. As part of that initiative, the City has completed various studies for strategic development as listed below (available on the City's website).

- **Hillsdale Residential Target Market Analysis.** A study of migrating households and the growing demand for missing middle housing.
- **Hillsdale Economic Development Strategy.** Provides a list of local and regional economic goals and implementation strategies.
- **Hillsdale TIFA Placemaking Plan.** Provides placemaking, wayfinding, and branding strategies reflective of the area's many attributes.

The City has form based district standards for developments in the downtown. It has redefined minimum and maximum requirements and encourages sustainable construction practices.

## Hillsdale College

The City of Hillsdale is fortunate to have Hillsdale College within a mile of downtown. Hillsdale College was founded as Michigan Central College in Spring Arbor, Michigan, in 1844. Nine years later it moved to Hillsdale and assumed its current name. Hillsdale College is a four-year, independent, classical liberal arts, coeducational, residential, nonsectarian Christian college on 400 acres. With 75 modern and historic buildings, 12 residence halls and eight Greek houses, the college is home to a total of 1,468 undergraduate students and 58 graduate students.

The 146 full-time instructors allow for a 9:1 student-faculty ratio. The college offers the following degrees: Bachelor of Arts, Bachelor of Science; MA and PhD in Politics–Van Andel Graduate School of Statesmanship; MA in Government–Van Andel Graduate School of Government.

Facilities at the college include subject-specific computer labs, a state-of-the-art health education and sports complex, Michael Alex Mossey Library with its Leighton-Taylor Wing, the Sage Center for the Arts, the Herbert Henry Dow Science Building, Howard Music Hall, and two classroom buildings—Kendall Hall and Lane Hall. Adjacent to the campus is the model primary and secondary school, Hillsdale Academy, whose comprehensive Reference Guide is used in hundreds of schools throughout the country.



Central Hall at Hillsdale College.



## Resident Survey Analytics

As part of a recent market assessment, a survey of area residents was conducted online. The following are characteristics of the households that responded to the survey.

### Sample Characteristics

- Eighty-nine percent of the sample resides in zip code 49242, with the remaining scattered; this likely reflects the impact of Hillsdale College enrollment and employment.
- Thirty-two percent of the respondents are students at a higher education institution.
- Excluding full and part-time students not working full-time, 15 percent of the households do not have anyone employed on a full-time basis. Almost one-half of all households have one person employed full-time.
- The average age of the primary income earner in the household is 42.9 years, including students.
- With students living on campus excluded, the average (mean) total household income for those likely to seek new housing in the future is \$197,200.

### AGE OF THE PRIMARY INCOME EARNER IN THE HOUSEHOLDS\*

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

### NUMBER OF PEOPLE IN HOUSEHOLD EMPLOYED FULL-TIME\*

Number	Percent	Percent without Students
0	13%	15%
1	34%	47%
2	49%	33%
3	4%	4%

\*Developed by The Chesapeake Group, Inc. 2020



## Housing Data

Hillsdale County permitted 487 new housing units between 2012-2018. Of those, 32% were multiple family units

- Average non-waterfront residential property sales price \$140,000 or \$78/sf
- Average waterfront residential sales price \$238,500 or \$171/sf
- Non-income based rental housing average rent: \$1,120/mo

## Commercial | Industrial Data

- The average building size for all non-residential properties was 7,911 sf, and the average price was roughly \$383,000.
- Industrial: the average building size for property sold was 12,250 sf, and an average price of \$210,000 or \$17.11 per square foot.



The Hillsdale Municipal Airport is a State of Michigan licensed "Public Use-General Utility Airport." The runway was recently reconstructed and expanded to 5000 feet by 100 feet and can accommodate the "Gulfstream" category of business aircraft.



Around the corner from the subject parcel, in downtown Hillsdale, Mrs. Stock's Park offers a quiet place to relax but also serves as a summer venue for weddings and gatherings. It is the home of the city's Summer Concerts Series, held annually each July.



# MARKET CONDITIONS & OPPORTUNITIES

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The following are estimates of marketable activity for Hillsdale. Adjustments have been made to the survey data for demand forecast purposes based on known biases associated with online sampling. The opportunities are not linked to any specific development proposal or site but are a measure of potential within Hillsdale and its core. The defined units and space may be beyond the holding capacity of available land. Also, the ability to accommodate the demand as part of the project may be limited by community desires and character.

## Housing

Based on historical patterns in Hillsdale County and City, as well as the additional database derived from The Chesapeake Group's survey of residents, the potential for new housing units shows that Hillsdale could support a total of roughly 175 new homes by 2030. Of these, 45 to 60 could be non-single-family structures such as duplexes, townhomes, other attached structures, or the residential component of mixing of uses or mixed-use development. Excluded is the compendium of assisted living housing or below-market-rate housing.

## Retail Goods & Related Services Space

There is an opportunity to diminish the exportation of dollars from Hillsdale residents as well as the College. Adding housing will result in increased spending and demand for retail goods and related supportable space.

For 2020, capturable sales from residents of the City and County of Hillsdale is expected to be about \$396 million. In constant dollars, this is likely to grow to \$411 million by 2030, or just over \$15 million.

Based on the anticipated growth in housing, Hillsdale is expected to be able to capture at least an additional 50,000 square feet of retail goods and related services space by 2030. This is a conservative estimate and excludes the potential to recapture exported dollars and space in "Eat/Drink" or food services, "General Merchandise," and "Miscellaneous" retail that includes operations such as Florist/ Nurseries, and Gifts and Novelties.

The increasing demand can be used to fill vacant space, reconfigure existing spaces and structures, foster new development, or enhance the marketing of the area.

## Multi-Tenant Office Space

The office market continues to change with the increased emphasis on flexible work arrangements, co-working space, and in-home live/work activity. Added rooftops increase demand for professional services and related space derived from the new households.

New demand generates between 18,900 and 26,250 square feet of multi-tenant office space by 2030.



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## Analysis

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

- Add housing to what is now retail space.
- Expand alternative or non-single family home structures in the core area where additional commercial investment is sought. Accommodate alternative housing as well as alternative ownership mechanisms, such as cooperatives and condominiums.
- Enhance walkability in the targeted area where Hillsdale seeks higher amounts of commercial activity.
- Focus marketing or recruitment efforts on expanding restaurant opportunities blended with brewing, wine tasting, cider generation, or music that will appeal to both non-student and student residents of the City and County as well as visitors.
- Work with local building owners that will provide below-market short-term rents and leases with an “open books” policy linking increases in rents to increases in revenues.
- Develop a coordinated entrepreneurship extension program with and through Hillsdale College’s economics program, in cooperation with a community college or technical school to foster entrepreneurial storefront activity.





# SITE OVERVIEW

Located within the heart of downtown this site is in the heart of the city's "Civic" character zone, as identified in the TIFA Placemaking Plan (2017). This zone is described as a prominent land area within the community that is constructed to be its political and civic center. The civic zone in downtown Hillsdale is identified as prominent public buildings that strongly contribute to the downtown character. These include the County Courthouse, City Hall, the Post Office and Library and Mitchell Research Center.

The site is also included in the "Downtown Zone," which is primarily the traditional 2-3 story mixed use areas of the downtown core containing retail services, restaurants, upper floor residential, and other related uses. Architecture is traditional and substantial in form and materials.

## Site Utilities

- Water & Sewer: 517.437.6412
- MISS DIG: 800.482.7171

## Contacts

- City of Hillsdale:  
City Assessor: 517.437.6455  
City Planning & Zoning: 517.437.6449  
Department of Public Services:  
517.437.6490
- Hillsdale County: 517.437.4130
- Michigan Department of Transportation:  
517.335.4375



View of 23 N. Broad Street from Across the Street



# Aerial View of 23 N. Broad Street





# PREFERRED DEVELOPMENT SCENARIO

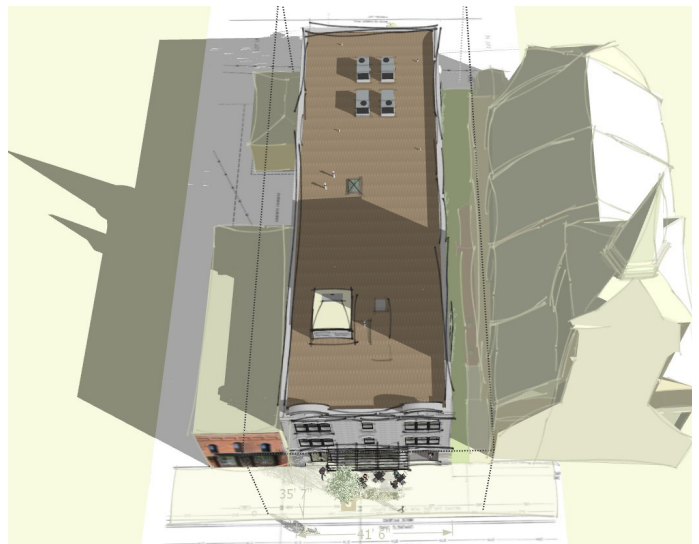
## Redevelopment Concepts

The city envisions a three-story mixed-use building with minimal, if any, setback. The initial concept maintains a continuous street wall along N. Broad Street as well as along the pedestrian pathway at the adjacent church property. It includes design elements that enhance the pedestrian experience and takes advantage of the space between buildings to add plentiful windows on the side elevation.

This concept includes approximately 16,434 sf on three floors (5,478 sf each). It is envisioned that the first floor would be commercial space and the two higher floors would be four to five units of residential (depending on the size of each unit and/or number of bedrooms).

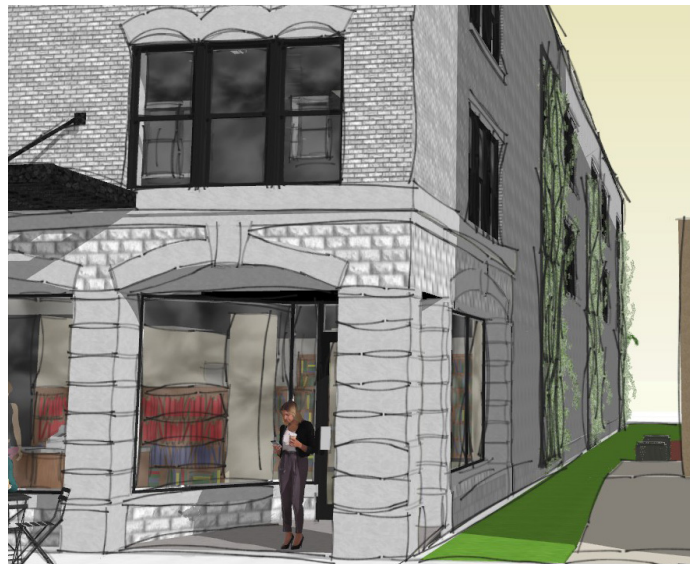
As a part of the RFQ development process, stakeholders had the opportunity to offer insights into the local market needs and comment on desired development form and use. Highlights of this feedback include:

- Provide a mix of uses, including retail, office, and entrepreneurial workspaces.
- Maintain connections to the park and parking nearby.
- Provide a traditional building form and appearance that fits with the context of the downtown.



The preferred concept illustrates how the vacant site could enhance the streetscape through appropriate building form and appearance. The quality and character of buildings—and the spaces between buildings—provide the context for the story of downtown.







# INCENTIVES

The City of Hillsdale is willing to offer the following incentives to assist a development that matches the city's desired vision for the site:

- Sell the land for under market value and waive site plan review fees.
- Offer tax credits for the development.
- Michigan Community Revitalization Program funding may also be available at <https://www.miplace.org/programs/michigan-community-revitalization-program/>.
- CDBG (Community Development Block Grants) may also be a valuable resource for gap financing.
- More information: <https://www.miplace.org/programs/community-development-block-grant/>
- Brownfield TIF (Tax Increment Financing) may also be an option. More information see <https://www.miplace.org/programs/brownfield-tax-increment-financing/>.



With its wide sidewalks, downtown Hillsdale has a lively, family-friendly feel.



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