



217 EAST GRAND RIVER AVENUE Laingsburg, Michigan

TIMELINE

RFQ released:
06/23/2021

Site Showcase
event: **07/14/2021**

RFQ proposals due:
09/17/2021

Evaluation period:
09/20 – 10/01/2021

Finalists teams notified:
10/04/2021

Finalist teams
presentation to
evaluation committee:
October 2021

Finalize terms of a
development and
purchase agreement:
November 2021



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**



217 E. Grand River

Laingsburg, Michigan

The City of Laingsburg seeks a developer for a vacant 10,625 square foot parcel in the heart of downtown. Close to employment centers in the Lansing area as well as local amenities and the 2,600-acre Sleepy Hollow State Park, this location is ideal for a mix of commercial and residential uses.



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Recently renovated historic buildings on Grand River, across the street from the subject parcel.



DEVELOPMENT OPPORTUNITIES

The City of Laingsburg is pleased to present an exciting development opportunity in the heart of downtown.

The site, located at 217 E. Grand River, has 85 feet of frontage on Grand River and is 125 feet deep for a total of 10,625 square feet. The site is surrounded on the north and south by public sidewalks, and the east side is adjacent to the city's intimate Memorial Park, a tribute to local service men and women. These sidewalk and plaza areas connect the site to the rest of downtown as well as to McClintock Park, which offers play structures, a sledding hill, sport courts, and restroom facilities. A new amphitheater is at the park for a variety of performing events. The city's branch of the U.S. Post Office is immediately north of the site, bringing in pedestrian and vehicular traffic throughout the day. Considerable interior and exterior improvements have been made to the buildings across Grand River Avenue, enhancing the historic charm and character of this important block.

The City of Laingsburg 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 combination of private and public uses, a mix of housing, retail, entertainment, recreation, and connections with nearby recreation opportunities.



City of Laingsburg Memorial Park (east side of parcel)



U.S. Post Office (north side of parcel)



COMMUNITY OVERVIEW



The City of Laingsburg (population 1,289) is located on the western boundary of Shiawassee County and the eastern boundary of Clinton County. The city is surrounded on three sides (north, east, and south) by Sciota Township.

Businesses and residents alike are proud of their community and its high quality of life. The city's walkability, good schools, and small-town lifestyle contribute to relatively low vacancy rates for both businesses and housing. The city's location in the region means it is close enough to major employment centers to provide residents with a variety of employment opportunities with relatively short commutes (30 minutes or less).

Downtown's McClintock Park has been continuously improved over the past few years, with the most recent project being a new amphitheater. Residents and visitors enjoy other nearby recreational facilities including the 2,600-acre Sleepy Hollow State Park, the Peacock Tree Farm, and multiple lakes, trails, and other facilities.

The City of Laingsburg is seizing these strengths to increase economic activity — focusing on new housing opportunities for those working in the region as well as positioning the city as a small tourist destination, capitalizing on nearby attractions such as Sleepy Hollow State Park. This park, which offers 180 campsites, 16 miles of hiking/biking, and 6.5 miles for horseback riding and dog sledding, attracts over 300,000 visitors per year. There are many other lakes in the area for fishing, boating, and swimming. The DDA is encouraging downtown property owners to pursue uses including sporting goods as well as other shopping and dining establishments to attract more of these regional tourists to the city.

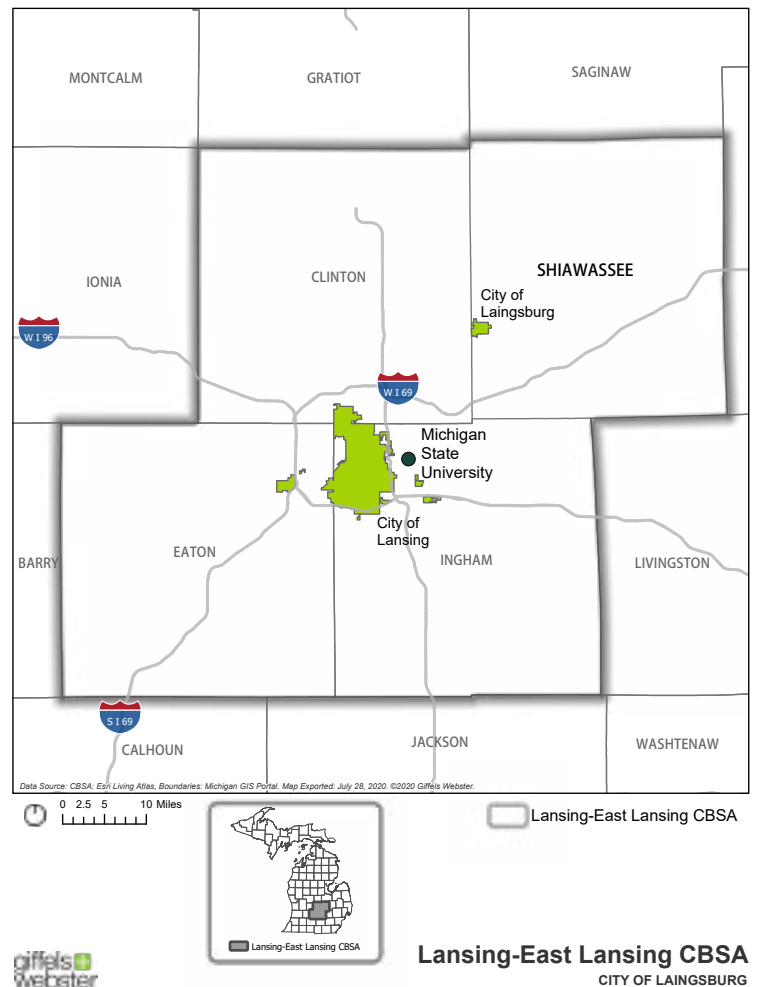
The Downtown Development Authority plays an active role in supporting local businesses through connecting them with resources and offering a façade improvement program to assist local business with property maintenance and upgrades. The City of Laingsburg is very proactive in improving the community, with major improvements (planned and completed) to its storm drain system as well as sidewalk extensions and improvements.



Shiawassee County and Laingsburg were recently added to the Lansing-East Lansing CBSA (Core Based Statistical Area). The influence of this CBSA is growing. Shiawassee County and Laingsburg are physically close to one of the primary economic engines in the CBSA — Michigan State University. The university's main campus is in East Lansing.

Institutional Influence

The institution that has the most significant impact on the area is Michigan State University. The main campus of Michigan State University has generally continued to grow, resulting in an expanded enrollment as well as limited increases in professional and support staff. The student enrollment grew by 8.9 percent between 2008 and 2018. A 6.8 percent growth occurred between 2010 and 2018. There were roughly 39,000 undergraduate and 11,000 graduate students in 2018. About three-fourths of the students were classified as “in-state,” and 69 percent of the students lived off-campus.



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.

SURVEY SAYS!

Sample characteristics of the consumer survey.

100% LIVE IN ZIP CODE

48848



AVERAGE
HOUSEHOLD SIZE:
2.66 PEOPLE

1/4 OF HOUSEHOLDS
CONTAIN A YOUTH
UNDER AGE 6



16%

Have lived at their current address
for 2 years or less

29%

Have lived at their current
address for at least 20 years



AVERAGE AGE OF
PRIMARY INCOME
EARNER: 50.6 YEARS



ANNUAL AVERAGE
INCOME: \$113,800

The mean average is greater than the
median average employed in
government statistics but is much more
meaningful in forecasts of demand.

AGE OF THE PRIMARY INCOME EARNER IN THE HOUSEHOLDS*

Age Cluster	Percent
Under 25	0%
25 to 34	13%
35 to 44	31%
45 to 54	30%
55 to 64	16%
65 to 74	8%
75 or over	6%

NUMBER OF PEOPLE IN HOUSEHOLD EMPLOYED FULL-TIME*

Number	Percent
0	13%
1	34%
2	49%
3	4%

TOTAL ANNUAL HOUSEHOLD INCOMES*

Income Range	Percent
\$10,000 to \$14,999	1%
\$15,000 to \$19,999	2%
\$20,000 to \$29,999	2%
\$30,000 to \$49,999	9%
\$50,000 to \$74,999	20%
\$75,000 to \$99,999	11%
\$100,000 to \$149,999	30%
\$150,000 to \$199,999	14%
\$200,000 to \$249,999	5%
\$250,000 or more	6%

*Developed by The Chesapeake Group, Inc. 2020



MARKET CONDITIONS & OPPORTUNITIES

The following are estimates of marketable activity for Laingsburg. 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 Laingsburg 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 the county, Laingsburg, as well as an additional database derived from The Chesapeake Group's surveys of residents in Laingsburg and other areas of the county, the potential for new housing units in Laingsburg is defined. Two scenarios are presented. One is defined as "Market Share," while the other is called increased market share. Market share is an important economic concept implying "holding one's own" or maintaining economic parity. To reiterate, neither estimate is linked to holding capacity of available land, current zoning, current planned activity, or any existing development regulations.

In the Increased market share alternative, **Laingsburg will support a total of roughly 120 new units by 2030. Of those units, between 35 and 50 could be non-single-family structures, likely duplexes, townhomes, and other attached structures.** This total does not include any potential of the development of an "active adult" community, unique niche opportunities, or the range of assisted living opportunities.

Retail Goods & Related Services Space

New rooftops result in increased spending and demand for retail goods and related supportable space. People working within the area, and those coming to the area for a range of purposes, will and do spend money in Laingsburg. Currently, the consumer survey conducted in association with this study indicates that there is an opportunity to diminish the exportation of dollars from Laingsburg and other portions of the county, particularly in food, food services, and linked entertainment activity. Also, growth in income is anticipated in "real dollars" over the next ten years.

Based on the anticipated growth in rooftops and derived only from current and future residents of the county, **Laingsburg is expected to be able to capture an additional 198,000 square feet of retail goods and related services space by 2030.** Excluding transportation and vehicle service space, the figure is about 155,000 square feet.

Total retail goods and related services sales generated by county residents is expected to grow from roughly \$1.26 billion in 2020 to about \$1.42 billion by 2030. Capturable sales are estimated to be \$266 million in 2020. Capturable sales are estimated to rise to \$326 million. There is also the potential to capture exported space in eat/drink or food retail.

Other than transportation and vehicle services space, most of the commercial opportunities are appropriate for land/parcels/structures associated with the future core of Laingsburg. Retail and entertainment are today and will continue to be in the future combined into the entertainment category, reflecting the creation of an experience beyond a mere shopping trip or dining out in a restaurant.



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. Rooftop growth and the desire of people to work near home also provide the opportunity for office space growth. Residents generally rate the availability of professional services in Laingsburg as being “fair.”

New demand is expected to generate about 70,000 square feet of multi-tenant office space by 2030. Approximately 15,000 square feet of the space is capturable in Laingsburg.

Composite of Other Niche Expansion Opportunities

Laingsburg has the opportunity to capture between 90 and 120 new housing units, 198,000 square feet of new retail and personal services space, and 15,000 square feet of office space.

According to online sources, including Realtor.com and Zillow.com, residential sales prices in Laingsburg average \$189,900 with a median home price per square foot of \$109. Homes often sell for figures above the listing price.

The number and range of commercial properties sold in the core of Laingsburg do not provide an opportunity for analytical analyses. However, it is believed that rental rates are below those that would support new investment at this time.

Assuming the latter is valid, the following suggestions are made to impact the pattern and reverse the trend over time.

- Work with local astute building owners who will provide below-market, short-term rents and leases with an open books policy linking increases in rents to increases in revenues. Similar to a profit-sharing format, there are examples in Michigan’s downtowns where this has been very successful at increasing long-term rent structures and creating an independent business base.
- Enhance walkability in the targeted area where Laingsburg seeks higher concentrations of commercial activity. (The survey data indicates enhanced walkability would be well received by the community.)
- Establish niche activity both within Laingsburg and areas that surround it. The niches will create a more expansive market, elevating sales for existing businesses, and prices for residential in the core.



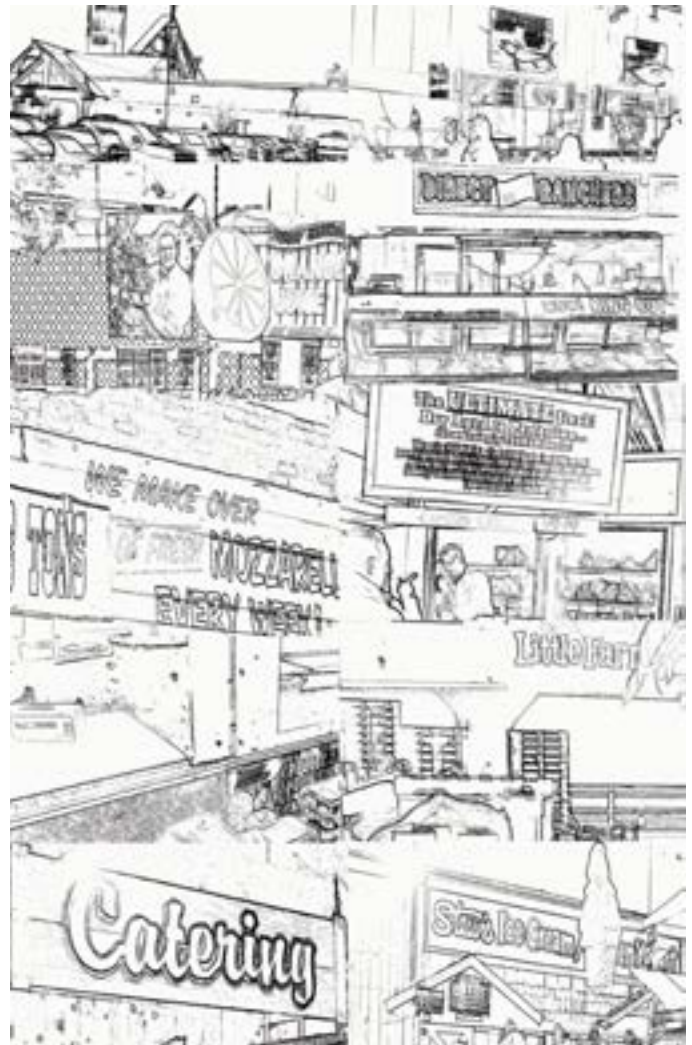
The following are examples of niche activity that could generate enhanced economic vitality for Laingsburg. They focus on location advantages, vast agricultural acreage in Shiawassee County, and agricultural product lines in the county, and neighboring rural counties to its north. They are consistent with the city's small-town atmosphere.

Option 1 - Abundance Market

Create full-year destination “supermarket” with fresh products, food services, and other activity including seasonal and non-seasonal crafts.

Large proportions of the CBSA residents buy fresh items regularly at non-supermarket, non-box operations. There is milk-based and meat-based agricultural activity in the county as well as a strong, diverse agricultural product base in neighboring areas to the north, east, and west. The concept supports entrepreneurship, expanding linkages to both MSU and its Extension Service.

There is a growing farm-to-table trend in food consumption. The concept is a proven attraction in other locations. It would expand the market for all activity in Laingsburg, thereby strengthening the real estate market. The “supermarket” becomes a destination and an experience needed in the evolution of retail in Laingsburg, preparing for an enhanced economic future, while preserving the “small town/non-urban” feel and flavor.



Envisioned is a “supermarket” that does not exist at present anywhere in either the Lansing-East Lansing area or suburban Detroit area. It is designed as a non-traditional maze to maximize impulse buying. Perhaps the oldest and best-known operation in the country is Stew Leonard’s, which has locations in New York and Connecticut. Patrons see the fruit juices, meat cutting, baking, and the making of other products on-site. This contributes to the entertainment experience.



Option 2 - Dairy Delight

Create a milk product based “buttery” or other destination.

This option complements the production associated with hundreds of thousands of acres of agriculture in Shiawassee County; provides an additional outlet for the current production; can assist with developing a “brand” for Laingsburg; and fosters entrepreneurship. A destination like this would be unique in the CBSA as well as the Detroit Metro area.

One nationally known example is Ben & Jerry’s, which offers tours, etc. A second, lesser-known enterprise with a growing regional and national reputation is Kate’s Buttery in Arundel, Maine. Kate’s Buttery is run and operated by the Patry family. Tours of the facility are offered, looking much like a beer or other distillery operation.



Amaris Farms in Laingsburg - Source: LocalHarvest.org

Option 3 - Restaurant Row

Create a cluster of independent or local chain food service establishments.

The preference of residents in the CBSA for dinners and other meals consumed outside of the home is for independent or non-national chain operations. A cluster creates an atmosphere particularly attractive to Millennials, Post-Millennials, and Baby Boomers that can support entrepreneurship. It is easily combined with other forms of entertainment and provides an incentive for traditional retailers to expand hours of operation.

The effort could be initiated through promoting “pop up” activity both in vacant building space and other lots in the area (the latter through kiosks). Initiation of the actions could be seasonal with occurrence in summer, fall, and during holidays. Capital costs would be low, but promotion to expand the market and create awareness would be essential for success.



Option 4 - "The Agrihood"

Create a community within the community

Agrihoods are a type of residential development that is built around a working farm rather than a pool, golf course or open space.

There are many examples of these types of neighborhoods around the country. One is the Cannery, located in Davis, California.

Another example is Prairie Crossing in Grayslake, Illinois. This development includes a working organic farm, in operation since 1993, which provides homeowners with views over cultivated fields of vegetables and access to locally-grown food. The Prairie Crossing Farm was one of the first parts of the community to be established and remains at its heart. Based at an old farmstead with several houses, barns and outbuildings, the farm consists of 100 acres.

Laingsburg is close enough to major population centers to support commuting. Creating a community within the community could foster and be supported by demographic and other society trends.

One option would be a large-scale, active adult community, most likely outside the current boundaries of Laingsburg but could be incorporated through boundary adjustments. Such development could bring millions of dollars in retail, personal, service, and professional service sales into Laingsburg. Other fiscal benefits could accrue as well as employment growth and potential diversification.

A second option would be a "farm-to-table community" utilizing both hydroponics and traditional agriculture cultivation processes. An example of this is under development at this time. California's first farm-to-table, new home community is The Cannery Farm, which will produce and sell local produce to restaurants and local neighbors. The Cannery Farm is intended to be a state-of-the-art example of sustainable urban farming and farm business incubator.

It should be noted that the options presented in this report are not mutually exclusive.



The Cannery, Davis, California - Source: sfchronicle.com



Prairie Crossing in Grayslake, Illinois - Source: prairiecrossing.com



SITE OVERVIEW



217 E. Grand River (View Looking Southeast Across the Site)

Located within the heart of downtown, this site is within a 15-minute walk from three restaurants, a grocery store, a convenience store, and McClintock Park. Currently vacant, this site is adjacent to Memorial Park and was acquired by the city in 2008 for public use and open space. The city now is interested in seeing the parcel redeveloped in a way that supports downtown businesses and nearby residents. The parcel is zoned C-1, Central Business District Zoning district, and allows for flexibility by permitting mixed-use developments (commercial uses in conjunction with residential uses). A recent ALTA survey shows no current deed restrictions and also provides locations of utilities. There are no known environmental issues present.

Site utilities

- Electric & Gas: Consumers Energy
- Water: Private well
- Sewer: City of Laingsburg
- Internet: Daystarr, high speed fiber Internet offered

Contacts

- City of Laingsburg: City Clerk / Treasurer, 517.651.5374
- Shiawassee County: 989.743.2233
- Shiawassee Economic Development Partnership: 989.725.9241
- Michigan Department of Transportation: 517.335.4375
- Shiawassee County Soil Erosion and Sediment Control: 989.743.2390
- Consumers Energy: 800.805.0490
- Daystarr Communications: 989.720.6000



Aerial View of 217 E. Grand River



PREFERRED DEVELOPMENT SCENARIO

Redevelopment Concepts

The city envisions a two- to three-story mixed-use building with minimal, if any, setback. The initial concept maintains a continuous street wall along E. Grand River and includes design elements that enhance the pedestrian experience.

This concept includes a 10,625 square foot ground floor of non-residential space (retail/restaurant/office/entertainment-flex space) and two floors of residential units (approximately 19 units around 900 square foot each). Open connections between Grand River and the park/parking areas will be maintained through a pedestrian walkway or plaza.

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:

- Larger rental dwellings are encouraged to provide more “family-sized” housing downtown.
- Family-style restaurants with outdoor dining are desired, along with a grocery that offers a combination of conventional and organic goods.
- Generally, two- to three-story buildings are acceptable with pedestrian-oriented spaces connecting the parcel to other downtown uses. Recent nearby building renovations illustrate that property owners are investing in downtown properties and enhancing the historic character of the area. Recreation, arts, and culture are important local assets that stakeholders are seeking to enhance.



Birds eye view of the concept showing activated outdoor spaces.



View of the concept showing pedestrian spaces around the building.





Birds eye view showing balconies and other usable outdoor spaces.



Outdoor spaces are an important component of this concept as shown in these two images



INCENTIVES

The City of Laingsburg 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.
- The City of Laingsburg DDA is offering up to \$5,000 for improvements to residential or commercial properties within the DDA District, on a competitive basis, under their Face Forward Program.
- Michigan Community Revitalization Program funding may also be available. For more information see <https://www.miplace.org/programs/michigan-community-revitalization-program/>.
- CDBG (Community Development Block Grants) may also be a valuable resource for gap financing. For more information see <https://www.miplace.org/programs/community-development-block-grant/>.
- Brownfield TIF (Tax Increment Financing) may also be an option. For more information see <https://www.miplace.org/programs/brownfield-tax-increment-financing/>.



217 E. Grand River
(View Looking west along the Grand River frontage.)



Entrance to McClintock Park (North of Subject Parcel)



EVALUATION CRITERIA

The City of Laingsburg will act as a facilitator for this process. The City will review and evaluate all complete proposals in response to this Request for Qualifications (RFQ) to identify and engage with qualified developers for 217 E. Grand River Avenue. An initial response to this RFQ must include the following information:

- **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.
- **Concept plans or renderings.**
- **Development Experience / Portfolio:** Provide a short description of past projects of a similar nature completed by the development team (up to 10 pages).
- **Include a description** of the projects, cost, completion date, and references.
- **Evidence of development team's fiscal capacity** to undertake the proposed project.
- **Resume of firm and lead team members.**

The City of Laingsburg staff may seek additional information upon receipt of a development proposal.

The RFQ and responses should not be considered a legally binding agreement. Upon selection of a qualified development team, City of Laingsburg will enter into a pre-development agreement including purchase price, due diligence period, and other terms.

Main Contact:

Paula Willoughby
Treasurer, City of Laingsburg
114 Woodhull Street
Laingsburg, MI 48848

e. treasurer@laingsburg.us
p. 517.651.5374





REQUEST FOR DEVELOPER QUALIFICATIONS

217 EAST GRAND RIVER AVENUE | LAINGSBURG, MI

Main Contact: Paula Willoughby - Treasurer, City of Laingsburg

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