



# ECONOMIC DEVELOPMENT STRATEGY

PREPARED FOR  
CITY OF HILLSDALE, MICHIGAN  
MAY 2017



Prepared by:  
Joe Borgstrom, Principal  
Email: [joe@placeandmain.com](mailto:joe@placeandmain.com)  
Phone: (517) 614-2733



*The Rising Tide project supports vibrant, thriving communities to attract business investment and talent by creating a sustainable path toward economic stability and growth. The Michigan Economic Development Corporation, Talent Investment Agency, and Michigan State Housing Development Authority—collectively, the Talent and Economic Development (TED) team—have committed their assets to engaging specific communities across the state in order to empower them to shape their future and maximize economic potential. This document was produced as part of that effort.*



in association with



**ADVANCED  
REDEVELOPMENT  
SOLUTIONS**

May 2017

City of Hillsdale  
City Council  
97 North Broad Street  
Hillsdale, MI 49292

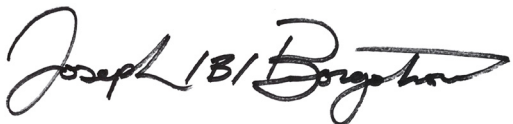
Dear City of Hillsdale Council:

On behalf of the Project Rising Tide team, Place & Main Advisors, LLC, is pleased to present you with this Economic Development Strategy for the City of Hillsdale. This economic development strategy is part of the city's participation in Project Rising Tide and is provided for by the Michigan Economic Development Corporation.

This strategy builds off the work done by the city and the local Project Rising Tide team and is designed to be implemented with the capacity the city has. In the end, we are confident in the strategy we have put forth and the community's ability to execute it.

Thank you for the opportunity for our firm to work with you. We have truly enjoyed our time with the City of Hillsdale and have high expectations for its future.

Sincerely,

A handwritten signature in black ink that reads "Joe Borgstrom". The signature is fluid and cursive, with the first name "Joe" and last name "Borgstrom" clearly legible.

Joe Borgstrom, Principal  
Place & Main Advisors, LLC

**TABLE OF CONTENTS**

<b>I.</b>	<b>OVERVIEW</b>	<b>6</b>
	<ul style="list-style-type: none"> <li>Summary of Key Information</li> <li>Population</li> <li>Household Income</li> <li>Labor Force</li> <li>Housing</li> </ul>	
<b>II.</b>	<b>ECONOMIC DEVELOPMENT STRATEGY PROCESS</b>	<b>9</b>
	<ul style="list-style-type: none"> <li>Strengths</li> <li>Weaknesses</li> <li>Opportunities</li> <li>Threats</li> </ul>	
<b>III.</b>	<b>LOCAL &amp; REGIONAL ECONOMIC GOALS</b>	<b>15</b>
<b>IV.</b>	<b>ECONOMIC DEVELOPMENT STRATEGY</b>	<b>17</b>
	<ul style="list-style-type: none"> <li>Strategic Objectives</li> <li>Fully Utilize Social Media to Market Hillsdale</li> <li>Keefer House</li> <li>Former Depot</li> <li>Skilled Trades Program</li> <li>Upper Floor Housing</li> <li>Facade Improvements</li> <li>Dawn Theater</li> <li>Hillsdale Manufacturing &amp; Technology Park</li> <li>Real Estate Redevelopment Sites</li> </ul>	
<b>V.</b>	<b>ADDITIONAL CONSIDERATIONS</b>	<b>27</b>
<b>VI.</b>	<b>LONG-TERM PROJECTS</b>	<b>30</b>

# I. OVERVIEW

## I. OVERVIEW

The City of Hillsdale is the county seat of Hillsdale County in the central portion of the lower peninsula of Michigan, bordering on both Ohio and Indiana. The City of Hillsdale is also served by M-99, running through the heart of downtown. The city has a historic downtown core as well as more recent commercial development on the outskirts of town. It is also most notably the home of nationally-recognized Hillsdale College, a private liberal arts institution of higher learning.

### Summary of Key Information

#### Population

According to 2013 census estimates, the city had a population of 8,114 with a median age of 32.8 years old. The average household size is 2.37 people.

#### Household Income

The median household income for the city in 2016 was estimated at \$35,100 with a per capita income of \$18,320 and a median net worth of \$20,135.

#### Labor Force

The total labor force within the city limits was estimated at 3,647 people with 91% having a high school diploma or higher and 55% having at least some college education or higher.

#### Housing

The total number of housing units occupied in Hillsdale for 2016 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 \$86,322 and median residential rent is \$513/month.

Additional key statistics can be found on Table I on page 7.



TABLE 1

KEY FACTS	EDUCATION
<p>8,114 Population</p> <p>32.8 Median Age</p> <p>2.37 Average Household Size</p> <p>\$35,100 Median Household Income</p>	<p>9% No High School Diploma</p> <p>36% High School Graduate</p> <p>36% Some College</p> <p>19% Bachelor's/Grad/Prof Degree</p>
HOUSING STATS	INCOME
<p>\$86,322 Median Home Value</p> <p>\$4,424 Average Spent on Mortgage &amp; Basics</p> <p>\$513 Median Contract Rent</p>	<p>\$35,100 Median Household Income</p> <p>\$18,320 Per Capita Income</p> <p>\$20,135 Median Net Worth</p>
ANNUAL LIFESTYLE SPENDING	ANNUAL HOUSEHOLD SPENDING
<p>\$1,018 Travel</p> <p>\$28 Theatre/Operas/Concerts</p> <p>\$36 Movies/Museums/Parks</p> <p>\$30 Sports Events</p> <p>\$2 Online Games</p>	<p>\$1,200 Apparel &amp; Services</p> <p>\$102 Computers &amp; Hardware</p> <p>\$1,880 Eating Out</p> <p>\$3,255 Groceries</p> <p>\$3,372 Health Care</p>

## **II. ECONOMIC DEVELOPMENT STRATEGY PROCESS**



## II. ECONOMIC DEVELOPMENT STRATEGY PROCESS

Over the course of 2016, the City of Hillsdale local Project Rising Tide team held several meetings to determine what possible opportunities could be seized in the future. On November 22, the city held a stakeholder session where a list of strengths, weaknesses, opportunities and threats (SWOT) were formed. Attendees then were asked to vote on the most important items in each area. In addition, on February 28, 2017, the City also held a public SWOT meeting where more than 50 community members gathered to offer their opinions on the same topics. The following are the areas for each listed by those items with the number of votes is in parentheses.

### Strengths

The two groups identified the following areas of strength for Hillsdale:

#### Public:

Hillsdale College (38)  
 Hospital - top 100 (35)  
 Low Cost of Living (17)  
 County Non-profits (16)  
 Available Industrial Park Land (11)  
 Historic Downtown (10)  
 The People (9)  
 Many lakes (8)  
 Jackson College (6)  
 Farmers Market (6)  
 Hillsdale County Fair (6)  
 Library/ Mitchell Research Center (6)  
 Safe Community/low crime (5)  
 Radio Station, WCSR (4)  
 Locally owned Businesses (3)  
 Public Safety Departments (3)  
 Park System (3)  
 Cultural Clubs (3)  
 Topography (3)  
 Strong Church/faith community (2)  
 Hillsdale Garden Club (2)  
 School options/choice (2)  
 Restaurants (2)  
 Competitive Grocery Stores (2)  
 North Country Trail (2)  
 Service Clubs (2)  
 Tax Increment Finance Authority (2)  
 Historic Homes (2)  
 Old Bookstore (1)  
 4th of July festivities (1)  
 BPU (1)

#### Stakeholders:

Hillsdale College (14)  
 Nice Downtown (13)  
 Schools- Many school choices (12)  
 Lifestyle Pace/Best of Small Town (12)  
 Low Crime /Safety (5)  
 Outdoor Recreation (4)  
 Hospital (4)  
 Fiber Connectivity (4)  
 County courthouse (3)  
 Jackson College (3)  
 Career Readiness Upon Graduation (2)  
 City-Owned Utilities (1)  
 People are respectful  
 Accessibility within the community  
 Many faith opportunities  
 Strong conservative Values/Perception  
 Beautiful Surrounding Natural Resources  
 Historic Architecture  
 College Arts  
 Location- 60 mins to Ann Arbor, Kzoo  
 Low Cost of Living  
 Good Service providers  
 Quality municipal services

Public (Cont.):

- Airport
- Local Community Foundation
- Salvation Army
- Fast High Speed Optic fiber
- Affordable Housing
- Historical Society
- Senior Center
- Easy Access by M-99
- Close to convenience shopping/hospital
- High quality drinking water
- Local construction companies
- Sales barn/flea market
- Local cemeteries
- Dial-a-Ride
- Sandy Beach
- County Seat
- Railroad
- Available Labor
- Bowling Alley
- Theater
- Roller Rink



**Weaknesses**

The two groups identified the following areas of weakness for Hillsdale:

Public:

- Streets (35)
- Lack of skilled workforce (21)
- Lack of Workforce Development (19)
- Industrial electrical rates (15)
- College/Citizen relationship (11)
- Pessimism/negativity (10)
- Lack of ethics in local government (10)
- Divide between citizens & gov't (9)
- No Income Tax (8)
- Lack of funds for infrastructure (6)
- Hard drugs (6)
- Lack of community pride (6)
- Lack of Nightlife (5)
- Lack of entertainment for teens (5)
- Working poor population trend (5)
- Apathy (5)
- No rec. center for kids (4)
- Empty store fronts (4)

Stakeholders:

- Lack of synergy among entities (22)
- Uneducated Workforce/Lack of Higher Education (10)
- Losing talent/doesn't come back (10)
- Availability of Labor (9)
- High poverty (6)
- Hotel/Motel Shortage (4)
- Lack of entry/middle class jobs (4)
- Drugs/Addiction (3)
- Low quality housing stock/available/attainable (3)
- Ambulance Services (2)
- Low median family income (2)
- Lack of advertising/marketing (2)
- Blight (1)
- Talent pull to Ann Arbor
- Access to Interstates
- Poor restaurants/lack of diversity

Public (Cont.):

- No 24 hour grocery (3)
- Old guard/old money (3)
- No quality, affordable housing (3)
- Lack of Middle class (3)
- Property taxes too low (3)
- Lack of bicycle friendly areas (3)
- College Influenced Council (3)
- CRAB mentality/negativity (2)
- Baw Beese Lake not promoted (2)
- Stuck in the past (2)
- Resource not promoted (2)
- Lack of skilled jobs/industry (2)
- Lack of involvement by residents & businesses (2)
- Residential Blight (1)
- Industrial/retail mix (1)
- Stray animals (1)
- Internal Protections (city & community)
- Obsolete industrial structures
- Antiquated cell service
- Lack of community steering committee
- Lack of tourism promotion
- Lack of follow through from studies
- Lack of involvement by residents
- Older school buildings
- Old storm water & sanitary sewers
- Traffic patterns downtown
- Electric billing system
- Lack of county/regional planning
- Cost of living/inflation for the elderly
- Poor City services
- Kids move away
- Lack of services/cable
- Lack of School Spirit
- Lack of vocational training
- Rentals vs. ownership too high
- Distance to interstate
- Aging housing
- Abused/neglected foster children
- Wasted public funds/accountability
- Dial-a-Ride hours
- Downtown Retail hours
- Lack of competition for Internet
- Lack of wayfinding signs
- Lack of retail

Stakeholders (Cont.):

- Few retail options
- Mostly female oriented retail
- Bad civic engagement



## Opportunities

The community also identified the following opportunities:

### Public:

- Coordinated Vocational Training (33)
- Develop downtown identity (23)
- Increase Tourism overall (15)
- Growth in Educational Opportunities (13)
- Redevelop Industrial Sites (13)
- Including Millennials in Planning (12)
- Implement Recommendations of Study (12)
- Partnership Opportunities (11)
- Better use of artists (10)
- Use of College Resources/ professors more (10)
- Create Town Hall meetings/ transparency (8)
- More lively downtown (8)
- City Income Tax (7)
- Dual Enrollment in J.C or H.C. (6)
- Grow Business & Technology Park (5)
- Bring Back Skilled Trades Programs (5)
- More Murals (4)
- Better Use of Fairgrounds (4)
- More food delivery options (2)
- Annex township or 425 Agreements (2)
- Pop-Up Shops (2)
- Streamlining permitting
- Social Media
- Increase Direct Sales Opportunities
- City Residency Requirement
- More free education for adults
- Better Leverage of Talent
- Connect Volunteers with opportunities
- Business Cost comparison

### Stakeholders:

- Leverage recreational/ cultural assets (14)
- Retain talent (14)
- Create CVB (11)
- More coordination with college (9)
- Building out fiber/last mile (9)
- Market/Tell the story/social media (6)
- Leverage Quality of Life to recruit independent contractors (5)
- Coordination of multiple orgs (3)
- Leverage College admissions (2)
- Skilled trades (1)
- Increase access/leverage blight elimination (1)
- Incubator/Co-Work Space
- Ability to develop land
- Leverage conservative reputation
- Better align HS to local businesses
- Better Leverage Airport
- Expand dial-a-ride/key opportunities



## Weaknesses

The following threats were identified by attendees:

### Public:

- Drugs/Crime (32)
- Jobs leaving (31)
- Infrastructure (29)
- People leaving (24)
- Geographic location/competitors (22)
- Lack of Revenue (8)
- DEQ Decisions on Abandoned Properties (8)
- Hospital Regulations/political decisions (8)
- Lack of Place/uniqueness (7)
- Poverty (7)
- Lack of control over business decisions (6)
- Recession (5)
- Lack of guaranteed success (3)
- Deception by Public Officials (3)
- Negative Social Media (2)
- Pollution in Waterways (2)
- Weather (1)
- Dilapidation/Blight (1)
- Growth of STDs/moral decay

### Stakeholders:

- Loss of employers due to lack of labor (30)
- Too independent/too divided/multiple silos (17)
- Inaction/Apathy (13)
- Declining employable opportunities for unskilled labor (7)
- Other communities (5)
- Drugs/Addiction (4)
- Government Bureaucracy (2)
- Aging entrepreneurs/business owners
- College isolation



## **III. LOCAL & REGIONAL ECONOMIC DEVELOPMENT GOALS**

### III. LOCAL & REGIONAL ECONOMIC DEVELOPMENT GOALS

For an economic development strategy to follow best practices put forth by the Redevelopment Ready Communities program, the individual objectives must tie back to one or more of the local goals and goals identified in the regional context. Each of the goals put forth in this strategy meets this criterion.

#### Local Economic Goals

The City of Hillsdale has set forth the following goals for its local economic development efforts:

- 1) Support neighborhood revitalization
- 2) Encourage a variety of new residential development that will assure safe and sanitary housing to meet the needs of existing and future residents
- 3) Provide affordable housing for working families and senior residents
- 4) Strengthen the vitality of the downtown district
- 5) Strengthen the physical and community connection between Hillsdale College and the Downtown district while maintaining and restoring the historic character of the connecting corridor
- 6) Encourage redevelopment and conversion of residential structures and vacant property in predetermined areas
- 7) Develop Hillsdale as an academic excellence center
- 8) Encourage commercial/residential, mixed-use redevelopment of abandoned industrial sites outside of industrial parks.
- 9) Support industrial development
- 10) Encourage the development of light, clean industry clustered in industrial parks that will diversify the local economy, provide a stable tax base and will protect the local environment from degradation
- 11) Encourage the development of commercial uses to support the needs of the City of Hillsdale and surrounding area that will provide convenient shopping and related services to area residents and assure compatibility of commercial areas with other areas
- 12) Promote the redevelopment of the M-99 commercial corridor to provide necessary commercial services, promote economic development and serve as an attractive gateway to the city

#### Regional Economic Goals

Prosperity Region 9, which encompasses the southern portion of the southeast Michigan, including the City of Hillsdale, has identified the following goals for the region's economic development goals:

- 1) Growing and attracting talent to meet industry needs
- 2) Advancing a High-quality and Diverse Regional Transportation System

These goals are directly referenced in the Economic Development Strategy Chart (Table II on page 20)

## **IV. ECONOMIC DEVELOPMENT STRATEGY**



## IV. ECONOMIC DEVELOPMENT STRATEGY

The Economic Development Strategy is a direct reflection of the input of stakeholders and professional redevelopment staff. It balances the desires of the community with market feasibility and the city's capacity for this strategy's execution. The projects outlined in the section focus solely on objectives that are substantially within the city's ability to execute. However, there are several possibilities for partnership with Hillsdale College which are proposed in Section V. Hillsdale College Collaboration.

### Strategic Objectives

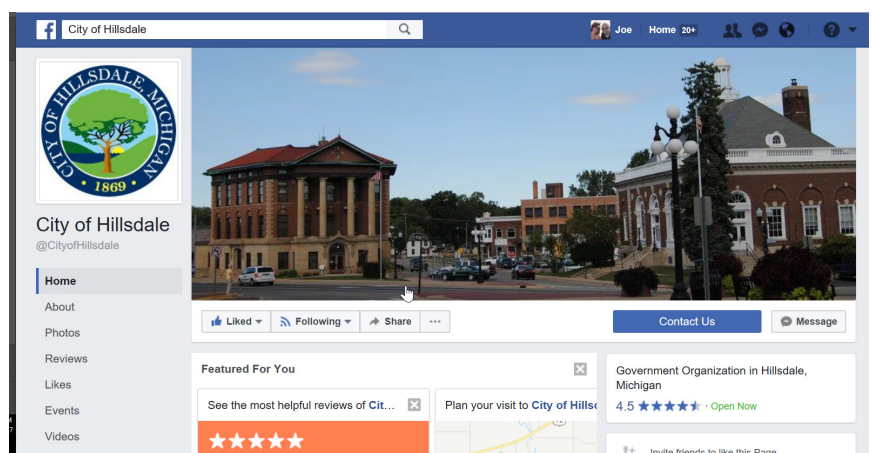
**Fully Utilize Social Media to Market Hillsdale-** Social media is one of the most cost effective ways to advertise the community's benefits, accomplishments and offerings on a continual basis to people around the world. The city should also more actively use their Facebook page to promote good news stories about the city, its residents and businesses and well as make people aware of various business and employment opportunities. The city should strongly consider adding Instagram accounts as a way to visually promote the unique businesses and environment of Hillsdale.

**Redevelop Keefer House into Boutique Hotel or Mixed-Use Development-** The city, through its Tax Increment Financing Authority (TIFA), has purchased the former Keefer House and is currently going through a Request for Proposal (RFP) process to recruit a developer to create a boutique hotel. The TIFA should continue this path as market data suggests a hotel in the downtown would be viable. Also, the addition of a hotel to downtown would be beneficial to other retailers and restaurants nearby. Should the RFP process prove unsuccessful, the TIFA should regroup and look to redevelop the property as a mixed-use building, with residential apartments on upper floors and retail on the first floor.

**Redevelop the Former Train Depot-** The Gelzer Family, through its family trust, has acquired the depot for use as a potential showroom. However, a shed on the property is owned by the Michigan Department of Transportation (MDOT) and has hindered their efforts. A recent staffing change at MDOT may prove to be a benefit to this project. Introductions of the new MDOT staff have been made to city staff. City staff are highly encouraged to follow up with MDOT to resolve this longstanding issue.

**Expand Partnerships with Hillsdale Public Schools, ISD and Michigan Works to Create and Promote Skilled Trades Training for Youth-** The biggest opportunity identified in the public Strengths, Weaknesses, Opportunities and Threats (SWOT) session, this objective will help address needs for a better trained workforce for local industry. This objective will require cross collaboration of all the entities above and may require additional funding which could be obtained through a district-wide millage.

*Better utilization of social media can assist the City of Hillsdale to promote the city to potential businesses, and residents.*



**Create More Upper Floor Housing-** The Target Market Analysis (TMA) shows a significant need for upper floor and “missing middle” housing types in the city, with the need for up to an additional 13 units a year for rent, at various price points, for the next several years. In addition, up to an additional 8 units a year for sale or ownership is also feasible. Charts outlining these findings can be found on pages 24-25. Additionally, many of the upper floors of buildings downtown are either empty or severely underused. Adding units to the downtown will both increase density for the city as well as provide downtown businesses with more potential customers. Downtown units are very attractive to two important demographics: recent college grads and college professors (Millennials and Boomers.) Having this type of housing available will aid in the city’s efforts to retain recent college grads. Grants to help with this may be available through the Michigan Economic Development Corporation (MEDC.)

**Enhance Façade Improvement Program-** The City has a tremendous asset in having an attractive and walkable downtown. However, many facades look worn and improperly adapted over the years. Improving the facades will increase the value and attractiveness of downtown buildings, making them stronger assets. The City’s existing Façade Improvement program is an excellent start. The City should pursue Façade Improvement Grants through the MEDC to be leveraged to help make these projects occur.

**Redevelop Dawn Theater-** The City, through the TIFA, has also acquired the former theater downtown. Much like the steps taken for the Keefer Building, the TIFA should pursue a developer/ operator for the theater. Returning a theater into active and regular operation will greatly improve foot traffic downtown after regular business hours and create increased sales for restaurants and retail.

**Real Estate Redevelopment-** A review of the community shows the need to prioritize the redevelopment of three sites. The following sites should be prioritized in the following order:



**Keefer House-** Located on a prominent corner downtown, this building is a visual barometer of the health of the community. Revitalizing this building as either a boutique hotel or a mixed-use development should be a top priority.



**Hillsdale Manufacturing & Technology Park-** A key piece of industrially-zoned vacant land within the city, this Certified Business Park is critical to the city’s ability to attract new larger facilities. The park’s certification is an important factor, allowing potential businesses to know there are protections in place to maintain the quality of the area. The park also has a technology overlay to protect potential technology companies in future developments.



**Former Theatre-** The City’s TIFA has recently purchased this former theatre downtown. A RFP/RFQ for a developer/ operator should be pursued to help bring this important anchor and traffic generator back to life.

**PROJECT RISING TIDE Hillsdale  
Economic Development Strategy**

STATUS COLOR LEGEND & TOGGLE

Not Started ON	In Progress ON	Delayed ON	Complete ON
-------------------	-------------------	---------------	----------------

OBJECTIVE	LOCAL GOAL(S)	REGIONAL GOAL(S)	STATUS	OWNER	SECONDARY	ANTICIPATED		ACTUAL		Success Measurement
						START DATE	END DATE	START DATE	END DATE	
1. Fully Utilize Social Media Channels to Market Hillsdale	ALL	1	In Progress	Katy Price, City of Hillsdale	Stephen French, City of Hillsdale		12/31/2017			2 New Channels Created
1.A. Establish Facebook and Instagram accounts, sharing permissions with appropriate contacts	ALL	1	Complete	Katy Price, City of Hillsdale	Stephen French, City of Hillsdale		12/31/2017			
1.B. Regularly update content policy outlining the types of information that can be shared and what should not	ALL	1	Not Started	Stephen French, City of Hillsdale	Katy Price, City of Hillsdale		12/31/2017			
1.C. Develop social media calendar to promote positive news stories, business and industrial opportunities people can share	ALL	1	Not Started	Katy Price, City of Hillsdale	Stephen French, City of Hillsdale		12/31/2017			
1.D. Encourage Residents and former residents to follow and share	ALL	1	In Progress	Katy Price, City of Hillsdale	Stephen French, City of Hillsdale		12/31/2017			
2. Redevelop Keefer House into Boutique Hotel or Mixed-Use Development	4,8,11	1	In Progress	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA	10/1/2016	12/31/2019			1 New Hotel or 10 New Housing Units
2.A. Conduct market Feasibility Study for Residential, Retail uses	4,8,11	1	Complete	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA	11/15/2016	1/21/2017			
2.B. Develop RFP for developer for site	4,8,11	1	Complete	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA	3/1/2017	3/24/2017		3/28/2017	
2.C. Post RFP	4,8,11	1	Complete	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA	3/24/2017	5/8/2017			
2.D. Evaluate RFP Responses & Interview As Needed (If not developers interested, restart process as mixed-use RFP)	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA	5/8/2017	5/18/2017			
2.E. Select Developer	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA		5/18/2017			
2.F. Execute a Pre-Development Agreement with Developer	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
2.G. Community Input property	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
2.H. Review zoning for appropriate uses	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
2.I. Pro Forma Development & Identification of Gap	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
2.J. Secure project financing, and if necessary, incentives	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
2.K. Final Development Agreement	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
2.L. Finalize Financing	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
2.M. Close on Real Estate	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
2.N. Construction	4,8,11	1	Not Started	Mary Wolfram, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					

3. Redevelop former depot	4,8,11	1	In Progress	Grant Baker, Gelzer Family Trust	Andrew Gelzer, Gelzer Family Trust		12/31/2018			4,000 sq ft of new retail space
3.A. Work with owner and MDOT to resolve "Shed Issue"	4,8,11	1	In Progress	Grant Baker, Gelzer Family Trust	Andrew Gelzer, Gelzer Family Trust					
3.B. Work with owner to identify any other potential needs	4,8,11	1	Not Started	Grant Baker, Gelzer Family Trust	Andrew Gelzer, Gelzer Family Trust					
3.C. Work with owner for CDBG grant if needed	4,8,11	1	Not Started	Grant Baker, Gelzer Family Trust	Andrew Gelzer, Gelzer Family Trust					
3.D. Successfully execute CDBG grant	4,8,11	1	Not Started	Grant Baker, Gelzer Family Trust	Andrew Gelzer, Gelzer Family Trust					
3.E. Closeout CDBG grant	4,8,11	1	Not Started	Grant Baker, Gelzer Family Trust	Andrew Gelzer, Gelzer Family Trust					
4. Expand partnerships with Hillsdale Public Schools, ISD, Workforce Development and major employers to create and promote skilled trades training for youth	7,9	1	In Progress	Shawn Vondra, Hillsdale Community Schools	Jim Coutu, Michigan Works		9/1/2018			New Program Created
4.A. Conduct survey of industrial companies to determine most needed positions both current and projected	7,9	1	Not Started	Shawn Vondra, Hillsdale Community Schools	Jim Coutu, Michigan Works					
4.B. Work with partners above to identify possible training resources	7,9	1	Not Started	Shawn Vondra, Hillsdale Community Schools	Jim Coutu, Michigan Works					
4.C. Identify what training services are needed but not offered	7,9	1	Not Started	Shawn Vondra, Hillsdale Community Schools	Jim Coutu, Michigan Works					
4.D. Identify funding models for needed training	7,9	1	Not Started	Shawn Vondra, Hillsdale Community Schools	Jim Coutu, Michigan Works					
4.E. Connect students/residents with training opportunities	7,9	1	Not Started	Shawn Vondra, Hillsdale Community Schools	Jim Coutu, Michigan Works					
4.F. Connect trainees with manufacturers for job opportunities	7,9	1	Not Started	Shawn Vondra, Hillsdale Community Schools	Jim Coutu, Michigan Works					
5. Create more upper floor housing units downtown	2,3,4,6,8	1	In Progress	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale		12/31/2018			6 New Housing Units Created
5.A. Determine which properties could redevelop upper floors into housing	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
5.B. Survey building owners to determine interest	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
5.C. Hold informational meeting in conjunction with LandUseUSA	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
5.D. Assess parking policy for downtown	2,3,4,6,8	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
5.E. Identify potential construction company(ies) to work with building owners	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
5.F. Obtain initial construction cost estimates for upper floors	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
5.G. Help building owners to develop pro forma	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
5.H. Obtain commitment for financing from local lenders	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					

5.I. Apply for CDBG funds if eligible	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
5.J. Administer grant	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
5.K. Closeout grant	2,3,4,6,8	1	Not Started	Mary Wolfram, City of Hillsdale	Alan Beeker, City of Hillsdale					
6. Façade Improvement program	4,6,8,11	1	In Progress	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale		12/31/2018			4 Facades Renovated
6.A. Hold informational meeting for property owners about Façade grant program	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
6.B. Identify potential construction company(ies) to work with building owners	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
6.C. Obtain initial construction cost estimates for facades	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
6.D. Obtain commitment for financing from local lenders	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
6.E. Apply for CDBG funds for Façade grant	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
6.F. Administer grant	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
6.G. Close out grant	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
6.H. Celebrate Success	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Mary Wolfram, City of Hillsdale					
7. Redevelop former movie theater downtown	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA		9/4/2019			Movie Theater Renovated & Operational
7.G. Develop RFQ for developer/operator for theater	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.H. Post RFQ	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.I. Evaluate RFQ Responses & Interview As Needed	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.J. Select Developer	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.K. Execute a Pre-Development Agreement with Developer	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.L. Pro Forma Development & Identification of Gap	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.M. Secure project financing, and if necessary, incentives	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.N. Final Development Agreement	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.O. Finalize Financing	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.P. Close on Real Estate	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
7.R. Construction	4,6,8,11	1	Not Started	Alan Beeker, City of Hillsdale	Chris Sumnar, Hillsdale TIFA					
8. Industrial Park Development	9,10	1	In Progress	David Mackle, City of Hillsdale	Sue Smith, Hillsdale County EDP		12/31/2019			2 Parcels Sold & Buildings Constructed
8.A. Review current marketing strategy of Hillsdale EDP and city on Industrial Park	9,10	1	In Progress	David Mackle, City of Hillsdale	Sue Smith, Hillsdale County EDP					
8.B. Develop Property Information Packet in downloadable form (PDF)	9,10	1	In Progress	David Mackle, City of Hillsdale	Sue Smith, Hillsdale County EDP					

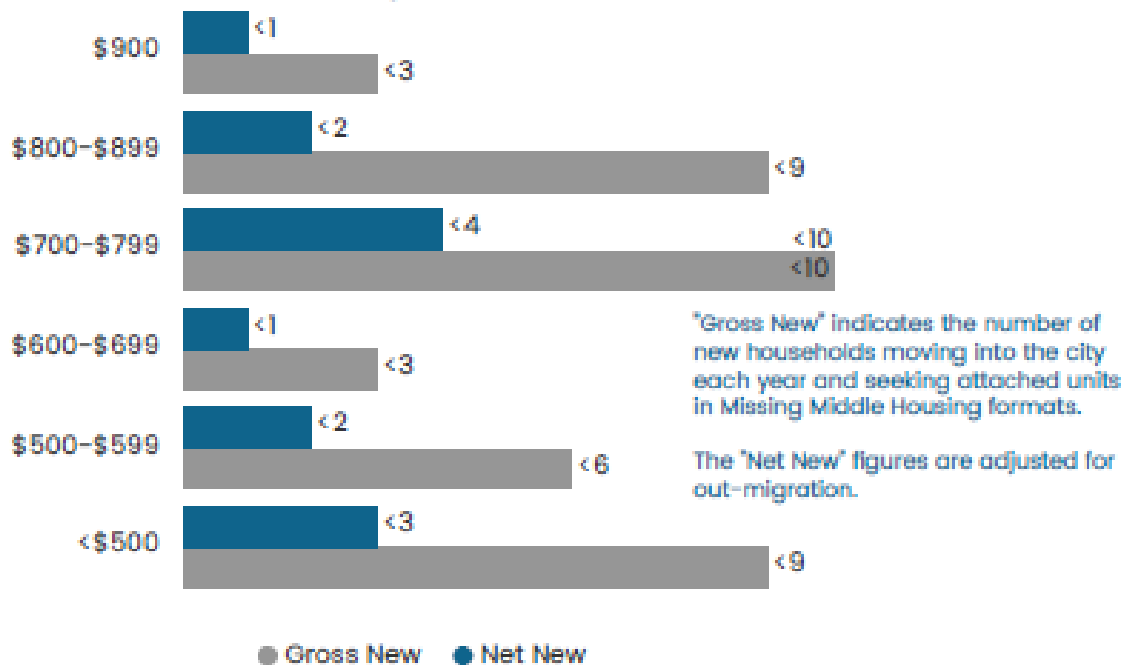
8.C. Upload Property Information Packet on all relevant websites	9,10	1	In Progress	David Mackle, City of Hillsdale	Sue Smith, Hillsdale County EDP					
8.D. Contact and provide PIP to all industrial/commercial realtors in the region	9,10	1	In Progress	David Mackle, City of Hillsdale	Sue Smith, Hillsdale County EDP					
8.E. Include PIP information during retention visits for expansion and supply chain partners	9,10	1	In Progress	David Mackle, City of Hillsdale	Sue Smith, Hillsdale County EDP					
8.F. Work with Hillsdale EDP to identify industry clusters as possible targets	9,10	1	In Progress	David Mackle, City of Hillsdale	Sue Smith, Hillsdale County EDP					
8.G. Connect with MEDC (Ryan Hundt, Jake Schroeder) to promote site	9,10	1	In Progress	David Mackle, City of Hillsdale	Sue Smith, Hillsdale County EDP					

# Residential Target Market Analysis

A study of migrating households seeking Missing Middle Housing formats.

## The City of Hillsdale, Michigan

Annual New (Gross and Net) Renter Households Seeking Missing Middle Housing Formats by Contract Rent Bracket



City-wide and excluding the "Colleges and Cafes", there are 40 new renter households seeking attached units in Missing Middle Housing formats in Hillsdale each year (unadjusted for out-migration). It is estimated that one-third will choose new products as soon as they are available. In other words, they support the development of 13 new-build (net new) housing units. The balance of 27 households will choose existing units that are vacated when others move away.

There is a need to introduce new Missing Middle Housing formats into Downtown Hillsdale, and in moderate-to-better rent brackets. Each year, the city should add new units with monthly contract rents of \$700 or higher. New units with better prices will help attract more "Family Trooper", "Digital Dependent", and "Bohemian Groove" households.

There is also an opportunity for new units every year with modest rents of \$600 or less, which is ideal for small lofts or flats above street-front retail in the downtown. These formats will help meet the needs of the "Tight Money" households who are migrating into Hillsdale County but not yet moving into the City of Hillsdale. They will also help meet the needs of existing "Tough Times" and "Dare to Dream" households.



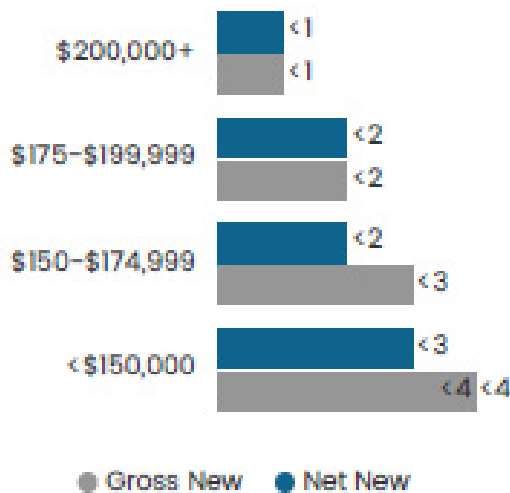


# Residential Target Market Analysis

A study of migrating households seeking Missing Middle Housing formats.

## The City of Hillsdale, Michigan

Annual New (Gross and Net) Owner Households Seeking Attached, Missing Middle Housing Formats by Home Value Bracket



Right: The Hillsdale College is helping the city attract some new households (faculty, staff, and alumni) seeking residences to purchase or buy.



Below: Downtown Hillsdale includes the county seat and city hall, and is benefiting from ongoing reinvestment. It is a unique and enjoyable environment that could appeal to households row houses or townhouses in an urban, walkable setting.



Chart: "Gross New" indicates the maximum number of new owner households moving into the city each year and seeking attached or Missing Middle Housing formats to purchase or buy. [Total = no more than 10]

The "Net New" figures are adjusted for out-migration. [Subtotal = no more than 8]

City-wide, up to (and no more than) ten (10) new households are seeking attached or Missing Middle Housing formats to purchase in the City of Hillsdale each year (unadjusted for out-migration). It is estimated that most of these new households will choose new products if they are available. They support the addition of up to (and no more than) eight (8) "net new" housing units in attached formats. The balance of 2 owner households will get lucky in finding units that are vacated when other households move away. However, existing choices are sparse in the city, and difficult to find.



## **V. HILLSDALE COLLEGE COLLABORATIONS**

## V. HILLSDALE COLLEGE CONSIDERATIONS

In addition to the objectives outlined in the Economic Development Strategy earlier, it would be foolish not to contemplate opportunities for collaboration with the city's most notable asset, Hillsdale College. These opportunities will require partnership, communication, and a relationship that does not currently exist between the City and the college.

There are numerous reasons why both entities should consider partnering on multiple fronts. On the City side, creating a stronger linking to the community's main pipeline talent creates real and lasting impact for the future of the city by connecting well educated college students and experienced faculty to local businesses and institutions. For the college, Hillsdale offers an opportunity for students to get real world, resume-building experience and offers numerous faculty a "living laboratory" to test and refine models and concepts pertaining to their related fields.

With these considerations in mind, it is recommended the City and Hillsdale College consider these potential collaboration opportunities:

**Business Incubator-** Hillsdale College is home to several programs that could lend expertise to start-up businesses. With majors and/or minors in the areas of accounting, economics, financial management, general business, graphic design, and marketing/management, Hillsdale College has numerous areas in which to assist small and start-up companies. Meanwhile, the city's TIFA can purchase, redevelop and own real estate. The TIFA has already purchased two buildings for redevelopment downtown for other projects, so the extra step to potentially own and operate (at least in partnership with the college, Hillsdale Economic Development Corporation, or some other third party) would not be a huge stretch.

**Business Counseling-** As mentioned above, Hillsdale College has a robust offering in numerous business-related majors and minors. By packaging internships, faculty consulting, and graduate-level experience, the college could expand its involvement with local businesses from manufacturing, to retail, to restaurants. It could not only provide students and faculty with the benefits of experience and applied application of theory, but offer the city a powerful selling point to prospective businesses.

**Art & Theatre-** Hillsdale College also offers a plethora of opportunities with arts and theatre. With majors and minors in art, dance, music and theatre a healthy channel of emerging talent is within the city borders daily. The city can work with these departments to offer venues for students and faculty to display their craft, utilizing city-owned space and vacant storefronts. Furthermore, a relationship could be forged to use the former theatre as a performance space and integration of these programs could be used in public festivals and events to provide further opportunities for students and faculty while providing the community with first-rate art and theatre opportunities.

**International Business Recruitment/Foreign Language Service-** The City of Hillsdale is in an unusual situation for most communities its size. Its proximity to Indiana and Ohio make it an attractive location for manufacturing, but it also has a tremendous asset in Hillsdale College's International Studies in Business and Foreign Language program. Combine this to several other foreign language programs and the City could leverage these assets to position itself as an international business destination due to its location and ability to communicate. The City could further work with these programs (or students and faculty informally) to produce online and collateral material in various languages.

**Public Relations Intern-** The City could, either formally or informally, offer an internship in public relations, preferably for credit with Hillsdale College's Journalism program. This would both give students the opportunity to get real-world experience as well as give the city some needed help in this area. This person could write press releases, media alerts, create social media posts, and crisis communications plans. Having someone on staff to do these tasks, even an intern, can help the City to tell its story to current and prospective residents, businesses and developers.



## **VII. LONG-TERM PROJECTS**

## VII. LONG-TERM PROJECTS

In addition to the Economic Development Strategy, the community needs to keep several items in mind regarding economic development moving forward:

**Convention & Visitor’s Bureau (CVB)-** The Hillsdale community, most likely through the county, should strongly consider creating a Convention and Visitor’s Bureau. This type of entity uses room assessments (up to 5%) on all rooms within a service area to market the community as a destination for conventions, group meetings and tourists. It is one of the few potential marketing sources for the area that comes with a dedicated revenue source. This entity will require the owners of a simple majority (51%) of rooms to agree to this assessment. Unlike a normal democratic process where one owner equals one vote, the process for establishment work more like shareholders with the number of rooms in each facility equaling the total number of votes.

**Better Leverage of Parks & Recreation Opportunities-** The community could better leverage recreational opportunities to both keep residents and their spending local, but potentially attract new users and tourists to do the same. A big part of this leveraging will be to tie various activities together and to market the combined and individual opportunities.

**Partnerships with Other Economic Development Entities-** The community is fortunate to have several entities engaged in economic development activities. In addition to the TIFA and EDC, the hospital, county Economic Development Partnership, Chamber of Commerce, and surrounding townships have efforts, or desire efforts, to improve the economic condition of the area. These entities should look to, at a minimum, meet quarterly to exchange ideas and discuss areas of mutual cooperation.

**“Fiber Everywhere” Project-** Using the City of Marshall’s efforts as a model, the city, through the BPU, should explore the idea of creating a fiber optic connectivity as a public utility. Access to broadband is a critical component to assisting businesses in the 21st century. Furthermore, by having residential access to broadband, the city would add an attractive amenity for prospective residents and become more attractive to those who work remotely.

**Hospital Relationship-** As a major employer, the City’s relationship with Hillsdale Hospital is critical for a number of reasons. However, as one of the primary recruiters of highly educated talent, it is important the City is a cooperative partner with the hospital in these efforts. City staff should be meeting quarterly with the hospital to discuss areas of mutual cooperation.



## **VI. IMPLEMENTATION PARTNERS**

## VI. IMPLEMENTATION PARTNERS

The completion of this Economic Development Strategy will not be easy. The City of Hillsdale will require partners. Thankfully, several local entities have committed time, energy and funding to help projects like those suggested here.

The professionals and organizations listed below can provide valuable expertise, time, effort and assistance with executing this strategy. Several of their respective names and organizations appear assigned in individual tasks in the Economic Development Strategy table.

David Mackie, City of Hillsdale  
Alan Beeker, City of Hillsdale  
Mary Wolfram, City of Hillsdale  
Katy Price, City of Hillsdale  
Stephen French, City of Hillsdale  
Chris Sumnar, Hillsdale TIFA  
Mike Barber, Hillsdale Board of Public Utilities  
Michelle Loren, City of Hillsdale, Parks and Recreation Department  
Sue Smith, Economic Development Partnership of Hillsdale County  
Randy Yagiela, Hillsdale County Chamber of Commerce  
Cindy Bieszk, Hillsdale Business Association  
Mike Harner, Hillsdale College  
Duke Anderson, Hillsdale Hospital  
Mark Wiley, Hillsdale County Board of Commissioners  
Michael Masters, Jackson College – Hillsdale campus  
Sharon Bisher, Hillsdale Community Foundation  
Grant Baker, Gelzer Family Trust  
Andrew Gelzer, Gelzer Family Trust  
Shawn Vondra, Hillsdale Community Schools  
Ronna Steel, Hillsdale ISD  
Jim Coutu, Michigan Works