

COMMUNITY DEVELOPMENT COMMITTEE

PLACE: CITY HALL COUNCIL CHAMBERS

DATE: March 7, 2024

TIME: 5:30 PM

PRESENT: Tony Vear, Cindy Pratt and Gary Wolfram.

ABSENT: None

STAFF: David Mackie, City Manager and BPU Director and Sam Fry, Marketing and Economic Development.

PUBLIC: Jack McLain, Adam and Julie Beeker.

Additionally Jason Sherrill, Bob Norton, Rich Pewe, Doug Banbury, Matt Hazelton and Tim Wells on behalf of Hillsdale College.

APPROVAL OF AGENDA: Motion by Gary, seconded by Cindy, motion passed 3-0

PUBLIC COMMENT ON AGENDA ITEMS ONLY:

None

NEW BUSINESS:

1. Dow Hotel Expansion Project, presented by Tim Wells and Matt Hezelton. The College would like to expand the Dow Hotel to address the shortcomings of the current facilities. Please view the attached proposal. No action was taken as we are waiting on legal advice before proceeding.

OLD BUSINESS:

1. 23-25 N. Broad Street is the empty lot next to St. Anthony's Church. The City demo'd the prior structure at a cost of roughly \$100,000. Staff has been working for multiple years, to no avail, to find a buyer to recoup the City's cost. The committee, at the request of the City Manager, will again contact the Church to see if an agreement can be reached.
2. Mitchell Building: The lease has been extended for another 6 months. Discussion about revisiting a long term leasing agreement with the Friends of the Mitchell to enable them to procure long term financing. No representatives were present so prior to the next meeting they will be notified.

We discussed adding Public Comment to the end of the meeting, as there is not a packet to view prior to the meeting.

Motion by Tony seconded by Cindy to adjourn. Passed 3-0

Adjourn: 6:27PM

Next meeting April 24 at 5:30PM

Minutes presented by Tony Vear Chair

Dow Hotel Expansion Project



Presentation to Hillsdale City Community Development Committee
March 7th, 2024

Overview

1. Growth in Hillsdale College events and attendance
2. Market Analysis
3. Present Proposed Project
4. Overview of Economic Impact
 - One-Time Impact from Construction
 - Ongoing Annual Impact
5. Takeaways



Growth in Hillsdale College Events

1. The primary driver of the hotel expansion project is increasing event attendance and expanded programming at Hillsdale College
 1. New groups with significant hospitality needs (USA Shooting, K-12 Events)
 2. Existing groups that have historically exceeded the community hospitality capacity (CCAs, VIP Lectures, Graduation, Parents' Weekends)
2. Rather than having campus visitors spending time commuting to accommodations in Coldwater, Jackson, and surrounding areas, the College would prefer to have them stay on campus and do their shopping and dining in the greater Hillsdale area.
 1. A recent study conducted shows approximately 30,000-45,000 unique annual visitors to campus, with this number increasing every year



Increase in On-Campus Hospitality Demand

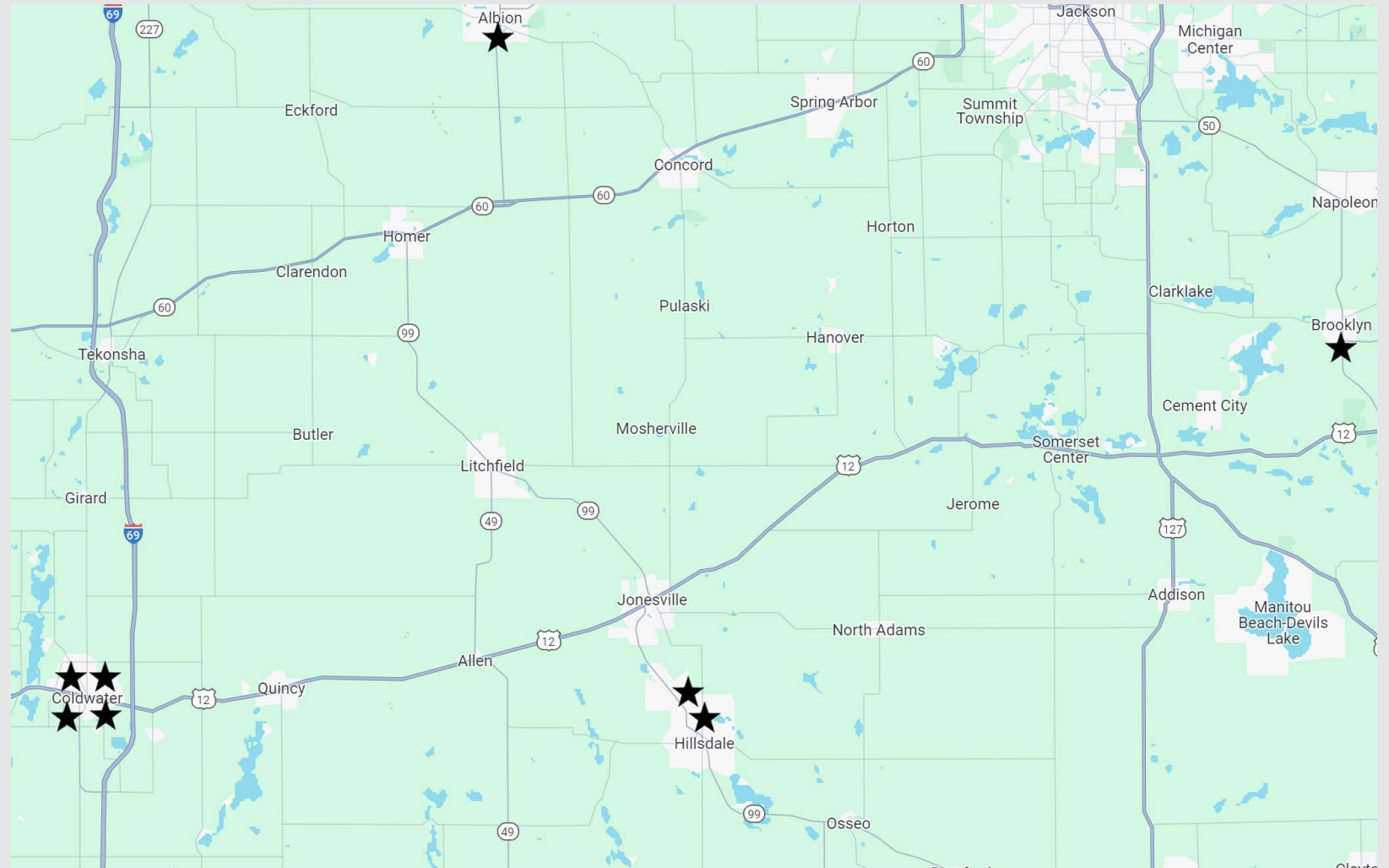
The current demand for the Dow Hotel is predominantly (but not exclusively) college visitors and event attendees.

- Approximately 9,200 in current rooms demanded
 - Currently generating over 2,500 rooms on waitlist
 - Additional demand is directed to Coldwater and Jackson – thousands of additional guests
 - Started Hillsdale Home Connect in 2016 for high-demand events
- Increased room capacity will also enable us to increase non-college bookings, such as weddings, corporate events and retreats, and other events with large room demands



Hospitality Market in Greater Hillsdale Area

- HVS Hospitality Consultants
 - From 2014-2019, there was an average annual compounding increase in demand for hotel rooms of **4.8%**.
 - Post-COVID, demand has continued to increase, with a **6.0%** increase noted in accommodated demand from 2019 to 2021.
 - HVS projects this increase in demand to continue through 2027, projecting a total increase of 17,000 rooms demanded annually (or approximately 15.6% of the regional hospitality market).



HVS is the only global consulting firm focused exclusively on the hospitality industry. For more information on HVS, see <https://hvs.com/>.

Growing Hospitality Industry in Hillsdale

- Trend of investment in the Hospitality Industry in Hillsdale over the last decade:
 1. Baw Beese Inn Renovation – 2017
 2. Dow Hotel Room Renovation - 2017
 3. Days Inn Room Renovation – 2021
 4. Keefer Hotel Project – Launched 2018

Meeting with CL Real Estate in 2021

- CL anticipates generating economic activity with Dawn Theater and Keefer Hotel to create a net excess of rooms – desired an agreement to send Dow Center overflow





Proposed 4-star Hotel Project

- 158 rooms
- Additional group conference and dining facilities
- Public fine dining restaurant

A HOTEL FOR
Hillsdale College



North Quad Project (Master Plan)

- Hotel Project is part of a larger investment in campus growth.
 - Project beginning with \$26M building breaking ground next week
- Total investment of approximately \$150M over 5-7 years
 - Increasing FT jobs on campus
 - Increasing student capacity
 - Sustained long-term investment in campus and community



Hillsdale College 2024

HILLSDALE COLLEGE
MASTER PLAN
HILLSDALE, MI

AERIAL VIEW OF
CENTRAL CAMPUS
NOT TO SCALE

DECEMBER 8, 2023



MICHAEL G. IMBER
ARCHITECTS

Summary of Economic Impact



ONE-TIME CONSTRUCTION IMPACT

- \$56M in economic input for the region
- Contribute to the creation of 374 jobs



OFFSITE VISITOR SPENDING

- Generate approximately \$2.6M in annual visitor spending in the greater Hillsdale area



TOTAL ANNUAL IMPACT

- \$16M in annual economic output, including over \$9.5M in new money



JOB CREATION

- Directly create approximately 80 positions
- Contribute to an additional 22 positions around the Hillsdale area



TAX REVENUE

- Over \$12M in projected state revenue over the first 10 years of hotel operations.

All projections based on 2023 study conducted by Impact DataSource, a national leader in economic impact studies

One-Time Economic Impact from Construction

- Projects like the hotel and the North Quad renovation provides an economic lift for the whole region
- College prioritizes working with construction firms that emphasize partnership with local contractors and subs

Hotel project will positively impact local construction industry for 18-24 months

- Generate a total of \$56.4M in economic output
- 374 jobs created and/or supported, with an estimated total of \$21.6M in worker earnings generated



Sustained Investment in Local Contractors



February 28, 2024

To: Dave Billington
Executive Director of Facilities and Capital

Dear Dave,

I am writing on behalf of the ownership and employees of Griffiths Mechanical, in part in consideration of the work and significant progress that has been taking place at Hillsdale College over the last five years. The impact on our local family-owned business has been extraordinary, resulting from all the efforts put forth by Hillsdale College! Griffiths Mechanical has been fortunate enough to have the opportunity to bid on every project and awarded most of them to bring the project to fruition. Our efforts have continued with our service department assisting in maintaining the equipment and providing long-term goals on equipment replacement with the College, a 20-year plan.

With their efforts and involving local businesses, Griffiths Mechanical has produced growth in employment and overall financials. We have been thankful to add four new positions at Griffiths Mechanical due to the increase in opportunities put forth by the College, and most importantly, we are working close to home. In the past, we would need to spread throughout several states to ensure the revenue numbers were met and to keep our business stable. Now, our staff can work within 5 miles, not 500 miles, and the daytime lunch and fuel monies are at local businesses! Most important to our ownership at Griffiths Mechanical is that the local work with Hillsdale College has resulted in more time with family and making their children's events at or after school.

Hillsdale College's growth is community growth!

Sincerely,

Ryan Griffiths
President, Griffiths Mechanical



February 28, 2024

Mr. David Billington, Executive Director
Facilities and Capital Projects for Hillsdale College
Email: dbillington@hillsdale.edu

RE: Economic Impact

David,

The economic growth we have received, and have been able to sustain, over the course of the last 9-10 years, as a result of the activities initiated by Hillsdale College, exceeds a 25%-30% positive growth pattern. This fact is obtained by considering total number of new employees (hired and sustained) that embody our total work force, as it relates to total revenue generated over the same time frame, separating revenue generated from the activity at the College from those revenues generated from other sources.

Today, Parrish employs 40 individuals with a current hiring campaign to add an additional five. The work at the College sits atop the list as to reasons why this current trend continues. We look forward to the days ahead and remain exceedingly thankful for each opportunity.

Praise the Lord.

Respectfully,

Brad Parrish
Parrish Excavating, Incorporated
269.209.1812 Cell
brad.parrish@parrish-excavating.com Email

Mark Diamond
Parrish Excavating, Incorporated
269.209.6010 Cell
mark.diamond@parrish-excavating.com Email

65 COLE STREET, QUINCY, MI 49082 Phone: 517.639.4656 Fax: 517.639.3361

An Equal Opportunity Employer



PHONE: 517.437.3540
FAX: 517.437.4344

March 7, 2024

Hillsdale College
33 E. College St
Hillsdale, MI 49242

Attn: Mr. Dave Billington
Re: Hillsdale College, Local Economic Activity

Dear Dave

We are writing you in appreciation and acknowledgement of the growth Hillsdale College has experienced and continues to experience. Our involvement in the colleges' past, current and anticipated growth is very much an important part of our business.

The local economic activity that the college injects provides us the ability to have more locally based tradesman and administrative staff that work, live and spend locally. Additional college growth brings about the possibility of adding more such tradesman and staff.

We understand the importance of Hillsdale College's economic impact to the Hillsdale community and we are very appreciative our opportunities to be involved in them, as are our local subcontractors, local material suppliers and those that they employ.

Sincerely,
FOULKE CONSTRUCTION COMPANY

Matt Taylor, P.E.

149 LEWIS STREET
P.O. BOX 198
HILLSDALE, MI 49242

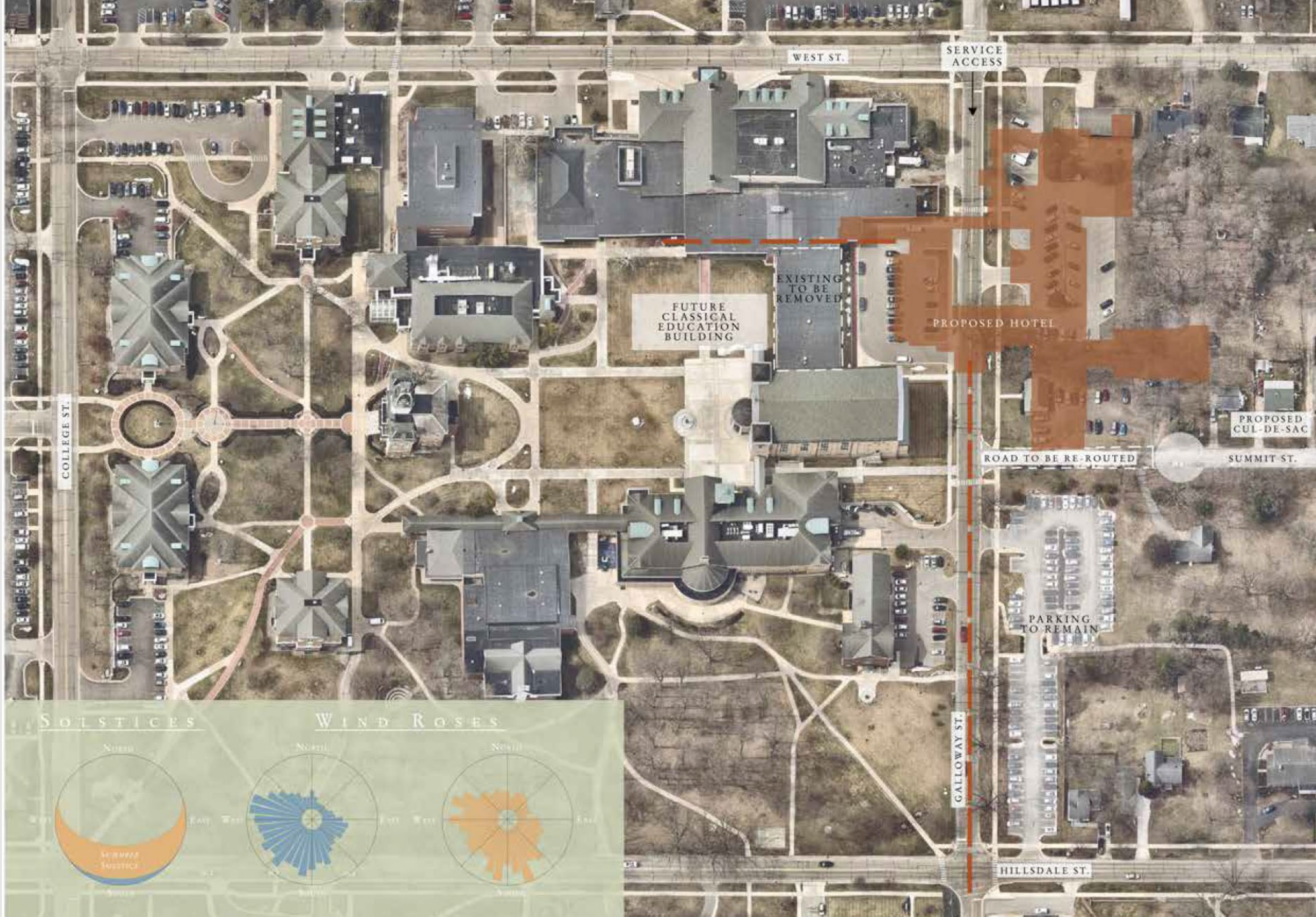
Annual Impact

- Impact Data Source projects a significant increase in annual economic output for the Hillsdale community, both in new value-added spending and in existing spending brought back to the community
 - Total of **\$16M** in economic output (\$9.5M in new money, \$6.5M returned from Coldwater, Jackson, etc)
 - Includes **\$2.6M** in off-site visitor spending, focused heavily in retail and dining industries
 - 117 new jobs created on-campus and in the community
- Anchor for future community development
 - Not included in the economic impact study is new business opportunities created by this "anchor" institution (Airport, retail, dining)
 - Largest hotel between Battle Creek and Detroit



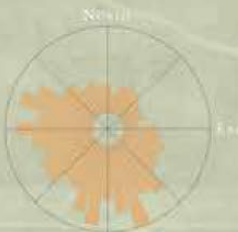
Takeaways for Today

- First, we value the support of the committee for the project broadly. We are excited for the growth this facility brings to the College and the community.
- Secondly, there are two primary action items in need of support at the Council level:
 1. The partial closure and privatization of Galloway St. in between Hillsdale St. and West St.
 - Allows for the creation of a contiguous and safe hospitality corridor on campus, connecting existing hotel spaces and functions with new construction.
 2. Creation of a cul-de-sac at the southern end of Summit St
 - A minimally invasive step that creates distinction and separation between the neighborhood and public traffic patterns. Increases value of existing homes.



SOLSTICES

WIND ROSES



Summary

- Sustained growth in Hillsdale College events generating additional room demand
 - Thousands of event attendees driving to Coldwater or Jackson-area for lodging
- Market analysis of surrounding region projects continued growth in regional hospitality needs
- Project: A four-star hotel for Hillsdale
 - Sustained investment in campus and Hillsdale community
- Overview of Economic Impact
 - \$56M in Construction Impact
 - \$2.6M in Annual Economic Impact
- Takeaways
 - Project needs support from council and community
 - Changes to road pattern in the area would contribute to safer guest experience and create distinction between public spaces and neighborhood.

