



REDEVELOPMENT READY SITE

3 E MAIN ST HART, MICHIGAN

PREDEVELOPMENT SERVICES



PAST



PRESENT



FUTURE

TABLE OF CONTENTS

TABLE OF CONTENTS

DEVELOPMENT OPPORTUNITY	01
COMMUNITY OVERVIEW	02
MARKET CONDITIONS AND OPPORTUNITIES	04
SITE OVERVIEW	08
CURRENT PLANS	10
SITE UTILITIES AND LOCAL SUPPORT	11
PRELIMINARY DEVELOPMENT SCENARIO	12
PROJECT INCENTIVES	19



3 E MAIN ST HART, MICHIGAN

The City of Hart seeks a development partner for the construction of 3 E Main St, located in the heart of Hart. The city is eager to work with qualified respondents in negotiating a mutually beneficial arrangement for this one-of-a kind opportunity.



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION



Prepared by
SmithGroup and
Mission North.

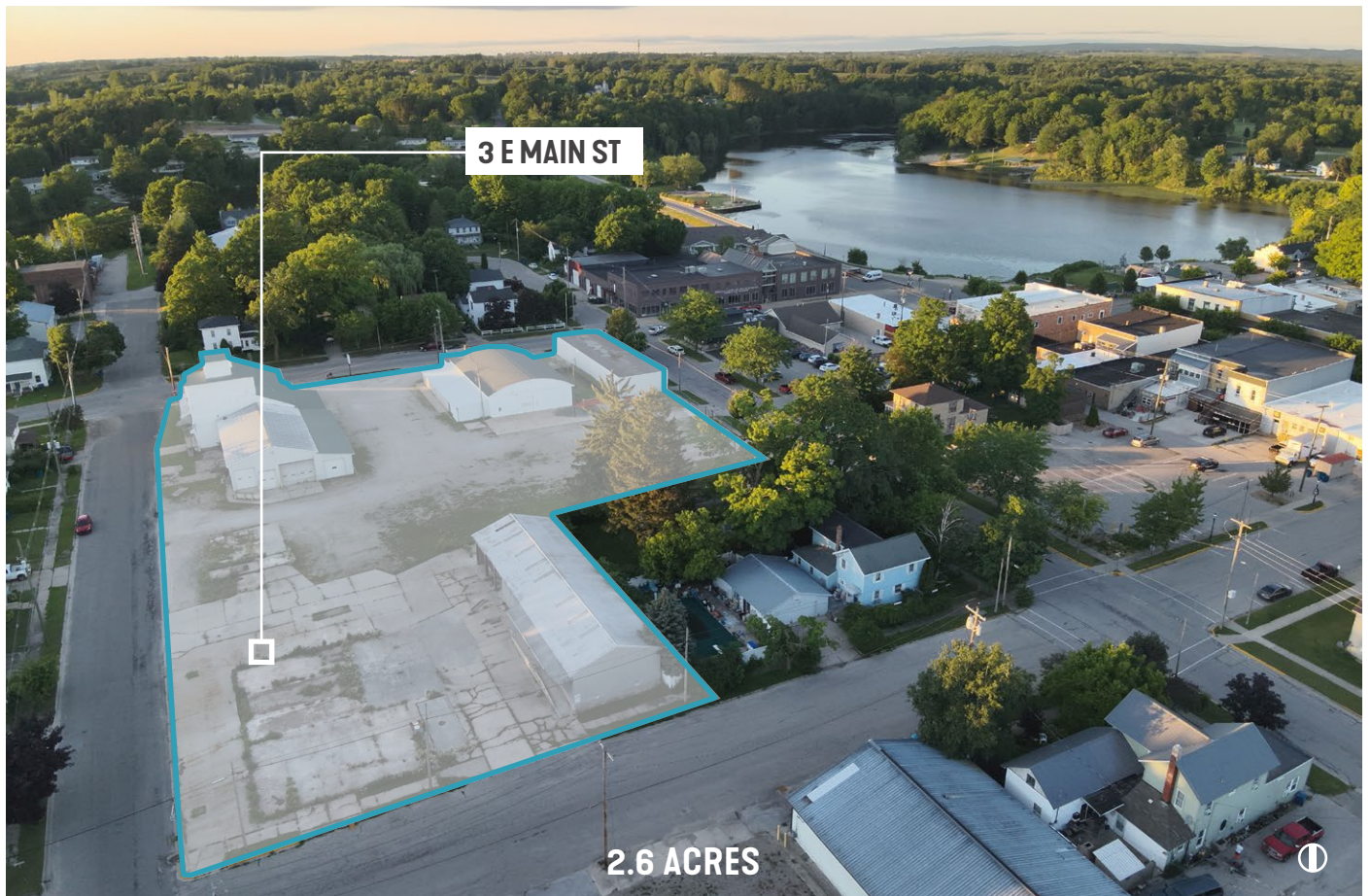
DEVELOPMENT OPPORTUNITY

“IF YOU’VE DREAMED OF A FRIENDLY PLACE TO RAISE YOUR FAMILY THAT OFFERS AN ACTIVE OUTDOOR LIFESTYLE, RICH HISTORY, GREAT SCHOOLS, AND GOOD JOBS, HART IS A PLACE YOU CAN CALL ‘HOME’”

Hart boasts a small town feel with a charming downtown, proximity to regional trails and recreation opportunities at Hart Lake and Silver Lake Sand Dunes. Hart is in close proximity to Northern Michigan destinations like Pentwater, Ludington, and Frankfort, making it a highly desired stop on Northern Michigan’s scenic route.

3 E Main St provides an opportunity for walkable amenities in close proximity to the downtown. Fostering vibrancy is as much about attracting quality development as it is about retaining its community, including younger adults and retirees who invigorate the space.

The City’s vision for 3 E Main St is a mixed-use development that provides residential and retail opportunities for short-term and long-term members of the robust Hart community.



COMMUNITY OVERVIEW

HART

The charming City of Hart (population 2,173) is located along the shores of the all-sport Hart Lake, just miles from Lake Michigan. The city sits on the northwestern side of Oceana County, in the western edge of Michigan's lower peninsula. It's located along US-31, roughly 80 miles northwest of Grand Rapids.

While many enjoy this area as a vacation destination, it is also known for its thriving business climate with companies whose products are marketed locally and globally. Hart welcomes new residents, businesses, and year-round visitors with a team of professionals ready to help you every step of the way.

Hart's historic downtown is an excellent place for shopping, eating, and entertainment. Hart is home to Michigan's first rail-trail that spans 23 miles south, used year-round by bicyclists, snowmobilers, runners, and walkers. Hart Lake provides a centralized natural feature that integrates recreation in close proximity to the downtown. This combination of quality housing, a walkable commercial center, and family-friendly recreation and trails creates a highly desirable place where the community can grow and thrive.

The City of Hart, Oceana County, and State departments such as the Michigan Department of Transportation are largely responsible for the improvements to public spaces and private development that have helped Hart remain a truly special place where residential, commercial, and public uses coexist.

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

The convergence of remote working, lifestyle pursuit, and climate migration show the need for increased housing to ensure Hart remains competitive in this new era of resident choice. The waterfront location and amenities, trail network, proximity to other Northern Michigan destinations, affordability, and investment in its Downtown provide many opportunities for 3 E Main.



Source: Silver Lakes Sand Dunes

REMARKABLE ASSETS

Hart has a unique location with incredible proximity to areas meant for the Michigan explorer. The city is in close proximity to regional destinations like the Silver Lake State Park and Sand Dunes, Up North Farm Market, William Field Memorial Hart-Montague Trail, Pleasant Valley Farm and Vineyard, Oceana County Fairgrounds and Muskegon State Park. Furthermore, the city is minutes from unsurpassed bucolic forests, beaches and fresh water.

HISTORIC SENSE OF PLACE

Just a block from 3 E Main St is Hart's charming, walkable downtown. Local events and festivals such as the Makers Market, Winterfest and Music on the Commons bring visitors from all over to the city.

UNSURPASSED NATURAL FEATURES

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

GREAT LAKES ECONOMY

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

CLIMATE HAVEN

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



MARKET CONDITIONS AND OPPORTUNITIES

Three East Main is in the City of Hart, the County seat of Oceana County, Michigan. Oceana County sits on the Lake Michigan coast on the west side of Michigan's Lower Peninsula. The City of Hart has a population of 2,173, and Oceana County has 26,707 residents. Oceana County has many second homes, which add to the population primarily in summer.

MARKET OVERVIEW

A highest and best use analysis for the site was prepared by Mission North in May 2024. Based on the findings of the market study, there is a development opportunity for multi-family residential units and ground floor retail space. A shortage of urban housing types and the general age of housing in Hart creates opportunity for the project. Live/work or ground floor retail could be phased within the old mill building, or developed simultaneously with the rest of the site.

INDUSTRY + TRANSPORTATION

The nearest emergency room is 6.4 miles away at Trinity Health Emergency Center in Shelby, MI. Ludington Hospital is located 25 minutes away, operated by Corewell Health. Walk-in health care is offered by at least two locations on the east side of Hart, both within a mile of the project site. Limited commercial air service is available at Muskegon County Airport, a 41-minute drive away. Gerald Ford International Airport in Grand Rapids, 88 miles away, provides full commercial service to multiple destinations. US-31 runs north/south through Hart and connects the city to Ludington to the north and Muskegon to the south.

HIGHLY CONNECTED

105 MILES TO TRAVERSE CITY

230 MILES TO DETROIT

140 MILES TO LANSING

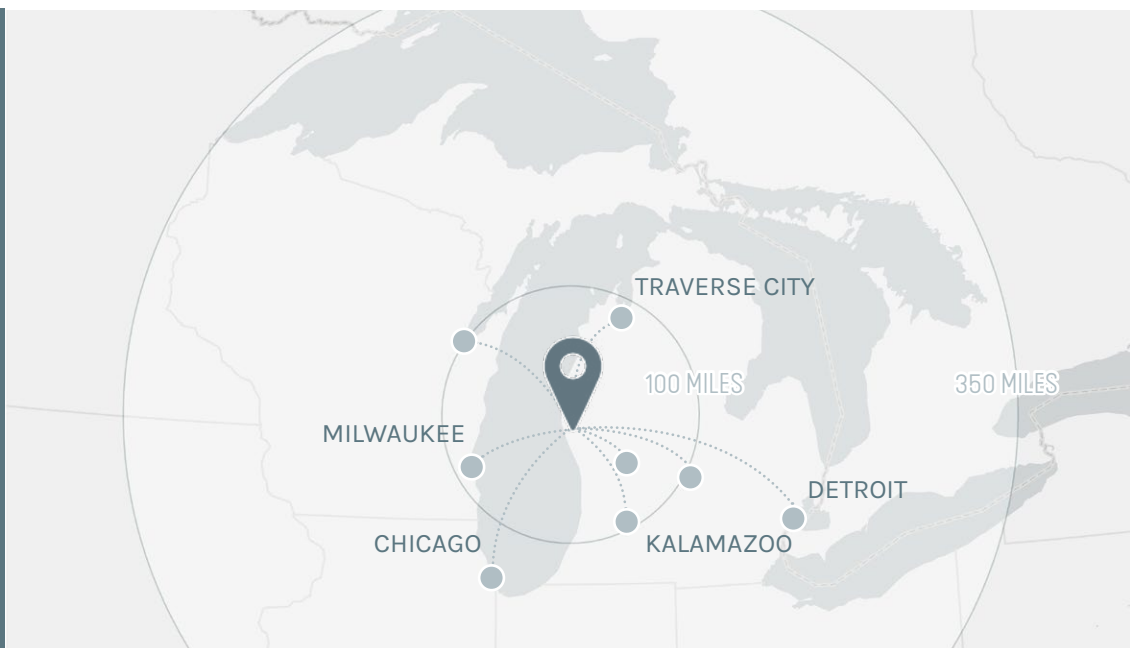
75 MILES TO GRAND RAPIDS

130 MILES TO KALAMAZOO

220 MILES TO CHICAGO

320 MILES TO MILWAUKEE

430 MILES TO GREEN BAY



POPULATION, INCOME, AGE

The Hart Primary Market Area (PMA) had an estimated population of 7,130 in 2022, of which 2,173 lived in the City of Hart. The PMA's median income was close to that of the State and about 88% of the country's. The Primary Market Area's median age is six to seven years higher than the State and Country's. The PMA has a slightly lower high school diploma rate than the other geographies.

Ten-year trends through 2022 show that the Hart market has become more educated and older and has seen income grow, outpacing larger geographies. Population, however, has declined in the PMA and is projected to continue to decline. Income growth has been driven by residents of the city, who have enjoyed household income growth over two times that of the state and nation. Interestingly, while the primary market area has grown older, the City has gotten younger.

3 E Main can help retain and attract younger residents who may eventually start families and have children, which would help bolster overall population.

ECONOMY

Hart's economy is grounded in food processing and the public schools. Tourism has a role in the economy too, with visitors to the Silver Lake area patronizing restaurants and hotels in Hart. Occupations in the primary market area and the City of Hart are more heavily weighted toward construction and production. Market area unemployment in 2022 stood at 5.3%, though it was 3% in the City of Hart. Hart and Mears area zip codes had a payroll of over \$74 million in 2021.

	Hart	PMA
Population	2,173	7,130
Median Household Income	\$56,979	\$58,474
Median Age	39.5	49.0
Edu: High School or Higher*	86.4%	89.1%

*For those age 25 and over

Source: 2022 American Community Serve, Mission North, LLC

HOUSING

Homes in the PMA are generally older, with many built before 1940. The variety of housing types is more limited than in the state and nation. In the Hart PMA, there is a strong emphasis on single-family homes and mobile homes. Housing types such as single-family attached, two, three, and fourplexes, and other multi-family options are under-represented. In 2022, Dogwood Community Development retained Bowen National Research who prepared a Housing Needs Assessment for Oceana County. The report recommends development of residential units within or near walkable communities to accommodate the housing needs of seniors and to appeal to younger households.

PROPOSED USES

OWNER-OCCUPIED HOUSING

81% of the housing stock in the Hart Primary Market Area is owner-occupied. This compares to the country and state, which are 65% and 73% respectively. Like in many markets in the US, home values have increased dramatically during COVID. Values have increased 35.5% in Hart and 61.2% in the Mears zip code. Rents in Hart, however, remain well below national levels.

FOR-SALE DEMAND

Home sales in the Hart School District averaged nearly \$2,440,000 per month in 2023. The proposed development concept includes approximately 54 housing units, which could be a mixture of for-sale and for-rent. The number of units this project could reasonably absorb was calculated using standard capture rates. Qualified households were defined as those with an income between \$35,000 and \$150,000, with one to four in the household. The project can expect to absorb 22 for-sale units annually. These for-sale units should include various sizes, including one-, two-, and three-bedroom units. Sale prices for non-waterfront homes in the past two years have averaged \$105 to \$164 per square foot, depending on the size of the unit, and have ranged as high as \$427 per square foot.

RENTAL HOUSING

Rental options in Hart are limited to Woodland Place and Parkview Manor, as well as single-family houses and mobile homes mainly outside of town. The two apartment complexes are at essentially 100% occupancy, with strong demand for their approximately 100 units. Monthly rental rates for Woodland Place and elsewhere are \$539 to \$955 for apartments ranging from one to three bedrooms. In contrast, asking rates in Ludington, 25 minutes away, are \$920 to \$1,785 for studios to three-bedroom units.

Values have increased 35.5% in Hart and 61.2% in the Mears zip code

2020-TO APRIL 2024 HOME VALUES

	Increase
Michigan	40.5%
Oceana County	41.5%
49420 Zip Code (Hart)	35.5%
49436 Zip Code (Mears)	61.2%

Zillow Home Value Index, Zillow, Inc.

Three E Main can expect to absorb 22 for-sale units (of various sizes) annually.

HART PMA DEMAND FOR 22 OWNER UNITS

Target Characteristics	
Household Income	\$35,000-\$150,000
Household Size	1-4 residents
Household Ages	All ages
Capture Rate (target ≤14%)	14%

RENTAL DEMAND

As with owned units, we looked at demand using capture rate as the measure. Target households for rentals are those with an income of \$35,000 to \$150,000 and with household sizes of one and two. **Based on these assumptions, the project can absorb eight units annually.** This exercise does not account for the opportunity to draw renters who would otherwise locate in Ludington by offering housing products that currently do not exist in Hart.

RETAIL

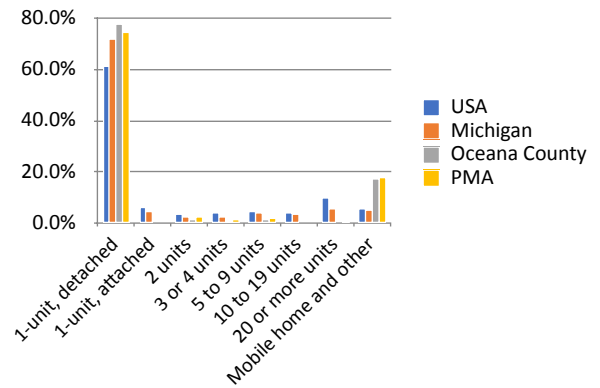
Based on a survey in June 2024, downtown Hart has 38 retail businesses and four vacancies. The project's Main Street frontage offers the opportunity to add more. A retail gap analysis shows that over \$25 million in sales are leaving the Hart market every year. Specific retail categories are underserved and worthy of consideration for the development.

A retail gap analysis shows that over \$25 million in sales are leaving the Hart market every year

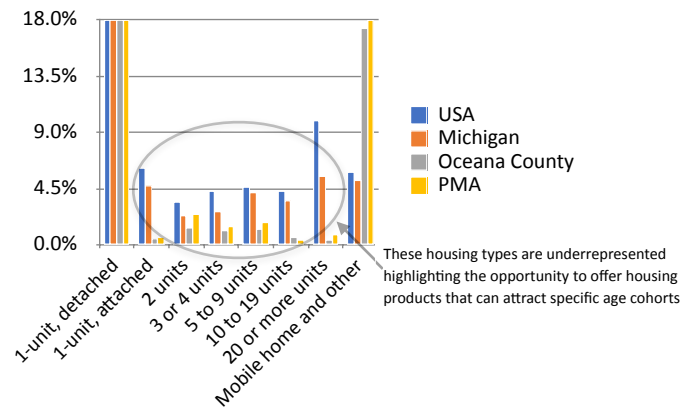
NOTABLE RETAIL OPPORTUNITIES IN THE HART MARKET

Retail Category	Retail Gap
Bldg Materials & Supply	\$4,198,615
Health & Personal Care	\$3,382,382
Clothing Stores	\$2,748,365
Shoe Stores	\$578,258
Food Service & Drinking	\$7,514,482
Total Gap	\$18,422,102

HOUSING TYPES



MISSING MIDDLE HOUSING TYPES



HART PMA DEMAND FOR 8 APARTMENT UNITS

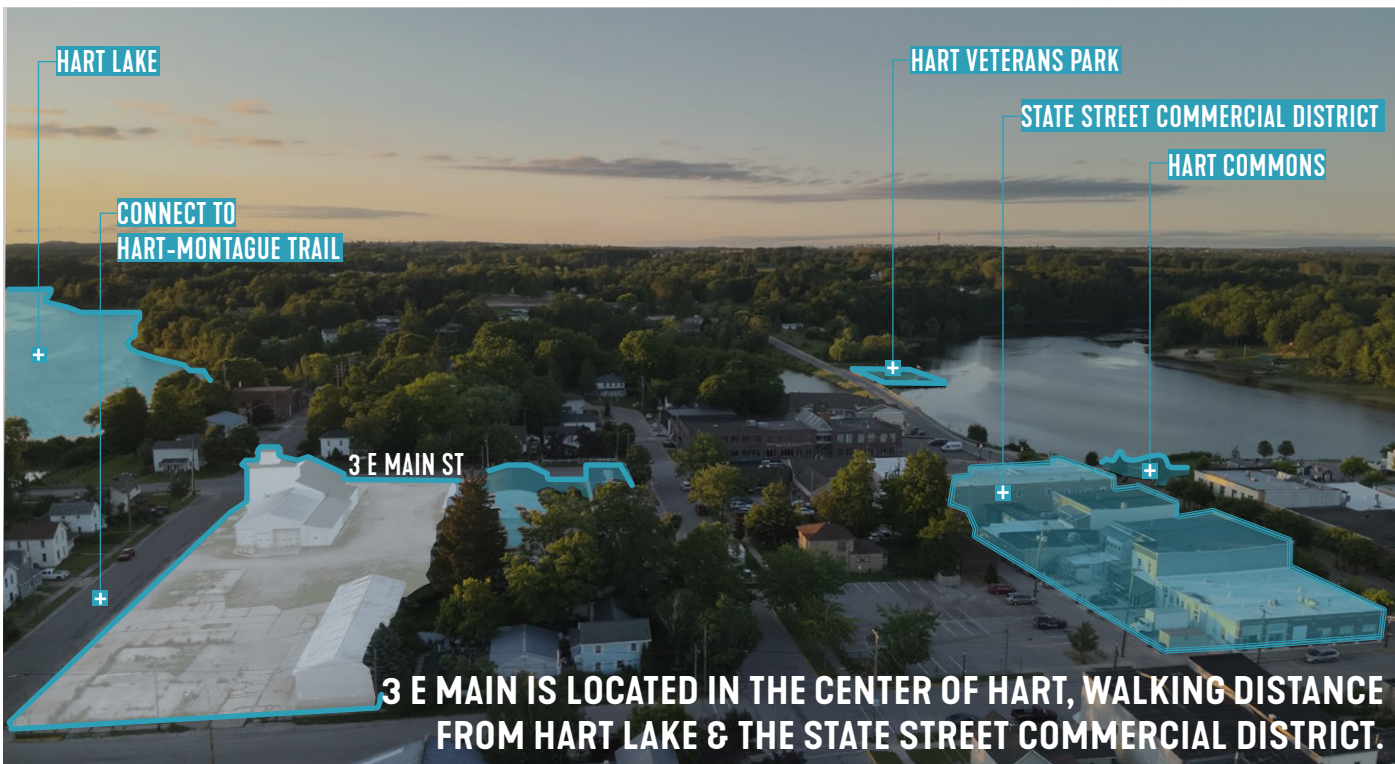
Target Characteristics	
Household Income	\$35,000-\$150,000
Household Size	1-2 residents
Household Ages	All ages
Capture Rate (target ≤14%)	14%

SITE OVERVIEW

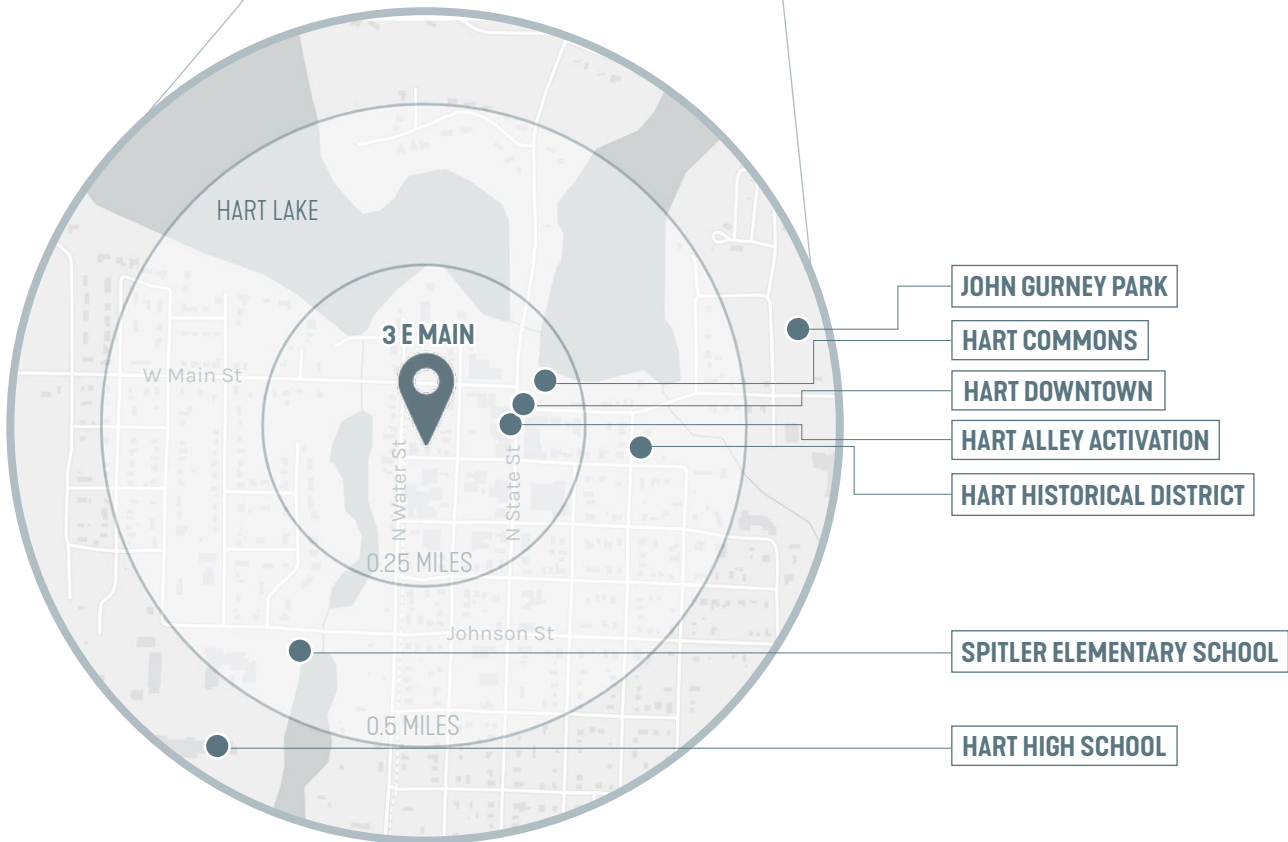
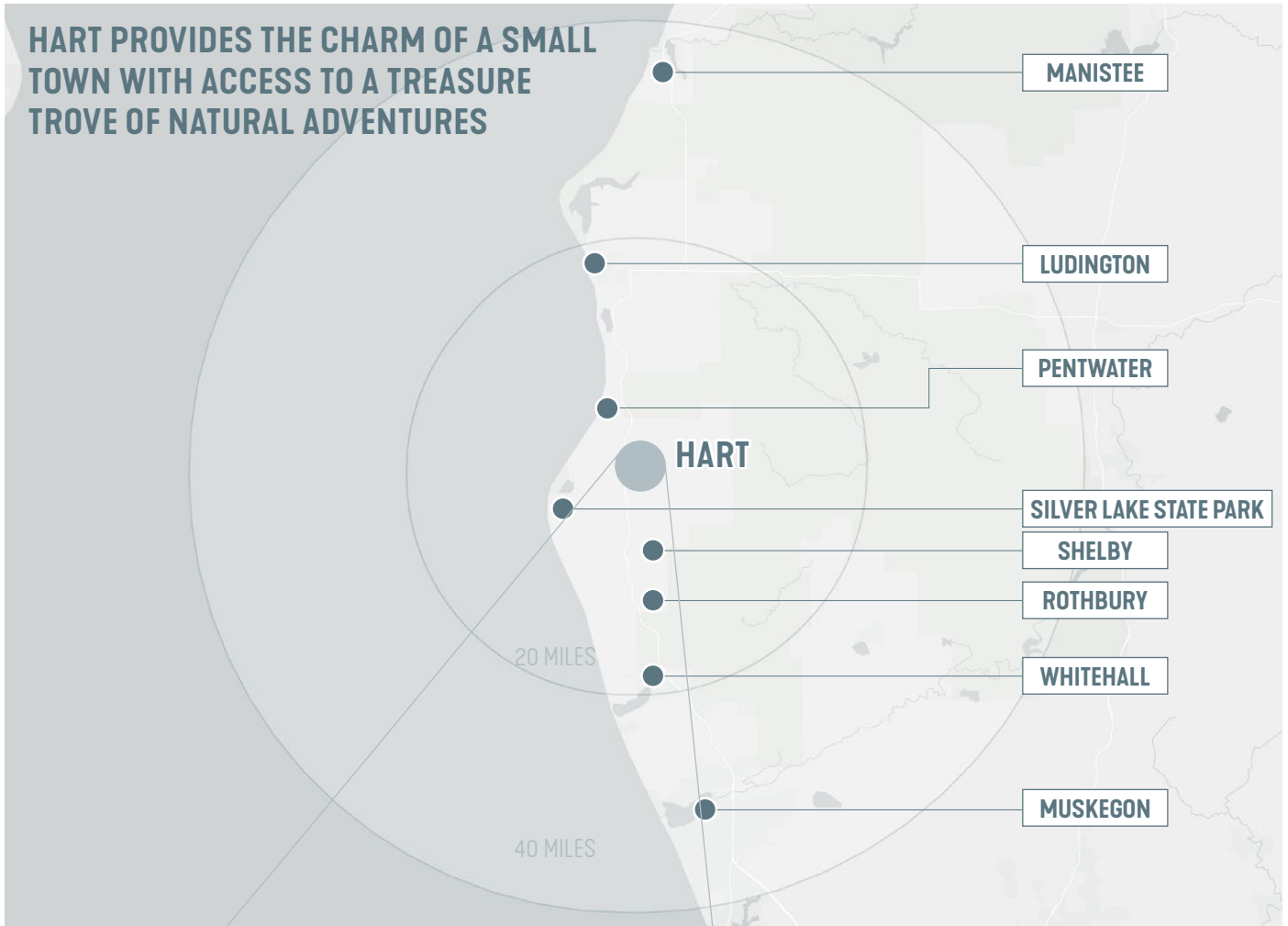
Three East Main sits one block east of State Street, Downtown Hart's primary shopping street. The property is located in close proximity to the hardware store, restaurants, places of worship, library, and other government offices. According to walkscore.com, the site has a walk score of 49, which means most errands require a car. Its bike score is 56, acknowledging the good biking environment in Hart, making the grocery store and pharmacy within reach. The site joins regional connections like the Hart Montague Bike Trail to the south, and is in close proximity to water-based recreation opportunities to the north, including Hart Lake, Hart Commons and Hart Veterans Park.

The site is a transition point between the downtown and surrounding single-family residential neighborhoods. The site has the potential to integrate both residential and commercial uses, creating a smooth transition through the use of complementary materials and building massing/form.

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



HART PROVIDES THE CHARM OF A SMALL TOWN WITH ACCESS TO A TREASURE TROVE OF NATURAL ADVENTURES



CURRENT PLANS

MASTER PLAN

The 2017 Master Plan sets the vision and goals for the community, with a focus on creating a vibrant downtown:

"Continue to build a strong downtown that serves as a hub of community activity that provides a unique and beautiful backdrop for area events, social interaction, and commerce, while maintaining its historic nature."

The Master Plan's vision and goals play a role in the development of 3 E Main and make it an area of great interest for the City. In addition, Hart's economic development strategy identifies a core action of working with developers and property owners to develop and redevelop downtown buildings and sites into multi-story, mixed-use developments.

The Master Plan calls out the Ceres Solutions Facility in particular, identifying a potential reuse of residential units.

ZONING

Previously zoned B-2, General Business, the city passed a resolution in April 2024 to rezone the site to a PUD. The PUD adopts the vision set forth in this RFQ, and provides a streamlined approval process. The PUD is intended to provide a mixture of uses outside the Central Business District zone in order to allow for multi-family dwellings and commercial business.

The site is identified as Downtown Commercial/ Mixed Use within the Future Land Use map, priming it for a mixture of uses that serve the downtown and surrounding neighborhoods. In addition, as stated in the Master Plan, it's integral that cohesive mobility and utility infrastructure is provided in alignment with all new development.

It's integral that the development is conducive with surrounding neighborhood design and character. Specially, the site is in close proximity to residential uses. The development must act complementary to these existing uses.

SITE UTILITIES AND LOCAL SUPPORT

This site is served by public streets including N Water St, W Main St, Washington St and S Courtland St. Full access to utilities is provided from these adjacent streets. For more information, contact the following:

NATURAL GAS

DTE Residential Assistance (800) 477-4747

DTE Business Assistance (855) 383-4249

CITY OF HART

ZONING

Rob Splane, Zoning Administrator

rsplane@cityofhart.org

(231) 873-2488

PUBLIC WORKS

Brad Whitney, Public Works Superintendent

(231) 873-3100

HART ENERGY DEPARTMENT

Mike Schiller, Superintendent

(231) 873-5367

BIOPURE TREATMENT FACILITY

Paul Cutter, Superintendent

(231) 873-2259

OCEANA COUNTY

Building Department

bi@oceana.mi.us

(231) 873-5355

HART VISITORS BUREAU

Scott Beal, Executive Director

(231) 873-398

PRELIMINARY DEVELOPMENT SCENARIO

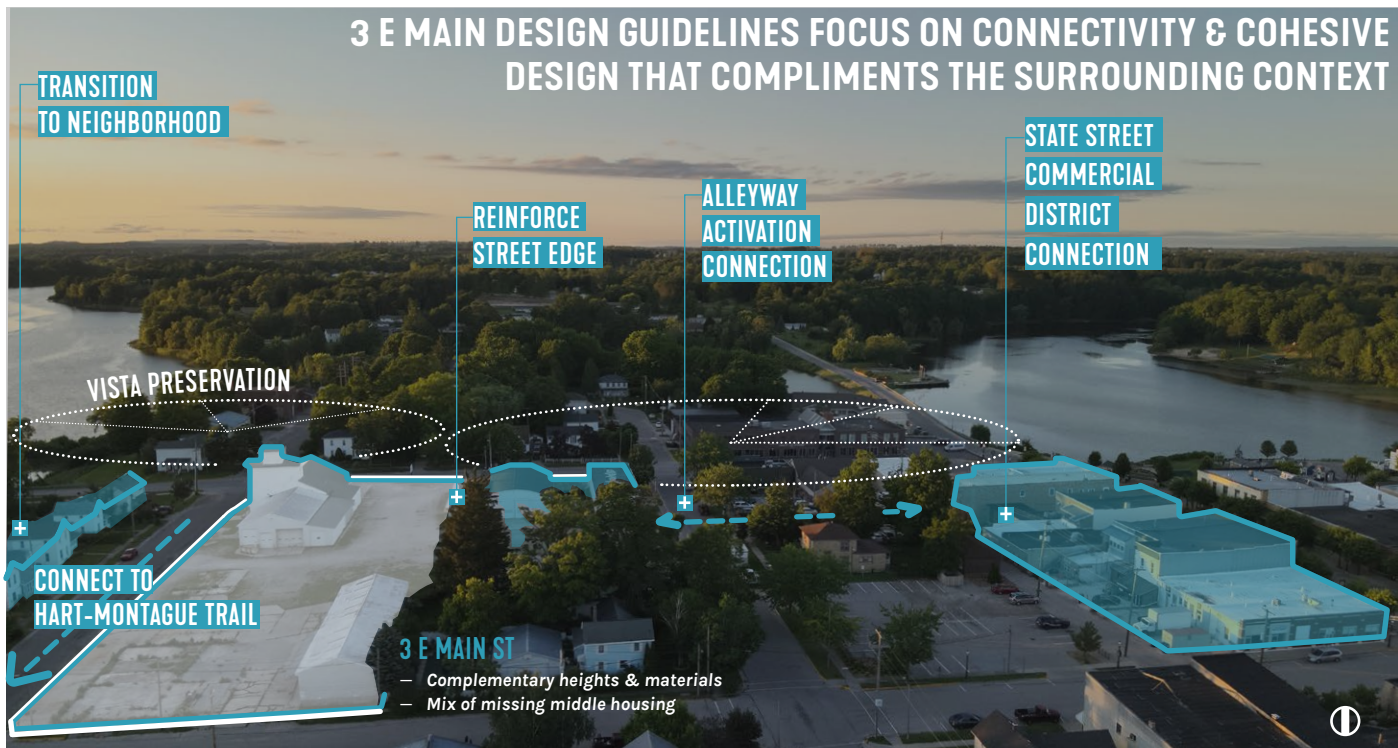
Northern Michigan cities such as Hart are situated in one of the globe's most unique and majestic regions. Surrounded by over 22% of the world's fresh surface water supply, with long-term market-driving resilience benefits, and regional connectivity to North America's most noteworthy cities – from Chicago,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

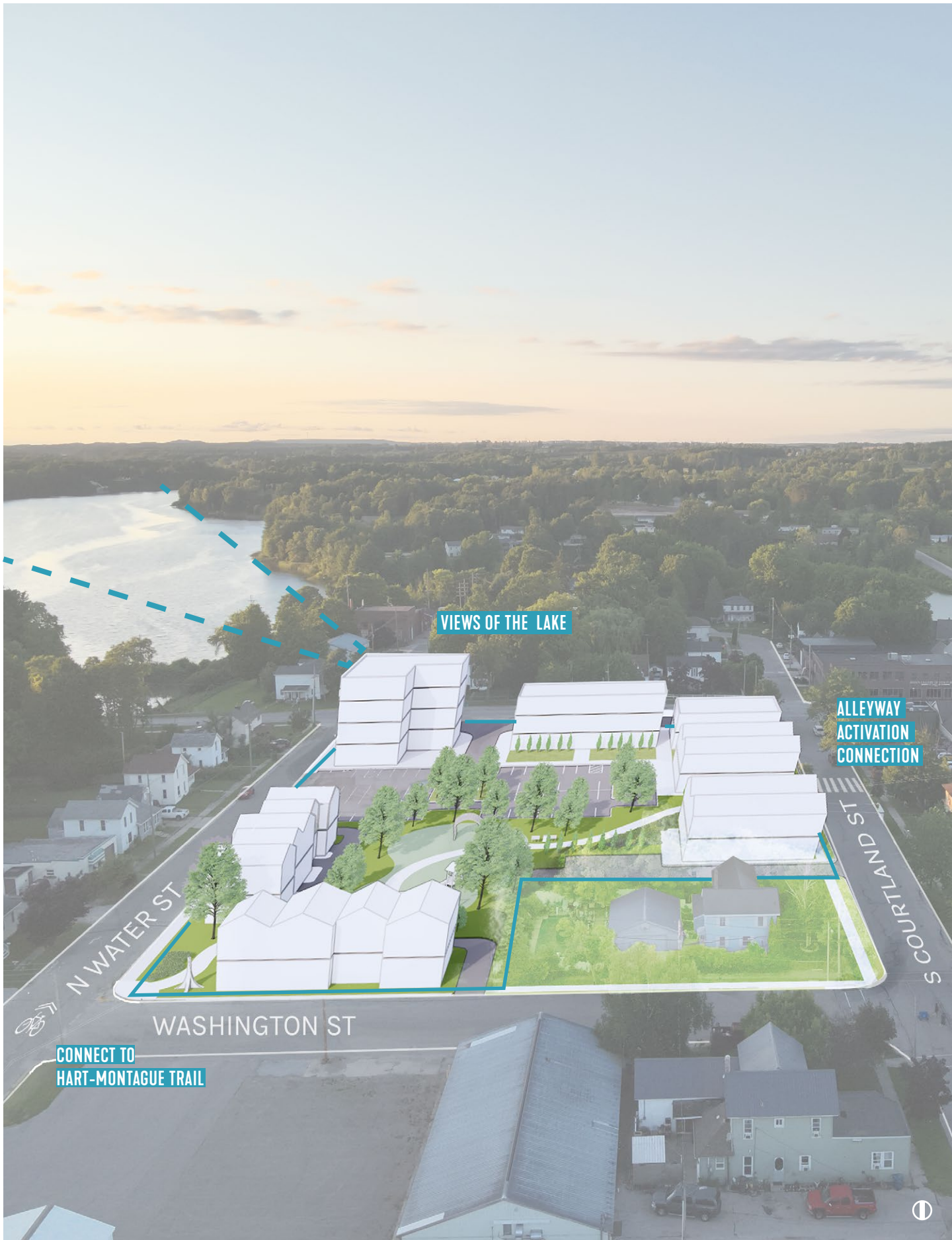
Within this context, the preferred development scenario for 3 E Main is a mixed-use development approach with potential for phased implementation. Ground floor activation and upper floor residential units are recommended for the northwest corner of the site. Multi-family residential units to the northeast and southwest are envisioned, connected by plaza space and non-motorized routes to the activated alleyway in the heart of downtown.

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

- Recreation opportunities like Hart Lake and Veteran's Park.
- Downtown Hart, supporting walkable retail, cafes, and restaurants as well as seasonal festivals and events
- Other western Michigan cities and towns, from Grand Haven, Muskegon, Silver Lake, and Ludington, to Frankfort and Traverse City.

3 E Main will foster unique opportunities for seniors, young professionals and families across the Great Lakes region. Moreover, the investment will leverage market demand induced by climate change, related population migration, and the foundational resilience northern Great Lakes cities provide.







DEVELOPMENT CONCEPT

The following building concept has been prepared to demonstrate the potential building areas and suggested types. Unit sizes and configurations will ultimately be determined by the developer.

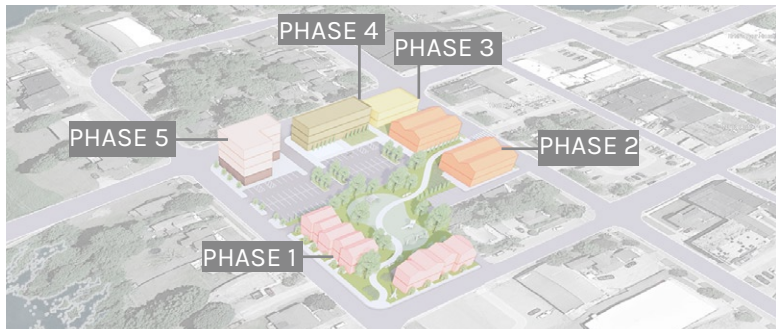
The rendering represents a mix of ownership and rental options, and offers potential for a phased development approach if applicable. Phasing may assist with gradually proving a market, balancing capital costs over time, and accommodating current tenants ahead of eventual demolition and relocation.

Units have at least one parking spot per unit or parking offered below the unit.

- 1 9 TOWNHOMES 1,000 - 1,500 SQ FT
- 2 16 UNITS EIGHT PLEX 7,200 SQ FT TOTAL
- 3 8 UNITS EIGHT PLEX 6,000 SQ FT TOTAL
- 4 16 UNITS APARTMENTS OR CONDOS 17,000 SQ FT TOTAL
- 5 GROUND FLOOR LIVE/WORK OR RETAIL 4,200 SQ FT TOTAL
12 UNITS APARTMENTS OR CONDOS 12,600 SQ FT TOTAL

OPTIONAL PHASED APPROACH

SUGGESTED MAY NOT OCCUR IN THIS ORDER



MISSING MIDDLE HOUSING



UPPER STORY VIEWS

Source: ArchDaily



PUBLIC AMENITIES

Source: miplace



Source: Visit Grady County

ACTIVATED GROUND FLOOR



DESIGN OBJECTIVES AND PRELIMINARY CODE CONSIDERATIONS

The proposed program calls for partial new construction on 3 E Main St. The information provided below is general in nature and intended to provide a broad sense of prevailing design objectives and cursory code considerations for the redevelopment project. All interested parties are encouraged to visit the property and to review all relevant state and local codes to ensure compliance.

DESIGN OBJECTIVES

- **Respect Neighborhood Character.** Complement the design elements of the surrounding neighborhood and downtown. This includes punched windows on the upper floors, parapets, and utilizing materials like brick and natural stone.
- **Activated Ground Floors.** Foster street frontage, access and an activated ground floor by providing primary street-fronting entry and a transparent facade on the old mill site to the northwest.
- **Setbacks** Allow 15 foot front yard setback fronting local streets and 10 foot rear and side yard building setbacks where buildings abut residential neighborhoods
- **Height.** Maximum four (4) stories in alignment with neighborhood character.

PROJECT INCENTIVES

Hart and the MEDC are committed to making sure that all available incentives may be leveraged to ensure the selected developer can achieve a quality outcome commensurate with the project vision and goals. Such incentives include:

- Discounted purchase price to ensure support of an excellent development proposal.
- Neighborhood Enterprise Zone (NEZ) allows for reduced property taxes for up to 15 years in designated areas to promote revitalization.
- Hart may consider a Personal Property Tax Exemption.
- Michigan Community Revitalization Program (MCRP). Through the MCRP, which is a program available from the Michigan Strategic Fund (MSF) in cooperation with MEDC, grants or loans may be available to fill financial gaps and promote community revitalization. MEDC and the City are committed to collaborate with the selected developer to ensure this tool is used efficiently and successfully in order to contribute to Michigan's employment opportunities, foster infill redevelopment of historic properties and reduce blight.
- New Markets Tax Credit financing may be available.
- Federal and State Historic Tax Credits may be available.

REDEVELOPMENT READY SITE

3 E MAIN ST

CONTACT CITY MANAGER ROB SPLANE WITH ANY QUESTIONS OR REQUESTS

RSPLANE@CITYOFHART.ORG

(231) 873-3546
