CHARLEVOIX

TECHNICAL DOCUMENT: MARKET ASSESSMENT AND STRATEGY

PREPARED BY:

LSL Planning
A SAFEbuilt. Company
www.lslplanning.com

tcg
THE CHESAPEAKE GROUP, INC.
BUILDING A FOUNDATION FOR THE FUTURE

CONTENT

INTRODUCTION

The following is a technical economic development strategy for Charlevoix and market analysis for Charlevoix and Downtown Charlevoix. The analysis was prepared by The Chesapeake Group, Inc. (TCG) under contract to the City of Charlevoix.

The study identifies existing conditions, contains the analyses appropriate to describe economic opportunities, defines the opportunities shown to be sustainable, and, finally, provides the methods to move forward and seize these opportunities. The sole purpose and intent is to provide guidance for enhancing the local economy.

METHODOLOGY & ANALYSIS

The analysis and strategy is based on data and information gathered through the following:

Interviews with stakeholders.
- A survey of Downtown patrons.
- A survey of full and part-time residents of the Charlevoix area.
- A survey of area businesses.
- Area reconnaissance.
- Review of available secondary data.
- Independent research.
- Proprietary computer modeling.
- Experience and expertise of The Chesapeake Group's principals involved with the effort.

All of the estimates of potential that are defined in the analyses are conservative in nature and tend to understate the demand and related activity. The estimates and suggested activities are based on conservative assumptions and represent only The Chesapeake Group's opinion based on the conducted surveys, analyses and experiences of the organization.

Throughout the document, specific names of organizations and businesses are mentioned. This neither reflects any endorsement by The Chesapeake Group, the City of Charlevoix, or funders for the project, nor any expression of interest by the entities.

THANK YOU

The Chesapeake Group, Inc. is truly thankful to the staffs of the City of Charlevoix and the Chamber of Commerce for their dedication and support of this initiative. We would also like to thank the staff of the Tourism and Visitors Bureau, local elected officials who were interviewed during the process, the numerous other interviewees, and the hundreds of households and businesses that participated in the surveys.

CONTEXT

No community exists within a vacuum. Economic development must consider both external and internal factors that play roles in current and future opportunities. The defined factors that follow impact the potential for economic development in Charlevoix as well as its Downtown.

GLOBAL, NATIONAL AND STATE FACTORS IMPORTANT TO FUTURE ECONOMIC DEVELOPMENT

There are demographic and other changes within the United States and Michigan that impact the opportunities and the future for Charlevoix. These include but are not limited to:

- Birth and fertility rates have fallen to the lowest level in the history of the country, resulting in fewer numbers of youth and lower long-term future household creation.
- The young adult population relocates and shifts employment at a faster pace than any previous generation.
- The marriage rates are also at the lowest level in the country's history and continue to decline. The traditional two parents with two children household is now a minority of the population in general and will become even a smaller segment in the future.
- Baby Boomers have been a substantial market force for the past fifteen years. However, their importance in the commercial and residential markets will dwindle in the next fifteen years as they continue to age.
- The average age of residents in the United States continues to increase, impacting the current and future labor force, housing needs, and other segments of the economy.
- The country's population continues to diversify in terms of origin, ethnicity, race and other related factors.
- An aging population will likely increase the demand for office space and related services in various professional areas, such as health care, while diminishing demand in others.
- Aging in place and aging in communities where residents have lived for much of their lives are of increasing importance to larger segments of the population.
- Both the Baby Boomers households (between the ages of 50 and 68) and younger adult households (between the ages of 21 and 30) are seeking different housing options, greater mobility and different environments than have past generations. While some seek a more intense urban environment, growing numbers seek rural settings with employment opportunity.
- The two fastest growing components of the population, both the Baby Boomers households (between the ages of 50 and 68) and younger adult households (between the ages of 21 and 30), are increasingly seeking and participating in passive and other recreational activity and new forms of entertainment.

Changed demographics increases the demand for housing that satisfies short term needs of large population segments.

According to published Population Reference Bureau reports, there were roughly 76.4 million Baby Boomers in the United States in 2014. From 1946 to 1964, which are the years of birth associated with the Baby Boomers, there were 76 million born. Of these, roughly 11 million died, resulting in roughly 65.2 million survivors. The number of residents associated with the ages of the Baby Boomers has increased due to immigration to the United States, as the number of immigrates in this age range has outweighed the number that has died. The Baby Boomers are now between the ages of 50 and 68.

The following is a breakdown of the number of "baby boomers" by select peak years.

TABLE 1 - BABY BOOMER BIRTHS FOR SELECT YEARS*

Years	Numbers
1946	3,411,000
1954	4,078,000
1957 (peak year)	4,300,000
1964	4,027,000

**Developed by The Chesapeake Group/TCG based on information from CNN.com.*

In addition and as a result of medical advances and lifestyle changes, there is a large segment of the population living well into their seventies and eighties. There are an estimated 27.8 million people living in the United States who are 70 or older. Collectively, the Baby Boomers combined with the population that is 70 or older represent about one-third of the total population in the country. According to a recently published study by the Joint Center for Housing Studies at Harvard University, the number of households headed by someone at least 70 years of age will grow by 42% between 2015 and 2025; and the actual number of these households will jump by 8.3 million.

CHANGES IN MANUFACTURING & TECHNOLOGY

Changes in manufacturing and technology trends within the United States, Michigan and the global economy will impact commercial opportunities. They include but are not limited to those that follow.

- Manufacturing is changing significantly through changing technology, technology application and the introduction of new materials. The changing technology diminishes the importance of labor as a cost factor and increases the importance of transportation relative to other cost factors. Therefore, for many products, production facilities located in population centers or communities with adjacent less dense population areas will have a competitive advantage in the future.

- The technological change in manufacturing will result in the return of the production of many products to the United States. Manufacturing is likely to expand rapidly in the next ten years, which could provide local opportunities.

- Manufacturing changes, such as on-demand production through additive manufacturing/3D printing, will impact retail and related space in significant ways in the future, resulting in lower retail space demand as the need to keep large inventories diminishes. The amount of supportable space is likely to diminish as a result.

Changing manufacturing processes and technology will continue to have an impact on retail space.

- The trend among big box stores and other retailers to fulfill online orders from stores versus warehouses could positively impact retail opportunities. (This somewhat counters the need for lower inventories on-site, as a result of increased on-demand production and the expansion of internet sales.)

- Expansion of and new delivery methods will also likely diminish the need for inventory and retail space.

LOCAL CHARACTER & FACTORS

Charlevoix has a substantial diversity of natural and man-made resources that collectively result in a unique character and inevitable set of opportunities. These include:

- Arguably, Charlevoix has the best protective harbor along and to Lake Michigan, and potentially of all of the Great Lakes.
- The quality of the harbor and its natural beauty has coupled with the quality residential and commercial development of the waterfront to create a picturesque environment that is difficult for any other harbor to match. Vistas and access to this waterfront have largely been maintained, particularly in the Downtown area.
- Charlevoix has attracted interest from people throughout the Midwest that enjoy the harbor and surrounding area; many have chosen to build second homes, while others come to Charlevoix to recreate or visit during the summer months.
- There are a number of other unique amenities and attributes that sets Charlevoix apart from other communities. One is the Trout Habitat in the Downtown's East Park; this fully functioning trout ecosystem is an attraction year around.
- Another amenity is the Charlevoix Public Library, a facility that is rarely if ever duplicated at the quality level found here. Built in 1927, this former school building was renovated into a modern and beautiful new library and multi-functional community center. Beyond its use as a library, the facility hosts meetings, provides entertainment for youth, and has computer and learning centers in an atmosphere that is unmatched by other communities regardless of their size.
- The tree-lined central core of Main Street is an asset to Charlevoix. The core of the Downtown, Main Street has few first floor vacancies, and the building exteriors are well maintained, with only a few exceptions. Activities and events are held throughout the season, including a weekly farmers' market and summer sidewalk sale. Walking throughout the area is a pleasant experience for residents and visitors alike. Like most small communities with viable downtowns, on-street parking and traffic congestion in season are the norm.

- The Downtown's East Park is an idyllic environment that works equally as well for a community event as it does for a family picnic. Beautifully maintained, East Park hosts events ranging from children's activities to Movies in the Park and the Summer Concert Series. The children's Fountain of Youth and the Trout Habitat, as well as the vistas, benches and tables, attract people to Downtown Charlevoix.

- The public and private marinas in Charlevoix offer slips for transient boaters and seasonal/annual boaters, and dockage is available for day visitors. The marinas bring additional visitors and traffic to Charlevoix.

- Charlevoix is home to a range of communities and residential options within and around the city limits; these communities boast differing characteristics and a variety of price ranges.

- Another unique amenity is the access that Charlevoix provides to other communities. Charlevoix has a ferry that runs from the Downtown to Beaver Island, the largest island in Lake Michigan and a popular tourist destination.

  Aviation access via the Charlevoix Airport. Service providers. The general aviation airport is use by visitors to the area, corporate aircraft, and provides service to other communities on demand via beaver Island interests.

  The state highways provide reasonable access to Michigan's large population centers including Route 31, which runs through the Downtown and access to the south via 131 to Charlevoix's east.

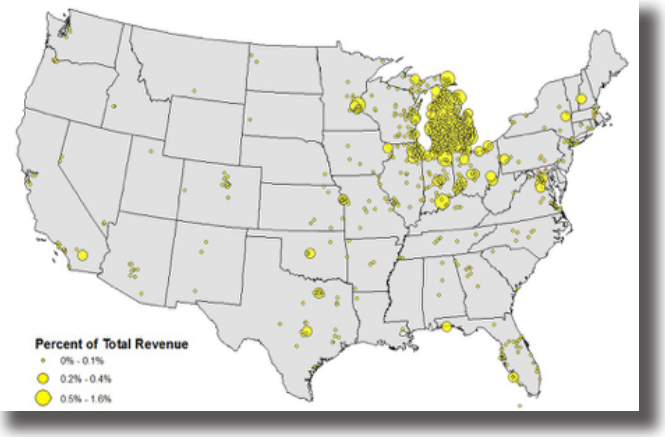
- There are attractions, facilities and business operations in and around the city that bring people into Charlevoix. This influx of people supports commercial activity that could not be maintained solely by local residents and it contributes to the tax base of the jurisdiction. The visitors provide employment opportunities for local residents as well.

One such operation is known as the Castle or Castle Farms. The historic structures and grounds include cobblestone courtyards, soaring towers, and substantial well-manicured and maintained gardens. Castle Farms is recognized as one of the premier wedding venues in Michigan. It provides a variety of options for family gatherings and organization meetings and events. It has smaller rooms to accommodate a few and larger rooms to accommodate affairs with more people.

In addition, the Castle Farms Model Railroad with its 2,500 feet of track is of interest to youth and adults alike.

- Recently Charlevoix has seen an expansion of entertainment venues that include the reopening of the theater and the Bridge Street Tap Room, which is open all year.

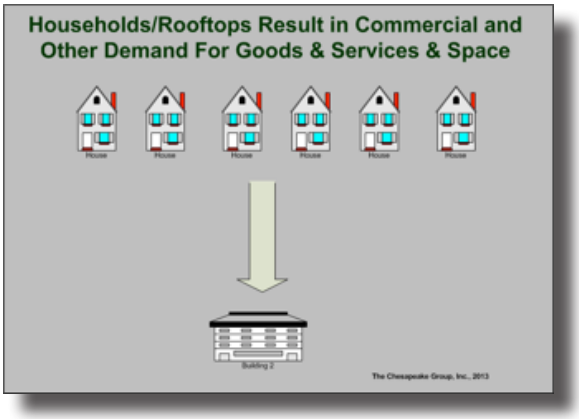
- Charlevoix has industrial buildings and land available that, when coupled with the advent of enhanced communications tech-nology to the sites, are an attractive location for new businesses.



CURRENT CONDITIONS

Inevitably the ability of retail and other commercial activity to be successful within any community is dependent upon having a population that purchases the goods or services. In general, the greater the number of households, often referred to as rooftops, and the greater the number of related population means that there is a greater amount spent on retail goods and related services.

In general, people that live in an area on a year around basis generally spend much of their money near home. People who visit or have a second home in an area generally spend a lesser proportion of their income or resources near either their primary residence or their second homes.



COMMUNITY DEMOGRAPHICS

Those living in Charlevoix, the zip code that encompasses Charlevoix and its immediate surroundings, and Charlevoix County are relatively small in numbers. According to Census Bureau statistics:

- About 2,500 people in 1,266 households lived in the City of Charlevoix in 2010.
- If you include the 49720 zip code, about 9,200 people lived in 3.960 households in 2010.
- If you include all of Charlevoix County, a total of 25,950 people lived in 12,880 households in 2010.

TABLE 2 - POPULATION, HOUSEHOLDS AND MEDIAN INCOME LEVELS FOR RESIDENTS OF CHARLEVOIX ZIP CODE 49720AND CHARLEVOIX COUNTY IN 2010*

Area	Population	Households	Median HH Income
Charlevoix	2,513	1,266	$36,496
ZCTA 49720	9,172	3,960	$49,141
Charlevoix County	25,949	10,882	$47,177

**U.S. Census Bureau*

CHARLEVOIX COUNTY

The Northwest Michigan Council of Governments (NWCOG) has projected that Charlevoix County's population will continue to increase slowly into the foreseeable future reaching about 29,500 by the year 2035.

TABLE 3 - POPULATION PROJECTIONS FOR CHARLEVOIX COUNTY*

Area	2025	2030	2035
Charlevoix County	28,465	29,111	29,439

**Northwest Michigan Council of Governments*

According to the University of Michigan's Institute of Labor and Industrial Relations, much of the population growth at the county level will be among those 65 years of age or older.

TABLE 4 - CHARLEVOIX COUNTY'S FUTURE POPULATION BY AGE GROUP*

Population by Age Group	2020	2025	2030	2035
Age 0 to 4 years	1,670	1,681	1,607	1,526
Age 5 to 15 years	3,363	3,684	3,848	3,776
Age 16 to 17 years	538	601	673	713
Age 18 to 24 years	1,588	1,337	1,464	1,666
Age 25 to 34 years	3,861	3,624	3,243	3,028
Age 35 to 44 years	3,629	4,225	4,350	4,090
Age 45 to 54 years	3,246	3,217	3,754	4,325
Age 55 to 64 years	4,018	3,668	3,203	3,178
Age 65 to 74 years	3,247	3,572	3,662	3,362
Age 75 to 84 years	1,656	1,955	2,247	2,483
Age 85 and older	818	900	1,059	1,293
Total	27,634	28,465	29,111	29,439

Source: Institute of Labor and Industrial Relations, University of Michigan.Prepared for Michigan Department of Transportation, December 2007. Northwest Michigan Council of Governments

There was a total of 17,249 housing units in Charlevoix county as of 2010. The 10,882 year around households reside in the bulk of the units. However, there were more than 5,100 seasonal units in the area as well, representing about one-third of all housing units.

TABLE 5 - HOUSING OCCUPANCY FOR CHARLEVOIX COUNTY*

Housing Units	Number	%
Total	17,249	100.0
Occupied housing units	10,882	63.1
Vacant housing units	6,367	36.9
For rent	341	2.0
Rented, not occupied	28	0.2
For sale only	315	1.8
Sold, not occupied	59	0.3
For seasonal, recreational, or occasional use	5,156	29.9
All other vacant units	468	2.7

**U.S. Census Bureau*

Permits for new housing in Charlevoix County from 2000 through 2014 provides additional insight into the potential growth patterns. Permit information indicates:

- The preponderance of new units and household growth came in the years 2000 through 2005.
- Recovery since the Great Recession has been slow with new permits being a fraction of those in the 2000 through 2005 period.
- The growth in non-single or multi-family units has been less impacted than single-family units.

TABLE 6 - NEW RESIDENTIAL UNIT PERMITS ISSUED IN CHARLEVOIX COUNTY FROM 2000 THROUGH 2014*

Type of Unit	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Single Family	371	436	208	226	267	265	221	124	243	43	51	43	62	60
Multi Family	0	0	40	48	0	12	9	32	0	0	6	42	2	4
Total	371	436	248	274	267	277	230	158	243	43	57	89	64	64

Source: U.S. Census Bureau

CITY OF CHARLEVOIX

The City of Charlevoix has a year round population of less than 3,000 people. The population increases dramatically in the summer months due to tourism and the high number of vacation/seasonal homes. The Land Use Master Plan notes that while Charlevoix shows a continuing decline in the year-round population, there is perceived to be an almost three-fold increase in summer-time residents. The resulting population peaks and valleys have a significant impact on demand and can place tremendous strain on public services and infrastructure.

The pattern is indicated in the Bureau of the Census's housing occupancy information. While the City of Charlevoix had roughly 2,200 housing units, at least 770 are for seasonal use. This represents more than 60% of the number occupied full-time.

TABLE 7 - CHARLEVOIX HOUSING UNIT OCCUPANCY*

Housing Occupancy	Numbers	%
Total housing units	2,201	100.0
Occupied housing units	1,266	57.5
Vacant housing units	935	42.5
For rent	74	3.4
Rented, not occupied	7	0.3
For sale only	28	1.3
Sold, not occupied	9	0.4
For seasonal, recreational, or occasional use	771	35.0
All other vacant	46	2.1
Homeowner vacancy rate (percent) [8]	3.7	(X)
Rental vacancy rate (percent) [9]	11.6	(X)

**U.S. Census Bureau*

RESIDENTIAL SALES PATTERNS

While new residential construction has only slowly recovered from the Great Recession, indications are that the recovery of sales for existing housing units has been relatively strong. A review of arms length sales for residential structures in Charlevoix City and County indicates that:

- The average sale price of units increased from roughly $110,000 to $286,000 between 2011 and 2013. Some of this price increase is likely attributable to changes in the size of units sold with larger more expensive units being offered and sold in 2012 and 2013 compared to 2011.
- The price per square foot of enclosed structures has also risen rapidly, going from about $59 per square foot to $142 per square foot.

TABLE 8 - AVERAGE ARMS LENGTH SALE PRICE AND PRICE PER SQUARE FOOT FOR EXISTING HOUSING FOR 2011, 2012 AND 2013*

Sale Date	Price/sq. ft.	Average Sale Price
2011	58.92	$109,950
2012	127.12	$177,333
2013	$142.46	$285,625

**Developed by The Chesapeake Group, Inc., 2015.*

There are differences between the sale prices for units within the City of Charlevoix and those outside of the City in other parts of Charlevoix County. Over the past few years, the average price per square foot for existing housing units sold in the City of Charlevoix exceeded the average sale price per square foot of those elsewhere in Charlevoix County.

TABLE 9 - PRICE PER SQUARE FOOT OF EXISTING UNITS IN THE CITY OF CHARLEVOIX AND CHARLEVOIX COUNTY SINE 2010*

Jurisdiction	Price/Sq. Ft.
Charlevoix	$93.75
County	$76.37

**Developed by The Chesapeake Group, Inc., 2015.*

BUSINESS CONDITIONS & PATTERNS

The business community within the City of Charlevoix and surrounding areas was surveyed for purposes of defining current and future conditions. About 100 businesses responded to the survey. The following are characteristics of the respondents and the businesses.

- 53% of those responding were the owners of the operations.
- 45% of the operations were located in the DDA area.
- Roughly 72% were located within the City of Charlevoix.
- 39% occupy less than 2,000 square feet.
- 60% occupy less than 4,000 square feet.
- 23% of the establishments are classified as being retail or food services such as restaurants.
- 48% own the space that they occupy. For those that rent, only 14% are interested in purchasing the building in which they are located.
- A statistically insignificant number of building owners are interested in selling the buildings in which the business is located.
- 86% of the businesses are open all year.
- The majority of operations have been located in Charlevoix in their same locations for at least 10 years, with many being in the same location for more than 20 years.

TABLE 10 - TENURE IN OPERATION IN CHARLEVOIX AND LENGTH OF TIME AT THE SPECIFIC LOCATION

Years	% Tenure in Charlevoix	% Tenure @ Current Location
Less than 1 year	4.7%	5.6%
1 to 2 years	0%	7.8%
3 to 4 years	10.5%	7.8%
5 to 9 years	11.6%	18.9%
10 to 19 years	16.3%	17.8%
20 or more years	57.0%	42.2%

**Developed by The Chesapeake Group, Inc., 2015.*

POTENTIAL LINEAGE OR LACK THEREOF

- Many of the current owners are reaching an age at which retirement is on the horizon. More than one-half of the owners are at least 50 years of age; and one-third is over 60.

TABLE 11 - AGE OF THE OWNERS*

Age of Owner	Percent
Less than 30	3.4%
30 to 49	28.1%
50 to 59	19.1%
60 or over	33.7%
Not applicable	15.7%

**Developed by The Chesapeake Group, Inc., 2015.*

- Only about one-third of the owners who are at least 50 years of age have identified the individual that would take over the business should they retire.

TABLE 12 - ANYONE IDENTIFIED TO TAKE OVER THE BUSINESS*

Anyone to Take Over	Percent
Yes	32.2%
No	20.0%
Uncertain	15.6%
Not applicable	32.2%

Developed by The Chesapeake Group, Inc., 2015.

BUSINESS CLIMATE

The overwhelming majority of operators believe that the business at the Charlevoix location has met expectations.

TABLE 13 - WHETHER LOCATION HAS MET EXPECTATIONS*

Met Expectations	Percent
Yes	86.7%
No	7.8%
Uncertain	5.6%

Developed by The Chesapeake Group, Inc., 2015.

For the minority of businesses that believe the Charlevoix location has not met expectations, the operators define the primary reasons for not meeting their objectives as the lack of foot traffic, mobile food trucks, parking and traffic flow, and lack of promotion of the area.

The majority of the operations report that business has either improved or remained unchanged over the last three years. About one-half of the operators defined business revenue and sales as being up over the past three years.

TABLE 14 - TRENDS IN REVENUE OR SALES FOR THE PAST THREE YEARS*

Revenue/Sales Trends	Percent
Up	49.3%
Down	13.7%
About the same	31.5%
Uncertain	5.5%

Developed by The Chesapeake Group, Inc., 2015.

The Great Recession and its aftermath have had a significant impact on businesses in the area. The economic conditions along with technological change have resulted in decreases and increases in employment levels, employee benefit changes, and wages.

TABLE 15 - IMPACT OF THE ECONOMY OR TECHNOLOGY CHANGE IN THE PAST THREE YEARS*

Impacts	Percent
Expand your labor force	21.3%
Increase employee wages	19.7%
Temporarily reduce your labor force	16.4%
Reduce employee benefits	13.1%
Expand your operation	11.5%
Seek non-traditional work and revenue sources	11.5%
Downsize your operation (other than employment)	8.2%
Permanently reduce your labor force	6.6%
Cut employee wages	6.6%
Expand employee benefits	4.9%
Temporarily expand your labor force	3.3%
None of the above	42.6%

**Developed by The Chesapeake Group, Inc., 2015.*

The seasonal nature of the Charlevoix area, as well as difficulties in finding quality or qualified employees, are the primary challenges to current and future activity in the area.

TABLE 16 - CHALLENGES TO GROWING THE BUSINESS*

Challenges	Percent
Seasonal nature of the area	37.3%
Finding quality employees	34.3%
Finding qualified employees	32.8%
General regional economy	26.9%
Utility costs	22.4%
Insurance costs	20.9%
National economy	20.9%

**Developed by The Chesapeake Group, Inc., 2015.*

About one-fourth of the businesses anticipate an expansion in their operations in the next few years. About 40% of all operations have plans to make additional investments in the next few years.

EMPLOYMENT CONDITIONS & PATTERNS

Zip Code Tract Area (ZCTA) 49720 encompasses the City of Charlevoix and other areas outside of Charlevoix, including portions of Bay Shore, Horton Bay, Ironton and Norwood. Between 2000 and 2012, the ZCTA lost 18% (76) of its business establishments. The largest declines were in:

- Construction - down by 45%.
- Retail - down 20% (occurred largely in 2011-2012).
- Professional Services - down 23%.
- Accommodations - down 15%.

The ZCTA faired better than Charlevoix County. During the same period Charlevoix County lost 287 business establishments or 26% of the total. The largest were:

- Construction - down 43%.
- Manufacturing - down 31%.
- Retail - down 35%.
- Professional Services - down 25%.
- Health Care - down 24% (but up in the City of Charlevoix).
- Accommodations - down by 20%.

According to the American Community Survey, the labor force consisted of roughly 1,300 people 16 years of age or older.

TABLE 17 - EMPLOYMENT STATUS OF THOSE 16 YEARS OF AGE OR OLDER IN 2012*

EMPLOYMENT STATUS	Number	Percent
Population 16 years and over	2,106	100%
In labor force	1,298	61.6%
Civilian labor force	1,286	61.1%
Employed	1,220	57.9%
Unemployed	66	3.1%
Armed Forces	12	0.6%
Not in labor force	808	38.4%

**Source: American Community Survey 5-Year Estimates*

More than six in ten were employed in an occupation that was defined as "sales and office occupations" or "management, business, science and arts occupations."

TABLE 18 - OCCUPATIONS*

OCCUPATION	Estimate	Percent
Civilian employed population 16 years and over	1,220	100%
Management, business, science, and arts occupations	383	31.4%
Service occupations	168	13.8%
Sales and office occupations	336	27.5%
Natural resources, construction, and maintenance occupations	126	10.3%
Production, transportation, and material moving occupations	207	17.0%

**Source: American Community Survey 5-Year Estimates*

The survey of businesses indicates:

- The majority of operations in Charlevoix have less than 5 employees throughout the year.
- About 60% of the employees live in Charlevoix or Charlevoix County with the overwhelming majority of others residing in surrounding communities outside the county such as Boyne City and Petoskey.

The survey of residents indicates:

- About two in ten households have no one employed on a full-time basis.
- 63% of the households have no one employed on a part-time basis.

TABLE 19 - NUMBER IN HOUSEHOLD EMPLOYED*

Number	Percent Full-time	Percent Part-time
0	22.5%	63.2%
1	39.1%	31.4%
2	33.2%	5.0%
3	3.6%	0.0%
4 or more	1.6%	0.4%

**Developed by The Chesapeake Group, Inc., 2015.*

- About two in ten households include someone with two paid jobs.
- 82% of the households have no one that would be considered under or unemployed, with under-employment including those wishing to work full-time but unable to find full-time employment.

TABLE 20 - HOUSEHOLDS WITH ONE OR MORE PERSONS NOT EMPLOYED OR EMPLOYED PART-TIME THAT WOULD DESIRE TO BE EMPLOYED FULL-TIME?

Under or Unemployed	Percent
No	81.5%
Yes, 1 person	17.7%
Yes 2 or more people	0.8%

**Developed by The Chesapeake Group, Inc., 2015.*

- Many of those desiring full-time employment have technical training or some level of college at a minimum.

TABLE 21 - EDUCATION LEVEL OF THAT PERSON/THOSE PEOPLE*

Education	Percent
Less than high school	1.2%
High school	11.5%
Technical	3.7%
Some college or Associate's Degree	29.6%
Bachelor's Degree	39.9%
Advanced degree	31.7%

**Developed by The Chesapeake Group, Inc., 2015.*

- Age is a factor for a minority of those considered under or unemployed. Lack of employment opportunities near home, insufficient pay, lack of jobs for skill or education levels and no jobs at the experience level are also critical factors as defined by the individuals.

TABLE 22 - PRIMARY REASONS FOR NOT HAVING EMPLOYMENT OR FULL-TIME EMPLOYMENT*

Primary Reasons	Percent
Lack of employment opportunities near home	51.6%
Pay insufficient	30.6%
No jobs for my skill or education level available	22.3%
No jobs for my experience level	21.7%
Other factors	21.7%
Age factors	21.0%
Child care issues	9.6%
Lack of transportation	2.5%

**Developed by The Chesapeake Group, Inc., 2015.*

ADDITIONAL ANALYSES

In an effort to define opportunities for economic development activity for Charlevoix and its downtown. A number of different types of analyses were conducted.

NEARBY COMMUNITY COMPARISON

Many people look at nearby communities and believe that they are similar because of their location. However, the primary factors in economic activity in general, and particularly in commercial activity, are based on a local market.

Nine communities are identified below that are relatively nearby Charlevoix but are very different in terms of their indigenous populations and markets. In examining population, the number of households, and the median household income, none are similar to Charlevoix. According to the 2010 Census and the American community Survey Census, the areas shown shaded in Table 23 are the only characteristics of the nine communities that have a population, number of households, or median incomes that are within 10% of Charlevoix's population, households and incomes.

TABLE 23 - POPULATION, HOUSEHOLDS AND INCOMES OF NEARBY COMMUNITIES*

	2010 Census Population	2010 Census Households	2008-2012 ACS Median Inc.
Charlevoix	2,513	1,266	$36,496
Harbor Springs	1,194	558	$42,019
Elk Rapids	1,642	791	$38,750
Leland Township	2,043	895	$57,625
East Jordan	2,351	952	$32,819
Gaylord	3,645	1,610	$40,057
Boyne City	3,735	1,635	$41,462
Petoskey	5,670	2,538	$42,056
Ludington	8,076	3,549	$30,778
Escanaba	12,616	5,622	$27,346

**Developed by The Chesapeake Group, Inc., 2015. Based on 2010 Census and ACS 2012.*

For the primary ZCTA in each community, four have median households that are within 10% of Charlevoix's primary zip code; while none have a population or number of households within 10% of Charlevoix.

TABLE 24 - POPULATION, HOUSEHOLDS AND INCOMES OF NEARBY COMMUNITIES BY PRIMARY ZIP CODES*

	2010 Census Population	2010 Census Households	2008-2012 ACS Median Inc.
Charlevoix, 49720	9,173	3,960	$49,141
Harbor Springs, 49740	7,042	3,073	$60,066
Elk Rapids, 49629	2,223	1,055	$42,917
Leland Township, 49654	690	344	$71,136
East Jordan, 49727	7,145	2,831	$43,424
Gaylord, 49735	19,515	7,811	$47,850
Boyne City, 49712	7,890	3,287	$46,488
Petoskey, 49770	16,862	6,951	$52,895
Ludington, 49431	16,875	7,163	$40,557
Escanaba, 49829	17,347	7,523	$34,475

**Developed by The Chesapeake Group, Inc., 2015. Based on 2010 Census and ACS 20`12.*

CLUSTER ANALYSIS USING GAP OR COMPARATIVE ASSESSMENT METHODOLOGY

One method employed to define opportunities for Charlevoix and its Downtown is a Cluster Analysis based on comparative or gap assessment methodology.

The United States Census Bureau provides annual information on Business Patterns throughout the nation in three different geographical formats. These are county, zip code, and Metropolitan Statistical Areas. This analysis includes assessments of local business patterns at both the zip code and larger county level. The identified business gaps defined in this process may or may not be appropriate opportunities for development in Charlevoix because of the nature of operations, scale, or other factors.

It is noted that all population and household estimates upon which the comparisons were made were derived from the same source for comparability; it is the 2010 United States Census Bureau data. For consistency purposes, a single source, the United States Census Bureau's 2012 County Business Patterns, was employed to define the business structure and activity within all areas.

The North American Industry Classification System (NAICS) was introduced in 1997 as a more effective business classification system that identifies and groups establishments according to the activities in which they are primarily engaged. NAICS recognizes 1,170 different types of "industries" or establishments in twenty major industry sectors ranging from Agriculture (Sector 11) to Public Administration (Sector 92). This analysis examined and extracted data from all twenty sectors for this area, as follows:

- Agriculture, Forestry, Fishing & Hunting.
- Mining.
- Utilities.
- Construction.
- Manufacturing.
- Wholesale Trade.
- Retail Trade.
- Transportation.
- Information.
- Finance and Insurance.
- Real Estate, Rental and Leasing.
- Management of Companies and Enterprises.
- Administrative and Support, Waste Management and Remediation Services.
- Educational Services.
- Health Care and Social Assistance.
- Arts, Entertainment, and Recreation.
- Accommodation and Food Services.
- Public Administration.

CLUSTER ANALYSIS AT ZIP CODE LEVEL

The initial cluster analysis compared the business structure of zip code tabulation area (ZCTA) 49720, which encompasses the city of Charlevoix and other communities to that associated with other ZCTAs and communities that are similar. In determining communities for which the comparison can be made, the following criteria were used:

- The population had to be similar to those associated with the City of Charlevoix's primary zip code since demand for many goods and services are ultimately dependent largely upon the size of the market served.
- The household numbers had to be similar to those associated with the City of Charlevoix's primary zip code since demand for many goods and services are ultimately dependent largely upon the size of the market served.
- The selected areas have median household incomes that are comparable.
- The locations had to have or be nearby significant bodies of water.
- Transportation and interstate highway access had to be similar.

There are essentially seven zip code areas that are similar using economic factors that are associated with 49720 zip code. They are:

- 19975, Selbyville, DE
- 02673, West Yarmouth, MA
- 32407, Panama City Beach, FL
- 54487, Tomahawk, WI
- 55355, Litchfield, MN
- 62024, East Alton, IL
- 98528, Belfair, WA

Through the cluster analysis a list of under-represented "industries" in Charlevoix was then defined; the under-represented industries were those where the 49720 zip code area had a lesser number of businesses than at least five of the seven other communities. Thus, the number of businesses in Charlevoix, compared to the other communities, was below what might be expected. It is further noted that in some cases the under-represented industry differences are great, and in others the differences are smaller. Under-representation does not mean that the identified categories of businesses are necessarily desirable for Charlevoix or Downtown.

The under-represented businesses at the zip code level are found in Table 22A in the Appendix. Under-represented industries or types of businesses include the following:

- Land Subdivision
- Automotive Parts and Accessories Stores
- All Other Home Furnishings Stores
- Nursery, Garden Center, and Farm Supply Stores
- Tobacco Stores
- Travel Agencies
- Sports and Recreation Instruction
- Other Individual and Family Services
- General Automotive Repair
- Drywall and Insulation Contractors
- Floor Covering Stores
- Other Building Material Dealers
- Sporting Goods Stores
- All Other Miscellaneous Store Retailers (except Tobacco Stores)
- Offices of Physical, Occupational and Speech Therapists, and Audiologists
- Other Personal Care Services

Clusters that are under-represented at the zip code level include:

- Home furnishings and miscellaneous retail operations which often successfully locate in downtowns.
- Other retail and related-services that is more often than not successful in other than traditional downtown locations such as automotive parts and repair and building materials, nurseries, and garden centers.
- Medical specialty offices for physical, occupational and speech therapy and audiologist offices.

COUNTY LEVEL ECONOMIC STRUCTURE COMPARISON

The same criteria were employed to perform the cluster analysis at the county level. The following are identified as similar counties in terms of the economic factors:

- Lewis Co., NY
- Yates Co., NY
- Somerset Co., MD
- Edgefield Co., SC
- Juneau Co., WI
- Door Co., WI
- Mille Lacs Co., MN

Under-represented "industries" were then defined as those where Charlevoix County had a lesser number of businesses than at least six of the other seven counties. Thus, the number of businesses in Charlevoix County, compared to the other communities, was below what might be expected. The under-represented business activity at the county level is found in Table 23A in the Appendix. Under-represented industries or types of businesses include the following:

- Farm and Garden Machinery and Equipment Merchant Wholesalers
- New Car Dealers
- Used Car Dealers
- Floor Covering Stores
- Household Appliance Stores
- Paint and Wallpaper Stores
- Other Building Material Dealers
- Outdoor Power Equipment Stores
- Nursery, Garden Center, and Farm Supply Stores
- Jewelry Stores
- Fuel Dealers
- General Freight Trucking, Local
- Specialized Freight (except Used Goods) Trucking, Local
- Motor Vehicle Towing
- Other Scientific and Technical Consulting Services
- Research and Development in the Physical,
- Engineering, and Life Sciences (except Biotech.)
- Temporary Help Services
- All Other Support Services
- Offices of Physicians, Mental Health Specialists
- Offices of All Other Miscellaneous Health Practitioners
- Kidney Dialysis Centers
- Nursing Care Facilities (Skilled Nursing Facilities)
- Other Individual and Family Services
- Vocational Rehabilitation Services
- Bowling Centers
- Food Service Contractors
- Drinking Places (Alcoholic Beverages)
- Cafeterias, Grill Buffets, and Buffets
- General Automotive Repair
- Other Personal Care Services
- Farm Supplies Merchant Wholesalers

Clusters that are under-represented at the county level include:

- Vehicle sales generally located in suburban locations.
- Food service establishments often successful in traditional Downtowns.
- A range of medical related professional offices and services.

COMMON CLUSTERS

There are a limited number of under-represented businesses at both the zip code and county levels a ◊ Agriculture: cultivated fruits and vegetables.

- Floor Covering Stores
- Other Building Material Dealers
- Nursery, Garden Center, and Farm Supply Stores
- Fuel Dealers
- Other Individual and Family Services
- General Automotive Repair
- Other Personal Care Services

ASSESSMENT OF RESEARCH & DEVELOPMENT OPPORTUNITIES

Charlevoix has an abundance of natural resources within and surrounding the city which offer opportunities well beyond recreation and tourism. This review includes the natural resources existing in the City and County of Charlevoix and their research and development potential.

It is noted that two of Michigan's universities have strong research departments which are at the forefront of collaborations with other educational institutions, government and private entities. These educational and governmental facilities are involved with research associated with and including:

- Agriculture: cultivated fruits and vegetables.
- Water Bodies: limnology, aquatic invasive flora and fauna.
- Native woodland animal species.
- Native bird species.
- Indigenous fish species.

The existing Research and Development entities include:

- Charlevoix Fisheries Research Station
- Michigan State University (MSU) Charlevoix-Extension.
- Lake Charlevoix Association. (The organization's current concerns regarding the health and well-being of the lake include, but are not limited to: fish habitat, phragmites, water quality and invasive species.)
- Tip of the Mitt Watershed Council. (Dedicated to protecting its lakes, streams, wetlands, and groundwater by conducting advocacy, innovative education, technically sound water quality monitoring thorough research and restoration actions.)
- University of Michigan's School of Natural Resources and Environment (SNRE), Ann Arbor.
- Great Lakes Environmental Research Lab (GLERL), Ann Arbor. (GLERL and its partners conduct research on the dynamic environments and ecosystems of the Great Lakes to provide information for resource use and management decisions that lead to safe and sustainable ecosystems, ecosystem services, and human communities. Current research programs include, but are not limited to: Ecosystem Dynamics, Integrated Physical and Ecological Modeling, and Forecasting and Observing Systems and Advanced Technology.)
- Cooperative Institute for Limnology and Ecosystems Research (CILER). (A Center of Excellence at the School of Natural Resources and Environment at the University of Michigan, CILER brings together this expertise in Great Lakes science and outreach and currently has a cooperative agreement with NOAA and nine consortium universities.)
- Great Lakes Fishery Commission. (Fishery management.)

AG PRODUCT RESEARCH

The Charlevoix area has at least five private farms identified producing a wide variety of fruits, vegetables, tree nuts, dairy and livestock that are involved with research. These include:

- Green Leaf Farms
- Dhaseleer Farm
- Creation Farm
- Kiteley Berry Farm
- Friske Orchard.

Additional or expanded research potential based on their current or potential production at the local farms includes but is not limited to:

- Medical research including:

  Omega 3 fatty oils/heart health; biomedical research model/human epilepsy, human physiological response to space flight, exoskeleton protection against injury and infection; inhibition of breast cancer metastasis; nervous system and brain health/improved memory; immune-suppression, anti-inflammatory, inhibits cancer cell growth, fights anaerobic infectious agents; protection against the development of type 2 diabetes; Chorioallantoic Membranes (CAM)/head and neck cancer; age-related diseases; and blocking the spread and growth of cancers.

- Plant disease and threats including:

  Fusairum yellows disease/resistance breeding; and Wooly apple aphids/pests stunting growth, infests trunk, branches, bark, fruit/create molds/monitoring/developing/discovering natural beneficial predators.

WATER RELATED RESEARCH

The City and County of Charlevoix have an incredible wealth of water bodies, including but not limited to: Lake Michigan, Lake Charlevoix, Round Lake and tributaries such as the Jordan and Boyne Rivers and Stover, Horton, Loeb, Deer, Porter, and Monroe Creeks. The research potential from the local water bodies includes but is not limited to:

- Plant and Animal and Organisms including:

  Alga Diatoms for their photosynthetic properties, lipids, far-red light photo-acclimation/bio-fuel, biotechnology genetic engineering applications, nano-technology (sensing/bio-sensing, drug delivery, chemical-free pest control, and semi-conductors), creating energy and oxygen, optimizing plant growth, environmental monitoring and assessment, miniature manufacturing bio-mimicry innovation method, BIM and Nano-electro-mechanical systems (NEMS) and paleoecology; algae for job creation in industries that does not compete with agriculture and is a sustainable biomass producing biofuels, food, animal feed and other co-products, purifies wastewaters, is dried and pelletized for burned fuel source, manufactured for plastics, chemical feed-stocks, lubricants, and fertilizers and cosmetics.

- Fresh Water Limnology including but not limited to:

  Climate change for increased CO2 and decreased rainfall, rainwater evaporation resulting in decreased available agricultural and drinking water, global and regional air temperatures, more intense or frequent floods and droughts, and water level variations impacting hydroelectric power, shipping, shoreline residents and water supplies; monitoring and evaluations of marine ecosystems to develop new instruments, sensors and methods for physical, chemical, biological and geological sampling and observations; creating miniaturized, individual sensors data specificity and chemical detections, improved remotely operated vehicles (ROV) and autonomous under-water vehicles (AUV), scanning sonar, scientific sounder, and visual sensors; social-ecological systems limnology research of terrestrial and aquatic landscapes and role of lakes as climate regulators, providers of diverse ecosystem services, sustainability of aquatic landscapes, balancing water quality and quantity, land-use activities and economic objectives; and predictive classification modeling/managing and conserving large number's of lake, river and wetland ecosystems.

- Invasive Aquatic Plants and animals including but not limited to:

  Aquatic plant biomass for bioenergy; phragmites competing with native plants, eliminating native plants and reducing the diversity of plant and wildlife species, nesting tubes for solitary bees, livestock fodder, cellulose production; zebra mussels for useful compost, adhesive proteins used to formulate environmental, medical and industrial water-impervious and ecologically safe adhesives and binding agents for glass, plastics, metal and wood, bone or teeth,; sea lamprey that devastate native fish, encourage algae blooms but may involve medical research for human neurological diseases and spinal cord injury, production of beneficial lymphocytes (white blood cells) that help fight infections by attacking bacteria, viruses, and germs that invade the body, etc.; and Asian Carp to track carp eggs to reduce their progeny and to develop barriers to prevent eggs

- Native Fish Species including but not limited to:

  Fish physiology, genetics, evolution, immunology, endocrinology and better knowledge of fish responses under varying environmental conditions and experimental paradigms; trout for medical reactions, research of angling causing pain to fish, research on anesthesia and analgesia, and fish responding to noxious stimuli; wild and farm-raised trout comparisons; cutthroat trout virus (CTV) similarity to human Hepatitis E. virus but easier to culture and could provide medical researchers with a surrogate virus to test potential drug therapies and vaccines; bass behavior modification and electro-fishing gear used to gauge recapture, product testing for lure development; fish byproducts and skins to provide gelatin source because of low gelling temperature and provides a better barrier of water vapor, protection against oxidation for gel-capsule-type medication coatings and inhibiting bacteria increasing shelf life of food products; fish livers for potential as a dietary supplement; and fish-based protein and ingredients for aquaculture and livestock feeds as research groups work on an alternative to the existing “grind and dump” seafood processing waste.

NATIVE AVIARY RELATED RESEARCH

Charlevoix County bird species include, but are not limited to: ducks, seagulls, loons, osprey, geese, blue heron, red-shouldered hawk, bald eagle, swans, sand pipers, piping plovers, mourning doves, chickadees, blue jays, cardinals, robins, nuthatches, crows, purple finches, woodpeckers, owls, turkeys, grouse, and woodcock. Related research opportunities include:

- Avian life spans translatable to primates, provide context for how modern man’s aging patterns evolved; ducks/waterfowls migration studies, climate impact and research, effects of intermittent fasting on body composition and reproduction, habitat selection; endangered piping plovers mating systems for long-term species recovery planning, and habitat suitability/foraging ecology; chickadees for their complex vocal behavior for speech pathologies and therapies; chickadees for food-storing behavior and spatial orientation; chickadees for inter-species hybridization and impacts of forest fragmentation; and blue Jays for their decision making, cooperation, betrayal, and generosity related to the human brain and Alzheimer's.

WOODLANDS RELATED RESEARCH

Common Woodland animals include, but are not limited to: deer, bear, raccoons, porcupines, bobcat, fox, rabbits, squirrels, chipmunks, skunk, opossum, bats and muskrat. New or expanded research opportunities include:

- Deer and antler pedestal stem cells for insight into bone cancer, bone repair possibility of growing bone; deer velvet tissue to stimulate human systems to protect, strengthen and restore out-of-balance functions; squirrels short-term hibernation, torpor, central nervous system for immediate revival/life-saving medical therapies and drug development to treat stroke, cardiac arrest, multi-organ failure and hemorrhagic shock patients; opposum newborn studies for human infant brain and organs development and for possible development of skin cancer prevention and treatment of melanoma; opposum regenerative spinal cord system for treatment of human spinal cord injuries; bats for identifying tumors hidden deep inside the human body; and bats for virus resistance and prevention of infectious diseases and cancer in humans.

DEMAND FORECASTING

This section describes demand forecasting focused on housing, retail goods and related services activity for Charlevoix and the Downtown, and on office and industrial activity for Charlevoix.

GENERAL CHARACTERISTICS FROM ON-STREET PATRON & ONLINE SURVEY

The forecasts are based on a survey of roughly 200 Downtown patrons and on roughly 350 resident households that responded to an online survey conducted as part of this analysis. Input from both surveys was obtained from households both inside and outside the City of Charlevoix and from those living in Charlevoix both full and part-time or seasonal. The following summarizes the sample characteristics for both surveys:

PATRON SURVEY

- Roughly one-half of all patrons in Downtown are 51 years of age or older with about one-half of these being at least 61 years of age.

TABLE 25 - AGE OF PATRONS*

Age Category	Percent
18 to 21	5.0%
22 to 30	11.0%
31 to 40	16.0%
41 to 50	16.5%
51 to 60	24.0%
61 to 75	24.0%
76 or over	3.5%

**Developed by The Chesapeake Group, Inc., 2015.*

- About one-half of all patrons come either by themselves or with one other person. On the other hand, two in ten come in parties containing four or more people.

TABLE 26 - NUMBER OF PEOPLE ON DOWNTOWN TRIP WITH RESPONDENT*

Number	Percent
None	13.6%
1	37.7%
2	19.6%
3	9.0%
4 or more	20.1%

**Developed by The Chesapeake Group, Inc., 2015.*

- About seven out of ten patrons come with family members.

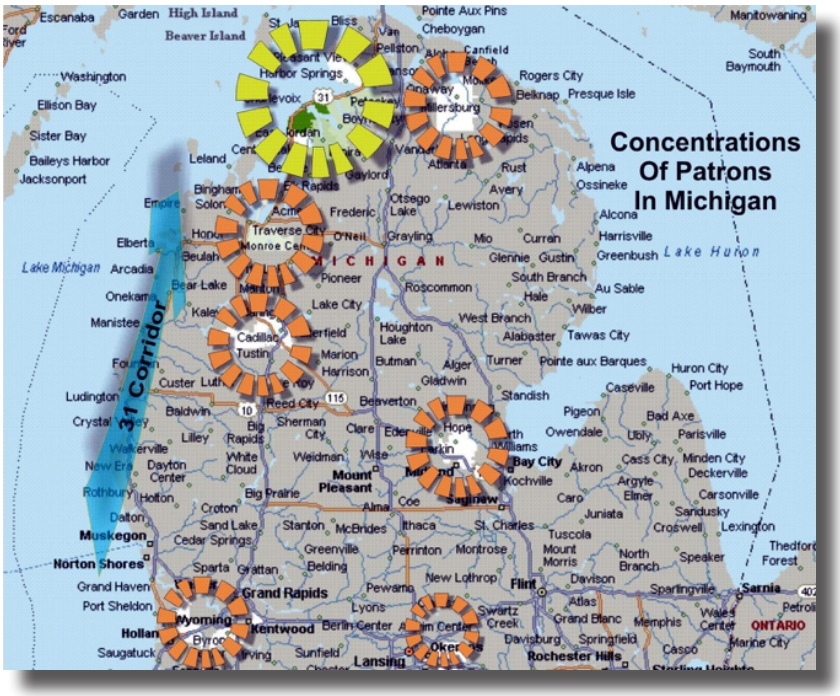
TABLE 27 - CHARACTERISTICS OF THOSE WITH THEM

Characteristic	Percent
Family	70.6%
Friends	18.2%
Both	10.0%
Others	1.2%

**Developed by The Chesapeake Group, Inc., 2015.*

The majority of patrons live in Michigan, although patrons also come from outside the state primarily from communities east of the Mississippi River.

TOTAL SAMPLE DISTRIBUTION GRAPHIC



- Within Michigan, the largest concentration of patrons comes from immediate surrounding communities, those to the east and those to the south along the 131 and 31 corridors to the Grand Rapids area.

ONLINE RESIDENT SURVEY

Both full and part-time residents were encouraged to respond to the online survey.

- The bulk of the residents responding to the survey online were full-time residents of the Charlevoix area. Yet, about 30% of the households or one of every three respondents lived in the Charlevoix area part-time.

TABLE 28 - STATUS OF RESIDENTS RESPONDING TO THE SURVEY*

Status	Percent
Full-time, all year resident	70.8%
Part-time resident living here six months or more in a year	8.3%
Part-time resident living here three to five months of the year	6.6%
Part-time resident living here only for a couple of months in season	7.6%
Generally just come up for a few weeks each year	6.6%

**Developed by The Chesapeake Group, Inc., 2015.*

- The majority of the households are small consisting of two members or less.

TABLE 29 - NUMBER OF HOUSEHOLD MEMBERS*

Number	Percent
1	11.6%
2	47.0%
3	13.5%
4	21.5%
5	4.0%
6 or more	2.4%

**Developed by The Chesapeake Group, Inc., 2015.*

- The household size is reflective of the ages of primary income earners in the households. The primary income earners are at least 55 years of age in more than four of every ten households.

TABLE 30 - AGE CATEGORY OF THE HOUSEHOLD'S PRIMARY INCOME EARNER(S)*

Age	Percent
Under 25	3.2%
25 to 34	15.7%
35 to 44	18.1%
45 to 54	20.1%
55 to 64	26.9%
65 to 74	13.7%
75 or over	3.6%

**Developed by The Chesapeake Group, Inc., 2015.*

- Only two in ten households have children younger than six years old.
- The average (mean) annual total household income is $116,000. More than 10% of the households have incomes below $30,000, and about 42% of the households have incomes above $100,000 per year with a significant portion of these having incomes above $200,000.

TABLE 31 - TOTAL ANNUAL HOUSEHOLD INCOMES*

Income	Percent
$19,999 or Less	5.5%
$20,000 to $49,999	17.0%
$50,000 to $74,999	21.6%
$75,000 to $99,999	13.3%
$100,000 to $149,999	19.3%
$150,000 to $199,999	9.2%
$200,000 to $299,999	6.9%
$300,000 or More	6.9%

**Developed by The Chesapeake Group, Inc., 2015.*

RESIDENTIAL DEMAND

Residential Demand Factors

There are a variety of factors influencing the demand for housing in Charlevoix and the Downtown. These include the previously noted national, Michigan, and Charlevoix factors and trends found in the "Context" and "Current Conditions" sections of this report, as well as the age characteristics of the primary income earners. Other factors include:

Ownership and Tenure

The majority of households (79%) indicated that they own their primary residence whether in Charlevoix or elsewhere. Furthermore, about one-fourth of the households have lived at their primary residence for at least twenty years, and one-half have lived at their primary residence prior to the housing "bubble" associated with the 2000 to 2008 period. In addition, another 30% have lived in their primary residence for less than 5 years or since the technical end of the Great Recession.

TABLE 32 - TENURE AT PRIMARY RESIDENCE*

Years	Percent
2 years or less	19.5%
3 to 4 years	11.4%
5 to 9 years	18.7%
10 to 19 years	24.8%
20 or more years	25.6%

**Developed by The Chesapeake Group, Inc., 2015.*

Monthly Rent Or Mortgage Payments

About one-fourth of all households do not have monthly rent or mortgage payments associated with their primary residence, reflecting to a large extent the noted tenure. The average monthly rent or mortgage payment for households is estimated at $960. If those not having such payments are excluded, the average is estimated to be $1,250.

TABLE 33 - AMOUNT OF RENT OR MONTHLY MORTGAGE PAYMENT*

Amount	Percent
None	23.1%
Less than $400/month	5.6%
$400 to $599/month	9.0%
$600 to $799/month	14.1%
$800 to $999/month	12.4%
$1,000 to $1,249/month	13.2%
$1,250 to $1,499/month	4.7%
$1,500 to $1,749/month	3.0%
$1,750 to $1,999/month	6.0%
$2,000 to $2,499/month	1.7%
$2,500 to $2,999/month	1.7%
$3,000 to $3,499/month	1.3%
$3,500 to $4,499/month	1.3%
$4,500 or more/month	3.0%

**Developed by The Chesapeake Group, Inc., 2015.*

Probability of Relocating in the Next Five Years

Because of life-style changes, rental conditions, housing market conditions, employment changes, increase or decrease in family size, changes in physical or fiscal conditions, or for medical or other reasons, about one-fourth of households envision moving from their current home in the next five years. The proportion potentially moving could be as high as 50% if those uncertain are included.

About one-third of those likely to move believe such a move will be outside of the Charlevoix area.

Unit Size for Those Likely to Move

Those likely to move are fairly evenly split between the new unit being the same size, smaller, or larger than their current home.

TABLE 34 - PREFERRED SIZE OF NEXT HOUSING UNIT COMPARED TO CURRENT HOME*

New Size of Unit	Percent
Larger	24.4%
Smaller	29.8%
Same	36.8%
Uncertain	9.1%

**Developed by The Chesapeake Group, Inc., 2015.*

Primary Characteristics of New Unit and Area

Of the characteristics that people desire in an area and housing unit when making a move, about one-half want a single-family dwelling and a walkable environment.

Walkability is the single most important factor in choice of future housing.

TABLE 35 - SELECT CHARACTERISTICS SOUGHT IN THE NEW HOUSING UNIT*

Characteristics	Percent
Single-family unit	55.6%
A walkable environment for recreation, shopping and other activity	55.1%
Safe area or development	35.9%

**Developed by The Chesapeake Group, Inc., 2015.*

Household & Housing Unit Growth Estimates

The estimate of future housing growth in the City of Charlevoix and the Downtown is based on the identified factors. The total number of housing units in Charlevoix is estimated to be more than 2,200, with about one-third being used as non-permanent residences. Capturing a larger share of the housing market is probable in Downtown when blended with a growth of other activity; it is dependent upon the Downtown having the right housing options available to retain existing Charlevoix area residents that are seeking a different housing style and the ability to attract new residents.

There are essential two housing segments that should be addressed in Downtown based on the noted factors and market conditions; these are seniors and young adults. The combination of the two represents about one-half of the new unit market in Charlevoix County.

Since 2010, roughly 250 new housing units have been permitted in Charlevoix County. Assuming a continued similar growth rate in the future, capturing a 10% market share over the next five years in Downtown would result in a total of 25 additional units in the core. The following table provides a range of the potential growth in housing in the City of Charlevoix and its downtown.

Market conditions indicate that Downtown could support between 45 and 90 additional housing units.

TABLE 36 - ESTIMATED NEW HOUSING UNITS FOR CHARLEVOIX AND DOWNTOWN 2015 TO 2020, 2020 TO 2025 AND 2015 TO 2045*

Scenario	2015 to 2020	2020 to 2025	2015 to 2025
Downtown	**25 to 50**	**20 to 40**	**45 to 90**
10% Market Share	25	20	45
15% Market Share	38	30	68
25% Market Share	50	40	90
City of Charlevoix	**50 to 75**	**50 to 75**	**100 to 150**
Range	50 to 75	50 to 75	100 to 150

**Developed by The Chesapeake Group, Inc., 2015.*

COMMERCIAL DEMAND

Commercial Demand Factors

There are also a variety of factors influencing the demand for commercial activity in Charlevoix and Downtown. These include the previously noted national, Michigan, and Charlevoix factors and trends found in the "Context" and "Current Conditions" sections of this report. Other factors include:

RESIDENTS

1. Frequency of Trips to Downtown and Probability of Returning

The on-street survey conducted in Downtown indicated that about one-fourth of the patrons come to the Downtown regularly when in the Charlevoix area. There are also a significant proportion of the patrons that are there less frequently; many of these are new patrons. The latter indicates continued expansion of the market served by Downtown.

TABLE 37 - FREQUENCY OF TRIP*

Scenario	2015 to 2020	2020 to 2025	2015 to 2025
Downtown	**25 to 50**	**20 to 40**	**45 to 90**
10% Market Share	25	20	45
15% Market Share	38	30	68
25% Market Share	50	40	90
City of Charlevoix	**50 to 75**	**50 to 75**	**100 to 150**
Range	50 to 75	50 to 75	100 to 150

**Developed by The Chesapeake Group, Inc., 2015.*

Furthermore, whether frequent patrons or those in Downtown for the first time, nine out of ten patrons are likely to return to Downtown at another time.

2. Purchases form Downtown Businesses

At least three-fourths of all patrons make purchases while on trips to Downtown businesses.

TABLE 38 - PROPORTION OF PATRONS MAKING PURCHASES IN DOWNTOWN*

Whether Purchase Made on Trip	Percent
Yes	72.9%
No	5.0%
Not Yet	17.6%
Maybe	4.0%
Don't Know	0.5%

**Developed by The Chesapeake Group, Inc., 2015.*

3. Resident Spending on Food Primarily for Home Consumption

In general, most households in this country spend the majority of their income on three basic commodities irrespective of their incomes; they are food, transportation, and housing. The review of housing can be found on previous pages. The amount and type of spending on each commodity varies by income.

Charlevoix area households spend about $117 each week on groceries and related merchandise on average. Two of ten households spend at least $150.

TABLE 39 - AMOUNT SPENT WEEKLY ON GROCERIES AND RELATED MERCHANDISE*

Grocery Spending	Percent
Less than $35	1.6%
$35 to $44.99	4.9%
$45 to $59.99	8.1%
$60 to $74.99	9.7%
$75 to $99.99	16.5%
$100 to $124.99	23.6%
$125 to $149.99	14.6%
$150 to $199.99	11.0%
$200 to $249.99	7.4%
$250 or more	2.6%

**Developed by The Chesapeake Group, Inc., 2015.*

Four operations dominate the market. These are: Oleson's (34%), Meijer (24%), Family Fare (18%) and Glen's (10%).

TABLE 40 - MARKET SHARE FOR GROCERY

Grocery Store	% of Market
Oleson's	34.2%
Meijer	24.2%
Family Fare	18.3%
Glen's	10.0%

**Developed by The Chesapeake Group, Inc., 2015.*

About one-half of the residents regularly shop for groceries outside of Charlevoix in Petoskey and other communities.

Residents also purchase fresh vegetables, breads, baked items, fresh fish or other fresh items from farmers' markets, roadside stands, butchers or bakeries. About one-half of all residents make such purchases at least twice a month.

TABLE 41 - FREQUENCY OF PURCHASE OF FRESH VEGETABLES, BREADS, BAKED ITEMS, FRESH FISH OR OTHER FRESH ITEMS FROM FARMERS' MARKETS, ROADSIDE STAND, BUTCHERS OR BAKERIES*

Frequency	Percent
A few times/week	9.8%
About once/week	25.9%
About twice/month	16.4%
Once/ month	12.2%
4 to 9 times/year	15.7%
Once or twice/year	12.6%
Less often than once/year	7.3%

**Developed by The Chesapeake Group, Inc., 2015.*

While most purchases are for fresh produce and fruit in season, purchases are not limited to those items. Residents also purchase fresh or smoked fish, breads and other baked goods and meats.

4. Resident Spending on Food Primarily for Consumption Outside the Home

About two-thirds of all households eat or purchase dinner or lunch outside the home at a food service establishment on a regular basis. More than eight of every ten households generally go out to eat lunch and dinner at least twice a month.

TABLE 42 - FREQUENCY EAT OR PURCHASE OF LUNCH AND DINNER OUTSIDE THE HOME AT A FOOD SERVICE OPERATION*

Frequency	Percent Lunch	Percent Dinner
A few times/week	38.1%	29.2%
About once/week	26.5%	30.9%
About twice/month	20.6%	24.7%
Once/ month	6.5%	7.3%
4 to 9 times/year	4.5%	4.2%
Once or twice/year	2.9%	2.8%
Less often than once/year	1.0%	1.0%

**Developed by The Chesapeake Group, Inc., 2015.*

There is a general relationship between the amount typically spent and the type of establishment frequented. When eating lunch or dinner out at least two third of the households eat at full-service non-chain establishments.

TABLE 43 - TYPE OF FOOD SERVICE ESTABLISHMENT FOR LUNCH*

Type of Establishment	Percent Lunch	Percent Dinner
Full-service local establishment	65.5%	83.2%
Full-service chain establishment	3.6%	8.1%
Fast food operation	13.0%	3.5%
All you can eat buffet	0.7%	0.7%
Sub shop	13.4%	1.1%
Other	3.9%	3.5%

**Developed by The Chesapeake Group, Inc., 2015.*

The two establishments frequented by the largest proportion of residents for lunch are Scovie's Gourmet (19%) and The Villager Pub (13%). The two establishments frequented by the largest proportion of residents for dinner are The Villager Pub (17%) and Kelsey B's (14%).

5. Exportation of Food and Other Dollars Spent by Residents of the City and County

While several food service establishments in Charlevoix have the largest market share, the majority of spending by residents at restaurants and other establishments goes to operations outside of Charlevoix. About one-third of the households eat meals at food service operations at least once per week. About two-thirds do so at least twice a month.

TABLE 44 - FREQUENCY EAT MEALS OUTSIDE OF

Frequency	Percent
A few times/week	16.2%
About once/week	20.8%
About twice/month	29.2%
Once/ month	16.5%
4 to 9 times/year	8.5%
Once or twice/year	4.2%
Less often than once/year	4.6%

**Developed by The Chesapeake Group, Inc., 2015.*

Dollars are also exported through internet purchases for any and all types of products. About one-fourth of resident households purchase products online at least once a week, while one-half make such purchases at least twice a month.

There is substantial leakage of dollars from the local market to other areas.

TABLE 45 - FREQUENCY OF ONLINE PURCHASES*

Frequency	Percent
A few times/week	9.5%
About once/week	13.7%
About twice/month	27.7%
Once/ month	12.6%
4 to 9 times/year	22.5%
Once or twice/year	8.1%
Less often than once/year	6.0%

**Developed by The Chesapeake Group, Inc., 2015.*

6. Vehicle Ownership and Service

The primary means of transportation for residents of the Charlevoix area are personal leased or owned vehicles. In general, vehicles less than five years old have loan amounts greater than older vehicles. On the other hand, maintenance costs go up on vehicles at least five years old.

About three-fourths of all resident households own or lease one or two personal vehicles.

TABLE 46 - NUMBER OF PERSONAL VEHICLES OWNED OR LEASED*

Number	Percent
0	0.4%
1	20.2%
2	52.2%
3	16.2%
4 or more	10.9%

**Developed by The Chesapeake Group, Inc., 2015.*

Only about one-fourth of all households own or lease a personal vehicle less than five years old.

TABLE 47 - NUMBER OF PERSONAL VEHICLES AT LEAST FIVE YEARS OLD*

Number	Percent
0	22.4%
1	37.1%
2	26.9%
3	6.5%
4 or more	6.9%

**Developed by The Chesapeake Group, Inc., 2015.*

6. Other Resident Spending Synopsis

The following are highlights of the research in regards to other spending by residents.

- When in Charlevoix, part-time residents frequent the Downtown regularly, with most (62%) going there at least once per week. The Village Pub, Oleson's and Scovie's Gourmet attract 9% to 17% of these residents when frequenting Downtown.
- Residents are most likely to frequent The Clothing Company and Kohl's for clothing purchases.
- About one-half of all residents go to the movies a maximum of once or twice each year.
- Few of the residents attend art and crafts or collectibles fairs, or professional/college sporting events with any regularity. On the other hand, about one-fourth of the residents seek other forms of entertainment outside of their homes at least twice a month, and one-third seeks other entertainment at least once each month.

TABLE 48 - FREQUENCY OTHER ENTERTAINMENT SOUGHT OUTSIDE OF THE HOME

Frequency	Percent
A few times/week	3.6%
About once/week	7.5%
About twice/month	12.6%
Once/ month	12.3%
4 to 9 times/year	18.6%
Once or twice/year	26.5%
Less often than once/year	19.0%

**Developed by The Chesapeake Group, Inc., 2015.*

VISITORS

While most successful commercial businesses are based on residents and their spending, visitors to an area contribute as well. Their spending can be the difference between economic success and failure particularly in areas with seasonal recreational activity.

All indications are that visitations, visitor nights and visitors stays in Charlevoix are increasing. This increase signifies that there is additional spending available to be captured by area businesses. The following bullets describe several indicators of this trend.

1. Room Tax Revenue Analysis

Since 1987, room tax revenues collected have increased substantially. The revenues went from roughly $36,000 in 1987 to more than $109,000 in 2013. Since 2011 alone the tax revenues have increased while the number of contributing rooms to the revenues remained constant at 355.

TABLE 49 - LONG TERM ROOM TAX ASSESSMENT REVENUE*

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Assessment Revenue	35981	45,271	51671	53036	55528	55242	56281	56892	62287	71560	68344	77883	76962
Assessment %	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessment Revenue	77852	84687	84493	76768	70885	83982	84741	86742	83334	79831	97056	98490	104593	109093
Room #	320							295	295	295	295	355	355	355
Assessment %	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

**2007-2010 a 60 room hotel neglected to pay assessment forfeiting membership*

2. The Castle Trends

The Castle is one of the primary attractions in the area, hosting family and community activities as well as weddings and corporate events. While the Castle events in general are booked by people from both in-state and out-of-state locations, virtually all of the weddings at the Castle have linkages or can be traced to people who at some point resided full or part-time in Charlevoix County and the surrounding multi-county area. The strongest linkages in users are from Michigan and the Great Lakes area; however, there are also linkages to those living in other areas most often east of the Mississippi River. It is noted that the pattern is similar to that identified through the Downtown on-street patron survey.

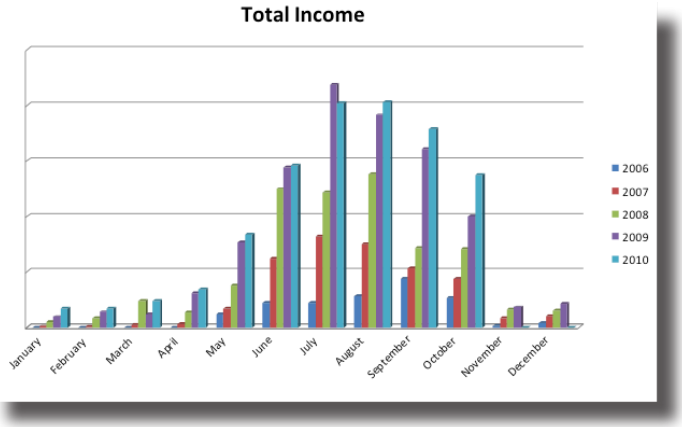
Table 50 provides a list of the primary regions associated with The Castle's bookings.

TABLE 50 - PRIMARY REGIONS ASSOCIATED WITH CASTLE BOOKINGS IN ORDER OF THEIR CONTRIBUTORY NUMBERS*

Name	2010-2013 Bookings
Detroit	244
N. MI	133
Flint	89
Grand Rapids	72
Lansing	58
Big Rapids/Mt. Pleasant	41
Kalamazoo	30
The UP	12

**Provided by The Castle.*

The Castle's gift shop and total revenues, like the previously noted room tax revenues, are increasing. It is important to note that the increases are seen in the months of January through May, outside of the traditional visitor season.



**Provided by The Castle.*

Retail Goods and Related Services Markets

Four markets were considered in the analysis for the development of retail goods and services. These are: (1) the households residing full-time within the City of Charlevoix, (2) those living full-time outside the city but within the primary zip code, (3) others living within Charlevoix County, and (4) those households that are in the general Charlevoix area residing part-time or on a seasonal basis.

The primary market is defined as full-time residents of the City of Charlevoix. Penetration levels, or the ability to capture dollars in the primary market for convenience items are generally high. The penetration levels for non-convenience shopper goods are also high, but are 40% below those for convenience shopping.

The secondary market, identified as the residents outside of the City of Charlevoix but within the primary zip code and the residents in Charlevoix County full-time, have penetration levels below those of the primary market.

The additional market is identified as residents living in the area part-time. They have high penetration levels for the times they are living in the secondary residences in Charlevoix.

Retail Goods and Related Services Demand Estimates

The potential demand estimates created in this report are conservative in nature. They understate the potential demand as they:

- Exclude part or full-time non-resident generated spending.
- Do not reflect the potential growth in housing in the Downtown, in case the market demand is not exercised.
- Assumes the noted growth only in housing at the county level.

The total or aggregate retail sales figures represent a compilation of sales associated with ten major categories and the types of operations within those categories. The ten major categories of retail goods and related services are as follows:

- Food, such as groceries and related merchandise generally purchased for home preparation or consumption.
- Eating and drinking, consisting of prepared food and beverages generally consumed on the premises or carried to another location.
- General merchandise, including variety stores, department stores, and large value oriented retail operators.
- Furniture and accessories, including appliances and home furnishings.
- Transportation, including the sale of new and used automotive and other personal vehicles and parts.
- Drugstores, including those specializing in health and beauty aids or pharmaceuticals.
- Apparel and accessories.
- Hardware and building materials, including traditional hardware stores, garden centers and home improvement centers.
- Auto services, including gasoline and vehicle repair.
- Miscellaneous, including a plethora of retail goods and services ranging from florists to paper goods.

Many of today's better known retailers fall into more than one category. For example, many of the "big box" merchandisers, such as Meijer and Walmart or Sam's Club, have traditional supermarket components within their operations.

The productivity level is the sales per square foot figure essential to pay all costs of operation and provide a reasonable return on investment. Sales productivity levels vary for each sub-category, type of business operation, or store type. The productivity levels vary from low figures for bowling centers to thousands of dollars for others. Supportable space is derived by dividing the amount of sales by the appropriate productivity level. Both the spending patterns and productivity levels are likely to change over time.

All of the year 2019 and 2024 retail goods and related services sales estimates are in 2015 constant dollars, therefore exclude inflation.

Full-time residents of the City of Charlevoix spent roughly $55 million on retail goods and related services at any and all locations in 2014. This includes spending when on vacation, when visiting friends and family, in other parts of the West Michigan region and elsewhere, and online. This spending is sufficient to support 162,000 square feet of retail goods and related services space at all locations.

TABLE 51 - ESTIMATED RETAIL GOODS AND RELATED SERVICES SPENDING AND SUPPORTABLE SQUARE FOOTAGE OF SPACE BY FULL-TIME RESIDENTS OF THE CITY OF CHARLEVOIX AT ANY AND ALL LOCATIONS*

Category	2014 Sales	2014 Space
Food	$5,261,000	9,826
Eat/Drink	6,154,000	15,385
General Merchandise	4,047,000	13,200
Furniture	1,996,000	6,147
Transportation	11,681,000	33,990
Drugstore	3,809,000	7,618
Apparel	3,764,000	11,712
Hardware	5,261,000	22,364
Vehicle Service	7,224,000	17,587
Miscellaneous	6,243,000	24,112
TOTAL	$55,440,000	161,941

**Developed by The Chesapeake Group, Inc., 2015.*

The aggregate figures found in Table 51 are actually composites of types of operations or sub-categories associated with each category. Essentially, the sales and supportable space associated with each type of operation is added together to form the category sales. Table 53 found on the next page contains the level of retail goods and related services sales and the square footage of space for 2014 supported by residents of the City of Charlevoix by category and types of operations within the categories.

The sales and supportable space associated with full-time residents of the primary area zip code exceed those of residents of the City of Charlevoix. Zip code 49720 area residents, excluding those within the City of Charlevoix, support roughly 846,000 square feet of space at any and all locations in 2014. This is expected to grow by roughly 100,000 additional square feet by 2024.

Full-time residents of the City of Charlevoix do not generate sufficient sales to support the current Downtown or other commercial activity without attracting sales from others beyond the jurisdictions boundaries.

TABLE 52 - ESTIMATED RETAIL GOODS AND RELATED SERVICES SPENDING & SUPPORTABLE SQUARE FOOTAGE OF SPACE BY FULL-TIME ZIP CODE 49720 RESIDENTS FOR 2024 & ANTICIPATED CHANGE FROM 2014 TO 2019 & 2014 TO 2024*

Category	2014 Sales	2019 Sales Increase from 2014	2024 Sales Increase from 2014	2014 Space	2019 Space Increase from 2014	2024 Space Increase from 2014
Food	$27,471,000	$1,683,000	$3,365,000	51,303	3,143	6,285
Eat/Drink	32,132,000	1,968,000	3,936,000	80,330	4,920	9,840
General Merchandise	21,132,000	1,294,000	2,589,000	68,931	4,221	8,445
Furniture	10,421,000	638,000	1,277,000	32,099	1,965	3,934
Transportation	60,993,000	3,736,000	7,471,000	177,482	10,871	21,739
Drugstore	19,887,000	1,218,000	2,436,000	39,774	2,436	4,872
Apparel	19,655,000	1,204,000	2,408,000	61,161	3,745	7,494
Hardware	27,471,000	1,683,000	3,365,000	116,778	7,154	14,305
Vehicle Service	37,719,000	2,310,000	4,620,000	91,826	5,624	11,247
Miscellaneous	32,595,000	1,996,000	3,993,000	125,892	7,708	15,420
TOTAL	$289,476,000	$17,730,000	$35,460,000	845,576	51,787	103,581

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 53 - ESTIMATED RETAIL GOODS AND RELATED SERVICES SPENDING & SUPPORTABLE SQUARE FOOTAGE OF SPACE BY FULL-TIME RESIDENTS OF THE CITY OF CHARLEVOIX AT ANY AND ALL LOCATIONS BY CATEGORY & TYPE OF OPERATION*

Sub-category	2014 Sales	2014 Space
Food	$5,261,000	9,826
Supermarkets	4,392,935	7,446
Independents	420,880	1,052
Bakeries	115,742	386
Dairies	68,393	190
Others	263,050	752
Eat/Drink	6,154,000	15,385
General Merchandise	4,047,000	13,200
Dept. Stores	1,432,638	4,775
Variety Stores	291,384	1,121
Jewelry	279,243	393
Sporting Goods/Toys	441,123	1,470
Discount Dept.	1,517,625	5,059
Antiques, etc.	20,235	88
Others	64,752	294
Furniture	1,996,000	6,147
Furniture	301,396	972
Home Furnishings	415,168	1,186
Store/Office Equip.	315,368	1,051
Music Instr./Suppl.	85,828	429
Radios, TV, etc.	878,240	2,509
Transportation	11,681,000	33,990
New/Used Vehicles	4,088,350	10,221
Tires, Batt., Prts.	5,151,321	17,171
Marine Sales/Rentals	619,093	1,673
Auto/Truck Rentals	1,822,236	4,925
Drugstore	3,809,000	7,618
Apparel	3,764,000	11,712
Men's and Boy's	493,084	1,233
Women's and Girl's	1,249,648	3,377
Infants	79,044	263
Family	1,046,392	3,488
Shoes	786,676	2,861
Jeans/Leather	15,056	50
Tailors/Uniforms	67,752	339
Others	26,348	101
Hardware	5,261,000	22,364
Hardware	2,546,324	10,185
Lawn/Seed/Fertil.	99,959	294
Others	2,614,717	11,885
Vehicle Service	7,224,000	17,587
Gasoline	2,456,160	1,694
Garage, Repairs	4,767,840	15,893
Miscellaneous	6,243,000	24,112
Advert. Signs, etc.	99,888	363
Barber/Beauty shop	380,823	1,904
Book Stores	287,178	776
Bowling	143,589	1,436
Cig./Tobacco Dealer	43,701	87
Dent./Physician Lab	249,720	768
Florist/Nurseries	468,225	1,102
Laundry, Dry Clean	212,262	708
Optical Goods/Opt.	149,832	428
Photo Sup./Photog.	430,767	1,231
Printing	505,683	1,839
Paper/Paper Prod.	268,449	1,342
Gifts/Cards/Novel.	892,749	2,976
Newsstands	49,944	100
Video Rent/Sales	811,590	4,058
Others	1,248,600	4,994
TOTAL	$55,440,000	161,941

**Developed by The Chesapeake Group, Inc., 2015.*

Full-time residents of Charlevoix County, excluding the previously defined residents in the city sand zip code, spent roughly $409 million on retail goods and related services at any and all locations in 2014. This is sufficient to support roughly 1.2 million square feet of space at any and all locations. An additional 69,000 square feet is supportable in 2024.

TABLE 54 - ESTIMATED RETAIL GOODS AND RELATED SERVICES SPENDING & SUPPORTABLE SQUARE FOOTAGE OF SPACE BY FULL-TIME COUNTY RESIDENTS FOR 2024 & ANTICIPATED CHANGE FROM 2014 TO 2019 & 2014 TO 2024*

Category	2014 Sales	2019 Sales Increase from 2014	2024 Sales Increase from 2014	2014 Space	2019 Space Increase from 2014	2024 Space Increase from 2014
Food	$38,823,000	$1,122,000	$2,243,000	72,504	2,095	4,188
Eat/Drink	45,409,000	1,312,000	2,624,000	113,523	3,280	6,560
General Merchandise	29,864,000	863,000	1,726,000	97,414	2,816	5,632
Furniture	14,727,000	426,000	851,000	45,361	1,313	2,622
Transportation	86,195,000	2,490,000	4,981,000	250,817	7,246	14,493
Drugstore	28,104,000	812,000	1,624,000	56,208	1,624	3,248
Apparel	27,777,000	803,000	1,605,000	86,434	2,499	4,993
Hardware	38,823,000	1,122,000	2,243,000	165,036	4,770	9,534
Vehicle Service	53,304,000	1,540,000	3,080,000	129,768	3,749	7,498
Miscellaneous	46,064,000	1,331,000	2,662,000	177,915	5,139	10,283
TOTAL	$409,090,000	$11,821,000	$23,639,000	1,194,980	34,531	69,051

**Developed by The Chesapeake Group, Inc., 2015.*

The seasonal or second home part-time residents generate an additional $149 million in spending in the Charlevoix area. This supports roughly 434,000 square feet within the region including Downtown and other locations in Charlevoix, Charlevoix County, Petoskey, Boyne City etc.

Economic viability of the commercial infrastructure is dependent upon generating revenue from the second home market, County residents and others.

TABLE 55 - REGIONAL SPENDING AND SUPPORTABLE SPACE ESTIMATES FOR 2014 BY PART-TIME RESIDENTSOF CHARLEVOIX COUNTY, INCLUDING THOSE WITHIN THE CITY OF CHARLEVOIX*

Category	2014 Sales	2014 Space
Food	$15,661,000	29,247
Eat/Drink	19,557,000	48,893
General Merchandise	10,898,000	35,550
Furniture	5,375,000	16,556
Transportation	28,470,000	82,844
Drugstore	10,256,000	20,512
Apparel	10,137,000	31,544
Hardware	14,168,000	60,228
Vehicle Service	17,960,000	43,723
Miscellaneous	16,810,000	64,925
TOTAL	$149,292,000	434,022

**Developed by The Chesapeake Group, Inc., 2015.*

Additional detailed spending and supportable square footage of space estimates for retail goods and related services by type of operation for the various market components can be found in tables located in the Appendix.

The focus of new retail activity in Downtown should be on adding food service activity like restaurants.

Assuming a capture of only anticipated growth in the full-time resident markets, Downtown could capture:

- 16,000 square feet of additional food service space providing a broader range of venue and menu options than Downtown does at present.
- 6,000 square feet of additional apparel activity.
- 12.500 square feet of "miscellaneous" retail space including crafts, gifts and novelty items which could be combined with either or both the food service or apparel space.

OFFICE SPACE ESTIMATES

Current conditions and future projections indicate:

- The full-time residential population in the City of Charlevoix and Charlevoix County will continue to age.
- The number of births will likely fall as the number of residents of child bearing age continues to fall.
- There will continue to be a youth brain drain from the area as young people move to other areas.

The primary cause of the above patterns is the lack and range of local employment opportunities. As has been noted, more than one-half of all those who consider themselves to be unemployed or underemployed defined the cause as a lack of employment opportunities.

To meet the needs of the current residents of the City of Charlevoix and Charlevoix County, and to prevent them from leaving the area, would require roughly 3,300 additional jobs to be created in the next five to ten years.

It is estimated that roughly 200,000 square feet of additional office space will be required to meet the demands of the labor force. Office space employment will likely focus upon health care, financial services, Research and Development, and the employment of innovated technology related to emerging technologies, such as 3D printing/additive manufacturing. This could include the following linked to area medical facilities:

- Offices of physicians.
- Offices of physical, occupational and speech therapists, and audiologists.
- Offices of podiatrists.
- Freestanding ambulatory surgical and emergency centers.
- All other outpatient care centers.
- Diagnostic imaging.
- Home health care services.

To accommodate the current and immediate future labor force, a supply of small and incubator space needs to established both Downtown and in business parks. There is potential for roughly 200,000 square feet of office and 500,000 square feet of industrial space.

Also included would be space associated with expansion of higher education activity and facilities.

Proper training, incubator space and communications technology will all play a role. Some space can be captured Downtown in existing and new structures (20,000 to 40,000 square feet), while other space can be found or created at business park locations.

INDUSTRIAL SPACE ESTIMATES

What is true for office activity and space is also true for industrial activity. With the appropriate infrastructure, and based on the labor force, opportunities to accomplish change and create economic growth could require an additional 500,000 square feet of space. This is likely to be associated with small branch and start-up operations, with no individual user requiring greater than 20,000 to 25,000 square feet of space. Between 10,000 to 25,000 square feet of such space could be located Downtown.

To initiate economic growth, potential tenants that can be recruited to the area will result in the need for training in:

- Health care.
- Software development.
- Software testing services.
- Additive manufacturing/3D Printing.
- Drone development/production.
- Advanced Logistic Product Delivery & Distribution.
- Communications systems

TRANSIENT ACCOMMODATIONS DEMAND ESTIMATES

Much of the growth in visitor activity is seasonal and related to special events. There is insufficient demand to anticipate the addition of new hotel accommodations that is linked to national and international chains because of the associated name recognition and "booking" power. However, growth in overnight stays can occur through enhancement to existing facilities (the lodge) by financing in ways similar to that successfully already achieved by others in Charlevoix.

STRATEGIC PROGRAM

STRATEGIC PROGRAM COMPONENTS TO SEIZE OPPORTUNITIES - EXPANSION OF THE ECONOMY

Charlevoix is at a crossroads. Without an injection of younger households the population will continue to age and could reach a point within a generation where housing property values decline, vacancies become common place in neighborhoods, and the associated tax revenues for local government and other services cease to exist. On the other hand, there is an opportunity to grow the local economy to the benefit of the full-time and seasonal residents through constructive, coordinated activity.

STRATEGIC GOALS

To maintain vibrancy and grow the local economy to the benefit of the residents and property owners, Charlevoix should seek to:

1. Retain and attract new households headed by individuals under the age of 35.
2. Support aging in place. Work to retain the current seniors and other residents who will seek alternative living arrangements, not traditional single-family homes, in the future.
3. Expand employment opportunities and the range of types of employment in the local economy.
4. Enhance conditions that attract and encourage entrepreneurial activity.
5. Expand full year economic activity.
6. Expand the year around activities in the Downtown by attracting residents from surrounding communities.
7. Seize opportunities that are identified.

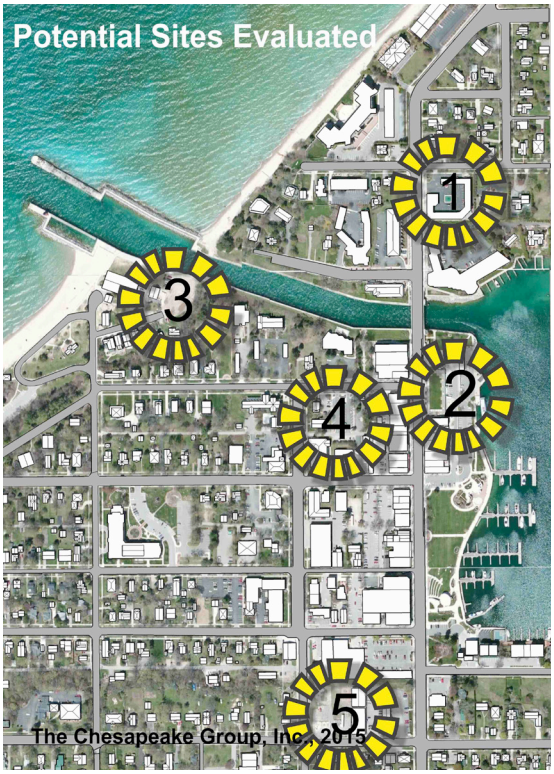
OPPORTUNITIES SYNOPSIS

The analyses identified opportunities for Charlevoix and the Downtown. These include:

- The ability to support a total of 45 to 90 new housing units in Downtown primarily involving new construction or whole building renovation.
- An opportunity to recapture the exported dollars from City and County full-time residents that are spent in other communities, as well as the opportunity to attract residents from neighboring communities to spend money in Charlevoix. This will assist in the expansion of retail goods and related services space in the Downtown, particularly in the food service area.
- The ability to support a total of 200,000 square feet of (additional) office space, a portion of which would be accommodated Downtown in renovated structures and new development. The focus of much of the space would be on health care, Research and Development, and emerging technology applications.
- The creation of an additional 500,000 square feet of flex space. This is likely to be associated with small branch and start-up operations, with no individual user requiring greater than 20,000 to 25,000 square feet of space.
- The enhancement of deteriorated existing hotel rooms in Downtown.

OPPORTUNITIES FOR SPECIFIC DOWNTOWN SITES

The City identified five strategic sites in the Downtown, as well as the Ance Industrial Park, for the Chesapeake Group to evaluate individually within the general opportunities that exist for Charlevoix. Each site is unique because of current configurations, property patterns and location factors. The five strategic sites for Downtown are identified on the graphic to the right.

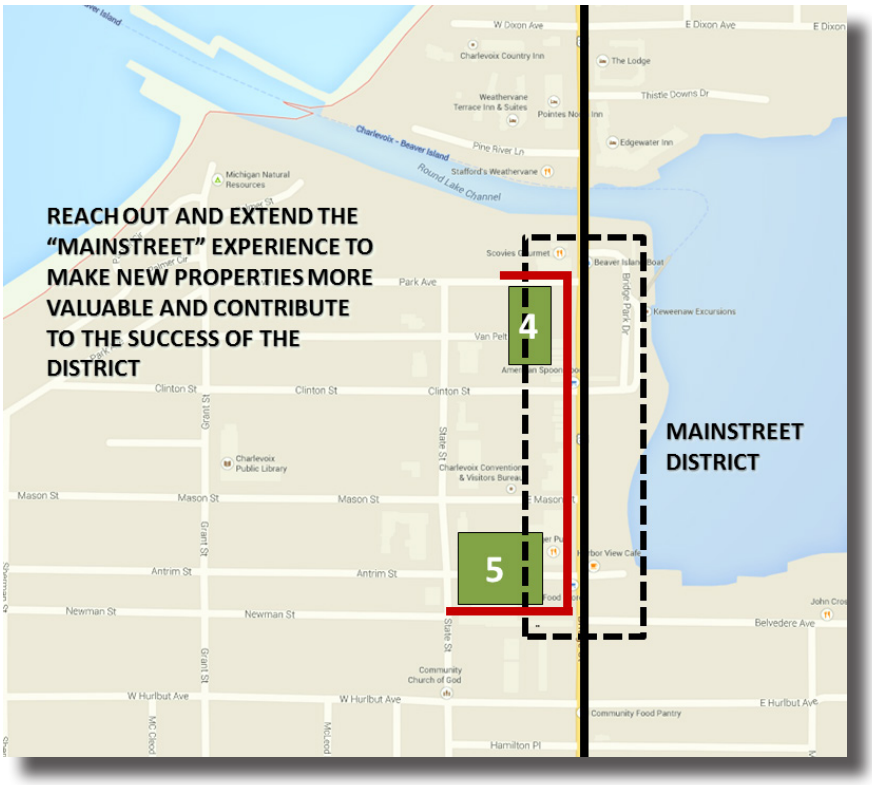


To link the opportunities to specific sites, consideration was given to the:

- Visibility of the sites.
- Proximity and connection potential to Main Street.
- Impact on Main Street.
- Financial viability of development given current conditions.

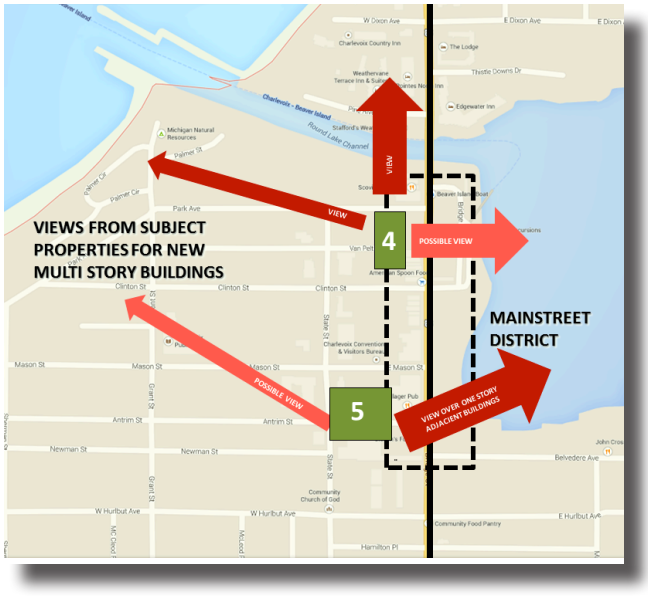
Recently the City of Charlevoix modified its regulations to allow for outdoor food service on the sidewalks of the along Bridge Street. This is an important positive step that will energize the streetscape and offer the restaurants an opportunity for expansion. However, since Bridge Street is a state highway and the sidewalks are relatively narrow, many of the potential commercial opportunities are best situated either on Bridge Street at corner buildings or off Bridge Street, particularly for food service operations like restaurants. There is greater opportunity for outdoor activity off Bridge Street that can work in synergy with Bridge Street situated operations.

Sites 4 and 5 have the greatest potential for bear-term redevelopment that can:



- Reach out and extend the "Mainstreet" experience.

- Create new landmarks that are visible in Downtown, symbolizing new investment and energy.



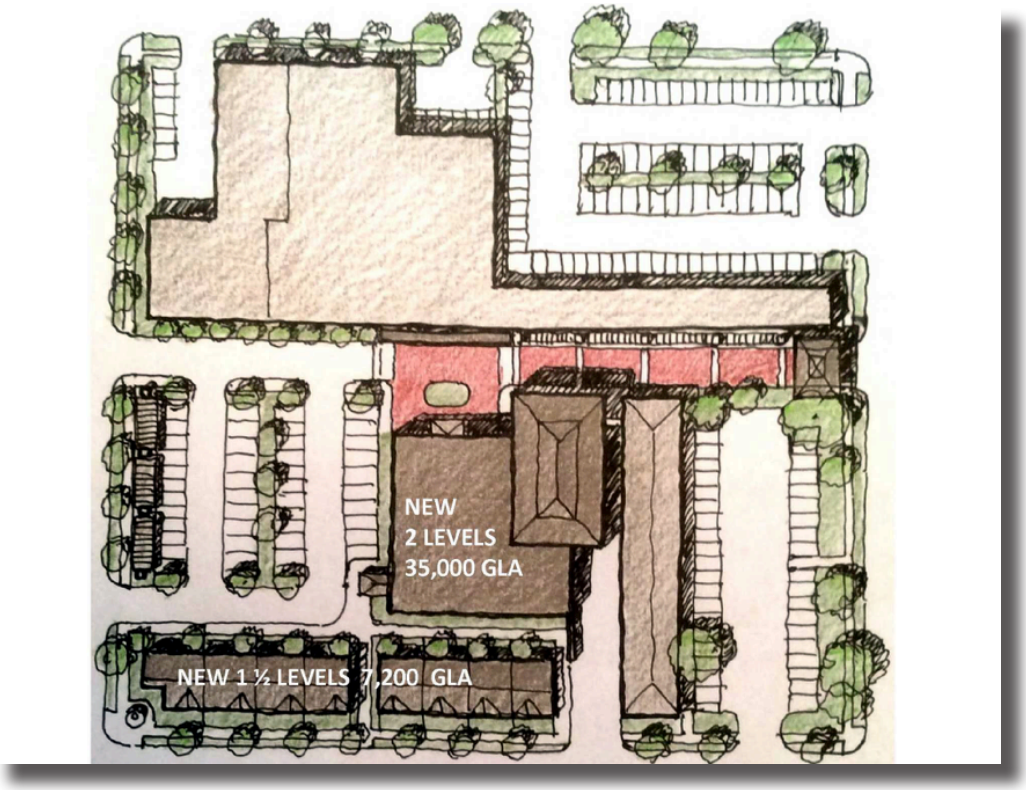
It is proposed for Site 4 that several existing structures be combined and additional space constructed to create 14,500 square feet of new space. The larger of the two proposed structures would be visible from the bridge.

The development would include:

- A terrace and grade level restaurant, with covered and climate controlled outdoor sidewalk dining.
- A courtyard and linkage to Bridge Street.
- A one and one-half story of loft space accommodating a minimum of three residence or office studio space.
- Improved shared parking.

No creative gap financing would be necessary for viability as long as the developer pursued long versus short-term Return-On-Investment (ROI).

Proposed for Site 5 are multiple uses and structures combined to create more than 42,000 square feet of space.



Site 5 development would include:

- A Main Street (Bridge Street) address
- A landmark tower entrance matching the primary building.
- Incubator space for entrepreneurial activity.
- one and one-half story scale artists or other office-residential lofts and shops, creating a small scale tree lined street.
- Shared parking.

The evaluation of Site 1 (The Lodge) indicates that rejuvenation to duplicate the use, activity and funding associated with its adjoining sister site is the most probable development scenario. Financial feasibility of hotel/condos with active first floor commercial space would indicate that the sale price of the property to duplicated activity would need to decline from the recent asking price to support reinvestment/redevelopment.

No development of Site 2 is anticipated. Furthermore, substantial changes to traffic patterns are unlikely as well because of the combination of uses and site constraints.

No development of Site 3 is anticipated.

MURDICK'S FAMOUS FUDGE BUILDING

In addition to the five Downtown sites, changes in conditions resulted in a request to address opportunities for the Murdick Building. The 230 Bridge Street or Murdick's Famous Fudge Building is one of the more iconic structures remaining in the core of Downtown because of the basic character and its strategic corner location. That location also provides opportunities for certain activity that cannot as easily be achieved at other locations.

230 Bridge Street has a corner location along "Main Street." Within the very core it is the only corner location currently unoccupied. The building's upper floors can be accessed from "Main Street," potentially providing a unique downtown address for one more upper floor residents, upper floor incubator space or traditional offices. The physical character of the upper floors has not been altered to any significant extent which also represents an opportunity during rehabilitation.

The corner location provides the opportunity for a food service establishment with outdoor seating on the side of the building. It is one of the best if not the best location for such in the core of Downtown along "Main Street."

Some expansion of the sidewalk or permission to utilize the existing sidewalk on the side of the structure could allow for canopied and enclosed space with temporary heating in winter months and weather protection at other times while still providing a view and service.

The front of the building has largely remained preserved. As a result of the preserved character of the structure, any activity within is immediately noticeable, assisting with creating the character of Downtown that appeals to both residents and visitors.

230 Bridge Street

ANCE INDUSTRIAL PARK

Ance Industrial Park represents one of the few formal or semi-formal industrial parks in Charlevoix County. The park is located on the northern edge of the City of Charlevoix north of US-31/Petoskey Avenue between Martin and Ance Roads, extending westward north of Taylor Road. The park is 47.4 acres, excluding street rights-of-way.

CHARACTERISTICS

The industrial park was originally platted in 1987 and was located entirely within the City's municipal boundaries. Since that time, the industrial park has grown to include properties outside city limits in Charlevoix Township, including some properties located in both the City and Township.

The area surrounding the industrial park is largely undeveloped or underdeveloped. East of Martin Road, the land is completely undeveloped grass and brush lands. To the north, single-family homes on large, wooded lots can be found. Two educational facilities exist immediately west of the site: the Charlevoix Children's House and Charlevoix-Emmet Intermediate School District administrative offices. South of the industrial park are several scattered low-scale commercial and residential uses which are within the township. Several of the parcels are very long and narrow, stretching the entire block between Petoskey Ave. and Taylor Rd. (some parcels extend more than 1,000 feet in length and 70 to 200 feet in width). Uhrick's Lincoln Log Motel, a motel and campground, occupies a large area south of the industrial park. Some of the other uses in this area include a random assortment of retail sales, professional offices, printing shop, café/market, social club (VFW post), and warehousing.

The uses in the Ance Industrial Park range from offices and commercial uses to heavy manufacturing and warehousing. The industrial park is currently occupied by 12 companies, including:

- Nu-Core, Inc. (8833 Gibbons Drive). Manufacturing: electrical systems.
- Michigan Scientific Corp. (8500 Ance Road). Manufacturing and assembly: fiber optic systems, telemetry systems.
- DE-STA-CO (12501 Taylor Road). Manufacturing and assembly: automation equipment.
- DCL (8660 Ance Road). Manufacturing: dust control and loading systems.
- Trison Company LLC (8911 Martin Road). Offices, storage, shipping, medical equipment supply.
- Bergman Center LLC (8855 Martin Road). Educational facility, manufacturing, packaging, assembly.
- City of Charlevoix (8825 Martin Road). Utility substation.
- Charlevoix Warehousing LLC (12535 Petoskey Avenue). Warehousing/indoor storage.
- Jess Construction Co (12555 Petoskey Avenue). Offices, outdoor storage.
- NW Michigan Human Service Agency (12585 US 31 N). Preschool/daycare.
- Blarney Castle Oil (12665 US 31 N). Gasoline service station.
- Real People Media (12555 Taylor Road). Radio/television studios.

Ance Industrial Park comprises more than half of all industrially-zoned land within the City and more than a third of all industrial property in the City and Township combined. Below is a table of all industrially-zoned properties in the City and Township indicating how much industrial property is being utilized in the area.

TABLE 56 - ACREAGE OF INDUSTRIAL

COMMUNITY	TOTAL	DEVELOPED	UNDEVELOPED	ANCE INDUSTRIAL PARK	DEVELOPED (ANCE IND. PARK)	UNDEVELOPED (ANCE IND. PARK)
CITY OF CHARLEVOIX	74.7	58.1	18.9	38.6	29.8	8.8
CHARLEVOIX TOWNSHIP	68	59.5	8.5	8.8	7.4	1.4
TOTAL	142.7	117.6	27.4	47.4	37.2	10.2

Typically, operations in a single industrial park are of a somewhat similar intensity and use. Automotive repair, trucking, shipping, warehousing, manufacturing of previously prepared materials are commonly clustered together in order to make more efficient use of high volume gas, sewer, and water lines, as well as diminish potential nuisances from residential and commercial areas. In the case of Ance Industrial Park, several dissimilar uses are scattered throughout the park. Offices, retail sales, and educational facilities are located adjacent to warehouses and manufacturing uses.

The area is mostly dotted with deciduous trees and scrub brush. Topography gently slopes to the south toward Lake Charlevoix, which is only 675 feet from the industrial park to the southeast. There are no noteworthy waterways or water features within the industrial park.

While the industrial park has very limited frontage or visibility from US-31/Petoskey Avenue, that road provides the only access to the park. Internal access and circulation is provided via Ance and Martin Roads. Ance Road turns east north of Taylor Road and intersects with Martin Road approximately one-quarter mile north of US-31/Petoskey Avenue. Taylor Road provides east-west access through the remainder of the industrial park. Roads within the industrial park are about 26 to 28 feet wide.

Several parcels within and immediately outside of the industrial park are either vacant or are not developed to the site's full capacity. Within the park, the following parcels are awaiting development:

- 052-130-001-00 (4.0 acres)
- 052-124-010-20 (0.4 acres)
- 004-024-013-50 (1.1 acres) *Note: effectively one development site in conjunction with parcel above
- 052-124-010-10 (0.7 acres)
- 004-024-013-30 (0.3 acres) *Note: effectively one development site in conjunction with parcel above
- 052-124-008-20 (1.3 acres)
- 052-124-012-10 (2.4 acres) *Note: half of the Trison Co. LLC unoccupied by development

In total, 10.2 acres are currently open for development opportunities within the industrial park, or nearly one-quarter of the industrial park's current area (8.8 acres within the City, and 1.4 acres within the Township).

Immediately outside the industrial park, there are several underused parcels. East of Martin Road, three large parcels (004-024-001-00, 004-024-003-00, and 004-024-033-00) totaling 48.4 acres sit between Petsokey Avenue/Martin Road/Waller Road under single ownership, the Scott Daisy Trust. Six parcels immediately to the north are residentially-zoned large lot properties; only three have homes on them, and five of the six are owned by the Paterka family. North and west of Gibbons Drive is a 19.1 acre parcel under the ownership of Durance Farm LLC that is no longer in agricultural production. There are a number of underutilized parcels south of Taylor Road:

- 004-024-021-30 (1.9 acres; all undeveloped)
- 004-024-023-10 (1.4 acres; all undeveloped)
- 004-024-025-00 (4.7 acres; 2.3 acres undeveloped fronting Taylor Rd.)
- 004-024-026-30 (2.3 acres; 1.4 acres undeveloped fronting Taylor Rd.)
- 052-124-012-20 (1.0 acres; all undeveloped)
- 004-024-012-00 (3.6 acres; 2.5 acres undeveloped fronting Taylor Rd.)

Zoning within the confines of the industrial park is “I - Industrial.” However, the city and township versions of the industrial zoning vary somewhat. The purpose of the City’s Industrial District is “intended to accommodate the industrial needs of the entire community in such a manner that unreasonable noise, dust, vibration or any other like nuisance shall not affect adjoining properties.” Whereas, the Township’s Industrial District promotes “manufacturing, compounding, processing, packaging, assembly, and storage of finished or semi-finished products from previously prepared materials in a manner that is compatible with surrounding uses, views from the highway and access to the highway.” Additionally, the Township does not allow the manufacturing and processing of products from raw materials in its Industrial District.

The areas immediately east of Martin Road and northwest of the industrial park are zoned "A – Agricultural" but are undeveloped and not in active agricultural production. The area immediately south of the industrial park which is primarily in the Township is zoned "C – Commercial." This district accommodates a very broad range of retail with few restrictions.

SIGNIFICANT CHANGE UNDERWAY

A recent grant was awarded to the City of Charlevoix under the United States Department of Agriculture’s Rural Business Enterprise program to extend broadband fiber optic cables to serve all properties within the Ance Industrial Park with high-speed broadband internet access. With this impending improvement, a more efficient, managed layout of the industrial park is essential to maximize the return on investment.

CHALLENGES

While the industrial park has been a considerable success, there are several issues constraining its continued expansion and growth.

- The municipal boundary separating the City from the Township cuts through several properties between Ance and Martin Roads, effectively splitting what should be cohesive development sites into two distinct parcels; one is located in the City, and the other is in the Township. Due to this configuration, the property owners located along the municipal boundary line must pay property tax to two separate government entities.

- Given that the industrial park is split into two jurisdictions, each community imposes its own industrial zoning district requirements. As such, there are a number of inconsistencies between the respective industrial districts.

In addition to the more traditional industrial uses which are currently seen in the industrial park, the City's industrial district allows more commercial-type uses such as restaurants (without drive-thru), retail establishments (greater than 15,000 square feet with a maximum of 60,000 square feet), convenience stores, and nurseries/garden shops (indoor only). The City also allows community centers, churches, health/fitness centers, and indoor recreation facilities. These uses are not allowed within Township limits and may not be particularly compatible with the more traditional industrial park uses, that of manufacturing, assembly, storage, and shipping, which produce noise, traffic, or other potential effects. Conversely, the Township allows a few uses (e.g., testing laboratories, tech/trade schools, wholesale trade) which are not permissible in the City but are appropriate within an industrial park setting.

- Beside the discrepancy in the City and Township's allowed uses, the dimensional standards differ. For example, front setbacks are more restrictive in the Township at 50 feet, as opposed to 30 feet within the City. Allowed building heights vary by five feet. Side yard setbacks are identical; however, the City requires an additional 40 feet of side yard when adjacent to residentially-zoned properties, whereas the Township adds only 15 feet. While rear setbacks are similar in this fashion, the Township adds an additional 25 ft. when adjacent to residentially-zoned properties. Lot coverage is another inconsistency between the two industrial districts; the City limits lot coverage to 60%, while the Township has no upper limit. Lastly, the Township contains a number of performance standards regarding noise, fumes, odor, heat, glare, etc. not found in City regulations.

- The industrial park currently has no real identity or sense of place as an entity. With no signage whatsoever claiming the existence of the industrial park, it merely appears to be a loose collection of businesses scattered along a highway. This is reinforced by the number and frequency of driveways, the material of the driveways (gravel, not asphalt), and general absence of aesthetic appeal. This lack of cohesive identity detracts from the ability to market the industrial park as a location for future operations. Successful industrial parks are well-signed, have fewer, but wider, points of ingress and egress to access the industrial park from major transportation routes, and contain an efficient internal circulation network. Currently, there are 18 driveways along the north side of US-31/Petoskey Avenue in the 2,900 feet between Mercer Boulevard and Martin Road, and only four of driveways are for properties within the industrial park. Another 19 driveways access Ance Road. Having such numerous, poorly spaced driveways poses significant traffic and safety issues.

- The opportunities for the expansion of the industrial park are somewhat limited. Two educational facilities, as well as a residential neighborhood and a golf course, sit immediately west of the industrial park and Mercer Boulevard. While a vacant 19-acre parcel sits to the north of the industrial park, access is severely limited with the current configuration of Gibbons Drive and adjacent parcels. The remaining land north of the industrial park is occupied by single-family homes. As previously mentioned, to the south there is an assortment of residential and commercial uses north of Petoskey Avenue limiting potential expansion of the industrial park. Further south of Petoskey Avenue are a number of mobile home units and lakefront homes along Lake Charlevoix.

- All available areas for expansion are controlled by the Township. East of Martin Road, there are three parcels (004-024-001-00, 004-024-003-00 and 004-024-033-00) owned by the Scott Daisy Trust. These properties constitute 48.4 acres. While the Scott Daisy Trust properties present a possible opportunity for expansion, there are environmental issues which inhibit full expansion into these parcels. Most importantly, the National Wetlands Inventory has identified approximately 16 acres of wetlands on the Daisy property. Wetlands cover the majority of the central and southwestern portions of the property following the approximate tree line on the site. Developable areas of the Daisy property may be limited to the western

- Most of the parcels south of Taylor Rd. are very long and narrow. Several parcels have no direct access to either Taylor Road to the north or Petoskey Avenue to the south and are thereby effectively land-locked. Therefore, potential development is greatly diminished. After the setback requirements, the resulting building envelope may only permit a building 10 to 30 feet wide in some cases. This is an inappropriate lot size for most commercial uses, let alone industrial uses which require a much greater area for building, parking and often truck maneuvering.

Within the industrial park, there are five land-locked parcels (004-024-013-60, 052-124-010-10, 004-024-013-30, 004-024-013-50, and 052-124-010-20). This limits the potential usability of these properties. However, there are several instances of common ownership of contiguous parcels within Ance Industrial Park as well as outside the industrial park which, when combined, would yield a site with greater potential for development.

Within the industrial park is:

- Trison Company (6 acres total, 3 parcels).
- Hahn Associates (4.7 acres total, 3 parcels).
- Northern Cove LLC (2.29 acres total, 4 parcels).
- Jess Construction Co (1.81 acres total, 2 parcels).
- Larsen Properties LLC (6.31 acres total, 3 parcels – one outside industrial park).
- G&G North Properties LLC (11.5 acres, 2 parcels).

Outside the industrial park is:

- Bogart Family Rev. Trust (4.72 acres total, 4 parcels)
- James W & John E Uhrick (9.4 acres total, 5 parcels)
- Gregory T & Brenda Bryan (5 acres total, 2 parcels)
- John W Campbell Trust (4.5 acres total, 3 parcels)
- Scott Daisy Trust (48.6 acres total, 3 parcels)
- Pramathesh S & Katherine S Acharya (1.6 acres, 2 parcels)

- While the Township pays fees to the City to use its sanitary sewer service, each jurisdiction has created its own water system. The service area of these two water systems follows the municipal boundary line which means the industrial park currently has two independent water mains for two separate systems. Despite the fact there is plenty of excess capacity in each system, the overlap of utility services presents an inefficient use of public utilities and potential complication for those properties split by the municipal boundaries.

RECOMMENDATIONS

Despite the challenges, there are actions that have the potential to allow the industrial park to be reinvented as a viable location for future employment and revenue growth opportunities. The following steps, individually or in combination, should be considered:

1. Act 425 Agreement.

   Michigan statutes allow for the Intergovernmental Conditional Transfer of Property between adjacent jurisdictions. Establishing a "425 Agreement" would allow the City and Township to jointly enter into a cooperative arrangement in which land could be exchanged by contract but is not annexed. The purpose of a 425 Agreement is to provide a means for two local units of government to share tax revenues resulting from new or expanding development. With both units sharing the City's sewer service, it may be a logical choice to help facilitate joint spending for infrastructure improvements. Per state law, two local units may enter into an agreement for up to 50 years. The agreement details how tax revenues within the subject area are shared between the two units of government and how services will be provided. Upon expiration of the initial agreement, it may be extended for up to an additional 50 years or the land may revert back to Township control or be annexed to the City.

2. Rezoning and Expansion of Industrial Park Boundaries.

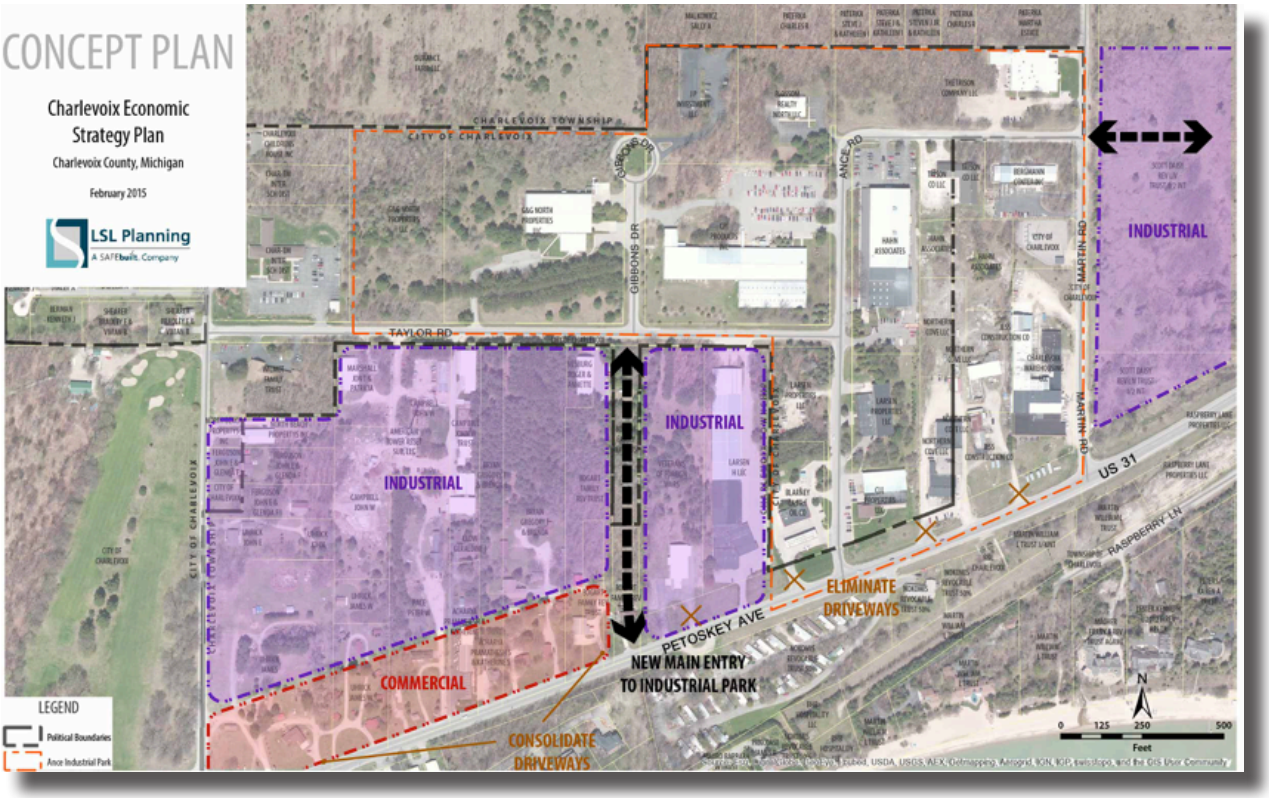
   Nearly all of the land south of Taylor Road is in the Township and is zoned "C – Commercial." Much of this land is either undeveloped or underutilized and could potentially be incorporated into the industrial park. The southern frontage along Taylor Rd. outside of the industrial park boundaries already contains several office, parking, and storage uses that would conceivably fit harmoniously with adjacent industrial development.
   Several properties could be combined and/or split to facilitate additional development including:

   - John W Campbell Trust: 004-024-021-30 (1.9 acres; all undeveloped).
   - Gregory T & Brenda Bryan: 004-024-023-10 (1.4 acres; all undeveloped).
   - Gregory T & Brenda Bryan: 004-024-025-00 (4.7 acres; 2.3 acres undeveloped fronting Taylor Rd.).
   - Bogart Family Trust: 004-024-026-30 (2.3 acres; 1.4 acres undeveloped fronting Taylor Rd.).
   - Bogart Family Trust: 052-124-012-20 (1.0 acres; all undeveloped).
   - Veterans of Foreign Wars: 004-024-012-00 (3.6 acres; 2.5 acres undeveloped fronting Taylor Rd.).

   The current commercial zoning is excessive. Retaining the commercial frontage along Petoskey Avenue/ US31 would afford sufficient land for retail and/or service businesses with good access and visibility. However, the interior of the properties between the highway and Taylor Road is not appropriate for commercial but would be well suited to further industrial development. Rezoning in accordance with this concept is recommended.

3. Joint Overlay District.

   Adoption of an overlay zoning district should be considered to unify the entire Ance Industrial Park irrespective of municipal boundaries. An overlay district could establish a common set of regulations, more



4. TIF District.

Tax Increment Financing Authorities are a proven way to leverage funds for major infrastructure improvements that will directly benefit the properties within the TIFA boundaries. TIF occurs when a local government freezes the tax base within a specific development district and captures the additional revenues generated by reassessment or new development to finance selected improvements within the district. This incremental revenue is limited in its uses; it may be allocated toward public improvements within the district, such as streetscape improvements, road repairs, lighting, water/sewer lines, property acquisition, etc., or it may also be used for marketing, business attraction and retention, and preparing "shovel ready" sites.

In Michigan, a TIF is authorized for use through either of two economic development entities. The first is a DDA (Downtown Development Authority) designated for commercial development areas, primarily in the central business district. The second, and most applicable to industrial development, is a LDFA (Local Development Finance Authority) which is designated for industrial, agricultural processing, and high technology services facilities. LDFA's are available to cities, villages, and "urban" townships.

Unfortunately, the definition of an "urban" township sets a minimum population of 20,000 (or, if located in a county with a population of 400,000 or more, it must have a minimum population of 10,000). The township must provide water, sewer, and other public services and have an adopted master plan. Charlevoix Township's population falls well-short of the minimum threshold of 20,000, with an estimate of 1,645 according to 2010 Census figures. Likewise, Charlevoix County has a population of only 25,949 according to the Census.

While creating an LDFA for the city alone would not offer any benefit, the legal authority of an LDFA encompassing land that is subject to a 425 Agreement and under the administrative authority of the City should be explored. If such a structure was feasible, it would establish another unifying element to the industrial park and permit the capture of revenues generated within future expansion and redevelopment areas, all of which lie within the township.

5. Renaming to "Business" Park.

Many of the current operations in the park are not industrial in nature. If properly marketed, changing the name as part of the enhanced infrastructure of the business park will send a new message to potential users. With the expanded infrastructure, remarketing of the park should be considered.

6. Small Flex Spaces to Accommodate Growth Opportunities.

Furthermore, future opportunities exist to attract additional manufacturing and industry. However, future spaces are likely to utilize small spaces with the potential for shared or incubator services. New space should primarily take the form of "flex space," expandable to meet needs of individual operators without having to relocate to different structures.

TOOLS TO CAPTURE OPPORTUNITIES & ACHIEVE OBJECTIVES

To achieve the goals and to take advantage of opportunities, there are tools or mechanisms that should be considered by Charlevoix and the Downtown Development Authority in cooperation with the Chamber of Commerce, the community foundation, the state of Michigan and others. The suggestions made assume that: (1) not all are likely to be pursued or implemented, (2) local public sector resources are limited, and (3) the private sector, working with the public sector, will be in a leadership position.

It is noted that several potential tools that have been previously defined in the proposals for Ance Industrial Park and are not duplicated here but considered part of the program. The following summarizes the additional strategic tools and enhancements that will result in a stronger economy and Downtown.

1. High Speed Internet for the Downtown and the Community.

Charlevoix and the Downtown need enhanced communications networks to create economic opportunity for new and existing businesses. Veniam is a Mountain View, California-based startup that has a solution, already being employed in Europe, to blanket an entire community in a seamless WI-FI coverage providing high-speed access that would otherwise be cost prohibitive. The company's management team includes Zipcar founder
Robin Chase.

The backbone of the system is a community internet infrastructure, which in this case will soon exist in the Ance Industrial Park. Engineers tap into the cable or fiber optic system, which employs essentially supercharged wireless routers into fiber optic jacks. The routers broadcast on a frequency reserved for transportation systems and have an extra large range up to 1,600 feet. The stationary (or mobile) routers provide secure signals and can be used to create a mesh network that covers an entire city. Since all are part of the same network, only one login is required, and there are no gaps if routers are strategically located.

To further pursue the potential, Charlevoix should take the following steps:

- Establish a "Technology Application Sub-committee" with a limited focus to explore the potential deployment of technology. Members to include the City and Township representatives for the industrial park, technology oriented area business representatives, the DDA, the State of Michigan DOT and appropriate other departments and the Chamber of Commerce.
- Obtain assistance either through volunteers or a grant to further examine the technology and develop preliminary costs of deployment in Charlevoix.
- Define parameters for implementation.
- Apply for grant, donations and other fiscal assistance for acquisition and placement.

2. Heated Sidewalks to Enhance and Attract Year Around Activity Downtown.

Heating of the sidewalks in the Downtown will enhance the potential to attract patrons from other communities in Charlevoix County and neighboring counties during winter months and will contribute to the enhanced viability of restaurants and other businesses. There are several technologies that have been used to heat sidewalks in Michigan and other areas.

- MSU uses environmentally friendly methods to heat sidewalks and to melt the ice and snow in certain parts of its campus that can be a slippery hazard in the winter. MSU believes snow-melt systems are the most effective method to combat snow and ice; these systems not only lower the number of staff needed to shovel snow, but also lower the need to use salt or other chemical methods to prevent ice.

The MSU snow-melt systems primarily use hot water, which comes from a steam-to-hot-water heat exchanger. The source of steam to create the hot water for most of campus's snow-melt system is from a power plant (T.B. Simon Power Plant). There is a snow-and-ice sensor in the sidewalk that turns the system on when snow or ice is sensed. During warm weather the system is turned off.

There are approximately 160,000 square feet of heated concrete pavement out of the overall 5,677,906 square feet of concrete pavement on the MSU campus.

- In the summer of 1988, the City of Holland began a $3 million downtown renovation project. Civic leaders were initially skeptical when a local business operator suggested installing a hydronic snow and ice melting system under the downtown streets and sidewalks, given that 75 to 100 inches of snow falls on Holland's streets each winter. However, the system has been successful. The area heated is 167,000 square feet or 325,000 linear feet.

Warm water circulates through 325,000 linear feet of Uponor's crosslinked polyethylene (PEX) tubing, keeping five street blocks, adjacent sidewalks and two parking lots free of snow and ice all winter long. The system has proven its ability to keep up with Holland's snowfall. Even after the biggest storms, Holland's streets remain clear and dry. The system is given credit for attracting new businesses, and the patrons of Holland's downtown have the confidence that they can walk the street to shop and dine without hazard throughout the year.

The system has a low operating cost as it uses free energy — heat recovered from Holland's power plant. The heat transfers to the circulating loop via water-to-water heat exchangers. The system works automatically, so it requires only minimal attention from city maintenance workers. Because falling snow melts on contact, expensive labor and equipment are not needed to remove snow or to spread snow-melting agents.

The Uponor PEX tubing serves as the cooling mechanism for the turbines in Holland's power plant. River water is pumped to water-to-water heat exchangers where heat from the turbines is transferred to the loops, raising water temperature to 80 to 90°F for the snow and ice melting system. Two pumps circulate the water through the system. The water then returns to a nearby river at an acceptable cool temperature. The system is in a permanent mode of snow and ice melting, continuously delivering 80 to 90°F water. The only controls it uses are a low-water temperature alarm and a manual override on/off switch. Tubing in the streets and sidewalks is buried in 3 inches of road base material. The streets are then covered with asphalt, and the sidewalks are covered with a 1-inch layer of fine sand and topped with brick pavers.

There are additional benefits. Because freeze-and-thaw cycles do not occur, cracking and buckling is reduced in streets and sidewalks. Also, damage from snow-removal equipment, salt and chemicals is eliminated.

- As geothermal technology continues to evolve throughout the United States, so do its uses. In southern Oregon, the town of Klamath Falls has been utilizing geothermal energy to heat its sidewalks since the early '90s.

  The Town's use of geothermal energy doesn't stop at sidewalks. It also uses geothermal energy to heat various buildings including schools, greenhouses and a hospital, for power from a small geothermal power plant, and, of course, to heat residential homes. Homeowners in Klamath Falls are more than happy to save thousands of dollars a year on their heating bills.

- According to IBM's annual "Next Five in Five" report, thin-film solar cells will be embedded in driveways, sidewalks, paint, rooftop, and windows within 5 years. The prediction is based on an expected drop in the price of thin-film solar cells, which are 100 times thinner than silicon solar cells. Thin-film solar cells are already cheaper than silicon-wafer cells because of a production process that allows them to be printed and arranged on any flexible backing, including cell-phones, notebook computers, and clothing. These cells will be used to melt ice and snow in sidewalks, road surfaces, parking lots and other surfaces.

Facilitating implementation will involve the following steps:

- City economic development and planning staff initiating a preliminary meeting with the local publicly owned and controlled utility company.
- City economic development and planning staff and Chamber staff initiating a preliminary meeting with State DOT and other department representatives to express local interest in pursuing the effort.
- Establish a local sub-committee with a limited focus to explore the potential deployment. members should include City Manager, Chamber President, key stakeholders in Downtown, the local utility company and select local and state elected officials.
- The State of Michigan, with local input from the sub-committee, defining the "best" technology based on strategic factors and cost.
- State representatives place the project in the capital budget.
- State of Michigan, with sub-committee, develop preliminary and final engineering drawings.
- Develop funding options to cover costs.
- Identify funding sources.
- Solicit/apply for funding.

3. Formation of a Solar Coop for Downtown.

Significant advancement in solar energy has made it an appropriate option for communities in Michigan and elsewhere; the solar industry is booming as a result. Further enhancement in battery storage will also soon be available according to Elon Musk (of Paypal, Tesla Motors and SolarCity), increasing the potential feasibility of solar energy, as well as a return to the users.

A coop could be created for Charlevoix residents to combine their purchasing power to lease, install or purchase solar cells and related equipment; this would dramatically lower operating and energy costs while obtaining the best prices. Such a coop is not dissimilar to the programs that many Chambers of Commerce have created to obtain lower priced business and health insurance for their constituents in various communities around the country.

To further pursue the potential, Charlevoix should take the following steps:

- Utilize the previously noted "Technology Application Sub-committee" to further review the opportunity.
- City staff should meet with the local publicly owned utility to obtain initial reaction and feedback.
- Chamber staff should organize a meeting between the TA Sub-committee and downtown area property owners.
- Should feedback be reasonably positive from the above meeting, s second meeting should be held between the TA Sub-committee members, a select number of property owners and the utility company.
- Should reasonable interest exist, the Chamber would facilitate further feasibility analysis of the opportunity potentially through a lease or purchase equipment provider such as SolarCity.

4. Crowdfunding for Economic Development at Business Parks and Downtown.

Start-up businesses are an important part of a healthy local economy; they diversify the offerings of the community and provide employment. Historically there were local banks that would finance start-up activity based on knowledge of those to whom they were lending, the viability of the business plan, the quality of the idea and other factors. That financing option for start-up activity is today very limited, even though the need remains.

Therefore, the only way to preserve this opportunity for additional start-ups is through creative financing activity through the community. This may involve initial injection of capital (loans) as well as the creation of leases that have a unique structured based on targeted revenue goals for potentially fully vetted operators.

Congress approved a law creating a federal framework for equity crowdfunding. The goal was to give startups an option to get their ideas off the ground. However the federal government has been slow in finalizing regulations. Therefore, at least a dozen other states have either considered or passed their own crowdfunding laws. Adam Pritchard, a securities law professor at the University of Michigan, says the federal security commission is taking a careful approach to protect consumers. According to recent published articles the professor has stated "Given the very small amounts that can be raised under crowdfunding, it's going to attract a very large number of people wanting to fund businesses and it doesn't take a lot of money at stake to bring the fraudsters out of the woodwork." Michigan is one of the states in the forefront of crowdfunding.

The establishment of a local crowdfund option for financing of real estate ventures, business capital, start-ups, expansion and other aspects of the commercial business structure is one option that should be given serious consideration. Crowdfunding can be used to open the door and provide an incentive for entrepreneurship. The rules allow investors to invest in companies using a crowdfunding exchange if they will locate in Charlevoix. New, small and promising companies could be enticed to come to Charlevoix by providing capital (along with incubator space). Not only is capital generated, but expansion costs can be lowered from the savings associated with the decreased need to hire investment bankers and accountants. Working with and through an existing “funding platform,” including Kickstarter, Selfstarter, Micro-Ventures, Indiegogo, and Fundable, Charlevoix could promote the availability of capital generated by local residents and businesses to grow new and fresh ideas and entrepreneurial entities.

Equity crowdfunding is really simply an extension of raising investment dollars from relatives, friends and other individuals frequently used to launch new businesses. This would provide a competitive advantage for Charlevoix and help to keep a balance of established operations with new ideas and operations.

Contributions to or through a crowdfund are investment funds; their purpose is to provide a return on investment. In general, the investments are "hit or miss" on an individual business or stock purchase just as the expansion or start-up of all operations. But when success is achieved, it is generally at a level exceeding any losses within the fund.

For Charlevoix it is unlikely that one "hit" will compensate sufficiently for a loss in the short-term. The investment should be made for the long-term where there is an increased probability of a successful return on investment (ROI). A more balanced long-term approach will result in returns and a lower probability of non-successful businesses and investments for those involved in the crowdfund.

One substantial benefit to a locally directed crowdfund effort is the sense of ownership in the financed activity and businesses and in Charlevoix itself. That sense of ownership will result in greater spending, use and visitation of the businesses and would lessen the probable failure rates. This sense of ownership should not be underestimated; through the use of crowdfunding, the failure rates for expansion and start-ups should be well below those in more traditional financed settings.

The process or steps to further pursue this effort include:

- Utilizing web research to identify major existing crowdfunding entities.
- Obtain and review information from each entity.
- Establish phone contact to determine potential interest in pursuing a mater.
- Identify members from all segments of the community that might have a role in generating the necessary fiscal interests.
- The Chamber establish a sub-committee that would include second home interests, the area's community foundation. major employer representatives, and officials from the County, the City and surrounding areas.
- Establish clear objectives for the crowdfund and range of potential use.
- Develop legal mechanisms to pursue effort.
- Pursue fiscal assets necessary.
- Develop a marketing plan.
- Market the opportunity.

5. Recruitment Focus.

Recruitment is a critical component of economic development programs. Without proactive recruitment, it is highly likely that a number of opportunities will be lost. It cannot be assumed that because opportunities exist, people will naturally seek those opportunities; rather, they can only seek opportunities of which they are aware.

The following recruitment-related actions should be taken to assume a more proactive role. It is important to note that traditional means of marketing, such as "multiple listing," does not reach target audiences well or stimulate interest from those outside of the area that often make investments. The Charlevoix area is not necessarily seeking someone who is "looking" to invest; rather, the area is in search of the right parties that may not even know of the opportunities exist at this time or in the foreseeable future.

Individual businesses recruitment can be a time consuming effort. The public and quasi-public sectors will continue to have limited staff and fiscal resources available for this process. Therefore:

- Only limited activity can be expected, whether monthly or quarterly. The area should establish priorities and allocate the limited resources accordingly.
- One group, such as the Chamber, could focus on one component of recruitment at a time such as restaurants, or they could focus recruitment on a specific development or redevelopment site. Other business-oriented groups should assist in the process as well, focusing on other businesses to be recruited, the distribution of the work load, or the development of the written materials. The amount of activity will largely depend upon the allocation of staff and volunteer resources, but it is strongly suggested that there be partnership with those that share common interests.

The retail/restaurant recruitment process in the future should focus on data and site reconnaissance for non-chains located in other traditional downtowns in northern Michigan.

The establishment of the recruitment process would involve:

- Decisions on who will administer and provide staff support for the recruitment effort in general. The assumption is that such activity will be done in cooperative effort between the City an the Chamber. Furthermore and within this context, a separate sub-committee structure should be set up to oversee the recruitment effort.
- Creating a coordinating team consisting of representatives of the above entities and "consultants" (only if necessary to supplement the professional staff).
- Identifying "qualified" tenants, franchises or developers based on specific projects or areas and like experience and fiscal capacity.
- Developing a marketing plan.
- Developing marketing materials (potentially including direct mail materials, ads, public relations releases, and materials distributed electronically).
- Actual solicitation.
- Reviewing and evaluating submittals that may be received.
- Assuring those interested that the coordination and selection process is non-biased.
- Assuring the ability to reproduce the materials on demand via internal computer capabilities and internal printing capacity.
- Developing a set schedule for phasing of the recruitment process.
- Establishing an "Ambassador Program," composed of business interests to meet with recruited interests as needed.

If recruiting a developer, the associated marketing activity would include:

- Preparation of Request for Qualifications or Proposals for areas / sites.
- Distribution of developed materials via direct mail; establishing national contacts and networks; posting information on web sites; advertising in select trade journals, if affordable; and internet contact.
- Follow-up contact via telephone and internet to answer questions, gauge interest, etc.
- Review and evaluate of the responses and establish relationships (such as between the development interest and the private property owner).
- Continue follow-up, acting as an "ombudsman" for the process.

The need for and level of "pre-screening" potential contacts for any recruitment is a fundamental issue in the process. Consideration must be given to:

- Available data bases.
- The cost-effectiveness of the "pre-screening" which is essential for developer recruitment efforts but not necessarily others.
- The likelihood of success with obtaining accurate information for a "pre-screening" process.
  - Developing a funding base for the effort.

6. Incubator Space and Long-term Versus Short-term Return.

Long-term investment and incubator space are essential to spur entrepreneurship. This will only occur through property owners and related investors/developers foregoing short-term returns for greater longer-term rewards; one option is to link rent to revenue flow of the entrepreneurial activity. There are communities, for example, where entrepreneurs are offered dramatically reduced to virtually no rent for the first year; the business agrees to "open the books" so that when certain revenue levels are reached, rent is paid based on normal percentages.

When entrepreneurship is fostered and emerges in one geographic area such as the Downtown or the business park, other investment and new start-up businesses develop. In the short-term, income from the property is sometimes lower, but it is greater in the long-term. The impact of the activity substantially modifies the rent formula, so that over a longer term, rents and property related revenues rise above the levels that would have been achieved if only the short-term return was considered. There are a number of examples of this type of long-term investment strategy in lakefront communities in Michigan, including Holland and Boyne City.

Pursuit of the effort would involve the Chamber and its leadership to solicit involvement in the approach by property owners in Downtown. Several property owners are already utilizing the approach. Those property owners could be utilized in meetings to influence others.

7. Pursuit of Expanded R & D Activity.

Another recruitment effort is associated with the establishment of niches for Research and Development (R & D) activity. There are three possible methods for pursuing R & D. The first method is to directly recruit individual companies through a coordinated, continual process identical to the process just described. The second method is to form a partnership or consortium. The third also involves forming a partnership or consortium, but additionally calls for the inclusion of outside expertise with a track record in the industry. A combination of the latter two methods is preferred.

Fundamental to R & D recruitment activity would be the establishment of a "blue ribbon" committee to govern the effort. This committee would be composed of local business interests whose clients are national or international, second home interest in the area, the area's community college, utility companies, and other interests involved with R & D at the present time.

This methodology and partnership is suggested because:

- It can help to form and solidify a partnership with the State government, creating greater contact and assistance than now occurs.
- It may help to expand local higher education opportunities which could retain and potentially increase the proportion of residents seeking higher education within the community.
- It has the potential to bring in larger interests and dollars.
- It creates staying power. (Often research work takes fifteen years or more to turn into product development.)
- It is likely to yield high levels of employment for highly skilled individuals in the future, which will increase the potential to develop a "permanent younger resident" base.
- The approach has proven to be successful elsewhere.

Because of the costs and time frame for success with R & D activity in particular, the consortium approach might also require one or more local foundations or other area institutions to partner in this effort, along with an additional higher education institution such as Baker College. State government funding and involvement would have increased promise if such an approach is pursued.

While the committee/commission would define the scope of the effort, implementation would be greatly enhanced by the establishment of a relationship with an entity with a proven track record in taking the concept and bringing the R & D activity to fruition and commercialization. Research indicates that The Incubation Factory has a proven track record at doing precisely this.

The Incubation Factory leverages a proven "Commercialization Platform" that utilizes industry experts, experienced executive management, and network business professionals to identify, acquire, accelerate and launch new companies. It accomplishes its mission to reduce risk, maximize opportunity, and shorten the time to maturity of new technologies by leveraging core strategies developed though nearly two decades of experience. The Incubation Factory serves as the "Commercialization Agent" worldwide; they remove many of the pitfalls of start-up operations by utilizing structured, proven processes that result in faster time to market, lower commercialization risk, and high returns to technology partners. They:

- License high-potential technologies.
- Form companies around technologies.
- Build management teams with executives that possess requisite experience.
- Accelerate growth in the marketplace.
- Govern for market acceleration using specialized tools, people, and infrastructure.
- Manage companies to maturity or successful exit.

Entrepreneurship has always been and continues to be a mainstay in all sectors of the Michigan's economy. Entrepreneurs are primarily derived from two sources. These are existing residents of the area and those that come to visit and make the community the home for their venture. Creating new ownership for existing and new businesses and franchises through entrepreneurship is both an adjunct and an alternative to recruiting new activity.

8. An Entrepreneurship Program.

An entrepreneurship program with a possible apprenticeship component serves several purposes for increasing business opportunities. It can be effectuated through community colleges, Baker College, local artist connections, local, regional and national chapters of AARP, accountants and financial advisors in the area, and technical-oriented higher education schools in the larger region. Relationships with such institutions could be established on a one-to-one basis or collectively through one catalytic institution. A sub-committee would be established to handle the task. The sub-committee would include the able noted entities and would be coordinated by Baker, the community college, or the school system superintended

Through the organizations or institutions, "students" or participants can be identified with potential entrepreneurship profiles and interests. Baker College is already attempting to focus on entrepreneurship training is in other areas. A "training" process could be developed that would include:

- Certain business curricula courses.
- An internship with introduction to entrepreneurism and at least part-time work while attending the program.
- An apprenticeship of 1 to 3 years working and learning in the businesses, if dealing with existing operations.
- Purchase, with previous ownership staying on in some capacity for 1 to 3 years, where applicable and possible.
- The goal of creating new businesses at the culmination of the training.

Business scholarships to attend business management courses, acquire specific industry skills, or acquire entrepreneurship skills could be arranged through cooperative partnerships. These partnerships could sponsor student apprenticeships, assist with financial planning, assist with housing, and share the needed equipment through incubator activity (if appropriate); they could also procure resources for the purchase and financing of businesses if dealing with existing operations and change of ownership or for start-up. Business scholarships would be provided to those who make a commitment to establish a new entity or purchase an existing entity and remain for a minimum number of years, such as 5 years.

Financing for existing operations may be through current owners "taking paper" as well as other consortium sources. It is noted that current owners of operations could also identify current employees with potential.

9. The Addition of Local Higher Education Options.

As was previously noted, the current and future residents of Charlevoix need to expand their skills in areas that will provide future growth opportunities. Additional education and training needs to be provided locally. The school system has an established, albeit limited, relationship with Baker College. This relationship could be expanded, with Baker College developing a local presence to better serve the residents of Charlevoix. If this is not possible, the previously described recruitment process is applicable.

10. Main Street Proposed Zoning Modification.

Charlevoix's zoning and development regulations for Downtown has limitations on street level/first floor space. Unless grandfathered and without special exception, street level activity along its main street is limited to retail activity. Buildings fronting on Bridge Street in the central core generally have at least two stories affording the opportunity for offices, housing and other activity in upper floors.

The purposes for the existing regulations is to prevent the influx of activity that would create less visual appeal and less activity for patrons and pedestrians along a state highway that has significant seasonal traffic; thereby diminishing overall viability and the experience. The regulations are intended to promote a level of activity, synergism and character that could well be lost if the majority of space were not retail or did not generate foot traffic and related patronage.

Issues with these types of regulations often surface when the demand for retail space is diminished or is perceived to have diminished. In fact, the regulations are often blamed for creating or preserving vacancies in spaces that could be utilized for other personal and professional services, housing and other uses.

Most often and particularly the case in Charlevoix, the reasons for the vacancies are complex and include the following:

- Seasonal markets with fluctuating revenues dependent upon climate, weekend weather conditions and other factors.
- The inability to tap non-residents beyond the season.
- Over-inflated valuations or rents anticipated by property owners.
- Code enforcement and other regulations that are often only enforced when property is occupied.
- Changing community demographics including aging of the population resulting in changes in spending.
- An aging entrepreneurial class.

The goals and program components indicated in this market analysis for Downtown and economic development strategy are intended to address many of the root causes or issues for the street level vacancies that exist in the core of Charlevoix.

Review of Similar Situations in Other Communities.

Furthermore, there other examples in large and small communities that suggest preservation of the character, the need for active retail spaces and the visual appeal of such activity is paramount to long-term sustainability. In fact, the number of communities establishing similar regulations to Charlevoix's is increasing.

Portland, Oregon

Portland revised its zoning code with a new Mixed Use Zones Project (MUZ) which provides for key changes to the City's commercial and employment zones to make mixed use areas more attractive and responsive. Chief among these changes is the requirement for active commercial ground floor uses on main streets and within town and neighborhood centers. The proposed new requirements include requirements for ground floor uses on main streets, encourages ground floor activity, including ground floor windows and active commercial uses in key places. The Mixed Use Zoning Concept includes a new overlay zone applied to properties in the commercial core of all Town Centers and Neighborhood Centers and requires active ground floor commercial uses in new development and enhanced ground floor window and entry standards with 60% ground-level window coverage on at least one street frontage, prioritizing primary frontages.

Maricopa, Arizona

The community has three related zoning development regulations. Their purposes are to create "livelier urban spaces with public gathering places and a variety of shops, restaurants, and entertainment ... more vibrant commercial areas that provide retail and services for patrons."

The first is MU-N Neighborhood Mixed Use which requires ground-floor neighborhood retail uses and upper level housing or offices. The second is MU-G General Mixed Use requiring ground floor retail and upper floor residential or offices, with retail, personal and business services, and public and institutional space as supportive uses. The third is MU-H Heritage District Mixed Use for reuse of existing buildings focusing upon active storefronts.

Seattle, Washington

The Seattle Land Use Code provides for special Pedestrian District overlays in commercial zones. These are known as P1 and P2 overlays. They are intended to preserve and encourage pedestrian-oriented retail areas. The overlay zones' ability to affect the street environment comes from requirements that new developments meet specific standards that include a set of permitted and prohibited uses, reduced parking requirements, and limitations on blank facades. The P1 designation encourages "intense pedestrian interest and activity at street level with a wide variety of retail and service activities, and large numbers of shops and services per block." The P2 designation is for less intense, less dense activity, but still encourages varied retail and service activities along commercial frontage uninterrupted by housing, drive–in facilities, or large parking areas.

The City uses the Pedestrian Zone designation to encourage and preserve the development or extension of pedestrian-friendly environments at the heart of neighborhood commercial districts. These areas are, or could become neighborhood main streets where nearby residents access the services they need without driving, or at least with fewer automobile trips. The P Zone designation requires specific commercial or institutional uses to be located at the ground floor - uses that cater to pedestrians.

Palo Alto, California

The Commercial Downtown District was adopted by the City Council on July 14, 1986. It was created as a result of the development activity in Downtown during the 1980's. The development energized the Downtown area, but caused negative effects on parking and traffic congestion. During the same time, the public was increasingly concerned about the compatibility between large commercial projects and nearby residential uses.

The CD zone district was a comprehensive zoning district created for the downtown business area, accommodating a wide range of commercial uses serving citywide and regional businesses and service needs. The district also was intended to provide for residential uses and neighborhood service needs. The CD district objectives included preserving and promoting ground floor retail uses, enhancing pedestrian activity and
preserving historic buildings.

To preserve the integrity and continued economic success of retail in the commercial downtown district and sub-districts, the City Council on June 15, 1992 adopted the Ground Floor Combining District. The intended purpose was to modify the uses allowed in the CD commercial downtown district to permit only retail, eating and drinking and other service-orientated commercial development on the ground floor in the downtown.

According to the San Jose Mercury News, June 17, 2015, An effort to stop office space from replacing retail in Palo Alto will continue for the foreseeable future as the City Council voted unanimously to extend by about 22 months an urgency interim ordinance that prohibits the conversion of ground-floor retail and "retail like" uses to office or other uses.

The city has lost 70,000 square feet of retail since 2008 and increases in office rents have "effectively created an incentive for conversion of ground-floor retail to office use where this is permitted. The problem is pronounced in the downtown area. Since 2013, the average monthly rent for retail space has risen from $4.64 per square foot to $6.48 and the average monthly rent for office space has increased from $6.37 per square foot to $7.33."

New York City

The Special 125th Street District (125) is part of a city initiative to support and enhance 125th Street - Harlem's "Main Street" - as a major arts/entertainment destination and regional business district. The district includes 24 blocks in East, Central and West Harlem, within an area generally bounded by 124th Street, 126th Street, Broadway and Second Avenue. The aim of the district is to generate new mixed-use development while protecting the scale of the 125th Street corridor's commercial and historic rowhouse areas by establishing street wall and height limits. To ensure active and diverse retail uses, special regulations restrict the amount of ground floor street frontage that may be occupied by banks, offices, residential lobbies, and other non-active uses. Moreover, within the Core Sub-district, the district requires the inclusion of arts and entertainment uses for developments over a certain size. (ULI Case Study).

Additionally the certain commercial overlay districts within the City require that "the ground floor of a building must be reserved for retail and service uses in order to maintain a lively streetscape."

Sarasota, Florida

According to the Downtown Zone Districts Section VI-1001 General Description, an excellent frontage is one that provides a high level of positive stimulus and interaction for the pedestrian. In an ideal setting, buildings would form a continuous edge, generally up against the outer edge of the right-or-way, with large expanses of glass for pedestrians to see what is happening inside, and a constant sense of give-and-take between inside and outside. The width of the buildings along the street would be relatively narrow, with a range and variety of stores and shops. Restaurants and other uses might spill out onto the sidewalk creating open-air cafes, galleries and other attractions. Landscaping is prevalent, but does not dominate the setting and does not prevent the pedestrian from getting close to the buildings, storefronts and display window.

The Downtown Edge District (DTE) is a densely mixed-use area typically located along a pedestrian way or a thoroughfare road. A variety of non-residential uses are allowed everywhere with ground floor retail mandatory on certain designated frontages. Building heights are limited to a maximum of five (5) stories. Building frontages include stoops, forecourts and storefronts.

A required retail frontage designation specifies that a building must contain a retail sales or service use at the sidewalk level through the entire length of the building frontage. In addition, a gallery or awning frontage is also required to provide a covered sidewalk for a minimum of 90% of the building frontage.

Charlotte, North Carolina

According to the Charlotte Observer's editorial of June 11, 2015, Charlotte marked the 100th anniversary of Latta Arcade, the pavilion of shops built by real estate developer (and Dilworth creator) Edward Dilworth Latta. "If you work uptown, you know the arcade as one of the most distinctive spots in the center city, a place where you can get a shoeshine, a haircut, a sandwich, or a dress. It's "a family of businesses. It's nice to have a neighborhood feeling downtown," Kim Thomas, owner of Technicuts Studio is quoted.

According to the editorial, unlike cities such as Charleston and Asheville, Charlotte tore down many of the old center city commercial buildings. In so doing, they also tore down the retail spaces that made uptown Charlotte a shopping destination. The city's zoning codes need to be more aggressive on that front. They require street-level retail in large new buildings along the Tryon and Brevard street corridors, but don't mandate it elsewhere uptown. Instead, they require street-level "activation," meaning ground-floor facades that include windows, doors or other pedestrian-friendly design elements – anything but a blank wall. City officials know they must do more. They could start by mandating street-level retail more broadly across uptown. The city needs to be aggressive in courting retailers.

Numerous studies done by respected and well known national and international non-profit organizations such as the Urban Land Institute and national planning organizations, consistently reach the conclusion that elimination of existing and potential active space along commercial streets for any significant distance, such as a half or full city block, does or can damage the overall potential economic viability of areas.

The following are a couple of additional examples. In all of the previous examples as well as these additional examples the areas are only economically viable through the attraction of "non-locals" on a regular basis.

Lincoln Road in Miami Beach, Florida

"Much has been written about the 1111 Lincoln Road project in Miami Beach, Florida, since its completion in 2010. Essentially a parking garage, it has been featured in the majority of high-profile architecture publications and hailed as a bold and intellectually stimulating piece of modern architectural design. The New York Times covered .... it houses about 300 parking spaces, and 40,000 square feet (3,700 sq m) of retail and restaurant space is located on the ground floor .... The building was intended to serve as an extension of the public mall rather than a purely utilitarian parking structure, and today one sees joggers scaling its stairs and ramps, yoga practitioners taking in the expansive view from the seventh floor, and party-goers attending events. All this activity occurs alongside a consistently full parking garage and fully leased retail space with handpicked ..." (The Making of Miami Beach's Mixed-Use Garage, By Dan Malone and Richard Peiser, September 12, 2014.)

South Park in Los Angeles, California

"Some very exciting news coming out of South Park that will help enliven the streets just a little bit more. Just two blocks from the Staples Center, an existing parking structure at 11th and Hope that currently houses two restaurants on the ground floor — Il Mare and Arashi Sushi — will be expanding its commercial retail space for lease by another 11,200 square feet. The 5-story parking structure with 598 spaces will be converting the ground level parking area along Hope Street into retail and restaurant space. Essentially, the entire
perimeter of the parking structure will be wrapped with commercial spaces with a focus on adding new eateries ..." (Applause: South Park Parking Structure Adding 11,000+ SF New Retail Space in Downtown LA, Brigham Yen, March 24, 2014).

There are other examples in communities that could have been provided. However, some of those, including Sturgis in Michigan, do not have a major visitor component to their market.

Changing Retail & Demographics as Factors.

Yet, retail has changed and will continue to change, impacting space needs and service levels.

- Greater proportions and actual dollar sales are generated through the internet both for individual operations and through collective marketing of commercial areas and establishments than ever before.
- Off-site sales are expected to grow as are general internet sales.
- Emerging technology is impacting the need to stock inventory for many small and larger business operations. Many products will be produced on demand. This will range from clothing to numerous other products. Companies such as TruMaker for apparel are leading the way utilizing additive manufacturing/3D printing. Therefore many businesses will need less space in the future as this evolution continues. This will create increasing demand for small spaces and new retail opportunities.
- The retail and entertainment components of local economies are merging into one. Individual operations increasingly become destinations which work effectively with others through coordination through entities like the DDA and Main Street. This provides an increasingly favorable opportunity for traditional down towns in both small and large communities.

Demographic changes also will create changed demand in Charlevoix. Lower fertility, birth and marriage rates and the aging of population along with increased desired mobility by those under 35 years of age, results in increased demand for retail goods and related services in downtowns, particularly those with blended retail and entertainment.

Regulation Modification

In addition to the evidence of increasing number of communities implementing regulations in favor of first floor retail such as that which is in place in Charlevoix, the community is in the process of implementing the Main Street program. Elimination of the requirement for retail would be counterproductive for that program and is certainly not inline with the intent of the effort.

Current zoning along Bridge Street requires street level retail activity with a few exceptions and grandfathered activity. Its purpose is to create a conducive environment for foot traffic. The current zoning should be reviewed and modifications made to include certain other activity that may substantially expand the off-season patron base. In particular, certain outpatient and other medical practice spaces can be designed to have visual appeal as well as generate substantial patronage that would not otherwise come to Downtown. Zoning and development regulations should continue the exclusion of accountant, real estate, attorney and many personal and professional services offices that do not serve large volumes of people on any normal day off-season and could be situated on upper floors or off Bridge Street.

PRIORITIZATION TO ACHIEVE GOALS

There are three tools that, when combined, will have the greatest impact on the overall economic development of the area; these tools should be given the highest priority in terms of human and fiscal resources. They are crowdfunding, creation of incubator space in the Downtown and at the business parks, and enhancing entrepreneurship.

For Downtown, the above tools are also critical. Additional actions that will have the highest impact on Downtown are associated with redevelopment of Sites 4 and 5, the expansion of housing, the increased capacity of the communications system, and the introduction of energy efficient climate controls.

The private sector's involvement in all of the above activity is paramount to its success. The Chamber of Commerce, City of Charlevoix, Charlevoix Township, Charlevoix County, the State of Michigan and the Chamber of Commerce all have roles in the process as defined in the business park and strategy. Coordination should be a cooperative effort of the Chamber and the City of Charlevoix.

APPENDIX

TABLE 1A - POSITION OF BUSINESS SURVEY RESPONDENTS*

Position	Percent
Owner	53.3%
Manager	35.6%
Other	11.1%

Developed by The Chesapeake Group, Inc., 2015.

TABLE 2A - WHETHER OR NOT THE BUSINESS IS LOCATED IN THE DDA AREA*

In DDA	Percent
Yes	44.9%
No	46.1%
Not certain	9.0%

Developed by The Chesapeake Group, Inc., 2015.

TABLE 3A - WHETHER OR NOT THE OPERATION IS LOCATED WITHIN CHARLEVOIX'S CITY LIMITS*

Within City Limits	Percent
Yes	71.6%
No	27.3%
Not certain	1.1%

Developed by The Chesapeake Group, Inc., 2015.

TABLE 4A - AMOUNT OF SPACE USED BY ENTITY*

Square Footage	Percent
Less Than 2000	39.3%
2000 to 3999	21.3%
4000 to 5999	16.4%
6000 to 7999	3.3%
8000 or greater	19.7%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 5A - NATURE OF OPERATION*

Type of Operation	Percent
Retail	12.6%
Food service establishment	10.3%
Insurance	5.7%
Manufacturing	5.7%
Personal services	4.6%
Medical services	4.6%
Hotel, motel, Bed & Breakfast	4.6%
Construction or other contractor	4.6%
Non-medical professional services	2.3%
Investment Advisors	2.3%
Shipping or transportation	2.3%
Financial Institution	1.1%
Any type of vehicular service or dealers	1.1%
Communications services	1.1%
Real estate or property management	1.1%
Distribution	1.1%
Aviation related industry	1.1%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 6A - OWN OR RENT COMMERCIAL SPACE*

Own/Rent	Percent
Own	48.3%
Rent	51.7%

*Developed by The Chesapeake Group, Inc., 2015.

TABLE 7A - INTEREST IN PURCHASING BUILDING*

Interest in Purchasing for Those Renting	Percent
Not applicable	39.1%
Yes	14.5%
No	27.5%
Uncertain/Maybe	18.8%

*Developed by The Chesapeake Group, Inc., 2015.

TABLE 8A - INTEREST IN SELLING BUILDING*

Interest in Selling	Percent
Not applicable	47.3%
Yes	1.4%
No	39.2%
Uncertain	12.2%

*Developed by The Chesapeake Group, Inc., 2015.

TABLE 9A - MONTHS DURING THE YEAR THAT OPERATION IS OPEN*

Months Open	Percent
All year	86.9%
April	8.3%
May	11.9%
June	13.1%
July	13.1%
August	13.1%
September	11.9%
October	10.7%
November	8.3%
December	8.3%
January	2.4%
February	0.0%
March	2.4%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 10A - PRIMARY FACTORS FOR SELECTING THE LOCATION*

Primary Factors	Percent
Opportunity to purchase/own building	30.8%
Proximity to clients/customers	29.5%
Character of the area	25.6%
Obtained business from someone else	24.4%
Opportunity to rent	20.5%
Pedestrian traffic volume	20.5%
Affordable rent/costs	17.9%
Character of the building	16.7%
Proximity to other businesses	15.4%
Proximity to the ownership or management's home	15.4%
Vehicular traffic volume	12.8%
Historic character	11.5%
Proximity to like businesses	3.8%
Proximity to residential activity	3.8%
Available labor	2.6%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 11A - CHANGES IN THE ABILITY OF THE BUSINESS TO OPERATE IN CHARLEVOIX IN THE PAST FEW YEARS*

Business Past 2 to 3 Years	Percent
Improved greatly	16.4%
Improved little	25.5%
Remained unchanged	36.4%
Fell slightly	14.5%
Fell greatly	7.3%

Developed by The Chesapeake Group, Inc., 2015.

TABLE 12A - PRIMARY REASONS FOR TREND*

Reason	Percent
Economy	26.9%
Marketing	11.9%
Competition	10.4%
Reliable Service	10.4%
Population	7.5%
Seasonal/Weather Factors	7.5%
Business Development	3.0%
Employment	3.0%
Management	3.0%
No visible Pattern	3.0%
Financial	1.5%
Government Regulations	1.5%
Investments	1.5%
Local	1.5%
N/A	1.5%
Production Growth	1.5%
Reputation of Business	1.5%
Seasonal Factors	1.5%
Technology	1.5%

Developed by The Chesapeake Group, Inc., 2015.

TABLE 13A - CHALLENGES TO GROWING THE BUSINESS*

Challenges	Percent
Seasonal nature of the area	37.3%
Finding quality employees	34.3%
Finding qualified employees	32.8%
General regional economy	26.9%
Utility costs	22.4%
Insurance costs	20.9%
National economy	20.9%
Marketing or promotion	19.4%
Level of competition	16.4%
Transportation costs	13.4%
Laws and regulations	11.9%
Cost of materials	9.0%
Lack of cohesive business community	9.0%
Online purchasing	9.0%
Lack of financing	7.5%
Lack of complementary activity	6.0%
Transportation or access issues	4.5%
Telecommunications infrastructure	4.5%
Other infrastructure	4.5%
Global conditions	3.0%
Availability of resources	3.0%
Too few similar businesses	1.5%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 14A - ANTICIPATED CHANGES IN OPERATION IN NEXT FEW YEARS*

Anticipated Changes	Percent
Expand	26.4%
Contract	2.8%
Change locations	9.7%
No change anticipated	61.1%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 15A - WHETHER CHANGE CAN BE MADE AT THE CURRENT LOCATION*

Opportunity at Current Location	Percent
Yes	56.7%
No	13.3%
Maybe or Uncertain	30.0%

Developed by The Chesapeake Group, Inc., 2015.

TABLE 16A - PLANNED NEW INVESTMENT IN THE NEXT TWO YEARS*

Plans	Percent
Yes	39.1%
No	26.1%
Maybe or uncertain	34.8%

Developed by The Chesapeake Group, Inc., 2015.

TABLE 17A - LOCATION OF PRIMARY COMPETITION*

Location	Percent
Immediate neighboring businesses	18.4%
Elsewhere in immediate surrounding areas	26.3%
Elsewhere in the Charlevoix County	13.2%
Elsewhere in other cities in this part of Michigan	26.3%
Other areas of Michigan	2.6%
Other neighboring states	0.0%
National	11.8%
International	1.3%

Developed by The Chesapeake Group, Inc., 2015.

TABLE 18A - NUMBER OF EMPLOYEES THROUGHOUT THE YEAR AT THE LOCATION

Employees	Employees @ Location Throughout Year	Full-time Employees Throughout Year	Part-time Employees Full Year or in Season
Less than 5	51.3%	69.3%	70.1%
5 to 9	20.5%	10.7%	13.4%
10 to 24	11.5%	12.0%	10.4%
25 or Greater	16.7%	8.0%	6.0%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 19A - WHERE EMPLOYEES RESIDE*

Residency of Employees	Percent
Within Charlevoix	26.7%
In Charlevoix County	33.3%
In other areas immediately surrounding Charlevoix such as Petoskey or Boyne City	37.3%
Other areas of this part of Michigan	2.7%
In other areas of Michigan	0.0%
Elsewhere	0.0%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 20A - FOR THOSE OPERATING SEASONALLY, THE NUMBER OF EMPLOYEES TYPICALLY IN SEASON*

Number	Percent
None	1.5%
Less than five	3.0%
Five to nine	15.2%
Ten to nineteen	3.0%
20 or more	6.1%
Not applicable	71.2%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 21A - HOUSEHOLDS HAVING SOMEONE EMPLOYED AT MORE THAN ONE POSITION OUTSIDE THE HOME*

Two Jobs	Percent
Yes	21.1%
No	78.9%

*Developed by The Chesapeake Group, Inc., 2015.

TABLE 22A - UNDER-REPRESENTED AT ZIP CODE AREA LEVEL*

NAICS Code	NAICS code description
237210	Land Subdivision
238310	Drywall and Insulation Contractors
441310	Automotive Parts and Accessories Stores
442210	Floor Covering Stores
442299	All Other Home Furnishings Stores
444190	Other Building Material Dealers
444220	Nursery, Garden Center, and Farm Supply Stores
451110	Sporting Goods Stores
453991	Tobacco Stores
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)
454310	Fuel Dealers
531110	Lessors of Residential Buildings and Dwellings
531130	Lessors of Miniwarehouses and Self-Storage Units
531190	Lessors of Other Real Estate Property
541219	Other Accounting Services
541810	Advertising Agencies
541890	Other Services Related to Advertising
551114	Corporate, Subsidiary, and Regional Managing Offices
561510	Travel Agencies
561790	Other Services to Buildings and Dwellings
561990	All Other Support Services
611620	Sports and Recreation Instruction
621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists
624190	Other Individual and Family Services
811111	General Automotive Repair
812199	Other Personal Care Services
813410	Civic and Social Organizations

*Developed by The Chesapeake Group, Inc., 2015.

TABLE 23A - UNDER-REPRESENTED AT COUNTY LEVEL *

NAICS code	NAICS code description
327310	Logging
327320	Ready-Mix Concrete Manufacturing
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers
441110	New Car Dealers
441120	Used Car Dealers
442210	Floor Covering Stores
443141	Household Appliance Stores
444120	Paint and Wallpaper Stores
444190	Other Building Material Dealers
444210	Outdoor Power Equipment Stores
444220	Nursery, Garden Center, and Farm Supply Stores
448310	Jewelry Stores
454310	Fuel Dealers
484110	General Freight Trucking, Local
484220	Specialized Freight (except Used Goods) Trucking, Local
488410	Motor Vehicle Towing
515112	Radio Stations
531110	Lessors of Residential Buildings and Dwellings
531120	Lessors of Nonresidential Buildings (except Mini-warehouses)
531190	Lessors of Other Real Estate Property
541219	Other Accounting Services
541690	Other Scientific and Technical Consulting Services
541712	Research and Development in the Physical, Engineering, and Life Sciences (except Biotech.)
561320	Temporary Help Services
561990	All Other Support Services
562111	Solid Waste Collection
611110	Elementary and Secondary Schools
621112	Offices of Physicians, Mental Health Specialists
621399	Offices of All Other Miscellaneous Health Practitioners
621410	Family Planning Centers
621492	Kidney Dialysis Centers
621910	Ambulance Services
623110	Nursing Care Facilities (Skilled Nursing Facilities)
624190	Other Individual and Family Services
624310	Vocational Rehabilitation Services
713950	Bowling Centers
721199	All Other Traveler Accommodation
721211	RV (Recreational Vehicle) Parks and Campgrounds
722310	Food Service Contractors
722410	Drinking Places (Alcoholic Beverages)
722514	Cafeterias, Grill Buffets, and Buffets
811111	General Automotive Repair
811310	Commercial and Industrial Machinery & Equipment (except Automotive and Electronic) R&M
812199	Other Personal Care Services
812220	Cemeteries and Crematories
813110	Religious Organizations
813219	Other Grantmaking and Giving Services
813410	Civic and Social Organizations
321918	Other Millwork (including Flooring)
424910	Farm Supplies Merchant Wholesalers

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 24A - COMMON UNDER-REPRESENTED OPERATIONS*

NAICS code	NAICS code Description
442210	Floor Covering Stores
444190	Other Building Material Dealers
444220	Nursery, Garden Center, and Farm Supply Stores
454310	Fuel Dealers
531110	Lessors of Residential Buildings and Dwellings
531190	Lessors of Other Real Estate Property
541219	Other Accounting Services
561990	All Other Support Services
624190	Other Individual and Family Services
811111	General Automotive Repair
812199	Other Personal Care Services
813410	Civic and Social Organizations

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 25A - NUMBER OF PEOPLE UNDER THE AGE OF SIX LIVING IN THE HOUSEHOLD*

Number	Percent
0	80.6%
1	11.1%
2	7.9%
3	0.4%
4 or more	0.0%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 26A - HOUSEHOLD INCOMES*

Income	Percent
Less than $10,000	0.9%
$10,000 to $14,999	2.3%
$15,000 to $19,999	2.3%
$20,000 to $29,999	5.5%
$30,000 to $49,999	11.5%
$50,000 to $74,999	21.6%
$75,000 to $99,999	13.3%
$100,000 to $149,999	19.3%
$150,000 to $199,999	9.2%
$200,000 to $299,999	6.9%
$300,000 to $399,999	2.3%
$400,000 or more	4.6%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 27A - OWN OR RENT THE UNIT IN WHICH THEY LIVE*

Own/Rent Housing Unit	Percent
Own/Buying	78.7%
Rent	15.6%
Neither	5.7%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 28A - LIKELIHOOD OF MOVING IN THE NEXT FIVE YEARS*

Change in Housing	Percent
Yes	26.0%
No	50.0%
Maybe	24.0%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 29A - LIKELIHOOD OF MOVING OUTSIDE OF THE CHARLEVOIX AREA*

Outside Area	Percent
Yes	39.1%
No	35.0%
Uncertain	25.9%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 30A - CHARACTERISTICS SOUGHT IN THE NEW HOUSING UNIT*

Characteristics	Percent
Single-family unit	55.6%
A walkable environment for recreation, shopping and other activity	55.1%
Safe area or development	35.9%
Ownership unit only	33.8%
Quality schools	27.8%
A large lot	23.1%
A different climate	18.8%
Condominium	18.4%
Maybe owner or rental unit	14.5%
Rental unit only	9.0%
Not sure	6.8%
A compact area	4.7%
Independent adult living	3.4%
None of the above	3.4%
Multi-family unit	1.3%
Assisted living housing	0.9%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 31A - LIKELIHOOD OF RETURNING*

Likely to Return	Percent
Yes	90.5%
No	2.0%
Uncertain/Don't know	6.5%
No answer	1.0%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 32A - MARKET SHARE FOR GROCERY OPERATIONS*

Grocery Store	% Of Market
Oleson's	34.2%
Meijer	24.2%
Family Fare	18.3%
Glen's	10.0%
Wal-Mart	4.1%
Grain Train	3.2%
D&W	0.6%
Kroger	0.6%
Oryana	0.6%
Peoples Food Coop	0.6%
Save-A-Lot	0.6%
Whole foods	0.6%
Others	2.4%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 33A - LOCATION OF PRIMARY GROCERY OPERATION*

Community	%
Charlevoix	57.2%
Petoskey	33.0%
Boyne City	1.6%
Traverse city	1.6%
Downtown	1.3%
East Jordan	1.3%
Charlevoix	0.6%
Others	3.3%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 34A - PRODUCTS BOUGHT AT NON-SUPERMARKET OR NON-BOX STORE OPERATIONS*

Products Purchased	Percent
Fresh produce in season	79.2%
Fresh fruit in season	75.8%
Fresh or smoked fish	38.3%
Breads	30.9%
Other baked goods	31.6%
Meats	27.9%
Other	15.6%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 35A - LUNCH ESTABLISHMENT*

Establishment	Percent
Scovie's Gourmet	19.2%
The Villager Pub	12.9%
Subway	8.8%
Kelsey B's	6.6%
Andy's Party Store	5.0%
McDonald	5.0%
Burger King	4.4%
The Weathervane	3.1%
Bridge Street Tap Room	1.3%
Chee Peng	1.3%
Dairy Grille	1.3%
Panera	1.3%
Smoke on the Water	1.3%
Applebee's	0.9%
BC Pizza	0.9%
Flap Jack	0.9%
Harbor View Café	0.9%
Jimmy johns	0.9%
Taco bell	0.9%
Wendy's	0.9%
Barrel Back	0.6%
Charlevoix Area Hospital	0.6%
Cormacks	0.6%
Flight deck	0.6%
Front porch	0.6%
Johan's	0.6%
Judy's	0.6%
Julienne Tomatoes	0.6%
Mitchell Street Pub	0.6%
Pigs Eatin Ribs	0.6%
Side Door Saloon	0.6%
The landing's	0.6%
Varies	0.6%
Others	12.9%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 36A - DINNER ESTABLISHMENT*

Dinner Establishment	Percent
The Villager Pub	17.1%
Kelsey B's	14.0%
Grey Gables	6.7%
The Weathervane	6.0%
Bridge Street Tap Room	4.7%
Scovie's Gourmet	4.0%
Terry's Place	4.0%
Applebee's	3.7%
Red Mesa	3.0%
Bistro at the Country Club	1.7%
Café Sante	1.7%
McDonald	1.7%
Pizza hut	1.7%
Chee Peng	1.3%
Asian Fusion	1.0%
BC Pizza	1.0%
Bistro	1.0%
China one	1.0%
Pearls	1.0%
Quay	1.0%
Subway	1.0%
Varies	1.0%
Barrel back	0.7%
Burger king	0.7%
City park grill	0.7%
Edgewater Bistro	0.7%
Jose's	0.7%
Kelsey B's	0.7%
La senorita	0.7%
Murray's	0.7%
Pigs eatin Ribs	0.7%
Terry's Place	0.7%
Thai Orchid	0.7%
The Bistro	0.7%
Twisted Olive	0.7%
Wendy's	0.7%
Others	10.4%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 37A - FREQUENCY SHOP, OBTAIN SERVICES OR JUST GO DOWNTOWN FOR OTHER REASONS WHEN IN CHARLEVOIX AREA*

Frequency	Percent
More often than once per week	39.1%
About once per week	22.7%
Every couple of weeks	20.2%
Less often	18.1%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 38A - ESTABLISHMENTS MOST OFTEN FREQUENTED WHEN DOWNTOWN*

Establishment Frequented	%
The Villager Pub	9.2%
Oleson's	8.0%
Scovie's Gourmet	7.0%
Subway	5.6%
Clothing Company	4.8%
Bridge Street Tap Room	4.2%
The Weathervane	3.4%
Johan's	3.2%
Kilwins	2.5%
Cherry Republic	1.7%
Library	1.7%
The Lake House	1.7%
Central Drug Store	1.6%
Town House	1.6%
Book Store	1.5%
Kelsey B's	1.4%
Movie Theater	1.4%
Cre8tive Cupcakes	1.3%
Terry's Place	1.3%
Grey Gables	1.2%
Celeste Murdick Fudge	1.1%
Dairy Grille	1.1%
Ace Hardware	1.0%
Charlevoix State Bank	1.0%
Farmers Market	1.0%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 39A - OPERATIONS FROM WHICH CLOTHING IS PURCHASED*

Establishment Frequented	%
The Villager Pub	9.2%
Oleson's	8.0%
Scovie's Gourmet	7.0%
Subway	5.6%
Clothing Company	4.8%
Bridge Street Tap Room	4.2%
The Weathervane	3.4%
Johan's	3.2%
Kilwins	2.5%
Cherry Republic	1.7%
Library	1.7%
The Lake House	1.7%
Central Drug Store	1.6%
Town House	1.6%
Book Store	1.5%
Kelsey B's	1.4%
Movie Theater	1.4%
Cre8tive Cupcakes	1.3%
Terry's Place	1.3%
Grey Gables	1.2%
Celeste Murdick Fudge	1.1%
Dairy Grille	1.1%
Ace Hardware	1.0%
Charlevoix State Bank	1.0%
Farmers Market	1.0%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 40A - FREQUENCY OF TRIPS TO MOVIES*

Frequency	Percent
A few times/week	0.3%
About once/week	3.5%
About twice/month	7.3%
Once/ month	14.6%
4 to 9 times/year	25.8%
Once or twice/year	30.7%
Less often than once/year	17.8%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 41A - FREQUENCY OF ATTENDANCE AT CRAFT SHOWS*

Frequency	Percent
A few times/week	0.3%
About once/week	1.0%
About twice/month	3.8%
Once/ month	6.6%
4 to 9 times/year	27.3%
Once or twice/year	43.0%
Less often than once/year	17.8%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 42A - FREQUENCY OF ATTENDANCE AT COLLECTIBLES SHOWS*

Frequency	Percent
About once/week	0.7%
About twice/month	2.8%
Once/ month	3.8%
4 to 9 times/year	9.1%
Once or twice/year	28.7%
Less often than once/year	54.9%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 43A - FREQUENCY ATTEND PROFESSIONAL SPORTING EVENTS*

Frequency	Percent
About once/week	0.4%
About twice/month	0.4%
Once/ month	2.4%
4 to 9 times/year	7.5%
Once or twice/year	29.5%
Less often than once/year	59.8%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 44A - FREQUENCY ATTEND COLLEGE SPORTING EVENTS*

Frequency	Percent
A few times/week	0.0%
About once/week	0.4%
About twice/month	1.2%
Once/ month	1.2%
4 to 9 times/year	10.2%
Once or twice/year	22.8%
Less often than once/year	64.2%

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 45A - NUMBER OF TOURS PER MONTH FOR THE CASTLE*

Month	2010	2011	2012
January	0	0	0
February	0	0	0
March	1	0	1
April	1	0	0
May	4	6	5
June	7	7	10
July	8	7	11
August	8	14	19
September	11	8	15
October	7	10	16
November	3	1	0
December	0	0	0

Provided by The Castle.

TABLE 46A - ESTIMATED RETAIL GOODS AND RELATED SERVICES SPENDING AND SUPPORTABLE SQUARE FOOTAGE OF SPACE BY FULL-TIME ZIP CODE 49720 RESIDENTS FOR 2024 & ANTICIPATED CHANGE FROM 2014 TO 2019 AND 2014 TO 2024 BY CATEGORY AND SUB-CATEGORY*

Sub-category	2014 Sales	2019 Sales	2024 Sales	2014 Space	2019 Space	2024 Space
Food	$27,471,000	$29,154,000	$30,836,000	51,303	54,447	57,588
Supermarkets	22,938,285	24,343,590	25,748,060	38,878	41,260	43,641
Independents	2,197,680	2,332,320	2,466,880	5,494	5,831	6,167
Bakeries	604,362	641,388	678,392	2,015	2,138	2,261
Dairies	357,123	379,002	400,868	992	1,053	1,114
Others	1,373,550	1,457,700	1,541,800	3,924	4,165	4,405
Eat/Drink	32,132,000	34,100,000	36,068,000	80,330	85,250	90,170
General Merchandise	21,132,000	22,426,000	23,720,000	68,931	73,152	77,373
Dept. Stores	7,480,728	7,938,804	8,396,880	24,936	26,463	27,990
Variety Stores	1,521,504	1,614,672	1,707,840	5,852	6,210	6,569
Jewelry	1,458,108	1,547,394	1,636,680	2,054	2,179	2,305
Sporting Goods/Toys	2,303,388	2,444,434	2,585,480	7,678	8,148	8,618
Discount Dept.	7,924,500	8,409,750	8,895,000	26,415	28,033	29,650
Antiques, etc.	105,660	112,130	118,600	459	488	516
Others	338,112	358,816	379,520	1,537	1,631	1,725
Furniture	10,421,000	11,059,000	11,698,000	32,099	34,064	36,032
Furniture	1,573,571	1,669,909	1,766,398	5,076	5,387	5,698
Home Furnishings	2,167,568	2,300,272	2,433,184	6,193	6,572	6,952
Store/Office Equip.	1,646,518	1,747,322	1,848,284	5,488	5,824	6,161
Music Instr./Suppl.	448,103	475,537	503,014	2,241	2,378	2,515
Radios, TV, etc.	4,585,240	4,865,960	5,147,120	13,101	13,903	14,706
Transportation	60,993,000	64,728,000	68,464,000	177,482	188,350	199,221
New/Used Vehicles	21,347,550	22,654,800	23,962,400	53,369	56,637	59,906
Tires, Batt, Prts.	26,897,913	28,545,048	30,192,624	89,660	95,150	100,642
Marine Sales/Rentals	3,232,629	3,430,584	3,628,592	8,737	9,272	9,807
Auto/Truck Rentals	9,514,908	10,097,568	10,680,384	25,716	27,291	28,866
Drugstore	19,887,000	21,105,000	22,323,000	39,774	42,210	44,646
Apparel	19,655,000	20,859,000	22,063,000	61,161	64,907	68,654
Men's and Boy's	2,574,805	2,732,529	2,890,253	6,437	6,831	7,226
Women's and Girl's	6,525,460	6,925,188	7,324,916	17,636	18,717	19,797
Infants	412,755	438,039	463,323	1,376	1,460	1,544
Family	5,464,090	5,798,802	6,133,514	18,214	19,329	20,445
Shoes	4,107,895	4,359,531	4,611,167	14,938	15,853	16,768
Jeans/Leather	78,620	83,436	88,252	262	278	294
Tailors/Uniforms	353,790	375,462	397,134	1,769	1,877	1,986
Others	137,585	146,013	154,441	529	562	594
Hardware	27,471,000	29,154,000	30,836,000	116,778	123,933	131,082
Hardware	13,295,964	14,110,536	14,924,624	53,184	56,442	59,698
Lawn/Seed/Fertil.	521,949	553,926	585,884	1,535	1,629	1,723
Others	13,653,087	14,489,538	15,325,492	62,059	65,862	69,661
Vehicle Service	37,719,000	40,029,000	42,339,000	91,826	97,450	103,074
Gasoline	12,824,460	13,609,860	14,395,260	8,844	9,386	9,928
Garage, Repairs	24,894,540	26,419,140	27,943,740	82,982	88,064	93,146
Miscellaneous	32,595,000	34,591,000	36,588,000	125,892	133,600	141,313
Advert. Signs, etc.	521,520	553,456	585,408	1,896	2,013	2,129
Barber/Beauty shop	1,988,295	2,110,051	2,231,868	9,941	10,550	11,159
Book Stores	1,499,370	1,591,186	1,683,048	4,052	4,301	4,549
Bowling	749,685	795,593	841,524	7,497	7,956	8,415
Cig. /Tobacco Dealer	228,165	242,137	256,116	456	484	512
Dent. /Physician Lab	1,303,800	1,383,640	1,463,520	4,012	4,257	4,503
Florist/Nurseries	2,444,625	2,594,325	2,744,100	5,752	6,104	6,457
Laundry, Dry Clean	1,108,230	1,176,094	1,243,992	3,694	3,920	4,147
Optical Goods/Opt.	782,280	830,184	878,112	2,235	2,372	2,509
Photo Sup. /Photog.	2,249,055	2,386,779	2,524,572	6,426	6,819	7,213
Printing	2,640,195	2,801,871	2,963,628	9,601	10,189	10,777
Paper/Paper Prod.	1,401,585	1,487,413	1,573,284	7,008	7,437	7,866
Gifts/Cards/Novel.	4,661,085	4,946,513	5,232,084	15,537	16,488	17,440
Newsstands	260,760	276,728	292,704	522	553	585
Video Rent/Sales	4,237,350	4,496,830	4,756,440	21,187	22,484	23,782
Others	6,519,000	6,918,200	7,317,600	26,076	27,673	29,270
TOTAL	$289,476,000	$307,205,000	$324,935,000	845,576	897,363	949,153

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 47A - ESTIMATED RETAIL GOODS AND RELATED SERVICES SPENDING AND SUPPORTABLE SQUARE FOOTAGE OF SPACE BY FULL-TIME COUNTY RESIDENTS FOR 2024 & ANTICIPATED CHANGE FROM 2014 TO 2019 AND 2014 TO 2024 BY CATEGORY AND SUB-CATEGORY*

Sub-category	2014 Sales	2019 Sales	2024 Sales	2014 Space	2019 Space	2024 Space
Food	$38,823,000	$1,122,000	$2,243,000	72,504	2,095	4,188
Supermarkets	32,417,205	936,870	1,872,905	54,944	1,588	3,174
Independents	3,105,840	89,760	179,440	7,765	224	449
Bakeries	854,106	24,684	49,346	2,847	82	164
Dairies	504,699	14,586	29,159	1,402	41	81
Others	1,941,150	56,100	112,150	5,546	160	320
Eat/Drink	45,409,000	1,312,000	2,624,000	113,523	3,280	6,560
General Merchandise	29,864,000	863,000	1,726,000	97,414	2,816	5,632
Dept. Stores	10,571,856	305,502	611,004	35,240	1,018	2,037
Variety Stores	2,150,208	62,136	124,272	8,270	239	478
Jewelry	2,060,616	59,547	119,094	2,902	84	168
Sporting Goods/Toys	3,255,176	94,067	188,134	10,851	314	627
Discount Dept.	11,199,000	323,625	647,250	37,330	1,079	2,158
Antiques, etc.	149,320	4,315	8,630	649	19	38
Others	477,824	13,808	27,616	2,172	63	126
Furniture	14,727,000	426,000	851,000	45,361	1,313	2,622
Furniture	2,223,777	64,326	128,501	7,173	208	415
Home Furnishings	3,063,216	88,608	177,008	8,752	253	506
Store/Office Equip.	2,326,866	67,308	134,458	7,756	224	448
Music Instr./Suppl.	633,261	18,318	36,593	3,166	92	183
Radios, TV, etc.	6,479,880	187,440	374,440	18,514	536	1,070
Transportation	86,195,000	2,490,000	4,981,000	250,817	7,246	14,493
New/Used Vehicles	30,168,250	871,500	1,743,350	75,421	2,179	4,358
Tires, Batt, Prts.	38,011,995	1,098,090	2,196,621	126,707	3,660	7,322
Marine Sales/Rentals	4,568,335	131,970	263,993	12,347	357	713
Auto/Truck Rentals	13,446,420	388,440	777,036	36,342	1,050	2,100
Drugstore	28,104,000	812,000	1,624,000	56,208	1,624	3,248
Apparel	27,777,000	803,000	1,605,000	86,434	2,499	4,993
Men's and Boy's	3,638,787	105,193	210,255	9,097	263	526
Women's and Girl's	9,221,964	266,596	532,860	24,924	721	1,440
Infants	583,317	16,863	33,705	1,944	56	112
Family	7,722,006	223,234	446,190	25,740	744	1,487
Shoes	5,805,393	167,827	335,445	21,111	610	1,220
Jeans/Leather	111,108	3,212	6,420	370	11	21
Tailors/Uniforms	499,986	14,454	28,890	2,500	72	144
Others	194,439	5,621	11,235	748	22	43
Hardware	38,823,000	1,122,000	2,243,000	165,036	4,770	9,534
Hardware	18,790,332	543,048	1,085,612	75,161	2,172	4,342
Lawn/Seed/Fertil.	737,637	21,318	42,617	2,170	63	125
Others	19,295,031	557,634	1,114,771	87,705	2,535	5,067
Vehicle Service	53,304,000	1,540,000	3,080,000	129,768	3,749	7,498
Gasoline	18,123,360	523,600	1,047,200	12,499	361	722
Garage, Repairs	35,180,640	1,016,400	2,032,800	117,269	3,388	6,776
Miscellaneous	46,064,000	1,331,000	2,662,000	177,915	5,139	10,283
Advert. Signs, etc.	737,024	21,296	42,592	2,680	77	155
Barber/Beauty shop	2,809,904	81,191	162,382	14,050	406	812
Book Stores	2,118,944	61,226	122,452	5,727	165	331
Bowling	1,059,472	30,613	61,226	10,595	306	612
Cig. /Tobacco Dealer	322,448	9,317	18,634	645	19	37
Dent. /Physician Lab	1,842,560	53,240	106,480	5,669	164	328
Florist/Nurseries	3,454,800	99,825	199,650	8,129	235	470
Laundry, Dry Clean	1,566,176	45,254	90,508	5,221	151	302
Optical Goods/Opt.	1,105,536	31,944	63,888	3,159	91	183
Photo Sup. /Photog.	3,178,416	91,839	183,678	9,081	262	525
Printing	3,731,184	107,811	215,622	13,568	392	784
Paper/Paper Prod.	1,980,752	57,233	114,466	9,904	286	572
Gifts/Cards/Novel.	6,587,152	190,333	380,666	21,957	634	1,269
Newsstands	368,512	10,648	21,296	737	21	43
Video Rent/Sales	5,988,320	173,030	346,060	29,942	865	1,730
Others	9,212,800	266,200	532,400	36,851	1,065	2,130
TOTAL	$409,090,000	$11,821,000	$23,639,000	1,194,980	34,531	69,051

**Developed by The Chesapeake Group, Inc., 2015.*

TABLE 48A - SECOND HOME RESIDENT SPENDING AND SUPPORTABLE SQUARE FOOTAGE OF SPACE IN CHARLEVOIX AREA*

Sub-category	2014 Sales	2014 Space
Food	$15,661,000	29,247
Supermarkets	13,076,935	22,164
Independents	1,252,880	3,132
Bakeries	344,542	1,148
Dairies	203,593	566
Others	783,050	2,237
Eat/Drink	19,557,000	48,893
General Merchandise	10,898,000	35,550
Dept. Stores	3,857,892	12,860
Variety Stores	784,656	3,018
Jewelry	751,962	1,059
Sporting Goods/Toys	1,187,882	3,960
Discount Dept.	4,086,750	13,623
Antiques, etc.	54,490	237
Others	174,368	793
Furniture	5,375,000	16,556
Furniture	811,625	2,618
Home Furnishings	1,118,000	3,194
Store/Office Equip.	849,250	2,831
Music Instr./Suppl.	231,125	1,156
Radios, TV, etc.	2,365,000	6,757
Transportation	28,470,000	82,844
New/Used Vehicles	9,964,500	24,911
Tires, Batt., Prts.	12,555,270	41,851
Marine Sales/Rentals	1,508,910	4,078
Auto/Truck Rentals	4,441,320	12,004
Drugstore	10,256,000	20,512
Apparel	10,137,000	31,544
Men's and Boy's	1,327,947	3,320
Women's and Girl's	3,365,484	9,096
Infants	212,877	710
Family	2,818,086	9,394
Shoes	2,118,633	7,704
Jeans/Leather	40,548	135
Tailors/Uniforms	182,466	912
Others	70,959	273
Hardware	14,168,000	60,228
Hardware	6,857,312	27,429
Lawn/Seed/Fertil.	269,192	792
Others	7,041,496	32,007
Vehicle Service	17,960,000	43,723
Gasoline	6,106,400	4,211
Garage, Repairs	11,853,600	39,512
Miscellaneous	16,810,000	64,925
Advert. Signs, etc.	268,960	978
Barber/Beauty shop	1,025,410	5,127
Book Stores	773,260	2,090
Bowling	386,630	3,866
Cig. /Tobacco Dealer	117,670	235
Dent./Physician Lab	672,400	2,069
Florist/Nurseries	1,260,750	2,966
Laundry, Dry Clean	571,540	1,905
Optical Goods/Opt.	403,440	1,153
Photo Sup./Photog.	1,159,890	3,314
Printing	1,361,610	4,951
Paper/Paper Prod.	722,830	3,614
Gifts/Cards/Novel.	2,403,830	8,013
Newsstands	134,480	269
Video Rent/Sales	2,185,300	10,927
Others	3,362,000	13,448
TOTAL	$149,292,000	434,022

**Developed by The Chesapeake Group, Inc., 2015.*