

## The Annual Report to the Frankenmuth City Council

August 1, 2017

### EDC Members 2016-2017

John Benson,  
Frankenmuth Insurance

Beth Bernthal-Reindel,  
City Council  
Resident

Tim Dils, Resident

Mike Fassezke,  
Star of the West

Jamie Furbush,  
Chamber of Commerce

Tim Hildner,  
Frankenmuth Township  
Supervisor

Abby McClellan-Curtis,  
Abby's

Brandon Muller,  
Clark Hill

Chris Rittmueller,  
Tri City Controls  
Chairman

Vickie Schmitzer,  
City Council  
Frankenmuth Credit  
Union

Jerry Thompson,  
Vice Chairman  
Resident

Terry Weiss, Secretary  
Resident

*Ex-Officio*

Bridget Smith  
City Manager

John Deterding,  
City Treasurer  
Joann Cray,  
Saginaw Future

*Staff*

Sheila Stamiris

### Economic Gardening: Growth from Within

The Kauffman Foundation<sup>i</sup> explains Economic Gardening through the basic principle that “entrepreneurs drive economies.” When communities apply economic gardening principals, job creation happens because existing companies in a community invest. Frankenmuth’s “economic garden” could not be more evident than through our experiences in the past year.

A game-changing project presented itself last fall through the announcement of the purchase of 16 acres to provide for the new Uptown North Main project, located at the crossroads of M83 and Roedel Road. The Frankenmuth Credit Union purchased the site to build new office space for its affiliate, Neighborhood Mortgage Solutions. The estimated \$6 million mixed-use project successfully retains 50 jobs in Frankenmuth, while forecasting the creation of another 70 over the next 15 years. With construction completed by the end of 2017, the Uptown project will house four new businesses, a banquet center for 270, a conference room for 70 and a new Barber Shop. An additional three condominium-lots are for sale within the exciting new complex. This strategic initiative is a prime example of economic gardening – entrepreneurs driving economies!

Every garden needs a gardener, a unique role for the City, its management team, and its committees including the Planning Commission, the Downtown Development Authority and the EDC. While the private sector was driving the tractor, development of the Uptown project was not without its obstacles. In order to stay compliant with the State Boundary Commission, the City used an alternate strategy that had not been used here before – entering into a 425 agreement with Frankenmuth Township – to enable the project to be constructed. With the help of Saginaw Future and a pledge of matching funds from the developer, the City applied for and received a Rural Development Grant to enclose the Main Street (M83) ditch adjacent to the west side of the property.

A project the size and intensity of Uptown North Main is rare in small town community development. What is not so rare here in Frankenmuth is the intentional coordination of efforts, reliant on the energies and determination of the private developer, opportunities through local and federal governing agencies, and advocacy from local and regional planning and economic development experts.

While Uptown is the project of the year, more than 50 other private and public investment options and projects happened in the last year in all industries including housing, commercial, industrial and tourism. A partial list of investments and a map highlighting their location is included in Appendix A<sup>ii</sup>. All these new investments support continuing tax revenues for all jurisdictions including local schools and new and retained jobs for the region. The fruit of this garden is great.

### Available Sites = Development Opportunities.

The availability of shovel-ready development land at the Frankenmuth Business Park (IS PUD,) Covenant Commons (Mixed Use,) Heinlein Strasse (IS PUD), or the soon to be available Uptown North Main (Mixed Use) project represents varied opportunities for the next

**The mission of the Economic Development Corporation is to**

*“Vigorously and aggressively identify any means of enhancing and expanding the Frankenmuth economic base. This includes, but is not limited to, finding and encouraging the development of industrial and commercial sites, utilizing any available public and private funding opportunities, encouraging the retention, expansion and updating of all existing business entities and facilitating a business friendly environment on the local government and community scene.”*

business expansion, entrepreneurial upstart and/or new housing development. Once without land options for new investment, the City has a menu of sites available for investment today.

Buildings suitable for users vary in size, style and readiness – whether the opportunity to lease Class A office space at the Great Lakes Eye Building (Office) on Genesee Street or to buy or lease the “Mutual on Main” building (B2) for office, retail, or mixed use. These are a bright signal that there is room for commercial growth of all kinds in Frankenmuth. The availability of buildable home sites in Kingsbrook or Maple Crest Parkway or elsewhere signals the opportunity for new families to invest here. The availability of large land tracts for either residential or non-residential development, signals choice, a condition that is good for investors and investments. A partial listing of development sites is available in Appendix B<sup>iii</sup>.

**A Summary of EDC Activities Over the Past Year**

- Michigan Economic Development Corporation (MEDC) has verbally closed the outstanding Community Development Block Grant for the infrastructure project at the Business Park. Kremin Inc. invested more than \$2 million in the project, brought 25 new jobs to Frankenmuth and added 10.38 full time equivalent jobs (FTE) of which 58% were held by low and moderate-income persons.
- The EDC coordinated a Memo of Understanding (MOU) between the City and the Wirt Rivette Group (WRG.) The WRG wants to build a 20,000 square feet “spec” building for lease or sale within the Business Park. The company will construct a “flex-building” on three of the remaining 10 acres owned by the City. Users can lease or buy (as a condominium) space from 5,000 to 20,000 square feet. The original MOU expired on June 30 and was renewed by the City Council for another six months, through December 31, 2017.
- The EDC discussed how to manage the remaining ten acres of the business park area and made recommendations to the City Council. These recommendations include:
  - When working with a developer, the size and complexity of this project supports using a Development Agreement (such as a Declarations or PUD Agreement) as the preferred method for completing the real estate transaction.
  - Constructing Haas Street as a full road is the most economical approach because the “smaller project” does not realize enough savings to justify building a partial road. The City is the developer on this project and the construction of a “stub road” is normal protocol for development projects. The City wants to be shovel-ready to be able to welcome the next opportunity that presents itself.
  - Developing a conceptual plan for storm water management for the remaining acreage is a requirement the City places on all developers. For this project, storm water management planning needs to happen.
  - Approach the Township to begin annexation of the remaining 10 acres.
- Working with the East Michigan Council of Governments (EMCOG,) the EDC participated in the Target Market Analysis for an eight county “region of prosperity” to study how people move within the area to seek housing. The study, with a focus on Frankenmuth among others, analyzed “missing middle” housing including housing types such as cottages, cottage courtyards, duplexes, triplexes, four-plexes, row or town houses, and small and large multiplexes. Other options would provide for rehab or new build live/work housing, detached housing around a central courtyard or the use of accessory dwelling units like flats above garages, detached cottages or carriage style formats. In the study year, 2015, 194 households were looking for housing in Frankenmuth. Housing

sales in the City were less during the same period.

- In an effort to provide more desirable housing stock from our current housing resources and to attract those who want a more affordable, Frankenmuth option, the City is working with Ferris State University to bring an architectural class to Frankenmuth in the fall 2017. The project will generate design concepts that would allow 60s and 70's style housing (one bath, one garage) to be adapted for use by new consumers. Recommended changes would identify how to add a bathroom, create open floorplans and expand garage options.
- Community Videos produced by CGI are completed and available for viewing on the City's website. More than three dozen companies and community partners financially participated in the project, enabling the City to feature videos that highlight our quality of life, local economy, schools and recreation. View these videos on the City's website, [www.frankenmuthcity.com](http://www.frankenmuthcity.com).
- **Membership & Organization:** The Board welcomed new member, Brandon Muller, a real estate attorney and engineer with Clark Hill and they welcomed new City Manager, Bridget Smith. The Board also thanks former City Manager Charlie Graham for his long-time service since the Board was commissioned by the City in 1999. The Board also thanks retiring member Tim Dils for his service as member and board chair for more than ten years. Under his leadership, the Board created a Strategic Plan and successfully built the infrastructure to support the Kremin project in the Business Park.

The board officially changed its regularly scheduled meeting date and time to the third Thursday of every month at 1:45 PM. The Board meets in the City Township Government Center in the Meeting Chambers.

Businesses are looking to invest in themselves, as evidenced by what is happening in Frankenmuth, in Saginaw County and the Great Lakes Bay Region. The EDC continues to build a development network both within and outside of Frankenmuth in order to attract new investment in all areas: commercial, industrial, residential, consumer.

With more stories about business growth and the mindset of a willing and eager City government to help make it happen – **Frankenmuth continues to be an economic center in Saginaw County, the Great Lakes Bay Region and Michigan.**

Frankenmuth is blessed with a business community that believes you must bloom where you are planted.

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<sup>i</sup> The Kauffman Foundation is a Kansas City based foundation supporting education and entrepreneurialism nationwide.

<sup>ii</sup> All effort is made to be as inclusive as possible in this listing. The list is created with information known as of July 27, 2017. By its very nature, the list is dynamic and changing on a regular basis.

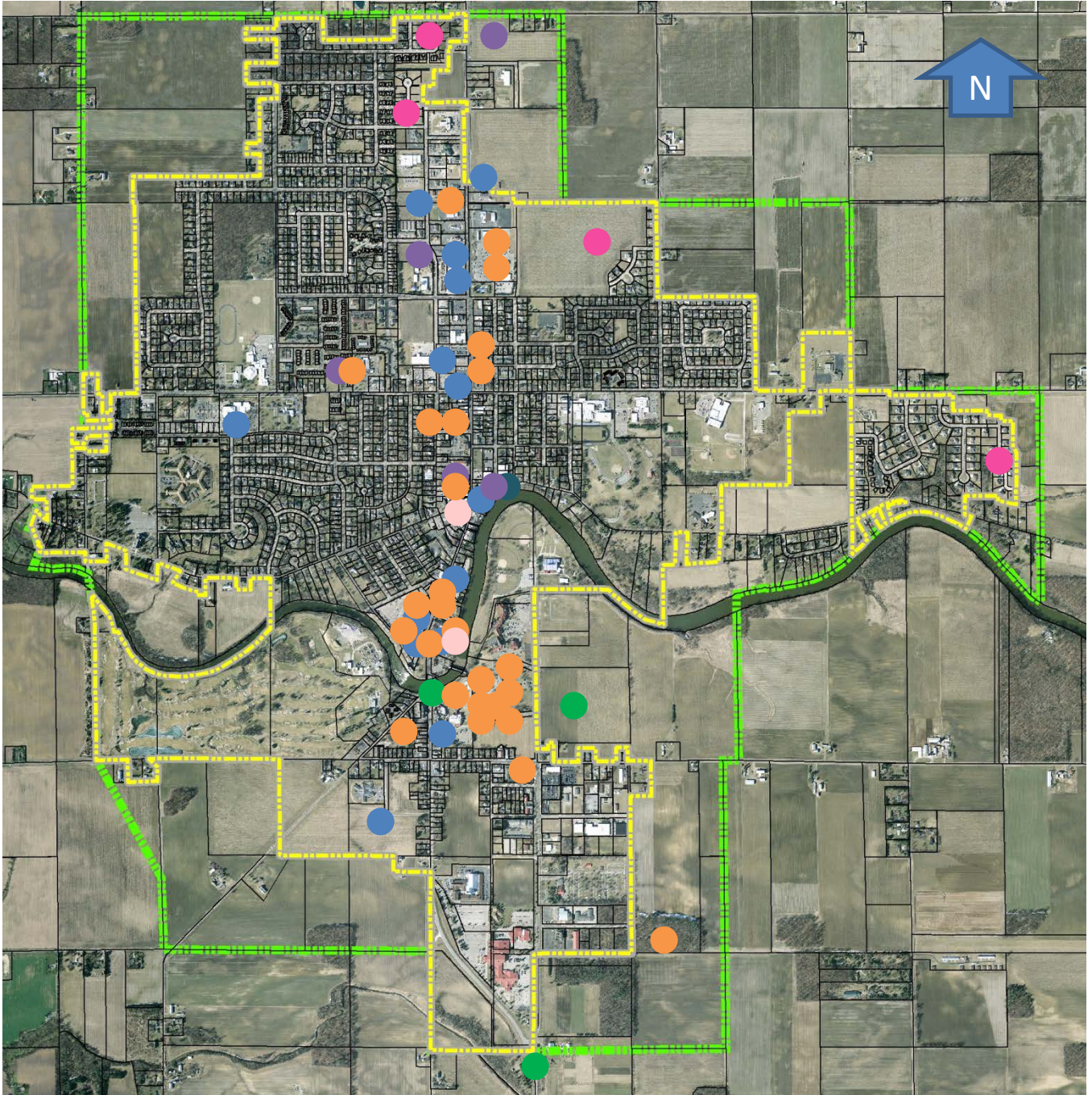
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# Investment & Development Projects

# Appendix A

A Partial Listing as of July 27, 2017: Circles represent approximate locations  
For Discussion Only. Detail is provided on Page 2 of Appendix A.



## Legend:

- |                         |                   |                  |
|-------------------------|-------------------|------------------|
| Urban Limit Line        | City Boundaries   | Industrial       |
| Commercial              | Land Development  | Lg. Residential  |
| New User/New Storefront | Public Investment | Planned for 2018 |

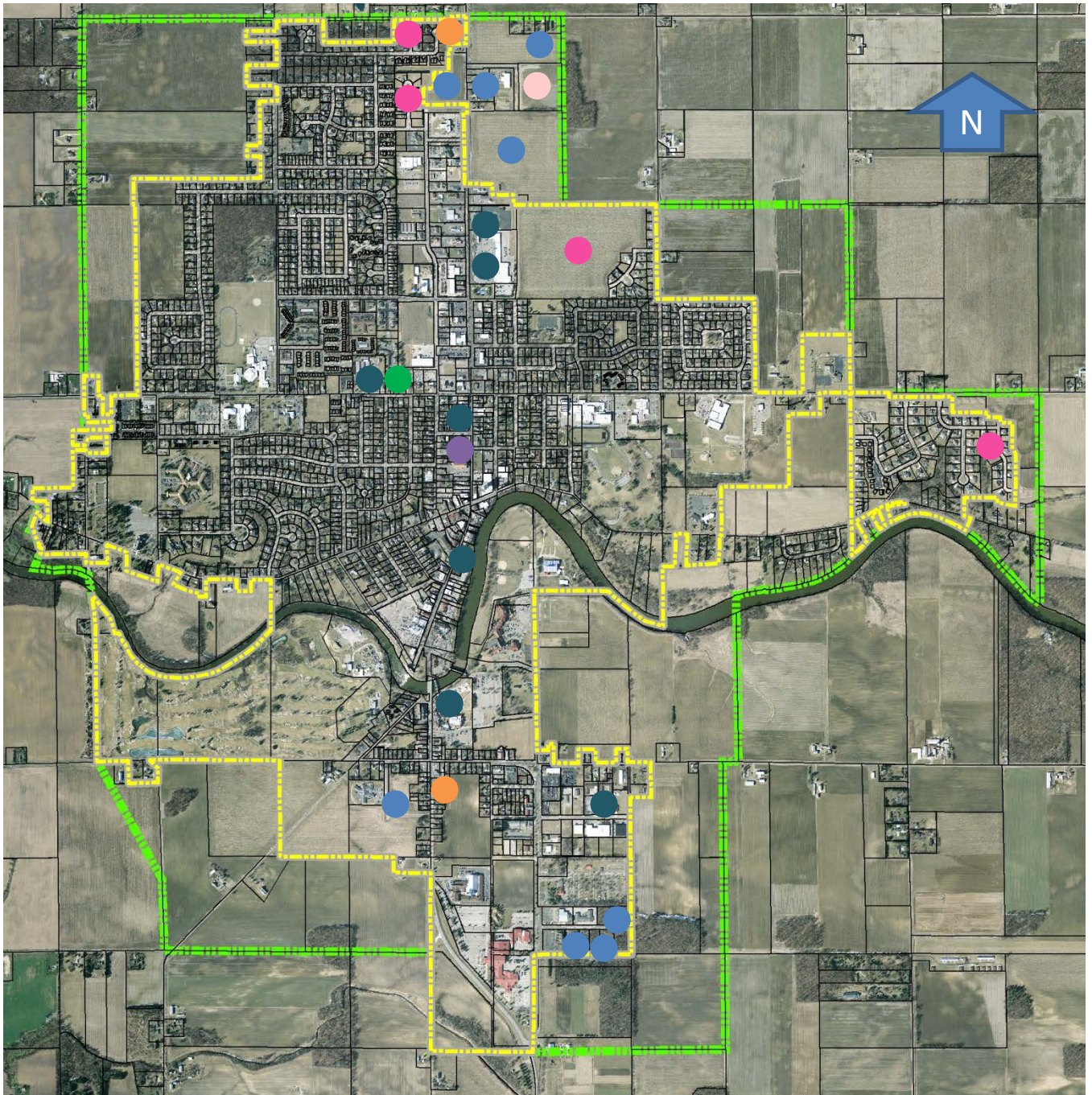
	<b>Type of Development</b>	<b>General Description &amp; Ownership</b>	<b>Address</b>
1	Commercial	Covenant Glenn: 12 Additional Rooms	1040 Covenant Dr
2	Commercial	Poblanos: Change from Lease to Ownership by Purchase	418 N Main
3	Commercial	Frankenmuth Brewery: New Kitchen & Interior Upgrades	425 S Main
4	Commercial	Weiss Equipment: Expansion	450 N. Main
5	Commercial	White House: Interior & Exterior Improvements, Signage	535 S Main
6	Commercial	Rapunzel's: Exterior Paint	664 S Main
7	Commercial	Bavarian Inn: New Restrooms & Expanded Outdoor Seating	713 S Main
8	Commercial	Zehnders: New Restrooms & New Outdoor Seating	730 S Main
9	Commercial	Land Purchase: Essence Shop location (land only)	981 S Main
10	Commercial	Land Purchase: Improvements to new VRBO	991 S Main
11	Commercial	Land Purchase: Building Improvements at Cobbler Shop	995 S Main
12	Commercial	Edu Play: Day Care Center	N. Franklin
13	Commercial	Optimal Rehab and Wellness: Land Purchase	N. Franklin
14	Commercial	Sale of First Merit Bank to Hunington Bank	N Main
15	Commercial	Sale of Diversified Fitness to New Owners	Mayer
16	Commercial	Sale of Talmer Bank to Chemical Bank	Genesee
17	Industrial	Star of the West: New Addition near Silos	Tuscola
18	Land Development	Purchase of Aunt Hatties by Frankenmuth Brewery	110 E Tuscola
19	Land Development	Purchase of Satow's by Drury Inn	308 S Main
20	Land Development	Great Lakes Eye: New Medical Office Building Available for lease	406 W. Genesee
21	Land Development	Uptown North Main: New Offices & Development Sites	975 N Main
22	Land Development	Koester Purchase of Land at Kleiner & N. Franklin	N. Franklin
23	Lg. Residential	Hanover Place: New Duplex Construction	Hanover Place
24	Lg. Residential	Kingsbrook: Planning for Utilities & Lots Under Contract (Wellman)	Kingsbrook
25	Lg. Residential	Maple Crest: New Home Construction	Maple Crest
26	New User/New Storefront	Interior & Residential Design: New, larger location	215 E. Jefferson
27	New User/New Storefront	CVS Grand Opening of New Store	111 N Main
28	New User/New Storefront	Wang's Bistro: New	207 N Main
29	New User/New Storefront	Fenton Home Furnishings: New Mattress Store	360 S. Main
30	New User/New Storefront	Great Lakes Eye Institute Expansion	406 W. Genesee
31	New User/New Storefront	Aah Chiropractic Clinic (Midtown Shops)	154 S. Main
32	New User/New Storefront	Mid Michigan Coin : Homeland Tactical Gear (Midtown Shops)	146 S. Main
33	New User/New Storefront	Goodwill Drop Off: Relocation	435 N Main
34	New User/New Storefront	UPS Store: New	481 N Main
35	New User/New Storefront	Sale of LaFontaine to Mike Young Used Cars	504 N Main
36	New User/New Storefront	Prost: New Wine Event Room; Upgraded Outdoor Space	576 S Main
37	New User/New Storefront	Great Lakes Escape: New	566 S Main
38	New User/New Storefront	Cass Street Décor: New	588 Cass
39	New User/New Storefront	Amazing Mitten:New	646 S Main
40	New User/New Storefront	Pita Pit: New	646 S Main
41	New User/New Storefront	Cheese Haus: Cheese Trap Food Truck	561 S Main
42	New User/New Storefront	River Place: Serendipity Spa Expansion	925 S Main
43	New User/New Storefront	River Place: Black Star Farms at Grand Traverse: New	925 S Main
44	New User/New Storefront	River Place: Modern Craft Winery at Bead Haven: New	925 S Main
45	New User/New Storefront	River Place: Vault Challenge at Mirror Maze:New	925 S Main
46	New User/New Storefront	River Place: N'orlins Beignets and Coffee: New	925 S Main
47	New User/New Storefront	River Place: Cherry Republic: New	925 S Main
48	New User/New Storefront	Murdick's Fudge: New	976 S Main
49	New User/New Storefront	Frankenmuth Aerial Park: New Owners	Heinlein Strasse
50	Public	M83 Bridge Project	M83/ Main Street
51	Public	Purchase of Acreage for the Recreation Park	Weiss Street
52	Public	Arch Project	S. Gera Rd.
53	2018: Commercial	Spring Hill Suites Full Public and Private Room Restoration	530 S Main
54	2018: Commercial	New Construction: Frankenmuth Cheese Haus	545 S Main



# Development Opportunities

# Appendix B

A Partial Listing as of July 27, 2017: Circles represent approximate locations  
For Discussion Only. Detail is provided on Page 2 of Appendix B.



## Legend:

- |                            |                      |                 |
|----------------------------|----------------------|-----------------|
| Urban Limit Line           | City Boundaries      | Space For Lease |
| Vacant Prop. Avail for Dev | Bldg. Avail for Dev. | Residential     |
| Redev. Site with Bldg      | For Sale             | Fmuth Biz Park  |

Lease or Sale	Zoning	Current Use	Future Land Use	Land or Building	Acreage	Sq Ftg	Address	Owner	Representative	Telephone
Sale	IS PUD	Ag	Lt. Industrial Special Use	Vacant Land	2.0 - 10 A	n/a	Keystone Way	City of Frankenmuth	Sheila Stamiris	989.652.3430 ext 120
Sale or Lease	IS PUD	Ag	Lt. Industrial Special Use Flex Building	Vacant Land	3:00 AM	n/a	Frankenmuth Business Park Site 2: Haas Street	City of Frankenmuth	Brandon Loomis Wirt Rivette Group	989.892.0658
Sale	CL PUD	Res	Commercial	Land	4.614	n/a	5175-5235 S Gera	Frankenmuth Insurance	Gretchen Witherspoon Trademark RE	989.792.6400
Sale	CL PUD R PUD	Ag	Commercial/ Lt. Industrial Sp Use/ Residential/Mixed Use	Land	36.7	n/a	S. Gera (north of First Merit Bank)	Loesel	Gretchen Witherspoon Trademark RE	989.792.6400
Sale	MU PUD	Ag	Commercial Mixed Use	Land	6	n/a	Behind Uptown N Main, S. Gera Roda	Frankenmuth Credit Union	Vickie Schmitzer CEO	989.497.1633
Sale	CL PUD	Ag	Commercial	Land	≈ 7 A	n/a	S Gera (West Side, North of Covenant)	Koester Builders	Leone or Paul Koester	989.652.6207
Sale	R PUD	Res	Commercial/Office: 3 Lots	Land	≈ 2.676A	n/a	5020 / 5050 / 5080 S Gera	Koester Builders	Leone or Paul Koester	989.652.6207
Sale	R PUD	Woods	Residential Building Lots	Land	6 x .437 A Avg	n/a/	Maple Crest Court	Koester Builders	Leone or Paul Koester	989.652.6207
Sale	RCD	Ag	Residential Duplex	Lots to Owners	9 x .375 A	n/a	Hanover Place	Koester Builders	Leone or Paul Koester	989.652.6207
Lease	B3	Strip Center	Commercial	Building	9.72 A	4250	Bavarian Mall: 435 N Main	Bavarian Mall Associates	Phil Cody, Cody Company	248.471.7179
Lease	B3	Auto Dealer	Commercial	Building	3.938 A	25,191	511 N Main	Bavarian Mall Associates	Phil Cody, Cody Company	248.471.7179
Sale	Residential	Ag	Residential Development	Land	47.18	n/a	Baker Property	Baker Family Realty	Ken Baker	989.652.9323
Lease	Office	Office	Office/Service	Building	1.1 +/-	7000	414 W Genesee	Great Lakes Eye	Sandy Sprague Owners Rep	989.652.2020
Sale	Office	Office	Office/Service	Land & Building	1.67 a	6241 (3 Bldgs)	250 W Genesee	Trinklein	Gretchen Witherspoon Trademark RE	989.792.6400
Sale	Ag	R PUD	Residential Building Lots	Land	8 x .37 A Avg	n/a	Kingsbrook Place	Wellman	Jeff Monchilov	989.239.9634
Lease	B2	Office	Commercial	Building	3200 Sq Ft Available		Century 21 Signature Building	Frankenmuth Realty LLC	Ken Kujawa Century 21 Signature	989.921.7002
Sale	B2	Office/ Call Ctr	Commercial	Building	2.041	24,500	210 N Main	Frankenmuth Insurance	Gretchen Witherspoon Trademark RE	989.792.6400
Lease	B2	Retail	Commercial	Building	n/a	Varies	Frankenmuth River Place	Bavarian Inn	Michael Zehnder	989.798.2306
Sale	Mixed Use	Develop Sites	Mixed Use: Sites Available NOW!	Land	13 remaining acres including Main St Frontage		1090 S Main (New Streets Grauer & Covenant)	Koester Builders	Leone or Paul Koester	989.652.6207
Sale	B2	Retail/Res	Commercial	Land & Building	0.543	1450/2021	1029 & 1035 S Main	Trinklein	Gretchen Witherspoon Trademark RE	989.792.6400
Lease	Industrial	Industrial /Mixed	Industrial	Building	200 - 19,000 sq ft		370 List	Owner	Neil	989.652.8815
Sale	Industrial	Develop Site	Industrial	Land	.587 A	n/aa	380 List	Jerry Jerome Enterprises	Jerry Jerome	989.239.8171
Sale	CL PUD	Woods	IS PUD	Land	2.902 A	n/a	Heinlein Strasse (north)	Owner	Bridgette Stallings, Century 21 Signature	989.798.8009
Sale	CL PUD	Woods	IS PUD	Land	5.715 A	n/a	Heinlein Strasse (south)	Tomei	Dino Tomei	248.388.8708
Sale	CL PUD	Develop Sites	IS PUD	Land	.872 A	n/a	Heinlein Strasse (Markt #9)	Keyes	Scott Rausch	989.529.9671
Lease	B2	Café	Retail: Tourism	Bldg	0.33 A	1200/3 floors	525 S Main	Rummel	Will Rummel	989.860.9129