



## The Annual Report to the Frankenmuth City Council

August 11, 2020

### **EDC Members 2018-19**

John Benson

Councilwoman Beth  
Bernthal-Reindel,

Joe Cramer

Mike Fassezke

Jamie Furbush

Mike Grossi

Tim Hildner,  
Frankenmuth Township  
Supervisor

Todd Jennings

Abby McClellan-Curtis

Jeff Monchilov

Brandon Muller

Chris Rittmueller,  
Chairman

Councilwoman  
Vickie Schmitzer,

Michael Southgate

Tamara Tsulaia

### **Ex-Officio**

Bridget Smith  
City Manager

Joann Crary,  
Saginaw Future

Sheila Stamiris  
DDA Director

**EDC Mission:** The Frankenmuth Economic Development Corporation (EDC) facilitates economic opportunities to preserve and attract investment, fostering community sustainability and resiliency.

### **Highlights & Activities of the Board of Directors August 2019 through July 2020**

The EDC focused on these initiatives over the past year:

- Expanding the capacity and talent of the board with new members
- Building the “Site Ready” Grant Project at the Business Park – KEYSTONE STREET IS OPEN!
- Developing a Tax Abatement Policy for Council use; Recommending for approval the first tax abatement application under the new policy.
- Welcoming two new “missing middle” housing developments, multiple single-family home construction projects and a potential multi-acre housing development.

**New Board Members.** The Board received with regret the resignation of original board member, Jerry Thompson in December. The Board welcomed the appointment of Todd Jennings, Jeff Monchilov and Michael Southgate, increasing the board membership to 15, as allowed in the bylaws.

**Site Ready/Build Ready Grant: Keystone Street.** With the approval of the MEDC Build Ready grant, the City approved contracts with Axiom for design and with Mid-State Excavating for construction of the new road and the upsized storm drainage system. Beginning work in May 2020, the project was completed in seven weeks: in budget and on time. Increased capacity storage in the inground pipe on Keystone Street and of the existing pump station will benefit developing properties. Additionally, the project built Keystone Street, a Class A Road including curb and gutter. The EDC continues to work with the MEDC Site-Ready Team to prepare marketing materials. A development sign will be installed with specific information about the site and contact information.

**Tax Abatement Policy.** Assuming the responsibilities of the former Tax Abatement Committee, the EDC developed a policy for the use of Tax Abatements as a development tool for investing companies in certain industries. Tax Abatements are enabled by state legislation through Public Act 198 of 1974. An approved Tax Abatement provides a 50% reduction on ad valorem taxes on real property for qualified projects for up to 12 or 14 years, depending on project type. While the City approves the initial application, the State of Michigan Tax Commission is the final authority.

The approved policy prioritizes transparency in the process, sets the expectations of the Council for the developer, outlines the requirements for qualified companies, details the procedural steps and basic timeline. The first application received under the new policy was approved for the Frankenmuth Woolen Mill. The Woolen Mill has proposed a \$1 million expansion of its facility to bring all Woolen Mill operations under one roof and to build new temperature-controlled warehousing for its organic materials.

**New Housing Opportunities.** With a desire to add new and diverse housing options to its housing supply, the City welcomes two new housing developments: “The Springs” located at Block and Tuscola and the “Greenfield Condominiums” on West Genesee. Both projects

represent alternative, missing middle housing options to the stable Frankenmuth housing market. The Springs, an 86-unit senior development, features aging-in-place home design in both single and multi-family styles. Greenfield, a 12-unit city-styled condominium neighborhood, is available in one- and two-story units designed in the latest lifestyle trends. Locations take advantage of Frankenmuth's best assets: easy access to services, schools entertainment, recreation and cultural amenities and walkability.

A third housing development is proposed for the former Weber Farm by Frankenmuth Insurance. Currently, Frankenmuth Insurance is in the due-diligence process on the nearly 100-acre development.

These developments noted here are grassroots initiatives with local partners recognizing this need to diversify while taking advantage of the strong housing market.

Improving services to an aging population while providing opportunities for family-forming residents, the EDC considers new housing options a necessary focus. With age-appropriate housing options, older residents can downscale, enabling younger families to move into these family-friendly homes. Likewise, new or existing entry priced homes can meet the needs of younger residents interested in Frankenmuth as both home and employment center.

Housing needs can be met with options through new construction, infill development or the restoration or rehab of existing units. A review and potential amendment of existing zoning requirements will update options for those who build new or remodel existing housing stock, creating appropriate density balanced with greenspace and improving the capacity of existing lots. This action needs to be a coordinated effort with the Planning Commission.

#### **Advocacy**

- The EDC recommended approval of a continuing contract with Saginaw Future.
- As it is able, the EDC wants to work with new and existing companies for investment and expansion opportunities.

#### **Impact of COVID-19 on Economic Development.**

The lack of traffic – vehicles in parking lots and people walking along Main Street – gives evidence of the impacts of the pandemic on local commerce. As of this July, nearly one third of this calendar year's earnings potential has been hit hard by the economic shock brought on by full and partial closures and the by new rules of engagement with employee and customer. Construction projects have been halted or delayed as owners and bankers are cautious. A shortage of materials and inventory, compounded by rising costs, hovers over the marketplace. An already tight labor market is even leaner as employees receive alternate incomes through public sources and are fearful to return to the workplace. Brick and mortar landlords, whose business is leasing to other business, have adjusted rental rates – a move to stem vacancies and closures, but setting up a slow rebound precipitated by slow recoveries of the businesses in those very spaces.

Businesses managing from reopening through "recovery" to "thrive" look different from sector to sector. And, none of it is easy.

Anecdotally, locals are recognizing the importance of their local vendors and retail shops are reporting good traffic from locals in the 48734 - zip code. Many businesses have added to and refined how they do business – through increased digital presence, curb-side service for

many goods and services and new arrangements for employees to enable “work at home.” “Work at home” may generate new specialized housing demand.

Other reports cite an uptick in demand for “American-made” products and services – perhaps an opportunity for the business park to attract niche businesses such as advanced manufacturing, agri-business and artisan shops.

Increased demand for data access and new technology to support education, employment and entertainment is driving digital infrastructure investment. Local companies have beefed up online services with everything from “order on line for curbside pick-up” to aggressive online video marketing. The Frankenmuth Community is fortunate to have a robust communications network available to its business and residential community. This network is serviced by multiple providers including an independently and locally owned gigabit fiber network that can provide stakeholders with nearly unlimited bandwidth for remote and virtual applications and commerce.

Frankenmuth’s stable residential base remains so. Local real estate agents report strong interest in the Frankenmuth housing market with more buyers than sellers supporting healthy sales. Low mortgage interest rates fuel interest in home sales. Perhaps the switch from working someplace else to “working at home” may generate new housing demand for people who are looking for a “Frankenmuth” lifestyle.

Resolution of the pandemic crisis will positively impact the economy; but the recovery timeline remains unknown.

#### **About the EDC**

- The EDC facilitates development for the City as a whole. The EDC works cooperatively with the Downtown Development Authority which has responsibility for a specific district within the City limits.
- The EDC has a minimal budget, which includes a stipend to Saginaw Future for its services. The City can approve necessary funding for recommended projects as they develop.

#### **In Summary.**

Economists give 2020 a poor economic forecast. Frankenmuth is not be immune from this, especially in hardest hit “tourism” sector. However, Frankenmuth’s business base is mostly local and sized to be agile and capable of adapting and repositioning in most markets. The leadership position that Frankenmuth enjoys in tourism, agribusiness and finance/insurance, is not a result of luck, but a matter of design, purpose and strategy. This will benefit recovery efforts.

The EDC’s Strategic Plan remains focused on the labor market, housing development and marketing strategies including refining the in-house processes that facilitate business investment.

Members of the Board express gratitude to the City Council for the opportunity to serve the City of Frankenmuth.

###

**EDC Mission:** The Frankenmuth Economic Development Corporation (EDC) facilitates economic opportunities to preserve and attract investment, fostering community sustainability and resiliency.

**Play Book: The EDC recommends three major tasks to foster successful economic development**

- 1.) Encourage entrepreneurial ventures to retain and support the expansion of existing businesses and to attract new businesses
- 2.) Facilitate new housing investment to address needed housing shortages, to diversify the housing mix, attracting younger residents and families
- 3.) Develop an umbrella marketing campaign for attracting investment: commercial, residential, general development.

**1. Business, Talent & Entrepreneurialism**

- ✓ Complete the Frankenmuth Business Park Infrastructure
  - Install appropriate Signage (2020 Sept)
  - Network with MEDC Build Ready Site Team for Marketing Assistance.
  - Update City Website (2020 Sept)

**Know What is Available**

- Available Development Land and Building Inventory; Updated & Ongoing. Create more robust information per parcel (2020 Sept)
- Maintain Saginaw Future & Zoom Prospector Listings. (Ongoing; Staff)
- Update City Website (2020 Sept)

**Prioritize**

- Select the top 3 priority sites for development. (2021 March, pending RRC Approval)
- Create lists of preferred uses, incentives and marketing. Plan (EDC, Planning, Staff, Council) 2021 June)

**Talent (2020 Dec)**

- Survey businesses to gather data on 1.) Labor needs, 2.) Employee home zip codes and 3.) Employee interest in living in the 48734 /zip code.
- Create an “existing skills available” and “skills needed” data base. (Staff)

**2. Housing Development**

Inventory available land for housing development and detail owner interest in selling and infrastructure needs (Staff & Cmte, 2020 Nov)

- Dovetail with Available Development Land & Building Survey (2020 Sept)
- Define Needs and Budget for Infrastructure Improvements (Include DPW 2020 Nov)

**Commission a Housing Study (2021 Mar)**

- Host Real Estate Focus Group to determine what we need to know (Cmte, 2020 Nov)
- Research firms who do studies (Staff 2020 Sept)
- Establish Budget and Define how to pay for it. (Cmte 2020 Oct)
- Hire Consultant (EDC/Council), (2021 Jan)
- Complete Study (2021 Mar)

Review zoning code requirements for housing development. 2021 Jan

- Share info on available land with Planning and DDA. (Cmte/Staff)
- Research Current Housing Stock: Age of construction, amenities, etc. Review Ferris State Recommendations. What's Next (Cmte, Planning Commission)

**3. Investment Attraction Marketing**

Complete a community survey. 2021 Mar

- Coordinate with City Council's Heart & Soul initiative. (Begin Jan 2020. Community Wide. EDC, DDA, Chamber, Planning, School District)

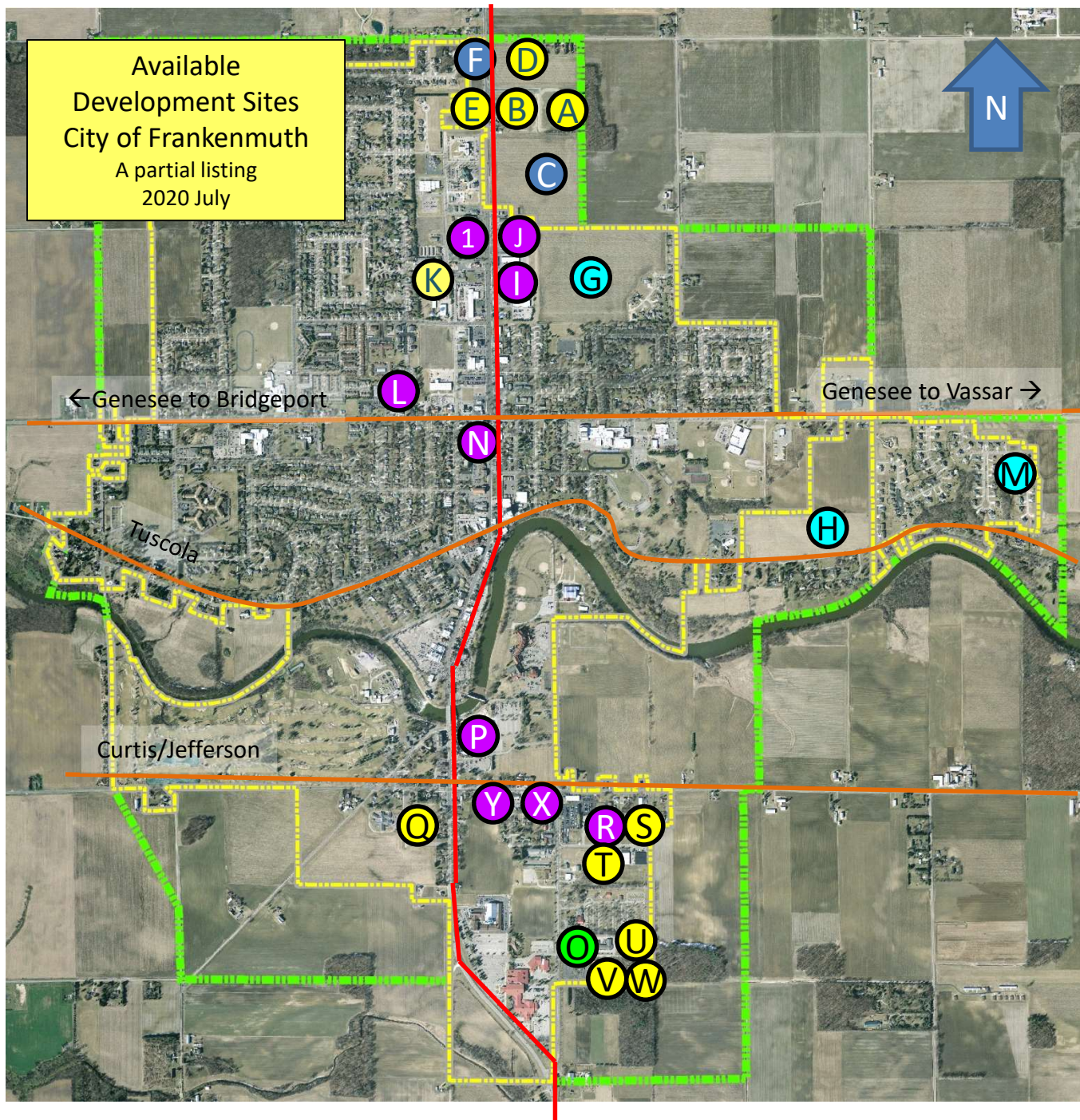
Work through Redevelopment Ready Community Tasks for certification.

Develop umbrella marketing campaign (EDC/Marketing Committee)

- Identify Marketing Committee (Oct 2020; EDC)
- Review Community Survey: What are top attractors for investment (biz, resident, visitor)? (May 2021)
- Define how to apply an umbrella marketing campaign to Business/Housing Development (Dec 2020)
- Who can do this work? What will it cost? (Dec 2020)
- Establish Budget & Identify Fund Sources (March 2021)
- Company on Board (July 2021) (Council Approval Required)







## Legend

Development Site  
With Utilities ●

Development Land ●

Building for Lease ●

Building For Sale ●

Residential ●

City Boundaries

Urban Limit Line  
Boundaries

## M83

For reference only. Information is  
best known available at printing.  
Contact Sheila Stamiris ,  
City of Frankenmuth  
989.652.3430 ext 120 or  
[sstamiris@frankenmuthcity.com](mailto:sstamiris@frankenmuthcity.com)  
for more information.

Frankenmuth Development Sites  
(A Partial Listing as of 2020 July)

No. On Map	Lease or Sale	Zoning	Current or Former Use	Preferred Use	Land or Building	Acreage	Sq Ftg	Address	Owner	Representative	Telephone
A	Sale	IS PUD	Ag	Lt. Industrial Special Use	Vacant Land	9.26	n/a	Keystone Way	City of Frankenmuth	Sheila Stamiris	989.652.3430 ext 120
B	Sale	CL PUD	Res	Commercial	Land	2.0 +/-	n/a	5175-5235 S Gera	Owner	Sheila Stamiris	989.652.3430 ext 120
C	Sale	CL PUD R PUD	Ag	Commercial/ Lt. Industrial Sp Use/ Residential/Mixed Use	Land	36.7	n/a	S. Gera (north of Huntington Bank)	Loesel	Gretchen Witherspoon Trademark RE	989.792.6400
D	Sale	MU PUD	Ag	Commercial Mixed Use	Land	3 outlots	n/a	At M83 and Keystone Way	Uptown N. Main	Vickie Schmitzer CEO	989.497.1633
E	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
F	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
G	Sale	Residential	Ag	Residential Development	Land	47.18	n/a	Baker Property	Baker Family Realty	Ken Baker	989.652.9323
H	Sale	Residential	Ag	Senior Living Estate Homes & Condos	Both	13.5	n/a	Tuscola at Block Road	Lutheran Homes of Michigan	Dave Gehm Paul Koester	989.652.6207
I	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
J	Lease	B3	Auto Dealer	Commercial	Building	3.938 A	25,191	511 N Main	Bavarian Mall Associates	Phil Cody, Cody Company	248.471.7179
K	Sale	IS PUD	Ag	Lt. Industrial Special Use Office	Land	1.52 A	n/a	Kleiner Street	Koester Builders	Paul Koester	989.652.6207
L	Lease	Office	Office	Office/Service	Building	1.1 +/-	7000	414 W Genesee	Great Lakes Eye	Sandy Sprague Owners Rep	989.652.2020
M	Sale	Ag	R PUD	Residential Building Lots	Land	8 x .37 A Ave	n/a	Kingsbrook Place	Wellman	Jeff Monchilov	989.239.9364
N	Lease	B2	Office	Commercial	Building	3200 Sq Ft Available		Century 21 Signature Building	Frankenmuth Realty LLC	Ken Kuijawa Century 21 Signature	989.239.5581
O	Sale	B2	Restaurant	Commercial	Building		13,000	281 Heinlein Strasse	Private	Ken Kuijawa Century 21 Signature	989.239.5581
P	Lease	B2	Retail	Commercial	Building	n/a	Varies	Frankenmuth River Place	Bavarian Inn	Tim Mischovich	989.577.9700
Q	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
R	Lease	Industrial	Industrial /Mixed	Industrial	Building	200 - 19,000 sq ft		370 List	Owner	Neil Rogers	989.992.2921
S	Sale	Industrial	Develop Site	Industrial	Land	.587 A	n/aa	380 List	Jerry Jerome Enterprises	Jerry Jerome	989.239.8171
T	Sale	Industrial	Develop Site	Indus / Office	Land	1.241 A	15,150	413 List	Bronner & Sons	Matt Bronner	989.233.0491
U	Sale	CL PUD	Woods	IS PUD	Land	2.902 A	n/a	Heinlein Strasse (north)	Owner	Donna Bacigalupo	989.892.0658
V	Sale	CL PUD	Woods	IS PUD	Land	5.715 A	n/a	Heinlein Strasse (south)	Tomei	Dino Tomei	248.388.8708
W	Sale	CL PUD	Develop Sites	IS PUD	Land	.872 A	n/a	Heinlein Strasse (Markt #9)	Keyes	Scott Rausch	989.529.9671
X	Lease	B2	Office	Office/Service	Building	n/a	1100+/-	193 E Jefferson	Theresa Maday	Same	989.652.0167+A1:L27
y	Lease or Sale	B2	Office	Commercial	Building	0.284 A	1560	171 E. Jefferson	Robin Darrow	Same	989.297.0571
1	Lease	Office	Office	Commercial	Building	n/a	2000 +/-	527 N Franklin Ste B	G. Grossi	Same	989.245.5448

For more information, contact Sheila Stamiris, City of Frankenmuth at 989.652.3430 ex 120.  
Information deemed reliable but not guaranteed.