



AUGUST 2010

## *Economic Development Strategy*



# M-22 Economic Development Strategy

August, 2010



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Beth McCarthy, Co-Chair  
Doug Callaway, Co-Chair  
Brad Hopwood, Co-Chair  
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## *Report Organization*



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A detailed map of Northwest Michigan, specifically the Leelanau Peninsula and surrounding areas. A thick black line traces a scenic route starting from Onekama in the northwest, heading east through Sleeping Bear Dunes National Park, then south through Grand Traverse Bay, and finally into Traverse City. The map includes labels for various locations such as Northport, Omena, Suttons Bay, Leelanau State Park, Sleeping Bear Dunes National Park, Grand Traverse Bay, Traverse City, and Onekama. It also shows major roads like Highway 22, Highway 31, and Highway 16. A north arrow and a scale bar are located in the bottom left corner.

## "Gateway Community to M-22 North"

When you start your journey with Onekama, you begin with some of the Third Coast's best resorts, dining, golf, sport fishing, and unspoiled beauty to be found in the North.

This route takes you along the magnificent Lake Michigan shore line – around the Leelanau Peninsula, through Sleeping Bear Dunes National Park, to Grand Traverse Bay and right into Traverse City. This is a route that rivals Route 66 for its appeal as a scenic drive to a spectacular array of wonderful places to visit and enjoy. Some of them include:

- Several inland lakes that have direct access to Lake Michigan – safe harbors and docking for boats of all sizes.
- Sport fishing on streams, inland lakes, and Lake Michigan – considered to be among the best in the world.
- Cherry, apple, and peach orchards, vineyards and vegetable farms with quaint roadside stands that compel you to stop.
- A growing grape/wine industry that already has national and international awards for taste and quality.
- Golf courses ranked among the best in the nation with dining opportunities to match.
- Beaches that rival those found in the Caribbean but without the crowds or the salt.
- Quaint and unique villages with surprises for shoppers for all tastes.

Onekama is a gateway to what the best of the "North" is all about and represents the beginning of an unforgettable Highway 22 experience in Northwest Michigan.

*Bob Wangbichler, M-22 Committee Member*

## *Where and Why*



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1.1 Regional Locational Map

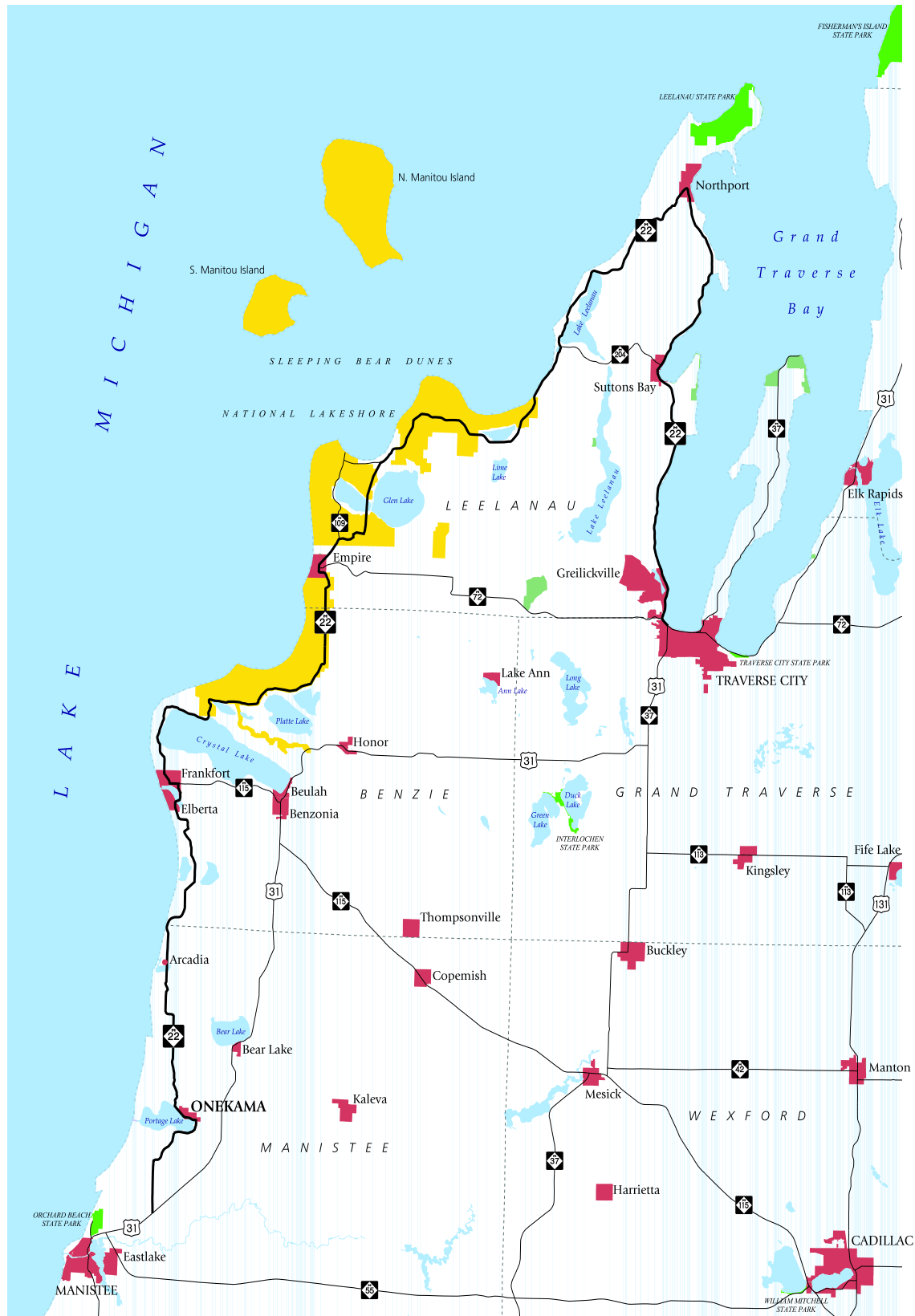
1.6

Purpose  
M-22 Study Committee

1.7

1.7

Figure 1.1  
Regional Location Map





## PURPOSE

The goal of this project, funded in part by the U.S. Department of Agriculture, Rural Development, is to “leverage, harness and expand the retail, commercial, agribusiness, eco-tourism, general recreation and open space potential through a definitive economic development strategy for the Gateway to M-22, encompassing the area surrounding M-22 in Onekama, Arcadia and Manistee Townships. The project stems in part from a recently created watershed plan and joint master plan for the Onekama community that has been supported collectively in over \$250,000 in grants from the W.K. Kellogg Foundation, Oleson Foundation, U. S. Dept. of Agriculture, U. S. Fish and Wildlife Service and the Manistee County Community Foundation. The Alliance for Economic Success is facilitating the Gateway to M-22 project with the communities and a consultant selected to manage the project, Beckett & Raeder.

A leadership team consisting of diverse representation from the area will guide the project, working in concert with the consultant. It is anticipated that the Leadership Team will oversee the plan process including:

- Inventory and define “assets”
- Assess demographics
- Develop an economic development strategy
- Begin strategy implementation

The leadership team is co-chaired by: Beth McCarthy, co-owner of MacBeth’s of Onekama who also serves on the West Shore Medical Center Board of Trustees and as chair of the Board of the Alliance for Economic Success and Manistee County Community Foundation; Doug Callaway, owner of Callaway Construction in Onekama, Michigan; and Brad Hopwood, owner of B.J. Hopwood Construction who also serves as Planning Commission chair for Arcadia Township.

## LEADERSHIP TEAM

Beth McCarthy, Co-Chair  
 Doug Callaway, Co-Chair  
 Brad Hopwood, Co-Chair  
 Bob Evans  
 Jim Mrozinski  
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 Dee Weston  
 Alice Hendricks  
 Jane Pettis  
 Pam/Mark Evans  
 Bob Wangbichler  
 Bill Schriver  
 Steve Loomis



Lutz Farms  
Manistee Township

CHAPTER TWO

INVENTORY

*Our Assets*



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*The Glenwood Restaurant  
Onkama*

## INVENTORY OF ASSETS

The inventory of assets within the M-22 study area was a critical component of the overall strategy. In order to ensure the highest degree of accuracy, members of the Study Committee were given large formatted maps and asked to identify within their respective jurisdictions farms, businesses, lodging and dining establishments, cultural facilities, and recreational venues by location, name, and short description of use. In turn, this information was incorporated into a geographic information system (GIS) using ARCMAP (ESRI software) and the information given back to committee members for verification. Aerial photography referenced from state and regional sources was also used to verify property utilization. Lastly, each co-chair performed a final review prior to final mapping and database development.

The inventory resulted in the identification of 176 establishments, facilities and points-of-interest within the study area. It also highlighted the location and clustering of like uses along the M-22 corridor. Restaurants and general merchandising tend to be located in the village centers of Onkama and Arcadia. Arcadia Township and Onkama Township have the same number of operable farms but Onkama Township has the greatest concentration of orchards among the three townships within the study area.

Fresh fruits produced in the study area include apples, cherries, peaches, pears, blueberries, and strawberries. Other products such as honey, maple syrup, asparagus, and tomatoes are also grown locally. Many of these products are then sold at area markets and roadside stands.

Figure 2.1  
Summary: Inventory of Assets

	Arcadia Township	Arcadia Village	Onkama Township	Onkama Village	Manistee Township	Total
Agricultural: Farms	14	0	11	0	3	28
Agricultural: Orchards	3	0	19	0	2	24
Agricultural: Vineyards	0	0	0	0	1	1
Cultural Properties	2	6	2	9	0	19
Loding Facilities	1	2	1	6	1	11
Recreation	4	10	13	7	4	38
Retail: General Merchandise	0	6	9	32	1	48
Retail: Restaurants	0	2	1	4	0	7
Total	24	26	56	58	12	176

Source: M-22 Study Committee and Beckett & Raeder, Inc.

A direct benefit of the inventory was a better understanding of the number and diversity of businesses and agricultural operations within the study area. This database of local information can be used for the following:

- Coordinate promotions and marketing through a local business organization or regional chamber of commerce;
- Web site development and advertisement;
- Community supported agricultural (CSA) programs;
- Background nformation needed for state and federal assistance programs;
- Cross marketing between businesses within the study area;
- Business retention and recruitment.

Figure 2.1  
Arcadia Township Inventory

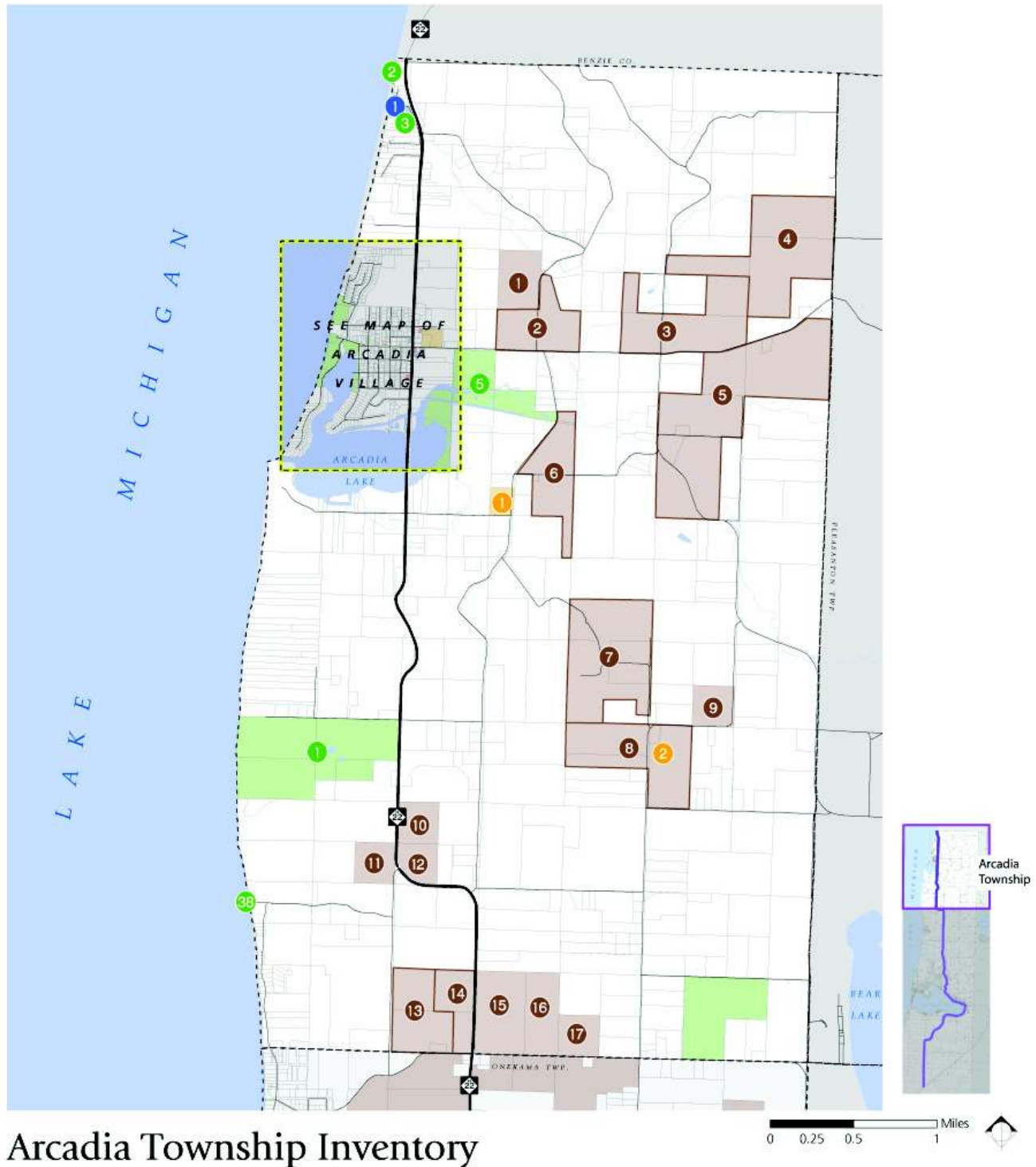


Figure 2.2  
Arcadia Township Assets

Agriculture (Operable Farms, Orchards and Vineyards; Roadside Stands and Markets)		
1	John Miller	Cattle
2	Ricky Williams	Cattle, hay
3	Herman Mauntler	
4	John Miller	Cattle, hay, peaches
5	Jim March	Cattle, hay, corn
6	Dale Schneider	Grain
7	Henry Orchards	
8	Carl Milarch	Cattle, hay, grain
9	Steve Bradford	Cattle, hay, grain
10	Arden Bradford	Cherries
11	Smeltzer Orchards	Apples
12	Smeltzer Orchards	Apples
13	West Wind Orchard	
14	Ted Werle	
15	West Wind Orchard	
16	Ted Werle	
17	Mallison	
Cultural (Historic Properties, Centennial Farms, Museums, Libraries, Conservancy Properties, and Educational Facilities)		
1	Centennial Farm (Manke)	Historic Marker
2	Harriet Quimby Homestead Historic Marker	Historic Marker
Lodging (Bed & Breakfast Establishments, Motels, Hotels, and Resorts)		
1	Sunset Valley Resort Motel	Motel
Recreation (Marinas, Public Access Sites, Trails, Campgrounds [Public and Private], Golf and Charter Businesses)		
1	Arcadia Bluffs Golf Course	18-hole course, restaurant
2	Scenic Lookout	Parking, stairs, restrooms, great view
3	Sunset Valley Campsites	Motel, camping
38	Schaef Road Public Water Access	Public beach
Retail (General Merchandise and Restaurants)		



Figure 2.3  
Arcadia Village Inventory





Figure 2.4  
Arcadia Village Assets

Agriculture (Operable Farms, Orchards and Vineyards; Roadside Stands and Markets)		
Cultural (Historic Properties, Centennial Farms, Museums, Libraries, Conservancy Properties, and Educational Facilities)		
3	Arcadia Community Center	
4	Arcadia Historical Museum	
5	Arcadia Post Office	
6	Arcadia Township Hall & Library	
14	Trinity Lutheran Church	
Lodging (Bed & Breakfast Establishments, Motels, Hotels, and Resorts)		
2	Arcadia House Bed & Breakfast	Lodging, bed & breakfast, mini spa
3	Pleasant Valley Resort	Lodging, cabins
Recreation (Marinas, Public Access Sites, Trails, Campgrounds [Public and Private], Golf and Charter Businesses)		
4	Arcadia Marine Docks	Dockage, storage, retail sales, service
5	Arcadia Marsh	Hunting, fishing, birding, paddling
6	Arcadia Municipal Marina	Boat docks
7	Arcadian Marina Campground	Rustic campground
8	Camp Arcadia	Lutheran Camp Association, Faith-based programs
9	Finch Park	Tennis courts, pavilion
10	Grebe Park	Handicap access, fishing dock on Arcadia Lake
11	Pickertt Park	Playground
12	Sunset Station Arcadia South Beach	Public beach on Lake Michigan, playground
37	Arcadia Beach - Recreation Park	Public beach
Retail (General Merchandise and Restaurants)		
2	Arcadia Marine	Marine store/boat storage
3	Rigger's	Restaurant & Bar
4	Icehouse	Ice cream (Make own Maple Nut ice cream)
5	Lily Pad Gift Shop	Gifts, clothing
6	M-22 Café	Restaurant (Wi Fi and business meetings)
7	Mason Wood Products	Retail wood products
8	Max's Gas Station	Gas station/hardware/convenience
9	Sievert's Maple Syrup	Maple syrup/maple candy

Figure 2.5  
Onekama Township Inventory

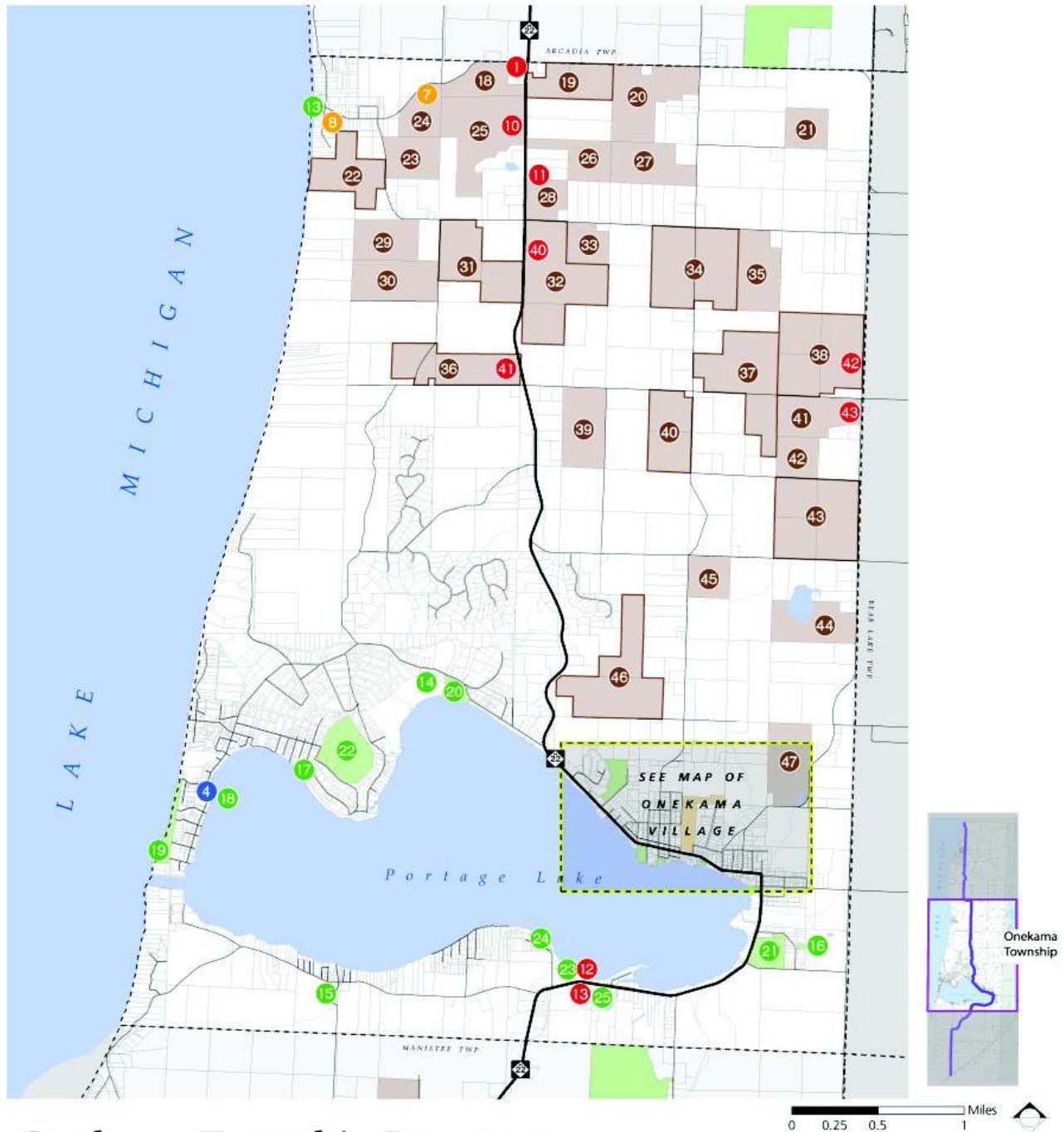
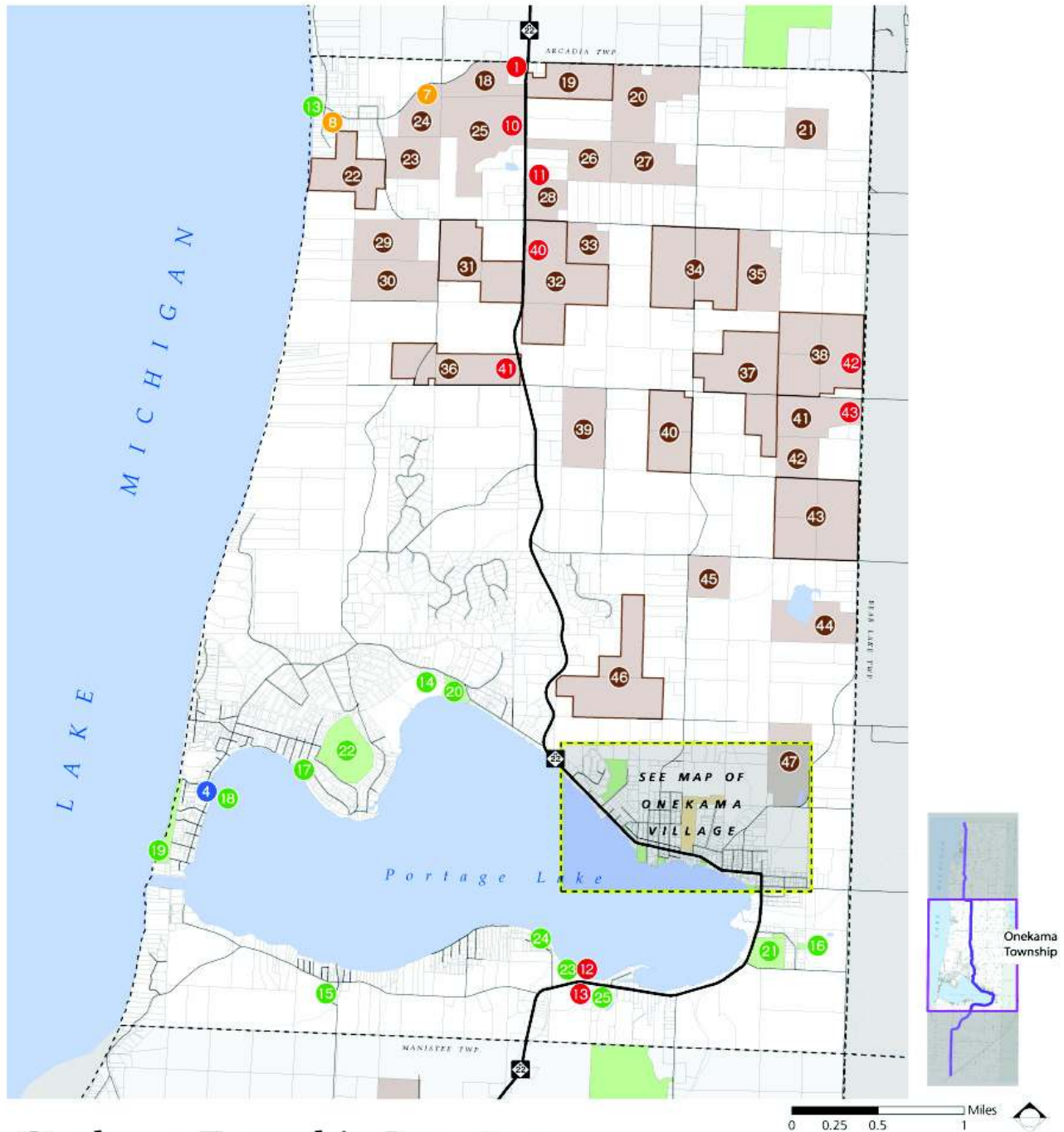


Figure 2.6  
Onekama Township Assets

Agriculture (Operable Farms, Orchards and Vineyards; Roadside Stands and Markets)		
18	West Wind Orchard	Apples, cherries
19	West Wind Orchard	Rye, apples
20	Farm (Ownership Unknown)	
21	Beth & Merle Brown	Asparagus
22	David Wild	Hay
23	Rita & Mike Duvall	
24	Bruce Livingston	Cherries
25	Mark Agle	Peaches, apples
26	Rob Miller	Apples
27	Apple Valley Orchard	Rye
28	Apple Valley Orchard	Christmas trees
29	Daryl Hanson	Apples, peaches
30	Dennis Herkelrata	Apples
31	Mark Agle	Apples, pears, peaches
32	Arden Bradford, Jr.	Apples, cherries, woods
33	Apple Valley Orchard	Apples
34	Richard Duddles	Christmas trees
35	Merle Brown	
36	Greg Miller	Blueberries, tomatoes, cherries, peaches, strawberries
37	Robert Brown	Honey, tomatoes, cherries, apples
38	Apple Valley Orchard	Apples, cherries, Christmas trees
39	Mark Agle	Apples, cherries
40	Robert Brown	Apples, cherries
41	Merle Brown	Cherries, apples, asparagus
42	David Meister	
43	William & Marylin Acker	Hay
44	William & Marylin Acker	Hay
45	Harriet Dittmer	Hay
46	David Meister	Cherries, Apples
47	Patty Acker/Kevin Hughes	
Cultural (Historic Properties, Centennial Farms, Museums, Libraries, Conservancy Properties, and Educational Facilities)		
7	Civil War Grave Site Headstone	Pierport
8	Indian Burial Ground	Pierport

Figure 2.6  
Onekama Township Assets (Continued)



## Onekama Township Inventory

- Agricultural (Operable Farms, Orchards, and Vineyards; Roadside Stands and Markets)
- Cultural (Historic Properties, Centennial Farms, Museums, Libraries, Conservancy Properties, and Educational Facilities)
- Lodging (Bed & Breakfast Establishments, Motels, Hotels, and Resorts)
- Recreation (Marinas, Public Access Sites, Trails, Campgrounds [Public and Private], Golf, and Charter Businesses)
- Retail (General Merchandise and Restaurants)

Figure 2.6  
 Onekama Township Assets (Continued)

Lodging (Bed & Breakfast Establishments, Motels, Hotels, and Resorts)		
4	Portage Point Inn	Lodging, restaurant, banquet facilities, marina
Recreation (Marinas, Public Access Sites, Trails, Campgrounds [Public and Private], Golf and Charter Businesses)		
13	"Old Faceful" Artesian Well	Pierport - one of many artesian wells in area
14	Artesian Well	Portage Point road
15	Camp Tosebo (established in 1912)	Famous Boy's Camp; historic boat house; B&B
16	Carden Park	Public park
17	DNR Boat Launch	Public boat launch
18	Docks at Portage Point Inn	Dockage
19	John Langland Park	Public beach on Lake Michigan
20	Little Eden Camp	Church camp with other facilities
21	Manistee County Fairgrounds	Family fun, special events, auto racing
22	North Point Park	Walking trails
23	Onekama Marine Boat Docks	Sales, service, dockage, storage, fuel, retail
24	Portage Lake Covenant Bible Camp	Church camp with other facilities
25	Portage Lake RV Park	Seasonal RV campground
Retail (General Merchandise and Restaurants)		
1	Smeltzer Orchards Produce Stand	Locally grown fruit products
10	Mark Agle Produce Stand	Locally grown fruit products
11	Chet Miller Produce Stand	Locally grown fruit products
12	Onekama Marine	Large/small boat marina, storage & hoisting
13	Shay's Chop House	Theme dinners, patio waterfront dining
39	Daryl Hanson Produce Stand	Locally grown fruit products
40	Arden Bradford, Jr., Produce Stand	Locally grown fruit products
41	Greg Miller Produce Stand	Locally grown fruit products
42	Apple Valley Orchard Produce Stand	Locally grown fruit products
43	Merle Brown Produce Stand	Locally grown fruit products



Figure 2.7  
Onekama Village Assets

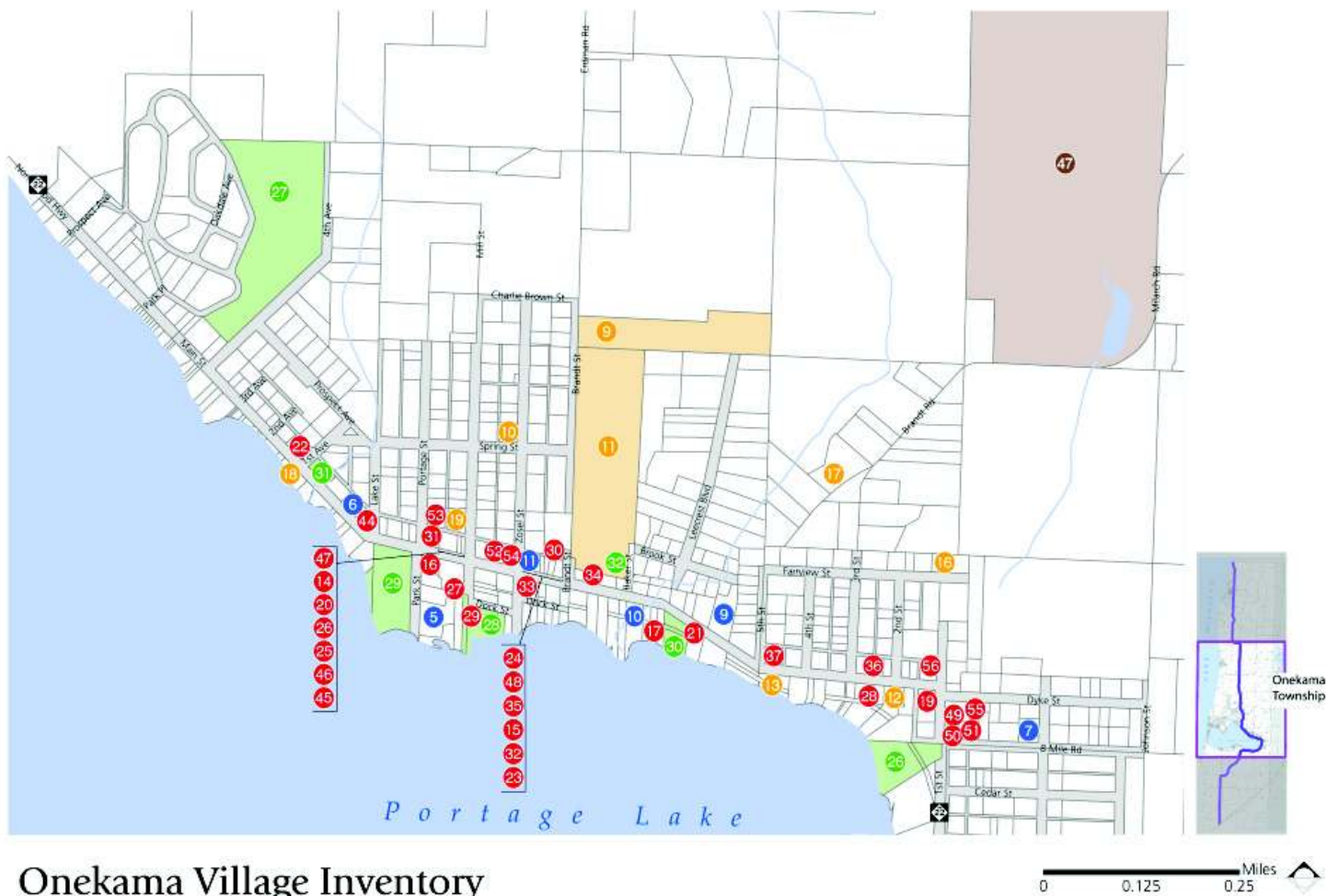


Figure 2.8  
Onekama Village Assets

Agriculture (Operable Farms, Orchards and Vineyards; Roadside Stands and Markets)		
Cultural (Historic Properties, Centennial Farms, Museums, Libraries, Conservancy Properties, and Educational Facilities)		
9	Centennial Farm (Brown)	Scenic value
10	First Congregational Church of Christ	
11	Onekama Consolidated Schools	
12	Township Hall/Fire Department	
13	Village Hall, Library	
16	Trinity Lutheran Church	
17	St. Joseph Catholic Church	
18	St. John's by the Lake Episcopal Church	
19	Church of the Brethren	
Lodging (Bed & Breakfast Establishments, Motels, Hotels, and Resorts)		
5	Coho Center Resort	Dockage
6	Portage Lake Motel	Lodging
7	Travelers Motel	Lodging
9	Crosswinds Resort	Lodging
10	Lake Breeze House	Bed & Breakfast
11	Onekama House	Bed & Breakfast
Recreation (Marinas, Public Access Sites, Trails, Campgrounds [Public and Private], Golf and Charter Businesses)		
26	Feldhak Park	Public park
27	Glen Park	Walking trail
28	Onekama Marine Yard 2	Dockage, storage, service, fuel (26 docks)
29	Onekama Village Park	Public beach on Portage Lake, boat launch, playground, restroom, fishing pier
30	Portage Lake Marina	Dockage, storage, maintenance, restaurant, bait shop (55 docks, charter fishing)
31	Rotary Park	Public park
32	Warren Vaughn Tennis Courts	Tennis courts, basketball courts, playground
Retail (General Merchandise and Restaurants)		
14	A Little of This, A Little of That	Variety shop
15	Andy's Bait & Tackle	Bait/fishing supplies
16	Annie & Teddy's	Ice cream, sandwiches
17	Antique Store/Old School Antiques	Antiques, collectibles
19	Blue Slipper Restaurant	Restaurant, catering

## M-22 ECONOMIC DEVELOPMENT STRATEGY

Figure 2.7  
Onekama Village Assets (Continued)

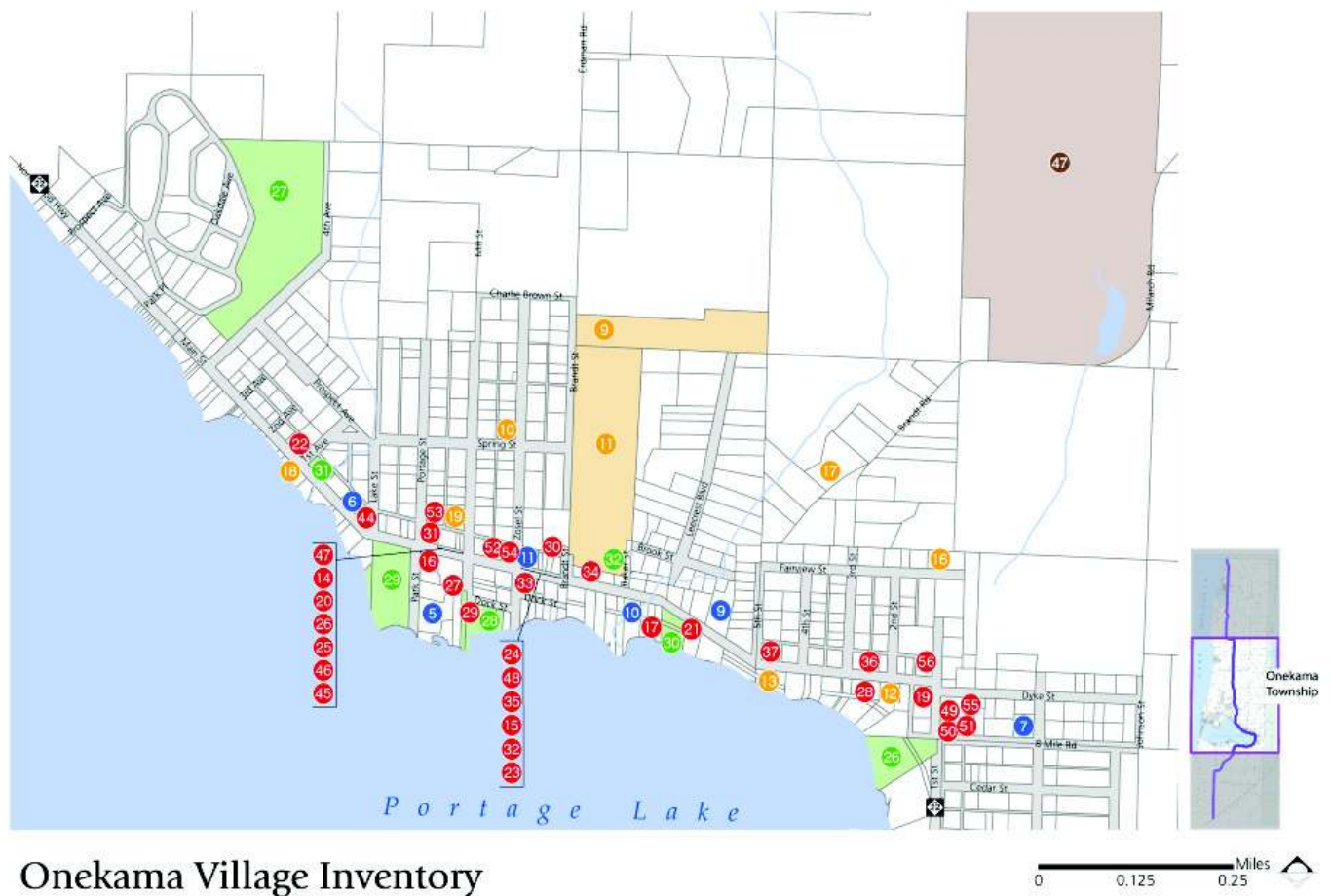




Figure 2.8  
Onekama Village Assets (Continued)

Retail (General Merchandise and Restaurants)		
20	Digitally LOCO	Photography
21	Fish Tale Restaurant	Restaurant
22	Glenwood Restaurant	Restaurant, catering
23	Linebacks	Grand Traverse Winery Tasting (Wine Retail)
24	Lookout Shoppe	Upscale resale shop
25	Nature's Elegance	Nature inspired gifts / pottery
26	Northern Design & Sign	Design and graphics / signs
27	Onekama BLO Supply	Lumber and hardware
28	Onekama Family Market	Grocery and fresh cut meats
29	Onekama Marine	Sales, service, and dockage
30	Onekama Supply	Plumbing and heating contractor
31	Onekama Thrift Shop	Resale shop
32	Onekama Laundromat	Laundry
33	PNC Bank	Bank
34	Spirit Gas Station	Gas, concessions, bait
35	Sundance Interiors	Premium interior products for kitchen and bath
36	Tailgate Lounge	Restaurant, bar
37	Townhall EZ Mart	Gas, sundries
44	Jane Johnson	Attorney
45	Century 21	Real estate sales
46	Appearance Salon & Spa	Hair salon and spa; facials, message, gifts
47	Mathieu Builders	Building contractors
48	Callaway Construction Co.	Fine home building / commercial development
49	Tru Blue Charters	Charter fishing
50	McBeth & Co.	Gifts / accessories
51	River's Edge Dancewear	On-Line dancewear sales
52	Van Brocklen Realty	Real estate
53	John Baribeau, DDS.	Dentistry
54	Steam & Squeegee	Carpet and window cleaning; fire restoration
55	Debbie's Hair Salon	Hair Salon

Figure 2.9  
Manistee Township Assets

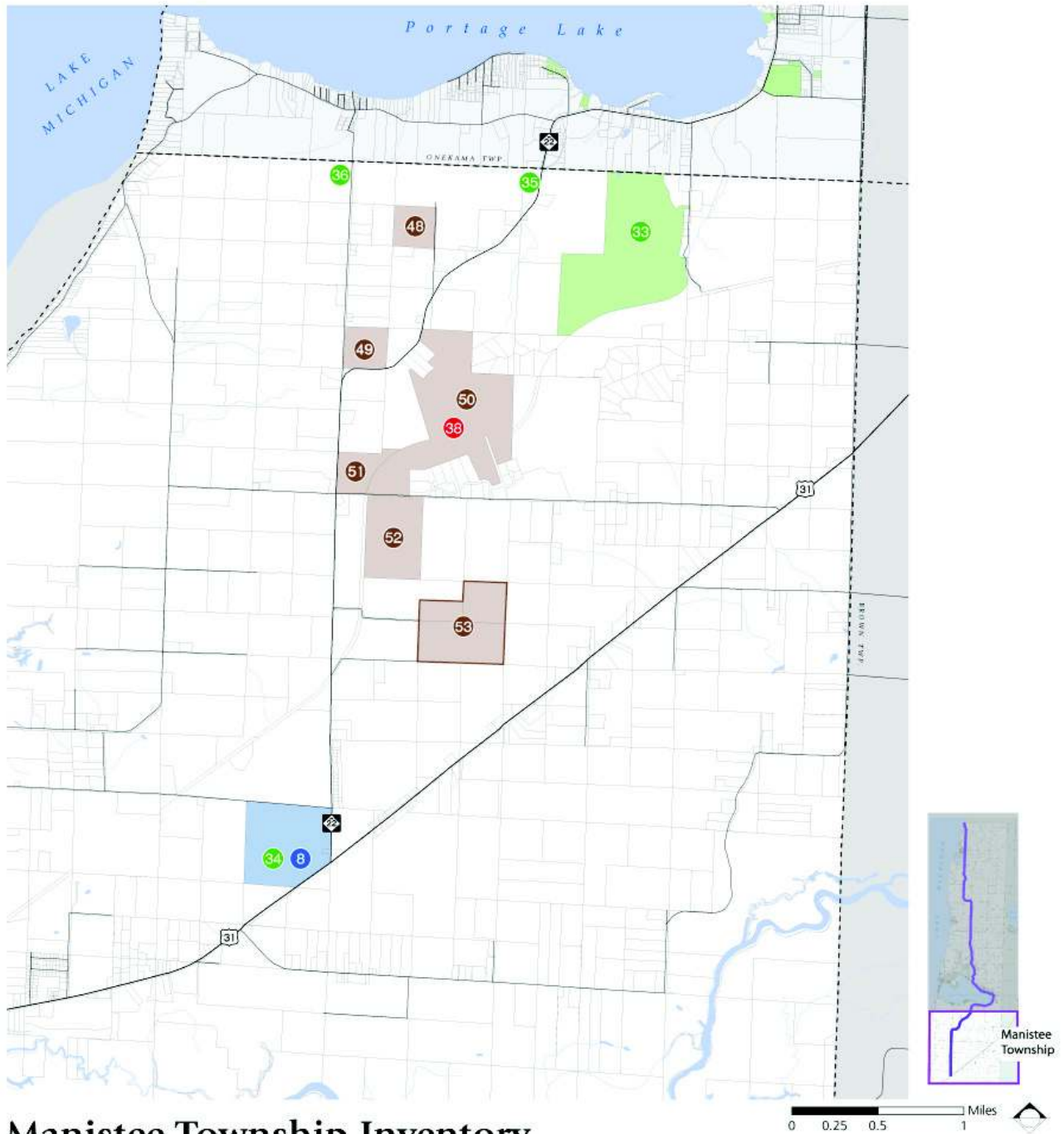
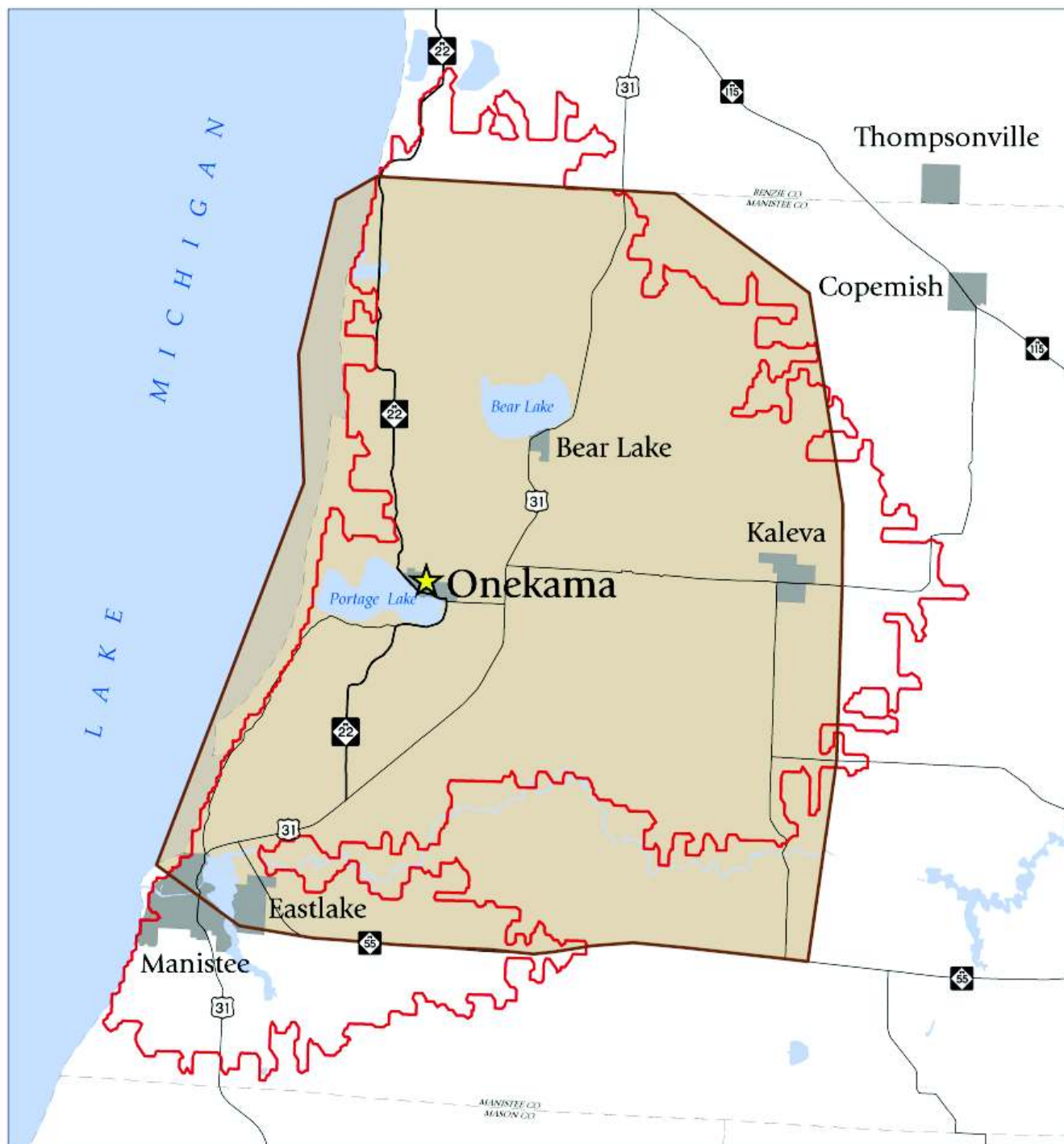


Figure 2.11  
Manistee Township Assets

Agriculture (Operable Farms, Orchards and Vineyards; Roadside Stands and Markets)		
48	Lutz Farms	Cherries
49	John Zielinski	Hay
50	Douglas Valley	Wine, produce, dairy, and wine tasting
51	John Schoedel	Cattle, beef
52	Charlie Schoedel	Cattle, beef
53	Manistee Orchard	Sweet cherries
Cultural (Historic Properties, Centennial Farms, Museums, Libraries, Conservancy Properties, and Educational Facilities)		
Lodging (Bed & Breakfast Establishments, Motels, Hotels, and Resorts)		
8	Little River Casino Resort	Casino, restaurant, lodging, entertainment, meeting space
Recreation (Marinas, Public Access Sites, Trails, Campgrounds [Public and Private], Golf and Charter Businesses)		
33	Healthlands Golf Course	18-hole course, condos
34	Little River Casino Resort	Gambling, live music
35	Oneka	Boat Storage
36	Onekama Marine Boat Storage	Boat Storage
Retail (General Merchandise and Restaurants)		
38	Douglas Valley	Wine tasting

Figure 3.1  
Primary Trade Area (PTA) Map



## Primary Trade Area

- Primary Trade Area
- 20-Minute Drive Time Area

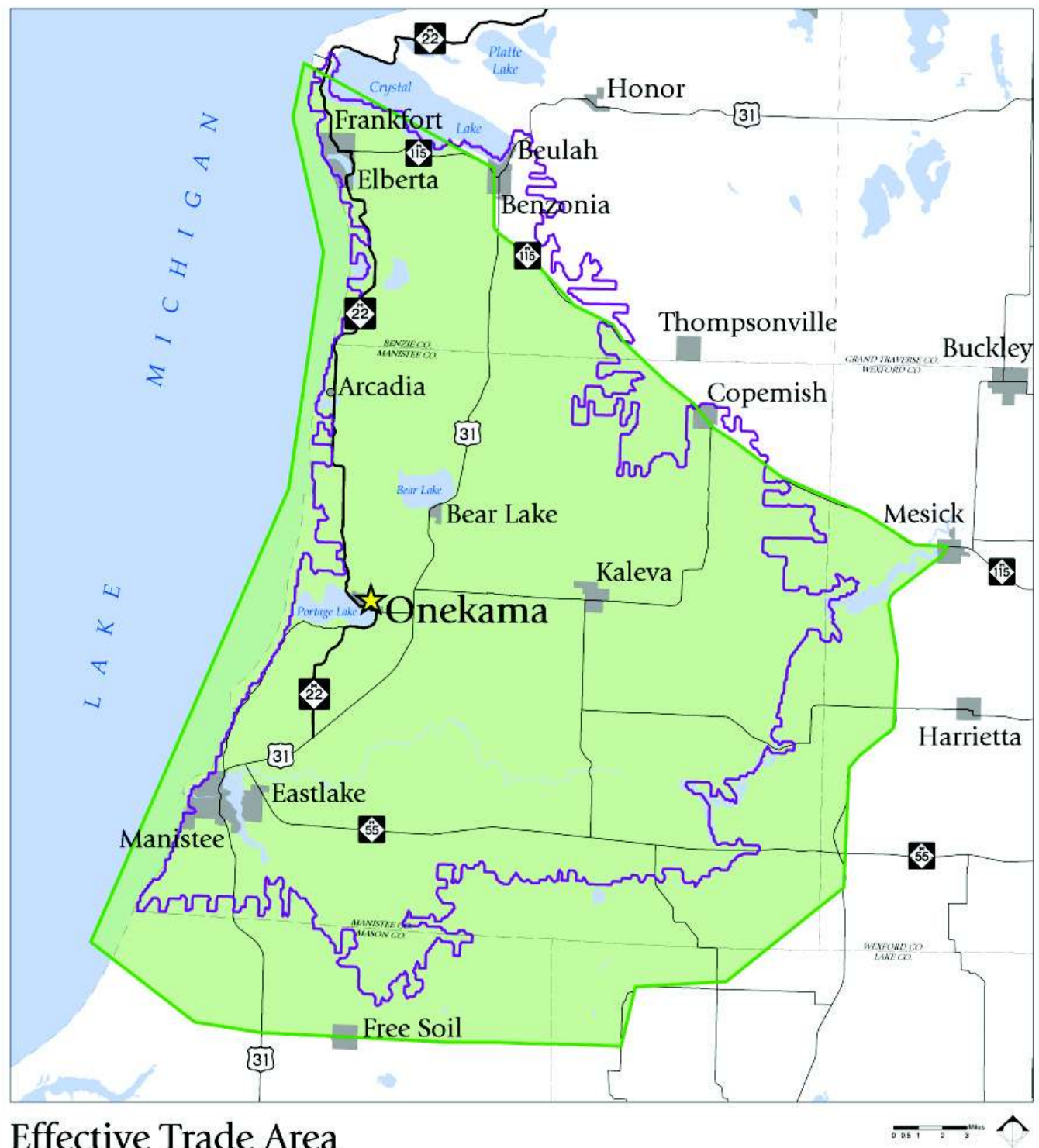
*Retail Potential*

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Figure 3.2  
Effective Trade Area (ETA) Map



## EXECUTIVE SUMMARY

The M-22 corridor stretching through Onekama and Arcadia, is well-situated along Michigan's western shoreline to attract visitors. This stretch of M-22 already benefits from natural and scenic vistas and attractions such as the Little River Casino, Portage Point Resort, Camp Arcadia, Arcadia Bluffs Golf Club, Portage Lake and Lake Michigan, which can be used as a foundation to establish a regional identity and enhance the economic base of the area. There are also farm/farm markets, orchards and emerging vineyards that add to the appeal of the area.

The corridor also has the advantage of land availability for additional retail space or to add new attractions to improve the customer base.

The corridor faces several challenges, including:

- A low year-round population base, especially for retail development,
- Competition from Manistee to the south and the Traverse City/Leelanau Peninsula to the north,
- A large number of businesses that are only open from May to October, forcing residents to shop elsewhere, and
- A reduction in tourism days.

In comparison, the area along M-22 to the north, through Leelanau County has established itself as a premiere Mid-western destination for winery/vineyard production and

tours. The purpose of this analysis is to determine if there is potential along the section of M-22 through northern Manistee County to the Benzie County border, where the region can capitalize on its strengths to achieve similar success. Specific to this part of the analysis is the question of whether or not retail development is possible, and if so, how much new retail square footage is supportable and at what level.

Estimates on the amount of additional new retail square footage that the M-22 corridor through Onekama and Arcadia can support are broken down in to three forecasts:

- 2010 Status Quo – an estimate based upon the existing retail and economic conditions in late 2009/early 2010
- 2015 Status Quo - assumes that market conditions remain generally unchanged in terms of competition and new attractions and that the population/household demographic characteristics and socioeconomic levels grow at the rate projected
- 2015 Tourist Increase – an estimate based upon an increase in sales potential due to a growth in tourism through the active addition of new attractions, a subsequent increase in area employment that will add to the permanent population base and an effective marketing program

The following table shows the additional square footage of retail that is supportable within the M-22 corridor:

Figure 3.3  
Retail Potential by Category

Category	2010 Status Quo	2015 Status Quo	2015 Tourist Increase
Department Store/Junior Department Store	0	0	35,000
Women's Apparel	500	1,000	4,000
Men's Apparel	0	1,000	2,000
Unisex Apparel	500	1,000	2,500
Shoes/Accessories	0	0	2,000
Quality Restaurants	0	2,500	7,500
Family Restaurants	1,000	1,000	4,500
Quick-Serve Restaurants	1,000	500	3,500
Specialty Foods	0	1,500	4,000
Dollar Store/Variety	0	0	5,000
<b>Total</b>	<b>3,000</b>	<b>8,500</b>	<b>70,000</b>



Regardless of which scenario is being considered for implementation, it will be crucial to the success of any new retail venture that there be an ongoing marketing campaign, as well as the addition of new, year-round residents. The corridor will need to develop and nurture an appropriate image that people can associate with the area that will increase visitation and give the area a unique identity. While it can draw on the success of the Leelanau wineries and Traverse City area, it will need its own identity to set it apart so that people will not view it as merely a "copy cat" with nothing unique to offer.

Further, it is important to understand that in order to support retail under the higher tourism scenario, it will be important that the tourism continues year-round to the greatest extent possible. Larger retail operators, especially those at the national level, will be difficult to attract to an area if year-round sales are not substantial enough to support the concept. Otherwise, more local operators, who can close for the winter months, may be necessary, but would effectively reduce the amount of supportable square feet. For the purpose of this analysis, it is assumed that the businesses will be open year round, in order to show the amount of potential supportable square footage in the market place.

It is also important to note that in the Increased Tourism scenario, the increased level of supportability for the apparel categories would be contingent upon the attraction of a junior-level anchor, which will present some difficulties in these tough economic times. Even as the economy continues to slowly improve, many retailers are still expected to remain cautious. However, this should not deter progress. It will be critical for the corridor to determine its ideal course of action and develop a strategic plan for retail recruitment and development, particularly as full development may take several years to complete. Now is the time to begin making decisions and laying the ground work for future development.



## BACKGROUND AND METHODOLOGY

### *Background*

This assessment is a component of an economic development strategic program to identify opportunities for business expansion along the M-22 corridor between U.S. 31 in Manistee County and the Benzie County border. The area and its surrounding market was assessed in order to determine what, if any, new retail development would be supportable and what steps the Arcadia and Onekama communities need to take to exercise this opportunities.

The following specific issues were addressed as part of this assessment:

- Is additional retail development along the M-22 corridor viable?
- To whom would this retail appeal?
- What type of retail should be attracted? In particular, should the proposed retail component have a neighborhood, community, or regional feel?
- What types of retail are supportable and where along the corridor should they be located?
- What barriers are limiting retail business?

The results of this analysis are based upon the following assumptions:

- Housing and population growth will occur as projected herein
- No new retail or commercial development will occur unless mentioned in this report
- The retail establishments will operate in a manner consistent with successful retailing, including remaining open during business hours that are convenient to potential customers, maintaining clean facilities, and applying visual merchandising.

While several different retail categories are incorporated in this market analysis, certain types of retail were not addressed. These include, but are not limited to, service retail (e.g. banks, financial planners and drycleaners), hotels and motels, and automobile dealerships.

### *Methodology*

In November of 2009, a detailed field evaluation of the study area, with an emphasis on the retail component, was conducted. The field study evaluated retail within and surrounding the corridor, including shopping centers (such as those in Manistee), freestanding retail and existing retail collections in various communities (such as downtown Frankfort).

The trade areas were then defined for the corridor (with the assumed center being central Onekama), based upon our field evaluation. Population and demographic characteristics were gathered by census tract using Pitney Bowes MapInfo's demographic database. This study assumes that all data collected is accurate and reliable.

Finally, based upon the population and demographic characteristics of the trade area, known existing retail competition, and traffic and retail gravitational patterns, a quantitative assessment for potential retail development in the M-22 corridor was developed. To determine which retail categories are under-represented, this assessment incorporated the existing retail square footage for a variety of retail categories, the expenditure potential for each category, and the growth of the area.

The expenditure potential refers to the total dollar amount that is expected to be available for each retail category (as published by the U.S. Census Bureau). For any given retail category, expenditure potential will not increase as more competition is introduced in to a market; rather, the market share for each unit will be redistributed. Expenditure potential increases as population and household income levels grow. By calculating the proportion of the area's expenditure potential that is already accounted for by existing and planned retail, the retail categories that have sufficient potential remaining can be determined. This methodology assumes that there is no "over-storing" in a market; in other words, each retail category will approach the limits of its expenditure potential but will not go beyond it.

While calculating trade area retail expenditure potential, it is assumed that there are always some sales that originate from beyond the trade area boundaries. The number of sales that are generated from beyond the trade areas will vary between retail categories and is dependent on the drawing power of the retailer.

Figure 3.4  
Demographic Information

Geography	2008 Population	2013 Population	2008 Median Household Income	2008 Per Capita Income	2008 Median Age
Trade Areas					
M-22 PTA	13,000	13,420	\$36,672	\$23,188	43.4 years
M-22 ETA	31,550	32,320	\$38,261	\$24,898	43.9 years
City (Jurisdictional Boundary)					
Onkama	620	625	\$28,102	\$22,215	54.3 Years
Bear Lake	310	300	\$46,249	\$30,753	54.5 Years
Frankfort	1,515	1,540	\$45,344	\$36,171	56.5 Years
Manistee	6,670	6,650	\$35,965	\$24,532	49.3 Years
Traverse City	14,575	14,755	\$40,266	\$29,605	47.8 Years
Other Regions					
Manistee County	24,735	25,400	\$36,175	\$23,026	49.7 Years
Benzie County	17,465	18,570	\$44,831	\$29,694	49.5 Years
Leelanau County	21,835	21,770	\$52,612	\$35,706	50.3 Years
Grand Traverse County	85,245	88,695	\$45,222	\$26,435	47.1 Years
State of Michigan	10,044,475	10,052,700	\$49,331	\$28,197	45.2 Years
United States	304,897,500	318,974,000	\$48,598	\$28,232	44.5 Years

Source: Pitney Bowes Business Insights AnySiteOnLine, U.S. Census

Neighborhood- and convenience-based retail will have a greater proportion of their sales coming from within the trade area than will a larger-format destination-oriented retailer that has the ability to attract people from a further distance. In addition, beyond sales potential will also vary based upon the community's visitor draw and levels of seasonal population.

In summary, the majority of retail sales potential will be generated within the trade areas with a portion coming from outside the trade area boundaries. Sales potential overall is impacted by competition, access patterns and drawing power, as well as housing/population characteristics and projected growth.

## LOCATIONAL CHARACTERISTICS

This section includes a description of the locational characteristics of the M-22 corridor. Included is a description of the demographic characteristics of the area, as well as the lifestyle/psychographic characteristics associated with the corridor and its trade areas. This section also provides detail on the accessibility of the area and a description of the competitive environment. These factors will be discussed and an explanation provided as to how they impact the retail viability of the area.

### Demographic Characteristics

Several factors contribute to the overall retail supportability within the M-22 corridor. Factors such as demographic characteristics, shopping patterns, and history have a significant role in shaping an area's environment. In terms of retail development, housing and demographic characteristics are most important and the information that is most critical to retail operators.

Figure 3.4 compares selected characteristics that are most commonly used by retailers to compare and evaluate specific cities and regions. Demographic and population figures are provided for the M-22 corridor's primary and effective trade areas, the jurisdictional boundaries of Onkama, Bear Lake, Frankfort, Manistee, Traverse City, Manistee County, Benzie County, Leelanau County, Grand Traverse County, the State of Michigan and the United States.

As the Figure 3.2 indicates the areas within the PTA (Primary Trade Area) and ETA (Effective Trade Area) generally have lower income levels and an older population than the communities outside the trade area boundaries. The Leelanau/Grand Traverse County area has more favorable income levels than the M-22 study area and its communities. In fact, Leelanau County is the only area of comparison that has income levels better than the state and national averages.

The area has a number of contrasts, and some may be due to the nature of each community. For example, Frankfort is a quaint tourist town and while its population is older on average, the income levels are higher than some of the other area communities. This may indicate that wealthier retirees are locating in this area. In contrast, Onkama has an older population, but significantly lower income levels, which indicates that young families may be moving away, leaving older parents to continue to tend the farms and maintain the homesteads. It is not inconceivable, however, that if attractions and retail are added to the M-22 corridor, the income levels could increase accordingly to become more in line with areas like Leelanau and Grand Traverse Counties.

Age and income levels strongly influence retail spending, as they have an impact on people's lifestyles, including what they can and will buy. Depending on how well they prepared for retirement, older persons may have money for discretionary expenditures, including entertainment, travel, and pursuit of hobbies. Others may be living solely on a fixed income from social security, which will severely restrict their spending abilities. Seniors also have vastly different levels of activities. Some may still be active, participating in social events, volunteering, hunting and fishing, boating/sailing, snowshoeing, and cross country skiing. Still others may prefer quiet times at home, reading or watching television. It is critical to understand which group retail is appealing to. In the case of the M-22 corridor, there is some division between the older population in the resort areas and the older population in the permanent residential areas.

Figure 3.5  
Unemployment Rates - 2008

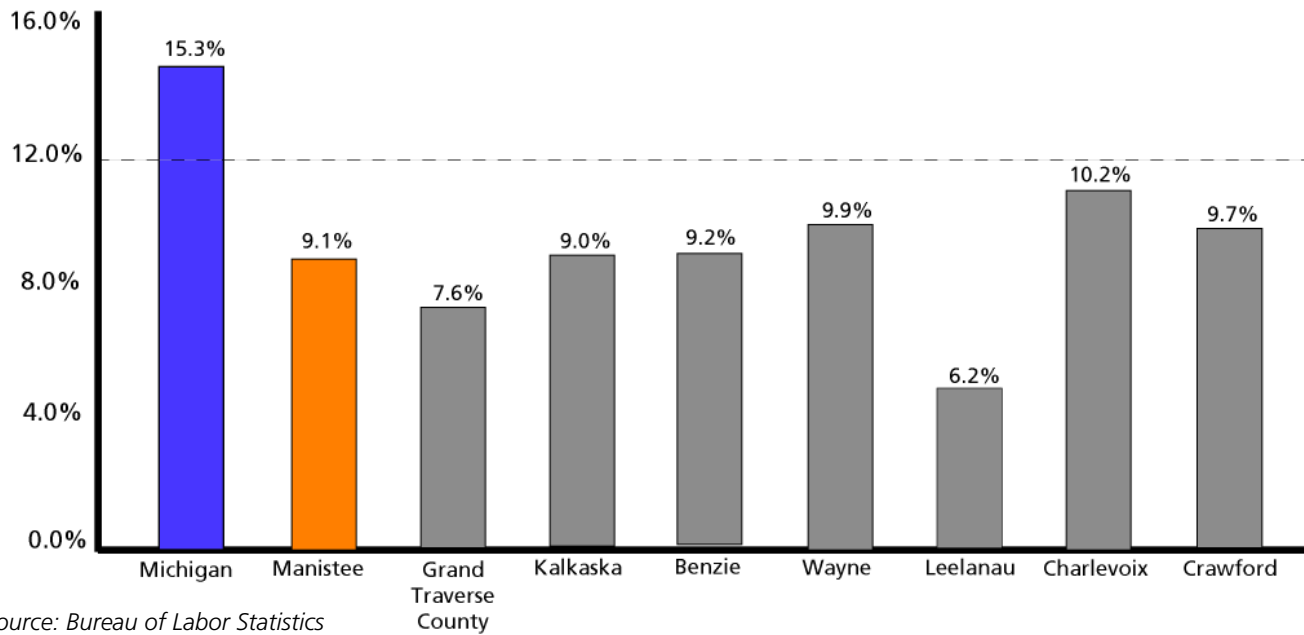
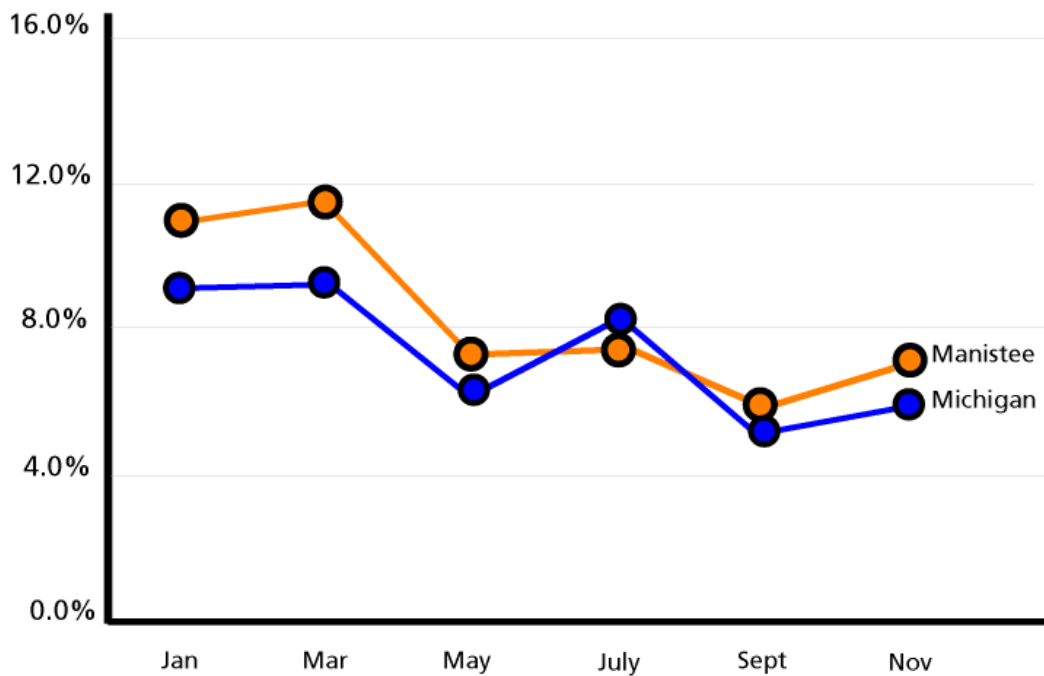


Figure 3.6  
Seasonal Unemployment Rates



### NORTHWEST MICHIGAN ECONOMY

Like the rest of the state, northwestern Michigan has been heavily impacted by the weak economy. In 1977, Michigan's per capita income was \$27,242 (12th highest in the nation). By 1997, it had dropped to 19th place. The recession and its strong impact on Michigan's economy dropped the state's ranking to 34th place in the country in terms of per capita income.

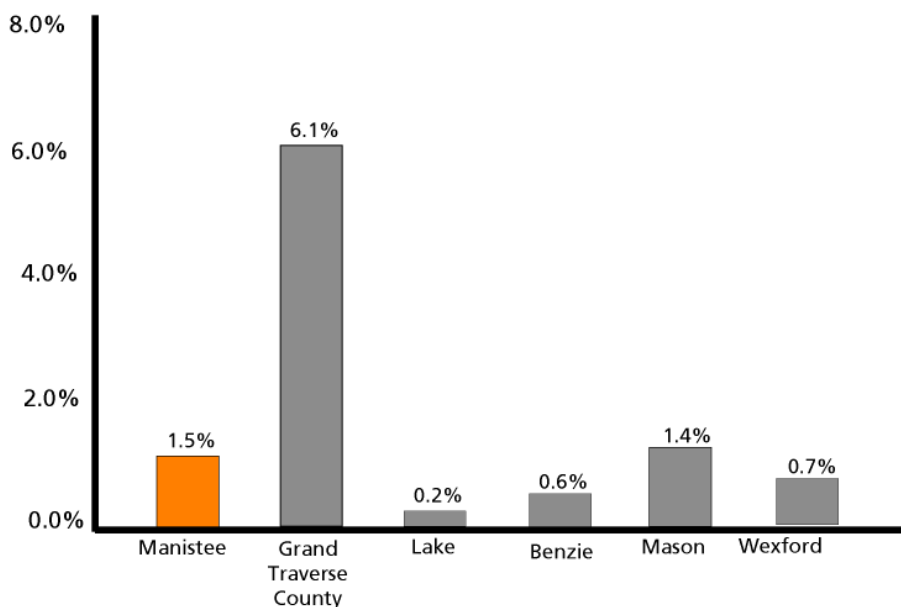
Further, it is anticipated that, like the remainder of the state, unemployment rates in northwestern Michigan will remain higher than the rest of the country for the next few years.

As the above table indicates, Manistee County, as well as adjoining Benzie County, saw relatively high unemployment rates in 2008, higher than Grand Traverse County and substantially larger than Leelanau County. However, like the rest of northwest Michigan, the unemployment rates for Manistee County was significantly lower than the state as a whole.

It should also be noted that unemployment rates in Manistee County vary seasonally. While the rates depicted below are for 2002, they demonstrate the impact of tourism on the employment base of the county. Manistee County has a significantly higher unemployment rate during the coldest winter months, from November through January. Even during the recession that is currently impacting the economy, the high seasonality will have the same impact. This fluctuation means people are spending less money during the months of high unemployment. This is due in part to some people spending the winter months in the southern states and in part to other simply spending less as they are forced to rely on the money they made during the summer months. Regardless, it means less money for the retail operators.

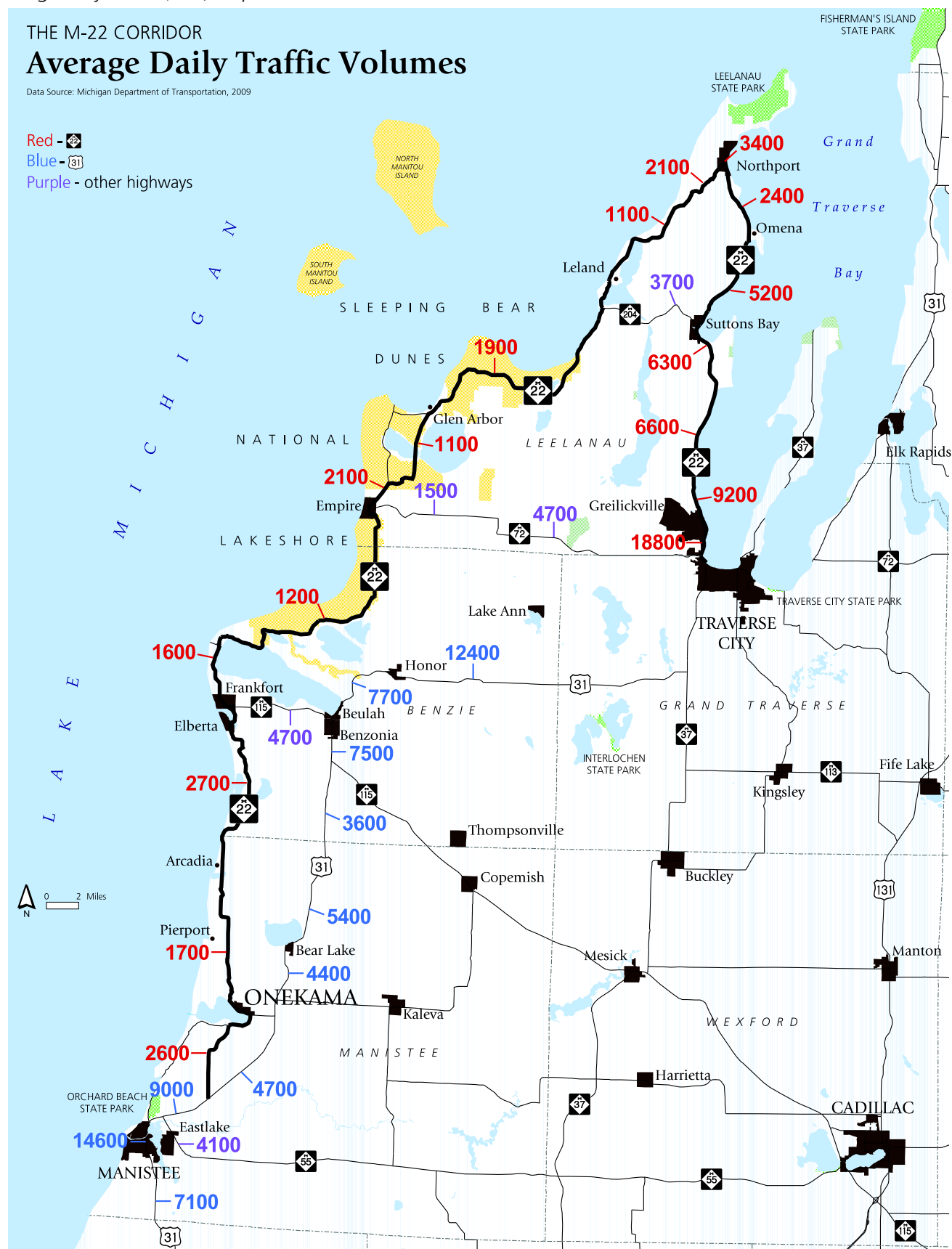
The bulk of the high seasonal unemployment in the winter months is due to the tourism business in the region. Manistee County captures a fairly small portion of the state's tourism dollars, yet the "off-season" has a tremendous impact on employment levels. Compared to other northwest Michigan Counties, Manistee County fares better than most, but falls well below Grand Traverse County.

Figure 3.7  
Tourism Market Share by County of Main Destination



Source: Michigan State University: Tourism Profile - 2001

Figure 3.8  
Average Daily Traffic (ADT) Map



As with the rest of the country, the recession has impacted the tourism industry in Michigan. Based upon information obtained through the Michigan State University Extension ([www.tourism.msu.edu](http://www.tourism.msu.edu)), highway traffic counts decreased significantly between 2007 and 2008, with an average annual decrease of 6.2% for the year. In addition, between 2007 and 2008, Sleeping Bear Dunes, a major northwest Michigan attraction, saw an 11.1% decline in the number of visitors, indicating a drop in tourism for the area. Overall, hotel occupancies rates across Michigan dropped 3.2% (specific data by community was not spelled out in the data provided). Several factors contributed to the declines, including cooler, wetter weather, rising gas prices (14.4%) and higher propensity of people to enjoy “stay-cations” and visit attractions in their own area (as evidenced by the fact that the Flint Cultural Center and Henry Ford Museum both saw increases in visitorship during this timeframe).

Tourism in Michigan for 2009 was expected to see decreases of 3.4% in volume, 3.4% in spending and 1.2% in prices. In comparison, the northern Lower Peninsula is projected to see an overall revenue decline of 1.7% for the year. This is an important statistic as it indicates that the tourism industry in the northwestern part of the state has not been as heavily impacted as other areas, although it has still seen a modest decline.

Optimistically, gas prices during 2009 did not reach the levels they did in 2008. And, as the economy climbs out of the recession and consumer confidence returns, there is strong potential for the tourism industry to reap the benefits. The continued overall success of the state’s “Pure Michigan” campaign (along with its addition of targeted cities for marketing) as well as the continued development of the northwest portion of Michigan as a “wine country” should help the tourism industry recover. However, there is a correlation between gas prices and tourism, and future increases in gas prices will likely have an impact on tourism levels.

## ACCESS

Access throughout the study area and trade areas is provided primarily by M-22 and U.S. 31 on the regional level. Both routes provide north-south through the larger populated communities in the area. East-west access is provided by a series of rural, local roads.

M-22 is predominantly a 2-lane state highway used to access the Lake Michigan lakefront and other amenities found along the coast. It provides access to a variety of regional attractions, such as Portage Point Resort, Arcadia Bluffs Golf Course, Sleeping Bear Dunes and the Leelanau wineries. Towns accessed along M-22 include Onkama, Arcadia, Frankfort, and Elberta. Traffic counts are somewhat light in the area, with the intersection of M-22 and Schoedel Road (south of Onkama) seeing 2,900 cars daily (2003) and the M-22/8 Mile Road intersection seeing only 2,500 vehicles per day (2005). At the junction with Gloves Lake Road, M-22 has an average daily traffic count of 2,865 (2005).

U.S. Highway 31 provides 4-5 lane access throughout the study area and access to communities such as Manistee, Bear Lake, Benzonia, Interlochen and Traverse City. Average daily traffic counts are notably higher than those along M-22, with the intersection of Glovers Lake Road seeing 4,012 cars per day (2005). The 8 Mile Road intersection also had higher traffic counts at U.S. Highway 31, at 5,282, more than double that of the same stretch of road off of M-22.



*Downtown Frankfort, Michigan*



## EXISTING RETAIL ENVIRONMENT

Competition within the Primary Trade Area (PTA) and Effective Trade Area (ETA) is minimal, with the most significant areas of competition lying outside the trade area boundaries. However, these operators still exert enough influence to restrict the amount of retail supportable within the M-22 corridor.

Within the trade areas, there are pockets of retail development within the communities, such as Onkama, Arcadia and Bear Lake. Much of the retail in these communities consists of neighborhood and convenience-based retail, such as small grocers, pizza places, hardware stores, laundry/dry cleaners, salons, lounges/bars, ice cream parlors and coffee shops. Due to the larger traffic volumes on U.S. Highway 31, Bear Lake also has a Dollar General unit.

A relatively large proportion of these retailers are located within small downtown areas where the concentration of businesses allow them to benefit from the traffic generated by store clustering. Most people will prefer to do the bulk of their shopping in a “one-stop shopping” fashion, rather than driving to several locations. Therefore, locating businesses within these downtown areas provides a locational advantage.

However, the area also has a notable level of what might be considered “cottage industries: in which people operate a business out of their home and away from the downtown concentrations of businesses. These in-home businesses include hair salons, candles, gift baskets, jams/jellies and other services and crafts that can be easily managed by one or two people and provide extra income for the individuals who may need to supplement agricultural income (or in some cases may be retirees looking to enhance their income levels).

The area also has a number of roadside farm stands that impact the economy of the area by increasing sales revenues but also impact the supportability of small retail grocer operations by tapping into the market share available for food. Farmstands such as Miller’s and Lutz’s were still open during our field analysis in November, there are several others that were closed for the season. In addition to the farmstands, there are several other agriculturally-based businesses, such as Our Field of Dreams Greenhouses, Five Springs Farm and Douglas Valley Farms, that either sell food products or allow people to grow their own, further tapping into the market share for food items.

Community Supported Agriculture (CSA) generally refers to operators who charge a fee for people to purchase a set amount of product from the grower, typically on a weekly basis. This way farmer/grower has a certain level of consistent buyers and the consumer is able to obtain farm fresh foods and support their local economy. Both Five Springs Farm and Douglas Valley Farm are fairly new to the marketplace but are seeing their success grow as the “buy local” trend continues to gain momentum. A list of farmstands, CSAs and greenhouses is provided in the appendix.

The small community of Frankfort, although just outside the ETA, provides competition to retail development along M-22. This small tourist community offers a quaint and attractive downtown area with a number of boutique shops and restaurants. This shopping district is substantially larger than those in Onkama, Arcadia and Bear Lake and is supported in part by the condominium resort facilities located along the lakefront and adjacent to the downtown.

Retail in Frankfort includes specialty clothing, souvenir and t-shirt shops, Kilwin’s Chocolates, Hull’s Dress Shop, The Garden Theatre, The Betsie Bay Inn and several restaurants including Dinghy’s, The Fusion, and Coho Café. The area’s dependence on the tourist trade is evident not only in the selection of stores, but in the fact that many of them close during the winter months or operate only on the week-ends from November 1 until May. Because of the seasonal influence, most of the businesses (Kilwin’s and a few other excepted) are locally owned operators, adding to the charm and uniqueness of the community.

Significant competition is also generated by the regional shopping areas in Manistee and Traverse City. Manistee has an established retail corridor along River Street, and large format national retailers along U.S. Highway 31 on the south side of the community. Notable retailers in the community include Big Kmart, Glen’s Markets, Peebles Department Store, Glik’s and Dunham’s Sporting Goods. While River Street retail has had its struggles, there are several unique and successful retailers, such as The Ideal Kitchen, Boathouse Café, Ramsdale Inn, and Goody’s, that provide a solid foundation for the downtown retail in Manistee. The variety and volume of retail in Manistee will draw customers from throughout Manistee and Benzie Counties and compete strongly for the available retail dollars.



*Little River Casino and Resort*



*M-22 Cafe / Moomer's Ice Cream*



*Portage Pointe Inn and Resort*

Traverse City, despite its distance from the study area, will provide some level of competition for two primary reasons; people in the area are accustomed to traveling for shopping, and the concentration of retail in the malls will provide a super-regional level of competition. There is a significant level of national and regional retail competition, including Meijer, Macy's, JC Penney, Target, Sears, Younkers, Sam's Club, Home Depot, Bed Bath & Beyond and Wal-Mart. The combination of the CherryLand Mall, Grand Traverse Mall and Horizon Outlet Center provides a strong retail concentration that will have the capacity to draw customers from a significant distance.

## AREA ATTRACTIONS

The region has a variety of attractions that bring in visitors, not only from Michigan, but from other part of the nation and the world. Amenities within the immediate area include:

- Portage Point Resort: This lakefront resort initially opened in 1903, but fell on hard times and closed from 1988 until 1993. It was bought in 1993 and renovated. The resort was winterized so it is now open year-round. Amenities include a 200-seat restaurant, fitness room, game room, tennis courts, shuffleboard, indoor pool/whirlpool, snowmobile rentals. Rooms include several cottages, lodges and condominiums in addition to the traditional inn.
- Arcadia Bluffs Golf Course: Includes a restaurant and is open May through October. Ranked #10 out of the top 100 golf courses in the United States by Golf Digest (2009). Founded in 1999, the golf course spans 245 acres and has 3,100 feet of Lake Michigan shore frontage.
- The Glenwood: An epicurean treasure with an outdoor dining area with views of Portage Lake.
- Lake Bluff Audubon Center: A 72-acre area with wildlife viewing and home to Michigan's largest giant sequoia tree and largest sycamore maple.
- Orchard Beach State Park: A 201-acre facility that provides hiking, swimming and cross-country skiing opportunities.
- Douglas Valley Wine Tasting: Has wine tasting sessions twice a week. The tasting house was formerly a bunk house for rail passengers on the Manistee and Northeastern Railroad. Phase 2 of development of the property has residential lots for sale. The facility also provides Community Supported Agriculture, as previously discussed.
- Little River Casino Resort: Operated by the Little River Band of Ottawa Indians, this facility opened in 1999. Its 220,000 square feet hosts 1,200 slot machines, 30 table games, 3 food outlets and 292 hotel rooms. It is Manistee County's largest employer with 783 employees.

Additional attractions in the region that will assist in bringing visitors to the area include:

- Sleeping Bear Dunes National Lake Shore
- Proximity to the Leelanau and Old Mission Point Peninsulas
- Manistee Coast Guard Station
- Point Betsie Lighthouse



*Point Betsie Lighthouse: Regional Attraction*

### TRADE AREAS

The trade areas for the M-22 corridor were defined by assessing several elements, including accessibility, existing and planned competition, physical and psychological barriers, and the overall drawing power of the area. To measure competition, a field evaluation of the market was conducted. During this evaluation, the market was driven, visiting and evaluating the major existing and planned retail competition in order to develop first-hand knowledge and evaluate their relative strength in the marketplace.

An inventory was taken of existing retailers within the study area, including Onekama, Arcadia, and Bear Lake, as well as surrounding markets such as Frankfort and Manistee. These inventories were used to determine the level of retail competition, as well as those geographic break points at which customers were still more likely to shop in and around Onekama and Arcadia instead of other retail areas. This information was used to develop customized trade areas for the M-22 corridor.

Based on the factors discussed above, two trade areas have been defined. The primary trade area (PTA) refers to that area from which the convenience-based retail offerings in the community will generate approximately 75% of their business. These convenience-based businesses include grocery stores, drug stores, quick-serve restaurants and gas stations. This area includes a population base that will shop there on weekly basis, making it a primary shopping destination.

The effective trade area (ETA), represents the area from which larger retailers (including destination retail, quality restaurants, specialty retailers) will draw approximately 70-75% of their business. The ETA also represents the area from which the convenience-based retail will draw an additional 10-15% of its customer base. This area includes residents who may shop the M-22 corridor between one and three times a month but not typically as their primary shopping destination.

### PRIMARY TRADE AREAS

Because of the access afforded the area by both M-22 and U.S. Highway 31, the PTA extends for approximately a 20-Minute drive to the north and south. However, the competition in surrounding markets and limited regional drawing power of the area in terms of retail and other attractions, prevent the trade area from extending further in these directions. East-west trade area extension is limited by Lake Michigan (west) and weak access/light population to the east.

The ETA equates to approximately a 30-minute drive to the north and south, but slightly further to the east. The good access along U.S. 31 and M-22 allows the trade area to extend this distance, but the significant competition in Manistee to the south and the Traverse City/Leelanau Peninsula area to the north. Beyond the trade area boundary, consumers are more likely to shop in one of the larger communities, where there is a greater selection of stores and merchandise, and where they can bundle shopping with trips to seek professional and medical services. To the east, access overall is not as good, but there are fewer areas of significant competition until you reach Cadillac, allowing the trade area to extend further.

### CONCLUSIONS

Under the current scenario and economic conditions, the M-22 corridor can support a nominal amount of retail development. The light trade area population base, somewhat weak demographic characteristics within the trade areas and strong competition in communities surrounding the trade area all inhibit potential development. While the current population growth projection of 2.4% annually is significant in a struggling economy, particularly in a state where unemployment is high and outmigration is heavy, the overall base still remains too weak to support significant levels of retail.

Retail supportability in the corridor is also heavily impacted by the fact that there is a high level of seasonality, and a number of retailers and restaurants are only open from May to October. The fact that some of the amenities also shut down for the winter months, due to accessibility, further decreases the synergy that would otherwise be created by having shopping, dining and entertainment opportunities in close proximity to each other.



Based on this analysis, the M-22 corridor can support up to 11,500 square feet of new retail, assuming that the present conditions remain as projected. If the level of tourism is increased between 15% and 20% (based on sales expenditures), the amount of supportable retail increases to 70,000 square feet. In either scenario, the forecast assumes, however, that the communities and local governing bodies will work to bolster the image of the corridor and promote the opportunities within the area. Efforts should be made to increase the year-round sales potential for the market, as well as promote the image of the area to gain the level of awareness enjoyed by the Leelanau and Mission Point peninsula areas.

Three scenarios for the M-22 corridor were created; a 2010 status quo scenario, a 2015 status quo, and a third scenario assuming that the level of tourism and amount of sales spent in the corridor increases between 15% and 20% by 2015. The 2010 status quo scenario assumes that the existing retail environment, demographic characteristics and retail demand. The 2015 forecast assumes the projected current trends in population and income growth.

The 2015 scenario assuming a tourism increase assumes that there will be amenities/attractions and other supporting uses constructed along the corridor to encourage additional visitorship and keep residents within the trade area for their recreational purposes. Such amenities can include, but are not limited to, additional wineries/vineyards, golf resorts, additional venues at the casino, or similar uses.

Given the seasonal nature of the area, it is more likely that the retailers that can be attracted will be locally owned and operated units. Most national retailers will not locate in an area with such a light population base and a lack of consistent year-round business. Even in a more aggressive scenario, attracting national retailers will be challenging, particularly in an era of downsizing and store closures. Given the fact that many national retailers have scaled back expansion plans and/or closed stores over the last 2-3 years, it is unlikely they will seek a location in a small community. However, locally-owned businesses, if properly operated, can prove very successful under these conditions, as they are often better able to accommodate seasonal conditions (either by operating with minimal staff/expenses, operating a second business in a southern location, or other means).

The following table shows the additional square footage of retail that is supportable within the M-22 corridor:

Figure 3.9  
Retail Potential by Category

Category	2010 Status Quo	2015 Status Quo	2015 Tourist Increase
Department Store/Junior Department Store	0	0	35,000
Women's Apparel	500	1,000	4,000
Men's Apparel	0	1,000	2,000
Unisex Apparel	500	1,000	2,500
Shoes/Accessories	0	0	2,000
Quality Restaurants	0	2,500	7,500
Family Restaurants	1,000	1,000	4,500
Quick-Serve Restaurants	1,000	500	3,500
Specialty Foods	0	1,500	4,000
Dollar Store/Variety	0	0	5,000
Total	3,000	8,500	70,000



Figure 3.10  
Retail Potential Recommendations

Retail Category	Supportable Square Footage	Number of Stores	Comparable Retail Chains	Recommendation
Department Store/ Junior Department Store	0 – 35,000 s.f.	1	Belk, SteinMart, Glik's	This retail category can only succeed in a scenario where the level of tourism is elevated and the sales potential is increased significantly. However, it must be noted that in order for this size of a retailer to succeed it will be essential for the year-round customer base to be increased, not merely an increase in summer visitors. A store of this type will need more employees and require more support than smaller operators. It will also require that additional retail be constructed along with it to create a retail node capable of attracting residents and visitors alike.
Women's Apparel	500 – 4,000 s.f.	1-2	Fashion Bug, Cato	If additional tourism increases the sales expenditure, there should be some higher quality or specialty women's apparel that will appeal to the tourist market. Vacationers will be less likely to visit a lower-end store such as a Fashion Bug, but will shop for resort wear or specialty clothes.
Men's Apparel	0 – 2,000 s.f.	1	None	This type of retail will only be supportable with the addition of significant retail dollars in to the corridor. Resort and golf wear will be a favorable operation if constructed in conjunction with other retail and if not over-priced.
Unisex Apparel	500 – 2,500 s.f.	1-2	Maurice's	As with the women's apparel, the addition of increased tourism spending will facilitate the need for family apparel that would be more suitable for resort-wear apparel, including quality souvenir clothing.
Shoes / Accessories	0 – 2,000 s.f.	1		This category is only supportable in a scenario where there is an increased influx of tourist spending and will need to be constructed within a retail node that can create retail synergy. This category is unlikely to succeed as a stand alone unit.
Restaurant	0 – 7,500 s.f.	1 – 3 s	Applebee's, City Café, Beef O'Brady's, Chili's, Buffalo Wild Wings	There is currently a moderate level of supportability for a quality restaurant under the existing conditions. The population growth and projected income level increases will provide additional spending power that can support the concept. The potential becomes more solid in the more aggressive tourism scenario.

The data was evaluated and retail types were assessed for the corridor based upon demographic characteristics, retail competition and locational characteristics (i.e. accessibility). Categories for supportable retail were also analyzed based upon the types of retailers that will succeed in such environments and are based upon the following criteria:

- Community size and characteristics
- Appropriate demographic and lifestyle characteristics and consumer spending patterns
- Access and visibility

As discussed earlier, it is unlikely that a national retailer will locate in this corridor, but as part of the analysis, where applicable, the national retailers that may fit the demographic so that the community will know what level of retail is most appropriate (i.e. is the women's apparel category more suitable for a store emulating Fashion Bug or Ann Taylor Loft?). This does not mean that these particular retailers can be attracted to the corridor, but rather that the unit should strive for a similar price-point and customer base as the comparable national chain.

Figure 3.10 lists the retail categories, supportable new square footage of each category and comparable chains for each category supportable. The rationale for each category is also discussed.

Retail Category	Supportable Square Footage	Number of Stores	Comparable Retail Chains	Recommendation
Restaurant (Family)	1,000 – 4,500 s.f.	1 – 3	Bredeaux Pizza, Pizza Ranch, Grandma's Kitchen, The Filling Station	The area can currently support one unit, which can be filled with a pizza parlor, sandwich shop or diner type facility. Additional tourism will support additional restaurant space as vacationers spend a larger than average proportion of their meals dining out.
Restaurant (Quick Serve)	500 – 3,500 s.f.	1 - 2	Hardee's, Lee's Famous Recipe Chicken, A & W, Subway, Tim Horton's	Most likely to be supported only in a scenario where tourism is increased. The strong competition from surrounding markets, coupled with the fact that people will not drive long distances for quick-service food, will require that the customer base will need to be increased before the concept can be successful.
Specialty Foods	0 – 4,000 s.f.	1 – 3	Rocky Mountain Chocolates, Kilwin's, Cherry Hut	With the presence of a Kilwin's Chocolates in Frankfort, a unit will need to be able to separate itself and offer something truly unique. To simply be another fudge or chocolate shop will limit the success of this category. There will be a definite need to set these retailers apart, which will also help define the image of the region.

## GOALS, INITIATIVES and GUIDELINES

This section of the market analysis addresses the opportunities and challenges to be expected when developing a strategic retail plan for the community. Regardless of the path chosen, the overall success of any future retailing along the M-22 is dependent not only upon the right conditions, but the commitment of stakeholders to the success of any retail ventures.

Whatever the decided course of action, there will still be several factors to consider. First, the retail cannot be scattered along M-22, as there will not be any units large enough to draw substantial traffic by itself. The retail development should be clustered so that it can develop a retail synergy that can attract customers. As stated earlier in this report, retail, especially smaller, locally-owned operators, are more successful when clustered together to provide a shopping experience for the customers, rather than just single, scattered shops. Vacationers and residents alike are more likely to visit a collection of stores as opposed to a single unit and each unit can provide core customers that may cross-shop at the other operators.



*Portage Lake Billboard along US-31*

Second, as previously established, there is more traffic along U.S. Highway 31 than along M-22. In order to help retail development along M-22, there should be an attempt to pull traffic off the U.S. Highway 31 and onto the study corridor. While additional retailers may have some impact on this initiative, an active advertising campaign will be essential to increase awareness of what the corridor has to offer. Diversity in the message will be key, targeting golfers, hikers, swimmers, families, and other groups who would frequent the attractions already located along the corridor. By increasing “top-of-mind” awareness for the amenities, traffic can be increased along M-22, thereby improving the sales potential for the existing and potential businesses.

Adding additional tourism amenities will increase sales potential for retail development. No matter what attractions are added (more vineyards, golf courses, etc) it will be essential that the area has an image or brand that people can identify with and that sets the area apart as something unique and desirable to visit. This brand will also require an active marketing campaign in order to increase the area’s tourism market share. Such initiatives as becoming part of the “Pure Michigan” campaign or advertising in Michigan, Ohio, Illinois and Indiana markets can all help raise awareness for the area and attract people looking for an affordable, nearby vacation.

However, simply increasing traffic is not necessarily a guarantee that the retailers will see improved sales. The retailers will have to follow certain guidelines and there will be some need for assistance from local and state government. While “mom and pop” stores do not have the financial advantages that national chains experience, there are certainly lessons that can be learned from the larger chain operators. These guidelines include:

- **Maintain clean facilities.** This includes the interior and exterior of the facilities. Doors and windows should be washed at least twice daily to remove fingerprints and smudges. Floors must be swept and counters and shelves dusted. Walls and doors should have clean, attractive paint jobs, with no peeling or cracks. Simply maintaining appearances makes a substantial difference in a person’s propensity to shop in a store. A retail operator that appears unclean will discourage customers from shopping there. This is especially true for food service operators, but applies to virtually all retail operators.

A number of the units within Onekama, Arcadia, Bear Lake and along M-22 outside these towns could benefit from some base maintenance to help entice customer visits.

- Maintain consistent hours of operation that are convenient to the customer. While this is a community with a high seasonal population, businesses should not close at 5 PM, when they are most likely to get the residential population visits. Stores need to be open when it is convenient for the customers to shop, not when it is convenient for the shop owners to be there. It must be recognized that this can be difficult for locally owned businesses. In many cases they cannot or do not want to hire extra help to work the business on night or weekends and do not want to add extra hours to their workload. One way to address this is to assess when the most business is being generated. If a unit is open from 9 AM until 5:30 PM and they get 1 or 2 customers before noon but 30 customers between 4:00 and 5:30 PM, they should consider opening later and staying open later. Operating between 11:00 AM and 7 PM would actually reduce the number of hours they are open slightly but should give them a larger profit.

It will also be important that all stakeholders, including the individual communities, the county and other groups, work together to facilitate some base enhancements. For example, while there is some viable existing retail in Onekama, there is no cohesion among the retail along M-22. Instead of looking like a village with an identity, it is merely a collection of individual businesses. Establishing some cohesion, through similar/complimentary signage, paint colors, etc on the businesses, as well as streetscaping and other infrastructure changes would also assist in making the retail area more attractive and appealing to visitors.

By establishing connectivity, the retail node in Onekama would provide visitors and residents alike with an “experience”, rather than just a few stores. Today’s shopper is looking for an experience, as evidenced in the trend towards lifestyle centers. To simply provide a few stores limits the effectiveness of an area. To provide a feeling of having arrived at a destination can increase an area’s appeal and thereby increase sales performance. The addition of sidewalks in the business district, benches, bike paths or other features could assist in developing this sense of community.

With such improvements in place, it may also be more feasible to attract or develop the additional amenities needed to increase the tourism spending in the market. With a plan in place and a sense of purpose, additional investment can often be easier to obtain.

While the M-22 currently has only a modest ability to attract new retail, it does have potential if additional factors/amenities are put in to place. As stated earlier in this report, the time to formulate the plan of action is now, as development can take several years. It should be determined immediately what development plan the region wants to follow and then the appropriate actions can begin.

Local retailers will need to be recruited to fulfill the voids in the market. Entrepreneurs should be invited to a seminar to discuss the opportunities, developing means to gain funding and a timeline for development. Invitees to the session(s) should include people interested in operating a business, city and county officials, area chamber of commerce, a representative from the Small Business Administration, and possibly local/regional lending institutions. These sessions can bring all parties together that are necessary to implement the plan and beginning the process and help the process move more quickly and smoothly.

Once retail operators (and possibly new attractions) are in the development phase, it will be especially important to begin developing and implementing a marketing program. Much as national retailers will begin advertising in a market long before they have a unit open (in order to build anticipation of their opening and already have customer awareness), marketing the M-22 brand should start before development is finished. A campaign focusing on the changes going on will build excitement and desire to visit the region. The campaign will need to continue once development is complete.

If properly implemented and followed through, a plan for retail development, regardless of the size, should allow for the development of additional retail and improve sales performance for existing retailers.



*Onekama Business District*



*Business District Revitalization*

## Contents

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*McBeth & Company: Exterior Facade and Interior Sales  
Onekama*

## BUSINESS DISTRICT REVITALIZATION

To attract visitors and increase tourism to the M-22 corridor the respective business districts of Onekama and Arcadia need to be revitalized. Unfortunately, the revitalization process is incremental and takes many years of sustainable volunteer, financial, and local government effort. In short, revitalization doesn't occur overnight. Communities with successful and vibrant business districts have been engaged in the revitalization process for years.

Revitalization is an unwritten but acknowledged local government policy deeply supported by local business owners and real estate interests who understand that a vibrant business district leads to higher sales, increased property values, and healthier neighborhoods and communities.

Discussions with longtime residents indicate that the Onekama and Arcadia business districts are not as viable as years past. Year-round retail stores, seasonal retail outlets, restaurants, personal service businesses, and a drug store have disappeared. Many residents attribute this decline to a shorter tourism season, a reduction in the number of families vacationing in the area, and competition from big box stores in Manistee, Ludington, and the Traverse City area. Regardless of the reason, the Onekama and Arcadia business districts need a rejuvenation.

Outlined below are several recommended principles for effective revitalization that the M-22 corridor communities need to address.

### 1. Assessing the Institutional Framework

The M-22 initiative in Manistee County will involve close governmental cooperation between Arcadia Township, Onekama Township, and the Village of Onekama.

Prior to commencing a downtown revitalization effort one needs to assess the underlying institutional framework of these municipalities. This includes:

- What individual(s) or organization(s) establishes public policy and drives the local development agenda.
- What is the relationship between local government, chamber of commerce, local (county) economic development agency, merchant association(s), community civic organizations and area real estate community?

- Who are major stakeholders in the business districts?
- Are there any stressful or stained relationships, which may impede the revitalization process and success of the program.
- Identifying individual(s) and organization(s) who will champion revitalization.

#### Local Assessment

Locally viable business districts are desired

Relationships between local governments has never been better

M-22 Team members are very interested with improvements to both business districts

M-22 business owners have attended M-22 study sessions and presentations and have expressed interest to pursue improvements to the district.

### 2. An Agreed Upon Vision

Because business revitalization is so interwoven throughout the government, business and civic communities it is imperative that agreed upon vision be established. This can be achieved through vision sessions, stakeholder interviews, focus groups, surveys, charettes and multi-board planning sessions (retreats). The results of any participation technique need to be communicated back to the community to increase ownership in the process and to support the projects and programs that will be the outcome of the process.

During the public engagement portion of the Onekama Community Master Plan year-round and seasonal residents were asked to identify and rate their priorities for the Onekama Community. The desire to have a vibrant and active business district surfaced as a preferred vision for the future Onekama in both sessions. Although the Arcadia Community has not undertaken the same process, discussions with local leaders participating in the M-22 corridor plan would indicate a similar desire to have an active and economically sustainable downtown.

#### Local Assessment

No disagreement that the respective business districts need to be enhanced

Some Onekama business district owners have expressed interest with streetscape improvements, better landscaping and signage

Business district improvements should reinforce other community facilities like parks and marinas



*Moomer's Ice Cream  
Arcadia*

### 3. Business Development Based on Market Realities

Successful business districts are grounded in realistic and reliable market information. A market study provides the information needed to retain and recruit retailers to the business district and determine the absorption rate for the number and type of housing units. The combination of retail expansion, new housing, and existing office uses within the business district result in a product mix greater than the sum of the individual components. To further capture the retail opportunities it is imperative that the downtown utilize clustering to strengthen and expand the retail business base.

As discussed in Chapter Three: Retail Potential the existing business districts of Onkama and Arcadia have limited retail expansion potential. A combination of actions, such as regional branding, increase in tourism, and physical improvements to the respective business districts will enhance long-term retail success. The result of positive actions is a swing in 67,000 square feet of retail potential and trade to the Onkama and Arcadia communities, or \$10 million of additional sales when based on \$150 of sales per square foot.

A component of business development is knowing what you to offer as a community business district and developing a strategy to leverage sales within the general area. In 2009, volunteer efforts among Onkama business owners to create a location map of retail and service businesses was a great first step. Not only was this effort beneficial to the customer/visitor but many local entrepreneurs were surprised at the number and variety of businesses within the trade area.

The Asset Inventory in this report furthers that understanding of what is locally available and increases the trade area to include Arcadia Township and Manistee Township.

#### Local Assessment

Better understanding of what is locally available and the need to cross-market services

Success in retail market is tied to increased tourism. Increased tourism is linked to awareness of the area and opportunities along the M-22 regional corridor.

Opportunities for exposure through the "Pure Michigan" marketing effort

Opportunities for web based marketing



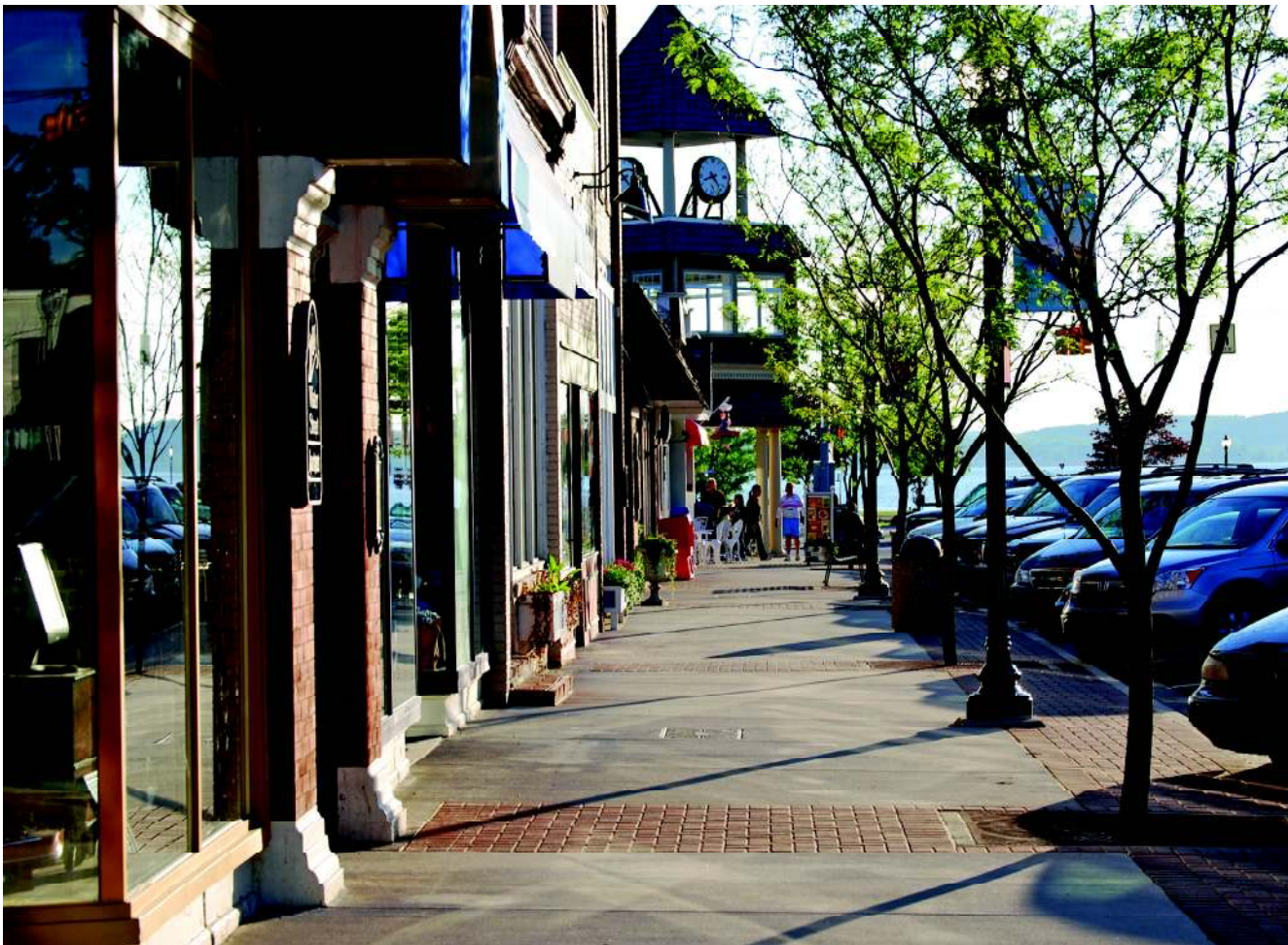
#### 4. Importance of Public Infrastructure and Spaces

Successful business revitalization needs a committed level of well-designed public investment and a consistent level of maintenance to attract the people needed to support local businesses and create a memorable place. In retail, more people usually means more business. Public investment in the business district infrastructure spawns private investment and redevelopment in buildings and businesses. There is no “chicken” and “egg” in business revitalization - the public sector takes the lead.

In traditional and historic downtowns, the public space is framed from building façade to building façade. The quality of that space is often defined by the quality and character of the private buildings. Although a community may invest substantially in public spaces the investment may not be fully realized if adjacent buildings are in disrepair or poorly maintained. As a result, the public realm needs to include the public street and sidewalks as well as the building façade.

This rethinking of how the public realm is defined requires the community to be involved in the rehabilitation / preservation of commercial buildings, the consistent administration of zoning and code enforcement, removal of non-conforming signs, removal of blight, and reuse of upper stories.

The Onekama and Arcadia business districts are not traditional downtowns like Central Lake, Boyne City, Suttons Bay, and Manistee which are compact and have an identifiable core area. Instead, they resemble business districts like Leland, Frankfort, and Northport that contain a collection of buildings spread out over a larger with a mixture of uses. Regardless, of the type of business district all of these mentioned have a distinct character and “uniqueness.” What is missing in Onekama and Arcadia is a well-defined and well-design set of public and private improvements which integrates the street system, building facades, and public parks into a definable place. Nothing tells the visitor you are “here” in Onekama or Arcadia.



Boyne City, Michigan “Public Realm” Improvements: Streetscape and Building Facades





*Blue Slipper Tavern and Cafe: Onekama, Michigan  
Example of Mixed Use Building - First Floor Retail and Second  
Floor Residential*

## 5. Encourage Multiple Uses and Mixed-Use

Viable business districts provide a variety of venues for residents, patrons, and visitors through the use of multiple uses and mixed-use developments. Multiple uses do not necessarily have to be contained within the same building and can easily be a collection of buildings which support each other. For example, the village or township hall, public library, church, bed-and-breakfast and park may be within walking distance of the business district and some retail businesses are within walking distance of single-family homes. This combination of uses creates opportunities for exchange between people and activities and extends the business district beyond the 9 a.m. to 5 p.m. timeframe.

Mixed-uses are typically integrated vertically within the same building. There are many examples where commercial buildings have retail, office, and residential tenants and this trend needs to be encouraged and promoted. Zoning ordinances are addressing this trend through the use of vertical zoning and / or form-based codes, which regulate the form and design of the building while allowing for greater use flexibility within the building.

As residential dwellings increase in the business district the municipality will need to balance the needs of retailers who desire public and open parking areas with private and individual parking spaces desired by the residents.

### Local Assessment

Village of Onekama enacted a business district overlay which promotes mixed and multiple uses.

The proposed Onekama Community Zoning Ordinance contains the business district overlay concept

## 6. Public Developer

The presence of in-fill and redevelopment sites provides the opportunity to become involved in real estate development. One of the barriers often confronted in business district revitalization is pulling together or “packaging” property for redevelopment purposes and making it ready for private sector investment. Strategies can include the purchase and resale of property to developers or a private investor meeting specific development objectives, or option the property over a specific period of time sufficient to give the redevelopment agency time to recruit an interested party. *(An option is a contract to purchase the right for a certain time, by election, to purchase property at a stated price.)*

The acquisition of property for redevelopment is not reserved for larger communities only. Many smaller communities the size of Onekama and Arcadia have been involved in the acquisition of foreclosed property, or property needed to facilitate a public or private project. In addition to outright acquisition; the use of code enforcement to require the rehabilitation of neglected and blighted property is often an alternative.

### Local Assessment

An entity, such as a Downtown Development Authority, does not exist to spearhead the selective acquisition of property for business development. However, the DDA does have the ability to acquire vacant and underutilized property to promote appropriate redevelopment, increase property values, and create jobs.

There are several blighted and vacant (unmaintained) properties which depress the appearance and economics of the Onekama business district. Legislative and code-related efforts should be pursued to remedy this situation.

## 7. Density and Compactness

Land development studies have shown that land use sprawl is fiscally unsound; promotes disinvestment in traditional communities; is energy consumptive; minimizes the investment in public infrastructure; increases traffic; and creates a sense of “Anywhere USA.” Conversely, density of land uses has been shown to increase fiscal resources, create business opportunities, promote redevelopment and in-fill, and most importantly create a sense of place. In downtown districts there are still commercial buildings with vacant upper stories and sites available for redevelopment. These spaces and areas should all be capitalized on for redevelopment. Increasing retail opportunities, restaurants, residential units and offices in the business district will increase the success of downtown revitalization and aid in the retention of existing businesses.

The recently adopted overlay district for the Onekama Business District is an example of a best practice which encourages a higher degree of density and compactness while offering the property owner greater options for redevelopment.

### Local Assessment

Community efforts through the Master Plan process support Smart Growth strategies and efforts to create place.

Redevelopment opportunities should be clustered around existing business development in Onekama and Arcadia. In Arcadia this should occur on M-22 between State and Lake Streets, and in Onekama between Brandt and Portage Streets.

## 8. Connectivity

Connectivity involves a layered approach within a business district setting. The basic fabric created by the buildings and road system forms a base for connectivity. Layered on that base are the vehicular system (roads and parking lots), pedestrian system (sidewalks, cut throughs', and public plazas), and open space areas. (In some business districts, like Onekama and Arcadia, boating provides another linkage to the business area). Together these layers determine the connectivity of the district.

The importance of connectivity in a business district is directly related to retail merchandising activity. This is where the adage: "the 100% corner" derives its meaning from being that spot in the district with the most connectivity. Business districts with a low connectivity have a difficult time sustaining business and recruiting quality merchants. Therefore, efforts to maintain and improve connectivity in downtown are important and plans should attempt to identify high and low connectivity areas and recommend different redevelopment strategies.

Where connectivity focuses on the structural elements of an area or site, walkability reflects the effectiveness of connectivity. According to the Sustainable Glossary, walkability "reflects overall walking conditions and usually takes into account:

- The quality of pedestrian facilities,
- Roadway conditions,
- Land use patterns,
- Community support,
- Security and
- Comfort for walking.

The quality of pathways, building access ways and related facilities, the existence of sidewalks and crosswalks, roadway conditions (road widths, traffic volumes and speeds), accessibility (the relative location of common destinations) and the quality of connections between them all affect walkability."

### Local Assessment

A first phase in advancing connectivity is to define the travel and parking lanes along M-22. This will reduce speed and begin to identify where pedestrian crossing are occurring.

The idea of a walkable and connected business district should be integrated into the non-motorized pathway and greenway study currently underway in Onekama

## 9. Local Government Policy

This is where the ownership established at the beginning of the revitalization process pays off. Because downtown revitalization is an integral component of overall community building, the elected officials and local planning commission need to take part in the effort and as a result be on-board with the program. Capital improvement projects, zoning ordinance amendments, redevelopment-ready processes, and public-support require the close cooperation of these groups.

### Local Assessment

The Onekama Community Planning Commission (OCPC) and the Onekama Community Development Committee (OCDC) are advancing these efforts.

The Village of Onekama and Onekama Township are jointly funding the OCPC which is tasked with developing a long-range capital improvement program and revising the Village and Township zoning ordinances.

## INSTITUTIONAL FORMS

The absence of a formal or informal organization to spearhead business district revitalization usually results in no sustainable action. In Michigan, state legislation has given municipalities the opportunity to consider and utilize several formal type of organizational structures to manage and implement the revitalization process. These include municipal-driven organizations are:

- Downtown Development Authority, Public Act 197 of 1975
- Principal Shopping District, Public Act 120 of 1961
- Corridor Improvement Authority, Public Act 280 Of 2005

Each type of authority or district has specific organizational requirements, duties, and methods of funding. Several allow multiple jurisdictions to jointly establish and manage while another does not. Figure 4.1 summarizes the characteristics of each form of organizational structure, as well as, their respective areas of involvement. Municipal-driven organizations can focus on capital improvements, real estate development, and promotions and marketing. All three organizational types rely on some form of municipal taxation either through tax increment financing, special assessment district, or the levy of specific millages.

Within the study area M-22 is easily characterized as a corridor and one could envision the Corridor Improvement Authority (CIA) to be an appropriate venue for an organizational structure. However, a CIA can only be used where there is the presence of municipal (public) sewer and water service. The Principal Shopping District is only applicable in cities, villages and "urban" townships, which means it can only be used within the Village of Onekama.

If multi-jurisdictional involvement is the goal then the Downtown Development Authority (DDA's) is the only organizational structure, which accommodates this outcome. Cities, villages and townships are eligible to establish a Downtown Development Authority. Within the M-22 study area the Village of Onekama, Onekama Township, and Arcadia Township could all decide to establish a Downtown Development Authority. Once completed, each unit of government through a joint operating agreement could decide to form one Board to manage the affairs of all three DDA's.

Member-driven organizations, which operate primarily through member subscriptions, include: Chamber of Commerce, Business Associations, and Main Street Boards.

These organizations primarily focus on member services, promotions and marketing, and event planning and coordination. Depending on the membership base and revenue structure any one of these member-driven organizations can be professionally managed. Typically, a chamber of commerce has members coming from retail, finance, manufacturing and governmental interests with a broad-community focus. On the other hand, a Main Street Board (structure through the National Main Street Center) has a specific mission to revitalize and enhance the downtown or core business district. In Michigan, Main Street boards, like Boyne City, Calumet, and Manistee, are usually associated with a DDA, which provides the bulk of funding. However, a traditional Main Street model not associated with a DDA is the Old Town Commercial Association in Lansing, Michigan, where funding is derived through memberships solicited from within the business district, patron membership from local residents and non-profit contributions. ([www.iloveoldtown.org](http://www.iloveoldtown.org))

Figure 4.1  
Downtown Revitalization Organization Models

	Municipal-Driven			Member-Driven	
	Downtown	Principal	Corridor		
	Development	Shopping	Improvement	Business	Non-Profit
Characteristics	Authority	District	Authority	Organizations	Organization
Local Government Creation	Yes	Yes	Yes	No	No
Levy Millages or Special Assessments	Yes	Yes	Yes	No	No
Multiple Units of Government	Yes	No	Yes	Yes	Yes
Non-Contiguous Districts	Yes	No	Yes	Yes	Yes
Grant Eligible	Yes	Yes	Yes	No	Yes
Defined Districts	Yes	Yes	Yes	No	No
Receive General Funds	Yes	Yes	Yes	No	No
Municipal Financing Options	Yes	Yes	Yes	No	No
Membership Dues	No	No	No	Yes	Yes
Areas of Involvement					
Capital Projects	Yes	Yes	Yes	No	No
Real Estate Development	Yes	No	Yes	No	No
Infrastructure Support	Yes	No	Yes	No	No
Maintenance	Yes	Yes	Yes	No	No
Promotions	Yes	Yes	No	Yes	Yes
Marketing	Yes	Yes	Yes	Yes	Yes



*Miller's Fruit Market located on M-22*



## *Agricultural Opportunities*

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Figure 5.1  
Typical Food Distribution Model

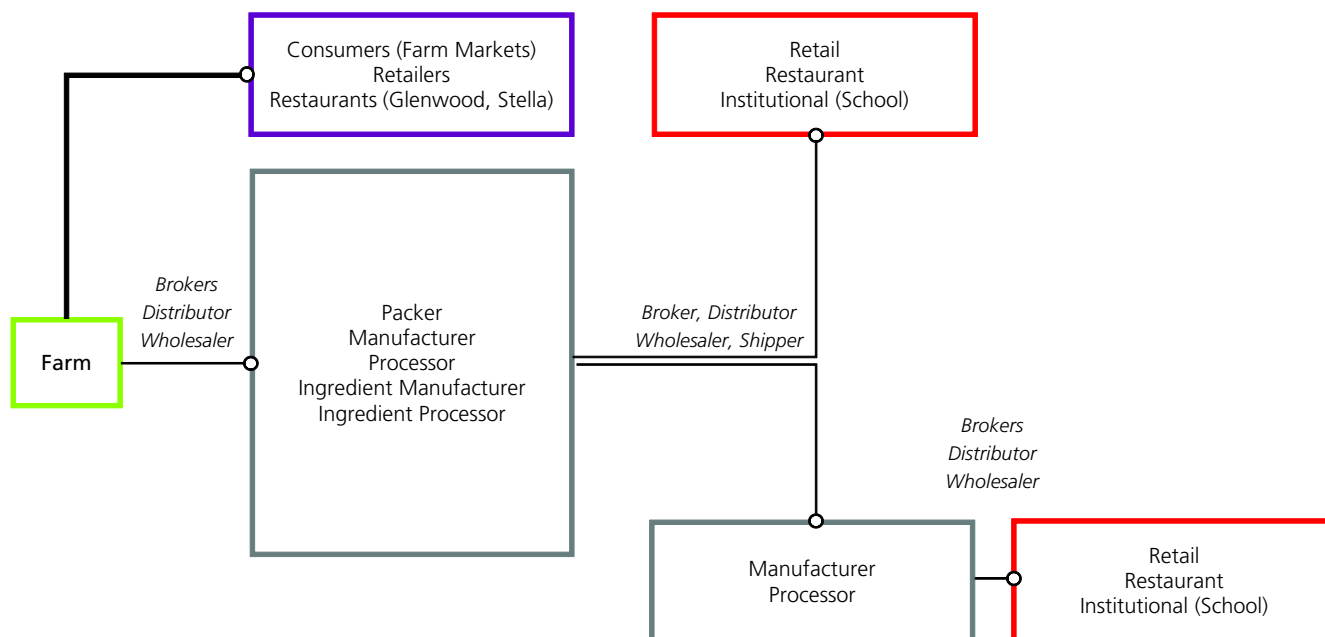
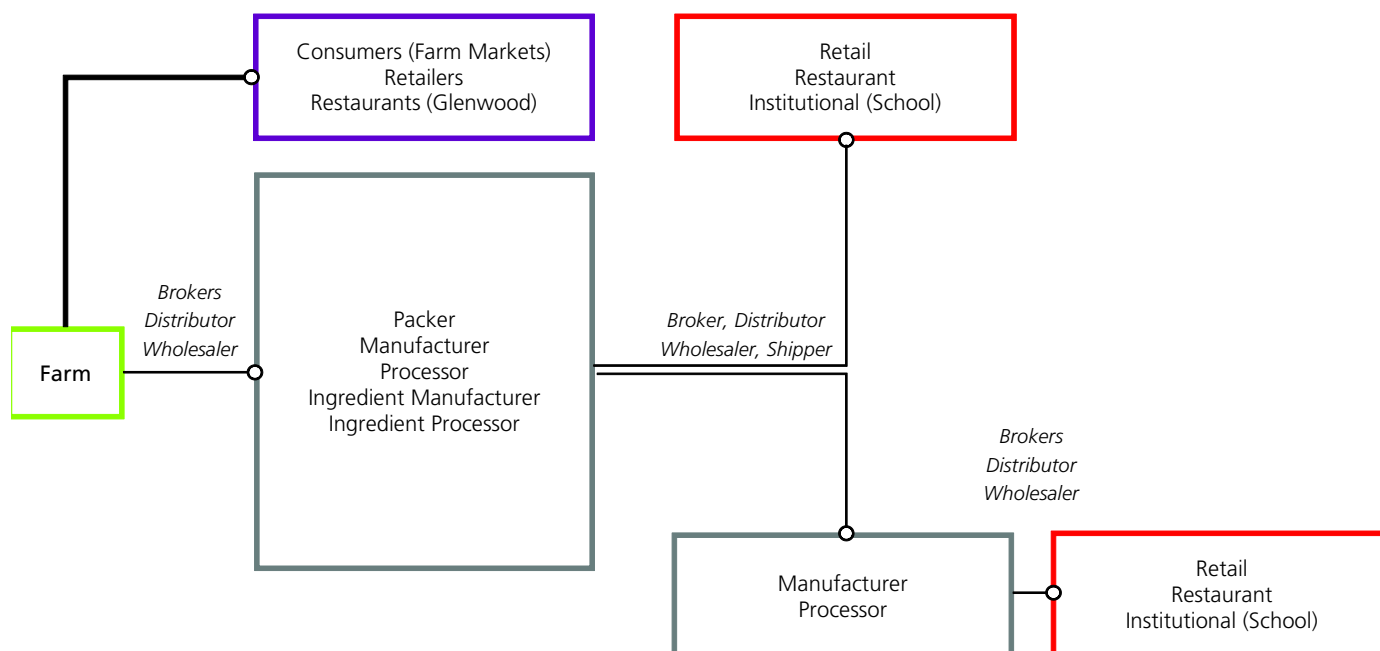


Figure 5.2  
Local Food Co-Op Distribution Model



Source: Marketing U.S. Organic Foods, USDA EIB #58, Carolyn Dimitri and Lydia Oberholtzer

## OPPORTUNITIES FOR LOCAL AGRICULTURE

### Models for Farmers' Markets

The number of farmers markets in the United States has increased steadily since 1994, from 1,725 in 1994 to 5,274 in 2009. As farmers markets continue to gain in popularity and sophistication, their management becomes more complicated and demanding. The administration and organization of farmers markets can come in several different forms, each with advantages and disadvantages. In response to the increased complexity of running a farmers market, many markets are adopting formal business models or seeking sponsorship by larger administrative organizations such as business associations and municipal organizations.

Three major models/structures of farmers markets exist, listed below .

- A market run by a private for-profit or nonprofit business  
Some farmers markets operate as independent non-profit or for-profit businesses. The most appropriate structure depends on the market's size, the people involved in the market operations, and the tax/legal liability that members are willing to assume. Farmers markets operated as a business can be sole-proprietorship, partnerships between two or more people, corporations, or LLCs. Some of the advantages of organizing a market as an independent business include having full decision-making abilities, and identifying liability and taxation issues in advance. As noted in Figure 5.1 the farmer directly sells product to the consumer or local restaurants. The pressure of having all costs and responsibilities for running and promoting the market falling to a single individual or small group of individuals can be a major disadvantage of this operating model. Gaining sponsorship from a larger, well-established organization is one way to reduce this amount of direct responsibility.
- The market as a non-profit organization  
Advantages to this model include eligibility for grants, tax-exempt status, and some protection from liability.
- Public Sponsorship: The Market Run by a larger business or public agency  
This model has become one of the more popular

ways to operate a farmers market. The level of control that market sponsors require can vary considerably, and it depends largely on the agreement made between the market and the sponsor. Shared administrative costs and responsibilities (e.g., insurance) is one major benefit of this model. As a result, business risks are reduced. Additionally, any surplus revenues can be used for other community projects. Figure 5.2 illustrates the introduction of a "Market / Broker" between the farmer and the consumer. The market buys product from the farmer and then sells the product to the consumer which reduces the risk to the farmer. Similarly, when a broker is involved they identify who needs the product and where the product can be obtained. In some instances, a modest fee is charge for these services and the farmer and consumer buy directly from each other once the business connection is made.

### CSAs (Community Supported Agriculture)

CSA consists of a community of individuals who pledge support to a farm operation so that the farmland becomes, legally and figuratively, the "community's farm", with the growers and consumers providing mutual support and sharing the risks and benefits of food production . Farm shares are purchased in advance of the growing season, so they are an investment in the farm and help alleviate the farmer's initial costs to grow the crops. In exchange, shareholders receive a portion of the farm's produce (the "share") on a weekly, bi-weekly, or other time basis during the growing season. CSAs originated in Europe and have been growing in the United States in the past 25 years. According to the USDA, approximately 12,549 farms in the United States reported marketing products through a community supported agriculture arrangement . Benefits of a CSA include :

- Upfront payment: Growers have early support from shareholders to cover costs associated with investing for a successful growing season.
- Guaranteed market: Growers know in advance what the size of the market will be, so they can plan their crops accordingly. Without advance notice, determining how much to plant can be difficult because markets can change from year to year, and there is a risk of over- or under-planting of a certain crop. Advanced knowledge of market size helps growers estimate how much they need to plant to yield a crop that meets demands of group members.

*Example of a Community Farmers Market with internal retail sales for farm products and art / crafts*



- Direct Link: With farmers selling directly to consumers, the cost of a “middleman” is eliminated. Growers receive higher prices for their goods.
- Convenience: Pre-set pickup times allow growers to only harvest (and deliver if necessary) the one or two days. This can be more convenient than harvesting and traveling to multiple farmers markets at different locations each week.

Several models for CSAs exist, as described in “Local Harvest: A Multi-Farm CSA Handbook”, recently published by the Sustainable Agriculture Research and Education program of the USDA. The three general types of CSAs are:

- A single-farm CSA with additional (supplemental) share options for members with products from other local farms.
- Multi-farm CSA: Growers/farms are networked to supply an ordering, distribution, and seasonal food support system
- Cooperative CSA: Growers form a legal cooperative work together to create growing, quality control, and marketing structures. Usually, staff handle non-farming duties.

Multi-farm CSAs may also be Cooperative CSAs – a cooperative CSA is guided by cooperative principles and exists within an established legal framework for a cooperative business. A unique feature of cooperatives is that they are owned and controlled by their members. Multi-farm CSAs can be beneficial for growers because it can make CSA more manageable and profitable – it spreads the burdens and risks associated with raising many different types of crops among several growers. Other benefits include:

- Specialized Crop Production – Unlike a single-farm CSA, a multi-farm CSA allows for focused crop production. Each grower can grow as many crops as desired without the responsibility for growing all the crops desired by the shareholders.
- Community Building Among Growers – Working together with other growers creates a network in the community. This can have many benefits – growers can share best practices, help each other, and generate new ideas.

## MARKET FOR ORGANIC FOODS

The inventory of assets within the study area identified a variety of fruit and produce growers who distribute their products to markets through any one of the distribution networks outlined in Figure 5.1. Within the food distribution market is the opportunity to sell “organic” as defined and regulated by the National Organic Standards Act of 2002.

Retail sales of organic foods, according to USDA (EIB #58) increased from \$3.6 billion in 1997 to \$21.1 billion in 2008 with similar growth reflected in the types of stores selling products. The organic food market had migrated out of health food stores to supermarkets, club stores, and big box grocery retailers. In addition, acreage devoted to organic foods double in the same time period between 1997 and 2008. One factor that has assisted the growth in organic foods are the prevalence of community-based farmer markets; community supported agricultural programs, and the ability of large format grocery store retailers to regionally distribute product quicker to the consumer. Over one-half of organic food products are now sold in conventional grocery markets to a variety of socio-economic groups. In summary, eating organic is not localized to one demographic group but is widespread through the consumer market.

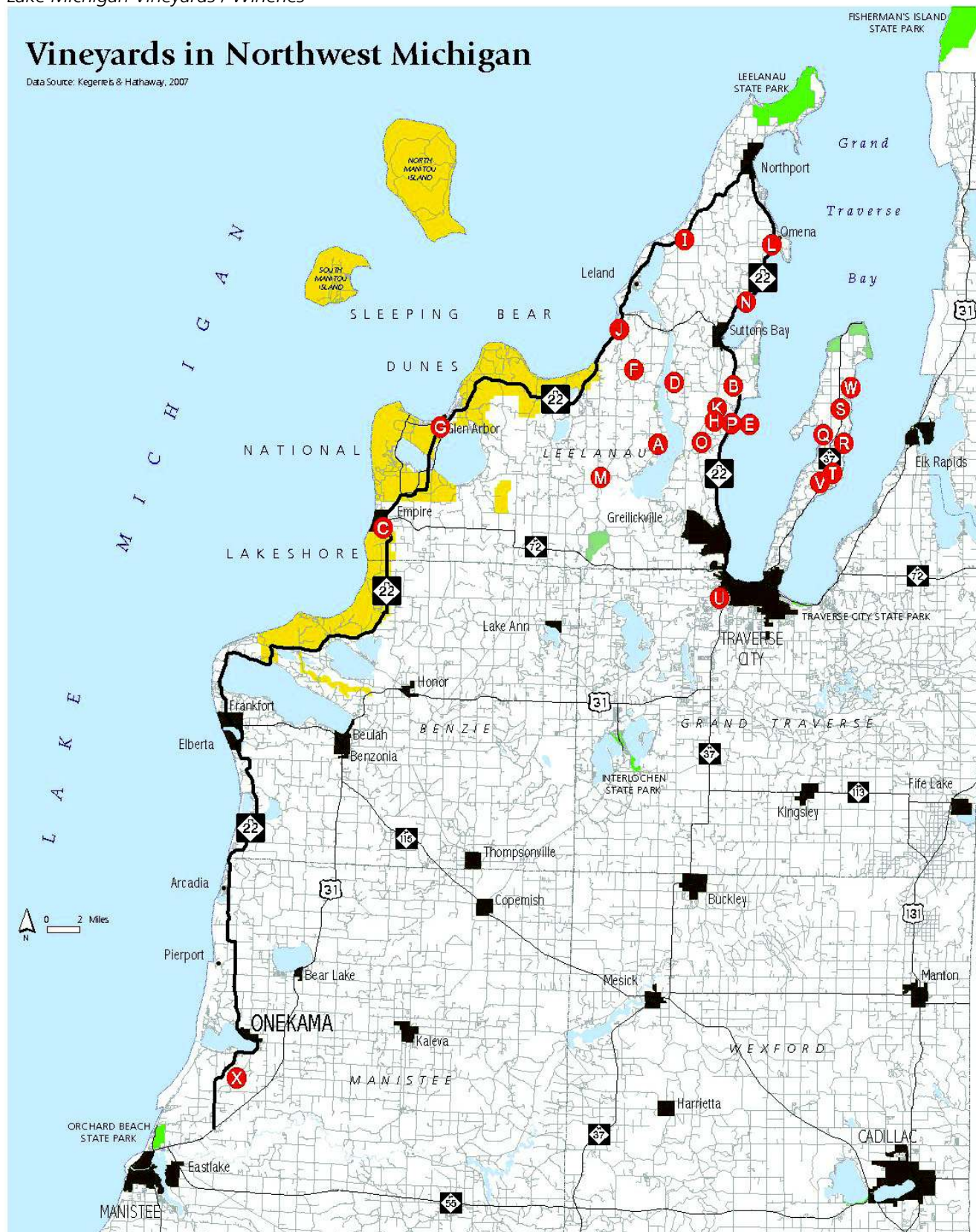
Fruits and vegetables as deemed organic if they growth of the produce is based on ecologically based practices such as biological pest management, grown in soil which has not been subject to the application of prohibited substances for three years, and produce must be stored and shipped separate from conventionally grown produce.

Regionally, efforts to promote and encourage the consumption of locally grown organic foods are underway. One of primary factors influencing the growth of the organic food market is consumer education. Aside from the health benefits associated with organic foods agencies are informing consumers where they can find locally produced organic produce, dairy and meat. An Internet search through [www.localharvest.com](http://www.localharvest.com) for organic farms within or adjacent to the study area resulted in the following:

- Douglas Valley Organic Vineyard, Manistee, (Study Area)
- Loving Dove Farm, Bear Lake (Buy On-Line)
- Ware Farm, Bear Lake
- Five Springs Farm CSA, Bear Lake



Figure 5.2  
Lake Michigan Vineyards / Wineries



- Halpin Family Farms, Kaleva
- Wave's U-Pick Blueberries, Kaleva
- Northern Natural Organics LLC, Manistee
- Windy Acres Pleasant Farm, Benzonia

In addition, agencies like the Michigan Land Institute and MSU-Extension provide printed materials and Internet access for locally grown and organically grown foods depending on zip code location.

A strategy recommended in this study is to utilize the agricultural information compiled through the inventory of assets into the M-22 web site in order to highlight locally produced products. A further step would be to allow Internet users to purchase through the web site these products through a "broker" food distribution model [Figure 5.2] or directly from the producer thus opening an additional market for the M-22 farming community.

Figure 5.2  
Lake Michigan Vineyards / Wineries

Map	Vineyard / Winery Name	Address	Location
A	Bel Lago Vineyard & Winery	6530 S. Lake Shore Dr.	Cedar
B	Black Star Farms	10844 E. Revold Rd.	Suttons Bay
C	Grocer's Daughter Chocolate	12020 Leelanau Hwy. (M-22)	Empire
D	Boskydel Vineyard	7501 E. Otto Rd.	Lake Leelanau
E	Chateau de Leelanau Vineyard & Winery	5048 S. West Bay Shore Dr. (M-22)	Suttons Bay
F	Chateau Fontaine Vineyards & Winery	2290 S. French Rd.	Lake Leelanau
G	Cherry Republic Winery	6026 S. Lake St.	Glen Arbor
H	Ciccone Vineyard & Winery	10343 E. Hilltop Rd.	Suttons Bay
I	Gill's Pier Vineyard & Winery	5620 N. Manitou Trail (M-22)	Northport
J	Good Harbor Vineyards	34 S. Manitou Trail (M-22)	Lake Leelanau
K	L. Mawby Vineyards	4519 S. Elm Valley Rd.	Suttons Bay
L	Leelanau Wine Cellars	5219 W. Bay Shore Dr.	Omena
M	Longview Winery	8697 Good Harbor Trail	Cedar
N	Raftshol Vineyards	1865 N. West Bay Shore Dr. (M-22)	Suttons Bay
O	Shady Lane Cellars	9580 E. Shady Ln.	Suttons Bay
P	Willow Vineyard	10702 E. Hilltop Rd.	Suttons Bay
Q	Bowers Harbor Vineyards	2896 Bowers Harbor Rd.	Traverse City
R	Brys Estate Vineyard & Winery	3309 Blue Water Rd.	Traverse City
S	Chateau Chantal	15900 Rue de Vin	Traverse City
T	Chateau Grand Traverse	12239 Center Rd. (M-37)	Traverse City
U	Left Foot Charley	806 Red Dr.	Traverse City
V	Peninsula Cellars	11480 Center Rd. (M-37)	Traverse City
W	Two Lads Winery	16985 Smokey Hollow Rd.	Traverse City
X	Douglas Valley Vineyards	3860 Cohodas Rd.	Manistee



Figure 5.3  
Land Suitable for Vinifera Vineyards



THE M-22 CORRIDOR

## Vineyard Suitability

Data Source: Adapted from "Final Report—Development of the Viticultural Map for the Wine Grape-Producing Regions of Michigan", 2009. Areas are approximate.

- Suitable
- Not Suitable
- Urbanized Area

## SUITABILITY FOR VINIFERA VINEYARDS

The Michigan Grape and Wine Industry Council, a council formed through the Michigan Department of Agriculture, commissioned Michigan State University in 2008-2009 to identify suitable sites for wine grape production. The study was to address the Council's goal of increasing wine grape production to 10,000 acres by 2024.

The study was conducted in five northwest Michigan counties (Leelanau, Benzie, Grand Traverse, Manistee and Mason) and two southwest Michigan counties (Van Buren and Berrien). The assessment utilized a variety of factors such as, slope, aspect, first and last frost dates, critical winter temperatures, wind, and soil characteristics. Figure 5.5 delineates the assessment criteria and factors considered.

In addition to this criteria the study also deducted from

potential acreage land that was already developed, and property within a one-mile buffer inland of Lake Michigan was not considered due to wind and cold temperatures.

Based on the assessment it was determined that 44% of Manistee County was suitable for vinifera vineyards – grape production. Figure 5.4 enumerates by county the percent of county acreage suitable for grape production. Figure 5.3 utilizes the data generated from the MSU study and applies it to the M-22 study area to create a suitability map. As depicted, areas within the study area are suitable for grape production and the majority of these are located east of M-22 in Onekama and Arcadia Townships. With the exception of acreage within one-mile of Lake Michigan most of Manistee Township is suitable for grape production.

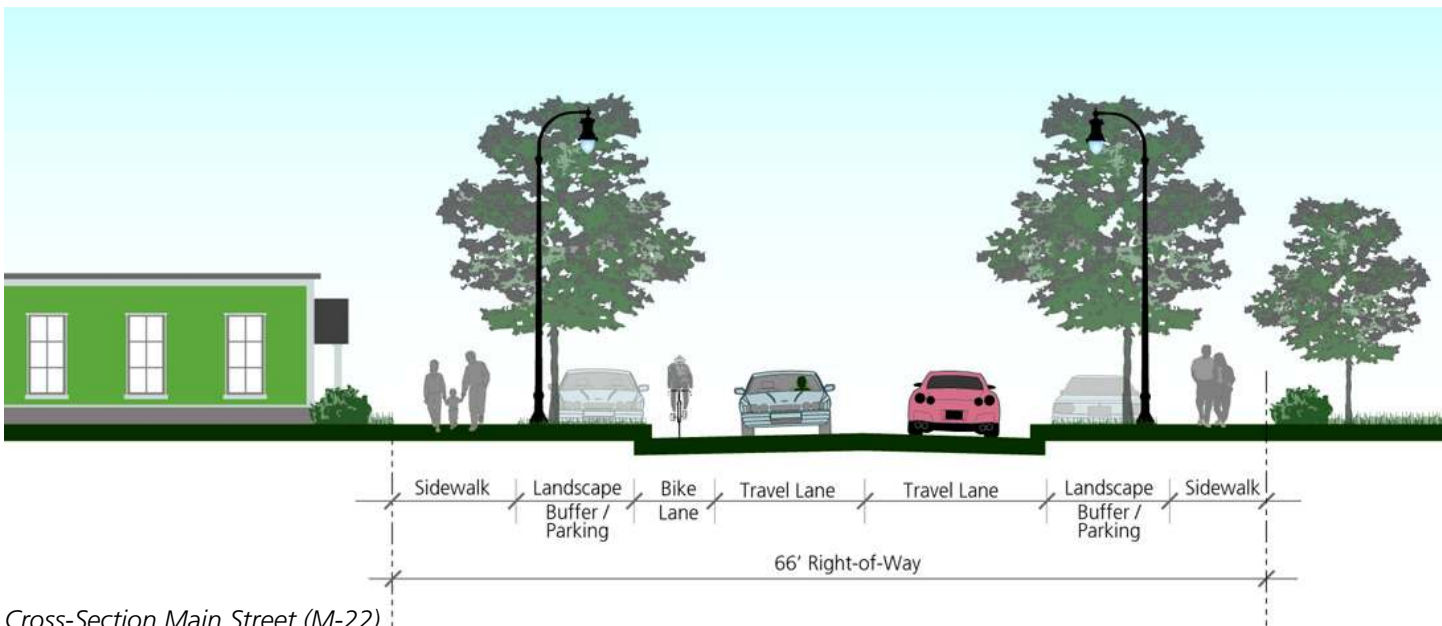
Figure 5.4  
Land Suitable for Vinifera Vineyards

County	
Leelanau	54%
Benzie	46%
Manistee	44%
Mason	30%
Grand Traverse	22%
Source: Sasha Kravchenko, MSU, 2009	



Figure 5.5  
Land Suitable for Vinifera Vineyards - Methodology

Soil property	Range of acceptable values
Sand content	30-98 %
Soil organic matter	0.6-5.5 %
Cation Exchange Capacity (ability to hold nutrients)	1- 25 cmol/kg (centimole per kilogram)
Topographical feature	Range of acceptable values
Aspect	All but North-facing (45-315 degrees)
Cold air drainage	Range of elevation within a 2,460 feet radius from a point is > 98 feet.
Climatic variable	Range of acceptable values
Average length of growing season	>135 days
Average number of growing degree days in frost free days	>1800
Source: Sasha Kravchenko, MSU, 2009	



*Cross-Section Main Street (M-22)  
Streetscape Enhancements*



Recommendations



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Figure 6.1  
M-22 Regional Web Site Assessment

Chamber of Commerce Location	Web Site	M-22 Reference	Comments
Manistee County Chamber	www.manisteechamber.com	No	M-22 not mentioned
Frankfort-Elberta	www.frankfort-elberta.com/	No	M-22 not mentioned
Benzie County Visitors Bureau	www.visitbenzie.com	Yes	M-22 Sign on first page with link to M-22 color tour maps and calendar
Leelanau Peninsula Chamber of Commerce	www.leelanauchamber.com	No	M-22 not mentioned
Glen Lake Chamber of Commerce	www.visitglenarbor.com	No	M-22 not mentioned
Suttons Bay Area Chamber of Commerce	www.suttonsbayarea.com	Off Line	M-22 not mentioned
Leland Chamber of Commerce	www.lelandmi.com	No	M-22 not mentioned
Empire Chamber of Commerce	www.empirechamber.com	No	Although the National Park is accessible on M-22 there is no mention in driving directions
Traverse City Area Chamber of Commerce	www.tcchamber.org	No	M-22 not mentioned
Source: Beckett&Raeder, 2010			

Figure 6.2  
"Pure Michigan" Web Site Homepage

**PURE MICHIGAN® Michigan's Official Travel and Tourism Site**

Home | Select a City | Places to Stay | Outdoors | Things to Do | Featured Destinations | Google Custom Search

About Michigan | Contact Us | Site Map | View Our Ads | Michigan's Great Lakes | Business Info

**Home**

Welcome to the place where to-do lists and busy schedules stop screaming for our attention. The place where Michigan travel comes first. Here Michigan tourism lets unspoiled nature and authentic character revive our spirits. Welcome to a better state - the State of Michigan.

**Winter Wonderland**

Watch this video: [Email this Video](#)

Welcome to the [winter wonderland](#) of Pure Michigan. Your trip begins at [Michigan.org](#)

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- [Ann Arbor](#)
- [Blue Water Area](#)
- [Grand Rapids](#)
- [Michigan's West Coast](#)
- [Beachtowns](#)
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- [Traverse City](#)
- [Mackinaw City](#)
- [Sunrise Coast](#)
- [The Henry Ford](#)
- [Bays, Beaches & Boutiques](#)
- [Coldwater Country](#)
- [Great Waters of the UP](#)
- [Lansing](#)
- [Muskegon](#)
- [Alpena](#)
- [Flint-Genesee](#)
- [Ludington/S.S. Badger](#)
- [Sault Ste. Marie](#)
- [Silver Lake Sand Dunes](#)

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## RECOMMENDATIONS

The southern leg of the M-22 corridor (US-31 and M-22 intersection to Frankfort) contains a variety of natural, cultural, and entrepreneurial assets, which are not fully utilized to the economic benefit of the Onekama and Arcadia communities. Barriers limiting access to these assets include a lack of readily-available information, absence of an organizational framework that “champions” the region, an “individualism” attitude among businesses and the farming community, and an “economically deprived” mentality when it comes to M-22 communities south of Leelanau County. Many, if not all, of these barriers can be overcome.

Based on the information compiled throughout the study process and discussions with the M-22 Committee the following recommendations are given.

### 1. Establish a Formal Business Network

The benefit of establishing a formal business network within the Arcadia and Onekama communities (including Manistee Township along M-22 and the Casino) had its seeds planted through an informal effort spearheaded by several Onekama businesses in the summer of 2009 to create a brochure identifying area businesses, restaurants and accommodations for tourists. The result of this volunteer effort was the discovery of the diversity and number of businesses within the Onekama business district and the opportunity to develop a B2B (business-to-business) network for patron referrals. Now, this effort needs to be formalized and the establishment of a Downtown Development Authority is recommended. As outlined in Chapter Four: Business District Revitalization; a Downtown Development Authority has the ability to be a multi-jurisdictional organization with a variety of responsibilities including promotion and marketing. The following sequence of activities is suggested:

- a. The Village of Onekama and Onekama Township enter into an agreement to jointly establish a Downtown Development Authority (DDA).
- b. Establish a Downtown Development Authority for the Onekama business district extending along M-22 from Jones Road north to 4th Avenue.
- c. Pursuant to Public Act 197 of 1975 appoint a 13-member board. A majority of members (7) are required from within the district but six (6) members can come from outside the district. It is recommended that these six members represent other businesses, such as, the Douglas Valley Winery, Little River Casino, Portage Point Inn,

Arcadia Bluffs, farm and orchard business(es), and Arcadia business(es). The Board composition will begin to tie together the M-22 corridor and the three Townships (Manistee, Onekama, and Arcadia).

- d. Once the Board is constituted it is recommended that two committees be established initially: promotions and marketing, and design. Initially, the promotions and marketing committee would be responsible for web site development, creating an informational brochure, and coordinating two (2) seasonal events. The design committee would begin work with an experienced consultant on a wayfinding system for the corridor.
- e. The full Board would prepare, pursuant to the Public Act a development plan identifying the projects and programs it intends to pursue. For example, façade design guidelines, acquisition of blighted property, streetscape improvements, business retention and recruitment and waterfront park development.

Lastly, we are recommending that the establishment of a Downtown Development Authority be used as means to formally constitute a formal business organization which would promote the respective business districts, the M-22 corridor, and local festivals. Once the Board has had an opportunity to prepare a development plan as required by State statute, we would then recommend the use of tax increment financing to assist with the implementation of programs and projects. Tax increment financing is a process where the annual taxable valuation growth in a district, over and above the base year (year the TIF is established), is captured by the DDA and used to finance projects and programs identified in the development plan. Because the DDA is considered a “municipal entity” it has the ability to seek and procure grants and donations for their projects and programs. This focus of revitalization based on an agreed upon vision is as important as the ability to collect tax increment revenues. All plans and budgets are subject to local review and approval by the Village and Township Boards.

Figure 6.3  
M-22 Trademark Search






Trademark Graphic	Work Mark	Serial Number	Filing Date	Goods & Services	Mark Description
	M 22	77585132	10/3/2008	Promotion of tourism expressly limited and separate from other tourism promotions of Applicant, in the way of fall color tours, specifically limited to Michigan highway M22 in the counties of Benzie, Manistee and Leelanau, Michigan, with such tours along said highway being on a route continually designated by signage as shown in the mark, and not generally for any other tourism promotion services.	The mark consists of A rectangular road sign replica with a black background with a white diamond centered thereon, with an uppercase letter "M" at the top of the diamond and the numbers "22" substantially centered below it. A combination of a gold maple leaf and red oak leaf overlies each of the lower right and upper right corners.
	M 22	77585142	10/3/2008	Promotion of tourism in the Michigan counties of Benzie, Manistee and Leelanau, along Michigan highway 22 from Manistee, Michigan to Traverse City, Michigan, in the way of fall and spring color tours	The mark consists of a rectangular road sign replica with a black background with a white diamond centered thereon, with an uppercase letter "M" at the top of the diamond and the numbers "22" substantially centered below it. A combination of a three part trillium flower with white pedals, a yellow stamen, and three green leaves, a pink cherry blossom with five pedals and a yellow stamen, and a red apple blossom with five pedals and a red stamen, overlay each of the lower right and upper left corner,
	M22 ONLINE. COM	78963038	8/29/2006	Apparel specifically hats, t-shirts, long sleeve shirts, sweat shirts, pants, shorts, underwear, tank tops	The mark consists of an unmounted square street sign with a centered diamond containing M 22 with M22online.com in the bottom border of the square.
	M22	77197208	6/4/2007	Wine	Not Available
	M-22	76699491	9/14/2009	General purpose antibacterial spray and lotion	Not Available

Figure 6.4  
Destination Marketing - Web Site "Best" Practices

Navigation	Content
Ease of finding attractions information	Text easy to read
Navigation bar was present in every page	Overall clearly written information
Overall use friendly	Overall satisfying content
Ease of finding event information	Thorough listing of destination products and services
Ease of finding accommodation information	Useful links
Good navigation layout of the home page	Very informative content of destination features
Well organized navigation bar	Up to date travel information
Ability to move through the web site	Content motivating to visit
Performance	Reoccurring Suggestions
Up to date information	More maps that reference intended destinations
Ease of finding information	More and quality pictures
Clear descriptions of attractions	Detailed accommodation and pricing information
Useful info in planning a trip	Full contact information; easy to find
Easy navigation	Captions for photos
Availability of contact information	Avoid strong colors and too many photos
Detailed destination information	Information: Up to date
Picture quality	Create exciting home pages
Source: Destination Marketing Organization Websites (DMO's): Evaluation and Design: Christine Vogt, Ph.D., MSU 9/2004	

## 2. Joint Downtown Development Authority

Eventually, it is recommended that Arcadia Township establish a Downtown Development Authority to include the unincorporated Village of Arcadia business district. Once this authority is established it is recommended that the same Board of Directors manage both the Onekama DDA and Arcadia DDA. This would be accomplished through a joint operating agreement between the Village of Onekama, Arcadia Township, and Onekama Township.

## 3. Preparation of an M-22 (South) Web Site.

The preparation of a web site, which celebrates the scenic, natural, and entrepreneurial assets of the M-22 region, would be extremely beneficial economically to Onekama and Arcadia and is a critical economic development initiative of this study. The return on investment for businesses within the study area would be measurable. This effort is where the practice of collaboration outweighs a "go it alone" strategy. Initially, the web site links the region and businesses together digitally. Overtime, the digital network is supplemented by a personal network of B2B contacts and consumer patronage and referral. The digital experience is replacement by the physical experience; and the physical experience leverages economic development.

A review of chamber of commerce web sites [Figure 6.1] for communities along the full length of M-22 reveals only one; Benzie County Visitors Bureau that mentions anything about M-22. It is recommended that a new M-22 web site leverage the "Pure Michigan" campaign financed and promoted by the State of Michigan [Figure 6.2].

Preparation of the web site needs to be prepared by an experienced designer who is familiar with Destination Marketing Organization (DMO's) web site best practices. Figure 6.4 highlights the best practices from a study conducted by Michigan State University of DMO web sites. The inventory of assets detailed in Chapter 2 should be used to as the database for the web site and supplemented with quality photography. A video; similar to the Pure Michigan videos should be incorporated in the web site and used on the Casino's internal promo channel.

Some concern was expressed about trademark infringement when using the M-22 highway logo. A search of M-22 trademarks is catalogued in Figure 6.3. Several M-22 trademarks are listed for Benzie County Visitors Bureau, which heavily promotes M-22 scenic color tours (Spring and Fall). Another is registered for M-22 Online.com the apparel company which retails a line of outdoor apparel with the M-22 highway decal.



Figure 6.5  
Wayfinding System Network Map

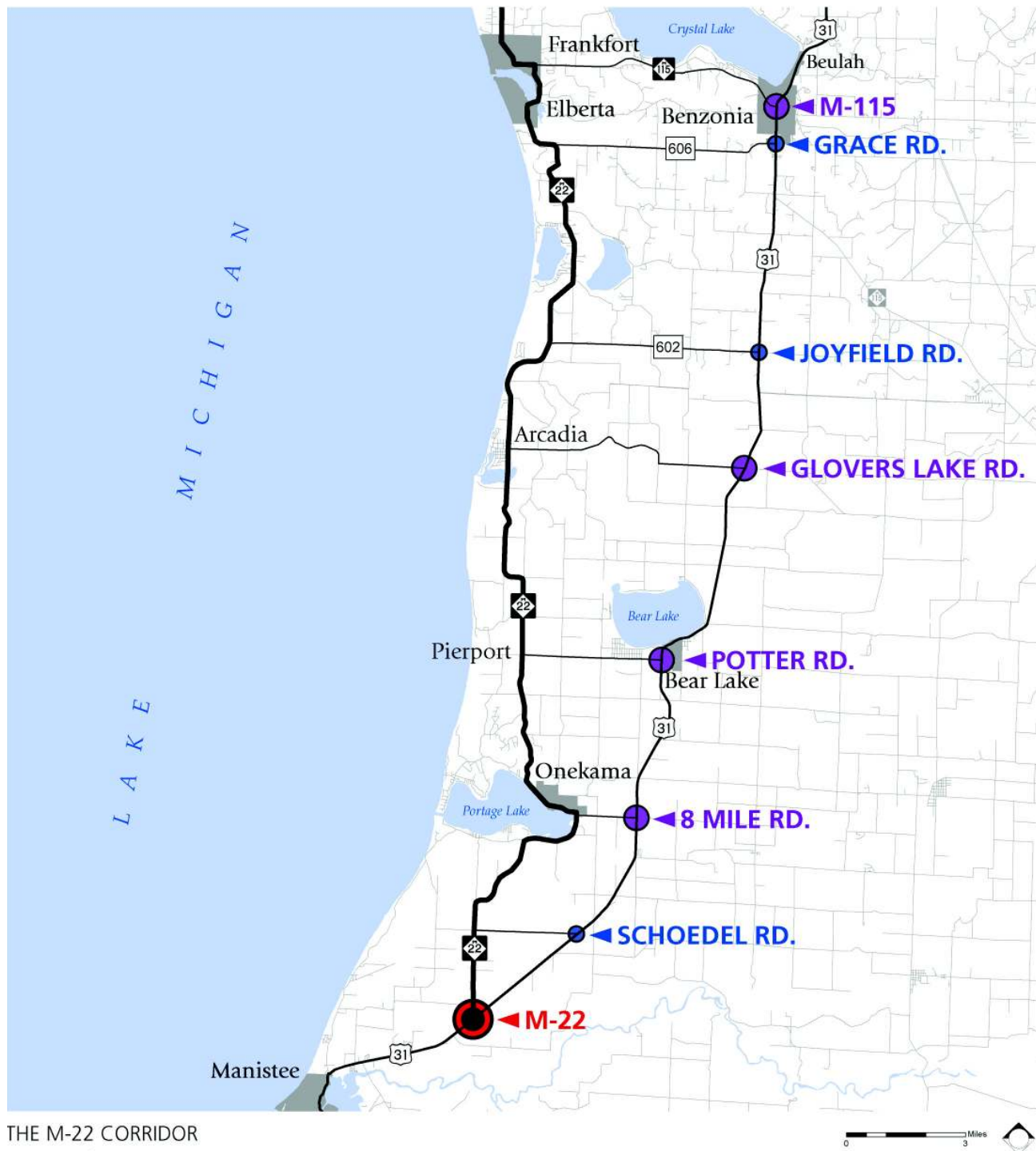


Figure 6.6  
Wayfinding System - Example  
Portage, Indiana  
Designer: Via Wayfinding



Directional Signage



Directional and Trailblazers



Color Scheme Options

There is also a trademark registered for the M-22 wine label. Our research suggests that a M-22 brand image for the south portion of the corridor could be considered for registration. This branded M-22 image would become the logo for the web site.

Once the M-22 web site is operational and fine-tuned it should then be introduced to other chamber of commerce and other organizations along the corridor. It is envisioned that over several years a regional collaboration promoting the assets of the region would begin to link the various sites together. Eventually, the assets along M-22 would be coupled with the orchards and vineyards and a new name for the coastal communities stretching from Manistee to Suttons Bay would be coined and used in other tourism venues.

#### 4. M-22 Wayfinding System

Although some residents in study area don't want to be discovered; the area economy depends on seasonal traffic to support area wide businesses (gift shops, restaurants, bakeries, charter fishing, motels and resorts, etc.). According to average daily traffic counts the M-22 corridor experiences one-half the traffic of US-31. Many trips on US-31 are destination oriented so they would not take M-22, however, for the tourist / visitor the option to use M-22 is discretionary. Therefore, these motorists need access to eye-catching and simple signs along US-31 directing them to M-22 and points of interest within the corridor. This is solved through a wayfinding system.

Figure 6.7  
Manistee County Branding Image



Figure 6.8  
Streetscape Design Ideas



Advanced by Kevin Lynch (1960) in his book “Image of the City” he contended that wayfinding is a “language of space” which is described in terms of landmarks, districts, and places.

Several individual businesses located along M-22 are already using signs on US-31 to direct traffic into the corridor. According to one business owner it is money well spent. Wayfinding is a system, which creates a hierarchy of signage. First, the motorist is introduced to the corridor and major points of interest such as, community names, Lake Michigan, Lakeshore National Park, etc. Once into the corridor, points of interest, such as local parks, hospitals, farmers markets, schools, specific businesses are introduced. All signs are uniform in terms of construction materials, colors, fonts, and logos. The signs begin to identify and unify a place. So, regardless of where a visitor is at in the corridor they know they are in the same place. Figure 6.5 illustrates the framework for a wayfinding system where the signs along US-31 are used to direct motorists into the M-22 corridor by highlighting communities and points of interest. In addition, this would be an opportunity to tie in Manistee County's new branding image as part of the wayfinding system.

### 5. Streetscape and Physical Design Plan

The local desire for an enhanced M-22 (Main Street) corridor through the Onekama Community was expressed in the community master plan vision sessions held in May and July of 2008. During the preparation of this study M-22 Study Committee members from the Onekama and Arcadia communities expressed a similar interest to improve the appearance and functionality of M-22. Onekama and Arcadia, like many Michigan communities along a state trunkline, have seen the gradual removal of trees within the public right-of-way. As a result, both business districts are void of trees. Compounding this appearance issue areas of the business districts lack sidewalks or have sidewalks in the state of disrepair. This inhibits access to retail and service businesses.

The construction of a streetscape involves more than new sidewalks, trees, and lighting. A well-planned and designed streetscape will include areas for pedestrian crossings, access to adjacent parking lots and public facilities, larger sidewalks to accommodate outdoor dining, display of merchandise, and ability to have seasonal festivals. The streetscape should provide a uniform appearance to the street and visually connect the adjacent properties fronting on the street. The street and adjacent buildings form what is known as the public realm and these two components

need to compliment each other in appearance and design. Often a streetscape program is done in conjunction with a building façade improvement program, or a broader physical design plan. During a site evaluation of the Onekama and Arcadia business districts, it was noted that neither community effectively celebrates their connection and access to water. Often local residents are so use to seeing this resource that its value as a tourism resource is often overlooked. For example, in Onekama Village Park, there is a large restroom building which blocks the view of Portage Lake from M-22 and creates a visual and access barrier to the lake.

The first step in developing a streetscape is to prepare a physical design plan for the public right-of-way, as well as, adjacent properties. This results in comprehensive overview of both public and private projects and how they will eventually interface with each other. When completed in this manner the physical design plan will contain recommendations for connections to other public and private facilities, site lighting, landscaping requirements, street furniture, and signage. Once developed, this “family” of site furnishing can be integrated into the local zoning ordinance for incorporation into private developments and improvements. This ensures that the business district looks uniform and the legal boundaries between public and private properties are blended together by these site amenities.

An example of how this long-term strategy works is evident in the Village of Dexter, a small rural community in Washtenaw County. In 1992-1993 the Village formulated and adopted a development plan and associated tax increment financing plan for its small downtown. During that time, the Village incorporated into its zoning and planning ordinances provisions which advanced the recommendations of the development plan, such as, projecting signage, night-sky lighting, landscaping, and adherence to design guidelines established by the National Trust for Historic Preservation for traditional commercial buildings. The results have been impressive. The taxable valuation of the downtown has grown from \$7.8 million to \$30 million, downtown streets have been reconstructed with streetscape fixtures (light, trees, benches, etc.), blighted buildings have been acquired and removed for new development, and antiquated underground utilities have been replaced. A similar long-term strategy is recommended for Onekama and Arcadia.

### 6. Festivals

Well-organized festivals, which celebrate the assets of a local region, can begin to build awareness for the area and bring with it a local infusion of visitors and spending. The M-22 corridor has incredible topography, elevation and vistas of Lake Michigan, woodlands, orchards, and farmland. Recently, a collaboration of citizens and local artists have organized a arts event called "Snake the Lake" which highlights local art galleries and artist studios.

Interviews held with merchants during the retail market assessment indicate that business tapers off quickly after the Labor Day weekend. Some retailers even suggested the seasonal retail market has reduced in duration from June 15 to July 30. Regardless of duration it is apparent that business is compressed within one quarter of the typical business cycle. From an economic development perspective this needs to be elongated.

We are recommending consideration of the following events and festivals:

- Continuation of "Snake the Lake;" and
- A new event that coincides with the apple harvest which includes an art fair and bicycle race along M-22 between Arcadia and Onekama and several of the interior county roads.

The Michigan Bicycle Racing Association sanctions these races and encourages the submission of new racecourses. A review of their upcoming events calendar does not include any races in the study area.

Currently, the Tri-County Bicycle Association (TCBA) out of Lansing, Michigan conducts a June tour of northwest Michigan from Empire, MI to Northport, MI. (the north leg of M-21). The League of Michigan Bicyclists has an extensive calendar of rides throughout the State of Michigan. In the Fall, their tours are occurring in several locations in the northern lower peninsula and in southwest Michigan. This would be an excellent organization to work with to coordinate a bicycle tour along M-22 during the fall harvest. These tours can bring upwards of 500 riders who depend on local businesses for lodging, catering, dining, and personal and bike-related services.

The economic impact of festivals is often estimated through a methodology which equals the number of visits or visitors multiplied by the average spending per visit again multiplied by the multiplier coefficient. Based on the Michigan Tourism Economic Impact Estimator a 2-visitor nights event with lodging split 40% motel/hotel, 40% camper, and 20% day visit would render an approximate multiplier of 1.26. Assuming there are 400 outside participants in the event the results render approximately \$78,100 in sales, \$29,100 in income, and 2 added jobs. Total visitor spending is estimated at \$61,595 with a local capture rate of 77%.





## 7. Onekama Community Water Access Project

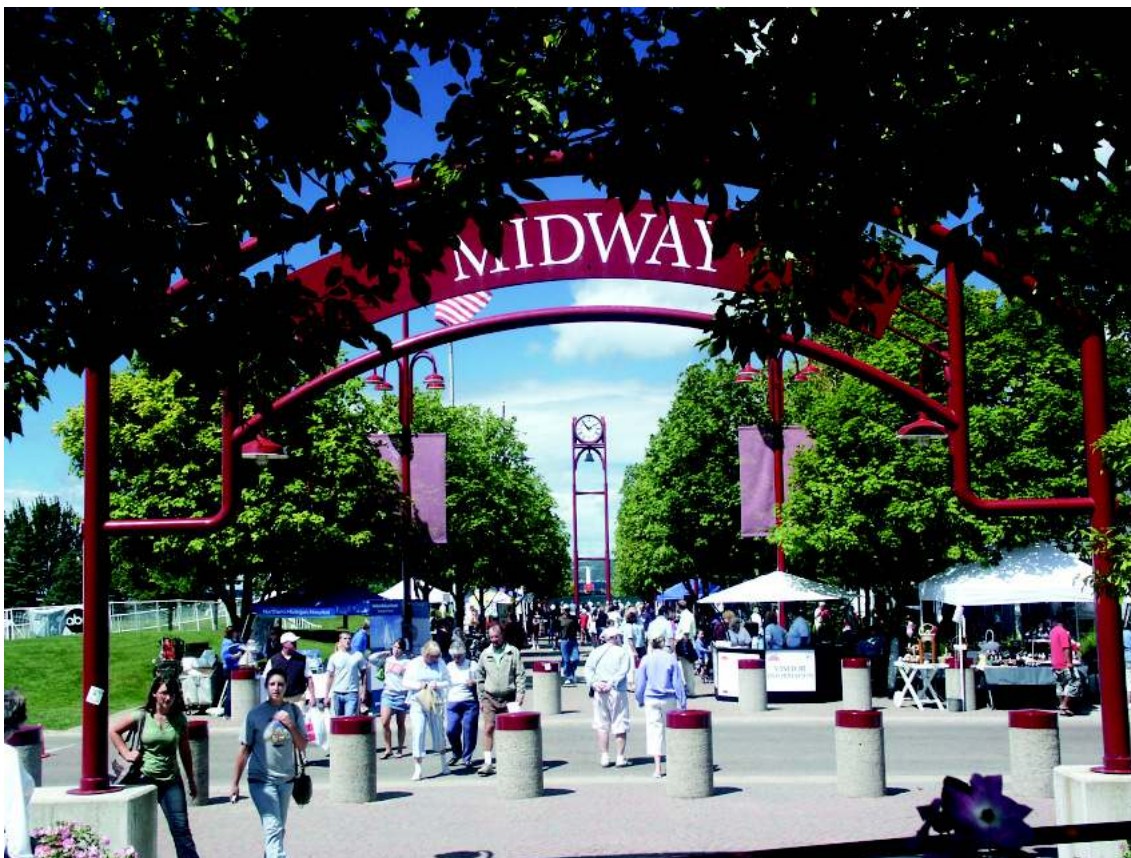
The Onekama Community Water Access Development Project (OCCAD) will enable the Onekama community (including the shores of Portage Lake and Lake Michigan) to become a central component of *Explore the Shores*—the county-wide, multi-jurisdictional initiative in Manistee County that is making this region a “Premier Destination for Universal Access to Water by people of all needs and abilities.” It will link the eleven parks in the Onekama community in a systematic way, creating water access opportunities for a diverse population from young to old as well as for multiple uses from fishing, to boating, to shoreline recreation, to ecosystem education. Universal access will be the common link between the eleven parks on the shoreline of Portage Lake. The project will also serve to implement priorities of the new Onekama Community Master Plan as well as the Portage Lake Watershed Forever Plan.

For the purposes of this project, universal access is about the ability of all people to reach, enjoy, use and learn from the County’s water resources. This includes people of all ages, gender and ethnic heritage and people that may have special needs encompassing their sensory, physical

or cognitive capacities. Universal access is as much about children as it is about people with mobility issues or those in need of assistance to meet their daily living needs.

Improving access to Portage Lake and Onekama Community parks needs to be balanced with well-designed and quality recreation facilities. This will benefit permanent and seasonal residents and the tourism business. Quality recreation facilities are not out of the reach of the Onekama Community. All too often the notion of community income is used to dampen the expectations when recreation facilities in other communities are used to benchmark the type and quality of facility needed. However, the 2010 median household income of the Onekama Community (\$46,463) is actually higher than the communities of Boyne City (\$44,836), Petoskey (\$42,256), and Charlevoix (\$42,450) which have notable and desirable waterfront recreational facilities.

Future park and recreation improvements should focus on creating a unique and consistent identity to the Onekama and Arcadia communities with eye toward providing facilities to increase year-round tourism.



### MILESTONES and METRICS

The conclusions in the retail market assessment noted that potential business growth for the Onekama and Arcadia communities is dependent on an increase in tourism along the M-22 corridor. Internal growth resulting from in-migration and new housing starts will add to market opportunities but the rate of growth is not sufficient to sustain an increase in retail business.

An increase in tourism will be dependent on awareness and education. The first step in building awareness is for local business owners and service providers to understand who is operating within the Onekama-Arcadia market; what products and services they offer; and the ability for referrals and business-to-business (B2B) opportunities. The second step is to make the pool of potential tourists aware of the Onekama-Arcadia (M-22) market. This will be achieved through a coordinated public relations program in conjunction with regional chambers, local visitor web site, and linkage with the "Pure Michigan" campaign.

To achieve these two steps will take a sustained and coordinate effort and this is the principal reason why establishing a multi-jurisdictional downtown development authority is important. It will be the DDA that pushes and advances the M-22 economic development agenda.

We envision the DDA to coordinate the following:

- Preparation of an M-22 web site, which utilizes the asset inventory information, to integrate and promote area businesses (retail, lodging, dining, and agricultural).
- Preparation of a physical design plan for the business portion of M-22. This will set the stage for the identification of projects, such as a community farmers market, arts, and parks building at Village Park, and recommendations and budget for improvements along M-22 within the business district.
- Preparation of a development plan outlining other programs and projects relating specifically to DDA responsibilities such as property maintenance, façade improvement programs, and business retention.
- Solicitation of grants, in conjunction with AES, to assist with the financing of capital projects and programs.

Concurrent with the establishment of the DDA, we recommend that the Onekama Community Development Committee with members from the Arcadia community (OCDC/A) serve as the festival committee for a Fall 2011 Art, Apples, and Aches (assuming bicycling is involved) festival. This will give advanced lead time to schedule the event, get it sanctioned by several biking organizations, and find appropriate funding sponsors for the events.

In addition to the festival, we recommend that the OCDC/A coordinate efforts through the Alliance for Economic Success to develop and install an M-22 wayfinding system. We believe that this wayfinding system developed in conjunction with the M-22 (South) web site will increase visitor and tourism awareness to the area. The key element is to ensure that the graphics used for the wayfinding system and web site are consistent in design and quality.

Figure 6.9  
Milestones and Metrics

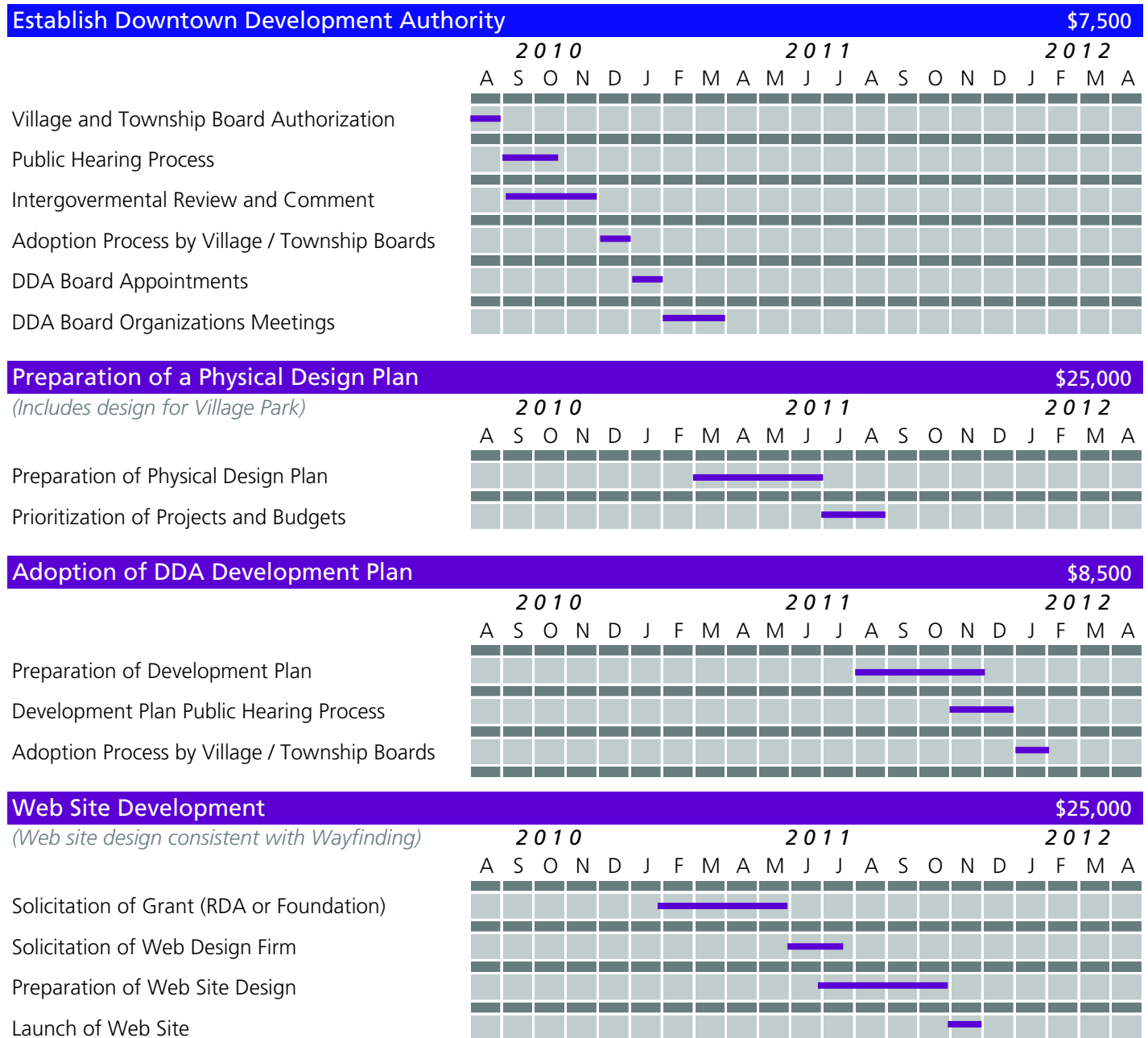
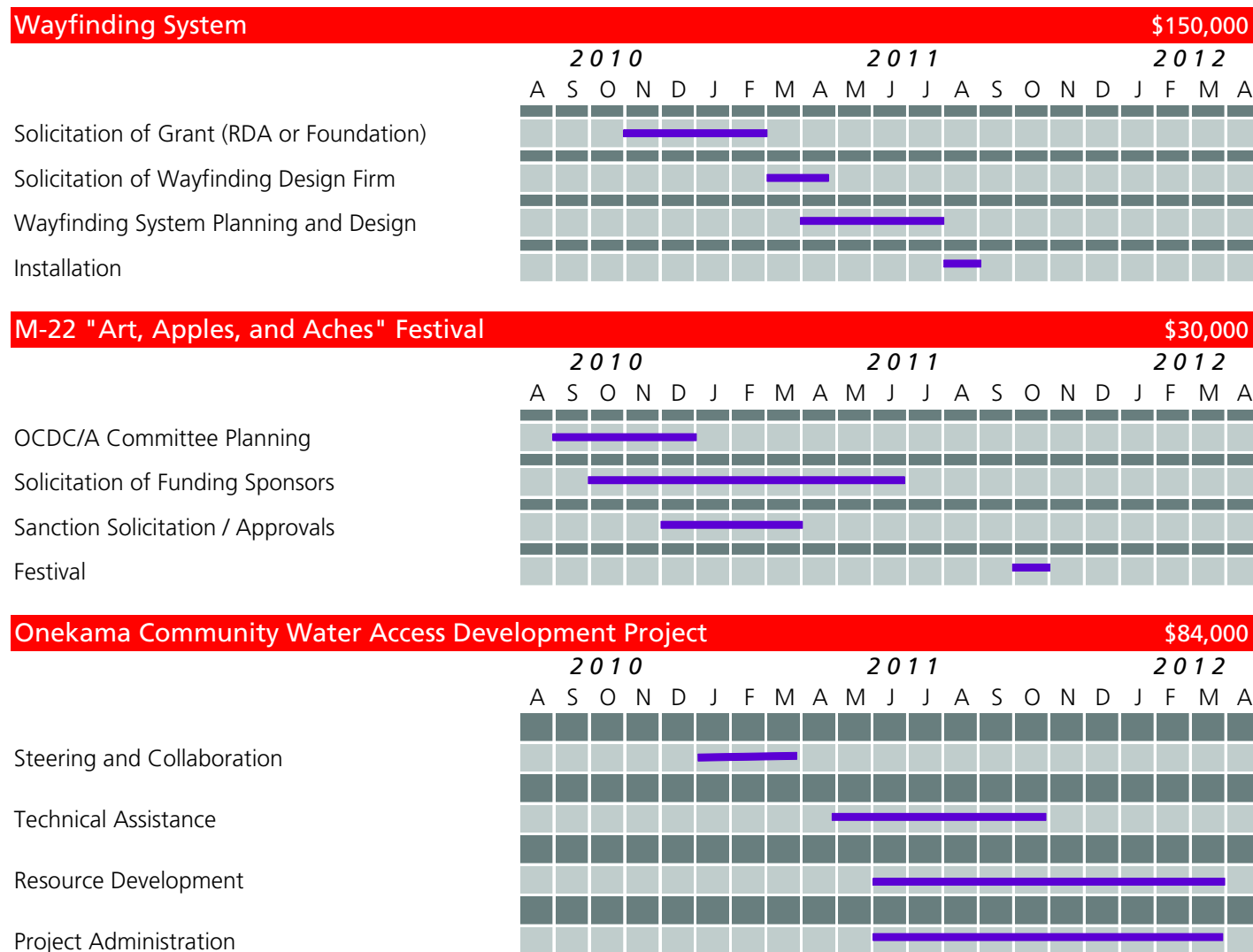


Figure 6.8  
Milestones and Metrics



## RESPONSIBLE PARTIES

- Arcadia Township, Village of Onekama, and Onekama Township
- Joint Downtown Development Authority
- OCDC/A Committee



## Community Supported Agriculture - Manistee and Benzie Counties

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### Kid Ranch

Pete Wilson  
2146 E. Beyer Rd.  
Freesoil, MI 49411  
231 464-5415

### May Farm

Paul, Sharron & Avery May  
904 Adams Road  
Frankfort, MI 49635  
231-352-5210

### Ware Farm

Sandee &  
Bernie Ware  
9094 Alkire Rd  
Bear Lake, MI 49614  
231-864-3242

### Five Springs

Jim Sluyter  
Jo Meller  
3480 Potter Rd  
Bear Lake, MI 49614  
231-889-3216

### Land of Goshen

Chris & Pennie Helpin  
11626 Tannerville Rd  
Kaleva, MI 49645  
231-362-2450





# Downtown Development Authorities (DDA)

## Downtown District

The Downtown District is that part of an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to the Act.

A downtown district may include one or more separate and distinct geographic areas in a business district as determined by the municipality if the municipality enters into an agreement with a qualified township under section 3(7), or if the municipality is a city that surrounds another city and that other city lies between the two separate and distinct geographic areas. If the downtown district contains more than one separate and distinct geographic area in the downtown district, the separate and distinct geographic areas shall be considered one downtown district.

## Eligibility & Benefits

Any city, village, or township may establish an area within a downtown business district as a Downtown Development Authority (DDA). Under special conditions, a DDA boundary may contain one or more separate and distinct geographic areas within a business district.

A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities by means of an interlocal agreement pursuant to the Urban Cooperation Act of 1967.

A municipality that has created an authority may also operate its authority in an adjoining "qualified township," also pursuant to the Urban Cooperation Act. For business districts that are part of an annexation or consolidation with another municipality, the districts' authorities shall act as the authority of the annexed or consolidated municipality.

## Introduction

1975 PA 197; 2004 PA 158, 2004 PA 521, 2005 PA 115, 2006 PA 279, M.C.L. 125.1651 et seq.

Downtown Development Authority (DDA) legislation allows local units of government to establish (by ordinance) an authority in designated "downtown" districts. The primary reasons for establishing an authority are to:

- Halt property value deterioration and to eliminate the causes of the deterioration.
- Increase property tax valuation.
- Promote economic growth.
- Encourage historic preservation.
- Authorize the acquisition and disposal of interests in real and personal property.
- Authorize the creation and implementation of development plans in the districts.
- Create a board and to prescribe its powers and duties.
- Authorize the levy and collection of taxes.
- Authorize the issuance of bonds and other evidences of indebtedness.
- Authorize the use of tax increment financing.
- Reimburse DDAs for certain losses of tax increment revenues.

The authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality and not less than 8, or more than 12, members as determined by the governing body of the municipality. Established DDAs can raise revenue for physical improvements, property acquisition, marketing, and operations.

## Sources of Funding

- **Tax Increment Financing**  
Allows local units of government to capture (from other taxing governmental units) the increase in property tax levies above and beyond the year in which the authority was established.
- **Revenue Bonds**
- **Tax Levy**  
DDAs in municipalities with one million or more in population are authorized to levy a tax of up to 1 mill on DDA businesses and DDAs in municipalities with populations under one million may levy a tax of up to 2 mills.
- **Fee Collection**
- **Grants**

All DDA expenditures must be used for the DDA only.



## Principal Shopping Districts

### Purpose

Business Improvement Districts (BIDs) and Business Improvement Zones (BIZs) are expansions of the Principal Shopping Districts Act of 1961. BIDs and Principal Shopping Districts (PSDs) allow downtown and commercial areas of cities, villages, urban townships, or multiple units of these governments in the case of BIDs, to levy special assessments in addition to ad valorem property taxes for district improvement. Tax revenues may also be bonded against to finance district improvements. BIZs are effectively short-term BIDs, which are petitioned for and adopted by property owners in cities and villages only.

### Eligibility and Benefits

Cities, villages, and urban townships may create a PSD if the municipality has a commercial area containing a minimum of 10 retail businesses and a master plan that includes an urban design plan that designates a PSD or the development of a PSD. Multi-jurisdictional PSDs are not authorized.

### Primary Focus

PSDs are initiated through a municipality's master planning process. A municipality with a master plan that includes an urban design plan designating a PSD is sufficient. For PSDs created after July 14, 1992, special assessments may not exceed \$10,000 per eligible property. The \$10,000 maximum is adjusted each year pursuant to the Detroit Consumer Price Index.

### Process to Establish or Secure Funding

#### Role of the municipality (city, village or township)

PSD boards are appointed by the chief executive officer of the municipality with concurrence by the municipality's governing body and must include:

- 1 representative from an adjacent residential neighborhood
- 1 representative from the municipality
- A majority of board members must be nominees of individual businesses located in the PSD

PSDs may do all of the following (see statute for a complete listing):

1. Open, widen, extend or realign highways and construct, maintain, or relocate pedestrian walkways.  
Also, BIDs may prohibit vehicular traffic where necessary and prohibit parking on highways.
2. Acquire, own, improve or demolish properties, off-street parking lots, and parking structures.
3. Construct and maintain malls with bus stops and information centers that serve the public interest.
4. Promote economic activity in the district, specifically by initiating market research, public relations campaigns, institutional promotions and sponsorship of special events and related activities.
5. Provide or contract with public or private entities for the administration, maintenance, operation, security or provision of services to benefit the district.
6. Acquire, maintain and operate real or personal property.

PSD and BID boards may avail themselves of a host of financing methods for district improvement. Financing methods include, but are not limited to:

- city, village or urban township funds,
- revenue bonds (cannot be used to pay for operational expenses),
- general obligation bonds (cannot be used to pay for operational expenses),
- special assessments, and
- grants or gifts.

Assessable property within a PSD/BID means real property that is not classified as residential and is not tax-exempt government-owned property. In addition, PSD/BID-assessable property does not include one or more classes of property owners whose property either is exempt from property taxes or has been determined not to benefit from a project for which special assessments were to be levied.



# Corridor Improvement Authorities (CIA)

## Purpose

Municipalities may establish one or more Corridor Improvement Authorities that use tax increment financing (TIF) to make capital improvements within an established commercial district. The Corridor Improvement Authorities Act allows communities that already have Downtown Development Authorities (DDA) to extend similar benefits to aging commercial corridors that may be outside of the DDA district or that extend through more than one municipality.

## Eligibility and Benefits

Cities, villages and townships may use tax increment financing (TIF), bonds, special assessments and fees to improve land and construct, rehabilitate, preserve, equip, or maintain buildings within a "development area" for public or private use.

## Primary Focus

The Corridor Improvement Authority addresses the correction and prevention of deterioration in business districts, the promotion of economic growth in the districts established under the act, and the encouragement of historic preservation. It also authorizes the creation and implementation of development areas and development plans, and acts to improve areas that serve as outlying "gateways" to communities.

Because of the complexity of this act, the act itself should be consulted for specific details concerning each step.

## Process to Establish or Secure Funding

### Role of the municipality (city, village or township)

- Adopt a Resolution Declaring Intent. The municipality's legislative body must adopt a resolution declaring its intent to establish the CIA, describing the proposed CIA development designation, and making statutory findings regarding the eligibility of the proposed area for designation as a CIA development area.
- Set a public hearing as well as publish, post and mail notices of the public hearing.
- Adopt Ordinance.
- File and Publish Ordinance.
- Appoint Members to the Authority Board.
- The governing body of the municipality may alter or amend the boundaries of the development area. The development area must comply with all of the following:
  1. The area must be adjacent to, or within 500 feet of, a road classified as an arterial or collector according to the Federal Highway Administration manual, "Highway Functional Classification - Concepts, Criteria and Procedures."
  2. The area must contain at least 10 contiguous parcels or at least 5 contiguous acres.
  3. More than half of the existing ground floor square footage in the development area is classified as commercial real property under section 34c of the General Property Tax Act (M.C.L. 211.34c).
  4. Residential use, commercial use or industrial use has been allowed and conducted under the zoning ordinance or conducted in the entire development area for the preceding 30 years.
  5. The area is presently served by municipal water and sewer.
  6. The area is zoned to allow for mixed use that includes high-density residential use.
  7. The municipality agrees to a.) expedite the local permitting and inspection process in the development area, and b.) modify its master plan to provide for walkable nonmotorized interconnections, including sidewalks and streetscapes throughout the development area.
- Make Determination of Necessity and Prepare TIF Plan.
- Prepare a Development Plan.
- Publish, Post and Mail Notices of Public Hearing.
- Meet With Taxing Jurisdictions.
- Hold Public Hearing.
- Opt-Out Period.
- Adopt Ordinance.

Two adjoining municipalities with authorities may enter into an interlocal agreement pursuant to the Urban Cooperation Act of 1967 to jointly operate and administer these authorities.