



M A N I S T E E



Downtown Strategic Plan



February 2008

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DDA Board Members

Cyndy Fuller.....Chairperson
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Kyle Mosher.....Secretary
Dennis terHorst
Lee Trucks
Ron Steinberg
Elbert Purdom
Ed Kriskywicz

Vanessa Buhs.....DDA Consultant

City of Manistee

Mitch Deisch.....City Manager
Jon RoseCommunity Development Director



Gary Sands, Ph.D.

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Rowboat on the Manistee River. Part of the local charm.

Introduction

Situated on Lake Michigan, the City of Manistee is a historic coastal community 80 miles north of Muskegon, 60 miles south of Traverse City, and 50 miles west of Cadillac. Downtown Manistee is located on the Manistee River, which is an active shipping and recreational waterway connecting Lake Michigan with Lake Manistee.

The City of Manistee Downtown Development Authority (DDA) commissioned Beckett & Raeder, Inc. and its sub-consultants, MapInfo and Gary Sands, Ph.D. to develop an effective market analysis and strategic program for the Downtown District. The primary focus of this analysis was the specific downtown district served by the DDA. The stated goal was to develop strategies that will serve as a basis for enhancement of the existing retail, service and other businesses and provide guidance and direction to exercise new opportunities.

This strategic plan builds upon previous strategic plans commissioned and successfully implemented by the Manistee Downtown Development Authority. The process used to complete this strategic plan involved the input of business owners and the community on issues and opportunities important to them, along with field documentation and market research. After the field documentation and draft market assessment were completed a DDA Board Planning Session was held to review the information and determine short-term priorities.

The Strategic Plan Process included:

- Review of Existing Plans
- Informational Meeting with Downtown Businesses
- Stakeholder Interviews
- Building & Site Assessment
- Market Assessment performed by MapInfo
- Housing Assessment performed by Gary Sands, Ph.D.
- Board Planning Session
- Framework Plan for the Downtown
- Strategic Program

The Plan includes recommendations for short-term and long-term actions, steps for implementation detailing potential costs, financing/ revenue sources, identifying and prioritizing primary tasks and/or projects to accomplish, and a time-line for these recommendations. These recommendations will also be used to update the DDA Development and TIF Plans, and to update other municipal plans and programs as well.



Historic architecture to restore, maintain and have pride in.

Review of Existing Plans

HyettPalma Economic Enhancement Strategy

The Downtown Manistee Economic Enhancement Strategy 2002 represented the findings of a comprehensive analysis of Downtown Manistee's markets. The findings were used to update the economic enhancement strategy completed for Downtown in 1993. The recommended strategy was tailored to enable Manistee's Downtown to attain the community's defined vision as well as the identified market opportunities.

The result, as stated in the Recommended Strategies section of the 2002 plan, was to focus on three areas: maintenance, to further improve Downtown's curb appeal; economic development, to improve Downtown's business mix via business retention and recruitment; and marketing, to attract larger numbers of both local residents and area visitors. In 2002, the plan stated that "Downtown Manistee has developed into a great 'product' and the time is at hand to strengthen and market that product so that it becomes irresistible to the buying public."

The Recommended Strategies also included a **Development Framework** and a **Course of Action** that encompassed concerns such as maintenance, public improvements, business recruitment and retention, real estate development, building rehab, parking, marketing, and management strategies. The report concluded with the Appendix, which contained **The 2001 Retail Report**. This presented information about the characteristics of the Downtown Manistee primary retail area.

Envision Manistee

The Envision Manistee project was completed in 2006 and within the report Economic Development Assets were identified, visions were stated and a plan of action was developed. Assets that were identified included outdoor recreation opportunities, economic vitality of Downtown Manistee, the Manistee manufacturing base, and the road system. Those who participated in the vision for Economic Development in Manistee would like to see an increase in industrial park development, greater use of Renaissance Zones, additional recreational opportunities, improved multi-modal transportation systems, an increase in workforce development, and an increase in technical jobs and infrastructure.

As a result of this process, the action plan for economic development in Manistee is directed to:

- Create a county ED policies and programs resource guide
- Enhance career skills and basic education training
- Create an economic best practices committee
- Continuously update, review, and analyze pertinent Manistee County economic data
- Survey employer needs
- Survey employment skill base
- Create a small business 'Red-tape Cutter' program
- Create value-added agriculture programs, and
- Create a county-wide economic development marketing plan



The Ramsdell Theater. One of the major cultural amenities in Manistee.

The Manistee City Council Strategy

The Manistee City Council completed a Strategy for the City of Manistee in March 2007. Within the Strategy, the City Council identified a Three-Year Goal for economic development in Downtown Manistee. The goal is to develop a closer working relationship with the Manistee Downtown Development Authority and the Manistee Economic Development Office to achieve an energized, thriving downtown by providing complete small business support services, developing innovative ideas to bring people to Manistee's downtown, and addressing problems and needs such as parking to achieve this goal.

The Action Steps necessary to complete this goal involve working with EDO and DDA to address points such as parking needs and issues, and encouraging cooperation among merchants, residents, DDA, EDO, the Manistee County Chamber of Commerce, and the City of Manistee.

Section Two



Along the Manistee River adjacent to Downtown



Kick off Meeting

Beckett & Raeder, Inc. facilitated a kick-off meeting with the Manistee Downtown Development Authority Board on August 14, 2007 to discuss the final work plan and any special considerations in the planning process. Vanessa Buhl was identified as the client representative. The meeting also served to establish basic attitudes and priorities relative to the project and to identify the data required to conduct the study.

During this kick-off session, the facilitators asked the DDA Board what their most pressing issues and concerns were at this time. Following is a list of these concerns.

Negative Attitudes

It was suggested that some business owners had negative attitudes about doing business in Downtown Manistee. Some felt there was a certain 'apathy' in the downtown among some of the business owners. Others felt that some business owners feared change.

What is the long-term viability of downtowns in the face of the changing ways to shop, especially in the seasonal marketplace?

Unlike other small seasonal nearby towns in which the businesses close when the major tourist season ends, Manistee has a large number of businesses that stay open year-round. The seasonably active months have to sustain the quiet months.

What additional things can the city do to make sure the downtown is economically viable?

Recognizing its role in Downtown Manistee's viability, the City is interested in finding additional and appropriate ways it can assist the Downtown.

How do you assess what businesses are doing negatively that affect other businesses?

It was stated that there are some businesses that do things that can negatively affect other businesses around them. For example, some buildings are not maintained, and store hours vary widely. How do you assess this situation and what can be done about it?

There are three annual events. How important are several events year round?

Is it important to hold events on a continual basis or does that dilute the three main events held throughout the year?



Wayfinding signage interspersed throughout the downtown area.

Wayfinding / Signage

Although there is a sign system in place, it was felt that entrance signs on US-31 and the continuation and further development of the existing sign system was important for visitors to be able to find downtown businesses.

Downtown employment: what are the numbers and can it affect recruitment?

Is keeping track of downtown employees important to the recruitment efforts of a community?

Single business: what can we support?

How much more and what types of single businesses can Downtown Manistee support?

What other organizations can assist downtown?

Are there other organizations we should be partnering with to assist our downtown businesses?

Downtown dollars or other discount promotions?

How valuable or detrimental are these types of promotions?

What are the next steps? Should we hire a DDA Director? What would the job description entail?

Community Information Meeting

A Community Information Meeting was held on August 15, 2007 at 8:00 AM in lieu of community visioning sessions since the community went through extensive visioning workshops with the 'Envision Manistee' process. The Downtown Development Authority was responsible for notifying the public, arranging the meeting place and inviting all participants to the information session.

This meeting was used to assess the local opinions about the existing and future state of the Downtown District, and to identify any problem areas regarding perceptions of the project area. The following list of issues and concerns was discussed at the meeting.

Economic base is more than downtown—please consider the entire area.

This concern was to make sure that the market analysis covered the entire trade area, not just downtown.



Restrooms downtown at a cut-through to parking behind the stores.

Hours of operation

Business hours vary from business to business and this is a concern because other competing areas are open when these businesses are not. Also, some of the businesses in Downtown Manistee close at peak tourist times (when boaters are just getting off the boats in the early evening).

Movie Theater / Year-round entertainment

It was suggested that Downtown Manistee needs more evening entertainment, which may help keep the businesses open longer. People need something more to do than eat at the available restaurants.

Business Retention Strategy

There currently isn't a business retention strategy. What is the best way to do this?

Will there be 'best practice' examples of business mix in the report?

What types of businesses will be the best for downtowns and for Manistee?

What about changing the way to get around River Street?

This was a suggestion to use other means of transportation for the downtown besides cars.

Can Wal-Mart be an asset?

Concerns about Wal-Mart were raised at this time because Wal-Mart was currently looking at a site near Manistee. How will it affect Downtown?

Tax Issue / Structure

Taxes are reportedly high in Manistee, but participants did say that the taxes reflected the better-than-average services provided to a comparable City.

Businesses are maintaining flowers and opening public restrooms.

Some business owners are too busy to do this.

This participant felt that these tasks should be handled by the City or someone else besides the business owners.

Stakeholders Comments

The Stakeholder interviews were held to query a cross-section of business owners, residents and political leaders in the area concerning the quality of life in Manistee and the vitality of the Downtown. Fourteen people were interviewed.



The Ramsdell Inn gives historic charm and character to the downtown.

1. The most distinct positive characteristics that the stakeholders mention about Manistee are the river, the historic architecture, and the riverwalk. Though there is the sense that the business district is growing, there's concern that it's not growing fast enough. On a scale of 1-10 it rates about a 6. A few shops have tapped into the needs of the community, but there are many more that are struggling. Part of this is due to the seasonal nature of Manistee. The summer months carry the rest of the year.
2. Inconsistent business hours were mentioned several times as one of the least positive aspects of Downtown. Unkempt buildings were also a negative, but there was a general sense that the buildings that are unkempt are in the minority. The tax structure, lack of collaboration in working toward goals, lack of more entertainment businesses, and the fact that there are some unfriendly merchants were also mentioned.
3. Actions that Downtown stakeholders would like to see include maintaining storefronts, improving business hours, addressing the entrance on US-31 from the north and south, addressing the garbage issue, providing more parking, and providing business owners with more education on overall business practices.
4. There is a general sense that the Downtown district is a good place to invest, though there are those who think caution is necessary. There is an overall sense of optimism. Many are waiting for an overall upswing in Michigan's economy before expanding.
5. Most business is conducted with local residents, though there are a number from small nearby towns, as well as towns such as Ludington, Muskegon, and Grand Rapids.
6. In terms of parking and traffic flow many commented on the need to slow traffic in the Downtown. There are few stop signs and a perception of too much speed by many motorists. Many felt that one-way streets are a detriment, but the lack of rear access to many businesses causes a conflict for deliveries if a two-way system were reinstated. Parking brought mixed responses. Some noted that there is inadequate parking, but more said that there is plenty of parking, but that it's not readily identifiable as public parking. Many of the lots and spaces are not in close proximity to River Street or they aren't perceived as connected.



The US-31 Corridor does little to invite those who pass through to stop and savor the area.

7. Perceived barriers to revitalization include high tax rates, the Historic District Commission, some apathetic business owners, and public funding for the Downtown area. In general, though, there is a sense that the city government is becoming more helpful to Downtown business owners.
8. Ways to improve perceptions and customer draw include a clear wayfinding system, improvements along US-31 with strong connections from that major trunk line into Downtown, good relations between the DDA and merchants, upkeep and overall appearance improvements, clarity of parking locations, and more uniform and consistent business hours among the various businesses.
9. Manistee prides itself in its friendliness, its still prominent historic character, and its outdoor recreation opportunities, particularly along the river and Lakes Michigan and Manistee. There's a sense that this image and identity has yet to be fully tapped.
10. There is concern that the US-31 corridor, often the first impression travelers get of Manistee, does little to support a positive community image due to its sprawl and random overall appearance. There's optimism about the north side neighborhoods, though there's some concern about the "mishmash" of development on the south side.
11. The top businesses that stakeholders would like to see Downtown include clothing for both men and women, a bakery/deli, a coffee shop, a book store, and a candy store such as Kilwins. It is nearly unanimous that there is an overabundance of office space Downtown. In its place interviewees like to see apartments. Where there is office, it should be on the upper floors, not the first floor. Retail would be preferred on the first floor. Nearly all stakeholders shop locally for a majority of their needs, though some go to Ludington for some things, particularly Meijers.
12. Most stakeholders do not see big box retail as a major threat. Many feel that the Downtown is unique and a big box will only threaten those who try to compete. Some say that big box retail will provide a draw to the area, though others wonder if those who shop big box are the type of shoppers who are drawn to Downtown. Others feel that big box is not a business sector that will improve the image of Manistee.



Main Street. Architecturally vibrant with a great bend in the street.



Physical Assessment

Existing Conditions

The main access into downtown is at the River Street / US-31 intersection. The actual entrance signage is about twenty feet or so off of US-31 on River Street. The only other signage is a small MDOT sign indicating the direction of downtown. There is a larger Victorian style sign a short way up the hill for those driving from south to north, but this is not a directional sign. Actual visual cues lead the eye in the opposite direction of the preferred site line toward downtown, since US-31 actually arcs outward at this intersection.

Turning from US-31 westward onto River Street there is a short transition zone, about a block, of commercial buildings that are not in the same character as the historic downtown. Division Street is where the historic character of the downtown begins and this could be considered a secondary gateway area. Between Division and Pine Streets along River Street is the spine of the historic downtown. Though there is a major crossroad at Maple Street, it is difficult to characterize one part of this spine as prominent. The entire spine, with its splendid, relatively unspoiled historic architecture presents a strong identity and character to the surroundings. This is due in part to the advantageous curve of the street, offering good views of the buildings themselves, and in part to the quality of the buildings themselves. Few major urban streets in Michigan offer this same opportune sight line that shows off the character of the town so well.

There is one other Gateway that is just north of the US-31 drawbridge where, driving southbound, the state highway veers on to Memorial Drive. There is a sweep to the right off the main road when driving from the north that is a smooth jumping off point for accessing Manistee.

There are numerous open spaces that comprise vacant lots and parking areas in and around the DDA area. Though often necessary as parking areas, the fewer large open spaces in a downtown that are not green in character and that are unkempt the better. Most of these areas are on the eastern end of the River Street environs on either side of US-31; along Water and Clay Streets; and north of the river along Memorial Drive and Washington Streets.

To the south of River Street along Division Street there is another short, relatively open and undefined transition zone of about half a block. At the top of the hill is a large well-restored historic building, The Briny. Further, south of Filer Street, is an active commercial area with stores that sell home-related items, hardware, and prescriptions, as well as hair salons and a bank. This area is a block off of US-31 to the east.

South of River Street along Maple Street is the civic core of Manistee. Along this are large-scale buildings that house the City Hall, the City Library, and the Ramsdell Theater.

Half a block north of River Street is the Manistee River running between Lake Michigan to the west and Manistee Lake to the east. It is an active shipping and recreational boating channel. Lined up nearly continuously along the south side of the river from one end to the other is a series of docks serving an active boating community.



Attention to detail and thoughtful design for users along the Riverwalk.

There is a continuous riverside walkway that runs from the US-31 drawbridge to Lake Michigan. The walkway ranges between 9 and 14 feet in width, generally. It is barrier-free and accessible from various points along the way. It has a strong positive orientation toward the docks and the river, but often feels like it is the back service side of the downtown shops. The whiteness of the rail calls more attention to itself than is necessary for its purpose. The views up and down the river have a pleasant nautical character and the bridges are interesting visual landmarks. The views across the river are mixed. There is a park, but it is in need of renovation. Above that, and still in view, are large open parking areas and a nondescript box store. West of the Maple Street bridge, building character on the north side of the river is aesthetically marginal and the unused open spaces are not maintained and scruffy.

There are a few access pathways to the Riverwalk from the downtown, as well as four motor vehicle service access drives off River Street. These are at Division, Poplar, and Oak Streets. There is minimal to no parking at the base of these access points.

The Riverwalk is urban in character from the US-31 bridge to a half a block west of Maple Street, where it becomes green and park-like all the way to Lake Michigan. There is another park across the river between Washington Street and US-31 along Memorial Drive. There is a walkway within, but it is in poor repair and unkempt. The exception is the band shell below the Family Dollar store, where events currently take place. East of the band shell the slope is quite steep.

The DDA area north of the river has large open areas that are not maintained, as well as large parking areas. Numerous stores and buildings along Washington Street look vacant. This currently is not a welcoming area primarily due to its unkempt appearance and lack of building / use density, particularly for an urban area. Oleson's Market is a prime destination point on the north side, but almost exclusively as a motor vehicle destination rather than a pedestrian one that would draw those who stroll from downtown or the riverwalk.

The area east of US-31, known as the peninsula, has a mix of building styles as well as widely divergent uses ranging from residential to service to light industrial to the large dramatic Iron Works building at Jones Street. There are also large vacant spaces in this area. Though it is separated from the downtown by US-31, it is only about a 10 minute walk from the Maple / River Street intersection.

Building Assessment

The Vogue Theater



The Vogue Theater - a potential anchor for the community.

The Vogue Theater on River Street in the heart of downtown Manistee is currently listed for sale at a list price of \$275,000. The theater, a two-story operable movie house, was built in 1938 and incorporates Art Deco embellishments. Downtown movie theaters have been on the decline since the advent of the multiplex cinema houses and national entertainment chains. Local and small regional owners are under greater pressure from distributors who find it easier to market first-run movies to operators with hundreds of theaters than to smaller independent operators. In some locales these buildings are acquired and used for multi-purpose community performing arts facilities, which balance discount movies with local and regional theatrical performances. In many instances, the buildings are converted from a for-profit to non-profit facility.

Downtown theaters can serve as an evening anchor of activity for the business community. Several organizations including the Americans for the Arts and the League of Historic American Theaters discuss the leverage and multiplier influences of this use on the downtown. Some of the most notable beneficiaries of the theater business are restaurants and bars. Unfortunately, without the benefit of a specific market assessment the impact of the Vogue Theater cannot be ascertained. The Regional Input-Output Modeling System (RIMS II), which can be used to define broad economic impacts, has minimal information and limitations on movie theater houses. This is needed to quantify a reasonable regional impact.

Although downtown movie theaters can be converted to other uses, the architecture of the building typically as a fully enclosed structure and the unique internal characteristics of the building can make the conversion financially challenging and sometimes not financially feasible.

Before the Manistee community loses an opportunity to retain a downtown theater, we recommend that the DDA collaborate with another entity on the procurement of the theater. A potential collaboration could involve the DDA, the Little River Band of Ottawa Indians, and/or a private investor(s). The first step may be in optioning the property or execution of a purchase agreement subject to an acceptable market and financial feasibility assessment using a referral firm from the League of Historic American Theaters. The loss of a downtown movie theater should be seriously evaluated by the DDA.



The Briny Building - finding strategies to keep a beautiful old building downtown.

The Briny Building (50 Filer Street)

The Briny Building located at 50 Filer Street is a appropriate example of a renovated and preserved historic building. Although the building has vacancies they are not due to the condition of the structure but reflect the low rental thresholds currently in the downtown professional office market and the migration of medical-related offices and medical practices in and around the West Shore Medical campus on East Parkdale Avenue (US-31), which is approximately 4 miles from downtown.

Renovated historic commercial buildings may have rental rates higher than the prevailing market due to construction costs and compliance to current building and fire codes. These are not expenses factored into rental rates of older buildings and thus are reflected in lower rents in these buildings. Currently, there is little financial assistance other than historic tax credits, which can be applied to these projects. However, proposed legislative changes to the Downtown Development Authority Act may provide tax abatements and financial assistance incentives for these types of projects. For example, the proposed legislation may provide DDAs with the ability to partially finance start-up businesses by providing incubator space or subsidizing the cost of the rental space. This may be an option of the Briny Building.

Another option may be conversion of all or a portion of the Briny Building from a rental building into a condominium building where businesses and retail uses actual acquire an owner-interest in their space. This strategy may reduce building expenses and lower rental rates for those remaining spaces.

Market Assessment

Manistee is referred to as “The Victorian Port City” because of its elegant downtown section of well-preserved, turn-of-the-century buildings. The city is nestled between Lake Michigan and Manistee Lake, along the western edge of Michigan. Located approximately 21 miles north of Ludington, primary access to Manistee is provided via U.S. Highway 31, which runs north/south and connects Manistee to Ludington and Traverse City.

The city of Manistee serves as the county seat for Manistee County, which includes the cities of Arcadia, Bear Lake, Brethren, Copemish, Dublin, Kaleva, Marilla, Onkama, and Wellston. These communities represent the primary area of influence for consumer expenditures in Manistee.



Inside Goody's. A welcoming environment downtown.

The primary purpose of this analysis is to determine the amount of retail space that Manistee could support both now and in 5 years. Most of the retail demand for the community will likely occur either within the city limits or just outside of them. Underscoring the retail potential for the area is the speculation that Wal-Mart is looking at Manistee as a possible future deployment location. If Wal-Mart chooses to deploy within Manistee, they will help to keep retail dollars in the city while strengthening the drawing power of the market in the surrounding communities; however, Wal-Mart would also absorb some of the Manistee market's retail spending potential, thereby altering the projected retail supportability for the Manistee region. Consequently, we have prepared scenarios both with and without a Manistee Wal-Mart.

Manistee has numerous advantages for retail development, including land availability, stable and growing employment, and tourist attractions. The main draw for many visitors to Manistee is the abundance of outdoor recreation-based attractions, including Orchard Beach State Park, Manistee National Forest, Manistee National Golf and Resort, and charter fishing and hunting opportunities. Other draws are the Little River Casino and Resort and several historical buildings and museums. In short, the area offers a wide variety of recreational opportunities – providing something for everyone. While several factors bolster Manistee's retail attractiveness, there are also challenges to retail development in the market. One of the most significant challenges facing the community is the fact that although the retail potential for Manistee is strong, a significant portion of the existing retail spending is going to Ludington. To a lesser, but not insubstantial, extent, retail spending on items like clothing and sporting goods is also going to Traverse City, where the Grand Traverse Mall, Grand Traverse Crossing, and the Cherryland Center offer a wide variety. Residents in the northwestern lower peninsula of Michigan are accustomed to driving to neighboring communities to find items not available closer to home.



The currently unused Iron Works building. This is a good candidate for reuse as a revitalization opportunity for the East Side.

During the course of fieldwork, Pitney Bowes MapInfo talked to local business owners, asking what, in their opinion, is needed in Manistee. These informal surveys indicated that the most sought-after retail categories are clothing (men's and women's), a specialty food store like a bakery or deli, and restaurants (specifically, more ethnic and varied options than are currently available). The leakage to surrounding communities – especially Ludington – is considerable; Manistee has the opportunity to re-capture more of the retail sales from its own residents.

The goals of this analysis are to evaluate the retail needs and preferences of area residents and to provide a quantitative analysis of actual retail supportability in Manistee that can be used to develop a strategy for retail recruitment and retention. It is important to note that there are frequently situations in which retail needs and retail recruitment and retention strategies are not compatible for a number of reasons.

Pitney Bowes MapInfo has prepared estimates on the amount of additional new retail square footage that Manistee can support. These estimates are broken down into three forecasts:

- 2007 Status Quo – An estimate based on the existing retail and economic conditions in 2007
- 2012 Conservative – A 2012 estimate assuming that the existing conditions trend out normally over the next 5 years
- 2012 Aggressive – An estimate assuming an improving retail climate from the addition of new retailers (thus creating retail synergy) and/or an improved retail environment based on new programs or initiatives implemented by the city/chamber.

As mentioned above, Map Info prepared supportability scenarios both with and without a large-format general merchandizing store located in Manistee; each of these scenarios includes the three previously listed forecasts. With the addition of a large-format general merchandizing store to the Manistee market, the supportability of certain categories decreases and, in some cases, are no longer supportable. This is due to the wide variety of merchandise sold by a large-format general merchandizing store, which would absorb some of the retail spending in the market (depending upon the category). It is important to note that if a large-format general merchandizing store is deployed, then Oleson's grocery store would likely be at risk.

The additional supportable square-footage for Manistee retail with and without a discount general merchandize retailer is shown in the following tables.

Without Large-Format General Merchandising Store

	2007	2012	2012
Category	Status Quo	Conservative	Aggressive
Apparel Children's/Infants	2,500	3,500	5,000
Apparel Men's	3,000	4,500	7,000
Apparel Women's	3,000	3,500	4,000
Shoe Stores	1,000	1,500	2,500
Paint/Wallpaper Store	2,000	3,000	4,000
Nursery/Garden Centers ¹	8,000	9,500	11,000
Electronics Store	3,000	3,500	5,000
Computer/Software Store	1,000	1,500	2,000
Grocery Store ¹	16,500	20,000	25,000
Restaurants	5,000	6,000	8,000
Specialty Food Store	1,000	1,500	2,500
Gen Merch/Appliance/Furniture Store ²	25,500	30,600	35,800
Home Furnishings Store ²	3,000	4,000	6,000
Department Store ²	20,000	25,000	35,000
General Merchandise Store	5,000	8,000	12,000
Pharmacy / Drug Store	2,000	2,500	3,000
Pet/Pet Supplies Stores	3,000	3,500	5,000
Book / Periodical / Music Store	1,500	2,000	2,500
Hobby/Toy/Game Stores	3,000	4,000	6,000
Total Square Footage	109,000	137,600	181,300

Footnotes:

1. Would not likely go in to the downtown area, but is supportable in the Manistee market.
2. May locate in downtown depending on the operator.

**With Large-Format
General Merchandising Store**

	2007	2012	2012
Category	Status Quo	Conservative	Aggressive
Apparel Children's/Infants	1,800	2,500	5,000
Apparel Men's	2,500	4,000	6,000
Apparel Women's	2,500	3,000	3,500
Shoe Stores	1,250	1,800	3,000
Paint/Wallpaper Store	2,000	3,000	4,000
Nursery/Garden Centers ¹	7,000	8,000	10,000
Electronics Store	0	0	0
Computer/Software Store	1,000	1,500	2,000
Grocery Store ¹	16,500	20,000	25,000
Restaurants	7,000	9,000	11,000
Specialty Food Store	1,000	1,500	2,500
Gen Merch/Appliance/Furniture Store ²	12,000	16,000	20,000
Home Furnishings Store ²	2,000	3,500	5,000
Department Store ²	20,000	20,000	25,000
General Merchandise Store	0	0	0
Pharmacy / Drug Store	0	0	0
Pet/Pet Supplies Stores	2,000	2,500	4,000
Book / Periodical / Music Store	0	0	0
Hobby/Toy/Game Stores	1,500	2,000	3,500
Total Square Footage	80,050	98,300	129,500

Footnotes:

1. Would not likely go in to the downtown area, but is supportable in the Manistee market.
2. May locate in downtown depending on the operator.



Oleson's, a regional grocery store.

The additional supportable square footage for Manistee retail, will not come from new competition into the market. Rather, there are certain categories in which it would be more prudent for existing retailers to expand their stores and/or merchandise lines. For example, Snyder's Shoes either through an expansion or relocation within the downtown area could absorb the shoe store category.

While Manistee's demographic characteristics, housing/population growth, and favorable retail climate will allow the city to attract additional retail development, the city must also be proactive in retaining businesses. A concerted effort will be needed to educate consumers on Manistee's wide variety of quality retail offerings and the importance of shopping where you live. The city of Manistee, the Downtown Development Authority (DDA), and the Manistee Chamber of Commerce will need to work together in an effort to create promotional campaigns, beautify and maintain the retail areas, and assist the retailers in attracting both local and visitor dollars.

While Manistee has had success in attracting individual retailers like Walgreens, Glen's Market, and Kmart, the city still struggles with many residents leaving the city to shop. Manistee must be willing to spend the time and money necessary to infuse residents with the desire to shop in the city.



The Northside. An area for possible housing expansion.

Housing Assessment

As the City of Manistee undertakes strategic planning efforts for the economic revitalization of its downtown area, the residential component will clearly be a critical element. The number and types of residential units that may be added to the current stock will not only have a direct effect on the physical appearance of the downtown area, but these residents will also provide an important element of the market potential for downtown merchants. This analysis will first consider the potential for residential growth in the Manistee market area in general and then the potential for specific types of housing suitable to the downtown environment, from both demographic and strategic perspectives.

General Issues

One of the primary drivers of local housing markets is the local employment picture. Growth in the number of local jobs will result in increased demand for housing, while substantial job losses will have the opposite effect. Through the 1990s, employment in Manistee County increased steadily, albeit slowly, in parallel with employment gains statewide. The area has benefited from new jobs resulting from the opening of the Oaks Correctional Facility and the Little River Casino. The impacts of these new jobs can be seen in improved retail sales activity and in increased levels of investment in the local housing stock. Since 2001, however, total employment has remained flat, with a slight increase in the labor force causing the unemployment rate to rise. Michigan as a whole has experienced job losses in recent years.

The Manistee housing market has suffered adverse conditions similar to those in other parts of Michigan in recent years. Mortgage foreclosures, while nowhere near the levels in Michigan's large urban areas, have increased; the rate in Manistee County is higher than comparable figures in Mason, Grand Traverse and Emmet counties. Sales activity has declined slightly and average sales prices fell by 8.5 percent in the latest statistics. New housing starts in Michigan are forecast to decline in 2008 by 75 percent, more than in any other state in the nation.

The fundamentals of the Manistee market nevertheless appear to be sound, with relative employment stability and a relatively affordable housing stock. In the short run, however, a significant slowdown can be anticipated. The timing of the recovery is uncertain and will be influenced by national, regional and state events, as well as the local employment picture.

Manistee County is the location of a substantial number of second homes, which are held for seasonal and occasional use. These units constitute more than one-third of the county's total housing stock. While resort properties and vacation homes are a distinct sub-market of their own, existing units in this category may be a factor in accommodating short term fluctuations in demand. It is also possible that demand for these seasonal units can fluctuate independently of changes in local employment levels. Given the nature of the current economic situation, it is expected that the second home market in the Manistee area will remain short for some time to come.

Demographic Issues

Ludington is, in many respects, the best community against which to “benchmark” Manistee. It is comparable in size and income levels. Other northwest Michigan communities that may provide helpful comparisons are Petoskey, Traverse City and Cheboygan.

The demographic forecasts provided by MapInfo anticipate that there will continue to be modest growth in population and households over the next five years. These projections appear reasonable absent any significant change in employment opportunities in the coming period. Over the next five years, the demand for housing, based on household growth alone, is expected to average less than 150 units annually. This total includes housing of all forms of tenure and structure type, as well as units added to the year round housing supply through conversions of existing structures.

The demand of downtown housing represents only a portion of this total incremental demand. Over the long run, downtown housing may capture no more than ten to 15 percent of the incremental demand. While in the short run there could be substantially higher levels of demand for a year or two, the demographic trends suggest that the downtown capture will average 15 to 20 units annually.

The relatively small portion of total demand that might be captured by the core area is limited by the type of households that are likely to be attracted to downtown living. Generally, the downtown market will consist almost exclusively of childless households. Even though some households with children will elect to live downtown, they do not constitute a significant portion of the demand potential.



An example of the vibrant street opportunities downtown.

Childless households can be divided into three broad categories: starter households (generally young singles, couples and non-family households), empty nesters (households whose children have grown up and moved out of the family home) and retirees. Each of these categories can be characterized by income and will exhibit different housing preferences as well as preferences for amenities.

Interest in downtown living is often associated with households with higher education levels who work in professional occupations. In both of these measures, the Manistee market (along with Cheboygan County) lag far behind the comparable counties. Less than 14 percent of adults in the Manistee market have a college or professional degree, according to MapInfo estimates. The comparable figures in Emmet and Grand Traverse counties are double this figure; Mason County is almost four percentage points above Manistee. The estimates provided by MapInfo anticipate little change in this figure. Manistee does better relative to its benchmark counties in terms of professional employment. Manistee has about 15 percent of its total employment in professional and related occupations, compared to about 20 percent for Emmet, Grand Traverse and Mason counties. The Manistee market is the only one among the five areas where the proportion of white collar jobs falls below half. These figures are essentially unchanged from the 2000 Census.

Two other populations that are often associated with downtown housing are gays and small business owners. According to the 2000 US Census, the proportion of same sex unmarried partner couples in Manistee County is slightly above the State average and is higher than the proportion in most of the comparable counties. Although generally favorable, the data represent only a very small number of all households, well under 100, or one percent of the total.

With respect to entrepreneurs (business owners living above their shops), Manistee County ranks behind all of the other comparable counties except Mason (Ludington) in the proportion of workers who are self employed in an incorporated business. Manistee County has an above average proportion of its labor force that works at home, suggesting more informal arrangements are prevalent. Thus the demand potential from both of these sources would appear to be at or slightly above average.

Target Populations

At this point in time, the ideal target market groups for downtown Manistee housing would be more affluent younger and empty nester households. The former subgroup can probably be characterized as "young professionals," regardless of their occupation or education level. These younger households will generally have incomes above the median and may be interested in loft housing and other types of more expensive rentals.



A man riding his bike into downtown.

Just fewer than 12 percent of Manistee area households fall into the younger households category. No other county among the comparables has a proportion below 13 percent and the rate is over 15 percent in Grand Traverse County. About 28 percent of this group consists of non-family households; that is, single individuals and households consisting of two or more non-related persons. This is about five percentage points higher than the comparable figure of Mason County.

Almost one out of every six households in Manistee falls in the 55 to 64 age category. Only Cheboygan County has a higher proportion of these households. Emmet County has about the same proportion of its households in both cohorts; Grand Traverse County has more households in the younger than in the older cohort. The proportion of non-family households among the "empty nester" group is generally about one-third.

The empty nester segment of the downtown market is more likely to be downsizing from an owner occupied home and thus will be interested in a for-sale unit with fewer maintenance responsibilities. Both groups desire units with ample amenities and conveniences. Convenient and secure parking is an important amenity.

For both groups, their preferred housing location will provide good accessibility to services and amenities. Retail and service commercial outlets, restaurants bars and entertainment venues, arts and culture

activities are all desirable features for these households. The possibility of marina access may be highly desirable attribute for some of these households.

Economic Characteristics

Census data, as well as the estimates and projections from MapInfo indicate that this housing market is below all of the other areas in per capita income throughout the forecast period. Median household income is above only that of Cheboygan County and average household income in the Manistee market is below that of all other comparable markets in 2006 and 2011.



Upscale housing in Harbor Village along Lake Michigan.

Among 25 to 34 year old households in the Manistee market, just under half reported incomes in excess of \$35,000 in the 2000 Census. This is below the comparable figure in all of the other counties except Cheboygan. About 59 percent of the households in this cohort were homeowners, a figure comparable to that in other counties. In the 55 to 64 year old cohort, roughly 55 percent of the households had incomes of more than \$35,000, putting Manistee at the median for the five counties. The homeownership rate for this group was in excess of 91 percent, higher than anywhere except Mason County.

Strategic Issues

Presently, downtown Manistee offers only limited attractions for more affluent households seeking these types of amenities. To some degree, this is a “chicken and egg” problem. The target market populations are interested in locations with the desired commercial attractions already available and entrepreneurs are interested in locations where concentrations of the desirable demographic groups already exist. Economic development strategies that attempt to raise the population base (perhaps through housing subsidies or promoting tourism) might be more successful than efforts to directly encourage commercial development.

Recently some residential market analysts have elected to focus on the supply side of local housing markets, arguing that absence of a particular housing type may not reflect a true absence of demand but rather that it is the lack of suitable supply that precludes satisfying latent demand in the market. In effect, because certain housing types are not represented in the geographic market area, no one is able to choose them. If the particular housing type is provided, households will choose it rather than their current housing.

In recent years, Manistee County has experienced growth in several housing sub-markets. Most of the development has consisted of large lot suburban style development and some new multifamily construction. The Harbor Village development in the City of Manistee has provided primarily multi-family high-end housing that has addressed the second home, retirement and higher end markets. Residential developments in the downtown core, primarily affordable rental units, have met with ready market acceptance. Although this has resulted in increases to the

downtown population and contributed to higher levels of foot traffic, it does not appear that the new housing has contributed sufficiently to increasing downtown buying power to spark significant changes in the existing commercial offerings.

Ludington has seen a significant amount of new waterfront development in recent years. Much of this has occurred on former industrial lands and includes residential and some commercial developments. (A similar redevelopment is in the initial stages of development in Grand Haven.) These developments provide both second homes and housing for year round residents. In part, the success of these initiatives is related to three things: their waterfront location, their scale, and the positive real estate market trends that have prevailed during the first half of this decade.

These projects in Ludington and Grand Haven likely bear a greater resemblance to the proposed redevelopment of the Peninsula area to the east of downtown Manistee. The redevelopment of this large brownfield site could provide a substantial number of new housing units in a variety of mixed-use projects. While the specifics of this project are still unclear, the scale and preliminary characteristics suggests that the units are likely to be complementary to downtown housing rather than competitive. The Peninsula project will create its own market niche, distinct from what is likely to be developed in downtown.



A well cared for building on the Peninsula.

Findings and Recommendations

The prospects for achieving a high level of economic activity in the downtown area of Manistee is dependent to a significant degree on the ability of that area to attract higher income adult households, primarily in the 25 to 34 and 55 to 64 age cohorts. These households will, for the most part, be well educated and engaged in white collar and professional occupations. While a variety of housing types (lofts, apartments, row houses) are likely to appeal to this group, the demand potential is about evenly split between rental and for sale units. Most of the demand will be for two and three bedroom units.

The 25 to 34 year old households types most likely to be attracted to downtown Manistee living are a smaller proportion of the Manistee County population than is the case in the comparable counties. Thus, this segment of the demand will have to be attracted from communities outside of the primary market area. This is likely to occur only if there is significant growth in employment opportunities in Manistee, especially in downtown.

The 55 to 64 year old cohort is somewhat over represented in Manistee County compared to the other four benchmark counties. (Only Cheboygan County has a higher proportion of households in this age cohort.) The Manistee households are typically more likely to be homeowners than in the other counties, suggesting lower levels of mobility and an emphasis on ownership opportunities in the downtown location. Because this cohort is also likely to have greater financial assets, they may be targeted as a potential source of new entrepreneurial businesses.

In the short term, the prospects for downtown housing development in Manistee will be limited by general economic conditions, including slow jobs growth, turmoil in the financial markets and rising cost, particularly for energy. These factors will have wide-spread impacts across Michigan, as well as in the Manistee market area.

Even in more favorable economic conditions, the incremental demand for housing in downtown Manistee is likely to average between 15 and 20 units annually. Over the next two to three years, subsidized rental units will have the highest degree of market acceptance. Satisfying the demand potential from this market segment will have a negative impact on the higher income end of the market, both in the short and long run. If downtown Manistee comes to be perceived as low-income neighborhood, it will be virtually impossible to attract substantial numbers of higher income residents (as well as to attract retail and service commercial operations that cater to higher income households). Before any additional assisted housing units are created in downtown, the market should be brought into balance by the addition of market rate units. The ultimate success of the downtown Manistee housing market will require that it provide housing opportunities that offer variety with respect to tenure, size and price.



A locally owned downtown business.

Board Planning Session

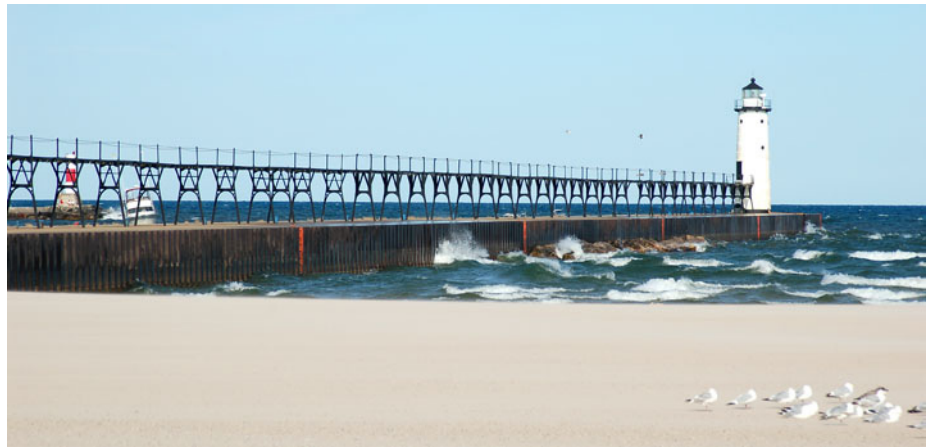
On October 30, 2007 the Downtown Development Authority Board and other community officials met to review information gleaned from field observations, stakeholder interviews, and the market assessment. During the later part of the planning session participants outlined strategies for the downtown and through a prioritization process determined their ranking of importance.

Participants were asked to list up to three priorities under each of categories based on the Main Street approach to downtown revitalization. The four categories included: design, organization, promotion and marketing, and economic restructuring. Then participants selected their highest priority under each category followed by the ranking of the each category. A short description of each category as described from the Main Street Center and the priorities identified by participants is listed below:

Design

Design means getting the downtown into top physical shape. Capitalizing on its best assets - such as historic buildings and pedestrian-oriented streets - is just part of the story. An inviting atmosphere, created through attractive window displays, parking areas, building improvements, street furniture, signs, sidewalks, street lights, and landscaping, conveys a positive visual message about the commercial district and what it has to offer. Design activities also include instilling good maintenance practices in the commercial district, enhancing the physical appearance of the commercial district by rehabilitating historic buildings, encouraging appropriate new construction, developing sensitive design management systems, and long-term planning.

- Improve Walkability
- Improve "Soft-Scape" (Landscaping, Flowers, etc.)
- Fill Storefronts
- Improve building facades along river
- US-31 Directional Signage
- Maintain "Victorian Port City" Theme
- US 31 Corridor Improvements
- Parking – Improve accessibility and supply
- Maintain historic values and character of downtown
- Develop shops along River



Lake Michigan beach and lighthouse - a major draw to the area.

Organization

Organization involves getting everyone working toward the same goal and assembling the appropriate human and financial resources to implement a revitalization program. A governing board and standing committees make up the fundamental organizational structure of the volunteer-driven program. Volunteers are coordinated and supported by a paid program director as well. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders.

- Improve merchants relations
- Improve directional traffic to and within Downtown
- Full time DDA Director
- Better communication structure between DDA and other organizations
- Have a comprehensive plan for the downtown
- House economic development related agencies at one location
- Convene an economic summit for the community

Promotions and Marketing

Promotion sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the downtown district. By marketing a district's unique characteristics to residents, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers. These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area.

- Expand events and festivals
- Promote Port City Theme
- Expand and Unify Shopping Hours
- Establish a unique message for the downtown
- Unified branding
- Internal marketing within the Manistee area
- Market current brand "Victorian Port City"

Economic Restructuring

Economic Restructuring strengthens a community's existing economic assets while expanding and diversifying its economic base. This helps sharpen the competitiveness of existing business owners and recruits compatible new businesses and new economic uses to build a commercial district that responds to today's consumers' needs. Converting unused or under used commercial space into economically productive property also helps boost the profitability of the district.

- Utilize the DDA operational millage
- Organize our economic development programs
- Attract Non-Traditional Business
- Develop "West End" anchor
- Move offices off 1st floor
- Promote vertical zoning in downtown
- Make use of unusable Space
- City/DDA purchase properties
- Get serious with developers
- Use TIF for parking and streetscape
- Focus on industry
- Utilize grants and revolving loans



What makes Manistee unique. A fisherman on the river behind the shops on Main.

The highest priorities from each of the categories were compiled and Board Planning participants were given the opportunity to vote on their top three selections in each category. The compilation of this process and the corresponding priorities are highlighted in the following graphic.



Although all of the ideas generated at the Board Planning Session have merit; the top priorities indicate a consensus for direction. Following is a brief discussion of the priorities selected:



The Ideal Kitchen - a locally owned business on the west end of downtown.

PROMOTIONS & MARKETING

- **Branding** – Develop a simple but effective message for the downtown which would be used by the public and sectors for promotions, marketing, and advertising. The brand should be sensitive to the theme of the Victorian Port City.
- **Synergistic Marketing** – Employment of several complimentary marketing strategies, which work better together than individually. Some synergistic marketing strategies involve use of Internet and web sales combined with traditional storefront retail.
- **Uniform Hours** – Obtain an agreement with a majority of retail establishments to have the same hours of operation.

DESIGN

- **US-31 Directional Signage** – Establish a uniform wayfinding system to direct traffic to and through the downtown area.
- **Develop Shops along the Riverfront** – Capture the traffic opportunities of the riverwalk with more retail and restaurant establishments.
- **Attractive River Facades** – Now that the riverwalk creates another “front door” to many businesses there is a need to ensure that abutting buildings have attractive (rear) facades.
- **Protect the Historic Character** – One the assets that traditional downtowns have over suburban business centers and lifestyle centers is the historic character of the building stock and the relationship of the buildings to the street and adjacent neighborhoods. This should be maintained and protected from inappropriate alterations.

ECONOMIC DEVELOPMENT

- **Vertical Zoning / Proper Retail Use** – Zoning ordinances typically address the use of property horizontally and not vertically and as a result many upper stories of commercial buildings are vacant or non-retail uses occupy the ground (first) floor because they are permitted by ordinance. Vertical zoning allows the commercial building to be used for a variety of “mixed-uses” such as retail, office and residential. In some instances, ground (first) floor non-retail uses are discouraged or require special approval prior to occupancy.
- **Purchase / Option Properties** – The DDA acts as a facilitator for economic development through the purchase or optioning of property.
- **Develop West End Anchor** – The west end of River Street is emerging as a unique retail area. Efforts to establish or locate a complementary “cluster” anchor to this end of downtown will strengthen existing entrepreneurial initiatives.

ORGANIZATION

- **Comprehensive Plan** –To increase success and efficiently use financial, personnel, and volunteer resources the downtown needs one vision and one plan.
- **Interagency Collaboration** – The City, DDA, Chamber, and the Manistee Economic Development agency need to collaborate on projects and programs to minimize duplicity of efforts.
- **DDA Director** – Move from a contractual relationship for DDA services to a full-time director.

Framework Program

The City of Manistee downtown framework is based on the guiding principles noted below for effective and successful downtown revitalization. Successful downtown business district revitalization is based on the infusion of public investment in infrastructure, sound market information, workable partnerships, a common vision, and attention to details.



Wahr Hardware, a business in the active south side Division Street area.

The Framework Plan for the Manistee DDA district recommends the reorganization of how vehicular traffic flows through the downtown area. Currently, the primary intersection and gateway to the downtown is at the River Street and Cypress Street (US-31) intersection. A formal gateway structure is located on River Street (a local road) instead of Cypress Street (US-31) due to restrictions imposed by the Michigan Department of Transportation. The configuration of Cypress Street and the slight bend at this intersection decrease the effectiveness of this gateway. If a motorist is not in the correct lane when they approach this intersection there is a chance they will not make the correct turning movement. Creating a north gateway at the intersection of Lincoln Street and US-31 and a south gateway at First Street and US-31 will provide another means to enter and navigate through the downtown. The southern gateway at First Street will also allow traffic to use Division Street to enter the downtown area. This approach encourages traffic to pass businesses on Division Street, which is also an active business district within the greater downtown area. The north gateway at Lincoln Street allow motorists to enter the downtown before the Cypress Street Drawbridge using Lincoln and Washington Streets as routes to the downtown area. This approach encourages traffic through the Washington Street business district, which is an emerging business district north of the downtown area.

Aside from the opportunities outlined in the market assessment there are several potential redevelopment parcels identified for a combination of uses. The largest redevelopment area is the east peninsula neighborhood, which is subject of a separate study being prepared by Carter – Burgess for the City and financed in part by the Michigan State Housing Development Authority. This area is similar in size to the core downtown area and is viewed as a multiple use and mixed-use neighborhood. As this redevelopment is implemented, the Cypress and River Streets intersection will take on a greater role as the primary gateway to the community. This plan recommends that the

east peninsula neighborhood should be incorporated into the DDA district due to its physical location and its ability to serve as a major east anchor for the traditional downtown area. Several other redevelopment sites have been noted in the plan, including the former school at Fifth Street and Short Street, the Water and Pine Street intersection, and Washington Street. These properties, although smaller than the east peninsula neighborhood, have the potential to accommodate a variety of uses identified in the retail and housing market assessments.

Physical Design Recommendations

The Physical Design recommendations are listed in order of preferred sequence. (See Appendix for a graphic layout of each phase.)



A building poorly maintained.



A building well maintained.

Phase 1 – Gateways and Major Circulation Routes

This phase identifies two major Gateways, the one previously mentioned when driving in from the north that sweeps onto Memorial Drive just before accessing the US-31 drawbridge. The major Gateway from the north is at 1st Street, turning left. This allows for a traffic flow through an already existing active commercial area on Division Street and harnesses traffic before sweeping on through the area and across the drawbridge past River Street. It retains the one-way flow on River Street and takes advantage of the already heavily used Maple, Division and 1st Street corridors.

Phase 1a

Making River Street Two-way

This phase is the same as Phase 1 except for the addition of two-way traffic on River Street for its entire length.

Phase 1b

South Entrance Corridor Enhancement

The importance of the Manistee image is captured through enhancing the south entrance corridor along US-31. This is a major component in improving the image of the Manistee area along its major north-south spine.

Phase 2

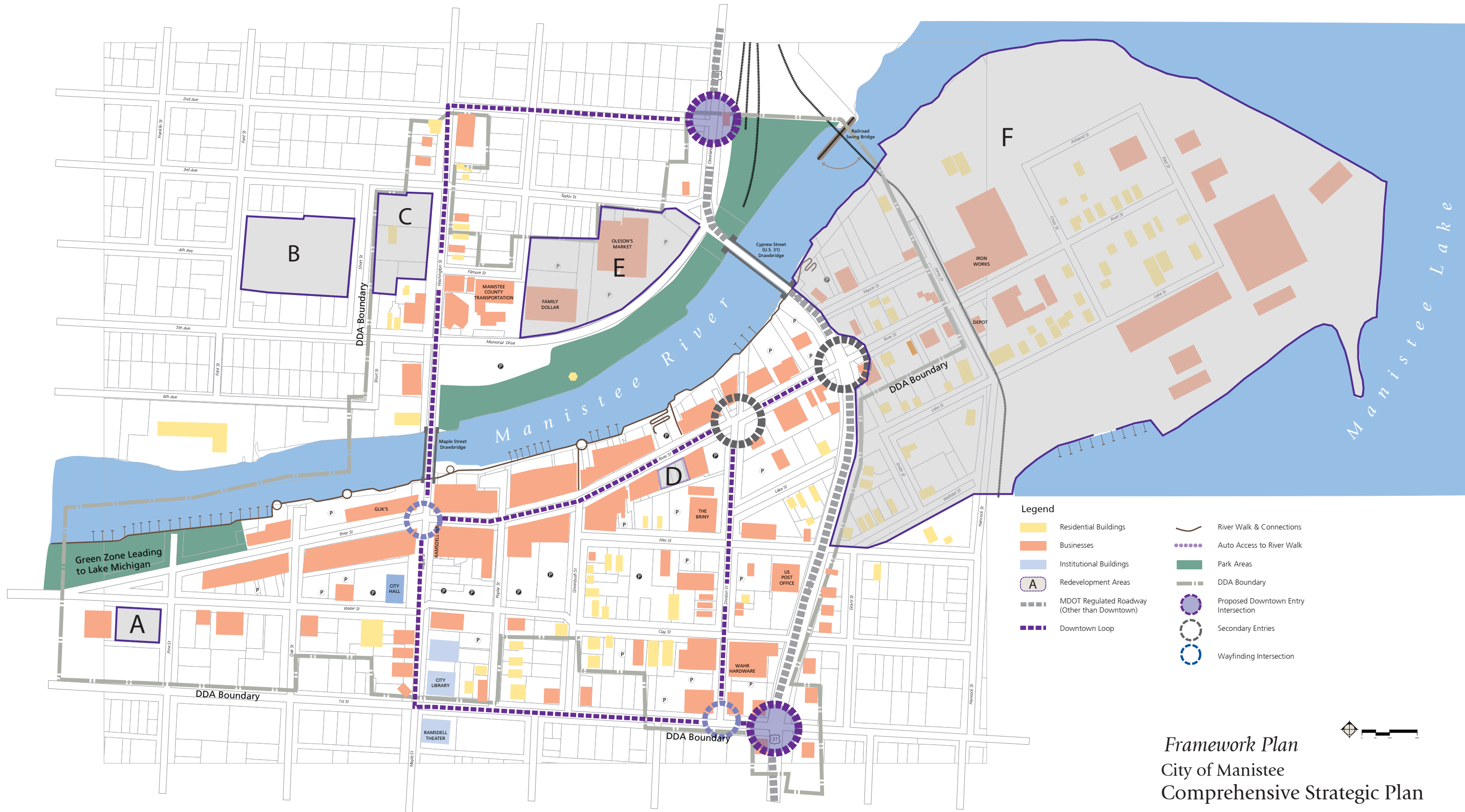
West End Commercial Anchor

A commercial anchor is an important component of a retail district, taking its cues from what is done successfully in malls throughout the country. The block between Maple and Oak Streets along River Street has a series of unique and interesting businesses as well as the potential for a more street friendly upgrade of a relatively new and large retail building.

Phase 3

Near North Side Residential Redevelopment with Townhomes

The North side of the river has excellent proximity to downtown, but has been struggling as a commercial district. It offers a good opportunity for relatively high density residential redevelopment with townhomes. There would be customers for the downtown stores without the competition that more commercial development might bring.





One of many good examples of art integrated into the downtown area.

Phase 4

Park / Townhome Development

This would entail improvement of the riverside park on the north side of the river, the addition of a park on the south side of the river near the drawbridge, and the inclusion of townhomes mingled within the park setting.

Phase 5 – Near North Side Neighborhood Retail

The retail area in and around Oleson's could be enhanced with a more neighborhood friendly mix of shops that would include better pedestrian connections and a more walkable interest.

Phase 6

North Entrance Corridor Enhancement

Just as the south entrance corridor was enhanced in Phase 1b, the north entrance corridor becomes the focus of an image improvement. It is often the first and sometimes the only thing that many motorists experience as they drive through the Manistee area. A more inviting image with a better mix of shops and businesses would help draw people to investigate the area more thoroughly and leave them with a better impression of what Manistee has to offer.

Phase 7

Manistee Peninsula New Neighborhood Development

Riverwalk Design Integration

The Manistee Peninsula is in close proximity to downtown with a nice mix of residences, open areas, classic buildings, and water frontage that offer sizeable potential for an interesting expansion to the urban area. This includes expanding the public waterside park link around the perimeter of the peninsula that ties to the Riverwalk. The Riverwalk is a vital pedestrian and commercial connection in the downtown as well as to Lake Michigan. It's important to reassess design ideas as the city upgrades various areas in the downtown to see that the Riverwalk fits in with the surroundings.

Phase 8

East Side Commercial Anchor / River Street Commercial Link

River Street / US-31

The importance of a commercial anchor at this end of River Street completes the dynamic link that ties the east end of town to the west end. At this level of downtown development it will be time to reassess the intersection at US-31 and River Street. This is potentially one of the most important intersections in the area and is in need of major redevelopment for a high visibility draw and alluring Manistee image.

Phase 9

Northside Neighborhood Preservation / Revitalization

This focuses on a neighborhood within close proximity to downtown and the near north side that has a well-established community. It recognizes the importance of its historical significance as well as keeping the area vital.

Principles for Successful Downtown Development

Lastly, the downtown framework is based on an adherence to nine (9) core principles for successful downtown development. These include:

1. Importance of Public Infrastructure and Spaces.
2. Business Development Based on Market Realities.
3. Encourage Multiple Uses and Mixed Use.
4. Partnership Between Business and Government.
5. Agreed Upon Vision.
6. Density and Compactness.
7. Connectivity.
8. Public Developer.
9. The "M" Words: Management and Maintenance.

1. Importance of Public Infrastructure and Spaces

The City of Manistee and the Manistee DDA have made significant investments in the downtown through the installation of the riverwalk, streetscape elements, a public restroom building, off-street parking, and recreational boating facilities. In addition to this, successful downtown 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 downtown infrastructure spawns private investment and redevelopment in buildings and businesses. There is no "chicken" and "egg" in downtown revitalization - the public sector takes the lead.

In traditional and historic downtowns, such as Manistee, 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 in the downtown needs to include the public street and sidewalks as well as the building façade. This rethinking of how the public realm is defined downtown requires the DDA to be involved in the rehabilitation / preservation of commercial buildings, removal of non-conforming signs, and reuse of upper stories. Because the Manistee riverwalk creates a second front door to businesses along the north side of River Street, this rethinking of the public realm will extend to these buildings and facades as well. See example below.





A building in use and cared for on the East End.

2. Business Development Based on Market Realities

Successful downtown business districts are grounded in realistic and reliable market information. The market assessment prepared by MapInfo provides the information needed to retain and recruit retailers to the Manistee downtown district. In addition to retail, the housing assessment notes that the market can absorb approximately 15 to 20 units annually. The combination of retail expansion, new housing, and existing office uses within the downtown district result in a product mix greater than the sum of the individual components. To further capture the retail opportunities noted in the market assessment it is imperative that the DDA and downtown merchants utilize clustering to strengthen and expand the retail business base.

3. Encourage Multiple Uses and Mixed-Use

Viable downtowns 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 Manistee City Hall, Public Library, and City Marina are within walking distance of the downtown and some retail businesses downtown are within several hundred feet of single-family homes. This combination of uses creates opportunities for exchange between people and activities and extends the downtown beyond the 9 a.m. to 5 p.m. time frame.

Mixed-uses are typically integrated vertically within the same building. There are many examples in downtown Manistee 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. It is recommended that the City pursue this form of ordinance to streamline reuse and redevelopment of buildings in the downtown.

As residential dwellings increase in the downtown the DDA and City 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.

The framework for the downtown encourages mixed-use developments. This includes upper story residential units within the core downtown district and stand-alone residential developments north of the downtown core along Washington Street and east of the downtown area as envisioned in the east peninsula neighborhood concept.

Recommended Location for Supportable Retail Categories Manistee, Michigan



4. Partnership between Business and Government

The City and the Downtown Development Authority (DDA) have worked successfully on a number of projects and this collaboration is evident in the downtown. Because many of the DDA members own property and/or businesses in the downtown this quasi public and private relationship works. However, DDAs are often perceived as governmental entities. Successful downtowns result when the business community and merchants are successfully engaged in process of revitalization. Proposed legislative amendments to the DDA statute include a new Renaissance Zone category to stimulate rundown portions of the downtown, amend the Michigan Economic Growth Act (MEGA) to allow MEGA credits to eligible businesses that redevelop historic downtown structures, allow DDAs to create and operate a loan fund to assist building owners making improvements to existing buildings, and allow DDAs to assist with leasehold improvements. Statewide there is a movement to increase DDA involvement in programs that will require stronger working relationships with financial institutions and private investors. Other initiatives which favor redevelopment of under utilized buildings will streamline building code review and permitting, allow for pre-redevelopment building inspections to identify code issues prior to acquisition and/or construction, and promote phased occupancy for mixed-use projects.



A bike rack. An indication that the city is serious about keeping its residents fit and reducing dependence on the automobile.

5. An Agreed Upon Vision

Downtown Manistee has the infrastructure to support additional retail expansion and in-fill development. The key to achieving this outcome will be based on a public policy to retain and expand existing downtown businesses, locate new retail establishments to the downtown, and contain the expansion of new commercial uses along US-31. The concentration of commercial uses in or in close proximity to the downtown will ensure the viability of the district and the surrounding residential neighborhoods.

6. 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 Manistee there are still commercial buildings with vacant upper stories and the site assessment determines the availability of several redevelopment sites in or adjacent to the downtown. These spaces and areas should all be capitalized on for redevelopment. Increasing retail opportunities, restaurants, residential units and offices in the downtown will increase the success of downtown revitalization and aid in the retention of existing businesses. The east peninsula neighborhood, as proposed in earlier concepts as a mixed-use and multiple use neighborhood, would be very beneficial for downtown Manistee. The Framework Plan envisions the linkage of this redevelopment proposal to the downtown.

7. Connectivity

Connectivity involves a layered approach within a downtown setting. The basic downtown fabric created by the buildings and road system forms a base for connectivity. Layered on that base in downtown Manistee is the vehicular system (roads and parking lots), pedestrian system (sidewalks, cut-throughs, and public plazas), watercraft system (channel and docking facilities), and open space areas. Collectively, these layers determine the connectivity of the downtown.

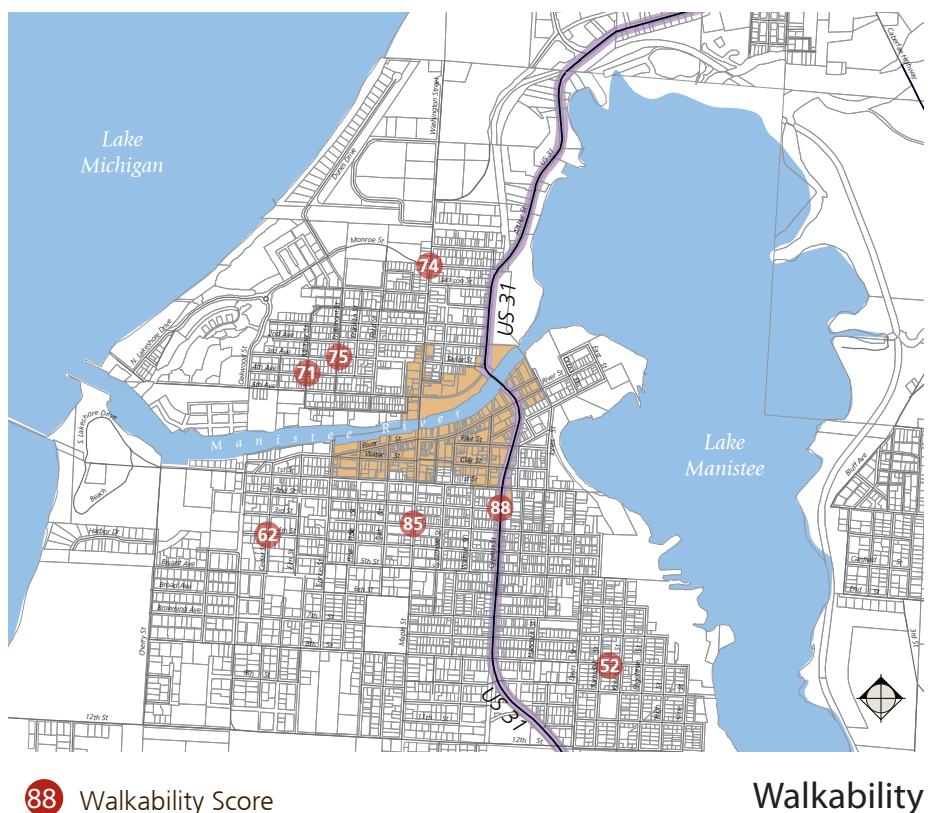
The importance of connectivity in a downtown is directly related to retail merchandising activity. This is where the adage "the 100% corner" derives its meaning. It's that spot in the downtown with the most connectivity. Downtowns with a low connectivity have a difficult time sustaining businesses and recruiting quality merchants. Therefore, efforts to maintain and improve connectivity in downtown Manistee are important.

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."

Using a scoring technique developed by Walk Score, various neighborhoods in Manistee have walkability scores (0 = low walkability and 100 = high walkability) between 52 and 88. The scoring is based on relative location and distance to retail and personal service establishments. The graphic entitled "Walkability," illustrates the location of these scores in relation to the downtown. Areas south of downtown in the historic neighborhoods have the higher scores and residential areas north of the Manistee River have slightly lower scores. Overall, the downtown is walkable to adjacent neighborhoods due to the array of services and retail establishments.

Two methods that the DDA can use to increase walkability in the downtown is to increase opportunities for businesses to utilize the public sidewalks for outdoor cafes, limited merchandising displays, and gathering locations, and to maintain and clean walkways and public spaces to ensure a quality experience.





Monument Park Building - Dexter, Michigan.



Maywood Townhouses - Pleasant Ridge, Michigan.

Good examples of DDA involvement in real estate development.

8. Public Developer

The presence of in-fill and redevelopment sites gives the DDA the opportunity to become involved in real estate development. One of the barriers often confronted in downtown revitalization is pulling together or “packaging” property for redevelopment purposes and making it ready for private sector investment. Strategies used by DDAs include the purchase and resale of property to developers or a private investor meeting specific development objectives, or optioning the property over a specific period of time sufficient to give the DDA time to recruit an interested party. These techniques have been used successfully in other communities and the real estate and financial expertise represented on the Manistee DDA Board warrants serious consideration of this process.

9. The “M” Words: Management and Maintenance

Downtowns districts are comprised of many individual and independent property owners both private and public. This differs dramatically from planned shopping centers or suburban centers where a property manager or leasing agent manages the property and maintenance is conducted regularly. Downtown maintenance is usually shared between entities such as the City, DDA, and individual property owners and the quality of the maintenance is usually determined by the weakest link of the participating parties. To compete effectively and maintain a sense of place, all property, public and private, needs to be maintained to a uniform standard. As a result, maintenance within the downtown needs to be managed in the same manner as a planned shopping center. This includes landscape maintenance, annual flower planting, snow removal, street and sidewalk sweeping, daily removal of trash in receptacles, establishing standards and guidelines for trash removal, and coordinating and providing funding assistance for building maintenance.



An historic, well tended facade in a lively retail district. A good way to draw shoppers looking for a unique, Michigan port town experience.



A deck overlooking the river creating a pleasant setting on the rear of the Main Street shops.

Organization Recommendations

The City of Manistee should adopt the National Trust Main Street Center Four Point Approach™ model as a framework to revitalize its downtown. The Main Street model has a proven track record at directing revitalization strategies in historic downtowns throughout the country. The State of Michigan has also embraced this model through the Michigan State Housing Development Authority's (MSHDA) management of the Michigan Main Street Center.

The Main Street model divides downtown revitalization into four categories: Organization, Economic Restructuring, Marketing and Promotions, and Design. A fifth category, Local Government Strategies, has been added for the purposes of this study. Below is a synopsis of the four points of the program extracted from the National Trust Main Street Center and a description of the Local Government Strategies.

- **Organization** involves getting everyone working toward the same goal and assembling the appropriate human and financial resources to implement a revitalization program. A governing board and standing committees make up the fundamental organizational structure of the volunteer-driven program. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders.
- **Economic Restructuring** strengthens a community's existing economic assets while expanding and diversifying its economic base. The strategies help sharpen the competitiveness of existing business owners and recruits compatible new businesses and new economic uses to build a commercial district that responds to today's consumers' needs. Converting unused or under used commercial space into economically productive property also helps boost the profitability of the district.
- **Marketing and Promotion** sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the downtown district. By marketing a district's unique characteristics to residents, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers. These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area.



Spending time downtown.

- **Design** means getting downtown into top physical shape. Capitalizing on its best assets — such as historic buildings and pedestrian-oriented streets — is just part of the story. An inviting atmosphere, created through attractive window displays, parking areas, building improvements, street furniture, signs, sidewalks, street lights, and landscaping, conveys a positive visual message about the commercial district and what it has to offer. Design activities also include instilling good maintenance practices in the commercial district, enhancing the physical appearance of the commercial district by rehabilitating historic buildings, encouraging appropriate new construction, developing sensitive design management systems, and long-term planning.
- **Local Government Strategies** are those initiatives that need to be accomplished in order to facilitate programs and projects. This may include collecting data, revising ordinances, preparing Tax Increment Financing plan updates, and other items that will be further described in the following sections.

The following information organizes specific strategic action items organized into the five categories described above. This information is also consolidated in a schedule format at the end of this section. These action items should be used as a guide for developing the work plan, reviewing priorities, and measuring progress.

Organization

By-Law Review

The DDA By-Laws should be reviewed and amended to include the formation of four working committees: Organization, Economic Restructuring, Marketing and Promotions, and Design.

Board Planning Sessions

The DDA held a Broad Planning Session during the preparation of this strategic plan. Future planning of these meetings should be structured to review progress of the previous year and amend the plan to reflect changes. Include agenda items such as: a review of goals and objectives for the coming year, funding programs, and by-law reviews.

DDA Management Structure & DDA Director

Downtown Development Authorities operate at different levels of sophistication, which can be described as follows:

- **Coordinator**
The authority works with the local unit of government and property and business owners to reach consensus on programs and projects. Board involvement and funding is directed toward promotions, marketing, media, public infrastructure projects managed by the local unit of government, maintenance, and grant / loan programs.
- **Facilitator**
The authority more fully utilizes the statutory provisions of Public Act 179 of 1975 and provides coordination-related activities as described above but also gets involved in the design and construction of public infrastructure facilities, such as streetscapes, parking facilities and public spaces managed through its own consultants, and manage business retention and recruitment efforts.
- **Economic Developer**
In addition to the roles described above, the authority is involved in real estate activities through the acquisition of land and buildings in support of private real estate development, preparation of feasibility studies, and comprehensive marketing.
- **Public Developer**
In addition to the roles described above, the authority creates the redevelopment opportunity by performing pre-development activities such as, conceptual design, rezoning, brownfield coordination, solicitation of private developers, and participation in project financing through infrastructure support.

The Manistee Downtown Development Authority currently functions at the “coordinator” level and based on the recommendations and strategies advanced by this plan it will need to move into the “economic developer” level. This recommendation is based on the market assessment performed by MapInfo there is supportable square footage within the Manistee market. If the available square footage is not captured within the downtown it will be dispersed throughout the geographic market. This is the proverbial “first come - first served” condition. For downtown Manistee to benefit the authority will need to muster available square footage for businesses expanding in or relocating to the downtown, or new businesses moving into the market.

The DDA has a contractual relationship with an experienced community and economic professional to manage their business affairs and coordinate the implementation of their strategic plan. There is a desire to transition to a full-time DDA Director and noted as a Board priority. We are recommending that this transition occur over a two to three year period where the Board would recruit a professional with a background in planning or historic preservation and have them work with the current consultant. Concurrently, we would recommend to the Board that this individual participate in the National Main Street certification program for downtown managers, which spans two years. Over the course of the transition the full time DDA Director would assume boarder and more responsibilities and the consultant would be utilized for special projects and advisory services. Downtown revitalization is not a recognized curriculum and as such requires considerable on-the-job training to perform at a level needed by the City of Manistee. Salaries for DDA directors will vary depending on the DDA’s level of sophistication. DDA’s who perform “coordinator” roles can have salaries vary between \$25,000 - \$35,000 and those authorities, similar in size to Manistee, who perform at “economic developer” and “public developer” levels can have salaried positions between \$40,000 to \$55,000, or higher.



A park bench in bad need of replacement. Details like this indicate to users that there is a lack of pride in the community.

Public Relations

Communicating to the public about DDA activities is crucial to strengthening its image and crucial to the program’s success. Developing a positive, accurate picture of the organization and its mission will convey the strength of the organization and the downtown. The goal is to use every avenue of communication available to you so the community becomes very familiar with the DDA. Prepare press releases of all organization announcements or projects and distribute through the following means:

- **Website**—Continue to use the continually updated DDA website to post materials. This user friendly and image rich website is a good example of a way to convey important information to the public. Photographs of new projects and accomplishments help users visualize progress.



The Briny - a well cared for building creates a positive image in the downtown.

- **Annual Reports**—This method of reporting is used to make an accounting to the organization's constituents it serves; it presents the organization in a positive, yet accurate light for future investment (can be included in your recruitment packets). It is important to state what the program is accomplishing. Currently required by the state, these annual reports could be expanded for use as public relations materials.
- **Downtown Patrons Card**—Develop a patron card program whereby members receive discounts, invitations to private sales and promotional discounts.

Memberships

The DDA and City should maintain or join memberships in organizations that can provide vital information and education regarding economic development and commercial district revitalization. Some of the memberships recommended are: Michigan Downtown Association, National Main Street Center (resource center for all downtown activities), Michigan Retailers Association, and the International Council of Shopping Centers, to name a few.

Amend the Downtown Development Plan and the Tax Increment Financing Plan

The original Development Plan and Tax Increment Financing Plan was adopted by City Council on April 2, 1985. On November 1, 1988 the plan was amended to include construction of the Victorian Lighting Program and riverwalk. Due to the variety of programs and projects outlined in this plan, the 2008 Downtown Strategic Plan, it is recommended that the Development Plan and Tax Increment Financing Plan be completely amended and restated to incorporate these changes.

Economic Restructuring

Business Retention

Retention is critically important to your downtown. Retention starts with a thorough understanding of every business in the district, understanding the needs of the district, and proactively meeting those needs. Business retention can be as simple a maintaining a safe, clean and well-maintained environment or it can become a comprehensive program of financial assistance, workshops and seminars, and marketing and promotion efforts provided by the DDA Board. Manistee can benefit from multiple retention strategies.



A downtown relaxing enough to take some leisurely time in.

Always remember, a healthy downtown community must be in place in order to attract additional prospective businesses. Proactive retention efforts always come first and recruitment efforts follow. There are several methods of business retention activities that the DDA can engage in immediately:

- **Maintenance**—Provide a clean, safe and aesthetically pleasing environment for your business and property owners at all times. Several DDA's contract with outside companies to provide some or all maintenance services and we recommend that Manistee evaluate this option. Another option is for the DDA to contract with several persons during the summer months to maintain public areas, water landscaping, empty waste receptacles, etc.
- **One-on-One Interviews**—On a regular basis make "retention visits"; these are meetings with business and property owners to find out how they are doing, if they are planning to expand or close, what they may need to increase their business, etc. This information will always keep you on top of what is happening in your district, help you prepare for changes, and help you to be proactive when the changes happen.
- **Business Expansion Plan**—Develop a strategy for expanding businesses that have either outgrown their space or are looking to expand their product. There needs to be an understanding of space available in the downtown for expansion.
- **Market Analysis**—Make sure that every business owner receives and understands all market analysis information that has been developed. This will arm them with the information they need to plan for future expansion, or make the necessary changes they need to respond to current and future markets. Make sure that the market analysis is updated at least every 5 years. Interim updates can be prepared sooner through MapInfo.
- **Host a Real Estate Breakfast**—Host a meeting where areawide Realtors are invited to receive a copy of market assessment and learn about DDA initiatives.

Business Recruitment

The City and DDA must be well prepared in order to begin a comprehensive recruitment program. The recruitment process generally follows these basic steps:

- Assemble market information.
- Assemble map of the area; identify retail clusters and potential project areas.
- Develop recruitment materials. This should include a list of financial incentives for those seeking to do business downtown, a market analysis summary, and an overview of enhancement efforts in the downtown.
- Maintain a list of available properties (as posted on the DDA website).
- Distribute list to area realtors.
- Identify and prioritize potential prospects (search within your district first).

- Match properties with prospects.
- Approach prospects via direct mail and onsite visits.
- Follow-up

Following are some tips in preparing a comprehensive recruitment program:



A friendly outdoor cafe right in the heart of town puts activity on the street and is appreciated by customers.

- **Business Inventory**—A data inventory of all properties within the DDA district should be updated on a regular basis so that the DDA and City know what properties are available in the district. An overall map of the district can be helpful so that clustering opportunities and available property for sale or rent can be identified.
- **Develop List**—A list of all desired business to be recruited should be created from the completed market analysis and updated on a regular basis. A “Business Cluster” list should also be developed so that you can begin to cluster like businesses together.
- **Match Lists**—Match your desired business list with available locations.
- **Compile Business Incentive List**—A list of all services and incentives the City and DDA provides should be compiled for distribution and communicated throughout the district. Incentives can include low interest loans, grants, business assistance, and design assistance.
- **Build Relationships with Realtors**—Meet with area realtors individually or as a group, or speak at one of their monthly meetings, to inform them of your recruitment program and your willingness to share information with them. Share available property information and recruitment packets with area realtors on a regular basis and ask them to do the same.
- **Develop Recruitment Package**—Set aside a section on the DDA website for business development and recruitment. The information should be updated on a regular basis and should include at the minimum, area brochures, maps, lists of available properties with specific building profiles, financial incentives, market analysis information, current and future revitalization projects in the district, business directory, and a list of community amenities and special features.

Marketing and Promotion

Develop Marketing & Promotion Plan

Existing customers need a reason to continue shopping in downtown Manistee, and potential customers need to be convinced that shopping in downtown is worth their effort. These customers are clearly seeking a one-stop shopping experience and are constantly being enticed by sophisticated marketing campaigns developed by competing retail. Using existing market analysis information as a foundation of information, the DDA should work with an experienced marketing professional to develop and implement a comprehensive marketing campaign—one that will target the savvy customer and compete with those plans created by well-established retailers.



The Museum - a place to recognize the local heritage.

A comprehensive marketing plan sets out goals and strategies to enhance the downtown's reputation, identifies an image or "brand" for downtown, addresses business advertising and events, and explores direct marketing strategies. The plan should clearly reinforce the image of downtown Manistee as a unified whole, with each business described as a unique part of the whole. The marketing plan should stress downtown Manistee's marketing niches and emphasize the concept of "clustering"—a retailing strategy borrowed from shopping malls which involves grouping a mix of complementary businesses in ways that enable them to share customers and benefit from each other's sales.

Business Advertising

Businesses can benefit from a coordinated advertising campaign that promotes downtown Manistee's position in the competing world of retail. Using the Marketing Plan as a guide, businesses can learn from techniques used by shopping malls and promote the downtown district as a whole rather than simply focusing on individual businesses. We would also recommend conducting a zip code study at least twice yearly to determine where customers are coming from and their frequency of visits in order to assist with targeted advertising programs.

Common types of advertising strategies are:

- **Category Advertising**—businesses that can share customers of the same type—such as all clothing stores or galleries advertising together so a customer can have a range of choices like they find in shopping malls.
- **Advertising downtown**—coordinate with other businesses to advertise in each other's shops. A restaurant may have placards on the dining tables that advertise galleries downtown.

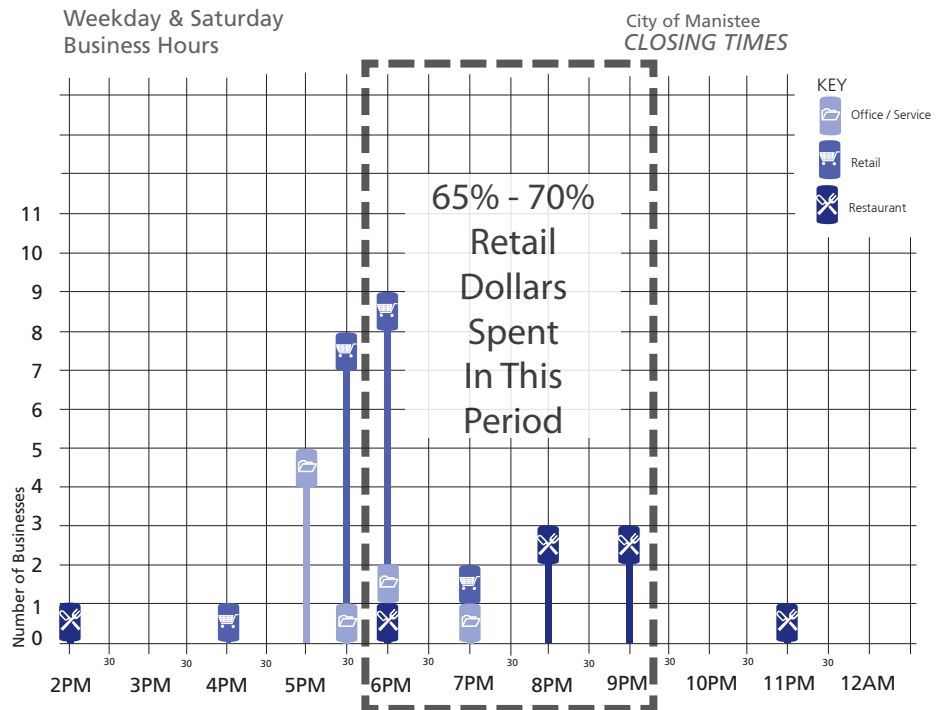
Expand Store Hours

Downtown businesses must maintain business hours that respond to customers' needs. This does not necessarily mean all businesses need to be open during the same hours. This is often an ineffective approach and represents a failure to understand the market. Rather, similar businesses should have similar hours, those that respond to their customers' shopping habits. Certain types of restaurants will need to be open late into the evening to attract young professionals rather than simply targeting families. And applying the principles of clustering, those businesses that compliment each other should coordinate their hours. Store hours should be uniform and seasonal.



The Lake Michigan beach with a view north.

The following graphic of current weekday and Saturday closing times gives an indication of the wide variations of business hours downtown. (See Appendix for further charts).



We are suggesting the following hours of operation.

	Summer (June – December)	Winter (January – May)
Monday	10 a.m. – 7 p.m.	10 a.m. – 6 p.m.
Tuesday	10 a.m. – 7 p.m.	10 a.m. – 6 p.m.
Wednesday	10 a.m. – 7 p.m.	10 a.m. – 6 p.m.
Thursday	10 a.m. – 8 p.m.	10 a.m. – 6 p.m.
Friday	10 a.m. – 8 p.m.	10 a.m. – 6 p.m.
Saturday	10 a.m. – 8 p.m.	10 a.m. – 6 p.m.
Sunday	12 p.m. – 6 p.m.	12 p.m. – 4 p.m.

Provide Unmatched Customer Service

It is a retail myth that a downtown cannot compete with the national chains. Downtown businesses must set themselves apart by providing customer service that national chains find difficult to match. Through effective customer service strategies, the shopping experience in downtown Manistee can become memorable rather than just serviceable. Ideas such as, offering free gift-wrapping, maintaining customer “wish lists” for friends and family to reference, holding private sales parties, ordering special request products, greeting customers by name, and matching a competitor price, are all ways to gain customer loyalty.



One of the many interesting historic buildings downtown.

Downtown Merchant Website

Develop a website where downtown merchants can collectively advertise products and where buyers can acquire them through the web. This would increase market opportunities outside of the local trade area (LTC) and provide a service which may be cost / technically prohibitive for individual businesses. This service would be especially beneficial for niche businesses such as galleries and specialty retailers. The DDA could recoup its expense of administering the program through a commission on the web sales.

State of Michigan Port Cities Program

The State of Michigan, through the Department of History, Arts and Library, is undertaking a statewide initiative to develop an experiential tourism based program with Michigan port cities to combine navigation and maritime opportunities with other cultural and historic venues. They are currently creating a list of these port cities and it would be very beneficial for Manistee to participate in this program.

Design

Design Assistance

Most building owners will need some type of design assistance to make appropriate improvements to their historic structure. The key is for the DDA to speak to the property owners before the work begins and offer them design assistance. Chapter 1280: Historic Districts of the City of Manistee Code uses the U.S. Secretary of the Interior's Standards for Rehabilitation as the guideline for rehabilitating structures in the downtown historic district. Design assistance can take the form of a small grant to reimburse the services of a qualified architect who gives advice and ideas to property owners interested in building renovation.

Façade / Sign Grant Program

Consideration should be given to create incentive programs to encourage improvements to the physical appearance of the buildings and signage within the DDA district. This can be accomplished through grant or low interest loan programs established in conjunction with local lending institutions. Proposed legislative amendments to the DDA statute will broaden the DDA's use of these programs.

Federal Tax Credits for Rehabilitation

The historic rehabilitation tax credit is the current tax credit available to owners of income-producing National Register properties, referred to in the Internal Revenue Code as "certified historic structures." The Tax Reform Act of 1986 provides a 20 percent tax credit for a substantial rehabilitation of certified historic structures and a 10 percent tax credit for the substantial rehabilitation of buildings used for nonresidential purposes and built before 1936. These tax credits can be very beneficial to a property owner and can also be used as an incentive to make improvements. Preservation of historic structures coupled with the promotion of the historic heritage of the community is critical to maintaining a viable and progressive business district in Manistee.

STRATEGIES			RESPONSIBLE PARTY			FUNDING PROGRAM		
Physical Improvement		Project / Program Description / Action Items	Primary	Secondary	Timeframe	Conceptual Design Cost	Primary Funding	Ancillary Funding
A	Improve gateway intersections at US-31/ 1st and US-31/Lincoln.	These improvements are made to improve access to the downtown by using the US-31 / Lincoln Street and US-31 / 1st intersections as entry gateways to the downtown. Suggested improvements to include directional signage and landscaping.	DDA, City, MDOT	Planning Commission	2008	\$5,000	DDA	
B	Improve Veteran’s Park pathways	Replace boardwalks and pathways.	DDA	City	2009		DDA	State DNR Recreation Trust Fund
C	Redesign intersection at US-31, Taylor and Memorial Drive.	Work in conjunction with MDOT to evaluate the redesign of this intersection.	DDA, City, MDOT	City	2009	\$35,000	DDA	City, MDOT
D	Install wayfinding signage for downtown circulation	Design and install wayfinding signage directing visitors to the Downtown along 1st Street, Division Street, Maple Street, River Street, Washington Street, and Lincoln Street. This will constitute a downtown traffic loop.	DDA	City	2008		DDA	
Redevelopment								
A	Southwest corner of Water and Pine Street	Site Development Potential: Mixed-Use Development	DDA, Planning Commission	Developer	2009	\$5,000	DDA	Private Sector
B	Fifth and Washington (former school)	Site Development Potential: Planned Residential Development	DDA, Planning Commission	Developer	2010	\$10,000	DDA	
C	Washington Street between 2nd Avenue and Fifth Avenue.	Site Development Potential: Commercial and Residential (High Density)	DDA, Planning Commission	Developer	2008 - 2012	\$25,000	DDA	Private Sector
D	Downtown River Street vacant site	Site Development Potential: Retail with Upper Story Residential	DDA	HDC	2009	\$5,000	DDA	
E	Olesons and Dollar Site	Site Development Potential: Planned Shopping	DDA, Property Owners	City, MDOT	2011 - 2013	\$10,000	City	
F	East Peninsula Neighborhood	Ste Development Potential: Mixed-use and Multiple Use neighborhood	City, DDA, Property Owners	Planning Commission	2009 - 2013	Depends on Scope of Carter Burgess Study	Private Sector	Brownfield Authority, MEGA, DDA, City
Organizational								
A	By-Law Review	Review and amend By-Laws to include the formation of four working committees: organization, economic restructuring, marketing and promotion, and design.	City, DDA		2008	\$0		
B	Board Planning Session	Conduct annual strategic planning sessions with the City and DDA Board to review the Downtown Strategic Plan.	City, DDA		2009	\$500		
C	DDA Management and Director	Recruit and transition to full-time DDA Director	DDA		2008 - 2010	\$45,000	DDA - 2 Mil	DDA - TIF Revenue
D	Public Relations	Establish public communication by the DDA through various media opportunities.	DDA		2006-2007	\$7,500	DDA	
F	Amend the Downtown Development Plan and the Tax Increment Financing Plan	Amend the Development Plan and Tax Increment Financing Plan	DDA	City	2008 - 2009	\$9,500	DDA	
Economic Restructuring								
A	Business Retention	Establish and implement a business retention program.	DDA	Chamber	2008 - 2013	\$7,500	DDA	
B	Business Recruitment	Establish and implement a business recruitment program.	DDA	Chamber	2008 - 2013	\$15,000	DDA	



A nice building on the East Peninsula.

Maintenance

Manage and fund the maintenance of DDA district beautification and enhancement projects.

Wayfinding Plan and Signage

Prepare a wayfinding (directional) signage system along US-31 and through the downtown area. Signs along US-31 would denote gateway intersection; signs within the downtown would denote locations for civic uses, public parking areas, and street directional signage.

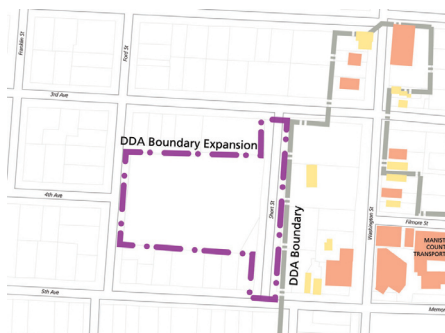
Local Government Strategies

Upper Floor Development

Continue to use MSHDA grants and private financing to create upper floor residential units. Based on the Housing Assessment there is a downtown demand for 15 to 20 residential units per year. The continued influx of downtown residents will certainly assist retail and restaurant establishments in the downtown.

Amend DDA Boundaries

The DDA should amend its boundaries to include the east peninsula neighborhood. The future redevelopment of property within this area will elongate the downtown district and make the Cypress (US-31) / River Street intersection more strategic as a gateway to the business district, and connect this neighborhood to the downtown. Although other redevelopment authorities could be established to assist with the redevelopment of this neighborhood the expansion of the DDA boundary would provide continuity and reduce competition for critical resources. The western boundary should also be revised to include the former Washington School site on Short Street.



West End of downtown amended boundary.



East End Peninsula amended boundary.

STRATEGIES			RESPONSIBLE PARTY			FUNDING PROGRAM	
Marketing and Promotion Strategies							
A	Marketing and Promotion Program	Develop a marketing and promotion program and business advertising plan.	DDA	Chamber	2008 - 2009	\$50,000	DDA
B	Business Advertising	Perform twice a year a zip code survey of downtown patrons and share survey results with merchants.	Merchants	DDA	2008 - 2009	\$0	DDA
C	Expand Store Hours	Encourage downtown businesses to maintain business hours that respond to customers' needs.	Merchants	DDA	2008 - 2009	\$1,500	DDA
D	Provide Unmatched Customer Service	Develop effective customer service strategies.	Merchants	DDA	2008 - 2013	\$2,500 ANNUAL	DDA
E	Maintain Websites	Update and maintain City and DDA websites	DDA	Merchants	2008 - 2013	\$1,500 ANNUAL	DDA
	Maritime Heritage (Port Cities) Program	Become involved with the State of Michigan Maritime Heritage (Port Cities) program.	City	DDA	2008	\$500	City
Design Strategies							
A	Design Assistance	Facilitate design assistance for property owners making improvements to their buildings.	DDA		2008	\$5,000 ANNUAL	
B	Façade / Sign Grant Program	Create incentive programs to encourage improvements to the physical appearance of the buildings and signage within the DDA district.	DDA		2008	\$25,000	
C	Federal Tax Credits for Rehabilitation	Educate property owners about available tax credits as an incentive for improvements to their properties.	DDA		2008	\$500	
D	Maintenance	Manage the maintenance of the DDA district beautification projects. This does not include parking lot maintenance which should be viewed as Capital Project expense.	DDA	City	2008 - 2013	\$42,500 ANNUAL	DDA
E	Wayfinding Plan	Develop a plan to supplement the DDA sign design study that makes recommendations for the placement of signs to provide clear and concise direction and information for users.	DDA		2009	\$8,500	DDA
Local Government Strategies							
A	Upper Floor Development	Establish financial assistance and incentive programs to encourage upper-story housing development in downtown. Ordinances may need to be amended to allow for and regulate these uses.	DDA	City	2008 - 2013	\$7,500	DDA to finance amendment to Zoning Ordinance
B	Amend the DDA Boundaries	Conduct quarterly updates to determine parking occupancy in the downtown.	CITY		2008	\$2,500	City



A summer event at the Gazebo across the river from downtown.

Strategic Plan Schedule

The City of Manistee Downtown Strategic Plan area reflects the projects and programs identified through the planning process. The accompanying Implementation tables compartmentalize the projects and programs into broad categories including Physical Improvement Strategies, Redevelopment Strategies, and strategies associated with the National Main Street approach (Organizational Strategies, Economic Restructuring Strategies, Design Strategies, and Local Government Strategies).

Each project and program is listed by title, description, responsible party, activity time frame, and funding program. It is outlined by calendar year and results in an aggressive program for the City of Manistee and the Manistee Downtown Development Authority (DDA). Due to statutory responsibilities and funding potentials the DDA emerges as the primary responsible party leading the revitalization effort.

The Implementation Strategy is based on several critical components:

- The Implementation Strategy is structured under the framework of the Main Street program.
- The Manistee Downtown Development Authority (DDA) assumes the lead role in the implementation of projects and programs.
- The organizational structure of the DDA will be amended to reflect the basic committee structure of the Main Street program.
- The DDA would facilitate an annual joint planning session to review the progress of the implementation strategy and make any modifications in the sequencing of projects and programs, or the deletion or inclusion of projects.
- The current contractual relationship for management and advisory services would continue during a transition period to full-time director.
- The DDA will become involved in public – private development through the acquisition of real estate.
- The DDA boundary will expand and the DDA Development Plan and Tax Increment Financing Plan will be amended to reflect projects and programs outlined in this plan and incorporate the east peninsula neighborhood and former Washington School property.



Downtown: history and activity.

Key Priorities

Using the described strategies, we are recommending the DDA focus its attention and resources on these key priorities:

Short Term (2008)

- Wayfinding / Directional Signage to Establish Downtown Loop
- Amend DDA Boundaries
- Amend DDA Development Plan
- DDA Director
- By-Law Review
- Board Planning Session

Near-Term (2008-2010)

- Gateways at 1st Street & Lincoln Street
- Maintenance Program
- Business Retention Program
- Business Recruitment Program
- Expand Store Hours

Long-Term (2009-2013)

- Redevelopment Projects (at least two)
- US-31, Taylor & Memorial Drive Intersection



Boats and a Riverwalk behind the downtown shops.

Full Market Study

Manistee is referred to as “The Victorian Port City” because of its elegant downtown section of well-preserved, turn-of-the-century buildings. The city is nestled between Lake Michigan and Manistee Lake, along the western edge of Michigan. Located approximately 21 miles north of Ludington, primary access to Manistee is provided via U.S. Highway 31, which runs north/south and connects Manistee to Ludington and Traverse City.

The city of Manistee serves as the county seat for Manistee County, which includes the cities of Arcadia, Bear Lake, Brethren, Copemish, Dublin, Kaleva, Marilla, Onkama, and Wellston. These communities represent the primary area of influence for consumer expenditures in Manistee.

The primary purpose of this analysis is to determine the amount of retail space that Manistee could support both now and in 5 years. Most of the retail demand for the community will likely occur either within the city limits or just outside of them. Underscoring the retail potential for the area is the speculation that a large-format general merchandise store is looking at Manistee as a possible future deployment location. If a large-format general merchandise store chooses to deploy within Manistee, they will help to keep retail dollars in the city while strengthening the drawing power of the market in the surrounding communities; however, a large-format general merchandise store would also absorb some of the Manistee market’s retail spending potential, thereby altering the projected retail supportability for the Manistee region. Consequently, we have prepared scenarios both with and without a Manistee large-format general merchandise store.

Manistee has numerous advantages for retail development, including land availability, stable and growing employment, and tourist attractions. The main draw for many visitors to Manistee is the abundance of outdoor recreation-based attractions, including Orchard Beach State Park, Manistee National Forest, Manistee National Golf and Resort, and charter fishing and hunting opportunities. Other draws are the Little River Casino and Resort and several historical buildings and museums. In short, the area offers a wide variety of recreational opportunities – providing something for everyone.

While several factors bolster Manistee’s retail attractiveness, there are also challenges to retail development in the market. One of the most significant challenges facing the community is the fact that although the retail potential for Manistee is strong, a significant portion of the existing retail spending is going to Ludington. To a lesser, but not insubstantial extent, retail spending on items like clothing and sporting goods is also going to Traverse City, where the Grand Traverse Mall, Grand Traverse Crossing, and the Cherryland Center offer a wide variety. Residents in the northwestern lower peninsula of Michigan are accustomed to driving to neighboring communities to find items not available closer to home.



Locally owned businesses - the economic base of downtown.

During the course of fieldwork, Pitney Bowes MapInfo talked to several local business owners, asking what, in their opinion, is needed in Manistee. These informal surveys indicated that the most sought-after retail categories are clothing (men's and women's), a specialty food store like a bakery or deli, and restaurants (specifically, more ethnic and varied options than are currently available). The leakage to surrounding communities – especially Ludington – is considerable; Manistee has the opportunity to re-capture more of the retail sales from its own residents.

The goals of this analysis are to evaluate the retail needs and preferences of area residents and to provide a quantitative analysis of actual retail supportability in Manistee that can be used to develop a strategy for retail recruitment and retention. It is important to note that there are frequently situations in which retail needs and retail recruitment and retention strategies are not compatible for a number of reasons.

Pitney Bowes MapInfo has prepared estimates on the amount of additional new retail square footage that Manistee can support. These estimates are broken down into three forecasts:

- 2007 Status Quo – An estimate based on the existing retail and economic conditions in 2007
- 2012 Conservative – A 2012 estimate assuming that the existing conditions trend out normally over the next 5 years
- 2012 Aggressive – An estimate assuming an improving retail climate from the addition of new retailers (thus creating retail synergy) and/or an improved retail environment based on new programs or initiatives implemented by the city/chamber

As mentioned above, we have prepared supportability scenarios both with and without a large-format general merchandise store located in Manistee; each of these scenarios includes the three previously listed forecasts. With the addition of a large-format general merchandise store to the Manistee market, the supportability of certain categories decreases and, in some cases, is no longer supportable. This is due to the wide variety of merchandise sold by a large-format general merchandise store, which would absorb some of the retail spending in the market (depending upon the category). It is important to note that if a large-format general merchandise store with a grocery section is deployed, then one of the existing grocery stores could possibly be put out of business while a Save-a-Lot, which does not compete with large-format general merchandise stores and often locates in close proximity to them, would probably perform acceptably.

The additional supportable square-footage for Manistee retail (not assuming a large-format general merchandise store) is:

Category	2007	2012	2012
	Status Quo	Conservative	Aggressive
Children's Apparel Store	2,500	3,500	5,000
Men's Apparel Store	3,000	4,500	7,000
Women's Apparel Store	3,000	3,500	4,000
Shoe Store	1,000	1,500	2,500
Paint/Wallpaper Store	2,000	3,000	4,000
Nursery/Garden Center	8,000	9,500	11,000
Electronics Store	3,000	3,500	5,000
Computer/Software Store	1,000	1,500	2,000
Restaurant	5,000	6,000	8,000
Specialty Food Store	1,000	1,500	2,500
General Merchandise/Appliance/Furniture Store	25,500	30,600	35,800
Home Furnishings Store	3,000	4,000	6,000
Department Store	20,000	25,000	35,000
General Merchandise Store	5,000	8,000	12,000
Pharmacy/Drug Store	2,000	2,500	3,000
Pet/Pet Supplies Store	3,000	3,500	5,000
Book/Periodical/Music Store	1,500	2,000	2,500
Hobby/Toy/Game Store	3,000	4,000	6,000
Total Additional Supportable Square Footage	109,000	137,600	181,300

The additional supportable square footage for Manistee retail (assuming a large-format general merchandise store) is:

Category	2007	2012	2012
	Status Quo	Conservative	Aggressive
Children's Apparel Store	1,800	2,500	5,000
Men's Apparel Store	2,500	4,000	6,000
Women's Apparel Store	2,500	3,000	3,500
Shoe Store	1,250	1,800	3,000
Paint/Wallpaper Store	2,000	3,000	4,000
Nursery/Garden Center	7,000	8,000	10,000
Computer/Software Store	1,000	1,500	2,000
Grocery Store	16,500	20,000	25,000
Restaurant	7,000	9,000	11,000
Specialty Food Store	1,000	1,500	2,500
General Merchandise/Appliance/Furniture Store	12,000	16,000	20,000
Home Furnishings Store	2,000	3,500	5,000
Department Store	20,000	20,000	25,000
Pet/Pet Supplies Store	2,000	2,500	4,000
Hobby/Toy/Game Store	1,500	2,000	3,500
Total Additional Supportable Square Footage	80,050	98,300	129,500

It is not recommended that all of this additional square footage be provided by new competition into the market; rather, there are certain categories in which it would be more prudent for existing retailers to expand their stores and/or merchandise lines. For example, the shoe store category could be absorbed by Snyder's Shoes as either an expansion or relocation within the downtown area.

While Manistee's demographic characteristics, housing/population growth, and favorable retail climate will allow the city to attract additional retail development, the city must also proactively retain businesses. A concerted effort will be needed to educate consumers on Manistee's wide variety of quality retail offerings and the importance of shopping where you live. The city of Manistee, the Downtown Development Authority (DDA), and the Manistee Chamber of Commerce will need to work together in an effort to create promotional campaigns, beautify the retail areas, and assist the retailers in attracting both local and visitor dollars.

While Manistee has had success in attracting individual retailers like Walgreens, Glen's Market, and Kmart, the city still struggles with many residents leaving the city to shop. Manistee must be willing to spend the time and money necessary to infuse residents with the desire to shop in the city.

Background & Methodology

Background

Pitney Bowes MapInfo was commissioned by the city of Manistee to develop a strategic plan for the recruitment and retention of retail within the city, focusing primarily on the downtown area. Specifically, Pitney Bowes MapInfo assessed the city and its surrounding market area in order to determine what, if any, new retail development would be supportable and what steps the city needs to take in order to make its retail (both new and existing) more viable.

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

- Is additional retail development viable within Manistee?
- To whom would this retail appeal?
- What type of retail should be attracted? In particular, should the proposed retail component have a neighborhood, specialty, or regional appeal, or a mix?
- What types of retail are supportable, and where in the city should they locate?

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

- Housing and population growth will occur as projected herein.
- No new retail/commercial development will occur unless mentioned in this report.



Art for the public. A way Manistee shows that it cares about enhancing the local culture.

- Infrastructure changes will be made to the relevant access routes in order to ensure ease of access and improved mobility throughout the study area.
- The retail establishments will operate in a manner consistent with successful retailing, including remaining open during hours that are convenient to potential customers, maintaining clean facilities and streetscaping, and applying visual merchandising.

While Pitney Bowes MapInfo evaluated several different retail categories in this market analysis, certain types of retailing were not addressed as part of this study. These include, but are not limited to, service retail (e.g., banks, financial planners, dry cleaners), hotels/motels, and automobile dealerships. These retail types follow different site location strategies and were beyond the scope of our analysis.

Methodology

In July 2007, a detailed field evaluation of retail in the study area and major shopping centers in and surrounding the defined trade area was conducted in order to address the above issues. During this evaluation, Pitney Bowes MapInfo thoroughly drove throughout the market, visiting and evaluating the major existing and planned retail concentrations.

We then defined Manistee's trade area based on the field evaluation and information provided by the client. Population and demographic characteristics were collected by census tract and updated based on information gathered from various local sources and Pitney Bowes MapInfo demographic data. This study assumes that all local data are accurate and reliable.

Finally, based on the population and demographic characteristics of the trade area, known existing retail competition, and traffic and retail gravitational patterns, we developed our quantitative assessment for the retail in Manistee. In an effort to determine which retail categories are under-represented, this assessment incorporated the existing square footages for a variety of retail categories, the expenditure potential for each retail category, and the growth of the area.

The expenditure potential refers to the total dollar amount expected to be available for each retail category, as published by the U.S. Census Bureau and supplemented by data from Pitney Bowes MapInfo. For any given retail category, expenditure potential will not increase as more competitors are introduced into a market; rather, the market share for each unit will be redistributed. Expenditure potential increases with population growth and an increase in household income levels.

By calculating the proportion of the area's expenditure potential that is already accounted for with 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 limit of its expenditure potential, but will not go beyond it.

When 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 generated from beyond the trade area will vary between retail categories and is dependent on the drawing power of the retailer. Neighborhood- and convenience-based retail will have a greater proportion of its sales coming from within the trade area than will a larger-format operator capable of drawing customers from farther away.

Retail potential for any category is also dependant upon how much of the overall sales potential that an operator in Manistee could be expected to capture, which in turn is dependant upon the competition in a given category and its distance from the site and will vary between retail categories/chains.



The nautical side of the city.

Locational Characteristics

Demographic Characteristics

Several factors contribute to the overall viability of retail within Manistee. Elements like demographic characteristics, shopping patterns, and history have a significant role in defining the retail environment. Note that all references to Manistee in this section of the report refer to Manistee's local trade area

(LTA, as outlined in Section IV, Trade Areas), unless stated otherwise.

The following table compares select housing and demographic characteristics for the Manistee LTA against Ludington, Cadillac, Traverse City, Petoskey, Cheboygan, and the national average. Each comparison city's housing and demographic characteristics are a summation within a 10-mile radius. (Manistee's LTA extends far eastward in to Manistee County, which is why a 10-mile radius around each of the comparison cities has been included.)

City/Region	2006 Population	2006 Per-Capita Income	2006 Median Household Income	2000 Percent Owner-Occupied Housing	2006 Median Age
Manistee (LTA)	25,702	\$19,614	\$36,114	52%	40.6
Ludington	21,719	\$21,779	\$36,859	58%	39.4
Frankfort/ Elberta	9,148	\$22,676	\$34,662	45%	44.7
Traverse City	73,635	\$26,367	\$45,401	68%	37.6
Petoskey	29,500	\$26,290	\$44,755	51%	39.0
Cheboygan	14,250	\$20,045	\$33,699	57%	39.2
United States	300 million	\$26,400	\$46,700	67%	36.4

As indicated in the table above, Manistee's income levels are a little lower than most of the other communities in the region. Manistee also has a slightly higher median age than most. This combination of factors often indicates an older population who are empty nesters approaching retirement. This demographic is a relatively stable one, but as the population ages, the levels of available disposable income will continue to decrease.

Manistee's population, median age, and percentage of owner-occupied housing demographics are better than Frankfort/Elberta, but Petoskey's population and income levels are slightly better than Manistee's. The closest match for Manistee, both in location and overall demographic characteristics, is Ludington, which means that Manistee should reasonably be able to support multiple larger national-retail chains while maintaining a vibrant and growing downtown, as Ludington does.

PSYTE Cluster (Lifestyle) Data

Lifestyle characteristics are a valuable source of information for determining consumer spending habits/patterns on a block-group level. PSYTE Advantage¹, a proprietary system of Pitney Bowes MapInfo, gathers data based upon consumer expenditures and then determines the similarities between relevant demographic and socioeconomic characteristics and what people are buying. This methodology measures an area in greater depth than just demographic characteristics alone. For example, a \$40,000 income in Manistee will provide a different lifestyle than a \$40,000 income in Detroit or Chicago. Two people with similar incomes that reside in Manistee may also choose different neighborhoods based on preferences. The premise here is that people tend to reside in neighborhoods with others whom they believe are similar to them.

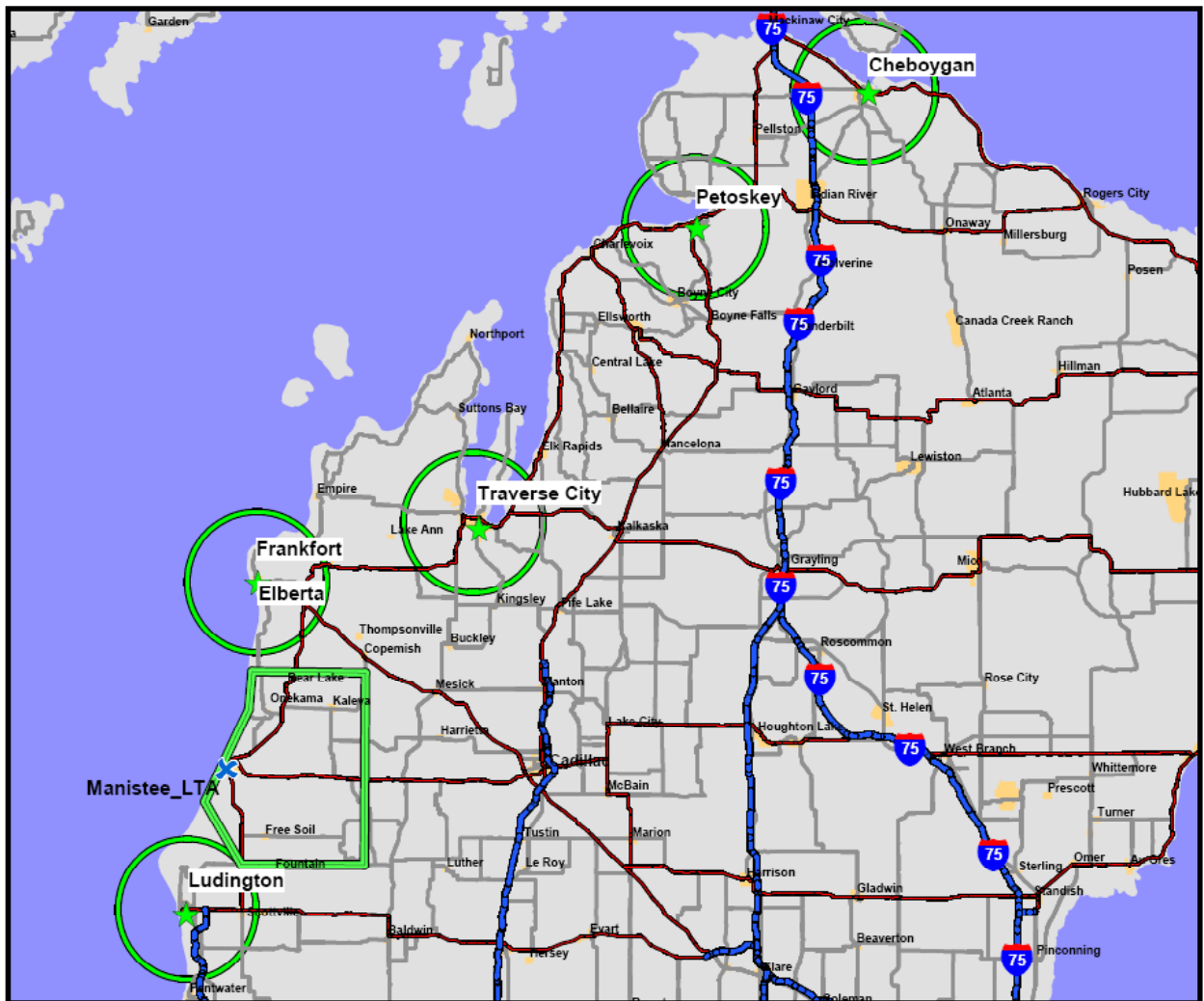
By understanding these "clusters" and their effects, generalizations about people's buying habits can be developed, thus enabling retailers to target areas that will contain their best customers.

PSYTE segments have been developed on national and regional bases, and while one community may contain several different clusters, there is no single cluster that is specific to a single neighborhood or community. The descriptions are, by necessity, stereotypical in order to describe similar groups of people. The following PSYTE clusters were generated based on the entire local trade area (LTA) rather than just the City of Manistee and do not exclusively describe Manistee's residents but everyone who has a permanent residence within the defined LTA. Additionally, listed below are the five most predominant clusters, the complete list can be found in the Appendix.

¹ PSYTE Advantage clustering is a Pitney Bowes MapInfo product that sorts every neighborhood in the United States into 72 mutually exclusive categories called "clusters." Descriptive names and capsule summaries capture each cluster's distinct demographic characteristics and neighborhood flavor.

Based upon Pitney Bowes MapInfo's PSYTE Advantage neighborhood clustering database, the predominant lifestyle segmentation group for the city of Manistee is Family Farm Belt (28%). The other significant lifestyle clusters include Here to Stay (26%), Exurban Refuge (19%), Village Americana (9%) and Senior Circle (5%). The descriptions of each of these clusters are as follows:

- **Family Farm Belt** – The family farm way of life may be alive and well after all. This cluster captures a cross-section of viable family farms working everything from dairy cattle to cash crops, apple orchards to vineyards. With the highest index for farmers, this cluster is characterized (if not dominated) by farming; after all, while only 6% actually work farms, the rest work in all manner of farm-town industries – from farm supply stores to the local bank. Families with children once predominated, but empty nests and families with teens itching to leave are common. The college-educated are not uncommon in these towns, but they are not likely to have been born and raised here. The mean family income is \$52,000.
- **Here to Stay** – Found in every region, folks in this cluster tend to stay while their neighbors move, often on a seasonal basis. With the highest index for seasonal vacancies – split between winter vacancies and summer vacancies, these “stayers” are an interesting lot: age 50+ skew, many retired, older homes, 1:1 owner-to-renter ratio, high school with some college education, 92% white, non-Hispanic. Empty nest, two-person households predominate with an average household income of \$48,800. Have they found Paradise?
- **Exurban Refuge** – This “beyond suburbia” cluster represents older, non-family households living beyond the towns that ring the suburban fringe. Their 65/35 owner-to-renter ratio indicates a substantial retirement segment, contentedly aging in place. Fully 98% are native, white, non-Hispanic U.S. citizens. Their \$32,000, below-average income is likely the main reason that they don't move to Florida or Arizona in the winter; still, they may be content right where they are.
- **Village Americana** – America's small towns are more numerous than they are appreciated. Every region – every state – every country road eventually connects to settlements whose livelihood stems as much from its own history as from enduring economic opportunity. The lucky ones connect to nearby metro areas or are renewed by immigrants, but others, like those in Village Americana, languish in peaceful solitude, attracting the occasional scavenger of antiques. The average income is \$34,000.



This map shows the Manistee LTA and 10-mile locations rings of the communities discussed above.

- Senior Circle – Seniors, perhaps more than others, still “flock together” and socialize with gusto, playing bridge and shuffleboard to beat the band. This cluster indexes high on the 80+ population, widows, and widowers. Over half (56%) are renters with an overall high index on high-rise apartment dwellers and population in nursing homes. Still, 40% are homeowners residing in the communities in which they have spent most of their lives. Incomes, derived primarily from Social Security, are characteristically low, with a median household income of \$24,000.

Access

Main access to Manistee is provided via U.S. Highway 31, which is, in the vicinity of the city, a two-lane road. It is the primary north/south route along the western edge of Michigan, and it connects Manistee with Traverse City to the north and with Ludington (albeit indirectly) to the south. Additional access to Manistee is provided by State Highway 55, which runs east/west and connects the city to Cadillac.

Manistee's Existing Retail

Overall, within the Manistee LTA, there is approximately 762,000 square feet of occupied retail space. Larger retailers like Kmart, Ace Hardware, Glen's Market, and Oleson's account for approximately 175,000 square feet of existing retail. Currently, the city of Manistee has two main retail nodes: the Downtown Area and the U.S. Highway 31 Corridor.

Downtown Area

Downtown Manistee, while offering a number of advantages, has some challenges to overcome in order to become a more desirable shopping destination. The downtown area is focused primarily around River Street west of U.S. Highway 31 and boasts many good quality independent retailers such as The Ideal Kitchen, Goody's Juice & Java, The Tuscan Grille, and Port City Organics, but there are still a number of vacancies. Unoccupied space is a detriment to downtown because it decreases drawing power and detracts from the overall atmosphere by projecting a potentially negative image. The existing retail space downtown needs a critical mass of retail to attract more customers to the area on a more frequent basis. Additionally, while there are many well preserved historic buildings, a number of others need to be repaired or renovated to make them fit in with the rest of the downtown area, providing a more enticing atmosphere (a discussion of this is provided in V, Conclusions).

In addition to a couple of vacancies, downtown Manistee has occupancy issues. Several non-retail businesses (e.g., furniture upholstery workshop, Salvation Army, credit bureau and construction, insurance and law offices) occupy space that should be used by retailers. Despite a number of viable specialty shops and other retailers, the inappropriately used space deters people from shopping downtown, consequently inhibiting potential retailers from setting up shop. A more appropriate set-up for downtown occupation is: retail on the first floor, non-retail above.

U.S. Highway 31 Corridor

This corridor encompasses section of U.S. Highway 31 between West 28th Street/Red Apple Road and 12th Street. Located along this corridor are Kmart, Cypress Plaza (Ace Hardware, RadioShack, Sears Appliance), the Glen's Market plaza (Fashion Bug, Rite Aid) and several other national retail chains. A large-format general merchandise store is considering locating in this vicinity. This area increases the drawing power of Manistee as a whole, but can compete with the retail offerings downtown.



US-31. The main north/south route to Manistee.

Manistee's Retail Competition

There are additional retail nodes both inside and outside of the defined trade area that influence the shopping patterns of Manistee residents and visitors, competing with the retail districts within the city of Manistee. These competitive retail nodes impact Manistee's retail sales potential on multiple levels. The primary convenience-oriented competition (e.g., groceries, small shops, auto parts) is located in those surrounding communities that will often compete with Manistee for specialty retail or boutique shopping (primarily catering to tourists, but also serving residents). These key competitive nodes in the LTA include:



Looking down Main Street – the downtown retail corridor in Frankfort, Michigan.

- **Frankfort/Elberta** – A similarly sized town to Manistee, Frankfort/Elberta's retail is mainly concentrated around the downtown area along Main Street and comprises primarily local/independent retailers. There are also several retailers here that have more than one location, including: Hull's (also located in Manistee), Michigan Rag Co. (a clothing store, also in Grand Haven), True Value Hardware (throughout Michigan), Glen's Market (throughout Michigan), and Kilwin's Ice Cream (throughout Michigan).
- **Onkama** – The nearest town to Manistee, Onkama has True Value Hardware, IGA, and a limited selection of smaller, independent retailers.
- **Ludington** – The retail concentration in Ludington serves as the closest major source of competition for the city of Manistee. Ludington has several larger national retail chains that do not exist within Manistee County, including The Home Depot and Meijer. Ludington is also home to mid-range hotel chains like Holiday Inn Express, Best Western Splash Park Inn, and Ramada. Additionally, Ludington is the launch point for the S.S. Badger, the car ferry to Manitowoc, Wisconsin across Lake Michigan.

Beyond the regional trade area (RTA), there are other areas of retail concentration that impact Manistee. The primary regional-oriented competition (e.g., large department stores, home improvement retailers, large membership/discount clubs) include:

- **Traverse City** – The Grand Traverse Mall, Grand Traverse Crossing, and the Cherryland Center provide a wide variety of retail choices with significant regional drawing power. Retailers located in the vicinity include Macy's, JCPenney, The Home Depot, Lowe's, Sam's Club, A large-format general merchandise store, Kohl's, Eastern Mountain Sports, Gander Mountain Company, Staples, and Toys "R" Us. Traverse City is also a larger, well-known tourist destination within the western part of Michigan's lower peninsula.



Above are examples of the historic buildings that are the basis for Manistee's name as the "Victorian Port City."

- Cadillac – Located along U.S. Highway 131 approximately 50 miles east of Manistee, Cadillac is home to many national retailers like The Home Depot, Meijer, A large-format general merchandise store Supercenter, Peebles, and ABC Warehouse.

Trade Areas

The trade areas for Manistee were defined by evaluating a variety of factors, including accessibility, existing and planned competition, physical and psychological barriers, and the overall drawing power of the area. The local trade area (LTA) refers to that area from which the retail offerings at the city will draw approximately 70% to 75% of their business, and includes a population base that will make Manistee a primary shopping destination by typically shopping there on a weekly basis.

The regional trade area (RTA) represents that area from which the city will draw an additional 10% to 15% of its business. Those residents who live within the RTA but not the LTA will shop Manistee frequently (between one and two times a month); however, the city will not be their primary shopping destination.

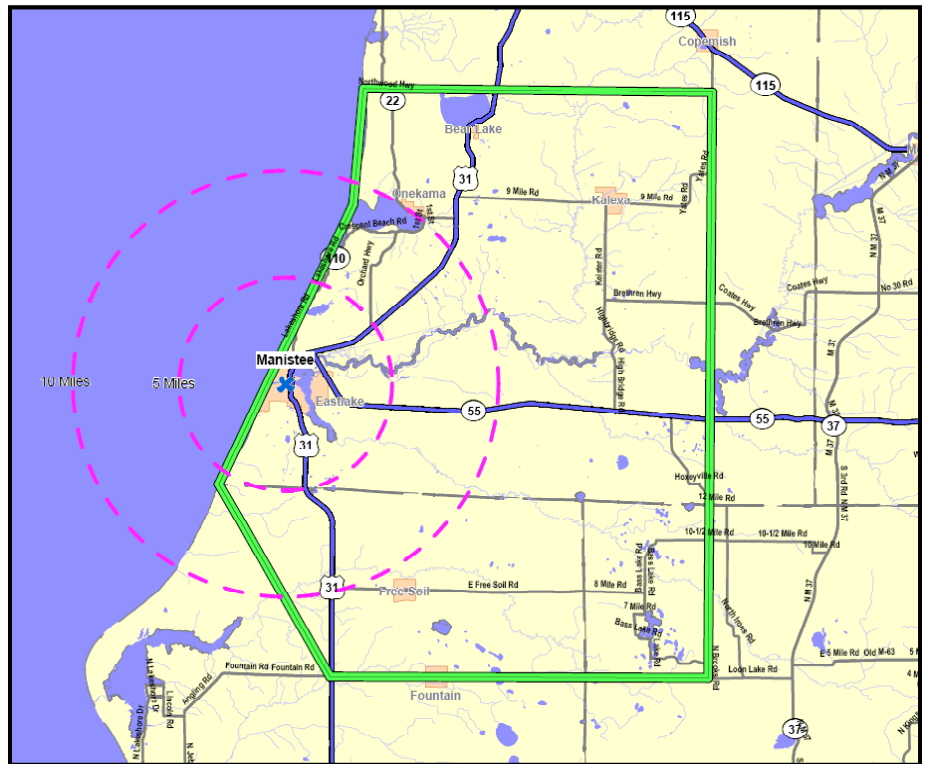
It is assumed in this analysis that at least some of the city's customers will come from beyond the defined trade area boundaries, patronizing the retail of Manistee every few months at most. This assumption of sales from beyond the trade area also accounts for the draw of Manistee's local attractions, including the Little River Casino Resort, Orchard Beach State Park, numerous charter fishing and hunting opportunities, and many historic buildings and museums

Local Trade Area (LTA)

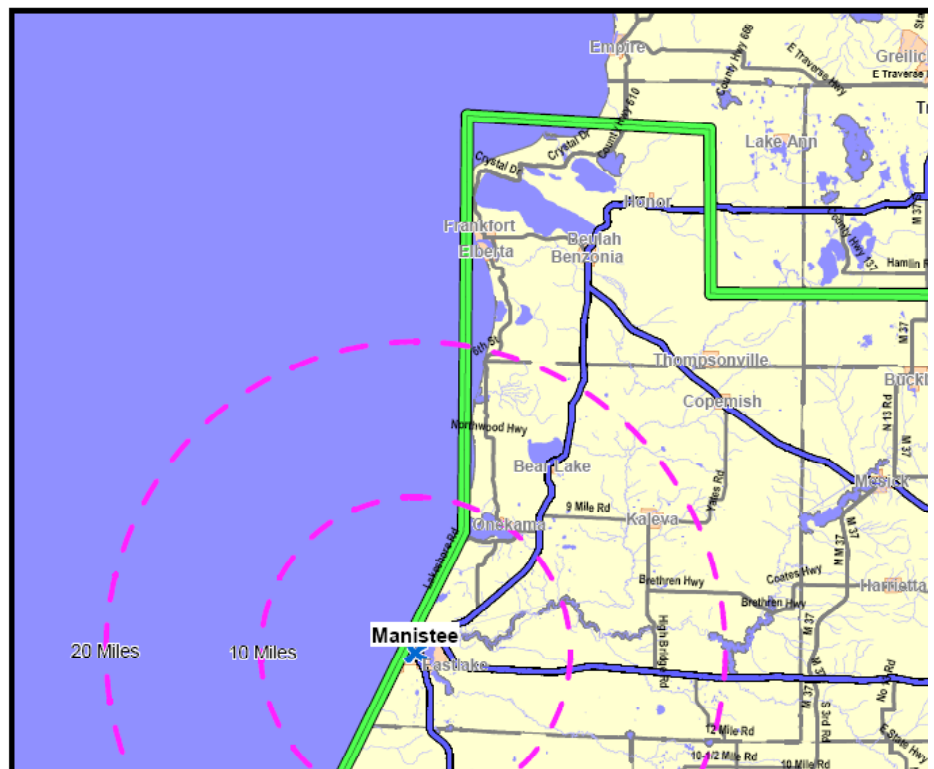
The Manistee LTA encompasses a significant portion of Manistee County, including the towns of Eastlake, Onkama, Free Soil, Kaleva, Bear Lake, and Fountain. The LTA boundary is limited to the south by Ludington's strong retail presence. Within the LTA, Manistee is both the largest city and a shopping destination for many residents who live in those surrounding communities that do not have as large a retail selection as Manistee.

Regional Trade Area (RTA)

Manistee's RTA extends farther to the north and east than its LTA, accounting for the more regional drawing power of larger retailers. The RTA extends north to include the towns of Frankfort/Elberta, Thompsonville, and Buckley; and east almost to Cadillac. Distance from Manistee in conjunction with existing big-box retail prevents Cadillac, Traverse City, and Ludington from being included in the Manistee RTA.



The map above depicts the local trade area (LTA). The lime-green line represents the LTA boundary while the broken purple circles represent 5- and 10-mile rings for spatial referencing.



The map above depicts the regional trade area (RTA). The lime-green line represents the RTA boundary while the broken purple circles represent 10- and 20-mile rings for spatial referencing.

Conclusions

Based upon this analysis, Manistee can currently support an additional 109,000 to 181,300 square feet of new retail development if a large-format general merchandise store does not deploy in the U.S. Highway 31 corridor, or 80,050 to 129,500 square feet if a large-format general merchandise store does construct the unit. This potential assumes that the city, in conjunction with the Chamber of Commerce and the DDA, will work together in a progressive manner to establish the image of Manistee as a desirable place to live, shop, and dine. One of the primary tasks will be to educate the public on what Manistee has to offer and why they should patronize their hometown's retail establishments. Some recommendations and guidelines for retail investment and downtown revitalization are discussed in this section.

Pitney Bowes MapInfo generated three forecasts for Manistee that are dependent on the levels of additional population and employment growth in the area and the city's success at implementing and maintaining programs that encourage retail development. These forecasts (not assuming a large-format general merchandise store) are listed below:

Category	2007	2012	2012
	Status Quo	Conservative	Aggressive
Children's Apparel Store	2,500	3,500	5,000
Men's Apparel Store	3,000	4,500	7,000
Women's Apparel Store	3,000	3,500	4,000
Shoe Store	1,000	1,500	2,500
Paint/Wallpaper Store	2,000	3,000	4,000
Nursery/Garden Center	8,000	9,500	11,000
Electronics Store	3,000	3,500	5,000
Computer/Software Store	1,000	1,500	2,000
Grocery Store	16,500	20,000	25,000
Restaurant	5,000	6,000	8,000
Specialty Food Store	1,000	1,500	2,500
General Merchandise/Appliance/ Furniture Store	25,500	30,600	35,800
Home Furnishings Store	3,000	4,000	6,000
Department Store	20,000	25,000	35,000
General Merchandise Store	5,000	8,000	12,000
Pharmacy/Drug Store	2,000	2,500	3,000
Pet/Pet Supplies Store	3,000	3,500	5,000
Book/Periodical/Music Store	1,500	2,000	2,500
Hobby/Toy/Game Stores	3,000	4,000	6,000
Total Additional Supportable Square Footage	109,000	137,600	181,300

The additional supportable square footage for Manistee retail (assuming a large-format general merchandise store) is outlined below:

	2007	2012	2012
Category	Status Quo	Conservative	Aggressive
Children's Apparel Store	1,800	2,500	5,000
Men's Apparel Store	2,500	4,000	6,000
Women's Apparel Store	2,500	3,000	3,500
Shoe Store	1,250	1,800	3,000
Paint/Wallpaper Store	2,000	3,000	4,000
Nursery/Garden Center	7,000	8,000	10,000
Computer/Software Store	1,000	1,500	2,000
Grocery Store	16,500	20,000	25,000
Restaurant	7,000	9,000	11,000
Specialty Food Store	1,000	1,500	2,500
General Merchandise/Appliance/ Furniture Store	12,000	16,000	20,000
Home Furnishings Store	2,000	3,500	5,000
Department Store	20,000	20,000	25,000
Pet/Pet Supplies Store	2,000	2,500	4,000
Hobby/Toy/Game Store	1,500	2,000	3,500
Total Additional Supportable Square Footage	80,050	98,300	129,500

Listed below are the optimal matches in each retail category found supportable for national and regional retailers, and whether they would be appropriate as a downtown use. Pitney Bowes MapInfo recommends national retailers based not only on what makes the most sense for Manistee, but also on the retailers' own criteria for opening new locations. Key criteria that retailers consider when evaluating new deployment opportunities include:

- Appropriate demographic/psychographic mix and consumer spending patterns/habits
- Current deployment patterns for suggested retailers
 - similar locations (suburban/exurban)
 - similar store spacing (distance between stores in the same chain)
 - similar accessibility and visibility characteristics
 - future expansion plans (markets for future consideration)

Moreover, Pitney Bowes MapInfo has utilized its knowledge of and experience with working with the real estate and market research departments of several retail and restaurant chains to recommend the most appropriate operator/operator type.

These tables list the retail categories, supportable new square footage in each category (based on the 2007 Status Quo scenario), and the types of stores and sizes. The tables also depict the nearest competition and its location in each retail category, as well as a general reason for the recommendation. The recommended retailers have all met the criteria outlined above. Finally, the tables only include those sister stores nearest to Manistee.

Children's Apparel Store

Supportable square footage (no large-format general merchandise store)	2,500
Supportable square footage (with a large-format general merchandise store)	1,800
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Children's Orchard, Once Upon A Child
Nearest location of recommended retailer(s)	Children's Orchard (Traverse City), Once Upon A Child (Walker)
Existing Competition	N/A
Recommendation	The Manistee area lacks an exclusively children's apparel retailer. Currently, many residents shop at Kmart or head out of town. Both Children's Orchard and Once Upon A Child are Michigan-based companies that are looking to expand. Either would work in the downtown area or in a plaza along the U.S. Highway 31 corridor.

Men's Apparel Store

Supportable square footage (no large-format general merchandise store)	3,000
Supportable square footage (with a large-format general merchandise store)	2,500
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Local operator only
Nearest location of recommended retailer(s)	N/A
Existing Competition	Carey's Mens, Womens & Shoes
Recommendation	<p>There was no national retailer that fit the criteria outlined above. A <u>solely</u> men's apparel retailer is absent in the Manistee area. At present, residents shop at Carey's for men's clothing. Due to the square footage constraints and demographic characteristics of Manistee, it is recommended that either Carey's expands its men's offerings or another local operator/retailer fill the supportable square footage for this category.</p> <p>Although Carey's does offer men's clothing and may do quite well, they are not exclusively a men's apparel store as they also offer women's clothing and a selection of shoes.</p>

Women's Apparel Store

Supportable square footage (no large-format general merchandise store)	3,000
Supportable square footage (with a large-format general merchandise store)	2,500
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Monkey Business, Peace Frogs
Nearest location of recommended retailer(s)	Monkey Business (Mackinac Island-seasonal, Minocqua, Wisconsin-year round), Peace Frogs (Grand Haven-year round, Mackinac Island-seasonal)
Existing Competition	Fashion Bug (Manistee), Hull's of Manistee
Recommendation	<p>Both Monkey Business and Peace Frogs are more casual-apparel stores, and they do also offer men's and children's apparel. Based on the size and demographic characteristics of the Manistee market, there were a limited number of national chains that could fill this retail category. Another option is for either of the existing retailers in Manistee to expand their stores to incorporate the additional square footage; otherwise, a new local operator could fill the need.</p>

Shoe Store

Supportable square footage (no large-format general merchandise store)	1,000
Supportable square footage (with a large-format general merchandise store)	1,250
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	A locally owned retailer would work best for this category
Nearest location of recommended retailer(s)	N/A
Existing Competition	Snyder's Shoes (Manistee)
Recommendation	There was no national retailer that fit the criteria outlined above. As a result of the limited additional supportable square footage, a good option for this category would be for Snyder's to expand within the downtown area.

Paint/Wallpaper Store

Supportable square footage (no large-format general merchandise store)	2,000
Supportable square footage (with a large-format general merchandise store)	2,000
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Repco Lite Paints Inc.
Nearest location of recommended retailer(s)	Repco Lite Paints Inc. (Grand Rapids), Port City Paints (Muskegon, Grand Haven)
Existing Competition	N/A
Recommendation	Repco Lite Paints Inc. is a western Michigan-based company that is looking to expand. Currently, there are no exclusively paint or wallpaper stores in the Manistee area. Residents leave Manistee to shop at a big-box retailers like The Home Depot for paint and other wall coverings.

Nursery/Garden Center

Supportable square footage (no large-format general merchandise store)	8,000
Supportable square footage (with a large-format general merchandise store)	7,000
Type of deployment	Shopping center or stand-alone retailer
Recommended retail chain(s)	Local operator only
Nearest location of recommended retailer(s)	N/A
Existing Competition	N/A
Recommendation	There was no national retailer that fit the criteria outlined above. While the area can support an additional 8,000 square feet (7,000 square feet with a large-format general merchandise store), a local operator is likely the only viable option.

Electronics Store

Supportable square footage (no large-format general merchandise store)	3,000
Supportable square footage (with a large-format general merchandise store)	N/A
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Batteries Plus
Nearest location of recommended retailer(s)	Walker, Holland
Existing Competition	RadioShack
Recommendation	Assuming a large-format general merchandise store does not deploy in Manistee, the area can support a smaller-format electronics store. As RadioShack is already deployed in the market, Batteries Plus is the best match for this category: they have several locations across Michigan and are expanding.

Computer/Software Store

Supportable square footage (no large-format general merchandise store)	1,000
Supportable square footage (with a large-format general merchandise store)	1,000
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Local operator only
Nearest location of recommended retailer(s)	N/A
Existing Competition	N/A
Recommendation	There was no national retailer that fit the criteria outlined above. While the area can support an additional 1,000 square feet, a local computer sales/service operator will likely be the only viable option.

Grocery Store

Supportable square footage (no large-format general merchandise store)	16,500
Supportable square footage (with a large-format general merchandise store)	16,500
Type of deployment	Shopping center or stand-alone unit
Recommended retail chain(s)	Save-a-Lot
Nearest location of recommended retailer(s)	Ludington, Cadillac
Existing Competition	Glen's Market, Oleson's
Recommendation	Due to the limited additional supportable square footage Save-a-Lot is the only national chain option for this category. They are located throughout Michigan – generally in cities similar to Manistee. Another possible option for Manistee is a smaller independent specialty/ gourmet market similar in format to Best Choice Market in Ludington.

Restaurant

Supportable square footage (no large-format general merchandise store)	5,000
Supportable square footage (with a large-format general merchandise store)	7,000
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Local operator only
Nearest location of recommended retailer(s)	N/A
Existing Competition <u>Note:</u> The list of existing restaurant competition is not an exhaustive list, but merely a sample of what is available.	Tuscan Grille, Port City Grille, River Street Station, Mancino's, Stafano's, Boathouse Grill
Recommendation	There was no national retailer that fit the criteria outlined above. To occupy this category's square footage, a locally owned restaurant would be the best option. Based on informal surveys, the Manistee residents desire more of a variety, with an emphasis on ethnic options.

Specialty Food Store

Supportable square footage (no large-format general merchandise store)	1,000
Supportable square footage (with a large-format general merchandise store)	1,000
Type of deployment	Downtown
Recommended retail chain(s)	Bear Claw Coffee
Nearest location of recommended retailer(s)	South Haven, St. Joseph
Existing Competition	Goody's Juice and Java
Recommendation ***Since this draft was originally issued a new coffee shop called Higher Ground has opened downtown. The opening of this new store means additional square footage in this category is no longer supportable.	Bear Claw Coffee is the most appropriate chain retailer option for this category: they are small, Michigan-based, and looking to expand. Informal surveys also indicate that Manistee residents would like another specialty food store like a bakery or deli in addition to the current selection. This category could be filled by a local operator.

General Merchandise/Appliance/Furniture Store

Supportable square footage (no large-format general merchandise store)	25,500
Supportable square footage (with a large-format general merchandise store)	12,000
Type of deployment	Downtown or shopping center (depending on retailer)
Recommended retail chain(s)	REX TV & Appliance, ABC Warehouse
Nearest location of recommended retailer(s)	REX (Owosso), ABC Warehouse (Traverse City, Mt. Pleasant, Muskegon, Holland)
Existing Competition	Sears Appliance (Manistee)
Recommendation	REX TV & Appliance would be a good option for this category. Their deployment strategy and preferred size make them compatible with Manistee. Another option (though not for the downtown area) is ABC Warehouse, which is more of a discount TV and appliance retailer than Sears. It is unlikely that ABC Warehouse would be supportable if a large-format general merchandise store deploys in Manistee.

Home Furnishings Store

Supportable square footage (no large-format general merchandise store)	3,000
Supportable square footage (with a large-format general merchandise store)	2,000
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Ten Thousand Villages
Nearest location of recommended retailer(s)	Grand Rapids, Holland
Existing Competition	Hollyhock
Recommendation	<p>Ten Thousand Villages is a fair trade* store that carries home accent and décor items from around the world. Their eclectic, yet affordable, items would help to draw both residents and tourists downtown. Additionally, they offer a product line that is significantly different from anything a large-format general merchandise store sells, thus allowing them to continue to operate even if a large-format general merchandise store opens a store in Manistee.</p> <p>*Fair trade is an organized social movement and market-based model of international trade that promotes the payment of a fair price as well as social and environmental standards in areas related to the production of a wide variety of goods.</p>

Department Store

Supportable square footage (no large-format general merchandise store)	20,000
Supportable square footage (with a large-format general merchandise store)	20,000
Type of deployment	Shopping center
Recommended retail chain(s)	Peebles
Nearest location of recommended retailer(s)	Ludington, Cadillac
Existing Competition	Kmart
Recommendation	Peebles would be a great choice for Manistee because of their preferred square footage requirements, their current locations, and their deployment strategy. Additionally, if a large-format general merchandise store were to locate in Manistee, Peebles should not be too greatly affected, as their product offerings tend to be more upscale.
<p>**Since this draft was originally issued it has come to our attention that Peebles is in the process of locating a store within Manistee.</p>	

General Merchandise Store

Supportable square footage (no large-format general merchandise store)	5,000
Supportable square footage (with a large-format general merchandise store)	N/A
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Fairway Discount
Nearest location of recommended retailer(s)	Corunna
Existing Competition	N/A
Recommendation	Located in small towns in eastern Michigan, Fairway Discount's preferred demographic profile is similar to the profile of the Manistee area. Fairway Discount offers a wide variety of general merchandise products at a discounted price. With the current lack of competition in Manistee, they should do well; however, if a large-format general merchandise store deploys in Manistee, this category is no longer a supportable option, as similar goods at similar prices would then be offered.

Pharmacy/Drug Store

Supportable square footage (no large-format general merchandise store)	2,000
Supportable square footage (with a large-format general merchandise store)	N/A
Type of deployment	Downtown
Recommended retail chain(s)	Local operator only
Nearest location of recommended retailer(s)	N/A
Existing Competition	Rite Aid, Walgreens
Recommendation	There was no national retailer that fit the criteria outlined above. With both Rite Aid and Walgreens already in the Manistee market and the limited supportable square footage available, a local operator or the expansion of one of the existing stores are the only options for this category. As both of the above-mentioned chains are located along U.S. Highway 31, the downtown area would be a better place to locate. Since a large-format general merchandise store has its own internal pharmacy department, this category would no longer be supportable if they located in Manistee.

Pet/Pet Supplies Store

Supportable square footage (no A large-format general merchandise store)	3,000
Supportable square footage (with A large-format general merchandise store)	2,000
Type of deployment	Downtown
Recommended retail chain(s)	Fuzzy Butz Bakery, Three Dog Bakery, Wild Birds Unlimited
Nearest location of recommended retailer(s)	Fuzzy Butz Bakery (St. Joseph), Three Dog Bakery (Plymouth), Wild Birds Unlimited (Grand Rapids, Traverse City)
Existing Competition	N/A
Recommendation	Currently, there are no specialty pet/pet supplies stores in the Manistee area. Both Fuzzy Butz and Three Dog Bakery are Michigan-based, with Three Dog stores located across the U.S. Specialty retailers like these would work even in the event that A large-format general merchandise store deploys in Manistee, as they offer a distinctive product mix. This kind of retailer would also help to give downtown a more unique, boutique feel.

Book/Periodical/Music Store

Supportable square footage (no A large-format general merchandise store)	1,500
Supportable square footage (with A large-format general merchandise store)	N/A
Type of deployment	Downtown
Recommended retail chain(s)	Local operator only
Nearest location of recommended retailer(s)	N/A
Existing Competition	Bookmark
Recommendation Need to check on Little Professor Book Stores	As there is already a bookstore downtown, there is only a limited amount of extra supportable square footage. Most likely, it would be more beneficial for the existing retailer to expand than it would be for a new competitor to move in. Should A large-format general merchandise store deploy in Manistee, this category would no longer be supportable because of the selection that they offer.

Hobby/Toy/Game Store

Supportable square footage (no A large-format general merchandise store)	3,000
Supportable square footage (with A large-format general merchandise store)	1,500
Type of deployment	Downtown or shopping center
Recommended retail chain(s)	Riders Hobby Shops, Learning Express
Nearest location of recommended retailer(s)	Riders Hobby Shops (Grand Rapids), Learning Express (Grand Rapids)
Existing Competition	N/A
Recommendation	Both the above-mentioned retail chains would work well in the downtown area and would offer something a little more unique than A large-format general merchandise store would. This product offering would allow the retailers to remain in business, even with a A large-format general merchandise store deployment.

As additional retail is attracted to the city, it is conceivable that even more retail will become supportable as the area reaches a critical mass and becomes more attractive. This critical mass of retail is based on the synergistic nature of large national retailers. When several national big-box retailers move into a single shopping center, it creates a dynamic in which each store has the ability to generate higher sales from increased customer traffic than if it were to deploy alone. In Manistee, this critical mass could be seen if a developer were to build a new shopping center with several large-format retailers like A large-format general merchandise store or Sam's Club and a total size greater than 200,000 square feet.

Goals, Initiatives, and Guidelines

The overall success of the additional retail in Manistee will be dependant on a number of factors. Achieving the desired goals will require a combined effort between the city, the Chamber of Commerce, the DDA, local business owners, local developers, and community residents. Business owners should include representatives from locally owned store as well as management staff of national chains like Kmart, Glik's, and Glen's Market. Furthermore, these business owners should represent a cross section of the city's two retail districts. It must be noted that while one person or entity must take charge of the effort, other involved parties are not absolved of responsibility for assisting or taking a leadership role.

There were several issues that were presented to us through field observations and conversations with area business owners and residents. While most of these issues do not present a major obstacle for retail growth or development, they do have an impact on the vibrancy and excitement of retail offerings in the community. This section of the report will address some of these issues, provide guidelines (when appropriate), and indicate who should spearhead the effort.

Hours of Operation

An important factor that needs to be addressed in any retail environment is hours of operation, especially in the downtown area. When there are only a few stores open, the difficulty of attracting downtown shoppers increases. In a world of 24-hour superstores and online shopping, the typical consumer now expects to be able to purchase goods and services whenever they need them. While typical customers understand that it is not practical for a small business to be open 24 hours a day, they do expect to be able to shop after work, on the weekend, or on a lunch break.

It is understandable that some retailers may not want to add staff to handle the extra hours, but they can certainly adjust their business hours, opening and closing a little later so that the stores are open during the times that customers tend to shop. If customers cannot get to a store when it is convenient for them, they will simply go to another store that is open when they need it to be. Often, this means that customers will shop at the national chains or even leave Manistee altogether and drive to Ludington or Traverse City. Shop owners do not need to stay open until 10 p.m. like the larger national chain stores do, but it would be beneficial for all downtown shops to choose one or two nights a week on which they all stay open later (at least until 7 p.m.). It may take time for the change to catch on with the customers, so it should be heavily promoted until residents become familiar with the hours. Merely doing this for a month or so and then reverting to the old hours will only confuse customers, making the current downtown situation worse.

In any downtown area, there may be a number of local shop owners who run their stores more as a hobby than for a living and who do not care if their sales increase. They may not want to work more hours than they already do. In these cases, a request to at least alter their hours to be open an evening or two – or Saturdays – and an appeal to their pride in the city and a desire to help their neighbors to succeed may work. There will, however, be some cases in which shop owners simply will not comply; in these cases, efforts are best spent on other initiatives.



Above: Several examples of signs that have been well maintained or updated.

Storefront Appearance

Business owners must also take pride in the appearance of their establishments both inside and out. While there are several excellent examples of buildings with well-maintained storefronts, there are also a number of storefronts that are cluttered or unclean, broken fixtures, peeling paint, and dirty windows. The city cannot be expected to maintain the individual buildings: this is the responsibility of the business owners. Pitney Bowes MapInfo applauds the efforts of the DDA, which provides grants and loans to shop owners who have limited funds for façade or other improvements.

While these measures are the responsibility of the retailers, the city, along with the DDA and the chamber of commerce, can hold workshops and networking meetings to promote cooperation throughout the downtown retail area. For example, there may be times when all the retailers could have their window displays revolve around a theme to promote unity. (To some degree, this automatically happens during the holiday seasons.)

There should also be an effort to refurbish buildings and stores that are currently vacant. While some of these may have absentee landlords, there are things that can be done to help improve their appearance. Covering up the windows with more attractive things than boards or newspapers can be beneficial. One option is to have local children participate in drawing contests and then place the entries in the windows. These colorful works of art will deflect people's attention away from the empty storefront and onto the children's efforts, thus reducing the impact of the vacancy. Local artists can paint murals on the windows or boards to help beautify the area. Existing retailers can create window displays to promote more of their merchandise (preferably, this would be done by retailers who are close to the vacant location, as customers will not want to have to go to the other end of town to buy the merchandise they see in a window). Space can be used to promote Manistee, with posters and other information on area attractions or local history. In these ways, as the city is working to fill the vacant space, the empty space works to benefit the area.

The existence of vacant space cannot be ignored. Empty space is aesthetically unappealing. In some cases throughout Manistee, the property is not available for sale or lease, but still remains vacant. Vacant space is detrimental to a downtown, detracting from the atmosphere and limiting drawing power and sales potential. Regardless of availability as a retail storefront, vacant space must be dealt with.



Local Retail Recruitment

One of the greatest challenges that cities like Manistee face is the recruitment of local entrepreneurs to open independent or franchised stores within the community. Manistee has the advantage of a strong entrepreneurial spirit among many of its existing independent retailers. Several niche businesses, such as The Ideal Kitchen and Port City Organics, create success in the downtown area; however, there is still a significant level of unmet demand, and more entrepreneurship should be encouraged.

We suggest that the city, in conjunction with the Chamber of Commerce, DDA, and local merchants, develop a multiple-phased retail plan to attract and retain Manistee retailers. First, the city needs to answer the following questions:

- Based upon the retail market analysis, which retail voids does the town wish to fill?
- Who or what type of retailers should fill the preferred voids? (This market analysis can add insight and direction.)
- Is there space to accommodate this retail (available square footage)? Does more retail space need to be added? Who owns the space, and what are the owner's plans for development/redevelopment?
- When are existing store leases up for renewal? Can any retailers be relocated to better suit the downtown area's development plans?

Once these questions have been answered, an entrepreneur fair should be held to discuss the retail needs of Manistee with existing business owners and interested community leaders. Interested parties can be shown ideal locations that have the appropriate store size to meet supportable demand. The city/chamber/DDA can also provide resources for startup funding, facility improvements, advertising options, and so on. This will help the city to guide the direction of retail growth and development while fostering a strong working relationship.

Concluding Comments

Manistee has several positive attributes that will contribute immensely to its future retail potential. These attributes include its strong sense of community pride, growing retail environment, and many attractions that bring visitors from all over. The community needs to build upon these strengths while improving its challenging aspects. It will be crucial to remember that this will not happen overnight. In most cases, it can take several years between the time a retailer is contacted and becomes interested in the community as a location and the time that the store is actually opened.



Above: Several examples of storefronts that are unkempt and/or in need of façade improvements.

A P P E N D I X



M A N I S T E E



Downtown Strategic Plan



January 2008

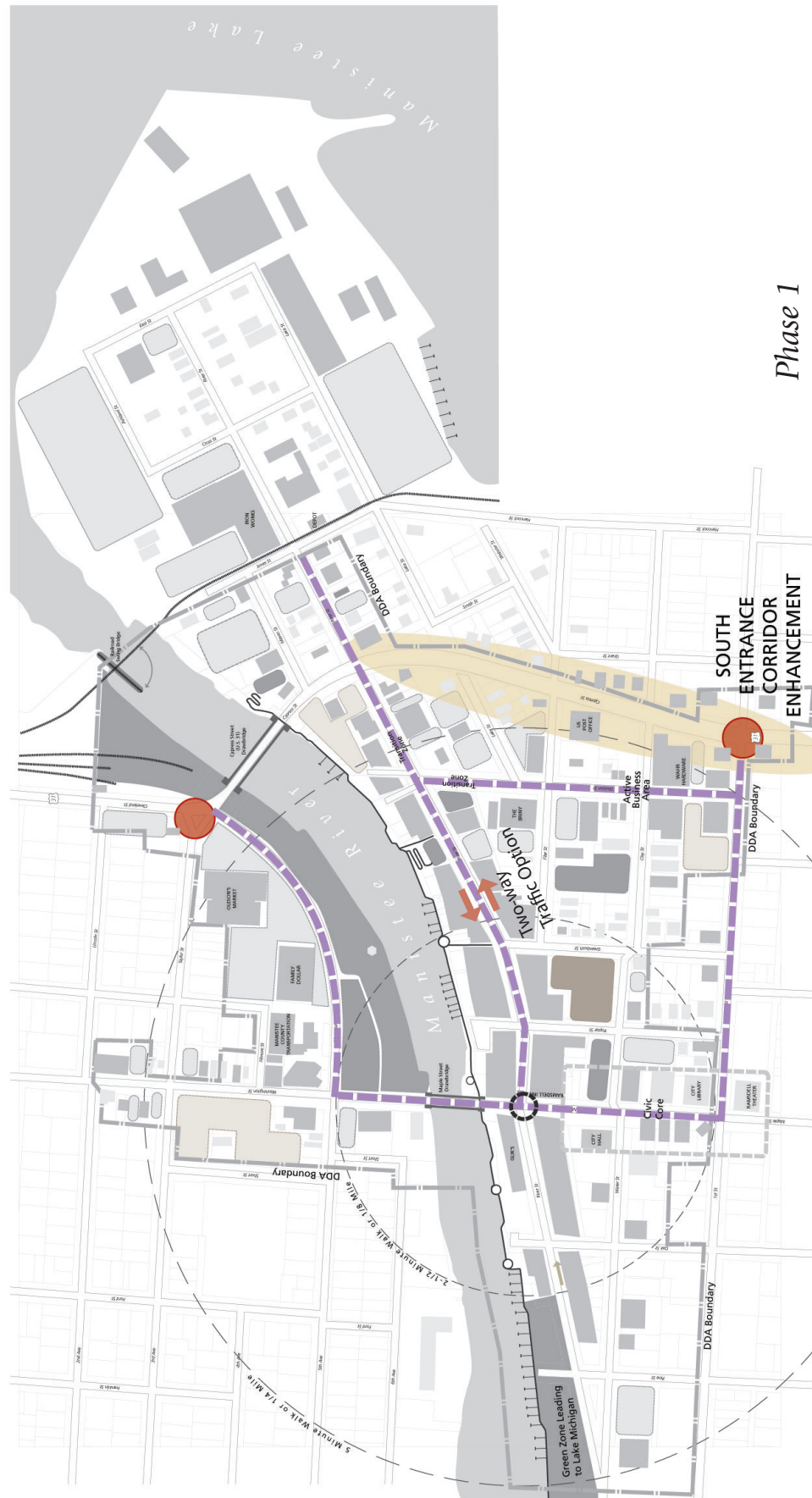
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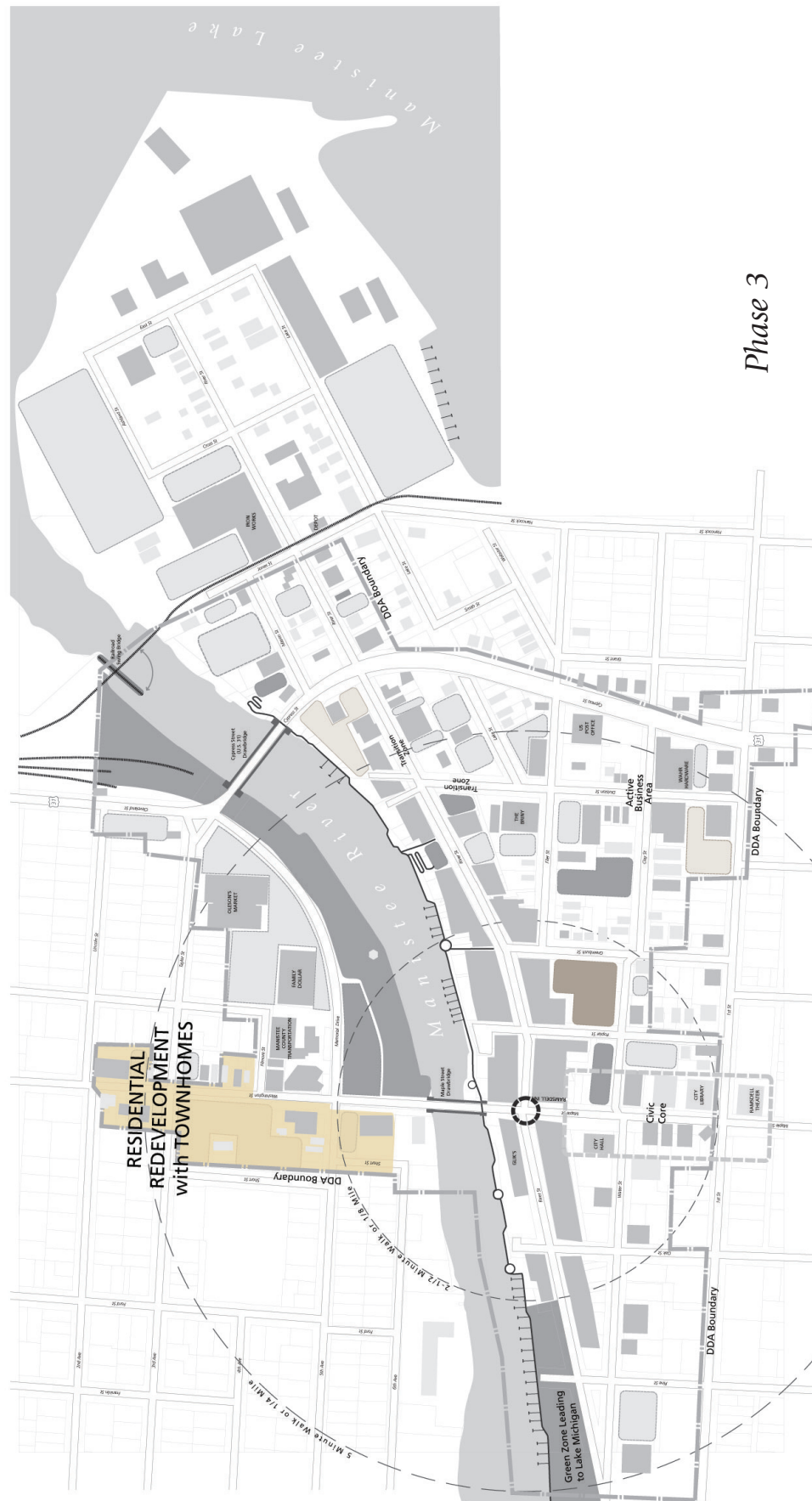
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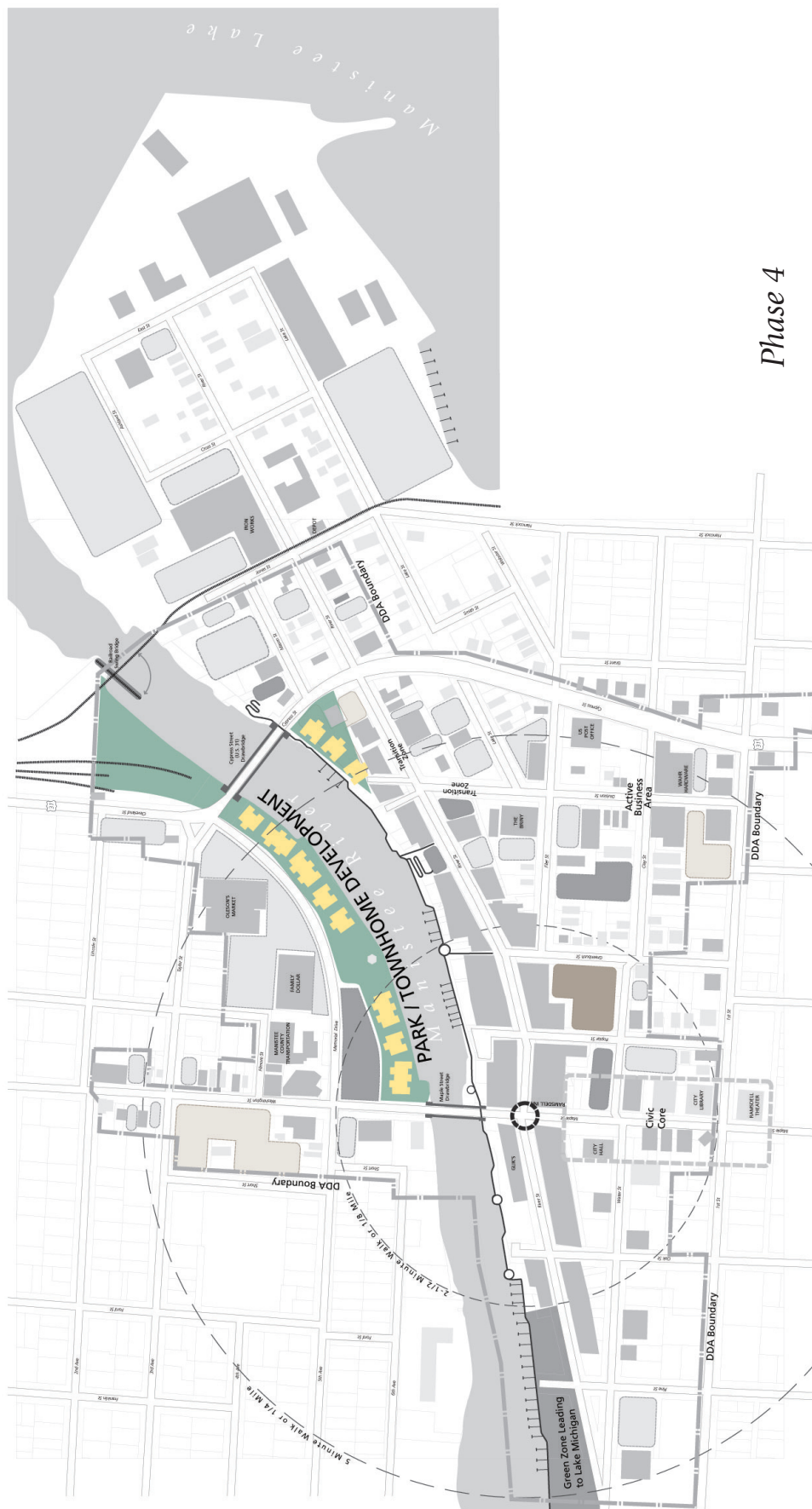
Physical Design Recommendations

The Physical Design recommendations are listed in order of preferred phasing sequence.

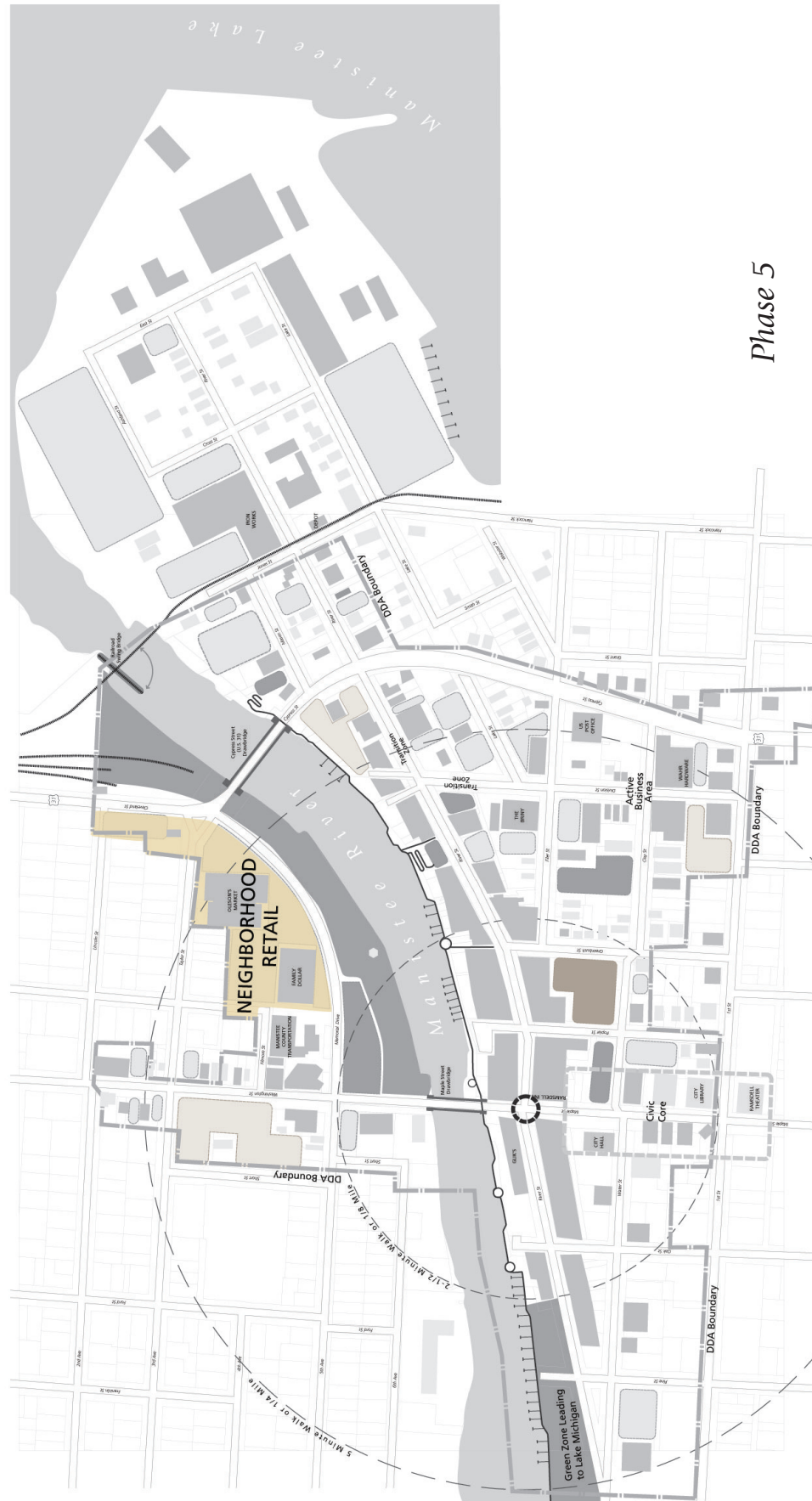




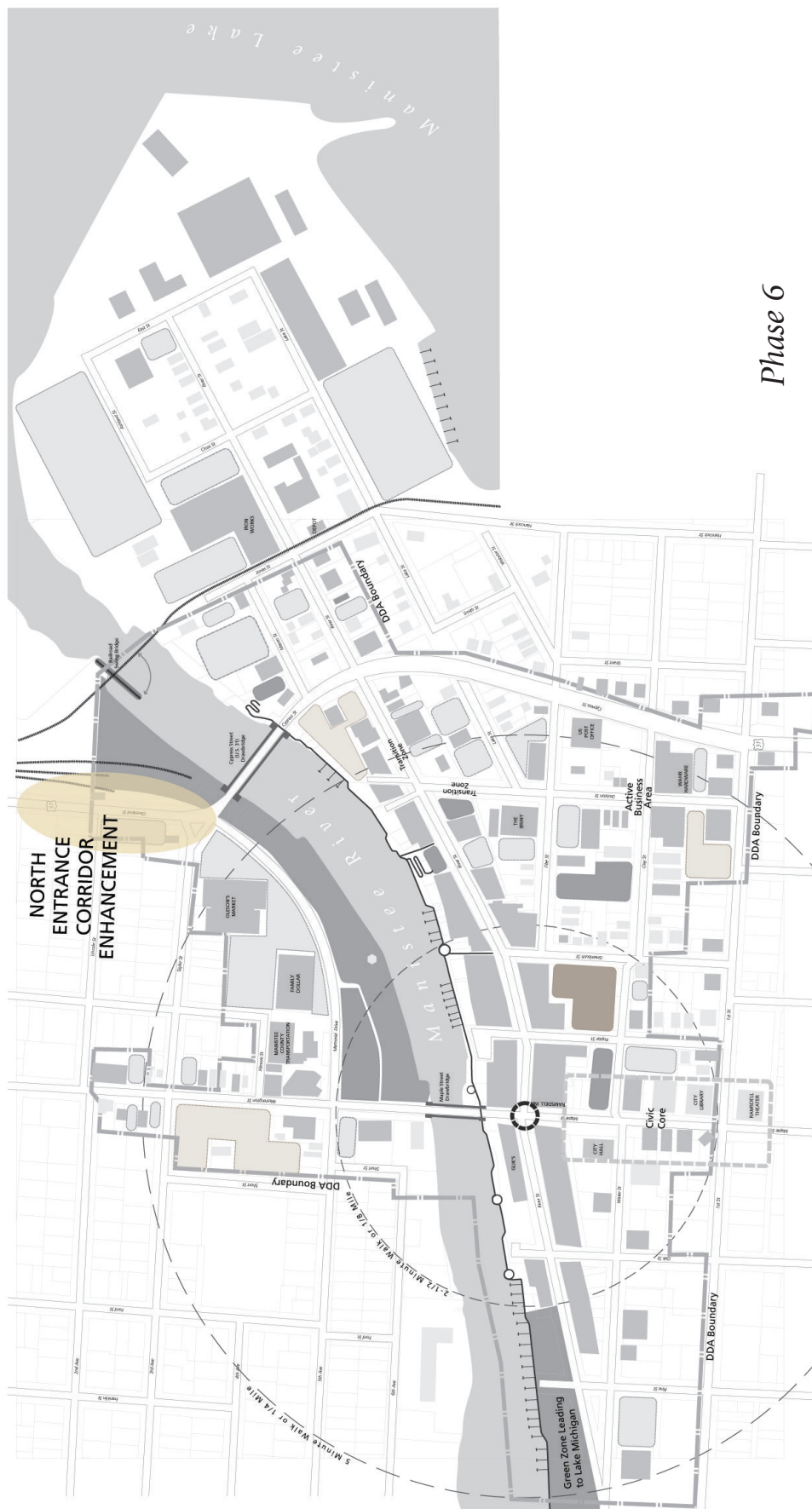




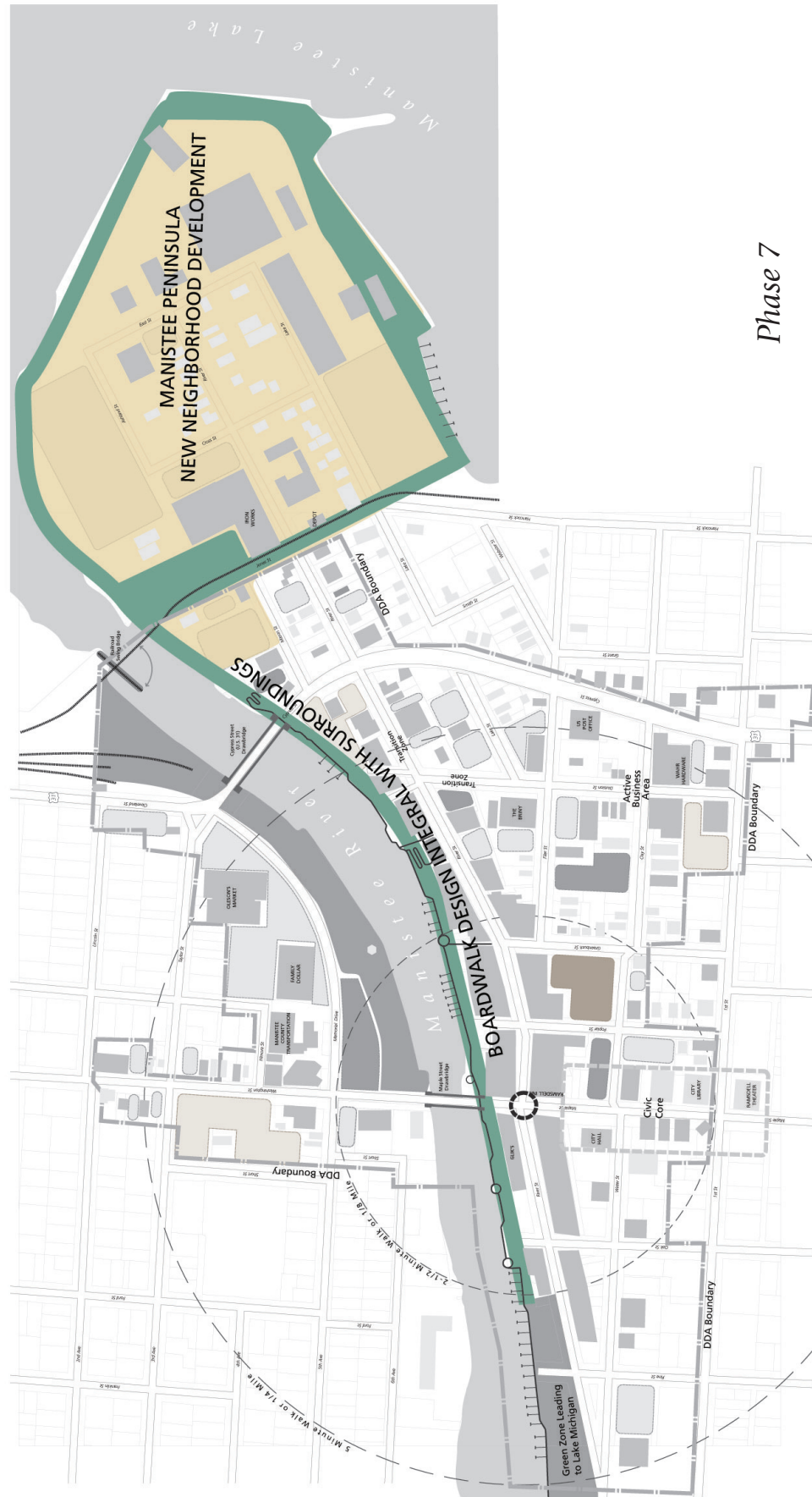
Phase 4



Phase 5



Phase 7





Phase 8

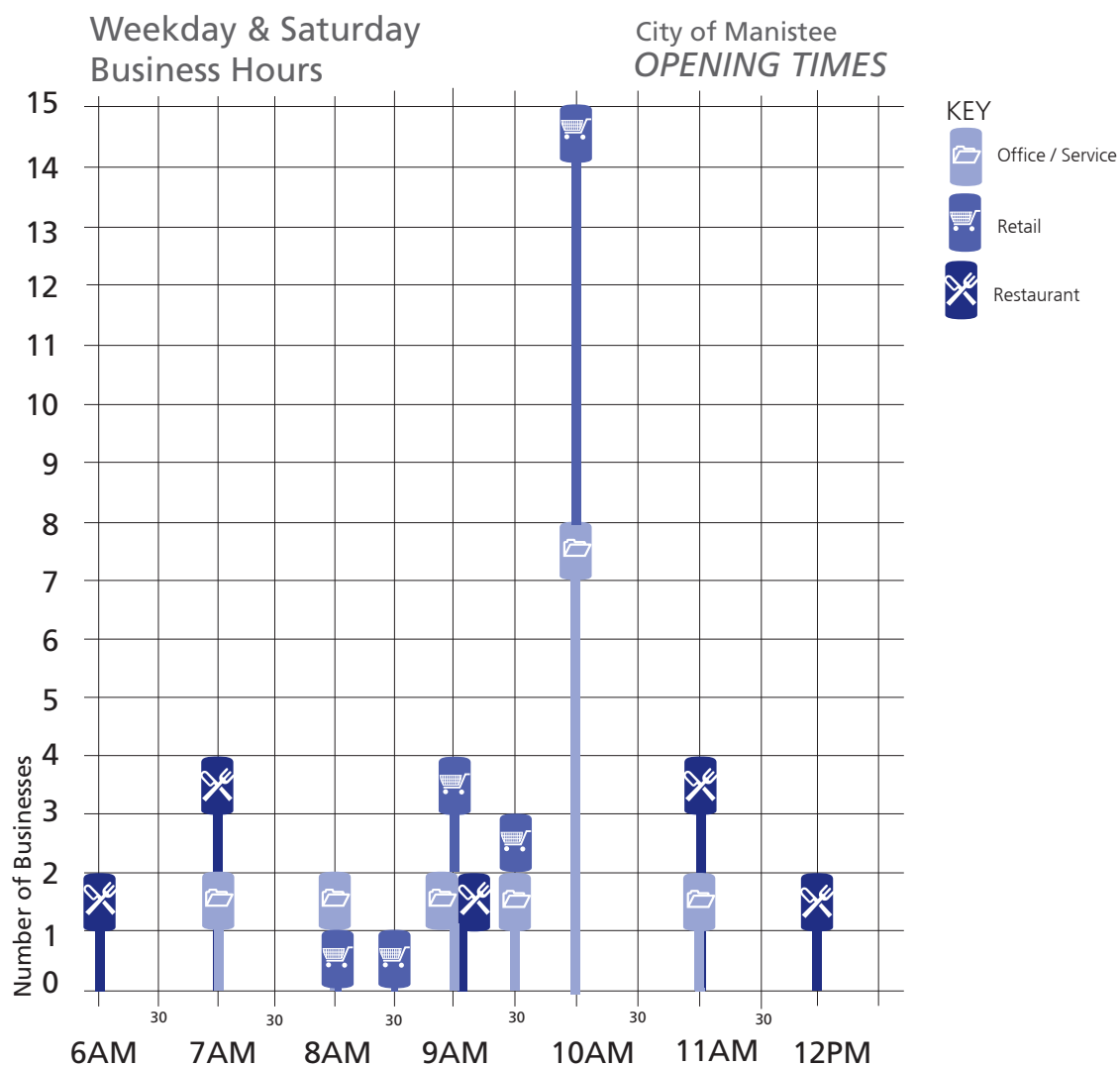
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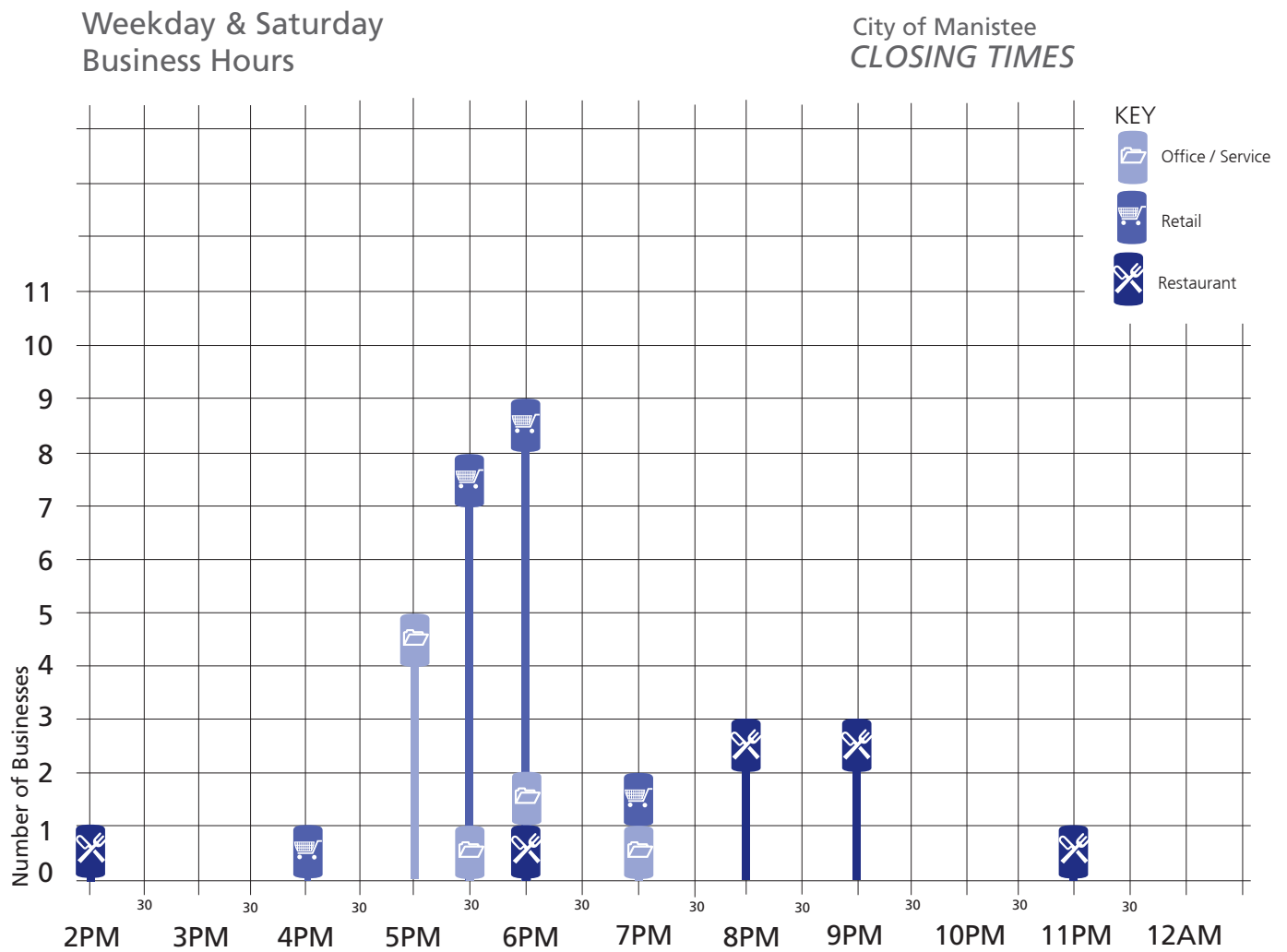


BUSINESS HOURS

Weekday & Saturday

The following are examples of current Weekday and Saturday opening and closing times. These give an indication of the wide variations of business hours downtown.

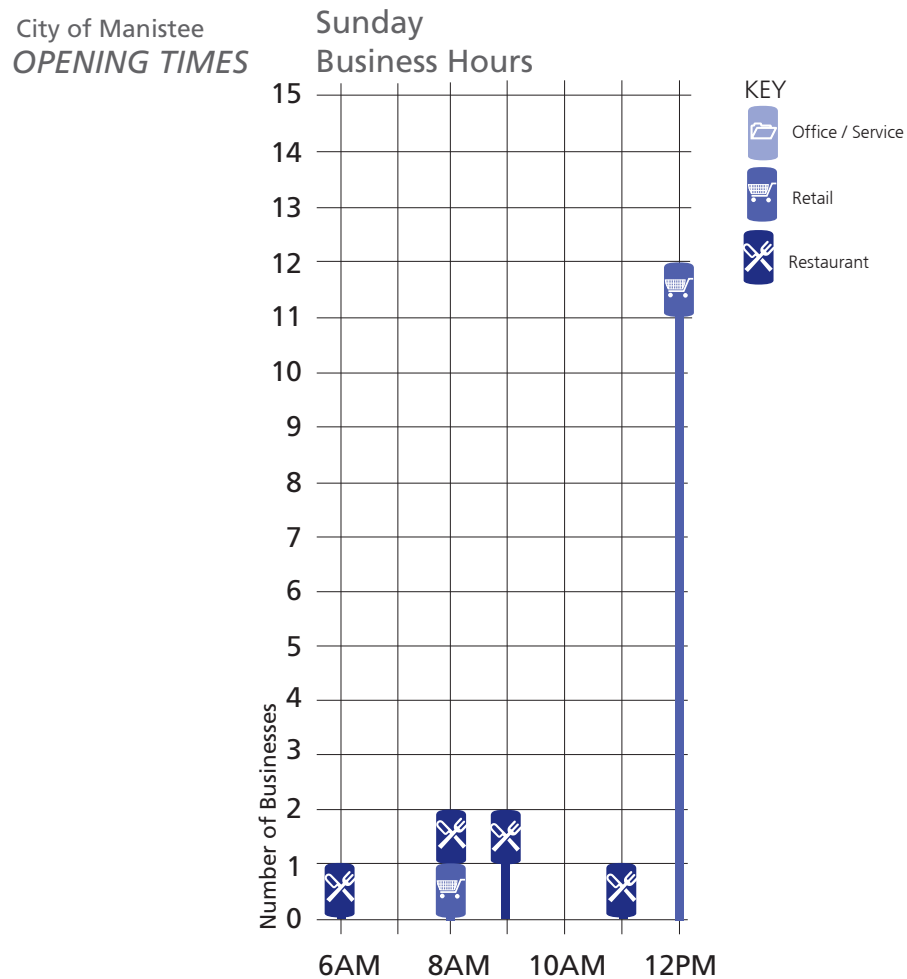


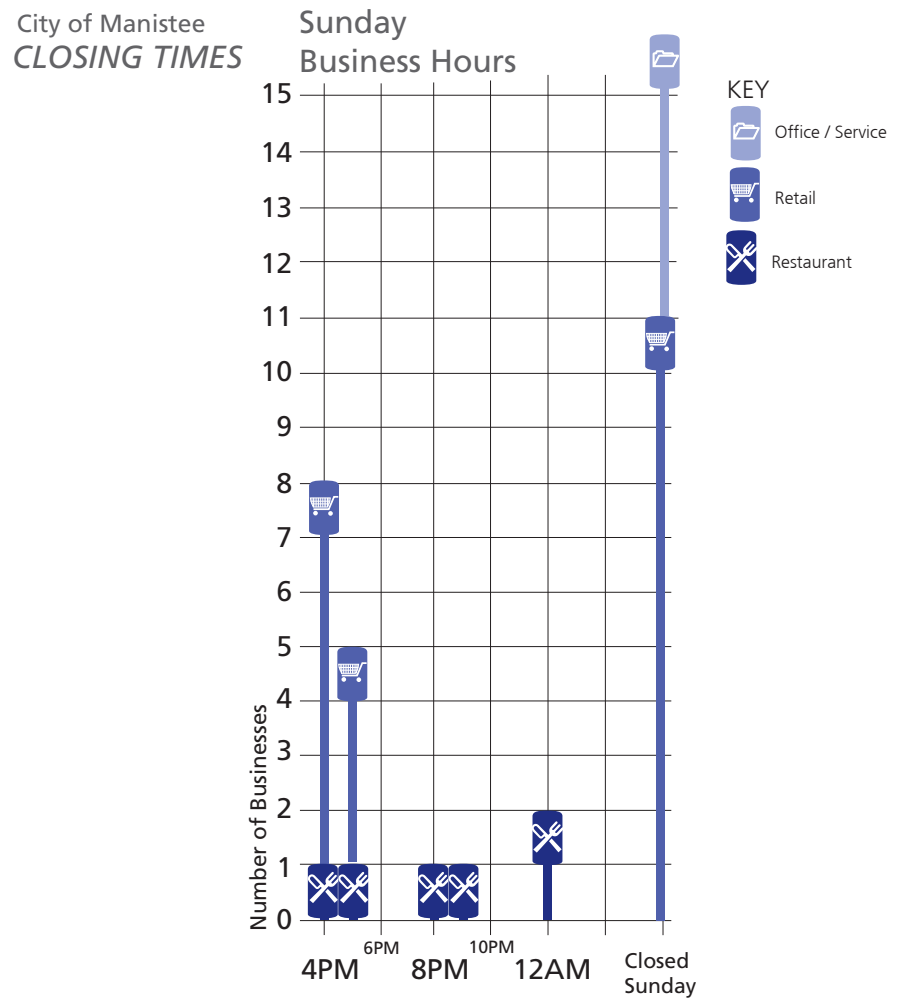


BUSINESS HOURS

Sunday

The following are examples of current Sunday opening and closing times.





BUSINESS HOURS

Data Sheets

The following are the data sheets for the opening and closing times charts above.

Address		Name of Business	Hours							First Floor Use			
			M	T	W	Th	F	Sa	Su	Restaurant	Office/Service	Retail	Other
284 River Street			Closed	6a-8p	6a-8p	6a-8p	6a-9p	6a-9p	Closed	X			
294 River Street -Multi Building											X		
											X		
			8a-5p	8a-5p	8a-5p	8a-5p	8a-5p				X		
?											X		
300 River Street-Multi Building											X		
											X		
308 River Street			8:30a-5:30p	8:30a-5:30p	8:30a-5:30p	8:30a-5:30p	8:30a-5:30p	10a-3p	Closed			X	
312 River Street			11a-11p	11a-11p	11a-11p	11a-11p	11a-12a	11a-12a	9a-12p	X			
318 River Street			7a-2p	7a-2p	7a-2p	7a-2p	7a-2p	8a-2p	9a-12p	X			
			6a-3p	6a-3p	6a-3p	6a-3p	6a-3p		TBD				
?											X		
320 River Street			7a-5p	7a-5p	7a-5p	7a-5p	7a-5p	7a-12p	Closed		X		
PARKING LOT													
330 River Street											X		
334 River Street													
?			10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	12p-5p			X	
340 River Street			10a-5p	Closed	10a-5p	Closed	10a-5p	Closed	Closed		X		
342 River Street			11a-5p	aa1-5p	Closed	11a-5p	11a-6p	11a-6p	Closed		X		
?													
348 River Street			9a-7p	9a-7p	9a-7p	9a-7p	9a-8p	9a-7p	8a-5p			X	
			9a-8p	9a-8p	9a-8p	9a-8p	9a-8p	9a-8p	8a-6p	X			
350 River Street													
354 River Street			9:30 a-5:30a	9:30 a-5:30a	9:30 a-5:30a	9:30 a-5:30a	9:30 a-5:30a	9:30 a-5:30a	Closed				
356 River Street			9a-6p	9a-6p	9a-6p	9a-6p	9a-6p	10a-5p	12p-4p			X	
358 River Street			10a-5p	10a-5p	10a-5p	10a-5p	10a-5p	10a-5p	Holidays			X	
560 River Street			9a-5p	by appt	by appt	by appt	9a-5p	Closed	Closed		X		
PARKING LOT													
?											X		
?											X		
378 River Street			?									X	
?													
380 River Street												X	
382 River Street			11a--5p	11a--5p	11a--5p	11a--5p	11a--5p	11a--5p	12p-5p			X	
384 River Street			10a-5p	10a-5p	10a-5p	10a-5p	10a-5p	10a-5p	12p-4p			X	
390 River Street												X	
											X		
(Heritage Square Building)													
394 River Street			10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	Closed			X	
?			10a-7p	10a-7p	10a-7p	10a-7p	10a-7p	10a-7p	12p-5p			X	
440 River Street			11a-9p	11a-9p	11a-9p	11a-9p	11a-9p	11a-9p	11a-9p	X			
437 River Street													
449 River Street											X		
445 River Street			12-9p	12-9p	12-9p	12-9p	?	?	?	X			
437-439 River Street			Closed	10a-5p	10a-5p	10a-5p	10a-5p	10a-4p	Closed			X	
435 River Street			9:30a-5:30p	9:30a-5:30p	9:30a-5:30p	9:30a-5:30p	9:30a-5:30p	9:30a-5p	Closed			X	

Address	Name of Business	Hours							First Floor Use			
		M	T	W	Th	F	Sa	Su	Restaurant	Office/Service	Retail	Other
433 River Street	Law office of Mark Otto									X		
431 River Street	Hollyhock	10a-5:30p		10a-5:30p	10a-5:30p	10a-5:30p	10a-5:30p	12p-4p			X	
429 River Street	Lloyd Henry's Moving Spirit Art Gallery	?									X	
?	Manistee Museum											
423 River Street	Surroundings Cigars and Candles	10a-6p	10a-6p	10a-6p	10a-6p	10a-8p	10a-8p	12p-4p			X	
421 River Street	The Ideal Kitchen	10a-6p	10a-6p	10a-6p	10a-6p	10a-8p	10a-8p	12p-4p			X	
419 River Street	Suvi	10a-5:30p	10a-5:30p	10a-5:30p	10a-5:30p	10a-8p	10a-8p	12p-4p			X	
417 River Street	Pizelles Fall Hours	10a-5:30p	10a-5:30p	10a-5:30p	10a-5:30p	10a-5:30p	10a-5:30p	Closed			X	
417 River Street	Salvation Army	10a-4p	10a-4p	10a-4p	10a-4p	10a-4p	10a-4p	Closed			X	
411 River Street	VACANT											
401 River Street	VACANT (use to be City Drug)											
399 River Street	Ramsdell Inn											
399 River Street	TJ's Pub								X			
397 River Street	Snyder's Shoes	9a-5:30p	9a-5:30p	9a-5:30p	9a-5:30p	9a-8p	9a-5:30p	Closed			X	
395 River Street	Increase for holiday hours and some Sundays											
393-391 River Street	Reusch Jewelers	9:30a-?	9:30a-?	9:30a-?	9:30a-?	9:30a-?	9:30a-?	Closed			X	
389 River Street	Carey's Mens & Women's Apparel	9:30a-5:30p	9:30a-5:30p	9:30a-5:30p	9:30a-5:30p	9:30a-5:30p	9:30a-5:30p	Closed			X	
387 River Street	Northern Spirits	10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	12p-4p			X	
387 River Street	Construction Design (Manistee & Perryburg)									X		
385 River Street	Alex Doucetts Fine Bedding & household	10a-5:30p	10a-5:30p	10a-5:30p	10a-5:30p	10a-5:30p	10a-5:30p				X	
	Open Sunday 12p-4p in Summer											
383 River Street	Theater											X
375 River Street	National City Bank									X		
369 River Street	Purdum & Landsheld Accountants									X		
365 River Street	Nails 2000	10a-7p	10a-7p	10a-7p	10a-7p	10a-7p	10a-5p	Closed			X	
363 River Street	Edward Jones									X		
359 River Street	Outpost	10a-6p	10a-6p	10a-6p	10a-6p	10a-7p	10a-6p	Closed				
	Holiday Hour until later											
355 River Street	Antiques	11a-6p	11a-6p	11a-6p	11a-6p	11a-6p	11a-6p	12p-5p			X	
351 1/2 River Street	Jack Pine Office Center	8a-6p	8a-6p	8a-6p	8a-6p	8a-6p	9a-4p	Closed			X	
353 River Street	Elaines Framing									X		
?	Rozmarek Jewelely Gifts-Vacant											
347 River Street	Vacant?											
345 River Street	Scrap to It	10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	10a-5p	12p-4p			X	
343 River Street	Goody's Juice and Java	7a-6p	7a-6p	7a-6p	7a-6p	7a-6p	7a-5p	8a-4p	X			
339 River Street	Matthews Custom Upholstery									X		
337 River Street	H & K Electric & Hardware (Lighting Store)	9a-5p	9a-5p	9a-5p	9a-5p	9a-5p	9a-1p	Closed			X	
335 River Street	Gordon McLellan Attorney									X		
333 River Street	Mac's deesign Print & Copy	10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	10a-2:30p	Closed		X		
	VACANT LOT											
323 River Street	Credit Bureau of Manistee									X		
321 River Street	Port City Organic	10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	10a-6p	Closed			X	
319 River Street	Moore Living Connections									X		
?	Cadillac Plumbing & Heating									X		
?	Riley's Bait & Tackle										X	
285 River Street	American Cleaners											
									8	33	33	1

COMMUNITY INFORMATION MEETING Issues & Concerns

City of Manistee
Community Information Meeting
August 15, 2007 8:00 AM
City Hall Council Chambers

Attendees:

Doug Parkes	Kellies Hallmark Shop
Maria De Ree	Northern Spirit
Karen Carlson	Surroundings
Shelley Doyen	The Ideal Kitchen
Lori Dumas	Port City Organics
Joe Dumas	Port City Organics
Joni Purgiel	National City Bank
Janice McCraner	County Commisioner - Manistee
Pat Multon	Chamber of Commerce
Jill Snyder	Snyders Shoes
Danaee Hoffman	Snyders Shoes
Julie Feliczak	The Ramsdell Inn
	Gliks Building
	The City Drug Store Building
Nancy Goodwin	Goodys Juice and Java
Dennis Terhorst	Communicraft

Total 14

Issues and Concerns:

1. Economic base is more than downtown. Please consider the entire area
2. Hours of operation:
 - Boaters, visitors
 - Other adjacent areas are open
3. Need movie theater / year around entertainment
 - Creates later traffic
4. Business Retention Strategy
 - Cross marketing
5. Can we provide 'best practice' examples of business mix?
6. What about changing the way to get around River Street?
 - No cars? Use bus or other means?
 - Mackinac Island'ish
7. Can Wal-Mart be an asset?
8. Tax Issue/Structure
 - Good services, but taxes are high
9. Businesses are maintaining flowers and opening public restrooms...some businesses are too busy to be doing this

COMMUNITY INFORMATION MEETING Summary

City of Manistee
Community Information Meeting

A Community Information Meeting was held on August 15, 2007 at 8:00 AM in lieu of community visioning sessions since the community went through extensive visioning workshops with the 'Envision Manistee' process. The Downtown Development Authority was responsible for notifying the public, arranging the meeting place and inviting all participants to the information session.

This meeting was used to assess the local opinions about the existing and future state of the Downtown District and identify any problem areas regarding perceptions of the project area. The following list of issues and concerns was discussed at the meeting:

Economic base is more than downtown—please consider the entire area.

This concern was to make sure that the market analysis covered the entire trade area, not just downtown.

Hours of operation

Business hours vary from business to business and this is a concern because other competing areas are open when these businesses are not. Also, some of the businesses in Downtown Manistee close at peak tourist times (when boaters are just getting off the boats in the early evening).

Movie Theater / Year-round entertainment

It was suggested that Downtown Manistee needs more evening entertainment, which may help keep the businesses open longer. People need something more to do than eat at the available restaurants.

Business Retention Strategy

There currently isn't a business retention strategy. What is the best way to do this?

Will there be 'best practice' examples of business mix in the report?

What types of businesses will be the best for downtowns and for Manistee?

What about changing the way to get around River Street?

This was a suggestion to use other means of transportation for the downtown besides cars.

Can Wal-Mart be an asset?

Concerns about Wal-Mart were raised at this time because Wal-Mart was currently looking at a site near Manistee. How will it affect Downtown?

Tax Issue / Structure

Taxes are reportedly high in Manistee, but participants did say that the taxes reflected the better-than-average services provided to a comparable City.

Businesses are maintaining flowers and opening public restrooms. Some business owners are too busy to do this.

This participant felt that these tasks should be handled by the City or someone else besides the business owners.

BOARD PLANNING SESSION

Voting Results & Priorities

Manistee DDA

Board Work Session

Design	2.44
Walkability	4
Improve "Soft-Scape"	4
Fill Store Fronts	4
US-31 Directional Signage	3
Maintain Theme	2
US 31 Corridor Improvements	2
Parking	1
Parking	1
Historic Values	1
Develop Shops Along River	
Organization	2.22
Merchants	4
Directional Traffic to Downtown	4
DDA Director	3
Better Communication Structure	3
DDA Director	2
Comprehensive Plan	1
Maintain City Control	1
DDA Director	1
House ED Related Agencies in One Place	1
Economic Summit	

Promotions / Marketing	2.44
Events	4
Events	3
Port City	3
Expand Shopping Hours	3
Uniform Hours	3
Festivals	2
Unique Message	2
Unified Branding	1
Internal (Manistee) Marketing	1
Market Current Brand	
Economic Restructuring	2.78
DDA Operational Millage	4
Organized	4
Attract Non-Traditional Business	4
Move Offices off 1st Floor	3
Utilizing Unusable Space	2
City/DDA Purchase Properties	2
Get Serious with Developers	2
Use TIF for Parking and Streetscape	2
Focus on Industry	2
Utilize Grants and Revolving Loans	

