



Manistee County

Opportunity Zone Investment Prospectus

January, 2021

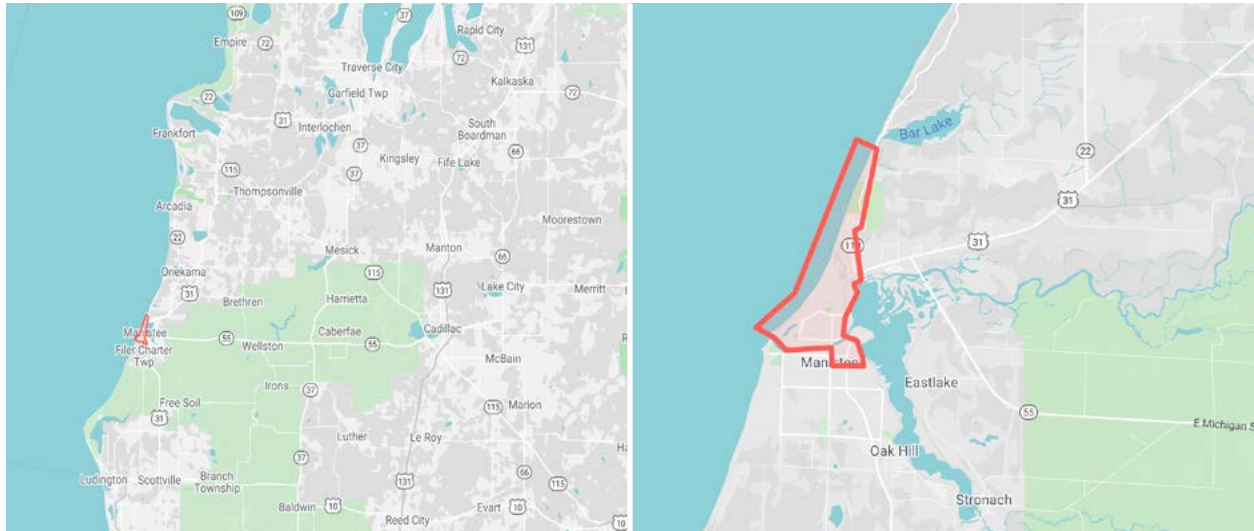


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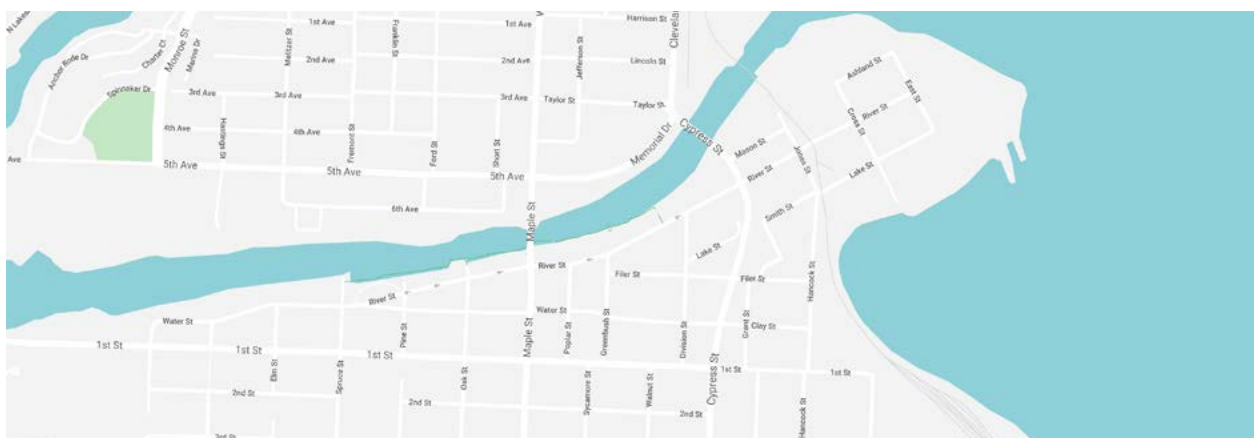


Why Invest in Manistee County?



Perhaps the last truly undiscovered community along Lake Michigan, Manistee is poised for discovery and economic growth. With the Manistee Blacker Airport offering direct flights to Chicago, the area is increasingly a refuge for remote workers who wish to telecommute from an affordable town that is uniquely Northern Michigan. The area's industrial legacy is prevalent in the many historic buildings downtown and large housing stock of historic homes, some of which have been renovated into B&Bs and offices. Take part in this resurgence by investing in the Downtown district, and transform a featured historical building on the Big Manistee River in the heart of Manistee's culture and shopping district.

Investment Opportunities



348 River Street

This historic building is ready for development on the Riverwalk in downtown Manistee. The original wood floors, decorative tin ceiling, trim, doors, wainscoting and even the original light fixtures have since remained virtually untouched and in excellent condition. The director of the Manistee historic society calls the two ball rooms on the upper floor the “hidden jewel of Manistee.”

Value Proposition

Invest in Manistee and take advantage of numerous benefits:

- Direct flights to Chicago at the The Manistee Blacker Airport
- Two-hour drive time to Grand Rapids, three hours to Lansing, and four hour drive to Detroit
- Commercial Great Lakes shipping via Manistee's deep water port
- Be a part of a robust and historic downtown district, with many independent small businesses, restaurants, breweries, and cultural spaces
- In addition to Opportunity Zone benefits, Manistee Township has a Renaissance Zone, allowing tax-free light industrial and commercial development
- Manistee is also a Redevelopment Ready Community (RRC), certified by the Michigan Economic Development Corporation (MEDC) to be 'thoroughly prepared' for development in both planning and zoning

Location at a Glance

Manistee County's Opportunity Zone encompasses a compact census tract on the coast of Lake Michigan that extends from the heart of downtown Manistee just into Manistee Township. It follows US 31 north from 3rd Street, and then Lakeshore Road up to Bar Lake at its northernmost edge. The Manistee River is at its southwestern border, with Manistee Lake to its east, making this Opportunity Zone an urban oasis surrounded by water.

Just a two-hour drive to Grand Rapids, three hours to Lansing, and four to Detroit, plus direct flights to Chicago via Manistee Blacker Airport that is located just 10 minutes from downtown, Manistee is quickly in reach of several major markets. Built on a strong history of manufacturing, the area's diversified economy is on display at Manistee's active deep water port, where lake freighters carry coal and other commodities through the harbor to the industries along Michigan's lake towns.

Manistee has endless amenities to enjoy, from the Lake Michigan shoreline and inland lakes to the newly renovated downtown Vogue Theatre, historic lighthouses, and public "white sand" beaches. Picturesque natural assets - like the Big Manistee River, Portage Lake, Bear Lake, Orchard Beach State Park, the Huron-Manistee National Forest and public lands - drive the tourism and hospitality sector in Manistee.

About Opportunity Zones

Opportunity Zones is a federal incentive program created in 2017 to direct private, long-term capital investment in distressed and under-capitalized areas, stimulate economic development and encourage job creation. It is one of many tools available that increases the return on investment for investors, developers, community leaders, entrepreneurs and business interests.

Benefits to Investors



Tax Deferral

Any individual or corporation can defer taxes on their capital gains - profits from the sale of an asset (such as stock, land and/or a business) - until December 31, 2026 if they invest in an Opportunity Zone.



Step-Up Tax Reduction

If investments in Opportunity Zones are held for at least five or six years, tax liability on the original gain is reduced by 10%. Investors had until December 2019 to receive the full 15% capital gain tax reduction.

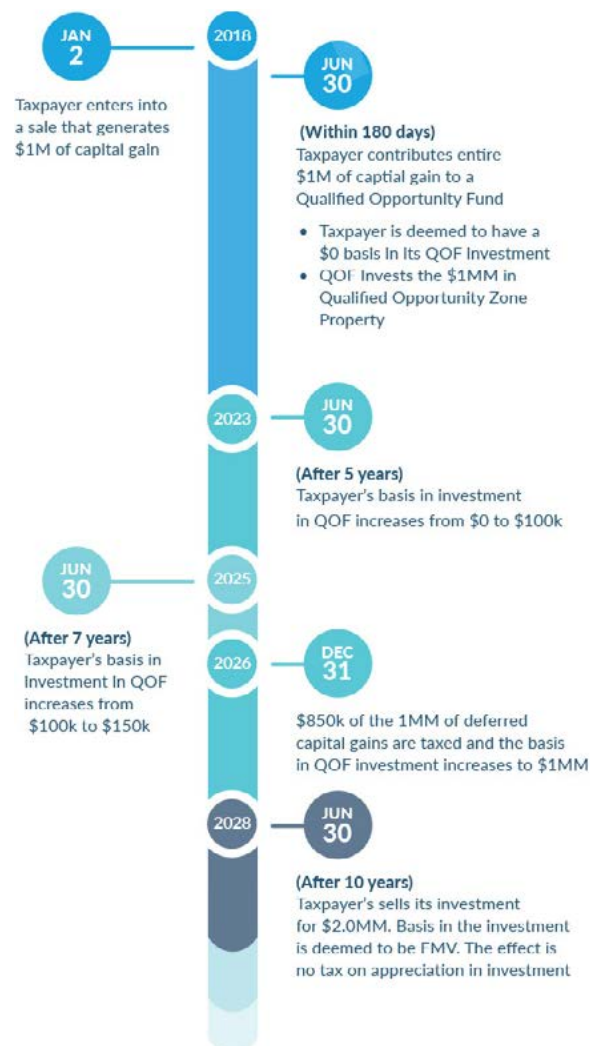


Tax Free Growth

Investors can keep all appreciation on invested gains and permanent deferral of tax liability is given if investments are held in an Opportunity Zone for at least 10 years.

Graphic Courtesy of:

www.miopportunityzones.com/investors



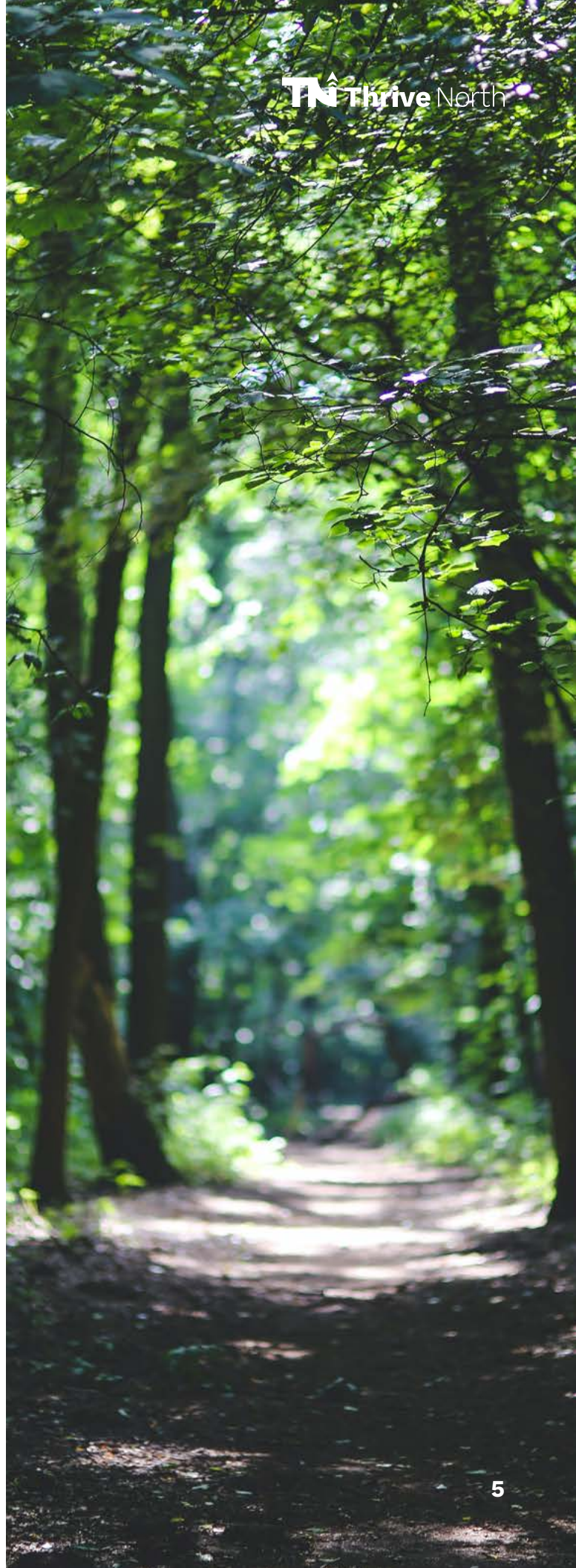
Qualified Opportunity Funds (QOF's)

- Investments in Opportunity Zones are made through a qualified Opportunity Fund - an investment vehicle that is set up as either a partnership or corporation for investing in an eligible property or business that is located in a Qualified Opportunity Zone
- Any tax paying individual or entity (e.g. investment banks, CDFI's, philanthropy, angel groups, REITs and more) can self-certify as a local, regional or national Fund and finance a broad array of projects (housing, startup-businesses, industrial real estate, etc.).
- QOF's must hold at least 90% of assets located in an Opportunity Zone in qualified opportunity zone businesses and or properties.

Opportunity Zones in Michigan

Michigan has 288 designated Opportunity Zones, three quarters of which are in urban areas. The state seeks to position its Opportunity Zones for investments in new housing, small businesses development; mixed-use projects, infrastructure and community resources; and job creation.

Visit www.miopportunityzones.com for more information and resources.



Regional Story

History

Manistee was built along the banks of the Big Manistee River, an important commercial shipping route starting from the formation of the community. Founded in 1841, a great fire in 1871 devastated about half of the downtown, but settlers rebuilt the city including many of the historic buildings that line downtown today, and continued to build the mills, factories, and ports that would drive industry for the next century and a half. Field agriculture and fishing were important activities as well, contributing to the diversified economy that we see in Manistee today.

Current Industry Drivers

Manufacturing, Healthcare, Accommodation and Food Services, and Retail Trade make up the largest industry sectors by employment in Manistee. Several national companies have headquarters in Manistee, including PCA and Morton Salt, and are deeply rooted in the community. The West Shore Medical Center, Manistee Blacker Airport, and county offices and schools are among additional local employers. Over half of all workers who live in Manistee & Surrounding Townships are employed there, reflecting the area's strong economic outlook. Over a third of Manistee residents have a bachelor's degree or higher, signaling a robust local labor pool.

Employment Center/Hub

Manistee features a robust small business community with lots of independent retailers. Small business entrepreneurs are fueled through local efforts like Spark Manistee, which offers \$5,000 awards to new startup businesses, and is supported by the local Downtown Development Authority (DDA) and Chamber organization. Take a boutique pop-up shop tour downtown, or stroll the Riverwalk, which meanders from the center of the business district all the way down to Lake Michigan.

Major Employers

Manistee Township is home to the two largest employers in Manistee County: the Michigan State Maximum Security Oaks Correctional Facility and the Little River Casino Resort. The Casino Resort, owned and managed by the Little River Band of Ottawa Indian Tribe, is an attraction for visitors and locals alike, complete with hotel, spa, and concert venue.

Infrastructure

The Manistee County Opportunity Zone Census Tract is served by several utility providers, including Consumers Energy for electric, DTE Energy for natural gas, and the City of Manistee for water and sewer service.

Charter Spectrum provides broadband internet access to the area.



Recent Economic Development Investments

Recent Private Investments

Fab-Lite Plant Expansion

Fab-Lite is an office furniture manufacturing facility. It expanded its product line and additional warehouse space with 40,000 square foot expansion at their facility in the lake front business park.

Capex: \$6,000,000

Status: Complete

Jobs Created: 10-15

Jobs Retained: 90

Size: 40,000 sqft

West Shore Community College - River Street

West Shore Community College purchased vacant retail space on River Street to convert to classroom, meeting room space and an economic development and recovery hub. College personnel will be co-located with economic development and labor oriented organizations like the Manistee Area Chamber of Commerce and Michigan Works!

Status: Announced

Jobs Created: 1-2

Jobs Retained: 10

Size: 7,000 sqft

Arcadia Bluffs South Golf Course

Arcadia Bluffs - a premier championship golf course on the bluffs of Lake Michigan - built a second 18 hole golf course in a nearby parcel off of scenic M-22. An additional restaurant was built to service demand.

Status: Complete

Jobs Created: 25+

Size: 310 acres

Arcadia Marsh Trail and Boardwalk

Private foundations and several conservation organizations partnered to develop a scenic boardwalk and universal access trail through Arcadia Marsh. The project is a tourism draw for marshland birdwatchers and has added to the county's tourism offerings.

Capex: \$1,500,000

Status: Complete

Size: 305 acres

Iron Fish Distillery

Iron Fish Distillery is Michigan's first working farm solely dedicated to the practice of distilling a full line of small-batch craft spirits. Every step of the process – from growing and harvesting non-GMO grain to cultivating native yeast, milling, mashing, fermenting, distilling, aging, and bottling – is done by hand at the distillery. Expanded with a 4500 square foot Rickhouse, two additional fermenters, and a newly constructed kitchen. Doubling the size of its workforce.

Status: Complete

Jobs Created: 5

Jobs Retained: 25

Size: 4,500 sqft

North Channel Brewing Company

Developers acquired and rehabilitated a historic building on the Manistee River waterfront to create a microbrewery and eatery to anchor our historic downtown. The brewery's success has continued growth into new expansion opportunities, including canning and distribution of their products. They are looking to develop a larger brewing facility in Manistee.

Jobs Created: 20

Jobs Retained: 20

Recent Public Works Projects

City of Manistee Resurfacing and Rehabilitation Projects

A four-year transportation improvement plan has been created by the City of Manistee. The plan details a list of projects proposed to be completed and includes costs for the entire project and all components including street, sidewalk, curb, storm, water and sewer, excluding water and sewer utility costs.

Type: Highway/Road/Rail Development

Cost: A total of \$8,430,000 in investment is planned over the five-year period

State of Michigan Road Resurfacing Projects

MDOT has included major arteries in Manistee in its five year plan. The resurfacing work includes US-31, the north-south artery leading to Ludington and Traverse City, as well as M-55, the east west artery leading to Cadillac. M-22, from US 31 north to Onkama, has a start date of June 22, and a completion date of July 18. M-55, from Claybanks Road to Udell Hills road, has a start date of July 27, and a completion date of September 19. US 31, Parkdale up to M-22, has a start date of September 28 and a completion date of October 14. Additional projects are planned for future years. Work is also planned to replace bridges over the Manistee River on both US-31 and M-55.

Type: Highway/Road/Rail Development

Manistee Riverwalk Upgrades

The City of Manistee will soon begin a planned upgrade to the Manistee Riverwalk. Due to high water this amenity requires upgrades for usability and safety.

Type: Highway/Road/Rail Development

Population & Demographics

Population

The Manistee County Opportunity Zone Census Tract has a population of 2,110, and has increased almost 6% since 2010 — compared to a small decline of 2% in the County as a whole and a modest increase in the ten-county region.

Education

Over 42% of the population in the Manistee County Opportunity Zone Census Tract has a bachelor's degree or higher, and the public school system has a 91% graduation rate, making the people of Manistee a highly educated workforce that is ready for opportunity.schools.

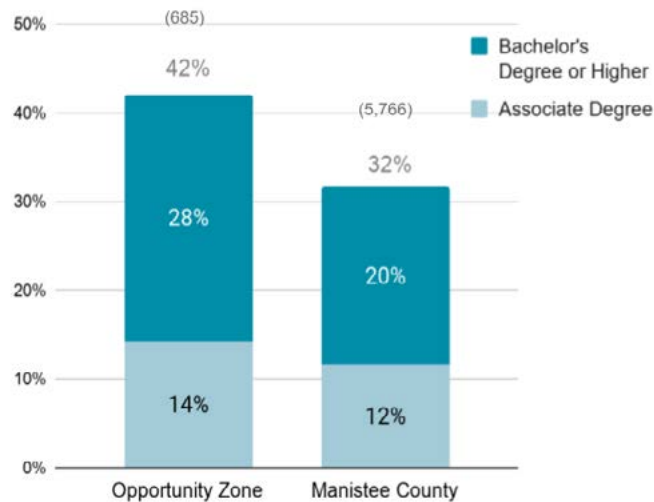
2,110

Manistee County Population

91.0%

4-year Graduation Rate from Manistee Area Public Schools

% (#) of Population with a Degree

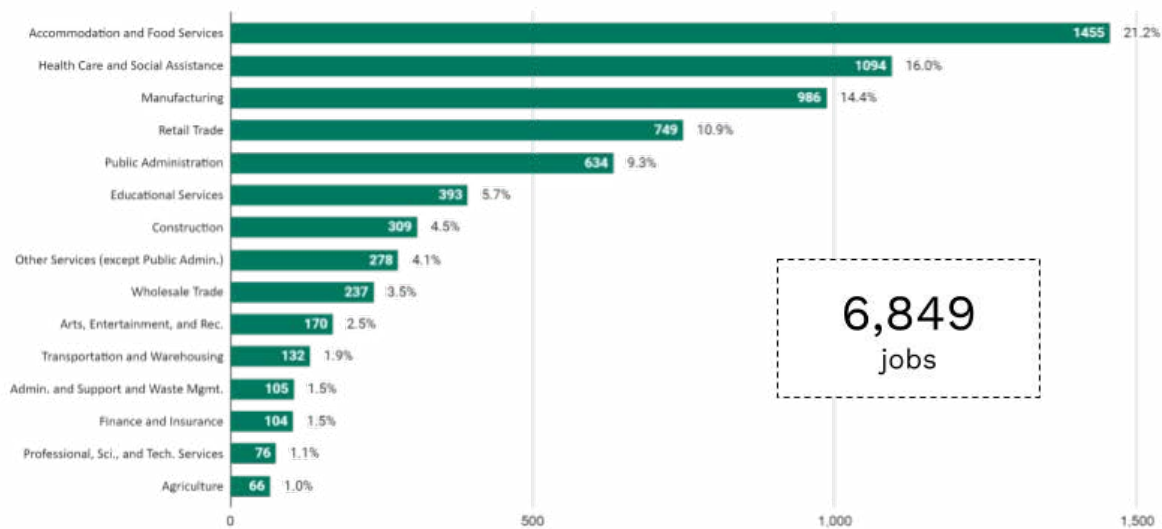


Jobs by Industry

Manistee County (% of Total Jobs Noted)

Jobs by Industry

Manistee County (% of total jobs noted)



Note: Industries that represent less than 1% of all jobs are not shown (Information, and Real Estate).

Jobs & Wages

Jobs in the Manistee County Opportunity Zone Census Tract resemble those at the county-level, where nearly 1,500 of the county's 6,849 jobs are in the Accommodation and Food Services industry. Add to that another 750 jobs in Retail Trade, making the hospitality sector account for close to a third of all employment in the county.

In addition, nearly 1,100, or 16% of jobs, are in Healthcare, and close to a thousand, or about 14% of jobs, are in Manufacturing.

Commuting

Workers who live in Manistee County's Opportunity Zone Census Tract travel an average of 16.6 minutes one way to work each day, which is low even compared to the 21 minute average commute time for the County as a whole). In addition, 81% of workers who live in the Opportunity Zone are commuting to a job that is within Manistee County itself, indicating a lot of local job opportunity.

Income & Poverty

Median individual earnings in the Manistee County Opportunity Zone Census Tract are \$31,563, and median household earnings are \$33,438. The area has a 16.3% poverty rate.

16.6 Minutes

Average Commute Time, One Way

81%

of All Workers Who Live in the OZ Work in Manistee County

16.3%

Poverty Rate

\$31,563

Median Earnings

\$33,438

Median Household Income

Housing

Manistee's industrial legacy is prevalent in the many historic buildings downtown and large housing stock of historic homes, some of which have been renovated into B&Bs and offices. In addition to this historic charm, housing in Manistee's attractive residential areas is affordable. In Manistee City the median home value is just about \$105,000, and only 10% of the housing stock are second residences, making this a truly tight knit community to call home.

Community Organizations of Note

- **Manistee County Historical Society** - Operates the Manistee County Historical Museum, a treasure trove of information about the region's past and genealogy.
- **The Manistee County Community Foundation** - Dedicated to enhancing the quality of life in the Manistee County, with over \$2 million in grant investments to date into areas such as youth, education, the arts, environment, human services, and economic development..
- **Manistee Area Chamber of Commerce** - Assists local businesses to build a healthier economy in Manistee County through advocacy, workforce and leadership development, networking opportunities, economic development, and more.
- **Manistee Downtown Development Authority** - The mission of the Manistee Downtown Development Authority is to foster the development and promotion of an identifiable and attractive downtown area that will strengthen business and a sense of community ownership. Michigan DDAs are Tax Increment Financing entities to allocate funds for infrastructure, development, and other improvements within the DDA District.

Culture & Heritage

Downtown

Manistee's walkable and historic downtown district features incredible restaurants, unique shopping experiences, and picturesque waterfront views. Stroll the 1.5 mile Riverwalk with steps up to dining and retail stores, or dock at the Manistee Marina to arrive in style.

Arts & Culture

Downtown, the Ramsdell Regional Center for the Arts is a cultural hub featuring dance, theatre, and music shows, visual arts exhibits, and youth engagement programming. The historic Vogue Theatre in the city center was renovated in 2012 thanks to resident-led fundraising efforts, showcasing the community's commitment and appreciation for arts and culture. Enjoy free summer concerts and the library, two accessible cultural assets in Manistee.

Dining & Shopping

Get a taste for regional culinary treats, local artisans, and Michigan wines, brews and spirits at annual festivals like Grapes on the River, or the Festival of Trees. In rural Onekama and Bear Lake, visit the area's many craft wineries and cider mills. Iron Fish, a farm to bottle distillery, uses local grains in their award winning, hand crafted spirits.

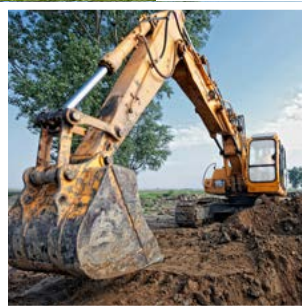
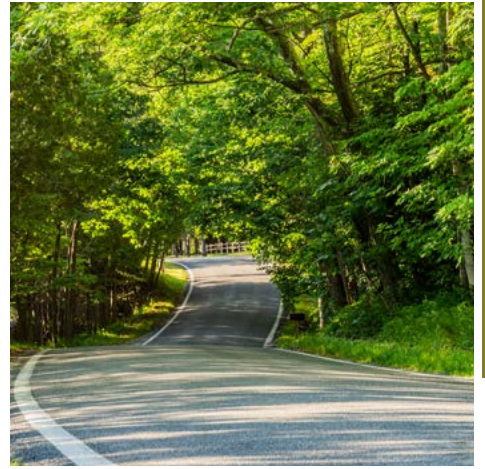
Outdoor Recreation

Catch spring and fall bird migration at the Lake Bluff Audubon Society Bird Center, and birdwatch all year round at the Arcadia Marsh Nature Preserve. The Arcadia Marsh boardwalk, a 0.75 mile, accessible elevated path that creates easy hiking and birding, and is the gateway to the 400-acre Arcadia Marsh that borders Arcadia Lake and is preserved by the Grand Traverse Regional Land Conservancy. Fish for abundant coho and steelhead, explore more than 150 miles of trail, golf, and boat Manistee's many recreational outlets

Project Sheets / Investment Opportunities

- 348 River Street
- 443 Water Street

TN Thrive North
More Water. Less Traffic.
A Better Business Model.



Manistee
Manistee County
348 River Street



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PREPARED BY:



Opportunity

Historic building ready for development on the Riverwalk, downtown Manistee. The entire building is one of the most structurally sound and unblemished historical properties in the central business district. The director of the Manistee historic society calls the two ball rooms on the upper floor the “hidden jewel of Manistee” constructed originally as the Knights of Columbus Hall. The former Read-Mor Bookstore leased all 3800 square feet of the main (street) level as well as the basement (which boasts full concrete floors, an 8’ ceiling on the east side and an 11’ ceiling on the west side) The original wood floors, decorative tin ceiling, trim, doors, wainscoting and even the original light fixtures (from the early 1900’s) have since remained virtually untouched and in excellent condition.

Size: 11,400 Sq Ft

Zoning: Commercial

Vacancy: Vacant

Previous Use: Construction on a business concept. No recent use.

Move-in Ready: Yes

Building Plan: None

Current Owner: Kit Holmes and Cynthia Millonzi

Site Amenities

Public Transportation: Yes

Highway/Interstate Access: Yes

Transit Corridor: .5 Miles

Rail: .6 miles

Nearest Airport: 4.5 Miles

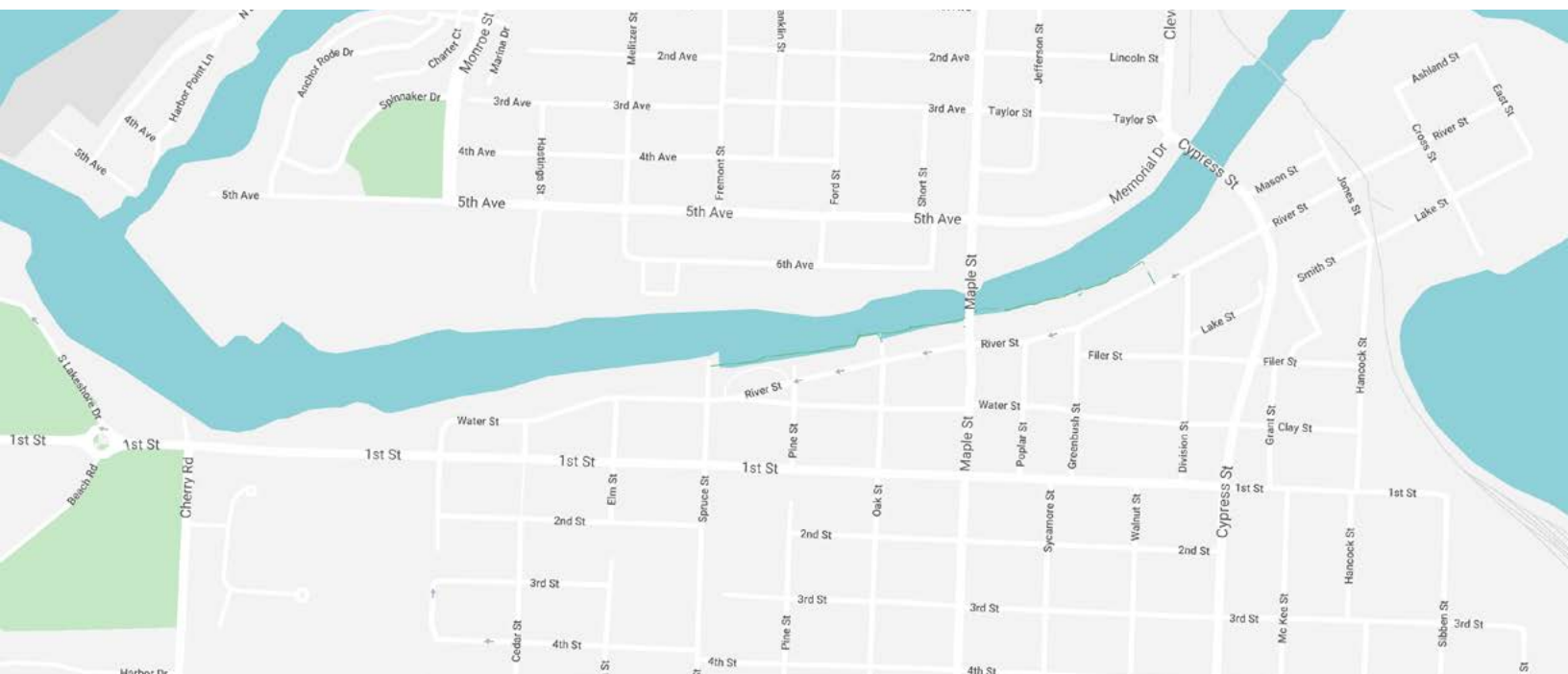
Major Highway: .5 Miles

Major Interstate: 26 Miles

Nearby Retail Hub(s): River Street, Meijer

Nearby Housing Development(s): Hillcrest Village, Harbor Village

Nearby Development: West Shore Community College Project, Munson Healthcare Manistee Hospital



Utilities

Electric Provider

Consumers Energy

Business Service: 1-800-805-0490

Natural Gas Provider

DTE Energy

Business Service: 1-855-383-4249

Broadband/Fiber Providers:

Spectrum

1-855-670-1454

Water Provider

City of Manistee

Utility Director

(231) 723-7132

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Contact

Stacie Bytwork, President

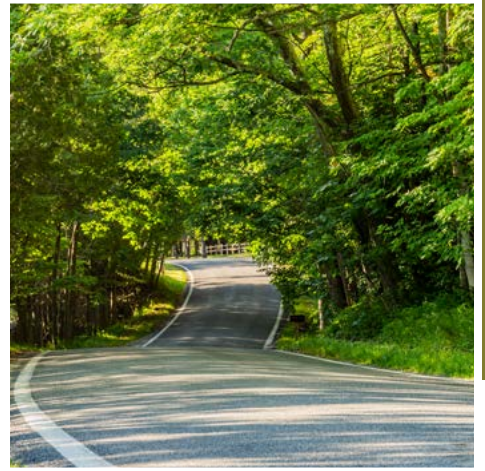
Manistee Area Chamber of Commerce

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Manistee

Manistee County

443 Water Street



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PREPARED BY:

Opportunity

These five parcels are located within the Central Business District, with frontage on Water Street, Oak Street, Pine Street, and First Street. Just one block from the City Marina and River Street in downtown Manistee, this property is perfect for development with a wide range of commercial and mixed uses permitted. The existing building provides over 8,800 sq ft of space and all five lots combined total over 1.3 acres in size.

Size: 1.3 Acres

Zoning: Commercial

Typography/Grade: Gentle slope to flat throughout the 5 parcels, with several parcels including steep bluffs on perimeter.

Is the Site Located in a Flood Plain? No

Is the Site Located Near a Body of Water? Yes

Shovel Ready: No

- The site needs Phase I site assessment
- The site needs Phase II soil and groundwater analysis

Site Plan: RRC Property Renderings for Developer Day

Previous Use: Sign sales office and manufacturing

Move-in Ready: No; Requires cosmetic upgrades

Current Owner: Tom E. Amor

Site Amenities

Public Transportation: Yes

Highway/Interstate Access: Yes

Transit Corridor: .5 Miles

Rail: .6 miles

Nearest Airport: 4.5 Miles

Major Highway: .5 Miles

Major Interstate: 26 Miles

Nearby Retail Hub(s): River Street, Meijer

Nearby Housing Development(s): Hillcrest Village, Harbor Village

Nearby Development: West Shore Community College Project, Munson Healthcare Manistee Hospital



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