



Charlevoix County

Opportunity Zone Investment Prospectus

January 2021

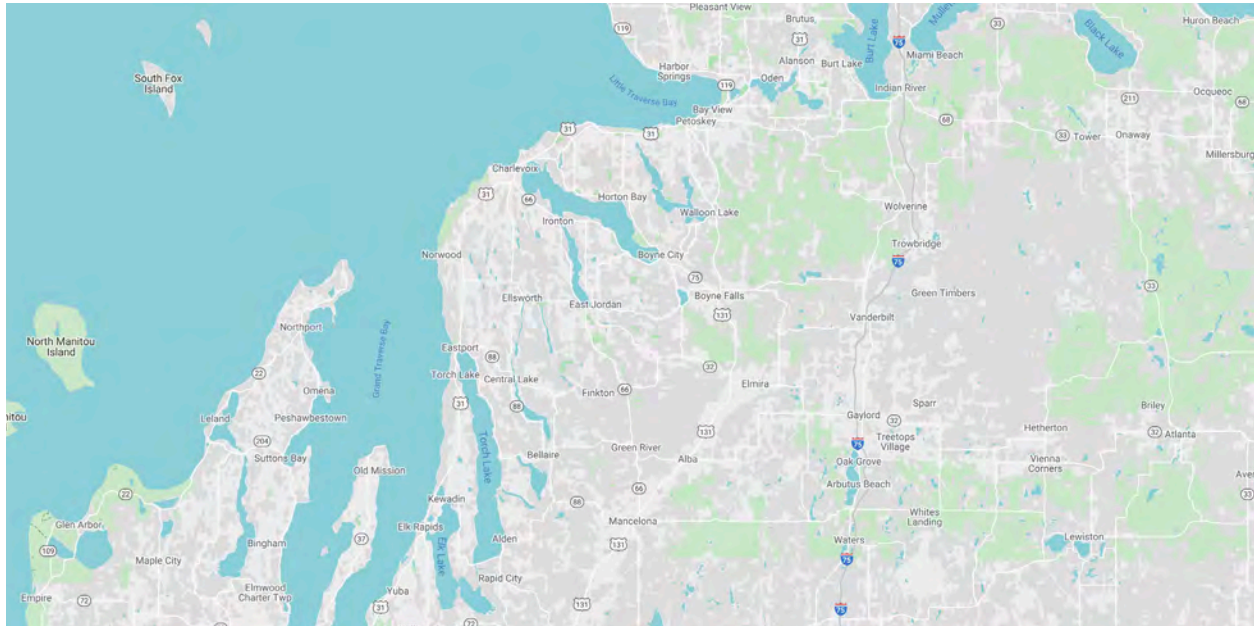


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PREPARED BY:



Executive Summary



Invest in Charlevoix County's Opportunity Zone in East Jordan, and take part in Northwest Michigan's booming tourism industry. Just minutes from the popular resort towns Petoskey, Charlevoix, and Traverse City, this growing lakefront community has three prime sites ready for hospitality-related development.



Old City Boat Launch Commercial Redevelopment

A former boat launch property located on Lake Charlevoix and M-32 in the heart of downtown, this site is connected to the Joining Jordan walkway project that will create a pocket park along the lakeshore for walking, fishing, and access to Lake Charlevoix to enhance quality of life in Downtown East Jordan.



DDA - Vacant Land

This vacant, waterfront property sits within the Downtown Development Authority's downtown business district. Located on M-32 on commercially zoned land, this site is perfect for retail, restaurant, hotel, or mixed-use development.



East Jordan Civic Center Site

The East Jordan Civic Center sits on the largest footprint along Main Street in bustling downtown East Jordan. Occupying about three square blocks, the City of East Jordan has showcased this property within the updated master plan for redevelopment in the center of this vibrant, walkable district.

Value Proposition

Investments in East Jordan provide tangible benefits to those looking to help grow this picturesque lakeshore town:

- A reasonably priced location minutes from several bustling resort communities
- A tourism powerhouse with over 25% of jobs in the hospitality industry, and 81% of workers employed in the local area
- An opportunity to be part of one of Northwest Michigan's fastest growing communities (18% growth rate since 2010)

Location at a Glance

Charlevoix County's Opportunity Zone sits squarely in the City of East Jordan and South Arm Township, which together provide a charming, small town setting with access to Northwest Michigan's most breathtaking natural resources.

Sitting at the southernmost edge of the south arm of Lake Charlevoix and at the start of the Jordan River, this lakeside town boasts natural beauty and laid back lifestyle you would expect from a Northern Michigan city by the lake.

With a growing population of just under 2,000 residents, East Jordan is a small town with an active community and unique industry mix that makes it a truly special place to be. In addition to a thriving, walkable downtown, many active manufacturing facilities provide employment to residents and commuters from the greater area. Several full service marinas and boat slips provide easy access to the water, and the newly completed Joining Jordan bridge and walkway provides pedestrian and fishing access to the lake and river.

Michigan State Highway 66 (M-66) runs through the western part of town and just 25 minutes north provides a direct connection to route US-31, which runs along the coast of Lake Michigan and Grand Traverse Bay. 25 minutes south on M-66 in Mancelona is a connection to US-131, which is the gateway to Grand Rapids. In close proximity to some of the region's most popular urban areas, including Traverse City, Charlevoix, and Petoskey, East Jordan is a hidden gem that is poised for growth.



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.

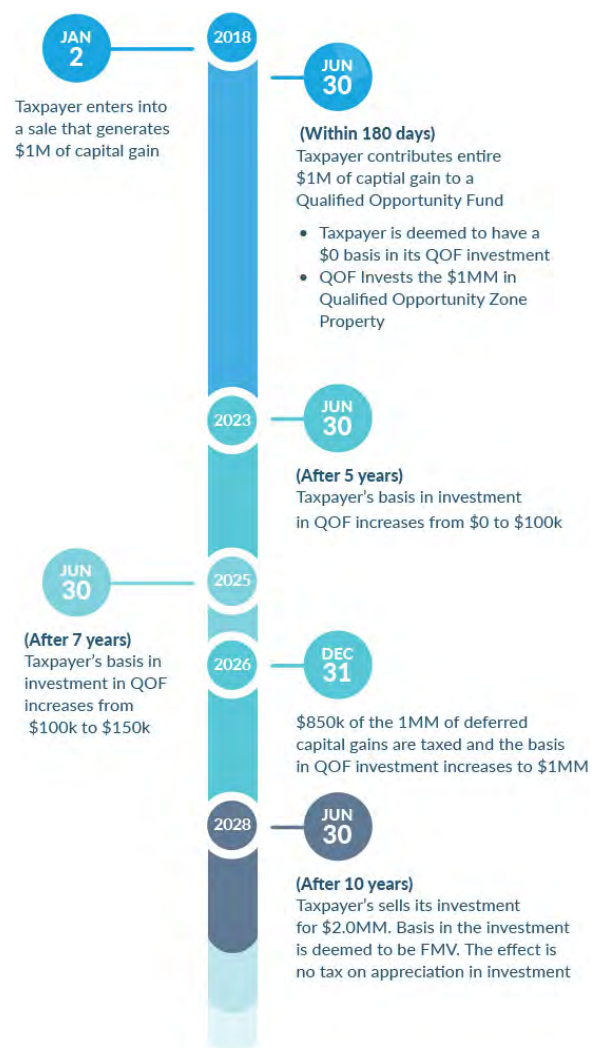


Tax Free Growth

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 History

History

East Jordan, the town the opportunity zones sits within, was established during the state's logging boom in the early- and mid-1800s. Since then, a strong manufacturing industry has sustained and grown the area's economy to this day. Legacy manufacturing companies like East Jordan Iron Works (now EJ, Inc.), has locations world-wide but maintains its international headquarters in East Jordan. The company is an important employer and remains in the goodwill of local residents.

Of course, in recent decades a robust set of natural resources has made East Jordan a draw for recreation enthusiasts. This abundant natural beauty makes the area attractive to residents, recreationists, and visitors alike.

Current Industry Drivers

Manufacturing still drives the local economy, providing nearly 25% of the county's jobs. Tourism is an important industry as well, with major natural assets that make East Jordan a truly special place to visit. Just under 18% of the county's jobs are in food and accommodation, which fuel the tourism industry locally. Finally, healthcare and social assistance is a major economic force, making up over 13% of jobs in the county.

As we transition to a future economy that includes more "knowledge," high-tech, and remote work, East Jordan seeks to be a home base for professionals who can work from anywhere but prefer to live near the unique natural beauty and quality of life that the region offers. As the surrounding region grows, East Jordan is positioned to be a new destination for people to choose to live, raise families, and open businesses.

Employment Center/Hub

Outside of the quaint, historic downtown area, the Michigan State Highway 66 (M-66) commercial corridor is home to auto-oriented businesses like large restaurants, fuel stations, and grocery stores that need ample parking, and serve the community but generate higher volumes of local traffic. Commercial activity along State Highway 32 (M-32) stretches out to the East Jordan City Airport-Y94 and Industrial Park, located in South Arm Township. The Air Industrial Park is owned by the City of East Jordan and contains a number of industrial businesses.

Major Employer Profiles



East Jordan Plastics

East Jordan Plastics is a family-owned business which started three generations ago in 1947. EJP produces Plant Trays and Growing Pots for Greenhouses & Nurseries. What began as wooden flats has evolved into a full line of 100% Recyclable plastic thermoformed plant containers. With over 30 employees in three locations across the state, EJP continues to offer local employment opportunities in tool making/machining, engineering, logistics, and sales.

www.eastjordanplastics.com



Grandvue Medical

Senior Center - 2nd largest in Charlevoix County

www.grandvue.org



Burnette Foods

Burnette Foods is a third generation, local food processing company located near the City center. Founded in 1961 as Sherman Canning Company, the business later partnered with Traverse City Canning Company to purchase Elk Rapids Packing Company, and then Burnette Farms Packing Cooperative in Hartford, Michigan, to become Burnette Foods, Inc. Though its several packing facilities are spread throughout Western Michigan, the original location remains operational in East Jordan, tied to its founding family's cherry farming roots. Today Burnette Foods employs (x) people, is committed to sustainable production practices, and maintains high quality standards for a wide variety of private label retail, food service, and branded products.

www.burnettefoods.com



EJ Co.

Formerly East Jordan Iron Works, EJ Co has been in East Jordan since its first foundry went up in 1883 and is still run by 4th and 5th generation descendants of founder William E. Malpass. Today this global company is a world leader in providing infrastructure system solutions, manufacturing products from cast iron, composites, fabricated steel, and fabricated aluminum, like fire hydrants, utility grates, manhole covers, catch basins, and tree grates.



Infrastructure

The City of East Jordan provides municipal water service, with enclosed reservoirs and two water booster stations.

Both Great Lakes Energy and Consumers Energy service the area's electricity needs with both business and residential service. DTE Energy provide natural gas to the area.

This census tract has three broadband providers:

- **Spectrum**
- **Merit**
- **True Stream, which is powered by Great Lakes Energy**

Recent Economic Development Investments

Recent Private Investments

Cannonball LLC Space

This vacant, waterfront property sits within the Downtown Development Authority's downtown business district. Located on M-32 on commercially zoned land, this site is perfect for retail, restaurant, hotel, or mixed-use development.



Recent Public Works Projects

The Joining Jordan Bridge and Walkway Project

Historically, Lake Charlevoix and Jordan River created a natural barrier that physically split the community. This bridge, walkway, and waterfront development connects the community with motorized, bicycle, and pedestrian lanes. This project was primarily funded by MEDC, and was led and co-funded by the East Jordan DDA, and creates a new commercial redevelopment property on the lakefront.

Cost: \$2,500,000

East Jordan Water Tower and Reservoir Replacement

Replaced the City's aging, 100-year old water tower with new and added 100,000 gallons to the previous capacity for community growth.

Cost: \$1,200,000

Phase II Sewer Upgrade and Expansion

Second phase of Sewer Collection System upgrades. The wastewater treatment plant was upgraded from a lagoon style to mechanical plant in 2018, expanding sewer collection capacity to prepare the community for growth and development. East Jordan is now planning to identify where sewer main improvements must be made.

Cost: \$3,000,000

Population & Demographics

Population Growth (2010-2018)

The Charlevoix County Opportunity Zone Census Tract had a 2010 population of (#) and has grown 18% to 1,904 by 2018.

Education

The East Jordan Public School District includes the entire City of East Jordan as well as six surrounding townships. East Jordan Elementary School, East Jordan Middle School, and East Jordan High School are important community assets in addition to being education centers for area families. The East Jordan Public School District had a graduation rate of 85% in (year).

Over a quarter of the population in this census tract over the age of 25 has an associates degree or higher, compared to just over 40% for the county as a whole.

1,904

Charlevoix County Population

16.9%

Poverty Rate

\$38,045

Median Earnings

\$42,554

Median Household Income

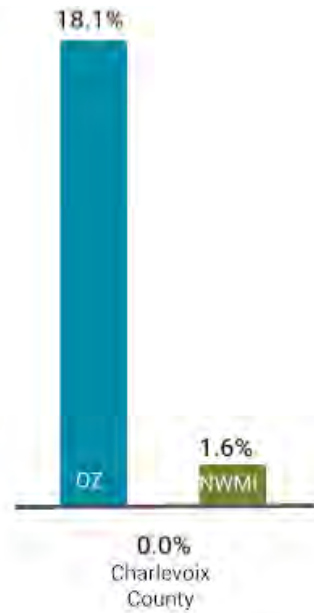
85%

4-year Graduation Rate

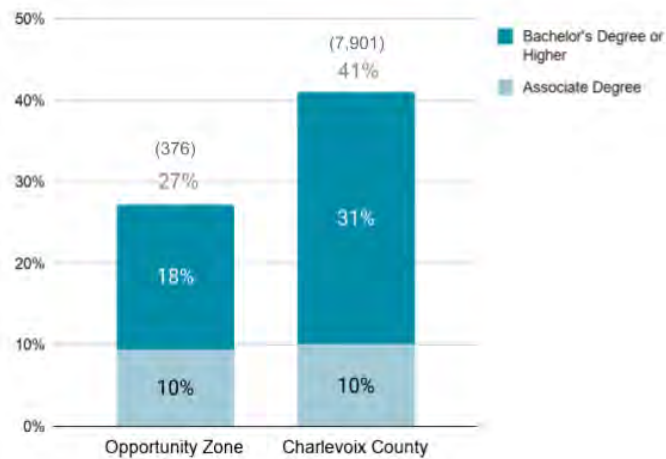


Population Change, 2010-2018

Charlevoix Opportunity Zone



% (#) of Population 25+ with a Degree



Jobs & Wages

Jobs by Industry (county level)

Of the 10,800 jobs in Charlevoix County, 72% are concentrated in six industries: Manufacturing, Accommodation and Food Services, Healthcare and Social Assistance, Retail Trade, and Construction. Manufacturing makes up the largest share, representing just under a quarter of all jobs in county.

Commuting

Most workers who live in Charlevoix County's Opportunity Zone work nearby to their place of residence. Workers living in the area have an average commute time of just 16.6 minutes one way (vs. 19.9 minutes for the County as a whole). A full 81% of people living in this census tract are employed in Charlevoix County. By comparison, only 68% of Charlevoix County workers overall are employed somewhere in the County.

Income and Poverty

Residents in Charlevoix County's Opportunity Zone earn a median income of \$38,045, and a median household income of \$42,554. The poverty rate in this tract is 16.9%.

16.6 Minutes

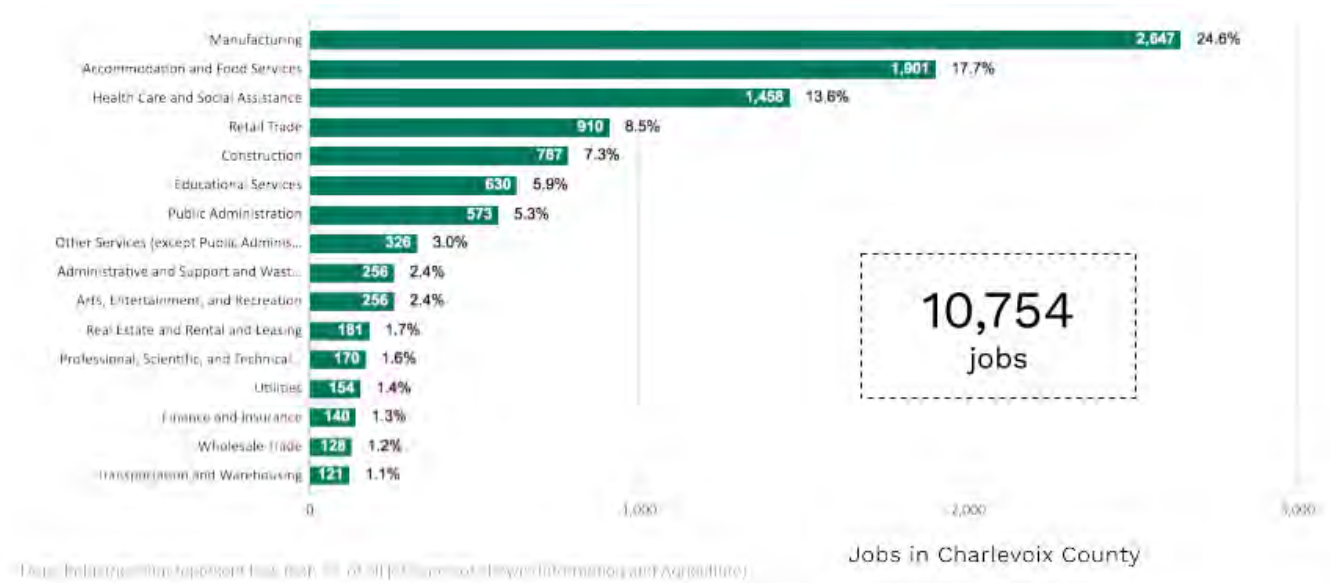
Average Commute Time, One Way

81%

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

Jobs by Industry

Charlevoix County (% of Total Jobs Noted)



Housing

The Charlevoix County Opportunity Zone boasts a unique mix of both historic housing closer to the central business district, and more contemporary housing toward the outskirts. There is high demand for housing in the area, given the population growth over the past 10 years. Several parcels of vacant land is prime for residential development. Housing North is helping to coordinate development and redevelopment of housing within the City limits.

Community Strengths

- **Jordan River Arts Council** - The Jordan River Arts Council runs the Jordan River Art Center, a regional gallery downtown that partners with the community on many events and festival.
- **Friends of the Jordan River Watershed** - As protectors of the Jordan River and its watershed, FOJ helps inform the public and promote resource management of East Jordan's most popular natural attraction.
- **Charlevoix County Community Foundation** - With its offices in East Jordan, many local corporate and individual donors are committed to enhancing quality of life throughout the county.

Culture & Heritage

Downtown

In close proximity to the waterfront, Downtown East Jordan is a vibrant and historic commercial core that contains a mix of office, retail, service, and entertainment businesses, as well as residences, and public outdoor gathering spaces. Street trees lining the sidewalks and attractive building facades make walking a pleasant experience.

Arts & Culture

The East Jordan Elementary, Middle, and High Schools have several fields, playgrounds, and outdoor areas that are open to the local community. In addition, East Jordan High School houses the Community Auditorium, Community Pool, and Jordan Valley District Library, all of which are widely used by the general public. The Community Auditorium is often used as an entertainment venue and community gathering space. The East Jordan Community Pool offers community fitness classes and open swim times

Outdoor Recreation

East Jordan's natural areas provide opportunities for outdoor recreation for residents and visitors. Sporting enthusiasts will enjoy fishing, hunting, snowmobiling, and more. Weekend warriors will enjoy the area's many marinas and boat slips. Enjoy a picnic by the lake or launch off from Tourist Park, Elm Pointe Park, the Municipal Harbor, or Memorial Park, some of many of East Jordan's many public parks and lake access points.

The area boasts all seasons outdoor beauty and recreation assets, from biking and boating, to snowmobiling and hunting, from the comfort of this small but growing lakeshore town.

Project Sheets /Investment Opportunities

- **Old City Boat Launch Commercial Redevelopment**
- **East Jordan Civic Center Site**
- **DDA - Vacant Land**





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