



108-114 W. CHICAGO ROAD FACT SHEET AND FAQs JULY 2022

Root and Branch Real Estate, a company owned by Carmichael Family Holdings, has begun development of a mixed-use development in the heart of downtown Sturgis, Michigan. The development, which will feature a five-story new construction building, has been thoughtfully designed to help ease the current local housing crisis, enhance the downtown retail mix, and catalyze downtown investment by making future development more economically viable in Sturgis. The new build should also generate new tax revenue, which may fund infrastructure improvements.

Root and Branch has been awarded an investment of \$4.1 million by the Michigan Strategic Fund to bring the development to fruition. In addition to the MSF award, the development is being financed by a combination of private investment and funding from the City of Sturgis, the Sturgis Area Community Foundation, and St. Joseph County.

Located at 108-114 W. Chicago Road, the development will add 23 new housing units and complement the city's existing retail mix, adding 5,000 square feet of ground-floor retail space (to be occupied by a locally owned and operated destination restaurant), and artfully blend traditional elements into the design to complement surrounding structures. The development's design will feature details specific to the time period in which Sturgis was originally constructed, weaving distinctive architectural elements into the trim and brick. Concurrently, the design will be ADA compliant, with handicap accessibility incorporated on the first floor and in designated apartments.

Construction is expected to begin in August 2022 and be completed by late winter 2023.

ABOUT THE DEVELOPMENT

Development Address	108-114 W. Chicago Road, Sturgis, MI
Total Building Footprint	25,310 sq. ft.
Building Height	Five stories
Property Owner	Root and Branch Real Estate
Total Estimated Investment	\$12.5M
Funding Partners	\$4.1M from the Michigan Strategic Fund, \$1.1M in community grants
Project Architect/Contractor	Rockford Construction

RESIDENTIAL UNITS

Number of Housing Units Proposed	23
Starting Rent	\$695/month
Residential Unit Sizes	Studio, 1 bedroom, 2 bedrooms
Tenant Features	Communal space for residents; Private balconies; In-unit washer/dryer

RETAIL UNITS

Number of Retail Units	Two ground floor spaces to be occupied by the same tenant
Total Size	~5,000 sq. ft.
Retail Mix	Future home to a locally owned/operated farm-to-table steakhouse

RETAIL ANCHOR

The mixed-use development will feature a destination steakhouse run by experienced restaurant operators from a well-known local family. The proposed farm-to-table restaurant will specialize in locally grown ingredients, such as Wagyu beef, extending the economic impact of the property throughout St. Joseph County. Further, the restaurant operator has committed to launching a disability employment program supported by GT Independence that will create paid internships at the restaurant for people with disabilities. The vocational development internships will be designed to transition to full-time employment at the steakhouse and other area businesses.



FREQUENTLY ASKED QUESTIONS

How many new jobs will this development create for Sturgis?

The development is projected to create at least 25 new long-term positions for the Sturgis community. This projection includes staffing for the apartment complex and steakhouse. Additionally, the project is estimated to fuel as many as 50 construction positions.

How will the new development help alleviate Sturgis' housing crisis?

Sturgis, like communities across America, is facing an unprecedented housing shortage. The shortage has led to elevated home prices and climbing rents, thwarting first-time homebuyers from entering the market. By building a new, mixed-use residential and retail building in downtown Sturgis, the city gains 23 new housing units ideal for young professionals and transitioning homeowners alike. This increase in supply will directly help to alleviate the local housing burden and aid in attracting new talent to Sturgis' economic center.

How will the development fuel economic growth in Sturgis?

The current lack of housing is not only pinching resident pockets, but also driving worker shortages throughout the area. By adding housing density to the downtown area, Sturgis will improve local employers' ability to hire and retain staff. Further, by upgrading out-of-date buildings, Root and Branch Real Estate aims to increase the value of downtown real estate, make future investment more economically viable, and position the city to capitalize on economic growth opportunities – such as the \$35 million investment by a large recreational vehicle manufacturer in Sturgis. Upgrading retail space and finding tenants who complement existing local businesses will position downtown Sturgis to become a retail and entertainment destination.

How will the project impact existing downtown businesses?

By adding housing density to the downtown area, Sturgis will improve local employers' ability to hire and retain staff, while bringing more foot traffic to the business district. The increased foot traffic will benefit existing and future businesses, and the farm-to-table steakhouse will offer local businesses and residents alike an expanded culinary experience.

What happened to the existing businesses in the space?

Root and Branch Real Estate worked closely with the owner of Sportarama and the operator of Mike's Pizza to help them relocate their businesses within Sturgis. Both

businesses are supportive of the project; in fact, the owner of Sportarama had already expressed interest in finding a new space that is more suitable to the changing dynamics of his business.

Why is Root and Branch Real Estate tearing down the existing buildings, versus renovating?

We explored a variety of building options – including renovation – when designing this property. However, to bring a much-needed mix of housing and retail space to the downtown corridor, it became unfeasible to involve historic renovation.

How will the design of the project ensure continuity with the overall aesthetic of downtown Sturgis?

Downtown Sturgis features a mix of traditional and historic architecture. The new project has been designed with traditional elements specific to the time period in which Sturgis was originally constructed, including a brick façade and trim details crafted to complement existing structures in the downtown. Additionally, the third through fifth floors have been set back from the perimeter of the main structure to de-emphasize the tower, provide communal outdoor space for residents, and preserve a historic aesthetic.

What is the plan for offsetting parking needs generated by the new development?

Root and Branch Real Estate is working closely with the City of Sturgis to evaluate and plan for parking needs associated with the growth of downtown Sturgis. Currently, there are 436 free, public parking lot spaces within two blocks of the development, including the shared lot located at the rear of the building. Additionally, street parking is available throughout downtown, and GT Independence plans to convert up to 66 of the company's parking lot spaces, located at the corner of North and John St., into public parking for residents and employees of the development to ensure ample overflow parking for the downtown corridor.

How will the development impact the broader Sturgis community?

In addition to generating needed housing and strengthening downtown Sturgis as a retail and entertainment destination, the project stands to strengthen the local economy and position Sturgis for the future. The project will provide additional basis to support community institutions, including the city, the public school system, the local hospital, and other vital community infrastructure, while enhancing Sturgis' ability to secure further investment by Michigan-based production facilities.



PARKING FACTS

MYTH	TRUTH
The public parking lot behind the Chicago Road development is not sufficient to serve new residents and community members.	Office/retail and residential uses require parking at almost exact opposite times. As residents leave for work, employees who work downtown return, and vice versa. In addition, GT Independence will provide 66 free downtown parking spaces for residents and employees of the development, increasing free downtown off-street parking spaces to 502.
The mixed-use development will create traffic congestion and parking issues in the downtown corridor.	Because residential traffic typically occurs opposite of business traffic, the potential impact for increased congestion is expected to be minimal. Additionally, GT Independence, at the corner of North and John Streets, will make 66 spaces in the company's parking lot available for residents and employees of the development at no charge. This will ensure ample overflow parking for the downtown corridor.
Even with the addition of 66 spaces from GT Independence, parking will still be tight for downtown businesses, visitors, and workers.	With the additional parking spaces provided by GT Independence, there will be 502 off-street public parking spaces available in downtown Sturgis. This number is augmented by free, street parking throughout the business corridor. The developer does not anticipate a negative impact to residents or business owners.
Development in downtown Sturgis will take away free parking.	All downtown parking is currently free for residents, businesses, and visitors. To the developer's knowledge, there are no plans for the removal of free parking.



AVAILABLE PARKING WITHIN 2 BLOCKS OF DEVELOPMENT



The parking lot capacity shown on this map is in addition to the free on-street parking available throughout the downtown area.



CONTACT INFORMATION

John Carmichael

269.651.4500

jcarmichael@gtindependence.com

Press Contact:

Shannon Riggs

509.991.2691

shannon.riggs@finnpartners.com