



Community



# Request For Developer Qualifications

## Multi-Family Housing Units

[www.CityOfBessemer.org](http://www.CityOfBessemer.org)

# Table of Contents

Development Opportunity .....	3
Community Overview .....	4
Market Conditions & Opportunities.....	9
Types of Multi-Unit Housing.....	10
Available Sites .....	11
Landlord Survey.....	13
Business Survey.....	15
Realtor Survey.....	17
Incentives.....	18
Zoning Requirements.....	19
Contacts.....	20

# Development Opportunity



The City of Bessemer, Michigan is seeking a developer for multi-family housing units within the City of Bessemer. Multiple lots are available with ample room and access to water, sewer, power, cable, and high-speed internet. Lots are near our historic downtown business district, top notch schools, and recreational trails and parks. The city is eager to work with developers to help create the desired housing in our community.

# Community Overview



Bessemer is located on the western end of Michigan's Upper Peninsula at the center of the local area between Ironwood and Hurley the west, Wakefield to the east, and the shores of Lake Superior to the north. Highway US2 is the main artery with an average traffic count of 10,600 through Bessemer connecting Gogebic County as the economic region link to Duluth, Minnesota, Iron Mountain, Michigan and beyond. M28 links the area to Marquette and Houghton, Michigan and US Highway 51 in Wisconsin connects to Wausau and Madison, Wisconsin.

# Community Overview (Continued)

## Be Outdoors

Bessemer is committed to the outdoors and our area abounds with outdoor recreation opportunities. The statewide Iron Belle Trail runs through the heart of Bessemer. The trail runs locally over nine miles from the Ironwood/Hurley border to Ramsay with future plans to extend to Wakfield.



The pristine shores of Lake Superior are just a short scenic drive from Bessemer for a relaxing getaway. Waterfalls abound with dozens of the best waterfalls you have seen within minutes. Rivers and lakes will allow you to explore, fish, or paddle to your heart's content.

Bessemer is situated in the heart of Big Snow Country surrounded by five ski hills providing the best skiing in the Midwest. Miles and miles of trails surround the area for cross country skiing, hiking, snowshoeing, mountain biking, snowmobiling, and more.



# Community Overview (Continued)

## Education

The Bessemer Area School District includes Washington Elementary School and A.D. Johnston Junior/Senior High School. Bessemer's schools are consistently rated as the best in the Gogebic Ontonagon Intermediate School District with test results higher than any other school. Our schools boast a 1:1 student to computer ration and 99.2% graduation rate. The school has a Silver rating for test results from the State of Michigan and an Excellence in Education award from SETSEG.

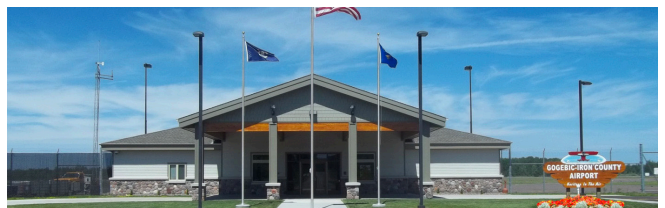


## Services

The Aspirus Ironwood Hospital, located between Bessemer and Ironwood has been named a Top 20 Critical Access hospital in the nation.



The Gogebic-Iron County Airport provides affordable daily flights to and from Chicago and Minneapolis connecting the area to the world.



# Community Overview (Continued)

## Employment

12.4%

Manufacturing

23.4%

Education, Health,  
and Social Services

13.2%

Hospitality, Retail,  
Recreation, Arts

### Major Employers in Gogebic County

- Bessemer Plywood Corporation (Bessemer), Wood Manufacturing
- Aspirus Ironwood Hospital & Clinic (Ironwood), Healthcare
- Jacquart Fabric Products (Ironwood), Textile Manufacturing
- Ironwood Plastics, Inc. (Ironwood), Plastics Manufacturing
- Burton Industries, Inc. (Ironwood), Electronics Manufacturing
- Waupaca Foundry (Ironwood), Metals Manufacturing
- Extreme Tool & Engineering (Wakefield), Metals Manufacturing
- Gogebic Community College (Ironwood), Education
- Big Snow Resorts (Wakefield/Bessemer), Recreation
- Big Powderhorn Mountain Resort (Bessemer), Recreation
- Lac Vieux Desert Band of Chippewa Indians (Watersmeet), Tribal Government
- Gogebic-Iron County Airport (Ironwood Township), Transportation

The City of Bessemer is actively recruiting young workers, particularly remote workers through a marketing campaign. The campaign, when finalized, will be pushed to millennials in western communities and larger midwest cities where the cost of living has become too high. The campaign highlights outdoor adventures, a welcoming and relaxed community, and a low cost of living.

# Community Overview (Continued)

## Investment

The City of Bessemer is very proactive in improving our community. Between 2017 and 2023 we will have invested over \$29,000,000 into our infrastructure. This includes roads, water, sewer, and sidewalks to ensure a healthy, vibrant community today and tomorrow.



Not only is the City of Bessemer committed to updating our infrastructure, we are also committed to helping businesses grow and thrive. The city has operated a pop-up shop program which has assisted 17 small businesses in starting up. The city also provides façade assistance to downtown building owners to help build a fun and vibrant downtown.

To help current and future residents connect with our community, we are focused on building a trail system through town. The Iron Belle Trail, a non-motorized trail, connects us with Ironwood to the west and Ramsay to the east. We are building trails off this to each of our neighborhoods to improve all of our resident's quality of life.

You can find more information about our plans by checking out our Master Plan at [CityofBessemer.org](http://CityofBessemer.org)

# Market Conditions & Opportunities

# 2/3

of our largest employers in the area have stated that their employees struggle to find ample housing also stating they have lost potential employees due to the lack of housing.

- Landlords in Bessemer are getting inundated with calls from people looking for rentals.
- There is a lack of modern rental units on the market with most housing stock being built before 1939.
- Twelve new businesses have successfully started in Bessemer in the past 3 1/2 years.
- Real estate agents are reporting housing selling above the asking price within hours of going on the market indicating the need for people to rent before purchasing property in the area.



## 74.6%

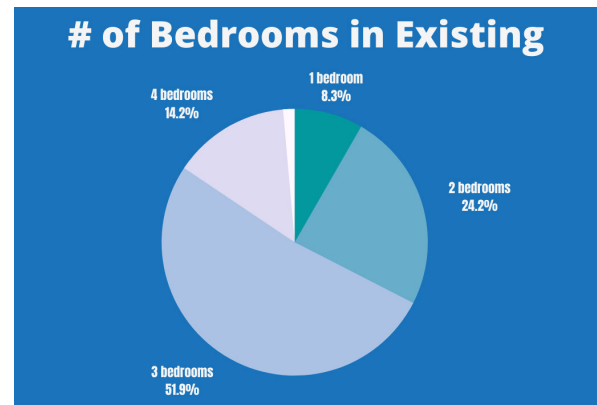
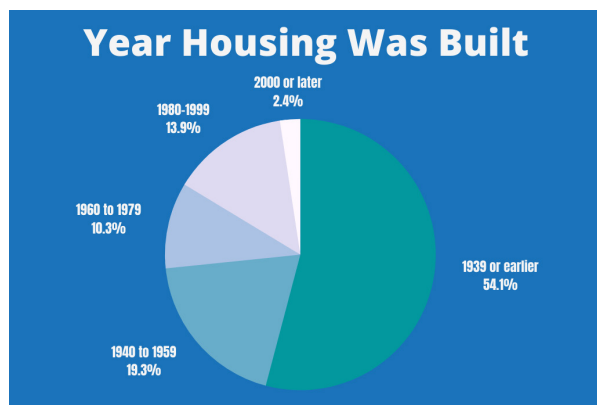
of housing units are owner occupied

## 84.4%

of units are single family unattached

## 1.88

is the average household size



# Types of Multi-Unit Housing

After conducting a survey of local businesses, landlords, and real estate agents the City of Bessemer has concluded that the following indicators would be successful in development of multi-unit housing.

## # of Units



- Businesses indicated for 12-17 higher-end units.
- While area housing sells for cheaper than other areas, it is selling so quickly workers are unable to buy homes. Likewise, from conversations with employers, many employees may not plan to stay in the area long enough to want to buy.



## \$800-\$1500 per Month

Estimated rental cost including utilities is \$800-\$1500 per month. Employers indicated employees making \$60,000-\$100,000+ needing units. (30% of \$60,000 salary is \$1500/month)

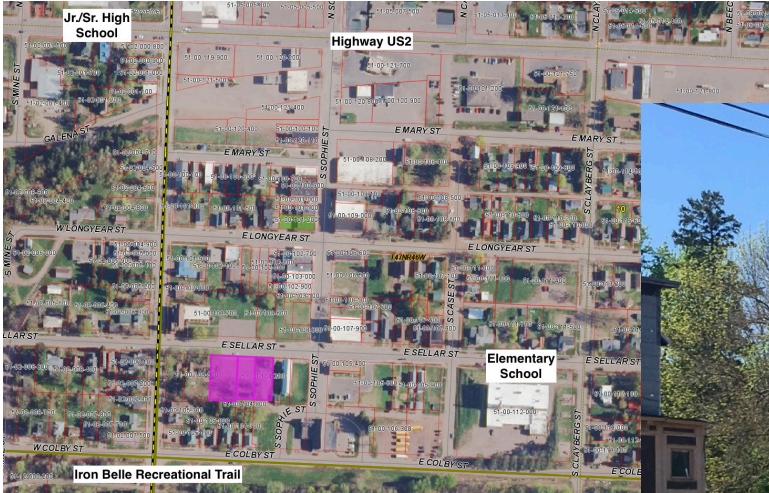


- Preferred amenities include a garage (We have lots of snow!)
- Plowing and grass mowing services.
- Utilities can be included or excluded. There is no local standard.
- 2-Bedroom units seem ideal. Employers indicated a need for housing for single and married people without kids.

ROI on Multi-Unit Housing could be significant

# Available Sites

## 101 East Sellar Street



**Lot Size:** 177.5'x 140' approximately

**Zoning:** Core Mixed Use

**Building Size:** none

**Asking Price:** \$5,607, price negotiable

**State Equalized Value:** \$0 (city owned)

**Utilities on Site:** Water, Sewer, Electricity, Natural Gas

**Internet:** Up to 100 Mbps

**Owner:** City of Bessemer

**Address:** 411 S. Sophie, Bessemer, MI 49911

**Phone Number:** (906) 663-4311

**Additional Information:** This lot is located in our downtown and one block from the Iron Belle Trail.



# Landlord Survey

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On April 2, 2019, the City of Bessemer sent out 26 surveys to local landlords who owned over two rental units. We received ten back and these ten respondents collectively own 46 units. This survey indicates long waiting lists for rentals and a shortage of nicer apartments.

## How Many Units?

The median response was **3.5 units**. This indicates most landlords own a small number of units. The range was from 1 to 13 units.

## Rent Per Unit

### 1 Bedroom

- 29 Units
- \$454 Average
- \$465 Median
- \$420-\$525 Range

### 2 Bedroom

- 11 Units
- \$494 Average
- \$465 Median
- \$450-\$600 Range

### 3 Bedroom

- 6 Units
- \$617 Average
- \$588 Median
- \$475-\$900 Range

### 4 Bedroom

- 1 Unit
- Rate not given
- No 5+ bedroom units in study

## Utilities

Landlords were surveyed on if they included utilities. Note that one respondent said some of their units include utilities and some don't.

No Utilities: **4**

All Utilities: **5**

Heat & Water Only: **2**

## Outside Maintenance (Mowing/Snow Removal)

Landlords were surveyed on if they included outside maintenance such as mowing and snow removal. One respondent said some units include and some don't.

Included: **7**

Not Included: **4**

# Landlord Survey (Continued)

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## Waiting List

Landlords were surveyed on if they had a waiting list for their properties. The range of answers was from 0 to 6+.

Had waiting list: **4**

No waiting list: **6**

Average # on list: **3.87**

## Inquiries Per Month

Landlords were surveyed on the numbers of inquiries they received each month. The majority of respondents received inquiries every month. Only four respondents said they received no inquiries each month. The average amount of inquiries was **3.9 per month**. The range was from 0 to 20 per month.

## Length Renters are Looking to Stay

- Long Term: Seven landlords responding with five stating their renters want to stay 12-24+ months.
- Short Term: One respondent stated they had renters looking to stay for 6-12 months. Another respondent said they had renters looking to stay 3 months.

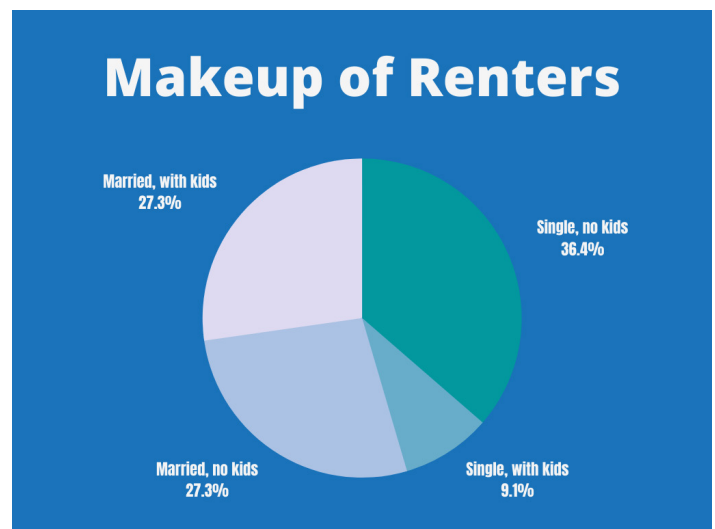
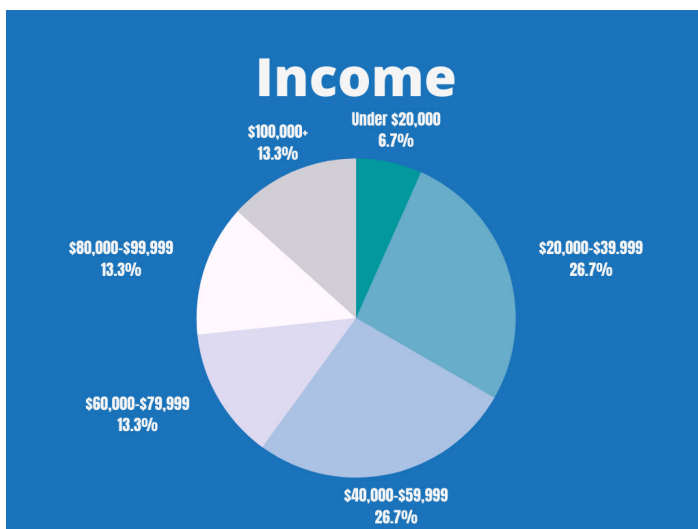
# Business Survey

The City of Bessemer sent out surveys to the largest employers in the area asking about a need for housing in February of 2020. We received six responses back and one phone call to go into more depth about the survey. This survey shows a strong need for higher-end apartments. Businesses indicated they are losing workers due to a lack of apartments. Many of the employees struggling to find apartments have an above average salary.

**2/3** of respondents replied that their employees struggle to find rentals.

**2/3** of respondents replied that their employees struggle to find higher-end apartments. The number of affected employees ranged from 2-8.

**1/3** of respondents said they have had a potential employee not take a job because of housing issues.



# Business Survey (Continued)

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## General comments from respondents:

“ We have multiple summer seasonal employees who struggle to find housing – sometimes rescinding acceptance because they can’t find any. New permanent employees have the struggle as well. Sometimes having to buy something in a hurry that’s not up to standard so as to not be homeless. ”

“ They need clean, non-smoking apartments, amenities like snow plowing/grass cutting, and garages. ”

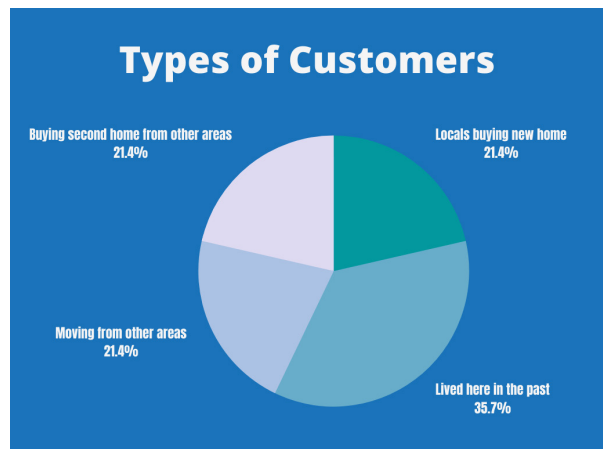
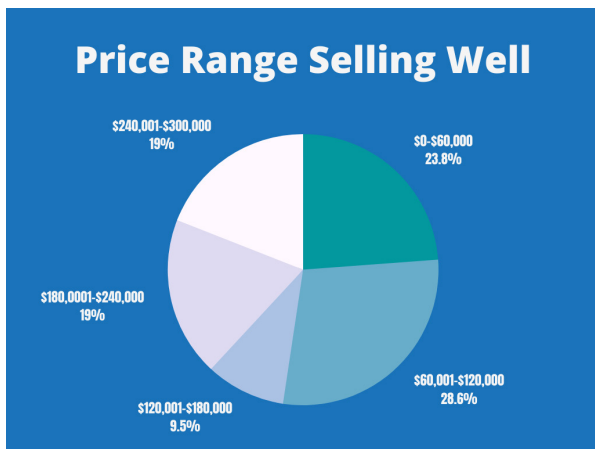
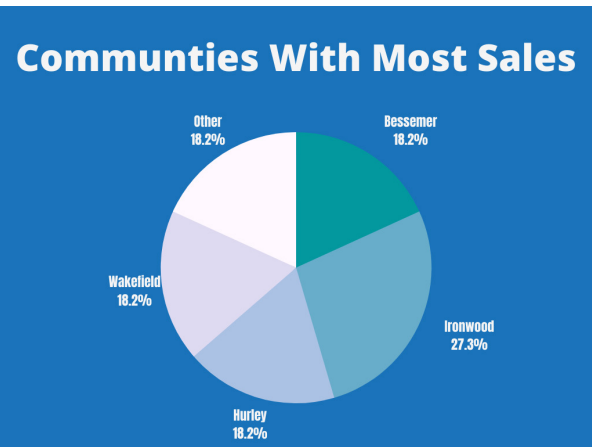
“ Had an employee who spent two years in a trailer with a combined \$90,000 income because they couldn’t find housing. ”

“ People moving to the area are expecting to pay \$800+. This is cheaper than they would pay elsewhere. ”

# Realtor Survey

In July of 2020 we asked locals in the housing industry about what they are seeing in housing sales. One respondent commented, “we have a shortage of homes for sale at this time. Some homes are selling fast sometimes with multiple offers. Sometimes over the list price. It is taking two months to close a mortgage loan. See some buyers that are looking to move to a more rural area with less exposure to covid.” Another said, “lack of Housing in the local area is not unique to the Gogebic Range Communities. It’s nationwide and based on market trends on the East and West Coast the trend will likely continue for another year or two. I’m seeing many turn down local jobs due to the lack of housing and rental inventory. This trend began about 2 years ago.”

**2/3** of respondents replied that they are seeing more housing and property sales compared to three years ago.



# Incentives

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The City of Bessemer, is very excited and willing to work with you. In exchange for bringing more housing to our area, we can work to give you quite the deal on the cost of the land. We may also be able to work with you to create a Brownfield's TIF if foundations are present in any location. We did remove a foundation on 508 S Moore. The Brownfield TIF would reimburse you your costs for getting the site ready for redevelopment.

# Zoning Requirements

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## The Fun Stuff....

We strive to make the zoning as pain free as we can. The state reviewed our zoning process and routinely checks in on people who go through our zoning process to see how we are doing. They certified us as a Redevelopment Ready Community because we work with businesses so well. See our Guide to Development on our website, [CityofBessemer.org](http://CityofBessemer.org) for more information.

# Contacts

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## Government and Non-Profit

- City of Bessemer: City Manager, 906-663-4311
- Gogebic County: 906-667-0411
- Ironwood Chamber of Commerce: 906-932-1122
- Western Upper Peninsula Planning and Development Region: 906-482-7205
- For Access Management call Michigan Department of Transportation at 906-875-6644
- For Gogebic County Soil Erosion and Sediment Control call 906-663-4512

## Energy Providers

- Xcel Energy for gas and electric: 1-800-481-4700

## Internet Providers

- GogebicRange.net: 906-842-3394
- Charter Spectrum: 855-757-7328
- AT&T: 866-861-6075

## Garbage Services

- Eagle Waste and Recycling: 715-477-0077
- Gogebic Range Solid Waste Management: 906-932-0600