

Pine Grove High Traffic Lot On Highway #197 South, Bemidji

Summary

Major road changes to #197 South and the new Bemidji Regional Event Center construction along south Lake Bemidji will soon pull more commercial expansion to the south side. #197 South is destined to become Bemidji's secondary business corridor because of the increasing traffic count.

As that takes place this large corner lot will be in the perfect location for either business or housing use, enjoying easy access and high visibility in both directions. Today, the offered property is an investment in the continuing growth and future of the city.

Bemidji Area

The city and surrounding townships have benefited by steady population growth and have become an active regional center, a hub for shopping and entertainment. Some of its features are its strong educational system and university, mall and shopping opportunities, extensive medical and care facilities, even substantial airport development and use. The lakes and outdoor lifestyle are large drawing cards, and summer population doubles. The city is a heavy governmental center for the region which creates stability, along with the fact that the community is not dependent on, or vulnerable to, any single, large industry or employer.

A Two-Sided Town!

When you look at a local map it's evident that the town has developed in the shape of an hourglass with residential on both ends and with the narrow channel between the lakes as a divider bridge. The primary shopping area is concentrated on the northwest side of Bemidji with the mall, Target, Wal-Mart, new banks, and a host of smaller strip centers. That retail growth has driven highway #197 NW land prices through the roof at \$12-14/square foot (prohibitive to many smaller businesses) and there is little highway frontage remaining. Expansion room on the northwest side of the hourglass is limited and expensive, which is certain to create other opportunities. In the coming years commercial business is likely to look at south Bemidji as a viable alternative.

South Side on the move!

The growth on the south side of town has already started and will soon accelerate.

- The Bemidji Event Center on the south shore of Lake Bemidji just off 197 South will be completed this year (2010), and will stimulate other business activity around it. This 60 million dollar project emphasizing BSU hockey will provide an entertainment venue in non-hockey months that will be attractive to tourists and visitors as well as locals. Immediately adjacent to the Event Center city studies foresee another new hotel, housing and specialized retail.
- New Industrial Park expansion. The current (almost capacity) park has just completed a major addition of land, utilities, and streets to meet future needs. Situated right off 197 South in town.
- Recent south end growth also includes a big Hampton Inn/Green Mill complex by the lake, three new restaurants, a big North Central Door manufacturing facility in the Industrial Park, new car wash, auto repair center, and recently a popular Mexican "cantina".
- Several housing plats have been approved that will invite new home construction this direction and the highly successful Irvingboro residential development nearby continues to build.

- Two very large church expansions directly on 197 South (Calvary Lutheran and Evangelical Free) have responded to congregational needs.

All of the above mean greater traffic along the 197 South corridor, the reason MnDot is now addressing a new #197 So. highway project.

The South #197 Artery

Mn state #197 is **THE** route through town. MnDot is now undertaking a large scale 197 South corridor renovation, which will extend from the Lueken's South store past this property and out to Carr Lake Road, approximately ¼ mile beyond the current city limits, then narrowing and continuing past the US #71/US #2 bypass. The existing two lane segment out to Carr Lake Road will be widened to five lanes (2 travel lanes each way with center turn lane) before narrowing. This will be the major south route into Bemidji, and considerable traffic increases are projected. I feel that this road project, along with the availability of more affordable 197 frontage property, will spark greater south end commerce in the coming years. There is really no other option if businesses want to be visible on the main artery.

Property

Situated on the corner junction of two lane Mn State Hwy #197 (a through city extension of US #71 bypassing the town) and Pine Grove Street (Hwy. #197 is also known to locals as Washington Avenue South). The for sale parcel lies only several hundred feet south of the current city limits in Bemidji Township. An orderly annexation agreement with the city will cause annexation of this and adjacent corridor properties in about five years (2015). Currently the south corridor has mostly single family residential housing, primarily on the west side of the road.

- Legal description of the property is Lot 1, Block 1, Pine Grove (part of a small housing subdivision). Beltrami County parcel number is R03.01115.00. Address is 109 Pine Grove Street (off Pine Grove)
- Lies about a half mile north of the US #71/#2 bypass junction.
- Township zoning is currently R2 (suburban residential – unsewered) for single family detached housing) and would require rezoning approval for business use. Bemidji and Northern Townships and the City of Bemidji have entered into a joint planning/zoning board. This board appears open and receptive to a commercial (B2) rezoning petition from residents along the corridor, because the new road and higher traffic volume make continued residential preference unlikely. Land values from conversion to business usage are higher so homeowners will want to sell their properties.
- Prior use: Formerly a residential site containing an old rental home and several mobile homes. In 2005 I cleared and demolished buildings, sealed three wells, crushed septic and removed/filled a basement. The property backs up to a home on the west side, with a home/timber business on the north.
- The lot contains (per County plat) 310' of valuable highway 197 frontage by approximately 325' deep, totaling approximately 100,740 square feet or 2.31 acres.
- Two entrances have been built into the property, one off Pine Grove Street and a second farther to the north about where the existing north entry is located. This could potentially allow the property to be split E-W into two lots.
- Elevation: This is a naturally sloping parcel declining from south to north matching the highway grade. The highest point is the SW corner along Pine Grove, then sloping down to the north and less to the east.

- Drainage off the sloping site is obviously excellent, now emptying into a ditch running along the adjacent property to the north, which in turn connects to a second primary ditch by the trail bridge to the north. A small wetland exists on the very northwest corner tip of the site.
- Only a few mature trees remain on the property (an advantage because of tree removal ordinances). Utilities now in place include underground electric, natural gas, phone, internet and TV. Sewer and water could possibly be extended to the property by agreement with the city.
- Real estate taxes on the now vacant and undervalued parcel are \$598.00 for 2010.

Site Advantages

1. High traffic count already and certain to increase
2. Outstanding visibility from both directions off 197
3. Almost entirely high ground
4. On the right as local traffic heads home (easier access)

Price/Terms

Asking \$210,000. Priced at less than \$2.10 per square foot (compare with northwest 197 mall area at up to \$15.00)

No protective covenants are in place on Pine Grove subdivision. Rezoning is required for commercial use.

Reason for sale: My intention has been to hold the property and capitalize on the increased value.

However, I am at retirement age and may be relocating outside the area.

I would potentially consider a Contract for Deed sale with substantial down payment or other collateral with balloon in five years or less, or possibly a trade for a Bemidji area home.

I am a licensed Minnesota real estate Broker and owner of Best of the North Real Estate Co. My purchase of the property in 2005 was for investment and future resale.

Conclusion

I believe Bemidji will continue to grow as a regional center and secondary retail growth is inevitable along this south corridor. The Event Center construction will lead the way, then the #197 So. road project will really open the door.

This corner parcel will become a prime site as southward expansion unfolds. Whether you purchase this property as an investment for later resale, or own it for personal business development, you will be ahead of the curve, and increasing prices, by buying now.

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