

**ACT 381 BROWNFIELD PLAN**

**CHASSELL MERCANTILE REDEVELOPMENT  
CHASSEL TOWNSHIP, HOUGHTON COUNTY, MICHIGAN**

**October 2024**

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**Approved by Houghton County  
Brownfield Redevelopment Authority: October 30, 2024  
(tentative)**

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Board of Trustees: November 13, 2024  
(tentative)**

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(tentative)**

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(tentative)**

**Brownfield Plan  
Chassell Mercantile Redevelopment  
Chassell Township, Michigan**

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## Project Summary

T&J Properties of Chassell, Inc. is the developer arm of DP Construction, a Chassell-based commercial and residential contractor. The developer is planning to develop a mixed-use building on the site of the former Chassell Mercantile in downtown Chassell. The project will clean up a site that has cycled through tax foreclosure and auction resulting in a building collapse and blight enforcement actions by Chassell Township and a partnership with the Houghton County Land Bank Authority. The project will create 22 residential units, at least 50% with rents and qualified households at or below 120% of the Area Median Income (AMI), and a 2,000 square foot commercial rental space.

This Brownfield Plan will provide incremental tax revenues to Housing Development Activities that are critical to the economic viability of the redevelopment.

The property qualifies as Brownfield Eligible Property under the definition of Housing Property, which is the main purpose of this Brownfield Plan.

**Project Name:** Mercantile Redevelopment

**Project Location:** The Eligible Property is comprised of two parcels in Chassell Township, 42108 Willson Memorial Drive, Parcel Identification Number 31-003-208-001-00 and 42098 Willson Memorial Drive, Parcel Identification Number 31-003-208-002-00

**Type of Eligible Property:** Housing Property

**Eligible Activities:** Housing Development Activities – Housing Financing Gap

Eligible Activities	Housing	TOTAL
<b>ELIGIBLE ACTIVITY SUBTOTAL</b>	<b>\$835,500</b>	<b>\$835,000</b>
<b>Brownfield Plan Development and Approval</b>	<b>\$15,000</b>	<b>\$15,000</b>
<b>Brownfield Plan Implementation</b>	<b>\$45,000</b>	<b>\$45,000</b>
<b>TOTAL ELIGIBLE ACTIVITY</b>	<b>\$895,000</b>	<b>\$895,000</b>

<b>Period of Capture:</b>	<i>22 Years Local</i> <i>23 Years State</i>	<b>Estimated Investment:</b>	\$4,514,000
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## **BROWNFIELD PLAN**

### **MERCANTILE REDEVELOPMENT CHASSELL TOWNSHIP, HOUGHTON COUNTY, MICHIGAN**

#### **HOUGHTON COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**

##### ***1.0 INTRODUCTION***

Act 381, P.A. 1996, as amended, was enacted to promote the revitalization, redevelopment and reuse of sites identifies as a facility, blighted, functionally obsolete, historic resource or housing property through incentives adopted as part of a Brownfield Plan. The Brownfield Plan outlines the qualifications, costs, impacts, and incentives for the project.

The Brownfield Plan must be approved by the Houghton County Brownfield Redevelopment Authority (HCBRA) established under Act 381, as amended and the Houghton County Board of Commissioners, with the concurrence of the Chassell Township Board of Trustees. An Act 381 Work Plan must be approved by the Michigan State Housing Development Authority (MSHDA) for Housing Development Activities, if state taxes are to be captured.

The Houghton County Commission established the Houghton County Brownfield Redevelopment Authority under the procedures required under Act 381.

This Brownfield Plan is for the redevelopment of the Mercantile property at the southeast corner of Willson Memorial Highway and US-41 in Chassell Township, Houghton County, Michigan, consistent with Act 381. The Brownfield Plan describes the public purpose and qualifying factors for determining the site as an Eligible Property, the Eligible Activities and estimated costs, the impacts of tax increment financing, and other project factors.

##### **1.1 Proposed Redevelopment and Future Use for Each Eligible Property**

The proposed redevelopment will remove the existing building and site debris, conduct site preparation activities, and construct a mixed use building with 2,000 square feet of retail space and 22 rental units, at least 50% with rental rates targeted at 120% or less of the Area Median Income (AMI), [published by MSHDA](#) and adjusted on an annual basis.

The property is zoned Business and is governed by the zoning ordinance of the Chassell Township.

The estimated private investment is anticipated at \$4,514,000. The project is located in the Chassell Township, which is not a Qualified Local Governmental Unit (QLGU).

### 1.2 Eligible Property Information

The Eligible Property includes two parcels, as described below:

Parcel Number	Address	Description	Acreage	Qualifying Status
31-003-208-001-00	42108 Willson Memorial Drive	CHA-8-1 LOT 1, BLIK 8, VILLAGE OF CHASSEL	0.17	Housing Property
31-003-208-002-00	42098 Willson Memorial Drive	CHA-8-2 LOT 1, BLIK 8, VILLAGE OF CHASSEL	0.17	Housing Property

### 1.3 Public Purpose *MCL 125.2664(5):*

The development of the Mercantile property into a mixed-use project with 22 units, with at least 50% for moderate income individuals and families, will meet a critical community need for affordable and workforce housing and increase property taxes. After the Brownfield obligation is met, the project is estimated to generate property taxes at over **\$71,375** per year.

### 1.4 Housing Needs and Job Growth Data *MCL 125.2652(o)(ii)*

#### ***Housing Need***

The Western Upper Peninsula Planning and Development Region issued a 6-county regional Housing Needs Assessment, which includes Houghton County. The Houghton County Housing Needs Assessment showed an overall housing gap of 1,851 units, with a gap of 613 rental units and a gap of 1,228 for sale units over the period 2020 - 2045.

#### ***Job Growth Data***

According to the University of Michigan Department of Economics, Houghton County is projected to see employment gains of 3.5 percent by 2050.

Source: [\*The Economic and Demographic Outlook for Michigan through 2050\*](#), Jacob T. Burton, Gabriel M. Ehrlich, Donald R. Grimes, Kyle W. Henson, Daniil Manaenkov, and Michael R. McWilliams University of Michigan

Houghton County population is increasing. Population grew 6% since the closure of the mines in 1969 and 2% in the last 10 years. Recent population estimates show births exceeding deaths. Area has seen the influx of

economic, lifestyle, climate and remote worker migrants. The visitor economy has experienced 3% growth year over year for the past five years supported by an organized and funded marketing and support program (Visit Keweenaw).

Michigan Technological University (MTU) has had 5% growth for the 2019-2024 period. The MTU Master Plan is planning for 10,000 students by 2035 and all of the faculty and staff that will require. MTU is one of only three Michigan public universities with growth in enrollments and will soon have an R1 designation putting it among the top research universities in the United States.

Houghton County has a diverse, growing economy with lots of high value, low volume manufacturing and technology companies focused on growth: Calumet Electronics (working on second expansion in three years), REL (2019-20 and 2023 expansions), Nuevokas (ongoing expansion of facilities and production), Mohawk Technologies (2022 expansion, another planned), Royale, Inc. (2023 expansion), Great Lakes Sound and Vibration (2019 and 2023 expansions), Orbion Space Technologies (2017 startup now with over 50 employees and an expansion pending), Steelhead Technologies (new startup that is expanding rapidly), Signature Research (expansion planned), Somero (at least four expansion in last nine years and another planned), Northern Hardwoods (expansion planned); ThermoAnalytics (recent expansion).

The area is home to several large public and institutional employers: Aspirus Keweenaw Hospital, UP Health System - Portage Hospital, Houghton-Portage Schools, & CLK Schools

## **2.0 INFORMATION REQUIRED BY SECTION 13(2) OF THE STATUTE**

### **2.1 Description of Project and Plan Costs *MCL 125.2663(2)(a):***

The project includes the development of 22 housing units, at least 50% with rents and qualified households at or below 120% AMI, along with 2,000 square feet of commercial rental space. The Brownfield Plan includes MSHDA Housing Development Eligible Activities:

MSHDA Housing Development Eligible Activities include:

- Housing Financing Gap

<b>Eligible Activities</b>	<b>Housing</b>	<b>TOTAL</b>
<b>ELIGIBLE ACTIVITY SUBTOTAL</b>	<b>\$835,000</b>	<b>\$835,000</b>

The cost of Eligible Activities included in and authorized by this Brownfield Plan will be reimbursed with incremental applicable local and state tax revenue generated by the increased private investment on the Eligible Property and captured by the HCBRA, subject to any limitation and conditions described in this Brownfield Plan and the terms of a Reimbursement Agreement between the Developer and the HCBRA. State tax capture requires approval of an Act 381 Work Plan by MSHDA for Housing Development Activities.

The Eligible Activity costs included in this Brownfield Plan are estimated and may increase or decrease depending on the nature and extent of unknown conditions encountered on the Eligible Property or other circumstances. Reimbursement will be based on the actual cost of Eligible Activities approved under this Brownfield Plan and an Act 381 Work Plan if applicable, from available Brownfield Tax Increment Financing (TIF) revenues captured by the Authority and shall be governed by the terms and conditions of the Reimbursement Agreement and Section 2 of Act 381 of 1996, as amended (MCL 125.2652). This Brownfield Plan and the Reimbursement Agreement establish the maximum Eligible Activity cost. Line-item Eligible Activity may be adjusted after the adoption of this Brownfield Plan with the approval of the Authority, as long as the total maximum Eligible Activity cost is not exceeded.

## **2.2 Summary of Eligible Activities**      ***MCL 125.2663(2)(b):***

Act 381 provides for the costs of certain Eligible Activities to be reimbursed through tax increment financing. The following is a summary of Eligible Activities:

### **MSHDA Housing Development Eligible Activities**

MSHDA Housing Development Eligible Activities are included under this Brownfield Plan under the auspices of Act 381. The MSHDA Housing Development Eligible Activities include Housing Financing Gap.

1. *Housing Financing Gap*: Act 381 provides for reimbursement from Brownfield TIF revenues of the financing gap between development costs and revenues for housing for qualified households with incomes not more than 120% of the Area Median Income (AMI).

The Mercantile Redevelopment Brownfield Plan includes the following costs related to the financing gap between development costs and revenues for the minimum of 11 residential units for qualified households with incomes of 120% AMI or less.

The proposed Housing Financing Gap is less than calculated under the MSHDA Potential Rent Loss calculation, provided in the Appendix.

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Housing Development Eligible Activities	Total
Financing Gap between Development and Qualified Income	\$835,000
<b>TOTAL</b>	<b>\$835,000</b>

**2.3 Estimate of Captured Taxable Value and Tax Increment Revenues** *MCL 125.2663(2)(c):*

Act 381 defines Initial Taxable Value as taxable value of an Eligible Property identified in and subject to a Brownfield Plan at the time the resolution adding that Eligible Property in the Brownfield Plan is adopted, as shown either by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, if provided by the Brownfield Plan, by the next assessment roll for which equalization will be completed following the date the resolution adding that Eligible Property in the Brownfield Plan is adopted.

The taxable value as of December 31, 2023 is **\$50,295**. As provided in this Brownfield Plan, the Initial Taxable Value Base Year is 2024.

The MSHDA Housing Development Eligible Activity costs total *\$895,000*.

Other expenses for which Brownfield Tax Increment Revenues may be used include Administrative and Operating Costs of the HCBRA, Local Brownfield Revolving Fund, and the State Brownfield Redevelopment Fund.

**Administrative and Operating Costs (Section 13b(7))**

Act 381 provides for the capture of Brownfield Tax Increment Revenues for reasonable and actual administrative and operating expenses of the HCBRA with local taxes only, and the cost of developing and preparing Brownfield Plans and Act 381 Work Plans with both local and state taxes. The estimated amount of administrative and operating expenses allocated under this Brownfield Plan is \$28,154 and for Brownfield Plan / Act 381 Work Plan Development is \$60,000.

**Local Brownfield Revolving Fund (“LBRF”) (Section 8; Section 13(2)(m))**

The HCBRA has established a Local Brownfield Revolving Fund (LBRF). The LBRF will consist of all tax increment revenues authorized to be captured and deposited in the LBRF, as specified in Section 13(5) of Act 381, under this Brownfield Plan and any other plan of the HCBRA. The LBRF may also include funds appropriated or otherwise made available from public or private sources.

The amount of tax increment revenue authorized for capture and deposit in the LBRF is currently estimated at \$102,328. All funds, if any, deposited in the LBRF shall be used in accordance with Section 8 of Act 381.

**Brownfield Redevelopment Fund (Section 8a; Section 13(2)(m))**

The HCBRA shall pay to the Department of Treasury at least once annually an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, that are captured under this Plan for up to the first twenty-five (25) years of the duration of capture of tax increment revenues for each eligible property included in this Plan. If the HCBRA pays an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on a parcel of eligible property to the Department of Treasury under Section 13b(14) of Act 381, the percentage of local taxes levied on that parcel and used to reimburse eligible activities for the Project under this Brownfield Plan shall not exceed the percentage of local taxes levied on that parcel that would have been used to reimburse eligible activities for the Project under this Brownfield Plan if the 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on that parcel were not paid to the Department of Treasury under Section 13b(14) of Act 381. The estimated allocation to the State Brownfield Redevelopment Fund is \$71,480.

The overall investment for the Project is estimated at over *\$4.5 million*.

Table 2 identifies taxable values for real and personal property, including tax increment revenues for the Eligible Property. In addition, 3 mils are captured and distributed to the State for the State Brownfield Redevelopment Fund for the time period in which State taxes are captured for EGLE Department Specific Eligible Activities. In accordance with Act 381, this share does not affect the State and local ratio.

Redevelopment of the property will begin in Spring 2025. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions. The estimated tax increment captured by the Authority is detailed in Table 2.

**2.4 Method of Financing and Description of Advances Made by the Municipality**

***MCL 125.2663(2)(d):***

The Eligible Activities are to be financed solely by the Developer. The HCBRA will reimburse the Developer for the cost of approved Eligible Activities, but only from tax increment revenues generated and captured from the Eligible Property. No advances have been or shall be made by the County or the HCBRA for the costs of Eligible Activities under this Brownfield Plan.

**2.5 Maximum Amount of Note or Bond Indebtedness** *MCL 125.2663(2)(e):*

The maximum amount of Eligible Activities is anticipated to be \$895,000.

**2.6 Beginning Date and Duration of Capture** *MCL 125.2663(2)(f):*

The beginning date of capture is anticipated to be 2027. The duration of Brownfield Plan capture will be **twenty-two (22) years** for Local capture and **twenty-three (23) years** for State capture plus an additional five (5) years for the LBRF.

**2.7 Estimated Impact of Tax Increment Financing on Tax Revenues of Taxing Jurisdictions** *MCL 125.2663(2)(g):*

Table 2.1 and 2.2 identify annual and total tax revenues projected for capture from the increase in property tax valuations. Individual tax levies within each taxing jurisdiction are also presented on Table 2.1. The taxing jurisdictions will continue to receive their tax allocation for the project once the Brownfield obligation is met and beyond the duration of the Brownfield Plan.

The capture is estimated at \$895,000 for Eligible Activities. The Brownfield Plan also includes \$60,000 in Brownfield Plan development, approval and implementation, HCBRA Administrative and Operating Costs, estimated at \$28,154 and capture of 50% of the State Education Tax for the State Brownfield Fund as required by Act 381, estimated at \$75,979 for this Brownfield Plan. The Brownfield Plan also provides for deposits into the Local Brownfield Revolving Fund (“LBRF”) for during the period of capture, with State tax capture limited to an amount equal to State tax capture for EGLE Department Specific Eligible Activities if available. LBRF deposits from local and state taxes are estimated at \$102,328.

After the Brownfield obligation is met, tax revenues in an amount estimated at \$71,375 per year on into the future.

**2.8 Legal Description, Location, and Determination of Eligibility** *MCL 125.2663(2)(h):*

Legal Description: The legal description of the Eligible Property follows:

Parcel Number	Address	Description	Acreage	Qualifying Status
31-003-208-001-00	42108 Willson Memorial Drive	CHA-8-1 LOT 1, BLIK 8, VILLAGE OF CHASSEL	.172	Housing Property
31-003-208-002-00	42098 Willson Memorial Drive	CHA-8-2 LOT 1, BLIK 8, VILLAGE OF CHASSEL	.172	Housing Property

Location: The Eligible Property is located at 42108 and 42098 Willson Memorial Drive in Chassell Township, Houghton County, Michigan. Figure 1 depicts the location of the Eligible Property and Figure 2 depicts the Eligible Property boundaries.

Eligibility Determination: The property qualifies under the definition of “Housing Property” in Act 381 as property on which 1 or more residential housing units are proposed to be construction.

**2.9 Estimate of Number of Persons Residing on Eligible Property** *MCL 125.2663(2)(i):*

There is currently one residential dwelling with between 2 and 4 persons that occupy the Eligible Property.

**2.10 Plan for Residential Relocation** *MCL 125.2663(2)(j):*

The rental house is on a month-to-month lease. The residents have been informed of the future redevelopment. Assistance will be provided as necessary to relocation assistance.

**2.11 Provision of Costs of Relocation** *MCL 125.2663(2)(k):*

Costs for relocation will be borne by the current lessees.

**2.12 Strategy to Comply with Relocation Assistance Act, 1972 PA 227** *MCL 125.2663(2)(l):*

Relocation arrangements will be made by the current lessees.

**2.13 Other Material Required by the Authority or Governing Body** *MCL 125.2663(2)(m):*

None

## **EXHIBITS**

### **FIGURES**

- Figure 1 Eligible Property Location Map**
- Figure 2 Eligible Property Boundary**
- Figure 3 Site Plan / First Floor Plan**
- Figure 4 Second / Third Floor Plan**
- Figure 5 Preliminary 3D & Elevation Conceptual**

### **TABLES**

- Table 1 Housing Development Eligible Activities Costs and Schedule**
- Table 2.1 – Annual Revenue and Brownfield Capture Estimates**
- Table 2.2 – Tax Increment Revenue Reimbursement Allocation Table**
- Table 3 – Potential Rent Loss Calculations**

### **ATTACHMENTS**

- Attachment A – Brownfield Plan Resolutions**

## FIGURES



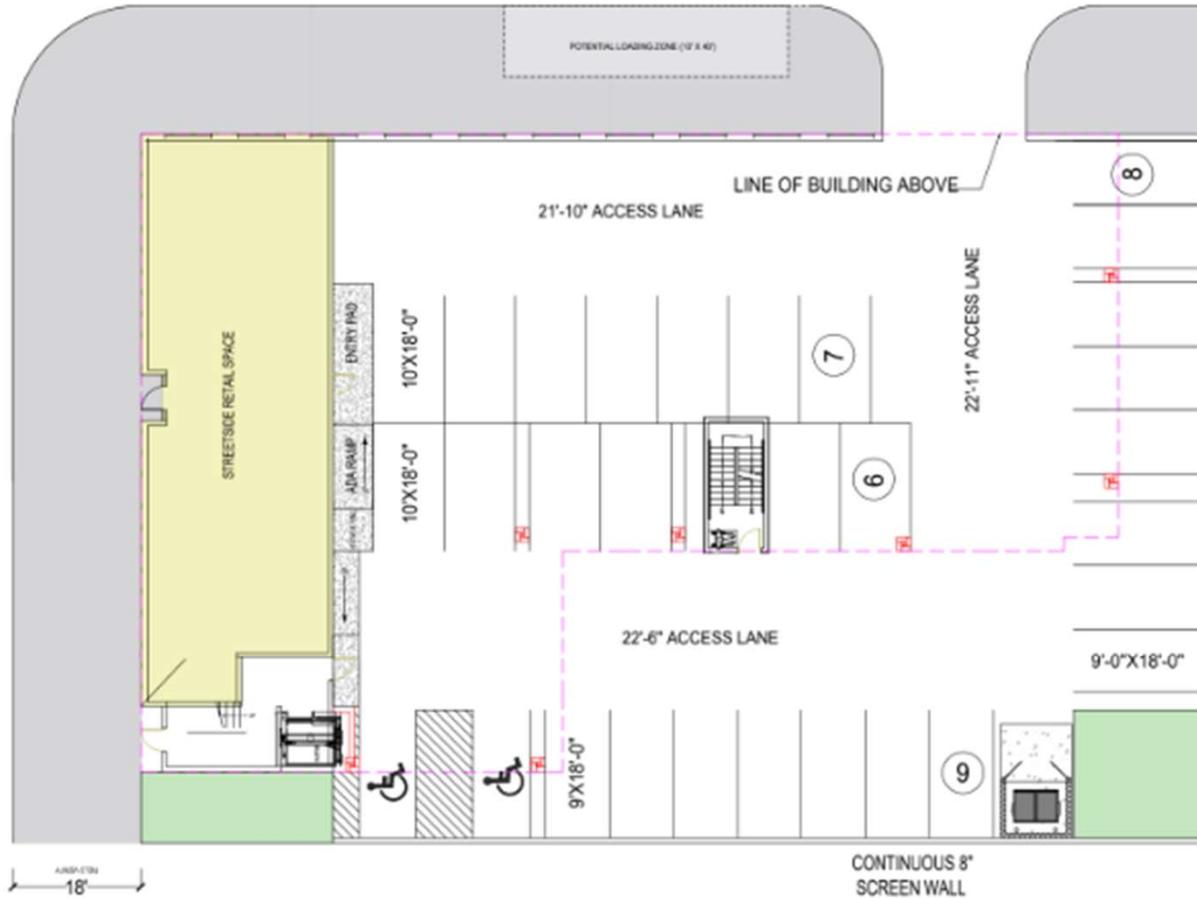
<b>Brownfield Plan Chassell Mercantile</b>	<b>Figure 1: Eligible Property Site Location</b>
<b>Houghton County Brownfield Redevelopment Authority</b>	Source: Google Earth
	Date: October 2024



<p align="center"><b>Brownfield Plan Chassell Mercantile</b></p>	<p align="center"><b>Figure 2: Eligible Property Boundary</b></p>
	<p>Source: Google Earth</p>
<p align="center"><b>Houghton County Brownfield Redevelopment Authority</b></p>	<p>Date: October 2024</p>

WILSON MEMORIAL DR

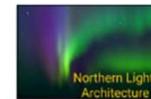
JOSEPH H. MEAGHER MEM HWY / US 41



AREA 1781  
18'

CONTINUOUS 8\"/>

SITE PLAN / FIRST FLOOR PLAN  
SCALE 1/4" = 1'-0"  
N



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## Brownfield Plan Chassell Mercantile

Houghton County Brownfield Redevelopment Authority

## Figure 3: Site Plan First Floor Plan

Source: Northern Lights Architecture  
Marusich Architecture

Date: October 2024

WILSON MEMORIAL DR

JOSEPH H. MEAGHER MEM HWY / US 41



SECOND & THIRD FLOOR PLAN

SCALE: 1/8" = 1' - 0"



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## Brownfield Plan Chassell Mercantile

Houghton County Brownfield Redevelopment Authority

## Figure 4: Second & Third Floor Plan

Source: Northern Lights Architecture  
Marusich Architecture

Date: October 2024



LOOKING SOUTH-EAST



LOOKING NORTH-WEST

NORTH

WEST



**Brownfield Plan  
Chassell Mercantile**

**Houghton County Brownfield Redevelopment Authority**

**Figure 5: Preliminary 3D &  
Elevation Conceptual**

**Source: T&J Properties / DP  
Construction, Chassell, Michigan**

**Date: October 2024**

## **TABLES**

**Table 1 - Housing Development Eligible Activities Costs**

**Table 2.1 – Annual Revenue and Brownfield Capture Estimates**

**Table 2.2 – Tax Increment Revenue Reimbursement Allocation Table**

**Table 3 – Potential Rent Loss Calculations**

**Table 1 MSHDA Housing Development Eligible Activities Costs  
MERCANTILE REDEVELOPMENT  
HOUGHTON COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**

MSHDA Housing Development Eligible Activities	Cost
<b>Qualified Rehabilitation</b>	
<i>Subtotal</i>	\$0
<b>Public Infrastructure Improvements</b>	
<i>Subtotal</i>	\$0
<b>Demolition</b>	
<i>Subtotal</i>	\$0
<b>Financing Gap</b>	
<i>Financing Gap between Development and Qualified Income</i>	\$835,000
<i>Subtotal</i>	\$835,000
<b>Infrastructure Improvements</b>	
<i>Subtotal</i>	\$0
<b>Site Preparation</b>	
<i>Subtotal</i>	\$0
<b>Property Acquisition/Assistance</b>	\$0
<i>Subtotal</i>	\$0
<b>Private MSHDA Eligible Activities Subtotal</b>	<b>\$835,000</b>
<b>Brownfield Plan/Act 381 Work Plan Preparation</b>	<b>\$15,000</b>
<b>Brownfield Plan/Act 381 Work Plan Implementation</b>	<b>\$45,000</b>
<b>Public Eligible Activities Total</b>	<b>\$45,000</b>
<b>MSHDA Eligible Activities Total Costs</b>	<b>\$895,000</b>





**Table 2.2 - Tax Increment Revenue Reimbursement Allocation Table**  
**Chasell Mercantile Redevelopment**  
 Houghton County Brownfield Redevelopment Authority

Maximum Reimbursement	Proportionality	School & Local Taxes	State Brownfield Fund	LBRF	Local-Only Taxes	Total
State	56.7%	\$ 507,238	\$ 75,979	\$ -	\$ -	\$ 583,217
Local	43.3%	\$ 387,762	\$ -	\$ 102,328	\$ 28,154	\$ 518,244
<b>TOTAL</b>	<b>100.0%</b>	<b>\$ 895,000</b>	<b>\$ 75,979</b>	<b>\$ 102,328</b>	<b>\$ -</b>	<b>\$ 1,101,461</b>
EGLE Environmental		\$ -				\$ -
MSF Non-Environmental		\$ -				\$ -
MSHDA Housing		\$ 895,000				\$ 895,000
<b>TOTAL</b>		<b>\$ 895,000</b>				<b>\$ 895,000</b>

Estimated Total	
Years of Capture:	
Local Eligible Activities	20
State Eligible Activities	21
LBRF	24

Estimated Capture	\$ 895,000
Administrative Fees	\$ 28,154
State Revolving Fund	\$ 75,979
LBRF	\$ 102,328
<b>TOTAL</b>	<b>\$ 1,101,461</b>

Plan Year			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Capture Year			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Calendar Year	notes		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Total State Incremental Revenue		\$ -	\$ -	\$ -	\$ -	\$ 19,667	\$ 20,147	\$ 20,637	\$ 21,139	\$ 21,653	\$ 22,178	\$ 22,715	\$ 23,265	\$ 23,827	\$ 24,402	\$ 24,991	\$ 25,593	\$ 26,209	\$ 26,839
State Brownfield Revolving Fund (50% of SET)		\$ 75,979	\$ -	\$ -	\$ -	\$ 2,509	\$ 2,570	\$ 2,632	\$ 2,696	\$ 2,762	\$ 2,829	\$ 2,897	\$ 2,967	\$ 3,039	\$ 3,113	\$ 3,188	\$ 3,264	\$ 3,343	\$ 3,423
LBRF Allocation	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State TIR Available for Reimbursement		\$ -	\$ -	\$ -	\$ -	\$ 17,159	\$ 17,577	\$ 18,005	\$ 18,443	\$ 18,891	\$ 19,349	\$ 19,818	\$ 20,297	\$ 20,788	\$ 21,290	\$ 21,803	\$ 22,328	\$ 22,866	\$ 23,415
Total Local Incremental Revenue		\$ -	\$ -	\$ -	\$ -	\$ 15,035	\$ 15,401	\$ 15,776	\$ 16,160	\$ 16,553	\$ 16,954	\$ 17,365	\$ 17,785	\$ 18,215	\$ 18,655	\$ 19,104	\$ 19,565	\$ 20,035	\$ 20,517
BRA Administrative Fee	5%	\$ 28,154	\$ -	\$ -	\$ -	\$ 752	\$ 770	\$ 789	\$ 808	\$ 828	\$ 848	\$ 868	\$ 889	\$ 911	\$ 933	\$ 955	\$ 978	\$ 1,002	\$ 1,026
LBRF Allocation	0%	\$ 102,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local TIR Available for Reimbursement		\$ -	\$ -	\$ -	\$ -	\$ 14,283	\$ 14,631	\$ 14,988	\$ 15,352	\$ 15,725	\$ 16,106	\$ 16,497	\$ 16,896	\$ 17,304	\$ 17,722	\$ 18,149	\$ 18,586	\$ 19,034	\$ 19,491
<b>Total State &amp; Local TIR Available</b>		\$ -	\$ -	\$ -	\$ 31,442	\$ 32,208	\$ 32,993	\$ 33,795	\$ 34,616	\$ 35,455	\$ 36,314	\$ 37,193	\$ 38,092	\$ 39,012	\$ 39,952	\$ 40,915	\$ 41,899	\$ 42,907	
<b>REIMBURSEMENT</b>	Beginning Balance	\$835,000																	
<b>Reimbursement</b>	% Allocation	93%																	
<b>Reimbursement Balance</b>	Phase I	\$ -	\$ -	\$ -	\$ 29,334	\$ 30,049	\$ 30,781	\$ 31,529	\$ 32,295	\$ 33,079	\$ 33,880	\$ 34,700	\$ 35,538	\$ 36,396	\$ 37,274	\$ 38,172	\$ 39,090	\$ 40,030	
<b>Reimbursement Balance</b>		\$ 835,000	\$ 835,000	\$ 835,000	\$ 805,666	\$ 775,617	\$ 744,836	\$ 713,307	\$ 681,011	\$ 647,933	\$ 614,053	\$ 579,353	\$ 543,815	\$ 507,419	\$ 470,144	\$ 431,972	\$ 392,882	\$ 352,852	
<b>HCBRA IMPLEMENTATION</b>	Beginning Balance	\$60,000																	
<b>HCBRA Reimbursement</b>	% Allocation	7%																	
<b>HCBRA Reimbursement Balance</b>		\$ -	\$ -	\$ -	\$ 2,108	\$ 2,159	\$ 2,212	\$ 2,266	\$ 2,321	\$ 2,377	\$ 2,434	\$ 2,493	\$ 2,554	\$ 2,615	\$ 2,678	\$ 2,743	\$ 2,809	\$ 2,876	
<b>HCBRA Reimbursement Balance</b>		\$ 60,000	\$ 60,000	\$ 60,000	\$ 57,892	\$ 55,733	\$ 53,521	\$ 51,256	\$ 48,935	\$ 46,558	\$ 44,124	\$ 41,630	\$ 39,077	\$ 36,461	\$ 33,783	\$ 31,040	\$ 28,231	\$ 25,355	
<hr/>																			
MSHDA Housing Development Costs		\$ 895,000	\$ -	\$ -	\$ 31,442	\$ 32,208	\$ 32,993	\$ 33,795	\$ 34,616	\$ 35,455	\$ 36,314	\$ 37,193	\$ 38,092	\$ 39,012	\$ 39,952	\$ 40,915	\$ 41,899	\$ 42,907	
State Tax Reimbursement	100.00%	\$ 507,238	\$ -	\$ -	\$ 17,159	\$ 17,577	\$ 18,005	\$ 18,443	\$ 18,891	\$ 19,349	\$ 19,818	\$ 20,297	\$ 20,788	\$ 21,290	\$ 21,803	\$ 22,328	\$ 22,866	\$ 23,415	
Local Tax Reimbursement	100.00%	\$ 387,762	\$ -	\$ -	\$ 14,283	\$ 14,631	\$ 14,988	\$ 15,352	\$ 15,725	\$ 16,106	\$ 16,497	\$ 16,896	\$ 17,304	\$ 17,722	\$ 18,149	\$ 18,586	\$ 19,034	\$ 19,491	
<b>Total MSHDA Reimbursement Balance</b>		\$ 895,000	\$ 895,000	\$ 863,558	\$ 831,350	\$ 798,357	\$ 764,562	\$ 729,946	\$ 694,491	\$ 658,177	\$ 620,983	\$ 582,891	\$ 543,880	\$ 503,927	\$ 463,012	\$ 421,113	\$ 378,206		
<b>State MSHDA Balance to Be Reimbursed</b>		\$ 507,238	\$ 507,238	\$ 490,080	\$ 472,502	\$ 454,497	\$ 436,054	\$ 417,164	\$ 397,815	\$ 377,997	\$ 357,699	\$ 336,911	\$ 315,622	\$ 293,818	\$ 271,490	\$ 248,624	\$ 225,209		
<b>Local MSHDA Balance to Be Reimbursed</b>		\$ 387,762	\$ 387,762	\$ 373,479	\$ 358,847	\$ 343,860	\$ 328,508	\$ 312,783	\$ 296,676	\$ 280,180	\$ 263,284	\$ 245,980	\$ 228,258	\$ 210,109	\$ 191,522	\$ 172,489	\$ 152,998		
<b>Total Annual Reimbursement</b>		\$ -	\$ -	\$ 31,442	\$ 32,208	\$ 32,993	\$ 33,795	\$ 34,616	\$ 35,455	\$ 36,314	\$ 37,193	\$ 38,092	\$ 39,012	\$ 39,952	\$ 40,915	\$ 41,899	\$ 42,907		



Project: Chassell Mercantile Redevelopment

Table 3 - Housing TIF Financing Gap Cap Calculation - Multifamily Rental

FORMULA	Location	Type	Control Rent	-	Project Rent	=	PRL	x	No. of Units	x	No. of Months	x	No. of Years	=	PRL GAP CAP	Per Unit	
FMR	Houghton	1 bedroom	\$1,895	-	\$1,000	=	\$895	x	9	x	12	x	20	=	\$1,933,200	\$214,800	
FMR	Houghton	2 bedroom	\$2,263	-	\$1,400	=	\$863	x	2	x	12	x	20	=	\$414,000	\$207,000	
<b>TOTAL Housing Subsidy</b>									11						<b>\$1,933,200</b>	\$175,745	
<b>Other Housing Activities Allowed Under Public Act 90 of 2023</b>																	\$0
Developer will utilize the remainder of the TIF capture for the following items: 1 Site Preparation/Demolition 2 Infrastructure Development 3 Relocation Expenses 4 Plus Other TIF Related Expenses																	
<b>MSHDA Potential Rent Loss Calculation</b>									11							<b>\$1,933,200</b>	\$175,745

[The FY 2024 Houghton County, MI FMRs for All Bedroom Sizes](#)

Final FY 2024 & Final FY 2023 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2024 FMR	\$710	\$758	\$905	\$1,275	\$1,536
FY 2023 FMR	\$573	\$680	\$826	\$1,174	\$1,407

## ATTACHMENT A – BROWNFIELD PLAN RESOLUTIONS

RESOLUTION  
Brownfield Plan  
Chassell Mercantile Redevelopment  
Houghton County Brownfield Redevelopment Authority

At a special meeting of the Houghton County Brownfield Redevelopment Authority, held at the Houghton County Courthouse, 401 East Houghton Avenue, Houghton, Michigan on October 30, 2024 at 10:00 a.m., the following resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_.

**Whereas**, The Michigan Brownfield Redevelopment Financing Act, Act 381, P.A. 1996 as amended, authorizes municipalities to create a brownfield redevelopment authority to promote the revitalization, redevelopment, and reuse of contaminated, blighted, functionally obsolete, historic, or housing property through tax increment financing of Eligible Activities approved in a Brownfield Plan; and

**Whereas**, the Houghton County Commission (the “Commission”) established the Houghton County Brownfield Redevelopment Authority (HCBRA) under the procedures under Act 381 to facilitate the cleanup and redevelopment of Brownfields within Houghton County; and,

**Whereas**, a Brownfield Plan has been prepared and submitted for the Chassell Mercantile Redevelopment that outlines the qualifications, costs, impacts, and incentives for the project facilitated by the Houghton County Land Bank Authority for reimbursement from Brownfield Tax Increment Financing revenues with the adoption of the Brownfield Plan; and

**Whereas**, the Houghton County Brownfield Redevelopment Authority has reviewed the Brownfield Plan and finds that it meets the requirements of Act 381 and constitutes a public purpose of blight removal, workforce housing, additional private investment and increased property tax value; and

**Whereas**, a public hearing on the Brownfield Plan is anticipated to be held on the regular meeting of the Houghton County Board of Commissioners on November 19, 2024 and notice of the public hearing and notice to taxing jurisdictions will be provided in compliance with the requirements of Act 381;

**Now, Therefore, be it Resolved** that the Houghton County Brownfield Redevelopment Authority hereby approves the Brownfield Plan for the Chassell Mercantile Redevelopment and recommends approval by the Houghton County Board of Commissioners and concurrence by the Chassell Township Board of Trustees, and

**Be it Further Resolved** that should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof, other than the part so declared to be invalid; and,

**Be it Further Resolved** that any prior resolution, or any part thereof, in conflict with any of the provisions of this Resolution are hereby repealed.

Ayes: \_\_\_\_\_  
Nays: \_\_\_\_\_

Resolution duly adopted

\_\_\_\_\_  
, Chair, Houghton County Brownfield Redevelopment Authority

Certified to be a true copy, \_\_\_\_\_  
Date

\_\_\_\_\_, Secretary/Treasurer

RESOLUTION OF CONCURRENCE  
CHASSELL MERCANTILE REDEVELOPMENT  
BROWNFIELD PLAN  
CHASSELL TOWNSHIP

Motion by: \_\_\_\_\_, Supported by: \_\_\_\_\_

WHEREAS, the Michigan Brownfield Redevelopment Financing Act, Act 381, P.A. 1996 as amended, authorizes municipalities to create a brownfield redevelopment authority to promote the revitalization, redevelopment, and reuse of contaminated, blighted, functionally obsolete, historically designated or housing property through tax increment financing of Eligible Activities in a Brownfield Plan; and

WHEREAS, The Houghton County Board of Commissioners established the Houghton County Brownfield Redevelopment Authority in accordance with Act 381; and

WHEREAS, The Houghton County Brownfield Redevelopment Authority has reviewed and approved the Brownfield Plan for the Chassell Mercantile Redevelopment in the Chassell Township at their October 20, 2024 meeting and recommends approval by the Houghton County Board of Commissioners and concurrence by the Chassell Township Board of Trustees; and

WHEREAS, Act 381 requires the concurrence of the local unit of government in which the Brownfield Plan project is located for Brownfield Plans under County Brownfield Redevelopment Authorities, and the Chassell Mercantile Redevelopment is located in Chassell Township; and

WHEREAS, The Houghton County Board of Commissioners is anticipated to set and notice a public hearing for November 19, 2024 and will consider the Chassell Mercantile Redevelopment Brownfield Plan at their regular meeting on November 19, 2024;

NOW THEREFORE BE IT RESOLVED, that pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of 1996, as amended, being MCL 125.2651, *et seq*, the Chassell Township Board of Trustees hereby concurs with the Brownfield Plan for the Chassell Mercantile Redevelopment in Chassell Township.

Approved: November 13, 2024

**CERTIFICATION**

I hereby certify that the foregoing Resolution is a true and accurate copy of the Resolution adopted by the Chassell Township Board of Trustees at a meeting duly called and held on the 13<sup>th</sup> day of November, 2024.

Chassell Township

By: \_\_\_\_\_  
Lynn Gierke, Township Clerk

APPROVAL OF CHASSELL MERCANTILE REDEVELOPMENT  
BROWNFIELD PLAN  
RESOLUTION

Motion by: \_\_\_\_\_, Supported by: \_\_\_\_\_

WHEREAS, the Michigan Brownfield Redevelopment Financing Act, Act 381, P.A. 1996 as amended, authorizes municipalities to create a brownfield redevelopment authority to promote the revitalization, redevelopment, and reuse of contaminated, blighted, functionally obsolete, historically designated or housing property through tax increment financing of Eligible Activities in a Brownfield Plan; and

WHEREAS, The Houghton County Board of Commissioners established the Houghton County Brownfield Redevelopment Authority in accordance with Act 381; and

WHEREAS, The Houghton County Brownfield Redevelopment Authority has reviewed the Brownfield Plan for the Chassell Mercantile Redevelopment in Chassell Township at their October 30, 2024 meeting and recommends approval by the Houghton County Board of Commissioners and concurrence by the Chassell Township Board of Trustees; and

WHEREAS, Chassell Township Board of Trustees reviewed the Brownfield Plan at their November 13, 2024 meeting and concurred with the Brownfield Plan, as required by Act 381; and

WHEREAS, the Houghton County Board of Commissioners has determined that the Brownfield Plan constitutes a public purpose of blight removal, workforce housing, additional private investment and increased property tax value; and

WHEREAS, a public hearing on the Brownfield Plan has been noticed and held on November 19, 2024 and notice to taxing jurisdictions has been provided in compliance with the requirements of Act 381;

NOW THEREFORE BE IT RESOLVED, WHEREAS, the Houghton County Board of Commissioners has reviewed the Brownfield Plan and finds, in accordance with the requirements of Section 14 of Act 381 that:

- (a) The Brownfield Plan meets the requirements of Section 13 of Act 381, Brownfield Plan Provisions as described in the Brownfield Plan, consistent with format recommended by the State of Michigan, including a description of the costs intended to be paid with tax increment revenues, a brief summary of eligible activities, estimate of captured taxable value and tax increment revenues, method of financing, maximum amount of indebtedness, beginning date and duration of capture, estimate of impact on taxing jurisdictions, legal description of eligible property, estimates of persons residing on the eligible property if applicable, and a plan and provisions for relocation of residents, if applicable.;
- (b) The proposed method of financing the costs of eligible activities, private financing arrangement by the developer is feasible and that the authority will not arrange financing, as described in Section 3.2 of the Plan;
- (c) The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381, including meeting regulatory requirements and the cost estimates are based on evaluation from certified professionals, experience in comparable projects, and preliminary discussions with reputable companies, as described in Section 2.1, 2.2, and 2.3 of the Brownfield Plan; and

(d) The amount of captured taxable value estimated from the adoption of the Brownfield Plan is reasonable, as calculated in Table 2 of the Plan, based on calculations of the tax revenues derived from taxable value increases and millage rates approved and authorized by the taxing jurisdictions on an annualized basis and balances against the outstanding eligible activity obligation approved as part of the Brownfield Plan and expenses reviewed and approved by the Houghton County Brownfield Redevelopment Authority; and

BE IT FURTHER RESOLVED, that pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of 1996, as amended, being MCL 125.2651, *et seq*, the Houghton County Board of Commissioners hereby approves the Brownfield Plan for the Chassell Mercantile Redevelopment.

Ayes: Commissioners  
Nays: None  
Absent: None

RESOLUTION DECLARED ADOPTED.

I, Jennifer Kelly, County Clerk of the County of Houghton, do hereby certify and set my seal to the above resolution as adopted November 19, 2024 at the Houghton County Courthouse, 401 East Houghton Street, Houghton, Michigan.

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Jennifer Kelly, County Clerk