

**GRAND TRAVERSE COUNTY  
BROWNFIELD REDEVELOPMENT AUTHORITY**

**DEVELOPMENT AND REIMBURSEMENT AGREEMENT  
412 Webster Street**

This Development and Reimbursement Agreement (the “Agreement”) was approved on October 31<sup>st</sup>, 2024, between Boardman Building LLC (the “Owner”), the Traverse City Area Public Schools (TCAPS), and the **GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY** (the “GTCBRA”), a Michigan public body corporate.

**PREMISES**

A. The Owner is engaged in the development of 412 Webster Street, Traverse City, Michigan commonly known as The Boardman Building (the “Site” or the “Development”), as described on attached **Exhibit A**.

B. The GTCBRA has been formed pursuant to Act 381, Public Acts of Michigan, 1996, MCL 125.2651 et seq. (“Act 381”), to promote the revitalization, redevelopment, and reuse of contaminated, tax reverted, blighted, functionally obsolete, historically designated, or housing properties. The GTCBRA has approved a Brownfield Plan, attached as **Exhibit B**, which includes the Development, the Eligible Property, and the Eligible Activities.

C. The GTCBRA has determined in furtherance of its purposes and to accomplish its goals and Brownfield Plan to reimburse the cost of certain “Eligible Activities” as defined by Sec. 2(o) of Act 381, Public Acts of 1996, MCL 125.2652(o) within Eligible Property on the Site and as described in the Brownfield Plan.

D. Pursuant to the Brownfield Plan and the Act 381 Work Plan, the GTCBRA will capture 100% of the Tax Increment Revenues authorized by law to be captured from the levies imposed by taxing jurisdictions upon taxable property for the Eligible Property consistent with Act 381, as amended, and the Brownfield Plan approved by the GTCBRA (the “Tax Increment Revenues”). Upon satisfaction of the conditions expressed in this Agreement, the GTCBRA will use the Tax Increment Revenues as provided by law and as described in this Agreement.

E. The Development is intended to be a mixed-use Development with four (4) residential condominiums on the upper level, a commercial Unit on the second floor and twelve (12) residential rental apartments on the lower level, which will be Income Restricted Units, as hereinafter defined.

In consideration of the premises and the mutual covenants contained in this Agreement, the Owner and the GTCBRA hereby enter into this Agreement and covenant and agree as follows:

## ARTICLE 1.

### Section 1.1 Definitions

The following capitalized terms used in this Agreement shall have the following meanings, except to the extent the context in which they are used requires otherwise:

(a) “Act 381” means the Brownfield Redevelopment Financing Act , Act 381 of Michigan Public Acts of 1996, as amended, MCL 125.2651 et seq.

(b) “Act 381 Work Plan” means the Work Plan approved by the GTCBRA, Michigan Strategic Fund/Michigan Economic Development Corporation (MSF/MEDC), the Michigan Department of Environment, Great Lakes, and Energy (EGLE), and/or the Michigan State Housing Development Authority (MSHDA), as subsequently amended or supplemented.

(c) “Agreement” means this Development and Reimbursement Agreement entered into between the GTCBRA and the Owner.

(d) “AMI” means Area Median Income for Grand Traverse County as published annually by MSHDA.

(e) “Annual Unit Income Restriction” means the requirement that the Owner’s net housing rent from Income Restricted Units per bedroom count does not exceed 100% of the MSHDA rent by bedroom count for Grand Traverse County and subject to Income Qualification. Qualifying rents shall be adjusted to include utility allowances that ensure the rents meet and do not exceed the AMI requirements contained herein.

(f) “Brownfield Plan” means the Brownfield Redevelopment Plan, as defined under Act 381, and adopted in May 2024, as amended and attached as **Exhibit B**.

(g) “Contractor” means any general or environmental contractor or subcontractor with whom the Owner contracts to complete work at the Eligible Property and/or Site.

(h) “County” means the County of Grand Traverse, Michigan.

(i) “Development” means the site work, building construction, utilities, and equipment relating to the eligible property as described on attached **Exhibit A**.

(j) “Eligible Activities” means those response activities as defined by Sec. 2(o) of Act 381, Public Acts of 1996, as amended, MCL 125.2652(o), or approved by EGLE, MSF as administered by the MEDC, or MSHDA as part of the Act 381 Work Plan. Eligible Activities are identified in the 381 Work Plan as either “EGLE Eligible Activities”, “MSF Eligible Activities”, or “MSDHA Eligible Activities”.

(k) “Eligible Property” means the property as defined by Sec. 2(p) of Act 381, MCL 125.2652(p) upon which the Eligible Activities will be conducted and Tax Increment Revenues will be captured.

(l) “Environmental Consultant” means any environmental consulting firm retained or hired by the Owner to fulfill all or part of its obligations under this Agreement, including the Eligible Activities set forth in the Act 381 Work Plan.

(m) “Event of Default” means the failure of performance or breach by a party to carry out its obligations under this Agreement or, with respect to a party, if any representation or warranty of such party was materially not accurate when made, and such obligation has not been performed or such representation or warranty corrected within 30 days after written notice thereof has been given by the other party. It also means any filing of bankruptcy or bankruptcy reorganization by the Owner.

(n) “GTCBRA” means the Grand Traverse County Brownfield Redevelopment Authority, established by the County Commission on September 24, 1997, or its successors.

(o) “Housing Development Activities” means the eligible activities as defined by Sec.2(x) of Act 381, MCL 125.2652(x).

(p) “Income Qualified Households” or “Income Qualifications” means household incomes at or below 120% of AMI for Grand Traverse County, as provided by MSHDA.

(q) “Income Restricted Units” means the twelve (12) rental apartments located on the lower level of the Development, which will be occupied by Income Qualified households. For avoidance of doubt, only the twelve (12) apartments to be constructed on the lower level of the Development shall be considered Income Restricted Units.

(r) “Indemnified Persons” means the County, the GTCBRA, and their members, officers, agents and employees.

(s) “LBRF” means the local brownfield redevelopment fund established by the GTCBRA, as provided under Act 381.

(t) “Local Tax Increment Revenues” means that portion of the Tax Increment Revenues excluding the School Operating Millage and the State Education Tax millage.

(u) “Maximum Cost of Eligible Activities” means the GTCBRA’s maximum obligation to pay for the Eligible Activities and not to exceed \$9,959,575, as defined in the approved Brownfield Plan and Act 381 Work Plan, as amended or supplemented.

(v) “Owner” and “Developer” means Boardman Building LLC.

(w) “Site” means the real property located in the County of Grand Traverse, State of Michigan, as described in attached **Exhibit A**, if applicable, and made a part hereof. The Site and its description in **Exhibit A** may be amended by the parties. Such a modification shall be by amendment of this Agreement and shall be in writing signed by both parties.

(x) “School Operating Millage” means the 18 mills captured as part of the Tax Increment Revenues.

(y) “State Brownfield Redevelopment Fund” means the fund established under Act 381 pursuant to Act 502 of the Public Acts of Michigan of 2012.

(z) “State Education Tax” means the 6 mills captured as part of the Tax Increment Revenues.

(aa) “Tax Increment Revenues” means tax increment revenues, as defined by Act 381, from all taxable real and personal property located on the Project Site during the life of the Brownfield Plan.

(bb) “Transaction Costs” means GTCBRA’s costs, expenses, and liabilities related to the authorization, execution, administration, oversight, fulfillment of the GTCBRA’s obligations under this the Agreement, which such items shall include, but not be limited to, direct or indirect fees and expenses incurred as a result of the application; amendments to the Brownfield Plan; approvals of the Development, Brownfield Plan, Act 381 Work Plan and this Agreement, and any subsequent amendments; printing costs; costs of reproducing documents; filing and recording fees; counsel fees; financial expenses; insurance fees and expenses; administration and accounting for the loan proceeds and tax increments revenues; oversight and review; and all other costs, liabilities, or expenses, related to preparation and carrying out or enforcing the Brownfield Plan, the Act 381 Work Plan and this Agreement, or other related agreements with Owner, if any, and any other costs, charges, expenses, and professional and attorney fees in connection with the foregoing.

## **Section 1.2 Number and Gender**

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and non-gendered forms.

## **ARTICLE 2.**

### **COVENANTS OF THE OWNER**

#### **Section 2.1 Construction of Development**

The Owner shall proceed with the Development and the obligations under this Agreement at its discretion with due care and diligence and commence and complete the Eligible Activities and the Development in accordance with this Agreement, and in accordance with any applicable law, regulation, code and ordinance. If Owner does not proceed with the Development, Owner shall not be entitled to reimbursement pursuant to this Agreement.

#### **Section 2.2 Covenant to pay Financial Obligations**

The Development will utilize the Owner’s own funds, including debt proceeds financed by the Owner, and receive reimbursement from the GTCBRA (also referred to as the “Debt Obligation”) to the extent of available Tax Increment Revenues for payment of the Eligible Activities in accordance with the terms of this Agreement, the Brownfield Plan, and the Act 381 Work Plan. The Owner shall complete the Certificate of Completion and Reimbursement, as attached in **Exhibit C**, and submit this information to the GTCBRA for certification of completion and verification of eligible activities

incurred for the Development. The Tax Increment Revenues shall be utilized by the parties and payment made in the following order of priority:

- (a) First, a “proportional percentage” of the annual Local Tax Increment Revenues will be retained by the GTCBRA to cover administrative, operating and Transaction Costs;
- (b) Second, fifty percent (50%) of the State Education Tax will be retained for deposit in the State Brownfield Redevelopment Fund;
- (c) Third, following the amounts retained above, the remaining Tax Increment Revenues generated by the Development captured by the GTCBRA shall be paid to reimburse the Owner and TCAPS subject to reimbursement for approved Eligible Activities as provided in this Agreement, within 30 days of the GTCBRA approving such a payment to the Owner, provided that the GTCBRA has received sufficient Tax Increment Revenues to pay the requested reimbursement (in whole or in part). The Owner agrees that TCAPS shall be paid from available Tax Increment Revenues not to exceed \$10,700 per year until TCAPS’ Eligible Activities are reimbursed in full. After TCAPS’ Eligible Activities are fully reimbursed, the full amount of available Tax Increment Revenues shall be paid to the Owner until their Eligible Activities are paid in full, subject to this Agreement.

If a partial payment is made by the GTCBRA, because the GTCBRA had not yet received sufficient Tax Increment Revenues to pay the entire amount of the Owner’s reimbursement, the GTCBRA shall make additional payments toward the remaining amount owed to the Owner within 30 days of its receipt of additional Tax Increment Revenues and will continue to make such payments to the Owner within 30 days of its receipt of additional Tax Increment Revenues until the entire amount owed to the Owner as a reimbursement is paid in full;

- (d) Fourth, Local Tax Increment Revenues will be deposited into the LBRF for up to five (5) years of capture and School Operating Millage and State Education Tax will be deposited in the LBRF up to the amount of School Operating Millage and State Education Tax capture for EGLE Eligible Activities.

It is anticipated that there will be sufficient available Tax Increment Revenues to meet the obligations under this Agreement. However, if for any reason the Development does not result in sufficient Tax Increment Revenues to satisfy such obligations, the Owner agrees and understands that it will have no claim or further recourse of any kind or nature against the GTCBRA except from available captured Tax Increment Revenues, and if for any reason the Tax Increment Revenues are insufficient or there are none, then Owner assumes full responsibility for any such loss or cost.

The Owner further agrees and understands that the Tax Increment Revenues used to reimburse Owner for Eligible Activities under this Agreement may be limited to Tax Increment Revenues generated from Owner’s Development.

It is expressly understood and agreed that the reimbursement by GTCBRA is subject to the following conditions:

- (a) Approval by EGLE, MSF and/or MSHDA, and GTCBRA of (1) the Act 381 Work Plan(s), as amended or supplemented, or (2) of the Eligible Activities as qualifying for

school tax capture; however, to the extent Eligible Activities falls outside (1) or (2) of this subparagraph, then the Eligible Activities must be identified in the Work Plan(s), as amended, and approved by the GTCBRA for reimbursement from Local Tax Increment Revenues to the extent authorized by Act 381.

- (b) The Owner shall provide proof of ownership of the Site if applicable, and shall provide the GTCBRA with a list of any known potentially responsible party (PRP) for the contamination on the Site, and shall have performed all of the covenants, obligations, terms and conditions to be performed by it pursuant to this Agreement and any financing agreement or other agreement with GTCBRA, and all preconditions to the performance of the Owner shall have been satisfied.
- (c) Owner shall provide written proof of waivers of liens by any Environmental Consultant or any Contractor providing services as described in this Agreement.
- (d) Owner shall pay all real estate tax obligations when due.
- (e) GTCBRA shall only be obligated to reimburse the Debt Obligation that has been reviewed and approved by the GTCBRA. Approval of the application and subsequent approvals of brownfield plans, work plans, or any other determination of eligibility in no way guarantees or establishes a right to reimbursement of expenditures through tax increment financing prior to review or approval of invoices. Expenditures must be documented to be considered reasonable Eligible Activities by submission of invoices and other appropriate documentation. Reimbursement shall only occur pursuant to the terms and conditions of this Agreement, as well as the policies and procedures of the GTCBRA for review and approval of invoices. All invoices for any Eligible Activities on the Site must be submitted to the GTCBRA for its review within one year from the date of the invoice. While the GTCBRA may waive this requirement in its discretion for good cause shown, the GTCBRA shall be under no obligation to reimburse any invoice for Eligible Activities that is not submitted within such one-year period.

### **Section 2.3 Income and Rent Documentation and Reporting**

- (a) The Developer shall monitor and annually provide to the GTCBRA and/or a third-party providing verification services to the GTCBRA sufficient evidence to demonstrate its compliance with the Annual Unit Income Restriction.
- (b) Prospective renters of Income Restricted Units must verify eligibility to the Owner or their designee at the time of initial occupancy by self-certifying using the MSDHA Household Income Self-Certification Form or such other applicable form approved by the GTCBRA or MSHDA.
- (c) If after GTCBRA's review of Owner's Annual Unit Income Restriction report, GTCBRA determines that Owner did not meet the Annual Unit Income Restriction for the previous 12-month period based on occupied Income Restricted Units, GTCBRA may withhold a pro-rata share of the total Tax Increment Revenues received from the Development in an amount equal to the percentage of the total Income Restricted Units at the Site determined to not be in compliance with the Annual Unit Income Restriction. If Owner returns to compliance at the

time of the next Annual Unit Income Restriction report, the GTCBRA shall reimburse Owner using all available Tax Increment Revenues available to the GTCBRA, including any amounts previously withheld. If, based on the formula outlined above, GTCBRA has any Tax Increment Revenues withheld at the end of the Term, GTCBRA may retain such funds for deposit in the LBRF, as provided under the Act, or remit such funds to the respective taxing jurisdictions.

(d) The Owner shall provide to the GTCBRA no later than May 1 of each year during the Term of reimbursement under this Agreement a report attached as **Exhibit D** of the following, as applicable, for the preceding calendar year pursuant to reporting requirements under Section 16 of Act 381:

1. Total Investment and new capital investment since the prior year's report.
2. Square footage of new construction or renovation, whether residential, commercial, or other use, and use of new or renovated space.
3. New jobs created.
4. Total number of housing units and total number of Income Restricted Units, indicating the number rented at rates at or below 100% of AMI.
5. Number of Income Qualified renting households assisted.
6. Income Restricted Unit rental rates, inclusive of utility allowances as published by MSHDA.
7. Racial and socioeconomic data on the individuals purchasing or renting the Income Restricted Units, or, if this data is not available, racial and socioeconomic data on the census tract in which the housing units are located.
8. Other information required to be reported to the State of Michigan to verify compliance with Act 381 unless that information is readily available to Grand Traverse County.

#### **Section 2.4 Prohibition of Short-Term Rentals**

(a) During the term of Tax Increment Revenue capture and reimbursement and in accordance with Section 15(12)(m)(iv) of the Act, no short-term rentals are allowed in any of the Income Restricted Units. Leases shall be consistent with City of Traverse City zoning.

(b) The Owner agrees to include notice of the short-term rental prohibition in any lease and is responsible for monitoring compliance with this provision. Owner shall only be required to monitor compliance for the Income Restricted Units.

## **Section 2.5 Indemnification of Indemnified Persons**

(a) The Owner shall defend, indemnify and hold the Indemnified Persons harmless from any loss, damages, costs, expense (including reasonable attorney's fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, demands or claims arising or resulting from the following:

- (1) Any activity undertaken pursuant to this Agreement or from injuries to persons or property as a result of the construction, ownership or operation, use or maintenance of the Development.
- (2) Any material acts or omissions, negligent or otherwise, of the Environmental Consultant and/or Contractors (as defined in Sec. 6.1) or their employees or agents in the performance of the work specified in this Agreement.
- (3) The failure of the Environmental Consultant and/or Contractors to comply with the provisions of this Agreement.

(b) If any suit, action or proceeding is brought against any Indemnified Person, the Indemnified Person shall promptly give notice to the Owner and the Owner shall defend such Indemnified Person with counsel selected by the Owner, which counsel shall be reasonably satisfactory to the Indemnified Person. In any such proceeding, the Indemnified Person shall cooperate with the Owner and the Owner shall have the right to settle, compromise, pay or defend against any such claim on behalf of such Indemnified Person, except that the Owner may not settle or compromise any claim if the effect of doing so would be to subject the Indemnified Person to criminal penalties, unless such Indemnified Person gives its consent. The Owner shall not be liable for payment or settlement of any such claim or proceeding made without its consent.

(c) The Owner also shall indemnify the Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in successfully enforcing or pursuing any obligation of or claim against the Owner or Owner's Environmental Consultant or Contractors under this Agreement or any related agreement. To the extent that the enforcement of such obligation or claim involves a claim against an Environmental Consultant or Contractor who performs work or services under the terms or within the scope of this Agreement, the Environmental Consultant's or Contractor's agreement with the Owner shall be deemed to be a third-party beneficiary contract in favor of the GTCBRA or any Indemnified Persons.

(d) The Owner shall assure that to the extent an Environmental Consultant or Contractor provides services toward completion of any Eligible Activities, at a minimum, the Environmental Consultant or Contractor shall provide to the GTCBRA and the County proof of insurance set forth in Sec. 6.12 of this Agreement.

- (e) The Owner shall obtain written acknowledgment that the Environmental Consultant or any Contractor could be liable to GTCBRA for all damage, loss, injury or expense to the extent such person or entity's acts or omissions arising out of the performance of activities under this Agreement are actionable negligence or gross negligence, or constitute intentional misconduct; the Consultant or any Contractor shall be liable for contribution to GTCBRA for any such damage, loss, injury or expense of a third party arising out of such activities, notwithstanding Sec. 20128 of the Natural Resources and Environmental Protection Act, as amended ("NREPA"), MCL 324.20128, for releases aggravated or proximately caused by the Environmental Consultant or Contractor. This paragraph shall not affect any other liabilities or remedies of the GTCBRA.
- (f) Notwithstanding any other provision of this Agreement, the Owner shall obtain their Environmental Consultant's and other Contractors' written agreements to defend, indemnify and hold harmless the Indemnified Persons against and from all liabilities, losses, damages, costs, expenses (including attorney fees), causes of action, suits, claims and demands for judgment, to the same extent as the Owner's indemnification provisions under this Section. This indemnity shall only apply to the Environmental Consultant's or Contractor's actions, and the Consultant or Contractor shall have no obligation to indemnify, defend or hold harmless the Indemnified Persons for any loss, liability, claim, damage, cost or expense arising out of, related to or resulting from any activities performed by other Environmental Consultants or Contractors on the Property.
- (g) The Owner shall not be obligated to indemnify any Indemnified Person under subsection (b) if the liability arises out of the Indemnified Person's negligence, willful misconduct, or breach of this Agreement or the negligence or willful misconduct of any person or entity acting by, through or under any Indemnified Person.
- (h) The indemnity provisions shall survive the Term of this Agreement.
- (i) Proof of insurance required in subparagraph (d), the written acknowledgment in subparagraph (e) and the written agreement(s) in subparagraph (f) shall be filed with the GTCBRA before any work begins or before any reimbursement under the terms of this Agreement.
- (j) A breach of the foregoing provisions of Sec. 2.5 at the option of GTCBRA constitutes or will result in a breach of this Agreement.

## **Section 2.6 The Owner's Repayment Obligation**

In the event any monies received by the Owner under this Agreement are determined to be outside the scope of Eligible Activities for the Development or not approved in accordance with this Agreement, or due to an appeal of any tax assessment or reassessment of any portion of the Site or for any other reason the GTCBRA is required to reimburse and Development Tax Increment Revenues to the taxing jurisdictions, the Owner shall return such monies to the GTCBRA. If the monies have been already utilized by the Owner, the GTCBRA shall invoice the Owner for the

amount of such reimbursement and the Owner shall pay the GTCBRA such invoiced amount with 30 days of the Owner's receipt of the invoice. In addition to any other remedies, GTCBRA shall have the right of set-off for return or repayment of such monies against its obligations under this Agreement.

#### **Section 2.7 Deduction from Owner's Right to Reimbursement**

The Owner grants the GTCBRA the right to deduct or set off from any reimbursement obligation to Owner the costs incurred by the GTCBRA in the successful enforcement of the terms of this Agreement or other claims in the event of a breach or default of this Agreement by the Owner.

#### **Section 2.8 Site Access**

The Owner shall grant to GTCBRA, EGLE, MSF and/or MSHDA, or their designated agents, access to the Site to exercise their respective rights related to the purposes and pursuant to the terms of this Agreement. Site access shall include the right to perform any Eligible Activities by the GTCBRA, as provided in the Brownfield Plan and Act 381 Work Plan, in the GTCBRA's discretion. The GTCBRA shall give the Owner 24 hours prior written notice of its intent to access the Site. If notice cannot be given due to an emergency or any other unforeseen circumstance, the GTCBRA shall give notice as is reasonable and practicable under the circumstances.

#### **Section 2.9 Compliance with City Commission Policy on Building Electrification**

The Owner agrees to comply with the City Commission Policy on Building Electrification ("the Policy," attached as Exhibit E) unless a waiver of the Policy is requested by the Owner and approved by the City of Traverse City. The City of Traverse City is a third-party beneficiary for the purpose of enforcing compliance with the Policy. No such request for a waiver is contemplated at the time of this Agreement.

### **ARTICLE 3.**

#### **CONDITIONS PRECEDENT TO OWNER'S OBLIGATION**

#### **Section 3.1 Conditions Precedent to Owner's Obligations to Construct the Development**

The obligations of Owner to complete Eligible Activities and construct the Development, as contemplated herein, are subject to the following conditions precedent which must be satisfied by the GTCBRA as required herein, except as expressly provided in this Agreement or otherwise waived by the Owner:

- (a) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owner, the County or the GTCBRA is a party, or threatened against the Owner, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Brownfield Plan or Act 381 Work Plan, which could result in an adverse decision which would have one or more of the following effects:

- (1) A material adverse effect upon the ability of the GTCBRA to collect and use Tax Increment Revenues to repay its obligations under this Agreement.
- (2) A material adverse effect on the Owner's or the GTCBRA's ability to comply with the obligations and terms of this Agreement, the Brownfield Plan, or the Act 381 Work Plan.

(b) There shall have been no Event of Default by the GTCBRA and no action or inaction by the GTCBRA eventually which with the passage of time could become an Event of Default.

(c) The GTCBRA shall have performed all of the terms and conditions to be performed by it pursuant to this Agreement.

## **ARTICLE 4.**

### **COVENANTS OF THE GTCBRA**

#### **Section 4.1 Approval of Brownfield Plan and Submission of Act 381 Work Plan**

The Brownfield Plan was approved by the GTCBRA on September 12, 2024 and Grand Traverse County Board of Commissioners on October 16, 2024, with the concurrence of the Traverse City Board of Commissioners on September 3, 2024 and the GTCBRA will submit the Act 381 Work Plan (and amendments as necessary) in accordance with Act 381 which will provide for the payment of Transaction Costs, deposits to the State Brownfield Redevelopment Fund and LBRF, and reimbursement to the Owner of the Owner's Eligible Activities that have been conducted, completed and approved in accordance with the scope and terms of this Agreement, Act 381, the Brownfield Plan, and any applicable Act 381 Work Plan, and approved by the GTCBRA pursuant to its policies and procedures. These policies and procedures include, but are not limited to, the GTCBRA's standards for local tax incremental financing eligibility.

#### **Section 4.2 Completion of Eligible Activities**

Upon the Owner's satisfactory completion of the Eligible Activities described in the Brownfield Plan attached as **Exhibit B**, as amended or supplemented, pursuant to this Agreement, and approved by EGLE, MSF and/or MSHDA and where applicable approved by the GTCBRA, the GTCBRA shall reimburse the Owner subject to and in accordance with the terms set forth in this Agreement. The Owner shall have sole responsibility to pay the Owner's Environmental Consultant and/or Contractors for completion of such Eligible Activities and provide written waiver of any liens. If the Owner incurs any expenses or costs for any activities other than the Eligible Activities or the costs exceed the Maximum Cost of Eligible Activities as set forth in the Brownfield Plan, the Act 381 Work Plan, or approval of the GTCBRA, the Owner shall bear such costs without any obligation on the part of GTCBRA. If the costs of Eligible Activities set forth in the Brownfield Plan attached as

**Exhibit B**, as amended or supplemented, are less than such Maximum Cost of Eligible Activities, then the Owner shall have no further right of reimbursement beyond its actual costs.

#### **Section 4.3 GTCBRA or Contract Manager Oversight**

The GTCBRA may retain the services of a qualified contract manager to exercise oversight of the Owner and its Environmental Consultant and/or Contractors for purposes of assuring that the activities, invoices and accounting by the Owner are fair, reasonable, and constitute Eligible Activities within the meaning and scope of this Agreement, the Brownfield Plan, the Act 381 Work Plan, and Act 381. The Owner shall provide to the GTCBRA Director and the GTCBRA's contract manager access to data, reports, sampling results, invoices, and related documents reasonably necessary to fulfill the exercise of such oversight. It is expressly understood that GTCBRA has no right to control or to exercise any control over the actual services or performance by the Owner of the Eligible Activities, except as to assurance that the Owner has met the conditions and requirements of this Agreement.

#### **Section 4.4 Limitation of Obligations and Liabilities to Third Persons or Parties**

The GTCBRA and County of Grand Traverse shall have no liability to the Owner under this Agreement except to reimburse the Owner for its Eligible Activities in accordance with the Act 381 Work Plan that have been approved by the EGLE, MSF, MSHDA and the GTCBRA as provided by law and under the terms of this Agreement. No other obligation or liability of GTCBRA to the Owner or any third person or party is created by this Agreement, except as stated herein.

### **ARTICLE 5.**

#### **CONDITIONS PRECEDENT TO GTCBRA'S OBLIGATIONS**

##### **Section 5.1 Conditions Precedent To GTCBRA's Obligation To Reimburse Eligible Activities Expenses For The Owner's Development**

The obligations of the GTCBRA to reimburse costs to the Owner for completion of Eligible Activities expenses as contemplated herein shall be subject to the following conditions precedent which must be satisfied by the Owner as required herein, except as expressly provided in this Agreement or otherwise waived in writing by the GTCBRA. It is expressly agreed that the GTCBRA makes or gives no assurance of payment to the Owner by the mere fact that an Eligible Activity or a dollar amount for such activity is identified in the Work Plan, or as hereafter supplemented or amended, and that its designated contract manager shall have the right to review and approve all written summaries of and invoices for Eligible Activities for the reasonableness of services performed by any Environmental Consultant under this Agreement. However, so long as an Eligible Activity by the Owner has been approved and is authorized by Act 381 and has been completed and approved in accordance with the following procedure and this Agreement, Owner shall be entitled to reimbursement of its Eligible Activities expenses.

- (a) The Owner shall submit invoices of its expenses and a written statement demonstrating a factual basis that it has completed any Eligible Activities to the GTCBRA Director, for preliminary review and approval, within 180 days of Owner's payment of invoice. Pursuant to Section 2.2 above, the GTCBRA shall not have any obligation to reimburse any invoice that is submitted to the Authority later than one year after the original invoice date, regardless of when payment on the invoice was made. Within 14 days of receipt of the invoice, the GTCBRA Director shall review the invoice to determine the reasonableness of the invoice and activity as eligible, and recommend approval or denial of the invoice, in part or in full, at a meeting of the GTCBRA. In the event of an objection to the invoice, the GTCBRA Director will notify the Owner, and the Owner shall meet with the GTCBRA Director and resolve or cure the objection. If the objection is not resolved or cured within 45 days, there is no obligation to pay the portion of the invoice(s) objected to until the parties have mutually agreed in writing through an alternative dispute mediation or there is a final judgment or order of a court of competent jurisdiction directing payment.
- (b) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owner, the County or the GTCBRA is a party, or threatened against the Owner, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Brownfield Plan or which could result in an adverse decision which would have one or more of the following effects:
  1. A material adverse effect upon the ability of the GTCBRA to collect and use Tax Increments to pay the obligations.
  2. A material adverse effect upon the ability of the Owner to conduct Eligible Activities.
  3. Any other material adverse effect on the Owner's or the GTCBRA's ability to comply with the obligations and terms of this Agreement, or the Brownfield Plan.
- (c) There shall have been no Event of Default by the Owner and no action or inaction by the Owner eventually which with the passage of time would likely become an Event of Default.
- (d) The Owner shows it is owner of the Site or the Site is under land contract, and the Owner is not in default on any contract or other agreement relating to its ownership, development, or use of the Site. Nothing herein shall be interpreted to limit the Owner's right to sell any portions of the project that are not Income Restricted Units.
- (e) Proper approvals required under applicable federal and state laws or regulations, and local ordinances, codes or regulations for land uses and development have been secured.
- (f) The Owner has consent of any affected utility for relocation, burial or the activity to accomplish the Eligible Activities.

- (g) The Owner retains an Environmental Consultant or Contractor to advise, conduct, or complete the Eligible Activities related to the Eligible Activity obligations as set forth in this Agreement.
- (h) There is no change in law which would have one or more of the effects described above.
- (i) Any Tax Increment Revenues owed to a prior owner of the Site for Eligible Activities undertaken on the Site shall be paid to the prior owner of the Site pursuant to the policies and procedures of the GTCBRA unless otherwise directed by written agreement between the prior owner and the Owner.
- (j) If for any reason the Owner is unable to obtain title to the site, the GTCBRA is not obligated to perform any of the terms of this Agreement.
- (k) Owner has provided all required reports outlined in Section 2.3:

## **ARTICLE 6.**

### **OWNER'S ENVIRONMENTAL CONSULTANT OR THEIR CONTRACTOR RESPONSIBILITIES**

#### **Section 6.1 Eligible Activities and Due Care Obligation**

The Owner covenants that it will contract with a competent and qualified Environmental Consultant(s) and/or other competent and qualified contractors or subcontractors to conduct and complete the Eligible Activities set forth in this Agreement and as set forth in the Act 381 Work Plan, as amended or supplemented, or the Brownfield Plan, as amended or supplemented, and to meet any due care obligation under Sec. 20107a, NREPA, MCL 324.20107a, in accordance with any EGLE requirements and approval. Each Environmental Consultant or Contractor hired by Owner shall be responsible for the activities that they perform on the Site, but the Environmental Consultant or Contractor shall not be liable for the actions of any persons performing work on the Site that are not performing work directly or indirectly for the Environmental Consultant or Contractor.

#### **Section 6.2 Permits**

The Environmental Consultant or Contractors shall examine all permits and licenses pertaining to the Site or Development to determine whether all applicable permits and licenses required to be issued by any governmental authority on account of any or all of the activities on the Site or the Development have been obtained or issued and are in full force and effect, and whether the Site or the Development and the activities there are in compliance with the terms and conditions of such permits and licenses, but limited to only those Eligible Activities performed by Owner's Environmental Consultant or Contractors, and specifically excludes all other activities performed by other Environmental Consultants or Contractors performing activities retained by another third party.

### **Section 6.3 ASTM and Industry Standards**

The Owner, Environmental Consultant, or Contractors shall perform all services and Eligible Activities under this Agreement in accordance with any applicable *ASTM* or other industry standards.

### **Section 6.4 Other Services Performed for Owner**

It is expressly understood that GTCBRA is not responsible for payment or reimbursement of any services for or expenses incurred by the Environmental Consultant and/or Owner that are not within the scope of or in accordance with all of the terms, conditions and provisions of this Agreement. This Agreement shall not be deemed or construed to create any rights to reimbursement or otherwise in the Environmental Consultant or Contractors, or any third parties; specifically, this Agreement shall not be construed to create any third-party beneficiary contract or claim.

### **Section 6.5 Regulatory Liaison and Data and Reports**

If applicable, the Owner, Environmental Consultant or Contractors will provide communication services and attend meetings with the EGLE, MSF and MSHDA as it relates to those Eligible Activities performed by Owners Environmental Consultant or Contractors. Environmental Consultant or Contractor shall disclose on request to GTCBRA Director all data, reports and test results generated by the Environmental Consultant or Contractors within the scope of this Agreement, or in connection with the Development.

### **Section 6.6 Other Agreements**

The Owner covenants that it will obtain a warranty from the Environmental Consultant or Contractor that it is not a party to any other existing or previous agreement which would adversely affect the Environmental Consultant's or Contractor's ability to perform the services with respect to the Eligible Activities.

### **Section 6.7 Contractors**

If the Owner hires any Environmental Consultant or Contractor, or retains any person, firm or corporation to perform services related to Eligible Activities under this Agreement, the Owner shall first secure the written acknowledgment from such party that such party is not and shall not be or act as an agent or employee of the GTCBRA, nor assume or create any duty, commitment or obligation on behalf of nor bind the GTCBRA in any respect whatsoever. A copy of such written acknowledgment shall be provided to GTCBRA.

### **Section 6.8 Non-Discrimination Clause**

Neither the Owner, Environmental Consultant nor Contractor shall discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this provision may be regarded as a material breach of this Agreement.

## **Section 6.9 Independent Contractor**

The Environmental Consultant and Contractors shall perform their services under this Agreement entirely as independent contractors, and shall not be deemed an agent, employee or legal representative of the GTCBRA or the County. The GTCBRA, County, Owner, Environmental Consultant and Contractors shall each have and maintain complete control over all their respective employees, agents and operators. Facts or knowledge of which the Environmental Consultant or Contractors become aware shall not be imputed to GTCBRA without communication to and receipt by managerial officials or employees of GTCBRA. The Environmental Consultant or Contractors have no authority to assume or create, and will not assume or create, any commitment or obligation on behalf of the GTCBRA in any respect whatsoever. Further, the Environmental Consultant or Contractors shall exercise their independent judgment for the services provided in this Agreement.

## **Section 6.10 Disposal of Hazardous Waste**

In the event that samples or other materials contain substances classified as "hazardous waste" under state or federal law, the Owner shall, under a manifest signed by the Owner or its agent, as the generator, have such samples transported for final disposal to a location selected by the Owner or its Environmental Consultant or Contractors. It is expressly understood that the GTCBRA has no oversight or other control or authority over the Owner's obligation to properly dispose of Hazardous Waste under the terms of this Section.

## **Section 6.11 Compliance With Laws**

While on the Site or Development, the Owner, the Environmental Consultant, and the Contractors shall impose work orders on their employees, agents and subcontractors which are designed to assure that they comply with all applicable federal, state and local laws and regulations (including occupational safety and environmental protection statutes and regulations) in performing services under this Agreement, and shall comply with any directions of governmental agencies relating to site safety, security, traffic or other like matters.

## **Section 6.12 Limitation of Liability.**

- (a) Defend, Indemnify and Hold Harmless. Notwithstanding any other provision of this Agreement, the Owner shall obtain Environmental Consultant's or Contractor's written agreement to defend, indemnify and hold the Indemnified Persons harmless against and from any loss, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property caused by, related to or arising as a result of Environmental Consultant's or Contractor's acts or omissions, including:
  - (1) Those which the GTCBRA may sustain as a result of the failure of the Environmental Consultant or Contractor to comply with the provisions of this Agreement; and/or
  - (2) Those which result from or arise out of any acts or omissions, negligent or otherwise, of the Environmental Consultant's or Contractor's employees, age

nts, contractors, or subcontractors in the performance of the work specified in this Agreement.

- (3) This indemnity shall only apply to the Environmental Consultant's or Contractor's actions, and the Environmental Consultant or Contractor shall have no obligation to directly indemnify, defend or hold harmless the Indemnified Persons for any loss, liability, claim, damage, cost or expense arising out of, related to or resulting from any activities performed by other environmental consultants, contractors, or subcontractors on the Site.
- (b) Contribution. The Owner shall obtain written acknowledgment that the Environmental Consultant and any Contractor, could be liable to the GTCBRA for all damage, loss, injury or expense to the extent such person or entity's acts or omissions arising out of the performance of activities under this Agreement are actionable negligence or gross negligence, or constitute intentional misconduct; the Environmental Consultant and any Contractor, shall be liable for contribution to the GTCBRA for any such damage, loss, injury or expense of a third party arising out of such activities, notwithstanding Sec. 20128 of the NREPA, MCL 24.20128, for releases aggravated or proximately caused by the Consultant. This paragraph shall not affect any other liabilities or remedies of the GTCBRA but is limited to only those eligible Activities performed by the Owner's Environmental Consultant, and specifically excludes all other activities performed by other environmental consultants, contractors, or subcontractors performing activities.
- (c) Survivorship of Covenants. Any Consultant's or Contractor's, indemnity, hold harmless and release shall survive the termination of this Agreement and the Consultant's agreement with the Owner, but is limited to only those Eligible Activities performed by the Owner's Environmental Consultant, and specifically excludes all other activities performed by other Environmental Consultants, Contractors, or Subcontractors performing activities.
- (d) The written agreement in subparagraph (a) of this section and written acknowledgment in subparagraph (b) shall be filed with the GTCBRA before any work begins or before any reimbursement under the terms of this Agreement.

### **Section 6.13 Environmental Consultant or Contractor Insurance**

The Owner shall assure that the Environmental Consultant and Contractors performing any part of the Eligible Activities covered by this Agreement shall obtain and maintain the following policies of insurance:

- (a) Worker's Compensation Insurance in the amounts required under the laws of the State of Michigan;
- (b) Comprehensive General Liability and Automobile Insurance for bodily injury, death or loss or damage to property or third persons in the minimum amount of at least \$1

million per occurrence, which policy shall name the GTCBRA and the County as additional insured to the extent of the indemnity provided in Section 2.3.

- (c) Pollution or Environmental Impairment Insurance provided by contractors, sub-contractors, and site work contractors engaging in environmental response activities, covering any sudden and non-sudden pollution or environmental impairment, including cleanup costs and defense, with limits of liability in the amount of at least \$1 million per occurrence.
- (d) As to the Environmental Consultant only, Professional Liability Insurance in the minimum amount of \$1 million per occurrence.
- (e) The Owner shall furnish to GTCBRA a certified copy of such policies of insurance within 30 days of the date of the commencement of the Eligible Activities by such Environmental Consultant or Contractor, and the period of coverage shall commence with the date of performance of the first Eligible Activity by such insured person or entity. The limits of insurance shall not be construed as a limitation on the Environmental Consultant's or Contractor's liability for damages, costs or expenses under this Agreement.

## ARTICLE 7.

### **REPRESENTATIONS AND WARRANTIES**

#### **Section 7.1 Representations and Warrants of GTCBRA**

GTCBRA represents and warrants to the Owner that:

- (a) GTCBRA is a public body corporate, established pursuant to Act 381, with all necessary corporate powers pursuant to that Act to enter into and perform this Agreement.
- (b) The execution and delivery of this Agreement has been duly authorized by all requisite action on the part of the GTCBRA, and this Agreement constitutes a valid and binding agreement of the GTCBRA enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or thereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

#### **Section 7.2 Representations and Warrants of the Owner**

The Owner represents and warrants to the GTCBRA that:

- (a) The Owner is a Michigan limited liability company with power under the laws of such state to carry on its business as now being conducted and has the power and authority to consummate the transactions contemplated under this agreement by the Owner.

- (b) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Owner, and this Agreement constitutes a valid and binding agreement of the Owner in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.
- (c) Except as part of the performance and completion of Eligible Activities under the terms of this Agreement, the Owner or its contractors shall not use the Site for the storage, treatment or disposal of hazardous or toxic wastes of unaffiliated third parties and shall comply with all applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees and orders in connection with any use of the Site, and shall obtain all necessary permits in connection therewith.
- (d) Owner warrants that it will comply with all obligations, covenants and conditions required of it or its agents or contractors under the terms of this Agreement.
- (e) Owner shall comply with all due care obligations under Sec. 7a of Part 201 of the NREPA.
- (f) Owner has not made any misrepresentation of fact in the inducement or in the performance or administration of this Agreement.

## **ARTICLE 8.**

### **OWNER FINANCIAL ASSURANCES**

#### **Section 8.1 Insurance**

The Owner shall obtain and provide proof of the following current in-force insurance:

- (a) If applicable, Worker's Compensation in the amounts required under the laws of the State of Michigan;
- (b) Comprehensive General Liability, including Umbrella Liability Insurance for any such underlying liability, and Automobile Insurance for bodily injury, death or loss or damage to property of third persons in the minimum amount of \$2 million per occurrence.

The Owner shall furnish to GTCBRA a certified copy of such policies at the later of i) 14 days of the date of this Agreement and ii) at the time the Owner acquires the Site and the period of coverage shall commence with the date of performance of the first Eligible Activity. GTCBRA will review the certified policies within 14 days of their receipt to determine if the insurance requirements have been satisfied. If the policies do not fully cover the Owner's liability, including indemnity obligations, under this Agreement, then the GTCBRA reserves its right to increase the amount of other financial

assurances under Article 8 of this Agreement. The limits of insurance shall not be construed as a limitation on the Owner's liability for damages, costs or expenses under this Agreement.

## **ARTICLE 9.**

### **DEFAULT, REMEDIES, AND TERMINATION**

#### **Section 9.1 Remedies Upon Default**

Upon the occurrence of an Event of Default, the non-defaulting party may terminate this Agreement by giving written notice to the defaulting party, and the defaulting party shall have 28 days to cure the default. If the default is not cured within this time period, then the non-defaulting party shall have the right to terminate this Agreement or, at the election of such non-defaulting party, may obtain any form of relief permitted under this Agreement, and any applicable laws and court rules of the State of Michigan. Any right or remedy provided by a specific provision of this Agreement shall be deemed cumulative to, and not conditioned on, any other remedies upon default. The prevailing party shall be entitled to an award of reasonable costs and attorney fees.

#### **Section 9.2 Tax Appeal.**

Nothing in this Agreement shall limit the right of the Owner to appeal any tax assessment.

## **ARTICLE 10.**

### **MISCELLANEOUS**

#### **Section 10.1 Term**

The "Term" of this Agreement shall commence on the date first written above and shall expire upon payment in full of GTCBRA's obligations under the Debt Obligation and shall not exceed the term of the Brownfield Plan.

#### **Section 10.2 Sale or Transfer of Eligible Property or Site within the Brownfield Plan**

Until the Owner has satisfactorily completed its Eligible Activities and performed its obligations under the terms of this Agreement, the Owner shall not sell, convey, or transfer ownership of any portion of the Income Restricted Units to another owner to carry out the purposes and goals of the Brownfield Plan, or any existing Act 381 Work Plan, as described in this Agreement without the written approval of the GTCBRA. The GTCBRA, in its sole discretion, will determine whether an amendment to the Brownfield Plan is necessary. The preceding does not prohibit the Owner from selling the Site or units that are not Income Restricted Units within structures to third parties for the land uses as contemplated by the Brownfield Plan. This section shall not apply to: (a) assignments between governmental entities (b) assignments of any interest in the Site or to Tax Increment

Revenues for financing required for the development; (c) the establishment of another entity which shall operate the premises for the infrastructure purposes; and (d) transfer of membership interests within the Owner entity.

The Owner waives the right to reimbursement for outstanding Debt Obligations, or any other reimbursement obligation of the GTCBRA, to be paid through Tax Increment Financing captured from the portion of the Site that is sold, conveyed, or transferred unless the Owner complies with the following:

- (a) The Owner provides the prospective transferee with written notice of the Brownfield Plan and Act 381 Work Plan, the nature and extent of Eligible Activities performed by the Owner pursuant to the Brownfield Plan and Act 381 Work Plan, and the extent of any outstanding obligation for reimbursement for the Debt Obligation from taxes to be captured from the Site.
- (b) The Owner and the transferee enter into an allocation agreement covering how the Tax Increment Revenues collected on the Site shall be distributed between the Owner and the prospective purchaser for any outstanding obligations or future obligations for Eligible Activities on the Site.
- (c) The Owner provides the GTCBRA with copies of the written notice and the allocation agreement between the Owner and the transferee of the property prior to transfer of the Site.

### **Section 10.3 Assignment**

Unless otherwise provided under this Agreement, neither this Agreement nor any of the rights or obligations contained within it may be assigned or otherwise transferred by the Owner, nor shall the benefits of this Agreement inure to the benefit of any trustee in bankruptcy, receiver or creditor of the Owner, whether by operation of law or otherwise, without the prior written consent of the GTCBRA which will not be unreasonably withheld. Any attempt to assign or transfer this Agreement or any of its rights without such written consent shall be null and void and of no force or effect, and a breach of this Agreement.

### **Section 10.4 Notices**

All notices, certificates or communications required by this Agreement to be given shall be in writing and shall be sufficiently given and shall be deemed delivered when personally served, or when received if mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

If to GTCBRA:

Grand Traverse County Treasurer,  
GTCBRA Treasurer, and  
Grand Traverse County Brownfield Redevelopment Authority  
400 Boardman Avenue  
Traverse City, MI 49684

With copies to:

Olson, Bzdok & Howard, P.C., Attorneys for GTCBRA  
520 S Union Street  
Traverse City, MI 49684

If to the Owner:

Boardman Building LLC  
Eric Gerstner and Ken Richmond  
PO Box 562, Suttons Bay, MI 49682

Traverse City Area Public Schools (TCAPS)  
1009 South Oak Street  
Traverse City, MI 49684

or to such other address as such party may specify by appropriate notice.

#### **Section 10.5 Amendment and Waiver**

No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by all parties hereto. No waiver of any term of this Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto.

#### **Section 10.6 Entire Agreement**

This Agreement contains all agreements between the parties. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties, except to the extent reference is made thereto in this Agreement.

#### **Section 10.7 Execution in Counterparts**

This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

#### **Section 10.8 Captions**

The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

#### **Section 10.9 Applicable Law**

This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

#### **Section 10.10 Mutual Cooperation**

Each party to this Agreement shall take all actions required of it by the terms of this Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to this Agreement and with any individual, entity or governmental agency involved in or with jurisdiction regarding the purposes of this Agreement. Each party to this Agreement shall execute and deliver all documents necessary to accomplish the purposes and intent of this Agreement, including, but not limited to, such documents or agreements as may be required by the Owner's lenders with respect to the Project to secure the Owner's financing from such lenders.

#### **Section 10.11 Binding Effect**

This Agreement shall be binding upon the parties hereto, and in the event of assignment under Sec. 10.3 upon their respective successors, transferees, and assigns. Owner shall provide written notice prior to transfer or assignment of Owner's interest to any subsequent purchaser and assign of the existence of this Agreement.

#### **Section 10.12 No Waiver**

No waiver by either party of any default by the other party in the performance of any portion of this Agreement shall operate or be construed as a waiver of any future default, whether like or different in character.

#### **Section 10.13 Survival of Covenants**

Except for the financial obligations, the covenants and provisions shall survive the Term of this Agreement.

#### **Section 10.14 No Third-Party Beneficiaries**

This Agreement shall not be deemed or construed to create any rights to reimbursement or otherwise in the Environmental Consultant, Contractors, or any third parties. This Agreement shall not be construed to create any third-party beneficiary contract or claim, and the parties intend there to be no third-party beneficiaries.

#### **Section 10.15 Disputes**

The parties acknowledge and agree that any disputes arising under this Agreement shall be resolved by a court of competent jurisdiction sitting in Grand Traverse County, Michigan.

#### **Section 10.16 Digital Signatures**

The Parties acknowledge and agree under the Uniform Electronic Transactions Act, MCL 450.832, et seq. that this Agreement may be executed with the electronic signature of any person authorized and required to sign on behalf of the Parties to this Agreement.

IN WITNESS WHEREOF, the GTCBRA and the Owner have caused this Agreement to be duly executed and delivered as of the date first written above.

Owner: Boardman Building LLC:

  
Tressa Ford

By: Tressa Ford

Its: Managing Member

Traverse City Area Public Schools (TCAPS)

  
Signed by:

Christine Thomas-Hill

  
37AB65B68FDFE450

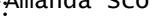
By: Christine Thomas-Hill

Its: Authorized Agent

GRAND TRAVERSE COUNTY BROWNFIELD  
REDEVELOPMENT AUTHORITY

  
Signed by:

Amanda Scott

  
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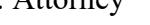
By: Amanda Scott

Its: Chair

Approved as to form:

  
Signed by:

Scott W. Howard

  
63680B2695C54F5...

By: Scott Howard

Its: Attorney

Approved as to Content:

  
Signed by:

Anne Jamieson

  
FF0F76126C6847A...

By: Anne Jamieson-Urena

Its: Executive Director

**EXHIBIT A**

**DEVELOPMENT**

**Legal Description**

**412 WEBSTER STREET  
TRAVERSE CITY MI 49686**

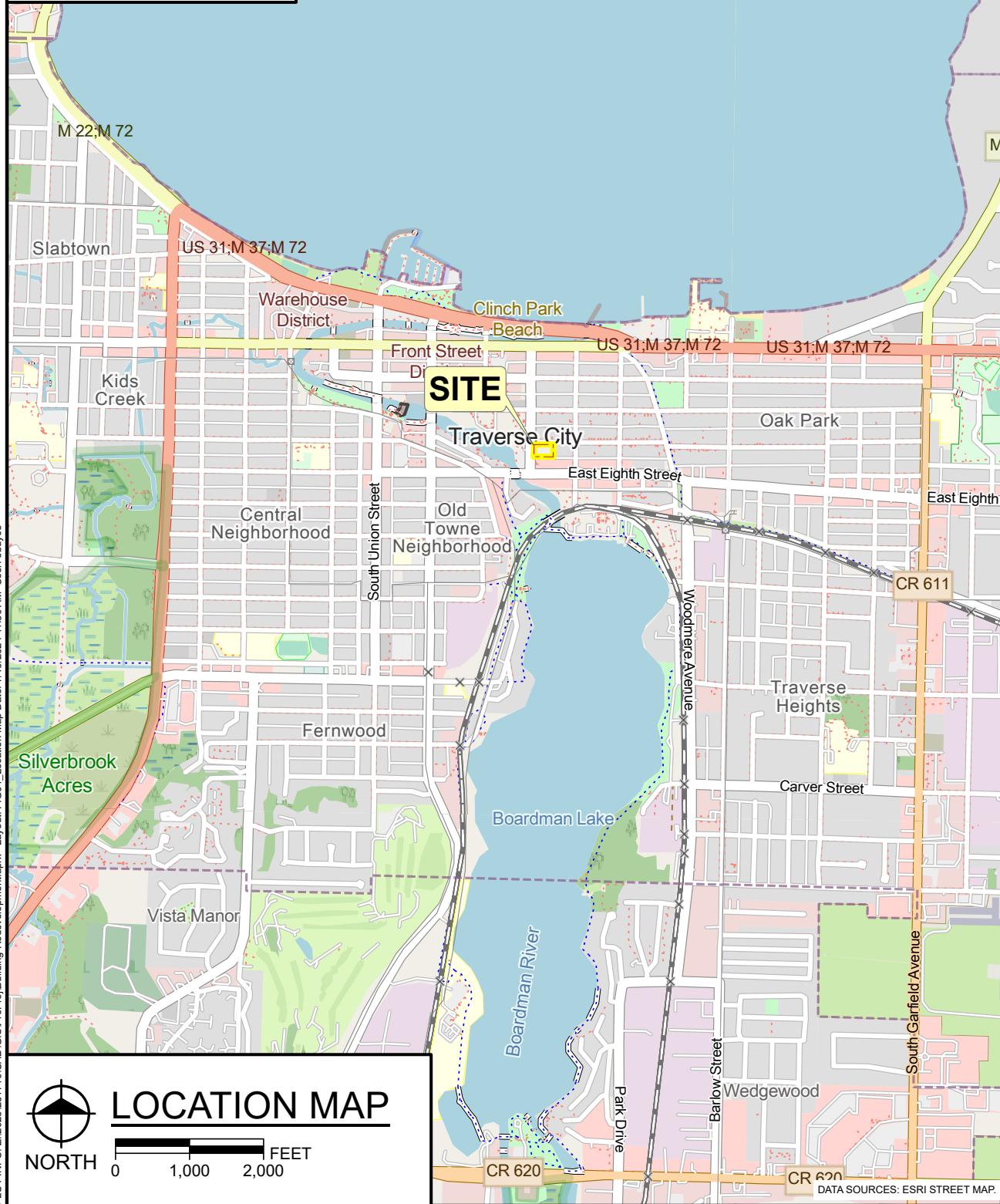
PARCEL # 28-51-798-059-00  
LEGAL DESCRIPTION: LOTS 1-2-3-4 BLK 15 ORIG PLAT

## **Site Plan and Conceptual Site Plan**

## VICINITY MAP



MICHIGAN

TRAVERSE CITY  
GRAND TRAVERSE  
COUNTY



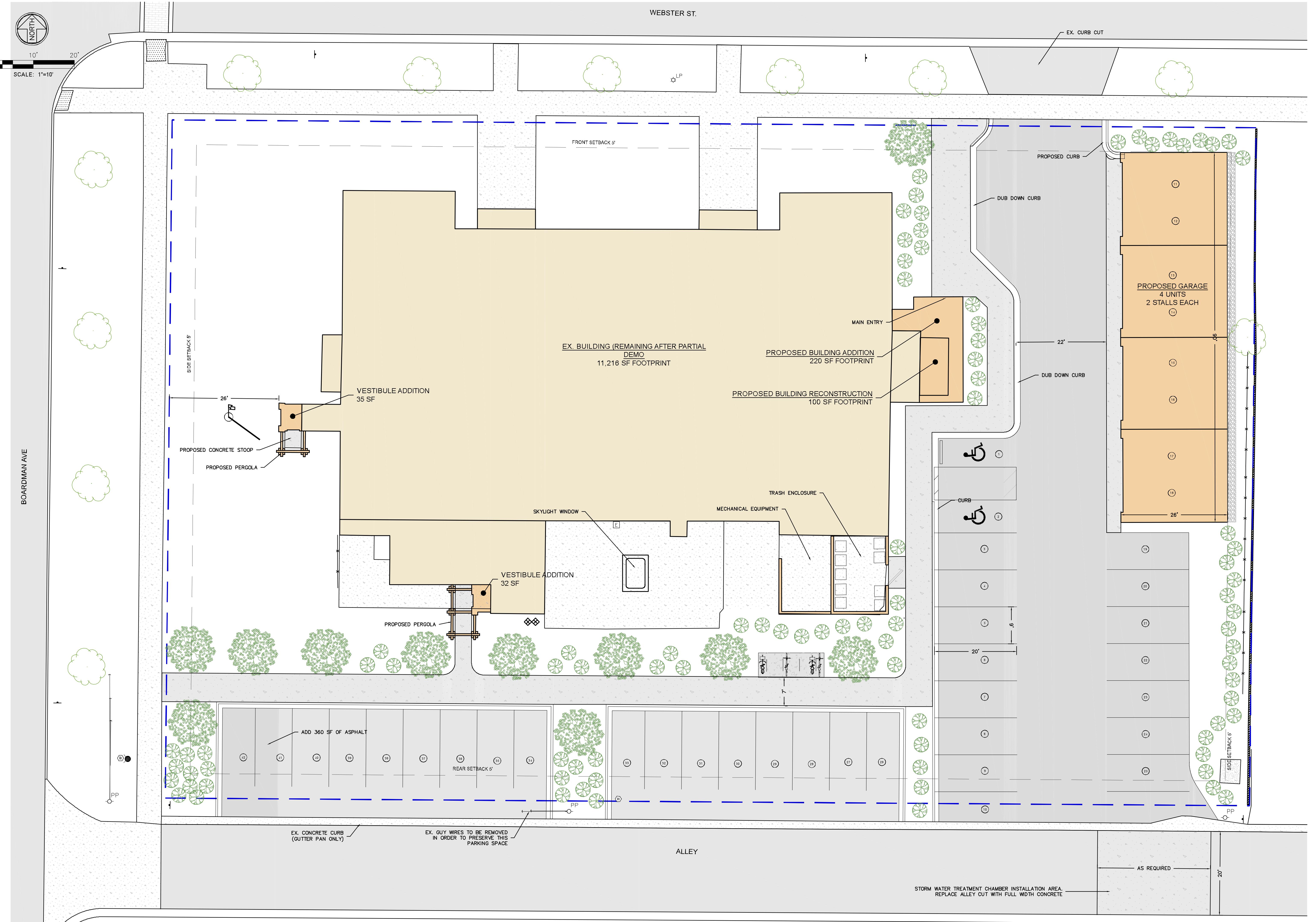
**Boardman Building LLC**  
412 Webster Street, Traverse City, Michigan

**Boardman Building Redevelopment**

Hard copy is  
intended to be  
8.5 x 11 when  
plotted. Scale(s)  
indicated and  
graphic quality may  
not be accurate for  
any other size.

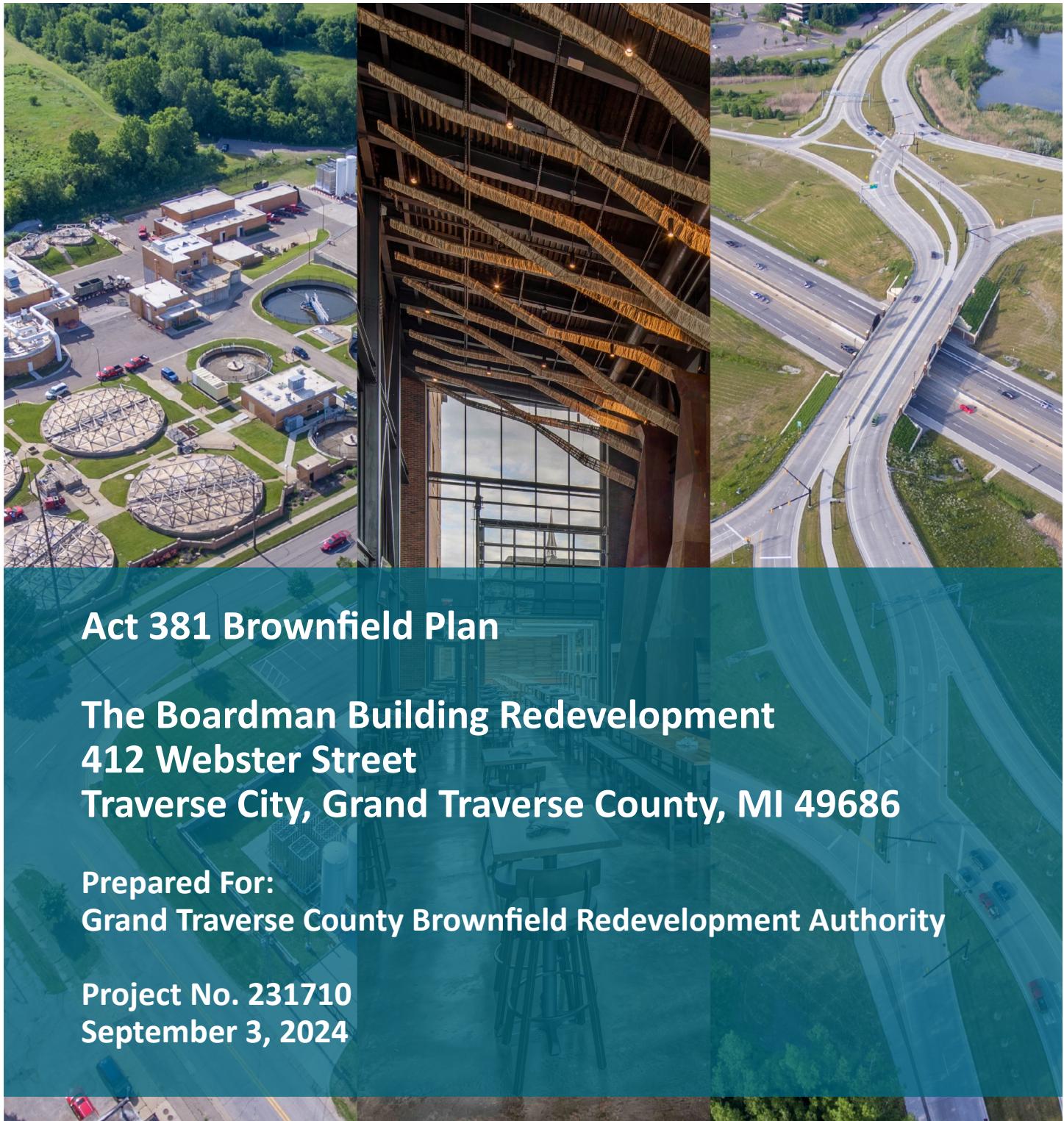
**fishbeck**  
Engineers | Architects | Scientists | Constructors

1  
PROJECT NO.  
231710  
FIGURE NO.



**EXHIBIT B**

**BROWNFIELD PLAN**



## Act 381 Brownfield Plan

**The Boardman Building Redevelopment  
412 Webster Street  
Traverse City, Grand Traverse County, MI 49686**

**Prepared For:  
Grand Traverse County Brownfield Redevelopment Authority**

**Project No. 231710  
September 3, 2024**



821 South Elmwood Avenue, Unit D  
Traverse City, Michigan 49684

231.714.9060 | [fishbeck.com](http://fishbeck.com)

## Act 381 Brownfield Plan

**The Boardman Building Redevelopment  
412 Webster Street  
Traverse City, Grand Traverse County, MI 49686**

**Prepared For:  
Grand Traverse County Brownfield Redevelopment Authority  
Traverse City, Michigan**

**September 3, 2024  
Project No. 231710**

**Approved by the Governing Body of Local Jurisdiction on: 9/3/2024  
Recommended for Approval by the Brownfield Redevelopment Authority on: 9/12/2024  
Adopted by the County Board of Commissioners on: 10/16/2024**

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- Appendix 7 Proforma

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### List of Abbreviations/Acronyms

AMI	Area Median Income
Authority	Grand Traverse County Brownfield Redevelopment Authority
EGLE	Michigan Department of Environment, Great Lakes, and Energy
ESA	Environmental Site Assessment
LBRF	Local Brownfield Revolving Fund
MSHDA	Michigan Housing Development Authority
TCAPS	Traverse City Area Public Schools
VIAP	Volatilization to Indoor Air Pathway

## 1.0 Introduction

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

The proposed project will facilitate the redevelopment of one parcel of property, totaling approximately 0.996 acres, occupied by an approximately 23,500-square-foot commercial structure now known as The Boardman Building (previously called the Ida Tompkins Building for the last 30 years). The Boardman Building was formerly utilized by the Traverse City Area Public Schools (TCAPS) for administrative offices. It will be developed by longtime Traverse City business owners Eric Gerstner and Ken Richmond, the principals of Boardman Building LLC.

The proposed project includes renovating the top floor with four 1,881-square-foot condominium units that will be sold at market rate. The condominium units will be completed first and sold to create cash flow for the remaining two phases of the redevelopment. The middle floor will be built as a “white box” office space and sold as a commercial condominium unit to an investor who will lease the space out to one or more tenants. One potential purchaser has already expressed interest. The commercial condominium unit will be completed second and sold to create cash flow for the remaining phase of the redevelopment. The lowest floor (the garden level) will be renovated into five studio apartments, six one-bedroom apartments, and one two-bedroom apartment (a total of 12 residential units). All 12 apartments will be committed to renters at or below 100% of Grand Traverse County’s Area Median Income (AMI). Rents are expected to be \$1,000 a month for a studio, \$1,200 a month for a small (540 to 660 square feet) one-bedroom unit, and \$1,575 for a large (980 square feet) one-bedroom or two-bedroom unit.

While the top and middle floors will be sold as condominiums, Boardman Building LLC will retain ownership of the garden-level floor and will manage the apartment rentals. The garden level will be a separate condominium unit. Boardman Building LLC will pay a monthly fee to the condominium association for snow plowing, maintenance of common spaces, building repairs, etc. The association will manage maintenance and repairs for all three floors of the building.

The Boardman Building’s 14-foot ceilings, large windows, and location just steps away from downtown Traverse City amenities and the Traverse City/Grand Traverse County government center make it a highly desirable place to live and work. The anticipated number of new full-time equivalent jobs created is unknown at this time.

### 1.2 Eligible Property Information

**Parcel ID:** 28-51-798-059-00

**Address:** 412 Webster Street, Traverse City, MI 49686

**Size:** Approximately 0.996 acres

The legal description is found in Section 2.8 below. The property is located in Traverse City, a qualified local governmental unit (QLGU) pursuant to Act 381. Zoning is approved. The preliminary site plan has been approved by the City of Traverse City Planning Director. Final site plan approval is anticipated in September or October 2024.

The Boardman School building was constructed in 1913 and is Traverse City’s oldest school structure. It served as a school until 1970 and was then converted to the TCAPS administration building. The old Boardman School building was renamed in 1994 for a longtime Traverse City educator, Ida Tompkins.

When TCAPS announced that it would relocate to a larger building and sell the Ida Tompkins administration building, local business owners Eric Gerstner and Ken Richmond—who met when they both lived on Webster Street, across from the Ida Tompkins building—were immediately interested. They knew how deeply the historic building was embedded in the neighborhood’s identity, and they knew that demolishing the building for the new

condominiums proposed by another developer was not what the neighborhood residents or TCAPS wanted to see. The TCAPS board agreed with Mr. Gerstner and Mr. Richmond and unanimously voted to accept their substantially lower priced purchase offer for the property provided the building would be preserved and renovated for housing. In honor of the original Boardman School name, the building will be called The Boardman Building. Boardman Building LLC closed on the building purchase in June 2024.

### **Basis of Eligibility**

The Property qualifies as “Eligible Property” under Act 381, on the basis of meeting the definition of a “Housing Property.” Act 381 defines Housing Property, in part, as property on which one or more units of residential housing are proposed to be constructed. The proposed redevelopment involves renovating the existing Boardman Building into a total of 16 residential units. Four units will be sold as market-rate condominiums. All 12 rental apartments will be committed to individuals and families earning up to 100% of the AMI.

The Property also qualifies as a “facility” under Part 201 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Part 201). It is contaminated above EGLE Part 201 Generic Residential Cleanup Criteria and Volatilization to Indoor Air Pathway (VIAP) screening criteria.

Pursuant to Section 2(o)(ii) of Act 381, the Housing Property must be “located in a community that has identified a specific housing need and has absorption data or job growth data included in the brownfield plan.” The Project meets these criteria based on the following:

### **Specific Housing Need**

New attainable housing units are crucial for Traverse City’s incoming residents, job creation, development, and capital investment. According to Bowen National Research, Traverse City has a 12.6% total vacancy rate, including owner and renter housing types, short-term rentals, and vacation homes that are occupied only part of the year. This is significantly lower than the county-wide vacancy rate of 38.3%, indicating a very limited supply to offset the high demand for new housing units in Traverse City.

In Traverse City, about 54% of all renters spend 30% or more of their income on housing, reflecting a lack of affordable rental inventory within Traverse City and Grand Traverse County as a whole (Michigan Housing Development Authority [MSHDA] Partnership D Data). The Bowen National Research data also shows that the rate of housing cost burdened renter households is higher in the city (54%) than in the region (43.3%).

According to Housing North’s 2023 Housing Needs Assessment, the number of units needed for Grand Traverse County is 3,569 for rental units (the need is estimated at 288 units for the 80–120% AMI population) and 7,792 for for-sale units, which is the largest housing gap among the nine counties covered in Housing North’s assessment. While The Boardman Building redevelopment involves four market-rate for-sale units for people over 120% AMI, 12 rental units will be committed to individuals and families earning up to 100% of the AMI.

**Housing Units Needed by Area Median Household Income Level**  
(Housing North Housing Needs Assessment, 2023)

Type of Housing	50% AMI or Below	51–80% AMI	81–120% AMI	121% AMI or Above	Total Number of Units Needed
Rental	2,358	<b>733</b>	<b>288</b>	190	3,569
For-Sale	1,798	1,384	2,569	2,041	7,792

Relevant housing data from Housing North’s 2023 Housing Needs Assessment and MSHDA’s Partnership D Data Documentation is presented in Appendices 5 and 6, respectively.

### **Job Growth Data**

The employment rate for Grand Traverse County peaked in 2019, just before the COVID pandemic. Employment dropped significantly in the pandemic's first year and has been increasing steadily since. Grand Traverse County employment is not yet back to 2019 levels but is gaining yearly.

#### **Total Employment for Grand Traverse County, 2018–2023**

(Bureau of Labor Statistics, annual reports)

Year	Number of People Employed
2023 (through March)	46,040
2022	47,541
2021	45,701
2020	44,967
2019	48,118
2018	47,441

## **2.0 Information Required by Section 13(2) of the Statute**

### **2.1 Description of Costs to Be Paid for With Tax Increment Revenues**

This Brownfield Plan has been developed to reimburse costs incurred by Boardman Building LLC and TCAPS, which relocated their offices from The Boardman Building, allowing for this new economic development to occur. Local and state tax increment revenues will be captured for reimbursement, following approval of this Brownfield Plan and a Michigan Department of Environment, Great Lakes, and Energy (EGLE) and MSHDA Act 381 Work Plan. Some of the proposed eligible activities must benefit "income qualified households," defined in Act 381 Section 2(z) as "a person, a family, or unrelated persons living together, whose annual household income is not more than 120% of the area median income." Pursuant to the Grand Traverse County Brownfield Redevelopment Authority (Authority) policy, The Boardman Building's rental units will be targeted to households at or below 100% of AMI.

The total cost of eligible activities is anticipated to be \$4,238,452. Costs for shared resources that will be used by all building residents or tenants have been prorated to 38%, the proportion of the building's square footage that will be committed to income-qualified renters. The estimated cost of all eligible activities under this plan is summarized in Table 1. Authority administrative and implementation costs are anticipated to be \$222,271. The capture of tax increment revenue for five years of capture for the Local Brownfield Revolving Fund (LBRF) is estimated to be \$785,068.

#### **2.1.1 Department Specific Activities**

Eligible costs for reimbursement include pre-approved activities: Phase I and II Environmental Site Assessments (ESAs); a Baseline Environmental Assessment; an Asbestos, Lead, and Mold Survey; Due Care Investigation(s) and Assessment(s); sampling excavated soil for landfill disposal; a Response Activity Plan (ResAp); and Documentation of Due Care Compliance for a total anticipated cost of \$117,000.

#### **2.1.2 Due Care Activities**

As part of the December 2023, February 2024, and May 2024 Phase II ESA investigations, select soil samples were analyzed for various constituents to evaluate the Recognized Environmental Conditions identified in the February 2024 Phase I ESA. Three soil samples contained analyte concentrations in excess of the EGLE Generic Residential Cleanup Criteria and VIAP Screening Levels. A vapor mitigation system is anticipated to address the VIAP, for an anticipated cost of \$225,000.

Soil removed for garage footings, parking lot grading, and sidewalks may be contaminated and require disposal at a Type II landfill. Soil sampling has been included in the Section 2.1.1 budget above. An anticipated cost for transport and disposal an estimated 715 cubic yards of contaminated soil is \$50,000.

### **2.1.3      *Lead and Asbestos Abatement***

An Asbestos Inspection Report was completed on July 8, 2024, which identified multiple asbestos-containing materials. Additionally, paint sampling was completed on June 27, 2024, and identified both cadmium and lead in sampled paints. Lead and asbestos abatement, including disposal and air monitoring, is anticipated to cost \$85,000.

### **2.1.4      *Qualified Rehabilitation of Rental Housing***

Under Act 381, “costs of demolition and renovation of existing buildings and site preparation, to the extent necessary to accommodate . . . an income qualified renting household” is an eligible activity.

- Demolition: Selective interior demolition is anticipated to support the renovation. The cost of demolition for the lower garden level is anticipated to be \$160,000. Removal of the existing boiler and the flue through the roof is anticipated to cost \$24,000. The total cost of these activities is anticipated to be \$184,000.
- Renovation: The total cost of the renovation of the lower garden level of The Boardman Building to accommodate an income qualified renter earning up to 100% of the AMI is considered an eligible activity. Renovation costs that are specific to the lower garden level are anticipated to total \$1,735,500.

Additionally, various renovation costs for the overall Boardman Building redevelopment are shared between the lower garden level qualified rehabilitation, the middle commercial condominium floor, and the upper market-rate for-sale condominium floor. These shared costs (such as elevators, entrances, a building roof, and mechanical system design) have been prorated based on the square footage. The lower garden level represents approximately 38% of the aggregate square footage of the existing structure. Shared element renovation costs prorated by 38% are anticipated to total \$629,734.

- Site preparation: Site preparation activities are considered shared elements and have been prorated based on the square footage. The lower garden level represents approximately 38% of the aggregate square footage of the existing structure. Site preparation activities anticipated include clearing, asphalt removal, and grading for a total anticipated prorated cost of \$18,620.

The total cost of qualified rehabilitation of rental housing is anticipated to be \$2,567,854.

### **2.1.5      *Infrastructure and Safety Improvements Necessary to Support Housing***

Infrastructure and safety improvements are shared elements and have been prorated based on the square footage. The lower garden level represents approximately 38% of the aggregate square footage of the existing structure. Infrastructure and safety improvements associated with the Property include fire suppression systems (\$79,230), fire alarms (\$7,600), paving a new asphalt parking lot (\$35,530), other site concrete and paving (\$39,140), landscape and irrigation (\$9,500), water lines for fire suppression (\$20,900), site work and site utility connections (\$26,030), and electrical meters and distribution lines (\$131,765). Shared element infrastructure and safety improvement costs prorated by 38% are anticipated to total \$349,695.

### **2.1.6      *Relocation of Public Buildings for Economic Development***

From 1970 to 2024, TCAPS utilized The Boardman Building for administrative offices and portions of the basement level for printing activities that supported the TCAPS school system. TCAPS relocated in the Spring of 2024 to a larger building where services could be more centralized. The total cost of TCAPS’ relocation is \$100,000.

### **2.1.7 Contingency**

A contingency of 15% on eligible hard costs has been included in the plan. The plan does not include a contingency on EGLE pre-approved eligible activities or the TCAPS relocation costs. The contingency is anticipated to be \$491,632.

### **2.1.8 Brownfield Plan and Work Plan Preparation**

Preparation of the Brownfield Plan and Work Plan is anticipated to cost \$30,000, of which \$7,000 is anticipated to be paid by TCAPS and \$23,000 is anticipated to be incurred by Boardman Building LLC. TCAPS' portion of the preparation will be local-only, and the remaining \$23,000 will be split between EGLE and MSHDA following Work Plan approval.

### **2.1.9 Brownfield Plan and Work Plan Implementation**

Implementation of the Brownfield Plan and Work Plan is anticipated to be incurred by the Authority for a total of \$50,000, split between EGLE and MSHDA following Work Plan approval.

## **2.2 Summary of Eligible Activities**

### **Environmental Activities**

Pre-approved environmental costs are anticipated to be reimbursed through a Brownfield Plan using both school and non-school tax increment revenues. Additional environmental activities include due care activities and the development of the Brownfield Plan and Act 381 Work Plan. An Act 381 Work Plan will be pursued, and, upon approval, these costs will be reimbursed with school and non-school tax increment revenues.

### **Housing Development Activities**

Because the development is "housing property" as defined by Act 381, housing development costs defined in Section 2(o)(ii) of Act 381 can be reimbursed through a Brownfield Plan. This plan will provide for reimbursement of eligible site preparation, infrastructure and safety improvements, partial building demolition, lead and asbestos abatement, housing development activities, and development of the Brownfield Plan and Act 381 Work Plan. An Act 381 Work Plan will be pursued, and, upon approval, these costs will be reimbursed with school and non-school tax increment revenues.

### **Local-Only Activities**

Between 1970 and 2024, TCAPS utilized The Boardman Building for administrative offices including printing activities which have supported the TCAPS school system. TCAPS relocated in the Spring of 2024 to a larger building where services could be more centralized. The cost of the TCAPS relocation will be supported with local-only tax increment revenues as the cost has already been incurred.

### **Authority Expenses**

Eligible administrative costs incurred by the Authority are included in this plan as an eligible expense at a flat fee of 5% of local tax capture. It is understood that administrative costs are calculated by the Authority rather than based on a flat fee, so this amount represents an estimate to be determined by the Authority. Additionally, implementation of the Brownfield Plan and Work Plan is anticipated to be incurred by the Authority, split between EGLE and MSHDA following Work Plan approval.

### **Contingencies**

A contingency of 15% on eligible hard costs has been included in the plan. The plan does not include a contingency on EGLE pre-approved eligible activities or the TCAPS relocation costs.

### **Local Brownfield Revolving Fund**

The plan includes five years of capture for the Authority's Local Brownfield Revolving Fund.

### **2.3 Estimate of Captured Taxable Value and Tax Increment Revenues**

The baseline taxable value is \$0 due to prior ownership by TCAPS. The City Assessor estimated a future taxable value of \$2,400,000 for the market-rate residential units and \$1,200,000 for the commercial floor and rental floor. The total incremental difference (new taxable value – base taxable value) is \$3,600,000 after the full build-out is complete.

Tax increment revenues are estimated at homestead rates for the four market-rate units and at non-homestead rates for the commercial floor and the rental floor. Reimbursements will be made based on actual tax increment revenues captured during the term of the Brownfield Plan. An estimate of the captured taxable value for this redevelopment by year is depicted in Table 2. This plan captures real property tax increment revenues and assumes a 1% annual increase in the taxable value of the Eligible Property. Pursuant to Act 381, local debt millages and special assessments will not be captured.

Project activities will be initiated in 2024. Renovation of the market-rate condominiums will be completed by the end of 2025, with the renovation of the commercial space and rental apartments by the end of 2026. Tax increment revenue collection will start within five years of the adoption of this plan and is anticipated to begin in 2026. The plan includes a 5% flat fee for the local tax increment for administrative and operating expenses of the Authority, estimated to total \$172,271. A summary of the estimated reimbursement schedule and the amount of capture by year and in aggregate is presented in Table 3.

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

The eligible activities contemplated under this plan will be financed by the Developer and TCAPS, as outlined in this plan and the accompanying development and reimbursement agreement. The development and reimbursement agreement is included in Appendix 2.

### **2.5 Maximum Amount of Note or Bonded Indebtedness**

At this time, there are no plans by the Authority to incur indebtedness to support the development of this site, but such plans could be made in the future to assist in the development if the Authority so chooses.

### **2.6 Duration of Brownfield Plan**

The Authority intends to begin the capture of tax increment in 2026. This plan will then remain in place until the eligible activities have been fully reimbursed and up to five full years of capture into the LBRF (not to exceed the amount of eligible activities) is complete or tax capture reaches 30 years by statute, whichever occurs sooner. An analysis showing the reimbursement schedule is attached in Table 3.

### **2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions**

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions is illustrated in detail in Table 2.

## **2.8 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property**

The Property is qualified as a "Housing Property" and consists of one parcel occupying approximately 0.996 acres. The parcel ID number for the property is below. A Site Map is attached as Figure 2. No personal property is anticipated to be created; therefore, no personal property is included as Eligible Property.

The legal description for the parcel is as follows:

Parcel ID 28-51-798-059-00:

LOTS 1-2-3-4 BLK 15 ORIG PLAT

## **2.9 Estimates of Residents and Displacement of Individuals/Families**

There are no residents or families residing at this property; thus, no residents, families, or individuals will be displaced by the project.

## **2.10 Plan for Relocation of Displaced Persons**

No persons reside on the Eligible Property. Therefore, this section is not applicable.

## **2.11 Provisions for Relocation Costs**

No persons reside on the Eligible Property. Therefore, this section is not applicable.

## **2.12 Strategy for Compliance with Michigan's Relocation Assistance Law**

No persons reside on the Eligible Property. Therefore, this section is not applicable.

## **2.13 Other Material that the Authority or Governing Body Considers Pertinent**

This plan helps to offset the cost of housing development associated with the redevelopment of the subject property through reimbursement of eligible activities with the new tax increment generated by the new residential construction. The resulting project will increase attainable housing and the tax base of the City.

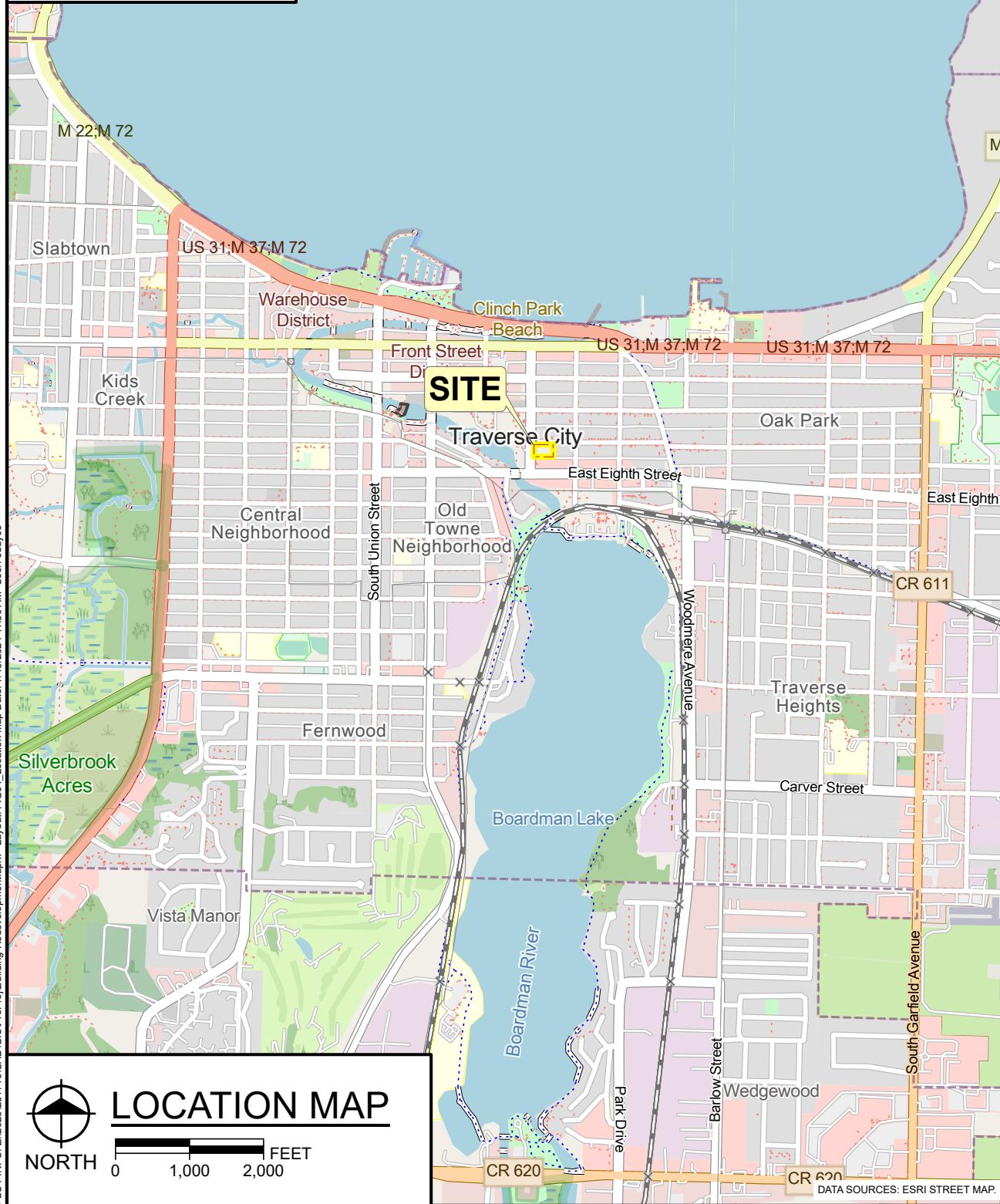
# Figures

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## VICINITY MAP



MICHIGAN

TRAVERSE CITY  
GRAND TRAVERSE  
COUNTY



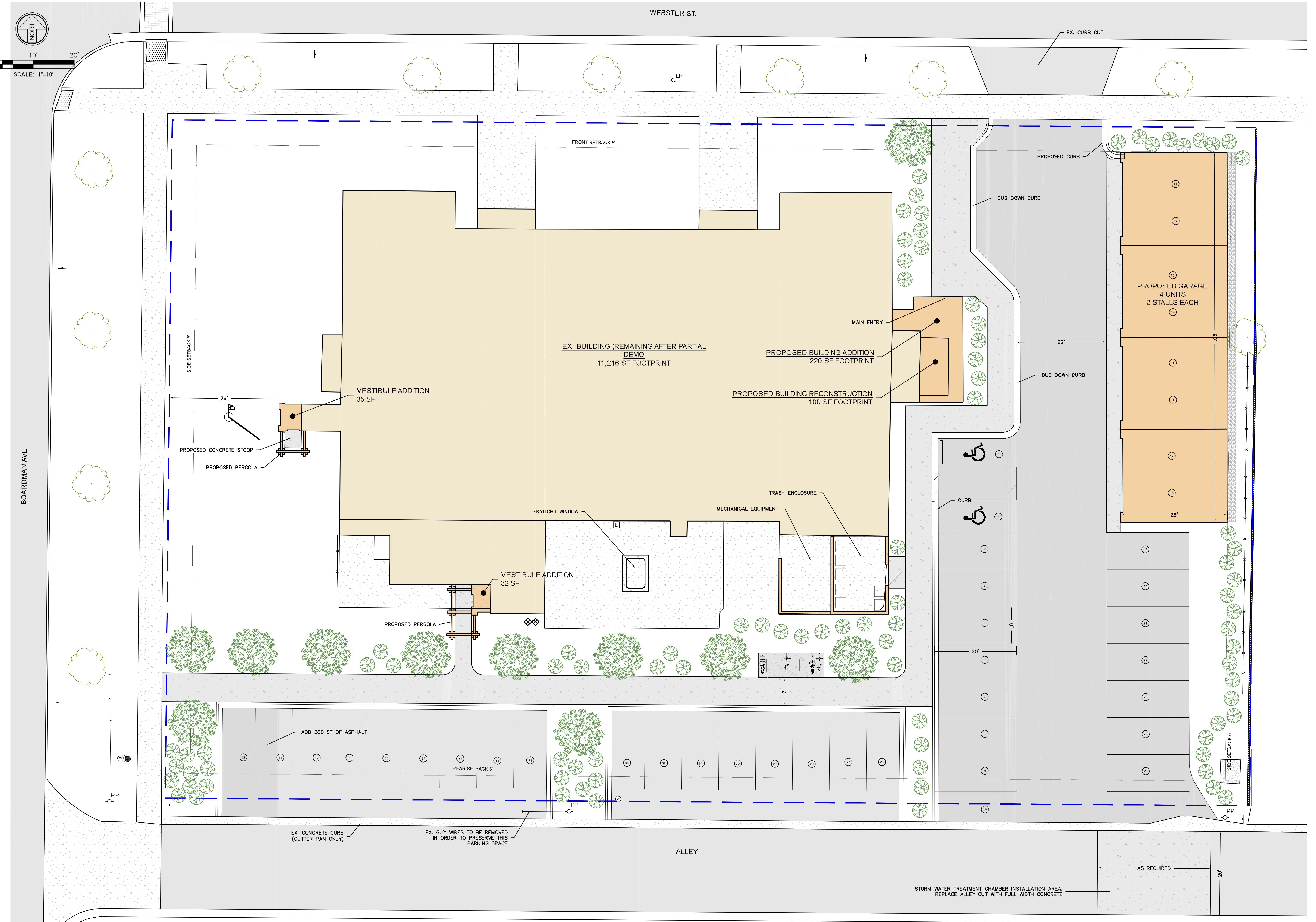
**Boardman Building LLC**  
412 Webster Street, Traverse City, Michigan

**Boardman Building Redevelopment**

Hard copy is  
intended to be  
8.5 x 11 when  
plotted. Scale(s)  
indicated and  
graphic quality may  
not be accurate for  
any other size.

**fishbeck**  
Engineers | Architects | Scientists | Constructors

1  
PROJECT NO.  
231710  
FIGURE NO.



# Tables

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**Table 1 – Summary of Eligible Costs**  
 Act 381 Brownfield Plan  
 Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

**EGLE Eligible Activities Costs and Schedule**

EGLE Eligible Activities	Cost	Completion Season/Year
<b>EGLE Department Specific Activities</b>	<b>\$ 117,000</b>	<b>2024</b>
<i>Phase I &amp; II ESA, BEA, Asbestos, Lead, and Mold Surveys, ResAp, DDCC, etc.</i>	\$ 117,000	
<b>Due Care Response Activities</b>	<b>\$ 275,000</b>	<b>2024–2026</b>
<i>Vapor Intrusion Mitigation</i>	\$ 225,000	
<i>Contaminated soil removal and disposal</i>	\$ 50,000	
<b>EGLE Eligible Activities Subtotal</b>	<b>\$ 392,000</b>	
<b>Contingency (15%)</b>	<b>\$ 41,250</b>	
<b>Interest Expense</b>	<b>\$ -</b>	
<b>Brownfield Plan/Work Plan Preparation</b>	<b>\$ 11,500</b>	
<b>Brownfield Plan/Work Plan Implementation (Authority Expense)</b>	<b>\$ 25,000</b>	
<b>EGLE Eligible Activities Total Costs</b>	<b>\$ 469,750</b>	

**Table 1 – Summary of Eligible Costs**  
 Act 381 Brownfield Plan  
 Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

**MSHDA Eligible Activities Costs and Schedule**

MSHDA Eligible Activities	Cost	Completion Season/Year
<b>Lead and Asbestos Abatement (Pre-Approved)</b>	<b>\$ 85,000</b>	<b>2024–2026</b>
Lead and Asbestos Abatement	\$ 85,000	
<b>Qualified Rehabilitation of Rental Housing – Demolition</b>	<b>\$ 184,000</b>	<b>2024–2026</b>
Selective Interior Building Demolition – Lower Level	\$ 160,000	
Removal of Boiler and Flue	\$ 24,000	
<b>Qualified Rehabilitation of Rental Housing – Renovation</b>	<b>\$ 2,365,234</b>	<b>2024–2026</b>
Qualified Rehabilitation of Rental Housing – Lower Level	\$ 1,735,500	
Qualified Rehabilitation of Rental Housing – Shared Elements, Prorated	\$ 629,734	
<b>Qualified Rehabilitation of Rental Housing – Site Preparation</b>	<b>\$ 18,620</b>	<b>2024–2026</b>
Clearing, Grading, Asphalt Removal – Shared Elements, Prorated	\$ 18,620	
<b>Infrastructure and Safety Improvements Necessary to Support Housing</b>	<b>\$ 349,695</b>	<b>2024–2026</b>
Fire Suppression System – Shared Elements, Prorated	\$ 79,230	
Fire Alarms – Shared Elements, Prorated	\$ 7,600	
Asphalt Parking Lot – Shared Elements, Prorated	\$ 35,530	
Site Concrete and Paving – Shared Elements, Prorated	\$ 39,140	
Landscape and Irrigation – Shared Elements, Prorated	\$ 9,500	
Water Lines for Fire Suppression – Shared Elements, Prorated	\$ 20,900	
Site Work and Site Utility Connections – Shared Elements, Prorated	\$ 26,030	
Electrical Meters and Distribution Lines – Shared Elements, Prorated	\$ 131,765	
<b>MSHDA Eligible Activities Subtotal</b>	<b>\$ 3,002,549</b>	
Contingency (15%)	\$ 450,382	
Interest Expense	\$ -	
Brownfield Plan/Work Plan Preparation	\$ 11,500	
Brownfield Plan/Work Plan Implementation (Authority Expense)	\$ 25,000	
<b>MSHDA Eligible Activities Total Costs</b>	<b>\$ 3,489,431</b>	

**Table 1 – Summary of Eligible Costs**  
 Act 381 Brownfield Plan  
 Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

**Local Only Eligible Activities Costs and Schedule**

Local Only Eligible Activities	Cost	Completion Season/Year
<b>Relocation of Public Buildings for Economic Development – TCAPS</b>	\$ 100,000	2023–2024
<i>Relocation of Public Buildings for Economic Development</i>	\$ 100,000	
<b>Authority Administration Fee (10%)</b>	\$ 172,271	
<b>Local Only Eligible Activities Subtotal</b>	<b>\$ 272,271</b>	
<b>Contingency (0%)</b>	<b>\$ -</b>	
<b>Interest Expense</b>	<b>\$ -</b>	
<b>Brownfield Plan/Work Plan Preparation (TCAPS)</b>	<b>\$ 7,000</b>	
<b>Local Only Eligible Activities Total Costs</b>	<b>\$ 279,271</b>	

Total Developer Eligible Activities	\$	3,909,181
Total TCAPS Eligible Activities	\$	107,000
Reimbursement to Authority	\$	222,271
Plan Total	\$	4,238,452

Table 2 – Total Captured Incremental Taxes Schedule  
 Act 381 Brownfield Plan  
 Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

Estimated Taxable Value (TV) Increase Rate: 1% increase per year

Plan Year	1	2	3	4	5	6	7	8	9	10
	Calendar Year	2026	2027	2028	2029	2030	2031	2032	2033	2034
	*Base Taxable Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated New TV at homestead rates (market rate residential)	\$ 2,400,000	\$ 2,424,000	\$ 2,448,240	\$ 2,472,722	\$ 2,497,450	\$ 2,522,424	\$ 2,547,648	\$ 2,573,125	\$ 2,598,856	\$ 2,624,845
Estimated New TV at non-homestead rates (on floor commercial and one floor rental)	\$ 100,000	\$ 1,200,000	\$ 1,212,000	\$ 1,224,120	\$ 1,236,361	\$ 1,248,725	\$ 1,261,212	\$ 1,273,824	\$ 1,286,562	\$ 1,299,428
Incremental Difference (New TV - Base TV)	\$ 2,500,000	\$ 3,624,000	\$ 3,660,240	\$ 3,696,842	\$ 3,733,811	\$ 3,771,149	\$ 3,808,860	\$ 3,846,949	\$ 3,885,419	\$ 3,924,273

School Capture	Millage Rate
State Education Tax (SET) - full building	6.0000 \$ 15,000 \$ 21,744 \$ 21,961 \$ 22,181 \$ 22,403 \$ 22,627 \$ 22,853 \$ 23,082 \$ 23,313 \$ 23,546
School Operating Tax - commercial only	18.0000 \$ 1,800 \$ 21,600 \$ 21,816 \$ 22,034 \$ 22,255 \$ 22,477 \$ 22,702 \$ 22,929 \$ 23,158 \$ 23,390
School Total	24.0000 \$ 16,800 \$ 43,344 \$ 43,777 \$ 44,215 \$ 44,657 \$ 45,104 \$ 45,555 \$ 46,011 \$ 46,471 \$ 46,935

Local Capture	Millage Rate
CITY	11.6322 \$ 29,081 \$ 42,155 \$ 42,577 \$ 43,002 \$ 43,432 \$ 43,867 \$ 44,305 \$ 44,748 \$ 45,196 \$ 45,648
CITY ACT 345	2.3200 \$ 5,800 \$ 8,408 \$ 8,492 \$ 8,577 \$ 8,662 \$ 8,749 \$ 8,837 \$ 8,925 \$ 9,014 \$ 9,104
CITY FIRE 2023	0.9884 \$ 2,471 \$ 3,582 \$ 3,618 \$ 3,654 \$ 3,690 \$ 3,727 \$ 3,765 \$ 3,802 \$ 3,840 \$ 3,879
COUNTY	4.6710 \$ 11,678 \$ 16,928 \$ 17,097 \$ 17,268 \$ 17,441 \$ 17,615 \$ 17,791 \$ 17,969 \$ 18,149 \$ 18,330
BATA	0.4726 \$ 1,182 \$ 1,713 \$ 1,730 \$ 1,747 \$ 1,765 \$ 1,782 \$ 1,800 \$ 1,818 \$ 1,836 \$ 1,855
NORTH ED(TBAISD)	2.8758 \$ 7,190 \$ 10,422 \$ 10,526 \$ 10,631 \$ 10,738 \$ 10,845 \$ 10,954 \$ 11,063 \$ 11,174 \$ 11,285
NMC - OPERATING	1.0165 \$ 2,541 \$ 3,684 \$ 3,721 \$ 3,758 \$ 3,795 \$ 3,833 \$ 3,872 \$ 3,910 \$ 3,950 \$ 3,989
COA	0.4739 \$ 1,185 \$ 1,717 \$ 1,735 \$ 1,752 \$ 1,769 \$ 1,787 \$ 1,805 \$ 1,823 \$ 1,841 \$ 1,860
COA - SENIOR CEN	0.0945 \$ 236 \$ 342 \$ 346 \$ 349 \$ 353 \$ 356 \$ 360 \$ 364 \$ 367 \$ 371
VETERANS	0.1135 \$ 284 \$ 411 \$ 415 \$ 420 \$ 424 \$ 428 \$ 432 \$ 437 \$ 441 \$ 445
ANIMAL CONTROL	0.0370 \$ 93 \$ 134 \$ 135 \$ 137 \$ 138 \$ 140 \$ 141 \$ 142 \$ 144 \$ 145
CONSERVATION	0.0958 \$ 240 \$ 347 \$ 351 \$ 354 \$ 358 \$ 361 \$ 365 \$ 369 \$ 372 \$ 376
ROAD COM	0.9734 \$ 2,434 \$ 3,528 \$ 3,563 \$ 3,599 \$ 3,634 \$ 3,671 \$ 3,708 \$ 3,745 \$ 3,782 \$ 3,820
LIBRARY - OPER	0.9044 \$ 2,261 \$ 3,278 \$ 3,310 \$ 3,343 \$ 3,377 \$ 3,411 \$ 3,445 \$ 3,479 \$ 3,514 \$ 3,549
NMC - OPERATING	1.0286 \$ 2,572 \$ 3,728 \$ 3,765 \$ 3,803 \$ 3,841 \$ 3,879 \$ 3,918 \$ 3,957 \$ 3,997 \$ 4,037
REC AUTH-OPER	0.1500 \$ 375 \$ 544 \$ 549 \$ 555 \$ 560 \$ 566 \$ 571 \$ 577 \$ 583 \$ 589
Local Total	27.8476 \$ 69,619 \$ 100,920 \$ 101,929 \$ 102,948 \$ 103,978 \$ 105,017 \$ 106,068 \$ 107,128 \$ 108,200 \$ 109,282

Non-Capturable Millages	Millage Rate
TCAPS - DEBT	3.1000 \$ 7,750 \$ 11,234 \$ 11,347 \$ 11,460 \$ 11,575 \$ 11,691 \$ 11,807 \$ 11,926 \$ 12,045 \$ 12,165
REC AUTH DEBT	0.2300 \$ 575 \$ 834 \$ 842 \$ 850 \$ 859 \$ 867 \$ 876 \$ 885 \$ 894 \$ 903
Non-Capturable Total	3.3300 \$ 8,325 \$ 12,068 \$ 12,189 \$ 12,310 \$ 12,434 \$ 12,558 \$ 12,684 \$ 12,810 \$ 12,938 \$ 13,068

Total Tax Increment Revenue (TIR) Available for Capture \$ 86,419 \$ 144,264 \$ 145,706 \$ 147,163 \$ 148,635 \$ 150,121 \$ 151,623 \$ 153,139 \$ 154,670 \$ 156,217

**NOTES:**

Millages are 2023 Winter and 2024 Summer.

Capture is anticipated to begin in 2026.

TVs are based on four market rate residential condominiums sold at \$1.2M each (total \$4.8M/2=\$2.4M TV) taxed at homestead rates and one floor commercial condo sold at \$1.2M plus one floor residential rental valued at \$1.2M, taxed at non-homestead rates. Total \$2.4M/2=\$1.2M TV.

Table 2 – Total Captured Incremental Taxes Schedule  
 Act 381 Brownfield Plan  
 Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

Estimated Taxable Value (TV) Increase Rate: 1% increase per year

Plan Year	11	12	13	14	15	16	17	18	19	20
	Calendar Year	2036	2037	2038	2039	2040	2041	2042	2043	2045
	*Base Taxable Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated New TV at homestead rates (market rate residential)	\$ 2,651,093	\$ 2,677,604	\$ 2,704,380	\$ 2,731,424	\$ 2,758,738	\$ 2,786,325	\$ 2,814,189	\$ 2,842,331	\$ 2,870,754	\$ 2,899,461
Estimated New TV at non-homestead rates (on floor commercial and one floor rental)	\$ 1,312,422	\$ 1,325,547	\$ 1,338,802	\$ 1,352,190	\$ 1,365,712	\$ 1,379,369	\$ 1,393,163	\$ 1,407,094	\$ 1,421,165	\$ 1,435,377
Incremental Difference (New TV - Base TV)	\$ 3,963,515	\$ 4,003,151	\$ 4,043,182	\$ 4,083,614	\$ 4,124,450	\$ 4,165,695	\$ 4,207,351	\$ 4,249,425	\$ 4,291,919	\$ 4,334,838

School Capture	Millage Rate
State Education Tax (SET) - full building	6.0000 \$ 23,781 \$ 24,019 \$ 24,259 \$ 24,502 \$ 24,747 \$ 24,994 \$ 25,244 \$ 25,497 \$ 25,752 \$ 26,009
School Operating Tax - commercial only	18.0000 \$ 23,624 \$ 23,860 \$ 24,098 \$ 24,339 \$ 24,583 \$ 24,829 \$ 25,077 \$ 25,328 \$ 25,581 \$ 25,837
School Total	24.0000 \$ 47,405 \$ 47,879 \$ 48,358 \$ 48,841 \$ 49,330 \$ 49,823 \$ 50,321 \$ 50,824 \$ 51,332 \$ 51,846

Local Capture	Millage Rate
CITY	11.6322 \$ 46,104 \$ 46,565 \$ 47,031 \$ 47,501 \$ 47,976 \$ 48,456 \$ 48,941 \$ 49,430 \$ 49,924 \$ 50,424
CITY ACT 345	2.3200 \$ 9,195 \$ 9,287 \$ 9,380 \$ 9,474 \$ 9,569 \$ 9,664 \$ 9,761 \$ 9,859 \$ 9,957 \$ 10,057
CITY FIRE 2023	0.9884 \$ 3,918 \$ 3,957 \$ 3,996 \$ 4,036 \$ 4,077 \$ 4,117 \$ 4,159 \$ 4,200 \$ 4,242 \$ 4,285
COUNTY	4.6710 \$ 18,514 \$ 18,699 \$ 18,886 \$ 19,075 \$ 19,265 \$ 19,458 \$ 19,653 \$ 19,849 \$ 20,048 \$ 20,248
BATA	0.4726 \$ 1,873 \$ 1,892 \$ 1,911 \$ 1,930 \$ 1,949 \$ 1,969 \$ 1,988 \$ 2,008 \$ 2,028 \$ 2,049
NORTH ED(TBAISD)	2.8758 \$ 11,398 \$ 11,512 \$ 11,627 \$ 11,744 \$ 11,861 \$ 11,980 \$ 12,100 \$ 12,220 \$ 12,343 \$ 12,466
NMC - OPERATING	1.0165 \$ 4,029 \$ 4,069 \$ 4,110 \$ 4,151 \$ 4,193 \$ 4,234 \$ 4,277 \$ 4,320 \$ 4,363 \$ 4,406
COA	0.4739 \$ 1,878 \$ 1,897 \$ 1,916 \$ 1,935 \$ 1,955 \$ 1,974 \$ 1,994 \$ 2,014 \$ 2,034 \$ 2,054
COA - SENIOR CEN	0.0945 \$ 375 \$ 378 \$ 382 \$ 386 \$ 390 \$ 394 \$ 398 \$ 402 \$ 406 \$ 410
VETERANS	0.1135 \$ 450 \$ 454 \$ 459 \$ 463 \$ 468 \$ 473 \$ 478 \$ 482 \$ 487 \$ 492
ANIMAL CONTROL	0.0370 \$ 147 \$ 148 \$ 150 \$ 151 \$ 153 \$ 154 \$ 156 \$ 157 \$ 159 \$ 160
CONSERVATION	0.0958 \$ 380 \$ 384 \$ 387 \$ 391 \$ 395 \$ 399 \$ 403 \$ 407 \$ 411 \$ 415
ROAD COM	0.9734 \$ 3,858 \$ 3,897 \$ 3,936 \$ 3,975 \$ 4,015 \$ 4,055 \$ 4,095 \$ 4,136 \$ 4,178 \$ 4,220
LIBRARY - OPER	0.9044 \$ 3,585 \$ 3,620 \$ 3,657 \$ 3,693 \$ 3,730 \$ 3,767 \$ 3,805 \$ 3,843 \$ 3,882 \$ 3,920
NMC - OPERATING	1.0286 \$ 4,077 \$ 4,118 \$ 4,159 \$ 4,200 \$ 4,242 \$ 4,285 \$ 4,328 \$ 4,371 \$ 4,415 \$ 4,459
REC AUTH-OPER	0.1500 \$ 595 \$ 600 \$ 606 \$ 613 \$ 619 \$ 625 \$ 631 \$ 637 \$ 644 \$ 650
Local Total	27.8476 \$ 110,374 \$ 111,478 \$ 112,593 \$ 113,719 \$ 114,856 \$ 116,005 \$ 117,165 \$ 118,336 \$ 119,520 \$ 120,715

Non-Capturable Millages	Millage Rate
TCAPS - DEBT	3.1000 \$ 12,287 \$ 12,410 \$ 12,534 \$ 12,659 \$ 12,786 \$ 12,914 \$ 13,043 \$ 13,173 \$ 13,305 \$ 13,438
REC AUTH DEBT	0.2300 \$ 912 \$ 921 \$ 930 \$ 939 \$ 949 \$ 958 \$ 968 \$ 977 \$ 987 \$ 997
Non-Capturable Total	3.3300 \$ 13,199 \$ 13,330 \$ 13,464 \$ 13,598 \$ 13,734 \$ 13,872 \$ 14,010 \$ 14,151 \$ 14,292 \$ 14,435

Total Tax Increment Revenue (TIR) Available for Capture \$ 157,779 \$ 159,357 \$ 160,950 \$ 162,560 \$ 164,186 \$ 165,827 \$ 167,486 \$ 169,161 \$ 170,852 \$ 172,561

**NOTES:**

Millages are 2023 Winter and 2024 Summer.

Capture is anticipated to begin in 2026.

TVs are based on four market rate residential condominiums sold at \$1.2M each (total \$4.8M/2=\$2.4M TV) taxed at homestead rates and one floor commercial condo sold at \$1.2M plus one floor residential rental valued at \$1.2M, taxed at non-homestead rates. Total \$2.4M/2=\$1.2M TV.

Table 2 – Total Captured Incremental Taxes Schedule  
 Act 381 Brownfield Plan  
 Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

Estimated Taxable Value (TV) Increase Rate: 1% increase per year

Plan Year	21	22	23	24	25	26	27	28	29	30	Totals
	Calendar Year	2046	2047	2048	2049	2050	2051	2052	2053	2054	
	*Base Taxable Value	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Estimated New TV at homestead rates (market rate residential)	\$ 2,928,456	\$ 2,957,741	\$ 2,987,318	\$ 3,017,191	\$ 3,047,363	\$ 3,077,837	\$ 3,108,615	\$ 3,139,701	\$ 3,171,098	\$ 3,202,809	
Estimated New TV at non-homestead rates (on floor commercial and one floor rental)	\$ 1,449,731	\$ 1,464,228	\$ 1,478,870	\$ 1,493,659	\$ 1,508,596	\$ 1,523,682	\$ 1,538,918	\$ 1,554,308	\$ 1,569,851	\$ 1,585,549	
Incremental Difference (New TV - Base TV)	\$ 4,378,187	\$ 4,421,969	\$ 4,466,188	\$ 4,510,850	\$ 4,555,959	\$ 4,601,518	\$ 4,647,534	\$ 4,694,009	\$ 4,740,949	\$ 4,788,358	
<b>School Capture</b>	<b>Millage Rate</b>										
State Education Tax (SET) - full building	6.0000	\$ 26,269	\$ 26,532	\$ 26,797	\$ 27,065	\$ 27,336	\$ 27,609	\$ 27,885	\$ 28,164	\$ 28,446	\$ 28,730
School Operating Tax - commercial only	18.0000	\$ 26,095	\$ 26,356	\$ 26,620	\$ 26,886	\$ 27,155	\$ 27,426	\$ 27,701	\$ 27,978	\$ 28,257	\$ 28,540
<b>School Total</b>	<b>24.0000</b>	<b>\$ 52,364</b>	<b>\$ 52,888</b>	<b>\$ 53,417</b>	<b>\$ 53,951</b>	<b>\$ 54,490</b>	<b>\$ 55,035</b>	<b>\$ 55,586</b>	<b>\$ 56,142</b>	<b>\$ 56,703</b>	<b>\$ 57,270</b>
<b>Local Capture</b>	<b>Millage Rate</b>										
CITY	11.6322	\$ 50,928	\$ 51,437	\$ 51,952	\$ 52,471	\$ 52,996	\$ 53,526	\$ 54,061	\$ 54,602	\$ 55,148	\$ 55,699
CITY ACT 345	2.3200	\$ 10,157	\$ 10,259	\$ 10,362	\$ 10,465	\$ 10,570	\$ 10,676	\$ 10,782	\$ 10,890	\$ 10,999	\$ 11,109
CITY FIRE 2023	0.9884	\$ 4,327	\$ 4,371	\$ 4,414	\$ 4,459	\$ 4,503	\$ 4,548	\$ 4,594	\$ 4,640	\$ 4,686	\$ 4,733
COUNTY	4.6710	\$ 20,451	\$ 20,655	\$ 20,862	\$ 21,070	\$ 21,281	\$ 21,494	\$ 21,709	\$ 21,926	\$ 22,145	\$ 22,366
BATA	0.4726	\$ 2,069	\$ 2,090	\$ 2,111	\$ 2,132	\$ 2,153	\$ 2,175	\$ 2,196	\$ 2,218	\$ 2,241	\$ 2,263
NORTH ED(TBAISD)	2.8758	\$ 12,591	\$ 12,717	\$ 12,844	\$ 12,972	\$ 13,102	\$ 13,233	\$ 13,365	\$ 13,499	\$ 13,634	\$ 13,770
NMC - OPERATING	1.0165	\$ 4,450	\$ 4,495	\$ 4,540	\$ 4,585	\$ 4,631	\$ 4,677	\$ 4,724	\$ 4,771	\$ 4,819	\$ 4,867
COA	0.4739	\$ 2,075	\$ 2,096	\$ 2,117	\$ 2,138	\$ 2,159	\$ 2,181	\$ 2,202	\$ 2,224	\$ 2,247	\$ 2,269
COA - SENIOR CEN	0.0945	\$ 414	\$ 418	\$ 422	\$ 426	\$ 431	\$ 435	\$ 439	\$ 444	\$ 448	\$ 452
VETERANS	0.1135	\$ 497	\$ 502	\$ 507	\$ 512	\$ 517	\$ 522	\$ 527	\$ 533	\$ 538	\$ 543
ANIMAL CONTROL	0.0370	\$ 162	\$ 164	\$ 165	\$ 167	\$ 169	\$ 170	\$ 172	\$ 174	\$ 175	\$ 177
CONSERVATION	0.0958	\$ 419	\$ 424	\$ 428	\$ 432	\$ 436	\$ 441	\$ 445	\$ 450	\$ 454	\$ 459
ROAD COM	0.9734	\$ 4,262	\$ 4,304	\$ 4,347	\$ 4,391	\$ 4,435	\$ 4,479	\$ 4,524	\$ 4,569	\$ 4,615	\$ 4,661
LIBRARY - OPER	0.9044	\$ 3,960	\$ 3,999	\$ 4,039	\$ 4,080	\$ 4,120	\$ 4,162	\$ 4,203	\$ 4,245	\$ 4,288	\$ 4,331
NMC - OPERATING	1.0286	\$ 4,503	\$ 4,548	\$ 4,594	\$ 4,640	\$ 4,686	\$ 4,733	\$ 4,780	\$ 4,828	\$ 4,877	\$ 4,925
REC AUTH-OPER	0.1500	\$ 657	\$ 663	\$ 670	\$ 677	\$ 683	\$ 690	\$ 697	\$ 704	\$ 711	\$ 718
<b>Local Total</b>	<b>27.8476</b>	<b>\$ 121,922</b>	<b>\$ 123,141</b>	<b>\$ 124,373</b>	<b>\$ 125,616</b>	<b>\$ 126,873</b>	<b>\$ 128,141</b>	<b>\$ 129,423</b>	<b>\$ 130,717</b>	<b>\$ 132,024</b>	<b>\$ 133,344</b>
<b>Non-Capturable Millages</b>	<b>Millage Rate</b>										
TCAPS - DEBT	3.1000	\$ 13,572	\$ 13,708	\$ 13,845	\$ 13,984	\$ 14,123	\$ 14,265	\$ 14,407	\$ 14,551	\$ 14,697	\$ 14,844
REC AUTH DEBT	0.2300	\$ 1,007	\$ 1,017	\$ 1,027	\$ 1,037	\$ 1,048	\$ 1,058	\$ 1,069	\$ 1,080	\$ 1,090	\$ 1,101
<b>Non-Capturable Total</b>	<b>3.3300</b>	<b>\$ 14,579</b>	<b>\$ 14,725</b>	<b>\$ 14,872</b>	<b>\$ 15,021</b>	<b>\$ 15,171</b>	<b>\$ 15,323</b>	<b>\$ 15,476</b>	<b>\$ 15,631</b>	<b>\$ 15,787</b>	<b>\$ 15,945</b>
<b>Total Tax Increment Revenue (TIR) Available for Capture</b>	<b>\$ 174,286</b>	<b>\$ 176,029</b>	<b>\$ 177,789</b>	<b>\$ 179,567</b>	<b>\$ 181,363</b>	<b>\$ 183,177</b>	<b>\$ 185,008</b>	<b>\$ 186,858</b>	<b>\$ 188,727</b>	<b>\$ 190,614</b>	<b>\$ 4,912,096</b>

**NOTES:**

Millages are 2023 Winter and 2024 Summer.

Capture is anticipated to begin in 2026.

TVs are based on four market rate residential condominiums sold at \$1.2M each (total \$4.8M/2=\$2.4M TV) taxed at homestead rates and one floor commercial condo sold at \$1.2M plus one floor residential rental valued at \$1.2M, taxed at non-homestead rates. Total \$2.4M/2=\$1.2M TV.

Table 3 – Estimated Reimbursement Schedule

Act 381 Brownfield Plan

Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	46.3%	\$ 1,001,818	\$ -	\$ 1,001,818
Local	53.7%	\$ 2,545,184	\$ 107,000	\$ 2,652,184
<b>TOTAL</b>				
EGLE	9.6%	\$ 351,499	\$ -	\$ 351,499
MEDC	2.9%	\$ -	\$ 107,000	\$ 107,000
MSHDA	87.5%	\$ 3,195,504	\$ -	\$ 3,195,504

Estimated Total Years of Plan:
30

Estimated Capture
Administrative Fees \$ 172,271
State Brownfield Redevelopment Fund \$ 300,756
Local Brownfield Revolving Fund \$ 785,068

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
Total State Incremental Revenue	\$ 16,800	\$ 43,344	\$ 43,777	\$ 44,215	\$ 44,657	\$ 45,104	\$ 45,555	\$ 46,011	\$ 46,471	\$ 46,935	\$ 47,405	\$ 47,879	\$ 48,358	\$ 48,841	\$ 49,330	
<b>State Brownfield Redevelopment Fund (50% of SET)</b>	<b>\$ 7,500</b>	<b>\$ 10,872</b>	<b>\$ 10,981</b>	<b>\$ 11,091</b>	<b>\$ 11,201</b>	<b>\$ 11,313</b>	<b>\$ 11,427</b>	<b>\$ 11,541</b>	<b>\$ 11,656</b>	<b>\$ 11,773</b>	<b>\$ 11,891</b>	<b>\$ 12,009</b>	<b>\$ 12,130</b>	<b>\$ 12,251</b>	<b>\$ 12,373</b>	
<b>State TIR Available for Reimbursement</b>	<b>\$ 9,300</b>	<b>\$ 32,472</b>	<b>\$ 32,797</b>	<b>\$ 33,125</b>	<b>\$ 33,456</b>	<b>\$ 33,790</b>	<b>\$ 34,128</b>	<b>\$ 34,470</b>	<b>\$ 34,814</b>	<b>\$ 35,163</b>	<b>\$ 35,514</b>	<b>\$ 35,869</b>	<b>\$ 36,228</b>	<b>\$ 36,590</b>	<b>\$ 36,956</b>	
Total Local Incremental Revenue	\$ 69,619	\$ 100,920	\$ 101,929	\$ 102,948	\$ 103,978	\$ 105,017	\$ 106,068	\$ 107,128	\$ 108,200	\$ 109,282	\$ 110,374	\$ 111,478	\$ 112,593	\$ 113,719	\$ 114,856	
<b>BRA Administrative Fee (5%)</b>	<b>\$ 3,481</b>	<b>\$ 5,046</b>	<b>\$ 5,096</b>	<b>\$ 5,147</b>	<b>\$ 5,199</b>	<b>\$ 5,251</b>	<b>\$ 5,303</b>	<b>\$ 5,356</b>	<b>\$ 5,410</b>	<b>\$ 5,464</b>	<b>\$ 5,519</b>	<b>\$ 5,574</b>	<b>\$ 5,630</b>	<b>\$ 5,686</b>	<b>\$ 5,743</b>	
<b>Local TIR Available for Reimbursement</b>	<b>\$ 66,138</b>	<b>\$ 95,874</b>	<b>\$ 96,832</b>	<b>\$ 97,801</b>	<b>\$ 98,779</b>	<b>\$ 99,767</b>	<b>\$ 100,764</b>	<b>\$ 101,772</b>	<b>\$ 102,790</b>	<b>\$ 103,817</b>	<b>\$ 104,856</b>	<b>\$ 105,904</b>	<b>\$ 106,963</b>	<b>\$ 108,033</b>	<b>\$ 109,113</b>	
<b>Total State &amp; Local TIR Available</b>	<b>\$ 75,438</b>	<b>\$ 128,346</b>	<b>\$ 129,629</b>	<b>\$ 130,925</b>	<b>\$ 132,235</b>	<b>\$ 133,557</b>	<b>\$ 134,893</b>	<b>\$ 136,242</b>	<b>\$ 137,604</b>	<b>\$ 138,980</b>	<b>\$ 140,370</b>	<b>\$ 141,774</b>	<b>\$ 143,191</b>	<b>\$ 144,623</b>	<b>\$ 146,069</b>	
<b>Authority</b>	Beginning Balance															
<b>Authority Reimbursement Balance</b>	<b>\$ 50,000</b>	<b>\$ 49,071</b>	<b>\$ 47,228</b>	<b>\$ 45,367</b>	<b>\$ 43,487</b>	<b>\$ 41,589</b>	<b>\$ 39,671</b>	<b>\$ 37,734</b>	<b>\$ 35,778</b>	<b>\$ 33,803</b>	<b>\$ 31,807</b>	<b>\$ 29,792</b>	<b>\$ 27,756</b>	<b>\$ 25,701</b>	<b>\$ 21,527</b>	
<b>BF/WP Implementation Costs</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 49,071</b>	<b>\$ 47,228</b>	<b>\$ 45,367</b>	<b>\$ 43,487</b>	<b>\$ 41,589</b>	<b>\$ 39,671</b>	<b>\$ 37,734</b>	<b>\$ 35,778</b>	<b>\$ 33,803</b>	<b>\$ 31,807</b>	<b>\$ 29,792</b>	<b>\$ 27,756</b>	<b>\$ 25,701</b>	<b>\$ 23,624</b>
State Tax Reimbursement	\$ 23,145	\$ 243	\$ 847	\$ 856	\$ 865	\$ 873	\$ 882	\$ 891	\$ 900	\$ 909	\$ 918	\$ 927	\$ 936	\$ 945	\$ 955	\$ 964
Local Tax Reimbursement	\$ 26,855	\$ 687	\$ 995	\$ 1,005	\$ 1,015	\$ 1,025	\$ 1,036	\$ 1,046	\$ 1,056	\$ 1,067	\$ 1,078	\$ 1,088	\$ 1,099	\$ 1,110	\$ 1,121	\$ 1,133
<b>Total Reimbursement Balance</b>	<b>\$ 49,071</b>	<b>\$ 47,228</b>	<b>\$ 45,367</b>	<b>\$ 43,487</b>	<b>\$ 41,589</b>	<b>\$ 39,671</b>	<b>\$ 37,734</b>	<b>\$ 35,778</b>	<b>\$ 33,803</b>	<b>\$ 31,807</b>	<b>\$ 29,792</b>	<b>\$ 27,756</b>	<b>\$ 25,701</b>	<b>\$ 23,624</b>	<b>\$ 21,527</b>	
<b>Total Annual Authority Reimbursement</b>	<b>\$ 929</b>	<b>\$ 1,843</b>	<b>\$ 1,861</b>	<b>\$ 1,880</b>	<b>\$ 1,899</b>	<b>\$ 1,918</b>	<b>\$ 1,937</b>	<b>\$ 1,956</b>	<b>\$ 1,976</b>	<b>\$ 1,995</b>	<b>\$ 2,015</b>	<b>\$ 2,035</b>	<b>\$ 2,056</b>	<b>\$ 2,076</b>	<b>\$ 2,097</b>	
<b>DEVELOPER</b>	Beginning Balance															
<b>Developer Reimbursement Balance</b>	<b>\$ 3,909,181</b>	<b>\$ 3,837,408</b>	<b>\$ 3,714,870</b>	<b>\$ 3,591,107</b>	<b>\$ 3,466,106</b>	<b>\$ 3,339,856</b>	<b>\$ 3,212,342</b>	<b>\$ 3,083,554</b>	<b>\$ 2,953,478</b>	<b>\$ 2,822,101</b>	<b>\$ 2,689,410</b>	<b>\$ 2,555,392</b>	<b>\$ 2,420,035</b>	<b>\$ 2,283,323</b>	<b>\$ 2,145,245</b>	<b>\$ 2,005,785</b>
<b>MSHDA Costs</b>	<b>\$ 3,464,431</b>	<b>\$ 3,464,431</b>	<b>\$ 3,398,073</b>	<b>\$ 3,286,346</b>	<b>\$ 3,173,502</b>	<b>\$ 3,059,530</b>	<b>\$ 2,944,418</b>	<b>\$ 2,828,155</b>	<b>\$ 2,710,729</b>	<b>\$ 2,592,128</b>	<b>\$ 2,472,342</b>	<b>\$ 2,351,358</b>	<b>\$ 2,229,164</b>	<b>\$ 2,105,749</b>	<b>\$ 1,981,099</b>	<b>\$ 1,855,202</b>
State Tax Reimbursement	\$ 1,603,668	\$ 7,607	\$ 26,562	\$ 26,828	\$ 27,096	\$ 27,367	\$ 27,641	\$ 27,917	\$ 28,196	\$ 28,478	\$ 28,763	\$ 29,051	\$ 29,341	\$ 29,635	\$ 29,931	\$ 30,230
Local Tax Reimbursement	\$ 1,860,763	\$ 58,750	\$ 85,164	\$ 86,016	\$ 86,876	\$ 87,745	\$ 88,622	\$ 89,509	\$ 90,404	\$ 91,308	\$ 92,221	\$ 93,143	\$ 94,075	\$ 95,015	\$ 95,965	\$ 96,925
<b>Total MSHDA Reimbursement Balance</b>	<b>\$ 3,398,073</b>	<b>\$ 3,286,346</b>	<b>\$ 3,173,502</b>	<b>\$ 3,059,530</b>	<b>\$ 2,944,418</b>	<b>\$ 2,828,155</b>	<b>\$ 2,710,729</b>	<b>\$ 2,592,128</b>	<b>\$ 2,472,342</b>	<b>\$ 2,351,358</b>	<b>\$ 2,229,164</b>	<b>\$ 2,105,749</b>	<b>\$ 1,981,099</b>	<b>\$ 1,855,202</b>	<b>\$ 1,728,047</b>	
<b>EGL Environmental Costs</b>	<b>\$ 444,750</b>	<b>\$ 444,750</b>	<b>\$ 439,334</b>	<b>\$ 428,524</b>	<b>\$ 417,604</b>	<b>\$ 406,576</b>	<b>\$ 395,438</b>	<b>\$ 384,188</b>	<b>\$ 372,825</b>	<b>\$ 361,349</b>	<b>\$ 349,759</b>	<b>\$ 338,052</b>	<b>\$ 326,228</b>	<b>\$ 314,286</b>	<b>\$ 302,225</b>	<b>\$ 290,043</b>
State Tax Reimbursement	\$ 205,873	\$ 1,450	\$ 5,062	\$ 5,113	\$ 5,164	\$ 5,216	\$ 5,268	\$ 5,320	\$ 5,374	\$ 5,427	\$ 5,482	\$ 5,537	\$ 5,592	\$ 5,648	\$ 5,704	\$ 5,761
Local Tax Reimbursement	\$ 238,877	\$ 3,966	\$ 5,749	\$ 5,806	\$ 5,864	\$ 5,923	\$ 5,982	\$ 6,042	\$ 6,102	\$ 6,163	\$ 6,225	\$ 6,287	\$ 6,350	\$ 6,414	\$ 6,478	\$ 6,543
<b>Total EGL Reimbursement Balance</b>	<b>\$ 439,334</b>	<b>\$ 428,524</b>	<b>\$ 417,604</b>	<b>\$ 406,576</b>	<b>\$ 395,438</b>	<b>\$ 384,188</b>	<b>\$ 372,825</b>	<b>\$ 361,349</b>	<b>\$ 349,759</b>	<b>\$ 338,052</b>	<b>\$ 326,228</b>	<b>\$ 314,286</b>	<b>\$ 302,225</b>	<b>\$ 290,043</b>	<b>\$ 277,739</b>	
<b>Total Annual Developer Reimbursement</b>	<b>\$ 71,773</b>	<b>\$ 122,538</b>	<b>\$ 123,763</b>	<b>\$ 125,001</b>	<b>\$ 126,251</b>	<b>\$ 127,513</b>	<b>\$ 128,788</b>	<b>\$ 130,076</b>	<b>\$ 131,377</b>	<b>\$ 132,691</b>	<b>\$ 134</b>					

Table 3 – Estimated Reimbursement Sched

Act 381 Brownfield Plan

Boardman Building Redevelopment 412 Webster Street, Traverse City, MI

\* Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from state and local TIR.

**Draft Table 4 – Detailed Project Budget Table**

Act 381 Brownfield Plan

Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

Project: rehab of former school administration building for mixed use. One floor market rate residential condos for sale; one floor office condo for sale; one floor rentals for residents at or below 100%. The income limited floor constitutes about 38% of the total square footage. Costs that are not solely for the benefit of the income limited residential are prorated to 38% of the total cost.

Eligibility: the property is a facility and will be used for housing. Developers will set rents for 12 units (out of 16 total) for 100% or below AMI. Four units will be market rate condos. One floor of office space is also proposed.

LL used below means Lower Level, the garden level which will be rentals for residents earning up to 100% AMI

12 rentals at 100% AMI or below; 5 market rate condos for sale. Prorate shared costs to 38% (based on SF of building at/below 100% AMI)	Total cost	LL total cost	Brownfield / housing TIF eligible amount - prorated at 38% for units at 100% AMI and below	Local only total	MSHDA + local total	EGLE + local total	Comment
Access control (security at each floor and access by key card)	\$ 75,000	\$ 28,500	\$ 28,500	\$ -	\$ 28,500	\$ -	Prorated
Garages for condo owners	\$ 200,000		\$ -	\$ -	\$ -	\$ -	For market rate residential condos only
Property acquisition	\$ 795,500	\$ 265,167	\$ -	\$ -	\$ -	\$ -	Includes bank fees, closing costs
Zoning Change, Site Plan, Permits	\$ 36,050	\$ 12,017	\$ -	\$ -	\$ -	\$ -	
Architecture, structural engineering	\$ 299,344	\$ 113,751	\$ 113,751	\$ -	\$ 113,751	\$ -	Prorated
Mechanical Design (plumbing, heating, HVAC)	\$ 62,000	\$ 23,560	\$ 23,560	\$ -	\$ 23,560	\$ -	Prorated
Building concrete / masonry	\$ 95,000	\$ 36,100	\$ 36,100	\$ -	\$ 36,100	\$ -	Prorated
Countertops LL only	\$ 18,000	\$ 18,000	\$ 18,000	\$ -	\$ 18,000	\$ -	100% - applies to LL only
Appliances LL only	\$ 23,000	\$ 23,000	\$ 23,000	\$ -	\$ 23,000	\$ -	100% - applies to LL only

**Draft Table 4 – Detailed Project Budget Table**

Act 381 Brownfield Plan

Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

12 rentals at 100% AMI or below; 5 market rate condos for sale. Prorate shared costs to 38% (based on SF of building at/below 100% AMI)	Total cost	LL total cost	Brownfield / housing TIF eligible amount - prorated at 38% for units at 100% AMI and below	Local only total	MSHDA + local total	EGLE + local total	Comment
Carpentry exterior	\$ 24,500	\$ 9,310	\$ 9,310	\$ -	\$ 9,310	\$ -	Prorated
Structural repairs	\$ 100,000	\$ 38,000	\$ 38,000	\$ -	\$ 38,000	\$ -	Prorated
Trim Carpentry LL only	\$ 58,000	\$ 58,000	\$ 58,000	\$ -	\$ 58,000	\$ -	100% - applies to LL only
Cabinetry LL only	\$ 62,000	\$ 62,000	\$ 62,000	\$ -	\$ 62,000	\$ -	100% - applies to LL only
Clearing, asphalt removal, grading	\$ 49,000	\$ 18,620	\$ 18,620	\$ -	\$ 18,620	\$ -	Prorated
Lead/asbestos abatement	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	\$ 85,000	\$ -	100% eligible (preapproved to \$250,000)
Demolition / Interior and Exterior excluding LL	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ -	Not included in TIF
Demo for lower level only	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	\$ 160,000	\$ -	100% - applies to LL only
Window and Exterior Door replacement excluding LL	\$ 471,500	\$ -	\$ -	\$ -	\$ -	\$ -	Not included in TIF
Doors and hardware LL only	\$ 38,000	\$ 38,000	\$ 38,000	\$ -	\$ 38,000	\$ -	100% - applies to LL only
Window replacement LL only	\$ 157,000	\$ 157,000	\$ 157,000	\$ -	\$ 157,000	\$ -	100% - applies to LL only
Sandblast, clean, seal walls LL only	\$ 98,000	\$ 98,000	\$ 98,000	\$ -	\$ 98,000	\$ -	100% - applies to LL only

**Draft Table 4 – Detailed Project Budget Table**

Act 381 Brownfield Plan

Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

12 rentals at 100% AMI or below; 5 market rate condos for sale. Prorate shared costs to 38% (based on SF of building at/below 100% AMI)	Total cost	LL total cost	Brownfield / housing TIF eligible amount - prorated at 38% for units at 100% AMI and below	Local only total	MSHDA + local total	EGLE + local total	Comment
Drywall / wall construction LL only	\$ 105,000	\$ 105,000	\$ 105,000	\$ -	\$ 105,000	\$ -	100% - applies to LL only
Elevator	\$ 325,000	\$ 123,500	\$ 123,500	\$ -	\$ 123,500	\$ -	Prorated
Environmental due care (VI mitigation)	\$ 225,000	\$ 225,000	\$ 225,000	\$ -	\$ -	\$ 225,000	100% eligible
Environmental Due Diligence (includes MSHDA Phase I, ResAP, and DDCC)	\$ 117,000	\$ 117,000	\$ 117,000	\$ -	\$ -	\$ 117,000	Preapproved/100% eligible
Environmental due care (contaminated soil sampling for landfill, transport, and disposal)	\$ 50,000	\$ 50,000	\$ 50,000			\$ 50,000	100% eligible
Concrete for lobby	\$ 30,500	\$ 11,590	\$ 11,590	\$ -	\$ 11,590	\$ -	Prorated
Concrete / sand fill for LL	\$ 149,000	\$ 149,000	\$ 149,000	\$ -	\$ 149,000	\$ -	100% - applies to LL only
Floor finishing LL only	\$ 64,000	\$ 64,000	\$ 64,000	\$ -	\$ 64,000	\$ -	100% - applies to LL only
Specialty items (fire extinguishers, mirrors, grab bars, mail boxes, etc.)	\$ 10,000	\$ 3,800	\$ 3,800	\$ -	\$ 3,800	\$ -	Prorated
General Conditions and Project Management	\$ 401,850	\$ 152,703	\$ 152,703	\$ -	\$ 152,703	\$ -	Prorated

**Draft Table 4 – Detailed Project Budget Table**

Act 381 Brownfield Plan

Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

12 rentals at 100% AMI or below; 5 market rate condos for sale. Prorate shared costs to 38% (based on SF of building at/below 100% AMI)	Total cost	LL total cost	Brownfield / housing TIF eligible amount - prorated at 38% for units at 100% AMI and below	Local only total	MSHDA + local total	EGLE + local total	Comment
General trades	\$ 107,500	\$ 40,850	\$ 40,850	\$ -	\$ 40,850	\$ -	Prorated
HVAC not incl LL	\$ 1,160,000	\$ -	\$ -	\$ -	\$ -	\$ -	Not included in TIF
HVAC LL only	\$ 420,000	\$ 420,000	\$ 420,000	\$ -	\$ 420,000	\$ -	100% - applies to LL only
Painting LL only	\$ 65,000	\$ 65,000	\$ 65,000	\$ -	\$ 65,000	\$ -	100% - applies to LL only
Window shades LL only	\$ 8,000	\$ 8,000	\$ 8,000	\$ -	\$ 8,000	\$ -	100% - applies to LL only
Fire suppression system	\$ 208,500	\$ 79,230	\$ 79,230	\$ -	\$ 79,230	\$ -	Prorated
Fire alarms	\$ 20,000	\$ 7,600	\$ 7,600	\$ -	\$ 7,600	\$ -	Prorated
Rough Plumbing LL only	\$ 69,000	\$ 69,000	\$ 69,000	\$ -	\$ 69,000	\$ -	100% - applies to LL only
Electrical LL only	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ 247,000	\$ -	100% - applies to LL only
Finish Plumbing LL only	\$ 132,500	\$ 132,500	\$ 132,500	\$ -	\$ 132,500	\$ -	100% - applies to LL only
Insulation	\$ 28,000	\$ 10,640	\$ 10,640	\$ -	\$ 10,640	\$ -	Prorated

**Draft Table 4 – Detailed Project Budget Table**

## Act 381 Brownfield Plan

Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

12 rentals at 100% AMI or below; 5 market rate condos for sale. Prorate shared costs to 38% (based on SF of building at/below 100% AMI)	Total cost	LL total cost	Brownfield / housing TIF eligible amount - prorated at 38% for units at 100% AMI and below	Local only total	MSHDA + local total	EGLE + local total	Comment
Lower level roof repair	\$ 22,000	\$ 22,000	\$ 22,000	\$ -	\$ 22,000	\$ -	100% - applies to LL only
Boiler removal / roof cutout	\$ 24,000	\$ 24,000	\$ 24,000	\$ -	\$ 24,000	\$ -	100% - applies to LL only
Building roof and façade	\$ 93,500	\$ 35,530	\$ 35,530	\$ -	\$ 35,530	\$ -	Prorated
New asphalt parking lot	\$ 93,500	\$ 35,530	\$ 35,530	\$ -	\$ 35,530	\$ -	Prorated
Site concrete and paving	\$ 103,000	\$ 39,140	\$ 39,140	\$ -	\$ 39,140	\$ -	Prorated
Landscape and irrigation	\$ 25,000	\$ 9,500	\$ 9,500	\$ -	\$ 9,500	\$ -	Prorated
Water line for fire suppression	\$ 55,000	\$ 20,900	\$ 20,900	\$ -	\$ 20,900	\$ -	Prorated
Site work / utilities	\$ 68,500	\$ 26,030	\$ 26,030	\$ -	\$ 26,030	\$ -	Prorated
Electrical meters / distribution	\$ 160,000	\$ 131,765	\$ 131,765	\$ -	\$ 131,765	\$ -	Prorated 1 meter per unit = \$160,000/17, 12 units are 100% AMI rentals
Survey	\$ 5,000	\$ 1,900	\$ 1,900	\$ -	\$ 1,900	\$ -	Prorated
<b>Subtotal</b>	<b>\$ 7,679,244</b>	<b>\$ 3,671,732</b>	<b>\$ 3,394,548</b>	<b>\$ -</b>	<b>\$ 3,002,548</b>	<b>\$ 392,000</b>	
Simple Interest on eligible activities	\$ 1,833,230	\$ 611,077	\$ -	\$ -	\$ -	\$ -	2.5% Local-only interest, 5% interest on State portion of costs
2 Years construction loan interest	\$ 225,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	

**Draft Table 4 – Detailed Project Budget Table**

Act 381 Brownfield Plan

Boardman Building Redevelopment, 412 Webster Street, Traverse City, MI

12 rentals at 100% AMI or below; 5 market rate condos for sale. Prorate shared costs to 38% (based on SF of building at/below 100% AMI)	Total cost	LL total cost	Brownfield / housing TIF eligible amount - prorated at 38% for units at 100% AMI and below	Local only total	MSHDA + local total	EGLE + local total	Comment
Brownfield plan, work plan, legal costs associated with brownfield	\$ 30,000	\$ 30,000	\$ 30,000	\$ 7,000	\$ 11,500	\$ 11,500	Not prorated. Cost to be split w TCAPS; reimbursement to each; no contingency
15% Contingency (on eligible costs only)	\$ 1,134,337	\$ 491,632	\$ 491,632	\$ -	\$ 450,382	\$ 41,250	
<b>Subtotal</b>	<b>\$ 10,901,811</b>	<b>\$ 4,879,441</b>	<b>\$ 3,916,181</b>	<b>\$ 7,000</b>	<b>\$ 3,464,431</b>	<b>\$ 444,750</b>	
Authority implementation	\$ 50,000		\$ 50,000	\$ -	\$ 25,000	\$ 25,000	
TCAPS moving expenses (local only)	\$ 100,000		\$ 100,000	\$ 100,000	\$ -	\$ -	Would be local only lookback, no contingency
<b>Authority Administration (local only)</b>	<b>\$ 172,271</b>		<b>\$ 172,271</b>	<b>\$ 172,271</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Authority LBRF</b>	<b>\$ 785,068</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 620,967</b>	<b>\$ 164,101</b>	
<b>TOTAL plan cost</b>	<b>\$ 12,009,150</b>	<b>\$ 4,879,441</b>	<b>\$ 4,238,452</b>	<b>\$ 279,271</b>	<b>\$ 4,110,398</b>	<b>\$ 633,851</b>	

Proforma total cost: \$9,068,581

Total BF Plan:

\$ 4,238,452

Total Reimbursed

\$ 3,497,002 Developer - Anticipated to be Reimbursed  
 \$ 412,179 Developer - Not Anticipated to be Reimbursed  
 \$ 107,000 TCAPS  
 \$ 222,271 Authority

# Appendix 1

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**City of Traverse City**

**Office of the City Clerk**

GOVERNMENTAL CENTER  
400 Boardman Avenue  
Traverse City, MI 49684  
(231) 922-4480  
tcclerk@traversecitymi.gov



**Resolution of Concurrence  
Brownfield Plan For  
The Boardman Building Redevelopment  
412 Webster Street, Traverse City**

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 properties identified as a “facility”, blighted, functionally obsolete, historic resource, or “housing property” through tax increment financing of eligible environmental and housing development eligible activities; and

WHEREAS, The Grand Traverse County Board of Commissioners established the Grand Traverse County Brownfield Redevelopment Authority in 1997; and

WHEREAS, The Grand Traverse County Brownfield Redevelopment Authority will review the Brownfield Plan for the redevelopment of The Boardman Building Redevelopment located at 412 Webster Street, Traverse City, MI 49686 (Parcel ID: 28-51-798-059-00) “Property” for attainable / workforce housing at their September 12, 2024 meeting, with anticipated approval of the Brownfield Plan and recommendation of approval by the Grand Traverse County Board of Commissioners, following the concurrence by the City of Traverse City Commission; and

WHEREAS, Act 381 requires the concurrence of the local unit of government in which the Brownfield project is located for Brownfield Plans under County Brownfield Redevelopment Authorities, and the Property is located in the City of Traverse City; and

WHEREAS, A public hearing will be held by the Grand Traverse County Board of Commissioners on October 16th, 2024 and will consider the adoption of the Boardman Building Redevelopment Brownfield Plan at their regular meeting on October 16th, 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 City of Traverse City Commission hereby concurs and determines that the Brownfield Plan constitutes a public purpose and benefit to the citizens of the City of Traverse City, as described in the Boardman Building Redevelopment Brownfield Plan Redevelopment located in the City of Traverse City.

YEAS: 7

NAYS: 0

I hereby certify that the above Resolution was adopted by the City Commission of the City of Traverse City at its regular meeting held on September 3, 2024, in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.



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Benjamin Marentette, City Clerk

## **R E S O L U T I O N**

### **APPROVAL OF A BROWNFIELD PLAN FOR GRAND TRAVERSE COUNTY PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS OF THE STATE OF MICHIGAN OF 1996, AS AMENDED**

#### **Boardman Building Redevelopment Brownfield Plan Traverse City, Grand Traverse County, Michigan**

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 properties identified as a facility, blighted, functionally obsolete, historic resource, or housing property through tax increment financing of eligible environmental and housing development eligible activities; and

WHEREAS, The Grand Traverse County Board of Commissioners established the Grand Traverse County Brownfield Redevelopment Authority in 1997 and appointed its members; and

WHEREAS, a Brownfield Plan has been prepared and submitted for the redevelopment of the Boardman Building located at 412 Webster Street, Traverse City, MI 49686 that outlines the qualifications, costs, impacts, and incentives for the project for reimbursement from Brownfield Tax Increment Financing revenues with the adoption of the Brownfield Plan inclusive of state and local property taxes; and

WHEREAS, the Grand Traverse County Brownfield Redevelopment Authority (Authority) met at a regular meeting on September 12<sup>th</sup>, 2024 and reviewed the Brownfield Plan for the Boardman Building Redevelopment in the City of Traverse City, Grand Traverse County, Michigan; and,

WHEREAS, the properties on which the Brownfield Plan is based are located within the City of Traverse City; and,

WHEREAS, Pursuant to Act 381, concurrence was approved by the City of Traverse City Commissioners on September 3rd, 2024; and

WHEREAS, A public hearing on the Brownfield Plan by the Grand Traverse County Board of Commissioners will be noticed and anticipated to be held on October 16<sup>th</sup>, 2024 and notice to taxing jurisdictions will be provided in compliance with the requirements of Act 381.

WHEREAS, the Brownfield Plan will be considered by the Grand Traverse County Board of Commissioners following the notice and public hearing requirements set forth in Act 381 on October 16<sup>th</sup>, 2024.

NOW, THEREFORE, BE IT RESOLVED, THAT:

The Authority recommends approval of the Brownfield Plan, subject to approval as to substance by the GTCBRA Director and as to form by GTCBRA Counsel, based on the following conclusions:

1. The Brownfield Plan constitutes a public purpose and will facilitate investment and redevelopment of the properties described in the Brownfield Plan by:
  - a. Providing attainable / workforce housing
  - b. Increasing tax base
  - c. Redeveloping a contaminated underutilized property
2. The Brownfield Plan is consistent with the requirements of Section 14(1) of Act 381 (MCL 125.2664), in particular:
  - a. The Brownfield Plan provides all the information required in Section 13 of Act 381 (MCL.2663).
  - b. Eligible Activity costs will be reimbursed to the eligible parties identified in the Development and Reimbursement Agreement through the capture of tax increment revenue.
  - c. The costs of Eligible Activities proposed are reasonable and necessary to carry out the purposes of Act 381.
3. This Brownfield Plan also contemplates the capture of tax increment revenue derived from “taxes levied for school operating purposes” (as defined by Section 2(ggg) of Act 381 and hereinafter referred to as “School Taxes”), the Developer acknowledges and agrees that GTCBRA’s obligation to reimburse the Developer for the cost of eligible activities with tax increment revenue derived from Local Taxes (as these capitalized terms are defined by Act 381) is contingent upon: (i) the Developer receiving at least the initial applicable work plan approvals by the Michigan State Housing Development Authority (“MSHDA”) and EGLE as may be required pursuant to Act 381, within 270 days after the date this Plan is approved by the governing body (or such other date as the GTCBRA may agree to in writing); or (ii) the Developer providing the GTCBRA with evidence, satisfactory to GTCBRA, that the Developer has the financial means to complete the Project without the capture of, and subsequent reimbursement with, the contemplated School Taxes.

AYES:5

NAYES:0

ABSTENSIONS:0

RESOLUTION DECLARED Approved on this 12<sup>th</sup> day of September, 2024.

Signed by:



22EB3A88644E4D8

Amanda Scott, Chairperson



## Resolution 69-2024

Date: October 16, 2024

### **Boardman Building Redevelopment Brownfield Plan City of Traverse City Grand Traverse County, Michigan**

**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 sites identified as a facility, blighted, functionally obsolete, historically designated, or housing property through tax increment financing of certain eligible activities; and

**WHEREAS**, The Grand Traverse County Board of Commissioners established the Grand Traverse County Brownfield Redevelopment Authority in 1997; and

**WHEREAS**, The Grand Traverse County Brownfield Redevelopment Authority has reviewed the Brownfield Plan for the Boardman Building Brownfield Plan Redevelopment Project located at 412 Webster Street (Parcel ID: 28-51-798-059-00) property located in the City of Traverse City at their September 12th, 2024 meeting and recommends approval by the Grand Traverse County Board of Commissioners and concurrence by the City of Traverse City Commission; and

**WHEREAS**, The City of Traverse City Commission reviewed the Brownfield Plan at their September 3rd, 2024 meeting and concurs with the Brownfield Plan, as required by Act 381; and

**WHEREAS**, The Grand Traverse County Board of Commissioners has determined that the Brownfield Plan constitutes a public purpose of providing attainable/ workforce housing, redevelopment of a contaminated underutilized property, increased private investment and economic development and increased property tax value; and

**WHEREAS**, A public hearing on the Brownfield Plan has been noticed and held on October 16th, 2024, and notice to taxing jurisdictions has been provided in compliance with the requirements of Act 381;

**NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF COMMISSIONERS, THAT WHEREAS**, The Grand Traverse 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 arranged by the private developers is feasible and the Brownfield Authority will not arrange financing, as described in Section 2.4 and Section 2.5 of the Brownfield Plan.
- c. The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381, including the Department of Environment, Great Lakes and Energy (EGLE) department specific activities inclusive of baseline environmental assessment (BEA), due care and response activities; and Michigan State Housing Development Authority (MSHDA) housing development activities to support the inclusion of workforce housing in the development, inclusive of demolition, site preparation, infrastructure, qualified rehabilitation of workforce rental housing, Brownfield Plan and Act 381 Work Plan development and implementation. These cost estimates are based on evaluation from certified professionals, experience in comparable projects, and preliminary discussions with reputable companies, as described on in Table 1 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 Brownfield 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 Grand Traverse 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 Grand Traverse County Board of Commissioners hereby approves the Brownfield Plan for the Boardman Building Redevelopment Project in the City of Traverse City.

# Appendix 2

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Development and Reimbursement Agreement Pending

# Appendix 3

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Notice to Taxing Jurisdictions Pending

# Appendix 4

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Notice of Public Hearing Pending

# Appendix 5

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## ADDENDUM G: GRAND TRAVERSE COUNTY OVERVIEW

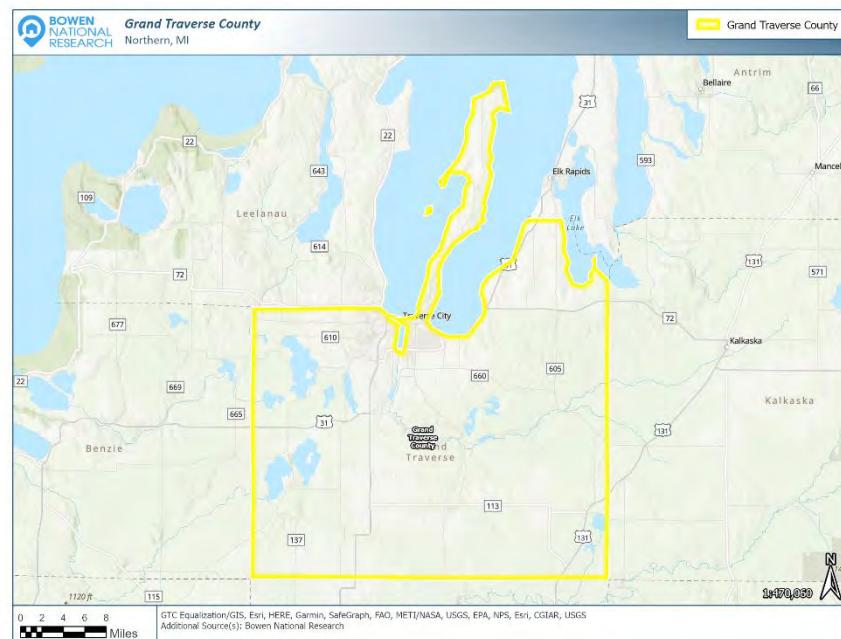
While the primary focus of this Housing Needs Assessment is on the Northern Michigan Region, this section of the report includes a cursory overview of demographic and housing metrics of Grand Traverse County. To provide a base of comparison, various metrics of Grand Traverse County were compared with overall statewide numbers. A comparison of the subject county in relation with other counties in the state is provided in the Regional Overview portion of the Northern Michigan Housing Needs Assessment.

The analyses on the following pages provide overviews of key demographic data, summaries of the multifamily rental market and for-sale housing supply, and general conclusions on the housing needs of the area. It is important to note that the demographic projections included in this section assume no significant government policies, programs or incentives are enacted that would drastically alter residential development or economic activity.

### A. INTRODUCTION

Grand Traverse County is located in the northwestern portion of the Lower Peninsula of Michigan along the southern shore of Grand Traverse Bay. Grand Traverse County contains approximately 490.29 square miles and has an estimated population of 96,832 for 2022, which is representative of approximately 31.1% of the total population for the 10-county Northern Michigan Region. Traverse City serves as the county seat and is accessible via State Route 37 and U.S. Highway 31 in the northern portion of the county. Other notable population centers within the county include the villages of Fife Lake and Kingsley as well as the charter townships of East Bay, Garfield, and Long Lake. Major arterials that serve the county include U.S. Highways 31 and 131, as well as State Routes 22, 37, 72, 113, and 186.

A map illustrating Grand Traverse County is below.



## B. DEMOGRAPHICS

This section of the report evaluates key demographic characteristics for Grand Traverse County. Demographic comparisons provide insights into the human composition of housing markets.

Population by numbers and percent change (growth or decline) for selected years is shown in the following table. It should be noted that some total numbers and percentages may not match the totals within or between tables in this section due to rounding. Note that declines are illustrated in **red** text, while increases are illustrated in **green** text:

	Total Population									
	2010 Census	2020 Census	Change 2010-2020		2022 Estimated	Change 2020-2022		2027 Projected	Change 2022-2027	
			Number	Percent		Number	Percent		Number	Percent
<b>Grand Traverse</b>	86,986	95,238	<b>8,252</b>	<b>9.5%</b>	96,832	<b>1,594</b>	<b>1.7%</b>	98,662	<b>1,830</b>	<b>1.9%</b>
<b>Region</b>	297,912	310,802	<b>12,890</b>	<b>4.3%</b>	311,690	<b>888</b>	<b>0.3%</b>	313,166	<b>1,476</b>	<b>0.5%</b>
<b>Michigan</b>	9,883,297	10,077,094	<b>193,797</b>	<b>2.0%</b>	10,077,929	<b>835</b>	<b>0.0%</b>	10,054,166	<b>-23,763</b>	<b>-0.2%</b>

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the population within Grand Traverse County increased by 8,252 (9.5%). This increase in population for Grand Traverse County is significantly higher than the 4.3% population growth within the PSA, and 2.0% growth in the state during this time period. In 2022, the estimated total population of Grand Traverse County is 96,832, which comprises 31.1% of the total PSA population. Between 2022 and 2027, the population of Grand Traverse County is projected to increase by 1,830 (1.9%), which is a notably higher projected growth rate than the PSA (0.5%) and contrasts the decline (0.2%) in the state during this time. It is critical to point out that *household* changes, as opposed to population, are more material in assessing housing needs and opportunities. As illustrated on the following page, Grand Traverse County is projected to have a 2.3% increase in households between 2022 and 2027.

Other notable population statistics for Grand Traverse County include the following:

- Minorities comprise 9.2% of the county's population, which is higher than the Northern Michigan Region share of 8.7% and lower than the statewide share of 26.1%.
- Married persons represent more than half (53.8%) of the adult population, which is comparable to the share reported for the Northern Michigan Region (55.3%) and slightly higher than the state of Michigan (49.0%).
- The adult population without a high school diploma is 3.9%, which is lower than the shares reported for the Northern Michigan Region (6.1%) and the state of Michigan (7.7%).
- Approximately 10.3% of the population lives in poverty, which is similar to the Northern Michigan Region share of 10.7% and below the statewide share of 13.7%.

- The annual movership rate (population moving within or to Grand Traverse County) is 13.9%, which is higher than the shares for the Northern Michigan Region (12.1%) and the state of Michigan (13.4%).

Households by numbers and percent change (growth or decline) for selected years are shown in the following table. Note that declines are illustrated in **red** text, while increases are illustrated in **green** text:

	Total Households									
	2010 Census	2020 Census	Change 2010-2020		2022 Estimated	Change 2020-2022		2027 Projected	Change 2022-2027	
			Number	Percent		Number	Percent		Number	Percent
<b>Grand Traverse</b>	35,328	39,819	<b>4,491</b>	<b>12.7%</b>	40,604	<b>785</b>	<b>2.0%</b>	41,553	<b>949</b>	<b>2.3%</b>
<b>Region</b>	122,388	131,151	<b>8,763</b>	<b>7.2%</b>	131,968	<b>817</b>	<b>0.6%</b>	133,293	<b>1,325</b>	<b>1.0%</b>
<b>Michigan</b>	3,872,302	4,041,552	<b>169,250</b>	<b>4.4%</b>	4,055,460	<b>13,908</b>	<b>0.3%</b>	4,067,324	<b>11,864</b>	<b>0.3%</b>

Source: 2010, 2020 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2010 and 2020, the number of households within Grand Traverse County increased by 4,491 (12.7%), which represents a much greater rate of increase compared to the region (7.2%) and state (4.4%). In 2022, there is an estimated total of 40,604 households in Grand Traverse County, which represents a 2.0% increase in households compared to 2020. In total, the households within Grand Traverse County account for 30.8% of all households within the region. Between 2022 and 2027, the number of households in Grand Traverse County is projected to increase by 949 (2.3%), at which time the estimated total number of households will be 41,553. The projected increase in households within Grand Traverse County over the next five years is notably higher than the projected rate of increase in households for the region (1.0%) and the state (0.3%).

It should be noted that household growth alone does not dictate the total housing needs of a market. Factors such as households living in substandard or cost-burdened housing, people commuting into the county for work, pent-up demand, availability of existing housing, and product in the development pipeline all affect housing needs. These factors are addressed throughout this report.

Household heads by age cohorts for selected years are shown in the following table. Note that five-year declines are in red, while increases are in green:

		Household Heads by Age						
		<25	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+
Grand Traverse	2010	1,354 (3.8%)	4,734 (13.4%)	5,660 (16.0%)	7,840 (22.2%)	7,253 (20.5%)	4,242 (12.0%)	4,245 (12.0%)
	2022	1,177 (2.9%)	5,515 (13.6%)	6,015 (14.8%)	6,495 (16.0%)	8,539 (21.0%)	7,476 (18.4%)	5,387 (13.3%)
	2027	1,181 (2.8%)	5,225 (12.6%)	6,424 (15.5%)	6,402 (15.4%)	7,504 (18.1%)	8,187 (19.7%)	6,630 (16.0%)
	Change 2022-2027	4 (0.3%)	-290 (-5.3%)	409 (6.8%)	-93 (-1.4%)	-1,035 (-12.1%)	711 (9.5%)	1,243 (23.1%)
Region	2010	3,841 (3.1%)	13,648 (11.2%)	18,314 (15.0%)	26,363 (21.5%)	26,039 (21.3%)	18,114 (14.8%)	16,069 (13.1%)
	2022	3,249 (2.5%)	15,367 (11.6%)	17,843 (13.5%)	20,514 (15.5%)	28,678 (21.7%)	26,939 (20.4%)	19,378 (14.7%)
	2027	3,134 (2.4%)	14,210 (10.7%)	18,674 (14.0%)	19,693 (14.8%)	25,393 (19.1%)	29,053 (21.8%)	23,136 (17.4%)
	Change 2022-2027	-115 (-3.5%)	-1,157 (-7.5%)	831 (4.7%)	-821 (-4.0%)	-3,285 (-11.5%)	2,114 (7.8%)	3,758 (19.4%)
Michigan	2010	170,982 (4.4%)	525,833 (13.6%)	678,259 (17.5%)	844,895 (21.8%)	746,394 (19.3%)	463,569 (12.0%)	442,370 (11.4%)
	2022	150,466 (3.7%)	572,672 (14.1%)	630,554 (15.5%)	677,148 (16.7%)	814,827 (20.1%)	695,910 (17.2%)	513,883 (12.7%)
	2027	144,849 (3.6%)	535,146 (13.2%)	653,008 (16.1%)	642,114 (15.8%)	736,410 (18.1%)	749,254 (18.4%)	606,543 (14.9%)
	Change 2022-2027	-5,617 (-3.7%)	-37,526 (-6.6%)	22,454 (3.6%)	-35,034 (-5.2%)	-78,417 (-9.6%)	53,344 (7.7%)	92,660 (18.0%)

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, household heads between the ages of 55 and 64 within Grand Traverse County comprise the largest share of all households (21.0%). Household heads between the ages of 65 and 74 (18.4%) and those between the ages of 45 and 54 (16.0%) comprise the next largest shares of the total households in Grand Traverse County. Overall, senior households (age 55 and older) constitute over half (52.7%) of all households within Grand Traverse County. This is a smaller share of senior households as compared to the Northern Michigan Region (56.8%) and a slightly higher share compared to the state of Michigan (50.0%). Household heads under the age of 35, which are typically more likely to be renters or first-time homebuyers, comprise 16.5% of all Grand Traverse County households, which represents a slightly larger share of such households when compared to the region (14.1%) and a smaller share compared to the state (17.8%). Between 2022 and 2027, household growth within Grand Traverse County is projected to occur primarily among the age cohorts of 35 to 44 years and 65 years and older, although the marginal growth (0.3%) among households under the age of 25 is noteworthy. The most significant growth will occur among households ages 75 and older, with Grand Traverse County experiencing a 23.1% increase within this age cohort. Households between the ages of 25 and 34 and those between the ages of 45 and 64 are projected to decline over the next five years.

Households by tenure (renter and owner) for selected years are shown in the following table. Note that 2027 numbers which represent a decrease from 2022 are illustrated in red text, while increases are illustrated in green text:

Household Type	Households by Tenure							
	2000		2010		2022		2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grand Traverse	Owner-Occupied	27,337	77.4%	26,489	75.0%	30,425	74.9%	31,516 <span style="color: green;">75.8%</span>
	Renter-Occupied	7,991	22.6%	8,839	25.0%	10,179	25.1%	10,037 <span style="color: red;">24.2%</span>
	Total	35,328	100.0%	35,328	100.0%	40,604	100.0%	41,553 <span style="color: green;">100.0%</span>
Region	Owner-Occupied	98,506	80.5%	96,114	78.5%	105,039	79.6%	106,857 <span style="color: green;">80.2%</span>
	Renter-Occupied	23,882	19.5%	26,274	21.5%	26,929	20.4%	26,436 <span style="color: red;">19.8%</span>
	Total	122,388	100.0%	122,388	100.0%	131,968	100.0%	133,293 <span style="color: green;">100.0%</span>
Michigan	Owner-Occupied	2,857,499	73.8%	2,793,208	72.1%	2,895,751	71.4%	2,936,335 <span style="color: green;">72.2%</span>
	Renter-Occupied	1,014,803	26.2%	1,079,094	27.9%	1,159,709	28.6%	1,130,990 <span style="color: red;">27.8%</span>
	Total	3,872,302	100.0%	3,872,302	100.0%	4,055,460	100.0%	4,067,325 <span style="color: green;">100.0%</span>

Source: 2000 Census; 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, Grand Traverse County has a 74.9% share of owner households and a 25.1% share of renter households. Overall, Grand Traverse County has a lower share of owner households as compared to the Northern Michigan Region (79.6%), but a slightly higher share of owner households compared to the state (71.4%). Overall, Grand Traverse County renter households represent 37.8% of all renter households within the Northern Michigan Region. Between 2022 and 2027, the number of owner households in Grand Traverse County is projected to increase by 1,091 households (3.6%), while the number of renter households is projected to decrease by 142 households (1.4%). The increase among owner households in Grand Traverse County will likely contribute to an increase in demand within the for-sale housing market over the next five years.

Median household income for selected years is shown in the following table:

	Median Household Income				
	2010 Census	2022 Estimated	% Change 2010-2022	2027 Projected	% Change 2022-2027
Grand Traverse	\$45,681	\$69,310	51.7%	\$77,541	11.9%
Region	\$44,261	\$63,085	42.5%	\$71,177	12.8%
Michigan	\$46,042	\$65,507	42.3%	\$75,988	16.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, the estimated median household income in Grand Traverse County is \$69,310. Between 2010 and 2022, the county experienced a significant increase (51.7%) in median household income. The increase in Grand Traverse County was larger than the increases for both the region (42.5%) and the state of Michigan (42.3%). The median household income within the county in 2022 is 9.9% higher than that reported in the region (\$63,085). The median household income in the county is projected to increase by an additional 11.9% between 2022 and 2027, resulting in a projected median income of \$77,541 by 2027, which will remain above that projected for the region (\$71,177) and state (\$75,988).

The distribution of *renter* households by income is illustrated below. Note that declines between 2022 and 2027 are in **red**, while increases are in **green**:

		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Grand Traverse	2010	874 (9.9%)	1,981 (22.4%)	1,710 (19.3%)	1,309 (14.8%)	1,039 (11.8%)	548 (6.2%)	1,095 (12.4%)	283 (3.2%)
	2022	559 (5.5%)	1,319 (13.0%)	1,707 (16.8%)	1,665 (16.4%)	1,118 (11.0%)	795 (7.8%)	2,075 (20.4%)	940 (9.2%)
	2027	533 (5.3%)	1,115 (11.1%)	1,474 (14.7%)	1,824 (18.2%)	1,006 (10.0%)	777 (7.7%)	2,146 (21.4%)	1,163 (11.6%)
	Change 2022-2027	<b>-26</b> <b>(-4.7%)</b>	<b>-204</b> <b>(-15.5%)</b>	<b>-233</b> <b>(-13.6%)</b>	<b>159</b> <b>(9.5%)</b>	<b>-112</b> <b>(-10.0%)</b>	<b>-18</b> <b>(-2.3%)</b>	<b>71</b> <b>(3.4%)</b>	<b>223</b> <b>(23.7%)</b>
Region	2010	3,632 (13.8%)	6,097 (23.2%)	4,944 (18.8%)	3,611 (13.7%)	2,920 (11.1%)	1,464 (5.6%)	2,903 (11.1%)	702 (2.7%)
	2022	2,324 (8.6%)	3,845 (14.3%)	4,696 (17.4%)	4,084 (15.2%)	2,979 (11.1%)	2,099 (7.8%)	4,829 (17.9%)	2,074 (7.7%)
	2027	1,965 (7.4%)	3,032 (11.5%)	4,394 (16.6%)	4,134 (15.6%)	2,829 (10.7%)	2,222 (8.4%)	5,265 (19.9%)	2,596 (9.8%)
	Change 2022-2027	<b>-359</b> <b>(-15.4%)</b>	<b>-813</b> <b>(-21.1%)</b>	<b>-302</b> <b>(-6.4%)</b>	<b>50</b> <b>(1.2%)</b>	<b>-150</b> <b>(-5.0%)</b>	<b>123</b> <b>(5.9%)</b>	<b>436</b> <b>(9.0%)</b>	<b>522</b> <b>(25.2%)</b>
Michigan	2010	199,712 (18.5%)	246,606 (22.9%)	177,623 (16.5%)	132,096 (12.2%)	102,309 (9.5%)	60,184 (5.6%)	120,836 (11.2%)	39,728 (3.7%)
	2022	130,946 (11.3%)	162,366 (14.0%)	160,440 (13.8%)	142,557 (12.3%)	118,579 (10.2%)	91,322 (7.9%)	228,712 (19.7%)	124,786 (10.8%)
	2027	101,174 (8.9%)	121,966 (10.8%)	136,822 (12.1%)	131,187 (11.6%)	112,648 (10.0%)	96,571 (8.5%)	262,502 (23.2%)	168,120 (14.9%)
	Change 2022-2027	<b>-29,772</b> <b>(-22.7%)</b>	<b>-40,400</b> <b>(-24.9%)</b>	<b>-23,618</b> <b>(-14.7%)</b>	<b>-11,370</b> <b>(-8.0%)</b>	<b>-5,931</b> <b>(-5.0%)</b>	<b>5,249</b> <b>(5.7%)</b>	<b>33,790</b> <b>(14.8%)</b>	<b>43,334</b> <b>(34.7%)</b>

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, renter households earning between \$60,000 and \$99,999 (20.4%) and \$20,000 and \$29,999 (16.8%) comprise the largest shares of renter households by income level within the county. Over half (51.7%) of all renter households within the county earn less than \$40,000 which is lower than the regional (55.5%) share. Growth among renter households within Grand Traverse County is projected to be concentrated among households earning \$60,000 or more between 2022 and 2027, although significant growth (9.5%) is also projected for renter households earning between \$30,000 and \$39,999. While the Northern Michigan Region will primarily experience growth among the same income cohorts, households earning between \$50,000 and \$59,999 are also projected to increase (5.9%) within the region. The largest growth (223 households, or 23.7%) within the county is projected to occur within renter households earning \$100,000 or more. With the projected growth among higher-income renter households between 2022 and 2027 within Grand Traverse County, nearly one-third (33.0%) of all renter households within the county will have incomes of \$60,000 or more by 2027. It is also important to note that 31.1% of renter households will continue to earn less than \$30,000 annually, which indicates rentals at a variety of affordability levels will be vital within the county.

The distribution of *owner* households by income is included below. Note that declines between 2022 and 2027 are in red, while increases are in green:

		Owner Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Grand Traverse	2010	933 (3.5%)	2,456 (9.3%)	2,817 (10.6%)	3,170 (12.0%)	3,210 (12.1%)	2,848 (10.8%)	6,407 (24.2%)	4,648 (17.5%)
	2022	363 (1.2%)	1,000 (3.3%)	1,716 (5.6%)	2,555 (8.4%)	2,343 (7.7%)	2,361 (7.8%)	9,358 (30.8%)	10,730 (35.3%)
	2027	280 (0.9%)	710 (2.3%)	1,213 (3.8%)	2,446 (7.8%)	2,057 (6.5%)	2,230 (7.1%)	9,430 (29.9%)	13,149 (41.7%)
	Change 2022-2027	<b>-83</b> <b>(-22.9%)</b>	<b>-290</b> <b>(-29.0%)</b>	<b>-503</b> <b>(-29.3%)</b>	<b>-109</b> <b>(-4.3%)</b>	<b>-286</b> <b>(-12.2%)</b>	<b>-131</b> <b>(-5.5%)</b>	<b>72</b> <b>(0.8%)</b>	<b>2,419</b> <b>(22.5%)</b>
Region	2010	4,344 (4.5%)	9,146 (9.5%)	11,100 (11.5%)	12,022 (12.5%)	11,861 (12.3%)	10,277 (10.7%)	23,379 (24.3%)	13,986 (14.6%)
	2022	2,552 (2.4%)	4,891 (4.7%)	7,765 (7.4%)	9,550 (9.1%)	8,967 (8.5%)	9,135 (8.7%)	30,773 (29.3%)	31,405 (29.9%)
	2027	2,034 (1.9%)	3,540 (3.3%)	6,333 (5.9%)	8,594 (8.0%)	7,858 (7.4%)	8,551 (8.0%)	31,453 (29.4%)	38,493 (36.0%)
	Change 2022-2027	<b>-518</b> <b>(-20.3%)</b>	<b>-1,351</b> <b>(-27.6%)</b>	<b>-1,432</b> <b>(-18.4%)</b>	<b>-956</b> <b>(-10.0%)</b>	<b>-1,109</b> <b>(-12.4%)</b>	<b>-584</b> <b>(-6.4%)</b>	<b>680</b> <b>(2.2%)</b>	<b>7,088</b> <b>(22.6%)</b>
Michigan	2010	135,263 (4.8%)	233,420 (8.4%)	278,350 (10.0%)	300,038 (10.7%)	283,387 (10.1%)	274,521 (9.8%)	702,775 (25.2%)	585,454 (21.0%)
	2022	79,236 (2.7%)	127,936 (4.4%)	183,925 (6.4%)	219,479 (7.6%)	219,662 (7.6%)	236,316 (8.2%)	752,251 (26.0%)	1,076,947 (37.2%)
	2027	62,652 (2.1%)	95,491 (3.3%)	147,512 (5.0%)	184,824 (6.3%)	191,349 (6.5%)	215,963 (7.4%)	741,472 (25.3%)	1,297,072 (44.2%)
	Change 2022-2027	<b>-16,584</b> <b>(-20.9%)</b>	<b>-32,445</b> <b>(-25.4%)</b>	<b>-36,413</b> <b>(-19.8%)</b>	<b>-34,655</b> <b>(-15.8%)</b>	<b>-28,313</b> <b>(-12.9%)</b>	<b>-20,353</b> <b>(-8.6%)</b>	<b>-10,779</b> <b>(-1.4%)</b>	<b>220,125</b> <b>(20.4%)</b>

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2022, 66.1% of *owner* households in Grand Traverse County earn \$60,000 or more annually, which represents a higher share compared to the Northern Michigan Region (59.2%) and the state of Michigan (63.2%). Nearly one-fourth (23.9%) of owner households in Grand Traverse County earn between \$30,000 and \$59,999, and the remaining 10.1% earn less than \$30,000. As such, the overall distribution of owner households by income in the county is more concentrated among the higher income cohorts as compared to that within the Northern Michigan Region. Between 2022 and 2027, owner household growth is projected to be concentrated among households earning \$60,000 or more within both Grand Traverse County and the Northern Michigan Region, whereas owner household growth within the state of Michigan will be concentrated among households earning \$100,000 or more. The most significant growth (22.5%) of owner households in the county is projected to occur among those earning \$100,000 or more.

The following table illustrates the cumulative change in total population for Grand Traverse County and the PSA (Northern Michigan Region) between April 2010 and July 2020.

Estimated Components of Population Change for Grand Traverse County and the PSA (Northern Michigan Region)							
April 1, 2010 to July 1, 2020							
Area	Population		Change*		Components of Change		
	2010	2020	Number	Percent	Natural Increase	Domestic Migration	International Migration
<b>Grand Traverse</b>	86,988	93,592	6,604	7.6%	576	5,733	304
<b>Region</b>	297,921	307,719	9,798	3.3%	-3,601	12,217	1,320

Source: U.S. Census Bureau, Population Division, October 2021

\*Includes residuals (-9, Grand Traverse County; -138, Region) representing the change that cannot be attributed to any specific demographic component

Based on the preceding data, the population growth (7.6%) within Grand Traverse County from 2010 to 2020 was a combination of natural increase (more births than deaths), domestic migration and international migration. While natural increase (576) and international migration (304) both had a positive influence on the population, a majority of the population growth derived from domestic migration (5,733). It is noteworthy that the domestic migration of Grand Traverse County during this time accounted for 45.9% of the total domestic migration within the PSA (Northern Michigan Region). In order for Grand Traverse County to continue benefiting from significant positive net migration, it is important that an adequate supply of income-appropriate rental and for-sale housing is available to accommodate in-migrants. This will also likely contribute to retaining young families in the county, which is a critical component to natural increase in an area.

The following table illustrates the top 10 gross migration counties (total combined inflow and outflow) for Grand Traverse County with the resulting net migration (difference between inflow and outflow) for each. Note that data for counties contained within the PSA (Northern Michigan Region) are highlighted in red text.

County-to-County Domestic Population Migration for Grand Traverse County			
Top 10 Gross Migration Counties*			
County	Gross Migration		Net-Migration
	Number	Percent	
<b>Leelanau County, MI</b>	<b>724</b>	<b>6.1%</b>	<b>126</b>
Kent County, MI	565	4.8%	-3
<b>Wexford County, MI</b>	<b>494</b>	<b>4.2%</b>	<b>-76</b>
<b>Benzie County, MI</b>	<b>443</b>	<b>3.7%</b>	<b>167</b>
Oakland County, MI	426	3.6%	188
<b>Antrim County, MI</b>	<b>415</b>	<b>3.5%</b>	<b>-173</b>
<b>Kalkaska County, MI</b>	<b>409</b>	<b>3.5%</b>	<b>25</b>
Washtenaw County, MI	384	3.2%	198
Wayne County, MI	319	2.7%	137
Ingham County, MI	311	2.6%	107
All Other Counties	7,357	62.1%	-485
<b>Total Migration</b>	<b>11,847</b>	<b>100.0%</b>	<b>211</b>

Source: U.S. Census Bureau, 2019 5-Year American Community Survey; Bowen National Research

\*Only includes counties within the state and bordering states

As the preceding illustrates, nearly two-fifths (37.9%) of the gross migration for Grand Traverse County is among the top 10 counties listed. Leelanau County, which is the top gross migration county and is within the PSA (Northern Michigan Region), has an overall positive net-migration (126) influence for Grand Traverse County. In total, five of the top 10 migration counties (Leelanau, Wexford, Benzie, Antrim, and Kalkaska) for Grand Traverse County are within the PSA. Combined, these five PSA counties have a positive net-migration (69) influence for Grand Traverse County. Despite this positive regional influence, Antrim County (-173) and Wexford County (-76) are among the top counties to which Grand Traverse County has the largest net loss of residents.

The following table details the *shares* of domestic in-migration by three select age cohorts for Grand Traverse County from 2012 to 2021.

Grand Traverse County Domestic County Population In-Migrants by Age, 2012 to 2021		
Age	2012-2016	2017-2021
1 to 24	34.3%	36.2%
25 to 64	58.5%	50.8%
65+	7.1%	13.0%
Median Age (In-state migrants)	32.6	30.0
Median Age (Out-of-state migrants)	28.0	39.8
Median Age (County Population)	43.0	43.3

Source: U.S. Census Bureau, 2016 and 2021 5-Year ACS Estimates (S0701); Bowen National Research

The American Community Survey five-year estimates from 2012 to 2016 in the preceding table illustrate that 58.5% of in-migrants to Grand Traverse County were between the ages of 25 and 64, while 34.3% were less than 25 years of age, and 7.1% were age 65 or older. The share of in-migrants under the age of 25 increased to 36.2% during the time period between 2017 and 2021, while the share of in-migrants ages 25 to 64 decreased to 50.8%, and those ages 65 and older increased to 13.0%. The data between 2017 and 2021 also illustrates that the median age of in-state migrants (30.0 years) is notably less than out-of-state migrants (39.8 years) and the existing population of the county (43.3 years).

Geographic mobility by *per-person* income is distributed as follows (Note that this data is provided for the county *population*, not households, ages 15 and above):

Grand Traverse County: Income Distribution by Mobility Status for Population Age 15+ Years*						
2021 Inflation Adjusted Individual Income	Moved Within Same County		Moved From Different County, Same State		Moved From Different State	
	Number	Percent	Number	Percent	Number	Percent
<\$10,000	607	13.6%	868	26.8%	205	15.1%
\$10,000 to \$14,999	424	9.5%	336	10.4%	189	13.9%
\$15,000 to \$24,999	697	15.6%	328	10.1%	161	11.8%
\$25,000 to \$34,999	578	13.0%	771	23.8%	117	8.6%
\$35,000 to \$49,999	949	21.3%	280	8.6%	115	8.4%
\$50,000 to \$64,999	477	10.7%	194	6.0%	95	7.0%
\$65,000 to \$74,999	240	5.4%	99	3.1%	118	8.7%
\$75,000+	490	11.0%	364	11.2%	362	26.6%
Total	4,462	100.0%	3,240	100.0%	1,362	100.0%

Source: U.S. Census Bureau, 2021 5-Year American Community Survey (B07010); Bowen National Research

\*Excludes population with no income

According to data provided by the American Community Survey, nearly one-half (47.3%) of the population that moved to Grand Traverse County from a different county within Michigan earned less than \$25,000 per year. While a smaller number of individuals moved to Grand Traverse County from out-of-state, a significant share (40.8%) of these individuals also earned less than \$25,000 per year. By comparison, the share of individuals earning \$50,000 or more per year is much smaller for in-migrants from a different county within Michigan (20.3%), while over two-fifths (42.3%) of in-migrants from another state have such incomes. Although it is likely that a significant share of the population earning less than \$25,000 per year consists of children and young adults considered to be dependents within a larger family, this illustrates that affordable housing options are likely important for a significant portion of in-migrants to Grand Traverse County. However, with a significant share of in-migrants from other states earning at least \$50,000 annually, it is important that housing for a variety of income levels is readily available to accommodate in-migrants to the county.

## Labor Force

The following table illustrates the employment base by industry for Grand Traverse County, the PSA (Northern Michigan Region), and the state of Michigan.

NAICS Group	Employment by Industry					
	Grand Traverse County		Region		Michigan	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, Forestry, Fishing & Hunting	191	0.3%	1,037	0.6%	18,094	0.4%
Mining	122	0.2%	416	0.2%	6,059	0.1%
Utilities	141	0.2%	566	0.3%	14,450	0.3%
Construction	3,294	4.3%	8,709	4.9%	163,027	3.6%
Manufacturing	<b>5,229</b>	<b>6.9%</b>	<b>16,371</b>	<b>9.1%</b>	<b>513,197</b>	<b>11.2%</b>
Wholesale Trade	2,563	3.4%	4,703	2.6%	193,695	4.2%
Retail Trade	<b>11,293</b>	<b>14.8%</b>	<b>25,115</b>	<b>14.0%</b>	<b>576,665</b>	<b>12.6%</b>
Transportation & Warehousing	1,298	1.7%	2,863	1.6%	95,658	2.1%
Information	1,372	1.8%	2,773	1.5%	91,050	2.0%
Finance & Insurance	2,098	2.7%	4,834	2.7%	168,540	3.7%
Real Estate & Rental & Leasing	1,297	1.7%	3,412	1.9%	95,407	2.1%
Professional, Scientific & Technical Services	3,991	5.2%	7,617	4.3%	295,491	6.5%
Management of Companies & Enterprises	76	0.1%	227	0.1%	8,827	0.2%
Administrative, Support, Waste Management & Remediation Services	1,331	1.7%	4,042	2.3%	111,717	2.4%
Educational Services	3,016	4.0%	9,834	5.5%	378,891	8.3%
Health Care & Social Assistance	<b>22,664</b>	<b>29.7%</b>	<b>38,645</b>	<b>21.6%</b>	<b>765,165</b>	<b>16.7%</b>
Arts, Entertainment & Recreation	2,244	2.9%	7,845	4.4%	139,513	3.1%
Accommodation & Food Services	<b>7,970</b>	<b>10.4%</b>	<b>20,986</b>	<b>11.7%</b>	<b>398,782</b>	<b>8.7%</b>
Other Services (Except Public Administration)	3,223	4.2%	8,794	4.9%	270,042	5.9%
Public Administration	2,316	3.0%	9,313	5.2%	238,652	5.2%
Non-classifiable	585	0.8%	914	0.5%	30,131	0.7%
Total	76,314	100.0%	179,016	100.0%	4,573,053	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within each market. These employees, however, are included in our labor force calculations because their places of employment are located within each market.

Grand Traverse County has an employment base of approximately 76,314 individuals within a broad range of employment sectors. The labor force within the county is based primarily in four sectors: Health Care and Social Assistance (29.7%), Retail Trade (14.8%), Accommodation & Food Services (10.4%), and Manufacturing (6.9%). It is interesting to note that these sectors also comprise the four largest sectors of employment within the PSA (Northern Michigan Region) and the state of Michigan. Combined, these four job sectors represent over three-fifths (61.8%) of the county employment base. This represents a much greater concentration of employment within the top four sectors compared to the top four sectors in the PSA (56.4%) and state (49.2%). Areas with a heavy concentration of employment within a limited number of industries can be more vulnerable to economic downturns with greater fluctuations in unemployment rates and total employment. With a notably more concentrated overall distribution of employment, the economy within Grand Traverse County may be slightly more vulnerable to economic downturns compared to the PSA and state overall. It should be noted that Health Care & Social Assistance is typically less

vulnerable to economic downturns, and as the largest sector of employment in the county, this likely helps to insulate the county from economic decline. Although many occupations within the healthcare sector offer competitive wages, it is important to understand that a significant number of the support occupations in this industry, as well as within the retail trade and accommodation and food services sectors, typically have lower average wages which can contribute to demand for affordable housing options.

Data of overall total employment and unemployment rates of the county and the overall state since 2013 are compared in the following tables.

Year	Total Employment					
	Grand Traverse County		Michigan		United States	
Year	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2013	43,658	-	4,323,410	-	143,929,000	-
2014	45,141	3.4%	4,416,017	2.1%	146,305,000	1.7%
2015	46,381	2.7%	4,501,816	1.9%	148,833,000	1.7%
2016	47,371	2.1%	4,606,948	2.3%	151,436,000	1.7%
2017	47,294	-0.2%	4,685,853	1.7%	153,337,000	1.3%
2018	47,441	0.3%	4,739,081	1.1%	155,761,000	1.6%
2019	48,118	1.4%	4,773,453	0.7%	157,538,000	1.1%
2020	44,967	-6.5%	4,379,122	-8.3%	147,795,000	-6.2%
2021	45,701	1.6%	4,501,562	2.8%	152,581,000	3.2%
2022	47,541	4.0%	4,632,539	2.9%	158,291,000	3.7%
2023*	46,040	-3.2%	4,624,229	-0.2%	159,715,000	0.9%

Source: Department of Labor; Bureau of Labor Statistics

\*Through March

Year	Unemployment Rate		
	Grand Traverse County	Michigan	United States
2013	7.6%	8.7%	7.4%
2014	6.1%	7.2%	6.2%
2015	4.7%	5.4%	5.3%
2016	4.4%	5.0%	4.9%
2017	4.1%	4.6%	4.4%
2018	3.7%	4.2%	3.9%
2019	3.5%	4.1%	3.7%
2020	8.7%	10.0%	8.1%
2021	5.0%	5.8%	5.4%
2022	3.8%	4.2%	3.7%
2023*	4.5%	4.5%	3.8%

Source: Department of Labor, Bureau of Labor Statistics

\*Through March

From 2013 to 2019, the employment base in Grand Traverse County increased by 4,460 employees, or 10.2%, which was comparable to the state increase of 10.4% during that time. In 2020, which was largely impacted by the economic effects related to COVID-19, total employment decreased in Grand Traverse County by 6.5%, which was a smaller decline compared to the state (8.3%). In 2021, total employment for the county increased by 1.6%, followed by an additional increase of 4.0% in 2022.

Although total employment in Grand Traverse County has declined 3.2% through March 2023, which may be due, in part, to seasonality, the significant increases in total employment over the last two full years are a positive sign that the local economy is recovering from the effects of the COVID-19 pandemic. While total employment still remains below the 2019 level, Grand Traverse County has recovered to within 98.8% (2022 full year) of the total employment in 2019, which represents a recovery rate above that for the state of Michigan (97.0%).

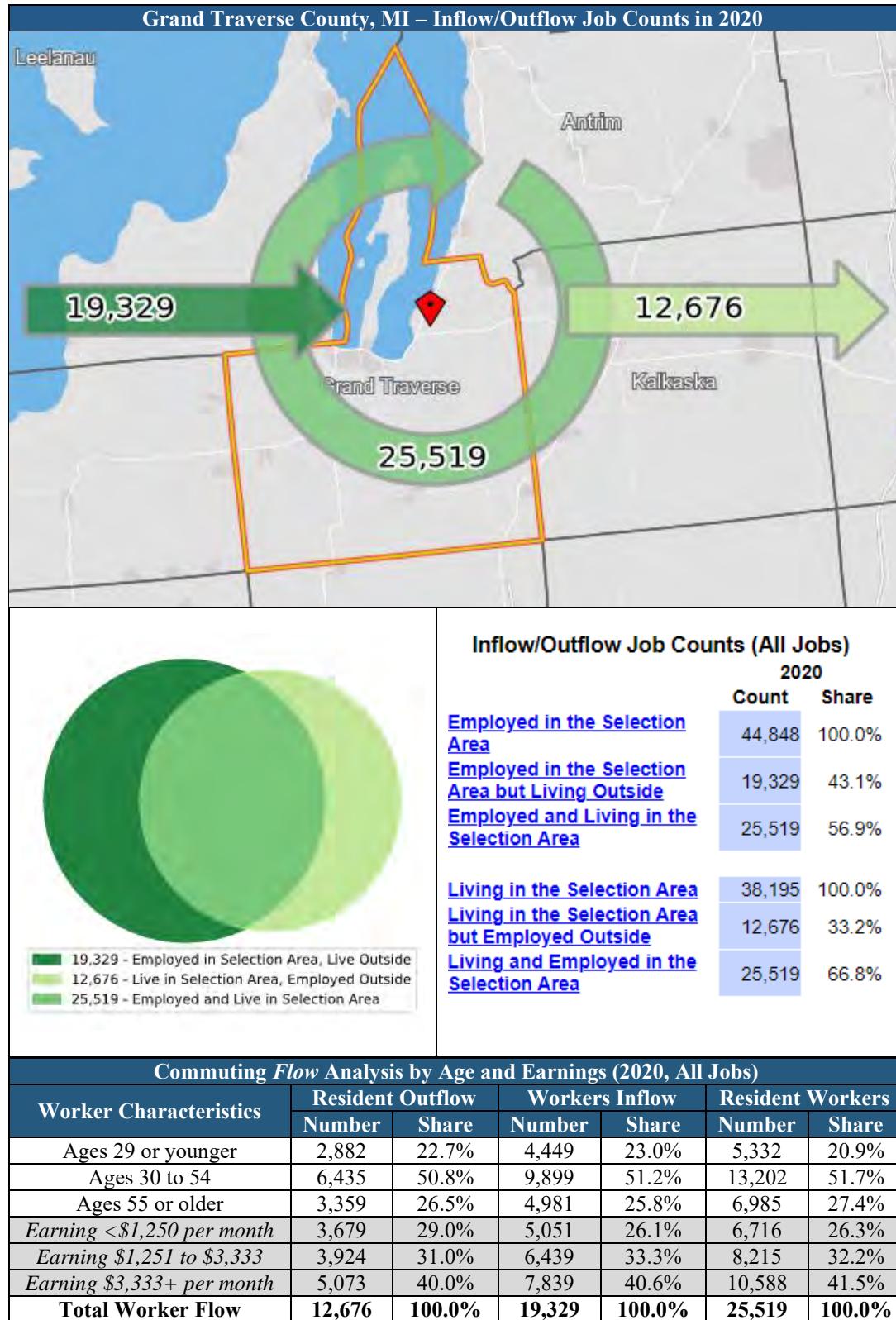
The unemployment rate within Grand Traverse County steadily declined from 2013 (7.6%) to 2019 (3.5%). It is also noteworthy that the unemployment rate within the county has been typically lower than the rate within the state since 2013. In 2020, the unemployment rate increased sharply to 8.7%, which represents an unemployment rate below that of the state (10.0%) during this time. In 2021, the unemployment rate within the county decreased to 5.0%. As of 2022, the unemployment rate within the county decreased to 3.8%. This represents an unemployment rate that is lower than the state (4.2%) and only slightly higher than the nation (3.7%). Additionally, the 3.8% unemployment rate within the county is much more comparable to the rate in 2019 (3.5%) and is a positive sign of recovery in the local economy.

#### Commuting Data

According to the 2016-2020 American Community Survey (ACS), 86.9% of Grand Traverse County commuters either drive alone or carpool to work, 2.0% walk to work and 8.0% work from home. ACS also indicates that 72.8% of Grand Traverse County workers have commute times of less than 30 minutes, while 3.1% have commutes of 60 minutes or more. This represents shorter commute times compared to the state, where 62.6% of workers have commute times of less than 30 minutes and 6.0% have commutes of at least 60 minutes. Tables illustrating detailed commuter data are provided on pages V-18 and V-19 in Section V: Economic Analysis.

According to 2020 U.S. Census Longitudinal Origin-Destination Employment Statistics (LODES), of the 38,195 employed residents of Grand Traverse County, 12,676 (33.2%) are employed outside the county, while the remaining 25,519 (66.8%) are employed within Grand Traverse County. In addition, 19,329 people commute into Grand Traverse County from surrounding areas for employment. These 19,329 non-residents account for over two-fifths (43.1%) of the people employed in the county and represent a notable base of potential support for future residential development.

The following illustrates the number of jobs filled by in-commuters and residents, as well as the number of resident out-commuters. The distribution of age and earnings for each commuter cohort is also provided.



Source: U.S. Census, Longitudinal Origin-Destination Employment Statistics (LODES)

Note: Figures do not include contract employees and self-employed workers

Of the county's 19,329 in-commuters, over one-half (51.2%) are between the ages of 30 and 54, 25.8% are age 55 or older and 23.0% are under the age of 30. This is a similar distribution of workers by age compared to the resident outflow workers. Over two-fifths (40.6%) of inflow workers earn more than \$3,333 per month (\$40,000 or more annually), approximately one-third (33.3%) earn between \$1,251 and \$3,333 per month (approximately \$15,000 to \$40,000 annually), and the remaining 26.1% earn \$1,250 or less per month. These distributions of inflow workers by earnings are generally similar to those of outflow workers. Based on the preceding data, people that commute *into* Grand Traverse County for employment are typically similar in age and more likely to earn *slightly higher* wages when compared to residents commuting out of the county for work. Regardless, given the diversity of incomes and ages of the nearly 19,330 people commuting into the area for work each day, a variety of housing product types could be developed to potentially attract these commuters to live in Grand Traverse County.

### C. HOUSING METRICS

The estimated distribution of the area housing stock by tenure for Grand Traverse County for 2022 is summarized in the following table:

		Occupied and Vacant Housing Units by Tenure 2022 Estimates				
		Total Occupied	Owner Occupied	Renter Occupied	Vacant	Total
<b>Grand Traverse County</b>	Number	40,604	30,425	10,179	6,168	46,772
	Percent	86.8%	74.9%	25.1%	13.2%	100.0%
<b>Region</b>	Number	131,968	105,039	26,929	52,017	183,985
	Percent	71.7%	79.6%	20.4%	28.3%	100.0%
<b>Michigan</b>	Number	4,055,460	2,895,751	1,159,709	533,313	4,588,773
	Percent	88.4%	71.4%	28.6%	11.6%	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In total, there are an estimated 46,772 housing units within Grand Traverse County in 2022. Based on ESRI estimates and 2020 Census data, of the 40,604 total *occupied* housing units in the county, 74.9% are owner occupied, while the remaining 25.1% are renter occupied. As such, Grand Traverse County has a higher share of owner-occupied housing units when compared to the and state (71.4%), but lower than the region (79.6%). Approximately 13.2% of the housing units within Grand Traverse County are classified as vacant, which represents a much lower share than that of the region (28.3%), and slightly higher than the state (11.6%). Vacant units are comprised of a variety of units including abandoned properties, unoccupied rentals, for-sale homes, and seasonal housing units. Based on American Community Survey data, 66.7% of vacant housing units in Grand Traverse County and 82.6% of vacant units in the region are seasonal/recreational units, which is a much higher share of such units compared to the state (45.7%).

The following table compares key housing age and conditions based on 2016-2020 American Community Survey data. Housing units built over 50 years ago (pre-1970), overcrowded housing (1.01+ persons per room), or housing that lacks complete indoor kitchens or bathroom plumbing are illustrated by tenure. It is important to note that some occupied housing units may have more than one housing issue.

	Housing Age and Conditions											
	Pre-1970 Product				Overcrowded				Incomplete Plumbing or Kitchen			
	Renter		Owner		Renter		Owner		Renter		Owner	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grand Traverse</b>	2,370	26.6%	7,058	24.3%	277	3.1%	290	1.0%	169	1.9%	81	0.8%
<b>Region</b>	7,662	31.6%	30,923	30.2%	781	3.2%	1,204	1.2%	619	2.5%	605	0.6%
<b>Michigan</b>	526,133	46.8%	1,373,485	48.1%	32,741	2.9%	31,181	1.1%	24,376	2.2%	16,771	0.6%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

In Grand Traverse County, over one-fourth (26.6%) of the renter-occupied units and 24.3% of the owner-occupied housing units were built prior to 1970. As such the housing stock in Grand Traverse County appears to be generally newer than housing within the region and state. The shares of renter households (3.1%) and owner households (1.0%) in Grand Traverse County that experience overcrowding are comparable to the shares within the region and state. The share of renter households in Grand Traverse County with incomplete plumbing or kitchens (1.9%) is lower than those within the region (2.5%) and state (2.2%), while the share of owner households with incomplete plumbing or kitchens (0.8%) is slightly higher than those in the region (0.6%) and state (0.6%).

The following table compares key household income, housing cost, and housing affordability metrics. It should be noted that cost burdened households pay over 30% of income toward housing costs, while severe cost burdened households pay over 50% of income toward housing.

	Household Income, Housing Costs and Affordability							
	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**		
				Renter	Owner	Renter	Owner	
<b>Grand Traverse County</b>	\$69,310	\$263,652	\$1,011	48.7%	20.3%	24.5%	7.0%	
<b>Region</b>	\$63,085	\$209,788	\$888	43.3%	20.4%	20.0%	7.7%	
<b>Michigan</b>	\$65,507	\$204,371	\$968	44.9%	18.8%	23.1%	7.4%	

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

\*Paying more than 30% of income toward housing costs

\*\*Paying more than 50% of income toward housing costs

The estimated median home value in Grand Traverse County of \$263,652 is 25.7% higher than the median home value for the region (\$209,788) and 29.0% higher than that reported for the state (\$204,371). Similarly, the average gross rent in Grand Traverse County (\$1,011) is 13.9% higher than the regional average gross rent (\$888), and 4.4% higher than the statewide average (\$968). Although the county has a higher median household income level (\$69,310), the higher average gross rent likely contributes to a higher share (48.7%) of cost burdened renter households compared to the region (43.3%) and state (44.9%). The share of cost burdened owners (20.3%) in the county is slightly lower than the share for the region (20.4%), but higher than the state (18.8%). Overall, nearly half (48.7%) of renter households in Grand Traverse County are cost burdened, while nearly one-fourth (24.5%) are severe cost burdened. As such, affordable housing alternatives, particularly rental housing, should be part of future housing solutions.

Based on the 2016-2020 American Community Survey (ACS) data, the following is a distribution of all occupied housing by units in structure by tenure (renter or owner) for the county, the region, and the state.

		Renter-Occupied Housing by Units in Structure				Owner-Occupied Housing by Units in Structure			
		4 Units or Less	5 Units or More	Mobile Home/Other	Total	4 Units or Less	5 Units or More	Mobile Home/Other	Total
<b>Grand Traverse County</b>	Number	4,196	3,971	752	8,919	26,491	453	2,076	29,020
	Percent	47.0%	44.5%	8.4%	100.0%	91.3%	1.6%	7.2%	100.0%
<b>Region</b>	Number	13,338	8,236	2,710	24,284	93,237	969	7,958	102,164
	Percent	54.9%	33.8%	11.1%	100.0%	91.3%	1.0%	7.8%	100.0%
<b>Michigan</b>	Number	588,520	488,828	47,520	1,124,868	2,669,942	35,543	149,878	2,855,363
	Percent	52.3%	43.5%	4.2%	100.0%	93.5%	1.2%	5.2%	100.0%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

Approximately 47.0% of the *rental* units in Grand Traverse County are within structures of four units or less, with mobile homes comprising an additional 8.4% of the county rental units. The combined share of these two types of structures (55.4%) is less than that of the region (66.1%) and state (56.5%). Overall, the county has a larger share (44.5%) of multifamily rental housing (five or more units within a structure) when compared to the region (33.8%) and state (43.5%). Over 90.0% of *owner-occupied* units in the county are within structures of four units or less while 7.2% are mobile homes. As such, there is a slightly smaller share of mobile homes in the county compared to the region (7.8%). While the shares of owner-occupied housing units within structures containing four or less units within the county and region are lower than the statewide share of 93.5%, the county and region both report slightly higher shares of mobile homes (7.2% and 7.8%, respectively) as compared to the state (5.2%). There is a minimal share (1.6% or less) of owner-occupied housing within structures of five or more units within each of the geographies evaluated within this analysis.

The following table summarizes monthly gross rents (per unit) for area rental alternatives within the county, region, and the state of Michigan. While this data encompasses all rental units, which includes multifamily apartments, a majority (55.4%) of the county's rental supply consists of non-conventional rentals. Therefore, it is reasonable to conclude that the following provides insight into the overall distribution of rents among the non-conventional rental housing units. It should be noted, gross rents include tenant-paid rents and tenant-paid utilities.

		Estimated Monthly Gross Rents by Market								
		<\$300	\$300 - \$500	\$500 - \$750	\$750 - \$1,000	\$1,000 - \$1,500	\$1,500 - \$2,000	\$2,000+	No Cash Rent	Total
<b>Grand Traverse County</b>	Number	223	710	1,167	2,535	3,173	560	166	385	8,919
	Percent	2.5%	8.0%	13.1%	28.4%	35.6%	6.3%	1.9%	4.3%	100.0%
<b>Region</b>	Number	1,235	2,176	5,475	6,155	6,264	794	375	1,810	24,284
	Percent	5.1%	9.0%	22.5%	25.3%	25.8%	3.3%	1.5%	7.5%	100.0%
<b>Michigan</b>	Number	51,846	69,698	227,872	314,293	299,877	70,403	33,633	57,245	1,124,867
	Percent	4.6%	6.2%	20.3%	27.9%	26.7%	6.3%	3.0%	5.1%	100.0%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, the largest share (35.6%) of Grand Traverse County rental units has rents between \$1,000 and \$1,500, followed by units with rents between \$750 and \$1,000 (28.4%). Collectively, units with gross rents between \$500 and \$1,000 account for 41.5% of all Grand Traverse County rentals. In comparison, rental units priced between \$500 and \$1,000 represent 47.8% of all rentals in the region, and 48.2% of all rentals in the state. It is estimated that 43.8% of Grand Traverse County rentals are priced at \$1,000 or more, as compared to shares of 30.6% and 35.9% for the region and state, respectively. The preceding indicates that rental product within Grand Traverse County is typically less affordable than rental product throughout the region and state of Michigan.

### Bowen National Research's Survey of Housing Supply

#### *Multifamily Rental Housing*

A field survey of conventional apartment properties was conducted as part of this Housing Needs Assessment. The following table summarizes the county's surveyed multifamily rental supply.

Multifamily Supply by Product Type – Grand Traverse County				
Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	19	2,395	30	98.7%
Market-rate/Tax Credit	2	222	0	100.0%
Market-rate/Government-Subsidized	1	122	0	100.0%
Tax Credit	5	212	0	100.0%
Tax Credit/Government-Subsidized	12	607	3	99.5%
Government-Subsidized	3	142	0	100.0%
Total	42	3,700	33	99.1%

In Grand Traverse County, a total of 42 apartment properties were surveyed, which comprised a total of 3,700 units. An additional 308 units were under construction at the time of this survey. The largest share (64.7%) of units surveyed in the county were at market-rate properties. Market-rate units also represent 30 of the 33 vacant units among surveyed properties in the county. Rents at market-rate properties range from \$1,135 for a one-bedroom unit to \$3,000 for a three-bedroom unit. Rents at non-subsidized Tax Credit properties, consisting of 212 units at five properties, range from \$697 for a studio unit to \$1,329 for a three-bedroom unit.

Three of the 42 properties exclusively consist of government-subsidized units, while 13 additional properties consist of a mix of government-subsidized units, subsidized Tax Credit units and/or market-rate units. Overall, 871 of the 3,700 rental units surveyed in the county are at subsidized properties, representing 23.5% of all units surveyed. The 42 surveyed properties have quality ratings ranging from "A" to "C+," which reflects a wide range of overall quality in the market. However, project quality within the marketplace does not appear to have a negative effect on occupancy, as 35 of the 42 projects surveyed in the county are 100% occupied. The seven properties that have vacant units have quality ratings between "A" and "B-." The overall occupancy rate of 99.1% for multifamily rental product is very high and indicative of a strong market for apartments. Note that 29 of the 42 properties surveyed in Grand Traverse County have wait lists, reflective of pent-up demand for apartment units.

#### *Non-Conventional Rental Housing*

Non-conventional rentals are considered rental units typically consisting of single-family homes, duplexes, units over store fronts, mobile homes, etc. and account for 55.4% of the total rental units in Grand Traverse County. The following table illustrates the distribution of renter-occupied housing by the number of units in a structure for Grand Traverse County, Northern Michigan Region, and the state of Michigan.

		Renter-Occupied Housing by Units in Structure			
		1 to 4 Units	5 or More Units	Mobile Homes/Boats/RVs	Total Units
<b>Grand Traverse County</b>	Number	4,196	3,971	752	8,919
	Percent	47.0%	44.5%	8.4%	100.0%
<b>Region</b>	Number	13,338	8,236	2,710	24,284
	Percent	54.9%	33.9%	11.2%	100.0%
<b>Michigan</b>	Number	588,520	488,828	47,520	1,124,868
	Percent	52.3%	43.5%	4.2%	100.0%

Source: American Community Survey (2016-2020); ESRI; Urban Decision Group; Bowen National Research

Nearly half (47.0%) non-conventional rental units in the county are within structures containing one to four units, while a significant share (44.5%) of rental units are in conventional properties containing five or more units. The overall share of 47.0% is a lower rate of rental units within one- to four-unit structures compared to the Northern Michigan Region (54.9%) and the state of Michigan (52.3%). As a significant share of the rental housing stock in Grand Traverse County is comprised of non-conventional rentals, it is clear that this housing segment warrants additional analysis.

Bowen National Research conducted an online survey between March and May 2023 and identified 44 non-conventional rentals that were listed as *available* for rent in Grand Traverse County. While these rentals do not represent all non-conventional rentals, they are representative of common characteristics of the various non-conventional rental alternatives available in the market. As a result, these rentals provide a good baseline to compare the rental rates, number of bedrooms, number of bathrooms, and other characteristics of non-conventional rentals.

The following table summarizes the sample survey of *available* non-conventional rentals identified in Grand Traverse County.

Surveyed Non-Conventional Rental Supply – Grand Traverse County				
Bedroom	Vacant Units	Rent Range	Median Rent	Median Rent Per Square Foot
Studio	0	-	-	-
One-Bedroom	4	\$1,199 - \$1,625	\$1,375	\$1.49
Two-Bedroom	18	\$1,100 - \$2,600	\$1,685	\$1.76
Three-Bedroom	12	\$1,599 - \$2,550	\$1,825	\$1.54
Four-Bedroom+	10	\$1,750 - \$3,900	\$2,425	\$1.40
Total	44			

Source: Zillow; Apt.com; Trulia; Realtor.com; Facebook

Grand Traverse County has a notable supply of non-conventional rentals available to rent compared to other counties in the region. When compared with all non-conventional rentals in the county, the 44 available rentals represent an occupancy rate of 99.1%. This is an extremely high occupancy rate for rental housing that is consistent with the overall occupancy rate (99.1%) for conventional rental housing in the county. The identified non-conventional rentals in Grand Traverse County consist of one-bedroom, two-bedroom, three-bedroom and four-bedroom (or larger) units. Rents for the 44 identified non-conventional units range from \$1,100 to \$3,900. As such, it is unlikely that most county households would be able to reasonably afford a non-conventional rental in the market.

#### *For-Sale Housing*

The following table summarizes the available (as of February 2023) and recently sold (between September 2022 and March 2023) housing stock for Grand Traverse County.

Grand Traverse County - Owner For-Sale/Sold Housing Supply		
Type	Homes	Median Price
Available*	132	\$465,450
Sold**	591	\$350,000

Source: Realtor.com and Bowen National Research

\*As of Feb. 28, 2023

\*\*Sales from Sept. 12, 2022 to Mar. 15, 2023

The available for-sale housing stock in Grand Traverse County as of February 2023 consists of 132 total units with a median list price of \$465,450. The 132 available units represent 24.0% of the 551 available units within the Northern Michigan Region. Recent historical sales from September 2022 to March 2023 consisted of 591 homes sold with a median sale price of \$350,000. The 132 available homes represent only 0.4% of the estimated 30,425 owner-occupied units in Grand Traverse County. Typically, in healthy, well-balanced markets, approximately 2% to 3% of the for-sale housing stock should be available for purchase to allow for inner-market mobility and to enable the market to attract households. Based on this low share of homes available for sale, Grand Traverse County appears to have a disproportionately low number of housing units available for purchase.

The following table illustrates sales activity from September 2022 to March 2023 for Grand Traverse County.

Grand Traverse County Sales History by Price (Sept. 12, 2022 to Mar. 15, 2023)		
Sale Price	Number Available	Percent of Supply
Up to \$99,999	22	3.7%
\$100,000 to \$199,999	40	6.8%
\$200,000 to \$299,999	158	26.7%
\$300,000 to \$399,999	136	23.0%
\$400,000+	235	39.8%
Total	591	100.0%

Source: Realtor.com and Bowen National Research

Recent sales activity in Grand Traverse County reflects a significant share (62.8%) of housing priced above \$300,000. Note that only 10.5% of recent sales were for units priced under \$200,000, a price point generally targeted by first-time homebuyers. A notable share (26.7%) of homes sold for between \$200,000 and \$300,000, a price point generally sought after by middle-class households.

The following table summarizes the distribution of available for-sale residential units by *price point* for Grand Traverse County:

Grand Traverse County Available For-Sale Housing by Price (As of Feb. 28, 2023)		
List Price	Number Available	Percent of Supply
Up to \$99,999	15	11.4%
\$100,000 to \$199,999	8	6.1%
\$200,000 to \$299,999	10	7.6%
\$300,000 to \$399,999	23	17.4%
\$400,000+	76	57.6%
Total	132	100.0%

Source: Realtor.com and Bowen National Research

The current housing market in Grand Traverse County is geared toward higher-priced listings, as 75.0% of available housing units in Grand Traverse County are priced at \$300,000 or above. This figure includes 28 listings that are priced at \$1,000,000 or more. Note that the share (17.5%) of homes priced below \$200,000 is above the 10.5% share of these homes reflected by recent sales activity in the county. The increasing share of both lower-priced (below \$200,000) and higher-priced (\$300,000 and above) listings in the market leaves a very small share (7.6%) of homes priced between \$200,000 and \$300,000, a price point typically sought after by middle-class households.

The distribution of available homes in Grand Traverse County by *price point* is illustrated in the following graph:



The distribution of available homes by *bedroom type* for Grand Traverse County is summarized in the following table.

Grand Traverse County Available For-Sale Housing by Bedrooms (As of Feb. 28, 2023)					
Bedrooms	Number Available	Average Square Feet	Price Range	Median List Price	Median Price per Sq. Ft.
One-Br.	13	770	\$60,000 - \$642,000	\$265,000	\$410.22
Two-Br.	29	1,125	\$10,000 - \$1,250,000	\$339,900	\$269.65
Three-Br.	43	1,776	\$56,000 - \$9,500,000	\$439,900	\$241.58
Four-Br.+	47	3,070	\$119,995 - \$3,995,000	\$925,000	\$287.04
Total	132	1,995	\$10,000 - \$9,500,000	\$465,450	\$275.86

Source: Realtor.com and Bowen National Research

As shown in the preceding table, available homes offered for sale in the county largely represent three-bedroom homes (32.6%) and four-bedroom (or larger) homes (35.6%). Combined, these larger homes represent over two-thirds of listings in Grand Traverse County. One-bedroom units, which typically represent condominium units, only account for 13 of the 123 units offered for sale in the county. Note that units that contain four or more bedrooms have a median list price (\$925,000) that is significantly higher than the median list price for the county (\$465,450). These larger homes are typically waterfront homes that are highly sought after in the marketplace.

#### **D. HOUSING GAP**

Based on the demographic data for both 2022 and 2027 and taking into consideration the housing data from our field survey of area housing alternatives, we are able to project the potential number of new housing units Grand Traverse County can support. The following summarizes the metrics used in our demand estimates.

- Rental Housing – We included renter household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support, severe cost-burdened households, and step-down support as the demand components in our estimates for new rental housing units. As part of this analysis, we accounted for vacancies reported among all rental alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and rent levels.
- For-Sale Housing – We considered potential demand from owner household growth, the number of units required for a balanced market, the need for replacement housing, commuter/external market support, severe cost-burdened households, and step-down support in our estimates for new for-sale housing. As part of this analysis, we accounted for vacancies reported among all surveyed for-sale alternatives. We concluded this analysis by providing the number of units that the market can support by different income segments and price points.

The county has an overall housing gap of 11,361 units, with a gap of 3,569 rental units and a gap of 7,792 for-sale units. The following tables summarize the rental and for-sale housing gaps by income and affordability levels for Grand Traverse County. Details of the methodology used in this analysis are provided in Section VII of this report.

Grand Traverse County, Michigan				
Rental Housing Gap Estimates (2022-2027)				
Percent of Median Income	≤ 50%	51%-80%	81%-120%	121%+
<b>Household Income Range</b>	<b>≤\$44,950</b>	<b>\$44,951-\$71,920</b>	<b>\$71,921-\$107,880</b>	<b>\$107,881+</b>
<b>Monthly Rent Range</b>	<b>≤\$1,123</b>	<b>\$1,124-\$1,797</b>	<b>\$1,798-\$2,697</b>	<b>\$2,698+</b>
Household Growth	-361	-79	130	167
Balanced Market*	273	106	17	0
Replacement Housing**	360	70	21	5
External Market Support^	692	270	317	186
Severe Cost Burdened^^	1,496	748	250	0
Step-Down Support	112	35	-4	-143
Less Pipeline Units	214	417	443	25
<b>Overall Units Needed</b>	<b>2,358</b>	<b>733</b>	<b>288</b>	<b>190</b>

\*Based on Bowen National Research's survey of area rentals

\*\*Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for the county

^^Based on ACS estimates of households paying in excess of 50% of income toward housing costs

Grand Traverse County, Michigan				
For-Sale Housing Gap Estimates (2022-2027)				
Percent of Median Income	≤ 50%	51%-80%	81%-120%	121%+
<b>Household Income Range</b>	<b>≤\$44,950</b>	<b>\$44,951-\$71,920</b>	<b>\$71,921-\$107,880</b>	<b>\$107,881+</b>
<b>Price Point</b>	<b>≤\$149,833</b>	<b>\$149,834-\$239,733</b>	<b>\$239,734-\$359,600</b>	<b>\$359,601+</b>
Household Growth	-1,125	-377	383	2,210
Balanced Market*	183	183	215	200
Replacement Housing**	557	255	160	98
External Market Support^	646	593	744	913
Severe Cost Burdened^^	1,278	639	213	0
Step-Down Support	259	256	854	-1,368
Less Pipeline Units	0	165	0	12
<b>Overall Units Needed</b>	<b>1,798</b>	<b>1,384</b>	<b>2,569</b>	<b>2,041</b>

\*Based on Bowen National Research's analysis of for-sale product within county

\*\*Based on ESRI/ACS estimates of units lacking complete indoor plumbing or are overcrowded

^Based on Bowen National Research proprietary research and ACS migration patterns for the county

^^Based on ACS estimates of households paying in excess of 50% of income toward housing costs

As the preceding tables illustrate, the projected housing gaps over the next five years encompass a variety of affordability levels for both rental and for-sale housing product. It appears the greatest *rental* housing gap in the county is for the lowest housing affordability segment (rents below \$1,123 that are affordable to households earning up to 50% of AMHI), though a notable gap also exists for rental product with rents of up to \$1,797 that are affordable to households earning between 51% and 80% of AMHI. While there is a significant gap for numerous for-sale housing price segments, the largest gap in the county is for product priced between \$239,734 and \$359,600, which is affordable to households earning between \$71,921 and \$107,880. Although development within Grand Traverse County should be prioritized to the housing product showing the greatest gaps, it appears efforts to address housing should consider most rents and price points across the housing spectrum. The addition of a variety of housing product types and affordability levels would enhance the subject county's ability to attract potential workers and help meet the changing and growing housing needs of the local market.

# Appendix 6

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## Traverse City-Central

Population	Households	Median HH Income	Owner HH Income	Renter HH Income
17,126	7,976	\$51,809	\$69,317	\$36,273

### Housing Costs

#### Owner Units

Home Value	\$197,309	2016 Value	\$166,306
Cost M/NM	\$1330/\$594	Value ▲	18.6%

\$65,770 To afford median home

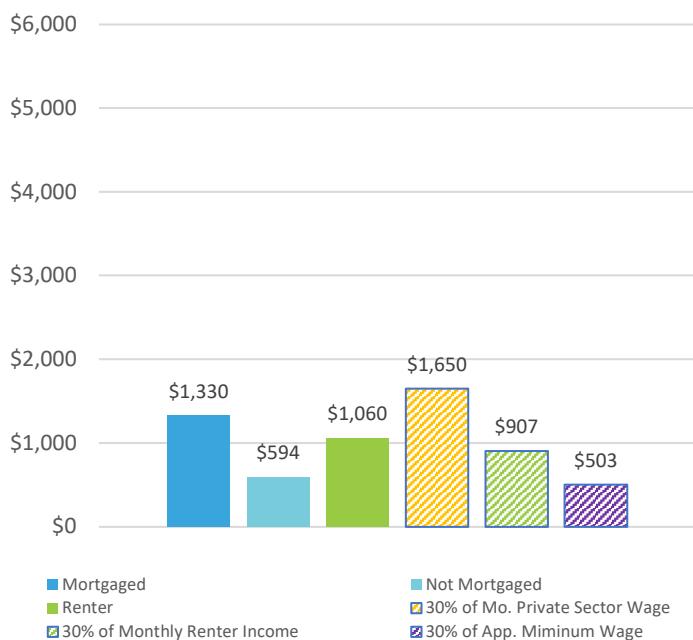
#### Renter Units

Gross Rent	\$1,060	2016 Rent	\$934
Rent ▲	13.5%		

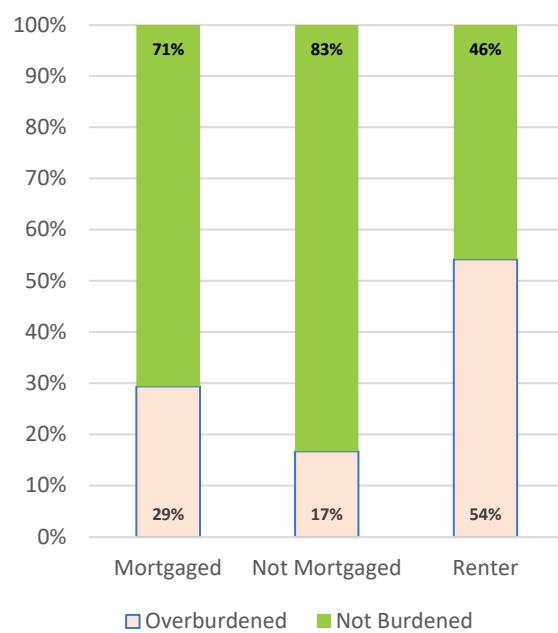
\$42,400 To afford median gross rent

### Affordability Gap

#### Monthly Costs: Owners and Renters



#### Cost-Burdened Households



### Housing and Development Conditions

#### Housing Stock

Units	8,858	Owner HH	49%	Renter HH	51%
Median Year Built	1974		% Built Pre-1970		32.8%
Median Move Year	2015		% Built After 2010		12.6%
Median Rooms	4.7		SF%	37.2%	MM%
				27.6%	MF%
				25.6%	

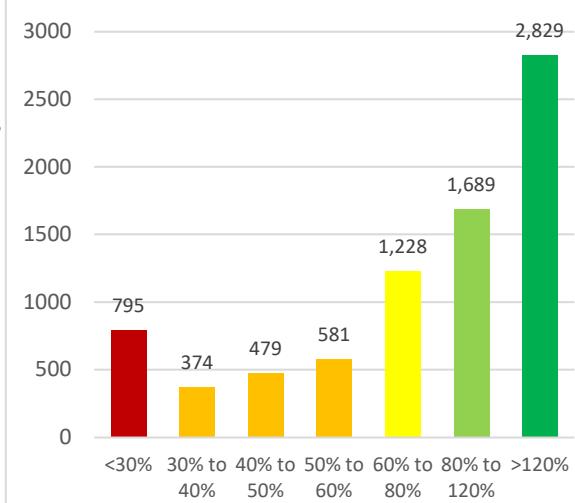
#### Vacancy Rates

Total	10%	Owner	0%	Renter	0.1%
Seasonal	3.3%	Other	2.2%	# V Rent	393
				#V Owner	0

#### Homeownership Rate by Race/Ethnicity

Black	0.0%	White	50.3%
Asian	18.2%	Other or Multiracial	30.6%
Am. Indian	19.3%	Hispanic	44.6%
Pacific Islnd	0.0%		

#### Number of Households by AMI Group



## Traverse City-Central

### Housing Policy Indicators

<b>Household Count and Growth</b>	<b>Market</b>			<b>Partnership</b>		
	Number	%	% Change	Number	%	% Change
Household Change, 2016 to 2021	12.5%			2.8%		
Household Count, 2021	7,976			126,122		
<b>Housing Affordability</b>	<b>Market</b>			<b>Partnership</b>		
	Number	%	% Change	Number	%	% Change
Home value / partnership income	3.13	--	--	--	--	--
Median Income, 2021	\$51,809	--	17.3%	\$63,018	--	14.8%
Median owner income, 2021	\$69,317	--	19.8%	\$71,028	--	14.1%
Median renter income, 2021	\$36,273	--	7.4%	\$35,263	--	3.8%
Median home value	\$197,309	--	18.6%	\$198,217	--	18.1%
Median gross rent	\$1,060	--	13.5%	\$914	--	7.4%
Income needed for median rent	\$42,400	--	--	\$36,573	--	--
Income needed for median value	\$65,770	--	--	\$66,072	--	--
Overburdened households	3,128	39%	12.7%	30,706	24.3%	-11.8%
<b>Housing Quality and Vacancy</b>	<b>Market</b>			<b>Partnership</b>		
	Number	%	% Change	Number	%	% Change
"Other" vacancy	196	2.2%	7.7%	5,150	2.9%	1.0%
Seasonal vacancy	293	3.3%	-23.3%	46,265	25.7%	0.7%
For-Sale vacancy	0	0.0%	-100.0%	1,430	0.8%	-45.2%
For-Rent vacancy	393	4.4%	142.6%	2,181	1.2%	-2.9%
Homes built pre-1940	1,910	21.6%	--	22,755	12.6%	--
Homes built post-1990	3,623	40.9%	--	67,039	37.2%	--

### **Other Market Indicators**

Housing Policy Matchmaker Type\*  
Strength and Need Type\*\*

**Moderate Cost and Growing  
High Strength and High Need (Type I)**

### Gap Analysis 2021

	Owner Units	Renter Units	Total Units
Market demand (estimated annual moves)	104	202	306
Market supply (vacant on market, adjusted for age)	0	105	105
5 year Market production goals (based on 75K units)	100	94	194
1 year Market production goals (based on 15K units)	20	19	39
5 year Partnership goals (based on 75K units)	1,363	605	1,968
1 year Partnership goals (based on 15K units)	273	121	394

## Traverse City-Central

### Home Mortgage Disclosure Act Patterns, 2021

Total Apps	165	Total Amt/App	\$277,848	% Approved	69.7%
Total Conventional Apps	142	Conventional Amt/App	\$279,789	% Conv Apprvd	71.1%
Total Assisted Apps	23	Assisted Amt/App	\$265,870	% Asst Apprvd	60.9%
<b>Applications by Race: White</b>					
Total Apps	139	Total Amt/App	\$269,317	% Positive	71.9%
Total Conventional Apps	122	Conventional Amt/App	\$268,361	% Conv Positive	74.6%
Total Assisted Apps	17	Assisted Amt/App	\$276,176	% Asst Positive	52.9%
<b>Applications by Race: Black</b>					
Total Apps	0	Total Amt/App	\$0	% Positive	NA
Total Conventional Apps	0	Conventional Amt/App	\$0	% Conv Positive	NA
Total Assisted Apps	0	Assisted Amt/App	\$0	% Asst Positive	NA
<b>Applications by Race: Asian</b>					
Total Apps	2	Total Amt/App	\$275,000	% Positive	50.0%
Total Conventional Apps	2	Conventional Amt/App	\$275,000	% Conv Positive	50.0%
Total Assisted Apps	0	Assisted Amt/App	\$0	% Asst Positive	NA
<b>Applications by Race: Native American</b>					
Total Apps	3	Total Amt/App	\$171,667	% Positive	66.7%
Total Conventional Apps	3	Conventional Amt/App	\$171,667	% Conv Positive	66.7%
Total Assisted Apps	0	Assisted Amt/App	\$0	% Asst Positive	NA
<b>Applications by Race: Hawaiian or Pacific Islander</b>					
Total Apps	0	Total Amt/App	\$0	% Positive	NA
Total Conventional Apps	0	Conventional Amt/App	\$0	% Conv Positive	NA
Total Assisted Apps	0	Assisted Amt/App	\$0	% Asst Positive	NA
<b>Applications by Race: Race Not Available</b>					
Total Apps	21	Total Amt/App	\$333,095	% Positive	52.4%
Total Conventional Apps	16	Conventional Amt/App	\$359,375	% Conv Positive	43.8%
Total Assisted Apps	5	Assisted Amt/App	\$249,000	% Asst Positive	80.0%
<b>Applications by Ethnicity: Hispanic</b>					
Total Apps	2	Total Amt/App	\$320,000	% Positive	50.0%
Total Conventional Apps	2	Conventional Amt/App	\$320,000	% Conv Positive	50.0%
Total Assisted Apps	0	Assisted Amt/App	\$0	% Asst Positive	NA

# Appendix 7

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## STABILIZED OPERATING STATEMENT

**Development Name:** Boardman Building  
**City/Township/Village:** Traverse City  
**County:** Grand Traverse  
**Construction Type:** Renovation

**Fill in all blue shaded input cells**

This worksheet is utilized to proforma out the stabilized operations of the project utilizing the projected initial rental rates, the stabilized vacancy rates, and the anticipated full operating expenses of the project.

## DEVELOPMENT INCOME

Annual TIF Reimbursements	\$124,857	42.4%	43.6%
Other Recurring Revenue	\$0	0.0%	0.0%
Annual Gross Residential Rental Income	\$169,800	57.6%	59.3%
Annual Gross Commercial Rental Income	\$0	0.0%	0.0%
Annual Gross Hospitality Room & Related Income	\$0	0.0%	0.0%
Annual Gross Hospitality Other Income	\$0	0.0%	0.0%
Annual Gross Parking Income	\$0	0.0%	0.0%
Annual Other Income	\$0	0.0%	0.0%
<b>Gross Income</b>	<b>\$294,657</b>	<b>100.0%</b>	<b>103.0%</b>
Vacancy Loss (Residential, Commercial, Hospitality)	(\$8,490)	-2.9%	-3.0%
<b>Net Income Potential</b>	<b>\$286,167</b>	<b>97.1%</b>	<b>100.0%</b>

## DEVELOPMENT OPERATING EXPENSES

Administrative Expenses		\$8,400	2.9%	2.9%	3.0%
Management Fees		\$6,000	2.0%	2.1%	
Office Payroll		\$1,200	0.4%	0.4%	
Payroll Taxes			0.0%	0.0%	
Benefits/Worker's Comp.			0.0%	0.0%	
Advertising/Marketing			0.0%	0.0%	
Legal /Accounting			0.4%	0.4%	
General Office			0.0%	0.0%	
Other:			0.0%	0.0%	
Other:			0.0%	0.0%	
Utilities		\$14,400	4.9%	5.0%	3.0%
Electricity		\$12,000	4.1%	4.2%	
Fuel		\$0	0.0%	0.0%	
Water & Sewer		\$2,400	0.8%	0.8%	
Maintenance/Non-Capitalized Repairs		\$17,100	5.8%	6.0%	3.0%
Maintenance/Janitorial Payroll		\$1,200	0.4%	0.4%	
Janitorial Supplies		\$300	0.1%	0.1%	
Extermination			0.0%	0.0%	
Rubbish Removal		\$4,800	1.6%	1.7%	
Snow Removal		\$2,400	0.8%	0.8%	
Lawn/Tree Maintenance		\$2,400	0.8%	0.8%	
Parking Lot Repairs			0.0%	0.0%	
Painting/Decorations/Cleaning		\$1,800	0.6%	0.6%	
Heating & Air Repairs			0.0%	0.0%	
Plumbing/Electrical Repairs		\$1,800	0.6%	0.6%	
Elevator Maintenance		\$2,400	0.8%	0.8%	
Vehicle/Equipment Maintenance			0.0%	0.0%	
Security			0.0%	0.0%	
Condo Fee for Rental floor; condo association will cover common					
Other: costs		\$0	0.0%	0.0%	
Other:			0.0%	0.0%	
Real Estate Taxes		\$33,306	11.3%	11.6%	2.0%
Tax Abatement (-)			0.0%	0.0%	
Property & Liability Insurance		\$12,000	4.1%	4.2%	3.0%
Reserve Requirements			0.0%	0.0%	3.0%
Other:			0.0%	0.0%	3.0%
Other:			0.0%	0.0%	3.0%
Other:			0.0%	0.0%	3.0%
Other:			0.0%	0.0%	3.0%
<b>Total Expenses</b>		<b>\$85,206</b>	<b>29.8%</b>	<b>29.8%</b>	

#### **Cash Flow Available for Debt Service / NOI**

<b>Amortizing Loans</b>				
Loan 1 DS:	Honor Bank	\$186,129	63.2%	65.0%
Loan 2 DS:	xxx	\$0	0.0%	0.0%
Loan 3 DS:	xxx	\$0	0.0%	0.0%
Loan 4 DS:	xxx	\$0	0.0%	0.0%
Int. Loan 5 DS:	xxx	\$0	0.0%	0.0%
Other Oblig. 1	xxx		0.0%	0.0%
Other Oblig. 2	xxx		0.0%	0.0%
<b>MCRP Loan Debt Service</b>		\$0	0.0%	0.0%
<b>Cash Flow Available for Distribution</b>		<b>\$14,832</b>	<b>5.0%</b>	<b>5.2%</b>

Required  
DSCR  
1.2

LOAN TERMS	Loan Amount	Term Mos.	Amort. Mos.	Interest Rate	Refi. Rate
Honor Bank	\$2,165,000	240	240	6.00%	8.00%
xxx		60	240	4.00%	6.00%
xxx		60	240	4.00%	6.00%
xxx		60	240	4.00%	6.00%
xxx		60		4.00%	6.00%
xxx				4.00%	8.00%
xxx				4.00%	8.00%
Override		\$0 (if requesting a grant input \$0)			
MSF/MCRP Loan	\$0	60	240	1.00%	3.00%

#### Debt Service Coverage Ratio

1.08

## PROJECT CASH FLOW

**Fill in only blue shaded inputs cells**

**Development Name:** Boardman Building  
**City/Township/Village:** Traverse City  
**County:** Grand Traverse  
**Construction Type:** Renovation

This worksheet is utilized to provide a 30 year operating projection following construction completion.

## Cash Flow with Tax Increment Financing

(Staff Use Only)

1 1.15

## PROJECT CASH FLOW

**Fill in only blue shaded inputs cells**

This worksheet is utilized to provide a 30 year operating projection following construction completion.

**Development Name:** Boardman Building  
**City/Township/Village:** Traverse City  
**County:** Grand Traverse  
**Construction Type:** Renovation

## Cash Flow Without Tax Increment Financing

**EXHIBIT C**

**CERTIFICATE OF COMPLETION AND REIMBURSEMENT**

TO: GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

The undersigned, as the \_\_\_\_\_ of Boardman Building LLC, a Michigan limited liability company (the “Developer”), submits this certification pursuant to the Reimbursement Agreement between the Developer and the Grand Traverse County Brownfield Development Authority (the “GTCBRA”), dated on or about \_\_\_\_\_, 2024 (the “Reimbursement Agreement”). On behalf of the Developer in connection with certain activities completed at the Property (as hereinafter defined), I hereby certify as follows:

1. Attached as **Exhibit 1** is a narrative description of the activities (excludes housing development activities related to financing gap) that have been completed for the Property defined in the Reimbursement Agreement as of the date of this Certification for which the Developer seeks reimbursement. These activities qualify as Eligible Activities under Act 381, Public Acts of Michigan, 1996, as amended, and are eligible for reimbursement pursuant to the Brownfield Plan and the Reimbursement Agreement. The activities set forth in **Exhibit B** have been completed in the manner and in compliance with the terms of the Brownfield Plan and the Brownfield Plan’s supporting documents.
2. Attached as **Exhibit 2** are true, correct and complete copies of all: (a) documents or reports for which reimbursement is requested; (b) invoices covering the activities for which the Developer seeks reimbursement; and (c) substantiating documents for such invoices.
3. That Developer has timely paid the real estate taxes applicable to the Property, and that proof of payment is attached hereto.

The undersigned has executed this Certificate for Reimbursement on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**EXHIBIT D**

**ANNUAL ACTIVE PROJECT REPORTING FORM**

TO: GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

The undersigned, as the \_\_\_\_\_ of Boardman Building LLC, a Michigan limited liability company (the “Developer”), submits this reporting form pursuant to the Reimbursement Agreement between the Developer and the Grand Traverse County Brownfield Development Authority (the “GTCBRA”) on or about \_\_\_\_\_, 20\_\_\_\_ (the “Reimbursement Agreement”). I hereby certify as follows:

1. As \_\_\_\_\_ of the Developer, I am authorized to execute and deliver this reporting form, and can commit the Developer to the conditions, obligations, stipulations, and undertakings contained in the Brownfield Plan approved by the GTCBRA and the Reimbursement Agreement for the property located at 412 Webster Street, Traverse City, Michigan (the “Property”).
2. Attached as **Exhibit 1** is a report on the status of the Project (as defined in the Brownfield Plan approved by the GTCBRA).

The undersigned has executed this Annual Active Project Reporting Form on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signed: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**EXHIBIT 1 TO EXHIBIT D****ANNUAL ACTIVE PROJECT REPORT**

PROJECT NAME	
STATUS OF PROJECT	
CAPITAL INVESTMENT	
AMOUNT OF NEW RESIDENTIAL SQUARE FOOTAGE	
NUMBER OF NEW OR REHABILITATED RESIDENTIAL UNITS	
AMOUNT OF RETAIL SQUARE FOOTAGE	
AMOUNT OF INDUSTRIAL SQUARE FOOTAGE	
AMOUNT OF COMMERCIAL SQUARE FOOTAGE	
*AMOUNT OF PUBLIC INFRASTRUCTURE LINEAR FOOTAGE (ex. sewer lines)	
*AMOUNT OF PUBLIC INFRASTRUCTURE SQUARE FOOTAGE (ex. park space)	
NUMBER OF JOBS CREATED	
NUMBER OF JOBS RETAINED	
TOTAL NUMBER OF HOUSING UNITS	
TOTAL NUMBER OF INCOME RESTRICTED UNITS RENTED AT RATES AT OR BELOW 100% AMI / Utility Allowances	
TOTAL NUMBER OF INCOME QUALIFIED PURCHASER HOUSEHOLDS SERVED	

<b>TOTAL NUMBER OF INCOME QUALIFIED RENTING HOUSEHOLDS SERVED</b>	
<b>INCOME RESTRICTED UNIT RENTAL RATES</b>	Studio: 1 Bedroom: 2 Bedroom: 3 Bedroom:
<b>RACIAL AND SOCIOECONOMIC DATA ON INCOME QUALIFIED HOUSEHOLDS</b>	
*only if costs are part of tax increment financing reimbursement request	

**EXHIBIT E**

**TRAVERSE CITY COMMISSION POLICY ON BUILDING ELETRIFICATION**

**The City of Traverse City**

**Office of the City Clerk**

GOVERNMENTAL CENTER

400 Boardman Avenue

Traverse City, MI 49684

(231) 922-4480

[tcclerk@traversecitymi.gov](mailto:tcclerk@traversecitymi.gov)



**CITY COMMISSION POLICY ON  
BUILDING ELECTRIFICATION**

1. **Purpose:** The purpose of the City of Traverse City Building Electrification Policy is to make significant advancement toward Traverse City's commitment to become carbon neutral before mid-century. This commitment was established in December of 2016, by the City Commission along with the commitment to meet 100% of operational electricity demands with renewable energy by 2020. Property and Buildings owned by the City of Traverse City will become all electric upon construction or renovation, and 100% renewable electricity from Traverse City Light & Power will supply the buildings.
2. **Requirements:** City of Traverse City Building Electrification Policy requires:
  - 2.1. All new buildings built on City owned property be fully electrified and obtain 100% clean renewable energy from TCLP. Effective for construction that commences after 1/1/24.
  - 2.2. All City buildings that undergo major renovations (total project costs greater than \$250,000) be fully electrified and obtain 100% clean renewable energy from TCLP. Effective 1/1/24.
  - 2.3. All regularly scheduled replacements of city owned boilers, other heating, and hot water supply be fully electrified and obtain 100% clean renewable energy from TCLP. Effective 1/1/24.
  - 2.4. All new snow/ice melt systems installed on City property or within City right-of-way must be fully electrified and obtain 100% clean renewable energy from TCLP. Effective 1/1/24.
  - 2.5. All new buildings must be fully electrified and obtain 100% clean renewable energy from TCLP to qualify for payment in lieu of taxes, PILOT or other tax incentive opportunities that may become available. Effective 10/1/23.
  - 2.6. All City owned property sold be deed restricted until 12/31/2040 to full electrification and to obtaining 100% clean renewable energy from TCLP. Effective 10/1/23.

Property leased for a new structure build must have full electrification and obtain 100% clean renewable energy from TCLP. Effective 10/1/2023. (Note: Lessees of space in city owned buildings shall not be responsible or required to make improvements or repairs to achieve full electrification.)

- 2.7. All new and replacement stationary backup power be supplied by batteries, if such batteries are equal to or exceed the capability of the current fossil fuel backup power supply being replaced or specified. Effective 7/1/24.
3. Exceptions: Exceptions to this policy will be evaluated on a case-by-case basis, and not be deemed precedent setting.

I certify that this policy was adopted by the City Commission for the City of Traverse City at its meeting held on August 7, 2023, and held within Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan



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Benjamin C. Marentette, MMC, City Clerk