



Boardman Building Redevelopment

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Boardman Building Redevelopment

- TCAPS sold the Ida Tompkins Building (the former Boardman School) to Eric Gerstner and Ken Richmond to save the building and redevelop as housing
- Garden level: 12 apartments affordable for renters with incomes from 60% to 80% of Area Median Income*
- Middle floor: office condominium
- Top floor: residential condominiums
- Found contamination from offsite and imported fill during due diligence



* Approximately \$1,000 a month for six studio apartments
Approximately \$1,200 a month for four small one-bedroom apartments
Approximately \$1,575 a month for a large one-bedroom or two-bedroom

Why we're here



This project needs brownfield tax increment financing to pay for costs to address environmental contamination migrating from offsite and make the income-qualified floor of the project feasible.

Rent revenues and condo sales don't cover loan payments, operating costs, and taxes. That's where TIF comes in.

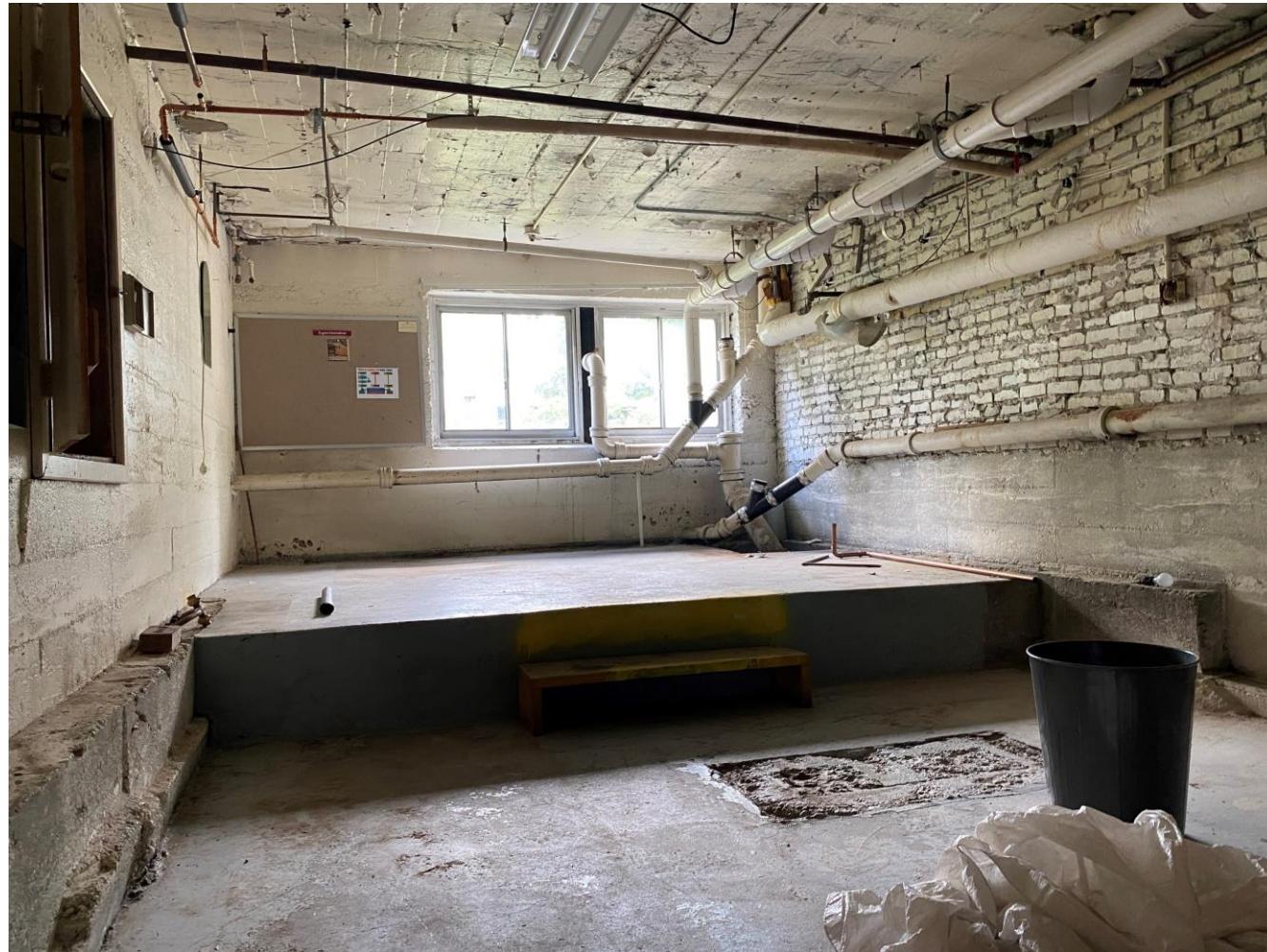
Without housing TIF, the numbers don't work

Total Building cost	\$10,902,000
Income qualified apartments building cost	\$4,879,000
Condominium building cost	\$6,023,000
Environmental costs	\$392,000
Condo sales	\$6,500,000
Total building cost minus sales revenues	(\$4,402,000)
Annual rent revenues	\$170,000 a year
Annual payment on loan, operating costs, taxes	(\$270,000)

Annual operating gap of more than \$100,000 a year without TIF to support affordable rents



Why we're here



- Brownfield TIF would use the developer's AND the condo owners' city, county, and state property taxes to help cover the cost of environmental testing, contamination barriers, contaminated soil removal, TCAPS moving costs, and workforce housing
- The state's contribution is 46% of the TIF eligible activities
- No taxes have been paid on the property in more than 100 years
- No unit of government loses existing tax revenues, and no one's taxes increase

Why we're here

- With TIF, units are priced within the budget of someone making 60-80% of AMI, and available to anyone making up to 100% of AMI
- TIF dollars will be used only for environmental costs, income qualified housing, and TCAPS' move – not condos.
- Without the brownfield TIF, instead of workforce housing, the garden level will be constructed as 8 market rate condominiums sold for about \$400,000-\$500,000 each.
- That is the only way the finances work without city, county, and state support for workforce housing.



The ask

- County Commission approval of a brownfield plan for environmental and income-qualified housing for people at 60-100% AMI
- TIF total for developer, TCAPS, and GTCBRA is \$4,439,069 (\$3,497,002 to developer; \$107,000 to TCAPS; \$222,271 to GTCBRA, plus \$785,068 for Local Brownfield Revolving Fund)
- Unanimously approved by TC City Commission on 9/3/24 and Grand Traverse County BRA on 9/12/24
- Without approval from the County Commission, the developers will pursue all market rate condominiums, no income limited housing

