



## ACT 381 BROWNFIELD PLAN

THE CHIPP  
710 CHIPPEWA SQUARE  
MARQUETTE, MICHIGAN 49855

**City of Marquette Brownfield Redevelopment Authority**

**September 2024**

**Prepared by:**

Mac McClelland  
Mac Consulting Service LLC  
[mactc@charter.net](mailto:mactc@charter.net)  
231.633.6303

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(tentative)**

**Brownfield Plan  
The Chipp Workforce Housing  
City of Marquette Brownfield Redevelopment Authority  
City of Marquette, Marquette County, Michigan**

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## Project Summary

The owners of 710 Chippewa Square are proposing to redevelop the building into workforce housing to serve qualified households with incomes at or below 120% Area Median Income. Brownfield TIF revenues are requested to close the gap between development costs and revenues.

This Brownfield Plan will provide incremental tax revenues to repay certain Eligible Activities, including demolition, infrastructure, site preparation, and the housing financing gap between development and revenues. Reimbursement of these Brownfield Eligible Activity expenses is critical to the economic viability of the redevelopment and providing workforce housing.

The property qualifies as Brownfield Eligible Property under the definition of Housing Property in Act 381.

**Project Name:** The Chipp Workforce Housing

**Project Location:** The Eligible Property is comprised of one parcel in Marquette, 710 Chippewa Square, Parcel Identification Number 0960040.

**Type of Eligible Property:** Housing Property

**Eligible Activities:** Baseline Environmental Assessment Activities, Asbestos Abatement, Demolition, Housing Development Activities.

Eligible Activities	Environmental	Housing	TOTAL
<b>ELIGIBLE ACTIVITY SUBTOTAL</b>	<b>\$3,000</b>	<b>\$732,875</b>	<b>\$735,875</b>
<b>Brownfield Plan Development and Approval</b>	<b>\$1,000</b>	<b>\$25,000</b>	<b>\$26,000</b>
<b>Brownfield Plan Implementation</b>	<b>\$1,000</b>	<b>\$45,000</b>	<b>\$46,000</b>
<b>TOTAL ELIGIBLE ACTIVITY</b>	<b>\$5,000</b>	<b>\$802,875</b>	<b>\$807,875</b>

**Years to Complete** 21 years

**Eligible Activities Payback:** **Estimated Investment:** \$2,685,000

**Estimated Annual Tax**

**Revenue in First Year**

**After Brownfield Obligation:**

\$82,425

## BROWNFIELD PLAN

### THE CHIPP WORKFORCE HOUSING MARQUETTE, MARQUETTE COUNTY, MICHIGAN

#### CITY OF MARQUETTE BROWNFIELD REDEVELOPMENT AUTHORITY

##### **1.0 INTRODUCTION**

Act 381, P.A. 1996, as amended, was enacted to promote the revitalization, redevelopment and reuse of contaminated, tax reverted, blighted, functionally obsolete, historically designated or housing property through incentives adopted as part of a Brownfield Plan. The Brownfield Plan outlines the qualifications, costs, impacts, and incentives for the project.

The Brownfield Plan must be approved by the brownfield redevelopment authority established under Act 381 and the governing body of the authority's municipality in order to take effect. State tax capture requires approval of an Act 381 Work Plan by the Michigan Department of Environment, Great Lakes and Energy (EGLE for Environmental ("Department Specific") Eligible Activities, and the Michigan State Housing Development Authority (MSHDA) for Housing Development Activities, with exemptions for certain Eligible Activities, including Baseline Environmental Assessment, Due Care Investigation and Planning, and Pre-Demolition Surveys, as well as Asbestos Abatement and Demolition not to exceed \$250,000.

The City of Marquette established the City of Marquette Brownfield Redevelopment Authority under the procedures required under Act 381 and filed with the Secretary of State on January 28, 1998.

This Brownfield Plan is for the redevelopment of the property at 710 Chippewa Square north of US-41 in Marquette, Michigan, consistent with Act 381. The Brownfield Plan describes the public purpose and qualifying factors for determining the site as an Eligible Property, the Eligible Activities and estimated costs, the impacts of tax increment financing, and other project factors.

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

The proposed redevelopment will renovate the existing building into a total of 14 rental units with 50% of rental rates targeted at 120% of the Area Median Income (AMI) and remaining 50% at 100% of AMI, based on the [Missing Middle Income and Rent Limits](#), published by MSHDA and adjusted on an annual basis.

The property is zoned Mixed-Use District and is governed by the Zoning Code of the City of Marquette.

The estimated private investment is anticipated at \$2,685,000. Selective demolition is anticipated to begin in late January 2025 with the completion at year-end 2025. The project is located in the City of Marquette, a Qualified Local Governmental Unit (QLGU).

## **1.2 Eligible Property Information**

The Eligible Property includes one parcel, as described below:

Parcel Number	Address	Description	Acreage	Qualifying Status
0960040	710 Chippewa Square	CHIPPEWA SQUARE LOT-3, PLUS A 1/6TH INTEREST IN THE "CHIPPEWA SQUARE COMMONS"	0.46	Housing Property

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

The adaptive reuse of the commercial building at 710 Chippewa Square into workforce housing will meet a critical community need for workforce housing as well as increased private investment and increase taxable value. When completed, property taxes are estimated at **\$82,425** per year (following the retirement of Brownfield obligations).

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

### ***Housing Need***

The Central Upper Peninsula Planning and Development Regional Commission (CUPPAD), a voluntary association of local governments that coordinate regional planning efforts related to economic, social, and physical development and conservation within its six-county region of Alger, Delta, Dickinson, Marquette, Menominee, and Schoolcraft Counties, issued the [Housing Needs Assessment for Marquette County](#) in December 2020.

The following is a summary of key findings from the Marquette County Housing Needs Assessment:

"Since 2000, the increase in housing prices in Marquette County ranks highest of Michigan's 83 counties...Median household incomes have risen by 36 percent between the years 2000 and 2017, while home sale prices have risen by 68 percent...Nearly half, 48 percent, of Marquette County renters are paying more than 30 percent of their income on rent. At the time this report was written (December 2020) there were no rental units listed in Negaunee. In Marquette, the current asking median rental

price for any size or housing type is over \$1,000, which is close to \$300 more than the median rental price according to American Community Survey data in 2017.”

Source: [Housing Needs Assessment for Marquette County](#), Key Findings, CUPPAD

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

According to the University of Michigan Department of Economics, Marquette County is projected to see employment gains of 0.7 percent by 2050.

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

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

## 2.1 Description of Project and Plan Costs

**MCL 125.2663(2)(a):**

The owners of Chippewa Square are proposing to redevelop the building at 710 Chippewa Street into workforce housing to serve qualified households with incomes at or below 120% Area Median Income. In order to close the gap between development costs and revenues, Brownfield TIF revenues are being requested for up to 21 years. The Brownfield Plan includes Environmental and Housing Development Eligible Activities:

### Environmental Eligible Activities include:

- Baseline Environmental Assessment Activities
  - Phase I Environmental Site Assessment

#### Housing Development Eligible Activities include:

- Lead and Asbestos Abatement
- Selective Demolition
- Housing Financing Gap

#### Other Eligible Activities include:

- Brownfield Plan development and approval;
- Brownfield Plan implementation; and
- Administrative and operating costs of the MBRA with local tax capture only.

Eligible Activities	Environmental	Housing	TOTAL
<b>ELIGIBLE ACTIVITY SUBTOTAL</b>	<b>\$3,000</b>	<b>\$787,875</b>	<b>\$790,875</b>
<b>Brownfield Plan Development and Approval</b>	<b>\$1,000</b>	<b>\$25,000</b>	<b>\$26,000</b>
<b>Brownfield Plan Implementation</b>	<b>\$1,000</b>	<b>\$45,000</b>	<b>\$46,000</b>
<b>TOTAL ELIGIBLE ACTIVITY</b>	<b>\$5,000</b>	<b>\$857,875</b>	<b>\$862,875</b>

Additional detail is provided in Table 1.1: Environmental Eligible Activities and Table 1.3 Housing Development Eligible Activities.

The cost of Eligible Activities included in and authorized by this Brownfield Plan will be reimbursed with incremental applicable local and state tax revenue generated by the increased private investment on the Eligible Property and captured by the MBRA, subject to any limitation and conditions described in this Brownfield Plan and the terms of a Reimbursement Agreement between the Developer and the MBRA. State tax capture requires approval of an Act 381 Work Plan by EGLE for Environmental Eligible Activities, and MSHDA for Housing Development Activities, with exemptions for certain Eligible Activities, including Baseline Environmental Assessment, Due Care Investigation and Planning, and Pre-Demolition Surveys, as well as Asbestos Abatement and Demolition not to exceed \$250,000.

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

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

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

***EGLE Department Specific Eligible Activities***

1. ***Baseline Environmental Assessment (BEA) Activities:*** BEA Activities include Phase I Environmental Site Assessments (ESAs), and if necessary, Phase II ESAs, and a Baseline Environmental Assessment to provide an exemption for the developer and assigns from environmental liability for pre-existing contamination. Act 381 includes provisions for Baseline Environmental Activities to be conducted prior to the approval of a Brownfield Plan for local tax capture (Section 13b.(9)(b)) and for State tax capture without EGLE approval (Section 13b.(8)(a-b)), as long as included in a subsequent Brownfield Plan.
  - A. ***Phase I ESA:*** A Phase I ESA will be conducted for the parcels consistent with ASTM Standard E1527-21. The Phase I ESA includes a review of historical and current information, including regulatory agency files, historical maps, and past uses to evaluate the potential for contamination, a site inspection of both the grounds and the exterior and interior of buildings on the property, and interviews with individuals knowledgeable about the past use of the property to identify any Recognized Environmental Conditions (RECs).

**Other Activities**

**Brownfield Plan and Work Plan Preparation:** The preparation and approval of the Brownfield Plan and Act 381 Work Plans are included as Eligible Activities. These costs are allocated between EGLE Environmental Eligible Activities and MSF Non-Environmental Eligible Activities.

**Brownfield Plan and Work Plan Implementation:** The implementation of the Brownfield Plan and Act 381 Work Plans are included as Eligible Activities. These costs are allocated between EGLE Environmental Eligible Activities and MSHDA Housing Development Eligible Activities.

**Administrative and Operating Costs:** An estimate of reasonable and actual administrative and operating costs of the City of Marquette Brownfield Redevelopment Authority (MBRA) is included as Eligible Activities as a Local Only Cost. These costs are split between EGLE Environmental Eligible Activities and MSHDA Housing Development Eligible Activities.

**Interest:** Interest has not been included as an Eligible Activity.

The following tables estimate the costs for Environmental Eligible Activities to be funded by tax increment revenues.

### EGLE Department Specific Eligible Activity Cost

Eligible Activities	Estimated Cost
<b>Baseline Environmental Assessment</b>	<b>\$3,000</b>
<b>EGLE Environmental Eligible Activities Total</b>	<b>\$3,000</b>
Brownfield Plan/Work Plan Development and Approval Cost	<u>\$1,000</u>
Brownfield Plan/Work Plan Implementation Cost	<u>\$1,000</u>
<b>ENVIRONMENTAL ELIGIBLE ACTIVITIES TOTAL</b>	<b>\$5,000</b>

### MSDHA Housing Development Eligible Activities

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

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

The Chipp Workforce Housing Brownfield Plan includes the following costs related to the financing gap between development costs and revenues for the 14 residential units with 7 at rents at 100% AMI for qualified households of up to 100% AMI and 7 at rents of 120% AMI for qualified households of up to 120% AMI, as required under Act 381.

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

Housing Development Eligible Activities	Total
Financing Gap between Development and Qualified Income	\$787,875
<b>TOTAL</b>	<b>\$787,875</b>

### Other Activities

Brownfield Plan and Work Plan Preparation: The preparation and approval of the Brownfield Plan and Act 381 Work Plans are included as Eligible Activities. These costs are allocated between EGLE Environmental Eligible Activities and MSF Non-Environmental Eligible Activities.

**Brownfield Plan and Work Plan Implementation:** The implementation of the Brownfield Plan and Act 381 Work Plans are included as Eligible Activities. These costs are allocated between EGLE Environmental Eligible Activities and MSF Non-Environmental Eligible Activities.

**Administrative and Operating Costs:** An estimate of reasonable and actual administrative and operating costs of the City of Marquette Brownfield Redevelopment Authority (MBRA) is included as Eligible Activities for Local Only capture. These costs are split between EGLE Environmental Eligible Activities and MSF Non-Environmental Eligible Activities.

**Interest:** Interest is not included as an Eligible Activity.

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

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

The taxable value as of December 31, 2024 is \$350,00. As provided in this Brownfield Plan, the Initial Taxable Value will be established by the taxable value as of December 31, 2024.

The EGLE Environmental and MSHDA Housing Eligible Activity costs total \$857,875.

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

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

Act 381 provides for the capture of Brownfield Tax Increment Revenues for reasonable and actual administrative and operating expenses of the MBRA with local taxes only, and the cost of development and implementation of Brownfield Plans and Act 381 Work Plans with both local and state taxes. The estimated amount of administrative and operating expenses allocated under this Brownfield Plan is \$34,370 and for Brownfield Plan / Act 381 Work Plan Development and Implementation is \$72,000.

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

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

The amount of tax increment revenue authorized for capture and deposit in the LBRF is currently estimated at \$155,033. All funds, if any, deposited in the LBRF shall be used in accordance with Section 8 of Act 381.

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

The MBRA shall pay to the Department of Treasury at least once annually an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, that are captured under this Plan for up to the first twenty-five (25) years of the duration of capture of tax increment revenues for each eligible property included in this Plan. If the MBRA pays an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on a parcel of eligible property to the Department of Treasury under Section 13b(14) of Act 381, the percentage of local taxes levied on that parcel and used to reimburse eligible activities for the Project under this Brownfield Plan shall not exceed the percentage of local taxes levied on that parcel that would have been used to reimburse eligible activities for the Project under this Brownfield Plan if the 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on that parcel were not paid to the Department of Treasury under Section 13b(14) of Act 381. The estimated allocation to the State Brownfield Redevelopment Fund is \$52,211.

The overall investment for the Project is estimated at over *\$2.66 million*.

Table 2 identifies taxable values for real and personal property, including tax increment revenues for the Eligible Property. In addition, 3 mils are captured and distributed to the State for the State Brownfield Redevelopment Fund. In accordance with Act 381, this share does not affect the State and local ratio. The overall contribution of local taxes is consistent with the ratio of captured local taxes (53.50%) to captured State taxes (46.50%). The cash flow analysis for the project indicates payoff of the obligation in *twenty-one (21) years* for Local and State capture from 2026.

Redevelopment of the property is anticipated to be initiated in Late January 2025, with abatement and demolition activities. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions. The estimated tax increment captured by the Authority is detailed in Table 2.

**2.4 Method of Financing and Description of Advances Made by the Municipality *MCL 125.2663(2)(d):***

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

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

The maximum amount of Eligible Activities is anticipated to be **\$807,875**.

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

The anticipated beginning date of capture is 2026, estimated to be the first year tax increment revenues are available. The duration of Brownfield Plan capture will be the time to capture taxes in an amount equal to the Eligible Activity obligation, State Brownfield Fund, Local Brownfield Revolving Fund, and Administrative and Operation Costs. As shown on Table 2, total costs of all Eligible Activities on the property redevelopment are expected to be repaid through tax increment financing in *twenty-one (21) years* for Local and State capture from 2026.

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

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

The total tax capture is estimated at **\$790,875** for Eligible Activities, plus **\$72,000** in Brownfield Plan development, approval and implementation, an estimated **\$34,370** in MBRA Administrative and Operating costs, an estimated **\$52,211** for the State Brownfield Fund and an estimated **\$155,033** for the Local Brownfield Revolving Fund for a total capture of **\$1,104,489**. After the Brownfield obligation is met, tax revenues in an amount estimated at **\$82,425** per year on into the future.

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

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

Parcel Number	Address	Description	Acreage	Qualifying Status
0960040	710 Chippewa Square	CHIPPEWA SQUARE LOT-3, PLUS A 1/6TH INTEREST IN THE "CHIPPEWA SQUARE COMMONS"	0.46	Housing Property

Location: The Eligible Property is located at 710 Chippewa Square in Marquette, Michigan. Figure 1 depicts the location of the Eligible Property and Figure 2 depicts the Eligible Property boundaries.

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

Personal Property: Personal Property is included as part of the Eligible Property.

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

There are currently no residential dwellings or residences that occupy the Eligible Property.

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

The Eligible Property does not currently contain any residential dwellings; therefore, a plan for residential relocation is not applicable.

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

The Eligible Property does not currently contain any residential dwellings; therefore, a provision for residential relocation has not been allocated.

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

The Eligible Property does not currently contain any residential dwellings; therefore, relocation is not necessary.

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

None

## **EXHIBITS**

### **FIGURES**

**Figure 1 Eligible Property Location Map**

**Figure 2.1 Eligible Property Boundaries**

**Figure 2.2 Eligible Property Parcel Map**

### **TABLES**

**Table 1.1 Department Specific Eligible Activities Costs**

**Table 1.2 Housing Development Eligible Activities Costs**

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

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

### **ATTACHMENTS**

**Attachment A – Brownfield Plan Resolutions**

## FIGURES



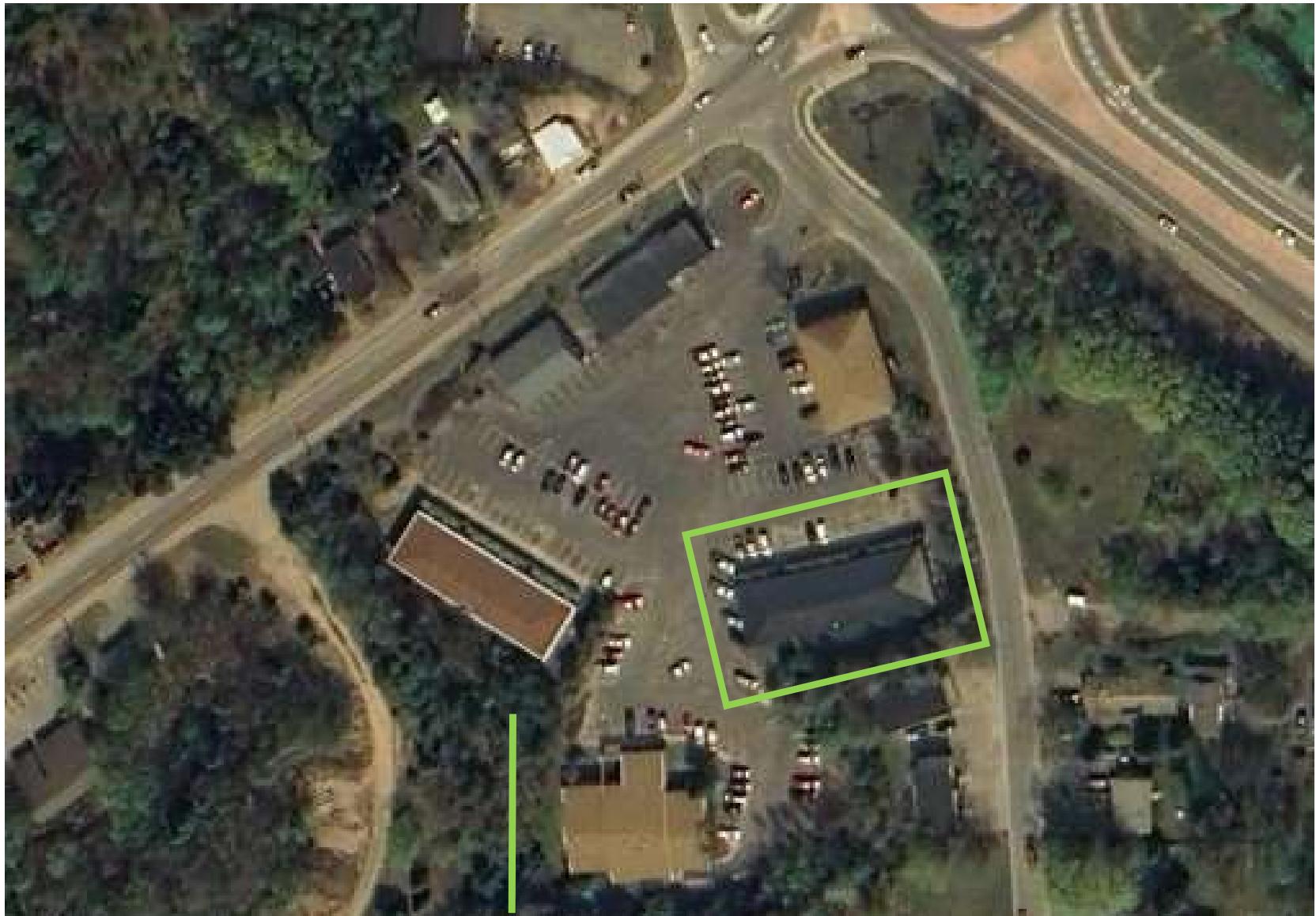
**The Chipp – 710 Chippewa Square  
Brownfield Plan/Act 381 Work Plan**

**Figure 1: Eligible Property Location Map**



**City of Marquette Brownfield Redevelopment Authority**

**Date:  
September 2024**



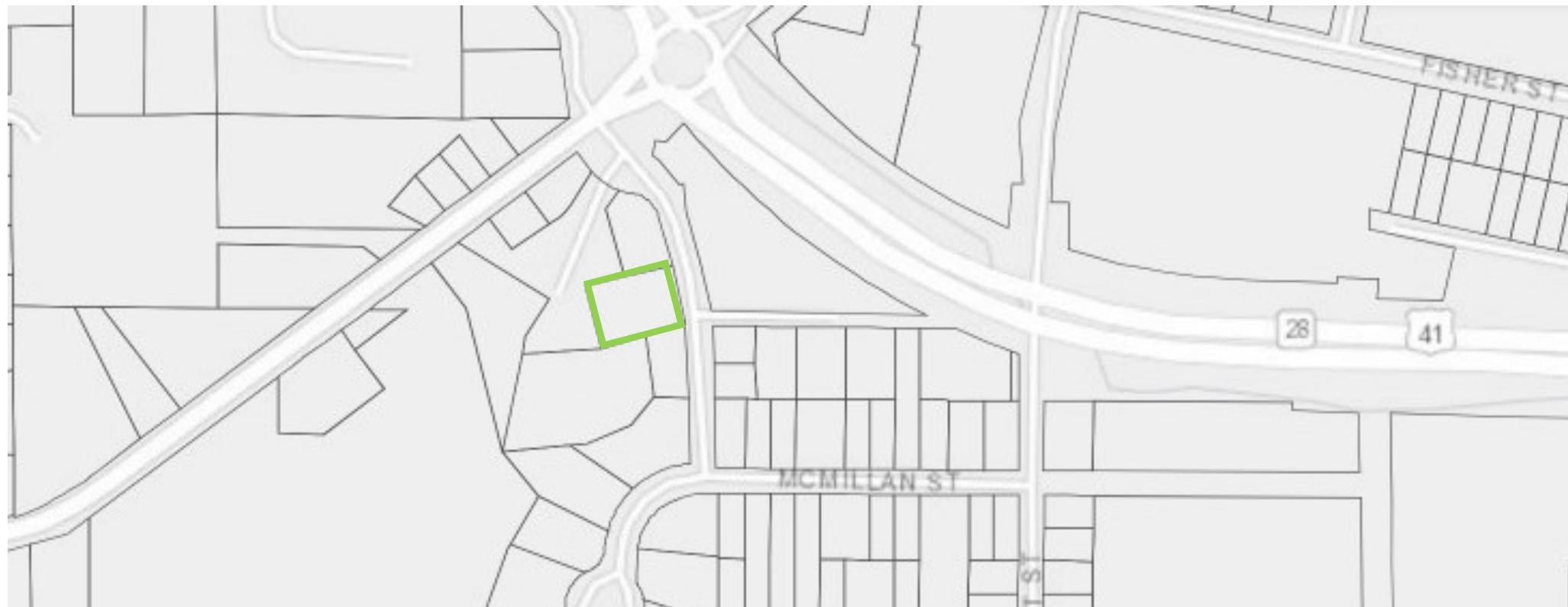
**The Chipp – 710 Chippewa Square  
Brownfield Plan/Act 381 Work Plan**

**Figure 2.1: Eligible Property Map**



**City of Marquette Brownfield Redevelopment Authority**

**Date:  
September 2024**



**The Chipp – 710 Chippewa Square  
Brownfield Plan/Act 381 Work Plan**

**Figure 2.2: Eligible Property Parcel Map**



**City of Marquette Brownfield Redevelopment Authority**

**Date:  
September 2024**

## TABLES

**Table 1.1 Environmental Eligible Activities Costs and Schedule**

**Table 1.3 Housing Development Eligible Activities Costs and Schedule**

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

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

**Table 3 – Potential Rent Loss Calculations**

<b>Table 1.1 EGLE Environmental Eligible Activities Costs</b> <b>THE CHIPP - 710 CHIPPEWA SQUARE</b> <b>CITY OF MARQUETTE BROWNFIELD REDEVELOPMENT AUTHORITY</b>	
EGLE Environmental Eligible Activities	Cost
<b>Department Specific Activities</b>	
<i>BEA Activities</i>	
<i>Phase I ESA</i>	\$3,000
<i>Phase II ESA</i>	
<i>Baseline Environmental Assessment</i>	
<i>BEA Subtotal</i>	<b>\$3,000</b>
<b>EGLE Eligible Activities Subtotal</b>	<b>\$3,000</b>
<b>Brownfield Plan/Act 381 Work Plan Preparation</b>	<b>\$1,000</b>
<b>Brownfield Plan/Act 381 Work Plan Implementation</b>	<b>\$1,000</b>
<b>EGLE Environmental Eligible Activities Total Costs</b>	<b>\$5,000</b>

Table 1.3 MSHDA Housing Development Eligible Activities Costs		
THE CHIPP - 710 CHIPPEWA SQUARE		
CITY OF MARQUETTE BROWNFIELD REDEVELOPMENT AUTHORITY		
MSHDA Housing Development Eligible Activities	Cost	
<b>Qualified Rehabilitation</b>		
	<i>Subtotal</i>	\$0
<b>Public Infrastructure Improvements</b>		
	<i>Subtotal</i>	\$0
<b>Demolition</b>		
	<i>Subtotal</i>	\$0
<b>Financing Gap</b>		
<i>Financing Gap between Development and Qualified Income</i>		\$787,875
	<i>Subtotal</i>	\$787,875
<b>Infrastructure Improvements</b>		
	<i>Subtotal</i>	\$0
<b>Site Preparation</b>		
	<i>Subtotal</i>	\$0
<b>Property Acquisition/Assistance</b>		
	<i>Subtotal</i>	\$0
	<b>Private MSHDA Eligible Activities Subtotal</b>	<b>\$787,875</b>
<b>Brownfield Plan/Act 381 Work Plan Preparation</b>		\$25,000
<b>Brownfield Plan/Act 381 Work Plan Implementation</b>		\$45,000
	<b>Public Eligible Activities Total</b>	<b>\$70,000</b>
	<b>MSHDA Eligible Activities Total Costs</b>	<b>\$857,875</b>

**Table 2.1 - Annual Revenue and Brownfield Capture Estimates  
The Chipp Brownfield Plan  
City of Marquette Brownfield Redevelopment Authority**

**Table 2.1 - Annual Revenue and Brownfield Capture Estimates  
The Chipp Brownfield Plan  
City of Marquette Brownfield Redevelopment Authority**

Table 2.2 - Tax Increment Revenue Reimbursement Allocation Table

## The Chipp Brownfield Plan

City of Marquette Brownfield Redevelopment Authority

Maximum Reimbursement	Proportionality	School & Local Taxes	State Brownfield Fund	LBRF	Local-Only Taxes	Total
<b>State</b>	<b>43.0%</b>	\$ 371,166	\$ 52,211	\$ -	\$ 423,377	
<b>Local</b>	<b>57.0%</b>	\$ 491,709	\$ -	\$ 155,033	\$ 34,370	\$ 681,112
<b>TOTAL</b>	<b>100.0%</b>	<b>\$ 862,875</b>	<b>\$ 52,211</b>	<b>\$ 155,033</b>		<b>\$ 1,104,489</b>
EGLE Environmental		\$ 5,000				
MSF Non-Environmental		\$ -				
MSHDA Housing		\$ 857,875				
<b>TOTAL</b>		<b>\$ 862,875</b>				

Estimated Total Years of Capture:	
Local Eligible Activities	21
State Eligible Activities	21
LBRF	25

Estimated Capture	\$ 862,875
Administrative Fees	\$ 34,370
State Revolving Fund	\$ 52,211
LBRF	\$ 155,033
<b>TOTAL</b>	<b>\$ 1,104,489</b>

Plan Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Capture Year		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>Calendar Year</b>	notes	\$ -	\$ 16,200	\$ 16,524	\$ 16,854	\$ 17,192	\$ 17,535	\$ 17,886	\$ 18,244	\$ 18,609	\$ 18,981	\$ 19,360	\$ 19,748	\$ 20,143	\$ 20,546	\$ 20,956	\$ 21,376	
Total State Incremental Revenue		\$ 52,211	\$ -	\$ 2,025	\$ 2,066	\$ 2,107	\$ 2,149	\$ 2,192	\$ 2,236	\$ 2,280	\$ 2,326	\$ 2,373	\$ 2,420	\$ 2,468	\$ 2,518	\$ 2,568	\$ 2,620	\$ 2,672
State Brownfield Revolving Fund (50% of SET)		\$ 0.0%	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LBRF Allocation		\$ 0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State TIR Available for Reimbursement		\$ -	\$ 14,175	\$ 14,459	\$ 14,748	\$ 15,043	\$ 15,343	\$ 15,650	\$ 15,963	\$ 16,283	\$ 16,608	\$ 16,940	\$ 17,279	\$ 17,625	\$ 17,977	\$ 18,337	\$ 18,704	
Total Local Incremental Revenue		\$ -	\$ 21,461	\$ 21,890	\$ 22,328	\$ 22,775	\$ 23,230	\$ 23,695	\$ 24,169	\$ 24,652	\$ 25,145	\$ 25,648	\$ 26,161	\$ 26,684	\$ 27,218	\$ 27,762	\$ 28,318	
BRA Administrative Fee		5% \$ 34,370	\$ -	\$ 1,073	\$ 1,095	\$ 1,116	\$ 1,139	\$ 1,162	\$ 1,185	\$ 1,208	\$ 1,233	\$ 1,257	\$ 1,282	\$ 1,308	\$ 1,334	\$ 1,361	\$ 1,388	\$ 1,416
LBRF Allocation		5% \$ 155,032	\$ -	\$ 1,073	\$ 1,095	\$ 1,116	\$ 1,139	\$ 1,162	\$ 1,185	\$ 1,208	\$ 1,233	\$ 1,257	\$ 1,282	\$ 1,308	\$ 1,334	\$ 1,361	\$ 1,388	\$ 1,416
Local TIR Available for Reimbursement		\$ -	\$ 19,315	\$ 19,701	\$ 20,095	\$ 20,497	\$ 20,907	\$ 21,325	\$ 21,752	\$ 22,187	\$ 22,631	\$ 23,083	\$ 23,545	\$ 24,016	\$ 24,496	\$ 24,986	\$ 25,486	
<b>Total State &amp; Local TIR Available</b>		\$ -	\$ 33,490	\$ 34,160	\$ 34,843	\$ 35,540	\$ 36,251	\$ 36,976	\$ 37,715	\$ 38,470	\$ 39,239	\$ 40,024	\$ 40,824	\$ 41,641	\$ 42,474	\$ 43,323	\$ 44,189	
<b>REIMBURSEMENT</b>	Beginning Balance	\$ 790,875																
Reimbursement	Phase I	% Allocation	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	
		\$ -	\$ 30,696	\$ 31,310	\$ 31,936	\$ 32,574	\$ 33,226	\$ 33,890	\$ 34,568	\$ 35,260	\$ 35,965	\$ 36,684	\$ 37,418	\$ 38,166	\$ 38,929	\$ 39,708	\$ 40,502	
<b>Reimbursement Balance</b>		\$ 790,875	\$ 790,875	\$ 760,179	\$ 728,870	\$ 696,934	\$ 664,360	\$ 631,134	\$ 597,243	\$ 562,675	\$ 527,415	\$ 491,451	\$ 454,767	\$ 417,349	\$ 379,183	\$ 340,253	\$ 300,545	\$ 260,043
<b>MBRA IMPLEMENTATION</b>	Beginning Balance	\$ 72,000																
GTCBRA Reimbursement		% Allocation	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	
		\$ -	\$ 2,794	\$ 2,850	\$ 2,907	\$ 2,966	\$ 3,025	\$ 3,085	\$ 3,147	\$ 3,210	\$ 3,274	\$ 3,340	\$ 3,406	\$ 3,475	\$ 3,544	\$ 3,615	\$ 3,687	
<b>GTCBRA Reimbursement Balance</b>		\$ 72,000	\$ 72,000	\$ 69,206	\$ 66,355	\$ 63,448	\$ 60,482	\$ 57,457	\$ 54,372	\$ 51,225	\$ 48,015	\$ 44,741	\$ 41,401	\$ 37,995	\$ 34,520	\$ 30,976	\$ 27,361	\$ 23,674
EGLE Environmental Costs		\$ 5,000	\$ -	\$ 194	\$ 198	\$ 202	\$ 206	\$ 210	\$ 214	\$ 219	\$ 223	\$ 227	\$ 232	\$ 237	\$ 241	\$ 246	\$ 251	\$ 256
State Tax Reimbursement		0.58%	\$ 2,151	\$ -	\$ 82	\$ 84	\$ 85	\$ 87	\$ 89	\$ 91	\$ 93	\$ 94	\$ 96	\$ 98	\$ 100	\$ 102	\$ 104	\$ 106
Local Tax Reimbursement		0.58%	\$ 2,849	\$ -	\$ 112	\$ 114	\$ 116	\$ 119	\$ 121	\$ 124	\$ 126	\$ 129	\$ 131	\$ 134	\$ 136	\$ 139	\$ 142	\$ 145
<b>Total EGLE Reimbursement Balance</b>		\$ 5,000	\$ 4,806	\$ 4,608	\$ 4,406	\$ 4,200	\$ 3,990	\$ 3,776	\$ 3,557	\$ 3,334	\$ 3,107	\$ 2,875	\$ 2,639	\$ 2,397	\$ 2,151	\$ 1,900	\$ 1,644	
State EGLE Balance to Be Reimbursed		\$ 2,151	\$ 2,069	\$ 1,985	\$ 1,899	\$ 1,812	\$ 1,723	\$ 1,633	\$ 1,540	\$ 1,446	\$ 1,350	\$ 1,251	\$ 1,151	\$ 1,049	\$ 945	\$ 839	\$ 730	
Local EGLE Balance to Be Reimbursed		\$ 2,849	\$ 2,737	\$ 2,623	\$ 2,507	\$ 2,388	\$ 2,267	\$ 2,143	\$ 1,889	\$ 1,757	\$ 1,624	\$ 1,487	\$ 1,348	\$ 1,206	\$ 1,061	\$ 914		
MSHDA Housing Development Costs		\$ 857,875	\$ -	\$ 33,296	\$ 33,962	\$ 34,641	\$ 35,334	\$ 36,041	\$ 36,762	\$ 37,497	\$ 38,247	\$ 39,012	\$ 39,792	\$ 40,588	\$ 41,399	\$ 42,227	\$ 43,072	\$ 43,933
State Tax Reimbursement		99.42%	\$ 369,016	\$ -	\$ 14,093	\$ 14,375	\$ 14,662	\$ 14,955	\$ 15,255	\$ 15,560	\$ 15,871	\$ 16,188	\$ 16,512	\$ 16,842	\$ 17,179	\$ 17,523	\$ 18,231	\$ 18,595
Local Tax Reimbursement		99.42%	\$ 488,859	\$ -	\$ 19,203	\$ 19,587	\$ 19,979	\$ 20,379	\$ 20,786	\$ 21,202	\$ 21,626	\$ 22,058	\$ 22,500	\$ 22,950	\$ 23,409	\$ 23,877	\$ 24,354	\$ 25,338
<b>Total MSHDA Reimbursement Balance</b>		\$ 857,875	\$ 824,579	\$ 790,617	\$ 755,976	\$ 720,642	\$ 684,601	\$ 647,840	\$ 610,343	\$ 572,096	\$ 533,085	\$ 493,293	\$ 452,705	\$ 411,306	\$ 369,078	\$ 326,006	\$ 282,073	
State MSHDA Balance to Be Reimbursed		\$ 369,016	\$ 354,923	\$ 340,548	\$ 325,886													

**Table 2.2 - Tax Increment Revenue Reimbursement Allocation Table**  
**The Chipp Brownfield Plan**  
**City of Marquette Brownfield Redevelopment Authority**

**RESOLUTION**  
**Brownfield Plan – The Chipp Workforce Housing**  
**City of Marquette Brownfield Redevelopment Authority**

At a regular meeting of the City of Marquette Brownfield Redevelopment Authority of Marquette, Michigan, held at the Marquette Municipal Service Center, 1100 Wright Street, Marquette, Michigan on September 25, 2024 at 9:00 a.m., the following resolution was offered by

Authority Member \_\_\_\_\_ and supported by

Authority Member \_\_\_\_\_.

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

**Whereas** the Marquette City Commission (the "Commission") established the Marquette Brownfield Redevelopment Authority (MBRA) under the procedures under Act 381 on September 8, 1997 and certified by the State of Michigan on January 28, 1998 to facilitate the cleanup and redevelopment of Brownfields within the City of Marquette; and,

**Whereas**, a Brownfield Plan that outlines the qualifications, costs, impacts, and incentives has been prepared and submitted for reimbursement from Brownfield Tax Increment Revenues with the adoption of the Brownfield Plan for the redevelopment of the 710 Chippewa Square from commercial to residential use for workforce housing called "The Chipp" developed by SLA Property LLC of Marquette; and

**Whereas** the City of Marquette Brownfield Redevelopment Authority reviewed The Chipp Workforce Housing Brownfield Plan at a regular meeting on September 25, 2024 and found that the Brownfield Plan meets the requirements of Act 381 and constitutes a public purpose of providing workforce housing, increased private investment, and increased property taxes; and

**Whereas** a public hearing on the Brownfield Plan is anticipated to be held on the regular meeting of the Marquette City Commission on October 28, 2024 and notice of the public hearing and notice to taxing jurisdictions will be provided in compliance with the requirements of Act 381;

**Now, Therefore be it Resolved** that the City of Marquette Brownfield Redevelopment Authority hereby approves the Brownfield Plan for the Chipp subject to final review and approval by the Executive Director, and recommends approval by the Marquette City Commission; and

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

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

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Resolution duly adopted

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Callie New, Chair, City of Marquette  
Brownfield Redevelopment Authority

Certified to be a true copy

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Date

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Matt Tuccini, Secretary



*RESOLUTION  
Brownfield Plan Approval  
The Chipp Workforce Housing  
710 Chippewa Square*

At a regular meeting of the Marquette City Commission held at Marquette City Hall, 300 W. Baraga Avenue, Marquette, Michigan on October 28, 2024 at 6:00 p.m., the following resolution was offered by

Commissioner \_\_\_\_\_ and supported by

Commissioner \_\_\_\_\_.

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

**Whereas** the Marquette City Commission (the "Commission") established the City of Marquette Brownfield Redevelopment Authority (MBRA) under the procedures under Act 381 on September 8, 1997 and certified by the State of Michigan on January 28, 1998 to facilitate the cleanup and redevelopment of Brownfields within the City of Marquette; and,

**Whereas** a Brownfield Plan that outlines the qualifications, costs, impacts, and incentives has been prepared and submitted for reimbursement from Brownfield Tax Increment Revenues with the adoption of the Brownfield Plan for the redevelopment of the 710 Chippewa Square from commercial to residential use for workforce housing called "The Chipp" developed by SLA Property LLC of Marquette; and

**Whereas** the City of Marquette Brownfield Redevelopment Authority reviewed the Brownfield Plan and determined the Brownfield Plan meets the requirements of Act 381 and constitutes a public purpose of providing workforce housing, increased private investment, and increased property taxes; and

**Whereas** the City of Marquette Brownfield Redevelopment Authority approved the Brownfield Plan at a regular meeting on September 25, 2024 and provided a recommendation to the Marquette City Commission to approve the Brownfield Plan; and

**Whereas** a public hearing on the Brownfield Plan was held on October 28, 2024, and notice of the public hearing and notice to taxing jurisdictions has been provided in compliance with the requirements of Act 381; and

**Now, Therefore be it Resolved, Whereas,** The Marquette City Commission has reviewed the Brownfield Plan and finds, in accordance with the requirements of Section 14 of Act 381 that:

- (a) The Brownfield Plan constitutes a public purpose of providing workforce housing, increased private investment, and increased property taxes;

- (b) The Brownfield Plan meets the requirements of Sections 13 and 13b 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;
- (c) The proposed method of financing the costs of Eligible Activities by SLA Properties LLC for private Eligible Activities is feasible, as described in Section 2.4 of the Brownfield Plan;
- (d) The costs of Eligible Activities proposed are reasonable and necessary to carry out the purposes of Act 381, including environmental due diligence and due care activities, meeting regulatory requirements for lead and asbestos inspection and if necessary, abatement prior to demolition, demolition, site preparation, infrastructure, and housing financing gap and the cost estimates are based on evaluation from certified professionals, experience in comparable projects, and preliminary discussions with reputable companies, as described in Section 2.1 and 2.2 of the Brownfield Plan; and
- (e) The amount of captured taxable value estimated from the adoption of the Brownfield Plan is reasonable, as calculated in Table 2.1 and 2.2 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 City of Marquette 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 Marquette City Commission hereby approves the Brownfield Plan for The Chipp.

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

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

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Resolution duly adopted

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Sally Davis, Mayor  
City of Marquette

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

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Kyle Whitney, City Clerk