

## AGENDA REPORT

TO: Mayor & City Commissioners  
FROM: Jeremy Howard, City Manager  
DATE: October 2, 2025

RE: Revocation of Industrial Facilities Exemption Certificate – Northern Fuels, LLC.

For the Agenda of October 6, 2025

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**Background.** On September 3rd, 2019, Northern Fuels, LLC., 805 Industrial Drive, Clare, was granted a twelve (12) year Industrial Facilities Exemption (IFE) Certificate (*att'd*) for abatement of real property taxes in the amount of \$800,000 and personal property in the amount of \$35,000, for the cost of machinery and equipment, for a new facility (Northern Dry Bulk) at 595 Industrial Drive, Clare, as provided for under PA 198 of 1974 (*att'd*) by the adoption of Resolution 2019-127 (*att'd*).

Northern Fuels sold its real and personal property at 595 Industrial Drive to Keenan Leasing, Inc., part of the Keenan Advantage Group, Inc. (KAG), in February 2024. In June 2024, the City Assessor sent KAG a notice and IFE Application for Certificate Transfer. The City received an IFE Application from KAG on August 14, 2024 which contained incorrect information. The City Clerk contacted KAG notifying them that the application contained incorrect information. KAG then submitted an amended application which was incomplete and missing documentation, thus, on September 5, 2024, the City Clerk again notified KAG that the application was incomplete and additional information would be required. On September 18, 2024, the City Clerk sent a letter to KAG reiterating that the City would be not able to process the incomplete application and notified KAG that the City Commission would be asked to revoke Certificate 2019-087, originally issued to Northern Fuels, LLC. In May 2025, the City Assessor contacted the State Tax Commission who informed us that KAG no longer has interest in filing for a transfer of the certificate. The City must now pass a resolution to officially revoke the Exemption Certificate (2019-087) as outlined in PA 198 of 1978, as amended, Chapter 207 (*att'd*).

**Issues & Questions Specified.** Should the City Commission hold the public hearing a subsequently revoke the IFTE Certificate from Northern Fuels, LLC?

### **Alternatives.**

1. Hold the Public Hearing and Approve the revocation of the Exemption Certificate.
2. Hold the Public Hearing and Disapprove revocation of the Exemption Certificate.
3. Set the matter aside for consideration, deliberation, and decision at a subsequently scheduled Commission meeting.

**Financial Impact.** With the IFTE Certificate revoked, the city and other taxing jurisdictions will receive the full tax amount starting in the year 2026.

**Recommendation.** I recommend that the City Commission hold the requisite public hearing and then approve the revocation of Northern Fuels, LLC's Industrial Facilities Tax Exemption Certificate 2019-087, by the adoption of Resolution 2025-086 (*att'd*).

### **Attachments.**

1. Exemption Certificate 2019-087.
2. Resolution 2019-127.
3. PA 198, Ch 207.565.
4. Resolution 2025-086.



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

December 4, 2019

Tom Kunse  
Northern Fuels, LLC  
805 Industrial Drive  
Clare, MI 48617

Dear Sir/Madam:

Pursuant to the requirements of Public Act 198 of 1974, as amended, the State Tax Commission (Commission) has issued an Industrial Facility Exemption Certificate numbered 2019-087, to Northern Fuels, LLC, located in City of Clare, Isabella County. This certificate was issued at the November 20, 2019 meeting of the Commission and the investment amounts approved are as follows:

Real Property:           \$800,000

Personal Property:       \$35,000

The State Education Tax to be levied for this certificate is 6 mills.

In accordance with MCL 24.304, the local unit of government or applicant has sixty days from the date of this letter to request a hearing to correct an error contained in the enclosed certificate.

Notification of completion of this project shall be filed with the Commission within 30 days of project completion. Within 90 days of project completion, a report of final costs shall be filed with the assessing officer of the local unit and the Commission.

If you have further questions regarding the issuance of this industrial facility exemption certificate, please call 517-335-7460.

Sincerely,

A handwritten signature in blue ink, appearing to read "David A. Buick".

David A. Buick, Executive Director  
State Tax Commission

Enclosure

cc: Edith K. Hunter, Assessor, City of Clare



## Industrial Facilities Exemption Certificate

Certificate No. 2019-087

Pursuant to the provisions of Public Act 198 of 1974, as amended, the State Tax Commission hereby finds that the industrial property, as described in the approved application, hereafter referred to as the industrial facility, owned or leased by **Northern Fuels, LLC**, and located at **595 Industrial Drive**, City of Clare, County of Isabella, Michigan, within a Plant Rehabilitation or Industrial Development District, is intended for the construction/installation of new industrial property or for the purpose of restoration or replacement of obsolete industrial property, and complies with Section 9 and other provisions of the act.

Therefore, as provided by MCL 207.551 to 207.572, inclusive, the State Tax Commission hereby certifies this industrial facility as a **new facility**.

This certificate provides the authority for the assessor to exempt the industrial facility for which this Industrial Facilities Exemption Certificate is in effect, but not the land on which the facility is located, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Industrial Facilities Tax.

This certificate, unless revoked by order of the State Tax Commission as provided by Public Act 198 of 1974, as amended, shall remain in force for a period of **12 year(s)** for real property and **12 year(s)** for personal property;

**Real property component:**

**Beginning December 31, 2019, and ending December 30, 2031.**

**The State Education Tax to be levied for the real property component of this certificate is 6 mills.**

**Personal property component:**

**Beginning December 31, 2019, and ending December 30, 2031.**

**The State Education Tax to be levied for the personal property component of this certificate is 6 mills, unless exempted by MCL 207.564(4) which was enacted with the creation of the Michigan Business Tax.\***

This Industrial Facilities Exemption Certificate is issued on **November 20, 2019**.

A TRUE COPY  
ATTEST:

*Jenay Jenkins*  
Jenay Jenkins  
Michigan Department of Treasury



A handwritten signature in black ink, appearing to read "Nick A. Khouri".

Nick A. Khouri, Chairperson  
State Tax Commission

**RESOLUTION 2019-127**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN INDUSTRIAL FACILITIES EXEMPTION APPLICATION OF NORTHERN DRY BULK, INCORPORATED.**

**WHEREAS**, Northern Fuels, LLC. has submitted an application for an Industrial Facilities Exemption Certificates to the City of Clare for abatement of real property improvements and personal property taxes for equipment purchase and installation; and

**WHEREAS**, Northern Fuels, LLC is located within an established Industrial Development District within the City of Clare; and

**WHEREAS**, the City notified, by certified mailings, all affected taxing units in respect to said application of Northern Fuels, LLC; and

**WHEREAS**, the City properly noticed a public hearing to receive comment from all affected taxing units, and the public regarding said application of Northern Fuels, LLC; and

**WHEREAS**, said public hearing was conducted by the Clare City Commission on the 3<sup>rd</sup> day of September 2019; and

**WHEREAS**, subsequent to said public hearing and due consideration of all pertinent matters related to said application of Northern Fuels, LLC, the City Commission determined, in public session at a regularly scheduled City Commission meeting, that approval of said application to be the best interests of the City of Clare; and

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**WHEREAS**, the City Commission is aware that aggregate SEV of personal property exempt from ad valorem taxes within the City of Clare, after granting this certificate, will exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal property thus exempted.

**NOW THEREFORE BE IT RESOLVED THAT** the City Commission of the City of Clare hereby approves the application of Northern Fuels, LLC for an Industrial Facilities Exemption Certificates for abatement of real property valued at \$800,000 and personal property valued at \$35,000 said Certificates to remain in force and effect for a period of ten years.

**BE IT FURTHER RESOLVED THAT** said approval is bound by the terms of the executed Agreement between the City of Clare and Northern Fuels, LLC said Agreement outlining the conditions to be upheld during said abatement period.

**BE IT FURTHER RESOLVED THAT** the City Commission declares that it finds and determines that the granting of the Industrial Facilities Exemption Certificates, considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978 shall not have the effect of substantially impeding the operation of the

City of Clare or impair the financial soundness of a taxing unit that levies ad valorem property taxes in the City of Clare.

**BE IT FURTHER RESOLVED THAT** the City has verified that the new equipment acquired has been installed within buildings on property situated within the City of Clare's Industrial Development District and Plant Rehabilitation District, the boundaries of said districts being one and the same.

**BE IT FURTHER RESOLVED that** the Industrial Facilities Exemption Certificates, when issued, shall be and remain in force and effect for a period of ten (10) years in accordance with the terms of the agreement.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

The Resolution was introduced by Commissioner Swanson supported by Commissioner Bonham. The Resolution declared adopted by the following roll call vote:

**YEAS: Bob Bonham, Josh Clark, Pat Humphrey, Carolyn (Gus) Murphy and Karla Swanson.**

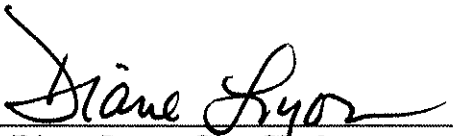
**NAYS: None.**

**ABSENT: None.**

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**Resolution approved for adoption on this 3<sup>rd</sup> day of September 2019.**

**I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Clare City Commission of the City of Clare, County of Clare, Michigan, at a regular meeting held on September 3, 2019.**

  
\_\_\_\_\_  
Diane Lyon, City Clerk

**PLANT REHABILITATION AND INDUSTRIAL DEVELOPMENT DISTRICTS (EXCERPT)**  
**Act 198 of 1974**

**207.565 Revocation of exemption certificate; request; grounds; notice; hearing; order; effective date; revocation of certificate issued for speculative building; reinstatement of certificate.**

Sec. 15.

(1) Upon receipt of a request by certified mail to the commission by the holder of an industrial facilities exemption certificate requesting revocation of the certificate, the commission shall by order revoke the certificate in whole or revoke the certificate with respect to its real property component, or its personal property component, whichever is requested.

(2) The legislative body of a local governmental unit may by resolution request the commission to revoke the industrial facilities exemption certificate of a facility upon the grounds that, except as provided in section 7a, completion of the replacement facility or new facility has not occurred within 2 years after the effective date of the certificate, unless a greater time has been authorized by the commission for good cause; that the replacement, restoration, or construction of the facility has not occurred within 6 years after the date the initial industrial facilities exemption certificate was issued as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that completion of the speculative building has not occurred within 2 years after the date the certificate was issued except as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that a speculative building for which a certificate has been issued but is not yet effective has been used as other than a manufacturing facility; that the certificate issued for a speculative building has not become effective within 2 years after the December 31 following the date the certificate was issued; or that the purposes for which the certificate was issued are not being fulfilled as a result of a failure of the holder to proceed in good faith with the replacement, restoration, or construction and operation of the replacement facility or new facility or with the use of the speculative building as a manufacturing facility in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder.

(3) Upon receipt of the resolution, the commission shall give notice in writing by certified mail to the holder of the certificate, to the local legislative body, to the assessor of the assessing unit, and to the legislative body of each local taxing unit which levies taxes upon property in the local governmental unit in which the facility is located. The commission shall afford to the holder of the certificate, the local legislative body, the assessor, and a representative of the legislative body of each taxing unit an opportunity for a hearing. The commission shall by order revoke the certificate if the commission finds that completion except as provided in section 7a of the replacement facility or new facility has not occurred within 2 years after the effective date of the certificate or a greater time as authorized by the commission for good cause; that completion of the speculative building has not occurred within 2 years after the date the certificate was issued except as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that a speculative building for which a certificate has been issued but is not yet effective has been used as other than a manufacturing facility; that the certificate issued for a speculative building has not become effective within 2 years after the December 31 following the date the certificate was issued; or that the holder of the certificate has not proceeded in good faith with the replacement, restoration, or construction and operation of the facility or with the use of the speculative building as a manufacturing facility in good faith in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder.

(4) The order of the commission revoking the certificate shall be effective on the December 31 next following the date of the order and the commission shall send by certified mail copies of its order of revocation to the holder of the certificate, to the local legislative body, to the assessor of the assessing unit in which the facility is located, and to the legislative body of each taxing unit which levies taxes upon property in the local governmental unit in which the facility is located.

(5) A revocation of a certificate issued for a speculative building shall specify and apply only to that portion of the speculative building for which the grounds for revocation relate.

(6) Notwithstanding any other provision of this act, upon the written request of the holder of a revoked industrial facilities exemption certificate to the local unit of government and the commission or upon the application of a subsequent owner to the local governing body to transfer the revoked industrial facilities exemption certificate to a subsequent owner, and the submission to the commission of a resolution of concurrence by the legislative body of the local unit of government in which the facility is located, and if the facility continues to qualify under this act, the commission may reinstate a revoked industrial facilities exemption certificate for the holder or a subsequent owner that has applied for the transfer.

**History:** 1974, Act 198, Imd. Eff. July 9, 1974 ;-- Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982 ;-- Am. 1996, Act 513, Imd. Eff. Jan. 13, 1997 ;-- Am. 2008, Act 170, Imd. Eff. July 2, 2008 ;-- Am. 2010, Act 122, Imd. Eff. July 19, 2010

**Popular Name:** Act 198

## **RESOLUTION 2025-086**

### **RESOLUTION REVOKING IFTE CERTIFICATE 2019-087 ISSUED TO NORTHERN FUELS, LLC. FOR REAL AND PERSONAL PROPERTY AT 595 INDUSTRIAL DRIVE, PARCEL NUMBER 18-002-10-013-17 AND PERSONAL PROPERTY NUMBER 18-990-00-220-01 CITY OF CLARE, ISABELLA COUNTY, MICHIGAN.**

**WHEREAS**, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on August 21, 2000, the Clare City Commission, by adoption of Resolution 2000-127, established an Industrial Development District and Plant Rehabilitation District within the City Limits of the City of Clare; and

**WHEREAS**, the City of Clare by adoption of Resolution 2019-127, approved an application from Northern Fuels, LLC. requesting a twelve-year Industrial Facilities Exemption Certificate for real property in the amount of \$800,000 and personal property in the amount of \$35,000, for subsidiary Northern Dry Bulk, located at 595 Industrial Drive, in the City of Clare, Isabella County, Michigan; and

**WHEREAS**, the State Tax Commission issued Certificate 2019-087 to Northern Fuels, LLC. on December 31, 2019, and ending on December 30, 2031 for said Exemption; and

**WHEREAS**, Keenan Advantage Group (KAG) purchased said property located at 595 Industrial Drive from Northern Fuels, LLC. on January 3, 2024; and

**WHEREAS**, KAG has failed to provide a completed Application for Transfer of Certificate 2019-087 following multiple requests by the City to do so; and

**WHEREAS**, the City Assessor has received information from the State Tax Commission that KAG will not be taking assignment of the Certificate to receive the tax benefit conferred by the Certificate; and

**WHEREAS**, KAG does not meet the statutory requirements for eligibility under the Act, and therefore the purposes for which the certificate was issued are no longer being fulfilled; and

**WHEREAS**, notice of this proposed revocation was provided to the certificate holder, and a public hearing was held on October 6, 2025, at which affected parties were given the opportunity to be heard.

**NOW, THEREFORE, BE IT RESOLVED** that the City Commission of the City of Clare hereby determines that Industrial Facilities Exemption Certificate No. 2019-087 issued for property located at 595 Industrial Drive, City of Clare, Isabella County, Michigan, is no longer valid under the Act, and requests that the Michigan State Tax Commission revoke said certificate pursuant to MCL 207.565.

**NOW, THEREFORE BE IT FURTHER RESOLVED** that the City Commission of the City of Clare hereby requests that the Michigan State Tax Commission revoke Industrial Facilities

Exemption Certificate number 2019-087 for Northern Fuels, LLC. for real and personal property located at 595 Industrial Drive, Clare, Michigan.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 6<sup>th</sup> day of October, 2025.

\_\_\_\_\_  
Diane M. Lyon, City Clerk

**RESOLUTION DECLARED ADOPTED.**

**C E R T I F I C A T I O N**

**I, Diane M. Lyon, duly appointed City Clerk for and in the City of Clare, Michigan, hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Commission of the City of Clare at a Regular Commission Meeting held on Monday, October 6<sup>th</sup>, 2025.**

\_\_\_\_\_  
**Diane M. Lyon, City Clerk**  
**City of Clare, Michigan**