

CITY OF

PORTAGE

A Place for Opportunities to Grow

Brownfield Redevelopment Authority

December 21, 2009

**CITY OF PORTAGE
BROWNFIELD REDEVELOPMENT AUTHORITY**

A G E N D A

December 21, 2009

CALL TO ORDER:

8:00 a.m., Portage City Hall, Conference Room #1, 7900 South Westnedge Avenue

APPROVAL OF MINUTES:

* November 4, 2009

BUSINESS:

- * 1. Brownfield Redevelopment Plan Amendment No. 6, 8019 Portage Road
 - Approval of the Development and Reimbursement Agreement between the Brownfield Redevelopment Authority and Treystar Holdings, LLC

STATEMENT OF CITIZENS:

ADJOURNMENT:

MATERIALS TRANSMITTED

Star (*) indicates printed material within the agenda packet.

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Brownfield Redevelopment Authority

Minutes of Meeting – Wednesday, November 4, 2009

The meeting of the City of Portage Brownfield Redevelopment Authority was called to order by Chairman Janke at 8:00 a.m. in Conference Room #1, at Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan.

MEMBERS PRESENT:

Mark Janke, Chairman; Tom Vance, Vice-Chairman; Tom King, Secretary; Daniel Vomastek; Bill Parse; Devrim Yaman; Jeff Monroe; and Tom Noverr

MEMBERS EXCUSED:

Robert Feeney

IN ATTENDANCE:

Jeffrey M. Erickson, Director of Community Development, Christopher Forth, Deputy Director of Planning and Development Services and Keith Lewandowsky

APPROVAL OF MINUTES:

The minutes from the October 5, 2006 meeting were introduced for approval. Chairman Janke noted his name was incorrectly spelled. A motion was offered by Vance, seconded by King to approve the minutes as amended. The motion was unanimously approved.

BUSINESS:

1. Election of Officers. Chairman Janke recognized the current officers and asked if any other board member is interested in serving as an officer for the Brownfield Redevelopment Authority. There being no interest from the other members, a motion was offered by Vance, seconded by Noverr, that the Brownfield Redevelopment Authority continue with the current officers: Janke, Chairman; Vance, Vice-Chairman; and King, Secretary. The motion was unanimously approved.

2. Revised Brownfield Redevelopment Plan/Amendment No. 6 (8019 Portage Road). Mr. Forth summarized the Department of Community Development report dated October 29, 2009 regarding the proposed amendment to the City of Portage Brownfield Redevelopment Plan. Mr. Forth indicated that Plan Amendment No. 6 was originally submitted in 2006, reviewed by the Brownfield Redevelopment Authority on October 5, 2006 and approved by City Council on November 21, 2006.

Brownfield Plan Amendment No. 6 was submitted by Atwell-Hicks, on behalf of the property owner, Treystar Holdings, LLC, and involves a tract of land located on the southeast corner of Portage Road and East Centre Avenue. Treystar is proposing to redevelop the land into

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a 53,000-square-foot, multi-building business center with an estimated market value of \$8 million. The level of assistance requested involves support for a State of Michigan Business Tax (MBT) credit in the amount of \$803,000. Also requested is tax increment financing (TIF) in the maximum amount of \$297,000 over a four-year period to finance specific eligible activities and administrative costs.

Fritz Brown, Treystar and Frank Marshall, Atwell-Hicks, were present to support the plan amendment. Mr. Parse asked why the MBT credit nearly doubled since the 2006 request. Mr. Marshall explained that PA 381 was amended and the amount of a MBT credit request increased from 10 percent to 12.5 percent of the total project cost. Also, Mr. Marshall indicated that more phases of the project were included in the 2009 MBT request. Mr. Brown further explained the phases and building construction. Ms. Yaman inquired about potential tenants. Mr. Brown stated that Treystar talking to five to six potential tenants in addition to the 5/3 Bank. Mr. Forth clarified the maximum amount of TIF and the total number of years for tax capture. Mr. Marshall summarized the State of Michigan review process and indicated the State would likely act within 30 dates upon receipt of the plan. Mr. Erickson noted the State of Michigan strongly encourages local support of the Brownfield Plan through the use of TIF, for example. Mr. Erickson stated the City Administration is supporting Brownfield Plan Amendment No. 6 since it is consistent with the adopted Brownfield Redevelopment Policy, Portage Road is designated as a revitalization corridor and construction of the Treystar project can stimulate other redevelopment activities within the corridor.

After a brief discussion regarding environmental remediation activities, a motion was offered by King, seconded by Noverr that the Brownfield Redevelopment Authority adopt the resolution approving and authorizing transmission of an amended Brownfield Redevelopment Plan (adding Brownfield Plan No. 6, 8019 Portage Road) to City Council. The motion was unanimously approved.

STATEMENT OF CITIZENS:

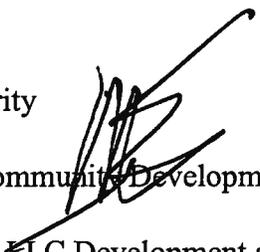
None.

ADJOURNMENT:

There being no further business to come before the Authority the meeting was adjourned at 8:50 a.m.

Respectfully submitted,

Jeffrey M. Erickson, Director
Department of Community Development

TO: Brownfield Redevelopment Authority  **DATE:** December 16, 2009
FROM: Jeffrey M. Erickson, Director of Community Development
SUBJECT: Approval of the Treystar Holdings, LLC Development and Reimbursement Agreement

At the December 15, 2009 meeting, City Council considered Brownfield Redevelopment Plan Amendment No. 6 submitted by Treystar Holdings, LLC, and conducted a public hearing. The brownfield project involves redevelopment of approximately eight acres of land at the intersection of Portage Road and East Centre Avenue. The Authority reviewed/approved Plan Amendment No. 6 at the November 4, 2009 meeting. The public hearing was conducted in accordance with Michigan statutory requirements to afford the general public and local taxing authorities, whose taxes will be captured and used in the redevelopment project, the opportunity to comment on Plan Amendment No. 6. The local taxing authorities subject to the tax capture did not comment during the public hearing and no written communications were received. A citizen inquired about the brownfield project at the public hearing.

Since Treystar Holdings, LLC, is proposing to capture taxes levied for school operating purposes, Michigan statute requires a development agreement between the developer and the Portage Brownfield Redevelopment Authority. The attached development agreement has been prepared by the City Attorney and also reviewed by Bond Counsel John Axe. Consistent with approved Plan Amendment No. 6, the agreement limits the amount of tax capture to \$282,000 for only eligible activities and the length of tax capture to no more than four years. Administration fees to the City of Portage (\$15,000) will also be collected to administer the tax increment finance component. The development agreement has also been reviewed and approved by Treystar Holdings, LLC. A copy of the development agreement was provided to City Council.

The City Attorney has advised that the agreement must be between the Authority and Treystar Holdings, LLC. The language of the agreement stipulates that the Authority approve payment of eligible reimbursement activities to the developer. Taxes are paid in February and September of each year and any tax increment finance revenue is then received by the city for the purposes identified in Plan Amendment No. 6. Meetings of the Authority will be scheduled to review and authorize payments for activities undertaken per Plan Amendment No. 6 and consistent with the Development Agreement. It is anticipated the Authority will be meeting three to four times per year to approve reimbursement requests.

Staff will be present at the upcoming meeting to respond to any questions and to assist the Board of Directors. It is recommended that the Board of Directors approve the development agreement.

Attachment: Development Agreement

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

THIS DEVELOPMENT AND REIMBURSEMENT AGREEMENT (the "Agreement") is made as of _____, 2009, between the **CITY OF PORTAGE BROWNFIELD REDEVELOPMENT AUTHORITY** a Michigan public body corporate whose address is Portage City Hall, 7900 South Westnedge Ave., Portage, MI 49024, (the "Authority") and **TREYSTAR HOLDINGS, L.L.C.**, a Michigan limited liability company, whose address is 7950 Moorsbridge Road, Portage, MI 49024 (the "Developer").

Recitals

A. The Authority was created by the City of Portage (the "City") pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996 as amended ("Act 381"), and, pursuant to Act 381, the Authority has prepared a Brownfield Plan which was duly approved by the City Council of the City (the "Brownfield Plan").

B. The Developer owns property in the City addressed as 8019 Portage Road, City of Portage, County of Kalamazoo, Michigan and which is legally described in the attached Exhibit A and which is included in the Brownfield Plan as being a "facility" as defined in Act 381 (the "Property").

C. Act 381 permits the use of the real and personal property tax revenues generated from the increase in value (the "the Increment") to brownfield sites constituting Eligible Property is under Act 381 resulting from their redevelopment to pay or reimburse the payment of costs in conducting Eligible Activities and, unless Developer is a liable party for the site contamination, permits the reimbursement to Developer of Eligible Costs it has incurred.

D. The Developer has plans to redevelop the Property for commercial retail and office uses (the "Project") which includes certain Michigan Department of Environmental Quality ("MDEQ") eligible activities at the Property at an estimated cost of Seventy-One Thousand (\$71,000.00) Dollars; demolition of the vacant gasoline station and pump island canopy totaling Thirty Thousand (\$30,000.00) Dollars; certain Michigan Economic Growth Authority ("MEGA") eligible activities encompassing site preparation estimated at One Hundred and Twenty-One Thousand (\$121,000.00); public infrastructure improvements, including sanitary sewer estimated at Twenty Five Thousand (\$25,000.00) Dollars; and interest expenses estimated at Thirty-Five Thousand (\$35,000.00) Dollars (collectively, the "Eligible Activities"). These activities are all described in the Amendment No. 6 to the City of Portage Brownfield Redevelopment Authority Brownfield Plan for the Centreport Development Project dated October 20, 2009 (the "Brownfield Amendment"), attached as Exhibit B. The Eligible Activities will have the effect of assisting in the redevelopment of the Property, maintaining and increasing employment within the City, increasing tax base within the City and otherwise enhancing the economic vitality and quality of life in the City.

E. Subject to approval by MDEQ and MEGA of the Developer's Act 381 Work Plan for the Project (the "Work Plan") with respect to the state education tax and taxes levied for school operating purposes (the "Educational Taxes"), Act 381 permits the use of the real property tax revenues generated from the incremental increase in property value of a redeveloped brownfield site constituting an "eligible property" under Act 381 to which the Authority is entitled to receive to pay or to reimburse the payment of costs of conducting activities that meet the requirements under Act 381 of "Eligible Activities".

F. By undertaking Eligible Activities on the Property, the Developer will incur (i) costs of performing the Eligible Activities, (ii) costs in connection with the preparation of the Work Plan, (iii) administrative fees for review of the Work Plan by MEGA and MDEQ, and (iv) administrative fees for administration of the tax increment financing plan as well as this Agreement to the City of Portage in the amount of \$15,000, which, in the aggregate, total \$297,000 (the "Eligible Costs"), all as defined in the Brownfield Amendment.

G. In accordance with Act 381, the parties desire to use the property tax revenues that are generated from an increase in the taxable value of the Property resulting from its redevelopment to which the Authority is entitled to receive (the "Tax Increment Revenues") to reimburse the Developer for the Eligible Costs.

H. The parties are entering into this Agreement to establish the procedure for such reimbursement.

Terms And Conditions

Therefore, in exchange for the consideration in and referred to by this Agreement, the parties agree as follows:

1. Recitals. The recitals above are acknowledged as true and correct and are incorporated by reference into this paragraph.

2. Plan. The Plan, as it relates only to this property, approved by the Authority and the City Council of the City is incorporated as part of this agreement. To the extent provisions of the Plan or this agreement conflict with Act 381 Act 381 controls.

3. Definitions.

- (a) "Additional Response Activities" are defined by Section 2(a) of Act 381;
- (b) "Baseline Environmental Assessment Activities" is defined by Section 2(d) of Act 381
- (c) "Brownfield Plan or Plans" is defined by Section 2(g) of Act 381;
- (d) "Due Care Activities" is defined by Section 2(k) of Act 381;
- (e) "Eligible Activities" is defined by Section 2(m) of Act 381;
- (f) "Eligible Property or Properties" is defined by Section 2(n) Act 381;
- (g) "Tax Increment Revenues" is defined by Section 2(ee) of Act 381, and, for purposes of this Agreement, includes both school taxes and local (non-school) taxes.

4. Capture of Taxes. The City shall during the term of this Agreement collect all possible Tax Increment Revenues from the Property to which the Authority is entitled to receive, and transmit such Tax Increment Revenues to the Authority for use as provided in this Agreement.

5. Term of Agreement and Termination. Pursuant to the Plan, the Authority shall capture the Tax Increment Revenues generated from real and personal property taxes allowed by law on the Eligible Property, beginning December 15, 2009 and continuing until full reimbursement of the Developer's Eligible Costs for those Eligible Activities set forth in this agreement, including any applicable interest, the total which shall not exceed \$297,000 but no later than December 15, 2013. This Agreement shall terminate the earlier of the date when all reimbursements required under this Agreement have been made or the Brownfield Amendment has expired.

6. Submission of Costs. For those Eligible Costs for which the Developer seeks reimbursement from the Authority, the Developer shall, within thirty (30) days after the Eligible Costs are incurred by the Developer, submit the following to the Authority:

- (a) A written statement detailing the Eligible Costs. The Developer shall describe each individual activity claimed as an Eligible Activity and the associated cost of each individual activity. Documentation of the costs incurred shall be included with the request including proof of payment and detailed invoices for the costs incurred sufficient to determine whether the costs incurred were for Eligible Activities. The request shall be signed by a duly authorized representative of the Developer and the representations, facts and documentation included in the request shall be sworn to as accurate in the presence of a notary;
- (b) A written explanation as to why they are Eligible Costs;
- (c) For those Eligible Costs which have been approved by MEGA for use of Educational Taxes, references to any applicable portions of the Work Plan as approved by MEGA which approves of such expenses as eligible for payment from Educational Taxes;
- (d) Copies of invoices from contractors, engineers or others who provided such services, or, for the Developer personnel for whose services reimbursement is being sought, detailed time records showing the work performed by such individuals; and
- (e) Any other information which may be required by state authorities or reasonably required by the Authority's auditors.

7. Eligible Activities. The Developer shall diligently pursue completion of all Eligible Activities. The Authority shall reimburse the Developer for Eligible Costs incurred by Developer as set forth in the Recitals which may also include environmental due diligence and due care, site preparation, and infrastructure improvements which may require the services of various contractors, engineers, environmental consultants, attorneys and other professionals, as well as state and local administrative fees.

8. Reimbursement.

- (a) The Authority shall pay approved Eligible Costs to the Developer from Tax Increment Revenues that are generated from the property in accordance with the Plan and this Agreement to the extent the taxes have been captured and are available. Interest in the amount of four percent (4.00%) per annum shall be paid to the Developer as set forth herein. Interest in any amounts payable to the Developer shall not commence until the first date property taxes are due and payable on the improvements constituting all or part of the property. The Authority shall have no obligation to reimburse the Developer for Eligible Costs or interest from Tax Increment Revenues captured and received by the Authority after December 15, 2013. This Agreement is limited to Tax Increment Revenues captured and received by the Authority for tax years 2010, 2011, 2012, and 2013. The amount of taxes levied as Educational Taxes that will be used to reimburse the Eligible Costs of implementing Eligible Activities at the Property will be limited to the cost of Eligible Activities approved by MEGA, together with interest at the rate provided above, subject to the limitations set forth in this Agreement.
- (b) The Developer shall cooperate in the review by Authority by providing information and documentation to supplement the request deemed reasonable and necessary by the Authority. The Authority shall identify in writing to the Developer any cost deemed ineligible for reimbursement and the basis for this determination. Developer shall be given forty-five (45) days in which to provide supplemental information and documents in support of the request for cost reimbursement deemed ineligible by the Authority. Thereafter, except as otherwise agreed to in writing by Developer and Authority, the Authority shall make a final decision on the eligibility of the disputed cost and inform the Developer, in writing, of its determination. No reimbursement shall be paid if the Developer or any tenant of Developer is delinquent in the payment of real or personal property taxes on the property.
- (c) Notwithstanding any provision to the contrary herein, in no event shall reimbursement to the Developer for Eligible Costs and interest be greater than amount of captured taxes during the term of this Agreement and the Authority shall have no obligation to reimburse the Developer for such an amount. If there are no funds available from real or personal property taxes captured, then there is no repayment obligation to Developer and no repayment shall be paid.
- (d) Unless there is a dispute as to whether costs are Eligible Costs or the accuracy of such costs, the Authority shall pay to the Developer, the amounts for which submissions have been made pursuant to paragraph 6 of this Agreement within sixty (60) days after the Authority receives Tax Increment Revenues from which the submission may be wholly or partially paid. If a partial payment is made by the Authority because of insufficient Tax Increment Revenues, the Authority shall make additional payments toward the remaining amount within sixty (60) days of its

receipt of additional Tax Increment Revenues until all of the amounts for which submissions have been made, plus interest at the rate as provided and limited in subparagraph (a) above, have been fully paid to the Developer or to December 15, 2013, whichever occurs first.

- (e) Except as further provided in this paragraph 8, interest on the obligation of the Authority to reimburse the Developer for the Eligible Costs shall accrue and be paid as provided in this Agreement. Such interest shall not, however, accrue during any period beginning on the date that the Developer, Developer's transferees, or other person or entity responsible for payment of real and personal property taxes, has not timely paid its real and personal property taxes related to the Property and ending on the date that such taxes, including all penalties, interest and other amounts due in relation thereto, are paid in full. For purposes of this Agreement, to be timely paid, taxes must be fully paid before the date on which they can no longer be paid without penalties or interest. The payment of interest shall be subject to the following limitations (w) interest shall not accrue or be payable on Eligible Costs consisting of accrued interest, (x) to the extent there are not sufficient Tax Increment Revenues captured and collected in a fiscal year and permitted to be used to pay interest accruing in such fiscal year, any unpaid interest shall accrue and carry over to the next fiscal year but shall not be compounded, (y) interest shall be payable out of captured Educational Taxes only if and to the extent permitted by MEGA and (z) subject to the limitation set forth in the first sentence of this subparagraph, interest payable out of captured Educational Taxes shall accrue on MEGA Eligible Costs only from the date permitted by MEGA.
- (f) Interest shall begin to accrue on the date that Eligible Costs are approved by the Authority. Interest shall not accrue during any period for which the Developer has filed a property tax appeal which the Michigan Tax Tribunal regarding the valuation of real or personal property assessment. In the event that any statute or judicial decisions to determine that the payment of interest by the City to the Developer for its unreimbursed Eligible Costs is unlawful, any interest previously paid by the Authority to the Developer shall be applied against the principal amount of the Eligible Costs only, and no amount shall be applied or allocated to interest. Developer agrees to execute an amendment specifically excluding the payment of interest, if such interest is determined to be unlawful.

9. Adjustments. If, due to an appeal of any tax assessment or reassessment of any portion of the Property or for any other reason the Authority is required to reimburse any Tax Increment Revenues to the City or any other tax levying unit of government, the Authority may deduct the amount of any such reimbursement, including interest and penalties, from any amounts due and owing the Developer. If all amounts due the Developer under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to the Developer, the Authority shall invoice the Developer for the amount of such reimbursement and the Developer shall pay the Authority such invoiced amount within thirty (30) days of the Developer's receipt of the invoice. Amounts invoiced and paid to the Authority by the Developer pursuant to this paragraph shall be reinstated as Eligible Costs for which the Developer shall

have the opportunity to be reimbursed in accordance with the terms, conditions and limitations of this Agreement.

10. Transfer of Ownership. If the Developer sells or transfers the property before being reimbursed in full for its Eligible Costs, the Authority may (a) continue to reimburse the Developer for the costs of Eligible Activities incurred by the Developer, or (b) reimburse any successor in interest for costs of Eligible Activities identified in the Plan of taxes captured from either the real or personal property on the Property only if Developer and the successor in interest agree to such reimbursement in writing.

11. Responsibilities of the Developer. In consideration of the inclusion of the Property in to the Plan and the resulting financial benefits, which it expects to receive, Developer agrees to the following:

- (a) Project. Demolish the abandoned gasoline station and construct on the property six buildings that total 53,000 square feet and associated site improvements to accommodate retail, restaurant and office uses. Upon completion, the project will have an estimated taxable value of \$4 million.
- (b) Employment Opportunities. Make every reasonable effort to create approximately 90 full-time and 60 part-time jobs upon completion of the project.
- (c) Project Sign. Include on the development sign that partial financing for the project was provided by the City of Portage Brownfield Redevelopment Authority. The acknowledgement must be readable from East Centre Avenue and Portage Road and the sign must remain on-site until the project is complete.
- (d) Promotion and Marketing. Permit the Authority to cite or use any renderings or photographs or other materials of the project as an example of private/public partnership and brownfield site redevelopment.
- (e) Cooperation. Assist and cooperate with the Authority in providing information that the Authority may require in providing necessary reports to governmental or other agencies.

12. Legislative Authorization. This Agreement is governed by and subject to the restrictions set forth in the Act. In the event that there is legislation enacted in the future which alters or affects the amount of Tax Increment Revenues subject to capture, Eligible Properties, or Eligible Activities, then the Developer's rights and the Authority's obligations under this Agreement may be modified accordingly by agreement of the parties.

13. Freedom of Information Act. Developer stipulates that all materials and documentation submitted by Developer shall be open to the public under the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, being Sections 15.23 to 15.24 of the Michigan Compiled Laws and no claim of trade secrets or other privilege or exception to the Freedom of Information Act will be claimed by Developer as it relates to this Agreement, Requests for Reimbursement and supporting documentation.

14. Notices. All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, or one day after being sent by overnight courier, or three days after being mailed by registered mail, return receipt requested, to the following addresses (or any other address that is specified in writing by either party):

If to Developer: Fritz Brown, Vice President
Treystar Holdings, LLC
7950 Moorsbridge Road
Portage, Michigan 49024

With copy to: Terry Patterson, Vice President
Treystar Holdings, LLC
7950 Moorsbridge Road
Portage, Michigan 49024

If to the Authority: City of Portage Brownfield Redevelopment Authority
Portage City Hall
7900 South Westnedge Avenue
Portage, Michigan 49002

With copy to: Jeffrey M. Erickson, Director
Department of Community Development
7900 South Westnedge Avenue
Portage, Michigan 49002

15. Indemnification. Developer shall defend, indemnify and hold harmless the City and the Authority, and any of their past, present and future members, officials, employees, agents or representatives from all losses, demands, claims, judgments, suits, costs and expenses (including without limitation the costs and fees of attorneys or other consultants) arising from or related to the capture and use of Tax Increment Revenue paid to Developer as a reimbursable payment under this Agreement made in excess of the amount of tax increment revenues the Authority is determined by the State or court to be allowed by law to use for that reimbursement.

16. Development. The Developer shall commence work on the Project as soon as possible after obtaining MEGA's and MDEQ's approval of the Work Plan and in no event later than April 15, 2010. The Developer will use its reasonable best efforts to complete the Project no later than December 31, 2017.

17. Reporting. The Developer shall submit a written report to the Authority within thirty (30) days after the end of each calendar year during the term of this Agreement, beginning with the calendar year ending December 31, 2010 until the Project is completed and within thirty (30) days after the Project's completion date. Each written report shall state the number of jobs located at the Project and the total private investment.

18. Amendment. This is the entire agreement between the parties as to its subject. It shall not be amended or modified except in writing signed by the parties.

19. Waiver. No failure of either party to complain of any act or omission on the part of the other party, no matter how long this same may continue, is considered as a waiver by that party to any of its rights hereunder. No waiver by either party, expressed or implied, of any breach of any provision of this Agreement is considered a waiver or a consent to any subsequent breach of this same or other provision.

20. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to the subject matter. There are no other understandings or agreements between them.

21. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

23. Plan Modification. The Plan and this Agreement may be modified to the extent allowed under the Act by mutual agreement of the Parties affected by the modification.

24. Binding. This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other party, which shall not be unreasonably withheld. It shall, however, be binding upon and inure to the benefit of each party and their respective successors or permitted assigns and shall be recorded in the Kalamazoo County Register of Deeds.

25. Authorization. Each of the parties represents and warrants to the other that this Agreement and its execution by the individual on its behalf are authorized by the board of directors or other governing body of that party.

DEVELOPER

Treystar Holdings, L.L.C., a Michigan
limited liability company

By: _____

Its _____

WITNESSES:

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

On this ____ day of _____, 2009, before me personally came the above named _____, as _____, and on behalf of Treystar Holdings, L.L.C., acknowledges that he has read the foregoing Development and Reimbursement Agreement, by him subscribed and knows the contents thereof, and that he has the authority of said limited liability company to execute this Agreement, and acknowledges that he executed the same as his free act and deed.

_____, Notary Public
Kalamazoo County, Michigan
My Commission Expires: _____
Acting in Kalamazoo County, MI

AUTHORITY

Witnessed:

City of Portage Brownfield Redevelopment Authority, a Michigan public body corporate

By: _____
Its _____

APPROVED AS TO FORM
DATE 12/16/09
LES
CITY ATTORNEY

STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

On this ____ day of _____, 2009, before me personally came the above named _____, as _____, and on behalf of the Authority, acknowledges that he has read the foregoing Development and Reimbursement Agreement by him subscribed and knows the contents thereof, and that he has the authority of said limited liability company to execute this Agreement, and acknowledges that he executed the same as his free act and deed.

_____, Notary Public
Kalamazoo County, Michigan
My Commission Expires: _____
Acting in Kalamazoo County, MI

EXHIBIT A

Legal Description

**Centreport Commons
8019 Portage Road
Portage, Michigan**

A PARCEL OF LAND SITUATED IN THE NE 1/4 AND THE NW 1/4 OF SEC 23, T3S, R11W; COMM AT THE N 1/4 COR OF SEC23, T3S, R11W; TH S89DEG53'29"E 648.32FT ALONG THE N LI OF THE NE 1/4 OF SAID SEC TO THE W LI OF THE E 1/2 OF THE NW 1/4 OF SAID NE 1/4; TH CONTINUING S89DEG53'29"E 170 FT ALONG SAID N LI; TH S00DEG28'10"E 50 FT PARALLEL WITH SAID W LI TO THE S ROW LI OF CENTRE AV AND THE POB; TH CONT S00DEG28'10"E 318 FT PARALLEL WITH SAID W LI; TH N89DEG53'29"W 96.45 FT PARALLEL WITH SAID N LI TO THE E LI OF THE W 660 FT (PERPENDICULAR MEASURE) OF SAID NE 1/4; TH S00DEG17'25"E 259.01 FT ALONG SAID E LI TO A POINT S00DEG17'25"E 627 FT PARALLEL WITH SAID E LI FROM THE N LI; TH N89DEG53'29"W 681.33 FT PARALLEL WITH SAID N LI TO THE CENTER LI OF PORTAGE RD; TH NORTHERLY 165.34 FT ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 3125.36 FT AND A CHORD N03DEG45'51"E 165.00 FT TO A POINT S00DEG17'25"E 462 PARALLEL WITH SAID E LI FROM SAID N LI; TH S89DEG 53'29"E 369.64 FT PARALLEL WITH SAID N LI TO A POINT N89DEG53'29"W 300 FT FROM SAID E LI; TH N00DEG17'25"W 132.00 FT PARALLEL WITH SAID E LI; TH N89DEG53'29"W 310.00 FT PARALLEL WITH SAID N LI TO THE E LI OF THE W 50 FT OF SAID NE 1/4; TH N00DEG17'25"W 280.00 FT ALONG SAID E LI OF THE W 50 FT TO SAID S ROW LINE OF CENTRE AV; TH S89DEG53'29"E 705.47 FT ALONG SAID S ROW LI TO THE POB. CONTAINING 8.09 ACRES OF LAND. PARCEL SUBJECT TO HIGHWAY EASEMENT FOR PORTAGE RD.

PPN: 00023-040-B

EXHIBIT B

**CITY OF PORTAGE
BROWNFIELD REDEVELOPMENT AUTHORITY**

**BROWNFIELD PLAN AMENDMENT
FOR**

**The Proposed
CentrePort Development Project
8019 Portage Road
Portage, Michigan**

Prepared for:
TREYSTAR HOLDINGS, LLC
7950 Moorsbridge Road
Portage, Michigan 49024

Contact Person: Mr. Fritz Brown
Phone: (269) 329-1808

Prepared on October 20, 2009
Atwell Project No. 05001239

Prepared by:
ATWELL-HICKS, LLC
140 Monroe Center, NW - Second Floor
Grand Rapids, Michigan 49503

Contact Person:
Mr. Frank D. Marshall, Team Leader
Phone: (616) 242-2000



ATWELL-HICKS
DEVELOPMENT CONSULTANTS

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- B. Legal Description
- C. Figures:
 - 1. Site Location Map
 - 2. Brownfield Concept Plan
 - 3. Groundwater Sample Results
- D. Baseline Environmental Assessment
- E. Tables:
 - 1. MDEQ Eligible Activities
 - 2. MEGA Eligible Activities
 - 3. Tax Increment Revenue Projection

**Brownfield Plan Amendment
for the
Proposed Centreport Development Project
City of Portage, Michigan
October 20, 2009**

INTRODUCTION AND PURPOSE

In order to promote the revitalization of environmentally distressed and blighted areas within the boundaries of the City of Portage (the "City"), the City has established the City of Portage Brownfield Redevelopment Authority (the "Authority") pursuant to Michigan Public Act 381 of 1996, as amended by Michigan Public Act 145 of 2000 ("Act 381"). The primary purpose to this Brownfield Plan Amendment ("Plan") is to promote the redevelopment of and private investment in certain "brownfield" properties within the City of Portage.

Inclusion of property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as "brownfields". By facilitating redevelopment of brownfield properties, the Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the Authority.

This Plan is intended to secure the eligible property and capture tax increment revenues generated from the development. It is also to identify and authorize the eligible activities to be reimbursed by such tax increment revenues. Any change in the proposed developer or proposed use of the eligible property shall not necessitate an amendment to the Plan, affect the application of this Plan to the eligible property, or impair the rights available to the Authority under this Plan.

This plan is intended to be a living document, which may be modified or amended as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Brownfield Plan contains information required by Section 13(1) of Act 381. It has also been prepared to document the project's compliance with the City of Portage's *Brownfield Redevelopment Incentive Policy* adopted in July 2008 (see **Attachment A**).

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A Brownfield Plan Amendment for the Centreport Commons project was adopted by the Brownfield Authority and City Council in 2006. After this approval, the State of Michigan required changes to the plan that affected local taxing jurisdictions and the schedule for the project. Because of these changes and because the City has a revised policy and procedure for approval, the Plan Amendment for Centreport Commons has been revised herein.

GENERAL DEFINITIONS AS USED IN THIS PLAN

"Additional response activities" means response activities proposed as part of a Brownfield Plan that is in addition to baseline environmental assessment activities and due care activities for an eligible property. MCLA 125.2652(a)

"Authority" means the City of Portage Brownfield Authority, a Brownfield Redevelopment Authority created under Act 381. MCLA 125.2652(b)

"Baseline environmental assessment" means that term as defined in Section 20101 of Part 201 of the natural resources and environmental protection act (NREPA), Act 451 of the Public Acts of 1994, as amended. MCL 324.201 or. MCLA 125.2652(c)

"Baseline environmental assessment activities" means those response activities identified as part of a Brownfield Plan that are necessary to complete a baseline environmental assessment for an eligible property in the Brownfield Plan. MCLA 125.2652(d)

"Brownfield Plan" means this Brownfield Plan, as amended in accordance with Act 381. MCLA 125.2652(g)

"Captured taxable value" means the amount in one year by which the current taxable value of an eligible property subject to this Brownfield Plan, including the taxable value or assessed value of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property. The state tax commission shall prescribe the method for calculated captured taxable value. MCLA 125.2652(h)

"Due-care activities" means those response activities identified as part of this Brownfield Plan that are necessary to allow the owner or operator of an eligible property in the Plan to comply with the requirements of Section 20107a of Part 201 of Act 451 of the Public Acts of 1994, as amended. MCLA 125.2652(k)

"Eligible activities" means one or more of the following:

- (i) Baseline environmental assessment activities.
- (ii) Due-care activities.
- (iii) Additional response activities.
- (iv) Infrastructure improvements that directly benefit eligible property.
- (v) Demolition of structures that is not a response activity under section 201 of NREPA.
- (vi) Lead or asbestos abatement.
- (vii) Site preparation that is not a response activity under section 201 of NREPA.
- (viii) Relocation of public buildings or operations for economic development purposes with prior approval of the Michigan economic growth authority. MCLA 125.2652(1)

"Eligible investment" means demolition, construction, restoration, alteration, renovation or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment, and fixtures to eligible property after the date that eligible activity on that eligible property has started pursuant to this Brownfield Plan under the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2651 to 125.2672, and after the date that the pre-approval letter is issued. The addition of leased machinery, equipment, or fixtures to eligible property by a lessee of the machinery, equipment, or fixtures is eligible investment if the lease of the machinery, equipment, or fixtures has a minimum term of 10 years or is for the expected useful life of the machinery, equipment, or fixtures, and if the owner of the machinery, equipment, or fixtures is not the qualified taxpayer with regard to that machinery, equipment, or fixtures. MCLA 208.38g(30)(e)

"Eligible property" means property for which eligible activities are identified under this Brownfield Plan and was used or is currently used for commercial, industrial, or residential purposes that is in a qualified local governmental unit and is a facility, functionally obsolete, or blighted, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property. Eligible property shall include, to the extent included in the Brownfield Plan, personal property located on the property. Eligible property does not include qualified agricultural property exempt under section 7ee of the general property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

"Facility" means that term as defined in section 20101 of NREPA (1994 PA 451). MCL324.20101.

"Fiscal year" means that fiscal year of the authority. MCLA 125.2652(o).

"Infrastructure improvements" means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure of improvement, owned or used by a public agency or functionally connected to similar or supporting property owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity, provided that any road, street, or bridge shall be continuously open to public access and that other property shall be located in public easements or rights-of-way and sized to accommodate reasonably foreseeable development of eligible property in adjoining areas. MCLA 125.2652(r)

"Initial taxable value" means the taxable value of an eligible property identified in and subject to this Brownfield Plan at the time the resolution adding that eligible property in the Brownfield Plan is adopted, as shown by the most recent assessment roll for which equalization has been

completed at the time the resolution is adopted. Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of property tax shall not be considered exempt from taxation. The state tax commission shall prescribe the method for calculating the initial taxable value of property for which a specific tax was paid in lieu of property tax. MCLA 125.2652(s)

"Local taxes" means all taxes levied other than taxes levied for school operating purposes. MCLA 125.2652(t)

"Project" means the total of all eligible investment on an eligible property. MCLA 208.38g(30)(j)

"Qualified taxpayer" means a taxpayer that meets both of the following criteria:

- (i) Owns or leases an eligible property.
- (ii) Certifies that the department of environmental quality has not sued or issued a unilateral order to the taxpayer pursuant to part 201 of NREPA, 1994 Public Act 451, as amended, to compel response activity on or to eligible property, or expended any state funds for response activity on or to eligible property demanded reimbursement for those expenditures from the qualified taxpayer.
- (iii) If (ii) actions had taken place against the taxpayer, the taxpayer would be a qualified taxpayer if they had completed all response activity required by Part 201, were in compliance with any deed restriction or administrative or judicial order related to the required response activity, and had reimbursed the State for all costs incurred related to the required response activity. MCL 125.2652(v).

"Tax increment revenues," means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to a Brownfield Plan and personal property located on that property. Tax increment revenues exclude ad valorem property taxes specifically levied for the payment of principal of and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit, and specific taxes attributable to those ad valorem property taxes. Tax increment revenues attributable to eligible property also exclude the amount of ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment finance authority, or local development finance authority, if those taxes were captured by these other authorities on the date that eligible property became subject to this Brownfield Plan. MCLA 125.2652(aa)

"Taxable value" means the value determined under Section 27a of the general property tax act, 1983 PA 206, as amended. MCLA 125.2652(bb)

"Taxes levied for school operating purposes" means all of the following:

- (i) The taxes levied by a local school district for operating purposes.
- (ii) Taxes levied under the state education tax act, 1993 PA 331, as amended. MCL 211.901 to 211.906.
- (iii) That portion of specific taxes attributable to taxes described under subparagraphs (i) and (ii). MCLA 125.2652(cc)

"Work plan" means a plan that describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual. MCLA 125.2652(dd)

THE PROPOSED CENTREPORT DEVELOPMENT PROJECT

SUBJECT PROPERTY

The subject site is located in the north half of Section 23, Township 3 South, Range 11 West, Portage Township, Kalamazoo County, Michigan. A legal description for the subject site is presented in **Attachment B**. This property is an assemblage of three parcels, one of which is an abandoned gasoline station containing residual contaminants in soil and groundwater.

The subject site is bordered to the north by East Centre Avenue, to the east by undeveloped land located at 2722 East Center Avenue, to the south by undeveloped land, and to the west by The Portage Animal Hospital located at 8037 Portage Road.

PROJECT DESCRIPTION

Treystar intends to develop approximately eight-acres of property at the southeast corner of Centre and Portage Roads. Three structures will be completed prior to the full recovery of the tax increment (**Attachment C**). The comprehensive plan is to construct six structures containing various retail establishments, restaurants and office buildings.

Because Brownfield incentives are critical to whether and how this project can proceed, the developer cannot effectively plan design details such as square footage, access, and architectural details. As a result, the project cannot be effectively marketed to end users until the scope of Brownfield incentives are secured.

PROJECT ELIGIBILITY

The Subject Property is an assemblage of several parcels, one of which is a split from a parent. Contamination from leaking underground storage tank(s) has been identified on the southern portion of the site (formerly 8043 Portage Road), which was previously occupied by a gasoline station. As a result, 8043 Portage Road is classified as a "facility" (see **Attachment D**). Although only one of the three parcels is classified as "facility", Act 381 permits contiguous

property that is part of the redevelopment project to be included in the brownfield project and plan.

The project application is consistent with the City of Portage Brownfield Development Policy (July 2008) including the general review criteria (see **Attachment A**). Specifically, the Plan contains elements that include the following:

- The plan will facilitate the clean-up and management of contamination and assist in the productive reuse of the property.
- The property is designated for office and business uses.
- The plan does not result in any impairment of the operation or financial soundness of affected taxing units.
- The Plan will expand the tax base of the City by creating increased property values and multiplier effects associated with additional capital investment in the community.
- The project will expand employment in the community.
- The proposed development is compatible with City requirements for services such as roads, utilities and public safety.
- The applicant is current with all financial obligations to the City and is in compliance with all applicable stat and City codes and ordinance with no pending or current litigation with local or state entities.

The planned project will result in the redevelopment of an environmentally distressed property for productive reuse, is zoned for business use, will expand the tax base and provide economic benefits to the community and promotes the health, safety and welfare of the community. The application is consistent with the minimum threshold criteria in the proposed policy for consideration of a tax increment finance incentive. The property is zoned for business use and is situated in the Portage Road Commercial Revitalization Area identified in the Comprehensive Plan (see **Attachment A**).

BROWNFIELD PLAN ELEMENTS

All citations are to Michigan's Public Act 381 of 1996, as amended ("Act 381").

Section 13(1)(a) and (b). A description of the costs of the plan intended to be paid for with the tax increment revenues, including a brief summary of the eligible activities that are proposed for each eligible property.

Eligible Property: 8019 Portage Road
Portage, Michigan

Tax ID: 00023-040-B

Eligible Activities: The eligible activities will include site preparation, demolition, public infrastructure improvements, and environmental assessment.

Management of the contaminants and related aspects of the site, which are typical of brownfields, present challenges to development that can be overcome with incentives associated with the Brownfield program. Specifically, Treystar Holdings, LLC seeks to recover tax-increment revenue in the amount of \$282,000 with State involvement, as well as solicit a two-phased \$803,000 Michigan-business tax (MBT) credit from the State. These incentives are necessary to off-set the costs of certain eligible investments and activities imposed on the project because it is a brownfield.

Because Treystar is a "qualified taxpayer", Tax-increment financing (TIF) can be used to finance developer costs for certain (a) site-preparation, (b) public infrastructure, (c) environmental costs, and (d) demolition. Below is a summary of the activities proposed for this "Project", which is also summarized on **Attachment E**.

Site Preparation:

The site requires fill in natural low areas that cannot be used for storm water retention. Low areas of the site are located over and up gradient of ground water contaminants. As a result, the natural low-lying area of the site is not a suitable location for storm water retention. TIF will assist the developer in overcoming this expense. Soil removal/fill fees that are related to eligible activities in this plan are estimated at \$13,000.

The site will require clearing and grubbing to suitably prepare it for development. These activities will include debris and waste deposited on the site, as well as other trees and vegetation. Clearing and grubbing fees that are related to eligible activities in this plan are estimated at \$5,000.

The Brownfield site requires grading to suitably prepare it for development. Certain grades already exist because portions of the site have already been developed. These grades will require alteration to support the proposed project. Grading fees that are related to eligible activities in this plan are estimated at \$15,000.

A geotechnical investigation is necessary to determine the suitability of soils for various uses on-site (i.e., engineered fill, bearing capacities, infiltration for storm water). Geotechnical investigation fees that are related to eligible activities in this plan are estimated at \$6,000.

All of the project area is located in a developed portion of the City of Portage. Re-engineering sanitary and grades, as well as project design and site planning require services not typical of Greenfield developments. Engineering fees that are related to eligible activities in this plan are estimated at \$20,000.

The site design and planning must accommodate contaminants and other challenges presented on the site. Site design and planning fees that are related to eligible activities in this plan are estimated at \$15,000.

The Subject Property is an assemblage of several parcels, one of which is a split from a parent. Assembling property into a single development is a burden typical of brownfield sites. Surveying fees that are related to eligible activities in this plan are estimated at \$10,000.

Infrastructure Improvements:

The project is located in a developed area of Portage that will require installation of 400 linear feet of public sewer main through the “facility” portion of development. Public Infrastructure improvement fees that are related to eligible activities in this plan are estimated at \$25,000.

The project will require costs to excavate and construct a storm water retention basin away from the contaminants on-site. Storm water retention fees that are related to eligible activities in this plan are estimated at \$37,000.

Environmental:

The project will require a Phase I Environmental Site Assessment (ESA) and Baseline Environmental Assessment (BEA) for the end-users of the “facility” portion of the site. Additionally, the “facility” status of the Subject Property imposes certain requirements on the owner/development that can be overcome with TIF. These additional response activities include further assessment and cleanup of soils. Assessment of soils will include sampling to update and define the extent of petroleum contaminants in soils. This information will be used to define what, and how much, soil will be excavated and removed from the site to support the development. Environmental fees that are related to eligible activities in this plan are estimated at \$61,000.

The developer intends to solicit approval to capture taxes levied for school-operating purposes from the MEDC and MDEQ. As a result, Act 381 work plans and review fees will be required to support this development. Act 381 work plan fees that are related to eligible activities in this plan are estimated at \$10,000.

Demolition:

The site contains an abandoned gasoline station and its related features such as awnings, piping, electrical conduit, and surfacing. Demolition and removal fees that are related to eligible activities in this plan are estimated at \$30,000.

Interest:

The cost of capital to perform the eligible activities is a material expense for the project. Therefore, the developer intends to utilize local tax-increment financing to reimburse up

to 4% of these costs compounded annually over a 10-year term. The amount of interest is estimated at \$20,000

Michigan-business Tax Credit:

The developer intends to solicit the State for a Michigan-business tax credit for this project. A Michigan-Business Tax (MBT) credit will reduce overall project costs so that the commercial and office space can be offered at market rates, which will help insure the project's success and facilitate spin-off investment in the south Portage Road corridor. State requirements for brownfield MBT credit require co-incentives from the local unit of government. The tax increment portion of this brownfield application would fulfill the local incentive requirement to qualify the project for a MBT credit.

The MBT-credit application is a two-phased. The first phase includes all site work including the infrastructure and the bank building and the second phase includes the remaining buildings, estimated to be complete by 2014. The total MBT-credit application is for \$6,424,000 of eligible investment, or a \$803,000 credit.

An estimate of the captured taxable value and tax increment revenues for each year of the Plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(c))

An estimate of fiscal year real and personal property tax capture for tax increment financing is attached on **Attachment E**. In summary, the increased taxable value upon project completion is approximately \$4,000,000.00, but this plan estimates TIF recovery will be complete before the project is fully completed. According to the projection in **Attachment E**, developer recovery for the eligible activities will require four years.

The method by which the costs of the Plan will be financed, including a description of any advances made or anticipated to be made for the costs of the Plan from the City. (MCLA 125.2663(1)(d))

The costs of the Plan will be financed by Treystar.

The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(3))

None.

The duration of the Plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(f)).

The estimated duration of the brownfield plan for this project is estimated at four years for developer reimbursement.

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the Property is located. (MCLA 125.2663(1)(g))

During the course of the brownfield plan, tax revenue from the project site will remain consistent with prior years. The captured tax value generated from the development will create an additional \$40,000 (estimated) per year for local taxing jurisdictions after the developer reimbursement is complete. Additionally, the project is estimated to house 150 employment positions. Tax increments will be used on both real and personal property to reimburse developer.

A legal description of each parcel of eligible property to which the Plan applies, a map showing the location and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property, and a statement of whether personal property is included as a part of the eligible property. (MCLA 125.2663(1)(h))

A Site Location Map and Concept plan is attached (see **Attachment B**). In addition, a legal description of the three parcels that comprise this project is attached (see **Attachment A**).

The former Clark Station parcel of the subject site is a "facility" as defined by the MDEQ. Concentrations of benzene, toluene, ethylbenzene, and xylenes (BTEX), methyl-tert-butyl-ether (MTBE), naphthalene, trimethylbenzene isomers, and 2-methylnaphthalene are present in soil and groundwater at concentrations that exceed MDEQ's generic residential cleanup criteria (see **Attachment C**).

An estimate of the number of persons residing on each eligible property to which the Plan applies and the number of families or individuals to be displaced, if any. (MCLA 125.2663(1)(i))

There are no persons residing on this Property and, therefore, no families or individuals will be displaced.

A plan for establishing priority for the relocation of persons displaced by implementation of the Plan, if applicable. (MCLA 125.2663(1)(j))

This section is inapplicable to this site as there are no persons residing on this Property.

Provision for the costs of relocating persons displaced by implementation of the Plan, and financial assistance and reimbursement of expenses, if any. (MCLA 125.2663(1)(k))

This section is inapplicable to this site as there are no persons residing on this Property.

A strategy for compliance with the Michigan Relocation Assistance Act, if applicable (MCLA 125.2663(1)(l))

This section is inapplicable to this site as there are no persons residing on this Property.

A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(m))

This section is inapplicable to this site as there will be no revolving fund for this project.

Other material that the Authority or the City Council considers pertinent. (MCLA 125.2663(1)(n))

The proposed development is presently in the Site Plan stage. Vision for the project is to develop six structures containing various retail establishments, restaurants and office buildings. The project is planned for approximately 53,000 square feet of office and retail space. In addition, this project will create approximately 90 full-time jobs and 60 part-time jobs.

The developer intends to solicit the State for a Michigan-business tax credit for this project. A Michigan-business Tax (MBT) credit will reduce overall project costs so that the commercial and office space can be offered at market rates, which will help insure the project's success and facilitate spin-off investment in the south Portage Road corridor. State requirements for brownfield MBT credit require co-incentives from the local unit of government. The tax increment portion of this brownfield application would fulfill the local incentive requirement to qualify the project for a MBT credit. Treystar also intends to begin the project after brownfield plan approvals in Fall of 2009. The new construction is expected to be complete in 2014.

ATTACHMENT A
City of Portage Brownfield Redevelopment Policy

CITY OF PORTAGE BROWNFIELD REDEVELOPMENT INCENTIVE POLICY

The City of Portage encourages the growth and development of the local industry and business tax base, the creation of additional job opportunities for community residents and desires to continue to provide incentives for industry and business expansion. The City Council also recognizes the essential responsibility to the community to maintain the array of public services necessary to ensure the high quality of life that exists in Portage. To facilitate tax base expansion and to fulfill these responsibilities, the City Council hereby establishes this City of Portage Brownfield Redevelopment Incentive Policy.

The City of Portage is *A Place for Business Opportunities to Grow!* To continue to be a community in which growth and development can prosper, the following attributes important to all industries and businesses will be maintained:

- **Low Tax Rate.** The maintenance of the lowest feasible tax rate compared to other full-service cities is essential to economic development and will facilitate expansion and job creation: A very competitive City of Portage tax rate will be continued.
- **Utility Service Rates.** The maintenance of competitive utility rates is also important to provide opportunities for continued growth and development: Cost effective rates and the efficient delivery of utility services by the City of Portage will be continued.
- **Capital Improvements.** Investments in existing public street, water and sewer infrastructure and the expansion of these public systems are necessary and will encourage additional private sector investment: The annual 10-year Capital Improvement Program budget will continue to reflect essential public improvements within the community.
- **Quality of Life Investments.** To provide opportunities for industry and business expansion and to ensure high quality of life standards, public safety, business and neighborhood services, cultural and recreational programming and related community attributes must be maintained: Quality of life investments will be continued by the City of Portage to foster a safe, *Living, Working and Learning* community.

In addition to these important locally-determined economic development and growth factors, the City Council will offer eligible industries and businesses the opportunity to apply for brownfield incentives under Michigan Statute. The City Council is desirous of fostering brownfield redevelopment to strengthen the tax base and to encourage job creation. The City Council also recognizes its fiduciary responsibility to the community to provide public services and uphold the quality of life. Periodic review of the brownfield policy is necessary to ensure consistency with the community needs and objectives.

Inquiries concerning this policy can be directed to the Department of Community Development (269.329.4477), or the Office of the City Clerk (269.329.4511) in Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan 49002.

Brownfield Redevelopment Policy

The following sections reference the framework for processing and considering brownfield redevelopment incentive applications as provided under the Brownfield Redevelopment Financing Act (PA381 of 1996, as amended). This policy, these procedures and related provisions will

assist the private investors in the ongoing effort to enhance the productive capacity of environmentally distressed property and contribute to the health and vibrancy of the City of Portage. The following sections address --

1. The Intent of the City of Portage Brownfield Redevelopment Program
2. The General Review Criteria for Brownfield Applications
3. Brownfield Redevelopment Financial Incentives in the City of Portage
4. Brownfield Redevelopment Application Review Process
5. Amendment of the City of Portage Brownfield Plan Process
6. State of Michigan Review Process
7. Annual Report Requirements for the City and the Applicant

1. The Intent of the City of Portage Brownfield Redevelopment Program

Per the resolution adopted by the City Council in July 2001, the City of Portage Brownfield Redevelopment Program was established to facilitate reuse of environmentally distressed property (functionally obsolete and/or blighted areas) in the community. This economic development program is intended to place vacant and/or underutilized/blighted properties back into productive use, fostering reinvestment in the city and, also, discouraging sprawl development. Consistent with the intent of PA381 of 1996, as amended, City Council established the Portage Brownfield Redevelopment Authority in August 2001 and appointed the Board of Directors of the Portage Economic Development Corporation/Tax Increment Finance Authority (EDC/TIFA) to serve as the Portage Brownfield Authority.

The objective of the Act is to assist in effectively addressing brownfield properties and consider the level of assistance necessary to encourage redevelopment. It is acknowledged that the greater development costs associated with a brownfield, when compared to the development costs of a property that is not environmentally contaminated or obsolete, is a significant consideration in successful redevelopment and use. The State of Michigan has enacted programs to assist in brownfield redevelopment, including Michigan Business Tax credits, and has authorized local units of government to capture incremental increases in local and school property tax revenues to finance eligible activities on a brownfield property including environmental response activities, demolition, public infrastructure improvements, site preparation and lead and asbestos abatement.

2. The General Review Criteria for Brownfield Applications

The City Council will evaluate brownfield redevelopment applications based on the following criteria. The criteria shall be equally applied during the review of applications from eligible property owners:

- The brownfield redevelopment application will facilitate the environmental clean-up to accepted State of Michigan standards and the productive reuse of one or more distressed properties.
- The brownfield redevelopment application involves property that is included in the Portage Brownfield Redevelopment Plan.
- The brownfield redevelopment application involves property that is designated for office, business or industrial use in the Portage Zoning Code and is planned for office, business or industrial use in the Portage Comprehensive Plan.
- The financial incentives to be provided for the project will not result in the impairment of the operation or the financial soundness of any affected taxing unit.
- A public purpose would be served; i.e., expanded tax base as well as the multiplier effects of additional employment, income and capital investment in the community.
- The project will provide for an expansion of the employment base in the community.

- The proposed facilities will be compatible with the present and future requirements for city services such as roads, utilities and public safety.
- The applicant meets current financial obligations to the city, is in compliance with all applicable state and city codes and ordinances and has no pending or current litigation against the city (including appeals to the Michigan Tax Tribunal).

The preceding criteria are not intended to be exhaustive. The City Council reserves the right to consider such additional criteria that are intended under this policy and that are consistent with promoting the general health, safety, and welfare of the City of Portage.

3. Brownfield Redevelopment Financial Incentives in the City of Portage

The Portage City Council wishes to encourage the environmental clean-up and the redevelopment of eligible brownfield sites by leveling the playing field between “brownfield” and “greenfield” sites. The Portage City Council will offer the following incentives to stimulate reinvestment in eligible brownfield sites.

- A. Michigan Business Tax Credit. The preferred approach to foster the redevelopment of brownfield properties by the private sector is to support an application to the State of Michigan for the Michigan Business Tax (MBT) credit program for small projects (\$10 million or less) and large projects (over \$10 million) where developers of eligible brownfield properties can receive a tax credit equal to 12.5 percent of the eligible investment. Eligible investment costs include demolition, construction, restoration, alteration, renovation, site improvements, and addition of machinery, equipment and fixtures for the owner or lessee. It is recognized that the City of Portage support for the issuance of a tax credit and the receipt of this tax credit by the property owner represents a significant redevelopment incentive.
- B. Tax Increment Financing Incentive. Tax increment financing (TIF) allows the use of tax revenues that result from an increase in taxable value caused by the construction of new commercial or industrial facilities. Tax revenues can then be used to fund/reimburse the cost of eligible brownfield redevelopment activities.
 1. The Portage City Council will support tax increment financing if such financing is necessary for the granting of a Michigan Business Tax credit by the State of Michigan for an office, commercial or industrial project on a brownfield site. The state and all local taxing jurisdictions are expected to participate. Tax increment financing may be approved to reimburse the applicant only for those costs attributed to approved activities directly related to the brownfield property such as public infrastructure, stormwater retention, environmental response, demolition that is a response activity, including reasonable interest expenses as allowed by the Act, and for related fees and costs associated with the tax increment plan, financing, scheduling, reporting and related activities. City Administration costs for review and approval of the brownfield application and plan that involve tax increment financing will be incorporated into the tax increment finance plan as allowed by the Act. The city will not borrow money or issue negotiable revenue bonds or notes to finance eligible activities.
 2. In order for a project to be considered for tax increment financing, the following minimum threshold criteria must be met:
 - a. The property must be zoned for business use and located in a “Commercial Revitalization Area” as identified in the Comprehensive Plan and meet the business guidelines of the state brownfield program (retail operations that are not “big box” retailers unless as an anchor in a retail center located in an historically underserved market in a traditional

- downtown area or a significant commercial node that complements rather than competes with existing retailers); OR
- b. The property must be zoned for industrial use and located within the general industrial area identified in the Comprehensive Plan and meet the manufacturing guidelines of the state brownfield program (preference given to re-use of existing obsolete/blighted industrial facilities by a Michigan manufacturer in a competitive industry, which preserves/creates jobs, or is high growth potential technology-based company); AND
 - c. The tax capture is limited to a maximum of five years or a predetermined amount as approved by the City Council; AND
 - d. The applicant is not responsible for any existing on-site environmental contamination.
3. The City Council may make modifications to increase the financial assistance and level of city participation, which are deemed appropriate and consistent with the requirements of Act 381 and objectives stated in this policy, for a brownfield project that involves the following significant economic development benefits to the community:
- a. The project is necessary for a new business to locate or an existing business to expand in the city.
 - b. The minimum taxable value of the project upon completion will be at least \$5 million.
 - c. The project will result in the creation and/or retention of a significant number of full time equivalent jobs in the community.
 - d. The project will result in a significant average annual salary level for each full-time equivalent job.
 - e. The project has the potential to create spin-off development through multiplier effects that have positive community economic impact.
 - f. Others benefits as may be determined by the City Council.

4. Brownfield Redevelopment Application Review Process

The application review process is intended to allow the community the opportunity to review the proposed brownfield redevelopment project in advance of the finalization of a formal brownfield plan amendment. Approval of the application by the City Council will allow the applicant to proceed with preparation of the formal brownfield plan amendment. The application review process includes the following information/steps:

- A. Applications shall be completed and submitted to the Department of Community Development and include the following:
 1. Application form, together with the adopted fee.
 2. Project summary with site plan, site sketch, graphics or other illustrations that detail the project
 3. Summary of environmental conditions and eligible activities that necessitate consideration of a brownfield plan amendment.
 4. Preliminary estimate of the captured taxable value and tax increment revenues from all eligible properties, if applicable.
 5. Preliminary estimate of the impact of tax increment financing on the revenues of all taxing units subject to tax capture, if applicable.

The application will be promptly processed when all required information has been submitted.

- B. Review of a brownfield redevelopment application will be coordinated by the Department of Community Development and a report will be prepared for the consideration of the City Manager. The Department of Community Development may request the assistance of appropriate departments in the preparation of the report. If the application requests the tax

increment financing incentive, the Finance Department will be involved in the review of the application and financing documents and may request the services of municipal financial consultants. The report will include appropriate analyses and be prepared giving consideration to the application, Michigan Statute, the General Review Criteria specified in this policy and any other pertinent considerations. If City Council approves the brownfield redevelopment application, the approval will extend for a six month period, after which a new application will be required. During this approval period, the applicant will prepare an amendment to the City of Portage Brownfield Plan, which will be considered as required by Act 381 and relevant statutory requirements.

5. Amendment to the City of Portage Brownfield Plan Process

Within six months of the City Council approval of the brownfield application, the applicant may proceed and prepare an amendment to the City of Portage Brownfield Redevelopment Plan for consideration by the city to include an additional eligible property per the following sections:

- A. Preparation of the Brownfield Redevelopment Plan. The applicant, or designated agent, is responsible for preparing the Brownfield Redevelopment Plan consistent with the Act. The Brownfield Redevelopment Plan shall be properly completed and submitted to the Department of Community Development.
- B. City Administrative Review. The Brownfield Redevelopment Plan will be reviewed by the Department of Community Development and a report will be prepared for consideration by the City Manager. The Department of Community Development may request the assistance of appropriate departments including the Office of the City Attorney in the preparation of the report. If the application includes tax increment financing incentives, development agreement and related documents, the Finance Department will review the application and may involve the services of municipal financial consultants. The report will include appropriate analyses and be prepared giving consideration to the approved brownfield application, Michigan Statute, this policy and any other pertinent considerations. The review and report will be provided to the Brownfield Redevelopment Authority and to City Council for consideration at the public hearing on the plan.
- C. Brownfield Redevelopment Authority Review. The Authority will review the Brownfield Redevelopment Plan and related documents and develop a recommendation that will be forwarded to City Council. After review by the Authority, the plan will be forwarded to the City Council.
- D. Public Hearing on the Brownfield Redevelopment Plan. City Council will hold a public hearing on the plan consistent with Act 381 including written notice to taxing units subject to tax capture.
- E. Resolution adopted by City Council. After consideration of the proposal and Brownfield Redevelopment Plan, development agreement and related documents, City Council will consider a resolution certifying the plan to the State of Michigan. The applicant would then submit the plan and related documents to the Michigan Department of Environmental Quality (MDEQ) and Michigan Economic Growth Authority (MEGA) for review and approval.

6. State of Michigan Review Process

The MDEQ and MEGA will review the Brownfield Redevelopment Plan to ensure consistency with statutory, procedure and process requirements and notify the City of Portage Brownfield Redevelopment Authority that the plan has been approved, approved with conditions, denied or additional information is needed prior to approval. The applicable state agency(ies) will approve the Michigan Business Tax Credit and Tax Increment Finance Incentives, including the required work

plans. The city and the authority will only use tax increment revenues in a manner consistent with the approval(s) granted by the applicable state agency(ies). If the plan is approved or approved with conditions by the State of Michigan, the City Council and other local units will be advised, as applicable.

7. Annual Report Requirements for the City of Portage and the Applicant

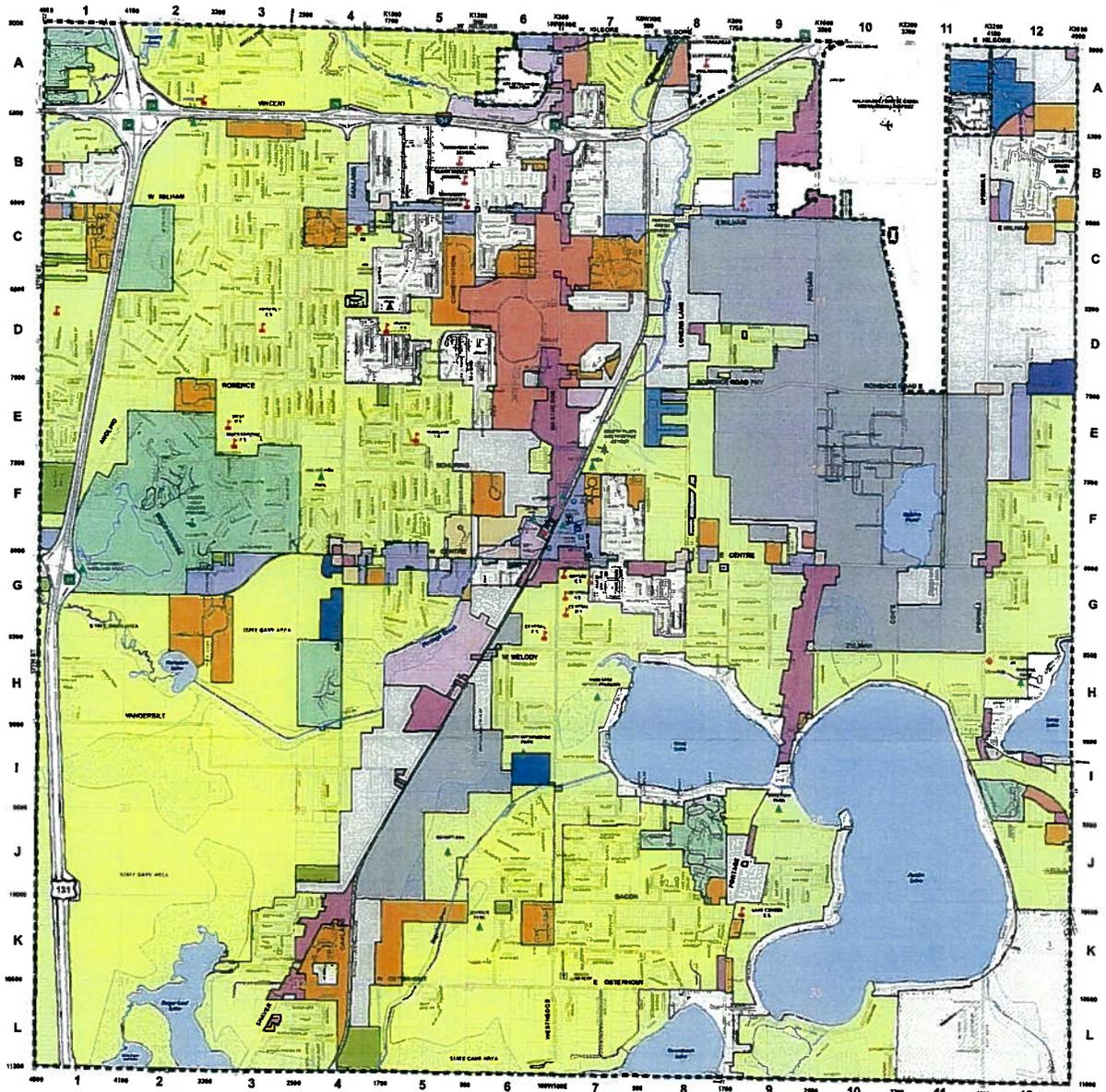
In accordance with Act 381 requirements, an annual financial report will be submitted to the City Council and the State Tax Commission on the status of the activities.

DATE OF ADOPTION BY CITY COUNCIL: July 22, 2008

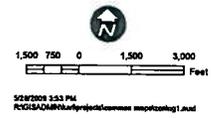
ZONING MAP

EFFECTIVE DATE: FEBRUARY 19, 2009

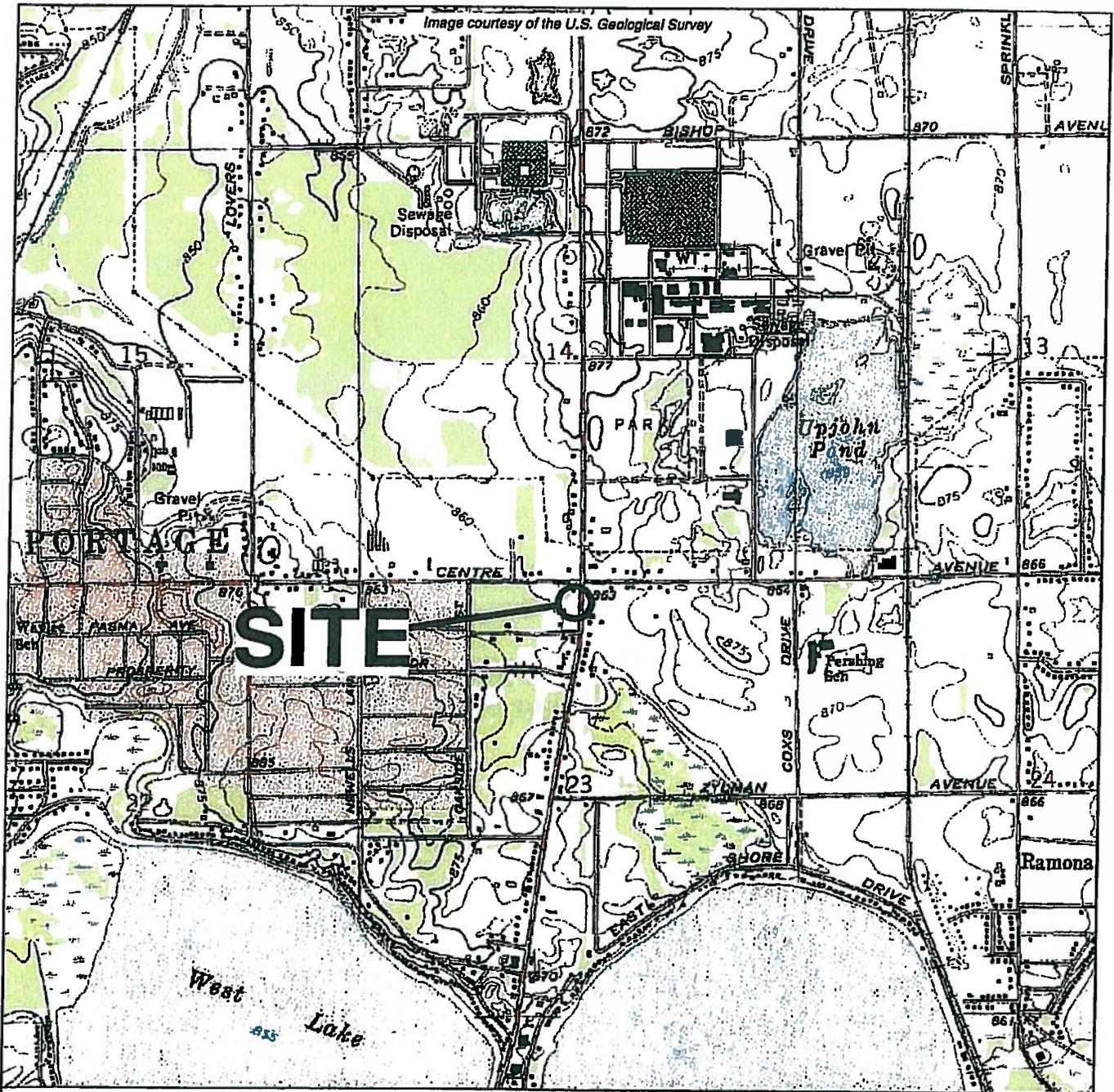
This is to certify that this is a copy of the official zoning map referred to in section 20.01 of the Charter Code of the City of Portage, adopted Feb. 18, 2003.



- Legend**
- ✈ Airport
 - ⚓ Golf Course
 - ⬜ Cemetery
 - ⚖ Court
 - 🚏 Fire Station
 - 📖 Library
 - 🏙 City Park
 - 🏥 Public School
 - 👮 Police
 - 🏛 Municipal
 - 📍 R.C.O.C.
 - 🚂 100 Year Floodplain
 - 🚂 Railroad
 - 🏠 B-1 Local Business
 - 🏠 B-2 Community Business
 - 🏠 B-3 General Business
 - 🏠 CPO Commercial Planned Development
 - 🏠 I-1 Light Industry
 - 🏠 I-2 Heavy Industry
 - 🏠 OI-1 Office Services
 - 🏠 OTR Office Technology and Research
 - 🏠 P-1 Vehicular Parking
 - 🏠 PD Planned Development
 - 🏠 R-1A One Family Residential
 - 🏠 R-1B One Family Residential
 - 🏠 R-1C One Family Residential
 - 🏠 R-1D One Family Residential
 - 🏠 R-1E Estate Residential
 - 🏠 R-1F Attached Residential
 - 🏠 RM-1 Multiple Family Residential
 - 🏠 RM-2 Multiple Family Residential
 - 🏠 MHC Mobile Home Community



[This section contains a large amount of small, illegible text, likely a detailed zoning ordinance or code, which is not clearly readable in this image.]



SITE LOCATION MAP
05001239.41
8019 Portage Road, Portage, MI

Prepared for: **TreyStar Holdings, LLC**

PROJECT MANAGER: Frank Marshall

DRAWN BY: Shaun Lehman

DATE: 04/18/2006

PROJECT NO: 05001239.41

ATTACHMENT C
Figures

Legal Description

**Centreport Commons
8019 Portage Road
Portage, Michigan**

A PARCEL OF LAND SITUATED IN THE NE 1/4 AND THE NW 1/4 OF SEC 23, T3S, R11W; COMM AT THE N 1/4 COR OF SEC23, T3S, R11W; TH S89DEG53'29"E 648.32FT ALONG THE N LI OF THE NE 1/4 OF SAID SEC TO THE W LI OF THE E 1/2 OF THE NW 1/4 OF SAID NE 1/4; TH CONTINUING S89DEG53'29"E 170 FT ALONG SAID N LI; TH S00DEG28'10"E 50 FT PARALLEL WITH SAID W LI TO THE S ROW LI OF CENTRE AV AND THE POB; TH CONT S00DEG28'10"E 318 FT PARALLEL WITH SAID W LI; TH N89DEG53'29"W 96.45 FT PARALLEL WITH SAID N LI TO THE E LI OF THE W 660 FT (PERPENDICULAR MEASURE) OF SAID NE 1/4; TH S00DEG17'25"E 259.01 FT ALONG SAID E LI TO A POINT S00DEG17'25"E 627 FT PARALLEL WITH SAID E LI FROM THE N LI; TH N89DEG53'29"W 681.33 FT PARALLEL WITH SAID N LI TO THE CENTER LI OF PORTAGE RD; TH NORTHERLY 165.34 FT ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 3125.36 FT AND A CHORD N03DEG45'51"E 165.00 FT TO A POINT S00DEG17'25"E 462 PARALLEL WITH SAID E LI FROM SAID N LI; TH S89DEG 53'29"E 369.64 FT PARALLEL WITH SAID N LI TO A POINT N89DEG53'29"W 300 FT FROM SAID E LI; TH N00DEG17'25"W 132.00 FT PARALLEL WITH SAID E LI; TH N89DEG53'29"W 310.00 FT PARALLEL WITH SAID N LI TO THE E LI OF THE W 50 FT OF SAID NE 1/4; TH N00DEG17'25"W 280.00 FT ALONG SAID E LI OF THE W 50 FT TO SAID S ROW LINE OF CENTRE AV; TH S89DEG53'29"E 705.47 FT ALONG SAID S ROW LI TO THE POB. CONTAINING 8.09 ACRES OF LAND. PARCEL SUBJECT TO HIGHWAY EASEMENT FOR PORTAGE RD.

PPN: 00023-040-B

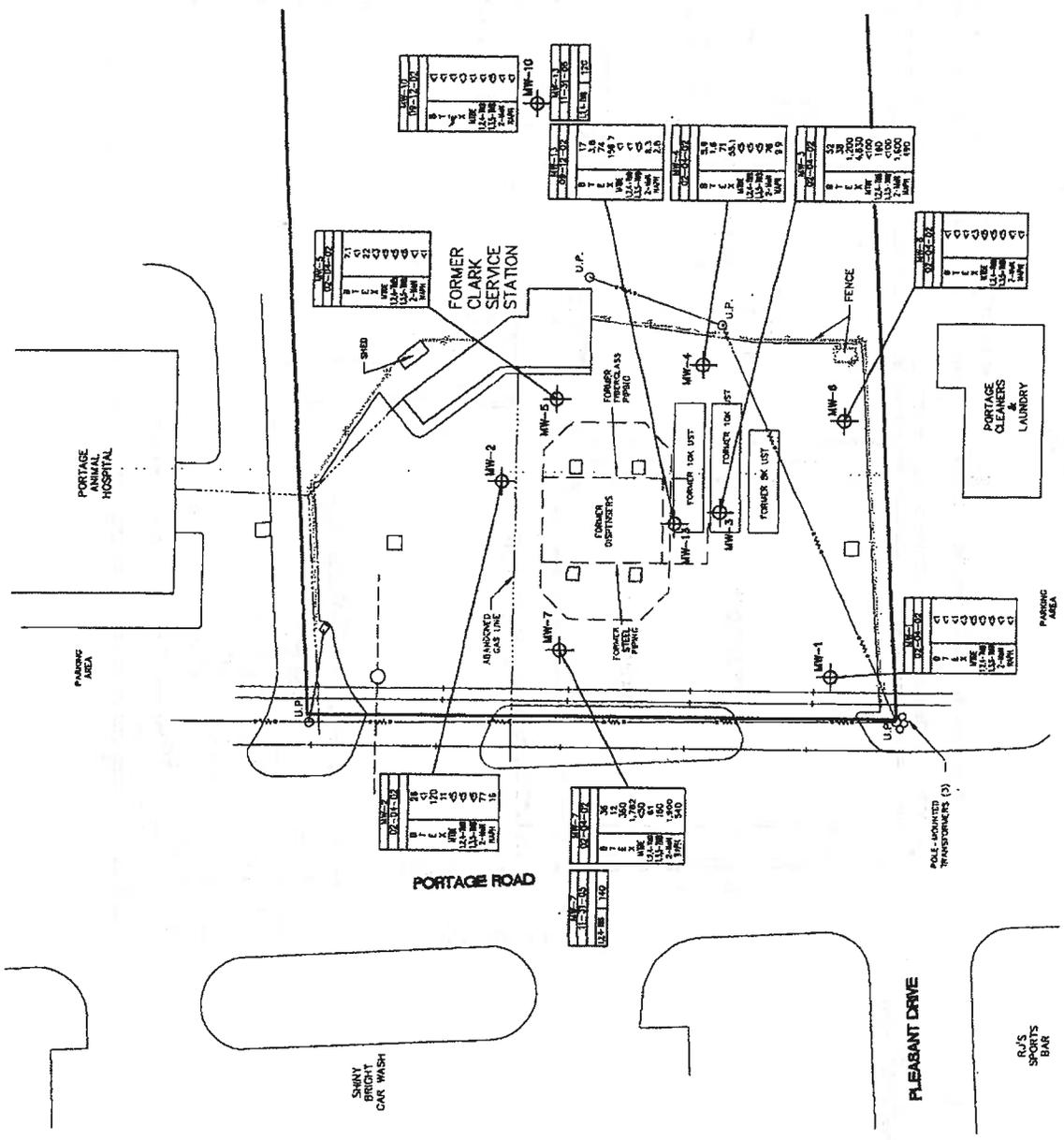
ATTACHMENT B
Legal Description



SCALE: 1"=50'

LEGEND

MW-1	MW-2	MW-3	MW-4	MW-5	MW-6	MW-7	MW-8	MW-9	MW-10
1-30-02	22-24	60	<34	<54	<164	<270	<54	<54	<270
B	T	E	X	MIBC	1,2,4-TRIMETHYLBENZENE	1,3,5-TRIMETHYLBENZENE	2-METHYLNAPHTHALENE	NAPHTHALENE	
SAMPLE IDENTIFICATION SAMPLE DATE SAMPLE DEPTH (feet) BENZENE CONCENTRATION (ug/kg) TOLUENE CONCENTRATION (ug/kg) ETHYLBENZENE CONCENTRATION (ug/kg) XYLENES CONCENTRATION (ug/kg) METHYL TERT-BUTYL ETHER CONCENTRATION (ug/kg) 1,2,4-TRIMETHYLBENZENE CONCENTRATION (ug/kg) 1,3,5-TRIMETHYLBENZENE CONCENTRATION (ug/kg) 2-METHYLNAPHTHALENE CONCENTRATION (ug/kg) NAPHTHALENE CONCENTRATION (ug/kg)									



PROJECT NO.: 05001239
 DATE: 09/18/2006

A T W E L L - H I C K S
 Engineering • Surveying • Planning
 Environmental • Water/Wastewater

866 850 4200
 www.atwell-hicks.com
 MICHIGAN ILLINOIS OHIO FLORIDA

DR: KLS
 CAD FILE: 05001239EV-06

FIGURE 3: VOC CONCENTRATIONS IN GROUNDWATER
 FORMER CLARK STATION PROPERTY
 8043 PORTAGE ROAD
 PORTAGE, MICHIGAN

ATTACHMENT D
Baseline Environmental Assessment



ATWELL-HICKS
DEVELOPMENT CONSULTANTS

**Baseline Environmental Assessment
Conducted Pursuant
To Section 20126(1)(c)
of 1994 p.a. 451, Part 201, As Amended,
And The Rules Promulgated Thereunder**

for the

**Former Clark Station Property
8043 Portage Road
City of Portage, Kalamazoo County,
Michigan**

Prepared for

**TreyStar Holdings, LLC
7950 Moorsbridge Road
Portage, Michigan 49024**

Atwell-Hicks, LLC Project No. 05001239.40

December 1, 2005

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ATTACHMENTS

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	Table 1 - Summary of Analytical Results for Soil Samples
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**BASELINE ENVIRONMENTAL ASSESSMENT
CONDUCTED PURSUANT
TO SECTION 20126(1)(C)
OF 1994 P.A. 451, PART 201 AS AMENDED,
AND THE RULES PROMULGATED THEREUNDER**

**8043 PORTAGE ROAD
CITY OF PORTAGE, KALAMAZOO COUNTY, MICHIGAN
DECEMBER 1, 2005**

**1.0 IDENTIFICATION OF AUTHOR AND DATE BEA WAS
CONDUCTED AND DATE BEA WAS COMPLETED**

Author: Shaun C Lehman. Environmental Specialist
(see Attachment E – Profile of Environmental Professional)

Frank D Marshall. Team Leader – Environmental
(see Attachment E – Profile of Environmental Professional)

Date BEA was conducted: November 16, 2005

Date BEA was completed: December 1, 2005

2.0 INTRODUCTION

Atwell-Hicks, LLC (Atwell) completed this Baseline Environmental Assessment (BEA) for the buildings and property located at 8043 Portage Road in the City of Portage, Michigan (subject site; see **Attachment A** – Figure 1). This BEA is conducted on behalf of TreyStar Holdings, LLC.

Atwell conducted a Phase I Environmental Site Assessment (ESA) for the subject site between October 17 and November 17, 2005. During the site reconnaissance, Atwell observed the subject site comprised 2.41 acres of partially developed land. Approximately 0.50 acres of the subject site consists of an inactive gas station (former Clark Service Station). The remainder of the subject site is undeveloped and covered with grass and trees. The subject site was vacant at the time of the site reconnaissance (October 24, 2005 -- see **Attachment C** for site photographs).

According to the MDEQ Leaking Underground Storage Tank (LUST) database, the subject site is an “open” LUST site. Atwell reviewed an Initial Assessment Report (IAR) and a Final Assessment Report (FAR), both filed with the MDEQ by Groundwater and Environmental Services, Inc. (GES) on behalf of a prior owner.

According to the prior reports filed with MDEQ, a confirmed release of gasoline was reported on December 5, 2001 during the removal of three registered underground storage tanks (UST). GES provided oversight of the removal of the three USTs, and submitted the IAR to the MDEQ on

March 5, 2002. During January and February of 2002, GES installed seven monitoring wells on the subject site to assess the impact of the gasoline release on adjacent soil and groundwater.

During this investigation, volatile organic compounds (VOCs) were detected in soil and groundwater beneath the subject site. Therefore, GES conducted a second subsurface investigation in September of 2002.

During the September 2002 investigation, GES installed an additional two monitoring wells on the subject site and four off-site to define the extent of contamination in soil and groundwater. GES submitted results of these investigations in a FAR to the MDEQ on December 5, 2002.

According to the results of soil and groundwater sample analysis, GES concluded that off-site down-gradient wells had not been impacted. GES estimated the groundwater flow direction to the northwest. GES estimated the hydraulic conductivity of the aquifer beneath the subject site to be 28.35 feet per day and that natural attenuation had inhibited off-site migration of hydrocarbons.

GES recommended continued monitoring of natural attenuation as a means of remedial action. According to the FAR, GES would continue working toward Tier I Residential Restricted Closure for the subject site. However, there is not record of any further work at the subject site. Atwell spoke with Mr. Joseph Hayes, MDEQ Kalamazoo District Project Manager. Mr. Hayes indicated that the MDEQ did not have any additional records for the subject site.

Atwell re-sampled groundwater from four monitoring wells on the subject site (MW-2, MW-3, MW-7, and MW-13) on November 30, 2005. VOCs were again detected in the groundwater samples above MDEQ's GRCCs.

The prior investigations at the subject site reveal the presence of benzene, toluene, ethylbenzene, and xylenes (BTEX), methyl-tert-butyl-ether (MTBE), naphthalene, trimethylbenzene isomers, and 2-methylnaphthalene in soil and groundwater samples at concentrations exceeding the MDEQ's generic residential cleanup criteria (GRCCs) for drinking water, and drinking water protection - (Refer to Section 4, below). Accordingly, the subject site is a "facility" as defined by Part 201 of Michigan's Natural Resources and Environmental Protection Act (i.e., "Part 201").

TreyStar Holdings, LLC intends to purchase the subject site for a future retail redevelopment. None of the foreseeable operations at the subject site will involve hazardous substances in "significant quantities" as that term is defined by the MDEQ (R.901(o)). Accordingly, this BEA report has been prepared to satisfy the requirements of a *Category "N"* land-use.

3.0 PROPERTY DESCRIPTION & INTENDED HAZARDOUS SUBSTANCE USE

3.1 Legal Description

The Subject Property consists of one parcel (PPN: 10-00023-050-0). The legal description is presented in **Attachment B**. Photographs of the subject site are included as **Attachment C**.

3.2 Intended Hazardous Substance Use

TreyStar Holdings, LLC intends to purchase and redevelop the subject site for a retail use. There is no foreseeable use of hazardous substances in "significant quantities" as that term is defined by the MDEQ (R.901(o)). Therefore, this BEA report has been prepared to satisfy the requirements of a *Category "N"* land-use.

4.0 KNOWN CONTAMINATION

4.1 Hazardous Substances Identified at the Subject Property and General Locations

The assessments conducted by GES at the subject site included a LUST IAR, and FAR. The Initial Assessment was conducted in January and February of 2002, and included seven soil borings, collecting soil samples, installing monitoring wells, and collecting groundwater samples. The Final Assessment was conducted in September of 2002, and included advancing an additional two soil borings on the subject site, collecting soil samples, installing monitoring wells, and collecting groundwater samples. Atwell re-sampled four of the monitoring wells on the subject site (MW-2, MW-3, MW-4, and MW-7) on November 30, 2005. The 2002 soil and groundwater sampling events conducted by GES are the only environmental subsurface investigations known to exist for the subject site. Below is a summary of the results of those investigations.

4.1.1 Soil

TABLE 1.
DESCRIPTION OF SOIL BORINGS (Refer to Attachment A - Figures 2 and 3)

Boring I.D.	Depth (bsg)	Location
MW-1	30'	Southwest corner of the subject site
MW-2	34'	North of former dispensers
MW-3	32'	Former UST excavation
MW-4	30'	East of former UST excavation
MW-5	30'	East of former dispensers
MW-6	30'	Southeast corner of former Clark Station
MW-7	32'	West of former dispensers
MW-10	30'	East of subject site building
MW-13	40'	Northwest corner of former UST excavation

The soil samples were submitted for analysis of the petroleum-related VOCs (benzene, toluene, ethylbenzene, xylene (BTEX), methyl-tert-butyl-ether (MTBE), 1,2,4-trimethylbenzene (1,2,4-TMB), 1,3,5-trimethylbenzene (1,3,5-TMB), naphthalene, and 2-methylnaphthalene). Laboratory analysis of the soil samples indicated the presence of benzene, ethylbenzene, xylene (BTEX), 1,2,4-trimethylbenzene (1,2,4-TMB), 1,3,5-trimethylbenzene (1,3,5-TMB), naphthalene, and 2-methylnaphthalene (Refer to **Attachment F - Table 2**, and **Attachment A - Figure 4**). Of these substances, only the following were detected at concentrations that exceed the applicable Part 201 GRCCs:

- Benzene (CAS#: 75014) – (petroleum constituent), in the soil sample collected from MW-13 (28-30') (140 ppb) at a concentration that exceeds the Part 201 Residential Drinking Water Protection Criteria (100 ppb),
- Ethylbenzene (CAS#: 100414) – (petroleum constituent), in the soil samples collected from MW-3 (18-20') (5,600 ppb), MW-7 (22-24') (4,000 ppb) at concentrations that exceed the Part 201 Residential Drinking Water Protection Criteria (1,500 ppb),
- Xylenes (CAS#: 1330207) – (petroleum constituent), in the soil samples collected from MW-3 (18-20') (33,600 ppb), MW-7 (17,900 ppb), and MW-13 (18-20') (9,200 ppb) at concentrations that exceed the Part 201 Residential Drinking Water Protection Criteria (5,600 ppb),
- 1,2,4-Trimethylbenzene (CAS#: 95636) – (petroleum constituent), in the soil samples collected from MW-3 (18-20') (45,000 ppb), MW-3 (22-24') (5,600 ppb), MW-7 (22-24') (38,000 ppb), and MW-13 (18-20') (15,000 ppb) at concentrations that exceed the Part 201 Residential Drinking Water Protection Criteria (2,100 ppb), and

4.1.2 Groundwater

GES collected groundwater from the permanent monitoring wells installed in the soil borings described in Table 1. The groundwater samples were submitted for analysis of petroleum-VOCs.

Laboratory analysis of the groundwater samples collected from the monitoring wells indicates the presence of all of the aforementioned constituents (Refer to **Attachment F - Table 3**, and **Attachment A - Figure 5**). However, only the following contaminants were present at concentrations exceeding the applicable Part 201 GRCC:

- Benzene (CAS#: 75014) – (petroleum constituent), in the groundwater samples collected from MW-2 (26 µg/L), MW-3 (52 µg/L), MW-4 (5.9 µg/L), MW-5 (7.1

µg/L), MW-7 (36 µg/L), and MW-13 (17 µg/L) at concentrations that exceed the Part 201 Residential Drinking Water Criteria (5.0 µg/L),

- Ethylbenzene (CAS#: 100414) – (petroleum constituent), in the groundwater samples collected from MW-2 (120 µg/L), MW-3 (1,200 µg/L), and MW-7 (360 µg/L) at concentrations that exceed the Part 201 Residential Drinking Water Criteria (74 µg/L),
- Xylenes (CAS#: 1330207) – (petroleum constituent), in the groundwater samples collected from MW-3 (4,830 µg/L), and MW-7 (1,782 µg/L) at concentrations that exceed the Part 201 Residential Drinking Water Criteria (280 µg/L),
- 1,2,4-Trimethylbenzene (CAS#: 95636) – (petroleum constituent), in the groundwater samples collected from MW-2 (77 µg/L), MW-3 (1,600 µg/L), MW-4 (76 µg/L), and MW-7 (1,900 µg/L) at concentrations that exceed the Part 201 Residential Drinking Water Protection Criteria (63 µg/L), and
- 1,3,5-Trimethylbenzene (CAS#: 108678) - (petroleum constituent) in the groundwater samples collected from MW-3 (490 µg/L) and MW-7 (540 µg/L) at concentrations that exceed the Part 201 Residential Drinking Water Protection Criteria (72 µg/L).

Atwell collected groundwater samples from monitoring wells MW-2, MW-3, MW-4, and MW-7 on November 30, 2005. The samples were submitted to BioChem Environmental Analytical Laboratories of Grand Rapids, Michigan for the analysis of petroleum VOCs.

Laboratory analysis of the groundwater samples collected from these monitoring wells in November 2005 indicates the presence of benzene in MW-7 and MW-13, ethylbenzene in MW-2, MW-7, and MW-13, xylene in MW-2, MW-3, MW-7 and MW-13, naphthalene in MW-7, 1,2,4-TMB in MW-2, MW-3, MW-7, and MW-13, and 1,3,5-TMB in MW-2, MW-7, and MW-13 (Refer to **Attachment F - Table 3**, and **Attachment A - Figure 5**). Of these contaminants, only the following are present at concentrations exceeding the Part 201 GRCC:

- 1,2,4-Trimethylbenzene (CAS#: 95636) – (petroleum constituent), in the groundwater samples collected from MW-7 (140 µg/L) and MW-13 (120 µg/L) at concentrations that exceed the Part 201 Residential Drinking Water Protection Criteria (63 µg/L).

4.2 Discarded or Abandoned Containers

There is no evidence that discarded or abandoned containers are present on the subject site (see **Attachment D**). MDEQ records confirm that all USTs, formerly present in connection with gas

station operations, have been removed. All other records and a site reconnaissance confirm that there is no further evidence that USTs remain on the subject site.

5.0 LIKELIHOOD OF OTHER CONTAMINATION

Atwell completed a Phase I Environmental Site Assessment (ESA) for the subject site on November 16, 2005 (see **Attachment D**). Results of the Phase I ESA reveal no evidence of *recognized environmental conditions* in connection with the subject site, except for the following:

- *The subject site is identified as an Open LUST site by the EDR Radius Map Report, and the MDEQ Leaking Underground Storage Tank Database. Atwell considers the Open LUST status of the subject site to be a REC.*
- *The confirmed presence of VOC constituents in soil and groundwater beneath the subject site at concentrations above MDEQ Part 201 GRCCs defines the subject site as a "facility". Atwell considers the presence of contaminant concentrations at the subject site sufficient to meet the definition of a "facility" to be a REC.*

Soil and groundwater sampling activities conducted by GES in 2002 reveal the presence of petroleum-VOCs in soil and groundwater. The substances resulted from past releases of petroleum from underground storage tanks that are no longer present.

Although not exhaustive, the LUST IAR and FAR performed by GES are a sufficient evaluation to assess whether contaminants are present associated with the RECs above. These records reveal that petroleum-VOCs exist on the subject site above MDEQ GRCCs. There is likelihood that other petroleum-related contaminants (i.e., polynuclear aromatic hydrocarbons) may also be present on the subject site.

The information contained in this BEA and the *Category "N"* stipulation that there will be no storage, handling or management of hazardous substances in "significant quantities", provides the basis to distinguish between preexisting contamination and any future releases.

6.0 CONCLUSIONS

The subject site is a "facility" because the concentrations of benzene, ethylbenzene, xylene, and trimethylbenzene isomers in soil and groundwater samples exceed the MDEQ's Residential Drinking Water and Protection criteria. Ownership of the subject site by TreyStar Holdings, LLC will not involve any significant hazardous substance use in "significant quantities". As a result, the documentation in Sections 4.0 and 5.0 above, and the Category "N" land-use limitation outlined in this report, is sufficient to distinguish pre-existing contamination from any future releases.

7.0 REFERENCES

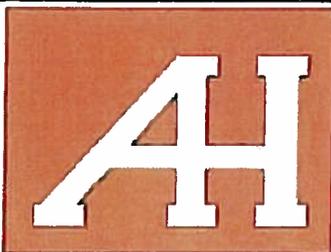
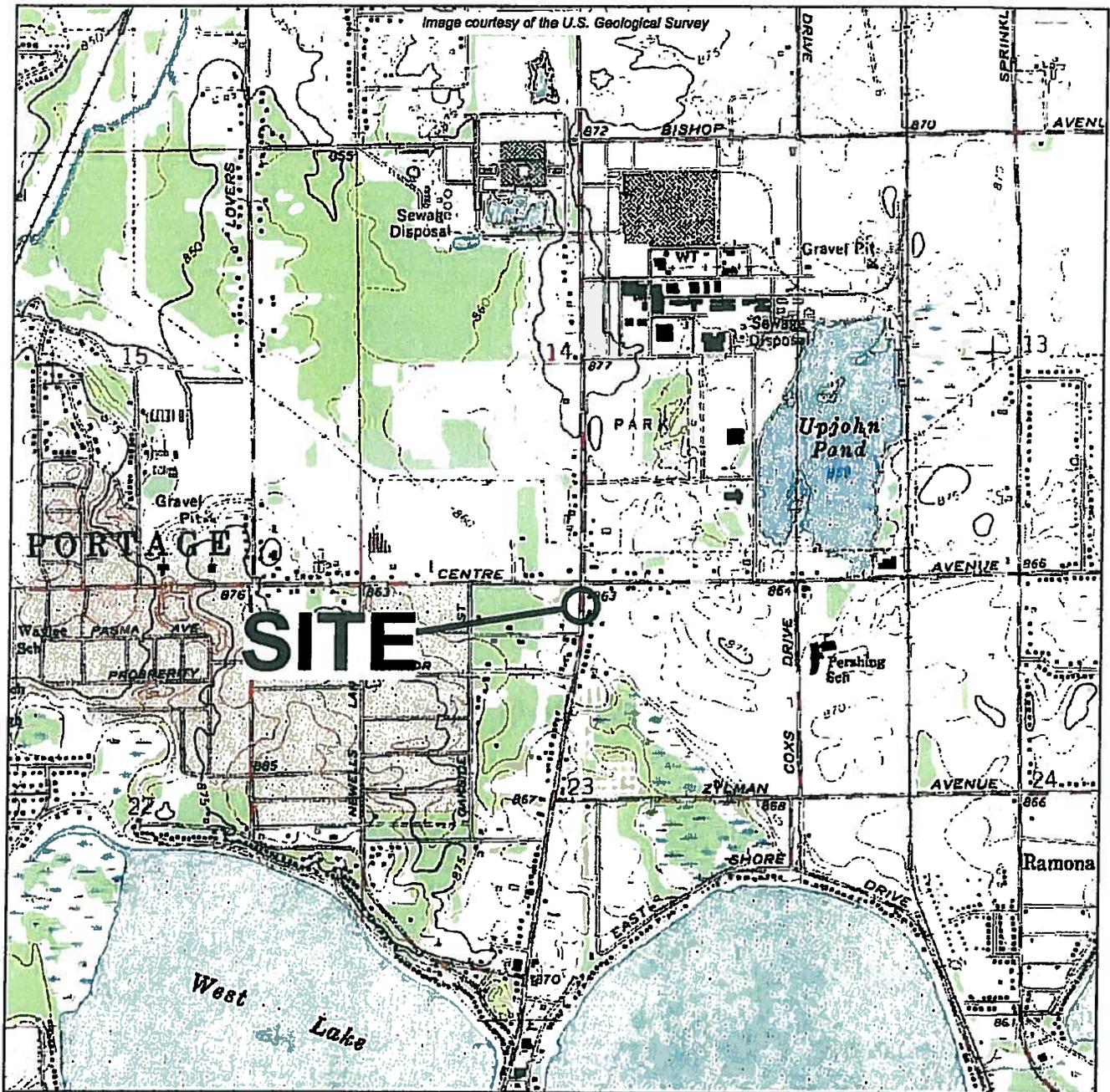
Sources of information for this BEA report were obtained from a review of the following:

- *Phase I Environmental Site Assessment – 8043 Portage Road, Portage, Michigan. Atwell-Hicks, LLC, November 17, 2005.*
- *Leaking Underground Storage Tank Initial Assessment Report, Former Clark Service Station #1613. Groundwater and Environmental Services, Inc., March 5, 2002.*
- *Leaking Underground Storage Tank Final Assessment Report, Former Clark Service Station #1613. Groundwater and Environmental Services, Inc., December 5, 2002.*
- *Instructions for Preparing and Disclosing Baseline Environmental Assessments. Michigan Department of Environmental Quality. March 11, 1999.*
- *Rule 744, Rule 746 and Part 9 Rules: Part 201 of Michigan's Natural Resources and Environmental Protection Act (PA 451 of 1994 as amended).*

8.0 LIST OF ATTACHMENTS

Attachment A	Figures
Figure 1	Site Location Map
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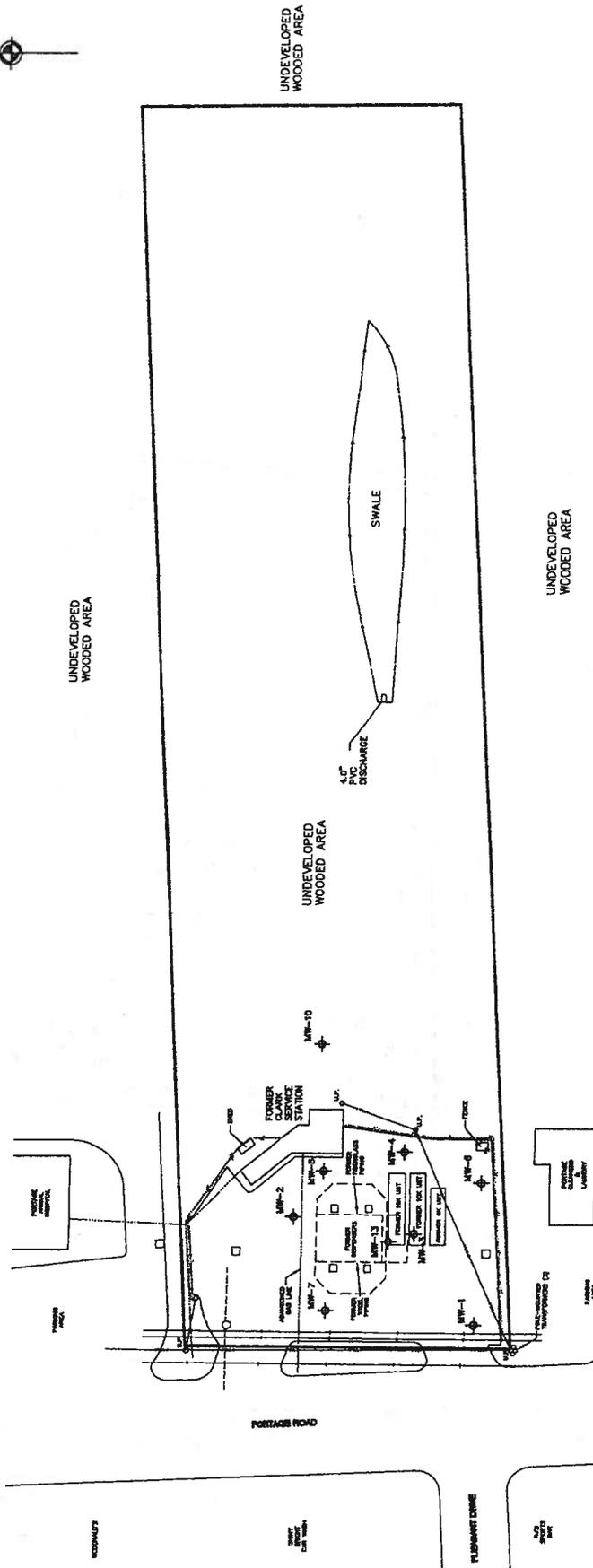
Attachment A: Figures



SITE LOCATION MAP
Center Porte Phase I ESA
8043 Portage Road, Portage, MI

Prepared for: **Treystar**
 PROJECT MANAGER: Frank Marshall
 DRAWN BY: Shaun Lehman

DATE: 11/02/2005
 PROJECT NO: 05001239.40



UNDEVELOPED
WOODED AREA

UNDEVELOPED
WOODED AREA

UNDEVELOPED
WOODED AREA

UNDEVELOPED
WOODED AREA

SCALE: 1"=80'-0"

PROJECT NO.: 05001239.40

DATE: 10-27-05

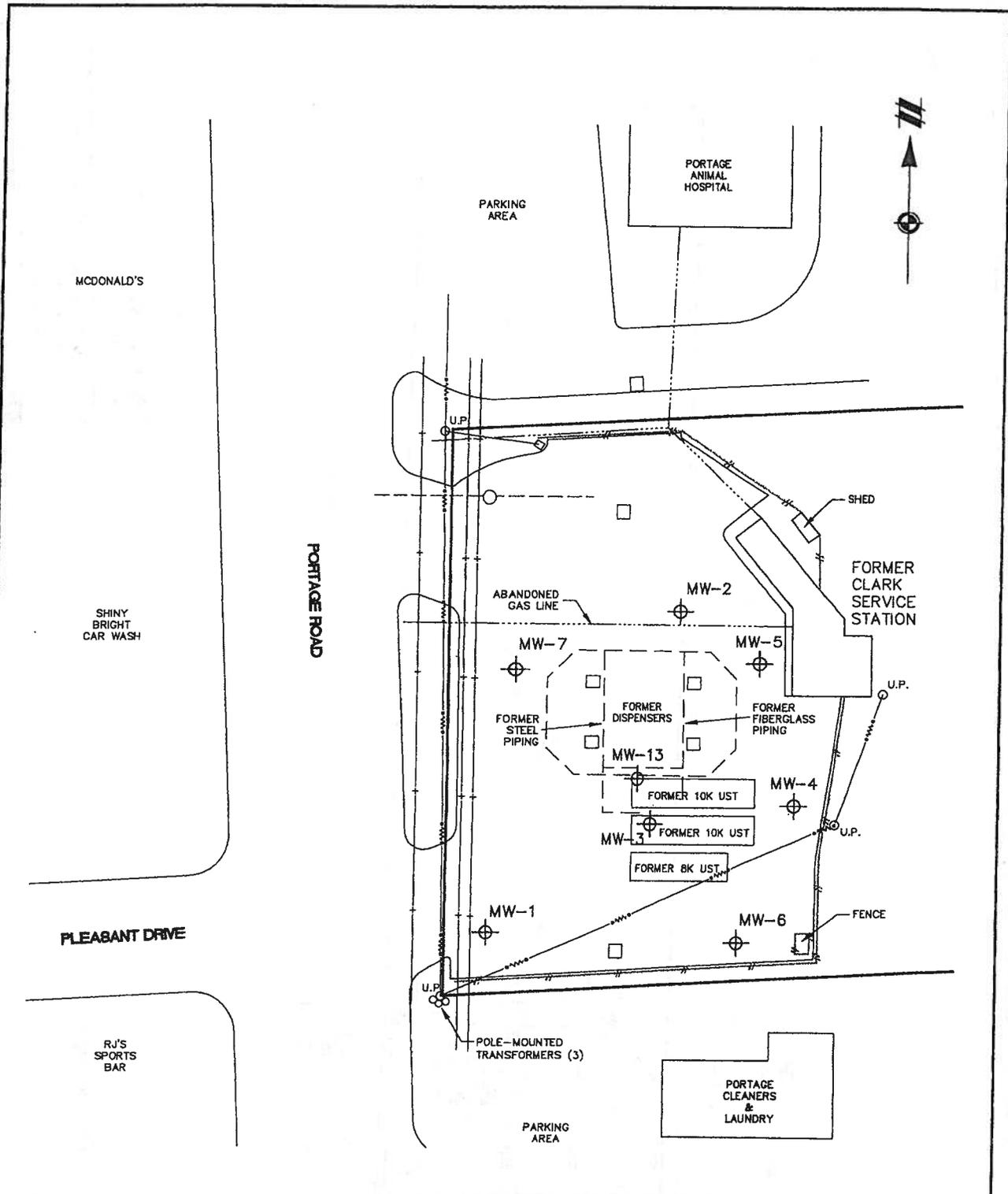
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DR: KLS
 CAD FILE: 05001239EV-02

FIGURE 2: SITE PLAN
FORMER CLARK STATION PROPERTY
8043 PORTAGE RD.
PORTAGE, MICHIGAN



SCALE: 1"=40'-0"

FIGURE 3: SITE PLAN OF SERVICE STATION
 FORMER CLARK STATION PROPERTY
 8043 PORTAGE RD.
 PORTAGE, MICHIGAN

PROJECT NO.: 05001239.40
 DATE: 10-27-05

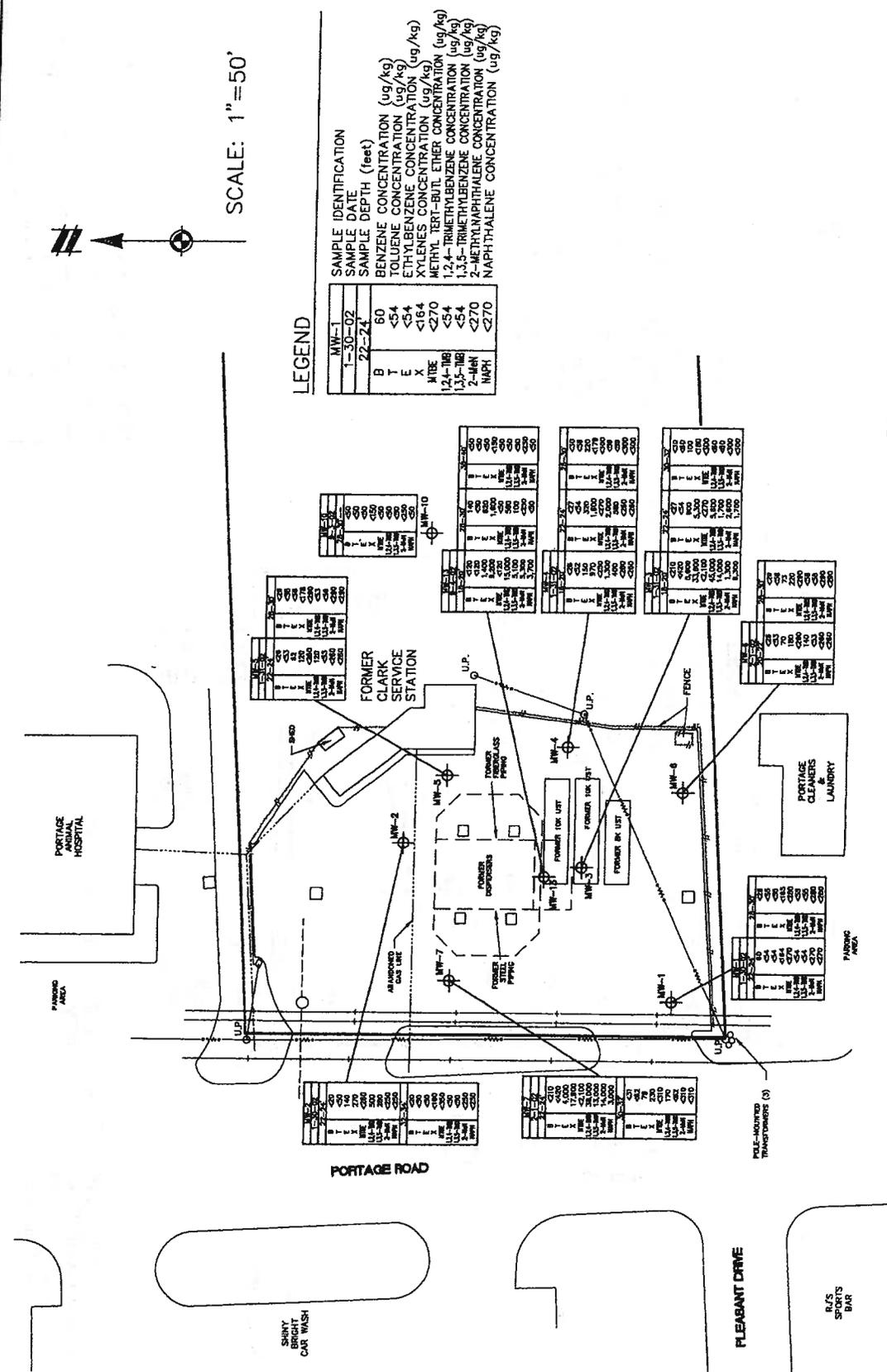
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SCALE: 1"=50'

LEGEND

MW-1	SAMPLE IDENTIFICATION
1-30-02	SAMPLE DATE
27-24'	SAMPLE DEPTH (feet)
B	BENZENE CONCENTRATION (ug/kg)
T	TOLUENE CONCENTRATION (ug/kg)
E	ETHYLENE CONCENTRATION (ug/kg)
X	XYLENES CONCENTRATION (ug/kg)
MIXE	METHYL TERT-BUTYL ETHER CONCENTRATION (ug/kg)
1,2,4	1,2,4-TRIMETHYLBENZENE CONCENTRATION (ug/kg)
1,3,5	1,3,5-TRIMETHYLBENZENE CONCENTRATION (ug/kg)
2-METH	2-METHYLNAPHTHALENE CONCENTRATION (ug/kg)
1-NPH	1-NAPHTHALENE CONCENTRATION (ug/kg)



PROJECT NO.: 05001239
DATE: 11/10/05

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DR. KILS
CAD FILE: 05001239EV-03

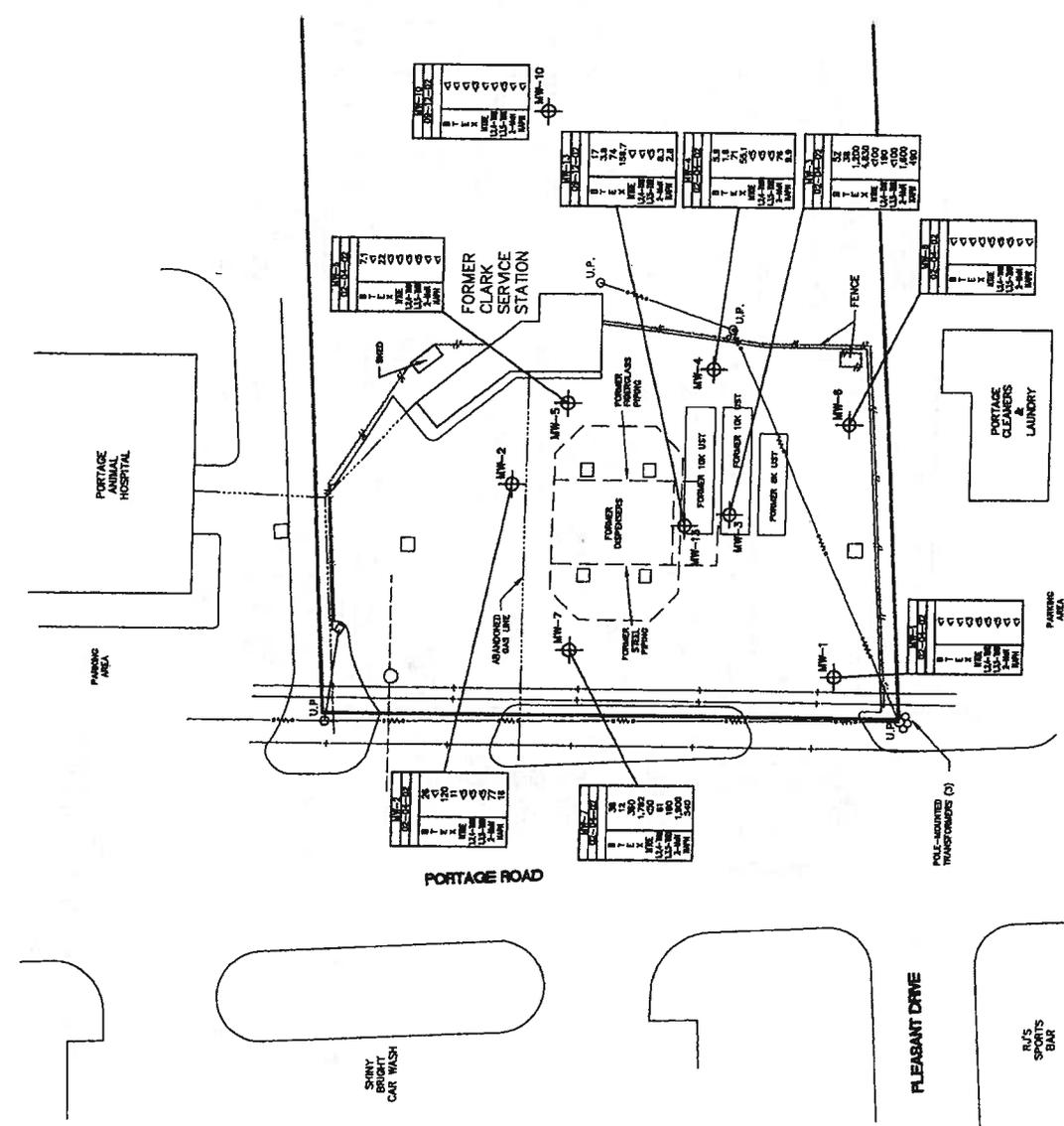
FIGURE 4: VOC CONCENTRATIONS IN SOIL
FORMER CLARK STATION PROPERTY
8043 PORTAGE RD.
PORTAGE, MICHIGAN



SCALE: 1"=50'

LEGEND

MW-1	SAMPLE IDENTIFICATION
1-30-02	SAMPLE DATE
22-24	SAMPLE DEPTH (feet)
B	BENZENE CONCENTRATION (ug/kg)
T	TOLUENE CONCENTRATION (ug/kg)
E	ETHYLENE CONCENTRATION (ug/kg)
X	XYLENES CONCENTRATION (ug/kg)
MTE	METHYL TERT-BUTYL ETHER CONCENTRATION (ug/kg)
1,2,4-TMB	1,2,4-TRIMETHYLBENZENE CONCENTRATION (ug/kg)
1,3,5-TMB	1,3,5-TRIMETHYLBENZENE CONCENTRATION (ug/kg)
2-MNH	2-METHYLNAPHTHALENE CONCENTRATION (ug/kg)
1-MNH	1-METHYLNAPHTHALENE CONCENTRATION (ug/kg)



PROJECT NO.: 05001239
DATE: 11/10/05

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DR: KLS
CAD FILE: 05001239EV-03

**FIGURE 5: VOC CONCENTRATIONS IN GROUNDWATER
FORMER CLARK STATION PROPERTY
8043 PORTAGE ROAD
PORTAGE, MICHIGAN**

Faint, illegible text at the top of the page, possibly bleed-through from the reverse side.

Attachment B: Legal Description

Legal Description for the Property Located at 8043 Portage Road in the City
of Portage, Kalamazoo County, Michigan. PPN: 10-00023-050-0

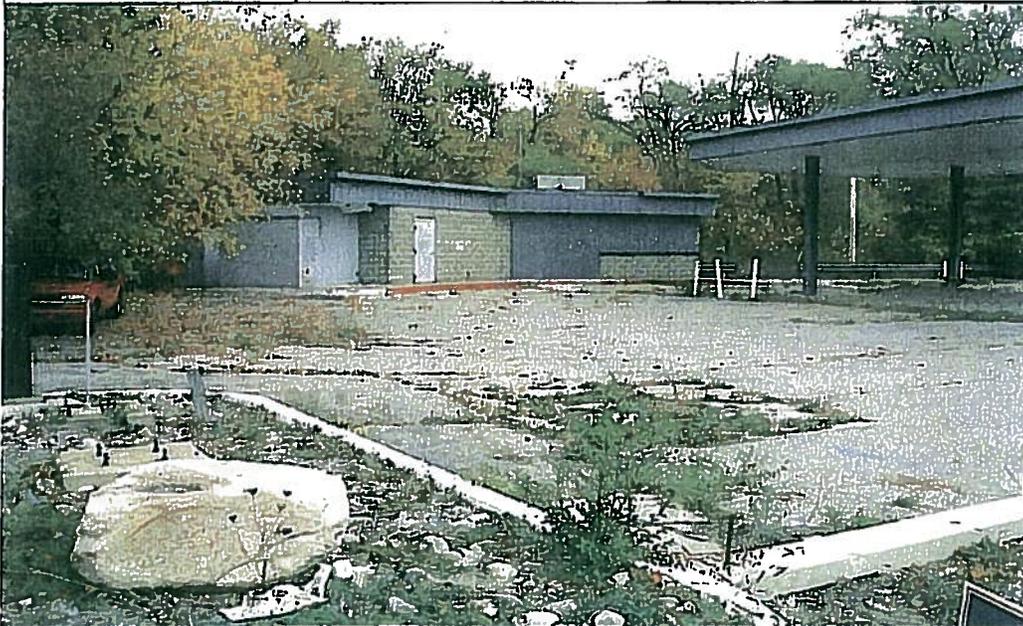
SEC 23-3-11 BEG AT PT 28 R S & 40 R E OF N1/4 POST TH S 165 FT
TH W PAR E&W1/4 LI 671.9 FT TO CTR LI PORTAGE RD TH N 1 DEG
04 MIN E ALG SD CTR LI 165.01 FT TH E 668.7 FT TO BEG 2.54A

Attachment C: Photographs

ATTACHMENT C
PHOTOGRAPHS
8043 PORTAGE ROAD, PORTAGE, MICHIGAN



DESCRIPTION:	View of the subject site from the southwest.
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005



DESCRIPTION:	View of the subject site from the northwest
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005

ATTACHMENT C
PHOTOGRAPHS
8043 PORTAGE ROAD, PORTAGE, MICHIGAN



DESCRIPTION:	Former Location of gasoline dispensers
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005



DESCRIPTION:	Former location of USTs, excavation cavity
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005

ATTACHMENT C
PHOTOGRAPHS
8043 PORTAGE ROAD, PORTAGE, MICHIGAN

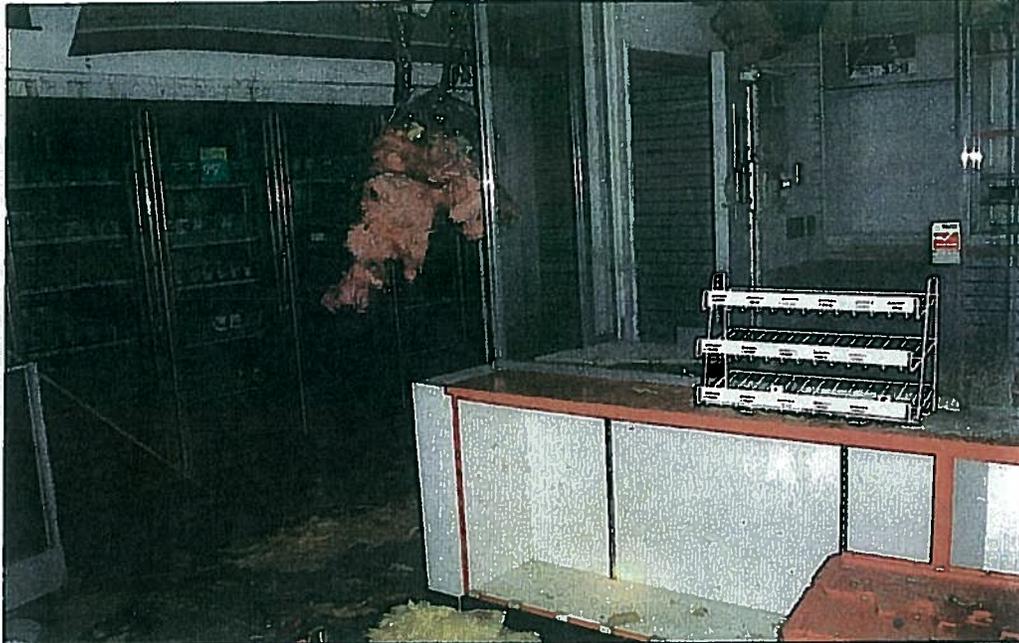


DESCRIPTION:	Undeveloped east side of the subject site
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005



DESCRIPTION:	Monitoring Well on the north side of the UST excavation.
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005

ATTACHMENT C
PHOTOGRAPHS
8043 PORTAGE ROAD, PORTAGE, MICHIGAN



DESCRIPTION:	Interior of the subject site building
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005

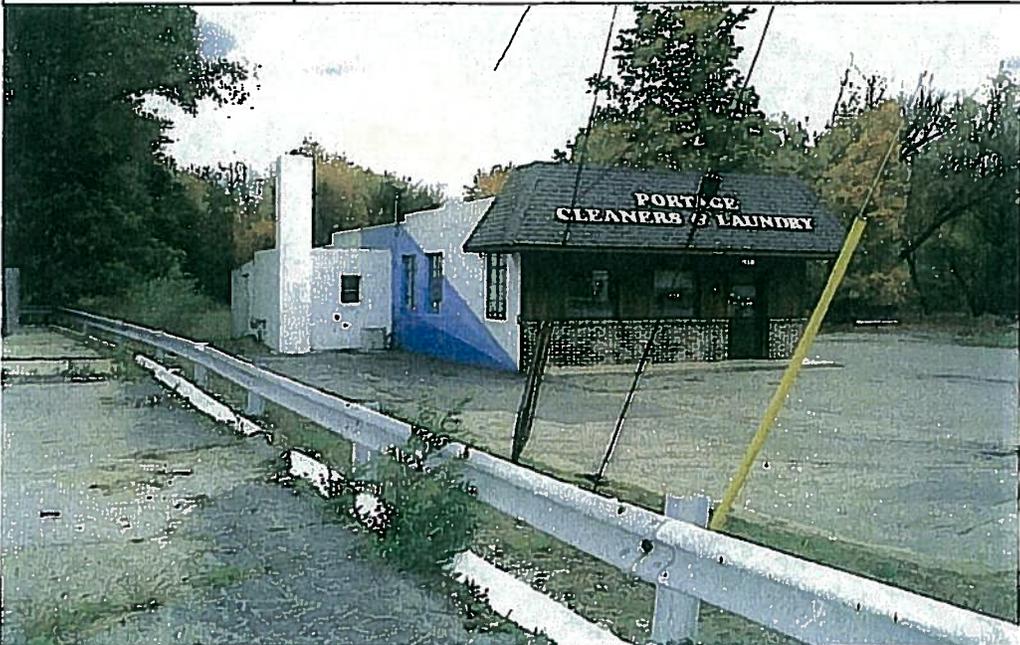


DESCRIPTION:	Interior of the subject site building
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005

ATTACHMENT C
PHOTOGRAPHS
8043 PORTAGE ROAD, PORTAGE, MICHIGAN



DESCRIPTION:	Undeveloped eastern adjacent property
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005

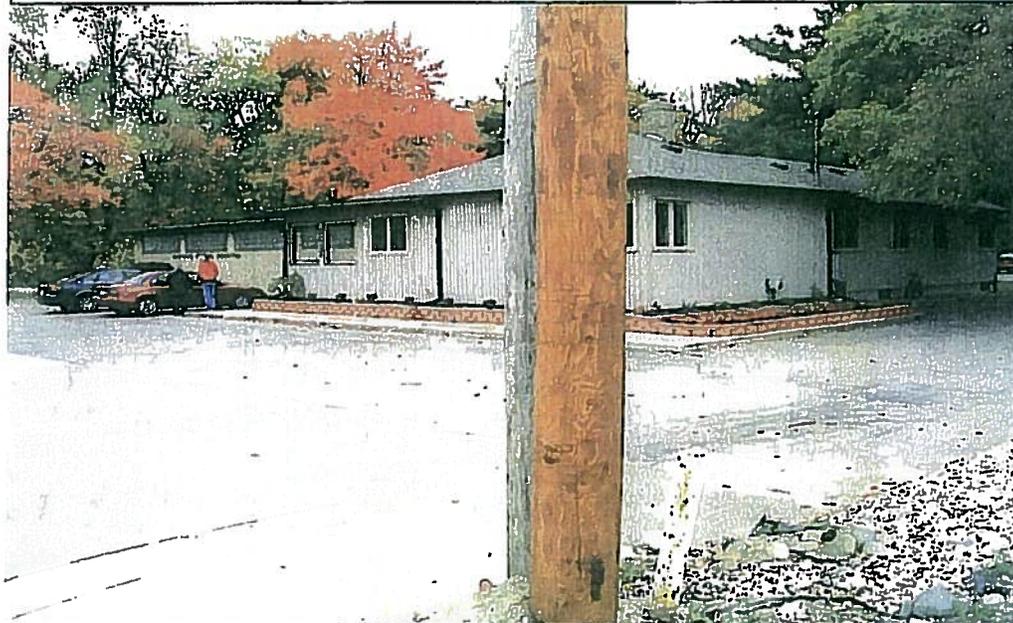


DESCRIPTION:	Southern adjoining property – Portage Cleaners
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005

ATTACHMENT C
PHOTOGRAPHS
8043 PORTAGE ROAD, PORTAGE, MICHIGAN



DESCRIPTION:	Western adjacent property – Shiny Bright Car Wash
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005



DESCRIPTION:	Southern adjoining property – Portage Cleaners
PHOTOGRAPHER:	Shaun Lehman
DATE:	October 27, 2005

TABLE 2
SUMMARY OF ANALYTICAL RESULTS FOR SOIL SAMPLES
8043 Portage Road, Portage, Michigan (Project # 05001239.40)
Sampling Dates: January 30 - February 1, September 3 & 4, 2002

Sample I.D.	MW-1	MW-1	MW-2	MW-3	MW-3	Statewide Default Background Levels	Residential Drinking Water Protection Criteria *	Residential Soil Ventilation to Indoor Air Inhalation Criteria *	Residential Infinite Source Volatile Soil Inhalation Criteria *	Residential Soil Direct Contact Criteria *
Sampling Date:	1/30/2002	1/30/2002	1/30/2002	1/30/2002	1/31/2002					
Sample Depth	22-24"	25-30"	23-24"	33-34"	18-20"					
VOIATILE ORGANIC COMPOUNDS (VOCs)										
Benzene	60	<	<	<	<	N/A	100	1,600	13,000	180,000
Toluene	<	<	<	<	<	N/A	16,000	250,000 (C)	2,800,000	250,000 (C)
Ethylbenzene	<	<	140	<	5,600	N/A	1,500	87,000	720,000	140,000 (C)
Xylenes	<	<	270	<	33,600	N/A	5,600	150,000 (C)	46,000,000	150,000 (C)
Methyl-tert-butyl ether (MTBE)	<	<	<	<	<	N/A	800	5,900,000 (C)	25,000,000	1,500,000
2-Methylnaphthalene	<	<	<	<	13,000	N/A	57,000	ID	ID	8,100,000
Naphthalene	<	<	<	<	9,300	N/A	35,000	250,000	300,000	16,000,000
1,2,4-Trimethylbenzene	<	<	500	<	45,000	N/A	2,100	110,000 (C)	21,000,000	110,000 (C)
1,3,5-Trimethylbenzene	<	<	260	<	14,000	N/A	1,800	94,000 (C)	16,000,000	94,000 (C)

NOTES:

1. Presented in ug/kg (ppb)
2. < = Less than method detection limit
3. NLV = Chemical is not likely to volatilize under most soil conditions
4. NL = Chemical is not likely to leach under most soil conditions
5. NA = Not Applicable
6. NS = Not selected for analysis
7. ID = insufficient data to develop criteria
8. Highlight yellow shading indicates value exceeds the applicable Part 201 Residential & Commercial I Criteria
9. Based on MDEQ Part 201 Generic Residential Cleanup Criteria, July, 2005
10. Highlight yellow shading indicates value exceeds the applicable Part 201 Residential & Commercial I Criteria
11. C = Based on chemical-specific generic soil saturation concentrations (Csa)

TABLE 2 Continued
SUMMARY OF ANALYTICAL RESULTS FOR SOIL SAMPLES
8043 Portage Road, Portage, Michigan (Project # 05001239.40)
Sampling Dates: January 30 - February 1, September 3 & 4, 2002

Sample ID	MW-3	MW-4	MW-4	MW-4	MW-3	MW-4	MW-4	MW-4	Statewide Default Background Levels	Residential Drinking Water Protection Criteria *	Residential Soil Volatilization to Indoor Air Inhalation Criteria *	Residential Inhalable Source Volatile Soil Inhalation Criteria *	Residential Soil Direct Contact Criteria *
Sampling Date	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002	1/31/2002
Sample Depth	22-24"	30-32"	18-20"	22-24"	30-32"	18-20"	22-24"	28-30"					
VOLATILE ORGANIC COMPOUNDS (VOCs)													
Benzene	<	<	<	<	<	<	<	<	N/A	100	1,600	13,000	180,000
Toluene	<	<	<	<	<	<	<	<	N/A	16,000	250,000 (C)	2,800,000	250,000 (C)
Ethylbenzene	900	100	150	320	220	1,500	720,000	720,000	N/A	5,600	150,000 (C)	46,000,000	140,000 (C)
Xylenes	<	<	970	1,600	<	<	<	<	N/A	800	5,900,000 (C)	25,000,000	150,000 (C)
Methyl-tert-butyl ether (MTBE)	<	<	<	<	<	<	<	<	N/A	57,000	ID	ID	1,500,000
2-Methylnaphthalene	2,600	<	<	<	<	<	<	<	N/A	35,000	250,000	300,000	8,100,000
Naphthalene	1,700	<	<	<	<	<	<	<	N/A	2,100	110,000 (C)	21,000,000	16,000,000
1,2,4-Trimethylbenzene	5,600	<	1,300	2,000	<	<	<	<	N/A	1,800	94,000 (C)	16,000,000	110,000 (C)
1,3,5-Trimethylbenzene	1,700	<	400	580	<	<	<	<	N/A				94,000 (C)

- NOTES:**
1. Presented in ug/kg (ppb)
 2. < = Less than method detection limit
 3. NLV = Chemical is not likely to volatilize under worst soil conditions
 4. NL = Chemical is not likely to leach under most soil conditions
 5. N/A = Not Applicable
 6. NS = Not selected for analysis
 7. ID = Insufficient data to develop criterion
 8. Highlight yellow shading indicates values exceed the applicable Part 201 Residential & Commercial I Criteria
 9. Based on MDEQ Part 201 General Residential Cleanup Criteria, July, 2005
 10. Highlight yellow shading indicates values exceed the applicable Part 201 Residential & Commercial I Criteria
 11. C = Based on chemical-specific generic soil saturation concentration (C_{sat})

TABLE 2 Continued
SUMMARY OF ANALYTICAL RESULTS FOR SOIL SAMPLES
8043 Portage Road, Portage, Michigan (Project # 05001239.40)
Sampling Dates: January 30 - February 1, September 3 & 4, 2002

Sample I.D.	MW-5	MW-5	MW-5	MW-5	MW-5	MW-5	MW-7	Statewide Default Background Levels	Residential Drinking Water Protection Criteria *	Residential Soil Volatilization to Indoor Air Inhalation Criteria *	Residential Infinite Source Viable Soil Inhalation Criteria *	Residential Soil Direct Contact Criteria *
	1/31/2002	1/31/2002	2/1/2002	2/1/2002	2/1/2002	2/1/2002						
Sampling Date	1/31/2002	1/31/2002	2/1/2002	2/1/2002	2/1/2002	2/1/2002	2/1/2002					
Sample Depth	22-24"	28-30"	20-22"	28-30"	28-30"	28-30"	22-24"					
VOLATILE ORGANIC COMPOUNDS (VOCs)												
Benzene	<	<	<	<	<	<	<	N/A	100	1,000	13,000	180,000
Toluene	<	<	<	<	<	<	<	N/A	16,000	250,000 (C)	2,000,000	250,000 (C)
Ethylbenzene	62	<	70	73	73	4,000	4,000	N/A	1,500	87,000	720,000	140,000 (C)
Xylenes	120	<	180	220	220	17,900	17,900	N/A	5,600	150,000 (C)	46,000,000	150,000 (C)
Methyl-tert-butyl ether (MTBE)	<	<	<	<	<	<	<	N/A	800	5,900,000 (C)	25,000,000	1,500,000
2-Methylnaphthalene	<	<	<	<	<	14,000	14,000	N/A	57,000	ID	ID	8,100,000
Naphthalene	<	<	<	<	<	3,000	3,000	N/A	35,000	250,000	300,000	16,000,000
1,2,4-Trimethylbenzene	120	<	140	<	<	38,000	38,000	N/A	2,100	110,000 (C)	21,000,000	110,000 (C)
1,3,5-Trimethylbenzene	<	<	<	<	<	13,000	13,000	N/A	1,800	94,000 (C)	16,000,000	94,000 (C)

NOTES:
1. Presented in ug/kg (ppb)
2. < = Less than method detection limit
3. N.L.V = Chemical is not likely to volatilize under most soil conditions
4. N.L.L = Chemical is not likely to leach under most soil conditions
5. N/A = Not Applicable

6. NS = Not selected for analysis
7. ID = Insufficient data to develop criterion
8. Highlight yellow shading indicates value exceeds the applicable Part 201 Residential & Commercial I Criteria
9. Based on MDEQ Part 201 Generic Residential Cleanup Criteria, July, 2005
10. Highlight yellow shading indicates value exceeds the applicable Part 201 Residential & Commercial I Criteria
11. C = Based on chemical-specific generic soil saturation concentration (Csat)

TABLE 3
SUMMARY OF ANALYTICAL RESULTS FOR GROUNDWATER SAMPLES
8043 Portage Road, Portage, Michigan (Project # 05001239.40)
Sampling Dates: January 30 - February 1, September 3 & 4, 2002

Sample I.D.	VOLATILE ORGANIC COMPOUNDS (VOCs)										Residential and Commercial Drinking Water Criteria	Residential and Commercial Groundwater Volatilization Criteria	Residential and Commercial Drinking Water Criteria I (Groundwater Criteria)
	MTH-1	MTH-2	MTH-3	MTH-4	MTH-5	MTH-6	MTH-7	MTH-8	MTH-9	MTH-10			
Benzene	<	26	52	5.9	7.1						5.0 (M)	5,000	11,000
Toluene	<	<	38	1.6	<						700 (E)	500,000 (E)	530,000 (E)
Ethylbenzene	<	120	1,200	71	22						74 (E)	110,000	170,000 (E)
Xylenes	<	11	4,830	53.1	<						230 (E)	100,000 (E)	100,000 (E)
Methyl Ethyl Ketone (MEK)	<	<	<	<	<						40 (E)	47,000,000 (A)	60,000
2-Methyl-2-butanol	<	<	<	<	<						250	ID	25,000 (E)
1,2-Dichloroethane	<	<	190	<	<						500	30,000 (E)	30,000 (E)
1,1,1-Trichloroethane	<	77	1,600	76	<						63 (E)	50,000 (E)	50,000 (E)
1,1,2-Trichloroethane	<	16	490	9.9	<						72 (E)	61,000 (E)	61,000 (E)

- NOTES:**
1. Presented in ug/L (ppb)
 2. < = Less than method detection limit
 3. N/A = Not Applicable
 4. NS = Not analyzed for analysis
 5. Based on MDEQ Part 201 Generic Residential Cleanup Criteria, July, 2005
 6. Highlight yellow shading indicates value exceeds the applicable Part 201 Residential & Commercial Criteria

7. ID = Insufficient Data
8. E = Aesthetic Drinking Water Value
9. A = Drinking Water Standard
10. S = Criteria defaults to hazardous substance-specific water solubility limit

TABLE 3 Continued
SUMMARY OF ANALYTICAL RESULTS FOR GROUNDWATER SAMPLES
8043 Portage Road, Portage, Michigan (Project # 05001239.40)
Sampling Dates: January 30 - February 1, September 3 & 4, 2002

Sample ID	MIV-4	MIV-2	MIV-1B	MIV-1C	Residential and Commercial I. Drinking Water Criteria	Residential and Commercial II. Indoor Air Exchange Criteria	Residential and Commercial I. Groundwater Contact Criteria
VOLATILE ORGANIC COMPOUNDS (VOCs)							
Benzene	<	26	<	17	5.0 (A)	5,000	11,000
Toluene	<	12	<	3.8	70 (B)	500,000 (B)	500,000 (B)
Ethylbenzene	<	340	<	74	71 (B)	110,000	170,000 (B)
Xylenes	<	1,372	<	156.7	200 (B)	100,000 (B)	100,000 (B)
Styrene (and/or other (MTHFL))	<		<	<	40 (B)	47,000,000 (B)	60,000
2-Methylpropyltoluene	<	160	<	<	260	ID	25,000 (B)
Naphthalene	<	61	<	<	500	30,000 (B)	51,000 (B)
1,2,4-Trichlorobenzene	<	1,900	<	8	63 (B)	54,000 (B)	56,000 (B)
1,2,4,6-Tetrachlorobenzene	<	540	<	2.8	31 (B)	61,000 (B)	63,000 (B)

NOTES:

1. Presented in ug/L (ppb)
2. <= Less than method detection limit
3. N/A = Not Applicable
4. NS = Not submitted for analysis
5. Based on MDEQ Part 201 Generic Residential Cleanup Criteria, July, 2005
6. Highlight yellow indicating values exceed the applicable Part 201 Residential & Commercial I Criteria

7. ID = Insignificant Data
8. B = Aesthetic Drinking Water Value
9. A = Drinking Water Standard
10. S = Criteria exceeds no hazardous substances-specific water solubility limit

TABLE 3 Continued
SUMMARY OF ANALYTICAL RESULTS FOR GROUNDWATER SAMPLES
8043 Portage Road, Portage, Michigan (Project # 05001239.40)
Sampling Date: November 31, 2005

Sample ID	MTL-2	SM-2	SM-3	SM-4	SM-5	SM-6	SM-7	SM-8	SM-9	SM-10	SM-11	SM-12	SM-13	SM-14	SM-15	SM-16	SM-17	SM-18	SM-19	SM-20
VOLATILE ORGANIC COMPOUNDS (VOCs)																				
Benzene	<	<	<	3.8	1.1															
Toluene	<	<	<	<	<															
Ethylbenzene	1.3	<	5.3		12															
Xylenes	4.0	3.1	170		21.0															
Methyl-tert-butyl ether (MTBE)	<	<	<	<	<															
o,p-Dichlorobenzene	<	<	<	<	<															
o,p-Dichlorobenzene	<	<	<	3.3	<															
1,2-Dichloroethane	5.4	2	148		128															
1,1-Dichloroethene	1.7	<	30		18															

NOTES:
1. Presented in ug/L (ppb)
2. < = Less than method detection limit
3. N/A = Not Applicable
4. NS = Not selected for analysis
5. Based on MDEQ Part 201 Groundwater Remedial Cleanup Criteria, July, 2005
6. Highlight yellow shading indicates value exceeds the applicable Part 201 Residential & Commercial Criteria

7. ID = Identification Data
8. E = Acute Drinking Water Value
9. A = Drinking Water Standard
10. S = Chronic default to hazardous substance-specific water solubility limit

ATTACHMENT E
Tables

Table 1
Treystar Holdings, LLC
MDEQ Eligible Activities for Tax-Increment Financing
Portage, Michigan

ENVIRONMENTAL		
Baseline Environmental Assessment(s)	\$5,000	B.E.A. for end-users of "facility" portion of site.
Phase I Environmental Assessment(s)	\$2,000	Phase I ESAs for end-users of "facility" portion of site.
Due Care	\$4,000	Prepare and implement a <i>Due Care Compliance Analysis</i> for end-users of "facility" parcel
Assessment/Cleanup	\$50,000	Perform soil and groundwater sampling and characterization, soil management and disposal practices during construction.
381 Work Plans	\$10,000	Prepare Act 381 Work Plans to secure S.E.T. and Local School Operating tax-increments.

TOTAL: \$ 71,000
TOTAL WITH INTEREST: \$ 83,000 This number includes BRA administrative fees (not subject to State-TIF reimbursement)

MDEQ:Local Tax Ratio = 24:26.33110

\$33,856 : \$ 37,144

Table 2
Treystar Holdings, LLC
MEGA Eligible Activities for Tax-Increment Financing
Portage, Michigan

SITE PREPARATION		
Soil Removal/Fill	\$13,000	Place fill in natural low areas that cannot be used for storm water retention
Clearing/Grubbing	\$5,000	Remove debris and brush to prepare for grading
Grading	\$15,000	Grading is required to direct storm water away from contaminated areas and toward retention basin.
Test Borings	\$6,000	Geotechnical test borings are necessary to evaluate the site for storm water retention and structural.
Engineering	\$20,000	Engineering services necessary to accommodate Brownfield challenges of site, including storm water retention system.
Design/Final Site Plan	\$15,000	Site design and planning must accommodate contaminants and other challenges presented by site.
Surveying	\$10,000	Survey services related to Brownfield eligible activities involve boundary, topographic data, ALTA and construction.
INFRASTRUCTURE IMPROVEMENTS		
Stormwater Retention	\$37,000	Costs to excavate and construct a storm water retention basin away from contaminants on site.
Sanitary Sewer	\$25,000	~400 linear feet of public sewer main through "facility" portion of development
DEMOLITION		
Demolition	\$30,000	Demolish and remove existing gas station buildings and structures.

TOTAL: \$176,000
TOTAL WITH INTEREST: \$199,000 This number includes BRA administrative fees (not subject to State-TIF reimbursement)

MEGA:Local Tax Ratio = 24:26.33110

\$83,924 : \$ 92,076

**TABLE 3
TAX INCREMENT REVENUE PROJECTION
CENTREPOINT DEVELOPMENT
PORTAGE, MICHIGAN
October 20, 2009**

Community: City of Portage
Project: Centrepoint

Initial Taxable Value: \$ 437,593
Final Taxable Value (expected in 2014): \$ 4,000,000

	Calendar Year 2008	Calendar Year 2009	Calendar Year 2010	Calendar Year 2011	Calendar Year 2012	Accumulated Total (rounded)
Projected Taxable Value <i>Before</i> Improvements (Est.)	\$ 437,593	\$ 467,353	\$ 467,353	\$ 467,353	\$ 467,353	
Projected Taxable Value <i>After</i> Improvements (Est.)	\$ 437,593	\$ 492,353	\$ 2,475,000	\$ 2,549,250	\$ 3,000,000	
Projected Taxable Value <i>Increment After</i> Improvements (Est.)	\$ -	\$ 25,000	\$ 2,007,647	\$ 2,081,897	\$ 2,532,647	
Millage Category						
State Education Tax (SET)	6.00000	1.50	12.046	12.491	8.941	
Local School Operating	18.00000	4.30	36.138	37.474	26.822	
EDUCATION TAXES SUBTOTAL:	24.00000	6.00	48.184	49.966	35.763	135,000
City of Portage	10.65980	2.66	21.401	22.193	15.779	
KVCC	2.81350	70	5.649	5.857	4.165	
K/RESA - ISD	4.83160	121	9.700	10.059	7.152	
District Library	1.49000	37	2.991	3.102	2.206	
Kalamazoo County	6.13620	153	12.319	12.775	9.083	
Kalamazoo County Metro Transit	0.40000	10	803	833	592	
LOCAL TAXES SUBTOTAL:	26.33110	658	52,864	54,819	38,977	147,000
STATE TAX INCREMENT ASSIGNMENTS						
MDEQ TIF CAPTURE		\$ 172	\$ 13,830	\$ 14,363	\$ 5,470	
MDEQ Accumulated Totals:		\$ 172	\$ 14,023	\$ 28,385	\$ 33,856	
MEGA TIF CAPTURE		\$ 428	\$ 34,333	\$ 35,603	\$ 13,561	
MEGA Accumulated Totals:		\$ 428	\$ 34,761	\$ 70,364	\$ 83,924	
Total New Tax Capture:		\$ 1,258	\$ 101,047	\$ 104,784	\$ 74,740	\$ 282,000
LOCAL BRA ADMINISTRATIVE FEE (Estimated at 10% of Yearly Local Tax-Increment):		\$ -	\$ 66	\$ 5,286	\$ 5,482	\$ 15,000
Yearly Tax Capture for Eligible Activities (Reimbursed to Developer):		\$ -	\$ 1,192	\$ 95,761	\$ 99,302	\$ 70,842
Loc		\$ -	\$ 1,192	\$ 96,953	\$ 196,255	\$ 267,898
Maximum TIF Recovery (MDEQ):	\$33,856					
Maximum TIF Recovery (MEGA):	\$83,924					
TOTAL State Capture:	\$117,780					
Total Needed to Reimburse Developer for Eligible Activities Including Interest (State + Local, Rounded):	\$					
Maximum TIF Recovery for Developer (Local):					\$	164,220

Significant Assumptions:
- 5-year build-out
- Interest rate calculated at 4.0% (prime) on hard costs of eligible activities over the course of the loan. Interest reimbursement to developer not deducted from State TIF.
- Final taxable value of entire project = \$4,000,000
- Tax capture table is based on calendar year. Actual tax-increment revenue generation will be in the year following that indicated on the table.

Notes:
1. Tax increments captured for payments to developer will be "capped" at the cost of eligible activities (estimated at \$282,000).
2. Full cost of all eligible activities are expected to be captured by tax revenue generated by 2012 assessments, which is before the project's expected completion (2014).
3. Dollar amounts were calculated using real property values only.