PORTAGE

A Natural Place to Move

Brownfield Redevelopment Authority

November 6, 2013

CITY OF PORTAGE
BROWNFIELD REDEVELOPMENT AUTHORITY

A G E N D A

November 6, 2013

CALL TO ORDER:

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

APPROVAL OF MINUTES:

* December 21, 2009

BUSINESS:

* 1. Election of Officers
- Board Member Listing
- Brownfield Redevelopment Authority Rules of Procedure

* 2. Kalamazoo County Brownfield Redevelopment Plan for 9008 Portage Road
- Communication from Director Georgeau with attachments

STATEMENT OF CITIZENS:

ADJOURNMENT:

MATERIALS TRANSMITTED

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

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Brownfield Redevelopment Authority

Minutes of Meeting – Monday, December 21, 2009

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

MEMBERS PRESENT:

Mark Janke, President; Tom Vance, Vice-President; Tom King, Secretary; Bill Parse; Devrim Yaman; and Jeff Monroe.

MEMBERS EXCUSED:

Daniel Vomastek, Tom Noverr and Robert Feeney

IN ATTENDANCE:

Christopher Forth, Deputy Director of Planning and Development Services; Randall Brown, City Attorney; and Keith Lewandowski

DRAFT

APPROVAL OF MINUTES:

The minutes from the November 4, 2009 meeting were introduced for approval. Mr. Lewandowski noted his name was incorrectly spelled. A motion was offered by Vance, seconded by Monroe to approve the minutes as amended. The motion was unanimously approved.

BUSINESS:

1. Treystar Holdings Development and Reimbursement Agreement (8019 Portage Road). President Yanke stated the meeting was called to review and approve the Development and Reimbursement Agreement between the Authority and Treystar Holdings, LLC. City Council approved Brownfield Redevelopment Plan Amendment No. 6, 8019 Portage Road, following a public hearing on December 15, 2009. From a procedural standpoint, President Yanke asked how often reimbursement payments would be made to the developer. Mr. Forth and Mr. King indicated reimbursement payments would be made depending on several factors including when taxes are paid (September and February), how much is annually paid by the developer, amount of reimbursement requested and when reimbursement payments can be made by the city. Attorney Brown also stated the agreement requires payment to the developer within 60 days. Mr. Lewandowski asked for clarification on regarding the $40,000 tax payment on page 11 of the Plan. Mr. King clarified the amount of taxes collected.

Fritz Brown, Treystar Holdings, LLC, was present to answer any questions regarding the agreement. Mr. Brown indicated the agreement has been reviewed and approved by Treystar Holdings, LLC.

There being no further discussion, a motion was offered by King, seconded by Parse that

the Brownfield Redevelopment Authority approve the Development and Reimbursement Agreement between Treystar Holdings, LLC and the Authority involving Brownfield Redevelopment Plan Amendment No. 6, 8019 Portage Road. Upon a roll call vote King - yes; Vance - yes; Parse - yes; Monroe - yes; Yaman - yes; and Yanke - yes. The motion was approved 6-0.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

There being no further business to come before the Authority the meeting was adjourned at 8:15 a.m.

Respectfully submitted,

_____

Christopher Forth, Deputy Director of Planning and Development Services
Department of Community Development

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DRAFT

ECONOMIC DEVELOPMENT CORPORATION/
TAX INCREMENT FINANCE AUTHORITY AND
BROWNFIELD REDEVELOPMENT AUTHORITY

(Appointment by Mayor with Council approval)

TERM EXP	NAME	ADDRESS	PHONE
12/31/14	Eric Alburtus (PPS)	8135 S Westnedge 49002 ealburtus@portageps.org	323-5255 B
12/31/14	Devrim Yaman	1581 Lancelot Ct. 49002	387-5217 B 352-7949 C
12/31/15	Keith Lewandowski	7238 Windhaven Ct 49024 Keith.Lewandowski@tpginc.us	321-0411 H 760-0989 B
12/31/17	Robert Kelber	6105 Sablewood Circle 49024 rkelber@sbcglobal.net	329-7189 H 352-3846 B
12/31/19	Daniel J. Vomastek (PPS)	1353 Ashton Woods Ct 49024 dvomastek@portageps.org	327-5463H 323-5167B
12/31/18	Bradley Galin (PPS)	3373 Fleetwood Dr 49024 bgalin@portageps.org	323-5152 B 812-340-3609
12/31/18	Jeffrey Kalmbach	5645 Thunder Bay St 49024 jeffkalmbach@yahoo.com	271-6706 H 492-9984 B
12/31/16	Thomas G. King, Secretary	1545 Dogwood 49024 tking@kreisenderle.com	324-5661 H 324-3000 B 324-3010 F
12/31/19	Jeffrey Monroe	3005 Innisbrook Dr 49024 Jfmonroe3@aol.com	327-0332 H 327-7554 B

City Staff

Vicki Georgeau, Dir. of Community Dev. georgeav@portagemi.gov	7900 S. Westnedge	329-4477 B

CITY OF PORTAGE, COUNTY OF KALAMAZOO

RULES OF PROCEDURE OF THE CITY OF PORTAGE BROWNFIELD REDEVELOPMENT AUTHORITY

ARTICLE I: Name and Address.

Section 1. **Name.**

The name of the Authority is the City of Portage Brownfield Redevelopment Authority (hereinafter referred to as the "Authority"). The address of the Authority is 7900 S. Westnedge Avenue, Portage, Michigan 49002.

Section 2. **Registered Office.**

The Authority shall have and continuously maintain in the State of Michigan a registered office, and a registered agent whose office is identical to such registered office, as required by the statutes of the State of Michigan. The registered office may be, but need not be, identical with the principal office in the state of Michigan, and the address of the registered office and the registered agent may be changed from time to time by the Board of Directors. Unless and until so changed, the registered office of the Brownfield Redevelopment Authority is 7900 S. Westnedge Avenue, Portage, Michigan 49002.

Section 3. **Other Offices.**

The Authority may have such other offices as the Board of Directors may determine, or the affairs of the Authority may require from time to time.

ARTICLE II. Directors.

Section 1. **General Powers.**

The business and affairs of the Authority shall be managed by its Board, except as otherwise provided by statute or by these Rules of Procedure, and shall have all the powers enumerated in the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of 1996, as amended (hereinafter the "Act"). The Authority shall be a public body corporate that may sue and be sued in a court of competent jurisdiction. The Authority possesses all of the powers necessary to carry out the purpose of its incorporation. The powers granted in the Act to an Authority may be exercised whether or not bonds are issued by the Authority. The Authority may do all other things necessary or convenient to achieve the objectives and purposes of the Authority, the Act, or other laws that relate to the purposes and responsibilities of the Authority.

Section 2. **Board of Directors.**

Pursuant to Resolution adopted by the Portage City Council, the Board of Directors (hereinafter referred to as the "Board") shall consist of the individual members which serve as the board of directors of the City of Portage Economic Development Corporation established under Act 338 of the Public Acts of 1974, as amended (hereinafter "EDC") existing on the date of establishment of the Authority. Subsequent directors appointed to the EDC shall also serve as directors of the Authority with the same terms of office. The Portage City Council shall have final approval authority over the appointment, replacement or removal of directors. A director whose term of office has expired shall continue to hold office until his or her successor has been appointed by the Portage City Council.

Section 3. **Conflict of Interest.**

A director who has a direct interest in any matter before the Authority shall disclose his/her interest prior to any discussion of that matter by the Authority, which disclosure shall become a part of the record of the Authority's official proceedings. The interested director shall further refrain from participation in the Authority's action relating to the matter.

Section 4. **Meetings.**

Meetings of the Board may be called by or at the request of the chairperson of the Board or any two directors. The meetings of the Board shall be public, and the appropriate notice of such meeting shall be provided to the public. The Board shall hold an annual meeting at which time officers of the Board shall be elected as provided in Article III, Section 2.

Section 5. **Notice.**

Notice of any meetings shall be given in accordance with the Open Meetings Act (Act No. 267 of the Public Acts of 1976).

Section 6. **Quorum.**

A majority of the members of the directors then in office constitutes a quorum for the transaction of business at any meeting of the Board, provided, that a majority of the Board present may adjourn the meeting from time to time without further notice. The vote of the majority of the directors present at a meeting at which a quorum is present constitutes the action of the Board, unless the vote of a larger number is required by statute or by these Rules of Procedure.

Section 7. **Participation by Communication Equipment.**

A member of the Board or of a committee designated by the Board may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this provision constitutes presence at the meeting.

Section 8. **Committees.**

The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Authority. The Board may designate one or more directors as alternate members of a committee, who may replace an absent or disqualified member at a meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at a meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of such an absent or disqualified member. A committee, and each member thereof, shall serve at the pleasure of the Board. A committee so designated by the Board, to the extent provided in the resolution by the Board, may exercise all powers and authority of the Board in the management of the business and affairs of the Authority, except that such committee shall not have the power or authority to: a) recommend to members a dissolution of the Authority, or a revocation of dissolution, b) amend the Rules of Procedure of the Authority, or c) fill vacancies in the Board.

ARTICLE III: Officers.

Section 1. **Officers.**

The officers of the Authority shall be elected by the Board and shall consist of a chairperson, vice chairperson, and secretary/treasurer. The Board may also appoint a recording secretary who need not be a member of the Board. Officers of the Authority may be the same members of the EDC holding the same office.

Section 2. **Election and Term of Office.**

The officers of the Authority shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified.

Section 3. **Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled at any meeting of the Board for the unexpired portion of the terms of such office subject to approval and a majority vote of the Portage City Council.

Section 4. **Chairperson and Vice Chairperson.**

The chairperson shall be the chief executive officer of the Authority, but he or she may from time to time delegate all of any part of his/her duties to the vice chairperson. He or she, or in his/her absence, the vice chairperson, shall preside at all meetings of the Board, he or she shall have general and active management of the business of the Authority and shall perform all the duties of the office as provided by law or these Rules of Procedure. He or she shall be ex-officio a member of all standing committees, and shall have the general powers and duties of supervision and management of the Authority.

Section 5. **Secretary/Treasurer and Recording Secretary.**

The secretary/treasurer or recording secretary shall attend all meetings of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. They shall further perform all duties of the office of secretary/treasurer as provided by law or these Rules of Procedure. They shall be sworn to the faithful discharge of these duties.

Section 6. **Delegation of Duties of Officers.**

In the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may delegate, from time to time and for such time as it may deem appropriate, the powers or duties; or any of them, of such officer to any other officer, or to any Director, provided a majority of the Board then in office concurs therein.

ARTICLE IV. Books and Records.

Section 1. **Books and Records.**

The Authority shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Authority may be inspected by any director, his/her agent, or attorney, and shall be open to the public. pursuant to the Freedom of Information Act (Act 442 of the Public Acts of 1976, as amended).

Section 2. **Minutes of Meetings.**

A. The corporation shall keep minutes of each meeting showing the date, time, place, members present, members absent, and any decisions made. The minutes shall include all roll call votes taken at the meeting.

B. Minutes shall be public records open to public inspection and shall be available at the address designated on posted public notices. Copies of the minutes shall be available to the public at the reasonable estimated cost for printing, copying and mailing pursuant to the Freedom of Information Act (Act 442 of the Public Acts of 1976, as amended).

C. Proposed minutes shall be available for public inspection not more than eight (8) business days after the meeting. Approved minutes shall be available for public inspection not later than five (5) business days after the meeting at which the minutes are approved.

ARTICLE V. Contracts, Loans, Checks and Deposits.

Section 1. **Contracts.**

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 2. **Loans/Grants.**

No grant or loan shall be contracted on behalf of the Authority and no evidence of indebtedness shall be issued in its name unless authorized by Council. Such authority may be general or confined to specific instances.

Section 3. **Checks, Drafts, etc.**

All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Board.

Section 4. **Deposits.**

All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositaries as the Board may select.

Section 5. **Gifts.**

The Authority may accept any contribution, gift, bequest or devise for the general purposes or any special purpose of the Authority.

ARTICLE VI: Fiscal Year.

The fiscal year of the Authority shall correspond at all times to the fiscal year of the City of Portage.

ARTICLE VII: Miscellaneous.

Section 1. **Seal.**

The Board shall provide a corporate seal which shall be the official seal of the Authority.

Section 2. **Waiver of Notice.**

When the Board or any committee thereof may take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the period of time, if at any time before or after the action is completed the person entitled to notice or to participation in the action to be taken submits a signed waiver of such requirements.

ARTICLE VIII: Reporting Public Access to Records.

Section 1. **Activities of Authority.**

The Authority shall report to the Portage City Council after its annual meeting which report shall fully describe the activities of the Authority including a statement of all revenues and expenditures since the previous report.

Section 2. **Public Records.**

The financial records, accountings, audit reports, and other reports of public monies under the control of the Authority shall be public records and open to inspection.

ARTICLE IX: Amendments.

These Rules of Procedure may be altered, amended, or repealed by the affirmative vote of a majority of the Board then in office at any regular or special meeting called for that purpose, provided, however, the amendments must be approved by resolution of the Portage City Council before they take effect.

I HEREBY CERTIFY that the above Rules of Procedure were adopted the 9 day of August, 2001.

Michael Collins
Secretary

APPROVED AS TO FORM
DATE 7/5/01

CITY ATTORNEY

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PORTAGE
A Natural Place to Move

Department of Community Development

TO: Brownfield Redevelopment Authority **DATE:** October 31, 2013

FROM: Vicki Georgeau, Director of Community Development

SUBJECT: Kalamazoo County Brownfield Redevelopment Plan, 9008 Portage Road

I. INTRODUCTION:

The Brownfield Redevelopment Financing Act (PA 381 of 1996, as amended) allows a city, village, township or county to establish a Brownfield Redevelopment Program for the purposes of facilitating the reuse of contaminated or blighted properties. Pursuant to the Act, Mr. Alex Gwiazdowski, South Portage LLC, has approached Kalamazoo County and requested assistance through the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) with eligible environmental remediation activities involving 9008 Portage Road. South Portage LLC has an option to purchase the property and plans to locate their business, Disaster Restoration, to 9008 Portage Road and is interested in utilizing tax increment financing (TIF) for reimbursement of eligible improvement expenses to the property.

Although the City of Portage also has an established Brownfield Redevelopment program, Kalamazoo County has funding to pay for the up front expenses of completing assessment studies (e.g. Phase 1 and Baseline Environmental Assessment) and preparation of Brownfield Plans. Attached is a letter dated October 3, 2013 from Ms. Lotta Jarnefelt, Director of the Kalamazoo County Department of Planning and Community Development regarding the proposed Brownfield Plan for 9008 Portage Road. As indicated in Ms. Jarnefelt's communication, this proposal is a small-scale brownfield redevelopment project with several benefits, which include facilitation of remediation by the Michigan Department of Environmental Quality (MDEQ) and returning a blighted property to productive use.

Regardless of the local governmental unit, a Brownfield Redevelopment Program is an important economic redevelopment tool to facilitate the successful reuse of contaminated and/or blighted property, further improve the environment, increase the local tax base and economy and create new job opportunities. In addition to economic benefits, redeveloping brownfields encourages the reuse of commercial, industrial and residential properties in urban areas where public infrastructure is already in place. Furthermore, this project represents an example of inter-governmental cooperation through the use of the KCBRA and the financial assistance it can provide with upfront environmental study expenses.

This report provides information pertaining to the Kalamazoo County Brownfield Redevelopment Plan amendment involving 9008 Portage Road, background information regarding the City of Portage Brownfield Redevelopment Program and concludes with a recommendation.

II. PROPOSED KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT PLAN, 9008 PORTAGE ROAD

Attached for Authority review is a copy of the 9008 Portage Road Brownfield Plan prepared by the KCBRA consultant and approved by the KCBRA on October 24, 2013. The subject property is approximately one-half acre in size and improved with a 1,300 square foot building and parking lot that are in disrepair. The property is considered a "facility" due to the contamination caused by leaking underground gasoline storage tanks associated with a former gas station use that operated at this location. The tanks have been removed but the resulting contamination remains. As indicated in the letter from Director Jarnefelt, this property has been identified as the third highest priority site on the leaking underground storage tank list developed by the KCBRA, and the MDEQ has set aside funds to remediate contamination by the end of the calendar year. Attached is a letter dated September 17, 2013 from Mr. Mark Worrall, MDEQ Senior Environmental Quality Analyst, that summarizes the proposed MDEQ remediation activities.

South Portage LLC intends to remediate and remodel the existing structure and parking facilities and relocate Disaster Restoration business operations to 9008 Portage Road. South Portage LLC also has future plans to construct an approximate 1,500 square foot building addition. The business owner is aware that a special land use permit from the Portage Planning Commission is required since the business is considered a building contractor.

Eligible activities associated with the site remediation efforts proposed to be funded through state and local tax reimbursement include the following:

- Phase I ESA
- Baseline Environmental Assessment
- Brownfield Plan Preparation
- Due Care Plan
- Site and Building Demolition (interior slab and other building components)
- Subslab Depressurization
- Site Preparation
- Act 381 Work Plan

South Portage LLC indicates that in order to overcome the development challenges as a result of the on-site contamination, capture of the tax increment from the increase in property value is needed to fund eligible activities. Because the City of Portage is designated as a "qualified local unit of government," capture of local and school tax dollars may also be used for site preparation, public infrastructure improvements and demolition.

As shown in Tables 1 and 5 in the Brownfield Plan, the estimated cost to complete all eligible activities is $53,875, which includes a 15% contingency ($6,375) and Kalamazoo County Administrative fee ($5,000). In addition to reimbursement for eligible site activities, the KCBRA is also requesting an additional five years of tax capture for the Local Site Remediation Revolving Fund (LSRRF) in the amount of $12,053. The LSRRF is used to make funds available for other brownfield projects in the County. Finally, and as required by the Brownfield Redevelopment

Financing Act involving the use of school tax increment revenues, approximately $3,836 must be deposited into the State Brownfield Redevelopment Fund.

Therefore, the total amount of requested tax capture is $69,764 for a 30-year period (maximum permitted by the Brownfield Redevelopment Financing Act) or when the eligible activities have been fully reimbursed, whichever occurs first. Table 4 shows the estimated foregone tax revenue for each taxing jurisdiction during the duration of the brownfield plan. During this time period, the City of Portage will forego approximately $14,884. After reimbursement of eligible activities and LSRRF captures are complete the tax revenue is distributed to the traditional taxing jurisdictions. If TIF capture is not sufficient to reimburse the KCBRA and/or developer due to the lack of site improvements that would otherwise increase the property value, tax capture cannot extend beyond 30 years.

KCBRA reviewed the Brownfield Plan for 9008 Portage Road on October 24th and recommended approval of the Plan to the County Board of Commissioners. Any approval by the County Board of Commissioners will be contingent on City of Portage Council approval of the attached resolution of support. The Brownfield Plan will also be presented to the County Board Committee of the Whole on November 19th and a public hearing will be set for December 3rd (subject to City Council approval of the resolution). It is anticipated that the plan will be approved by the Kalamazoo County Board of Commissioners subsequent to the public hearing on December 3rd.

III. CITY OF PORTAGE BROWNFIELD REDEVELOPMENT PROGRAM

As background information for the Authority members, City of Portage Brownfield Redevelopment Program was established in 2001 with the designation of the EDC/TIFA Board as the Brownfield Redevelopment Authority and approval of the first brownfield redevelopment plan. Since 2001, six brownfield redevelopment plans have been approved by the Authority and City Council and include:

- Brownfield Plan No. 1: 129 West Centre Avenue (Portage Centre Plaza). This plan was approved in August 2001 and resulted in the construction of a multi-building retail center.
- Brownfield Plan No. 2: 901 East Milham Avenue (Milham Business Tech Park). This plan was approved by City Council in May 2003 and resulted in the construction of a new financial institution.
- Brownfield Plan No. 3: 5942 Lovers Lane (Dame & Updike LLC). This plan was approved by City Council in July 2003 and resulted in the construction of a new veterinary clinic.
- Brownfield Plan No. 4: 5311 South Westnedge Avenue (5311 South Westnedge LLC). This plan was approved by City Council in August 2003 meeting and resulted in the construction of two new restaurants.
- Brownfield Plan No. 5: The Trade Center, 750 Trade Centre Way (H & G LLC). This Plan was approved by City Council in August 2003 and helped to facility construction of a first class, four-story office building.
- Brownfield Plan No. 6: 8019, 8037 and 8043 Portage Road (Centreport Commons). This plan was approved in 2006 and the former gas station building/canopy have been removed, underground utilities installed and private drives constructed. Following installation of the infrastructure, no buildings have been constructed due, in part, to the poor economic conditions that followed.

The first five brownfield plans involved only a Michigan business tax credit from the State of Michigan. However, this tax has since been eliminated and the credit is no longer available.

Treystar Holdings, LLC (Centreport Commons project) was the first applicant to request and be approved for tax increment financing. Since no buildings have been constructed, no tax increment has been captured and the five year tax capture plan has expired.

Although the property located at 9008 Portage Road is proposed to be added to the Kalamazoo County Brownfield Plan, the City of Portage adopted a Brownfield Redevelopment Policy in 2006, with an amendment in 2008 (attached). The Policy incorporates criteria, procedures and provisions to ensure that brownfield redevelopment applications are consistently and uniformly processed when received. The subject property is consistent with the location requirements in that it is zoned and planned for commercial use and located in a commercial revitalization area. The proposed brownfield plan is generally consistent with the adopted policy except for the following:

- The policy establishes a two-step review process. The first step involves review of the application by City Council and the second step is the formal amendment of the Portage Brownfield Plan to incorporate an approved brownfield application by the Brownfield Redevelopment Authority and City Council. Since this brownfield plan is being incorporated into the Kalamazoo County plan, this policy provision is not applicable.
- Tax capture is limited to 5 years or as otherwise approved by City Council. The applicant and Kalamazoo County are requested a 30 year tax capture period. City Council may consider increasing the financial assistance, such as the length of tax capture, if the minimum taxable value of the project upon completion is at least $5 million, the project will create a significant number of full time jobs that result in a significant average annual salary and finally, there is the potential for spin-off development. The 9008 Portage Road brownfield redevelopment project will not meet these threshold requirements. However, as this is a small-scale redevelopment project and the long-term financial impact is minimal, in this case, a modification to facilitate this project in conjunction with the KCBRA is appropriate.

The Brownfield Redevelopment Policy also states the preferred approach to foster the redevelopment of brownfield properties is to first support a Michigan Business Tax credit (permitted by the Brownfield Redevelopment Financing Act) from the State of Michigan and then support tax increment financing if such financing is necessary for the granting of the Michigan Business Tax credit. The Michigan Business Tax was repealed in 2011 and several amendments to the Brownfield Redevelopment Financing Act, including removal of the Michigan Business Tax credit, were approved and signed into law in December 2012. As a result of these recent amendments, the Brownfield Redevelopment Policy will be updated and forwarded to City Council for consideration at a later date.

IV. RECOMMENDATION:

The KCBRA Brownfield Redevelopment Plan for 9008 Portage Road been reviewed in the context of the Brownfield Redevelopment Policy. Given the problems associated with this property for many years, ongoing efforts to revitalize the Lake Center Business corridor, and participation by Kalamazoo County to assist the property owner with upfront expenses associated with remediation efforts, staff advises that the Brownfield Redevelopment Authority recommend to City Council that the attached resolution of support be approved for tax capture in the amount of $69,764 for up to 30 years or when the eligible activities have been fully reimbursed, whichever occurs first (including the capture for the LSRRF). Approval of the plan amendment

by the Kalamazoo County Board of Commissioners will permit the applicant to prepare the Act 381 Work Plan, which is required by the State of Michigan when capture of school taxes is proposed.

The redevelopment of the property is consistent with City of Portage land use and environmental objectives and will provide additional tax base growth and related economic benefits to the community.

Attachment: October 3, 2013 letter from Ms. Lotta Jarnefelt, Kalamazoo County
Letter dated September 17, 2013 from Mr. Mark Worrall, MDEQ
9008 Portage Road Brownfield Redevelopment Plan
City of Portage Brownfield Redevelopment Policy
Resolution of support

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KALAMAZOO COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN

9008 PORTAGE ROAD
PORTAGE, MICHIGAN

OCTOBER 25, 2013

Prepared with the assistance of:

ENVIROLOGIC TECHNOLOGIES, INC.
2960 Interstate Parkway
Kalamazoo, Michigan 49048
(800) 272-7802

Recommended for Approval by the Brownfield Redevelopment Authority on:_____

Approved by the City of Portage, MI on:_____
Approved by the County Commission on:_____

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BROWNFIELD PLAN
9008 PORTAGE ROAD
PORTAGE, MICHIGAN

I. GENERAL DEFINITIONS AS USED IN THIS PLAN

The definitions in this plan are as defined in 1996 PA 381, Section 2, as amended.

II. ELIGIBLE PROPERTIES

Introduction

This Brownfield Plan has been adopted to support the acquisition and re-use of a property formerly known as Bud's Auto Service. A release of petroleum was discovered at the site on September 21, 1990 (Leak ID C-1794-90) following removal of a non-regulated tank. A limited amount of environmental investigation was completed at the site at that time by the property owner. The property since reverted to the State of Michigan through a tax foreclosure. During the State's ownership, the Michigan Department of Environmental Quality (MDEQ) funded an investigation of the site, considering it a high priority site due to the presence of a nearby surface water body (West Lake). The property was purchased from the State by Mr. David Rosenberg. During the past several years, the property has been vacant with some intermittent leasees. The City of Portage has considered the site a priority for re-use based on neighborhood complaints and a desire to improve the streetscape of the commercial district.

A new developer (South Portage Road LLC) intends to purchase and occupy the site. This will involve renovation of the existing building, improvements to the driveway and parking areas, and other aesthetic improvements. South Portage Road LLC intends to consolidate their business, Disaster Restoration, Inc., on the property. It is also anticipated that a 1,500 square foot addition may be added to the building in 2014.

To support the acquisition, the MDEQ recently conducted additional environmental investigation of the property. MDEQ has also used this most recent assessment data to plan cleanup activities (soil excavation, groundwater removal and treatment) to remove grossly contaminated soil and groundwater. These cleanup activities will occur after the real estate transaction has occurred.

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This development is an improvement for the site and the surrounding area in many ways:

1. The MDEQ can finalize their environmental remediation activities;
2. The blighted property would be returned to productive use;
3. The County Brownfield Plan would constitute a co-operative inter-governmental effort between the City of Portage and Kalamazoo County; and
4. Tax increment revenues collected would reimburse the expenses for the assessment and eligible redevelopment activities.

The legal description and parcel identification number for the property subject to this Plan, as provided by the City of Portage, are as follows:

9008 Portage Road (Parcel # 10-00340-058-0)

"Ames West Lake Park Lots 58 thru 60"

Basis of Eligibility

The property has been identified as a "facility" as defined in Part 201 of the Natural Resources and Environmental Protect Act ([NREPA]1994 PA 451). Specifically, a variety of petroleum volatile organic compounds have been identified in soil and groundwater in excess of generic residential cleanup criteria. These compounds include, but are not limited to benzene, butylbenzene, ethylbenzene, isopropylbenzene, 2-methylnaphthalene, naphthalene, toluene, trimethylbenzenes, and xylenes. The primary cleanup criteria exceeded include those protective of drinking water supplies and surface water quality (groundwater-surface water interface). Certain compounds are also present in soil in excess of criteria protective of indoor air quality (Soil volatilization to Indoor Air Inhalation Criteria).

The Plan

(a) A description of the costs of the plan intended to be paid for with tax increment revenues (Section 13(1)(a))

This Plan has been developed to reimburse the Kalamazoo County Brownfield Redevelopment Authority for the cost of environmental due diligence activities (Baseline Environmental Assessment Activities and Due Care Activities) and preparation of this Brownfield Plan. This Plan also provides a limited amount of reimbursement to South Portage Road LLC for eligible Site Preparation expenses.

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Environmental Activities

The Kalamazoo County Brownfield Redevelopment Authority will incur certain eligible activities including preparation of a Phase I Environmental Site Assessment and Baseline Environmental Assessment (Baseline Environmental Assessment Activities). The Kalamazoo County Brownfield Redevelopment Authority will also fund preparation of a Due Care Plan (Due Care Activities). South Portage Road LLC is planning to install a sub-slab depressurization system to control risks related to the potential for vapor intrusion from contaminants beneath the building as part of his Due Care obligations. This engineering control will protect workers and site personnel from potential unacceptable exposures to contamination. The following MDEQ eligible activities will be conducted to support this project:

- Baseline Environmental Assessment Activities
- Due Care Activities
- Preparation of this Brownfield Plan and Act 381 Work Plan

Non-Environmental Activities

Because the City of Portage is a Qualified Local Unit of Government, additional non-environmental Brownfield Redevelopment costs ("Michigan Strategic Fund (MSF) eligible activities") can be reimbursed through a Brownfield Plan. This Plan will provide a limited amount of reimbursement for eligible Site Preparation Activities, Site and Building Demolition Activities to be completed by South Portage Road LLC. The Kalamazoo County Brownfield Redevelopment Authority intends to seek approval from the MSF to secure approval to use school tax increment revenues to reimburse these costs.

Authority Expenses

Eligible actual costs incurred by the Kalamazoo County Brownfield Redevelopment Authority are also included in the Plan as an eligible expense. These will be reimbursed with local tax increment revenues only.

(b) A brief summary of the eligible activities that are proposed for each eligible property (Section 13(1)(b))

Eligible Environmental Activities to be completed include activities necessary to conduct a Baseline Environmental Assessment (i.e., Phase I Environmental Site Assessment, data review,

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preparation and submittal of the Baseline Environmental Assessment). Preparation of the Due Care Plan will also be completed. These activities are eligible for reimbursement using school and local tax increment revenues without MDEQ approval.

South Portage Road LLC is planning to install a sub-slab depressurization system inclusive of a vapor barrier and a powered ventilation system in order to meet due care requirements. These costs are inclusive of demolition of the concrete floor of the repair bays in order to remove a hydraulic lift and a catch basin. Once these features are removed, the depressurization system can be installed. If approved by MDEQ in an Act 381 Work Plan, this cost can be reimbursed with local and school tax increment revenues.

Preparation of this Brownfield Plan and an Act 381 Work Plan is also an eligible environmental activity that can be reimbursed using school and local tax increment revenues.

South Portage Road LLC will have certain non-environmental site preparation activities that are eligible for reimbursement. Site preparation activities include staking, geotechnical engineering, clearing and grubbing, temporary traffic controls, temporary erosion controls, temporary site controls (e.g., security, fencing, lighting), excavation and fill for unstable material, land balancing, grading, relocation of active utilities, temporary sheeting or shoring, and all other eligible site preparation costs as described in published MSF guidance documents. Eligible site preparation costs also include professional soft costs directly related to performance of the specific eligible site preparation activity. These professional costs can include geotechnical, architectural, engineering, design, legal, and other professional fees directly related to the site preparation activity.

South Portage Road LLC may have certain non-environmental site and building demolition activities. These include removal of the substandard asphalt and concrete parking lot, drives, curb and gutter in order to construct an appropriate access to the site with ample and well-designed parking and truck accessibility.

This Plan establishes a limit on the total amount of eligible site preparation and site and building demolition activities that will be considered for reimbursement.

Refer to Table 1 for a listing of eligible costs allowed for reimbursement under this Plan.

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(c) An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property. (Section 13(1)(c))

The Initial Taxable Value for this Plan shall be the taxable value of the eligible property established at the time this Brownfield Plan is adopted (i.e. the 2013 taxable value) which is $8,854.

Property improvements and new construction activities are expected to be conducted in 2014 and these improvements are expected to increase the taxable value of the property. The projected taxable value is $60,000 after these improvements have been made. Thus, the redevelopment of this property would create a captured taxable value of $51,146. The Kalamazoo County Brownfield Redevelopment Authority intends to begin capture of the tax increment revenues in 2014.

Refer to Tables 2-4 for further detail of the tax increment revenues generated in each year of the Brownfield Plan.

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Table 1

Summary of Eligible Costs

9008 Portage Road
Portage, MI

Eligible Activities		Estimated Cost
BEA Activities	$	5,000.00
BEA Activities		
Brownfield Plan Preparation		
Due Care Activities	$	15,000.00
Due Care Plan		
Subslab Depressurization		
Additional Response Activities		
MSF Non Environmental Activities		
Site Preparation Activities	$	10,000.00
Site and Building Demolition	$	10,000.00
Act 381 Work Plan	$	2,500.00
TOTAL COSTS OF ELIGIBLE ACTIVITIES	**$**	**42,500.00**
Financing Costs	$	-
Contingencies (15%)	$	6,375.00
Administrative Costs of the Authority (estimated)	$	5,000.00
TOTAL REIMBURSEMENTS	**$**	**53,875.00**
Captured and Disbersed to State Revolving Fund	**$**	**3,835.95**
Additional Capture for LSRRF	**$**	**12,053.00**
Total	$	69,763.95

Table 2

Estimate of Total Captured Incremental Taxes

9008 Portage Road
Portage, MI

Year	Annual Total Millage†	Initial Taxable Value	Tax Revenues from Initial Taxable Value	Estimated Future Taxable Value	Estimated Future Tax Revenues	Incremental Tax Revenues	Available for Capture
2013	50.5191	$ 8,854.00	$ 447.30	$ 8,854.00	$ 447.30	$ -	$ -
2014	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2015	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2016	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2017	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2018	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2019	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2020	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2021	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2022	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2023	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2024	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2025	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2026	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2027	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2028	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2029	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2030	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2031	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2032	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2033	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2034	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2035	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2036	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2037	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2038	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2039	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2040	50.5191	$ 8,854.00	$ 447.30	$ 60,000.00	$ 3,031.15	$ 2,583.85	$ 2,583.85
2041							$ -
2042							$ -
2043							
TOTAL							**$ 69,763.95**

† - Does not include debt millages or half of SET conveyed to State Brownfield Redevelopment Fund

* - Total includes five year future capture to Local Site Remediation Revolving Fund

Table 3

Estimate of Annual Effect on Taxing Jurisdictions

9008 Portage Road
Portage, MI

SUMMER TAXES[1]

Taxing Jurisdiction		City of Portage	KVCC	KRESA-ISD	State Ed[3]	School Bldg Debt	School Oper	County Summer	Transportation	Total
Millage		10.7778	2.8135	4.8916	6	5.8	18	4.6871	0.4	53.37
Initial Taxable Value	$ 8,854.00	$ 95.43	$ 24.91	$ 43.31	$ 53.12	$ 51.35	$ 159.37	$ 41.50	$ 3.54	$ 472.54
Future Taxable Value	$ 60,000.00	$ 646.67	$ 168.81	$ 293.50	$ 360.00	$ 348.00	$ 1,080.00	$ 281.23	$ 24.00	$ 3,202.20
Captured Taxable Value	$ 51,146.00	$ 551.24	$ 143.90	$ 250.19	$ 306.88	$ -	$ 920.63	$ 239.73	$ 20.46	$ 2,433.02

WINTER TAXES[2]

Taxing Jurisdiction		District Library	County Pub Safety	County Juv Home	Total
Millage		1.5	1.4491	0.2234	3.1725
Initial Taxable Value	$ 8,854.00	$ 13.28	$ 12.83	$ 1.98	$ 28.09
Future Taxable Value	$ 60,000.00	$ 90.00	$ 86.95	$ 13.40	$ 190.35
Captured Taxable Value	$ 51,146.00	$ 76.72	$ 74.12	$ -	$ 150.83

1. Based on millages from 2013 taxes
2. Based on millages from 2012 taxes
3. Half of captured SET conveyed to State Brownfield Redevelopment Fund

Total Millage		56.5425
Total Annual Future Tax Liability	$	3,392.55
Total Capturable Local Millages		26.5191
Total Annual Capturable Local Tax Increment	$	1,356.35
Total Capturable School Millages		24.00000
Total Annual Capturable School Tax Increment	$	1,227.50
Total School and Local Tax Increment Revenue/Yr	$	2,583.85

Table 4

Captured Taxable Value and Tax Increment Revenue by Year and Aggregate for Each Taxing Jurisdiction

9008 Portage Road
Portage, MI

Year	Captured Taxable Value	City of Portage	KVCC	KRESA-ISD	State Ed[3]	School Bldg Debt	School Oper	County Summer	Transportation	District Library	County Pub Safety	County Juv Home	Total
		10.7778	2.8135	4.8916	6	5.8	18	4.6871	0.4	1.5	1.4491	0.2234	56.5425
2014	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2015	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2016	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2017	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2018	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2019	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2020	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2021	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2022	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2023	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2024	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2025	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2026	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2027	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2028	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2029	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2030	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2031	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2032	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2033	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2034	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2035	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2036	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2037	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2038	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2039	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2040	$ 51,146.00	551.24	143.90	250.19	306.88	-	920.63	239.73	20.46	76.72	74.12	-	2,583.85
2041	$ -	-	-	-	-	-	-	-	-	-	-	-	-
2042													
2043													
TOTAL CAPTURED TAXES		$ 14,883.52	$ 3,885.28	$ 6,755.02	$ 8,285.65	$ -	$ 24,856.96	$ 6,472.61	$ 552.38	$ 2,071.41	$ 2,001.12	$ -	$ 69,763.95

(d) 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 municipality. (Section 13(1)(d))

The costs of this Plan are borne by the developer and the Kalamazoo County Brownfield Redevelopment Authority. At this time, no advances are being made by the municipality to South Portage Road LLC though such advances could be made in the future to incentivize the project.

(e) The maximum amount of note or bonded indebtedness to be incurred, if any. (Section 13(1)(e))

The Kalamazoo County Brownfield Redevelopment Authority has no plans to incur indebtedness at this time, though such plans could be made in the future, if appropriate to support development of this site.

(f) The duration of the Brownfield Plan, which shall not exceed the lesser of the period authorized under subsections (4) and (5) or 30 years. (Section 13(1)(f))

This Plan anticipates that the investment in the property will begin in 2014 and this will be the first year in which tax increment revenues will be captured. The initial taxable value will be the 2013 taxable value of the property. This Plan will then remain in place until the eligible activities have been fully reimbursed or 30 years, whichever occurs sooner. Table 5 illustrates the anticipated reimbursement schedule.

(g) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. (Section 13(1)(g))

Refer to Tables 3, 4, and 5 for details.

(h) 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 part of the eligible property. (Section 13(1)(h))

A map showing the location of the property is included in Attachment A. The legal description of the property as provided by the City of Portage Assessors Office is *"Ames West Lake Park Lots 58 thru 60"*.

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The property is an "eligible property" as it has been identified as a "facility" as defined in Part 201 of the Natural Resources and Environmental Protect Act ([NREPA]1994 PA 451). Specifically, a variety of petroleum volatile organic compounds have been identified in soil and groundwater in excess of generic residential cleanup criteria. These compounds include, but are not limited to benzene, butylbenzene, ethylbenzene, isopropylbenzene, 2-methylnaphthalene, naphthalene, toluene, trimethylbenzenes, and xylenes. The primary cleanup criteria exceeded include those protective of drinking water supplies and surface water quality (groundwater-surface water interface). Certain compounds are also present in soil in excess of criteria protective of indoor air quality (Soil volatilization to Indoor Air Inhalation Criteria).

Personal property will be included as part of the eligible property.

(i) Estimates of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced. (Section 13(1)(i))

No persons reside on the eligible property to which the plan applies.

(j) A plan for establishing priority for the relocation of persons displaced by implementation of the plan. (Section 13(1)(j))

Not applicable.

(k) Provision for the costs of relocating persons displaced by implementation of the plan. (Section 13(1)(k))

Not applicable.

(l) A strategy for compliance with 1972 PA 227, MCL 213.321 to 213.332. (Section 13(1)(l))

Not applicable.

(m) A description of proposed use of the local site remediation revolving fund. (Section 13(1)(m))

The Kalamazoo County Brownfield Redevelopment Authority does not plan to use its Local Site Remediation Revolving Fund (LSRRF) for this project. Up to five years of the tax increment from this project will be placed into the Kalamazoo County Brownfield Redevelopment Authority's LSRRF for use in funding additional brownfield redevelopment activities throughout the County.

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(n) Other material that the authority or governing body considers pertinent. (Section 13(1)(n))

Not applicable.

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Table 5

Reimbursement Schedule

9008 Portage Road
Portage, Michigan

Year	Incremental Taxes Captured	Funds Disbursed					
		Authority (School)	Authority (Local)	Developer (School)	Developer (Local)	Brownfield Redevelopment Fund	Local Site Remediation Revolving Fund
2014	2,583.85	1,074.07	250.00		1,106.35	153.44	
2015	2,583.85	1,074.07	250.00		1,106.35	153.44	
2016	2,583.85	1,074.07	250.00		1,106.35	153.44	
2017	2,583.85	1,074.07	250.00		1,106.35	153.44	
2018	2,583.85	1,074.07	250.00		1,106.35	153.44	
2019	2,583.85	1,074.07	250.00		1,106.35	153.44	
2020	2,583.85	1,074.07	250.00		1,106.35	153.44	
2021	2,583.85	1,074.07	250.00		1,106.35	153.44	
2022	2,583.85	32.47	250.00	1,041.60	1,106.34	153.44	
2023	2,583.85		250.00	1,074.07	1,106.34	153.44	
2024	2,583.85		250.00	1,074.07	1,106.34	153.44	
2025	2,583.85		250.00	1,074.07	1,106.34	153.44	
2026	2,583.85		250.00	1,074.07	1,106.34	153.44	
2027	2,583.85		250.00	1,074.07	1,106.34	153.44	
2028	2,583.85		250.00	1,074.07	1,106.34	153.44	
2029	2,583.85		250.00	1,074.07	1,106.34	153.44	
2030	2,583.85		250.00	1,074.07	1,106.34	153.44	
2031	2,583.85		250.00	1,074.07	1,106.34	153.44	
2032	2,583.85		250.00	1,074.07	1,106.34	153.44	
2033	2,583.85		250.00	1,074.07	1,106.34	153.44	
2034	2,583.85			1,074.07	1,356.34	153.44	
2035	2,583.85			1,074.07	1,356.34	153.44	
2036	2,583.85				405.94	153.44	2,024.47
2037	2,583.85					153.44	2,430.41
2038	2,583.85					153.44	2,430.41
2039	2,583.85						2,583.85
2040	2,583.85						2,583.85
2041	-						
2042	-						
2043	-						
Totals	69,763.95	8,625.00	5,000.00	15,004.51	25,245.49	3,835.95	12,053.00

ATTACHMENT A
FIGURES

Figure 1: Location Map
Figure 2: Site Plan
Figure 3: Site Plan with Sample Locations and Analytical Data

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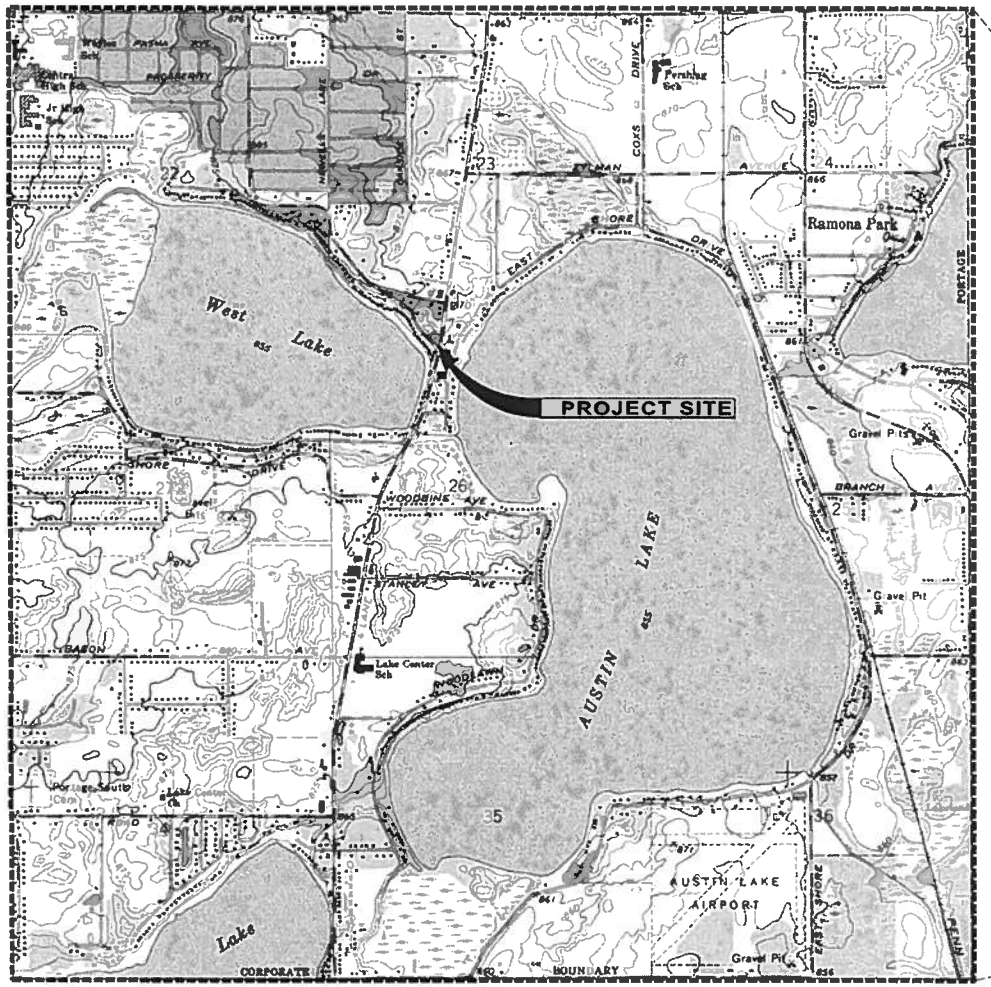

SOURCE: PORTAGE, MICHIGAN USGS 7.5 MINUTE TOPOGRAPHIC QUADRANGLE MAPS
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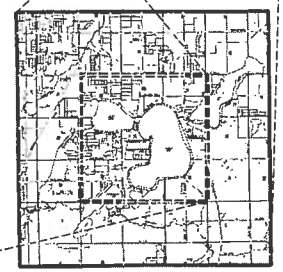

T 3 S. R. 11 W.
KALAMAZOO COUNTY
PORTAGE, MICHIGAN

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0 500 1000 2000 4000
SCALE 1" = 2000'

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2960 INTERSTATE PARKWAY
KALAMAZOO, MICHIGAN 49048
PH: (269) 342-1100 FAX: (269) 342-4945

FORMER BUD'S AUTO
9008 PORTAGE RD.
PORTAGE, MI

LOCATION MAP

PROJECT NO. 130367
FIGURE No. 1

000000 AAAAAA File: AA.dgn Model: Location Map

LEGEND

- ◎ MONITORING WELL LOCATIONS
- ◉ GEOPROBE BORING LOCATIONS
- CB = CATCH BASIN
- FD = FLOOR DRAIN

N

SCALE 1" = 30'

0 5 10 20 30 60

NOTE:
THIS IS NOT A PROPERTY BOUNDARY SURVEY. PROPERTY BOUNDARIES SHOWN ON THIS MAP ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.

FORMER BUD'S AUTO

9008 PORTAGE RD.
PORTAGE, MI

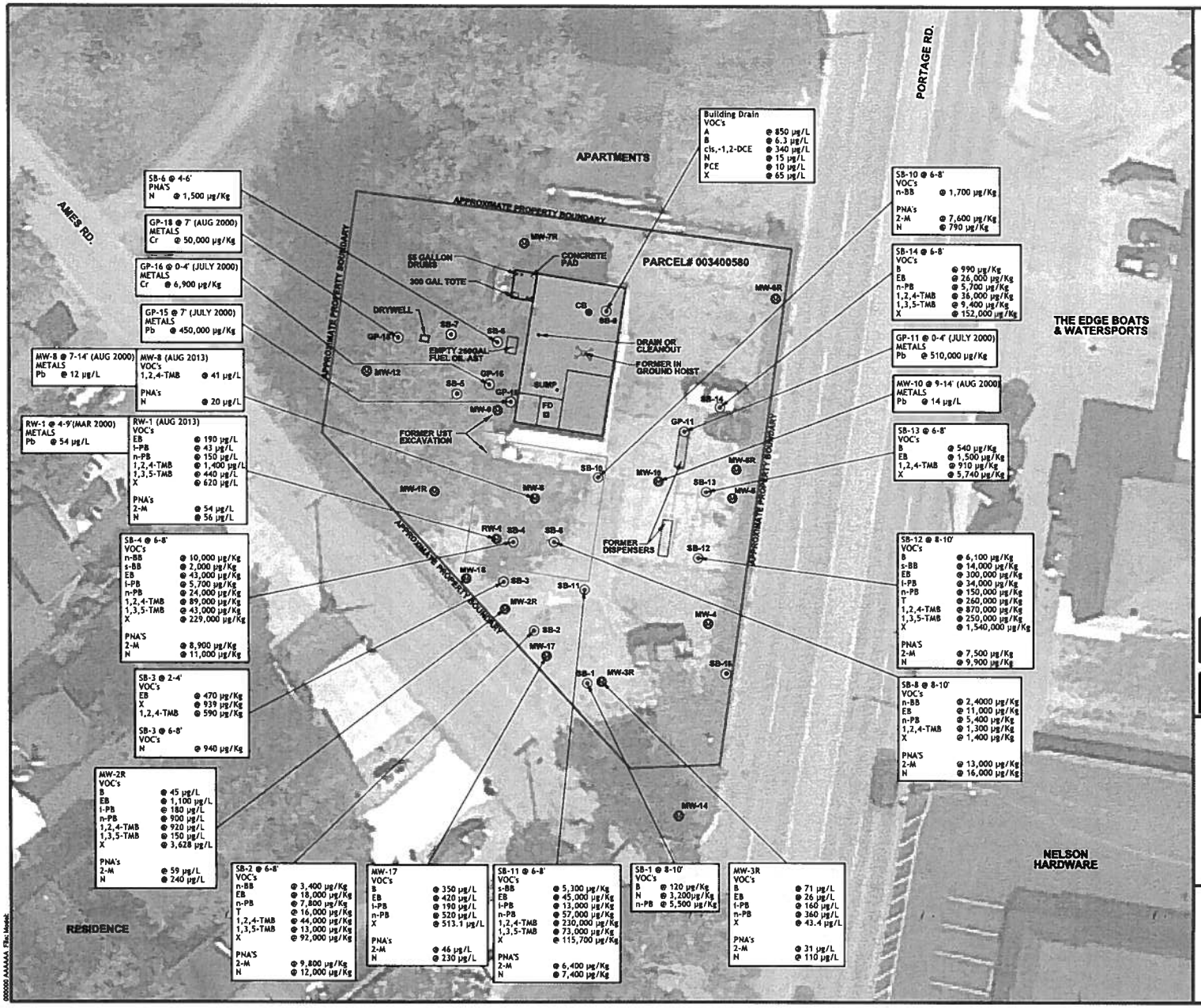
SITE PLAN

envirologic
environmental consulting + services
2960 INTERSTATE PARKWAY
KALAMAZOO, MICHIGAN 49048
PH: (269) 342-1100 FAX: (269) 342-4945

PROJECT NO.
130367

FIGURE No.
2

000000 AAAAAA File: Model:



LEGEND

- ◎ MONITORING WELL LOCATIONS
- ⊙ GEOPROBE BORING LOCATIONS
- CB = CATCH BASIN
- FD = FLOOR DRAIN

CONTAMINANT ABBREVIATIONS

VOC's

A	Acetone
B	Benzene
n-BB	n-Butylbenzene
s-BB	sec-Butylbenzene
cis-1,2-DCE	cis-1,2-Dichloroethylene
EB	Ethylbenzene
i-PB	Isopropyl Benzene
n-PB	n-Propylbenzene
1,2,4-TMB	1,2,4-Trimethylbenzene
1,3,5-TMB	1,3,5-Trimethylbenzene
PCE	Tetrachloroethylene
X	Xylenes

PNA's

2-M	2-Methylnaphthalene
N	Naphthalene

METALS

Cr	Total Chromium
Pb	Total Lead

N

SCALE 1" = 30'

0 5 10 20 30 60

NOTE:
ANALYTICAL DATA SHOWN ARE THOSE TARGET ANALYSES WITH CONCENTRATIONS THAT EXCEED ONE OR MORE OF THE GENERIC RESIDENTIAL CLEANUP CRITERIA BASED ON THE AUGUST 2013 SAMPLING EVEN BY GANNETT FLEMING FOR MDEQ AND 2000 SAMPLING EVENT BY SUPERIOR.

NOTE:
THIS IS NOT A PROPERTY BOUNDARY SURVEY. PROPERTY BOUNDARIES SHOWN ON THIS MAP ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.

FORMER BUD'S AUTO

9008 PORTAGE RD.
PORTAGE, MI

SITE PLAN WITH SAMPLE LOCATIONS & ANALYTICAL DATA

envirologic
environmental consulting + services
2960 INTERSTATE PARKWAY
KALAMAZOO, MICHIGAN 49048
PH: (269) 342-1100 FAX: (269) 342-4945

PROJECT NO. 130367

FIGURE No. 3

000000 AAAAAA File: Model:

ATTACHMENT B

NOTICE OF PUBLIC HEARING

©envirologic

ATTACHMENT C

NOTICE TO TAXING JURISDICTIONS

© envirologic

ATTACHMENT D

RESOLUTIONS APPROVING A BROWNFIELD PLAN

©envirologic

Department of Planning & Community Development
201 West Kalamazoo Avenue, Rm. 202 · Kalamazoo, Michigan 49007
Phone: (269) 384-8112 · FAX: (269) 383-8920 · Email: LMJARN@kalcounty.com

Lotta Jarnefelt, Director

October 3, 2013

Vicki Georgeau, Director of Community Development
City of Portage
7900 S. Westnedge Ave
Portage, MI 49002

Re: Potential County Brownfield Plan for site located at 9008 Portage Road, Portage, Michigan

Dear Vicki,

As agreed with Chris Forth, I'm sending a letter to you to outline our plans to create a Brownfield Plan at 9008 Portage Road in Portage. It appears that the City, the County Brownfield Redevelopment Authority, MDEQ and the buyer, Mr. Gwiazdowski, are all in support of the improvements to this site. Please review the information and get back to us so we can discuss this plan and make it work for all parties.

I. Project Background

On September 26, 2013 the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) approved the application by Mr. Alex Gwiazdowski of Disaster Restoration, Inc.

Mr. Gwiazdowski requested assistance with due diligence activities to support the acquisition and redevelopment of the former Bud's Auto Service site located at 9008 Portage Road, Portage. Mr. Gwiazdowski plans to renovate the existing building and parking infrastructure as they are both in a state of disrepair. Once renovations are complete Mr. Gwiazdowski intends to consolidate his business warehouse and office to this location. The parcel is 0.48 acres and the existing building is approximately 1,300 sq ft. Mr. Gwiazdowski is anticipating adding a 1,500 sq ft addition to the building in 2014.

The KCBRA also approved a work order on a not-to exceed basis for $7,500 to engage Envirologic Technologies, the KCBRA's brownfield consultant, to perform the Phase I Environmental Site Assessment and a Baseline Environmental Assessment (BEA) for the site. The work order also includes the writing of a Brownfield Plan.

Previously completed assessment activities have shown that the site meets the definition of "facility" as defined by Part 201 of NREPA. The "facility" designation is based mainly upon the identification of

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Lotta Jarnefelt, Director

petroleum contaminants in soil and groundwater. The "facility" status indicates that preparation of a Baseline Environmental Assessment and Section 7c Compliance Analysis is applicable on behalf of a new owner/operator in order to obtain an exemption to remedial liability for pre-existing contaminant conditions and to demonstrate compliance with "due-care" obligations.

This site has a long history of environmental contamination issues. As part of an EPA grant received in 2006, the KCBRA prioritized known contaminated sites throughout Kalamazoo County. The 9008 Portage Rd site was the 3rd highest priority on the leaking underground storage tank prioritization list.

In light of the problems identified on the site, the KCBRA is in full support of Mr. Gwiazdowski's plans. MDEQ is also very supportive of this project; MDEQ set aside funds to remediate known issues on the site but were not able to gain access to the site. Mr. Gwiazdowski has given written consent to allow MDEQ access to the property.

II. Potential Brownfield Plan

The KCBRA aims to create a Brownfield Plan for the 9008 Portage Rd site and use Tax Increment Financing (TIF) to recoup its expenses for the assessment work and potential environmental remediation work completed. In addition, the Brownfield Plan will include the collection of up to five years of TIF to help fund the KCBRA Local Site Remediation Revolving Fund (LSRRF).

Collecting TIF allows the KCBRA to remain financially sustainable and to make funds available for additional Brownfield projects in the County. The KCBRA will only create a County Brownfield Plan if the municipality where the site is located is fully supportive. To date, there are County Brownfield Plans for sites located in Comstock Township (the Midlink Business Park), Kalamazoo Township (2700 N Pitcher St), Village of Schoolcraft (306 North Grand St) and the City of Kalamazoo (232 W Michigan Ave).

During initial discussions about the 9008 Portage Rd site, Chris Forth from the City of Portage Department of Community Development indicated that the site has been problematic for years. This development is an improvement for the site and the surrounding area in many ways:

1. The MDEQ would finalize their environmental remediation
2. The blighted property would be returned to productive use
3. The County Brownfield Plan would constitute a co-operative inter-governmental effort
4. TIF collected would reimburse the expenses for the assessment and potential environmental remediation work, as well as provide some funding for additional Brownfield redevelopment in the County

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Lotta Jarnefelt, Director

As mentioned, support from the City of Portage is essential in order for the Brownfield Plan to move forward. The KCBRA respectfully requests that the City of Portage support the creation of a Brownfield Plan for the 9008 Portage Rd site. The KCBRA is in the process of writing the Brownfield Plan and will engage input from the Department of Community Development in the process. The final draft of the Plan is scheduled to be presented to the Portage City Council at the November 5, 2013 City Council meeting.

More specifically, the proposed timeline for 9008 Portage Rd Brownfield Plan is as follows:

1. Sept 26: Kalamazoo County Brownfield Redevelopment Authority (KCBRA) approved the application for brownfield assessment funds for Mr. Gwiazdowksi, and approved a work order to complete Phase I, BEA and Brownfield Plan at a cost not to exceed $7,500.
2. Week of Sept 30: KCBRA staff will send a letter to City of Portage Department of Planning and Community Development describing the project and requesting input for the Brownfield Plan (this document).
3. Oct 24: KCBRA approves Brownfield Plan, contingent on approval by Portage City Council
4. Nov 5: KCBRA will present the project to the City Council in person or in writing. Portage City Council approves Brownfield Plan and passes resolution (see attached sample from Schoolcraft Village).
5. Nov 19: KCBRA presents Brownfield Plan at County Board meeting (COW at 4 pm)
6. County will post public hearing date of Dec 3 and inform all affected taxing jurisdictions
7. Dec 3: Public hearing at the County Board meeting (7 pm) and final approval of the Brownfield Plan

Should the Portage City Council need to postpone their resolution to Nov 19, with the assumption that the City will approve the plan, the KCBRA will present the Brownfield Plan at the COW also on November 19. If the City resolution fails, the Public hearing and final approval of the Plan by the County will be cancelled.

A preliminary calculation of the TIF capture is enclosed.

Please direct any questions and input regarding the Brownfield Plan to me or Lee Adams, Resource Coordinator, LAADAM@kalcounty.com. Ph 269-383-8305, or Jeff Hawkins, Envirologic Technologies, Inc. and KCBRA Brownfield Consultant, jhawkins@envirologic.com, ph 269-342-1100, cell 269-615-3619.

I look forward to hearing from you!

Lotta Jarnefelt

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
KALAMAZOO DISTRICT OFFICE

RICK SNYDER
GOVERNOR

DAN WYANT
DIRECTOR

September 17, 2013

CERTIFIED MAIL – 7099 3400 0017 9139 0769
RETURN RECEIPT REQUESTED

Mr. Alex Gwiazdowski
4771 Salzburg Circle
Portage, Michigan 49024

Dear Mr. Gwiazdowski:

SUBJECT: State Funded Remedial Action for a Confirmed Underground Storage Tank Release at Buds Auto Repair, 9008 Portage Road, Portage; DEQ Facility ID No. 50000043

As part of its duties to further the protection of human health and environmental resources, the Department of Environmental Quality (DEQ), Remediation and Redevelopment Division (RRD), performs investigative and remedial activities at properties impacted by a release from underground storage tanks (UST) under Part 213, Leaking Underground Storage Tanks, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Information available to the RRD indicates that corrective actions sufficient to address this release were not performed based on historic documents and field observations during a site investigation on August 20 and 21, 2013.

The DEQ, RRD, has allocated funds to conduct a remedial excavation at the above mentioned site. The execution of the remedial excavation will depend on a signed access agreement from the property owner. The DEQ, RRD, understands the need to expedite the remedial excavation to facilitate property redevelopment and has targeted late November-early December 2013 for the excavation. Because this activity will be occurring late in the construction season, the excavated area may be temporarily finished with gravel until spring when the parking lot can be appropriately surfaced.

The goal of the remedial excavation is to remove the bulk of highly contaminated material with the result of either near-complete removal of source material or minimal contamination left in place that would require a groundwater restriction for closure.

The MDEQ appreciates your assistance in this matter. If you have any questions about this letter, please contact me.

Sincerely,

Mark Worrall
Senior Environmental Quality Analyst
Remediation and Redevelopment Division
269-567-3517
worrallm@michigan.gov

cc: Ms. Bree Bennett, DEQ

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 Statue, 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

CITY OF PORTAGE

RESOLUTION APPROVING A BROWNFIELD PLAN PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS OF THE STATE OF MICHIGAN OF 1996, AS AMENDED

Minutes of a regular meeting of the City Council for the City of Portage, Michigan held on _____, 2013 at 7:30 p.m. local time at the City Hall in the City of Portage, Michigan.

PRESENT: _____

ABSENT: _____

The following resolution was offered by:

Councilmember: _____, and supported by:

Councilmember: _____.

WHEREAS, the City of Portage, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has formally resolved to participate in the Brownfield Redevelopment Authority of Kalamazoo County (the "Authority") and has designated that all related activities shall proceed through the Authority; and

WHEREAS, the Authority, pursuant to and in accordance with Section 13 of the Act, has reviewed, adopted and recommended for approval by the City Council of the City of Portage, the Brownfield Plan (the "Plan") attached hereto, to be carried out within the City, relating to the redevelopment of the commercial property located at 9008 Portage Road, Portage, Michigan; and

WHEREAS, the City Council of the City of Portage, has reviewed the Plan, and was provided a reasonable opportunity to express its views and recommendations regarding the Plan.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Portage concurs with the provisions of the Plan in the form attached to this Resolution; and

BE IT FURTHER RESOLVED that should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.

All resolutions or parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

ADOPTED: _____

AYES: Councilmember_____

NAYS: Councilmember_____

ABSENT: Councilmember_____

_____
James R. Hudson, City Clerk

CERTIFICATION

I, James R. Hudson, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage, Michigan, and that the foregoing resolution was adopted by the City of Portage on the ____ day of _____, 20___.

_____
James R. Hudson, City Clerk

Approved as to form:
Date: 10/30/13
_____
City Attorney

Z:\JODY\PORTAGE\RES\BROWNFIELD PLAN RESOLUTION.102313.DOCX