Brownfield Redevelopment Authority

October 4, 2019
CALL TO ORDER:

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

APPROVAL OF MINUTES:

* July 23, 2019

NEW BUSINESS:

1. Brownfield Training - Envirologic
   * Portage Brownfield Redevelopment Authority – Brownfield Training presentation
2. Kalamazoo County Brownfield Redevelopment Plan for Project Spartan, 6701 Portage Road
   * Communication from Director Georgeau with attachments

STATEMENT OF CITIZENS:


ADJOURNMENT:

MATERIALS TRANSMITTED

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

Minutes of Meeting – Tuesday, July 23, 2019

The meeting of the City of Portage Brownfield Redevelopment Authority was called to order by Galin at 1:00 p.m. in Conference Room 2, Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan.

MEMBERS PRESENT: Eric Alburtus (arrived 1:04), Jeffrey Monroe, Bradley Galin, Keith Lewandowski, Kelly LeBlanc, William Lenehan, and Jacob Barker

MEMBERS EXCUSED: Devrim Yaman and Daniel Vomastek

IN ATTENDANCE: Vicki Georgeau, Community Development Director; Christopher Forth, Deputy Director; Joe Agostinelli, Southwest Michigan First; Jared Lutz, Southwest Michigan First; and Christopher Norman, Lovers Lane Properties, LLC

APPROVAL OF MINUTES: The minutes from the January 27, 2017 meeting were introduced for approval. A motion was offered by Monroe, seconded by Lewandowski to approve the minutes as submitted. The motion was approved 7-0.

BUSINESS:

1. Election of Officers. Vice-Chair Alburtus asked for officer nominations. Barker offered to serve as the Chairman of the Authority. A motion was offered by Alburtus, seconded by Monroe, to elect Barker as the Chairman. The motion was approved 7-0. Vice-Chair Alburtus offered to continue in the capacity as the Vice-Chairman. A motion was offered by Galin seconded by Barker, to elect Alburtus as the Vice-Chairman. The motion was approved 7-0. Lenehan offered to serve as the Secretary/Treasurer. A motion was offered by Alburtus, seconded by Barker to elect Lenehan as the Secretary/Treasurer. The motion was approved 7-0.

2. City of Portage Brownfield Redevelopment Plan, Plan Amendment No. 7, 6666 Lovers Lane. Georgeau explained the request submitted by Southwest Michigan First, on behalf of the property owner, Lovers Lane Properties, LLC to utilize tax increment financing (TIF) through the City of Portage Brownfield Redevelopment Authority (PBRA) for reimbursement of eligible expenses. Eligible activities include environmental, interior and exterior building demolition, site preparation activities and storm water treatment facilities. Georgeau stated Lovers Lane Properties, LLC proposes to invest approximately $725,000 in building/site improvements and lease the building to Comcast. Comcast will employ 25-30 new full-time equivalent employees at this location with an average annual salary of $30,000. Georgeau also summarized the Brownfield Redevelopment Policy and the 2019 amendments, history of the City of Portage Brownfield Redevelopment program and major element of Brownfield Redevelopment Act, PA 381 of 1996. The applicant will be reimbursed approximately $152,000 over a 15-year tax capture period. Georgeau stated an additional five years of capture will occur for the Local Brownfield Revolving Fund.

Barker noted there is no activity listed for $21,800 shown on Table 1 under Infrastructure Improvements. Georgeau noted that $21,800 is for the storm water improvements. Agostinelli stated there is a typographical error in the table and it will be corrected. Lewandowski asked about the storm water collection/retention system. Agostinelli and Norman explained the system. Georgeau directed the group to the site plans included in the Plan. Galin asked how the applicant plans to remediate the property of environmental contamination. Agostinelli stated that Michigan law does not require a new owner cleanup a site. However, due care needs to be taken to ensure the on-site contamination is not exacerbated and the public can't come into contact with the source of the contamination. Barker asked about the length of the lease with Comcast. Norman said it is a 10-year lease with either a five or seven-year extension. Lewandowski asked for a description of the building improvements. Norman indicated the front 5,000 square feet will be remodeled for office/training space and the back portion of the building will be
warehouse. The outside will include a new steel skin with wainscot. News and windows will also be installed.

There being no further discussion, a motion was offered by Lewandowski, seconded by LeBlanc that the Brownfield Redevelopment Authority recommend to City Council that the Brownfield Redevelopment Plan for 6666 Lovers Lane be approved. The motion was approved 7-0.

Agostinelli indicated he would like to discuss the Development Agreement. Georgeau stated staff and City Attorney are still discussing with the applicant the language of paragraph 16, Waiver of Right to Contest during the 15-year tax capture period. Georgeau explained the city can’t prevent a property owner from appealing property taxes but there are provisions in the agreement that protect the city and other taxing jurisdictions if an appeal is filed and granted. Georgeau said once the Development Agreement if finalized, it can be brought back to the Authority for formal approval or the Authority can authorize the Chair to sign the agreement after the City Attorney approves the document. A motion was offered by Monroe and seconded by LeBlanc that the agreement be signed by the Chair and Secretary/Treasurer after the City Attorney approves the agreement. The motion was approved 7-0.

STATEMENT OF CITIZENS:

LeBlanc suggested that proforma information related to assessed value be submitted to better document how value was derived.

ADJOURNMENT: There being no further business to come before the Authority, the meeting was adjourned at 1:47 p.m.

Respectfully submitted,

Vicki Georgeau, Director
Portage Brownfield Redevelopment Authority

Brownfield Training
October 2019

Presentation Outline

- What are "Brownfields"?
- Major Benefits of Brownfield Redevelopment
- Statutory Role of PBRA
- Acronyms
- Brownfield Plans
- Eligible Activities
- Project Example
- LBRF
- Purpose of a Brownfield Plan
- Wrap Up/O & A
What are Brownfields?  
- U.S. EPA Definition

Real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant.

What are Brownfields?  
- Michigan Definition

Facility: Contaminated

Blighted: Public nuisance, dangerous, eyesore

Functionally Obsolete: Can't be used for its original purpose

Historic Resource: Historic building or structure
Major Benefits of Brownfield Redevelopment

- Increase investment, jobs, and revenue
- Reuse existing infrastructure
- Encourage redevelopment
- Recovery of tax base
- Improve value of surrounding property
- Preserve historic or cultural community icons
- Environmental clean-up
- Reduce sprawl

Statutory Role of PBRA

- Michigan Act 381 of 1996, as amended (Brownfield Redevelopment Financing Act)
  - Primary law that dictates the makeup and powers of a Brownfield Redevelopment Authority (BRA)
  - Defines:
    - Eligible properties
    - Eligible activities
    - Rules related to tax increment capture through a Brownfield Plan
    - How to interact with the regulatory agencies, i.e. EGLE, MEDC, Department of Treasury
    - Relationships with Local Units of Government
    - How to interact with the local units of government and the general public
    - Local Brownfield Revolving Fund - LBRF
What is a Brownfield Plan?

Brownfield Plans are adopted for a specific project that describes:

- Plan for Redevelopment
- Nature and Condition of the Property
- Itemizes the eligible activities and actual or estimated costs
- Identifies a base year for the Initial Taxable Value
- Describes the proposed investment and anticipated Future Taxable Value
- Identifies affected taxing jurisdictions
- Describes a schedule for tax increment capture and reimbursement
**Taxable Value**

**Initial Taxable Value:**  
The initial taxable value (or "base year") for a property can be set to either the year in which the Brownfield Plan is approved, or the next assessment year following approval of the Brownfield Plan.

**Future Taxable Value:**  
Need assistance from Assessors - how to establish?  
- Cost Approach  
- Sales Comparison  
- Income Approach

---

**Brownfield Plans and Tax Increment Financing**

Tax increment = new taxable value - initial taxable value (based on new investment)
Brownfield Plans

- Per pupil school funding is not affected when school tax millages are captured in a Brownfield Plan;
- Interaction with other LUG, County, Library taxes and other debt/millages;
- Reimburses eligible brownfield costs only if project creates tax increment from new investment and the taxes are paid;
- Reimburses Authority expenses and funds LBRF for future projects throughout the City;
Brownfield Eligible Activities - EGLE

EGLE Eligible Activities:

- "Department Specific Activities"
  - Baseline Environmental Assessment Activities (Phase I/II ESA, BEA), Due Care Planning Activities, Response Activities
  - Response activities more protective than required
  - Removal and closure of USTs
  - Disposal of solid waste from the eligible property not generated or accumulated by the Authority or Developer
  - Dust control related to construction activities
  - Removal and disposal of contaminated lake or river sediments

Brownfield Eligible Activities - EGLE

EGLE Eligible Activities: 

- "Department Specific Activities" continued
  - Industrial cleaning – cleaning or removal of contaminants from within a structure
  - Sheeting and shoring necessary for removal of contaminated materials
  - Lead, mold or asbestos abatement when they are a threat to human health
Brownfield Eligible Activities - MSF

MSF Non-environmental Eligible Activities:
- Demolition (building and site), lead and asbestos abatement available Statewide
- **Infrastructure improvements** only available in Core Communities (i.e. City of Portage)

**Public Right-of-Way Only:**
- Bike paths/walking trails
- Boardwalks
- Bridges
- Curbs & gutters
- Landscaping
- Lighting
- Marinas
- Park/seating areas

**Public rail lines**
- Publicly owned utilities
- Roads
- Sanitary sewer mains
- Storm water systems
- Transit oriented development/property
- Water mains

---

Brownfield Eligible/Ineligible Activities - MSF

**Infrastructure improvements** only available in Core Communities (*continued*)

**Public Right-of-Way OR Private:**
- Vertical, underground or integrated parking
- Urban storm water management system – Traditional
- Urban storm water management system – Low Impact Design (LID)

**Ineligible infrastructure activities:**
- Sanitary sewer leads or taps
- Water leads or taps
- Private utilities/services
Brownfield Eligible Activities - MSF

Site preparation improvements only available in Core Communities:

- Clearing and Grubbing
- Compaction and Sub-base Preparation
- Cut and Fill Operations
- Dewatering
- Dredging in Waterways
- Excavation for Unstable Material
- Fill
- Foundation Work to Address Special Soil Concerns
- Geotechnical Engineering
- Grading
- Land Balancing
- Relocation of Active Utilities
- Retaining Walls Solid Waste Disposal
- Staking
- Temporary Construction Access
- Temporary Erosion Control
- Temporary Facility
- Temporary Sheeting/Shoring
- Temporary Site Control
- Temporary Traffic Control
- Specific and Unique Activities

Brownfield Eligible/Ineligible Activities - MSF

Ineligible Site preparation activities:

- Topsoil and seeding
- Landscaping
- Underground sprinkler system
- Site lighting
- Engineered fill
- Backfill around foundations and private/site utilities

Miscellaneous activity available Statewide:

- Soft costs
- Administrative Costs
- Contingency
- Interest
- Work plan and/or Brownfield Plan preparation
- Work plan and/or Brownfield Plan implementation
Brownfield Ineligible Activities - MSF

**Ineligible activities include:**

- Legal fees
- Permitting fees
- Site Improvements
- Administration by staff of the LUG
- Land acquisition
- Costs incurred for environmental response and all non-environmental activities outside of a DEQ or MSF approved work plan
- Registration fees
- Taxes (except sales tax)

- Solid waste disposal (except as contaminated wastes or for structural support issues)
- Equipment purchase, maintenance, repairs
- Third party damages
- Insurance (except environmental)

---

**Project Example**

**Inn on Water Street**

- Marine City, Michigan
- Project Investment: $1,400,000
- Project area: 0.62 acres (four parcels)
- Site contaminants: Volatile Organic Compounds in soil and groundwater, lead in soil
- Years of the Plan: 23 years
Project Example

- Funding Sources:
  - EPA Assessment Grant
  - Locally supported assessment activities
  - Commercial Redevelopment exemption (2018 PA 355)
  - MDEQ Grant & Loan
  - TIR
  - CRP grant program
  - Inn on Water Street, LLC

- Partnerships:
  - City of Marine City
  - St. Clair Community Foundation
  - Marine City TIFA
  - St. Clair County BRA
  - St. Clair County
  - MEDC/MSF and MDEQ (EGLE)

- Total Reimbursement to developer: approx. $315,000
- DEQ (EGLE) Grant: $249,000
- LBRF (LSRRF): $198,000

---

**Table 1**

Summary of Eligible Costs
Inn on Water Street, Marine City, MI

<table>
<thead>
<tr>
<th>Eligible Activities</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPA Activities</td>
<td></td>
</tr>
<tr>
<td>Site Investigation</td>
<td>$2,180.00</td>
</tr>
<tr>
<td>Socio-Economic</td>
<td>$31,800.00</td>
</tr>
<tr>
<td>Total BPA</td>
<td>$34,180.00</td>
</tr>
<tr>
<td>Data Collection</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>Total Data Collection</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>Site Investigation</td>
<td>$2,180.00</td>
</tr>
<tr>
<td>Total Site Investigation</td>
<td>$2,180.00</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$34,180.00</td>
</tr>
</tbody>
</table>

**Eligible Activities**

- Site Investigation
- Socio-Economic
- Total BPA
- Data Collection
- Site Investigation
- Total Site Investigation
- Total Cost

**MDEQ Non-Environmental Activities**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Eligible Activities</td>
<td>$438,000.00</td>
</tr>
<tr>
<td>Site Investigation</td>
<td>$34,180.00</td>
</tr>
<tr>
<td>Total Eligible</td>
<td>$472,180.00</td>
</tr>
</tbody>
</table>

**TOTAL COSTS OF ELIGIBLE ACTIVITIES**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Costs (Estimated)</td>
<td>$34,180.00</td>
</tr>
<tr>
<td>Contingencies (25%)</td>
<td>$2,180.00</td>
</tr>
<tr>
<td>Administrative Costs of the Authority (Estimated)</td>
<td>$3,180.00</td>
</tr>
<tr>
<td>Brownfield Plan and Act 113 Work Plan</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>TOTAL REIMBURSEMENTS</td>
<td>$49,160.00</td>
</tr>
</tbody>
</table>

**Adjusted Brownfield Reimbursements (See Table 1)**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized and Disbursed to Brownfield Redevelopment Fund</td>
<td>$44,180.00</td>
</tr>
<tr>
<td>Additional Cost for LSRRF</td>
<td>$10,180.00</td>
</tr>
<tr>
<td>Total</td>
<td>$54,360.00</td>
</tr>
</tbody>
</table>

**Table 1**

Summary of Eligible Costs
Inn on Water Street, Marine City, MI

<table>
<thead>
<tr>
<th>Eligible Activities</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPA Activities</td>
<td></td>
</tr>
<tr>
<td>Site Investigation</td>
<td>$2,180.00</td>
</tr>
<tr>
<td>Socio-Economic</td>
<td>$31,800.00</td>
</tr>
<tr>
<td>Total BPA</td>
<td>$34,180.00</td>
</tr>
<tr>
<td>Data Collection</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>Total Data Collection</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>Site Investigation</td>
<td>$2,180.00</td>
</tr>
<tr>
<td>Total Site Investigation</td>
<td>$2,180.00</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$34,180.00</td>
</tr>
</tbody>
</table>

**Eligible Activities**

- Site Investigation
- Socio-Economic
- Total BPA
- Data Collection
- Site Investigation
- Total Site Investigation
- Total Cost

**MDEQ Non-Environmental Activities**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Eligible Activities</td>
<td>$438,000.00</td>
</tr>
<tr>
<td>Site Investigation</td>
<td>$34,180.00</td>
</tr>
<tr>
<td>Total Eligible</td>
<td>$472,180.00</td>
</tr>
</tbody>
</table>

**TOTAL COSTS OF ELIGIBLE ACTIVITIES**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing Costs (Estimated)</td>
<td>$34,180.00</td>
</tr>
<tr>
<td>Contingencies (25%)</td>
<td>$2,180.00</td>
</tr>
<tr>
<td>Administrative Costs of the Authority (Estimated)</td>
<td>$3,180.00</td>
</tr>
<tr>
<td>Brownfield Plan and Act 113 Work Plan</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>TOTAL REIMBURSEMENTS</td>
<td>$49,160.00</td>
</tr>
</tbody>
</table>

**Adjusted Brownfield Reimbursements (See Table 1)**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized and Disbursed to Brownfield Redevelopment Fund</td>
<td>$44,180.00</td>
</tr>
<tr>
<td>Additional Cost for LSRRF</td>
<td>$10,180.00</td>
</tr>
<tr>
<td>Total</td>
<td>$54,360.00</td>
</tr>
</tbody>
</table>
Local Brownfield Revolving Fund

- After all eligible expenses have been reimbursed:
  - Excess TIR can be deposited into the LBFR.
  - Limited to five (5) full years.
  - Must fall within the total 30 years of tax capture allowed.

Local Brownfield Revolving Fund

- LBFR limitations/requirements:
  - Local TIR for LBFR cannot exceed total cost of eligible activities approved in the Brownfield Plan.
  - School TIR for LBFR cannot exceed total cost of eligible department-specific activities approved in a Brownfield Plan or 5 Year Work Plan.
Purpose of a Brownfield Plan

- Help developers overcome challenges to redevelopment they didn't cause
  - Developable shovel ready property

---

Wrap-up

Q & A

- Bring Brownfield discussion to the potential development early
- Ability to finance eligible environmental and non-environmental activities
- Ability to layer incentives on a project (EGLE, MEDC, MSHDA):
  - Grants, loans, CIA, TIF, tax abatements, etc.
- Ability to close the "gap" on a project
- Be creative and innovative when applying these tools – flexibility is possible.
Contact Us

David A. Stegink
stegink@envirologic.com

Therese M. Searles
searles@envirologic.com

Envirologic Technologies, Inc.
(269) 342-1100
www.envirologic.com
TO: Brownfield Redevelopment Authority

FROM: Vicki George, Director of Community Development

SUBJECT: Kalamazoo County Brownfield Redevelopment Plan, Project Spartan - 6701 Portage Road

I. INTRODUCTION:

Pursuant to the Brownfield Redevelopment Financing Act (PA 381 of 1996, as amended), Scannell Properties #192, LLC approached Southwest Michigan First and requested assistance through the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) with eligible environmental, public infrastructure and site preparation activities related to a development project located at 6701 Portage Road. The property is located on the east side of Portage Road south of East Milham Avenue and across from the new Stryker research and development facility on Stryker Way. The property encompasses approximately 37.4 acres and is zoned I-1, light industrial.

Scannell Properties #192, LLC currently owns the property but ownership will be transferred to Scannell Properties #397, LLC who will complete the development project and then lease the facility to an undisclosed tenant. The development project involves construction of an approximate 321,000 square foot distribution facility and associated site improvements. The level of investment is anticipated to be $25 million with another estimated $15-20 million in personal property. When fully operational the facility will have 766 employees with the potential for 158 additional contract employees. On September 5, 2019, the Portage Planning Commission conditionally approved the site plan, a soil erosion permit has been issued and site clearing has commenced.

Attached is a letter from Rachael Grover, Brownfield Redevelopment Coordinator of the KCBRA, which includes the Brownfield Redevelopment Plan, a vicinity map, site plan and other relevant information related to the request. Scannell Properties is requesting to utilize tax increment financing (TIF) for reimbursement of eligible expenses related to the facility. In addition, the City of Portage is partnering with Scannell Properties and the KCBRA on the reconstruction of Portage Road from I-94 to Romence Road to improve safety and address the impact on the roadway from the added truck traffic related to this project. The roadway improvement projects, which will also include traffic signal upgrades for Portage Road, were initially scheduled to be completed in FY2026-27 and FY2027-28 but are being advanced as a result of this project. The City of Portage will fund the Portage Road improvements, which are scheduled to be completed between 2024 and 2026, and will also utilize TIF for reimbursement of city expenses. A Brownfield Reimbursement Agreement between the KCBRA and the City of Portage is being prepared to ensure completion of the project and reimbursement of city expenses, which will be presented to City Council for review and approval.
II. CITY OF PORTAGE BROWNFIELD REDEVELOPMENT PROGRAM

As background information, 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. The City of Portage adopted a formal Brownfield Redevelopment Policy in 2006. In 2015, the policy was amended to allow for inclusion of functionally obsolete buildings and blighted property, outlined criteria for tax increment revenue capture, and procedures for coordinating with the KCBRA. In July 2019, the city again amended its policy to incorporate the establishment of a Local Brownfield Revolving Fund (LBRF) for plans approved by the Portage Brownfield Redevelopment Authority. Over time, funds will accumulate in the Portage LBRF that will be available to assist with the upfront costs of creating a Brownfield Redevelopment Plan amendment as well as other eligible activities as appropriate. Since 2001, seven brownfield redevelopment plans have been approved by the Authority and City Council and the city has collaborated with the KCBRA on three other brownfield projects.

Although the City of Portage has an established Brownfield Redevelopment Authority, Southwest Michigan First has worked extensively with Scannell Properties and the developer desires to facilitate the proposed plan via the KCBRA. Regardless of the local governmental unit that implements the plan, the Brownfield Redevelopment Program is an important economic redevelopment tool to facilitate the successful reuse of contaminated, blighted and/or functionally obsolete properties, further improve the environment and/or properties, increase the local tax base/economy and create new job opportunities or retain existing. In addition to economic benefits, redeveloping brownfields encourages development of properties in urban areas where public infrastructure is already in place. Furthermore, this project represents an example of ongoing intergovernmental cooperation between the City of Portage and Kalamazoo County.

III. PROPOSED KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT PLAN

Attached is a copy of the Project Spartan Brownfield Redevelopment Plan prepared by Envirotech Technologies and approved by the KCBRA on September 26, 2017. The subject property is approximately 37.4 acres in size and is currently unimproved land, which was used for crop production. The site is an eligible “facility” due to the presence of groundwater contamination. Eligible activities associated with the plan, proposed to be funded through state and local tax reimbursement, include the following:

EGLE Eligible Activities
• Phase I and II Environmental Assessments
• Wetland Delineation
• Baseline Environmental Assessment

Local Tax Capture Only Activities
• Due Care Planning
• Soil Management
• Public Infrastructure activities of developer and the City of Portage
• Site Preparation activities
• Brownfield Plan
• Contingencies and Financing costs
• KCBRA administration expenses
• Professional soft costs
• KCBRA Local Brownfield Revolving Fund

As shown on Table 1 of the Brownfield Redevelopment Plan, the estimated cost to complete all eligible activities is $7,599,033. Included in these activities and costs, the KCBRA and the City of Portage have agreed to a partial year and four full years of tax capture for the Local Brownfield Revolving Fund (LBRF) for an estimated $1.475 million (per Table 5 and capped at $1.5 million). The LBRF is used to make funds available for other brownfield projects in the County, including those that may be located in Portage. Finally, and as required by the Brownfield Redevelopment Financing Act involving the use of school tax increment revenues, approximately $34,340 must be deposited into the State Brownfield Redevelopment Fund.

As shown on Table 2, and based on the significant level of investment being made by Scannell Properties, the increase in taxable value available for capture is approximately $12 million. Based on the proposed 23 years of tax capture, the tax increment available for capture by all entities is $7,808,490. Table 3 lists the estimated annual foregone tax revenue for each taxing jurisdiction. During this plan period, the City of Portage will forego approximately $121,791 on an annual basis. Table 4 shows foregone tax revenue for each taxing jurisdiction over the 23-year plan period. As shown on Table 5, of the $7,599,033 in eligible expenses, Scannell Properties will receive up to $2,712,516 in reimbursement for eligible activities and building/site expenses, including interest and potential contingencies. In addition, the City of Portage will receive up to $3,162,500 for expenses related to Portage Road improvements, including interest and potential contingencies. After reimbursement of eligible activities and LBRF captures are complete, the tax revenue is distributed to the traditional taxing jurisdictions.

KCBRA reviewed the Brownfield Plan on September 26, 2019 and recommended approval of the Plan to the County Board of Commissioners. Any approval by the County Board of Commissioners is contingent on Portage City Council approval of the attached resolution, which will be presented to City Council on October 15, 2019. The Brownfield Plan will be presented to the County Board Committee of the Whole on October 1, 2019 and a public hearing will be set for November 6, 2019 (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 November 6, 2019.

IV. RECOMMENDATION:

The KCBRA Brownfield Redevelopment Plan for Project Spartan has been reviewed in the context of the Brownfield Redevelopment Incentive Policy. The development will provide additional tax base growth and related economic benefits to the community. The proposed plan also represents an important public-private partnership and continued intergovernmental cooperation. Based on the foregoing, staff advises that the Portage Brownfield Redevelopment Authority recommend to City Council that a resolution of support be approved for the Project Spartan Brownfield Plan.

Attachments: September 27, 2019 letter from Ms. Rachael Grover, Kalamazoo County Project Spartan Brownfield Plan
September 27, 2019

Victoria Georgeau, Director
Department of Community Development
City of Portage
7900 South Westnedge Ave.
Portage, MI 49002

Re: KCBRA Brownfield Plan for Project Spartan Redevelopment, 6701 Portage Road, City of Portage

Ms. Georgeau,

The Kalamazoo County Brownfield Redevelopment Authority (KCBRA) respectfully requests consideration by the City of Portage Brownfield Redevelopment Authority (PBRA) and the Portage City Council of the subject Brownfield Plan for property located at 6701 Portage Road. Under Michigan Public Act 381 of 1996, as amended, a County Brownfield Plan requires concurrence of the Plan from the local unit of government.

I. Project Background

The project includes the redevelopment of a 37.4-acre parcel of vacant property located at 6701 Portage Road, Portage, Michigan. Scannel Properties #397, LLC, will be developing the property with the intent to lease to an undisclosed tenant. The proposed redevelopment consists of the construction of the approximately 321,000-square-foot distribution center is known as “Project Spartan”.

The distribution center, constructed of pre-cast concrete panels erected on site, will occupy the central portion of the site with asphalt parking and drives and two storm water detention basins covering the remainder of the parcel. A berm will be created along the western property line along Portage Road to utilize existing soils and create a visual barrier, along with landscaping for aesthetic value.

Project Spartan is anticipated to be an over $25,000,000 private investment with another estimated $15-$20,000,000 of personal property investments expected. When the redevelopment establishment is fully operational, there is an opportunity for 766 employees, both salary and hourly wage employees, with the potential of 158 additional contract employees.

The subject property is considered a brownfield based upon the identification of contaminants in excess of EGLE cleanup criteria, demonstrating that the subject property meets the definition of a
“facility” as defined by Part 201 of NREPA. As a “facility,” the property is an “eligible property” under Act 381. This brownfield eligibility determination was based upon Phase II Environmental Site Assessment results indicating the presence phosphorus in groundwater in excess of the Groundwater-Surface Water Interface (GSI) criterion.

The brownfield status of the site creates additional considerations with more requirements and increased costs for the proposed development. The purpose of the Brownfield Plan is to help the developer overcome challenges to redevelopment that they did not cause, levelling the playing field and allowing investment to occur within the City of Portage.

II. Brownfield Plan Summary

This Brownfield Plan has been prepared in order to provide for reimbursement of eligible activities associated with redevelopment of the subject property through tax increment revenue captured for the reimbursement. The Plan details eligible activities that have been or will be completed by the developer (pre-approved activities, due care activities, dust control, public infrastructure improvements, site demolition, soil management, site preparation), the City of Portage (public infrastructure improvement related to reconstructing a portion of Portage Road), and the KCBRA (administrative and operating expenses inclusive of implementation costs).

• Anticipated private investment – over $25,000,000 plus $15-$20,000,000 personal property investments anticipated
• Anticipated new jobs – 766 plus potential of 158 additional contract employees
• Total reimbursement to developer – approx. $2,712,500 (inclusive of contingency and 2% interest)
• Total reimbursement to the City of Portage – approx. $3,162,500 (inclusive of contingency)
  o City costs anticipated to occur between years 2024-2026
  o City reimbursements estimated to begin in 2025, established as 25% of available annual TIR until developer is fully reimbursed, then City will receive full TIR available after admin.
• Total taxes not captured during the Plan
  o approx. $377,575 from initial taxable value
  o approx. $1,984,350 from debt millages not captured
• Total reimbursement to KCBRA – estimated $214,000 (for actual administrative costs only)
• Total tax increment captured for County-Wide LBFR – approx. $1,475,677 (capped at $1,500,000)
• Length of Brownfield Plan – estimated 23 years
  o Capture anticipated to begin in 2021
  o Reimbursement period limited to 25 years
  o LBFR additional up to five full years (capped at $1,500,000)
  o Total estimated Local and State taxes captured over 23 years - $7,599,033
The metrics listed above are estimated based on anticipated eligible costs and projected tax increment revenues available. Future taxable value has been estimated by the City of Portage Assessor. Actual costs, market values, and any potential tax appeal would affect tax increment values available. Also, although a dollar amount has not been estimated, it is the intent of the Brownfield Plan to capture tax increment associated with personal property.

III. Timeline and City of Portage Support for Brownfield Plan

The KCBRA engaged input from the Portage Department of Community Development when developing the Plan. The proposed timeline for the approval of the Project Spartan Brownfield Plan is as follows:

1. **September 17, 2019:** The KCBRA approved the application for request for a Brownfield Plan at the 6701 Portage Road site.
2. **September 26, 2019:** The KCBRA approved the Brownfield Plan and recommend that the Portage Brownfield Redevelopment Authority, Portage City Council, and Kalamazoo County Board of Commissioners approve the Brownfield Plan.
3. **October 1, 2019:** Presentation of the Brownfield Plan to the Kalamazoo County Commission Committee of the Whole. Public Hearing is scheduled for November 6, 2019.
4. **October 4, 2019:** The Portage BRA reviews the Brownfield Plan.
5. **October 15, 2019:** Pending Recommendation by the PBRA, The Portage City Council considers the Brownfield Plan for approval, by resolution.
6. **By October 25, 2019:** KCBRA staff sends notices to all affected taxing jurisdictions and prepares Public Notice 10 days prior to public hearing.
7. **November 6, 2019:** Pending outcome of the Portage City Council recommendation for approval, the Kalamazoo County Board of Commissioners will hold public hearing and is expected to adopt the 6701 Portage Road (Project Spartan) Brownfield Plan, by resolution

The development of 6701 Portage Road is an improvement for the site and the surrounding area in several ways:

1. The property will have an increased taxable value.
2. The County Brownfield Plan would constitute a cooperative inter-governmental effort.
3. TIF collected will reimburse the developer, the KCBRA, and the City of Portage for a portion of costs incurred in the completion of Brownfield Eligible Activities.
4. Local Brownfield Revolving Fund (LBRF) collection allows the KCBRA to support additional Brownfield Activities throughout Kalamazoo County.

The KCBRA respectfully requests approval of the Brownfield Plan for the 6701 Portage Road development project from the Portage Brownfield Redevelopment Authority and the Portage City
Council. Support of this Brownfield Plan by the City of Portage is critical for the redevelopment and productive use of this property. The KCBRA understands the impact this project will have for the City of Portage and for the Kalamazoo County community and is looking forward to the successful completion of this project.

Sincerely,

Rachael Grover
Brownfield Redevelopment Coordinator
Kalamazoo County Brownfield Redevelopment Authority
ragrov@kalcounty.com

cc: Kenneth Peregon, KCBRA Chairperson
KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN

FOR

PROJECT SPARTAN REDEVELOPMENT
6701 PORTAGE ROAD
PORTAGE, MICHIGAN

Recommended for approval by the Kalamazoo County Brownfield Redevelopment Authority on: 9-26-19
Recommended for approval by the Portage Brownfield Redevelopment Authority on: ________
Approved by the City of Portage Council on: ________
Approved by the Kalamazoo County Board of Commissioners on: ________

Prepared with the assistance of:

ENVIROLOGIC TECHNOLOGIES, INC.
2960 Interstate Parkway
Kalamazoo, Michigan 49048
(269) 342-1100
TABLE OF CONTENTS

1. INTRODUCTION AND PURPOSE ......................................................... 1
2. ELIGIBLE PROPERTY INFORMATION .............................................. 2
3. PROPOSED REDEVELOPMENT ......................................................... 2
4. BROWNFIELD CONDITIONS ............................................................ 3
5. BROWNFIELD PLAN ELEMENTS (AS SPECIFIED IN SECTION 13[1] OF ACT 381) .................................................. 4
   A. DESCRIPTION OF COSTS TO BE PAID FOR WITH TAX INCREMENT REVENUES .......... 4
   B. SUMMARY OF ELIGIBLE ACTIVITIES ............................................. 7
   C. ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES ............ 10
   D. METHOD OF FINANCING AND DESCRIPTION OF ADVANCES BY THE MUNICIPALITY ........ 10
   E. MAXIMUM AMOUNT OF NOTE OR BONDED INDEBTEDNESS ......................... 11
   F. DURATION OF BROWNFIELD PLAN ............................................... 11
   G. ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS ........ 11
   H. LEGAL DESCRIPTION, PROPERTY MAP, STATEMENT OF QUALIFYING CHARACTERISTICS AND PERSONAL PROPERTY......................................................... 11
   I. ESTIMATES OF RESIDENTS AND DISPLACEMENT OF FAMILIES .............. 12
   J. PLAN FOR RELOCATION OF DISPLACED PERSONS .................................. 12
   K. PROVISIONS FOR RELOCATION COSTS ............................................. 12
   L. STRATEGY FOR COMPLIANCE WITH MICHIGAN’S RELOCATION ASSISTANCE LAW ....... 13
   M. OTHER MATERIAL THAT THE AUTHORITY OR GOVERNING BODY CONSIDERS PERTINENT .......... 13
EXHIBITS

FIGURE 1: Location Map
FIGURE 2: Site Plan
FIGURE 3: Proposed Site Plan

SCHEDULES/TABLES

TABLE 1: Summary of Eligible Activities
TABLE 2: Estimate of Total Captured Incremental Taxes
TABLE 3: Estimate of Annual Effect on Taxing Jurisdictions
TABLE 4: Captured Taxable Value and Tax Increment Revenue by Year and Aggregate for Each Taxing Jurisdiction
TABLE 5: Estimated Reimbursement Schedule

ATTACHMENTS

NOTICE OF PUBLIC HEARING
NOTICE TO TAXING JURISDICTIONS
RESOLUTIONS OF APPROVAL
KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN FOR
PROJECT SPARTAN REDEVELOPMENT
6701 PORTAGE ROAD
PORTAGE, MICHIGAN

1. INTRODUCTION AND PURPOSE

Envirologic has prepared this Brownfield Plan for the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) on behalf of Scannell Properties for one parcel of vacant property located at 6701 Portage Road, Portage, Michigan. The City of Portage is a Qualified Local Governmental Unit as defined by section 2(k) of the Obsolete Property Rehabilitation Act (OPRA) PA 146 of 2000, as amended. The current owner of the property is Scannell Properties #192, LLC. Ownership will be transferred to Scannell Properties #397, LLC, who will be developing the property with the intent to lease to an undisclosed tenant. The redevelopment project is referred to as “Project Spartan.”

The subject property consists of one approximately 37.4-acre legal parcel which has been farmland since at least 1938 and was most recently utilized to grow row crops. There is no evidence of any buildings or structures historically being located on the property. Scannell Properties will be redeveloping the property with the construction of an approximately 321,000-square-foot distribution center. The distribution center will occupy the central portion of the site with asphalt parking and drives and two stormwater detention basins covering the remainder of the parcel. Future operations will be non-residential in nature.

Scannell Properties is a real estate developer out of Indiana and has chosen to invest in the Portage Community. Project Spartan is anticipated to be an over $25,000,000 private investment with another estimated $15–$20,000,00 of personal property investments expected. When the redevelopment establishment is fully operational, there is an opportunity for 766 employees with the potential of 158 additional contract employees. Redevelopment initiatives will begin Fall of 2019, and project completion is anticipated for Fall of 2020. The proposed Project Spartan redevelopment benefits the City of Portage with the creation of new jobs and a substantial investment into the community.

Investigations of the property have indicated that phosphorous in groundwater exists above Generic Residential Cleanup Criteria (GRCC), defining the property as a “facility” under Part 201
of the Michigan Natural Resources and Environmental Protection Act (NREPA), Act 451 of 1994. The Brownfield status of the site increases the cost and complexity of redevelopment.

The Kalamazoo County Brownfield Redevelopment Authority will incur administration and operating costs related to implementation of the Brownfield Plan. The City of Portage will incur public infrastructure eligible costs related to reconstructing a portion of Portage Road. All other eligible costs, such as due diligence, site demolition, all other public infrastructure improvements, site preparation activities, and preparation of the Brownfield Plan, will be borne by the developer. This Brownfield Plan is intended to provide a means to capture tax increment revenues to reimburse these eligible costs.

The purpose of this plan, to be implemented by the Kalamazoo County Brownfield Redevelopment Authority, is to satisfy the requirements for a Brownfield Plan as specified in Act 381 of the Public Acts of the State of Michigan of 1996, as amended, MCL 125.2651 et. seq., which is known as the “Brownfield Redevelopment Financing Act.” Terms used in this document are defined in Act 381.

2. ELIGIBLE PROPERTY INFORMATION

The property subject to this Plan consists of one vacant parcel, comprising 37.395 acres and located at 6701 Portage Road, City of Portage, Michigan (property). The tax identification number associated with the property is 00011-010-L.

A location map of the eligible property included in this Brownfield Plan is included as Figure 1.

Identification of phosphorus in groundwater on the central portion of the parcel at a concentration in excess of the Groundwater-Surface Water Interface (GSI) criterion defines the property as a “facility” under Part 201 of the Michigan Natural Resources and Environmental Protection Act (NREPA), Act 451 of 1994. As a “facility,” the property is an “eligible property” under Act 381.

3. PROPOSED REDEVELOPMENT

Scannell Properties #192, LLC acquired the subject property on October 10, 2014. Ownership will be transferred to Scannell Properties #397, LLC, who will be developing the property. The redevelopment of the proposed approximately 321,000-square-foot distribution center is known
as "Project Spartan." The distribution center, constructed of pre-cast concrete panels erected on site, will occupy the central portion of the site with asphalt parking and drives and two stormwater detention basins covering the remainder of the parcel. A berm will be created along the western property line along Portage Road to absorb as much excess topsoil requiring removal as possible and to create a visual barrier.

Project Spartan is anticipated to be an over $25,000,000 private investment with another estimated $15–$20,000,00 of personal property investments expected. When the redevelopment establishment is fully operational, there is an opportunity for 766 employees, both salary and hourly wage employees, with the potential of 158 additional contract employees.

Redevelopment initiatives are anticipated to begin by late September/early October 2019, beginning with erosion control activities and site grading with the anticipation that footings will be installed before winter. Construction is anticipated to require an eleven- to twelve-month timeline with project completion anticipated for Fall of 2020.

The brownfield status of the site creates additional considerations with more requirements and increased costs for the proposed development. The purpose of the Brownfield Plan is to help the developer overcome challenges to redevelopment that they did not cause, levelling the playing field and allowing investment to occur in the City of Portage within Kalamazoo County.

4. BROWNFIELD CONDITIONS

The subject property is considered a brownfield based upon the identification of contaminants in excess of EGLE cleanup criteria, demonstrating that the subject property meets the definition of a "facility" as defined by Part 201 of NREPA. A Phase I Environmental Site Assessment (ESA) of the subject property was initially completed by Envirologic on behalf of Scannell in 2014. An environmental concern identified in the Phase I ESA was the reported historic practice of Pfizer to apply materials to the agricultural land as a fertilizer supplement. The materials applied as fertilizer consisted of solids from the fermentation of beer, byproducts of phosphorus pentachloride, and mycelia cake. Mycelia cake is a nitrogen-rich material that was used as a filter aid during the production of antibiotics at the nearby Pfizer plant.

In order to assess the potential for impacts in association with this reported historic practice, Envirologic completed Phase II ESA activities consisting of the installation of five soil borings across the parcel and the laboratory analysis of five shallow soil samples (i.e., 6 inches) and two
groundwater samples. One groundwater sample was collected at the center of the parcel from a temporary monitoring well screened from an interval 36–40 feet below grade level (bgl) with the second groundwater sample collected from a pre-existing groundwater elevation monitoring well located in the southwest corner of the parcel (MW-174 terminating 81 feet bgl). The Phase II ESA results indicated the presence of select contaminants in soil at concentrations below current EGLE cleanup criteria. The Phase II ESA results additionally indicated the presence of phosphorus in groundwater in excess of the Groundwater-Surface Water Interface (GSI) criterion. Scannell is considered a non-liable party for pre-existing contaminant conditions based upon the preparation of a Baseline Environmental Assessment (BEA #B201402116PL).

The identification of phosphorous in groundwater in excess of Michigan Department of Environment, Great Lakes, and Energy (EGLE) cleanup criteria demonstrates that the property meets the definition of a “facility,” as defined by Part 201 of NREPA. As a “facility,” the property is an “eligible property” under Act 381.

5. BROWNFIELD PLAN ELEMENTS (as specified in Section 13[1] of Act 381)

A. Description of Costs to be Paid for with Tax Increment Revenues

The environmental-related costs included in this Brownfield Plan consist of Pre-Approved Activities. Envirologic completed an initial Phase I ESA of the subject property and additional adjacent contiguous land to the north on behalf of Scannell Properties #192, LLC on October 2, 2014 (ASTM 1527-13). Envirologic subsequently completed a Phase I ESA of the parcel subject this brownfield plan on February 1, 2019, and a Phase I Update on July 18, 2019, on behalf of Scannell Properties #192, LLC and the proposed operator (ASTM 1527-13). Preparation of the Phase I ESAs were completed at a cost of $4,279 to support satisfaction of federal requirements for All Appropriate Inquiry (AAI). Envirologic completed Phase II ESA sampling activities in 2014 on the subject parcel and the adjacent parcel to the north. Half of the costs incurred associated with the Phase II activities conducted on the larger parcel, which includes the subject property, are included for reimbursement in this Brownfield Plan, a cost of $5,035. Additionally, $4,600 for costs associated with a wetland delineation are also included for reimbursement in this Plan. A Baseline Environmental Assessment (BEA) to provide liability protection and a Section 7a Compliance Analysis to evaluate due care considerations were completed at a cost of $6,500. The Pre-Approved Activities were completed at a cost of $20,414 and are statutorily eligible for reimbursement with both school and local tax increment revenues.
$2,000 is also allocated for Due Care planning activities and due care documentation to be completed after redevelopment. As an Act 381 Work Plan is not anticipated to be prepared, these costs will be eligible for local-only reimbursement.

The project includes “non-environmental costs” that are also eligible for reimbursement through the Brownfield Plan. Specific non-environmental eligible costs include dust control, soil management, and site demolition costs. As the project is located in the City of Portage, a Core Community, site preparation activities, public infrastructure improvements, and those professional “soft costs” related to the management of these activities (e.g., environmental, engineering, architect, finance, etc.) are also eligible expenses and included for reimbursement as part of this Brownfield Plan.

$5,000 for dust control related to construction activities is included as an eligible cost in this Brownfield Plan.

Site demolition activities will also be needed to prepare the site for redevelopment and are included as an eligible expense in this Brownfield Plan, estimated at a total cost of $25,500. Site demolition costs include $2,500 for the removal of portions of the bike path and $3,000 for the removal of curb and gutter. Both activities will be needed as part of the road widening. $20,000 is included for the milling of the portion of the private drive on the property to the north that extends onto the subject property.

Public infrastructure costs are also included within this Brownfield Plan, to be incurred by both the developer and the City of Portage. Scannell’s public infrastructure costs are estimated at $30,000. $25,000 is estimated for the milling and overlay and road widening within the public right-of-way along Portage Road. $2,500 is estimated for the replacement of the bike path in the right-of-way and an additional $2,500 is estimated for replacement of the curb-and-gutter in the public right-of-way. The City of Portage will also incur costs related to public infrastructure improvements. Approximately $2,750,000 is estimated for the reconstruction and related traffic signal improvements for two sections of Portage Road: 1) East Milham Avenue to Fairfield Road (south of I-94) and 2) Romence Road to East Milham. This work is anticipated to occur between 2024 and 2026. This work for reconstructing Portage Road will improve safety and support the additional traffic burdens from this project. These public infrastructure costs are the only anticipated eligible costs incurred by the City of Portage.
The developer will also incur costs related to soil management and site preparation, and those costs are included for reimbursement as part of this Brownfield Plan. A Geotechnical Evaluation report prepared by Soil Materials Engineers (SME) on February 4, 2019, in support of the proposed redevelopment indicated the presence of approximately 2 inches to 11 inches of topsoil across the site. The geotechnical evaluation concluded that preparation of the site for construction will require clearing all proposed development areas of topsoil as unsuitable material to support construction. Based upon the proposed site plan, the developer has estimated that approximately 20,000 cubic yards of topsoil that is unsuitable for construction will need to be removed from the site. While every effort has been made to utilize excess soils on the subject property, including the creation of a berm along Portage Road, the requirements of the end user of the site do not allow for additional landscaped areas/opportunities to absorb excess soils on site. Therefore, the removal of excess soils will be necessary.

This Brownfield Plan includes budget for the disposition of approximately 20,000 cubic yards of excess soils. Disposition of excess soils is still being evaluated and may include relocation, and/or disposal costs including the removal of topsoil, unsuitable fill, and/or contaminated soil. $1,000,000 is estimated to cover these soil management costs which are above and beyond the site preparation costs listed below.

$1,034,000 is included as eligible costs related to site preparation activities. These costs include $130,000 for clearing and grubbing and $100,000 for compaction and sub-base preparation. An estimated $600,000 is included as an eligible cost for cut and fill operations. Approximately 100,000 cubic yards of cut and fill will be required as part of the retention pond construction for preparation of the foundation pads. $34,500 is included for the geotechnical evaluations performed on the site. $50,000 is allocated for site grading, and $20,000 is allocated for site staking. $20,000 is included as an eligible cost for temporary access roads during construction, and $7,500 is for temporary traffic control. $72,000 is estimated for temporary erosion control activities including SWPP measures, silt fencing, geotextile mud-mats, seeding, and temporary haul roads.

Professional “soft costs,” estimated at $31,500 related to the management of these activities (e.g., environmental, engineering, architect, finance, etc.) are also eligible expenses and included for reimbursement as part of this Brownfield Plan. A portion of the soft costs may also be allocated toward professional services needed for reimbursement compliance incurred by the developer.
Contingency costs (15%) on eligible activities that have yet to be completed are also included as an eligible expense in this Brownfield Plan.

Financing costs for the project are also considered an eligible activity. This plan allows for a 2% interest rate on the developer’s real expenses. Simple interest will be calculated annually based on the annual unreimbursed principal balance. Approximately $235,000 is estimated for financing costs.

This Brownfield Plan also includes the administrative and operating costs of the Kalamazoo County Brownfield Redevelopment Authority. These costs are inclusive of implementation costs, a combination of tracking tax increment revenues, submittal of updates to local units of government and the State, review of invoices for reimbursement, plan compliance, and data reporting activities. These administration and operating costs of the Authority, associated with plan implementation, are eligible for reimbursement with both school and local tax increment revenues in accordance with Act 381. As school tax capture is only being sought for the statutorily eligible costs, $9,000 is estimated as the school tax portion that will be collected by the Authority, as a reasonable amount towards plan implementation costs. $15,000 annually of local tax capture during the first three years of the reimbursement period and $10,000 annually for the remaining years of the reimbursement period is also estimated to cover administration and operating expense of the Authority, inclusive of implementation costs. These annual amounts are estimates and actual reimbursements for administrative and operating expense will be made on actual costs.

The developer will also have costs associated with preparation and submittal of the Brownfield Plan for this project. $10,000 is estimated for Plan preparation costs. These preparation costs are included in this Brownfield Plan as an eligible expense to be reimbursed with local tax increment revenues.

Total reimbursements, inclusive of the eligible activities described above, are estimated and detailed in Table 1.

B. Summary of Eligible Activities

The Pre-Approved Activities included as eligible activities in this Brownfield Plan are inclusive of Phase I and II ESAs, a wetland delineation, a BEA, and due care documentation. Preparation of the Phase I ESAs was completed to support satisfaction of federal requirements for All
Appropriate Inquiry (AAI). The BEA was completed to provide liability protection, and a Section 7a Compliance Analysis was completed to evaluate due care considerations. Pre-Approved Activities are statutorily eligible for reimbursement with both school and local tax increment revenues.

Due Care planning activities and due care documentation will also be needed after redevelopment. As an Act 381 Work Plan is not anticipated to be prepared, these costs will be eligible for local-only reimbursement.

The project includes “non-environmental costs” that are also eligible for reimbursement through the Brownfield Plan. Specific non-environmental eligible costs include dust control, soil management, and site demolition costs. As the project is located in the City of Portage, a Core Community, site preparation activities, public infrastructure improvements, and those professional “soft costs” related to the management of these activities (e.g., environmental, engineering, architect, finance, etc.) are also eligible expenses and included for reimbursement as part of this Brownfield Plan.

Dust control related to construction activities is included as an eligible cost in this Brownfield Plan. Site demolition activities will also be needed to prepare the site for redevelopment and are included as an eligible expense in this Brownfield Plan. Site demolition costs include the removal of portions of the bike path and the removal of curb and gutter. Both activities will be needed as part of the road widening. Milling of the portion of the private drive on the property to the north that extends onto the subject property is also included as an eligible expense.

Public infrastructure costs are also included within this Brownfield Plan, to be incurred by both the developer and the City of Portage. Scannell's public infrastructure costs include the milling and overlay and road widening within the public right-of-way along Portage Road. Additional public infrastructure costs incurred by the developer include replacement of the bike path in the right-of-way and replacement of the curb and gutter in the public right-of-way. The City of Portage will also incur costs related to public infrastructure improvements for the reconstruction and related traffic signal improvements for two sections of Portage Road: 1) East Milham Avenue to Fairfield Road (south of I-94) and 2) Romence Road to East Milham. This work is anticipated to occur between 2024 and 2026. This work for reconstructing Portage Road will improve safety and support the additional traffic burdens from this project. These public infrastructure costs are the only anticipated eligible costs incurred by the City of Portage.
Soil management and site preparation costs are included for reimbursement as part of this Brownfield Plan. Based upon the proposed site plan, the developer has estimated that approximately 20,000 cubic yards of topsoil that is unsuitable for construction will need to be removed from the site. While every effort has been made to utilize excess soils on the subject property, including the creation of a berm along Portage Road, the requirements of the end user of the site do not allow for additional landscaped areas/opportunities to absorb excess soils on site. Therefore, the removal of excess soils will be necessary.

This Brownfield Plan includes budget for the disposition of approximately 20,000 cubic yards of excess soils. Disposition of excess soils is still being evaluated and may include relocation, and/or disposal costs including the removal of topsoil, unsuitable fill, and/or contaminated soil.

Site preparation costs include clearing and grubbing, compaction and sub-base preparation, cut and fill operations, geotechnical evaluations, site grading, site staking, temporary access roads, temporary traffic control, and temporary erosion control activities.

Professional “soft costs” related to the management of these activities (e.g., environmental, engineering, architect, finance, etc.) are also eligible expenses and included for reimbursement as part of this Brownfield Plan. A portion of the soft costs may also be allocated toward professional services needed for reimbursement compliance incurred by the developer.

Contingency costs on eligible activities that have yet to be completed are also included as an eligible expense in this Brownfield Plan.

Financing costs for the project are also considered an eligible activity. This plan allows for a 2% interest rate on the developer’s real expenses. Simple interest will be calculated annually based on the unreimbursed principal balance.

This Brownfield Plan also includes administrative and operating costs of the Kalamazoo County Brownfield Redevelopment Authority. These costs are inclusive of implementation costs, a combination of tracking tax increment revenues, submittal of updates to local units of government and the State, review of invoices for reimbursement, plan compliance, and data reporting activities. These administration and operating costs of the Authority, associated with plan implementation, are eligible for reimbursement with both school and local tax increment revenues in accordance with Act 381.
The developer will also have costs associated with preparation and submittal of the Brownfield Plan for this project. These preparation costs are included in this Brownfield Plan as an eligible expense to be reimbursed with local tax increment revenues.

C. Estimate of Captured Taxable Value and Tax Increment Revenues

For the purposes of this plan, the initial taxable value is the value of the eligible property in 2019, which is $553,489. Based upon a review of site plans provided by Scannell detailing the proposed redevelopment, the City of Portage Assessor has provided a range of future estimated taxable values. As a conservative measure for the purposes of this Brownfield Plan, the low-end amount of $12,000,000 has been utilized as the projected future taxable value. Initial capture is anticipated to begin in 2021.

The estimated captured taxable value for the redevelopment by year and in aggregate for each taxing jurisdiction is depicted in tabular form (Tables 2, 3, and 4). Actual taxable values and tax increment revenues may vary year to year based on economic and market conditions, tax incentives, depreciation, building additions, and property improvements, among other factors.

A summary of the estimated reimbursement schedule and the amount of capture into the Local Brownfield Revolving Fund (LBRF) by year and in aggregate is presented as Table 5. This Brownfield Plan is intended to capture available tax increment revenues for up to 25 years for the purposes of reimbursing the developer and the City of Portage, plus up to an additional five full years of capture of tax increment, not to exceed $1,500,000, to be deposited into the Kalamazoo County Brownfield Redevelopment Authority LBRF.

D. Method of Financing and Description of Advances by the Municipality

The only costs incurred by the Kalamazoo County Brownfield Redevelopment Authority will be associated with administrative and operating expenses and implementation of the Brownfield Plan, inclusive of a combination of tracking, submittal, review of invoices for reimbursement, plan compliance, and data reporting activities.

The only costs incurred by the City of Portage are the public infrastructure costs related to the restructuring of a portion of Portage Road.

All other eligible activity costs will be borne by the developer. Eligible costs will be reimbursed through tax increment financing.
No advances by the municipality have been made or are anticipated.

E. Maximum Amount of Note or Bonded Indebtedness

At this time, there are no plans by the Authority to incur indebtedness to support development of this site, but such plans could be made in the future to assist in the development if the Authority so chooses.

F. Duration of Brownfield Plan

The Kalamazoo County Brownfield Redevelopment Authority intends to begin capture of tax increment in 2021. This Brownfield Plan is intended to capture available tax increment revenues for up to 25 years for the purposes of reimbursing the developer and the City of Portage, plus up to an additional five full years of capture of tax increment, not to exceed $1,500,000, to be deposited into an LBRef.

G. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

The estimated amount of tax increment revenues to be captured for this redevelopment from each taxing jurisdiction by year and in aggregate is presented in Table 2.

H. Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

The property subject to this Brownfield Plan consists of one vacant undeveloped parcel, comprising 37.395 acres and located at 6701 Portage Road, City of Portage, Michigan (property). The PID for the property is 00011-010-L.

The legal description, obtained from the City of Portage GIS website, is as follows:

THAT PART OF THE EAST HALF OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 11 WEST, CITY OF PORTAGE, KALAMAZOO COUNTY, MICHIGAN, DESCRIBED AS: COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 11; THENCE NORTH 00° 19' 31" WEST ON THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11 A DISTANCE OF 126.21 FEET; THENCE NORTH 89° 40' 29" EAST 50.00 FEET TO THE EAST RIGHT OF WAY LINE OF PORTAGE ROAD; THENCE NORTH 00° 19' 31" WEST ON SAID EAST RIGHT OF WAY LINE 100.29 FEET; THENCE SOUTH 85° 59' 37" EAST ON THE NORTH RIGHT OF WAY LINE OF ROMENCE ROAD 208.98 FEET; THENCE SOUTHEASTERLY 158.84 FEET ON SAID NORTH RIGHT OF WAY LINE AND ON A 1150.00 FOOT RADIUS CURVE TO THE RIGHT WHOSE CHORD BEARS SOUTH 82° 02' 12" EAST 158.71 FEET; THENCE SOUTH 78° 04' 47" EAST ON SAID NORTH RIGHT OF WAY LINE 569.05 FEET; THENCE SOUTHEASTERLY 218.45 FEET ON
SAID NORTH RIGHT OF WAY LINE AND ON A 1050.00 FOOT RADIUS CURVE TO THE LEFT WHOSE CHORD BEARS SOUTH 84° 02' 13" EAST 218.06 FEET TO A POINT 50.00 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHEAST QUARTER; THENCE EAST ON SAID NORTH RIGHT OF WAY LINE 311.02 FEET; THENCE NORTH PERPENDICULAR TO SAID SOUTH LINE 693.00 FEET; THENCE NORTH 45° 05' 27" WEST 253.17 FEET TO THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST QUARTER AND THE POINT OF BEGINNING OF THE LAND HEREIN DESCRIBED; THENCE CONTINUING NORTH 45° 05' 27" WEST 952.29 FEET; THENCE WEST PARALLEL WITH SAID SOUTH LINE 604.36 FEET TO SAID EAST RIGHT OF WAY LINE; THENCE NORTH 00° 19' 31" WEST ON SAID EAST RIGHT OF WAY LINE 1055.10 FEET; THENCE NORTH 00° 19' 09" WEST ON SAID EAST RIGHT OF WAY LINE 46.28 FEET; THENCE EAST PARALLEL WITH SAID SOUTH LINE 1273.64 FEET TO THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 11; THENCE SOUTH 00° 24' 13" EAST ON SAID EAST LINE 45.71 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID NORTHEAST QUARTER; THENCE SOUTH 00° 22' 03" EAST ON THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 11 A DISTANCE OF 1727.99 FEET TO THE POINT OF BEGINNING.

A location map of the eligible property included in this Brownfield Plan is presented as Figure 1.

The property meets the definition of a “brownfield,” as defined by Public Act 381, the Brownfield Redevelopment Financing Act of 1996, as amended. The basis for this designation is the presence of environmental contaminants on the 6701 Portage Road parcel, which render the site a “facility” as defined by Part 201 of NREPA.

Tax increment revenues associated with personal property are not factored into the attached tables. However, this Brownfield Plan intends to capture tax increment revenues associated with personal property at the eligible property, if available.

I. Estimates of Residents and Displacement of Families

No residents or families will be displaced as a result of the project.

J. Plan for Relocation of Displaced Persons

Not applicable.

K. Provisions for Relocation Costs

Not applicable.
L. Strategy for Compliance with Michigan’s Relocation Assistance Law
Not applicable.

M. Other Material that the Authority or Governing Body Considers Pertinent
Not Applicable.
EXHIBITS

FIGURE 1: Location Map
FIGURE 2: Site Plan
FIGURE 3: Proposed Site Plan

SCHEDULES/TABLES

TABLE 1: Summary of Eligible Activities
TABLE 2: Estimate of Total Captured Incremental Taxes
TABLE 3: Estimate of Annual Effect on Taxing Jurisdictions
TABLE 4: Captured Taxable Value and Tax Increment Revenue by Year and Aggregate for Each Taxing Jurisdiction
TABLE 5: Estimated Reimbursement Schedule

ATTACHMENTS

NOTICE OF PUBLIC HEARING
NOTICE TO TAXING JURISDICTIONS
RESOLUTIONS OF SUPPORT AND APPROVAL
EXHIBITS

Figure 1: Location Map
Figure 2: Site Plan
Figure 3: Proposed Site Plan
Figure 3: Proposed Site Plan
SCHEDULES/TABLES

Table 1: Summary of Eligible Activities
Table 2: Estimate of Total Captured Incremental Taxes
Table 3: Estimate of Annual Effect on Taxing Jurisdictions
Table 4: Captured Taxable Value and Tax Increment Revenue by Year and Aggregate for Each Taxing Jurisdiction
Table 5: Estimated Reimbursement Schedule
<table>
<thead>
<tr>
<th>Eligible Activities</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Approved Activities</td>
<td></td>
</tr>
<tr>
<td>Phase I ESA</td>
<td>$ 4,279.00</td>
</tr>
<tr>
<td>Phase II ESA</td>
<td>$ 5,035.00</td>
</tr>
<tr>
<td>Wetland Delineation</td>
<td>$ 4,600.00</td>
</tr>
<tr>
<td>BEA/7aCA</td>
<td>$ 6,500.00</td>
</tr>
<tr>
<td>Due Care Activities</td>
<td></td>
</tr>
<tr>
<td>Due Care Planning</td>
<td>$ 2,000.00</td>
</tr>
<tr>
<td>Dust Control</td>
<td>$ 5,000.00</td>
</tr>
<tr>
<td>Public Infrastructure Improvements</td>
<td></td>
</tr>
<tr>
<td>Developer</td>
<td>$ 30,000.00</td>
</tr>
<tr>
<td>City of Portage</td>
<td>$ 2,750,000.00</td>
</tr>
<tr>
<td>Site Demolition</td>
<td>$ 25,500.00</td>
</tr>
<tr>
<td>Soil Management</td>
<td>$ 1,000,000.00</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>$ 1,034,000.00</td>
</tr>
<tr>
<td>Soft Costs (pertaining to eligible activities)</td>
<td>$ 31,500.00</td>
</tr>
<tr>
<td><strong>TOTAL COSTS OF ELIGIBLE ACTIVITIES</strong></td>
<td><strong>$ 4,898,414.00</strong></td>
</tr>
<tr>
<td>Financing Costs (2%)</td>
<td><strong>$ 234,902.44</strong></td>
</tr>
<tr>
<td>Contingencies (15% of Developer costs to be incurred)</td>
<td><strong>$ 319,200.00</strong></td>
</tr>
<tr>
<td>Contingencies (15% of City costs to be incurred)</td>
<td><strong>$ 412,500.00</strong></td>
</tr>
<tr>
<td>Brownfield Plan Prep. (Developer-Local only)</td>
<td><strong>$ 10,000.00</strong></td>
</tr>
<tr>
<td>Administrative &amp; Operating Expense of the Authority:</td>
<td></td>
</tr>
<tr>
<td>Brownfield Plan Implementation (State and Local)</td>
<td>$ 214,000.00</td>
</tr>
<tr>
<td><strong>TOTAL REIMBURSEMENTS</strong></td>
<td><strong>$ 6,089,016.44</strong></td>
</tr>
<tr>
<td>Captured and Disbursed to State Redevelopment Fund</td>
<td>$ 34,340</td>
</tr>
<tr>
<td>Additional Capture for LBRF</td>
<td>$ 1,475,676.98</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 7,599,032.95</strong></td>
</tr>
</tbody>
</table>
## Table 2

<table>
<thead>
<tr>
<th>Year</th>
<th>Initial Total Millbrook</th>
<th>Initial Taxable Value</th>
<th>Tax Revenues From Initial Taxable Value</th>
<th>Estimated Future Taxable Value</th>
<th>Estimated Future Tax Revenues</th>
<th>Incremental Tax Revenues</th>
<th>Available for Authority Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>12,302</td>
<td>65.440.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2022</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2023</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2024</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2025</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2026</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2027</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2028</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2029</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2030</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2031</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2032</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2033</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2034</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2035</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2036</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2037</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2038</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2039</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2040</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2041</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2042</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2043</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2044</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
<tr>
<td>2045</td>
<td>21,630</td>
<td>53.460.00</td>
<td>$ 1,548.00</td>
<td>$ 16,200.00</td>
<td>$ 174.00</td>
<td>$ 452.50</td>
<td>$ 75.00</td>
</tr>
</tbody>
</table>

**Total**

$ 7,004,400.00 $ 7,774,100.00
### Table 3

**Estimate of Annual Effect on Taxing Jurisdictions**

**Project Spartan**  
6701 Portage Road  
Portage, 841

<table>
<thead>
<tr>
<th><strong>SUMMER TAXES</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxing Jurisdiction</td>
<td>Sales/Exc Tax**</td>
<td>School Oper.*</td>
<td>City of Portage</td>
<td>KWWC</td>
<td>KESSA-26D</td>
<td>County Operating</td>
<td>TOTAL</td>
<td>KESSA</td>
<td>County</td>
<td>TOTAL</td>
<td>Grand Total</td>
<td></td>
</tr>
<tr>
<td>Mileage</td>
<td>6</td>
<td>17,702</td>
<td>80.96</td>
<td>2,868</td>
<td>6,678</td>
<td>6,678</td>
<td>0.75</td>
<td>0.75</td>
<td>9,675</td>
<td>9,675</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial Taxable Value</td>
<td>$ 559,484.00</td>
<td>$ 3,320.98</td>
<td>$ 9,352.00</td>
<td>$ 5,889.00</td>
<td>$ 1,349.70</td>
<td>$ 5,341.40</td>
<td>$ 2,508.68</td>
<td>$ 412.54</td>
<td>$ 174.37</td>
<td>$ 8,207.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Taxable Value</td>
<td>$ 12,000,000.00</td>
<td>$ 72,000.00</td>
<td>$ 224,000.00</td>
<td>$ 127,840.00</td>
<td>$ 33,956.00</td>
<td>$ 227,796.00</td>
<td>$ 56,932.00</td>
<td>$ 9,480.00</td>
<td>$ 7,754.00</td>
<td>$ 181,912.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approved Taxable Value</td>
<td>$ 11,446,511.00</td>
<td>$ 66,075.97</td>
<td>$ 202,288.97</td>
<td>$ 124,799.88</td>
<td>$ 32,122.12</td>
<td>$ 156,911.98</td>
<td>$ 53,516.12</td>
<td>$ 8,584.88</td>
<td>$ 3,599.35</td>
<td>$ 155,338.35</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>WINTER TAXES</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxing Jurisdiction</td>
<td>District Library</td>
<td>County Public Roads</td>
<td>County Housing Fund</td>
<td>County Schools</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mileage</td>
<td>1.2</td>
<td>1.473</td>
<td>0.698</td>
<td>0.35</td>
<td>2.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial Taxable Value</td>
<td>$ 550,485.00</td>
<td>$ 82.25</td>
<td>$ 301.81</td>
<td>$ 153.72</td>
<td>$ 687.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Taxable Value</td>
<td>$ 12,000,000.00</td>
<td>$ 136,909.00</td>
<td>$ 12,304.98</td>
<td>$ 6,263.98</td>
<td>$ 265,586.96</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approved Taxable Value</td>
<td>$ 11,446,511.00</td>
<td>$ 152,168.75</td>
<td>$ 15,555.79</td>
<td>$ 4,800.28</td>
<td>$ 288,589.30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Based on millages from 2/4/09 taxes  
2. Based on millages from 2/4/09 taxes  
3. Half of optional SST assessed on State Dwelling Rural Eligible Fund  
4. SST and School Operating anti-wealth cap on currently approved eligible activities areunchanged.  
   Net exempt; school dtk 7.39 mil/a, grounds 0.3075  
   KESSA shown as millages available for capture (varies 0.9-1.00% dtk)  
   School/Land 45.20%, 54.71%  

---

**Total Millage**  
70.9160%

**Total Annual Future Tax Liability**  
$ 827,566.00

**Total Capturable Millages**  
206,042

**Total Annual Capturable Local Tax Increment**  
$ 327,094.45

**Total Capturable School Millages**  
31,391

**Total Annual Capturable School Tax Increment**  
$ 371,288.19

**Total School and Local Tax Increment Revenue FY**  
$ 398,382.44

**Total Capturable School and Local Millages**  
32,704

---
<table>
<thead>
<tr>
<th>Year</th>
<th>Total Captured Taxes</th>
<th>Realized Disbursements</th>
<th>Realized Disbursements</th>
<th>Total Disbursements</th>
<th>SITD Disbursements</th>
<th>School Disbursements</th>
<th>County Disbursements</th>
<th>Township Disbursements</th>
<th>Village Disbursements</th>
<th>Total Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
</tr>
<tr>
<td>2021</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
</tr>
<tr>
<td>2022</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
</tr>
<tr>
<td>2023</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
</tr>
<tr>
<td>2024</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
<td>11,684,911.00</td>
</tr>
</tbody>
</table>

1. Table of captured SST exempted to State General Development Fund
2. SST and School Operating only collected until annually approved eligible activities are reimbursed.
<table>
<thead>
<tr>
<th>Year</th>
<th>Incremental Taxes Capable of</th>
<th>Funds Disbursed</th>
<th>Interest Calculation: 5% Simple Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>School</td>
<td>Non-School</td>
<td>Aggregate</td>
</tr>
<tr>
<td>2023</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2024</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2025</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2026</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2027</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2028</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2029</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2030</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2031</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2032</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2033</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2034</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
<tr>
<td>2035</td>
<td>$3,143,262.86</td>
<td>$2,538,837.69</td>
<td>$5,682,100.55</td>
</tr>
</tbody>
</table>

Developer: 126,000,000
Principal Due (Developer): $2,077,604.37
Interest Accrued: $1,040,214.45

Table 5: Exempted Reimbursement Schedule

Project: Gardena
Development: Pinnacle

Year 2023
Interest Calculation: 5% Simple Interest

---

Note: The amounts are illustrative and subject to change based on actual calculations and approvals.
ATTACHMENTS

- NOTICE OF PUBLIC HEARING
- NOTICE TO TAXING JURISDICTIONS
- RESOLUTIONS OF SUPPORT & APPROVAL
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 ______________________, 2019 at 7:00 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 industrial property located at 6701 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__________________________________________

Adam Herringa, City Clerk

CERTIFICATION

I, Adam Herringa, 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 ________________, 2019.

__________________________________________
Adam Herringa, City Clerk

Approved as to form:
Date: 9/28/2019

__________________________________________
City Attorney