Brownfield Redevelopment Authority
Board of Directors Meeting
December 17, 2020
7:30 AM

This meeting is being conducted electronically in order for members, staff, and the public to comply with the Emergency Order Under MCL 333.2253 – Gathering Prohibition and Mask Order issued by Robert Gordon, Director of the Michigan Department of Health and Human Services, on October 29, 2020.

Agenda

A. Call to Order

B. Roll Call and Motion to Excuse Absent Members (Action: Motion to excuse absent members)

C. Adoption of Formal Agenda (Action: Motion to approve formal agenda)

D. Approval of Minutes for Meeting on November 19, 2020 (Action: Motion to approve the meeting minutes of November 19, 2020)

E. New Business

   1. Public hearing for the proposed first amendment to the Revised Scattered Site Infill Housing Brownfield Plan.
      
      - Staff and developer presentation
      - Public comment period
      - Board Discussion

   2. Adoption of a resolution approving implementation of the Revised Scattered Site Infill Housing Brownfield Plan and recommending the City Commission adopt the amended Brownfield Plan (ACTION: Motion to adopt the resolution approving implementation of the Revised Scattered Site Infill Housing Brownfield Plan and recommending the City Commission adopt the amended Brownfield Plan).

   3. Approval of a Development Agreement between Kalamazoo Neighborhood Housing Resources, Inc. (KNHS) and the Brownfield Redevelopment Authority (BRA) for the redevelopment of 110 and 124 Burr Oak Street, 1015 Albert Avenue, and 1100 S Rose Street (ACTION: Motion to approve the Development Agreement between KNHS and the BRA for the redevelopment of 110 and 124 Burr Oak Street, 1015 Albert Avenue, and 1100 S Rose Street and authorize the chair to sign).

   4. Approval of the Third Amendment to the Amended and Restated Brownfield Plan Development Agreement between Exchange Building, LLC and the Brownfield Redevelopment Authority (BRA) for the development project at 155 W. Michigan Avenue (ACTION: Motion to approve the Third Amendment to the Amended and Restated Brownfield Plan Development Agreement between Exchange Building, LLC and BRA for the development project at 155 W. Michigan Avenue and authorize the chair to sign).

   5. Adoption of the 2021 Meeting Schedule of the Brownfield Redevelopment Authority (ACTION: Motion to adopt the 2021 Meeting Schedule of the Brownfield Redevelopment Authority).

F. Old Business

G. Communications and Announcements
H. Staff Updates
J. Citizen Comments
K. Directors’ Comments
L. Adjournment
Meeting was called to order at 8:49 AM by Vice-Chair Kevan Hess.

Ms. McCarthy announced the order that allowed an electronic meeting.

MOTION TO EXCUSE ABSENT MEMBERS: Director Owens moved to excuse absent members; seconded by Director Brown. Motion approved by voice vote unanimously.

APPROVAL OF AGENDA: Director Owens moved the approval of the agenda as presented; seconded by Director Gulau. Motion approved by voice vote unanimously.

APPROVAL OF THE MINUTES OF OCTOBER 15, 2020: Director Owens moved the approval of the minutes; seconded by Director Brown. Motion approved by voice vote unanimously.

NEW BUSINESS

1. Approval of a Purchase and Sale Agreement between Innovative Design Properties, LLC and the Brownfield Redevelopment Authority (BRA) for the properties at 809, 813, and 817 Porter Street (ACTION: Motion to approve the Purchase and Sale Agreement between Innovative Design Properties, LLC and the BRA for the properties at 809, 813, and 817 Porter Street and authorize the chair to sign).

Ms. McCarthy presented the staff report. These three parcels were acquired through delinquent tax foreclosure in 2012. The parcels have been vacant and tax exempt since that time. Ms. McCarthy said they have the opportunity to sell the parcels as part of a side lot program to Mr. Credell Jackson, owner of Innovative Design Properties, a commercial sign company. This will allow Mr. Jackson’s business to have an entrance off Porter Street and to put in parking. Currently he has a shared driveway. The recommended price with the side lot program for all three parcels
is $1,000, conditional on Mr. Jackson combining the parcels. Ms. McCarthy noted that the combined taxable value of all four lots goes up to $15,000. That will be an additional $10,700 of value because those three parcels are currently tax exempt.

Mr. Jackson stated appreciation of the opportunity to purchase this property. He said he has already spent approximately $5,000 out of his own pocket to clean up the property.

Director Novotny said he believed there was a shared drive that was problematic. He wondered how they can address that issue. Mr. Jackson confirmed there are problems with the shared drive. He said a survey company determined the driveway was his property and a title company said there was no easement agreement with neighboring properties. Mr. Jackson said he is currently sharing the drive voluntarily, but he wants a more permanent solution. He has talked with the owner about possibly purchasing the neighboring property.

Mr. Jackson said his site plan approval noted that he needs to put up a six-foot barrier on that side of the driveway. He believes that if he puts up a fence, that will raise tensions with the neighbors. The neighbors would have very little room to leave their property. Ms. McCarthy asked to follow up with him afterwards.

Director Hess asked if City staff had talked to the neighbors. Ms. McCarthy said Mr. Mitchell talked to neighboring parcels years ago about side lotting the properties. At the time, no one was interested in them and that’s why the BRA has had them for several years.

Directors Bogan and Hess congratulated Mr. Jackson. Mr. Jackson shared how he got started in his business. He said he has appreciated the City’s assistance.

Director Owens said Mr. Jackson is a success story and a support to his community in so many ways. She was glad he will have more exposure and parking.

Vice Mayor Griffin said she thinks this is amazing. She seemed pleased that Mr. Jackson is from Kalamazoo, from the Northside, and has stayed there through his success. Vice Mayor Griffin wished him much more success.

Director Middleton said he admired the hard work it took to build this business and contribute to this community. He said he hoped to work with Mr. Jackson’s business in the future.

**Director Middleton made a motion to approve the Purchase and Sale Agreement between Innovative Design Properties, LLC and the BRA for the properties at 809, 813, and 817 Porter Street and authorize the chair to sign; seconded by Director Owens.**

Directors Brown and Escamilla had signed off for other meetings.

A roll call vote was taken, and the motioned passed unanimously.

2. Approval of a Development Agreement between 266 Michigan Ave Kalamazoo, LLC and the Brownfield Redevelopment Authority (BRA) for the development project at 266 E. Michigan Avenue (ACTION: Motion to approve the Development Agreement between 266 Michigan Ave Kalamazoo, LLC and the BRA for the development project at 266 E. Michigan Avenue and authorize the chair to sign).

Ms. McCarthy shared that this development agreement goes along with the Brownfield Plan approved in July for the current Coney Island building. She reported that this was one of the first projects that looks at TIF incentive and is also in the DEGA district. The Brownfield Plan is going to City Commission on December 7, and the MEDC wants to see this development agreement executed. The original plan authorized up to $100,000 in eligible activities to be
invested in the property to align it with current building standards. This includes lead and asbestos abatement, demolition and infrastructure approvals. There will be 11 apartment units on the top two floors of the building, along with improvements to the two commercial spaces. Total investment in the project is $3.5 million. It is projected to take about six years to reimburse the developer for eligible activities. This aligns with our incentives program, so City staff recommend approval. It is helping to update a functionally obsolete building which is an historic resource. The developer will be following the historic designs standards. One unit will be considered affordable at 60% AMI.

Mr. Jared Belka and Mr. Matt O’Connor thanked City staff for quick turnaround on the development agreement.

Mr. Matt O’Connor said they’ve signed a lease with Coney Island, and they have an operator for the other commercial space. They plan to have four apartments on each of the second and third floors and three apartments on the fourth floor. Their goal is to have the building fully occupied by late next summer or fall.

**Director Middleton made a motion to approve the Development Agreement between 266 Michigan Ave Kalamazoo, LLC and the BRA for the development project at 266 E. Michigan Avenue and authorize the chair to sign; seconded by Director Novotny.**

A roll call vote was taken, and the motion passed unanimously.

Vice Mayor Griffin left the meeting.

**OLD BUSINESS**

None.

Director Owens left the meeting.

**COMMUNICATIONS AND ANNOUNCEMENTS**

None.

**STAFF UPDATES**

**OMA and Conflict of Interest Memo**

Attorney Cherry clarified an issue regarding board members who may have a conflict of interest or a project in front of the committee. It was questioned if the board member should be asked to leave the meeting. Attorney Cherry said that based on Open Meetings Act, 15.263 section 6, as a body they should not ask the board member to leave the meeting. Per guidance from the Attorney General, if there is a conflict, it should be put on the record and the Director should abstain from discussion and voting. It is up to the individual Director if they want to leave the meeting, but it should not be a policy. It should also go on the record that the Director abstained from voting.
CITIZEN COMMENTS

None.

DIRECTOR’S COMMENTS

None.

ADJOURNMENT:  9:26 am

Beth Cheeseman
Recording Secretary

Chair Signature

Printed Name/Title
INTER-OFFICE MEMO

To: Brownfield Redevelopment Authority Board

From: Rebekah Kik, Community Planning & Economic Development Director
Prepared by Jamie McCarthy, Sustainable Development Coordinator

Date: December 14, 2020

Subject: Resolution Approving the Implementation of a Revised Act 381 Brownfield Plan for Scattered Site Infill Housing and Recommending Adoption by the City Commission

RECOMMENDATION

It is recommended that the Brownfield Redevelopment Authority (BRA) adopt the resolution approving implementation of the Revised Act 381 Brownfield Plan for scattered site infill housing and recommending adoption by the City Commission.

BACKGROUND

The Act 381 Brownfield Plan was originally adopted in September 2020 to facilitate the construction of new single family and multifamily homes within the City of Kalamazoo. All of the parcels originally included in the plan contained site-specific redevelopment challenges where the cost of construction was expected to exceed the value of the home upon completion. But for the assistance of the public sector, it was anticipated that these parcels would continue to remain vacant for many years. The purpose of the plan was to help offset the cost gap associated with infill housing on these sites through the reimbursement of eligible activities with new tax increment generated by newly constructed homes. The resulting projects will increase the availability of affordable housing, home ownership through rent-to-own assistance program, and the tax base of the city.

Prior to starting construction this fall, the developer and City staff discovered the demolition timeline and costs would significantly delay construction at 114 Burr Oak Street. To continue with construction activities on time, the project decided to change the proposed location of this single-family home from 114 Burr Oak to a vacant property owned by the City at 1015 Albert Avenue. The revised brownfield plan reflects this change by removing the parcels at 114 Burr Oak from the plan and adding 1015 Albert Avenue. This new parcel qualifies as a brownfield property because it meets the definition of blight and was tax foreclosed in 2019. The developer will incur expenses for “eligible activities” in connection with the property, as defined in the Brownfield Redevelopment Financing Act of 1996 (“Act 381”) for site preparation and infrastructure improvements. Overall, the proposed project includes the preparation of five lots for new residential construction which may include single family, duplex, triplex and multiplex homes (the "Project"). The Project works toward goals of the City’s Master Plan by increasing affordable housing stock and infill of vacant lots. Most of the residential homes will be affordable, and one market rate home will be constructed which offsets costs associated with brownfield plan development and ongoing administration.

The combined total capital investment on the projects will be greater than $1 million. The estimated expenses incurred for eligible activities is up to $203,000. According to the TIF capture and reimbursement schedules included in the plan, reimbursement for eligible activities could take up to 10 years, with an additional 5 years of capture to the Local Brownfield Revolving Fund.

ATTACHMENTS

Resolution
Revised Act 381 Brownfield Plan
Minutes of a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority ("BRA") held on December 17, 2020 at 7:30 a.m., local time, and conducted electronically to comply with the Emergency Order Under MCL 333.2253.

PRESENT: ____________________________________________________________

ABSENT: ____________________________________________________________

The following resolution was offered by Member __________ and seconded by Member ______________.

RECITALS:

A. The City has created the City of Kalamazoo Brownfield Redevelopment Authority (the “Authority”), under the provisions of Act 381, Public Acts of Michigan, 1996, as amended (“Act 381”).

B. Under Resolution No. 08-16, the City Commission delegated the public hearing process to the Authority regarding any future proposed Act 381 Brownfield Plan, including the proposed Revised Brownfield Plan for Scattered Site Infill Housing in Kalamazoo, Michigan.

C. A public hearing was held by the Authority on December 17, 2020, on the Revised Brownfield Plan for Scattered Site Infill Housing; notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any parcels within the Brownfield Plan, and was also given by publication, as required by Act 381.

D. Following the public hearing on the Revised Brownfield Plan or Scattered Site Infill Housing, the Authority, in consideration of any comments heard at the public hearing or written communications received at or prior to the public hearing, determines that the Brownfield Plan constitutes a public purpose in that:

   a. It meets all requirements of Section 13 of Act 381.
Revised ACT 381 BROWNFIELD PLAN

Scattered Site Infill Housing

2349 Shelter Pointe
110 & 124 Burr Oak Street
1015 Albert Street
1100 S. Rose Street

Kalamazoo County, City of Kalamazoo
City of Kalamazoo Brownfield Redevelopment Authority

12/4/2020

Prepared by (7/20/2020):
Joe Agostinelli
Southwest Michigan First
261 E. Kalamazoo Ave, Suite 200
Kalamazoo, MI 49007

First Amendment (12/4/2020):
Community Planning & Economic Development
City of Kalamazoo
241 W. South St
Kalamazoo, MI 49007

Approved by the Brownfield Redevelopment Authority on __________________________

Approved by the Kalamazoo City Council on ___________________________
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  Attachment B  Development and/or Reimbursement Agreement
  Attachment C  Parcel Listing and Eligible Property Qualification Status
  Attachment D  Eligible Property Verification
ACT 381 BROWNFIELD PLAN

1.0 INTRODUCTION

1.1 Proposed Redevelopment and Future Use for Each Eligible Property
The purpose of this brownfield plan is to facilitate the construction of new single family and multifamily homes within the City of Kalamazoo. All parcels included in this plan contain site specific redevelopment challenges where the cost of construction is expected to exceed the value of the home upon completion. But-for the assistance of the public sector, it is anticipated that these parcels would continue to remain vacant for many years. This plan helps to offset the cost gap associated with infill housing on these sites through the reimbursement of eligible activities with the new tax increment generated by newly constructed homes. The resulting projects will increase the number of residents and increase the tax base of the city.

The developers have incurred and will incur "eligible activity" expenses in connection with the Property, as defined in the Brownfield Redevelopment Financing Act of 1996 ("Act 381"), lead and asbestos abatement, demolition, site preparation and infrastructure improvements.

The purpose of this Plan is to provide for reimbursement of the eligible activity expenses incurred and to be incurred by the developers on the Property and improvements that will directly benefit the Property. The proposed project includes the preparation of each lot for new residential construction which may include single family, duplex, triplex and multiplex homes (the "Project").

The combined total capital investment on the projects will be greater than $1 million.

1.2 Eligible Property Information

Basis of Eligibility
The Properties are located in the City of Kalamazoo (the "City"), a qualified local governmental unit pursuant to Act 381. Each property qualifies separately as "eligible property" under Act 381 on the basis of being a "facility," "blighted" or "functionally obsolete" and/or adjacent and contiguous to one of the foregoing. A table listing each parcel in the plan, and its qualifying status, is included as Attachment C.

2.0 Information Required by Section 13(2) of the Statute

2.1 Description of Costs to Be Paid for With Tax Increment Revenues
Only local tax increment revenues will be used to reimburse the developers and City of Kalamazoo Brownfield Redevelopment Authority (KBRA) for the cost of eligible activities as authorized by the Brownfield Redevelopment Financing Act (Act 381).
The total cost of eligible activities are anticipated to be $202,920. Authority administrative costs are anticipated to be $30,899. Capture of TIR for the Local Brownfield Revolving Fund (LBRF) is estimated to be $98,256. The estimated cost of all eligible activities under this plan are summarized in Table 1.

**Non-Environmental Activities**
Because the City of Kalamazoo is a Qualified Local Governmental Unit (“QLGU”), additional non-environmental costs (“Michigan Strategic Fund ("MSF") Eligible Activities”) can be reimbursed through a brownfield plan. This plan will provide for reimbursement of eligible demolition; lead, asbestos & mold abatement; site preparation; and infrastructure improvements.

**Authority Expenses**
Actual eligible costs incurred by the City of Kalamazoo Brownfield Redevelopment Authority (“KBRA”) are included in this plan as an eligible expense. These expenses will be reimbursed with local tax increment revenues only.

### 2.2 Summary of Eligible Activities

#### 2.2.1 Lead and Asbestos Abatement
Developers may incur costs associated with initial surveys of Eligible Property and proper abatement and disposal of lead and asbestos prior to demolition activities. The cost of these activities are estimated to be $3,900.

#### 2.2.2 Demolition
Site demolition is anticipated on each eligible property. This demolition will include the removal of subsurface demolition debris, former building foundations, sidewalks, curb & gutters and utility connections. Additionally, three of the parcels in the plan contain existing structures which will be demolished as part of the project. The cost of these activities will vary by site and are anticipated to be $42,900 for all parcels in the plan.

#### 2.2.3 Infrastructure Improvements
Infrastructure improvements that directly benefit eligible property will include utility, road, sidewalks & approaches and other eligible infrastructure improvements. The cost of these activities is estimated to be $6,400 for all parcels in the plan.

#### 2.2.4 Site Preparation
Site preparation activities are anticipated on all parcels and may include: surveying & staking, geotechnical surveying and engineering, temporary soil erosion control, clearing and grubbing, cut & fill, compaction and subbase preparation, grading, excavation for
unstable material, fill, and foundation work to address special soil concerns. The cost of these activities is estimated to be $117,600 for all parcels in this plan.

2.2.5 Contingency
A 15% contingency on future costs is included to cover unexpected cost overruns encountered during construction on the future costs. The contingency is $25,620.

2.2.6 Brownfield Plan Preparation
The cost to prepare the Brownfield Plan is anticipated to be $6,500.

2.2.7 Local Brownfield Revolving Fund
The Authority intends to capture local only (non-school) tax increments for deposit in the local brownfield revolving fund for a full five years. This capture is estimated to be $98,256.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues
An estimate of the captured taxable value for this redevelopment by year is depicted in Table 2. This plan captures all available TIR, including real and personal property TIR.

2.4 Method of Financing and Description of Advances Made by the Municipality
The eligible activities contemplated under this plan will be financed by the developer and reimbursed as outlined in this plan and accompanying development agreement. No advances from the City are anticipated at this time.

2.5 Maximum Amount of Note or Bonded Indebtedness
No note or bonded indebtedness for this project is anticipated at this time. Therefore, this section is not applicable.

2.6 Duration of Brownfield Plan
The duration of this plan is estimated to be 15 years, however, capture may continue until all eligible activities are reimbursed, subject to any development agreements between the KBRA and the developer. In no event shall capture extend beyond 30 years as required by Act 381. It is estimated that the redevelopment of the eligible property will be completed in 2022 and that it could take up to 10 years to recapture eligible costs and eligible administrative costs of the authority through TIR. Capture of TIR is expected to begin in 2022, however could be delayed for up to 5 years after the approval of this plan as permitted by Act 381. An analysis showing the reimbursement schedule is attached as Table 3.

2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions
An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions is illustrated in detail within Table 2.

2.8 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property
A map showing eligible property dimensions, is attached as Figure 1. A legal description and statement of qualifying characteristics for each parcel is included as Attachment C.

Taxable personal property, if any, is included in this plan.

2.9 Estimates of Residents and Displacement of Individuals/Families
No persons reside on the eligible property. Therefore, this section is not applicable.

2.10 Plan for Relocation of Displaced Persons
No persons reside on the eligible property. Therefore, this section is not applicable.

2.11 Provisions for Relocation Costs
No persons reside on the eligible property. Therefore, this section is not applicable.

2.12 Strategy for Compliance with Michigan’s Relocation Assistance Law
No persons reside on the eligible property. Therefore, this section is not applicable.

2.13 Other Material that the Authority or Governing Body Considers Pertinent
But for the assistance of the public sector, it is anticipated that these parcels would continue to remain vacant for many years. This plan helps to offset the cost gap associated with infill housing on these sites through the reimbursement of eligible activities with the new tax increment generated by newly constructed homes. The resulting projects will increase the number of residents and increase the tax base of the city.
Figure 1

Eligible Property Map
This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.
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WGS_1984_Web_Mercator_Auxiliary_Sphere

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

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Table 1

Eligible Activity Costs
## TABLE 1

### Local Only Eligible Activities Costs and Schedule

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<thead>
<tr>
<th>Local Only Eligible Activities</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Demolition</td>
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</tr>
<tr>
<td>2349 Shelter Pointe - Subsurface demolition debris removal</td>
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</tr>
<tr>
<td>124 Burr Oak - Subsurface demolition debris removal</td>
<td>$16,500</td>
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<tr>
<td>1100 S. Rose - Building &amp; site demolition</td>
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<td><strong>Subtotal - Demolition</strong></td>
<td><strong>$42,900</strong></td>
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<td>Lead and Asbestos Abatement</td>
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<td>1100 S. Rose - Lead and Asbestos Survey</td>
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<tr>
<td><strong>Subtotal - Lead and Asbestos Abatement</strong></td>
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<tr>
<td>Infrastructure Improvements</td>
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<tr>
<td>110 Burr Oak - Sidewalks and approaches in Right of Way</td>
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</tr>
<tr>
<td>1015 Albert - Sidewalks and approaches in Right of Way</td>
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<tr>
<td>124 Burr Oak - Sidewalks and approaches in Right of Way</td>
<td>$2,500</td>
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<tr>
<td>1100 S. Rose - Sidewalks and approaches in Right of Way</td>
<td>$2,500</td>
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<tr>
<td><strong>Subtotal – Infrastructure</strong></td>
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<tr>
<td>Site Preparation</td>
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<td>2349 Shelter Pointe - geotechnical investigation, excavation to address special soil concerns, geopiers</td>
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<td>110 Burr Oak - Survey &amp; staking, soil excavation</td>
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<td>1015 Albert - Survey &amp; staking, soil excavation</td>
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<tr>
<td>124 Burr Oak - Survey &amp; staking, soil excavation</td>
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<tr>
<td>1100 S. Rose - Survey &amp; staking, soil excavation</td>
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<td><strong>Sub-Total – Site Prep</strong></td>
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<td><strong>Local Only Eligible Activities Sub-Total</strong></td>
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<td>Contingency (15%)</td>
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<td><strong>Local Only Eligible Activities Total Costs</strong></td>
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<th>2034</th>
<th>2035</th>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### CAPTURE

#### Estimated Taxable Value (TV) Increase Rate:
- **1%**

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
<th>2033</th>
<th>2034</th>
<th>2035</th>
</tr>
</thead>
</table>

#### Plan Year 1 - 9

- **2021**
  - **Local Brownfield Revolving Fund** $98,256
- **2022**
  - **Local Brownfield Revolving Fund** $98,256
- **2023**
  - **Local Brownfield Revolving Fund** $98,256
- **2024**
  - **Local Brownfield Revolving Fund** $98,256
- **2025**
  - **Local Brownfield Revolving Fund** $98,256
- **2026**
  - **Local Brownfield Revolving Fund** $98,256
- **2027**
  - **Local Brownfield Revolving Fund** $98,256
- **2028**
  - **Local Brownfield Revolving Fund** $98,256
- **2029**
  - **Local Brownfield Revolving Fund** $98,256
- **2030**
  - **Local Brownfield Revolving Fund** $98,256

#### Plan Year 10 - 15

- **2031**
  - **Local Brownfield Revolving Fund** $98,256
- **2032**
  - **Local Brownfield Revolving Fund** $98,256
- **2033**
  - **Local Brownfield Revolving Fund** $98,256
- **2034**
  - **Local Brownfield Revolving Fund** $98,256
- **2035**
  - **Local Brownfield Revolving Fund** $98,256

### Estimated Total Years of Plan:

**305,971**

### Tax Reverted Property Specific Tax

<table>
<thead>
<tr>
<th>Local Capture</th>
<th>Tax Reverted Property Specific Tax</th>
<th>24,944</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$993</strong></td>
<td>$1,006</td>
<td>$1,018</td>
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</table>

### Non-Capturable Millages

<table>
<thead>
<tr>
<th>Local Total</th>
<th>35,1364</th>
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<tbody>
<tr>
<td><strong>2021</strong></td>
<td><strong>17,715</strong></td>
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<tr>
<td><strong>2022</strong></td>
<td><strong>17,912</strong></td>
</tr>
<tr>
<td><strong>2023</strong></td>
<td><strong>18,111</strong></td>
</tr>
<tr>
<td><strong>2024</strong></td>
<td><strong>19,763</strong></td>
</tr>
<tr>
<td><strong>2025</strong></td>
<td><strong>19,984</strong></td>
</tr>
<tr>
<td><strong>2026</strong></td>
<td><strong>20,207</strong></td>
</tr>
<tr>
<td><strong>2027</strong></td>
<td><strong>20,433</strong></td>
</tr>
<tr>
<td><strong>2028</strong></td>
<td><strong>20,660</strong></td>
</tr>
<tr>
<td><strong>2029</strong></td>
<td><strong>20,890</strong></td>
</tr>
<tr>
<td><strong>2030</strong></td>
<td><strong>21,122</strong></td>
</tr>
<tr>
<td><strong>2031</strong></td>
<td><strong>21,356</strong></td>
</tr>
<tr>
<td><strong>2032</strong></td>
<td><strong>21,593</strong></td>
</tr>
<tr>
<td><strong>2033</strong></td>
<td><strong>21,832</strong></td>
</tr>
<tr>
<td><strong>2034</strong></td>
<td><strong>22,074</strong></td>
</tr>
<tr>
<td><strong>2035</strong></td>
<td><strong>22,318</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>305,971</strong></td>
</tr>
</tbody>
</table>

### Total Tax Increment Revenue (TIR) Available for Capture

**305,971**
Table 3

Reimbursement Schedule
# REIMBURSEMENT

<table>
<thead>
<tr>
<th>Plan Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar Year</td>
<td>2021</td>
<td>2022</td>
<td>2023</td>
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<td>2025</td>
<td>2026</td>
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<td>2031</td>
<td>2032</td>
<td>2033</td>
<td>2034</td>
<td>2035</td>
<td></td>
</tr>
<tr>
<td>Total Local Incremental Revenue</td>
<td>$18,708</td>
<td>$18,917</td>
<td>$19,129</td>
<td>$19,763</td>
<td>$19,984</td>
<td>$20,207</td>
<td>$20,433</td>
<td>$20,660</td>
<td>$20,890</td>
<td>$21,122</td>
<td>$21,356</td>
<td>$21,593</td>
<td>$21,832</td>
<td>$22,073</td>
<td>$22,318</td>
<td>$308,987</td>
</tr>
<tr>
<td>BRA Administrative Fee</td>
<td>$1,871</td>
<td>$1,892</td>
<td>$1,913</td>
<td>$1,976</td>
<td>$2,001</td>
<td>$2,043</td>
<td>$2,086</td>
<td>$2,122</td>
<td>$2,159</td>
<td>$2,193</td>
<td>$2,207</td>
<td>$2,086</td>
<td>$2,112</td>
<td>$2,136</td>
<td>$2,160</td>
<td>$30,899</td>
</tr>
<tr>
<td>Local TIR Available for Reimbursement</td>
<td>$16,837</td>
<td>$17,026</td>
<td>$17,216</td>
<td>$17,787</td>
<td>$18,187</td>
<td>$18,389</td>
<td>$18,594</td>
<td>$18,801</td>
<td>$19,010</td>
<td>$19,221</td>
<td>$19,434</td>
<td>$19,649</td>
<td>$19,866</td>
<td>$20,086</td>
<td>$278,089</td>
<td></td>
</tr>
<tr>
<td>Total State &amp; Local TIR Available</td>
<td>$16,837</td>
<td>$17,026</td>
<td>$17,216</td>
<td>$17,787</td>
<td>$18,187</td>
<td>$18,389</td>
<td>$18,594</td>
<td>$18,801</td>
<td>$19,010</td>
<td>$19,221</td>
<td>$19,434</td>
<td>$19,649</td>
<td>$19,866</td>
<td>$20,086</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Only Costs</td>
<td>$202,920</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>KHNRS Reimbursement</td>
<td>$8,793</td>
<td>$8,895</td>
<td>$8,999</td>
<td>$9,483</td>
<td>$9,593</td>
<td>$9,705</td>
<td>$10,022</td>
<td>$10,643</td>
<td>$10,757</td>
<td>$10,872</td>
<td>$10,989</td>
<td>$11,106</td>
<td>$11,223</td>
<td>$11,340</td>
<td>$11,457</td>
<td>$11,574</td>
</tr>
<tr>
<td>Shelter Point Reimbursement</td>
<td>$85,000</td>
<td>$6,642</td>
<td>$6,714</td>
<td>$6,785</td>
<td>$6,856</td>
<td>$6,931</td>
<td>$7,005</td>
<td>$7,080</td>
<td>$7,150</td>
<td>$7,232</td>
<td>$8,121</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>BRA BF Plan Cost Reimbursement</td>
<td>$6,500</td>
<td>$738</td>
<td>$746</td>
<td>$754</td>
<td>$762</td>
<td>$770</td>
<td>$778</td>
<td>$787</td>
<td>$795</td>
<td>$804</td>
<td>$813</td>
<td>$822</td>
<td>$831</td>
<td>$840</td>
<td>$849</td>
<td>$859</td>
</tr>
<tr>
<td>Total Local Only Reimbursement Balance</td>
<td>$186,747</td>
<td>$170,392</td>
<td>$153,853</td>
<td>$136,750</td>
<td>$119,455</td>
<td>$103,967</td>
<td>$83,678</td>
<td>$64,983</td>
<td>$46,616</td>
<td>$27,607</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$98,592</td>
</tr>
<tr>
<td>Total Annual Developer &amp; BRA Reimbursement</td>
<td>$9,531</td>
<td>$9,641</td>
<td>$9,753</td>
<td>$10,245</td>
<td>$10,363</td>
<td>$10,483</td>
<td>$11,309</td>
<td>$11,438</td>
<td>$11,135</td>
<td>$10,889</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

## LOCAL BROWNFIELD REVLINK

| LBRF Disposal | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Local Tax Capture | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $19,221 | $19,434 | $19,649 | $19,866 | $20,086 | $98,256 |
| Total LBRF Capture | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

LBRF Capture
Attachment A

Brownfield Plan Resolution(s)
Attachment B

Development and/or Reimbursement Agreement
Attachment C

Parcel Listing and Eligible Property Qualification Status
<table>
<thead>
<tr>
<th>Site Number</th>
<th>Address</th>
<th>Eligible Property Qualification</th>
<th>Parcel ID</th>
<th>Parcel Size (acres)</th>
<th>Legal Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2349 Shelter Pointe</td>
<td>&quot;Blighted.&quot; The property has substantial buried subsurface demolition debris present so that the property is unfit for its intended use. [MCL 125.2652(c)vi]</td>
<td>06-30-295-001</td>
<td>0.563</td>
<td>Kalamazoo County Condominium Subdivision Plan No. 197 Shelter Pointe Condominiums according to the master deed recorded 2006-016782, First Amendment recorded 2009-007420 Unit 1</td>
</tr>
<tr>
<td>2</td>
<td>110 Burr Oak</td>
<td>&quot;Blighted.&quot; The property was declared a public nuisance by the City. [MCL 125.2652(c)i]</td>
<td>06-22-196-002</td>
<td>0.091</td>
<td>14484 BLEYKERS ADDITION W 48.42 FT OF E 118.92 FT OF LOT 124 EXC N 1 R</td>
</tr>
<tr>
<td>3</td>
<td>1015 Albert</td>
<td>&quot;Blighted.&quot; The property was declared a public nuisance by the City. [MCL 125.2652(c)i]</td>
<td>06-14-209-097</td>
<td>0.133</td>
<td>23548 HAZARDS SUBDIVISION OF SECTION 14; The North 44 feet of Lot 97</td>
</tr>
<tr>
<td>4</td>
<td>124 Burr Oak</td>
<td>&quot;Blighted.&quot; The property was declared a public nuisance by the City. [MCL 125.2652(c)i]</td>
<td>06-22-195-003</td>
<td>0.084</td>
<td>14502 BLEYKERS ADDITION E 3R OF S 5R OF LOT 127.</td>
</tr>
<tr>
<td>5</td>
<td>1100 S. Rose</td>
<td>&quot;Blighted.&quot; The property was declared a public nuisance by the City. [MCL 125.2652(c)i]</td>
<td>06-22-308-003</td>
<td>1.693</td>
<td>NEWELLS ADDITION The North 16 Rods of Lot 12, excluding the North 132ft. The East 1 Rods of the South 8 Rods of the North 16 Rods of Lot 13. The North 16 Rods of Lot 9, excluding the North 132ft. The North 16 Rods of the East 1/2 of Lot 10, excluding the North 132ft. The West 1/2 of the North 16.5 Rods of Lot 10, excluding the North 132ft. The North 16 Rods of Lot 11, excluding the North 132ft. Excluding that part of foregoing described land which lies Easterly of the following described line: Commencing at the northeast corner thereof; thence West parallel to the south line of Wall Street 14ft more-or-less for the point of beginning of this excluding; thence Southerly parallel to the relocated center line of South Rose Street to a point 19ft more-or-less West of the southeast corner of the foregoing described land for the place of ending. Also NEWELLS ADDITION The South 44ft of the North 176ft of the West 7 Rods of the East 8 Rods of Lot 13. Also NEWELLS ADDITION The North 8 Rods of Lot 9, excluding that portion lying easterly of the West right-of-way line of South Rose Street as relocated. The East 1/2 of the North 8 Rods of Lot 10.</td>
</tr>
</tbody>
</table>
Attachment D

Eligible Property Verification
NOTICE OF CONDEMNATION - HOUSING
05/11/2015

TURNER, RODNEY
724 BETH
KALAMAZOO, MI  49004

This notice is given under the Code of Ordinances of Kalamazoo, Michigan. Your rights, including any right of appeal, are set out in the Code of Ordinances herein referenced:

CASE NUMBER:  EN15-1762
PROPERTY ADDRESS:  110 BURR OAK ST   CCN#:  06-22-196-002

The above dwelling is CONDEMNED and shall be VACATED. It is the owner(s)/local agent responsibility to correct the conditions and schedule an inspection with the inspector(s) within 24 hours or commence legal action to vacate the premises and to provide our office with proof of the notice and court date. Failure to comply with this notice shall result in further legal action.

VIOLATIONS ARE ATTACHED
AS AUTHORIZED BY CHAPTER 17 OF THE KALAMAZOO CODE OF ORDINANCES,
Sec. 17-2: The above property is found to be UNFIT, A NUISANCE, AND IS HEREBY CONDEMNED due to serious violations of the Kalamazoo Housing Code.
Sec. 17-4: The premises SHALL NOT BE OCCUPIED until it is confirmed by inspection to be in compliance with all applicable provisions of this Chapter.
Sec. 17-9: No rent shall be recoverable during this condemnation and no action or special proceedings shall be maintained for possession of these premises for NON-PAYMENT OF RENT during the condemnation period.

NOTE: PERMITS WILL BE REQUIRED FOR ALL STRUCTURAL, ELECTRICAL, MECHANICAL, PLUMBING AND/OR HISTORICAL WORK.

A building remaining vacant and boarded longer than six months is deemed a “dangerous building” and may be subject to Dangerous Building Board proceedings. A building remaining vacant longer than one year becomes subject to zoning restrictions then in force which may affect its possible future uses. The property has been posted CONDEMNED. Do not remove the condemnation sign. If reposting becomes necessary, a $27 reposting charge will be recovered. Failure to pay any of the charges will result in a tax lien against the property.

Nancy Hess, Inspector
HessN@kalamazoocity.org

C:  DOUGLAS, LAURENCE
    34270 SHARON AVE
    PAW PAW, MI  49079

    Housing Inspection Supervisor
    Project Coordinator

CASE NUMBER:   EN15-1762

110 BURR OAK ST  <PENDING>
PROPERTY ADDRESS: 110 BURR OAK ST
CCN: 06-22-196-002

Principal Violations Include: Property unfit for occupancy.

INSPECTOR COMMENTS: Property suffered a major fire.
NOTICE OF CONDEMNATION - HOUSING
05/19/2017

ROEKLE, DWAIN & DELORIS
5513 FAIRVIEW RD
INDIAN TRAIL, NC  28079

This notice is given under the Code of Ordinances of Kalamazoo, Michigan. Your rights, including any right of appeal, are set out in the Code of Ordinances herein referenced:

CASE NUMBER:  EN17-1650
PROPERTY ADDRESS: 1015 ALBERT AVE   CCN#: 06-14-209-097

The above dwelling is CONDEMNED and shall be VACATED. It is the owner(s)/local agent responsibility to correct the conditions and schedule an inspection with the inspector(s) within 24 hours or commence legal action to vacate the premises and to provide our office with proof of the notice and court date. Failure to comply with this notice shall result in further legal action.

VIOLATIONS ARE ATTACHED

AS AUTHORIZED BY CHAPTER 17 OF THE KALAMAZOO CODE OF ORDINANCES,
  Sec. 17-2: The above property is found to be UNFIT, A NUISANCE, AND IS HEREBY CONDEMNED due to serious violations of the Kalamazoo Housing Code.
  Sec. 17-4: The premises SHALL NOT BE OCCUPIED until it is confirmed by inspection to be in compliance with all applicable provisions of this Chapter.
  Sec. 17-9: No rent shall be recoverable during this condemnation and no action or special proceedings shall be maintained for possession of these premises for NON-PAYMENT OF RENT during the condemnation period.

NOTE: PERMITS WILL BE REQUIRED FOR ALL STRUCTURAL, ELECTRICAL, MECHANICAL, PLUMBING AND/OR HISTORICAL WORK.

A building remaining vacant and boarded longer than six months is deemed a “dangerous building” and may be subject to Dangerous Building Board proceedings. A building remaining vacant longer than one year becomes subject to zoning restrictions then in force which may affect its possible future uses. This Notice of Condemnation has generated a $138 fee that will be invoiced separately. The property has been posted CONDEMNED. Do not remove the condemnation sign. If reposting becomes necessary, a $28 reposting charge will be invoiced. Failure to pay any of the charges will result in a tax lien against the property.

Marvella Vincent, Inspector   VincentM@kalamazoocity.org

C:

ROEKLE, DWAIN & DELORIS
5513 FAIRVIEW RD
INDIAN TRAIL, NC  28079

Housing Inspection Supervisor
Project Coordinator
CASE NUMBER:   EN17-1650
PROPERTY ADDRESS:   1015 ALBERT AVE
CCN:      06-14-209-097

Principal Violations Include:  604.3: Electrical systems that are dangerous to the occupants or the structure due to inadequate service, improper fusing, insufficient receptacle and lighting outlets, improper wiring or installation, deterioration or damage, or similar reasons, shall be corrected to eliminate the hazard.  [See IPMC for repair/replacement standards]

INSPECTOR COMMENTS: Per Consumer's Energy, no electric.
08/26/2020

REGARDING: Blight Condition of 1100 S. Rose [Parcel number 06-22-308-003]

The abandoned residential structure on the north side of the property facing Wall Street has been vacant and boarded for more than 30 days, the site has unexposed foundations along Wall St. that cause devaluation of the subject property or other properties in the area.

Chapter 21-2 Conditions. Blight

The City of Kalamazoo has determined that this property meets the definition of blighted property, this determination is based on the property located at 1100 S. Rose St. AKA 207 Wall St. being in violation of Chapter 9 — Building Regulations and/or Chapter 17 — Housing Code or Chapter 21 Nuisances of the City of Kalamazoo Code of Ordinances: are otherwise dangerous to human life or the public welfare; or that involve illegal or improper occupancy or inadequate maintenance; shall be deemed an unsafe condition. Unsafe structures shall be taken down and removed or made safe, as the building official deems necessary. A vacant structure that is not secured against casual entry shall be deemed unsafe.

Based on its current condition, it has been determined that this property is eligible to qualify for demolition /site clearance assistance and meets the definition of “blight” and such demolition prepares the site for future redevelopment in this area.

Property Status:  Vacant  Occupied  Single Family Residential  Multi-Family Residential

(4 units or Less)

Blight Criteria:

Public Nuisance according to Local Code Ordinance  Yes  No

Public Nuisance because of age, physical condition or use  Yes  No

Utilities/Plumbing/Heating/Sewage Ineffective  Yes  NoRonick510

Roger Iveson
Building Official
City of Kalamazoo
b. The proposed method of financing the costs of eligible activities of the Revised Brownfield Plan is feasible, and the Authority has the authority to arrange the necessary financing.

c. The description of eligible activities and their estimated costs are reasonable and necessary to carry out the purposes of Act 381, and

d. The amount of captured taxable value estimated to result from all parcels included in the Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED THAT:

The City of Kalamazoo Brownfield Redevelopment Authority approves the implementation of the Revised Act 381 Brownfield Plan for Scattered Site Infill Housing in Kalamazoo, Michigan and recommends the City Commission adopt a resolution approving this Brownfield Plan.

AYES: ______________________________________________________

NAYS: ______________________________________________________

RESOLUTION DECLARED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the Brownfield Redevelopment Authority at a regular meeting held on December 17, 2020. Public notice was given and the meeting was conducted in compliance with Emergency Order Under MCL 333.2253. Minutes of the meeting will be available as required by the Act.

Elizabeth Cheeseman
Recording Secretary
INTER-OFFICE MEMO

To: Brownfield Redevelopment Authority Board
From: Rebekah Kik, Community Planning & Economic Development Director
Prepared by Jamie McCarthy, Sustainable Development Coordinator
Date: December 14, 2020
Subject: Recommendation to approve the Development Agreement with Kalamazoo Neighborhood Housing Services for TIF reimbursement of eligible activities

BACKGROUND

The proposed project includes the redevelopment of four lots in the City’s Eastside and Vine neighborhoods for new residential infill housing. The projects work toward goals of the City’s Master Plan by increasing affordable housing stock and infill of vacant lots. Three of the residential homes will be single family homes and one multifamily home. All will be part of an affordable homeownership program managed by Kalamazoo Neighborhood Housing Services, Inc. (KNHS).

The developer will incur expenses for "eligible activities" in connection with the property, as defined in the Brownfield Redevelopment Financing Act of 1996 (“Act 381”) for lead and asbestos abatement, demolition, site preparation and infrastructure improvements.

The combined total capital investment on the projects will be greater than $500,000. The estimated expenses incurred for eligible activities is up to $111,420. According to the TIF capture and reimbursement schedules included in the approved brownfield plan, reimbursement for eligible activities could take up to 10 years, with an additional 5 years of capture to the Local Brownfield Revolving Fund.

RECOMMENDATION

It is recommended that the Brownfield Redevelopment Authority approve the Development Agreement between Kalamazoo Neighborhood Housing Services, Inc. to redevelop four formerly blighted parcels in the Eastside and Vine neighborhoods for new affordable residential housing.

ATTACHMENTS

N/A
INTER-OFFICE MEMO

To: Brownfield Redevelopment Authority Board
From: Rebekah Kik, Community Planning & Economic Development Director
Prepared by Jamie McCarthy, Sustainable Development Coordinator
Date: December 14, 2020
Subject: Approval of the Third Amendment to the Restated and Amended Brownfield Plan Development Agreement between Exchange Building, LLC and the Brownfield Redevelopment Authority

BACKGROUND

On October 20, 2011 the Brownfield Redevelopment Authority (BRA) and the predecessor to the current developer, Exchange Building, LLC entered into a Brownfield Plan Development Agreement. The agreement was amended on November 15, 2013 for the purpose of obtaining reimbursement for Eligible Costs as defined in the BRA Development Agreement. Further the BRA and Developer entered into Amendment No. 1 to Restated and Amended Development Agreement dated May 19, 2016, and that agreement was amended by Amendment No. 2 to Restated and Amended Development Agreement dated October 20, 2016.

On October 10, 2014 the Downtown Development Authority (DDA) signed an agreement with Developer to reimburse costs associated with streetscape improvements along and upon the public right-of-way and installing a snow melt system. On May 31, 2016 and October 19, 2016, the Developer and DDA amended this agreement changing the amount of reimbursement to the Developer to $1.3 million. The funds were anticipated to come from tax increment revenues DDA was entitled to receive.

The current balance due to Developer under the DDA Agreements is $1.3 million. However, DDA is unable to meet this financial obligation under DDA Agreements. The current balance due to Developer under the BRA Agreements is $7.7 million, less an advance of $500,000 that was received by Developer in 2018 and 2019.

Under the Third Amendment to the Restated and Amended Brownfield Plan Development Agreement, Developer will be reimbursed $8.5 million in Tax Increment Revenue (TIR) captured by the BRA for a period of up to 19 years. The Michigan Strategic Fund has approved state school tax capture for years 1 – 17. The remaining two years will be local-only capture. Five years of TIR will be captured to the Local Brownfield Redevelopment Fund, which is estimated at $1.06 million.

RECOMMENDATION

It is recommended that the Brownfield Redevelopment Authority approve the Third Amendment to the Restated and Amended Brownfield Plan Development Agreement between Exchange Building, LLC and BRA to support downtown redevelopment.

ATTACHMENTS

N/A
MEETING SCHEDULE NOTICE

The regular meeting schedule for the City of Kalamazoo Brownfield Redevelopment Authority for 2021 is below. All meetings begin at 7:30 AM EST and will be held at City Hall, 2nd Floor Community Room, unless otherwise noticed.

Regular Meetings of the Brownfield Redevelopment Authority (BRA):

- January 21, 2021
- February 18, 2021
- March 18, 2021
- April 15, 2021
- May 20, 2021
- June 17, 2021
- July 15, 2021
- August 19, 2021
- September 16, 2021
- October 21, 2021
- November 18, 2021
- December 16, 2021

Posted by: Jamie McCarthy
Community Planning & Economic Development

CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY
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