

# **ACT 381 BROWNFIELD PLAN**

## **700 Block of N Burdick**

**708 North Burdick Street**

**714 North Burdick Street**

**718 North Burdick Street**

**720 North Burdick Street**

**Kalamazoo County, City of Kalamazoo**

**City of Kalamazoo Brownfield Redevelopment Authority**

**01/06/2020**

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**Approved by the Brownfield Redevelopment Authority on January 16, 2020**

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## ACT 381 BROWNFIELD PLAN

### 1.0 INTRODUCTION

#### 1.1 Proposed Redevelopment and Future Use for Each Eligible Property

Located on neighborhood node of North & Burdick, in Kalamazoo's Northside, this project will convert three functionally obsolete structures on four parcels into a combination of mixed use and residential space. Both 708 N Burdick and 718 N Burdick will be transformed into mixed use projects. 708 N Burdick will have 6-7 residential units consisting of a combination of studio and one bedroom, one bath together with one commercial space. 714 N. Burdick has previously been converted into two residential apartments. 718 N. Burdick will be converted into a leasable space for a brewery complete with an outdoor beer garden. All residential units will share a common courtyard/ally way.

The proposed tenants for the initial facility are anticipated to bring approximately 5 new full-time equivalent jobs paying an average wage of \$15 per hour.

The total capital investment on the project is expected to be approximately \$1,294,154. Construction is going to be phased over two years. The building located at 708 N. Burdick is expected to be completed in 2020 and the building located at 718 N. Burdick is expected to be completed in 2021.

#### 1.2 Eligible Property Information

##### **Basis of Eligibility**

720 N. Burdick Street: Facility

The presence of petroleum-based contaminants, including 1,2-dichlorobenzene, Naphthalene, 1,2,4-trimethylbenzene, 1,3,5-trimethylbenzene and Xylenes in the soil at concentrations in excess of MDEQ Residential cleanup criteria parcel meets the definition of a "facility" as defined by Part 201 of the Natural Resources and Environmental Protection Act (NREPA).

718 N. Burdick Street: Adjacent and Contiguous to 720 N. Burdick

714 N. Burdick Street: Adjacent and Contiguous to 708 N. Burdick

708 N. Burdick Street: Functionally Obsolete

##### **Location and Legal Description**

708 N Burdick Street Parcel ID: 06-15-181-012 0.171 Acres  
Kalamazoo, MI 49007

Legal Description:

38364 T C SHELDONS ADDITION, Liber 3 of Plats Page 16; The North 56.5ft of the South 137ft of Lot 11 in Block 44. The North 56.5ft of the South 137ft of Lot 12 in Block 44. Also historically described as T C SHELDON ADDITION, Liber 3 of Plats Page 16; The North 52ft

11 inches of the South 133ft 05 inches of Lot 11 in Block 44 & the North 52ft 11 inches of the South 133ft 05 inches of Lot 12 in Block.

714 N Burdick Street  
Kalamazoo, MI 49007

Parcel ID: 06-15-181-121

0.085 Acres

Legal Description:

38362 T C SHELDONS ADDITION, Liber 3 of Plats Page 16; The North 28ft of Lot 11 in Block 44. The North 28ft of Lot 12 in Block 44. Historically described as T C SHELDONS ADDITION, Liber 3 of Plats Page 16; The North 31ft 07 inches of Lot 11 in Block 44 & the North 31ft 07 inches of Lot 12 in Block 44.

718 N Burdick Street  
Kalamazoo, MI 49007

Parcel ID: 06-15-181-120

0.125 Acres

Legal Description:

38324 T C SHELDONS ADDITION S 1/4 OF LOTS 1-2 BLK 44

720 N Burdick Street  
Kalamazoo, MI 49007

Parcel ID: 06-15-181-119

0.124 Acres

Legal Description:

38322 T C SHELDONS ADDITION N 1/2 OF S 1/2 OF LOTS 1-2 BLK 44

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

### **2.1 Description of Costs to Be Paid for With Tax Increment Revenues**

Tax increment revenues will be used to reimburse Zoo North, LLC (“Developer”) for the cost of eligible activities as authorized by the Brownfield Redevelopment Financing Act (Act 381). Only statutorily approved EGLE environmental eligible activities will be reimbursed with local and school tax increment revenues (TIR). The remaining eligible activities will be reimbursed with local TIR only.

The total cost of eligible activities including contingency are anticipated to be \$163,700. Authority administrative costs are anticipated to be \$17,548. Funding to the State Brownfield Redevelopment Fund is anticipated to be \$11,109. Capture to the Local Brownfield Revolving Fund (LBRF) is estimated to be \$62,896. The estimated cost of all eligible activities under this plan are summarized in Table 1.

#### Environmental Activities

Department specific activities considered under this plan may include a Phase I & Phase II Environmental Site Assessment (ESA), a Baseline Environmental Assessment (BEA) and a Due Care Plan.

#### 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 (BRA) 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 Phase I & Phase II ESA, BEA and Due Care Plan

Phase I & Phase II ESAs and BEA were completed by Envirollogic Technologies on the various parcels at different times in 2015 and 2016. The total cost for these services was \$15,000. This is a cost statutorily approved for reimbursement with school taxes.

### 2.2..2 Demolition

Demolition activities include selective interior demolition to remove existing build-out in addition to the existing mechanical and electrical systems. It will also include exterior site demolition of existing concrete and asphalt to facilitate the redevelopment of the building. Finally, and underground storage tank will be removed. The total cost of Demolition is estimated to be \$86,000.

### 2.2..3 Infrastructure Improvements

Infrastructure improvements include the repair and replacement of sidewalks along with the relocation of public utilities. The total cost of Infrastructure Improvements is estimated to be \$25,000.

### 2.2..4 Site Preparation

Site Preparation activities are expected to include surveying and staking of the Eligible Properties. The cost of site preparation activities is estimated to be \$3,000.

### 2.2..5 Contingency

A 15% contingency is included to account for any unanticipated costs that may be encountered while conducting the eligible activities. The contingency is \$17,100.

### 2.2..6 Brownfield Plan Preparation

The cost to prepare the Brownfield Plan is being incurred by the City of Kalamazoo and is anticipated to be \$5,000. Additionally, the BRA

application fee of \$2,600 will be incurred by the Developer and included in the plan as an eligible activity.

2.2..7 Brownfield Plan Implementation

The BRA is expected to incur costs associated with the implementation of this brownfield plan. The brownfield plan implementation costs are anticipated to be \$10,000.

2.2..8 Local Brownfield Revolving Fund

The Authority intends to capture school and non-school tax increments for deposit in the local brownfield revolving fund for a full five years. This capture is estimated to be \$62,896

**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 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 17 years. It is estimated that the redevelopment of the property will be completed in 2023 and that it could take up to 13 years to recapture eligible costs and eligible administrative costs of the authority through TIR. Capture of TIR is expected to begin in 2021, however could be delayed for up to 5 years after the approval of this plan as permitted by Act 381. In no event shall capture extend beyond 30 year as required 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**

The property consists of four parcels that are a combined 0.505 acres in size and are located at 708, 714, 718 & 720 N. Burdick Street (Parcel Identification Numbers 06-15-181-012; 06-15-181-121; 06-15-181-120; 06-15-181-119). A legal description of the property along with a scaled map showing eligible property dimensions, is attached as Figure 1.

The 708 parcel is considered "eligible property" due to functional obsolescence as determined by the City assessor, while the 720 parcel is considered "eligible property" as a result of contamination on the property which exceeds GRCC. The 714 & 718 Parcels qualify as adjacent and contiguous to the 708 and 720 parcels, respectively.

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

**2.9 Estimates of Residents and Displacement of Individuals/Families**

The parcel at 714 N. Burdick is currently and will remain two separate occupied apartment units, one of which is owned and occupied by the developer. None of the residents will be displaced as a result of this project.

**2.10 Plan for Relocation of Displaced Persons**

No persons will be displaced by this project. Therefore, this section is not applicable.

**2.11 Provisions for Relocation Costs**

No persons will be displaced by this project. Therefore, this section is not applicable.

**2.12 Strategy for Compliance with Michigan's Relocation Assistance Law**

No persons will be displaced by this project. Therefore, this section is not applicable.

**2.13 Other Material that the Authority or Governing Body Considers Pertinent**

None.

# Figure 1

## Legal Description and Eligible Property Map



### Legal Descriptions:

#### 708 N Burdick Street

38364 T C SHELDONS ADDITION, Liber 3 of Plats Page 16; The North 56.5ft of the South 137ft of Lot 11 in Block 44. The North 56.5ft of the South 137ft of Lot 12 in Block 44. Also historically described as T C SHELDON ADDITION, Liber 3 of Plats Page 16; The North 52ft 11 inches of the South 133ft 05 inches of Lot 11 in Block 44 & the North 52ft 11 inches of the South 133ft 05 inches of Lot 12 in Block.

#### 714 N Burdick Street

38362 T C SHELDONS ADDITION, Liber 3 of Plats Page 16; The North 28ft of Lot 11 in Block 44. The North 28ft of Lot 12 in Block 44. Historically described as T C SHELDONS ADDITION, Liber 3 of Plats Page 16; The North 31ft 07 inches of Lot 11 in Block 44 & the North 31ft 07 inches of Lot 12 in Block 44.

#### 718 N Burdick Street

38324 T C SHELDONS ADDITION S 1/4 OF LOTS 1-2 BLK 44

#### 720 N Burdick Street

38322 T C SHELDONS ADDITION N 1/2 OF S 1/2 OF LOTS 1-2 BLK 44

# **Table 1**

## **Eligible Activity Costs**

EGLE Eligible Activities Costs and Schedule		
EGLE Eligible Activities	Cost	Completion
		Season/Year
<b>Department Specific Activities</b>		
<i>Phase I ESA</i>	\$ 7,500	
<i>Phase II ESA</i>	\$ 2,500	
<i>Baseline Environmental Assessment</i>	\$ 5,000	
<b>EGLE Eligible Activities Sub-Total</b>	<b>\$ 15,000</b>	
<b>Brownfield Plan Preparation</b>	\$ -	
<b>EGLE Eligible Activities Total Costs</b>	<b>\$ 15,000</b>	
<b>MSF Eligible Activities Costs and Schedule</b>		
MSF Eligible Activities	Cost	Completion
		Season/Year
<b>Demolition</b>		
<i>Selective Interior Demolition</i>	\$ 55,000	
<i>Site demolition</i>	\$ 8,000	
<i>Underground Storage Tank Removal</i>	\$ 11,000	
<b>Sub-Total - Demolition</b>	<b>\$ 74,000</b>	
<b>Infrastructure Improvements</b>		
<i>Sidewalks in Right of Way</i>	\$ 5,000	
<i>Relocation of Utilities</i>	\$ 10,000	
<b>Subtotal – Infrastructure</b>	<b>\$ 15,000</b>	
<b>Site Preparation</b>		
<i>Surveying &amp; Staking</i>	\$ 2,500	
<b>Sub-Total – Site Prep</b>	<b>\$ 2,500</b>	
<b>MSF Eligible Activities Sub-Total</b>	<b>\$ 91,500</b>	
<b>Contingency (15%)</b>	<b>\$ 13,725</b>	
<b>Brownfield Plan Preparation</b>	<b>\$ 5,000</b>	
<b>Brownfield Plan Implementation</b>	<b>\$ 10,000</b>	
<b>MSF Eligible Activities Total Costs</b>	<b>\$ 120,225</b>	
<b>Local Only Activities Costs and Schedule</b>		
Local Only Eligible Activities	Cost	Completion
		Season/Year
<b>Demolition</b>		
<i>Selective Interior Demolition</i>	\$ 2,000	
<i>Site demolition -</i>	\$ 10,000	
<b>Sub-Total - Demolition</b>	<b>\$ 12,000</b>	
<b>Infrastructure Improvements</b>		
<i>Relocation of Utilities</i>	\$ 10,000	
<b>Subtotal – Infrastructure</b>	<b>\$ 10,000</b>	
<b>Site Preparation</b>		
<i>Surveying &amp; Staking</i>	\$ 500	
<b>Sub-Total – Site Prep</b>	<b>\$ 500</b>	
<b>Local Only Eligible Activities Sub-Total</b>	<b>\$ 22,500</b>	
<b>Contingency (15%)</b>	<b>\$ 3,375</b>	
<b>BRA Application Fee</b>	<b>\$ 2,600</b>	
<b>Local Only Eligible Activities Total Costs</b>	<b>\$ 28,475</b>	
<b>EGLE, MSF and Local Only Eligible Activities Total Costs</b>	<b>\$ 163,700</b>	

# **Table 2**

## **Tax Capture Schedule**

**Tax Increment Revenue Capture Estimates**

Zoo North, LLC  
708, 714, 718, 720 N. Burdick St.  
Kalamazoo, Michigan  
January 2020

Estimated Taxable Value (TV) Increase Rate: 1%

Plan Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TOTAL	
Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037		
*Base Taxable Value	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ 108,196	\$ -
Estimated New TV	\$ 239,098	\$ 373,700	\$ 377,437	\$ 381,211	\$ 385,023	\$ 388,874	\$ 392,762	\$ 396,690	\$ 400,657	\$ 404,664	\$ 408,710	\$ 412,797	\$ 416,925	\$ 421,095	\$ 425,305	\$ 429,559	\$ 433,854	\$ -	\$ -
Incremental Difference (New TV - Base TV)	\$ 130,902	\$ 265,504	\$ 269,241	\$ 273,015	\$ 276,827	\$ 280,678	\$ 284,566	\$ 288,494	\$ 292,461	\$ 296,468	\$ 300,514	\$ 304,601	\$ 308,729	\$ 312,899	\$ 317,109	\$ 321,363	\$ 325,658	\$ -	\$ -

School Capture	Millage Rate																			
State Education Tax (SET)	6.0000	\$ 785	\$ 1,593	\$ 1,615	\$ 1,638	\$ 1,661	\$ 1,684	\$ 1,707	\$ 1,731	\$ 1,755	\$ 1,779	\$ 1,803	\$ 1,828	\$ 1,852						\$ 21,432
School Operating Tax	17.8489	\$ 2,336	\$ 4,739	\$ 4,806	\$ 4,873	\$ 4,941	\$ 5,010	\$ 5,079	\$ 5,149	\$ 5,220	\$ 5,292	\$ 5,364	\$ 5,437	\$ 5,510						\$ 63,756
<b>School Total</b>	<b>23.8489</b>	<b>\$ 3,122</b>	<b>\$ 6,332</b>	<b>\$ 6,421</b>	<b>\$ 6,511</b>	<b>\$ 6,602</b>	<b>\$ 6,694</b>	<b>\$ 6,787</b>	<b>\$ 6,880</b>	<b>\$ 6,975</b>	<b>\$ 7,070</b>	<b>\$ 7,167</b>	<b>\$ 7,264</b>	<b>\$ 7,363</b>	<b>\$ -</b>	<b>\$ 85,188</b>				

Local Capture	Millage Rate																			
CITY OPERATING	12.0000	\$ 1,571	\$ 3,186	\$ 3,231	\$ 3,276	\$ 3,322	\$ 3,368	\$ 3,415	\$ 3,462	\$ 3,510	\$ 3,558	\$ 3,606	\$ 3,655	\$ 3,705	\$ 3,755	\$ 3,805	\$ 3,856	\$ 3,908	\$ -	\$ 58,188
CCTA	0.7500	\$ 98	\$ 199	\$ 202	\$ 205	\$ 208	\$ 211	\$ 213	\$ 216	\$ 219	\$ 222	\$ 225	\$ 228	\$ 232	\$ 235	\$ 238	\$ 241	\$ 244	\$ -	\$ 3,637
SOLID WASTE	1.8000	\$ 236	\$ 478	\$ 485	\$ 491	\$ 498	\$ 505	\$ 512	\$ 519	\$ 526	\$ 534	\$ 541	\$ 548	\$ 556	\$ 563	\$ 571	\$ 578	\$ 586	\$ -	\$ 8,728
KCTA	0.3145	\$ 41	\$ 84	\$ 85	\$ 86	\$ 87	\$ 88	\$ 89	\$ 91	\$ 92	\$ 93	\$ 95	\$ 96	\$ 97	\$ 98	\$ 100	\$ 101	\$ 102	\$ -	\$ 1,525
KVCC	2.8089	\$ 368	\$ 746	\$ 756	\$ 767	\$ 778	\$ 788	\$ 799	\$ 810	\$ 821	\$ 833	\$ 844	\$ 856	\$ 867	\$ 879	\$ 891	\$ 903	\$ 915	\$ -	\$ 13,620
COUNTY OPERATING - Summer	4.6810	\$ 613	\$ 1,243	\$ 1,260	\$ 1,278	\$ 1,296	\$ 1,314	\$ 1,332	\$ 1,350	\$ 1,369	\$ 1,388	\$ 1,407	\$ 1,426	\$ 1,445	\$ 1,465	\$ 1,484	\$ 1,504	\$ 1,524	\$ -	\$ 22,698
COUNTY OPERATING - Winter - Public Se	1.4472	\$ 189	\$ 384	\$ 390	\$ 395	\$ 401	\$ 406	\$ 412	\$ 418	\$ 423	\$ 429	\$ 435	\$ 441	\$ 447	\$ 453	\$ 459	\$ 465	\$ 471	\$ -	\$ 7,018
COUNTY HOUSING	0.0988	\$ 13	\$ 26	\$ 27	\$ 27	\$ 27	\$ 28	\$ 28	\$ 29	\$ 29	\$ 29	\$ 30	\$ 30	\$ 31	\$ 31	\$ 31	\$ 32	\$ 32	\$ -	\$ 479
COUNTY SENIOR	0.3500	\$ 46	\$ 93	\$ 94	\$ 96	\$ 97	\$ 98	\$ 100	\$ 101	\$ 102	\$ 104	\$ 105	\$ 107	\$ 108	\$ 110	\$ 111	\$ 112	\$ 114	\$ -	\$ 1,697
KRESA OPERATING	2.8946	\$ 379	\$ 769	\$ 779	\$ 790	\$ 801	\$ 812	\$ 824	\$ 835	\$ 847	\$ 858	\$ 870	\$ 882	\$ 894	\$ 906	\$ 918	\$ 930	\$ 943	\$ -	\$ 14,036
KRESA ALLOCATED	0.1444	\$ 19	\$ 38	\$ 39	\$ 39	\$ 40	\$ 41	\$ 41	\$ 42	\$ 42	\$ 43	\$ 43	\$ 44	\$ 45	\$ 45	\$ 46	\$ 46	\$ 47	\$ -	\$ 700
KRESA SPECIAL ED	1.4988	\$ 196	\$ 398	\$ 404	\$ 409	\$ 415	\$ 421	\$ 427	\$ 432	\$ 438	\$ 444	\$ 450	\$ 457	\$ 463	\$ 469	\$ 475	\$ 482	\$ 488	\$ -	\$ 7,268
KRESA ENHANCEMENT	1.5000	\$ 196	\$ 398	\$ 404	\$ 410	\$ 415	\$ 421	\$ 427	\$ 433	\$ 439	\$ 445	\$ 451	\$ 457	\$ 463	\$ 469	\$ 476	\$ 482	\$ 488	\$ -	\$ 7,274
KRESA CTE	1.0000	\$ 131	\$ 266	\$ 269	\$ 273	\$ 277	\$ 281	\$ 285	\$ 288	\$ 292	\$ 296	\$ 301	\$ 305	\$ 309	\$ 313	\$ 317	\$ 321	\$ 326	\$ -	\$ 4,849
KALAMAZOO LIBRARY	3.9487	\$ 517	\$ 1,048	\$ 1,063	\$ 1,078	\$ 1,093	\$ 1,108	\$ 1,124	\$ 1,139	\$ 1,155	\$ 1,171	\$ 1,187	\$ 1,203	\$ 1,219	\$ 1,236	\$ 1,252	\$ 1,269	\$ 1,286	\$ -	\$ 19,147
<b>Local Total</b>	<b>35.2369</b>	<b>\$ 4,613</b>	<b>\$ 9,356</b>	<b>\$ 9,487</b>	<b>\$ 9,620</b>	<b>\$ 9,755</b>	<b>\$ 9,890</b>	<b>\$ 10,027</b>	<b>\$ 10,166</b>	<b>\$ 10,305</b>	<b>\$ 10,447</b>	<b>\$ 10,589</b>	<b>\$ 10,733</b>	<b>\$ 10,879</b>	<b>\$ 11,026</b>	<b>\$ 11,174</b>	<b>\$ 11,324</b>	<b>\$ 11,475</b>	<b>\$ -</b>	<b>\$ 170,865</b>

Non-Capturable Millages	Millage Rate																			
COUNTY JUV. HOME DEBT	0.1873	\$ 25	\$ 50	\$ 50	\$ 51	\$ 52	\$ 53	\$ 53	\$ 54	\$ 55	\$ 56	\$ 56	\$ 57	\$ 58	\$ 59	\$ 59	\$ 60	\$ 61	\$ -	\$ 908
SCHOOL DEBT	8.2000	\$ 1,073	\$ 2,177	\$ 2,208	\$ 2,239	\$ 2,270	\$ 2,302	\$ 2,333	\$ 2,366	\$ 2,398	\$ 2,431	\$ 2,464	\$ 2,498	\$ 2,532	\$ 2,566	\$ 2,600	\$ 2,635	\$ 2,670	\$ -	\$ 39,762
KRESA DEBT	0.3650	\$ 48	\$ 97	\$ 98	\$ 100	\$ 101	\$ 102	\$ 104	\$ 105	\$ 107	\$ 108	\$ 110	\$ 111	\$ 113	\$ 114	\$ 116	\$ 117	\$ 119	\$ -	\$ 1,770
<b>Total Non-Capturable Taxes</b>	<b>8.7523</b>	<b>\$ 1,146</b>	<b>\$ 2,324</b>	<b>\$ 2,356</b>	<b>\$ 2,390</b>	<b>\$ 2,423</b>	<b>\$ 2,457</b>	<b>\$ 2,491</b>	<b>\$ 2,525</b>	<b>\$ 2,560</b>	<b>\$ 2,595</b>	<b>\$ 2,630</b>	<b>\$ 2,666</b>	<b>\$ 2,702</b>	<b>\$ 2,739</b>	<b>\$ 2,775</b>	<b>\$ 2,813</b>	<b>\$ 2,850</b>	<b>\$ -</b>	<b>\$ 42,440</b>

**Total Tax Increment Revenue (TIR) Available for Capture** \$ 7,734 \$ 15,688 \$ 15,908 \$ 16,131 \$ 16,357 \$ 16,584 \$ 16,814 \$ 17,046 \$ 17,280 \$ 17,517 \$ 17,756 \$ 17,998 \$ 18,242 \$ 11,026 \$ 11,174 \$ 11,324 \$ 11,475 \$ 256,053

\*\*If project includes more than one tax exemption (ex. NEZ, OPRA, etc.), complete table with one exemption on each tab plus a Totals tab

**Footnotes:**  
Personal Property tax capture, if any will be captured under this plan, but is not reflected in this table.

# **Table 3**

## **Reimbursement Schedule**

**Tax Increment Revenue Reimbursement Allocation Table**

**Zoo North, LLC**

708, 714, 718, 720 N. Burdick St.

Kalamazoo, Michigan

January 2020

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
<b>State</b>	<b>40.4%</b>			
<b>Local</b>	<b>59.6%</b>			
<b>TOTAL</b>				
MDEQ	11.1%			
MSF	88.9%			

Estimated Total Years of Plan: 17
--------------------------------------

Estimated Capture	\$ 256,053
Administrative Fees	\$ 17,086
State Brownfield Redevelopment Fund	\$ 10,716
Local Brownfield Revolving Fund	\$ 58,793

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	TOTAL	
Total State Incremental Revenue	\$ 3,122	\$ 6,332	\$ 6,421	\$ 6,511	\$ 6,602	\$ 6,694	\$ 6,787	\$ 6,880	\$ 6,975	\$ 7,070	\$ 7,167	\$ 7,264	\$ 7,363	\$ -	\$ -	\$ -	\$ -	\$ 85,188	
State Brownfield Redevelopment Fund (50% of SET)	\$ 393	\$ 797	\$ 808	\$ 819	\$ 830	\$ 842	\$ 854	\$ 865	\$ 877	\$ 889	\$ 902	\$ 914	\$ 926	\$ -	\$ -	\$ -	\$ -	\$ 10,716	
State TIR Available for Reimbursement	\$ 2,729	\$ 5,535	\$ 5,613	\$ 5,692	\$ 5,772	\$ 5,852	\$ 5,933	\$ 6,015	\$ 6,097	\$ 6,181	\$ 6,265	\$ 6,351	\$ 6,437	\$ -	\$ -	\$ -	\$ -	\$ 74,472	
Total Local Incremental Revenue	\$ 4,613	\$ 9,356	\$ 9,487	\$ 9,620	\$ 9,755	\$ 9,890	\$ 10,027	\$ 10,166	\$ 10,305	\$ 10,447	\$ 10,589	\$ 10,733	\$ 10,879	\$ 11,026	\$ 11,174	\$ 11,324	\$ 11,475	\$ 170,865	
BRA Administrative Fee (X%)	\$ 461	\$ 936	\$ 949	\$ 962	\$ 975	\$ 989	\$ 1,003	\$ 1,017	\$ 1,031	\$ 1,045	\$ 1,059	\$ 1,073	\$ 1,088	\$ 1,103	\$ 1,117	\$ 1,132	\$ 1,148	\$ 17,086	
Local TIR Available for Reimbursement	\$ 4,151	\$ 8,420	\$ 8,538	\$ 8,658	\$ 8,779	\$ 8,901	\$ 9,025	\$ 9,149	\$ 9,275	\$ 9,402	\$ 9,530	\$ 9,660	\$ 9,791	\$ 9,923	\$ 10,057	\$ 10,191	\$ 10,328	\$ 153,778	
<b>Total State &amp; Local TIR Available</b>	<b>\$ 6,880</b>	<b>\$ 13,955</b>	<b>\$ 14,152</b>	<b>\$ 14,350</b>	<b>\$ 14,551</b>	<b>\$ 14,753</b>	<b>\$ 14,957</b>	<b>\$ 15,164</b>	<b>\$ 15,372</b>	<b>\$ 15,583</b>	<b>\$ 15,796</b>	<b>\$ 16,010</b>	<b>\$ 16,227</b>	<b>\$ 9,923</b>	<b>\$ 10,057</b>	<b>\$ 10,191</b>	<b>\$ 10,328</b>	\$ 228,251	
<b>DEVELOPER</b>	Beginning Balance																		
<b>DEVELOPER Reimbursement Balance</b>	\$ 163,700	\$ 163,700	\$ 156,820	\$ 142,864	\$ 128,712	\$ 114,362	\$ 99,811	\$ 85,058	\$ 70,101	\$ 54,937	\$ 39,565	\$ 25,687	\$ 16,156	\$ 6,496	\$ 0	\$ -			
<b>MSF Non-Environmental Costs</b>	\$ 120,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State Tax Reimbursement	\$ 2,426	\$ 4,921	\$ 4,991	\$ 5,061	\$ 5,131	\$ 5,203	\$ 5,275	\$ 5,348	\$ 5,421	\$ 3,980								\$ 47,756	
Local Tax Reimbursement	\$ 3,691	\$ 7,486	\$ 7,591	\$ 7,698	\$ 7,805	\$ 7,914	\$ 8,023	\$ 8,134	\$ 8,246	\$ 5,880								\$ 72,469	
<b>Total MSF Reimbursement Balance</b>	<b>\$ 114,108</b>	<b>\$ 101,700</b>	<b>\$ 89,118</b>	<b>\$ 76,360</b>	<b>\$ 63,423</b>	<b>\$ 50,307</b>	<b>\$ 37,008</b>	<b>\$ 23,527</b>	<b>\$ 9,860</b>	<b>\$ -</b>								\$ 565,411	
<b>MDEQ Environmental Costs</b>	\$ 15,000																	\$ -	
State Tax Reimbursement	\$ 303	\$ 614	\$ 623	\$ 631	\$ 640	\$ 649	\$ 658	\$ 667	\$ 676	\$ 497								\$ 5,958	
Local Tax Reimbursement	\$ 460	\$ 934	\$ 947	\$ 960	\$ 974	\$ 987	\$ 1,001	\$ 1,015	\$ 1,029	\$ 734								\$ 9,042	
<b>Total MDEQ Reimbursement Balance</b>	<b>\$ 14,237</b>	<b>\$ 12,689</b>	<b>\$ 11,119</b>	<b>\$ 9,527</b>	<b>\$ 7,913</b>	<b>\$ 6,277</b>	<b>\$ 4,617</b>	<b>\$ 2,935</b>	<b>\$ 1,230</b>	<b>\$ -</b>								\$ 70,544	
<b>Local Only Costs</b>	\$ 28,475																	\$ -	
Local Tax Reimbursement										\$ 2,788	\$ 9,530	\$ 9,660	\$ 6,496					\$ -	
<b>Total Local Only Reimbursement Balance</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 28,475</b>	<b>\$ 25,687</b>	<b>\$ 16,156</b>	<b>\$ 6,496</b>	<b>\$ -</b>				\$ -	
<b>Total Annual Developer Reimbursement</b>	<b>\$ 6,880</b>	<b>\$ 13,955</b>	<b>\$ 14,152</b>	<b>\$ 14,350</b>	<b>\$ 14,551</b>	<b>\$ 14,753</b>	<b>\$ 14,957</b>	<b>\$ 15,164</b>	<b>\$ 15,372</b>	<b>\$ 13,878</b>	<b>\$ 9,530</b>	<b>\$ 9,660</b>	<b>\$ 6,496</b>					\$ -	
<b>LOCAL BROWNFIELD REVOLVING FUN</b>																			
<b>LBRF Deposits *</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,705	\$ 6,265	\$ 7,030					\$ 15,000	
Local Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,294	\$ 9,923	\$ 10,057	\$ 10,191	\$ 10,328	
<b>Total LBRF Capture</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,294</b>	<b>\$ 9,923</b>	<b>\$ 10,057</b>	<b>\$ 10,191</b>	<b>\$ 10,328</b>	\$ 58,793

\* Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from DEQ & Local TIR only.

Footnotes:

# **Attachment A**

## **Brownfield Plan Resolution(s)**

# **Attachment B**

## **Development and/or Reimbursement Agreement**

**Attachment D**  
**Verification of Facility Status**

**From:** [Gurnee, Michael \(EGLE\)](#)  
**To:** [Joe Agostinelli](#)  
**Cc:** [McCarthy, Jamie](#); [Heywood, David \(EGLE\)](#)  
**Subject:** [EXTERNAL EMAIL] RE: Facility Verification | 720 North Burdick, Kalamazoo  
**Date:** Monday, September 30, 2019 9:14:56 AM

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Hi, Joe –

According to the BEA report submitted in August 2015 for the property at 720 North Burdick Street, Kalamazoo (tax ID: 06-15-181-119), the property is indeed a facility. It does not appear that we have any information on the other three properties listed below, therefore EGLE makes no comment on the eligibility of 708, 714, and 718 North Burdick Street, Kalamazoo.

Please let me know if you have any questions or concerns. Thanks,

Mike Gurnee  
Brownfield Redevelopment Coordinator  
Kalamazoo District Office  
Michigan Department of Environment, Great Lakes, and Energy  
269-568-1291 | [GurneeM1@michigan.gov](mailto:GurneeM1@michigan.gov)  
[Follow Us](#) | [Michigan.gov/EGLE](http://Michigan.gov/EGLE)

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**From:** Joe Agostinelli <[JAgostinelli@southwestmichiganfirst.com](mailto:JAgostinelli@southwestmichiganfirst.com)>  
**Sent:** Sunday, September 29, 2019 9:32 AM  
**To:** Gurnee, Michael (EGLE) <[GurneeM1@michigan.gov](mailto:GurneeM1@michigan.gov)>  
**Cc:** McCarthy, Jamie <[mccarthyja@kalamazoocity.org](mailto:mccarthyja@kalamazoocity.org)>  
**Subject:** Facility Verification | 720 North Burdick, Kalamazoo

Hi Mike-

I am working with the City of Kalamazoo on a redevelopment of the 700 block of north Burdick and have been working with them to prepare a new brownfield plan and an Act 381 Work plan for MSF non-environmental eligible activities. The development consists of 4 parcels at 708, 714, 718 and 720 North Burdick. My understanding is that a BEA was conducted by Envirologic in 2015 for the 720 parcel, and that it is a Facility. The remaining 3 parcels will qualify for inclusion in a brownfield plan as either Functionally Obsolete, or adjacent and contiguous.

Could you confirm the Facility status of the 720 North Burdick parcel?

Thank you in advance for your assistance! Please feel free to call if there are any questions.

Regards,

**Joe Agostinelli** | partner

**southwest michigan first**  
**street** 261 East Kalamazoo Avenue | Suite 200 | Kalamazoo, MI 49007  
**mail** P.O. Box 50827 | Kalamazoo, MI 49005-0827  
**p** 269.553.9588 | **c** 269.567.0669  
[jagostinelli@southwestmichiganfirst.com](mailto:jagostinelli@southwestmichiganfirst.com)

## **Attachment E**

### **Affidavit of Functional Obsolescence**

AFFIDAVIT OF CITY OF KALAMAZOO ASSESSOR

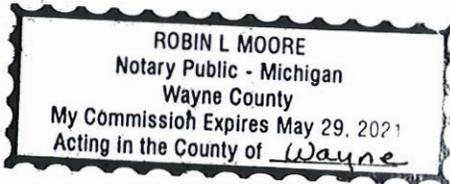
I, Aaron P. Powers, being duly sworn, states that if called upon will testify to the following facts:

1. I am employed by the City of Kalamazoo in the Management Services Department as the City Assessor.
2. I am a certified Michigan Master Assessing Officer (4).
3. I am familiar with the property located at 708N Burdick, in the City of Kalamazoo
4. This affidavit is given in accordance with MCL 125.2663(1) (h) and is made to confirm this property qualifies as 'Functionally Obsolete Property' as that term is defined under MCL 125.2652(r). The following facts, without limitation, form the basis for my expert opinion:
5. The property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

\_\_\_\_\_  
Aaron P. Powers, City Assessor

Subscribed and sworn to before me by Aaron Powers on November 21, 2019.

\_\_\_\_\_  
R. Moore, Notary Public  
Wayne County, Michigan  
Commission Expires: May 29, 2021  
Acting in Wayne County



Prepared by:  
Aaron P. Powers (R-6684)  
City Assessor  
241 West South Street  
Kalamazoo, MI 49008  
(269) 337-8011