

ACT 381 BROWNFIELD PLAN

**215 E. Michigan
Kalamazoo County, City of Kalamazoo
City of Kalamazoo Brownfield Redevelopment Authority**

May 23, 2023

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ACT 381 BROWNFIELD PLAN

1.0 INTRODUCTION

1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The proposed redevelopment consists of a single vacant parcel totaling 0.153 acres in the City of Kalamazoo which is a qualified local governmental unit (“QLGU”). This project will involve redeveloping a functionally obsolete property at 215 E Michigan Avenue and renovating the property into a commercial space occupied by a casual taco restaurant and taqueria, Barrio Taco. A proposed site plan is included as Attachment D to this brownfield plan.

Following the completion of the mixed-use project at 180 E Water Street and a revitalized downtown consumer market following COVID-19, this project will help serve the growing demand for additional dining downtown Kalamazoo and attract pedestrians to the Haymarket Plaza. The project is expected to create 20 new full-time equivalent positions paying an average wage of \$15 per hour.

The total capital investment on the project is expected to be approximately \$4 million. Construction on the project is planned to begin in 2023 and will be completed by 4th quarter 2023.

1.2 Eligible Property Information

Basis of Eligibility

The City of Kalamazoo Assessor, Aaron P. Powers, has determined that the property can no longer 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. The functionally obsolete nature of the property qualifies the site as eligible property under Act 381.

An Affidavit of Functional obsolescence is included as Attachment C.

Location and Legal Description

215 E. Michigan	Parcel ID: 06-15-378-098	0.153 Acres
Kalamazoo, MI 49008	Parcel ID: 06-83-022-029 (OPRA)	
	Parcel ID: 06-84-022-029 (OPRA)	

Legal Description:

276 ORIGINAL PLAT OF THE TOWN (NOW CITY) OF KALAMAZOO, Liber 6 of Plats Page 8; Commencing on the north line of East Michigan Avenue at a point South 60 degrees West 264.81 feet from the west line of North Edwards Street; thence North 30 degrees West 100 feet parallel with the west line of North Edwards Street; thence

South 60 degrees West 66.83 feet parallel with the north line of East Michigan Avenue; thence South 30 degrees East 100 feet parallel with the west line of North Edwards Street to the north line of East Michigan Avenue; thence North 60 degrees East 66.83 feet along the north line of East Michigan Avenue to the point of beginning.

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 215 EM Partners LLC ("Developer:") for the cost of eligible activities as authorized by the Brownfield Redevelopment Financing Act ("Act 381"). It is anticipated that an Act 381 Work Plan will be pursued and upon approval by the Michigan Strategic Fund (MSF), non-environmental eligible activities and 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 \$263,923. Authority administrative costs are anticipated to be \$21,847. Funding to the State Brownfield Redevelopment Fund is anticipated to be \$31,682. Capitalization of the Local Brownfield Revolving Fund is estimated to be \$115,771. The estimated cost of all eligible activities under this plan are summarized in Table 1.

Environmental Activities

Department specific activities considered under this plan include a Phase I & Phase II Environmental Site Assessment ("ESA") and a Hazardous Materials Survey.

Non-Environmental Activities

Because the City of Kalamazoo is a 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/or 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 Phase I & Phase II ESA, BEA and Due Care Plan

A Phase I and limited Phase II ESA was completed when the properties were acquired. The total cost for these services was \$21,100. This is a cost statutorily approved for reimbursement with school taxes.

2.2..2 Demolition

Demolition activities will include selective interior demolition and limited site demolition. Demolition planning & design is also included as an eligible activity. The total cost of demolition activities is anticipated to be \$54,000.

2.2..3 Lead, Asbestos & Mold Abatement

The building contains know lead and asbestos which will be abated as part of the project at anticipated cost of \$78,000.

2.2..4 Infrastructure Improvements

Infrastructure improvement activities will include the construction and repair of curbs and gutters on the site. The cost of infrastructure improvement activities is estimated to be \$5,000.

2.2..5 Site Preparation

Site Preparation activities are expected to include Survey and Staking, temporary traffic, site and access control, and temporary facilities. Engineering and design of these activities are also included as eligible activities. The cost of site preparation activities is estimated to be \$19,500.

2.2..6 Contingency

A 15% contingency is included to account for any unanticipated costs that may be encountered while conducting the eligible activities. The contingency is \$23,475.

2.2..7 Interest

Financing costs associated with the developer's eligible activities are included as an eligible activity. Interest will be capped at 20% of the non-interest eligible activities. The financing costs associated with eligible activities are anticipated to be \$42,848.

2.2..8 Brownfield Plan and Act 381 Work Preparation

The cost to prepare the Brownfield Plan and Act 381 Work Plan is anticipated to be \$20,000.

2.2..9 Local Brownfield Revolving Fund

The Authority intends to capture school and non-school tax increments for deposit in the local brownfield revolving fund for five years. This capture is estimated to be \$115,771.

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. The Kalamazoo Downtown Economic Growth Authority ("DEGA") is waiving their capture on this parcel.

2.4 Method of Financing and Description of Advances Made by the Municipality

The cost of the Eligible Activities included in the Plan will initially be paid for by the Talbot and they will seek reimbursement through local and school property tax increment during the term of the Plan Amendment.

2.5 Maximum Amount of Note or Bonded Indebtedness

No bonds or notes will be issued by the Authority for the Project.

2.6 Duration of Brownfield Plan

The duration of this plan is estimated to be 17 years, plus an additional five years of capture to the Local Brownfield Revolving Fund. It is estimated that the redevelopment of the property will be completed in 2023 and that full recapture of eligible costs and eligible administrative costs of the authority will continue until at least 2045, assuming an Act 381 Work plan is approved by the MSF. Capture of TIR is expected to begin in 2024. 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 a single parcel which is 0.153 acres in size and is located at 215 E. Michigan in the City of Kalamazoo, Kalamazoo County (Parcel Identification Number 06-15-378-098). A legal description of the property along with a scaled map showing eligible property dimensions, is attached as Figure 1.

The City of Kalamazoo Assessor, Aaron P. Powers, has determined that the property can no longer 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. The functionally obsolete nature of the property qualifies the site as eligible property under Act 381.

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

2.9 Estimates of Residents and Displacement of Individuals/Families

No persons reside at the property therefore this section is not applicable.

2.10 Plan for Relocation of Displaced Persons

No persons reside at the property thus none will be displaced. Therefore, this section is not applicable.

2.11 Provisions for Relocation Costs

No persons reside at the property thus none will be displaced. Therefore, this section is not applicable.

2.12 Strategy for Compliance with Michigan's Relocation Assistance Law

No persons reside at the property thus none will be displaced. 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 Description:

276 ORIGINAL PLAT OF THE TOWN (NOW CITY) OF KALAMAZOO, Liber 6 of Plats Page 8;
Commencing on the north line of East Michigan Avenue at a point South 60 degrees West 264.81 feet from the west line of North Edwards Street; thence North 30 degrees West 100 feet parallel with the west line of North Edwards Street; thence South 60 degrees West 66.83 feet parallel with the north line of East Michigan Avenue; thence South 30 degrees East 100 feet parallel with the west line of North Edwards Street to the north line of East Michigan Avenue; thence North 60 degrees East 66.83 feet along the north line of East Michigan Avenue to the point of beginning.

Table 1

Eligible Activity Costs

EGLE Eligible Activities Costs and Schedule		
EGLE Eligible Activities	Cost	Completion Season/Year
Department Specific Activities Sub-Total	\$ 21,100	Winter 2023
<i>Phase I & Phase II Environmental Site Assessment</i>	\$ 15,000	
<i>Hazardous Material Survey</i>	\$ 6,100	
EGLE Eligible Activities Sub-Total	\$ 21,100	
MSF Eligible Activities Costs and Schedule		
MSF Eligible Activities	Cost	Completion Season/Year
Demolition Sub-Total	\$ 54,000	Summer 2023
<i>Site Demolition</i>	\$ 2,000	
<i>Building Demolition</i>	\$ 40,000	
<i>Demolition Planning</i>	\$ 12,000	
Lead, Asbestos, Mold Abatement Sub-Total	\$ 78,000	Summer 2023
<i>Lead, Asbestos, Mold Abatement Sub-Total</i>	\$ 78,000	
Infrastructure Improvements Sub-Total	\$ 5,000	Summer 2023
<i>Curbs and Gutters</i>	\$ 5,000	
Site Preparation Sub-Total	\$ 19,500	Summer 2023
<i>Geotechnical Engineering</i>	\$ 5,000	
<i>Survey and Staking</i>	\$ 5,000	
<i>Temporary traffic, site and access control</i>	\$ 2,000	
<i>Temporary facility</i>	\$ 7,500	
MSF Eligible Activities Sub-Total	\$ 156,500	
Interest- State and Local (5%)	\$ 42,848	
Contingency (15%)	\$ 23,475	
Brownfield Plan & Act 381 Work Plan Preparation	\$ 20,000	Winter 2023
Total Brownfield Eligible Activities	\$ 263,923	

Table 2

Tax Capture Schedule

Tax Increment Revenue Capture Estimates
 215 E. Michigan Avenue
 Kalamazoo, Michigan
 March 2023

		OPRA Period																
		1%																
Year of Plan	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
Initial Taxabl Value	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	
Future Taxable Value	\$ 616,500	\$ 622,665	\$ 628,892	\$ 635,181	\$ 641,532	\$ 647,948	\$ 654,427	\$ 660,971	\$ 667,581	\$ 674,257	\$ 681,000	\$ 687,810	\$ 694,688	\$ 701,635	\$ 708,651	\$ 715,737	\$ 722,895	
Increment Available for Capture	\$ 410,764	\$ 416,929	\$ 423,156	\$ 429,445	\$ 435,796	\$ 442,212	\$ 448,691	\$ 455,235	\$ 461,845	\$ 468,521	\$ 475,264	\$ 482,074	\$ 488,952	\$ 495,899	\$ 502,915	\$ 510,001	\$ 517,159	

School Capture	Millage Rate																	
State Education Tax (SET)	6.0000	\$ 2,465	\$ 2,502	\$ 2,539	\$ 2,577	\$ 2,615	\$ 2,653	\$ 2,692	\$ 2,731	\$ 2,771	\$ 2,811	\$ 2,852	\$ 2,892	\$ 2,934	\$ 2,975	\$ 3,017	\$ 3,060	\$ 3,103
School Operating Tax	17.6757	\$ 7,261	\$ 7,370	\$ 7,480	\$ 7,591	\$ 7,703	\$ 7,816	\$ 7,931	\$ 8,047	\$ 8,163	\$ 8,281	\$ 8,401	\$ 8,521	\$ 8,643	\$ 8,765	\$ 8,889	\$ 9,015	\$ 9,141
School Total	23.6757	\$ 9,725	\$ 9,871	\$ 10,019	\$ 10,167	\$ 10,318	\$ 10,470	\$ 10,623	\$ 10,778	\$ 10,935	\$ 11,093	\$ 11,252	\$ 11,413	\$ 11,576	\$ 11,741	\$ 11,907	\$ 12,075	\$ 12,244

Local Capture	Millage Rate																					
County Public Safety	1.4380											\$ 693	\$ 703	\$ 713	\$ 723	\$ 733	\$ 744					
County 911	0.6487											\$ 313	\$ 317	\$ 322	\$ 326	\$ 331	\$ 335					
County Housing	0.7485											\$ 361	\$ 366	\$ 371	\$ 376	\$ 382	\$ 387					
County Seniors	0.3477											\$ 168	\$ 170	\$ 172	\$ 175	\$ 177	\$ 180					
KRESA CTE	0.9942											\$ 479	\$ 486	\$ 493	\$ 500	\$ 507	\$ 514					
KRESA Operating	3.0210											\$ 1,456	\$ 1,477	\$ 1,498	\$ 1,519	\$ 1,541	\$ 1,562					
KRESA Enhancement	1.4977											\$ 722	\$ 732	\$ 743	\$ 753	\$ 764	\$ 775					
KRESA Special Ed	1.5000											\$ 723	\$ 733	\$ 744	\$ 754	\$ 765	\$ 776					
Kal Public Library	3.9117											\$ 1,886	\$ 1,913	\$ 1,940	\$ 1,967	\$ 1,995	\$ 2,023					
City Operating	12.0000											\$ 5,785	\$ 5,867	\$ 5,951	\$ 6,035	\$ 6,120	\$ 6,206					
City Solid Waste	1.8000											\$ 868	\$ 880	\$ 893	\$ 905	\$ 918	\$ 931					
Cen Cnty Transit	0.7500											\$ 362	\$ 367	\$ 372	\$ 377	\$ 383	\$ 388					
County Operating	4.6514											\$ 2,242	\$ 2,274	\$ 2,307	\$ 2,339	\$ 2,372	\$ 2,406					
County Transit	0.3124											\$ 151	\$ 153	\$ 155	\$ 157	\$ 159	\$ 162					
KVCC	2.7918											\$ 1,346	\$ 1,365	\$ 1,384	\$ 1,404	\$ 1,424	\$ 1,444					
Kalamazoo DDA	1.9638											\$ 947	\$ 960	\$ 974	\$ 988	\$ 1,002	\$ 1,016					
Local Total	38.37690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,500	\$ 18,764	\$ 19,031	\$ 19,300	\$ 19,572	\$ 19,847

Non-Capturable Millages	Millage Rate																					
County Debt	0.1685												\$ 81	\$ 82	\$ 84	\$ 85	\$ 86	\$ 87				
School Debt	8.2000												\$ 3,953	\$ 4,009	\$ 4,066	\$ 4,124	\$ 4,182	\$ 4,241				
Total Non-Capturable Taxes	8.2000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,034	\$ 4,092	\$ 4,150	\$ 4,209	\$ 4,268	\$ 4,328

TIR Available for Capture \$ 9,725 \$ 9,871 \$ 10,019 \$ 10,167 \$ 10,318 \$ 10,470 \$ 10,623 \$ 10,778 \$ 10,935 \$ 11,093 \$ 11,252 \$ 11,413 \$ 11,576 \$ 11,741 \$ 11,907 \$ 12,075 \$ 12,244

Footnotes:
 12 Year OPRA tax abatement expires 12/31/2034

Tax Increment Revenue Capture Estimates

215 E. Michigan Avenue
Kalamazoo, Michigan
March 2023

	18	19	20	21	22	TOTAL
	2041	2042	2043	2044	2045	
	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ 205,736	\$ -
Fu	\$ 730,124	\$ 737,425	\$ 744,799	\$ 752,247	\$ 759,770	\$ -
Increment Av:	\$ 524,388	\$ 531,689	\$ 539,063	\$ 546,511	\$ 554,034	\$ -

School Capture	Millage Rate						
State Education Tax (SET)	6.0000	\$ 3,146	\$ 3,190	\$ 3,234	\$ 3,279	\$ 3,324	\$ 63,363
School Operating Tax	17.6757	\$ 9,269	\$ 9,398	\$ 9,528	\$ 9,660	\$ 9,793	\$ 186,665
School Total	23.6757	\$ 12,415	\$ 12,588	\$ 12,763	\$ 12,939	\$ 13,117	\$ 250,028

Local Capture	Millage Rate						
County Public Safety	1.4380	\$ 754	\$ 765	\$ 775	\$ 786	\$ 797	\$ 8,186
County 911	0.6487	\$ 340	\$ 345	\$ 350	\$ 355	\$ 359	\$ 3,693
County Housing	0.7485	\$ 393	\$ 398	\$ 403	\$ 409	\$ 415	\$ 4,261
County Seniors	0.3477	\$ 182	\$ 185	\$ 187	\$ 190	\$ 193	\$ 1,979
KRESA CTE	0.9942	\$ 521	\$ 529	\$ 536	\$ 543	\$ 551	\$ 5,660
KRESA Operating	3.0210	\$ 1,584	\$ 1,606	\$ 1,629	\$ 1,651	\$ 1,674	\$ 17,198
KRESA Enhancement	1.4977	\$ 785	\$ 796	\$ 807	\$ 819	\$ 830	\$ 8,526
KRESA Special Ed	1.5000	\$ 787	\$ 798	\$ 809	\$ 820	\$ 831	\$ 8,539
Kal Public Library	3.9117	\$ 2,051	\$ 2,080	\$ 2,109	\$ 2,138	\$ 2,167	\$ 22,268
City Operating	12.0000	\$ 6,293	\$ 6,380	\$ 6,469	\$ 6,558	\$ 6,648	\$ 68,312
City Solid Waste	1.8000	\$ 944	\$ 957	\$ 970	\$ 984	\$ 997	\$ 10,247
Cen Cnty Transit	0.7500	\$ 393	\$ 399	\$ 404	\$ 410	\$ 416	\$ 4,270
County Operating	4.6514	\$ 2,439	\$ 2,473	\$ 2,507	\$ 2,542	\$ 2,577	\$ 26,479
County Transit	0.3124	\$ 164	\$ 166	\$ 168	\$ 171	\$ 173	\$ 1,778
KVCC	2.7918	\$ 1,464	\$ 1,484	\$ 1,505	\$ 1,526	\$ 1,547	\$ 15,893
Kalamazoo DDA	1.9638	\$ 1,030	\$ 1,044	\$ 1,059	\$ 1,073	\$ 1,088	\$ 11,179
Local Total	38.37690	\$ 20,124	\$ 20,405	\$ 20,688	\$ 20,973	\$ 21,262	\$ 218,468

Non-Capturable Millages	Millage Rate						
County Debt	0.1685	\$ 88	\$ 90	\$ 91	\$ 92	\$ 93	\$ 959
School Debt	8.2000	\$ 4,300	\$ 4,360	\$ 4,420	\$ 4,481	\$ 4,543	\$ 46,680
Total Non-Capturable Taxes	8.2000	\$ 4,388	\$ 4,449	\$ 4,511	\$ 4,573	\$ 4,636	\$ 47,639

TIR Available for Ca \$ 32,540 \$ 32,993 \$ 33,450 \$ 33,912 \$ 34,379 \$ 468,496

Footnotes:
12 Year OPRA tax abatement expires 12/31/2034

Table 3

Reimbursement Schedule

Tax Increment Revenue Reimbursement Allocation Table
 215 E. Michigan Avenue
 Kalamazoo, Michigan
 March 2023

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State		38.2%		
Local		61.8%		
TOTAL				
EGLE	8.0%			
MSF	92.0%			

Estimated Total
Years of Plan: 22

Estimated Capture	\$ 468,496
Administrative Fees	\$ 21,847
State Brownfield Redevelopment Fund	\$ 31,682
Local Brownfield Revolving Fund	\$ 115,771

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Total State Incremental Revenue	\$ 9,725	\$ 9,871	\$ 10,019	\$ 10,167	\$ 10,318	\$ 10,470	\$ 10,623	\$ 10,778	\$ 10,935	\$ 11,093	\$ 11,252	\$ 11,413	\$ 11,576	\$ 11,741	\$ 11,907	\$ 12,075	\$ 12,244
State Brownfield Redevelopment Fund (50% of SET)	\$ (1,232)	\$ (1,251)	\$ (1,269)	\$ (1,288)	\$ (1,307)	\$ (1,327)	\$ (1,346)	\$ (1,366)	\$ (1,386)	\$ (1,406)	\$ (1,426)	\$ (1,446)	\$ (1,467)	\$ (1,488)	\$ (1,509)	\$ (1,530)	\$ (1,551)
State TIR Available for Reimbursement	\$ 8,493	\$ 8,620	\$ 8,749	\$ 8,879	\$ 9,010	\$ 9,143	\$ 9,277	\$ 9,412	\$ 9,549	\$ 9,687	\$ 9,826	\$ 9,967	\$ 10,109	\$ 10,253	\$ 10,398	\$ 10,545	\$ 10,693
Total Local Incremental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,500	\$ 18,764	\$ 19,031	\$ 19,300	\$ 19,572	\$ 19,847
BRA Administrative Fee (10%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,850)	\$ (1,876)	\$ (1,903)	\$ (1,930)	\$ (1,957)	\$ (1,985)
Local TIR Available for Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,650	\$ 16,888	\$ 17,128	\$ 17,370	\$ 17,615	\$ 17,862
Total State & Local TIR Available	\$ 8,493	\$ 8,620	\$ 8,749	\$ 8,879	\$ 9,010	\$ 9,143	\$ 9,277	\$ 9,412	\$ 9,549	\$ 9,687	\$ 9,826	\$ 26,618	\$ 26,997	\$ 27,381	\$ 27,768	\$ 28,160	\$ 28,555

DEVELOPER	Beginning Balance	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
DEVELOPER Reimbursement Balance	\$ 263,923	\$ 255,430	\$ 246,810	\$ 238,061	\$ 229,182	\$ 220,171	\$ 211,028	\$ 201,751	\$ 192,339	\$ 182,790	\$ 173,103	\$ 163,277	\$ 136,659	\$ 109,662	\$ 82,281	\$ 54,512	\$ 26,353	\$ -

MSF Non-Environmental Costs	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
MSF Non-Environmental Costs	\$ 242,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Reimbursement	\$ 7,814	\$ 7,931	\$ 8,050	\$ 8,169	\$ 8,290	\$ 8,412	\$ 8,535	\$ 8,660	\$ 8,786	\$ 8,913	\$ 9,041	\$ 9,170	\$ 9,301	\$ 9,433	\$ 9,567	\$ 9,702	\$ 9,251
Local Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,319	\$ 15,538	\$ 15,759	\$ 15,982	\$ 16,207	\$ 14,995
Total MSF Reimbursement Balance	\$ 235,009	\$ 227,078	\$ 219,028	\$ 210,859	\$ 202,569	\$ 194,157	\$ 185,622	\$ 176,962	\$ 168,176	\$ 159,264	\$ 150,223	\$ 125,733	\$ 100,894	\$ 75,702	\$ 50,154	\$ 24,246	\$ -

EGLE Environmental Costs	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
EGLE Environmental Costs	\$ 21,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Reimbursement	\$ 679	\$ 689	\$ 699	\$ 710	\$ 720	\$ 731	\$ 742	\$ 752	\$ 763	\$ 774	\$ 786	\$ 797	\$ 808	\$ 820	\$ 831	\$ 843	\$ 804
Local Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,331	\$ 1,350	\$ 1,369	\$ 1,389	\$ 1,408	\$ 1,303
Total EGLE Reimbursement Balance	\$ 20,421	\$ 19,732	\$ 19,032	\$ 18,323	\$ 17,602	\$ 16,871	\$ 16,130	\$ 15,377	\$ 14,614	\$ 13,839	\$ 13,054	\$ 10,926	\$ 8,767	\$ 6,578	\$ 4,358	\$ 2,107	\$ -

Accrued Interest	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
Accrued Interest	5%	\$ 13,196	\$ 12,772	\$ 12,340	\$ 11,903	\$ 11,459	\$ 11,009	\$ 10,551	\$ 10,088	\$ 9,617	\$ 9,140	\$ 8,655	\$ 8,164	\$ 7,663	\$ 7,158	\$ 6,641	\$ 6,104	
Interest Reimbursement																		
Outstanding Interest Balance		\$ 13,196	\$ 25,968	\$ 38,308	\$ 50,211	\$ 61,670	\$ 72,679	\$ 83,230	\$ 93,318	\$ 102,935	\$ 112,074	\$ 120,729	\$ 128,893	\$ 135,726	\$ 141,209	\$ 145,323	\$ 148,049	\$ 149,367
Total Annual Developer Reimbursement		\$ 8,493	\$ 8,620	\$ 8,749	\$ 8,879	\$ 9,010	\$ 9,143	\$ 9,277	\$ 9,412	\$ 9,549	\$ 9,687	\$ 9,826	\$ 26,618	\$ 26,997	\$ 27,381	\$ 27,768	\$ 28,160	\$ 26,353

LOCAL BROWNFIELD REVOLVING FUND	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
LBRF Deposits *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 638
Local Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,564
Total LBRF Capture																	\$ 2,202

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

Footnotes:
 MSF Authorized School tax capture for DEGA expires in 2034
 OPRA Tax abatement Expires in 2034
 Existing DEGA TIF plan expires in 2048

Tax Incremental Revenue Reimbursement Allocation Table
 215 E. Michigan Avenue
 Kalamazoo, Michigan
 March 2023

	2041	2042	2043	2044	2045	TOTAL
Total State Incremental Revenue	\$ 12,415	\$ 12,588	\$ 12,763	\$ 12,939	\$ 13,117	\$ 250,028
State Brownfield Redevelopment Fund (50% of S	\$ (1,573)	\$ (1,595)	\$ (1,617)	\$ (1,640)	\$ (1,662)	\$ (31,682)
State TIR Available for Reimbursement	\$ 10,842	\$ 10,993	\$ 11,146	\$ 11,300	\$ 11,455	\$ 218,347
Total Local Incremental Revenue	\$ 20,124	\$ 20,405	\$ 20,688	\$ 20,973	\$ 21,262	\$ 218,468
BRA Administrative Fee (10%)	\$ (2,012)	\$ (2,040)	\$ (2,069)	\$ (2,097)	\$ (2,126)	\$ (21,847)
Local TIR Available for Reimbursement	\$ 18,112	\$ 18,364	\$ 18,619	\$ 18,876	\$ 19,136	\$ 196,621
						\$ -
Total State & Local TIR Available	\$ 28,954	\$ 29,357	\$ 29,764	\$ 30,176	\$ 30,591	\$ 414,967
						\$ -
						\$ -
DEVELOPER						\$ -
DEVELOPER Reimbursement Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,723,408
						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
						\$ -
MSF Non-Environmental Costs						\$ -
State Tax Reimbursement						\$ 149,024
Local Tax Reimbursement						\$ 93,799
Total MSF Reimbursement Balance					\$ -	\$ 242,823
						\$ -
EGLE Environmental Costs						\$ -
State Tax Reimbursement						\$ 12,949
Local Tax Reimbursement						\$ 8,151
Total EGLE Reimbursement Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,100
						\$ -
Accrued Interest	\$ -					\$ 149,367
Interest Reimbursement						\$ -
Outstanding Interest Balance	\$ 149,367	\$ 149,367	\$ 149,367	\$ 149,367	\$ 149,367	
						\$ -
Total Annual Developer Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,923
						\$ -
LOCAL BROWNFIELD REVOLVING FUND						\$ -
LBRF Deposits *						\$ -
State Tax Capture	\$ 10,842	\$ 9,620				\$ 21,100
Local Tax Capture	\$ 18,112	\$ 18,364	\$ 18,619	\$ 18,876	\$ 19,136	\$ 94,671
Total LBRF Capture	\$ 28,954	\$ 27,984	\$ 18,619	\$ 18,876	\$ 19,136	\$ 115,771

* Up to five years of capture for LBRF Deposits :

Footnotes:

MSF Authorized School tax capture for DEGA exp
 OPRA Tax abatement Expires in 2034
 Existing DEGA TIF plan expires in 2048

Attachment A

Brownfield Plan Resolutions

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY**

**A RESOLUTION APPROVING THE IMPLEMENTATION OF
AN ACT 381 BROWNFIELD PLAN FOR
215 E. MICHIGAN AVENUE AND
RECOMMENDING ADOPTION BY THE
CITY COMMISSION**

Minutes of a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority (“BRA”) held on June 15, 2023 at 7:45 a.m., local time at 245 N. Rose Street, Ste. 100 in Kalamazoo, Michigan.

PRESENT: Directors Ferraro, Gurnee, Novotny, Middleton, Bair, and Commissioner

Decker

ABSENT: Directors Schipper, Bolton, Hess, Greeley, and Gulau

The following resolution was offered by Member Ferraro and seconded by Member Bair.

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 proposed Act 381 Brownfield Plan for 215 E. Michigan Avenue.

C. A public hearing was held by the Authority on June 15, 2023, on the Brownfield Plan for 215 E. Michigan Avenue, Kalamazoo; notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any parcels within the Brownfield Plan, as required by Act 381.

D. Following the public hearing on the 215 E. Michigan Avenue Brownfield Plan, 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.

- b. The proposed method of financing the costs of eligible activities of the 215 E. Michigan Avenue 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 the 215 E. Michigan Avenue Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED THAT:

The City of Kalamazoo Brownfield Redevelopment Authority approves the implementation of the Act 381 Brownfield Plan for 215 E. Michigan Avenue in Kalamazoo and recommends the City Commission adopt a resolution approving this Brownfield Plan.

AYES: Directors Ferraro, Gurnee, Novotny, Middleton, Bair, and Commissioner Decker

NAYS: None

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 May 15, 2023. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.

Beth Cheeseman

Elizabeth Cheeseman
Recording Secretary

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. 23-36

**A RESOLUTION APPROVING THE ACT 381 BROWNFIELD PLAN
FOR 215 E MICHIGAN AVENUE**

Minutes of a regular meeting of the City Commission of the City held on July 5, 2023 at 7:00 p.m., local time, at 241 W. South Street, Kalamazoo, Michigan.

PRESENT, Commissioners: Hess, Decker, Juarez, Praedel, Vice Mayor Cooney,
Mayor Anderson

ABSENT, Commissioners: Hoffman

The following resolution was offered by Commissioner Praedel and seconded by Commissioner Hess.

RECITALS

- A. On May 5, 1997 the City of Kalamazoo ("City") created the City of Kalamazoo Brownfield Redevelopment Authority ("Authority"), under the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381").
- B. Following the establishment of the Authority, the City has implemented Brownfield Plans, as required under Act 381, for the purposes of identifying real estate parcels for revitalization, redevelopment and reuse.
- C. The Authority has implemented the Brownfield Plan for the redevelopment project at 215 E. Michigan Avenue under Act 381.
- D. Under Resolution No. 08-16, the City Commission delegated to the Authority the public hearing process regarding any future proposed Act 381 Brownfield Plan, including the Brownfield Plan for 215 E. Michigan Avenue.
- E. On June 15, 2023 the Authority held a public hearing as required under Act 381 and approved the implementation of the Brownfield Plan for 215 E. Michigan Avenue.
- F. Following the public hearing, the Authority adopted a resolution recommending that the City Commission approve the Brownfield Plan for 215 E. Michigan Avenue.

G. The City Commission has reviewed Authority's resolution and the Brownfield Plan for 215 E. Michigan Avenue, and finds that this Plan constitutes a public purpose in that:

- a. Notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any property affected by the Brownfield Plan for 215 E. Michigan Avenue.
- b. It meets all requirements of Section 13 of Act 381.
- c. The proposed method of financing the costs of eligible activities of the Brownfield Plan for 215 E. Michigan Avenue is feasible, and the Authority has the authority to arrange the necessary financing.
- d. The costs of the eligible activities proposed by the Brownfield Plan for 215 E. Michigan Avenue are reasonable and necessary to carry out the purposes of Act 381 and,
- e. The amount of captured taxable value estimated to result from the Brownfield Plan for 215 E. Michigan Avenue is reasonable.

THEREFORE, IT IS RESOLVED:

The Brownfield Plan for 215 E. Michigan Avenue, as implemented by the City of Kalamazoo Brownfield Redevelopment Authority, is adopted and approved.

AYES, Commissioners: Hess, Decker, Juarez, Praedel, Vice Mayor Cooney, Mayor Anderson

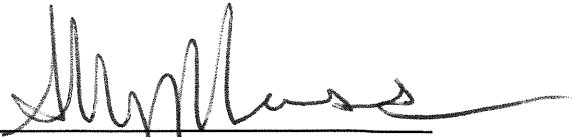
NAYS, Commissioners: None

ABSTAIN, Commissioners: None

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by at a regular meeting held on July 5, 2023. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by Act 381.


Shelby Moss, Deputy City Clerk

Attachment B

Reimbursement Agreement

Attachment C

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 215 East Michigan Avenue, 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.

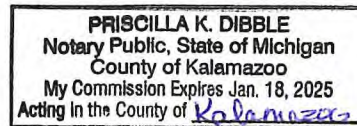


Aaron P. Powers, City Assessor

Subscribed and sworn to before me by Aaron Powers on September 13, 2022.



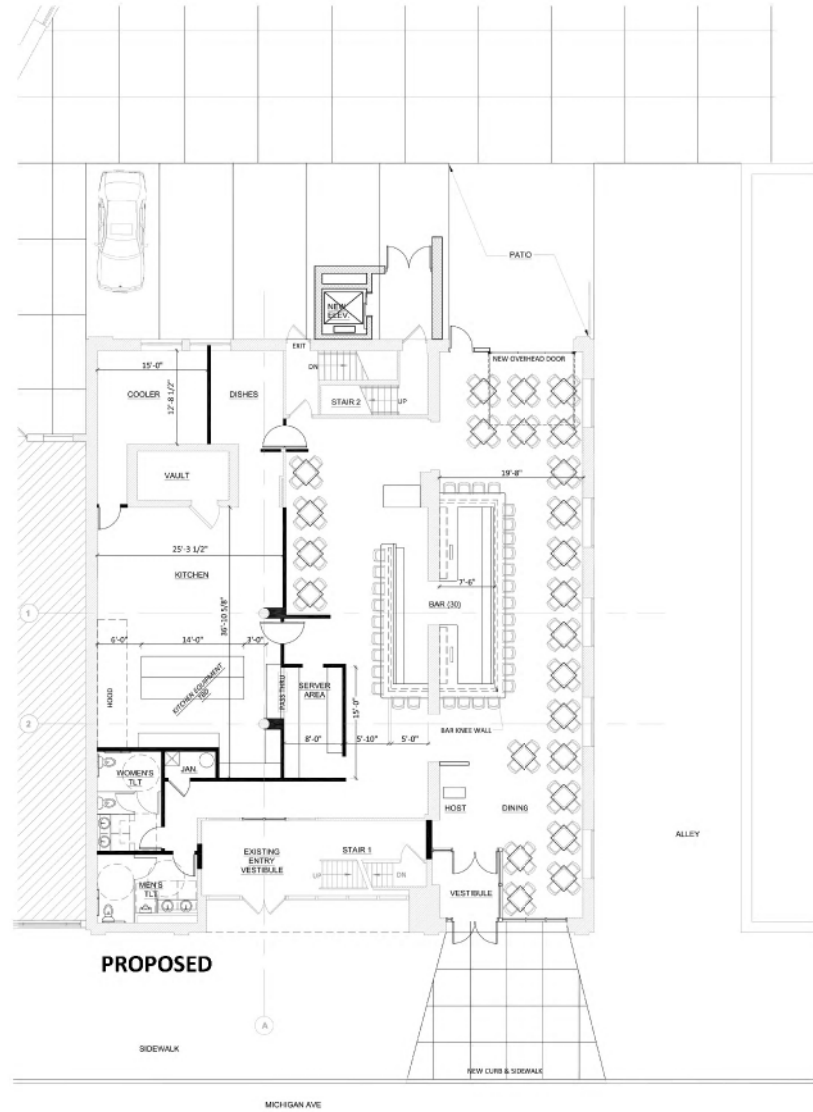
, Notary Public
Kalamazoo County, Michigan
Commission Expires: 01-18-2025
Acting in Kalamazoo County



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

Attachment D

Site Plan



FIRST FLOOR PLAN - TEST FIT
 215 EAST MICHIGAN AVE., KALAMAZOO