

OWOSSO

Brownfield Redevelopment Authority



Regular Meeting
9:00am, October 9, 2019
Owosso City Council Chambers

Meeting Agenda
Brownfield Redevelopment Authority
Wednesday, October 9, 2019, 9:00 a.m.
Owosso City Council Chambers, 301 W Main St.,
Owosso, MI

Call to order and roll call:

Review and approval of agenda: October 9, 2019

Communications:

- 1) Staff memorandum (Reference)
- 2) 152 Howard Street brownfield plan
- 3) Memorandum & Resolution – 344 W. Main Street

Public Hearings: Owosso Brownfield Redevelopment District #21, 152 Howard Street

Items of Business:

- 1) Brownfield Plan Recommendation – District #21, 152 Howard Street
- 2) Brownfield Plan Termination Recommendation – District #19, 344 W. Main Street

Public Comments:

Board Comments:

Adjournment:

[The City of Owosso will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio recordings of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon 72 hours notice to the City of Owosso. Individuals with disabilities requiring auxiliary aids on services should contact the City of Owosso by writing or calling Amy Kirkland, City Clerk, 301 W. Main St, Owosso, MI 48867 (989) 725-0500 or on the Internet. The City of Owosso Website address is www.ci.owosso.mi.us.]



301 W. MAIN ▪ OWOSSO, MICHIGAN 48867-2958 ▪ (989) 725-0599 ▪ FAX (989) 723-8854

DATE: 10.9.19
TO: Owosso Brownfield Redevelopment Authority Board
FROM: Nathan Henne, City Manager
SUBJECT: BRA Meeting of October 9, 2019

Please see the enclosed packet for the Owosso Brownfield Redevelopment Authority (BRA) meeting for Wednesday Oct 9, 2019. This meeting will be at 9:00 a.m. in the city council chambers of City Hall at 301 W Main St, Owosso, MI.

The Authority is meeting to holding a public hearing to consider a new brownfield plan for the 152 Howard St Project, #21. The applicant is seeking to capture local and state school taxes (SET). Notice has been distributed to all local taxing jurisdictions and the local newspaper as required by PA 381.

The site developer and/or their representative will be available to explain the project and answer questions. Please contact me if you have any questions, comments, or other information for the BRA.



DATE: 10.8.19
TO: Owosso Brownfield Redevelopment Authority Board
FROM: Nathan Henne, City Manager
SUBJECT: 152 Howard St Project, #21

Brownfield #21 will include an estimated \$1.55 million investment into the existing Ludington Electric building located at 152 Howard Street. The current owners purchased the property in 2005 and have operated their electrical contracting business in that location since that time.

Triterra submitted a Brownfield plan in September and met with staff soon after that submittal. The Brownfield Plan proposes a term of 26 years for State Education Tax and School Operating tax capture and a 14 year capture for local taxes. This discrepancy is because the property was recently granted a 12-year Obsolete Property Rehabilitation exemption by City Council. Unlike local tax, education taxes are not subject to OPRA so they will be captured for the full 26 years. From a local capture perspective, this is a 14 year brownfield request.

The following is how I scored this project based on the city's 2010 tax abatement policy:

Capital Investment:	\$1,000,001 to \$2,500,000	5 years
Rehabilitated Facility:	Yes	2 years
Job Creation (FTE):	1-10	2 years
Job Wages:	>1.5x min wage	2 years
Number of years in Owosso	14	2 years
Employees with Owosso Residency	1-10	1 year
TOTAL		14 yrs

Tax Abatement Policy: Section II Evaluation

Section II of the City's 2010 abatement policy outlines evaluation criteria based on 2 things: development objectives and additional objectives.

A. PRIVATE DEVELOPMENT OBJECTIVES

1. To retain local jobs and/or increase the number and diversity of high-quality jobs that offer attractive wages and benefits.
 - i. This project would create 4-6 full time jobs paying between more than 1.5x the min wage. These wages are considered attractive. The jobs are similar to other positions in the city so would not be considered diverse.
2. To encourage additional unsubsidized private development in the City – either directly or indirectly through spin-off development without the use of further tax abatements.
 - i. Unlikely to occur with this development on the commercial side.
3. To facilitate the development process and to achieve development of sites that would not be developed without tax abatement assistance.

- i. Due to the condition of the building it is unlikely it would be redeveloped as proposed in this plan. The property has received a letter of obsolescence from the City Assessor.
4. To remove blight and/or encourage redevelopment of commercial and industrial areas that result in high quality redevelopment, private investment, and an increase in the city tax base.
 - i. Remove Blight? No. This property is not blighted. But it has been deemed obsolete by the city assessor.

“Blighted” means property that meets any of the following criteria:

 - Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
 - Is an attractive nuisance to children because of physical condition, use, or occupancy.
 - Is a fire hazard or is otherwise dangerous to the safety of persons or property.
 - Has had the utilities, plumbing, heating , or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
 - Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property’s inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purpose of this act.
 - ii. High Quality Redevelopment? Yes this would result in a high-quality mixed use facility.
 - iii. Private Investment? Yes. The applicants will be contributing a large portion of the project cost from their own sources.
 - iv. Increase in City Tax Base? Yes. This would increase the City tax base by a taxable value estimated amount of \$355,838.
5. To offset increased costs of redevelopment (contaminated site cleanup) beyond the costs normally incurred in development
 - i. Yes. There are increased costs because of the site being contaminated with lead paint and asbestos. Total cost for abatement: \$34,000.
6. To provide infrastructure necessary to accommodate economic development
 - i. Not Applicable to this project. City utilities are available nearby.

B. ADDITIONAL OBJECTIVES

1. To support local businesses, extra consideration will be given to existing businesses seeking to expand and grow within the city.
 - i. This is an existing business that will remain in this location while creating new leasable commercial space and 7 new housing units.
2. The extent to which the proposed project creates high-quality jobs in the city, paying wages equal to or greater than the average local wage of the same class
 - i. High quality jobs could be considered full-time jobs paying \$40,000 or more. The jobs created in this project would not reach that threshold.

3. The extent to which the proposed project adds to the net commercial, industrial, or general tax base of the city and optimizes the private development of the proposed site
 - i. Yes. The project adds to the net commercial tax base for the city. Estimated increase in taxable value the year after the project is completed: \$355,838.
 - ii. This project increases the residential tax base with its density specific housing component
 - iii. Yes. This project optimizes the development potential of this particular site. This site is located on the cusp of the downtown area but contains sufficient walkability value. This section of the city is prime for redevelopment because of investment opportunities as well as existing community assets like the Steam RR institute.
4. Whether or not the proposed project provides services not already provided in the city or services which are needed
 - i. No. This project will not provide new services as there are other similar commercial lease opportunities in the city – especially the downtown.
5. Whether or not the proposed business would be in direct competition with existing businesses in the city. Abatements should not be given to business which would receive a competitive advantage over existing businesses in the city.
 - i. This business would be in direct competition with other similar businesses in the city but not in its immediate vicinity – meaning there is not a similar facility immediately nearby.
 - ii. This area of the city should be a priority for redevelopment as it is close to the downtown, walkable, and near the Steam RR Institute. Creating housing in this area is of utmost importance.
6. Whether or not the project will significantly impact environmental/natural resources
 - i. No.
7. The extent to which other political subdivisions are in support of the project.
 - i. As of 10.8.2019, the city has not received any notices of support or opposition to the project or its abatement request.
8. The extent to which the project represents new dollars into the city.
 - i. \$1.55 million investment
 1. \$1,111,261 million in private investment
 2. \$437,082 taxpayer investment
9. The extent to which the project requires improvements in city infrastructure, road construction, or other traffic problems. Also to be considered is the impact of the proposal on other city services such as law enforcement human services, or prosecutions.
 - i. Does not require improvements to city infrastructure
 - ii. Impact on city services (tax revenue that could be used for service but is instead repaid to developer)
 1. Law enforcement: \$939/yr \$24,405 over 26 yrs
 2. Fire Department: \$861/yr \$22,377 over 26 yrs
 3. General Govt: \$796/yr \$20,704 over 26 yrs
 4. Public Works: \$356/yr \$9,265 over 26 yrs
 5. Community Dev: \$176/yr \$4,583 over 26 yrs
 6. Parks and Culture: \$106/yr \$2,755 over 26 yrs
 7. ***TOTAL*** ***\$3,497/yr*** ***\$90,296 over 26 years***

*includes GF trans out

10. Consistency of the proposed project with city land use regulations, zoning and planning policies.
 - i. This project meets all regulations and policies mentioned
11. How the proposed project furthers the goals and objectives of the city
 - i. This project would improve an area of the city prime for redevelopment into commercial, housing, or mixed use. The area is walkable to the downtown, near the SRI, but not nearly developed to its full potential. This project would start that process and add quality housing to an area that needs it.
12. The level of private financial investment into the project
 - i. There is about \$1.11 million in private investment for the project.

Options for BRA Board

1. **Approve this 26 year brownfield application with the knowledge that local taxes would only be captured for the last 14 years of the plan due to a 12-year OPRA being approved.**
2. **Approve the brownfield plan for 14 years with the knowledge that only 2 years would be captured from local taxes because of the 12-year OPRA already in place. This would most likely mean that the project would not be completed.**
3. **Deny the Brownfield application.**

WHEREAS, the Community Development Office of the City of Owosso, is in receipt of a Brownfield Plan proposal entitled "Brownfield Plan #21, Howard Street Development, 152 E. Howard Street" prepared pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), which is recommended for approval by the City of Owosso Brownfield Redevelopment Authority pursuant to and in accordance with Section 13 of the Act; and

WHEREAS, the City has provided notice to and fully informed all taxing jurisdictions which are affected by the Financing Plan (the "Taxing Jurisdictions") about the fiscal and economic implications of the proposed Financing Plan, and the City has previously provided to the Taxing Jurisdictions a reasonable opportunity to express their views and recommendations regarding the Financing Plan and in accordance with Sections 13 (10) and 14 (1) of the Act; and

WHEREAS, upon review the Authority has made the following determinations and findings:

- A. The Plan constitutes a public purpose under the Act;
- B. The Plan meets all of the requirements for a Brownfield Plan set forth in Section 13 of the Act;
- C. The proposed method of financing the costs of the eligible activities, as described in the Plan is feasible and the Authority has the ability to arrange the financing;
- D. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act;
- E. The amount of captured taxable value estimated to result from the adoption of the Plan is reasonable; and

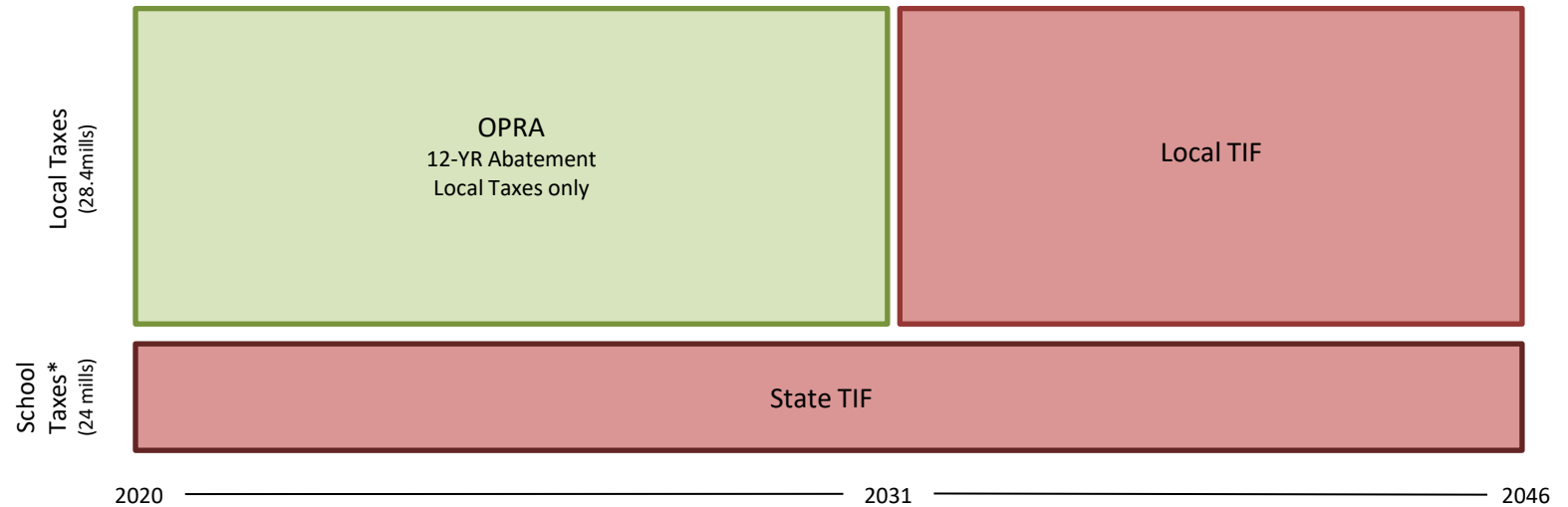
WHEREAS, as a result of its review of the Plan and upon consideration of their views and the recommendations of the Taxing Jurisdictions, the Authority desires to proceed with approval of the Amended Plan and to forward the Plan to the City Council of the City of Owosso for adoption.

NOW THEREFORE, BE IT RESOLVED THAT:

1. **Plan Approved.** Pursuant to the authority vested in the Authority by the Act, and pursuant to and in accordance with the provisions of Section 14 of the Act, the Plan is hereby approved in the form considered by the Authority on October 9, 2019 with an allowance of nonsubstantive agreement, and maintained on file in the office of the City Clerk.
2. **Severability.** Should any section, clause or phrase of this Resolution be declared by the Courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
3. **Repeals.** All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

OPRA and Brownfield TIF Overlay

Example 27-Year Plan



* State Education Tax (SET) and School Operating Taxes

**Notice of Public Hearing
For New Brownfield Redevelopment Plans
“District #21, 152 Howard Street Project”**

The Owosso Brownfield Redevelopment Authority of the City of Owosso, Shiawassee County, Michigan will hold a public hearing on Wednesday, October 9, 2019 at 9:00 a.m. in the City Council Chambers at 301 West Main Street, Owosso, Michigan to consider approving a new Brownfield Redevelopment Plan “District #21, 152 Howard St Project.” The plans have been prepared pursuant to Michigan Public Law, PA 381 of 1996, as amended. The plans provide for tax capture revenues for environmental work and eligible construction expenses.

The eligible properties for District #21 is parcel # 050-651-020-001-00 as described below:

COM 90.6' S OF NE COR BLK 20 AL WILLIAMS ADD TH N 90.6' TH NW'LY ALG N LN
LOT 1 122' TH S 124.60' TH E'LY 117' TO POB

The purpose of the public hearing is to encourage an open process for commentary and evaluation of the application. The plan, maps, and other information are available at city hall. If you should desire to learn more about the plan's content and implications, you are encouraged to contact the City Manager at (989) 725-0568 for additional information. Written comments may also be submitted to this office for presentation at the hearing.

The City of Owosso will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon seventy-two (72) hours notice to the City of Owosso. Individuals with disabilities requiring auxiliary aids or services should contact the City of Owosso by writing or calling the following: Amy K. Kirkland, City Clerk, 301 West Main Street, Owosso, MI 48867 or at (989) 725-0500. The City of Owosso Website address is www.ci.owosso.mi.us.

Please publish as soon as possible and provide an affidavit



Nathan Henne

City Manager
City of Owosso

nathan.henne@ci.owosso.mi.us

301 W MAIN ST • OWOSSO, MI 48867-2958 • 989-725-0568 • FAX 989-725-0526

Date: October 8, 2019

To: To the Legislative Bodies of the Taxing Jurisdictions of the City of Owosso:
Shiawassee County Regional Education Service District c/o District Superintendent
Shiawassee District Library Board c/o Library Director
Shiawassee Area Transportation Agency
Shiawassee County c/o County Clerk
Owosso Public Schools c/o Superintendent
City of Owosso c/o City Clerk
Michigan Strategic Fund – Jeff Mason

From: Nathan Henne, City Manager

Subject: Public Hearing on the Adoption of a Brownfield Redevelopment Plan

District #21 Brownfield Plan–“152 Howard St Project”

The Owosso Brownfield Redevelopment Authority of the City of Owosso, County of Shiawassee, State of Michigan will hold a public hearing on Wednesday, October 9, 2019 at 9:00 a.m. in City Council Chambers at 301 West Main Street, Owosso, Michigan, to consider the adoption of a brownfield redevelopment plan for the City for District #21 Brownfield Plan, “152 N Howard St Project”. The plan has been prepared pursuant to Act 381, Public Acts of Michigan, 1996 (“Act 381”), as amended. Notice of the hearing has been published in accordance with the law.

The subject property consists of the following parcel(s):

Parcel 1: Parcel # 050-651-020-001-00 – 152 Howard Street

Subject to required findings of public purpose at the hearing, the Brownfield Redevelopment Authority is to consider a resolution adopting the Brownfield Redevelopment Plan to provide for the capture and use of tax increment revenues to pay the costs of eligible activities for the eligible properties. The estimated cost of the project is \$1,548,343.00. **The tax capture schedule in the plan has a proposed term of 26 years. PLEASE NOTE: The project also includes a 12 year OPRA running concurrently beginning in 2020. This OPRA has been approved by the Owosso City Council and is awaiting consideration at the State level.** Upon request, a copy of the proposed Plan is available; it can assist in your review of the fiscal and economic implications of the project – a copy will also be emailed to you along with an e-copy of this notice. **The existing taxable base revenue is \$47,742.00 for local and State taxing jurisdictions. The captured taxes are projected to average \$17,197.38 per year for 26 years, beginning in the year 2020 – this assumes a 2% annual taxable value increase after the project is completed.**

Under Act 381, the Authority will be authorized to capture ad valorem property taxes attributable to the application of the levy of all local taxing jurisdictions upon the captured taxable value of the parcel and personal property located on that property. The Authority will be permitted to capture the difference between the taxable value of the eligible property at the time of the adoption of the Brownfield Plan (the initial taxable value) and the taxable value of an eligible property in the current year of the capture. Tax increment revenues exclude ad valorem property taxes specifically levied for the payment of principal of

and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit (debt millage), and specific taxes attributable to those ad valorem property taxes.

Act 381 states that a Brownfield Plan cannot provide for an exclusion from captured taxable value of a portion of the captured taxable value or for an exclusion of the tax levy of 1 or more taxing units. The only way a taxing unit's taxes are exempt from capture by an Authority is if the taxes are excluded from the definition of tax increment revenues (i.e. voted debt millage or tax increment revenues already captured by a Downtown Development Authority or Local Development Finance Authority).

The Authority can only capture tax increment revenues until the year in which the amount of the captured tax increment revenues for a parcel of eligible property is equal to the sum of the cost of eligible activities attributable to such eligible property, or up to 5 years after such date if the Authority establishes a Local Site Remediation Revolving Fund. This plan does not contemplate the receipt of funds from other brownfield sites in the City that may generate surplus tax revenues for a Revolving Fund.

Although the estimated tax capture for the plan is referenced above, it is difficult to predict at this time the exact amount of the captured tax increment revenues of the Authority, as that will ultimately be based upon:

- a) the captured assessed value of the eligible properties included in the Brownfield Plan;
- b) the duration of the capture on those eligible properties;
- c) the millage rates of all taxing jurisdiction in effect throughout the capture of the tax increment revenues;
- d) the growth of the taxable value of the eligible properties, and;
- e) the actual cost of the eligible activities.

Costs of the eligible activities are controlled by two means: 1) competitive bidding if the City is responsible for conducting an activity, or; 2) a reimbursement agreement with a Developer that states that the costs of an eligible activity shall not exceed the value of a comparable activity either commonly accepted in the marketplace or established as the low bid in City bidding procedures for similar work.

If you have any questions regarding the fiscal and economic implications of the activities of the proposed Brownfield Redevelopment Plan, please feel free to attend the public hearing described above or contact me via phone or email.

Sincerely,

Nathan Henne
City Manager
City of Owosso
989.725.0568
nathan.henne@ci.owosso.mi.us

CITY OF OWOSSO
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN

Howard Street Development
152 E. Howard Street
Owosso, Michigan 48867

Prepared By:

City of Owosso Brownfield Redevelopment Authority
301 W. Main Street
Owosso, Michigan 48867
Contact Person: Nathan Henne
nathan.henne@ci.owosso.mi.us
Phone: 989-725-0568

Triterra
1375 S. Washington Avenue, Suite 300
Lansing, Michigan 48910
Contact Person: JP Buckingham
jp.buckingham@triterria.us
Phone: 517-853-2151

September 9, 2019

Approved by the Owosso Brownfield Redevelopment Authority **TBD**, 2019
Approved by the Owosso City Council on **TBD**, 2019

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FIGURES

Figure 1: Property Location Map

Figure 2: Property Boundary Diagram

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Table 1: Brownfield Eligible Activities

Table 2: Tax Increment Revenue Capture Estimates

Table 3: Tax Increment Revenue Reimbursement Allocation Table

ATTACHMENTS

Attachment A: Legal Description

Attachment B: Letter of Obsolescence

1.0 PROJECT SUMMARY

Project Name:	Ludington Electric/Howard Street Development
Developer:	Howard Street Development, LLC (the "Developer") 152 E. Howard Street Owosso, Michigan 48867 Carl & Sue Ludington
Property Location:	152 E. Howard Street Owosso, Michigan 48867
Parcel Information:	Parcel ID No. 050-651-020-001-00
Type of Eligible Property:	"Functionally Obsolete"
Project Description:	<p>A redevelopment of the subject property located at 152 E. Howard Street in the City of Owosso. The project includes the rehabilitation of a commercial building into a mixed-use building. The mixed-use project will include a total of 5,259 square feet of ground floor commercial/retail/office space and 7 high-quality residential apartment units on the upper floor of the building(s).</p> <p>The project will also encompass improvements to the site, including improved sidewalks and drives, landscaping, lighting, and drainage on the Property.</p> <p>Brownfield eligible activities proposed by the Developer include environmental assessment, asbestos and lead surveys and abatement, interior building demolition, infrastructure improvements and preparation of a Brownfield Plan and Act 381 Work Plan.</p>
Total Capital Investment:	Total capital investment is estimated at \$1,548,343 of which \$406,485 is currently proposed for Brownfield Reimbursement to the Developer and \$30,597 is proposed for the State Brownfield Revolving Fund.
Estimated Job Creation/Retention:	The redevelopment is anticipated to generate at least 4-6 new full-time equivalent jobs. In addition, this redevelopment will result in the creation/retention of 15 temporary construction related jobs.

Duration of Plan: 26 years (starting in 2020). The duration of the Plan includes a 12-year Obsolete Property Rehabilitation Act (OPRA) abatement.

**Developer's
Reimbursable Costs:** \$406,485

Distribution of New Taxes Paid	
Developer Reimbursement	\$406,485
Sub-Total Reimbursement	\$406,485
State Brownfield Revolving Fund	\$30,597
BRA Administrative Fees	\$10,050
New Taxes to School/City Debt	\$71,023
Sub-Total SBRF Deposits, BRA Admin, New Taxes	\$111,670
Grand Total	\$518,155

2.0 INTRODUCTION AND PURPOSE

The City of Owosso Brownfield Redevelopment Authority (the “Authority” or “BRA”), duly established by resolution of the City of Owosso City Council (the “City”), pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, MCLA 125.2651 et. seq., as amended (“Act 381”), is authorized to exercise its powers within City of Owosso, Michigan. The purpose of this Brownfield Plan (the “Plan”), to be implemented by the BRA, is to satisfy the requirements for a Brownfield Plan as specified in Act 381.

The Plan allows the BRA to use tax increment financing to reimburse Howard Street Development, LLC (“Developer”) for the costs of eligible activities required to redevelop the eligible property. The proposed redevelopment will only be economically viable with the support and approval of the brownfield redevelopment incentives described herein.

3.0 ELIGIBLE PROPERTY INFORMATION

This Brownfield Plan is presented to support the Developer in the redevelopment of the platted parcel of land, situated at the corner of E. Howard Street and S. Park Street in Owosso, Shiawassee County, Michigan (the “Property”). The location of the Property is depicted on Figure 1.

The Property is fully defined in the following table and in Attachment A.

Eligible Property		
Address	Tax ID	Basis of Eligibility
152 E. Howard Street	050-651-020-001-00	“Functionally Obsolete”

The Property consists of approximately 0.286 acres developed with an approximately 10,182 square foot multi-use, two-story commercial building used for storage, an auto repair shop, and by Ludington Electric. The remainder of the property consists of gravel drive/parking and landscaping. The Property is currently zoned B-4, General Business District. Former commercial uses of the Property included tire sales and service, a bakery, office space and a wrapping paper warehouse. The Property is surrounded by active residential and commercial property. Property layout and boundaries are depicted on Figure 2. The legal description of the Property is included in Attachment A.

The Property is considered an “eligible property” as defined by Act 381, Section 2 because: (a) the Property was previously utilized as a commercial property; (b) it is located within the City of Owosso, a qualified local governmental unit under MCL 125.2782(k); (c) it has been determined to be “functionally obsolete” as defined in Section 2(u) of ACT 381. The Letter of Obsolescence is included in Attachment B.

4.0 PROPOSED REDEVELOPMENT

The Project is a complete redevelopment of the subject Property and includes the rehabilitation of the existing commercial two-story building into a mixed-use building. The mixed-use project will include a total of 5,259 square feet of ground floor commercial/retail/office space and 7 high-quality residential apartment units on the upper floor of the building(s).

The total anticipated investment into the redevelopment project is estimated at \$1,548,343. The development will result in the complete rehabilitation of vacant and contaminated property in the City of Owosso. This development will dramatically improve the appearance along Howard Street. The Project will increase density to the area and provide additional support to existing establishments in the City.

The improvements to the Property will be permanent and significantly increase the taxable value of the Property. These improvements will also assist in increasing the property values in the area.

The Project would not be possible without financial support through Brownfield tax increment financing (TIF) and other local incentives outlined in Section 6.12.

This redevelopment is projected to create at least 4-6 new, full time equivalent jobs. Additionally, the Project is estimated to create 15 temporary construction jobs.

5.0 BROWNFIELD CONDITIONS

The Project is comprised of one parcel of land located at 152 E. Howard Street in the City of Owosso, MI (the Property). The Property consists of approximately 0.286 acres developed with an approximately 10,182 square foot, two-story multi-use commercial building containing an auto repair shop and electric company (Ludington Electric) on the first floor and storage on the second floor.

The building was constructed in 1920 and has been used for commercial purposes since. A bakery operated on the Property until at least 1948. By at least 1959 the existing building was used for tire sales and service. By at least 1986 to present portions of the building were used for auto repair. Since 1948 the following businesses were listed for the Property: Byerly J Bakery Inc., Josling Tire and Appliances, Community Tire Service Inc., Charlies Auto Repair, Cartonics Inc., and Ludington Electric.

On the 1946 Sanborn Map a gasoline tank was shown on the southern portion of the Property. On April 18, 2019, Triterra retained Ground Penetrating Radar Systems (GPRS) to perform a geophysical survey (Survey) on the southern and western portions of the Property. The purpose of the Survey was to detect the presence of potential abandoned underground storage tanks (USTs). The Survey included ground-penetrating radar (GPR) and electromagnetic induction (EMI). The results of the Survey did not identify anomalies characteristic of USTs.

Based on the history (auto repair) of the Property, a Soil Gas Investigation was completed to evaluate volatile organic compounds (VOCs) concentrations in the soil-gas below the building foundation. On April 18, 2019, Triterra installed a total of eight sub-slab vapor points (Vapor Pin®) at sampling points located throughout the building. Triterra collected eight soil gas samples using a laboratory prepared 750-ml BottleVac. The soil gas samples were submitted to Merit Laboratories for laboratory analysis of VOCs using EPA Method TO-15. The analytical results indicate the presence of VOCs in the soil gas samples collected beneath the building.

Triterra also completed a Lead-based paint inspection and an Asbestos Assessment. As expected, the building contains lead-based paint and asbestos containing materials (e.g. floor tile and window glazing) that will require abatement prior to interior demolition and renovation.

6.0 BROWNFIELD PLAN

6.1 Description of Costs to Be Paid with Tax Increment Revenues and Summary of Eligible Activities

The Developer will be reimbursed for the costs of eligible Michigan Department of Environmental Great Lakes and Energy (EGLE) and Michigan Strategic Funds (MSF) activities necessary to prepare the Property for redevelopment. The activities that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381.

EGLE and MSF eligible activities include environmental site assessment activities, due care activities, selective building demolition, Asbestos and Lead surveys and abatement, public infrastructure improvements and preparation of the Brownfield Plan and Act 381 Work Plan.

The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local and state revenues generated by the Property redevelopment and captured by the BRA, subject to any limitations and conditions described in this Plan and the terms of a Reimbursement Agreement between the Developer and the Authority (the “Reimbursement Agreement”).

The total cost of activities eligible for Developer reimbursement from tax increment revenues is projected to be \$406,485.

The eligible activities are summarized on the following page.

STATE AND LOCAL ELIGIBLE ACTIVITIES

EGLE Eligible Activities

Due Care Investigation.....	\$6,700
Vapor Mitigation System	\$36,800
Total EGLE Eligible Activities.....	\$43,500

MSF Eligible Activities

Asbestos and Lead Activities.....	\$34,000
Demolition	\$233,225
Infrastructure Improvements.....	\$25,875
Total MSF Eligible Activities.....	\$293,100
Total DEQ and MSF Eligible Activities.....	\$336,600
Contingency (15%)	\$48,885
Brownfield Plan / Act 381 Work Plan Preparation	\$21,000
TOTAL DEVELOPER ELIGIBLE ACTIVITIES.....	\$406,485

A breakdown in eligible activities between the Developer are provided in Table 1, Brownfield Eligible Activities.

The costs listed above are estimated and may increase or decrease depending on the nature and extent of unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues captured by the BRA shall be governed by the terms of a Reimbursement Agreement. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Section 2 of Act 381 of 1996, as amended (MCL 125.2652). The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to payment. As long as the total cost limit described in this Plan is not exceeded, line item costs of eligible activities may be adjusted within DEQ eligible activities and MSF eligible activities after the date this Plan is approved by the Cheboygan City Council.

6.2 Estimate of Captured Taxable Value, Tax Increment Revenues and Impact of Tax Increment Financing on Taxing Jurisdictions

The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local tax revenues generated by the Property redevelopment and captured

by the BRA. It is the intent of this Plan to include the capture of the School Operating and State Education Tax.

The 2020 taxable value of the Property is \$47,942 which is the initial taxable value for this Plan. A 12-year tax abatement from local taxes only is planned under the Obsolete Property Rehabilitation Act ("OPRA").

The estimated final taxable value of \$355,838 should be established in 2020. The actual taxable value will be determined by the City Assessor after the development is completed.

It is estimated that the BRA will capture tax increment revenues from 2020 through 2045 to reimburse the cost of the eligible activities and capture for deposit into the State Brownfield Revolving Fund.

The total impact of incremental tax capture on taxing jurisdictions is estimated at \$518,155.

Distribution of New Taxes Paid	
Developer Reimbursement	\$406,485
<i>Sub-Total Reimbursement</i>	<i>\$406,485</i>
State Brownfield Revolving Fund	\$30,597
BRA Administrative Fees	\$10,050
New Taxes to School/City Debt	\$71,023
<i>Sub-Total SBRF Deposits, New Taxes</i>	<i>\$111,670</i>
Grand Total	<i>\$518,155</i>

Impact to specific taxing jurisdictions is presented in Table 2, Tax Increment Revenue Capture Estimates and a schedule of tax increment revenue is presented in Table 3, Tax Increment Revenue Allocation Table.

The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all real and personal taxable improvements on the Property as determined by the City Assessor and the actual millage rates levied by the various taxing jurisdictions during each year of the plan. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and the millage rates set each year by the taxing jurisdictions.

6.3 Method of Financing Plan Costs and Description of Advances by the Municipality

The Developer is ultimately responsible for financing the costs of its specific eligible activities included in this Plan. Neither the BRA nor the City will advance any funds to finance the eligible activities described in this Plan. All Plan financing commitments and activities and cost reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan is intended to authorize the BRA to fund such reimbursements. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan.

Reimbursements under the Reimbursement Agreement shall not exceed the cost of eligible activities and reimbursement limits described in this Plan.

6.4. Maximum Amount of Note or Bonded Indebtedness

Eligible activities are to be financed by the Developer. The BRA and/or the City will not incur any note or bonded indebtedness to finance Brownfield eligible activities outlined in this Plan.

6.5 Duration of Brownfield Plan

The duration of this Plan amendment is projected to be 26 years total tax capture after the first year of tax capture anticipated as 2020. The duration of the Plan includes 26 years of Tax Increment Revenue (TIR) capture for reimbursement to the Developer and deposits into the State Brownfield Revolving Fund. The first 12 years of the Plan include an Obsolete Property Rehabilitation Act (OPRA) abatement.

In no event shall the duration of the Plan exceed 30 years following the date of the resolution approving the Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Plan.

6.6 Legal Description, Property Map, Property Characteristics and Personal Property

A legal description of the Property is provided in Attachment A. The general Property location and boundaries are shown on Figures 2.

The subject Property includes all tangible personal property that now or in the future comes to be owned or installed on the Property by the Developer or occupants.

6.7 Estimates of Residents and Displacement of Families

No occupied residences are involved in the redevelopment, no persons reside at the Property, and no families or individuals will be displaced as a result of this development.

6.8 Plan for Relocation of Displaced Persons

No persons will be displaced as a result of this development. Therefore, a Plan for relocation of displaced persons is not applicable and is not needed for this Plan.

6.9 Provisions for Relocation Costs

No persons will be displaced as result of this development and no relocation costs will be incurred. Therefore, provision for relocation costs is not applicable and is not needed for this Plan.

6.10 Strategy for Compliance with Michigan's Relocation Assistance Law

No persons will be displaced as result of this development. Therefore, no relocation assistance strategy is needed for this Plan.

6.11 Description of the Proposed Use of Local Brownfield Revolving Fund

No LBRF monies will be used to finance or reimburse eligible activities described in the Brownfield Plan.

6.12 Other Material that the Authority or Governing Body Considers Pertinent

In addition to the 12-year tax abatement outlined herein, the Developer is considering additional financial support through the Community Development Block Grant (CDBG) distributed through the Michigan Economic Development Corporation (MEDC).

FIGURES

Figure 1: Property Location Map

Figure 2: Eligible Property Boundary Map

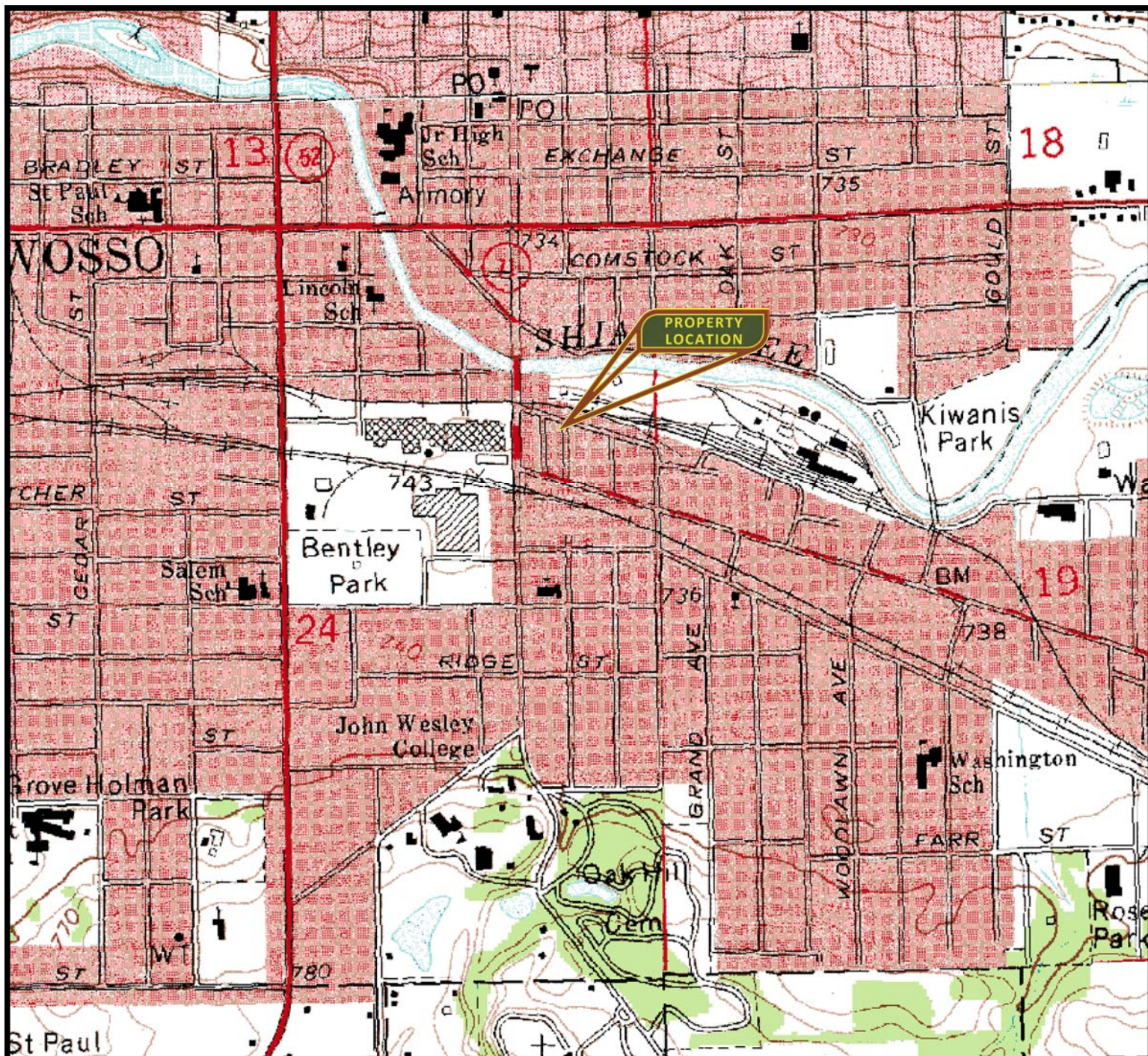


FIGURE 1

PROPERTY LOCATION

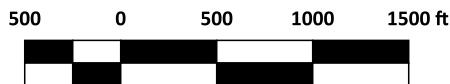
150-152 EAST HOWARD STREET
OWOSSO, MICHIGAN 49721

SHIAWASSEE COUNTY
T7N, R2E, SECTION 24

PROJECT NUMBER: 19-2083

ADAPTED FROM MI GEOGRAPHIC DATA LIBRARY DRG

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FIGURE 2

PROPERTY ORIENTATION DIAGRAM

150-152 EAST HOWARD STREET
OWOSSO, MICHIGAN 49721

PROJECT NUMBER: 19-2083

DATE: 2/20/2019

DIAGRAM CREATED BY: GAR

TABLES

Table 1: Brownfield Eligible Activities

Table 2: Tax Increment Revenue Capture Estimates

Table 3: Tax Increment Revenue Reimbursement Allocation Table

Table 1
Brownfield Eligible Activities
152 E. Howard Street
Owosso, MI
September 9, 2019

					REIMBURSEMENT ALLOCATION		
ELIGIBLE ACTIVITIES	NO. OF UNITS	UNIT TYPE	UNIT RATE	ESTIMATED TOTAL COST	EGL E ACTIVITIES	MSF ACTIVITIES	LOCAL-ONLY ACTIVITIES
EGL E ELIGIBLE ACTIVITIES							
Department Specific Activities							
Due Care Investigation	1	LS	\$ 6,700	\$ 6,700	\$ 6,700		
Vapor Mitigation System	1	SF	\$ 36,800	\$ 36,800	\$ -		\$ 36,800
EGL E ELIGIBLE ACTIVITIES SUB-TOTAL				\$ 43,500	\$ 6,700	\$ -	\$ 36,800
MSF ELIGIBLE ACTIVITIES							
Asbestos and Lead Activities							
Asbestos - Assessment/Survey	1	LS	\$ 3,000	\$ 3,000		\$ 3,000	
Lead-based Paint Inspection	1	LS	\$ 1,000	\$ 1,000		\$ 1,000	
Asbestos & Lead Abatement	1	LS	\$ 30,000	\$ 30,000		\$ 30,000	
Subtotal Asbestos and Lead Activities				\$ 34,000		\$ 34,000	\$ -
Demolition							
Demolition - Building/Interior	1	LS	\$ 230,225	\$ 230,225		\$ 230,225	
Demolition - Soft Costs including Permits / Disconnect Fees	1	LS	\$ 3,000	\$ 3,000		\$ 3,000	
Subtotal Demolition Activities				\$ 233,225	\$ -	\$ 233,225	\$ -
Infrastructure Improvements							
Sidewalks and Pavers in Right of Way	1	LS	\$ 25,875	\$ 25,875		\$ 25,875	
Subtotal Infrastructure Improvement Activities				\$ 25,875		\$ 25,875	\$ -
MSF ELIGIBLE ACTIVITIES SUB-TOTAL				\$ 293,100	\$ -	\$ 293,100	\$ -
MSF AND EGL E ELIGIBLE ACTIVITIES SUB-TOTAL				\$ 336,600	\$ 6,700	\$ 293,100	\$ 36,800
Contingency (15%)				\$ 48,885	\$ -	\$ 43,365	\$ 5,520
Brownfield Plan & Act 381 Work Plan Preparation	1	LS	\$ 21,000	\$ 21,000	\$ 10,500	\$ 10,500	
TOTAL ELIGIBLE COST FOR REIMBURSEMENT:				\$ 406,485	\$ 17,200	\$ 346,965	\$ 42,320

NOTES:

These costs and revenue projections should be considered approximate estimates based on expected conditions and available information. It cannot be guaranteed that the costs and revenue projections will not vary from these estimates.
Costs for Due Care Investigation, Asbestos and Lead Survey, Brownfield Plan and Act 381 Work Plan are excluded from contingency calculation.

Table 2
Tax Incremental Revenue Capture Estimates
152 E. Howard Street
Owosso, MI
September 9, 2019

Estimated Taxable Value (TV) Increase Rate: 2%																				
Plan Year		2020 1	2021 2	2022 3	2023 4	2024 5	2025 6	2026 7	2027 8	2028 9	2029 10	2030 11	2031 12	2032 13	2033 14	2034 15	2035 16	2036 17		
Base Taxable Value (TV) of Land		\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786		
Base Taxable Value (TV) of Building		\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156		
Estimated New TV for Land		\$ 26,302	\$ 26,828	\$ 27,364	\$ 27,912	\$ 28,470	\$ 29,039	\$ 29,620	\$ 30,212	\$ 30,817	\$ 31,433	\$ 32,062	\$ 32,703	\$ 33,357	\$ 34,024	\$ 34,705	\$ 35,399	\$ 36,107		
Estimated New TV for Building		\$ 329,536	\$ 336,126	\$ 342,849	\$ 349,706	\$ 356,700	\$ 363,834	\$ 371,111	\$ 378,533	\$ 386,104	\$ 393,826	\$ 401,702	\$ 409,736	\$ 417,931	\$ 426,290	\$ 434,815	\$ 443,512	\$ 452,382		
Incremental Difference for Land (New TV - Base TV)		\$ 516	\$ 1,042	\$ 1,578	\$ 2,126	\$ 2,684	\$ 3,253	\$ 3,834	\$ 4,426	\$ 5,031	\$ 5,647	\$ 6,276	\$ 6,917	\$ 7,571	\$ 8,238	\$ 8,919	\$ 9,613	\$ 10,321		
Incremental Difference for Building (New TV - Base TV)		\$ 307,380	\$ 313,970	\$ 320,693	\$ 327,550	\$ 334,544	\$ 341,678	\$ 348,955	\$ 356,377	\$ 363,948	\$ 371,670	\$ 379,546	\$ 387,580	\$ 395,775	\$ 404,134	\$ 412,659	\$ 421,356	\$ 430,226		
Total Incremental Difference		\$ 307,895	\$ 315,012	\$ 322,271	\$ 329,676	\$ 337,228	\$ 344,931	\$ 352,789	\$ 360,803	\$ 368,978	\$ 377,317	\$ 385,822	\$ 394,497	\$ 403,346	\$ 412,372	\$ 421,578	\$ 430,968	\$ 440,547		
School Capture		Millage Rate																		
School Operating		18.0000	\$ 5,542	\$ 5,670	\$ 5,801	\$ 5,934	\$ 6,070	\$ 6,209	\$ 6,350	\$ 6,494	\$ 6,642	\$ 6,792	\$ 6,945	\$ 7,101	\$ 7,260	\$ 7,423	\$ 7,588	\$ 7,757	\$ 7,930	
State Education Tax (SET)		6.0000	\$ 1,847	\$ 1,890	\$ 1,934	\$ 1,978	\$ 2,023	\$ 2,070	\$ 2,117	\$ 2,165	\$ 2,214	\$ 2,264	\$ 2,315	\$ 2,367	\$ 2,420	\$ 2,474	\$ 2,529	\$ 2,586	\$ 2,643	
School Total:		24.0000	43.33%	\$ 7,389	\$ 7,560	\$ 7,735	\$ 7,912	\$ 8,093	\$ 8,278	\$ 8,467	\$ 8,659	\$ 8,855	\$ 9,056	\$ 9,260	\$ 9,468	\$ 9,680	\$ 9,897	\$ 10,118	\$ 10,343	\$ 10,573
Local Capture		Millage Rate																		
City Operating		14.0070	\$ 7	\$ 15	\$ 22	\$ 30	\$ 38	\$ 46	\$ 54	\$ 62	\$ 70	\$ 79	\$ 88	\$ 97	\$ 5,650	\$ 5,776	\$ 5,905	\$ 6,037	\$ 6,171	
County Operating		5.5405	\$ 3	\$ 6	\$ 9	\$ 12	\$ 15	\$ 18	\$ 21	\$ 25	\$ 28	\$ 31	\$ 35	\$ 38	\$ 2,235	\$ 2,285	\$ 2,336	\$ 2,388	\$ 2,441	
Seniors		0.4300	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 173	\$ 177	\$ 181	\$ 185	\$ 189	
Medical Care Facility		1.9948	\$ 1	\$ 2	\$ 3	\$ 4	\$ 5	\$ 6	\$ 8	\$ 9	\$ 10	\$ 11	\$ 13	\$ 14	\$ 805	\$ 823	\$ 841	\$ 860	\$ 879	
Veterans PA214		0.1000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 40	\$ 41	\$ 42	\$ 43	\$ 44	
Veterans Voted		0.1994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 80	\$ 82	\$ 84	\$ 86	\$ 88	
MSU Extension		0.0757	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 31	\$ 31	\$ 32	\$ 33	\$ 33	
Intermediate School District		4.4668	\$ 2	\$ 5	\$ 7	\$ 9	\$ 12	\$ 15	\$ 17	\$ 20	\$ 22	\$ 25	\$ 28	\$ 31	\$ 1,802	\$ 1,842	\$ 1,883	\$ 1,925	\$ 1,968	
Library		1.2423	\$ 1	\$ 1	\$ 2	\$ 3	\$ 3	\$ 4	\$ 5	\$ 5	\$ 6	\$ 7	\$ 8	\$ 9	\$ 501	\$ 512	\$ 524	\$ 535	\$ 547	
SATA		0.3333	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 134	\$ 137	\$ 141	\$ 144	\$ 147	
Sinking Fund		3.0000	\$ 2	\$ 3	\$ 5	\$ 6	\$ 8	\$ 10	\$ 12	\$ 13	\$ 15	\$ 17	\$ 19	\$ 21	\$ 1,210	\$ 1,237	\$ 1,265	\$ 1,293	\$ 1,322	
Local Total:		31.3898	56.67%	\$ 16	\$ 33	\$ 50	\$ 67	\$ 84	\$ 102	\$ 120	\$ 139	\$ 158	\$ 177	\$ 197	\$ 217	\$ 12,661	\$ 12,944	\$ 13,233	\$ 13,528	\$ 13,829
Total Capturable Taxes:		55.3898	100.00%	\$ 7,406	\$ 7,593	\$ 7,784	\$ 7,979	\$ 8,178	\$ 8,380	\$ 8,587	\$ 8,798	\$ 9,013	\$ 9,233	\$ 9,457	\$ 9,685	\$ 22,341	\$ 22,841	\$ 23,351	\$ 23,871	\$ 24,402
Non-Capturable Millages - New Tax Revenue		Millage Rate																		
School Debt		4.7300	\$ 1,456	\$ 1,490	\$ 1,524	\$ 1,559	\$ 1,595	\$ 1,632	\$ 1,669	\$ 1,707	\$ 1,745	\$ 1,785	\$ 1,825	\$ 1,866	\$ 1,908	\$ 1,951	\$ 1,994	\$ 2,038	\$ 2,084	
City Debt		1.9700	\$ 607	\$ 621	\$ 635	\$ 649	\$ 664	\$ 680	\$ 695	\$ 711	\$ 727	\$ 743	\$ 760	\$ 777	\$ 795	\$ 812	\$ 831	\$ 849	\$ 868	
Total Non-Capturable Taxes:		6.7000																		

Table 2
Tax Increment Revenue Capture Estimates
152 E. Howard Street
Owosso, MI
September 9, 2019

Estimated Taxable Value (TV) Increase Rate:										
Plan Year	2037 18	2038 19	2039 20	2040 21	2041 22	2042 23	2043 24	2044 25	2045 26	
Base Taxable Value (TV) of Land	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	\$ 25,786	
Base Taxable Value (TV) of Building	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	\$ 22,156	
Estimated New TV for Land	\$ 36,829	\$ 37,565	\$ 38,317	\$ 39,083	\$ 39,865	\$ 40,662	\$ 41,475	\$ 42,305	\$ 43,151	
Estimated New TV for Building	\$ 461,430	\$ 470,658	\$ 480,071	\$ 489,673	\$ 499,466	\$ 509,456	\$ 519,645	\$ 530,038	\$ 540,638	
Incremental Difference for Land (New TV - Base TV)	\$ 11,043	\$ 11,779	\$ 12,531	\$ 13,297	\$ 14,079	\$ 14,876	\$ 15,689	\$ 16,519	\$ 17,365	
Incremental Difference for Building (New TV - Base TV)	\$ 439,274	\$ 448,502	\$ 457,915	\$ 467,517	\$ 477,310	\$ 487,300	\$ 497,489	\$ 507,882	\$ 518,482	
Total Incremental Difference	\$ 450,316	\$ 460,282	\$ 470,446	\$ 480,814	\$ 491,389	\$ 502,175	\$ 513,178	\$ 524,400	\$ 401,385	

School Capture	Millage Rate																			
School Operating	18.0000	\$	8,106	\$	8,285	\$	8,468	\$	8,655	\$	8,845	\$	9,039	\$	9,237	\$	9,439	\$	-	\$ 183,583
State Education Tax (SET)	6.0000	\$	2,702	\$	2,762	\$	2,823	\$	2,885	\$	2,948	\$	3,013	\$	3,079	\$	3,146	\$	-	\$ 61,194
School Total:	24.0000	\$	10,808	\$	11,047	\$	11,291	\$	11,540	\$	11,793	\$	12,052	\$	12,316	\$	12,586	\$	-	\$ 244,777

Local Capture	Millage Rate																				
City Operating	14.0070	\$	6,308	\$	6,447	\$	6,590	\$	6,735	\$	6,883	\$	7,034	\$	7,188	\$	7,345	\$	5,622	\$	90,296
County Operating	5.5405	\$	2,495	\$	2,550	\$	2,607	\$	2,664	\$	2,723	\$	2,782	\$	2,843	\$	2,905	\$	2,224	\$	35,717
Seniors	0.4300	\$	194	\$	198	\$	202	\$	207	\$	211	\$	216	\$	221	\$	225	\$	173	\$	2,772
Medical Care Facility	1.9948	\$	898	\$	918	\$	938	\$	959	\$	980	\$	1,002	\$	1,024	\$	1,046	\$	801	\$	12,860
Veterans PA214	0.1000	\$	45	\$	46	\$	47	\$	48	\$	49	\$	50	\$	51	\$	52	\$	40	\$	645
Veterans Voted	0.1994	\$	90	\$	92	\$	94	\$	96	\$	98	\$	100	\$	102	\$	105	\$	80	\$	1,285
MSU Extension	0.0757	\$	34	\$	35	\$	36	\$	36	\$	37	\$	38	\$	39	\$	40	\$	30	\$	488
Intermediate School District	4.4668	\$	2,011	\$	2,056	\$	2,101	\$	2,148	\$	2,195	\$	2,243	\$	2,292	\$	2,342	\$	1,793	\$	28,795
Library	1.2423	\$	559	\$	572	\$	584	\$	597	\$	610	\$	624	\$	638	\$	651	\$	499	\$	8,009
SATA	0.3333	\$	150	\$	153	\$	157	\$	160	\$	164	\$	167	\$	171	\$	175	\$	134	\$	2,149
Sinking Fund	3.0000	\$	1,351	\$	1,381	\$	1,411	\$	1,442	\$	1,474	\$	1,507	\$	1,540	\$	1,573	\$	1,204	\$	19,340
Local Total:	31.3898	\$	14,135	\$	14,448	\$	14,767	\$	15,093	\$	15,425	\$	15,763	\$	16,109	\$	16,461	\$	12,599	\$	202,355
Total Capturable Taxes:	55.3898	\$	24,943	\$	25,495	\$	26,058	\$	26,632	\$	27,218	\$	27,815	\$	28,425	\$	29,046	\$	12,599		

Non-Capturable Millages - New Tax Revenue	Millage Rate																				
School Debt	4.7300	\$	2,130	\$	2,177	\$	2,225	\$	2,274	\$	2,324	\$	2,375	\$	2,427	\$	2,480	\$	1,899	\$	50,140
City Debt	1.9700	\$	887	\$	907	\$	927	\$	947	\$	968	\$	989	\$	1,011	\$	1,033	\$	791	\$	20,883
Total Non-Capturable Taxes:	6.7000																			\$	71,023

Table 3
Tax Increment Revenue Reimbursement Allocation Table
152 E. Howard Street
Owosso, MI
September 9, 2019

Developer/City Projected Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	56.4%	\$ 214,180	\$ -	\$ 214,180
Local	43.6%	\$ 165,726	\$ 26,579	\$ 192,305
TOTAL		\$ 379,906	\$ 26,579	\$ 406,485
EGL	4.7%	\$ 17,200		
MSF	95.3%	\$ 346,965		

Estimated Total Years of Plan: 26

Administrative Fees & Loan Funds*	
State Brownfield Revolving Fund	\$ 30,597
BRA Administrative Fees	\$ 10,050
Local Brownfield Revolving Fund	\$ -

* During the life of the Plan

		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Available Tax Increment Revenue (TIR)																		
Total State Tax Capture Available	\$	7,389	\$ 7,560	\$ 7,735	\$ 7,912	\$ 8,093	\$ 8,278	\$ 8,467	\$ 8,659	\$ 8,855	\$ 9,056	\$ 9,260	\$ 9,468	\$ 9,680	\$ 9,897	\$ 10,118	\$ 10,343	\$ 10,573
Capture for State Brownfield Revolving Fund (3 mills of SET) (25-Yrs)	\$	924	\$ 945	\$ 967	\$ 989	\$ 1,012	\$ 1,035	\$ 1,058	\$ 1,082	\$ 1,107	\$ 1,132	\$ 1,157	\$ 1,183	\$ 1,210	\$ 1,237	\$ 1,265	\$ 1,293	\$ 1,322
State TIR Available for Reimbursement to Developer	\$	6,466	\$ 6,615	\$ 6,768	\$ 6,923	\$ 7,082	\$ 7,244	\$ 7,409	\$ 7,577	\$ 7,749	\$ 7,924	\$ 8,102	\$ 8,284	\$ 8,470	\$ 8,660	\$ 8,853	\$ 9,050	\$ 9,251
Total Local Tax Capture Available	\$	16	\$ 33	\$ 50	\$ 67	\$ 84	\$ 102	\$ 120	\$ 139	\$ 158	\$ 177	\$ 197	\$ 217	\$ 2,661	\$ 2,944	\$ 3,233	\$ 3,528	\$ 3,829
Local Tax Increment to Taxing Unit (10%) ("Pass-Through")	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capture for BRA Administrative Fees (5%)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 633	\$ 647	\$ 662	\$ 676	\$ 691
Capture for Local Brownfield Revolving Fund (LBRF) (5% of available Local TIR)	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local TIR Available for Reimbursement to Developer	\$	16	\$ 33	\$ 50	\$ 67	\$ 84	\$ 102	\$ 120	\$ 139	\$ 158	\$ 177	\$ 197	\$ 217	\$ 12,028	\$ 12,297	\$ 12,572	\$ 12,852	\$ 13,137
Total State & Local TIR Available for Reimbursement to Developer	\$	6,482	\$ 6,648	\$ 6,817	\$ 6,990	\$ 7,166	\$ 7,346	\$ 7,529	\$ 7,716	\$ 7,906	\$ 8,101	\$ 8,299	\$ 8,502	\$ 20,498	\$ 20,957	\$ 21,425	\$ 21,902	\$ 22,389
DEVELOPER	Beginning Balance																	
	\$ 406,485	\$ 400,003	\$ 393,355	\$ 386,538	\$ 379,548	\$ 372,382	\$ 365,036	\$ 357,507	\$ 349,791	\$ 341,885	\$ 333,784	\$ 325,485	\$ 316,983	\$ 296,485	\$ 275,528	\$ 254,104	\$ 232,202	\$ 209,813
MSF Eligible Activities	\$ 346,965	\$ 340,789	\$ 334,455	\$ 327,960	\$ 321,300	\$ 314,473	\$ 307,474	\$ 300,301	\$ 292,949	\$ 285,416	\$ 277,698	\$ 269,791	\$ 261,691	\$ 242,161	\$ 222,194	\$ 201,781	\$ 180,913	\$ 159,582
State Tax Reimbursement	\$ 204,064	\$ 6,160	\$ 6,303	\$ 6,448	\$ 6,596	\$ 6,747	\$ 6,901	\$ 7,059	\$ 7,219	\$ 7,383	\$ 7,549	\$ 7,720	\$ 7,893	\$ 8,070	\$ 8,251	\$ 8,435	\$ 8,623	\$ 8,815
Local Tax Reimbursement	\$ 157,898	\$ 15	\$ 31	\$ 47	\$ 64	\$ 80	\$ 97	\$ 115	\$ 132	\$ 150	\$ 169	\$ 188	\$ 207	\$ 11,460	\$ 11,716	\$ 11,978	\$ 12,245	\$ 12,517
EGL Eligible Activities	\$ 17,200	\$ 16,894	\$ 16,580	\$ 16,258	\$ 15,928	\$ 15,589	\$ 15,242	\$ 14,887	\$ 14,522	\$ 14,149	\$ 13,766	\$ 13,374	\$ 12,973	\$ 12,005	\$ 11,015	\$ 10,003	\$ 8,968	\$ 7,911
State Tax Reimbursement	\$ 10,116	\$ 305	\$ 312	\$ 320	\$ 327	\$ 334	\$ 342	\$ 350	\$ 358	\$ 366	\$ 374	\$ 383	\$ 391	\$ 400	\$ 409	\$ 418	\$ 427	\$ 437
Local Tax Reimbursement	\$ 7,828	\$ 1	\$ 2	\$ 2	\$ 3	\$ 4	\$ 5	\$ 6	\$ 7	\$ 7	\$ 8	\$ 9	\$ 10	\$ 568	\$ 581	\$ 594	\$ 607	\$ 620
LOCAL-ONLY Activities	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320
Local-Only Tax Reimbursement	\$ 42,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ANNUAL DEVELOPER REIMBURSEMENT	\$	6,482	\$ 6,648	\$ 6,817	\$ 6,990	\$ 7,166	\$ 7,346	\$ 7,529	\$ 7,716	\$ 7,906	\$ 8,101	\$ 8,299	\$ 8,502	\$ 20,498	\$ 20,957	\$ 21,425	\$ 21,902	\$ 22,389

Table 3
Tax Increment Revenue Reimbursement Allocation Table
152 E. Howard Street
Owosso, MI
September 9, 2019

	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTALS
	18	19	20	21	22	23	24	25	26	
Available Tax Increment Revenue (TIR)										
Total State Tax Capture Available	\$ 10,808	\$ 11,047	\$ 11,291	\$ 11,540	\$ 11,793	\$ 12,052	\$ 12,316	\$ 12,586	\$ -	
Capture for State Brownfield Revolving Fund (3 mills of SET) (25-Yrs)	\$ 1,351	\$ 1,381	\$ 1,411	\$ 1,442	\$ 1,474	\$ 1,507	\$ 1,540	\$ 1,573		\$ 30,597
State TIR Available for Reimbursement to Developer	\$ 9,457	\$ 9,666	\$ 9,879	\$ 10,097	\$ 10,319	\$ 10,546	\$ 10,777	\$ 11,012	\$ -	
Total Local Tax Capture Available	\$ 14,135	\$ 14,448	\$ 14,767	\$ 15,093	\$ 15,425	\$ 15,763	\$ 16,109	\$ 16,461	\$ 12,599	
Local Tax Increment to Taxing Unit (10%) ("Pass-Through")	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capture for BRA Administrative Fees (5%)	\$ 707	\$ 722	\$ 738	\$ 755	\$ 771	\$ 788	\$ 805	\$ 823	\$ 630	\$ 10,050
Capture for Local Brownfield Revolving Fund (LBRF) (5% of available Local TI	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local TIR Available for Reimbursement to Developer	\$ 13,429	\$ 13,726	\$ 14,029	\$ 14,338	\$ 14,653	\$ 14,975	\$ 15,303	\$ 15,638	\$ 11,969	
Total State & Local TIR Available for Reimbursement to Developer	\$ 22,885	\$ 23,392	\$ 23,908	\$ 24,435	\$ 24,973	\$ 25,521	\$ 26,080	\$ 26,650	\$ 11,969	
DEVELOPER										
	\$ 186,928	\$ 163,536	\$ 139,628	\$ 115,193	\$ 90,220	\$ 64,699	\$ 38,620	\$ 11,969	\$ (0)	
MSF Eligible Activities	\$ 137,778	\$ 115,491	\$ 92,712	\$ 69,431	\$ 45,638	\$ 21,322	\$ (3,526)	\$ (14,997)	\$ (14,997)	
State Tax Reimbursement	\$ 9,010	\$ 9,209	\$ 9,413	\$ 9,620	\$ 9,832	\$ 10,048	\$ 10,268	\$ 10,492	\$ -	\$ 204,063.65
Local Tax Reimbursement	\$ 12,794	\$ 13,077	\$ 13,366	\$ 13,661	\$ 13,961	\$ 14,268	\$ 14,580	\$ 979	\$ -	\$ 157,898.25
EGLE Eligible Activities	\$ 6,830	\$ 5,725	\$ 4,596	\$ 3,442	\$ 2,262	\$ 1,057	\$ (175)	\$ (744)	\$ (744)	
State Tax Reimbursement	\$ 447	\$ 457	\$ 467	\$ 477	\$ 487	\$ 498	\$ 509	\$ 520	\$ -	\$ 10,115.99
Local Tax Reimbursement	\$ 634	\$ 648	\$ 663	\$ 677	\$ 692	\$ 707	\$ 723	\$ 49	\$ -	\$ 7,827.91
LOCAL-ONLY Activities	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 42,320	\$ 27,710	\$ 15,741	
Local-Only Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,610	\$ 11,969	\$ 26,579.20
TOTAL ANNUAL DEVELOPER REIMBURSEMENT	\$ 22,885	\$ 23,392	\$ 23,908	\$ 24,435	\$ 24,973	\$ 25,521	\$ 26,080	\$ 26,650	\$ 11,969	
										\$ 447,132

ATTACHMENT A

Legal Description

ATTACHMENT A

Legal Description

**152 E. Howard Street
Owosso, Michigan 48867**

**152 E. HOWARD STREET (Parcel No. 050-651-020-001-00) – COM 90.6' S OF NE COR BLK 20 AL
WILLIAMS ADD TH N 90.6' TH NWLY ALG N LN LOT 1 122' TH S 124.60' TH E'LY 117' TO POB**

ATTACHMENT B

Letter of Obsolescence



301 W. MAIN OWOSSO, MICHIGAN 48867-2958 • (989) 725-0530 • FAX (989) 723-8854

August 22, 2019

Owosso City Council
301 W. Main St.
Owosso, MI 48867

Re: Obsolete Property Rehabilitation District-152 E. Howard St.

Mayor Eveleth & City Council:

As requested, I have inspected and reviewed data related to the aforementioned property in an effort to determine the functional obsolescence of the property involved. Functionally obsolete property is property that 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 of super inadequacies in design, or other similar factors that affect the property itself or the property’s relationship with other surrounding property.”*

This property continues to have functional obsolescence issues and these are those findings.

1. Exterior walls suffer damage and are in need of repair/replacement, structural block failure and cracked mortar;
2. Electrical system and wiring removed in some areas and insufficient for today’s demand requirements. Repair/replacement/upgrade in lighting a must to meet highest and best use of a mixed use facility, Wiring for technology in need of complete replacement. Current system is obsolete and not able to meet today’s requirements;
3. The second floor is completely unusable in its present condition, there is significant structural damage and deteriorated flooring;
4. Interior separation walls damaged in many areas needing removed/replaced;
5. Heating and cooling system needs complete replacement;
6. Dis-repair to most stairs, ramps, landings, decks and doors causing unsafe conditions;
7. Majority of windows are old and some have been boarded up with metal or plywood;

It is my opinion, as a MAAO, Level III Assessor, that the property mentioned above continues to suffer from functional obsolescence, as defined in the State of Michigan Assessor’s Manual and the Brownfield Redevelopment Financing Act.

If you have any further questions, please feel free to contact me at (989) 725-0530.

Respectfully,

Treena Chick
Assessor, MAAO (3)



DATE: 10.8.19
TO: BRA BOARD
FROM: CITY MANAGER
SUBJECT: Termination of BRA #19 – 344 W Main St

BACKGROUND:

On January 3, 2017 the City Council adopted BRA Plan #19 for the 344 W Main Street project. This project was to include \$2.8 million investment with the creation of 3 new jobs and rehabilitation of 9 housing units. The project failed to occur and the property sold, without notice to the city, after the plan was approved.

RECOMMENDATION:

Staff recommends that the BRA Board recommend that City Council terminate this plan subject to PA 381:

(8) A brownfield plan or plan amendment may be abolished or terminated according to this subsection subject to all of the following:

- (a) The governing body may abolish a brownfield plan when it finds that the purposes for which the plan was established are accomplished.
- (b) The governing body may terminate a brownfield plan or plan amendment for an eligible property if the project for which eligible activities were identified in the brownfield plan or plan amendment fails to occur with respect to the eligible property for at least 2 years following the date of the resolution approving the brownfield plan or plan amendment, provided that the governing body first does both of the following:
 - (i) Gives 30 days' prior written notice to the developer at its last known address by certified mail or other method that documents proof of delivery attempted.
 - (ii) Provides the developer an opportunity to be heard at a public meeting

RESOLUTION NO.

**RESOLUTION AUTHORIZING TERMINATION OF BROWNFIELD PLAN
FOR 344 W MAIN: DISTRICT #19**

WHEREAS, the City of Owosso Brownfield Redevelopment Authority held a public hearing on December 16, 2016 to provide notice to and fully inform all taxing jurisdictions which are affected by the Brownfield Plan for parcel number 050-120-006-008-00, property located at 344 W Main Street; and

WHEREAS, in compliance with PA 381 of 1996, as amended, a public hearing was held January 3, 2017 on the adoption by the Owosso City Council of the proposed Brownfield Redevelopment Plan; and

WHEREAS, the City of Owosso Council did approve and adopt the proposed plan by Resolution No. 10-2017 on January 3, 2017; and

WHEREAS, the Brownfield Plan as adopted on January 3, 2017 identified that D.R. & H.P., LLC had prepared a plan that would fully rehabilitate the two-story building into a mixed-use development including office space, retail and 9 new living units. The plan proposed the development would cost approximately \$2,838,158 and create 3 new full time jobs.

WHEREAS, the project has failed to occur with respect to the eligible property and a transfer of ownership occurred August 31, 2017 to Dwyerwood, LLC without a 30-day written notice to the Authority as agreed upon in the reimbursement agreement; and

WHEREAS, the City of Owosso gave 30-days written notice to the developer of the City's intent to terminate the plan via certified mail on September 20, 2019; and

NOW THEREFORE BE IT RESOLVED by the Brownfield Redevelopment Authority of the City of Owosso, Shiawassee County, Michigan that:

FIRST: the 381 Brownfield Plan for 344 W. Main Street – District #19 is recommended for termination by the Owosso City Council pursuant to MCL 125.2666(8)(b).