

# OWOSSO

## *Brownfield Redevelopment Authority*



Regular Meeting  
9:00 a.m., June 30, 2016  
Owosso City Council Chambers  
Owosso City Hall



## MEMORANDUM

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301 W. MAIN ▪ OWOSSO, MICHIGAN 48867-2958 ▪ WWW.CI.OWOSSO.MI.US

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DATE: June 24, 2016

TO: Owosso Brownfield Redevelopment Authority Board

FROM: Susan Montenegro

RE: BRA Meeting of Thursday, June 30, 3016

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**Please see the enclosed packet for the Owosso Brownfield Redevelopment Authority (BRA) meeting of Thursday, June 30, 2016.** This meeting will be at **9:00 am** in city council chambers of city hall, 301 W. Main St., Owosso, MI.

The authority is meeting to hold a public hearing and deliberate on amending the old Sugar Beet brownfield plan (#8) to include infrastructure costs for a new public road and water main. The applicant is seeking to capture local and state school taxes (MEGA) and extend the length of the original plan by 10 years. Notice has been distributed to all local taxing jurisdictions.

City staff will be available to further explain the project. That is all for now. **Contact me if you have any questions, comments, or other information for the BRA at (989)725-0544.**

Sue

**Meeting Agenda**  
***Brownfield Redevelopment Authority***  
**Thursday, June 30, 2016, 9:00 a.m.**  
**Owosso City Council Chambers, 301 W Main Street**  
**Owosso, MI**

**Call to order and roll call:**

**Review and approval of agenda:** June 30, 2016

**Review and approval of minutes:** October 12, 2015

**Communications:**

- 1) Resolutions (Reference)
- 2) Staff memorandum (Reference)
- 3) Regular meeting minutes of October 12, 2015 (Resolution)
- 4) Brownfield notices
- 5) Brownfield Plan #8 – Amendment #1
- 6) Reimbursement agreement for plan #8 (Will be emailed separately)

**Public Comments:**

<b>Public Hearings:</b>	<b>Brownfield Plan #8 – Amendment #1</b>
<b>SITE 1:</b>	<b>Parcel # 050-537-000-048-00 -1509 W. Oliver Street</b>
<b>SITE 2:</b>	<b>Parcel # 050-537-000-036-00 - 121 N. Chipman Street</b>
<b>SITE 3:</b>	<b>Parcel # 050-537-000-052-00 -1460 W. Oliver Street</b>
<b>SITE 4:</b>	<b>Parcel # 050-537-000-051-00 -1400 W. Oliver Street</b>
<b>SITE 5:</b>	<b>Parcel # 050-537-000-049-00 -1525 W. Oliver Street</b>

**Items of Business:**

- 1) Brownfield Plan #8 – Amendment # 1 (Resolution)

**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 tapes 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](http://www.ci.owosso.mi.us).]

**Affirmative Resolutions**  
***Brownfield Redevelopment Authority***  
Thursday, June 30, 2016, 9:00 a.m.  
Owosso City Council Chambers, 301 W Main Street  
Owosso, MI

**Resolution 160630-01**

Motion:\_\_\_\_\_

Support:\_\_\_\_\_

The Owosso Brownfield Redevelopment Authority hereby approves the agenda of June 30, 2016 as presented.

Ayes:\_\_\_\_\_

Nays:\_\_\_\_\_

Approved:\_\_\_\_\_

Denied:\_\_\_\_\_

**Resolution 160630-02**

Motion:\_\_\_\_\_

Support:\_\_\_\_\_

The Owosso Brownfield Redevelopment Authority hereby approves the minutes of October 12, 2015 meeting as presented.

Ayes:\_\_\_\_\_

Nays:\_\_\_\_\_

Approved:\_\_\_\_\_

Denied:\_\_\_\_\_

**Resolution 160630-03**

Motion:\_\_\_\_\_

Support:\_\_\_\_\_

WHEREAS, the Brownfield Redevelopment Authority (the "Authority") of the City of Owosso, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has prepared and recommended for approval by the Authority a Brownfield Plan entitled District #16, "910 E. Main Street" (the "Plan"), pursuant to and in accordance with Section 13 of the Act; and

WHEREAS, the Authority has, at least ten (10) days but not more than forty (40) days before the meeting of the Authority at which this resolution has been considered, 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 Authority 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, 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
- F. The square footage of the proposed, new Cargill building for Site 1 is 78,121 square feet.
- G. Line item cost details are eligible expenses that serve a public good.
- H. Local redevelopment area details are accurate.

WHEREAS, as a result of its review of the Plan and upon consideration of their views and recommendations of the Taxing Jurisdictions, the Authority desires to proceed with approval of the 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 June 30, 2016, 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.

**Resolution 160630-04**

Motion:\_\_\_\_\_

Support:\_\_\_\_\_

The Owosso Brownfield Redevelopment Authority hereby adjourns the June 30, 2016 meeting, effective at \_\_\_\_\_am.

Ayes:\_\_\_\_\_

Nays:\_\_\_\_\_

Approved:\_\_\_\_\_

Denied:\_\_\_\_\_

*Brownfield Redevelopment Authority*  
**Monday, October 12, 2015, 8:30 a.m.**  
**Owosso City Council Chambers, 301 W Main Street**  
**Owosso, MI**

Meeting was called to order at 8:35 a.m. by Chairman Vaughn.

**Roll Call** was taken by Recording Secretary Bridget Cannon.

*Members Present:* Loreen Bailey, Mark Erickson, Vice-Chairman John Horvath, Benjamin Frederick, Chairman David Vaughn, Mike Bazelides

*Members Absent:* Larry Cook, Secretary/Treasurer General Grant, Richard Williams

*Others Present:* Susan Montenegro, Assistant City Manager and Director of Community Development; Don Crawford, City Manager; Adam Patton & Jessica DeBone, PM Environmental; Greg Johnroe & Kevin Egnatuck, Southwind Restaurant, LLC.

**AGENDA:**

It was moved by Authority Member Frederick and supported by Authority Member Bailey to approve the agenda for October 12, 2015 as presented.

Yeas all. Motion passed.

**MINUTES:**

It was moved by Authority Member Erickson and supported by Authority Member Frederick to approve the minutes of the meeting from November 19, 2014.

Yeas all. Motion passed.

**COMMUNICATIONS:**

1. Resolutions (Reference)
2. Staff memorandum (Reference)
3. Regular meeting minutes of November 19, 2014 (Resolution)
4. Brownfield Notices
5. Brownfield Plan #16
6. Reimbursement Agreement for plan #16
7. MDEQ Grant and Loan Application

**PUBLIC COMMENTS:** None

**ITEMS OF BUSINESS:**

1. 910 E. Main Street – Brownfield Plan Approval
2. Election of Officers

## **PUBLIC HEARING:**

### **1. 910 E. Main Street – Brownfield Plan Approval**

Ms. Jessica Debone, PM Environmental, displayed “Owosso Qdoba & Retail presentation” on the overhead. The property in question was formerly four parcels, and was combined in to one parcel in March, 2015. Currently, there is a commercial building on the property and also includes three residential dwellings with two outbuildings. The commercial building was originally a gas station in the 1930’s, a drycleaners most recently, and has been vacant since 2012. The soil underneath the commercial building is contaminated from the dry cleaning business and gas station. Therefore, property is eligible for Brownfield funds to eliminate this contamination before building the proposed Qdoba and retail plaza. The new restaurant and retail spaces will require demolition of the three residential dwelling and the current commercial building. The new restaurant and retail plaza will result in a \$2.5 million total investment in to the community. Presentation from Ms. Debone is included in the meeting agenda, and details tax dollars captured and repayment implications for the developer.

Mr. Adam Patton, PM Environmental, stated there will be several positive impacts from this plan: redevelopment of parcels that are currently a blight issue within the city, and the elimination of contaminated soil from the location will benefit surrounding properties, as well. The target date for project completion is June/July 2016.

Chairman Vaughn inquired if there are any tanks still underground from the former gas station. He also asked where the contaminated soil would be taken.

Mr. Patton stated it is their understanding the tanks from the previous gas station have already been removed in the past. The contaminated soil excavated from the site will be taken off-site to a special landfill that treats contaminated soil. The landfill is located in Detroit, and is the only hazardous waste landfill in the state.

Authority Member Frederick stated the city had been trying to get corridors addressed, and it is nice to see this site have a future. Members agreed it would be an exciting addition to the city and are pleased to have the area cleaned up.

**Motion by Authority Member Bailey, supported by Authority Member Bazelides to approve the Brownfield Plan #16 as presented.**

**Yeas all. Motion Carried.**

WHEREAS, the Brownfield Redevelopment Authority (the “Authority”) of the City of Owosso, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the “Act”), has prepared and recommended for approval by the Authority a Brownfield Plan entitled District #16, “910 E. Main Street” (the “Plan”), pursuant to and in accordance with Section 13 of the Act; and

WHEREAS, the Authority has, at least ten (10) days but not more than forty (40) days before the meeting of the Authority at which this resolution has been considered, 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 Authority 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, 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
- F. The square footage of the proposed building is 6,291 square feet.
- G. Line item cost details are eligible expenses that serve a public good.
- H. Local redevelopment area details are accurate.

WHEREAS, as a result of its review of the Plan and upon consideration of their views and recommendations of the Taxing Jurisdictions, the Authority desires to proceed with approval of the 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 12, 2015, 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.

**2. Election of Officers**

**It was moved by Authority Member Erickson to keep the previous slate of officers of Chairman Vaughn, Vice-Chairman Horvath, and Secretary/Treasurer Grant for 2015/2016. Yeas all. Motion carried.**

**COMMUNICATIONS:**

Susan K. Montenegro, Assistant City Manager. 300 W. Main Street update  
Susan K. Montenegro, Assistant City Manager. Sugar Beet factory update



**ADJOURNMENT:**

**Motion by Board Member Frederick, supported by Board Member Horvath to adjourn the meeting at 9:02 a.m.**

**Yeas all. Motion Carried.**

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**General Grant, Secretary/Treasurer**

**bac**

**Notice of Public Hearing  
Amending Brownfield Redevelopment Plan  
"District #8, Sugar Beet Site"**

The Owosso Brownfield Redevelopment Authority of the City of Owosso, Shiawassee County, Michigan will hold a public hearing on Thursday, June 30, 2016 at 9:00 a.m. in the City Council Chambers at 301 West Main Street, Owosso, Michigan to consider amending Brownfield Redevelopment Plan "District #8, Sugar Beet Site." The amended plan has been prepared pursuant to Michigan Public Law, PA 381 of 1996, as amended. The plan amendment provides for tax capture revenues for environmental work and eligible construction expenses. The eligible property is that area incorporating five (5) tax roll parcels and city road right-of-way as described below:

<b>SITE 1:</b>	<b>Parcel # 050-537-000-048-00 -1509 W. Oliver Street</b>
<b>SITE 2:</b>	<b>Parcel # 050-537-000-036-00 - 121 N. Chipman Street</b>
<b>SITE 3:</b>	<b>Parcel # 050-537-000-052-00 -1460 W. Oliver Street</b>
<b>SITE 4:</b>	<b>Parcel # 050-537-000-051-00 -1400 W. Oliver Street</b>
<b>SITE 5:</b>	<b>Parcel # 050-537-000-049-00 -1525 W. Oliver Street</b>

CITY ROAD RIGHT OF WAY Complete Description per Survey

Beginning at the Southeast  $\frac{1}{4}$  of Section 14, T. 7 N.-R.2 E., City of Owosso, Shiawassee County, Michigan described as follows: To fix the point of beginning commence at the Southeast corner of said Section 14; thence N.00°-23'-20"E., on the East line of said Section, 682.01 feet; thence N.43°-30'-39"W., 47.58 feet to the intersection of the Westerly Right-of-Way line of N. Chipman Street and the Southwesterly Railroad Right-of-Way line, also being the point of beginning; thence S.00°-23'-20"W, on said Westerly Right-of-Way line, 95.18 feet; thence N.43°-30'-39"W, 618.55 feet to a point on 767.00 feet radius curve to the left. having a chord bearing of N.67°-26'-40"W, 622.31 feet; thence along the arc of said curve 640.79 feet; thence S.88°-37'-19"W., 50.56 feet to a point on a 42.00 feet radius curve to the left, having a chord bearing of S.57°-27'-38"W., 13.68 feet; thence along the arc of said curve 13.74 feet to a point on a 78.00 feet radius curve to the right, having a chord bearing of N.84°-42'-16"W, 114.48 feet; thence along the arc of said curve 128.54 feet a point on the South  $\frac{1}{8}$  line of said Section; thence S.88°-38'-37"W., on said South  $\frac{1}{8}$  line, 15.01 feet; thence N.01°-21'-23"W, 46.00 feet to a point on a 78.00 feet radius curve to the right, having a chord bearing of N.20°-03'-58"E., 56.98 feet; thence along the arc of said curve 58.33 feet; thence N.41°-29'-19 "E.77.09 feet; thence S.48°-30'-43"E., 22.24 feet to a point on a 245.00 feet radius curve to the left, having a chord bearing of S.67°-26'-42"E., 198.77 feet; thence along the arc said curve 204.68 feet; thence N.88°-37'-19"E., 154.05 feet to a point on a 305.00 radius curve to the right, having a chord bearing of S.73°-06'-01 "E., 191.31 feet; thence along the arc of said curve 194.59 feet to a point on said South  $\frac{1}{8}$  line; thence N.88°-38'-37"E., on said South  $\frac{1}{8}$  line, 7.99 feet to said Southwesterly Railroad Right-of-Way line; thence S.43°-30'-39"E., on said Southwesterly Railroad Right-of-Way line, 838.78 feet to the point of beginning, containing 2.82 acres of land.

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 Assistant City Manager at (989) 725-0544 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](http://www.ci.owosso.mi.us).

Publish twice: June 16 & 17; one affidavit please.

**City of Owosso  
Brownfield Redevelopment Authority  
District # 8 Amended Brownfield Plan-  
"Sugar Beet/Tuscarora Inc."**



Prepared with the assistance of: Owosso Brownfield Redevelopment Authority  
Date of Authority's Original Plan Adoption: October 3 , 2002  
Date of City Council's Original Plan Adoption: November 4, 2002

Date of First Amendment: \_\_\_\_\_  
Date of City Council's Amended Plan Adoption: \_\_\_\_\_

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**Owosso Brownfield Authority District #8 Brownfield Plan  
"Sugar Beet/Tuscarora Inc."**

## **1. INTRODUCTION AND PURPOSE**

The purpose of this plan, to be implemented by the Authority, is to satisfy the requirements for a Brownfield Plan as specified in Act No. 381 of the Public Acts of 1996, MCL 125.2651 et. seq., which is known as the "Brownfield Redevelopment Financing Act" and as amended by PA 145 of 2000. There are 13 mandated requirements of the plan, each to be addressed in this plan. The principal purpose of the plan is to define eligible property, to define a tax increment plan for funding eligible activities, and to establish eligibility for developer single business tax credits. The subject of the plan is a contiguous grouping of five properties in northwest Owosso bounded by King Street on the north, the TSBY railroads on the east and west and the south line of the Mitchell Corporation site on the south, now referenced as Tuscarora Incorporated.

## **II. GENERAL DEFINITIONS AS USED IN THIS PLAN**

"Additional response activities" means response activities proposed as part of a brownfield plan that are in addition to a baseline environmental assessment activities and due care activities for an eligible property. MCL 125.2652(a).

"Authority" means a brownfield redevelopment authority created under this act. MCL 125.2652(b).

"Baseline environmental assessment" means that term as defined in Section 20101 of Part 201 of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, MCL 324.20101.

"Baseline environmental assessment activities" means those response activities identified as parts of a brownfield plan that are necessary to complete a baseline environmental assessment for an eligible property in the brownfield plan. MCL 125.2652(d).

"Blighted" means property that meets any of the following criteria:

- (i) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
- (ii) Is an attractive nuisance to children because of physical condition, use, or occupancy.
- (iii) Is a fire hazard or is otherwise dangerous to the safety of persons or property.
- (iv) 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.
- (v) 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.

"Board" means the governing body of an authority. MCL 125.2652(e).

"Brownfield plan" means a plan that meets the requirements of Section 13 and is adopted under Section 14. MCL 125.2652(f).

"Captured taxable value" means the amount in one year by which the current taxable value of an eligible property subject to a brownfield plan, including the taxable value or assessed value, as appropriate, of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property. The state tax commission shall prescribe the method for calculated captured taxable value. MCL 125.2652(g).

"Chief executive officer" means the mayor of a city, the village manager of a village, the township supervisor of a township, or the county executive of a county or, if the county does not have an elected county executive, the chairperson of the county board of commissioners.

"Department" means the department of environmental quality.

"Due care activities" means those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107a of Part 201 of Act No. 451 of the Public Acts of 1994, being Section 324.20107a of the Michigan Compiled Laws. MCL 125.2652(j).

"Eligible activities" or "eligible activity" does not include activities related to multisource commercial hazardous waste disposal wells as that term is defined in section 62506a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.62506a, but means 1 or more of the following:

- (i) Baseline environmental assessment activities.
- (ii) Due care activities.
- (iii) Additional response activities. MCL 125.2652(k).
- (iv) For eligible activities on eligible property that was used or is currently used for commercial, industrial, or residential purposes that is in a qualified local governmental unit and is a facility, functionally obsolete, or blighted, and except for purposes of section 38d of the single business tax act, 1975 PA 228, MCL 208.38d, the following additional activities:
  - (A) Infrastructure improvements that directly benefit eligible property.
  - (B) Demolition of structure that is not response activity under section 201 of the natural resources and environmental protection act, 1994 P A 451, MCL 324.20101.
  - (C) Lead or asbestos abatement.
  - (D) Site preparation that is not response activity under section 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
- (v) Relocation of public buildings or operations for economic development purposes with prior approval of the Michigan economic development authority. "Eligible property" means property for which eligible activities are identified under a brownfield plan that was used or is currently used for commercial, industrial, or residential purposes that is either in a qualified local governmental unit and is a facility, functionally obsolete, or blighted or is not in a qualified local governmental unit and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property. Eligible property includes, to the extent included in the brownfield plan, personal property located on the property. Eligible property does not include qualified agricultural property exempt under section 7ee of the general property tax act, 1983, PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

"Fiscal year" means that fiscal year of the authority.

"Functionally obsolete" means that 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 effect the property itself or the property's relationship with other surrounding property.

"Governing body" means the elected body having legislative powers of a municipality creating an authority under this act.

"Infrastructure improvements" means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement, owned or used by a public agency or functionally connected to similar or supporting property owned or used by a public agency, or designed and dedicated to use by, for the benefit of or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity, provided that any road, street, or bridge shall be continuously open to public access and that other property shall be located in public easements or rights-of-way and sized to accommodate reasonably foreseeable development of eligible property in adjoining areas.

"Initial taxable value" means the taxable value of an eligible property identified in and subject to a brownfield plan at the time the resolution adding that eligible property in the brownfield plan is adopted, as shown by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of property tax shall not be considered exempt from taxation. The state tax commission shall prescribe the method for calculating the initial taxable value of property for which a specific tax was paid in lieu of property tax.

"Local Taxes" means all taxes levied other than taxes levied for school operating purposes.

"Municipality" means all of the following:

- (i) A city.
- (ii) A village.
- (iii) A township in those areas of the township that are outside of a village.
- (iv) A township in those areas of the township that are in a village upon the concurrence by resolution of the village in which the zone would be located.
- (v) A county.

"Qualified local government unit" means that term as defined in the obsolete property rehabilitation act.

"Qualified taxpayer" means that term as defined in sections 38d and 38(g) of the single business tax act, 1975 PA 228, MCL 208.38d and 208.38(g).

"Remedial action plan" means a plan that meets both of the following requirements:

- (i) Is a remedial action plan as that term is defined in Section 20101 of Part 201 of Act No. 451 of the Public Acts of 1994, being Section 324.20101 of the Michigan Compiled Laws.
- (ii) Describes each individual activity to be conducted to complete an eligible activity and the associated costs of each individual activity.



"Response activity" means that term as defined in Section 20101 of Part 201 of Act No. 451 of the Public Acts of 1994, being Section 324.20101 of the Michigan Compiled Laws. MCL 125.2652(s).

"Specific taxes" means a tax levied under Act No. 198 of the Public Acts of 1974, being Sections 207.551 to 207.572 of the Michigan Compiled Laws, the commercial redevelopment act, Act No. 255 of the Public Acts of 1978, being Sections 207.651 to 207.668 of the Michigan Compiled Laws; the enterprise zone act, Act No. 224 of the Public Acts of 1985, being Sections 125.2101 to 125.2123 of the Michigan Compiled Laws, Act No. 189 of the Public Acts of 1953, being Sections 211.181 to 211.182 of the Michigan Compiled Laws; or the technology park development act, Act No. 385 of the Public Acts of 1984, being Sections 207.701 to 207.718 of the Michigan Compiled Laws, or the obsolete property rehabilitation act.

"Tax increment revenues" means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to a brownfield plan and personal property located on that property. 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, and specific taxes attributable to those ad valorem property taxes. Tax increment revenues attributable to eligible property also exclude the amount of ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment finance authority, or local development finance authority if those taxes were captured by these other authorities on the date that eligible property became subject to a brownfield plan under this act.

"Taxable value" means the value determined under Section 27a of the general property tax act, Act No. 206 of the Public Acts of 1893, being Section 211.27a of the Michigan Compiled Laws.

"Taxes levied for school operating purposes" means all of the following:

- (i) The taxes levied by a local school district for operating purposes.
- (ii) Taxes levied under the state education tax act, Act No. 331 of the Public Acts of 1993, being Section 211.901 to 211.906 of the Michigan Compiled Laws.
- (iii) That portion of specific taxes attributable to taxes described under Subparagraphs (i) and (ii). MCL 125.2652(w).

"Work plan" means a plan that describes each individual activity to be conducted to complete an eligible activity and the associated costs of each individual activity.

"Zone" means, for an authority established before the effective date of the amendatory act, PA 145 of 2000, that added subdivision (r) a brownfield redevelopment zone designated under the act.

### **III. THE BROWNFIELD PLAN.**

#### **PART A: Description of Eligible Properties.**

The eligible property is that area incorporating tax roll parcels on these five contiguous sites:

- Site 1: #78-050-537-000-048 (1509 West Oliver Street).
- Site 2: #78-050-537-000-036 (123 N. Chipman Street).
- Site 3: #78-050-537-000-052 (1460 W. Oliver Street).
- Site 4: #78-050-537-000-051 (1400 W. Oliver Street).
- Site 5: #78-050-537-000-049 (1525 W. King Street).

The site map on the next page shows the subject properties and vicinity.

# City of Owosso

6

## OBRA District #8



0 130 260 520 780 1,040  
Feet

June 24, 2016

1509 W. OLIVER ST.

Attachment 1 contains the legal descriptions. The project entails development of an industrial park area and access road with public utilities and site preparation costs. The site is contaminated, blighted in part and functionally obsolete. The project name is "Sugar Beet/Tuscarora Inc." and is the eighth Brownfield Redevelopment District plan for the city.

## **PART B: Determination of Eligibility.**

The sites are considered an "eligible property" because they contain contaminated soils and blighted areas. Eligibility is also based on the finding that the sites are functionally obsolete in part with deteriorating structures, dilapidated sub-soil foundations, superadequacies of building and property design, obsolete structures, inadequate municipal services and 9 acres of unconsolidated lime-based fill material. The contamination of the site at 1509 W. Oliver Street went through remedial action in 2002.

Functionally obsolete means that 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 superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property."*

### **• Specific Site Eligibility Findings:**

- a) Site 1: 1509 W. Oliver Street. This property has benefited from State investment through the Clean Michigan Initiative. The blighted structures have been removed along with any associated foundations. There is likelihood that there are other undiscovered foundations. Depending on the ongoing remedial actions, soil contamination above residential criteria may persist. The north half of the parcel, about 9 acres consists of borrow pits and backfilled lime materials from the sugar beet processing era. This is a condition of obsolescence and property devaluation. Another lime deposit on the south end where most of the redevelopment potential exists must be removed. Currently, there is no viable access to this site for long-term industrial use.
- b) Site 2: 123 N. Chipman Street. Since the inception of the original brownfield plan, site 2 has been sold and is a viable corporation. The site, however, is privately owned and operated and blocks access to site 1. A public roadway must to be built on the most easterly portion of this property. The new roadway will give improved access to the current corporation located at site 2 to provide the needed access into site 1 for industrial usage.  
  
A new water main will improve connectivity to city water. The new main will increase water flow and allow for a contemporary fire suppression system to meet their required standards of fire protection.
- c) Site 3: 1460 (aka 1500) W. Oliver Street. The occupant is Detroit Abrasives, an ongoing industrial enterprise. The structure is blighted in part and obsolete at four stories with the upper stories deemed unusable except for the present user who uses the clear span interior. There is no record of contamination for this property.
- d) Site 4: 1400 W. Oliver Street. This site is formerly a hazardous waste site that has been remediated to some extent and remains a facility. The obsolete multi-story brick structures also constitute eligibility as a facility for brownfield planning purposes.
- e) Site 5: 1525 W. King Street. Covenant Eyes Enterprise, LLC purchased the old GKN Sinter Metals plant at this site in 2007. The current company has utilized tax abatements and IFT programs. The current IFT will expire in 2022.

## **PART C: Responses to the Required Elements of a Brownfield Plan.**

### **1. Description of Costs to Be Paid for With Tax Increment Revenues and Summary of Eligible Activities.**

Tax increment revenues will pay the construction of a new industrial access street, engineering and construction of the street itself. Public utility installation will be carried out, both for new facilities and upgrades to obsolete structures. Concurrent investigations and preliminary construction activity may result in added costs for buried rubble and contaminated soil disposal. No remedial actions for site contamination are contemplated for this edition of the plan.

The project costs are estimated in the table at Schedule 1.

### **2. Estimate of Captured Taxable Value and Tax Increment Revenues**

The original plan is set to expire in 2022. The city of Owosso seeks to amend the plan and add an additional 10 years to the duration of the plan. If all obligations have been met prior to 2032 the plan shall terminate at that time. The estimated annual captured taxable value, once complete project development has occurred, is \$3,601,074.50. The plan deliberately demonstrates the greatest development scheme possible on all five sites. For this edition of the plan with the application of millage from local and state taxing jurisdictions, the annual tax increment revenues are projected to average \$186,432.67. The plan also seeks to include the interest accrued during the duration of the plan amounting to \$740,300.33. The potential for total collections are estimated at \$3,038,704.75, including interest, covering a span of 17 captured tax years, even though the TIF table shows completion in 2030.

<b>Total Activities Funded by TIF</b>	<b>Estimated Costs</b>
Bond Interest	\$ 740,300.33
Bond Cost	\$ 75,000.00
OBRA Administrative Fees (local TIR only)	\$ 15,105.00
State Brownfield Fund	\$ 162,802.92
Developer Reimbursement	\$ 2,045,496.50
<b>TOTAL</b>	<b>\$ 3,038,704.75</b>

To illustrate year five of the schedule against a taxable value of \$3,038,704.75 the basis for this projection is a calculation from the following millage rates of the applicable local and state taxing jurisdictions: (see next page)

<b>Taxing Entity</b>	<b>2016 Millage</b>	<b>Revenue</b>
School Operating	18.0000	\$ 54,696.69
SET	6.0000	\$ 18,232.23
City of Owosso	14.5343	\$ 44,165.45
SATA	0.3285	\$ 998.21
Shiawassee County Operational	5.1146	\$ 15,541.76
Council on Aging	0.3500	\$ 1,063.55
Medical Care Facility	2.0000	\$ 6,077.41
Veteran's Relief Fund	0.2400	\$ 729.29
District Library	1.2500	\$ 3,798.38
MSU Extension 4-H	0.0500	\$ 151.94
Shiawassee RESD	3.9040	\$ 11,863.10
<b>Total State &amp; Local Capturable Millage Amounts</b>	<b>51.7714</b>	<b>\$ 157,318.00</b>

### **3. Method of Financing and Description of Advances by the Municipality**

The City of Owosso will sell revenue bonds or a combination of taxable and tax exempt bonds to raise the funds to complete the project. Utility work and land acquisition for infrastructure and extended industrial drive constitute the principle cost of the project. TIF funds are requested to pay back the City of Owosso in the amount of \$3,038,704.75 for eligible costs.

### **4. Maximum Amount of Note or Bonded Indebtedness**

The entire project will require bonded indebtedness of \$2,120,497 with \$740,300.33 as allowed interest, demonstrated in TIF Table 3 and the Actual Allowed Interest Calculation worksheet.

### **5. Duration of Brownfield Plan**

The duration of the original plan was for 20 years, ending in 2022. The amended plan seeks to extend the plan to 2030. The developer shall assume the risk of project cost overruns, insufficient taxable value, or changing tax structure if any developer advanced project costs is not adequately reimbursed from tax increments.

### **6. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions**

The site will generate taxes to the local jurisdictions at the current level of development on the property that has a December 31, 2016 taxable value of: (see next page)

Site 1-1509 West Oliver Street	\$ 0
Site 2-123 N. Chipman Street	\$ 750,000
Site 3-1460 W. Oliver Street	\$ 27,921
Site 4-1400 W. Oliver Street.	\$ 83,256
Site 5-1525 W. King Street	\$ 340,972
<b>Total Taxable Value</b>	<b>\$ 1,202,149</b>

A new industrial drive will replace the use of West Oliver Street for access to the 123 N. Chipman and 1509 W. Oliver sites. The length of the street will not impact City public services. Schedule 3 details the tax capture implications to each of the local taxing jurisdictions and shows the level of current tax collections that will persist throughout the term of the plan.

#### **7. Legal Description, Property Map and Personal Property.**

The legal description of the eligible properties is provided in Attachment 1. A general list of real and personal property improvements subject to property tax at the site is listed in Attachment 2.

#### **8. Estimates of Residents and Displacement of Families.**

No residents or families will be displaced by the project. There are no families or persons residing on the premises.

#### **9. Plan for Relocation of Displaced Persons**

This section is not applicable to the plan.

#### **10. Provisions for Relocation Costs**

This section is not applicable to the plan.

#### **11. Strategy for Compliance with Michigan's Relocation Assistance Law**

This section is not applicable to the plan.

#### **12. Description of Proposed Use of Local Site Remediation Revolving Fund**

This Section is not applicable to the plan.

#### **13. Other Material the Authority Considers Pertinent.**

After adopting a notice of intent in March, of 1997, the City Council of the City of Owosso established the Brownfield Authority on April 21, 1997. The entire city was designated a Brownfield Zone with the expectation of individual "districts" having their own brownfield plans. The Authority was filed with Michigan's Secretary of State on April 29, 1997. As provided for in the Act, the City Council designated the city's Local Development Finance Authority to perform as the city's Brownfield Redevelopment Authority.

**ATTACHMENTS**

Attachment 1: Legal Description  
Attachment 2: List of Real and Personal Property Improvements

**LIST OF SCHEDULES**

SCHEDULE 1: Detail of Project Costs  
SCHEDULE 2: TIF Table 3  
SCHEDULE 3: Allowed Interest Calculation Sheet  
SCHEDULE 4: Proposed Industrial Access Road Map  
SCHEDULE 5: Proposed Water Main Improvements Map  
SCHEDULE 6: Reimbursement Agreement Between Developer and OBRA

## ATTACHMENT 1

### LEGAL DESCRIPTIONS

#### SITE 1:

##### **050-537-000-048-00 -1509 W. Oliver Street**

Part of Southwest 1/4 & part of Southeast fractional 1/4 of Section 14, T7N-R2E, beginning at center post, thence S1°32'12"W, 33', thence East 418.73', thence S42°07' E, 1066.59', thence N48°30'E, 34.45', thence S43°23' E, 177.7', thence S46°45'E, 180', thence S47°52'47"W, 52.92', thence S47°07'00"E, 146.16', thence on a curve to the left having a radius of 245', a delta angle of 38°22'13" and a chord bearing and distance of S61°18'07"E, 161.02', thence on a curve to the left having a radius of 245', a delta angle of 09°29'47" and a chord bearing distance of S85°4'07"E, 40.56', thence S89°59'00"E, 154.05', thence on a curve to the right having a radius of 305.00, a delta angle of 36°33'20" and a chord bearing and distance of S71°42'20"E, 191.31' to the East and West 1/8 line in the Southeast 1/4 of said Section 14, thence N89°59'W along 1/8 line 1025.59' to Northeast line of AARR R/W, thence N40°33'W along said r/w line to North-South 1/4 line, thence North to point of beginning.

(except road Right-of-Way described as: A Right-of-Way in the Southeast 1/4 of Section 14, T.7 N.-R. 2 E., City of Owosso. Shiawassee County, Michigan described as follows: To fix the point of beginning commence at the Southeast corner of said Section 14; thence N.00°-23'-20"E., on the East line of said Section, 682.01 feet to the Southwesterly Railroad Right-of-Way line; thence N.43°-30'-39"W., on said Southwesterly Railroad Right-of-Way line, 886.36 feet to the South 1/8 line of said Section; thence S.88°-38'-37"W., on said South 1/8 line, 7.99 feet to the point of beginning; thence continuing S.88°-38'-37"W., on said South 1/8 line, 606.99 feet; thence N.01°-21'-23"W., 46.00 feet to a point on a 78.00 feet radius curve to the right, having a chord bearing of N.20°-03'-58"E, 56.98 feet; thence along the arc of said curve 58.33 feet; thence N.41°-29'-19"E, 77.09 feet; thence S.48°-30'-43"E., 22.24 feet to a point on a 245.00 feet radius curve to the left. having a chord bearing of S.6°-26'-42"E., 198.77 feet; thence along the arc of said curve 204.68 feet; thence N.88°-37'-19"E., 154.05 feet to a point on a 305.00 radius curve to the right, having a chord bearing of S.73°-06'-01"E., 191.31 feet; thence along the arc of said curve 194.59 feet to a point on said South 1/8 line and the point of beginning, containing 0.98 acres of land.)

(also except easement for power lines consumers power company).

#### SITE 2:

##### **050-537-000-036-00 - 123 N. Chipman Street**

Part of Section 14, T7N-R2E, city of Owosso; county of Shiawassee, state of Michigan, commencing 284' North & 33' West of Southeast corner of Section 14, thence West 686.85' to East line of AARR R/W, thence Northwesterly along said Section line 1350.93', thence East 1024.98' to MCRR R/W, thence Southeasterly along said R/W line to West line of Chipman Street, a point that is 33' West of East line of Section 14, thence South along west line of Chipman Street to point of beginning.

(Except road right-of-way described as: A Right-of-Way in the Southeast 1/4 of Section 14, T.7 N.-R.2 E., City of Owosso. Shiawassee County, Michigan described as follows: To fix the point of beginning commence at the Southeast corner of said Section 14; thence N.00°-23'-20"E, on the East line of said Section, 682.01 feet; thence N.43°-30'-39"W. 47.58 feet to the intersection of the Westerly Right-of-Way line of N. Chipman Street and the Southwesterly Railroad Right-of-Way line, also being the point of beginning; thence S.00°-23'-20"W. on said Westerly Right-of-Way line, 95.18 feet; thence N.43°-30'-39"W, 618.55 feet to a point on 767.00 feet radius curve to the left, having a chord bearing of N.6°-26'-40"W., 622.31 feet; thence along the arc of said curve 640.79 feet; thence S.88°-37'-19"W., 50.56 feet to a point on a 42.00 feet radius curve to the left. having a chord bearing of S.5°-27'-38"W., 13.68 feet; thence along the arc of said curve 13.74 feet to a point on a 78.00 feet radius curve to the right, having a chord bearing of N.84°-42'-16"W., 114.48 feet; thence along the arc of said curve 128.54 feet a point on



the South 118 line of said Section; thence N.88°-38'-37"E., on said South 1/8 line, 599.97 feet: thence S.43°-30'-39"E, 838.78 feet to the point of beginning, containing 1.84 acres of land.)

**SITE 3:**

**050-537-000-052-00 -1460 W. Oliver Street**

Part of N 1/2 of Se 1/4 Sec 14 T7N R2E, beg int of S 1/8 ln of Sec 14 & MCRR R/W, th N42°07'W 604.14', th S47°35'00"W 242.30', th S47°52'47"W 52.92', th S47°07'00"E 146.16', th on a curve to the left having a radius of 245', a delta angle of 38°22'13" and a chord bearing and distance of S61°18'07"E 161.02', th on a curve to the left having a radius of 245', a delta angle of 09°29'47" and a chord bearing distance of S85°14'07"E 40.56', th S89°59'00"E 154.05', th on a curve to the right having a radius of 305.00, a delta angle of 36°33'20" and a chord bearing and distance of S71°42'20"E 191.31' to the East and West 1/8 line in the Se 1/4 of said Sec 14, th S89°59'E 7.99' to pob

**SITE 4:**

**050-537-000-051-00 -1400 W. Oliver Street**

Part of N 1/2 of Se 1/4 Sec 14 T7N R2E city of Owosso com at intersection of W RLW MCRR & E Oliver St extd W'l y 811.5' from W ln Chipman St th S77°17' W 202.9' (220.9') th S48°30' W 83.8' th S43°23' E 177.7' th S46°45' E 180' th N47°35' E alg brk wall 242.3' to W RLW MCRR th N42°7' W256.4' to beg

**SITE 5:**

**050-537-000-049-00 -1525 W. Oliver Street**

Pt of N 112 of Se 1/4 Sec 14 T7N R2E com S1 \*32 112' W 33' & E 418.73' fr cen Sec 14 to pob th S 42°7' E 1066.59' th N48°30' E 118.25' th S 77° 17' E 202.9' th N 42°7' W 945.24' to S ln King St th W 397.66' to pob (ex esmts of record)

**CITY ROAD RIGHT OF WAY Complete Description per Survey**

Beginning at the Southeast ¼ of Section 14, T. 7 N.-R.2 E., City of Owosso, Shiawassee County, Michigan described as follows: To fix the point of beginning commence at the Southeast corner of said Section 14; thence N.00°-23'-20"E., on the East line of said Section, 682.01 feet; thence N.43°-30'-39"W., 47.58 feet to the intersection of the Westerly Right-of-Way line of N. Chipman Street and the Southwesterly Railroad Right-of-Way line, also being the point of beginning; thence S.00°-23'-20"W, on said Westerly Right-of-Way line, 95.18 feet; thence N.43°-30'-39"W, 618.55 feet to a point on 767.00 feet radius curve to the left. having a chord bearing of N.67°-26'-40"W, 622.31 feet; thence along the arc of said curve 640.79 feet; thence S.88°-37'-19"W., 50.56 feet to a point on a 42.00 feet radius curve to the left, having a chord bearing of S.57°-27'-38"W., 13.68 feet; thence along the arc of said curve 13.74 feet to a point on a 78.00 feet radius curve to the right, having a chord bearing of N.84°-42'-16"W, 114.48 feet; thence along the arc of said curve 128.54 feet a point on the South 1/8 line of said Section; thence S.88°-38'-37"W. on said South 1/8 line, 15.01 feet; thence N.01°-21'-23"W, 46.00 feet to a point on a 78.00 feet radius curve to the right, having a chord bearing of N.20°-03'-58"E., 56.98 feet; thence along the arc of said curve 58.33 feet; thence N.41°-29'-19 "E.77.09 feet; thence S.48°-30'-43"E., 22.24 feet to a point on a 245.00 feet radius curve to the left, having a chord bearing of S.67°-26'-42"E., 198.77 feet; thence along the arc said curve 204.68 feet; thence N.88°-37'-19"E., 154.05 feet to a point on a 305.00 radius curve to the right, having a chord bearing of S.73°-06'-01 "E., 191.31 feet; thence along the arc of said curve 194.59 feet to a point on said South 1/8 line; thence N.88°-38'-37"E, on said South 1/8 line, 7.99 feet to said Southwesterly Railroad Right-of-Way line; thence S.43°-30'-39"E., on said Southwesterly Railroad Right-of-Way line, 838.78 feet to the point of beginning, containing 2.82 acres of land.

## Attachment 2

### List of Real and Personal Property Improvements

There are five industrial sites in the area of this brownfield plan. Three of the sites are developed with problems of functional obsolescence and potential soil contamination. These sites have potential for real and personal property improvements for industrial development. The other two sites are vacant and represent industrial development sites.

Site 1-1509 West Oliver Street. This site is known as the Sugar Beet site benefited from a Clean Michigan Initiative site assessment, remedial actions and site clearance. The parcel with some additional site preparation activity will permit the development of 19 acres of vacant land. Construction costs for an agribusiness structure are estimated at \$14,000,000. This is a maximum build-out plan and the actual expected building values are more conservatively estimated to protect the city's investment levels for brownfield expenses and tax increment financing debt obligations.

Some of the issues mentioned in the original plan have been corrected, but there remains some areas that need corrected to function to its full capacity. The access to the property is currently not developed, even though there are easements for extensions of roadways. Water and sewer that currently serve the property are old and insufficient for any future development. Old foundations remain from old structures that have been demoed. The north 9 acres still consist of borrow pits and backfilled lime materials from sugar beet processing.

Site 2-123 N. Chipman Street. Even though this property is occupied by a manufacturer, many of the issues addressed in the original plan remain. Since this was a corporate office for the previous owner the office space of about 30,000 square feet remains unused and is a superadequacy that impedes the expansion of manufacturing in that area of the structure. The low ceiling height of 16 feet throughout the plant continues to limit some of their manufacturing ability. The location of the plant towards the rear of the property limits expansion, and expansion off the front of the facility is restricted due to utility locations. Additional parking, driveway upgrades as well as tractor trailer turnaround and parking of trailers limited due to the current functionality of the property.

This property is currently owned by Sonoco (Sonoco acquired Tegrant Diversified Brands, Incorporated in 2011) and has been partially redeveloped. The company is planning an expansion project following improvements to accessibility of the site. The business operation is described as follows:

- *Foam molded polystyrene and polypropylene products.*
- *Integrated material products.*
- *Thermoformed products.*

*These products are used in the packaging of and as components for consumer products. The proposed facility in Owosso would supply foam molded component parts to various industries, with primary focus on the automotive, furniture, and appliance industries, most of which are in Michigan. The foam molding process as well as the integrated materials process would provide a wide variety of packaging materials to various companies for such items as furniture, appliances, toys, and electronic devices.*

*This is a typical manufacturing operation where:*

- *Raw materials are received.*
- *Parts are created from the raw materials.*
- *Completed parts are packaged and stored.*
- *Completed parts are shipped to customers as required.*

The facility operation is typically three shifts per day working seven days per week. Sonoco currently employs 185 full-time workers, 18 temps and intends to hire 65 new employees following the proposed expansion.

Site 3, 1460 W. Oliver Street and Site 4, 1400 W. Oliver Street. These two (2) sites have not changed since the original plan of 2002. They are both multiple story brick buildings of nearly 100 years of age and their functional use is limited to the main floors. The contamination that did exist has been remediated to some extent. The small site size for these two facilities are small in comparison to what is required for a manufacturing plant in today's market.

Site 5-1525 W. King Street. This property is owned by Covenant Eyes Enterprises, L.L.C. The plant that occupied this property during the original plan has closed and acquired by a technology company. Since their ownership, there have been many updates to utilities. The need for high ceilings is not an issue; however, the land use is limited to the front acreage. The rear 3 acres, as mentioned in the original plan, continues to have limits due to the use of elongated concrete storage tanks to soak sugar beets. The functional use of the land inhibits expansion into this area by the current owner. This obsolescence, and the continued growth of this business, has forced the company to purchase another building to accommodate the growth. Until the land is made functional, their growth will continue to be spread into other areas.

### SCHEDULE 1- "DETAIL OF PROJECT COSTS"

#### Water main expansion and improvement.

The work entailed for this portion of the project involves site preparation costs for the expansion and rerouting of inadequate water lines that must become a part of a city looped water system improving fire protection service to 123 N. Chipman Street and the new Sugar Beet industrial sites. The summary of expenses in this edition of the plan is as follows:

<b>Water Main</b>		
1509 W. Oliver Street	\$ 344,000	
123 N. Chipman Street	\$ 280,000	
<i>Sub-total</i>		\$ 624,000

#### Industrial roadway and land acquisition.

This is a 1,500 linear foot roadway from N. Chipman Street to the backside of the city-owned industrial site at 1509 West Oliver Street. The existing access road is gravel and asphalt in part and travels through residential areas and an assisted living facility under construction. It is entirely inappropriate for the level of industrial traffic that will result from the development of the brownfield sites. The road costs are:

<b>Infrastructure Improvements for 123 S. Chipman</b>		
Front parking lot	\$ 63,950	
Drive between lots	\$ 4,140	
Gravel material storage area	\$ 29,620	
<i>Sub-total</i>		\$ 97,710
<b>Roadway construction</b>		
General	\$ 56,000	
Earthwork	\$ 72,945	
Roadway	\$ 283,850	
Storm sewer	\$ 81,000	
Street lighting	\$ 80,000	
Chipman and Oliver repairs	\$ 278,300	
<i>Sub-total</i>		\$ 852,095
<b>Grand sub-total</b>		<b>\$ 949,805</b>

<b>Total Project Costs</b>		
Bond interest		\$ 740,300.33
Bond cost		\$ 75,000
Engineering costs for total project		\$ 150,000.00
Water main expansion		\$ 624,000
Roadway construction and improvements		\$ 949,805
Contingencies (15%)		\$ 321,691.50
<b>Grand Total</b>		<b>\$ 2,860,796.83</b>

TABLE 3 - TIF SCHEDULE  
SUGAR BEET - DISTRICT #8

Tax Increment Revenue Capture Year (Brownfield Plan Year)		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Current Taxable Value		\$ 1,202,149.00	\$ 1,202,149.00	\$ 1,202,149.00	\$ 1,202,149.00	\$ 1,202,149.00	\$ 1,202,149.00	\$ 1,258,043.00	\$ 1,258,043.00	\$ 1,258,043.00	\$ 1,258,043.00	\$ 1,258,043.00	\$ 1,258,043.00	\$ 1,258,043.00	\$ 1,258,043.00
Taxable Value After Improvement <sup>1</sup>		\$ 7,202,149.00	\$ 7,202,149.00	\$ 7,202,149.00	\$ 7,202,149.00	\$ 7,202,149.00	\$ 7,202,149.00	\$ 7,258,043.00	\$ 7,258,043.00	\$ 7,258,043.00	\$ 7,258,043.00	\$ 7,258,043.00	\$ 7,258,043.00	\$ 7,258,043.00	\$ 7,258,043.00
Total Captured Taxable Increment		\$ 3,601,074.50	\$ 3,601,074.50	\$ 3,601,074.50	\$ 3,601,074.50	\$ 3,601,074.50	\$ 3,601,074.50	\$ 3,629,021.50	\$ 3,629,021.50	\$ 3,629,021.50	\$ 3,629,021.50	\$ 3,629,021.50	\$ 3,629,021.50	\$ 3,629,021.50	\$ 3,629,021.50
Ratio of State to Local Taxes Availble for TIF (as percentage)	State 43.06% / Local 56.94%														
State Taxes - Millage															
School Operating	18.0000	\$ 64,819.34	\$ 64,819.34	\$ 64,819.34	\$ 64,819.34	\$ 64,819.34	\$ 64,819.34	\$ 65,322.39	\$ 65,322.39	\$ 65,322.39	\$ 65,322.39	\$ 65,322.39	\$ 65,322.39	\$ 65,322.39	\$ 65,322.39
SET	6.0000	\$ 21,606.45	\$ 21,606.45	\$ 21,606.45	\$ 21,606.45	\$ 21,606.45	\$ 21,606.45	\$ 21,774.13	\$ 21,774.13	\$ 21,774.13	\$ 21,774.13	\$ 21,774.13	\$ 21,774.13	\$ 21,774.13	\$ 21,774.13
Total State Taxes	24.0000	\$ 86,425.79	\$ 86,425.79	\$ 86,425.79	\$ 86,425.79	\$ 86,425.79	\$ 86,425.79	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52
Local Taxes - Millage															
City of Owosso	14.5343	\$ 52,339.10	\$ 52,339.10	\$ 52,339.10	\$ 52,339.10	\$ 52,339.10	\$ 52,339.10	\$ 52,745.29	\$ 52,745.29	\$ 52,745.29	\$ 52,745.29	\$ 52,745.29	\$ 52,745.29	\$ 52,745.29	\$ 52,745.29
SATA	0.3285	\$ 1,182.95	\$ 1,182.95	\$ 1,182.95	\$ 1,182.95	\$ 1,182.95	\$ 1,182.95	\$ 1,192.13	\$ 1,192.13	\$ 1,192.13	\$ 1,192.13	\$ 1,192.13	\$ 1,192.13	\$ 1,192.13	\$ 1,192.13
Shiawassee County Operational	5.1146	\$ 18,418.06	\$ 18,418.06	\$ 18,418.06	\$ 18,418.06	\$ 18,418.06	\$ 18,418.06	\$ 18,560.99	\$ 18,560.99	\$ 18,560.99	\$ 18,560.99	\$ 18,560.99	\$ 18,560.99	\$ 18,560.99	\$ 18,560.99
Council on Aging	0.3500	\$ 1,260.38	\$ 1,260.38	\$ 1,260.38	\$ 1,260.38	\$ 1,260.38	\$ 1,260.38	\$ 1,270.16	\$ 1,270.16	\$ 1,270.16	\$ 1,270.16	\$ 1,270.16	\$ 1,270.16	\$ 1,270.16	\$ 1,270.16
Medical Care Facility	2.0000	\$ 7,202.15	\$ 7,202.15	\$ 7,202.15	\$ 7,202.15	\$ 7,202.15	\$ 7,202.15	\$ 7,258.04	\$ 7,258.04	\$ 7,258.04	\$ 7,258.04	\$ 7,258.04	\$ 7,258.04	\$ 7,258.04	\$ 7,258.04
Veteran's Relief Fund	0.2400	\$ 864.26	\$ 864.26	\$ 864.26	\$ 864.26	\$ 864.26	\$ 864.26	\$ 870.97	\$ 870.97	\$ 870.97	\$ 870.97	\$ 870.97	\$ 870.97	\$ 870.97	\$ 870.97
District Library	1.2500	\$ 4,501.34	\$ 4,501.34	\$ 4,501.34	\$ 4,501.34	\$ 4,501.34	\$ 4,501.34	\$ 4,536.28	\$ 4,536.28	\$ 4,536.28	\$ 4,536.28	\$ 4,536.28	\$ 4,536.28	\$ 4,536.28	\$ 4,536.28
MSU Extension 4-H	0.0500	\$ 180.05	\$ 180.05	\$ 180.05	\$ 180.05	\$ 180.05	\$ 180.05	\$ 181.45	\$ 181.45	\$ 181.45	\$ 181.45	\$ 181.45	\$ 181.45	\$ 181.45	\$ 181.45
Shiawassee RESD	3.9040	\$ 14,058.59	\$ 14,058.59	\$ 14,058.59	\$ 14,058.59	\$ 14,058.59	\$ 14,058.59	\$ 14,167.70	\$ 14,167.70	\$ 14,167.70	\$ 14,167.70	\$ 14,167.70	\$ 14,167.70	\$ 14,167.70	\$ 14,167.70
Total Local Taxes (Capturable)	27.7714	\$ 100,006.88	\$ 100,006.88	\$ 100,006.88	\$ 100,006.88	\$ 100,006.88	\$ 100,006.88	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01
Total State & Local Capturable Millages	51.7714	\$ 186,432.67	\$ 186,432.67	\$ 186,432.67	\$ 186,432.67	\$ 186,432.67	\$ 186,432.67	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52
Total Annual State Incremental Taxes		\$ 86,425.79	\$ 86,425.79	\$ 86,425.79	\$ 86,425.79	\$ 86,425.79	\$ 86,425.79	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52	\$ 87,096.52
Total Annual Local Incremental Taxes		\$ 100,006.88	\$ 100,006.88	\$ 100,006.88	\$ 100,006.88	\$ 100,006.88	\$ 100,006.88	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01	\$ 100,783.01
Annual Cumulative Tax Capture		\$ 186,432.67	\$ 186,432.67	\$ 186,432.67	\$ 186,432.67	\$ 186,432.67	\$ 186,432.67	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52	\$ 187,879.52
Total Cumulative Tax Capture		\$ 186,432.67	\$ 372,865.34	\$ 559,298.01	\$ 745,730.67	\$ 932,163.34	\$ 1,118,596.01	\$ 1,306,475.53	\$ 1,494,355.06	\$ 1,682,234.58	\$ 1,870,114.10	\$ 2,057,993.63	\$ 2,245,873.15	\$ 2,433,752.68	\$ 2,621,632.20
Administrative Fee Captured by BRA ( <del>XX</del> %(if requested) <sup>2</sup>		\$ 1,000.00	\$ 1,001.00	\$ 1,002.00	\$ 1,003.00	\$ 1,004.00	\$ 1,005.00	\$ 1,006.00	\$ 1,007.00	\$ 1,008.00	\$ 1,009.00	\$ 1,010.00	\$ 1,011.00	\$ 1,012.00	\$ 1,013.00
State Brownfield Redevelopment Fund <sup>3</sup>		\$ 10,803.22	\$ 10,803.22	\$ 10,803.22	\$ 10,803.22	\$ 10,803.22	\$ 10,803.22	\$ 10,887.06	\$ 10,887.06	\$ 10,887.06	\$ 10,887.06	\$ 10,887.06	\$ 10,887.06	\$ 10,887.06	\$ 10,887.06
Total Annual Local Incremental Taxes Available for Capture		\$ 99,006.88	\$ 99,005.88	\$ 99,004.88	\$ 99,003.88	\$ 99,002.88	\$ 99,001.88	\$ 99,777.01	\$ 99,776.01	\$ 99,775.01	\$ 99,774.01	\$ 99,773.01	\$ 99,772.01	\$ 99,771.01	\$ 99,770.01
Total Annual State Incremental Taxes Available for Capture		\$ 75,622.56	\$ 75,622.56	\$ 75,622.56	\$ 75,622.56	\$ 75,622.56	\$ 75,622.56	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45
Total Combined Yearly Incremental Taxes Available for Capture		\$ 185,432.67	\$ 185,431.67	\$ 185,430.67	\$ 185,429.67	\$ 185,428.67	\$ 185,427.67	\$ 186,873.52	\$ 186,872.52	\$ 186,871.52	\$ 186,870.52	\$ 186,869.52	\$ 186,868.52	\$ 186,867.52	\$ 186,866.52
MSF Non-Environmental Costs															
State Tax Reimbursement		\$ 75,622.56	\$ 75,622.56	\$ 75,622.56	\$ 75,622.56	\$ 75,622.56	\$ 75,622.56	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45	\$ 76,209.45
Local Tax Reimbursement		\$ 99,006.88	\$ 99,005.88	\$ 99,004.88	\$ 99,003.88	\$ 99,002.88	\$ 99,001.88	\$ 99,777.01	\$ 99,776.01	\$ 99,775.01	\$ 99,774.01	\$ 99,773.01	\$ 99,772.01	\$ 99,771.01	\$ 99,770.01
Interest (if requested) <sup>4</sup>	\$ 740,300.33	\$ 84,819.86	\$ 80,583.86	\$ 76,178.43	\$ 71,596.77	\$ 66,831.85	\$ 61,876.33	\$ 56,722.59	\$ 51,362.71	\$ 45,788.42	\$ 39,991.17	\$ 33,962.02	\$ 27,691.71	\$ 21,170.59	\$ 21,724.00
Total Developer Reimbursement		\$ 259,449.30	\$ 255,212.30	\$ 250,805.87	\$ 246,223.21	\$ 241,457.29	\$ 236,500.77	\$ 232,709.05	\$ 227,348.17	\$ 221,772.88	\$ 215,974.63	\$ 209,944.48	\$ 203,673.17	\$ 197,151.05	\$ 21,724.00
Developer Reimbursement Schedule	\$ 3,038,704.75	\$ 2,779,255.45	\$ 2,524,043.14	\$ 2,273,237.27	\$ 2,027,014.05	\$ 1,785,556.76	\$ 1,549,055.98	\$ 1,316,346.93	\$ 1,088,998.76	\$ 867,225.88	\$ 651,251.25	\$ 441,306.77	\$ 237,633.61	\$ 40,482.56	0

<sup>1</sup> Rise in taxable value based on an assumption of XX% per year. Also, note any additional tax abatement applied to the project.

<sup>2</sup> May be taken from Local Tax Increment Revenue only

<sup>3</sup> 3 mills shall be taken from State Education Tax for up to 25 years

<sup>4</sup> See MEDC Interest Policy

## Actual Allowed Interest Calculation MSF & DEQ

Sugar Beet District #8 3/23/2016

MSF EA Amount	DEQ EA Amount	Totals
\$2,120,496.50	\$0.00	\$2,120,496.50
100.00%	0.00%	100.00%

MSF & DEQ Eligible Activity (EA) Amount	\$2,120,496.50
MSF & DEQ Allowed Annual Interest Rate	4.00 %
Capture Period for MSF & DEQ EA's with Interest (Total # of years)	15
Number of payments per year	1
Start date of Capture on MSF and DEQ EAs	1/1/2017

In accordance to the ratio of MEGA vs DEQ EA's Calculated Allowed Interest		
MSF Allowed Interest	DEQ Allowed Interest	Totals
\$740,300.33	\$0.00	\$740,300.33
MSF & DEQ EA's and Interest Totals (A)		
MSF EA's and Interest Total	DEQ EA's and Interest Total	Totals
\$2,860,796.83	\$0.00	\$2,860,796.83
TIF Summary		
Scheduled payment	\$ 190,719.79	NOTE: Does not include Brownfield Plan/Work Plan Prep for MSF/DEQ or MSF/DEQ Review Cost
Scheduled number of payments	15	
MSF & DEQ Allowed Interest	\$ 740,300.33	
Actual Allowed Interest (MSF & DEQ or BRA Capped Interest, whichever is less)	\$740,300.33	

Payment Date	Beginning Balance	Scheduled Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1/1/2018	\$ 2,120,496.50	\$ 190,719.79	\$ 190,719.79	\$ 105,899.93	\$ 84,819.86	\$ 2,014,596.57	\$ 84,819.86
1/1/2019	2,014,596.57	190,719.79	190,719.79	110,135.93	80,583.86	1,904,460.65	165,403.72
1/1/2020	1,904,460.65	190,719.79	190,719.79	114,541.36	76,178.43	1,789,919.28	241,582.15
1/1/2021	1,789,919.28	190,719.79	190,719.79	119,123.02	71,596.77	1,670,796.27	313,178.92
1/1/2022	1,670,796.27	190,719.79	190,719.79	123,887.94	66,831.85	1,546,908.33	380,010.77
1/1/2023	1,546,908.33	190,719.79	190,719.79	128,843.46	61,876.33	1,418,064.87	441,887.10
1/1/2024	1,418,064.87	190,719.79	190,719.79	133,997.19	56,722.59	1,284,067.68	498,609.70
1/1/2025	1,284,067.68	190,719.79	190,719.79	139,357.08	51,362.71	1,144,710.60	549,972.41
1/1/2026	1,144,710.60	190,719.79	190,719.79	144,931.36	45,788.42	999,779.23	595,760.83
1/1/2027	999,779.23	190,719.79	190,719.79	150,728.62	39,991.17	849,050.61	635,752.00
1/1/2028	849,050.61	190,719.79	190,719.79	156,757.76	33,962.02	692,292.85	669,714.02
1/1/2029	692,292.85	190,719.79	190,719.79	163,028.07	27,691.71	529,264.78	697,405.74
1/1/2030	529,264.78	190,719.79	190,719.79	169,549.20	21,170.59	359,715.58	718,576.33
1/1/2031	359,715.58	190,719.79	190,719.79	176,331.17	14,388.62	183,384.41	732,964.95
1/1/2032	183,384.41	190,719.79	183,384.41	176,049.04	7,335.38	0.00	740,300.33







