

**WASHTENAW COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY**

**BROWNFIELD PLAN
FOR**

**FEDERAL SCREW WORKS
REDEVELOPMENT PROJECT**

**425 CONGDON STREET
CHELSEA, MICHIGAN**

Prepared by:

**Magellan Development Company
206 S. Fifth Avenue
Suite 175
Ann Arbor, Michigan 48104
Contact Person:
Rene Papo
RPapo@aol.com
Phone: (734) 663-0645**

**Canopus Environmental Group
6988 Hitchingham Road
Ypsilanti, Michigan 48197
Contact Person:
Louis Stultz, Senior Project Manager
lstultz@canopusgroup.com
Phone: 734-678-8553**

**May 13, 2008
Canopus Project No: C5125**

TABLE OF CONTENTS

INTRODUCTION	1
GENERAL DEFINITIONS AS USED IN THIS PLAN	2
BROWNFIELD PLAN PROVISIONS	5
A. Description of Eligible Property (Section 13(1)(h))	6
B. Basis of Eligibility (Section 13(1)(h) and 2(m))	6
C. Summary of Eligible Activities and Description of Costs (Section 13(1)(a) and 13(1)(b))	7
D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(1)(g))	8
E. Plan of Financing (Section 13(1)(d); Maximum Amount of Indebtedness (Section 13(1)(e)) ...	9
F. Michigan Business Tax Credit	10
G. Duration of the Plan (Section 13(1)(f))	10
H. Effective Date of Inclusion in Brownfield Plan	10
I. Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))	10
J. Description of Proposed Use of Local Site Remediation Revolving Fund	10
K. Owners Obligations, Representations and Warrants	11
L. Other Material the Authority or Governing Body considers pertinent	11

TABLES

- Subsection C - Table 1C: Description of Eligible Activities
- Subsection D - Table 1D: Summary of Taxing Jurisdictions
- Subsection D - Table 2D: DDA Tax increment Revenues Transferred to the Authority

ATTACHMENTS

- A. FIGURES
- B. LEGAL DESCRIPTION
- C. COST/FUNDING BREAKDOWN - Project Proforma
- D. TABLES
 - Table 1 – Eligible Activities Costs
 - Table 2 – Tax Increment Financing Projections
- E. INTERLOCAL AGREEMENT - Between City of Chelsea DDA and the Authority
- F. DOCUMENTS PREVIOUSLY SUBMITTED TO WCBRA
 - Phase I ESA (3/5/07)
 - Phase I Update (10/1/07)
 - Phase II Documents included with BEA Report (3/12-13/07)
 - Baseline Environmental Assessment (10/1/07)

INTRODUCTION

In order to promote the redevelopment of environmentally distressed properties within Washtenaw County, Michigan, the County has established the Washtenaw County Brownfield Redevelopment Authority (the "Authority") pursuant to Michigan Public Act 381 of 1996, as amended by Michigan Public Act 145 of 2000 ("Act 381").

The primary purpose to this Brownfield Plan ("Plan") is to promote the redevelopment of and private investment in certain "brownfield" properties within the county. Inclusion of property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in redevelopment of eligible sites, commonly referred to as "brownfields". By facilitating redevelopment of brownfield properties, the Plan is intended to promote economic growth for the benefit of the residents of Washtenaw County and all taxing units located within and benefited by the Authority.

The identification or designation of a developer or proposed use for the eligible property that is the subject of this Plan shall not be integral to the effectiveness or validity of this Plan. This Plan is intended to apply to the eligible property identified in this Plan and, if tax increment revenues are proposed to be captured from the eligible property, to identify and authorize the eligible activities to be funded by such tax increment revenues. Any change in the proposed developer or proposed use of the eligible property shall not necessitate an amendment to the Plan, affect the application of this Plan to the eligible property, or impair the rights available to the Authority under this Plan.

This plan is intended to be a living document, which may be modified or amended as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Brownfield Plan contains information required by Section 13(1) of Act 381.

GENERAL DEFINITIONS AS USED IN THIS PLAN

Additional response activities means response activities proposed as part of a Brownfield Plan, which are in addition to baseline environmental assessment activities and due care activities for an eligible property. MCLA 125.2652(a)

Authority means the Washtenaw County Brownfield Authority, a Brownfield Redevelopment Authority created under Act 381. MCLA 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 (NREPA), Act 451 of the Public Acts of 1994, as amended. MCL 324.201 or. MCLA 125.2652(c)

Baseline Environmental Assessment activities means those response activities identified as part of a Brownfield Plan that are necessary to complete a Baseline Environmental Assessment for an eligible property in the Brownfield Plan. MCLA 125.2652(d)

Blighted means property that meets any of the following criteria:

- (i) Declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code ordinance.
- (ii) 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 the state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county or the 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 purposes of this act. MCLA 125.2652(e)

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

Brownfield Plan means this Brownfield Plan, as amended in accordance with Act 381. MCLA 125.2652(g)

Captured taxable value means the amount in one year by which the current taxable value of an eligible property subject to this Brownfield Plan, including the taxable value or assessed value 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. MCLA 125.2652(h)

Chief Executive Officer means the chair of the Washtenaw County Board of Commissioners MCLA 125.2652(i)

Department means the Department of Environmental Quality. MCLA 125.2652(j)

Due-care activities means those response activities identified as part of this 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 451 of the Public Acts of 1994, as amended. MCLA 125.2652(k)

Eligible activities mean one or more of the following:

- (i) Baseline environmental assessment activities.
- (ii) Due-care activities
- (iii) Additional response activities.
- (iv) Infrastructure improvements that directly benefit eligible property.
- (v) Demolition of structures that is not a response activity under section 201 of NREPA.
- (vi) Lead or asbestos abatement.
- (vii) Site preparation that is not a response activity under section 201 of NREPA.
- (viii) Relocation of public buildings or operations for economic development purposes with prior approval of the Michigan Economic Growth Authority (MEGA). MCLA 125.2652(l)

Eligible investment means demolition, construction, restoration, alteration, renovation or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment, and fixtures to eligible property after the date that eligible activity on that eligible property has started pursuant to this Brownfield Plan under the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2651 to 125.2672, and after the date that the pre-approval letter is issued. The addition of leased machinery, equipment, or fixtures to eligible property by a lessee of the machinery, equipment, or fixtures is eligible investment if the lease of the machinery, equipment, or fixtures has a minimum term of 10 years or is for the expected useful life of the machinery, equipment, or fixtures, and if the owner of the machinery, equipment, or fixtures is not the qualified taxpayer with regard to that machinery, equipment, or fixtures. MCLA 208.38g(30)(e)

Eligible property means property for which eligible activities are identified under this Brownfield Plan and 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 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 shall include, 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, 1893 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.

Facility means that term as defined in section 20101 of NREPA (1994 PA 451). MCL324.20101

Fiscal year means that fiscal year of the authority. MCLA 125.2652(o)

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, change in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property. MCLA 125.2652(p)

Governing Body means the Washtenaw County Board of Commissioners. MCLA 125.2652(q)

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 of 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. MCLA 125.2652(r)

Initial taxable value means the taxable value of an eligible property identified in and subject to this 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. MCLA 125.2652(s)

Local taxes means all taxes levied other than taxes levied for school operating purposes. MCLA 125.2652(t)

Municipality means the City of Chelsea. MCL 125.2652(u)

Project means the total of all eligible investment on an eligible property. MCLA 208.38g(30)(j)

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

Qualified taxpayer means a taxpayer that meets both of the following criteria:

- (i) Owns or leases an eligible property.
- (ii) Certifies that the department of environmental quality has not sued or issued a unilateral order to the taxpayer pursuant to part 201 of NREPA, 1994 Public Act 451, as amended, to compel response activity on or to eligible property, or expended any state funds for response activity on or to eligible property demanded reimbursement for those expenditures from the qualified taxpayer.
- (iii) If (ii) actions had taken place against the taxpayer, the taxpayer would be a qualified taxpayer if they had completed all response activity required by Part 201, were in compliance with any deed restriction or administrative or judicial order related to the required response activity, and had reimbursed the State for all costs incurred related to the required response activity. MCL 125.2652(v)

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 the natural resources and environmental protection act, 1994 PA 451. MCL 324.20101.
- (ii) Describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual activity. MCLA 125.2652(x)

Response activity means that term as defined in Section 20101 of NREPA (1994 PA 451), as amended. MCL 324.20101

Specific taxes means a tax levied under 1974 PA198, as amended, MCL207.551 to 207.572; the Commercial Redevelopment Act, 1978 PA 255, as amended, MCL 207.651 to 207.668; the Enterprise Zone Act, 1985 PA 224, as amended, MCL 125.2101 to 125.2123; 1953 PA 189, as amended, MCL 211.181 to 211.182; the Technology Park Development Act, 1984 PA 385, as amended, MCL 207.701 to 207.718; or the Obsolete Property Rehabilitation Act. MCLA 125.2652(z)

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 this Brownfield Plan. MCLA 125.2652(aa)

Taxable value means the value determined under Section 27a of the general property tax act, 1983 PA 206, as amended. MCLA 125.2652(bb)

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, 1993 PA 331, as amended. MCL 211.901 to 211.906.
- (iii) That portion of specific taxes attributable to taxes described under subparagraphs (i) and (ii). MCLA 125.2652(cc)

Work plan means a plan that describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual. MCLA 125.2652(dd)

Zone means, for an authority established before the effective date of the amendatory act that added subdivision(r), a brownfield redevelopment zone designated under this act. MCLA 125.2652(ee).

BROWNFIELD PLAN PROVISIONS

A. Description of Eligible Property (Section 13(1)(h))

The Eligible Property (subject site) is located northwest of the intersection of Lincoln Street and S. Main Street, approximately 1.5-miles north of Interstate Highway 94, and is comprised of 2.56 acres of developed land platted in the southeast quarter of Section 12, T2S, R3E, City of Chelsea, Washtenaw County, Michigan. The address for the subject site is 425 Congdon Street (office address). Until recently (2006) the former Federal Screw Works (manufacturing/metal machining) operated an industrial facility at the subject site. The subject site is currently developed with a vacant, 84,792 square foot, one-story industrial manufacturing building with a smaller two-story office section. The remaining portions of the property consist of concrete driveways and sidewalks, a loading dock area (southwest portion), grass and landscaped areas. The subject site is accessed from the west, off of Congdon Street and off of S. Main Street from the east. A former railroad right-of-way is located along the southern property line. **Attachment A (Figures)** includes a *Location Map, Site Plan View, and Proposed Site/Concept Plan* for the eligible property.

Existing infrastructures at the subject site include subsurface utilities consisting of municipal sanitary/storm sewer, water, natural gas, electric, and communications. The mains servicing the site are located within Congdon Street and S. Main Street with private service leads extending into the site. The city storm sewer main also bisects the property beginning at S. Main Street and extending west to Congdon Street. The City of Chelsea supplies potable water and public sewer service for the property. These properties are presently zoned for industrial use, pending rezoning to commercial planned unit development PUD

The property tax identification numbers associated with the legal description of the subject site are **06-12-435-005 (Parcel 1) and 06-12-435-015 (Parcel 2)**. A legal description for the subject site is provided in **Attachment B**.

The Magellan Development Company (Developer) purchased the subject site, located at 425 Congdon Street, on September 21, 2007. Over the course of the next three to five years it will be the Developer's objective to redevelop the site. The project will consist of a mixed commercial use development including retail, general office, medical and banking businesses. The commercial development will consist of five buildings, including one drive-thru bank branch, containing a total of 28,000 sq. ft of usable floor space. Because of pending rezoning to PUD, the Developer will have the ability to add second story residential options to the buildings facing onto Congdon Street. The extent of the development will cover the entire site (2.56 acres) including walkways, landscaping, driveways and parking (132 vehicles). All existing structures (FSW manufacturing building) will be demolished prior to redevelopment of the site and all appropriate building materials (e.g., concrete, brick & block) will be re-used as back fill on the property for land balancing or for structural/construction purposes. Some upgrading of utilities and public infrastructure will also be completed as necessary to serve this development.

Attachment C provides a Cost/Funding Breakdown (**Project Proforma**) of the project to be completed at the subject site.

B. Basis of Eligibility (Section 13(1)(h) and 2(m))

The subject site is considered “eligible property” as defined by Act 381, Section 2 because the subject site, located at 425 Congdon Street, Chelsea, Michigan, meets the definition of a “Facility” as outlined in Part 201 of the Natural Resources Environmental Protection Act (NREPA), 1994, PA 451, as amended.

Canopus Environmental Group, Inc. (CEG), on behalf of its client, Magellan Development Company, conducted a subsurface investigation (Phase II Environmental Site Assessment) of the subject site on March 12-13, 2007. The purpose of this investigation was to further evaluate Recognized Environmental Conditions (RECs) discovered during the Phase I Environmental Site Assessment conducted by CEG in February/March of 2007.

Laboratory analysis of selected samples collected during the subsurface investigation indicated that numerous volatile organic compounds (VOCs) were detected in soils and groundwater at levels exceeding several NREPA Part 201 generic residential cleanup criteria. In addition, heavy petroleum staining is evident on building floors (concrete) and interior walls; four former underground storage tank (UST) locations (previously removed – late 1980s) and possibly one closed in place UST were discovered; wood block flooring located in the northwestern portion of the building is heavily contaminated with oil (PNAs); metal (arsenic) contaminated soils are present along the southern portion of the property where a former railroad right-of-way was once located; and, asbestos, as well as other potential hazardous materials (i.e., CFC, mercury containing equipment, PCB/electrical equipment) are present in the building.

C. Summary of Eligible Activities and Description of Costs (Section 13(1)(a) and 13(1)(b))

The “eligible activities” that are intended to be carried out at the subject site are considered “eligible activities” as defined by Section 2 of Act 381, because they include, asbestos abatement, demolition and environmental due diligence activities. A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Incremental Revenues from the subject site are shown in the table below and in **Table 1**(Eligible Activities Costs) of **Attachment D**.

<u>Subsection C - Table 1C</u>	Budgeted Costs
Description of Eligible Activities	
Brownfield Plan	\$6,500
Act 381 Work Plan	\$7,500
Asbestos/Lead Inspections/Abatement	\$35,700
Demolition	\$125,000
Environmental Due Care	\$297,000
Subtotal Site Eligible Activities	\$471,700
Authority Administrative Costs	\$27,309
Local Site Remediation Revolving Fund	\$47,170
Total Estimated Cost to be Funded through TIF	\$546,179

It is currently anticipated construction will begin in the fall of 2008 and eligible activities will be completed within five (5) years. Unless otherwise agreed to in writing by the Authority, all

eligible activities will be completed within 5 years after the approval of this Plan by the governing body, however, any long-term monitoring, operation or maintenance activities or obligations that may be required will be performed in compliance with the terms of this Plan and any documents prepared pursuant to this Plan.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenues generated by the subject site will be captured by the Authority and used to reimburse the cost of the eligible activities completed on the subject site after approval of this Plan by the governing body pursuant to the terms of a Reimbursement Agreement with the Authority (the "Reimbursement Agreement").

The costs listed in the **Description of Eligible Activities** (table above) are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the subject site. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the approved Plan. This Plan will dictate the total cost of eligible activities subject to reimbursement, provided that the total cost of eligible activities subject to reimbursement shall not exceed the estimated costs set forth above, without requiring an amendment to this Plan. As long as the total costs are not exceeded, line items costs of eligible activities may be adjusted after the date of this Plan as approved by the Authority/Governing Body, to the extent adjustments do not violate the terms of the approved MDEQ/MEGA Act 381 Workplans.

Act 381 Work Plans

It is the intention of this Brownfield Plan to capture school operating taxes for all eligible activities. Therefore, an appropriate work plan will be submitted to the Michigan Department of Environmental Quality (MDEQ) and the Michigan Economic Development Corporation (MEDC) for their review and approval.

D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(1)(g))

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan. An estimate of tax increment financing projections from revenues to be captured by this Plan is presented in **Table 2** of **Attachment D**. It is anticipated that eligible activities will be repaid in the year 2015.

The eligible property is located within the City of Chelsea's Downtown Development Authority's (DDA) district. The tax increment revenues captured by the DDA from the eligible property will be transferred to the Authority pursuant to an Interlocal Agreement approved by the DDA and the Authority. The Interlocal Agreement will allow the Authority to use tax increment revenues captured from the eligible property to reimburse for the eligible activities identified in Section C of this Plan. Once the eligible activities for the eligible property have been reimbursed, the Interlocal Agreement between the DDA and the Authority is nullified and the DDA will no longer transfer tax increment revenues captured from the eligible property to the Authority.

The tables below summarize the tax increments that are projected to be captured and applied to (i) reimbursement of eligible activity costs to the Developer and payment of Authority

administrative costs, and (ii) make deposits into the Authority's Local Site Remediation Revolving Fund, as follows:

Subsection D - Table 1D	Reimbursements and	Local Site Remediation
Summary of Taxing	Administrative Costs	Revolving Fund
Jurisdictions		
State Education Tax	\$54,450	\$5,445
School Operating Tax	\$163,349	\$16,335
Washtenaw ISD	\$36,068	\$3,607
Washtenaw CC	\$33,537	\$3,354
County Operating	\$51,516	\$5,152
Chelsea General Fund	\$118,877	\$11,888
Municipal Streets	\$13,613	\$1,361
Solid Waste	\$3,952	\$395
Chelsea Library	\$21,164	\$2,116
Subtotal	\$496,526	\$49,653
Minus WCBRA Admin Fees (5%)	\$24,826	\$2,483
Total	\$471,700	\$47,170
Eligible Activities		\$471,700
Local Site Remediation Revolving Fund		\$47,170
Total WCBRA Administrative Fees (5%)		\$27,309
Total		\$546,179

Subsection D - Table 2D	Reimbursements and	Local Site Remediation
DDA Tax Increment Revenues	Administrative Costs	Revolving Fund
Transferred to the Authority		
Washtenaw CC	\$33,537	\$3,354
County Operating	\$51,516	\$5,152
Chelsea General Fund	\$118,877	\$11,888
Municipal Streets	\$13,613	\$1,361
Solid Waste	\$3,952	\$395
Chelsea Library	\$21,164	\$2,116
Total DDA Capture	\$242,659	\$24,266

E. Plan of Financing (Section 13(1)(d); Maximum Amount of Indebtedness(Section 13(1)(e))

Project costs are to be financed solely by the Developer. The Authority will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the Property. No advance has been made or shall be made by the Authority or the Governing Body for the costs of eligible activities under this Plan.

All 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 Authority to fund such reimbursements and does not obligate

the Authority to fund any reimbursement or enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Plan, or which are permitted to be reimbursed under this Plan. The amount and sources 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. The Authority/Governing Body shall not incur any note or bonded indebtedness to finance the purposes of this Plan. Reimbursements under the Reimbursement Agreement shall not accrue interest and shall not exceed the cost of Eligible Activities permitted under this Plan and the Reimbursement Agreement.

F. Michigan Business Tax Credit

The subject site is included in this Plan to enable “qualified taxpayers” as defined by Michigan Public Act 381 of 1996, Michigan Public Act 143 of 2000, or Michigan Public Act 726 of 2002, as amended (former “SBT Credit Acts”, current Michigan Business Tax Credit) to avail themselves of eligibility for a credit against their Michigan Business Tax liability for “eligible investments,” as defined by Section 38g of 1975 PA 228, as amended, incurred on the subject site after the adoption of this Plan.

Total eligible investment for this project is estimated at **\$4.57 million**. *As a result of this investment, the Developer, Magellan Development Company, will be seeking a Michigan Business Tax Credit.*

G. Duration of the Plan (Section 13(1)(f))

The duration of the Brownfield Plan for eligible activities on eligible property shall not exceed 35 years following the date of the governing body resolution approving the plan amendment. The date of tax capture shall commence during the year construction begins or the immediate following year, but the beginning date of tax capture shall not exceed five years beyond the date of the governing body resolution approving the plan amendment. TIF capture shall not exceed 30 years.

H Effective Date of Inclusion in Brownfield Plan

The Subject Property will become a part of this Plan on the date this Plan is approved by the Governing Body (Washtenaw County Commissioners).

I. Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))

All of the individual properties comprising the Subject Property have been purchased by the Developer. There are no persons or businesses residing on the Subject Property and, therefore, no need for compliance with 1972 PA 227, Michigan Relocation Assistance Act.

J. Description of Proposed Use of Local Site Remediation Revolving Fund

The Authority has established a Local Site Remediation Revolving Fund (LSRRF). The LSRRF will consist of all tax increment revenues authorized to be captured and deposited in the

LSRRF, as specified in Section 13(5) of Act 381, under this Plan and any other plan of the Authority. It may also include funds appropriated or otherwise made available from public or private sources. The amount of tax increment revenue authorized for capture and deposit in the LSRRF for this Plan is ten percent (10%) of the total Eligible Activity expenses, estimated at **\$47,170**.

K. Owners Obligations, Representations and Warrants

The Owner and its affiliates shall comply with all applicable laws, ordinances, executive orders, or other regulations imposed by the City of Chelsea or any other properly constituted governmental authority with respect to the Eligible Property and in accordance with this Plan.

L. Other Material the Authority or Governing Body considers pertinent

The Developer represents and warrants that a Phase I Environmental Site Assessment (“ESA”), a Phase II ESA, and Baseline Environmental Assessment (BEA), pursuant to Part 201 of Michigan’s Natural Resources and Environmental Protection Act (MCL 324.20101 *et seq.*), have been performed on the Property. Copies of the above mentioned documents are provided in **Attachment F**.

Brownfield plan submitted by:



**Canopus Environmental Group, Inc.
Project No. C5125**

This report submitted by: _____

Louis F. Stultz
Senior Project Manager

James Murray
Manager Environmental Services

DRAFT

ATTACHMENT A

FIGURES

DRAFT

**ATTACHMENT B
LEGAL DESCRIPTION**

DRAFT

ATTACHMENT C
COST/FUNDING BREAKDOWN
Project Proforma

ATTACHMENT D

TABLES

Table 1 – Eligible Activities Costs

Table 2 – Tax Increment Financing Projections

DRAFT

ATTACHMENT E

INTERLOCAL AGREEMENT

Between

City of Chelsea DDA and the Authority

ATTACHMENT F

DOCUMENTS PREVIOUSLY SUBMITTED TO WCBRA

Phase I Environmental Site Assessment (3/5/2007)

Phase I ESA Update (10/1/2007)

Phase II ESA (3/12-13/2007); included w/BEA Report

Baseline Environmental Assessment (10/1/2007)