

Act 381 Brownfield Plan

266 E. Michigan Avenue
Kalamazoo, MI 49048

City of Kalamazoo Brownfield Redevelopment Authority

Project No. 231677
Amendment #1
December 20, 2023

Act 381 Brownfield Plan

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Kalamazoo, MI 49048**

**Prepared For:
City of Kalamazoo Brownfield Redevelopment Authority Kalamazoo,
Michigan**

**Amendment #1
December 20, 2023
Project No. 231677**

**Amendment #1: (Fishbeck)
Recommended for Approval by the Brownfield Redevelopment Authority on: December 21, 2023
Adopted by the Kalamazoo City Commission on: February 5, 2024**

**Initial Brownfield Plan Approval: (Southwest Michigan First)
Adopted by the Kalamazoo City Commission on: December 7, 2020**

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1.0 Introduction

1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The proposed project includes the redevelopment of a commercial building situated on an approximately 0.078-acre parcel located at 266 E. Michigan Avenue in the City of Kalamazoo, Michigan (the "Property"). The Property is comprised of an approximately 13,600-square-foot, four-story building, in the heart of downtown Kalamazoo. The first floor is developed as restaurant space, with three vacant and undeveloped upper floors. The developer will redevelop the upper three floors into 13 residential apartments over the first-floor commercial space.

The developer has incurred and will incur "eligible activity" expenses in connection with the Property, as defined in the Brownfield Redevelopment Financing Act of 1996 ("Act 381"), including department specific activities, lead and asbestos abatement, demolition, and infrastructure improvements.

The purpose of this plan is to provide for reimbursement of the eligible activity expenses incurred and to be incurred by the developer on the Property and improvements that will directly benefit the Property. The Property requires significant investment to return it to functional use. The proposed project includes the selective interior demolition and redevelopment of the vacant upper three floors of the Property into 13 residential apartments, in addition to minimal rehabilitation activities on the first floor in order to support the apartments located on the upper three floors (the "Project").

The total capital investment on the project will be approximately \$4.6 million.

1.2 Eligible Property Information

Basis of Eligibility

The Property is located in the City of Kalamazoo (the "City"), a qualified local governmental unit pursuant to Act 381. The Property is considered an "eligible property" under Act 381 because it was deemed functionally obsolete. See Appendix 5 for the determination of functional obsolescence.

Location and Legal Description

266 E. Michigan Ave
Kalamazoo, MI 49007

Parcel ID: 06-15-379-006

0.078 Acres

332, 334 ORIGINAL PLAT OF THE TOWN (NOW CITY) OF KALAMAZOO; Liber 6 of Plats Page 8; That part of the Southwesterly 48 feet of the Northeasterly 72 feet of Lot 105 lying North of Bates Alley.

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

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

Tax increment revenues will be used to reimburse the developer and City of Kalamazoo Brownfield Redevelopment Authority for the cost of eligible activities as authorized by the Brownfield Redevelopment Financing Act (Act 381). Statutorily approved environmental eligible activities and, if approved by the Michigan Strategic Fund ("MSF"), non-environmental eligible activities will be reimbursed with local and school tax increment revenues (TIR). The remaining eligible activities will be reimbursed with local TIR only.

The total cost of eligible activities is anticipated to be \$303,875. The estimated costs of all eligible activities under this plan are summarized in Table 1. Authority administrative costs are anticipated to be \$34,137. Funding to the State Brownfield Redevelopment Fund is anticipated to be \$19,447. Capture for the Local Brownfield Revolving Fund (LBRF) is anticipated to be \$126,589.

2.1.1 Phase I & Phase II ESA, BEA, and Due Care Plan

The developer conducted Baseline Environmental Assessment (BEA) activities on the Property during the acquisition phase of the Project. The cost of these activities is estimated to be \$20,000.

2.1.2 Lead and Asbestos Abatement

The developer will incur costs associated with initial surveys of the Property and proper abatement and disposal of lead and asbestos prior to demolition activities. The cost of these activities is estimated to be \$53,500.

2.1.3 Demolition

Existing site improvements and parts of the interior of the building will be demolished to prepare the Property for redevelopment. This demolition will include the removal of certain interior improvements in the upper three floors of the building that are outdated or unsuited to the proposed residential housing. The cost of these activities is estimated to be \$164,000.

2.1.4 Infrastructure Improvements

Infrastructure improvements that directly benefit eligible property will include road improvements, concrete cutting and repair, and other eligible infrastructure improvements. The cost of these activities is estimated to be \$21,400.

2.1.5 Contingency

A 14.33% contingency on future costs is included to cover unexpected cost overruns encountered during construction on future costs. The contingency is \$34,225.

2.1.6 Brownfield Plan Preparation

The cost to prepare the Brownfield Plan, Brownfield Plan Amendment, and Act 381 Work Plan is anticipated to be \$10,750.

2.1.7 Authority Administration Cost

Actual eligible costs incurred by the City of Kalamazoo Brownfield Redevelopment Authority are included in this plan as an eligible expense at a flat fee of 10% of local tax capture. These expenses will be reimbursed with local tax increment revenues only and are estimated to total as much as \$34,137.

2.1.8 Local Brownfield Revolving Fund

The Authority intends to capture tax increments for deposits in the Local Brownfield Revolving Fund (LBRF) for a full five years, or as allowed by the statute. This capture is estimated to be as much as \$126,589.

2.2 Summary of Eligible Activities

Environmental Activities

Pre-approved environmental costs are anticipated to be reimbursed through a Brownfield Plan using both school and non-school tax increment revenues, which may include Phase I & Phase II Environmental Site Assessments (ESA), Baseline Environmental Assessments (BEA), and Due Care Plans.

Non-Environmental Activities

Because the City of Kalamazoo is a Qualified Local Governmental Unit (“QLGU”), additional non-environmental costs (“Michigan Strategic Fund [“MSF”] Eligible Activities”) can be reimbursed through a Brownfield Plan. This plan will provide for reimbursement of eligible demolition; lead, asbestos, and mold abatement; public infrastructure; and development of the Brownfield Plan and Act 381 Work Plan costs. Up to \$250,000 of eligible

demolition and lead, asbestos, and mold abatement activities are pre-approved for both school and non-school tax increment revenues. It is anticipated that an Act 381 Work Plan will be pursued for all other non-environmental activities, and upon approval, these costs will be reimbursed with school and non-school tax increment revenues.

Authority Expenses

Actual eligible costs incurred by the City of Kalamazoo Brownfield Redevelopment Authority are included in this plan as an eligible expense, at a flat fee of 10% of local tax capture.

Contingencies

A 14.33% contingency on future costs is included to cover unexpected cost overruns encountered during construction on future costs.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues

The initial taxable value will be the 2020 taxable value, \$104,489. An estimate of the captured taxable value for this redevelopment by year is depicted in Table 2. This plan captures all available tax increment revenues, including real and personal property tax increment revenues.

Project activities will be initiated in 2023 with construction occurring into 2024. Tax increment revenue collection will start within five years of the adoption of this plan and is anticipated to begin as early as 2025.

After the completion of the project, the projected taxable value is estimated at \$610,000. Reimbursements will be made on the actual tax increment that is realized. The estimated captured taxable value for this redevelopment by year and in aggregate for each taxing jurisdiction is depicted in tabular form (Table 2). Once eligible expenses are reimbursed, the Authority may capture up to five full years of the tax increment and deposit the revenues into an LBRF or an amount not to exceed the total cost of eligible activities. The plan also includes a flat fee of 10% of the local tax increment for administrative and operating expenses of the City of Kalamazoo Brownfield Redevelopment Authority. A summary of the estimated reimbursement schedule and the amount of capture into the LBRF by year and in aggregate is presented in Table 3.

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

The eligible activities contemplated under this plan will be financed by the developer, as outlined in this plan and the accompanying development agreement. No advances from the city are anticipated at this time.

2.5 Maximum Amount of Note or Bonded Indebtedness

No note or bonded indebtedness for this project is anticipated at this time. Therefore, this section is not applicable.

2.6 Duration of Brownfield Plan

The Authority intends to begin the capture of tax increment as early as 2025. This plan will then remain in place for 16 years, or until the eligible activities have been fully reimbursed and up to five full years of capture into the LBRF (not to exceed the amount of eligible activities), whichever occurs sooner. An analysis showing the reimbursement schedule is attached in Table 3.

2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions is illustrated in detail within Table 2.

2.8 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

The property consists of one parcel that is 0.078 acres in size and is located at 266 E. Michigan Ave (Parcel Identification Number 06-15-379-006). A map showing eligible property dimensions is attached in Figure 1.

The legal description for the parcel is as follows:

Parcel ID #06-15-379-006

332, 334 ORIGINAL PLAT OF THE TOWN (NOW CITY) OF KALAMAZOO; Liber 6 of Plats Page 8; That part of the Southwesterly 48 feet of the Northeasterly 72 feet of Lot 105 lying North of Bates Alley.

The Property is located in the City of Kalamazoo (the "City"), a qualified local governmental unit pursuant to Act 381. The Property is considered an "eligible property" under Act 381 because it was deemed functionally obsolete. See Appendix 5 for the determination of functional obsolescence. This Brownfield Plan does intend to capture tax increment revenues associated with personal property tax, if available.

2.9 Estimates of Residents and Displacement of Individuals/Families

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

2.10 Plan for Relocation of Displaced Persons

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

2.11 Provisions for Relocation Costs

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

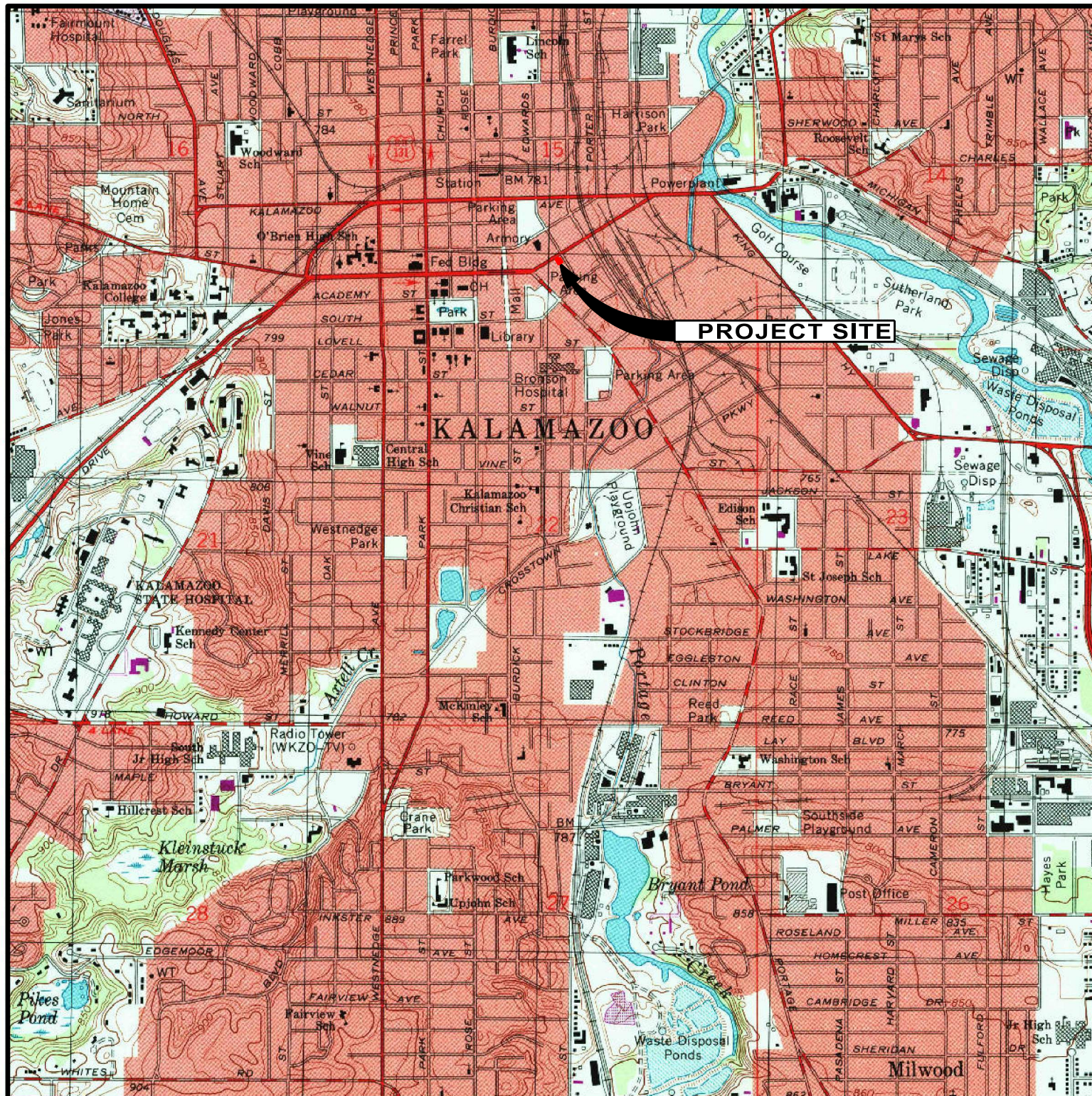
2.12 Strategy for Compliance with Michigan's Relocation Assistance Law

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

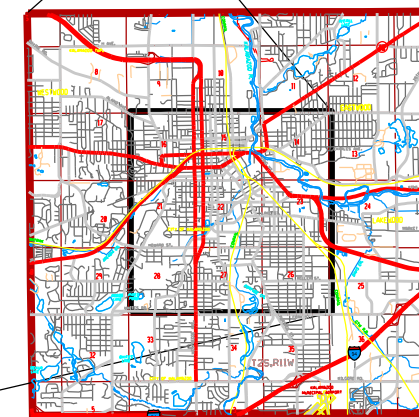
2.13 Other Material that the Authority or Governing Body Considers Pertinent

None.

Figures

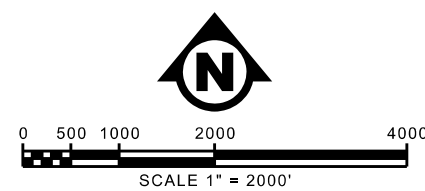


SOURCE: KALAMAZOO, MICHIGAN USGS 7.5 MINUTE TOPOGRAPHIC QUADRANGLE MAPS
 MAPTECH® U.S. TERRAIN SERIES™ ©MAPTECH®, INC. 606-433-8500



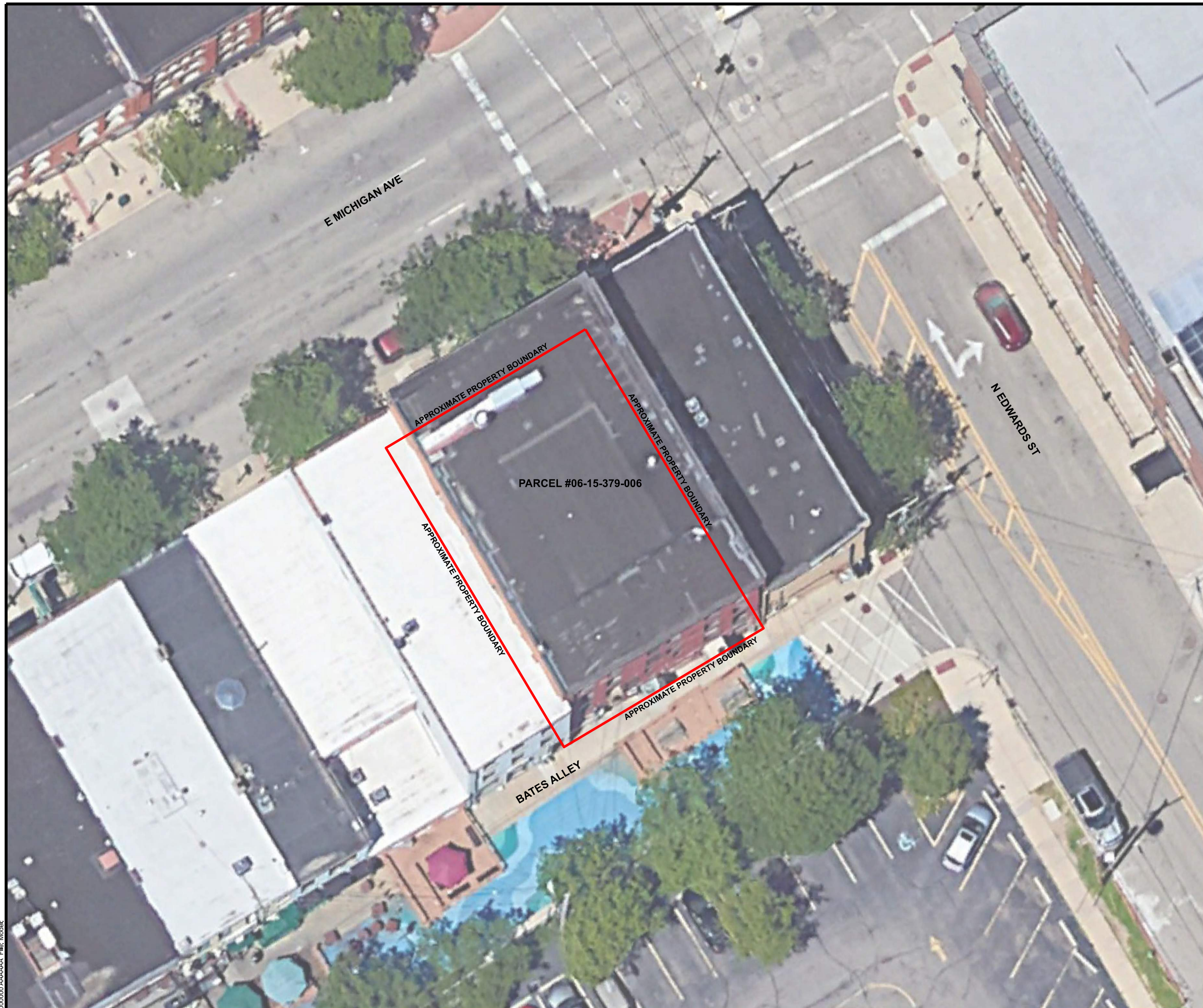
T 72S. R. 11 W.
 KALAMAZOO COUNTY
 KALAMAZOO, MICHIGAN

000000.AAAAAA File:AA.dgn Model: Location Map



266 E MICHIGAN AVE
 266 E MICHIGAN AVE
 KALAMAZOO, MI 49007
LOCATION MAP

PROJECT NO.
 231677
 FIGURE NO.
1



E MICHIGAN AVE

N EDWARDS ST

PARCEL #06-15-379-006

APPROXIMATE PROPERTY BOUNDARY

APPROXIMATE PROPERTY BOUNDARY

APPROXIMATE PROPERTY BOUNDARY

APPROXIMATE PROPERTY BOUNDARY

BATES ALLEY



SCALE: 1" = 20'
0 5 10 20 40

NOTE:
THIS IS NOT A PROPERTY BOUNDARY SURVEY. PROPERTY BOUNDARIES SHOWN ON THIS MAP ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.

266 E MICHIGAN AVE

266 E MICHIGAN AVE
KALAMAZOO, MI 49007

SITE PLAN



PROJECT NO.
231677

FIGURE No.

2

Tables

Table 1 – Summary of Eligible Activities

EGLE Eligible Activities Costs and Schedule

EGLE Eligible Activities	Cost	Completion Season/Year
Department Specific Activities	\$20,000	
<i>Phase I & II Environmental Site Assessment</i>	\$7,500	
<i>Baseline Environmental Assessment</i>	\$9,500	
<i>Pre-Demolition Survey</i>	\$3,000	
EGLE Eligible Activities Subtotal	\$20,000	
Contingency (0%)	\$0	
Interest (0%)	\$0	
EGLE Eligible Activities Total Costs	\$20,000	

MSF Eligible Activities Costs and Schedule

MSF Eligible Activities	Cost	Completion Season/Year
Lead and Asbestos Abatement	\$53,500	2023–2024
<i>Abatement Including Disposal and Air Monitoring</i>	\$53,500	
Building Demolition	\$164,000	2023–2024
<i>Building Demolition/Deconstruction</i>	\$164,000	
Public Infrastructure	\$21,400	2023–2024
<i>Streets, Roads</i>	\$20,000	
<i>Concrete Cutting and Repair</i>	\$1,400	
Brownfield Plan/Act 381 Work Plan	\$10,750	2020–2023
<i>Brownfield Plan Preparation</i>	\$5,000	
<i>Brownfield Plan Amendment</i>	\$750	
<i>Work Plan Preparation</i>	\$5,000	
MSF Eligible Activities Subtotal	\$249,650	
Contingency (14.33%)	\$34,225	
Interest (0%)	\$0	
MSF Eligible Activities Total Costs	\$283,875	

Tax Increment Financing (TIF) Capture Estimate
 266 E Kalamazoo Ave
 Kalamazoo, MI
 November 28, 2023

Estimated Taxable Value (TV) Increase Rate: 1.00%

Plan Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL	
Calendar Year	2025	2021	2022	2023	2024	2025	2025	2025	2025	2025	2025	2025	2026	2027	2028	2029		
*Base Taxable Value	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ 104,489	\$ -	
Estimated New TV	\$ 610,000	\$ 616,100	\$ 622,261	\$ 628,484	\$ 634,768	\$ 641,116	\$ 647,527	\$ 654,003	\$ 660,543	\$ 667,148	\$ 673,819	\$ 680,558	\$ 687,363	\$ 694,237	\$ 701,179	\$ 708,191	\$ -	
Incremental Difference (New TV - Base TV)	\$ 505,511	\$ 511,611	\$ 517,772	\$ 523,995	\$ 530,279	\$ 536,627	\$ 543,038	\$ 549,514	\$ 556,054	\$ 562,659	\$ 569,330	\$ 576,069	\$ 582,874	\$ 589,748	\$ 596,690	\$ 603,702	\$ -	
School Capture																		
	Millage Rate																	
State Education Tax (SET)	6.0000	\$ 3,033	\$ 3,070	\$ 3,107	\$ 3,144	\$ 3,182	\$ 3,220	\$ 3,258	\$ 3,297	\$ 3,336	\$ 3,376	\$ 3,416	\$ 3,456	\$ 3,497	\$ 3,538	\$ 3,580	\$ 3,622	\$ 53,133
School Operating Tax	17.6757	\$ 8,935	\$ 9,043	\$ 9,152	\$ 9,262	\$ 9,373	\$ 9,485	\$ 9,599	\$ 9,713	\$ 9,829	\$ 9,945	\$ 10,063	\$ 10,182	\$ 10,303	\$ 10,424	\$ 10,547	\$ 10,671	\$ 156,527
School Total	23.6757	\$ 11,968	\$ 12,113	\$ 12,259	\$ 12,406	\$ 12,555	\$ 12,705	\$ 12,857	\$ 13,010	\$ 13,165	\$ 13,321	\$ 13,479	\$ 13,639	\$ 13,800	\$ 13,963	\$ 14,127	\$ 14,293	\$ 209,660
Local Capture																		
	Millage Rate																	
CITY OPERATING	12.0000	\$ 6,066	\$ 6,139	\$ 6,213	\$ 6,288	\$ 6,363	\$ 6,440	\$ 6,516	\$ 6,594	\$ 6,673	\$ 6,752	\$ 6,832	\$ 6,913	\$ 6,994	\$ 7,077	\$ 7,160	\$ 7,244	\$ 106,266
CCTA	0.8935	\$ 452	\$ 457	\$ 463	\$ 468	\$ 474	\$ 479	\$ 485	\$ 491	\$ 497	\$ 503	\$ 509	\$ 515	\$ 521	\$ 527	\$ 533	\$ 539	\$ 7,912
SOLID WASTE	1.8000	\$ 910	\$ 921	\$ 932	\$ 943	\$ 955	\$ 966	\$ 977	\$ 989	\$ 1,001	\$ 1,013	\$ 1,025	\$ 1,037	\$ 1,049	\$ 1,062	\$ 1,074	\$ 1,087	\$ 15,940
KCTA	0.3110	\$ 157	\$ 159	\$ 161	\$ 163	\$ 165	\$ 167	\$ 169	\$ 171	\$ 173	\$ 175	\$ 177	\$ 179	\$ 181	\$ 183	\$ 186	\$ 188	\$ 2,754
KVCC	2.7802	\$ 1,405	\$ 1,422	\$ 1,440	\$ 1,457	\$ 1,474	\$ 1,492	\$ 1,510	\$ 1,528	\$ 1,546	\$ 1,564	\$ 1,583	\$ 1,602	\$ 1,621	\$ 1,640	\$ 1,659	\$ 1,678	\$ 24,620
DDA	1.9638	\$ 993	\$ 1,005	\$ 1,017	\$ 1,029	\$ 1,041	\$ 1,054	\$ 1,066	\$ 1,079	\$ 1,092	\$ 1,105	\$ 1,118	\$ 1,131	\$ 1,145	\$ 1,158	\$ 1,172	\$ 1,186	\$ 17,390
COUNTY OPERATING - Summer	4.6318	\$ 2,341	\$ 2,370	\$ 2,398	\$ 2,427	\$ 2,456	\$ 2,486	\$ 2,515	\$ 2,545	\$ 2,576	\$ 2,606	\$ 2,637	\$ 2,668	\$ 2,700	\$ 2,732	\$ 2,764	\$ 2,796	\$ 41,017
COUNTY OPERATING - Winter - Public Sa	1.4380	\$ 727	\$ 736	\$ 745	\$ 754	\$ 763	\$ 772	\$ 781	\$ 790	\$ 800	\$ 809	\$ 819	\$ 828	\$ 838	\$ 848	\$ 858	\$ 868	\$ 12,734
COUNTY 911	0.6459	\$ 327	\$ 330	\$ 334	\$ 338	\$ 343	\$ 347	\$ 351	\$ 355	\$ 359	\$ 363	\$ 368	\$ 372	\$ 376	\$ 381	\$ 385	\$ 390	\$ 5,720
COUNTY HOUSING	0.7453	\$ 377	\$ 381	\$ 386	\$ 391	\$ 395	\$ 400	\$ 405	\$ 410	\$ 414	\$ 419	\$ 424	\$ 429	\$ 434	\$ 440	\$ 445	\$ 450	\$ 6,600
COUNTY SENIOR	0.3462	\$ 175	\$ 177	\$ 179	\$ 181	\$ 184	\$ 186	\$ 188	\$ 190	\$ 193	\$ 195	\$ 197	\$ 199	\$ 202	\$ 204	\$ 207	\$ 209	\$ 3,066
COUNTY VETERAN	0.1000	\$ 51	\$ 51	\$ 52	\$ 52	\$ 53	\$ 54	\$ 54	\$ 55	\$ 56	\$ 56	\$ 57	\$ 58	\$ 58	\$ 59	\$ 60	\$ 60	\$ 886
KRESA OPERATING	3.0091	\$ 1,521	\$ 1,539	\$ 1,558	\$ 1,577	\$ 1,596	\$ 1,615	\$ 1,634	\$ 1,654	\$ 1,673	\$ 1,693	\$ 1,713	\$ 1,733	\$ 1,754	\$ 1,775	\$ 1,796	\$ 1,817	\$ 26,647
KRESA SPECIAL ED	1.4941	\$ 755	\$ 764	\$ 774	\$ 783	\$ 792	\$ 802	\$ 811	\$ 821	\$ 831	\$ 841	\$ 851	\$ 861	\$ 871	\$ 881	\$ 892	\$ 902	\$ 13,231
KRESA ENHANCEMENT	1.5000	\$ 758	\$ 767	\$ 777	\$ 786	\$ 795	\$ 805	\$ 815	\$ 824	\$ 834	\$ 844	\$ 854	\$ 864	\$ 874	\$ 885	\$ 895	\$ 906	\$ 13,283
KRESA CTE	0.9903	\$ 501	\$ 507	\$ 513	\$ 519	\$ 525	\$ 531	\$ 538	\$ 544	\$ 551	\$ 557	\$ 564	\$ 570	\$ 577	\$ 584	\$ 591	\$ 598	\$ 8,770
KALAMAZOO LIBRARY	3.8999	\$ 1,971	\$ 1,995	\$ 2,019	\$ 2,044	\$ 2,068	\$ 2,093	\$ 2,118	\$ 2,143	\$ 2,169	\$ 2,194	\$ 2,220	\$ 2,247	\$ 2,273	\$ 2,300	\$ 2,327	\$ 2,354	\$ 34,535
Local Total	38.5491	\$ 19,487	\$ 19,722	\$ 19,960	\$ 20,200	\$ 20,442	\$ 20,686	\$ 20,934	\$ 21,183	\$ 21,435	\$ 21,690	\$ 21,947	\$ 22,207	\$ 22,469	\$ 22,734	\$ 23,002	\$ 23,272	\$ 341,371
Non-Capturable Millages																		
	Millage Rate																	
COUNTY JUV. HOME DEBT	0.1668	\$ 84	\$ 85	\$ 86	\$ 87	\$ 88	\$ 90	\$ 91	\$ 92	\$ 93	\$ 94	\$ 95	\$ 96	\$ 97	\$ 98	\$ 100	\$ 101	\$ 1,477
SCHOOL DEBT	8.2000	\$ 4,145	\$ 4,195	\$ 4,246	\$ 4,297	\$ 4,348	\$ 4,400	\$ 4,453	\$ 4,506	\$ 4,560	\$ 4,614	\$ 4,669	\$ 4,724	\$ 4,780	\$ 4,836	\$ 4,893	\$ 4,950	\$ 72,615
Total Non-Capturable Taxes	8.3668	\$ 4,230	\$ 4,281	\$ 4,332	\$ 4,384	\$ 4,437	\$ 4,490	\$ 4,543	\$ 4,598	\$ 4,652	\$ 4,708	\$ 4,763	\$ 4,820	\$ 4,877	\$ 4,934	\$ 4,992	\$ 5,051	\$ 74,092
Total Tax Increment Revenue (TIR) Available for Capture		\$ 31,455	\$ 31,835	\$ 32,218	\$ 32,605	\$ 32,997	\$ 33,392	\$ 33,790	\$ 34,193	\$ 34,600	\$ 35,011	\$ 35,426	\$ 35,846	\$ 36,269	\$ 36,697	\$ 37,129	\$ 37,565	\$ 551,030

Millage Rates are Summer and Winter 2023

Tax Increment Financing (TIF) Reimbursement Estimate

266 E Kalamazoo Ave
Kalamazoo, MI
November 28, 2023

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	38.0%	\$ 115,620	\$ -	\$ 115,620
Local	62.0%	\$ 188,255	\$ -	\$ 188,255
TOTAL				
EGLE	6.6%	\$ 20,000	\$ -	\$ 20,000
MSF	93.4%	\$ 283,875	\$ -	\$ 283,875

Estimated Total
Years of Plan: 16

Estimated Capture

Administrative Fees	\$ 34,137
State Brownfield Redevelopment Fund	\$ 19,447
Local Brownfield Revolving Fund	\$ 126,589

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	TOTAL
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
Total State Incremental Revenue	\$ 11,968	\$ 12,113	\$ 12,259	\$ 12,406	\$ 12,555	\$ 12,705	\$ 12,857	\$ 13,010	\$ 13,165	\$ 13,321	\$ 13,479	\$ 13,639	\$ -	\$ -	\$ -	\$ -	\$ 153,477
State Brownfield Redevelopment Fund (50% of SET)	\$ 1,517	\$ 1,535	\$ 1,553	\$ 1,572	\$ 1,591	\$ 1,610	\$ 1,629	\$ 1,649	\$ 1,668	\$ 1,688	\$ 1,708	\$ 1,728	\$ -	\$ -	\$ -	\$ -	\$ 19,447
State TIR Available for Reimbursement	\$ 10,452	\$ 10,578	\$ 10,705	\$ 10,834	\$ 10,964	\$ 11,095	\$ 11,228	\$ 11,362	\$ 11,497	\$ 11,633	\$ 11,771	\$ 11,911	\$ -	\$ -	\$ -	\$ -	\$ 134,029
Total Local Incremental Revenue	\$ 19,487	\$ 19,722	\$ 19,960	\$ 20,200	\$ 20,442	\$ 20,686	\$ 20,934	\$ 21,183	\$ 21,435	\$ 21,690	\$ 21,947	\$ 22,207	\$ 22,469	\$ 22,734	\$ 23,002	\$ 23,272	\$ 341,371
BRA Administrative Fee (10%)	\$ 1,949	\$ 1,972	\$ 1,996	\$ 2,020	\$ 2,044	\$ 2,069	\$ 2,093	\$ 2,118	\$ 2,144	\$ 2,169	\$ 2,195	\$ 2,221	\$ 2,247	\$ 2,273	\$ 2,300	\$ 2,327	\$ 34,137
Local TIR Available for Reimbursement	\$ 17,538	\$ 17,750	\$ 17,964	\$ 18,180	\$ 18,398	\$ 18,618	\$ 18,840	\$ 19,065	\$ 19,292	\$ 19,521	\$ 19,752	\$ 19,986	\$ 20,222	\$ 20,461	\$ 20,702	\$ 20,945	\$ 307,233
Total State & Local TIR Available	\$ 27,990	\$ 28,328	\$ 28,669	\$ 29,014	\$ 29,362	\$ 29,713	\$ 30,068	\$ 30,427	\$ 30,789	\$ 31,154	\$ 31,524	\$ 31,897	\$ 20,222	\$ 20,461	\$ 20,702	\$ 20,945	\$ 441,263
DEVELOPER	Beginning Balance																
Reimbursement Balance	\$ 303,875	\$ 275,885	\$ 247,557	\$ 218,888	\$ 189,875	\$ 160,513	\$ 130,800	\$ 100,732	\$ 70,306	\$ 39,517	\$ 8,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MSF Non-Environmental Costs	\$ 283,875	\$ 283,875	\$ 255,885	\$ 227,557	\$ 198,888	\$ 169,875	\$ 140,513	\$ 110,800	\$ 80,732	\$ 50,306	\$ 19,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Reimbursement	\$ 108,011	\$ 10,452	\$ 10,578	\$ 10,705	\$ 10,834	\$ 10,964	\$ 11,095	\$ 11,228	\$ 11,362	\$ 11,497	\$ 9,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,011
Local Tax Reimbursement	\$ 175,864	\$ 17,538	\$ 17,750	\$ 17,964	\$ 18,180	\$ 18,398	\$ 18,618	\$ 18,840	\$ 19,065	\$ 19,292	\$ 10,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,864
Total MSF Reimbursement Balance	\$ 283,875	\$ 255,885	\$ 227,557	\$ 198,888	\$ 169,875	\$ 140,513	\$ 110,800	\$ 80,732	\$ 50,306	\$ 19,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,875
EGLE Environmental Costs	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 8,363	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Reimbursement	\$ 7,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,337	\$ 5,273	\$ -	\$ -	\$ -	\$ 7,610
Local Tax Reimbursement	\$ 12,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,301	\$ 3,090	\$ -	\$ -	\$ -	\$ 12,390
Total EGLE Reimbursement Balance	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 8,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Total Annual Reimbursement	\$ 27,990	\$ 28,328	\$ 28,669	\$ 29,014	\$ 29,362	\$ 29,713	\$ 30,068	\$ 30,427	\$ 30,789	\$ 31,154	\$ 8,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,875
LOCAL BROWNFIELD REVOLVING FUND																	
LBRF Deposits *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,161	\$ 44,259	\$ 64,481	\$ 84,942	\$ 105,644
State Tax Capture	\$ 7,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,498	\$ 1,111	\$ -	\$ -	\$ -	\$ 7,610
Local Tax Capture	\$ 118,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,663	\$ 19,986	\$ 20,222	\$ 20,461	\$ 20,702	\$ 20,945
Total LBRF Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,161	\$ 21,098	\$ 20,222	\$ 20,461	\$ 20,702	\$ 20,945

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

Returned to the Taxing Jur.: \$ 10,799

Appendix 1

CITY OF KALAMAZOO, MICHIGAN

RESOLUTION NO. 24-08

**A RESOLUTION ADOPTING AND APPROVING THE FIRST AMENDMENT
TO THE BROWNFIELD PLAN FOR 266 E. MICHIGAN AVENUE**

Minutes of a regular meeting of the City Commission of the City held on February 5, 2024, at or after 7:00 p.m., local time, at the City Hall, 241 West South Street, Kalamazoo, Michigan.

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

ABSENT, Commissioners: Hoffman

The following resolution was offered by Commissioner Praedel and seconded by Vice Mayor Hess:

RECITALS

- A. On May 5, 1997 the City of Kalamazoo (“City”) created the City of Kalamazoo Brownfield Redevelopment Authority (“Authority”), under the provisions of Act 381, Public Acts of Michigan, 1996, as amended (“Act 381”).
- B. Following the establishment of the Authority, the City has implemented Brownfield Plans, as required under Act 381, for the purposes of identifying real estate parcels for revitalization, redevelopment and reuse.
- C. The Authority has implemented the Act 381 Brownfield Plan for 266 E. Michigan Avenue under Act 381.
- D. Under Resolution No. 08-16, the City Commission delegated to the Authority the public hearing process regarding any future proposed Act 381 Brownfield Plan, including proposed Wayside Brownfield Plan.
- E. On December 21, 2023 the Authority held a public hearing as required under Act 381 and approved the implementation of the First Amendment to the 266 E. Michigan Avenue Brownfield Plan.
- F. Following the public hearing, the Authority adopted a resolution recommending that the City Commission approve the First Amendment to the 266 E. Michigan Avenue Brownfield Plan.

G. The City Commission has reviewed Authority's resolution and Brownfield Plan Amendment, and finds that this Plan constitutes a public purpose in that:

1. Notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any property affected by the First Amendment to the Brownfield Plan, and was also given by publication, as required by Act 381.
2. It meets all requirements of Section 13 of Act 381.
3. The proposed method of financing the costs of eligible activities of the Brownfield Plan is feasible, and the Authority has the authority to arrange the necessary financing.
4. The costs of the eligible activities proposed by the Brownfield Plan are reasonable and necessary to carry out the purposes of Act 381, and
5. The amount of captured taxable value estimated to result from the Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED:

The First Amendment to the Brownfield Plan for 266 E. MICHIGAN AVENUE, as implemented by the City of Kalamazoo Brownfield Redevelopment Authority, is adopted and approved.

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

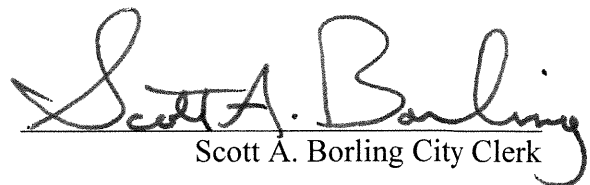
NAYS, Commissioners: None

ABSTAIN, Commissioners: None

RESOLUTION DECLARED ADOPTED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by at a regular meeting held on February 5, 2024. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by Act 381.


Scott A. Borling City Clerk

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY**

**A RESOLUTION APPROVING THE IMPLEMENTATION OF
THE FIRST AMENDMENT TO THE BROWNFIELD PLAN
FOR 266 E MICHIGAN AVENUE AND
RECOMMENDING ADOPTION BY THE CITY COMMISSION**

Minutes of a regular meeting of the City of Kalamazoo Brownfield Redevelopment Authority ("BRA") held on December 21, 2023 at or after 7:45 a.m., local time at 245 N. Rose Street, Ste. 100 in Kalamazoo, Michigan.

PRESENT: Ferraro, Middleton, Hess, Gulau, Gurnee,
Schipper, Greeley, Bair

ABSENT: Decker, Novotny, Bolton

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

RECITALS:

A. The City has created the City of Kalamazoo Brownfield Redevelopment Authority (the "Authority"), under the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381").

B. Under Resolution No. 08-16, the City Commission delegated the public hearing process to the Authority regarding any future proposed Act 381 Brownfield Plan, including proposed Act 381 Brownfield Plan for 266 E Michigan Avenue.

C. The original Act 381 Brownfield Plan was approved by City of Kalamazoo City Commission in December 2020. The project then requested an amendment to the Brownfield Plan in 2023 to include additional eligible activities and cost increases.

D. A public hearing was held by the Authority on December 21, 2023, on the First Amendment to the Brownfield Plan for 266 E Michigan Avenue, Kalamazoo; notice of the public hearing was given to all taxing authorities levying ad valorem or specific taxes against any parcels within the Brownfield Plan, as required by Act 381.

E. Following the public hearing on the First Amendment to the 266 E Michigan Avenue Brownfield Plan, the Authority, in consideration of any comments heard at the public hearing or written communications received at or prior to the public hearing, determines that the Brownfield Plan constitutes a public purpose in that:

- a. It meets all requirements of Section 13 of Act 381.

- b. The proposed method of financing the costs of eligible activities of the 266 E Michigan Avenue Brownfield Plan is feasible, and the Authority has the authority to arrange the necessary financing.
- c. The description of eligible activities and their estimated costs are reasonable and necessary to carry out the purposes of Act 381, and
- d. The amount of captured taxable value estimated to result from the 266 E Michigan Avenue Brownfield Plan is reasonable.

THEREFORE, IT IS RESOLVED THAT:

The City of Kalamazoo Brownfield Redevelopment Authority approves the implementation of the First Amendment to the Act 381 Brownfield Plan for 266 E Michigan Avenue in Kalamazoo and recommends the City Commission adopt a resolution approving this Brownfield Plan.


AYES: Ferraro, Middleton, Hess, Gulau, Gurnee,
Schipper, Greeley, Bair

NAYS: None.

RESOLUTION DECLARED.

CERTIFICATE

The foregoing is a true and complete copy of a resolution adopted by the Brownfield Redevelopment Authority at a regular meeting held on December 21, 2023. Public notice was given and the meeting was conducted in full compliance with the Michigan Open Meetings Act (PA 267, 1976). Minutes of the meeting will be available as required by the Act.


Heidi Gartley
Recording Secretary

Appendix 2

Appendix 3

CITY OF KALAMAZOO, MICHIGAN

**NOTICE OF A HEARING TO CONSIDER AN ACT 381 BROWNFIELD PLAN FOR 215
EAST MICHIGAN AVENUE, KALAMAZOO, MICHIGAN**

PLEASE TAKE NOTICE that the City of Kalamazoo Brownfield Redevelopment Authority will hold a public hearing on **DECEMBER 21, 2023 at or after 7:45 a.m.**, local time. The meeting will be held in-person at the Community Planning & Economic Development Department Office at 245 N. Rose Street, Kalamazoo, Michigan pursuant to Act 381, Public Acts of Michigan, 1996, as amended. At the hearing the Authority will receive public comment on the Brownfield Plan.

The following legal parcels are included in the “eligible property”:

Address: 266 E. Michigan Avenue, Kalamazoo, Kalamazoo Co.
Parcel ID: 06-15-379-006
Acreage: 0.078 acres

The project consists of a single vacant parcel totaling 0.078 acres in the City of Kalamazoo which is a qualified local governmental unit (“QLGU”). This project will involve redeveloping a historic building located at 266 E. Michigan Avenue into 13 new apartment units and rehabilitating the main floor for commercial space. Primary eligible activities include environmental assessments, demolition, infrastructure improvements, abatement activities, site preparation, and plan preparation.

The property qualifies as “eligible property” under Act 381 on the basis of meeting the definition of “historic resource” as defined in the Brownfield Redevelopment Financing Act (1996 PA 381).

At the public hearing, all citizens, taxpayers and representatives or officials from any taxing jurisdiction whose millage may be subject to capture under the proposed Brownfield Plan, shall be afforded an opportunity to be heard regarding the Act 381 Brownfield Plan. The Brownfield Plan, which includes a site map and legal descriptions of the parcels, is available for public inspection. A copy can be requested by calling (269) 337-8000.

This notice is given by order of the City of Kalamazoo, Michigan.

Scott Borling
City of Kalamazoo Clerk

Appendix 4



Economic Development Department
241 W. South Street
Kalamazoo, MI 49007
Phone 269.337.8082 | Fax 269.337.8182
COKEconomicdevelopment@kalamazoo.org
www.kzoobiz.org

December 6, 2023

Assistant Superintendent
KRESA
1819 East Milham Road
Portage, MI 49002

To Whom it May Concern:

On Thursday, December 21, 2023, at or after 7:45 a.m. the City of Kalamazoo Brownfield Redevelopment Authority will conduct a public hearing for the First Amendment to the Act 381 Brownfield Plan for 266. E. Michigan Avenue. The public hearing will take place during a regular Authority meeting held at the City's Community Planning and Economic Development Office, 245 N. Rose, Suite 100, Kalamazoo, Michigan. The public hearing is being held pursuant to PA 381 of 1996, as amended.

The plan is related to a request for Tax Increment Financing for a rehabilitation project located at 266 E. Michigan Avenue in Kalamazoo, Michigan.

At the public hearing, all citizens, taxpayers and representatives or officials from any taxing jurisdiction whose millage may be subject to capture under the proposed plan shall be afforded an opportunity to be heard regarding the brownfield plan. The plan, which includes a site map and legal descriptions of all parcels identified as eligible property, is available for public inspection by requesting a copy at development@kalamazoo.org or (269) 377-8000.

If you wish to express your views and recommendations prior to the hearing, or if you have any questions regarding the fiscal, economic, or general implications of the proposed Act 381 Brownfield Plan, please contact Jamie McCarthy, Sustainable Development Coordinator at (269) 337-8789.

Sincerely,

Antonio Mitchell, Community Planning & Economic Development Director

Enclosure

c: Jamie McCarthy, Sustainable Development Coordinator

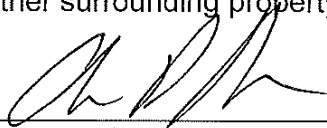


Appendix 5

AFFIDAVIT OF CITY OF KALAMAZOO ASSESSOR


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

1. I am employed by the City of Kalamazoo in the Management Services Department as the City Assessor.
2. I am a certified Michigan Master Assessing Officer (4).
3. I am familiar with the property located at 266 E. Michigan Avenue, in the City of Kalamazoo
4. This affidavit is given in accordance with MCL 125.2663(1) (h) and is made to confirm this property qualifies as 'Functionally Obsolete Property' as that term is defined under MCL 125.2652(r). The following facts, without limitation, form the basis for my expert opinion:
5. The property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

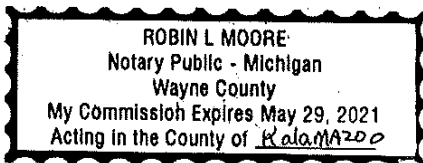


Aaron P. Powers, City Assessor

Subscribed and sworn to before me by Aaron Powers on August 18, 2020.



Robin Moore, Notary Public
Wayne County, Michigan
Commission Expires: May 29, 2021
Acting in Kalamazoo County



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