

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement is made on July 27, 2018, between Envision Eighth Street, LLC, (the "Phase I Owner"), Envision 8th Street Holdings, LLC (the "Phase II Owner") (collectively, the "Owners") and the **GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY** (the "GTCBRA"), a Michigan public body corporate.

PREMISES

A. The Owners are engaged in the redevelopment of the property south of Eighth Street and Boardman Avenue in Traverse City, Michigan commonly known as the Eighth and Boardman Redevelopment (the "Development"), described on attached **Exhibit A**, to be located on the property described on attached **Exhibit B** (the "Site").

B. The Development has been divided into two phases. Currently there is common control of the phase I and phase II properties even though each phase is owned by a separate LLC. There is also an existing purchase agreement between the Phase I Owner (Envision Eighth Street, LLC) and Commongrounds, LLC. This Agreement contemplates two scenarios: (1) continued ownership and redevelopment by commonly controlled entities (Envision Eighth Street, LLC and Envision 8th Street Holdings, LLC), in which the obligations for each phase of the Development will be tied together and a breach of the agreement for one phase will constitute a breach as it relates to the other phase; or (2) ownership of each phase by separate entities that are not commonly controlled Commongrounds LLC as the "Phase I Owner" and Envision 8th Street Holdings, LLC as the "Phase II Owner), where each owner will have separate and independent obligations as detailed in this Agreement.

C. The GTCBRA has been formed pursuant to Act 381, Public Acts of Michigan, 1996, MCL 125.2651 et. seq. ("Act 381"), to promote the revitalization of contaminated, blighted, functionally obsolete or historically designated properties. The GTCBRA has approved a Brownfield Plan (attached as **Exhibit C**) that includes the Development, the Eligible Property and the Eligible Activities.

D. The GTCBRA has determined in furtherance of its purposes and to accomplish its goals and Plan to reimburse the cost of certain "Eligible Activities" as defined by Sec. 2(o) of Act 381, Public Acts of 1996, MCL 125.2652(o) on Eligible Property as described in the Brownfield Plan and Act 381 Work Plan (attached as **Exhibit D**) as the same may be amended or supplemented.

E. Pursuant to the Brownfield Plan and the Act 381 Work Plan, the GTCBRA will capture 100% of the Tax Increment Revenues authorized by law to be captured from the levies imposed by taxing jurisdictions upon taxable property for the Eligible Property consistent with Act 381, as amended, and the Brownfield Plan approved by the GTCBRA. Upon satisfaction of the conditions expressed in this Agreement, the GTCBRA will use the Tax Increment Revenues as provided by law and as described in this Agreement.

F. The City of Traverse City will use Tax Increment Revenues from the Development for reimbursement of public infrastructure costs as part of the project through a separate reimbursement agreement with the GTCBRA.

In consideration of the premises and the mutual covenants contained in this Agreement, the Owners and the GTCBRA hereby enter into this Agreement and covenant and agree as follows:

ARTICLE 1

Section 1.1 Definitions.

The following capitalized terms used in this Agreement shall have the following meanings, except to the extent the context in which they are used requires otherwise:

- a) "Act 381" means the Brownfield Redevelopment Financing Act ("BRA"), Act 381 of Michigan Public Acts of 1996, as amended, MCL 125.2651 et seq.
- b) "Act 381 Work Plan" means the Work Plan approved by the GTCBRA on September 27, 2017 and to be submitted to the Michigan Strategic Fund (MSF) and/or the MDEQ and attached as Exhibit D, as subsequently amended or supplemented.
- c) "Agreement" means this Development and Reimbursement Agreement entered into between the GTCBRA and the Owner.
- d) "Brownfield Plan" means the Brownfield Plan, as defined under Act 381, and adopted November 15, 2017, as amended, and attached as Exhibit C.
- e) "City" means the City of Traverse City.
- f) "County" means the County of Grand Traverse, Michigan.
- g) "Contractor" means any general or environmental contractor or subcontractor with whom the Owners contracts to complete work at the Eligible Property and/or Site.
- h) "Development" means the site work, building construction, utilities, and equipment relating to the Eligible Property as described on attached Exhibit B.
- i) "Eligible Activities" means those activities as defined by Sec. 2(o) of Act 381, Public Acts of 1996, as amended, MCL 125.2652(o), or approved by the Michigan Department of Environmental Quality (MDEQ) or the MSF as part of the approved Act 381 Work Plan.
- j) "Eligible Property" means the property as defined by Sec. 2(p) of Act 381, MCL 125.2652(p) upon which the Eligible Activities will be conducted.
- k) "Environmental Consultant" means any environmental consulting firm retained or hired by the Owners to fulfill all or part of their obligations under this Agreement, including the Eligible Activities set forth in the Act 381 Work Plan.
- l) "Event of Default" means the failure of performance or breach by a party to carry out its obligations under this Agreement or, with respect to a party, if any representation or warranty of such party was materially not accurate when made, and such obligation has not been performed or such representation or warranty corrected within 60 days after written notice thereof has been

given by the other party. It also means any filing of bankruptcy or bankruptcy reorganization by the Owner.

m) "GTCBRA" means the Grand Traverse County Brownfield Redevelopment Authority, established by the County Commission on September 24, 1997, or its successors.

n) "Indemnified Persons" means the County, the GTCBRA, and their members, officers, agents and employees.

o) "Interest" means the amount of simple interest accrued on unreimbursed Eligible Activities expensed by the Phase II Owner at an interest rate of 2.5%, capped at a total of \$751,653. Interest is reimbursable with Tax Increment Revenues. Interest is calculated annually, based on the unreimbursed Eligible Activities for each party, and paid after all Eligible Activities are reimbursed, in accordance with Section 2.4. In no event shall the Phase II Owner be eligible for interest payments beyond a total of \$751,653.

p) "Maximum Cost of Eligible Activities" means the GTCBRA's maximum obligation to pay for the Eligible Activities and not to exceed the amounts set forth in the approved Act 381 Work Plan, as amended or supplemented.

q) "Owners" mean Envision Eighth Street, LLC and Envision 8th Street Holdings, LLC. To the extent that Commongrounds LLC purchases Phase I of the Development, Commongrounds LLC shall replace Envision Eighth Street LLC for purposes of this term as used in the Agreement.

r) "Phase I Owner" means Envision Eighth Street, LLC or Commongrounds LLC, if Commongrounds LLC purchases Phase I of the Development.

s) "Phase II Owner" mean Envision 8th Street Holdings, LLC

t) "Public Improvements" means the City's site work, construction, utilities and equipment relating to the Eligible Property, as described in the Brownfield Plan attached hereto as Exhibit A.

u) "Transaction Costs" means GTCBRA's costs, expenses, and liabilities related to the authorization, execution, administration, oversight, fulfillment of the GTCBRA's obligations under this the Agreement, which such items shall include, but not be limited to, direct or indirect fees and expenses incurred as a result of the application, approvals of the Brownfield Plan, Act 381 Work Plan and this Agreement, and any subsequent amendments, printing costs, costs of reproducing documents, filing and recording fees, counsel fees, financial expenses, insurance fees and expenses, administration and accounting for the loan proceeds and tax increments revenues, oversight and review, and all other costs, liabilities, or expenses, related to preparation and carrying out or enforcing the Brownfield Plan, the Act 381 Work Plan and this Agreement, or other related agreements with Owner, if any, and any other costs, charges, expenses, and professional and attorney fees in connection with the foregoing.

v) "Site" means the real property located in the County of Grand Traverse, State of Michigan, as described in attached Exhibit B, if applicable, and made a part hereof. The Site and its description in Exhibit B may be amended by the parties to reflect any transfer of land after the

execution of this agreement. Such a modification shall be by amendment of this agreement and shall be in writing signed by both parties.

w) "Tax Increment Revenues" means tax increment revenues, as defined by Act 381, from all taxable real and personal property located on the Project Site during the life of the Brownfield Plan.

Section 1.2 Number and Gender.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms.

ARTICLE 2.

COVENANTS OF THE OWNERS

Section 2.1 Pending Purchase Agreement. The Development has been separated into two phases. There is a pending purchase agreement between the Phase I Owner and Commongrounds, LLC. Any other provision of this Agreement notwithstanding, if Commongrounds, LLC, becomes the Phase I Owner, Commongrounds, LLC, shall not have the rights or responsibilities of the Phase II Owner, and likewise the Phase II Owner shall not have the rights or responsibilities of the Phase I Owner, after the date of closing on Phase I. Both Phase I and Phase II Owners shall retain responsibility and rights held by Owners under this Agreement to the extent such obligations apply to the Phase I and Phase II properties, respectively, and are outstanding after the date of closing on Phase I. A breach of this Agreement by the Phase II Owner shall not be deemed a breach by Commongrounds, LLC, and Commongrounds, LLC, shall not hold the rights or bear any liabilities for breach of this Agreement by the Phase II owner, including any costs, damages, etc, except to the extent that they arise directly out of the action of Commongrounds, LLC. A breach of this Agreement by by Commongrounds, LLC, shall not be deemed a breach by the Phase II Owner and the Phase II Owner shall not hold the rights or bear any liabilities for breach of this Agreement by the Commongrounds, LLC, including any costs, damages, etc, except to the extent that they arise directly out of the action of the Phase II Owner.

Section 2.2 Construction of Development. The Owners shall proceed with the development and the obligations under this Agreement in their discretion. If they decide to do so, Owners shall proceed with due care and diligence and commence and complete the Eligible Activities and the Development in accordance with this Agreement, and in accordance with any applicable law, regulation, code and ordinance for each Phase of the Development. If Commongrounds, LLC becomes the Phase I Owner, then the Owners will be deemed individual entities and are included together in this agreement as a convenience under one Brownfield Plan. The terms and conditions of this Agreement will be applied to each individual Owner and any default by one Owner will not constitute default by the other Owner.

Section 2.3 Covenant to pay Financial Obligations. The Development will utilize the Owners' own funds, and receive reimbursement from the GTCBRA, to the extent of available Tax Increment Revenues for payment of the Eligible Activities in accordance with the terms of this Agreement the Brownfield Plan, and the Act 381 Work Plan, except for the Environmental Eligible Activities for Phase I and Phase II of the Development that will be financed by the GTCBRA Local Brownfield Revolving Fund to the extent that funds are available and in an amount not to exceed \$142,600. The GTCBRA may first establish a contingency reserve fund for the Brownfield Plan and Development Project, which shall be not more than twenty percent (20%) of such tax increment funds in any one year. Subject to payment into such reserve, the revenues shall then be utilized by the parties and payment made in the following order of priority:

- (a) First, the revenues will be applied to administrative and transaction costs;
- (b) Second, to reimburse the Local Brownfield Revolving Fund for any Environmental Eligible Activities paid for by the Fund, based on an amortization of ten (10) years at 2.5% interest;
- (c) Third, to reimburse the Phase I Owner for those approved Eligible Activities expenses as provided in this Agreement up to a Maximum Cost of Eligible Activities of up to \$1,000,000 based on the following allocation of available TIF: Seventy five percent (75%) of Tax Increment Revenues generated by Phase I will be paid to the Phase I Owner for Eligible Activities approved for reimbursement pursuant to this Agreement, and twenty five percent (25%) will be paid to the City for the City's approved Eligible Activities; and
- (d) Fourth, to reimburse the Phase II Owner and the City for those approved Eligible Activities expenses as provided in this Agreement (and as provided in a separate agreement with the City) based on the following allocation of available TIF: Upon completion of Phase II of the development (defined as the completion of all construction activities and the issuance of a Certificate of Occupancy) and up until Phase I Eligible Activities are fully reimbursed, Seventy five percent (75%) of Tax Increment Revenues generated by Phase II will be paid to the Phase II Owner for Eligible Activities approved for reimbursement pursuant to this Agreement, and twenty five percent (25%) will be paid to the City for the City's approved Eligible Activities.
- (e) After Phase I Eligible Activities are fully reimbursed, the balance of any Tax Increment Revenues generated by both Phase I and Phase II will be divided equally between the City and the Phase II Owner to pay for the Phase II Owner's and the City's Eligible Activities. If Phase I Eligible Activity costs have been fully reimbursed and Phase II is not completed, the City will receive the entire balance of any Tax Increment Revenues until Phase II Eligible Activities have been submitted and approved in accordance with this Section.

TIF from Phase I shall be used to reimburse the Phase I eligible expenses, in the allocation and up to the limit provided above. Once the Phase I activities have been fully reimbursed, TIF from Phase I will be used to reimburse Phase II and City Eligible Activities in the allocation provided above.

The funds held for the contingency reserve will be distributed to the Owners for Eligible Activities expenses upon receipt of the subsequent year's tax increment capture, subject to the priority of payment described in (a) (b) and (c) of this paragraph. Upon satisfactory completion of the Eligible Activities, the remainder of the contingency reserve fund may be applied to the GTCBRA's administrative and transaction costs and the Owners' Eligible Activity expenses.

It is anticipated that there will be sufficient available Tax Increment Revenues to meet the obligations under this Agreement. However, if for any reason the Development does not result in sufficient revenues to satisfy such obligations, the Owners agree and understand that they will have no claim or further recourse of any kind or nature against the GTCBRA except from available captured Tax Increment Revenues, and if for any reason the Tax Increment Revenues are insufficient or there are none, then Owners assume full responsibility for any such loss or cost. The parties acknowledge and agree that nothing in the preceding shall limit or restrict the Owners' ability to request an amendment to the Brownfield Plan and/or Act 381 Work Plan, subject to GTCBRA's review process and full discretion to approve, modify or deny any proposed amendment.

It is expressly understood and agreed that the reimbursement by GTCBRA is subject to the following conditions:

- (a) Approval by the MDEQ and/or MSF, and GTCBRA of (1) the Act 381 Work Plan, as amended or supplemented, or (2) of the Eligible Activity as qualifying for school tax capture; however, to the extent an Eligible Activity falls outside (1) or (2) of this subparagraph, then the Eligible Activity must be identified in the Act 381 Work Plan, as amended, and approved by the GTCBRA for local tax recapture to the extent authorized by Act 381.
- (b) The Owners shall provide proof of ownership of the Sites if applicable, and shall provide the GTCBRA with a list describing, to Owners' actual knowledge, any potentially responsible party (PRP) for the contamination on the property, and shall have performed all of the covenants, obligations, terms and conditions to be performed by it pursuant to this Agreement or other agreement with GTCBRA, and all preconditions to the performance of the Owners shall have been satisfied.
- (c) Owners shall provide written proof of waivers of liens by any Environmental Consultant or Contractor providing services as described in this Agreement.
- (d) Owners shall pay all real estate tax obligations when due.
- (e) GTCBRA shall only be obligated to reimburse invoices for Eligible Activities that has been reviewed and approved by the GTCBRA. Approval of the application and subsequent approvals of Brownfield Plans, Act 381 Work Plans, or any other determination of eligibility in no way guarantees or establishes a right to reimbursement of expenditures through tax increment financing prior to review or approval of invoices. Expenditures must be documented to be reasonable and necessary for Eligible Activities by submission of invoices and other appropriate documentation. Reimbursement shall only occur pursuant to the terms and

conditions of this Agreement, as well as the policies and procedures of the GTCBRA for review and approval of invoices. All invoices for any Eligible Activities on the Eligible Property must be submitted to the GTCBRA for its review within one year from the date of the invoice. While the GTCBRA may waive this requirement in its discretion for good cause shown, the GTCBRA shall be under no obligation to reimburse any invoice for an Eligible Activity that is not submitted within such one year period.

Section 2.4 Indemnification of Indemnified Persons.

- (a) The Owners shall defend, indemnify and hold the Indemnified Persons harmless from any loss, damages, costs, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, demands or claims arising or resulting from the following:
 - (1) Any activity undertaken pursuant to this Agreement or from injuries to persons or property as a result of the construction, ownership or operation, use or maintenance of the Development.
 - (2) Any material acts or omissions, negligent or otherwise, of the Environmental Consultant and/or Contractors (as defined in Sec. 6.1) or their employees or agents in the performance of the work specified in this Agreement.
 - (3) The failure of the Environmental Consultant and/or Contractors to comply with the provisions of this Agreement.
- (b) If any suit, action or proceeding is brought against any Indemnified Person, the Indemnified Person promptly shall give notice to the Owners and the Owners shall defend such Indemnified Person with counsel selected by the Owners, which counsel shall be reasonably satisfactory to the Indemnified Person. In any such proceeding, the Indemnified Person shall cooperate with the Owners and the Owners shall have the right to settle, compromise, pay or defend against any such claim on behalf of such Indemnified Person, except that the Owners may not settle or compromise any claim if the effect of doing so would be to subject the Indemnified Person to criminal penalties, unless such Indemnified Person gives its consent. The Owners shall not be liable for payment or settlement of any such claim or proceeding made without their consent.
- (c) The Owners also shall indemnify the Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in successfully enforcing or pursuing any obligation of or claim against the Owners or Owners' Environmental Consultant or Contractors under this Agreement or any related agreement. To the extent that the enforcement of such obligation or claim involves a claim against an Environmental Consultant or Contractor who performs work or services under the terms or within the scope of this Agreement, the Environmental Consultant's or Contractor's agreement with the Owners shall be deemed to be a

third party beneficiary contract in favor of the GTCBRA or any Indemnified Persons.

- (d) The Owners shall assure that to the extent an Environmental Consultant, or Contractor provides services toward completion of any Eligible Activities, at a minimum, the Environmental Consultant or Contractor shall provide to the GTCBRA and the County proof of insurance set forth in Sec. 6.12 of this Agreement.
- (e) The Owners shall obtain written acknowledgment that the Environmental Consultant or any Contractor could be liable to GTCBRA for all damage, loss, injury or expense to the extent such person or entity's acts or omissions arising out of the performance of activities under this Agreement are actionable negligence or gross negligence, or constitute intentional misconduct; the Consultant or any Contractor shall be liable for contribution to GTCBRA for any such damage, loss, injury or expense of a third party arising out of such activities, notwithstanding Sec. 20128 of the NREPA, MCL 324.20128, for releases aggravated or proximately caused by the Environmental Consultant or Contractor. This paragraph shall not affect any other liabilities or remedies of the GTCBRA.
- (f) Notwithstanding any other provision of this Agreement, the Owners shall obtain their Environmental Consultant's and other Contractor's written agreements to defend, indemnify and hold harmless the Indemnified Persons against and from all liabilities, losses, damages, costs, expenses (including attorney fees), causes of action, suits, claims and demands for judgment, to the same extent as the Owners' indemnification provisions under this Section. This indemnity shall only apply to the Environmental Consultant or Contractor's actions, and the Consultant or Contractor shall have no obligation to indemnify, defend or hold harmless the Indemnified Persons for any loss, liability, claim, damage, cost or expense arising out of, related to or resulting from any activities performed by other Environmental Consultants or Contractors on the Property.
- (g) The indemnity provisions shall survive the term of this Agreement.
- (h) Proof of insurance required in subparagraph (d), the written acknowledgment in subparagraph (e) and the written agreement(s) in subparagraph (f) shall be filed with the GTCBRA before any work begins or before any reimbursement under the terms of this agreement.
- (i) A breach of the foregoing provisions of Sec. 2.3 at the option of GTCBRA constitutes, or will result in, a breach of the Development Agreement. If the Phase I and Phase II Owners are commonly controlled, then a breach of the foregoing provisions of Sec. 2.3 for either Phase I or Phase II shall constitute a breach of the Agreement for both phases and both Owners. If Commongrounds, LLC becomes the Phase I Owner, a breach of the foregoing provisions of Sec. 2.3 by either the Phase I Owner or Phase II Owner shall not constitute a breach for the other phase and each phase shall be treated separately for purposes of this Sec. 2.3.

Section 2.5 Site Access. The Owners shall grant to GTCBRA, the MDEQ and/or MSF, or their designated agents, access to the Site to exercise their respective rights related to the purposes and pursuant to the terms of this Agreement. Site access shall include the right to inspect the performance of any Eligible Activities, as provided in the Brownfield Plan and Work Plan, in the GTCBRA's discretion. The GTCBRA shall give the Owners at least 24 hours prior written notice of its intent to access the site whenever possible. If notice cannot be given due to an emergency or any other similar unforeseen circumstance, the GTCBRA shall give such prior notice as is reasonable and practicable under the circumstances. All such agents must comply with all Site safety standards while accessing the Site.

ARTICLE 3.

CONDITIONS PRECEDENT TO OWNER'S OBLIGATION

Section 3.1 Conditions Precedent to Owners' Obligations to Construct the Development. The obligations of Owners to complete the Eligible Activities and construct the Development, as contemplated herein, are subject to the following conditions precedent which must be satisfied by the GTCBRA as required herein, except as expressly provided in this Agreement or otherwise waived by the Owners:

- (a) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owners, the County or the GTCBRA is a party, or threatened against the Owners, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Brownfield Plan or Act 381 Work Plan, which could result in an adverse decision which would have one or more of the following effects:
 - (1) A material adverse effect upon the ability of the GTCBRA to collect and use Tax Incremental Revenues to repay its obligations under this Agreement.
 - (2) A material adverse effect on the Owners' or the GTCBRA's ability to comply with the obligations and terms of this Agreement, the Brownfield Plan, or the Act 381 Work Plan.
- (b) There shall have been no Event of Default by the GTCBRA and no action or inaction by the GTCBRA eventually which with the passage of time could become an Event of Default.
- (c) The GTCBRA shall have performed all of the terms and conditions to be performed by it pursuant to this Agreement.
- (d) If Commongrounds, LLC becomes the Phase I Owner, the obligations under this Sec. 3.1 shall apply independently to each phase and each phase shall be treated separately for purposes of this Sec. 3.1.

ARTICLE 4.

COVENANTS OF THE GTCBRA

Section 4.1 **Adoption of the Brownfield Plan and Act 381 Work Plan.** The Brownfield Plan and Act 381 Work Plan (and amendments as necessary) in accordance with Act 381 which will provide for the payment of transaction costs and reimbursement to the Owners of the Owners' Eligible Activity expenses that have been conducted, completed and approved in accordance with the scope and terms of this Agreement, Act 381, the Brownfield Plan, and any applicable Act 381 Work Plan, and approved by the GTCBRA pursuant to its policies and procedures. These policies and procedures include, but are not limited to, the GTCBRA's standards for local tax incremental financing eligibility. If Commongrounds, LLC becomes the Phase I Owner, phase and owner shall be treated separately for purposes of this Sec. 4.1.

Section 4.2 **Completion of Eligible Activities.** Upon the Owners' satisfactory completion of the Eligible Activities described in Exhibit C, as amended or supplemented, pursuant to this Agreement, and approved by MDEQ and/or MSF and where applicable approved by the GTCBRA, the GTCBRA shall reimburse the Owners subject to and in accordance with the terms set forth in this Agreement. The Owners shall have sole responsibility to pay the Owners' Environmental Consultant or Contractors for completion of such Eligible Activities and provide written waiver of any liens. If the Owners incur any expenses or costs for any activities other than the Eligible Activities or if the costs exceed the maximum cost of Eligible Activities as set forth in the Brownfield Plan, the Act 381 Work Plan, this Agreement, or approval of the GTCBRA, the Owners shall bear such excess costs without any obligation on the part of GTCBRA. If the costs of Eligible Activities set forth in Exhibit C, as amended or supplemented, are less than such maximum cost, then the Owners shall have no further right of reimbursement beyond their actual costs.

Section 4.3 **GTCBRA or Contract Manager Oversight.** The GTCBRA may retain the services of a qualified contract manager for purposes of assuring that the activities, invoices and accounting by the Owners are fair, reasonable, and constitute Eligible Activities within the meaning and scope of this Agreement, the Brownfield Plan, the Act 381 Work Plan, and Act 381. The Owners shall provide to the GTCBRA Director and the GTCBRA's contract manager access to data, reports, sampling results, invoices, and related documents reasonably necessary to fulfill the exercise of such oversight. It is expressly understood that GTCBRA has no right to control or to exercise any control over the actual services or performance by the Owners of the Eligible Activities, except as to assurance that the Owners has met the conditions and requirements of this Agreement.

ARTICLE 5.

CONDITIONS PRECEDENT TO GTCBRA'S OBLIGATIONS

Section 5.1 **Conditions Precedent to GTCBRA's Reimbursement Obligation.** The obligations of the GTCBRA to reimbursement of costs to the Owners for completion of Eligible Activities expenses as contemplated herein shall be subject to the following conditions precedent which must be satisfied by the Owners as required herein, except as expressly provided in this Agreement or

otherwise waived in writing by the GTCBRA. It is expressly agreed that the GTCBRA makes or gives no assurance of payment to the Owners by the mere fact that an Eligible Activity or a dollar amount for such activity is identified in the Brownfield Plan or Act 381 Work Plan, or as hereafter supplemented or amended, and that its designated contract manager shall have the right to review and approve all written summaries of and invoices for Eligible Activities for the reasonableness of services performed by any Environmental Consultant under this Agreement. However, so long as an Eligible Activity by the Owners has been approved and is authorized by Act 381 and has been completed and approved in accordance with the following procedure and this Agreement, Owners shall be entitled to reimbursement of their Eligible Activities expenses. If Commongrounds, LLC becomes the Phase I Owner, the obligations under this Sec. 5.1 and its subparagraphs shall apply independently to each phase and approvals of each phase shall be treated separately for purposes of this Sec. 5.1.

- (a) Before commencing work on each stage of Eligible Activities and pursuant to the policies adopted by the GTCBRA, the Owners or their designee will present a project budget for each stage to the GTCBRA Director at least two weeks prior to commencement of the Eligible Activities. The project budget will be submitted at each such stage of the Eligible Activities: BEA activities; due care 7(a) obligations; and additional response activities and, if applicable, lead and asbestos abatement, demolition, site preparation and infrastructure; and will contain detailed line item cost estimates.
- (b) The Owners shall submit invoices of their expenses and a written statement demonstrating a factual basis that they have completed any Eligible Activities to the GTCBRA Director, for preliminary review and approval, within 60 days of Owner's payment of invoice. Pursuant to Section 2.2, above, the GTCBRA shall not have any obligation to reimburse any invoice that is submitted to the Authority later than one year after the original invoice date, regardless of when payment on the invoice was made. Within 14 days of receipt of the invoice, the GTCBRA Director shall review the invoice to determine the reasonableness of the invoice and activity as eligible, and recommend approval or denial of the invoice, in part or in full, at a meeting of the GTCBRA. In the event of an objection to the invoice, the GTCBRA Director will notify the Owners, and the Owners shall meet with the GTCBRA Director and resolve or cure the objection. If the GTCBRA does not authorize payment on an invoice, then there shall be no obligation on the part of the GTCBRA to pay the invoice absent a determination by a court of competent jurisdiction that the GTCBRA has an obligation to pay such invoice.
- (c) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owners, the County or the GTCBRA is a party, or threatened against the Owners, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Brownfield Plan and/or Act 381 Work Plan, or which could result in an adverse decision which would have one or more of the following effects:
 - (1) A material adverse effect upon the ability of the GTCBRA to collect and use Tax Increments to pay the obligations.

- (2) A material adverse effect upon the ability of the Owners to conduct Eligible Activities.
- (3) Any other material adverse effect on the Owners' or the GTCBRA's ability to comply with the obligations and terms of this Agreement, or the Plan.
- (d) There shall have been no Event of Default by the Owners and no action or inaction by the Owners eventually which with the passage of time would likely become an Event of Default; provided, however, if reimbursement of the Owners is refused by reason of the Owners' action or inaction which with the passage of time would likely become an Event of Default, then if Owners cure such threatened Event of Default within the time period and according to the provisions of Section 9.1, this precondition shall be deemed fulfilled as of the time of such cure and, provided that all other preconditions to the GTCBRA's reimbursement obligation have been met at the time of such cure, then the Owners shall then be entitled to reimbursement.
- (e) The Owners document ownership or control of the Sites and the Owners are not in default on any contract or other agreement relating to their ownership, development, or use of the Eligible Property, which default would have an adverse effect on the Owners' or the GTCBRA's ability to comply with the obligations and terms of this Agreement or the Brownfield Plan or Act 381 Work Plan.
- (f) Proper approvals required under applicable federal and state laws or regulations, and local ordinances, codes or regulations for land uses and the Development have been secured.
- (g) The Owners have consent of any affected utility for relocation, burial or the activity to accomplish the Eligible Activities.
- (h) The Owners retain an Environmental Consultant or Contractor to advise, conduct, or complete the Eligible Activities related to the Owner-financed obligations as set forth in this Agreement.
- (i) There is no change in law which would have one or more of the effects described above.
- (j) Any Tax Increment Revenues owed to a prior owner of the Site for Eligible Activities undertaken on the Site shall be paid to the prior owner of the Site pursuant to the policies and procedures of the GTCBRA unless otherwise directed by written agreement between the prior owner and the Owners. The Owners have no right to any Tax Increment Revenues for any Eligible Activity undertaken on the Site prior to their purchase of the Site. This provision shall not apply and shall be deemed satisfied for purposes of Phase I Eligible Activities if Commongrounds, LLC becomes owner of Phase I.

- (k) If for any reason the Owners are unable to obtain title to the site, the GTCBRA is not obligated to perform any of the terms of this Agreement.
- (l) During the term reimbursement, the Owners shall provide to the GTCBRA an annual report of investment made; number of residential units; the amount, by square foot of new or rehabilitated residential, retail, commercial, or industrial space; and the number of new jobs created. The report for the preceding year shall be delivered to the GTCBRA Director no later than March 1 of each year.

ARTICLE 6.

OWNER'S ENVIRONMENTAL CONSULTANT OR THEIR CONTRACTOR RESPONSIBILITIES

Section 6.1 Eligible Activities and Due Care Obligation. The Owners covenant that they will contract with a competent and qualified Environmental Consultant or Consultants and/or other competent and qualified Contractor or Contractors to manage and/or conduct and complete the Eligible Activities set forth in this Agreement and as set forth in the Act 381 Work Plan, as amended or supplemented, or the Brownfield Plan, as amended or supplemented, and to meet any due care obligation under Sec. 20107a, NREPA, MCL 324.20107a, in accordance with any MDEQ requirements and approval. Each Environmental Consultant or Contractor hired by Owners shall be responsible for the activities that they perform on the Eligible Property, but the Environmental Consultant or Contractor shall not be liable for the actions of any persons performing work on the Eligible Property that are not performing work directly or indirectly for the Environmental Consultant or Contractor.

Section 6.2 Permits. The Environmental Consultant or Contractors shall examine all permits and licenses within their respective professional scopes pertaining to the Site or Development to determine whether all permits and licenses required to be issued by any governmental authority on account of any or all of the activities on the Site or the Development have been obtained or issued and are in full force and effect, and whether the Site or the Development and the activities there are in compliance with the terms and conditions of such permits and licenses, but limited to only those Eligible Activities performed by Owners' Environmental Consultant or Contractors, and specifically excluding all other activities performed by other Environmental Consultants or Contractors performing activities retained by another third party.

Section 6.3 ASTM and Industry Standards. The Owners, Environmental Consultant, or Contractors shall perform all services and Eligible Activities under this Agreement in accordance with any applicable *ASTM* or other industry standards.

Section 6.4 Other Services Performed for Owner. It is expressly understood that GTCBRA is not responsible for payment or reimbursement of any services for or expenses incurred by the Environmental Consultant and/or Owners that are not within the scope of or in accordance with all of the terms, conditions and provisions of this Agreement. This Agreement shall not be deemed or construed to create any rights to reimbursement or otherwise in the Environmental Consultant or Contractors, or any third parties; specifically, this Agreement shall not be construed to create any third party beneficiary contract or claim.

Section 6.5 Regulatory Liaison and Data and Reports. If applicable, the Environmental Consultant or Contractor will provide communication services and attend meetings with the MDEQ and MSF as it relates to those Eligible Activities performed by Owners' Environmental Consultant or Contractor. Environmental Consultant or Contractors shall:

- (a) Submit reports and test results first to the Owner, and shall submit documents to GTCBRA Director within 5 days thereafter.
- (b) Make known the provisions of this subparagraph to all Environmental Consultants and Contractors, who shall be bound by the confidentiality provisions of this Agreement.
- (c) Submit any such written reports marked "DRAFT FOR DISCUSSION PURPOSES ONLY." To the extent GTCBRA or its designated agent reviews or receives a document marked "confidential," it shall be kept confidential except as prohibited by the Freedom of Information Act or other law or regulation.
- (d) Disclose on request to GTCBRA Director all data, reports and test results generated by the Environmental Consultant or Contractor within the scope of this Agreement, or in connection with the Development.

Section 6.6 Other Agreements. The Owners covenant that they will obtain a warranty from the Environmental Consultant or Contractor that it is not a party to any other existing or previous agreement which would adversely affect the Environmental Consultant's or Contractor's ability to perform the services with respect to the Eligible Activities.

Section 6.7 Contractors. If the Owners hire any Environmental Consultant or Contractor, or retains any person, firm or corporation to perform services related to Eligible Activities under this Agreement, the Owners shall first secure the written acknowledgment from such party that such party is not and shall not be or act as an agent or employee of the GTCBRA, nor assume or create any duty, commitment or obligation on behalf of nor bind the GTCBRA in any respect whatsoever. A copy of such written acknowledgment shall be provided to GTCBRA.

Section 6.8 Non-Discrimination Clause. Neither the Owners, nor any Environmental Consultant, nor any Contractors shall discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this provision may be regarded as a material breach of this Agreement.

Section 6.9 Independent Contractor. The Environmental Consultant and Contractors shall each perform their services under this Agreement entirely as an independent contractor, and shall not be deemed an agent, employee or legal representative of the GTCBRA or the County. The GTCBRA, County, Owners, Environmental Consultant, and Contractors shall each have and maintain complete control over all their respective employees, agents and operators. Facts or knowledge of which the Environmental Consultant or Contractor becomes aware shall not be

imputed to GTCBRA without communication to and receipt by managerial officials or employees of GTCBRA. The Environmental Consultant or Contractor has no authority to assume or create, and will not assume or create, any commitment or obligation on behalf of the GTCBRA in any respect whatsoever. Further, the Environmental Consultant or Contractor shall exercise their independent judgment for the services provided in this Agreement.

Section 6.10 Disposal of Hazardous Waste. In the event that samples or other materials contain substances classified as “hazardous waste” under applicable state or federal law, the Owners shall, under a manifest signed by the Owners or their agents, as the generator, have such samples transported for final disposal to a location selected by the Owners or their Environmental Consultant or Contractor. It is expressly understood that the GTCBRA has no oversight or other control or authority over the Owners’ obligation to properly dispose of Hazardous Waste under the terms of this Section.

Section 6.11 Compliance With Laws. While on the Site or Development, the Owners, the Environmental Consultant, and any Contractor shall impose work orders on their employees, agents and subcontractors which are designed to assure that they comply with all applicable federal, state and local laws and regulations (including occupational safety and environmental protection statutes and regulations) in performing services under this Agreement, and shall comply with any directions of governmental agencies relating to site safety, security, traffic or other like matters as it relates to those Eligible Activities performed by the Owners, Environmental Consultant or Contractor, as applicable.

Section 6.12 Environmental Consultant or Contractor Insurance. The Owners shall assure that the Environmental Consultant or any Contractors performing any part of the Eligible Activities covered by this Agreement shall obtain and maintain the following policies of insurance:

- (a) Worker's Compensation Insurance in the amounts required under the laws of the State of Michigan;
- (b) Comprehensive General Liability and Automobile Insurance for bodily injury, death or loss or damage to property or third persons in the minimum amount of at least \$1 million per occurrence, which policy shall name the GTCBRA and the County as additional insured to the extent of the indemnity provided in Section 2.3.
- (c) As to those Contractors engaging in response activities, Pollution or Environmental Impairment Insurance in the amount of at least \$ 1 million per occurrence.
- (d) As to the Environmental Consultant only, Professional Liability Insurance in the minimum amount of \$1 million per occurrence.
- (e) The Owners shall furnish to GTCBRA a certified copy of such policies of insurance within 30 days of the date of the commencement of the Eligible Activities by such Environmental Consultant or Contractor, and the period of coverage shall commence with the date of performance of the first Eligible Activity by such insured person or entity. The limits of insurance shall not be construed as a

limitation on the Environmental Consultant's or Contractor's liability for damages, costs or expenses under this Agreement.

- (f) Upon showing of no or minimal environmental impairment risk with respect to the activities to be performed by any specific Environmental Consultant or Contractor, the Owners may request in writing a reduction of the amount of coverage in Section 6.12 (b) to \$500,000; upon the same showing, the Owners may also request as to a specific Environmental Consultant or Contractor a waiver of the Environmental Impairment Insurance required by Section 6.12 (c). The GTCBRA will provide written documentation in the event it approves of such a request, which shall be treated as an amendment to this Agreement effective on the date of such written approval.

Section 6.13 Separate Environmental Consultants or Contractors. If Phase I is sold to Commongrounds, LLC, the requirements of this Article shall apply independently to Phase I and Phase II, regardless of whether the Owners of Phase I and Phase II use different or the same Environmental Consultants or Contractors.

ARTICLE 7.

REPRESENTATIONS AND WARRANTIES

Section 7.1 Representations and Warranties of GTCBRA. GTCBRA represents and warrants to the Owners that:

- (a) GTCBRA is a public body corporate, established pursuant to Act 381, with all necessary corporate powers pursuant to that Act to enter into and perform this Agreement.
- (b) The execution and delivery of this Agreement has been duly authorized by all requisite action on the part of the GTCBRA, and this Agreement constitutes a valid and binding agreement of the GTCBRA enforceable in accordance with its terms, except as enforce ability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or thereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

Section 7.2 Representations and Warranties of the Owner. The Owners represent and warrant to the GTCBRA that:

- (a) The Owners is a limited liability corporation, with power under the laws of the State of Michigan to carry on their business as now being conducted and has the power and authority to consummate the transactions contemplated under this agreement by the Owners.
- (b) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action

on the part of the Owners, and this Agreement constitutes a valid and binding agreement of the Owners in accordance with its terms, except as enforce ability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

- (c) Except as part of the performance and completion of Eligible Activities under the terms of this Agreement, the Owners or their Contractors shall not use the Site for the storage, treatment or disposal of hazardous or toxic wastes of unaffiliated third parties and shall comply with all applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees and orders in connection with any use of the Site, and shall obtain all necessary permits in connection therewith.
- (d) Owners warrant that they will comply with all obligations, covenants and conditions required of them or their agents or Contractors under the terms of this Agreement.
- (e) Owners shall comply with all due care obligations under Sec. 7a of Part 201 of the NREPA.
- (f) Owners has not made any misrepresentation of fact in the inducement or in the performance or administration of this Agreement.
- (g) To the extent that Commongrounds, LLC purchases Phase I of the Development, each Owner shall separately and independently make the representations and warranties of this Sec. 7.2.

ARTICLE 8.

OWNERS FINANCIAL ASSURANCES

Section 8.1 **Insurance.** The Owners shall obtain and provide proof of the following current in-force insurance:

- (a) If applicable, Worker's Compensation in the amounts required under the laws of the State of Michigan;
- (b) Comprehensive General Liability, including Umbrella Liability Insurance for any such underlying liability, and Automobile Insurance for bodily injury, death or loss or damage to property of third persons in the minimum amount of \$2 million per occurrence.

The Owners shall furnish to GTCBRA a certified copy of such policies within 14 days of the date of this Agreement and the period of coverage shall commence with the date of performance of the first Eligible Activity. GTCBRA will review the certified policies within 14 days of their receipt to determine if the insurance requirements have been satisfied. If the policies do not fully cover

the Owners' liability, including indemnity obligations, under this Agreement, then the GTCBRA reserves its right to increase the amount of other financial assurances under Article 8 of this Agreement. The limits of insurance shall not be construed as a limitation on the Owners' liability for damages, costs or expenses under this Agreement. Each Owner of Phase I and II shall independently meet the insurance requirements of this Section.

Section 8.2 Deduction from Owners' Right to Reimbursement. The Owners grant the GTCBRA the right to deduct or set off from any reimbursement obligation to Owners any Transaction Costs incurred by the GTCBRA as a result of the successful enforcement of the terms of this agreement upon the occurrence of a breach of this Agreement or Event of Default by the Owners. To the extent that Commongrounds, LLC purchases Phase I of the Development, the right to deduct or set off reimbursement obligation shall only apply to the Owner and phase responsible for the breach or Event of Default and shall not impact the non-breaching or non-defaulting Owner.

ARTICLE 9.

DEFAULT, REMEDIES, AND TERMINATION

Section 9.1 Remedies Upon Default. Upon the occurrence of an Event of Default, the non-defaulting party may terminate this agreement by giving written notice to the defaulting party, and the defaulting party shall have 60 days to cure the default or, if such Event of Default requires more than 60 days to cure, then if such defaulting party shall commence and diligently proceed to cure the Event of Default within such 60 days, then the defaulting party shall have an additional 60 days to cure the Event of Default. If the Event of Default is not cured within this time period, then the non-defaulting party shall have the right to terminate this Agreement or, at the election of such non-defaulting party, may obtain any form of relief permitted under this Agreement, and any applicable laws and court rules of the State of Michigan, including the right to seek and obtain a decree of specific performance from a court of competent jurisdiction. Any right or remedy provided by a specific provision of this Agreement shall be deemed cumulative to, and not conditioned on, any other remedies upon Event of Default. The prevailing party in any action or proceeding brought to enforce the terms of this Agreement shall be entitled to an award of reasonable costs and attorney fees in addition to the relief obtained. To the extent that Commongrounds, LLC purchases Phase I of the Development, the remedies provided in this section shall only apply against the defaulting Owner and not against the non-defaulting Owner.

Section 9.2 Tax Valuation and Payment of Tax Increment Revenue Shortfall. Owners and GTCBRA have entered into this Agreement in reliance on certain assumptions about the increase in tax value of the Eligible Property that will be created by the Development, as contained in the Brownfield Plan approved on November 15, 2017, attached as Exhibit C. Owner waives, to the full extent authorized by law, any right to appeal the tax valuation of the Property during the time that Tax Increment Revenues are being captured to pay back any obligation pursuant to this Agreement. Owners further agree that if there is a tax appeal of the valuation of all or any part of the Property during the time of Tax Capture provided for in the Plan and this Agreement, whether by Owners, a future tenant or any other future owner, Owners shall be responsible for paying GTCBRA the difference between the assessed value from the tax year appealed and the actual Tax Capture as a result of any reduction in the assessed value of all or part of the Property. This

obligation may be assigned by written agreement between Owners and any future tenant or owner of the Eligible Property. A copy of such assignment shall be provided to the GTCBRA.

ARTICLE 10.

MISCELLANEOUS

Section 10.1 Term. The term of this Agreement shall commence on the date first written above and shall expire upon payment in full of GTCBRA's obligations under the Debt Obligation and shall not exceed the term of the Brownfield Plan.

Section 10.2 Sale or Transfer of Eligible Property or Site within the Brownfield Plan. Up until the Owners has satisfactorily completed their Eligible Activities and performed their obligations under the terms of this Agreement, the Owners shall not sell, convey, or transfer ownership of any portion of the eligible property to another owner to carry out the purposes and goals of the Brownfield Plan, or any existing Act 381 Work Plan, as described in this Agreement without the written approval of the GTCBRA, which will not be unreasonably withheld. The GTCBRA, in its sole discretion, will determine whether an amendment to the Brownfield Plan is necessary. The proceeding does not prohibit the Owners from selling property or units within structures to third parties for the land uses as contemplated by the Development. This section shall not apply to: (a) assignments between governmental entities (b) assignments for financing required for the development; (c) the establishment of another entity which shall operate the premises for the infrastructure purposes; or (d) the purchase of Phase I by Commongrounds, LLC.

The Owners waives the right to reimbursement for outstanding pay-as-you-go obligations, or any other reimbursement obligation of the GTCBRA, to be paid through Tax Increment Financing captured from the portion of the eligible property that is sold, conveyed, or transferred unless the Owners complies with the following:

- (a) The Owners provides the prospective transferee with written notice of the Brownfield Plan, Act 381 Work Plan, the nature and extent of Eligible Activities performed by the Owners pursuant to the Brownfield Plan, and the extent of any outstanding obligation for reimbursement for Owner-financed expenses from taxes to be captured from the property.
- (b) The Owners and the transferee enter into an allocation agreement covering how the Tax Increment Revenues collected on the Eligible Property shall be distributed between the Owners and the transferee for any outstanding obligations or future obligations for Eligible Activities on the Eligible Property.
- (c) The Owners provide the GTCBRA with copies of the written notice and the allocation agreement between the Owners and the transferee of the Eligible Property prior to transfer of the Eligible Property.

Section 10.3 Assignment. Neither this Agreement nor any of the rights or obligations contained within it may be assigned or otherwise transferred by the Owners, nor shall the benefits of this Agreement inure to the benefit of any trustee in bankruptcy, receiver or creditor of the Owners,

whether by operation of law or otherwise, without the prior written consent of the GTCBRA which will not be unreasonably withheld, conditioned, or delayed. Any attempt by the Owners to assign or transfer this Agreement or any of their rights without such written consent shall be null and void and of no force or effect, and a breach of this Agreement. The requirements of this Section shall not apply to the purchase of Phase I by Commongrounds, LLC.

Section 10.4 Notices. All notices, certificates or communications required or permitted by this Agreement to be given shall be in writing and shall be sufficiently given and shall be deemed delivered when personally served, or when received if mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

If to GTCBRA:

Jean Derenzy, Grand Traverse County
Municipal Assistant to Authority pursuant to MCL 125.2657(5)
Grand Traverse County Brownfield Redevelopment Authority
400 Boardman Avenue
Traverse City, Michigan 49684

If to the Phase I Owner:

Joseph Sarafa, Manager
Envision Eighth Street, LLC
12935 S. West Bay Shore Drive, Suite 100
Traverse City, Michigan 49684

Or if Phase I is owned by Commongrounds, LLC:

Kate Redman
Commongrounds, LLC
223 Lake Ave., Suite B
Traverse City, MI 49684

If to the Phase II Owner:

Joseph Sarafa, Manager
Envision 8th Street Holdings, LLC
12935 S. West Bay Shore Drive, Suite 100
Traverse City, Michigan 49684

or to such other address as such party may specify by appropriate notice.

Section 10.5 Amendment and Waiver. No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by all parties hereto. No waiver of any term of this Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto. To the extent that Commongrounds, LLC

purchases Phase I, each Owner shall not unreasonably withhold consent to any amendment or modification requested by the other Owner and agreed to by the GTCBRA.

Section 10.6 Entire Agreement. This Agreement contains all agreements between the parties. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties, except to the extent reference is made thereto in this Agreement.

Section 10.7 Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Section 10.8 Captions. The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

Section 10.9 Applicable Law. This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

Section 10.10 Mutual Cooperation. Each party to this Agreement shall take all actions required of it by the terms of this Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to this Agreement and with any individual, entity or governmental agency involved in or with jurisdiction regarding the purposes of this Agreement. Each party to this Agreement shall execute and deliver all documents necessary to accomplish the purposes and intent of this Agreement, including, but not limited to, such documents or agreements as may be required by the Owner's lenders with respect to the Development to secure the Owner's financing from such lenders.

Section 10.11 Binding Effect. This Agreement shall be binding upon the parties hereto, and in the event of assignment under Section 10.3 upon their respective successors, transferees, and assigns. Owners shall provide written notice prior to transfer or assignment of Owners' interest to any subsequent purchaser and assign of the existence of this Agreement.

Section 10.12 No Waiver. No waiver by either party of any default by the other party in the performance of any portion of this Agreement shall operate or be construed as a waiver of any future default, whether like or different in character.

Section 10.13 Survival of Covenants. Except for the financial obligations, the covenants and provisions shall survive the term of this Agreement.

Section 10.14 No Third-Party Beneficiaries. This Agreement shall not be deemed or construed to create any rights to reimbursement or otherwise to the Environmental Consultant or Contractors, or any third parties. This Agreement shall not be construed to create any third party beneficiary contract or claim, and the parties intend there to be no third party beneficiaries.

Section 10.15 Disputes. The parties acknowledge and agree that any disputes arising under this Agreement shall be resolved by a court of competent jurisdiction sitting in Grand Traverse County, Michigan.

Section 10.16 Digital Signatures. The Parties acknowledge and agree under the Uniform Electronic Transactions Act, MCL 450.832, et seq. that this Agreement may be executed with the electronic signature of any person authorized and required to sign on behalf of the Parties to this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, the GTCBRA and the Owners have cause this Agreement to be duly executed and delivered as of the date first written above.

ENVISION EIGHTH STREET, LLC

A handwritten signature in blue ink, appearing to read "Joseph D. Sarafa", is written over a horizontal line.

By: Joseph D. Sarafa
Its: Manager

ENVISION 8th STREET HOLDINGS, LLC

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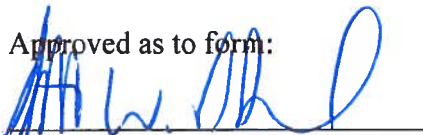
By: Joseph D. Sarafa
Its: Manager

GRAND TRAVERSE COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY

A handwritten signature in blue ink, appearing to read "Scott Joseph", is written over a horizontal line.

By: Scott Joseph
Its: Chairman

Approved as to form:

A handwritten signature in blue ink, appearing to read "Scott Howard", is written over a horizontal line.

By: Scott Howard
Its: Attorney

Exhibit A

“Development”

Exhibit A

"Development"

Envision Eighth Street, LLC, a Traverse City, Michigan-based company, is proposing to redevelop a dilapidated office property located in Traverse City at Eighth Street and Boardman Avenue into a mixed-use commercial, retail and residential development that is a critical first step and sets the tone for future development to realize the community vision for the Eighth Street corridor.

The project is a unique public/private partnership in collaboration with the City of Traverse City and other community partners to redevelop an underutilized parcel that will provide a number of public benefits for Traverse City and Grand Traverse County, including below market rate housing, increased river access, reducing stormwater discharge to the Boardman River and providing for Eighth Street improvements.

The project will be constructed in two phases. The first phase is anticipated to include a 24,000 square-foot, three-story building with retail/commercial uses at street level and 12 residential units, with underground parking on the east portion of the property. The second phase is anticipated to include a 36,000 three story building, with retail/commercial at street level and 18 residential units, with underground parking. The proposed project includes a north-south pedestrian access node between Eighth Street and the Boardman River, a canoe/kayak launch, and a possible easement for extension of the City Riverwalk system.

The site is currently under common control of the Phase I and Phase II properties even though each phase is owned by a separate LLC. There is also an existing purchase agreement between the Phase I Owner (Envision Eighth Street, LLC) and Commongrounds, LLC. There will be one of two scenarios: (1) continued ownership and redevelopment by commonly controlled entities (Envision Eighth Street, LLC and Envision 8th Street Holdings, LLC), or (2) ownership of each phase by separate entities that are not commonly controlled Commongrounds LLC as the "Phase I Owner" and Envision 8th Street Holdings, LLC as the "Phase II Owner", where each owner will have separate and independent obligations.

If Phase I is acquired by Commongrounds LLC, the project may be changed to reflect the interest and needs of Commongrounds, LLC, but it will meet or exceed the proposed investment and project scale.

Exhibit B
“Site”

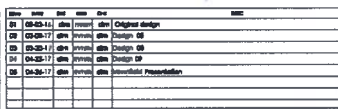


Exhibit C
“GTCBRA Approved Brownfield Plan”

**Brownfield Plan
Eighth and Boardman Redevelopment
Traverse City, Grand Traverse County, Michigan**

July 2017

**Approved by Grand Traverse County
Brownfield Redevelopment Authority: August 30, 2017**

**Concurrence by City of Traverse City
Commission: November 6, 2017**

Public Hearing: November 15, 2017

**Approved by Grand Traverse County
Board of Commissioners: November 15, 2017**

Prepared by:

**Mac McClelland, Manager – Brownfield Redevelopment
Otwell Mawby, P.C.
309 E. Front Street
Traverse City, Michigan 49684
mac@otwellmawby.com
231.633.6303
www.otwellmawby.com**

**Brownfield Plan
Eighth and Boardman Redevelopment
Traverse City, Michigan**

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Project Summary

Envision Eighth Street, LLC, a Traverse City, Michigan-based company, is proposing to redevelop a dilapidated office property located in Traverse City at Eighth Street and Boardman Avenue into a mixed-use commercial, retail and residential development that is a critical first step and sets the tone for future development to realize the community vision for the Eighth Street corridor.

The project is a unique public/private partnership in collaboration with the City of Traverse City, Homestretch, and other community partners to redevelop an underutilized parcel that will provide a number of public benefits for Traverse City and Grand Traverse County, including workforce housing, increased access and reducing stormwater discharge to the Boardman River, and providing for Eighth Street improvements.

The project will be constructed in two phases. The first phase will include a 24,000 square-foot, three-story building with retail/commercial uses at street level and 12 residential units, with underground parking on the east portion of the property. The second phase will include a 36,000 three story building, with retail/commercial at street level and 18 residential units, with underground parking. The proposed project includes two north-south pedestrian access nodes between Eighth Street and the Boardman River, a canoe/kayak launch, and an easement for extension of the City Riverwalk system.

While not considered blighted or abandoned, the site is covered with asphalt and cracked concrete, with no streetscape or sense of place. Storm water is currently diverted directly into the Boardman River, resulting in the discharge of materials and potential pollutants, and increasing water temperatures. The proposed project is located at a strategic and highly visible intersection of this important corridor, and will provide the anchor for future Eighth Street redevelopment.

Project Name: Eighth and Boardman Redevelopment

Project Location: The Eligible Property is comprised of four adjacent parcels, and is located on the south-side of the T-intersection of Eighth Street and Boardman Avenue in Traverse City, Michigan; with the following street addresses and Parcel Identification Numbers:

- 400 East Eighth Street; 51-110-001-00
- 408 East Eighth Street; 51-646-001-00
- 414 East Eighth Street; 51-646-002-00
- 416 East Eighth Street; 51-646-003-00

Type of Eligible Property:

Part 201 Facility

Eligible Activities:

Baseline Environmental Assessment, Due Care, and Additional Response Activities, Lead and Asbestos Abatement, Demolition, Site Preparation, Infrastructure

Eligible Activity Costs:

Developer	\$3,282,463	Environmental/Non-Environmental
	<u>\$751,653</u>	Interest
	\$4,068,787	Developer Total
City	\$3,490,000	Non-Environmental
	<u>\$1,693,585</u>	Interest
	\$5,183,585	City Total
	\$9,252,372	Total
	\$100,000	Administrative and Operating Cost
	<u>\$592,346</u>	State Brownfield Fund
	\$9,944,717	Total Capture

Years to Complete**Eligible Activities Payback:** 30 years**Estimated****Investment:** \$10,000,000**Annual Tax Revenue****Before Project (2015):** \$25,021**Estimated Annual Tax****Revenue in First Year****After Project Obligation:** \$434,803

BROWNFIELD PLAN

EIGHTH AND BOARDMAN REDEVELOPMENT CITY OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

Introduction

Act 381, P.A. 1996, as amended, was enacted to promote the revitalization, redevelopment and reuse of contaminated, tax-reverted, blighted, functionally obsolete or historically designated property through incentives adopted as part of a Brownfield Plan. The Brownfield Plan outlines the qualifications, costs, impacts, and incentives for the project.

The Brownfield Plan must be approved by the county brownfield redevelopment authority established under Act 381 and the county board of commissioners, with the concurrence of the local government in which the project is located in order to take effect. The Michigan Department of Environmental Quality (MDEQ) must approve the Environmental ("Department Specific") Eligible Activities, with the exception of Baseline Environmental Assessment activities and Due Care Investigation and Planning; and the Michigan Strategic Fund (MSF) must approve Non-Environmental Eligible Activities if state taxes are to be captured. Recent amendments to Act 381 renamed Environmental Eligible Activities to "Department Specific" Activities and added other environmentally related eligible activities that fall outside of Part 201 regulations for soil and groundwater contamination, including removal and closure of underground storage tanks, solid waste disposal, dust control, removal and disposal of contaminated sediments, industrial cleaning, sheeting and shoring for certain excavations, and lead, mold, and asbestos abatement that pose an imminent threat to human health. This Brownfield Plan refers to only Environmental Eligible Activities for clarity, since none of these additional activities are not included in this Brownfield Plan.

The Grand Traverse County Commission established the Grand Traverse County Brownfield Redevelopment Authority under the procedures required under Act 381 in 1997.

This Brownfield Plan is for the redevelopment of the property at the south corner of Eighth Street and Boardman Avenue in the City of Traverse City, Grand Traverse County, Michigan, consistent with

Act 381. The Brownfield Plan describes the public purpose and qualifying factors for determining the site as an Eligible Property, the Eligible Activities and estimated costs, the impacts of tax increment financing, and other project factors. The Brownfield Plan includes Environmental Eligible Activities and Non-Environmental Eligible Activities.

Public Purpose **MCL 125.2664(5):**

The Eighth and Boardman Redevelopment project envisions the redevelopment of Brownfield Eligible Property into a mixed-use commercial and residential project consisting of two buildings, along with a myriad of public improvements and environmentally sustainable investments to improve storm water discharge into a public waterway.

The project includes a number of key components to support community goals and objectives:

Eighth Street Corridor Plan: Hundreds of Traverse City residents contributed countless hours to reach a consensus vision for the redevelopment of Eighth Street. The new plan for Eighth Street envisions a three-lane roadway with protected bicycle lanes and sidewalks, raised pedestrian crossings, and extensive street- and land-scaping. Getting the project completed will take years, *and the cooperation and financial contribution of the private sector.*

Envision Eighth Street, LLC proposes a redevelopment at Eighth Street and Boardman that embraces and reflects the vision's guiding principles. Buildings will be constructed at the zero lot line, curb cut access to the property will be reduced from three to one, and the development will incorporate green design with low impact stormwater systems, green space, and energy efficient construction.

Eighth Street Improvement: In addition to reflecting the Eighth Street Corridor Plan vision for private property development, the developer is providing a 3-foot easement on Eighth Street to provide for implementation of the preferred Eighth Street design, including separate bike lanes. The

3-foot easement along 300 feet of Eighth Street equates to 900 square feet that could otherwise be part of the developed space, but is being dedicated by the developer for public use.

Importantly, the proposed Brownfield Plan will include Eighth Street reconstruction from Boardman Avenue to Wellington Street as an Eligible Activity for reimbursement from tax capture generated by the private redevelopment.

Boardman River Public Access: The proposed project site plan includes a north-south pathway between Eighth Street and the Boardman River to provide direct public access to the river, and a canoe/kayak launch constructed and maintained by the developer. In addition, the developer is providing an easement along the west portion of the property (the City has fee simple ownership of the eastern river frontage) for the future extension of the City Riverwalk. The Riverwalk extension is also included as an Eligible Activity in the Brownfield Plan to be reimbursed from the future incremental taxes generated by the project.

Workforce Housing: Envision Eighth Street, LLC is committed to provide affordable options for downtown housing as part of the redevelopment. They have agreed to lease the residential floor in Phase I for workforce housing. The balance of the residential units in Phase II will be offered as rental units at market rate or less, with a focus on smaller affordable units.

Sustainable Development: Envision Eighth Street, LLC is collaborating with the Watershed Center and SEEDS to ensure that thoughtful, sustainable design solutions are included in the development. The Watershed Center and SEEDS is contributing their considerable expertise to ensure that the project fosters a sense of place built to a human scale with important sustainable features, including:

- An innovative low impact design for stormwater management comprised of bio-swales and rain gardens to manage stormwater on-site. The current system drains parking lot runoff from a catch basin directly into the river without filtration to remove sediments. A conceptual stormwater management control improvements design is attached.

- Installation of a green roof system that will manage stormwater over the roof area, provide wildlife habitat, reduce urban heat loads, and provide an urban garden for the rooftop gathering area.
- The design allocates an aesthetic greenspace at the west end of the property that will contribute to the sense of place, invite pedestrians down the pathway to the river, and help to calm busy traffic on Boardman Avenue.
- The project is proposing less parking than standard ratios, encouraging walkability and providing additional amenities.
- The developer supports the City's resolution to transition to be carbon neutral by 2050, with energy efficient design and consideration of renewable energy sources.

The redevelopment of the Eligible Property is anticipated to include over \$10 million of investment in a strategically located property that is the focal point at the center of the community's effort to revitalize the Eighth Street corridor. The redevelopment of the property will provide a new gateway to the Boardman River at this critical employment node, allowing workers and recreationalist to enjoy easy viewing and access to the river. The redevelopment will provide jobs, increase tax base, stimulate additional private and public investment, facilitate the community's redevelopment goals for the Eighth Street corridor, open up access to the Boardman River, and provide much needed affordable housing at workforce rates in an important downtown location.

The project will add to the local and state tax base. When completed, property taxes are estimated to total over **\$434,000** per year (following the retirement of Brownfield obligations) with 44.1% of these revenues going to the State of Michigan and 55.9% to local taxing jurisdictions.

Description of Project and Plan Costs MCL 125.2663(2)(a):

The Eligible Property is comprised of four parcels, and is adjacent and south of the Eighth and Boardman intersection in Traverse City along the shore of the Boardman River. The City of Traverse City and two non-profit organizations – Homestretch, an affordable housing advocate, and SEEDS an

environmental consultancy specializing in sustainable development – are collaborating in the redevelopment.

The project will be constructed in two phases. The first phase will include a 24,000 square-foot, three-story building with retail/commercial at street level and 12 residential units, with underground parking on the east portion of the property. The second phase will include a 36,000 three story building, with retail/commercial at street level and 18 residential units, with underground parking. The proposed project includes two north-south pedestrian access nodes between Eighth Street and the Boardman River, a canoe/kayak launch, and an easement for extension of the City Riverwalk system.

The location of the redevelopment in this location will facilitate transformational development in the Eighth Street corridor in Traverse City, and is anticipated to spur significant spin-off development of adjacent properties throughout corridor.

MDEQ Environmental Eligible Activities include:

- Baseline Environmental Assessment Activities, including Phase I and Phase II Environmental Site Assessments, Baseline Environmental Assessment;
- Due Care Activities including additional investigation, Due Care Plan, installation of protective barriers, and removal of contaminated soil during development; and
- Additional Response Activities including evaluations, interim response activities, and dial action.

MSF Developmental Eligible Activities include:

- Lead and Asbestos Abatement
- Site and Building Demolition
- Site Preparation; and
- Infrastructure, including road improvements, riverwalk, canoe/kayak launch, underground parking, low impact design stormwater systems

Other Eligible Activities include:

- Brownfield Plan and Act 381 Work Plan development and approval; and
- Administrative and operating costs of the GTCBRA with local tax capture only.

Brownfield Plan Eligible Activities Cost

Eligible Activities	Estimated Cost
Developer Eligible Activities	
Environmental Eligible Activities	\$142,600
Interest (17 yrs @ 2.5% simple interest)	\$34,671
Non-Environmental Eligible Activities	\$3,109,863
Interest (17 yrs @ 2.5% simple interest)	\$751,653
Work Plan Development and Approval	\$30,000
Developer Eligible Activities Cost	\$4,068,787
City Eligible Activities	
Non-Environmental Eligible Activities	\$3,490,000
Interest (17 yrs @ 2.5% simple interest)	\$1,693,585
City Eligible Activities Cost Total	\$5,183,585
Eligible Activity Subtotal	\$9,252,372
Administrative and Operating Cost	\$100,000
State Brownfield Fund	\$592,346
TOTAL	\$9,944,717

Additional detail is provided in Table 1.1: Environmental Eligible Activities and Table 1.2 Non-Environmental Eligible Activities.

Summary of Eligible Activities MCL 125.2663(2)(b):

Act 381 provides for the costs of certain Environmental and Non-Environmental Eligible Activities to be reimbursed through tax increment financing. The following is a summary of MDEQ Environmental Eligible Activities and MSF Non-Environmental Activities

MDEQ Environmental Eligible Activities

1. **Baseline Environmental Assessment (BEA)**: BEA Activities include Phase I Environmental Site Assessments (ESAs), Phase II ESAs, and Baseline Environmental Assessments to provide an exemption for the developer and assigns from environmental liability for pre-existing contamination. Act 381 includes provisions for Baseline Environmental Activities to be conducted prior to the approval of a Brownfield Plan for local tax capture (Section 13b.(9)(b)) and for State tax capture without MDEQ approval (Section 13b.(8)(a-b)), as long as included in a subsequent Brownfield Plan.

A. **Phase I ESA**: A Phase I ESA has been conducted for all parcels proposed for acquisition by the developer, consistent with ASTM Standard E1527-13. The Phase I ESA includes a review of historical and current information, including regulatory agency files, historical maps, and past uses to evaluate the potential for contamination, a site inspection of both the grounds and the exterior and interior of buildings on the property, and interviews with individuals knowledgeable about the past use of the property to identify any Recognized Environmental Conditions (RECs). The Phase I report identified the following RECs:

1. Historical use and onsite operations, including auto repair, cigar box factory, pipe shop and paints;
2. Historic gasoline tank along the northern property boundary; and
3. Historic fill materials (river bank, former Boardman River bridge crossing).

B. **Phase II ESA**: A Phase II Environmental Site Assessment was conducted for the Eligible Property in March 2017 to investigate the RECs as part of the environmental due diligence process for property acquisition. The Phase I ESA identified the presence of metals and polynuclear aromatics (PNAs) in soils and PNAs in groundwater in excess of MDEQ Generic Cleanup Criteria (GCC). As a result, the property qualifies as Brownfield Eligible Property as a Part 201 Facility.

- C. Baseline Environmental Assessment: A Baseline Environmental Assessment (BEA) has been prepared on behalf of Envision Eighth, LLC to provide an exemption from environmental liability for pre-existing contamination. The BEA was completed in general accordance with the Michigan Department of Environmental Quality's (MDEQ's) "*Contents of BEA Report*," dated September 2015.
2. Due Care Investigation and Activities: While the BEA provides an exemption from environmental liability for pre-existing contamination, new purchasers have due care obligations to prevent exposure to or exacerbation of pre-existing contamination. Act 381 includes provisions for Due Care Investigation Activities to be conducted prior to the approval of a Brownfield Plan for local tax capture (Section 13b.(9)(b)) and for State tax capture without MDEQ approval (Section 13b.(8)(a,c)), as long as included in a subsequent Brownfield Plan. There are three primary due care activities proposed under this Brownfield Plan:
- A. Phase II ESA Investigation: Due to the historical presence of contaminated soils on the Eligible Property, and the likely existence of an Underground Storage Tank (UST), additional investigation will be required to determine if exposure pathways are complete and if mitigation measures are required.
- B. Due Care Plan Preparation: Following the completion of the Phase II ESA and determination of the redevelopment details of each future land use, the data summary and recommendations for meeting due care obligations will be included in a Due Care Plan. The Due Care Plan will describe the known contamination, proposed redevelopment activities, plans for mitigating unacceptable exposures and preventing exacerbation, recommendations for filing abandon container notices, notices to third parties who may be exposed to contamination (e.g., utility workers), and filing of Notices of Migration of Contamination, if necessary. In addition, an Environmental Construction Management

Plan will be prepared to detail measures to protect on-site workers and construction measures to meet due care obligations.

C. Due Care Exposure Pathway Mitigation: The Due Care Plan and Environmental Construction Management Plan will identify specific measures to be taken to address due care requirements. These activities could include: soil remediation; developing and implementing a soils management plan to safely relocate soils on the property; engineered barriers to prevent direct contact with soils or vapors; and/or institutional controls if necessary. These measures will be subject to approval of an Act 381 Work Plan by the MDEQ for State tax capture.

Other Activities

Brownfield Plan and Work Plan: The preparation and approval of the Brownfield Plan and Act 381 Work Plans are included as Eligible Activities. These costs are allocated between Environmental ("Department-Specific") Eligible Activities and Non-Environmental Eligible Activities.

Administrative and Operating Costs: An estimate of reasonable and actual administrative and operating costs of the Grand Traverse County Brownfield Redevelopment Authority (GTCBRA) is included as Eligible Activities. These costs are split between Environmental Eligible Activities and Non-Environmental Eligible Activities.

Interest: For the purposes of the Brownfield Plan financial analysis, interest is estimated for Developer Eligible Activities at 2.5% for 17 years and for City Eligible Activities at 5% for 20 years.

MSF Developmental Eligible Activities

1. ***Lead and Asbestos Abatement***: NESHAP regulations require a lead and asbestos survey prior to demolition of commercial buildings to demonstrate Potential Asbestos Containing

Materials (PACMs) do not contain asbestos by properly testing materials in accordance with OSHA standards. Demolition or remodeling buildings that contain lead, cadmium and/or asbestos is subject to regulations to protect the health of the persons that may be affected. The scope of work includes lead and asbestos surveys, abatement, contract administration, and air monitoring to prevent a potential exposure to site workers or adjacent residents. Act 381 includes provisions for Baseline Environmental Activities to be conducted prior to the approval of a Brownfield Plan for local tax capture (Section 13b.(9)(b)) and for State tax capture without MDEQ approval (Section 13b.(8)(a-c)), as long as included in a subsequent Brownfield Plan.

2. *Demolition:* In preparation for site redevelopment, the existing building and associated infrastructure will be demolished and removed from the Eligible Property in Phase II. The scope of work includes engineering specifications, contractor procurement and demolition of buildings, foundations and unusable asphalt and infrastructure.
3. *Site Preparation:* Site preparation will consist of geotechnical engineering, temporary site and erosion control, removal of unsuitable soils and engineered fill, land balancing and grading, geotechnical measures, special foundations, and an urban stormwater system.
4. *Infrastructure:* Infrastructure will include underground parking, low-impact design stormwater improvements, canoe/kayak launch, Riverwalk, and Eighth Street improvements.

Estimate of Captured Taxable Value and Tax Increment Revenues MCL 125.2663(2)(c):

The initial taxable value for the Eligible Property will be set at the taxable value as of the approval date of this Brownfield Plan, anticipated to be in July, 2017. The initial taxable value established by this Brownfield Plan is based on the taxable value as of December 31, 2016 and is \$459,800.

The total Eligible Activity cost is \$6,772,463 (combined Environmental Eligible Activities and Non-Environmental Eligible Activities), plus an estimated \$2,479,909 in interest. The Brownfield Plan also includes \$100,000 in GTCBRA Administrative and Operating Costs, bringing the Maximum Eligible Activity Cost to \$9,252,372. The Brownfield Plan includes an allocation of 50% of the State Education Tax for the State Brownfield Fund, estimated to generate \$592,346. The overall investment for the Project is estimated at over \$10 million.

Table 2 identifies taxable values for real and personal property, including Brownfield Tax Increment Financing (TIF) revenues for the Eligible Property. The cash flow analysis for the project indicates payoff of the obligation in *thirty (30) years* from 2017. If there is available Brownfield TIF after the Eligible Activity obligation is met, an additional local tax capture for up to five years and state tax capture in an amount not to exceed that captured to repay the original obligation for MDEQ Environmental Eligible Costs will be deposited into the Local Brownfield Revolving Fund, as provided in Section 8 of Act 381, P.A. 1996 as amended.

Redevelopment of the property is anticipated to be initiated in Summer of 2017, with a twelve-month construction schedule. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions. The estimated tax increment captured by the Authority is summarized in the table below and detailed in Table 2.

Estimated Tax Increment Capture by the Authority

Year	Total Tax Revenues	Captured Taxes	Year	Total Tax Revenues	Captured Taxes
2018	\$25,021	\$-	2033	\$389,247	\$346,987
2019	\$25,021	\$101,153	2034	\$398,353	\$355,662
2020	\$133,854	\$103,682	2035	\$407,686	\$364,553
2021	\$136,575	\$258,004	2036	\$417,253	\$373,667
2022	\$302,614	\$264,455	2037	\$427,059	\$383,009
2023	\$309,554	\$271,066	2038	\$437,109	\$392,584
2024	\$316,667	\$277,843	2039	\$447,412	\$402,399
2025	\$323,958	\$284,789	2040	\$457,971	\$412,459
2026	\$331,432	\$291,908	2041	\$468,795	\$422,770
2027	\$339,092	\$299,206	2042	\$479,890	\$433,339
2028	\$346,944	\$306,686	2043	\$491,261	\$444,173
2029	\$354,992	\$314,353	2044	\$502,917	\$455,277
2030	\$363,241	\$322,212	2045	\$514,865	\$466,659
2031	\$371,697	\$330,267	2046	\$527,111	\$478,326
2032	\$380,364	\$338,524	2047	\$539,663	\$448,703

Total	\$10,967,617	\$9,944,717
State Brownfield Fund		(\$592,346)
Admin and Operating		(\$100,000)
Balance		\$9,252,371

Method of Financing Plan Costs MCL 125.2663(2)(d):

Environmental Eligible Activity Costs and Non-Environmental Eligible Activity Costs will be financed by the Developer for private Eligible Activities and by the City of Traverse City for public Eligible Activities, with reimbursement from Brownfield TIF.

Maximum Amount of Note or Bond Indebtedness MCL 125.2663(2)(e):

The maximum amount of note or bond indebtedness for Public Eligible Activities is anticipated to be will be \$3,490,000.

Beginning Date and Duration of Capture MCL 125.2663(2)(f):

The proposed beginning date of capture is 2018, estimated to be the first year tax increment revenues are anticipated. The duration of the Brownfield Plan will be the time to capture taxes in an amount equal to the Eligible Activity obligation. As shown on Table 2.2, total costs of all Eligible Activities on the property redevelopment is expected to be repaid through tax increment financing within 30 years. If the Eligible Activity obligation is met before 30 years, an additional local tax capture for up to five years and state tax capture in an amount not to exceed that captured to repay the original obligation for MDEQ Environmental Eligible Costs will be deposited in the Local Brownfield Revolving Fund.

Estimate of Future Tax Revenues of Taxing Jurisdictions MCL 125.2663(2)(g):

Table 2.1 and 2.2 identify annual and total tax revenues projected for capture from the increase in property tax valuations. Individual tax levies within each taxing jurisdiction are also presented on Table 2.1. Table 3 presents the allocation of tax capture and the total tax increment for the maximum duration of the plan, 30 years. Taxing jurisdictions will continue to receive their attendant tax allocation for the project beyond the duration of the plan.

The total tax capture is estimated at \$9,352,372, plus an estimated \$592,346 for the State Brownfield Fund. After the Brownfield obligation is met, tax revenues will accrue to the taxing jurisdictions in an amount estimated at over \$434,000 per year on into the future.

Legal Description, Location, and Determination of Eligibility MCL 125.2663(2)(h):

Legal Description: The legal description of the eligible property follows:

Parcel Number	Address	Description	Qualifying Status
51-110-001-00	400 E. Eighth Street	LOT 1, HL & CO'S 8TH ADD., ALSO THT PRT OF LOT 1 SEC 10 T27N R11W COMM AT THE NW CORNER OF LOT 1, HANNAH, LAY & CO'S 8TH ADD; TH W 99 FT ALG THE S LINE OF 8TH ST; TH S20 FT; TH W TO E SHORE OF BOARDMAN RIVER, TH SELY ALG SHORE TO A POINT S OF POB; TH N TO POB. EXCEPT RIPARIAN AND FLOWAGE RIGHTS.	Part 201 Facility
51-646-001-00	408 E. Eighth Street	W 35 FT OF LOT 2 HANNAH LAY & CO'S 8TH ADD	Adjacent
51-646-002-00	414 E. Eighth Street	E 31 FT OF LOT 2 & ALL OF LOT 3 EX- CEPT THE E 40 FT THEREOF. HANNAH LAY & CO'S 8TH ADD.	Adjacent
51-646-003-00	416 E. Eighth Street	E 40 FT OF LOT 3 HANNAH LAY & CO'S 8TH ADD	Part 201 Facility

Location: Figure 1 depicts the location of the eligible property and Figure 2 depicts the eligible property boundaries.

Eligibility Determination: A Phase II Environmental Site Assessment was conducted for the Eligible Property in March 2017 as part of the environmental due diligence process for property acquisition. The Phase I ESA identified the presence of metals in soils on the eastern-most parcel (51-646-003-00) and metals and polynuclear aromatics (PNAs) in soils and PNAs in groundwater on the western-most parcel (51-110-001-00) in excess of MDEQ Generic Cleanup Criteria (GCC). The two middle parcels qualify as adjacent parcels. As a result, the property qualifies as Brownfield Eligible Property as a Part 201 Facility and adjacent parcels.

Personal Property: Personal Property is included as part of the Eligible Property.

Estimate of Number of Persons Residing on Eligible Property

MCL 125.2663(2)(i):

There are currently no residential dwellings or residences that occupy the Eligible Property.

Plan for Residential Relocation

MCL 125.2663(2)(j):

The Eligible Property does not currently contain any residential dwellings; therefore, a plan for residential relocation is not applicable.

Provision of Costs of Relocation

MCL 125.2663(2)(k):

The Eligible Property does not currently contain any residential dwellings; therefore, a provision for residential relocation has not been allocated.

Strategy to Comply with Relocation Assistance Act, 1972 PA 227

MCL 125.2663(2)(l):

The Eligible Property does not currently contain any residential dwellings; therefore, relocation is not necessary.

Other Material Required by the Authority or Governing Body

MCL 125.2663(2)(m):

None

Tables

Table 1.1 MDEQ Environmental Eligible Activities Costs

Table 1.2 MSF Developmental Eligible Activities Costs

Table 2. Cash Flow Statement

Table 3 Impact on Tax Jurisdictions

Figures

Figure 1 - Eligible Property Location Map

Figure 2 – Eligible Property Boundary Map

Figure 3 – Site Plan: Phase I

Figure 4 – Site Plan: Full Buildout

TABLE 1.1
MDEQ ELIGIBLE ACTIVITIES COSTS
EIGHTH AND BOARDMAN REDEVELOPMENT
GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN

Eligible Activity Description	TOTAL ELIGIBLE ACTIVITIES
<i>Baseline Environmental Assessment Activities</i>	
Phase I ESA	\$2,000
Phase II ESA	\$15,000
Baseline Environmental Assessment	\$2,000
<i>Subtotal</i>	\$19,000
<i>Due Care (7a) Obligation Compliance Activities</i>	
Phase II Investigation to Support Due Care	\$25,000
Section 7A Compliance Analyses (Due Care Plans)	\$5,000
Due Care Response Activities/Exposure Pathway Mitigation	\$0
Disposal of Soil/Groundwater During Construction	\$75,000
<i>Subtotal</i>	\$105,000
<i>Subtotal Totals</i>	\$124,000
<i>Contingencies (15%)</i>	<u>\$18,600</u>
ENVIRONMENTAL ELIGIBLE ACTIVITIES SUBTOTAL	\$142,600
INTEREST	\$34,671
<i>Brownfield Plan and Work Plan Development and Approval</i>	\$5,000
ENVIRONMENTAL ELIGIBLE ACTIVITIES SUBTOTAL	\$182,271
<i>Administrative and Operation Costs*</i>	<u>\$20,000</u>
<i>Subtotal</i>	
ELIGIBLE ACTIVITIES SUBTOTAL	\$202,271

*Local Tax Capture Only

TABLE 1.2
MSF ELIGIBLE ACTIVITIES COSTS
EIGHTH AND BOARMAN REDEVELOPMENT
GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN

Eligible Activity Description	TOTAL ELIGIBLE ACTIVITIES
<i>Lead and Asbestos Abatement</i>	
Survey	\$4,000
Monitoring	\$8,000
Abatement	<u>\$30,000</u>
<i>Subtotal</i>	\$40,000
<i>Demolition</i>	
Site Demolition	\$30,000
Building Demolition	<u>\$100,000</u>
<i>Subtotal</i>	\$130,000
<i>Site Preparation</i>	
Staking	\$15,000
Geotechnical Engineering	\$11,250
Clearing and Grubbing	\$4,000
Temporary Facilities	\$82,200
Excavation for Unstable Soils	\$87,363
Fill	\$15,250
Special Foundations	\$227,500
Dewatering	\$80,000
Grading and Land Balance	\$63,510
Temporary Sheet piling and Shoring	\$168,000
Soft Costs	<u>\$93,480</u>
<i>Subtotal</i>	\$847,553
<i>Private Infrastructure</i>	
Vertical/Underground Parking	\$846,000
Urban Stormwater Management System: Low Impact Design	\$150,000
Urban Stormwater Management System: Green Roof	\$524,966
Canoe Launches	\$30,000
Soft Costs	<u>\$135,710</u>
<i>Subtotal</i>	\$1,686,676
<i>Subtotal Totals</i>	\$2,704,229
<i>Contingencies (15%)</i>	\$405,634
Brownfield Plan and Work Plan Development and Approval	<u>\$25,000</u>
PRIVATE MSF ELIGIBLE ACTIVITIES SUBTOTAL	\$3,134,863
INTEREST (2.5% for 17 years)	\$751,653
MSF PRIVATE ELIGIBLE ACTIVITIES SUBTOTAL	\$3,886,516
<i>Public Infrastructure - City of Traverse City</i>	
Eighth Street Improvements	\$2,800,000
Riverwalk	\$600,000
<i>Contingency (15%)</i>	<u>\$90,000</u>
PUBLIC MSF ELIGIBLE ACTIVITIES SUBTOTAL	\$3,490,000
INTEREST (5% for 20 years)	\$1,693,585
MSF PUBLIC ELIGIBLE ACTIVITIES SUBTOTAL	\$5,183,585
MSF ELIGIBLE ACTIVITIES SUBTOTAL	\$9,070,100
<i>Administrative and Operation Costs*</i>	\$80,000
MSF ELIGIBLE ACTIVITIES TOTAL	\$9,150,100

*Local Tax Capture Only

**Table 2.1 - Annual Revenue and Brownfield Capture Estimates
Eighth and Boardman Redevelopment
Grand Traverse County Brownfield Redevelopment Authority**

Estimated Trade Value (%) Increase Rate		Plan Year		2017		2018		2019		2020		2021		2022		2023		2024		2025		2026		2027		2028		2029		2030		2031		2032		2033		2034		2035		2036		2037		2038		2039		2040		2041		2042		2043		2044		2045		2046		2047		2048		2049		2050		2051		2052		2053		2054		2055		2056		2057		2058		2059		2060		2061		2062		2063		2064		2065		2066		2067		2068		2069		2070		2071		2072		2073		2074		2075		2076		2077		2078		2079		2080		2081		2082		2083		2084		2085		2086		2087		2088		2089		2090		2091		2092		2093		2094		2095		2096		2097		2098		2099		2100		2101		2102		2103		2104		2105		2106		2107		2108		2109		2110		2111		2112		2113		2114		2115		2116		2117		2118		2119		2120		2121		2122		2123		2124		2125		2126		2127		2128		2129		2130		2131		2132		2133		2134		2135		2136		2137		2138		2139		2140		2141		2142		2143		2144		2145		2146		2147		2148		2149		2150		2151		2152		2153		2154		2155		2156		2157		2158		2159		2160		2161		2162		2163		2164		2165		2166		2167		2168		2169		2170		2171		2172		2173		2174		2175		2176		2177		2178		2179		2180		2181		2182		2183		2184		2185		2186		2187		2188		2189		2190		2191		2192		2193		2194		2195		2196		2197		2198		2199		2200		2201		2202		2203		2204		2205		2206		2207		2208		2209		2210		2211		2212		2213		2214		2215		2216		2217		2218		2219		2220		2221		2222		2223		2224		2225		2226		2227		2228		2229		2230		2231		2232		2233		2234		2235		2236		2237		2238		2239		2240		2241		2242		2243		2244		2245		2246		2247		2248		2249		2250		2251		2252		2253		2254		2255		2256		2257		2258		2259		2260		2261		2262		2263		2264		2265		2266		2267		2268		2269		2270		2271		2272		2273		2274		2275		2276		2277		2278		2279		2280		2281		2282		2283		2284		2285		2286		2287		2288		2289		2290		2291		2292		2293		2294		2295		2296		2297		2298		2299		2300		2301		2302		2303		2304		2305		2306		2307		2308		2309		2310		2311		2312		2313		2314		2315		2316		2317		2318		2319		2320		2321		2322		2323		2324		2325		2326		2327		2328		2329		2330		2331		2332		2333		2334		2335		2336		2337		2338		2339		2340		2341		2342		2343		2344		2345		2346		2347		2348		2349		2350		2351		2352		2353		2354		2355		2356		2357		2358		2359		2360		2361		2362		2363		2364		2365		2366		2367		2368		2369		2370		2371		2372		2373		2374		2375		2376		2377		2378		2379		2380		2381		2382		2383		2384		2385		2386		2387		2388		2389		2390		2391		2392		2393		2394		2395		2396		2397		2398		2399		2400		2401		2402		2403		2404		2405		2406		2407		2408		2409		2410		2411		2412		2413		2414		2415		2416		2417		2418		2419		2420		2421		2422		2423		2424		2425		2426		2427		2428		2429		2430		2431		2432		2433		2434		2435		2436		2437		2438		2439		2440		2441		2442		2443		2444		2445		2446		2447		2448		2449		2450		2451		2452		2453		2454		2455		2456		2457		2458		2459		2460		2461		2462		2463		2464		2465		2466		2467		2468		2469		2470		2471		2472		2473		2474		2475		2476		2477		2478		2479		2480		2481		2482		2483		2484		2485		2486		2487		2488		2489		2490		2491		2492		2493		2494		2495		2496		2497		2498		2499		2500		2501		2502		2503		2504		2505		2506		2507		2508		2509		2510		2511		2512		2513		2514		2515		2516		2517		2518		2519		2520		2521		2522		2523		2524		2525		2526		2527		2528		2529		2530		2531		2532		2533		2534		2535		2536		2537		2538		2539		2540		2541		2542		2543		2544		2545		2546		2547		2548		2549		2550		2551		2552		2553		2554		2555		2556		2557		2558		2559		2560		2561		2562		2563		2564		2565		2566		2567		2568		2569		2570		2571		2572		2573		2574		2575		2576		2577		2578		2579		2580		2581		2582		2583		2584		2585		2586		2587		2588		2589		2590		2591		2592		2593		2594		2595		2596		2597		2598		2599		2600		2601		2602		2603		2604		2605		2606		2607		2608		2609		2610		2611		2612		2613		2614		2615		2616		2617		2618		2619		2620		2621		2622		2623		2624		2625		2626		2627		2628		2629		2630		2631		2632		2633		2634		2635		2636		2637		2638		2639		2640		2641		2642		2643		2644		2645		2646		2647		2648		2649		2650		2651		2652		2653		2654		2655		2656		2657		2658		2659		2660		2661		2662		2663		2664		2665		2666		2667		2668		2669		2670		2671		2672		2673		2674		2675		2676		2677		2678		2679		2680		2681		2682		2683		2684		2685		2686		2687		2688		2689		2690		2691		2692		2693		2694		2695		2696		2697		2698		2699		2700		2701		2702		2703		2704		2705		2706		2707		2708		2709		2710		2711		2712		2713		2714		2715		2716		2717		2718		2719		2720		2721		2722		2723		2724		2725		2726		2727		2728		2729		2730		2731		2732		2733		2734		2735		2736		2737		2738		2739		2740		2741		2742		2743		2744		2745		2746		2747		2748		2749		2750		2751		2752		2753		2754		2755		2756		2757		2758		2759		2760		2761		2762		2763		2764		2765		2766		2767		2768		2769		2770		2771		2772		2773		2774		2775		2776		2777		2778		2779		2780		2781		2782		2783		2784		2785		2786		2787		2788		2789		2790		2791		2792		2793		2794		2795		2796		2797		2798		2799		2800		2801		2802		2803		2804		2805		2806		2807		2808		2809		2810		2811		2812		2813		2814		2815		2816		2817		2818		2819		2820		2821		2822		2823		2824		2825		2826		2827		2828		2829		2830		2831		2832		2833		2834		2835		2836		2837		2838		2839		2840		2841		2842		2843		2844		2845		2846		2847		2848		28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Table 2.2 - Tax Incremental Revenue Reimbursement Allocation Table
 Eighth and Boardman Redevelopment
 Traverse City, Michigan 49686

Plan Year	17	18	19	20	21	22	23	24	25	26	27	28	29	30	TOTAL
Calendar Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	
Total State Incremental Revenue	\$ 168,771	\$ 177,990	\$ 177,315	\$ 181,748	\$ 186,393	\$ 190,949	\$ 195,723	\$ 200,616	\$ 205,631	\$ 210,772	\$ 216,041	\$ 221,442	\$ 226,978	\$ 232,653	\$ 4,738,766
State Brownfield Revolving Fund (50% of SET)	\$ 21,096	\$ 21,824	\$ 22,184	\$ 22,739	\$ 23,386	\$ 24,085	\$ 24,836	\$ 25,637	\$ 26,489	\$ 27,394	\$ 28,352	\$ 29,364	\$ 30,431	\$ 31,554	\$ 592,346
State TIR Available for Reimbursement	\$ 147,675	\$ 156,167	\$ 155,131	\$ 159,009	\$ 163,008	\$ 166,864	\$ 170,887	\$ 174,979	\$ 179,142	\$ 183,378	\$ 187,689	\$ 192,078	\$ 196,547	\$ 201,099	\$ 4,146,420
City Reimbursement															
Total Local Incremental Revenue	\$ 186,891	\$ 191,563	\$ 196,352	\$ 201,261	\$ 206,392	\$ 211,450	\$ 216,736	\$ 222,154	\$ 227,708	\$ 233,401	\$ 239,236	\$ 245,217	\$ 251,347	\$ 257,620	\$ 5,205,951
Local Administrative Fee	\$ 5,607	\$ 5,747	\$ 5,891	\$ 6,038	\$ 6,189	\$ 6,345	\$ 6,506	\$ 6,672	\$ 6,843	\$ 7,019	\$ 7,200	\$ 7,385	\$ 7,575	\$ 7,770	\$ 100,000
Local TIR Available for Reimbursement	\$ 181,284	\$ 185,816	\$ 190,461	\$ 195,223	\$ 200,204	\$ 205,105	\$ 210,230	\$ 215,482	\$ 220,865	\$ 226,382	\$ 232,036	\$ 237,832	\$ 243,772	\$ 249,850	\$ 5,105,951
Local TIR Available	\$ 328,959	\$ 337,183	\$ 345,612	\$ 354,253	\$ 363,109	\$ 372,110	\$ 381,363	\$ 390,859	\$ 400,601	\$ 410,600	\$ 420,865	\$ 431,392	\$ 442,187	\$ 453,249	\$ 9,252,371
DEVELOPER															
Developer Reimbursement	\$ 266,315	\$ 274,816	\$ 283,516	\$ 292,416	\$ 301,516	\$ 310,816	\$ 320,316	\$ 330,016	\$ 339,916	\$ 350,016	\$ 360,316	\$ 370,816	\$ 381,516	\$ 392,416	\$ 4,069,787
Developer Reimbursement Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
CITY															
City Reimbursement	\$ 62,644	\$ 64,713	\$ 66,816	\$ 68,954	\$ 71,127	\$ 73,335	\$ 75,578	\$ 77,856	\$ 80,169	\$ 82,517	\$ 84,900	\$ 87,318	\$ 89,771	\$ 92,259	\$ 1,880,824
City Reimbursement Balance	\$ 5,120,941	\$ 4,783,259	\$ 4,438,446	\$ 4,086,592	\$ 3,727,685	\$ 3,361,725	\$ 2,989,710	\$ 2,611,639	\$ 2,227,512	\$ 1,837,329	\$ 1,441,095	\$ 1,038,812	\$ 621,479	\$ 19,822	\$ 0
MSF Non-Environmental Costs															
MSF Non-Environmental Costs	\$ 322,478	\$ 330,540	\$ 338,804	\$ 347,274	\$ 355,956	\$ 364,859	\$ 373,993	\$ 383,367	\$ 392,981	\$ 402,835	\$ 412,929	\$ 423,263	\$ 433,837	\$ 444,551	\$ 8,422,950
State Tax Reimbursement	\$ 144,766	\$ 148,385	\$ 152,094	\$ 155,897	\$ 159,794	\$ 163,783	\$ 167,864	\$ 172,037	\$ 176,302	\$ 180,658	\$ 185,105	\$ 189,644	\$ 194,275	\$ 198,998	\$ 3,422,950
Local Tax Reimbursement	\$ 177,713	\$ 182,156	\$ 186,709	\$ 191,377	\$ 196,162	\$ 201,076	\$ 210,670	\$ 219,933	\$ 228,883	\$ 237,527	\$ 245,924	\$ 254,065	\$ 261,942	\$ 269,553	\$ 4,800,000
Total MSF Reimbursement Balance	\$ 5,020,059	\$ 4,689,518	\$ 4,350,715	\$ 4,003,441	\$ 3,647,857	\$ 3,283,581	\$ 2,911,360	\$ 2,532,292	\$ 2,147,392	\$ 1,756,643	\$ 1,360,332	\$ 948,839	\$ 527,421	\$ 11,377	\$ 0
State MSF Balance to Be Reimbursed	\$ 2,485,079	\$ 2,317,094	\$ 2,185,400	\$ 2,079,933	\$ 1,989,709	\$ 1,905,920	\$ 1,828,037	\$ 1,755,956	\$ 1,689,573	\$ 1,628,791	\$ 1,573,610	\$ 1,524,034	\$ 1,479,054	\$ 1,433,671	\$ 28,270
Local MSF Balance to Be Reimbursed	\$ 2,534,180	\$ 2,352,024	\$ 2,165,315	\$ 1,973,937	\$ 1,777,776	\$ 1,576,099	\$ 1,368,633	\$ 1,145,655	\$ 922,632	\$ 693,829	\$ 459,306	\$ 218,920	\$ (2,476)	\$ (238,269)	\$ 0
MDREQ Environmental Costs															
MDREQ Environmental Costs	\$ 6,460	\$ 6,642	\$ 6,809	\$ 6,979	\$ 7,153	\$ 7,344	\$ 7,543	\$ 7,750	\$ 7,964	\$ 8,186	\$ 8,417	\$ 8,654	\$ 8,897	\$ 9,145	\$ 168,586
State Tax Reimbursement	\$ 2,909	\$ 2,982	\$ 3,056	\$ 3,131	\$ 3,211	\$ 3,294	\$ 3,381	\$ 3,471	\$ 3,564	\$ 3,660	\$ 3,759	\$ 3,861	\$ 3,965	\$ 4,071	\$ 73,799
Local Tax Reimbursement	\$ 3,551	\$ 3,661	\$ 3,752	\$ 3,846	\$ 3,942	\$ 4,039	\$ 4,138	\$ 4,239	\$ 4,342	\$ 4,447	\$ 4,554	\$ 4,662	\$ 4,771	\$ 4,881	\$ 94,787
Total MDREQ Reimbursement Balance	\$ 100,882	\$ 94,240	\$ 87,431	\$ 80,452	\$ 73,299	\$ 65,955	\$ 58,411	\$ 50,777	\$ 42,946	\$ 34,915	\$ 26,778	\$ 18,548	\$ 10,219	\$ 1,880	\$ 0
State MDREQ Balance to Be Reimbursed	\$ 49,956	\$ 46,974	\$ 43,917	\$ 40,785	\$ 37,573	\$ 34,282	\$ 30,908	\$ 27,450	\$ 23,905	\$ 20,272	\$ 16,548	\$ 12,731	\$ 8,819	\$ 4,868	\$ 0
Local MDREQ Balance to Be Reimbursed	\$ 50,926	\$ 47,266	\$ 43,514	\$ 39,669	\$ 35,726	\$ 31,673	\$ 27,503	\$ 23,327	\$ 19,041	\$ 14,643	\$ 10,230	\$ 5,799	\$ (1,322)	\$ (6,868)	\$ 0
Local Only Costs															
Local Tax Reimbursement	\$ 5,607	\$ 5,747	\$ 5,891	\$ 6,038	\$ 6,189	\$ 6,345	\$ 6,506	\$ 6,672	\$ 6,843	\$ 7,019	\$ 7,200	\$ 7,385	\$ 7,575	\$ 7,770	\$ 100,000
Total Local Only Reimbursement Balance	\$ 29,585	\$ 28,838	\$ 27,947	\$ 26,919	\$ 25,750	\$ 24,451	\$ 23,016	\$ 21,445	\$ 19,728	\$ 17,869	\$ 15,860	\$ 13,707	\$ 11,412	\$ 8,975	\$ 0
Total Annual Reimbursement	\$ 328,959	\$ 337,183	\$ 345,612	\$ 354,253	\$ 363,109	\$ 372,110	\$ 381,363	\$ 390,859	\$ 400,601	\$ 410,600	\$ 420,865	\$ 431,392	\$ 442,187	\$ 453,249	\$ 9,252,371
LOCAL BROWNFIELD REVOLVING FUND															
LBFR Deposits *	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Tax Capture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Tax Capture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total LBFR Capture	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

* Up to five years of capture for LBFR Deposits taken from DEQ & Local TIR only.

Footnotes:

TABLE 3 IMPACT ON TAXING JURISDICTIONS

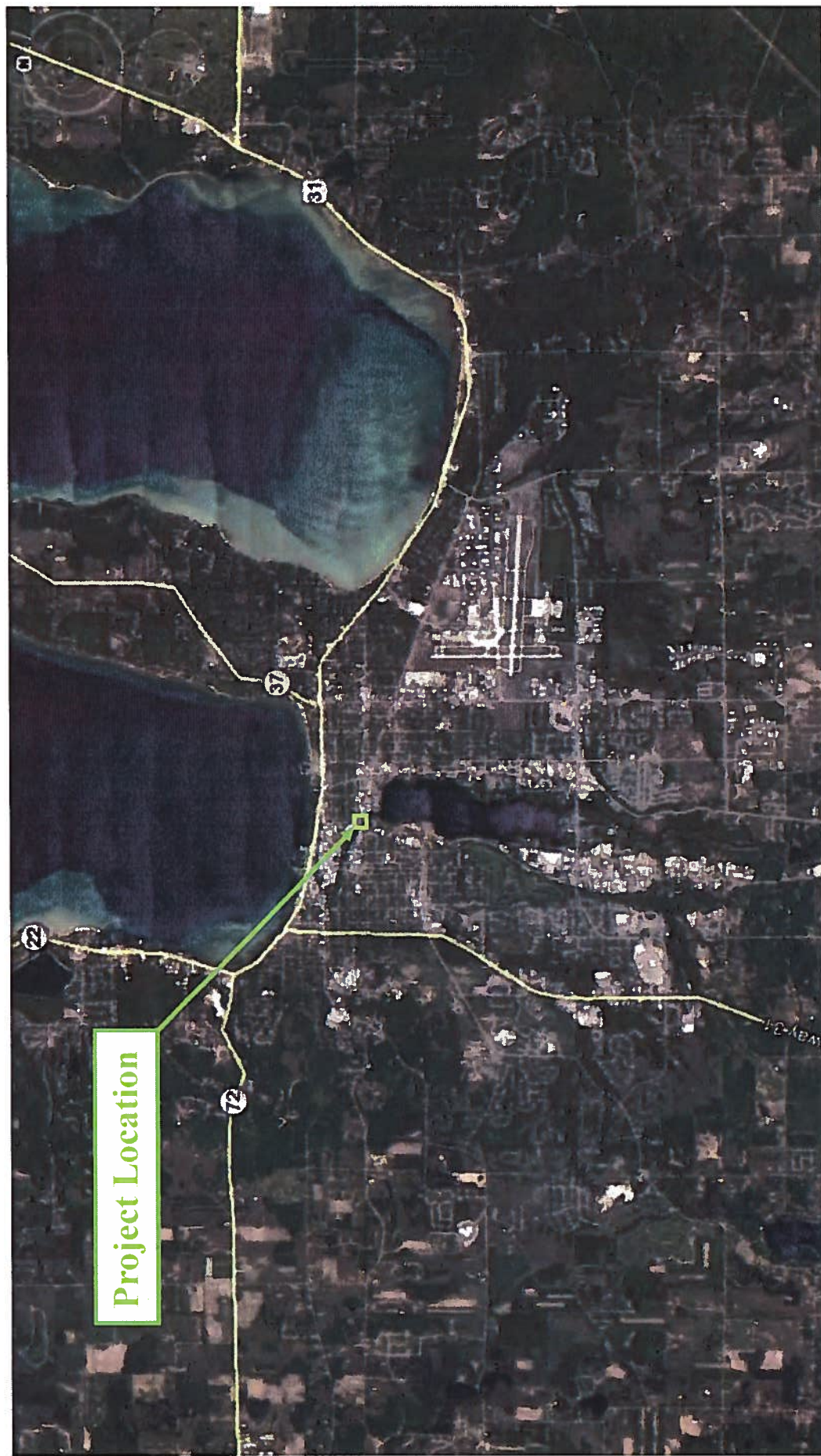
BROWNFIELD PLAN - THIRTY YEAR DURATION

EIGHTH AND BOARDMAN REDEVELOPMENT

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

	Millages		Percent Allocation	Total Capture		Total Revenues
	Total	Allocation		Total	Allocation	
City of Traverse City						
Allocated	11.1167					
Voted - Fire Ambulance	2.3200					
Grand Traverse County						
Allocated	4.9230					
Veterans	0.1200					
Roads	0.9997					
Seniors	0.5997					
BATA	0.3447	0.3447	1.30%	\$67,521		\$20,433
Rec Authority	0.0994	0.0994	0.37%	\$19,471		\$5,892
Library	0.9544	0.9544	3.59%	\$186,952		\$56,575
Northwestern Michigan College						
Operating	2.1692		8.16%	\$424,912		\$128,587
Debt	0.7400					
Traverse City Area Public Schools						\$0
School Debt*	3.1000					
TBAISD	2.9299	2.9299	11.02%	\$573,921		\$173,680
DDA						
Local Taxes Total	30.4167	26.5767	100.00%	\$5,205,951		\$1,575,428
State Taxes		24.0000		\$4,146,420		\$934,437
School Operating	18.0000					
State Educ Tax	3.0000					
State Brownfield Fund	3.0000			\$592,346		
Total	42.6816	33.8753		\$9,944,717		\$8,087,543

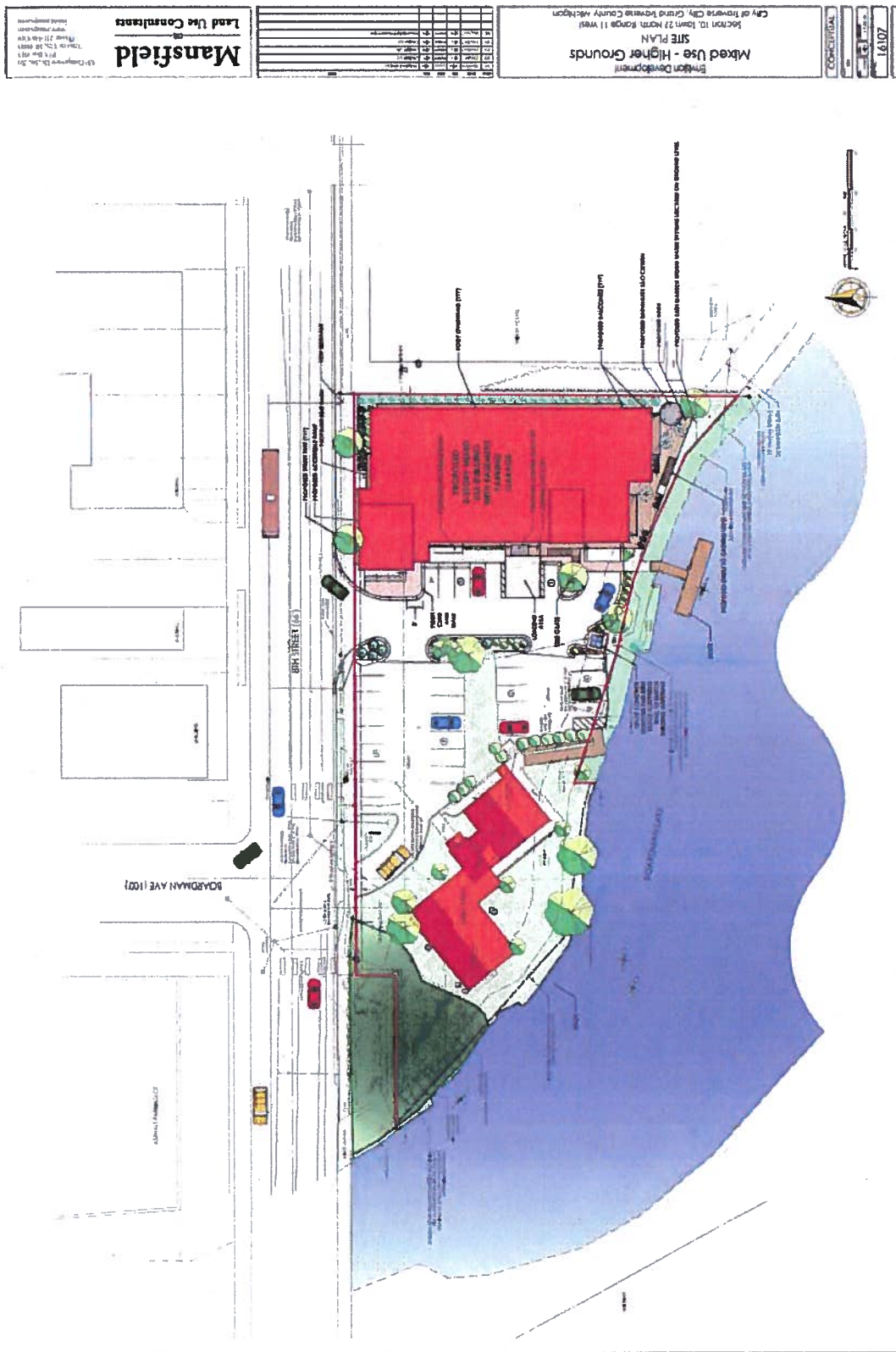
* Debt Millage not captured as part of brownfield plan

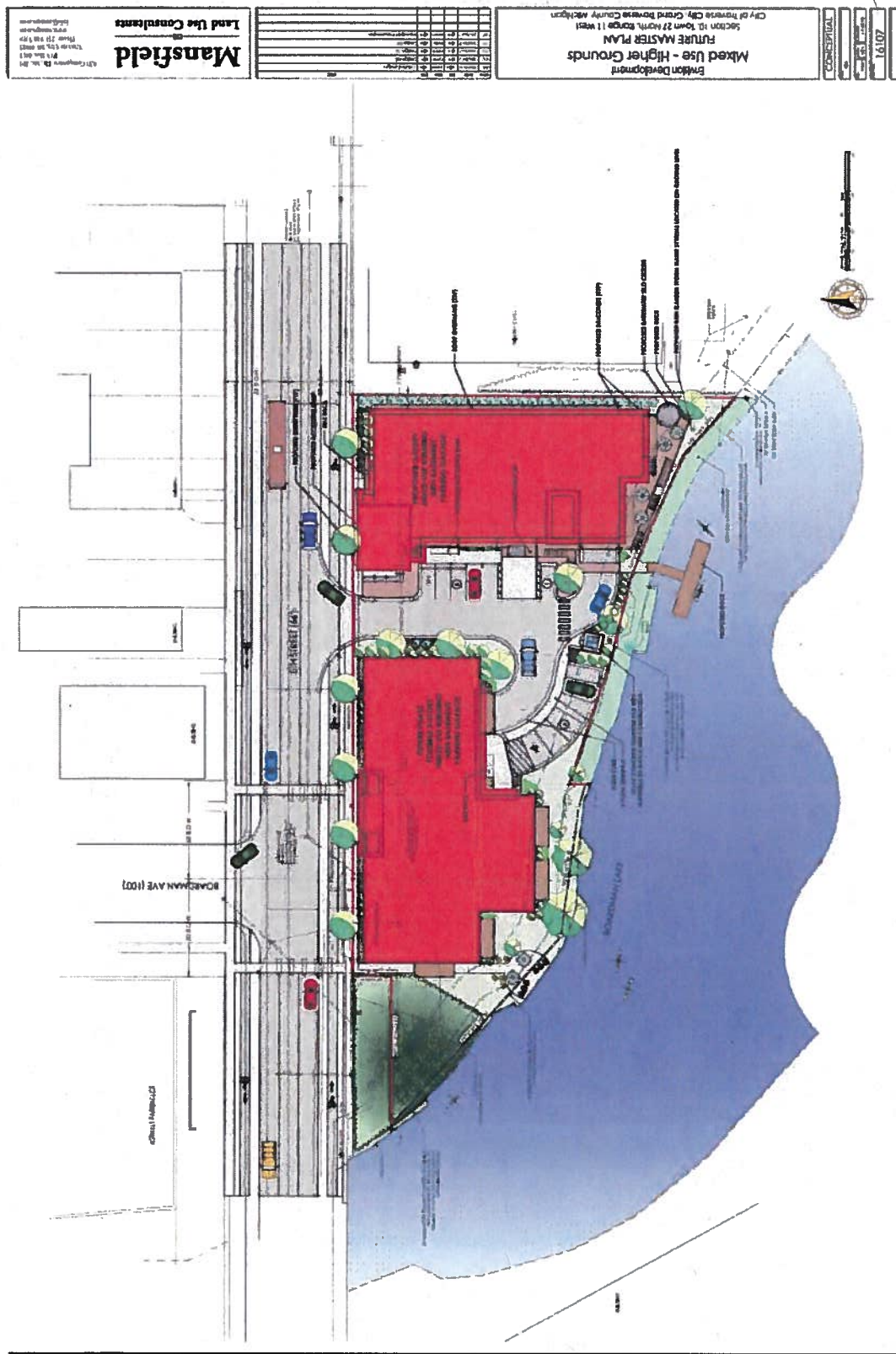


Eighth and Boardman Redevelopment Brownfield Plan	Figure 1: Site Location
Grand Traverse County Brownfield Redevelopment Authority	Date: July 2017



<p>Eighth and Boardman Redevelopment Brownfield Plan</p>	<p>Figure 2: Eligible Property Boundaries</p>
<p>Grand Traverse County Brownfield Redevelopment Authority</p>	<p>Date: July 2017</p>





<p>Eighth and Boardman Redevelopment Brownfield Plan</p>	<p>Figure 4: Full Buildout</p>
<p>Grand Traverse County Brownfield Redevelopment Authority</p>	<p>Date: July 2017</p>

Exhibit D
“Act 381 Work Plan”

**ACT 381
WORK PLAN
TO CONDUCT
ELIGIBLE
MSF NON-ENVIRONMENTAL
ACTIVITIES**

**8th and Boardman Redevelopment
Traverse City, Michigan**

**Grand Traverse County Brownfield Redevelopment Authority
City of Traverse City**

Prepared by:

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July 2017

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**ACT 381 Work Plan
TO CONDUCT ELIGIBLE
MSF NON-ENVIRONMENTAL ACTIVITIES**

**UNDER THE AUTHORITY OF THE
BROWNFIELD REDEVELOPMENT FINANCING ACT,
1996 PA 381, AS AMENDED**

1.0 INTRODUCTION

The Grand Traverse County Brownfield Redevelopment Authority ("GTCBRA") is submitting this Act 381 Work Plan for MSF Non-Environmental Eligible Activities for the proposed redevelopment of a commercial property located in Traverse City, Grand Traverse County, Michigan at the intersection of 8th Street and Boardman Avenue (herein referred to as the "Eligible Property").

This work plan is submitted pursuant to Act 381, P.A. 1996, as amended.

1.1 PROPOSED REDEVELOPMENT AND FUTURE USE

Envision Eighth Street, LLC, a Traverse City, Michigan-based company, is proposing to redevelop a dilapidated office property located in Traverse City at Eighth Street and Boardman Avenue into a mixed-use commercial, retail and residential development that is a critical first step and sets the tone for future development to realize the community vision for the Eighth Street corridor.

The project is a unique public/private partnership in collaboration with the City of Traverse City, Homestretch, and other community partners to redevelop an underutilized parcel that will provide a number of public benefits for Traverse City and Grand Traverse County, including workforce housing, increased access and reducing storm water discharge to the Boardman River, and providing for Eighth Street improvements.

The project will be constructed in two phases. The first phase will include a 24,000 square-foot, three-story building with retail/commercial at street level and 12 residential units, with underground parking on the east portion of the property. The second phase will include a 36,000 three story building, with retail/commercial at street level and 18 residential units, with underground parking. The proposed project includes two north-south pedestrian access nodes between Eighth Street and the Boardman River, a canoe/kayak launch, and an easement for extension of the City Riverwalk system.

While not considered blighted or abandoned, the site is covered with asphalt and cracked concrete, with no streetscape or sense of place. Storm water is currently diverted directly into the Boardman River, resulting in the discharge of materials and potential pollutants, and

increasing water temperatures. The proposed project is located at a strategic and highly visible intersection of this important corridor, and will provide the anchor for future Eighth Street redevelopment.

1.2 ELIGIBLE PROPERTY INFORMATION

1.2.1 Property Eligibility

Laboratory analysis of soils and groundwater samples collected from the subject property identified the presence of metals and polynuclear aromatics (PNAs) above MDEQ Generic Residential Cleanup Criteria. As a result, the subject property is a Part 201 Facility.

Soil samples taken from Parcel #51-110-001-00 (the most western of the four parcels) indicate metals, including mercury, selenium, and zinc; and polynuclear aromatics (PNAs), including Benzo (a) pyrene and Fluoranthene present above Generic Residential Cleanup Criteria, making it a Part 201 Facility.

Groundwater samples taken from Parcel #51-110-001-00 exhibited concentrations of PNAs, including Benzo (a) anthracene, Benzo (b) fluoranthene, Benzo (g,h,i) perylene, Chrysene Dibenzo (a,h) anthracene, Fluoranthene, Indeno (1,2,3-cd) pyrene, and Phenanthrene above the MDEQ Part 201 GCC - Residential, for Drinking Water Criteria and Groundwater Surface Water Interface Criteria,

Soil samples taken from Parcel #51-646-003-00 (the most eastern of the four parcels) indicate metals, including mercury and zinc, in exceedance of Generic Residential Cleanup Criteria, making is a Part 201 Facility.

The two interior parcels, #51-646-001-00 and #51-646-002-00, were also tested for soil and groundwater contaminants. They did not indicated constituents above Generic Residential Cleanup Criteria, but are Brownfield Eligible Properties by matter of their adjacency to Part 201 Facility parcels.

The following is a table identifying Brownfield Eligible Property qualification status by parcel:

Parcel Number	Description	Qualifying Status
51-110-001-00	Existing Office	Part 201 Facility
51-646-001-00	Existing Parking	Adjacent Property
51-646-002-00	Existing Parking	Adjacent Property
51-646-003-00	Vacant Parcel	Part 201 Facility

1.2.2 Location

The Eligible Property is comprised of four adjacent parcels, and is located on the south-side of the intersection of 8th Street and Boardman Avenue, and is situated along the bank of the Boardman River, in Traverse City, Michigan; with the following street addresses and Parcel Identification Numbers:

- 400 East 8th Street; 51-110-001-00
- 408 East 8th Street; 51-646-001-00
- 414 East 8th Street; 51-646-002-00
- 416 East 8th Street; 51-646-003-00

The legal descriptions of the parcels are provided below. A Project Location Map, Eligible Property Map, and Parcel Map are included in the Appendix as Figures 1, 2, and 3, respectively.

Legal Tax Description

- **400 East 8th Street; 51-110-001-00**
LOT 1, HL & CO'S 8TH ADD., ALSO THT PRT OF LOT 1 SEC 10 T27N R11W COMM AT THE NW CORNER OF LOT 1, HANNAH, LAY & CO'S 8TH ADD; TH W 99 FT ALG THE S LINE OF 8TH ST; TH S20 FT; TH W TO E SHORE OF BOARDMAN RIVER, TH SELY ALG SHORE TO A POINT S OF POB; TH N TO POB. EXCEPT RIPARIAN AND FLOWAGE RIGHTS.
- **408 East 8th Street; 51-646-001-00**
W 35 FT OF LOT 2 HANNAH LAY & CO'S 8TH ADD
- **414 East 8th Street; 51-646-002-00**
E 31 FT OF LOT 2 & ALL OF LOT 3 EX-CEPT THE E 40 FT THEREOF. HANNAH LAY & CO'S 8TH ADD.
- **416 East 8th Street; 51-646-003-00**
E 40 FT OF LOT 3 HANNAH LAY & CO'S 8TH ADD

1.2.2 Current Ownership

The property is currently owned by Envision Eighth Street LLC.

1.2.3 Proposed Future Ownership

Envision Eighth Street LLC will own the property during and after development.

1.2.4 Delinquent Taxes, Interest & Penalties

There are currently no delinquent taxes, interest or penalties due on the subject property.

1.2.5 Existing & Proposed Future Zoning for Eligible Property

The property is currently zoned D2 – Development District. The developer has no intention of rezoning the property.

1.3 HISTORICAL USE OF ELIGIBLE PROPERTY

Based on information (site photographs and publications) obtained during the completion of the Phase I ESA, the prior use of the subject property was established back to the late 1800s. Review of a 1890 Sanborn Fire Insurance Map depicts the subject property as developed with the east bridge abutment for Eighth Street crossing the Boardman River. The 1893 Sanborn fire Insurance Map also depicts the subject property as developed with the bridge abutment, however, its orientation has change slightly between years of the 1890 and 1893 maps. The 1899 Sanborn Fire Insurance Map depicts the subject property had been developed with three residential dwellings and a commercial building between the dates of the 1893 and 1899 maps. While there is not information on the use of the subject property prior to 1890, these appeared to be the first developed uses of the subject property. The commercial building located on the subject property was identified as a steam laundry in 1899. Between 1899 and 1965 the commercial building was identified for the use as a cigar box factory, auto repair, roofing company, warehouse and paints storage. During this period of time, two additional residential dwellings were constructed on the western portion of the subject property to the west of the other structures.

The subject property remained developed with the residences until 1965, at which time it appeared that three of the buildings were removed and the western portion was redeveloped with western portion of the existing building. The commercial building was developed by Mr. Dan Hubbell's (current owner) father. The eastern portion of the building was then constructed in 1968. The remaining two residences and the commercial building were then removed in the mid-1970s. Since this time, the subject property has remained developed with the existing building structure and associated parking areas.

1.4 CURRENT USE OF ELIGIBLE PROPERTY

The Eligible Property is developed with a commercial office building and associated asphalt parking lots. The building was occupied and being used as professional office space.

The 8TH and Boardman Commercial Property is located at located at 400, 408, 414 and 416 East Eighth Street in the City of Traverse City, Grand Traverse County, Michigan. The subject property consists of improved and unimproved parcels collectively containing approximately 1.03 acres of land, with parcel identification numbers: 28-51-110-001-00 (400 East Eighth Street, Improved); 28-51-646-001-00 (408 East Eighth Street, Unimproved); 28-51-646-002-00 (414 East Eighth Street, Unimproved); and 28-51-646-003-00 (416 East Eighth Street, Unimproved).

1.5 SITE CONDITIONS AND KNOWN ENVIRONMENTAL CONTAMINATION SUMMARY

The 2017 Phase II and BEA identified the presence of the following constituents above Generic Cleanup Criteria:

Summary of Soil Concentrations Above MDEQ GCC

Sample Number	Sample Depth (In./Ft.)	Parameter Exceeding Criteria / CAS #	CAS#	Parameter Analytical Result (ug/Kg, ppb)	GCC Exceeded (ug/Kg, ppb)
B-2	3.5'-4.0'	Mercury	Varies	3,300	GSI – 50 (M), 1.2
		Selenium	7782492	730	GSI - 400
		Zinc	7440666	300,000	GSI – 120,00
B-3	4.0'-6.0'	Benzo (a) pyrene	50328	7,400	DCC – 2,000
		Fluoranthene	206440	15,000	GSI – 5,500
B-10	3.5'-4.0'	Mercury	Varies	290	GSI – 50 (M), 1.2
		Zinc	7440666	130,000	GSI – 120,00

DWP – MDEQ Part 201 Drinking Water Protection
 DCC – MDEQ Part 201 Direct Contact Criteria
 GSI – MDEQ Part 201 Groundwater Surface Water Interface Protection Criteria
 SDBL – MDEQ Statewide Default Background Levels
 GCC – Generic Cleanup Criteria

M = Calculated criterion is below the analytical target detection limit, therefore, the criterion defaults to the target detection limit.
 ppb – Parts per billion
 ug/Kg – Micrograms per kilogram or ppb

Summary of Groundwater Concentrations Above MDEQ GCC

Sample ID	Sample Depth (Ft.)	Parameter Exceeding Criteria / CAS #	CAS#	Parameter Analytical Result (ug/L, ppb)	GCC Exceeded (ug/L, ppb)
B-3	6.47	Benzo (a) anthracene	56553	3.8	DWC – 2.1
		Benzo (b) fluoranthene	205992	4.6	DWC – 1.5 (S, AA)
		Benzo (g,h,i) perylene	191242	3.1	DWC – 1.0 (M); 0.26 (S)
		Benzo (k) fluoranthene	207089	1.9	DWC - 1.0 (M); 0.8 (S)
		Chrysene	218019	3.0	DWC – 1.6 (S)
		Dibenzo (a,h) anthracene	53703	4.0	DWC – 2.0 (M); 0.21
		Fluoranthene	206440	7.2	GSIC - 2
		Indeno (1,2,3-cd) pyrene	193395	3.7	GSIC – 2.0 (M); 0.22 (S)
		Phenanthrene	85018	3.0	DWC – 2.0 (M); 1.4

DWC – MDEQ Part 201 Drinking Water Criteria
 GSIC – MDEQ Part 201 Groundwater Surface Water Interface Criteria
 M - Calculated criterion is below the analytical target detection limit, therefore, the criterion defaults to the target detection limit.

S - Criterion defaults to the hazardous substance-specific water solubility limit.
 AA - Use 10,000 ug/l where groundwater enters a structure through the use of a water well, sump or other device. Use 28,000 ug/l for all other uses.
 ug/L – Micrograms per Liter (i.e., parts per billion)

Phase I and Phase II Environmental Site Assessment and a Baseline Environmental Assessment were conducted on behalf of the Envision 8th Street LLC by Otwell Mawby in March and April 2017. The Phase II ESA identified the presence metals and PNAs above applicable MDEQ GRCC and/or Statewide Default Background Level; and the presence of PNAs in groundwater above MDEQ GRCC.

1.6 SUMMARY OF FUNCTIONALLY OBSOLETE AND/OR BLIGHTED CONDITIONS

There are no functionally obsolete and/or blighted conditions.

1.7 INFORMATION REQUIRED BY SECTION 15(15) OF THE STATUTE

1.7.1 MSF Eligible Activity Sufficiency

The MSF Eligible Activities proposed under this Act 381 Work Plan include: Lead and Asbestos Abatement, Demolition, Site Preparation, and Infrastructure. Section 3 provides a detailed work scope for each of the MSF Eligible Activities. The following is a brief explanation of sufficiency for each Eligible Activity:

- 1.7.1.1 *Lead and Asbestos Abatement:*** Lead and asbestos abatement will result in the appropriate management of lead and cadmium based paint with appropriate training, materials handling, and air monitoring to ensure work safety, and removal of asbestos containing materials (ACMs) by a certified asbestos contractor. The appropriate management of lead and cadmium based paint and removal of asbestos prior to demolition will be sufficient to alleviate the brownfield conditions of the Eligible Property.
- 1.7.1.2 *Demolition:*** Demolition of the existing structure will provide for the proposed development of a mixed use commercial and residential development in two buildings while opening up the riverfront for public use. The demolition and removal of all buildings and subsurface structures are sufficient to alleviate brownfield conditions on the Eligible Property.
- 1.7.1.3 *Site Preparation:*** Site preparation activities will address site conditions including unstable soils, protect adjacent properties, ready the site for construction, and meet requirements for downtown construction that are required for the redevelopment to proceed. The site preparation activities will meet the needs for site development and are sufficient to alleviate the existing brownfield conditions on the Eligible Property.
- 1.7.1.4 *Infrastructure:*** Underground parking will provide the density for economic viability and to maximize the overall project benefits to the community. Low impact design storm water systems will utilize evapotranspiration and infiltration, with filtration rather than directly discharge into the river, providing cleaner and cooler river water that ultimately runs to Grand Traverse Bay. River improvements, including extension of the City's riverwalk system and a canoe/kayak launch will provide increase access to Boardman River in an area with limited river access. The improvements to Eighth Street will meet the goals of an extensive planning process to enhance the Eighth Street corridor as an integrated transportation and business district.

1.7.2 MSF Eligible Activities Requirements

The MSF Eligible Activities proposed under this Act 381 Work Plan include: Lead and Asbestos Abatement, Demolition, and Site Preparation, and Infrastructure. Section 3 provides a detailed work scope for each of the MSF Eligible Activities. The following is a brief explanation of the need for each Eligible Activity:

- 1.7.2.1 ***Lead and Asbestos Abatement:*** State and federal regulations require an assessment of the presence of lead and cadmium-based paint and asbestos prior to demolition of commercial buildings. If identified, precautions must be taken to protect human health and the environment, including worker training, air monitoring, and in the case of asbestos, abatement must be conducted by a certified asbestos abatement company.
- 1.7.2.2 ***Demolition:*** The existing commercial building on the subject property, inhibits future development. The building and site demolition are a critical component to the success of the project.
- 1.7.2.3 ***Site Preparation:*** Site preparation includes a number of components critical to the development. Additional Eligible Activity costs include excavation of unstable fill material and engineered fill, grading, land balancing, temporary sheeting and shoring, and special foundations. A geotechnical investigation identified unstable soils and the need for special foundations.
- 1.7.2.4 ***Infrastructure:*** Underground parking is required to meet the density requirements for economic viability and to maximize the overall project benefits to the community. The riverwalk and canoe/kayak launch will provide direct access to the Boardman River in an area with limited access. Improvements to Eighth Street are necessary to provide an integrated transportation corridor and to provide for expanded business development opportunity in this critical area of the City. Low impact design stormwater system will meet and exceed City requirements to maximize stormwater treatment on-site and minimize direct discharge to the Boardman River.

1.7.3 MSF Eligible Activity Reasonableness of Cost

The MSF Eligible Activities proposed under this Act 381 Work Plan include: Lead and Asbestos Abatement, Demolition, Site Preparation, and Infrastructure. Section 3 provides a detailed work scope for each of the MSF Eligible Activities. The following is a brief explanation of the reasonableness of cost for each Eligible Activity:

- 1.7.3.1 **Lead and Asbestos Abatement:** Costs for the lead/cadmium paint and asbestos surveys and abatement are based on a walk-through of the buildings by a certified lead and asbestos inspector.
- 1.7.3.2 **Demolition:** Cost for demolition are based on preliminary consultations with reputable local firms, net of recycling material revenues, and are consistent with a review of the existing buildings and past experience for buildings of similar size and age.
- 1.7.3.3 **Site Preparation:** The costs for each Site Preparation Eligible Activity are based on a technical review of the site, provided by the Development Team, with significant expertise in comparable facilities.
- 1.7.3.4 **Infrastructure:** The costs for these infrastructure improvements are based on experience with similar projects and site conditions, and preliminary cost estimates developed for each of the infrastructure improvements.

1.5.3 Public Benefit

The Eighth and Boardman Redevelopment project envisions the redevelopment of Brownfield Eligible Property into a mixed-use commercial and residential project consisting of two buildings, along with a myriad of public improvements and environmentally sustainable investments to improve storm water discharge into a public waterway.

The project includes a number of key components to support community goals and objectives:

Eighth Street Corridor Plan: Hundreds of Traverse City residents contributed countless hours to reach a consensus vision for the redevelopment of Eighth Street. The new plan for Eighth Street envisions a three-lane roadway with protected bicycle lanes and sidewalks, raised pedestrian crossings, and extensive street- and land-scaping. Getting the project completed will take years, *and the cooperation and financial contribution of the private sector.*

Envision Eighth Street, LLC proposes a redevelopment at Eighth Street and Boardman that embraces and reflects the vision's guiding principles. Buildings will be constructed at the zero lot line, curb cut access to the property will be reduced from three to one, and the development will incorporate green design with low impact stormwater systems, green space, and energy efficient construction.

Eighth Street Improvement: In addition to reflecting the Eighth Street Corridor Plan vision for private property development, the developer is providing a 3-foot easement on Eighth Street to provide for implementation of the preferred Eighth Street design, including separate bike lanes. The 3-foot easement along 300 feet of Eighth Street equates to 900 square feet that could be part of the developed space.

Importantly, the proposed Brownfield Plan will include Eighth Street reconstruction from Boardman Avenue to Wellington Street as an Eligible Activity for reimbursement from tax capture generated by the private redevelopment.

Boardman River Public Access: The proposed project site plan includes a north-south pathway between Eighth Street and the Boardman River to provide direct public access to the river, and a canoe/kayak launch constructed and maintained by the developer. In addition, the developer is provided an easement along the west portion of the property (the City has fee simple ownership of the eastern river frontage) for the future extension of the City Riverwalk. The Riverwalk extension is also included as an Eligible Activity in the Brownfield Plan to be reimbursed from the future incremental taxes generated by the project.

Workforce Housing: Envision Eighth Street, LLC is committed to provide affordable options for downtown housing as part of the redevelopment. They have agreed to lease the residential floor in Phase I for workforce housing. The balance of the residential units in Phase II will be offered as rental units at market rate or less, with a focus on smaller affordable units.

Sustainable Development: Envision Eighth Street, LLC is collaborating with the Watershed Center and SEEDS to ensure that thoughtful, sustainable design solutions are included in the development. The Watershed Center and SEEDS is contributing their considerable expertise to ensure that the project fosters a sense of place built to a human scale with important sustainable features, including:

- An innovative low impact design for stormwater management comprised of bio-swales and rain gardens to manage stormwater on-site, rather than the system which drains parking lot runoff from a catch basin directly into the river without filtration to remove sediments. A conceptual stormwater management control improvements design is attached.
- Installation of a green roof system that will manage stormwater over the roof area, provide wildlife habitat, reduce urban heat loads, and provide an urban garden for the rooftop gathering area.
- The design allocates an aesthetic greenspace at the west end of the property that will contribute to the sense of place, invite pedestrians down the pathway to the river, and help to calm busy traffic on Boardman Avenue.
- The project is proposed less parking than standard ratios, encouraging walkability and providing additional amenities.
- The developer supports the City's resolution to transition to be carbon neutral by 2050, with energy efficient design and consideration of renewable energy sources.

The redevelopment of the Eligible Property is anticipated to include over \$10 million of investment in a strategically located property that is the focal point at the center of the community's effort to revitalize the Eighth Street corridor. The redevelopment of the property will provide a new gateway to the Boardman River at this critical employment node, allowing workers and recreationalist to enjoy easy viewing and access to the river. The redevelopment

will provide jobs, increase tax base, stimulate additional private and public investment, facilitate the community's redevelopment goals for the Eighth Street corridor, open up access to the Boardman River, and provide much needed affordable housing at workforce rates in an important downtown location.

The project will add to the local and state tax base. When completed, property taxes are estimated to total over **\$434,000** per year (following the retirement of Brownfield obligations) with 44.1% of these revenues going to the State of Michigan and 55.9% to local taxing jurisdictions.

1.5.4 Reuse of Vacant Buildings and the Redevelopment of Blighted Property

There is no reuse of vacant buildings or redevelopment of blighted property.

1.5.5 Job Creation

The redevelopment of the eligible property is anticipated to provide approximately 30 construction jobs and will retain 30 permanent jobs, with an estimated 15 new jobs once in operation. The timeline for job creation is anticipated to be 45 jobs in the first 18-months of operation.

1.5.6 Area of High Unemployment

The unemployment rate for Grand Traverse County in March 2017 was 4.7 percent, compared to the State at 5.1 percent, according to the US Bureau of Labor Statistics. Median household income for the City of Traverse City is \$47,836, lower than the State average of \$51,084.

1.5.7 Level and Extent of Contamination Alleviated in Connection with the Eligible Activities

Laboratory analysis of soils and groundwater samples collected from the subject property identified the presence of metals and polynuclear aromatics (PNAs) above MDEQ Generic Residential Cleanup Criteria. As a result, the subject property is a Part 201 Facility.

Previous soil investigations have identified the presence of constituents with concentrations above the MDEQ Part 201 GCC - Residential, for Groundwater Surface Water Interface Protection Criteria, and Direct Contact Criteria of metals and volatile organic compounds across the Roundhouse property in excess of Michigan Department of Environmental Quality (MDEQ) Generic Residential Cleanup Criteria (GRCC). Groundwater investigations identified constituent concentrations above the MDEQ Part 201 GCC - Residential, for Drinking Water Criteria and Groundwater Surface Water Interface Criteria.

All development will meet necessary and required due care obligations to prevent exposure to and exacerbation of pre-existing contamination. The proposed redevelopment of the property anticipates removal of impacted soils on the property and appropriate disposal to a licensed waste disposal facility. Additional due care activities are anticipated to include the installation of exposure barriers and due care compliance activities. A more detailed description of the current property environmental conditions and the proposed Eligible Activities that outlines the

extent of contamination to be addressed will be provided in a separate Act 381 Work Plan for MDEQ Environmental Eligible Activities.

1.5.8 Level of Private Sector Contribution to the Project

The private sector contribution to this project is expected to be over \$10,000,000.

1.5.10 Creation of New Brownfields

The project is the redevelopment of downtown property and will not result in the creation of a new Brownfield.

1.5.11 Project Financial Information

The project is not economically viable without the Brownfield incentives proposed under the Brownfield Plan and Act 381 Work Plan. The Developer anticipates investing approximately \$10 million in real property improvements. All Eligible Activities under this Act 381 Work Plan, with the exception of the riverwalk and Eighth Street improvements will be privately financed in an estimated amount of \$2,560,440.

The following is a summary of the financial gap and need for Brownfield incentives for Phase I and Phase II of the project:

	Phase I	Phase II
Size	24,000 FT2	36,000 FT2
Construction Cost (inc property acq & site dev)	\$197.50/FT2	\$218.33/FT2
Amortized Cost	\$21.92/FT2/Month	\$124.23/FT2/Month
Available Average Revenues	\$16.78/FT2/Month	\$19.17/FT2/Month
Difference	\$5.14/FT2/Month	\$5.07/FT2/Month
Financial Gap	\$1,100,000	\$1,595,000

1.5.12 Other Incentives

There are no other incentives being pursued for this project.

2.0 SCOPE OF WORK

The purpose of the proposed eligible activities proposed under this Act 381 Work Plan is to conduct MSF Eligible Activities, including lead and asbestos abatement, site and building demolition, site preparation, and infrastructure.

2.1 MDEQ ELIGIBLE ACTIVITIES

MDEQ Eligible Activities will include Baseline Environmental Assessment and Due Care Activities. Amendments to Act 381 in 2007 provide for the use of taxes levied for school

operating purposes captured from Eligible Property without the approval of a work plan by the department for the reasonable costs of conducting site investigation activities for developing Baseline Environmental Assessments (BEAs) and Due Care Plans. A subsequent Act 381 Work Plan will be submitted with additional data and information resulting from Due Care investigation activities for Due Care response activities.

2.2 MSF Eligible Activities

MSF Eligible Activities are requested under this plan under the auspices of Act 381 and the City of Marquette's status as a Qualified Local Government. The MSF Eligible Activities including asbestos and lead abatement, demolition, site preparation and infrastructure.

2.2.1 Lead and Asbestos Abatement

Employers or building owners may demonstrate that PACMs do not contain asbestos by properly testing materials in accordance with OSHA standards. Demolition or remodeling buildings that contain lead, cadmium and/or asbestos is subject to regulations to protect the health of the persons that may be affected. In addition, demolition can impact the concentration of lead, cadmium and/or asbestos in the soils that are in close proximity to the building. The scope of work includes surveys, abatement, and air monitoring to prevent a potential exposure to site workers or adjacent residents.

The following is a cost estimate for lead and asbestos survey, monitoring, and abatement:

Lead and Asbestos Abatement	Estimated Cost
Survey	\$4,000
Monitoring	\$6,000
Abatement	<u>\$30,000</u>
subtotal	<u>\$40,000</u>

2.2.2 Demolition

The existing commercial office building, related infrastructure, and parking lots will be demolished. The existing building is approximately 8,700 FT² consisting of wood and block construction constructed in 1968. Site demolition is also required, including utilities, parking lots, flatwork, and landscaping features.

Demolition of buildings in the downtown area requires significant precautions and protections, including dust control, mobilization, access, and requirements to remove materials immediately; all factors which increase cost. The following is an estimate of the cost for building and site demolition:

Demolition	Estimated Cost
Site Demolition	\$30,000
Selective Building Demolition	<u>\$100,000</u>
subtotal	<u>\$130,000</u>

2.2.3 Site Preparation

There are a number of activities proposed under Site Preparation for the subject property. The historic use of the site as a team cleaning, paints storage, auto mechanic, and related operations, particularly aside the Boardman River, presents numerous challenges to effective development. The following is a detailed description and cost estimate, which includes allocations for construction, engineering and design costs directly related to the site preparation activities.

3.2.3.1 Staking **\$15,000**

MEDC guidelines allow for the construction staking for Eligible Activities. Staking will be completed for Land Balancing, Grading, Excavation, Erosion Controls and the location, alignment and elevation of Foundations, Alternative Green Stormwater Controls, and Retaining Walls

Estimated Number of Days 10

Cost per Day \$1,500

Subtotal \$15,000

3.2.3.2 Geotechnical Engineering **\$11,250**

Geotechnical Engineering will be conducted to include soil borings to investigating existing subsurface conditions, determining properties, assessing risks, designing structure foundations; and monitoring site conditions earthwork and foundation construction.

Estimated Number of Borings 15

Cost per Boring \$750

Subtotal \$11,250

3.2.3.3 Clearing and Grubbing **\$4,000**

Clearing and grubbing will remove vegetative cover and topsoil in the area of work.

3.2.3.4 Temporary Facilities, Site Control, Protection **\$82,200**

Site Control and Protection includes an allowance for temporary traffic control at Eighth Street and Boardman Ave. as required by the City and project development, construction access, temporary facilities, site security, fencing, and lighting.

	<i>Unit Cost</i>	<i>Months</i>	<i>Cost</i>
Temporary Construction Access	<i>\$1,100</i>	<i>12</i>	<i>\$13,200</i>
Temporary Facility	<i>\$1,600</i>	<i>16</i>	<i>\$25,600</i>
Temporary Traffic Control	<i>\$1,000</i>	<i>12</i>	<i>\$12,000</i>
Temporary Erosion Control			<i>\$25,000</i>
Temporary Site Control	<i>\$400</i>	<i>16</i>	<i>\$6,400</i>
<i>Subtotal</i>			<i>\$82,200</i>

3.2.3.5 Excavation for Unstable Soils **\$87,363**

MEDC guidelines allow for the removal of unstable material when the site is found to consist of unstable material that will, in the opinion of a licensed Professional Engineer and with appropriate testing/data to support said opinion, not provide structural support.

<i>Estimated Cubic Yards</i>	<i>7,280</i>
<i>Cost per Cubic Yard</i>	<i>12</i>
<i>Subtotal</i>	<i>87,363</i>

3.2.3.6 Fill **\$15,250**

Engineered fill will be required to backfill in building areas

<i>Structural Fill - Estimated Cubic Yards</i>	<i>1,525</i>
<i>Cost per Cubic Yard</i>	<i>20</i>
<i>Subtotal</i>	<i>15,250</i>

3.2.3.7 Special Foundations **\$227,500**

Based on the geotechnical report, the owners have decided to proceed with steel H-piles as the preferred special foundation system. The cost differential analysis is based on an engineer's estimate of special foundations and standard foundations for the selected building. The geotechnical report is attached in the Appendix.

Special Foundations Cost Differential

Task	Cost
Foundations and Structural Slab	<i>\$157,500</i>
Special Foundation	<i>\$127,500</i>
Pad Prep/Backfill	<i>\$67,500</i>
Subtotal	<i>\$352,500</i>
Deduct for Standard Foundation	<i>\$125,000</i>
Total Differential	<i>\$227,500</i>

3.2.3.8 Dewatering **\$80,000**

Dewatering will be necessary along the riverfront for foundations and footings.

	<i>Unit Cost</i>	<i>Days</i>	<i>Total</i>
<i>Estimated Cost</i>	\$2,000.00	40	\$80,000

3.2.3.9 Grading and Land Balance **\$63,510**

The site will require balancing of on-site and off-site soils to achieve the appropriate mass and grades for foundation and building construction.

<i>Export - Estimated Cubic Yards</i>	<i>5,510</i>
<i>Cost per Cubic Yard</i>	<i>\$10.00</i>
<i>Subtotal</i>	<i>\$55,100</i>
<i>Grading - Estimated Cubic Yards</i>	<i>841</i>
<i>Cost per Cubic Yard</i>	<i>\$10.00</i>
<i>Subtotal</i>	<i>\$8,410</i>

3.2.3.10 Temporary Sheet piling/Shoring **\$168,000**

Temporary Sheet piling/Shoring is necessary to protect existing utilities on Eighth Street and along the East property line for Phase 1, estimated at 315 lineal feet to a depth of 10' feet and for Phase II estimated at 165 lineal feet to a depth of 10 feet.

<i>Estimated Lineal Feet</i>	<i>480</i>
<i>Cost per Lineal Foot</i>	<i>\$350.00</i>
<i>Subtotal</i>	<i>\$168,000</i>

3.2.3.11 Soft Costs **\$93,480**

Architectural and Engineering costs directly associated with the Site Preparation Eligible Activities are estimated at 8.75%

Site Preparation Total **\$847,553**

The following is a summary table of Site Preparation Eligible Activity estimated costs.

Site Preparation	Estimated Cost
Staking	\$15,000
Geotechnical Engineering	\$11,250
Clearing and Grubbing	\$4,000
Temporary Facilities	\$82,200
Excavation for Unstable Soils	\$87,363
Fill	\$15,250
Special Foundations	\$227,500
Dewatering	\$80,000
Grading and Land Balance	\$63,510
Temporary Sheet piling and Shoring	\$168,000
Soft Costs	\$93,480
subtotal	\$847,553

2.2.4 Infrastructure Improvements

The investment in infrastructure is critical to the success of the project and directly benefits the Eligible Property.

Private Infrastructure

Vertical/Underground Parking **\$846,000**

Underground parking is critical to providing the density necessary to achieve full buildout of the property, but is not economically feasible without Brownfield reimbursements.

Estimate Number of Spaces 47

Cost per Space \$18,000

Subtotal **\$846,000**

Urban Stormwater Management System: Low Impact Design (LID)

\$674,966

This activity covers 100% of the costs that manage storm water by mimicking the pre-settlement hydrologic cycle of a site. Storm water runoff is detained and infiltrated, evaporated, or used close to its source. The use of these LID stormwater management practices may be allowed when appropriate design information and support, in the opinion of a licensed Professional Engineer, is provided. The proposed Low Impact Design includes two primary components: green roof over 60% of the building roof and low impact stormwater treatment system, including cisterns, evapotranspiration chambers, and rain gardens.

Low-Impact Design Stormwater System **\$150,000**

Green Roof *Cost per FT2* \$23.00

FT2 22,825

Total **\$524,966**

Infrastructure - Canoe Launches

\$30,000

Canoe/Kayak launch will be installed along the Boardman River.

3.2.3.13 Soft Costs

\$135,710

Architectural and Engineering costs directly associated with the Infrastructure Eligible Activities are estimated at 8.75%

Private Infrastructure Total

\$1,686,676

Public Infrastructure

Riverwalk **\$600,000**

Installation of Riverwalk by City along easement on west portion of the property and City property on east portion

<i>Lineal Feet</i>	<i>400</i>
<i>Cost Per Foot</i>	<i><u>\$1,500</u></i>
<i>Total</i>	<i><u>\$600,000</u></i>

Eighth Street Improvement **\$2,800,000**

Eighth Street is a major east-west route through the City of Traverse City that serves a key transportation corridor for the entire region. An intensive public input process identified the preferred design to meet vehicular, non-motorized, and pedestrian circulation and enhance and encourage redevelopment along the corridor. In addition to improvements to Eighth Street, the bridge that crosses the Boardman River is in need of significant repair. The Eighth and Boardman redevelopment provides a critical opportunity to finance this critical regional infrastructure improvement and directly benefit the Eligible Property.

Infrastructure	Estimated Cost
Private Infrastructure	
Vertical/Underground Parking	\$846,000
Urban Stormwater Management: LID	\$150,000
Urban Stormwater Management: Green Roof	\$524,966
Canoe Launch	\$30,000
Soft Costs	<u>\$135,710</u>
subtotal	\$1,686,676
Public Infrastructure	
Riverwalk	\$600,000
Eighth Street Improvements	\$2,800,000
subtotal	\$3,400,000
TOTAL	\$4,086,676

2.2.5 Interest

For the purposes of the Brownfield Plan financial analysis, interest was calculated at 2.5% for seventeen (17) years for Private Eligible Activities and 5% for twenty (20) years for Public Eligible Activities. Using the MEDC Interest is calculated at \$792,004 for Private Eligible Activities and \$2,485,589 for Public Eligible Activities, for a total of \$3,277,583.

2.2.6 Brownfield Plan and/or Work Plan Preparation

The preparation and approval of the Brownfield Plan and Act 381 Work Plans are included as eligible activities.

2.3 Local Only Eligible Activities

Local Only Eligible Activities include Brownfield Authority Administrative and Operating Costs.

2.4 Eligible Activities Cost and Schedule

The following is a summary of the estimated Eligible Activities Cost and Schedule for this MSF Act 381 Work Plan. MDEQ Environmental Eligible Activities will be the subject of separate Act 381 Work Plan.

DEQ Eligible Activities Costs and Schedule			
DEQ Eligible Activities	Line Item Cost	Eligible Activity Cost	Completion Season/Year Phase I/Phase II
Department Specific Activities			
Baseline Environmental Assessment Activities		\$19,000	
Phase I ESA	\$2,000		Spring 2017
Phase II ESA	\$15,000		Spring 2017
Baseline Environmental Assessment	\$2,000		Spring 2017
Due Care Activities		\$105,000	
Phase II Investigation to Support Due Care	\$25,000		Summer 2017
Section 7A Compliance Analyses (Due Care Plans)	\$5,000		Summer 2017
Disposal of Soil/Groundwater During Construction	\$75,000		Summer 2017
DEQ Eligible Activities Sub-Total		\$124,000	
Contingency (15%)		\$18,600	
Interest (17 years @ 2.5 %)		\$34,671	
Brownfield Plan and/or Work Plan Preparation		\$5,000	
DEQ Eligible Activities Total Costs		\$182,271	
MSF Eligible Activities Costs and Schedule			
MSF Eligible Activities	Line Item Cost	Eligible Activity Cost	Completion Season/Year Phase I/Phase II
Lead and Asbestos Abatement Sub-Total		\$40,000	
Survey	\$4,000		Winter 2020
Monitoring	\$6,000		Spring 2020
Abatement	\$30,000		Spring 2020
Demolition Sub-Total		\$130,000	
Site Demolition	\$30,000		Spring 2020
Building Demolition	\$100,000		Spring 2020
Infrastructure Improvements Sub-Total			
Private Infrastructure		\$1,686,676	
Vertical/Underground Parking	\$846,000		Spring 2018/Spring 2021
Urban Stormwater Management System: Low Impact Design	\$150,000		Spring 2018/Spring 2021
Urban Stormwater Management System: Green Roof	\$524,966		
Canoe Launches	\$30,000		Spring 2018/Spring 2021
Soft Costs	\$135,710		
Public Infrastructure		\$3,400,000	
Eighth Street Improvements	\$2,800,000		Fall 2024
Riverwalk	\$600,000		Fall 2024
Site Preparation Sub-Total		\$847,553	
Staking	\$15,000		Summer 2017/Summer 2020
Geotechnical Engineering	\$11,250		Spring 2017
Clearing and Grubbing	\$4,000		Summer 2017/Summer 2020
Temporary Facilities	\$82,200		Summer 2017/Summer 2020
Excavation for Unstable Soils	\$87,363		Summer 2017/Summer 2020
Fill	\$15,250		Summer 2017/Summer 2020
Special Foundations	\$227,500		Fall 2017/Fall 2020
Dewatering	\$80,000		Fall 2017/Fall 2020
Grading and Land Balance	\$63,510		Summer 2017/Summer 2020
Temporary Sheet piling and Shoring	\$168,000		Summer 2017/Summer 2020
Soft Costs	\$93,480		
MSF Eligible Activities Sub-Total		\$6,104,229	
Contingency (15% for all EA except Eighth Street)		\$495,634	
Interest (17 years @ 2.5 % for private, 20 years @ 5% public)		\$2,445,238	
Brownfield Plan and/or Work Plan Preparation		\$25,000	
MSF Eligible Activities Total Costs		\$9,070,100	

EXHIBITS

FIGURES

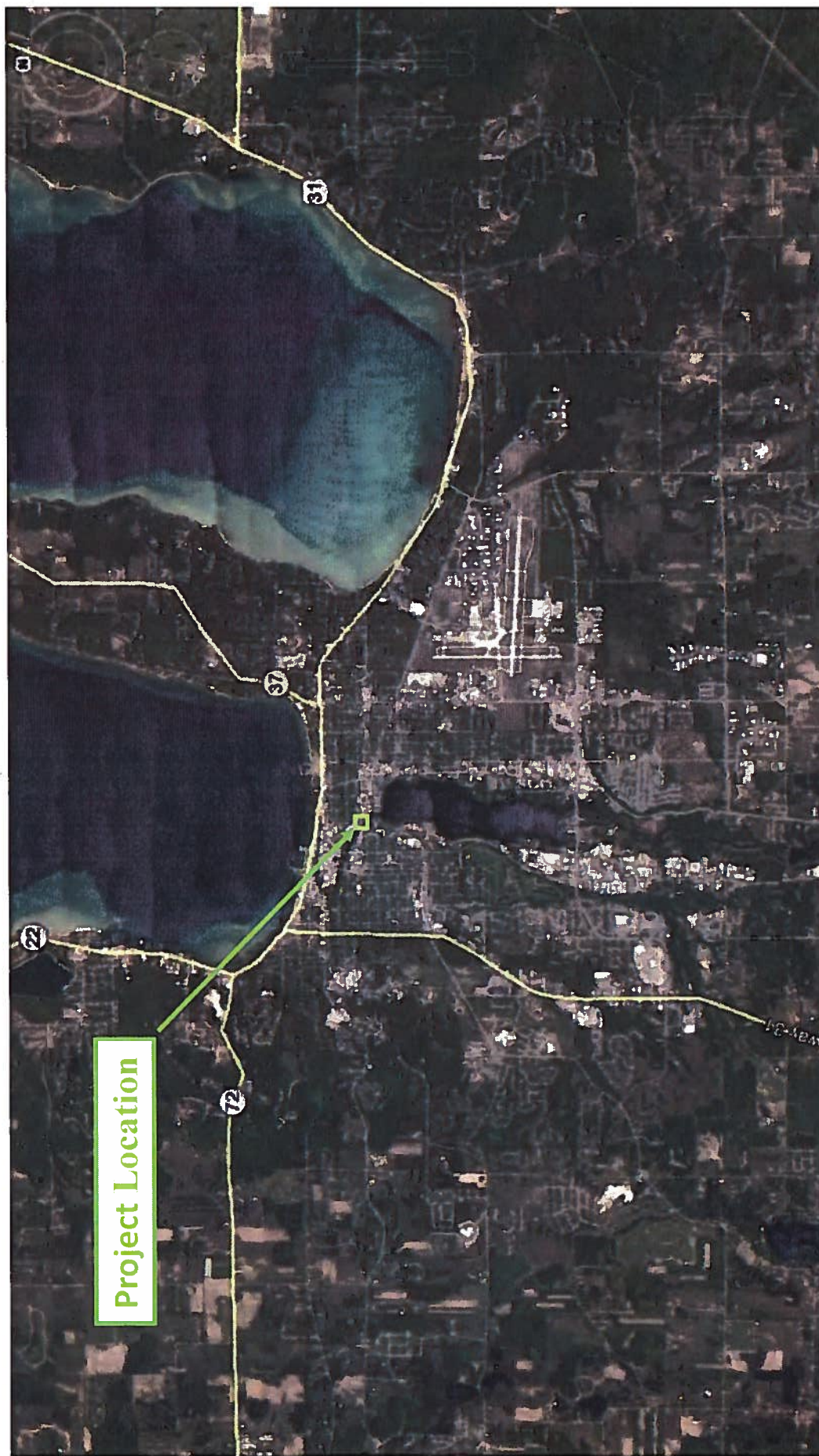
Figure 1	Site Location Map
Figure 2	Eligible Property Map
Figure 3.1	Phase II Soil Results
Figure 3.2	Phase II Groundwater Results
Figure 4	Color Site Photographs
Figure 5	Infrastructure Improvements Map
Figure 6	Redevelopment Project Rendering
Figure 7.1	Site Plan – Phase I
Figure 7.2	Site Plan – Full Buildout

TABLE

Table 1.2	Non-Environmental Eligible Activities
Table 2.1	TIF Table - Tax Capture
Table 2.2	TIF Table - Reimbursement Schedule

ATTACHMENTS

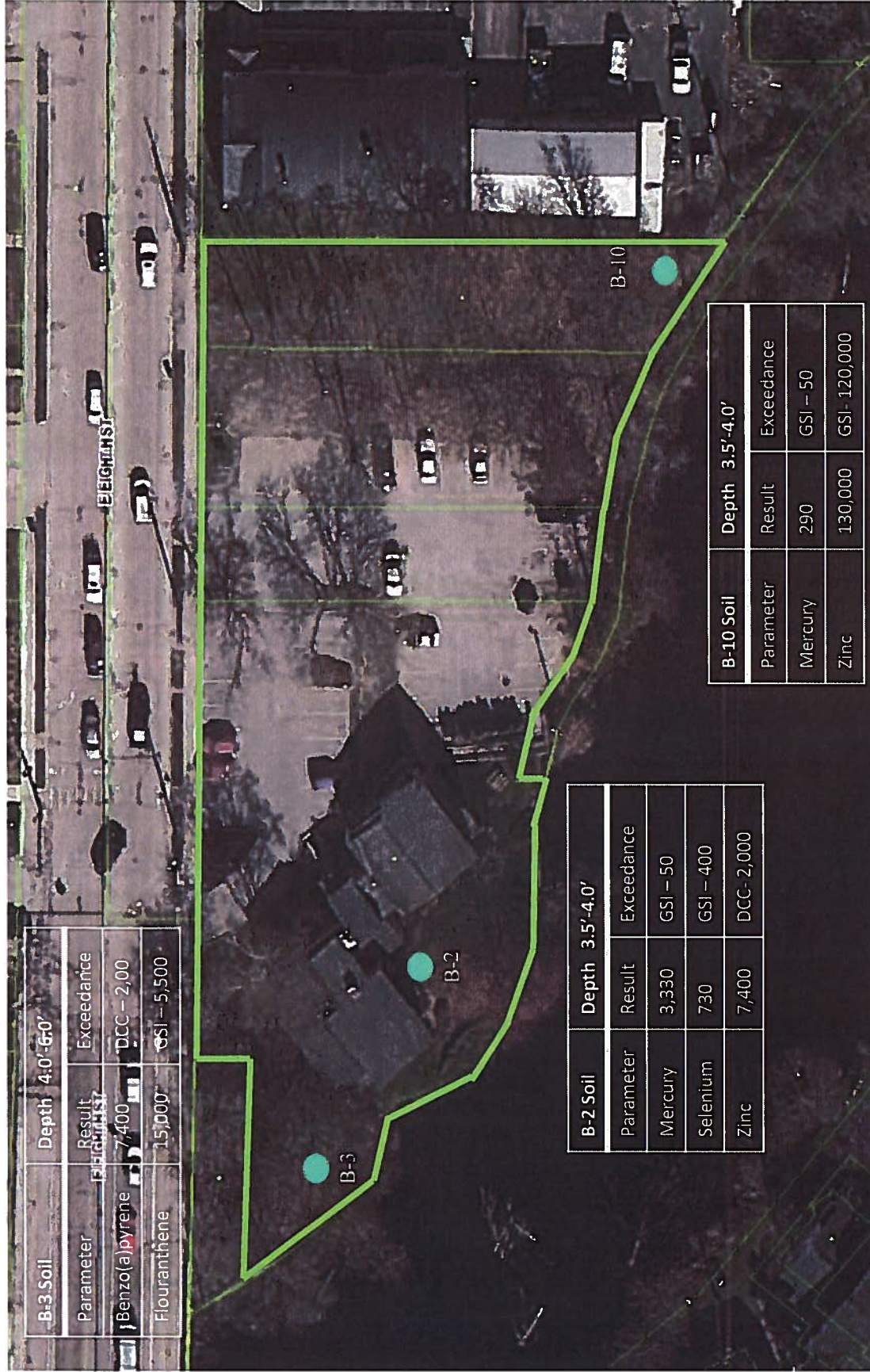
Attachment A	Brownfield Plan and Resolution(s)
Attachment B	Development and/or Reimbursement Agreement



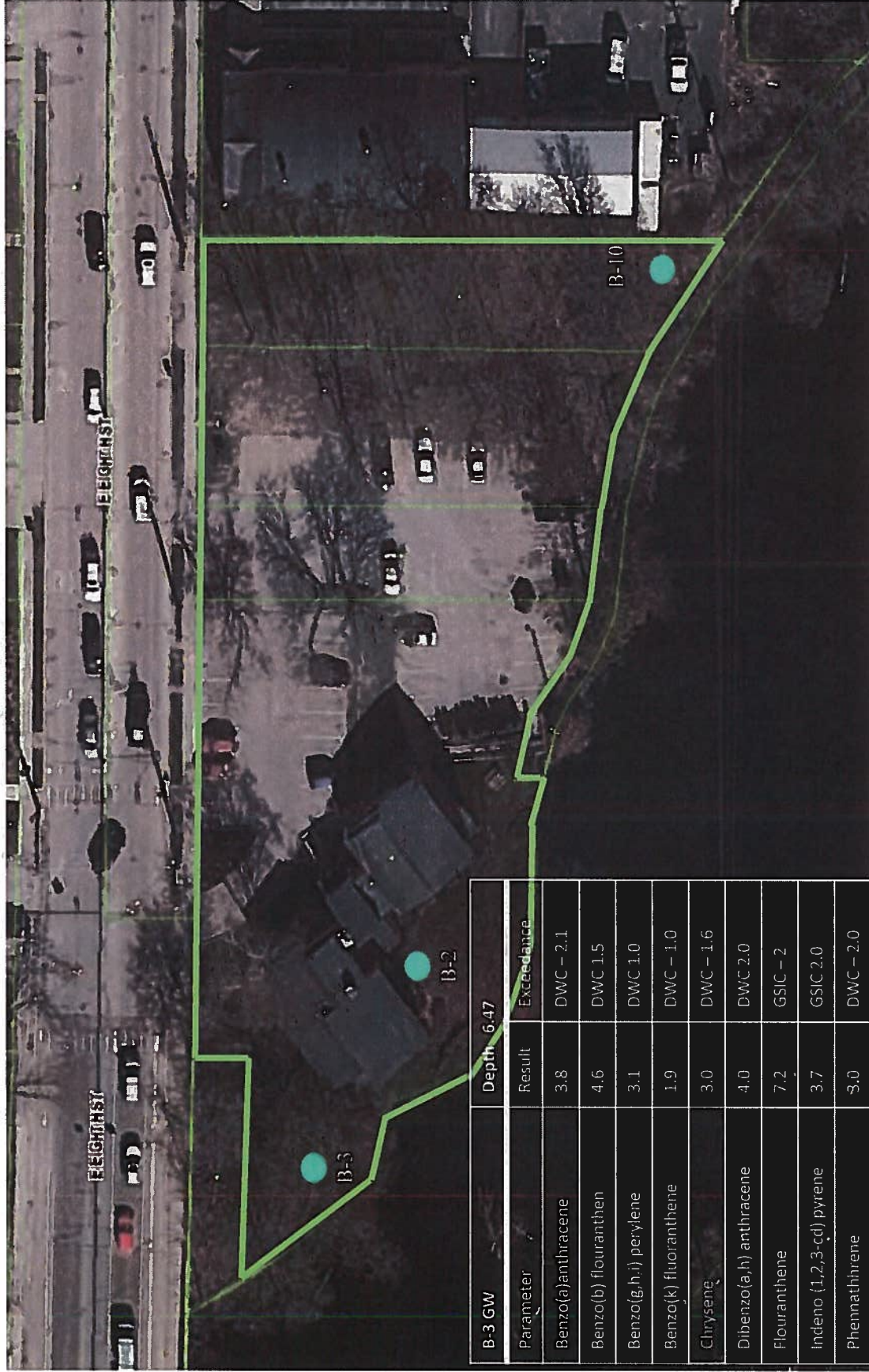
Eighth and Boardman Redevelopment Act 381 Work Plan	Figure 1: Site Location
Grand Traverse County Brownfield Redevelopment Authority	Date: July 2017



Eighth and Boardman Redevelopment Act 381 Work Plan	Figure 2: Eligible Property Boundaries
Grand Traverse County Brownfield Redevelopment Authority	Date: July 2017



Eighth and Boardman Redevelopment Act 381 Work Plan	Figure 3.1: Phase II Soil Results
Grand Traverse County Brownfield Redevelopment Authority	Date: July 2017



<div> <div>Eighth and Boardman Redevelopment</div> <div>Act 381 Work Plan</div> </div>	<div> <div>Figure 3.2: Phase II Groundwater Results</div> <div>Date: July 2017</div> </div>
Grand Traverse County Brownfield Redevelopment Authority	



Eighth Street Access East – Phase I Location



View From Boardman River North – Phase I Location



Eighth Street Access West



Exterior Asphalt

<p>Eighth and Boardman Redevelopment Act 381 Work Plan</p>	<p>Figure 4: Site Photos</p>
<p>Grand Traverse County Brownfield Redevelopment Authority</p>	<p>Date: July 2017</p>



Eighth Street East



Eighth Street West



**Existing Building to be Removed
in Phase 2**



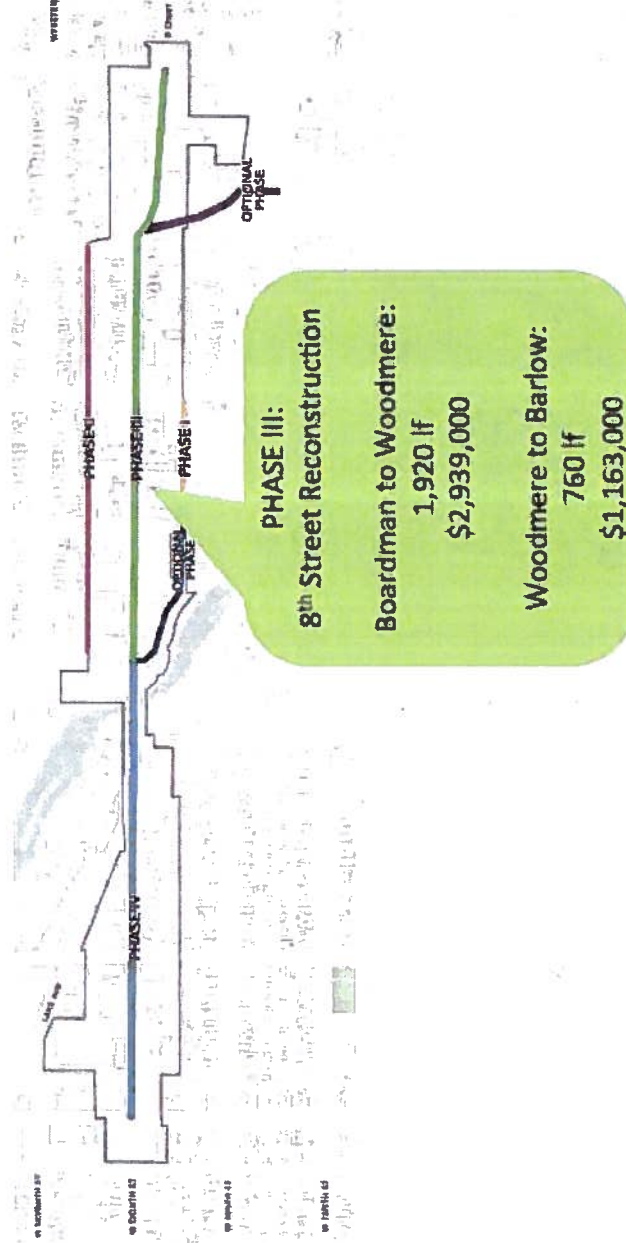
**Riverwalk and Canoe/Kayak
Launch Locations**



Boardman River Access

Eighth and Boardman Redevelopment Act 381 Work Plan	Figure 4: Site Photos
Grand Traverse County Brownfield Redevelopment Authority	Date: July 2017

PROPOSED PHASING



<p>Eighth and Boardman Redevelopment Act 381 Work Plan</p>	<p>Figure 5: Infrastructure Improvement Plans</p>
<p>Grand Traverse County Brownfield Redevelopment Authority</p>	<p>Date: July 2017</p>



<p>Eighth and Boardman Redevelopment Act 381 Work Plan</p>	<p>Figure 6: Redevelopment Project Rendering</p>
<p>Grand Traverse County Brownfield Redevelopment Authority</p>	
<p>Date: July 2017</p>	



<p>Eighth and Boardman Redevelopment Act 381 Work Plan</p>	<p>Figure 7.2: Site Plan – Full Buildout</p>
<p>Grand Traverse County Brownfield Redevelopment Authority</p>	<p>Date: July 2017</p>

TABLE 1.2
MSF ELIGIBLE ACTIVITIES COSTS
EIGHTH AND BOARMAN REDEVELOPMENT
GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN

Eligible Activity Description	TOTAL ELIGIBLE ACTIVITIES
<i>Lead and Asbestos Abatement</i>	
Survey	\$4,000
Monitoring	\$6,000
Abatement	<u>\$30,000</u>
<i>Subtotal</i>	\$40,000
<i>Demolition</i>	
Site Demolition	\$30,000
Building Demolition	<u>\$100,000</u>
<i>Subtotal</i>	\$130,000
<i>Site Preparation</i>	
Staking	\$15,000
Geotechnical Engineering	\$11,250
Clearing and Grubbing	\$4,000
Temporary Facilities	\$82,200
Excavation for Unstable Soils	\$87,363
Fill	\$15,250
Special Foundations	\$227,500
Dewatering	\$80,000
Grading and Land Balance	\$63,510
Temporary Sheet piling and Shoring	\$168,000
Soft Costs	<u>\$93,480</u>
<i>Subtotal</i>	\$847,553
<i>Private Infrastructure</i>	
Vertical/Underground Parking	\$846,000
Urban Stormwater Management System: Low Impact Design	\$150,000
Urban Stormwater Management System: Green Roof	\$524,966
Canoe Launches	\$30,000
Soft Costs	<u>\$135,710</u>
<i>Subtotal</i>	\$1,686,676
<i>Subtotal Totals</i>	\$2,704,229
<i>Contingencies (15%)</i>	\$405,634
Brownfield Plan and Work Plan Development and Approval	<u>\$25,000</u>
PRIVATE MSF ELIGIBLE ACTIVITIES SUBTOTAL	\$3,134,863
INTEREST (2.5% for 17 years)	\$751,653
MSF PRIVATE ELIGIBLE ACTIVITIES SUBTOTAL	\$3,886,516
<i>Public Infrastructure - City of Traverse City</i>	
Eighth Street Improvements	\$2,800,000
Riverwalk	\$600,000
<i>Contingency (15%)</i>	<u>\$90,000</u>
PUBLIC MSF ELIGIBLE ACTIVITIES SUBTOTAL	\$3,490,000
INTEREST (5% for 20 years)	\$1,693,585
MSF PUBLIC ELIGIBLE ACTIVITIES SUBTOTAL	\$5,183,585
MSF ELIGIBLE ACTIVITIES SUBTOTAL	\$9,070,100
<i>Administrative and Operation Costs*</i>	\$80,000
MSF ELIGIBLE ACTIVITIES TOTAL	\$9,150,100

*Local Tax Capture Only

Table 2.2 - Tax Incremental Revenue Reimbursement Allocation Table
Eighth and Boardman Redevelopment
Traverse City, Michigan 49586

Plan Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Calendar Year																		
Total State Incremental Revenue	\$ -	\$ -	\$ -	\$ 48,000	\$ 49,200	\$ 122,430	\$ 125,401	\$ 128,638	\$ 131,844	\$ 135,140	\$ 138,518	\$ 141,981	\$ 145,531	\$ 149,169	\$ 152,898	\$ 156,721	\$ 160,639	\$ 164,655
State Brownfield Revolving Fund (50% of SET)	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,150	\$ 15,304	\$ 15,686	\$ 16,079	\$ 16,480	\$ 16,892	\$ 17,315	\$ 17,748	\$ 18,181	\$ 18,624	\$ 19,076	\$ 19,538	\$ 20,009	\$ 20,489
State TIR Available for Reimbursement	\$ -	\$ -	\$ -	\$ 42,000	\$ 43,050	\$ 107,126	\$ 109,715	\$ 112,559	\$ 115,364	\$ 118,248	\$ 121,203	\$ 124,234	\$ 127,350	\$ 130,545	\$ 133,786	\$ 137,183	\$ 140,630	\$ 144,166
Total Local Incremental Revenue	\$ -	\$ -	\$ -	\$ 53,153	\$ 54,482	\$ 135,574	\$ 138,964	\$ 142,438	\$ 145,999	\$ 149,649	\$ 153,390	\$ 157,225	\$ 161,155	\$ 165,184	\$ 169,314	\$ 173,447	\$ 177,685	\$ 182,132
BRA Administrative Fee	\$ -	\$ -	\$ -	\$ 1,595	\$ 1,634	\$ 4,067	\$ 4,169	\$ 4,273	\$ 4,380	\$ 4,489	\$ 4,602	\$ 4,717	\$ 4,835	\$ 4,956	\$ 5,079	\$ 5,206	\$ 5,337	\$ 5,470
Local TIR Available for Reimbursement	\$ -	\$ -	\$ -	\$ 51,558	\$ 52,848	\$ 131,507	\$ 134,795	\$ 138,165	\$ 141,619	\$ 145,160	\$ 148,788	\$ 152,508	\$ 156,321	\$ 160,229	\$ 164,234	\$ 168,340	\$ 172,449	\$ 176,663
Total State & Local TIR Available	\$ -	\$ -	\$ -	\$ 93,558	\$ 95,898	\$ 236,633	\$ 244,599	\$ 250,714	\$ 256,982	\$ 263,407	\$ 269,992	\$ 276,742	\$ 283,660	\$ 290,752	\$ 298,020	\$ 305,471	\$ 313,108	\$ 320,955
DEVELOPER																		
Developer Reimbursement	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787
Developer Reimbursement Balance	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787	\$ 4,068,787
CITY																		
City Reimbursement	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585
City Reimbursement Balance	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585	\$ 5,183,585
MSF Non-Environmental Costs	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100
State Tax Reimbursement	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006	\$ 3,904,006
Local Tax Reimbursement	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095
Total MSF Reimbursement Balance	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100	\$ 9,070,100
State MSF Balance to be Reimbursed	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006	\$ 4,304,006
Local MSF Balance to be Reimbursed	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095	\$ 4,766,095
MDEQ Environmental Costs	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271
State Tax Reimbursement	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492
Local Tax Reimbursement	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779
Total MDEQ Reimbursement Balance	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271	\$ 182,271
State MDEQ Balance to be Reimbursed	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492
Local MDEQ Balance to be Reimbursed	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779	\$ 95,779
Local Only Costs	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Local Tax Reimbursement	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492	\$ 86,492
Total Local Only Reimbursement Balance	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total Annual Reimbursement	\$ -	\$ -	\$ -	\$ 93,558	\$ 95,898	\$ 236,633	\$ 244,599	\$ 250,714	\$ 256,982	\$ 263,407	\$ 269,992	\$ 276,742	\$ 283,660	\$ 290,752	\$ 298,020	\$ 305,471	\$ 313,108	\$ 320,955
LOCAL BROWNFIELD REVOLVING FUND																		
LBFR Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total LBFR Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Footnotes:

Table 2.2 - Tax Incremental Revenue Reimbursement Allocation Table
Eighth and Boardman Redevelopment
Traverse City, Michigan 49686

Plan Year	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Calendar Year	2013-14	2013-15	2013-16	2013-17	2013-18	2013-19	2014-15	2014-16	2014-17	2014-18	2014-19	2014-20	2014-21	2014-22
Total State Incremental Revenue	\$ 166,771	\$ 177,990	\$ 177,315	\$ 181,748	\$ 186,292	\$ 190,949	\$ 195,723	\$ 200,616	\$ 205,631	\$ 210,772	\$ 216,041	\$ 221,442	\$ 226,978	\$ 232,653
State Brownfield Revolving Fund (50% of SET)	\$ 21,096	\$ 21,624	\$ 22,164	\$ 22,719	\$ 23,286	\$ 23,869	\$ 24,465	\$ 25,077	\$ 25,704	\$ 26,346	\$ 27,005	\$ 27,680	\$ 28,371	\$ 29,082
State TIR Available for Reimbursement	\$ 145,675	\$ 156,367	\$ 155,151	\$ 159,030	\$ 163,005	\$ 167,080	\$ 171,257	\$ 175,539	\$ 179,927	\$ 184,425	\$ 189,036	\$ 193,762	\$ 198,606	\$ 203,571
Total Local Incremental Revenue	\$ 186,891	\$ 191,563	\$ 196,352	\$ 201,261	\$ 206,283	\$ 211,450	\$ 216,736	\$ 222,154	\$ 227,708	\$ 233,401	\$ 239,236	\$ 245,217	\$ 251,347	\$ 257,650
BRA Administrative Fee	\$ 6,607	\$ 7,797	\$ 8,931	\$ 10,108	\$ 11,320	\$ 12,568	\$ 13,854	\$ 15,179	\$ 16,544	\$ 17,950	\$ 19,397	\$ 20,885	\$ 22,415	\$ 23,987
Local TIR Available for Reimbursement	\$ 181,284	\$ 183,766	\$ 187,421	\$ 191,153	\$ 194,963	\$ 198,882	\$ 202,882	\$ 206,975	\$ 211,164	\$ 215,451	\$ 219,839	\$ 224,322	\$ 228,932	\$ 233,663
Total State & Local TIR Available	\$ 328,959	\$ 337,183	\$ 345,612	\$ 354,253	\$ 363,109	\$ 372,810	\$ 382,593	\$ 392,483	\$ 402,486	\$ 412,626	\$ 422,927	\$ 433,329	\$ 443,953	\$ 454,711
DEVELOPER	81%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Developer Reimbursement	\$ 266,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Developer Reimbursement Balance	\$ -	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$	\$ (61) \$
CITY	19%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
City Reimbursement	\$ 62,444	\$ 317,183	\$ 345,612	\$ 354,253	\$ 363,109	\$ 372,810	\$ 382,593	\$ 392,483	\$ 402,486	\$ 412,626	\$ 422,927	\$ 433,329	\$ 443,953	\$ 454,711
City Reimbursement Balance	\$ 5,128,941	\$ 4,782,759	\$ 4,438,146	\$ 4,093,894	\$ 3,750,785	\$ 3,408,925	\$ 3,068,412	\$ 2,729,244	\$ 2,391,427	\$ 2,054,964	\$ 1,720,754	\$ 1,388,799	\$ 1,059,099	\$ 730,754
MSF Non-Environmental Costs	\$ 322,478	\$ 330,540	\$ 338,804	\$ 347,274	\$ 355,956	\$ 364,865	\$ 374,009	\$ 383,389	\$ 392,995	\$ 402,829	\$ 412,889	\$ 423,167	\$ 433,664	\$ 444,381
State Tax Reimbursement	\$ 144,766	\$ 146,385	\$ 152,094	\$ 157,897	\$ 163,793	\$ 169,781	\$ 175,864	\$ 182,044	\$ 188,319	\$ 194,690	\$ 201,157	\$ 207,721	\$ 214,383	\$ 221,145
Local Tax Reimbursement	\$ 177,713	\$ 180,156	\$ 186,709	\$ 193,377	\$ 196,162	\$ 201,676	\$ 212,466	\$ 217,778	\$ 223,222	\$ 228,803	\$ 234,523	\$ 240,386	\$ 246,396	\$ 251,794
Total MSF Reimbursement Balance	\$ 5,000,059	\$ 4,689,518	\$ 4,350,918	\$ 4,003,441	\$ 3,647,485	\$ 3,282,020	\$ 2,901,670	\$ 2,514,811	\$ 2,122,206	\$ 1,724,610	\$ 1,282,775	\$ 852,444	\$ 411,355	\$ 0
State MSF Balance to Be Reimbursed	\$ 2,485,679	\$ 2,337,494	\$ 2,185,400	\$ 2,029,503	\$ 1,869,709	\$ 1,706,920	\$ 1,538,037	\$ 1,365,956	\$ 1,189,573	\$ 1,008,781	\$ 823,524	\$ 633,524	\$ 438,830	\$ 239,270
Local MSF Balance to Be Reimbursed	\$ 2,534,180	\$ 2,352,024	\$ 2,165,518	\$ 1,973,937	\$ 1,777,776	\$ 1,576,099	\$ 1,363,633	\$ 1,145,855	\$ 924,632	\$ 693,829	\$ 459,306	\$ 216,920	\$ (27,476)	\$ (239,269)
MDIQ Environmental Costs	\$ 6,400	\$ 6,642	\$ 6,809	\$ 6,979	\$ 7,153	\$ 7,344	\$ 7,543	\$ 7,751	\$ 7,967	\$ 8,192	\$ 8,427	\$ 8,664	\$ 8,904	\$ 9,151
State Tax Reimbursement	\$ 2,909	\$ 2,982	\$ 3,056	\$ 3,133	\$ 3,211	\$ 3,291	\$ 3,374	\$ 3,458	\$ 3,545	\$ 3,633	\$ 3,724	\$ 3,817	\$ 3,913	\$ 4,010
Local Tax Reimbursement	\$ 3,571	\$ 3,661	\$ 3,752	\$ 3,846	\$ 3,942	\$ 4,039	\$ 4,137	\$ 4,236	\$ 4,336	\$ 4,436	\$ 4,536	\$ 4,636	\$ 4,736	\$ 4,836
Total MDIQ Reimbursement Balance	\$ 100,882	\$ 94,240	\$ 87,431	\$ 80,452	\$ 73,299	\$ 65,955	\$ 58,311	\$ 50,477	\$ 42,466	\$ 34,215	\$ 25,778	\$ 17,131	\$ 8,267	\$ 0
State MDIQ Balance to Be Reimbursed	\$ 49,956	\$ 46,974	\$ 43,917	\$ 40,785	\$ 37,573	\$ 34,282	\$ 30,908	\$ 27,450	\$ 23,905	\$ 20,272	\$ 16,548	\$ 12,751	\$ 8,819	\$ 4,808
Local MDIQ Balance to Be Reimbursed	\$ 50,926	\$ 47,266	\$ 43,514	\$ 39,666	\$ 35,726	\$ 31,673	\$ 27,403	\$ 23,027	\$ 18,541	\$ 13,943	\$ 9,230	\$ 4,389	\$ (522)	\$ (4,808)
Local MDIQ Costs	\$ 5,607	\$ 5,747	\$ 5,891	\$ 6,038	\$ 6,189	\$ 6,344	\$ 6,503	\$ 6,666	\$ 6,832	\$ 6,999	\$ 7,169	\$ 7,341	\$ 7,515	\$ 7,691
Local Tax Reimbursement	\$ 29,585	\$ 29,838	\$ 30,096	\$ 30,358	\$ 30,624	\$ 30,894	\$ 31,168	\$ 31,446	\$ 31,728	\$ 32,013	\$ 32,301	\$ 32,592	\$ 32,886	\$ 33,183
Total Local Only Reimbursement Balance	\$ 328,959	\$ 337,183	\$ 345,612	\$ 354,253	\$ 363,109	\$ 372,810	\$ 382,593	\$ 392,483	\$ 402,486	\$ 412,626	\$ 422,927	\$ 433,329	\$ 443,953	\$ 454,711
LOCAL BROWNFIELD REVOLVING FUND														
LBRF Deposits *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total LBRF Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Up to five years of capture for LBRF Deposits taken from DEQ & Local TIR only.

Footnotes:

