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GRAN RA RS COUN Y
BROWNFI L R LOPM N AU HORI Y

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

his evelopment and Reimbursement Agreement is made on Ma 1 th bet een **S T LL** the O ner and the **GRAND TRAVERSE OUNT BRO N IELD REDEVELOPMENT AUT ORIT** the G CBRA a Mi higan publi bod orporate

PR MIS S

A he O ner is engaged in the development o 11 and 1 Grandvie Par a hi h is a part o the C Pla e Bro n ield Plan ommonl no n as the Marriot ribute Hotel the evelopment as des ribed on atta hed **E A** op ty) and to be lo ated on the ligible Propert as generall des ribed on the atta hed **E B** the Site

B he G CBRA has been ormed pursuant to A t 1 Publi A ts o Mi higan 1996 MCL 1 5 651 et seq A t 1 to promote the revitalization redevelopment and reuse o ontaminated tax reverted blighted un tionall obsolete or histori all designated properties he G CBRA has approved a Bro n ield Plan the Bro n ield Plan atta hed as **E** that in ludes the evelopment and the ligible A tivities to be per ormed on the Site

C he G CBRA has determined in urtheran e o its purposes and to a omplish its goals and Bro n ield Plan to reimburse the ost o ertain ligible A tivities as de ined b Se o o A t 1 Publi A ts o 1996 MCL 1 5 65 o ithin ligible Propert on the Site and as des ribed in the Bro n ield Plan and A t 1 Wor Plan Wo k an , attach d as **E D** as the same ma be subsequentl amended or supplemented

On Ma 1 the G CBRA approved a line item adjustment or the Bro n ield Plan and Wor Plan or the evelopment he G CBRA also approved entr into this evelopment and Reimbursement Agreement

Pursuant to the Bro n ield Plan and the A t 1 Wor Plan the G CBRA ill apture 1 % o the ax In rement Revenues authorized b la to be aptured rom the levies imposed b taxing jurisdi tions upon taxable propert or the ligible Propert onsistent ith A t 1 as amended and the Bro n ield Plan approved b the G CBRA the ax In rements Upon satis a tion o the onditions expressed in this Agreement the G CBRA ill use the ax In rement Revenues as provided b la and as des ribed in this Agreement

In onsideration o the premises and the mutual ovenants ontained in this Agreement the O ner and the G CBRA hereb enter into this Agreement and ovenant and agree as ollo s:

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or damage to property of third persons in the minimum amount of $2 million per occurrence.

The Owner 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 Owner's 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 Owner's liability for damages, costs or expenses under this Agreement.

Section 8.2 Deduction from Owner's Right to Reimbursement.

The Owner grants the GTCBRA the right to deduct or set off from any reimbursement obligation to Owner 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 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 28 days to cure the default. If the 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 of 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 default. The prevailing party shall be entitled to an award of reasonable costs and attorney fees.

Section 9.2 Tax Valuation and Payment of Tax Increment Revenue Shortfall.

Owner and GTCBRA have entered into this Agreement in reliance on certain assumptions about the increase in tax value of the Property that will be created by the Development, as contained in the May 18, 2023 Agenda Item of the GTCBRA for the Development and Approval of Line Item Adjustments under the Brownfield Plan. 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. Owner further agrees 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 Brownfield Plan and this Agreement, whether by Owner, a future tenant or any other future owner, Owner shall be responsible for paying GTCBRA the difference between the anticipated Tax Capture in **Exhibit C** and the actual Tax Capture as a result

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of any reduction in the assessed value of all or part of the Property. This obligation may be assigned by written agreement between Owner and any future tenant or owner of the 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 Owner has satisfactorily completed its Eligible Activities and performed its obligations under the terms of this Agreement, the Owner 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. The GTCBRA acknowledges that Owner intends to enter third-party financing agreements at any time, and from time to time, in connection with the Development and that Owner may assign and grant third-party security under this Agreement. The proceeding does not prohibit the Owner 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.

For Owner or an assignee to receive 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, the Owner must perform the following:

(a) The Owner provides the prospective transferee with written notice of the Act 381 Work Plan, the nature and extent of Eligible Activities performed by the Owner pursuant to the Brownfield Plan, and the extent of any outstanding obligation for reimbursement for pay-as-you-go expenses from taxes to be captured from the property.

(b) The Owner and the transferee enter into an allocation agreement covering how the Tax Increment Revenues collected on the property shall be distributed between the Owner and the prospective purchaser for any outstanding obligations or future obligations for Eligible Activities on the property.

(c) The Owner provides the GTCBRA with copies of the written notice and the allocation agreement between the Owner and the transferee of the property prior to transfer of the property.

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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 Owner, nor shall the benefits of this Agreement inure to the benefit of any trustee in bankruptcy, receiver or creditor of the Owner, whether by operation of law or otherwise, without the prior written consent of the GTCBRA which will not be unreasonably withheld. Any attempt to assign or transfer this Agreement or any of its rights without such written consent shall be null and void and of no force or effect, and a breach of this Agreement.

Section 10.4 Notices.

All notices, certificates or communications required 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:

Heidi Scheppe, Grand Traverse County Treasurer
Grand Traverse County Brownfield Redevelopment Authority
400 Boardman Avenue
Traverse City, MI 49684

With copies to:

Olson, Bzdok & Howard, P.C., Attorneys for GTCBRA
420 E. Front Street
Traverse City, MI 49686

Environmental Consulting & Technology, Inc.
3399 Veterans Drive
Traverse City, MI 49684

If to the Owner:

JS Traverse City, LLC
155 Romeo Rd., Ste. 300
Rochester, MI 48307

With copies to:

Deneweth, Vittiglio & Sassak, P.C., Attn: Anthony Vittiglio II, Attorney for Owner
1175 W. Long Lake Rd., Ste. 202
Troy, MI 48098

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

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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.

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 Project 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 Sec. 11.2 upon their respective successors, transferees, and assigns. Owner shall provide written notice prior to transfer or assignment of Owner's interest to any subsequent purchaser and assign of the existence of this Agreement.

Section 10.12 No Waiver.

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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 in the Environmental Consultant, 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.

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

Owner:

DocuSigned by:
Jeff Schmitz
48BF22F505FE4CE...

By: Jeff Schmitz
Its: Manager

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

DocuSigned by:
Amanda Scott
B2C61C28213F4FF...

By: Amanda Scott
Its: Chairperson

Approved as to form:

DocuSigned by:
Scott W. Howard
63680B2695C54F5...

By: Scott Howard
Its: Attorney

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EXHIBIT A

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EXHIBIT A

LEGAL DESCRIPTION

The following described premises situated in the City of Traverse City, County of Grand Traverse, State of Michigan to wit:

Lots 63 and 64, Hannah, Lay and Co's Eleventh Addition to Traverse City, according to the plat thereof as recorded in Liber 2, of Plats, page 62.
and
Lots 65 and 66, Hannah, Lay and Co's Eleventh Addition to Traverse City, according to the plat thereof as recorded in Liber 2, of Village Plats, page 62.

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EXHIBIT B

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SITE DEVELOPMENT PLANS

FOR

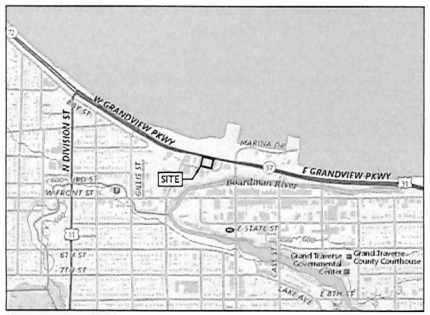
MARRIOTT TRIBUTE HOTEL

PROPOSED FOUR-STORY HOTEL WITH UNDERGROUND PARKING

PARCEL ID: 51-658-035-00 & 51-658-036-00
211 & 221 WEST GRANDVIEW PARKWAY
CITY OF TRAVERSE CITY, GRAND TRAVERSE COUNTY, MICHIGAN

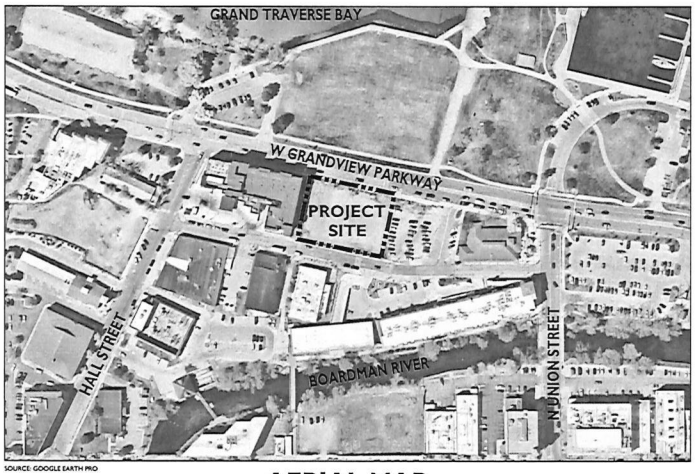
APPLICANT
JS CAPITOL GROUP
155 ROMEO ROAD, SUITE 300
ROCHESTER, MI 48307

ARCHITECT
KRIEGER KLATT ARCHITECTS
2120 E 11 MILE ROAD
ROYAL OAK, MI 48067
(248) 414-9270
JEFF@KRIEGERKLATT.COM



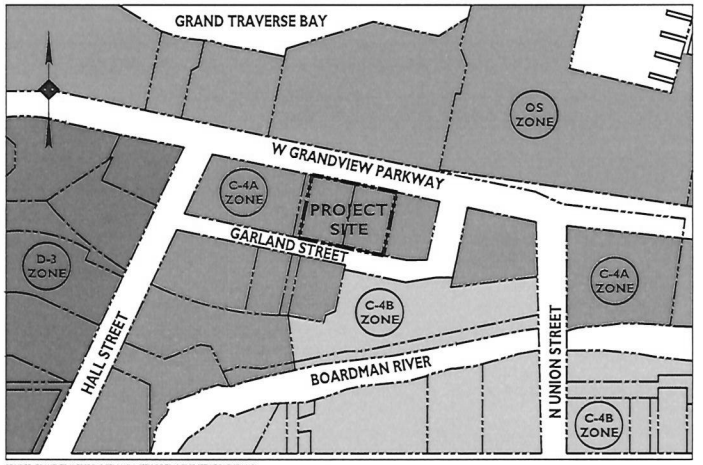
SOURCE: USGS NATIONAL MAPPER

LOCATION MAP
SCALE: 1" = 1,000'±



SOURCE: GOOGLE EARTH PRO

AERIAL MAP
SCALE: 1" = 100'±



SOURCE: GRAND TRAVERSE PARCEL MAP & CITY OF TRAVERSE CITY ZONING MAP

ZONING MAP
SCALE: 1" = 100'±

PLANS PREPARED BY:

STONEFIELD engineering & design
Detroit, MI · Rutherford, NJ · New York, NY
Princeton, NJ · Tampa, FL · Boston, MA
www.stonefieldeng.com

607 Shelby Suite 200, Detroit, MI 48226
Phone 248.247.1115

811 Know what's **below** **Call** before you dig.

PLAN REFERENCE MATERIALS:

1. THIS PLAN SET REFERENCES THE FOLLOWING DOCUMENTS INCLUDING, BUT NOT LIMITED TO:
   - ALTA-NSPS SURVEY PREPARED BY BURGESS SURVEYING, DATED 04/20/22
   - ARCHITECTURAL PLANS PREPARED BY KRIEGER KLATT ARCHITECTS, DATED 11/14/22
   - GEOTECHNICAL REPORT PREPARED BY G2 CONSULTING GROUP, DATED 12/22/21
   - AERIAL MAP PROVIDED BY GOOGLE EARTH PRO
   - ZONING MAP PROVIDED BY CITY OF TRAVERSE CITY
2. ALL REFERENCE MATERIAL LISTED ABOVE SHALL BE CONSIDERED A PART OF THIS PLAN SET AND ALL INFORMATION CONTAINED WITHIN THESE MATERIALS SHALL BE UTILIZED IN CONJUNCTION WITH THIS PLAN SET. THE CONTRACTOR IS RESPONSIBLE TO OBTAIN A COPY OF EACH REFERENCE AND REVIEW IT THOROUGHLY PRIOR TO THE START OF CONSTRUCTION.

SHEET INDEX

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SITE PLAN	C-2
GRADING PLAN	C-3
STORMWATER MANAGEMENT & UTILITY PLAN	C-4
LIGHTING PLAN	C-5
LANDSCAPING PLAN	C-6
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SHEET INDEX

DRAWING TITLE	SHEET #
ALTA-NSPS SURVEY	1 OF 1

ISSUE	DATE	BY	DESCRIPTION
3	06/02/2023	KH	SCHEMATIC DESIGN
2	11/27/2023	KH	LIGHTING REVISION
1	11/14/2023	KH	SITE PLAN APPROVAL

NOT APPROVED FOR CONSTRUCTION

STONEFIELD engineering & design
Detroit, MI · New York, NY · Boston, MA
Princeton, NJ · Tampa, FL · Rutherford, NJ
www.stonefieldeng.com

607 Shelby Suite 200, Detroit, MI 48226
Phone 248.247.1115

SITE DEVELOPMENT PLANS
MARRIOTT TRIBUTE HOTEL
PARCEL ID: 51-658-035-00 & 51-658-036-00
211 & 221 WEST GRANDVIEW PARKWAY
CITY OF TRAVERSE CITY
GRAND TRAVERSE COUNTY, MICHIGAN

MICHIGAN LICENSE No. 6201069428
LICENSED PROFESSIONAL ENGINEER

STONEFIELD engineering & design

SCALE: AS SHOWN | PROJECT ID: DET-218446

TITLE: COVER SHEET

DRAWING: C-1

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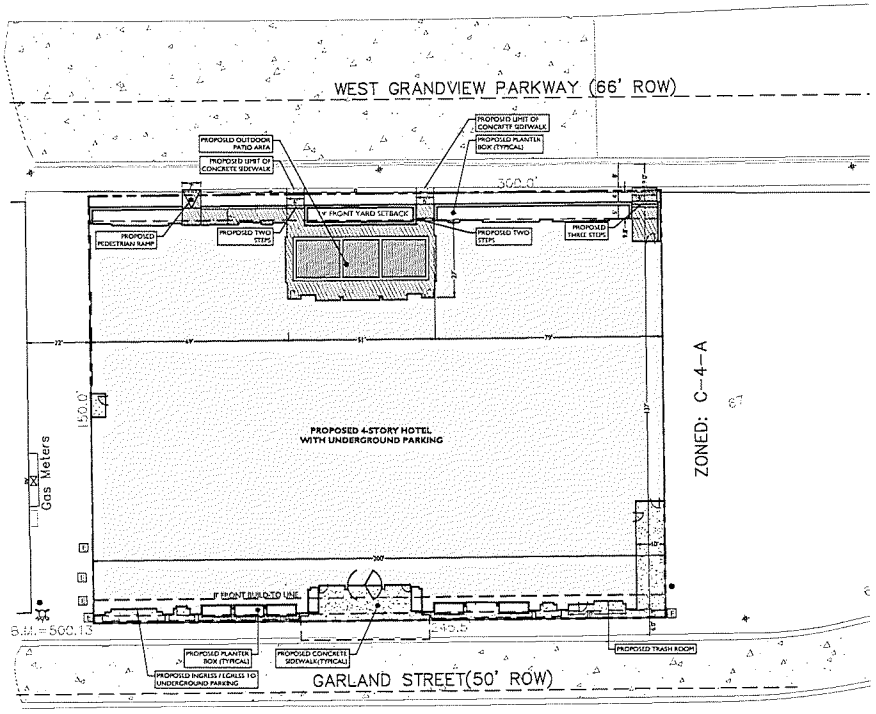

LAND USE AND ZONING		
PID: 51-458-035-00, 51-458-036-00		
REGIONAL CENTER DISTRICT (C-4A)		
PROPOSED USE		
LODGING FACILITIES	PERMITTED USE	
RESTAURANT	PERMITTED USE	
OFFICE	PERMITTED USE	
RETAIL	PERMITTED USE	
BANQUET	PERMITTED USE	
ZONING REQUIREMENT	REQUIRED	PROPOSED
MINIMUM LOT AREA	N/A	30,060 SF (0.69 AC)
MINIMUM LOT WIDTH	N/A	200 FT
MAXIMUM IMPERVIOUS COVERAGE	100% (30,000 SF)	92.9% (28,158 SF)
MINIMUM BUILDING HEIGHT	30 FT	REFER TO ARCHITECTURAL PLANS
MAXIMUM BUILDING HEIGHT	45 FT	REFER TO ARCHITECTURAL PLANS
MINIMUM STEPBACK (WEST GRANDVIEW PARKWAY) (1)	19 FT	19.0 FT
MINIMUM FRONT YARD SETBACK (WEST GRANDVIEW PARKWAY)	2.5 FT	9.8 FT
MAXIMUM FRONT YARD SETBACK (WEST GRANDVIEW PARKWAY)	15 FT	9.8 FT
MINIMUM FRONT YARD SETBACK (GARLAND STREET)	2.5 FT	2.9 FT
MAXIMUM FRONT YARD SETBACK (GARLAND STREET)	8 FT	2.9 FT
MINIMUM SIDE YARD SETBACK (ONE)	0 FT	0 FT
MINIMUM REAR YARD SETBACK	0 FT	N/A

(1) MEASURED FROM BACK OF CURB ALONG ROADWAY

OFF-STREET PARKING REQUIREMENTS		
CODE SECTION	REQUIRED	PROPOSED
§ 1340.08	C-4A PARKING: NO PARKING REQUIRED	REFER TO ARCHITECTURAL PLANS
§ 1374.02.G	DIMENSIONS: (90°) 8 FT × 18 FT W/ 20 FT AISLE (60°) 8 FT × 18 FT W/ 16 FT AISLE	8 FT × 18 FT, 20 FT 8 FT × 18 FT, 16 FT
§ 1374.02.G	BICYCLE PARKING: N/A IN C-4 DISTRICT	0 SPACES

SYMBOL	DESCRIPTION
	PROPERTY LINE
	SETBACK LINE
	PROPOSED CURB
	PROPOSED FLUSH CURB
	PROPOSED SIGNS / BOLLARDS
	PROPOSED BUILDING
	PROPOSED CONCRETE
	PROPOSED BUILDING DOORS

GENERAL NOTES

1. THE CONTRACTOR SHALL VERIFY AND FAMILIARIZE THEMSELVES WITH THE EXISTING SITE CONDITIONS AND THE PROPOSED SCOPE OF WORK (INCLUDING DIMENSIONS, LAYOUT, ETC.) PRIOR TO INITIATING THE IMPROVEMENTS IDENTIFIED WITHIN THESE DOCUMENTS. SHOULD ANY DISCREPANCY BE FOUND BETWEEN THE EXISTING SITE CONDITIONS AND THE PROPOSED WORK THE CONTRACTOR SHALL NOTIFY STONEFIELD ENGINEERING & DESIGN, LLC, PRIOR TO THE START OF CONSTRUCTION.
2. THE CONTRACTOR SHALL OBTAIN ALL NECESSARY PERMITS AND ENSURE THAT ALL REQUIRED APPROVALS HAVE BEEN OBTAINED PRIOR TO THE START OF CONSTRUCTION. COPIES OF ALL REQUIRED PERMITS AND APPROVALS SHALL BE KEPT ON SITE AT ALL TIMES DURING CONSTRUCTION.
3. ALL CONTRACTORS WILL TO THE FULLEST EXTENT PERMITTED BY LAW, INDEMNIFY AND HOLD HARMLESS STONEFIELD ENGINEERING & DESIGN, LLC, AND ITS SUBCONSULTANTS FROM AND AGAINST ANY DAMAGES AND LIABILITIES INCLUDING ATTORNEYS' FEES ARISING OUT OF CLAIMS BY EMPLOYEES OF THE CONTRACTOR IN ADDITION TO CLAIMS CONNECTED TO THE PROJECT AS A RESULT OF NOT CARRYING THE PROPER INSURANCE FOR WORKERS COMPENSATION, LIABILITY INSURANCE, AND LIMITS OF COMMERCIAL GENERAL LIABILITY INSURANCE.
4. THE CONTRACTOR SHALL NOT DEVIATE FROM THE PROPOSED IMPROVEMENTS IDENTIFIED WITHIN THIS PLAN SET UNLESS APPROVAL IS PROVIDED IN WRITING BY STONEFIELD ENGINEERING & DESIGN, LLC.
5. THE CONTRACTOR IS RESPONSIBLE TO DETERMINE THE MEANS AND METHODS OF CONSTRUCTION.
6. THE CONTRACTOR SHALL NOT PERFORM ANY WORK OR CAUSE DISTURBANCE ON A PRIVATE PROPERTY NOT CONTROLLED BY THE PERSON OR ENTITY WHO HAS AUTHORIZED THE WORK WITHOUT PRIOR WRITTEN CONSENT FROM THE OWNER OF THE PRIVATE PROPERTY.
7. THE CONTRACTOR IS RESPONSIBLE TO RESTORE ANY DAMAGED OR UNDERMINED STRUCTURE OR SITE FEATURE THAT IS IDENTIFIED TO REMAIN ON THE PLAN SET. ALL REMAINS SHALL USE NEW MATERIALS TO RESTORE THE FEATURE TO ITS EXISTING CONDITION AT THE CONTRACTOR'S EXPENSE.
8. CONTRACTOR IS RESPONSIBLE TO PROVIDE THE APPROPRIATE SHOP DRAWINGS, PRODUCT DATA, AND OTHER REQUIRED SUBMITTALS FOR REVIEW. STONEFIELD ENGINEERING & DESIGN, LLC, WILL REVIEW THE SUBMITTALS IN ACCORDANCE WITH THE DESIGN INTENT AS REFLECTED WITHIN THE PLAN SET.
9. THE CONTRACTOR IS RESPONSIBLE FOR TRAFFIC CONTROL IN ACCORDANCE WITH MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES, LATEST EDITION.
10. THE CONTRACTOR IS REQUIRED TO PERFORM ALL WORK IN THE PUBLIC RIGHT-OF-WAY IN ACCORDANCE WITH THE APPROPRIATE GOVERNING AUTHORITY AND SHALL BE RESPONSIBLE FOR THE PROCUREMENT OF STREET OPENING PERMITS.
11. THE CONTRACTOR IS REQUIRED TO RETAIN AN OSHA CERTIFIED SAFETY INSPECTOR TO BE PRESENT ON SITE AT ALL TIMES DURING CONSTRUCTION & DEMOLITION ACTIVITIES.
12. SHOULD AN EMPLOYEE OF STONEFIELD ENGINEERING & DESIGN, LLC BE PRESENT ON SITE AT ANY TIME DURING CONSTRUCTION, IT DOES NOT RELIEVE THE CONTRACTOR OF ANY OF THE RESPONSIBILITIES AND REQUIREMENTS LISTED IN THE NOTES WITHIN THIS PLAN SET.

20' 0' 20' 40'
GRAPHIC SCALE IN FEET
1" = 20'

ISSUE	DATE	BY	DESCRIPTION
3	04/03/2023	KM	SCHEMATIC DESIGN
2	11/21/2022	KM	LIGHTING REVISION
1	10/14/2022	KM	SITE PLAN APPROVAL

NOT APPROVED FOR CONSTRUCTION

STONEFIELD engineering & design
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Princeton, NJ · Tampa, FL · Rutherford, NJ
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607 Shelby Suite 200, Detroit, MI 48226
Phone 248.247.1115

SITE DEVELOPMENT PLANS

MARRIOTT TRIBUTE HOTEL

PARCEL I.D.: 51-458-035-00 & 51-458-036-00
211 & 221 WEST GRANDVIEW PARKWAY
GRAND TRAVERSE COUNTY, MICHIGAN

MICHIGAN LICENSE No. 6201069028
LICENSED PROFESSIONAL ENGINEER

STONEFIELD engineering & design

SCALE: 1" = 20' | PROJECT ID: DET-119444

TITLE: SITE PLAN

DRAWING: C-2

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EXHIBIT C

DocuSign Envelope ID: 4D060653-D5CD-4D4E-A2A0-2C754FA7D5BD

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN 2017 AMENDMENT FOR THE REDEVELOPMENT OF AND REUSE OF PROPERTIES LOCATED ON WEST FRONT STREET AND GRANDVIEW PARKWAY TRAVERSE CITY, MICHIGAN (a.k.a. TRAVERSE CITY PLACE)

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
400 Boardman Avenue
Traverse City, MI 49684
Contact Person: Jean Derenzy
Email: jderenzy@grandtraverse.org
Phone: 231-922-4513

Prepared with assistance from:
ADVANCED REDEVELOPMENT SOLUTIONS
PO Box 204
Eagle, Michigan 48822
Contact: Eric P. Helzer, EDFP
Phone: 517-648-2434

Date: September 13, 2017

Approved by Grand Traverse County Brownfield Redevelopment Authority on: August 30, 2017
Approved by City of Traverse City City Commission on: _____, 2017
Approved by Grand Traverse County Board of Commissioners on: _____, 2017

DocuSign Envelope ID: 4D060653-D5CD-4D4E-A2A0-2C754FA7D5BD

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN 2017 AMENDMENT

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A. Legal Description (per City of Traverse City Assessing Records) and Eligible Property Boundary Map (Added Parcel to 2017 Amendment)

B. Basis of Eligibility – Supportive Environmental and Non-Environmental Information Warehouse Flats Project

C. Table 4 – Tax Increment Financing Estimates

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PROJECT SUMMARY

Project Name: Redevelopment and Reuse of Properties Located on West Front Street and Grandview Parkway (a.k.a. Traverse City Place)

Developers: One additional Developer is identified for the Brownfield Plan Amendment (Plan):

Virgin Olives, LLC
101 N Park St., Suite 318
Traverse City, Michigan 49684
Contact Person: Mr. Thomas J. Darga
Email: Thom@Dargaworks.com
Phone #: (231) 944-2777

Eligible Property: The eligible property comprises 24 parcels in Traverse City, Grand Traverse County, Michigan. See the table in Section II.A for detailed parcel and address information.

Type of Eligible Property: Facility and Adjacent or Contiguous. See the table in Section II.A for type of eligible property by parcel number.

Project Description: The primary purpose of the original Brownfield Plan is to facilitate the development of a 24-parcel area in downtown Traverse City. It is anticipated that multiple projects will occur within this area.

This Plan Amendment is the result of one new development and identification of infrastructure improvements within the Traverse City Place area. The new development, called the Warehouse Flats Project (Project), includes the parcels located at 205 N. Union Street, 211 N. Union Street and 205 Garland Street which will be redeveloped into a mixed-use project. Project will have an integrated parking structure, commercial on the first floor and residential apartments above. Virgin Olives, LLC is the owner and developer of the Project.

This new development Project is seeking reimbursement through tax increment financing (TIF) for Brownfield eligible activities.

Purpose of Amendment: The original Brownfield Plan (BFP) was approved in 2001. It has been amended six times since (2002, 2005, 2007, 2010, 2012, and 2015). The purpose of this 2017 Brownfield Plan Amendment is to:

- Add one Eligible Property parcel at 205 N. Union Street to facilitate redevelopment of the area (now 24 total parcels).

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- Recognize environmental and non-environmental eligible activity costs associated with the three Project parcels located at 205 N. Union Street, 211 N. Union Street and 205 Garland Street as well as within the Traverse City Place area.
- Based on the historical information and based on the proposed new development Project occurring on the above identified parcels, the amendment is needed to address the adjustment of eligible activities for theses parcels. This amendment only adjusts eligible activities and costs from within the existing Brownfield Plan, as amended; it modifies costs in the original Brownfield Plan or its amendments. The eligible activities in this 2017 Amendment to the Brownfield Plan identify Department-Specific Activities (DEQ Environmental Eligible Activities) and MSF Non-Environmental Eligible Activities which have arisen as a result of new site data, new redevelopment Project plans and needed infrastructure improvements within the Traverse City Place area.

Eligible Activities:

Eligible activities are estimated at approximately $3,447,118 for the Warehouse Flats Project and Traverse City Place area related to Baseline Environmental Assessments, Due Care, Additional Response, Infrastructure Improvements, GTCBRA Application Fees, and Brownfield Plan/Act 381 Work Plan Preparation activities. Based upon current estimates of projected Taxable Value assumptions, the identified eligible activities totaling $3,447,118 in Table 1a are fully reimbursed by Year 2030. Therefore, after the Warehouse Flats and Traverse City Place area eligible activity cost obligations are met, over the balance of the 30-year capture period (Year 2032) there are surplus revenues of $1,216,318 in projected tax increment revenue capture for other TC Place Brownfield Plan eligible activity costs to be reimbursed as a result of the Warehouse Flats project.

By way of adoption of this Plan, the Brownfield Plan will cap eligible activity costs for the newly included Warehouse Flats Project at $3,447,118 (inclusive of GTCBRA Application Fees and Brownfield & Work Plan Preparation). However, if the actual costs of eligible activities are lower than the above estimates, reimbursement may be lower.

Does not include eligible activities approved in the original Brownfield Plan or previous amendments.

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Total Taxes Captured:	$3,447,118 in adjusted eligible activities under this 2017 amendment from within the original Brownfield Plan or its amendments to the Warehouse Flats project and infrastructure improvements within the Traverse City Place area. A total cost of $24,089,135 for eligible activities is already approved under original Brownfield Plan and previous amendments.
Duration of Plan:	Brownfield Plan expires at the end of 2032.
Estimated Total Capital Investment:	$25,000,000 from the Warehouse Flats project (excluding previous investments made prior to this Plan Amendment).
Base Taxable Value:	$3,090,661, as of this amendment.

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List of Acronyms:

BEA	Baseline Environmental Assessment (Michigan process to provide new property owners and/or operators with exemptions from environmental liability)
BFP	Original Brownfield Plan adopted by GTC on October 31, 2001
ESA	Environmental Site Assessment
GTC	Grand Traverse County Board of Commissioners
GTCBRA	Grand Traverse County Brownfield Redevelopment Authority
MDEQ	Michigan Department of Environmental Quality
MEGA	Michigan Economic Growth Authority (agency that approves use of school tax revenue to support non-environmental Brownfield activities)
MGP	Manufactured Gas Plant
Phase I ESA	An environmental historical review with non-invasive site inspection
Phase II ESA	Environmental subsurface investigation
Plan	2017 Amendment to the Brownfield Plan
Property	The eligible property located south of West Grandview Parkway, between Hall and Union Streets in Traverse City, Grand Traverse County, Michigan. It comprises 24 parcels.
TIF	Tax Increment Financing (TIF describes the *process* of using TIR—i.e., TIF is the use of TIR to provide financial support to a project)
TIR	Tax Increment Revenue (*new* property tax revenue, usually due to redevelopment and improvement that is generated by a property after approval of a Brownfield Plan)

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I. INTRODUCTION

A. General

Grand Traverse County, Michigan (the "County"), established the Grand Traverse County Brownfield Redevelopment Authority (the "Authority") on October 29, 1997, pursuant to Michigan Public Act 381 of 1996, as amended ("Act 381"). The primary purpose of Act 381 is to encourage the redevelopment of eligible property by providing economic incentives through tax increment financing for certain eligible activities.

The main purpose of this 2017 Amendment to the Brownfield Plan ("Plan") is to promote the redevelopment of and investment in certain "Brownfield" properties within the County. Adjusting environmental and non-environmental eligible activities within this Plan will facilitate financing of environmental response and other eligible activities, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as "brownfields." By facilitating redevelopment of Brownfield properties, this Plan is intended to promote economic growth for the benefit of the residents of the County and all taxing units located within and benefited by the Authority.

Specifically, this Plan is to identify eligible activities and adjust costs that are necessary for the Warehouse Flats Project redevelopment at 205 N. Union Street, 211 N. Union Street and 205 Garland Street and within the Traverse City Place area. Based on preliminary assessment work, and review of the environmental conditions to the proposed development Project parcels, identified that environmental costs will be incurred to address environmental conditions as well as infrastructure improvements within the Traverse City Place area, necessitating this Plan Amendment.

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

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

This Plan contains information required by Section 13(2) of Act 381.

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B. Brownfield Plan, Plan Amendments, and Work Plans Summary

This Plan is the 2017 Amendment to the original Brownfield Plan, as amended.

Original Brownfield Plan 2001 -

The original Brownfield Plan (BFP) was approved by GTC on October 31, 2001. It identified eligible property and eligible activities to allow for contemplated future redevelopment of multiple parcels within a defined area of the city know as Traverse City Place. No Act 381Work Plan was considered at the time.

The original Brownfield Plan included three parcels (the former Grand Traverse Auto properties). It identified $4,947,059 (including interest) in BEA, due care, additional response, asbestos and lead, demolition, site preparation, and infrastructure activities.

The original Brownfield Plan has been amended six times as follows:

2002 Amendment -

The 2002 Amendment to the Brownfield Plan was approved on October 30, 2002. It added 11 parcels to the eligible property, bringing the total number of parcels included to 14. The 2002 Amendment added eligible activity costs for BEA activities, due care, additional response activities, asbestos and lead, demolition, site preparation, and infrastructure improvements, bringing the total approved costs to $15,000,000 (including interest).

2005 Amendment -

The 2005 Amendment to the Brownfield Plan was completed on May 25, 2005. It added four parcels to the eligible property, bringing the total number of parcels included to 18. The 2005 Amendment added $2,579,073 to the total approved costs, bringing the total approved costs to $17,279,073 (including interest).

2007 Amendment -

The 2007 Amendment to the Brownfield Plan was completed on September 26, 2007. It removed one parcel from the eligible property, bringing the total number of parcels included to 17. The 2007 Amendment did not change the previously approved costs of $17,279,073 (including interest).

2010 Amendment -

The 2010 Amendment to the Brownfield Plan was approved by Grand Traverse County on September 29, 2010. It added one parcel to the eligible property, bringing the total number of parcels included to 18. The 2010 Amendment added DEQ and MEGA eligible activities (the costs of which were $1,538,602 (including interest): $1,195,208 in MEGA, and $343,394 in DEQ), but removed other costs from the Brownfield Plan so that the total "not-to-exceed"

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approval was reduced to $15,835,176 (including interest). As a result, the 2010 Amendment reduced the overall Brownfield Plan by $1,743,897. Since the 2010 Amendment, one of the eligible property parcels has been re-platted and now comprises three parcels, bringing the total number of parcels included in the Brownfield Plan to 20.

2012 Amendment -

The 2012 Amendment was approved by the County Board of Commissioners in October, 2012. The amendment was specifically to add two parcels to the Brownfield Plan Area and to include $784,000 in environmental costs to the overall Plan. The environmental costs were identified based on new environmental information provided by the Hotel Indigo project.

2015 Amendment –

The 2015 Amendment added environmental costs associated with the redevelopment at 124, 145 West Front Street, and 207, 211 221 West Grandview Parkway and environmental costs associated with the public infrastructure improvement for Garland Street.

2017 Amendment –

This 2017 Amendment will add one Eligible Property parcel at 205 N. Union Street to facilitate redevelopment of the area (now 24 total parcels). Adjust already approved and recognized environmental and non-environmental eligible activity costs from prior Brownfield Plan Amendments and move a portion of those costs toward environmental and non-environmental eligible activities associated. The environmental costs are costs associated with parcels located at 205 N. Union Street, 211 N. Union Street and 205 Garland Street. The non-environmental costs are associated to city of Traverse City infrastructure related to public utilities, capacity improvements and shoreline stabilization to protect public infrastructure. No increase to environmental and non-environmental eligible activity costs are included in this 2017 Amendment.

Plan Summary Tables, As Amended -

The following table lists the individual parcels (eligible property) and shows when the parcels became part of the Plan. The table also shows as the parcels' eligible property qualifying criteria as either a facility or adjacent or contiguous to a facility parcel.

				Amendments						
		Qualifying Criteria	BFP	2002	2005	2007	2010	2012	2015	2017
Tax Parcel Number	Address									
51-706-004-00	124 W. Front Street (former G.T. Auto showroom	Facility	●	●	●	●	●	●	●	●
51-794-002-50	145 W. Front Street (former Mitsubishi dealership	Facility	●	●	●	●	●	●	●	●

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FRONT STREET AND GRANDVIEW PARKWAY PROPERTIES

Brownfield Plan-2017 Amendment

51-794-001-00	305 W. Front St. (Former G.T. Auto Lot)	Facility	●	●	●	Re-moved				
51-706-007-00	Lot 26 Hannahy Lay & Co's 5th Addition (vacant – west)	Facility		●	●	●	●	●	●	●
51-658-038-00	207 W. Grandview Parkway (207 Grandview Parkway, LLC)	Facility		●	●	●	●	●	●	●
51-658-036-00	211 W. Grandview Parkway (Gilbert's)	Facility		●	●	●	●	●	●	●
51-658-035-00	221 W. Grandview Parkway (Bay West Antiques)	Facility		●	●	●	●	●	●	●
51-658-034-00	Vacant Land	Adjacent		●	●	●	●	●	●	●
51-658-040-00	205 Garland Street (Fifth Third maintenance building)	Facility		●	●	●	●	●	●	●
51-658-041-00	221 Garland Street (Excel building)	Facility		●	●	●	●	●	●	●
51-658-042-00	225 Garland Street (Vacant Land)	Facility		●	●	●	●	●	●	●
51-658-043-00	229 Garland Street (Warehouse)	Facility		●	●	●	●	●	●	●
51-658-045-01	118 Hall Street	Facility		●	●	●	●	●	●	●
51-658-045-10* (Includes 51-658-045-20 &51-103-014-30)	130 Hall Street	Facility		●	●	●	●	●	●	●
51-103-014-00	211 N. Union Street (Parking Lot)	Facility		●	●	●	●	●	●	●
51-658-033-00	223 West Grandview Parkway (Bubba's)	Facility			●	●	●	●	●	●
51-658-032-00	235 West Grandview Parkway (CTM)	Facility			●	●	●	●	●	●
51-794-002-00	123 W. Front Street GFA Land Company LLC	Facility			●	●	●	●	●	●
51-794-004-00	119 W. Front Street Record Eagle Co	Adjacent			●	●	●	●	●	●
51-658-031-00	263 West Grandview Parkway (Midas)	Facility					●	●	●	●

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51-706-006-00**	290 W Front St.	Facility						●	●	●
51-706-009-00	302 W. Front St.	Adjacent						●	●	●
51-103-014-10	205 N. Union Street (Fifth Third bank drive-thru building)	Facility								●

* 51-658-045-10 was re-platted between 2004 and 2005 into three parcels (51-658-045-10, 51-658-045-20, and 51-103-014-30) representing the same geographic area.

**Northern half of this parcel has been within the Brownfield Plan Area since original approval, due to re-plat of parcel 51-706-004-00.

The following table summarizes the eligible activity costs that were approved in the original Brownfield Plan (BFP) and subsequent amendments.

	Original Brownfield Plan	2002 Amendment	2005 Amendment	2007 Amendment	2010 Amendment	2012 Amendment	2015 Amendment	2017 Amendment
Eligible Activities	$3,980,768	$14,145,417	$854,583	$0	$1,378,602	$708,982	$6,267,219	$0
Interest	$966,291	$854,583	$1,724,490		$160,000		$1,200,000	
Total New Costs	$4,947,059	$15,000,000	$2,579,073	$0	$1,538,602*	$708,982	$7,544,977	$0
Previously Approved		(amends previous)			(amends previous)			
New Grand Total		$15,000,000	$17,579,073	$17,579,073	$15,835,176*	$16,544,158	$24,089,135	$24,089,135

* Even though there were newly added eligible activities in this 2010 Brownfield Plan Amendment, because other eligible activities that were originally contemplated in prior amendments did not occur, the overall Plan was reduced by $1,743,897.

MEGA Work Plans -

The MEGA Board approved the original non-environmental Act 381 Work Plan December 17, 2002, after the 2002 Amendment to the Brownfield Plan. The original MEGA Work Plan approved school tax reimbursement toward $12,181,391 in non-environmental eligible activities.

On June 21, 2005, the MEGA Board approved the Act 381 Work Plan Amendment #1 to recognize two additional parcels in the Tax Increment Financing plan for the project, demolish a structure situated on one of the two new parcels and designate a new location for the previously approved parking deck. The MEGA Board upwardly revised its previous approval to $12,353,891 in non-environmental eligible activities.

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On November 17, 2010, the MEGA Board approved the Act 381 Work Plan Amendment #2 to recognize one other parcel as well as eligible activities to support the Hotel Indigo project. The MEGA Board upwardly revised its previous approval to $13,459,438 in non-environmental eligible activities.

MDEQ Work Plan -

On December 3, 2010, MDEQ approved an environmental Act 381 Work Plan. The MDEQ Work Plan approved school tax reimbursement toward $343,394 in environmental eligible activities.

On October 15, 2015, MDEQ partially approved an environmental Act 381 Work Plan. The MDEQ Work Plan approved school tax reimbursement toward $920,432 in environmental eligible activities to support the 207, 211 and 221 West Grandview Parkway project.

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II. GENERAL PROVISIONS

A. Description of Eligible Property (Section 13 (2)(h))

The eligible property is located south of West Grandview Parkway, between Hall and Union Streets in Traverse City, Grand Traverse County, Michigan. It comprises 24 parcels. Detailed information on these parcels (the "Property") is summarized in the following table.

				Amendments						
		Qualifying Criteria	BFP	2002	2005	2007	2010	2012	2015	2017
Tax Parcel Number	Address									
51-706-004-00	124 W. Front Street (former G.T. Auto showroom	Facility	●	●	●	●	●	●	●	●
51-794-002-50	145 W. Front Street (former Mitsubishi dealership	Facility	●	●	●	●	●	●	●	●
51-794-001-00	305 W. Front St. (Former G.T. Auto Lot)	Facility	●	●	●	Re-moved				
51-706-007-00	Lot 26 Hannahy Lay & Co's 5th Addition (vacant – west)	Facility		●	●	●	●	●	●	●
51-658-038-00	207 W. Grandview Parkway (207 Grandview Parkway, LLC)	Facility		●	●	●	●	●	●	●
51-658-036-00	211 W. Grandview Parkway (Gilbert's)	Facility		●	●	●	●	●	●	●
51-658-035-00	221 W. Grandview Parkway (Bay West Antiques)	Facility		●	●	●	●	●	●	●
51-658-034-00	Vacant Land	Adjacent		●	●	●	●	●	●	●
51-658-040-00	205 Garland Street (Fifth Third maintenance building)	Facility		●	●	●	●	●	●	●
51-658-041-00	221 Garland Street (Excel building)	Facility		●	●	●	●	●	●	●
51-658-042-00	225 Garland Street (Vacant Land)	Facility		●	●	●	●	●	●	●
51-658-043-00	229 Garland Street (Warehouse)	Facility		●	●	●	●	●	●	●
51-658-045-01	118 Hall Street	Facility		●	●	●	●	●	●	●
51-658-045-10* (Includes 51-658-045-20 &51-103-014-30)	130 Hall Street	Facility		●	●	●	●	●	●	●

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51-103-014-00	211 N. Union Street (Parking Lot)	Facility		●	●	●	●	●	●	●
51-658-033-00	223 West Grandview Parkway (Bubba's)	Facility			●	●	●	●	●	●
51-658-032-00	235 West Grandview Parkway (CTM)	Facility			●	●	●	●	●	●
51-794-002-00	123 W. Front Street GFA Land Company LLC	Facility			●	●	●	●	●	●
51-794-004-00	119 W. Front Street Record Eagle Co	Adjacent			●	●	●	●	●	●
51-658-031-00	263 West Grandview Parkway (Midas)	Facility					●	●	●	●
51-706-006-00**	290 W Front St.	Facility						●	●	●
51-706-009-00	302 W. Front St.	Adjacent						●	●	●
51-103-014-10	205 N. Union Street (Fifth Third bank drive-thru building)	Facility								●

* 51-658-045-10 was re-platted between 2004 and 2005 into three parcels (51-658-045-10, 51-658-045-20, and 51-103-014-30) representing the same geographic area.

**Northern half of this parcel has been within the Brownfield Plan Area since original approval, due to re-plat of parcel 51-706-004-00.

One additional Eligible Property is being added to this Plan. The table above only is provided to identify clearly the Eligible Property within Plan and how the parcel is eligible to be contained in this Plan.

Attachment A includes the legal description and an Eligible Property Boundary Map for the added parcel to this Plan.

As identified, one developer is proposing to move forward with a development, which is called the Warehouse Flats Project at 205 N. Union Street, 211 N. Union Street and 205 Garland Street. The Project will be developed by Virgin Olives, LLC of Traverse City, Michigan at the location identified on the Scaled Property Location Map below.

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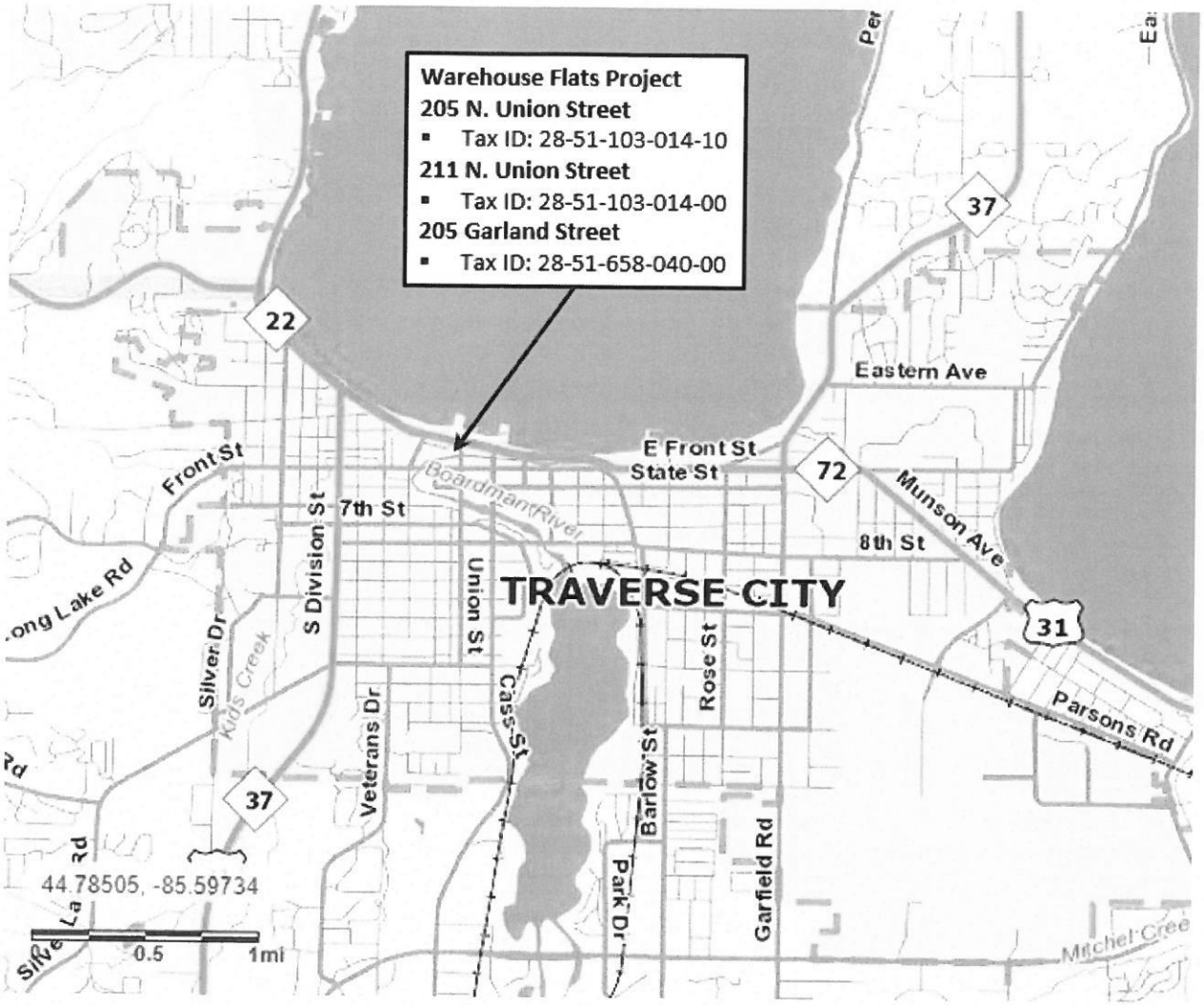
Scaled Property Location Map – Warehouse Flats Project



This Project is seeking TIF reimbursement for Brownfield eligible activities. The use of TIRs is a necessary component of redevelopment financing because of Brownfield conditions.

The eligible property located on 205 N. Union Street, 211 N. Union Street and 205 Garland Street is zoned C-4a.

In general, C-4 zoning accommodates a broad variety of retail, office and residential uses integrated with hotels, convention centers, and public parking facilities. The first floors of buildings are primarily for retail, financial services and restaurants. The upper stories of buildings are generally occupied by offices, services and residences. High-density housing is also appropriate. In addition, pedestrian traffic is encouraged by integrating sidewalk and river walk systems.

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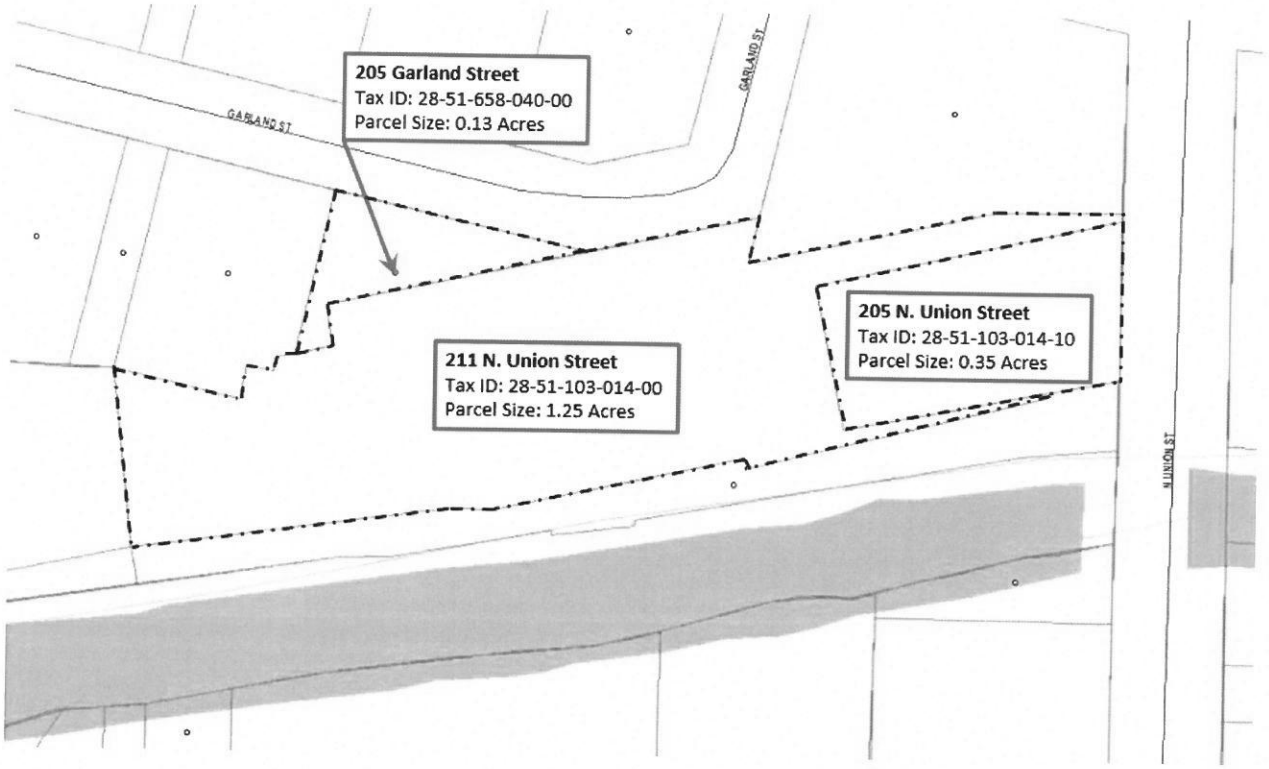
Building heights are specific to particular zoning delineations. The C-4a zoning allows for buildings ranging in height from two to three stories or 30 to 45 feet. A fourth story is allowed if the building is no taller than 45 feet. A Conditional Rezoning Request application was filed and summarily issued to change existing zoning from C-4a to C-4b with a height restriction of 59'-11 inches as was requested and Conditional Rezoning Permit granted to the Developer of the Warehouse Flats Project.

Eligible Property Map – Warehouse Flats Project



B. <u>Basis of Eligibility (Section 13 (2)(h) , Section 2 (p)), Section 2(r)</u>

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) it was previously utilized or is currently utilized for a commercial or industrial purpose; (b) it is located within the City of Traverse City, which is a qualified local governmental unit, or "Core Community" under Act 381; and (c) each of the parcels comprised by the Property have been determined to be (a) a "facility", or (b) adjacent or contiguous to at least one of the Property's "facility" parcels. Refer to the table in Section II.A for a summary of qualifying criteria.

The site located at 124 West Front Street was used as the main office, auto dealership and automobile service center for Grand Traverse Auto. The building remains on the site. The facility designation applies to the site because of a documented release from a 500-gallon waste oil underground storage tank. The release was confirmed during closure activities on December 2, 1992 and reported on December 3, 1992.

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Approximately three cubic yards of contaminated soil were removed and disposed from the site. Ensuing soil and groundwater studies were undertaken and the contaminant plume was defined. Concentrations of tetrachloroethylene (PCE), vinyl chloride, and 1,1,2-trichloroethane exceed the residential clean-up criteria. A mixing zone calculation for the venting of this material to the Boardman River was submitted to and approved by MDEQ.

Adjacent to and west of the former Grand Traverse Auto is a small strip of vacant land that is owned by the city of Traverse City. Due to the close proximity to the Grand Traverse Auto site and groundwater flow direction from the One-Hour Martinizing site, there is a potential for migration of contamination onto the site.

The site located at 145 West Front Street formerly held the Mitsubishi dealership building for Grand Traverse Auto. Prior to being used as a dealership, the building contained an A & P grocery store. Additional historical information for this portion of the property will be gathered during the course of the Phase I to be completed as part of the MDEQ-eligible activities for redevelopment. While no soil or groundwater studies have been conducted with regard to historical operations located on the parcel, it was included in the Grand Traverse Auto hydrogeological investigation.

In addition, it has been included in an on-going groundwater study for an up-gradient facility. One well was installed by Environmental Solutions, Inc. (ESI) as part of the hydrogeological investigation for the Grand Traverse Auto site (Parcel 1). The purpose of the well was to determine the condition of groundwater migrating onto Parcel 1 from an up-gradient source. Results from a 1995 sampling event indicate levels of tetrachloroethylene (PCE) above the drinking water criteria.

The One-Hour Martinizing property, located directly south of the parcel, is a known facility. Groundwater monitoring wells have been installed on the former Mitsubishi dealership property as part of the hydrogeological investigation for the One-Hour Martinizing site. According to Mr. John Vanderhoof, Environmental Quality Analyst for the DEQ Environmental Response Division, the contaminant plume from the One-Hour Martinizing site is migrating onto the former Mitsubishi site. The migration of contaminants onto the Mitsubishi site would qualify it for facility status.

Gourdie Fraser (GFA Land Company), located at 123 West Front Street, has identified soils being impacted by a Phase II investigation being conducted in January 2003 by current owners. The migration of contaminants from the One-Hour Martinizing site is anticipated to be migrating onto this site. Additional samplings will be completed as part of the MDEQ-eligible activities for redevelopment.

Record Eagle Parking Lot, located at 119 West Front Street is contiguous to the Gourdie Fraser property. Due to the contiguous property to the Gourdie Fraser site, as a known facility, and groundwater flow direction from the One-Hour Martinizing site, there is a potential for migration of contamination onto the site.

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Gilbert's Service, located at 211 West Grandview Parkway, is currently included on the Leaking Underground Storage Tank (LUST) list of open sites and is therefore considered a facility. This database is maintained by the MDEQ. Soil and groundwater contamination associated with ten former underground storage tank systems has been documented at the site. The site is currently being monitored by MDEQ. According to Ms. Ann Emington, of the Remediation and Redevelopment Division (RRD) of MDEQ, a remediation system was installed for a short period of time and closure of the site has not been achieved. In addition, debris present at the site includes abandoned gas dispensers, unlabeled drums, semi-trailers with unknown storage and scrap auto parts. A 1953 Sanborn map indicates property use as an auto service station with two gas tanks. Due to the date of construction of the building, there is a potential for lead and asbestos to exist at the site.

Bay West Antiques, located at 221 West Grandview Parkway, was formerly an auto dealership and auto repair facility. Phase I and Phase II ESAs have been performed for the facility. Two underground storage tanks were noted and were classified as heating oil storage tanks. The two USTs were removed and testing was performed in February 2001. Though the levels of polynuclear hydrocarbons (PNAs) associated with the tanks were below the residential clean up criteria, the property is eligible property; since it is adjacent and contiguous to Gilbert's Service (211 W. Grandview Parkway), is in a qualified local governmental unit and its development under this brownfield plan will increase the captured taxable value of the property. The Phase I ESA report also noted a floor drain that runs north and south through the center of the building. No sampling was performed in this area during the Phase II ESA. Due to the nature of the auto repair portion of the building, there is potential for hydraulic hoists and associated tank systems to remain at the site.

In addition, a 1953 Sanborn map indicates that there was a paint spray booth on the southeast corner of the building. The Sanborn also indicates asbestos clad building materials. A 1929 Sanborn map indicates an auto body refinishing shop on the southern portion of the property. Due to the date of construction, there is a potential for lead based paint to exist as well.

Adjacent to and west of the Bay West Antique property is a small strip of vacant land that is owned by the city of Traverse City (223 W. Grandview Prky.). Due to the location of the property, there is a potential for migration of off-site contamination onto the site. In addition, this property is eligible property since; it is adjacent and contiguous to the Baywatch Property, LLC (Bubba's at 223 W. Grandview Prky.), is in a qualified local governmental unit and its development under this brownfield plan will increase the captured taxable value of the property.

205 N. Union Street, 211 N. Union Street and 205 Garland Street were subject to a Phase I Environmental Site Assessment (ESA) prepared by Inland Seas Engineering, Inc. (ISE) on June 25, 2016 which led to a July 2017 Phase II ESA on these parcels. It is the opinion of the ISE Environmental Professional that conditions indicative of a release or material threat of a release do exist on the Property in connection with the RECs identified by ISE in its P1ESA. Further, a "facility" condition, as that term is defined in Part 201 of NREPA is evident at the Property from evaluation of RECs identified through ISE's P1ESA. Attachment B identifies each parcel and the associated contaminants that facilitate a facility condition.

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A BEA was submitted to the MDEQ for the property to the northeast of 205 Garland Street. Located at 207 W. Grandview Parkway, the property is an open LUST site. Conversations with Ms. Ann Emington, MDEQ RRD, indicate that groundwater flow has been documented to the east, northeast and southeast. In addition, the 1929 Sanborn map indicates a bulk oil facility to the south of the maintenance building property. There is a potential for offsite migration of contaminants from the surrounding and adjacent properties. Due to the date of construction, there is a potential for lead based paint and asbestos to exist in the building.

Multiple retail and office uses are located at 221 Garland Street. Limited environmental assessments have been completed on this property, therefore although the site will be developed, additional studies will be completed to ensure full compliance with environmental clean-up is completed. The eligible activities are estimated based on these limited assessments. This property is eligible property since: it is adjacent and contiguous to 205 Garland Street (contaminated by the Gilbert's LUST release), is in a qualified local governmental unit and its development under this brownfield plan will increase the captured taxable value of the property. A 1953 Sanborn map indicates that the building was used as a warehouse for paper products and novelties. The site is located north of the former Rennie Oil bulk storage facility, which was noted on the 1929 Sanborn map. Due to the date of construction, there is a potential for lead based paint and asbestos to exist in the building.

Adjacent to and west of 221 Garland is a small strip of vacant land that is owned by the city of Traverse City. Due to the location of the property, there is a potential for migration of off-site contamination onto the site.

A warehouse is currently located at 229 Garland Street. There is no readily available information about the warehouse, however, the 1953 Sanborn map indicates that the site was used as warehouse. The 1929 Sanborn map indicates a lumber company on the site. There is a potential for migration of off-site contamination onto the site. In addition, due to the date of construction, there is a potential for lead based paint and asbestos to exist in the building.

A portion of the property currently owned by Traverse Light and Power (TCLP) is included in the Brownfield Plan. Located at 118 Hall Street, TCLP erected an electrical substation structure on the site in 2002. The 1929 and 1953 Sanborn maps indicate that rail spurs ran through the property. In addition, there is a potential for migration of off-site contamination to be migrating onto the property.

Properties at 223, 235 and 263 West Grandview Parkway are parcels that are currently the new development of the Hotel Indigo Project. Through this development contaminants were discovered migrating on the property from off-site sources. Significant dewatering occurred at this site and work continues to identify the source to assist in the remediation to assist in future development costs.

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Based on information from Grand Traverse County, the 290 W. Front St. parcel is a facility. The 302 W. Front St. parcel is adjacent and contiguous to 290 West Front Street which has been identified as a facility.

Attachment B includes the Basis of Eligibility- Supportive Environmental and Non-Environmental Information for the Warehouse Flats Project.

C. Summary of Eligible Activities and Description of Costs (Section 13 (2)(a),(b))

The "eligible activities" that are intended to be carried out at the Property pursuant to this 2017 Amendment are considered "eligible activities" as defined by Sec 2 of Act 381, because they include Baseline Environmental Assessments, Due Care, Additional Response, Infrastructure Improvements, GTCBRA Application Fees, and Brownfield Plan/Act 381 Work Plan Preparation activities.

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with tax increment revenues from the Property pursuant to this 2017 Amendment are shown in the table below. It should be noted that the costs below are *adjusted eligible activity costs reallocated to the Warehouse Flats project and to within the Traverse City Place area from what was approved in the original Brownfield Plan and Amendments. These are adjustments of prior costs with no added costs under this 2017 Amendment.*

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ESTIMATED COST OF ADJUSTED ELIGIBLE ACTIVITIES

205 N. UNION STREET, 211 N. UNION STREET AND 205 GARLAND STREET

Table 1a - Itemized Eligible Activities	Eligible Activity Amount Supported in Brownfield Plan	Local Tax Capture	State School Tax Capture	Local Tax Capture Only	State Tax Capture Only
		10.88%	89.12%	100.00%	100.00%
Baseline Environmental Assessment (BEA) Activities	$ 58,000	$ 6,310	$ 51,690	$ -	$ -
Due Care Activities	$ 262,388	$ 28,547	$ 233,841	$ -	$ -
Additional Response Activities	$ 1,072,230	$ 116,656	$ 955,574	$ -	$ -
Total Environmental	**$ 1,392,618**	**$ 151,513**	**$ 1,241,105**	**$ -**	**$ -**
Demolition Activities	$ -	$ -	$ -	$ -	$ -
Lead and Asbestos Abatement Activities	$ -	$ -	$ -	$ -	$ -
Infrastructure Improvements Activities	$ 2,000,000	$ 217,595	$ 1,782,405	$ -	$ -
Site Preparation Activities	$ -	$ -	$ -	$ -	$ -
Total Non Environmental	**$ 2,000,000**	**$ 217,595**	**$ 1,782,405**	**$ -**	**$ -**
Contingency Environmental (0%)	$ -	$ -	$ -	$ -	$ -
Contingency Non-Environmental (0%)	$ -	$ -	$ -	$ -	$ -
Interest (0%)	$ -	$ -	$ -	$ -	$ -
Sub Total: EAs + Contingencies + Interest	***$ 3,392,618***	***$ 369,108***	***$ 3,023,510***	***$ -***	***$ -***
Brownfield Plan & Work Plan Preparation	$ 34,000	$ 3,264	$ 26,736	$ 4,000	$ -
Local Application Fees	$ 20,500	$ -	$ -	$ 20,500	$ -
Total Administrative: Brownfield Plan + Work Plan + Application Fees	**$ 54,500**	**$ 3,264**	**$ 26,736**	**$ 24,500**	**$ -**
Sub Total: EAs + Contingencies + Interest + Administrative	***$ 3,447,118***	***$ 372,372***	***$ 3,050,246***	***$ 24,500***	***$ -***
Brownfield Redevelopment Authority (BRA) Administration	$ -			$ -	
BRA Local Site Remediation Revolving Fund (LSRRF)	$ -			$ -	
Total BRA: BRA Administration + LSRRF	$ -	$ -	$ -	$ -	$ -
Sub Total: EAs + Contingencies + Interest + Administrative + BRA	*$ 3,447,118*	*$ 372,372*	*$ 3,050,246*	*$ 24,500*	*$ -*
State of Michigan Brownfield Redevelopment Fund (MBRF)	$ -	$ -	$ -	$ -	$ -
GRAND TOTAL: EAs + Contingencies + Interest + Administrative + BRA + MBRF	**$ 3,447,118**	**$ 372,372**	**$ 3,050,246**	**$ 24,500**	**$ -**

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Table 1b - Summary of Eligible Activities	Eligible Activity Amount Supported in Brownfield Plan
Total Local Taxes to Developer and Public for Eligible Activities, Contingency and Interest	$ 396,872
Total Local Taxes to BRA Eligible Activities, Contingency and Interest	$ -
Total Local Tax Capture Eligible Activities, Contingency and Interest	$ 396,872
Total Local Taxes to BRA Administration	$ -
Total Local Taxes to Local Site Remediation Revolving Fund (LSRRF)	$ -
Total Local Taxes to BRA	**$ -**
Total School Taxes to Developer and Public for Eligible Activities, Contingency and Interest	$ 3,050,246
Total School Taxes to BRA Eligible Activities, Contingency and Interest	$ -
Total School Taxes to State of Michigan Brownfield Redevelopment Fund (MBRF)	$ -
Total School Tax Capture Eligible Activities	**$ 3,050,246**
Total Capture by Brownfield Redevelopment Authority (BRA)	**$ -**
Total Capture by State of Michigan Brownfield Redevelopment Fund (MBRF)	**$ -**
Total Capture for Developer and Public	**$ 3,447,118**
GRAND TOTAL	**$ 3,447,118**

The Developer and Public desires to be reimbursed for the costs of eligible activities. TIR generated by the Property will be captured by the Authority and used to reimburse the cost of the eligible activities completed on the Property and infrastructure improvements within the Traverse City Place area after approval of this Plan (as well as eligible activities previously approved in the original Brownfield Plan and amendments) and an associated Development and Reimbursement Agreement.

The costs listed in the table above are estimated costs and may increase or decrease depending on the nature and extent of the eligible activity and other unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from TIR of the Authority from the Properties shall be governed by the terms of the Development and Reimbursement Agreement with the Authority (the "Reimbursement Agreement"). No costs of eligible activities or interest will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement.

The amount of school tax revenues, which will be used to partially reimburse the costs of eligible activities at this site, will be limited to the cost of eligible activities approved by the MDEQ and the Michigan Economic Growth Authority (MEGA), together with the interest, to the extent authorized by the Reimbursement Agreement. Interest reimbursement is not allowable under this 2017 Amendment to the Brownfield Plan.

In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MDEQ or MEGA, these specific activities will be reimbursed with local-only TIR (to the extent available) and approved by the Brownfield Redevelopment Authority.

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D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(2)(c),(f)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(2)(g))

This Plan anticipates the capture of TIR to reimburse the Developer and Public for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. A table of estimated TIR to be captured is attached to this Plan as Attachment C. TIR capture has already begun under the original Brownfield Plan and previous amendments.

The total estimated cost of the eligible activities and fees associated with this Amendment to be reimbursed through the capture of TIR is projected to be approximately $3,447,118 for the Warehouse Flats Project and infrastructure improvements within the Traverse City Place area. Based upon current estimates of projected Taxable Value assumptions, the identified eligible activities totaling $3,447,118 in Table 1a are fully reimbursed by Year 2030. Therefore, after the Warehouse Flats and Traverse City Place area eligible activity cost obligations are met, over the balance of the 30-year capture period (Year 2032) there are surplus revenues of $1,216,318 in projected tax increment revenue capture for other TC Place Brownfield Plan eligible activity costs to be reimbursed as a result of the Warehouse Flats project.

By way of adoption of this Plan, the Brownfield Plan will cap eligible activity costs for the newly included Warehouse Flats Project at $3,447,118 (inclusive of GTCBRA Application Fees and Brownfield & Work Plan Preparation). However, if the actual costs of eligible activities are lower than the above estimates, reimbursement may be lower. Does not include eligible activities approved in the original Brownfield Plan or previous amendments.

The initial taxable value is set individually for each parcel, at its value on the date it was included in a Brownfield Plan (or an amendment). The taxable value does change with this Plan Amendment as a result of the added one parcel as Eligible Property now being $3,090,661.

The Plan expires at the end of 2032.

The captured incremental taxable value and associated TIR will be based on the actual increased taxable value from all taxable improvements on the Property and the actual millage rates levied by the various taxing jurisdictions during each year of the plan, as shown on the table below for the impact that the Warehouse Flats Project will have upon the Plan during the remaining 15-year capture period.

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Table 2 - Captured Incremental Taxable Values & Tax Increment Revenues Captured		
Tax Year	**Captured Incremental Taxable Values**	**Tax Increment Revenues Captured**
2017 - Base Year for Warehouse Flats Project	$ -	$ -
2018 - Start of Tax Capture for Warehouse Flats Project	$ 367,984	$ 9,910
2019	$ 3,787,275	$ 101,991
2020	$ 11,383,950	$ 301,655
2021	$ 11,617,870	$ 308,548
2022	$ 11,858,875	$ 315,632
2023	$ 12,120,642	$ 323,114
2024	$ 12,389,854	$ 330,796
2025	$ 12,675,696	$ 338,817
2026	$ 12,973,859	$ 347,117
2027	$ 13,280,039	$ 355,632
2028	$ 13,859,936	$ 368,333
2029	$ 14,155,755	$ 376,893
2030	$ 14,460,207	$ 385,686
2031	$ 14,787,008	$ 394,919
2032	$ 15,122,879	$ 404,396
Total	-	**$ 4,663,437**
Total Tax Increment Revenues Captured for Warehouse Flats Project*		**$ 4,663,437**

* Based upon current estimates of projected Taxable Value assumptions, the identified eligible activities totaling $3,447,118 in Table 1a are fully reimbursed by Year 2030. Therefore, after the Warehouse Flats and Traverse City Place area eligible activity cost obligations are met, over the balance of the 30-year capture period (Year 2032) there are surplus revenues of $1,216,318 in projected tax increment revenue capture for other TC Place Brownfield Plan eligible activity costs to be reimbursed as a result of the Warehouse Flats project.

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The following table presents a summary of the impact to taxing jurisdictions (if the redevelopment Project is completed). The specific impact to taxing jurisdictions for the added parcel, 205 N. Union St. (Tax ID #28-51-103-014-10) as a part of this 2017 Amendment which makes up 20% of Warehouse Flats Project is identified in the below table.

Table 3 - Impact to Taxing Jurisdictions				Added Parcel 2017 Amendment
Taxing Unit	**Incremental Taxes Paid**	**Taxes Returned to Taxing Unit or Captured by DDA**	**Impact to Taxing Jurisdiction - All Parcels of Warehouse Flats Project**	**Impact to Taxing Jurisdiction - 205 N. Union St., Tax ID #28-51-103-014-10 (20% of Warehouse Flats Project)**
CITY OF TRAVERSE CITY	-	-	-	-
City Operating - Charter: Permanent	$ 1,943,664	$ 1,943,664	$ -	$ -
Act 345 - Police & Fire Pension System: Permanent	$ 405,633	$ 405,633	$ -	$ -
Downtown Development Authority (DDA): Permanent (per Treasury Form L-4029)	$ 315,380	$ 315,380	$ -	$ -
Recreational Authority - Traverse City & Garfield Township - Operating: through 2023	$ 17,379	$ 17,379	$ -	$ -
Recreational Authority - Traverse City & Garfield Township - Debt: through 2023	$ 57,698	$ 57,698	$ -	$ -
GRAND TRAVERSE COUNTY	-	-	-	-
County - Operating	$ 871,114	$ 871,114	$ -	$ -
Commission on Aging (COA): 6 years (2017-2022)	$ 87,386	$ 87,386	$ -	$ -
Senior Center - Operating: 7 Years (2016-2022)	$ 17,467	$ 17,467	$ -	$ -
Grand Traverse County Road Commission: 4 Years (2016-2019)	$ 174,789	$ 174,789	$ -	$ -
Grand Traverse County Veterans Affair: 6 Years (2017-2022)	$ 20,981	$ 20,981	$ -	$ -
BAY AREA TRANSPORTATION AUTHORITY (BATA) - Operating: through 2017 [New election for 0.5 Mills on 5/2/2017 for 5 years (2018-2022)]	$ 60,268	$ 60,268	$ -	$ -
LIBRARY	-	-	-	-
Traverse Area District Library (TADL) - Operating: 10 Years (2016-2025)	$ 166,869	$ 166,869	$ -	$ -
Traverse Area District Library - Debt: Permanent	$ 23,184	$ 23,184	$ -	$ -
INTERMEDIATE SCHOOL DISTRICT (ISD)	-	-	-	-
Traverse Bay Area Intermediate School District (TBA ISD) - Operating: Permanent (unless revoked)	$ 34,549	$ -	$ 34,549	$ 6,910
Traverse Bay Area Intermediate School District (TBA ISD) - Special Education: Permanent	$ 349,684	$ -	$ 349,684	$ 69,937
Traverse Bay Area Intermediate School District (TBA ISD) - Special Education: Permanent	$ 128,037	$ -	$ 128,037	$ 25,607
COMMUNITY COLLEGE	-	-	-	-
Northwestern Michigan College (NMC) - Operating: Permanent	$ 379,267	$ 379,267	$ -	$ -
Northwestern Michigan College (NMC) - Bond Debt: through 2019	$ 113,647	$ 113,647	$ -	$ -
LOCAL SCHOOL MILLAGES: excludes State School millages	-	-	-	-
Traverse City Area Public Schools (TCAPS) - Debt: Permanent	$ 542,010	$ 542,010	$ -	$ -
STATE SCHOOL MILLAGES: excludes Local School millages	-	-	-	-
State Education Tax - SET	$ 1,049,051	$ -	$ 1,049,051	$ 209,810
Local School Operating - LSO: 18.0 mills for Non-Homestead/Non-PRE Real Property; 0 mills for Homestead/PRE Real Property; 6 mills for Personal Property	$ 3,102,117	$ -	$ 3,102,117	$ 620,423
Totals	**$ 9,860,173**	**$ 5,196,736**	**$ 4,663,437**	**$ 932,687**
Total Tax Increment Revenues Captured			**$ 4,663,437**	**$ 932,687**

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E. Plan of Financing (Section 13(2)(d)); Maximum Amount of Indebtedness (Section 13(2)(e))

The eligible activities are to be financed by the Developer and the Public. All reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The Authority shall not incur any note or bonded indebtedness to finance the purposes of this Plan.

The inclusion of eligible activities with cost estimates in this Plan is intended only to authorize the Authority to fund reimbursements; it does not obligate the Authority or the County to fund any reimbursement or to enter into the Reimbursement Agreement.

F. Local Brownfield Revolving Fund ("LBRF") (Section 8)

The Act confers the ability to create a Local Brownfield Revolving Fund (LBRF), formerly called a Local Site Remediation Revolving Fund under PA 381 (a.k.a. Local Fund) to the Authority into which Tax Increment Revenues and other monies from public and private sources can be placed. Monies from this Local Fund may be used by the Authority to meet financial obligations of an Eligible Property Developer to accomplish all or a portion of the improvements indicated in this Brownfield Plan.

G. Duration of Plan (Section 13(2)(f))

Tax capture shall not exceed the lesser of (a) the period of time necessary to reimburse eligible activities and other costs approved pursuant to the Act, or (b) 30 years. Therefore, the plan shall not be in place any longer than 2032.

H. Effective Date of Inclusion in Brownfield Plan

Tax capture has already begun on the eligible property under the original Brownfield Plan and previous amendments.

I. Displacement/Relocation of Individuals on Eligible Property (Section 13(2)(i-l))

Two businesses reside on the eligible property and will be cleared and no occupied residences will be acquired or cleared; therefore, there will be no displacement or relocation of persons under this Plan other than the two businesses. One business has property elsewhere in the city and is planning on relocating while the other business is a current owner of the added eligible property parcel and is selling this parcel as it considers it surplus real estate.

J. Other Information (Section 13(2)(m))

The Project is located in the Traverse City Downtown Development Authority (DDA), with the understanding that DDA TIF shall not be captured by the Brownfield Authority. DDA TIF will be utilized for public infrastructure activities directly related to these 24 parcels. Therefore, the BRA shall capture school millage equaling 24.0000 mills (89.12%) and local millage (Traverse Bay Area Intermediate School District) equaling 2.9299 mills (10.88%) for a total capture amount of 26.9299 non-homestead mills.

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EXHIBIT D

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GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
400 BOARDMAN AVENUE, SUITE 305
TRAVERSE CITY, MI 49684-2577
C: 248-762-8701
O: 231-922-4780

GTC Brownfield Redevelopment Authority Agenda Item

SUBJECT: TC Place Brownfield Plan Budget Allocation for the Marriot Tribute Hotel, 211 and 221 W. Grandview Parkway

FROM: Mac McClelland

FOR MEETING DATE: May 18th, 2023

Summary of Project/ Summary of Request:

Background: The TC Place Brownfield Plan was originally approved in 2001 and included most of the property between Front Street and Grandview Parkway between Union Street and Hall Street for a major unified development, which did not proceed. Over time, the Brownfield Plan has been amended seven times to accommodate various development proposals.

The 2017 Amendment of the TC Place Brownfield Plan resulted in the final breakdown of Eligible Costs to include the following:

- **Environmental Eligible Activities: $12,022,315.00** ***($26,736.00 omitted error for admin., not accounted for in total approval)***
- **Non-Environmental Eligible Activities: $16,902,388.00**
- **Total approved 2017 Brownfield Plan Eligible Activities: $28,924,703.00**

Because the property is all within the Traverse City DDA TIF District, all local taxes, with the exception of Northwest Educational Services (formerly the Traverse Bay Area Intermediate School District) are captured by the DDA. The Brownfield Authority capture is limited to the ISD taxes and, with the approval of the State, School Operating and State Education Taxes. The ISD is reimbursed directly by the School Aid Fund and Traverse City Area Public Schools are held harmless through the per pupil allocation from the School Aid Fund, so there is no impact on local schools.

State tax capture for Non-Environmental Eligible Activities for the pro rata share for $13,459,438 was amended and approved by the Michigan Economic Growth Authority (now the Michigan Strategic Fund) in 2010. Because most local taxes are captured by the DDA, a majority of the capture (89%) is State taxes with the balance (11%) in ISD taxes.

To date, only $118,589.17 has been allocated and spent by the City of Traverse City for selected improvements to Garland Street out of the Non-Environmental Eligible Activity budget.

Budget Allocation Request: JS Traverse City LLC acquired 211 and 221 W. Grandview Parkway properties from the Mercer Group TC, LLC in early 2022 and is proposing the development of a Marriot Tribute Hotel. JS Traverse City LLC is requesting approval of an allocation of a portion of the Brownfield Plan/Act 381 Work Plan budget for Non-Environmental Eligible Activities.

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A detailed budget provided by the Development Team is attached. The following table summarizes the request in the context of the Brownfield Plan / Act 381 Work Plan.

Proposed Brownfield Plan/Act 381 Budget Allocation - Marriott Tribute Hotel

Non-Environmental Eligible Activities	MEGA Act 381 Work Plan Approval (11/17/2010)	2016-2017 City/DDA Cost	Marriot Budget Allocation Request	Balance
Site Preparation	$1,151,760		$1,070,000	$81,760
Infrastructure Improvements	$9,378,670	$118,589	$4,170,000	$5,090,080
Lead/Asbestos Abatement	$169,660		$0	$169,660
Demolition	$1,050,518		$0	$1,050,518
Subtotal	$11,750,608		$5,240,000	$6,510,608
Contingency (15%)	$1,610,990		$48,000	$1,562,990
Interest (capped)	$85,840		$0	$85,840
Brownfield/Work Plan Preparation/MEGA Review	$12,000		$60,000	$0*
TOTAL ELIGIBLE ACTIVITIES:	**$13,459,438**		**$5,300,000**	**$8,040,848**

*deducted from contingency

The following are some key considerations:

- The request for Non-Environmental Eligible Activities is a critical component of the overall project financing for the project to proceed, including the revenue stream for a portion of private financing and MEDC support through the Community Revitalization Program (CRP) funding currently under consideration.
- Conversations with the Michigan Economic Development Corporation (MEDC) have resulted in concurrence that the reallocation of the Non-Environmental Eligible Activities is within the parameters of the previous MEGA approval, which provides for a majority of the Brownfield TIF from State tax capture.
- There is a project proposed for 124 W. Front Street within the TC Place Brownfield Plan that will likely request a comparable allocation. The Marriot request is less than 50% of the available Non-Environmental Eligible Activity budget and appears to leave a reasonable and fair balance for other projects, including 124 W. Front within the TC Place Brownfield Plan.
- A significant portion of the original Brownfield Plan was for public infrastructure. The DDA recognizes the value of supporting these private redevelopments with the TC Place Brownfield Plan, since the increased local taxes generated by the projects are captured by the DDA. As a result, the DDA supports the reallocation to private projects.

RECOMMENDATION:

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Approve the allocation of up to $5,300,000 for Non-Environmental Eligible Activities for the Marriot Tribute Hotel under the TC Place Brownfield Plan and approved MEGA Act 381 Work Plan.

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JS Traverse City, LLC
155 Romeo Rd.
Suite 300
Rochester MI 48307

May 18, 2023

Grand Traverse County Brownfield Redevelopment Authority (GTCBRA)
400 Boardman Avenue
Traverse City, MI 49684

Subject: **Brownfield Plan and MEGA Act 381 Work Plan Budget Allocation**
TC Place Brownfield Plan (Grandview Parkway) –
Marriott Tribute Hotel Redevelopment – 211 and 221 W
Grandview Parkway
Traverse City, Michigan 49684

Dear GTCBRA Board members,

JS Traverse City, LLC ("Developer") is finalizing their plans for the redevelopment of parcel(s) located in Traverse City, Michigan ("Property") into a Marriott Tribute Hotel ("Project"). The Property (or otherwise known as "Eligible Property") is defined as:

- 211 and 221 West Grandview Parkway (Parcel IDs 28-51-658-036-00 and 28-51-658-035-00) and is included in the TC Place / Grandview Parkway Redevelopment and inclusive of 21 other parcels (omitting parcels that are part of the 124 W Front Street Redevelopment as a part of the shared tax revenue)

The intent of the TC Place/Grandview Parkway Brownfield Plan, as Amended in 2017 and MEGA Act 381 Work Plan, as Amended 2010, Budget Allocation allowable under the Brownfield Redevelopment Financing Act, Public Act (PA) 381 of 1996, as amended, will allow the Developer to gain access to local, as available (current capture only includes ISD, as the DDA captures all other available local tax revenues), and state tax increment revenues generated as a result of the redevelopment Project.

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As we have been discussing over the last year, the Developer has proposed a redevelopment site plan, approved by the City of Traverse City in December of 2022**,** that includes a different concept than the originally contemplated development site plan in 2015. As such, JS Traverse City, LLC was asked to evaluate specific components of the originally adopted Brownfield Plan and MEGA Act 381 Work Plan and prepare a Budget Allocation in recognition structure for the newly contemplated development plan and submit our analysis to the Grand Traverse County Brownfield Redevelopment Authority ("GTCBRA") for its records prior to the project proceeding and completing the eligible activities contemplated in the adopted Brownfield Plan and approved MEGA ACT 381 Work Plan.

The Development Team has also met with the MEDC and DDA and has confirmed that this Budget Allocation is appropriate and that no Brownfield Plan or Act 381 Work Plan is warranted, as this project and the 124 W. Front Street project (to follow) meet the intent of the approvals under the Brownfield Plan, as Amended in 2017, and the MEGA Act 381 Work Plan, as Amended in 2010.

PROJECT DESCRIPTION

The two parcels that comprise the eligible property ("Property") have been used for commercial and industrial purposes, since at least the late 1800s. 211 and 221 West Grandview Parkway was first developed with railroad grade in the early 1890s, and were historically used for a rail yard, lumber yard, auto repair, service and sales and a gasoline station from as early as 1929. In 1971 auto-related operations ceased at 221 West Grandview Parkway and the property remained vacant for several years until 1973 when auto-related operations continued until at least the late 1980s. From 1991 until 2014, 211 West Grandview Parkway operated as the office and equipment storage and maintenance yard for Gilbert's Service Oil Company.

Remnants of the former automobile-related operations still remained at the property until recently when the buildings were demolished, and properties remediated between 2008 – 2023 with assistance from EGLE Grants and the Grand Traverse County Brownfield Redevelopment Authority to prepare the site for development free from environmental contamination impediments. Significant investment from EGLE, the City, the DDA and the GTCBRA have made this redevelopment feasible with the last remaining gap financing assistance remaining, utilizing Tax Increment Financing Reimbursement for the reimbursement of the Local Brownfield Revolving Fund (LBRF) approved by the GTCBRA in June 23, 2022, utilized to address the chlorinated solvent soil and groundwater contamination, and reimbursement of the developer investment for the remaining eligible activity non-environmental site preparation and public/private infrastructure improvements totaling $5.9 million, see Table 1 Eligible Activities.

The Property is currently vacant, and the proposed 4-story Marriott Tribute hotel is slated to begin construction in late 2023 in the area of downtown Traverse City, known as the historic warehouse district. The framework behind the design of the hotel is to highlight a building rooted in the history of its district. The Marriott Tribute hotel will highlight 117 guest rooms and is laid out to provide views to

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the West Bay with connections to the various streetscapes, downtown Traverse City, W Grandview Parkway, and the City beach front park that overlooks the West Bay. The hotel will incorporate below grade parking, numerous waterfront terraces facing the bay, and a public, year-round, open-air courtyard. Additionally, the hotel will include activated storefronts, a restaurant, fitness center, spa, and seasonal rooftop bar. The Hotel will be unique to the area, with inspiration pulled from the industrial window patterning and proportions of the previous Traverse City Light & Power Plant, and Morgan Cherry Factory.

The Marriott Tribute is a boutique style, independent, and truly custom 4-5 star rated hotel. The hotel will be noted for captivating individual design that is specific to its location and will be 1 of 94 other hotels around the world. Our hotel will focus on creating spaces that bring people together, and experiences that connect visitors to the Traverse City area. We will be using striking design, bold use of color, and art installations to create a memorable experience for guests and citizens residing in the Traverse City area.

BROWNFIELD PLAN BUDGET LINE-ITEM IDENTIFICATION OF ELIGIBLE ACTIVITIES

This Brownfield Plan Budget Allocation evaluates the newly proposed Eligible Activities being completed under the 2023 Project against the originally contemplated 2010 and 2017 proposed Eligible Activities. The 2017 Amendment of the TC Place Brownfield Plan resulted in the final breakdown of Eligible Costs to include the following:

- **Environmental Eligible Activities: $12,022,315.00 ($26,736.00 omitted error for admin., not accounted for in total approval)**
- **Non-Environmental Eligible Activities: $16,902,388.00**
- **Total approved 2017 Brownfield Plan Eligible Activities: $28,924,703.00**

Redevelopment Eligible Activity Projection

The Developers economic development and environmental professionals: JDC and Applied Environmental, and the Developer's General Contractor, JS Capitol Construction, Inc., and Cunningham Limp ("CL"), prepared updated eligible activity costs estimate for the 2023 Project, see Attachment A.

These tables have accounted for estimated projections based on the proposed Eligible Activities that will be completed as part of the redevelopment for the Project.

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The findings of the Eligible Activities are as follows:

Eligible Activities and Costs - Eligible Activities and their costs were identified for the 2023 Project. Below is a table identifying the Eligible Activities and costs identified and approved in the MEGA Act 381 Work Plan Approved in 2010 and the proposed Eligible Activities for the Marriott Tribute Hotel 2023 Project.

It should be noted that only ~$118,589.00 has been expended to date under the approved Non-Environmental Eligible Activities; and the remaining Non-Environmental Eligible Activities approved under the MEGA 2010 Work Plan have either been cancelled as a part of the overall DDA Plan or will be paid for with DDA TIF revenue.

- **MEGA -Non-Environmental Act 381 Work Plan APPROVED, as Amended in 2010 – TOTAL $13,459,438.00 –**
- **MEGA – Non- Environmental AVAILABLE: $13,340,849.00, AS OF 5/15/2023**

  - School Tax Capture (89%) $12,008,733
  - Local Tax Capture (11%) $1,450,705

Proposed Line-Item Eligible Activities Identification Table for the Marriott Tribute Hotel

MEGA Non-Environmental Eligible Activities	2010 Project MEGA Approval (November 17, 2010)	2016-2017 City/DDA Cost	2023 -2024 Project Costs	Balance
Site Preparation Activities	$1,151,760		$1,070,000	$81,760
Infrastructure Improvements Activities	$9,378,670	$118,589.17	$4,170,000	$5,090,080.33
Lead and Asbestos Abatement Activities	$169,660		$0	$169,660
Demolition Activities	$1,050,518		$0	$1,050,518
Subtotal	$11,750,608		$5,240,000	$6,510,608
Contingency (15%)	$1,610,990		$48,000	$1,552,990
Interest (capped)	$85,840		$0	$85,840
Brownfield/Work Plan Preparation/MEGA Review	$12,000		$60,000	$0
MEGA APPROVED TOTAL:	**$13,459,438**		**$5,300,00.00**	
TOTAL ELIGIBLE ACTIVITIES:			**$5,300,000.00**	**$8,040,848.83**

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CONCLUSION

The Development Team completed the Brownfield Plan Budget Allocation review of Eligible Activities and has determined that Eligible Activity costs under the identified Eligible Activity categories in the table above for the Project are sufficient to the Developer for TIR reimbursement up to $5,300,00.00. Therefore, a Brownfield Plan and an MSF Non-Environmental Act 381 Work Plan amendment is not necessary.

Sincerely,

Anne Jamieson-Urena
Principal
Jamieson Development Consulting
248-762-8701
anne@jamiesondevelop.com

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Attachment A

Eligible Activity Tables

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PROJECT: **MARRIOTT**
OWNER: **J.S. TRAVERSE CITY, LLC**
CONTRACTORS NAME: **J.S. Capitol Construction Inc.**

SWORN STATEMENT FOR
CONTRACTOR OR SUBCONTRACTOR

Table 1 - Eligible Activities- Cost Analysis (Marriott Tribute Hotel)

	Name of subcontractor, supplier or laborer	Type of improvement furnished	Contract Amount	Change orders (+) or (-)	Adjusted Contract Amount for Non-Environmental Brownfield Eligible Activies - Infrastructure and Site Preparation	Amount Of Previous Payment(s)	Amount Of This Payment	Total Amount Paid to Date - EGLE Environmental and LBRF Loan and pre-approved TIF	Balance to Become Due
	SITE PREP AND INFRASTRUCTURE								
1	**JDC**	**Environmental Consulting**	$60,000.00	$ -	**$60,000.00**	$ 29,230.00	$ -	**$ 29,230.00**	$30,770.00
2	**Applied Environmental**	**Environmental Consulting**	$100,000.00	$ -		$ 65,896.30	$ -	**$ 65,896.30**	$ 34,103.70
3	**Hamp Mathews & Associates**	**Environmental Consulting**	$91,535.08	$ -		$ 91,535.08	$ -	**$ 91,535.08**	$ -
4	**ARBRE CROCHE CULTURAL RESOURCES**	**ARCHAEOLOGICAL TRENCH TESTING**	$9,200.84	$ -		$ 9,200.84	$ -	**$ 9,200.84**	$ -
5	**STONEFIELD ENGINEERING AND DESIGN**	**CIVIL ENGINEERING**	$35,000.00	$ -	**$35,000.00**	$ 7,250.00	$ -	**$ 7,250.00**	$ 27,750.00
6	**APPLE FENCE**	**SITE PROTECTION**	$9,000.00	$ -		$ 9,000.00	$ -	**$ 9,000.00**	$ -
7	**ROCHESTER SIGN SHOP**	**SITE PROTECTION / BARRACADES**	$3,550.00	$ -		$ 3,550.00	$ -	**$ 3,550.00**	$ -
8	**G2 CONSULTING**	**SOIL BORING & TESTING**	$40,000.00	$ -	**$40,000.00**	$ 4,425.00	$ -	**$ 4,425.00**	$ 35,575.00
9	**MOLON EXCAVATING**	**MASS EXCAVATING / BACKFILL**	$480,000.00	$ -	**$365,141.81**	$ 114,858.19	$ -	**$ 114,858.19**	$ 365,141.81
10	**MOLON EXCAVATING**	**SHEET PILING SYSTEMS**	$550,000.00	$ -	**$550,000.00**	$ -	$ -	**$ -**	$ 550,000.00
11	**MOLON EXCAVATING**	**UNGERGROUND UTILITIES for Parking**	$174,451.19	$ -	**$174,451.19**	$ -	$ -	**$ -**	$ 174,451.19
12	**WASTE MANAGEMENT CORPORATE**	**LANDFILL FEES**	$109,413.19	$ -	**$0.00**	$ 109,413.19	$ -	**$ 109,413.19**	$ -
13	**MERSINO DEWATERING SERVICES**	**SITE DEWATERING**	$248,000.00	$ -	**$248,000.00**	$ -	$ -	**$ -**	$ 248,000.00
14	**T.B.D.**	**CONCRETE FOUNDATION SYSTEMS**	$373,000.00	$ -	**$373,000.00**	$ -	$ -	**$ -**	$373,000.00
15	**T.B.D.**	**WATERPROOFING ADDITIVE AND ASSOCIATED LINER IN PARKING GARAGE**	$635,000.00	$ -	**$635,000.00**	$ -	$ -	**$ -**	$635,000.00
16	**T.B.D.**	**POURED N PLACE CONC SLAB**	$300,000.00	$ -	**$300,000.00**	$ -	$ -	**$ -**	$300,000.00
17	**T.B.D.**	**STRUCTURAL STEEL @ BASEMENT LEVEI**	$636,000.00	$ -	**$636,000.00**	$ -	$ -	**$ -**	$ 636,000.00
18	**T.B.D.**	**GARAGE SHEER WALL SHAFT SYSTEMS**	$215,000.00	$ -	**$215,000.00**	$ -	$ -	**$ -**	$215,000.00
19	**T.B.D.**	**STRUCTURAL SLAB COMPONENTS**	$250,000.00	$ -	**$250,000.00**	$ -	$ -	**$ -**	$ 250,000.00
20	**T.B.D.**	**MECHANICAL SYSTEMS**	$305,000.00	$ -	**$305,000.00**	$ -	$ -	**$ -**	$ 305,000.00
21	**T.B.D.**	**ELECTRICAL SYSTEMS**	$267,500.00	$ -	**$267,500.00**	$ -	$ -	**$ -**	$ 267,500.00
22	**T.B.D.**	**PLUMBING SYSTEMS**	$185,000.00	$ -	**$185,000.00**	$ -	$ -	**$ -**	$ 185,000.00
23	**KRIEGER KLATT AND ASSOCIATES**	**ARCHITECTURAL FEES**	$139,760.00	$ -	**$139,760.00**	$ 43,737.72	$ -	**$ 43,737.72**	$ 96,022.28
24	**T.B.D.**	**STRUCTURAL ENGINEERING FEES**	$103,200.00	$ -	**$103,200.00**	$ -	$ -	**$ -**	$ 103,200.00
25	**T.B.D.**	**MECHANICAL ENGINEERING FEES**	$51,000.00	$ -	**$51,000.00**	$ -	$ -	**$ -**	$ 51,000.00
26	**T.B.D.**	**SHORING AND SHEETING DESIGN**	$31,000.00	$ -	**$31,000.00**	$ -	$ -	**$ -**	$ 31,000.00
27	**CITY OF TRAVERSE CITY**	**PERMITS AND FEES**	$280,000.00	$ -		$ -	$ -	**$ -**	$ 280,000.00
28	**DENEWETH DUGAN AND PARFITT**	**LEGAL FEES**	$12,500.00	$ -	**$2,500.00**	$ 10,000.00	$ -	**$ 10,000.00**	$ 2,500.00
29	**KUHN ROGERS**	**LEGAL FEES**	$50,000.00			$ 43,122.50	$ -		$ 6,877.50
		GENERAL CONDITIONS	$300,000.00		**$300,000.00**	$ -	$ -	**$ -**	$ 300,000.00
		PROJECT OH&P 3%	$164,949.00		**$164,949.00**	$ -	$ -	**$ -**	$ 164,949.00
		Contingency 7%	$380,205.14		$380,205.14				
	TOTALS		**$6,589,264.44**	$ -	**$5,811,707**	**$ 541,218.82**	$ -	**$ 498,096.32**	**$5,313,611**

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Traverse City
Downtown Development Authority
303 E. State St. , Ste. C
Treaverse City, MI 49684
231-922-2050
dda.downtowntc.com

May 9, 2023

Daniel Leonard, EDFP
Senior Community Development CAT/RST Team Specialist
Michigan Economic Development Corporation
300 N. Washington Square | Lansing, MI 48913
Mobile: 989.387.4467
leonardd6@michigan.org

Regarding: DDA MCRP Incentive Support for the Marriott Tribute Hotel Project, 221 W Garland Street, Traverse City, MI

Dear Mr. Leonard,

On behalf of the Traverse City Downtown Development Authority, I am writing to express my support for the proposed Marriott Tribute Development Project (Project) that is currently under consideration of the Michigan Community Redevelopment Program (MCRP) participation Loan. As the Chief Executive Officer for Traverse City's Downtown Development Authority, I believe that this project will bring significant public benefit, contribute to the economic growth of our downtown, and complete Traverse City's vision for a vibrant and fully connected community.

Downtown Traverse City has implemented several public infrastructure projects that bring connectivity to the this part of our downtown, which includes:

- Pedestrian bridge that connects front street to Garland
- Create a new design for Garland to be a woonerf street
- Install new pedestrian scale lighting
- Install banners
- Created a new Lower Boardman/Ottaway Plan (with phase 1 beginning with engineering and design).
- Installed cross-walks at Hall Street

This list is not inclusive but an overview of investment and vision to this part of our Downtown. The total investment is nearly $4 million by the DDA and City of Traverse City. Further investments are being reviewed for additional placemaking attributes featured as a part of the Marriott Tribute Redevelopment. In addition, Grandview Parkway in collaboration with MDOT, the City of Traverse City, DDA and TART, collaboration to create additional connectivity to the downtown and park amenities offered directly across from the Marriott Tribute Hotel.

These initiatives included the creation of new parks and public spaces, as well as the renovation of existing ones. Since that time, the DDA has continued to invest in public spaces throughout downtown. The proposed