

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

ACT 381 WORK PLAN AMENDMENT

To Conduct MDEQ Environmental Activities
626 and 636 East Front Street
Traverse City, Michigan 49684

PREPARED BY Grand Traverse County
Brownfield Redevelopment Authority
400 Boardman Avenue
Traverse City, Michigan 49684
Contact Person: Jean Derenzy
Email: jderenzy@grandtraverse.org
Phone: (231) 922-4513

AKT Peerless
12719 S. West Bay Shore Dr., Ste. 8
Harbor West Building
Traverse City, Michigan 49684
Contact Person: Eric P. Helzer
Email: helzere@aktpeerless.com
Phone: (231) 941-2366

PROJECT # 7688B-36-25

REVISION DATE June 17, 2014

Table of Contents

1.0	INTRODUCTION.....	1
1.1	ELIGIBLE PROPERTY INFORMATION	2
1.1.1	Location and Eligibility.....	2
1.1.2	Current Ownership	2
1.1.4	Delinquent Taxes, Interest, and Penalties	3
1.1.5	Existing and Proposed Future Zoning For Each Eligible Property	3
1.2	HISTORICAL USE OF EACH ELIGIBLE PROPERTY	3
1.3	CURRENT USE OF EACH ELIGIBLE PROPERTY	3
1.4	SUMMARY OF PROPOSED REDEVELOPMENT AND FUTURE USE FOR EACH ELIGIBLE PROPERTY	3
2.0	CURRENT PROPERTY CONDITIONS	4
2.1	PROPERTY ELIGIBILITY.....	4
2.1.1	Environmental Investigations	4
2.1.2	Summary of Current Known Conditions.....	9
2.2	FUNCTIONALLY OBSOLETE	13
2.3	BLIGHTED	14
2.4	ADJACENT AND CONTIGUOUS	14
3.0	SCOPE OF WORK	14
3.1	MDEQ ELIGIBLE ACTIVITIES	14
4.0	SCHEDULE AND COSTS	17
4.1	SCHEDULE OF ACTIVITIES.....	17
4.2	ESTIMATED COSTS.....	17
4.2.1	Description of MDEQ Eligible Activities Costs	18
4.2.2	Contingency.....	18
5.0	PROJECT COSTS AND FUNDING	19
5.1	TOTAL ESTIMATED PROJECT COSTS.....	19
5.2	SOURCES AND USES OF FUNDS	19
6.0	LIMITATIONS	19

Table of Contents (continued)

FIGURES

Figure 1	Scaled Property Location Map
Figure 2	Eligible Property Boundary Map
Figure 3	Proposed Development Map
Figure 4	Proposed Development Map with Soil Analytical Results Exceeding MDEQ RCC
Figure 5	Proposed Development Map with Groundwater Analytical Results Exceeding MDEQ RCC
Figure 6	Soil Management Map
Figure 7	Waterproofing/Vapor Barrier Liner System Location Map
Figure 8	Proposed Monitoring Well Location Map

TABLES

Table 1.....	Summary of Costs for Eligible Activities Table
Table 2.....	Tax Increment Finance Table

ATTACHMENTS

Attachment A	Brownfield Plan Amendment with Resolution
Attachment B	Executed Reimbursement Agreement
Attachment C	Approved May 2013 Act 381 Work Plan

ACT 381 WORK PLAN AMENDMENT

TBA Credit Union Redevelopment Project

626 and 636 East Front Street, Traverse City, MI 49684

1.0 Introduction

The Grand Traverse County Brownfield Redevelopment Authority (the “Authority”) is submitting this Act 381 Work Plan Amendment (“Work Plan Amendment”) to conduct MDEQ Environmental Activities for the property located at 626 and 636 East Front Street in Traverse City, Michigan (the “Property”). The Property is situated southwest of the intersection of East Front Street and Hope Street. The Property is comprised of two parcels that contain approximately 1.34 acres (Parcel ID Numbers 28-51-102-003-10 and 28-51-102-006-00, respectively). Please note, it is anticipated that the two parcels that comprise the Property will be combined to form one parcel once the redevelopment is complete. The new address is anticipated to be 630 East Front Street. The Brownfield Plan Amendment (“Brownfield Plan Amendment”) for the TBA Credit Union Redevelopment Project (“Project”) was approved by the Authority on May 28, 2014. The City of Traverse City Council is anticipated to approve the Brownfield Plan Amendment on June 16, 2014, and the Grand Traverse County Board of Commissioners is anticipated to approve the Brownfield Plan Amendment on June 25, 2014. Refer to Attachment A for a copy of the Brownfield Plan Amendment and associated adopting resolution.

The Project is currently in the process of redeveloping an underutilized vacant property into a contemporary multi-story office and financial institution headquarters. The redevelopment integrates design elements, environmental cleanup, and economic development to further goals of the City of Traverse City (Grand Traverse County), the Michigan Department of Environmental Quality (MDEQ) and the Michigan Economic Development Corporation (MEDC). It will result in: (1) the community and municipal benefits of increased property taxes on the Property; (2) due care and additional response activities that will address the contamination on the Property, reducing the threat to human health and the environment; and (3) a substantial improvement to the appearance and aesthetics of the Property which will assist in increasing the property values of the neighboring community.

TBA Credit Union is a growing financial institution. In order to meet the demands of its members and to have space to hire additional staff, a new location was necessary. TBA Credit Union searched other properties that would have been more affordable, but it decided that it was most important to be located within the City to best serve its members and non-members alike.

TBA Credit Union has a strong desire to put these two vacant properties back to productive use and drastically improve the aesthetics of the neighborhood. TBA Credit Union is a large supporter of the community. It frequently participates in volunteer activities and conducts member and community educational seminars. This new building allows TBA Credit Union the opportunity to provide expanded meeting and community event space to the neighboring community. TBA Credit Union’s mission is to serve the community by building trusted relationships, providing customized financial products, advocating financial literacy, and encouraging volunteerism. Redevelopment of this Property will ultimately help TBA Credit Union to meet its goals and that of the community.

The Project is seeking additional tax increment financing (TIF) incentives and Revitalization Revolving Loan (RRL) Funds. Due care, site preparation, and other response activities including soil removal, dewatering, and construction of the new building were initiated in July 2013 and are ongoing. The new building is scheduled to be complete in July 2014. Underground storage tank (UST) Closure activities discussed in this Work Plan Amendment will be completed to confirm the Property no longer adversely affects the quality of groundwater migrating from the site to the adjoining City of Traverse City Sunset Park and Traverse Bay.

The following sections present site background information, current Property conditions, the proposed environmental activities, and the costs associated with the proposed activities.

1.1 Eligible Property Information

The following sections provide details on Property ownership and use.

1.1.1 Location and Eligibility

The Property is located at 626 and 636 East Front Street in the City of Traverse City, Michigan. It is situated southwest of the intersection of East Front Street and Hope Street. The Property comprises two parcels that contain approximately 1.34 acres (Parcel ID Numbers 28-51-102-003-10 and 28-51-102-006-00, respectively). TBA Credit Union owns the Property. Please note, it is anticipated that the two parcels that comprise the Property will be combined to form one parcel once the redevelopment is complete. The new address is anticipated to be 630 East Front Street.

Please refer to the Brownfield Plan Amendment located in Attachment A for the Property legal description. Refer to Figure 1 for a Scaled Property Location Map and Figure 2 for an Eligible Property Boundary Map.

The Property is considered “eligible property” as defined by Act 381, Section 2 because: (a) the Property was previously utilized for commercial property (gasoline station and restaurant); (b) it is located within the City of Traverse City, a qualified local governmental unit, or “Core Community” under Act 381; and (c) the Property (each parcel, independently) is determined to be a “facility.” Please refer to the Brownfield Plan Amendment provided in Attachment A for the relevant supporting documentation.

1.1.2 Current Ownership

Ownership information for the parcels comprising the Property is summarized in the following table. For ease of distinction, the parcels have been assigned letter identifiers; however, the identifiers have no legal basis and should not be used for any purpose other than as a means of reference herein.

Eligible Property Information Table

Parcel Designation	Parcel Address	Tax ID Number
A	626 East Front Street	28-51-102-003-10
B	636 East Front Street	28-51-102-006-00

Both parcels are owned by TBA Credit Union. The contact information for TBA Credit Union is:

Karen Browne
TBA Credit Union
2900 W. South Airport Road
Traverse City, Michigan 49684
Phone: (231) 946-7141

1.1.3 Proposed Future Ownership

TBA Credit Union.

1.1.4 Delinquent Taxes, Interest, and Penalties

No delinquent taxes, interest, or penalties are known to exist for the property.

1.1.5 Existing and Proposed Future Zoning For Each Eligible Property

The Property was zoned Hotel Resort District and underwent a conditional rezoning to C3 – Community Center District. The rezoning was approved on March 18, 2013 by the Traverse City Commission.

1.2 Historical Use of Each Eligible Property

The two parcels that comprise the Property have been individually used for a variety of purposes. These uses have ranged from transportation to commercial. Parcel A contained railroad sidings and an associated platform from the 1910s to the 1970s, warehousing from the late 1920s to the 1970s, and a restaurant from the late 1970s until the late 2000s. Parcel B contained railroad sidings and a fruit warehouse from the 1910s to the late 1960s, a gasoline service station from the late 1960s to the early 2000s, and a produce stand from the mid-2000s to 2012.

1.3 Current Use of Each Eligible Property

The Property currently is being redeveloped. Due care, site preparation, and other response activities including demolition, soil removal, dewatering, and construction of the new building were initiated in July 2013 and are ongoing. The new building including parking lot and rain gardens are scheduled to be complete in July 2014.

1.4 Summary of Proposed Redevelopment and Future Use for Each Eligible Property

This Project includes the demolition of the existing structures, remediation, and development of a new 21,266 square foot three-story building that was initiated in July 2013 and is scheduled to be complete in July 2014. The Project will redevelop an underutilized vacant property into a contemporary multi-story office and financial institution headquarters. This redevelopment will ultimately provide a significant improvement to the aesthetics of the property, while improving the environmental health of the site, and greatly reducing the threat to human health and the environment. In addition, the redevelopment will also benefit the community and municipality through the increase in property taxes on the Property and the increase in property values in the neighboring community.

2.0 Current Property Conditions

The following sections provide detail on how the Property has qualified as a Brownfield.

2.1 Property Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because: (a) the Property was previously utilized as a commercial property (gasoline station and restaurant); (b) it is located within the City of Traverse City, a qualified local governmental unit, or “Core Community” under Act 381; and (c) each of the parcels comprised by the Property has been determined to be a “facility.” Summary of Environmental Conditions

Under Part 201, a "Facility" “means any area, place, or property where a hazardous substance in excess of the concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located.” M.C.L. § 324.20101(1) (s). A "Release" “includes, but is not limited to, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of a hazardous substance into the environment, or the abandonment or discarding of barrels, containers, and other closed receptacles containing a hazardous substance.” M.C.L. § 324.20101(1) (mm).

2.1.1 Environmental Investigations

The following environmental investigations have been completed on the Property:

- MDEQ File Information, (Various Consultants)
- Phase I ESA, completed on July 27, 2012 by AKT Peerless
- Phase II ESA, conducted on July 23, 2012 by AKT Peerless
- Baseline Environmental Assessment, completed on August 1, 2012 by AKT Peerless
- Supplemental Phase II ESA, completed on March 18, 2013 by AKT Peerless
- Pre-Development Due Care Plan and Environmental Construction Management Documentation of Due Care Compliance, completed on March 19, 2013 and May 15, 2013, respectively, by AKT Peerless
- Soil and Groundwater Remediation during Redevelopment, (2013-2014) conducted by AKT Peerless

Summaries of the reports and activities relevant to site conditions, since at least 2000, are provided in the following sections.

MDEQ File Information

According to the MDEQ file information, in March 2000 benzene and methyl-tert-butyl-ether (MTBE) were detected in off-site monitoring wells located on the northern adjoining property (Sunset Park). These wells were historically installed to monitor a release of trichloroethylene (TCE) migrating from Meach’s Cleaners approximately 0.3-miles south of the property. In March 2001, the three underground storage tanks (USTs) located on Parcel B were subjected to tightness testing that identified the USTs were not tight. USTs #1 and #2 were subsequently taken off-line and pumped down. Four temporary monitoring wells were installed downgradient of the USTs that identified petroleum constituents in groundwater above Part 201 Residential Drinking Water Criteria (DW). A confirmed release was reported on August 21, 2001 based on the analytical results.

In October 2004, an Administrative Inspection Warrant was granted to the MDEQ in order to conduct response activities including investigations to characterize soil and groundwater on the Property with regard to the August 2001 confirmed release. In November 2004, the MDEQ advanced twenty soil borings (SB-1 through SB-20) and installed thirteen monitoring wells (RL-1 through RL-13) on the Property and adjoining property to the north. In addition, the MDEQ conducted a geophysical survey across the Property to determine if additional USTs were present. The geophysical survey identified a 1,000-gallon waste oil UST south of the building.

In January 2005, the waste oil UST was removed from the Property. During removal activities, several holes were observed in the eastern end of the UST, although no visual or olfactory evidence of a release was noted during the removal. Laboratory analytical results from soil samples collected from beneath the UST identified the presence of naphthalene, 2-methylnaphthalene, and diesel range organics (DROs) in the eastern end of the excavation. A second confirmed release was reported on January 19, 2005.

In November 2008, USTs #1 through #3 were removed from the area east of the Parcel B building. Soil samples were collected from beneath each UST, along the piping runs connecting the USTs to the dispensers, and beneath the six fuel dispensers. No further information was available. In March 2009, a Consent Judgment was handed down that identified Blarney Castle Oil Company as liable for the petroleum releases on the Property. The judgment also indicated that a Final Assessment Report (FAR) and Corrective Action Plan (CAP) would need to be completed by March 2010.

Between September 2009 and January 2010, Compliance, Inc. advanced nine soil borings, installed ten temporary monitoring wells and two permanent monitoring wells on the Property and the northern adjoining property. A total of forty-five soil samples were collected for gasoline range volatile organic compounds (VOCs), VOCs, lead, and waste oil UST parameters. Soil impact was identified beneath the north ends of former USTs #1 and #2, beneath each of the six fuel dispensers, and beneath the waste oil UST. Groundwater was encountered between 8.0 and 10.0-feet below ground surface (bgs). Subsurface conditions consisted of medium grain sand from ground surface to 9.0-feet bgs, underlain by medium to coarse grain sand with discontinuous fine to coarse gravel layers to 15.0 feet bgs, the maximum depth explored. The report also noted that the medium to coarse grain sand layer exists to at least 62.0-feet bgs according to previous MDEQ soil borings.

A FAR was submitted in March 2010 that identified the following proposed CAP: continued groundwater monitoring to demonstrate plume stability; and natural attenuation in combination with a restrictive covenant (RC). According to the CAP, semi-annual groundwater sampling would occur until the off-site groundwater was determined to be below Tier I Risk Based Screening Levels (RBSLs) for drinking water and groundwater to surface water interface. The RC would be submitted to the Register of Deeds that would include the following: (1) restriction on any type of groundwater use on the Property (other than monitoring); and (2) a provision that the property must remain in commercial use.

The MDEQ issued a failure to comply with consent judgment document in January 2011 citing that the FAR was submitted with the following deficiencies: (1) the presence or absence of free product on the property was not determined; (2) the extent of Soil Saturation Screening Levels (Csat) soils was not determined; and (3) the CAP did not address all contamination (i.e., soil impact is acting as a groundwater conduit).

Blarney Castle submitted a second FAR on January 3, 2012 which indicated that after several discussions with the MDEQ, it was determined the main concern was that the MDEQ did not believe the CAP provided proper protection to human health and the environment. It was determined the solution would

be to implement an on-site and off-site RC (i.e., Sunset Park); as well as implement a Michigan Department of Transportation (MDOT) Institutional Control License to document assumed impact in the MDOT right of way. As such, the MDEQ issued a response to the FAR in March 2012 that included an audit of the FAR stating *“the FAR is approved pending the inclusion of the MDEQ comments into the final version of the restrictions (the on and off-site RCs) and the MDOT form.”*

Restrictive Covenant

An RC for 636 East Front Street was submitted to the Register of Deeds by Blarney Castle in July 2012. The RC imposes requirements that users of the Property must adhere to during redevelopment and future use. The RC requirements are summarized below:

- The Property must remain non-residential in perpetuity.
- Users must maintain exposure controls (direct contact barrier), in compliance with the Leaking Underground Storage Tank Final Assessment Report (FAR) dated January 3, 2012, in order to ensure the effectiveness and integrity of the corrective action.
- The redevelopment process must evaluate the vapor intrusion pathway or presumptively remediate it. Additional response activities at the site may include installation of a vapor barrier on the building’s foundation systems and possibly a passive or active venting system.
- Users are prohibited from groundwater use (though allows dewatering if fluid is managed correctly and possibly includes installation of a waterproofing membrane to the proposed building foundation).
- The redevelopment process must manage contaminated soils appropriately.
- Users must prevent infiltration of water (i.e., maintain impervious surface across the Property and may include specific engineering controls).

These conditions may also be managed through the implementation of remediation of the site to remove unacceptable levels of contamination.

AKT Peerless’ July 2012 Phase I ESA

AKT Peerless completed a Phase I ESA for the Property on July 27, 2012. The Phase I ESA included, but was not limited to: a site walkover; review of government records; assembly and review of data from area maps, as well as historical resources; and interviews with the site owner, others familiar with the Property, and government officials. This assessment has revealed evidence of the following recognized environmental conditions (RECs) associated with the Property:

- REC 1** - Railroad sidings were present along the northern portion of Parcel A from at least 1920 until 1978 and Parcel B from at least 1920 until 1969 when they were removed. Potential concerns typically associated with railroad spurs include the use of fill materials as ballast to support ties and rails of the railroad tracks, and leaks or spills of hazardous materials or petroleum products.
- REC 2** - A large coal pile was historically located on the southern portion of Parcel A in at least 1946. AKT Peerless was unable to determine the length of time that the coal pile was located on the Property.

- REC 3** - Parcel B of the Property is identified on the state registered UST and leaking underground storage tank (LUST) databases. Parcel B of the Property historically operated as a gasoline filling station from at least 1969 through 2001. Operations included the use of three gasoline USTs (removed in November 2008), one 1,000-gallon waste oil UST (removed in 2005), and the use of six fuel dispenser on two pump islands (removed in November 2008). Two confirmed releases have been reported for this Parcel in August 2001 (gasoline) and January 19, 2005 (waste oil), which remain open.
- REC 4** - Previous investigations on Parcel B have identified the property as a “facility” based on petroleum impact in the soil and groundwater on-site. The most recent sampling event in April 2012 identified the presence of benzene, toluene, ethylbenzene, xylenes (BTEX), and trimethylbenzene isomers (TMBs) in groundwater in excess of current Part 201 MDEQ Residential Cleanup Criteria. To date, no petroleum impacted soils have been removed from the Property.
- REC 5** - Parcel B of the Property is also identified on the activity use limitations (AUL) database based on a restrictive covenant filed for Parcel B. The restrictive covenant was submitted to the Register of Deeds that included the following: (1) restrict any type of groundwater use on the Property (other than monitoring); and (2) the property must remain in commercial use.
- REC 6** - Parcel B of the Property also operated as an automobile service station from at least 1969 through 2001. During that time, two in-ground hydraulic hoists were utilized, along with a trench drain inside the building. AKT Peerless observed the concrete floor within the former automobile service building to be stained with oil-based materials during the site reconnaissance. AKT Peerless did not identify any evidence of previous sampling within the building.
- REC 7** - The southern adjoining property contained a railroad right of way from at least 1920 through 1986. Potential concerns typically associated with railroad spurs include the use of fill materials as ballast to support ties and rails of the railroad tracks, and leaks or spills of hazardous materials or petroleum products.
- REC 8** - The southern and western adjoining properties were historically associated with the Traverse City Lumber Company from the 1940s through 1986. Subsurface investigations on these properties have identified the presence of benzene, xylenes, TMBs, polynuclear aromatics (PNAs), naphthalene, and lead in soil and groundwater above current Part 201 Residential Cleanup Criteria (RCC).
- REC 9** - In addition, assessing department information identified the presence of an oil UST and associated underground piping near a boiler building on the southern adjoining property (Traverse City Lumber Company), less than 100 feet from the Property boundary.
- REC 10** - A nearby property identified as Meach’s Cleaners and located at 725 8th Street, has been identified as the source of a large tetrachloroethylene (PCE) groundwater plume that extends to Grand Traverse Bay. The Property is located within this PCE plume.

AKT Peerless' July 2012 Phase II ESA

On July 23, 2012, AKT Peerless conducted a Phase II ESA at the Property for the following purposes: (1) to evaluate for the presence of contamination on the Property based on the RECs identified within AKT Peerless' July 2012 Phase I ESA; and (2) to obtain current data related to select historical concentrations of contamination to determine if the Property continues to meet the definition of a facility as defined in Part 201 of Natural Resources Environmental Protection Act (NREPA), Michigan Public Act (PA) 451, 1994, as amended.

AKT Peerless conducted the following scope of work: (1) advanced 10 soil borings to a maximum depth of 16.0 feet bgs; (2) installed three temporary monitoring wells in the first encountered groundwater; (3) sampled three permanent monitoring wells present on Parcel B associated with the leaking underground storage tank (LUST) investigation (i.e., RL-6, RL-8, and RL-2); (4) collected ten soil and six groundwater samples; and (5) submitted select samples for laboratory analysis for target parameters including: VOCs, PNAs, polychlorinated biphenyls (PCBs), and Michigan 10 Metals (arsenic, barium, cadmium, total chromium, copper, lead, mercury, selenium, silver, and zinc). In addition, the MDEQ and Compliance, Inc. submitted several soil samples for laboratory analysis of select parameters, including BTEX, TMBs, PNAs, naphthalene, 2-methylnaphthalene, MTBE, and dissolved lead. The results of the Phase II ESA investigation identified the following:

- Benzene, toluene, ethylbenzene, xylenes, 2-methylnaphthalene, naphthalene, 1,2,4 trimethylbenzene, 1,3,5 trimethylbenzene, and total chromium were detected in soil across the Property at concentrations exceeding the MDEQ Part 201 RCC. Various concentrations in soil were detected above the Groundwater-Surface Water Interface Protection (GSIP) criteria and Drinking Water Protection (DWP) criteria
- Toluene, ethylbenzene, xylenes, naphthalene, 1,2,4 trimethylbenzene, and 1,3,5 trimethylbenzene were detected in shallow groundwater at the Property at concentrations exceeding the MDEQ Part 201 RCC. Various concentrations in groundwater were detected above the Groundwater-Surface Water Interface (GSI) criteria and DW criteria.

Based on the laboratory analytical results, the Property meets the definition of a facility, as defined in Part 201 of the NREPA, Michigan Public Act (PA) 451, 1994, as amended.

AKT Peerless' August 2012 BEA

Based on laboratory analytical results, both parcels of the Property meet the definition of a facility, as defined in Part 201 of the NREPA, Michigan PA 451, 1994, as amended. AKT Peerless completed a BEA for the Property on behalf of TBA Credit Union on August 1, 2012. The BEA was disclosed to the MDEQ.

AKT Peerless' March 2013 Supplemental Phase II ESA

On March 18, 2013, AKT Peerless completed a Supplemental Phase II ESA at the Property to evaluate contamination on the Property for due care considerations and redevelopment purposes. On February 14 and 15, 2013, AKT Peerless conducted the following scope of work: (1) advanced 16 soil borings to depths ranging from 4.0 to 16.0 feet bgs; (2) installed two temporary monitoring wells to 30 feet bgs; (3) installed three soil gas sampling points; (4) collected twenty-two soil, three soil gas, and six groundwater samples; and (5) submitted select samples for laboratory analysis for target parameters, including for VOCs, EDB, PNAs, PCBs, and Michigan 10 Metals. The results of the Phase II ESA investigation identified the following:

- Benzene, toluene, xylenes, 2-methylnaphthalene, naphthalene, isopropyl benzene, n-propylbenzene, 1,2,4 trimethylbenzene, 1,3,5 trimethylbenzene, and total chromium were detected in soil across the Property at concentrations exceeding the MDEQ Part 201 RCC and Non-Residential Cleanup Criteria (NRCC). Various concentrations in soil were detected above the GSIP criteria and DWP criteria.
- Ethylbenzene, isopropyl benzene, n-propylbenzene, xylenes, 2-methylnaphthalene, 1,2,4 trimethylbenzene, 1,3,5 trimethylbenzene, and tetrachloroethylene were detected in groundwater at the Property at concentrations exceeding the MDEQ Part 201 RCC and NRCC. Various concentrations in groundwater were detected above the GSI criteria, DW criteria, and draft Groundwater Sump Concentrations for Vapor Intrusion (GSVI).

AKT Peerless March 2013 Pre-Development Due Care Plan and May 2013 Environmental Construction Management Documentation of Due Care Compliance

AKT Peerless prepared Pre-Development Section 7a Compliance Analysis and Environmental Construction Management Documentation of Due Care Compliance (Due Care Plans) for the Property. The Due Care Plans summarize environmental contaminants on the Property, and include exposure pathway evaluations and an outline of due care obligations based on the current use of the Property (Non-Residential) including:

- Undertaking measures to prevent exacerbation of existing contamination.
- Exercising due care by undertaking response activities to mitigate unacceptable exposure to hazardous substances, mitigate fire and explosion hazards due to hazardous substances, and allow for the intended use of the Property in a manner that protects health and safety.
- Taking reasonable precautions against the reasonably foreseeable acts or omissions of a third party and the consequences that could result from those acts or omissions.
- Providing reasonable cooperation, assistance, and access to the persons that are authorized to conduct response activities at the facility, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response activity at the facility.
- Complying with any land use or resource use restrictions established or relied on in connection with the response activities at the facility.
- Not impeding the effectiveness or integrity of any land use or resource use restriction employed at the facility in connection with response activities.

Soil and Groundwater Remediation during Redevelopment

Between July 2013 and August 2013 approximately 7,478 tons of contaminated soil was removed from the Property, transported and properly disposed of according to all applicable state and federal regulations. In addition, between July 2013 and October 2013 approximately 19.9 million gallons of contaminated groundwater was treated and discharged to the City of Traverse City Wastewater Treatment Plant.

2.1.2 Summary of Current Known Conditions

As demonstrated in the preceding, the Property has been thoroughly investigated to determine the soil, soil gas, and groundwater quality that currently exist at the Property. The existing site conditions along with the RC requirements have created increased costs upon the proposed TBA Credit Union Project. Excavation, dewatering, soil transportation and disposal, groundwater activities, storm water systems,

and engineered controls were and are being carefully managed during the redevelopment as a result of the Brownfield conditions. The removal of contaminated soil and treatment of contaminated groundwater as part of the redevelopment has altered the subsurface conditions. UST Closure assessment activities will be completed to document the current site conditions and for LUST closure purposes.

Summary of Part 201 Exceedances in Soil

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/kg)	Maximum Concentration (µg/kg)/Sample Location
<i>Chromium</i>	7440-47-3	AKT B-2 0.5-2.0' AKT B-4 0.5-2.0' AKT SB-11 2.0-4.0'	GSIP/3,300	3,600 / AKT SB-11
<i>Benzene</i>	71-43-2	AKT B-2 0.5-2.0' AKT SB-01 2.0-4.0' W Tank N** M Tank N** Dispenser 1** Dispenser 2** Dispenser 3** Dispenser 4** Dispenser 5** Piping 1** PW-N** PW-S** PW-M**	DWP/100	1,580/Dispenser 2
<i>Toluene</i>	108-88-3	Dispenser 2**	GSIP/5,400	8,250/Dispenser 2
<i>Ethylbenzene</i>	100-41-4	AKT SB-02 10.0-12.0' Dispenser 2** PW-N**	GSIP/360	4,200/AKT SB-02
<i>n-Propylbenzene</i>	103-65-1	AKT SB-02 10.0-12.0'	DW/1,600	10,000/AKT SB-02

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/kg)	Maximum Concentration (µg/kg)/Sample Location
Xylenes	1330-20-7	<i>AKT SB-01 2.0-4.0'</i> <i>AKT SB-02 10.0-12.0'</i> DEQ SB-5* <i>DEQ SB-12*</i> <i>W Tank S**</i> <i>Dispenser 1**</i> <i>Dispenser 2**</i> <i>Dispenser 3**</i> <i>Dispenser 4**</i> <i>Dispenser 5**</i> <i>Dispenser 6**</i> <i>Piping 1**</i> <i>PW-N**</i> <i>PW-S**</i> <i>PW-M**</i>	<i>DWP/5,600</i> GSIP/820	<i>84,000/AKT SB-02</i> 2,800/DEQ SB-5
2-Methylnaphthalene	91-57-6	<i>AKT SB-02 10.0-12.0'</i> DEQ SB-5* <i>DEQ SB-12*</i>	GSIP/4,200	32,000/DEQ SB-5
Naphthalene	91-20-3	<i>AKT SB-02 10.0-12.0'</i> DEQ SB-5* <i>DEQ SB-12*</i> <i>Dispenser 1**</i> <i>Dispenser 2**</i> <i>East @ 6'4"***</i>	GSIP/730	<i>15,000/AKT SB-02</i> 13,000/DEQ SB-5
1,2,4 Trimethylbenzene	95-63-6	<i>AKT SB-01 2.0-4.0'</i> <i>AKT SB-02 10.0-12.0'</i> DEQ SB-5* <i>DEQ SB-6*</i> <i>DEQ SB-12*</i> <i>W Tank S**</i> <i>Dispenser 1**</i> <i>Dispenser 2**</i> <i>Dispenser 3**</i> <i>Dispenser 4**</i> <i>Dispenser 5**</i> <i>Dispenser 6**</i> <i>PW-N**</i>	DWP/2,100 GSIP/570	<i>71,000/AKT SB-02</i> 25,000/DEQ SB-5

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/kg)	Maximum Concentration (µg/kg)/Sample Location
1,3,5 Trimethylbenzene	108-67-8	AKT SB-02 10.0-12.0' DEQ SB-5* DEQ SB-12* Dispenser 1** Dispenser 2**	DWP/1,800 GSIP/1,100	29,000/AKT SB-02 10,000/DEQ SB-5

Table Notes:

DWP – Drinking Water Protection Criteria

GSIP – Groundwater-Surface Water Interface Protection Criteria

*Soil samples collected during November 2004 subsurface investigation

**Soil samples collected during UST, piping, and dispenser removal in November 2008

***Soil samples collected during waste oil UST removal in January 2005

µg/kg = micrograms per kilogram.

Removed during soil remediation activities

Summary of Part 201 Exceedances in Groundwater

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/L)	Maximum Concentration (µg/L)/Sample Location
Naphthalene	91-20-3	DEQ RL-6 AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 30'	GSI/11 GSVIC/5.0	400/AKT SB-02/TMW-01
2-Methylnaphthalene	91-57-6	AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 30'	GSI/19 GSVIC/5.0	130/AKT SB-02/TMW-01
1,2,4 Trimethylbenzene	95-63-6	DEQ RL-5 DEQ RL-6 DEQ RL-9 AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 14' AKT SB-08/TMW-02 22' AKT SB-08/TMW-02 30'	DW/63 GSI/17	3,010/DEQ RL-5
1,3,5 Trimethylbenzene	108-67-8	DEQ RL-5 DEQ RL-6 DEQ RL-9 AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 30'	DW/72 GSI/45	786/DEQ RL-5

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/L)	Maximum Concentration (µg/L)/Sample Location
Xylenes	1330-20-7	DEQ RL-5 DEQ RL-6 DEQ RL-9 AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 30'	DW/280 GSI/41	15,400/DEQ RL-5
Toluene	108-88-3	DEQ RL-5	DW/270 GSI/790	9,120/DEQ RL-5
Ethylbenzene	100-41-4	DEQ RL-5 AKT SB-02/TMW-01 14'	DW/18 GSI/74	2,170/DEQ RL-5
Isopropyl benzene	98-82-8	AKT SB-02/TMW-01 14'	GSI/28 GSVIC/5.0	43/AKT SB-02/TMW-01
n-Propylbenzene	103-65-1	AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 22' AKT SB-08/TMW-02 30'	DW/80 GSVIC/1.0	140/AKT SB-02/TMW-01
Chromium, Total	7440-47-3	AKT SB-02/TMW-01 30'	DW/100	410/AKT SB-02/TMW-01
Lead	7439-92-1	AKT SB-02/TMW-01 30'	DW/4.0	17/AKT SB-02/TMW-01
Tetrachloroethylene	127-18-4	AKT SB-02/TMW-01 30' AKT SB-08/TMW-02 30'	DW/5.0 GSVIC/5.0	12/AKT SB-02/TMW-01/AKT SB-08/TMW-02

Table Notes:

DW – Drinking Water Criteria

GSI – Groundwater-Surface Water Interface Criteria

GSVIC – Groundwater in Sump Vapor Intrusion Criteria

µg/L = micrograms per liter.

2.2 Functionally Obsolete

"Functionally obsolete" means that the Property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the Property itself or the Property's relationship with other surrounding Property. The Property is a facility and has not been designated as functionally obsolete.

2.3 Blighted

"Blighted" means property that meets any applicable criteria set forth in Act 381, as determined by the governing body. Since the Property is a facility, a blight determination has not been requested.

2.4 Adjacent and Contiguous

The City of Traverse City is considered a qualified local governmental unit as provided in Act 146 of 2000, as amended. The definition of "Eligible Property" in PA 381 of 1996, as amended, includes Property that is located in a qualified local governmental unit and is a facility, functionally obsolete, or blighted and includes parcels that are adjacent or contiguous to that Property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that Property.

Both parcels comprised by the Property are facilities, so the adjacent and contiguous eligibility is redundant.

3.0 Scope of Work

The following scope of work has been identified to address the Property's Brownfield conditions.

3.1 MDEQ Eligible Activities

The purpose of this Work Plan Amendment is to authorize two sets of eligible activity costs. The first set includes due care activities to cover increased costs related to additional unanticipated soil removal necessary to comply with due care obligations, and dewatering from unanticipated higher than expected groundwater levels during July through October 2013. The second set includes (1) additional response activities associated with unanticipated UST closure and catch basin soil removal; and (2) costs for preparation of Brownfield Plan and Act 381 Work Plan Amendments. UST closure activities involve sampling and reporting to identify potential risks associated with residual contamination, assessment of appropriate due care pursuant to Part 213, and documentation of Part 213 compliance. Please note, the costs included in this Work Plan Amendment are in addition to those included in the Act 381 Work Plan dated May 3, 2013.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured and may be used to reimburse and/or finance the cost of the eligible activities completed on the Property, as authorized by Act 381, as amended and pursuant to the terms of a Reimbursement Agreement (refer to Appendix C) with the Authority. Refer to Table 1 for a detailed description of the Eligible Activities for the Project and Table 2 for tax increment financing information.

The GTCBRA is the applicant for the MDEQ loan and, if the additional loan funds are awarded, will administer the funds, as approved by MDEQ. Since the GTCBRA, as part of its administrative oversight, also approves TIF reimbursement, it will perform the due diligence to ensure that there is no overlap in the reimbursement of loan-funded and developer-funded costs.

3.1.1 Preparation of Brownfield Plan and Act 381 Work Plan

AKT Peerless has prepared a Brownfield Plan Amendment and MDEQ Act 381 Work Plan Amendment for the Property in accordance with all applicable MDEQ guidance.

3.1.2 Due Care Activities

Soil Assessment and Response Activities

Several investigations have been conducted on the Property historically that detected VOCs and metals in soil and groundwater at concentrations that exceeded MDEQ's Part 201 RCC. Metals and VOCs detected in soil and/or groundwater at the Property during past investigations include:

- Chromium
- Lead
- Benzene
- Toluene
- Ethylbenzene
- Xylenes
- n-Propylbenzene
- Isopropyl Benzene
- 2-Methylnaphthalene
- Naphthalene
- 1,2,4 Trimethylbenzene
- 1,3,5-trimethylbenzene
- Tetrachloroethylene

During construction of TBA Credit Union's financial institution headquarters, unanticipated additional soil removal was necessary to support the new construction beyond what was originally included in the Act 381 Work Plan dated May 3, 2013. Therefore, following consultation with the MDEQ, TBA Credit Union implemented the following actions to remediate or otherwise mitigate environmental risks associated with the impacted soil and groundwater on the Property (refer to Figure 6) in areas of new construction.

Affected Areas:

Soil Management (Foundations)

An additional approximately 2,678 tons of unanticipated contaminated soil was excavated from the area surrounding the new foundations and basement as a due care response activity. The contaminated soil could not be relocated and managed onsite within the Property boundaries due to land balancing requirements for the new development. Therefore, the soil was removed from the Property and disposed at a Type II landfill in accordance with Part 201 Relocation of Soil Requirements. The additional cost included excavation, transport, and disposal, decontamination of equipment (e.g., temporary truck wash facility, etc.) oversight (on-site environmental construction management) and reporting, and environmental project management.

Soil Management (Shooters Property Contaminated Soil)

An additional approximately 111 tons of unanticipated contaminated soil was excavated in the area of the former Shooters Property due to contamination. The contaminated soil could not be relocated and managed onsite within the Property boundaries due to land balancing requirements for the new development. Therefore, the soil was removed from the Property and disposed at a Type II landfill as described in the preceding bullet. The additional cost included excavation, transport, and disposal, decontamination of equipment (e.g., temporary truck wash facility, etc.) oversight (on-site environmental construction management) and reporting, and environmental project management.

Dewatering

Dewatering costs were increased beyond the scope and cost estimates provided in the original work plan, dated May 3, 2013, due to unanticipated higher than expected groundwater levels between July 2013 and October 2013 resulting from elevated amounts of precipitation. An additional approximately 6.4 million gallons of contaminated groundwater was treated and discharged to the City of Traverse City Wastewater Treatment Plant.

Please refer to Table 1, MDEQ Additional Activity Costs, for specific line item costs for the due care activities, and to Figure 6 for the locations of contaminated soil removal.

3.1.3 Additional Response Activities

Additional response activities to be conducted at the eligible property consist of UST closure. Please refer to Table 1, MDEQ Additional Activity Costs, for specific line item costs for the additional response activities.

Catch Basin Soil Removal

During development activities, visually impacted soil was encountered beneath a catch basin. Removal of this soil was an additional response activity necessary to comply with due care obligations. The catch basin soil removal activities included:

- Verification of Soil Remediation (VSR) Sampling
- Waste Characterization Sampling
- Soil Removal, Transportation, and Disposal
- Oversight, Project Management, and Reporting

UST Closure

The Property is an 'open' LUST site on the MDEQ LUST database. Closure of the incident will require preparation of a LUST closure report that summarizes the response and corrective actions completed at the Property, in accordance with Part 213 guidance. Based on preliminary discussions with MDEQ representatives, it is anticipated that the site can meet Part 213 closure requirements through the use of a monitored natural attenuation (MNA) approach. Much of the petroleum-contaminated soil identified at the Property was removed as part of the construction activities, and dewatering during the basement construction removed and treated approximately 23 million gallons of groundwater. Because of the removal of this volume of contaminated media, it is believed that the incident can be closed with minimal activity.

Proposed closure activities for the Property include:

- Refinement of the horizontal and vertical contaminant delineation through the installation of three to five additional soil borings and groundwater monitoring wells;
- Conducting up to four quarterly groundwater sampling and analysis events following well installation for the presence of gasoline constituents;
- Preparation and filing of a revised restrictive covenant, as warranted, to reflect current site conditions; and
- Preparation of a LUST closure report for approval by the MDEQ.

The above activities will be conducted to meet the LUST closure requirements in accordance with Part 213. The proposed work is aimed at demonstrating the current site soil and groundwater quality following the activities conducted as part of the redevelopment of the Property. Specially constructed drilling locations will be prepared in advance to avoid damage to any of the rain garden liners or other infrastructure installed at the Property to comply with the current restrictive covenant. These access points will be placed at drilling rig accessible points at the site, and will be integrated into the landscaping to minimize impacts and disruption to the new development.

The work will require approximately 15 months to complete from the date that the new monitoring wells are installed and sampled. Quarterly groundwater sampling and analysis, including both the new wells and one existing monitoring well across Front Street to the north, will be used to demonstrate that the petroleum contaminant plume is stable, diminishing, or remediated to be below Part 213 risk-based screening levels, and that the LUST incident is no longer a potential concern to human health, safety and the environment. The samples will be analyzed for the presence of gasoline contaminant constituents and their degradation products consistent with those being previously monitored at the Property and with Part 213 guidance. At the completion of the four quarters of sampling, a closure report will be prepared and submitted to the MDEQ for the LUST incident, as appropriate, to achieve closure.

4.0 Schedule and Costs

The following sections present the proposed schedule to complete the Project and the associated costs.

4.1 Schedule of Activities

Project activities that have not already occurred will commence in the Summer of 2014 following the GTCBRA Brownfield Redevelopment Authority, the GTC Board of Commissioners, and MDEQ approvals. Completion of the Project is anticipated to be within approximately 18 months of MDEQ Work Plan Amendment approval.

4.2 Estimated Costs

The itemized estimated costs to complete the Environmental eligible activities including all labor, equipment, subcontractors, and materials under this Work Plan Amendment are provided in Sections 4.2.1 and 4.2.2 below and in the attached Table 1 and Table 2. Actual interest associated with the eligible activities not to exceed 2.5% to address the true cost of conducting the eligible activities associated with the development of this site is also included. Note: an interest calculation will be determined, pending refinement of Eligible Activity and contingency costs, revisions to the Work Plan tables, as amended, and possibly a proportionality adjustment due to local tax increment revenues being captured throughout the Work Plan Amendment for GTCBRA Administration Fees and Local Only Activities.

4.2.1 Description of MDEQ Eligible Activities Costs

The estimated cost for the additional activities plus contingency, fees, and interest described in this section is \$332,640. The Developer desires to be reimbursed for the costs of eligible activities. Individual costs associated with these activities are provided in the table below. See Table 1 for further details.

4.2.2 Contingency

A 15% contingency factor has been included to accommodate for unexpected conditions that may be encountered during the performance of eligible activities.

MDEQ Eligible Activities Table

Description of Eligible Activities		Estimated Cost(a)
1. Due Care Activities	\$	231,379
2. Additional Response Activities	\$	57,880
Subtotal	\$	289,259
3. 15% Contingency(b)	\$	43,389
4. Preparation of a Brownfield Plan Amendment	\$	9,000
5. Preparation of Work Plan Amendment	\$	8,500
Subtotal	\$	350,148
6. GTCBRA 5% Withholding	\$	(17,507)
Subtotal	\$	332,640
7. Authority Administrative Fees	\$	TBD
8. Up to Interest(c)	\$	0
Total(d)	\$	332,640

(a) Estimated costs are subject to approval by MDEQ. Any costs not approved by the MDEQ may become local only costs paid out of captured tax increment revenues from locally levied millages (to the extent available).

(b) The contingency is applied to the preceding Subtotal, excepting the BEA Activities, which have already been performed.

(c) Interest is calculated annually at simple interest based on approved Development Agreement at 2.5%; Interest capped in original plan at \$565,026

(d) Does not include Authority Administrative Fees

5.0 Project Costs and Funding

The following subsections present the total estimated Project costs and the source and uses of funds.

5.1 Total Estimated Project Costs

The total costs of the Environmental Eligible Activities under this Work Plan Amendment are provided in Table 1. The Developer anticipates making an investment of up to \$7.6 million in real and personal property improvements on the Property.

5.2 Sources and Uses Of Funds

The Developer anticipates investment of approximately \$7.6 million in real property improvements on the Property including acquisition of the land. Redevelopment of the Property is expected to subsequently generate increases in taxable value and result in incremental taxable value beginning in 2015. The initial taxable value for the Brownfield Plan will be the Property's 2013 assessment, because the Brownfield Plan received final approval in 2013. Tax increment revenue will be utilized to reimburse the cost of eligible activities. Table 2 provides an estimate of tax increment revenue. The Developer will finance all eligible activities under this Work Plan Amendment related to improvements on the Property.

6.0 Limitations

The taxable value on real property is estimated to increase at a rate of 1% each year (refer to Table 2).

The incremental tax revenue estimates for the proposed development could vary from this estimate affecting the time period it takes to reimburse the eligible activities. The cost estimates included within this Act 381 Work Plan Amendment are just that—estimates—and the actual costs incurred may vary depending on site conditions. If in fact the eligible activity costs exceed the estimated amount for reimbursement, the Developer and the Authority may submit an amended Brownfield Plan and Act 381 Work Plan. Please reference the Brownfield Plan Amendment in Attachment A for additional information.

All reimbursements authorized under this Work Plan Amendment shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Work Plan Amendment are intended to authorize the Authority to fund such reimbursements and does not obligate the Authority or the County to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Work Plan Amendment, or which are permitted to be reimbursed under this Work Plan Amendment. The amount and source of any tax increment revenues that will be used for purposes authorized by this Work Plan Amendment, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Work Plan Amendment, will be provided solely under the Reimbursement Agreement contemplated by this Work Plan Amendment.

Figures

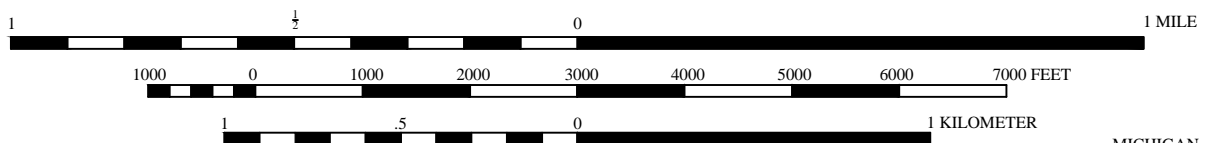
TRAVERSE CITY SE QUADRANGLE

MICHIGAN - GRAND TRAVERSE COUNTY

7.5 MINUTE SERIES (TOPOGRAPHIC)



T. 27 N. - R.11 W.



CONTOUR INTERVAL 5 FEET
DATUM IS MEAN SEA LEVEL



IMAGE TAKEN FROM 1983 U.S.G.S. TOPOGRAPHIC MAP



ILLINOIS MICHIGAN OHIO
www.aktpeerless.com

SCALED PROPERTY LOCATION MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-36-25

DRAWN BY: JWB/OGO
DATE: 6/3/2014

FIGURE 1



AKTPEERLESS

ILLINOIS

MICHIGAN
www.aktpeerless.com

OHIO

ELIGIBLE PROPERTY BOUNDARY MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-16-25

LEGEND

--- = ELIGIBLE PROPERTY BOUNDARY

DRAWN BY: JWB/OGO
DATE: 6/3/2014

0 35 70
SCALE: 1" = 70' ±0

FIGURE 2



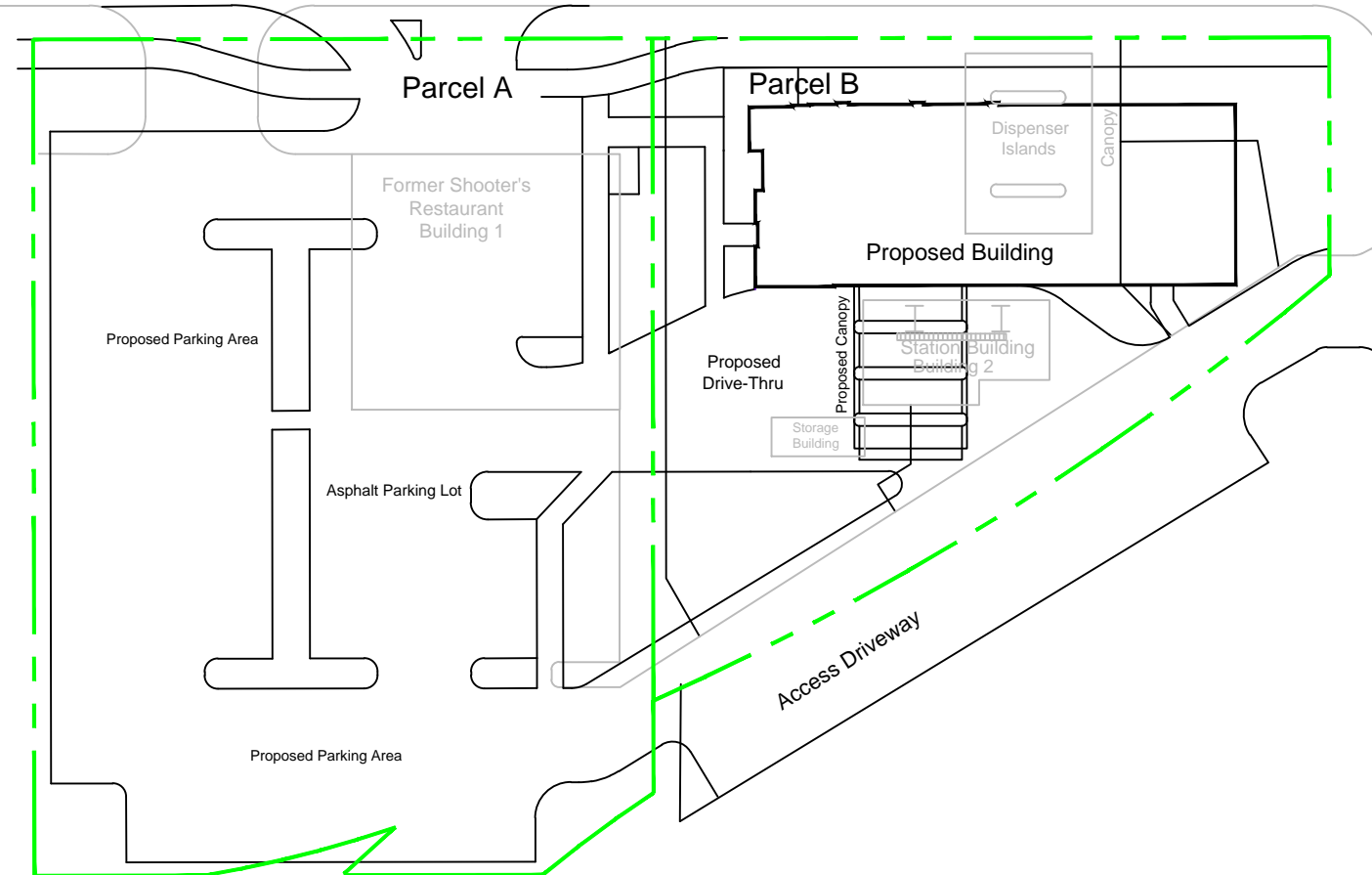
Holiday Inn Hotel
615 East Front Street

Sunset Park

East Front Street

Plante Moran/Auto Owners Insurance
600 West Front Street

Railroad Avenue



Hope Street

McDonald's Restaurant 704 &
710 East Front Street

Bayport Condominiums

PROPOSED DEVELOPMENT MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-36-25

AKTPEERLESS

ILLINOIS MICHIGAN OHIO
www.aktpeerless.com

LEGEND
= PROPERTY LINE
= ABOVE-GROUND HOIST
= TRENCH DRAIN
= FORMER FEATURES

DRAWN BY: JWB/OGO
DATE: 6/3/2014

SCALE: 1" = 50' ±
0 25 50

FIGURE 3



AKT SB-01 2-4'	
2/14/2013	
1,2,4 Trimethylbenzene	660 ug/kg
Benzene	200 ug/kg
Xylenes	1,600 ug/kg

AKT SB-02 10-12'	
2/14/2013	
1,2,4 Trimethylbenzene	71,000 ug/kg
1,3,5 Trimethylbenzene	29,000 ug/kg
2-Methylnaphthalene	15,000 ug/kg
Ethylbenzene	4,200 ug/kg
Naphthalene	15,000 ug/kg
n-Propylbenzene	10,000 ug/kg
Xylenes	84,000 ug/kg

AKT SB-11 2-4'	
2/14/2013	
Chromium	3,600 ug/kg

AKT B-2 0.5-2'	
7/23/2012	
Chromium	3,400 ug/kg
Benzene	140 ug/kg

AKT B-4 0.5-2'	
7/23/2012	
Chromium	3,500 ug/kg

DEQ SB-5 9'	
11/10/2004	
1,2,4 Trimethylbenzene	25,000 ug/kg
1,3,5 Trimethylbenzene	10,000 ug/kg
2-Methylnaphthalene	5,600 ug/kg
Naphthalene	13,000 ug/kg
Xylenes	2,800 ug/kg

DEQ SB-6 9'	
11/10/2004	
1,2,4 Trimethylbenzene	710 ug/kg

DEQ-SB-12 10'	
11/10/2004	
1,2,4 Trimethylbenzene	18,000 ug/kg
1,3,5 Trimethylbenzene	8,100 ug/kg
2-Methylnaphthalene	32,000 ug/kg
Naphthalene	1,200 ug/kg
Xylenes	5,900 ug/kg

W Tank S 10'	
11/15/2008	
1,2,4 Trimethylbenzene	697 ug/kg
Xylenes	970 ug/kg

W Tank N 10'	
11/15/2008	
Benzene	152 ug/kg

M Tank N 10'	
11/15/2008	
Benzene	102 ug/kg

Dispenser 1 2'	
11/15/2008	
1,2,4 Trimethylbenzene	3,620 ug/kg
1,3,5 Trimethylbenzene	3,130 ug/kg
Benzene	470 ug/kg
Naphthalene	1,370 ug/kg
Xylenes	6,350 ug/kg

Dispenser 2 2'	
11/15/2008	
1,2,4 Trimethylbenzene	7,640 ug/kg
1,3,5 Trimethylbenzene	3,720 ug/kg
Benzene	1,580 ug/kg
Ethylbenzene	1,180 ug/kg
Naphthalene	2,850 ug/kg
Toluene	8,250 ug/kg
Xylenes	12,100 ug/kg

Dispenser 3 2'	
11/15/2008	
1,2,4 Trimethylbenzene	1,080 ug/kg
Benzene	236 ug/kg
Xylenes	1,550 ug/kg

Dispenser 4 2'	
11/15/2008	
1,2,4 Trimethylbenzene	647ug/kg
Benzene	126 ug/kg
Xylenes	855 ug/kg

Piping 1 2'	
11/15/2008	
Benzene	235 ug/kg
Xylenes	1,520 ug/kg

Dispenser 5 2'	
11/15/2008	
1,2,4 Trimethylbenzene	1,520 ug/kg
Benzene	192 ug/kg
Xylenes	2,880 ug/kg

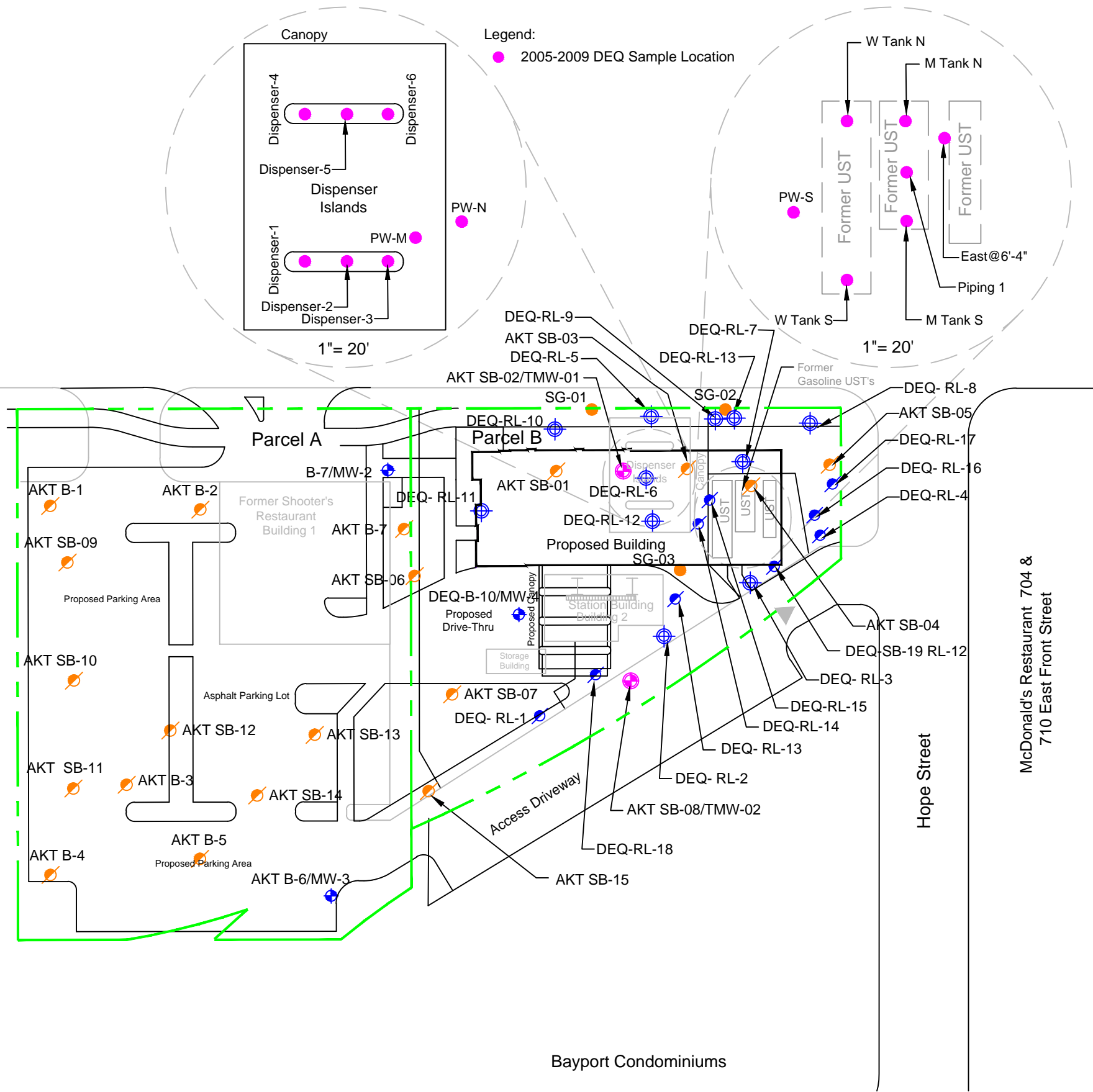
Dispenser 6 2'	
11/15/2008	
1,2,4 Trimethylbenzene	868 ug/kg
Xylenes	1,230 ug/kg

PW-S 2'	
11/15/2008	
Benzene	489 ug/kg
Xylenes	1,420 ug/kg

PW-N 2'	
11/15/2008	
1,2,4 Trimethylbenzene	7.64 ug/kg
Benzene	1,350 ug/kg
Ethylbenzene	429 ug/kg
Xylenes	2,870 ug/kg

PW-M 2'	
11/15/2008	
Benzene	660 ug/kg
Xylenes	1,380 ug/kg

East@6'4"	
11/15/2008	
Naphthalene	1,010 ug/kg



PROPOSED DEVELOPMENT MAP WITH SOIL ANALYTICAL RESULTS EXCEEDING MDEQ RCC

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-36-25

AKTPEERLESS

ILLINOIS MICHIGAN OHIO

www.aktpeerless.com

DRAWN BY: JWB/OGO

DATE: 6/3/2014

SCALE: 1" = 50'±

FIGURE 4



AKT SB-02/TMW-01 14'	
2/14/2013	
1,2,4 Trimethylbenzene	1,500 ug/L
1,3,5 Trimethylbenzene	450 ug/L
Naphthalene	400 ug/L
2-Methylnaphthalene	130 ug/L
Ethylbenzene	170 ug/L
Isopropyl benzene	43 ug/L
n-Propylbenzene	140 ug/L
Xylenes	3,600 ug/L

AKT SB-02/TMW-01 30'	
2/14/2013	
Chromium	410 ug/L
Lead	17 ug/L
Tetrachloroethylene	12 ug/L

AKT SB-08/TMW-02 30'	
2/14/2013	
1,2,4 Trimethylbenzene	87 ug/L
2-Methylnaphthalene	24 ug/L
Tetrachloroethylene	12 ug/L
Naphthalene	23 ug/L
1,3,5 Trimethylbenzene	25 ug/L
n-Propylbenzene	12 ug/L
Xylenes	60 ug/L

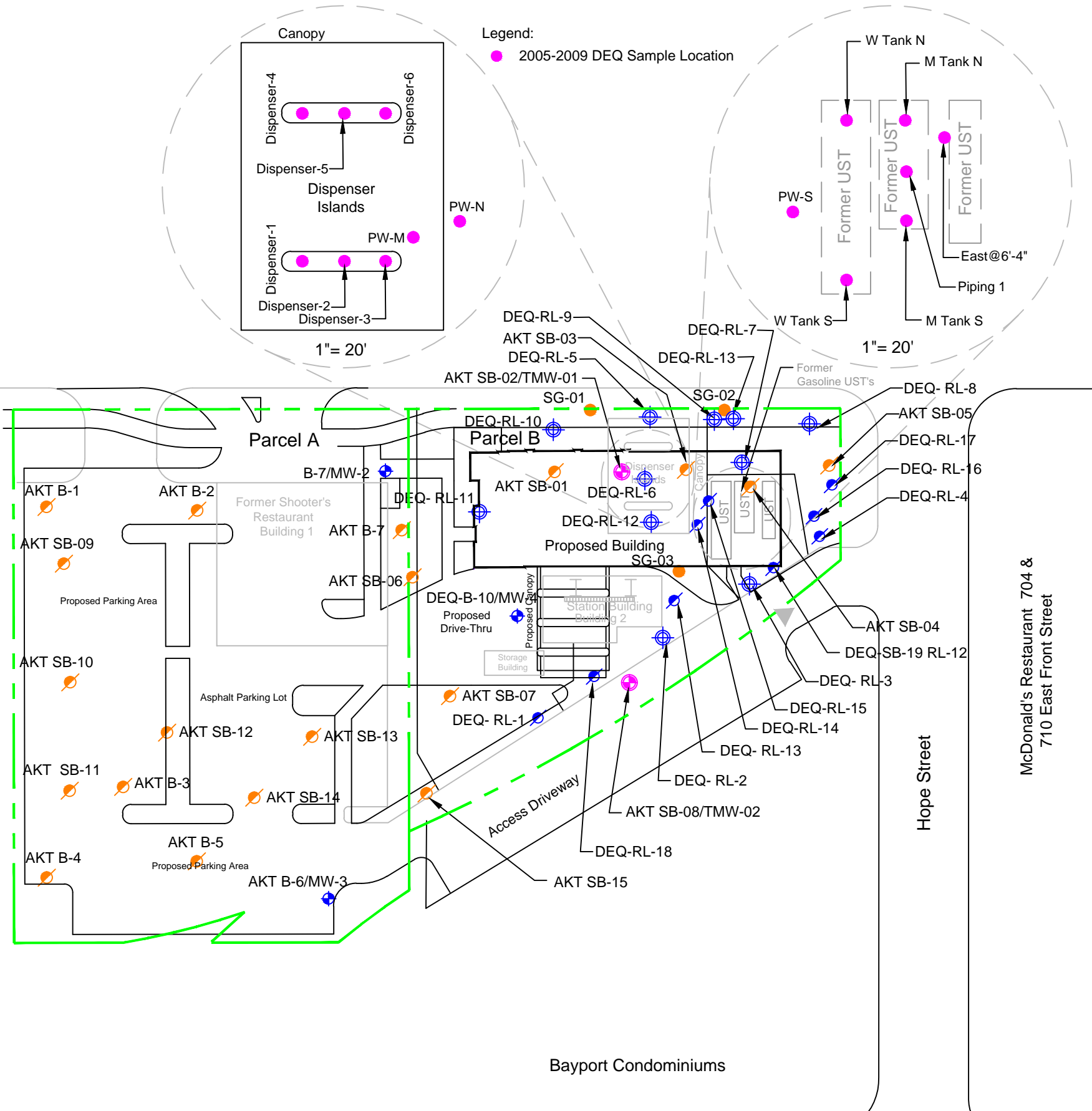
AKT SB-08/TMW-02 14'	
2/14/2013	
1,2,4 Trimethylbenzene	8.6 ug/L

AKT SB-08/TMW-02 22'	
2/14/2013	
1,2,4 Trimethylbenzene	11 ug/L
n-Propylbenzene	2.3 ug/L

DEQ RL-5 10'	
4/2/2012	
1,2,4 Trimethylbenzene	3,010 ug/L
1,3,5 Trimethylbenzene	786 ug/L
Toluene	9,120 ug/L
Ethylbenzene	2,170 ug/L
Xylenes	15,400 ug/L

DEQ RL-6 10'	
4/2/2012	
1,2,4 Trimethylbenzene	172 ug/L
1,3,5 Trimethylbenzene	58 ug/L
Naphthalene	23 ug/L
Xylenes	342 ug/L
7/23/2012	
1,2,4 Trimethylbenzene	82 ug/L
1,3,5 Trimethylbenzene	78 ug/L
Naphthalene	44 ug/L
Xylenes	490 ug/L

DEQ RL-9 10'	
4/2/2012	
1,2,4 Trimethylbenzene	234 ug/L
1,3,5 Trimethylbenzene	68 ug/L
Xylenes	147 ug/L



DRAWN BY: JWB/OGO
DATE: 6/3/2014
SCALE: 1" = 50' ±
FIGURE 5

LEGEND
= PROPERTY LINE
= AKT PEERLESS SOIL BORING LOCATION
= AKT PEERLESS TEMP. MONITORING WELL LOCATION
= AKT PEERLESS SOIL GAS BORING LOCATION
= DEQ SOIL BORING
= DEQ MONITORING WELL
= ABOVE-GROUND HOIST
= TRENCH DRAIN
= FORMER FEATURES

PROPOSED DEVELOPMENT MAP WITH
GROUNDWATER ANALYTICAL RESULTS
EXCEEDING MDEQ RCC
626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-36-25

AKTPEERLESS
ILLINOIS MICHIGAN OHIO
www.aktpeerless.com



Holiday Inn Hotel
615 East Front Street

Sunset Park

East Front Street

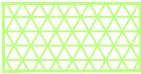
Plante Moran/Auto Owners Insurance
600 West Front Street

McDonald's Restaurant 704 &
710 East Front Street

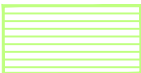
Hope Street

Bayport Condominiums


LEGEND




= EXTENT OF ELEVATOR EXCAVATION (20 Ft. bgs) &
EXTENT OF EXCAVATION TO FULL BASEMENT DEPTH
(15 Ft. bgs) (~ 6,826 TONS)




= APPROXIMATE LIMITS OF EXCAVATION (4 Ft. bgs) (~ 161 TONS)



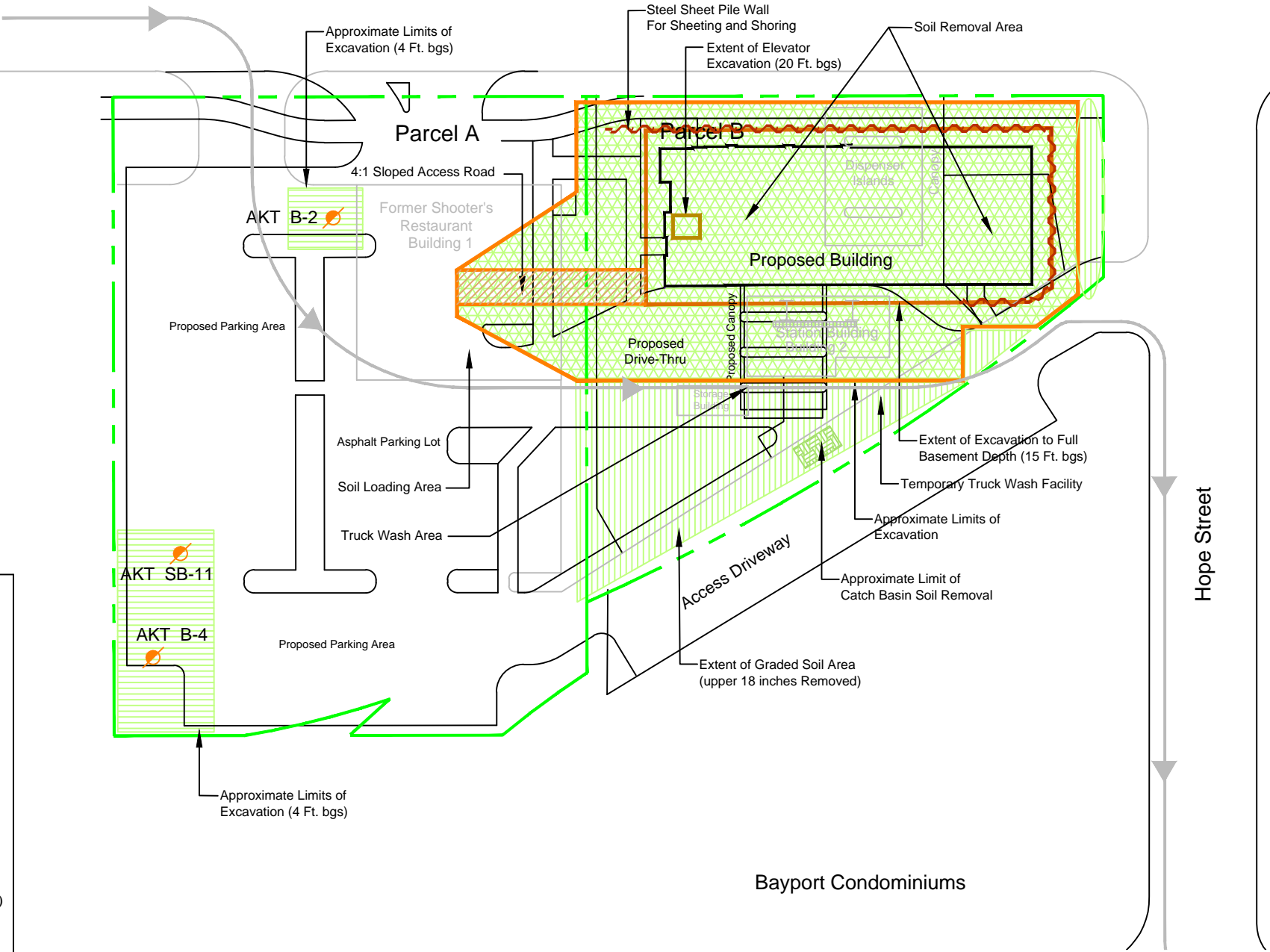
= EXTENT OF GRADED SOIL AREA (upper 18 inches
removed) (~ 491 TONS)



= APPROXIMATE LIMITS OF CATCH BASIN SOIL REMOVAL (5 TONS)



= TRUCK ROUTE




DRAWN BY: JWB/OGO
DATE: 6/3/2014




SCALE: 1" = 50'-0"

FIGURE 6


LEGEND




= PROPERTY LINE



= ABOVE-GROUND HOIST



= TRENCH DRAIN



= FORMER FEATURES

SOIL MANAGEMENT MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-36-25



AKTPEERLESS

ILLINOIS MICHIGAN OHIO

www.aktpeerless.com



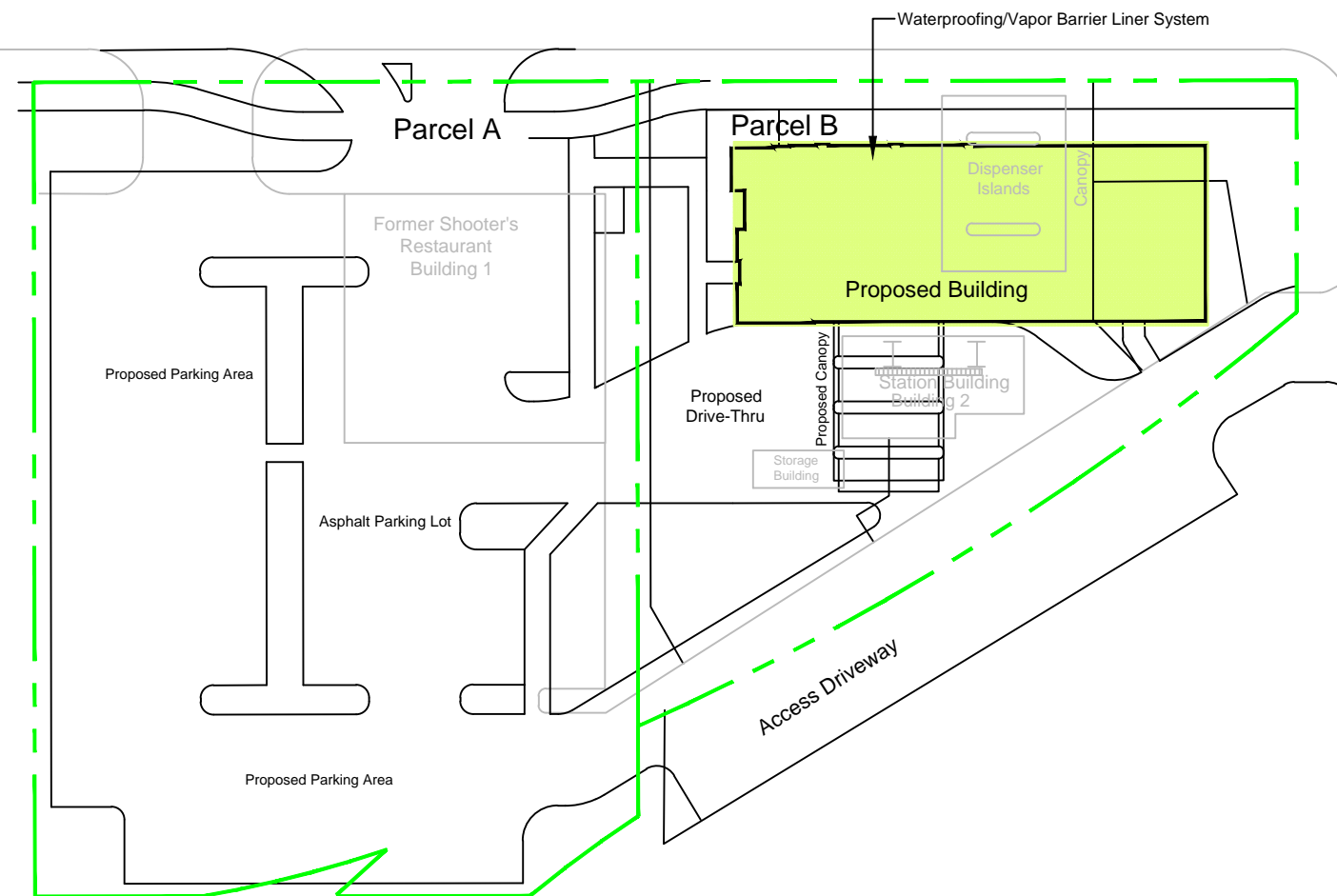
Holiday Inn Hotel
615 East Front Street

Sunset Park

East Front Street

Plante Moran/Auto Owners Insurance
600 West Front Street

Railroad Avenue



Hope Street

McDonald's Restaurant 704 &
710 East Front Street

Bayport Condominiums

WATERPROOFING/VAPOR BARRIER LINER
SYSTEM LOCATION MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-36-25

AKTPEERLESS

ILLINOIS MICHIGAN OHIO
www.aktpeerless.com

LEGEND
= PROPERTY LINE
= ABOVE-GROUND HOIST
= TRENCH DRAIN
= FORMER FEATURES

DRAWN BY: JWB/OGO
DATE: 6/3/2014

SCALE: 1" = 50' ±
0 25 50

FIGURE 7





Holiday Inn Hotel
615 East Front Street

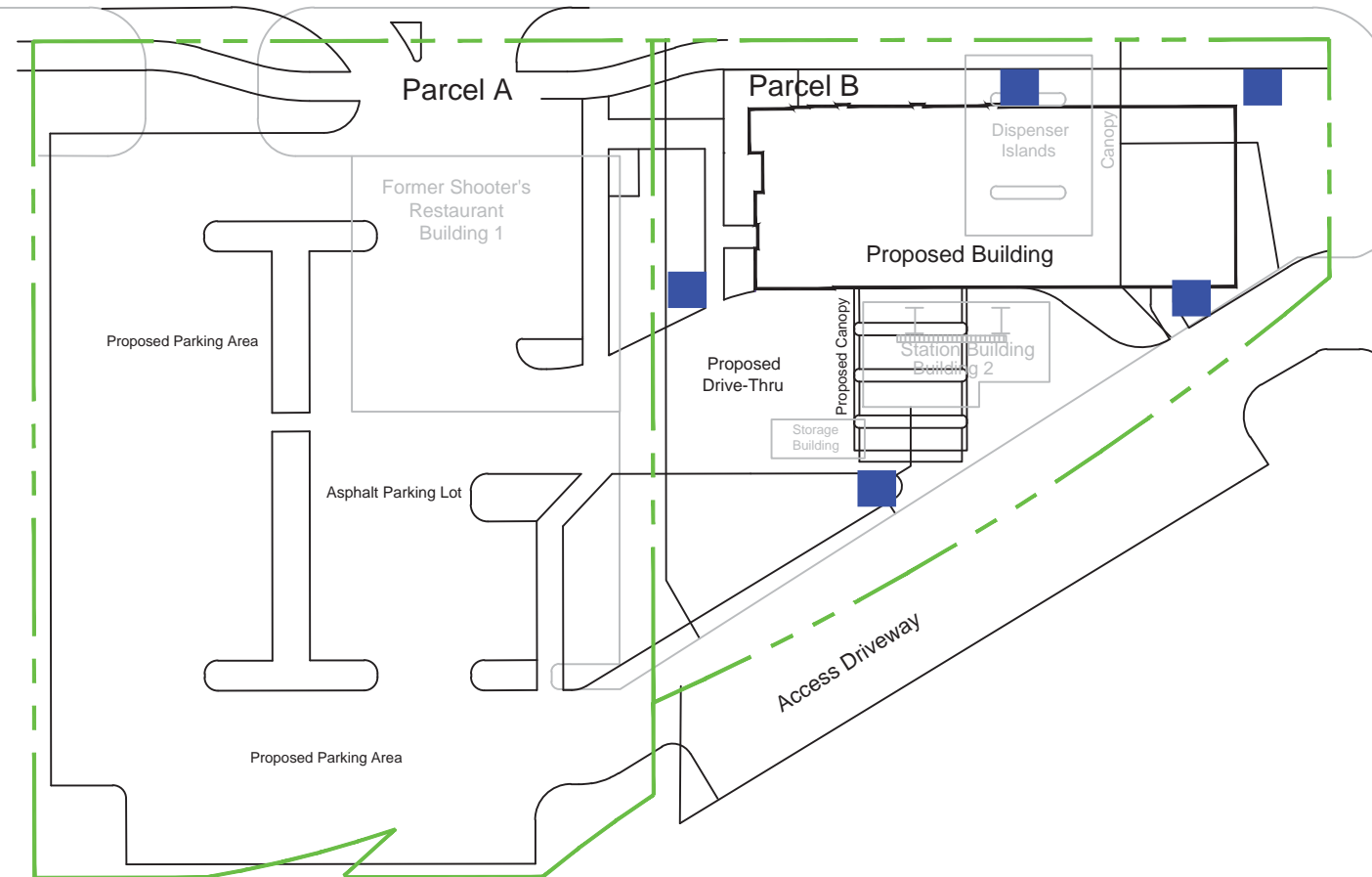
Sunset Park

East Front Street

Plante Moran/Auto Owners Insurance
600 West Front Street

Railroad Avenue

-  =PROPOSED MONITORING WELL LOCATION
-  =EXISTING MONITORING WELL LOCATION



Hope Street

McDonald's Restaurant 704 &
710 East Front Street





Bayport Condominiums

PROPOSED MONITORING WELL
LOCATION MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-36-25



ILLINOIS MICHIGAN OHIO
www.aktpeerless.com

- LEGEND
-  = PROPERTY LINE
 -  = ABOVE-GROUND HOIST
 -  = TRENCH DRAIN
 -  = FORMER FEATURES

DRAWN BY: JWB/OGO
DATE: 6/3/2014

SCALE: 1" = 50' ±
0 25 50

FIGURE 8

Tables

Eligible Activities Table
2014 Work Plan Amendment
TBA Credit Union
626 and 636 East Front Street
Traverse City Michigan
AKT Peerless Project No. 7688B
As of June 17, 2014

Environmental Eligible Activities (MDEQ)		Requested Estimates	
Reference Letters			
Activity	Original Work Plan Approved Estimated Total Cost	2014 Work Plan Amendment (Additional Unanticipated Costs)	Total Work Plan Estimated Costs
1000-BEA Environmental Assessment Activities			
BEA Environmental Assessment Activities Total	\$ 36,011.00	\$ -	\$ 36,011.00
2000-Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities			
Due Care Plans - Pre, During and Post Construction			\$ -
Pre-Construction Due Care Plan	\$ 1,800.00		\$ 1,800.00
Environmental Construction Management Due Care Plan	\$ 10,000.00		\$ 10,000.00
Post-Construction Due Care Plan	\$ 2,500.00		\$ 2,500.00
Dewatering			
Total Dewatering	\$ 304,175.00	\$ 153,678.83	\$ 457,853.83
Soil Management (foundations)			
Total Soil Management (foundations)	\$ 228,148.15	\$ 72,200.00	\$ 300,348.15
Shooters Property Chromium-Contaminated Soil			
Total Shooters Property Chromium-Contaminated Soil	\$ 2,750.00	\$ 5,500.00	\$ 8,250.00
On-Site Environmental Construction Management	\$ 37,500.00		\$ 37,500.00
Environmental Project Management	\$ 15,000.00		\$ 15,000.00
Due Care - Impervious Asphalt	\$ 70,000.00		\$ 70,000.00
Temporary Truck Wash Facility	\$ 3,000.00		\$ 3,000.00
Existing Monitoring Well Abandonment	\$ 5,000.00		\$ 5,000.00
Installation of Monitoring Wells	\$ 8,000.00		\$ 8,000.00
Health and Safety Plans (HASPs, up to 3 at \$2,500 each)	\$ 7,500.00		\$ 7,500.00
Bid Specifications			
Soft Costs			
Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities Total	\$ 695,373.15	\$ 231,378.83	\$ 926,751.98
3000-Additional Response Activities			
Waterproof/Vapor Barrier			
Total Waterproof/Vapor Barrier	\$ 352,818.00		\$ 352,818.00
Green Space and Rain Garden Areas (Environmental Portion) - Any green space, including the public ROW			\$ -
Total Green Space and Rain Garden Areas	\$ 54,250.00		\$ 54,250.00
Catch Basin Soil Removal		\$ 4,380.00	\$ 4,380.00
UST Closure Assessment (Including: up to 4 quarterly sampling and analysis events; preparation and filing of a revised restrictive covenant, as warranted; and preparation of a LUST closure report)		\$ 53,500.00	\$ 53,500.00
Additional Response Activities Total	\$ 407,068.00	\$ 57,880.00	\$ 464,948.00
4000-Environmental Insurance			
Reasonable Costs of Environmental Insurance	\$ 50,000.00		\$ 50,000.00
Environmetal Eligibilities (MDEQ) Grand Total	\$ 1,188,452.15	\$ 289,258.83	\$ 1,477,710.98
Non-Environmental MSF Eligible Activities (MEDC)			
Activity	Original Work Plan Approved Estimated Total Cost	2014 Work Plan Amendment (Additional Unanticipated Costs)	Total Work Plan Estimated Costs
5000-Demolition (County-wide)			
Demolition Total	\$ 75,000.00		\$ 75,000.00
6000-Lead & Asbestos Abatement (County-wide)			
Lead & Asbestos Abatement Total	\$ 37,709.60		\$ 37,709.60
8000-Infrastructure Improvements (City of Traverse City Only)			
Infrastructure Improvements Total	\$ 75,350.00		\$ 75,350.00
Non-Environmental MSF Eligible Activities (MEDC) Grand Total	\$ 725,408.10	\$ -	\$ 725,408.10
9000-Brownfield Plan and Act 381 Work Plan Preparation			
GTCBRA Applications	\$ 9,970.00		\$ 9,970.00
Brownfield Plan	\$ 10,000.00		\$ 10,000.00
Brownfield Plan Amendment		\$ 9,000.00	\$ 9,000.00
Act 381 Work Plan-MSF & MDEQ	\$ 20,000.00		\$ 20,000.00
Act 381 Work Plan Amendment		\$ 8,500.00	\$ 8,500.00
MDEQ Loan Work Plan			
Brownfield Plan and Act 381 Work Plan Preparation Total	\$ 39,970.00	\$ 17,500.00	\$ 57,470.00
15% Contingency on Eligible Activities	\$ 281,677.39	\$ 43,388.82	\$ 325,066.21
Incentive Tracking and Reimbursement Request Assistance			\$ -
GTCBRA Administration & Application Fees	\$ 20,500.00		\$ 20,500.00
Eligible Activities Grand Total	\$ 2,256,007.64	\$ 350,147.65	\$ 2,606,155.29
GTCBRA COVERED ELIGIBLE ACTIVITIES = 95% OF GRAND TOTAL [b]	\$ 2,143,207.25	\$ 332,640.27	\$ 2,475,847.52
Interest	\$ 565,026.00	\$ -	\$ 565,026.00
Total Developer Reimbursement	\$ 2,708,233.25	\$ 332,640.27	\$ 3,040,873.52

Table 2 Tax Increment Financing Estimates
2014 Brownfield Plan Amendment

TBA Credit Union
626 and 636 East Front Street
Traverse City, Michigan
AKT Peerless Project No. 7688B

Eligible Expenses for Reimbursement under ACT 381	
MDEQ Eligilbe Activites and Interest	\$ 2,200,419
MSF Eligible Activities and Interest	\$ 802,008
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 1,259,604
Total Eligible Costs for TIF Reimbursement (5)	\$ 4,300,478

Loan Incentives	
LSRF	
EPA RLF	\$ -

KEY: USER INPUT Check Cell Comments Automatic

\$ 3,002,427

State/Local Millages			
	Millage	Percentage	Eligible Cost
Local	27.0058	52.95%	\$ 1,628,127
State	24.0000	47.05%	\$ 1,412,746

Plan Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Actual Year		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Base (Existing) Taxable Value Non-Homestead (TV):		\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	
New TV for Non-Homestead (3)		\$ 1,480,844	\$ 2,027,988	\$ 2,657,400	\$ 2,737,122	\$ 2,819,236	\$ 2,903,813	\$ 2,990,927	\$ 3,080,655	\$ 3,173,075	\$ 3,268,267	\$ 3,366,315	\$ 3,467,304	\$ 3,571,323	\$ 3,678,463	\$ 3,788,817	\$ 3,902,481	\$ 4,019,556	\$ 4,140,143	
Incremental Difference Non-Homestead (New TV - Existing)		\$ 547,144	\$ 1,094,288	\$ 1,723,700	\$ 1,803,422	\$ 1,885,536	\$ 1,970,113	\$ 2,057,227	\$ 2,146,955	\$ 2,239,375	\$ 2,334,567	\$ 2,432,615	\$ 2,533,604	\$ 2,637,623	\$ 2,744,763	\$ 2,855,117	\$ 2,968,781	\$ 3,085,856	\$ 3,206,443	
Base (Existing) Taxable Value Homestead (TV):		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New TV for Homestead (4)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Incremental Difference Homestead (New TV - Existing)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL INCREMENT		\$ 547,144	\$ 1,094,288	\$ 1,723,700	\$ 1,803,422	\$ 1,885,536	\$ 1,970,113	\$ 2,057,227	\$ 2,146,955	\$ 2,239,375	\$ 2,334,567	\$ 2,432,615	\$ 2,533,604	\$ 2,637,623	\$ 2,744,763	\$ 2,855,117	\$ 2,968,781	\$ 3,085,856	\$ 3,206,443	
STATE CAPTURE		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
State Education Tax (SET, less 3 for BRF)		3.0000	\$ 1,641	\$ 3,283	\$ 5,171	\$ 5,410	\$ 5,657	\$ 5,910	\$ 6,172	\$ 6,441	\$ 6,718	\$ 7,004	\$ 7,298	\$ 7,601	\$ 7,913	\$ 8,234	\$ 8,565	\$ 8,906	\$ 9,258	\$ 9,619
School Operating (NA to Homestead)		18.0000	\$ 9,849	\$ 19,697	\$ 31,027	\$ 32,462	\$ 33,940	\$ 35,462	\$ 37,030	\$ 38,645	\$ 40,309	\$ 42,022	\$ 43,787	\$ 45,605	\$ 47,477	\$ 49,406	\$ 51,392	\$ 53,438	\$ 55,545	\$ 57,716
State Total to Reimbursables		21.0000	\$ 11,490	\$ 22,980	\$ 36,198	\$ 37,872	\$ 39,596	\$ 41,372	\$ 43,202	\$ 45,086	\$ 47,027	\$ 49,026	\$ 51,085	\$ 53,206	\$ 55,390	\$ 57,640	\$ 59,957	\$ 62,344	\$ 64,803	\$ 67,335
Accumulated State Total to Reimbursables			\$ 11,490	\$ 34,470	\$ 70,668	\$ 108,540	\$ 148,136	\$ 189,508	\$ 232,710	\$ 277,796	\$ 324,823	\$ 373,849	\$ 424,934	\$ 478,139	\$ 533,530	\$ 591,170	\$ 651,127	\$ 713,471	\$ 778,274	\$ 845,610
State Brownfield Redevelopment Fund (BRF)		3.0000	\$ 1,641	\$ 3,283	\$ 5,171	\$ 5,410	\$ 5,657	\$ 5,910	\$ 6,172	\$ 6,441	\$ 6,718	\$ 7,004	\$ 7,298	\$ 7,601	\$ 7,913	\$ 8,234	\$ 8,565	\$ 8,906	\$ 9,258	\$ 9,619
State BRF Accumulated Capture			\$ 1,641	\$ 4,924	\$ 10,095	\$ 15,506	\$ 21,162	\$ 27,073	\$ 33,244	\$ 39,685	\$ 46,403	\$ 53,407	\$ 60,705	\$ 68,306	\$ 76,219	\$ 84,453	\$ 93,018	\$ 101,924	\$ 111,182	\$ 120,801
LOCAL CAPTURE		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
TBA- ISD		2.9312	\$ 1,604	\$ 3,208	\$ 5,053	\$ 5,286	\$ 5,527	\$ 5,775	\$ 6,030	\$ 6,293	\$ 6,564	\$ 6,843	\$ 7,130	\$ 7,427	\$ 7,731	\$ 8,045	\$ 8,369	\$ 8,702	\$ 9,045	\$ 9,399
County		6.2433	\$ 3,416	\$ 6,832	\$ 10,762	\$ 11,259	\$ 11,772	\$ 12,300	\$ 12,844	\$ 13,404	\$ 13,981	\$ 14,575	\$ 15,188	\$ 15,818	\$ 16,467	\$ 17,136	\$ 17,825	\$ 18,535	\$ 19,266	\$ 20,019
NMC		2.9400	\$ 1,609	\$ 3,217	\$ 5,068	\$ 5,302	\$ 5,543	\$ 5,792	\$ 6,048	\$ 6,312	\$ 6,584	\$ 6,864	\$ 7,152	\$ 7,449	\$ 7,755	\$ 8,070	\$ 8,394	\$ 8,728	\$ 9,072	\$ 9,427
TADL		1.1092	\$ 607	\$ 1,214	\$ 1,912	\$ 2,000	\$ 2,091	\$ 2,185	\$ 2,282	\$ 2,381	\$ 2,484	\$ 2,590	\$ 2,698	\$ 2,810	\$ 2,926	\$ 3,044	\$ 3,167	\$ 3,293	\$ 3,423	\$ 3,557
Local Unit Rate (Note need twp and village separate line:		13.4367	\$ 7,352	\$ 14,704	\$ 23,161	\$ 24,232	\$ 25,335	\$ 26,472	\$ 27,642	\$ 28,848	\$ 30,090	\$ 31,369	\$ 32,686	\$ 34,043	\$ 35,441	\$ 36,881	\$ 38,363	\$ 39,891	\$ 41,464	\$ 43,084
BATA		0.3454	\$ 189	\$ 378	\$ 595	\$ 623	\$ 651	\$ 680	\$ 711	\$ 742	\$ 773	\$ 806	\$ 840	\$ 875	\$ 911	\$ 948	\$ 986	\$ 1,025	\$ 1,066	\$ 1,108
LOCAL - Total Capture		27.0058	\$ 14,776	\$ 29,552	\$ 46,550	\$ 48,703	\$ 50,920	\$ 53,204	\$ 55,557	\$ 57,980	\$ 60,476	\$ 63,047	\$ 65,695	\$ 68,422	\$ 71,231	\$ 74,125	\$ 77,105	\$ 80,174	\$ 83,336	\$ 86,593
Local - Accumulated Capture to Reimbursables			\$ 14,776	\$ 44,328	\$ 90,878	\$ 139,581	\$ 190,501	\$ 243,706	\$ 299,263	\$ 357,243	\$ 417,719	\$ 480,766	\$ 546,461	\$ 614,883	\$ 686,114	\$ 760,238	\$ 837,343	\$ 917,517	\$ 1,000,853	\$ 1,087,446
TOTAL TAX CAPTURE		51.0058	\$ 27,908	\$ 55,815	\$ 87,919	\$ 91,985	\$ 96,173	\$ 100,487	\$ 104,931	\$ 109,507	\$ 114,221	\$ 119,076	\$ 124,077	\$ 129,229	\$ 134,534	\$ 139,999	\$ 145,628	\$ 151,425	\$ 157,397	\$ 163,547
Acumulated for State BRF			\$ 1,641	\$ 4,924	\$ 10,095	\$ 15,506	\$ 21,162	\$ 27,073	\$ 33,244	\$ 39,685	\$ 46,403	\$ 53,407	\$ 60,705	\$ 68,306	\$ 76,219	\$ 84,453	\$ 93,018	\$ 101,924	\$ 111,182	\$ 120,801
Accumulated for Reimbursement to Developer, Admin & LSRRF			\$ 26,266	\$ 78,798	\$ 161,546	\$ 248,121	\$ 338,637	\$ 433,214	\$ 531,973	\$ 635,039	\$ 742,542	\$ 854,615	\$ 971,395	\$ 1,093,022	\$ 1,219,643	\$ 1,351,408	\$ 1,488,470	\$ 1,630,989	\$ 1,779,128	\$ 1,933,056
Accumulated Total Tax Capture			\$ 27,908	\$ 83,723	\$ 171,641	\$ 263,626	\$ 359,800	\$ 460,287	\$ 565,217	\$ 674,724	\$ 788,945	\$ 908,022	\$ 1,032,099	\$ 1,161,328	\$ 1,295,862	\$ 1,435,861	\$ 1,581,488	\$ 1,732,913	\$ 1,890,310	\$ 2,053,857

TOTAL CAPTURE	Amount	Percent
State (less BRF)	\$ 1,394,539	44%
Local	\$ 1,793,364	56%

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

(2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.

(3) Increased 3% per year to adjust for inflation

(4) Not applicable to 18 Mill School Operating tax

(5) Not including Authority administrative expenses

Table 2 Tax Increment Financing Estimates
2014 Brownfield Plan Amendment
TBA Credit Union
626 and 636 East Front Street
Traverse City, Michigan
AKT Peerless Project No. 7688B

Eligible Expenses for Reimbursment under ACT 381	
MDEQ Eligilbe Activites and Interest	\$ 2,200,419
MSF Eligible Activities and Interest	\$ 802,008
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 1,259,604
Total Eligible Costs for TIF Reimbursement (5)	\$ 4,300,478

		Developer Repaid											END
Plan Year		19	20	21	22	23	24	25	26	27	28	29	30
Actual Year		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Base (Existing) Taxable Value Non-Homestead (TV):		\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700
New TV for Non-Homestead (3)		\$ 4,264,347	\$ 4,392,277	\$ 4,524,046	\$ 4,659,767	\$ 4,799,560	\$ 4,943,547	\$ 5,091,853	\$ 5,244,609	\$ 5,401,947	\$ 5,564,005	\$ 5,730,926	\$ 5,902,853
Incremental Difference Non-Homestead (New TV - Exisiting)		\$ 3,330,647	\$ 3,458,577	\$ 3,590,346	\$ 3,726,067	\$ 3,865,860	\$ 4,009,847	\$ 4,158,153	\$ 4,310,909	\$ 4,468,247	\$ 4,630,305	\$ 4,797,226	\$ 4,969,153
Base (Existing) Taxable Value Homestead (TV):		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New TV for Homestead (4)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental Difference Homestead (New TV - Exisiting)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCREMENT		\$ 3,330,647	\$ 3,458,577	\$ 3,590,346	\$ 3,726,067	\$ 3,865,860	\$ 4,009,847	\$ 4,158,153	\$ 4,310,909	\$ 4,468,247	\$ 4,630,305	\$ 4,797,226	\$ 4,969,153
		19	20	21	22	23	24	25	26	27	28	29	30
STATE CAPTURE		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
State Education Tax (SET, less 3 for BRF)		\$ 9,992	\$ 10,376	\$ 10,771	\$ 11,178	\$ 11,598	\$ 12,030	\$ 12,474	\$ 12,933	\$ 13,405	\$ 13,891	\$ 14,392	\$ 14,907
School Operating (NA to Homestead)		\$ 59,952	\$ 62,254	\$ 64,626	\$ 67,069	\$ 69,585	\$ 72,177	\$ 74,847	\$ 77,596	\$ 80,428	\$ 83,345	\$ 86,350	\$ 89,445
State Total to Reimbursables		\$ 69,944	\$ 72,630	\$ 75,397	\$ 78,247	\$ 81,183	\$ 84,207	\$ 87,321	\$ 90,529	\$ 93,833	\$ 97,236	\$ 100,742	\$ 104,352
Accumulated State Total to Reimbursables		\$ 915,553	\$ 988,183	\$ 1,063,581	\$ 1,141,828	\$ 1,223,011	\$ 1,307,218	\$ 1,394,539	\$ 1,485,068	\$ 1,578,901	\$ 1,676,138	\$ 1,776,880	\$ 1,881,232
State Brownfield Redevelopment Fund (BRF)		\$ 9,992	\$ 10,376	\$ 10,771	\$ 11,178	\$ 11,598	\$ 12,030	\$ 12,474	\$ 12,933	\$ 13,405	\$ 13,891	\$ 14,392	\$ 14,907
State BRF Accumulated Capture		\$ 130,793	\$ 141,169	\$ 151,940	\$ 163,118	\$ 174,716	\$ 186,745	\$ 199,220	\$ 212,153	\$ 225,557	\$ 239,448	\$ 253,840	\$ 268,747
		19	20	21	22	23	24	25	26	27	28	29	30
LOCAL CAPTURE		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
TBA- ISD		\$ 9,763	\$ 10,138	\$ 10,524	\$ 10,922	\$ 11,332	\$ 11,754	\$ 12,188	\$ 12,636	\$ 13,097	\$ 13,572	\$ 14,062	\$ 14,566
County		\$ 20,794	\$ 21,593	\$ 22,416	\$ 23,263	\$ 24,136	\$ 25,035	\$ 25,961	\$ 26,914	\$ 27,897	\$ 28,908	\$ 29,951	\$ 31,024
NMC		\$ 9,792	\$ 10,168	\$ 10,556	\$ 10,955	\$ 11,366	\$ 11,789	\$ 12,225	\$ 12,674	\$ 13,137	\$ 13,613	\$ 14,104	\$ 14,609
TADL		\$ 3,694	\$ 3,836	\$ 3,982	\$ 4,133	\$ 4,288	\$ 4,448	\$ 4,612	\$ 4,782	\$ 4,956	\$ 5,136	\$ 5,321	\$ 5,512
Local Unit Rate (Note need twp and village separate line:		\$ 44,753	\$ 46,472	\$ 48,242	\$ 50,066	\$ 51,944	\$ 53,879	\$ 55,872	\$ 57,924	\$ 60,038	\$ 62,216	\$ 64,459	\$ 66,769
BATA		\$ 1,150	\$ 1,195	\$ 1,240	\$ 1,287	\$ 1,335	\$ 1,385	\$ 1,436	\$ 1,489	\$ 1,543	\$ 1,599	\$ 1,657	\$ 1,716
LOCAL - Total Capture		\$ 89,947	\$ 93,402	\$ 96,960	\$ 100,625	\$ 104,401	\$ 108,289	\$ 112,294	\$ 116,420	\$ 120,669	\$ 125,045	\$ 129,553	\$ 134,196
Local - Accumulated Capture to Reimbursables		\$ 1,177,393	\$ 1,270,794	\$ 1,367,755	\$ 1,468,380	\$ 1,572,781	\$ 1,681,070	\$ 1,793,364	\$ 1,909,784	\$ 2,030,452	\$ 2,155,497	\$ 2,285,050	\$ 2,419,246
TOTAL TAX CAPTURE		51.0058	\$ 169,882	\$ 176,408	\$ 183,128	\$ 190,051	\$ 197,181	\$ 204,525	\$ 212,090	\$ 219,881	\$ 227,907	\$ 236,172	\$ 253,456
Acumulated for State BRF		\$ 130,793	\$ 141,169	\$ 151,940	\$ 163,118	\$ 174,716	\$ 186,745	\$ 199,220	\$ 212,153	\$ 225,557	\$ 239,448	\$ 253,840	\$ 268,747
Accumulated for Reimbursement to Developer, Admin & LSRF		\$ 2,092,946	\$ 2,258,978	\$ 2,431,335	\$ 2,610,208	\$ 2,795,792	\$ 2,988,288	\$ 3,187,903	\$ 3,394,852	\$ 3,609,354	\$ 3,831,635	\$ 4,061,930	\$ 4,300,478
Accumulated Total Tax Capture		\$ 2,223,739	\$ 2,400,147	\$ 2,583,275	\$ 2,773,326	\$ 2,970,508	\$ 3,175,033	\$ 3,387,123	\$ 3,607,004	\$ 3,834,911	\$ 4,071,083	\$ 4,315,770	\$ 4,569,225

LSRF TABLE				Year 1 of LSRF	Year 2 LSRF	Year 3 LSRF	Year 4 LSRF	Year 5 LSRF	Total
		Local taxes to LSRF		\$ 281,656	\$ 120,669	\$ 125,045	\$ 129,553	\$ 134,196	\$ 791,119
		State Taxes to LSRF Not To Exceed:		\$ 1,035,373	\$ 72,322	\$ 93,833	\$ 97,236	\$ 100,742	\$ 468,486
		Total		\$ 353,978	\$ 214,502	\$ 222,282	\$ 230,295	\$ 238,548	\$ 1,259,604
		Accumulated		\$ 353,978	\$ 568,480	\$ 790,762	\$ 1,021,056	\$ 1,259,604	

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

(2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.

(3) Increased 3% per year to adjust for inflation

(4) Not applicable to 18 Mill School Operating tax

(5) Not including Authority administrative expenses

Attachment A
Brownfield Plan Amendment with Resolution

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN AMENDMENT

626 and 636 East Front Street, Traverse City, Michigan 49684

PREPARED BY

Grand Traverse County
Brownfield Redevelopment Authority
400 Boardman Avenue
Traverse City, Michigan 49684
Contact Person: Jean Derenzy
Email: jderenzy@grandtraverse.org
Phone: (734) 665-8825

AKT Peerless
12719 S. West Bay Shore Dr., Ste. 8
Harbor West Building
Traverse City, Michigan 49684
Contact Person: Eric P. Helzer
Email: helzere@aktpeerless.com
Phone: (231) 941-2366

PROJECT #

7688B-35-25

REVISION DATE

May 21, 2014

BRA APPROVAL
CITY APPROVAL
COUNTY APPROVAL

Table of Contents

1.0 INTRODUCTION.....	4
1.1 GENERAL	4
2.0 GENERAL PROVISIONS.....	4
2.1 DESCRIPTION OF ELIGIBLE PROPERTY (SECTION 13 (1)(H))	4
2.2 BASIS OF ELIGIBILITY (SECTION 13 (1)(H) , SECTION 2 (M)), SECTION 2(R).....	6
2.3 SUMMARY OF ELIGIBLE ACTIVITIES AND DESCRIPTION OF COSTS (SECTION 13 (1)(A),(B)) ...	7
2.4 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES (SECTION 13(1)(C)); IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS (SECTION 13(1)(G), SECTION 2(E))	9
2.5 PLAN OF FINANCING (SECTION 13(1)(D)); MAXIMUM AMOUNT OF INDEBTEDNESS (SECTION 13(1)(E))	10
2.6 LOCAL SITE REMEDIATION REVOLVING FUND (“LSRRF”) (SECTION 8, SECTION 13(1)(M))...	10
2.7 DURATION OF PLAN (SECTION 13(1)(F))	10
2.8 EFFECTIVE DATE OF INCLUSION IN BROWNFIELD PLAN AMENDMENT.....	10
2.9 DISPLACEMENT/RELOCATION OF INDIVIDUALS ON ELIGIBLE PROPERTY (SECTION 13(1)(I-L))	10
2.10 OTHER INFORMATION.....	11

ATTACHMENTS

Attachment A	Site Maps
Figure 1 – Scaled Property Location Map	
Figure 2 – Eligible Property Boundary Map	
Attachment B	Legal Description
Attachment C	Tables
Table 1 – MDEQ Eligible Activities	
Table 2 – Tax Increment Financing Estimates	

PROJECT SUMMARY

PROJECT NAME	TBA Credit Union - Redevelopment and Reuse of Properties Located at 626 and 636 East Front Street, Traverse City, Michigan
DEVELOPER	TBA Credit Union 2900 W. South Airport Rd. Traverse City, Michigan 49684 Karen Browne (231) 946-7141
ELIGIBLE PROPERTY LOCATION	The Eligible Property is located at 626 and 636 East Front Street, Traverse City, Michigan. Parcel ID Numbers 28-51-102- 003-10, and 28-51-102-006-00, respectively.
TYPE OF ELIGIBLE PROPERTY	Facility
PROJECT DESCRIPTION	<p>Grand Traverse County approved a Brownfield Plan (the “Brownfield Plan”) for the TBA Credit Union project (“Project”) located at 626 and 636 East Front Street in the City of Traverse City (“Property”) on April 24, 2013. Since then, TBA Credit Union has completed redevelopment activities as part of the Project including: demolition of structures (vacant gasoline station and restaurant buildings), partial remediation of soil and groundwater contamination, and partial construction of a new 21,266 square foot three-story building with a finished basement. Construction is scheduled to be complete in August 2014.</p> <p>This Brownfield Plan Amendment (“Amendment”) has three purposes: 1) to authorize additional due care activity costs; (2) to authorize response activity costs for additional Brownfield eligible activities that are necessary to complete the Project; and (3) to recognize the city assessors projected taxable value of the project which was received after 2013 Brownfield Plan adoption process. Both sets of costs will raise the total amount of authorized eligible activities under the approved April 24, 2013 Brownfield Plan.</p> <p>The Project is seeking an amendment to the Tax Increment Financing (TIF) Plan (the “Amendment”). Separately, the Project is seeking an amendment to the Michigan Department of Environmental Quality (MDEQ) Brownfield Revitalization Revolving Loan (RRL) approval. UST Closure activities will be completed through the 2nd quarter 2015,</p>

subject to MDEQ approval.

ELIGIBLE ACTIVITIES	BEA Activities, Due Care Activities, Additional Response Activities, and Preparation of a Brownfield Plan Amendment and Act 381 Work Plan Amendment.
ADDITIONAL REIMBURSABLE COSTS	<p>\$ 350,148 (Est. Eligible Activities, Contingency)</p> <p>\$ (17,507) (GTCBRA 5% Withholding)</p> <p>\$ <u>0</u> (Interest capped in original plan at \$565,026)</p> <p>\$ 332,640</p>
DURATION OF PLAN	Estimated reimbursement of eligible activities is 30 years.
ESTIMATED TOTAL CAPITAL INVESTMENT	\$7.6 million
INITIAL TAXABLE VALUE	\$933,700
PROJECTED TAXABLE VALUE	<p>\$2,657,400 (provided as an estimate for informational purposes from the City of Traverse City Assessor)</p> <p>The captured incremental taxable value and associated tax increment revenue 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. Estimates for these values are shown in Attachment C, Table 2. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions.</p>

LIST OF ACRONYMS AND DEFINITIONS

AMENDMENT	This 2014 amendment to the Brownfield Plan
BEA	Baseline Environmental Assessment (Michigan process to provide new property owners and/or operators with exemptions from environmental liability)
PLAN	Brownfield Plan, as amended
DEVELOPER	TBA Credit Union
ELIGIBLE PROPERTY	Property for which eligible activities are identified under a Brownfield Plan.
ESA	Environmental Site Assessment
FAR	Final Assessment Report
GTC	Grand Traverse County
GTC BOC	Grand Traverse County Board of Commissioners
GTCBRA	Grand Traverse County Brownfield Redevelopment Authority
LSRRF	Local Site Remediation Revolving Fund
MDEQ	Michigan Department of Environmental Quality
MEDC	Michigan Economic Development Corporation
MSF	Michigan Strategic Fund (agency that approves use of school tax revenue to support non-environmental Brownfield activities)
NRCC	Non-Residential Cleanup Criteria
PHASE I ESA	An environmental historical review and site inspection (no soil and/or groundwater sampling and analysis)
PHASE II ESA	Environmental subsurface investigation (includes soil and/or groundwater sampling and analysis)
PROPERTY	The Eligible Property, located at 626 and 636 East Front Street, Traverse City, Michigan. It comprises 2 parcels.
RCC	Residential Cleanup Criteria
RC	Restrictive Covenant
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)
UST	Underground Storage Tank

BROWNFIELD PLAN AMENDMENT

TBA Credit Union Redevelopment Project

626 and 636 East Front Street, Traverse City, Michigan 49684

1.0 Introduction

1.1 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 the Brownfield Plan, as amended is to promote the redevelopment of and investment in certain “Brownfield” properties within the County. Inclusion of Property within this Plan, as amended, will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as “Brownfields.” By facilitating redevelopment of Brownfield properties, this Plan, as amended, 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.

The identification or designation of a developer or proposed use for the eligible property that is the subject of this Plan, as amended, shall not be integral to the effectiveness or validity of this Plan, as amended. This Plan, as amended, 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 the Plan, affect the application of the Plan to the eligible property, or impair the rights available to the GTCBRA under this Plan, as amended.

The Plan, as amended, 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, as amended contains information required by Section 13(1) of Act 381.

2.0 General Provisions

The following sections detail information required by Act 381.

2.1 Description of Eligible Property (Section 13 (1)(h))

The Eligible Property (“Property”) is located at 626 and 636 East Front Street, in Section 2 (Township 27 North /Range 11 West) in the City of Traverse City, Grand Traverse County, Michigan. The Property is situated southwest of the intersection of East Front Street and Hope Street. The Property consists of two

parcels that contain approximately 1.34 acres. The Property is located in an area of the City of Traverse City ("City") that is characterized by commercial, multi-tenant residential, resort, and recreational properties. Grand Traverse Bay is nearby to the north. The Property is abutted by surface roadways, municipal water, sanitary and storm sewer services and electrical and gas utilities.

For ease of reference, AKT Peerless has designated each of the Property parcels with a letter. These designations have no relevance to legally recorded data about the Property. See Attachment A, Figure 2 – Eligible Property Boundary Map.

Table 2-A Eligible Property Parcel Information

Parcel	Address (Common Address)	Tax Identification Number	Basis of Brownfield Eligibility	Approximate Acreage
A	626 East Front Street (630 East Front Street)	28-51-102-003-10	Facility	0.84
B	636 East Front Street (630 East Front Street)	28-51-102-006-10	Facility	0.50

Please note, it is anticipated that the two parcels that comprise the Property will be combined to form one parcel once the redevelopment is complete. The new address is anticipated to be 630 East Front Street.

The Property was zoned Hotel Resort District and underwent a conditional rezoning to C3 – Community Center District. The rezoning was approved on March 18, 2013 by the Traverse City City Commission. Prior to redevelopment the Property contained two vacant commercial buildings (a former restaurant building on Parcel A, and a former gasoline station building on Parcel B). Pursuant to the previously approved Brownfield Plan, demolition of the vacant buildings and infrastructure was completed in June 2013. Site preparation included soil removal and dewatering. As noted in the introduction, dewatering costs significantly exceeded what was originally anticipated. Construction of the new building was initiated in July 2013 and is ongoing.

The Project is redeveloping an underutilized vacant property into a contemporary multi-story office and financial institution headquarters. The redevelopment integrates design elements, environmental cleanup, and economic development to further goals of the City, Grand Traverse County (GTC), the Michigan Department of Environmental Quality (MDEQ) and the Michigan Economic Development Corporation (MEDC). It will result in: (1) the community and municipal benefits of increased property taxes on the Property; (2) due care and additional response activities that will address the contamination on the Property, reducing the threat to human health and the environment; and (3) a substantial improvement to the appearance and aesthetics of the Property which will assist in increasing the property values of the neighboring community. The ongoing redevelopment of this site will include additional remediation, and completion of a new 21,266 square foot three story building with a partially finished basement.

TBA Credit Union is a growing financial institution. In order to meet the demands of its members and to have space to hire additional staff, a new location is necessary. TBA Credit Union searched other properties that would have been more affordable, but it decided that it was most important to be located within the City to best serve its members and non-members alike.

TBA Credit Union has a strong desire to put these two vacant properties back to productive use and improve the aesthetics of the neighborhood. TBA Credit Union is a large supporter of the community. It frequently participates in volunteer activities and conducts member and community educational seminars. A new building will allow TBA Credit Union the opportunity to provide expanded meeting and community event space to the neighboring community. TBA Credit Union's mission is to serve the community by building trusted relationships, providing customized financial products, advocating financial literacy, and encouraging volunteerism. Redevelopment of this Property will ultimately help TBA Credit Union to meet its goals and those of the community.

Attachment A includes site maps of the Eligible Property, refer to: Figure 1, Scaled Property Location Map, Figure 2, Eligible Property Boundary Map (which includes lot dimensions). The legal descriptions of the parcel(s) included in the Eligible Property are presented in Attachment B.

Personal property is included in the Property.

2.2 Basis of Eligibility (Section 13 (1)(h) , Section 2 (m)), Section 2(r)

The Property is considered "Eligible Property" as defined by Act 381, Section 2 because: (a) the Property was previously utilized as a commercial property (gasoline station and restaurant); (b) it is located within the City of Traverse City, a qualified local governmental unit, or "Core Community" under Act 381; and (c) each of the parcels comprised by the Property has been determined to be a "facility."

Parcel A contained railroad sidings and an associated platform from the 1910s to the 1970s, warehousing from the late 1920s to the 1970s, and a restaurant from the late 1970s until the late 2000s. Parcel B contained railroad sidings and a fruit warehouse from the 1910s to the late 1960s, a gasoline service station from the late 1960s to the early 2000s, and a produce stand from the mid-2000s to 2012.

On July 21, 2012 AKT Peerless completed a Phase I Environmental Site Assessment (ESA) for the Property on behalf of TBA Credit Union. Also in July 2012, AKT Peerless conducted a Phase II ESA on the Property. Prior subsurface investigations had been completed on the Property between 2001 and 2012 in association with the UST releases at 636 East Front Street. Based on analytical results obtained during the subsurface investigations conducted between 2001 and 2012, petroleum constituents (e.g., benzene, toluene, ethylbenzene, xylenes, trimethylbenzene isomers, etc.) were detected on the property at concentrations exceeding MDEQ Residential Cleanup Criteria (RCC).

On February 14 and 15, 2013, AKT Peerless conducted a Supplemental Phase II ESA including a soil gas evaluation to further evaluate contamination on the Property. Based on analytical results obtained during the 2013 Supplemental Phase II ESA, volatile including tetrachloroethylene and petroleum constituents (e.g., benzene, toluene, ethylbenzene, xylenes, trimethylbenzene isomers) were detected in soil and groundwater on the property at concentrations exceeding MDEQ RCC and Non-Residential Cleanup Criteria (NRCC). Concentrations in soil were detected above the Groundwater-Surface Water Interface Protection criteria and Drinking Water Protection criteria. Concentrations in groundwater were detected above the Groundwater-Surface Water Interface criteria, Drinking Water criteria, and draft Groundwater Sump Concentrations for Vapor Intrusion.

Therefore, Parcels A and B meet the definition of a “facility” as defined by Part 201 of NREPA, Michigan PA 451 of 1994, as amended.

A Restrictive Covenant (RC) for 636 East Front Street was submitted to the Register of Deeds by Blarney Castle in July 2012. The RC imposes requirements that users of the property must adhere to during redevelopment and future use. These RC requirements, along with the existing site conditions have created increased costs upon the proposed TBA Credit Union project, as evidenced by the increased dewatering budget necessary for completion of the Project.

2.3 Summary of Eligible Activities and Description of Costs (Section 13 (1)(a),(b))

The “eligible activities” that are included in this Amendment are considered “eligible activities” as defined by Sec 2 of Act 381, because they include BEA activities, due care activities, additional response activities that are not a response activity under Part 201, and preparation of Brownfield and Act 381 work plans amendments. The eligible activity costs presented in this Brownfield Plan Amendment are in addition to those already approved under Brownfield Plan adopted on April 24, 2013.

The purpose of this Amendment is to authorize two sets of eligible activity costs. The first set includes due care activity costs. The second set includes (1) additional response activities associated with underground storage tank (UST) closure; and (2) costs for preparation of Brownfield Plan and Act 381 Work Plan amendments. UST closure activities involve sampling and reporting to identify potential risks associated with residual contamination, assessment of appropriate due care pursuant to Part 213, and documentation of Part 213 compliance.

A summary of the additional eligible activities above and beyond the eligible activities adopted in the April 24, 2013 Brownfield Plan and the estimated cost of each eligible activity intended to be paid for with Tax Incremental Revenues from the Property are shown in the table below. As shown, GTCBRA covers only 95% of eligible activity costs. The Developer is solely responsible for the remaining 5%.

Table 2-C Estimated Cost of Additional Reimbursable Eligible Activities

Description of Eligible Activities		Estimated Cost(a)
1. Due Care Activities	\$	231,379
2. Additional Response Activities	\$	57,880
Subtotal	\$	289,259
3. 15% Contingency(b)	\$	43,389
4. Preparation of a Brownfield Plan Amendment	\$	9,000
5. Preparation of Work Plan	\$	8,500
Subtotal	\$	350,148
6. GTCBRA 5% Withholding	\$	(17,507)

Description of Eligible Activities		Estimated Cost(a)
Subtotal	\$	332,640
7. Authority Administrative Fees	\$	TBD
8. Up to Interest(c)	\$	0
Total(d)	\$	332,640

(a) Estimated costs are subject to approval by MDEQ. Any costs not approved by the MDEQ may become local only costs paid out of captured tax increment revenues from locally levied millages (to the extent available).

(b) The contingency is applied to the preceding Subtotal, excepting the BEA Activities, which have already been performed.

(c) Interest is calculated annually at simple interest based on approved Development Agreement at 2.5%; Interest capped in original plan at \$565,026

(d) Does not include Authority Administrative Fees

A more detailed breakout of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the Property are presented in Attachment C, Table 1. Please note Table 1 in Attachment C documents the reallocation of funds to accommodate the increased groundwater treatment (dewatering) costs.

It is currently anticipated that UST Closure activities will begin in the summer/fall of 2014.

Tax increment revenue generated by the Property will be captured by the Authority and used to reimburse the cost of the eligible activities completed on the Property after approval of this Amendment. It should be noted that pursuant to Act 381, certain eligible activities may be completed prior to adoption of this Amendment. However, these eligible activities may not be reimbursed until the Amendment is adopted.

In accordance with this Amendment and the associated Reimbursement Agreement, the amount advanced by the Developer will be repaid by the Authority, together with an interest rate up to 2.5% simple interest which has been negotiated within a development agreement, solely from the tax increment revenues realized from the Eligible Property. Payments will be made to the full extent incremental property tax revenues are or become available for such purpose under the Act. Based on the projected cost of eligible activities, interest reimbursement in this Amendment is not to exceed \$113,482. However, if the actual cost of eligible activities turns out to be lower than the above estimates, interest reimbursement may be lower, subject to the maximum 2.5% simple interest calculation.

Tax increment revenues will first be used to pay or reimburse administrative expenses in accordance with Act 381. Capture of tax increment revenue for administrative expenses may extend the Developer's reimbursement period. The amount of school tax revenues, which will be used to reimburse the costs of implementing eligible activities at this site, will be limited to the cost of eligible activities approved by the MDEQ, together with the interest rate provided above. In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MDEQ, these specific activities will be reimbursed with local-only TIF (to the extent available).

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

2.4 Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(1)(g), Section 2(ee))

This Amendment anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. A table of estimated tax increment revenues to be captured is attached to this Plan as Attachment C, Table 2. Tax increment revenue capture will begin when tax increment revenue becomes available; this is expected to occur in 2014.

The total estimated cost of the eligible activities and other costs (including contingency and interest) to be reimbursed through the capture of tax increment revenue pursuant to this Amendment is projected to be up to \$332,640. The total amount of reimbursements approved in the original Brownfield Plan was \$2,708,234. The total combined amount is \$3,040,874. The estimated effective initial taxable value for this Plan is \$933,700, and is based on land and real property tax only. Redevelopment of the Property is expected to initially generate incremental taxable value in 2014 with the first significant increase in taxable value of approximately \$547,144 beginning in 2014.

It is estimated that the Authority will capture the 2014 through 2042 tax increment revenues to reimburse the cost of the eligible activities, reimburse interest, and deposit into the State Brownfield Redevelopment Fund and LSRRF. The reimbursement period shall not exceed 30 years.

The captured incremental taxable value and associated tax increment revenue 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 are shown in Attachment C, Table 2. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions.

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

Eligible activities are to be financed by the Developer. However, on December 17, 2013, GTC received a verbal approval from the MDEQ to increase the \$397,424 Brownfield Revitalization Revolving Loan (RRL) currently being used for activities under the previously approved Plan and intends to utilize these additional RRL funds to assist with costs for future eligible activities included in this Amendment, pending formal approval. The Authority will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the Property as available, and subject to the Reimbursement Agreement.

All reimbursements authorized under this Amendment shall be governed by the Reimbursement Agreement. The Authority shall not incur any note or bonded indebtedness to finance the purposes of this Amendment. The inclusion of eligible activities and estimates of costs to be reimbursed in this Amendment is intended to authorize the Authority to fund such reimbursements and does not obligate the Authority or the County to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Amendment, or which are permitted to be reimbursed under this Amendment. The amount and source of any tax increment revenues that will be used for purposes authorized by this Amendment, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Amendment, will be provided solely under the Reimbursement Agreement contemplated by this Amendment.

2.6 Local Site Remediation Revolving Fund (“LSRRF”) (Section 8, Section 13(1)(m))

The Authority has established a Local Site Remediation Revolving Fund (LSRRF). The Authority will capture incremental local and state school taxes to fund the LSRRF, to the extent allowed by law.

2.7 Duration of Plan (Section 13(1)(f))

In no event shall the duration of the Plan exceed 30 years following the date of the resolution approving the Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Plan.

2.8 Effective Date of Inclusion in Brownfield Plan Amendment

The eligible activities and associated costs will become a part of the Brownfield Plan on the date this Amendment is approved by the GTC BOC. The date of tax capture shall commence as soon as TIR becomes available, but the beginning date of tax capture shall not exceed five years beyond the date of the governing body resolution approving the Plan amendment.

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

There are no persons or businesses residing on the Eligible Property, and no occupied residences will be acquired or cleared; therefore there will be no displacement or relocation of persons or businesses under this Amendment.

2.10 Other Information

The state and local breakdown of tax increment revenues anticipated to be used for reimbursement of eligible costs through this Amendment is summarized below.

There are 51.0058 non-homestead mills available for capture, with school millage equaling 24.0000 mills (47%) and local millage equaling 27.0058 mills (53%). None of the project will include homestead residential property, with those properties including the State Education Tax and local ISD taxes. The requested tax capture for MDEQ eligible activities breaks down as follows:

Table 2-D Tax Capture

State to Local Tax Capture	Eligible Activities, Interest, Contingency
MSF/MDEQ School tax capture (47%)	\$156,341
MSF/MDEQ Local tax capture (53%)	\$176,299
Total*	\$332,640

*Does not include capture for LSRRF or Authority administrative costs

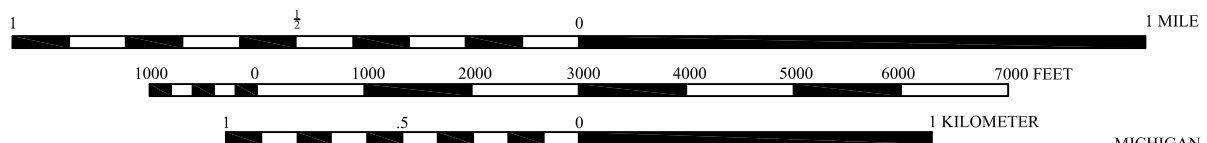
Attachments

Attachment A
Site Maps

TRAVERSE CITY SE QUADRANGLE
MICHIGAN - GRAND TRAVERSE COUNTY
7.5 MINUTE SERIES (TOPOGRAPHIC)



T. 27 N. - R.11 W.



CONTOUR INTERVAL 5 FEET
DATUM IS MEAN SEA LEVEL

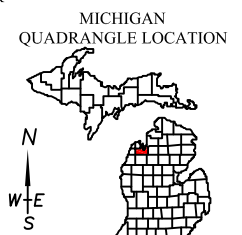


IMAGE TAKEN FROM 1983 U.S.G.S. TOPOGRAPHIC MAP

AKTPEERLESS

ILLINOIS

MICHIGAN
www.aktpeerless.com

OHIO

TOPOGRAPHIC LOCATION MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-23-27

DRAWN BY: JWB
DATE: 5/9/2013

FIGURE 1



ILLINOIS

MICHIGAN
www.aktpeerless.com

OHIO

ELIGIBLE PROPERTY BOUNDARY MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688B-5-25

LEGEND

--- = ELIGIBLE PROPERTY BOUNDARY

DRAWN BY: JWB
DATE: 2/11/2013

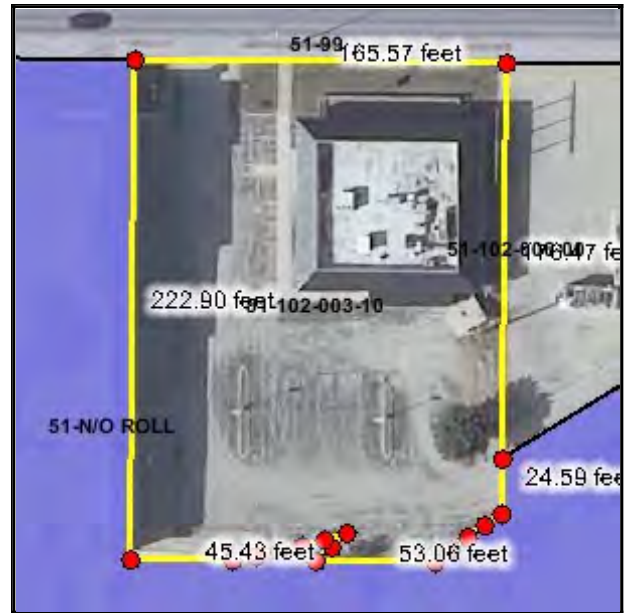
0 35 70
SCALE: 1" = 70'±0

FIGURE 2

Attachment B
Legal Description(s)

This information is based on digital databases prepared by Grand Traverse County. Grand Traverse County does not warrant, expressly or impliedly, or accept any responsibility for any errors, omissions, or that the information contained in the map or the digital databases is currently or positionally accurate.

PIN	51-102-003-10
OWNER	TBA CREDIT UNION
SITUS	626 E FRONT TRAVERSE CITY, MI 49686
OWNER MAILING	537 BAY STREET TRAVERSE CITY, MI 49684
TAX BILL RECIPIENT	537 BAY STREET TRAVERSE CITY, MI 49684
AREA	0.83 ACRES
CLASS	200
PREVIOUS ASMNT	\$459,000
CURRENT ASMNT	\$714,300
SEV	\$714,300
TAXABLE VALUE	\$714,300
P.R.E. DATE	
P.R.E.	0%
TAX DESCRIPTION	THT PRT SEC 2 T27N R11W DES AS COM AT SW COR OF FRONT & HOPE STS TH S 88° 11' 01" W 180.35 FT TO POB; TH S 88° 11' 01" W, 165 FT; TH S 1° 48' 59" E, 222.71 FT; TH N 88° 11' 01" E, 45.57 FT; TH NE'LY 52.11 FT ALG THE ARC OF A 330.55 FT RADIUS CURVE TO
TRANSFER	08/02/12 [2012R-14893WD] (WD) \$1,450,000 - GRANTOR: MUGERIAN PROPERTIES LLC - GRANTEE: TBA CREDIT UNION
TRANSFER	11/27/90 [827/265] (QC) \$ 0 - GRANTOR: S&H MUGERIAN & G&M MUGERIAN - GRANTEE: MUGERIAN PROPERTIES
VOTERS PRECINCT	TC8
PRECINCT LOCATION	GT COUNTY CIVIC CENTER
SCHOOL DISTRICT	TRAVERSE CITY AREA PUBLIC SCHOOLS
ELEMENTARY SCHOOL	EASTERN ELEMENTARY SCHOOL
MIDDLE SCHOOL	TRAVERSE CITY EAST MIDDLE SCHOOL
HIGH SCHOOL	TRAVERSE CITY CENTRAL SENIOR HIGH
CITY	TRAVERSE CITY
TOWN / RANGE / SECTION	27N / 11W / 02
LONGITUDE/LATITUDE	44° 45' 49.4616" / -85° 36' 32.0303"
GTC-BOC (District 1)	DR DAN LATHROP
MI-HOUSE 104TH DIST	WAYNE SCHMIDT
MI-SENATE 37TH DIST	HOWARD WALKER
US-HOUSE MI-4TH DIST	DAN BENISHEK
US-SENATE (Senior)	CARL LEVIN
US-SENATE (Junior)	DEBBIE STABENOW



This information is based on digital databases prepared by Grand Traverse County. Grand Traverse County does not warrant, expressly or impliedly, or accept any responsibility for any errors, omissions, or that the information contained in the map or the digital databases is currently or positionally accurate.

PIN 51-102-006-00
 OWNER TBA CREDIT UNION
 SITUS 636 E FRONT
 TRAVERSE CITY, MI 49686
 OWNER MAILING 537 BAY STREET
 TRAVERSE CITY, MI 49684
 TAX BILL RECIPIENT 537 BAY STREET
 TRAVERSE CITY, MI 49684
 AREA 0.49 ACRES
 CLASS 200
 PREVIOUS ASMNT \$210,300
 CURRENT ASMNT \$219,400
 SEV \$219,400
 TAXABLE VALUE \$219,400
 P.R.E. DATE
 P.R.E.

P.R.E. 0%

TAX DESCRIPTION THT PRT OF GOV LOT 3 SEC 2 T27N R11W DES AS COM AT SW COR FRONT & HOPE STS TH S 63.35 FT TH SW'LY 213.49 FT TH N 1 DEG 48'59" W 176.38 FT TH E 180.35 FT TO POB

TRANSFER 08/02/12 [2012R-14895WD] (WD) \$450,000

- GRANTOR: BLARNEY CASTLE OIL CO

- GRANTEE: TBA CREDIT UNION

TRANSFER 11/17/94 [1033/722] (QC) \$ 100

- GRANTOR: STEVENS JACK W & MARVA I

- GRANTEE: STEVENS MARVA I TRUST

TRANSFER 11/04/85 [1066/472] (LC) \$225,000

- GRANTOR: STEVENS MARVA TRUST ET AL

- GRANTEE: BLARNEY CASTLE OIL CO

VOTERS PRECINCT TC8

PRECINCT LOCATION GT COUNTY CIVIC CENTER

SCHOOL DISTRICT TRAVERSE CITY AREA PUBLIC SCHOOLS

ELEMENTARY SCHOOL EASTERN ELEMENTARY SCHOOL

MIDDLE SCHOOL TRAVERSE CITY EAST MIDDLE SCHOOL

HIGH SCHOOL TRAVERSE CITY CENTRAL SENIOR HIGH

CITY TRAVERSE CITY

TOWN / RANGE / SECTION 27N / 11W / 02

LONGITUDE/LATITUDE 44° 45' 49.7081" / -85° 36' 29.6401"

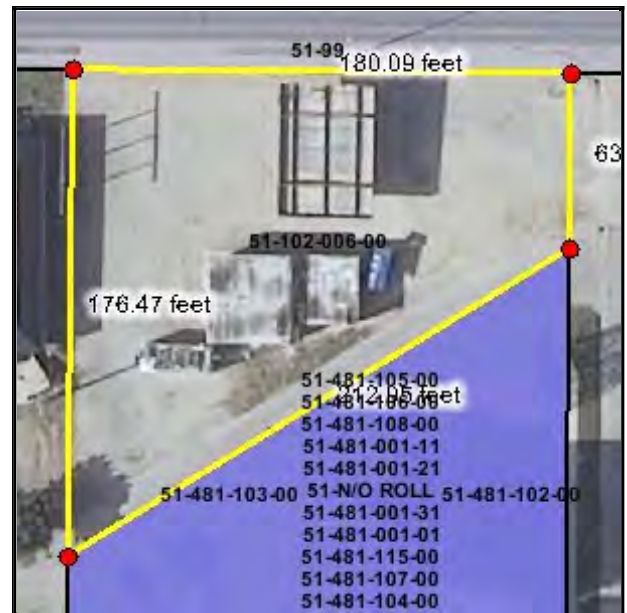
GTC-BOC (District 1) DR DAN LATHROP

MI-HOUSE 104TH DIST WAYNE SCHMIDT

MI-SENATE 37TH DIST HOWARD WALKER

US-HOUSE MI-4TH DIST DAN BENISHEK

US-SENATE (Senior) CARL LEVIN



US-SENATE (Junior)

DEBBIE STABENOW

Attachment C

Tables

Eligible Activities Table
2014 Brownfield Plan Amendment
 TBA Credit Union
 626 and 636 East Front Street
 Traverse City Michigan
 AKT Peerless Project No. 7688B
As of May 21, 2014

Environmental Eligible Activities (MDEQ)		Requested Estimates	
Reference Letters	-		
Activity	Original Brownfield Plan Approved Estimated Total Cost	2014 Brownfield Plan Amendment (Additional Costs)	Total Brownfield Plan Estimated Costs
1000-BEA Environmental Assessment Activities	-		
BEA Environmental Assessment Activities Total	\$ 36,011.00	\$ -	\$ 36,011.00
2000-Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities	-		
Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities Total	\$ 695,373.15	\$ 231,378.83	\$ 926,751.98
3000-Additional Response Activities	-		
Additional Response Activities Total	\$ 407,068.00	\$ 57,880.00	\$ 464,948.00
4000-Environmental Insurance	-		
Reasonable Costs of Environmental Insurance	\$ 50,000.00		\$ 50,000.00
Environmetal Eligibilities (MDEQ) Grand Total	\$ 1,188,452.15	\$ 289,258.83	\$ 1,477,710.98
Non-Environmental MSF Eligible Activities (MEDC)		Requested Estimates	
Activity	Original Brownfield Plan Approved Estimated Total Cost	2014 Brownfield Plan Amendment (Additional Costs)	Total Brownfield Plan Estimated Costs
5000-Demolition (County-wide)	-		
Demolition Total	\$ 75,000.00		\$ 75,000.00
6000-Lead & Asbestos Abatement (County-wide)	-		
Lead & Asbestos Abatement Total	\$ 37,709.60		\$ 37,709.60
7000-Site Preparation (a) (City of Traverse City Only)	-		
Site Preparation Total	\$ 554,848.50		\$ 554,848.50
8000-Infrastructure Improvements (City of Traverse City Only)	-		
Infrastructure Improvements Total	\$ 57,850.00		\$ 57,850.00
Non-Environmental MSF Eligible Activities (MEDC) Grand Total	\$ 725,408.10	\$ -	\$ 725,408.10
9000-Brownfield Plan and Act 381 Work Plan Preparation	-		
Brownfield Plan and Act 381 Work Plan Preparation Total	\$ 39,970.00	\$ 17,500.00	\$ 57,470.00
15% Contingency on Eligible Activities	\$ 281,677.39	\$ 43,388.82	\$ 325,066.21
GTCBRA Administration & Application Fees	\$ 20,500.00		\$ 20,500.00
Eligible Activities Grand Total	\$ 2,256,007.64	\$ 350,147.65	\$ 2,606,155.29
GTCBRA COVERED ELIGIBLE ACTIVITIES = 95% OF GRAND TOTAL [b]	\$ 2,143,207.25	\$ 332,640.27	\$ 2,475,847.53
Interest	\$ 565,026.00	\$ -	\$ 565,026.00
Total Developer Reimbursement	\$ 2,708,233.25	\$ 332,640.27	\$ 3,040,873.53

Table 2 Tax Increment Financing Estimates
2014 Brownfield Plan Amendment

TBA Credit Union
626 and 636 East Front Street
Traverse City, Michigan
AKT Peerless Project No. 7688B

Eligible Expenses for Reimbursement under ACT 381	
MDEQ Eligilbe Activites and Interest	\$ 2,200,419
MSF Eligible Activities and Interest	\$ 802,008
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 1,259,604
Total Eligible Costs for TIF Reimbursement (5)	\$ 4,300,478

Loan Incentives	
LSRF	
EPA RLF	\$ -

KEY: USER INPUT Check Cell Comments Automatic

\$ 3,002,427

State/Local Millages			
	Millage	Percentage	Eligible Cost
Local	27.0058	52.95%	\$ 1,628,127
State	24.0000	47.05%	\$ 1,412,746

Plan Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Actual Year		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Base (Existing) Taxable Value Non-Homestead (TV):		\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	
New TV for Non-Homestead (3)		\$ 1,480,844	\$ 2,027,988	\$ 2,657,400	\$ 2,737,122	\$ 2,819,236	\$ 2,903,813	\$ 2,990,927	\$ 3,080,655	\$ 3,173,075	\$ 3,268,267	\$ 3,366,315	\$ 3,467,304	\$ 3,571,323	\$ 3,678,463	\$ 3,788,817	\$ 3,902,481	\$ 4,019,556	\$ 4,140,143	
Incremental Difference Non-Homestead (New TV - Existing)		\$ 547,144	\$ 1,094,288	\$ 1,723,700	\$ 1,803,422	\$ 1,885,536	\$ 1,970,113	\$ 2,057,227	\$ 2,146,955	\$ 2,239,375	\$ 2,334,567	\$ 2,432,615	\$ 2,533,604	\$ 2,637,623	\$ 2,744,763	\$ 2,855,117	\$ 2,968,781	\$ 3,085,856	\$ 3,206,443	
Base (Existing) Taxable Value Homestead (TV):		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New TV for Homestead (4)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Incremental Difference Homestead (New TV - Existing)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL INCREMENT		\$ 547,144	\$ 1,094,288	\$ 1,723,700	\$ 1,803,422	\$ 1,885,536	\$ 1,970,113	\$ 2,057,227	\$ 2,146,955	\$ 2,239,375	\$ 2,334,567	\$ 2,432,615	\$ 2,533,604	\$ 2,637,623	\$ 2,744,763	\$ 2,855,117	\$ 2,968,781	\$ 3,085,856	\$ 3,206,443	
STATE CAPTURE		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
State Education Tax (SET, less 3 for BRF)		3.0000	\$ 1,641	\$ 3,283	\$ 5,171	\$ 5,410	\$ 5,657	\$ 5,910	\$ 6,172	\$ 6,441	\$ 6,718	\$ 7,004	\$ 7,298	\$ 7,601	\$ 7,913	\$ 8,234	\$ 8,565	\$ 8,906	\$ 9,258	\$ 9,619
School Operating (NA to Homestead)		18.0000	\$ 9,849	\$ 19,697	\$ 31,027	\$ 32,462	\$ 33,940	\$ 35,462	\$ 37,030	\$ 38,645	\$ 40,309	\$ 42,022	\$ 43,787	\$ 45,605	\$ 47,477	\$ 49,406	\$ 51,392	\$ 53,438	\$ 55,545	\$ 57,716
State Total to Reimbursables		21.0000	\$ 11,490	\$ 22,980	\$ 36,198	\$ 37,872	\$ 39,596	\$ 41,372	\$ 43,202	\$ 45,086	\$ 47,027	\$ 49,026	\$ 51,085	\$ 53,206	\$ 55,390	\$ 57,640	\$ 59,957	\$ 62,344	\$ 64,803	\$ 67,335
Accumulated State Total to Reimbursables			\$ 11,490	\$ 34,470	\$ 70,668	\$ 108,540	\$ 148,136	\$ 189,508	\$ 232,710	\$ 277,796	\$ 324,823	\$ 373,849	\$ 424,934	\$ 478,139	\$ 533,530	\$ 591,170	\$ 651,127	\$ 713,471	\$ 778,274	\$ 845,610
State Brownfield Redevelopment Fund (BRF)		3.0000	\$ 1,641	\$ 3,283	\$ 5,171	\$ 5,410	\$ 5,657	\$ 5,910	\$ 6,172	\$ 6,441	\$ 6,718	\$ 7,004	\$ 7,298	\$ 7,601	\$ 7,913	\$ 8,234	\$ 8,565	\$ 8,906	\$ 9,258	\$ 9,619
State BRF Accumulated Capture			\$ 1,641	\$ 4,924	\$ 10,095	\$ 15,506	\$ 21,162	\$ 27,073	\$ 33,244	\$ 39,685	\$ 46,403	\$ 53,407	\$ 60,705	\$ 68,306	\$ 76,219	\$ 84,453	\$ 93,018	\$ 101,924	\$ 111,182	\$ 120,801
LOCAL CAPTURE		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
TBA- ISD		2.9312	\$ 1,604	\$ 3,208	\$ 5,053	\$ 5,286	\$ 5,527	\$ 5,775	\$ 6,030	\$ 6,293	\$ 6,564	\$ 6,843	\$ 7,130	\$ 7,427	\$ 7,731	\$ 8,045	\$ 8,369	\$ 8,702	\$ 9,045	\$ 9,399
County		6.2433	\$ 3,416	\$ 6,832	\$ 10,762	\$ 11,259	\$ 11,772	\$ 12,300	\$ 12,844	\$ 13,404	\$ 13,981	\$ 14,575	\$ 15,188	\$ 15,818	\$ 16,467	\$ 17,136	\$ 17,825	\$ 18,535	\$ 19,266	\$ 20,019
NMC		2.9400	\$ 1,609	\$ 3,217	\$ 5,068	\$ 5,302	\$ 5,543	\$ 5,792	\$ 6,048	\$ 6,312	\$ 6,584	\$ 6,864	\$ 7,152	\$ 7,449	\$ 7,755	\$ 8,070	\$ 8,394	\$ 8,728	\$ 9,072	\$ 9,427
TADL		1.1092	\$ 607	\$ 1,214	\$ 1,912	\$ 2,000	\$ 2,091	\$ 2,185	\$ 2,282	\$ 2,381	\$ 2,484	\$ 2,590	\$ 2,698	\$ 2,810	\$ 2,926	\$ 3,044	\$ 3,167	\$ 3,293	\$ 3,423	\$ 3,557
Local Unit Rate (Note need twp and village separate line:		13.4367	\$ 7,352	\$ 14,704	\$ 23,161	\$ 24,232	\$ 25,335	\$ 26,472	\$ 27,642	\$ 28,848	\$ 30,090	\$ 31,369	\$ 32,686	\$ 34,043	\$ 35,441	\$ 36,881	\$ 38,363	\$ 39,891	\$ 41,464	\$ 43,084
BATA		0.3454	\$ 189	\$ 378	\$ 595	\$ 623	\$ 651	\$ 680	\$ 711	\$ 742	\$ 773	\$ 806	\$ 840	\$ 875	\$ 911	\$ 948	\$ 986	\$ 1,025	\$ 1,066	\$ 1,108
LOCAL - Total Capture		27.0058	\$ 14,776	\$ 29,552	\$ 46,550	\$ 48,703	\$ 50,920	\$ 53,204	\$ 55,557	\$ 57,980	\$ 60,476	\$ 63,047	\$ 65,695	\$ 68,422	\$ 71,231	\$ 74,125	\$ 77,105	\$ 80,174	\$ 83,336	\$ 86,593
Local - Accumulated Capture to Reimbursables			\$ 14,776	\$ 44,328	\$ 90,878	\$ 139,581	\$ 190,501	\$ 243,706	\$ 299,263	\$ 357,243	\$ 417,719	\$ 480,766	\$ 546,461	\$ 614,883	\$ 686,114	\$ 760,238	\$ 837,343	\$ 917,517	\$ 1,000,853	\$ 1,087,446
TOTAL TAX CAPTURE		51.0058	\$ 27,908	\$ 55,815	\$ 87,919	\$ 91,985	\$ 96,173	\$ 100,487	\$ 104,931	\$ 109,507	\$ 114,221	\$ 119,076	\$ 124,077	\$ 129,229	\$ 134,534	\$ 139,999	\$ 145,628	\$ 151,425	\$ 157,397	\$ 163,547
Acumulated for State BRF			\$ 1,641	\$ 4,924	\$ 10,095	\$ 15,506	\$ 21,162	\$ 27,073	\$ 33,244	\$ 39,685	\$ 46,403	\$ 53,407	\$ 60,705	\$ 68,306	\$ 76,219	\$ 84,453	\$ 93,018	\$ 101,924	\$ 111,182	\$ 120,801
Accumulated for Reimbursement to Developer, Admin & LSRRF			\$ 26,266	\$ 78,798	\$ 161,546	\$ 248,121	\$ 338,637	\$ 433,214	\$ 531,973	\$ 635,039	\$ 742,542	\$ 854,615	\$ 971,395	\$ 1,093,022	\$ 1,219,643	\$ 1,351,408	\$ 1,488,470	\$ 1,630,989	\$ 1,779,128	\$ 1,933,056
Accumulated Total Tax Capture			\$ 27,908	\$ 83,723	\$ 171,641	\$ 263,626	\$ 359,800	\$ 460,287	\$ 565,217	\$ 674,724	\$ 788,945	\$ 908,022	\$ 1,032,099	\$ 1,161,328	\$ 1,295,862	\$ 1,435,861	\$ 1,581,488	\$ 1,732,913	\$ 1,890,310	\$ 2,053,857

TOTAL CAPTURE	Amount	Percent
State (less BRF)	\$ 1,394,539	44%
Local	\$ 1,793,364	56%

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

(2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.

(3) Increased 3% per year to adjust for inflation

(4) Not applicable to 18 Mill School Operating tax

(5) Not including Authority administrative expenses

Table 2 Tax Increment Financing Estimates
2014 Brownfield Plan Amendment
TBA Credit Union
626 and 636 East Front Street
Traverse City, Michigan
AKT Peerless Project No. 7688B

Eligible Expenses for Reimbursment under ACT 381	
MDEQ Eligilbe Activites and Interest	\$ 2,200,419
MSF Eligible Activities and Interest	\$ 802,008
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 1,259,604
Total Eligible Costs for TIF Reimbursement (5)	\$ 4,300,478

		Developer Repaid											END
Plan Year		19	20	21	22	23	24	25	26	27	28	29	30
Actual Year		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Base (Existing) Taxable Value Non-Homestead (TV):		\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700
New TV for Non-Homestead (3)		\$ 4,264,347	\$ 4,392,277	\$ 4,524,046	\$ 4,659,767	\$ 4,799,560	\$ 4,943,547	\$ 5,091,853	\$ 5,244,609	\$ 5,401,947	\$ 5,564,005	\$ 5,730,926	\$ 5,902,853
Incremental Difference Non-Homestead (New TV - Exisiting)		\$ 3,330,647	\$ 3,458,577	\$ 3,590,346	\$ 3,726,067	\$ 3,865,860	\$ 4,009,847	\$ 4,158,153	\$ 4,310,909	\$ 4,468,247	\$ 4,630,305	\$ 4,797,226	\$ 4,969,153
Base (Existing) Taxable Value Homestead (TV):		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New TV for Homestead (4)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental Difference Homestead (New TV - Exisiting)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCREMENT		\$ 3,330,647	\$ 3,458,577	\$ 3,590,346	\$ 3,726,067	\$ 3,865,860	\$ 4,009,847	\$ 4,158,153	\$ 4,310,909	\$ 4,468,247	\$ 4,630,305	\$ 4,797,226	\$ 4,969,153
		19	20	21	22	23	24	25	26	27	28	29	30
STATE CAPTURE		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
State Education Tax (SET, less 3 for BRF)		\$ 9,992	\$ 10,376	\$ 10,771	\$ 11,178	\$ 11,598	\$ 12,030	\$ 12,474	\$ 12,933	\$ 13,405	\$ 13,891	\$ 14,392	\$ 14,907
School Operating (NA to Homestead)		\$ 59,952	\$ 62,254	\$ 64,626	\$ 67,069	\$ 69,585	\$ 72,177	\$ 74,847	\$ 77,596	\$ 80,428	\$ 83,345	\$ 86,350	\$ 89,445
State Total to Reimbursables		\$ 69,944	\$ 72,630	\$ 75,397	\$ 78,247	\$ 81,183	\$ 84,207	\$ 87,321	\$ 90,529	\$ 93,833	\$ 97,236	\$ 100,742	\$ 104,352
Accumulated State Total to Reimbursables		\$ 915,553	\$ 988,183	\$ 1,063,581	\$ 1,141,828	\$ 1,223,011	\$ 1,307,218	\$ 1,394,539	\$ 1,485,068	\$ 1,578,901	\$ 1,676,138	\$ 1,776,880	\$ 1,881,232
State Brownfield Redevelopment Fund (BRF)		\$ 9,992	\$ 10,376	\$ 10,771	\$ 11,178	\$ 11,598	\$ 12,030	\$ 12,474	\$ 12,933	\$ 13,405	\$ 13,891	\$ 14,392	\$ 14,907
State BRF Accumulated Capture		\$ 130,793	\$ 141,169	\$ 151,940	\$ 163,118	\$ 174,716	\$ 186,745	\$ 199,220	\$ 212,153	\$ 225,557	\$ 239,448	\$ 253,840	\$ 268,747
		19	20	21	22	23	24	25	26	27	28	29	30
LOCAL CAPTURE		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
TBA- ISD		\$ 9,763	\$ 10,138	\$ 10,524	\$ 10,922	\$ 11,332	\$ 11,754	\$ 12,188	\$ 12,636	\$ 13,097	\$ 13,572	\$ 14,062	\$ 14,566
County		\$ 20,794	\$ 21,593	\$ 22,416	\$ 23,263	\$ 24,136	\$ 25,035	\$ 25,961	\$ 26,914	\$ 27,897	\$ 28,908	\$ 29,951	\$ 31,024
NMC		\$ 9,792	\$ 10,168	\$ 10,556	\$ 10,955	\$ 11,366	\$ 11,789	\$ 12,225	\$ 12,674	\$ 13,137	\$ 13,613	\$ 14,104	\$ 14,609
TADL		\$ 3,694	\$ 3,836	\$ 3,982	\$ 4,133	\$ 4,288	\$ 4,448	\$ 4,612	\$ 4,782	\$ 4,956	\$ 5,136	\$ 5,321	\$ 5,512
Local Unit Rate (Note need twp and village separate line:		\$ 44,753	\$ 46,472	\$ 48,242	\$ 50,066	\$ 51,944	\$ 53,879	\$ 55,872	\$ 57,924	\$ 60,038	\$ 62,216	\$ 64,459	\$ 66,769
BATA		\$ 1,150	\$ 1,195	\$ 1,240	\$ 1,287	\$ 1,335	\$ 1,385	\$ 1,436	\$ 1,489	\$ 1,543	\$ 1,599	\$ 1,657	\$ 1,716
LOCAL - Total Capture		\$ 89,947	\$ 93,402	\$ 96,960	\$ 100,625	\$ 104,401	\$ 108,289	\$ 112,294	\$ 116,420	\$ 120,669	\$ 125,045	\$ 129,553	\$ 134,196
Local - Accumulated Capture to Reimbursables		\$ 1,177,393	\$ 1,270,794	\$ 1,367,755	\$ 1,468,380	\$ 1,572,781	\$ 1,681,070	\$ 1,793,364	\$ 1,909,784	\$ 2,030,452	\$ 2,155,497	\$ 2,285,050	\$ 2,419,246
TOTAL TAX CAPTURE		51.0058	\$ 169,882	\$ 176,408	\$ 183,128	\$ 190,051	\$ 197,181	\$ 204,525	\$ 212,090	\$ 219,881	\$ 227,907	\$ 236,172	\$ 244,686
Acumulated for State BRF		\$ 130,793	\$ 141,169	\$ 151,940	\$ 163,118	\$ 174,716	\$ 186,745	\$ 199,220	\$ 212,153	\$ 225,557	\$ 239,448	\$ 253,840	\$ 268,747
Accumulated for Reimbursement to Developer, Admin & LSRF		\$ 2,092,946	\$ 2,258,978	\$ 2,431,335	\$ 2,610,208	\$ 2,795,792	\$ 2,988,288	\$ 3,187,903	\$ 3,394,852	\$ 3,609,354	\$ 3,831,635	\$ 4,061,930	\$ 4,300,478
Accumulated Total Tax Capture		\$ 2,223,739	\$ 2,400,147	\$ 2,583,275	\$ 2,773,326	\$ 2,970,508	\$ 3,175,033	\$ 3,387,123	\$ 3,607,004	\$ 3,834,911	\$ 4,071,083	\$ 4,315,770	\$ 4,569,225

LSRF TABLE				Year 1 of LSRF	Year 2 LSRF	Year 3 LSRF	Year 4 LSRF	Year 5 LSRF	Total
		Local taxes to LSRF		\$ 281,656	\$ 120,669	\$ 125,045	\$ 129,553	\$ 134,196	\$ 791,119
		State Taxes to LSRF Not To Exceed:		\$ 1,035,373	\$ 72,322	\$ 93,833	\$ 97,236	\$ 100,742	\$ 468,486
		Total		\$ 353,978	\$ 214,502	\$ 222,282	\$ 230,295	\$ 238,548	\$ 1,259,604
		Accumulated		\$ 353,978	\$ 568,480	\$ 790,762	\$ 1,021,056	\$ 1,259,604	

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

- (2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.
- (3) Increased 3% per year to adjust for inflation
- (4) Not applicable to 18 Mill School Operating tax
- (5) Not including Authority administrative expenses

Attachment B
Executed Reimbursement Agreement

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

DEVELOPMENT/REIMBURSEMENT AGREEMENT

This Development Agreement is made on Oct 30, 2013, between TBA Credit Union, (the "Owner") and the **GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY** (the "GTCBRA"), a Michigan public body corporate.

PREMISES

- A. The Owner is engaged in the redevelopment of property for the TBA Credit Union Headquarters (the "Development"), described on attached Exhibit A, to be located on the property described on attached Exhibit B (the "Site").
- B. The GTCBRA has been formed pursuant to Act 381, Public Acts of Michigan, 1996, MCL 125.2651 et. seq. ("Act 381"), to promote the revitalization of environmentally distressed areas. The GTCBRA has approved a Brownfield Plan that includes the Development (the "Plan", attached as Exhibit C), and the Property is part of the Plan, as amended.
- C. The GTCBRA has determined in furtherance of its purposes and to accomplish its goals and Plan to finance certain "Eligible Activities" as defined by Sec. 2(n) of Act 381, Public Acts of 1996, MCL 125.2652(l) within eligible property on the site and as described in the Act 381 Work Plan attached as Exhibit D as the same may be amended or supplemented.
- D. Pursuant to the Plan and the Act 381 Work Plan, the GTCBRA will capture 100% of the Tax Increment revenues authorized by law to be captured from the levies imposed by taxing jurisdictions upon taxable property for the eligible property consistent with Act 381, as amended, and the Plan approved by the GTCBRA (the "Tax Increments"). Upon satisfaction of the conditions expressed in this Agreement, the GTCBRA will use the Tax Increments as provided by law and as described in this Agreement.

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

ARTICLE 1

Section 1.1 Definitions. The following capitalized terms used in this Agreement shall have the following meanings, except to the extent the context in which they are used requires otherwise:

(a) "Act 381" means the Brownfield Redevelopment Financing Act ("BRA"), Act 381 of Michigan Public Acts of 1996, as amended, MCL 125.2651 et seq.

(b) "Agreement" means this Development/Reimbursement Agreement entered into between the GTCBRA and the Owner.

(c) "County" means the County of Grand Traverse, Michigan.

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

(e) "Owner" means, TBA Credit Union.

(f) "Development" means the site work, building construction, utilities, and equipment relating to the eligible property as described on attached Exhibit B.

(g) "Eligible Activities" means those response activities as defined by Sec. 2(n) of Act 381, Public Acts of 1996, as amended, MCL 125.2652(n), or approved by the Michigan Department of Environmental Quality (MDEQ) or the Michigan Strategic Fund (MSF) as part of the approved Act 381 Work Plan.

(h) "Eligible Property" means the property as defined by Sec. 2(n) of Act 381, MCL 125.2652(n) for purposes of completing the Eligible Activities.

(i) "Environmental Consultant" means any environmental consulting firm retained or hired by the Owner to fulfill its obligations under this Agreement, including the Eligible Activities set forth in the Act 381 Work Plan.

(j) "Event of Default" means the failure of performance or breach by a party to carry out its obligations under this Agreement or, with respect to a party, if any representation or warranty of such party was materially not accurate when made, and such obligation has not been performed or such representation or warranty corrected within 30 days after written notice thereof has been given by the other party. It also means any filing of bankruptcy or bankruptcy reorganization by the Owner.

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

(l) "Transaction Costs" means GTCBRA's costs, expenses, and liabilities related to the authorization, execution, administration, oversight, fulfillment of the GTCBRA's obligations under this the Agreement, which such items shall include, but not be limited to, direct or indirect fees and expenses incurred as a result of the application, amendments to the Plan, approvals of the Development, printing costs, costs of reproducing documents, filing and recording fees, counsel fees, financial expenses, insurance fees and expenses, administration and accounting for

the loan proceeds and tax increments revenues, oversight and review, and all other costs, liabilities, or expenses, related to preparation and carrying out or enforcing the Plan, the Act 381 Work Plan and this Agreement, or other related agreements with Owner, if any, and any other costs, charges, expenses, and professional and attorney fees in connection with the foregoing.

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

(n) "Plan" means the Brownfield Plan, as defined under Act 381, and adopted April 24, 2013, as amended, and attached as Exhibit C.

(o) "Site" means the real property located in the County of Grand Traverse, State of Michigan, as described in attached Exhibit B, if applicable, and made a part hereof. The Site and its description in Exhibit B may be amended by the parties to reflect any transfer of land after the execution of this agreement. Such a modification shall be by amendment of this agreement and shall be in writing signed by both parties.

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

(q) "Act 381 Work Plan" means the Work Plan approved by the GTCBRA on May 8, 2013 and attached as Exhibit D, as subsequently amended or supplemented (also known as the MSF and/or MDEQ Work Plan)

Section 1.2 Number and Gender. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms.

ARTICLE 2.

COVENANTS OF THE OWNER

Section 2.1 **Construction of Development.** The Owner shall proceed with the development and the obligations under this Agreement in its discretion. If it decides to do so, it shall proceed with due care and diligence and commence and complete the Eligible Activities and the Development in accordance with this Agreement, and in accordance with any applicable law, regulation, code and ordinance.

Section 2.2 **Covenant to pay Financial Obligations.** The Development will utilize the Owner's own funds, including debt proceeds financed by the Owner, and receive reimbursement from the GTCBRA (also referred to as the "Debt Obligation") to the extent of available Tax Increment Revenues for payment of the Eligible Activities in accordance with the terms of this Agreement the Brownfield Plan, and the Act 381 Work Plan. The GTCBRA may first establish a contingency reserve fund for the Plan and Development Project, which shall be not more than twenty percent (20%) of such tax increment funds in any one year. Subject to payment into such reserve, the revenues shall then be utilized by the parties and payment made in the following

order of priority: (a) First, the revenues will be applied to administrative and transaction costs; (b) Second, to reimburse the Eligible Activities expenses approved under a possible DEQ Loan; and (c) Third, to reimburse the Owner for those approved Eligible Activities expenses as provided in this Agreement. The funds held for the contingency reserve will be distributed to the Owner for Eligible Activities expenses upon receipt of the subsequent year's tax increment capture, subject to the priority of payment described in (a) (b) and (c) of this paragraph. Upon satisfactory completion of the Eligible Activities, the remainder of the contingency reserve fund may be applied to the GTCBRA's administrative and transaction costs and the Owner's Eligible Activity expenses.

It is anticipated that there will be sufficient available Tax Increment Revenues to meet the obligations under this Agreement. However, if for any reason the Development does not result in sufficient revenues to satisfy such obligations, the Owner agrees and understands that it will have no claim or further recourse of any kind or nature against the GTCBRA except from available captured Tax Increment Revenues, and if for any reason the Tax Increment Revenues are insufficient or there are none, then Owner assumes full responsibility for payment any such loss or cost.

In the event that the final taxable value of the Eligible Property is less than the projected taxable value as adopted in the Brownfield Plan on April 24, 2013 and there is insufficient Tax Increment Revenues to pay for approved expenses, the parties agree that the GTCBRA staff shall prepare an amendment to the Brownfield Plan for GTCBRA consideration and potential recommendation to the City of Traverse City and the County Board of Commissioners for adoption to allow the Owner to be fully reimbursed for their Eligible Activity expenses subject to the terms of this agreement.

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

- (a) Approval by the MDEQ and/or MSF, and GTCBRA of (1) the Act 381 Work Plan, as amended or supplemented, or (2) of the Eligible Activity as qualifying for school tax capture; however, to the extent an Eligible Activity falls outside (1) or (2) of this subparagraph, then the Eligible Activity must be identified in the Plan, as amended, and approved by the GTCBRA for local tax recapture to the extent authorized by Act 381.
- (b) The Owner shall provide proof of ownership of the Site if applicable, and shall provide the GTCBRA with a list of any potentially responsible parties (PRP's), to the best of the Owners knowledge, for the contamination on the property, and shall have performed all of the covenants, obligations, terms and conditions to be performed by it pursuant to this Agreement and any Financing Agreement or other agreement with GTCBRA, and all preconditions to the performance of the Owner shall have been satisfied.
- (c) Owner shall provide written proof of waivers of liens by the Environmental Consultant, any contractor, subcontractor providing services as described in this Agreement.

- (d) Owner shall pay all real estate tax obligations when due.
- (e) GTCBRA shall only be obligated to reimburse the Debt Obligation that has been reviewed and approved by the GTCBRA. Approval of the application and subsequent approvals of brownfield plans, work plans, or any other determination of eligibility in no way guarantees or establishes a right to reimbursement of expenditures through tax increment financing prior to review or approval of invoices. Expenditures must be documented to be reasonable for Eligible Activities by submission of invoices and other appropriate documentation. Reimbursement shall only occur pursuant to the terms and conditions of this Agreement, as well as the policies and procedures of the GTCBRA for review and approval of invoices. All invoices for any Eligible Activities on the Site must be submitted to the GTCBRA for its review within one year from the date of the invoice. While the GTCBRA may waive this requirement in its discretion for good cause shown, the GTCBRA shall be under no obligation to reimburse any invoice for an Eligible Activity that is not submitted in a timely fashion.
- (f) Interest shall be provided to the Owner at the rate of 2.5% per annum for Non-environmental eligible activities only as approved within the Act 381 Work Plan and as determined to be reasonable and necessary as outlined within this agreement. It is expressly understood that no interest shall be received for work completed prior to approval of the Brownfield Plan or Act 381 Work Plan. Further, all environmental work will be completed under the approved Department of Environmental Loan secured by Grand Traverse County, with interest being provided to the Owner for approved environmental eligible activities in a rate established by the Loan. Except as provided above, Owner shall not be reimbursed for interest on any eligible activity cost incurred by Owner.

Section 2.3 Indemnification of Indemnified Persons.

- (a) The Owner shall defend, indemnify and hold the Indemnified Persons harmless from any loss, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property as a result of the ownership or operation, use or maintenance of the Development arising out of performance of activities under this Agreement or any related agreement from and after the date hereof. If any suit, action or proceeding is brought against any Indemnified Person, the Indemnified Person promptly shall give notice to the Owner and the Owner shall defend such Indemnified Person with counsel selected by the Owner, which counsel shall be reasonably satisfactory to the Indemnified Person. In any such proceeding, the Indemnified Person shall cooperate with the Owner and the Owner shall have the right to settle, compromise, pay or defend against any such claim on behalf of such Indemnified Person, except that the Owner may not settle or compromise any claim if the effect of doing so would be to subject the Indemnified Person to criminal penalties, unless such Indemnified Person gives its consent. The Owner shall not be liable for payment or settlement of any such claim or proceeding made without its consent.

- (b) The Owner also shall indemnify the Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in successfully enforcing or pursuing any obligation of or claim against the Owner under this Agreement or any related agreement. To the extent that the enforcement of such obligation or claim involves a claim against an Environmental Consultant who performs work or services under the terms or within the scope of this Agreement, the Environmental Consultant's agreement with the Owner shall be deemed to be a third party beneficiary contract in favor of the GTCBRA or any Indemnified Persons.
- (c) The Owner shall assure that to the extent an Environmental Consultant, Contractor or Subcontractor provides services toward completion of any Eligible Activities, at a minimum, the Environmental Consultant shall provide to the GTCBRA and the County the indemnity provisions set forth in Sec. 6.13 of this Agreement for the services that the particular Environmental Consultant, Contractor or Subcontractor is performing.
- (d) The indemnity provisions shall survive the term of this Agreement.

Section 2.4 Site Access. The Owner shall grant to GTCBRA, the MDEQ and/or MSF, or their designated agents, access to the Site to exercise their respective rights related to the purposes and pursuant to the terms of this Agreement. Site access shall include the right to perform any eligible activities by the GTCBRA, as provided in the Brownfield Plan and Work Plan, in the GTCBRA's discretion. The GTCBRA shall give the Owner 24 hours written notice of its intent to access the site whenever possible. If notice cannot be given due to an emergency or any other unforeseen circumstance, the GTCBRA shall give notice as is reasonable and practicable under the circumstances.

ARTICLE 3.

CONDITIONS PRECEDENT TO OWNER'S OBLIGATION

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

- (a) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owner, the County or the GTCBRA is a party, or threatened against the Owner, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Plan, which could result in an adverse decision which would have one or more of the following effects:
 - (1) A material adverse effect upon the ability of the GTCBRA to collect and use Tax Incremental Revenues to repay its obligations under this Agreement and the Financing Agreement.

- (2) A material adverse effect on the Owner's or the GTCBRA's ability to comply with the obligations and terms of this Agreement, the Plan, or the Act 381 Work Plan.
- (b) There shall have been no Event of Default by the GTCBRA and no action or inaction by the GTCBRA eventually which with the passage of time could become an Event of Default.
- (c) The GTCBRA shall have performed all of the terms and conditions to be performed by it pursuant to this Agreement.

ARTICLE 4.

COVENANTS OF THE GTCBRA

Section 4.1 Adoption of Plan. The GTCBRA will prepare and submit the Act 381 Work Plan (and amendments as necessary) in accordance with Act 381 which will provide for the payment of transaction costs and reimbursement to the Owner of the Owner's Eligible Activity expenses that have been conducted, completed and approved in accordance with the scope and terms of this Agreement, Act 381, the Plan, and any applicable Act 381 Work Plan, and approved by the GTCBRA pursuant to its policies and procedures. These policies and procedures include, but are not limited to, the GTCBRA's standards for local tax incremental financing eligibility.

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

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

ARTICLE 5.

CONDITIONS PRECEDENT TO GTCBRA'S OBLIGATIONS

Section 5.1 Conditions Precedent to GTCBRA's obligation to reimburse Eligible Activities expenses for the Owner's Development

The obligations of the GTCBRA to reimbursement of costs to the Owner for completion of Eligible Activities expenses as contemplated herein shall be subject to the following conditions precedent which must be satisfied by the Owner as required herein, except as expressly provided in this Agreement or otherwise waived in writing by the GTCBRA. It is expressly agreed that the GTCBRA makes or gives no assurance of payment to the Owner by the mere fact that an Eligible Activity or a dollar amount for such activity is identified in the Work Plan, or as hereafter supplemented or amended, and that its designated contract manager shall have the right to review and approve all written summaries of and invoices for Eligible Activities for the reasonableness of services performed by any Environmental Consultant under this Agreement. However, so long as an Eligible Activity by the Owner has been approved and is authorized by Act 381 and has been completed and approved in accordance with the following procedure and this Agreement, Owner shall be entitled to reimbursement of its Eligible Activities expenses.

- (a) Before commencing work on each stage of Eligible Activities and pursuant to the policies adopted by the GTCBRA, the Owner or their designee will present a project budget for each stage to the GTCBRA Director at least two weeks prior to the next regular meeting of the GTCBRA. The project budget will be submitted at each such stage of the Eligible Activities: BEA activities; due care 7(a) obligations; and additional response activities and, if applicable, lead and asbestos abatement, demolition, site preparation and infrastructure; and will contain detailed line item cost estimates.
- (b) The Owner shall submit invoices of its expenses and a written statement demonstrating a factual basis that it has completed any Eligible Activities to the GTCBRA Director, for preliminary review and approval, within 120 days of Owner's payment of invoice. Pursuant to Section 2.2, above, the GTCBRA shall not have any obligation to reimburse any invoice that is submitted to the Authority later than one year after the original invoice date, regardless of when payment on the invoice was made. Within 14 days of receipt of the invoice, the GTCBRA Director shall review the invoice to determine the reasonableness of the invoice and activity as eligible, and recommend approval or denial of the invoice, in part or in full, at a meeting of the GTCBRA. In the event of an objection to the invoice, the GTCBRA Director will notify the Owner, and the Owner shall meet with the GTCBRA Director and resolve or cure the objection. If the GTCBRA does not authorize payment on an invoice, then there shall be no obligation on the part of the GTCBRA to pay the invoice.
- (c) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owner, the County or the GTCBRA is a party,

or threatened against the Owner, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Plan or which could result in an adverse decision which would have one or more of the following effects:

- (1) A material adverse effect upon the ability of the GTCBRA to collect and use Tax Increments to pay the obligations.
 - (2) A material adverse effect upon the ability of the Owner to conduct Eligible Activities.
 - (3) Any other material adverse effect on the Owner's or the GTCBRA's ability to comply with the obligations and terms of this Agreement, or the Plan.
- (d) There shall have been no Event of Default by the Developer and no action or inaction by the Developer eventually which with the passage of time would likely become an Event of Default.
 - (e) The Developer shows it is owner of the Site or the Site is under land contract, and the Developer is not in default on any contract or other agreement relating to its ownership, development, or use of the Site.
 - (f) Proper approvals required under applicable federal and state laws or regulations, and local ordinances, codes or regulations for land uses and Development have been secured.
 - (g) The Developer has consent of any affected utility for relocation, burial or the activity to accomplish the Eligible Activities.
 - (h) The Developer retains an Environmental Consultant, contractor, or subcontractor to advise, conduct, or complete the Eligible Activities related to the Pay-As-You-Go obligations as set forth in this Agreement.
 - (i) There is no change in law which would have one or more of the effects described above.
 - (j) Any Tax Increment Revenues owed to a prior owner of the Site for Eligible Activities undertaken on the Site shall be paid to the prior owner of the Site pursuant to the policies and procedures of the GTCBRA unless otherwise directed by written agreement between the prior owner and the Developer. The Developer has no right to any Tax Increment Revenues for any Eligible Activity undertaken on the Site prior to its purchase of the Site.
 - (k) If for any reason the Developer is unable to obtain title to the site, the GTCBRA is not obligated to perform any of the terms of this Agreement.
 - (l) During the term reimbursement, the Owner shall provide to the Brownfield Redevelopment Authority an annual report of investment made and jobs created.

Report shall be delivered to the Brownfield Office no later than October 31, of each year.

ARTICLE 6.

OWNER'S ENVIRONMENTAL CONSULTANT, ITS CONTRACTOR, OR SUBCONTRACTOR RESPONSIBILITIES

Section 6.1 Eligible Activities and Due Care Obligation. The Owner covenants that it will contract with a competent and qualified Environmental Consultant(s) ("Environmental Consultant") and/or other competent and qualified contractors or subcontractors ("Contractors") to conduct and complete the Eligible Activities set forth in this Agreement and as set forth in the Act 381 Work Plan, as amended or supplemented, or the Plan, as amended or supplemented, and to meet any due care obligation under Sec. 20107a, NREPA, MCL 324.20107a and 324.20129a, in accordance with any MDEQ requirements and approval. Each Environmental Consultant or Contractor hired by Owner shall be responsible for the activities that they perform on the Property, but the Environmental Consultant or Contractor shall not be liable for the actions of any persons performing work on the Property that are not working directly or indirectly for the Environmental Consultant or Contractor.

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

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

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

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

- (a) submit reports and test results first to the Owner, and shall submit documents to GTCBRA Director within 5 days thereafter or other such time that is reasonable.

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

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

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

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

Section 6.9 Independent Contractor. The Environmental Consultant and any Contractors or Subcontractors shall perform its services under this Agreement entirely as an independent contractor, and shall not be deemed an agent, employee or legal representative of the GTCBRA. GTCBRA and the Environmental Consultant and any Contractor or Subcontractor shall each have and maintain complete control over all its employees, agents and operators. Facts or knowledge of which the Environmental Consultant or Contractor becomes aware shall not be imputed to GTCBRA without communication to and receipt by managerial officials or employees of GTCBRA. The Environmental Consultant or any Contractor or Subcontractor has no authority to assume or create, and will not assume or create, any commitment or obligation on behalf of the GTCBRA in any respect whatsoever. Further, the Environmental Consultant or any Contractor or Subcontractor shall exercise its independent judgment for the services provided in this Agreement.

Section 6.10 Disposal of Hazardous Waste. In the event that samples or other materials contain classified as "hazardous waste" under state or federal law, the Owner shall, under a

manifest signed by the Owner or its agent, as the generator, have such samples transported for final disposal to a location selected by the Owner or its Environmental Consultant or Contractor. It is expressly understood that the GTCBRA has no oversight or other control or authority over the Owner's obligation to properly dispose of Hazardous Waste under the terms of this paragraph.

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

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

- (a) Worker's Compensation in the amounts required under the laws of the State of Michigan;
- (b) Comprehensive General Liability and Automobile Insurance for bodily injury, death or loss or damage to property or third persons in the minimum amount of at least \$1 million per occurrence, which policy shall name the GTCBRA and the County as additional insured to the extent of the indemnity provided in paragraph 6.13.
- (c) Pollution or Environmental Impairment Insurance in the amount of at least \$ 1 million per occurrence.
- (d) As to the Environmental Consultant only, Professional Liability Insurance in the minimum amount of \$1 million per occurrence.
- (e) The Owner shall furnish to GTCBRA a certified copy of such policies within 30 days of the date of the commencement of the Eligible Activities and the period of coverage shall commence with the date of performance of the first Eligible Activity. The limits of insurance shall not be construed as a limitation on the Environmental Consultant's, Contractor's, or Subcontractor's liability for damages, costs or expenses under this Agreement.
- (f) Upon showing of no or minimal environmental impairment risk with respect to the activities to be performed by any specific contractor or sub-contractor, the Owner may request in writing a reduction of the amount of coverage in subparagraph (b) to \$500,000; upon the same showing, the Owner may also request as to a specific Contractor or specific sub-contractor a waiver of the Environmental Impairment Insurance required by subparagraph (c). The GTCBRA will provide written documentation in the event it approves of such a

request, which shall be treated as an amendment to this Agreement effective on the date of such written approval.

Section 6.13 Limitation of Liability.

- (a) Defend, Indemnify and Hold Harmless. Notwithstanding any other provision of this Agreement, the Owner shall obtain its Environmental Consultant's and other Contractor's agreements to defend, indemnify and hold GTCBRA harmless against and from all liabilities, losses, damages, costs, expenses (including attorney fees), causes of action, suits, claims and demands for judgment, as it relates to those Eligible Activities performed by Contractors or Owners Environmental Consultant:
 - (1) Those which GTCBRA may sustain as a result of the failure of the Environmental Consultant to comply with the provisions of this Agreement; and/or
 - (2) Those which result from or arise out of any material acts or omissions, negligent or otherwise, of the Environmental Consultant's employees, agents, contractors, or subcontractors in the performance of the work specified in this Agreement.
 - (3) This indemnity shall only apply to the Environmental Consultant or Contractor's actions, and the Consultant or Contractor shall have no obligation to indemnify, defend or hold harmless the Indemnified Persons for any loss, liability, claim, damage, cost or expense arising out of, related to or resulting from any activities performed by other Environmental Consultants, Contractors, or Subcontractors on the Property.
- (b) Contribution. The Owner shall obtain written acknowledgment that the Environmental Consultant, any Contractor, or subcontractor could be liable to GTCBRA for all damage, loss, injury or expense to the extent such person or entity's acts or omissions arising out of the performance of activities under this Agreement are actionable negligence or gross negligence, or constitute intentional misconduct; the Consultant, any Contractor, or Subcontractor shall be liable for contribution to GTCBRA for any such damage, loss, injury or expense of a third party arising out of such activities, notwithstanding Sec. 20128 of the NREPA, MCL 24.20128, for releases aggravated or proximately caused by the Environmental Consultant. This paragraph shall not affect any other liabilities or remedies of the GTCBRA.
- (c) Survivorship of Covenants. Any Environmental Consultant's, Contractor's, or Subcontractor's indemnity, hold harmless and release shall survive the termination of this Agreement and the Environmental Consultant's agreement with the Owner, but is limited to only those Eligible Activities performed by Contractors or Owners Environmental Consultant, and specifically excludes all other activities performed by other Environmental Consultants, Contractors, or Subcontractors performing activities.

- (d) Breach. A breach of the foregoing provisions of Sec. 6.13 at the option of GTCBRA constitutes, or will result in, a breach of the Development Agreement.

(e) The written agreement in subparagraph (a) of this section and written acknowledgment in subparagraph (b) shall be filed with the GTCBRA before any work begins or before any reimbursement under the terms of this agreement.

ARTICLE 7.

REPRESENTATIONS AND WARRANTIES

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

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

Section 7.2 Representations and Warranties of the Owner. The Owner represents and warrants to the GTCBRA that:

- (a) The Owner is a State Chartered Credit Union with power under the laws of such state to carry on its business as now being conducted and has the power and authority to consummate the transactions contemplated under this agreement by the Owner.
- (b) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Owner, and this Agreement constitutes a valid and binding agreement of the Owner in accordance with its terms, except as enforce ability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.
- (c) Except as part of the performance and completion of Eligible Activities under the terms of this Agreement, the Owner, its Contractors, or Subcontractors shall not use the Site for the storage, treatment or disposal of hazardous or toxic wastes of unaffiliated third parties and shall comply with all applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees and orders in connection

with any use of the Site, and shall obtain all necessary permits in connection therewith.

- (d) Owner warrants that it will comply with all obligations, covenants and conditions required of it or its agents or contractors under the terms of this Agreement.
- (e) Owner shall comply with all due care obligations under Sec. 7a of Part 201 of the NREPA.
- (f) Owner has not made any misrepresentation of fact in the inducement or in the performance or administration of this Agreement.

ARTICLE 8.

OWNER FINANCIAL ASSURANCES

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

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

The 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 as additional financial assurance for GTCBRA's transaction costs or successful enforcement of the terms of this agreement or other claims in the event of a breach or default by the of this Agreement 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 or such time as is reasonably

necessary 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 Brownfield Plan on April 24, 2013, attached as Exhibit C. Owner waives, to the full extent authorized by law, any right to appeal the tax valuation of the Property during the time that Tax Increment Revenues are being captured to pay back any obligation pursuant to this Agreement. 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 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 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 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 Plan, or any existing Act 381 Work Plan, as described in this Agreement without amendment to the Plan. This 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.

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

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:

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

If to the Owner:

Karen Browne, CEO
TBA Credit Union
P.O. Box 1049
Traverse City, MI 49685-1049

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

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

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. 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, Subcontractors, 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.

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

Owner:

TBA Credit Union

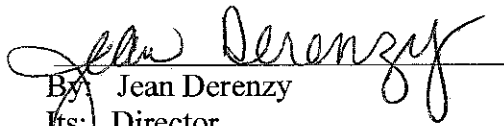

Karen Browne

By: _____
Its: CEO

GRAND TRAVERSE COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY


By: Charles Korn
Its: Chairman

Approved as to Substance:


By: Jean Derenzy
Its: Director

Approved as to form:

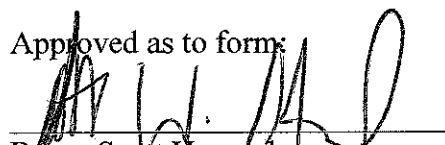

By: Scott Howard
Its: Attorney

Exhibit A

“Development”

This Project will involve the demolition of the existing structures, management of construction derived residual materials, and development of a new three-story building. The Project proposes to redevelop underutilized vacant property into a contemporary multi-story office and financial institution headquarters. The redevelopment integrates design elements, environmental due care management, and economic development to further goals of the City of Traverse City, Grand Traverse County (GTC), the Michigan Department of Environmental Quality (MDEQ) and the Michigan Economic Development Corporation (MEDC). It will result in: (1) the community and municipal benefits of increased property taxes on the Property; (2) due care activities that will address the contamination on the Property, reducing the threat to human health and the environment; and (3) a substantial improvement to the appearance and aesthetics of the Property which will assist in increasing the property values of the neighboring community. The overall redevelopment of this site will include demolition of the existing structures, environmental activities, and redevelopment of a new 21,266 square foot three story headquarters building with a partially finished basement.

Exhibit B

“Site”

The Property is located at 626 and 636 East Front Street in the City of Traverse City, Michigan. It is situated southwest of the intersection of East Front Street and Hope Street. The Property comprises two parcels that contain approximately 1.34 acres (Parcel ID Numbers 28-51-102-003-10 and 28-51-102-006-00, respectively).

Please refer to the Brownfield Plan adopted April 24, 2013, and as may be amended, located in Exhibit C for the Property legal description. Refer to the Brownfield Plan Figure 1 for a Scaled Property Location Map and Figure 2 for an Eligible Property Boundary Map/Plat Map.

Attachment C

Approved May 2013 Act 381 Work Plan



PLANNING & DEVELOPMENT

400 BOARDMAN AVENUE
TRAVERSE CITY, MI 49684
(P) 231.922.4676
(F) 231.922.4636
www.grandtraverse.org/planning

Planning
Land Bank
Housing Initiatives
Economic Development
Brownfield Redevelopment

April 15, 2013

Mr. Joseph Martin
Brownfield Redevelopment
Michigan Economic Development Corporation
300 N. Washington Square
Lansing, MI 48913

Re: **Act 381 Work Plan, TBA Credit Union Redevelopment Project
626 and 636 E. Front St., Traverse City, Michigan**

Dear Mr. Martin:

I have enclosed two copies of the Michigan Public Act 381 Work Plan to conduct Michigan Department of Environmental Quality and Michigan Strategic Fund eligible activities on the TBA Credit Union Redevelopment Project located at 626 and 636 E. Front St., Traverse City, Michigan.

This Work Plan is complete, except for the following items:

- City of Traverse City resolution concurring with the provisions of the Brownfield Plan
- Grand Traverse County Board of Commissioners resolution approving the Brownfield Plan
- Executed reimbursement agreement
- Engineer's letter for certain non-environmental eligible activities

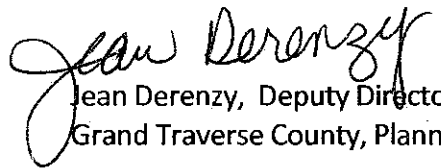
The Brownfield Plan for the project is scheduled to be adopted by the Grand Traverse County Board of Commissioners on April 24, 2013. We will forward the resolutions concurring with and approving the Brownfield Plan, as well as the reimbursement agreement, as soon as they are available. The engineer's letter is complete, and it will be forwarded under separate cover.

In order to finish the project this year and to avoid cost increases due to winter construction, TBA Credit Union is targeting June 3, 2013 for the eligible activities start date. If there is anything we can do to facilitate having the project placed on the May MSF Board meeting, please let us know.

If you have any questions or need additional information, please feel free to contact me at 231-922-4513, or at jderenzy@grandtraverse.org, or TBA's consultant, AKT Peerless Eric Helzer, 231-941-2366 and helzere@aktpeerless.com, or Bret Stuntz, 248-302-1398 and stuntzb@aktpeerless.com).

We appreciate your support of this project.

Sincerely,


Jean Derenzy, Deputy Director
Grand Traverse County, Planning & Development

pc: Eric Helzer, AKT Peerless



PLANNING & DEVELOPMENT

400 BOARDMAN AVENUE
TRAVERSE CITY, MI 49684
(P) 231.922.4676
(F) 231.922.4636
www.grandtraverse.org/planning

Planning
Land Bank
Housing Initiatives
Economic Development
Brownfield Redevelopment

April 15, 2013

Ms. Susan Wenzlick
Michigan Department of Environmental Quality (MDEQ)
Cadillac District Office
120 W. Chapin St.
Cadillac, MI 49601-2158

Re: **Act 381 Work Plan TBA Credit Union Redevelopment Project**
626 and 636 E. Front St., Traverse City, Michigan

Dear Ms. Wenzlick:

I have enclosed two copies of the Michigan Public Act 381 Work Plan to conduct Michigan Department of Environmental Quality and Michigan Strategic Fund eligible activities on the TBA Credit Union Redevelopment Project located at 626 and 636 E. Front St., Traverse City, Michigan.

This Work Plan is complete, except for the following items:

- City of Traverse City resolution concurring with the provisions of the Brownfield Plan
- Grand Traverse County Board of Commissioners resolution approving the Brownfield Plan
- Executed reimbursement agreement
- Engineer's letter for certain non-environmental eligible activities

The Brownfield Plan for the project is scheduled to be adopted by the Grand Traverse County Board of Commissioners on April 24, 2013. We will forward the resolutions concurring with and approving the Brownfield Plan, as well as the reimbursement agreement, as soon as they are available. The engineer's letter is complete, and it will be forwarded under separate cover.

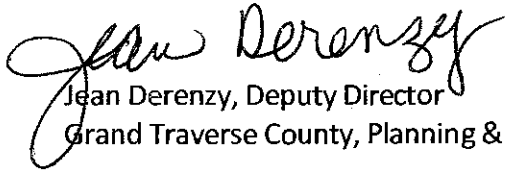
In order to finish the project this year and to avoid cost increases due to winter construction, TBA Credit Union is targeting June 3, 2013 for the eligible activities start date. If there is anything we can do to facilitate DEQ approval of this Act 381 Work Plan prior to June 3rd, please let us know.

If you have any questions or need additional information, please feel free to contact my office at 922-4513, or via email at jderenzy@granddtraverse.org, or TBA's consultant, AKT

Peerless, Eric Helzer, 231-941-2366 and helzere@aktpeerless.com, or Bret Stuntz, 248-302-1398 and stuntzb@aktpeerless.com).

We appreciate your support of this project. Please contact me if you require anything else.

Sincerely,

A handwritten signature in black ink, appearing to read "Jean Derenzy". The signature is fluid and cursive, with the first name "Jean" written in a larger, more prominent script than the last name "Derenzy".

Jean Derenzy, Deputy Director
Grand Traverse County, Planning & Development

pc: Eric Helzer, AKT Peerless

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

ACT 381 WORK PLAN

To Conduct MDEQ Environmental Activities and
MSF Non-Environmental Activities

TBA Credit Union Redevelopment Project
626 and 636 East Front Street, Traverse City, Michigan 49686

PREPARED BY TBA Credit Union
2900 W. South Airport Road
Traverse City, Michigan 49684
Contact Person: Karen Browne
Email: karenb@tbacu.com
Phone: (231) 946-7141

AKT Peerless
12719 S. West Bay Shore Drive, Suite 8
Harbor West Building
Traverse City, Michigan 49684
Contact Person: Eric P. Helzer
Email: helzere@aktpeerless.com
Phone: (231) 941-2366

PROJECT # 7688B-16-25

REVISION DATE May 3, 2013

MDEQ APPROVAL
MSF APPROVAL

Table of Contents

1.0	INTRODUCTION.....	1
1.1	ELIGIBLE PROPERTY INFORMATION	2
1.1.1	Location and Eligibility.....	2
1.1.2	Current Ownership	2
1.1.3	Proposed Future Ownership	3
1.1.4	Delinquent Taxes, Interest, and Penalties	3
1.1.5	Existing and Proposed Future Zoning for Each Eligible Property	3
1.2	HISTORICAL USE OF EACH ELIGIBLE PROPERTY	3
1.3	CURRENT USE OF EACH ELIGIBLE PROPERTY	3
1.4	SUMMARY OF PROPOSED REDEVELOPMENT AND FUTURE USE FOR EACH ELIGIBLE PROPERTY	3
1.5	INFORMATION REQUIRED BY SECTION 15(15) OF THE STATUTE	4
1.5.1	Sufficiency of Individual Activities to Complete Eligible Activities	4
1.5.2	Necessity of Individual Activities to Complete Eligible Activities	4
1.5.3	Reasonableness of Costs	4
1.5.4	Public Benefit	4
1.5.5	Reuse of Vacant Buildings and Redevelopment of Blighted Property.....	5
1.5.6	Job Creation.....	5
1.5.7	Unemployment Status.....	5
1.5.8	Contamination Alleviation.....	5
1.5.9	Private Sector Contribution.....	5
1.5.10	Cost Gap Comparison	5
1.5.11	Brownfield Creation.....	6
1.5.12	Project Financial Data.....	6
1.5.13	Incentives	6
1.5.14	Additional Information	6
2.0	CURRENT PROPERTY CONDITIONS	6
2.1	PROPERTY ELIGIBILITY.....	6
2.2	SUMMARY OF ENVIRONMENTAL CONDITIONS	6
2.2.1	Environmental Investigations	6
2.2.2	Summary of Current Known Conditions.....	12
2.3	FUNCTIONALLY OBSOLETE	15
2.4	BLIGHTED	16
2.5	ADJACENT AND CONTIGUOUS	16
3.0	SCOPE OF WORK	16
3.1	MDEQ ELIGIBLE ACTIVITIES.....	16
3.1.1	Due Care Activities	16
3.1.2	Preparation of Brownfield Plan and Act 381 Work Plan.....	20

Table of Contents (continued)

3.1.3	Additional Response Activities	20
3.1.4	Environmental Insurance.....	23
3.2	MSF ELIGIBLE ACTIVITIES	23
3.2.1	Lead & Asbestos Abatement	23
3.2.2	Site Preparation.....	23
3.2.3	Infrastructure Improvements	24
3.2.4	Brownfield and Work Plan Preparation.....	24
3.2.5	Contingency.....	24
4.0	SCHEDULE AND COSTS.....	25
4.1	SCHEDULE OF ACTIVITIES.....	25
4.2	ESTIMATED COSTS.....	25
4.2.1	Description of MDEQ Eligible Activities Costs	25
4.2.2	Description of MSF Eligible Activities Costs	29
4.2.3	Local-Only Costs	31
4.2.4	Contingency.....	31
5.0	PROJECT COSTS AND FUNDING	32
5.1	TOTAL ESTIMATED PROJECT COSTS.....	32
5.2	SOURCES AND USES OF FUNDS	32
6.0	LIMITATIONS	32

FIGURES

Figure 1	Scaled Property Location Map
Figure 2	Eligible Property Boundary Map/Plat Map
Figure 3	Proposed Development Map
Figure 4	Proposed Development Map with Soil Analytical Results Exceeding MDEQ RCC
Figure 5	Proposed Development Map with Groundwater Analytical Results Exceeding MDEQ RCC
Figure 6	Soil Removal Map
Figure 7	Infrastructure Improvements Map

TABLES

TABLES IN TEXT

Table 1-A	Parcel Information
Table 2-A	Summary of Part 201 Exceedances in Soil
Table 2-B	Summary of Part 201 Exceedances in Groundwater
Table 4-A	MDEQ Eligible Activities

Table of Contents (continued)

Table 4-B	MSF Eligible Activities
-----------------	-------------------------

TABLES ATTACHED TO WORK PLAN

Table 1.....	Summary of Costs for Eligible Activities Table
Table 2.....	Tax Increment Finance Table

ATTACHMENTS

Attachment A	Brownfield Plan
Attachment B	Supplemental Material

WORK PLAN TO CONDUCT MDEQ ENVIRONMENTAL ACTIVITIES AND MSF NON-ENVIRONMENTAL ACTIVITIES

TBA Credit Union Redevelopment Project

626 and 636 East Front Street, Traverse City, Michigan 49686

1.0 Introduction

The Grand Traverse County Brownfield Redevelopment Authority (the “Authority”) is submitting this Act 381 Work Plan (“Plan”) for the property located at 626 and 636 East Front Street (the “Property”). The Property is situated southwest of the intersection of East Front Street and Hope Street. The Property comprises two parcels that contain approximately 1.34 acres (Parcel ID Numbers 28-51-102-003-10 and 28-51-102-006-00, respectively). The Brownfield Plan for the TBA Credit Union Redevelopment Project (“the Brownfield Plan”) was approved by the Authority on April 3, 2013. The City of Traverse City Commission approved a resolution concurring with the provisions of the Brownfield Plan on April 15, 2013, and the Grand Traverse County Board of Commissioners approved the Brownfield Plan on April 24, 2013. Refer to Attachment A for a copy of the Brownfield Plan and resolutions approving the plan.

The Project proposes to redevelop an underutilized vacant property into a contemporary multi-story office and financial institution headquarters. The redevelopment integrates design elements, environmental cleanup, and economic development to further goals of the City of Traverse City, Grand Traverse County (GTC), the Michigan Department of Environmental Quality (MDEQ) and the Michigan Economic Development Corporation (MEDC). It will result in: (1) the community and municipal benefits of increased property taxes on the Property; (2) due care activities that will address the contamination on the Property, reducing the threat to human health and the environment; and (3) a substantial improvement to the appearance and aesthetics of the Property which will assist in increasing the property values of the neighboring community. The overall redevelopment of this site will include demolition of the existing structures, environmental activities, and redevelopment of a new 21,266 square foot three story headquarters building with a partially finished basement.

TBA Credit Union is a growing financial institution. In order to meet the demands of its members and to have space to hire additional staff, a new location is necessary. TBA Credit Union searched other properties that would have been more affordable, but it decided that it was most important to be located within the City to best serve its members and non-members alike.

TBA Credit Union has a strong desire to put these two vacant properties back to productive use and drastically improve the aesthetics of the neighborhood. TBA Credit Union is a large supporter of the community. It frequently participates in volunteer activities and conducts member and community educational seminars. A new building will allow TBA Credit Union the opportunity to provide expanded meeting and community event space to the neighboring community. TBA Credit Union’s mission is to serve the community by building trusted relationships, providing customized financial products,

advocating financial literacy, and encouraging volunteerism. Redevelopment of this Property will ultimately help TBA Credit Union to meet its goals and those of the community.

The Project is seeking incentives from tax increment financing (TIF), the MDEQ Brownfield Redevelopment Loan (BRL) program, and the MDEQ Revitalization Revolving Loan Funds (RRLF) program. Construction is expected to begin in summer of 2013, starting with site and building demolition, followed by site preparation, environmental activities and construction.

Based on the current site conditions, certain activities are necessary to prepare the Property for redevelopment. The following sections present site background information, current Property conditions, the proposed environmental and non-environmental activities, and the costs associated with the proposed activities. In addition, the following sections summarize the proposed Michigan Strategic Fund (MSF) eligible activities, the proposed MDEQ eligible activities, and the costs associated with these proposed activities.

1.1 Eligible Property Information

1.1.1 Location and Eligibility

The Property is located at 626 and 636 East Front Street in the City of Traverse City, Michigan. It is situated southwest of the intersection of East Front Street and Hope Street. The Property comprises two parcels that contain approximately 1.34 acres (Parcel ID Numbers 28-51-102-003-10 and 28-51-102-006-00, respectively). TBA Credit Union owns the Property.

The Property was zoned Hotel Resort District and underwent a conditional rezoning to C3 – Community Center District. The rezoning was approved on March 18, 2013 by the Traverse City Commission.

Please refer to the Brownfield Plan located in Attachment A for the Property legal description. Refer to Figure 1 for a Scaled Property Location Map and Figure 2 for an Eligible Property Boundary Map/Plat Map.

The Property is considered “eligible property” as defined by Act 381, Section 2 because: (a) the Property was previously utilized for commercial property (gasoline station and restaurant); (b) it is located within the City of Traverse City, a qualified local governmental unit, or “Core Community” under Act 381; and (c) the Property (each parcel, independently) is determined to be a “facility.” Please refer to the Brownfield Plan provided in Attachment A for the relevant supporting documentation.

1.1.2 Current Ownership

Ownership information for the Property parcels is summarized in the following table. For ease of distinction, the parcels have been assigned letter identifiers; however, the identifiers have no legal basis and should not be used for any purpose other than as a means of reference herein.

Table 1-A Parcel Information

Parcel Designation	Parcel Address	Tax ID Number
A	626 East Front Street	28-51-102-003-10
B	636 East Front Street	28-51-102-006-00

Both parcels are owned by TBA Credit Union. The contact information for TBA Credit Union is:

Karen Browne
TBA Credit Union
2900 W. South Airport Road
Traverse City, Michigan 49684
Phone: (231) 946-7141

1.1.3 Proposed Future Ownership

TBA Credit Union.

1.1.4 Delinquent Taxes, Interest, and Penalties

No delinquent taxes, interest, or penalties are known to exist for the property.

1.1.5 Existing and Proposed Future Zoning for Each Eligible Property

The Property is zoned C3 – Community Center District. The C3 – Community Center District zoning is appropriate and allows for the redevelopment by TBA Credit Union as proposed.

1.2 Historical Use of Each Eligible Property

The two Property parcels have been used individually for a variety of purposes. These uses have ranged from transportation to commercial. Parcel A contained railroad sidings and an associated platform from the 1910s into the 1970s, warehousing from the late 1920s to the 1970s, and a restaurant from the late 1970s until the late 2000s. Parcel B contained railroad sidings and a fruit warehouse from the 1910s to the late 1960s, a gasoline service station from the late 1960s to the early 2000s, and intermittent temporary produce stands from the mid-2000s to 2012.

1.3 Current Use of Each Eligible Property

The Property currently contains two vacant commercial buildings (a former restaurant building on Parcel A and a former gasoline station building on Parcel B). Exterior portions of the Property include paved parking areas, driveways, and landscaped areas. In addition, a wooden deck patio, a greenbelt area, and concrete dumpster enclosure are located on Parcel A; and a large canopy over two former pump islands, concrete, asphalt, gravel paved areas, and a small walk-in-cooler are located on Parcel B. The Property is not currently used for any significant or obvious purpose.

1.4 Summary of Proposed Redevelopment and Future Use for Each Eligible Property

This Project will involve the demolition of the existing structures, management of construction derived residual materials, and development of a new three-story building. The Project proposes to redevelop underutilized vacant property into a contemporary multi-story office and financial institution headquarters. The redevelopment integrates design elements, environmental due care management, and economic development to further goals of the City of Traverse City, Grand Traverse County (GTC), the Michigan Department of Environmental Quality (MDEQ) and the Michigan Economic Development Corporation (MEDC). It will result in: (1) the community and municipal benefits of increased property taxes on the Property; (2) due care activities that will address the contamination on the Property, reducing the threat to human health and the environment; and (3) a substantial improvement to the appearance and aesthetics of the Property which will assist in increasing the property values of the

neighboring community. The overall redevelopment of this site will include demolition of the existing structures, environmental activities, and redevelopment of a new 21,266 square foot three story headquarters building with a partially finished basement.

1.5 Information Required by Section 15(15) of the Statute

1.5.1 Sufficiency of Individual Activities to Complete Eligible Activities

- Brownfield and Work Plan Preparation—The Brownfield Plan and work plan have been completed in accordance with Act 381.
- Infrastructure Improvements—Infrastructure improvements are sufficient to complete the project since they will result in improvements that will directly benefit the property and public generally.
- Lead and Asbestos Survey and Abatement—Lead and asbestos survey and abatement activities are sufficient to complete the eligible activities because they will fully abate lead paint and asbestos containing materials on the Property in preparation for building demolition.
- Demolition—Site and building demolition activities are sufficient to complete the eligible activities because they will completely remove existing development from the Property.
- Site Preparation—Completion of site preparation activities is sufficient to complete the eligible activities because they will prepare the site for planned development activities (i.e., new construction).

1.5.2 Necessity of Individual Activities to Complete Eligible Activities

- Brownfield Plan and Work Plan Preparation—Approval of the Brownfield Plan and work plan is necessary to make the development financially feasible.
- Infrastructure Improvements—All Infrastructure improvements proposed are necessary to comply with local rules and regulations, and will improve infrastructure quality for the public generally. Consequently, the road improvements, transformer pole, and the associated support work tasks are necessary activities for successful redevelopment.
- Lead and Asbestos Survey and Abatement—The current buildings on the Property need to be demolished to accommodate the new development. Asbestos and lead paint abatement activities are required to complete building demolition activities in accordance with state and federal regulations.
- Demolition—Due to the presence of abandoned utilities, parking lots, and buildings, the site demolition and building demolition are necessary activities. Together, the site demolition and building demolition will sufficiently complete demolition on the Property.
- Site Preparation—Due to existing Brownfield conditions on the Property, completion of the site preparation activities—as well as demolition and lead and asbestos abatement—are necessary to prepare the site for planned development activities (i.e., new construction).

1.5.3 Reasonableness of Costs

The estimates for the individual activities are based on preliminary competitive bids. The estimates are market-rate and are thus presumed to be reasonable.

1.5.4 Public Benefit

This development will provide a central downtown locale for one of Traverse City's largest member owned financial institutions. TBA Credit Union's mission is to serve the community by building trusted relationships, providing customized financial products, advocating financial literacy, and encouraging

volunteerism. This development will ultimately allow TBA Credit Union to achieve its mission by serving the public including members and non-members alike.

This new development will serve the public community by providing a venue for meetings and community events. In addition, this venue will provide a space to support community educational seminars and volunteer activities. It will also improve public sidewalks, roadways, and landscaping around the Property.

These underutilized properties containing a vacant restaurant and gasoline service station will be transformed into a contemporary three-story financial institution headquarters. The visual and aesthetic improvements will be a significant and positive public benefit to the neighborhood. Overall, the new development will result in additional tax revenue for all taxing jurisdictions once eligible activities have been reimbursed.

1.5.5 Reuse of Vacant Buildings and Redevelopment of Blighted Property

This Project consists of redevelopment of property which currently contains two dilapidated, vacant buildings. Both could be designated as blighted or functionally obsolete, but since both are facilities, it was unnecessary to do so. Neither structure could serve the commercial markets at generally accepted market rates. Therefore, the existing buildings will be demolished.

The new development will create a three-story financial institution headquarters. In addition, it will remove blight through redevelopment and the removal of existing buildings and/or structures. Ultimately, this new development will positively impact the aesthetic and visual affect of the Property.

1.5.6 Job Creation

An estimate of 36 full-time equivalent (FTE) jobs is anticipated to be retained and a conservative estimate of 17 new jobs is anticipated to be created by this new project. The average annual salary for these positions will be \$38,702. Based on 2,000 hours per year, the average hourly wage will be \$19.35.

1.5.7 Unemployment Status

According to the Michigan Labor Market Information system, the Traverse City Labor Market Area unemployment rate was 8.9% in March 2013. Comparatively, the February 2013 unemployment rate was 8.8% in the State of Michigan, and 7.6% in the United States.

1.5.8 Contamination Alleviation

The Property will be prepared to make it suitable for development, and appropriate activities will be performed to prevent unacceptable exposure to hazardous substances in soil and groundwater which may be hazardous to human health, safety, and the environment. Environmental conditions on the Property are discussed in detail in Section 2.2. Remedial activities are discussed in detail in Section 3.1.

1.5.9 Private Sector Contribution

TBA Credit Union is expecting an investment of approximately \$7.285 million for the Project. TBA Credit Union is applying for MDEQ loan funding through the BRL and RRLF programs estimated at \$1,351,987. The balance will be funded directly by TBA Credit Union.

1.5.10 Cost Gap Comparison

Other Greenfield sites were considered that would have been more affordable. However, TBA Credit Union determined a headquarters located within the Traverse City limits would best serve its members

and non-members of the community. Refer to the Brownfield Plan provided in Attachment A for information related to Brownfield costs.

1.5.11 Brownfield Creation

This Project will not create a new Brownfield site.

1.5.12 Project Financial Data

The Project cannot proceed without the incentives contemplated for this redevelopment. The Developer anticipates making an investment of approximately \$7.285 million in real and personal property improvements on the Property. The Developer will finance all Eligible Activities under this Plan related to improvements on the Property with MDEQ BRL and RRLF loans and private funds.

1.5.13 Incentives

The total estimated cost of the eligible activities to be reimbursed through the capture of tax increment revenues is provided in Table 1. The reimbursement to the Developer through the capture of tax increment revenues is estimated to be \$2.7 million, including interest. The Developer anticipates making an investment of approximately \$7.285 million in real property improvements on the Property with MDEQ BRL and RRLF loans and private funds. Redevelopment of the Property is expected to subsequently generate increases in taxable value and result in incremental taxable value in 2015. The Developer will finance all Eligible Activities under this Plan related to improvements on the Property. Refer to Table 1 for additional detail on these activities.

1.5.14 Additional Information

None.

2.0 Current Property Conditions

2.1 Property Eligibility

The Property is considered “eligible property” as defined by Act 381, Section 2 because: (a) the Property was previously utilized a commercial purpose; (b) it is located within the City of Traverse City, a qualified local governmental unit, or “Core Community” under Act 381; and (c) it (each parcel, independently) is determined to be a “facility.”

2.2 Summary of Environmental Conditions

Under Part 201, a "Facility" "means any area, place, or property where a hazardous substance in excess of the concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located." M.C.L. § 324.20101(1) (s). A "Release" "includes, but is not limited to, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of a hazardous substance into the environment, or the abandonment or discarding of barrels, containers, and other closed receptacles containing a hazardous substance." M.C.L. § 324.20101(1) (mm).

2.2.1 Environmental Investigations

The following environmental investigations have been completed on the Property:

- MDEQ File Information, (Various Consultants)
- Phase I ESA, completed on July 27, 2012 by AKT Peerless
- Phase II ESA, conducted on July 23, 2012 by AKT Peerless
- Baseline Environmental Assessment, completed on August 1, 2012 by AKT Peerless
- Supplemental Phase II ESA, completed on March 18, 2013 by AKT Peerless
- Pre-Development Due Care Plan, completed on March 19, 2013 by AKT Peerless

Summaries of the reports and activities relevant to site conditions, since at least 2000, are provided in the following sections.

2.2.1.1 MDEQ File Information

According to the MDEQ file information, in March 2000 benzene and methyl-tert-butyl-ether (MTBE) were detected in off-site monitoring wells located on the northern adjoining property (Sunset Park). These wells were historically installed to monitor a release of trichloroethylene (TCE) migrating from Meach's Cleaners approximately 0.3-miles south of the property. In March 2001, the three underground storage tanks (USTs) located on Parcel B were subjected to tightness testing that identified the USTs were not tight. USTs #1 and #2 were subsequently taken off-line and pumped down. Four temporary monitoring wells were installed downgradient of the USTs that identified petroleum constituents in groundwater above Part 201 Residential Drinking Water Criteria (DW). A confirmed release was reported on August 21, 2001 based on the analytical results.

In October 2004, an Administrative Inspection Warrant was granted to the MDEQ in order to conduct response activities including investigations to characterize soil and groundwater on the Property with regard to the August 2001 confirmed release. In November 2004, the MDEQ advanced twenty soil borings (SB-1 through SB-20) and installed thirteen monitoring wells (RL-1 through RL-13) on the Property and adjoining property to the north. In addition, the MDEQ conducted a geophysical survey across the Property to determine if additional USTs were present. The geophysical survey identified a 1,000-gallon waste oil UST south of the building.

In January 2005, the waste oil UST was removed from the Property. During removal activities, several holes were observed in the eastern end of the UST, although no visual or olfactory evidence of a release was noted during the removal. Laboratory analytical results from soil samples collected from beneath the UST identified the presence of naphthalene, 2-methylnaphthalene, and diesel range organics (DROs) in the eastern end of the excavation. A second confirmed release was reported on January 19, 2005.

In November 2008, USTs #1 through #3 were removed from the area east of the Parcel B building. Soil samples were collected from beneath each UST, along the piping runs connecting the USTs to the dispensers, and beneath the six fuel dispensers. No further information was available. In March 2009, a Consent Judgment was handed down that identified Blarney Castle Oil Company as liable for the petroleum releases on the Property. The judgment also indicated that a Final Assessment Report (FAR) and Corrective Action Plan (CAP) would need to be completed by March 2010.

Between September 2009 and January 2010, Compliance, Inc. advanced nine soil borings, installed ten temporary monitoring wells and two permanent monitoring wells on the Property and the northern adjoining property. A total of forty-five soil samples were collected for gasoline range volatile organic compounds (VOCs), VOCs, lead, and waste oil UST parameters. Soil impact was identified beneath the north ends of former USTs #1 and #2, beneath each of the six fuel dispensers, and beneath the waste oil UST. Groundwater was encountered between 8.0 and 10.0-feet below ground surface (bgs). Subsurface

conditions consisted of medium grain sand from ground surface to 9.0-feet bgs, underlain by medium to coarse grain sand with discontinuous fine to coarse gravel layers to 15.0 feet bgs, the maximum depth explored. The report also noted that the medium to coarse grain sand layer exists to at least 62.0-feet bgs according to previous MDEQ soil borings.

A FAR was submitted in March 2010 that identified the following proposed CAP: continued groundwater monitoring to demonstrate plume stability; and natural attenuation in combination with a restrictive covenant (RC). According to the CAP, semi-annual groundwater sampling would occur until the off-site groundwater was determined to be below Tier I Risk Based Screening Levels (RBSLs) for drinking water and groundwater to surface water interface. The RC would be submitted to the Register of Deeds that would include the following: (1) restriction on any type of groundwater use on the Property (other than monitoring); and (2) a provision that the property must remain in commercial use.

The MDEQ issued a failure to comply with consent judgment document in January 2011 citing that the FAR was submitted with the following deficiencies: (1) the presence or absence of free product on the property was not determined; (2) the extent of Soil Saturation Screening Levels (C_{sat}) soils was not determined; and (3) the CAP did not address all contamination (i.e., soil impact is acting as a groundwater conduit).

Blarney Castle submitted a second FAR on January 3, 2012 which indicated that after several discussions with the MDEQ, it was determined the main concern was that the MDEQ did not believe the CAP provided proper protection to human health and the environment. It was determined the solution would be to implement an on-site and off-site RC (i.e., Sunset Park); as well as implement a Michigan Department of Transportation (MDOT) Institutional Control License to document assumed impact in the MDOT right of way. As such, the MDEQ issued a response to the FAR in March 2012 that included an audit of the FAR stating *"the FAR is approved pending the inclusion of the MDEQ comments into the final version of the restrictions (the on and off-site RCs) and the MDOT form."*

Restrictive Covenant

An RC for 636 East Front Street was submitted to the Register of Deeds by Blarney Castle in July 2012. The RC imposes requirements that users of the Property must adhere to during redevelopment and future use. The RC requirements are summarized below:

- The Property must remain non-residential in perpetuity.
- Users must maintain exposure controls (direct contact barrier), in compliance with the Leaking Underground Storage Tank Final Assessment Report (FAR) dated January 3, 2012, in order to ensure the effectiveness and integrity of the corrective action.
- The redevelopment process must evaluate the vapor intrusion pathway or presumptively remediate it. Additional response activities at the site may include installation of a vapor barrier on the building's foundation systems and possibly a passive or active venting system.
- Users are prohibited from groundwater use (though allows dewatering if fluid is managed correctly and possibly includes installation of a waterproofing membrane to the proposed building foundation).
- The redevelopment process must manage contaminated soils appropriately.
- Users must prevent infiltration of water (i.e., maintain impervious surface across the Property and may include specific engineering controls).

These conditions may also be managed through the implementation of remediation of the site to

remove unacceptable levels of contamination.

2.2.1.2 AKT Peerless' July 2012 Phase I ESA

AKT Peerless completed a Phase I ESA for the Property on July 27, 2012. The Phase I ESA included, but was not limited to: a site walkover; review of government records; assembly and review of data from area maps, as well as historical resources; and interviews with the site owner, others familiar with the Property, and government officials. This assessment has revealed evidence of the following recognized environmental conditions (RECs) associated with the Property:

- REC 1** - Railroad sidings were present along the northern portion of Parcel A from at least 1920 until 1978 and Parcel B from at least 1920 until 1969 when they were removed. Potential concerns typically associated with railroad spurs include the use of fill materials as ballast to support ties and rails of the railroad tracks, and leaks or spills of hazardous materials or petroleum products.
- REC 2** - A large coal pile was historically located on the southern portion of Parcel A in at least 1946. AKT Peerless was unable to determine the length of time that the coal pile was located on the Property.
- REC 3** - Parcel B of the Property is identified on the state registered UST and leaking underground storage tank (LUST) databases. Parcel B of the Property historically operated as a gasoline filling station from at least 1969 through 2001. Operations included the use of three gasoline USTs (removed in November 2008), one 1,000-gallon waste oil UST (removed in 2005), and the use of six fuel dispenser on two pump islands (removed in November 2008). Two confirmed releases have been reported for this Parcel in August 2001 (gasoline) and January 19, 2005 (waste oil), which remain open.
- REC 4** - Previous investigations on Parcel B have identified the property as a "facility" based on petroleum impact in the soil and groundwater on-site. The most recent sampling event in April 2012 identified the presence of benzene, toluene, ethylbenzene, xylenes (BTEX), and trimethylbenzene isomers (TMBs) in groundwater in excess of current Part 201 MDEQ Residential Cleanup Criteria. To date, no petroleum impacted soils have been removed from the Property.
- REC 5** - Parcel B of the Property is also identified on the activity use limitations (AUL) database based on a restrictive covenant filed for Parcel B. The restrictive covenant was submitted to the Register of Deeds that included the following: (1) restrict any type of groundwater use on the Property (other than monitoring); and (2) the property must remain in commercial use.
- REC 6** - Parcel B of the Property also operated as an automobile service station from at least 1969 through 2001. During that time, two in-ground hydraulic hoists were utilized, along with a trench drain inside the building. AKT Peerless observed the concrete floor within the former automobile service building to be stained with oil-based materials during the site reconnaissance. AKT Peerless did not identify any evidence of previous sampling within the building.
- REC 7** - The southern adjoining property contained a railroad right of way from at least 1920 through 1986. Potential concerns typically associated with railroad spurs include the use of fill materials as ballast to support ties and rails of the railroad tracks, and leaks or spills of hazardous materials or petroleum products.

REC 8 - The southern and western adjoining properties were historically associated with the Traverse City Lumber Company from the 1940s through 1986. Subsurface investigations on these properties have identified the presence of benzene, xylenes, TMBs, polynuclear aromatics (PNAs), naphthalene, and lead in soil and groundwater above current Part 201 Residential Cleanup Criteria (RCC).

REC 9 - In addition, assessing department information identified the presence of an oil UST and associated underground piping near a boiler building on the southern adjoining property (Traverse City Lumber Company), less than 100 feet from the Property boundary.

REC 10 - A nearby property identified as Meach's Cleaners and located at 725 8th Street, has been identified as the source of a large tetrachloroethylene (PCE) groundwater plume that extends to Grand Traverse Bay. The Property is located within this PCE plume.

2.2.1.3 AKT Peerless' July 2012 Phase II ESA

On July 23, 2012, AKT Peerless conducted a Phase II ESA at the Property for the following purposes: (1) to evaluate for the presence of contamination on the Property based on the RECs identified within AKT Peerless' July 2012 Phase I ESA; and (2) to obtain current data related to select historical concentrations of contamination to determine if the Property continues to meet the definition of a facility as defined in Part 201 of Natural Resources Environmental Protection Act (NREPA), Michigan Public Act (PA) 451, 1994, as amended.

AKT Peerless conducted the following scope of work: (1) advanced 10 soil borings to a maximum depth of 16.0 feet bgs; (2) installed three temporary monitoring wells in the first encountered groundwater; (3) sampled three permanent monitoring wells present on Parcel B associated with the leaking underground storage tank (LUST) investigation (i.e., RL-6, RL-8, and RL-2); (4) collected ten soil and six groundwater samples; and (5) submitted select samples for laboratory analysis for target parameters including: VOCs, PNAs, polychlorinated biphenyls (PCBs), and Michigan 10 Metals (arsenic, barium, cadmium, total chromium, copper, lead, mercury, selenium, silver, and zinc). In addition, the MDEQ and Compliance, Inc. submitted several soil samples for laboratory analysis of select parameters, including BTEX, TMBs, PNAs, naphthalene, 2-methylnaphthalene, MTBE, and dissolved lead. The results of the Phase II ESA investigation identified the following:

- Benzene, toluene, ethylbenzene, xylenes, 2-methylnaphthalene, naphthalene, 1,2,4 trimethylbenzene, 1,3,5 trimethylbenzene, and total chromium were detected in soil across the Property at concentrations exceeding the MDEQ Part 201 RCC. Various concentrations in soil were detected above the Groundwater-Surface Water Interface Protection (GSIP) criteria and Drinking Water Protection (DWP) criteria
- Toluene, ethylbenzene, xylenes, naphthalene, 1,2,4 trimethylbenzene, and 1,3,5 trimethylbenzene were detected in shallow groundwater at the Property at concentrations exceeding the MDEQ Part 201 RCC. Various concentrations in groundwater were detected above the Groundwater-Surface Water Interface (GSI) criteria and DW criteria.

Based on the laboratory analytical results, the Property meets the definition of a facility, as defined in Part 201 of the NREPA, Michigan Public Act (PA) 451, 1994, as amended.

2.2.1.4 AKT Peerless' August 2012 BEA

Based on laboratory analytical results, both parcels of the Property meet the definition of a facility, as defined in Part 201 of the NREPA, Michigan PA 451, 1994, as amended. AKT Peerless completed a BEA for the Property on behalf of TBA Credit Union on August 1, 2012. The BEA was disclosed to the MDEQ.

2.2.1.5 AKT Peerless' March 2013 Supplemental Phase II ESA

On March 18, 2013, AKT Peerless completed a Supplemental Phase II ESA at the Property to evaluate contamination on the Property for due care considerations and redevelopment purposes. On February 14 and 15, 2013, AKT Peerless conducted the following scope of work: (1) advanced 16 soil borings to depths ranging from 4.0 to 16.0 feet bgs; (2) installed two temporary monitoring wells to 30 feet bgs; (3) installed three soil gas sampling points; (4) collected twenty-two soil, three soil gas, and six groundwater samples; and (5) submitted select samples for laboratory analysis for target parameters, including for VOCs, EDB, PNAs, PCBs, and Michigan 10 Metals. The results of the Phase II ESA investigation identified the following:

- Benzene, toluene, xylenes, 2-methylnaphthalene, naphthalene, isopropyl benzene, n-propylbenzene, 1,2,4 trimethylbenzene, 1,3,5 trimethylbenzene, and total chromium were detected in soil across the Property at concentrations exceeding the MDEQ Part 201 RCC and Non-Residential Cleanup Criteria (NRCC). Various concentrations in soil were detected above the GSIP criteria and DWP criteria.
- Ethylbenzene, isopropyl benzene, n-propylbenzene, xylenes, 2-methylnaphthalene, 1,2,4 trimethylbenzene, 1,3,5 trimethylbenzene, and tetrachloroethylene were detected in groundwater at the Property at concentrations exceeding the MDEQ Part 201 RCC and NRCC. Various concentrations in groundwater were detected above the GSI criteria, DW criteria, and draft Groundwater Sump Concentrations for Vapor Intrusion (GSVI).

2.2.1.6 AKT Peerless March 2013 Pre-Development Due Care Plan

AKT Peerless prepared a Pre-Development Section 7a Compliance Analysis (Due Care Plan) for the Property. The Due Care Plan summarizes environmental contaminants on the Property, and includes an exposure pathway evaluation and an outline of due care obligations based on the current use of the Property (Non-Residential) including:

- Undertaking measures to prevent exacerbation of existing contamination.
- Exercising due care by undertaking response activities to mitigate unacceptable exposure to hazardous substances, mitigate fire and explosion hazards due to hazardous substances, and allow for the intended use of the Property in a manner that protects health and safety.
- Taking reasonable precautions against the reasonably foreseeable acts or omissions of a third party and the consequences that could result from those acts or omissions.
- Providing reasonable cooperation, assistance, and access to the persons that are authorized to conduct response activities at the facility, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response activity at the facility.
- Complying with any land use or resource use restrictions established or relied on in connection with the response activities at the facility.
- Not impeding the effectiveness or integrity of any land use or resource use restriction employed at the facility in connection with response activities.

According to the Due Care Plan, no exposures or exacerbation are anticipated during the vacancy period prior to development of the TBA Credit Union Headquarters.

2.2.2 Summary of Current Known Conditions

As demonstrated in the preceding, the Property has been thoroughly investigated to determine the soil, soil gas, and groundwater quality that currently exist at the Property. The existing site conditions along with the RC requirements have created increased costs upon the proposed TBA Credit Union Project. Excavation, dewatering, soil transportation and disposal, groundwater activities, storm water systems, and engineered controls must be carefully managed during the redevelopment as a result of the Brownfield conditions.

Blarney Castle is working towards closure of the LUST site (636 East Front Street) based on the RC filed with the Grand Traverse County Register of Deeds in July 2012. However, according to the MDEQ Storage Tank Information Database (SID) as of March 14, 2013 the confirmed releases have not been closed.

In addition to petroleum contaminants that are likely resultant of the LUSTs, other contaminants including VOCs, etc. have been detected on the Property at concentrations exceeding Part 201 RCC. These additional contaminants are likely resultant of other historical uses of the Property (i.e., rail sidings, coal storage, automobile repair, etc.) and off-site migration from contaminated properties nearby. The following tables summarize the current conditions relative to applicable Part 201 RCC.

Table 2-A Summary of Part 201 Exceedances in Soil

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/kg)	Maximum Concentration (µg/kg)/Sample Location
Chromium	7440-47-3	AKT B-2 0.5-2.0' AKT B-4 0.5-2.0' AKT SB-11 2.0-4.0'	GSIP/3,300	3,600 / AKT SB-11
Benzene	71-43-2	AKT B-2 0.5-2.0' AKT SB-01 2.0-4.0' W Tank N** M Tank N** Dispenser 1** Dispenser 2** Dispenser 3** Dispenser 4** Dispenser 5** Piping 1** PW-N** PW-S** PW-M**	DWP/100	1,580/Dispenser 2
Toluene	108-88-3	Dispenser 2**	GSIP/5,400	8,250/Dispenser 2
Ethylbenzene	100-41-4	AKT SB-02 10.0-12.0' Dispenser 2** PW-N**	GSIP/360	4,200/AKT SB-02
n-Propylbenzene	103-65-1	AKT SB-02 10.0-12.0'	DW/1,600	10,000/AKT SB-02

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/kg)	Maximum Concentration (µg/kg)/Sample Location
Xylenes	1330-20-7	AKT SB-01 2.0-4.0' AKT SB-02 10.0-12.0' DEQ SB-5* DEQ SB-12* W Tank S** Dispenser 1** Dispenser 2** Dispenser 3** Dispenser 4** Dispenser 5** Dispenser 6** Piping 1** PW-N** PW-S** PW-M**	DWP/5,600 GSIP/820	84,000/AKT SB-02
2-Methylnaphthalene	91-57-6	AKT SB-02 10.0-12.0' DEQ SB-5* DEQ SB-12*	GSIP/4,200	32,000/DEQ SB-12
Naphthalene	91-20-3	AKT SB-02 10.0-12.0' DEQ SB-5* DEQ SB-12* Dispenser 1** Dispenser 2** East @ 6'4"***	GSIP/730	15,000/AKT SB-02
1,2,4 Trimethylbenzene	95-63-6	AKT SB-01 2.0-4.0' AKT SB-02 10.0-12.0' DEQ SB-5* DEQ SB-6* DEQ SB-12* W Tank S** Dispenser 1** Dispenser 2** Dispenser 3** Dispenser 4** Dispenser 5** Dispenser 6** PW-N**	DWP/2,100 GSIP/570	71,000/AKT SB-02
1,3,5 Trimethylbenzene	108-67-8	AKT SB-02 10.0-12.0' DEQ SB-5* DEQ SB-12* Dispenser 1** Dispenser 2**	DWP/1,800 GSIP/1,100	29,000/AKT SB-02

Table Notes:

DWP – Drinking Water Protection Criteria

GSIP – Groundwater-Surface Water Interface Protection Criteria

*Soil samples collected during November 2004 subsurface investigation

**Soil samples collected during UST, piping, and dispenser removal in November 2008

***Soil samples collected during waste oil UST removal in January 2005

µg/kg = micrograms per kilogram.

Table 2-B Summary of Part 201 Exceedances in Groundwater

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/L)	Maximum Concentration (µg/L)/Sample Location
Naphthalene	91-20-3	DEQ RL-6 AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 30'	GSI/11 GSVIC/5.0	400/AKT SB-02/TMW-01
2-Methylnaphthalene	91-57-6	AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 30'	GSI/19 GSVIC/5.0	130/AKT SB-02/TMW-01
1,2,4 Trimethylbenzene	95-63-6	DEQ RL-5 DEQ RL-6 DEQ RL-9 AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 14' AKT SB-08/TMW-02 22' AKT SB-08/TMW-02 30'	DW/63 GSI/17	3,010/DEQ RL-5
1,3,5 Trimethylbenzene	108-67-8	DEQ RL-5 DEQ RL-6 DEQ RL-9 AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 30'	DW/72 GSI/45	786/DEQ RL-5

Parameter	Chemical Abstract Service (CAS) Number	Sample Identification with Criteria Exceedance	Part 201 Residential Criteria Exceeded/Established Criteria (µg/L)	Maximum Concentration (µg/L)/Sample Location
Xylenes	1330-20-7	DEQ RL-5 DEQ RL-6 DEQ RL-9 AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 30'	DW/280 GSI/41	15,400/DEQ RL-5
Toluene	108-88-3	DEQ RL-5	DW/270 GSI/790	9,120/DEQ RL-5
Ethylbenzene	100-41-4	DEQ RL-5 AKT SB-02/TMW-01 14'	DW/18 GSI/74	2,170/DEQ RL-5
Isopropyl benzene	98-82-8	AKT SB-02/TMW-01 14'	GSI/28 GSVIC/5.0	43/AKT SB-02/TMW-01
n-Propylbenzene	103-65-1	AKT SB-02/TMW-01 14' AKT SB-08/TMW-02 22' AKT SB-08/TMW-02 30'	DW/80 GSVIC/1.0	140/AKT SB-02/TMW-01
Chromium, Total	7440-47-3	AKT SB-02/TMW-01 30'	DW/100	410/AKT SB-02/TMW-01
Lead	7439-92-1	AKT SB-02/TMW-01 30'	DW/4.0	17/AKT SB-02/TMW-01
Tetrachloroethylene	127-18-4	AKT SB-02/TMW-01 30' AKT SB-08/TMW-02 30'	DW/5.0 GSVIC/5.0	12/AKT SB-02/TMW-01/AKT SB-08/TMW-02

Table Notes:

DW – Drinking Water Criteria

GSI – Groundwater-Surface Water Interface Criteria

GSVIC – Groundwater in Sump Vapor Intrusion Criteria

µg/L = micrograms per liter.

2.3 Functionally Obsolete

"Functionally obsolete" means that the Property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors

that affect the Property itself or the Property's relationship with other surrounding Property. The Property is a facility and has not been designated as functionally obsolete.

2.4 Blighted

"Blighted" means property that meets any applicable criteria set forth in Act 381, as determined by the governing body. Since the Property is a facility, a blight determination has not been requested.

2.5 Adjacent and Contiguous

The City of Traverse City is considered a qualified local governmental unit as provided in Act 146 of 2000, as amended. The definition of "Eligible Property" in PA 381 of 1996, as amended, includes Property that is located in a qualified local governmental unit and is a facility, functionally obsolete, or blighted and includes parcels that are adjacent or contiguous to that Property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that Property.

Both parcels comprised by the Property are facilities, so the adjacent and contiguous eligibility is redundant.

3.0 Scope of Work

3.1 MDEQ Eligible Activities

The Property will be prepared to make it suitable for development. Appropriate BEA activities (Phase I ESA, Phase II ESA, Supplemental Phase II ESA, and reports that have been completed as Act 381 eligible activities), due care activities, and additional response activities will be and have been performed to prevent exposure to materials hazardous to human health, safety, and the environment. The BRA is applying for ~1.4 million dollars (~\$1.4MM) in MDEQ loan funds. As available, loan funds are expected to be used to pay for all eligible due care, additional response, and demolition activities (refer to Table 1 in the attachments for more details) to be incurred in the future under this Work Plan. The proposed loan scope of work is discussed in the following Sections.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured and may be used to reimburse and/or finance the cost of the eligible activities completed on the Property, as authorized by Act 381, as amended and pursuant to the terms of a Reimbursement Agreement (refer to Appendix C) with the Authority. Refer to Table 1 for a detailed description of the Eligible Activities for the Project and Table 2 for tax increment financing information.

The BRA is the applicant for the MDEQ loans and, if the loans are awarded, will administer the funds, as approved by MDEQ. Since the BRA, as part of its administrative oversight, also approves TIF reimbursement, it will perform the due diligence to ensure that there is no overlap in the reimbursement of loan-funded and developer-funded costs.

3.1.1 Due Care Activities

3.1.1.1 Due Care Planning

A Phase I ESA, Phase II ESAs, BEA (August 1, 2012) and Pre-Development Due Care Plan have been completed for the Property. Due Care Plans for construction activities (Environmental Construction

Management Due Care Plan) and operation of the Property following construction (Post-Construction Due Care Plan), will be completed.

To demonstrate compliance with Section 20107a (“Due Care”), minimum “response activity plans,” which may be necessary during site use and ownership, will be outlined. The proposed response activities are related to: (1) mitigation of exposure to groundwater whose contaminant concentrations exceed MDEQ’s draft GSVI; and (2) proper management of impacted soil and groundwater during construction activities whose contaminant concentrations exceed MDEQ’s RCC.

The “Due Care” Plans will be completed in accordance with Part 201 of the NREPA, 1994 PA 451, as amended, and MDEQ Instructions for Preparing and Disclosing Baseline Environmental Assessments and Section 7a Compliance Analyses, effective March 11, 1999, as amended. The Due Care Plans will evaluate the potential exposure risks associated with soil and groundwater contamination at the Property in light of the nature of the proposed development construction activities and occupancy of the developed property. A detailed breakdown of the costs associated with this task is provided later in this section.

3.1.1.2 Dewatering

Previous subsurface investigation observed groundwater at depths of approximately 13 feet bgs. Therefore, the potential for infiltration of groundwater into the planned excavations exists. To support the proposed building construction, a temporary groundwater dewatering system will be installed during the excavation of subsurface soils and construction of the proposed building foundation and basement, including the combined waterproofing/vapor barrier system. To excavate soil below the water table—in proximity to East Front Avenue and adjacent city streets—steel sheeting will be driven into the ground (MSF approved activity). The sheeting is necessary to support the public infrastructure adjacent to the Property and will assist with groundwater control in the open excavation. Dewatering will be undertaken by jetted points, placement of temporary drain sumps or laterals, or a combination of each. The installation of the dewatering system will be an MSF-approved activity, and the dewatering itself—due to the groundwater contamination—will be an MDEQ-approved activity.

Based upon aquifer properties identified during site characterization and the planned depth of the sub-grade excavation, groundwater production during dewatering operations is anticipated to be approximately 150,000 gallons per day for approximately 90 days or a total of approximately 13,500,000 gallons. This contaminated groundwater requires additional management to properly dispose. A City of Traverse City Wastewater Treatment Plant (WWTP) permit to discharge the contaminated water to the municipal sanitary sewer will be secured. Treatment of the produced contaminated groundwater will consist of utilizing an oxidation chemical precipitation/coagulation with filtration and final polishing with carbon absorption. Samples will be collected from water initially pumped from the site and post treatment as specified by the WWTP permit. If carbon absorption changes are required, appropriate measures will be taken.

3.1.1.3 Soil Assessment and Response Activities

Several investigations have been conducted on the Property that detected VOCs and metals in soil and groundwater at concentrations that exceed MDEQ’s Part 201 RCC. Metals and VOCs detected in soil and/or groundwater at the Property during past investigations include:

Chromium	Lead
Benzene	Toluene

Ethylbenzene	Xylenes
n-Propylbenzene	Isopropyl Benzene
2-Methylnaphthalene	Naphthalene
1,2,4 Trimethylbenzene	1,3,5-trimethylbenzene
Tetrachloroethylene	

TBA Credit Union, intends to construct a financial institution headquarters. Therefore, TBA Credit Union plans to implement the following actions to remediate or otherwise mitigate environmental risks associated with the impacted soil on the Property (refer to Figure 7 in the attachments) in areas of new construction.

Affected Areas

- **Soil Management (Foundations)**
Approximately 4,148 tons of contaminated soil must be excavated from the area surrounding the new foundations and basement as a due care response activity. The contaminated soil cannot be relocated and managed onsite within the Property boundaries due to land balancing requirements for the new development. Therefore, the soil must be removed from the Property and disposed at a Type II landfill in accordance with Part 201 Relocation of Soil Requirements. The cost includes excavation, transport, and disposal, decontamination of equipment (e.g., temporary truck wash facility, etc.) oversight (on-site environmental construction management) and reporting, and environmental project management.
- **Soil Management (Shooters Property Contaminated Soil)**
Approximately 50 tons of contaminated soil must be excavated in the area of the former Shooters Property due to contamination. The contaminated soil cannot be relocated and managed onsite within the Property boundaries due to land balancing requirements for the new development. Therefore, the soil must be removed from the Property and disposed at a Type II landfill as described in the preceding bullet. The cost includes excavation, transport, and disposal, decontamination of equipment (e.g., temporary truck wash facility, etc.) oversight (on-site environmental construction management) and reporting, and environmental project management.

Please refer to Table 1, MDEQ and MSF Eligible Activity Costs, for specific line item costs for the due care activities, and to Figure 7 for the locations of contaminated soil.

3.1.1.4 Existing Monitoring Well Abandonment & Installation of Monitoring Wells

To allow construction to proceed unimpeded and to manage due care responsibilities, the monitoring wells currently present on the Property will be permanently abandoned to remove potential contaminant conduits from the site. The wells will be appropriately abandoned in accordance with industry standards prior to the start of rough grading of the surface. Monitoring wells required for continued monitoring of the site will be reinstalled following development of the Property.

3.1.1.5 Installation of Impervious Asphalt

The RC on the Property mandates that users must prevent infiltration of water (i.e., maintain an impervious surface across the Property). Therefore, redevelopment of the site entails installation of

impervious asphalt in the parking areas. Only a 2.5-inch minimum asphalt base layer over the aggregate layer has been included in the estimate to comply with this RC requirement. The final 1.5-inch asphalt surface mixture as a riding course has not been included.

3.1.1.6 Health and Safety Plan

A site-specific Health and Safety Plan (HASP) will be completed for redevelopment activities at the Property by each of the subsurface contractors and others that can come into contact with potentially contaminated media during the performance of their work activities. The HASPs will comply with appropriate guidelines including the following:

- Michigan Occupational Safety and Health Act;
- Section 111(c)(6) of CERCLA;
- Occupational Safety and Health Administration (OSHA) requirements 29 Code of Federal Regulations (CFR) 1910 and 1926;
- Standard Operating Safety Guide Manual (revised November 1984) by the Office of Emergency and Remedial Response; and
- Occupation Safety and Health guidance manual for Hazardous Waste Site Activities (National Institute for Occupational Health and Safety [NIOSH]/OSHA/USCG/ United States Environmental Protection Agency [U.S. EPA], Department of Health and Human Services [DHHS] Publication No. 85-115, October 1985).

The HASPs will include the following elements:

- Authorized personnel and definition of responsibilities;
- Proposed activities;
- Personal protective equipment;
- Decontamination procedures;
- Work zone restrictions and delineations;
- Personal protection upgrade/downgrade action limits;
- Emergency information and telephone numbers;
- Incident documentation procedures; and
- Contingency plans.

Oversight will be conducted to ensure due care issues are addressed while eligible activities and construction activities are being completed. The following activities (at a minimum) will be documented:

- The type, location, quantities, etc., of contaminated materials removed from the site and disposed at the landfill or other appropriately licensed disposal operation.
- The final disposition and location of any contaminated media that can be managed on-site in accordance with due care requirements.
- Monitoring for unanticipated materials and/or materials previously not identified, including collection of samples for additional waste characterization.
- The type, location, materials and construction of vapor mitigation systems installed at the site to prevent future potential vapor intrusion exposures.

The Contractor Site Safety Officer will document and enforce HASP issues with workers at the Site, including:

- Verification of on-site worker training and current certifications.
- Conducting site-specific HASP training for workers entering the site.
- Monitoring construction activities to ensure the HASP is being followed, including use of Personal Protective Equipment (PPE), decontamination of equipment, site security, etc.

A Construction Summary Report (CSR) will be prepared and submitted to the MDEQ-RD at the completion of development activities. The CSR will summarize the due care issues addressed during the construction activities and will include such items as photographic documentation, disposal manifests, fill material load tickets, utility abandonment logs (if any), site plans, etc. to verify that the development construction activities were conducted in accordance with approved plans.

3.1.1.7 Brownfield/Greenfield Costs

The requested reimbursement for due care activities in this Plan is for the cost in performing the eligible activities due to the Brownfield conditions on the Property. It should be noted that a specific landfill for soil disposal has not been selected for the Project; as a result, the excavation, transportation, and disposal costs were estimated based on current market rates with several licensed contractors.

In the Foundation Soil Management Area (refer to Figure 6), soil is being removed as a due care response activity. Prior use of the site as a gasoline station has left significant contamination on the Property. Refer to Section 2.2 for details. Due to the presence of groundwater and sandy soils throughout the area, this soil presents an environmental risk to use of the Property, use of adjoining and nearby properties, and nearby water bodies. These issues would not be present on a Greenfield site. MDEQ eligible activity costs also include transportation, disposal, dewatering, decontamination of equipment, environmental construction management, and environmental project management.

In the Shooters Property Chromium Contaminated Area (refer to Figure 6), all soil remediation activities are response activities associated with the chromium (and some VOCs) contaminated soil on the Property. There are three chromium-contaminated hotspots, which, in order to be able to perform the development's land balancing requirements, must be removed to avoid exacerbation. None of the excavation, transportation, disposal, and associated activities for the chromium hotspots would be required at a Greenfield site.

3.1.2 Preparation of Brownfield Plan and Act 381 Work Plan

AKT Peerless has prepared a Brownfield Plan and MDEQ and MSF Act 381 Work Plans for the Property in accordance with all applicable MDEQ and MSF guidance.

3.1.3 Additional Response Activities

Additional response activities to be conducted at the eligible property consist of: (1) waterproof/vapor barrier membrane construction (includes design and obtaining MDEQ approval); and (2) storm water management (greenspace and rain gardens). Please refer to Table 1 in the attachments, MDEQ and MSF Eligible Activity Costs, for specific line item costs for the additional response activities.

3.1.3.1 Water Proofing/Vapor Barrier

Soil and groundwater analytical results from site investigations completed on the Property have demonstrated the need for a protective barrier system of the proposed basement extending below the groundwater table. Groundwater data collected to date indicates contaminants were detected in groundwater at concentrations exceeding the MDEQ draft Part 201 Groundwater in Sump Vapor Intrusion Criteria (GSVIC). As such, a traditional designed basement system with footing drains directing

ground water to a sump and pumping collected ground water to the nearest storm sewer manhole is not feasible for this project. Moreover, the barrier will also serve as a presumptive remedy for potential vapors at this site.

The water proofing/vapor barrier system (i.e., CoreFlex®) recommended will be installed beneath the basement slab floor (including the elevator shaft) of the proposed building (approximately 6,500 sq. ft.) and will be wrapped around the sides of the foundation (5,760 sq. ft.). The CoreFlex® water proofing/vapor barrier material was selected as it will also be utilized for waterproofing of the proposed basement. CoreFlex® prevents the passage of petroleum and chlorinated volatile organic compounds in liquid and gas vapors. The vapor barrier and waterproofing material consists of a 60 millimeter thick PVC, Elvaloy® KEE thermoplastic membrane reinforced with a 5.0 oz. weft inserted knit polyester fabric integrally bonded to an Active Polymer Core (APC) layer. All thermoplastic field seams will be continuously welded during installation and guaranteed through an extensive quality assurance program (Hydroshield). CoreFlex® has been tested and approved in accordance with the following ASTM methods for waterproofing and vapor transmission resistance testing.

TECHNICAL DATA		
PROPERTY	TEST METHOD	TYPICAL VALUE
Membrane Composite Thickness	ASTM D751	150 mil (3.8 mm)
Hydrostatic Pressure Resistance (min 1 hr @ 100 psi)	ASTM D5385	231 ft (70 m)
Puncture Resistance	ASTM D4833	224 lbs (996 N)
Tensile Strength ASTM D751	ASTM D751	549 lbs (2,442 N)
Bonded Seam Strength	ASTM D751	705 lbs (3,136 N)
Peel Adhesion to Concrete	ASTM D903 (mod)	10 lbs/in (1,751 N/m)
Methane Permeability	ASTM D1434	25 mL (STP)/m ² /day
Oil Resistance	ASTM D543	Passed
Microorganism Resistance	ASTM D4068-88	Passed
Environmental Stress Cracking	ASTM D1693	Passed
Hydrostatic Resistance (Procedure A)	ASTM D751	754 psi (5.2 mPa)
Water Vapor Retarder	ASTM E1745	Class A
Water Vapor Transmission	ASTM E96	0.1 perms (0.036 gr/m/hr)
Tensile Strength	ASTM E154	387 lbf/in (68 kN/m)
Puncture Resistance	ASTM D1709	12.0 lbs (5,500 grams)

The water proofing system will be installed on the foundation in the open hole. The liner will encase the entire foundation system, including beneath and up to grade, to prevent possible water intrusion and any vapors the concentrate adjacent to the basement. A monolithic foundation (a single concrete pour construction) rather than prefabricated sections are being used for this construction. The weight of the concrete foundation is being used to hold the building in place against buoyant forces that may develop beneath the water proofing liner. The foundation/basement concrete will also include the additive Xypex. This additive will provide the concrete with a self healing capability for small cracks that may develop as the foundation settles, thereby also preventing intrusion of contaminated groundwater. If cracks do develop, and water infiltrates the concrete, the additive will crystallize and seal the crack.

3.1.3.2 Demolition

Site demolition will consist of removal of abandoned utilities, parking lots, and building foundations. Utilities to be removed consist of on-site gas, storm, sanitary, and water mains and utility structures. Site demolition does not include unstable material that is referenced below in 3.2.2 (Site Preparation). Building demolition includes a demolition survey, and the actual demolition of the two buildings on the Property. Demolition, though eligible on this project at 636 East Front Street (Parcel B) is to be paid for with MDEQ loan funds, will be approved for the purposes of Act 381 as an MSF eligible activity.

3.1.3.3 Storm Water Management

Precautionary measures will be utilized to eliminate the risk of erosion, runoff, and infiltration during construction and post-construction activities to prevent the exacerbation of contamination in groundwater below the Property in accordance with the RC. During construction typical controls, such as site grading to control runoff, storm water controls (e.g., diversions and filters), and erosion protection will be installed to prevent contaminant migration through sedimentation, precipitation runoff, erosion, and infiltration.

To the extent practicable, open excavation and soil will be limited during construction to prevent surface water infiltration. Any surface water entering an open excavation area will be managed primarily with the dewatering equipment in place to dewater the ground water. This dewatering operation will be in constant operation during the entire excavation through foundation/basement installation and ultimate backfilling. Any exposed soil areas after backfilling of the foundation will be lined with an impervious material and direct storm water by tapering the grade to a temporary storm water control area before ultimately entering the city storm system.

Erosion controls (silt fencing or other barriers) will be utilized: (1) around the down gradient perimeter of the property; and (2) around any areas where excavated soil is stockpiled or mounded. Additionally, stockpiled and mounded soil will be minimized and/or covered at the Property. A more detailed soil erosion control plan, and a soil erosion and sedimentation control (SESC) permit, will be developed/obtained from the local permitting authority once a grading plan is finalized for the property.

In accordance with the RC on the Property, the site plan design includes impervious pavement and hydraulic barriers/liners in any green space areas which includes rain garden collection areas that will prevent storm water infiltration to groundwater beyond the collection liner. All surface storm water on the Property will be collected and directed to the City of Traverse City storm water sewer system after capture (MSF non-environmental eligible activity). Under all green space and rain garden areas will be an under-drain capture system above a hydraulic barrier. This geomembrane liner will completely block flow and is being used for preventing exacerbation of contaminants in soil and groundwater. The geomembrane liner will more than likely have a minimum thickness of 30 mils and be ultraviolet (UV) resistant. Environmental eligible materials include under-drain materials and associated filter media, hydraulic barrier liners, connection lines to the storm system on-site, temporary holding tanks (if needed), and additional gaskets and seals installed in the storm water piping system.

Due to the relatively shallow groundwater at the Property, chemical resistant utility seals, gaskets, and pipe polywrap liners will be required to protect the storm water utilities from infiltration of potentially contaminated media and for compliance with applicable construction regulations. The construction materials will be screened in advance of selection and use for chemical compatibility with the contaminant constituents identified at the Property.

Non-environmental eligible (MSF) material includes standard storm water piping and infrastructure to transport storm water to the City of Traverse City storm water sewer system. See Section 3.2.2 for more detail on non-environmental materials.

3.1.4 Environmental Insurance

Because of the contaminated nature of the Property, the Developer may elect to purchase environmental insurance. Reasonable costs of environmental insurance, in accordance with Act 381, are therefore included as an eligible activity.

3.2 MSF Eligible Activities

The non-environmental eligible activities will include infrastructure improvements, Brownfield and work plan preparation, demolition, asbestos and lead paint survey and abatement, and site preparation activities, all of which were approved by the Authority and County Board of Commissioners. A summary of the eligible activities and the estimated cost of each eligible activity intended to be reimbursed with Tax Increment Revenues from the Property are provided in the attached Table 1 in the attachments. Also, figures depicting infrastructure improvements (Figure 6) and sampling locations related to previous environmental investigations (Figures 4 and 5) are provided in the attachments. Additional, detailed breakouts of the non-environmental activities being requested for MSF approval are described in the following sections.

3.2.1 Lead & Asbestos Abatement

The Developer will abate lead paint and asbestos-containing materials prior to demolition. Both buildings on the Property will be demolished. All asbestos abatement will be performed in accordance to OSHA Class I asbestos removal requirements as found in 29 CFR 1926.1101. In addition, air monitoring will be performed to comply with OSHA requirements.

3.2.2 Site Preparation

Site preparation activities will include the following:

- Geotechnical Engineering—Investigation, engineering, and design as necessitated by non-native soils to support selection of the appropriate foundation system. These costs have not been incurred; they are related to geotechnical activities that will be completed after land balancing.
- Temporary Construction Access and/or Roads – Rough access road to support the redevelopment of the Property.
- Temporary Erosion Control—Temporary erosion control measures will be necessary to minimize the amount of sediment and other material transported by storm water runoff from the Property. Controls will consist of silt fencing, and sediment bags.
- Temporary Site Control—Chain link construction fencing with locking gates to secure the Property during construction.
- Excavation for Unstable Material—Excavation, transportation, and disposal of non-indigenous, non-contaminated material that is an impediment to redevelopment.
- Excavation for Utility Relocation and Rain Garden Soil Removal – Excavation, transportation, and disposal of non-contaminated material that is necessary to support utility relocation and the rain garden.

- Fill—Imported clean fill material to offset the removal of unstable material and utility & rain garden excavations is required for construction of the Project.
- Compaction & Sub-base Preparation (related to MSF Eligible Activities) – Related to Fill including: (a) placement and compaction of imported fill to achieve the required soil strength for redevelopment; and (b) a 6" sub-base for building and compaction.
- Dewatering (during MSF Eligible Activities)—Non-contaminated water removal will be required due to the high water table during excavation for unstable material and excavation of utility relocation & rain garden soil removal.
- Relocation of Existing (Active) Utilities – Relocation of existing (active) utilities to support the new development. The existing utilities due to the property's previously developed condition are a hindrance to the new development plans.
- Temporary Sheet piling and Shoring—Located on the east and north property lines and near East Front and Hope Streets. The purpose of the sheet piling and shoring is to protect City sidewalks, utilities, and roadways during construction of the building.
- Soft Costs-Architecture, engineering, and other design activities specifically associated with site preparation activities.

3.2.3 Infrastructure Improvements

All Infrastructure improvements proposed will be publicly owned, maintained and operated, will support the project, and will serve others and/or the public. Please see Section 4.2.2 for unit costs, and Figure 6 for the Infrastructure Improvements map.

- Road improvements along East Front Street and Hope Street. Road improvements include road upgrades with approaches, curbs and gutters, and sidewalks. They also include landscape buffers in the form of street trees, grass, and irrigation in the road easement. These improvements are necessary due to construction activities and to support the new use of the Property.
- Alternative Green Storm Water Management Practices—the incremental increase in cost for green storm water management system to encourage infiltration, evaporation, and evapotranspiration—and reduce the volume of flow to the municipal storm water system. The cost is for excavation, backfill above filtration materials, landscaping above system, and design & engineering. (hydraulic barriers/liners, piping, seals & gaskets, and other materials are an MDEQ Additional Response Activity cost; see Section 3.1.4.1 for more detail). Due to the RC on the Property, infiltration of water beneath the rain garden's hydraulic liner is not permitted.
- Utility improvements to support the new use of the property. Utility improvements include storm water piping, surface water capture engineering, catch basins, and a transformer pole. Low impact development (LID) addresses storm water on this site through small, cost-effective landscaped features and green spaces, located on the site to the extent possible give the restrictive covenant due to soil and groundwater contamination. These landscaped features are the primary building blocks of LID, and the project design has attempted to incorporate as many LID components as possible. This contaminated site LID approach we applied will be typical to similar Brownfield redevelopment sites with environmental constraints across the state.

3.2.4 Brownfield and Work Plan Preparation

Reasonable costs associated with development and preparation of a Brownfield Plan and Work Plan.

3.2.5 Contingency

A 15% contingency factor has been included to accommodate unexpected conditions that may be encountered during the redevelopment.

4.0 Schedule and Costs

The following subsections present the proposed schedule to complete the Project and the associated costs.

4.1 Schedule of Activities

Demolition is scheduled to commence on June 3, 2013 following the Grand Traverse County Brownfield Redevelopment Authority, the Grand Traverse County Board of Commissioners, MDEQ, and MSF approvals. Completion of the Project is anticipated to be within 1.5 years.

4.2 Estimated Costs

The itemized estimated costs to complete the Environmental and Non-Environmental eligible activities including all labor, equipment, subcontractors, and materials under this Work Plan are provided in Sections 4.2.1 and 4.2.2 below and in the attached Table 1 and Table 2. Actual interest associated with the eligible activities not to exceed 5% to address the true cost of conducting the eligible activities associated with the development of this site is also included. Note: an interest calculation will be determined, pending refinement of Eligible Activity and contingency costs, revisions to the Work Plan tables, and possibly a proportionality adjustment due to local tax increment revenues being captured throughout the plan for GTCBRA Administration Fees and Local Only Activities. In addition, GTCBRA, by policy, will reimburse only 95% of actual eligible activity costs.

Please note that eligible activities completed or anticipated to be completed prior to approval of the Act 381 Work Plan by the MSF Board or MDEQ have been identified on Table 1.

4.2.1 Description of MDEQ Eligible Activities Costs

The estimated cost for the activities plus contingency, and fees described in this section is \$1,648,110. The County is applying for MDEQ loan funds to cover these costs, which will be reimbursed from the tax increment revenues generated from the Eligible Property. As available, loan funds are expected to be used to pay for all eligible due care, additional response, and demolition activities (refer to Table 1 for more details). The Developer desires to be reimbursed for the costs of eligible activities. Individual costs associated with these activities are provided in the table below. See Table 1 for further details.

The BRA is the applicant for the MDEQ loans and, if the loans are awarded, will administer the funds, as approved by MDEQ. Since the BRA, as part of its administrative oversight, also approves TIF reimbursement, it will perform the due diligence to ensure that there is no overlap in the reimbursement of loan-funded and developer-funded costs.

Table 4-A MDEQ Eligible Activities

Eligible Activity	Total Estimated Cost
BEA Environmental Assessment Activities	
Phase I ESA	\$2,000
Phase II ESA	\$13,211
Supplemental Phase II ESA	\$19,000
BEA	\$1,800
Due Care Response Activities	
Due Care Plans	
Pre-Construction Due Care Plan	\$1,800
Environmental Construction Management Due Care Plan	\$10,000
Post-Construction Due Care Plan	\$2,500
Dewatering	
Dewatering-Frac Tank	\$132,825
Dewatering-Analytical	\$5,000
Dewatering-Disposal of Groundwater During Construction Activities	\$163,350
Dewatering-Reporting & Management	\$3,000
Soil Management (Foundations)	
Excavation	\$49,778
Trucking	\$33,185
Disposal	\$145,185
Soil Management (Shooters Property Chromium-Contaminated Soil)	

Eligible Activity	Total Estimated Cost
Excavation	\$600
Trucking	\$400
Disposal	\$1,750
On-Site Environmental Construction Management	\$37,500
Environmental Project Management	\$15,000
Due Care-Impervious Asphalt	\$70,000
Temporary Truck Wash Facility	\$3,000
Existing Monitoring Well Abandonment	\$5,000
Installation of Monitoring Wells	\$8,000
Health & Safety Plan (up to 3)	\$7,500
Additional Response Activities	
Waterproof/Vapor Barrier	
Design-Waterproof/Vapor Membrane (including MDEQ approval)	\$35,000
Monolithic Foundation	\$66,000
Xypex Concrete Additive for Foundation Waterproofing	\$33,880
Installation- Waterproof/Vapor Barrier	\$169,188
Installation Oversight- Waterproof/Vapor Barrier	\$18,750
Post-Construction Waterproof/Vapor Barrier QA/QC Inspection	\$15,000
Passive Vapor Trench with Piping (if determined necessary by MDEQ)	\$15,000
Green Space and Rain Garden Areas (Environmental Portion)	

Eligible Activity	Total Estimated Cost
Hydraulic Liners	\$40,000
Under-drain Piping	\$2,250
Seals & Gaskets	\$2,000
Associated Hydraulic Liner Materials	\$10,000
Reasonable Costs of Environmental Insurance	\$50,000
Subtotal	\$1,188,452
Contingency (A 15% contingency factor has been included to accommodate unexpected conditions that may be encountered during redevelopment)	\$178,268
Preparation of Brownfield Plan	\$5,000
Preparation of MDEQ Act 381 Work Plan	\$5,000
Subtotal	\$1,376,720
GTCBRA 5% Withholding	(68,336)
Subtotal	\$1,298,384
Interest	\$349,726
Total MDEQ Eligible Activities	\$1,648,110

4.2.2 Description of MSF Eligible Activities Costs

The estimated cost for the activities plus contingency, fees, and interest described in this section is \$1,007,808. A more detailed description of the costs associated with these activities is provided in the following table. Unit costs are provided where applicable. For additional support documentation, please refer to Tables 1 and 2 in the attachments. For detail on certain Site Preparation activities, please see the Engineer's Opinion of Probable Cost in Attachment B, Supplemental Material.

Table 4-B MSF Eligible Activities

Eligible Activity	Estimated Cost
Demolition	
Site Demolition	\$55,000
Building Demolition	\$20,000
Lead & Asbestos Abatement	
Asbestos and Lead Paint Survey	\$5,000
Asbestos and Lead Paint Abatement	\$32,710
Site Preparation	
Geotechnical Engineering	\$10,000
Temporary Construction Access and/or Roads	\$2,000
Temporary Erosion Control-Silt Fencing	\$5,000
Temporary Erosion Control-Sediment Bags	\$2,000
Temporary Site Control	\$10,000
Soil Management (MSF Excavation for Unstable Material)	
Excavation	\$51,894
Trucking	\$34,596
Disposal	\$151,358

Eligible Activity	Estimated Cost
Soil Management (MSF Utility Relocation and Rain Garden Soil Removal)	
Excavation	\$8,520
Trucking	\$37,275
Disposal	\$36,166
Compaction & Sub-base Preparation	\$29,240
Dewatering	
Set-Up and Operation (first two weeks)	\$6,800
Set-Up and Operation (remaining weeks)	\$7,000
Monitoring	\$30,000
Relocation of Existing Utilities	\$20,000
Temporary Sheet piling/Shoring	\$60,500
Soft Costs	\$35,000
Infrastructure Improvements	
Approaches	\$15,000
Curbs and Gutter	\$7,200
Sidewalks	\$4,050
Landscaping	15,000
Storm Water Piping	\$1,200
Surface Water Capture Engineering	\$5,000

Eligible Activity	Estimated Cost
Catch Basins	\$2,400
Alternative Green Storm Water Management Practices	\$17,500
Transformer Pole	\$8,000
Subtotal	\$725,408
Contingency (A 15% contingency factor has been included to accommodate unexpected conditions that may be encountered during redevelopment)	\$108,811
Brownfield Plan	\$5,000
Preparation of MSF Act 381 Work Plan	\$5,000
Subtotal	\$844,219
GTCBRA 5% Withholding	(\$41,711)
Subtotal	\$792,508
Interest	\$215,300
Total MSF Eligible Activities	\$1,007,808

4.2.3 Local-Only Costs

The project expects to incur \$40,470 (\$38,447 at the 95% GTCBRA reimbursement rate) in local-only costs for application fees and Act 381 Work Plan preparation.

4.2.4 Contingency

Additional response activities may include the response to unexpected contamination. Though these are not expected, Brownfield sites may contain one or more of the following:

- Encountering soil classified as hazardous waste;
- historical septic systems or other underground structures or debris;
- contamination encountered during removal of underground utilities; and
- other hazardous liquid or solid materials discovered at the building.

A 15% contingency factor has been included to accommodate for unexpected conditions that may be encountered during the redevelopment.

5.0 Project Costs and Funding

The following subsections present the total estimated Project costs and the source and uses of funds.

5.1 Total Estimated Project Costs

The total costs of the Non-Environmental Eligible Activities under this Work Plan are provided in Table 1. The Developer anticipates making an investment of up to \$7.285 million in real and personal property improvements on the Property.

5.2 Sources and Uses Of Funds

The Developer anticipates investment of approximately \$7.285 million in real property improvements on the Property including acquisition of the land. Redevelopment of the Property is expected to subsequently generate increases in taxable value and result in incremental taxable value beginning in 2015. The initial taxable value for the Brownfield Plan will be the Property's 2013 assessment, because the Brownfield Plan received final approval in 2013. Tax increment revenue will be utilized to reimburse the cost of eligible activities. Table 2 provides an estimate of tax increment revenue. The Developer will finance all eligible activities under this Plan related to improvements on the Property.

6.0 Limitations

The taxable value on real property is estimated to increase at a rate of 1% each year (refer to Table 2).

The incremental tax revenue estimates for the proposed development could vary from this estimate affecting the time period it takes to reimburse the eligible activities. The cost estimates included within this Act 381 Work Plan are just that—estimates—and the actual costs incurred may vary depending on site conditions. If in fact the eligible activity costs exceed the estimated amount for reimbursement, the Developer and the Authority may submit an amended Brownfield Plan and Act 381 Work Plan. Please reference the Brownfield Plan in Attachment A for additional information.

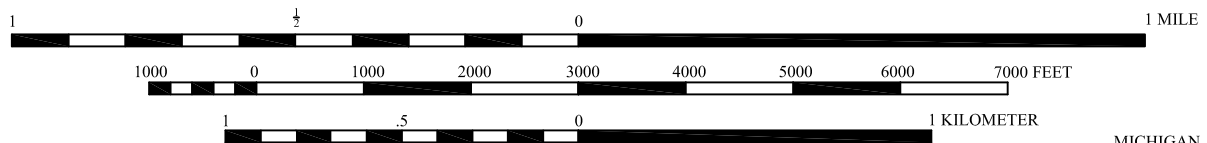
All reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan are intended to authorize the Authority to fund such reimbursements and does not obligate the Authority or the County to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Plan, or which are permitted to be reimbursed under this Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan.

Figures

TRAVERSE CITY SE QUADRANGLE
MICHIGAN - GRAND TRAVERSE COUNTY
7.5 MINUTE SERIES (TOPOGRAPHIC)



T. 27 N. - R.11 W.



CONTOUR INTERVAL 5 FEET
DATUM IS MEAN SEA LEVEL

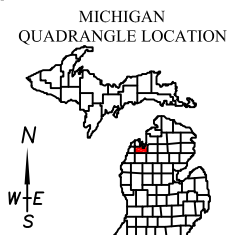


IMAGE TAKEN FROM 1983 U.S.G.S. TOPOGRAPHIC MAP

AKTPEERLESS

ILLINOIS

MICHIGAN
www.aktpeerless.com

OHIO

SCALED PROPERTY LOCATION MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-16-25

DRAWN BY: JWB
DATE: 4/2/2013

FIGURE 1



ILLINOIS

MICHIGAN
www.aktpeerless.com

OHIO

ELIGIBLE PROPERTY BOUNDARY MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-16-25

LEGEND

--- = ELIGIBLE PROPERTY BOUNDARY

DRAWN BY: JWB
DATE: 4/2/2013

0 35 70
SCALE: 1" = 70'±0

FIGURE 2





Sunset Park

DRAWN BY: JWB
DATE: 4/2/2013



FIGURE 3

LEGEND

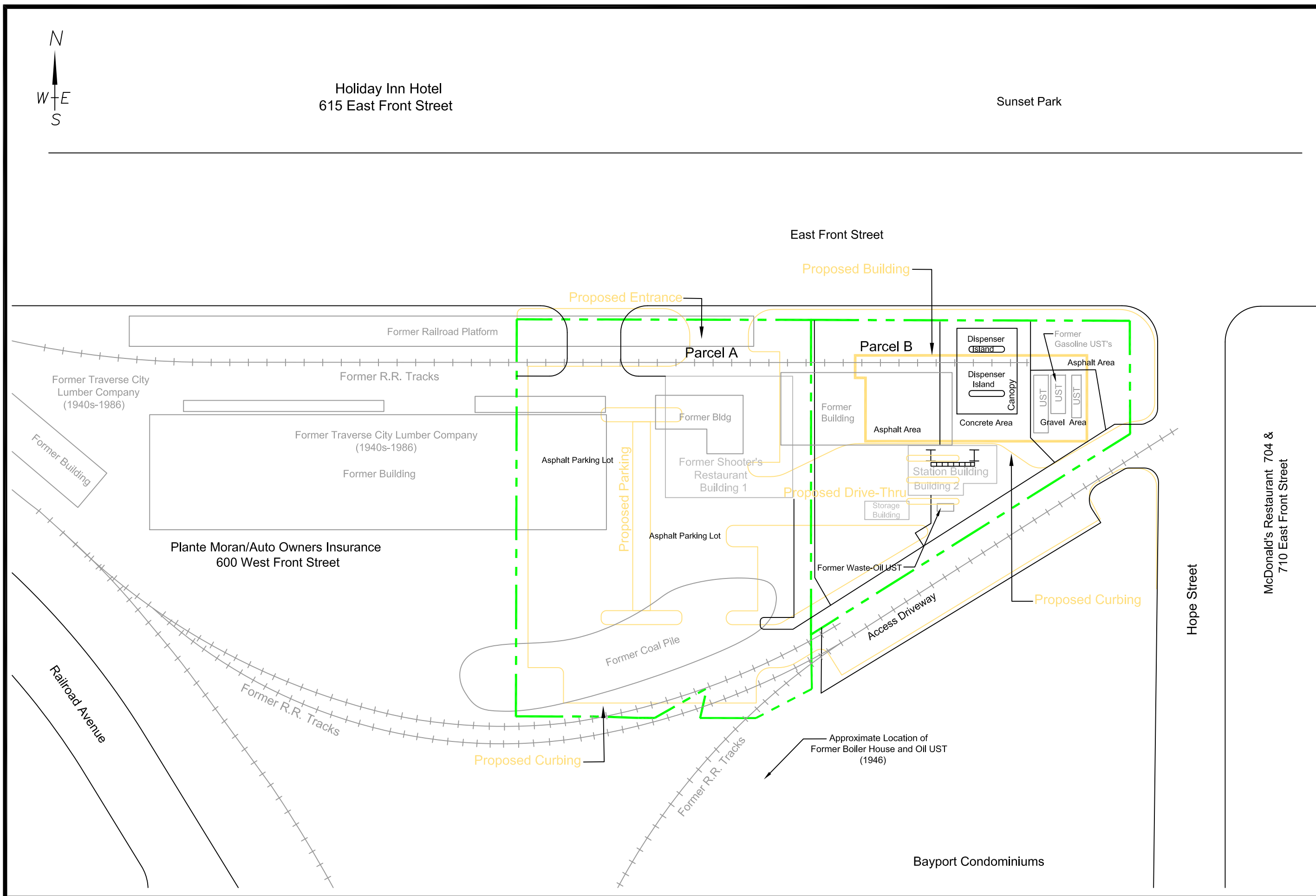
	= PROPERTY LINE
	= ABOVE-GROUND HOIST
	= TRENCH DRAIN
	= FORMER FEATURES

PROPOSED DEVELOPMENT MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-16-25



ILLINOIS MICHIGAN OHIO
www.aktpeerless.com





AKT SB-02/TMW-01 14'	
2/14/2013	
1,2,4 Trimethylbenzene	1,500 ug/L
1,3,5 Trimethylbenzene	450 ug/L
Naphthalene	400 ug/L
2-Methylnaphthalene	130 ug/L
Ethylbenzene	170 ug/L
Isopropyl benzene	43 ug/L
n-Propylbenzene	140 ug/L
Xylenes	3,600 ug/L

AKT SB-02/TMW-01 30'	
2/14/2013	
Chromium	410 ug/L
Lead	17 ug/L

AKT SB-08/TMW-02 30'	
2/14/2013	
1,2,4 Trimethylbenzene	87 ug/L
2-Methylnaphthalene	24 ug/L
Tetrachloroethylene	12 ug/L
Naphthalene	23 ug/L
1,3,5 Trimethylbenzene	25 ug/L
n-Propylbenzene	12 ug/L
Xylenes	60 ug/L

AKT SB-08/TMW-02 14'	
2/14/2013	
1,2,4 Trimethylbenzene	8.6 ug/L

AKT SB-08/TMW-02 22'	
2/14/2013	
1,2,4 Trimethylbenzene	11 ug/L
n-Propylbenzene	2.3 ug/L

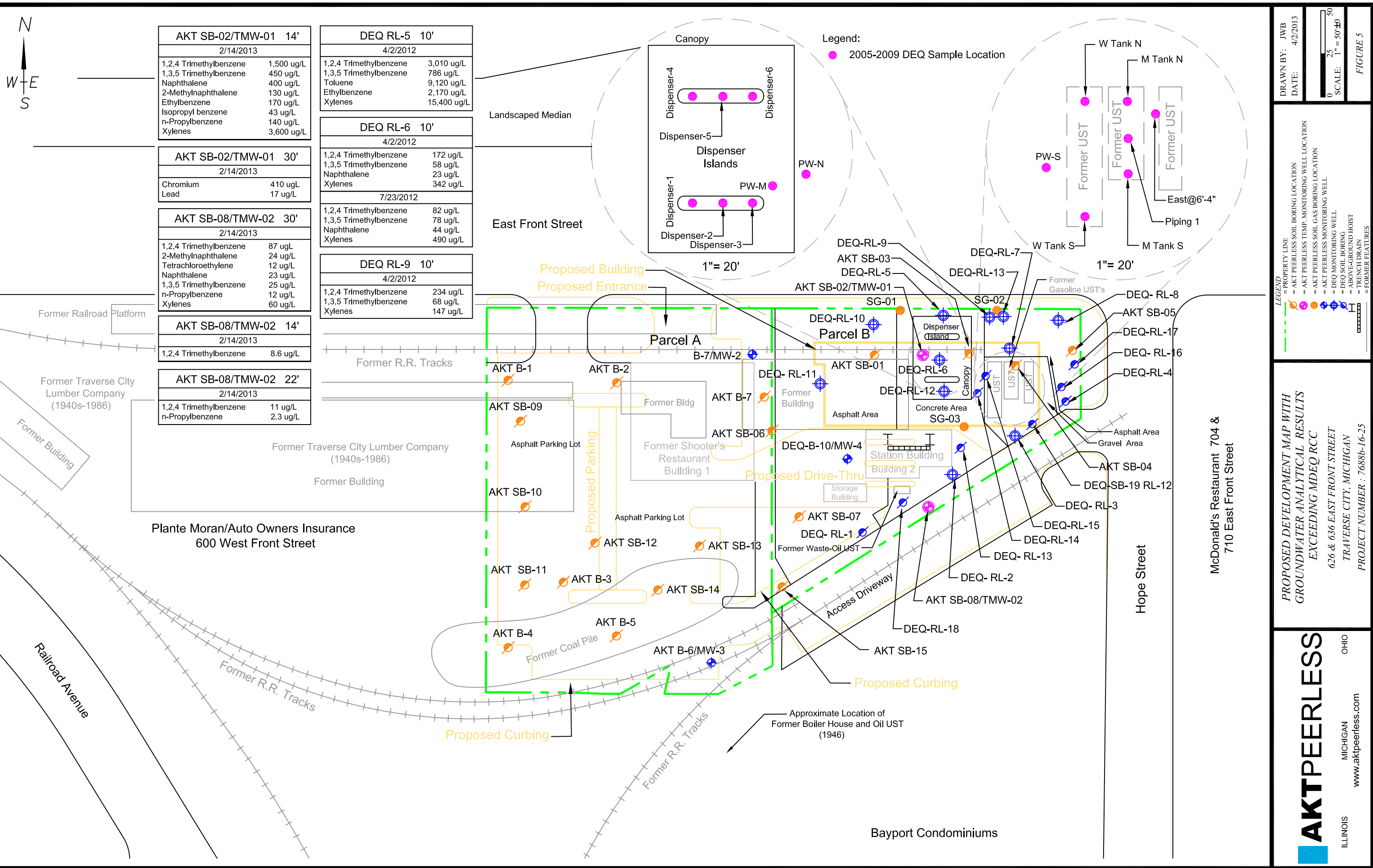
DEQ RL-5 10'	
4/2/2012	
1,2,4 Trimethylbenzene	3,010 ug/L
1,3,5 Trimethylbenzene	786 ug/L
Toluene	9,120 ug/L
Ethylbenzene	2,170 ug/L
Xylenes	15,400 ug/L

DEQ RL-6 10'	
4/2/2012	
1,2,4 Trimethylbenzene	172 ug/L
1,3,5 Trimethylbenzene	58 ug/L
Naphthalene	23 ug/L
Xylenes	342 ug/L

7/23/2012	
1,2,4 Trimethylbenzene	82 ug/L
1,3,5 Trimethylbenzene	78 ug/L
Naphthalene	44 ug/L
Xylenes	490 ug/L

DEQ RL-9 10'	
4/2/2012	
1,2,4 Trimethylbenzene	234 ug/L
1,3,5 Trimethylbenzene	68 ug/L
Xylenes	147 ug/L

Legend:
● 2005-2009 DEQ Sample Location

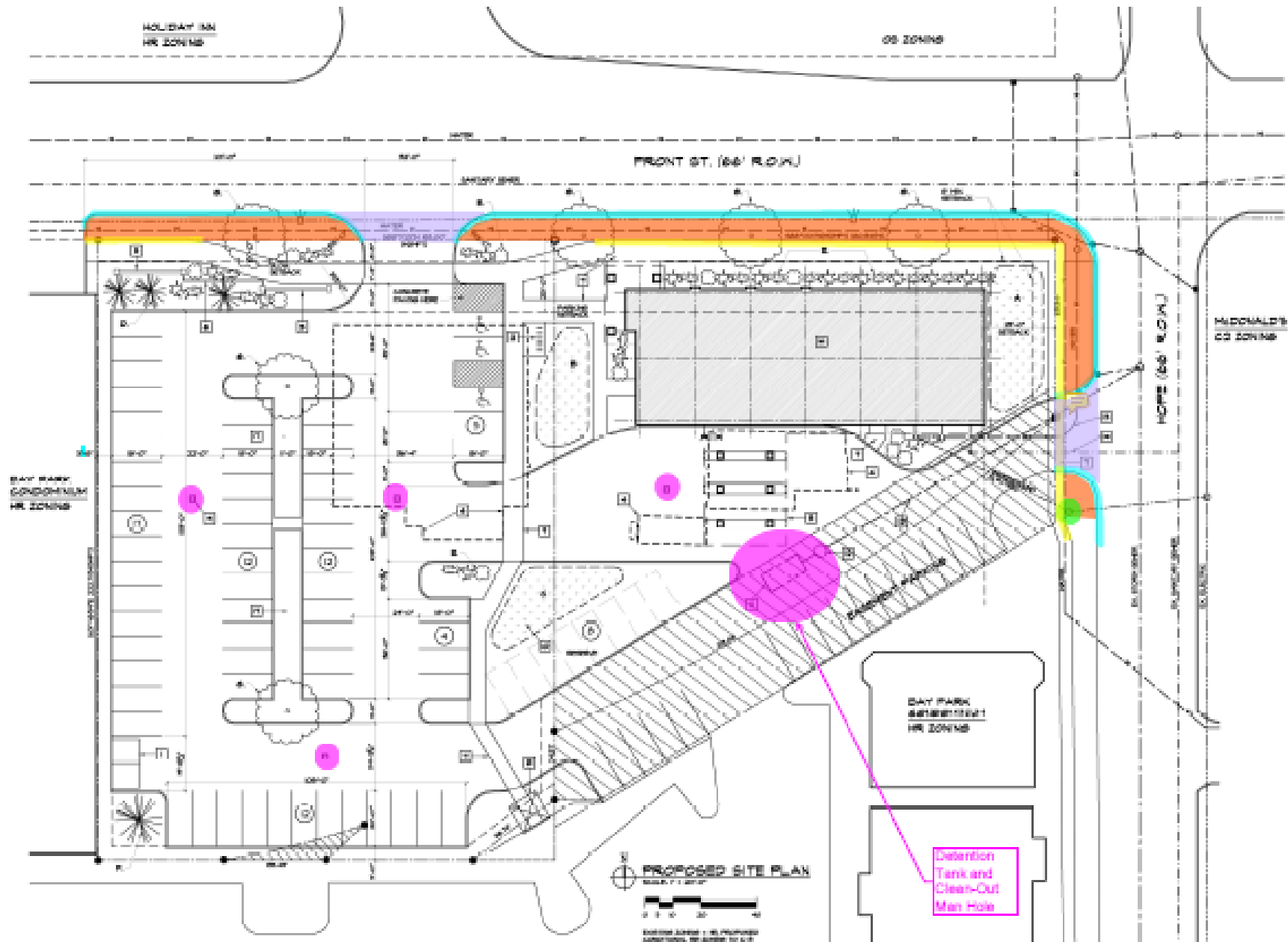


DRAWN BY: JWB
DATE: 4/2/2013
SCALE: 1" = 50'-0"

LEGEND
= PROPERTY LINE
= AKT PEERLESS SOIL BORING LOCATION
= AKT PEERLESS TEMP. MONITORING WELL LOCATION
= AKT PEERLESS SOIL GAS BORING LOCATION
= AKT PEERLESS MONITORING WELL
= DEQ MONITORING WELL
= DEQ SOIL BORING
= ABOVE-GROUND HOIST
= TRENCH DRAIN
= FORMER FEATURES

PROPOSED DEVELOPMENT MAP WITH
GROUNDWATER ANALYTICAL RESULTS
EXCEEDING MDEQ RCC
626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 76880-16-25

AKTPEERLESS
ILLINOIS
MICHIGAN
OHIO
www.aktpeerless.com



ILLINOIS --- MICHIGAN --- OHIO

www.aktpeerless.com

INFRASTRUCTURE IMPROVEMENTS MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER: 7688B

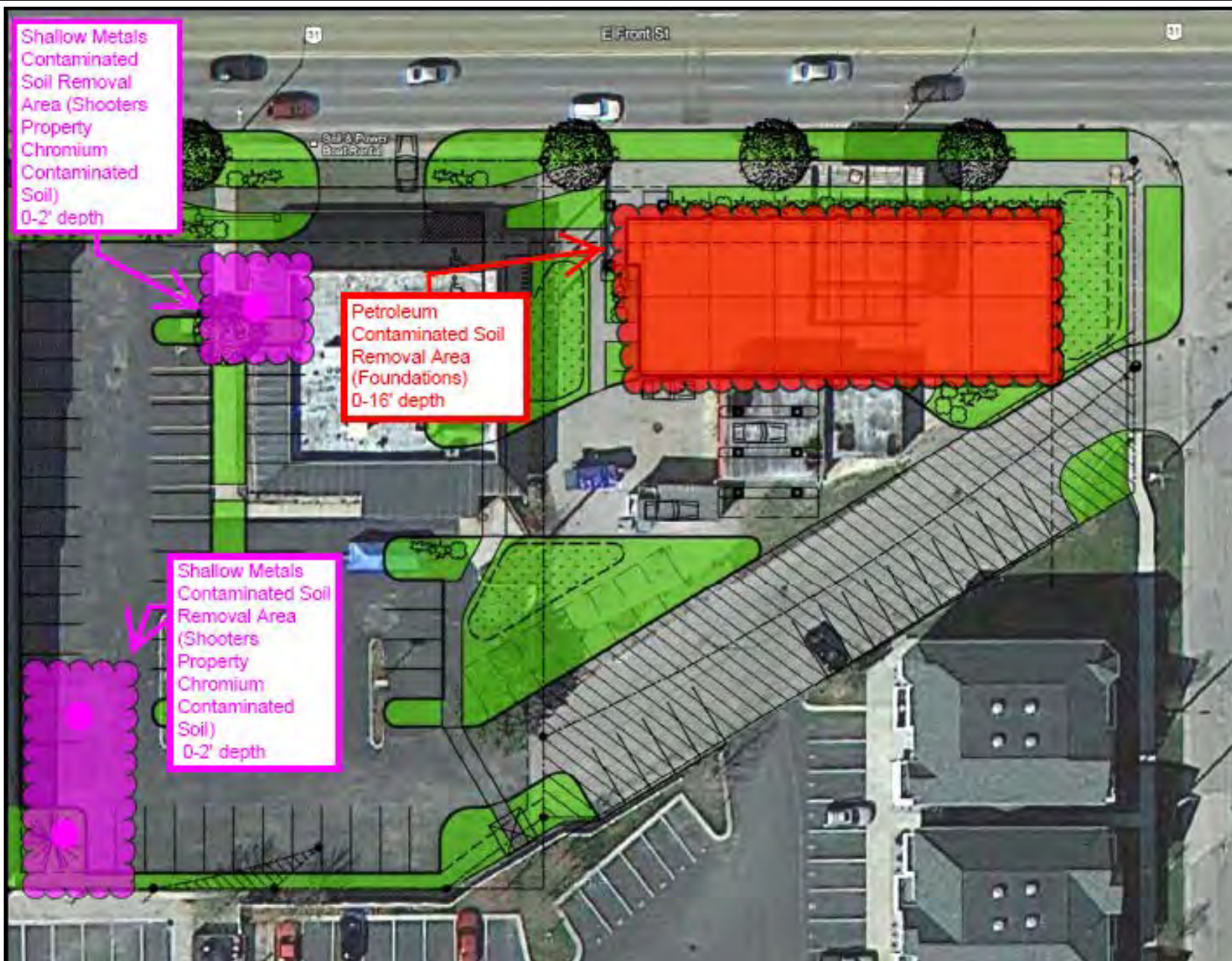
- Yellow = CURBS & GUTTERS
- Orange = SIDEWALKS
- Green = LANDSCAPING
- Red = TRANSFORMER POLE
- Blue = CATCH BASINS

DRAWN BY:
DATE:

JJM
4/3/2013

NO SCALE

FIGURE 6



AKTPEERLESS

ILLINOIS --- MICHIGAN --- OHIO

www.aktpeerless.com

SOIL REMOVAL MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER: 7688B

DRAWN BY:
DATE:

TWS
4/2/2013

NO SCALE

FIGURE 7

Tables

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
PA 381 ELIGIBLE ACTIVITY CONSIDERATION TABLE
Work Plan, Last Revision May 3, 2013

ENVIRONMENTAL ELIGIBLE ACTIVITIES (MDEQ)		REQUESTED ESTIMATES			
ACTIVITY	TOTAL COST	LOCAL-ONLY REVENUES COST	STATE / LOCAL REVENUES COST	MDEQ Loan	TBA Credit Union
BEA Environmental Assessment Activities					
Phase I Environmental Site Assessment (ESA)	\$2,000		\$2,000		\$2,000
Phase II ESA	\$13,211		\$13,211		\$13,211
Supplemental Phase II ESA Site Investigations	\$19,000		\$19,000		\$19,000
Baseline Environmental Assessment (BEA)	\$1,800		\$1,800		\$1,800
BEA Environmental Assessment Activities Total	\$36,011	\$0	\$36,011		
Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities					
Due Care Plans - Pre, During and Post Construction					
Pre-Construction Due Care Plan	\$1,800		\$1,800		\$1,800
Environmental Construction Management Due Care Plan	\$10,000		\$10,000	\$10,000	
Post-Construction Due Care Plan	\$2,500		\$2,500	\$2,500	
Dewatering					
Dewatering-Frac Tank and Carbon Filter with Aration, Chemical Precipitation and Oxidation (if necessary) (also includes operator and pump for 90 days)	\$132,825		\$132,825	\$132,825	
Dewatering-Analytical	\$5,000		\$5,000	\$5,000	
Dewatering-Disposal of groundwater during construction activities	\$163,350		\$163,350	\$163,350	
Dewatering-Reporting & Management	\$3,000		\$3,000	\$3,000	
Soil Management (Foundations)					
Excavation	\$49,778		\$49,778	\$49,778	
Trucking	\$33,185		\$33,185	\$33,185	
Disposal	\$145,185		\$145,185	\$145,185	
Shooters Property Chromium-Contaminated Soil					
Excavation	\$600		\$600	\$600	
Trucking	\$400		\$400	\$400	
Disposal	\$1,750		\$1,750	\$1,750	
On-Site Environmental Construction Management	\$37,500		\$37,500	\$37,500	
Environmental Project Management	\$15,000		\$15,000	\$15,000	
Due Care - Impervious Asphalt	\$70,000		\$70,000	\$70,000	
Temporary Truck Wash Facility	\$3,000		\$3,000	\$3,000	
Other Specific & Unique Activities due to the Brownfield Conditions					
Existing Monitoring Well Abandonment	\$5,000		\$5,000	\$5,000	
Installation of Monitoring Wells	\$8,000		\$8,000	\$8,000	
Health and Safety Plans (HASPs, up to 3 at \$2,500 each)	\$7,500		\$7,500	\$7,500	
Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities Total	\$695,373	\$0	\$695,373		
Additional Response Activities					
Vapor Barrier (Passive Venting)					
Design Vapor Barrier System with Waterproof membrane - including MDEQ approval	\$35,000		\$35,000	\$35,000	
Monolithic Foundation (incremental increase over typical foundation)	\$66,000		\$66,000	\$66,000	
Xypex Concrete Additive of Foundation Waterproofing	\$33,880		\$33,880	\$33,880	
Vapor Barrier/install and oversight	\$169,188		\$169,188	\$169,188	
Vapor Installation Oversight	\$18,750		\$18,750	\$18,750	
Post-Construction Waterproofing - Vapor Barrier QA/QC Inspection	\$15,000		\$15,000	\$15,000	
Passive Vapor trench with piping, if determined necessary by MDEQ	\$15,000		\$15,000	\$15,000	
Rain Gardens - Environmental Portion - Any green space, including the public ROW					
Liners	\$40,000		\$40,000	\$40,000	
Piping	\$2,250		\$2,250	\$2,250	
Seals & Gaskets	\$2,000		\$2,000	\$2,000	
Materials above Liners	\$10,000		\$10,000	\$10,000	
Other Specific & Unique Activities due to the Brownfield Conditions					
Additional Response Activities Total	\$407,068		\$407,068		
Environmental Insurance					
Reasonable Costs of Environmental Insurance	\$50,000		\$50,000		\$50,000
ENVIRONMENTAL ELIGIBLE ACTIVITIES (MDEQ) GRAND TOTAL	\$1,188,452		\$1,188,452		

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
PA 381 ELIGIBLE ACTIVITY CONSIDERATION TABLE
Work Plan, Last Revision May 3, 2013

NON-ENVIRONMENTAL MSF ELIGIBLE ACTIVITIES (MEDC)		REQUESTED ESTIMATES			
ACTIVITY	TOTAL COST	LOCAL-ONLY REVENUES COST	STATE / LOCAL REVENUES COST		
Demolition (County-wide)					
Site Demolition	\$55,000		\$55,000	\$55,000	
Building Demolition	\$20,000		\$20,000	\$20,000	
Demolition Total	\$75,000	\$0	\$75,000		
Lead & Asbestos Abatement (County-wide)					
Asbestos and Lead Paint Survey	\$5,000		\$5,000		\$5,000
Asbestos and Lead Paint Abatement	\$32,710		\$32,710		\$32,710
Lead & Asbestos Abatement Total	\$37,710	\$0	\$37,710		
Site Preparation (a) (City of Traverse City Only)					
Geotechnical Engineering	\$10,000		\$10,000		\$10,000
Temporary Construction Access and/or Roads	\$2,000		\$2,000		\$2,000
Temporary Erosion Control-Silt Fencing	\$5,000		\$5,000		\$5,000
Temporary Erosion Control-Sediment Bags	\$2,000		\$2,000		\$2,000
Temporary Site Control	\$10,000		\$10,000		\$10,000
Soil Management (from MSF Excavation for Unstable Material)					
Excavation	\$51,894		\$51,894		\$51,894
Trucking	\$34,596		\$34,596		\$34,596
Disposal	\$151,358		\$151,358		\$151,358
Soil Management (from MSF Utility Relocation and rain garden soil removal)					
Excavation					
Soil Transportation	\$8,520		\$8,520		\$8,520
Soil Disposal	\$37,275		\$37,275		\$37,275
Fill	\$36,166		\$36,166		\$36,166
Compaction & Sub-base Preparation (related to Eligible Activities)	\$29,240		\$29,240		\$29,240
Dewatering (Install and operate dewatering points)					
Set-Up and Operation (first two weeks)	\$6,800		\$6,800		\$6,800
Set-Up and Operation (remaining weeks)	\$7,000		\$7,000		\$7,000
Monitoring	\$30,000		\$30,000		\$30,000
Relocation of Existing (Active) Utilities	\$20,000		\$20,000		\$20,000
Temporary Sheetpiling/Shoring	\$60,500		\$60,500		\$60,500
Soft Costs--so long as they are directly associated with Site Preparation activities (including engineering and design), professional fees and costs (does not include legal/attorney fees).	\$35,000		\$35,000		\$35,000
Other Specific & Unique Activities due to the Brownfield Conditions					
Site Preparation Total	\$537,349	\$0	\$537,349		
Infrastructure Improvements (City of Traverse City Only)					
Approaches	\$15,000		\$15,000		\$15,000
Curbs and Gutter	\$7,200		\$7,200		\$7,200
Sidewalks	\$4,050		\$4,050		\$4,050
Landscaping	\$15,000		\$15,000		\$15,000
Stormwater Piping	\$1,200		\$1,200		\$1,200
Surface Water Capture Engineering	\$5,000		\$5,000		\$5,000
Catch Basins	\$2,400		\$2,400		\$2,400
Alternative Green Stormwater Management Practices-Excavation, backfill above filtration materials, landscaping on top, design & engineering	\$17,500		\$17,500		\$17,500
Transformer Pole	\$8,000		\$8,000		\$8,000
Infrastructure Improvements Total	\$75,350	\$0	\$75,350		
NON-ENVIRONMENTAL MSF ELIGIBLE ACTIVITIES (MEDC) GRAND TOTAL	\$725,408	\$0	\$725,408		
Brownfield Plan and Act 381 Work Plan Preparation					
GTCBRA Applications	\$9,970	\$9,970			\$9,970
Brownfield Plan	\$10,000		\$10,000		\$10,000
Act 381 Work Plan-MSF & MDEQ	\$20,000	\$10,000	\$10,000		\$20,000
Brownfield Plan and Act 381 Work Plan Preparation Total	\$39,970	\$19,970	\$20,000		
15% Contingency on Eligible Activities	\$281,677	\$0	\$281,677	\$176,346	\$105,331
GTCBRA Administration & Application Fees	\$20,500	\$20,500			\$20,500
ELIGIBLE ACTIVITIES GRAND TOTAL	\$2,256,008	\$40,470	\$2,215,538	\$1,351,987	\$904,020
GTCBRA COVERED ELIGIBLE ACTIVITIES = 95% OF GRAND TOTAL (b)	\$2,143,207	\$38,447	\$2,104,761		
Interest	\$565,026		\$565,026		
Total Developer Reimbursement	\$2,708,233	\$38,447	\$2,669,787		

**GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
PA 381 ELIGIBLE ACTIVITY CONSIDERATION TABLE
Work Plan, Last Revision May 3, 2013**

NOTES:

(a) The following NON-ENVIRONMENTAL MSF ELIGIBLE ACTIVITIES have been historically deemed eligible by the Michigan Economic Development Corporation (MEDC) but are NOT considered eligible by the GTCBRA. These activities are typical expenses found at any development or redevelopment site and will not be allowed as an Eligible Activity expense.

In-Eligible Site Preparation Activity Expenses

Construction Staking Related to Infrastructure Improvements, Site Preparation Activities, or Demolition

Clearing & Grubbing

Temporary Facility

Temporary Traffic Control

Legal/Attorney Fees

(b) GTCBRA will cover 95% of approved Eligible Activity expenses per the Development Agreement. The applicant shall be responsible for 5% of the Eligible Activity expenses.

Table 2 - Tax Increment Financing Estimates

Project Name: TBA Credit Union
Traverse City

Eligible Expenses for Reimbursement under ACT 381									
MDEQ Eligible Activities and Interest	\$	1,652,478							
MSF Eligible Activities and Interest	\$	1,017,308							
Local-Only Expense	\$	38,447							
Local Site Remediation Fund Capture (2)	\$	741,367							
Total Eligible Costs for TIF Reimbursement (5)	\$	3,449,600							

Loan Incentives

LSRF

EPA RLF

\$

-

KEY: USER INPUT

Check Cell Comments

Automatic

Plan Year	1	2	3	4	5	6	7	8	9
Actual Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Base (Existing) Taxable Value Non-Homestead (TV):	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700
New TV for Non-Homestead (3)	\$ 1,480,844	\$ 2,027,988	\$ 2,575,133	\$ 2,652,386	\$ 2,731,958	\$ 2,813,917	\$ 2,898,334	\$ 2,985,284	\$ 3,074,843
Incremental Difference Non-Homestead (New TV - Existing)	\$ 547,144	\$ 1,094,288	\$ 1,641,433	\$ 1,718,686	\$ 1,798,258	\$ 1,880,217	\$ 1,964,634	\$ 2,051,584	\$ 2,141,143
Base (Existing) Taxable Value Homestead (TV):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New TV for Homestead (4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental Difference Homestead (New TV - Existing)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCREMENT	\$ 547,144	\$ 1,094,288	\$ 1,641,433	\$ 1,718,686	\$ 1,798,258	\$ 1,880,217	\$ 1,964,634	\$ 2,051,584	\$ 2,141,143

STATE CAPTURE	Millage Rate	1	2	3	4	5	6	7	8	9
		2014	2015	2016	2017	2018	2019	2020	2021	2022
State Education Tax (SET, less 3 for BRF)	3.0000	\$ 1,641	\$ 3,283	\$ 4,924	\$ 5,156	\$ 5,395	\$ 5,641	\$ 5,894	\$ 6,155	\$ 6,423
School Operating (NA to Homestead)	18.0000	\$ 9,849	\$ 19,697	\$ 29,546	\$ 30,936	\$ 32,369	\$ 33,844	\$ 35,363	\$ 36,929	\$ 38,541
State Total to Reimbursables	21.0000	\$ 11,490	\$ 22,980	\$ 34,470	\$ 36,092	\$ 37,763	\$ 39,485	\$ 41,257	\$ 43,083	\$ 44,964
Accumulated State Total to Reimbursables		\$ 11,490	\$ 34,470	\$ 68,940	\$ 105,033	\$ 142,796	\$ 182,281	\$ 223,538	\$ 266,621	\$ 311,585
State Brownfield Redevelopment Fund (BRF)	3.0000	\$ 1,641	\$ 3,283	\$ 4,924	\$ 5,156	\$ 5,395	\$ 5,641	\$ 5,894	\$ 6,155	\$ 6,423
State BRF Accumulated Capture		\$ 1,641	\$ 4,924	\$ 9,849	\$ 15,005	\$ 20,399	\$ 26,040	\$ 31,934	\$ 38,089	\$ 44,512

LOCAL CAPTURE	Millage Rate	1	2	3	4	5	6	7	8	9
		2014	2015	2016	2017	2018	2019	2020	2021	2022
TBA- ISD	2.9312	\$ 1,604	\$ 3,208	\$ 4,811	\$ 5,038	\$ 5,271	\$ 5,511	\$ 5,759	\$ 6,014	\$ 6,276
County	6.2433	\$ 3,416	\$ 6,832	\$ 10,248	\$ 10,730	\$ 11,227	\$ 11,739	\$ 12,266	\$ 12,809	\$ 13,368
NMC	2.9400	\$ 1,609	\$ 3,217	\$ 4,826	\$ 5,053	\$ 5,287	\$ 5,528	\$ 5,776	\$ 6,032	\$ 6,295
TADL	1.1092	\$ 607	\$ 1,214	\$ 1,821	\$ 1,906	\$ 1,995	\$ 2,086	\$ 2,179	\$ 2,276	\$ 2,375
Local Unit Rate (Note need twp and village separate lines)	13.4367	\$ 7,352	\$ 14,704	\$ 22,055	\$ 23,093	\$ 24,163	\$ 25,264	\$ 26,398	\$ 27,567	\$ 28,770
BATA	0.3454	\$ 189	\$ 378	\$ 567	\$ 594	\$ 621	\$ 649	\$ 679	\$ 709	\$ 740
LOCAL - Total Capture	27.0058	\$ 14,776	\$ 29,552	\$ 44,328	\$ 46,415	\$ 48,563	\$ 50,777	\$ 53,057	\$ 55,405	\$ 57,823
Local - Accumulated Capture to Reimbursables		\$ 14,776	\$ 44,328	\$ 88,656	\$ 135,071	\$ 183,634	\$ 234,411	\$ 287,468	\$ 342,872	\$ 400,696

TOTAL TAX CAPTURE	\$ 51,0058	\$ 27,908	\$ 55,815	\$ 83,723	\$ 87,663	\$ 91,722	\$ 95,902	\$ 100,208	\$ 104,643	\$ 109,211
Accumulated for State BRF		\$ 1,641	\$ 4,924	\$ 9,849	\$ 15,005	\$ 20,399	\$ 26,040	\$ 31,934	\$ 38,089	\$ 44,512
Accumulated for Reimbursement to Developer, Admin & LSRRF		\$ 26,266	\$ 78,798	\$ 157,597	\$ 240,103	\$ 326,430	\$ 416,692	\$ 511,005	\$ 609,493	\$ 712,281
Accumulated Total Tax Capture		\$ 27,908	\$ 83,723	\$ 167,445	\$ 255,108	\$ 346,830	\$ 442,732	\$ 542,939	\$ 647,582	\$ 756,793

TOTAL CAPTURE	Amount	Percent
State (less BRF)	\$ 1,609,533	44%
Local	\$ 2,069,844	56%

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

(2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.
(3) Increased 3% per year to adjust for inflation
(4) Not applicable to 18 Mill School Operating tax
(5) Not including Authority administrative expenses

Table 2 - Tax Increment Financing Estimates

Project Name: TBA Credit Union
Traverse City

Eligible Expenses for Reimbursement under ACT 381	
MDEQ Eligible Activities and Interest	\$ 1,652,478
MSF Eligible Activities and Interest	\$ 1,017,308
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 741,367
Total Eligible Costs for TIF Reimbursement (5)	\$ 3,449,600

\$ 2,669,786

State/Local Millages			
	Millage	Percentage	Eligible Cost
Local	27.0058	52.95%	\$ 1,452,006
State	24.0000	47.05%	\$ 1,256,227

Plan Year		10	11	12	13	14	15	16	17	18
Actual Year		2023	2024	2025	2026	2027	2028	2029	2030	2031
Base (Existing) Taxable Value Non-Homestead (TV):		\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700
New TV for Non-Homestead (3)		\$ 3,167,088	\$ 3,262,101	\$ 3,359,964	\$ 3,460,763	\$ 3,564,586	\$ 3,671,523	\$ 3,781,669	\$ 3,895,119	\$ 4,011,973
Incremental Difference Non-Homestead (New TV - Existing)		\$ 2,233,388	\$ 2,328,401	\$ 2,426,264	\$ 2,527,063	\$ 2,630,886	\$ 2,737,823	\$ 2,847,969	\$ 2,961,419	\$ 3,078,273
Base (Existing) Taxable Value Homestead (TV):		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New TV for Homestead (4)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental Difference Homestead (New TV - Existing)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCREMENT		\$ 2,233,388	\$ 2,328,401	\$ 2,426,264	\$ 2,527,063	\$ 2,630,886	\$ 2,737,823	\$ 2,847,969	\$ 2,961,419	\$ 3,078,273
		10	11	12	13	14	15	16	17	18
		2023	2024	2025	2026	2027	2028	2029	2030	2031
STATE CAPTURE	Millage Rate									
State Education Tax (SET, less 3 for BRF)	3.0000	\$ 6,700	\$ 6,985	\$ 7,279	\$ 7,581	\$ 7,893	\$ 8,213	\$ 8,544	\$ 8,884	\$ 9,235
School Operating (NA to Homestead)	18.0000	\$ 40,201	\$ 41,911	\$ 43,673	\$ 45,487	\$ 47,356	\$ 49,281	\$ 51,263	\$ 53,306	\$ 55,409
State Total to Reimbursables	21.0000	\$ 46,901	\$ 48,896	\$ 50,952	\$ 53,068	\$ 55,249	\$ 57,494	\$ 59,807	\$ 62,190	\$ 64,644
Accumulated State Total to Reimbursables		\$ 358,486	\$ 407,383	\$ 458,334	\$ 511,403	\$ 566,651	\$ 624,145	\$ 683,953	\$ 746,143	\$ 810,786
State Brownfield Redevelopment Fund (BRF)	3.0000	\$ 6,700	\$ 6,985	\$ 7,279	\$ 7,581	\$ 7,893	\$ 8,213	\$ 8,544	\$ 8,884	\$ 9,235
State BRF Accumulated Capture		\$ 51,212	\$ 58,198	\$ 65,476	\$ 73,058	\$ 80,950	\$ 89,164	\$ 97,708	\$ 106,592	\$ 115,827
		10	11	12	13	14	15	16	17	18
		2023	2024	2025	2026	2027	2028	2029	2030	2031
LOCAL CAPTURE	Millage Rate									
TBA- ISD	2.9312	\$ 6,547	\$ 6,825	\$ 7,112	\$ 7,407	\$ 7,712	\$ 8,025	\$ 8,348	\$ 8,681	\$ 9,023
County	6.2433	\$ 13,944	\$ 14,537	\$ 15,148	\$ 15,777	\$ 16,425	\$ 17,093	\$ 17,781	\$ 18,489	\$ 19,219
NMC	2.9400	\$ 6,566	\$ 6,845	\$ 7,133	\$ 7,430	\$ 7,735	\$ 8,049	\$ 8,373	\$ 8,707	\$ 9,050
TADL	1.1092	\$ 2,477	\$ 2,583	\$ 2,691	\$ 2,803	\$ 2,918	\$ 3,037	\$ 3,159	\$ 3,285	\$ 3,414
Local Unit Rate (Note need twp and village separate lines)	13.4367	\$ 30,009	\$ 31,286	\$ 32,601	\$ 33,955	\$ 35,350	\$ 36,787	\$ 38,267	\$ 39,792	\$ 41,362
BATA	0.3454	\$ 771	\$ 804	\$ 838	\$ 873	\$ 909	\$ 946	\$ 984	\$ 1,023	\$ 1,063
LOCAL - Total Capture	27.0058	\$ 60,314	\$ 62,880	\$ 65,523	\$ 68,245	\$ 71,049	\$ 73,937	\$ 76,912	\$ 79,975	\$ 83,131
Local - Accumulated Capture to Reimbursables		\$ 461,010	\$ 523,890	\$ 589,413	\$ 657,659	\$ 728,708	\$ 802,645	\$ 879,557	\$ 959,532	\$ 1,042,663
TOTAL TAX CAPTURE		51.0058	\$ 113,916	\$ 118,762	\$ 123,754	\$ 128,895	\$ 134,190	\$ 139,645	\$ 145,263	\$ 151,050
Accumulated for State BRF		\$ 51,212	\$ 58,198	\$ 65,476	\$ 73,058	\$ 80,950	\$ 89,164	\$ 97,708	\$ 106,592	\$ 115,827
Accumulated for Reimbursement to Developer, Admin & LSRF		\$ 819,496	\$ 931,273	\$ 1,047,748	\$ 1,169,061	\$ 1,295,359	\$ 1,426,791	\$ 1,563,510	\$ 1,705,675	\$ 1,853,450
Accumulated Total Tax Capture		\$ 870,709	\$ 989,471	\$ 1,113,224	\$ 1,242,119	\$ 1,376,309	\$ 1,515,954	\$ 1,661,217	\$ 1,812,267	\$ 1,969,276

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

(2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.

(3) Increased 3% per year to adjust for inflation

(4) Not applicable to 18 Mill School Operating tax

(5) Not including Authority administrative expenses

Table 2 - Tax Incremental Financing Estimates

Project Name: TBA Credit Union
Traverse City

Eligible Expenses for Reimbursement under ACT 381	
MDEQ Eligible Activities and Interest	\$ 1,652,478
MSF Eligible Activities and Interest	\$ 1,017,308
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 741,367
Total Eligible Costs for TIF Reimbursement (5)	\$ 3,449,600

		Developer Repaid						END					
Plan Year		19	20	21	22	23	24	25	26	27	28	29	30
Actual Year		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Base (Existing) Taxable Value Non-Homestead (TV):		\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700
New TV for Non-Homestead (3):		\$ 4,132,332	\$ 4,256,302	\$ 4,383,991	\$ 4,515,510	\$ 4,650,976	\$ 4,790,505	\$ 4,934,220	\$ 5,082,247	\$ 5,234,714	\$ 5,391,756	\$ 5,553,508	\$ 5,720,114
Incremental Difference Non-Homestead (New TV - Existing)		\$ 3,198,632	\$ 3,322,602	\$ 3,450,291	\$ 3,581,810	\$ 3,717,276	\$ 3,856,805	\$ 4,000,520	\$ 4,148,547	\$ 4,301,014	\$ 4,458,056	\$ 4,619,808	\$ 4,786,414
Base (Existing) Taxable Value Homestead (TV):		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New TV for Homestead (4)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental Difference Homestead (New TV - Existing)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCREMENT		\$ 3,198,632	\$ 3,322,602	\$ 3,450,291	\$ 3,581,810	\$ 3,717,276	\$ 3,856,805	\$ 4,000,520	\$ 4,148,547	\$ 4,301,014	\$ 4,458,056	\$ 4,619,808	\$ 4,786,414
STATE CAPTURE	Millage Rate	19	20	21	22	23	24	25	26	27	28	29	30
		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
State Education Tax (SET, less 3 for BRF)	3.0000	\$ 9,596	\$ 9,968	\$ 10,351	\$ 10,745	\$ 11,152	\$ 11,570	\$ 12,002	\$ 12,446	\$ 12,903	\$ 13,374	\$ 13,859	\$ 14,359
School Operating (NA to Homestead)	18.0000	\$ 57,575	\$ 59,807	\$ 62,105	\$ 64,473	\$ 66,911	\$ 69,422	\$ 72,009	\$ 74,674	\$ 77,418	\$ 80,245	\$ 83,157	\$ 86,155
State Total to Reimbursables	21.0000	\$ 67,171	\$ 69,775	\$ 72,456	\$ 75,218	\$ 78,063	\$ 80,993	\$ 84,011	\$ 87,119	\$ 90,321	\$ 93,619	\$ 97,016	\$ 100,515
Accumulated State Total to Reimbursables		\$ 877,958	\$ 947,732	\$ 1,020,188	\$ 1,095,406	\$ 1,173,469	\$ 1,254,462	\$ 1,338,473	\$ 1,425,592	\$ 1,515,914	\$ 1,609,533	\$ 1,706,549	\$ 1,807,064
State Brownfield Redevelopment Fund (BRF)	3.0000	\$ 9,596	\$ 9,968	\$ 10,351	\$ 10,745	\$ 11,152	\$ 11,570	\$ 12,002	\$ 12,446	\$ 12,903	\$ 13,374	\$ 13,859	\$ 14,359
State BRF Accumulated Capture		\$ 125,423	\$ 135,390	\$ 145,741	\$ 156,487	\$ 167,638	\$ 179,209	\$ 191,210	\$ 203,656	\$ 216,559	\$ 229,933	\$ 243,793	\$ 258,152
LOCAL CAPTURE	Millage Rate	19	20	21	22	23	24	25	26	27	28	29	30
		2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
TBA- ISD	2.9312	\$ 9,376	\$ 9,739	\$ 10,113	\$ 10,499	\$ 10,896	\$ 11,305	\$ 11,726	\$ 12,160	\$ 12,607	\$ 13,067	\$ 13,542	\$ 14,030
County	6.2433	\$ 19,970	\$ 20,744	\$ 21,541	\$ 22,362	\$ 23,208	\$ 24,079	\$ 24,976	\$ 25,901	\$ 26,853	\$ 27,833	\$ 28,843	\$ 29,883
NMC	2.9400	\$ 9,404	\$ 9,768	\$ 10,144	\$ 10,531	\$ 10,929	\$ 11,339	\$ 11,762	\$ 12,197	\$ 12,645	\$ 13,107	\$ 13,582	\$ 14,072
TADL	1.1092	\$ 3,548	\$ 3,685	\$ 3,827	\$ 3,973	\$ 4,123	\$ 4,278	\$ 4,437	\$ 4,602	\$ 4,771	\$ 4,945	\$ 5,124	\$ 5,309
Local Unit Rate (Note need twp and village separate lines)	13.4367	\$ 42,979	\$ 44,645	\$ 46,361	\$ 48,128	\$ 49,948	\$ 51,823	\$ 53,754	\$ 55,743	\$ 57,791	\$ 59,902	\$ 62,075	\$ 64,314
BATA	0.3454	\$ 1,105	\$ 1,148	\$ 1,192	\$ 1,237	\$ 1,284	\$ 1,332	\$ 1,382	\$ 1,433	\$ 1,486	\$ 1,540	\$ 1,596	\$ 1,653
LOCAL - Total Capture	27.0058	\$ 86,382	\$ 89,730	\$ 93,178	\$ 96,730	\$ 100,388	\$ 104,156	\$ 108,037	\$ 112,035	\$ 116,152	\$ 120,393	\$ 124,762	\$ 129,261
Local - Accumulated Capture to Reimbursables		\$ 1,129,045	\$ 1,218,775	\$ 1,311,952	\$ 1,408,682	\$ 1,509,070	\$ 1,613,226	\$ 1,721,263	\$ 1,833,298	\$ 1,949,451	\$ 2,069,844	\$ 2,194,606	\$ 2,323,867
TOTAL TAX CAPTURE	51.0058	\$ 163,149	\$ 169,472	\$ 175,985	\$ 182,693	\$ 189,603	\$ 196,719	\$ 204,050	\$ 211,600	\$ 219,377	\$ 227,387	\$ 235,637	\$ 244,135
Accumulated for State BRF		\$ 125,423	\$ 135,390	\$ 145,741	\$ 156,487	\$ 167,638	\$ 179,209	\$ 191,210	\$ 203,656	\$ 216,559	\$ 229,933	\$ 243,793	\$ 258,152
Accumulated for Reimbursement to Developer, Admin & LSRRF		\$ 2,007,003	\$ 2,166,507	\$ 2,332,141	\$ 2,504,088	\$ 2,682,539	\$ 2,867,688	\$ 3,059,736	\$ 3,258,891	\$ 3,465,364	\$ 3,679,377	\$ 3,901,155	\$ 4,130,930
Accumulated Total Tax Capture		\$ 2,132,425	\$ 2,301,897	\$ 2,477,882	\$ 2,660,575	\$ 2,850,178	\$ 3,046,897	\$ 3,250,947	\$ 3,462,547	\$ 3,681,923	\$ 3,909,310	\$ 4,144,947	\$ 4,389,082

LSRF TABLE				Year 1 of LSRF	Year 2 LSRF	Year 3 LSRF	Year 4 LSRF	Year 5 LSRF	Total
			Local taxes to LSRF	\$ 57,064	\$ 100,388	\$ 104,156	\$ 108,037	\$ 112,035	\$ 481,680
			State Taxes to LSRF Not To Exceed:	\$ 777,548		\$ 82,246	\$ 87,119	\$ 90,321	\$ 259,687
			Total	\$ 57,064	\$ 100,388	\$ 186,402	\$ 195,157	\$ 202,356	\$ 741,367
			Accumulated	\$ 57,064	\$ 157,452	\$ 343,854	\$ 539,011	\$ 741,367	

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

(2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.

(3) Increased 3% per year to adjust for inflation

(4) Not applicable to 18 Mill School Operating tax

(5) Not including Authority administrative expenses

Attachment A
Brownfield Plan



**Resolution Concurring with Grand Traverse County
Brownfield Plan Amendment Regarding Traverse Bay Area Credit Union
(626 and 636 E. Front Street)**

- Because, the Brownfield Redevelopment Authority met in regular session on April 3, 2013 and reviewed the Brownfield Plan for TBA Credit Union, Redevelopment and Reuse of the Properties Located at 626 and 636 East Front Street with recommendation for approval; and
- Because, properties within the Brownfield Plan are in the City of Traverse City; and
- Because, pursuant to Act 381, concurrence must be received by the governmental unit in which brownfield plan lies; being of the City of Traverse City; and
- Because, the Plan identifies eligible activities totaling \$2,708,233, of which \$725,408 are derived from Michigan Economic Growth Authority activities and \$1,188,452 are derived from Michigan Department of Environmental Quality activities, all of which are detailed on Attachment C of the Brownfield Plan, which is made a part of resolution; and
- Because, the Plan will allow for the clean-up of contamination and redevelopment of properties located at 626 and 636 East Front Street into a multi-story office and financial institution headquarters; and
- Because, there are ancillary public purposes that will be realized by the public through investment and redevelopment of this property; including, but not limited to, the remediation of soil and groundwater contamination; now therefore be it
- Resolved,** that the Brownfield Plan constitutes a public purpose and will facilitate investment and redevelopment of the properties in the Brownfield Plan by:
- a. Increasing tax base and providing a significant number of new jobs in downtown.
 - b. Demolition of underutilized structures.
 - c. Environmental remediation, addressing groundwater and soil contamination sources; and, further be it
- Resolved,** that the Brownfield Plan is consistent with the requirements of Section 14(1) of Act 381 (MCL 125.2664), in particular:
- a. The Brownfield plan provides all of the information required in Section 13 of Act 381 (MCL .2663).
 - b. Financing of costs of eligible activities will be through the capture of tax increment revenue, with brownfield plan ending on or before 2034.

- c. The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of the Brownfield Financing Act.

I hereby certify that the above resolution was adopted by the Traverse City City Commission at its regular meeting held on April 15, 2013, in the Commission Chambers of the Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.



Benjamin C. Marentette, CMC, City Clerk

RESOLUTION

52-2013

**Findings for Approval for Brownfield Plan
Traverse Bay Area Credit Union (626 and 636 E. Front Street)**

WHEREAS, The Brownfield Redevelopment Authority met in regular session on April 3, 2013 and reviewed the Brownfield Plan for TBA Credit Union, Redevelopment and Reuse of the Properties Located at 626 and 636 East Front Street with recommendation for approval; and,

WHEREAS, Properties within the Brownfield Plan are in the City of Traverse City; and,

WHEREAS, Pursuant to Act 381, concurrence must be received by the governmental unit in which brownfield plan lies, being the City of Traverse City and has been received per action of the City Commission of April 15, 2013; and,

WHEREAS, the Plan identifies eligible activities totaling \$2,708,233, of which \$725,408 are derived from Michigan Economic Growth Authority activities and \$1,188,452 are derived from Michigan Department of Environmental Quality activities; and,

WHEREAS, the plan will allow for the clean-up of contamination and redevelopment of properties located at 626 and 636 East Front Street into a multi-story office and financial institution headquarters; and,

WHEREAS, there are ancillary public purposes that will be realized by the public through investment and redevelopment of this property; including, but not limited to, the remediation of soil and groundwater contamination,

NOW, THEREFORE, BE IT RESOLVED, THAT:

- I. The Brownfield Plan constitutes a public purpose and will facilitate investment and redevelopment of the properties in the Brownfield Plan by:
 - a. Increasing Tax base and providing a significant number of new jobs in downtown.
 - b. Demolition of underutilized structures.

c. Environmental Remediation, addressing groundwater and soil contamination sources.

2. The Brownfield Plan is consistent with the requirements of Section 14(1) of Act 381 (MCL 125.2664), in particular:

a. The Brownfield Plan provides all of the information required in Section 13 of Act 381 (MCL 2663).

b. Financing the costs of eligible activities will be through the capture of tax increment revenue, with brownfield plan ending on or before 2034.

c. The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of the Brownfield Financing Act.

APPROVED: April 24, 2013

I HEREBY CERTIFY THIS COPY TO BE A
TRUE AND CORRECT COPY OF THE RECORD ON
FILE WITH THE OFFICE OF COUNTY CLERK
BONNIE SCHEELE
GRAND TRAVERSE COUNTY CLERK
BY: *[Signature]*
CLERK/DEPUTY COUNTY CLERK
DATE: 4/20/2013

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN FOR
THE TBA CREDIT UNION
REDEVELOPMENT OF AND REUSE
OF THE PROPERTIES
LOCATED AT 626 AND 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN

Prepared by:

Grand Traverse County Brownfield Redevelopment Authority
400 Boardman Avenue
Traverse City, Michigan 49684
Contact Person: Jean Derenzy
Email: jderenzy@grandtraverse.org
Phone: (734) 665-8825

AKT Peerless Environmental & Energy Services
12719 S. West Bay Shore Drive, Suite 8
Harbor West Building
Traverse City, Michigan 49684
Contact Person: Eric P. Helzer
Email: helzere@aktpeerless.com
Phone: (231) 941-2366

Last Revision Date: March 26, 2013

Approved by GTCBRA on: _____, 2013

Approved by City of Traverse City on: _____, 2013

Approved by Grand Traverse County Board of Commissioners on: _____, 2013

**GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN**

TABLE OF CONTENTS

I.INTRODUCTION	7
A. General	7
II.GENERAL PROVISIONS	7
A. Description of Eligible Property (Section 13 (1)(h))	7
B. Basis of Eligibility (Section 13 (1)(h) , Section 2 (o))	9
C. Summary of Eligible Activities and Description of Costs (Section 13 (1)(a),(b))	10
D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(1)(g), Section 2(ii))	12
E. Plan of Financing (Section 13(1)(d)); Maximum Amount of Indebtedness (Section 13(1)(e))	13
F. Local Site Remediation Revolving Fund (“LSRRF”) (Section 8, Section 13(1)(m))	13
G. Duration of Plan (Section 13(1)(f))	14
H. Effective Date of Inclusion in Brownfield Plan (Section 13(1)(f))	14
I. Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))	14
J. Other Information (Section 13(1)(n))	14

III. ATTACHMENTS

A. Site Maps and Photographs

Figure 1 – Scaled Property Location Map

Figure 2 – Eligible Property Boundary Map

B. Legal Descriptions

C. Tables

Table 1 – MDEQ and MSF Eligible Activities

Table 2 – Tax Increment Financing Estimates

PROJECT SUMMARY

Project Name: TBA Credit Union - Redevelopment and Reuse of Properties Located at 626 and 636 East Front Street, Traverse City, Michigan

Developer: TBA Credit Union
2900 W. South Airport Rd.
Traverse City, Michigan 49684
Karen Browne
(231) 946-7141

Eligible Property Location: The Eligible Property is located at 626 and 636 East Front Street, Traverse City, Michigan. Parcel ID Numbers 28-51-102-003-10, and 28-51-102-006-00, respectively.

Type of Eligible Property: Facility

Project Description: The project (Project) consists of the redevelopment of the Property, which is located at 626 and 636 East Front Street in the City of Traverse City. The Project will include construction of a contemporary multi-story office and financial institution headquarters. The redevelopment includes environmental activities, non-environmental activities and economic development to further goals of the City of Traverse City, Grand Traverse County, the Michigan Department of Environmental Quality (MDEQ) and the Michigan Economic Development Corporation (MEDC). The comprehensive redevelopment of this site will include demolition of the existing structures (vacant gasoline station and restaurant buildings), remediation of soil and groundwater contamination, and redevelopment of a new 21,266 square foot three story building with a partially finished basement. The building will be the new TBA Credit Union corporate headquarters, as well as a new branch location.

There is an existing source area of hydrocarbon contamination in the vicinity of the former dispenser islands of the vacant gasoline station. Removal and/or treatment of this source area will be incorporated as a response activity for this project to ensure that it no longer adversely affects the quality of groundwater migrating from the site to the adjoining City of Traverse City Sunset Park and Traverse Bay.

TBA Credit Union is a strong supporter of the Traverse City community and is committed to putting these two underutilized properties back to productive use. The project will greatly improve the appearance of the area and be an attractive gateway building into the City. TBA Credit Union participates in several local volunteer activities, and it frequently conducts member and community educational seminars. In addition, TBA Credit Union often receives requests from organizations to house meetings and other events. The new building, therefore, is necessary for TBA Credit Union to further its goals of (a) better serving the community by offering more investment, mortgage, and commercial loan products, and (b) increasing civic participation.

The Project is seeking approval of Tax Increment Financing (TIF) and an MDEQ Brownfield Redevelopment Loan. Construction is expected to begin at the end of the 2nd quarter of 2013.

Eligible Activities:	Baseline Environmental Assessment (BEA) Activities {Phase I Environmental Site Assessment (ESA), Phase II ESAs, and BEA}, Due Care Activities, Additional Response Activities, Preparation of a Brownfield Plan and Act 381 Work Plan, Demolition, Lead and Asbestos Survey and Abatement, Site Preparation, Infrastructure Improvements, and Reasonable Costs of Environmental Insurance.
Reimbursable Costs:	\$2,821,034 (Est. Eligible Activities, Contingency, Interest) \$ (112,800) (GTCBRA 5% Withholding) <u>\$ 741,367</u> (LSRRF) \$3,449,601
Duration of Plan:	Estimated reimbursement of eligible activities is 25 years, not including administrative expenses and LSRRF deposits, which will extend tax capture (not to exceed 30 years)
Estimated Total Capital Investment:	\$7.285 million
Base Taxable Value:	\$933,700

List of Acronyms:

BEA	Baseline Environmental Assessment (Michigan process to provide new property owners and/or operators with exemptions from environmental liability)
BFP or Plan	Brownfield Plan
Developer	TBA Credit Union
Eligible Property	Property for property for which eligible activities are identified under a Brownfield Plan.
ESA	Environmental Site Assessment
FAR	Final Assessment Report
GTC	Grand Traverse County
GTC BOC	Grand Traverse County Board of Commissioners
GTCBRA	Grand Traverse County Brownfield Redevelopment Authority
LSRRF	Local Site Remediation Revolving Fund
MDEQ	Michigan Department of Environmental Quality
MEDC	Michigan Economic Development Corporation
MSF	Michigan Strategic Fund (agency that approves use of school tax revenue to support non-environmental Brownfield activities)
Phase I ESA	An environmental historical review and site inspection (no soil and/or groundwater sampling and analysis)
Phase II ESA	Environmental subsurface investigation (includes soil and/or groundwater sampling and analysis)
Property	The Eligible Property, located at 626 and 636 East Front Street, southwest of the intersection of East Front and Hope Streets in Traverse City, Grand Traverse County, Michigan. It comprises 2 parcels.
RCC	Residential Cleanup Criteria
RC	Restrictive Covenant
TIF	Tax Increment Financing (TIF describes the <i>process</i> of using TIR—i.e., TIF is the use of TIR to provide financial support to a project)
TIR	Tax Increment Revenue (incremental increase in property tax revenue, usually due to redevelopment and improvement that is generated by a property after approval of a Brownfield Plan)

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.

This Brownfield Plan (“Plan”) serves dual purpose; to promote the redevelopment of and investment in certain “Brownfield” properties within the County, and to accomplish cleanup of environmental contamination on these properties. Inclusion of Property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in 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.

The identification or designation of a developer or proposed use for the Eligible Property that is the subject of this Plan shall not be integral to the effectiveness or validity of this Plan. This Plan is intended to apply to the Eligible Property identified in this Plan and, if tax increment revenues are proposed to be captured from 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(1) of Act 381.

II. GENERAL PROVISIONS

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

The Eligible Property (“Property”) is located at 626 and 636 East Front Street, in Section 2 (Township 27 North /Range 11 West) in Traverse City, Grand Traverse County, Michigan. The Property is situated southwest of the intersection of East Front Street and Hope Street. The Property consists of two parcels that contain approximately 1.34 acres. The Property is located in an area of the City of Traverse City (“City”) that is characterized by commercial, multi-tenant residential, resort, and recreational properties. Grand Traverse Bay is nearby to the north, and the Property is abutted by surface roadways, municipal water, sanitary and storm sewer services, and electrical and gas utilities.

For ease of reference, AKT Peerless has designated each of the Eligible Property parcels with a letter. These designations have no relevance to legally recorded data about the Eligible Property. See Attachment A, Figure 2 – Eligible Property Boundary Map.

Parcel	Address	Tax Identification Number	Basis of Brownfield Eligibility	Approximate Acreage
A	626 East Front Street	28-51-102-003-10	Facility	0.84
B	636 East Front Street	28-51-102-006-00	Facility	0.50

The Property is zoned Hotel Resort District (HR). It currently contains two vacant commercial buildings (a former restaurant building on Parcel A, and a former gasoline station building on Parcel B). Exterior portions of the Property include paved parking areas, driveways, and landscaped areas. In addition, a wooden deck patio, a greenbelt area, and concrete dumpster enclosure are located on Parcel A; and a large canopy over two former pump islands, concrete, asphalt, gravel paved areas, and a small walk-in-cooler are located on Parcel B.

The Project proposes to redevelop an underutilized vacant property into a contemporary multi-story office and financial institution headquarters. The redevelopment integrates design elements, environmental cleanup, and economic development to further goals of the City of Traverse City, Grand Traverse County (GTC), the Michigan Department of Environmental Quality (MDEQ) and the Michigan Economic Development Corporation (MEDC). It will result in: (1) the community and municipal benefits of increased property taxes on the Property; (2) due care and additional response activities that will address the contamination on the Property, reducing the threat to human health and the environment; and (3) a substantial improvement to the appearance and aesthetics of the Property which will assist in increasing the property values of the neighboring community. The overall redevelopment of this site will include demolition of the existing structures, remediation, and redevelopment of a new 21,266 square foot three story building with a partially finished basement.

TBA Credit Union is a growing financial institution. In order to meet the demands of its members and to have space to hire additional staff, a new location is necessary. TBA Credit Union searched other properties that would have been more affordable, but it decided that it was most important to be located within the City to best serve its members and non-members alike.

TBA Credit Union has a strong desire to put these two vacant properties back to productive use and drastically improve the aesthetics of the neighborhood. TBA Credit Union is a large supporter of the community. It frequently participates in volunteer activities and conducts member and community educational seminars. A new building will allow TBA Credit Union the opportunity to provide expanded meeting and community event space to the neighboring community. TBA Credit Union's mission is to serve the community by building trusted relationships, providing customized financial

products, advocating financial literacy, and encouraging volunteerism. Redevelopment of this Property will ultimately help TBA Credit Union to meet its goals and that of the community.

Attachment A includes site maps of the Eligible Property, refer to: Figure 1, Scaled Property Location Map, Figure 2, Eligible Property Boundary Map (which includes lot dimensions). The legal descriptions of the parcel(s) included in the Eligible Property are presented in Attachment B.

The parcel and all tangible real and personal property located thereon will comprise the Eligible Property and is referred to herein as the “Property.”

B. Basis of Eligibility (Section 13 (1)(h) , Section 2 (o))

The Property is considered “Eligible Property” as defined by Act 381, Section 2 because: (a) the Property was previously utilized as a commercial property (gasoline station and restaurant); (b) it is located within the City of Traverse City, a qualified local governmental unit, or “Core Community” under Act 381; and (c) each of the parcels comprised by the Property has been determined to be a “facility.”

Parcel A contained railroad sidings and an associated platform from the 1910s to the 1970s, warehousing from the late 1920s to the 1970s, and a restaurant from the late 1970s until the late 2000s. Parcel B contained railroad sidings and a fruit warehouse from the 1910s to the late 1960s, a gasoline service station from the late 1960s to the early 2000s, and a produce stand from the mid-2000s to 2012.

On July 21, 2012 AKT Peerless completed a Phase I Environmental Site Assessment (ESA) for the Property on behalf of TBA Credit Union. Also in July 2012, AKT Peerless conducted a Phase II ESA on the Property. Prior subsurface investigations had been completed on the Property between 2001 and 2012 in association with the UST releases at 636 East Front Street. Based on analytical results obtained during the subsurface investigations conducted between 2001 and 2012, petroleum constituents (e.g., benzene, toluene, ethylbenzene, xylenes [BTEX], trimethylbenzene isomers [TMBs], etc.) were detected on the property at concentrations exceeding MDEQ Residential Cleanup Criteria (RCC).

On February 14 and 15, 2013, AKT Peerless conducted a Supplemental Phase II ESA including a soil gas evaluation to further evaluate contamination on the Property. Based on analytical results obtained during the 2013 Supplemental Phase II ESA, volatile including tetrachloroethylene and petroleum constituents (e.g., benzene, toluene, ethylbenzene, xylenes [BTEX], trimethylbenzene isomers [TMBs]) were detected in soil and groundwater on the property at concentrations exceeding MDEQ RCC and Non-Residential Cleanup Criteria (NRCC). Concentrations in soil were detected above the Groundwater-Surface Water Interface Protection (GSIP) criteria and Drinking Water Protection (DWP) criteria. Concentrations in groundwater were detected above the Groundwater-Surface Water Interface (GSI) criteria, Drinking Water (DW) criteria, and draft Groundwater Sump Concentrations for Vapor Intrusion (GSVI).

Therefore, Parcels A and B meet the definition of a “facility” as defined by Part 201 of NREPA, Michigan PA 451 of 1994, as amended.

A Restrictive Covenant (RC) for 636 East Front Street was submitted to the Register of Deeds by Blarney Castle in July 2012. The RC imposes requirements that users of the property must adhere to during redevelopment and future use. These RC requirements, along with the existing site conditions have created increased costs upon the proposed TBA Credit Union project. Excavation, dewatering, soil transportation and disposal, groundwater activities, storm water systems, engineered controls and vapor mitigation activities must be carefully managed during the redevelopment.

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

The “eligible activities” that are intended to be carried out at the Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include BEA Activities (Phase I ESA, Phase II ESAs, and BEA), due care activities, additional response activities, preparation of Brownfield and Act 381 work plans, lead and asbestos survey and abatement, demolition site preparation, infrastructure improvements, and the reasonable costs of environmental insurance (see Table 1). Response activities will include a focus on the cleanup of a source area of hydrocarbon contamination beneath the former dispenser island located on the vacant gas station site. Contaminated groundwater has been detected migrating from this area to the north to the Sunset Park property. Although impacted groundwater migrating from this source area does not appear to be currently reaching Traverse Bay, the ability to access the contamination in the future would be significantly adversely affected by the development should plume migration conditions change in the future. Accordingly, the completion of this project represents a unique opportunity to accomplish long term environmental benefits and protect the water resources within the City of Traverse City.

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 are shown in the table below. As shown, GTCBRA covers only 95% of eligible activity costs. The Developer is solely responsible for the remainder.

ESTIMATED COST OF REIMBURSIBLE ELIGIBLE ACTIVITIES

Description of Eligible Activities	Estimated Cost*
1. BEA Activities	\$ 36,011
2. Due Care Activities	\$ 695,373
3. Additional Response Activities	\$ 407,068
4. Environmental Insurance	\$ 50,000
5. Demolition	\$ 75,000
6. Lead & Asbestos Survey and Abatement	\$ 37,710
7. Site Preparation	\$ 554,849
8. Infrastructure Improvements	\$ 57,850
Subtotal \$	1,913,861
9. 15% Contingency**	\$ 281,677
10. GTCBRA Applications	\$ 30,470
11. Preparation of a Brownfield Plan	\$ 10,000
12. Preparation of Work Plans	\$ 20,000
Subtotal \$	2,256,008
13. GTCBRA 5% Withholding	\$ (112,800)
Subtotal \$	2,143,208
14. Interest***	\$ 565,026
15. LSRRF Deposits*****	\$ 741,367
Total*****	\$ 3,449,600

*Estimated costs are subject to approval by MSF and MDEQ. Any costs not approved by the MSF or MDEQ may become local only costs paid out of captured tax increment revenues from locally levied millages (to the extent available).

**The contingency is applied to the Subtotal, excepting the BEA Activities, which have already been performed.

***Interest is calculated annually at 2.5% simple interest on unreimbursed eligible activities, in accordance with GTCBRA policy.

****LSRRF deposits will be made in accordance with Act 381.

*****Not including Authority administrative expenses

A detailed breakout of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the Property are shown in Attachment C, Table 1.

It is currently anticipated that construction will begin in June 2013 and be completed by December 2014.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the Authority and used to

reimburse the cost of the eligible activities completed on the Property after approval of this Plan.

In accordance with this Plan and the associated Reimbursement Agreement, the amount advanced by the Developer will be repaid by the Authority, together with interest at the rate set at 2.5% simple interest, solely from the tax increment revenues realized from the Eligible Property. Payments will be made to the full extent incremental property tax revenues are or become available for such purpose under the Act. Based on the projected cost of eligible activities, interest reimbursement in this Plan is estimated at \$565,026. However, if the actual cost of eligible activities turns out to be lower than the above estimates, interest reimbursement may be lower, subject to the 2.5% simple interest calculation

Tax increment revenues will first be used to pay or reimburse administrative expenses in accordance with Act 381. Capture of tax increment revenue for administrative expenses may extend the developer's reimbursement period. The amount of school tax revenues, which will be used to reimburse the costs of implementing eligible activities at this site, will be limited to the cost of eligible activities approved by the MDEQ and the MSF, together with the interest rate provided above. In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MDEQ or MSF, these specific activities will be reimbursed with local-only TIF (to the extent available).

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

D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(1)(g), Section 2(ii))

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. A table of estimated tax increment revenues to be captured is attached to this Plan as Attachment C, Table 2. Tax increment revenue capture is expected to begin in 2015.

The total estimated cost of the eligible activities and other costs (including contingency, interest, and LSRRF deposits) to be reimbursed through the capture of tax increment revenue is projected to be \$3,449,600. This total does not include administrative expenses, the capture of which may lengthen the reimbursement period. The estimated effective initial taxable value for this Plan is \$933,700, and is based on land and real property tax only. Redevelopment of the Property is expected to initially generate

incremental taxable value in 2014 with the first significant increase in taxable value of approximately \$547,144 beginning in 2014.

It is estimated that the Authority will capture the 2014 through 2040 tax increment revenues to reimburse the cost of the eligible activities, reimburse interest, and deposit into the LSRRF. This estimate does not include capture for administrative expenses, which could lengthen the reimbursement period. The reimbursement period shall not exceed 30 years.

The captured incremental taxable value and associated tax increment revenue 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 are shown in Attachment C, Table 2. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions.

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

Eligible activities are to be financed by the Developer, who has applied for a MDEQ Brownfield Redevelopment Loan. The Authority will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the Property as available, and subject to the Reimbursement Agreement.

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 and estimates of costs to be reimbursed in this Plan is intended to authorize the Authority to fund such reimbursements and does not obligate the Authority or the County to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Plan, or which are permitted to be reimbursed under this Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan.

F. Local Site Remediation Revolving Fund (“LSRRF”) (Section 8, Section 13(1)(m))

The Authority has established a Local Site Remediation Revolving Fund (LSRRF). The Authority will capture incremental local and state school taxes to fund the LSRRF, to the extent allowed by law. The rate and schedule of incremental tax capture for the LSRRF will be determined on a case-by-case basis. Considerations may include, but not be limited to the following: total capture duration, total annual capture, project economic factors, level of existing LSRRF funding, projected need for LSRRF funds, and amount of school tax capture available in accordance with Act 381.

The amount of tax increment revenue authorized for capture and deposit in the LSRRF is estimated at \$741,367.

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

In no event shall the duration of the Plan exceed 35 years following the date of the resolution approving the Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Plan.

H. Effective Date of Inclusion in Brownfield Plan (Section 13(1)(f))

The Property will become a part of this Plan on the date this Plan is approved by the GTC BOC. The date of tax capture shall commence during the year construction begins or the immediate following year—as increment revenue becomes available, but the beginning date of tax capture shall not exceed five years beyond the date of the governing body resolution approving the Plan amendment.

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

There are no persons or businesses residing on the Eligible Property, and no occupied residences will be acquired or cleared; therefore there will be no displacement or relocation of persons or businesses under this Plan.

J. Other Information (Section 13(1)(n))

The tax capture breakdown of tax increment revenues anticipated to be reimbursed to the Developer through this Plan is summarized below.

There are 51.0058 non-homestead mills available for capture, with school millage equaling 24.0000 mills (48%) and local millage equaling 27.0058 mills (52%). None of the project will include homestead residential property, with those properties including the State Education Tax and local ISD taxes. The requested tax capture for MSF and MDEQ eligible activities breaks down as follows:

<u>State to Local Tax Capture</u>	<u>Eligible Activities, Interest, Contingency</u>
MSF/MDEQ School tax capture (47%)	\$ 1,413,559
MSF/MDEQ Local tax capture (53%)	\$ 1,256,227
Local-Only tax capture	\$ 38,447
TOTAL	\$ 2,708,233*

*Does not include capture for LSRRF or Authority administrative costs

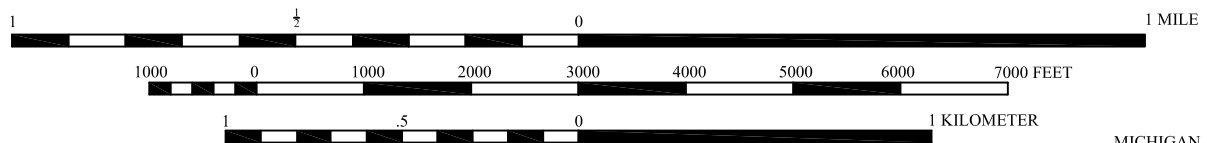
III. ATTACHMENTS

ATTACHMENT A
Site Maps and Photographs

TRAVERSE CITY SE QUADRANGLE
MICHIGAN - GRAND TRAVERSE COUNTY
7.5 MINUTE SERIES (TOPOGRAPHIC)



T. 27 N. - R.11 W.



CONTOUR INTERVAL 5 FEET
DATUM IS MEAN SEA LEVEL

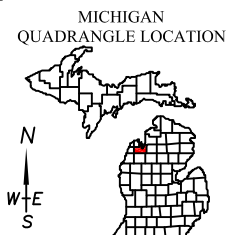


IMAGE TAKEN FROM 1983 U.S.G.S. TOPOGRAPHIC MAP

AKTPEERLESS

ILLINOIS

MICHIGAN
www.aktpeerless.com

OHIO

TOPOGRAPHIC LOCATION MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688b-5-25

DRAWN BY: JWB
DATE: 2/11/2013

FIGURE 1



ILLINOIS

MICHIGAN
www.aktpeerless.com

OHIO

ELIGIBLE PROPERTY BOUNDARY MAP

626 & 636 EAST FRONT STREET
TRAVERSE CITY, MICHIGAN
PROJECT NUMBER : 7688B-5-25

LEGEND

--- = ELIGIBLE PROPERTY BOUNDARY

DRAWN BY: JWB
DATE: 2/11/2013

0 35 70
SCALE: 1" = 70'±0

FIGURE 2



Photograph No. 1
View of Parcel A – Facing Southeast



Photograph No. 2
View of Western Parking Lot of Parcel A



Photograph No. 3
View of Southern Parking Lot of Parcel A



Photograph No. 4
View of Interior of Building 1



Photograph No. 5
View of Typical Drain in Kitchen of Building 1



Photograph No. 6
View of Building 2 – Facing Southeast



Photograph No. 7
View of Canopy North of Building 2



Photograph No. 8
View of Former Hoist in Building 2



Photograph No. 9
View of Former UST Area



Photograph No. 10
View of Former Waste Oil UST Area

ATTACHMENT B

Legal Descriptions



Traverse City

Tax Parcel Viewer

28-51-102-006-00

Date Current As Of: 2/26/2013

Property Photos**Tax Map****Property Address**

636 E FRONT ST
TRAVERSE CITY, MI 49686

Owner Information

TBA CREDIT UNION
537 BAY STREET
TRAVERSE CITY, MI, 49684

2013 Assessment Information

Assessed Value:	\$219,400.00	Current Class:	200
Taxable Value:	\$219,400.00		
Principal Residence Exemption:	0%		

Building Information
Commercial: Year Built: 1969 Floor Area: 1269 Sq.Ft

Tax Description
THT PRT OF GOV LOT 3 SEC 2 T27N R11W DES AS COM AT SW COR FRONT & HOPE STS TH S 63.35 FT TH SW'LY 213.49 FT TH N 1 DEG 48'59" W 176.38 FT TH E 180.35 FT TO POB

Sales
11/4/1985 8/2/2012
<div> <div>LAND CONTRACT</div> <ul style="list-style-type: none"> • Sale Date: 11/4/1985 • Sale Price: \$225,000.00 • Grantee: BLARNEY CASTLE OIL CO • Grantor: STEVENS MARVA TRUST ET AL • Liber/Page: 1066/472 </div>

Land
Total Acres: 0.50 Approximate Dimensions: 100.00' X 120.00'

Disclaimer: The information contained herein reflects the information contained in the City's assessing database files as of its last update. The City does not however make any representations as to the accuracy, completeness, or timeliness of this information, and shall not be liable for any loss caused by reliance upon it. Errors or omissions shall not affect actual taxes or special assessments that are due and payable. Reliance upon any information obtained is done at your own risk.

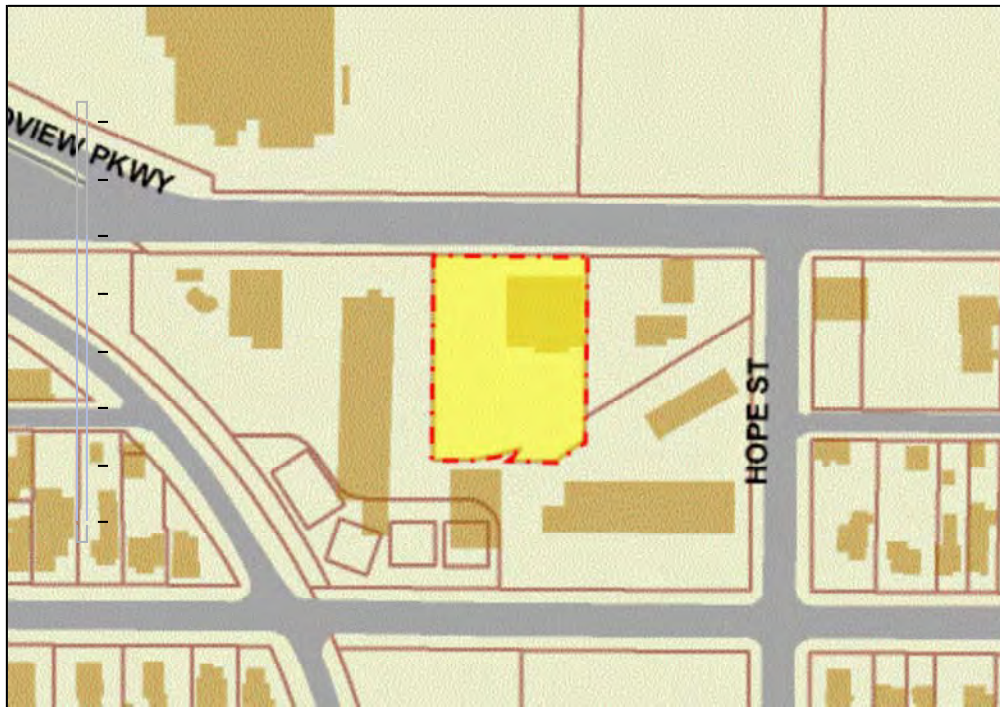


Traverse City

Tax Parcel Viewer

28-51-102-003-10

Date Current As Of: 2/26/2013

Property Photos**Tax Map****Property Address**

626 E FRONT ST
TRAVERSE CITY, MI 49686

Owner Information

TBA CREDIT UNION
537 BAY STREET
TRAVERSE CITY, MI, 49684

2013 Assessment Information

Assessed Value:	\$714,300.00	Current Class:	200
Taxable Value:	\$714,300.00		

Principal Residence Exemption:	0%
Building Information	
Commercial:	
Year Built: 1978	Floor Area: 4573 Sq.Ft
Tax Description	
<p>THT PRT SEC 2 T27N R11W DES AS COM AT SW COR OF FRONT & HOPE STS TH S 88° 11' 01" W 180.35 FT TO POB; TH S 88° 11' 01" W, 165 FT; TH S 1° 48' 59" E, 222.71 FT; TH N 88° 11' 01" E, 45.57 FT; TH NE'LY 52.11 FT ALG THE ARC OF A 330.55 FT RADIUS CURVE TO THE LEFT, THE LONG CHORD OF WHICH BEARS N 74° 07' 13" E, 52.11 FT; TH SW'LY 18.6 FT, ALONG THE ARC OF A 320.39 FT RADIUS CURVE TO THE RIGHT, THE LONG CHORD OF WHICH BEARS S 45° 16' 56" W, 18.6 FT; TH N 88° 11' 01" E 52.93 FT; TH NE'LY 36.72 FT, ALG THE ARC OF A 336.26 FT RADIUS CURVE TO THE RIGHT, THE LONG CHORD OF WHICH BEARS N 51° 50' 15" E 36.72 FT; TH N 1 DEG 48' 59" W 200.95 FT TO POB. SUBJECT TO EASEMENT AGREEMENTS REC IN L:445 P:516 TO 532</p>	
Sales	
8/2/2012	
ARMS-LENGTH	
<ul style="list-style-type: none"> • Sale Date: 8/2/2012 • Sale Price: \$1,450,000.00 • Grantee: TBA CREDIT UNION • Grantor: MUGERIAN PROPERTIES LLC • Liber/Page: 2012R-14893WD 	
Land	
Total Acres:	0.84
Approximate Dimensions:	165.00' X 222.00'

Disclaimer: The information contained herein reflects the information contained in the City's assessing database files as of its last update. The City does not however make any representations as to the accuracy, completeness, or timeliness of this information, and shall not be liable for any loss caused by reliance upon it. Errors or omissions shall not affect actual taxes or special assessments that are due and payable. Reliance upon any information obtained is done at your own risk.

ATTACHMENT C

Tables

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
PA 381 ELIGIBLE ACTIVITY CONSIDERATION TABLE
Brownfield Plan, Last Revision March 26, 2013

ENVIRONMENTAL ELIGIBLE ACTIVITIES (MDEQ)		REQUESTED ESTIMATES			
ACTIVITY	TOTAL COST	LOCAL-ONLY REVENUES COST	STATE / LOCAL REVENUES COST	MDEQ Loan	TBA Credit Union
BEA Environmental Assessment Activities					
Phase I Environmental Site Assessment (ESA)	\$2,000		\$2,000		\$2,000
Phase II ESA	\$13,211		\$13,211		\$13,211
Supplemental Phase II ESA Site Investigations	\$19,000		\$19,000		\$19,000
Baseline Environmental Assessment (BEA)	\$1,800		\$1,800		\$1,800
BEA Environmental Assessment Activities Total	\$36,011	\$0	\$36,011		
Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities					
Due Care Plans - Pre, During and Post Construction					
Pre-Construction Due Care Plan	\$1,800		\$1,800		\$1,800
Environmental Construction Management Due Care Plan	\$10,000		\$10,000	\$10,000	
Post-Construction Due Care Plan	\$2,500		\$2,500	\$2,500	
Dewatering					
Dewatering-Frac Tank and Carbon Filter with Aration, Chemical Precipitation and Oxidation (if necessary) (also includes operator and pump for 90 days)	\$132,825		\$132,825	\$132,825	
Dewatering-Analytical	\$5,000		\$5,000	\$5,000	
Dewatering-Disposal of groundwater during construction activities	\$163,350		\$163,350	\$163,350	
Dewatering-Reporting & Management	\$3,000		\$3,000	\$3,000	
Soil Management (Foundations)					
Excavation	\$49,778		\$49,778	\$49,778	
Trucking	\$33,185		\$33,185	\$33,185	
Disposal	\$145,185		\$145,185	\$145,185	
Shooters Property Chromium-Contaminated Soil					
Excavation	\$600		\$600	\$600	
Trucking	\$400		\$400	\$400	
Disposal	\$1,750		\$1,750	\$1,750	
On-Site Environmental Construction Management	\$37,500		\$37,500	\$37,500	
Environmental Project Management	\$15,000		\$15,000	\$15,000	
Due Care - Impervious Asphalt	\$70,000		\$70,000	\$70,000	
Temporary Truck Wash Facility	\$3,000		\$3,000	\$3,000	
Other Specific & Unique Activities due to the Brownfield Conditions					
Existing Monitoring Well Abandonment	\$5,000		\$5,000	\$5,000	
Installation of Monitoring Wells	\$8,000		\$8,000	\$8,000	
Health and Safety Plans (HASPs, up to 3 at \$2,500 each)	\$7,500		\$7,500	\$7,500	
Section 7a Compliance Analysis (Due Care Plan) and Due Care Activities Total	\$695,373	\$0	\$695,373		
Additional Response Activities					
Vapor Barrier (Passive Venting)					
Design Vapor Barrier System with Waterproof membrane - including MDEQ approval	\$35,000		\$35,000	\$35,000	
Monolithic Foundation (incremental increase over typical foundation)	\$66,000		\$66,000	\$66,000	
Xypex Concrete Additive of Foundation Waterproofing	\$33,880		\$33,880	\$33,880	
Vapor Barrier/install and oversight	\$169,188		\$169,188	\$169,188	
Vapor Installation Oversight	\$18,750		\$18,750	\$18,750	
Post-Construction Waterproofing - Vapor Barrier QA/QC Inspection	\$15,000		\$15,000	\$15,000	
Passive Vapor trench with piping, if determined necessary by MDEQ	\$15,000		\$15,000	\$15,000	
Rain Gardens - Environmental Portion - Any green space, including the public ROW					
Liners	\$40,000		\$40,000	\$40,000	
Piping	\$2,250		\$2,250	\$2,250	
Seals & Gaskets	\$2,000		\$2,000	\$2,000	
Materials above Liners	\$10,000		\$10,000	\$10,000	
Other Specific & Unique Activities due to the Brownfield Conditions					
Additional Response Activities Total	\$407,068		\$407,068		
Environmental Insurance					
Reasonable Costs of Environmental Insurance	\$50,000		\$50,000		\$50,000
ENVIRONMENTAL ELIGIBLE ACTIVITIES (MDEQ) GRAND TOTAL	\$1,188,452		\$1,188,452		

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
PA 381 ELIGIBLE ACTIVITY CONSIDERATION TABLE
Brownfield Plan, Last Revision March 26, 2013

NON-ENVIRONMENTAL MSF ELIGIBLE ACTIVITIES (MEDC)		REQUESTED ESTIMATES			
ACTIVITY	TOTAL COST	LOCAL-ONLY REVENUES COST	STATE / LOCAL REVENUES COST		
Demolition (County-wide)					
Site Demolition	\$55,000		\$55,000	\$55,000	
Building Demolition	\$20,000		\$20,000	\$20,000	
Demolition Total	\$75,000	\$0	\$75,000		
Lead & Asbestos Abatement (County-wide)					
Asbestos and Lead Paint Survey	\$5,000		\$5,000		\$5,000
Asbestos and Lead Paint Abatement	\$32,710		\$32,710		\$32,710
Lead & Asbestos Abatement Total	\$37,710	\$0	\$37,710		
Site Preparation (a) (City of Traverse City Only)					
Geotechnical Engineering	\$10,000		\$10,000		\$10,000
Temporary Construction Access and/or Roads	\$2,000		\$2,000		\$2,000
Temporary Erosion Control-Silt Fencing	\$5,000		\$5,000		\$5,000
Temporary Erosion Control-Sediment Bags	\$2,000		\$2,000		\$2,000
Temporary Site Control	\$10,000		\$10,000		\$10,000
Soil Management (from MSF Excavation for Unstable Material)					
Excavation	\$51,894		\$51,894		\$51,894
Trucking	\$34,596		\$34,596		\$34,596
Disposal	\$151,358		\$151,358		\$151,358
Soil Management (from MSF Utility Relocation and rain garden soil removal)					
Excavation					
Soil Transportation	\$8,520		\$8,520		\$8,520
Soil Disposal	\$37,275		\$37,275		\$37,275
Fill	\$36,166		\$36,166		\$36,166
Compaction & Sub-base Preparation (related to Eligible Activities)	\$29,240		\$29,240		\$29,240
Dewatering (Install and operate dewatering points)					
Set-Up and Operation (first two weeks)	\$6,800		\$6,800		\$6,800
Set-Up and Operation (remaining weeks)	\$7,000		\$7,000		\$7,000
Monitoring	\$30,000		\$30,000		\$30,000
Relocation of Existing (Active) Utilities	\$20,000		\$20,000		\$20,000
Alternative Green Stormwater Management Practices-Excavation, backfill above filtration materials, landscaping on top, design & engineering	\$17,500		\$17,500		\$17,500
Temporary Sheet piling/Shoring	\$60,500		\$60,500		\$60,500
Soft Costs--so long as they are directly associated with Site Preparation activities (including engineering and design), professional fees and costs (does not include legal/attorney fees).	\$35,000		\$35,000		\$35,000
Other Specific & Unique Activities due to the Brownfield Conditions					
Site Preparation Total	\$554,849	\$0	\$554,849		
Infrastructure Improvements (City of Traverse City Only)					
Approaches	\$15,000		\$15,000		\$15,000
Curbs and Gutter	\$7,200		\$7,200		\$7,200
Sidewalks	\$4,050		\$4,050		\$4,050
Landscaping	\$15,000		\$15,000		\$15,000
Stormwater Piping	\$1,200		\$1,200		\$1,200
Surface Water Capture Engineering	\$5,000		\$5,000		\$5,000
Catch Basins	\$2,400		\$2,400		\$2,400
Transformer Pole	\$8,000		\$8,000		\$8,000
Infrastructure Improvements Total	\$57,850	\$0	\$57,850		
NON-ENVIRONMENTAL MSF ELIGIBLE ACTIVITIES (MEDC) GRAND TOTAL	\$725,408	\$0	\$725,408		
Brownfield Plan and Act 381 Work Plan Preparation					
GTCBRA Applications	\$9,970	\$9,970			\$9,970
Brownfield Plan	\$10,000		\$10,000		\$10,000
Act 381 Work Plan-MSF & MDEQ	\$20,000	\$10,000	\$10,000		\$20,000
Brownfield Plan and Act 381 Work Plan Preparation Total	\$39,970	\$19,970	\$20,000		
15% Contingency on Eligible Activities	\$281,677	\$0	\$281,677	\$176,346	\$105,331
GTCBRA Administration & Application Fees	\$20,500	\$20,500			\$20,500
ELIGIBLE ACTIVITIES GRAND TOTAL	\$2,256,008	\$40,470	\$2,215,538	\$1,351,987	\$904,020
GTCBRA COVERED ELIGIBLE ACTIVITIES = 95% OF GRAND TOTAL (b)	\$2,143,207	\$38,447	\$2,104,761		
Interest	\$565,026		\$565,026		
Total Developer Reimbursement	\$2,708,233	\$38,447	\$2,669,787		

**GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
PA 381 ELIGIBLE ACTIVITY CONSIDERATION TABLE
Brownfield Plan, Last Revision March 26, 2013**

NOTES:

(a) The following NON-ENVIRONMENTAL MSF ELIGIBLE ACTIVITIES have been historically deemed eligible by the Michigan Economic Development Corporation (MEDC) but are NOT considered eligible by the GTCBRA. These activities are typical expenses found at any development or redevelopment site and will not be allowed as an Eligible Activity expense.

In-Eligible Site Preparation Activity Expenses

Construction Staking Related to Infrastructure Improvements, Site Preparation Activities, or Demolition

Clearing & Grubbing

Temporary Facility

Temporary Traffic Control

Legal/Attorney Fees

(b) GTCBRA will cover 95% of approved Eligible Activity expenses per the Development Agreement. The applicant shall be responsible for 5% of the Eligible Activity expenses.

Table 2 - Tax Increment Financing Estimates

Project Name: TBA Credit Union
Traverse City

Eligible Expenses for Reimbursement under ACT 381	
MDEQ Eligible Activities and Interest	\$ 1,652,478
MSF Eligible Activities and Interest	\$ 1,017,308
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 741,367
Total Eligible Costs for TIF Reimbursement (5)	\$ 3,449,600

Loan Incentives	
LSRF	
EPA RLF	\$ -

KEY: USER INPUT Check Cell Comments Automatic

Plan Year		1	2	3	4	5	6	7	8	9
Actual Year		2014	2015	2016	2017	2018	2019	2020	2021	2022
Base (Existing) Taxable Value Non-Homestead (TV):		\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700
New TV for Non-Homestead (3)		\$ 1,480,844	\$ 2,027,988	\$ 2,575,133	\$ 2,652,386	\$ 2,731,958	\$ 2,813,917	\$ 2,898,334	\$ 2,985,284	\$ 3,074,843
Incremental Difference Non-Homestead (New TV - Existing)		\$ 547,144	\$ 1,094,288	\$ 1,641,433	\$ 1,718,686	\$ 1,798,258	\$ 1,880,217	\$ 1,964,634	\$ 2,051,584	\$ 2,141,143
Base (Existing) Taxable Value Homestead (TV):		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New TV for Homestead (4)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental Difference Homestead (New TV - Existing)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INCREMENT		\$ 547,144	\$ 1,094,288	\$ 1,641,433	\$ 1,718,686	\$ 1,798,258	\$ 1,880,217	\$ 1,964,634	\$ 2,051,584	\$ 2,141,143
STATE CAPTURE		1	2	3	4	5	6	7	8	9
Millage Rate		2014	2015	2016	2017	2018	2019	2020	2021	2022
State Education Tax (SET, less 3 for BRF)		3.0000	\$ 1,641	\$ 3,283	\$ 4,924	\$ 5,156	\$ 5,395	\$ 5,641	\$ 5,894	\$ 6,155
School Operating (NA to Homestead)		18.0000	\$ 9,849	\$ 19,697	\$ 29,546	\$ 30,936	\$ 32,369	\$ 33,844	\$ 35,363	\$ 36,929
State Total to Reimbursables		21.0000	\$ 11,490	\$ 22,980	\$ 34,470	\$ 36,092	\$ 37,763	\$ 39,485	\$ 41,257	\$ 43,083
Accumulated State Total to Reimbursables			\$ 11,490	\$ 34,470	\$ 68,940	\$ 105,033	\$ 142,796	\$ 182,281	\$ 223,538	\$ 266,621
State Brownfield Redevelopment Fund (BRF)		3.0000	\$ 1,641	\$ 3,283	\$ 4,924	\$ 5,156	\$ 5,395	\$ 5,641	\$ 5,894	\$ 6,155
State BRF Accumulated Capture			\$ 1,641	\$ 4,924	\$ 9,849	\$ 15,005	\$ 20,399	\$ 26,040	\$ 31,934	\$ 38,089
LOCAL CAPTURE		1	2	3	4	5	6	7	8	9
Millage Rate		2014	2015	2016	2017	2018	2019	2020	2021	2022
TBA- ISD		2.9312	\$ 1,604	\$ 3,208	\$ 4,811	\$ 5,038	\$ 5,271	\$ 5,511	\$ 5,759	\$ 6,014
County		6.2433	\$ 3,416	\$ 6,832	\$ 10,248	\$ 10,730	\$ 11,227	\$ 11,739	\$ 12,266	\$ 12,809
NMC		2.9400	\$ 1,609	\$ 3,217	\$ 4,826	\$ 5,053	\$ 5,287	\$ 5,528	\$ 5,776	\$ 6,032
TADL		1.1092	\$ 607	\$ 1,214	\$ 1,821	\$ 1,906	\$ 1,995	\$ 2,086	\$ 2,179	\$ 2,276
Local Unit Rate (Note need twp and village separate lines)		13.4367	\$ 7,352	\$ 14,704	\$ 22,055	\$ 23,093	\$ 24,163	\$ 25,264	\$ 26,398	\$ 27,567
BATA		0.3454	\$ 189	\$ 378	\$ 567	\$ 594	\$ 621	\$ 649	\$ 679	\$ 709
LOCAL - Total Capture		27.0058	\$ 14,776	\$ 29,552	\$ 44,328	\$ 46,415	\$ 48,563	\$ 50,777	\$ 53,057	\$ 55,405
Local - Accumulated Capture to Reimbursables			\$ 14,776	\$ 44,328	\$ 88,656	\$ 135,071	\$ 183,634	\$ 234,411	\$ 287,468	\$ 342,872
TOTAL TAX CAPTURE			\$ 51,0058	\$ 27,908	\$ 55,815	\$ 83,723	\$ 87,663	\$ 91,722	\$ 95,902	\$ 100,208
Accumulated for State BRF			\$ 1,641	\$ 4,924	\$ 9,849	\$ 15,005	\$ 20,399	\$ 26,040	\$ 31,934	\$ 38,089
Accumulated for Reimbursement to Developer, Admin & LSRRF			\$ 26,266	\$ 78,798	\$ 157,597	\$ 240,103	\$ 326,430	\$ 416,692	\$ 511,005	\$ 609,493
Accumulated Total Tax Capture			\$ 27,908	\$ 83,723	\$ 167,445	\$ 255,108	\$ 346,830	\$ 442,732	\$ 542,939	\$ 647,582

TOTAL CAPTURE	Amount	Percent
State (less BRF)	\$ 1,609,533	44%
Local	\$ 2,069,844	56%

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

- (2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.
- (3) Increased 3% per year to adjust for inflation
- (4) Not applicable to 18 Mill School Operating tax
- (5) Not including Authority administrative expenses

Table 2 - Tax Increment Financing Estimates

Project Name: TBA Credit Union
Traverse City

Eligible Expenses for Reimbursement under ACT 381	
MDEQ Eligible Activities and Interest	\$ 1,652,478
MSF Eligible Activities and Interest	\$ 1,017,308
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 741,367
Total Eligible Costs for TIF Reimbursement (5)	\$ 3,449,600

State/Local Millages			
	Millage	Percentage	Eligible Cost
Local	27.0058	52.95%	\$ 1,452,006
State	24.0000	47.05%	\$ 1,256,227

		Plan Year									
		10	11	12	13	14	15	16	17	18	
Actual Year		2023	2024	2025	2026	2027	2028	2029	2030	2031	
Base (Existing) Taxable Value Non-Homestead (TV):		\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	
New TV for Non-Homestead (3)		\$ 3,167,088	\$ 3,262,101	\$ 3,359,964	\$ 3,460,763	\$ 3,564,586	\$ 3,671,523	\$ 3,781,669	\$ 3,895,119	\$ 4,011,973	
Incremental Difference Non-Homestead (New TV - Existing)		\$ 2,233,388	\$ 2,328,401	\$ 2,426,264	\$ 2,527,063	\$ 2,630,886	\$ 2,737,823	\$ 2,847,969	\$ 2,961,419	\$ 3,078,273	
Base (Existing) Taxable Value Homestead (TV):		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New TV for Homestead (4)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Incremental Difference Homestead (New TV - Existing)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL INCREMENT		\$ 2,233,388	\$ 2,328,401	\$ 2,426,264	\$ 2,527,063	\$ 2,630,886	\$ 2,737,823	\$ 2,847,969	\$ 2,961,419	\$ 3,078,273	
		10	11	12	13	14	15	16	17	18	
Millage Rate		2023	2024	2025	2026	2027	2028	2029	2030	2031	
State Education Tax (SET, less 3 for BRF)		3.0000	\$ 6,700	\$ 6,985	\$ 7,279	\$ 7,581	\$ 7,893	\$ 8,213	\$ 8,544	\$ 8,884	\$ 9,235
School Operating (NA to Homestead)		18.0000	\$ 40,201	\$ 41,911	\$ 43,673	\$ 45,487	\$ 47,356	\$ 49,281	\$ 51,263	\$ 53,306	\$ 55,409
State Total to Reimbursables		21.0000	\$ 46,901	\$ 48,896	\$ 50,952	\$ 53,068	\$ 55,249	\$ 57,494	\$ 59,807	\$ 62,190	\$ 64,644
Accumulated State Total to Reimbursables			\$ 358,486	\$ 407,383	\$ 458,334	\$ 511,403	\$ 566,651	\$ 624,145	\$ 683,953	\$ 746,143	\$ 810,786
State Brownfield Redevelopment Fund (BRF)		3.0000	\$ 6,700	\$ 6,985	\$ 7,279	\$ 7,581	\$ 7,893	\$ 8,213	\$ 8,544	\$ 8,884	\$ 9,235
State BRF Accumulated Capture			\$ 51,212	\$ 58,198	\$ 65,476	\$ 73,058	\$ 80,950	\$ 89,164	\$ 97,708	\$ 106,592	\$ 115,827
		10	11	12	13	14	15	16	17	18	
Millage Rate		2023	2024	2025	2026	2027	2028	2029	2030	2031	
TBA- ISD		2.9312	\$ 6,547	\$ 6,825	\$ 7,112	\$ 7,407	\$ 7,712	\$ 8,025	\$ 8,348	\$ 8,681	\$ 9,023
County		6.2433	\$ 13,944	\$ 14,537	\$ 15,148	\$ 15,777	\$ 16,425	\$ 17,093	\$ 17,781	\$ 18,489	\$ 19,219
NMC		2.9400	\$ 6,566	\$ 6,845	\$ 7,133	\$ 7,430	\$ 7,735	\$ 8,049	\$ 8,373	\$ 8,707	\$ 9,050
TADL		1.1092	\$ 2,477	\$ 2,583	\$ 2,691	\$ 2,803	\$ 2,918	\$ 3,037	\$ 3,159	\$ 3,285	\$ 3,414
Local Unit Rate (Note need twp and village separate lines		13.4367	\$ 30,009	\$ 31,286	\$ 32,601	\$ 33,955	\$ 35,350	\$ 36,787	\$ 38,267	\$ 39,792	\$ 41,362
BATA		0.3454	\$ 771	\$ 804	\$ 838	\$ 873	\$ 909	\$ 946	\$ 984	\$ 1,023	\$ 1,063
LOCAL - Total Capture		27.0058	\$ 60,314	\$ 62,880	\$ 65,523	\$ 68,245	\$ 71,049	\$ 73,937	\$ 76,912	\$ 79,975	\$ 83,131
Local - Accumulated Capture to Reimbursables			\$ 461,010	\$ 523,890	\$ 589,413	\$ 657,659	\$ 728,708	\$ 802,645	\$ 879,557	\$ 959,532	\$ 1,042,663
TOTAL TAX CAPTURE		\$ 51,0058	\$ 113,916	\$ 118,762	\$ 123,754	\$ 128,895	\$ 134,190	\$ 139,645	\$ 145,263	\$ 151,050	\$ 157,010
Accumulated for State BRF			\$ 51,212	\$ 58,198	\$ 65,476	\$ 73,058	\$ 80,950	\$ 89,164	\$ 97,708	\$ 106,592	\$ 115,827
Accumulated for Reimbursement to Developer, Admin & LSRF			\$ 819,496	\$ 931,273	\$ 1,047,748	\$ 1,169,061	\$ 1,295,359	\$ 1,426,791	\$ 1,563,510	\$ 1,705,675	\$ 1,853,450
Accumulated Total Tax Capture			\$ 870,709	\$ 989,471	\$ 1,113,224	\$ 1,242,119	\$ 1,376,309	\$ 1,515,954	\$ 1,661,217	\$ 1,812,267	\$ 1,969,276

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

(2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.

(3) Increased 3% per year to adjust for inflation

(4) Not applicable to 18 Mill School Operating tax

(5) Not including Authority administrative expenses

Table 2 - Tax Increment Financing Estimates

Project Name: TBA Credit Union
Traverse City

Eligible Expenses for Reimbursement under ACT 381	
MDEQ Eligible Activities and Interest	\$ 1,652,478
MSF Eligible Activities and Interest	\$ 1,017,308
Local-Only Expense	\$ 38,447
Local Site Remediation Fund Capture (2)	\$ 741,367
Total Eligible Costs for TIF Reimbursement (5)	\$ 3,449,600

							Developer Repaid	END					
Plan Year	19	20	21	22	23	24	25	26	27	28	29	30	
Actual Year	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
Base (Existing) Taxable Value Non-Homestead (TV):	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	\$ 933,700	
New TV for Non-Homestead (3)	\$ 4,132,332	\$ 4,256,302	\$ 4,383,991	\$ 4,515,510	\$ 4,650,976	\$ 4,790,505	\$ 4,934,220	\$ 5,082,247	\$ 5,234,714	\$ 5,391,756	\$ 5,553,508	\$ 5,720,114	
Incremental Difference Non-Homestead (New TV - Existing)	\$ 3,198,632	\$ 3,322,602	\$ 3,450,291	\$ 3,581,810	\$ 3,717,276	\$ 3,856,805	\$ 4,000,520	\$ 4,148,547	\$ 4,301,014	\$ 4,458,056	\$ 4,619,808	\$ 4,786,414	
Base (Existing) Taxable Value Homestead (TV):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
New TV for Homestead (4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Incremental Difference Homestead (New TV - Existing)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL INCREMENT	\$ 3,198,632	\$ 3,322,602	\$ 3,450,291	\$ 3,581,810	\$ 3,717,276	\$ 3,856,805	\$ 4,000,520	\$ 4,148,547	\$ 4,301,014	\$ 4,458,056	\$ 4,619,808	\$ 4,786,414	
STATE CAPTURE	19	20	21	22	23	24	25	26	27	28	29	30	
	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
State Education Tax (SET, less 3 for BRF)	3.0000	\$ 9,596	\$ 9,968	\$ 10,351	\$ 10,745	\$ 11,152	\$ 11,570	\$ 12,002	\$ 12,446	\$ 12,903	\$ 13,374	\$ 13,859	\$ 14,359
School Operating (NA to Homestead)	18.0000	\$ 57,575	\$ 59,807	\$ 62,105	\$ 64,473	\$ 66,911	\$ 69,422	\$ 72,009	\$ 74,674	\$ 77,418	\$ 80,245	\$ 83,157	\$ 86,155
State Total to Reimbursables	21.0000	\$ 67,171	\$ 69,775	\$ 72,456	\$ 75,218	\$ 78,063	\$ 80,993	\$ 84,011	\$ 87,119	\$ 90,321	\$ 93,619	\$ 97,016	\$ 100,515
Accumulated State Total to Reimbursables		\$ 877,958	\$ 947,732	\$ 1,020,188	\$ 1,095,406	\$ 1,173,469	\$ 1,254,462	\$ 1,338,473	\$ 1,425,592	\$ 1,515,914	\$ 1,609,533	\$ 1,706,549	\$ 1,807,064
State Brownfield Redevelopment Fund (BRF)	3.0000	\$ 9,596	\$ 9,968	\$ 10,351	\$ 10,745	\$ 11,152	\$ 11,570	\$ 12,002	\$ 12,446	\$ 12,903	\$ 13,374	\$ 13,859	\$ 14,359
State BRF Accumulated Capture		\$ 125,423	\$ 135,390	\$ 145,741	\$ 156,487	\$ 167,638	\$ 179,209	\$ 191,210	\$ 203,656	\$ 216,559	\$ 229,933	\$ 243,793	\$ 258,152
LOCAL CAPTURE	19	20	21	22	23	24	25	26	27	28	29	30	
	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
TBA- ISD	2.9312	\$ 9,376	\$ 9,739	\$ 10,113	\$ 10,499	\$ 10,896	\$ 11,305	\$ 11,726	\$ 12,160	\$ 12,607	\$ 13,067	\$ 13,542	\$ 14,030
County	6.2433	\$ 19,970	\$ 20,744	\$ 21,541	\$ 22,362	\$ 23,208	\$ 24,079	\$ 24,976	\$ 25,901	\$ 26,853	\$ 27,833	\$ 28,843	\$ 29,883
NMC	2.9400	\$ 9,404	\$ 9,768	\$ 10,144	\$ 10,531	\$ 10,929	\$ 11,339	\$ 11,762	\$ 12,197	\$ 12,645	\$ 13,107	\$ 13,582	\$ 14,072
TADL	1.1092	\$ 3,548	\$ 3,685	\$ 3,827	\$ 3,973	\$ 4,123	\$ 4,278	\$ 4,437	\$ 4,602	\$ 4,771	\$ 4,945	\$ 5,124	\$ 5,309
Local Unit Rate (Note need twp and village separate lines	13.4367	\$ 42,979	\$ 44,645	\$ 46,361	\$ 48,128	\$ 49,948	\$ 51,823	\$ 53,754	\$ 55,743	\$ 57,791	\$ 59,902	\$ 62,075	\$ 64,314
BATA	0.3454	\$ 1,105	\$ 1,148	\$ 1,192	\$ 1,237	\$ 1,284	\$ 1,332	\$ 1,382	\$ 1,433	\$ 1,486	\$ 1,540	\$ 1,596	\$ 1,653
LOCAL - Total Capture	27.0058	\$ 86,382	\$ 89,730	\$ 93,178	\$ 96,730	\$ 100,388	\$ 104,156	\$ 108,037	\$ 112,035	\$ 116,152	\$ 120,393	\$ 124,762	\$ 129,261
Local - Accumulated Capture to Reimbursables		\$ 1,129,045	\$ 1,218,775	\$ 1,311,952	\$ 1,408,682	\$ 1,509,070	\$ 1,613,226	\$ 1,721,263	\$ 1,833,298	\$ 1,949,451	\$ 2,069,844	\$ 2,194,606	\$ 2,323,867
TOTAL TAX CAPTURE	51.0058	\$ 163,149	\$ 169,472	\$ 175,985	\$ 182,693	\$ 189,603	\$ 196,719	\$ 204,050	\$ 211,600	\$ 219,377	\$ 227,387	\$ 235,637	\$ 244,135
Accumulated for State BRF		\$ 125,423	\$ 135,390	\$ 145,741	\$ 156,487	\$ 167,638	\$ 179,209	\$ 191,210	\$ 203,656	\$ 216,559	\$ 229,933	\$ 243,793	\$ 258,152
Accumulated for Reimbursement to Developer, Admin & LSRF		\$ 2,007,003	\$ 2,166,507	\$ 2,332,141	\$ 2,504,088	\$ 2,682,539	\$ 2,867,688	\$ 3,059,736	\$ 3,258,891	\$ 3,465,364	\$ 3,679,377	\$ 3,901,155	\$ 4,130,930
Accumulated Total Tax Capture		\$ 2,132,425	\$ 2,301,897	\$ 2,477,882	\$ 2,660,575	\$ 2,850,178	\$ 3,046,897	\$ 3,250,947	\$ 3,462,547	\$ 3,681,923	\$ 3,909,310	\$ 4,144,947	\$ 4,389,082

LSRF TABLE		Year 1 of LSRF	Year 2 LSRF	Year 3 LSRF	Year 4 LSRF	Year 5 LSRF	Total
	Local taxes to LSRF	\$ 57,064	\$ 100,388	\$ 104,156	\$ 108,037	\$ 112,035	\$ 481,680
	State Taxes to LSRF Not To Exceed:	\$ 777,548		\$ 82,246	\$ 87,119	\$ 90,321	\$ 259,687
	Total	\$ 57,064	\$ 100,388	\$ 186,402	\$ 195,157	\$ 202,356	\$ 741,367
	Accumulated	\$ 57,064	\$ 157,452	\$ 343,854	\$ 539,011	\$ 741,367	

(1) GTCBRA Policy does NOT consider all allowable MEGA activities, and will only reimburse up to 95% of the grand total.

- (2) After the developer has been repaid, collection of state taxes can be 5 years or up to the amount approved by the MDEQ for eligible activities. Local tax can be captured for up to five years after repayment is complete. State approved MEGA activities cannot be captured into the LSRF, only DEQ activities.
- (3) Increased 3% per year to adjust for inflation
- (4) Not applicable to 18 Mill School Operating tax
- (5) Not including Authority administrative expenses

Attachment B
Supplemental Material

GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

DEVELOPMENT AGREEMENT

This Development Agreement is made on _____, between _____, (the "Owner") and the **GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY** (the "GTCBRA"), a Michigan public body corporate.

PREMISES

A. The Owner is engaged in the _____ commonly known as the _____ (the "Developments"), described on attached Exhibit A, to be located on the property described on attached Exhibit B (the "Site").

B. The GTCBRA has been formed pursuant to Act 381, Public Acts of Michigan, 1996, MCL 125.2651 et. seq. ("Act 381"), to promote the revitalization of environmentally distressed areas. The GTCBRA has approved a Brownfield Plan that includes the Development, and the Property is part of the Plan as amended (the "Plan", attached as Exhibit B).

C. The GTCBRA has determined in furtherance of its purposes and to accomplish its goals and Plan to finance certain "eligible activities" as defined by Sec. 2(l) of Act 381, Public Acts of 1996, MCL 125.2652(l) within eligible property on the site and as described in the Act 381 Work Plan attached as Exhibit C as the same may be amended or supplemented.

D. Pursuant to the Plan and the Act 381 Work Plan, the GTCBRA will capture and retain 100% of the Tax Increment revenues authorized by law to be captured from the levies imposed by taxing jurisdictions upon taxable property for the eligible property consistent with Act 381, as amended, and the Plan approved by the GTCBRA (the "Tax Increments"). Upon satisfaction of the conditions expressed in this Agreement, the GTCBRA will use the Tax Increment revenues as provided by law and as described in this Agreement.

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

ARTICLE 1

Section 1.1 Definitions. The following capitalized terms used in this Agreement shall have the following meanings, except to the extent the context in which they are used requires otherwise:

(a) "Act 381" means the Brownfield Redevelopment Financing Act ("BRA"), Act 381 of Michigan Public Acts of 1996, as amended, MCL 125.2651 et seq.

(b) "Agreement" means this Development Agreement entered into between the GTCBRA and the Owner.

(c) "County" means the County of Grand Traverse, Michigan.

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

(e) "Owner" means, _____

(f) "Development" means the site work, building construction, utilities, and equipment relating to the eligible property as described on attached Exhibit B.

(g) "Eligible Activities" means those response activities as defined by Sec. 2(1) of Act 381, Public Acts of 1996, as amended, MCL 125.2652(k), or approved by the Michigan Department of Environmental Quality (MDEQ) or the Michigan Economic Growth Authority (MEGA) as part of the approved Act 381 Work Plan.

(h) "Eligible Property" means the property as defined by Sec. 2(m) of Act 381, MCL 125.2652(1) for purposes of completing the eligible activities.

(i) "Environmental Consultant" means the environmental consulting firm retained or hired by the Owner to fulfill its obligations under this Agreement, including the eligible activities set forth in the Act 381 Work Plan.

(j) "Event of Default" means the failure of performance or breach by a party to carry out its obligations under this Agreement or, with respect to a party, if any representation or warranty of such party was materially not accurate when made, and such obligation has not been performed or such representation or warranty corrected within 30 days after written notice thereof has been given by the other party. It also means any filing of bankruptcy or bankruptcy reorganization by the Owner.

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

(l) "Transaction Costs" means GTCBRA's costs, expenses, and liabilities related to the authorization, execution, administration, oversight, fulfillment of the GTCBRA's obligations under this the Agreement, which such items shall include, but not be limited to, direct or indirect fees and expenses incurred as a result of the application, amendments to the Plan, approvals of the Development, printing costs, costs of reproducing documents, filing and recording fees, counsel fees, financial expenses, insurance fees and expenses, administration and accounting for the loan proceeds and tax increments revenues, oversight and review, and all other costs, liabilities, or expenses, related to preparation and carrying out or enforcing the Plan, the Act 381

Work Plan and this Agreement, or other related agreements with Owner, if any, and any other costs, charges, expenses, and professional and attorney fees in connection with the foregoing.

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

(n) "Plan" means the Brownfield Redevelopment Plan, as defined under Act 381, and adopted September 24, 1997, as amended, and attached as Exhibit C.

(o) "Site" means the real property located in the County of Grand Traverse, State of Michigan, as described in attached Exhibit B, if applicable, and made a part hereof. The Site and its description in Exhibit B may be amended by the parties to reflect any transfer of land after the execution of this agreement. Such a modification shall be by amendment of this agreement and shall be in writing signed by both parties.

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

(q) "Act 381 Work Plan" means the Work Plan approved by the GTCBRA on _____ and attached as Exhibit D, as subsequently amended or supplemented.

(r) "MEGA Work Plan" means the Work Plan approved and approved by the GTCBRA on _____ and attached as Exhibit D, as subsequently amended or supplemented.

Section 1.2 Number and Gender. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms.

ARTICLE 2.

COVENANTS OF THE OWNER

Section 2.1 Construction of Development. The Owner shall proceed with the development and the obligations under this Agreement in its discretion. If it decides to do so, it shall proceed with due care and diligence and commence and complete the eligible activities and the Development in accordance with this Agreement, and in accordance with any applicable law, regulation, code and ordinance.

Section 2.2 Covenant to pay Financial Obligations. The Development will utilize the Owner's own funds and receive reimbursement from the GTCBRA (also referred to as "debt obligation") to the extent of available Tax Increment revenues for payment of the eligible activities in accordance with the terms of this Agreement the Brownfield Plan, and the Act 381 Work Plan. The GTCBRA may first establish a contingency reserve fund for the Plan and Development Project, which shall be not more than twenty percent (20%) of such tax increment

funds in any one year. Subject to payment into such reserve, the revenues shall then be utilized by the parties and payment made in the following order of priority: (a) First, the revenues will be applied to administrative and transaction costs; (b) Second, to reimburse the eligible activity expenses approved under a possible DEQ Loan and (c) Third to reimburse the Owner for those approved eligible expenses as provided in this Agreement. The funds held for the contingency reserve will be distributed to the Owner for eligible activity expenses upon receipt of the subsequent year's tax increment capture, subject to the priority of payment described in (a) (b) and (c) of this paragraph. Upon satisfactory completion of the eligible activities, the remainder of the contingency reserve fund may be applied to the GTCBRA's administrative and transaction costs and the Owner's eligible activity expenses.

It is anticipated that there will be sufficient available Tax Increment revenues to meet the obligations under this Agreement. However, if for any reason the Development does not result in sufficient revenues to satisfy such obligations, the Owner agrees and understands that it will have no claim or further recourse of any kind or nature against the GTCBRA except from available captured tax revenues, and if for any reason the revenues are insufficient or there are none, then Owner assumes full responsibility for any such loss or cost.

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

- (a) Approval by the MDEQ and/or MEGA and GTCBRA of (1) the Act 381 Work Plan, as amended or supplemented, or (2) of the eligible activity as qualifying for school tax capture; however, to the extent an eligible activity falls outside subparagraph 2.2 (a)(1) or (a)(2), then the eligible activity must be identified in the Work Plan, as amended, and approved by the GTCBRA for local tax recapture to the extent authorized by Act 381.
- (b) The Owner shall provide proof of ownership of the Project Site if applicable, and shall provide the GTCBRA with a list of any potentially responsible party (PRP) for the contamination on the property, and shall have performed all of the covenants, obligations, terms and conditions to be performed by it pursuant to this Agreement and any Financing Agreement or other agreement with GTCBRA, and all preconditions to the performance of the Owner shall have been satisfied.
- (c) Owner shall provide written proof of waivers of liens by the environmental consultant, any contractor, subcontractor providing services as described in this Agreement.
- (d) Owner shall pay all real estate tax obligations when due.
- (e) GTCBRA shall only be obligated to reimburse Debt Obligation that has been reviewed and approved by the GTCBRA. Approval of the application and subsequent approvals of brownfield plans, work plans, or any other determination of eligibility in no way guarantees or establishes a right to reimbursement of expenditures through tax increment financing prior to review or approval of invoices. Expenditures must be documented to be reasonable for eligible activities by submission of invoices and other appropriate documentation. Reimbursement shall only occur pursuant to the terms and conditions of this Agreement, as well as the policies and procedures of the GTCBRA for review and approval of invoices. All invoices for any eligible activities on the property must be submitted to the GTCBRA for its review within one year from the date of the invoice. While the GTCBRA may waive this requirement in its discretion for good cause shown, the GTCBRA shall be under no obligation to reimburse any invoice for an eligible activity that is not submitted in a timely fashion.

Section 2.3 Indemnification of Indemnified Persons.

- (a) The Owner shall defend, indemnify and hold the Indemnified Persons harmless from any loss, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property as a result of the ownership or operation, use or maintenance of the Development from and after the date hereof. If any suit, action or proceeding is brought against any Indemnified Person, the Indemnified Person promptly shall give notice to the Owner and the Owner shall defend such Indemnified Person with counsel selected by the Owner, which counsel shall be reasonably satisfactory to the Indemnified Person. In any such proceeding, the Indemnified Person shall cooperate with the Owner and the Owner shall have the right to settle, compromise, pay or defend against any such claim on behalf of such Indemnified Person, except that the

Owner may not settle or compromise any claim if the effect of doing so would be to subject the Indemnified Person to criminal penalties, unless such Indemnified Person gives its consent. The Owner shall not be liable for payment or settlement of any such claim or proceeding made without its consent.

- (b) The Owner also shall indemnify the Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in successfully enforcing or pursuing any obligation of or claim against the Owner under this Agreement or any related Agreement. To the extent that the enforcement of such obligation or claim involves a claim against an environmental consultant who performs work or services under the terms or within the scope of this Agreement, the environmental consultant's agreement with the Owner shall be deemed to be a third party beneficiary contract in favor of the GTCBRA or any Indemnified Persons.
- (c) The Owner shall assure that to the extent an Environmental Consultant provides services toward completion of any eligible activities, at a minimum, the consultant shall provide to the GTCBRA and the County the indemnity provisions set forth in Sec. 6.18 of this Agreement.
- (d) The indemnity provisions shall survive the term of this Agreement.

Section 2.4 Site Access. The Owner shall grant to GTCBRA and the MDEQ or MEGA, or their designated agents, access to the Site to exercise their respective rights related to the purposes and pursuant to the terms of this Agreement. The GTCBRA shall give the Owner 24 hours written notice of its intent to access the site whenever possible. If notice cannot be given due to an emergency or any other unforeseen circumstance, the GTCBRA shall give notice as is reasonable and practicable under the circumstances.

ARTICLE 3.

CONDITIONS PRECEDENT TO OWNER'S OBLIGATION

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

- (a) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owner, the County or the GTCBRA is a party, or threatened against the Owner, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Plan, which could result in an adverse decision which would have one or more of the following effects:
 - (1) A material adverse effect upon the ability of the GTCBRA to collect and use Tax Increments revenues to repay its obligations under this Agreement and the Financing Agreement.

- (2) A material adverse effect on the Owner's or the GTCBRA's ability to comply with the obligations and terms of this Agreement, the Plan, or the Act 381 Work Plan.
- (b) There shall have been no Event of Default by the GTCBRA and no action or inaction by the GTCBRA eventually which with the passage of time could become an Event of Default.
- (c) The GTCBRA shall have performed all of the terms and conditions to be performed by it pursuant to this Agreement.

ARTICLE 4.

COVENANTS OF THE GTCBRA

Section 4.1 Adoption of Plan. The GTCBRA will prepare and submit the Act 381 Work Plan (and amendments as necessary) in accordance with Act 381 which will provide for the payment of transaction costs and reimbursement to the Owner of the Owner's eligible activity expenses that have been conducted, completed and approved in accordance with the scope and terms of this Agreement, Act 381, the Plan, and any applicable Act 381 Work Plan, and approved by the GTCBRA pursuant to its policies and procedures. These policies and procedures include, but are not limited to, the GTCBRA's standards for local tax incremental financing eligibility.

Section 4.2 Completion of Eligible Activities. Upon the Owner's satisfactory completion of the eligible activities described in Exhibit C, as amended or supplemented, pursuant to this Agreement, and approved by MDEQ and/or MEGA and where applicable approved by the GTCBRA, the GTCBRA shall reimburse the Owner subject to and in accordance with the terms set forth in this Agreement. The Owner shall have sole responsibility to pay the environmental consultant or other contractors or subcontractors for completion of such eligible activities and provide written waiver of any liens. If the Owner incurs any expenses or costs for any activities other than the eligible activities or the costs exceed the maximum cost of eligible activities as set forth in the Plan, the Act 381 Work Plan, or approval of the GTCBRA, the Owner shall bear such costs without any obligation on the part of GTCBRA. If the costs of eligible activities set forth in Exhibit C, as amended or supplemented, are less than such maximum cost, then the Owner shall have no further right of reimbursement beyond its actual costs.

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

ARTICLE 5.

CONDITIONS PRECEDENT TO GTCBRA'S OBLIGATIONS

Section 5.1 Conditions Precedent to GTCBRA's obligation to reimburse eligible activities expenses for the Owner's Development

The obligations of the GTCBRA to reimbursement of costs to the Owner for completion of eligible activities expenses as contemplated herein shall be subject to the following conditions precedent which must be satisfied by the Owner as required herein, except as expressly provided in this Agreement or otherwise waived in writing by the GTCBRA. It is expressly agreed that the GTCBRA makes or gives no assurance of payment to the Owner by the mere fact that an eligible activity or a dollar amount for such activity is identified in the Work Plan, or as hereafter supplemented or amended, and that its designated contract manager shall have the right to review and approve all written summaries of and invoices for eligible activities for the reasonableness of services performed by any Consultant under this Agreement. However, so long as an eligible activity by the Owner has been approved and is authorized by Act 381 and has been completed and approved in accordance with the following procedure and this Agreement, Owner shall be entitled to reimbursement of its eligible activities expenses.

- (a) Before commencing work on each stage of eligible activities and pursuant to the policies adopted by the GTCBRA, the Owner or their designee will present a project budget for each stage to the GTCBRA Director at least two weeks prior to the next regular meeting of the GTCBRA. The project budget will be submitted at each such stage of the eligible activities: BEA activities; due care 7(a) obligations; and additional response activities and, if applicable, lead and asbestos abatement, demolition, site preparation and infrastructure; and will contain detailed line item cost estimates.
- (b) The Owner shall submit invoices of its expenses and a written statement demonstrating a factual basis that it has completed any eligible activities to the GTCBRA Director, for preliminary review and approval, within 30 days of Owner's payment of invoice. Pursuant to Section 2.2, above, the GTCBRA shall not have any obligation to reimburse any invoice that is submitted to the Authority later than one year after the original invoice date, regardless of when payment on the invoice was made. Within 14 days of receipt of the invoice, the GTCBRA Director shall review the invoice to determine the reasonableness of the invoice and activity as eligible, and recommend approval or denial of the invoice, in part or in full, at a meeting of the GTCBRA. In the event of an objection to the invoice, the GTCBRA Director will notify the Owner, and the Owner shall meet with the GTCBRA Director and resolve or cure the objection. If the GTCBRA does not authorize payment on an invoice, then there shall be no obligation on the part of the GTCBRA to pay the invoice.

- (c) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owner, the County or the GTCBRA is a party, or threatened against the Owner, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Plan or which could result in an adverse decision which would have one or more of the following effects:
 - (1) A material adverse effect upon the ability of the GTCBRA to collect and use Tax Increments to pay the obligations.
 - (2) A material adverse effect upon the ability of the Owner to conduct Eligible Activities.
 - (3) Any other material adverse effect on the Owner's or the GTCBRA's ability to comply with the obligations and terms of this Agreement, or the Plan.
- (d) There shall have been no Event of Default by the Developer and no action or inaction by the Developer eventually which with the passage of time would likely become an Event of Default.
- (e) The Developer shows it is owner of the Property or the Property is under land contract, and the Developer is not in default on any contract or other agreement relating to its ownership, development, or use of the Property.
- (f) Proper approvals required under applicable federal and state laws or regulations, and local ordinances, codes or regulations for land uses and Development have been secured.
- (g) The Developer has consent of any affected utility for relocation, burial or the activity to accomplish the eligible activities.
- (h) The Developer retains an Environmental Consultant, contractor, or subcontractor to advise, conduct, or complete the eligible activities related to the Pay-As-You-Go obligations as set forth in this Agreement.
- (i) There is no change in law which would have one or more of the effects described above.
- (j) Any Tax Increments owed to a prior owner of the Property for eligible activities undertaken on the Property shall be paid to the prior owner of the Property pursuant to the policies and procedures of the GTCBRA unless otherwise directed by written agreement between the prior owner and the Developer. The Developer has no right to any Tax Increments for any eligible activity undertaken on the property prior to its purchase of the property.
- (k) If for any reason the Developer is unable to obtain title to the site, the GTCBRA is not obligated to perform any of the terms of this Agreement.

- (l) During the term reimbursement, the Owner shall provide to the Brownfield Redevelopment Authority an annual report of investment made and jobs created. Report shall be delivered to the Brownfield Office no later than October 31, of each year.

ARTICLE 6.

OWNER'S ENVIRONMENTAL CONSULTANT RESPONSIBILITIES

Section 6.1 Eligible Activities and Due Care Obligation. The Owner covenants that it will contract with a competent and qualified Environmental Consultant ("Consultant") or other competent and qualified contractors or subcontractors ("Contractors") to conduct and complete the eligible activities set forth in this Agreement and as set forth in the Act 381 Work Plan, as amended or supplemented, or the Plan, as amended or supplemented, and to meet any due care obligation under Sec. 20107a, NREPA, MCL 324.20107a and 324.20129a, in accordance with any MDEQ requirements and approval.

Section 6.2 Permits. The Consultant or Contractors shall examine all permits and licenses pertaining to the Site or Development to determine whether all permits and licenses required to be issued by any governmental authority on account of any or all of the activities on the Site or the Development have been obtained or issued and are in full force and effect, and whether the Site or the Development and the activities there are in compliance with the terms and conditions of such permits and licenses.

Section 6.3 ASTM and Industry Standards. The Owner, Consultant, or Contractors shall perform all services and eligible activities under this Agreement in accordance with any applicable *ASTM* or other industry Standards.

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

Section 6.5 Regulatory Liaison and Data and Reports. If applicable, the Consultant will provide communication services and attend meetings with the MDEQ. Consultant or Contractors shall:

- (a) submit reports and test results first to the Owner, and shall submit documents to GTCBRA Director within 5 days thereafter.
- (b) make known the provisions of this subparagraph to all contractors and subcontractors, who shall be bound by the confidentiality provisions of this Agreement.
- (c) submit any such written reports marked "DRAFT FOR DISCUSSION PURPOSES ONLY." To the extent GTCBRA or its designated agent reviews or

receives a document marked "confidential," it shall be kept confidential except as prohibited by the Freedom of Information Act or other law or regulation.

- (d) disclose on request to GTCBRA Director all data, reports and test results generated by the Consultant within the scope of this Agreement, the Development Agreement, or in connection with the Development.

Section 6.6 Other Agreements. The Owner covenants that it will obtain a warranty from the Consultant or Consultant that it is not a party to any other existing or previous agreement which would adversely affect the Consultant's or Contractor's ability to perform the services with respect to the eligible activities.

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

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

Section 6.9 Independent Contractor. The Consultant and any Contractors or Subcontractors shall perform its services under this Agreement entirely as an independent contractor, and shall not be deemed an agent, employee or legal representative of the GTCBRA. GTCBRA and the Consultant and any Contractor or Subcontractor shall each have and maintain complete control over all its employees, agents and operators. Facts or knowledge of which the Consultant or Contractor becomes aware shall not be imputed to GTCBRA without communication to and receipt by managerial officials or employees of GTCBRA. The Consultant or any Contractor or Subcontractor has no authority to assume or create, and will not assume or create, any commitment or obligation on behalf of the GTCBRA in any respect whatsoever. Further, the Consultant or any Contractor or Subcontractor shall exercise its independent judgment for the services provided in this Agreement.

Section 6.10 Disposal of Hazardous Waste. In the event that samples or other materials contain classified as "hazardous waste" under state or federal law, the Owner shall, under a manifest signed by the Owner or its agent, as the generator, have such samples transported for final disposal to a location selected by the Owner or its Consultant or Contractor. It is expressly understood that the GTCBRA has no oversight or other control or authority over the Owner's obligation to properly dispose of Hazardous Waste under the terms of this paragraph.

Section 6.11 Compliance With Laws. While on the Site or Development, the Owner, the Consultant, and any Contractor or subcontractor shall impose work orders on its employees, agents and subcontractors which are designed to assure that they comply with all applicable

federal, state and local laws and regulations (including occupational safety and environmental protection statutes and regulations) in performing services under this Agreement, and shall comply with any directions of governmental agencies relating to site safety, security, traffic or other like matters.

Section 6.12 Environmental Consultant or Contractor Insurance. The Owner shall assure that the Consultant, any Contractors or Subcontractors, or any other contractors performing any part of the eligible activities covered by this Agreement shall obtain and maintain the following policies of insurance:

- (e) Worker's Compensation and Occupational Disease Insurance in the amounts required under the laws of the State of Michigan;
- (f) Comprehensive General Liability and Automobile Insurance for bodily injury, death or loss or damage to property or third persons in the minimum amount of at least \$1 million per occurrence, which policy shall name the GTCBRA and the County as additional insured to the extent of the indemnity provided in paragraph 6.16.
- (g) Pollution or Environmental Impairment Insurance in the amount of at least \$ 1 million per occurrence.
- (h) As to the Consultant only, Professional Liability Insurance in the minimum amount of \$1 million per occurrence.
- (i) The Owner shall furnish to GTCBRA a certified copy of such policies within 30 days of the date of the commencement of the eligible activities and the period of coverage shall commence with the date of performance of the first eligible activity. The limits of insurance shall not be construed as a limitation on the Consultant's, Contractor's, or Subcontractor's liability for damages, costs or expenses under this Agreement.
- (j) Upon showing of no or minimal environmental impairment risk with respect to the activities to be performed by any specific contractor or sub-contractor, the Owner may request in writing a reduction of the amount of coverage in subparagraph (b) to \$500,000; upon the same showing, the Owner may also request as to a specific Contractor or specific sub-contractor a waiver of the Environmental Impairment Insurance required by subparagraph (c). The GTCBRA will provide written documentation in the event it approves of such a request, which shall be treated as an amendment to this Agreement effective on the date of such written approval.

Section 6.13 Limitation of Liability.

- (a) Defend, Indemnify and Hold Harmless. Notwithstanding any other provision of this Agreement, the Owner shall obtain Consultant's agreement to defend, indemnify and hold GTCBRA harmless against and from all liabilities, losses, damages, costs, expenses (including attorney fees), causes of action, suits, claims and demands for judgment arising out of:

- (1) Those which GTCBRA may sustain as a result of the failure of the Consultant to comply with the provisions of this Agreement; and/or
 - (2) Those which result from or arise out of any acts or omissions, negligent or otherwise, of the Consultant's employees, agents, contractors, or subcontractors in the performance of the work specified in this Agreement.
- (b) Contribution. The Owner shall obtain written acknowledgment that the Consultant, any Contractor, or subcontractor could be liable to GTCBRA for all damage, loss, injury or expense to the extent such person or entity's acts or omissions arising out of the performance of activities under this Agreement are actionable negligence or gross negligence, or constitute intentional misconduct; the Consultant, any Contractor, or Subcontractor shall be liable for contribution to GTCBRA for any such damage, loss, injury or expense of a third party arising out of such activities, notwithstanding Sec. 20128 of the NREPA, MCL 24.20128, for releases aggravated or proximately caused by the Consultant. This paragraph shall not affect any other liabilities or remedies of the GTCBRA.
- (c) Survivorship of Covenants. Any Consultant's, Contractor's, or Subcontractor's indemnity, hold harmless and release shall survive the termination of this Agreement and the Consultant's agreement with the Owner.
- (d) Breach. A breach of the foregoing provisions of Sec. 6.13 at the option of GTCBRA constitutes, or will result in, a breach of the Development Agreement.
- (e) The written agreement in subparagraph (a) of this section and written acknowledgment in subparagraph (b) shall be filed with the GTCBRA before any work begins or before any reimbursement under the terms of this agreement.

ARTICLE 7.

REPRESENTATIONS AND WARRANTIES

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

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

Section 7.2 Representations and Warranties of the Owner. The Owner represents and warrants to the GTCBRA that:

- (c) The Owner is a (Michigan Municipal Corporation public body corporate, limited partnership, sole proprietor,) with power under the laws of such state to carry on its business as now being conducted and has the power and authority to consummate the transactions contemplated under this agreement by the Owner.
- (d) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Owner, and this Agreement constitutes a valid and binding agreement of the Owner in accordance with its terms, except as enforce ability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.
- (e) Except as part of the performance and completion of eligible activities under the terms of this Agreement, the Owner, its Contractors, or Subcontractors shall not use the Site for the storage, treatment or disposal of hazardous or toxic wastes of unaffiliated third parties and shall comply with all applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees and orders in connection with any use of the Site, and shall obtain all necessary permits in connection therewith.
- (f) Owner warrants that it will comply with all obligations, covenants and conditions required of it or its agents or contractors under the terms of this Agreement.
- (g) Owner shall comply with all due care obligations under Sec. 7a of Part 201 of the NREPA.

- (h) Owner has not made any misrepresentation of fact in the inducement or in the performance or administration of this Agreement.

ARTICLE 8.

OWNER FINANCIAL ASSURANCES

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

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

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 as additional financial assurance for GTCBRA's transaction costs or successful enforcement of the terms of this agreement or other claims in the event of a breach or default by the of this Agreement 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.

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 2034 per the term of the Brownfield Plan.

Section 10.2 Sale or Transfer of Eligible Property or Site within the 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 Plan, or any existing Act 381 Work Plan, as described in this Agreement without amendment to the Plan. This 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.

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

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:

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

If to the Owner: (Name and address required.)

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

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

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. 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 Consultant, Contractors, Subcontractors, 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.

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

Owner:

Traverse Bay Area Credit Union:

By: _____

Its: _____

GRAND TRAVERSE COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY

By: Charles Korn
Its: Chairman

Approved as to Substance:

By: Jean Derenzy
Its: Director

Approved as to form:

By: Scott Howard
Its: Attorney