Agenda
Brownfield Redevelopment Authority
Board of Directors

City of Kalamazoo

Thursday, February 16, 2023 7:45 AM

CPED Main Conference Room - 245 N. Rose Street, Suite 100

A. CALL TO ORDER/ROLL CALL

B. ADOPTION OF FORMAL AGENDA

C. APPROVAL OF MINUTES

1. Minutes from January 19, 2023

D. PUBLIC COMMENTS

E. DIRECTORS' COMMENTS

F. NEW BUSINESS

1. Approval of the submittal of an EGLE Brownfield Redevelopment Grant Proposal for 530 S Rose

2. Approval of the First Amendment to the Brownfield Plan Development Agreement

3. Approval of a TIF Reimbursement Request from 615 Holdings, LLC for the project completed at 615 W. Kalamazoo Avenue

4. Approval of a TIF Reimbursement Request from Kzoo Hotel Partners, LLC for the completed project at 303 N. Rose Street

5. Approval of a Letter of Intent with Plazacorp to explore potential sale of BRA-owned property at 315 Parsons and 1015 and 1025 N. Pitcher Streets and authorize Department Director to sign

G. UNFINISHED BUSINESS

H. COMMUNICATIONS AND ANNOUNCEMENTS

I. STAFF REPORTS AND UPDATES

J. ADJOURNMENT

CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, January 19, 2023
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007

MEMBERS PRESENT: Rachel Bair; Nathan Bolton; Sharon Ferraro; Michael Gurnee; Kevan Hess; Andrew Schipper; Qianna Decker; Jason Novotny

MEMBERS ABSENT: Lucas Middleton; Torean Greeley; Kyle Gulau

CITY COMMISSIONERS/CITY STAFF PRESENT: Clyde Robinson (City Attorney); Jamie McCarthy (Sustainable Development Coordinator); PJ Thuringer (Economic Development Supervisor); Logan Mulholland (Fishbeck, Consultant); Jared Chambers (Business Specialist); Beth Cheeseman (Executive Administrative Assistant); David Stegink (Fishbeck, Consultant)

Meeting was called to order at 8:03 AM by Director Hess.

MOTION TO EXCUSE ABSENT MEMBERS: Director Gurnee moved to excuse absent members; seconded by Director Bair. Motion approved by voice vote unanimously.

Ms. McCarthy requested Directors to state their name when making a motion.

APPROVAL OF AGENDA: Director Bolton, moved the approval of the agenda as presented; seconded by Director Novotny. Motion approved by voice vote unanimously.

APPROVAL OF MINUTES: Director Gurnee moved the approval of the minutes from December 15, 2022; seconded by Commissioner Decker. Motion approved by voice vote unanimously.

PUBLIC COMMENTS

None.

DIRECTOR'S COMMENTS

Director Novotny stated he will abstain from item G. on the agenda due to ongoing project involvement.

NEW BUSINESS

1. Public Hearing for an Act 381 Brownfield Plan for the Arcadia Lofts South redevelopment project located at 203 N. Rose Street

Ms. McCarthy reviewed the process for a public hearing. She shared that Mr. Andy Wenzel from PlazaCorp would explain a proposal for an extensive rehabilitation of an existing building and additional construction. She also stated that consultants from Fishbeck would give some details of the Brownfield Plan.

Mr. Wenzel reviewed a brief history of PlazaCorp and examples of their projects. He said this is the Arcadia Lofts project. They have owned the building for 7-8 years and it has been a challenge to lease it. Mr. Wenzel shared that this building is an historic resource on the national register. Their plan is to redevelop the existing building and add a three-story addition to the back of the building. It will be an office to residential conversion with 80+/- residential units. Mr. Wenzel said they plan to activate the courtyard and will continue to support food-truck events – either in the courtyard or on Water Street. The back portion of the courtyard will be committed to resident use. There is a brewpub type restaurant committed to the front area. Mr. Wenzel went through layout/floor plans. He said there were some challenges with units location and the parking structure. Some of the units will get daylight, but no scenic view. He reported that 40%+ of the units will be workforce housing (80-120% AMI).

Director Hess asked about the plan for parking. Mr. Wenzel said they will utilize the parking ramp next door.

Director Bolton clarified the percentage of workforce housing. Mr. Wenzel confirmed that 40% was correct – they would be one-bedroom units.

Commissioner Decker asked about the other 60%. She said they all agree they need new housing and need to build up the downtown area. Commissioner Decker wondered if there would be any units available for less than 80-120% AMI. Mr. Wenzel said they are working on a way to do that to fill the gap. They want to create an opportunity for units at 60% AMI, but they can't do that as it is now. He said they are working with the City to use a NEZ zone as a tool to create more affordable units. Commissioner Decker reported that the City is working on things to help developers. She thanked him for doing the project even though it won't be a windfall for their company. Commissioner Decker said she was looking forward to seeing what happens with this project.

Director Schipper commented that potentially units will open up as people are moving into those units. Commissioner Decker agreed it would open up some housing, but it will also provide units for some people coming to the City for new jobs.

Director Hess asked what results they are expecting with the ongoing tax appeal. Mr. Wenzel said they are appealing taxes because they would like to lower the base of taxable value so there is more increment to capture. He said that way the Developer can capture sooner. That should shorten the term of capture. NEZ would lengthen the term. He said the combination of those should bring them back to the term they have now.

Ms. Mulholland from Fishbeck talked about the Brownfield Plan. The property is qualified for Brownfield because it is an historic resource. She reported that the main activities included in the Brownfield Plan are building demolition, site prep, site demolition, asbestos abatement. There are also pre-approved activities for school capture. Right now, they are looking at 8 years capture for the developer and 5 years capture for the BRA. Ms. Mulholland stated that was well within the 15 year time period for which DEGA agreed to step aside.

Public Comments

None.

Director's Comments

Director Hess stated that the housing inventory is struggling. Any new housing relieves the housing stock and drives affordability up in City.

Director Bair said she was happy to see a housing project without parking. They are taking advantage of parking already there, and it acknowledges that not everyone has a car. She believed it would be a big cost savings on the project.

Director Hess closed public hearing.

2. Adoption of a Resolution Approving the Implementation of an Act 381 Brownfield Plan for 203 N. Rose Street and Recommending Adoption by the City Commission

Ms. McCarthy noted that the resolution authorizes the BRA to implement the plan and give a recommendation to the City Commission to adopt the plan. If it is approved, they can get it on the next City Commission agenda.

Director Novotny moved adoption of a Resolution Approving the Implementation of an Act 381 Brownfield Plan for 203 N. Rose Street and Recommending Adoption by the City Commission; seconded by Director Bair.

A roll call vote was taken and passed unanimously.

3. A Recommendation to Approve the Third Amendment to the Brownfield Plan Development Agreement between the BRA and River Caddis Development LLC for the Rivers Edge Project and authorize the chair to sign

Ms. McCarthy said former amendments have been around the shift in rental pricing which was a function of this project having gone to MSHDA for some financing. Now that they have been approved and have their financing, they are close in rental rates. She said that 50% of 222 rental units will be 60% AMI. The units remaining will be mix of workforce and market. Ms. McCarthy said they are making good progress on approvals in EGLE workplans. They also have an MSF and EGLE Act 381 Workplan which allows school tax capture on half the units. She said they wanted to have an amendment to this agreement that matches a decision the Board made last month. That decision was to allow the project to benefit from all of the tax capture in the Brownfield Plan and gives the project an additional $1 million for an EGLE grant. Attorney Cherry worked with this project worked alongside the developers counsel, Attorney Steve Rypma.

Attorney Rypma gave a brief statement of where they stood with the workplans and applications to EGLE, MEDC, and MSHDA, and timelines. Director Hess asked about a realistic closing timeline. Attorney Rypma said they were looking at the end of the third quarter.

Director Gurnee moved a Recommendation to Approve the Third Amendment to the Brownfield Plan Development Agreement between the BRA and River Caddis Development LLC for the Rivers Edge Project and authorize the chair to sign; seconded by Director Bolton.

A roll call vote was taken, and the motion passed. Director Schipper abstained because his employer is construction manager of the project.

4. Approval of a Contract Assignment and Final Contract Extension for Professional Services from Fishbeck Inc., formerly Envirologic Technologies, for Brownfield Technical Assistance

Ms. McCarthy informed Directors that the second year of their consulting contract with Envirologic would be expiring. Under the current contract, they can extend that to a third year. After a third year, then they are required to do another RFP. She reached out to purchasing staff, and she asked would happen to the contract because Envirologic sold to Fishbeck. Purchasing said as long as key personnel are still working with the new firm, then the BRA can assign/extend the contract to the new firm. Ms. McCarthy said they are still working on the pricing guarantee that was in the current contract. She verbally heard that Fishbeck would be willing to honor that for another year. Ms. McCarthy reviewed work that Envirologic had helped with in 2022: data tracking and reporting formats, school tax capture, resource for emerging developers, layering other TIF districts in corridors throughout the City. She said they are looking for an approval to assign the contract and a recommendation to extend it.

Director Gurnee moved approval of a Contract Assignment and Final Contract Extension for Professional Services from Fishbeck Inc., formerly Envirologic Technologies, for Brownfield Technical Assistance; seconded by Director Schipper.

A voice vote was taken and passed.

UNFINISHED BUSINESS

1. Approval of the Amended TIF Reimbursement Request in the amount of $10,916,313.53 from Catalyst Development Co 12, LLC for brownfield-eligible activity expenses at 180 E Water Street.

Ms. McCarthy said that previously staff had brought forward a proposal to approve TIF conditional upon some boundary discrepancies between local Brownfield Plan and their State plan. She said there was more than what would likely be reimbursed in eligible activities on the parcel in the local Brownfield Plan. When updating the plan, they will add in the other parcel and right of ways. Ms. McCarthy said, with the Developers help, they cleaned up the request.

Director Ferraro moved approval of the Amended TIF Reimbursement Request in the amount of $10,916,313.53 from Catalyst Development Co 12, LLC for brownfield-eligible activity expenses at 180 E Water Street; seconded by Director Bair.

A voice vote was taken and passed. Director Novotny abstained.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF REPORTS AND UPDATES

1. Upcoming EDC/BRA Retreat (Tuesday, January 31, 7:30 - 10:30 am)

Ms. McCarthy asked Directors to keep her updated if unable to attend the retreat.

2. Invitation to the upcoming ground-breaking for 315 E. Frank Live Work Project

Ms. McCarthy said she would forward a formal invitation to Directors to attend ground-breaking for the 315 E. Frank Street project. It will be held 4:00 pm on Friday, February 3. Mr. Bogan wanted to thank everyone for their support and invite everyone to help celebrate. Director Hess added that there is a requirement to RSVP.

ADJOURNMENT: 8:44 a.m.

____
Beth Cheeseman
Recording Clerk

____
Chair Signature

____
Printed Name/Title

BRA Board of Directors Staff Report

City of Kalamazoo

TO: Brownfield Redevelopment Authority Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Jamie McCarthy, BRA Staff Liaison

DATE: February 16, 2023

SUBJECT: Approval to submit an EGLE Brownfield Redevelopment Grant Proposal for the Affordable Senior Housing Development at 530 S. Rose Street and authorize staff to sign

SUMMARY:

530 Rose will be developed on an underutilized piece of property that is currently being used as a surface parking lot in the well established Vine neighborhood. The project will add 64 much needed affordable senior housing units in the community, furthermore providing an affordable option for seniors to stay in their current neighborhood. The economic benefit will not only serve those seniors who choose to move to 530 Rose, but it will likely uncap the property taxes on several homes in the community and open up opportunities for first time homebuyers and families alike to purchase these homes. In 2022, the project received an award of the very competitive 9% Federal Low Income Housing Tax Credit. Rental rates range from as low as 30% AMI up to market rate, which meets the mixed-income requirements for LIHTCs.

Rose place rent schedule:
• 8 units at $401 per month (30% AMI)
• 16 units between $563-673 per month (40% AMI)
• 8 units between $725-862 per month (50% AMI)
• 19 units between $889-1,065 per month (80% AMI)
• 13 units at current market rate rents.

The proposed development will be built on a site that is classified as a facility and will require an aggregate peer foundation system, contaminated soil removal and disposal, and an active vapor intrusion mitigation system to mitigate any potential exposure risks to the residents of the development. This grant will help cover the added costs the environmental contamination and due care activities pose to the development.

The proposal estimates the costs at $449,688 to cover due care activities, including:

-Installation of active vapor meditation system in new on-site building. This task includes installation of the system, monitoring of the installation and initial testing of the system.
-Installation of decal contact barriers. This task includes placement of clean topsoil and vegetative cover on areas of the property that are not covered by the building or asphalt pavement.
-Prepare Documentation of Due Care Compliance as required by EGLE.

-Removal and disposal of contaminated soil. This task will include costs for transport and disposal of impacted fill/soil that will need to be removed to support building and utilities construction.
-Installation of modified foundation system (aggregate piers).
-Testing of imported sand and topsoil for use as decal construction barrier.

With BRA approval, staff are prepared to submit the initial grant proposal to EGLE for their vetting and review. If supported by EGLE, the BRA will be invited to submit a full proposal this spring. We anticipate a decision of an award by EGLE in early summer when contract materials will be presented to the board for approval. The City Commission has final approval authority to grant BRA ability to accept funding on behalf of the project.

BACKGROUND:

Staff is working with the 530 Rose Limited Dividend Housing Association Limited Partnership (Developer) who is developing 530 Rose, a 5-story, affordable senior housing development. PGJ Development LLC is a newly formed Development entity comprised of Phil Seybert & Garrett Seybert of PS Equities Inc. and Jon Durham of Nomi Developers. The three partnered on the recent Harrison Circle building, an 80-unit affordable housing development in the Northside neighborhood of
Kalamazoo. PS Equities Inc. has 40+ combined years of multifamily and affordable housing development experience. NOMI Developers are responsible for the successful redeveloping of several apartment, commercial and office buildings on the Northside of Kalamazoo. Together the entities are focused on developing more affordable housing in Kalamazoo.

The project fits well within the City's development and housing strategies and neighborhood and master plans. Major goals in the Vine neighborhood plan focus on housing, including increasing housing options and supply of affordable units. Median household income in Vine is $22,359 which means rents in the range of $560/month would be considered affordable. This project will support the neighborhood goals of creating a new rental option for seniors and had units that fit the neighborhood-specific definition of "affordable".

The project has secured a variety of funding sources to fill a financing gap, including:

• $408,000 in HOME funds from the City
• $750,000 loan from the City's Foundation for Excellence
• $40,000 pre-development grant from LISC (and developer anticipates receiving an additional $40,000 pre-development grant from LISC)
• $1,000,000 in ARPA funding from Kalamazoo County
• $1,268,000 in Kalamazoo Senior Housing Millage funding
• Developer purchased the land for $220,000 in 2021
• $675,000 in deferred developer fee
• LOIs from Mercantile Bank and Walker & Dunlop for the construction and permanent loans and have secured a PILOT (payment in lieu of tax) from the City for the proposed project

RECOMMENDATION:

It is recommended the BRA approve staff to submit an EGLE Brownfield Redevelopment Grant Proposal to support redevelopment at 530 S. Rose Street for Affordable Senior Housing.

Community Planning and Economic Development Department | 245 N. Rose Street, Ste 100, Kalamazoo, MI 49007
Voice: (269) 337-8744 | Fax: (269) 337-8513 | www.kalamazoocity.org

I. PROJECT NAME AND LOCATION

Project Name:	Rose Place		
Project Address:	522 & 530 S Rose St.		
Project City:	Kalamazoo		
Project County:	Kalamazoo	Project Zip Code:	49007
State Senate District:	20	State House District:	60

II. APPLICANT INFORMATION

Applicant Name:	City of Kalamazoo Brownfield Redevelopment Authority		
Applicant Address:	241 West South Street		
Applicant City:	Kalamazoo	Applicant Zip Code:	49007
APPLICANT CONTACT INFORMATION			
	Applicant Signing Authority Contact	Applicant Project Contact	Project Consultant (if applicable)
Name:	Kevan Hess	Jamie McCarthy	N/A
Title:	BRA Chair	BRA Liaison	
Phone:	(269) 337-8000	(269) 337-8789	
Email:	khess@jaquarealtors.com	mccarthyj@kalamazoocity.org	

III. FUNDING REQUEST

Amount Requested:	$449,688
Funding Source:	☐ RPF ☒ 201 ☐ Site Assessment
Funding Type:	☒ Grant ☐ Loan ☐ Either

IV. GENERAL PROJECT INFORMATION

Previous use(s):	**Residential**
Current use(s):	**Surface Parking lot**
Proposed new use(s):	**Affordable senior housing (64 LIHTC apartment units)**
Known or suspected contaminants:	**See attached**

PROJECT SUMMARY

Provide one paragraph below that summarizes the redevelopment, the environmental challenge that needs to be addressed, and how the brownfield funding will be used to address that challenge:

530 Rose is a proposed 5 story, affordable senior housing development that has received an award of the very competitive 9% Federal Low Income Housing Tax Credit. The proposed development will be built on a site that is classified as a facility and will require an aggregate peer foundation system, contaminated soil removal and disposal, and an active vapor intrusion mitigation system to mitigate any potential exposure risks to the residents of the development. This grant will help cover the added costs the environmental contamination poses to this development.

Does the property have any of the following:

A liable party known to have caused or contributed to a release at the site?	☐ **Yes**	☒ **No**
Known environmental actions or enforcements by a regulatory agency?	☐ **Yes**	☒ **No**
A liable party undertaking corrective actions at the site?	☐ **Yes**	☒ **No**
Known environmental liens?	☐ **Yes**	☒ **No**
Known legal, access, or title issues?	☐ **Yes**	☒ **No**
Deed restriction, land, or resource use restriction?	☐ **Yes**	☒ **No**

Provide a detailed explanation for any Yes answers above:

Provide any other relevant information regarding property ownership and operations, if applicable:

V. PROPERTY AND OWNERSHIP INFORMATION

CURRENT OWNER			
Parcel ID#:	**06-22-114-027**	**06-22-119-026**	
Property Address:	**522 S Rose**	**530 S Rose LDHA LP**	
Latitude & Longitude (to 8 digits):	**42.2866623, 85.5850625**	**42.2866623, 85.5850625**	
Current Zoning:	**Live Work 1**	**Live Work 1**	
Proposed Zoning:	**N/A**	**N/A**	
Acreage:	**0.25**	**0.25**	
Property Acquisition Type (inheritance, purchase, tax reversion, other):	**Purchase**	**Purchase**	
Date of Acquisition:	**12/31/2021**	**12/31/2021**	
Did the Current Owner Complete a Baseline Environmental Assessment (BEA)?	☒ **Yes** ☐ **No**	☒ **Yes** ☐ **No**	☐ **Yes** ☐ **No**
Current Owner Name:	**530 Rose Limited Dividend Housing Association Limited Partnership**	**530 Rose Limited Dividend Housing Association Limited Partnership**	
Current Owner Address:	**702 E. Michigan St. Mt. Pleasant MI 48858**	**702 E. Michigan St. Mt. Pleasant MI 48858**	
Current Owner Email and Phone:	**jon@nomidevelopers.com**	**jon@nomidevelopers.com**	
Name and Address of Occupant:	**N/A**	**N/A**	

Operations at the Property:	**Vacant**	**Vacant**	
Date Operations Began:	**Anticipated on September 1st 2023**	**Anticipated on September 1st 2023**	
FUTURE OWNER	☒ **N/A - Ownership will not change**		
Parcel ID#:			
Future Owner Name:			
Future Owner Address, City, State, Zip:			
Future Owner Email and Phone:			
How will the property be acquired? (purchase, tax inversion, inheritance, other)			

VI. PROPERTY USE AND ENVIRONMENTAL CONDITIONS

PROPERTY HISTORY

List the current and former uses of the property below, including dates, owners (if known), and potential contaminants associated with each property use.

Parcel ID / Property Address	Date Range (Year)		Property Use	Potential Contaminants and/ or Recognized Environmental Conditions (RECs)	Property Owner
	From	To			
530 & 522 S	1902	1980's	Residential	Potential impacted fill used for backfill	Various
	1980's	2021	Surface parking	N/A	Troff Properties, LLC

Rose/ 06-22-119-026 & 06-22-114-027	12/31/2021	Present	Surface parking	N/A	530 Rose Limited Dividend Housing Association Limited Partnership

ENVIRONMENTAL RISKS	
Known Contaminants:	Ethylbenzene, xylenes, arsenic, mercury, selenium
Pathways of Concern:	☒ Groundwater/Surface Water Interface (GSI) ☒ Drinking Water ☒ Volatilization to Indoor Air ☐ Ambient Air ☒ Direct Contact ☐ Unknown

PETROLEUM INFORMATION			
Were underground storage tanks (USTs) ever located on the property?	☐ Yes	☒ No	☐ Suspected
Are USTs <u>currently</u> present on the property?	☐ Yes	☒ No	☐ Suspected
Has a UST release been reported for the property?	☐ Yes	☒ No	

Summarize known UST information below.

Tank ID #	Size	Contents	Installation Date	Removal Date	Status (active, removed, etc.)	Release ID #

HAZARDOUS SUBSTANCE INFORMATION

Was there ever a non-UST related release of a hazardous substance on the property?	☐ Yes ☒ No ☐ Unknown

Summarize known hazardous substance release information below.

Date of Release	Description of Release	Status	Release ID #

To the best of your knowledge, did the applicant cause or contribute to contamination that is known or may be discovered at the project site?	☐ Yes ☒ No, did NOT cause or contribute to contamination ☐ May have caused or contributed to contamination
To the best of your knowledge did the developer cause or contribute to contamination that is known or may be discovered at the project site?	☐ Yes ☒ No, did NOT cause or contribute to contamination ☐ May have caused or contributed to contamination ☐ Not Applicable/No developer

ENVIRONMENTAL CONDITION OF THE PROPERTY

Provide below a brief description of what is known about the environmental condition of the property. Describe known and/or suspected contamination and the risk that needs to be mitigated/addressed to safely reuse the property. Provide maps and figures showing contaminant exceedances (see checklist in Section XII):

Soil on the property is impacted with the following metals above part 201 residential criteria: Arsenic, copper, lead, mercury, selenium, silver and zinc. The impact is present at shallow depths ranging from 1-3 feet below ground surface (bgs). The metals impact is likely associated with the fill materials on the property from backfilling former residential basements.

Ethylbenzene, xylene's and mercury were also measured in soil at concentrations above EGLE site-specific volatilization to indoor air criteria (SSVIAC), dated November 29, 2021.

See attached figures from BEA

PROPOSED ENVIRONMENTAL ACTIONS WITH GRANT/LOAN FUNDING

Check all that apply.

☐ Hazardous Material Survey ☐ BEA ☒ Excavation	☒ Assessment/Investigation ☒ Due Care Planning ☒ Soil Transport/Disposal	☐ UST Removal ☐ Demolition ☒ Vapor Mitigation
☒ **Other (please describe): 12 Month post construction VI system monitoring and DDCC**		

Describe the proposed actions that will be undertaken with grant and loan funds to address the environmental conditions and make the property safe for the proposed reuse. Please explain reasons why the proposed eligible activities should be funded.

Necessary due care and response activities for the development and safe reuse of the property include:

Due Care

-Installation of active vapor meditation system in new on-site building. This task includes installation of the system, monitoring of the installation and initial testing of the system.

-Installation of decal contact barriers. This task includes placement of clean topsoil and vegetative cover on areas of the property that are not covered by the building or asphalt pavement.

EGLE

-Prepare Documentation of Due Care Compliance as required by EGLE.

-Removal and disposal of contaminated soil. This task will include costs for transport and disposal of impacted fill/soil that will need to be removed to support building and utilities construction.

-Installation of modified foundation system (aggregate piers).

-Testing of imported sand and topsoil for use as decal construction barrier

Provide maps showing contamination relative to the building footprint and/or the development plan (see checklist in Section XII):

DEMOLITION

If a grant or loan will be used for demolition (buildings, site features, etc.), answer the following questions:

Does the structure impede the proposed environmental response activities? ☐ Yes ☐ No

Does the structure present a health or safety threat? ☐ Yes ☐ No

Does the structure impede the reuse of the property? ☐ Yes ☐ No

Do the environmental activities exceed the cost of demolition? ☐ Yes ☐ No

Further explanation, if necessary:

VII. ECONOMIC AND REDEVELOPMENT INFORMATION

Capital Investment: **$ 19,468,732**	**Permanent Jobs Created: Full Time = 1 manager** **Part Time = 1 Maintenance Technician**
Current State Equalization Value (SEV): $51,000 (combined)	**Anticipated post redevelopment SEV: $9,750,000**

Provide a brief summary of how the redevelopment project will result in economic benefits including but not limited to job creation and increased tax base:

530 Rose will be developed on an underutilized piece of property that is currently being used as a surface parking lot in the well established Vine neighborhood. We will be adding 64 much needed affordable senior housing units in the community, furthermore providing an affordable option for seniors to stay in their current neighborhood. The economic benefit will not only serve those seniors who choose to move here but it will likely uncap the property taxes on several homes in the community and open up opportunities for first time homebuyers and families alike to purchase these homes.

Rose place rent schedule:

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- 13 units at current market rate rents

DEVELOPER'S EXPERIENCE

Is there a developer committed to the project? ☒ **Yes** ☐ **No**

Developer's Name: PGJ Development (Phil Seybert, Garrett Seybert & Jon Durham)

Provide a brief summary of the developer's business experience, including any other businesses, terms and conditions of their participation in the project, bankruptcies, and civil or criminal enforcement actions related to environmental violations: PGJ Development LLC is a newly formed Development entity comprised of Phil Seybert & Garrett Seybert of PS Equities Inc. and Jon Durham of Nomi Developers. The three partnered on the recent Harrison Circle building, an 80-unit affordable housing development in the Northside neighborhood of Kalamazoo. PS Equities Inc. has 40+ combined years of multifamily and affordable housing development experience. NOMI Developers are responsible for the successful redeveloping of several apartment, commercial and office buildings on the Northside of Kalamazoo. Together the entities are focused on developing more affordable housing in Kalamazoo. ☐ **N/A - Project does not have developer**		
DEVELOPER'S PROJECT FINANCING		
Summarize the sources of your total capital investment and the status of the financing. ☐ **N/A – Project does not have a developer**		
Source of Funding	**Estimated Amount**	**Status of Approval**
Mortgage	**$4,694,065**	**Pending**
LIHTC Equity	**$10,067,242**	**Approved**
ARPA Funds	**$1,000,000**	**Approved**
HOME Funds	**$408,000**	**Approved**
Foundation For Excellence	**$750,000**	**Approved**
Housing for all County Millage fund	**$1,268,000**	**Approved**
Developer contribution	**$675,000**	**Approved**
TOTAL =	**$18,862,307**	
TAX INCREMENT FINANCING (TIF)		
Will the project use Brownfield TIF?	☐ **Yes** ☒ **No**	
If Yes, identify all sources that apply:	☐ **EGLE** ☐ **MEDC** ☐ **Local**	
PURCHASE AND DEVELOPMENT AGREEMENTS		
Is there a purchase agreement in place?	☐ **Yes** ☐ **No** ☒ **N/A**	
Status of purchase agreement:		

Status of development agreement:	
As a requirement of EGLE funding, is the developer willing to enter into a development agreement with the applicant?	☒ Yes ☐ No ☐ NA
Has the project received site plan approval?	☒ Yes ☐ No **If no, explain:**

SCHEDULE
Provide a summary schedule for the completion of the proposed eligible activities: 9/2023 Begin construction 10/23 Soil removal and disposal 11/23 Foundation and install vapor intrusion barrier and venting 12/23 Pour first floor slab and begin framing 11/24 Construction completed by November 2024 12/24 12 months of VI system monitoring will begin 12/25 All eligible activities and DDCC complete and submitted to EGLE ***Identify the dates redevelopment is expected to begin and be completed:*** **Estimated Start Date: 9/1/2023** **Estimated Completion Date: 12/31/2024 (Construction only, DDCC submission December 2025)**

VIII. COMMUNITY OUTCOMES

Will existing infrastructure be reused? ☒ **Yes** ☐ **No**

Please describe: The proposed development will connect to existing water, sewer, storm, Electric and Gas that run under and along Rose Street.

Is the community in which the project is located disadvantaged, disproportionately burdened by pollution, or facing other significant challenges? ☒ **Yes** ☐ **No**

If yes, explain:

The project is located in census tract 2.01 which is identified as a disadvantaged community according to the Climate and Economic Justice Screening Tool (CEJST) due to the following factors:

- **Low income population** — the number of people in households where income is less than or equal to twice the federal poverty level (80th percentile)
- **Asthma rate** (95th percentile)
- **Lack of greenspace —** the amount of land that is covered with artificial materials such as pavement or concrete (97th percentile)
- **Proximity to superfund sites** — the count of proposed or listed superfund or national priorities list sites within 5 KM (98th percentile)
- **Traffic proximity** — the count of vehicles at major roads within 500 meters (95th percentile)
- **Underground storage tanks and releases data** — formula of the density of leaking underground storage tanks and number of all active underground storage tanks within1,500 feet of the census tract boundaries (99th percentile)
- **Wastewater discharge** — modeled toxic concentrations at parts of streams within 500 meters (95th percentile)
- **Poverty** — the share of people in households where income is at or below 100% of the federal poverty level (96th percentile)

Does the project fit into the community's development plans? ☒ **Yes** ☐ **No**

Please explain:

The project fits well within the City's development and housing strategies and neighborhood and master plans. Major goals in the Vine neighborhood plan focus on housing, including increasing housing options and supply of affordable units. Median household income in Vine is $22,359 which means rents in the range of $560/month would be considered affordable. This project will support the neighborhood goals of creating a new rental option for seniors and had units that fit the neighborhood-specific definition of "affordable".

The City Master Plan also has goals around housing supply and affordability and infill development for sustainable land use, which this project helps advance. The property is zoned Live-Work 1, which supports flexible uses and focuses more on building form. The project fits the City's development vision by building to the street, increasing walkability, and offering public space and transparency on the ground floor.

COMMUNITY BENEFITS

Provide a brief summary of how the redevelopment project will result in social or other community benefits, not described elsewhere, including but not limited to; addressing blight, public safety and health concerns, placemaking, urban infill, walkability, incorporation of sustainable and energy efficient development measures, and intentional strategies to support equitable development and assist disadvantaged communities:

Rose Place will be developed on an underutilized, infill, piece of property that is currently used as a surface parking lot in the well-established, older, Vine neighborhood. Redeveloping this urban infill lot is a perfect example of placemaking, as the property is within walking distance to all the amenities downtown Kalamazoo has to offer (walk score = 89). The development will be constructed to meet or exceed LEED silver standards which will directly impact the tenants utility costs, supporting the overall sustainability and affordability Rose Place will offer. LEED certified buildings also have lower carbon footprints, improved air quality, and support community climate goals.

Adding 64 much needed affordable senior housing units in the community will support construction jobs and the local economy. Vine neighborhood has a vibrant commercial business district, as well as close by restaurants and businesses in the Central Business District, which will benefit from additional residents and temporary construction jobs. The project will employ a full-time property manager and a part-time maintenance person once construction is completed. Rose Place Senior Housing is another step toward the revitalization and invigoration of one of the City's older neighborhoods which will in turn help to attract new residents and businesses.

IX. LOCAL COMMITMENT

LOCAL CONTRIBUTIONS TO THE PROJECT

Describe the local contributions to the project, including but not limited to; other funding sources provided or supported, use of TIF, tax abatements, other grants and incentives, land contribution, reduced purchase price, utility or right-of way work, staff time committed to the project:

Rose Place has been awarded a 10 year $1,006,724 Federal Low Income Housing Tax Credit allocation through a very competitive process administered by MSHDA which was largely due to the help of the City of Kalamazoo staff. The equity generated by selling the tax credits to a limited partner investor is what really makes this deal possible. However, with the current market conditions the project still has a substantial gap in the deal financing due to rising construction costs and labor shortages.

To help fill the financing gap, the project successfully secured:

- $408,000 in HOME funds from the City
- $750,000 loan from the City's Foundation for Excellence
- $40,000 pre-development grant from LISC (and developer anticipates receiving an additional $40,000 pre-development grant from LISC)
- $1,000,000 in ARPA funding from Kalamazoo County
- $1,268,000 in Kalamazoo Senior Housing Millage funding
- Developer purchased the land for $220,000 in 2021
- $675,000 in deferred developer fee

In addition, the developer has LOIs from Mercantile Bank and Walker & Dunlop for the construction and permanent loans and have secured a PILOT (payment in lieu of tax) from the City for the proposed project.

X. CERTIFICATION

The undersigned, as the representative of the applicant, certifies that the no government employee, or member of the legislative, judicial, or executive branches, or member of the Grantee's Board of Directors, its employees, partner agencies, or their families shall benefit financially from the grant or loan.

The undersigned, as the representative of the applicant, certifies that the information provided in this application and its attachments is true and complete to the best knowledge and belief of the applicant and the undersigned.

Typed name of Applicant's Representative **/s/ (For electronic signature: type name here after /s/ and check box below)** Signature Title Date
☐ **I agree to the use of electronic signatures with EGLE**
Please submit the proposal electronically to **EGLE-Brownfields@michigan.gov** **Please call 517-242-9276 with questions.** **#mibrownfields** **www.michigan.gov/eglebrownfields**

Budget Table and Required Attachments

REQUIRED ATTACHMENTS **Please complete the following checklist and attach the supporting documentation.**			
#	**DESCRIPTION**	**ATTACHED?**	**COMMENTS**
1	**Budget Table**	☒ **Yes** ☐ **No**	
2	**Site Maps:** **Map(s) showing the location of the project area, site boundaries, existing structures, etc.**	☒ **Yes** ☐ **N/A**	
	Map(s) showing the location of known contaminants, recognized environmental concerns [including contaminant boundaries (when known)], and contaminant concentrations.	☒ **Yes** ☐ **N/A**	

	Map(s) showing proposed development in relation to contaminants.	☒ Yes ☐ N/A	
	Map(s) showing site development plans.	☒ Yes ☐ N/A	
3	Analytical data summary tables.	☒ Yes ☐ N/A	
4	Agreements Purchase Agreement	☐ Yes ☒ N/A	
	Development Agreement	☐ Yes ☒ N/A	BRA and Developer will execute a development and/or grant agreement prior to signing grant
5	Site Photos High quality, publishable digital photos of the site. Please also provide these electronically in jpg format.	☒ Yes ☐ N/A	
6	Describe other attachments provided: Elevation of building		

BUDGET TABLE

Provide the project budget in the table below. Change, add, or delete activities as appropriate for the project. Column specific notes provided below table.

Column Specific Notes:

- ***EGLE RPF Grant: This funding can only be used for Refined Petroleum Fund related contamination. Talk to your brownfield coordinator to confirm appropriate funding source.***
- ***EGLE 201 Grant: This funding can be used for non-petroleum sites. Talk to your brownfield coordinator to confirm appropriate funding source.***
- ***EGLE Loan: This funding can be used for refined petroleum or non-petroleum sites with redevelopment potential.***
- ***Tax Increment Financing (TIF) tied to EGLE Loan: If TIF is proposed to reimburse the loan, that portion of the TIF will also be reflected in the loan amount.***
- ***Other TIF: Any TIF dollars that will NOT be used to reimburse the EGLE loan, including non-EGLE TIF would be reflected here.***
- ***Local Funds: Any funding the community is contributing to the project.***
- ***Developer Funds: Funds the developer is investing into the project.***
- ***Other: Include other federal, state, private, etc. dollars that are not already reflected.***

TASK (Activity)	TOTAL Expected Cost	Proposed Funding Mechanism							
		EGLE RPF Grant	EGLE 201 Grant	EGLE Loan	TIF tied to EGLE Loan	Other TIF (not tied to EGLE Loan)	Local Funds (public)	Developer Funds (private)	Other Funds (list sources)
Assessment/Investigation									
Site assessment (Phase I/II)	$ 20,000							$ 20,000	
Baseline environmental assessment (BEA)	$ 3,500							$ 3,500	
Lead, asbestos, mold, and hazardous material survey									
Due Care Planning	$ 20,000		$ 20,000						
Other assessment activity	$ 30,000		$ 30,000						
Assessment/Investigation Sub-Total	*$ 73,500*	*$ -*	*$ 50,000*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 23,500*	*$ -*
Activities that cannot exceed the total cost of environmentally related activities (50/50 Rule) as defined in Part 196									
Demolition									
Abatement									
Disposal of solid waste as defined in Part 115									
Removal of contaminated lake and river sediments as defined in Part 196									
Other 50/50 rule activities									
50/50 Rule Sub-Total	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Due Care									
Transport/disposal of contaminated soils									
Vapor mitigation system	$ 85,000		$ 85,000						
Other due care activity	$ 40,000		$ 40,000						
Due Care Sub-Total	*$ 125,000*	*$ -*	*$ 125,000*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Response Activity									
Excavation/transportation/ disposal of contaminated soils	$ 200,000		$ 200,000						
Demolition that is a response activity									
Other response activity									
Response Activity Sub-Total	*$ 200,000*	*$ -*	*$ 200,000*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Other									
Removal and closure of USTs Pursuant to Parts 211 and 213									
Dust control related to construction activities									
Industrial cleaning									
Sheeting and shoring necessary for removal of contaminated soil at sites requiring permits under Part 301, 303, or 325									
Contingency (up to 15% of grant/loan)	$ 56,250		$ 56,250						
3rd Party Environmental Oversight if approved by EGLE (up to 5% of grant/loan)									
Administration (up to 3% of grant/loan)	$ 12,938		$ 12,938						
EGLE Project Sign (grant/loan requirement)	$ 500		$ 500						
Grant Closeout Report (grant/loan requirement)	$ 5,000		$ 5,000						
Remaining project costs									
TOTAL	$ 473,188	$ -	$ 449,688	$ -	$ -	$ -	$ -	$ 23,500	$ -

BRA Board of Directors Staff Report

City of Kalamazoo

TO: Brownfield Redevelopment Authority Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Jamie McCarthy, BRA Staff Liaison

DATE: February 16, 2023

SUBJECT: Approval of the First Amendment to the Brownfield Plan Redevelopment Agreement for the project at 615 W Kalamazoo and authorize the chair to sign

SUMMARY:

Through the first amendment, staff recommends the following changes to the TIF structure (reflected in Model 1 of the Fishbeck memorandum):

- Update total eligible costs for eligible activities in the amount of $697,002.25; Fishbeck confirmed the TIF reimbursement request and close-out of the loan ($400,000 EGLE grant plus $297,002.25 TIF)
- BRA will pay Developer TIF advance in the amount of $150,000; capture period includes 10 years to Developer (not to exceed $297,002.25) followed by 8 years to BRA to recapture $150,000 TIF advance
- BRA will retain 10% TIF capture annually to cover administrative costs
- Clarify TIF reimbursement is in addition to the $400,000 EGLE grant for the project

BACKGROUND:

Westgate Commons was completed in 2022 as a mixed-use project located in the historic Stuart Neighborhood. The project transformed a brownfield site from a blighted and vacant former automechanic shop into a vibrant space with commercial units on the ground floor and residential above on the second and third floors. The project has a local brownfield plan and EGLE grant to cover eligible costs for brownfield eligible activities. The project also received support from MEDC in the form of a Community Revitilization Program grant. The project had substantial costs related to due care activities, demolition, site preparation, and public infrastructure improvements.

RECOMMENDATION:

It is recommended the BRA approve the First Amendment to the Brownfield Plan Development Agreement with 615 Holdings, LLC and authorize the chair to sign.

fishbeck
Engineers | Architects | Scientists | Constructors

2960 Interstate Parkway
Kalamazoo, Michigan 49048

269.342.1100 | fishbeck.com

Memo

TO: Jamie McCarthy – City of Kalamazoo

FROM: Logan Mulholland, Brownfield Project Analyst
David Stegink, Vice President/Brownfield Program Manager

DATE: February 9, 2023 **PROJECT NO.:** E220108

RE: 615 W Kalamazoo Reimbursement Request

Fishbeck was requested to review the documentation pertaining to the 615 W Kalamazoo (Westgate Apartments) development included in the City's Brownfield Plan.

The 615 W Kalamazoo Brownfield Plan anticipated available tax increment revenues as early as the 2020 taxes but no later than October 1, 2023. The Plan allows for the capture of up to $600,000. The project was also awarded a $400,00 Department of Environment, Great Lakes, and Energy (EGLE) Brownfield Redevelopment Grant. The Grant costs are not eligible for reimbursement and are not included in the reimbursement request.

Fishbeck has found a total of $281,722.25 eligible costs that are included in the Brownfield Plan and are within the estimates identified in the Plan. There are some eligible activities that have not yet been paid by the Developer and therefore are not eligible for reimbursement at this time. It is anticipated that these costs will be included in a secondary request. The eligible costs that require proof of payment totals $15,280.

The developer has requested a $150,000 portion of their reimbursement request upfront. The loan would be repaid to the city through the TIF capture.

Two different models have been created to assist with the creation of the loan terms. Both models repay the County with State tax capture over the first 3 years. In model 1, the developer is fully reimbursed in 10 years, with the city being reimbursed for their $150,000 loan over the following 8 years. Model 2 is a split model, in which the local tax increment is split with 70% to be reimbursed to the developer, and 30% to be reimbursed to the city BRA.

Model 1:

- 10 Years for Developer Reimbursement (approximately $15,000 each year)
- 18 Years for the City BRA Reimbursement (8 Years after the Developer Reimbursement)

Model 2:

- 13 Years for Developer Reimbursement (approximately $10,000 each year)
- 18 Years for City BRA Reimbursement (approximately $4,000 each year)

All other plan details are consistent between the two models, including anticipated years of the plan, capture into the LBRF, and administrative fees.

Plan Details

- **$436,100** Incremental Taxable Value
- **$22,630** Kalamazoo County Pre-Approved Costs
- **$297,002.25** Developer anticipated total eligible costs
    - **$281,722.25** approvable with the current documentation.
- **23** Years of Brownfield Capture
    - **18** Years until all Parties are Fully Reimbursed
    - **5** Years of LBRF Capture
- **$45,699** Authority Administration Fees (10% Local-Only Estimation)
- **$136,916** of LBRF capture

Both reimbursement models are attached for reference. If you have any questions or require additional information, please contact me at 269.544.6966 or lmulholland@fisheck.com.

By email

Exhibit A

Reimbursement Model #1

Tax Increment Revenue Reimbursement Allocation

Model 1

615 W Kalamazoo

Kalamazoo, Michigan

Developer Maximum Reimbursement	Proportionality	School Taxes	Local-Only Taxes	Total
State	**39.4%**	**$ 125,796**	**$ -**	$ 22,630
Local	**60.6%**	**$ 193,836**	**$ -**	$ -
TOTAL				
EGLE	7.1%	$ 22,630	$ -	$ 22,630
MSF	0.0%	$ -	$ -	$ -

Estimated Total Years of Plan:	23

Estimated Capture	
Administrative Fees	$ 45,699
State Brownfield Redevelopment Fund	$ 6,820
Local Brownfield Revolving Fund	$ 136,916

YEARS		1	2	3	4	5	6	7	8	9	10	11	12
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total State Incremental Revenue		$ 10,325	$ 10,543	$ 10,762	$ 10,984	$ 11,208	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Brownfield Redevelopment Fund (50% of SET)		$ 1,308	$ 1,336	$ 1,364	$ 1,392	$ 1,420	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State TIR Available for Reimbursement		**$ 9,017**	**$ 9,207**	**$ 9,399**	**$ 9,592**	**$ 9,788**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Local Incremental Revenue		$ 15,910	$ 16,245	$ 16,583	$ 16,925	$ 17,271	$ 17,620	$ 17,972	$ 18,328	$ 18,687	$ 19,050	$ 19,417	$ 19,787
BRA Administrative Fee (10%)		$ 1,591	$ 1,624	$ 1,658	$ 1,693	$ 1,727	$ 1,762	$ 1,797	$ 1,833	$ 1,869	$ 1,905	$ 1,942	$ 1,979
Local TIR Available for Reimbursement		**$ 14,319**	**$ 14,620**	**$ 14,925**	**$ 15,233**	**$ 15,544**	**$ 15,858**	**$ 16,175**	**$ 16,495**	**$ 16,819**	**$ 17,145**	**$ 17,475**	**$ 17,809**
Total State & Local TIR Available		**$ 23,335**	**$ 23,827**	**$ 24,324**	**$ 24,825**	**$ 25,332**	**$ 15,858**	**$ 16,175**	**$ 16,495**	**$ 16,819**	**$ 17,145**	**$ 17,475**	**$ 17,809**
	Beginning Balance												
Reimbursement Balance	***$ 319,632***	***$ 319,632***	***$ 296,297***	***$ 272,470***	***$ 253,138***	***$ 237,905***	***$ 222,362***	***$ 206,504***	***$ 190,329***	***$ 173,834***	***$ 157,015***	***$ 139,870***	***$ 122,394***
EGLE Environmental Costs (County)	*$ 22,630*	*$ 22,630*	*$ 13,613*	*$ 4,407*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
State Tax Reimbursement	$ 22,630	$ 9,017	$ 9,207	$ 4,407		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local Tax Reimbursement		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total EGLE Reimbursement Balance		*$ 13,613*	*$ 4,407*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Only Costs	*$ 297,002*	*$ 297,002*	*$ 282,684*	*$ 268,063*	*$ 253,138*	*$ 237,905*	*$ 222,362*	*$ 206,504*	*$ 190,329*	*$ 173,834*	*$ 157,015*	*$ 139,870*	*$ 122,394*
Local Tax Reimbursement (Developer)	$ 147,002	$ 14,319	$ 14,620	$ 14,925	$ 15,233	$ 15,544	$ 15,858	$ 16,175	$ 16,495	$ 16,819	$ 7,015	$ -	$ -
Local Tax Reimbursement (City BRA)	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,130	$ 17,475	$ 17,809
Total Local Reimbursement Balance		*$ 282,684*	*$ 268,063*	*$ 253,138*	*$ 237,905*	*$ 222,362*	*$ 206,504*	*$ 190,329*	*$ 173,834*	*$ 157,015*	*$ 139,870*	*$ 122,394*	*$ 104,586*
Total Annual Developer Reimbursement		*$ 23,335*	*$ 23,827*	*$ 19,332*	*$ 15,233*	*$ 15,544*	*$ 15,858*	*$ 16,175*	*$ 16,495*	*$ 16,819*	*$ 17,145*	*$ 17,475*	*$ 17,809*
LOCAL BROWNFIELD REVOLVING FUN													
LBRF Deposits		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
State Tax Capture	*$ 22,630*	*$ -*	*$ -*	*$ 4,992*	*$ 9,592*	*$ 8,046*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Tax Capture	*$ 297,002*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Total LBRF Capture													

YEARS	13	14	15	16	17	18	19	20	21	22	23	
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTAL
Total State Incremental Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,823
State Brownfield Redevelopment Fund (50% of SET)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,820
State TIR Available for Reimbursement	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 47,003**
Total Local Incremental Revenue	$ 20,162	$ 20,539	$ 20,921	$ 21,306	$ 21,695	$ 22,089	$ 22,486	$ 22,887	$ 23,292	$ 23,701	$ 24,114	$ 456,987
BRA Administrative Fee (10%)	$ 2,016	$ 2,054	$ 2,092	$ 2,131	$ 2,170	$ 2,209	$ 2,249	$ 2,289	$ 2,329	$ 2,370	$ 2,411	$ 45,699
Local TIR Available for Reimbursement	**$ 18,145**	**$ 18,485**	**$ 18,829**	**$ 19,176**	**$ 19,526**	**$ 19,880**	**$ 20,237**	**$ 20,598**	**$ 20,963**	**$ 21,331**	**$ 21,703**	**$ 411,289**
Total State & Local TIR Available	**$ 18,145**	**$ 18,485**	**$ 18,829**	**$ 19,176**	**$ 19,526**	**$ 19,880**	**$ 20,237**	**$ 20,598**	**$ 20,963**	**$ 21,331**	**$ 21,703**	**$ 458,291**
Reimbursement Balance	***$ 104,586***	***$ 86,440***	***$ 67,955***	***$ 49,126***	***$ 29,950***	***$ 10,424***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	
EGLE Environmental Costs (County)	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	
State Tax Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,630
Local Tax Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total EGLE Reimbursement Balance	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 22,630*
Local Only Costs	*$ 104,586*	*$ 86,440*	*$ 67,955*	*$ 49,126*	*$ 29,950*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Tax Reimbursement (Developer)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 147,002
Local Tax Reimbursement (City BRA)	$ 18,145	$ 18,485	$ 18,829	$ 19,176	$ 19,526	$ 10,424	$ -	$ -	$ -	$ -	$ -	$ 150,000
Total Local Reimbursement Balance	*$ 86,440*	*$ 67,955*	*$ 49,126*	*$ 29,950*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 297,002*
Total Annual Developer Reimbursement	*$ 18,145*	*$ 18,485*	*$ 18,829*	*$ 19,176*	*$ 19,526*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 319,632*
LOCAL BROWNFIELD REVOLVING FUN												
LBRF Deposits	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
State Tax Capture	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 22,630*
Local Tax Capture	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 9,455*	*$ 20,237*	*$ 20,598*	*$ 20,963*	*$ 21,331*	*$ 21,703*	*$ 114,286*
Total LBRF Capture												*$ 136,916*

Footnotes:

$539,000 or 15 years of TIF, subtracting the EGLE grant costs.

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

Proportionality assumes workplan use of 2022 millages

Exhibit B

Reimbursement Model #2
Split Tax Increment

Tax Increment Revenue Reimbursement Allocation
Model 2
615 W Kalamazoo
Kalamazoo, Michigan

Developer Maximum Reimbursement	Proportionality	School Taxes	Local-Only Taxes	Total
State	**39.4%**	**$ 125,796**	**$ -**	$ 22,630
Local	**60.6%**	**$ 193,836**	**$ -**	$ -
TOTAL				
EGLE	7.1%	$ 22,630	$ -	$ 22,630
MSF	0.0%	$ -	$ -	$ -

Estimated Total Years of Plan:	23

Estimated Capture	
Administrative Fees	$ 45,699
State Brownfield Redevelopment Fund	$ 6,820
Local Brownfield Revolving Fund	$ 136,916

YEARS	Beginning Balance	1	2	3	4	5	6	7	8	9	10	11	12
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total State Incremental Revenue		$ 10,325	$ 10,543	$ 10,762	$ 10,984	$ 11,208	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Brownfield Redevelopment Fund (50% of SET)		$ 1,308	$ 1,336	$ 1,364	$ 1,392	$ 1,420	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State TIR Available for Reimbursement		**$ 9,017**	**$ 9,207**	**$ 9,399**	**$ 9,592**	**$ 9,788**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Local Incremental Revenue		$ 15,910	$ 16,245	$ 16,583	$ 16,925	$ 17,271	$ 17,620	$ 17,972	$ 18,328	$ 18,687	$ 19,050	$ 19,417	$ 19,787
BRA Administrative Fee (10%)		$ 1,591	$ 1,624	$ 1,658	$ 1,693	$ 1,727	$ 1,762	$ 1,797	$ 1,833	$ 1,869	$ 1,905	$ 1,942	$ 1,979
Local TIR Available for Reimbursement		**$ 14,319**	**$ 14,620**	**$ 14,925**	**$ 15,233**	**$ 15,544**	**$ 15,858**	**$ 16,175**	**$ 16,495**	**$ 16,819**	**$ 17,145**	**$ 17,475**	**$ 17,809**
Total State & Local TIR Available		**$ 23,335**	**$ 23,827**	**$ 24,324**	**$ 24,825**	**$ 25,332**	**$ 15,858**	**$ 16,175**	**$ 16,495**	**$ 16,819**	**$ 17,145**	**$ 17,475**	**$ 17,809**
DEVELOPER and AUTHORITY													
Reimbursement Balance	***$ 319,632***	***$ 319,632***	***$ 296,297***	***$ 272,470***	***$ 253,138***	***$ 237,905***	***$ 222,362***	***$ 206,504***	***$ 190,329***	***$ 173,834***	***$ 157,015***	***$ 139,870***	***$ 122,394***
EGLE Environmental Costs (County)	*$ 22,630*	*$ 22,630*	*$ 13,613*	*$ 4,407*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
State Tax Reimbursement	$ 22,630	$ 9,017	$ 9,207	$ 4,407		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local Tax Reimbursement		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total EGLE Reimbursement Balance		*$ 13,613*	*$ 4,407*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Only Costs	*$ 297,002*	*$ 297,002*	*$ 282,684*	*$ 268,063*	*$ 253,138*	*$ 237,905*	*$ 222,362*	*$ 206,504*	*$ 190,329*	*$ 173,834*	*$ 157,015*	*$ 139,870*	*$ 122,394*
Local Tax Reimbursement (Developer)	$ 147,002	$ 10,023	$ 10,234	$ 10,448	$ 10,663	$ 10,881	$ 11,100	$ 11,322	$ 11,547	$ 11,773	$ 12,002	$ 12,233	$ 12,466
Local Tax Reimbursement (City)	$ 150,000	$ 4,296	$ 4,386	$ 4,478	$ 4,570	$ 4,663	$ 4,757	$ 4,852	$ 4,949	$ 5,046	$ 5,144	$ 5,243	$ 5,343
Total Local Reimbursement Balance		*$ 282,684*	*$ 268,063*	*$ 253,138*	*$ 237,905*	*$ 222,362*	*$ 206,504*	*$ 190,329*	*$ 173,834*	*$ 157,015*	*$ 139,870*	*$ 122,394*	*$ 104,586*
Total Annual Developer Reimbursement		*$ 23,335*	*$ 23,827*	*$ 19,332*	*$ 15,233*	*$ 15,544*	*$ 15,858*	*$ 16,175*	*$ 16,495*	*$ 16,819*	*$ 17,145*	*$ 17,475*	*$ 17,809*
LOCAL BROWNFIELD REVOLVING FUN													
LBRF Deposits		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
State Tax Capture	*$ 22,630*	*$ -*	*$ -*	*$ 4,992*	*$ 9,592*	*$ 8,046*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Tax Capture	*$ 297,002*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Total LBRF Capture													

YEARS	13	14	15	16	17	18	19	20	21	22	23	
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTAL
Total State Incremental Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,823
State Brownfield Redevelopment Fund (50% of SET)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,820
State TIR Available for Reimbursement	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 47,003**
Total Local Incremental Revenue	$ 20,162	$ 20,539	$ 20,921	$ 21,306	$ 21,695	$ 22,089	$ 22,486	$ 22,887	$ 23,292	$ 23,701	$ 24,114	$ 456,987
BRA Administrative Fee (10%)	$ 2,016	$ 2,054	$ 2,092	$ 2,131	$ 2,170	$ 2,209	$ 2,249	$ 2,289	$ 2,329	$ 2,370	$ 2,411	$ 45,699
Local TIR Available for Reimbursement	**$ 18,145**	**$ 18,485**	**$ 18,829**	**$ 19,176**	**$ 19,526**	**$ 19,880**	**$ 20,237**	**$ 20,598**	**$ 20,963**	**$ 21,331**	**$ 21,703**	**$ 411,289**
Total State & Local TIR Available	**$ 18,145**	**$ 18,485**	**$ 18,829**	**$ 19,176**	**$ 19,526**	**$ 19,880**	**$ 20,237**	**$ 20,598**	**$ 20,963**	**$ 21,331**	**$ 21,703**	**$ 458,291**
Reimbursement Balance	***$ 104,586***	***$ 86,440***	***$ 67,955***	***$ 49,126***	***$ 29,950***	***$ 10,424***	***$ (0)***	***$ (0)***	***$ (0)***	***$ (0)***	***$ (0)***	
EGLE Environmental Costs (County)	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	
State Tax Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,630
Local Tax Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total EGLE Reimbursement Balance	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 22,630*
Local Only Costs	*$ 104,586*	*$ 86,440*	*$ 67,955*	*$ 49,126*	*$ 29,950*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Tax Reimbursement (Developer)	$ 12,311	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 147,002
Local Tax Reimbursement (City)	$ 5,835	$ 18,485	$ 18,829	$ 19,176	$ 19,526	$ 10,424	$ -	$ -	$ -	$ -	$ -	$ 150,000
Total Local Reimbursement Balance	*$ 86,440*	*$ 67,955*	*$ 49,126*	*$ 29,950*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 297,002*
Total Annual Developer Reimbursement	*$ 18,145*	*$ 18,485*	*$ 18,829*	*$ 19,176*	*$ 19,526*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 319,632*
LBRF Deposits	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
State Tax Capture	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 22,630*
Local Tax Capture	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 9,455*	*$ 20,237*	*$ 20,598*	*$ 20,963*	*$ 21,331*	*$ 21,703*	*$ 114,286*
Total LBRF Capture												*$ 136,916*

Footnotes:
$539,000 or 15 years of TIF, subtracting the EGLE grant costs.
Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from EGLE & Local TIR only.
Proportionality assumes workplan use of 2022 millages

FIRST AMENDMENT TO THE BROWNFIELD PLAN DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO BROWNFIELD PLAN DEVELOPMENT AGREEMENT (the "Agreement"), is entered into on February ___, 2023 between the **CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY**, a Michigan public body corporate established pursuant to Act 381 of the Public Acts of 1996, as amended, MCL 125.2651 et seq. ("Act 381"), whose address is 241 W. South St., Room 101, Kalamazoo, Michigan 49007 (the "BRA"), and **615 HOLDINGS, LLC**, a Michigan limited liability company, whose address is 615 West Kalamazoo Avenue, Kalamazoo, Michigan 49007 (the "Developer").

RECITALS

A. The BRA and City of Kalamazoo (the "City") have determined that brownfield redevelopment constitutes the performance of an essential public purpose which protects and promotes the public health, safety, and welfare.

B. The Developer purchased and redeveloped the former Rorick Brothers Auto/Body Repair property located at 615 West Kalamazoo Avenue, Kalamazoo, Michigan by demolishing an existing 6,800 square foot building and construction two 12,000 square foot buildings for residential and commercial purposes, along with other site improvements (the "Project"). The Project is anticipated to create approximately 20-24 full time equivalent (FTE) jobs.

C. The Project incurred certain additional Eligible Costs for Eligible Activities completed on the property, including due care activities, demolition, site preparation, infrastructure improvements, and other environmental activities. The total Eligible Costs for Eligible Activities for the project was $697,002.25. Developer requested TIF reimbursement from BRA for $297,002.25 for Eligible Costs. The remaining $400,000 of the total amount is covered by a Brownfield Redevelopment Grant ("Grant") from the Michigan Department of Environment, Great Lakes, and Energy ("EGLE").

D. On February 14, 2019 BRA received a Grant from EGLE to fund a portion of Eligible Costs for Eligible Activities. The Grant provided up to $400,000 for due care activities, demolition, and other environmental activities.

E. The Project was subject to delays and economic challenges outside the control of Developer. The Project was constructed during the COVID-19 pandemic which caused unanticipated delays. The post-construction monitoring requirements under the Grant where extended to a 12-month period and causing delays in final reimbursement payment.

Therefore, in consideration of the above recitals, which the parties acknowledge are true and correct, the Agreement is amended by the following provisions:

PARAGRAPH 3 RESTATED IN ITS ENTIRETY AS FOLLOWS:

3 Term of Agreement.

Pursuant to the Revised Plan, the BRA shall capture that amount of TIR generated from local real and personal property taxes, allowed by law on the Property, beginning on December 31 in the year Developer has completed the Project and continuing until the earlier of:

3.1 Full reimbursement of the Developer's and BRA's Eligible Costs for those Eligible Activities set forth in Paragraph 4, which shall not exceed $297,002.25; or

3.2 18 years of actual TIR reimbursement;

3.3 Subject to an adjustment of both the amount of Eligible Costs and years of TIR reimbursement as detailed in Paragraph 7.3.

In addition to the above, Developer understands that the BRA is entitled by Act 381 to capture and retain TIR generated by this Project for the following purposes: (i) reimburse BRA for any eligible activities it previously incurred regarding the Property as allowed under Act 381; (ii) payment for certain administrative operating expenses BRA incurred; and (iii) to fund the Local Site Remediation Revolving Fund relating to this Project for an additional term not to exceed 5 years following the above reimbursement to Developer - subject to any adjustments under Paragraphs 7 .2 or 7 .3; and unless adjustments do occur under those Paragraphs the use of TIR for (i) through (iii) above shall not occur before the TIR payable to Developer under Paragraph 3, 1 is paid.

SUBPARAGRAPH 6.1.1 RESTATED IN ITS ENTIRETY AS FOLLOWS:

6.1.1 Late Submittal.

Developer understand that the Late Submittal of the Reimbursement Form shall not extend the term of this Agreement under Restated Paragraph 3. Developer assumes all risks that a Late Submittal will result in TIR capture by BRA of less than 18 years and an amount less than $297,002.25.

SUBPARAGRAPH 6.3 RESTATED IN ITS ENTIRETY AS FOLLOWS:

6.3 Reimbursement.

Before July 31 of the year after Developer completed the Project (and as property taxes are received each subsequent year) after both the summer and winter taxes are captured on the Property, the BRA shall pay approved Eligible Costs to the Developer from such available TIR following the Revised Plan and this Paragraph 6. If there are insufficient TIR available in any given year to reimburse all of the Developer's Eligible Costs, as described in paragraph 4, then the BRA shall reimburse the Developer only from available TIR. The BRA shall make additional payments, on an annual basis as property taxes are received, toward the Developer's remaining unpaid Eligible Costs during the term of this Agreement. Reimbursement of Eligible Costs is subject to Developer paying the Developer's taxes levied against the Property and the personal property used in the business or operations conducted from the Property. The BRA shall receive ten (10) percent of TIR each year until its Administrative Costs are fully reimbursed, unless a lower percentage is otherwise designated by the BRA.

Notwithstanding the foregoing, after the reimbursement request of Eligible Costs is approved by the BRA Board of Directors, BRA agrees to advance to Developer the sum of $150,000 as follows.

- Within 45 days of approval of the reimbursement request of Eligible Costs in accordance with Section 6.1 hereof; and

- The amount disbursed by BRA pursuant to this Paragraph (the "Advance Disbursement") shall be deducted from the maximum of Developer's Eligible Costs of $297,002.25.

SUBPARAGRAPH 7.2 RESTATED IN ITS ENTIRETY AS FOLLOWS:

7.3 Michigan Department of Environment, Great Lakes, and Energy Grant.

Developer has requested and BRA has received a Grant from EGLE under its Brownfield Redevelopment program. The amount of the Grant award will not reduce the amount of TIR BRA will reimburse Developer towards its Eligible Costs under Paragraph 3.1.

[SIGNATURES ON FOLLOWING PAGE]

EXCEPT FOR THIS FIRST AMENDMENT, all other paragraphs and provisions of the Agreement shall remain in full force and effect.

Dated: February _____, 2023

CITY OF KALAMAZOO BROWNFIELD REDEVELOPMENT AUTHORITY

By: ________________________________
Kevan Hess

Its: Chair

Dated: February _____, 2023

615 HOLDINGS, LLC

By: ________________________________
Philip Reed

Title: ______________________________

BRA Board of Directors
Staff Report

City of Kalamazoo

TO: Brownfield Redevelopment Authority Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Jamie McCarthy, BRA staff liaison

DATE: February 16, 2023

SUBJECT: Approval of a TIF Reimbursement Request from 615 Holdings, LLC for the project completed at 615 W. Kalamazoo Avenue

SUMMARY:

The Developer submitted a TIF Reimbursement Request to the BRA in December 2022. Staff and Fishbeck reviewed the reimbursement request and a total of $281,722.25 in costs are eligible for reimbursement. These activities are included in the Brownfield Plan and fit within the cost estimates in the Plan. There are some eligible activities with invoices that have not yet been paid by the Developer, and therefore are not eligible for reimbursement at this time. It is anticipated that these costs will be included in a second request. The eligible costs that require proof of payment total $15,280.

BACKGROUND:

615 Holdings, LLC (Developer) is owned by a local law firm and partners who purchased and redeveloped the former Rorick Brothers Auto/Body Repair property located at 615 West Kalamazoo Avenue. The purpose was to create new office space for the law firm. The Developer decided to expand the project scope to include mixed use and offer commercial space for other tenants. The project involved demolishing an existing 6,800 square foot building and construction of two 12,000 square foot buildings for residential and commercial purposes, along with other site improvements. Once fully leased, it is anticipated to create approximately 20-24 full time equivalent (FTE) jobs.

RECOMMENDATION:

It is recommended the BRA approve the TIF reimbursement request in the amount of $281,722.25 for the project at 615 W. Kalamazoo Avenue.

Community Planning and Economic Development Department | 245 N. Rose Street, Ste 100, Kalamazoo, MI 49007
Voice: (269) 337-8744 | Fax: (269) 337-8513 | www.kalamazoocity.org

2960 Interstate Parkway
Kalamazoo, Michigan 49048

269.342.1100 | fishbeck.com

Memo

TO: Jamie McCarthy – City of Kalamazoo

FROM: Logan Mulholland, Brownfield Project Analyst
David Stegink, Vice President/Brownfield Program Manager

DATE: February 9, 2023 **PROJECT NO.:** E220108

RE: 615 W Kalamazoo Reimbursement Request

Fishbeck was requested to review the documentation pertaining to the 615 W Kalamazoo (Westgate Apartments) development included in the City's Brownfield Plan.

The 615 W Kalamazoo Brownfield Plan anticipated available tax increment revenues as early as the 2020 taxes but no later than October 1, 2023. The Plan allows for the capture of up to $600,000. The project was also awarded a $400,00 Department of Environment, Great Lakes, and Energy (EGLE) Brownfield Redevelopment Grant. The Grant costs are not eligible for reimbursement and are not included in the reimbursement request.

Fishbeck has found a total of $281,722.25 eligible costs that are included in the Brownfield Plan and are within the estimates identified in the Plan. There are some eligible activities that have not yet been paid by the Developer and therefore are not eligible for reimbursement at this time. It is anticipated that these costs will be included in a secondary request. The eligible costs that require proof of payment totals $15,280.

The developer has requested a $150,000 portion of their reimbursement request upfront. The loan would be repaid to the city through the TIF capture.

Two different models have been created to assist with the creation of the loan terms. Both models repay the County with State tax capture over the first 3 years. In model 1, the developer is fully reimbursed in 10 years, with the city being reimbursed for their $150,000 loan over the following 8 years. Model 2 is a split model, in which the local tax increment is split with 70% to be reimbursed to the developer, and 30% to be reimbursed to the city BRA.

Model 1:

- 10 Years for Developer Reimbursement (approximately $15,000 each year)
- 18 Years for the City BRA Reimbursement (8 Years after the Developer Reimbursement)

Model 2:

- 13 Years for Developer Reimbursement (approximately $10,000 each year)
- 18 Years for City BRA Reimbursement (approximately $4,000 each year)

All other plan details are consistent between the two models, including anticipated years of the plan, capture into the LBRF, and administrative fees.

Plan Details

- **$436,100** Incremental Taxable Value
- **$22,630** Kalamazoo County Pre-Approved Costs
- **$297,002.25** Developer anticipated total eligible costs
  - **$281,722.25** approvable with the current documentation.
- **23** Years of Brownfield Capture
  - **18** Years until all Parties are Fully Reimbursed
  - **5** Years of LBRF Capture
- **$45,699** Authority Administration Fees (10% Local-Only Estimation)
- **$136,916** of LBRF capture

Both reimbursement models are attached for reference. If you have any questions or require additional information, please contact me at 269.544.6966 or lmulholland@fisheck.com.

By email

Exhibit A

Reimbursement Model #1

Tax Increment Revenue Reimbursement Allocation
Model 1
615 W Kalamazoo
Kalamazoo, Michigan

Developer Maximum Reimbursement	Proportionality	School Taxes	Local-Only Taxes	Total
State	**39.4%**	**$ 125,796**	**$ -**	$ 22,630
Local	**60.6%**	**$ 193,836**	**$ -**	$ -
TOTAL				
EGLE	7.1%	$ 22,630	$ -	$ 22,630
MSF	0.0%	$ -	$ -	$ -

Estimated Total Years of Plan:	23

Estimated Capture	
Administrative Fees	$ 45,699
State Brownfield Redevelopment Fund	$ 6,820
Local Brownfield Revolving Fund	$ 136,916

YEARS	Beginning Balance	1 (2023)	2 (2024)	3 (2025)	4 (2026)	5 (2027)	6 (2028)	7 (2029)	8 (2030)	9 (2031)	10 (2032)	11 (2033)	12 (2034)
Total State Incremental Revenue		$ 10,325	$ 10,543	$ 10,762	$ 10,984	$ 11,208	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Brownfield Redevelopment Fund (50% of SET)		$ 1,308	$ 1,336	$ 1,364	$ 1,392	$ 1,420	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State TIR Available for Reimbursement		**$ 9,017**	**$ 9,207**	**$ 9,399**	**$ 9,592**	**$ 9,788**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Local Incremental Revenue		$ 15,910	$ 16,245	$ 16,583	$ 16,925	$ 17,271	$ 17,620	$ 17,972	$ 18,328	$ 18,687	$ 19,050	$ 19,417	$ 19,787
BRA Administrative Fee (10%)		$ 1,591	$ 1,624	$ 1,658	$ 1,693	$ 1,727	$ 1,762	$ 1,797	$ 1,833	$ 1,869	$ 1,905	$ 1,942	$ 1,979
Local TIR Available for Reimbursement		**$ 14,319**	**$ 14,620**	**$ 14,925**	**$ 15,233**	**$ 15,544**	**$ 15,858**	**$ 16,175**	**$ 16,495**	**$ 16,819**	**$ 17,145**	**$ 17,475**	**$ 17,809**
Total State & Local TIR Available		**$ 23,335**	**$ 23,827**	**$ 24,324**	**$ 24,825**	**$ 25,332**	**$ 15,858**	**$ 16,175**	**$ 16,495**	**$ 16,819**	**$ 17,145**	**$ 17,475**	**$ 17,809**
Reimbursement Balance	***$ 319,632***	***$ 319,632***	***$ 296,297***	***$ 272,470***	***$ 253,138***	***$ 237,905***	***$ 222,362***	***$ 206,504***	***$ 190,329***	***$ 173,834***	***$ 157,015***	***$ 139,870***	***$ 122,394***
EGLE Environmental Costs (County)	$ 22,630	$ 22,630	$ 13,613	$ 4,407	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Tax Reimbursement	$ 22,630	$ 9,017	$ 9,207	$ 4,407		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local Tax Reimbursement		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total EGLE Reimbursement Balance		$ 13,613	$ 4,407	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local Only Costs	$ 297,002	$ 297,002	$ 282,684	$ 268,063	$ 253,138	$ 237,905	$ 222,362	$ 206,504	$ 190,329	$ 173,834	$ 157,015	$ 139,870	$ 122,394
Local Tax Reimbursement (Developer)	$ 147,002	$ 14,319	$ 14,620	$ 14,925	$ 15,233	$ 15,544	$ 15,858	$ 16,175	$ 16,495	$ 16,819	$ 7,015	$ -	$ -
Local Tax Reimbursement (City BRA)	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,130	$ 17,475	$ 17,809
Total Local Reimbursement Balance		$ 282,684	$ 268,063	$ 253,138	$ 237,905	$ 222,362	$ 206,504	$ 190,329	$ 173,834	$ 157,015	$ 139,870	$ 122,394	$ 104,586
Total Annual Developer Reimbursement		$ 23,335	$ 23,827	$ 19,332	$ 15,233	$ 15,544	$ 15,858	$ 16,175	$ 16,495	$ 16,819	$ 17,145	$ 17,475	$ 17,809
LOCAL BROWNFIELD REVOLVING FUN													
LBRF Deposits		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
State Tax Capture	$ 22,630	$ -	$ -	$ 4,992	$ 9,592	$ 8,046	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local Tax Capture	$ 297,002	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total LBRF Capture													

YEARS	13 (2035)	14 (2036)	15 (2037)	16 (2038)	17 (2039)	18 (2040)	19 (2041)	20 (2042)	21 (2043)	22 (2044)	23 (2045)	TOTAL
Total State Incremental Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,823
State Brownfield Redevelopment Fund (50% of SET)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,820
State TIR Available for Reimbursement	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 47,003**
Total Local Incremental Revenue	$ 20,162	$ 20,539	$ 20,921	$ 21,306	$ 21,695	$ 22,089	$ 22,486	$ 22,887	$ 23,292	$ 23,701	$ 24,114	$ 456,987
BRA Administrative Fee (10%)	$ 2,016	$ 2,054	$ 2,092	$ 2,131	$ 2,170	$ 2,209	$ 2,249	$ 2,289	$ 2,329	$ 2,370	$ 2,411	$ 45,699
Local TIR Available for Reimbursement	**$ 18,145**	**$ 18,485**	**$ 18,829**	**$ 19,176**	**$ 19,526**	**$ 19,880**	**$ 20,237**	**$ 20,598**	**$ 20,963**	**$ 21,331**	**$ 21,703**	**$ 411,289**
Total State & Local TIR Available	**$ 18,145**	**$ 18,485**	**$ 18,829**	**$ 19,176**	**$ 19,526**	**$ 19,880**	**$ 20,237**	**$ 20,598**	**$ 20,963**	**$ 21,331**	**$ 21,703**	**$ 458,291**
Reimbursement Balance	***$ 104,586***	***$ 86,440***	***$ 67,955***	***$ 49,126***	***$ 29,950***	***$ 10,424***	***$ -***	***$ -***	***$ -***	***$ -***	***$ -***	
EGLE Environmental Costs (County)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
State Tax Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,630
Local Tax Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total EGLE Reimbursement Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,630
Local Only Costs	$ 104,586	$ 86,440	$ 67,955	$ 49,126	$ 29,950	$ 10,424	$ -	$ -	$ -	$ -	$ -	$ -
Local Tax Reimbursement (Developer)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 147,002
Local Tax Reimbursement (City BRA)	$ 18,145	$ 18,485	$ 18,829	$ 19,176	$ 19,526	$ 10,424	$ -	$ -	$ -	$ -	$ -	$ 150,000
Total Local Reimbursement Balance	$ 86,440	$ 67,955	$ 49,126	$ 29,950	$ 10,424	$ -	$ -	$ -	$ -	$ -	$ -	$ 297,002
Total Annual Developer Reimbursement	$ 18,145	$ 18,485	$ 18,829	$ 19,176	$ 19,526	$ 10,424	$ -	$ -	$ -	$ -	$ -	$ 319,632
LOCAL BROWNFIELD REVOLVING FUN												
LBRF Deposits	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
State Tax Capture	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,630
Local Tax Capture	$ -	$ -	$ -	$ -	$ -	$ 9,455	$ 20,237	$ 20,598	$ 20,963	$ 21,331	$ 21,703	$ 114,286
Total LBRF Capture												$ 136,916

Footnotes:
$539,000 or 15 years of TIF, subtracting the EGLE grant costs.
Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from EGLE & Local TIR only.
Proportionality assumes workplan use of 2022 millages

Exhibit B

Reimbursement Model #2
Split Tax Increment

Tax Increment Revenue Reimbursement Allocation
Model 2
615 W Kalamazoo
Kalamazoo, Michigan

Developer Maximum Reimbursement	Proportionality	School Taxes	Local-Only Taxes	Total
State	**39.4%**	**$ 125,796**	**$ -**	$ 22,630
Local	**60.6%**	**$ 193,836**	**$ -**	$ -
TOTAL				
EGLE	7.1%	$ 22,630	$ -	$ 22,630
MSF	0.0%	$ -	$ -	$ -

Estimated Total Years of Plan:	23

Estimated Capture	
Administrative Fees	$ 45,699
State Brownfield Redevelopment Fund	$ 6,820
Local Brownfield Revolving Fund	$ 136,916

YEARS		1	2	3	4	5	6	7	8	9	10	11	12
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total State Incremental Revenue		$ 10,325	$ 10,543	$ 10,762	$ 10,984	$ 11,208	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State Brownfield Redevelopment Fund (50% of SET)		$ 1,308	$ 1,336	$ 1,364	$ 1,392	$ 1,420	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State TIR Available for Reimbursement		**$ 9,017**	**$ 9,207**	**$ 9,399**	**$ 9,592**	**$ 9,788**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Local Incremental Revenue		$ 15,910	$ 16,245	$ 16,583	$ 16,925	$ 17,271	$ 17,620	$ 17,972	$ 18,328	$ 18,687	$ 19,050	$ 19,417	$ 19,787
BRA Administrative Fee (10%)		$ 1,591	$ 1,624	$ 1,658	$ 1,693	$ 1,727	$ 1,762	$ 1,797	$ 1,833	$ 1,869	$ 1,905	$ 1,942	$ 1,979
Local TIR Available for Reimbursement		**$ 14,319**	**$ 14,620**	**$ 14,925**	**$ 15,233**	**$ 15,544**	**$ 15,858**	**$ 16,175**	**$ 16,495**	**$ 16,819**	**$ 17,145**	**$ 17,475**	**$ 17,809**
Total State & Local TIR Available		**$ 23,335**	**$ 23,827**	**$ 24,324**	**$ 24,825**	**$ 25,332**	**$ 15,858**	**$ 16,175**	**$ 16,495**	**$ 16,819**	**$ 17,145**	**$ 17,475**	**$ 17,809**
DEVELOPER and AUTHORITY	Beginning Balance												
Reimbursement Balance	*$ 319,632*	*$ 319,632*	*$ 296,297*	*$ 272,470*	*$ 253,138*	*$ 237,905*	*$ 222,362*	*$ 206,504*	*$ 190,329*	*$ 173,834*	*$ 157,015*	*$ 139,870*	*$ 122,394*
EGLE Environmental Costs (County)	*$ 22,630*	*$ 22,630*	*$ 13,613*	*$ 4,407*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
State Tax Reimbursement	$ 22,630	$ 9,017	$ 9,207	$ 4,407		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Local Tax Reimbursement		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total EGLE Reimbursement Balance		*$ 13,613*	*$ 4,407*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Only Costs	*$ 297,002*	*$ 297,002*	*$ 282,684*	*$ 268,063*	*$ 253,138*	*$ 237,905*	*$ 222,362*	*$ 206,504*	*$ 190,329*	*$ 173,834*	*$ 157,015*	*$ 139,870*	*$ 122,394*
Local Tax Reimbursement (Developer)	$ 147,002	$ 10,023	$ 10,234	$ 10,448	$ 10,663	$ 10,881	$ 11,100	$ 11,322	$ 11,547	$ 11,773	$ 12,002	$ 12,233	$ 12,466
Local Tax Reimbursement (City)	$ 150,000	$ 4,296	$ 4,386	$ 4,478	$ 4,570	$ 4,663	$ 4,757	$ 4,852	$ 4,949	$ 5,046	$ 5,144	$ 5,243	$ 5,343
Total Local Reimbursement Balance		*$ 282,684*	*$ 268,063*	*$ 253,138*	*$ 237,905*	*$ 222,362*	*$ 206,504*	*$ 190,329*	*$ 173,834*	*$ 157,015*	*$ 139,870*	*$ 122,394*	*$ 104,586*
Total Annual Developer Reimbursement		*$ 23,335*	*$ 23,827*	*$ 19,332*	*$ 15,233*	*$ 15,544*	*$ 15,858*	*$ 16,175*	*$ 16,495*	*$ 16,819*	*$ 17,145*	*$ 17,475*	*$ 17,809*
LOCAL BROWNFIELD REVOLVING FUN													
LBRF Deposits		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
State Tax Capture	*$ 22,630*	*$ -*	*$ -*	*$ 4,992*	*$ 9,592*	*$ 8,046*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Tax Capture	*$ 297,002*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Total LBRF Capture													

YEARS	13	14	15	16	17	18	19	20	21	22	23	
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTAL
Total State Incremental Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,823
State Brownfield Redevelopment Fund (50% of SET)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,820
State TIR Available for Reimbursement	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 47,003**
Total Local Incremental Revenue	$ 20,162	$ 20,539	$ 20,921	$ 21,306	$ 21,695	$ 22,089	$ 22,486	$ 22,887	$ 23,292	$ 23,701	$ 24,114	$ 456,987
BRA Administrative Fee (10%)	$ 2,016	$ 2,054	$ 2,092	$ 2,131	$ 2,170	$ 2,209	$ 2,249	$ 2,289	$ 2,329	$ 2,370	$ 2,411	$ 45,699
Local TIR Available for Reimbursement	**$ 18,145**	**$ 18,485**	**$ 18,829**	**$ 19,176**	**$ 19,526**	**$ 19,880**	**$ 20,237**	**$ 20,598**	**$ 20,963**	**$ 21,331**	**$ 21,703**	**$ 411,289**
Total State & Local TIR Available	**$ 18,145**	**$ 18,485**	**$ 18,829**	**$ 19,176**	**$ 19,526**	**$ 19,880**	**$ 20,237**	**$ 20,598**	**$ 20,963**	**$ 21,331**	**$ 21,703**	**$ 458,291**
Reimbursement Balance	*$ 104,586*	*$ 86,440*	*$ 67,955*	*$ 49,126*	*$ 29,950*	*$ 10,424*	*$ (0)*	*$ (0)*	*$ (0)*	*$ (0)*	*$ (0)*	
EGLE Environmental Costs (County)	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	
State Tax Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,630
Local Tax Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total EGLE Reimbursement Balance	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 22,630*
Local Only Costs	*$ 104,586*	*$ 86,440*	*$ 67,955*	*$ 49,126*	*$ 29,950*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*
Local Tax Reimbursement (Developer)	$ 12,311	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 147,002
Local Tax Reimbursement (City)	$ 5,835	$ 18,485	$ 18,829	$ 19,176	$ 19,526	$ 10,424	$ -	$ -	$ -	$ -	$ -	$ 150,000
Total Local Reimbursement Balance	*$ 86,440*	*$ 67,955*	*$ 49,126*	*$ 29,950*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 297,002*
Total Annual Developer Reimbursement	*$ 18,145*	*$ 18,485*	*$ 18,829*	*$ 19,176*	*$ 19,526*	*$ 10,424*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 319,632*
LBRF Deposits	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
State Tax Capture	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 22,630*
Local Tax Capture	*$ -*	*$ -*	*$ -*	*$ -*	*$ -*	*$ 9,455*	*$ 20,237*	*$ 20,598*	*$ 20,963*	*$ 21,331*	*$ 21,703*	*$ 114,286*
Total LBRF Capture												*$ 136,916*

Footnotes:
$539,000 or 15 years of TIF, subtracting the EGLE grant costs.
Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from EGLE & Local TIR only.
Proportionality assumes workplan use of 2022 millages

BRA Board of Directors
Staff Report

City of Kalamazoo

TO: Brownfield Redevelopment Authority Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Jamie McCarthy, BRA Staff Liaison

DATE: February 16, 2023

SUBJECT: Approval of a TIF Reimbursement Request from Kzoo Hotel Partners, LLC for the completed project at 303 N. Rose Street

SUMMARY:

Staff and Fishbeck reviewed the TIF Reimbursement Request and found $2,141,635.73 to be eligible for reimbursement. One item found not to be eligible, and which was not supported by Planning Division staff during the early planning stages, was the pedestrian sky bridge to the adjacent parking deck. The documentation of total Eligible Costs fall substantially below the original estimates in the Agreement. Staff recommend the BRA approve the request for $2,141,635.73 plus interest as an Eligible Activity to support the Project getting closer to the original estimate.

The BRA did not have a policy on interest as an Eligible Activity when the WP was submitted, however staff applied the policy to the TIF Reimbursement Request. Staff feel there is justification for the interest request following the BRA policy guidance:

- High number of FTE were realized after the Project was completed
- Significant total investment ($42 million)
- Project attracted two new businesses/brands to downtown, is working with new local businesses to fill commercial space, and provides a much needed use for downtown (hotel/extended stay)
- Length of reimbursement is decreasing significantly from the original 20 years anticipated in the Agreement

BRA policy includes the following conditions to interest:

- Maximum 5% simple interested on approved eligible activities
- Interest calculated at end of each year based on remaining non-interest eligible costs
- Cumulative interest cannot exceed 20% of total eligible costs

- Principal reimbursed before interest

BACKGROUND:

In 2018, the BRA executed a Brownfield Plan Development Agreement with Kzoo Hotel Partners, LLC (Developer) for a project at 303 N. Rose Street. The redevelopment project rehabilitated the existing 65,791 square feet 6-story building and added approximately 107,000 square foot addition to the building. The building is now complete and includes a mix of uses, including a Hilton Garden Inn hotel and an extended-stay facility and approximately 20,000 square feet of commercial and/or office space, along with other site improvements ("Project"). At that time the capital investment for the Project was estimated to be approximately $42 million, resulting in the creation of an estimated 55 full time equivalent (FTE) and 35 part-time jobs.

At that time, it was determined the Project would require Developer to incur Eligible Costs associated with certain Eligible Activities regarding lead and asbestos abatement, demolition, site preparation, infrastructure improvements or environmental assessment activities to satisfy Due Care obligations. The Eligible Costs were estimated at $4.12 million, and the Agreement committed to Project that amount of TIF for up to 20 years of reimbursement. The Eligible Costs in the Brownfield Plan and Agreement did not specifically list interest as an Eligible Activity, but stated BRA will reimburse Developer for any Eligible Costs allowed under Act 381 and listed the activities above. Subsequent to the local Brownfield Plan, staff submitted an Act 381 Work Plan (WP) to MEDC on behalf of the Developer. The WP listed interest as a local-only Eligible Cost.

RECOMMENDATION:

It is recommended the BRA approve the TIF Reimbursement Request for the project located at 303 N. Rose Street.

2960 Interstate Parkway
Kalamazoo, Michigan 49048

269.342.1100 | fishbeck.com

fishbeck
Engineers | Architects | Scientists | Constructors

Memo

TO: Jamie McCarthy – City of Kalamazoo

FROM: Logan Mulholland, Brownfield Project Analyst
David Stegink, Vice President/Brownfield Program Manager

DATE: February 1, 2023 **PROJECT NO.:** E220108

RE: Rose Hotel (303 North Rose Street) Reimbursement Request Final Review

Fishbeck was requested to review the Kzoo Hotel Partners reimbursement request and additional documentation pertaining to the 303 North Rose Street Rose Hotel development included in the City's Brownfield Plan.

The 303 Rose Street Brownfield Plan and Work Plan anticipated available tax increment revenues as early as the 2022 taxes but no later than May 1, 2023. The Plans allow for capture up to $4,119,224. The developer requested a reimbursement of $2,904,222.63 with the remaining tax increment available for interest expense. This amount is within the limits of the Brownfield Plan and Work Plan.

Fishbeck finds that all the requested reimbursements are eligible costs included in the Brownfield Plan and are within the estimates identified in the Plan, with the following exceptions:

- The City of Kalamazoo confirmed all costs associated with the construction of the pedestrian bridge are not eligible for reimbursement as it is not accessible to the whole public and therefore not public infrastructure. This amounts to a net decrease of $631,134.12.
- Further documentation for the temporary project signage including site photos were provided that exemplified invoice #2-063019 and #4-083119 for the amounts of $474.88 and $381.60, respectively, as eligible. The signage included in invoice #49232 and #49233 for the amounts of $763.20 and $84.80, respectively, were confirmed as ineligible based on the lack of public purpose as state in the Act.
- "Selective Interior Demo – Demo – mechanical/plumbing Basement -6th – permit cost" has been changed from $210 to $105 based on the GAAP Principle of Consistency. Rounding for the General Conditions, Soft Costs, and Snowmelt Mechanical/Plumbing permit cost were all to the 3rd decimal place, and therefore, the "Selective Interior Demo – Demo – mechanical/plumbing Basement -6th – permit cost" has been rounded to the 3rd decimal place (0.005) instead of the 2nd decimal place (0.01) to remain consistent as noted in the documentation.
- A total of $34,956.21 consisting of FCI staking costs has been found eligible under the Act as site preparation costs and has been added to the reimbursement request.
- A total of $5,764 consisting of concrete and flush wall sawing has been found eligible under the Act as selective interior demolition costs and has been added to the reimbursement request.
- A total of $390.48 consisting of temporary locks has been found eligible under the Act as temporary barriers and enclosures costs and has been added to the reimbursement request.

- A total of $753 consisting of lateral pile analysis has been found eligible under the Act as geotechnical costs and has been added to the reimbursement request.
- Electrical Deployment total costs requested originally was $42,750. Additional documentation provided exemplifies electrical deployment to cost $33,075 plus $17,250 for demolition. This amounts to a net increase of $7,575.

Fishbeck finds the documentation of the reimbursement request included invoices with dates and descriptions of the eligible activity and lien waivers or other forms of proof of payment. Fishbeck deemed the additional documentation provided sufficient to confirm all activities as eligible under the Act for reimbursement with the exceptions above.

Fishbeck had a few remaining questions after the secondary reimbursement review and more clarification was provided that further confirmed the following activities eligible:

- A total of $7,782.86 for "Safety equipment – site safety materials" was confirmed as an eligible cost under the Act as site control and separate from the previously included temporary barriers and enclosures costs. Further documentation included photos with descriptions of site control as safety cones, safety fencing, temporary railings, bi-fold leg frame barriers, caution tape, installation of the fencing at the barricades, installation of the fabric on the fence barriers, and maintenance of the jersey barriers.
- A total of $8,000 for "First Companies – Plan Implementation – SOV breakdown" invoice 2-063019 was confirmed as an eligible cost under the Act as Brownfield Plan implementation. Further documentation states "First Companies provided implementation of the Work Plan for $8,000 split 50/50 between DEQ (EGLE) eligible activities and MSF eligible activities. Including notification & coordination with the Subcontractors of the Brownfield work, Subcontractor schedule of values invoice organization for Brownfield tracking, field tracking of the Brownfield work, approving/reviewing invoices, and data reporting including photos."

Based on our review, Fishbeck finds a total of $2,141,635.73 to be eligible for reimbursement inclusive of the changes mentioned above. We recommend that BRA Staff advise the BRA Board that the reimbursement request is approvable with the exceptions mentioned above.

The developer has also requested an interest expense to be included in the reimbursement request, as shown in the Act 381 Work Plan as a simple interest local-only cost. A 5% simple interest expense shall be considered in this request, projected to total $291,935.45, which is within the City's policy that the interest shall not exceed 20% of the total eligible activities.

A spreadsheet titled "Rose Hotel Final Reimbursement Request" detailing the reimbursement request, inclusive of the changes and additions mentioned above, is included as Attachment 1. A spreadsheet titled "Rose Hotel Original Reimbursement Request" detailing the original reimbursement request is included as Attachment 2, with the removed costs highlighted.

If you have any questions or require additional information, please contact me at 269.544.6966 or lmulholland@fisheck.com.

By email

ATTACHMENT 1

ROSE HOTEL FINAL REIMBURSEMENT REQUEST

PROJECT TITLE: Kzoo Hotel Partners, LLC
PROJECT ADDRESS: 303 North Rose Street, Kalamazoo, MI
PREPARED BY: Elizabeth Yorger
DATE PREPARED: 12/15/2021
CONTINGENCY: 15 % *(not to exceed 15%)*

FINAL

Brownfield Plan/Act 381 Work Plan Approved Estimated Costs

	Units	Quantity	$/Unit	Category Total	Total	Comments
1.00 Baseline Environmental Assessment (BEA) - Statutorily Approved						
1.01 Phase I and II Environmental Site Assessments				$11,500	**$11,500**	
1.02 Baseline Environmental Assessment				$2,400	**$2,400**	
1.03 Asbestos, Lead and Mold Surveys				$5,200	**$5,200**	
1.04 Pre-Demolition Survey				$0	**$0**	
1.05 Boundary Survey				$11,000	**$11,000**	
1.06 Development of a Plan for Response Activities or Due Care Documentation				$3,100	**$3,100**	
Sub-Total				$33,200	**$33,200**	
Contingency (15)% * excludes completed activities per Table 1				$1,035	**$1,035**	
				$34,235	**$34,235**	
	Units	Quantity	$/Unit	Category Total	Total	Comments
2.00 Due Care - Statutorily Approved						
2.01 Investigation and Assessments				$12,000	**$12,000**	
Sub-Total				$12,000	**$12,000**	
Contingency (15)%				$1,800	**$1,800**	
				$13,800	**$13,800**	
	Units	Quantity	$/Unit	Category Total	Total	Comments
3.00 Department Specific Activities						
3.00 Due Care Activities				$57,000	**$57,000**	Soil Transport and Disposal (54,000), Due care mgmt and planning (3,000)
Sub-Total				**$57,000**	**$57,000**	
Contingency (15)%				$8,550	**$8,550**	
				$65,550	**$65,550**	
	Units	Quantity	$/Unit	Category Total	Total	Comments
3.50 Combined Brownfield and Work Plan Prep & Implementation						
3.51 Combined Brownfield and Work Plan Prep				$4,000	**$4,000**	
3.52 Combined Brownfield and work Plan Implementation				$4,000	**$4,000**	
Sub-Total				$8,000	**$8,000**	
Contingency (0)%						
				$8,000	**$8,000**	
	Units	Quantity	$/Unit	Category Total	Total	Comments
5.00 Public Infrastructure Improvements						
5.00 Infrastructure Improvements				$1,491,500	**$1,491,500**	

Actual Costs Incurred

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Phase I & II ESA $11,500.00**							
						$3,881.25	1717	Phillips Env				check # 1697
						$2,622.50	1943	Phillips Env				check # 100119
		10/18/2018		2/26/2019	**BEA $2,400.00**							
						$1,462.50	1717	Phillips Env				check # 1697
						$848.75	1943	Phillips Env				check # 100119
		10/18/2018		2/26/2019	**Asbestos & Lead Inspection $5,200**	$5,200.00	3583	Triterra				check # 1126
		10/18/2018		2/26/2019	**Pre-Demolition Survey**							
					WLR exposed post columns for eng review 2.3.18	$2,656.00	3553	WLR	selective demo for engineer review			check # 010373
					WLR exposed post columns for eng review 3.10.18	$1,100.00	3562	WLR	selective demo for engineer review			check # 010373
		10/18/2018		2/26/2019	**Surveys**							
					Alta update	$550.00	7994	LRE				1777
					Alta update & new parcel description	$850.00	9602	LRE				1921
					Topo survey	$1,500.00	8067	Hurley & Stewart				1817
					Utility survey	$2,096.12	8672	Hurley & Stewart				100113
		10/18/2018		2/26/2019	**Due Care Plan/ Section 7a Compliance $3,100.00**							
						$3,756.25	1953	Phillips Env	Moved $3,000 from due care implementation			check # 100119
						$1,735.00	1943	Phillips Env				check # 100119
						$28,258.37						
Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Storm Water Mgt A. & Vapor Intrusion A. $12,000**	$10,920.84	1943	Phillips Env				check # 100119
						$10,920.84						
Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Soil transportation and disposal $54,000**							
					Soil transportation and disposal	$34,012.00	2	Lounsbury				check # 010419
					Waste characterization	$2,750.00	4-083119	FCI-SME	Presumedly for contaminated soil			check # 010413
					10.13.19	$961.40	4	Lounsbury				check # 010496
					11.14.19	$305.90	5	Lounsbury				check # 010541
					3.15.20	$131.10	7	Lounsbury				check # 010622
					11.15.20	$786.60	10	Lounsbury				check # 010831
		10/18/2018		2/26/2019	General Conditions at 7.6%	$2,959.97		VBT/FCI				pg. 425
		10/18/2018		2/26/2019	Soft costs at 2.0%	$838.14		Kzoo Hotel Partners				pg. 714
						$42,745.11						
Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
Add actual costs by line item here												
		10/18/2018		2/26/2019	**Brownfield/Work Plan Preparation $4,000**	$3,177.50	1953	Phillips Env				ck # 100119
		10/18/2018		2/26/2019	**First Companies - Plan Implementation-SOV breakdown**	$4,000.00	2-063019	FCI	pg. 191, contracting fee			check # 010369
						$7,177.50						
Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Infrastructure Improvements $1,491,500**							
		10/18/2018		2/26/2019	**Snowmelt in Sidewalks $725,000**							
					12.31.19	$5,258.75	7	Mall City	snow melt design cost			check # 010518
					7.27.20	$250.00	49243	FCI	footing was in way of snowmelt			check # 010748
					8.31.20 co 13	$25,401.00	15	Mall City	snowmelt system design changes			check # 010757
					9.30.20 co 13	$50,802.00	16	Mall City	snowmelt system design changes			check # 010791
					11.30.20 co 13	$10,160.40	18	Mall City	snowmelt system design changes			check # 010832
					12.31.20 co 13	$5,080.20	19	Mall City	snowmelt system design changes			check # 010869
					3.31.21 co 13	$10,160.40	23	Mall City	snowmelt system design changes			check # 010944
					add'l loop 2.10.21	$1,214.00	49249	FCI	snowmelt additional loop			check # 010918
					Mech/Plumb permit cost associated with snowmelt	$534.31	2	Mall City		X		check # 010757
		10/18/2018		2/26/2019	**Utilites in ROW and/or easements $317,075**							
					Electrical Deployment in ROW	$33,075.00	1	Hi-Tech	pg. 431 + Additional Documentation Pg. 17, partial moved to Demo			check # 010371
					8" Waterline in ROW - 10.13.19	$38,909.00	4	Lounsbury				check # 010496
					Storm Sewer in ROW - 8.15.20	$28,958.15	8	Lounsbury				check # 010756
					10.15.20	$15,592.85	9	Lounsbury				check # 010831
					Water, storm, weir - updates Bulletin #3 co1 - 11.14.19	$3,019.00	5	Lounsbury	abandonment of water servcie, adjustment of pipes, installation of storm pip			check # 010541
					Sanitary sewer pipe & service clean out co4 - 11.14.19	$2,780.00	5	Lounsbury				check # 010541
					Adjustment of storm length co4 - 11.14.19	-$460.00	5	Lounsbury				check # 010541
					Sanitary Work w/ Hot Tap in ROW - 7.15.19	$13,182.20	1	Lounsbury				check # 010374
					11.14.19	$693.80	5	Lounsbury				check # 010541
					Consumers utility relocate 6.11.20	$3,374.88	9318333249	Consumers				check # 010657
					Storm reroute installation 10.9.20	$11,763.00	49245	FCI/Lounsbury				check # 010822
					Storm reroute on Church Street co10 - 10.15.20	$23,615.00	9	Lounsbury				check # 010831
					Storm reroute on Church rev for utilities co12 - 10.15.20	$5,787.00	9	Lounsbury				check # 010831
					Storm reroute on Church hydro stop co13 - 10.15.20	$6,496.00	9	Lounsbury				check # 010831
		10/18/2018		2/26/2019	**Street improvements with curb and gutter $296,950**							
					Curbs & Entry - 7.25.19	$2,500.00	1	Kent Company	eligible mobilization pg 455			check # 010372
					8.25.20	$22,251.00	14	Kent Company	curbs and entry partial			check # 010755
					8.19.20	$15,000.00	49249	FCI	concrete mud mat (6830) & asphalt (9012) along new curb			check # 010918
					9.25.20	$7,417.00	15	Kent Company	curbs and entry partial			check # 010789
					10.25.20	$29,668.00	16	Kent Company	curbs and entry partial			check # 010828
					11.25.20	$14,834.00	17	Kent Company	curbs and entry partial			check # 010828
					Asphalt Patch & Top Coat Area - 7.15.19	$8,650.95	1	Lounsbury				check # 010374
					10.13.19	$17,564.05	4	Lounsbury				check # 010496
					10.29.20	$1,500.00	49246	FCI	infrared repair damage from construction of walk bridge			check # 010822
					Repairs along Eleanor & Church St - 5.5.21	$6,000.00	10268	Asphalt Restoration				check # 010961
					Road patching asphalt and concrete co4 - 11.14.19	$3,320.00	5	Lounsbury				check # 010541
					Increase overall SF of 8" concrete pavement co1 - 6.25.20	$2,831.88	12	Kent Company				check # 010695
					Alley Access Road - 10.13.19	$11,180.00	4	Lounsbury				check # 010496
					Permit/Fees directly related to Infra Imprv - 7.15.19	$8,642.00	1	Lounsbury		X		check # 010374
					Move lighting feed discovered at sidewalk during excav	$1,232.61	24	Hi-Tech				check # 010970
		10/18/2018		2/26/2019	**Pedestrian sidewalks, lighting and landscaping in right of way/easements $137,975**							
					Perimeter Sidewalk - 8.15.20	$8,487.80	8	Lounsbury				check #010756
					10.15.20	$23,341.45	9	Lounsbury				check # 010831

	Units	Quantity	$/Unit	Category Total	Total	Comments
Sub-Total				$1,491,500	**$1,491,500**	
Contingency (15)%				$223,725	**$223,725**	
				$1,715,225	**$1,715,225**	

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
					11.15.20	$5,092.68	10	Lounsbury				check # 010831
					5.3.21	$5,517.07	11	Lounsbury				check # 010975
					8.25.20	$10,000.00	14	Kent Company	perim sidewalk partial			check # 010755
					9.25.20	$4,000.00	15	Kent Company	perim sidewalk partial			check # 010789
					10.25.20	$18,000.00	16	Kent Company	perim sidewalk partial			check # 010828
					11.25.20	$8,000.00	17	Kent Company	perim sidewalk partial			check # 010828
					Decorative Pavers in ROW - n/a							
					Decorative Lighting in ROW	$4,685.00	16	Hi-Tech				check # 010785
					Landscaping & Planters ROW - 4.30.21	$2,637.64	1	DJs Landscape				check # 010821
					11.18.20	$9,500.00	20/104	Robert McNutt	flower boxes			check # 010873
					11.12.20	$7,500.00	1	Roc Const	Installation of planter box, railing, gates			check # 010837
					1.12.21	$180.79	49249	FCI	sidewalk planter material from Lowes			check # 010918
		10/18/2018		2/26/2019	General Conditions at 7.6%	$41,496.35		VBT/FCI		$697.40		pg. 425
		10/18/2018		2/26/2019	Soft costs at 2.0%	$11,763.97		Kzoo Hotel Partners		$183.53		pg. 714
						$609,322.10						

	Units	Quantity	$/Unit	Category Total	Total	Comments
6.00 Lead and Asbestos Abatement						
6.01 Pre-Demolition Survey				$0	**$0**	
6.02 Abatement including disposal and air monitoring				$82,000	**$82,000**	
Sub-Total				$82,000	**$82,000**	
Contingency(15)%				$12,300	**$12,300**	
				$94,300	**$94,300**	

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Asbestos abatement $22,000**							
					Asbestos removal - 5.17.19	$5,044.00	5110	Martin & Assoc				check # 010376
		10/18/2018		2/26/2019	Initial exposure assessment report 8.8.19	$3,031.13	40658	DeLisle Assoc				check # 010445
		10/18/2018		2/26/2019	**Lead abatement $60,000**							
					Air scrubbers - 8.29.19	$8,962.86	49232	FCI	pg. 236, additional documentation provided			check # 010447
					9.26.19	$8,791.64	49233	FCI				check # 010484
					10.22.19	$2,582.16	49234	FCI				check # 010510
		10/18/2018		2/26/2019	General Conditions at 7.6%	$2,159.30						pg.425
						$30,571.09						

	Units	Quantity	$/Unit	Category Total	Total	Comments
7.00 Building Demolition						
7.00 Selective Interior Demolition				$300,560	**$300,560**	
Sub-Total				$300,560	**$300,560**	
Contingency (15)%				$45,084	**$45,084**	
				$345,644	**$345,644**	

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Selective Interior Demolition $300,560**							
					Basement thru 6th floor, roof, staircase, stairwell 6.28.19	$103,870.00	1	WLR				check # 010373, 10000
					thru 7.30.19	$104,100.00	2	WLR				check # 010381
					thru 8.31.19	$14,310.00	3	WLR				check # 010425
					thru 9.30.19	$25,050.00	4	WLR				check # 010444
					thru 10.31.19	$80,670.00	5	WLR				check # 010499
					thru 1.31.20	$12,000.00	6	WLR	bldg façade removals			check # 010573
					Demo - mechanical/plumbing Basement-6th - 8.31.19	$21,000.00	2	Mall City				check # 010420
					Demo - mechanical/plumbing Basement-6th - permit cost	$105.00	2	Mall City		X		check # 010420
					Ceiling, floor & substructure removal co1 - thru 7.30.19	$51,900.00	2	WLR				check # 010381
					thru 8.31.19	$23,649.40	3	WLR				check # 010425
					thru 9.30.19	$14,460.00	4	WLR				check # 010444
					thru 10.31.19	$11,702.60	5	WLR				check # 010499
					Slab removals co2 - thru 8.31.19	$1,200.00	3	WLR				check # 010425
					EIFS removal co4 - 10.31.19	$1,295.00	5	WLR				check # 010499
					Demo removal of slab, steel co5 - thru 4.30.20	$3,120.00	7	WLR				check # 010653
					Wall sawing demolition - 8.13.19	$7,863.50	4-083119	FCI	Concrete wall sawing demo, vacuum cleanup			check # 010413
					9.19.19	$830.00	49233	FCI	Wall sawing services			check # 010484
					10.29.19	$5,284.00	49234	FCI	pg.279-280 Concrete wall sawing, (added)			check # 010510
					11.13.19	$480.00	49234	FCI	pg.281 flushcut wall sawing, (added)			check # 010510
					Excavator - 6.9.19	$3,101.56	R91309250901	MacAllister	Selective Interior Demolition Use			check # 100142
					Lift - 6.7.19	$663.56	R91310853401	MacAllister	Selective Interior Demolition Use			check # 100142
		10/18/2018		2/26/2019	General Conditions at 7.6%	$36,977.77		VBT/FCI		$7.98		pg. 425
		10/18/2018		2/26/2019	Soft costs at 2.0%	$10,470.71		Kzoo Hotel Partnes		$2.10		pg. 714
						$534,113.18						

	Units	Quantity	$/Unit	Category Total	Total	Comments
8.00 Demolition						
8.00 Site Demolition				$336,000	**$336,000**	
Sub-Total				$336,000	**$336,000**	
Contingency (15)%				$50,400	**$50,400**	
				$386,400	**$386,400**	

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		10/18/2018		2/26/2019	**Site Demolition $336,000**							
					UST site assesment	$2,095.40	6189	Envirologic				check # 100208
					Cleaning of UST tank	$8,646.00	8812	Taplin				check # 100210
					UST tank removal	$11,456.00	3624	WLR				check # 100212
					Environmental Risk WLR 11.20.19	$1,025.00	3839	Environmental Risk Manage				check # 100182
					Underground Catch Basin Demolition - thru 8.15.20	$3,262.00	8	Lounsbury				check #010756
					Sitework Associated with Plug Basin - thru 8.15.20	$2,175.00	8	Lounsbury				check #010756
					Asphalt/Traffic Surface Removal - thru 7.15.19	$5,335.85	1	Lounsbury				check # 010374
					thru 10.13.19	$1,641.80	4	Lounsbury				check # 010496
					thru 10.15.20	$1,231.35	9	Lounsbury				check # 010831
					Asphalt, concrete demo Eleanor St for sanitary co4	$2,225.00	5	Lounsbury				check # 010541
					Perimeter Sidewalk Removal - thru 7.15.19	$2,604.25	1	Lounsbury				check # 010374
					thru 8.15.20	$5,208.50	8	Lounsbury				check #010756
					thru 10.15.20	$2,604.25	9	Lounsbury				check # 010831
					Sawcut sidewalk, remove, haul off concrete co5	$974.00	5	Lounsbury				check # 010541
					Sawcutting and removal of sidewalk - 7.30.19	$1,000.00	2	WLR				check # 010381
					Curb Cut & Removal - thru 7.15.19	$13,256.00	1	Lounsbury				check # 010374
					thru 8.15.20	$13,256.00	8	Lounsbury				check #010756
					Tree & Landscaping Removal - thru 7.15.19	$5,342.00	1	Lounsbury	clearing and grubbing			check # 010374
					Sanitary Sewer Removal Public Road - thru 7.15.19	$815.50	1	Lounsbury	Site demo - removal of old utilites			check # 010374
					thru 10.13.19	$815.50	4	Lounsbury	Site demo - removal of old utilites			check # 010496
					Waterline Removal - thru 8.15.20	$2,970.00	8	Lounsbury	Site demo - removal of old utilites			check # 010756
					Storm Sewer Removal - thru 10.13.19	$4,953.00	4	Lounsbury	Site demo - removal of old utilites			check # 010496
					Demolition Dumpster-Waste disposal - May 2019	$6,582.92	2-063019	FCI	CDR Disposal Services			check # 010369
					June 2019	$9,999.66	3-073119	FCI	CDR Disposal Services			check # 010369
					July 2019 early	$5,855.18	3-073119	FCI	CDR Disposal Services			check # 010369
					July 2019 end	$21,416.30	4-083119	FCI	CDR Disposal Services			check # 010413
					Aug 2019	$16,196.82	49232	FCI	pg 228, CDR Disposal Services, additional documentation provided			check # 010447
					Sept 2019	$8,299.16	49233	FCI	CDR Disposal Services			check # 010484
					Oct 2019	$10,575.76	49234	FCI	pg. 272 CDR Disposal Services, additional documentation provided			check # 010510
					thru 11.8.19	$1,125.00	49235	FCI	pg. 291 CDR Disposal Services			check # 010510
					Electrical Deployment in ROW Demoliton	$17,250.00	1	Hi-Tech	pg. 431 + Additional Documentation Pg. 17, net change of +$7,575			check # 010371
					Demolition material handling, trash chutes, etc. - May 2019	$4,300.00	1-053119	FCI	trash chute labor crane			check # 010369
					June 2019	$5,671.16	2-063019	FCI	material handling - trash hopper, forklift, trash chute			check # 010369
					June-July 2019	$3,586.08	3-073119	FCI	material handling - trash hopper, forklift, bucket, trash chute, repair to forklif			check # 010369
					July 2019	$10,749.49	4-083119	FCI	trash chute, demo m.h., crane, pg. 220 jobsite fans - what was the purpose			check # 010413
					Aug 2019	$9,938.66	49232	FCI	m.h. - forklift, bucket, forks, trash chute			check # 010447
					Sept 2019	$4,900.16	49233	FCI	m.h. - forklift, bucket, forks, trash chute #2, trash hopper			check # 010484
					Oct 2019	$4,767.66	49234	FCI	m.h. - forklift, trash chute			check # 010510
					trash chute 9.25.19	$4,300.00	49235	FCI	trash chute #1, old invoice paid			check # 010510
					trash chute thru 11.8.19	$5,600.00	49235	FCI	trash chute, sidewalk protection scaffold			check # 010510
		10/18/2018		2/26/2019	Other General Conditions (not listed above) at 7.6%	$18,544.49		VBT/FCI				pg. 425
		10/18/2018		2/26/2019	Soft costs at 2.0%	$5,251.02		Kzoo Hotel Partners				pg. 714
						$267,801.92						

	Units	Quantity	$/Unit	Category Total	Total	Comments
	Units	Quantity	$/Unit	Category Total	Total	Comments
9.00 Site Preparation						
9.00 Site Preparation				$750,845	**$750,845**	
Sub-Total				$750,845	**$750,845**	
Contingency (15)%				$112,627	**$112,627**	
				$863,472	**$863,472**	

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Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
					Site Prep, $705,845							
		10/18/2018		2/26/2019	**Grading/Cut and Fill $504,600**							
					Site Cut 5' - thru 8.14.19	$5,109.40	2	Lounsbury				check # 010419
					thru 9.13.19	$3,832.05	3	Lounsbury				check # 010450
					thru 10.13.19	$10,218.80	4	Lounsbury				check # 010496
					thru 1.15.20	$6,386.75	6	Lounsbury				check # 010566
					Site Fill 5' - thru 8.14.19	$7,603.40	2	Lounsbury				check # 010419
					thru 9.13.19	$5,702.55	3	Lounsbury				check # 010450
					thru 10.13.19	$15,206.80	4	Lounsbury				check # 010496
					thru 1.15.20	$5,702.55	6	Lounsbury				check # 010566
					thru 3.15.20	$3,801.70	7	Lounsbury				check # 010622
					Sand import for footings and building backfill co3	$8,536.50	3	Lounsbury				check # 010450
					Overcut footings due to unsuitable soils co3	$3,058.00	3	Lounsbury				check # 010450
					Screening of onsite unsuitable soils, used on site co5	$2,970.00	5	Lounsbury				check # 010541
					Sand import due to unsuitable soils co5	$10,153.00	5	Lounsbury				check # 010541
					Overcut footings due to unsuitable soils co5	$23,674.50	5	Lounsbury				check # 010541
					Sand import for footing and building backfill co5	$4,263.00	5	Lounsbury				check # 010541
					Woven fabric over unsuitable site backfill co8	$6,900.00	6	Lounsbury				check # 010566
					Import sand due to unsuitable soils co9 - thru 3.15.20	$10,395.00	7	Lounsbury				check # 010622
					Frac Tank / Dewatering							
					Plummer's Environmental - 7.29.19	$4,630.77	4-083119	FCI	pg. 216 dewatering			check # 010413
					8.28.19	$37,550.00	49233	FCI	pg. 259, frac tank, additional documentation provided			check # 010484
					Trace Analytical sample testing - 8.22.19	$1,579.00	49232	FCI	pg. 237 tank sample testing			check # 010447
					7.18.19	$156.00	49232	FCI	pg. 238 tank sample testing			check # 010447
					Dewatering volume City of Kalamazoo - 10.22.19	$374.04	49234	FCI	dewatering			check # 010510
		10/18/2018		2/26/2019	**Engineering, Geotech, Design & Survey $10,500**							
					Geotechnical	$7,150.00	8068	Hurley & Stewart	Geotechnical Investigation partial			check # 100021
						$167.75	8137	Hurley & Stewart	Geotechnical Investigation partial			check # 100029
						$753.00	49234	FCI - Hurley & Stewart	pg. 277 Materials Testing - (added)	X		check # 49234
		10/18/2018		2/26/2019	**Excavation for Unsuitable Material $155,575**							
					Deep Excavations for Foundations - thru 7.15.19	$6,860.10	1	Lounsbury	excavation for unsuitable materails/existing foundation discovered			check # 010374
					thru 8.14.19	$27,440.40	2	Lounsbury	excavation for unsuitable materails/existing foundation discovered			check # 010419
					thru 9.13.19	$17,150.25	3	Lounsbury	excavation for unsuitable materails/existing foundation discovered			check # 010450
					thru 10.13.19	$17,150.25	4	Lounsbury	excavation for unsuitable materails/existing foundation discovered			check # 010496
					Excavation for unsuitable soil materials co3 thru 8/19/19	$70,688.00	3	Lounsbury				check # 010450
					Excavation for unstable material - existing wall/footings co3	$14,570.00	3	Lounsbury				check # 010450
					Excavation for unsuitable soil materials co5 thru 10/9/19	$75,162.00	5	Lounsbury				check # 010541
					Process onsite screening of unsuitable soils, haul off co5	$5,242.00	5	Lounsbury				check # 010541
					Excavation for unsuitable soil materials co5 thru 8/10/19*	$23,719.00	5	Lounsbury				check # 010541
					* on invoice thru 11.14.19							
		10/18/2018			**Staking - added**							
					9.17.19	$3,227.79	49232	FCI	Pg. 232, construction staking bridge piers			check # 010447
					10.18.19	$227.40	49233	FCI	Pg. 254, construction staking			check # 010484
					11.13.19	$431.55	49234	FCI	Pg. 276, construction staking			check # 010510
					12.20.19	$4,071.83	49236	FCI	Pg. 311, construction staking			check # 010559
					1.10.20	$2,113.15	49236	FCI	Pg. 312, construction staking			check # 010559
					3.04.20	$10,694.75	49238	FCI	Pg. 330, Construction Staking, additional documentation			check # 010616
					3.04.20	$165.31	49240	FCI	Pg. 341, Construction staking expense, additional documentation			check # 010669
					4.06.20	$1,086.47	49242	FCI	Pg. 354, Construction Staking			check # 010719
					6.11.20	$746.13	49242	FCI	Pg. 354, Construction Staking			check # 010719
					7.10.20	$2,181.85	49242	FCI	Pg. 354, Construction Staking			check # 010719
					7.30.20	$2,595.77	49243	FCI	Pg. 361, Construction Staking			check # 010748
					9.22.20	$3,708.81	49245	FCI	Pg. 378, Construction Staking			check # 010822
					10.13.20	$2,999.08	49245	FCI	Pg. 378, Construction Staking			check # 010822
					12.31.20	$503.13	49248	FCI	Pg. 409 Construction Staking			check # 010893
					1.31.21	$203.19	49249	FCI	Pg. 415 Construction Staking			check # 010918
		10/18/2018		2/26/2019	**Temporary Erosion Control $45,000**							
					Silt Fencing & Monitoring - thru 8.14.19	$1,015.00	2	Lounsbury				check # 010419
					thru 10.13.19	$446.60	4	Lounsbury				check # 010496
					thru 11.14.19	$142.10	5	Lounsbury				check # 010541
					thru 3.15.20	$60.90	7	Lounsbury				check # 010622
					thru 11.15.20	$365.40	10	Lounsbury				check # 010831
					Soil erosion permit 10.3.19	$250.00	49233	FCI		X		check # 010484
					Storm water prevention (measures-prevent exacerbation) - 8.14.19	$2,185.00	2	Lounsbury	Erosion Control			check # 010419
		10/18/2018		2/26/2019	**Temporary Site Control & Safety $35,170**							
					Temp. project sign - 5.28.19	$474.88	2-063019	FCI	pg. 189			check # 010369
					7.18.19	$180.00	3-073119	FCI	pg. 201 "No Entry Sign" x6 english, x6 spanish			check # 010369
					8.1.19	$381.60	4-083119	FCI	pg 214, "No smoking, vaping, tobacco use" x12, pg 215 "Lead Positive"x12			check # 010413
					Temp. barriers, enclosures, fencing - 6.19.19	$13,815.91	2-063019	FCI	concrete barriers, pg. 184 lowes screws and lumber, temp fence			check # 010369
					5.31.19	$225.00	3-073119	FCI	FCI Temp Enclosure			check # 010369
					5.30.19	$101.23	1908	Bill's Lock	Deadbolts - Building Demo, Keys			check # 100134
					7.20.19	$877.42	4-083119	FCI	FCI Temp Enclosure, "building materials" pg 221			check # 010413
					9.3.19	$20,014.65	49232	FCI	chain link gate, temp fence, keys, zip ties, plywood for saftey barriers			check # 010447
					10.4.19	$6,796.46	49233	FCI	pg 260 Work order provided in the additional documentation, sidewalk prote			check # 010484
					10.15.19	$390.48	1736137935	FCI	equipment and locks, not orignally requested, locks eligible, vaccum ineligib			check # 010510
					10.22.19	$2,400.00	49234	FCI	scaffold sidewalk protection pg. 285			check # 010510
					11.30.19	$3,430.00	49235	FCI	temp fence and chainlink fence			check # 010510
					Rose Street road closure 10.23.20	$7,225.00	49246	FCI	lane closure, signs, pick up fee			check # 010822
					Temp lane closure fees - 11.27.19	$1,148.00	49236	FCI				check # 010559
					Safety equipment - site safety materials - Jun-19	$1,497.86	2-063019	FCI	pg 185, pg 187 (cones + barricade legs)			check # 010369
					Jul-19	$1,605.00	3-073119	FCI	pg. 197 "safety", pg. 198, "saftey equip"			check # 010369
					Aug-19	$1,200.00	4-083119	FCI	pg. 209 "safety equip"			check # 010413
					Sep-19	$1,200.00	49232	FCI	pg. 231 "safety equip"			check # 010447
					Oct-19	$1,266.00	49233	FCI	pg. 253 "safety equip"			check # 010484
					11.12.19	$1,014.00	49234	FCI	pg. 275 "safety equip"			check # 010510
					Sidewalk adjacent building co7 - 7.25.20	$1,398.68	13	Kent Company	Temp construction Access			check # 010726
		10/18/2018		2/26/2019	Other General Conditions (not listed above) at 7.6%	$41,774.92		VBT/FCI		$19.000		pg. 425
		10/18/2018		2/26/2019	Soft costs at 2.0%	$11,829.28		Kzoo Hotel Partners		$5.00		pg. 714
						$603,548.13						

	Units	Quantity	$/Unit	Category Total	Total	Comments
10.00 Development of Work Plan						
10.01 Development of Brownfield Plan						
10.02 Development of Act 381 Work Plan				$4,000	**$4,000**	
10.03 Work Plan and/or Brownfield Plan Implementation				$4,000	**$4,000**	
Sub-Total				$8,000	**$8,000**	
				$8,000	**$8,000**	
Total Potential Brownfield Plan Eligible Costs					**$4,119,224**	

Work Plan limits reimbursement to: $4,119,224

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Brownfield/Work Plan Preparation $4,000**	$3,177.50	1953	Phillips Env				ck # 100119
		10/18/2018		2/26/2019	**First Companies - Plan Implementation-SOV breakdown $4000**	$4,000.00	2-063019	FCI	contracting fee, pg 191			check # 010369
						$7,177.50						
					Total Developer Expenses	**$2,141,635.73**						
					5% Interest Expense Capped at 20% of Eligible Activities	**$428,327.15**						

ATTACHMENT 2

ROSE HOTEL ORIGINAL REIMBURSEMENT REQUEST

PROJECT TITLE: Kzoo Hotel Partners, LLC **ORIGINAL**
PROJECT ADDRESS: 303 North Rose Street, Kalamazoo, MI
PREPARED BY: Elizabeth Yorger
DATE PREPARED: 12/15/2021
CONTINGENCY: 15 % *(not to exceed 15%)*

Brownfield Plan/Act 381 Work Plan Approved Estimated Costs

	Units	Quantity	$/Unit	Category Total	Total	Comments
1.00 Baseline Environmental Assessment (BEA) - Statutorily Approved						
1.01 Phase I and II Environmental Site Assessments				$11,500	**$11,500**	
1.02 Baseline Environmental Assessment				$2,400	**$2,400**	
1.03 Asbestos, Lead and Mold Surveys				$5,200	**$5,200**	
1.04 Pre-Demolition Survey				$0	**$0**	
1.05 Boundary Survey				$11,000	**$11,000**	
1.06 Development of a Plan for Response Activities or Due Care Documentation				$3,100	**$3,100**	
Sub-Total				$33,200	**$33,200**	
Contingency (15)% * excludes completed activities per Table 1				$1,035	**$1,035**	
				$34,235	$34,235	

	Units	Quantity	$/Unit	Category Total	Total	Comments
2.00 Due Care - Statutorily Approved						
2.01 Investigation and Assessments				$12,000	**$12,000**	
Sub-Total				$12,000	**$12,000**	
Contingency (15)%				$1,800	**$1,800**	
				$13,800	$13,800	

	Units	Quantity	$/Unit	Category Total	Total	Comments
3.00 Department Specific Activities						
3.00 Due Care Activities				$57,000	**$57,000**	
Sub-Total				**$57,000**	**$57,000**	
Contingency (15)%				$8,550	**$8,550**	
				$65,550	$65,550	

	Units	Quantity	$/Unit	Category Total	Total	Comments
3.50 Combined Brownfield and Work Plan Prep & Implementation						
3.51 Combined Brownfield and Work Plan Prep				$4,000	**$4,000**	
3.52 Combined Brownfield and work Plan Implementation				$4,000	**$4,000**	
Sub-Total				$8,000	**$8,000**	
Contingency (0)%						
				$8,000	**$8,000**	

	Units	Quantity	$/Unit	Category Total	Total	Comments
5.00 Public Infrastructure Improvements						
5.00 Infrastructure Improvements				$1,491,500	**$1,491,500**	

Actual Costs Incurred

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Phase I & II ESA $11,500.00**	**$6,503.75**						
						$3,881.25	1717	Phillips Env				check # 1697
						$2,622.50	1943	Phillips Env				check # 100119
		10/18/2018		2/26/2019	**BEA $2,400.00**	**$2,311.25**						
						$1,462.50	1717	Phillips Env				check # 1697
						$848.75	1943	Phillips Env				check # 100119
		10/18/2018		2/26/2019	**Asbestos & Lead Inspection $5,200**	**$5,200.00**	3583	Triterra				
		10/18/2018		2/26/2019	**Pre-Demolition Survey**	**$3,756.00**						
					WLR exposed post columns for eng review 2.3.18	$2,656.00	3553	WLR				check # 010373
					WLR exposed post columns for eng review 3.10.18	$1,100.00	3562	WLR				check # 010373
		10/18/2018		2/26/2019	**Surveys**	**$4,996.12**						
					Alta update	$550.00	7994	LRE				1777
					Alta update & new parcel description	$850.00	9602	LRE				1921
					Topo survey	$1,500.00	8067	Hurley & Stewart				1817
					Utility survey	$2,096.12	8672	Hurley & Stewart				100113
		10/18/2018		2/26/2019	**Due Care Plan/ Section 7a Compliance $3,100.00**	**$2,491.25**						
						$756.25	1953	Phillips Env				check # 100119
						$1,735.00	1943	Phillips Env				check # 100119
						$25,258.37						

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
Add actual costs by line item here												
		10/18/2018		2/26/2019	Storm Water Mgt A. & Vapor Intrusion A. $12,000	$10,920.84	1943	Phillips Env				check # 100119
						$10,920.84						

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
Add actual costs by line item here												
		10/18/2018		2/26/2019	**Soil transportation and disposal $54,000**	**$44,897.12**						
					Soil transportation and disposal	$34,012.00	2	Lounsbury				check # 010419
					Excavator - 6.9.19	$3,101.56	R91309250901	MacAllister				check # 100142
					Lift - 6.7.19	$663.56	R91310853401	MacAllister				check # 100142
					Waste characterization	$2,750.00	4-083119	FCI-SME				check # 010413
					Storm water measures-prevent exacerbation - 8.14.19	$2,185.00	2	Lounsbury				check # 010419
					10.13.19	$961.40	4	Lounsbury				check # 010496
					11.14.19	$305.90	5	Lounsbury				check # 010541
					3.15.20	$131.10	7	Lounsbury				check # 010622
					11.15.20	$786.60	10	Lounsbury				check # 010831
		10/18/2018		2/26/2019	**Due Care Management & Planning $3,000**	**$3,000.00**	1717	Phillips Env				check # 1697
		10/18/2018		2/26/2019	General Conditions at 7.6%	$3,640.18		VBT/FCI				
		10/18/2018		2/26/2019	Soft costs at 2.0%	$1,030.75		Kzoo Hotel Partners				
						$52,568.05						

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
Add actual costs by line item here												
		10/18/2018		2/26/2019	Brownfield/Work Plan Preparation $4,000	$3,177.50	1953	Phillips Env				ck # 100119
		10/18/2018		2/26/2019	First Companies - Plan Implementation-SOV breakdown	$4,000.00	2-063019	FCI				check # 010369
						$7,177.50						

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	**Snowmelt in Sidewalks $725,000**	**$108,861.06**						
					12.31.19	$5,258.75	7	Mall City				check # 010518
					7.27.20	$250.00	49243	FCI				check # 010748
					8.31.20	$25,401.00	15	Mall City				check # 010757
					9.30.20	$50,802.00	16	Mall City				check # 010791
					11.30.20	$10,160.40	18	Mall City				check # 010832
					12.31.20	$5,080.20	19	Mall City				check # 010869
					3.31.21	$10,160.40	23	Mall City				check # 010944
					add'l loop 2.10.21	$1,214.00	49249	FCI				check # 010918
					Mech/Plumb permit cost associated with snowmelt	$534.31	2	Mall City				check # 010757
		10/18/2018		2/26/2019	**Utilites in ROW and/or easements $317,075**	**$196,460.88**						
					Electrical Deployment in ROW	$42,750.00	1	Hi-Tech				check # 010371
					8" Waterline in ROW - 10.13.19	$38,909.00	4	Lounsbury				check # 010496
					Storm Sewer in ROW - 8.15.20	$28,958.15	8	Lounsbury				check # 010756
					10.15.20	$15,592.85	9	Lounsbury				check # 010831
					Water, storm, weir - updates Bulletin #3 co1 - 11.14.19	$3,019.00	5	Lounsbury				check # 010541
					Sanitary sewer pipe & service clean out co4 - 11.14.19	$2,780.00	5	Lounsbury				check # 010541
					Adjustment of storm length co4 - 11.14.19	-$460.00	5	Lounsbury				check # 010541

	Units	Quantity	$/Unit	Category Total	Total	Comments
Sub-Total				$1,491,500	**$1,491,500**	
Contingency (15)%				$223,725	**$223,725**	
				$1,715,225	**$1,715,225**	

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
					Sanitary Work w/ Hot Tap in ROW - 7.15.19	$13,182.20	1	Lounsbury				check # 010374
					11.14.19	$693.80	5	Lounsbury				check # 010541
					Consumers utility relocate 6.11.20	$3,374.88	9318333249	Consumers				check # 010657
					Storm reroute installation 10.9.20	$11,763.00	49245	FCI/Lounsbury				check # 010822
					Storm reroute on Church Street co10 - 10.15.20	$23,615.00	9	Lounsbury				check # 010831
					Storm reroute on Church rev for utilities co12 - 10.15.20	$5,787.00	9	Lounsbury				check # 010831
					Storm reroute on Church hydro stop co13 - 10.15.20	$6,496.00	9	Lounsbury				check # 010831
		10/18/2018		2/26/2019	**Street improvements with curb and gutter $296,950**	**$276,230.49**						
					Curbs & Entry - 7.25.19	$2,500.00	1	Kent Company				check # 010372
					8.25.20	$22,251.00	14	Kent Company				check # 010755
					8.19.20	$15,000.00	49249	FCI				check # 010918
					9.25.20	$7,417.00	15	Kent Company				check # 010789
					10.25.20	$29,668.00	16	Kent Company				check # 010828
					11.25.20	$14,834.00	17	Kent Company				check # 010828
					Asphalt Patch & Top Coat Area - 7.15.19	$8,650.95	1	Lounsbury				check # 010374
					10.13.19	$17,564.05	4	Lounsbury				check # 010496
					10.29.20	$1,500.00	49246	FCI				check # 010822
					Repairs along Eleanor & Church St - 5.5.21	$6,000.00	10268	Asphalt Restoration				check # 010961
					Road patching asphalt and concrete co4 - 11.14.19	$3,320.00	5	Lounsbury				check # 010541
					Increase overall SF of 8" concrete pavement co1 - 6.25.20	$2,831.88	12	Kent Company				check # 010695
					Alley Access Road - 10.13.19	$11,180.00	4	Lounsbury				check # 010496
					Permit/Fees directly related to Infra Imprv - 7.15.19	$8,642.00	1	Lounsbury				check # 010374
					Auger cast piles pedestrian bridge sidewalk/public garage	$111,200.00	1	The King Co				check # 010604
					Auger cast piles for pedestrian bridge helical ext co2	$3,150.00	2	The King Co				check # 010604
					Helical Piering at pedestrian bridge public garage co1	$9,289.00	12	Kent Company				check # 010695
					Move lighting feed discovered at sidewalk during excav	$1,232.61	24	Hi-Tech				check # 010970
		10/18/2018		2/26/2019	**Pedestrian sidewalks, lighting and landscaping in right of way/easements $137,975**	**$108,341.11**						
					Perimeter Sidewalk - 8.15.20	$8,487.80	8	Lounsbury				check #010756
					10.15.20	$23,341.45	9	Lounsbury				check # 010831
					11.15.20	$5,092.68	10	Lounsbury				check # 010831
					5.3.21	$5,517.07	11	Lounsbury				check # 010975
					8.25.20	$10,000.00	14	Kent Company				check # 010755
					9.25.20	$4,000.00	15	Kent Company				check # 010789
					10.25.20	$18,000.00	16	Kent Company				check # 010828
					11.25.20	$8,000.00	17	Kent Company				check # 010828
					Sidewalk adjacent building co7 - 7.25.20	$1,398.68	13	Kent Company				check # 010726
					Decorative Pavers in ROW - n/a							
					Decorative Lighting in ROW	$4,685.00	16	Hi-Tech				check # 010785
					Landscaping & Planters ROW - 4.30.21	$2,637.64	1	DJs Landscape				check # 010821
					11.18.20	$9,500.00	20/104	Robert McNutt				check # 010873
					11.12.20	$7,500.00	1	Roc Const				check # 010837
					1.12.21	$180.79	49249	FCI				check # 010918
		10/18/2018		2/26/2019	**Pedestrian Bridge at Rose to public garage**	**$507,495.12**				X		
					Curtain wall access at the bridge 6.10.20	$840.00	49241	FCI				check # 010689
					Bridge Pier Revisions 8.5.20	$500.00	49243	FCI				check # 010748
					Excess grout at piles at bridge 8.7.20	$200.00	49243	FCI				check # 010749
					Remove brick at Central City parking ramp 8.25.20	$775.00	49244	FCI				check # 010782
					Curb cut at pedestrian bridge 9.4.20	$300.00	49244	FCI				check # 010782
					Core thru precast column panel at pedestrian bridge	$200.00	49245	FCI				check # 010822
					Panel & glass add at parking ramp bridge	$1,304.00	49246	FCI				check # 010822
					EIFS work at bridge	$4,728.90	49247	FCI				check # 010861
					Rose bridge construction cost	$498,647.22	multiple	multiple				multiple
		10/18/2018		2/26/2019	General Conditions at 7.6%	$91,001.54		VBT/FCI				
		10/18/2018		2/26/2019	Soft costs at 2.0%	$25,767.80		Kzoo Hotel Partners				
						$1,314,158.00						

	Units	Quantity	$/Unit	Category Total	Total	Comments
6.00 Lead and Asbestos Abatement						
6.01 Pre-Demolition Survey				$0	**$0**	
6.02 Abatement including disposal and air monitoring				$82,000	**$82,000**	
Sub-Total				$82,000	**$82,000**	
Contingency(15)%				$12,300	**$12,300**	
				$94,300	**$94,300**	

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
		10/18/2018		2/26/2019	Asbestos abatement $22,000	**$5,044.00**						
					Asbestos removal - 5.17.19	$5,044.00	5110	Martin & Assoc				check # 010376
		10/18/2018		2/26/2019	Initial exposure assessment report 8.8.19	**$3,031.13**	40658	DeLisle Assoc				check # 010445
		10/18/2018		2/26/2019	Lead abatement $60,000	**$20,336.66**						
					9.26.19	$8,791.64	49233	FCI				check # 010484
					10.22.19	$2,582.16	49234	FCI				check # 010510
		10/18/2018		2/26/2019	General Conditions at 7.6%	$2,159.30						
						$30,571.09						

	Units	Quantity	$/Unit	Category Total	Total	Comments
7.00 Building Demolition						
7.00 Selective Interior Demolition				$300,560	**$300,560**	

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
Add actual costs by line item here												
		10/18/2018		2/26/2019	**Selective Interior Demolition $300,560**	**$477,230.50**						
					Basement thru 6th floor, roof, staircase, stairwell 6.28.19	$103,870.00	1	WLR				check # 010373
					thru 7.30.19	$104,100.00	2	WLR				check # 010381
					thru 8.31.19	$14,310.00	3	WLR				check # 010425
					thru 9.30.19	$25,050.00	4	WLR				check # 010444
					thru 10.31.19	$80,670.00	5	WLR				check # 010499
					thru 1.31.20	$12,000.00	6	WLR				check # 010573
					Demo - mechanical/plumbing Basement-6th - 8.31.19	$21,000.00	2	Mall City				check # 010420
					Demo - mechanical/plumbing Basement-6th - permit cost	$210.00	2	Mall City				check # 010420

	Units	Quantity	$/Unit	Category Total	Total	Comments	Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
												Ceiling, floor & substructure removal co1 - thru 7.30.19	$51,900.00	2	WLR				check # 010381
												thru 8.31.19	$23,649.40	3	WLR				check # 010425
												thru 9.30.19	$14,460.00	4	WLR				check # 010444
												thru 10.31.19	$11,702.60	5	WLR				check # 010499
												Slab removals co2 - thru 8.31.19	$1,200.00	3	WLR				check # 010425
												EIFS removal co4 - 10.31.19	$1,295.00	5	WLR				check # 010499
												Demo removal of slab, steel co5 - thru 4.30.20	$3,120.00	7	WLR				check # 010653
												Wall sawing demolition - 8.13.19	$7,863.50	4-083119	FCI				check # 010413
												9.19.19	$830.00	49233	FCI				check # 010484
Sub-Total				$300,560	**$300,560**				10/18/2018		2/26/2019	General Conditions at 7.6%	$36,269.52		VBT/FCI				
Contingency (15)%				$45,084	**$45,084**				10/18/2018		2/26/2019	Soft costs at 2.0%	$10,270.00		Kzoo Hotel Partnes				
				$345,644	$345,644								$523,770.02						
	Units	Quantity	$/Unit	Category Total	Total	Comments	Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
8.00 Demolition							*Add actual costs by line item here*												
8.00 Site Demolition				$336,000	**$336,000**				10/18/2018		2/26/2019	**Site Demolition $336,000**	**$227,904.41**						
												UST site assesment	$2,095.40	6189	Envirologic				check # 100208
												Cleaning of UST tank	$8,646.00	8812	Taplin				check # 100210
												UST tank removal	$11,456.00	3624	WLR				check # 100212
												Environmental Risk WLR 11.20.19	$1,025.00	3839	Environmental R				check # 100182
												Underground Catch Basin Demolition - thru 8.15.20	$3,262.00	8	Lounsbury				check #010756
												Sitework Associated with Plug Basin - thru 8.15.20	$2,175.00	8	Lounsbury				check #010756
												Asphalt/Traffic Surface Removal - thru 7.15.19	$5,335.85	1	Lounsbury				check # 010374
												thru 10.13.19	$1,641.80	4	Lounsbury				check # 010496
												thru 10.15.20	$1,231.35	9	Lounsbury				check # 010831
												Asphalt, concrete demo Eleanor St for sanitary co4	$2,225.00	5	Lounsbury				check # 010541
												Perimeter Sidewalk Removal - thru 7.15.19	$2,604.25	1	Lounsbury				check # 010374
												thru 8.15.20	$5,208.50	8	Lounsbury				check #010756
												thru 10.15.20	$2,604.25	9	Lounsbury				check # 010831
												Sawcut sidewalk, remove, haul off concrete co5	$974.00	5	Lounsbury				check # 010541
												Sawcutting and removal of sidewalk - 7.30.19	$1,000.00	2	WLR				check # 010381
												Curb Cut & Removal - thru 7.15.19	$13,256.00	1	Lounsbury				check # 010374
												thru 8.15.20	$13,256.00	8	Lounsbury				check #010756
												Tree & Landscaping Removal - thru 7.15.19	$5,342.00	1	Lounsbury				check # 010374
												Sanitary Sewer Removal Public Road - thru 7.15.19	$815.50	1	Lounsbury				check # 010374
												thru 10.13.19	$815.50	4	Lounsbury				check # 010496
												Waterline Removal - thru 8.15.20	$2,970.00	8	Lounsbury				check # 010756
												Storm Sewer Removal - thru 10.13.19	$4,953.00	4	Lounsbury				check # 010496
												Engineering, Design, Survey							
												Temp lane closure fees - 11.27.19	$1,148.00	49236	FCI				check # 010559
												Demolition Dumpster-Waste disposal - May 2019	$6,582.92	2-063019	FCI				check # 010369
												June 2019	$9,999.66	3-073119	FCI				check # 010369
												July 2019 early	$5,855.18	3-073119	FCI				check # 010369
												July 2019 end	$21,416.30	4-083119	FCI				check # 010413
												Aug 2019	$16,196.82	49232	FCI				check # 010447
												Sept 2019	$8,299.16	49233	FCI				check # 010484
												Oct 2019	$10,575.76	49234	FCI				check # 010510
												thru 11.8.19	$1,125.00	49235	FCI				check # 010510
												Demolition material handling, trash chutes, etc. - May 2019	$4,300.00	1-053119	FCI				check # 010369
												June 2019	$5,671.16	2-063019	FCI				check # 010369
												June-July 2019	$3,586.08	3-073119	FCI				check # 010369
												July 2019	$10,749.49	4-083119	FCI				check # 010413
												Aug 2019	$9,938.66	49232	FCI				check # 010447
												Sept 2019	$4,900.16	49233	FCI				check # 010484
												Oct 2019	$4,767.66	49234	FCI				check # 010510
												trash chute 9.25.19	$4,300.00	49235	FCI				check # 010510
												trash chute thru 11.8.19	$5,600.00	49235	FCI				check # 010510
Sub-Total				$336,000	**$336,000**				10/18/2018		2/26/2019	Other General Conditions (not listed above) at 7.6%	$7,059.82		VBT/FCI				
Contingency (15)%				$50,400	**$50,400**				10/18/2018		2/26/2019	Soft costs at 2.0%	$4,699.28		Kzoo Hotel Partners				
				$386,400	$386,400								$239,663.52						
	Units	Quantity	$/Unit	Category Total	Total	Comments	Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
9.00 Site Preparation							*Add actual costs by line item here*												
9.00 Site Preparation				$750,845	**$750,845**				10/18/2018		2/26/2019	**Grading/Cut and Fill $504,600**	**$177,803.81**						
												Site Cut 5' - thru 8.14.19	$5,109.40	2	Lounsbury				check # 010419
												thru 9.13.19	$3,832.05	3	Lounsbury				check # 010450
												thru 10.13.19	$10,218.80	4	Lounsbury				check # 010496
												thru 1.15.20	$6,386.75	6	Lounsbury				check # 010566
												Site Fill 5' - thru 8.14.19	$7,603.40	2	Lounsbury				check # 010419
												thru 9.13.19	$5,702.55	3	Lounsbury				check # 010450
												thru 10.13.19	$15,206.80	4	Lounsbury				check # 010496
												thru 1.15.20	$5,702.55	6	Lounsbury				check # 010566
												thru 3.15.20	$3,801.70	7	Lounsbury				check # 010622
												Sand import for footings and building backfill co3	$8,536.50	3	Lounsbury				check # 010450
												Overcut footings due to unsuitable soils co3	$3,058.00	3	Lounsbury				check # 010450
												Screening of onsite unsuitable soils, used on site co5	$2,970.00	5	Lounsbury				check # 010541
												Sand import due to unsuitable soils co5	$10,153.00	5	Lounsbury				check # 010541
												Overcut footings due to unsuitable soils co5	$23,674.50	5	Lounsbury				check # 010541

	Units	Quantity	$/Unit	Category Total	Total	Comments
Sub-Total				$750,845	**$750,845**	
Contingency (15)%				$112,627	**$112,627**	
				$863,472	**$863,472**	

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
					Sand import for footing and building backfill co5	$4,263.00	5	Lounsbury				check # 010541
					Woven fabric over unsuitable site backfill co8	$6,900.00	6	Lounsbury				check # 010566
					Import sand due to unsuitable soils co9 - thru 3.15.20	$10,395.00	7	Lounsbury				check # 010622
					Frac Tank / Dewatering							
					Plummer's Environmental - 7.29.19	$4,630.77	4-083119	FCI				check # 010413
					8.28.19	$37,550.00	49233	FCI				check # 010484
					Trace Analytical sample testing - 8.22.19	$1,579.00	49232	FCI				check # 010447
					7.18.19	$156.00	49232	FCI				check # 010447
					Dewatering volume City of Kalamazoo - 10.22.19	$374.04	49234	FCI				check # 010510
					H&S taking - in general conditions %			FCI/H&S				
					SME testing - in general conditions %			SME				
		10/18/2018		2/26/2019	**Engineering, Geotech, Design & Survey $10,500**	**$7,317.75**						
					Geotechnical	$7,150.00	8068	Hurley & Stewart				check # 100021
		10/18/2018		2/26/2019	**Excavation for Unsuitable Material $155,575**	**$257,982.00**						
					Deep Excavations for Foundations - thru 7.15.19	$6,860.10	1	Lounsbury				check # 010374
					thru 8.14.19	$27,440.40	2	Lounsbury				check # 010419
					thru 9.13.19	$17,150.25	3	Lounsbury				check # 010450
					thru 10.13.19	$17,150.25	4	Lounsbury				check # 010496
					Excavation for unsuitable soil materials co3 thru 8/19/19	$70,688.00	3	Lounsbury				check # 010450
					Excavation for unstable material - existing wall/footings co3	$14,570.00	3	Lounsbury				check # 010450
					Excavation for unsuitable soil materials co5 thru 10/9/19	$75,162.00	5	Lounsbury				check # 010541
					Process onsite screening of unsuitable soils, haul off co5	$5,242.00	5	Lounsbury				check # 010541
					Excavation for unsuitable soil materials co5 thru 8/10/19*	$23,719.00	5	Lounsbury				check # 010541
					* on invoice thru 11.14.19							
		10/18/2018		2/26/2019	**Temporary Erosion Control $45,000**	**$2,280.00**						
					Silt Fencing & Monitoring - thru 8.14.19	$1,015.00	2	Lounsbury				check # 010419
					thru 10.13.19	$446.60	4	Lounsbury				check # 010496
					thru 11.14.19	$142.10	5	Lounsbury				check # 010541
					thru 3.15.20	$60.90	7	Lounsbury				check # 010622
					thru 11.15.20	$365.40	10	Lounsbury				check # 010831
					Soil erosion permit 10.3.19	$250.00	49233	FCI				check # 010484
		10/18/2018		2/26/2019	**Temporary Site Control & Safety $35,170**	**$64,553.01**						
					Temp. project sign - 5.28.19	$474.88	2-063019	FCI				check # 010369
					7.18.19	$180.00	3-073119	FCI				check # 010369
					8.1.19	$381.60	4-083119	FCI				check # 010413
					9.6.19	$763.20	49232	FCI				check # 010447
					10.2.19	$84.80	49233	FCI				check # 010484
					Temp. barriers, enclosures, fencing - 6.19.19	$13,815.91	2-063019	FCI				check # 010369
					5.31.19	$225.00	3-073119	FCI				check # 010369
					5.30.19	$101.23	1908	Bill's Lock				check # 100134
					7.20.19	$877.42	4-083119	FCI				check # 010413
					9.3.19	$20,014.65	49232	FCI				check # 010447
					10.4.19	$6,796.46	49233	FCI				check # 010484
					10.22.19	$2,400.00	49234	FCI				check # 010510
					11.30.19	$3,430.00	49235	FCI				check # 010510
					Rose Street road closure 10.23.20	$7,225.00	49246	FCI				check # 010822
					Safety equipment - site safety materials - Jun-19	$1,497.86	2-063019	FCI				check # 010369
					Jul-19	$1,605.00	3-073119	FCI				check # 010369
					Aug-19	$1,200.00	4-083119	FCI				check # 010413
					Sep-19	$1,200.00	49232	FCI				check # 010447
					Oct-19	$1,266.00	49233	FCI				check # 010484
					11.12.19	$1,014.00	49234	FCI				check # 010510
		10/18/2018		2/26/2019	Other General Conditions (not listed above) at 7.6%	$33,849.15		VBT/FCI				
		10/18/2018		2/26/2019	Soft costs at 2.0%	$10,875.71		Kzoo Hotel Partners				
						$554,661.43						

	Units	Quantity	$/Unit	Category Total	Total	Comments
10.00 Development of Work Plan						
10.01 Development of Brownfield Plan				$4,000		
10.02 Development of Act 381 Work Plan				$4,000	**$4,000**	
10.03 Work Plan and/or Brownfield Plan Implementation					**$4,000**	
Sub-Total				$8,000	**$8,000**	
				$8,000	**$8,000**	
Total Potential Brownfield Plan Eligible Costs					**$4,119,224**	

Brownfield Plan $	BF Catego	Date of BF Plan	Max School Tax $	Date of WP Approval	381 Category and Max Catgory $	Invoiced Amt	Invoice #	Contractor	Note:	Local Only	Local and School	Proof of Payment
Add actual costs by line item here												
		10/18/2018		2/26/2019	Brownfield/Work Plan Preparation $4,000	$3,177.50	1953	Phillips Env				ck # 100119
		10/18/2018		2/26/2019	First Companies - Plan Implementation-SOV breakdown	$4,000.00	2-063019	FCI				check # 010369
						$7,177.50						
					Total Developer Expenses	**$2,765,926.32**						

Work Plan limits reimbursement to: $4,119,224

*Red are inelgible Bridge Costs

BRA Board of Directors
Staff Report

City of Kalamazoo

TO: Brownfield Redevelopment Authority Board of Directors

FROM: Antonio Mitchell, Director of Community Planning and Economic Development
Prepared by: Jamie McCarthy, BRA Staff Liaison

DATE: February 16, 2023

SUBJECT: Approval of a Letter of Intent with Plazacorp to explore potential sale of BRA-owned property at 315 Parsons and 1015 and 1025 N. Pitcher Streets and authorize Department Director to sign

SUMMARY:

Developer has proposed surface parking for the BRA-owned parcels to provide enough spaces needed for the hotel and entertainment use at 225 Parsons. Developer presented a parking plan to the BRA committees targeting 570 total spaces needed. The project currently has property to accommodate up to 446 parking spaces.

City Planning Staff are requesting some time to review the parking plan to better understand how the counts fit within the minimums and maximums of the Zoning Code. Within the context of the current zoning, Live-Work 1, staff can help evaluate whether the use is permitted or if a variance is needed to move the concept forward and support parking for the full development project.

To give additional time for staff and Developer to finalize a plan and understand zoning requests, if needed, it is recommended the BRA sign a 3-month Letter of Intent (LOI). The LOI states the BRA will not entertain other offers during this period. The LOI serves as an agreement for both parties and City staff to work together to meet specific milestones, including:

- Share information and conduct any due diligence, as needed
- Understand the permitted zoning uses and the parking requirements for 225 Parsons project
- If zoning requests are required for the proposed use, the Developer must make application before LOI expires

Once these milestones are met, staff would recommend an additional 3-month extension to give time for the project to gain the necessary zoning approvals. Once obtained, a purchase agreement would be negotiated and brought forward to the BRA for approval.

BACKGROUND:

The Developer has requested a Purchase Agreement from the BRA for the parcels located at 315 Parsons and 1015 and 1025 N. Pitcher Street. The proposed future use is additional surface parking as part of a larger development project slated for 225 Parsons. The 225 Parsons project is a $65 million hotel and entertainment venue with museum at the former Gibson Guitar factory site. The historic site has been allocated Historic Tax Credits from SHPO in support of rehabilitation and redevelopment of the property.

Recently, the project completed an economic impact study to understand revenues and jobs that will result from the project. The project is estimated to support up to 277 jobs during construction and permanent FTE after it is complete. It is estimated the construction phase will produce up to $15.9 million in personal income, and continue to create over $2.6 million annually after construction.

RECOMMENDATION:

It is recommended the BRA approve a 3-month Letter of Intent with Plazacorp Realty Advisors, Inc. to explore potential purchase of property at 315 Parsons and 1015 and 1025 N. Pitcher Streets and authorize the Department Director to sign.

Brownfield Redevelopment Authority

245 N. Rose, Suite 100, Kalamazoo, MI 49007
Phone 269.337.8082 | Fax 269.337.8182

development@kalamazoocity.org
www.kalamazoocity.org/development

February 13, 2023

Plazacorp Realty Advisors
200 W. Michigan Avenue, Suite 201
Kalamazoo, Michigan 49007

Re: Letter of Intent – Redevelopment of the Parcels Located at 315 Parsons and 1015 and 1025 N. Pitcher Streets

Dear Mr. Wenzel:

This Letter of Intent ("LOI") follows conversations you had with City staff towards the eventual redevelopment in the Northside Neighborhood by Plazacorp Realty Advisors, Inc. ("Developer"). The proposed project is a large-scale redevelopment of 225 Parsons as an entertainment district, including full service hotel, museum, entertainment and banquet space. Discussions with City staff have included the potential purchase of additional parcels immediately east of the main development site. This additional property is located on real estate ("Property") owned by the City of Kalamazoo Brownfield Redevelopment Authority ("BRA"). The Property includes 315 Parsons, 1015 N. Pitcher and 1025 N. Pitcher. The parcels are more fully described in Exhibit A.

The discussions to date you have had with City staff regarding your interest in the Property involve executing Purchase Agreement ("Agreement") for the Property. The proposed development concept is to use this space for additional surface parking ("Project"). Therefore, this LOI shall serve to memorialize the next steps each party will undertake towards the potential purchase of the Property as detailed in a subsequently signed Purchase and Redevelopment Agreement ("Development Agreement"). To that end and upon execution of this LOI, the parties shall use their best efforts and due diligence to complete the outlined tasks within the timeframes provided.

For the period ending at close of business on May 16, 2023 the BRA, in consideration of $100.00 and other good and valuable consideration, grants Developer the exclusive right to purchase and redevelop the Property. During this period the BRA will not entertain or enter into any agreement with any other entity expressing an interest in acquiring or redeveloping the discussed Property.

During this exclusive period:

1. BRA will
   - Provide Developer with any environmental reports, surveys, and any other documentation that may assist Developer in evaluating whether to enter into the Agreement;

   - Permit Developer and its environmental consultant(s) access to the Property for any inspections, assessments, and/or any testing they consider appropriate in exercising due diligence activities – to be detailed in a separate access agreement Developer signs with BRA.

2. Developer will
   - Explore with City staff permitted uses within the Zone District, Live-Work 1; develop and submit draft

site redevelopment concepts for your planned project consistent with zoning regulations or, if it is determined that the development concept does not align with the zoning code, make application to the City for zoning relief prior to expiration of the LOI on May 16, 2023;

- Submit those documents for the Project, including draft building designs, site plans and/or sources and uses of all outside financing (i.e. tentative proforma) in enough detail for the BRA to explore and tentatively determine the level of project incentives.

3. Joint efforts
   - Work jointly on potential terms and conditions toward an Agreement.
   - Regularly communicate with BRA staff and Developer to keep BRA Board of Directors updated on the progress toward finalizing plans for the redevelopment of the Property.

If at the end of above term of this LOI, and upon completion of the above tasks, Developer and BRA may extend the LOI for an additional 90-day period to provide time for approval of any zoning requests. If this LOI satisfactorily summarizes the terms under which Developer is interested in purchasing and redeveloping the Property, so indicate by signing and returning a copy of this LOI to me.

Sincerely,

CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY

By: Antonio Mitchell
Its: Attorney-in-fact

ACCEPTED:

Date: ___________________ By: _________________________________
Mr. Andrew Wenzel

cc: Clyde Robinson, Brownfield Redevelopment Authority Legal Counsel
Jamie McCarthy, Sustainable Development Coordinator

EXHIBIT A

Parcel No. 06-15-210-001
315 Parsons Street

38560 T C SHELDONS ADDITION Part of Lot Y Com at NW cor Parsons & Pitcher Streets; th W to a pt 4R E of r-o-w of Penn Railroad; th N 121.5ft; th W 4R; th N to E & W cent li Lot Y; th E to W li Pitcher Street; th S to beg.

Parcel No. 06-15-205-031
1015 N. Pitcher Street

28082 KROM & HASCALL'S ADDITION, Liber 2 of Plats Page 19; Lot 31.

Parcel No. 06-15-205-029
1025 N. Pitcher Street

28078 KROM & HASCALL'S ADDITION, Liber 2 of Plats Page 19; Lot 29, excluding the North 3ft.