



City of East Lansing

Brownfield Redevelopment Plan No. 18

For

Trowbridge Village

Prepared by:

Caddis Development Group, LLC

Approved by the Brownfield Redevelopment Authority on March 27, 2014

Approved by the East Lansing City Council on May 20, 2014

Amendment approved by the Brownfield Redevelopment Authority on September 25, 2014

Amendment approved by the East Lansing City Council on October 7, 2014

TABLE OF CONTENTS

1.0 INTRODUCTION	1
2.0 DEFINITIONS AS USED IN THIS PLAN	2
3.0 BROWNFIELD PROJECT – TROWBRIDGE VILLAGE, LLC	3
3.1 Description of Costs to be Paid for With Tax Increment Revenues and Summary of Eligible Activities (MCL 125.2663(1)(a)(B)).....	3
3.2 Estimate of Captured Taxable Value and Tax Increment Revenues (MCL 125.2663(1)(C))	5
3.3 Method by Which Cost will be Financed (MCL 125.2663(1)(E))	5
3.4 Duration of Brownfield Plan (MCL 125.2663(1)(F))	5
3.5 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions (MCL 125.2663(1)(G))	5
3.6 Legal Description, Property Map and Personal Property (MCL 125.2663(1)(H))..	5
3.7 Estimates of Residents and Displacement of Families (MCL 125.2663(1)(I))	5
3.8 Plan for Relocation of Displaced Persons (MCL 125.2663(1)(J))	6
3.9 Provisions for Relocation Costs (MCL 125.2663(1)(K)).....	6
3.10 Strategy For Compliance With Michigan’s Relocation Assistance Law (MCL 125.2663(1)(L)).....	6
3.11 Description Of Proposed Use Of Local Site Remediation Revolving Fund (MCL 125.2663(1)(M)).....	6
3.12 Other Material That The Authority Or Governing Body Considers Pertinent MCL 125.2663(1)(N))	6

APPENDICES

APPENDIX A ELIGIBLE PROPERTY & LEGAL DESCRIPTION

APPENDIX B LOCATION MAP

APPENDIX C TAX INCREMENT FINANCING TABLES

PROJECT SUMMARY

Project Name:	Trowbridge Village
Project Developer:	Trowbridge Village, LLC
Project Location:	The eligible properties are located on the northwest corner of Trowbridge Road and Harrison Road, with current addresses of 920, 950, 962, and 990 Trowbridge Road, Parcel IDs 33-20-01-24-122-018, 33-20-01-24-122-019; 33-20-01-24-122-020; and 33-20-01-24-122-021.
Types of Eligible Property:	Facility and contiguous with a facility
Eligible Activities:	Environmental Due Diligence, Building Demolition, Site Demolition, Asbestos Abatement, Infrastructure Improvements, Site Preparation, Contaminated Soil Remediation, Parking, and Interest Expenses
Reimbursable Costs:	\$2,652,495
Total Project Investment:	\$17,100,000
Years to Complete Payback:	16 years, including interest, which includes splitting increased taxes on a 65/35 basis with all the taxing entities
Estimated Eligible Investment:	\$2,652,495 including interest of \$669,890
Annual Tax Revenue Before Project (2014):	\$78,808
Annual Tax Revenue After Project: (2016)	\$330,300
Project Overview:	Trowbridge Village, LLC will acquire the property, demo the exterior/interior of the existing retail structure and former restaurant, and construct a multi-family building. Any asbestos will be abated and contaminated soils will be removed and disposed of properly. The developer will also be completely redeveloping all infrastructure on the site, including new water and storm sewer. This Brownfield Plan has been created for the purpose of facilitating the demolition, replacing unsuitable soils and environmental remediation with associated costs.

BROWNFIELD PLAN

Trowbridge Village Project 940 Trowbridge Road East Lansing

BROWNFIELD REDEVELOPMENT AUTHORITY

1.0 INTRODUCTION

The City of East Lansing (the “City”) established the East Lansing Brownfield Redevelopment Authority (the “Authority”) by adoption of a resolution pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (Act 381). The Michigan Department of State, Office of the Great Seal, acknowledged receipt and filing of the resolution. The City Council established the Authority Board and appointed its members. Act 381 authorizes the Authority to undertake all activities allowed by law. The primary purpose of Act 381 is to encourage the redevelopment of contaminated, functionally obsolete, or blighted property by providing economic incentives through tax increment financing for certain eligible activities.

The Brownfield Plan (the “Plan”) describes qualifying factors that determine “eligible property” status, such as the conditions that qualify a property as a “facility,” “functionally obsolete,” and/or “blighted” that make it a brownfield site. The Plan also describes the new project that will occur. Finally, the Plan describes the method or methods used to revitalize the site, including the cost of demolition and installing the infrastructure, and the amount of tax dollars generated by the new development, if any, that will be used to pay for the revitalization. The Plan, once approved by the local unit of government and the Authority, acts as a guide for implementation of the project.

2.0 DEFINITIONS AS USED IN THIS PLAN

All terms used in this Brownfield Plan are defined as provided in the following statutes, as appropriate:

The Brownfield Redevelopment Financing Act, 1996 Mich. Pub. Acts 381, M.C.L. § 125.2651 et seq., as amended.

Part 201 of the Natural Resources and Environmental Protection Act, 1994 Mich. Pub. Acts 451, M.C.L. § 324.20101 et seq., as amended.

3.0 BROWNFIELD PROJECT – TROWBRIDGE VILLAGE, LLC

Trowbridge Village Project Description

Trowbridge Village, LLC, intends to construct one mixed-use building, and renovate the existing retail structure on the property after existing structures are demolished. The overall estimated investment for the development is approximately \$17.1 million. This Plan has been created for the purpose of facilitating the redevelopment of the property, to allow the Authority to utilize Tax Increment Financing (TIF) to reimburse the developer for the cost of certain eligible activities.

B. Basis of Eligibility

Public Act 381 of 1996, as amended, defines “Eligible Property” as “property for which eligible activities are defined under a brownfield plan that was used or is currently used for commercial, industrial or residential purposes that is either in a qualified local unit of government and is a facility, functionally obsolete, or blighted, or is not in a qualified local unit of government and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property. Eligible property includes, to the extent included in the brownfield plan, personal property located on the property. Eligible property does not include qualified agricultural property exempt under Section 7ee of the general property tax act, 1983 PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under Section 1211 of the revised school code, 1976 PA 451, MCL 324.20101.”

The eligible property consists of approximately 7.35 acres located on the northwest corner of Trowbridge and Harrison, City of East Lansing. A legal description of the property to be included can be found in **Appendix A**. A Location Map illustrating the designated eligible properties is provided in **Appendix B**.

The property has been determined to be an "eligible property" as defined by Act 381 because it has meets the definition of “Facility” in accordance with Part 201 per PM Environmental Phase I ESA dated October 10, 2013 and Baseline Environmental Assessment dated November 13, 2013.

Since this project involves the redevelopment of contiguous parcels, the entire property is being defined as “Eligible Property” under this Plan.

3.1 DESCRIPTION OF COSTS TO BE PAID FOR WITH TAX INCREMENT REVENUES AND SUMMARY OF ELIGIBLE ACTIVITIES (MCL 125.2663(1)(A)(B))

Eligible activities that will be conducted by the City as part of this project include: Environmental Due Diligence (Phase I ESA; Phase II ESA; Baseline Environmental Assessment (BEA); Due Care Plan); Building and Site Demolition; Asbestos Containing

Material (ACM) inspection and Asbestos Abatement; Due Care-related Soil and Groundwater Removal and Disposal; Infrastructure such as water, storm water and sewer construction, and Site Preparation activities.

Tax increment revenue generated by the development will be captured by the Authority and used to reimburse the developer for the cost of the eligible activities completed on the property. The cost of the Eligible Activities is reasonable in light of the resulting benefit and necessity to facilitate redevelopment. The estimated cost of the eligible activities is shown in the table below:

ESTIMATED COST OF ELIGIBLE ACTIVITIES

Eligible Activities	Estimated Cost Eligible Tax Capture
Environmental Due Diligence	\$ 36,750
Post Remediation Sampling / Reporting	\$ 10,500
Building Demolition	\$ 232,050
Site Demolition	\$ 105,000
Asbestos Abatement/Hazardous Materials Abatement/Survey	\$ 52,500
Due Care-related Soil and Groundwater Remediation	\$ 157,500
Site Work/Soils	\$ 525,000
Sewer Infrastructure	\$ 105,000
Storm Water Infrastructure	\$ 105,000
Water Main Infrastructure	\$ 183,750
Parking/Road Infrastructure	\$ 262,500
Legal	\$ 15,000
Developer Reimbursable Eligible Activities Sub Total	\$ 1,790,550
Contingency (10%)	\$ 179,055
Brownfield Plan	\$ 5,000
BRA Administration	\$ 8,000
Interest (5%)	\$ 669,890
Total Estimated Cost of Eligible Activities to be Reimbursed using Brownfield TIF	\$ 2,652,495

The costs listed in the table above are estimated costs and may increase or decrease depending on the nature and extent of unknown conditions encountered on the property. If necessary, this Plan may be amended to add or delete eligible activities and the estimated cost of each.

3.2 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES (MCL 125.2663(1)(C))

Incremental taxes on the real property included in this Plan will be captured. The total taxable value of real property for 2014 is \$1,129,390. The actual initial taxable value for determining incremental taxes generated by the redevelopment will be determined by the City Assessor for the next assessment roll for which equalization will be completed upon adoption of this Plan.

The estimated total taxable value upon completion in 2016 is expected to be \$4,127,353. The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all taxable improvements on the property and the actual millage rates levied by the various taxing jurisdictions during each year of the plan.

The total estimated tax increment revenue captured by Authority will be 65% of the tax increment with the remaining 35% of the tax increment being distributed to all taxing entities. The estimated capture is detailed in **Appendix C – Tax Increment Financing Table**.

3.3 METHOD BY WHICH COSTS WILL BE FINANCED (MCL 125.2663(1)(E))

The costs of the plan will be financed privately, by Trowbridge Village, LLC.

3.4 DURATION OF BROWNFIELD PLAN (MCL 125.2663(1)(F))

The duration of this Plan should be not less than the period required to reimburse all eligible activities plus an additional five years intended to be captured (if applicable) by the ELBRA for their Local Site Remediation Revolving Loan Fund. In no event, however, shall this Plan extend beyond 16 years.

3.5 ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS (MCL 125.2663(1)(G))

Detailed information related to the impact of tax increment financing on the various taxing jurisdictions is presented in **Appendix C**.

3.6 LEGAL DESCRIPTION, PROPERTY MAP AND PERSONAL PROPERTY (MCL 125.2663(1)(H))

A legal description of the property, location map, and a boundary drawing of the property are provided as attachments. There is no personal property included as part of the eligible property.

3.7 ESTIMATES OF RESIDENTS AND DISPLACEMENT OF FAMILIES (MCL 125.2663(1)(I))

There will be approximately 99 new residents to the area. No one will be displaced.

3.8 PLAN FOR RELOCATION OF DISPLACED PERSONS (MCL 125.2663(1)(J))

No one is being displaced.

3.9 PROVISIONS FOR RELOCATION COSTS (MCL 125.2663(1)(K))

No one is being displaced.

3.10 STRATEGY FOR COMPLIANCE WITH MICHIGAN'S RELOCATION ASSISTANCE LAW (MCL 125.2663(1)(L))

No one is being displaced.

3.11 DESCRIPTION OF PROPOSED USE OF LOCAL SITE REMEDIATION REVOLVING FUND (MCL 125.2663(1)(M))

No tax increment revenue will be deposited in the Authority's Local Site Remediation Revolving Fund as part of this Plan.

3.12 OTHER MATERIAL THAT THE AUTHORITY OR GOVERNING BODY CONSIDERS PERTINENT MCL 125.2663(1)(N))

None.

Appendix A
ELIGIBLE PROPERTY & LEGAL DESCRIPTIONS

Lots 4, 5, 6, and 7 Sunrise Center, City of East Lansing, Ingham County, Michigan, as
recorded in Liber 35 of Plats, Page 26, Ingham County Records

Appendix B

LOCATION MAP



Appendix C
TAX INCREMENT FINANCING TABLE

APPENDIX C - Tax Increment Financing Table

16 YEAR OPTION - 65% CAPTURE

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
			YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	YR11	YR12	YR13	YR14	YR15	YR16	
Capture Values																			
Homestead																			
New Taxable Value (1% Annual Growth)			\$4,127,353	\$4,168,626	\$4,210,312	\$4,252,415	\$4,294,940	\$4,337,889	\$4,381,268	\$4,425,081	\$4,469,331	\$4,514,025	\$4,559,165	\$4,604,757	\$4,650,804	\$4,697,312	\$4,744,285	\$4,791,728	
Base Taxable Value		\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	\$1,163,890	
Increment			\$2,963,463	\$3,004,736	\$3,046,422	\$3,088,525	\$3,131,050	\$3,173,999	\$3,217,378	\$3,261,191	\$3,305,441	\$3,350,135	\$3,395,275	\$3,440,867	\$3,486,914	\$3,533,422	\$3,580,395	\$3,627,838	
Total Potential Annual Tax Increment Revenue by Taxing Jurisdiction																			
City	21.4946		\$63,698	\$64,586	\$65,482	\$66,387	\$67,301	\$68,224	\$69,156	\$70,098	\$71,049	\$72,010	\$72,980	\$73,960	\$74,950	\$75,949	\$76,959	\$77,979	
LCC	3.8072		\$11,282	\$11,440	\$11,598	\$11,759	\$11,921	\$12,084	\$12,249	\$12,416	\$12,584	\$12,755	\$12,926	\$13,100	\$13,275	\$13,452	\$13,631	\$13,812	
CATA	3.0070		\$8,911	\$9,035	\$9,161	\$9,287	\$9,415	\$9,544	\$9,675	\$9,806	\$9,939	\$10,074	\$10,210	\$10,347	\$10,485	\$10,625	\$10,766	\$10,909	
County	10.1963		\$30,216	\$30,637	\$31,062	\$31,492	\$31,925	\$32,363	\$32,805	\$33,252	\$33,703	\$34,159	\$34,619	\$35,084	\$35,554	\$36,028	\$36,507	\$36,991	
Intermediate School District	5.9881		\$17,746	\$17,993	\$18,242	\$18,494	\$18,749	\$19,006	\$19,266	\$19,528	\$19,793	\$20,061	\$20,331	\$20,604	\$20,880	\$21,158	\$21,440	\$21,724	
ELPS Operating	18.0000		\$53,342	\$54,085	\$54,836	\$55,593	\$56,359	\$57,132	\$57,913	\$58,701	\$59,498	\$60,302	\$61,115	\$61,936	\$62,764	\$63,602	\$64,447	\$65,301	
ELPS Building & Site	1.2860		\$3,811	\$3,864	\$3,918	\$3,972	\$4,027	\$4,082	\$4,138	\$4,194	\$4,251	\$4,308	\$4,366	\$4,425	\$4,484	\$4,544	\$4,604	\$4,665	
State Education Tax	3.0000		\$8,890	\$9,014	\$9,139	\$9,266	\$9,393	\$9,522	\$9,652	\$9,784	\$9,916	\$10,050	\$10,186	\$10,323	\$10,461	\$10,600	\$10,741	\$10,884	
State Education Tax (State Revolving Fund)*	3.0000		\$8,890	\$9,014	\$9,139	\$9,266	\$9,393	\$9,522	\$9,652	\$9,784	\$9,916	\$10,050	\$10,186	\$10,323	\$10,461	\$10,600	\$10,741	\$10,884	
TOTAL	69.7792		\$206,788	\$209,668	\$212,577	\$215,515	\$218,482	\$221,479	\$224,506	\$227,563	\$230,651	\$233,770	\$236,920	\$240,101	\$243,314	\$246,559	\$249,837	\$253,148	
Total Annual Capture for ALL Eligible Activities (65% of allowable)			\$137,524	\$139,439	\$141,374	\$143,328	\$145,301	\$147,294	\$149,307	\$151,340	\$153,394	\$155,468	\$157,563	\$159,679	\$161,815	\$163,974	\$166,154	\$168,355	
Total Annual Capture for Developer/City Admin Activities (65%)			\$128,633	\$130,425	\$132,234	\$134,062	\$135,908	\$137,772	\$139,655	\$141,557	\$143,478	\$145,418	\$147,377	\$149,356	\$151,355	\$153,373	\$155,412	\$157,472	
Cumulative Capture for Developer/City Admin Activities			\$128,633	\$259,058	\$391,293	\$525,355	\$661,263	\$799,035	\$938,690	\$1,080,247	\$1,223,724	\$1,369,142	\$1,516,519	\$1,665,875	\$1,817,229	\$1,970,603	\$2,126,015	\$2,283,487	
<i>* Not available for developer reimbursement.</i>																			
Interest Calculations																			
Reimbursable Expenses		\$1,982,605	\$1,853,972	\$1,723,547	\$1,591,312	\$1,457,250	\$1,321,342	\$1,183,570	\$1,043,915	\$902,358	\$758,881	\$613,463	\$466,086	\$316,730	\$165,376	\$12,002			
Interest (5%)		\$669,890	\$92,699	\$86,177	\$79,566	\$72,863	\$66,067	\$59,179	\$52,196	\$45,118	\$37,944	\$30,673	\$23,304	\$15,837	\$8,269	\$600			
Total Developer Reimbursable Costs		\$2,652,495																	
New City and East Lansing School Tax Impact - Not Captured by Development and Above Current Base																			
City Taxes			\$22,294	\$22,605	\$22,919	\$23,235	\$23,555	\$23,878	\$24,205	\$24,534	\$24,867	\$25,203	\$25,543	\$25,886	\$26,232	\$26,582	\$26,936	\$27,293	
City Debt	1.3423		\$3,978	\$4,033	\$4,089	\$4,146	\$4,203	\$4,260	\$4,319	\$4,377	\$4,437	\$4,497	\$4,557	\$4,619	\$4,680	\$4,743	\$4,806	\$4,870	
ELPS Taxes			\$20,004	\$20,282	\$20,564	\$20,848	\$21,135	\$21,425	\$21,718	\$22,013	\$22,312	\$22,614	\$22,918	\$23,226	\$23,537	\$23,851	\$24,168	\$24,488	
ELPS Debt	8.1200		\$24,063	\$24,398	\$24,737	\$25,079	\$25,424	\$25,773	\$26,125	\$26,481	\$26,840	\$27,203	\$27,570	\$27,940	\$28,314	\$28,691	\$29,073	\$29,458	
Total			\$70,339	\$71,319	\$72,308	\$73,308	\$74,317	\$75,336	\$76,366	\$77,406	\$78,456	\$79,517	\$80,589	\$81,671	\$82,764	\$83,868	\$84,983	\$86,109	
TOTAL CAPTURE BY JURISDICTION																			
16 Years																			
		Net Capture \$	% Capture	% Reimburse															
City		\$734,999	30.1%	32.2%															
LCC		\$130,186	5.3%	5.7%															
CATA		\$102,823	4.2%	4.5%															
County		\$348,658	14.3%	15.3%															
Intermediate School District		\$204,761	8.4%	9.0%															
ELPS Operating		\$615,502	25.2%	27.0%															
ELPS Building & Site		\$43,974	1.8%	1.9%															
State Education Tax		\$102,584	4.2%	4.5%															
State Education Tax (State Revolving Fund)*		\$157,821	6.5%	-															
TOTAL ACTUAL CAPTURE		\$2,441,308	100.0%	100.0%															