



# **Brownfield Redevelopment Authority**

**March 11, 2015**

**CITY OF PORTAGE  
BROWNFIELD REDEVELOPMENT AUTHORITY**

**A G E N D A**

March 11, 2015

**CALL TO ORDER:**

8:15 a.m., Portage City Hall, Council Chambers, 7900 South Westnedge Avenue

**APPROVAL OF MINUTES:**

- \* November 6, 2013

**BUSINESS:**

- \* 1. Election of Officers
  - Board Member Listing
  - Brownfield Redevelopment Authority Rules of Procedure
- \* 2. Revised Brownfield Redevelopment Incentive Policy
- \* 3. Kalamazoo County Brownfield Redevelopment Plan for 4460 Commercial Avenue
  - Communication from Director Georgeau with attachments

**STATEMENT OF CITIZENS:**

**ADJOURNMENT:**

**MATERIALS TRANSMITTED**

Star (\*) indicates printed material within the agenda packet.

## **Brownfield Redevelopment Authority**

Minutes of Meeting – Wednesday, November 6, 2013

The meeting of the City of Portage Brownfield Redevelopment Authority was called to order by Secretary King at 8:00 a.m. in Conference Room #1, at Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan.

### MEMBERS PRESENT:

Tom King, Secretary; Devrim Yaman; Jeff Monroe; Keith Lewandowski; Eric Alburtus; Bradley Galin; Jeffrey Kalmbach and Robert Kelber (arrived at 8:05 a.m.)

### MEMBERS EXCUSED:

None

### MEMBERS ABSENT:

Daniel Vomastek

### IN ATTENDANCE:

Vicki Georgeau, Community Development Director; Christopher Forth, Deputy Director of Planning, Development and Neighborhood Services; and Lotta Jarnefelt and Lee Adams, Kalamazoo County Department of Planning and Community Development.

### APPROVAL OF MINUTES:

The minutes from the December 21, 2009 meeting were introduced for approval. A motion was offered by Monroe, seconded by Yaman to approve the minutes as submitted. The motion was approved 7-0.

### BUSINESS:

1. Election of Officers. A motion was offered by Monroe, seconded by Alburtus, to nominate King as the Chairman of the Brownfield Redevelopment Authority. There being no discussion, the motion was unanimously approved. A subsequent motion was offered by Yaman, seconded by Lewandowski, to nominate Alburtus as the Vice Chairman and Kalmbach as the Secretary. There being no discussion, the motion was unanimously approved.

Chairman King noted the by-laws were included in the agenda for reference purposes. Additionally, Chairman King asked each Board member to review the member listing included in the agenda to ensure the information is correct.

2. Kalamazoo County Brownfield Redevelopment Plan, 9008 Portage Road. Georgeau summarized the Brownfield Redevelopment Plan for 9008 Portage Road prepared by the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) consultant. The applicant, Mr. Alex Gwiazdowski, South Portage LLC, has approached Kalamazoo County and requested assistance through the KCBRA program due to the availability of funds to pay for the up front expenses of

completing assessment studies and Brownfield Plans. Georgeau noted the subject property is improved with a 1,300 square foot building and parking lot that are in disrepair. The property is considered a "facility" due to the contamination caused by leaking underground gasoline storage tanks associated with a former gas station use that operated at this location. The tanks have been removed but the resulting contamination remains.

Georgeau summarized the remediation work to be completed by South Portage LLC and the Michigan Department of Environmental Quality. Georgeau also summarized the costs associated with the work to be completed by South Portage LLC and the amount of tax increment finance (TIF) capture being requested. The proposed length of tax capture is up to 30 years but could be less than 30 years depending upon the value of new building and site improvements invested in the property by South Portage LLC. Finally, Georgeau mentioned South Portage LLC is aware that review/approval of a special land use permit and site plan by the Portage Planning Commission is needed before the applicant's business, Disaster Restoration, relocates to 9008 Portage Road.

Georgeau introduced Ms. Lotta Jarnefelt, Director of the Kalamazoo County Department of Planning and Community Development and Lee Adams, Resource Coordinator for the Kalamazoo County Department of Planning and Community Development. Jarnefelt introduced Joe Agostinelli, Chairman of the KCBRA and Andy Wenzel, KCBRA Board member.

Lewandowski asked if any one was living in the travel trailer parked on site. Gwiazdowski responded no and further stated the trailer will be removed from the site. King asked if the school tax is proposed to be captured. Adams stated the school tax is proposed to be captured but State of Michigan approval is required. Preliminary discussions with state officials appear favorable to capture the school tax. Galin asked if this is the first KCBRA project involving tax capture for the Local Site Remediation Revolving Fund (LSRRF). Adams responded no and stated all previous Brownfield Plans include a LSRRF tax capture period. Lewandowski asked if the contaminated soils would be removed and will the site be clean when all work is completed. Adams said the State will be addressing soil removal and did not know at this point in time if the State will issue a full or partial closure report. Kelber asked if periodic sampling will be accomplished once the remediation efforts are completed. Adams stated the State will contain the contamination on-site.

There being no further discussion, a motion was offered by Alburtus, seconded by Monroe that the Brownfield Redevelopment Authority recommend to City Council that the resolution of support involving the KCBRA Brownfield Redevelopment Plan for 9008 Portage Road be approved for tax capture in the amount of \$69,764 for up to 30 years or when the eligible activities have been fully reimbursed, whichever occurs first (including the capture for the LSRRF). The motion was unanimously approved 8-0.

#### STATEMENT OF CITIZENS:

None.

#### ADJOURNMENT:

There being no further business to come before the Authority, the meeting was adjourned at 8:25 a.m.

Respectfully submitted,

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Vicki Georgeau, Director

## EDC/TIFA and BROWNFIELD REDEVELOPMENT AUTHORITY

When called; at City Hall; appointed by Mayor with Council approval; 6-year terms.

<u>Name</u>	<u>Phone</u>	<u>Address/E-mail</u>	<u>Term</u>
Keith Lewandowski	321-0411 H 760-0989 B	7238 Windhaven Ct, 49024 <a href="mailto:keith.lewandowski@tpginc.us">keith.lewandowski@tpginc.us</a>	12/31/15
Thomas G. King, Chair	324-5661 H 324-3000 B	1545 Dogwood Dr, 49024 <a href="mailto:tking@kreisenderle.com">tking@kreisenderle.com</a>	12/31/16
Robert L. Kelber	329-7189 H 352-3846 B	6105 Sablewood Circle <a href="mailto:rkelber@sbcglobal.net">rkelber@sbcglobal.net</a>	12/31/17
Bradley D. Galin (PPS)	323-5152 B 812340-3609 A	3373 Fleetwood Dr, 49024 <a href="mailto:bgalin@portageps.org">bgalin@portageps.org</a>	12/31/18
Jeffrey R. Kalmbach, Secretary	271-6706 H 492-9984 B	5645 Thunder Bay St, 49024 <a href="mailto:jeffkalmbach@yahoo.com">jeffkalmbach@yahoo.com</a>	12/31/18
Jeffrey Monroe	327-0332 H 327-7554 B	3005 Innisbrook Dr, 49024 <a href="mailto:jeffmonroe27@me.com">jeffmonroe27@me.com</a>	12/31/19
Daniel J. Vomastek (PPS)	323-5113 H	1353 Ashton Woods Ct, 49024 <a href="mailto:dvomastek@portageps.org">dvomastek@portageps.org</a>	12/31/19
Eric Alburtus (PPS), Vice Chair	323-5255 B 217-6620 C	8135 S Westnedge Ave, 49002 <a href="mailto:ealburtus@portageps.org">ealburtus@portageps.org</a>	12/31/20
Devrim Yaman	387-5722 H 352-7949 C	1581 Lancelot Ct, 49002 <a href="mailto:devrim.yaman@wmich.edu">devrim.yaman@wmich.edu</a>	12/31/20
Victoria Georgeau, Ex Officio	329-4480 B	<a href="mailto:georgeav@portagemi.gov">georgeav@portagemi.gov</a>	



**CITY OF PORTAGE, COUNTY OF KALAMAZOO**  
**RULES OF PROCEDURE OF THE CITY OF PORTAGE**  
**BROWNFIELD REDEVELOPMENT AUTHORITY**

**ARTICLE I: Name and Address.**

**Section 1. Name.**

The name of the Authority is the City of Portage Brownfield Redevelopment Authority (hereinafter referred to as the "Authority"). The address of the Authority is 7900 S. Westnedge Avenue, Portage, Michigan 49002.

**Section 2. Registered Office.**

The Authority shall have and continuously maintain in the State of Michigan a registered office, and a registered agent whose office is identical to such registered office, as required by the statutes of the State of Michigan. The registered office may be, but need not be, identical with the principal office in the state of Michigan, and the address of the registered office and the registered agent may be changed from time to time by the Board of Directors. Unless and until so changed, the registered office of the Brownfield Redevelopment Authority is 7900 S. Westnedge Avenue, Portage, Michigan 49002.

**Section 3. Other Offices.**

The Authority may have such other offices as the Board of Directors may determine, or the affairs of the Authority may require from time to time.

**ARTICLE II. Directors.**

**Section 1. General Powers.**

The business and affairs of the Authority shall be managed by its Board, except as otherwise provided by statute or by these Rules of Procedure, and shall have all the powers enumerated in the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of 1996, as amended (hereinafter the "Act"). The Authority shall be a public body corporate that may sue and be sued in a court of competent jurisdiction. The Authority possesses all of the powers necessary to carry out the purpose of its incorporation. The powers granted in the Act to an Authority may be exercised whether or not bonds are issued by the Authority. The Authority may do all other things necessary or convenient to achieve the objectives and purposes of the Authority, the Act, or other laws that relate to the purposes and responsibilities of the Authority.

**Section 2. Board of Directors.**

Pursuant to Resolution adopted by the Portage City Council, the Board of Directors (hereinafter referred to as the "Board") shall consist of the individual members which serve as the board of directors of the City of Portage Economic Development Corporation established under Act 338 of the Public Acts of 1974, as amended (hereinafter "EDC") existing on the date of establishment of the Authority. Subsequent directors appointed to the EDC shall also serve as directors of the Authority with the same terms of office. The Portage City Council shall have final approval authority over the appointment, replacement or removal of directors. A director whose term of office has expired shall continue to hold office until his or her successor has been appointed by the Portage City Council.

Section 3. **Conflict of Interest.**

A director who has a direct interest in any matter before the Authority shall disclose his/her interest prior to any discussion of that matter by the Authority, which disclosure shall become a part of the record of the Authority's official proceedings. The interested director shall further refrain from participation in the Authority's action relating to the matter.

Section 4. **Meetings.**

Meetings of the Board may be called by or at the request of the chairperson of the Board or any two directors. The meetings of the Board shall be public, and the appropriate notice of such meeting shall be provided to the public. The Board shall hold an annual meeting at which time officers of the Board shall be elected as provided in Article III, Section 2.

Section 5. **Notice.**

Notice of any meetings shall be given in accordance with the Open Meetings Act (Act No. 267 of the Public Acts of 1976).

Section 6. **Quorum.**

A majority of the members of the directors then in office constitutes a quorum for the transaction of business at any meeting of the Board, provided, that a majority of the Board present may adjourn the meeting from time to time without further notice. The vote of the majority of the directors present at a meeting at which a quorum is present constitutes the action of the Board, unless the vote of a larger number is required by statute or by these Rules of Procedure.

Section 7. **Participation by Communication Equipment.**

A member of the Board or of a committee designated by the Board may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this provision constitutes presence at the meeting.

Section 8. **Committees.**

The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Authority. The Board may designate one or more directors as alternate members of a committee, who may replace an absent or disqualified member at a meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at a meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of such an absent or disqualified member. A committee, and each member thereof, shall serve at the pleasure of the Board. A committee so designated by the Board, to the extent provided in the resolution by the Board, may exercise all powers and authority of the Board in the management of the business and affairs of the Authority, except that such committee shall not have the power or authority to: a) recommend to members a dissolution of the Authority, or a revocation of dissolution, b) amend the Rules of Procedure of the Authority, or c) fill vacancies in the Board.

## **ARTICLE III: Officers.**

### **Section 1. Officers.**

The officers of the Authority shall be elected by the Board and shall consist of a chairperson, vice chairperson, and secretary/treasurer. The Board may also appoint a recording secretary who need not be a member of the Board. Officers of the Authority may be the same members of the EDC holding the same office.

### **Section 2. Election and Term of Office.**

The officers of the Authority shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified.

### **Section 3. Vacancies.**

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled at any meeting of the Board for the unexpired portion of the terms of such office subject to approval and a majority vote of the Portage City Council.

### **Section 4. Chairperson and Vice Chairperson.**

The chairperson shall be the chief executive officer of the Authority, but he or she may from time to time delegate all of any part of his/her duties to the vice chairperson. He or she, or in his/her absence, the vice chairperson, shall preside at all meetings of the Board, he or she shall have general and active management of the business of the Authority and shall perform all the duties of the office as provided by law or these Rules of Procedure. He or she shall be ex-officio a member of all standing committees, and shall have the general powers and duties of supervision and management of the Authority.

### **Section 5. Secretary/Treasurer and Recording Secretary.**

The secretary/treasurer or recording secretary shall attend all meetings of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. They shall further perform all duties of the office of secretary/treasurer as provided by law or these Rules of Procedure. They shall be sworn to the faithful discharge of these duties.

### **Section 6. Delegation of Duties of Officers.**

In the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may delegate, from time to time and for such time as it may deem appropriate, the powers or duties; or any of them, of such officer to any other officer, or to any Director, provided a majority of the Board then in office concurs therein.

**ARTICLE IV. Books and Records.**

**Section 1. Books and Records.**

The Authority shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Authority may be inspected by any director, his/her agent, or attorney, and shall be open to the public pursuant to the Freedom of Information Act (Act 442 of the Public Acts of 1976, as amended).

**Section 2. Minutes of Meetings.**

A. The corporation shall keep minutes of each meeting showing the date, time, place, members present, members absent, and any decisions made. The minutes shall include all roll call votes taken at the meeting.

B. Minutes shall be public records open to public inspection and shall be available at the address designated on posted public notices. Copies of the minutes shall be available to the public at the reasonable estimated cost for printing, copying and mailing pursuant to the Freedom of Information Act (Act 442 of the Public Acts of 1976, as amended).

C. Proposed minutes shall be available for public inspection not more than eight (8) business days after the meeting. Approved minutes shall be available for public inspection not later than five (5) business days after the meeting at which the minutes are approved.

**ARTICLE V. Contracts, Loans, Checks and Deposits.**

**Section 1. Contracts.**

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

**Section 2. Loans/Grants.**

No grant or loan shall be contracted on behalf of the Authority and no evidence of indebtedness shall be issued in its name unless authorized by Council. Such authority may be general or confined to specific instances.

**Section 3. Checks, Drafts, etc.**

All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Board.

**Section 4. Deposits.**

All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositaries as the Board may select.

Section 5. **Gifts.**

The Authority may accept any contribution, gift, bequest or devise for the general purposes or any special purpose of the Authority.

**ARTICLE VI: Fiscal Year.**

The fiscal year of the Authority shall correspond at all times to the fiscal year of the City of Portage.

**ARTICLE VII: Miscellaneous.**

Section 1. **Seal.**

The Board shall provide a corporate seal which shall be the official seal of the Authority.

Section 2. **Waiver of Notice.**

When the Board or any committee thereof may take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the period of time, if at any time before or after the action is completed the person entitled to notice or to participation in the action to be taken submits a signed waiver of such requirements.

**ARTICLE VIII: Reporting Public Access to Records.**

Section 1. **Activities of Authority.**

The Authority shall report to the Portage City Council after its annual meeting which report shall fully describe the activities of the Authority including a statement of all revenues and expenditures since the previous report.

Section 2. **Public Records.**

The financial records, accountings, audit reports, and other reports of public monies under the control of the Authority shall be public records and open to inspection.

**ARTICLE IX: Amendments.**

These Rules of Procedure may be altered, amended, or repealed by the affirmative vote of a majority of the Board then in office at any regular or special meeting called for that purpose, provided, however, the amendments must be approved by resolution of the Portage City Council before they take effect.

I HEREBY CERTIFY that the above Rules of Procedure were adopted the 9 day of August, 2001.

Michael Collins  
Secretary

APPROVED AS TO FORM  
DATE 8/2/01  
[Signature]  
CITY ATTORNEY

**TO:** Brownfield Redevelopment Authority**DATE:** March 6, 2015**FROM:** Vicki Georgeau, <sup>↓</sup>Director of Community Development**SUBJECT:** Brownfield Redevelopment Policy Update

## I. INTRODUCTION:

The Brownfield Redevelopment Financing Act (PA 381 of 1996, as amended) allows a city, village, township or county to establish a Brownfield Redevelopment Program for the purposes of facilitating the reuse of contaminated, functionally obsolete or blighted buildings and properties.

In 2001, the city established a Brownfield Redevelopment Authority and five Brownfield Plans were approved for redevelopment projects that utilized state Single Business Tax (SBT) Credits. In 2006, City Council adopted a formal Brownfield Redevelopment Policy that added criteria and a five-year time frame for the use of tax increment financing (TIF), in conjunction with SBT credits, to reimburse private property owners for eligible activities related to brownfield redevelopment. In July 2008, minor revisions to the policy were made to reflect the adoption of the Michigan Business Tax (MBT).

Since the July 2008 revisions to the policy, state tax reforms have eliminated and replaced the MBT and tax credits for brownfield redevelopment were eliminated. To reflect these reforms, revisions to the Portage Brownfield Redevelopment Policy are necessary, including reconsideration of the criteria associated with the use of TIF to reimburse private property owners for eligible brownfield redevelopment expenses.

## II. CITY OF PORTAGE BROWNFIELD REDEVELOPMENT INCENTIVE POLICY

As noted above, revisions to the Brownfield Redevelopment Incentive Policy are necessary. As additional information for the Authority, during the January 22<sup>nd</sup> and February 10, 2015 Committee of the Whole meetings, City Council discussed ways to enhance economic development and potential revisions to both the Brownfield Redevelopment Incentive Policy and the Industrial Tax Abatement Incentive Policy (authorized under Public Act 198) were reviewed in this context. The following revisions have been incorporated into the attached Brownfield Redevelopment Incentive Policy and are recommended for review and consideration of the Authority, prior to final review and approval by City Council:

- The policy has been revised to eliminate all references to the MBT credit program.
- While competitive grants for brownfield redevelopment projects are available through the State of Michigan in place of the former tax credits, the award criteria emphasizes central cities and projects within traditional downtown areas. It is therefore uncertain whether brownfield redevelopment projects in Portage would be successful in receiving such grants.

Based on the above, the length of time when TIF capture can be utilized with a brownfield redevelopment project is recommended to be lengthened. While state statute allows a 30-year time period for TIF capture, many communities limit the capture to a shorter time period. In this regard, the policy has been revised to extend the use of TIF from five years to up to 15 years. Similar to the City of Portage policy for industrial tax abatements, this initial time limit is half of the time period permitted by statute.

- While the current policy includes references to blighted and functionally obsolete buildings, all previously approved Brownfield Plans in Portage have involved sites with environmental contamination. As the community ages, revisions to the policy to more explicitly provide TIF incentives for blighted and functionally obsolete buildings have been made. With regard to functionally obsolete buildings, the City Assessor must review and determine if a building is functionally obsolete, and such determination should be limited to buildings with significant redevelopment challenges. Furthermore, with both functionally obsolete and blighted buildings, reimbursement of eligible expenses should be limited to those activities necessary to cure the functional obsolescence and/or remove blighting factors.
- Finally, language has been added to the policy that provides guidance with regard to the manner in which the City of Portage will approve partnerships with the Kalamazoo County Brownfield Redevelopment Authority (KCBRA).

As background information, in 2002 Kalamazoo County created a Brownfield Redevelopment Authority that also provides incentives for brownfield redevelopment. While most of the county's work has occurred within townships, there have been instances where the KCBRA adopted brownfield plans within the cities of Kalamazoo and Portage. For example, in 2013 the Portage Brownfield Redevelopment Authority and City Council approved a KCBRA plan for the redevelopment of 9008 Portage Road, an environmentally contaminated former gas station site. The applicant and property owner sought assistance via the KCBRA to obtain financial assistance with the up-front expenses of completing assessment studies (e.g. Phase I and Baseline Environmental Assessment) and preparation of a Brownfield Plan, and due to a longer TIF capture period offered through the KCBRA. Due to the level of contamination and proximity of the site to West Lake, and because the TIF capture from the city was relatively small, the Portage Brownfield Redevelopment Authority and City Council recommended approval of the KCBRA plan within Portage.

With specific regard to the Portage Brownfield Redevelopment Policy, language has been added that future KCBRA plans be consistent with the city's policy and the TIF capture timelines above, with a provision that an additional five-year TIF capture period be permitted to reimburse the KCBRA Local Site Remediation Revolving Fund (LSRRF), which provides funding to assist applicants with up front expenses, such as those noted above.

### **III. RECOMMENDATION:**

The City of Portage Brownfield Redevelopment Incentive Policy revisions have been prepared by the City Administration and preliminarily reviewed by City Council. Staff advises that the Authority review the revisions, and if acceptable, recommend to City Council that policy revisions be approved.

Attachment: Revised City of Portage Brownfield Redevelopment Incentive Policy

## CITY OF PORTAGE BROWNFIELD REDEVELOPMENT INCENTIVE POLICY

The City of Portage encourages the growth and development of the local industry and business tax base, the creation of additional job opportunities for community residents and desires to continue to provide incentives for industry and business expansion. The City Council also recognizes the essential responsibility to the community to maintain the array of public services necessary to ensure the high quality of life that exists in Portage. To facilitate tax base expansion and to fulfill these responsibilities, the City Council hereby establishes this City of Portage Brownfield Redevelopment Incentive Policy.

The City of Portage is *A Natural Place to Move*. To continue to be a community in which growth and development can prosper, the following attributes important to all industries and businesses will be maintained:

- **Low Tax Rate.** The maintenance of the lowest feasible tax rate compared to other full-service cities is essential to economic development and will facilitate expansion and job creation: A very competitive City of Portage tax rate will be continued.
- **Utility Service Rates.** The maintenance of competitive utility rates is also important to provide opportunities for continued growth and development: Cost effective rates and the efficient delivery of utility services by the City of Portage will be continued.
- **Capital Improvements.** Investments in existing public street, water and sewer infrastructure and the expansion of these public systems are necessary and will encourage additional private sector investment: The annual 10-year Capital Improvement Program budget will continue to reflect essential public improvements within the community.
- **Quality of Life Investments.** To provide opportunities for industry and business expansion and to ensure high quality of life standards, public safety, business and neighborhood services, cultural and recreational programming and related community attributes must be maintained: Quality of life investments will be continued by the City of Portage to foster a safe, *Living, Working and Learning* community.

In addition to these important locally-determined economic development and growth factors, the City Council will offer eligible industries and businesses the opportunity to apply for brownfield incentives under Michigan Statute. The City Council is desirous of fostering brownfield redevelopment to strengthen the tax base and to encourage job creation. The City Council also recognizes its fiduciary responsibility to the community to provide public services and uphold the quality of life. Periodic review of the brownfield policy is necessary to ensure consistency with the community needs and objectives.

Inquiries concerning this policy can be directed to the Department of Community Development (269.329.4477), or the Office of the City Clerk (269.329.4511) in Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan 49002.

### **Brownfield Redevelopment Incentive Policy**

The following sections reference the framework for processing and considering brownfield redevelopment incentive applications as provided under the Brownfield Redevelopment Financing Act (PA381 of 1996, as amended). This policy, these procedures and related provisions will

assist the private investors in the ongoing effort to enhance the productive capacity of environmentally distressed, functionally obsolete or blighted buildings and properties and contribute to the health and vibrancy of the City of Portage. The following sections address --

1. The Intent of the City of Portage Brownfield Redevelopment Program
2. The General Review Criteria for Brownfield Applications
3. Brownfield Redevelopment Financial Incentives in the City of Portage
4. Brownfield Redevelopment Application Review Process
5. Amendment of the City of Portage Brownfield Plan Process
6. State of Michigan Review Process
7. Annual Report Requirements for the City and the Applicant
8. Coordination with the Kalamazoo County Brownfield Redevelopment Authority

### **1. The Intent of the City of Portage Brownfield Redevelopment Program**

Per the resolution adopted by the City Council in July 2001, the City of Portage Brownfield Redevelopment Program was established to facilitate reuse of environmentally distressed, functionally obsolete, and/or blighted buildings and property in the community. This economic development program is intended to place vacant and/or underutilized/blighted properties back into productive use, fostering reinvestment in the city and, also, discouraging sprawl development. Consistent with the intent of PA381 of 1996, as amended, City Council established the Portage Brownfield Redevelopment Authority in August 2001 and appointed the Board of Directors of the Portage Economic Development Corporation/Tax Increment Finance Authority (EDC/TIFA) to serve as the Portage Brownfield Redevelopment Authority.

The objective of the Act is to assist in effectively addressing brownfield properties and consider the level of assistance necessary to encourage redevelopment. It is acknowledged that the greater development costs associated with a brownfield, when compared to the development costs of a property that is not environmentally contaminated, functionally obsolete, or blighted is a significant consideration in successful redevelopment and use. The State of Michigan has enacted programs to assist in brownfield redevelopment, and has authorized local units of government to capture incremental increases in local and school property tax revenues to finance eligible activities on a brownfield property including environmental response activities, demolition, public infrastructure improvements, site preparation and lead and asbestos abatement.

### **2. The General Review Criteria for Brownfield Applications**

The City Council will evaluate brownfield redevelopment applications based on the following criteria. The criteria shall be equally applied during the review of applications from eligible property owners:

- The brownfield redevelopment will facilitate the environmental clean-up to accepted State of Michigan standards and the productive reuse of one or more distressed properties, or
- The brownfield redevelopment will facilitate the demolition and removal of a functionally obsolete building (or selective interior building demolition) and site condition, or a blighted building and site condition.
- The brownfield redevelopment involves property that is zoned for office, business or industrial use and/or is planned for office, business or industrial use in the Portage Comprehensive Plan.
- The financial incentives to be provided for the project will not result in the impairment of the operation or the financial soundness of any affected taxing unit.
- A public purpose would be served; i.e., expanded tax base as well as the multiplier effects of additional employment, income and capital investment in the community.
- The project will provide for an expansion of the employment base in the community.

- The proposed facilities will be compatible with the present and future requirements for city services such as roads, utilities and public safety.
- The applicant meets current financial obligations to the city, is in compliance with all applicable state and city codes and ordinances and has no pending or current litigation against the city (including appeals to the Michigan Tax Tribunal).

The preceding criteria are not intended to be exhaustive. The City Council reserves the right to consider such additional criteria that are intended under this policy and that are consistent with promoting the general health, safety, and welfare of the City of Portage.

### **3. Brownfield Redevelopment Financial Incentives in the City of Portage**

The Portage City Council wishes to encourage the environmental clean-up and/or redevelopment of eligible brownfield sites by leveling the playing field between “brownfield” and “greenfield” sites. The Portage City Council will offer the following incentives to stimulate reinvestment in eligible brownfield sites.

A. Tax Increment Financing Incentive. Tax increment financing (TIF) allows the use of tax revenues that result from an increase in taxable value caused by the construction of new facilities or the rehabilitation of existing facilities. Tax revenues can then be used to fund/reimburse the cost of eligible brownfield redevelopment activities.

1. The Portage City Council will support tax increment financing if such financing is necessary for the economic feasibility of an office, commercial or industrial project on a brownfield site. Tax increment financing may be approved to reimburse the applicant only for those costs attributed to approved activities directly related to the brownfield property such as public infrastructure, storm water retention, environmental response, demolition, including reasonable interest expenses as allowed by the Act, and for related fees and costs associated with the tax increment plan, financing, scheduling, reporting and related activities. City Administration costs for review and approval of the brownfield application and plan that involve tax increment financing will be incorporated into the tax increment finance plan as allowed by the Act. The city will not borrow money or issue negotiable revenue bonds or notes to finance eligible activities.
2. In order for a project to be considered for tax increment financing, the following minimum threshold criteria must be met:
  - a. The property must be zoned and/or designated for office or business use and located in a “Commercial Revitalization Area”, the Lake Centre subarea, or the City Centre subarea as identified in the Comprehensive Plan and meet the guidelines of the state brownfield program; OR
  - b. The property must be zoned and/or designated for industrial use and located within the general industrial area identified in the Comprehensive Plan and meet the manufacturing guidelines of the state brownfield program; AND
  - c. The local tax capture is limited to a maximum of 15 years or when 100% reimbursement of eligible expenses is achieved, whichever time period is shorter. Eligible expenses for projects that involve a functionally obsolete building or blighted building/property shall be limited to activities that demolish and/or remove the obsolete or blighted factors of the building/property; AND.
  - d. The applicant is not responsible for any existing on-site environmental contamination and/or blighted building or site conditions.

3. The City Council may make modifications to increase the financial assistance and level of city participation, which are deemed appropriate and consistent with the requirements of Act 381 and objectives stated in this policy. The following shall be considered for such projects:
  - a. The project is transformative and involves significant economic development benefits to the community.
  - b. The minimum taxable value of the project upon completion will be at least \$10 million.
  - c. The project will result in the creation of: 100 or more new jobs with a *median annual salary* above 80% of the Kalamazoo County Area Median Income for a single-person household; OR 50 new jobs, *all* of which have an annual salary above 80% of the Kalamazoo County Area Median Income for a single-person household.
  - d. Others benefits as may be determined by the City Council.

#### **4. Brownfield Redevelopment Application Review Process**

The application review process is intended to allow the community the opportunity to review the proposed brownfield redevelopment project in advance of the finalization of a formal brownfield plan amendment. Approval of the application by the City Council will allow the applicant to proceed with preparation of the formal brownfield plan amendment. The application review process includes the following information/steps:

- A. Applications shall be submitted to the Department of Community Development and include:
  1. Letter of application, together with the adopted fee.
  2. Project summary of the overall project investment and proposed job creation/retention, a preliminary site plan or site sketch, graphics or other illustrations that detail the project.
  3. Summary of environmental conditions and eligible activities that necessitate consideration of a brownfield plan amendment.
  4. Preliminary estimate of the captured taxable value and tax increment revenues from all eligible properties..
  5. Preliminary estimate of the impact of tax increment financing on the revenues of all taxing units subject to tax capture.

The application will be promptly processed when all required information has been submitted.

- B. Review of a brownfield redevelopment application will be coordinated by the Department of Community Development. The report will include appropriate analyses and be prepared giving consideration to the application, Michigan Statue, the General Review Criteria specified in this policy and any other pertinent considerations. If City Council approves the brownfield redevelopment application, the approval will extend for a six month period, after which a new application will be required. During this approval period, the applicant will prepare an amendment to the City of Portage Brownfield Plan, which will be considered as required by Act 381 and relevant statutory requirements.

#### **5. Amendment to the City of Portage Brownfield Plan Process**

Within six months of the City Council approval of the brownfield application, the applicant may proceed and prepare an amendment to the City of Portage Brownfield Redevelopment Plan for consideration by the city to include an additional eligible property per the following:

- A. Preparation of the Brownfield Redevelopment Plan. The applicant, or designated agent, is responsible for preparing the Brownfield Redevelopment Plan consistent with the Act. The Brownfield Redevelopment Plan shall be properly completed and submitted to the Department of Community Development.

- B. City Administrative Review. The Brownfield Redevelopment Plan will be reviewed by the Department of Community Development. A report will be prepared and include appropriate analyses, giving consideration to the approved brownfield application, Michigan Statute, this policy and any other pertinent considerations. The review and report will be provided to the Brownfield Redevelopment Authority and to City Council for consideration at the public hearing on the plan.
- C. Brownfield Redevelopment Authority Review. The Authority will review the Brownfield Redevelopment Plan and related documents and develop a recommendation that will be forwarded to City Council. After review by the Authority, the plan will be forwarded to the City Council.
- D. Public Hearing on the Brownfield Redevelopment Plan. City Council will hold a public hearing on the plan consistent with Act 381 including written notice to taxing units subject to tax capture.
- E. Resolution adopted by City Council. After consideration of the proposal and Brownfield Redevelopment Plan, development agreement and related documents, City Council will adopt a resolution certifying the plan.

## 6. State of Michigan Review Process

If captured school taxes will be used to reimburse the cost of environmental response activities, or any non-environmental activities, approval of the Brownfield Redevelopment Plan and a Work Plan by the MDEQ and/or the MEDC is necessary. A Work Plan details the proposed project, specific activities to be undertaken, and the costs and time frame for completion. The MDEQ and MEDC will review the Brownfield Redevelopment Plan and Work Plan to ensure consistency with statutory, procedure and process requirements, and notify the City of Portage Brownfield Redevelopment Authority that the plan has been approved, approved with conditions, denied or if additional information is needed. The applicable state agency(ies) will approve the Tax Increment Finance Incentives, including the required Work Plans. The city and the authority will only use tax increment revenues in a manner consistent with the approval(s) granted by the applicable state agency(ies). If the plan is approved or approved with conditions by the State of Michigan, the City Council and other local units will be advised, as applicable.

## 7. Annual Report Requirements for the City of Portage and the Applicant

In accordance with Act 381 requirements, an annual financial report will be submitted to the City Council and the State Tax Commission on the status of the activities.

## 8. Coordination with Kalamazoo County Brownfield Redevelopment Authority

The Kalamazoo County Brownfield Redevelopment Authority (KCBRA) was created in 2002, which also provides incentives for brownfield redevelopment. While most KCBRA projects have occurred within Kalamazoo County townships, the City of Portage may permit a KCBRA project within the city. The KCBRA has established a Local Site Remediation Revolving Fund (LSRRF) that provides funding to assist applicants with up front expenses including environmental studies and preparation of a Brownfield Redevelopment Plan. In the event an applicant seeks approval through the KCBRA, the following criteria and process shall be utilized for the review and approval process:

- KCBRA staff reviews the initial application and consults with the City of Portage Department of Community Development regarding the project.
- KCBRA Brownfield Plans proposed within the City of Portage must be consistent with the criteria and TIF capture provisions outlined in the City of Portage Brownfield Redevelopment Incentive Policy. An additional TIF capture period will be permitted for a period of not more than five years

to fund the LSRRF. Dependent on the amount of TIF capture and scope of the project, this time period may be shortened to less than five years.

- After the KCBRA reviews and approves Brownfield Plan, the plan shall be submitted to the City of Portage Department of Community Development. After review by the City Administration, the City of Portage Brownfield Redevelopment Authority will review the Brownfield Plan and make a recommendation to City Council.
- The City Council will then review the Brownfield Plan and if approved, adopt a Resolution Approving a Brownfield Plan.
- If approved by the Kalamazoo County Board of Commissioners and the State of Michigan (if applicable), the KCBRA shall provide an executed copy of the development agreement for the project and annually provide a report regarding Brownfield Plan projects within the City of Portage.

**DATE OF ADOPTION BY CITY COUNCIL:**

**TO:** Brownfield Redevelopment Authority

**DATE:** March 6, 2015

**FROM:** Vicki Georgeau, Director of Community Development

**SUBJECT:** Kalamazoo County Brownfield Redevelopment Plan, 4460 Commercial Avenue

## **I. INTRODUCTION:**

The Brownfield Redevelopment Financing Act (PA 381 of 1996, as amended) allows a city, village, township or county to establish a Brownfield Redevelopment Program for the purposes of facilitating the reuse of contaminated, blighted or functionally obsolete properties. Pursuant to the Act, Accu-Mold LLC, has approached Kalamazoo County and requested assistance through the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) with eligible non-environmental building and site demolition activities involving 4460 Commercial Avenue. Accu-Mold LLC has an option to purchase the property and plans to relocate and expand the existing business at 7622 South Sprinkle Road to 4460 Commercial Avenue. Accu-Mold LLC is requesting to utilize tax increment financing (TIF) for reimbursement of eligible demolition expenses related to a functionally obsolete building/site.

Although the City of Portage also has an established Brownfield Redevelopment program, Kalamazoo County has funding to pay for the up front expenses of completing assessment studies (e.g. Phase 1 and Baseline Environmental Assessment) and preparation of Brownfield Plans. Attached is a letter dated February 26, 2015 from Ms. Lotta Jarnefelt, Director of the Kalamazoo County Department of Planning and Community Development regarding the proposed Brownfield Plan for 4460 Commercial Avenue. This brownfield redevelopment project will provide assistance to a locally owned and operated small business that is experiencing growth and needs to expand its facilities/operation. The building located at 4460 Commercial Avenue has been vacant for several years due, in part, to the interior arrangement of walls and supporting utilities that have made the building functionally obsolete.

Regardless of the local governmental unit, a Brownfield Redevelopment Program is an important economic redevelopment tool to facilitate the successful reuse of contaminated, blighted and/or functionally obsolete properties, further improve the environment and/or properties, increase the local tax base/economy and create new job opportunities or retain existing. In addition to economic benefits, redeveloping brownfields encourages the reuse of commercial, industrial and residential properties in urban areas where public infrastructure is already in place. Furthermore, this project represents an example of ongoing inter-governmental cooperation through the use of the KCBRA and the financial assistance it can provide with upfront environmental study expenses. For Board information, this is the second collaborative brownfield project involving the City of Portage and Kalamazoo County. The first one was approved in 2013 and involved redevelopment of a former gasoline station located at 9008 Portage Road.

## **II. PROPOSED KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT PLAN, 4460 COMMERCIAL AVENUE**

Attached is a copy of the 4460 Commercial Avenue Brownfield Plan prepared by the KCBRA consultant and approved by the KCBRA on February 26, 2015. The subject property is approximately 2.8 acres in size and improved with a 20,000 square foot building and associated off-street parking lot. The building design accommodates several tenant suites and, the interior consists of several non-load bearing walls that must be removed to accommodate an open, more modern manufacturing process. Additionally, older electrical and lighting systems that currently exist in the building need to be removed.

In order to be considered an eligible brownfield “facility” due to functional obsolescence, Act 381 requires a signed affidavit by a level 3 or 4 assessor stating the property is functionally obsolete and the reasons for that opinion. Attached is a copy of the signed affidavit from the City of Portage Assessor acknowledging the property is functionally obsolete in accordance with Act 381 requirements and eligible for financial assistance. The City Assessor concluded the property, as it exists today, “...is not marketable as separate leasing spaces are no longer feasible in today’s industrial market. The functional obsolescence can only be cured by selective demolition of the majority of the non-load bearing partitions.”

Accu-Mold LLC is a locally owned and operated small business that is experiencing growth and needs to expand its facilities/operation. Accu-Mold LLC’s current facility located at 7622 South Sprinkle Road consists of two buildings. The main building is 8,400 square feet in area and the second building is 3,200 square feet. Relocation of Accu-Mold LLC to 4460 Commercial Avenue will nearly double the amount of space available for their manufacturing processes. Accu-Mold LLC will invest an estimated \$1.8 million in the 4460 Commercial Avenue facility, retain 18 jobs and create 12 new jobs.

Accu-Mold LLC indicates that in order to overcome the financial challenges associated with preparing the interior of the building and parking lot to accommodate their manufacturing processes, capture of the tax increment from the increase in property value is needed to fund eligible activities. Eligible activities associated with the site remediation efforts proposed to be funded through state and local tax reimbursement include the following:

- Phase I ESA
- Brownfield Plan Preparation
- Building and Site Demolition (interior walls, electrical/lighting systems and parking lot islands)
- Act 381 Work Plan

Because the City of Portage is designated as a “qualified local unit of government,” capture of local and school tax dollars may also be used for site/building demolition, among others. As shown in Tables 1 in the Brownfield Plan, the estimated cost to complete all eligible activities is \$180,403.45 which includes a 15% contingency (\$20,145) and Kalamazoo County Administrative fee (\$5,000). In addition to reimbursement for eligible site activities, the KCBRA is also requesting an additional five years of tax capture for the Local Site Remediation Revolving Fund (LSRRF) in the amount of

\$14,958.45. The LSRRF is used to make funds available for other brownfield projects in the County. Finally, and as required by the Brownfield Redevelopment Financing Act involving the use of school tax increment revenues, \$6,000 must be deposited into the State Brownfield Redevelopment Fund.

Based on the level of investment being made to 4460 Commercial Avenue by Accu-Mold LLC, the increase in taxable value available for capture is approximately \$100,000. Based on 15 years of tax capture (plus five years for the LSRRF), the tax increment available for capture by all entities is \$100,633. Of the \$100,633, Kalamazoo County and the State of Michigan will receive \$27,458 and \$6,000, respectively. Accu-Mold LLC will receive \$67,175 of the \$125,000 of eligible building/site expenses.

Table 4 shows the estimated foregone tax revenue for each taxing jurisdiction during the duration of the brownfield plan. During this time period, the City of Portage will forego approximately \$21,851. After reimbursement of eligible activities and LSRRF captures are complete the tax revenue is distributed to the traditional taxing jurisdictions.

KCBRA reviewed the Brownfield Plan for 4460 Commercial Avenue on February 26<sup>th</sup> and recommended approval of the Plan to the County Board of Commissioners. Any approval by the County Board of Commissioners is contingent on Portage City Council approval of the attached resolution, which will be presented to City Council on March 24, 2015. The Brownfield Plan will also be presented to the County Board Committee of the Whole on March 17<sup>th</sup> and a public hearing will be set for April 7<sup>th</sup> (subject to City Council approval of the resolution). It is anticipated that the plan will be approved by the Kalamazoo County Board of Commissioners subsequent to the public hearing on April 7<sup>th</sup>.

### **III. CITY OF PORTAGE BROWNFIELD REDEVELOPMENT PROGRAM**

As background information for the Authority members, City of Portage Brownfield Redevelopment Program was established in 2001 with the designation of the EDC/TIFA Board as the Brownfield Redevelopment Authority and approval of the first brownfield redevelopment plan. Since 2001, seven brownfield redevelopment plans have been approved by the Authority and City Council.

The City of Portage adopted a Brownfield Redevelopment Policy in 2006, which was amended in 2008, and is currently proposed for amendment. The proposed 2015 policy incorporates criteria, procedures and provisions to ensure that brownfield redevelopment applications are consistently and uniformly processed when received. The proposed brownfield plan for 4460 Commercial Avenue is consistent with the general review criteria provided in section 2 of the policy.

### **IV. RECOMMENDATION:**

The KCBRA Brownfield Redevelopment Plan for 4460 Commercial Avenue been reviewed in the context of the proposed 2015 Brownfield Redevelopment Incentive Policy. Approval of the Plan will facilitate reuse of a building that has been vacant for several years and provide assistance to a

locally owned and operated small business that is experiencing growth and needs to expand. Participation by Kalamazoo County will assist the property owner with upfront expenses associated with remediation efforts. Based on the foregoing, staff advises that the Brownfield Redevelopment Authority recommend to City Council that the attached resolution of support be approved for tax capture in the amount of \$ 100,633.80 for up to 15 years (including five additional years of tax capture for the LSRRF). Approval of the plan amendment by the Kalamazoo County Board of Commissioners will permit the applicant to prepare the Act 381 Work Plan, which is required by the State of Michigan when capture of school taxes is proposed.

The redevelopment of the property is consistent with City of Portage land use and environmental objectives and will provide additional tax base growth and related economic benefits to the community.

Attachment: February 27, 2015 letter from Ms. Lotta Jarnefelt, Kalamazoo County  
4460 Commercial Avenue Brownfield Redevelopment Plan  
Resolution of support



## Department of Planning & Community Development

201 West Kalamazoo Avenue, Rm. 101 · Kalamazoo, Michigan 49007  
Phone: (269) 384-8112 · FAX: (269) 383-8920 · Email: LMJARN@kalcounty.com

**Lotta Jarnefelt**, Director

Date: February 27, 2015

To: Victoria Georgeau, Director of Community Development  
City of Portage Department of Community Development

From: Lotta Jarnefelt, Director of Department of Planning and Community Services, for  
Kalamazoo County Brownfield Redevelopment Authority (KCBRA)

Re: County Brownfield Plan for site located at 4460 Commercial Avenue, Portage, Michigan  
(Accu-Mold LLC)

### I. Project Background

On January 22, 2015 the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) approved an application for assistance in the redevelopment of a commercial building located in the Portage Commerce Park at 4460 Commercial Avenue. The applicant is Mr. Larry Gildea, Vice President of Sales at Accu-Mold.

Accu-Mold is experiencing growth and the redevelopment of the site allows for expansion of their business allowing for the creation of 12 new jobs and retaining an additional 18 jobs. Accu-Mold's investment in the project is expected to be 1.8 Million.

To support the project, the KCBRA was asked to develop and adopt a Brownfield Plan. It was presumed that the capture of school tax increment for this project would also be supported by MDEQ or MEDC, thus an Act 381 Work Plan was also needed.

Envirologic Technologies (ET), the KCBRA's brownfield consultant, prepared the Brownfield Plan for the site. The Plan was approved by the KCBRA at their meeting on February 26. Anticipated eligible activities include interior building demolition, site demolition and site preparation associated with new or improved parking areas, and Baseline Environmental Assessment activities (Phase I Environmental Site Assessment).

In developing the Plan, ET staff met with Accu-Mold LLC representatives to determine specific details regarding the eligible costs. ET has prepared the Plan, secured an affidavit or statement regarding the functional obsolescence from the City of Portage assessor, and prepared the Notices to Taxing Jurisdictions, Notice of the Public Hearing and other supporting materials to adopt this plan. MEDC supports this project and has issued an offer letter to Accu-Mold, which includes a MEDC Tribal Business Development Grant and school tax capture under an Act 381 Work plan.

Discussions with staff at the City of Portage Department of Community Development indicate that staff will recommend to the Portage Brownfield Redevelopment Authority and the Portage City Council to allow the KCBRA to adopt the Brownfield Plan through the County BRA (instead of the Portage BRA).

## II. The Brownfield Plan

The Brownfield Plan for the 4460 Commercial Avenue site uses the Tax Increment Financing (TIF) tool to recoup KCBRA's expenses (\$7,500) for writing the Brownfield Plan and the Act 381 Plan. It also lists an estimated \$125,000 for eligible Site and Building Demolition cost by the developer, as well as contingencies and administrative expenses for a total of \$159,445 that will be recouped by the TIF over 15 years. In addition, the Plan includes the collection of up to five years of TIF beyond the initial 15 years to help fund the KCBRA Local Site Remediation Fund (LSRRF), an estimated \$14,958.

The KCBRA will only create a County Brownfield Plan if the municipality where the site is located in fully supports it. To date, there are County Brownfield Plans in Comstock Township (the Midlink Business Park), Kalamazoo Township (2700 N Pitcher St), Village of Schoolcraft (306 North Grand St and 555 E. Eliza Street), Oshtemo Township (Corner@Drake) and the City of Kalamazoo (232 W Michigan Ave). The Accu-Mold site would be the second KCBRA Brownfield Plan in Portage, the first one being 9008 Portage Road, approved in 2013.

The Accu-Mold project would be an improvement for the site and the surrounding area in many ways:

1. The site has been determined functionally obsolete, and Accu-Mold would return it to productive use
2. The property would have an increased taxable value
3. The County Brownfield Plan would be a co-operative inter-governmental effort
4. TIF collected would recoup KCBRA's and developer's eligible brownfield expenses
5. Collection of TIF for the LSRRF at the end of the BRA Plan would provide some funding for additional Brownfield redevelopment in the County

The KCBRA engaged input from the Portage Department of Community Development when developing the Plan. The proposed timeline for 4460 Commercial Avenue Brownfield Plan is as follows:

1. **January 22:** Kalamazoo County Brownfield Redevelopment Authority (KCBRA) approved the application for funds to complete a Brownfield Plan and Act 381 Work Plan.
2. **February 27:** KCBRA approved Brownfield Plan, contingent on support by Portage BRA and City Council
3. **Week of March 9:** Portage BRA holds meeting to review Brownfield Plan
4. **March 17:** KCBRA presents project to County Committee of the Whole. Public hearing is scheduled for April 7.
5. **March 25:** Portage City Council approves Brownfield Plan, passes resolution (see attached proposed draft). KCBRA and/or Portage Planning staff will present the project to the City Council in person or in writing.
6. **Before March 29:** KCBRA staff sends notices to all affected taxing jurisdictions and prepares Public Notice 10 days prior to public hearing
7. **April 7:** County Board of Commissioners hold public hearing and adopts Plan
8. **After April 7:** ET/County staff submits 381 Work Plan to MEDC
9. **June 7:** Statutory deadline for MEDC Review of 381 Work plan.

III. City of Portage Support for Brownfield Plan.

Support from the Portage BRA and approval from the Portage City Council are essential in order for the project to move forward. The KCBRA respectfully requests that these two entities support the creation of a County Brownfield Plan for Accu-Mold LLC at the 4460 Commercial Avenue site.

Thank you.



Lotta Jarnefelt

Please direct any questions to:

Kalamazoo County Department of Planning and Community Development:  
Lotta Jarnefelt, Director, [LMJARN@kalcounty.com](mailto:LMJARN@kalcounty.com), Ph 269-284-8115

Rachael Grover, Resource Coordinator, [RAGROV@kalcounty.com](mailto:RAGROV@kalcounty.com). Ph 269-383-8305

David Stegink, Envirologic Technologies, Inc. and KCBRA Brownfield Consultant,  
[stegink@envirologic.com](mailto:stegink@envirologic.com), Ph 269-342-1100, Cell 269-615-1009



**KALAMAZOO COUNTY  
BROWNFIELD REDEVELOPMENT AUTHORITY**

**BROWNFIELD PLAN**

**ACCU-MOLD, LLC  
FUTURE ACCU-MOLD HEADQUARTERS  
4460 COMMERCIAL AVENUE  
PORTAGE, MICHIGAN 49002**

**FEBRUARY 23, 2015**

Approved by Kalamazoo County BRA: February 26, 2015  
Approved by City of Portage BRA:  
Approved by City of Portage City Council:  
Approved by Kalamazoo County Board of Commissioners:

**Prepared with the assistance of:**

**ENVIROLOGIC TECHNOLOGIES, INC.  
2960 Interstate Parkway  
Kalamazoo, Michigan 49048  
(800) 272-7802**

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## ATTACHMENTS

ATTACHMENT A:	<i>Figure 1: Location Map</i> <i>Figure 2: Eligible Properties</i>
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**BROWNFIELD PLAN  
ACCU-MOLD, LLC  
4460 COMMERCIAL AVENUE  
PORTAGE, MICHIGAN**

**I. GENERAL DEFINITIONS AS USED IN THIS PLAN**

The definitions in this plan are as defined in 1996 PA 381 Sec. 2

**II. ELIGIBLE PROPERTIES**

**Introduction and Purpose**

The purpose of this plan, to be implemented by the Authority, is to satisfy the requirements for a Brownfield Plan as specified in Act 381 of the Public Acts of the State of Michigan of 1996, as amended, MCL 125.2651 et. seq., which is known as the “Brownfield Redevelopment Financing Act.” Terms used in this document are as defined in Act 381.

The focus of this Brownfield Plan is to support the redevelopment of a vacant industrial building in the Portage Commerce Park (an industrial park). The building, located at 4460 Commercial Avenue was constructed to be a multi-tenant building. Accu-Mold intends extensive renovation of the building to convert it into a large, open space, single user industrial operation. Accu-Mold is a plastics engineering and manufacturing firm specializing in product design, mold design and production, injection molding, over-molding and insert molding. Accu-Mold is experiencing growth and the redevelopment of this site allows for expansion of their business allowing for the creation of 12 new jobs while retaining an additional 18 jobs. Total investment expected in the project is \$1.8 Million including purchase costs.

Due to the age and inadequacies of the buildings, it has been declared functionally obsolete by the City of Portage Assessor.

**Eligible Property Information**

The property is a made up of a single parcel of land with a property identification number of 06442-008-0. The property is improved with a single 20,000 square foot single story building constructed in 1991. Employee and truck parking areas are located on the north, east and west

sides of the building. A map showing the property location and boundaries is included in Attachment A.

### **Proposed Redevelopment**

Significant portions of the interior building will be demolished to create a large open manufacturing space conducive to modern manufacturing. The demolition will include removal of interior walls, removal of obsolete electrical and lighting systems, and other interior removals. The renovation of the building will require upgraded electrical systems, modern lighting systems, improvements for material handling systems and manufacturing equipment, and replacement of freight doors.

The exterior parking lot has several islands with landscaping. While this previous design was suitable for employee parking, it is not conducive to safe and effective semi-tractor traffic. Site demolition activities will include the removal of these obstacles to efficient and safe truck traffic. Sidewalks, curbing and the existing asphalt parking lot will be repaired.

The building will become the new headquarters of Accu-Mold.

Total investment expected in the project is \$1.8 Million including purchase costs.

### **Brownfield Conditions**

The building was constructed in 1991. The City of Portage Assessor, a Level 4 Assessor, inspected the property and identified the site as functionally obsolete, indicating the following:

*Specifically, the property is currently over improved with six or more individual tenant spaces, several which have numerous offices or work rooms. The property as it currently exists is not marketable as the separate leasing spaces are no longer feasible in today's industrial market. The functional obsolescence can only be cured by the selective demolition of the majority of the non-load bearing partitioning.*

A Phase I Environmental Site Assessment was prepared for the property acquisition and the results of the assessment did not identify any Recognized Environmental Conditions.

## The Plan

### (a) A description of the costs of the plan intended to be paid for with tax increment revenues (Section 13(1)(a))

#### *Michigan Department of Environmental Quality eligible activities*

A Phase I Environmental Site Assessment compliant with the ASTM E1527-13 standard and the standards for All Appropriate Inquiry has been completed. The cost for the Phase I ESA is \$1,800.

These environmental costs are eligible for reimbursement using both local and school tax increment revenues.

#### *Michigan Strategic Fund eligible activities*

Non-environmental activities that are eligible for reimbursement with tax increment revenues include site and building demolition. Site and building demolition costs have been estimated by a contractor to be approximately \$125,000. This cost is comprised of general interior demolition activities of approximately \$50,000 (20,000 sq.ft. @ \$2.50/sq.ft.), removals of doors (\$10,000), removals of curbing, sidewalks, and exterior structures (\$10,000), milling existing asphalt lot (\$15,000), limited roof removals (\$10,000), soft costs such as engineering, architectural, project management (\$15,000), and miscellaneous removals (\$15,000).

For the purposes of this Plan, it is assumed that these costs would be reimbursed using local and school tax increment revenues. To use school tax increment revenues for these activities, it will be necessary to garner support from the Michigan Strategic Fund, develop an Act 381 Work Plan, and have the Work Plan approved by the Michigan Strategic Fund. The development of the Brownfield and Act 381 Work Plan is also an eligible activity and has been estimated to cost \$7,500.

Contingencies allowed in the Act of up to 15% on these costs are also an eligible expense.

This Brownfield Plan anticipates the capture of both real and personal property taxes from school and local taxes.

### *Authority Expenses*

Eligible and actual costs incurred by the Kalamazoo County Brownfield Redevelopment Authority are also included in the Plan as an eligible expense. Such expenses could include costs of public notifications, legal, and other costs to administer the Plan. These will be reimbursed with local tax increment revenues only.

### **(b) A brief summary of the eligible activities that are proposed for each eligible property (Section 13(1)(b))**

#### *Environmental*

Eligible environmental activities will include BEA activities – specifically, the development of a Phase I ESA.

#### *Non-Environmental*

The eligible non-environmental activities at the site include Site and Building Demolition. *Building demolition* includes but is not necessarily limited to a pre-demolition audit or survey; deconstruction or select demolition of building elements (products or materials) to be reused or recycled; demolition of a building; proper disposal of non-reusable or non-recyclable building elements; recycling of demolition arisings (such as concrete and brick) to produce recycled aggregates if conducted on site for re-use; foundation and basement removals; dewatering during foundation and basement removals; sheeting/shoring to protect adjacent buildings, structures or improvements during foundation and basement removals; fill; compaction; and rough grading to balance the site where the former building was located.

Site demolition includes but is not necessarily limited to removal of abandoned utilities; underground storage tanks; parking lots; roads; curbs and gutters; rail spurs; sidewalks; bike paths; other similar or related structure or improvement; fill, compaction and rough grading to balance the site where the former structures or improvements were located. Professional fees directly related to building and site demolition such as geotechnical, architectural, engineering, design, legal, or other professional services are also eligible activities.

As allowed by 1996 PA 381, a 15% contingency has been included in this Plan as an eligible expense.

Refer to Table 1 for a summarization of eligible activities expected to be incurred in the redevelopment.

**(c) An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property. (Section 13(1)(c))**

The Initial Taxable Value for this Plan shall be the taxable value of the eligible property established at the time this Brownfield Plan is adopted (i.e., the 2015 Taxable Value). The property has a taxable value of \$197,600. The improvements are expected to add approximately \$100,000 in improved taxable value (i.e., \$297,600 taxable value in 2016).

Refer to Tables 2, 3, and 4 for further detail of the tax increment revenues projected in each year of the Brownfield Plan.

**(d) The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. (Section 13(1)(d))**

The costs of this Plan are anticipated to be borne by the developer. At this time, no advances are being made by the municipality to the developer though such advances could be made in the future to incentivize the project.

**(e) The maximum amount of note or bonded indebtedness to be incurred, if any. (Section 13(1)(e))**

The Kalamazoo County Brownfield Redevelopment Authority has no plans to incur indebtedness at this time, though such plans could be made in the future, if appropriate to support development of this site.

**(f) The duration of the Brownfield Plan, which shall not exceed the lesser of the period authorized under subsections (4) and (5) or 30 years. (Section 13(1)(f))**

This Plan anticipates that the investment in the property will occur in 2015. This investment will result in a newly established taxable value beginning in 2016 and this Plan anticipates that 2016 would be the year in which tax capture is initiated. The initial taxable value will be the value of the property established for the 2015 tax year. This Plan is designed to capture 15 years of tax increment revenues to be used to reimburse the eligible activities and an additional 5 years of tax

increment revenues captured for placement in the County Brownfield Redevelopment Authority's Local Site Remediation Revolving Fund.

Table 1

## Summary of Eligible Costs

4460 Commercial Avenue  
Portage, MI

<b>Eligible Activities</b>	<b>Estimated Cost</b>
<u>BEA Activities</u>	\$ 1,800.00
BEA Activities	
<u>Due Care Activities</u>	\$ -
<u>Additional Response Activities</u>	
<u>MSF Non Environmental Activities</u>	
Site Preparation Activities	\$ -
Site and Building Demolition	\$ 125,000.00
General demo           20,000 sq.ft. @ \$2.50/sq.ft. = \$50,000	
Door removals           \$10,000	
Curbs, sidewalks, exterior \$10,000	
Asphalt removals       \$15,000	
Limited roof removals   \$10,000	
Soft Costs               \$15,000	
Miscellaneous removals \$15,000	
Asbestos Survey and Abatement	\$ -
<u>Brownfield Plan and Act 381 Work Plan</u>	\$ 7,500.00
<b>TOTAL COSTS OF ELIGIBLE ACTIVITIES</b>	<b>\$ 134,300.00</b>
Financing Costs	\$ -
Contingencies (15%)	\$ 20,145.00
Administrative Costs of the Authority (estimated)	\$ 5,000.00
<b>TOTAL REIMBURSEMENTS</b>	<b>\$ 159,445.00</b>
Captured and Disbursed to State Revolving Fund	\$ 6,000.00
Additional Capture for LSRRF	\$ 14,958.45
<b>Total</b>	<b>\$ 180,403.45</b>

Table 2

Estimate of Total Captured Incremental Taxes

4460 Commercial Avenue  
Portage, MI

Year	Annual Total Millage†	Initial Taxable Value	Tax Revenues from Initial Taxable Value	Estimated Future Taxable Value	Estimated Future Revenues	Incremental Tax Revenues	Available for Capture
2016	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2017	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2018	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2019	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2020	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2021	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2022	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2023	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2024	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2025	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2026	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2027	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2028	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2029	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2030	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2031	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2032	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2033	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2034	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
2035	50.3169	\$ 197,600.00	\$ 9,942.62	\$ 297,600.00	\$ 14,974.31	\$ 5,031.69	\$ 5,031.69
<b>TOTAL</b>							<b>\$ 100,633.80</b>

† - Does not include debt millages

\* - Total includes five year future capture to Local Site Remediation Revolving Fund

- (g) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. (Section 13(1)(g))**

Refer to Tables 2, 3, and 4 for details.

- (h) A legal description of each parcel of eligible property to which the plan applies, a map showing the location and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (Section 13(1)(h))**

A map showing the location of the property is included in Attachment A.

The legal description of the property is "Portage Commerce Park #2, Lot 8".

The City of Portage Assessor, a Level 4 Assessor has inspected the property and determined that the properties meet the definition of functionally obsolete. A copy of the Statement demonstrating functional obsolescence is attached to this Plan.

Personal property will be included as part of the eligible property.

- (i) Estimates of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced. (Section 13(1)(i))**

No persons reside on the eligible property to which the plan applies.

- (j) A plan for establishing priority for the relocation of persons displaced by implementation of the plan. (Section 13(1)(j))**

Not applicable.

- (k) Provision for the costs of relocating persons displaced by implementation of the plan. (Section 13(1)(k))**

Not applicable.

- (l) A strategy for compliance with 1972 PA 227, MCL 213.321 to 213.332. (Section 13(1)(l))**

Not applicable.

**(m) A description of proposed use of the local site remediation revolving fund. (Section 13(1)(m))**

The Brownfield Redevelopment Authority does plan to capture tax increment for the Local Site Remediation Revolving Fund (LSRRF).

**(n) Other material that the authority or governing body considers pertinent. (Section 13(1)(n))**

Not applicable.

H:\Projects\Projects\_K\Kalamazoo County\Brownfield Redevelopment Authority\Accu-Mold Portage\Accu Mold BF Plan.docx



Table 3

Estimate of Annual Effect on Taxing Jurisdictions

4460 Commercial Avenue  
Portage, MI

SUMMER TAXES <sup>1</sup>										
Taxing Jurisdiction	City of Portage	KVCC	KRESA-ISD <sup>4</sup>	State Ed <sup>3</sup>	School Bldg Debt	School Oper	County Summer	Transportation	Total	
Millage	10.9256	2.8135	4.5416	6	5.8	18	4,6871	0.4	53,1678	
Initial Taxable Value	\$ 197,600.00	\$ 555.95	\$ 897.42	\$ 1,185.60	\$ 1,146.08	\$ 3,556.80	\$ 926.17	\$ 79.04	\$ 10,505.96	
Future Taxable Value	\$ 297,600.00	\$ 3,251.46	\$ 1,351.58	\$ 1,785.60	\$ 1,726.08	\$ 5,356.80	\$ 1,394.88	\$ 119.04	\$ 15,822.74	
Captured Taxable Value	\$ 100,000.00	\$ 1,092.56	\$ 454.16	\$ 600.00	\$ -	\$ 1,800.00	\$ 468.71	\$ 40.00	\$ 4,736.78	

WINTER TAXES <sup>2</sup>					
Taxing Jurisdiction	District Library	County Pub Safety	County Juv Home	Total	
Millage	1.5	1.4491	0.2239	3.173	
Initial Taxable Value	\$ 296.40	\$ 286.34	\$ 44.24	\$ 626.98	
Future Taxable Value	\$ 446.40	\$ 431.25	\$ 66.63	\$ 944.28	
Captured Taxable Value	\$ 150.00	\$ 144.91	\$ -	\$ 294.91	

1. Based on millages from 2014 taxes
2. Based on millages from 2014 taxes
3. Half of captured SET conveyed to State Brownfield Redevelopment Fund
4. Non-Debt portion of millage only

Total Millage	56.3408
Total Annual Future Tax Liability	\$ 16,767.02
Total Capturable Local Millages	26.3169
Total Annual Capturable Local Tax Increment	\$ 2,631.69
Total Capturable School Millages	24.0000
Total Annual Capturable School Tax Increment	\$ 2,400.00
Total School and Local Tax Increment Revenue/Yr	\$ 5,031.69

Table 4

Captured Taxable Value and Tax Increment Revenue by Year and Aggregate for Each Taxing Jurisdiction

4460 Commercial Avenue  
Portage, MI

Year	Captured Taxable Value	City of Portage	KVCC	KRESA-USD	State Ed <sup>1</sup>	School Bldg Debt	School Oper	County Summer	Transportation	District Library	County Pub Safety	County Juv Home	Total	
2016	\$ 100,000.00	10,925.56	2,813.5	4,541.6	6	5.8	18	4,687.1	0.4	1.5	1,449.1	0.2239	56,340.8	
2017	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2018	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2019	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2020	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2021	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2022	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2023	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2024	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2025	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2026	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2027	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2028	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2029	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2030	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2031	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2032	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2033	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2034	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
2035	\$ 100,000.00	1,092.56	281.35	454.16	600.00	-	1,800.00	468.71	40.00	150.00	144.91	-	5,031.69	
<b>TOTAL CAPTURED TAXES</b>	<b>\$</b>	<b>21,851.20</b>	<b>\$</b>	<b>9,083.20</b>	<b>\$</b>	<b>12,000.00</b>	<b>\$</b>	<b>9,374.20</b>	<b>\$</b>	<b>3,000.00</b>	<b>\$</b>	<b>2,898.20</b>	<b>\$</b>	<b>100,633.80</b>

3. Half of SET conveyed to State Brownfield Redevelopment Fund

Table 5

Reimbursement Schedule

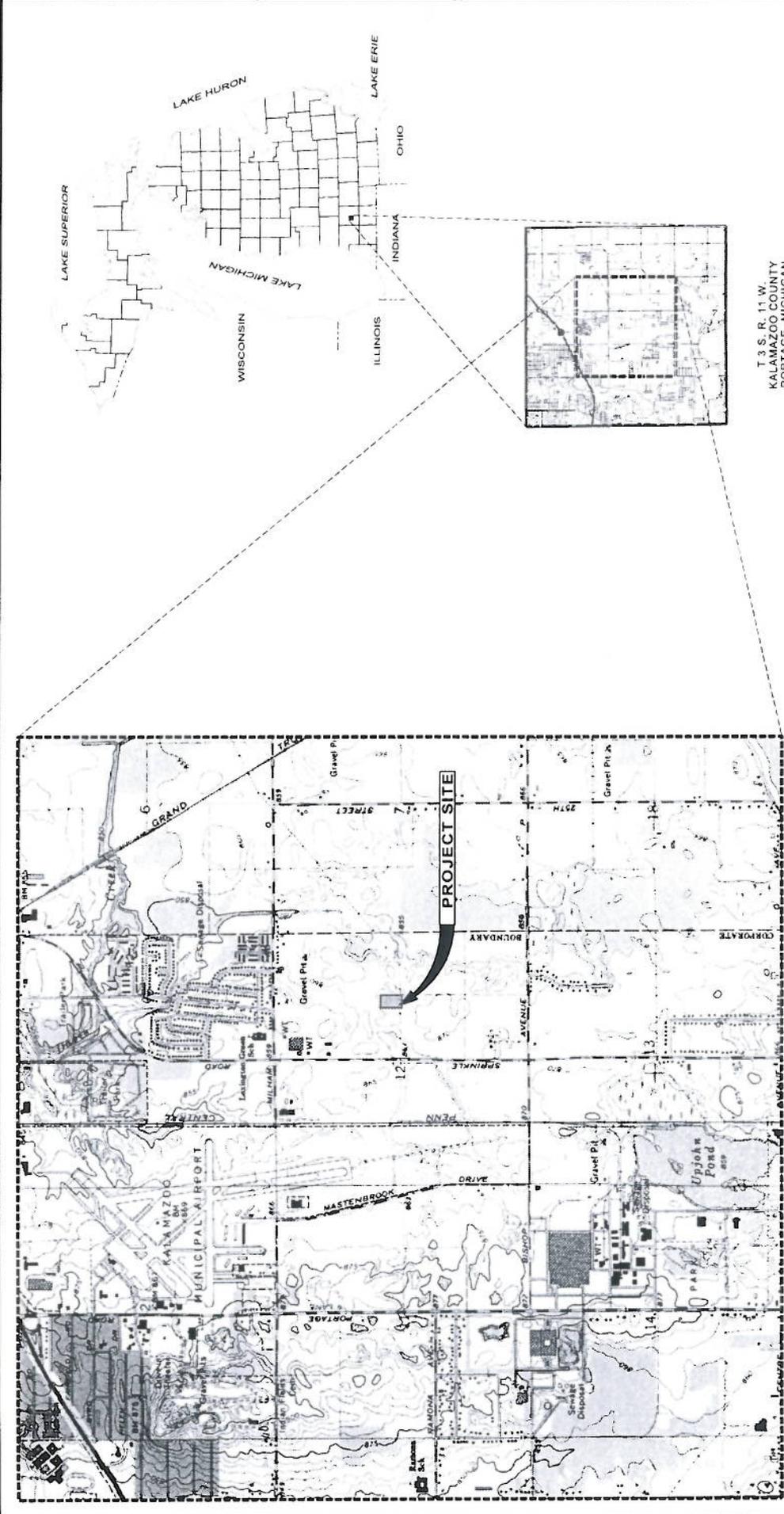
4460 Commercial Avenue  
Portage, Michigan

Year	Incremental Taxes Captured	Funds Disbursed					
		Authority or Developer (School)	Authority or Developer (Local)	Administrative Costs (Local)	LSRRF (School)	LSRRF (Local)	Brownfield Redevelopment Fund
2016	5,031.69	2,100.00	131.69	2,500.00			300.00
2017	5,031.69	2,100.00	2,131.69	500.00			300.00
2018	5,031.69	2,100.00	2,131.69	500.00			300.00
2019	5,031.69	2,100.00	2,131.69	500.00			300.00
2020	5,031.69	2,100.00	2,131.69	500.00			300.00
2021	5,031.69	2,100.00	2,131.69	500.00			300.00
2022	5,031.69	2,100.00	2,631.69				300.00
2023	5,031.69	2,100.00	2,631.69				300.00
2024	5,031.69	2,100.00	2,631.69				300.00
2025	5,031.69	2,100.00	2,631.69				300.00
2026	5,031.69	2,100.00	2,631.69				300.00
2027	5,031.69	2,100.00	2,631.69				300.00
2028	5,031.69	2,100.00	2,631.69				300.00
2029	5,031.69	2,100.00	2,631.69				300.00
2030	5,031.69	2,100.00	2,631.69				300.00
2031	5,031.69	2,100.00				2,631.69	300.00
2032	5,031.69	2,100.00				2,631.69	300.00
2033	5,031.69	2,100.00				2,631.69	300.00
2034	5,031.69	2,100.00				2,631.69	300.00
2035	5,031.69	300.00			1,800.00	2,631.69	300.00
Totals	100,633.80	40,200.00	34,475.35	5,000.00	1,800.00	13,158.45	6,000.00

**ATTACHMENT A  
FIGURES**

*Figure 1: Location Map*  
*Figure 2: Eligible Properties*





T 3 S. R. 11 W.  
 KALAMAZOO COUNTY  
 PORTAGE, MICHIGAN

SOURCE: PORTAGE, MICHIGAN, USGS 7.5 MINUTE TOPOGRAPHIC QUADRANGLE MAPS  
 MAPTECH U.S. TERRAIN SERIES™ ©MAPTECH, INC. 606-433-8500

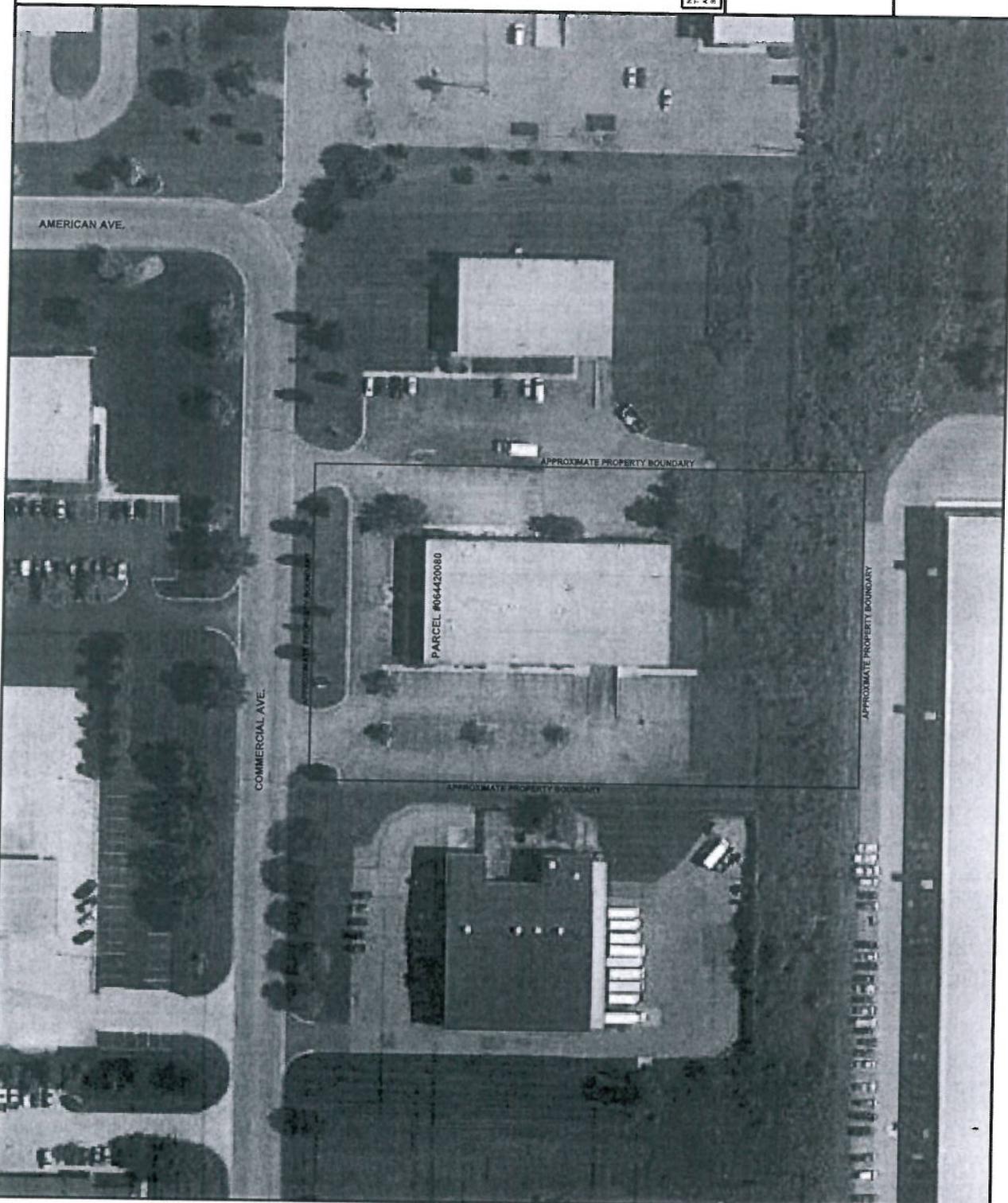
PROJECT NO.  
 150026  
 FIGURE NO.  
**1**

**FUTURE ACCU-MOLD SITE**  
 4460 COMMERCIAL AVE.  
 PORTAGE, MI

**LOCATION MAP**

**envirollogic**  
 ENVIRONMENTAL CONSULTING SERVICES  
 296 INTERSTATE PARKWAY  
 PORTAGE, MI 49783  
 PH: (269) 442-1100 FAX: (269) 342-4945





SCALE: 1" = 80'  
 0 20 40 60 80 100 120 140 160

NOTE: THIS IS A PROPERTY BOUNDARY SURVEY. PROPERTY BOUNDARIES SHOWN ON THIS MAP ARE NOT A GUARANTEE OF ACCURACY. THIS SURVEY IS FOR INFORMATIONAL USE ONLY AND SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARIES FOR THE FIELD.

**FUTURE ACCU-MOLD SITE**  
 4460 COMMERCIAL AVE.  
 PORTAGE, MI

**SITE PLAN**

PROJECT NO. 150026	
FIGURE NO.	<b>2</b>
 envirollogic environmental consulting services 1000 STATE PARKWAY KALAMAZOO, MI PH (269) 342-1100 FAX (269) 342-3945	

**ATTACHMENT B**

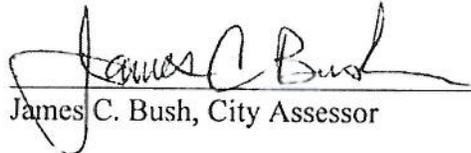
**STATEMENT REGARDING FUNCTIONAL OBSOLESCENCE**



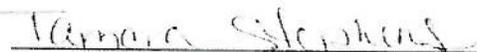
## AFFIDAVIT OF CITY OF PORTAGE ASSESSOR

I, James C. Bush, being duly sworn, states that if called upon will testify to the following facts:

1. I am employed by the City of Portage, the City Assessor, and have held that position for approximately 15 years.
2. I am a certified Michigan Master Assessing Officer (Level IV Certificate No. R-2911).
3. I am familiar with the property located at 4460 Commercial Avenue in the City of Portage. I have physically inspected both the exterior and interior of the property on December 19, 2014 and in my opinion the property is functionally obsolete as more specifically described below.
4. This affidavit is given in accordance with MCL 125.2663(1) (h) and is made to confirm this property qualifies as 'Functionally Obsolete Property' as that term is defined under MCL 125.2652(r). The following facts, without limitation, form the basis for my expert opinion:
5. The property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding properties. Specifically, the property is currently over improved with six or more individual tenant spaces, several which have numerous offices or work rooms. The property as it currently exists is not marketable as the separate leasing spaces are no longer feasible in today's industrial market. The functional obsolescence can only be cured by the selective demolition of the majority of the non-load bearing partitioning. The three attachments are interior building sketches and photographs of the subject property interior.

  
James C. Bush, City Assessor

Subscribed and sworn to before me by James Bush on February 25, 2015.

  
Tamara Stephens, Notary Public  
Kalamazoo County, Michigan  
Commission Expires: June, 29, 2017  
Acting in Kalamazoo County

Prepared by:

James C. Bush, City Assessor (R-2911)  
7900 South Westnedge Avenue  
Portage, MI 49002  
(269) 329-4431

**TAMARA STEPHENS**  
Notary Public, VanBuren Co. MI  
My Commission Expires June 29, 2017

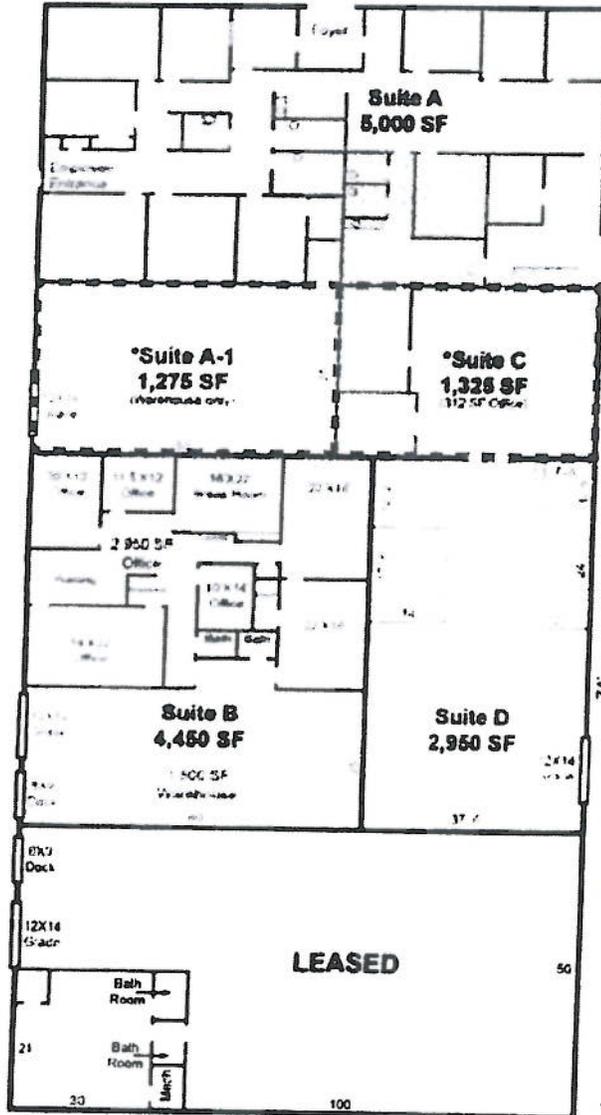


INDUSTRIAL

# For Sale or Lease

4460 Commercial Avenue, Portage, Michigan

## Floor Plan



Suite	Total Sq. Ft.	Office Sq. Ft.	Whrs Sq. Ft.	Lease Rate
Suite A	5,000	5,000	N/A	\$4.50
Suite B	4,450	2,950	1,500	\$4.50
Suite D	2,950	288	2,662	\$4.00
Suite A+A1	6,275	5,000	1,275	\$4.50
Suite C+D	4,275	600	3,675	\$4.00
Suite C+D+A1	5,550	600	4,950	\$4.00

**\*Other Options Available**

Suite A+C	6,375	5,312	1,013	*See Broker
Suite A+C+D	9,275	5,600	3,675	*See Broker
Suite A+A1+C+D	10,550	5,600	4,950	*See Broker

■ ■ ■ ■ ■ Suite A-1 & Suite C  
 ■ ■ ■ ■ ■ are not available alone

□ 625 SF Mezzanine Area

\*Suite Dimensions to be verified\*



Information is subject to verification and no liability for errors or omissions is assumed. Price and terms are subject to modification.

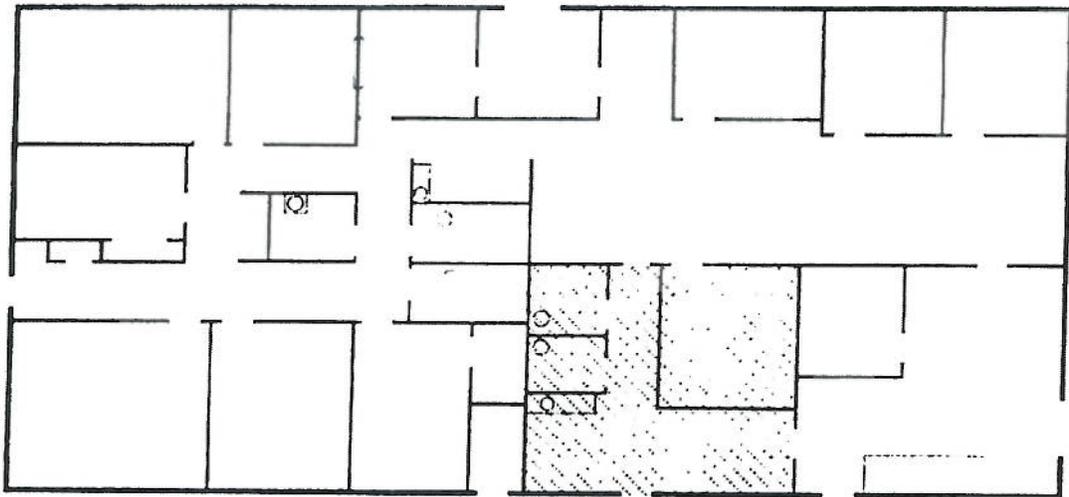


INDUSTRIAL

# For Sale or Lease

4460 Commercial Avenue, Portage, Michigan

Floor Plan – Suite A



 625 SF  
Mezzanine Area

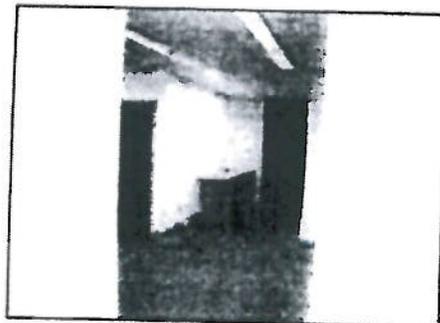
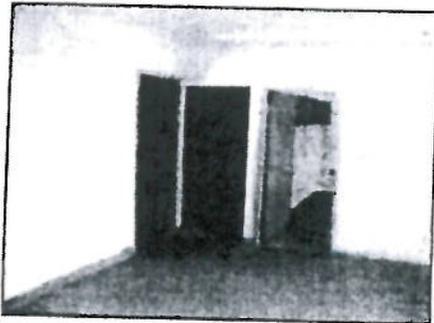
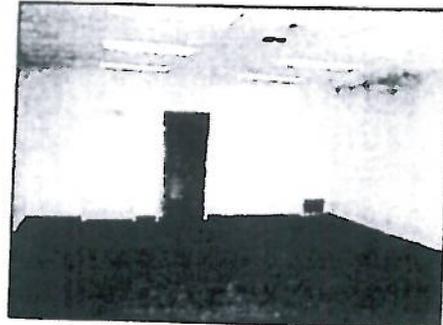
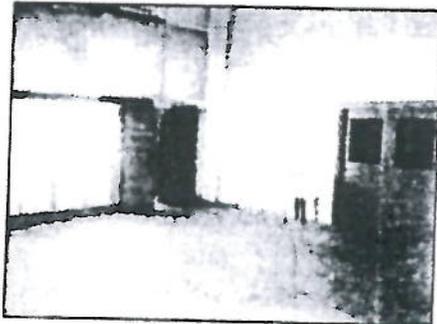
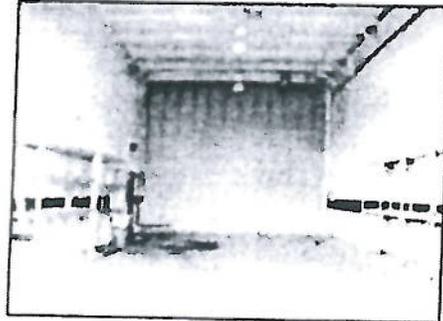
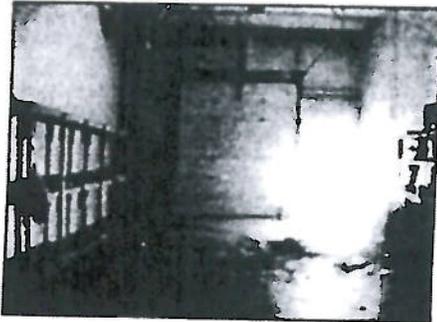
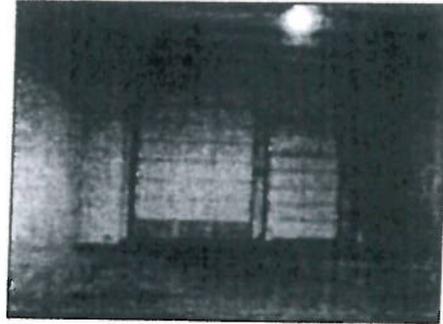
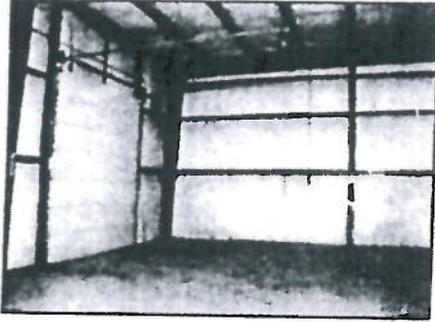


INDUSTRIAL

# For Sale or Lease

4460 Commercial Avenue, Portage, Michigan

## Interior Photos



*Information is subject to verification and no liability for errors or omissions is assumed. Price and terms are subject to modification.*

**ATTACHMENT C**  
**NOTICE OF PUBLIC HEARING**



**NOTICE OF PUBLIC HEARING**

**THE BROWNFIELD REDEVELOPMENT AUTHORITY  
OF KALAMAZOO COUNTY**

**REGARDING INCLUSION INTO THE COUNTY'S BROWNFIELD PLAN  
OF  
4460 COMMERCIAL AVENUE, PORTAGE, MICHIGAN  
COUNTY OF KALAMAZOO, MICHIGAN**

**TO ALL INTERESTED PERSONS IN THE COUNTY OF KALAMAZOO**

PLEASE TAKE NOTICE that the County Commissioners of the County of Kalamazoo, Michigan, will hold a Public Hearing on Tuesday, the 7<sup>th</sup> day of April, 2015, at approximately 7p.m., Eastern Daylight time in the Commissioners Chambers within the County Building, 201 West Kalamazoo Avenue, Kalamazoo, Michigan, to receive public comment on an amendment to the County's Brownfield Redevelopment Plan to include therein portions of the property located at 4460 Commercial Avenue in Portage, Michigan. The following legal parcels are included in the "eligible property":

Parcel ID#  
064420080

The property consists of a single parcel of land occupying approximately 2.79 acres. The property is within Portage Commerce Park and has been used for industrial purposes since 1991. The property will be redeveloped to provide space for the business expansion of a local manufacturer.

The Brownfield Plan, which includes a site map and legal descriptions of the parcels, is available for public inspection at the County Brownfield Redevelopment Authority office, located at 201 West Kalamazoo Avenue, Kalamazoo, Michigan 49007. All aspects of the plan are open for discussion at the public hearing.

FURTHER INFORMATION may be obtained from the Brownfield Redevelopment Authority of Kalamazoo County at (269) 384-8112. THIS NOTICE is given by order of the County Board of Commissioners of the County of Kalamazoo, Michigan.

Timothy A. Snow, Clerk  
County of Kalamazoo

**ATTACHMENT D**  
**NOTICE TO TAXING JURISDICTIONS**



## NOTICE TO ALL TAXING JURISDICTIONS

The Kalamazoo County Board of Commissioners proposes to approve a Brownfield Plan for an industrial property located at 4460 Commercial Avenue in Portage, Michigan.

The County of Kalamazoo has established a Brownfield Redevelopment Authority (the "Authority") in accordance with the Brownfield Redevelopment Act, Act No. 381 of the Michigan Public Acts of 1996, as amended (the "Act").

The Act was enacted to provide a means for local units of government to facilitate the revitalization of environmentally distressed (and/or functionally obsolete or blighted) areas. The Authority Board has prepared and adopted a Brownfield Plan related to the redevelopment of the industrial property located at 4460 Commercial Avenue in Portage. The anticipated future use of the property is industrial and will support the expansion of a local manufacturer based in Portage and allow that manufacturer to retain existing jobs and add new jobs. The property has been identified as a "functionally obsolete" as defined in the Act. This document serves to notify local taxing units of the intent to approve a Brownfield Plan for the noted property.

The Act permits the use of the tax increment financing in order to provide the Authority with the means of financing the redevelopment project included in the Brownfield Plan. Tax increment financing allows the Authority to capture tax revenues attributable to increases in the taxable value of real and personal property located on the "eligible property", which may include certain adjacent or contiguous parcels. Increases in taxable value may be attributable to various factors, including new construction, rehabilitation, remodeling, alterations, additions, and the installation of personal property on the eligible site.

The plan will be considered for adoption at the April 7, 2015 meeting of the Kalamazoo County Board of Commissioners held at 7 pm in the Kalamazoo County Building – 201 West Kalamazoo Avenue, Kalamazoo, Michigan. If you have any questions or comments concerning the Brownfield Redevelopment Authority or adoption of the Plan you may attend the meeting and express those concerns during the public comment period. You may also direct inquiries to Ms. Lotta Jarnfelt of the Kalamazoo County Department of Planning and Community Development (269) 384-8112.

Dated: \_\_\_\_\_, 2015

Mr. Timothy A. Snow  
Kalamazoo County Clerk

**ATTACHMENT E**

**RESOLUTION APPROVING A BROWNFIELD PLAN**



**CITY OF PORTAGE  
KALAMAZOO COUNTY  
RESOLUTION:**

**RESOLUTION SUPPORTING APPROVAL OF A BROWNFIELD PLAN  
BY THE CITY OF PORTAGE  
PURSUANT TO AND IN ACCORDANCE WITH  
THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS  
OF THE STATE OF MICHIGAN OF 1996, AS AMENDED**

At a regular meeting of the City Council of the City of Portage, Michigan, held at City Hall located at 7900 South Westnedge, Portage, Michigan, on the 24<sup>th</sup> day of March, 2015 at 7 p.m.

PRESENT:

ABSENT:

MOTION BY:

SUPPORTED BY:

WHEREAS, the City Council of the City of Portage, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), have formally resolved to participate in the Brownfield Redevelopment Authority (BRA) of Kalamazoo County (the "Authority") and have designated that all related activities shall proceed through the BRA; and

WHEREAS, the Authority, pursuant to and in accordance with Section 13 of the Act, has reviewed, adopted and recommended for approval by the City Council of the City of Portage, the Brownfield plan (the "Plan") attached hereto, to be carried out within the City of Portage, relating to the redevelopment project on the industrial property located at 4460 Commercial Avenue in the City of Portage, Michigan, (the "Site"), as more particularly described and shown in Figure 1 and Attachment "A" contained within the attached Plan; and

WHEREAS, the City Council of the City of Portage have reviewed the Plan, and have been provided a reasonable opportunity to express their views and recommendations regarding the Plan and in accordance with Sections 13(13) of the Act; and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Portage concurs with the provisions of the Plan in the form attached to this Resolution; and

**BE IT FURTHER RESOLVED** that should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.

All resolutions or part of resolutions are, to the extent of any conflict with this resolution, rescinded.

ADOPTED:

AYES:

NAYES:

ABSTAINED:

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James R. Hudson, City Clerk

I, James R. Hudson, do hereby certify that I am the appointed and acting City Clerk of the City of Portage, Michigan and that the foregoing resolution was adopted by the City of Portage on the 24<sup>th</sup> day of March, 2015.

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James R. Hudson, City Clerk

**KALAMAZOO COUNTY, MICHIGAN**

**RESOLUTION APPROVING A BROWNFIELD PLAN  
BY THE COUNTY OF KALAMAZOO  
PURSUANT TO AND IN ACCORDANCE WITH  
THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS  
OF THE STATE OF MICHIGAN OF 1996, AS AMENDED**

At a regular meeting of the Board of Commissioners of Kalamazoo County, Michigan, held in the Board of Commissioners Room, County Administration Building located at 201 W. Kalamazoo Avenue, Kalamazoo, Michigan, on the 7<sup>th</sup> day of April, 2015 at 7 p.m.

PRESENT:

ABSENT:

MOTION BY:

SUPPORTED BY:

WHEREAS, the Kalamazoo County Board of Commissioners, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), have formally resolved to participate in the Brownfield Redevelopment Authority (BRA) of Kalamazoo County (the "Authority") and have designated that all related activities shall proceed through the BRA; and

WHEREAS, the Authority, pursuant to and in accordance with Section 13 of the Act, has reviewed, adopted and recommended for approval by the Kalamazoo County Board of Commissioners, the Brownfield plan (the "Plan") attached hereto, to be carried out within the City of Portage, relating to the redevelopment project on the industrial property located at 4460 Commercial Avenue in the City of Portage, Michigan, (the "Site"), as more particularly described and shown in Figure 1 and Attachment "A" contained within the attached Plan; and

WHEREAS, the Kalamazoo County Board of Commissioners have reviewed the Plan, and have been provided a reasonable opportunity to express their views and recommendations regarding the Plan and in accordance with Sections 13(13) of the Act; and

WHEREAS, the Kalamazoo County Board of Commissioners have noticed and held a public hearing in accordance with Section 13(10,11,12 and 13) of the Act, and

WHEREAS, the City of Portage has passed a resolution supporting adoption of the Plan;

WHEREAS, the Kalamazoo County Board of Commissioners have made the following determinations and findings:

- A. The Plan constitutes a public purpose under the Act;
- B. The Plan meets all of the requirements for a Brownfield plan set forth in Section 13 of the Act;
- C. The proposed method of financing the costs of the eligible activities, as described in the Plan, was feasible and the Authority has the ability to arrange the financing;
- D. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act; and

WHEREAS, as a result of its review of the Plan, the Kalamazoo County Board of Commissioners concur with approval of the Plan.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

- 1. **Plan Approved.** Pursuant to the authority vested in the Kalamazoo County Board of Commissioners, by the Act, the Plan is hereby approved in the form attached to this Resolution.
- 2. **Severability.** Should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
- 3. **Repeals.** All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

AYES:

NAYES:

ABSTAINED:

**RESOLUTION DECLARED ADOPTED.**

STATE OF MICHIGAN )  
COUNTY OF KALAMAZOO ) ss:

I, the undersigned, the fully qualified Clerk of Kalamazoo County, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the County Board of Commissioners of Kalamazoo County at a regular meeting held on the 7<sup>th</sup> day of April, 2015, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto set my official signature this 7<sup>th</sup> day of April, 2015.

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Timothy A. Snow, Kalamazoo County Clerk

**CITY OF PORTAGE**

**RESOLUTION APPROVING A BROWNFIELD PLAN PURSUANT TO AND  
IN ACCORDANCE WITH THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS OF THE  
STATE OF MICHIGAN OF 1996, AS AMENDED**

Minutes of a regular meeting of the City Council for the City of Portage, Michigan held on \_\_\_\_\_, 2015 at 7:30 p.m. local time at the City Hall in the City of Portage, Michigan.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following resolution was offered by:

Councilmember: \_\_\_\_\_, and supported by:

Councilmember: \_\_\_\_\_.

WHEREAS, the City of Portage, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has formally resolved to participate in the Brownfield Redevelopment Authority of Kalamazoo County (the "Authority") and has designated that all related activities shall proceed through the Authority; and

WHEREAS, the Authority, pursuant to and in accordance with Section 13 of the Act, has reviewed, adopted and recommended for approval by the City Council of the City of Portage, the Brownfield Plan (the "Plan") attached hereto, to be carried out within the City, relating to the redevelopment of the industrial property located at 4460 Commercial Avenue, Portage, Michigan; and

WHEREAS, the City Council of the City of Portage, has reviewed the Plan, and was provided a reasonable opportunity to express its views and recommendations regarding the Plan.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Portage concurs with the provisions of the Plan in the form attached to this Resolution; and

BE IT FURTHER RESOLVED that should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.

All resolutions or parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

ADOPTED: \_\_\_\_\_

AYES: Councilmember \_\_\_\_\_

NAYS: Councilmember \_\_\_\_\_

ABSENT: Councilmember \_\_\_\_\_

\_\_\_\_\_  
James R. Hudson, City Clerk

#### CERTIFICATION

I, James R. Hudson, do hereby certify that I am the duly appointed and acting City Clerk of the City of Portage, Michigan, and that the foregoing resolution was adopted by the City of Portage on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
James R. Hudson, City Clerk

Approved as to form:

Date: 3/5/15

\_\_\_\_\_  
City Attorney