



# **Brownfield Redevelopment Authority**

**March 29, 2016**

**CITY OF PORTAGE  
BROWNFIELD REDEVELOPMENT AUTHORITY**

**A G E N D A**

March 29, 2016

**CALL TO ORDER:**

8:00 a.m., Portage City Hall, Council Chambers, 7900 South Westnedge Avenue

**APPROVAL OF MINUTES:**

- \* March 11, 2015

**BUSINESS:**

- \* 1. Election of Officers
  - Board Member Listing
- \* 2. Kalamazoo County Brownfield Redevelopment Plan for 5825 and 5901 Willoughby Drive
  - 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, March 11, 2015

The meeting of the City of Portage Brownfield Redevelopment Authority was called to order by Secretary King at 8:17 a.m. in Council Chambers, Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan.

MEMBERS PRESENT: Tom King, Devrim Yaman, Jeff Monroe, Bradley Galin, Jeffrey Kalmbach, Robert Kelber, Daniel Vomastek (arrived at approximately 8:30 a.m.).

MEMBERS EXCUSED: A motion was offered by Monroe, seconded by Kelber to excuse members Alburtus, Lewandowski and Vomastek. The motion was approved 6-0.

IN ATTENDANCE: Vicki Georgeau, Community Development Director; Lotta Jarnefelt and Rachel Grover, Kalamazoo County Department of Planning and Community Development, Joe Agostinelli, Chair of Kalamazoo County Brownfield Redevelopment Authority and Dave Stegink, Envirollogic Technologies.

APPROVAL OF MINUTES: The minutes from the November 6, 2013 meeting were introduced for approval. A motion was offered by Yaman, seconded by Monroe 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 Yaman to nominate the existing slate of officers for re-election. King as Chairman, Alburtus as Vice-Chairman, and Kalmbach as Secretary/Treasurer of the Brownfield Redevelopment Authority. There being no further discussion, the motion was approved 7-0.

Chairman King asked each Board member to review the member listing included in the agenda to ensure the information is correct. King also noted that Rules of Procedure were included in the agenda and inquired of staff if the document has been reviewed by the Authority for necessary revisions. Georgeau indicated that the Rules of Procedure were provided in the agenda for reference purposes only, but agreed it may be appropriate for the staff and the Authority to review the document for necessary changes at the next Authority meeting.

2. Revised Brownfield Redevelopment Incentive Policy. Georgeau provided an overview of the proposed revisions to the policy and explained that City Council had preliminarily reviewed policy revisions during the Committee of the Whole meeting on February 10<sup>th</sup>, concurrent with recommended revisions to the city's Industrial Tax Abatement Policy and in the context of enhancing the city's role in economic development. Georgeau further explained the policy revisions included: elimination of references to state tax credits; an extension of the time period permitted for tax increment financing (TIF) from five to 15 years, revisions to criteria for Council to consider in granting TIF revenue capture for longer than 15 years; criteria for considering functionally obsolete and/or blighted properties; and the addition of process and criteria to review when brownfield plans are proposed through the Kalamazoo County Brownfield Redevelopment Authority (KCBRA). King requested clarification of the process for review and approval of KCBRA plans. Georgeau explained that state statute requires the elected body of the local unit of government to pass a resolution of

support for all county brownfield plans. King also requested clarification regarding the criteria for use of TIF revenue capture in Section 3 of the policy. Georgeau explained that this criteria is for review only when a TIF capture period beyond 15 years is requested by an applicant. After further discussion, a motion was offered by Monroe and seconded by Galin to recommend to City Council approval of the proposed Brownfield Redevelopment Incentive Policy revisions. The motion was approved 7-0.

3. Kalamazoo County Brownfield Redevelopment Plan, 4460 Commercial Drive. Georgeau summarized the Brownfield Redevelopment Plan for 4460 Commercial Drive prepared by the KCBRA. Georgeau also introduced Lotta Jarnefelt and Rachel Grover with the Kalamazoo County Department of Planning and Community Development, Joe Agostinelli, Chairman of the KCBRA and Dave Stegink, environmental consultant for the KCBRA. Georgeau explained that the applicant, Accu-Mold, LLC, is proposing to utilize the KCBRA program due to the availability of funds to pay for up front expenses and because the KCBRA policy allows for a longer tax increment financing (TIF) revenue capture period compared to the existing Portage Brownfield Redevelopment Incentive Policy. Furthermore, the Accu-Mold expansion project is on a fast track with acquisition slated for early April 2015 and building and site improvements slated to begin in late April 2015. Georgeau noted the subject property is improved with a 20,000 square foot building and parking lot and the property is eligible under the Brownfield Redevelopment Act because the building is functionally obsolete. The applicant will be investing \$1.8 million to acquire and renovate the building, and \$125,000 will be spent on selective building and site demolition to cure the functional obsolescence.

Monroe and Galin inquired if there are any environmental concerns and/or underground tanks on the property. Joe Agostinelli and David Stegink indicated there are no known environmental issues with the property. Monroe inquired as to the age and prior use of the building. Agostinelli indicated the building was first constructed in the 1980's and had been divided up into several smaller tenant suites used for small scale manufacturing, assembly and offices. Agostinelli further indicated that the redevelopment project will be supported by the Michigan Economic Development Corporation.

After further discussion, a motion was offered by Kalmbach, seconded by Monroe that the Brownfield Redevelopment Authority recommend to City Council that the resolution of support involving the KCBRA Brownfield Redevelopment Plan for 4460 Commercial Drive be approved. The motion was approved 7-0.

STATEMENT OF CITIZENS: None.

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

Respectfully submitted,

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Vicki Georgeau, Director

## BOARDS AND COMMISSIONS CONTINUED

2

**BOARD OF REVIEW**

2nd Mon/Tues/Wed of March and 4th Tues of March at City Hall; appointed by Mayor with Council approval; 1-year term.

Lori Knapp	324-0178 H	6914 Oleander Lane, 49024 <a href="mailto:loriknapp4@gmail.com">loriknapp4@gmail.com</a>	01/07/14	01/31/17
Leonard Lamberson	352-1039 H	8420 Valleywood Ln, 49024 <a href="mailto:l.lamberson@sbcglobal.net">l.lamberson@sbcglobal.net</a>	01/12/16	01/31/17
Michael Quinn	329-1320 H 267-2880 B	7025 Rockford St, 49024 <a href="mailto:mikedquinn@sbcglobal.net">mikedquinn@sbcglobal.net</a>	01/10/12	01/31/17
Edward VanderVries, Assessor Clerk of the Board	329-4431 B			
Patrick J. Buckley	329-1428 H	2805 Brahms, 49024 <a href="mailto:oldcop201@aol.com">oldcop201@aol.com</a>	01/12/16	01/31/17
Carol Eddy	323-3725 H 377-8658 A	10071 Woodlawn Dr, 49002 <a href="mailto:eddyct@sbcglobal.net">eddyct@sbcglobal.net</a>	01/12/16	01/31/17
Jay Woodhams	350-6527 H 978-6978 B	2223 Bay Side Ave, 49002 <a href="mailto:jwoodhams@bitlive.com">jwoodhams@bitlive.com</a>	01/06/15	01/31/17
Edward VanderVries, Assessor Clerk of the Board	329-4431 B			

**CONSTRUCTION BOARD OF APPEALS** When called; at City Hall; appointed by Mayor with Council approval; 3-year terms.

Barney Martlew Structural Engineer	321-0363 H 312-9040 B	7376 Dunross Dr, 49024	05/14/13	06/01/16
Lawrence A. Schmidt, Chr. Building Contractor	329-1243 H 324-3436 B	3510 Woodhams Ave, 49002 <a href="mailto:lschmidtsrc@charter.net">lschmidtsrc@charter.net</a>	06/01/07	06/01/16
George Theodoru City at Large Representative	327-8762 H 806-5919 C	7146 Leawood St, 49024 <a href="mailto:gtheodoru@appliedimaging.com">gtheodoru@appliedimaging.com</a>	05/11/10	06/01/16
William J. Leach, Sr. Master Plumber	772 263-6126 C	2703 Sugarloaf, 49024	10/04/05 (PBA)	06/01/17
Sheldon Smith Mechanical Contractor	323-0277 H 327-7028 A	7250 Sandpiper St, 49024 <a href="mailto:ssmith@belaire.com">ssmith@belaire.com</a>	01/12/16	06/01/17
Peter Carlson Master Electrician	760-2162 C 216-3085 B	6840 Amberly St, 49024	05/13/14	06/01/18
Gary Gilchrist Building Contractor	329-1938 H 207-6033 B	222 Cherryview Drive <a href="mailto:garv@cornerstonecm.com">garv@cornerstonecm.com</a>	05/10/11	06/01/18
Terry Novak, Ex Officio	329-4467 B	<a href="mailto:novakt@portagemi.gov">novakt@portagemi.gov</a>		

**EDC/TIFA and BROWNFIELD REDEVELOPMENT AUTHORITY** When called; at City Hall; appointed by Mayor with Council approval; 6-year terms.

Thomas G. King, Chr.	324-5661 H 324-3000 B	1545 Dogwood Dr, 49024 <a href="mailto:tking@kreisenderle.com">tking@kreisenderle.com</a>	10/06/98	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>	10/09/12	12/31/17
Bradley D. Galin (PPS)	323-5152 B 812 340-3609 A	3373 Fleetwood Dr, 49024 <a href="mailto:bgalin@portageps.org">bgalin@portageps.org</a>	10/08/13	12/31/18
Jeffrey R. Kalmbach, Sec.	271-6706 H 492-9984 B	5645 Thunder Bay St, 49024 <a href="mailto:jeffkalmbach@yahoo.com">jeffkalmbach@yahoo.com</a>	01/01/13	12/31/18
Jeffrey Monroe	327-0332 H 327-7554 B	3005 Innisbrook Dr, 49024 <a href="mailto:jeffmonroe27@mc.com">jeffmonroe27@mc.com</a>	10/07/03	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>	01/08/08	12/31/19
Eric Alburtus (PPS), V. Chr.	323-5255 B 217-6620 C	8135 S Westnedge Ave, 49002 <a href="mailto:ealburtus@portageps.org">ealburtus@portageps.org</a>	10/09/12	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>	01/01/09	12/31/20
Keith Lewandowski	321-0411 H 760-0989 B	7238 Windhaven Ct, 49024 <a href="mailto:keith.lewandowski@tpginc.us">keith.lewandowski@tpginc.us</a>	01/01/10	12/31/21
Victoria Georgeau, Ex Officio	329-4480 B	<a href="mailto:georgeav@portagemi.gov">georgeav@portagemi.gov</a>		

**TO:** Brownfield Redevelopment Authority

**DATE:** March 25, 2016

**FROM:** Vicki Georgeau, <sup>VJ</sup> Director of Community Development

**SUBJECT:** Kalamazoo County Brownfield Redevelopment Plan, 5825/5901 Willoughby Drive

## 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, RAI AZO, LLC has approached Kalamazoo County and requested assistance through the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) with eligible environmental building, infrastructure and site demolition activities involving 5825/5901 Willoughby Drive. RAI AZO, LLC has an option to purchase the property and plans to expand their business currently located in Sturgis at 5825/5901 Willoughby Drive. RAI AZO, LLC is requesting to utilize tax increment financing (TIF) for reimbursement of eligible expenses related to the facility.

Although the City of Portage also has an established Brownfield Redevelopment program, Kalamazoo County has funding available 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 March 25, 2016 from Ms. Rachael Grover, Resource Coordinator of the Kalamazoo County Department of Planning and Community Development regarding the proposed Brownfield Plan for 5825 and 5901 Willoughby Drive. This brownfield redevelopment will provide assistance to a small business that is experiencing growth. It is anticipated that the redevelopment and business expansion will result in the relocation of three existing jobs and the creation of 5-10 new jobs over the next seven years, with an average annual salary of \$40,000. In addition, the property is currently owned by the Kalamazoo Aviation History Museum and is tax exempt. Once the proposed purchase of the property by RAI AZO, LLC is complete, the property will also be returned to the tax roll.

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 third 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 and the second one involved the proposed redevelopment of a functionally obsolete building at 4460 Commercial Drive.

## **II. PROPOSED KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT PLAN, 5825/5901 Willoughby Drive**

Attached is a copy of the 5825/5901 Willoughby Drive Brownfield Plan prepared by the KCBRA consultant and approved by the KCBRA on March 24, 2016. The subject property is approximately 3.4 acres in size and improved with a 29,800 square foot building (airplane hangar and offices, built in 1963 and expanded/remodeled in 1974) and associated off-street parking lot.

The site is a contaminated eligible “facility” due to the presence of soil and groundwater contamination. Eligible activities associated with the site remediation efforts proposed to be funded through state and local tax reimbursement include the following:

### MDEQ Eligible Activities

- Baseline Environmental Assessment & Section 7(a) Compliance Analysis
- Due Care Plan
- Response Activities: installation of sub-slab depressurization system
- Act 381 Work Plan

### Local Tax Capture Only Activities

- Demolition: removal of 32,000 square foot parking lot
- Infrastructure improvements: 2,000 square foot “taxiway” (contingent on granting the airport an easement)
- Brownfield Plan Preparation (application fee)

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 Table 1 in the Brownfield Plan, the estimated cost to complete all eligible activities is \$190,540. Included in these activities and costs, the KCBRA is proposing an additional five years of tax capture for the Local Site Remediation Revolving Fund (LSRRF) in the amount of \$77,127. Per the attachment, 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, \$11,010 must be deposited into the State Brownfield Redevelopment Fund.

Based on the level of investment being made by RAI AZO, LLC and because the property is currently tax exempt, the increase in taxable value available for capture is approximately \$250,000. Based on the proposed 13 years of tax capture (including five years for the LSRRF), the tax increment available for capture by all entities is \$317,060. Of the \$190,540 in eligible expenses, RAI AZO, LLC will receive \$90,422 in reimbursement for eligible activities and building/site expenses.

Table 3 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 \$40,098. 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 5825/5901 Willoughby on March 24<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 April 12, 2016. The Brownfield Plan will be presented to the County Board Committee of the Whole on April 19, 2016 and a public hearing will be set for May 3, 2016 (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 May 3<sup>rd</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 2015 to incorporate criteria, procedures and provisions to ensure that brownfield redevelopment applications are consistently and uniformly processed when received.

### **IV. RECOMMENDATION:**

The KCBRA Brownfield Redevelopment Plan for 5825 and 5901 Willoughby has been reviewed in the context of the 2015 Brownfield Redevelopment Incentive Policy. Approval of the Plan will facilitate redevelopment of a facility that is currently tax exempt and will provide assistance to a 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 \$190,540 for not more than 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: March 25, 2016 letter from Ms. Rachael Grover, Kalamazoo County  
5825 and 5901 Willoughby Drive Brownfield Redevelopment Plan  
Local Site Remediation Revolving Fund summary  
Resolution of support



## Kalamazoo County Brownfield Redevelopment Authority

201 West Kalamazoo Avenue, Rm. 101 · Kalamazoo, Michigan 49007  
Phone: (269) 384-8305 · FAX: (269) 383-8920 · Email: ragrov@kalamazoo.gov

March 25, 2016

Victoria Georgeau, Director  
Department of Community Development  
City of Portage  
7900 South Westnedge Ave.  
Portage, MI 49002

Re: KCBRA Brownfield Plan for site located at 5825 and 5901 Willoughby Drive, Portage Michigan (RAI AZO, LLC)

### I. Project Background

On January 21, 2016, the Kalamazoo County Brownfield Redevelopment Authority (KCBRA) approved the application for Brownfield Redevelopment assistance for property at 5825 and 5901 Willoughby Drive in Portage. The application was submitted by David Riley of RAI AZO, LLC.

The property is currently owned by the Air Museum, which is a nonprofit charitable organization. RAI AZO, LLC is planning to redevelop the property and the airplane hangar as a non-scheduled operator of flight services originating from the adjoining Kalamazoo/Battle Creek International Airport. RAI AZO, LLC is intending to complete the purchase of the property in April.

Due to the presence of chlorinated hydrocarbons, arsenic, lead, and chromium in excess of Michigan Cleanup Criteria requirements in soil and groundwater, the property is a "facility" and qualifies the property as a Brownfield Site under Michigan Public Act 381 of 1996, as amended.

Based on findings from environmental assessments including vapor intrusion assessments conducted inside the office space and airplane hangar, a sub-slab depressurization system will be installed and operated as per an MDEQ approved Response Activity Plan. Additionally, RAI AZO will demolish and install a new 32,000 square foot parking lot and install a new 2,000 square foot taxi-way that will be accessible to the adjoining Kalamazoo/Battle Creek International Airport. RAI is expanding its operations from their Sturgis location. The redevelopment of this site allows for expansion of their business and the creation of an estimated 5-10 jobs, with an anticipated average annual salary of \$40,000. Total investment expected in the project is \$ 766,000.



## Kalamazoo County Brownfield Redevelopment Authority

201 West Kalamazoo Avenue, Rm. 101 · Kalamazoo, Michigan 49007  
Phone: (269) 384-8305 · FAX: (269) 383-8920 · Email: ragrov@kalcounty.com

On March 24, 2016, the KCBRA voted to recommend the approval of the Brownfield Plan to the City of Portage Brownfield Redevelopment Authority, the Portage City Council, and the Kalamazoo County Board of Commissioners.

Discussion with staff from the City of Portage Department of Community Development indicates 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 KCBRA.

### II. The Brownfield Plan

The Brownfield Plan for 5825 and 5901 Willoughby Drive allows the KCBRA to use Tax Increment Financing (TIF) to reimburse KCBRA expenses related to the site, the developer's eligible environmental expenses, and the developer's eligible non-environmental demolition and infrastructure improvements. In addition, the Brownfield Plan includes reimbursement of KCBRA administrative expenses.

The KCBRA will only create a County Brownfield Plan if the local municipality where the site is located is supportive of the Plan. The RAI AZO, LLC Brownfield Plan for Willoughby Drive would be the second approved KCBRA Brownfield Plan in Portage with the 9008 Portage Road Brownfield Plan as the first that was approved in 2013.

The development of the 5825 and 5901 Willoughby Drive site is an improvement for the site and the surrounding area in several ways:

1. The Plan returns a contaminated industrial property to high functional use and assists in returning a previously nonprofit-owned property to the tax rolls.
2. The property would have an increased taxable value (currently exempt).
3. The County Brownfield Plan would constitute a cooperative inter-governmental effort.
4. TIF collected will reimburse the developer and the KCBRA for costs incurred in the completion of Brownfield Eligible Activities.
5. Local Site Remediation Revolving Fund (LSRRF) collection for 5 years allows the KCBRA to support additional Brownfield Activities in Kalamazoo County.

The KCBRA engaged input from the Portage Department of Community Development when developing the Plan. The proposed timeline for the approval of the Willoughby Drive Brownfield Plan is as follows:

1. **January 21, 2016:** The KCBRA approved the application for request for a Brownfield Plan at the 5825 and 5901 Willoughby Drive site.



## Kalamazoo County Brownfield Redevelopment Authority

201 West Kalamazoo Avenue, Rm. 101 · Kalamazoo, Michigan 49007  
Phone: (269) 384-8305 · FAX: (269) 383-8920 · Email: ragrov@kalcounty.com

2. **March 24, 2016:** The KCBRA approved the Brownfield Plan and recommend that the Portage Brownfield Redevelopment Authority, Portage City Council and Kalamazoo County Board of Commissioners approve the Brownfield Plan.
3. **March 29, 2016:** The Portage BRA is expected to recommend approval of the Brownfield Plan to the Portage City Council
4. **April 12, 2016:** The Portage City Council considers the Brownfield Plan for approval – see attached draft of proposed City of Portage Resolution. KCBRA and/or Portage Community Development staff will present the project to the Portage City Council.
5. **April 19, 2016:** Pending outcome of the Portage City Council recommendation for approval, the KCBRA presents the project to the Kalamazoo County Committee of the Whole. Public hearing is scheduled for May 3, 2016
6. **Before April 22, 2016:** KCBRA staff sends notices to all affected taxing jurisdictions and prepares Public Notice 10 days prior to public hearing.
7. **May 3, 2016:** Kalamazoo County Board of Commissioners will hold public hearing and adopt the Willoughby Drive Brownfield Plan by resolution.
8. **After May 3, 2016:** KCBRA staff submits Act 381 Work Plan to MDEQ.

### III. City of Portage Support for Brownfield Plan

The KCBRA respectfully requests approval of the Brownfield Plan for the 5825 and 5901 Willoughby Drive project from the Portage Brownfield Redevelopment Authority and the Portage City Council. Support of this Brownfield Plan by the City of Portage is critical for the redevelopment and productive use of this property. The KCBRA is looking forward to continuing to work with the City of Portage on Brownfield redevelopment projects.

Sincerely,

A handwritten signature in cursive script that reads "Rachael Grover".

Rachael Grover  
Resource Coordinator  
Kalamazoo County Department of Planning and Community Development  
[ragrov@kalcounty.com](mailto:ragrov@kalcounty.com)  
269.384.8305

**KALAMAZOO COUNTY  
BROWNFIELD REDEVELOPMENT AUTHORITY  
BROWNFIELD PLAN**

**FOR A *PROPERTY* LOCATED AT:**

**5825 AND 5901 WILLOUGHBY DRIVE  
PORTAGE, MICHIGAN 49002**

**ON BEHALF OF:**

**KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY  
201 W. KALAMAZOO AVENUE  
KALAMAZOO, MICHIGAN 49007**

**PREPARED WITH THE ASSISTANCE OF:**

**PHILLIPS ENVIRONMENTAL CONSULTING SERVICES, INC.  
84757 28TH STREET  
LAWTON, MICHIGAN 49065  
(269) 624-4211**

**PROJECT No. 235-1504A-15**

**AND**

**RAIAZO, LLC  
1 AIRPORT ROAD  
STURGIS, MICHIGAN 49091**

**MARCH 7, 2016**

Recommended for Approval by the Brownfield Redevelopment Authority on: March 24, 2016

Supported by the City of Portage on: \_\_\_\_\_

Approved by the Kalamazoo County Commission on: \_\_\_\_\_

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## APPENDICIES

- Appendix A – Legal Description**
- Appendix B – Plan Area Showing Proposed Demolition and Infrastructure Improvement**
- Appendix C – City of Portage and Kalamazoo County Resolutions**
- Appendix D – Notice of Public Hearing**
- Appendix E – Notice to Taxing Jurisdictions**

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## 1.0 GENERAL DEFINITIONS USED IN THIS PLAN

From 1996 PA 381 Sec. 2:

- (a) “additional response activities” means response activities identified as part of a brownfield plan that are in addition to baseline environmental assessment activities and due care activities for an eligible property.
- (b) “Authority” means a brownfield redevelopment authority created under this act.
- (c) “Baseline environmental assessment” means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
- (d) “baseline environmental assessment activities” means those response activities identified as apart of a brownfield plan that are necessary to complete a baseline environmental assessment for an eligible property in the brownfield plan.
- (e) “Blighted” means property that meets any of the following criteria as determined by the governing body:
- (i) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
  - (ii) Is an attractive nuisance to children because of physical condition, use, or occupancy.
  - (iii) Is a fire hazard or is otherwise dangerous to the safety of persons or property.
  - (iv) Has had the utilities, plumbing, heating or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
  - (v) Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property’s inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of this act.
  - (vi) Is property owned or under the control of a land bank fast track authority under the land bank fast track act, whether or not located within a qualified local governmental unit. Property included within a brownfield plan prior to the date it meets the requirements of this subdivision to be eligible property shall be considered to become eligible property as of the date the property is determined to have been or becomes qualified as, or is combined with, other eligible property. The sale, lease or transfer of the property by a land bank fast track authority after the property’s inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of this act.

- (vii) Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.
- (f) “Board” means the governing body of an authority.
- (g) “Brownfield Plan” means a plan that meets the requirements of section 13 and is adopted under section 14.
- (h) “Captured taxable value” means the amount in one year by which the current taxable value of an eligible property subject to a brownfield plan, including the taxable value or assessed value, as appropriate, of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property. The state tax commission shall prescribe the method for calculating captured taxable value.
- (i) “Chief executive officer” means the mayor of a Village, the village manager of a village, the township supervisor of a township, or the county executive of a county or, if the county does not have an elected county executive, the chairperson of the county board of commissioners.
- (j) “Department” means the department of environmental quality.
- (k) “Due care activities” means those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of section 20107a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20107a.
- (l) “Economic opportunity zone” means one or more parcels of property that meet all of the following:
- (i) That together are 40 or more acres in size.
  - (ii) That contain a manufacturing facility that consists of 500,000 or more square feet.
  - (iii) That are located in a municipality that has a population of 30,000 or less and that is contiguous to a qualified local governmental unit.
- (m) “Eligible activities” or “eligible activity” means one or more of the following:
- (i) Baseline environmental assessment activities.
  - (ii) Due care activities.
  - (iii) Additional response activates.

(iv) For eligible activities on eligible property that was used or is currently used for commercial, industrial or residential purposes that is in a qualified local governmental unit, that is owned or under the control of a land bank fast track authority, or that is located in an economic opportunity zone, and is a facility, historic resource, functionally obsolete, or blighted, and except for purposes of section 38d of former 1975 PA 228, the following additional activities:

(A) Infrastructure improvements that directly benefit eligible property.

(B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(C) Lead or asbestos abatement.

(D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(E) Assistance to a land bank fast track authority in clearing or quieting title to, or selling or otherwise conveying, property owned or under the control of a land bank fast track authority or the acquisition of property by the land bank fast track authority if the acquisition of the property is for economic development purposes.

(F) Assistance to a qualified local governmental unit or authority in clearing or quieting title to, or selling or otherwise conveying, property owned or under the control of a qualified local governmental unit or authority or the acquisition of property by a qualified local governmental unit or authority if the acquisition of the property is for economic development purposes.

(v) Relocation of public buildings or operations for economic development purposes.

(vi) For eligible activities on eligible property that is a qualified facility that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, the following additional activities:

(A) Infrastructure improvements that directly benefit eligible property.

(B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(C) Lead or asbestos abatement.

(D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(vii) For eligible activities on eligible property that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, the following additional activities:

(A) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(B) Lead or asbestos abatement.

(viii) Reasonable costs of developing and preparing brownfield plans and work plans.

(ix) For property that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, that is a former mill that has not been used for industrial purposes for the immediately preceding two years, that is located along a river that is a federal superfund site listed under the comprehensive environmental response, compensation, and liability act of 1980, 42 USC 9601 to 9675, and that is located in a Village with a population of less than 10,000 persons, the following additional activities:

(A) Infrastructure improvements that directly benefit property.

(B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(C) Lead or asbestos abatement.

(D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(x) For eligible activities on eligible property that is located north of the 45<sup>th</sup> parallel, that is a facility, functionally obsolete, or blighted, and the owner or operator of which makes new capital investment of \$250,000,000.00 or more in this state, the following additional activities:

(A) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(B) Lead or asbestos abatement.

(xi) Reasonable costs of environmental insurance.

(n) Except as otherwise provided in the subdivision, "eligible property" means property for which eligible activities are identified under a brownfield plan that was used or is currently used for commercial, industrial, public or residential purposes, including personal property located on the property, to the extent included in the brownfield plan, that is one of the following:

- (i) Is in a qualified local government unit and is a facility, functionally obsolete, or blighted and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property.
- (ii) Is not in a qualified local governmental unit and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property.
- (iii) Is tax reverted property owned or under the control of a land bank fast track authority.
- (iv) Is not in a qualified local government unit, is a qualified facility, and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(vi).
- (v) Is not in a qualified local government unit and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(vii).
- (vi) Is not in a qualified local government unit and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(ix).
- (vii) Is located north of the 45<sup>th</sup> parallel, is a facility, functionally obsolete, or blighted, and the owner or operator makes new capital investment of \$250,000,000.00 or more in this state. Eligible property does not include qualified agricultural property exempt under section 7ee of the general property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.
- (viii) Is a transit-oriented development.
- (ix) Is a transit-oriented facility.
- (o) "Environmental insurance" means liability insurance for environmental contamination and cleanup that is not otherwise required by state or federal law.
- (p) "Facility" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
- (q) "Fiscal year" means the fiscal year of the authority.

(r) "Functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

(s) "Governing body" means the elected body having legislative powers of a municipality creating an authority under this act.

(t) "Infrastructure improvements" means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement, owned or used by a public agency or functionally connected to similar or supporting property owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity, provided that any road, street, or bridge shall be continuously open to public access and that other property shall be located in public easements or rights-of-way and sized to accommodate reasonably foreseeable development of eligible property in adjoining areas.

(u) "Initial taxable value" means the taxable value of the eligible property identified in and subject to a brownfield plan at the time the resolution adding that eligible property in the brownfield plan is adopted, as shown either by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, if provided by the brownfield plan, by the next assessment roll for which equalization will be completed following the date the resolution adding that eligible property in the brownfield plan is adopted. Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of property tax shall not be considered exempt from taxation. The state tax commission shall prescribe the method for calculation the initial taxable value of property for which a specific tax was paid in lieu of property tax.

(v) "Land bank fast track authority" means an authority created under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

(w) "Local taxes" means all taxes levied other than taxes levied for school operating purposes.

(x) "Municipality" means all of the following:

(i) A Village.

(ii) A village.

(iii) A township in those areas of the township that are outside of a village.

(iv) A township in those areas of the township that are in a village upon the concurrence by resolution of the village in which the zone would be located.

(v) A county.

(y) "Owned or under control of" means that a land bank fast track authority has one or more of the following:

(i) An ownership interest in the property.

(ii) A tax lien on the property.

(iii) A tax deed to the property.

(iv) A contract with this state or a political subdivision of this state to enforce a lien on the property.

(v) A right to collect delinquent taxes, penalties, or interest on the property.

(vi) The ability to exercise its authority over the property.

(z) "Qualified facility" means a landfill facility area of 140 or more contiguous acres that is located in a Village that contains a landfill, a material recycling facility, and an asphalt plant that are no longer in operation.

(aa) "Qualified local governmental unit" means that term as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797.

(bb) "Qualified taxpayer" means that term as defined in sections 38d and 38g of former 1975 PA 228, or section 437 of the Michigan business tax act, 2007 PA 36, MCL 208.1437.

(cc) "Response activity" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(dd) "Specific taxes" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572; the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182; the technology park development act, 1984 PA 385, MCL 207.701 to 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786; the commercial rehabilitation act, 2005 PA 210, MCL 207.841 to 207.856; or that portion of the tax levied under the tax reverted clean title act, 2003 PA 260, MCL 211.1021 to 211.1026, that is not required to be distributed to a land bank fast track authority.

(ee) "Tax increment revenues" means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to a brownfield plan and personal property located on that property. Tax increment revenues exclude ad valorem property taxes specifically levied for the payment of principal of and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit, and specific taxes attributable to those ad valorem property taxes. Tax increment revenues attributable to eligible property also exclude the amount of ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment finance authority, or local development finance authority if those taxes were captured by these other authorities on the date that eligible property became subject to a brownfield plan under this act.

(ff) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(gg) "Taxes levied for school operating purposes" means all of the following:

(i) The taxes levied by a local school district for operating purposes.

(ii) The taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(iii) That portion of specific taxes attributable to taxes described under subparagraphs (i) and (ii).

(hh) "Transit-oriented development" means infrastructure improvements that are located within ½ mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use as determined by the board and approved by the municipality in which it is located.

(ii) "Transit-oriented facility" means a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

(jj) "Work plan" means a plan that describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual activity.

(kk) "Zone" means, for an authority established before June 6, 2000, a Brownfield redevelopment zone designated under this act.

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## 2.0 INTRODUCTION AND PURPOSE

The Kalamazoo County Brownfield Redevelopment Authority ("Authority") and Kalamazoo County ("County") have considered and adopted this Brownfield Plan ("Plan") to encourage the redevelopment of the property located at 5825 and 5901 Willoughby Drive, City of Portage, Kalamazoo County. The property is a "facility. This Plan describes the property conditions and the redevelopment plan that is proposed to be implemented by the prospective purchaser and developer, RAI AZO, LLC ("Developer").

The Property at 5825 Willoughby is a "facility" (contaminated property) developed with a building comprised of an airplane hangar and office area in the City of Portage. The adjoining contiguous parcel at 5901 Willoughby is developed as a parking lot to serve the Property. The Developer intends to improve the Property by completing necessary response activities associated with known contamination on the Property, as well as beautifying the Property through infrastructure improvements and demolition and reconstruction of the parking lots and taxi-ways. The development plans include the installation of a sub-slab depressurization system (SSDS) to mitigate vapor intrusion concerns inside the building on the Property. Demolition of 32,000 square feet of the parking lot and construction of a 2,000 square foot taxiway are also included in the development plans. The proposed redevelopment will serve area businesses by providing non-scheduled flight services from the Kalamazoo/Battle Creek International Airport.

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" (Act 381). Terms used in the document are as defined in Act 381.

A copy of the resolution from the City of Portage supporting the project and Plan, and the resolution of the Kalamazoo County Board of Commissioners approving the final Plan are included as Appendix C. A copy of the Notice of Public Hearing is included in Appendix D and a copy of the Notice to Taxing Jurisdictions is included in Appendix E.

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## 3.0 ELIGIBLE PROPERTY INFORMATION

The eligible property ("Property") is located at 5825 and 5901 Willoughby Drive, City of Portage, Kalamazoo County, Michigan. Specifically, the *Property* is located in the northeast quarter of the southwest quarter of Section 2, T. 3 S., R. 11 W., City of Portage, Kalamazoo County, Michigan. The legal description of the *Property* (Parcel Numbers 09-240-020-O and 109-240-028-A) is included as Appendix A. A site location map has been included as Figure 1, and a Site Plan is provided as Figure 2 showing significant Property features.

The Property is developed with a building situated near the northeast corner of the Property. The building appears to have been constructed in three sections. The northern section is an airplane hangar-type building reported to have been constructed in 1963. A second larger airplane hangar was constructed to the south in 1973, and an office workshop addition to the south of that was constructed in about 1974. An asphalt paved parking lot is located on the south side of the building. The area west of

the southernmost hangar is paved with asphalt and the area west of the northernmost hangar is paved with concrete. Access to the Property is via Willoughby Drive on the west side of the Property.

The Property is served by municipal sanitary and drinking water services. Consumers Energy supplies natural gas and electricity to the Property. Storm water is directed to three catch basins that are not connected to municipal sewer and to ditches that run along the north and east sides of the Property. Roof runoff is directed to these ditches served by a storm sewer grate located north of the Property. Historic floor drains are present in the building which have all been filled and sealed.

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#### **4.0 PROPOSED REDEVELOPMENT**

The Developer intends to redevelop the Property as a non-scheduled operator of flight services originating from the adjoining Kalamazoo/Battle Creek International Airport. In order to address known contamination at the Property and vapor intrusion to indoor air concerns, response activities, including the installation and operation of a sub-slab depressurization system (SSDS), will be conducted. Additionally, a taxiway will be constructed that will be open for use by the Kalamazoo/Battle Creek International Airport, a publically owned Property, an infrastructure improvement. Lastly, 32,000 square feet of parking lot will be demolished to allow for construction of a new parking lot. A figure showing the parking lots to be demolished and the proposed new taxiway is included in Appendix B.

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#### **5.0 BROWNFIELD CONDITIONS**

The Property is located on the east side of Willoughby Drive near the intersection of Portage Road and Milham Road in the City of Portage, Kalamazoo County, Michigan. The current zoning of the Property is I-1 (Light Industrial). The Property is bordered to the north, east and west is occupied by the Kalamazoo/Battle Creek International Airport and associated businesses. To the south is a vacant parcel with residences beyond.

Historic use information for the Property indicated that the Property was historically agricultural in nature and/or undeveloped until about 1955 when a small building is apparent on the northern portion of the Property. This date corresponds to the expansion of the adjoining airport from an airstrip to a more formal airport. Prior to 1965, a larger building (northern hangar) is constructed on the Property. By 1966, the Property is operated by Lakala Aviation, Inc. In 1973, the southern hangar is constructed and the southern office space is added in 1974. By 1976, the Property is operated as Kal-Aero South Engineering and Prop Shop. The Property was sold to the Kalamazoo Aviation History Museum in May 1995.

A Phase I and II Environmental Site Assessment and a Baseline Environmental Assessment (BEA) were completed by Kieser & Associates in 2012. The soil and groundwater sampling completed during the Kieser 2012 Phase II ESA portion of the investigation revealed concentrations of trichloroethene (TCE) in soil in excess of Part 201 GRCC in the vicinity of former drywells near the southeast corner of the building. Groundwater analytical results indicated the presence of TCE and its degradation products (cis-1,2 dichloroethene and vinyl chloride), plus arsenic and lead at that location as well. Lead and arsenic also exceeded Part 201 GRCC in the vicinity of a former fueling area.

Based on the 2012 Phase I and II ESA data, Phillips Environmental conducted additional Phase II Environmental Site Assessment Activities at 5825 and 5901 Willoughby Drive in early 2015, as described in a letter report dated March 3, 2015. Soil and groundwater sampling data were generally consistent with the Kieser 2012 data, and are further described below.

The soil and groundwater sample locations are shown on Figure 3, along with the prior 2012 sample locations by Kieser Environmental. Concentrations of constituents detected above Part 201 Generic Residential Cleanup Criteria are shown on the Figure.

Analysis of two soil samples collected from a septic system area on the east side of the building (6-8 and 14-16 feet bgl) detected the presence of trichloroethene (TCE) and its degradation products, cis- and trans-1,2 dichloroethene (DCE). TCE exceeded Part 201 General Residential Cleanup Criteria (GRCC) for drinking water protection. The only metal detected was lead, and it exceeded Part 201 GRCC for drinking water protection.

Three soil borings were completed around the southern former septic system area to evaluate the extent of impact previously detected in soil and groundwater samples collected by Kieser and Associates in 2012. TCE was detected at concentrations exceeding Part 201 GRCC in multiple soil samples collected from this area. The highest concentration of TCE detected in soil was 200 ug/kg. Arsenic was detected in one soil sample from this location above Part 201 GRCC. Additionally, chromium was detected above background and may exceed Part 201 GRCC.

Two groundwater samples were collected from locations intended to provide an evaluation of the extent of impacted groundwater migrating beneath the Property. The groundwater flow direction in the area is not known for certain, but is reported at other locations in the area to be to the northwest. Accordingly, both were completed on the west side of the building, north of the Kieser SB-2 location. TCE was detected in both of the samples, although only sample contained the compound in concentrations exceeding Part 201 GRCC. In this sample, cis-1,2 DCE and lead also were detected above Part 201 GRCC.

Based on the presence of chlorinated hydrocarbons in soil and groundwater near and potentially upgradient of the building, a vapor intrusion screening assessment was conducted. On February 11, 2015 and again on November 23, 2015 Vapor Pins® were installed within the floor of the building at locations believed to be downgradient of the former southern septic system and one near the former eastern septic system. The thickness of the concrete was observed to be between 9 and 14 inches thick, except at 15-VP-1-SS and 15-VP-14-SS, where only 3 to 4 inches of concrete was observed. Sub-slab soil gas samples were collected from the Vapor Pins® on February 11 and November 25, 2015 in accordance with the MDEQ Guidance Document for the Vapor Intrusion Pathway, May 2013. The sub-slab soil vapor sampling locations are shown on Figure 4.

During the February 2015 sampling event, sub-slab soil vapor were screened for the presence of methane using a GEM 500. Methane was not detected above 0.1%. Prior to sampling, the vapors in the probes (Vapor Pins®) were screened for VOCs using a field photoionization detector (PID) equipped

with a 10.7 eV lamp. The results noted on the field sheet. VOCs ranged from <1.0 at VP-2-SS, VP-6-SS, VP-7-SS and VP-11-SS to 22.8 ppm/v at 15-VP-3-SS. Thereafter, a shroud was placed over the sample point and a helium tracer gas was used with a helium detector to ensure that the sample collected would be from the installed sample point.

The soil gas analytical results were compared to the DEQ Non-Residential Vapor Intrusion Sub-Slab Soil Gas Screening Levels. TCE concentrations were detected in concentrations above the Screening Level at six locations. The TCE related constituent, cis-1,2 DCE, concentration also exceeded the Screening Level for this compound at two locations. Figure 4 shows concentrations of cis-1,2-DCE and TCE that exceed Non-Residential Vapor Intrusion Screening levels in soil vapor, soil and groundwater.

In summary, the data indicate that TCE, cis-1,2 DCE, vinyl chloride, arsenic, lead and chromium exceed Part 201 GRCC in soil and/or groundwater beneath the Property. Exceedance of the Part 201 GRCC qualifies the Property as a "facility" as defined by Section 1(1)(o) of Part 201 of Act 451, Michigan Natural Resources and Environmental Protection Act. Part 201 GRCC are exceeded for drinking water protection, protection of a surface water body at the groundwater surface water interface, and protection of residential direct contact. Figure 3 shows all exceedances above Part 201 GRCC.

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## 6.0 BROWNFIELD PLAN ELEMENTS

**Section 13(1)(a) and (b).** A description of the costs of the plan intended to be paid for with the tax increment revenues, including a brief summary of the eligible activities that are proposed for each eligible property.

Tax increment revenues will be used to reimburse the Developer for the cost of eligible activities on eligible property as authorized by Act 381. No costs shall be reimbursed to Developer unless they are for activities implemented pursuant to a Reimbursement Agreement approved by the Authority.

The cost of eligible activities including interest, contingency and authority administrative costs are estimated at \$102,403. Funding to the State Brownfield Redevelopment Fund is estimated at \$11,010 and the funding to the local site remediation revolving fund (LSRRF) is estimated at \$77,127. The estimated costs of eligible activities to be incurred during implementation of this Plan that would be subject to reimbursement with tax incremental revenues are summarized on Table 1.

1. Baseline Environmental Assessment. Incremental school and non-school tax revenues will be used to reimburse for the following environmental eligible activities. Baseline Environmental Assessment activities are estimated at \$4,000 and include the following:

- (a) *Phase I and II Environmental Assessments.* A Phase I Environmental Site Assessment report will be completed prior to purchase of the Property on behalf of RAI AZO, LLC and will be submitted to the MDEQ. The estimated cost to complete this activity is \$1,000.00.
- (b) *Baseline Environmental Assessment & Section 7(a) Compliance Analysis.* A Baseline Environmental Assessment (BEA) report will be prepared on behalf of the Developer. The cost estimate for this activity is \$3,000.00.

2. **Due Care.** Incremental school and non-school tax revenues will be used to reimburse for the following environmental eligible activities. Due Care activities are estimated at \$13,500.00 and include the following:

- (a) *Development of a Plan for Response Activities.* Based on the findings of the Phase I and II Environmental Site Assessment, additional site investigation activities have been conducted and described in a Response Activity Plan submitted to the MDEQ. The scope of work for the additional site investigation included the placement of additional Vapor Pins, sampling of selected new Vapor Pins, completion of a pressure field extension test, design of a sub-slab depressurization system, and preparation of the Response Activity Plan for MDEQ review (approved February 5, 2016). The cost to conduct these activities was \$9,000.00.
- (b) *Due Care Plan/Section 7a Compliance Analysis.* Subsequent to installation of the response activity (SSDS) a Section 20107a Compliance Analysis will be prepared on behalf of the Developer to describe how the intended use of the Property will comply with Due Care rules (Section 7a). System installation and operational requirements will be documented. The estimated cost is \$4,500.00.

3. **Response Activity.** Based on the findings of the vapor intrusion assessment activities completed at the Property, presumptive mitigation to address potential vapor intrusion concerns is a reasonable approach. A sub-slab depressurization system (SSDS) will be installed and operated as described in the MDEQ approved Response Activity Plan. The estimated costs include installation of the system and sampling and management activities to monitor the system upon start-up to ensure proper operation. The costs are estimated at \$25,000.00.

4. **Demolition.** The Developer intends to remove 32,000 square feet of the parking lot on the Property to allow for installation of a new parking lot. The estimated costs for demolition is \$10,000.00.

5. **Infrastructure Improvements.** The developer plans to place a 2,000 square foot taxi-way that will be used by the adjoining Kalamazoo/Battle Creek International Airport. The estimated costs are \$ 8,000.00.

6. **Brownfield Plan.** The cost to prepare the Brownfield Plan for approval by the City of Portage, the Kalamazoo County Redevelopment Authority and the Kalamazoo County Commission is estimated at \$4,500.00. The Authority application fee is \$2,500.00. Estimated cost to prepare an Act 381 Work Plan is \$3,000.00. Total estimated costs is \$10,000.00.

7. **Contingency.** A 15% contingency factor has been provided due to the likelihood of encountering unexpected conditions while eligible activities are being conducted. The contingency for this Project is estimated at 15% of total demolition, infrastructure improvement and environmental response activities not already completed. This is \$9,075.

8. Authority Administrative Cost. The Authority intends to capture non-school tax increment revenue for administrative costs as permitted by Act 381. The estimated capture is \$11,981.

9. Interest Cost. The Authority intends to pay interest on the cost of eligible activities incurred until all parties have been reimbursed for such eligible activities in accordance with the development and reimbursement agreement. Interest is calculated based on a principal of \$69,575 for the non-Brownfield Plan preparation eligible activities and is estimated to be \$10,847.

10. Local Site Remediation Revolving Fund. The Authority intends to capture school and non-school tax increments for deposit in the local site remediation revolving fund for a full five years. The estimated tax capture is \$77,127.

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

The 2016 base year taxable value for the property is \$0.00, based on information provided by the City of Portage. During the 2017 tax year, the eligible activities are expected to be completed. The Developer anticipates that future site exterior improvements to the Property in 2016/17 will be approximately \$766,500.00. This investment is expected to create an additional \$250,000 in taxable value. Table 2 provides an estimate of total captured incremental taxes, Table 3 summarizes the captured taxable value and tax incremental revenue by year and aggregate for each taxing jurisdiction, and Table 4 is provides a reimbursement schedule.

**Section 1(1)(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.**

The eligible activities are being financed by the developer, to be reimbursed as approved by this Brownfield Plan and an associated Development Agreement.

School taxes will be used to reimburse all eligible activities as approved by an Act 381 Work Plan. Payment to the Authority for administrative and operating expenses will be funded using only local taxes. Interest expenses will be reimbursed at a rate of 3% annually using only non-school tax increment, unless approved otherwise in an Act 381 Work Plan.

Demolition activities that are not response activities and the proposed infrastructure improvements are not eligible for reimbursement using school tax capture unless approved by an Act 381 Work Plan by the MDEC on behalf of the MSF. Due to the nature of the project and relatively small amount of MSF eligible activities, approval for school tax capture for these activities is not being requested. Therefore, these activities will be reimbursed using local taxes only.

Initial reimbursement of increment tax revenues will be to the KCBRA for administrative expenses (local taxes only) then to the Developer. The KCBRA has estimated that the annual administrative expenses will be about 20% of the incremental taxes generated.

As required, 3 mils of the State Education Tax will be paid to Treasury for deposit into the Brownfield Redevelopment Fund.

The split between reimbursement of school and non-school taxes to the Developer, to the Authority for Administrative expenses, to the State Brownfield Fund, and to the LSRRF is shown on Table 4 – Reimbursement Schedule.

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

No note or bonded indebtedness will be incurred by the Authority.

**Section 13(1)(f). The duration of the brownfield plan for eligible activities on eligible property.**

The Plan will remain in effect for as many years as required to fully reimburse all parties for the cost of all eligible activities incurred under this Plan plus interest in accordance with the reimbursement agreement and for five additional years for the deposit of tax increment revenue into the local site remediation revolving fund (LSRRF), or 15 years, whichever is less. It is anticipated that the tax incremental capture will begin no later than 2017 based on the schedule for implementation of eligible activities and the Developer construction schedule. The tax tables included in this Plan assume that there will be sufficient tax revenues generated from future development to fully reimburse the Developer, the Authority and the LSRRF by 2029, as illustrated on Table 4. This timeline may need to be amended based on actual tax revenues generated in the future.

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

An estimate of the impact of tax incremental financing on all taxing jurisdictions is summarized on Table 3.

**Section 13(1)(h). A legal description 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 a part of the eligible property.**

The Property description and a boundary survey map is included as Appendix A. A map showing the location of the Property and a map depicting features of the eligible property are included in the Figures section of this Plan.

The Property qualifies as eligible property because the Property is a “facility” as defined in Section 2(m) of Act 381. The Property is a “facility” based on analysis of soil and groundwater samples collected in 2012 and 2015, which indicated concentrations of TCE, cis-1,2 DCE, vinyl chloride, arsenic, lead and chromium exceeding Part 201 Generic Residential Screening Levels.

No personal property will be included as part of the eligible property.

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

No residences exist on the property.

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

Not applicable.

**Section 13(1)(k). Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title.**

Not applicable.

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

Not applicable.

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

Tax increment revenues, if available, will be captured for five years after the eligible activities, plus interest, are reimbursed for deposit into the local site remediation revolving fund. The local site remediation revolving fund will be used to finance eligible activities at other eligible properties within the County.

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

None.

## TABLES



**Table 1**  
**Summary of Eligible Activities and Costs**  
RAI AZO, LLC  
5825 and 5901 Willoughby Drive, Portage, MI

Activity	Estimated Costs
<b>1. MDEQ Eligible Activities:</b>	
a. Baseline Environmental Assessment	\$ 4,000
b. Due Care	\$ 13,500
c. Response Activity(ies)	\$ 25,000
Subtotal:	\$ 42,500
d. Contingency (15%)	\$ 6,375
Subtotal:	\$ 48,875
e. Brownfield Plan with Act 381 Work Plan	\$ 7,500
<b>MDEQ TOTAL:</b>	<b>\$ 56,375</b>
<b>2. Local Tax Capture Only</b>	
a. Demolition	\$ 10,000
b. Infrastructure Improvements	\$ 8,000
Subtotal:	\$ 18,000
c. Contingency (15%)	\$ 2,700
Subtotal:	\$ 20,700
d. Brownfield Plan (Application Fee)	\$ 2,500
<b>LOCAL TAX CAPTURE TOTAL:</b>	<b>\$ 23,200</b>
<b>GRAND TOTAL OF ELIGIBLE ACTIVITIES:</b>	<b>\$ 79,575</b>
<b>SUMMARY OF ELGIBLE COSTS:</b>	
Total to RAI AZO, LLC (Without Interest)	\$ 79,575
Interest to RAI AZO, LLC (Principal \$69,575.00)	\$ 10,847
Total to State Brownfield Redevelopment Fund (3 mils SET)	\$ 11,010
Total to KCoBRA Administrative/Operating Costs (20%)	\$ 11,981
Total to KCoBRA Local Site Remediation Revolving Fund	\$ 77,127
<b>TOTAL REIMBURSEMENT NEEDED FROM CAPTURED INCREMENT:</b>	<b>\$ 190,540</b>

**Table 2**  
**Estimate of Total Captured Incremental Taxes**  
**RAI AZO, LLC**  
5825 and 5901 Willoughby Drive, Portage, Michigan

Year	Millages			Initial Taxable Value	Estimated Tax Revenue from Initial Taxable Value	Estimated Future Taxable Value	Estimated Future Tax Revenues			Total Estimated Future Tax Revenues	Incremental Taxable Value Available for Capture
	Estimated Annual School Millage	Estimated Annual Non-school Millage	Total Estimated Annual Millage				Estimated Future School Tax Revenues	Estimated Future Non-School Tax Revenues	Total Estimated Future Tax Revenues		
2016	24.0000	27.9169	51.9169	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2017	24.0000	27.9169	51.9169	0.00	0.00	250,000	6,000.00	6,979.23	12,979.23	250,000	250,000
2018	24.0000	27.9169	51.9169	0.00	0.00	255,000	6,120.00	7,118.81	13,238.81	255,000	255,000
2019	24.0000	27.9169	51.9169	0.00	0.00	260,100	6,242.40	7,261.19	13,503.59	260,100	260,100
2020	24.0000	27.9169	51.9169	0.00	0.00	265,302	6,367.25	7,406.41	13,773.66	265,302	265,302
2021	24.0000	27.9169	51.9169	0.00	0.00	270,608	6,494.59	7,554.54	14,049.13	270,608	270,608
2022	24.0000	27.9169	51.9169	0.00	0.00	276,020	6,624.48	7,705.63	14,330.11	276,020	276,020
2023	24.0000	27.9169	51.9169	0.00	0.00	281,541	6,756.97	7,859.74	14,616.72	281,541	281,541
2024	24.0000	27.9169	51.9169	0.00	0.00	287,171	6,892.11	8,016.94	14,909.05	287,171	287,171
2025	24.0000	27.9169	51.9169	0.00	0.00	292,915	7,029.96	8,177.27	15,207.23	292,915	292,915
2026	24.0000	27.9169	51.9169	0.00	0.00	298,773	7,170.56	8,340.82	15,511.38	298,773	298,773
2027	24.0000	27.9169	51.9169	0.00	0.00	304,749	7,313.97	8,507.64	15,821.60	304,749	304,749
2028	24.0000	27.9169	51.9169	0.00	0.00	310,844	7,460.25	8,677.79	16,138.03	310,844	310,844
2029	24.0000	27.9169	51.9169	0.00	0.00	317,060	7,609.45	8,851.34	16,460.80	317,060	317,060

**Table 3**  
**Estimate of Taxable Value and Incremental Tax Revenue by Year for Each Taxing Jurisdiction**  
**RAI AZO, LLC**  
 5825 and 5901 Willoughby Drive, Portage, Michigan

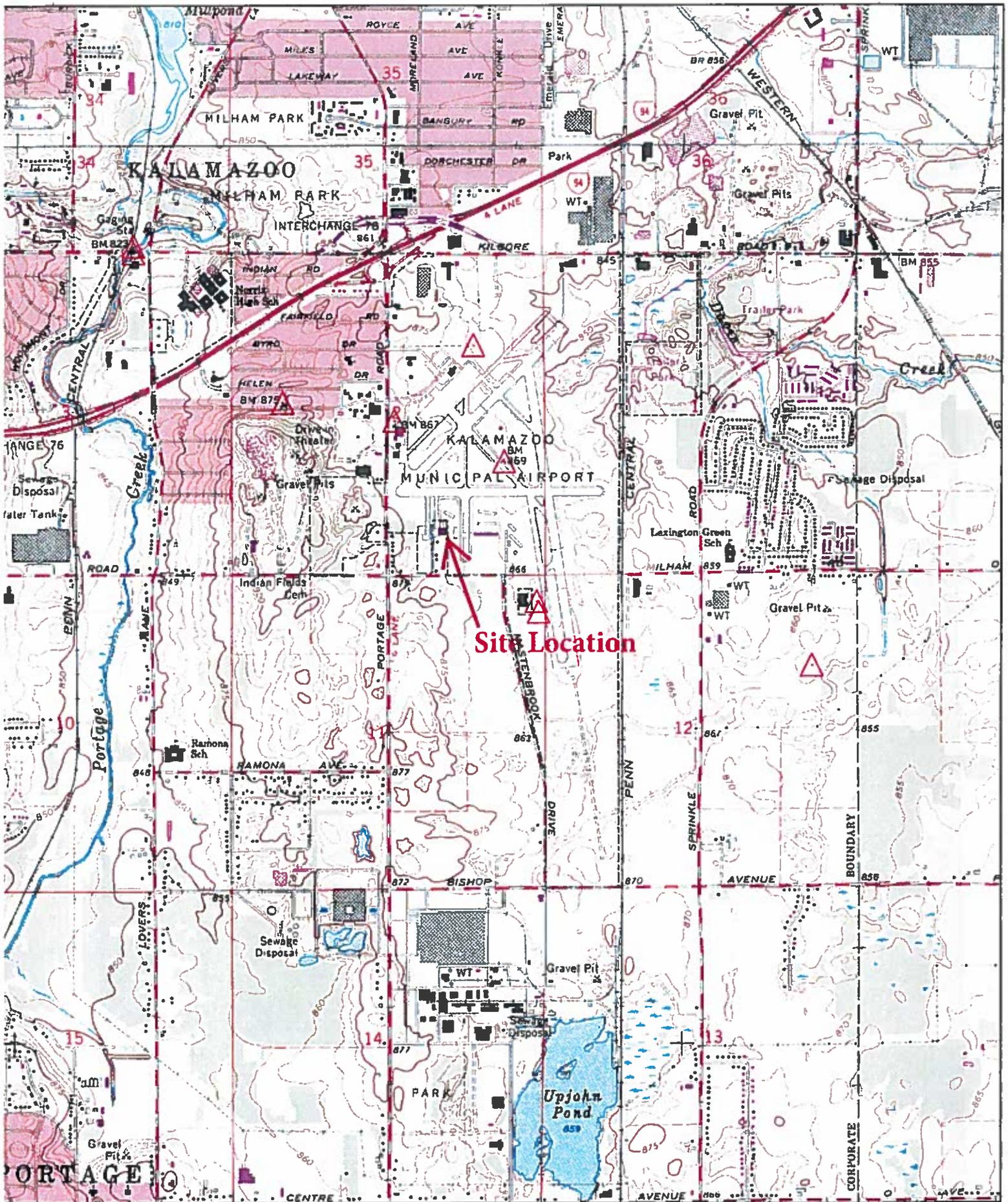
Taxing Jurisdiction	District Library	Public Safety	Housing Fund	City of Portage	KVCC	KRESA	County Tax	Transportation	School Tax Increment			Total School Taxes Available for Capture	Total Non-school Taxes Available for Capture	TOTAL INCREMENTAL TAXES AVAILABLE FOR CAPTURE
									State Education Tax	Portage Public Schools Operation	Portage			
Operating Mills (2016)	1.5000	1.4491	0.1000	10.9256	2.8135	6.0416	4.6871	0.4000	6.0000	18.0000	24.0000	27.9169	51.9169	
Taxable Value Available for Capture														
Year	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016	375.00	362.28	25.00	2,731.40	703.38	1,510.40	1,171.78	100.00	1,500.00	4,500.00	6,000.00	6,978.23	12,979.23	
2017	382.50	369.52	25.50	2,786.03	717.44	1,540.61	1,195.21	102.00	1,530.00	4,590.00	6,120.00	7,118.81	13,238.81	
2018	390.15	376.91	26.01	2,841.75	731.79	1,571.42	1,219.11	104.04	1,560.80	4,681.80	6,242.40	7,261.19	13,503.59	
2019	397.95	384.45	26.53	2,898.58	746.43	1,602.85	1,243.50	106.12	1,591.81	4,775.44	6,367.25	7,406.41	13,773.66	
2020	405.91	392.14	27.06	2,956.56	761.36	1,634.91	1,268.37	108.24	1,623.65	4,870.94	6,494.59	7,554.54	14,049.13	
2021	414.03	399.98	27.60	3,015.69	776.58	1,667.60	1,293.73	110.41	1,656.12	4,968.36	6,624.48	7,705.63	14,330.11	
2022	422.31	407.98	28.15	3,076.00	792.11	1,700.96	1,319.61	112.62	1,689.24	5,067.73	6,756.97	7,859.74	14,616.72	
2023	430.76	416.14	28.72	3,137.52	807.96	1,734.97	1,346.00	114.87	1,723.03	5,169.09	6,892.11	8,016.94	14,909.05	
2024	439.37	424.46	29.29	3,200.27	824.12	1,769.67	1,372.92	117.17	1,757.49	5,272.47	7,029.96	8,177.27	15,207.23	
2025	448.16	432.95	29.88	3,264.28	840.60	1,805.07	1,400.38	119.51	1,792.64	5,377.92	7,170.56	8,340.82	15,511.38	
2026	457.12	441.61	30.47	3,329.56	857.41	1,841.17	1,428.39	121.90	1,828.49	5,485.47	7,313.97	8,507.64	15,821.60	
2027	466.27	450.44	31.08	3,396.15	874.56	1,877.99	1,456.95	124.34	1,865.06	5,595.18	7,460.25	8,677.79	16,138.03	
2028	475.59	459.45	31.71	3,464.08	892.05	1,915.55	1,486.09	126.82	1,902.36	5,707.09	7,609.45	8,851.34	16,460.80	
2029	5,505.12	5,318.32	367.01	40,097.86	10,325.78	22,173.17	17,202.05	1,468.03	22,020.50	66,061.49	88,081.99	102,457.34	190,539.33	
<b>Total Captured Taxes</b>														

- Notes:
- (1) The School Building/Debt Tax (5 Mills) is not available for reimbursement.
  - (2) The Juvenile Home millage is not available for reimbursement (0.2528 Mills)
  - (3) Only the non-debt portion of the KRESA millage is eligible for reimbursement (0.3650 Mills debt portion)
  - (4) Only half of the State Education Tax (3 Mills) is eligible for reimbursement.



## FIGURES





Name: PORTAGE  
 Date: 12/14/2015  
 Scale: 1 inch equals 2000 feet

Location: 042° 13' 43.27" N 085° 33' 11.49" W NAD27  
 Caption: Figure 1 - Site Location  
 5825 Willoughby Drive  
 Portage, Michigan



**Figure 2 - Site Plan**

5825 & 5901 Willoughby Drive, Portage, Michigan


**PORTAGE**  
*A Sustainable People to Place*

web mapping by  
**Amalgam LLC**



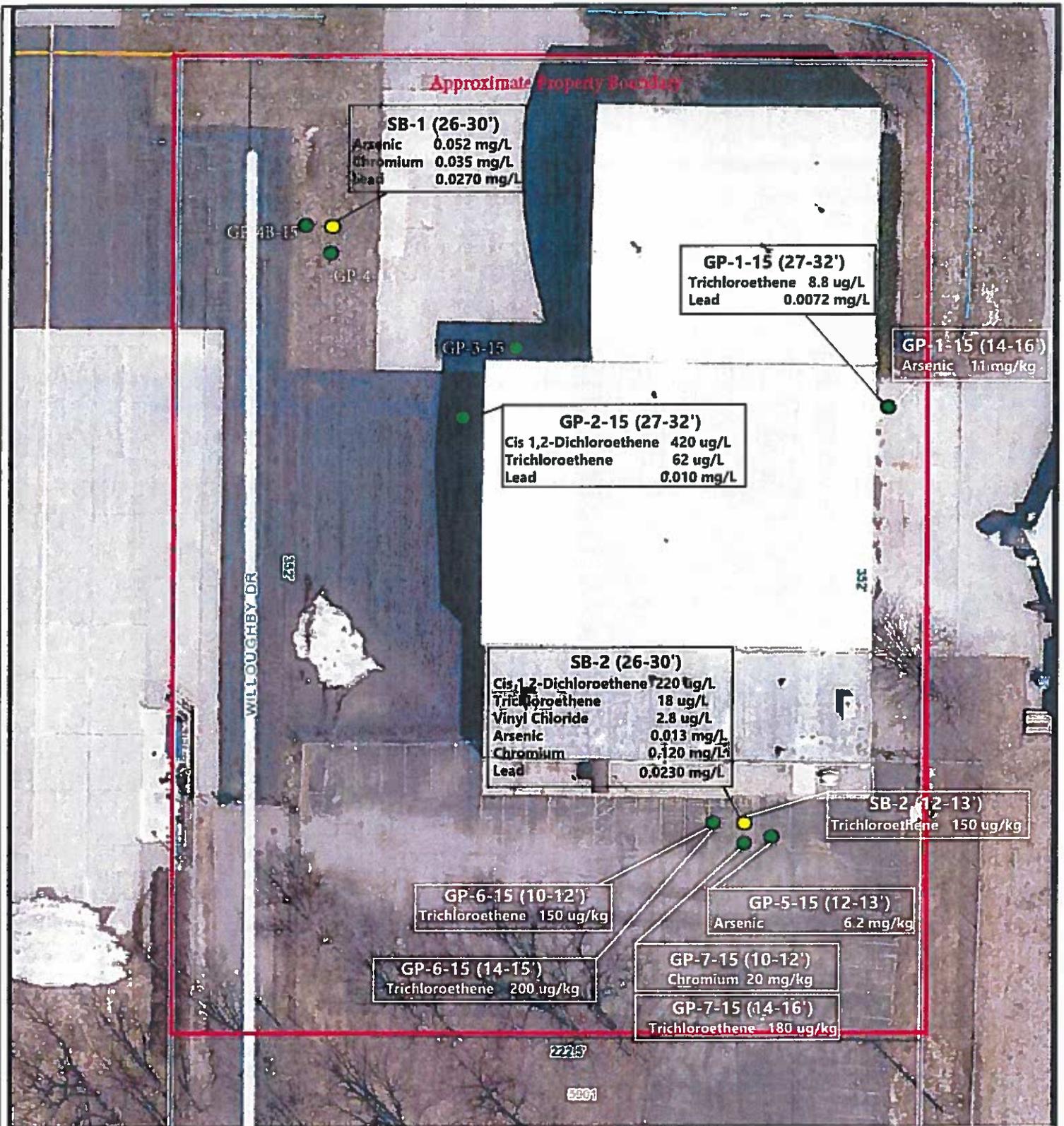

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**Map Publication:**

Mon Feb 8 2016 12:15:23 PM

**Disclaimer:**

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- Geoprobe Boring Location. Samples Collected on 4/26/2012 by Kieser & Associates.
  - Geoprobe Boring Location. Samples Collected on 2/11/2015 by Phillips Environmental.
- Concentrations Shown Exceed Part 201 Generic Residential Cleanup Criteria (GRCC)



0 50 100'  
 Approximate Scale

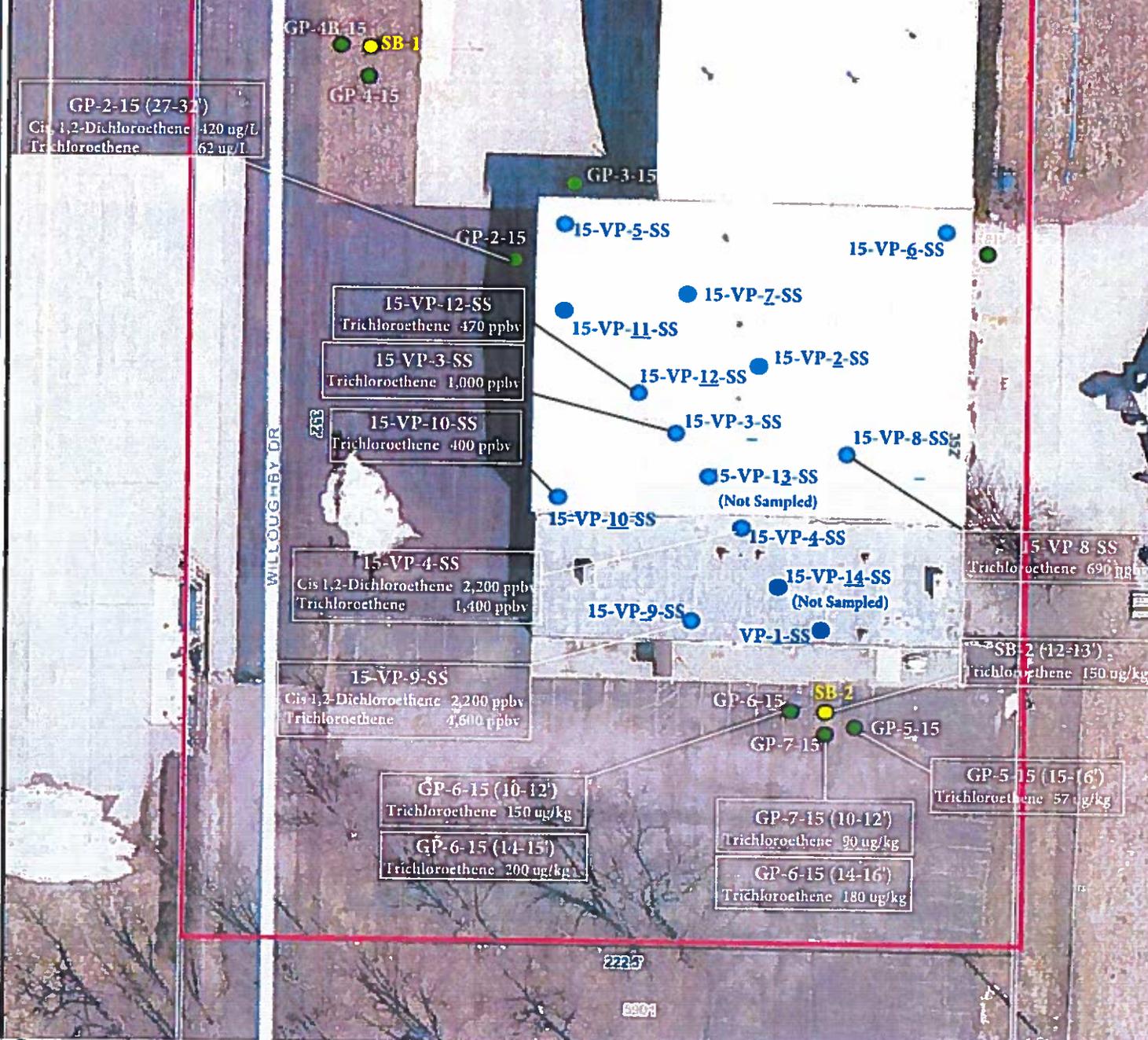


**PHILLIPS  
 ENVIRONMENTAL  
 CONSULTING SERVICES, INC.**  
 LAWTON, MICHIGAN

**5825 Willoughby Drive  
 City of Portage  
 Kalamazoo Co., Michigan**

**Figure 3  
 Concentrations Exceeding  
 Part 201 GRCC**

Approximate Property Boundary



- Geoprobe Boring Location. Samples Collected on 4/26/2012 by Kieser & Associates
  - Geoprobe Boring Location. Samples Collected on 2/11/2015 by Phillips Environmental Consulting.
  - Sub-Slab Soil Vapor Pin Location. Samples Collected on 2/11/15 and 11/25/2015 by Phillips Environmental Consulting.
- Concentrations Shown Exceed Non-Residential Vapor Intrusion Screening Levels:  
 Groundwater- Cis 1,2-Dichloroethene (350 ug/L) and/or Trichloroethene (41 ug/L)  
 Soil- Cis 1,2-Dichloroethene (165 ug/L) and/or Trichloroethene (450 ug/kg)  
 Sub Slab Soil Vapor- Cis 1,2-Dichloroethene (980 ppbv) and/or Trichloroethene (210 ppbv)



5825 Willoughby Drive  
 City of Portage  
 Kalamazoo Co., Michigan

**Figure 4**  
 Concentrations of Cis-1,2 DCE  
 and TCE Exceeding Non-Residential Vapor Intrusion Screening Levels

## **APPENDIX A**

### **LEGAL DESCRIPTION**



**5825 WILLOUGHBY DR** PORTAGE MI 49002 (Property Address)  
 Parcel Number: 09240-020-O

**Property Owner: KALAMAZOO AVIATION HISTORY MUSEUM**

*Summary Information*

- Commercial/Industrial Building Summary
  - Assessed Value: \$0 | Taxable Value: \$0
  - Yr Built: 1963
  - Total Sq Ft: 29,800
  - # of Buildings: 1
- Property Tax Information found

No Images Found

**Legal Description**

ASSESSORS PLAT OF WILLOUGHBY HENRY PLAT LOT 20 21 22 23 24 25 26 27 & E 1/2 OF VACATED ABUTTING WILLOUGHBY DRIVE

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**5901 WILLOUGHBY DR PORTAGE, MI 49002 (Property Address)**

Parcel Number: 09240-028-A

**Property Owner: KALAMAZOO AVIATION HISTORY MUSEUM****Summary Information**

- > Assessed Value: \$0 | Taxable Value: \$0
- > 1 Special Assessment found
- > Property Tax Information found

No Images Found

**Owner and Taxpayer Information**

<b>Owner</b>	KALAMAZOO AVIATION HISTORY MUSEUM 3100 E MILHAM AVE PORTAGE, MI 49002	<b>Taxpayer</b>	SEE OWNER INFORMATION
--------------	--	-----------------	-----------------------

**General Information for Tax Year 2015**

<b>Property Class</b>	702 EXEMPT VACANT	<b>Unit</b>	10 CITY OF PORTAGE
<b>School District</b>	PORTAGE	<b>Assessed Value</b>	\$0
<b>SECTION</b>	<i>Not Available</i>	<b>Taxable Value</b>	\$0
<b>BOOK</b>	<i>Not Available</i>	<b>State Equalized Value</b>	\$0
<b>PROPERTY TYPE</b>	<i>Not Available</i>	<b>Date of Last Name Change</b>	01/13/2010
<b>USER ALPHA 3</b>	<i>Not Available</i>	<b>Notes</b>	<i>Not Available</i>
<b>Historical District</b>	<i>Not Available</i>	<b>Census Block Group</b>	<i>Not Available</i>
<b>CODE</b>	<i>Not Available</i>		

**Principal Residence Exemption Information****Homestead Date** *Not Available*

Principal Residence Exemption	June 1st	Final
2016	0.0000 %	-
2015	0.0000 %	0.0000 %

**Previous Year Information**

Year	MBOR Assessed	Final SEV	Final Taxable
2014	\$0	\$0	\$0
2013	\$0	\$0	\$0
2012	\$0	\$0	\$0

**Land Information**

<b>Zoning Code</b>	I-1	<b>Total Acres</b>	0.630
<b>Land Value</b>	\$0	<b>Land Improvements</b>	<i>Not Available</i>
<b>Renaissance Zone</b>	No	<b>Renaissance Zone Expiration Date</b>	<i>Not Available</i>
<b>ECF Neighborhood</b>	NONPROFIT	<b>Mortgage Code</b>	<i>Not Available</i>
<b>Lot Dimensions/Comments</b>	<i>Not Available</i>	<b>Neighborhood Enterprise Zone</b>	No

Lot(s)	Frontage	Depth
Lot 1	176.00 ft	156.33 ft
<b>Total Frontage: 176.00 ft</b>		<b>Average Depth: 156.33 ft</b>

**Legal Description**

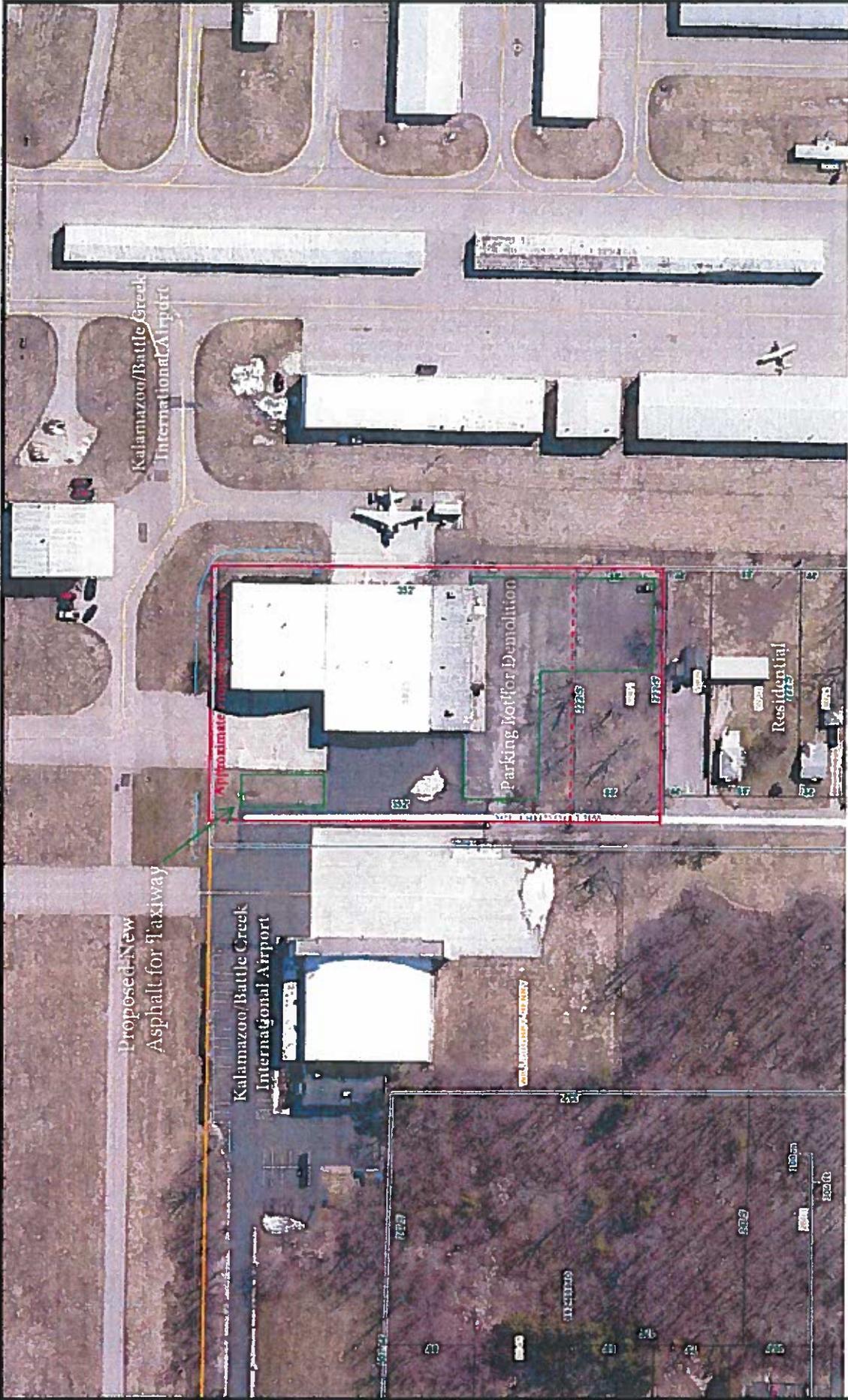
ASSRS PLAT OF WILLOUGHBY-HENRY LOTS 28, 29 &amp; E 1/2 OF VACATED ABUTTING WILLOUGHBY DRIVE

**Sale History**

## **APPENDIX B**

### **PLAN AREA SHOWING PROPOSED DEMOLITION AND INFRASTRUCTURE IMPROVEMENT**





**Disclaimer:**

This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.



1:2200

Map Publication:

Mon Feb 8 2016 12:15:23 PM

**Figure 2 - Site Plan**  
5825 & 5901 Willoughby Drive, Portage, Michigan

web mapping by  
Amalgam LLC

**APPENDIX C**  
**CITY OF PORTAGE**  
**AND**  
**KALAMAZOO COUNTY RESOLUTIONS**



**TO BE INCLUDED IN FINAL**



## **APPENDIX D**

### **NOTICE OF PUBLIC HEARING**



**TO BE INCLUDED IN FINAL**



## **APPENDIX E**

### **NOTICE TO TAXING JURISDICTIONS**



**TO BE INCLUDED IN FINAL**



## Local Site Remediation Revolving Fund

The Brownfield Redevelopment Financing Act, 1996 PA 381, as amended (Act 381) authorizes municipalities (city, village, township, or county) to create a Brownfield Redevelopment Authority (BRA; referred to as *Authority*) to facilitate the revitalization, redevelopment, and reuse of Brownfields. Brownfield properties include those that are a “facility” (contaminated above Residential Cleanup Criteria), “blighted”, “functionally obsolete” or a “historic resource”.

Under the direction of an Authority, a Brownfield Plan can be adopted to establish the boundary of the eligible Brownfield property, describe *how* the eligible property qualifies as Brownfield site, and outline the costs associated with activities undertaken to support redevelopment at the site. The cleanup and projected redevelopment/improvement of a Brownfield property will increase the taxable value. Taxes on the improvement (the increment in the captured taxable value), is known as *Tax Increment Revenue* (TIR) and can be used to reimburse the Authority and developer for eligible environmental (approved by Michigan Department of Environmental Quality) or non-environmental (approved by Michigan Strategic Fund) activities. The Brownfield Plan can capture a maximum of 30 years of TIR to reimburse these expenses.

### ***What happens after all eligible activities have been fully reimbursed...?***

After the developer and Authority have been fully reimbursed for their eligible expenses, an Authority may deposit excess funds into a Local Site Remediation Revolving Fund (LSRRF). An Authority may establish the LSRRF to capture TIR generated from improvements on the property for five full years after all of the eligible activities have been reimbursed.

There is no limitation with respect to the amount of local tax increment that can be captured in the LSRRF; the limitation is related to the amount of time, i.e. 5 full years. The 5 full years must fall within the total 30 years allowed for tax increment capture in a Brownfield Plan. The limitations on the amount of allowable school tax capture for deposit into the LSRRF is limited to the actual amount of school TIR used to reimburse the eligible activities approved in a Brownfield Plan. For those activities that are subject to a MDEQ approved Act 381 Work Plan, the amount of school TIR is limited by the amount approved by the MDEQ. Excess school

taxes cannot be captured for deposit into the LSRRF for non-environmental activities that are approved through an Act 381 Work Plan approved by the MSF.

Additionally, funding for the LSRRF may come from money appropriated or otherwise made available from public or private sources. An Authority may also incur an obligation for the purpose of funding an LSRRF.

### ***Eligible uses of the LSRRF***

An Authority may use LSRRF funds only to pay the costs of eligible activities on eligible property that is located within the municipality. Eligible activities include site investigation activities to complete a Baseline Environmental Assessment and evaluate Due Care Requirements, preparation of BEA and Due Care Plan, Demolition, Lead and Asbestos Abatement and Additional Response Activities (i.e. cleanup). In Qualified Local Units of Governments (Core Communities) eligible activities can also include infrastructure Improvements, site preparation that is not an environmental response activity, quieting title and conveying property under control of the local unit of government, Land Bank Fast Track Authority or Brownfield Authority, relocation of public buildings or operations for economic development, and environmental insurance.

Local and school funds deposited in the LSRRF do not need to be accounted for separately when reimbursing eligible activities. It is also not necessary to secure MDEQ or MSF approvals when utilizing LSRRF funds derived from school tax increment revenues.

### ***Administrative Cost Limitations***

The LSRRF would not be used to pay for the administrative and operating costs of the Authority except for those expenses that are otherwise considered an “eligible activity”; specifically, the reasonable cost of preparing a brownfield plan, combined brownfield plan, or an Act 381 work plan for the eligible property, baseline environmental assessments, due care activities and additional response activities.

These administrative and operating expenses can be paid for with tax increment revenues from active brownfield plans. In each fiscal year, the amount of tax increment revenues attributable to local taxes that an authority can use for these purposes is determined as follows:

Number of Projects	Amount
5 or fewer	\$100,000
6 to 10	\$125,000
11 to 15	\$150,000
16 to 20	\$175,000
21 to 25	\$200,000
26 to 30	\$300,000
31 or more	\$500,000

Under two situations, these fees may be increased by increments of two percent (2%) up to ten percent (10%) total; 2% for each written agreement entered into by a County BRA to serve as another municipality's BRA, or 2% if an authority enters into an agreement with one or more authorities to administer one or more administrative operations of those authorities.



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 \_\_\_\_\_, 2016 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 5825 and 5901 Willoughby Drive, 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 \_\_\_\_\_, 2016.

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

Approved as to form:

Date: 3-24-2016

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