

ACT 381 BROWNFIELD PLAN

**IPUSA Portage, LLC
801 E. Milham
Kalamazoo County, City of Portage
City of Portage Brownfield Redevelopment Authority**

7/14/2022

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Approved by the Brownfield Redevelopment Authority on _____

Approved by the Portage City Council on _____

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ACT 381 BROWNFIELD PLAN

1.0 INTRODUCTION

1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The proposed project consists of the construction of a new 240,000 square foot industrial building located on a single 35.865 acre vacant parcel in the City of Portage, which is a qualified local governmental unit ("QLGU"). The project will involve preparing the site and installing the necessary infrastructure required to bring this class A industrial & warehousing space online in the City. A proposed site plan is included as Attachment E to this brownfield plan. The development is speculative in nature and does not have a lease signed as of the drafting of this plan. Therefore, the anticipated job creation, while anticipated to be significant given the size of the project, is unable to be identified at this time.

The total capital investment on the project is expected to be approximately \$20 million. Construction on the project is planned to begin in the 2nd quarter of 2022 and will be completed by the first Quarter of 2023.

1.2 Eligible Property Information

Basis of Eligibility

Environmental investigations were conducted by SME in 1992 and 2000 while Envirologic conducted a Phase II ESA in January 2012. A soil sampling map is included as Attachment D. The results of the previously completed environmental investigations have identified the presence of selenium and arsenic in soil, as well as the presences of zinc in groundwater at concentrations in excess of the Michigan Department of Environment, Great Lakes and Energy ("EGLE") Residential cleanup criteria on the subject property.

Therefore, the Property meets the definition of a "facility as defined by Part 201 of the Natural Resources and Environmental Protection Act. Verification of Facility status is contained in Attachment C.

Location and Legal Description

801 E. Milham Ave.	Parcel ID: 00003-155-B	35.865 Acres
Portage, MI 49002		

Legal Description:

PART OF THE SOUTHWEST QUARTER OF SECTION 3, TOWN 3 SOUTH, RANGE 11 WEST, PORTAGE TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN, DESCRIBED AS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION; THENCE SOUTH 89°19'05" EAST ALONG THE SOUTH LINE OF SAID SECTION A DISTANCE OF 1332.65 FEET TO THE WEST 1/8 LINE OF SAID SECTION; THENCE NORTH 00°39'17" EAST ALONG SAID WEST 1/8 LINE AND THE EAST RIGHT OF WAY OF CONCORD ST. (PUBLIC) A DISTANCE OF 999.37 FEET TO THE POINT

OF BEGINNING; THENCE CONTINUING NORTH 00°39'17" EAST ALONG SAID WEST 1/8 LINE A DISTANCE OF 1254.55 FEET TO THE SOUTH RIGHT OF WAY OF I-94 (PUBLIC); THENCE EASTERLY ALONG SAID RIGHT OF WAY A DISTANCE OF 588.24 FEET, ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 6345.45 FEET, A CENTRAL ANGLE OF 05°18'41" AND A CHORD BEARING NORTH 84°14'24" EAST 588.03 FEET; THENCE SOUTH 08°24'57" EAST ALONG SAID RIGHT OF WAY A DISTANCE OF 50.00 FEET; THENCE EASTERLY ALONG SAID RIGHT OF WAY A DISTANCE OF 511.31 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 6395.45 FEET, A CENTRAL ANGLE OF 04°34'51" A CHORD BEARING NORTH 79°17'37" EAST 511.18 FEET; THENCE SOUTH 52°21'52" EAST A DISTANCE OF 235.31 FEET TO THE WEST RIGHT OF WAY OF NYC RAILROAD; THENCE SOUTH 00°37'18" WEST ALONG SAID WEST RIGHT OF WAY A DISTANCE OF 1124.83 FEET; THENCE NORTH 89°19'05" WEST A DISTANCE OF 734.64 FEET; THENCE SOUTH 78°19'15" WEST A DISTANCE OF 494.25 FEET; THENCE NORTH 89°19'05" WEST A DISTANCE OF 64.54 FEET TO THE POINT OF BEGINNING. CONTAINING 1,562,299 SQUARE FEET OR 35.865 ACRES.

2.0 Information Required by Section 13(2) of the Statute

2.1 Description of Costs to Be Paid for With Tax Increment Revenues

Tax increment revenues will be used to reimburse IPUSA Portage, LLC ("Developer:") for the cost of eligible activities as authorized by the Brownfield Redevelopment Financing Act (Act 381). Only statutorily approved EGLE environmental eligible activities will be reimbursed with local and school tax increment revenues ("TIR"). The remaining eligible activities will be reimbursed with local TIR only.

The total cost of eligible activities including contingency are anticipated to be \$2,159,292. Authority administrative costs are anticipated to be \$348,055. Capitalization of the Local Brownfield Revolving Fund is estimated to be \$1,199,080. The estimated cost of all eligible activities under this plan are summarized in Table 1.

Environmental Activities

Department specific activities considered under this plan include a Phase I & Phase II Environmental Site Assessment ("ESA"), a Baseline Environmental Assessment ("BEA") and a Due Care Plan.

Non-Environmental Activities

Because the City of Portage is a QLGU, additional non-environmental costs ("Michigan Strategic Fund ("MSF") Eligible Activities") can be reimbursed through a brownfield plan. This plan will provide for reimbursement of eligible demolition; lead, asbestos & mold abatement, site preparation and/or infrastructure improvements.

Authority Expenses

Actual eligible costs incurred by the City of Portage Brownfield Redevelopment Authority (PBRA) are included in this plan as an eligible expense. These expenses will be reimbursed with local tax increment revenues only.

2.2 Summary of Eligible Activities

2.2..1 Phase I & Phase II ESA, BEA and Due Care Plan

A BEA was completed by Envirologic in September 2021. The total cost for these services was \$10,000. This is a cost statutorily approved for reimbursement with school taxes.

2.2..2 Demolition

Demolition activities include site demolition of existing concrete and asphalt to facilitate new construction. The total cost of demolition is estimated to be \$20,000.

2.2..3 Infrastructure Improvements

Infrastructure improvement activities will include the construction of a urban stormwater management system which will prevent the direct runoff of stormwater into Portage Creek. Costs under this category will include the excavation and construction of a stormwater collection basin and associated collection structures and piping. Infrastructure improvements will also include the construction of a new City owned watermain loop. The total cost of these infrastructure improvement is anticipated to be \$486,082.

2.2..4 Site Preparation

Site Preparation activities are expected to include surveying and staking; clearing and grubbing; strip and stockpile topsoil; cut and fill; regrade topsoil; sitework grading; geotechnical engineering; soil erosion control; security fencing; and temporary facilities. The cost of site preparation activities is estimated to be \$968,164.

2.2..5 Interest

Financing costs for the project are considered an eligible activity. This plan allows for 3% interest rate on the developer's eligible activities. The total interest associated with eligible activities is anticipated to be \$438,910.

2.2..6 Contingency

A 15% contingency is included to account for any unanticipated costs that may be encountered while conducting the eligible activities. The contingency is \$221,137.

2.2..7 Brownfield Plan and Act 381 Work Plan Preparation

The cost to prepare the Brownfield Plan and Act 381 Work Plan is anticipated to be \$15,000.

2.2.8 Local Brownfield Revolving Fund

The Authority intends to capture school and non-school tax increments for deposit in the local brownfield revolving fund for a full five years. This capture is estimated to be \$1,199,080.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues

An estimate of the captured taxable value for this redevelopment by year is depicted in Table 2. This plan captures all available TIR, including real and personal property TIR.

2.4 Method of Financing and Description of Advances Made by the Municipality

The eligible activities will be financed by the developer and reimbursed as outlined in this plan and accompanying development agreement. No advances from the City are anticipated at this time.

2.5 Maximum Amount of Note or Bonded Indebtedness

No note or bonded indebtedness for this project is anticipated at this time. Therefore, this section is not applicable.

2.6 Duration of Brownfield Plan

The duration of this plan is estimated to be 20 years consistent with current city policy which limits the duration of developer reimbursement to 15 years, plus five full years of capture to the Local Brownfield Revolving Fund. It is estimated that the redevelopment of the property will be completed in 2023 and full recapture of eligible costs and eligible administrative costs of the authority through TIR will be completed by 2038. Capture of TIR is expected to begin in 2024, however could be delayed for up to 5 years after the approval of this plan as permitted by Act 381. In no event shall capture extend beyond 30 years as required by Act 381. An analysis showing the reimbursement schedule is attached as Table 3.

2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions is illustrated in detail within Table 2.

2.8 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

The property consists of a single parcel which is approximately 35.865 acres in size and is located at 801 E. Milham Ave (Parcel Identification Number 00003-155-B). A legal description of the property along with a scaled map showing eligible property dimensions, is attached as Figure 1.

According to environmental due diligence completed by Envirologic, the parcel is considered "eligible property" due to presence of selenium and arsenic in soil, as well as the presences of zinc in groundwater at concentrations in excess of the

Michigan Department of Environment, Great Lakes and Energy ("EGLE") Residential cleanup criteria on the subject property. Therefore, the property is a "Facility" as defined by Part 201.

Taxable personal property, if any, is included in this plan.

2.9 Estimates of Residents and Displacement of Individuals/Families

No persons reside at the property therefore this section is not applicable.

2.10 Plan for Relocation of Displaced Persons

No persons reside at the property thus none will be displaced. Therefore, this section is not applicable.

2.11 Provisions for Relocation Costs

No persons reside at the property thus none will be displaced. Therefore, this section is not applicable.

2.12 Strategy for Compliance with Michigan's Relocation Assistance Law

No persons reside at the property thus none will be displaced. Therefore, this section is not applicable.

2.13 Other Material that the Authority or Governing Body Considers Pertinent

None.

Figure 1

Legal Description and Eligible Property Map



Legal Description:

PART OF THE SOUTHWEST QUARTER OF SECTION 3, TOWN 3 SOUTH, RANGE 11 WEST, PORTAGE TOWNSHIP, KALAMAZOO COUNTY, MICHIGAN, DESCRIBED AS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION; THENCE SOUTH $89^{\circ}19'05''$ EAST ALONG THE SOUTH LINE OF SAID SECTION A DISTANCE OF 1332.65 FEET TO THE WEST $1/8$ LINE OF SAID SECTION; THENCE NORTH $00^{\circ}39'17''$ EAST ALONG SAID WEST $1/8$ LINE AND THE EAST RIGHT OF WAY OF CONCORD ST. (PUBLIC) A DISTANCE OF 999.37 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH $00^{\circ}39'17''$ EAST ALONG SAID WEST $1/8$ LINE A DISTANCE OF 1254.55 FEET TO THE SOUTH RIGHT OF WAY OF I-94 (PUBLIC); THENCE EASTERLY ALONG SAID RIGHT OF WAY A DISTANCE OF 588.24 FEET, ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 6345.45 FEET, A CENTRAL ANGLE OF $05^{\circ}18'41''$ AND A CHORD BEARING NORTH $84^{\circ}14'24''$ EAST 588.03 FEET; THENCE SOUTH $08^{\circ}24'57''$ EAST ALONG SAID RIGHT OF WAY A DISTANCE OF 50.00 FEET; THENCE EASTERLY ALONG SAID RIGHT OF WAY A DISTANCE OF 511.31 FEET ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 6395.45 FEET, A CENTRAL ANGLE OF $04^{\circ}34'51''$ A CHORD BEARING NORTH $79^{\circ}17'37''$ EAST 511.18 FEET; THENCE SOUTH $52^{\circ}21'52''$ EAST A DISTANCE OF 235.31 FEET TO THE WEST RIGHT OF WAY OF NYC RAILROAD; THENCE SOUTH $00^{\circ}37'18''$ WEST ALONG SAID WEST RIGHT OF WAY A DISTANCE OF 1124.83 FEET; THENCE NORTH $89^{\circ}19'05''$ WEST A DISTANCE OF 734.64 FEET; THENCE SOUTH $78^{\circ}19'15''$ WEST A DISTANCE OF 494.25 FEET; THENCE NORTH $89^{\circ}19'05''$ WEST A DISTANCE OF 64.54 FEET TO THE POINT OF BEGINNING. CONTAINING 1,562,299 SQUARE FEET OR 35.865 ACRES.

Table 1

Eligible Activity Costs

Table 1

EGLE Eligible Activities Costs and Schedule		
EGLE Eligible Activities	Cost	Completion Season/Year
Department Specific Activities	\$ 10,000	Fall 2021
<i>Baseline Environmental Assessment</i>	\$ 10,000	
EGLE Eligible Activities Subtotal	\$ 10,000	
MSF Eligible Activities Costs and Schedule		
MSF Eligible Activities	Cost	Completion Season/Year
Demolition Sub-Total	\$ 20,000	Spring 2022
<i>Site Demolition</i>	\$ 20,000	
Infrastructure Improvements Sub-Total	\$ 486,082	Summer 2023
<i>Watermain</i>	\$ 294,966	
<i>Urban Stormwater Management</i>	\$ 191,116	
Site Preparation Sub-Total	\$ 968,164	Fall 2022
<i>Surveying and Staking</i>	\$ 10,000	
<i>Clearing and Grubbing</i>	\$ 139,920	
<i>Strip and Stockpile Topsoil</i>	\$ 57,215	
<i>Cut & Fill</i>	\$ 310,032	
<i>Regrade Topsoil</i>	\$ 72,997	
<i>Sitework Grading</i>	\$ 216,000	
<i>Geotechnical Engineering</i>	\$ 25,000	
<i>Soil Erosion Control</i>	\$ 12,000	
<i>Security fencing</i>	\$ 75,000	
<i>Temporary Facilities</i>	\$ 60,000	
MSF Eligible Activities Sub-Total	\$ 1,474,246	
Contingency (15%)	\$ 221,137	
Interest (3%)	\$ 438,910	
Brownfield Plan & Act 381 Work Preparation	\$ 15,000	Winter 2022
EGLE Eligible Activities Total Costs	\$ 10,000	
MSF Eligible Activities Total Costs	\$ 2,149,292	
Total Eligible Activities Total Costs	\$ 2,159,292	

Table 2

Tax Capture Schedule

Tax Increment Revenue Capture Estimates

Spec Building
801 E. Millham
Portage, Michigan
July 2022

Estimated Taxable Value (TV) Increase Rate:

1%

Plan Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	TOTAL
Calendar Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
*Base Taxable Value	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ 703,000	\$ -
Estimated New TV	\$ 7,596,000	\$ 7,671,960	\$ 7,748,680	\$ 7,826,166	\$ 7,904,428	\$ 7,983,472	\$ 8,063,307	\$ 8,143,940	\$ 8,225,380	\$ 8,307,633	\$ 8,390,710	\$ 8,474,617	\$ 8,559,363	\$ 8,644,957	\$ 8,731,406	\$ 8,818,720	\$ 8,906,907	\$ 8,995,976	\$ 9,085,936	\$ 9,176,796	\$ -
Incremental Difference (New TV - Base TV)	\$ 6,893,000	\$ 6,968,960	\$ 7,045,680	\$ 7,123,166	\$ 7,201,428	\$ 7,280,472	\$ 7,360,307	\$ 7,440,940	\$ 7,522,380	\$ 7,604,633	\$ 7,687,710	\$ 7,771,617	\$ 7,856,363	\$ 7,941,957	\$ 8,028,406	\$ 8,115,720	\$ 8,203,907	\$ 8,292,976	\$ 8,382,936	\$ 8,473,796	\$ -

School Capture	Millage Rate	IFT Rate																				
State Education Tax (SET)	6.0000	6.0000	\$	41,358																		
School Operating Tax	17.5695	8.7848	\$	60,553																		
School Total	23.5695	14.7848	\$	101,911	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

Local Capture	Millage Rate	IFT Rate																				
City of Portage	10.6400	5.3200	\$	36,671	\$	37,075	\$	37,483	\$	37,895	\$	38,312	\$	38,732	\$	39,157	\$	39,586	\$	40,019	\$	40,457
KVCC	2.7918	1.3959	\$	9,622	\$	9,728	\$	9,835	\$	9,943	\$	10,052	\$	10,163	\$	10,274	\$	10,387	\$	10,500	\$	10,615
KRESA Allocated	0.1444	0.0722	\$	498	\$	503	\$	509	\$	514	\$	520	\$	526	\$	531	\$	537	\$	543	\$	549
KRESA Operating	2.8946	1.4473	\$	9,976	\$	10,086	\$	10,197	\$	10,309	\$	10,423	\$	10,537	\$	10,653	\$	10,769	\$	10,887	\$	11,006
KRESA Enhancement	1.5000	0.7500	\$	5,170	\$	5,227	\$	5,284	\$	5,342	\$	5,401	\$	5,460	\$	5,520	\$	5,581	\$	5,642	\$	5,703
KRESA Special ED	1.4988	0.7494	\$	5,166	\$	5,223	\$	5,280	\$	5,338	\$	5,397	\$	5,456	\$	5,516	\$	5,576	\$	5,637	\$	5,699
KRESA CTE	1.0000	0.5000	\$	3,447	\$	3,484	\$	3,523	\$	3,562	\$	3,601	\$	3,640	\$	3,680	\$	3,720	\$	3,761	\$	3,802
School Site SF	0.4989	0.2494	\$	1,719	\$	1,738	\$	1,757	\$	1,777	\$	1,796	\$	1,816	\$	1,836	\$	1,856	\$	1,876	\$	1,897
County Operating	4.6514	2.3257	\$	16,031	\$	16,208	\$	16,386	\$	16,566	\$	16,748	\$	16,932	\$	17,118	\$	17,305	\$	17,495	\$	17,686
CCTA Transport	0.7500	0.3750	\$	2,585	\$	2,613	\$	2,642	\$	2,671	\$	2,701	\$	2,730	\$	2,760	\$	2,790	\$	2,821	\$	2,852
KCTA Transport	0.3124	0.1562	\$	1,077	\$	1,089	\$	1,101	\$	1,113	\$	1,125	\$	1,137	\$	1,150	\$	1,162	\$	1,175	\$	1,188
District Library	1.4959	0.7480	\$	5,156	\$	5,212	\$	5,270	\$	5,328	\$	5,386	\$	5,445	\$	5,505	\$	5,565	\$	5,626	\$	5,688
Library Extra	0.4986	0.2493	\$	1,718	\$	1,737	\$	1,756	\$	1,776	\$	1,795	\$	1,815	\$	1,835	\$	1,855	\$	1,875	\$	1,896
County Public Safety	1.4380	0.7190	\$	4,956	\$	5,011	\$	5,066	\$	5,122	\$	5,178	\$	5,235	\$	5,292	\$	5,350	\$	5,409	\$	5,468
County Housing	0.7485	0.3743	\$	2,580	\$	2,608	\$	2,637	\$	2,666	\$	2,695	\$	2,725	\$	2,755	\$	2,785	\$	2,815	\$	2,846
County Senior	0.3477	0.1739	\$	1,198	\$	1,212	\$	1,225	\$	1,238	\$	1,252	\$	1,266	\$	1,280	\$	1,294	\$	1,308	\$	1,322
County 911	0.6487	0.3244	\$	2,236	\$	2,260	\$	2,285	\$	2,310	\$	2,336	\$	2,361	\$	2,387	\$	2,413	\$	2,440	\$	2,467
Local Total	31.8597	15.9298	\$	109,804	\$	111,014	\$	112,237	\$	113,471	\$	114,718	\$	115,977	\$	117,249	\$	118,533	\$	119,830	\$	121,141

Non-Capturable Millages	Millage Rate	IFT Rate																				
County Juvenile Home Debt	0.1620	0.0810	\$	558	\$	564	\$	571	\$	577	\$	583	\$	590	\$	596	\$	603	\$	609	\$	616
Portage School Debt	6.8500	3.4250	\$	23,609	\$	23,869	\$	24,131	\$	24,397	\$	24,665	\$	24,936	\$	25,209	\$	25,485	\$	25,764	\$	26,046
KRESA Debt	0.3650	0.1825	\$	1,258	\$	1,272	\$	1,286	\$	1,300	\$	1,314	\$	1,329	\$	1,343	\$	1,358	\$	1,373	\$	1,388
Total Non-Capturable Taxes	7.3770	3.6885	\$	25,425	\$	25,705	\$	25,988	\$	26,274	\$	26,562	\$	26,854	\$	27,148	\$	27,446	\$	27,746	\$	28,050

Total Tax Increment Revenue (TIR) Available for Capture \$ 211,716 \$ 111,014 112,237 \$ 113,471 114,718 \$ 115,977 117,249 \$ 118,533 119,830 121,141 \$ 122,464 123,801 250,301 253,028 255,782 \$ 258,564 261,374 264,212 267,078 269,972 \$ 3,582,461

Footnotes:
*Assumes 12 Year PA 198 Tax abatement

**Assumes Taxable value of \$31.65/sf

Table 3

Reimbursement Schedule

Tax Increment Revenue Reimbursement Allocation Table

Spec Building
801 E. Milham
Portage, Michigan
July 2022

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	2.5%	\$ 81,232		\$ 81,232
Local	97.5%	\$ 3,132,494		\$ 3,132,494
TOTAL		\$ 3,213,727		\$ 3,213,727
EGLE	0.6%	\$ 10,000		\$ 10,000
MSF	99.4%	\$ 1,710,382		\$ 1,710,382

Estimated Total
Years of Plan: 20

Estimated Capture	
Administrative Fees	\$ 348,055
State Brownfield Redevelopment Fund	\$ 20,679
Local Brownfield Revolving Fund	\$ 1,199,080

	Plan Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20		
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	TOTAL	
Total State Incremental Revenue		\$ 101,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,911
State Brownfield Redevelopment Fund (50% of SET)		\$ (20,679)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,679)
State TIR Available for Reimbursement		\$ 81,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,232
Total Local Incremental Revenue		\$ 109,804	\$ 111,014	\$ 112,237	\$ 113,471	\$ 114,718	\$ 115,977	\$ 117,249	\$ 118,533	\$ 119,830	\$ 121,141	\$ 122,464	\$ 123,801	\$ 250,301	\$ 253,028	\$ 255,782	\$ 258,564	\$ 261,374	\$ 264,212	\$ 267,078	\$ 269,972	\$ 3,480,549	
BRA Administrative Fee (10%)		\$ (10,980)	\$ (11,101)	\$ (11,224)	\$ (11,347)	\$ (11,472)	\$ (11,598)	\$ (11,725)	\$ (11,853)	\$ (11,983)	\$ (12,114)	\$ (12,246)	\$ (12,380)	\$ (25,030)	\$ (25,303)	\$ (25,578)	\$ (25,856)	\$ (26,137)	\$ (26,421)	\$ (26,708)	\$ (26,997)	\$ (348,055)	
Local TIR Available for Reimbursement		\$ 98,824	\$ 99,913	\$ 101,013	\$ 102,124	\$ 103,246	\$ 104,379	\$ 105,524	\$ 106,680	\$ 107,847	\$ 109,027	\$ 110,218	\$ 111,421	\$ 225,271	\$ 227,725	\$ 230,204	\$ 232,708	\$ 235,236	\$ 237,790	\$ 240,370	\$ 242,975	\$ 3,132,494	
Total State & Local TIR Available		\$ 180,056	\$ 99,913	\$ 101,013	\$ 102,124	\$ 103,246	\$ 104,379	\$ 105,524	\$ 106,680	\$ 107,847	\$ 109,027	\$ 110,218	\$ 111,421	\$ 225,271	\$ 227,725	\$ 230,204	\$ 232,708	\$ 235,236	\$ 237,790	\$ 240,370	\$ 242,975		
DEVELOPER	Beginning Balance																					\$ -	
DEVELOPER Reimbursement Balance		\$ 1,720,382	\$ 1,611,558	\$ 1,511,645	\$ 1,410,632	\$ 1,308,508	\$ 1,205,263	\$ 1,100,883	\$ 995,360	\$ 888,680	\$ 780,833	\$ 671,806	\$ 561,589	\$ 450,168	\$ 224,897	\$ 423,691	\$ 193,487	\$ 193,487	\$ 193,487	\$ 193,487	\$ 193,487	\$ 193,487	\$ -
																						\$ -	
MSF Non-Environmental Costs	\$ 1,710,382																					\$ -	
State Tax Reimbursement			\$ -	\$ -	\$ -																	\$ -	
Local Tax Reimbursement		\$ 98,824	\$ 99,913	\$ 101,013	\$ 102,124	\$ 103,246	\$ 104,379	\$ 105,524	\$ 106,680	\$ 107,847	\$ 109,027	\$ 110,218	\$ 111,421	\$ 225,271	\$ 224,897							\$ 1,710,382	
Total MSF Reimbursement Balance		\$ 1,611,558	\$ 1,511,645	\$ 1,410,632	\$ 1,308,508	\$ 1,205,263	\$ 1,100,883	\$ 995,360	\$ 888,680	\$ 780,833	\$ 671,806	\$ 561,589	\$ 450,168	\$ 224,897	\$ -							\$ -	
EGLE Environmental Costs	\$ 10,000	\$ -																				\$ -	
State Tax Reimbursement		\$ 10,000																				\$ 10,000	
Local Tax Reimbursement		\$ -																				\$ -	
Total EGLE Reimbursement Balance		\$ -																				\$ -	
Interest Accrual	3%	\$ -																				\$ -	
Accrued Interest		\$ 51,611	\$ 48,347	\$ 45,349	\$ 42,319	\$ 39,255	\$ 36,158	\$ 33,027	\$ 29,861	\$ 26,660	\$ 23,425	\$ 20,154	\$ 16,848	\$ 13,505								\$ 426,519	
Interest Reimbursement													\$ -	\$ -	\$ 2,828	\$ 230,204						\$ -	
Interest Balance		\$ 51,611	\$ 99,958	\$ 145,308	\$ 187,627	\$ 226,882	\$ 263,040	\$ 296,066	\$ 325,927	\$ 352,587	\$ 376,012	\$ 396,167	\$ 413,014	\$ 426,519	\$ 423,691	\$ 193,487						\$ -	
Total Annual Developer Reimbursement		\$ 108,824	\$ 99,913	\$ 101,013	\$ 102,124	\$ 103,246	\$ 104,379	\$ 105,524	\$ 106,680	\$ 107,847	\$ 109,027	\$ 110,218	\$ 111,421	\$ 225,271	\$ 227,725	\$ 230,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,953,415	
LOCAL BROWNFIELD REVOLVING FUND																							
LBRF Deposits *																							
State Tax Capture	\$ -	\$ 10,000																				\$ 10,000	
Local Tax Capture	\$ -	\$ -														\$ -	\$ 232,708	\$ 235,236	\$ 237,790	\$ 240,370	\$ 242,975	\$ 1,189,080	
Total LBRF Capture	\$ 10,000	\$ 10,000													\$ -	\$ -	\$ 232,708	\$ 235,236	\$ 237,790	\$ 240,370	\$ 242,975	\$ 1,199,080	

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

Footnotes:

Attachment A

Brownfield Plan Resolutions

Attachment B

Reimbursement Agreement

Attachment C

Verification of Facility Status



**BASELINE ENVIRONMENTAL ASSESSMENT
CONDUCTED PURSUANT TO SECTION 20126(1)(C) OF 1994 PA 451, PART 201,
AMENDED, AND THE RULES PROMULGATED THEREUNDER**

FOR

**APPROXIMATELY 34-ACRE NORTHERN PORTION OF
701 EAST MILHAM AVENUE
PORTAGE, MICHIGAN**

SEPTEMBER 16, 2021

Prepared for:

**IPUSA Portage, LLC
112 W. Jefferson Blvd., Suite 200
South Bend, Indiana 46601**

Prepared by:

**ENVIROLOGIC TECHNOLOGIES, INC.
2960 Interstate Parkway
Kalamazoo, Michigan 49048
(269) 342-1100**

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1. INTRODUCTION AND DISCUSSION

A. Owner/Operator Information

Current Owner	Current Operator
FLM Holdings, LLC	FLM Holdings, LLC
Prospective Owner	Prospective Operator
IPUSA Portage, LLC	IPUSA Portage, LLC

B. Intended Use of Property

IPUSA Portage, LLC intends to acquire the subject property and redevelop the site with a 270,000-square-foot industrial building. Additional improvements will include a stormwater basin and asphalt parking lot. The initial development will occur in the southwestern portions of the parcel.

The future use of the site will not involve the significant use of hazardous substances. Therefore, the potential future detection of hazardous substances on site would not be an indication of a new release and would be attributable to historic operations.

C. Phase I ESA Summary – Recognized Environmental Conditions

The property subject to this Phase I ESA consists of approximately 34 acres of the parent parcel occupying the northern portion of the site, north of the existing fence line. Two rail spurs are present in the southeastern portion of the site, which extend southward through the gated fence to the adjacent off-site parcel to the south. A clearing is present in the south/central portion of the site, immediately north of the fence line. Remnant asphalt from a semicircular drive associated with the former wastewater treatment plant is present north of the rail spur in the eastern portion of the site. A stormwater drainage ditch is located west-northwest of the former wastewater treatment plant. The majority of northern portions of the site consist of wooded land with some scrub and brush ground cover.

An ASTM E1527-13 Phase I Environmental Site Assessment (ESA) of the subject property was completed by Envirologic on June 18, 2021. The following Recognized Environmental Condition (REC) was identified in the Phase I ESA:

- The subject property formerly operated as a wastewater treatment plant that utilized two rail spurs from c. 1954 to 1991. Further, an approximately 1-acre area of fill material was located near the northeast corner of the subject property. Previous environmental investigations conducted on the subject property identified concentrations of selenium and arsenic in soil and concentrations of zinc in groundwater in excess of Part 201 Residential cleanup criteria.

D. Exceptions/Deletions from ASTM 1527-13

No exceptions to or deletions from the ASTM 1527-13 Phase I ESA standard were identified.

E. Phase I ESA Data Gaps Discussion

A data gap is the inability to obtain information within the scope of the Phase I ESA. No data gaps were encountered during the course of the Phase I ESA.

A data failure is the absence of information typically used to complete a Phase I ESA. No data failures were encountered during the course of the Phase I ESA.

F. Sampling Discussion—Purpose/Methods

Soil and Material Engineers (SME) completed an investigation of the former wastewater treatment facility on behalf of Upjohn in June 1992, subsequent to the completion of demolition of the facility structures. This investigation included the installation of 11 soil borings within the area of the former wastewater treatment plant and eight borings within two fill soil stockpiles associated with the former wastewater treatment plant. A total of 25 discreet soil samples, eight composite samples from the two soil piles, and three groundwater samples were collected in association with the investigation. The discreet soil sampling included the vertical characterization of soils through the collection of samples from multiple intervals within select borings: 0–2 feet, 4–6 feet, 6–8 feet, 10–12 feet, and 12–14 feet. The groundwater samples were collected from temporary monitoring wells set to straddle the shallow water table.

SME completed Phase II ESA activities on a portion of the subject property referred to as “Parcel D” in January of 2000. The Phase II ESA was completed at the request of Pharmacia & Upjohn in order to investigate the potential for impact associated with the presence of fill material on the subject property. The Phase II ESA was also conducted in order to investigate the presence of an 8-inch clay pipe associated with the former wastewater treatment plant that discharged to the

drainage ditch located on site. The reference to “Parcel D” does not represent a specific legal parcel, and limited documentation was provided in the Phase II ESA regarding the specific location of assessment activities. However, based upon a review of historic aerial photographs from 2000 and additional documentation regarding historic operations, it has been concluded that the area subject to the January 2000 SME Phase II ESA was an approximately 1-acre area located north of the former wastewater treatment plant near the eastern boundary of the subject property.

The January 2000 SME Phase II ESA included the removal of 50 feet of the clay pipe from near the drainage ditch extending to the southeast toward the former wastewater treatment plant, the use of an excavator and backhoe to characterize areas of fill material, and the installation of 20 GeoProbe soil borings. Two soil samples from beneath the former pipe were collected subsequent to pipe removal and analyzed for polychlorinated biphenyls (PCBs). The PCBs analysis was based upon the 1991 detection of PCBs at the outfall of the pipe. The concentration of PCBs identified at the pipe outfall in 1991 was below current Residential cleanup criteria. PCBs were not identified in the two soil samples collected from beneath the former pipe as part of the 2000 Phase II ESA.

The presence of concrete, asphalt, coal pieces, and metal scrap was noted during excavator/backhoe investigation of fill materials. Where encountered within the fill, scrap metal was reportedly removed from the subject property.

For the purposes of the January 2000 GeoProbe boring installation, the 1-acre area of fill was separated into four separate “cells” or sampling units. Five borings were installed within each of the four cells. A single soil sample was prepared from each cell through the compositing of soils from the five borings installed within an individual cell. The soil samples were generally collected from beneath fill material at a depth of approximately 4 to 7 feet bgl. Two groundwater samples were collected from the central and northern portions of the 1-acre fill area. The soil and groundwater samples were analyzed for a broad range of volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PNAs), and Michigan 10 metals. The soil samples were additionally analyzed for PCBs.

Envirologic completed Phase II ESA investigation activities in January 2012, subsequent to the completion of a Phase I ESA on the larger parent parcel from which the subject property is being split. The Phase II ESA investigation activities were conducted to investigate the potential for impact and document site conditions at the subject property and southern adjoining property

relative to the identified RECs of the Phase I ESA. The Phase II ESA activities specific to the property subject to this Phase I ESA consisted of the installation of 12 GeoProbe soil borings and one hand-auger soil boring for the collection and analysis of nine soil samples and two groundwater samples. Based upon the identified site use history, all soil and groundwater samples were analyzed for a broad range of VOCs (EPA Method 8260B), PNAs (EPA Method 8270C), and Michigan 10 Metals (EPA Methods 6020/7471A). The samples submitted in association with the former wastewater treatment plant and 1-acre fill area were additionally analyzed for PCBs (EPA Method 8270). The collected soil and groundwater samples were submitted to KAR Laboratories, Inc. of Kalamazoo, Michigan, for laboratory analysis. The sample containers were placed into a chilled cooler for transportation to the laboratory using standard chain-of-custody procedures.

G. Known Contamination—Locations and Environmental Media

The analytical results of SME's June 1992 investigation of the former wastewater treatment facility indicate the presence of arsenic in soil at concentrations in excess of the current Residential Drinking Water Protection criterion. Specifically, arsenic was identified in excess of the Residential Drinking Water Protection criterion at the following locations: B5 (4–6 feet below ground surface [bgs]); B2, B5, B6, and B7 (6–8 feet bgs); and B8 (10–12 feet bgs). The metal zinc was identified in excess of the current Residential Drinking Water criterion within two unfiltered metals samples collected from former monitoring wells MW-4 and MW-5, with screens set at 16–20 feet bgs and 11–15 feet bgs, respectively. Subsequent re-sampling of the wells for filtered dissolved metals resulted in the continued detection of zinc in excess of the Residential Drinking Water criterion from MW-4 and below current criterion from MW-5. Based upon the lack of detailed documentation, the specific location of MW-4 and MW-5 within the property subject to this Phase I ESA is not known. However, MW-4 is depicted as being located within the former footprint of a clarifier tank, and MW-5 was located within the westernmost sand filter bed.

The analytical results of SME's January 2000 Phase II ESA investigation indicated that no contaminants of concern were identified above Statewide Default Background Levels and/or Residential cleanup criteria in the soil and groundwater samples collected.

The analytical results of Envirologic's January 2012 Phase II ESA investigation resulted in the identification of selenium in shallow soil on the subject property at concentrations exceeding the Groundwater-Surface Water Interface Protection (GSIP) criterion at two locations in the

northeastern portion of the subject property: the outfall of a former clay pipe (outfall – surface sample) and the northernmost sample collected from the 1-acre fill area (GSB-30 @ 1.5 ft.).

Refer to Figure 3 for a site plan of the subject property which details the locations and concentrations of contaminants exceeding Michigan Department of Environment, Great Lakes, and Energy (EGLE) Residential cleanup criteria.

H. “Facility” Demonstration

As detailed on Figure 3, the results of the previously completed environmental investigations have identified the presence of selenium and arsenic in soil, as well as the presence of zinc in groundwater, at concentrations in excess of EGLE Residential cleanup criteria on the subject property. Therefore, the subject property meets the definition of a “facility” as defined by Part 201 of NREPA.

2. PROPERTY INFORMATION

A. Property Legal Description

The subject property is located at the northern portion of 701 East Milham Avenue, Portage, Michigan 49002. The tax identification number for the parent parcel of the subject property is 00003-155-O. The legal description of the 701 East Milham Avenue parent parcel, obtained from the City of Portage, is as follows:

SEC 3-3-11 E 1/2 SW 1/4 SEC 3 EXC NYC RR ROW

B. Survey Map, Property Tax Identification Number(s)

A scaled site map detailing the subject property boundaries is presented as Figure 2.



I-94

APPROXIMATE PROPERTY BOUNDARY

APPROXIMATE PROPERTY BOUNDARY

APPROXIMATE PROPERTY BOUNDARY

APPROXIMATE PROPERTY BOUNDARY

NORTHERN PORTION OF
PARCEL #00003-155-O



SCALE 1" = 150'
0 50 100 150 300

NOTE:
THIS IS NOT A PROPERTY BOUNDARY SURVEY, PROPERTY BOUNDARIES SHOWN ON THIS MAP
ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND
SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.

VACANT PROPERTY

NORTHERN PORTION OF
701 EAST MILHAM AVE
PORTAGE, MI 49002

SITE PLAN



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KALAMAZOO, MICHIGAN 49048
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PROJECT NO.
210099

FIGURE No.

2

C. Site Map with Sampling Results

A site plan detailing the location of the concentrations of “facility” contaminants is presented below as Figure 3. Additional figures and tables associated with the previous environmental investigations of the subject property and southern adjoining property from 1992 to 2012 detailing sample locations, depths (where available), and facility contaminants are presented in Appendix H of the ASTM E1527-13 Phase I ESA of the subject property. Additional documentation is also available through EGLE.



LEGEND

- SOIL BORING/ MONITORING WELL (1991/1992 SME)
- SOIL PROBE LOCATION (2000 SME)
- GEOPROBE SOIL BORING LOCATION (2012 ENVIROLOGIC)
- SAMPLE POINT AT OUTFALL (2012 ENVIROLOGIC)



SCALE 1" = 150'

NOTE: THIS IS NOT A PROPERTY BOUNDARY SURVEY, PROPERTY BOUNDARIES SHOWN ON THIS MAP ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.

VACANT PROPERTY

NORTHERN PORTION OF
701 EAST MILHAM AVE
PORTAGE, MI 49002

SITE PLAN w/ ANALYTICAL
DATA OF FACILITY
CONTAMINANTS



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KALAMAZOO, MICHIGAN 49048
PH: (269) 342-1100 FAX: (269) 342-4945

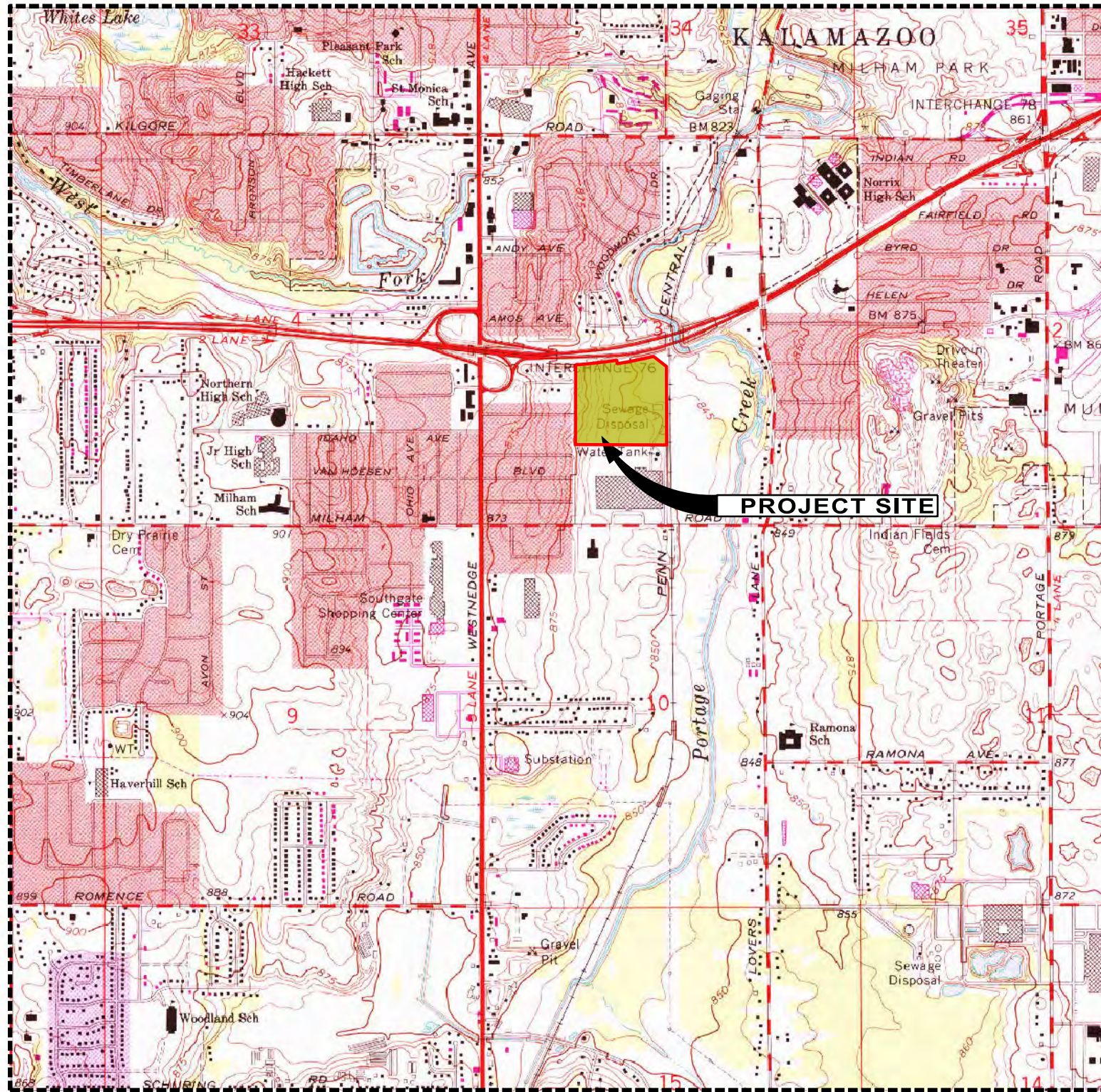
PROJECT NO.
210099

FIGURE No.

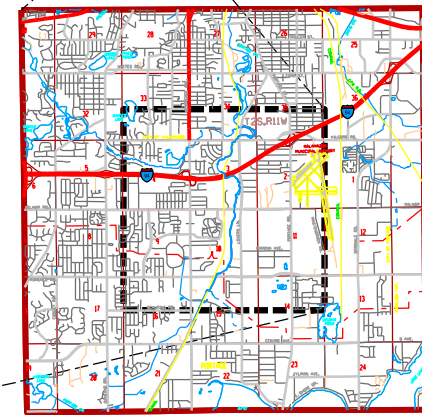
3

D. Location Map

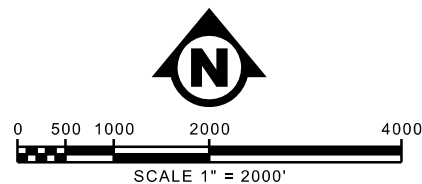




SOURCE: PORTAGE, MICHIGAN USGS 7.5 MINUTE TOPOGRAPHIC QUADRANGLE MAPS
 MAPTECH® U.S. TERRAIN SERIES™ ©MAPTECH®, INC. 606-433-8500



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



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 PH: (269) 342-1100 FAX: (269) 342-4945

VACANT PROPERTY
 NORTHERN PORTION OF
 701 EAST MILHAM AVE
 PORTAGE, MI 49002
LOCATION MAP

PROJECT NO.
 210099

FIGURE No.

1

E. Property Location

Envirologic has conducted a Baseline Environmental Assessment (BEA) of the approximately 34-acre northern portion of 701 East Milham Avenue, Portage, Michigan 49002. The property location is depicted on Figure 1 above.

F. Spatial Data

Table 1: Spatial Data

County	City/Village/ Township	Town	Range	Section	Quarter	Quarter- Quarter	Latitude	Longitude
Kalamazoo County	City of Portage	3S	11W	3	SW ¼	NE ¼ of SW ¼	42.234944°	-85.582349°

Latitude and longitude information was obtained from Google Earth.

3. FACILITY STATUS

A. Analytical Table

Table 2: Summary of Contaminants

Hazardous Substance	CAS Number	Maximum Concentration	Sample Location and Depth	Media Affected
Arsenic	7440382	11,000 µg/kg	B-7 @ 6.0' – 8.0'	Soil
Selenium	7782492	1,300 µg/kg	GSB-30 @ 1.5'	Soil
Zinc	7440666	7,250 µg/L	MW-5 @ 11' – 15'	Groundwater

B. Laboratory Analytical Data Sheets and Chain of Custody

Laboratory data sheets and chains of custody from the previous investigations at the subject property are available in the previous environmental investigations, which are located in Appendix H of the ASTM E1527-13 Phase I ESA of the subject property. Additional documentation is available through EGLE.

Attachment D

Soil Sampling Map



LEGEND

- SOIL BORING/ MONITORING WELL (1991/1992 SME)
- SOIL PROBE LOCATION (2000 SME)
- GEOPROBE SOIL BORING LOCATION (2012 ENVIROLOGIC)
- SAMPLE POINT AT OUTFALL (2012 ENVIROLOGIC)



SCALE 1" = 150'

NOTE: THIS IS NOT A PROPERTY BOUNDARY SURVEY. PROPERTY BOUNDARIES SHOWN ON THIS MAP ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.

VACANT PROPERTY

NORTHERN PORTION OF
701 EAST MILHAM AVE
PORTAGE, MI 49002

SITE PLAN w/ ANALYTICAL DATA OF FACILITY CONTAMINANTS

PROJECT NO.
210099

FIGURE No.

3

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Attachment E

Site Plan