

EDC/TIFA/BRA BOARD OF DIRECTORS MEETING MINUTES

November 5, 2015

Members Present:	Scott Allread	Art Kale
	Ray Campbell	Bernie Konkle
Arrived at 8:10a.m.	Mauri Ditzler	Herm McCall
	Joe Domingo	Joyce Spicer
	Ed Haas	

Others:	Paul Beardslee	Sheryl Mitchell
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Staff:	Neely Kent	Peggy Sindt
	Patrick Lopez	

The EDC meeting was called to order by Spicer at 7:30 a.m.

1. McCall moved to approve October's minutes. With support from Campbell, the minutes of October 1, 2015 were approved unanimously.
2. Sindt discussed the September Consolidated Statement with the board. Upon a motion by McCall and with the support of Konkle, the board accepted September's Consolidated Statement.
3. Lopez gave a presentation on the Food Hub and Farmer's Market progress. He answered the board's questions.
4. Sindt updated the board on the progress of the hotel development. She informed the board of plans to break ground in late March / early April. She answered the board's questions.
5. Sindt updated board of the progress being made at 101 N. Superior Street. She stated that the plan is to remove the exterior paint and leave the exposed brick. Ditzler informed the board of the possible uses for 101 N. Superior. Ditzler and Sindt answered questions.
6. Sindt informed the board that the Calhoun County Land Bank Authority is trying to save the building at 203 N. Superior Street. She answered all of the board's questions.

7. Mitchell informed the board that she had a meeting with MDOT in regards to the Superior Street reconstruction. MDOT plans to redo Superior Street in 2017. She also stated that Superior Street may turn from four lanes to two lanes with bike lanes.
8. Mitchell updated the board regarding the progress of the RRC. She also informed the board that the Recreation Master Plan is being completed and will go before City Council on December 7th.
9. Sindt informed the board of plans to apply for another EPA Assessment grant. She stated that this application will be a joint application with the Calhoun County Land Bank Authority and the City of Battle Creek.
10. Spicer appointed a nominating committee for board office. The nominating committee consists of Campbell, McCall, and Spicer.
11. Kale inquired about Taco Bell. Mitchell answered questions.
12. Sindt reminded the board that our next meeting is on December 3rd, at 7:30 a.m.
13. The board meeting was adjourned by Spicer at 8:33 a.m.

**Albion Economic Development Corporation
Resolution to Certify RLF Plan for Year 2016
December 3, 2015**

WHEREAS: The Economic Development Corporation is the grant Administrator for the Albion Area Revolving Loan Fund which was capitalized in 1986 in part with money received through EDA Title IX Grant. And;

WHEREAS: since inception, the EDC board and RLF committee have administered the revolving loan fund in accordance with the RLF plan and EDA guidelines. And;

WHEREAS: procedural guidelines require annual certification of the RLF plan and adherence to its policies procedures.

NOW, THEREFORE, BE IT RESOLVED that the Albion Economic Development Corporation Board of Directors certify;

1. The RLF Plan is consistent with and supportive of the area's current economic adjustment strategy; and
2. The RLF is being operated in accordance with the policies and procedures contained in the RLF Plan and the loan portfolio meets the standards contained therein.

At a regular meeting of the Albion Economic Development Corporation Board of Directors on December 3, 2015 a motion was made by _____ and supported by _____ to approve this resolution. On a roll call vote, the motion carried unanimously.

December 3, 2015

Ray Campbell, Secretary

ALBION BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN

107, 111, 117, 119, & 121 West Center Street,
108, 112, 118, & 120 West Porter Street, and
200, 206, 208, 210, 212, & 216 South Superior Street,
Albion, Michigan 49224

PREPARED BY Albion Brownfield Redevelopment Authority
309 Superior Street
P.O. Box 725
Albion, Michigan 49224
Contact Person: Peggy Sindt
Email: psindt@albionedc.org
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AKT Peerless
22725 Orchard Lake Road
Farmington, Michigan, 48336
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Phone: (248) 614-1333

PROJECT # 8724B

REVISION DATE November 2, 2015

BRA APPROVAL
CITY APPROVAL

Table of Contents



1.0 INTRODUCTION.....4

2.0 GENERAL PROVISIONS.....5

 2.1 DESCRIPTION OF ELIGIBLE PROPERTY (SECTION 13 (L)(H))..... 5

 2.2 BASIS OF ELIGIBILITY (SECTION 13 (1)(H) , SECTION 2 (M)), SECTION 2(R)..... 6

 2.3 SUMMARY OF ELIGIBLE ACTIVITIES AND DESCRIPTION OF COSTS (SECTION 13 (1)(A),(B)) ... 7

 2.4 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES (SECTION 13(1)(C)); IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS (SECTION 13(1)(G), SECTION 2(E)) 9

 2.5 PLAN OF FINANCING (SECTION 13(1)(D)); MAXIMUM AMOUNT OF INDEBTEDNESS (SECTION 13(1)(E)) 9

 2.6 DURATION OF BROWNFIELD PLAN (SECTION 13(1)(F)) 10

 2.7 EFFECTIVE DATE OF INCLUSION IN BROWNFIELD PLAN 10

 2.8 DISPLACEMENT/RELOCATION OF INDIVIDUALS ON ELIGIBLE PROPERTY (SECTION 13(1)(I-L)) 10

 2.9 LOCAL SITE REMEDIATION REVOLVING FUND (“LSRRF”) (SECTION 8, SECTION 13(1)(M))... 10

 2.10 OTHER INFORMATION..... 11

ATTACHMENTS

Attachment A Site Maps and Photographs

- Figure 1 – Scaled Property Location Map
- Figure 2 – Eligible Property Boundary Map

Attachment B Legal Descriptions

Attachment C Tables

- Table 1 –Eligible Activities
- Table 2 – Tax Increment Financing Estimates
- Table 3 – Reimbursement Allocation Schedule

Attachment D Original Brownfield Plan

PROJECT SUMMARY

PROJECT NAME	Downtown Albion Redevelopment Project - Redevelopment and Reuse of Properties Located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 200, 206, 208, 210, 212, & 216 South Superior Street, Albion, Michigan
DEVELOPER	Downtown Albion Hotel, LLC 1100 S Washington Ave, Ste. 3 Saginaw, Michigan 48601 Gary Glaza (989) 799-5700
ELIGIBLE PROPERTY LOCATION	The Eligible Property is located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 200, 206, 208, 210, 212, & 216 South Superior Street, Albion, Michigan. Parcel ID Numbers 21-000-886-00, 51-000-885-00, 51-000-884-00, 51-000- 883-00, 51-000-881-00, 51-000-895-00, 51-000-896-00, 51-000-897-00, 51-000-898-00, 51-000-888-00, 51-000- 890-00, 51-000-891-00, 51-000-892-00, 51-000-893-00, 51-000-894-00, respectively.
TYPE OF ELIGIBLE PROPERTY	Facility, Blighted, and Adjacent & Contiguous

SUBJECT PROJECT DESCRIPTION	<p>The project (Project) consists of the redevelopment of the subject property, which is located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 200, 206, 208, 210, 212, & 216 South Superior Street in the City of Albion. The Project will include the demolition of the existing structures and construction of a new 67,000 sq. ft. hotel with 72 rooms, a restaurant, and ballroom. This Project will ultimately put these underutilized properties back to productive use and will radically improve the downtown area of Albion inviting other similar developments to follow.</p> <p>In addition to the economic benefits of this development to Albion and the surrounding downtown, environmental activities are anticipated that would provide a safer and healthier downtown to the public and environment alike.</p> <p>The Project is seeking approval of Tax Increment Financing (TIF). Construction is expected to begin in spring of 2016.</p>
ELIGIBLE ACTIVITIES	Baseline Environmental Assessment (BEA) Activities {Phase I Environmental Site Assessment (ESA), Phase II ESAs, and BEA}, Due Care Activities, Additional Response Activities, Preparation of a Brownfield Plan and Act 381 Work Plan, Demolition, Lead and Asbestos Survey and Abatement, Site Preparation, and Infrastructure Improvements.
REIMBURSABLE COSTS	<p>\$1,276,275 (Est. Eligible Activities, Contingency, Interest)</p> <p>\$ 60,000 (BRA Administrative Fees)</p> <p>\$ 115,341 (State Revolving Fund)</p> <p><u>\$ 818,912 (LSRRF)</u></p> <p>\$2,270,528</p>
DURATION OF BROWNFIELD PLAN	Maximum of 30 years of tax increment revenue capture; expected duration is 12 years.
ESTIMATED TOTAL CAPITAL INVESTMENT	\$9.2 million
INITIAL TAXABLE VALUE	\$113,252

LIST OF ACRONYMS AND DEFINITIONS

AUTHORITY	Albion Brownfield Redevelopment Authority
BEA	Baseline Environmental Assessment (Michigan process to provide new property owners and/or operators with exemptions from environmental liability)
BFP OR PLAN	Brownfield Plan
DEVELOPER	Downtown Albion Hotel, LLC
ELIGIBLE PROPERTY	Subject property for which eligible activities are identified under a Brownfield Plan.
ESA	Environmental Site Assessment
ABRA	Albion Brownfield Redevelopment Authority
LSRRF	Local Site Remediation Revolving Fund
MDEQ	Michigan Department of Environmental Quality
MEDC	Michigan Economic Development Corporation
MSF	Michigan Strategic Fund (agency that approves use of school tax revenue to support non-environmental Brownfield activities)
PHASE I ESA	An environmental historical review and site inspection (no soil and/or groundwater sampling and analysis)
PHASE II ESA	Environmental subsurface investigation (includes soil and/or groundwater sampling and analysis)
SUBJECT PROPERTY	The Eligible Property, located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 200, 206, 208, 210, 212, & 216 South Superior Street, in Albion, Michigan. It comprises 15 parcels.
RCC	Residential Cleanup Criteria
TIF	Tax Increment Financing (TIF describes the process of using TIR—i.e., TIF is the use of TIR to provide financial support to a project)
TIR	Tax Increment Revenue (new property tax revenue, usually due to redevelopment and improvement that is generated by a property after approval of a Brownfield Plan)

BROWNFIELD PLAN

107, 111, 117, 119 & 121 West Center Street,
108, 112, 118, & 120 West Porter Street, and
208, 210, 212, & 216 South Superior Street,
Albion, Michigan 49224

1.0 Introduction

Albion, Michigan (the "City"), established the Albion Brownfield Redevelopment Authority (the "Authority") on December 4, 2000, pursuant to Michigan Public Act 381 of 1996, as amended ("Act 381"). The primary purpose of Act 381 is to encourage the redevelopment of eligible property by providing economic incentives through tax increment financing for certain eligible activities.

The main purpose of the Brownfield Plan is to promote the redevelopment of and investment in certain "Brownfield" properties within the City. Inclusion of subject property within the Brownfield Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as "Brownfields." By facilitating redevelopment of Brownfield properties, the Brownfield Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the Authority.

The identification or designation of a developer or proposed use for the Eligible Property that is the subject of this Brownfield Plan shall not be integral to the effectiveness or validity of this Brownfield Plan. This Brownfield Plan is intended to apply to the Eligible Property identified in this Brownfield Plan and, if tax increment revenues are proposed to be captured from that Eligible Property, to identify and authorize the eligible activities to be funded by such tax increment revenues. Any change in the proposed developer or proposed use of the Eligible Property shall not necessitate an amendment to this Brownfield Plan, affect the application of this Brownfield Plan to the Eligible Property, or impair the rights available to the Authority under this Brownfield Plan.

The Original Brownfield Plan for the Downtown Albion Redevelopment Project (the "Project") was prepared to redevelop thirteen parcels on the city block bound by West Center, South Superior, West Porter and South Clinton Streets. The Original Brownfield Plan was approved by the Authority on November 6, 2014 and by the Albion City Council on December 15, 2014. Refer to Attachment D for a copy of the Original Brownfield Plan. This Brownfield Plan, Amendment #1 is being prepared to add the remaining two parcels (200 and 206 South Superior Street) located on the same city block.

This Brownfield Plan, Amendment #1 is intended to be a living document, which may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Amended Brownfield Plan for reference purposes.

This Amended Brownfield Plan contains information required by Section 13(1) of Act 381.

2.0 General Provisions

The following sections detail information required by Act 381.

2.1 Description of Eligible Property (Section 13 (l)(h))

The Eligible Property (“subject property”) is located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 200, 206, 208, 210, 212, & 216 South Superior Street in Albion, Michigan. The subject property is situated in the city block bounded by W. Center, S. Superior, W. Porter, and S. Clinton Streets. The subject property consists of fifteen parcels that contain approximately 1.25 acres. The subject property is located in an area of Albion (“City”) that is characterized by commercial properties.

The table below describes each of the fifteen parcels located within the eligible property. See Figure 2 Eligible Property Boundary for a detailed map of the property.

Eligible Property Information

Address	Parcel ID	Acreage	Owner on Record	Basis of Eligibility
107 W Center St	51-000-886-00	0.029	City of Albion	Blighted
111 W Center St	51-000-885-00	0.177	City of Albion	Blighted
117 W Center St	51-000-884-00	0.03	City of Albion	Blighted
119 W Center St	51-000-883-00	0.026	City of Albion	Blighted
121 W Center St	51-000-881-00	0.219	City of Albion	Blighted
108 W Porter	51-000-895-00	0.103	Albion Building Authority	Blighted
112 W Porter St	51-000-896-00	0.088	Albion Building Authority	Adj. & Contig.
118 W Porter St	51-000-897-00	0.267	Albion Interfaith Ministries	Facility
120 W Porter St	51-000-898-00	0.054	Albion Interfaith Ministries	Facility
200 S Superior St	51-000-888-00	0.1	Calhoun County Land Bank Authority	Adj. & Contig.
206 S Superior St	51-000-890-00	0.09	Friia Sam Trust	Adj. & Contig.
208 S Superior St	51-000-891-00	0.053	Proactis Development Strategies	Facility
210 S Superior St	51-000-892-00	0.054	Proactis Development Strategies	Adj. & Contig.
212 S Superior St	51-000-893-00	0.052	City of Albion	Blighted

Address	Parcel ID	Acreage	Owner on Record	Basis of Eligibility
216 S Superior St	51-000-894-00	0.101	City of Albion	Blighted

The subject property is zoned Business (B-2). It currently contains thirteen vacant parcels (118 W. Porter is currently occupied but will soon be vacated). The parcels with addresses 206, 208 and 210 South Superior Street each contain a vacant three-story mixed-use building. The parcel with the address 118 West Porter Street is occupied by a single-story 4,505 sq. ft. building used for commercial purposes by Albion Interfaith Ministries.

The Albion City Block Redevelopment (Project) consists of the redevelopment of the subject property, which is located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 200, 206, 208, 210, 212, & 216 South Superior Street in the City of Albion. The Project will include the demolition of the existing structures and construction of a new 67,000 sq. ft. hotel with 72 rooms, a restaurant, and a ballroom. This Project will ultimately put fifteen underutilized properties back to productive use and will radically improve the downtown area of Albion inviting other similar development to follow.

In addition to the economic benefits of this development to Albion and the surrounding downtown, environmental activities are anticipated that would provide a safer and healthier downtown to the public and environment alike.

The Project is seeking approval of Tax Increment Financing (TIF). Construction is expected to begin in spring of 2016.

Attachment A includes site maps of the Eligible Property, refer to: Figure 1, Scaled Property Location Map and Figure 2, Eligible Property Boundary Map. The legal descriptions of the parcel(s) included in the Eligible Property are presented in Attachment B.

The parcel(s) and all tangible real and personal property located thereon will comprise the Eligible Property and is referred to herein as the "subject property."

2.2 Basis of Eligibility (Section 13 (1)(h) , Section 2 (m)), Section 2(r)

The subject property is considered "Eligible Property" as defined by Act 381, Section 2 because: (a) the subject property was previously or is currently utilized as a commercial property; (b) it is located within Albion, a qualified local governmental unit, or "Core Community" under Act 381; and (c) each of the parcels comprised by the subject property has been determined to be a "facility", blighted, or is adjacent and contiguous.

Historical use of the property consists of the following:

Since 1888 the property was occupied by various commercial businesses including:

- Printing shops
- Auto garages
- Auto Services/Sales
- Acme Quality Paints
- Sherwin-Williams

- Pawn store

A Phase II Environmental Site Assessment (ESA) was conducted at 208 S. Superior St. in 2013. In addition, a Phase II ESA was conducted at 118 and 120 W. Porter St. in 2014. These three parcels were determined to be facilities.

107 W. Center St., 111 W. Center St., 117 W. Center St., 119 W. Center St., and 121 W. Center St.; 108 W. Porter St.; and 212 S. Superior St. and 216 S. Superior St. were determined to be blighted, because these parcels have had their utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the properties are unfit for their intended uses.

200 S. Superior St. is adjacent and contiguous to 107 W. Center St. 206 and 210 S. Superior St. are adjacent and contiguous with 208 S. Superior St. 112 W. Porter St. is adjacent and contiguous with 118 W. Porter St.

2.3 Summary of Eligible Activities and Description of Costs (Section 13 (1)(a),(b))

The “eligible activities” that are intended to be carried out at the subject property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include BEA Activities (Phase I ESA, Phase II ESAs, and BEAs), due care activities, additional response activities, preparation of Brownfield and Act 381 work plans, lead and asbestos survey and abatement, demolition, site preparation, and infrastructure improvements (see Table 1).

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Incremental Revenues from the subject property is shown in the table below.

Estimated Cost of Reimbursable Eligible Activities

Description of Eligible Activity		Estimated Cost*	
1.	BEA Activities	\$	50,000
2.	Due Care Activities	\$	100,000
3.	Additional Response Activities	\$	50,000
4.	Demolition	\$	100,000
5.	Lead and Asbestos Activities	\$	50,000
6.	Site Preparation	\$	401,234
7.	Infrastructure Improvements	\$	148,766
Total Environmental and Non-Environmental Eligible Activities		\$	900,000
8.	15% Contingency on Eligible Activities	\$	135,000
9.	Brownfield Plan & Act 381 WP Preparation Activities	\$	20,000
Total Eligible Activities Cost with 15% Contingency		\$	1,055,001
10.	BRA Administration Fee	\$	60,000
11.	State Revolving Fund	\$	115,341
12.	Local Site Remediation Revolving Fund (LSRRF)**	\$	818,912
13.	Interest (calculated at 5%, simple)***	\$	221,274
Total Eligible Costs for Reimbursement		\$	2,270,528

*Estimated costs are subject to approval by MSF and MDEQ. Any costs not approved by the MSF or MDEQ may become local only costs paid out of captured tax increment revenues from locally levied millages (to the extent available).

** LSRRF deposits will be made in accordance with Act 381.

***Interest is calculated annually at 5% simple interest on unreimbursed eligible activities, in accordance with ABRA policy.

A detailed breakout of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the subject property is shown in Attachment C, Table 1.

It is currently anticipated that construction will begin in Spring of 2016 and be completed within 1.5 years.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the subject property will be captured by the Authority and used to reimburse the cost of the eligible activities completed on the subject property after approval of this Brownfield Plan and an associated Reimbursement Agreement. The projections in this Brownfield Plan assume that tax increment revenue otherwise capturable by the Downtown Development Authority (DDA) on the subject property parcels will be utilized for reimbursement of Brownfield eligible activities, in accordance with Act 381 and with a development agreement to be executed between Developer and the DDA.

The costs listed in the table above are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the subject property. The actual cost of those eligible activities encompassed by this Brownfield Plan that will qualify for reimbursement from tax increment revenues of the Authority from the subject property shall be governed by the terms of a Reimbursement Agreement with the Authority (the "Reimbursement Agreement"). Eligible activities will also be reimbursed with tax increment revenue generated by the subject property and captured by the DDA. Reimbursement with tax increment revenues of the DDA from the subject property shall be governed by the terms of a Development Agreement with the DDA (the "Development Agreement"). No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and/or the Development Agreement.

In accordance with this Brownfield Plan, the associated Reimbursement Agreement, and the Development Agreement, the amount advanced by the Developer will be repaid by the Authority and the DDA, together with interest at the rate set at 5% simple interest, solely from the tax increment revenues realized from the Eligible Property. Payments will be made to the full extent incremental property tax revenues are or become available for such purpose under the Act and/or by the DDA. Based on the projected cost of eligible activities, interest reimbursement in this Brownfield Plan is estimated at \$221,274. However, if the actual cost of eligible activities turns out to be lower than the above estimates, interest reimbursement may be lower, subject to the 5% simple interest calculation

Tax increment revenues will first be used to pay or reimburse administrative expenses described in the table above. The amount of school tax revenues, which will be used to reimburse the costs of implementing eligible activities at this site, will be limited to the cost of eligible activities approved by the MDEQ and the MSF, together with the interest rate provided above. In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MDEQ or MSF, these specific activities will be reimbursed with local-only TIF (to the extent available).

2.4 Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing On Taxing Jurisdictions (Section 13(1)(g), Section 2(e))

This Brownfield Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Brownfield Plan in accordance with the Reimbursement Agreement. A table of estimated tax increment revenues to be captured is attached to this Brownfield Plan as Attachment C, Table 2. Tax increment revenue capture is expected to begin in 2017.

For as long as the subject property is located within the DDA, only tax increment revenues generated by school taxes (school operating and state education tax millages) and intermediate school district millages are available for capture by the Authority. The DDA captures all other local millages as authorized by the DDA act.

It also should be noted that although DDA-captured revenue is shown in Attachment C, Table 2 and, in accordance with the Development Agreement will be used to reimburse Brownfield Eligible Activities, the DDA-captured revenue is not governed by Act 381 or this Brownfield Plan. The Michigan Economic Development Corporation (MEDC), however, has indicated that use of DDA-captured tax increment revenue to reimburse Brownfield eligible activities identified in this Brownfield Plan is a precondition for showing “local commitment” to the project that is required for the MEDC to recommend approval to the MSF for the use of state school tax increment revenue to partially reimburse eligible activities.

All reimbursement will be in accordance with the Reimbursement Agreement and the Development Agreement.

The total estimated cost of the eligible activities and other costs (including administrative fees, contingency, interest, and LSRRF deposits) to be reimbursed through the capture of tax increment revenue is projected to be \$2,270,528. The estimated effective initial taxable value for this Brownfield Plan is \$113,252, and is based on land and real property tax only. Redevelopment of the subject property is expected to initially generate incremental taxable value in 2017 with the first significant increase in taxable value of approximately \$2,854,668.

It is estimated that the Authority will capture the 2017 through 2028 tax increment revenues to reimburse, with the DDA, the cost of the eligible activities, reimburse interest, State Brownfield Redevelopment Fund, LSRRF and pay Authority administrative fees (the DDA will not pay administrative fees); Authority administrative fees may be paid only out of local tax increment revenue captured by the Authority—i.e., ISD).

The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all taxable improvements on the subject property and the actual millage rates levied by the various taxing jurisdictions during each year of the plan. An estimate of incremental tax revenue capture is shown in Attachment C, Table 2. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions.

2.5 Plan of Financing (Section 13(1)(d)); Maximum Amount of Indebtedness (Section 13(1)(e))

Eligible activities are to be financed by the Developer. The Authority and the DDA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated

from the subject property as available, and subject to the Reimbursement Agreement and Development Agreement.

All reimbursements authorized under this Brownfield Plan shall be governed by the Reimbursement Agreement. Reimbursements by the DDA of eligible activities authorized by or in this Brownfield Plan shall be governed by the Development Agreement. The Authority shall not incur any note or bonded indebtedness to finance the purposes of this Brownfield Plan. The inclusion of eligible activities and estimates of costs to be reimbursed in this Brownfield Plan is intended to: (1) authorize the Authority to fund such reimbursements; (2) provide the DDA with relevant information necessary to form and approve the Development agreement to fund such reimbursements; and (3) does not obligate the Authority or the City (or the DDA) to fund any reimbursement or to enter into the Reimbursement Agreement and/or Development Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Brownfield Plan, or which are permitted to be reimbursed under this Brownfield Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Brownfield Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Brownfield Plan, will be provided solely under the Reimbursement Agreement contemplated by this Brownfield Plan.

2.6 Duration of Brownfield Plan (Section 13(1)(f))

In no event shall the duration of the Brownfield Plan exceed 35 years following the date of the resolution approving the Brownfield Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Brownfield Plan.

2.7 Effective Date of Inclusion in Brownfield Plan

The subject property will become a part of this Brownfield Plan on the date this Brownfield Plan is approved by the City of Albion. The date of tax capture shall commence during the year construction begins or the immediate following year—as increment revenue becomes available, but the beginning date of tax capture shall not exceed five years beyond the date of the governing body resolution approving the Brownfield Plan amendment.

2.8 Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))

There are no persons or businesses residing on the Eligible Property, except Albion Interfaith Ministries (AIM) on 118 W. Porter St. AIM intends to voluntarily relocate shortly, so no occupied residences will be acquired or cleared; therefore there will be no displacement or relocation of persons or businesses under this Brownfield Plan.

2.9 Local Site Remediation Revolving Fund (“LSRRF”) (Section 8, Section 13(1)(m))

Pursuant to Act 381, the Authority may establish a Local Site Remediation Revolving Fund (LSRRF). The Authority could capture incremental local and state school taxes to fund the LSRRF, to the extent allowed by law. The rate and schedule of incremental tax capture for the LSRRF under Brownfield Plans is determined on a case-by-case basis. Considerations may include, but not be limited to the following: total capture duration, total annual capture, project economic factors, level of existing LSRRF funding, projected need for LSRRF funds, and amount of school tax capture available in accordance with Act 381.

The amount of tax increment revenue authorized under this Brownfield Plan for capture and deposit in an LSRRF, should the Authority establish one, is estimated at \$818,912.

2.10 Other Information

The tax capture breakdown of tax increment revenues anticipated to become available for use in this Brownfield Plan is summarized below.

There are 65.0142 non-homestead mills available for capture, with school millage equaling 24.0000 mills (37%) and local millage equaling 41.0142 mills (63%). None of the project will include homestead residential property. The requested tax capture for MSF and MDEQ eligible activities breaks down as follows:

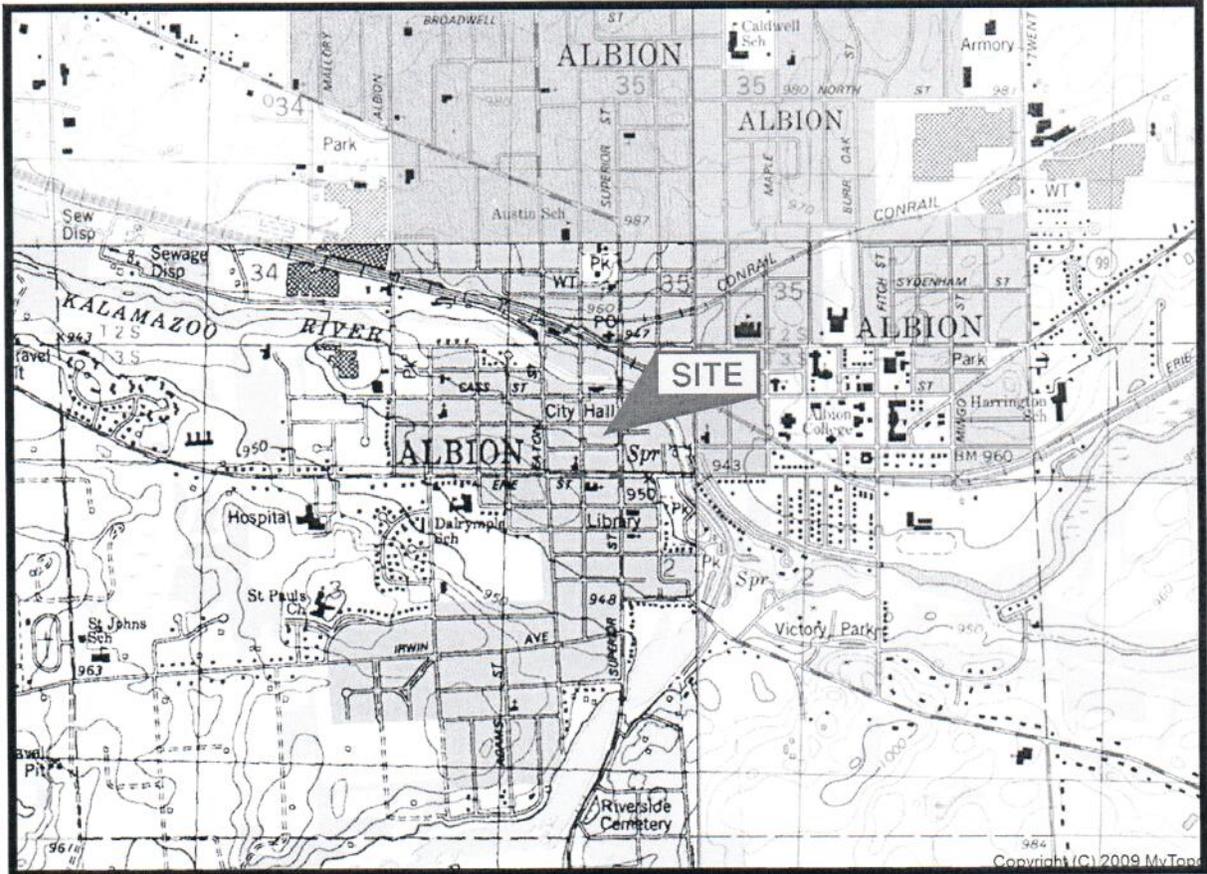
Tax Capture

State to Local Tax Capture	Eligible Activities, Interest, Contingency
MSF/MDEQ School tax capture (36.9%)	\$471,137
MSF/MDEQ Local tax capture (63.1%)	\$805,138
Local-Only tax capture	\$0
Total	\$1,276,275

Attachments

Attachment A
Site Maps

SOUTHWEST ALBION QUADRANGLE
 MICHIGAN - CALHOUN COUNTY
 7.5 MINUTE SERIES (TOPOGRAPHIC)



T.3 S.-R.4 W.

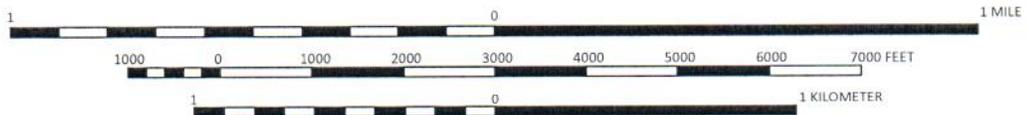


IMAGE TAKEN FROM 1995 U.S.G.S. TOPOGRAPHIC MAP



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SCALED PROPERTY LOCATION MAP

BOUNDED BY CENTER, SUPERIOR, PORTER,
 AND CLINTON STREETS
 ALBION, MICHIGAN
 PROJECT NUMBER : 8724B-1-25

DRAWN BY: DDB
 DATE: 05/28/2015

FIGURE 1

Attachment B
Legal Description(s)

ALBION BROWNFIELD REDEVELOPMENT PROJECT

Subject Property Parcel Information

Address	Parcel ID	Legal Description
107 W Center St	51-000-886-00	ORIGINAL PLAT, BLK 52, W 22.5 FT OF E 39 FT OF N 56 FT OF LOT 4 (111 W CENTER ST)
111 W Center St	51-000-885-00	ORIGINAL PLAT, BLK 52, ALL OF LOT 3 AND 4, EXC THE E 39 FT OF LOT 4 (111 W CENTER ST)
117 W Center St	51-000-884-00	ALBION CITY, ORIGINAL PLAT BLK 52 N 52' OF E 25' OF LOT 2 (117 W CENTER ST.)
119 W Center St	51-000-883-00	ALBION CITY, ORIGINAL PLAT. BLK 52 W 23 FT OF E 48 FT OF N 48 FT OF LOT 2. (119 W CENTER
121 W Center St	51-000-881-00	ALBION CITY, ORIGINAL PLAT BLK 52 LOTS 1 & 2 EXC E 48 FT OF N 48 FT LOT 2. & S 4' OF N 52' OF E 25' OF LOT 2 (121 W CENTER
108 W Porter	51-000-895-00	ORIGINAL PLAT, BLK 52, W 47 FT OF LOT 9. (108 W PORTER ST)
112 W Porter St	51-000-896-00	LBION CITY, ORIGINAL PLAT BLK 52, E 39.5' OF LOT 10. AND 99' N AND S. (110 W. PORTER ST.)
118 W Porter St	51-000-897-00	ORIGINAL PLAT, BLK 52; LOT 10, EXC E 39.5' AND LOT 11 AND 12, EXC W 25 FT 3 IN OF S 80 FT OF LOT 12 (118 W PORTER ST
120 W Porter St	51-000-898-00	ORIGINAL PLAT, BLK 52, W 25 FT 3 IN OF S 80 FT OF LOT 12 (118 W PORTER ST)
200 S Superior St	51-000-898-00	ORIGINAL PLAT, BLK. 52. LOT 5. EXC THE S 3.1 FT (200 S SUPERIOR ST)
206 S Superior St	51-000-890-00	ORIGINAL PLAT, BLK 52 N 41 FT LOT 6 AND THAT PART LOT 5 LYING OF CTR OF S BRICK WALL OF HANNAH BLOCK AND BEG 16 1/2 FT W OF SE COR LOT 4, N 49 FT, W 21 FT, S 49 FT, E 21 FT TO BEG (206 S SUPERIOR ST)
208 S Superior St	51-000-891-00	ORIGINAL PLAT, BLK 52. S 6.35 FT OF LOT 6 AND N 15 3/4 FT OF ALLEY ADJ TO LOT 6 ON SOUTH (208 S SUPERIOR ST
210 S Superior St	51-000-892-00	ORIGINAL PLAT, BLK 52, N 1/2 OF LOT 7, N 1 FT OF S 1/2 OF LOT 7 AND S .75 FT OF ALLEY ADJACENT TO LOT 7 ON NORTH (210 S SUPERIOR ST
212 S Superior St	51-000-893-00	ORIGINAL PLAT, BLK 52 S 23.3 FT OF LOT 7 AND N 1 FT OF N SIDE OF LOT 8 (212 S SUPERIOR ST.
216 S Superior St	51-000-894-00	ORIGINAL PLAT, BLK 52, LOT 8, EXC 1 FT OFF N SIDE (214 S SUPERIOR ST)

Subject property also contains land within public rights-of-way that is located between and adjacent to the parcels listed above.

Attachment C

Tables

Table 1. Eligible Activities
Downtown Albion Hotel Project
Albion, MI
AKT Peerless Project No. 8724B
As of November 2, 2015

ELIGIBLE ACTIVITIES COST SUMMARY				Estimated Cost of Eligible Activity
BEA Activities				\$ 50,000
Due Care Activities				\$ 100,000
Additional Response Activities				\$ 50,000
TOTAL ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$ 200,000
Demolition				\$ 100,000
Lead and Asbestos Activities				\$ 50,000
Site Preparation Activities				\$ 401,234
Eligible Infrastructure Improvement Activities				\$ 148,766
TOTAL NON-ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$ 700,000
Total Environmental and Non-Environmental Eligible Activities				\$ 900,000
15% Contingency on Eligible Activities				\$ 135,000
Brownfield Plan & Act 381 WP Preparation Activities				\$ 20,000
Total Eligible Activities Cost with 15% Contingency				\$ 1,055,001
Interest (calculated at 5%, simple)				\$ 221,274
Total Eligible Activities Cost, with Contingency & Interest				\$ 1,276,275
BRA Administration Fee				\$ 60,000
State Revolving Fund				\$ 115,341
Local Site Remediation Revolving Fund (LSRRF)				\$ 818,912
Total Eligible Costs for Reimbursement				\$ 2,270,528

Table 3. Reimbursement Allocation Schedule

Downtown Albion Hotel Project
Albion, MI
AKT Peerless Project No. 8724B
As of November 5, 2015

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	36.9%	\$ 471,137		\$ 471,137
Local	63.1%	\$ 805,138	\$ -	\$ 805,138
TOTAL		\$ 1,276,275	\$ -	\$ 1,276,275
MDEQ	22.7%	\$ 290,337		
MSF	77.3%	\$ 985,938		

Estimated Capture	
Administrative Fees	\$ 60,000
State Revolving Fund	\$ 115,341
LSRRF	\$ 818,912

Estimated Total Years of Plan:	
	12

Plan Year	End Plan											
	1	2	3	4	5	6	7	8	9	10	11	12
Total State Incremental Revenue	\$ 68,512	\$ 69,937	\$ 71,390	\$ 72,872	\$ 74,384	\$ 75,926	\$ 77,499	\$ 79,103	\$ 80,739	\$ 82,408	\$ 84,111	\$ 85,848
State Brownfield Revolving Fund (3 mills of SET)	\$ 8,564	\$ 8,742	\$ 8,924	\$ 9,109	\$ 9,298	\$ 9,491	\$ 9,687	\$ 9,888	\$ 10,092	\$ 10,301	\$ 10,514	\$ 10,731
State TIR Available for Reimbursement	\$ 59,948	\$ 61,195	\$ 62,466	\$ 63,763	\$ 65,086	\$ 66,435	\$ 67,811	\$ 69,215	\$ 70,647	\$ 72,107	\$ 73,597	\$ 75,117
Total Local Incremental Revenue	\$ 117,082	\$ 119,516	\$ 122,000	\$ 124,533	\$ 127,116	\$ 129,751	\$ 132,439	\$ 135,181	\$ 137,977	\$ 140,830	\$ 143,739	\$ 146,707
BRA Administrative Fee	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Local TIR Available for Reimbursement	\$ 112,082	\$ 114,516	\$ 117,000	\$ 119,533	\$ 122,116	\$ 124,751	\$ 127,439	\$ 130,181	\$ 132,977	\$ 135,830	\$ 138,739	\$ 141,707
Total State & Local TIR Available	\$ 172,030	\$ 175,711	\$ 179,466	\$ 183,295	\$ 187,202	\$ 191,186	\$ 195,251	\$ 199,396	\$ 203,624	\$ 207,937	\$ 212,337	\$ 216,824
Beginning Balance												
DEVELOPER												
DEVELOPER Reimbursement Balance	\$ 1,276,275	\$ 1,104,245	\$ 928,534	\$ 749,068	\$ 565,773	\$ 378,571	\$ 187,385	\$ 24,434	\$ -	\$ -	\$ -	\$ -
<i>MDEQ Reimbursement Balance</i>	\$ 290,337	\$ 251,203	\$ 211,230	\$ 170,404	\$ 128,707	\$ 86,120	\$ 42,628	\$ 5,558	\$ -	\$ -	\$ -	\$ -
Eligible Activities Reimbursement	\$ 240,000	\$ 39,135	\$ 39,972	\$ 40,826	\$ 41,698	\$ 42,586	\$ 43,380	\$ 44,035	\$ 44,655	\$ 45,240	\$ 45,795	\$ 46,325
STATE	\$ 88,596	\$ 13,637	\$ 13,921	\$ 14,210	\$ 14,505	\$ 14,806	\$ 15,113	\$ 15,426	\$ 15,745	\$ 16,069	\$ 16,397	\$ 16,730
LOCAL	\$ 151,404	\$ 25,497	\$ 26,051	\$ 26,616	\$ 27,192	\$ 27,780	\$ 28,267	\$ 28,761	\$ 29,266	\$ 29,780	\$ 30,297	\$ 30,817
Interest Reimbursement	\$ 50,337	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,112	\$ 34,667	\$ 5,558	\$ -	\$ -	\$ -
STATE	\$ 18,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,024	\$ 5,558	\$ -	\$ -	\$ -
LOCAL	\$ 31,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,112	\$ 21,643	\$ -	\$ -	\$ -	\$ -
Total MDEQ TIR Reimbursement	\$ 39,135	\$ 39,972	\$ 40,826	\$ 41,698	\$ 42,586	\$ 43,493	\$ 44,433	\$ 45,411	\$ 46,426	\$ 47,479	\$ 48,569	\$ 49,694
<i>MSF Reimbursement Balance</i>	\$ 985,938	\$ 853,043	\$ 717,304	\$ 578,664	\$ 437,066	\$ 292,451	\$ 144,757	\$ 18,875	\$ -	\$ -	\$ -	\$ -
Eligible Activities Reimbursement	\$ 815,001	\$ 132,895	\$ 135,739	\$ 138,639	\$ 141,598	\$ 144,616	\$ 147,694	\$ 150,833	\$ 154,033	\$ 157,295	\$ 160,619	\$ 164,007
STATE	\$ 300,858	\$ 46,311	\$ 47,274	\$ 48,256	\$ 49,258	\$ 50,279	\$ 51,322	\$ 52,391	\$ 53,485	\$ 54,604	\$ 55,748	\$ 56,917
LOCAL	\$ 514,143	\$ 86,585	\$ 88,465	\$ 90,384	\$ 92,340	\$ 94,336	\$ 96,363	\$ 98,422	\$ 100,518	\$ 102,641	\$ 104,791	\$ 106,960
Interest Reimbursement	\$ 170,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,339	\$ 117,723	\$ 18,875	\$ -	\$ -	\$ -
STATE	\$ 63,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,226	\$ 18,875	\$ -	\$ -	\$ -
LOCAL	\$ 107,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,339	\$ 73,497	\$ -	\$ -	\$ -	\$ -
Total MSF TIR Reimbursement	\$ 132,895	\$ 135,739	\$ 138,639	\$ 141,598	\$ 144,616	\$ 147,694	\$ 150,833	\$ 154,033	\$ 157,295	\$ 160,619	\$ 164,007	\$ 167,339
Total Annual Developer Reimbursement	\$ 172,030	\$ 175,711	\$ 179,466	\$ 183,295	\$ 187,202	\$ 191,186	\$ 195,251	\$ 199,396	\$ 203,624	\$ 207,937	\$ 212,337	\$ 216,824
LSRRF Year												
LOCAL SITE REMEDIATION FUND												
LSRRF Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,300	\$ 174,962	\$ 195,374	\$ 135,830	\$ 138,739
STATE	\$ 107,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,781	\$ 62,397	\$ -	\$ -
LOCAL	no maximum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,300	\$ 130,181	\$ 132,977	\$ 135,830	\$ 138,739

Attachment D
Original Brownfield Plan

ALBION BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN

107, 111, 117, 119, & 121 West Center Street,
108, 112, 118, & 120 West Porter Street, and
208, 210, 212, & 216 South Superior Street,
Albion, Michigan 49224

PREPARED BY Albion Brownfield Redevelopment Authority
309 Superior Street
P.O. Box 725
Albion, Michigan 49224
Contact Person: Peggy Sindt
Email: psindt@albionedc.org
Phone: (517) 629-3926

AKT Peerless
22725 Orchard Lake Road
Farmington, Michigan, 48336
Contact Person: Bret Stuntz
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PROJECT # 8724B

REVISION DATE October 30, 2014

BRA APPROVAL November 6, 2014
CITY APPROVAL

1.0 INTRODUCTION	4
2.0 GENERAL PROVISIONS	4
2.1 DESCRIPTION OF ELIGIBLE PROPERTY (SECTION 13 (L)(H)).....	4
2.2 BASIS OF ELIGIBILITY (SECTION 13 (1)(H) , SECTION 2 (M)), SECTION 2(R)	6
2.3 SUMMARY OF ELIGIBLE ACTIVITIES AND DESCRIPTION OF COSTS (SECTION 13 (1)(A),(B)) ...	7
2.4 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES (SECTION 13(1)(C)); IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS (SECTION 13(1)(G), SECTION 2(E))	8
2.5 PLAN OF FINANCING (SECTION 13(1)(D)); MAXIMUM AMOUNT OF INDEBTEDNESS (SECTION 13(1)(E))	9
2.6 DURATION OF BROWNFIELD PLAN (SECTION 13(1)(F)).....	10
2.7 EFFECTIVE DATE OF INCLUSION IN BROWNFIELD PLAN.....	10
2.8 DISPLACEMENT/RELOCATION OF INDIVIDUALS ON ELIGIBLE PROPERTY (SECTION 13(1)(I-L))	10
2.9 LOCAL SITE REMEDIATION REVOLVING FUND (“LSRRF”) (SECTION 8, SECTION 13(1)(M))...	10
2.10 OTHER INFORMATION	10

ATTACHMENTS

Attachment A	Site Maps and Photographs
• Figure 1 – Scaled Property Location Map	
• Figure 2 – Eligible Property Boundary Map	
Attachment B	Legal Descriptions
Attachment C	Tables
• Table 1 –Eligible Activities	
• Table 2 – Tax Increment Financing Estimates	

PROJECT SUMMARY

PROJECT NAME	Downtown Albion Redevelopment Project - Redevelopment and Reuse of Properties Located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 208, 210, 212, & 216 South Superior Street, Albion, Michigan
DEVELOPER	SSP Associates 1100 S Washington Ave Saginaw, Michigan 48601 Gary Glaza (989) 799-5700
ELIGIBLE PROPERTY LOCATION	The Eligible Property is located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 208, 210, 212, & 216 South Superior Street, Albion, Michigan. Parcel ID Numbers 21-000- 886-00, 51-000-885-00, 51-000-884-00, 51-000-883-00, 51-000-881-00, 51-000-895-00, 51-000-896-00, 51-000- 897-00, 51-000-898-00, 51-000-891-00, 51-000-892-00, 51-000-893-00, 51-000-894-00, respectively.
TYPE OF ELIGIBLE PROPERTY	Facility, Blighted, and Adjacent & Contiguous

SUBJECT PROJECT DESCRIPTION	<p>The project (Project) consists of the redevelopment of the subject property, which is located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 208, 210, 212, & 216 South Superior Street in the City of Albion. The Project will include the demolition of the existing structures and construction of a new 67,000 sq. ft. hotel with 72 rooms, a restaurant, and ballroom. This Project will ultimately put these underutilized properties back to productive use and will radically improve the downtown area of Albion inviting other similar developments to follow.</p> <p>In addition to the economic benefits of this development to Albion and the surrounding downtown, environmental activities are anticipated that would provide a safer and healthier downtown to the public and environment alike.</p> <p>The Project is seeking approval of Tax Increment Financing (TIF). Construction is expected to begin in spring of 2015.</p>
ELIGIBLE ACTIVITIES	Baseline Environmental Assessment (BEA) Activities {Phase I Environmental Site Assessment (ESA), Phase II ESAs, and BEA}, Due Care Activities, Additional Response Activities, Preparation of a Brownfield Plan and Act 381 Work Plan, Demolition, Lead and Asbestos Survey and Abatement, Site Preparation, and Infrastructure Improvements.
REIMBURSABLE COSTS	<p>\$1,247,121 (Est. Eligible Activities, Contingency, Interest)</p> <p>\$ 60,000 (BRA Administrative Fees)</p> <p>\$ 115,038 (State Revolving Fund)</p> <p><u>\$ 715,135 (LSRRF)</u></p> <p>\$2,137,294</p>
DURATION OF BROWNFIELD PLAN	Maximum of 30 years of tax increment revenue capture; expected duration is 12 years.
ESTIMATED TOTAL CAPITAL INVESTMENT	\$9.2 million
INITIAL TAXABLE VALUE	\$41,700

LIST OF ACRONYMS AND DEFINITIONS

AUTHORITY	Albion Brownfield Redevelopment Authority
BEA	Baseline Environmental Assessment (Michigan process to provide new property owners and/or operators with exemptions from environmental liability)
BFP OR PLAN	Brownfield Plan
DEVELOPER	SSP Associates
ELIGIBLE PROPERTY	Subject property for which eligible activities are identified under a Brownfield Plan.
ESA	Environmental Site Assessment
ABRA	Albion Brownfield Redevelopment Authority
LSRRF	Local Site Remediation Revolving Fund
MDEQ	Michigan Department of Environmental Quality
MEDC	Michigan Economic Development Corporation
MSF	Michigan Strategic Fund (agency that approves use of school tax revenue to support non-environmental Brownfield activities)
PHASE I ESA	An environmental historical review and site inspection (no soil and/or groundwater sampling and analysis)
PHASE II ESA	Environmental subsurface investigation (includes soil and/or groundwater sampling and analysis)
SUBJECT PROPERTY	The Eligible Property, located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 208, 210, 212, & 216 South Superior Street, in Albion, Michigan. It comprises 13 parcels.
RCC	Residential Cleanup Criteria
TIF	Tax Increment Financing (TIF describes the process of using TIR—i.e., TIF is the use of TIR to provide financial support to a project)
TIR	Tax Increment Revenue (new property tax revenue, usually due to redevelopment and improvement that is generated by a property after approval of a Brownfield Plan)

BROWNFIELD PLAN

107, 111, 117, 119 & 121 West Center Street,
108, 112, 118, & 120 West Porter Street, and
208, 210, 212, & 216 South Superior Street,
Albion, Michigan 49224

1.0 Introduction

Albion, Michigan (the “City”), established the Albion Brownfield Redevelopment Authority (the “Authority”) on December 4, 2000, pursuant to Michigan Public Act 381 of 1996, as amended (“Act 381”). The primary purpose of Act 381 is to encourage the redevelopment of eligible property by providing economic incentives through tax increment financing for certain eligible activities.

The main purpose of this Brownfield Plan is to promote the redevelopment of and investment in certain “Brownfield” properties within the City. Inclusion of subject property within this Brownfield Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as “Brownfields.” By facilitating redevelopment of Brownfield properties, this Brownfield Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the Authority.

The identification or designation of a developer or proposed use for the Eligible Property that is the subject of this Brownfield Plan shall not be integral to the effectiveness or validity of this Brownfield Plan. This Brownfield Plan is intended to apply to the Eligible Property identified in this Brownfield Plan and, if tax increment revenues are proposed to be captured from that Eligible Property, to identify and authorize the eligible activities to be funded by such tax increment revenues. Any change in the proposed developer or proposed use of the Eligible Property shall not necessitate an amendment to this Brownfield Plan, affect the application of this Brownfield Plan to the Eligible Property, or impair the rights available to the Authority under this Brownfield Plan.

This Brownfield Plan is intended to be a living document, which may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Brownfield Plan for reference purposes.

This Brownfield Plan contains information required by Section 13(1) of Act 381.

2.0 General Provisions

The following sections detail information required by Act 381.

2.1 Description of Eligible Property (Section 13 (l)(h))

The Eligible Property (“subject property”) is located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 208, 210, 212, & 216 South Superior Street in Albion, Michigan.

The subject property is situated in the city block bounded by W. Center, S. Superior, W. Porter, and S. Clinton Streets. The subject property consists of thirteen parcels that contain approximately 1.25 acres. The subject property is located in an area of Albion ("City") that is characterized by commercial properties.

The table below describes each of the thirteen parcels located within the eligible property. See Figure 2 Eligible Property Boundary for a detailed map of the property.

Eligible Property Information

Address	Parcel ID	Acreage	Owner on Record	Basis of Eligibility
107 W Center St	51-000-886-00	0.029	City of Albion	Blighted
111 W Center St	51-000-885-00	0.177	City of Albion	Blighted
117 W Center St	51-000-884-00	0.03	City of Albion	Blighted
119 W Center St	51-000-883-00	0.026	City of Albion	Blighted
121 W Center St	51-000-881-00	0.219	City of Albion	Blighted
108 W Porter	51-000-895-00	0.103	Albion Building Authority	Blighted
112 W Porter St	51-000-896-00	0.088	Albion Building Authority	Adj. & Contig.
118 W Porter St	51-000-897-00	0.267	Albion Interfaith Ministries	Facility
120 W Porter St	51-000-898-00	0.054	Albion Interfaith Ministries	Facility
208 S Superior St	51-000-891-00	0.053	Proactis Development Strategies	Facility
210 S Superior St	51-000-892-00	0.054	Proactis Development Strategies	Adj. & Contig.
212 S Superior St	51-000-893-00	0.052	City of Albion	Blighted
216 S Superior St	51-000-894-00	0.101	City of Albion	Blighted

The subject property is zoned Business (B-1). It currently contains twelve vacant parcels (118 W. Porter is currently occupied but will soon be vacated). The parcels with addresses 208 and 210 South Superior Street each contain a vacant three-story mixed-use building. The parcel with the address 118 West Porter Street is occupied by a single-story 4,505 sq. ft. building used for commercial purposes by Albion Interfaith Ministries.

The Albion City Block Redevelopment (Project) consists of the redevelopment of the subject property, which is located at 107, 111, 117, 119 & 121 West Center Street, 108, 112, 118, & 120 West Porter Street, and 208, 210, 212, & 216 South Superior Street in the City of Albion. The Project will include the

demolition of the existing structures and construction of a new 67,000 sq. ft. hotel with 72 rooms, a restaurant, and a ballroom. This Project will ultimately put thirteen underutilized properties back to productive use and will radically improve the downtown area of Albion inviting other similar development to follow.

In addition to the economic benefits of this development to Albion and the surrounding downtown, environmental activities are anticipated that would provide a safer and healthier downtown to the public and environment alike.

The Project is seeking approval of Tax Increment Financing (TIF). Construction is expected to begin in spring of 2015.

Attachment A includes site maps of the Eligible Property, refer to: Figure 1, Scaled Property Location Map and Figure 2, Eligible Property Boundary Map. The legal descriptions of the parcel(s) included in the Eligible Property are presented in Attachment B.

The parcel(s) and all tangible real and personal property located thereon will comprise the Eligible Property and is referred to herein as the "subject property."

2.2 Basis of Eligibility (Section 13 (1)(h) , Section 2 (m)), Section 2(r)

The subject property is considered "Eligible Property" as defined by Act 381, Section 2 because: (a) the subject property was previously or is currently utilized as a commercial property; (b) it is located within Albion, a qualified local governmental unit, or "Core Community" under Act 381; and (c) each of the parcels comprised by the subject property has been determined to be a "facility", blighted, or is adjacent and contiguous.

Historical use of the property consists of the following:

Since 1888 the property was occupied by various commercial businesses including:

- Printing shops
- Auto garages
- Auto Services/Sales
- Acme Quality Paints
- Sherwin-Williams
- Pawn store

A Phase II Environmental Site Assessment (ESA) was conducted at 208 S. Superior St. in 2013. In addition, a Phase II ESA was conducted at 118 and 120 W. Porter St. in 2014. These three parcels were determined to be facilities.

107 W. Center St., 111 W. Center St., 117 W. Center St., 119 W. Center St., and 121 W. Center St.; 108 W. Porter St.; and 212 S. Superior St. and 216 S. Superior St. were determined to be blighted, because these parcels have had their utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the properties are unfit for their intended uses.

210 S. Superior St. is adjacent and contiguous with 208 S. Superior St. 112 W. Porter St. is adjacent and contiguous with 118 W. Porter St.

2.3 Summary of Eligible Activities and Description of Costs (Section 13 (1)(a),(b))

The “eligible activities” that are intended to be carried out at the subject property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include BEA Activities (Phase I ESA, Phase II ESAs, and BEAs), due care activities, additional response activities, preparation of Brownfield and Act 381 work plans, lead and asbestos survey and abatement, demolition, site preparation, and infrastructure improvements (see Table 1).

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the subject property is shown in the table below.

Estimated Cost of Reimbursable Eligible Activities

ELIGIBLE ACTIVITIES COST SUMMARY				Estimated
BEA Activities				\$ 50,000
Due Care Activities				\$ 100,000
Additional Response Activities				\$ 50,000
Environmental Insurance				\$ -
TOTAL ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$ 200,000
Demolition				\$ 100,000
Lead and Asbestos Activities				\$ 50,000
Site Preparation Activities				\$ 400,000
Eligible Infrastructure Improvement Activities				\$ 150,000
TOTAL NON-ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$ 700,000
Total Environmental and Non-Environmental Eligible Activities				\$ 900,000
15% Contingency on Eligible Activities				\$ 135,000
Brownfield Plan & Act 381 WP Preparation Activities				\$ 20,000
Total Eligible Activities Cost with 15% Contingency				\$ 1,055,000
Interest (calculated at 5%, simple)				\$ 192,121
Total Eligible Activities Cost, with Contingency & Interest				\$ 1,247,121
BRA Administration Fee				\$ 60,000
State Revolving Fund				\$ 115,038
Local Site Remediation Revolving Fund (LSRRF)				\$ 715,135
Total Eligible Costs for TIF Reimbursement				\$ 2,137,294

Estimated costs are subject to approval by MSF and MDEQ. Any costs not approved by the MSF or MDEQ may become local only costs paid out of captured tax increment revenues from locally levied millages (to the extent available).

Interest is calculated annually at 5% simple interest on unreimbursed eligible activities, in accordance with ABRA policy.

LSRRF deposits will be made in accordance with Act 381.

A detailed breakout of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the subject property is shown in Attachment C, Table 1.

It is currently anticipated that construction will begin in Spring of 2015 and be completed within 1.5 years.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the subject property will be captured by the Authority and used to reimburse the cost of the eligible activities completed on the subject property after approval of this Brownfield Plan and an associated Reimbursement Agreement. The projections in this Brownfield Plan assume that tax increment revenue otherwise capturable by the Downtown Development Authority (DDA) on the subject property parcels will be utilized for reimbursement of Brownfield eligible activities, in accordance with Act 381 and with a development agreement to be executed between Developer and the DDA.

The costs listed in the table above are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the subject property. The actual cost of those eligible activities encompassed by this Brownfield Plan that will qualify for reimbursement from tax increment revenues of the Authority from the subject property shall be governed by the terms of a Reimbursement Agreement with the Authority (the "Reimbursement Agreement"). Eligible activities will also be reimbursed with tax increment revenue generated by the subject property and captured by the DDA. Reimbursement with tax increment revenues of the DDA from the subject property shall be governed by the terms of a Development Agreement with the DDA (the "Development Agreement"). No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and/or the Development Agreement.

In accordance with this Brownfield Plan, the associated Reimbursement Agreement, and the Development Agreement, the amount advanced by the Developer will be repaid by the Authority and the DDA, together with interest at the rate set at 5% simple interest, solely from the tax increment revenues realized from the Eligible Property. Payments will be made to the full extent incremental property tax revenues are or become available for such purpose under the Act and/or by the DDA. Based on the projected cost of eligible activities, interest reimbursement in this Brownfield Plan is estimated at \$192,121. However, if the actual cost of eligible activities turns out to be lower than the above estimates, interest reimbursement may be lower, subject to the 5% simple interest calculation

Tax increment revenues will first be used to pay or reimburse administrative expenses described in the table above. The amount of school tax revenues, which will be used to reimburse the costs of implementing eligible activities at this site, will be limited to the cost of eligible activities approved by the MDEQ and the MSF, together with the interest rate provided above. In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MDEQ or MSF, these specific activities will be reimbursed with local-only TIF (to the extent available).

2.4 Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing On Taxing Jurisdictions (Section 13(1)(g), Section 2(e))

This Brownfield Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Brownfield Plan in accordance with the Reimbursement Agreement. A table of estimated tax increment revenues to be captured is attached to this Brownfield Plan as Attachment C, Table 2. Tax increment revenue capture is expected to begin in 2016.

For as long as the subject property is located within the DDA, only tax increment revenues generated by school taxes (school operating and state education tax millages) and intermediate school district millages are available for capture by the Authority. The DDA captures all other local millages as authorized by the DDA act.

It also should be noted that although DDA-captured revenue is shown in Attachment C, Table 2 and, in accordance with the Development Agreement will be used to reimburse Brownfield Eligible Activities, the DDA-captured revenue is not governed by Act 381 or this Brownfield Plan. The Michigan Economic Development Corporation (MEDC), however, has indicated that use of DDA-captured tax increment revenue to reimburse Brownfield eligible activities identified in this Brownfield Plan is a precondition for showing “local commitment” to the project that is required for the MEDC to recommend approval to the MSF for the use of state school tax increment revenue to partially reimburse eligible activities.

All reimbursement will be in accordance with the Reimbursement Agreement and the Development Agreement.

The total estimated cost of the eligible activities and other costs (including administrative fees, contingency, interest, and LSRRF deposits) to be reimbursed through the capture of tax increment revenue is projected to be \$2,137,294. The estimated effective initial taxable value for this Brownfield Plan is \$41,700, and is based on land and real property tax only. Redevelopment of the subject property is expected to initially generate incremental taxable value in 2016 with the first significant increase in taxable value of approximately \$2,854,668 beginning in 2016.

It is estimated that the Authority will capture the 2016 through 2027 tax increment revenues to reimburse, with the DDA, the cost of the eligible activities, reimburse interest, State Brownfield Redevelopment Fund, LSRRF and pay Authority administrative fees (the DDA will not pay administrative fees); Authority administrative fees may be paid only out of local tax increment revenue captured by the Authority—i.e., ISD).

The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all taxable improvements on the subject property and the actual millage rates levied by the various taxing jurisdictions during each year of the plan are shown in Attachment C, Table 2. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions.

2.5 Plan of Financing (Section 13(1)(d)); Maximum Amount of Indebtedness (Section 13(1)(e))

Eligible activities are to be financed by the Developer. The Authority and the DDA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the subject property as available, and subject to the Reimbursement Agreement and Development Agreement.

All reimbursements authorized under this Brownfield Plan shall be governed by the Reimbursement Agreement. Reimbursements by the DDA of eligible activities authorized by or in this Brownfield Plan shall be governed by the Development Agreement. The Authority shall not incur any note or bonded indebtedness to finance the purposes of this Brownfield Plan. The inclusion of eligible activities and estimates of costs to be reimbursed in this Brownfield Plan is intended to: (1) authorize the Authority to fund such reimbursements; (2) provide the DDA with relevant information necessary to form and approve the Development agreement to fund such reimbursements; and (3) does not obligate the Authority or the City (or the DDA) to fund any reimbursement or to enter into the Reimbursement Agreement and/or Development Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Brownfield Plan, or which are permitted to be

reimbursed under this Brownfield Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Brownfield Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Brownfield Plan, will be provided solely under the Reimbursement Agreement contemplated by this Brownfield Plan.

2.6 Duration of Brownfield Plan (Section 13(1)(f))

In no event shall the duration of the Brownfield Plan exceed 35 years following the date of the resolution approving the Brownfield Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Brownfield Plan.

2.7 Effective Date of Inclusion in Brownfield Plan

The subject property will become a part of this Brownfield Plan on the date this Brownfield Plan is approved by the City of Albion. The date of tax capture shall commence during the year construction begins or the immediate following year—as increment revenue becomes available, but the beginning date of tax capture shall not exceed five years beyond the date of the governing body resolution approving the Brownfield Plan amendment.

2.8 Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))

There are no persons or businesses residing on the Eligible Property, except Albion Interfaith Ministries (AIM) on 118 W. Porter St. AIM intends to voluntarily relocate shortly, so no occupied residences will be acquired or cleared; therefore there will be no displacement or relocation of persons or businesses under this Brownfield Plan.

2.9 Local Site Remediation Revolving Fund (“LSRRF”) (Section 8, Section 13(1)(m))

Pursuant to Act 381, the Authority may establish a Local Site Remediation Revolving Fund (LSRRF). The Authority could capture incremental local and state school taxes to fund the LSRRF, to the extent allowed by law. The rate and schedule of incremental tax capture for the LSRRF under Brownfield Plans is determined on a case-by-case basis. Considerations may include, but not be limited to the following: total capture duration, total annual capture, project economic factors, level of existing LSRRF funding, projected need for LSRRF funds, and amount of school tax capture available in accordance with Act 381.

The amount of tax increment revenue authorized under this Brownfield Plan for capture and deposit in an LSRRF, should the Authority establish one, is estimated at \$715,135.

2.10 Other Information

The tax capture breakdown of tax increment revenues anticipated to become available for use in this Brownfield Plan is summarized below.

There are 61.6363 non-homestead mills available for capture, with school millage equaling 24.0000 mills (38.9%) and local millage equaling 37.6363 mills (61%). None of the project will include homestead residential property. The requested tax capture for MSF and MDEQ eligible activities breaks down as follows:

Tax Capture

State to Local Tax Capture	Eligible Activities, Interest, Contingency
MSF/MDEQ School tax capture (38.9%)	\$485,605
MSF/MDEQ Local tax capture (61.1%)	\$761,516
Local-Only tax capture	\$0
Total	\$1,247,121

Attachments

Attachment A
Site Maps

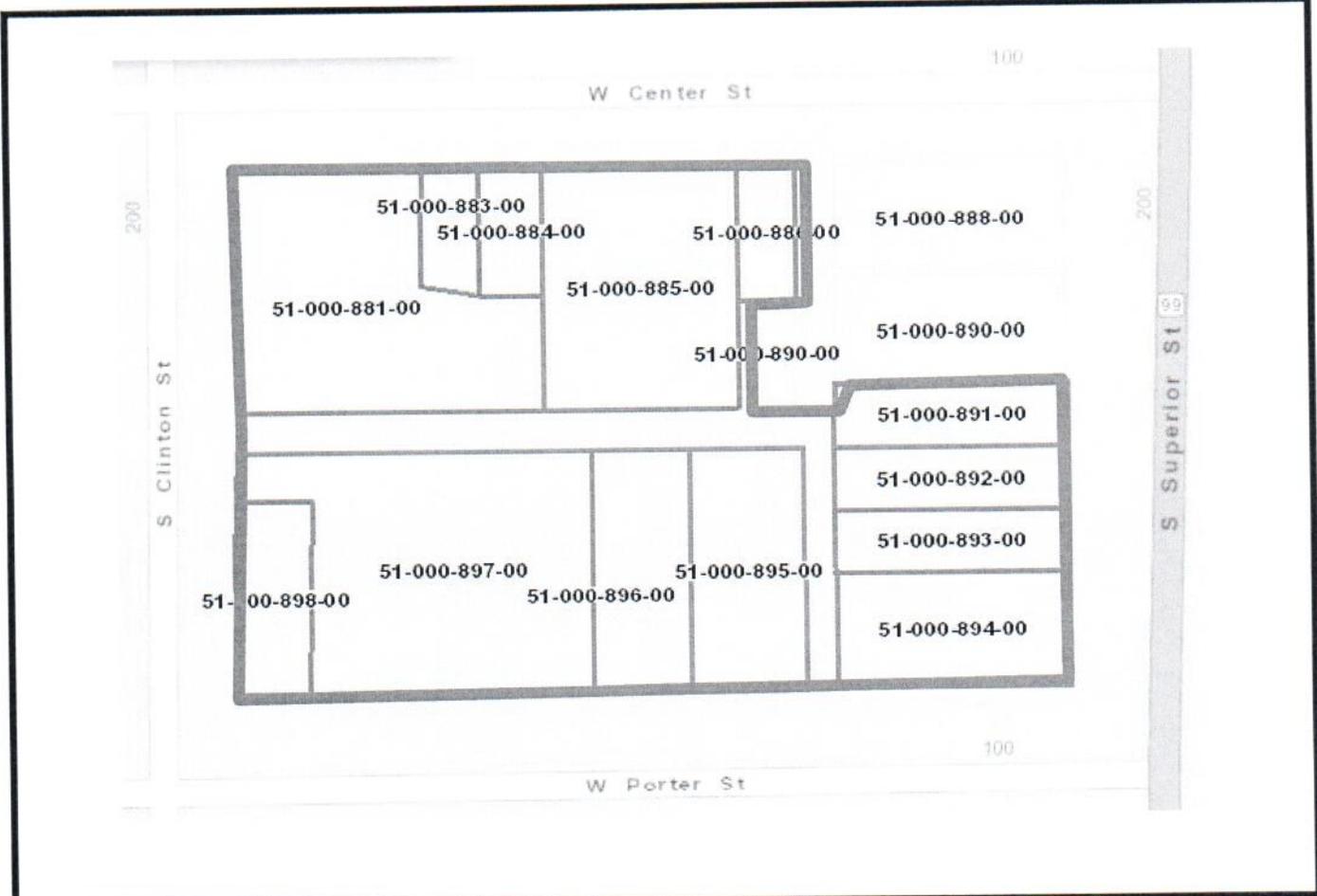


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SITE LOCATION MAP

13 parcels bounded by S. Superior, W. Porter, W. Center, and S. Clinton, Albion, MI

Figure 1



ELIGIBLE PROPERTY BOUNDARY MAP

13 parcels bounded by S. Superior, W. Porter, W. Center, and S. Clinton, Albion, MI

Figure 2

Eligible Property Boundary:



Attachment B
Legal Description(s)

ALBION BROWNFIELD REDEVELOPMENT PROJECT

Subject Property Parcel Information

Address	Parcel ID	Legal Description
107 W Center St	51-000-886-00	ORIGINAL PLAT, BLK 52, W 22.5 FT OF E 39 FT OF N 56 FT OF LOT 4 (111 W CENTER ST)
111 W Center St	51-000-885-00	ORIGINAL PLAT, BLK 52, ALL OF LOT 3 AND 4, EXC THE E 39 FT OF LOT 4 (111 W CENTER ST)
117 W Center St	51-000-884-00	ALBION CITY, ORIGINAL PLAT BLK 52 N 52' OF E 25' OF LOT 2 (117 W CENTER ST.)
119 W Center St	51-000-883-00	ALBION CITY, ORIGINAL PLAT. BLK 52 W 23 FT OF E 48 FT OF N 48 FT OF LOT 2. (119 W CENTER)
121 W Center St	51-000-881-00	ALBION CITY, ORIGINAL PLAT BLK 52 LOTS 1 & 2 EXC E 48 FT OF N 48 FT LOT 2. & S 4' OF N 52' OF E 25' OF LOT 2 (121 W CENTER)
108 W Porter	51-000-895-00	ORIGINAL PLAT, BLK 52, W 47 FT OF LOT 9. (108 W PORTER ST)
112 W Porter St	51-000-896-00	LBION CITY, ORIGINAL PLAT BLK 52, E 39.5' OF LOT 10. AND 99' N AND S. (110 W. PORTER ST.)
118 W Porter St	51-000-897-00	ORIGINAL PLAT, BLK 52; LOT 10, EXC E 39.5' AND LOT 11 AND 12, EXC W 25 FT 3 IN OF S 80 FT OF LOT 12 (118 W PORTER ST)
120 W Porter St	51-000-898-00	ORIGINAL PLAT, BLK 52, W 25 FT 3 IN OF S 80 FT OF LOT 12 (118 W PORTER ST)
208 S Superior St	51-000-891-00	ORIGINAL PLAT, BLK 52, S 6.35 FT OF LOT 6 AND N 15 3/4 FT OF ALLEY ADJ TO LOT 6 ON SOUTH (208 S SUPERIOR ST)
210 S Superior St	51-000-892-00	ORIGINAL PLAT, BLK 52, N 1/2 OF LOT 7, N 1 FT OF S 1/2 OF LOT 7 AND S. 75 FT OF ALLEY ADJACENT TO LOT 7 ON NORTH (210 S SUPERIOR ST)
212 S Superior St	51-000-893-00	ORIGINAL PLAT, BLK 52 S 23.3 FT OF LOT 7 AND N 1 FT OF N SIDE OF LOT 8 (212 S SUPERIOR ST)
216 S Superior St	51-000-894-00	ORIGINAL PLAT, BLK 52, LOT 8, EXC 1 FT OFF N SIDE (214 S SUPERIOR ST)

Subject property also contains land within public rights-of-way that is located between and adjacent to the parcels listed above.

Attachment C
Tables

Table 1
Eligible Activities
Downtown Albion Project
Brownfield Plan as of 10/30/2014

ELIGIBLE ACTIVITIES COST SUMMARY				
				Estimated
BEA Activities				\$ 50,000
Due Care Activities				\$ 100,000
Additional Response Activities				\$ 50,000
Environmental Insurance				\$ -
TOTAL ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$ 200,000
Demolition				\$ 100,000
Lead and Asbestos Activities				\$ 50,000
Site Preparation Activities				\$ 400,000
Eligible Infrastructure Improvement Activities				\$ 150,000
TOTAL NON-ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$ 700,000
Total Environmental and Non-Environmental Eligible Activities				\$ 900,000
15% Contingency on Eligible Activities				\$ 135,000
Brownfield Plan & Act 381 WP Preparation Activities				\$ 20,000
Total Eligible Activities Cost with 15% Contingency				\$ 1,055,000
Interest (calculated at 5%, simple)				\$ 192,121
Total Eligible Activities Cost, with Contingency & Interest				\$ 1,247,121
BRA Administration Fee				\$ 60,000
State Revolving Fund				\$ 115,038
Local Site Remediation Revolving Fund (LSRRF)				\$ 715,135
Total Eligible Costs for TIF Reimbursement				\$ 2,137,294

**2016
EDC/TIFA/BRA
BOARD MEETING SCHEDULE**

February 4

March 3

April 7

May 5

June 2

August 4

September 1

October 6

November 3

December 1

Meetings will be held at: Albion Economic Development Corporation
309 N. Superior Street
Albion, MI 49224

Meetings on dates in bold are evening meetings at 7:00 p.m.
Meetings on dates not in bold are morning meetings at 7:30 a.m.