BROWNFIELD REDEVELOPMENT PLAN THE HISTORIC THOMPSON BLOCK THOMPSON BLOCK PARTNERS 400-408 NORTH RIVER STREET and 107 EAST CROSS STREET

CITY OF YPSILANTI, MICHIGAN

for

WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY WASHTENAW COUNTY, MICHIGAN

February 24, 2014

Washtenaw County Brownfield Redevelopment Authority

Brownfield Redevelopment Plan

For

The Historic Thompson Block

400-408 North River St. & 107 East Cross St

TABLE OF CONTENTS

1.	INTRODUCTION4
2.	DEFINITIONS AS USED IN THIS PLAN
3.	BROWNFIELD PROJECT
	3.1.Description of the Project and Costs to be Paid through the Brownfield Plan and
	Summary of Eligible Activities (MCL 125.2663(1)(a) and (b))
	3.2.Estimate of Captured Taxable Value and Tax Increment Revenues
	(MCL125.2663(1)(c))
	3.3.Method of Financing and Description of Advances by the Municipality MCL
	125.2663(1)(d)13
	3.4. Maximum Amount of Note or Bonded Indebtedness (MCL125.2663(1)(e))13
	3.5.Duration of Brownfield Plan (MCL 125.2663(1)(f)13
	3.6.Estimated Impact of Tax Increment Financing on Revenues of Taxing
	Jurisdictions (MCL 125.2663(1)(g))13
	3.7.Michigan Business Tax Credit
	3.8.Legal Description, Property Map and Personal Property
	(MCL 125.2663(1)(h)) 14
	3.9. Estimates of Residents and Displacement of Families (MCL 125.2663(1)(i)) 14
	3.10 Plan for Relocation of Displaced Persons (MCL 125.2663(1)(j)) 14
	3.11. Provisions for Relocation Costs (MCL 125.2663(1)(k)) 14
	3.12. Strategy for compliance with Michigan's relocation assistance law (MCL
	125.2663 (1)(l))14
	3.13. Description of Proposed Use of Local Site Remediation Revolving Fund (MCL
	125.2663(1)(m)
	3.14. Other Material that the authority or governing body considers pertinent
	MCL125.2663(1)(n)15

ATTACHMENTS

- A. Figure 1.a 1.i : Property Location Map, Site Plans & Building Plans Figure 2: Boundary Map of Eligible Property Figure 3: Project Illustrations
- B. Legal Description
- C. Tables 1 Sources and Uses
 Table 2 Annual Tax Increment Financing Table
 Table 3 Eligible Activities
- D. Affidavit from Level 3 Assessor
- E. Obsolete Property Rehabilitation Exemption Certificate (New cert forthcoming)
- F. Thompson Block: Approach to the Renovation, Historic Background and a description of the 2009 fire and some photos for reference

PROJECT SUMMARY

Project Name:	The Historic Thompson Block
Project Location:	The eligible property is located at 400-408 North River Street and 107 East Cross Street, Original Legal Description: Parcels 11-11-04-495-023 & 11-11-04-495-015, see Combined Legal Description, Attachment B.
Type of Eligible Property:	Obsolete Property
Eligible Activities:	Lead and Asbestos Abatement, Demolition, Site Preparation and Infrastructure Improvements, Storm Water Management System
Reimbursable Costs:	\$271,578.31
Estimated Eligible Investment:	\$7 million
Annual Tax Revenue Before Project:	\$6,200.00
Annual Tax Revenue After Project:	\$120,000 (based on estimated value of real and personal property)
Project Overview:	The Property will be redeveloped and used as a mixed-use building containing ground floor retail, second floor office space, and third floor loft apartments. The overall investment for the project is approximately \$7 million. The plan includes \$271,578.31 to be reimbursed through tax increment financing (TIF) attributable to school operating taxes. Construction is anticipated to begin summer of 2014 and will continue for approximately 12 months. This Brownfield Plan has been created to allow for the use of TIF attributable to school operating taxes, and to allow for the submittal of a Michigan Business Tax Brownfield credit, which would facilitate the redevelopment of the Property.

BROWNFIELD PLAN

The Historic Thompson Block 400 North River Street (400 & 408 North River St. & 107 East Cross Street) Ypsilanti, Michigan

1.0 INTRODUCTION

In order to promote the revitalization of environmentally distressed and blighted areas with the boundaries of Washtenaw County, Michigan ("County"), the County has established the Washtenaw County Brownfield Redevelopment Authority ("Authority") in 1999 by the adoption of a resolution pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (Act 381). Act 381 authorized the Authority to undertake all activities allowed by law. The primary purpose of Act 381 is to encourage the redevelopment of contaminated, functionally obsolete, or blighted property by providing economic incentives through tax increment financing for certain eligible activities and Michigan Business Tax (MBT) Brownfield credits.

The primary purpose of this Brownfield Plan ("Plan") is to promote the redevelopment of and private investment in certain "Brownfield" properties within the County. Inclusion of property within this Plan will facilitate financing of the qualified local unit of governments 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 Plan is intended to promote economic growth for the benefit of the residents of the County and all taxing units located within and benefited by the Authority.

The Plan describes qualifying factors that determine "eligible property" status, as Functionally Obsolete and Blighted and makes it a Brownfield site. The Plan also describes the methods used to revitalize the site, including the cost and amount of tax dollars generated by the new development that will be used to pay for the revitalization. Once approved by the City of Ypsilanti, the Authority, and the Washtenaw County Board of Commissioners ("Governing Body"), the Plan acts as a guide for implementation of the project.

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

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

2.0 DEFINITIONS AS USED IN THIS PLAN

All terms used in this Brownfield Plan are defined as provided in Michigan Public Act 381 of 1996, as amended (MCL 125.2652 Definitions) (Act 381), or Part 201, Environmental Remediation and Michigan Public Act 36 of 2007 (Michigan Business Tax Act) and Michigan Public Act 451 of 1994 (Natural Resources and Environmental Protection Act).

MCL 125.2652 Definitions:

"Additional response activities" means response activities identified as part of a Brownfield plan that are in addition to baseline environmental assessment activities and due care activities for an eligible property.

"Authority" means a Brownfield redevelopment authority created under this act.

"Baseline environmental assessment activities" means those response activities identified as part of a Brownfield plan that are necessary to complete a baseline environmental assessment for an eligible property in the Brownfield plan.

"Blighted" means property that meets any of the following criteria as determined by the governing body:

Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.

Is an attractive nuisance to children because of physical condition, use, or occupancy.

Is a fire hazard or is otherwise dangerous to the safety of persons or property.

Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

"Brownfield Plan" means a plan that meets the requirements of Section 13 and is adopted under Section 14 of Act 381.

"Captured taxable value" means the amount in 1 year by which the current taxable value of an eligible property subject to a Brownfield Plan, including the taxable value or assessed value, as appropriate, of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property. The State Tax Commission shall prescribe the method for calculating captured taxable value. "Eligible activities" or "eligible activity" means 1 or more of the following:

Baseline environmental assessment activities.

Due care activities.

Additional response activities.

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

Infrastructure improvements that directly benefit eligible property.

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

Lead or asbestos abatement.

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

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

Except as otherwise provided in this subdivision, "eligible property" means property for which eligible activities are identified under a Brownfield Plan that was used or is currently used for commercial, industrial, public, or residential purposes, including personal property located on the property, to the extent included in the Brownfield Plan, and that is 1 or more of the following:

Is in a qualified local governmental unit and is a facility, functionally obsolete, or blighted, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property.

Is not in a qualified local governmental unit and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property. Is tax reverted property owned or under the control of a land bank fast track authority.

"Fiscal year" means the fiscal year of the authority.

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

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

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

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

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

"Municipality" means all of the following:

A city.

A village.

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

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

A county.

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

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

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

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

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

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

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

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

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

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

Please find additional definitions in: Act 36 of 2007; **MICHIGAN BUSINESS TAX ACT**

Act 451 of 1994; NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT

3.0 BROWNFIELD PROJECT—THE HISTORIC THOMPSON BLOCK

3.1 DESRIPTION OF THE PROJECT AND COSTS TO BE PAID THROUGH THE BROWNFIELD PLAN AND SUMMARY OF ELIGIBLE ACTIVITIES (MCL 125.2663(1)(a) and (b))

A. Project Description

Public Act 381 of 1996, as amended, defines "eligible property" as ". . .property for which eligible activities are identified under a Brownfield Plan that was used or is currently used for commercial, industrial, public or residential purposes, including personal property located on the property, to the extent included in the Brownfield Plan, and that is 1 or more of the following: (i) Is in a qualified local unit of government and is a facility, functionally obsolete, or blighted, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property."

The eligible property consists of originally two parcels, located in the City of Ypsilanti (City) and having the address of 400-408 North River Street and 107 East Cross Street (Parcel ID Numbers 11-11-04-495-015, 11-11-04-495-023) herein referred to collectively as the "Property". The Property is located in a commercial area of the City and is currently vacant. A legal description of the Property is included in **Attachment B**. **Attachment A.1.a** provides a location map, and **Attachment A.2** provides a map designating the eligible property boundary.

The Historic Thompson Block is a 150-year old three-story building located in Ypsilanti's historic Depot Town area. Built with the bricks and stone of the Great Western Hotel, the Thompson Block has played host to the 14th and 27th infantry during the civil war, it was rumored to have been a stop on the Underground Railroad with a direct link to the Michigan Central Railroad across the street. Other previous uses included a paint store, bicycle shop, fire department and a Dodge dealership (one of the first in the area).

Project investors, hereinafter referred to as the "Developer," intend to redevelop the Property as a mixed-use building that includes residential condominiums, retail and office space, and a parking lot for municipal and residential uses. The phase of the project that is the basis for this plan will include up to 16 luxury loft units (15,642 sf) and 13,342 square feet of retail /class-A office space/commercial space construction along with associated site amenities such as parking and landscaping. Examples of uses that may be included within the development include, but are not limited to, restaurant, retail, and professional office uses. Exact uses will be defined more fully as planning for the project continues and is formalized.

The overall estimated investment for the portion of the project that is the basis for this Plan is approximately \$7 million. Construction is anticipated to begin in the summer of 2014, and will continue until estimated completion in mid-2015. This Plan has been created for the purpose of facilitating redevelopment of the Property, to allow the Authority to utilize tax incremental financing (TIF) attributable to school operating taxes to reimburse the Developer for the cost of certain eligible activities and to allow for a qualified taxpayer to apply for a Michigan Business Tax Brownfield Credit.

The completed Thompson Block project will dramatically improve a highly visible stretch of River Street, and the most visible corner in Depot Town. The redevelopment of the Thompson Block will also encourage development in the area, bring visitors to Depot Town, and help support new and existing restaurant and retail establishments. The improvements to this currently vacant and blighted property will be permanent, and will help raise the value of this and the surrounding buildings to several times their current value, all of which will benefit the surrounding community considerably.

B. Identification of the Property as Blighted and Functionally Obsolete

The property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for commercial purpose; (b) it is located within the City of Ypsilanti, a qualified local government unit under Act 381; and (c) the Property is determined to be functionally obsolete as defined by Act 381.

The building is dangerous and unable to be used to adequately perform the function for which it was intended due to a substantial deterioration. The requisite affidavit signed by a Level 3 Assessor certifying the assessor's expert opinion that the Property is functionally obsolete is provided in **Attachment D**. Further description of its eligibility is outlined below and **Attachment E** provides illustrations further documenting the building's obsolescence. The description below also documents the building's current state of disrepair.

Functionally Obsolete:

- The property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from deficiencies in design and changes in technology.
- Mechanical and electrical systems must be replaced.
- The building is an attractive nuisance to children because of physical conditions.
- It is a fire hazard or is otherwise dangerous.
- Life safety systems (smoke detectors, fire alarm systems, exit signs and fire sprinklers) must be installed.

- The property has had utilities disconnected permanently due to them being rendered ineffective for current usage.
- The elevators must be brought up to code.
- Interior finishes have been stripped.
- A new security system must be installed
- The windows must be rehabilitated or replaced
- The entire roof must be replaced as well as most of the flooring systems as a result of a significant fire in 2009.

C. Description of Costs to be Paid for with Tax Increment Revenues and Summary of Eligible Activities

Eligible activities that will take place as part of this project are described in the **TIF Eligible Cost of Redevelopment Activities Showing MSF Specific Costs** table below and attachment (**Table 2**) including more detail include lead and asbestos abatement, demolition, site preparation, and infrastructure improvements. Tax increment revenues attributable to school operating taxes generated by the new development will be captured by the Authority, and used to reimburse the Developer for the cost of eligible activities completed on the Property. The Plan constitutes a public purpose by providing new tax revenues and employment for the community. The estimated cost of the eligible activities is shown below.

TIF Eligible Cost of Redevelopment Activities Showing MSF Specific Costs

Project Name: Project Address:	The Thompson Block 400-408 North River St & 107 E Cross St Ypsilanti Michigan 48198
Parcel Number(s):	11-11-04-495-015 &11-11-04-495-023
Item/Activity Further Assessment Activities (Supplement	Total Cost
Future Assessment Activities (Supplementa	ar Fliase II, BEA, Brownield Flail, etc.)
Brownfield Plan	\$5,000.00
Act 381 Work Plan	\$7,500.00
MSF Eligible Activities (building demolit improvements and lead &	
Building Demolition	\$24,000.00
Selective Interior Demolition	\$70,250.00
Site Preparation & Utilities	\$0.00
Infrastructure Improvements	\$84,105.00
10% Architectural / Engineering	\$17,835.50
Asbestos Abatement	\$8,475.00
Lead Abatement	\$5,625.00
15% Abatement Supervision	

Engineering, Design, Testing & Supt/GCs	\$27,311.99
Consulting Se	ervices
MSF Review Fees	NA
15% Contingency based on all eligible investments (potentially add 33,546.60)	\$31,860.83
Projected Totals	\$271,578.31

TIF: Tax Increment Financing

The costs listed in the **TIF Eligible Cost of Redevelopment Activities Showing MSF Specific Costs** (table above) are estimated costs, and may increase or decrease depending on unknown conditions encountered on the Property. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the approved Plan. This Plan will dictate the total cost of eligible activities subject to reimbursement, provided that the total cost of eligible activities subject to reimbursement shall not exceed the estimated costs set forth above, without requiring an amendment to this Plan. As long as the total costs are not exceeded, line items costs of eligible activities may be adjusted after the date of this Plan as approved by the Authority/Governing Body, to the extent adjustments do not violate the terms of the approved Michigan Economic Growth Authority Act 381 Work Plan.

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

The Developer has received an Obsolete Properties Rehabilitation Act (OPRA) tax abatement from the City of Ypsilanti and the State Tax Commission for 12 years (the Obsolete Property Rehabilitation Exemption Certificate is provided in Attachment E, Therefore; local taxes on the building have been frozen. The State of Michigan Treasury Department has granted an OPRA abatement on 50% of the school operating taxes for the first six years. The Plan proposes capturing the available tax increment revenues attributable to school operating taxes, because the local taxes on the building have been frozen. The total estimated cost of the eligible activities to be reimbursed through the capture of tax increment revenue attributable to school operating taxes is \$271,578.31 The Developer shall invest approximately \$7 million in personal and real property improvements on the Property. Redevelopment of the Property is expected to initially generate incremental taxable value in 2016 with the first significant increase in taxable value of approximately \$1.6 million. It is estimated that the 2016 through 2026 tax increment revenues attributable to school operating taxes will be captured. This annual reimbursement will enable the Developer to justify the debt to income ratio with the lender, additionally it will allow for the project to flourish in a protected fiscal situation in its formative years.

Captured incremental taxable value and associated tax increment revenue will be based on the annual increased taxable value from the actual taxable improvements on the Property, and the millage rates attributable to school operating taxes.

3.3 METHOD OF FINANCING AND DESCRIPTION OF ADVANCES BY THE MUNICIPALITY (MCL 125.2663(1)(d))

Project costs are to be financed by the Developer. The Authority will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues attributable to school operating taxes generated from the Property. No advance has been made or shall be made by the City, Authority, or the Governing Body for the costs of eligible activities under this Plan.

3.4 MAXIMUM AMOUNT OF NOTE OR BONDED INDEBTEDNESS (MCL 125.2663(1)€)

Project costs are to be financed by the Developer and the Authority/Governing Body shall not incur any note or bonded indebtedness to finance the purposes of this Plan.

3.5 DURATION OF BROWNFIELD PLAN (MCL 125.2663(1)(f))

The duration of the Brownfield Plan for eligible activities on eligible property shall not exceed 35 years following the date of the governing body resolution approving the Plan. The date of tax capture shall commence during the year construction begins or the immediate following year, but the beginning date of tax capture shall not exceed five years beyond the date of the governing body resolution approving the Plan. Tax increment revenue capture shall not exceed 30 years.

3.6 ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS (MCL 125.2663(1)(g))

The following table presents a summary of the tax increment revenues, generated by the taxing jurisdictions, which will be captured by the Authority to reimburse eligible activities under this Plan. 69,272.52

Taxing Jurisdiction	Total
State Education Tax (SET)	\$ 68,243.07
School Operating	\$ 203,335.24
TOTAL Collected	\$ 271,578.31

TAXES CAPTURED BY TAXING JURISDICTION

Additional information related to the impact of tax increment financing on the various taxing jurisdictions is presented in **Attachment C.2**.

3.7 MICHIGAN BUSINESS TAX CREDIT

The Property is included in this Plan to enable "qualified taxpayers" as defined by Michigan Public Act 36 of 2007, as amended, Michigan Business Tax (MBT) Act, to avail themselves of eligibility for a credit against their Michigan Business Tax liability for eligible investments incurred on the Property after the adoption of this Plan. Eligible investment is estimated at approximately \$7 Million.

By approval of this Plan, the City, Authority, and Governing Body do not intend to make, nor have made representation to a developer or any other person of the availability, amount or value of any credit under the MBT Act or that adoption of this Plan will qualify or entitle a developer or any other person to apply for or receive pre-approval or approval of any credit under the MBT Act for the Property. The City, Authority, and Governing Body also assume no obligation to take any action or to modify or amend this Plan to facilitate or to allow any person to receive pre-approval of any credit under the MBT Act for the Property.

3.8 LEGAL DESCRIPTION, PROPERTY MAP AND PERSONAL PROPERTY (MCL 125.2663(1)(h))

Attachment B includes a legal description of the Property, **Attachment A.1** provides a property location map and **Attachment A.2** provides a map of the eligible property boundaries.

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for commercial purpose; (b) it is located within the City of Ypsilanti, a qualified local government unit under Act 381; and (c) the Property is determined to be functionally obsolete and blighted as defined by Act 381. **Attachment D** provides an affidavit from a Level 3 Assessor determining the building to be functionally obsolete.

3.9 ESTIMATES OF RESIDENTS AND DISPLACEMENT OF FAMILIES (MCL 125.2663(1)(i))

There are no persons residing on the Property to which this Plan applies and, therefore there are no families to be displaced.

3.10 PLAN FOR RELOCATION OF DISPLACED PERSONS (MCL 125.2663 (1)(j))

There are no persons residing on the Property to which this Plan applies and, therefore there are no families to be displaced.

3.11 PROVISIONS FOR RELOCATION COSTS (MCL 125.2663 (1)(k))

There are no persons residing on the Property to which this Plan applies and, therefore there are no families to be displaced.

3.12 STRATEGY FOR COMPLIANCE WITH MICHIGANS RELOCATION ASSISTANCE LAW (MCL 125.2663 (1)(1))

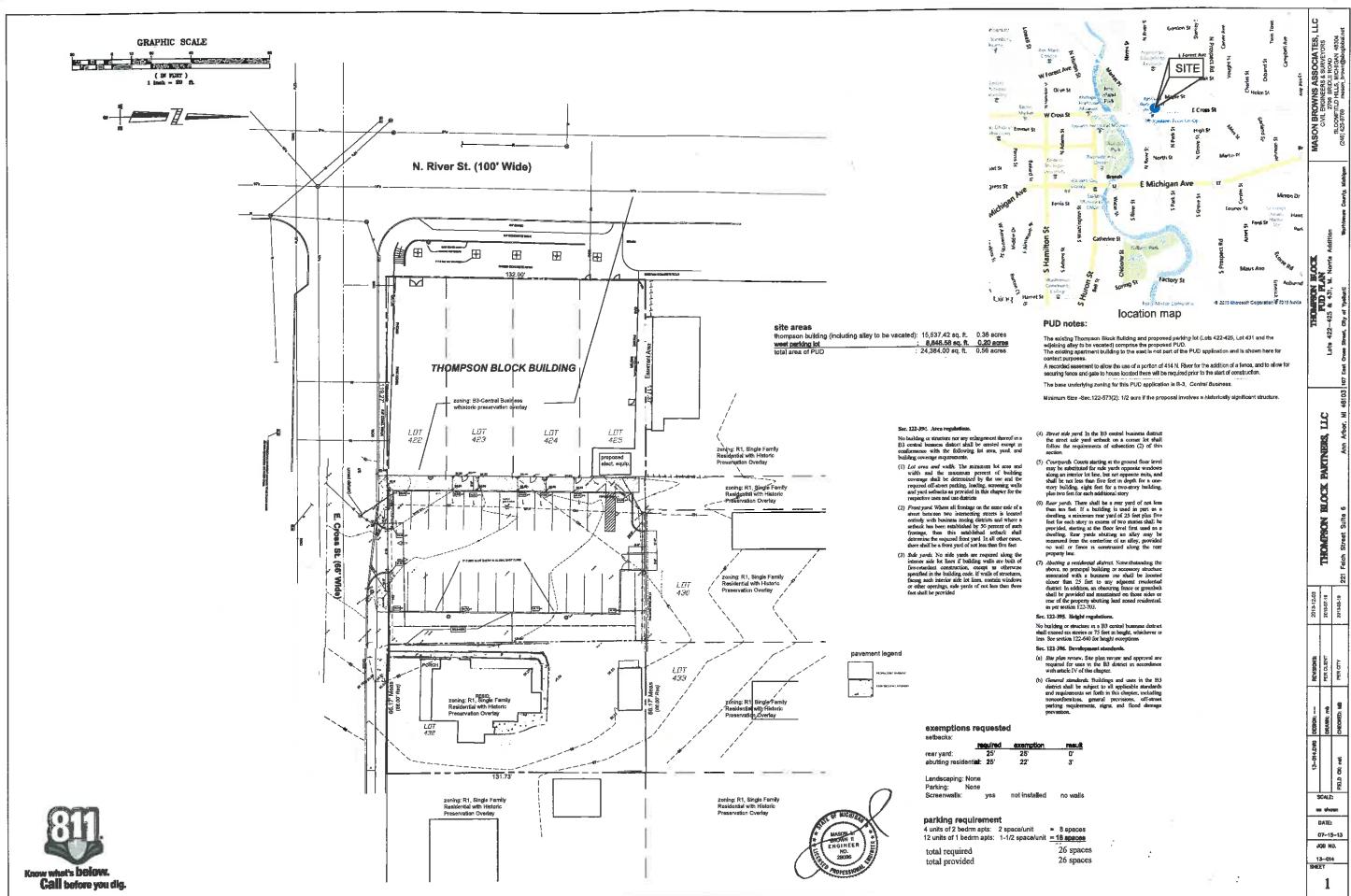
There are no persons residing on the Property to which this Plan applies, and therefore there is no need for compliance with Act 227 of the Public Acts of 1972, being Section 213.321 to 213.332 of the Michigan Compiled Laws.

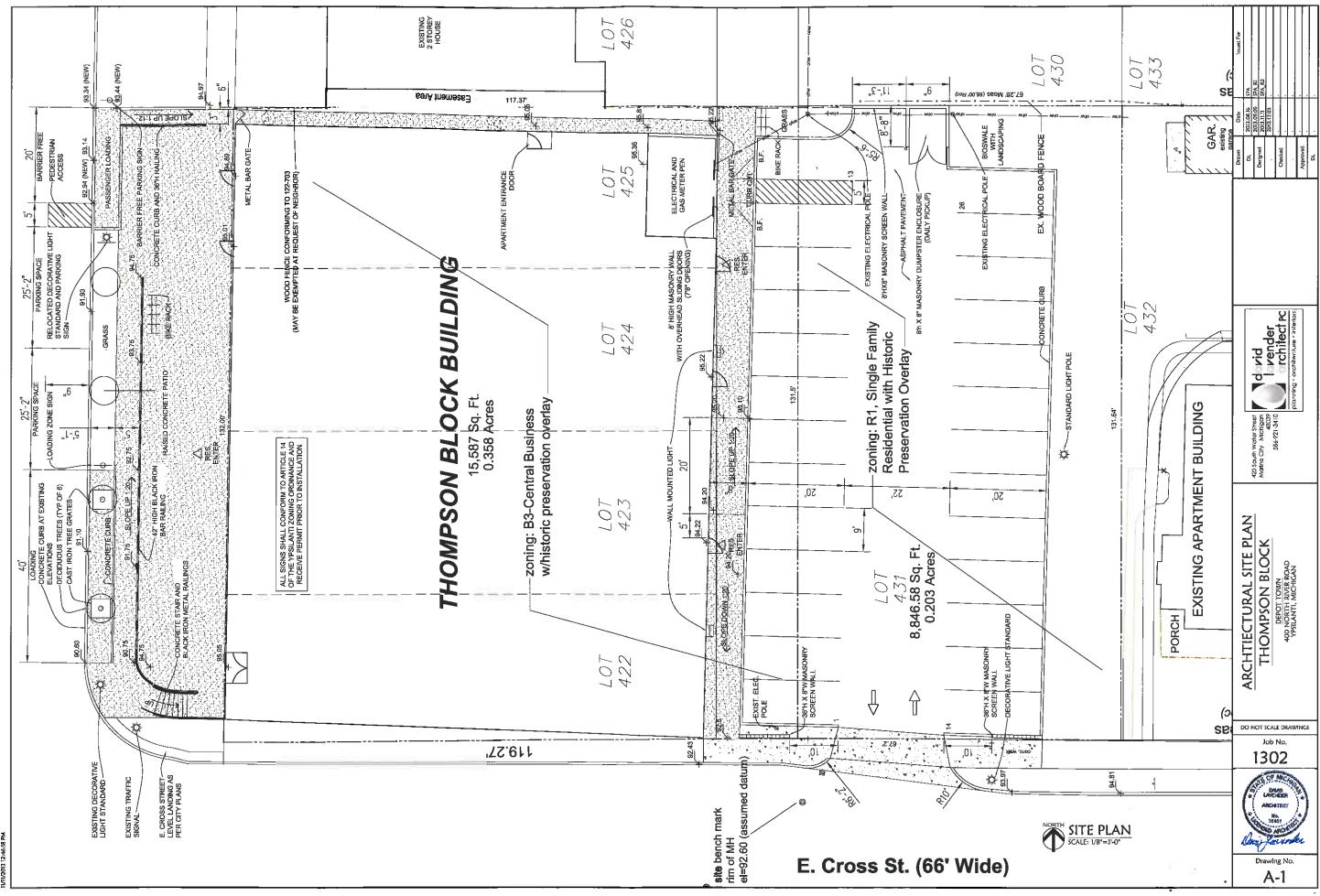
3.13 DESCRIPTION OF PROPOSED USE OF LOCAL SITE REMEDIATION REVOLVING FUND (MCL 125.2663 (1)(m))

Tax increment revenue will not be deposited in the Authority's Local Site Remediation Revolving Fund as part of this Plan

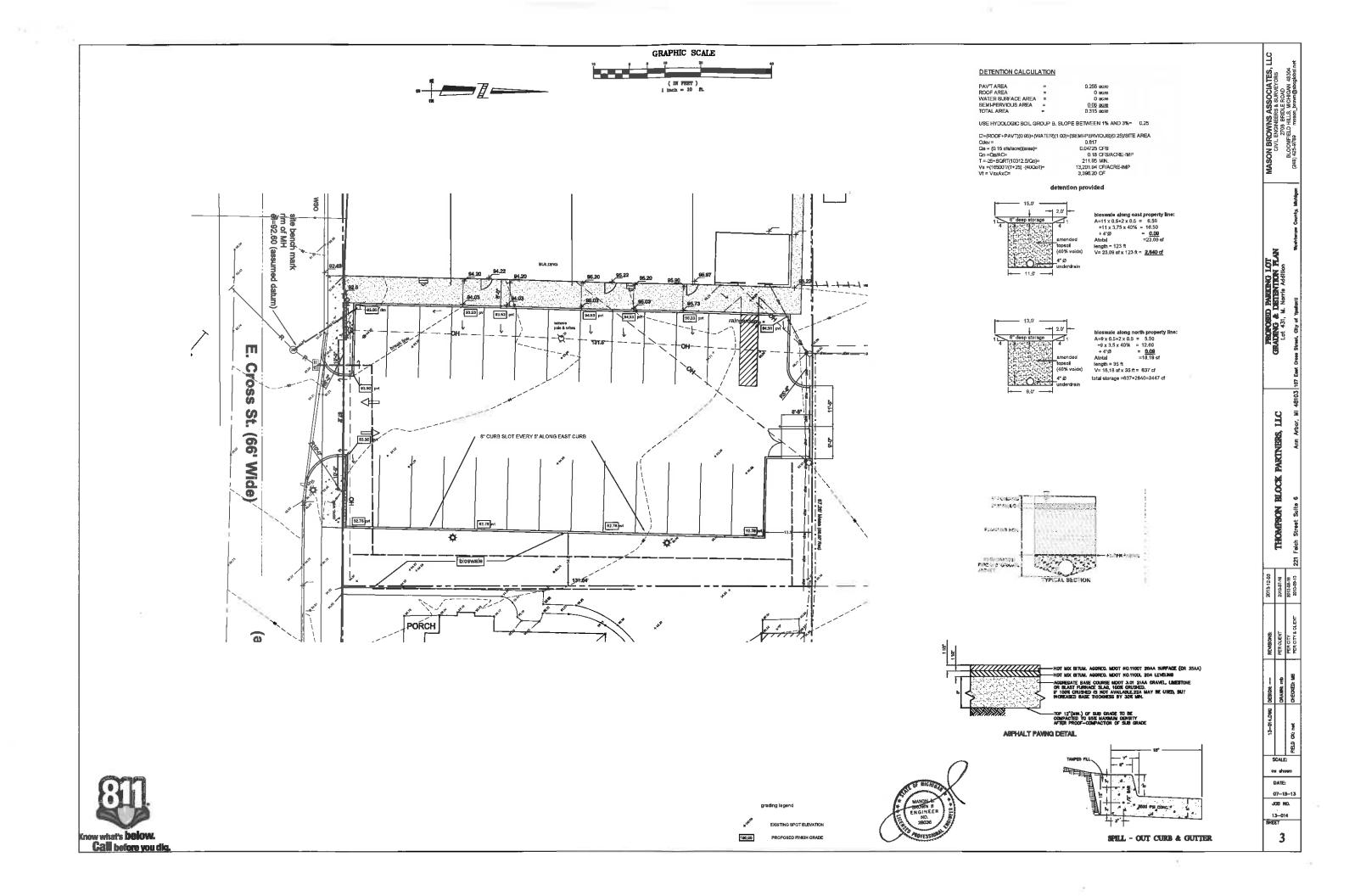
3.14 OTHER MATERIAL THAT THE AUTHORITY OR GOVERNING BODY CONSIDERS PERTINENT

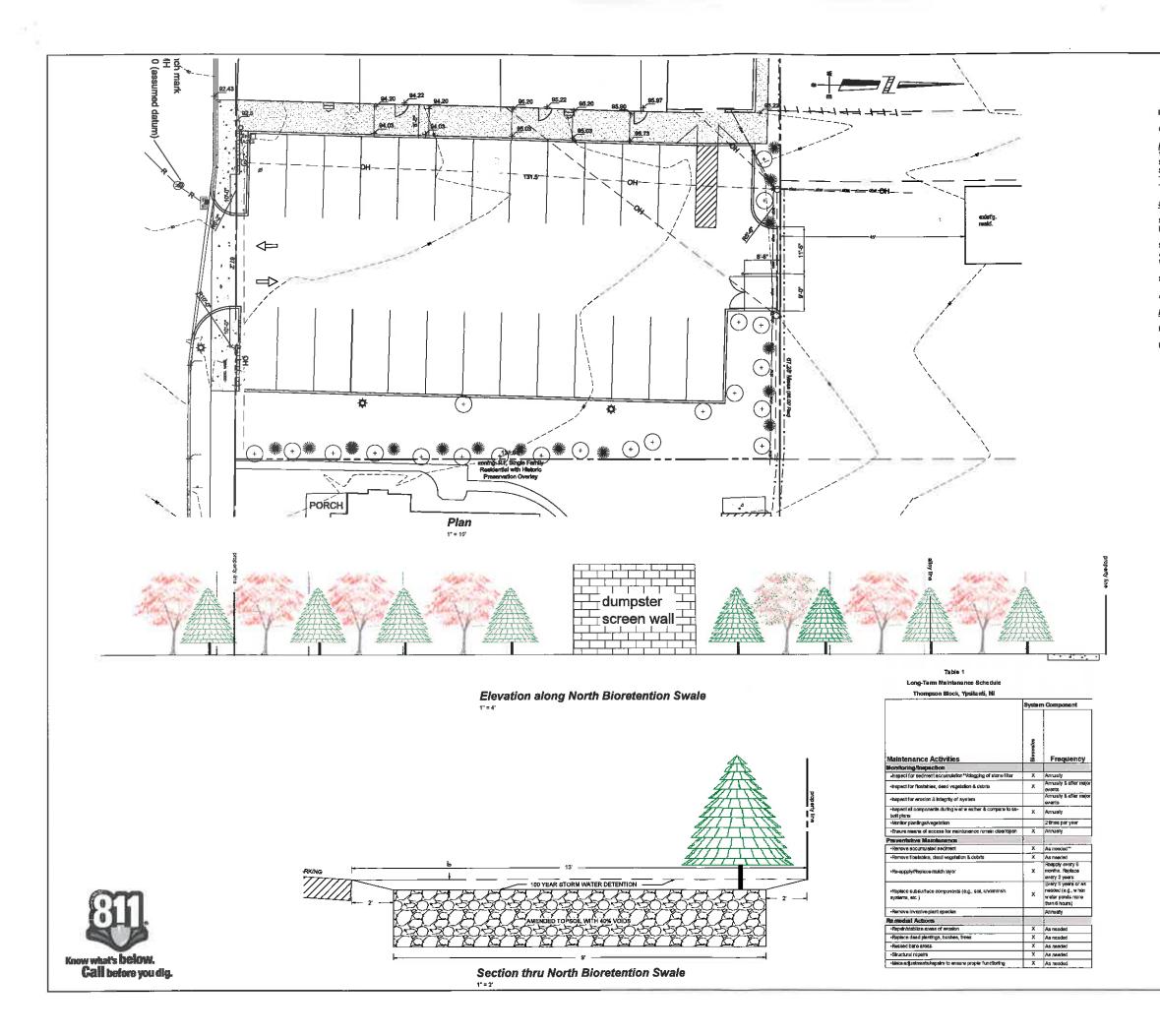
None

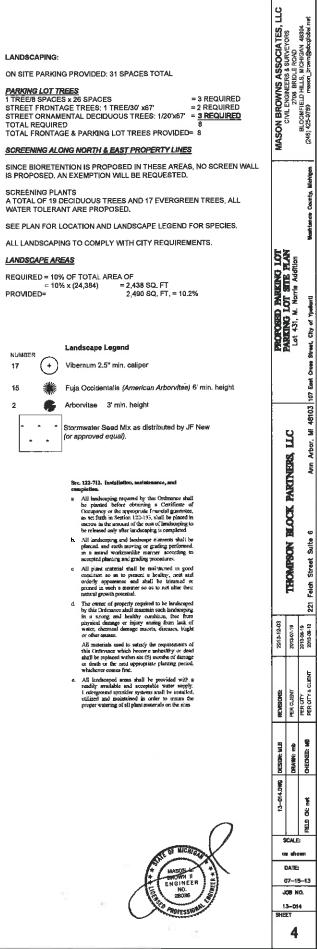




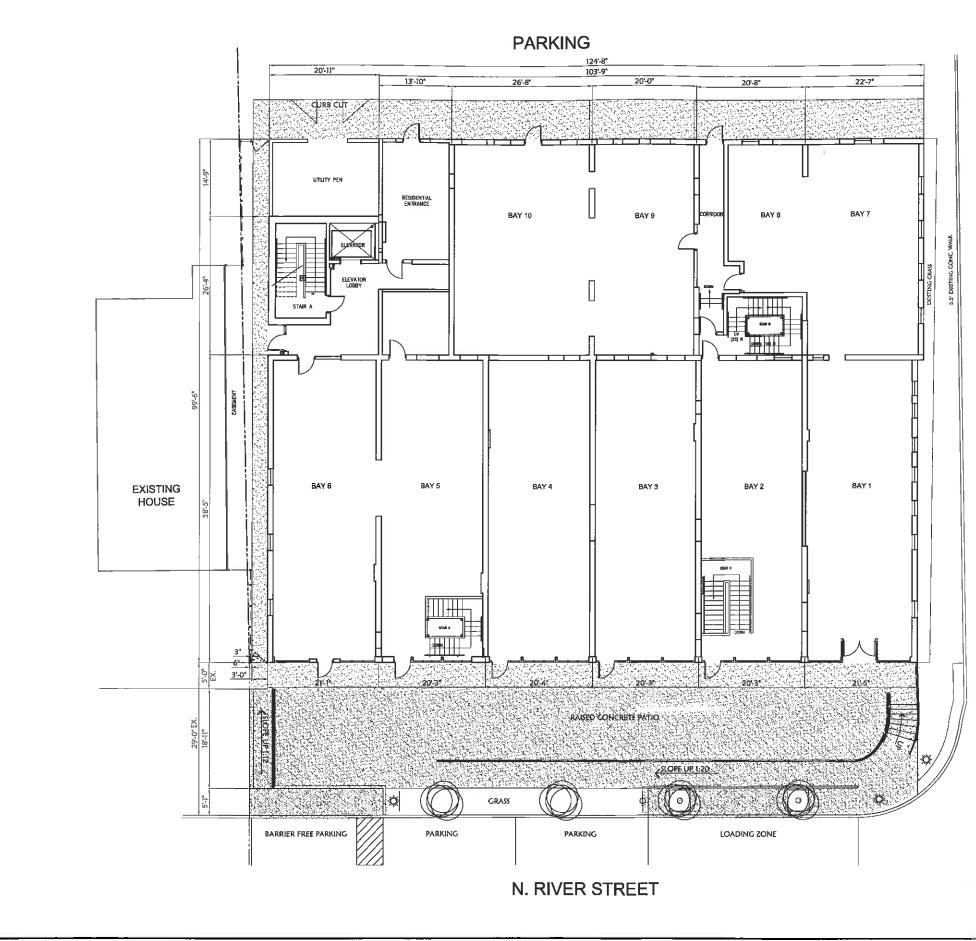
10 81-97-01 EIUC/IL







EAST CROSS STREET

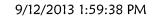


/2013 12:43:41 PM

.

For									
Issued For		SPA KI							
Date	П	2013.09.09 5PA	2013.12.03	<u> </u>		•			
Drawn	DL	Designed		Checked		Approved	סו		
	As south Water Street Marine City Michaen S86-921-3410 Planming - architecture - Interior								
	MAIN FLOOR PLAN THOMPSON BLOCK DEPOT TOWN 400 NORTH RIVER ROAD YPSILANTI, MICHICAN								
	DO NOT SCALE DRAWINGS Job No.								
1302									



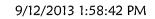


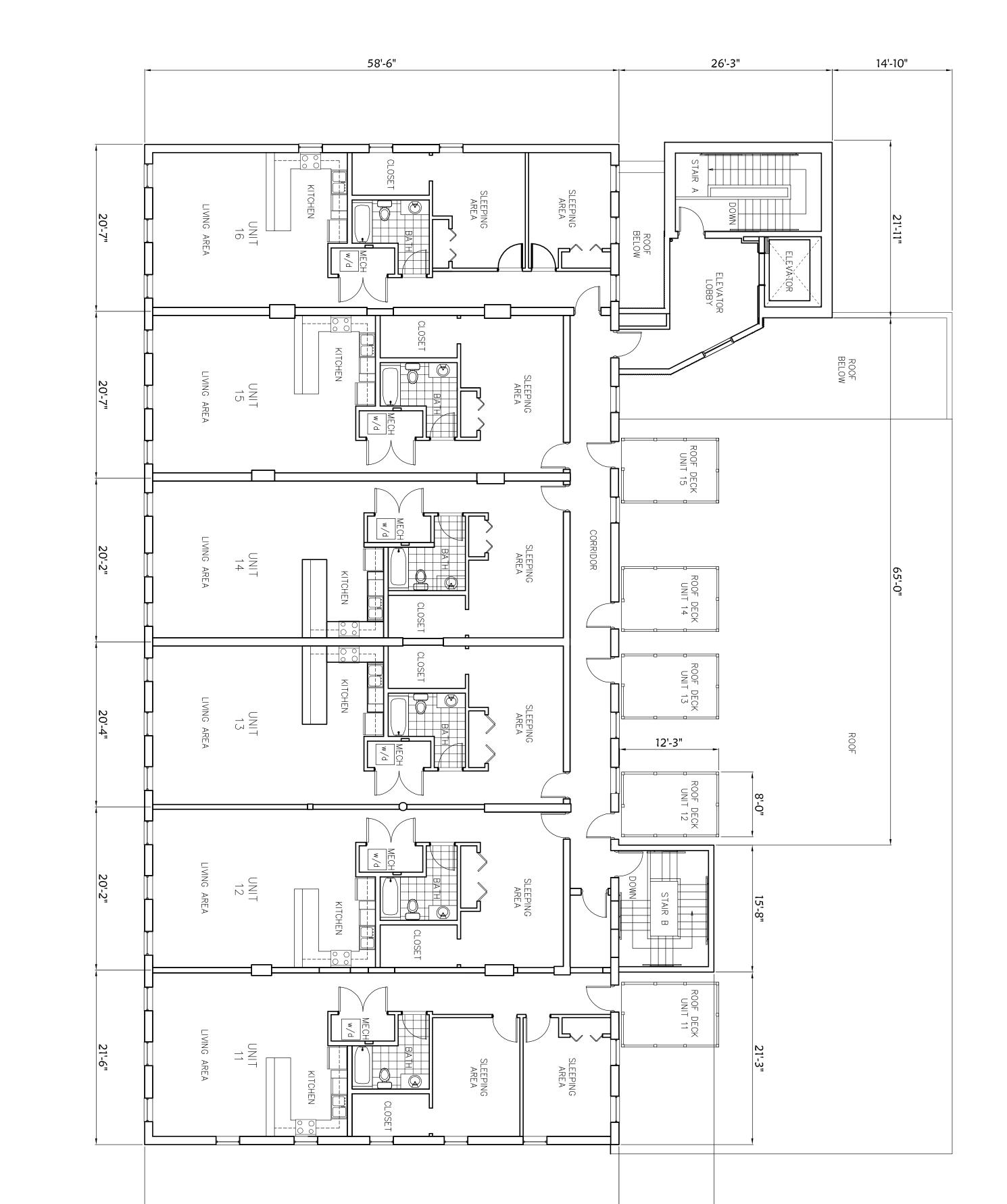




				Drawn	Date		Issued For
	And a second			DL	2013.08.16	SPA	
		SECOND FLOOR PLAN 420 South Water Street Marine City Michigan	SECOND FLOOR PLAN 420 South Water Street	Designed	2013.09.09	SPA_R1	
			interime enty interingent	Designed	•		
		THOMPSON BLOCK			•		
l ng	ARONING DO NO.	DEPOT TOWN	586-921-3410 architect PC	Checked	•		
				Спескей	•		
lo.	A State of the sta	400 NORH RIVER ROAD	planning • architecture • interiors		•	•	
	C BOOM # Marco	YPSILANTI, MICHIGAN	plaining dictinectore interors.	Approved	•	•	
				Approved	•	•	
				DL	•		

57'-5"





58'-6" 11'-8"

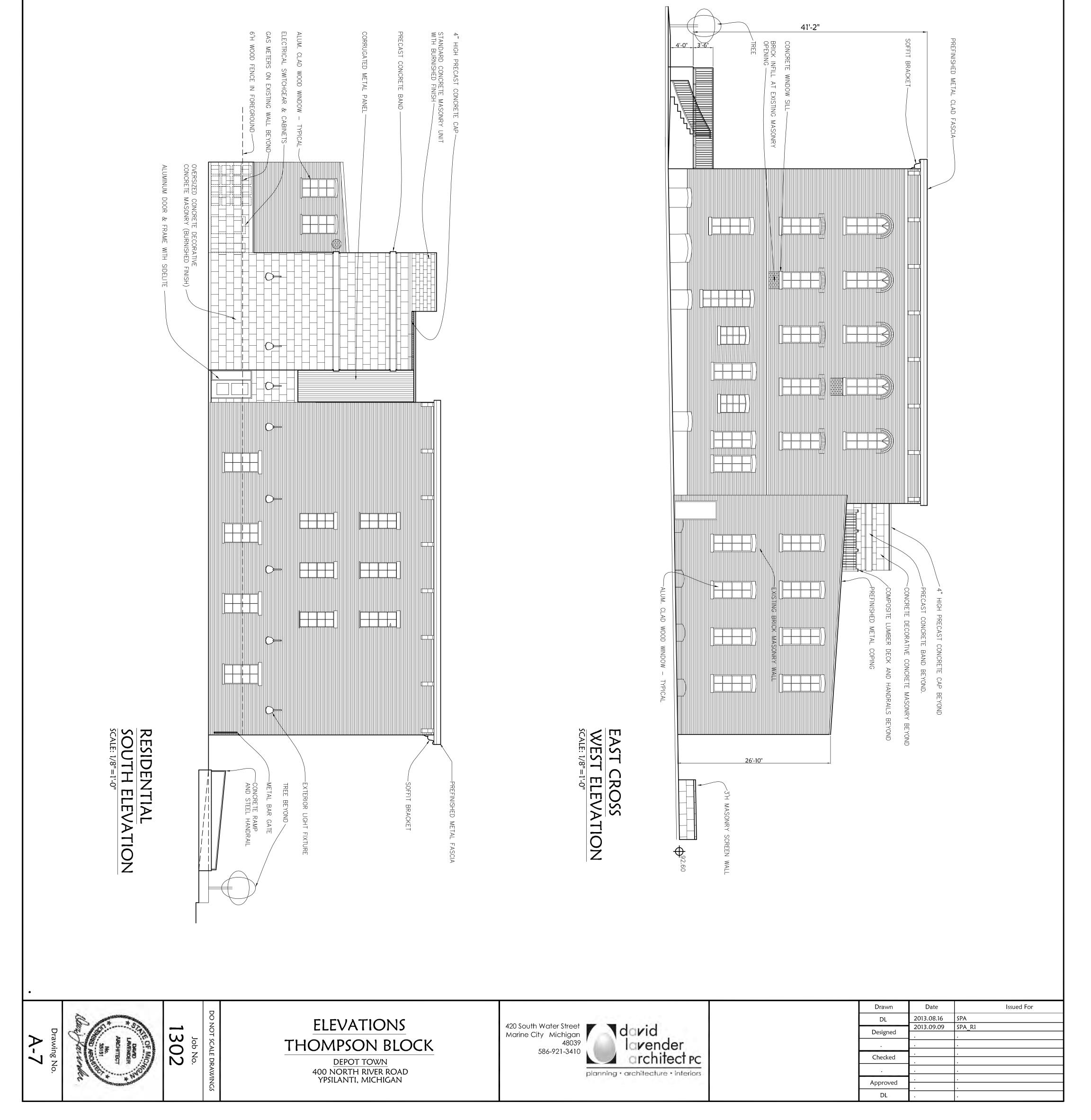


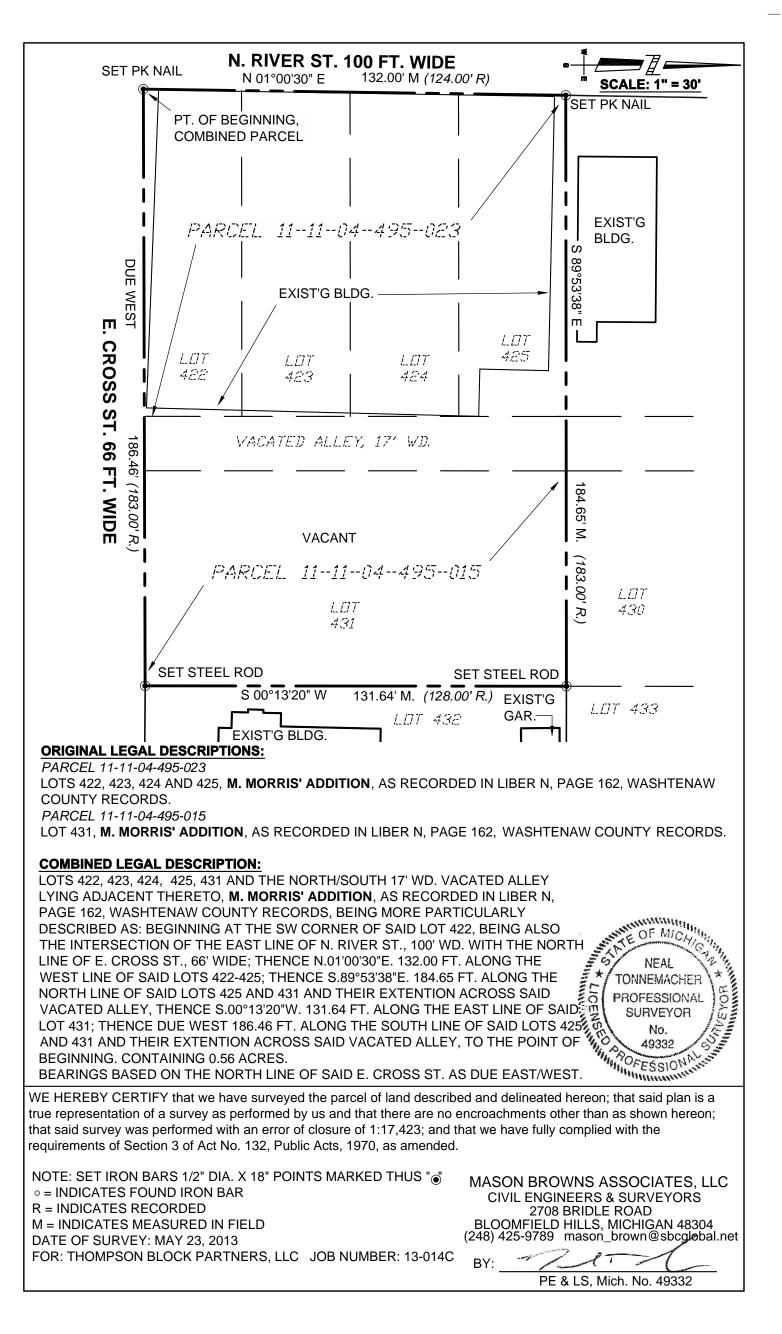
							Drawn	Date	Issued For
	Antonononono A		DL	2013.08.16	SPA				
	ST. ST.		Z	THIRD FLOOR PLAN	420 South Water Street		Designed	2013.09.09	SPA_R1
> rav	JE ZE IN	$\omega \ge 1$	ΣT				Designed	·	
	STAN HE MEN		Â	THOMPSON BLOCK			•		
υ all the second secon	MINING MANDE		m	586-921-3410 architect PC		Checked	<u>.</u>		
	A PARTY PARTY PARTY		R	DEPOT TOWN	UTCHINECTPC			4 ·	
	A star		¥ l	400 NORTH RIVER ROAD	planning • architecture • interiors		•	<u> </u>	
	C 000000000000000000000000000000000000		Z	YPSILANTI, MICHIGAN			Approved	•	
			S.					<u>↓</u> ·	· -
							DL	·	

9/12/2013 2:02:26 PM



9/12/2013 2:01:29 PM





Thompson Block Partners LLC

221 Felch Street Ann Arbor, Michigan 48103 734-662-6133 / 734-662-5869 Prepared by Fred J. Beal 1/31/2013 Updated for TBP 04/18/2013 Updated for LME-CRP 05/24/2013

Updated for LMF-CRP 05/24/2013 Updated for LMF-CRP 05/24/2013 Updated with final site plans 08/01/2013

The Thompson Block Re-development

400 North River Street and 107 East Cross Street Ypsilanti, Michigan 48197 Thompson Block As Designed with 107 East Cross Parking Lot

With \$4.4 Million in Construction Fanancing and \$2.9 Million in Permanent Loans

Attachment B.1

Adaptive Reuse Analysis

A project of Thompson Block Partners LLC

Sources and Uses of Funds

Thompson Block Re-development as a mixed use project, including the owner's cost of temporary Fire Response / Façade Stabilization Work and Fire Repairs related to the September 23, 2009 fire incident, plus all costs to complete the buildout of the project for 2nd and 3rd floor loft apartments as envisioned in the JC Beal Construction Inc. drawings of March 8, 2008, 1st floor commercial units with basements below as discussed since, and the construction of an adjacent parking lot.

Sources of Funds		Construction Financi	ing Permanent	Financing
Equity Investment: Historic Equities Fund I (Prorated Value o Historic Equities Fund I (Cash previously 107 East Cross Contribution Investor Cash Deferred Development Fee		\$200,000.00 \$230,000.00 \$40,000.00 \$75,000.00 \$970,280.00	\$200,000.00 \$230,000.00 \$40,000.00 \$75,000.00 \$970,280.00	
Total Equity Investment		\$	1,515,280.00	\$1,515,280.00
Incentive Financing: Assumes Owner will transfer cree Historic Preservation Tax Credit Sale Federal 82.0% State Basic 85.0% State Enhanced 85.0% Brownfields (MBT) Tax Credit Basic / Urban Credit 85.0% New Market Tax Credits Conservation / Facade Easement Funds Total Incentive Financing	20%\$5,946,680.005%\$5,946,680.0015%\$5,946,680.00	so.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	\$975,255.52 \$252,733.90 \$758,201.70 \$317,715.66 \$0.00 \$0.00 \$0.00	\$2,303,906.78
Debt Financing Private / Bank Financing Tax Credit Bridge Loan CRP Loan Total Debt Financing		\$2,900,000.00 \$1,500,000.00 \$-	\$1,800,000.00 \$0.00 \$1,100,000.00 4,400,000.00	\$2,900,000.00
Total Sources of Funds		\$5,	915,280.00	\$6,719,186.78

The Thompson Block Re-development

Uses of Funds

		Construction F	inancing	Permanent	Financing
Land (Building) Cost:					
Thompson Block Purchase Price		\$200,000.00		\$200,000.00	
107 East Cross Purchase Price		\$40,000.00		\$40,000.00	
Closing & Finance Costs	NA	\$0.00		\$0.00	
Total Land Cost		\$0.00	\$240,000.00	<i>Q</i> 0100	\$240,000.00
Site Planning, Building Design and Tax Credit Cost	S				
Misc Developer Services		\$25,000.00		\$75,000.00	
Survey		\$12,500.00		\$12,500.00	
Architecture & Engineering (Round 1 an	id 2)	\$190,000.00		\$200,000.00	
Special Façade Engineering Costs	(d 2)	\$30,000.00		\$30,000.00	
Re-submit for Historic / MBT Credits		\$10,000.00		\$10,000.00	
Total Site Planning and Building Design Costs	5	\$10,000.00	\$267,500.00	ψ10,000.00	\$327,500.00
Preconstruction Costs:					
Appraisal Costs (As-is, and As-complet	ad)	\$10,000.00		\$10,000.00	
	eu)				
Phase 1 Environmental Report		\$5,000.00		\$5,000.00	
Phase 2 Environmental, incl. lead and a		\$10,000.00		\$10,000.00	
Tax Credit and Miscelleneous Legal Exp	benses	\$45,000.00		\$65,000.00	
Deal Accounting and Cost Certification		\$25,000.00		\$50,000.00	
Bank Fees: Financing / Processing / Clo	sing Fees	\$45,000.00		\$80,000.00	
Soft Cost Contingency		\$38,000.00		\$40,900.00	
Total Preconstruction Costs			\$178,000.00		\$260,900.00
Construction Costs:					
400-408 North River: Prior Accumulated	Construction Costs	\$0.00		\$200,000.00	
400-408 North River: Resi-Comm Project	ct Version	\$3,950,000.00		\$3,950,000.00	
Site work and Utilities including 107 Par				"	
Fire Stabilization and Cleanup Costs				"	
Demolition and Abatement					
Core / Shell, & Infrastructure Costs				"	
Vertical Transportation Addition					
Apartment Build-out					
Construction Administration					
		"		"	
Building and misc permits					
DTE / City utiitlies fees and costs					
Construction Contingency				. "	
Tenant Build-out Allowance				\$300,000.00	
Builders Risk & Liability Insurance		\$40,000.00		\$40,000.00	
Construction Finance Costs		\$110,000.00		\$160,000.00	
			\$4,100,000.00		\$4,650,000.00
Building Operations (for the ownership period prior to	occupancy)				
Utilities:		\$15,000.00		\$15,000.00	
Property taxes:		\$50,000.00		\$50,000.00	
Building Insurance		\$20,000.00		\$20,000.00	
Maintenance and misc. expenses		\$10,000.00		\$10,000.00	
Building Operations Contingency		\$9,500.00		\$9,500.00	
Total Building Operations expenses		ψ0,000.00	\$104,500.00	ψ3,000.00	\$104,500.00
Marketing / Leasing Costs		#E 000 00		¢15 000 00	
Marketing Program Costs		\$5,000.00		\$15,000.00	
Outside Leasing Fees		\$0.00		\$26,000.00	
Total Marketing / Leasing Costs			\$5,000.00		\$41,000.00
Reserves and Fees					
Development Fee (Deferred): 20% of	Historic QRE's	\$970,280.00		\$970,280.00	
Project Contingency and Reserve		\$50,000.00		\$125,000.00	
Bridge Loan Repayment		\$0.00		\$0.00	
Total reserves and fees		<i>40.00</i>	\$1,020,280.00	\$0.00	\$1,095,280.00
Total Uses of Funds			\$5 015 290 00		¢6 710 400 00
I Ulai USES UI FUIIUS			\$5,915,280.00		\$6,719,180.00

Thompson Block Partners LLC

221 Felch Street Ann Arbor, Michigan 48103 734-662-6133 / 734-662-5869

Prepared by Fred J. Beal 1/31/2013 Updated for TBP 04/18/2013 Updated for LMF-CRP 05/24/2013 Updated with final site plans 08/01/2013

The Thompson Block Re-development 400 North River Street and 107 East Cross Street Ypsilanti, Michigan 48197

Adaptive Reuse Analysis

Sources and Uses of Funds

Thompson Block As Designed with 107 East Cross Parking Lot

A project of Thompson Block Partners LLC

Page 3 Intentionally Left Blank

The Thompson Block Re-development

Tax Credit Rehabilitation Expense (QRE) Analysis

MBT Analysis \$0.00	Federal and State Historic Credit Analysis \$0.00	Land (Building) Cost: Purchase Price
\$0.00	\$0.00	Closing & Finance Costs Total Land Cost
		Site Planning and Building Design Costs
\$75,000.00	\$75,000.00	Misc Pre-construction Services Costs
\$12,500.00		Survey
\$50,000.00		Architecture & Engineering
\$30,000.00		Special Façade Investigation Costs
\$10,000.00		Re-submit for Historic / MBT Credits
\$10,000,00	\$10,000100	Total Site Planning and Building Design Costs
		Preconstruction Costs:
\$10,000.00	\$10,000.00	Appraisal Costs (As-is, and As-comp
\$5,000.00	\$5,000.00	Phase 1 Environmental Report
\$10,000.00	\$10,000.00	Phase 2 Environmental, incl. lead and asbestos
\$0.00	\$25,000.00	Tax Credit and Miscelleneous Legal Expenses
\$0.00	\$25,000.00	Deal Accounting and Cost Certification
\$0.00	\$80,000.00	Bank Fees: Financing / Processing / Closing Fees
\$40,900.00	\$40,900.00	Soft Cost Contingency
		Total Preconstruction Costs
		Construction Costs:
\$0.00	. ,	400-408 North River: Prior Accumulated Construction Costs
\$3,950,000.00	\$3,950,000.00	400-408 North River: All Residential Project Version
"	"	Site work and Utilities
"	"	Fire Stabilization and Cleanup Costs
"	"	Demolition and Abatement
"	. "	Core / Shell, & Infrastructure Costs
	-\$150,000.00	Vertical Transportation Addition
		Apartment Build-out
		Construction Administration
		Building and misc permits
		DTE / City utiitlies fees and costs
* ****	*	Construction Contingency
\$300,000.00		Tenant Build-out Allowance
\$0.00		Builders Risk & Liability Insurance
\$0.00	\$160,000.00	Construction Finance Costs Total Construction Costs
		Building Operations (for the ownership period prior to occupancy)
\$0.00	\$15,000.00	Utilities:
\$0.00	. ,	Property taxes:
\$0.00	. ,	Building Insurance
\$0.00		Maintenance and misc. expenses
\$0.00	. ,	Building Operations Contingency
φ0.00	ψ0,000.00	Total Building Operations expenses
		Marketing / Leasing Costs
\$0.00	\$15,000.00	Marketing Program Costs
\$0.00		Leasing Fees
\$0.00	\$0100	Total Marketing / Leasing Costs
\$0.00	\$970,280.00	Development Fee (Deferred): 20% of Historic QRE's
\$0.00	\$125,000.00	Project Contingency and Reserve
		Total reserves and fees
\$4,493,400.00	\$5,946,680.00	Total Qualified Rehabilitation Expenses (QRE's)
MBT Credit approved	ſ	
with QRE of		

amended \$2,990,265.00

\$2,990,265.00 unless

Amended Brownfield Redevelopment Plan - Historic Thompson Block ATTACHMENT C, TABLE 2.1 2-24-2014

Taxable value Frozen for OPRA adjustment		Post Development True Market Value	,	
400 N. River	56600	400 North River	\$2,	000,000.00
408 N. River	39708	408 N. River	\$1,	000,000.00
107 E. Cross	13,000	107 E. Cross	\$	200,000.00
Total	109308		\$3,	200,000.00
		Existing taxable Value (2007)		
Taxing Jurisdictions		400 & 408 N. River	\$	57,856.00
		107 E. Cross	\$	13,000.00
			\$	70,856.00
Local Capture				
Intermediate School District (ISD	3.97450			
Library	2.78450 DDA Capture			
Community College (WCC)	3.63760 DDA Capture			
County Operating	5.76540 DDA Capture			
Ypsilanti General Operating	19.02110 DDA Capture			
Police and Fire Pension	3.98500 DDA Capture			
Sanitation	2.78140 DDA Capture			
Street Improvement	3.46410			
TOTAL	45.41360			
State Capture	0.00000			
State Education Tax (SET)	3.00000			
State Education Tax (SET), future Brownfield Fund	3.00000 State Capture			
School Operating	18.00000			
TOTAL	24.00000			
State Capture Minus 50% Opra Reduction of Millage				
State Education Tax (SET)	3.00000			
School Operating	9.00000			
TOTAL	12.00000	Total Capture		69.41 0.069414
	12.00000	With Debt Total Capture		74.27 0.07427
				45.41 0.04541
		Local Capture and Debt Total		40.41 0.04041

Amended Brownfield Redevelopment Plan - Historic Thompson Block ATTACHMENT C, TABLE 2.1 2-24-2014

Post Development Taxable Value

400 N. River	\$1,000,000.00
408 N. River	\$500,000.00
107 East Cross	\$100,000.00
TOTAL	\$1,600,000.00

1%

Inflation Rate (assumed)

THOMPSON BLOCK YPSILANTI, 2-24-14: ATTACHMENT C, TABLE 2.2	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Taxable value Frozen for OPRA adjustment	\$ 109,308.00 \$	109,308.00 \$	109,308.00	\$ 109,308.00	\$ 109,308.00	\$ 109,308.00	\$ 109,308.00 \$	109,308.00 \$	109,308.00 \$	109,308.00	\$ 109,308.00 \$	109,308.00 \$	109,308.00
Post Development - Estimated	\$	1,600,000.00 \$ 1	,616,000.00	\$ 1,632,160.00	\$ 1,648,481.60	\$ 1,664,966.42	\$ 1,681,616.08 \$	1,698,432.24 \$	1,715,416.56 \$	1,732,570.73	\$ 1,749,896.44 \$	1,767,395.40 \$	1,785,069.35
Incremental Value	\$ (109,308.00) \$	1,490,692.00 \$ 1	,506,692.00	\$ 1,522,852.00	\$ 1,539,173.60	\$ 1,555,658.42	\$ 1,572,308.08 \$	1,589,124.24 \$	1,606,108.56 \$	1,623,262.73	\$ 1,640,588.44 \$	1,658,087.40 \$	1,675,761.35

Local Capture

Lood, Suptrice			
Intermediate School District (ISD	0.0039745	3.97450	
Library	0.0027845	2.78450	
Community College (WCC)	0.0036376	3.63760	
County Operating	0.0057654	5.76540	
Ypsilanti General Operating	0.0190211	19.02110	
Police and Fire Pension	0.0039850	3.98500	
Sanitation	0.0027814	2.78140	
Street Improvement	0.0034641	3.46410	
TOTAL	0.0454136	45.41360	
no local canture due to OPRA		_	

no local capture due to OPRA

State Capture (Second Row of Millage Rates Reflects 6-year 50% Redu	uction for OPRA)													
State Education Tax (SET)	0.0030000 0.0000000	\$	- \$	- \$	- \$	- \$	- \$	4,716.92 \$	4,767.37 \$	4,818.33 \$	4,869.79 \$	4,921.77 \$	4,974.26 \$	5,027.28
State Education Tax (SET), future Brownfield Fund	0.0030000 0.0030000	\$	4,472.08 \$	4,520.08 \$	4,568.56 \$	4,617.52 \$	4,666.98 \$	4,716.92 \$	4,767.37 \$	4,818.33 \$	4,869.79 \$	4,921.77 \$	4,974.26 \$	5,027.28
School Operating	0.0180000 0.0090000	\$	13,416.23 \$	13,560.23 \$	13,705.67 \$	13,852.56 \$	14,000.93 \$	28,301.55 \$	28,604.24 \$	28,909.95 \$	29,218.73 \$	29,530.59 \$	29,845.57 \$	30,163.70
TOTAL	0.0240000 0.0120000	\$	17,888.30 \$	18,080.30 \$	18,274.22 \$	18,470.08 \$	18,667.90 \$	37,735.39 \$	38,138.98 \$	38,546.61 \$	38,958.31 \$	39,374.12 \$	39,794.10 \$	40,218.27
<u>o</u>	0.000000	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
0	0.000000	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
0	0.0000000	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Local Accumulated Capture (minus DDA capture and OPRA)		\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
State Accumulated Capture		\$	17,888.30 \$	35,968.61 \$	54,242.83 \$	72,712.92 \$	91,380.82 \$	129,116.21 \$	167,255.19 \$	205,801.80 \$	244,760.10 \$	284,134.23 \$	323,928.32 \$	364,146.60
Total Accumulated Capture		\$	17,888.30 \$	35,968.61 \$	54,242.83 \$	72,712.92 \$	91,380.82 \$	129,116.21 \$	167,255.19 \$	205,801.80 \$	244,760.10 \$	284,134.23 \$	323,928.32 \$	364,146.60
State Capture		\$	17,888.30 \$	18,080.30 \$	18,274.22 \$	18,470.08 \$	18,667.90 \$	37,735.39 \$	38,138.98 \$	38,546.61 \$	38,958.31 \$	39,374.12 \$	39,794.10 \$	40,218.27
TIF RECAPTURE (equals Accumulated State Tax less future Brownfield	d)	\$	13,416.23 \$	26,976.46 \$	40,682.12 \$	54,534.69 \$	68,535.61 \$	101,554.08 \$	134,925.69 \$	168,653.97 \$	202,742.49 \$	237,194.85 \$	272,014.68 \$	307,205.67
State Recapture after TIF Collection		\$	4,472.08 \$	4,520.08 \$	4,568.56 \$	4,617.52 \$	4,666.98 \$	4,716.92 \$	4,767.37 \$	4,818.33 \$	4,869.79 \$	4,921.77 \$	5,410.63 \$	40,218.27
Total Accumulative TIF Capture Available for Developer Reinbursemen	t	\$	13,416.23 \$	26,976.46 \$	40,682.12 \$	54,534.69 \$	68,535.61 \$	101,554.08 \$	134,925.69 \$	168,653.97 \$	202,742.49 \$	237,194.85 \$	271,578.31	
WCBRA Administrative Fee of 5% and Revloving Loan Fund Fee N/A du	ue to													
OPRA and DDA capture of local taxes														
TIF Recapture Amount	\$	271,578.31												

TOTAL TIF RECAPTURE AMOUNT		\$271,578.31								
										Τ
										Τ



221 Felch Street Ann Arbor, Michigan 48103 734-662-6133 / 734-662-5869 and 277 Gratiot, Suite 500 Detroit, Michigan 48226 313-963-8951 / 313-963-1344 Breakdown by Fred J. Beal January 30, 2008 Revised March 28, 2008 Revised August 1, 2013 Revised January 14, 2014 Revised February 17, 2014 Revised 2/24/14

The Thompson Block Re-development

400-408 North River Street, Ypsilanti, MI 48198 Information pulled from Construction Estimate

Table 3 - MSF Eligible Activities Costs

Environmental Evaluation / Public Infrastructure Improvements, Demolition / Contingency

		Quantity	Unit	Unit Cost	Extension		2/17/2014 School & Local MSF Act 381 eligible activ.
1	Environmental Assessment Activities						12,500.00
	Brownfield Plan	1	LS	\$5,000.00	\$5,000.00		
	Act 381 Work Plan	1	LS	\$7,500.00	\$7,500.00		
2	Site Preparation / Development						178,355.00
	Demolition	(to prep bld	and site	for re-development)			
2A.	Building Demolition		5	. ,		24,000.00	
	Completely remove NE building bay	24,000	CF	\$0.75	\$18,000.00		
	Hauling / disposal cost related to same	12,000	CF	\$0.50	\$6,000.00		
2B.	Selective Demolition					70,250.00	
	Remove storefronts	1,200	SF	\$5.00	\$6,000.00		
	Clear out building contents	10,000	CF	\$0.75	\$7,500.00		
	Remove fallen debris	10000	CF	¢0.75	¢0,000,00		
	Floor & roof joists / sheathing Roofing and flashing materials	12000 5500	CF	\$0.75 \$1.25	\$9,000.00 \$6,875.00		
	Brick wall debris	9000	CF	\$1.25	\$11,250.00		
	Timber beams and columns	500	CF	\$1.50	\$750.00		
	Misc debris fallen onto basement	2500	CF	\$1.00	\$2,500.00		
	Remove damaged materials still in place	2000	01	\$1.00	φ2,000.00		
	Floor & roof joists / sheathing	5400	SF	\$1.50	\$8,100.00		
	Roofing and flashing materials	3000	SF	\$1.25	\$3,750.00		
	Failing masonry wall sections	500	SF	\$2.50	\$1,250.00		
	Timber beams and columns	300	SF	\$1.75	\$525.00		
	Dumpsters for removals	30	each	\$425.00	\$12,750.00		
2C.	Site Preparation and Utilities Work	(to correct in	nadequate	City furnished utilities)		0.00	
	Gas installation and related fees	LS	NÁ	\$4,500.00			
	Underground electrical installation	LS	NA	\$8,000.00			
	Water installation and related fees	LS	NA	\$20,000.00			
	Sewer installation and related fees	LS	NA	\$6,000.00			
	Excavation & patching at the street	LS	NA	\$4,000.00			
2D.	Infrastructure Improvements			oraoch / parking / lighting/stori	m water mgmt)	84,105.00	
	Remove sidewalk, stairs, curb, asphalt	12,000	SF	\$1.75	\$21,000.00		
	New sidewalk structure / stairs	2,400	SF	\$10.00	\$24,000.00		
	Curb and gutter at revised street parking	160	NA	\$0.00	\$0.00		
	Rear Sidwalk	800	NA	\$0.00	\$0.00		
	Asphalt work Excavation & backfill, storm water mgmt	8,000 300	NA YD	\$0.00 \$20.85	\$0.00 \$6,255.00		
	Hauling / disposal cost related to same	12,000	CF	\$20.85 \$0.50	\$6,000.00		
	Exterior lighting	12,000	NA	\$0.00	\$0.00		
	Construct bioswale and rain garden	2500	SF	\$2.50	\$6,250.00		
	Plant biswale and rain garden	2500	SF	\$2.50	\$6,250.00		
	Trees appropriate to same	40	each	\$150.00	\$6,000.00		
	Additional site plantings	1	allow	\$2,500.00	\$2,500.00		
	4" underdrain at Bioswale and rain garden	300	lf	\$12.50	\$3,750.00		
	Related 12" connection drain	40	lf	\$15.00	\$600.00		
	Catch basins	1	NA	\$1,500.00	\$1,500.00		
2E.	Architectural & Engineering for Above	10.0%	(of above)		\$17,835.50		17,835.50
3	Remediation Activies						16,215.00
3A.	Asbestos Abatement					8,475.00	
	Asbestos pipe wrap	150	LF	\$10.00	\$1,500.00	,	
	VAT and mastic	3,500	SF	\$0.75	\$2,625.00		
	Roof flashings and coatings	300	SF	\$2.50	\$750.00		

212,405.50
13,806.36
13,505.63
239,717.48
0.00
0.00
0.00
239,717.48
31,860.83
51,000.05

Total MSF Activities

271,578.31

Thompson Block Partners LLC

Attachment E, Functionally Obsolete Affidavit



City of Ypsilanti

Finance Department Assessment Division

To All Parties Concerned,

June 24, 2008

5

The property located at 400-412 North River Street, Ypsilanti, MI 48198 has been deemed functionally obsolete by the City of Ypsilanti

The property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from deficiencies in design and changes in technology The poor condition of the property is also affecting both the value of the property itself and the property's relationship with other surrounding property.

If you have any questions, please feel free to contact me Thank you

Sharon Doom City Assessor Level III

> One South Huron Street Ypsilanti, MI 48197

Tel (734) 483-1530 Fax (734) 483-7324 www.Cityofipsilanti.com

Michigan Department of Treasury 4482 (2-07)



Obsolete Property Rehabilitation Exemption Certificate Certificate No. 3-07-0002

Pursuant to the provisions of Public Act 146 of 2000, as amended, the State Tax Commission hereby issues an Obsolete Property Rehabilitation Exemption Certificate for the commercial property, owned by Historic Equities Fund, LLC, and located at 400 - 408 North River, City of Ypsilanti, County of Washtenaw, Michigan.

This certificate provides the authority for the assessor to exempt the commercial property for which this Obsolete Property Rehabilitation Exemption Certificate is in effect, but not the land on which the rehabilitated facility is located or the personal property, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Obsolete Properties tax.

This certificate, unless revoked as provided by Public Act 146 of 2000, as amended, shall remain in force for a period of 12 year(s);

Beginning December 30, 2007, and ending December 30, 2019.

The real property investment amount for this obsolete facility is \$3,500,000.

The frozen taxable value of the real property related to this certificate is \$96,308.

The State Treasurer has excluded from the specific tax one-half of the mills levied for local school operating purposes and one-half of the state education tax to be levied for this certificate for a period of six years, beginning December 30, 2007 and ending December 30, 2013.

This Obsolete Property Rehabilitation Exemption Certificate is issued on June 15, 2007. This certificate was revised on November 5, 2007 and supersedes all certificates previously issued.



1114 1

Kelli Sobel, Executive Secretary State Tax Commission

A TRUE COPY ATTEST: Nuccy L Amistrong Michigan Department of Treasury



JENNIFER M. GRANHOLM GOVERNOR STATE OF MICHIGAN DEPARTMENT OF TREASURY LANSING

ROBERT J. KLEINE STATE TREASURER

October 31, 2007

Stewart Beal, President Historic Equities Fund, LLC 221 Felch, Suite 6 Ann Arbor, MI 48103

Re: Obsolete Property Rehabilitation Act Certificate #3-07-0002, Historic Equities Fund, LLC, 400 - 408 North River, City of Ypsilanti, Washtenaw County

Dear Mr. Beal:

Pursuant to the requirements of Act 146, P.A. of 2000, as amended, the State Tax Commission has approved the above mentioned obsolete property rehabilitation application at a meeting held on June 15, 2007. The exemption has been approved for 12 years.

The pre-rehabilitation taxable value of the real property will remain frozen at \$96,308 for the duration of the certificate. The current taxable value, which includes the rehabilitation investment portion, will be determined by the assessor on a yearly basis. Both taxable values described will be utilized to determine the annual tax bill for this facility.

I am pleased to inform you that the State Treasurer has also approved the additional exemption of fifty percent of the mills levied for local school operating purposes (9 mills) and the State Education Tax (3 mills) for six consecutive years beginning with the 2008 tax year.

For questions regarding this letter, please contact the Department at P.O. Box 30471, Lansing, MI 48909-7971 or call (517) 373-3272.

Sincerely,

T. Set

Thomas F. Saxton Deputy State Treasurer

c:

Frederick Headen, Director, Bureau of Local Government Services Sharon Doom, Assessor, City of Ypsilanti Michigan Department of Treasury 4482 (2-07)



Obsolete Property Rehabilitation Exemption Certificate Certificate No. 3-07-0002

Pursuant to the provisions of Public Act 146 of 2000, as amended, the State Tax Commission hereby issues an Obsolete Property Rehabilitation Exemption Certificate for the commercial property, owned by **Historic Equities Fund, LLC**, and located at **400 - 408 North River**, **City of Ypsilanti**, County of Washtenaw, Michigan.

This certificate provides the authority for the assessor to exempt the commercial property for which this Obsolete Property Rehabilitation Exemption Certificate is in effect, but not the land on which the rehabilitated facility is located or the personal property, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Obsolete Properties tax.

This certificate, unless revoked as provided by Public Act 146 of 2000, as amended, shall remain in force for a period of **12** year(s);

Beginning December 30, 2007, and ending December 30, 2019.

The real property investment amount for this obsolete facility is \$3,500,000.

The frozen taxable value of the real property related to this certificate is \$96,308.

The State Treasurer has excluded from the specific tax one-half of the mills levied for local school operating purposes and one-half of the state education tax to be levied for this certificate for a period of six years, beginning December 30, 2007 and ending December 30, 2013.

This Obsolete Property Rehabilitation Exemption Certificate is issued on **June 15, 2007**. This certificate was revised on November 5, 2007 and supersedes all certificates previously issued.



Illa y

Kelli Sobel, Executive Secretary State Tax Commission



221 Felch Street, Ann Arbor, MI 48103 (734) 662-6133 5869x (734) 662

277 Gratiot, Suite 500, Detroit, MI 48226 (313) 963-8951 Fax (313) 963-3144

mail@jcbeal.com

An equal opportunity employer

Attachment F.1

The Thompson Block:

JC Beal Construction Inc. Approach to Renovation

The re-development of **The Thompson Block**, consisting of 6 bays of 3 story 1860's era brick building located at 400 North River Street in Ypsilanti's Depot Town area, will require a somewhat unique renovation approach by JC Beal Construction Inc..

The buildings, originally constructed in 1861 using recycled brick from a yet earlier structure, have seen many uses, and significant alterations over the last 150 years. While an active commercial venue for almost 100 years, and presumably well maintained during that period, they were primarily used for storage and severely neglected in the period of 1950-2000.

The building suffered a significant fire in 2009 at which point only a heroic façade stabilization effort by JC Beal managed to keep the street facing facades intact. While the remaining portions of the building are structurally sound, especially since the completion of additional floor framing and façade stabilization work in 2011, significant areas of the building require the construction of new bearing walls and floor systems not originally anticipated in the 2008 renovation plan, and the installation of complete new infrastructure and finishes to convert the existing condition into the planned bustling mixed use community of retail / restaurant, and residential uses.

First some additional historic background

The Thompson Block is a 150 + year old commercial building, located in Depot Town in the core of Ypsilanti's Downtown Historic District. The building was constructed in part with the bricks and stones of the former Great Western Hotel, another historic building in the area. This structure has played host to the 14th and 27th infantry during the civil war, it was rumored to have been a stop on the Underground Railroad with a direct link to the Michigan Central Railroad across the street. In its long and robust lifetime the building has been a paint store, a bicycle shop, a fire department, and one of the first Dodge dealerships in the area.

The Ypsilanti Historic District contains the historic core of Ypsilanti, one of Michigan's oldest towns, including the historic downtown, with buildings dating back at least to the early 1850's; a second old commercial/industrial area dating from the 1840's and 50's: and the city's oldest residential neighborhoods on either bank of the Huron River. of the town founders who were instrumental in promoting the city's commercial and industrial growth during the nineteenth century also remain standing within the district. The district contains most of Ypsilanti's oldest homes, commercial, industrial, and civic buildings, and churches. The age, quality, and diversity of this architecture is almost unique in Michigan for a town of Ypsilanti's size.

Numerous buildings both in the downtown and in the Depot Town area survive from the pre Civil War heyday of development of these two separate commercial/industrial areas, the one "Downtown Ypsilanti" focusing on the town's main through highway, the other "Depot Town" on water power sites and a railroad line and depot.

The Thompson Block is a key component of the Deport Town streetscape, and its re-development will add immeasurably to the local areas commercial success and quality of life. The completed project will dramatically improve a highly visible stretch of River Street and the most visible corner in Depot Town; encouraging further development in the area, and bringing additional visitors to Depot Town to support both new and existing restaurant and retail establishments. The improvements will be permanent, and will help raise the value of this and the surrounding buildings to several times their current value, to the substantial benefit of the surrounding community considerably.

The Renovation Project: Work to Date

The planned re-development of the Thompson Block, came together starting in late 2005 through the vision of Stewart Beal when JC Beal Construction Inc., a local firm specializing in historic rehab / redevelopment work was brought in to assist Historic Equities Fund in assembling the project. After two years of work in design and engineering, tax credit assembly, marketing, pursuit of financing and pre-construction planning, construction was initiated in mid 2008 but halted abruptly shortly thereafter when the bank providing the construction loan was felled by the national recession and banking crises.

Unfortunately for the project and its developer, the building suffered a significant arsonist set fire in 2009 while the recession continued. Fortunately the JC Beal Construction Inc. team, led by Fred J. Beal was able, through heroic façade stabilization effort initiated while the fire still smoldered, managed to keep the street facing building facades intact. The temporary shoring system cobbled together on less than 8 hours notice at the time of the fire, was removed in the summer of 2011 when the major facades and portions of the adjoining cross walls were reconstructed, and tied together by floor and roof framing added in the south building bay an across the front of the building.

Construction Work: Project Completion

At this point the building facades and floor systems are structurally sound, and while additional infill is required, the construction activities required are straightforward, consisting as with the work performed in 2011of constructing multiwythe brick walls and installing floor systems of structural wood bond beams, joists, and decking to provide a platform for the remaining work. This work will all be performed by hand, working from scaffold erected within the existing building envelope.

The additional work activities required to convert the existing building into the 16 luxury lofts and 14,000sf of retail / restaurant space space proposed can be broken down into several basic categories: Exterior Restoration, Life Safety / Building Circulation, Utility Upgrades and Interior Build-out.

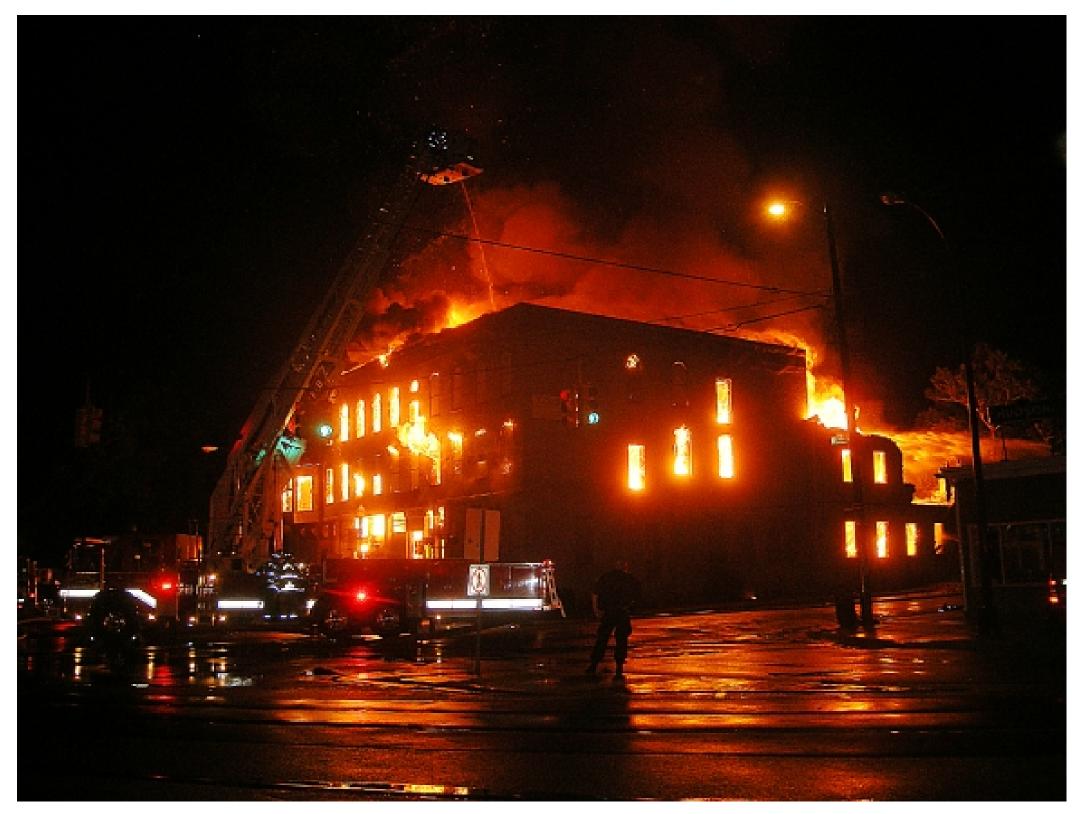
Exterior Restoration: Portions of the masonry building exterior were stabilized when construction bagan in 2008 and additional areas saw improvement in the 2011 façade stabilization effort. That said the entire building envelope will be revisited when work restarted to insure the building's long term improvement. All masonry work will be inspected, and tuckpointed where necessary.

The windows originally intended to be restored, but almost without exception destroyed in the 2009 fire, will be replaced, and the storefronts rebuilt in a historically accurate manner. Site improvements will include a new raised front patio area and sidewalks along River and Cross Streets, and a parking lot on Cross Street.

Life Safety / Building Circulation: In its recent past the building had contained multiple staircases and no functioning elevator. A new stair / elevator tower will be constructed near the parking lot and a second egress stair added within the building to provide for safe, convenient, and fire rated access / egress pathways. The building will also be equipped with a modern fire alarm and fire suppression system that will greatly enhance the building's overall safety.

Utility Upgrades: The building's electrical, mechanical, plumbing and communications systems will be completely modernized. New electrical switch gear will be installed and each tenant or dwelling unit will be individually metered. New residential HVAC systems will be installed to provide economical heating and cooling to the residential units, and individual roof top mechanical units will serve the retail/commercial component. Phone, cable television and internet service will be installed throughout the building.

Interior Build Out: The interior of the building will be developed into two distinct components: Commercial, and Residential. The commercial component in the basement and first floor will see the development of "white box" space to house several separate businesses, while the residential component on floors two and three will be finished out as 16 luxury loft apartments in studio, one, and two bedroom configurations.



Thompson Block Fire 09-23-09

Attachment F.2



Attachment F.3: Thompson Block September 29, 2009



Attachment F.4,





Thompson Block Today









the Thompson Block Historic Renovation Depot Town Ypsilanti, Michigan

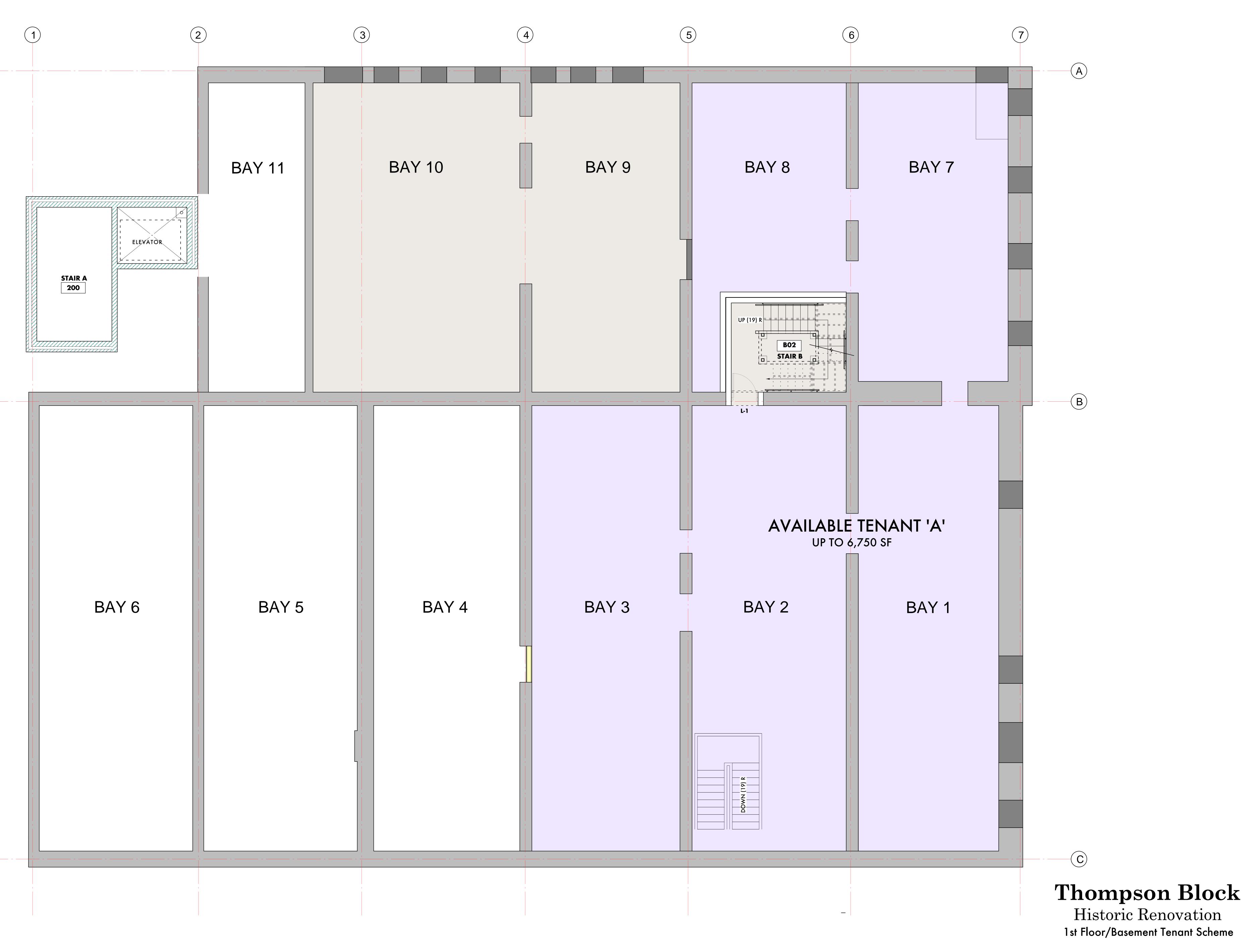




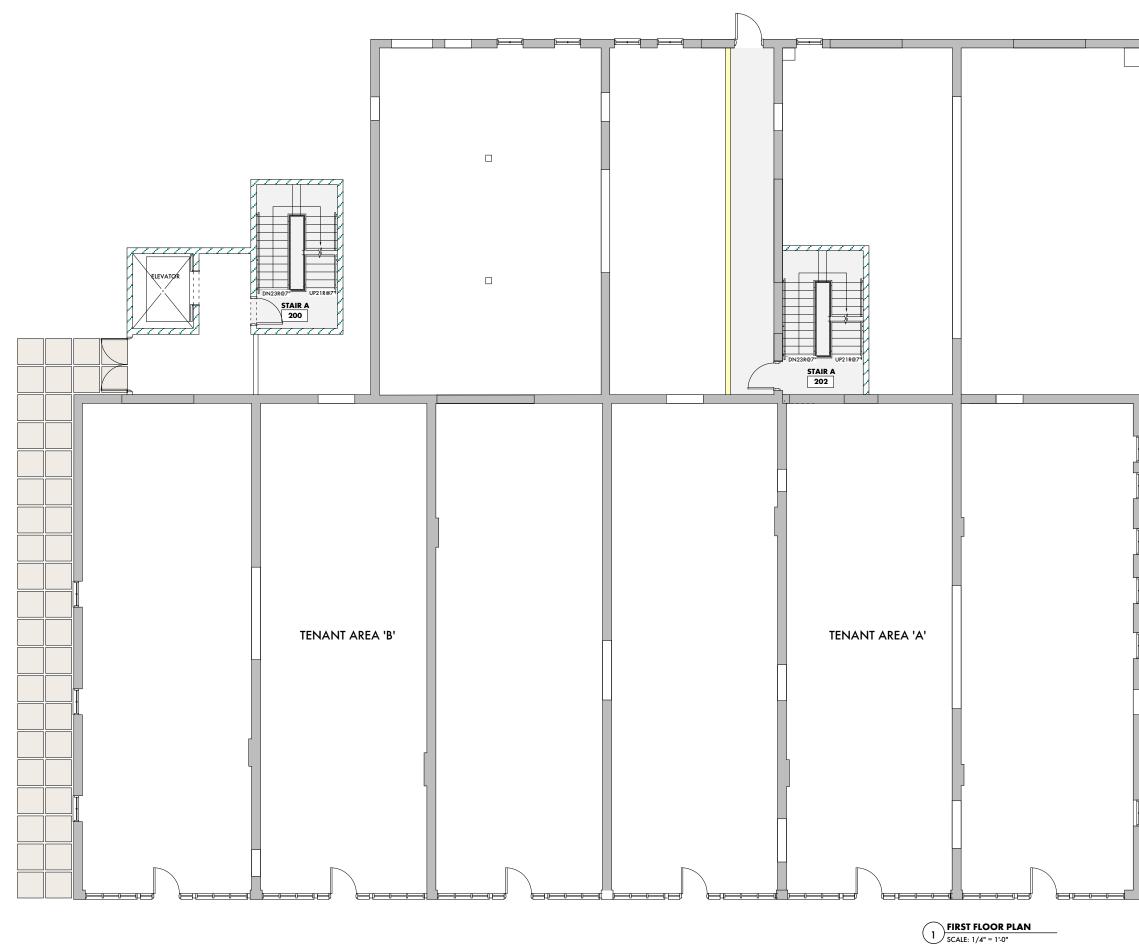
A PROPOSED ELEVATION (SOUTH) SCALE: 1/4" = 1'-0"

PROGRESS SET NOT FOR CONSTRUCTION

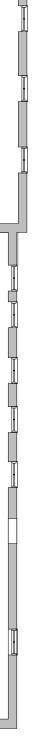








0' 1' 2' 4' 10'



20'



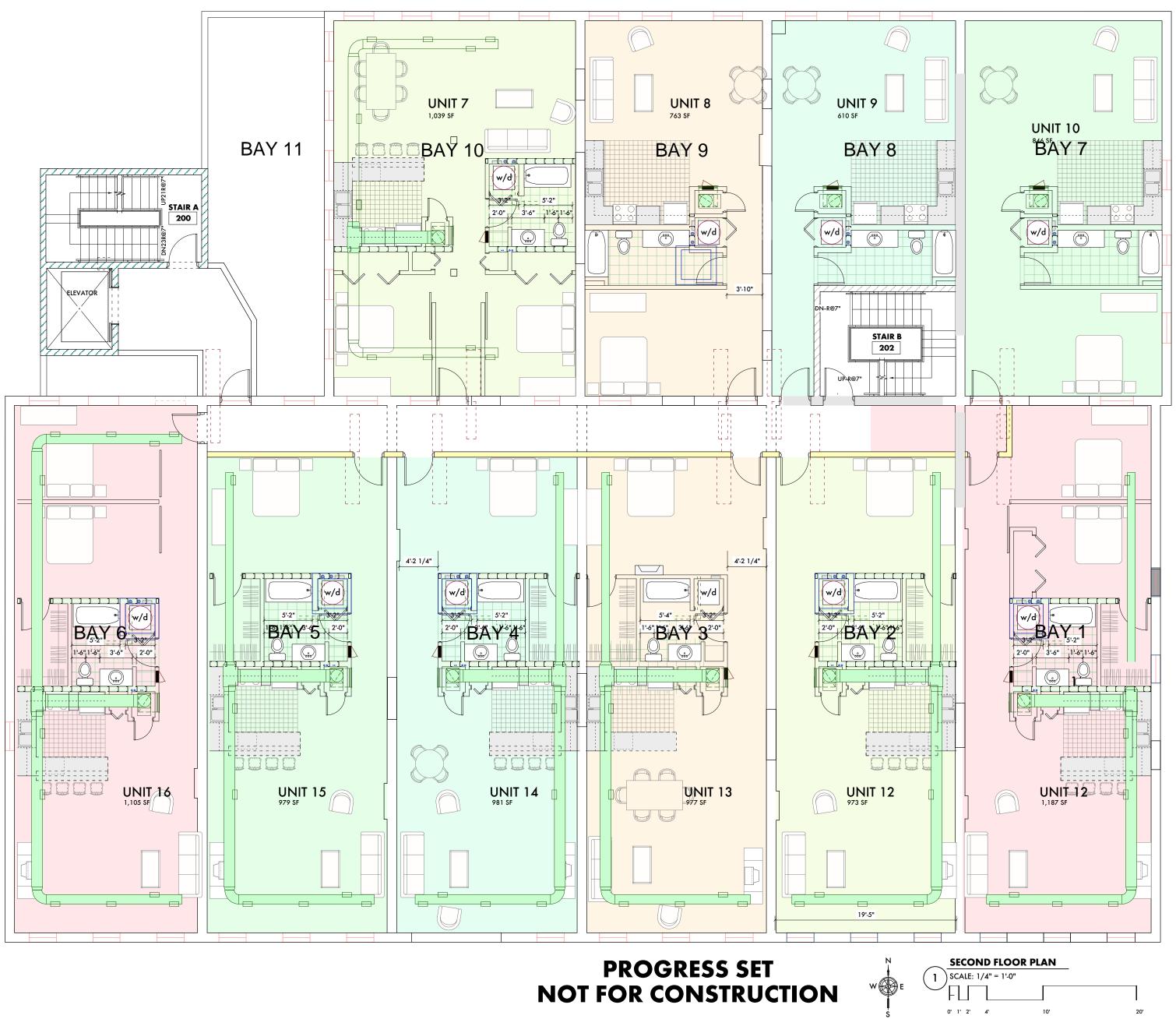
construction manager: JCBeal Construction Inc.



CONSTRUCTION DOCUMENTS
Project Number: 05105 Date: 07-16-06







15 Nov 2006 Owner Review 7 Nov 2006 Owner Review Sept 2006 Owner Review

Thompson Block

Depot Town Ypsilanti, Michigan

construction manager: JCBeal Construction Inc.

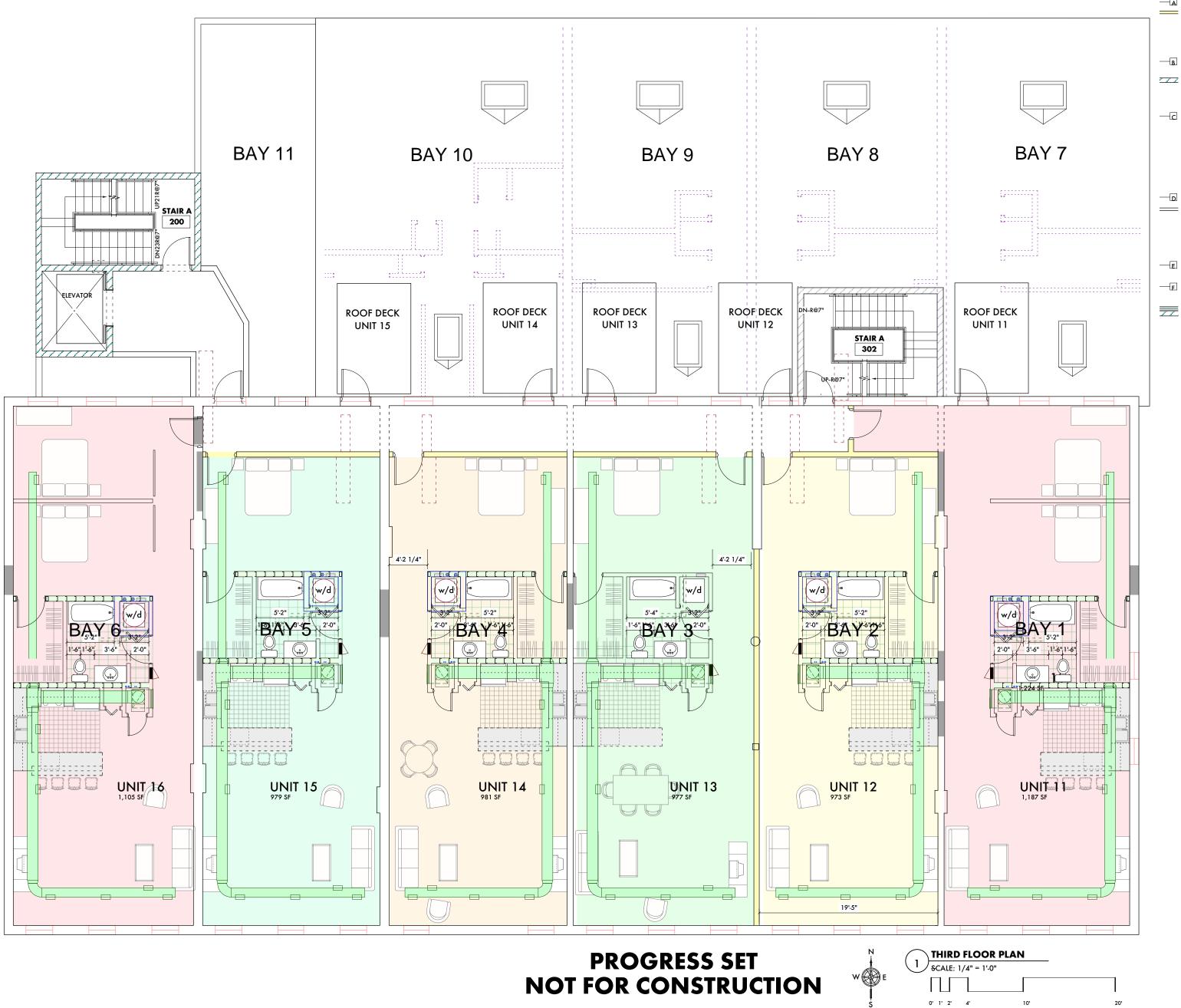


CONSTRUCTION DOCUMENTS

Project Number: 05105 Date: 10-20-06







WALL CONSTRUCTION

	UNIT SEPARATION WA (1) LAYER 5/8", TYPE 'X ON 3/4" RESILIENT CH GYPSUM BOARD ON E METAL STUDS. INSULA WITH ACOUSTICAL INS	" GYPSUM BOARD ANNEL ON 1/4" ACH SIDE 3 5/8" ATE FULL CAVITY	
—B	2-HOUR RATED WALL 8" CONCRETE BLOCK V (SIMILAR TO UL U907)	WALL (NOMINAL)	
— <u>c</u>	2-HOUR RATED WALL ((2) LAYERS 5/8", TYPE EACH SIDE ON 3 1/2" INSULATE BOTH METAI ACOUSTICAL INSULATI (SIMILAR TO UL U411)	IX' GYPSUM BOARD METAL STUDS. L STUDS WITH	
	CONTRACTOR'S ALTER USE 2-HOUR RATED GY SHAFT WALL		
<u>а</u> 	TYPICAL INTERIOR PARTITION (SEE SHEET A8.10) O-HOUR RATED WALL (1) LAYER 1/2", GYPSUM BOARD EACH SIDE ON 3 5/8" METAL STUDS.		
	NOTE: MOISTURE RES BOARD AT INTERIOR C MECHANICAL CLOSET	OF BATHROOMS AND	
—E	EXISTING WALL TO REMAIN		
Ē	2-HOUR RATED WALL 16" CONCRETE BLOCK WALL (NOMINAL) 4" THICK DECORATIVE CONCRETE BLOCK ON 2" AIRSPACE ON 2" RIGID INSULATION ON 8" CONCRETE BLOCK BACK-UP - BELOW VISIBLE AREAS BELOW ROOF LINE WALL IS TO BE (2) 8" THICK CONCRETE BLOCKS DOWN TO FOOTING (SIMILAR TO UL U907)		
		15 Nov 2006 Owner Review	
		7 Nov 2006 Owner Review 13 Sept 2006 Owner Review	
		Thompson Blo	ck
		Depot Town Ypsilanti, Michigan	
		construction manager: JCBeal Construction Inc.	
		JCBeed CONSTRUCTION Precisely as inter	
		CONSTRUCTION DOCUM Project Number: 05105 Dat	4ENTS e: 10-21-06
		Sheet Title: 3RD FLOOR PI SCHEME D	_AN —
		Sheet Number:))

© 2006 JC Beal Construction, Inc.