

WASHTENAW COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN FOR THE
PACKARD SQUARE
REDEVELOPMENT PROJECT

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BROWNFIELD PLAN**

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PROJECT SUMMARY

Project Name:	Packard Square Redevelopment Project
Project Location:	The eligible property is located at 2502-2568 Packard Street, Ann Arbor, Michigan. Parcel ID Number: 09-12-04-403-010.
Type of Eligible Property:	Facility
Eligible Activities:	Phase I & II Environmental Site Assessments, Baseline Environmental Assessment, Due Care Plan, Due Care Activities, Additional Response Activities, Preparation of a Brownfield Plan and Act 381 Work Plans, Public Infrastructure Improvements, Lead and Asbestos Survey and Abatement, Demolition, and Site Preparation.
Reimbursable Costs:	\$4,301,958 (Estimated Eligible Activities, Interest) \$358,222 (BRA Administrative Fees) <u>\$1,180,377</u> (LSRRF deposit to BRA) \$5,840,558
Years to Complete Payback:	14 years (12 Years Eligible Activities + 2 Years LSRRF)
Base Taxable Value Estimate:	\$1,562,000
Project Overview:	The property is located at 2502-2568 Packard Street in the City of Ann Arbor. This project will involve the demolition of three existing buildings and the construction of a four-story mixed retail and residential building. The proposed project is a unique contemporary multi-story retail and residential development that integrates various components that meet the goals of the City of Ann Arbor and the MEDC. The project will integrate various transportation options focusing on walkability, biking, and the use of public transit; this will reduce traffic congestion and encourage physical activity. The project will create a sense of place with a pedestrian-friendly design that includes a central plaza, a courtyard, and a pocket park space (open to the surrounding neighborhoods). Unlike traditional developments this project is maximizing the density of available acreage by creating small areas of surface parking supplemented by below ground parking. This creative project will also be integrating sustainable

LEED components. The retail space will focus on local/community-based retailers, with apartment units located above and behind the retail along Packard Street. The parking garage will be located under the residential units at the west end of the site. Packard Square will provide a fresh, upscale living environment that includes amenities such as a gym, pool, reading room, video room, yoga room, conference room, recreation areas, and a new AATA bus stop directly in front of the project.

Total capital investment is anticipated to be ~\$48 million. The project is expected to create approximately 45 jobs.

The project is seeking TIF, and MBT incentives. Construction is expected to begin in the 4th quarter of 2011.

I. INTRODUCTION

The County of Washtenaw, Michigan (the “County”), established the Washtenaw County Brownfield Redevelopment Authority (the “Authority”) on May 27, 1999, 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 and Brownfield Redevelopment Michigan Business Tax Credits.

The main purpose of this Brownfield Plan (“Plan”) is to promote the redevelopment of and investment in certain “brownfield” properties within the County. Inclusion of property within this 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 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 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, 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 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. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

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

II. GENERAL PROVISIONS

A. Description of Eligible Property (Section 13 (1)(h))

The Eligible Property (“Property”) is located at 2502-2568 Packard Street in the southeast ¼ of Section 4 (Township 3S/Range 6E) in Ann Arbor, Washtenaw County, Michigan. The Property is situated on the western side of Packard Street. The Property consists of an irregular-shaped parcel that contains approximately 6.57 acres. The Property is currently occupied by a vacant, multi-tenant retail and office center. The Property’s parcel identification number is 09-12-04-403-010. The Property is a facility.

This project will involve the demolition of three existing buildings and the construction of a four-story mixed use retail and residential buildings. The proposed project is a unique contemporary multi-story retail and residential development that integrates various components that meet the goals of the City of Ann Arbor and the MEDC. The project will integrate various transportation options focusing on walkability, biking, and the use of public transit; this will reduce traffic congestion and encourage physical activity. The project will create a sense of place with a pedestrian-friendly design that includes a central plaza, a courtyard, and a pocket park space (open to the surrounding neighborhoods). Unlike traditional developments this project is maximizing the density of available acreage by creating small areas of surface parking supplemented by below ground parking. This creative project will also be integrating sustainable LEED components. The retail space will focus on local/community-based retailers, with apartment units located above and behind the retail along Packard Street. The parking garage will be located under the residential units at the west end of the site. Packard Square will provide a fresh, upscale living environment that includes amenities such as a gym, pool, reading room, video room, yoga room, conference room, recreation areas, and a new AATA bus stop directly in front of the project.

Attachment A includes site maps of the eligible property, refer to: Figure 1, Topographic Location Map, and Figure 2, Eligible Property Boundary Map (which includes lot dimensions). The legal description of the property parcel is presented in Appendix B.

The parcel and all tangible real and personal property located thereon will comprise the eligible property and is referred to herein as the “Property.”

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

The Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Property was previously utilized or is currently utilized for a commercial and public purpose; (b) it is located within the City of Ann Arbor, a qualified local governmental unit, or “Core Community” under Act 381; and (c) the property is determined to be a “facility”.

The following reports have been completed for the Property:

- Phase I ESA and Limited Phase II ESA, prepared on August 10, 2000 by AH on behalf of Harbor Investments, LLC.

- Baseline Environmental Assessment, prepared on December 30, 2000 by AH on behalf of Harbor Georgetown, LLC.
- Phase I ESA, prepared on January 24, 2003 by Envirobusiness.
- Phase II ESA, prepared on September 10, 2003 by AH on behalf of Arcap Special Services.
- Baseline Environmental Assessment, prepared on September 15, 2003 by AH on behalf of AR Cap Servicing Inc.
- Subsurface Investigation Report, prepared on May 23, 2005 by AKT Peerless on behalf of Harbor Georgetown, LLC
- Subsurface Investigation Report, prepared on March 1, 2007 by AKT Peerless on behalf of Harbor Georgetown, LLC
- Supplemental Subsurface Investigation, prepared on July 18, 2007 and Response Activities Letter, prepared on July 30, 2007 by AKT Peerless on behalf of Harbor Georgetown, LLC
- Summary of Groundwater Samples, prepared in December 2009 by AKT Peerless on behalf of Harbor Georgetown, LLC
- Phase I ESA, prepared in June 2010 by AKT Peerless on behalf of Greystone Bank
- Limited Subsurface Investigation (Transformer Area), prepared in January 2011 by AKT Peerless on behalf of Harbor Georgetown, LLC

Summary of reports and activities since at least 2000:

Atwell-Hicks August 2000 Site Activities

On August 10, 2000, Atwell-Hicks conducted a Phase I Environmental Site Assessment (ESA) of the subject property on behalf of Harbor Georgetown. As a part of their investigation, Atwell Hicks did not identify any RECs other than the operation of a dry cleaning business at the subject property since 1974. In addition to the Phase I ESA, Atwell-Hicks conducted a limited Phase II ESA of the subject property to determine whether the historic operation of the dry cleaner had resulted in impact beneath the current subject building. Atwell-Hicks drilled two hand-auger soil borings (HA-1 and HA-2) adjacent to the dry cleaner to an approximate depth of five feet below ground surface (bgs) and collected soil samples for laboratory analysis of volatile organic compounds (VOCs). Tetrachloroethylene was detected in both soil samples at concentrations above Michigan Department of Environmental Quality (MDEQ) Generic Residential Cleanup Criteria (GRCC). No other VOCs were detected above the laboratory method detection limits (MDLs).

On August 30, 2000, Atwell-Hicks conducted an additional subsurface investigation at the subject property to further evaluate their original findings. The investigation included (1) drilling four soil borings (SB-1 through SB-4) and two hand-auger soil borings (HA-3 and HA-4), (2) collecting groundwater from three soil borings (SB-1, SB-2, and SB-3), and (3) submitting soil and groundwater samples for laboratory analysis of tetrachloroethylene. The analytical results of the investigation indicated the presence of

tetrachloroethylene at concentrations above MDEQ GRCC in a soil sample collected from soil boring SB-1 and in groundwater samples collected from soil boring locations SB-2 and SB-3.

On October 12, 2000, Atwell-Hicks conducted a third subsurface investigation to further evaluate the groundwater conditions. The investigation included (1) drilling six additional soil borings (GP-1 through GP-6), (2) collecting groundwater samples, and (3) submitting the groundwater samples for laboratory analysis of tetrachloroethylene. Atwell-Hicks set temporary monitoring wells at each soil boring; however, groundwater production was limited and groundwater sampling could only be achieved at one boring location (GP-5). The analytical results of this groundwater sample did not indicate the presence of tetrachloroethylene at concentrations above MDL.

Harbor Georgetown retained Atwell-Hicks to prepare a Category “S” BEA for the subject property. The BEA, dated December 30, 2000, was conducted based on Atwell-Hicks’ Phase I and Limited Phase II ESAs and subsequent subsurface investigations. This BEA was petitioned and affirmed by the MDEQ. Refer to Figure 4 for a Site Map with Soil Boring and Monitoring Well Locations.

Atwell-Hicks 2003 Site Activities

On May 12, 2003, Atwell-Hicks was retained by Arcap Special Servicing, Inc., a former lender of the subject property, to conduct a Phase II Subsurface Investigation of the subject property. Atwell Hicks (1) drilled six soil borings (SB-1 through SB-6), (2) installed temporary monitoring wells in the soil borings, (3) collected groundwater samples from the soil borings, and (4) prepared a summary report of their investigation. Atwell-Hicks submitted soil and groundwater samples for laboratory analysis of VOCs. The analytical results indicated the presence of tetrachloroethylene, trichloroethylene, and cis-1,2-dichloroethylene in soil and groundwater at concentrations above MDEQ GRCC.

On behalf of Arcap Special Servicing, Inc., Atwell-Hicks prepared and submitted a Category “S” BEA for the subject property, dated September 15, 2003. Based on a review of state records, it appears that the BEA submitted by Atwell-Hicks was found to be incomplete/inadequate by the MDEQ for a number of reasons including, but not limited to: (1) neither the vertical or horizontal extent of contamination had been defined; (2) full characterization of the had not been completed; (3) engineering controls proposed were deemed inadequate, and (4) minimum information required for a BEA were not provided. No information was contained in the state records to indicate additional activities had been conducted by Atwell-Hicks or Arcap Special Servicing, Inc. to cure the incomplete/inadequate BEA. Refer to Figure 4 for a Site Map with Soil Boring and Monitoring Well Locations.

AKT Peerless’ 2005 Site Activities

As part of potential future site redevelopment activities, Harbor Georgetown retained AKT Peerless to further evaluate and attempt to delineate the contamination discovered

on the subject property. On April 25 and 26, 2005, AKT Peerless conducted a subsurface investigation of the subject property. AKT Peerless' subsurface investigation included (1) drilling 10 soil borings (B-1 through B-10), (2) collecting 20 soil samples, (3) collecting six groundwater samples (B-2W through B-6W, B-8W), and (4) submitting the samples to a fixed-based laboratory for analyses of VOCs.

The laboratory analytical results of soil samples indicated tetrachloroethylene (in soil borings B-3, B-5, and B-8) and trichloroethylene (in soil boring B-5) were detected at concentrations above MDEQ GRCC. Further, laboratory analytical results of groundwater samples indicated cis-1,2 dichloroethylene (in monitoring wells B-5W and B-8W), tetrachloroethylene (in monitoring wells B-5W, B-6W, and B-8W), and trichloroethylene (in monitoring wells B-5W and B-6W) were detected at concentrations above MDEQ GRCC. Refer to Figure 4 for a Site Map with Soil Boring and Monitoring Well Locations.

AKT Peerless' 2007 Site Activities

In May 2007, AKT Peerless installed six shallow monitoring wells (MW-1 through MW-6) and one deep monitoring well (MW-1D) at the subject property to further evaluate the groundwater conditions. Soil samples were also collected from each location and submitted for laboratory analysis of VOCs.

Based on the laboratory analytical results, the soil samples did not indicate the presence of VOCs at concentrations above laboratory method detection limits (MDLs). The laboratory analytical results of the groundwater sample collected from monitoring well MW-1 indicated the presence of cis-1,2-dichloroethylene above MDLs and tetrachloroethylene at concentrations above MDEQ GRCC. No other target compounds were detected above MDLs.

Groundwater was sampled using low-flow sampling methodologies, as described in the April 1996 United States Environmental Protection Agency (U.S. EPA) document Groundwater Issue titled "*Low-Flow (Minimal Drawdown) Groundwater Sampling Procedures.*"

The horizontal extent of the soil contamination has been defined to the north (MW-3), to the east (MW-4), to the south (MW-6) and to the west (MW-2). The vertical extent of the soil contamination has been defined by MW-1D. The groundwater contaminant plume has also been horizontally and vertically defined based on the 2007 groundwater-sampling event. Refer to Figure 4 for a Site Map with Soil Boring and Monitoring Well Locations.

AKT Peerless' 2009 Site Activities

In November 2009, AKT Peerless conducted groundwater sampling from the existing monitoring wells to further evaluate the groundwater conditions at the subject property. During this sampling event, concentrations of cis-1,2-dichloroethylene was identified in two of the seven monitoring wells (MW-1 and MW-5); however, this impact was

detected at concentrations below the MDEQ's most restrictive residential cleanup criteria. Laboratory analytical results for the groundwater samples collected from the remaining monitoring wells did not identify the presence of target compounds at concentrations above MDLs.

AKT Peerless' 2010 Site Activities

AKT Peerless completed a Phase I Environmental Site Assessment (ESA) of the subject property on June 23, 2010. The purpose of AKT Peerless' Phase I ESA was to identify potential environmental issues associated with the subject and adjoining properties. During the Phase I ESA, AKT Peerless identified several recognized environmental conditions (RECs) associated with the subject property. AKT Peerless conducted a subsurface investigation to evaluate the following REC: AKT Peerless observed three transformers located on the western exterior of Building No.1. Staining and a sheen in the rain water were observed around these transformers.

On December 7, 2010, AKT Peerless advanced four soil borings in the transformer area using a hand-auger and collected continuous soil samples from the soil borings to the maximum depth explored of four feet below ground surface (bgs). AKT Peerless collected one soil sample from each boring location and submitted these samples for laboratory analysis of polychlorinated biphenyls (PCBs) and polynuclear aromatic hydrocarbons (PNAs).

AKT Peerless compared the soil laboratory analytical results to the Michigan Department of Natural Resources & Environment (MDEQ) Part 201 Generic Residential Cleanup Criteria (GRCC). The laboratory analytical results from soil samples collected at the subject property did not indicate the presence of PCBs above laboratory method detection limits (MDLs). Additionally, laboratory analytical results did not indicate the presence of PNAs above MDEQ GRCC.

C. 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 Property are considered "eligible activities" as defined by Sec 2 of Act 381, because they include a Phase II ESA, Due Care Plan, due care activities, additional response activities, preparation of a brownfield plan, preparation of Act 381 work plans, lead and asbestos abatement, and demolition that is not a response activity under Part 201. Since the Property is located in a Core Community, eligible activities also include the following non-environmental, development related activities: public infrastructure improvements that directly benefit the eligible property and site preparation activities.

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 Property are shown in the table below.

ESTIMATED COST OF REIMBURSIBLE ELIGIBLE ACTIVITIES*

Description of Eligible Activities	Estimated Cost
1. BEA Activities	\$ 24,180
2. Due Care/Due Care Activities	\$ 3,000
3. Preparation of a Brownfield Plan	\$ 10,000
4. Preparation of Work Plans	\$ 16,000
5. Additional Response Activities & Building Demo**	\$ 989,780
6. MEGA Public Infrastructure Improvements	\$ 588,705
7. Local-Only Public Infrastructure Improvements	\$ 600,000
8. Lead & Asbestos Abatement	\$ 323,100
9. Site Demolition	\$ 202,456
10. Site Preparation	\$ 364,300
Subtotal \$	3,121,521
11. 15% Contingency***	\$ 460,701
12. MEGA Fee	\$ 1,000
13. MDEQ Fee	\$ 1,500
14. BRA Administrative Fees	\$ 358,222
15. Interest	\$ 717,236
16. LSRRF Deposits	\$ 1,180,377
Total	\$ 5,840,558

* The costs of Additional Response Activities and Demolition are anticipated to be higher; however, if available, the Developer plans to pay for portions of these eligible activities with MDEQ grant funds. See Table 1 for details.

**Building demolition in this project is a Part 201 Response Activity (i.e., it is a necessary step in the remediation activities). Consequently, it is included in the same line item as Additional Response Activities. Site Demolition, however, is a MEGA eligible activity, not a Part 201 Response Activity.

***The contingency is applied to the Subtotal, excepting the BEA Activities, which have already been performed.

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 Property are shown in Table 1; see Attachment C.

It is currently anticipated construction will begin in the 4th quarter of 2011 and eligible activities will be completed within eighteen to twenty-four months.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the Authority and used to reimburse the cost of the eligible activities completed on the Property after approval of this Plan.

In accordance with this Plan and the associated Reimbursement Agreement, the amount advanced by the Developer will be repaid by the Authority, together with interest at the rate set a 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. 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 MEGA Board, 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 MEGA, these specific activities will be reimbursed with local-only TIF (to the extent available), except the sub-slab vapor barriers with passive system (See Table 1, Additional Response Activities, for details). The sub-slab vapor barriers with passive system will be supported locally, however, if they are approved by the MDEQ. The cost of the sub-slab vapor barriers, including contingency, is projected to be \$950,360.

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 Property. The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the Authority from the Property shall be governed by the terms of a Reimbursement Agreement with the Authority (the "Reimbursement 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.

D. 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(ee))

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. A table of estimated tax increment revenues to be captured is attached to this Plan as Attachment C. Tax increment revenue capture shall start in 2013.

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 \$5,840,558. The Developer shall invest approximately \$48 million in personal and real property improvements on the Property. The estimated effective initial taxable value for this Plan is \$1,562,000, and is based on land and real property tax only. Redevelopment of the Property is expected to initially generate incremental taxable value in 2013 with the first significant increase in taxable value of approximately \$7,338,000 beginning in 2013.

It is estimated that the Authority will capture the 2013 through 2026 tax increment revenues to reimburse the cost of the eligible activities, pay Authority administrative fees, reimburse interest, and deposit into the LSRRF.

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 Property and the actual millage rates levied by the various taxing jurisdictions during each year of the plan are shown in Attachment C.

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

Washtenaw County, the Authority, or the City of Ann Arbor may (upon approval by their elected Commission or Council) apply for \$1,000,000 in grant funding and \$1,000,000 in loan funds through the Michigan Department of Environmental Quality (MDEQ) grant and loan program. Three percent of received grant and loan funds can be applied to administrative costs, and the remainder will be used to pay for MDEQ eligible activities (See Attachment C, Table 1 for more details). Grant funds will be utilized first. Any remaining MDEQ eligible activities will be paid for with loan funds, as available. Tax increment revenues will be utilized to pay down the loan. Washtenaw County, the Authority, and the City of Ann Arbor make no representation or warranty as to application and/or receipt of award.

Otherwise, eligible activities are to be financed by the Developer. The Authority will reimburse the Developer for the cost of approved eligible activities not paid for with MDEQ grant/loan funds, but only from tax increment revenues generated from the Property.

All reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The Authority shall not incur any note or bonded indebtedness to finance the purposes of this Plan. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan is intended to authorize the Authority to fund such reimbursements and does not obligate the Authority or the County to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Plan, or which are permitted to be reimbursed under this Plan. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan.

F. Michigan Business Tax Credit

The Property is included in this Plan to enable “qualified taxpayers” as defined by themselves of eligibility for a credit against their Michigan business tax liability for “eligible investments”, as defined by Section 437(31) of Michigan Business Tax Act,

incurred on the Property after the adoption of this Plan. Eligible investment is estimated at \$32,931,567.

By approval of this Plan, the Authority and the County neither intend to make nor have made representations to a developer or any other person of the availability, amount or value of any credit under the Michigan Business Tax 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 Michigan Business Tax Act for the Property. The Authority and the County 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 or approval of any credit under the Michigan Business Tax Act for the Property.

G. Duration of Plan (Section 13(1)(f))

In no event shall the duration of the Plan exceed 35 years following the date of the resolution approving the 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 Plan. The Plan shall remain open for the full 30 years in order to help facilitate additional public infrastructure improvements as necessary.

H. Effective Date of Inclusion in Brownfield Plan

The Property will become a part of this Plan on the date this Plan is approved by the Washtenaw County Board of Commissioners. 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 amendment.

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

There are no persons or businesses residing on the eligible property, and no occupied residences will be acquired or cleared; therefore there will be no displacement or relocation of persons or businesses under this Plan.

J. Local Site Remediation Revolving Fund (“LSRRF”) (Section 8; Section 13(1)(m))

The Authority has established a Local Site Remediation Revolving Fund (LSRRF). The LSRRF will consist of all tax increment revenues authorized to be captured and deposited in the LSRRF, as specified in Section 13(5) of Act 381, under this Plan and any other plan of the Authority. It may also include funds appropriated or otherwise made available from public or private sources.

The Authority will capture incremental state school taxes to fund the LSRRF, to the maximum extent allowed by law. The Authority will capture incremental local taxes to fund the LSRRF up to an amount proportionate the state school taxes that are captured.

The rate and schedule of incremental tax capture for the LSRRF will be 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 for capture and deposit in the LSRRF is estimated at \$1,180,377.