
KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

MEETING DATE: **Thursday, May 26, 2016**
PLACE OF MEETING: County Administration Building
201 West Kalamazoo Avenue, Room 207a
TIME: 4:00 pm

AGENDA

1. Call to Order: 4:00
2. Members Excused
3. Approval of the Agenda
4. Approval of Minutes: BRA Minutes of Special Meeting May 5, 2016
5. Citizens Comments (*4 minutes each / Please state name and address*)
6. Consent Agenda – Invoices
 - a. **\$560.00** – Envirollogic related to WO#17 - General Environmental Review
 - b. **\$3,007.50** – Envirollogic related to WO#24 – Kalamazoo West Professional Center
7. Financial Reports
 - a. **Discussion:** Fund 247
 - b. **Discussion/Action:** 2015 Administrative Expense Allocation
8. Discussion and/or Action Calendar
 - a. **Discussion/Action:** Varnum Invoice – Midlink Development Amendment - **\$71.25**
 - b. **Discussion/Action:** 555 Eliza Street
 - i. Envirollogic Invoice related to WO#21 MDEQ Loan work: **\$5,831.25**
 - ii. Administrative Expenses for Quarterly Reporting – Grant expense
 - c. **Discussion/Action:** Juvenile Home Millage– Brown Family and 9008 Portage Road
 - i. Brown Family Holdings - \$702.35
 - ii. 9008 Portage Road - \$11.83
 - d. **Discussion/Action:** RAI Jets
 - i. Act 381 Work Plan
 - ii. Development Agreement
 - e. **Discussion/Action:** Reimbursement and Development Agreement Revisions
 - f. **Discussion:** Personal Property Tax Reform
 - i. Submitted 2015 for Brown; 2016 due July 15, 2016
 - ii. Midlink – Renaissance Zone phase-out? 2016 due July 15, 2016
9. Staff Report
 - a. 232 LLC – Draft 381 Work Plan – Brownfield Plan Amendment?
 - b. Kalamazoo West Professional Center
 - Brownfield Plan County Commission COW 6/7/2016 at 4:00
 - Regular Meeting 6/21/16 at 7:00 p.m.
 - c. Zeigler
 - Act 381 Work Plan submitted to MDEQ.
 - Development Agreement in review with Midlink; Zeigler already reviewed.
 - d. Educational Outreach – Potential for Board Retreat to discuss priorities/direction?
 - e. Oshtemo – Corner @ Drake TIF collection Tax appeal update
 - f. Envirollogic Project Updates
 - g. Budget 2017 - Budget due to County 6/27/16

h. Training

- Board Members MEDA Spring Toolbox, Lansing June 9th? \$165.00 Non-members
<https://www.medaweb.org/component/content/article/12-events/91-toolbox>

10. Committees - times dates and places

- a. Land Bank Report – April 14th Board Meeting
- b. Project/Finance Committee –
- c. Executive Committee –
- d. PR/Media Committee –

11. Other

12. Board Member Comments

13. Adjournment

Next Meeting: 4th Thursday – June 23, 2016 at 4pm (room 207a, County Admin Bldg)

PLEASE CALL 384-8112 OR EMAIL RAGROV@KALCOUNTY.COM

IF YOU ARE UNABLE TO ATTEND THE MEETING

KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

MEETING DATE: May 5, 2016
PLACE OF MEETING: County Administration Building
201 West Kalamazoo Avenue, Room 207a
TIME: 9:00 am

Special Meeting MINUTES

Present: Ken Peregón, Andy Wenzel, Joe Agostinelli, Travis Grimwood, James Spurr, Habib Mandwee, Thell Woods, Commissioner Gisler on behalf of Rogers

Members Excused: Douglas Milburn, Christopher Carew, Tim Hudson, Julie Rogers

Kalamazoo Township: None

Staff: Rachael Grover

Consultant: Erik Peterson

Recording Secretary: Rachael Grover

Community: 1

1. Chair Agostinelli called the meeting to Order at 9:07 a.m.
2. Members Excused: Douglas Milburn, Christopher Carew, Tim Hudson, Julie Rogers
Gisler stated he has been a County Commissioner for 4 years, Rogers has been an anchor for the commission on the BRA doing a good job providing updates to the County Commissioners. As a citizen perspective, he expressed his appreciation of the BRA Board for what they do.
3. Approval of the Agenda: **Woods moved and Peregón seconded the approval of the agenda. Motion Carried.**
4. Approval of Minutes: **Wenzel moved and Spurr seconded the approval of March 24, 2016 minutes. Motion Carried.**
5. Citizens Comments (*4 minutes each / Please state name and address*)
6. Consent Agenda – Invoices
 - a. **\$700.00** – Envirollogic related to WO#17 - General Environmental Review
 - b. **\$743.75** – Envirollogic related to WO#25 – Metal Mechanics
 - c. **\$9,652.69** - 1st Quarter Staff Administrative Expenses
Grimwood moved and Mandwee seconded the approval of consent agenda. Motion Carried.
7. Discussion and/or Action Calendar
 - a. **Discussion/Action:** Kalamazoo West Professional Center
 - i. Brownfield Plan
Ryan Rarick of Kalamazoo West updated construction is going well and hoping for occupancy sometime mid June.
The board recommends approval to Oshtemo Township and to County Board. Oshtemo Township meeting is on May 10th. Request submitted on the Agenda for County Commission Committee of Whole May 17, 2016. Request for Regular County Board meeting on June 7th.
Grimwood moved, Wenzel seconded the recommendation of approval of the Kalamazoo West Professional Center Brownfield Plan to the Oshtemo Township Board of Trustees and to Kalamazoo County Board of Commissioners. Motion Carried.

- b. **Discussion/Action:** 555 Eliza Street
- i. Envirologic Invoice related to WO#21 MDEQ Loan work: **\$810.00**
Woods moved and Spurr seconded the approval of payment for WO# 21 in the amount of \$810.00. Motion Carried.
 - ii. Administrative Expenses for Quarterly Reporting – Grant expenses
Up to \$10,000 can be spent from the Grant on Administrative expenses. After speaking to MDEQ – Grant reimbursement request can be submitted at any time within the fiscal year. Administrative costs for Q1 and Q2 will be detailed for a Grant reimbursement request next month.
Update on Loan and Grant work at Eliza Street provided by Erik Peterson of Envirologic. Still in the design phase for the sub slab depressurization system.
Grover received an email from Caitlin Andler of Envirologic saying they had received bids for the hazardous materials removal.
 - iii. Quarterly Report – Q2 January to March 2016
Report was due end of April - MDEQ knows it will be late due to lack of quorum for April's meeting. Ron Smedley asked for a draft and it was sent by the deadline – now need formal submittal with signature
Peregon moved Wenzel seconded to authorize the Chair to execute and submit the Quarterly report to MDEQ. Motion Carried.
- c. **Discussion/Action:** Zeigler Act 381 Work Plan – formal submittal to MDEQ
Envirologic submitted draft of the Act 381 Work Plan to MDEQ to both Ron Smedley and Dave Harn. Received comments back from MDEQ and had discussions regarding geotechnical and backfill as similar expenses approved in the General Mills Act 381 Work Plan. MDEQ is comfortable with Draft of the Plan – now needs to be formally submitted.
Spurr moved and Wenzel seconded to approve submittal of the Act 381 Work Plan to MDEQ. Motion adopted with 6 approving and Grimwood abstaining from voting.
8. Staff Report
- a. New Voice Recorder needed for meeting minutes
Woods moved Peregon seconded to authorize staff to spend up to \$150.00 from the miscellaneous account on a voice recorder. Motion Carried.
9. Other
10. Board Member Comments
Woods noted National Crowd Funding Day is May 16th.
11. Adjournment at 10:09 a.m.

Next Meeting: 4th Thursday – May 26, 2016 at 4:00 pm (room 207a, County Admin Bldg)
PLEASE CALL 384-8112 OR EMAIL RAGROV@KALCOUNTY.COM
IF YOU ARE UNABLE TO ATTEND THE MEETING



Remit to:
2960 Interstate Parkway, Kalamazoo, MI 49048
P 269.342.1100 | F 269.342.4945 | W envirologic.com

Kalamazoo County Brownfield Redevelopment Authority
Lotta Jarnefelt
Department of Planning and Community Development
201 West Kalamazoo Avenue, Room 101
Kalamazoo, MI 49007

Invoice number 02297
Date 05/13/2016
Project **150063 General Environmental Review
W.O. 17**

INVOICE: Through Apr 30, 2016

GENERAL ENVIRONMENTAL REVIEW WO #17 COUNTY #247-000-808-00

Professional Fees

	Hours	Rate	Billed Amount
Principal			
Jeffrey C. Hawkins			
Professional Services	4.00	140.00	560.00
		Invoice total	560.00

We accept Check, ETF, Visa, MC Discover & Amex as payment options



Remit to:
 2960 Interstate Parkway, Kalamazoo, MI 49048
 P 269.342.1100 | F 269.342.4945 | W envirollogic.com

Kalamazoo County Brownfield Redevelopment Authority
 Lotta Jarnefelt
 Department of Planning and Community Development
 201 West Kalamazoo Avenue, Room 101
 Kalamazoo, MI 49007

Invoice number 02298
 Date 05/13/2016

Project **160147 Kalamazoo West Prof Center,
 W.O. #24,2425 S. 11th Street, Oshtemo
 Twp., Michigan**

INVOICE: Through Apr 30, 2016

BROWNFIELD PLAN

Professional Fees

	Hours	Rate	Billed Amount
Principal			
Jeffrey C. Hawkins			
Professional Services	6.00	140.00	840.00
Project Manager			
Erik D. Peterson			
Professional Services	19.00	105.00	1,995.00
Senior Project Manager			
David A. Stegink			
Professional Services	1.50	115.00	<u>172.50</u>
Phase subtotal			<u>3,007.50</u>
		Invoice total	<u><u>3,007.50</u></u>

We accept Check, ETF, Visa, MC Discover & Amex as payment options

Kalamazoo County Brownfield Redevelopment Authority
County #247-000-808.00
Brownfield EA and Admin
Budget and Cost Summary

Number		Budget Estimates		Actual					
Project	W.O.	Site/Phase	Total	County Funding	Invoice #	Invoice Date	Invoice Amount	Task Budget Remaining	Total Budget Remaining
		Brownfield EA and Admin. 247-000-808.00							
150063	17	General Environmental Review	\$ 3,500.00	\$ 3,500.00	00848	2/19/2015	\$ 300.00	\$ 3,200.00	\$ 3,200.00
		Amendment #1 - Approved 12-17-15	\$ 5,000.00	\$ 5,000.00	01015	4/15/2015	\$ 140.00	\$ 3,060.00	\$ 3,060.00
					01112	5/20/2015	\$ 1,206.25	\$ 1,853.75	\$ 1,853.75
					01129	6/3/2015	\$ 161.25	\$ 1,692.50	\$ 1,692.50
					01321	7/15/2015	\$ 287.50	\$ 1,405.00	\$ 1,405.00
					01438	8/19/2015	\$ 175.00	\$ 1,230.00	\$ 1,230.00
					01473	9/8/2015	\$ 210.00	\$ 1,020.00	\$ 1,020.00
					01584	10/9/2015	\$ 140.00	\$ 880.00	\$ 880.00
					01704	11/11/2015	\$ 560.00	\$ 320.00	\$ 320.00
					01746	12/4/2015	\$ 280.00	\$ 40.00	\$ 40.00
					01903	1/12/2016	\$ 280.00	\$ 4,760.00	\$ 4,760.00
					02024	2/10/2016	\$ 235.00	\$ 4,525.00	\$ 4,525.00
					02068	3/7/2016	\$ 945.00	\$ 3,580.00	\$ 3,580.00
					02141	4/5/2006	\$ 700.00	\$ 2,880.00	\$ 2,880.00
					02297*	5/13/2016	\$ 560.00	\$ 2,320.00	\$ 2,320.00
		Project Subtotal	\$ 8,500.00	\$ 8,500.00			\$ 6,180.00		\$ 2,320.00
130129	1	Kartar #6, 306 N. Grand, Schoolcraft, MI							
		Project Complete	\$ 11,400.00	\$ 11,400.00			\$ 11,061.78		\$ -
130307	2	Project Spartan - Midlink Business Park							
		Project Subtotal	\$ 32,400.00	\$ 32,400.00			\$ 32,015.36		\$ -
130367	4	9008 Portage Road, Former Bud's Auto Service							
		A - Phase I ESA	\$ 2,300.00	\$ 2,300.00	29414	11/12/2013	\$ 6,209.06	7,290.94	
		B- BEA/Section 7a CA (Due Care Plan)	\$ 2,700.00	\$ 2,700.00	29630	1/16/2014	\$ 330.44	6,960.50	
		C- Brownfield Plan	\$ 2,500.00	\$ 2,500.00	00072	6/19/2014	\$ 351.25	6,609.25	
		Work Order 4a - Amendment for Due Care Activities	\$ 3,500.00	\$ 3,500.00	00123	7/10/2014	\$ 1,428.75	5,180.50	
	8	D - Act 381 Work Plan	\$ 2,500.00	\$ 2,500.00	00359	9/18/2014	\$ 1,497.13	3,683.37	
					00526	11/10/2014	\$ 210.00	3,473.37	
					01322	7/15/2015	\$ 263.75	3,209.62	
					01764	12/7/2015	\$ 3,185.00	24.62	
		Project Subtotal	\$ 13,500.00	\$ 13,500.00			\$ 13,475.38		\$ 24.62
130368	5	2015 Lake Street, J&L Motor X-Press							
		Project Complete	\$ 12,000.00	\$ 12,000.00			\$ 11,035.87		\$ -
130388	7	Former Fox River Paper Mill (Hov-Aire Parcel)							
		Project Complete	\$ 7,000.00	\$ 7,000.00			\$ 7,000.00		\$ -
140154	10	The Corner @ Drake Development							
		Project Subtotal	\$ 6,500.00	\$ 6,500.00			\$ 6,462.50		\$ -
140175	11	Chem Link Acquisition of Former Apollo Plastics							
		Project Complete	\$ 13,000.00	\$ 13,000.00			\$ 6,457.24		\$ -
140520	13	US EPA Brownfield Assessment Grant Application	\$ 3,000.00	\$ 3,000.00					
		Project Complete	\$ 3,000.00	\$ 3,000.00			\$ 3,000.00	\$ -	\$ -
140455	14	CMS, 555 E. Eliza Street, Schoolcraft, MI							
		Project Subtotal	\$ 58,700.00	\$ 58,700.00			\$ 59,425.41		\$ -
140519	16	CMS, 1819/2019 N. Pitcher Street, Kalamazoo Twp.							
		Project Subtotal	\$ 10,000.00	\$ 10,000.00			\$ 9,999.71	\$ 0.29	\$ -
150025	19	Checker Motors Site	\$ 4,000.00	\$ 4,000.00	00903	3/11/2015	\$ 1,178.75	2821.25	
		Project Subtotal	\$ 4,000.00	\$ 4,000.00			\$ 1,265.00		\$ -
150026	20	Accu Mold, 4460 Commercial Ave. Portage, MI	\$ 7,500.00	\$ 7,500.00	00902	3/11/2015	\$ 3,033.75	4466.25	
		Project Subtotal	\$ 7,500.00	\$ 7,500.00			\$ 4,948.75		\$ -
21		Eliza Street MDEQ Grant and Loan - refer to separate spreadsheet							
150386	22	FY16 US EPA Brownfield Assessment Grant Application	\$ 3,000.00	\$ 3,000.00	01747	12/4/2015	\$ 1,655.00	\$ 1,345.00	\$ 1,345.00
					01904	1/12/2016	\$ 1,335.00	\$ 10.00	\$ 10.00
							\$ 2,990.00		\$ 10.00
150391	23	Blackbird Billiards, LLC Brownfield Plan - 3912 Douglas, Ktwp*	\$ 2,500.00	\$ 2,500.00	01763	12/7/2015	\$ 2,500.00	\$ -	\$ -
							\$ 2,500.00		\$ -
150390	24	Kalamazoo West Prof. Center, 2415 S. 11th St., Oshtemo Twp.	\$ 4,000.00	\$ 4,000.00	02298*	5/13/2016	\$ 3,007.50	\$ 992.50	\$ 992.50
		Brownfield Plan -					\$ 3,007.50	\$ 992.50	\$ 992.50
160079	25	Metal Mechanics	\$ 8,000.00	\$ 8,000.00	02142	4/5/2016	\$ 743.75	\$ 7,256.25	\$ 7,256.25
							\$ 743.75		\$ 7,256.25
		Total Project Budgets	\$ 205,000.00	\$ 205,000.00			\$ 181,568.25		\$ 10,603.37

	Revenues	Expenditures		REV-EXP	BAL-YR	BAL-CUMUL
Brownfield Redevelopment Authority Fund 2010						
BRA TOTAL 2010	129,618	3,876		125,742	125,742	
Brownfield Redevelopment Authority Fund 2011						
BRA TOTAL 2011	104,807	81,131		23,676	23,676	149,418
Brownfield Redevelopment Authority Fund 2012						
BRA TOTAL 2012	103,091	61,190		41,901	41,901	191,319
Brownfield Redevelopment Authority Fund 2013						
BRA TOTAL 2013	112,768	162,897		-50,129	-50,129	141,190
Brownfield Redevelopment Authority Fund 247-2014						
BRA ACTUAL TOTAL 2014 AS OF 01-02-2015	108,771	185,899	0	-77,128	-77,128	64,062
BRA Fund 247 for 2015						
BRA ACTUAL TOTAL 2015 AS OF 2-08-2016	334,895	328,312.12	0	6,583	6,582.81	70,645
BRA Fund 247 for 2016						
County BRA (acct 247-000-)	7,500	2,810.15		4,690		
Midlink local TIR tax (acct 247-001-420.00)	45,943.84			45,944		
Midlink school TIR tax (acct 247-001-420.01)				0		
General Mills local TIR (acct 247-004-420.00)	26,538.12			26,538		
General Mills school TIR (acct 247-004-420.01)				0		
Brown Family/Beckan Ind. (acct 247-002-420.00)*	7,890.72			7,891		
9008 Portage Road local TIR (acct 247-003-420.00)	79.37			79		
9008 Portage Road school TIR (acct 247-003-420.01)				0		
Corner @ Drake (247-005-420.00)	65,547.14			65,547		
Corner @ Drake Tax Appeal Escrow Account (247-000-351.98)	40,551.87			40,552		
555 E. Eliza St. Local TIR (247-006-420.00)	125.03			125		
555 E. Eliza St. School TIR (247-006-420.01)	192.63			193		
BRA ACTUAL TOTAL 2016 AS OF 3-08-2016	194,368.72	2,810.15		191,559	191,558.57	262,203
2016 Pending remaining of approved Work Orders						
WO#8 Portage (\$10,000+3500 appr 6-26 in WO#4 & 8)		25				
WO#17 - Gen Env. Consulting, Ammend. #1		2,880				
WO#19 - Checker Motors MDEQ SSA grant application		2,735	\$1179 + \$58 application			
WO#24 - Kalamazoo West Prof. BF Plan		4,000				
WO#25 - Metal Mechanics 400 S. 14th Street		7256.25				
2016 Pending TIF Payments to Developers & other expenses						
Q1 Admin Expenses approved 5/5/16		9652.69				
Eliza St. 2015 TIF Hold for MDEQ Loan?		602				
State BF Fund for Portage Road		72				
TOTAL		27,222.89			-27,223	234,980

	Revenue	Expenses		
MDEQ Loan - 555 Eliza Street				
Receipt from MDEQ	150,000			
MDEQ Loan Contractual (247-900-808.00) - Nov. 2015 invoice		1,832.50		
Dec. 2015 Envirologic Invoice		7,269.32		
Dec. 2015 Envirologic Invoice 01877		5,528.42		
March 1 Envirologic Invoice 01948		363.75		
April 1 Envirologic Invoice 02091		1,140.00		
May 6 ET Invoice 02212		810.00		
Total Invoices		16,943.99	Remaining Balance of Loan	133,056.01

	Revenues	Expenditures		REV-EXP	
Local Site Remediation Revolving Fund - Fund 643					
LSRRF (acct 643-000-699.53) - From 2014	7,417			7,417	7,417
Transferred from Brown 7/6/2015	5,659			5,659	5,659
Transferred from Brown 12/31/2015	5,299			5,299	5,299
Fund 643 TOTAL					18,376

2015 General Administrative	
Postage	\$ 33.48
Copy Charges	\$ 491.26
Communication (Website)	\$ 100.00
Marketing	\$ 174.80
Indirect	\$ 1,311.00
Travel	\$ 90.28
Training	\$ 2,843.65
BRA Staff Q1	\$ 6,399.34
BRA Staff Q2	\$ 9,261.44
BRA Staff Q3	\$ 6,905.71
BRA Staff Q4	\$ 8,814.50
W.E. Upjohn Contractual	\$ 1,161.00
Legal Services Contractual	\$ 5,671.50
Non-Specific Site Reviews:	
Clausing	\$ 3,321.50
Clausing from 12/31/2014	\$ 6,678.21
General Environmental	\$ 3,740.00
Contractual EPA Grant Prep	\$ 2,990.00
Total	\$ 59,987.67

2015 Staff total
\$ 32,541.99

Includes MDEQ Loan	\$3,477.00
Tax Appeal	\$2,194.50

2014 General Administrative Expenses	
Postage	\$ 3.05
Copy Charges	\$ 354.36
Marketing	\$ 684.41
Indirect	\$ 1,052.00
Travel	\$ 360.81
Training	\$ 400.00
BRA Staff Q1	\$ 2,745.41
BRA Staff Q2	\$ 3,600.72
BRA Staff Q3	\$ 4,515.91
BRA Staff Q4	\$ 2,704.71
Contractual W.E Upjohn	\$ 4,728.78
Legal Services Contract	\$ 2,294.25
Contractual Environmental	\$ 2,366.25
Contractual EPA Grant Prep	\$ 3,000.00
Non-Specific Site Reviews:	
Chem Link (Duncan) WO#11	\$ 2,751.75
Chem Link WO#11	\$ 3,049.54
Chem Link	\$ 655.95
Total	\$ 35,267.90

2014 Staff Total
\$ 18,295.53

4/25/2016

KCBRA 2015 General Administrative Expenses

	<i>Site</i>	<i>Total TIR expected 2015 or first year</i>	<i>% of Total TIR Available</i>	<i>Gen Admin. Expenses based on % of TIR</i>	<i>Notes</i>
1	Midlink	\$ 253,604.41	47.80%	\$ 28,676.51	
2	General Mills	\$ 154,766.94	29.17%	\$ 17,500.39	
3	Brown Family (Beckan)	\$ 13,190.09	2.49%	\$ 1,491.48	
4	9008 Portage Road	\$ 1,254.48	0.24%	\$ 141.85	
5	Corner @ Drake	\$ 106,100.53	20.00%	\$ 11,997.40	\$10,610 cap; \$1,1387.40 forward to 2016
6	555 Eliza St.	\$ 602.00	0.11%	\$ 68.07	
7	Kartar #6 (Schoolcraft)				
8	232 LLC	\$ 350.00	0.07%	\$ 39.58	
9	Vicksburg Mill				
10	Blackbird Billiards (2016)	\$ 640.28	0.12%	\$ 72.40	
11	Checker Site				
	Total	\$ 530,508.73	100.00%	\$ 59,987.67	

VARNUM LLP

ATTORNEYS AT LAW

BRIDGEWATER PLACE • POST OFFICE BOX 352
GRAND RAPIDS, MICHIGAN 49501-0352

EIN 38-1294924 • TELEPHONE 616 / 336-6000 • FAX 616 / 336-7000

FRED SCHUBKEGEL

FLSCHUBKEGEL@VARNUMLAW.COM

DIRECT DIAL 269/553-3514

Kalamazoo County Department of Planning
and Community Development
Attn: Ms. Rachael Grover
201 W. Kalamazoo Avenue
Kalamazoo, MI 49007

RE: GENERAL
Matter Number: 338050
Invoice Number: 974274
Invoice Date: May 16, 2016

LEGAL SERVICES RENDERED:

<u>Date</u>	<u>Description/Services Rendered By</u>	<u>Hours</u>	<u>Amount</u>
04/22/16	Initial review of Midlink Brownfield Development Agreement and questions from J. Agostinelli. Fred Schubkegel	0.25	71.25
TOTAL FEES FOR SERVICES			<hr/> \$71.25
TOTAL THIS INVOICE			\$71.25
TOTAL PAYMENT DUE			<hr/> \$71.25 =====

<u>Time Summary</u>	<u>Avg. Rate</u>	<u>Hours</u>	<u>Amount</u>
Fred Schubkegel	285.00	.25	71.25
TOTALS		.25	71.25

RECEIVED
MAY 18 2016
BY: _____



BRIDGEWATER PLACE • POST OFFICE BOX 352
GRAND RAPIDS, MICHIGAN 49501-0352

EIN 38-1294924 • TELEPHONE 616 / 336-6000 • FAX 616 / 336-7000

FRED SCHUBKEGEL

FLSCHUBKEGEL@VARNUMLAW.COM

DIRECT DIAL 269/553-3514

Kalamazoo County Department of Planning
and Community Development
Attn: Ms. Rachael Grover
201 W. Kalamazoo Avenue
Kalamazoo, MI 49007

RE: GENERAL
Matter Number: 338050
Invoice Number: 974274
Invoice Date: May 16, 2016

R E M I T T A N C E C O P Y

Services	71.25
TOTAL THIS INVOICE	\$71.25
TOTAL DUE	\$71.25

TERMS: Payment of each of our invoices is due promptly upon receipt.

Please make check payable to Varnum LLP and return this page with your payment.

All services are subject to the Services and Billing memorandum, which can be found at www.varnumlaw.com/service-and-billing.

Kalamazoo County Brownfield Redevelopment Authority
Rachael Grover
Department of Planning and Community Development
201 West Kalamazoo Avenue, Room 101
Kalamazoo, MI 49007

Invoice number 02313
Date 05/13/2016
Project **150366 555 E. Eliza Street, Work Order #21**

INVOICE: Through Apr 30, 2016

VAPOR TRANSMISSION PILOT STUDY - MDEQ LOAN

Professional Fees

	Date	Hours	Rate	Billed Amount
CAD Designer/Drafter				
Michelle A. Bell				
Professional Services				
	04/06/2016	0.50	90.00	45.00
	04/07/2016	2.00	90.00	180.00
	04/12/2016	2.00	90.00	180.00
	04/13/2016	1.50	90.00	135.00
	04/18/2016	0.50	90.00	45.00
	Subtotal	6.50		585.00
Project Manager				
Paul D. French				
Professional Services				
	04/04/2016	4.00	95.00	380.00
	04/05/2016	4.00	95.00	380.00
	04/06/2016	2.25	95.00	213.75
	04/07/2016	1.25	95.00	118.75
	04/08/2016	2.50	95.00	237.50
	04/11/2016	3.50	95.00	332.50
	04/12/2016	3.75	95.00	356.25
	04/13/2016	3.00	95.00	285.00
	04/15/2016	8.50	95.00	807.50
	04/17/2016	3.75	95.00	356.25
	04/18/2016	0.50	95.00	47.50
	04/20/2016	0.75	95.00	71.25
	Subtotal	37.75		3,586.25
Project Scientist				
Derrick A. Lingle				
Professional Services				
	04/14/2016	2.25	80.00	180.00
	04/15/2016	8.50	80.00	680.00

Sources of Brown TIF

Check No	Date	Total Amount	KRESA	County Operating	Transportation	Public Safety	KVCC	Township Collection	Library	Juvenile Home	Housing Fund	KRESA DEBT*
4833	11/12/10	4,618.18	2,350.10	2,268.08								152.43
63	3/7/11	7,658.88			193.56	701.21	1,361.44	4,340.14	963.34	99.19		-
93	10/14/11	2,214.33	1,127.40	1,086.93								74.21
102	11/15/11	2,951.50	1,502.72	1,448.78								98.91
131	1/30/12	8,570.36			216.40	783.95	1,522.10	4,852.27	1,077.01	118.63		-
213	10/31/12	5,278.40	2,688.79	2,589.61								179.56
304	3/8/13	8,754.80			221.00	800.61	1,554.45	4,955.42	1,099.91	123.41		-
338	9/30/13	4,964.62	2,535.31	2,429.31								181.40
449&450	3/4/14	8,218.01			207.32	751.06	1,458.22	4,648.68	1,031.82	120.91		
481	9/29/14	4,935.31	2,520.34	2,414.97								180.33
595&596	3/4/15	8,164.65			206.09	746.62	1,449.62	4,621.23	1,025.73	115.36		
634	9/24/15	5,479.57	3,164.45	2,315.12								180.29
714	2/19/16	7,841.33			197.57	715.76	1,389.68	4,430.15	983.32	124.85		
739	3/10/16	49.39									49.39	
Totals		66,329.04	15,889.11	14,552.80	1,241.94	4,499.21	8,735.51	27,847.89	6,181.13	702.35	49.39	1,047.14
			\$79,699.33									
			Total Non-School TIF									

KRESA						
	2010	2011	2012	2013	2014	2015
Allocate	0.1446	0.1446	0.1446	0.1446	0.1446	0.1446
Oper	2.897	2.897	2.897	2.897	2.897	4.397
Enhanc	1.5	1.5	1.5	1.5	1.5	1.5
Debt	0.315	0.32	0.325	0.35	0.35	0.365
Total	4.8566	4.8616	4.8666	4.8916	4.8916	6.4066
<i>Debt %</i>	<i>6.49%</i>	<i>6.58%</i>	<i>6.68%</i>	<i>7.16%</i>	<i>7.16%</i>	<i>5.70%</i>

*This needs to be verified with the Municipal Treasurer, the millage rate listed in the plan is static but the debt millage rate is dynamic
 - the actual rate used needs to be verified

Sources of TIF - 9008 Portage Rd

Check No	Date	Total Amount	Schools (SET)	Schools (Operating)	KRESA	County Operating	Transportation	Public Safety	KVCC	City Collection	Library	Juvenile Home	Housing Fund
290864	9/26/2014	1219.43	154.47	463.42	116.92	120.61	10.29		72.43	281.29			
292702	3/13/2015	81.67						37.3			38.61	5.76	
295773	11/20/2015	1175.03	144.27	432.82	145.27	112.7	9.61		67.65	262.71			
296798	2/26/2016	79.37						34.84			36.06	6.07	2.40
Totals		2555.5	298.74	896.24	262.19	233.31	19.9	72.14	140.08	544	74.67	11.83	2.4
			1194.98		1360.52								
			Total School TIF		Total Non-School TIF								

ACT 381 WORK PLAN

TO CONDUCT
ELIGIBLE DEQ RESPONSE
AND/OR
MEGA NON-ENVIRONMENTAL
ACTIVITIES

5825 and 5901 Willoughby Drive
City of Portage, Kalamazoo County, Michigan

Kalamazoo County Brownfield Redevelopment Authority

May 10, 2016

Prepared by:
Phillips Environmental Consulting Services, Inc.
84757 28th Street
Lawton, MI

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1.0 INTRODUCTION

This 381 Work Plan (“Plan”) has been prepared to support brownfield redevelopment activities that are to be done to address vapor intrusion concerns and to redevelop the Property as a non-scheduled operator of flight services originating from the adjoining Kalamazoo/Battle Creek International Airport.

1.1 Eligible Property Information

- 1.1.1. The Property is a “facility” based on data that indicate that trichloroethene, cis-1,2-dichloroethene, vinyl chloride, arsenic, lead and chromium exceed Part 201 Generic Residential Cleanup Criteria (GRCC) in soil and/or groundwater beneath the Property. Exceedance of the Part 201 GRCC qualifies the *Property* as a “facility” as defined by Section 1(1)(o) of Part 201 of Act 451, Michigan Natural Resources and Environmental Protection Act. The Brownfield Plan’s eligible property boundary includes two continuous parcels, described herein as the northern parcel and southern parcel. No environmental concerns were identified on the southern parcel.

Physical Location/Address

The eligible property (“Property”) consists of two parcels totaling 3.42 acres located on the east side of Willoughby Drive and north of East Milham Avenue in the City of Portage, Kalamazoo County, Michigan. A paved parking lot is located on the south side of the building on the northern parcel. The area surrounding the building to the west, north and east is mostly paved for airplane access to the hangars with grassed areas along the north and northeast sides of the Property. A smaller grassed area is also noted in the northwestern corner of the Property. The southern parcel is vacant and paved at its eastern end. The Property is generally flat.

Specifically, the Property is located in the southwest ¼ of the southeast ¼ of Section 2, T. 3 South, R. 11 West, City of Portage, Kalamazoo County, Michigan. A site location map is included as Figure 1 and Figure 2 is a Site Plan showing significant Property features.

The legal descriptions are as follows:

Northern Parcel:

ASSESSORS PLAT OF WILLOUGHBY-HENRY PLAT LOT 20-21-22-23-24-25-26-27 & E ½ OF VACATED ABUTTING WILLOUGHBY DRIVE.

Commonly known as: 5825 Willoughby Drive
Tax ID No.: 09240-020-O

Southern Parcel:

ASSRS PLAT OF WILLOUGHBY-HENRY LOTS 28, 29 & E ½ OF VACATED ABUTTING WILLOUGHBY DRIVE.

Commonly known as: 5901 Willoughby Drive
Tax ID No.: 09240-028-A

1.1.2. Current Ownership

The Property is currently owned by the Kalamazoo Aviation History Museum.

Kalamazoo Aviation History Museum
3100 East Milham Avenue
Portage, MI 49002

Contact Person: Ms. Kim Robinson, (269) 382-6555

1.1.3. Proposed Future Ownership

RAI AZO, LLC has a purchase agreement with the owner of the Property and intends to purchase and redevelop the Property upon receipt of all financing assurances.

RAI AZO, LLC
1 Airport Road
Sturgis, MI 49091

Contact Person: Mr. David Riley, (269) 625-6155

1.1.4. Delinquent Taxes, Interest, and Penalties Due

There are no delinquent taxes, interest, or penalties due.

1.1.5. Existing and Proposed Future Zoning for Each Eligible Property

The existing zoning for both Property parcels is Light Industrial and is not planned to change following redevelopment.

1.2 Historical Use of Each Eligible Property

Historical records indicate the southern parcel on the Property was first developed prior to 1938 for residential purposes. The parcel was used as a residence or was vacant until about 1971 when the residence was razed and the parcel became vacant land. The southern parcel remains vacant, except that it paved at its eastern end for parking.

The northern parcel on the Property was first developed sometime between 1955 and 1960 for commercial or industrial uses. The original airplane hangar currently on the northern parcel was constructed around 1963 and received two additions to the south in approximately 1973 and 1974. Since that time, the building has been used by aviation companies, including Lakala Aviation (1966, 1971), Kal-Aero South (1976-1992) and, most recently, the Kalamazoo Aviation History Museum (1995-2016).

Historic use of the Property as an airplane hangar involved the use of paints, aviation oil, solvents, lubricants and caulk, according to Ms. Kim Robinson of the Kalamazoo Aviation History Museum. The contamination at the Property is believed to be a result of releases through historic floor drains located inside the building and associated drywells. The historic floor drains likely discharged to two dry wells located in the parking lot area south of the building. All of the floor drains were reportedly cemented shut prior to purchase of the Property by the Kalamazoo Aviation History Museum.

1.3 Current Use of Each Eligible Property

The Property is currently used for storage by the Kalamazoo Aviation History Museum.

1.4 Summary of Site Conditions and Known Environmental Contamination

Soil and groundwater sampling was completed during a 2012 Phase I and Limited Phase II Environmental Site Assessment (ESA) for the Property by Kieser & Associates. Results of the assessment concluded that soil and groundwater in the vicinity of the purported fueling area did not exceed Part 201 Generic Residential Cleanup Criteria (GRCC). Sampling in the vicinity of the former drywells near the southeast corner of the building revealed concentrations of trichloroethene (TCE) in soil in excess of Part 201 GRCC. Groundwater indicated the presence of TCE and its degradation products (cis-1,2 dichloroethene and vinyl chloride), plus arsenic and lead at that location as well. Lead and arsenic also exceeded Part 201 GRCC in the vicinity of the purported fueling area. No known or suspected concerns were identified with regard to the southern parcel addressed as 5901 Willoughby Drive.

In early 2015, based on the 2012 Phase I and Limited Phase II ESA, Phillips Environmental conducted additional Phase II Environmental Site Assessment activities at 5825 Willoughby Drive. The investigation included a ground penetrating radar (GPR) survey, which did not indicate the potential for any buried tanks to remain at the Property. It did identify an area of excavation suspected to be the former underground storage tank and pump locations, which was consistent with the reports provided in the 2012 Phase I and Limited Phase II ESA. Soil and groundwater sampling data were generally consistent with the Kieser & Associates 2012 data, indicating the presence of trichloroethene, cis-1,2-dichloroethene, vinyl chloride, arsenic, chromium and lead in soil and/or groundwater at concentrations exceeding Part 201 GRCC at the Property. Figure 3 shows all of the sampling locations at the Property.

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

The soil gas analytical results are compared to the DEQ Non-Residential Vapor Intrusion Sub-Slab Soil Gas Screening Levels. TCE concentrations are above its Screening Level at 15-VP-3-SS, 15-VP-4-SS, 15-VP-8-SS, 15-VP9--SS 15-VP-10-SS and 15-VP-12-SS. The TCE related constituent, cis-1,2 DCE, concentration exceeds the Screening Level for this compound at 15-VP-3-SS and 15-VP-9-SS.

Based on the results of prior environmental assessments completed for the Property, the Property exhibits the presence of impacted soil and groundwater as a result of historic operations by aviation companies. Specifically, laboratory analytical data indicate that trichloroethene, cis-1,2-dichloroethene, vinyl chloride, arsenic, chromium and lead exceed Part 201 GRCC in soil and/or groundwater beneath the Property.

Exceedance of the Part 201 GRCC qualifies the Property as a “facility” as defined by Section 1(1)(o) of Part 201 of Act 451, Michigan Natural Resources and Environmental Protection Act. Part 201 GRCC are exceeded for drinking water protection, protection of a surface water body at the groundwater surface water interface, and protection of residential direct contact. Figure 4 shows the sample locations, along with a listing of constituents above Part 201 GRCC. Figure 4A shows concentrations exceeding Non-residential Vapor Intrusion Screening Levels.

1.5 Summary of Functionally Obsolete and/or Blighted Conditions

The building is not considered functionally obsolete or blighted. Figure 5 includes photographs of the Property.

1.6 Summary of Proposed Redevelopment and Future Use for Each Eligible Property

RAI AZO, LLC intends to redevelop the Property for use as a non-scheduled operator of flight services originating from the adjoining Kalamazoo/Battle Creek International Airport. In order to address known contamination at the Property and associated vapor intrusion to indoor air concerns, a response activity will be completed in the form of installation and operation of a sub-slab depressurization system (SSDS). Additionally, a taxiway will be constructed that will be open for use by the Kalamazoo/Battle Creek International Airport and 32,000 square feet of parking lot will be demolished to allow for construction of a new parking lot. A proposed Site Plan and a figure showing the parking lots to be demolished and the proposed new taxiway are included as Figure 6.

The Developer anticipates that future site exterior improvements to the Property in 2016/17 will be approximately \$766,500.00. The redevelopment is expected to create approximately ten full-time equivalent jobs.

1.7 Information Required by Section 15(15) of the Statute

This work plan is not being submitted for consideration by the MSF.

2.0 SCOPE OF WORK

2.1 DEQ Eligible Activities

2.1.7. Baseline Environmental Assessment

As a “facility” and listed site of environmental impact, Baseline Environmental Assessment activities are being completed on behalf of the prospective new owner, RAI AZO, LLC. This has included the preparation of a Baseline Environmental Assessment report and associated Phase I Environmental Site Assessment. The costs to complete the reports is estimated at \$4,000.

2.1.8. Due Care

Based on the findings of the Phase I and II Environmental Site Assessment, additional site investigation activities have been conducted and described in a Response Activity Plan submitted to the MDEQ. The scope of work for the additional site investigation included the placement of additional Vapor Pins, sampling of selected new Vapor Pins, completion of a pressure field extension test, design of a sub-slab depressurization system and preparation of the Response Activity Plan for MDEQ review (approved February 5, 2016). The cost to conduct these activities was \$9,000.

Subsequent to installation of the response activity (SSDS), a Section 20107a Compliance Analysis will be prepared on behalf of the Developer to describe how the intended use of the Property will comply with Due Care rules (Section 7a). System installation and operational requirements will be documented. The estimated cost is \$4,500.

2.1.9. Additional Response Activities

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

2.1.10. Environmental Insurance

Environmental insurance is not contemplated for the project.

2.1.11. Interest

Interest expense is calculated based on a rate of 3% as approved by the Kalamazoo County Brownfield Redevelopment Authority for eligible activities not to exceed \$10,847.

2.1.12. Develop/Prepare Brownfield Plan and Work Plan

The Authority and Developer costs to prepare the Brownfield Plan and Act 381 Work Plan are \$7,500.

2.2 MSF Eligible Activities

Review of the Work Plan by the MSF is not being requested.

3.0 SCHEDULE AND COSTS

3.1 Schedule of Activities

<u>TASK</u>	<u>Anticipated Completion</u>
BEA Activities	May, 2016
Submittal of Act 381 Work Plan	May, 2016
Approval of Act 381 Work Plan	July, 2016
Completion of Additional Response Activities	
Sub-slab depressurization system	November, 2016
Due Care Plan	November, 2016

3.2 Estimated Costs

3.2.3. Description of DEQ Eligible Activities Costs

See Table 1 for an itemized description of DEQ Eligible Activity Costs.

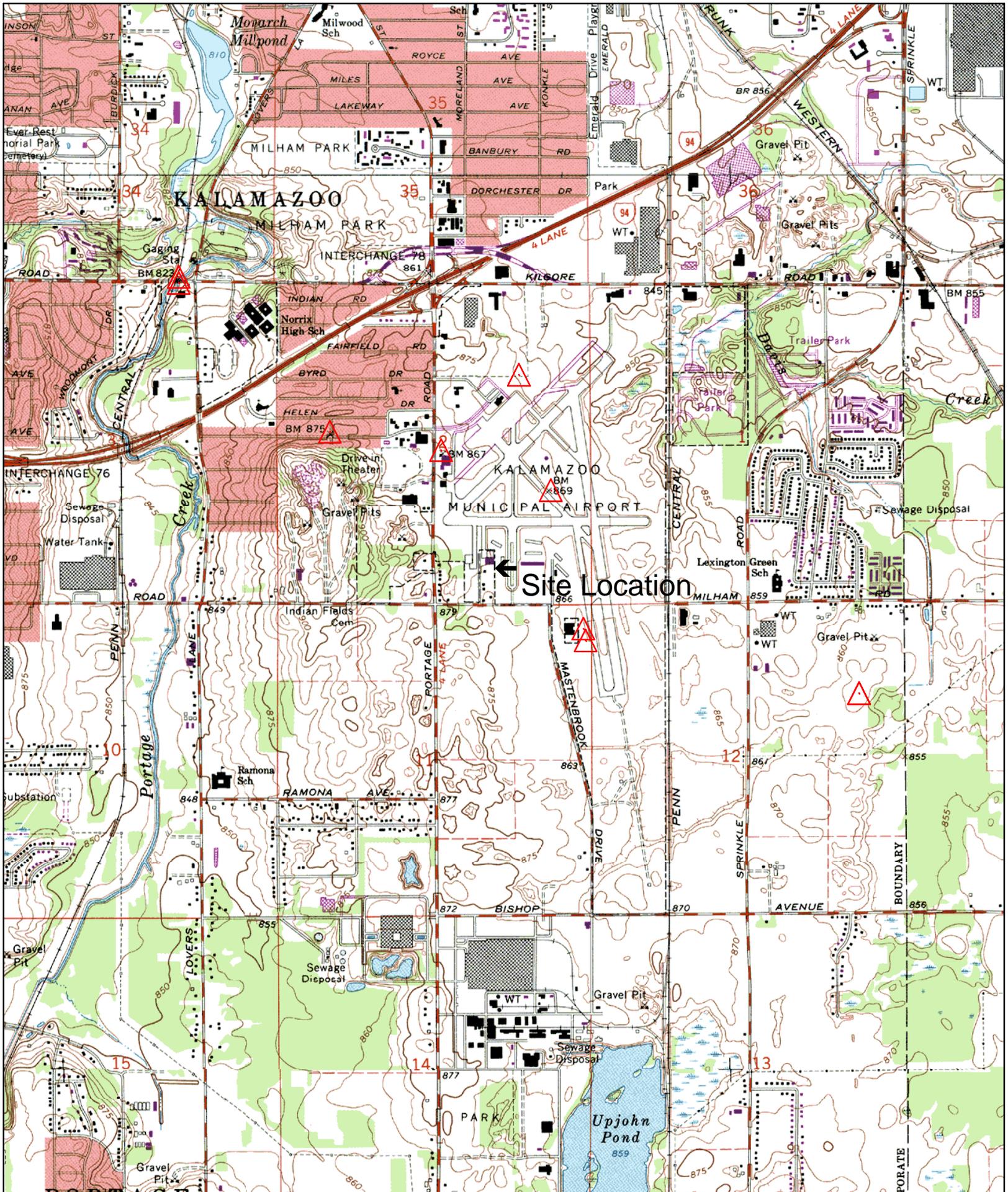
3.2.4. Description of MSF Eligible Activities Costs

MSF Eligible Activity Costs are not requested.

FIGURES

Figure 1

Scaled Property Location Map



Name: PORTAGE
 Date: 2/9/2016
 Scale: 1 inch equals 2000 feet

Location: 042° 13' 48.79" N 085° 33' 20.88" W NAD27
 Caption: Figure 1 - Site Location
 5825 .5901 Willoughby Drive
 Portage, Michigan

Figure 2

Eligible Property Map(s)



Figure 2 - Site Plan

5825 & 5901 Willoughby Drive, Portage, Michigan



1:2200

Map Publication:

Mon Feb 8 2016 12:15:23 PM

Disclaimer:

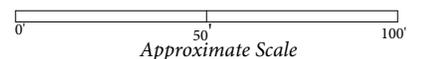
This map does not represent a survey or legal document and is provided on an "as is" basis. City of Portage expresses no warranty for the information displayed on this map document.

Figure 3

Sample Location Map



- Geoprobe Boring Location. Samples Collected on 4/26/2012 by Kieser & Associates.
- Geoprobe Boring Location. Samples Collected on 2/11/2015 by Phillips Environmental.
- Sub-Slab Soil Vapor Pin Location. Samples Collected on 2/11/2015 and 11/25/2015 by Phillips Environmental and Analyzed for TO-15 Volatile Organic Hydrocarbons.



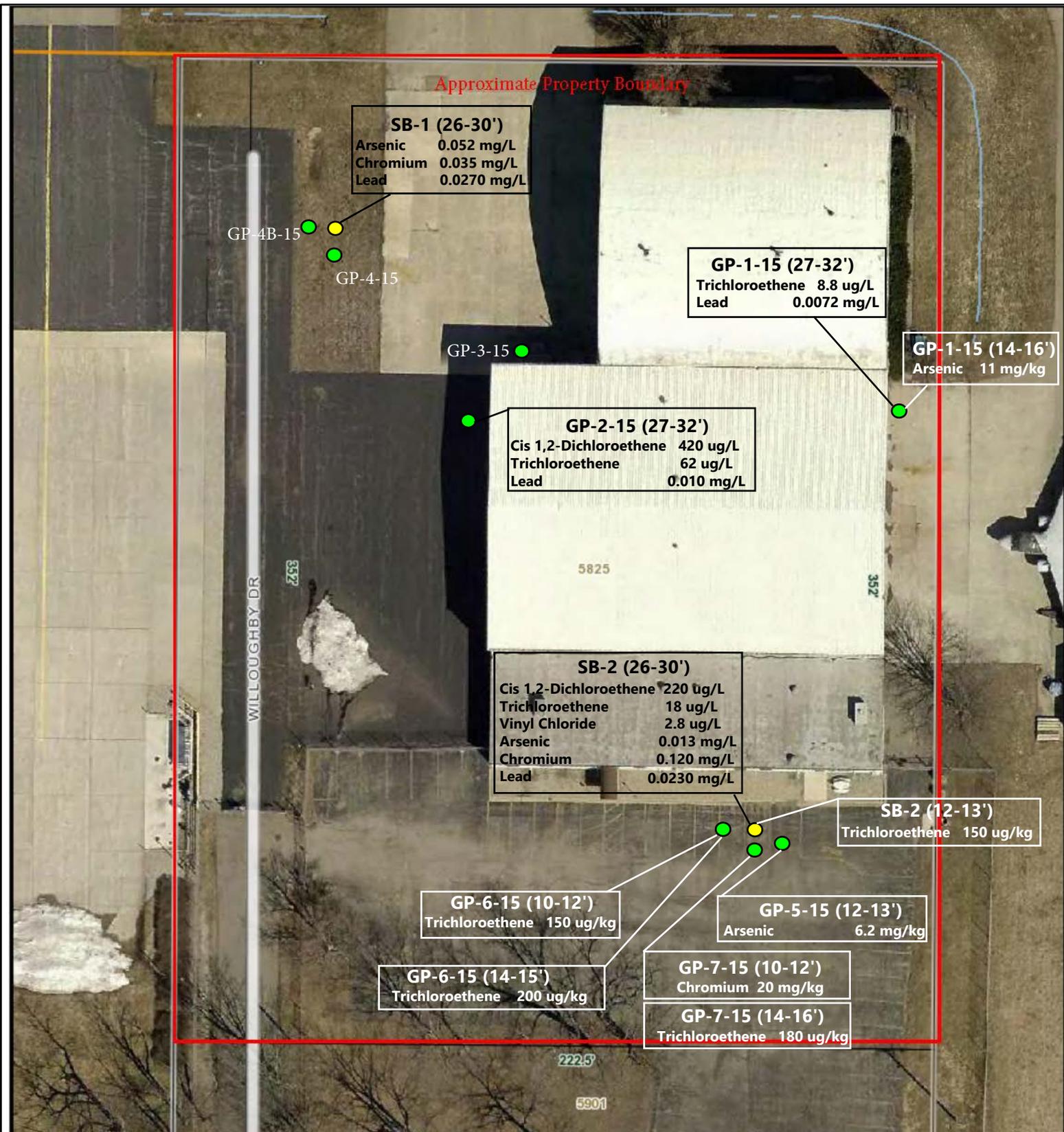
**PHILLIPS
ENVIRONMENTAL
CONSULTING SERVICES, INC.
LAWTON, MICHIGAN**

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

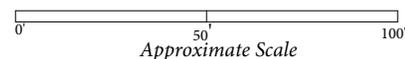
**Figure 2
Site Plan with
Sample Locations**

Figure 4

Known Extent of Contamination



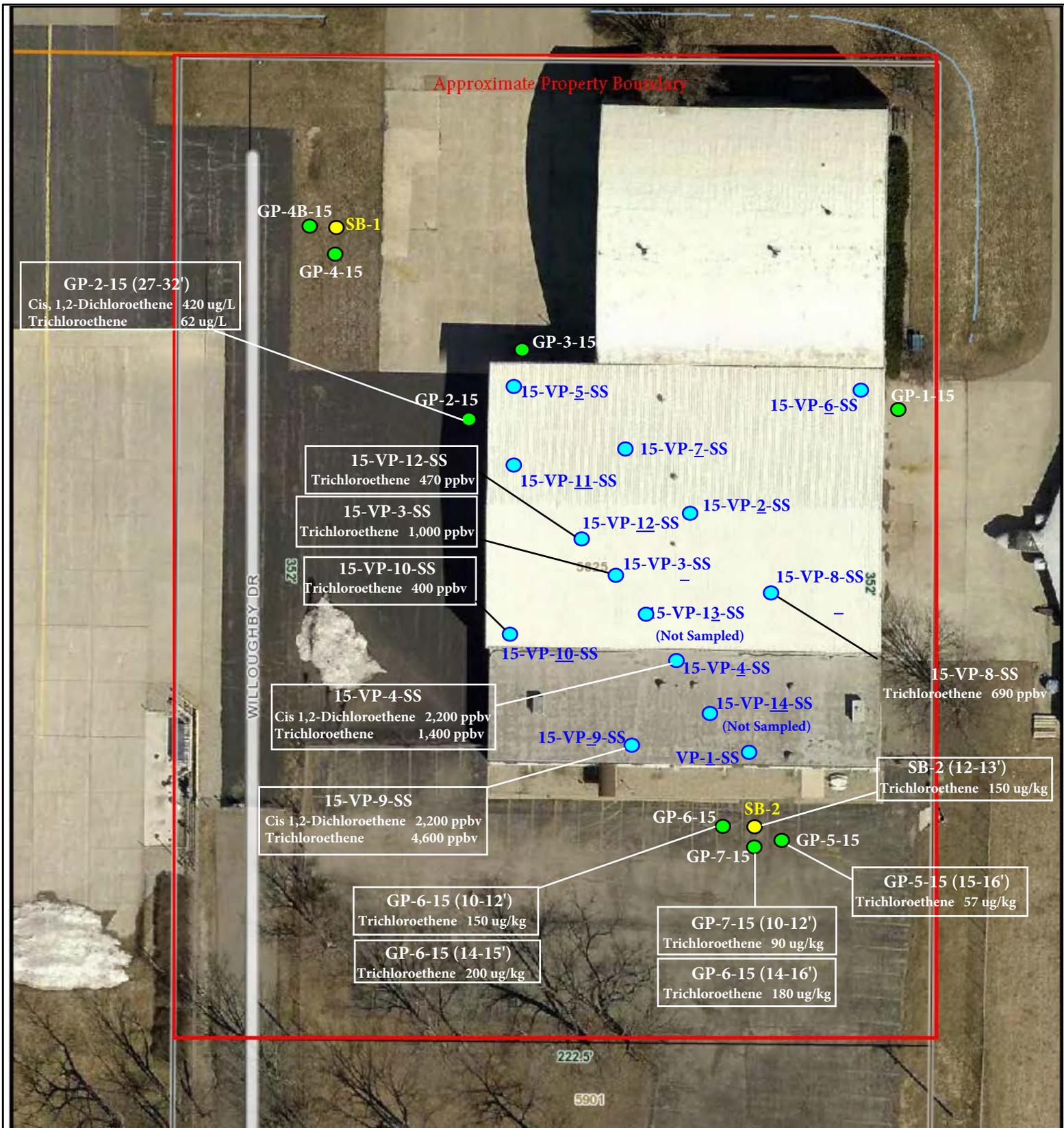
● Geoprobe Boring Location. Samples Collected on 4/26/2012 by Kieser & Associates.
● Geoprobe Boring Location. Samples Collected on 2/11/2015 by Phillips Environmental.
 Concentrations Shown Exceed Part 201 Generic Residential Cleanup Criteria (GRCC)



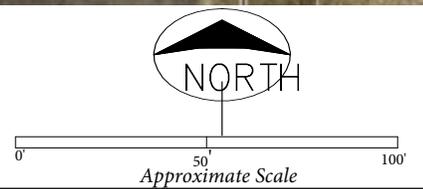
PHILLIPS
ENVIRONMENTAL
CONSULTING SERVICES, INC.
LAWTON, MICHIGAN

5825 Willoughby Drive
City of Portage
Kalamazoo Co., Michigan

Figure 4
Concentrations
Exceeding Part 201 GRCC



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



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LAWTON, MICHIGAN

5825 Willoughby Drive
City of Portage
Kalamazoo Co., Michigan

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

Figure 5

Color Site Photographs

5825 and 5901 Willoughby Drive
Kalamazoo, Michigan

Photographs by Lisa K. J. Phillips
Phillips Environmental Consulting Services, Inc.
February 26, 2016

Picture 1



Looking northwest at the south side of the building from the southeast corner of the *Property*.

Picture 2



Looking northwest across the adjoining property to the east at the shed (not within the *Property* boundary) and the east side of the building on the *Property*.

Picture 3



Looking east along the north side of the building from the northwest corner.

Picture 4



Looking south at the west side of the northernmost hangar and the north side of the new hangar to the south.

5825 and 5901 Willoughby Drive
Kalamazoo, Michigan

Photographs by Lisa K. J. Phillips
Phillips Environmental Consulting Services, Inc.
February 26, 2016

Picture 5



Looking west at the *above ground storage tank* on the *adjoining property* to the west from south of the building on the *Property*.

Picture 6



Looking southwest from west of the northernmost hangar at the *adjoining property* to the west.

Picture 7



Looking northwest from the northern *Property* boundary at the Kalamazoo/Battle Creek International Airport, the *adjoining property* to the north.

Picture 8



Looking east from the northwest corner of the building at the adjoining airplane hangar to the east. The air compressor room is present in the foreground.

5825 and 5901 Willoughby Drive
Kalamazoo, Michigan

Photographs by Lisa K. J. Phillips
Phillips Environmental Consulting Services, Inc.
February 26, 2016

Picture 9



Looking south at the *adjoining property* to the south from the southern *Property* boundary.

Picture 10



View south of the northernmost hangar inside the building.

Picture 11



View of a motor for the hangar door.

Picture 12



View of a cemented floor drain in the northernmost hangar.

5825 and 5901 Willoughby Drive
Kalamazoo, Michigan

Photographs by Lisa K. J. Phillips
Phillips Environmental Consulting Services, Inc.
February 26, 2016

Picture 13



View inside the air compressor room at the northern side of the building.

Picture 14



A small amount of oil inside the air compressor room.

Picture 15



View of the kitchen in the northern section of the building.

Picture 16



View of the workshop area in the northern section of the building.

5825 and 5901 Willoughby Drive
Kalamazoo, Michigan

Photographs by Lisa K. J. Phillips
Phillips Environmental Consulting Services, Inc.
February 26, 2016

Picture 17



View of the parts storage area on the second floor over the kitchen and workshop.

Picture 18



View of the middle section of the building, the new hangar, used for storage.

Picture 19



View of the former propeller maintenance trench inside the former paint booth in the southern section of the building.

Picture 20



View of the parts cleaning hood in the paint storage room.

5825 and 5901 Willoughby Drive
Kalamazoo, Michigan

Photographs by Lisa K. J. Phillips
Phillips Environmental Consulting Services, Inc.
February 26, 2016

Picture 21



View of the sink in the paint storage room.

Picture 22



View of the restroom and floor drains outside the paint storage room.

Picture 23



View of the class room in the southern section of the building.

Picture 24



View of the parts cleaner (empty).

Figure 6

Public Infrastructure Improvements Map(s)



5825 & 5901 Willoughby Drive, Portage, Michigan



web mapping by
Amalgam LLC



1:2200

Map Publication:

Mon Feb 8 2016 12:15:23 PM

Disclaimer:

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Figure 6 - Public Infrastructure Improvements

Figure 7

Redevelopment Project Rendering

NOT APPLICABLE

Figure 8

Preliminary Engineering Site Plan(s)

NOT APPLICABLE

TABLES

Table 1

Summary of Costs for Eligible Activities

Table 1

Summary of Costs for Eligible Activities

<u>DEQ Eligible Activities</u>	<u>DEQ Request</u>
Baseline Environmental Assessment	\$ 4,000.00
Due Care Activities	\$ 13,500.00
Additional Response Activities	\$ 25,000.00
Environmental Insurance	\$ 0.00
<i>Sub-Total</i>	\$ 42,500.00
Contingency (15 %)*	\$ 6,375.00
<i>Sub-Total</i>	\$ 48,875.00
Brownfield/Work Plan Preparation***	\$ 7,500.00
DEQ TOTAL	\$ 56,375.00
 GRAND TOTAL OF ELIGIBLE ACTIVITES (MSF + DEQ)	 \$ 56,375.00

*The DEQ and MEDC allow up to a 15% contingency.

**Upon request, the MSF Board will consider interest in accordance with the current MEDC Brownfield Program Guidelines.

***The DEQ and MEDC allow an agency-combined total of up to \$20,000 for preparation of Brownfield Plans and/or Act 381 Work Plans. This should be appropriately split between the agencies.

Table 2

DEQ Tax Capture/ Reimbursement Schedule

Table 2
Reimbursement Schedule With Interest
RAI AZO, LLC
5825 and 5901 Willoughby Drive, Portage, Michigan

Year	Estimated Incremental Taxes Captured (From Table 3)				Reimbursement to KCoBRA (Administrative - Non School Tax Only)			Reimbursement to Developer/RAI AZO, LLC ¹				State Brownfield Redevelopment Fund		LSRRF Capture			Interest Calculations (3%)			
	Annual			Cumulative	Annual		Cumulative	Annual			Cumulative	3 Mils SET	Cumulative	Annual		Cumulative	Principal	Interest Payment	Principal Payment	Payment Amount
	School	Non-School	Total		School	Non-School		School	Non-school	Total				School	Non-school					
2016	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	69,575.00	\$ 2,087.25	6,848.54	8,935.79
2017	6000.00	6,979.23	12,979.23	12,979.23	-	1,395.85	1,395.85	5250.00	5,583.38	10,833.38	10,833.38	750.00	750.00	-	-	-	62,726.46	1,881.79	7,053.99	8,935.79
2018	6120.00	7,118.81	13,238.81	26,218.03	-	1,423.76	2,819.61	5355.00	5,695.05	11,050.05	21,883.43	765.00	1,515.00	-	-	-	55,672.47	1,670.17	7,265.61	8,935.79
2019	6242.40	7,261.19	13,503.59	39,721.62	-	1,452.24	4,271.84	5462.10	5,808.95	11,271.05	33,154.48	780.30	2,295.30	-	-	-	48,406.86	1,452.21	7,483.58	8,935.79
2020	6367.25	7,406.41	13,773.66	53,495.28	-	1,481.28	5,753.13	5571.34	5,925.13	11,496.47	44,650.95	795.91	3,091.21	-	-	-	40,923.28	1,227.70	7,708.09	8,935.79
2021	6494.59	7,554.54	14,049.13	67,544.41	-	1,510.91	7,264.03	5682.77	6,043.63	11,726.40	56,377.34	811.82	3,903.03	-	-	-	33,215.19	996.46	7,939.33	8,935.79
2022	6624.48	7,705.63	14,330.11	81,874.52	-	1,541.13	8,805.16	5796.42	6,164.50	11,960.93	68,338.27	828.06	4,731.09	-	-	-	25,275.86	758.28	8,177.51	8,935.79
2023	6756.97	7,859.74	14,616.72	96,491.24	-	1,571.95	10,377.11	5912.35	6,287.79	12,200.15	80,538.42	844.62	5,575.71	-	-	-	17,098.35	512.95	8,422.83	8,935.79
2024	6892.11	8,016.94	14,909.05	111,400.29	-	1,603.39	11,980.49	4789.72	5,093.87	9,883.58	90,422.00	861.51	6,437.23	1,240.88	1,319.68	2,560.57	8,675.52	260.27	8,675.52	8,935.79
2025	7029.96	8,177.27	15,207.23	126,607.52	-	-	-	-	-	-	-	878.74	7,315.97	6,151.21	8,177.27	16,889.05				
2026	7170.56	8,340.82	15,511.38	142,118.89	-	-	-	-	-	-	-	896.32	8,212.29	6,274.24	8,340.82	31,504.11				
2027	7313.97	8,507.64	15,821.60	157,940.50	-	-	-	-	-	-	-	914.25	9,126.54	6,399.72	8,507.64	46,411.46				
2028	7460.25	8,677.79	16,138.03	174,078.53	-	-	-	-	-	-	-	932.53	10,059.07	6,527.72	8,677.79	61,616.97				
2029	7609.45	8,851.34	16,460.80	190,539.33	-	-	-	-	-	-	-	951.18	11,010.25	6,658.27	8,851.34	77,126.58				
						11,980.49		43,819.70	46,602.30	90,422.00	-	11,010.25		33,252.04	43,874.55	77,126.58		10,847.07	69,575.00	80,422.07

TOTAL REIMBURSEMENT FOR TAX INCREMENT:

\$ 190,539.33

¹ Principal (\$79,575) plus interest (\$10,847) = \$90,422. Estimated expenses of \$36,547 are local (non-school) tax capture only.

BROWNFIELD PLAN DEVELOPMENT AGREEMENT

THIS BROWNFIELD PLAN DEVELOPMENT AGREEMENT (the "Agreement"), is entered into on _____, 20__ between the **KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**, a Michigan public body corporate established pursuant to Act 381 of the Public Acts of 1996, as amended, MCL 125.2651 et seq. ("Act 381"), whose address is 201 W. Kalamazoo Avenue, Room 101, Kalamazoo, Michigan 49007 (the "Authority"), and RAI AZO, LLC (the "Developer").

RECITALS

WHEREAS, the Authority, City of Portage (the "City"), and Kalamazoo County (the "County") have determined that brownfield redevelopment constitutes the performance of an essential public purpose which protects and promotes the public health, safety and welfare.

WHEREAS, Kalamazoo County has established a Brownfield Redevelopment Authority and the Authority and the County have adopted a Brownfield Plan specifically for this site (the "Plan"), pursuant to the provisions of Act 381.

WHEREAS, the Authority and the County have designated certain properties that have conditions of environmental contamination, blight or obsolescence as appropriate sites for creating a Plan.

WHEREAS, Act 381 permits the use of the real and personal property tax revenues generated from the increase in value (the "Increment") to brownfield sites constituting Eligible Property under Act 381 resulting from their redevelopment to pay or reimburse the payment of costs of conducting Eligible Activities (these costs are referred to as "Eligible Costs") and, unless Developer is a liable party for the site contamination, permits the reimbursement to Developer of Eligible Costs it has incurred.

WHEREAS, Developer owns property in Kalamazoo County located at 5825 and 5901 Willoughby Drive (the "Property") and legally described on the attached Exhibit A.

WHEREAS, the Property has been included in the Plan and qualified as an "eligible property" under the terms of Act 381.

WHEREAS, Developer intends to redevelop the Property as a non-scheduled operator of flight services originating from the adjoining Kalamazoo/Battle Creek International Airport. Indoor air contaminants in the airplane hangar and associated offices of the building were detected at levels above recommended levels and as detailed in the Plan. Developer will install a Sub-slab Depressurization System as an environmental response activity to address potential vapor intrusion concerns at the property, and as approved by the Michigan Department of Environmental Quality (MDEQ). Additionally, the Developer will demolish and redevelop the parking lot and construct a 2,000 square foot taxi-way. Developer intends to invest \$766,000 in the redevelopment of the property. These investments are expected to create an estimated 10-15

jobs at this location and would increase the property tax base within Kalamazoo County (the "Project").

WHEREAS, the Project will require the Developer to incur Eligible Costs associated with certain Eligible Activities including environmental due diligence, environmental response activities, and demolition and infrastructure improvements which may require the services of various contractors, engineers, environmental consultants, attorneys and other professionals. The Developer's Eligible Costs shall not exceed **\$79,575 plus Interest (as defined herein)**.

WHEREAS, the parties are entering into this Agreement to establish the procedure for the reimbursement from Tax Increment Revenues under Act 381 as amended.

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein, the parties agree as follows:

1. Recitals. The above recitals are acknowledged as true and correct, and are incorporated by reference into this Paragraph.

2. The Plan. The Plan, approved by the Authority and the Commission of the County, concurred by the City, is attached as Exhibit B and incorporated as part of this Agreement. To the extent provisions of the Plan or this Agreement conflict with Act 381, Act 381 controls.

3. Term of Agreement. Pursuant to the Plan, the Authority shall capture that amount of Tax Increment Revenues generated from real and personal property taxes allowed by law on the Eligible Property. Capture will begin in the first year after the year of the establishment of the Plan and will continue until the earlier of:

3.1 Full reimbursement of Eligible Costs for those Eligible Activities set forth in Paragraph 5, which shall not exceed **\$79,575 plus Interest as defined in Paragraph 4**. For an additional 5 years beyond reimbursement of eligible costs, Tax Increment Revenue will be captured and designated for the Local Site Remediation Revolving Fund (LSRRF) only; or

3.2 For Up to **15 years**. With five of the **15** years designated for LSRRF only.

4. Interest. Simple interest at a rate of three percent (3%) per annum ("Interest") shall accrue on all approved Eligible Costs and as described in the Plan, in each case calculated from the date the Authority approves Developer's request for reimbursement for the pertinent Eligible Costs. Interest will be calculated at the end of each calendar year based on the total unreimbursed Eligible Costs (other than accrued Interest). Principal amounts of the Eligible Costs shall be reimbursed to Developer prior to Interest accruing thereon. In no case shall the cumulative Interest expense exceed twenty percent (20%) of Developer's total Eligible Costs.

5. Evidence of Ownership. Prior to the execution of this Agreement, Developer shall provide to the Authority each of the following: (a) evidence satisfactory to the Authority that the Developer has acquired fee simple title to the Property, which evidence shall include (without limitation) a copy of a recorded deed to the Property in favor of the Developer; and (b) a copy of a commitment for owner's title insurance with respect to the Property (the "Commitment"),

which Commitment shall show the Developer as record owner of the Property, shall reflect that all material conditions to the issuance of a policy thereunder have been satisfied, and shall otherwise be in form and substance satisfactory to the Authority.

6. Eligible Activities. The Developer shall diligently pursue completion of the Eligible Activities summarized in the Plan and set forth in this Paragraph. The Authority shall reimburse the Developer for Eligible Costs incurred on or after the date of the inclusion of this Project in the Plan and include environmental due diligence and due care, site preparation, and infrastructure improvements which may require the services of various contractors, engineers, environmental consultants, attorneys and other professionals. **Prior to approval of invoices and reimbursement for taxi-way infrastructure improvement costs detailed in the Plan, developer will provide proof of easement granting access to the taxi-way by the Kalamazoo Battle Creek International Airport Authority and authorized neighboring flight operators.**

7. Reimbursement Source. During the term of this Agreement and except as otherwise set forth in this Agreement, the Authority shall reimburse the Developer for its Eligible Costs, as limited under this Agreement, from all available Tax Increment Revenues collected from the real and personal property taxes on the Property,

8. Reimbursement Process.

8.1 Cost Reimbursement Request. The Developer will provide sufficient documentation of the Eligible Costs incurred including the dates of each Eligible Activity, a complete description of the work, proof of payment, detailed invoices for the costs involved for each Eligible Activity and a written statement certifying to the Authority that all such costs are "Eligible Costs". Failure to provide the above noted information when due, or within the time permitted by the Authority under Paragraph 8.2, may result in foregone reimbursement, to the Developer by the Authority, for Eligible Costs that have not been requested within the timeframe described above.

8.2 Authority Staff Review. The Authority Staff shall review each reimbursement request within 30 days after receiving it. If Authority Staff determines that the documentation submitted by the Developer is not complete, then Developer shall cooperate in the Authority's review by providing, within 30 days of the Authority's request, any additional documentation of the Eligible Costs as deemed reasonable and necessary by the Authority in order to complete its review. Within 45 days following the receipt of such supplemental information, the Authority shall make the determination of whether the costs are eligible for reimbursement. If the Developer wishes to challenge that determination, it shall provide written notice to the Authority within 15 days of the determination, and the issue shall be brought to the Authority within 45 days thereafter for a final determination. The Developer shall not have any further appeal rights to challenge the final determination of the Authority and shall not be entitled to any claim or cause of action against Kalamazoo County or the Authority as a result of any determinations made in good faith regarding whether or not any cost submitted by the Developer constitutes an "Eligible Cost," and hereby grants the County and the Authority and their respective officers, agents and employees, a complete release and waiver of any claims or causes of action as a result of the foregoing.

8.3 Reimbursement. After both the summer and winter taxes are captured and collected on the Property, the Authority shall reimburse its Eligible and Administrative Costs and pay approved Eligible Costs to the Developer from Tax Increment Revenues that are generated from the Property in accordance with the Plan and Paragraph 8 to the extent that taxes have been captured and are available in that fiscal year. The Authority shall receive one hundred (100) percent of Tax Increment Revenues until fully reimbursed, unless otherwise designated by the Authority. In the event that there are insufficient Tax Increment Revenues available in any given year to reimburse all of the Authority's and Developer's Eligible Costs, as described in Paragraph 6, then the Authority shall reimburse the Authority or Developer only from available Tax Increment Revenues. Once the Authority is fully reimbursed for its Eligible Costs, the Developer shall receive the available Tax Increment Revenue, less Administrative Costs, during the term of this Agreement, until all of the amounts for which submissions have been made have been fully paid to the Developer, or the repayment obligation expires, whichever occurs first. The Authority shall make additional payments, on an annual basis, toward the Developer's remaining unpaid Eligible Costs during the term of this Agreement. The Developer shall not be entitled to reimbursement under this Agreement unless the Developer has timely and completely paid its real and personal property taxes (or industrial facilities taxes) including all penalties, interest and other amounts due in relation thereto when due. For purposes of this Agreement, to be timely paid, taxes must be paid before the date on which they can no longer be paid without penalties or interest. The repayment obligation under this Agreement shall expire upon the earlier of the full payment by the Authority to the Developer of all amounts due the Developer from the Tax Increment Revenues **or up to 10 years** from the date of approval of the Plan.

8.4 Method of Reimbursement. The Authority will reimburse the Developer for Eligible Costs as follows:

Checks shall be payable to: RAI AZO, LLC

Delivered to the following address: 1 Airport Road
Sturgis, MI 49091

By certified mail, or

Delivered through electronic transfer if available through Developer

9. Adjustments. The parties acknowledge that adjustments regarding the amount of Tax Increment Revenues paid to the Developer may occur under any of the following circumstances:

9.1 Audit or Court Ruling: In the event that a state agency of competent jurisdiction conducting an audit of payments made to the Developer under this Agreement or a court of competent jurisdiction determines that any portion of the payments made to the Developer under this Agreement is unlawful, the Developer shall pay back to the Authority that portion of the payments made to the Developer within 30 days of the determination made by a state agency or the court as the case may be. However, the Developer shall have the right, before any such repayment is made, to appeal on its or the Authority's behalf, any such determination made by a state agency or court as the case may be. If the Developer is unsuccessful in such an appeal, the Developer shall repay the portion of payments found to be unlawful to the Authority within thirty (30) days of the date when the final determination is made on the appeal. The Developer

shall be responsible for payment of all of the County's and Authority's legal fees associated with any determination of whether a cost for which reimbursement is requested constitutes an "Eligible Cost" and all of the County's and Authority's legal fees associated with the review or determination of such issues by any state agency or court.

9.2 Property Tax Appeal: In the event the developer, or any other owner of real estate on the Property, files an appeal with the Michigan Tax Tribunal, related to the taxable value of parcels of property included in the Brownfield Plan, the Authority shall do the following:

- a. The Authority will remit Tax Increment Financing Reimbursement payments based upon the lowest taxable value being sought pursuant to the appeal;
- b. Any Tax Increment Revenue that is collected but not remitted as a result of a tax appeal shall be held in a separate account of the Authority until the pending appeal is adjudicated;
- c. Once any tax appeals are adjudicated, the Authority will either return the escrowed funds to the local unit in compliance with any tax appeal rulings, or will make payments pursuant to Section 7 of this agreement.

9.3 Reduction of Property Assessments: If the Authority

- i.) incurs Costs on behalf of the Developer with respect to the Project, Site or Application, and
- ii.) the Developer initiates, participates in or supports any proceeding or process which results in a reduction of the tax increment capture for the Project from that projected and along the same term as contained within the Plan, the Developer indemnifies and will fully reimburse the Authority within 30 days of notification from the Authority as to the amount and the due date for all Costs as defined within the Plan, expenses or reduction in revenue from what was projected as the tax increment capture.

10. Responsibilities of Developer. In consideration of the inclusion of the Property into the Plan and the resulting financial benefits, which it expects to receive, Developer agrees to the following:

10.1 Project. At its sole expense, Developer shall use its best efforts to conduct the activities described in the Plan and to install the Soil Vapor Depressurization System to mitigate environmental contaminants on the Property as approved by the MDEQ. Additionally, the Developer shall construct the Project as described in the Plan. The Developer intends to transform the contaminated property and airplane hangar into a non-scheduled flight operator and airplane maintenance facility. The new investment planned for this site includes installation of a Sub-slab Depressurization System, demolition and redevelopment of a parking lot and construction of a 2,000 square foot taxi-way. An initial planned investment of the property is \$766,000. The redevelopment of the Property shall be completed no later than December 31, 2016. Under no circumstances shall the Authority have any responsibility or liability for remediation or redevelopment of the Property, or for conducting any "eligible activities" at the Property, except for its obligations under this Agreement to provide funds to the extent available as permitted in Paragraph 8 hereof with respect to payments from Tax Increment Revenues.

10.2 Employment Opportunities. Make every reasonable effort to work with the County and community employment agencies to hire County residents for new employment

opportunities created by the Project, and to encourage the local contracting of construction and site related work.

10.3 Ordinances. Develop the Property, including landscaping and all other improvements required for the Project, in compliance with all local ordinances, site plan reviews and this Agreement. The redevelopment of the Property shall be subject to all zoning approvals. This Agreement does not obligate any governing municipality to grant any such approvals.

10.4 Project Sign. Place on the site during rehabilitation/redevelopment a development sign provided by the Authority to promote the Project and the Authority's participation in it. Upon completion of the Project, the sign will be returned to the Authority.

10.5 Promotion and Marketing. Permit the Authority to cite or to use any renderings or photographs or other materials of the Project as an example of private/public partnership and brownfield site redevelopment.

10.6 Cooperation. Assist and cooperate with the Authority in providing information that the Authority may require in providing necessary reports to governmental or other agencies, including, but not limited to, information regarding the amount of Developer expenditures and capital investments, jobs created, and square footage developed or rehabilitated with respect to the Project.

10.7 Payment of Authority Legal and Professional Fees. To the extent the following costs and fees are not paid to the Authority from Tax Increment Revenues, the Developer shall reimburse the Authority for its legal and professional fees and disbursements incurred in connection with the review, approval and administration of the brownfield plan for this Project, including any further amendments thereto; the preparation and negotiation of this Agreement, as it may be amended from time to time; and all documents and matters related thereto, including future expense. Developer shall reimburse the Authority for such expenses within 30 days from the date that the Authority sends an invoice and request for payment to Developer, provided Developer shall be eligible for reimbursement for such expenses to the extent permitted by law from Tax Increment Revenues.

11. Responsibilities of the Authority. In consideration of the preceding commitments of Developer the Authority further agrees to the following:

11.1 Agency Contacts. Provide Developer with appropriate service/employment agency contacts for the identification of County residents to interview for potential employment;

11.2 Cooperation. Cooperate and utilize its best efforts to obtain any governmental approvals required to close the transaction contemplated by this Agreement.

12. Developer's Representations, Warranties and Covenants. The Developer hereby makes the following representations, warranties and covenants:

12.1 Eligible Property. The Property is "eligible property" as defined in Act 381 and is eligible for the capture of Tax Increment Revenues pursuant to Act 381.

12.2 Eligible Costs. The Developer will only submit for reimbursement under Paragraph 8 hereof such costs that it has reasonably determined are "Eligible Costs" within the meaning of Act 381.

12.3 Due Authorization. The representatives signing this Agreement are duly authorized by the Developer to enter into this Agreement.

13. Events of Default. Each of the following shall constitute an event of default:

13.1 Any representation or warranty made by the Developer in this Agreement proves to have been incorrect or incomplete in any material respect when made or deemed to be made.

13.2 The Developer fails to observe or perform any covenant or agreement contained in this Agreement for 30 days after written notice thereof shall have been given to the Developer by the Authority.

13.3 The Developer abandons or withdraws from the reuse and redevelopment of the Property or indicates its intention to do so.

13.4 The Developer fails to pay any funds within 30 days of the date due which are required to be paid to the Authority pursuant to this Agreement, including but not limited to its real and personal property taxes as set forth in Paragraph 8 hereof.

13.5 The Developer terminates its existence.

13.6 The Developer files an appeal with the Michigan State Tax Tribunal contesting any taxes assessed against the Property or the taxable value, assessed value or state equalized value of the Property.

13.7 Any material provision of this Agreement shall cease to be valid and binding on the Developer or shall be declared null and void; the validity or enforceability of such provision shall be contested or denied by the Developer; or the Developer denies that it is bound by this Agreement.

14. Remedies upon Default. If any event of default as defined above shall occur and be continuing for 30 days after written notice of default from the Authority, the Authority shall have the right, but not the obligation, to terminate this Agreement effective immediately and the Developer shall be responsible for all costs which the Authority has incurred in connection with the Property and this Development Agreement, and shall be responsible for all Eligible Costs, without contribution from Tax Increment Revenues collected by the Authority from taxes levied on the Property.

15. Legislative Authorization. This Agreement is governed by and subject to the restrictions set forth in the Act. In the event that there is legislation enacted in the future which

22. Waiver. No failure of either party to complain of any act or omission on the part of the other party, no matter how long this same may continue, is considered as a waiver by that party to any of its rights hereunder. No waiver by either party, expressed or implied, of any breach of any provision of this Agreement is considered a waiver or a consent to any subsequent breach of this same or other provision.

23. Authorization. Each of the parties represents and warrants to the other that this Agreement and its execution by the individual on its behalf are authorized by the board of directors or other governing body of that party.

24. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to the subject matter. There are no other understandings or agreements between them.

25. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

DRAFT

25. Definitions.

“Additional Response Activities” are defined by Section 2(a) of Act 381;
“Baseline Environmental Assessment Activities” is defined by Section 2(d) of Act 381;
“Brownfield Plan or Plans” is defined by Section 2(g) of Act 381;
“Due Care Activities” is defined by Section 2(l) of Act 381;
“Eligible Activities” is defined by Section 2(n) of Act 381;
“Eligible Property or Properties” is defined by Section 2(o) Act 381;
“Tax Increment Revenues” is defined by Section 2(ii) of Act 381, and, for purposes of this Agreement, includes school taxes and local (non-school) taxes.

Witnesses:

KALAMAZOO COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY

By _____

Title _____

Date _____

RAI AZO, LLC

By _____

Title _____

Date _____

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement is made as of _____, by and between “_____” (“Applicant”) and The Kalamazoo County Brownfield Redevelopment Authority (the “Authority”).

The Applicant has applied to the Authority for funding for Brownfield Assessment and Planning (the “Funds”). The Applicant desires to use the Funds to pay for the costs comprising “*list of proposed eligible activities i.e. Phase I and II environmental site assessment, baseline environmental assessment, due care plan, creation of a Brownfield plan and similar and related costs* (the “Costs”) to be incurred in connection with the Applicant's proposed acquisition and development of the property and facility at _____, Michigan, currently owned by _____ (the “Site”). If the Authority grants the application of the Applicant for Funds, the Authority may incur Costs, or obligate itself to incur Costs, on behalf of the Applicant. To induce the Authority to act favorably on the Applicant's application and assure the Authority that the Applicant will reimburse the Authority for any Costs incurred by it if Applicant does not consummate acquisition and development of the Site within one year, the Applicant and Authority are hereby entering into this Reimbursement Agreement.

Accordingly, the Applicant and the Authority, in consideration of the foregoing premises and for other good and valuable consideration, hereby agree as follows, intending to be legally bound:

1. Agreement to Reimburse Authority. If the Authority i.) incurs Costs on behalf of the Applicant with respect to the Project, Site, or Application, and ii.) the Applicant fails to commence development of the site within 12 months for any reason or the Applicant initiates, participates in or supports any proceedings or process which results in a reduction of the Tax Increment Capture for the Project, the Applicant indemnifies and will fully reimburse the Authority for all such Costs, expenses or reduction in revenue from the capture.
2. Reimbursement Procedure. The Authority may request reimbursement of Costs at any time after the Authority determines in its reasonable judgment that it is entitled reimbursement pursuant to Section 1 above. Such request shall be in writing and shall be accompanied by receipts or other documentation reasonably sufficient to establish the veracity and amount of the Costs being requested for reimbursement. The Applicant shall reimburse the Authority within 30 days after receiving such a written request for reimbursement.
3. Funding Guarantee. The Authority does require posting of security to secure reimbursement to the Authority for Costs. The security could include, at a minimum, a personal guarantee of funds or property or assets as appropriate to assure the Authority that the Applicant will either follow through with the planned activity or reimburse the Authority its Costs.

4. Effective Time; Termination. This Agreement becomes operative and effective upon the date indicated above. If Applicant's application is not approved or the Authority does not incur any Costs with respect thereto, this Agreement shall be null, void and of no further effect.

5. Miscellaneous. This Agreement: shall be governed by the internal laws of the State of Michigan; may be signed in one or more counterparts, each of which shall be enforceable as an original; may only be amended by further written agreement of the Authority and the Applicant; is intended to be legally binding on the parties and their successors and assigns; and constitutes the entire understanding of the parties with respect to its subject matter.

In witness of their agreement to be legally bound by the terms of this Reimbursement Agreement, the Authority and the Applicant have set forth their signatures below by their duly authorized representatives.

Kalamazoo County Brownfield Redevelopment Authority

By: _____

Its: _____

pursuant to resolution of the Authority dated _____

Developer

By: _____

Authorized Agent

Address of Developer:

NAME: _____

Street/Number _____

City, State, Zip _____

Phone _____

Fax _____

Email _____

BROWNFIELD PLAN DEVELOPMENT AGREEMENT

THIS BROWNFIELD PLAN DEVELOPMENT AGREEMENT (the "Agreement"), is entered into on _____, 20__ between the **KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**, a Michigan public body corporate established pursuant to Act 381 of the Public Acts of 1996, as amended, MCL 125.2651 et seq. ("Act 381"), whose address is 201 W. Kalamazoo Avenue, Room 101, Kalamazoo, Michigan 49007 (the "Authority"), and **Company name and address** (the "Developer").

RECITALS

WHEREAS, the Authority, **City/Village of** (the "City"), and Kalamazoo County (the "County") have determined that brownfield redevelopment constitutes the performance of an essential public purpose which protects and promotes the public health, safety and welfare.

WHEREAS, Kalamazoo County has established a Brownfield Redevelopment Authority and the Authority and the County have adopted a Brownfield Plan specifically for this site (the "Plan"), pursuant to the provisions of Act 381.

WHEREAS, the Authority and the County have designated certain properties that have conditions of environmental contamination, blight or obsolescence as appropriate sites for creating a Plan.

WHEREAS, Act 381 permits the use of the real and personal property tax revenues generated from the increase in value (the "Increment") to brownfield sites constituting Eligible Property under Act 381 resulting from their redevelopment to pay or reimburse the payment of costs of conducting Eligible Activities (these costs are referred to as "Eligible Costs") and, unless Developer is a liable party for the site contamination, permits the reimbursement to Developer of Eligible Costs it has incurred.

WHEREAS, Developer owns property in Kalamazoo County located at _____ (the "Property") and legally described on the attached Exhibit A.

WHEREAS, the Property has been included in the Plan and qualified as an "eligible property" under the terms of Act 381.

WHEREAS, **Developer intends to redevelop an obsolete industrial building located at the Property. (Description of property and investment amount here). These investments are expected to create at least ___ jobs at this location and would increase the property tax base within Kalamazoo County (the "Project").**

WHEREAS, the Project will require the Developer to incur Eligible Costs associated with certain Eligible Activities including asbestos surveys, environmental due diligence, asbestos abatement and demolition, which may require the services of various contractors, engineers,

environmental consultants, attorneys and other professionals. The Developer's Eligible Costs shall not exceed _____.

WHEREAS, the parties are entering into this Agreement to establish the procedure for the reimbursement from Tax Increment Revenues under Act 381 as amended.

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein, the parties agree as follows:

1. Recitals. The above recitals are acknowledged as true and correct, and are incorporated by reference into this Paragraph.

2. The Plan. The Plan, approved by the Authority and the Commission of the County, concurred by the City, is attached as Exhibit B and incorporated as part of this Agreement. To the extent provisions of the Plan or this Agreement conflict with Act 381, Act 381 controls.

3. Term of Agreement. Pursuant to the Plan, the Authority shall capture that amount of Tax Increment Revenues generated from real and personal property taxes allowed by law on the Eligible Property. Capture will begin in the first year after the year of the establishment of the Plan and will continue until the earlier of:

3.1 Full reimbursement of Eligible Costs for those Eligible Activities set forth in Paragraph 5, which shall not exceed \$ _____; or

3.2 _____ years. With five of the _____ years designated for Local Site Remediation Revolving Fund (LSRRF) only.

4. Evidence of Ownership. Prior to the execution of this Agreement, Developer shall provide to the Authority each of the following: (a) evidence satisfactory to the Authority that the Developer has acquired fee simple title to the Property, which evidence shall include (without limitation) a copy of a recorded deed to the Property in favor of the Developer; and (b) a copy of a commitment for owner's title insurance with respect to the Property (the "Commitment"), which Commitment shall show the Developer as record owner of the Property, shall reflect that all material conditions to the issuance of a policy thereunder have been satisfied, and shall otherwise be in form and substance satisfactory to the Authority.

5. Eligible Activities. The Developer shall diligently pursue completion of the Eligible Activities summarized in the Plan and set forth in this Paragraph. The Authority shall reimburse the Developer for Eligible Costs incurred on or after the date of the inclusion of this Project in the Plan and include environmental due diligence and due care, site preparation, and infrastructure improvements which may require the services of various contractors, engineers, environmental consultants, attorneys and other professionals.

6. Reimbursement Source. During the term of this Agreement and except as otherwise set forth in this Agreement, the Authority shall reimburse the Developer for its Eligible Costs, as

limited under this Agreement, from all available Tax Increment Revenues collected from the real and personal property taxes on the Property,

7. Reimbursement Process.

7.1 Cost Reimbursement Request. The Developer will provide sufficient documentation of the Eligible Costs incurred including the dates of each Eligible Activity, a complete description of the work, proof of payment, detailed invoices for the costs involved for each Eligible Activity and a written statement certifying to the Authority that all such costs are "Eligible Costs". Failure to provide the above noted information when due, or within the time permitted by the Authority under Paragraph 7.2, may result in foregone reimbursement, to the Developer by the Authority, for Eligible Costs that have not been requested within the timeframe described above.

7.2 Authority Staff Review. The Authority Staff shall review each reimbursement request within 30 days after receiving it. If Authority Staff determines that the documentation submitted by the Developer is not complete, then Developer shall cooperate in the Authority's review by providing, within 30 days of the Authority's request, any additional documentation of the Eligible Costs as deemed reasonable and necessary by the Authority in order to complete its review. Within 45 days following the receipt of such supplemental information, the Authority shall make the determination of whether the costs are eligible for reimbursement. If the Developer wishes to challenge that determination, it shall provide written notice to the Authority within 15 days of the determination, and the issue shall be brought to the Authority within 45 days thereafter for a final determination. The Developer shall not have any further appeal rights to challenge the final determination of the Authority and shall not be entitled to any claim or cause of action against Kalamazoo County or the Authority as a result of any determinations made in good faith regarding whether or not any cost submitted by the Developer constitutes an "Eligible Cost," and hereby grants the County and the Authority and their respective officers, agents and employees, a complete release and waiver of any claims or causes of action as a result of the foregoing.

7.3 Reimbursement. After both the summer and winter taxes are captured and collected on the Property, the Authority shall reimburse its Eligible and Administrative Costs and pay approved Eligible Costs to the Developer from Tax Increment Revenues that are generated from the Property in accordance with the Plan and Paragraph 7 to the extent that taxes have been captured and are available in that fiscal year. The Authority shall receive one hundred (100) percent of Tax Increment Revenues until fully reimbursed, unless otherwise designated by the Authority. In the event that there are insufficient Tax Increment Revenues available in any given year to reimburse all of the Authority's and Developer's Eligible Costs, as described in Paragraph 5, then the Authority shall reimburse the Authority or Developer only from available Tax Increment Revenues. Once the Authority is fully reimbursed for its Eligible Costs, the Developer shall receive the available Tax Increment Revenue, less Administrative Costs, during the term of this Agreement, until all of the amounts for which submissions have been made have been fully paid to the Developer, or the repayment obligation expires, whichever occurs first. The Authority shall make additional payments, on an annual basis, toward the Developer's remaining unpaid Eligible Costs during the term of this Agreement. The Developer shall not be entitled to receive any interest on amounts for which reimbursement is requested under this Agreement. The Developer shall not be entitled to reimbursement under this Agreement unless the Developer has timely and completely paid its real and personal property taxes (or industrial facilities taxes) including all penalties, interest and other amounts due in relation thereto when due. For purposes of this Agreement, to be timely paid, taxes must be paid before the date on which they can no longer be paid without penalties or interest. The repayment obligation under this Agreement shall expire upon the earlier of the full payment by the Authority to the Developer of all amounts due the Developer from the Tax Increment Revenues **or XX years** from the date of approval of the Plan.

7.4 Method of Reimbursement. The Authority will reimburse the Developer for Eligible Costs as follows:

Checks shall be payable to:

Delivered to the following address:

By certified mail

Delivered through electronic transfer if available through Developer

8. Adjustments. The parties acknowledge that adjustments regarding the amount of TIR paid to the Developer may occur under any of the following circumstances:

8.1 Audit or Court Ruling: In the event that a state agency of competent jurisdiction conducting an audit of payments made to the Developer under this Agreement or a court of competent jurisdiction determines that any portion of the payments made to the Developer under this Agreement is unlawful, the Developer shall pay back to the Authority that portion of the payments made to the Developer within 30 days of the determination made by a state agency or the court as the case may be. However, the Developer shall have the right, before any such repayment is made, to appeal on its or the Authority's behalf, any such determination made by a state agency or court as the case may be. If the Developer is unsuccessful in such an appeal, the

Developer shall repay the portion of payments found to be unlawful to the Authority within thirty (30) days of the date when the final determination is made on the appeal. The Developer shall be responsible for payment of all of the County's and Authority's legal fees associated with any determination of whether a cost for which reimbursement is requested constitutes an "Eligible Cost" and all of the County's and Authority's legal fees associated with the review or determination of such issues by any state agency or court.

8.2 Property Tax Appeal: In the event the developer, or any other owner of real estate on the Property, files an appeal with the Michigan Tax Tribunal, related to the taxable value of parcels of property included in the Brownfield Plan, the Authority shall do the following:

- a. The Authority will remit Tax Increment Financing Reimbursement payments based upon the lowest taxable value being sought pursuant to the appeal;
- b. Any Tax Increment Revenue that is collected but not remitted as a result of a tax appeal shall be held in a separate account of the Authority until the pending appeal is adjudicated;
- c. Once any tax appeals are adjudicated, the Authority will either return the escrowed funds to the local unit in compliance with any tax appeal rulings, or will make payments pursuant to Section 7 of this agreement.

8.3 Reduction of Property Assessments: If the Authority

i.) incurs Costs on behalf of the Developer with respect to the Project, Site or Application and

ii.) the Developer initiates, participates in or supports any proceeding or process which results in a reduction of the tax increment capture for the Project from that projected and along the same term as contained within the Plan, the Developer indemnifies and will fully reimburse the Authority within 30 days of notification from the Authority as to the amount and the due date for all Costs as defined within the Plan, expenses or reduction in revenue from what was projected as the tax increment capture.

9. Responsibilities of Developer. In consideration of the inclusion of the Property into the Plan and the resulting financial benefits, which it expects to receive, Developer agrees to the following:

9.1 Project. At its sole expense, Developer shall use its best efforts to conduct the activities described in the Plan and to demolish the existing buildings on the Property and construct the Project. The Developer intends to transform the obsolete industrial building into _____ development. The new investment planned for this site includes _____ for an initial planned investment of \$ _____. The redevelopment of the Property shall commence no later than _____ and shall be completed no later than _____. Under no circumstances shall the Authority have any responsibility or liability for remediation or redevelopment of the Property, or for conducting any "eligible activities" at the Property, except for its obligations under this Agreement to provide funds to the extent available as permitted in Paragraph 7 hereof with respect to payments from Tax Increment Revenues.

9.2 Employment Opportunities. Make every reasonable effort to work with the County and community employment agencies to hire County residents for new employment opportunities created by the Project, and to encourage the local contracting of construction and site related work.

9.3 Ordinances. Develop the Property, including landscaping and all other improvements required for the Project, in compliance with all local ordinances, site plan reviews and this Agreement. The redevelopment of the Property shall be subject to all zoning approvals. This Agreement does not obligate any governing municipality to grant any such approvals.

9.4 Project Sign. Place on the site during rehabilitation/redevelopment a development sign provided by the Authority to promote the Project and the Authority's participation in it. Upon completion of the Project, the sign will be returned to the Authority.

9.5 Promotion and Marketing. Permit the Authority to cite or to use any renderings or photographs or other materials of the Project as an example of private/public partnership and brownfield site redevelopment.

9.6 Cooperation. Assist and cooperate with the Authority in providing information that the Authority may require in providing necessary reports to governmental or other agencies, including, but not limited to, information regarding the amount of Developer expenditures and capital investments, jobs created, and square footage developed or rehabilitated with respect to the Project.

9.7 Payment of Authority Legal and Professional Fees. To the extent the following costs and fees are not paid to the Authority from Tax Increment Revenues, the Developer shall reimburse the Authority for its legal and professional fees and disbursements incurred in connection with the review, approval and administration of the brownfield plan for this Project, including any further amendments thereto; the preparation and negotiation of this Agreement, as it may be amended from time to time; and all documents and matters related thereto, including future expense. Developer shall reimburse the Authority for such expenses within 30 days from the date that the Authority sends an invoice and request for payment to Developer, provided Developer shall be eligible for reimbursement for such expenses to the extent permitted by law from Tax Increment Revenues.

10. Responsibilities of the Authority. In consideration of the preceding commitments of Developer the Authority further agrees to the following:

10.1 Agency Contacts. Provide Developer with appropriate service/employment agency contacts for the identification of County residents to interview for potential employment;

10.2 Cooperation. Cooperate and utilize its best efforts to obtain any governmental approvals required to close the transaction contemplated by this Agreement.

11. Developer's Representations, Warranties and Covenants. The Developer hereby makes the following representations, warranties and covenants:

11.1 Eligible Property. The Property is "eligible property" as defined in Act 381 and is eligible for the capture of Tax Increment Revenues pursuant to Act 381.

11.2 Eligible Costs. The Developer will only submit for reimbursement under Paragraph 7 hereof such costs that it has reasonably determined are "Eligible Costs" within the meaning of Act 381.

11.3 Due Authorization. The representatives signing this Agreement are duly authorized by the Developer to enter into this Agreement.

12. Events of Default. Each of the following shall constitute an event of default:

12.1 Any representation or warranty made by the Developer in this Agreement proves to have been incorrect or incomplete in any material respect when made or deemed to be made.

12.2 The Developer fails to observe or perform any covenant or agreement contained in this Agreement for 30 days after written notice thereof shall have been given to the Developer by the Authority.

12.3 The Developer abandons or withdraws from the reuse and redevelopment of the Property or indicates its intention to do so.

12.4 The Developer fails to pay any funds within 30 days of the date due which are required to be paid to the Authority pursuant to this Agreement, including but not limited to its real and personal property taxes as set forth in Paragraph 7 hereof.

12.5 The Developer terminates its existence.

12.6 The Developer files an appeal with the Michigan State Tax Tribunal contesting any taxes assessed against the Property or the taxable value, assessed value or state equalized value of the Property.

12.7 Any material provision of this Agreement shall cease to be valid and binding on the Developer or shall be declared null and void; the validity or enforceability of such provision shall be contested or denied by the Developer; or the Developer denies that it is bound by this Agreement.

13. Remedies upon Default. If any event of default as defined above shall occur and be continuing for 30 days after written notice of default from the Authority, the Authority shall have the right, but not the obligation, to terminate this Agreement effective immediately and the Developer shall be responsible for all costs which the Authority has incurred in connection with the Property and this Development Agreement, and shall be responsible for all Eligible Costs, without contribution from Tax Increment Revenues collected by the Authority from taxes levied on the Property.

14. Legislative Authorization. This Agreement is governed by and subject to the restrictions set forth in the Act. In the event that there is legislation enacted in the future which alters or affects the amount of Tax Increment Revenues subject to capture, Eligible Properties, or Eligible Activities, then the Developer's rights and the Authority's obligations under this Agreement may be modified accordingly by agreement of the parties.

15. Freedom of Information Act. Developer stipulates that all Petitions and documentation submitted by Developer shall be open to the public under the Freedom of Information Act, Act No. 442 of the Public Acts of 1976, MCL 15.231 et seq., and no claim of trade secrets or other privilege or exception to the Freedom of Information Act will be claimed by Developer as it relates to this Agreement or Petitions and supporting documentation.

16. Plan Modification. The Plan and this Agreement may be modified to the extent allowed under the Act by mutual agreement of the parties.

17. Notices. All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, or one day after being sent by overnight courier, or three days after being mailed by registered mail, return receipt requested, to the following addresses (or any other address that is specified in writing by either party):

If to Developer:

If to the Authority: Kalamazoo County Brownfield Redevelopment Authority
201 W. Kalamazoo Avenue, Room 101
Kalamazoo, Michigan 49007

With copy to: County Attorney

18. Indemnification. Developer shall defend, indemnify and hold harmless the Authority and the County, and any of their respective past, present and future members, officials, employees, agents or representatives from all losses, demands, claims, judgments, suits, costs and expenses (including without limitation the costs and fees of attorneys or other consultants) arising from or related to (i) the capture and use of Tax Increment Revenue paid to Developer as a reimbursable payment under this Agreement made in excess of the amount of tax increment revenues the Authority is determined by the State or court to be allowed by law to use for that reimbursement, and (ii) the Project.

19. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

20. Binding Effect/Third Parties. This Agreement is binding on and shall inure to the benefit of the parties to this Agreement and their respective successors, but it may not be assigned by any party without the prior written consent of the other party. The parties do not intend to confer any benefits on any person, firm, corporation, or other entity which is not party to this Agreement.

21. Waiver. No failure of either party to complain of any act or omission on the part of the other party, no matter how long this same may continue, is considered as a waiver by that party to any of its rights hereunder. No waiver by either party, expressed or implied, of any breach of any provision of this Agreement is considered a waiver or a consent to any subsequent breach of this same or other provision.

22. Authorization. Each of the parties represents and warrants to the other that this Agreement and its execution by the individual on its behalf are authorized by the board of directors or other governing body of that party.

23. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to the subject matter. There are no other understandings or agreements between them.

24. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

25. Definitions.

“Additional Response Activities” are defined by Section 2(a) of Act 381;
“Baseline Environmental Assessment Activities” is defined by Section 2(d) of Act 381;
“Brownfield Plan or Plans” is defined by Section 2(g) of Act 381;
“Due Care Activities” is defined by Section 2(l) of Act 381;
“Eligible Activities” is defined by Section 2(n) of Act 381;
“Eligible Property or Properties” is defined by Section 2(o) Act 381;
“Tax Increment Revenues” is defined by Section 2(ii) of Act 381, and, for purposes of this Agreement, includes school taxes and local (non-school) taxes.

Witnesses:

KALAMAZOO COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY

By _____

Title _____

Date _____

DEVELOPER

By _____

Title _____

Date _____

8644716.7

Tax Increment Small Taxpayer Loss

	Captured Value loss (gain) (from 'TIF small parcel exemption loss', Col. C)		Captured Millage (from 'Captured Millages', adjusted for exemptions by class)		personal property TIF revenue loss (gain)
1. Ad valorem commercial personal property	-	x	23.3589	=	\$0.00
2. Ad valorem industrial personal property	31,500	x	23.3589	=	\$735.81
3. IFT New Facility personal property sited on land classified commercial real property	-	x	11.6795	=	\$0.00
4. IFT New Facility personal property sited on land classified industrial real property	-	x	11.6795	=	\$0.00
5. IFT Replacement Facility personal property	-	x	23.3589	=	\$0.00
TOTAL TAX INCREMENT SMALL TAXPAYER LOSS TO REIMBURSE					\$735.81

Municipality: Kalamazoo County

School District: Kalamazoo

Authority Type: Brownfield Redevelopment Finance Authority

Authority Name: Kalamazoo County Brownfield Redevelopment Authority