

KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

MEETING DATE: Thursday, August 25, 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 July 28, 2016
 5. Citizens Comments (4 minutes each / Please state name and address)
 6. Consent Agenda – Invoices
 - a. **\$3,419.45** – Envirologic related to WO#25 - Metal Mechanics
 - b. **\$ 265.00** – Envirologic related to WO#17 General Environmental
 7. Financial Reports
 - a. **Discussion:** Fund 247
 8. Discussion and/or Action Calendar
 - a. **Discussion/Action:** Metal Mechanics
 - i. Brownfield Plan
 - ii. Timeline
 - iii. Development Agreement
 - b. **Discussion/Action:** MEDC Annual Reports
 - c. **Discussion/Action:** TIF Statements for Summer 2016 Tax Capture
 - d. **Discussion/Action:** EPA Grant
 - i. RFP Pre-Proposal meeting – Next Steps – Executive Committee
 - e. **Discussion:** Terms Expiring October 31, 2016
 - f. **Discussion/Action:** 232 LLC Development Agreement Addendum
 9. Staff Report
 - a. Vicksburg Mill
 - b. Envirologic Project Updates
 - c. Midlink Tour on August 31, 2016
 10. Committees - times dates and places
 - a. Land Bank Report – From August 11, 2016, 9:00 a.m. – Next meeting
 - b. Project/Finance Committee – Tentative – September 8, 2016, 4:00 p.m. – topics?
 - c. Executive Committee – September 9, 2016, 8:30 a.m. –
 - d. PR/Media Committee –
 11. Other
 12. Board Member Comments
 13. Adjournment
-

Next Meeting: 4th Thursday – September 22, 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

Meetings of the Kalamazoo County Brownfield Redevelopment Authority are open to all without regard to race, sex, color, age, national origin, religion, height, weight, marital status, political affiliation, sexual orientation, gender identity, or disability. The Kalamazoo County Brownfield Redevelopment Authority will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon four (4) business days' notice to the Kalamazoo County BRA. Individuals with disabilities requiring auxiliary aids or services should contact the Kalamazoo County BRA by writing or calling:

Rachael Grover
Resource Coordinator, Planning and Community Development
Kalamazoo County Government
201 West Kalamazoo Avenue
Kalamazoo, MI 49007
TELEPHONE: (269)384-8305

KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

MEETING DATE: Thursday, July 28, 2016
PLACE OF MEETING: County Administration Building
201 West Kalamazoo Avenue, Room 207a
TIME: 4:00 pm

MINUTES

Present: Andy Wenzel, Julie Rogers, Douglas Milburn, Christopher Carew, Ken Peregou, Thell Woods

Members Excused: James Spurr, Travis Grimwood (arrives at 5:20), Joe Agostinelli, Tim Hudson, Habib Mandwee

Kalamazoo Township: Steve Leuty

Staff: Lotta Jarnefelt, Rachael Grover

Consultant: David Stegink

Recording Secretary: Zeña Vos and Rachael Grover

Community: 3

1. Vice Chair Peregou called the meeting to Order at 4:13 p.m.
 2. Members Excused: James Spurr, Travis Grimwood, Joe Agostinelli, Tim Hudson, Habib Mandwee
 3. Approval of the Agenda: **Rogers moved and Carew seconded the approval of the agenda. Motion Carried.**
 4. Approval of Minutes: **Woods moved and Carew seconded the approval of June 23, 2016 minutes. Motion Carried.**
 5. Citizens Comments: Mike Gurnee, an MDEQ new hire, re-introduced himself as the Brownfield coordinator for Kalamazoo District. Provided his business card.
 6. Consent Agenda – Invoices
 - a. **\$ 1,570.00** – Envirologic related to WO#25 - Metal Mechanics
 - b. **\$ 8,314.35** – Staff 2nd Quarter Administrative Expenses (April-June)
Wenzel moved and Woods seconded the approval of the Consent Agenda. Motion Carried.
 7. Financial Reports
 - a. **Discussion:** Fund 247
Grover noted that TIF reimbursement to Midlink, General Mills and Gesmundo, LLC has occurred. Administrative Expenses reimbursed for 2015 were approved in June.

The transfer from Brown Family Holdings to the LSRRF that was approved by the KCBRA in June has not yet been recorded.

Stegink reported on the Loan related work for E. Eliza St: the system is in the final design stage. A meeting with MDEQ will be scheduled soon.
 - b. **Discussion:** Audit 2015
Grover stated the County audit was completed and noted the transfer process from the 247 fund to the 643 LSRRF account will need to change. Grover is working with County Finance.
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8. Discussion and/or Action Calendar

a. **Discussion/Action:** 555 Eliza Street

- i. Envirologic Invoice related to WO#21 MDEQ Loan work: **\$1,046.25**
Rogers moved and Woods seconded the approval of payment for WO #21 in the amount of \$1,046.25. Motion Carried.

Stegink noted hazardous material has been removed but has not been invoiced.

ii. Quarter 3 MDEQ Loan Report

Loan Report is for the State's 3rd quarter, April 1st to June 30th. The Chair has signed the report - now needs approval for staff to submit to MDEQ.

The County Treasurer's office calculated interest earned for that quarter and it is included in the report.

Wenzel moved and Carew seconded the approval for staff to submit the signed Loan Report to the MDEQ. Motion Carried.

iii. Quarter 3 MDEQ Grant Report – spread sheet provided.

Grover stated that the Grant Report/Reimbursement request will be submitted once the Chair is able to sign it and the board approves it. It is a reimbursement request to the MDEQ for Loan and Grant Administrative expenses that occurred from October 1, 2015 through March 31, 2016. The note on payment date of Grover's time on the Planning Department invoice should read "paid December 31, 2015" not 2016.

Rogers moved and Milburn seconded to authorize the Chair to sign and for staff to submit the Grant Report, with noted date correction on invoice.

b. **Discussion/Action:** Reimbursement Agreement Template – proposed changes to this agreement were not voted on during the May 26, 2016 meeting.

Language in the introductory paragraph changed for consistency with Item #1.

Carew moved and Rogers seconded the approval of the language changes in the Reimbursement Agreement Template. Motion Carried.

Introduction of Steve Leuty, Trustee of Kalamazoo Township, representing George Cochran at this meeting. Mr. Leuty expressed the willingness of the Township to continue to work with and support the KCBRA in Brownfield efforts in Kalamazoo Township.

c. **Discussion:** Personal Property Tax Reform

- i. Submitted 2016 for Brown July 15, 2016 – expected reimbursement **\$1,177.95**
The KCBRA should be receiving the amount of \$1,177.95 for PPT loss in the increase in taxable value from 2013 to 2016.

- ii. Midlink – 2016 – not yet submitted. Will submit once it is determined which parcels meet the definition for qualification.

d. **Discussion/Action:** EPA Grant Planning

- i. Grant Forms – Authorizing Chair to sign – Assurances

Grover submitted the work plan and other forms that were authorized for signature to the EPA. Not sure if the Assurances form is required but requesting approval from Board for Chair to sign the Assurance Form if EPA requests it.

Wenzel moved and Woods seconded the approval for Chair to sign Assurances form and for staff to convey to EPA if required. Motion Carried.

Grover added non-discrimination language that is consistent with County language to the Public Notice for the meeting dates posted in the County Administration Office and on the County website where the public notice of meetings is posted.

- ii. Priority list from last grant – Summary of Project and Finance Committee discussion: Committee discussed and reviewed the site priority list and how to score sites as requests come in for assessments.

Grover stated they will meet with the Northside Association for Community Development for specific sites they are interested in redeveloping.

Rogers noted to include the City in the conversation about potential sites. Wenzel suggested including the City Manager in discussions.

- iii. RFP

- 1. Issuance of RFP

Rogers motioned for a closed session for RFP discussion and Woods supported.

Wenzel suggests to continue item 8e first before going into closed session.

Rogers postponed her motion for closed session, Woods supported. Move to Item 8e

- e. **Discussion/Action:** 232 LLC Development Agreement Addendum

232 LLC requested removing 6.7 from the Addendum or requests a change in language.

Rogers commented on history of this project referencing the extensive time that this project has been delayed. The KCBRA Board has extended multiple times. Board member Rogers does not support removal of item 6.7.

Developer is currently in default with the Development Agreement and the redevelopment is not complete. If the developer is in default with the Agreement, developer will not be eligible for reimbursement with Tax Increment Revenue.

The Michigan Brownfield Tax Credit for the 232 project will expire in August 26, 2016. Grover provided the developer and legal team with the application form to apply for an extension to the MEDC. Grover is not aware if this extension request has been submitted to the MEDC.

--Back to item 8d iii 1. Issuance of RFP

Rogers motioned for a closed session to discuss whether or not to issue and RFP. Woods Supported. Motion Carried.

--Closed Session Discussion at 5:05

Return from Closed Session at 5:18. Roger's summary of closed session discussion, for the record: in the best interest of the Community, transparency, and due to the amount of the EPA award, the Board should issue an RFP.

Rogers moved and Woods seconded the approval to issue RFP for \$400,000 EPA Grant Award. Motion Carried.

- 8d iii. RFP

- 2. Structure of RFP

Woods moved and Carew seconded the approval of RFP distribution in current form with only minor edits to timeline, with review by Chair. Motion Carried.

--Return to item 9 in Agenda

Quorum no longer present after RFP discussion with exit of Rogers and Milburn. Grimwood arrives but only 5 present. Proceeding on with updates, no actions. EDC forward to August.

2. Staff Report

a. Vicksburg Mill Update

Grover and Agostinelli met with the Developer, Lisa Phillips, and Ron Smedley (MDEQ). Mill Developer is interested in the possibility of the KCBRA or the Village of Vicksburg applying for MDEQ Loan Funding. Ron Smedley advises applying for Loan/Grant funding in a phased approach.

b. Envirologic Project Updates – Metal Mechanics, Pro Services

Metal Mechanics: Developer applied for IFT (12 years, 50%) abatement. Village of Schoolcraft approved the IFT. A meeting with the Village of Schoolcraft to discuss the Brownfield Plan will be scheduled.

Pro-Services: No recent updates

3. Committees - times dates and places

a. Land Bank Report – Next Meeting August 11, 2016, 9:00 a.m.

Woods stated no meeting. Another meeting coming up in August.

Grover attended the Land Bank meeting in June. Merchant Publishing Site was discussed as a potential project.

b. Project/Finance Committee – Tentative - August 11, 2016, 4:00 p.m. – Committee topics?

c. Executive Committee – Tentative - August 12, 2016, 8:30 a.m. – Committee topics?

d. PR/Media Committee –

4. Other

5. Board Member Comments

No quorum for EDC, to proceed meeting next month. Woods is asked staff to research possibility that EDC could use TIF for projects or if other EDCs have used TIF.

6. Adjournment @ 5:39p.m.

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

Invoice number 02627
Date 08/11/2016
Project **160079 Metal Mechanics**

INVOICE: Through Jul 31, 2016

BROWNFIELD PLAN AND DATA REVIEW WORK ORDER #25

Professional Fees

	Hours	Rate	Billed Amount
Administrative Assistant Robyn E. Logelin Professional Services	2.00	50.00	100.00
CAD Designer/Drafter Michelle A. Bell Professional Services	3.50	90.00	315.00
Senior Project Manager David A. Stegink Professional Services	10.00	115.00	1,150.00
Project Scientist Therese M. Searles Professional Services	16.50	85.00	1,402.50
Subcontractor			
	Units	Rate	Billed Amount
Subcontractor Fibertec Environmental Services	1.00	451.95	451.95
Phase subtotal			3,419.45
Invoice total			3,419.45

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 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 02582
 Date 08/08/2016
 Project **150063 General Environmental Review
 W.O. 17**

INVOICE: Through Jul 31, 2016

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

Professional Fees

	Hours	Rate	Billed Amount
Principal			
Jeffrey C. Hawkins			
Professional Services	0.25	140.00	35.00
Senior Project Manager			
David A. Stegink			
Professional Services	2.00	115.00	230.00
Phase subtotal			265.00
		Invoice total	265.00

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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
					02436	6/14/2016	\$ 140.00	\$ 2,180.00	\$ 2,180.00
					02582*	8/8/2016	\$ 265.00	\$ 1,915.00	\$ 1,915.00
		Project Subtotal	\$ 8,500.00	\$ 8,500.00			Project Subtotal	\$ 6,585.00	\$ 1,915.00
130129	1	Kartar #6, 306 N. Grand, Schoolcraft, MI							
		Project Complete	\$ 11,400.00	\$ 11,400.00			Project Subtotal	\$ 11,061.78	\$ -
130307	2	Project Spartan - Midlink Business Park							
		Project Subtotal	\$ 32,400.00	\$ 32,400.00			Project Subtotal	\$ 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			Project Subtotal	\$ 13,475.38	\$ 24.62
130368	5	2015 Lake Street, J&L Motor X-Press							
		Project Complete	\$ 12,000.00	\$ 12,000.00			Project Subtotal	\$ 11,035.87	\$ -
130388	7	Former Fox River Paper Mill (Hov-Aire Parcel)							
		Project Complete	\$ 7,000.00	\$ 7,000.00			Project Subtotal	\$ 7,000.00	\$ -
140154	10	The Corner @ Drake Development							
		Project Subtotal	\$ 6,500.00	\$ 6,500.00			Project Subtotal	\$ 6,462.50	\$ -
140175	11	Chem Link Acquisition of Former Apollo Plastics							
		Project Complete	\$ 13,000.00	\$ 13,000.00			Project Subtotal	\$ 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			Project Subtotal	\$ 3,000.00	\$ -
140455	14	CMS, 555 E. Eliza Street, Schoolcraft, MI							
		Project Subtotal	\$ 58,700.00	\$ 58,700.00			Project Subtotal	\$ 59,425.41	\$ -
140519	16	CMS, 1819/2019 N. Pitcher Street, Kalamazoo Twp.							
		Project Subtotal	\$ 10,000.00	\$ 10,000.00			Project Subtotal	\$ 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			Project Subtotal	\$ 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			Project Subtotal	\$ 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
							Project Subtotal	\$ 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	\$ -	\$ -
							Project Subtotal	\$ 2,500.00	\$ -
150390	24	Kalamazoo West Prof. Center, 2415 S. 11th St., Oshemo Twp.	\$ 4,000.00	\$ 4,000.00	02298	5/13/2016	\$ 3,007.50	\$ 992.50	\$ 992.50
		Brownfield Plan -			02392	6/8/2016	\$ 262.50	\$ 262.50	\$ 262.50
							Project Subtotal	\$ 3,270.00	\$ 730.00
160079	25	Metal Mechanics	\$ 8,000.00	\$ 8,000.00	02142	4/5/2016	\$ 743.75	\$ 7,256.25	\$ 7,256.25
					02437	6/14/2016	\$ 86.25	\$ 7,170.00	\$ 7,170.00
					02541	7/18/2016	\$ 1,570.00	\$ 5,600.00	\$ 5,600.00
					02627*	8/11/2016	\$ 3,419.45	\$ 2,180.55	\$ 2,180.55
							Project Subtotal	\$ 5,819.45	\$ 2,180.55
		Total Project Budgets	\$ 205,000.00	\$ 205,000.00			Total	\$ 187,311.45	\$ 4,860.17

	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	26,683.82		-19,184		
Midlink local TIR tax (acct 247-001-420.00)	129,918.78	64,632.46		65,286		
Midlink school TIR tax (acct 247-001-420.01)	4,288.12	980.40		3,308		
General Mills local TIR (acct 247-004-420.00)	26,538.12	9,037.73		17,500		
General Mills school TIR (acct 247-004-420.01)				0		
Brown Family/Beckan Ind. (acct 247-002-420.00)*	7,971.18	6,479.70		1,491		
9008 Portage Road local TIR (acct 247-003-420.00)	67.54			68		
9008 Portage Road school TIR (acct 247-003-420.01)				0		
Corner @ Drake (247-005-420.00)	106,099.01	78,596.50		27,503		
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 8-18-2016	282,700.41	186,410.61		96,290	96,289.80	166,934
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		2,180				
WO#19 - Checker Motors MDEQ SSA grant application		2,735	\$1179 + \$58 application			
WO#24 - Kalamazoo West Prof. BF Plan		730				
WO#25 - Metal Mechanics 400 S. 14th Street		5600				
2016 Pending TIF Payments to Developers & other expenses						
Eliza St. 2015 TIF Hold for MDEQ Loan?		602				
State BF Fund for Portage Road		72				
TOTAL		11,943.95			-11,944	154,990
MDEQ Loan - 555 Eliza Street - 247-900	Revenue	Expenses				
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				
May 13 Invoice 02313		5,831.25				
June 9 Invoice 02398		3,800.00				
July 14 Invoice 02515		1,046.25				
Total Invoices		27,621.49	Remaining Balance of Loan			122,378.51
Local Site Remediation Revolving Fund - Fund 643	Revenues	Expenditures		REV-EXP		
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
Transferred from Brown 8/2/2016	6,480			6,480		6,480
Fund 643 TOTAL						24,855



Kalamazoo County Brownfield Redevelopment Authority

201 West Kalamazoo Avenue, Rm. 101 · Kalamazoo, Michigan 49007
Phone: (269) 384-8305 · FAX: (269) 383-8920 · Email: ragrov@kalcountry.com

MEMORANDUM

TO: KCBRA Board Members

FROM: Rachael Grover, Resource Coordinator 

DATE: August 19, 2016

SUBJECT: **REVISED** - KCBRA Brownfield Plan Summary for 400 S. 14th Street, Village of Schoolcraft (Metal Mechanics) – **KRESA millage rate corrected – totals revised**

I. Project Background

D & D Realty, LLC and Metal Mechanics is proposing to redevelop this property with the construction of a 30,000 square-foot industrial building on the north end of the 9.8 acre parcel (see attached aerial photo). The redevelopment of this site allows for the relocation and expansion of Metal Mechanics, Inc. for the manufacture of hydraulic presses. Private investment is expected to be \$1,400,000. This expansion is expected to retain 24 FTE jobs and create 7 new jobs.

The KCBRA approved the Part II Application for this project at the February 25, 2016 meeting. The developer paid the KCBRA Part II Application fee in March.

The KCBRA has invested \$2,400 to date into the project, plus an additional \$3,419.45 Brownfield Plan development that is for consideration at the August 25, 2016 KCBRA meeting. Additional expenditures will be expected related to the Brownfield Plan review and approval process.

The parcel has been identified as a facility under Part 201. Contamination at the property includes arsenic and chromium from the former lumber treatment operation at the site as well as volatile organic compounds (VOCs) in the groundwater related to offsite releases.

Discussion with the Village of Schoolcraft Supervisor indicates support for this Brownfield project through the KCBRA. The Brownfield Plan is tentatively scheduled for the September 6, 2016 Village Council meeting at 7:00. Please see the attached tentative timeline for the remaining Plan approval dates.

II. The Brownfield Plan

The Brownfield Plan for 400 S. 14th Street will allow the KCBRA to use Tax Increment Financing (TIF) to reimburse a portion of the developer's eligible expenses related to environmental assessments, environmental due care activities, additional response activities including



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 Phone: (269) 384-8305 · FAX: (269) 383-8920 · Email: ragrov@kalcounty.com

installation of a vapor depressurization system, and demolition and removal of concrete materials at the property. In addition, the Brownfield Plan will include reimbursement of KCBRA expenses related to the site as well as KCBRA administrative expenses.

All taxing jurisdictions will continue to collect taxes on the 2016 Taxable Value of the property. The taxes generated from the increase in Taxable Value will be captured by the KCBRA for a total of 11 years starting in 2018 to pay back the developer and the KCBRA for eligible expenses and Administrative costs that have been incurred in the redevelopment of the property. For an additional 5 years, tax increment will be collected into the Local Site Remediation Revolving Fund to aid in the redevelopment of additional Brownfield eligible projects in Kalamazoo County. Taxes levied for debt will not be captured by the KCBRA and will see an increase in the taxes collected starting in 2018.

Tax increment collected by the KCBRA to reimburse eligible costs is as follows:

2016 expected Base Taxable Value:	\$ 79,000
2018 expected Taxable Value:	\$579,000
Taxable Value Increment available:	\$500,000

Table 1 – Summary of Eligible Activities and Costs (over 16 years estimated): \$175,525

This total includes:

- \$36,000 in Environmental Eligible Costs reimbursed to the developer
- \$20,000 in Non-Environmental Activities, including demolition, reimbursed to the developer
- \$ 8,400 in contingencies
- \$11,000 in KCBRA Administrative/Operating Costs
- \$10,000 for the development of the Brownfield Plan, reimbursed to the KCBRA
- \$ 1,500 disbursed to the State of Michigan Brownfield Redevelopment Fund
- \$88,625.65 to the Local Site Remediation Revolving Fund (LSRRF) to be used to support additional Brownfield Activities in Kalamazoo County

Table 4 – Estimate of Taxable Value and Incremental Tax Revenue (over 16 years)

County Operating	\$24,607.28
County Transportation	\$ 2,100.00
County Public Safety	\$ 7,607.78
County Housing Fund	\$ 525.00
Schoolcraft Village Operating	\$78,227.63
Schoolcraft Township	\$ 4,624.20
State School Taxes	\$ 4,500.00
State Education	\$ 1,500.00
KRESA	\$31,718.40
Library	\$ 5,250.00
KVCC	\$14,865.38
Total	\$175,525.65



Kalamazoo County Brownfield Redevelopment Authority

201 West Kalamazoo Avenue, Rm. 101 · Kalamazoo, Michigan 49007
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The development of the 400 S. 14th Street site is an improvement for the site and the surrounding area in several ways:

1. The Plan returns a contaminated and vacant property to a high functional use.
2. The property will have an increased taxable value.
3. The property will allow for the expansion of a local business.
4. The County Brownfield Plan would constitute a cooperative inter-governmental effort.
5. TIF collected will reimburse the developer and the KCBRA for a portion of costs incurred in the completion of Brownfield Eligible Activities.
6. Local Site Remediation Revolving Fund (LSRRF) collection for 5 years allows the KCBRA to support additional Brownfield Activities in Kalamazoo County.

The tentative timeline for the review and approval of the South 11th Street Brownfield Plan is as follows:

1. **August 25, 2016:** KCBRA consideration of the Brownfield Plan for recommendation of approval to the Village of Schoolcraft and the Kalamazoo County Board of Commissioners.
2. **September 6, 2016:** Schoolcraft Village Council consideration of Brownfield Plan for approval.
3. **September 20, 2016:** Pending outcome of the Village of Schoolcraft recommendation for approval, the KCBRA presents the project to the Kalamazoo County Committee of the Whole. Public hearing is scheduled for October 4, 2016
4. **Before September 23, 2016:** KCBRA staff sends notices to all affected taxing jurisdictions and prepares Public Notice 10 days prior to public hearing.
5. **October 4, 2016:** Kalamazoo County Board of Commissioners holds public hearing and expected to adopt the 400 S. 14th Street Brownfield Plan by resolution.

Metal Mechanics Brownfield Project



Tentative Schedule for Metal Mechanics Adoption of Brownfield Plan (2016)

BRA Reviews Plan	August 25th
Village Council Meeting	September 6th (Fall Back 9/19)
County COW (Committee of the Whole)	September 20th (Alt. Date 10/4)
Publish Notices of Public Hearing	No later than September 23rd (10 days prior to Public Hearing at BOC)
County BOC (Board of Commissioners) Public Hearing and Resolution Adoption	October 4th (Alt. date 10/18)



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Site
Project: 232, LLC

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Project Details

Project Name	232, LLC	Account Name	County of Kalamazoo BRA
Reported Calendar Year	2015	Date Brownfield Plan Approved	8/3/2011
Local Only Plan?	<input checked="" type="checkbox"/>	Report Status	Pending
Submitted Date		Project Status	Project On Hold
Submitted By		Reason On Hold	Capture Delayed until redevelopment is completed in 2016

I certify to the best of my knowledge that the information submitted in this report is true and correct.

Purpose of TIR Expenditures

State TIR Expenditures	\$0	Environmental (DEQ) expenditures of TIR	\$0
Local TIR Expenditures	\$0	Non-environmental (MSF) expenditures of TIR	\$0
Local-only TIR Expenditures	\$0		

Activity Status

School Operating TIR Received	\$0.00	Local TIR received (excluding ISD & County)	\$0.00
State Education (SET) TIR Received.			
County TIR Received	\$0.00	Local ISD TIR Received	\$0.00
Principal and Interest on all outstanding indebtedness	\$0	Actual Capital Investment	\$0
Current Taxable Value	\$162,147		
Captured Taxable Value	\$5,425	Residential units Constructed or Rehabilitated	0
Sq Ft of New Residential	0	Sq Ft of Rehabilitated Residential	0
Sq Ft of Retail	0	Sq Ft of Commercial	0
Sq Ft of Industrial Space	0	Sq Ft of Public Infrastructure	0
Linear feet of Public Infrastructure	0	New Jobs Created	0
Additional Information	DDA will capture on this project	Does this TIF capture overlap with any other abatement?	Yes

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Site
Project: 555 E. Eliza Street

Project Information Reports

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Project Details

Project Name	555 E. Eliza Street	Account Name	County of Kalamazoo BRA
Reported Calendar Year	2015	Date Brownfield Plan Approved	12/16/2014
Local Only Plan?	<input type="checkbox"/>	Report Status	Pending
Submitted Date		Project Status	Under Construction
Submitted By		Reason On Hold	
I certify to the best of my knowledge that the information submitted in this report is true and correct. <input type="checkbox"/>			
Purpose of TIR Expenditures			
State TIR Expenditures	\$257	Environmental (DEQ) expenditures of TIR	\$602
Local TIR Expenditures	\$345	Non-environmental (MSF) expenditures of TIR	\$0
Local-only TIR Expenditures			
Activity Status			
School Operating TIR Received	\$193.00	Local TIR received (excluding ISD & County)	\$209.00
State Education (SET) TIR Received.	\$64.00		
County TIR Received	\$71.00	Local ISD TIR Received	\$65.00
Principal and Interest on all outstanding indebtedness	\$219,270	Actual Capital Investment	\$0
Current Taxable Value	\$90,625		
Captured Taxable Value	(\$6,518)	Residential units Constructed or Rehabilitated	0
Sq Ft of New Residential	0	Sq Ft of Rehabilitated Residential	0
Sq Ft of Retail	0	Sq Ft of Commercial	0
Sq Ft of Industrial Space	100,000	Sq Ft of Public Infrastructure	0
Linear feet of Public Infrastructure	0	New Jobs Created	0
Additional Information	1 parcel increase in TV of \$10,702. 1 parcel loss of TV of \$17,220. Debt = \$161,410 MDEQ Loan (with interest). \$57,860 in Authority provided funds.		Does this TIF capture overlap with any other abatement?
			No

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Site
Project: 9008 Portage Road

Project Information Reports

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Project Details

Project Name	9008 Portage Road	Account Name	County of Kalamazoo BRA
Reported Calendar Year	2015	Date Brownfield Plan Approved	12/3/2013
Local Only Plan?	<input type="checkbox"/>	Report Status	Pending
Submitted Date		Project Status	Under Construction
Submitted By		Reason On Hold	
I certify to the best of my knowledge that the information submitted in this report is true and correct. <input type="checkbox"/>			
Purpose of TIR Expenditures			
State TIR Expenditures	\$577	Environmental (DEQ) expenditures of TIR	\$1,248
Local TIR Expenditures	\$671	Non-environmental (MSF) expenditures of TIR	\$0
Local-only TIR Expenditures	\$0		
Activity Status			
School Operating TIR Received	\$433.00	Local TIR received (excluding ISD & County)	\$366.00
State Education (SET) TIR Received.	\$144.00		
County TIR Received	\$160.00	Local ISD TIR Received	\$145.00
Principal and Interest on all outstanding indebtedness	\$13,321	Actual Capital Investment	\$0
Current Taxable Value	\$32,900		
Captured Taxable Value	\$24,046	Residential units Constructed or Rehabilitated	0
Sq Ft of New Residential	0	Sq Ft of Rehabilitated Residential	0
Sq Ft of Retail	0	Sq Ft of Commercial	0
Sq Ft of Industrial Space	0	Sq Ft of Public Infrastructure	0
Linear feet of Public Infrastructure	0	New Jobs Created	0
Additional Information	\$13,321 funds loaned by Authority	Does this TIF capture overlap with any other abatement?	

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Site
Project: Brown Family Holdings

Project Information Reports

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Project Details

Project Name	Brown Family Holdings	Account Name	County of Kalamazoo BRA
Reported Calendar Year	2015	Date Brownfield Plan Approved	9/15/2009
Local Only Plan?	<input checked="" type="checkbox"/>	Report Status	Pending
Submitted Date		Project Status	Project Complete
Submitted By		Reason On Hold	
I certify to the best of my knowledge that the information submitted in this report is true and correct. <input type="checkbox"/>			
Purpose of TIR Expenditures			
State TIR Expenditures	\$0	Environmental (DEQ) expenditures of TIR	\$0
Local TIR Expenditures	\$0	Non-environmental (MSF) expenditures of TIR	\$0
Local-only TIR Expenditures	\$13,349		
Activity Status			
School Operating TIR Received	\$0.00	Local TIR received (excluding ISD & County)	\$7,097.00
State Education (SET) TIR Received.			
County TIR Received	\$3,268.00	Local ISD TIR Received	\$2,985.00
Principal and Interest on all outstanding indebtedness	\$0	Actual Capital Investment	\$145,000
Current Taxable Value	\$493,937		
Captured Taxable Value	\$493,937	Residential units Constructed or Rehabilitated	0
Sq Ft of New Residential	0	Sq Ft of Rehabilitated Residential	0
Sq Ft of Retail	0	Sq Ft of Commercial	0
Sq Ft of Industrial Space	58,000	Sq Ft of Public Infrastructure	0
Linear feet of Public Infrastructure	0	New Jobs Created	19
Additional Information		Does this TIF capture overlap with any other abatement?	

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Project: Corner @ Drake

Project Information Reports

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Project Details

Project Name	Corner @ Drake	Account Name	County of Kalamazoo BRA
Reported Calendar Year	2015	Date Brownfield Plan Approved	11/18/2014
Local Only Plan?	<input checked="" type="checkbox"/>	Report Status	Pending
Submitted Date		Project Status	Under Construction
Submitted By		Reason On Hold	
I certify to the best of my knowledge that the information submitted in this report is true and correct. <input type="checkbox"/>			
Purpose of TIR Expenditures			
State TIR Expenditures	\$0	Environmental (DEQ) expenditures of TIR	\$0
Local TIR Expenditures	\$0	Non-environmental (MSF) expenditures of TIR	\$0
Local-only TIR Expenditures	\$88,430		
Activity Status			
School Operating TIR Received	\$0.00	Local TIR received (excluding ISD & County)	\$41,064.00
State Education (SET) TIR Received.	\$0.00		
County TIR Received	\$28,398.00	Local ISD TIR Received	\$36,636.00
Principal and Interest on all outstanding indebtedness	\$9,834	Actual Capital Investment	\$48,000,000
Current Taxable Value	\$7,158,658		
Captured Taxable Value	\$6,064,066	Residential units Constructed or Rehabilitated	0
Sq Ft of New Residential	0	Sq Ft of Rehabilitated Residential	0
Sq Ft of Retail	245,000	Sq Ft of Commercial	
Sq Ft of Industrial Space	0	Sq Ft of Public Infrastructure	
Linear feet of Public Infrastructure		New Jobs Created	360
Additional Information	KCBRA Administrative Costs \$17,668. \$9834 Authority loan to project. Corridor Improvement Authority captures portion.	Does this TIF capture overlap with any other abatement?	Yes

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Project: Kartar #6

Project Information | Reports

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Project Details

Project Name	Kartar #6	Account Name	County of Kalamazoo BRA
Reported Calendar Year	2015	Date Brownfield Plan Approved	9/17/2013
Local Only Plan?	<input type="checkbox"/>	Report Status	Pending
Submitted Date		Project Status	Project On Hold
Submitted By		Reason On Hold	No Redevelopment at this time. Owned by County Land Bank.
I certify to the best of my knowledge that the information submitted in this report is true and correct.	<input type="checkbox"/>		
Purpose of TIR Expenditures			
State TIR Expenditures	\$0	Environmental (DEQ) expenditures of TIR	\$0
Local TIR Expenditures	\$0	Non-environmental (MSF) expenditures of TIR	\$0
Local-only TIR Expenditures	\$0		
Activity Status			
School Operating TIR Received	\$0.00	Local TIR received (excluding ISD & County)	\$0.00
State Education (SET) TIR Received.			
County TIR Received	\$0.00	Local ISD TIR Received	\$0.00
Principal and Interest on all outstanding indebtedness	\$0	Actual Capital Investment	\$0
Current Taxable Value			
Captured Taxable Value	\$0	Residential units Constructed or Rehabilitated	0
Sq Ft of New Residential	0	Sq Ft of Rehabilitated Residential	0
Sq Ft of Retail	0	Sq Ft of Commercial	0
Sq Ft of Industrial Space	0	Sq Ft of Public Infrastructure	0
Linear feet of Public Infrastructure	0	New Jobs Created	0
Additional Information	Currently owned by County Land Bank.	Does this TIF capture overlap with any other abatement?	

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Summer 2016 Brownfield Tax Capture Statement

Brownfield Plan Summary Information	Company Name	Brown Family Holdings, LLC	
	Address	2700 N. Pitcher St., Kalamazoo	
	Local Government Unit	Kalamazoo Township	
Parcel ID	06-03-460-010 (Real Property)	06-90-020-037 (Personal Prop)	
	Date Brownfield Plan Approved	9/15/2009	
	Base Year	2009	
	Initial Taxable Value	\$ -	
	Year Tax Capture Initiated	2010	
	Years Plan Anticipated	21 years	
2016 Taxable Value	\$ 229,122.00	\$	249,600.00
Incremental Value	\$ 229,122.00	\$	249,600.00
Last Collection expected for Winter 2018 (Expected Paid in March of 2019)	Eligible Costs (Estimated BRA and Developer)	\$	66,674.00
	LSRRF Fund (Estimated)	\$	61,452.34
	Taxing Jurisdictions Captured (Summer)		
	County Operating	KRESA	
	Taxing Jurisdictions Captured (Winter)		
	Kalamazoo Township	KVCC	
	County Transportation Library - Parchment	County Public Safety	

Current Tax Bill Information	Local Tax Capture Eligible Expenses	
Authority Eligible Expenses (To Date)	\$	53,877.35
Developer Expenses	\$	-
Total Eligible Expenses	\$	53,877.35
Real Property Taxes Captured - Expected Summer 2016 - Submit to the KCBRA	\$	2,458.18
PPT Taxes Captured Expected Summer 2016 - Submit to KCBRA	\$	2,677.88
Total to submit to KCBRA	\$	5,136.06
Payments on Eligible Expenses to Date	\$	53,877.35
Eligible Expenses Balance Remaining	\$	-



Kalamazoo County Brownfield
Redevelopment Authority

Local Site Remediation Revolving Fund		
Payment to LSRRF to Date (Estimated last collection to LSRRF Winter 2018 Tax Capture)	\$	24,935.76
Payment transfer to LSRRF this Statement	\$	5,136.06
Total to LSRRF	\$	30,071.82

Kalamazoo County Brownfield Redevelopment Authority - Statement of Account Summer 2016

Brown Family Holdings
8/1/2016

Highlighted Values are Expected 2016 Summer Tax Capture

Parcel ID # 06-03-460-010 Brown Family Holdings Summer Taxes Captured to Reimburse Eligible Costs

Year	Initial Taxable Value	Current Taxable Value	Incremental Value	KRESA*	County Operating	Total to KCBRA
2015	\$ -	\$ 228,437.00	\$ 228,437.00	6.0416	4.6871	10.7287
				\$ 1,380.12	\$ 1,070.71	\$ 2,450.83
2016	\$ -	\$ 229,122.00	\$ 229,122.00	6.0416	4.6871	10.7287
				\$ 1,384.26	\$ 1,073.92	\$ 2,458.18

Parcel ID # 06-90-020-037 Personal Property Tax - Summer Tax Capture to Reimburse Eligible Costs

Year	Initial Taxable Value	Current Taxable Value	Incremental Value	KRESA*	County Operating	Total to KCBRA
2015	\$ -	\$ 265,500.00	\$ 265,500.00	6.0416	4.6871	10.7287
				\$ 1,604.04	\$ 1,244.43	\$ 2,848.47
2016		\$ 249,600.00	\$ 249,600.00	6.0416	4.6871	10.7287
				\$ 1,507.98	\$ 1,169.90	\$ 2,677.88

*KRESA millage for 2016 is total 6.4066 minus debt millage of 0.3650 = 6.0416