

**City of Escanaba
Brownfield Redevelopment Authority**

**Amended Brownfield Plan
For
Fleet Maintenance
20th Avenue North and
Sheridan Road
Escanaba, Michigan 49829**

April 2013

Randy Godlewski, Chair
410 Ludington Street
P.O. Box 948
Escanaba, Michigan 49829
906-786-9402

Prepared with the assistance of:

John J. D'Addona
Environmental Consulting & Technology, Inc.
2200 Commonwealth Boulevard, Suite 300
Ann Arbor, Michigan 48105
734-769-3004

Approved by the City of Escanaba Brownfield Redevelopment Authority
at a public hearing held on: April 10, 2013

Approved by the Escanaba City Council at a meeting
held on: May 2, 2013

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SCHEDULE

AMENDED BROWNFIELD PLAN

1. INTRODUCTION AND PURPOSE

Environmental Consulting & Technology, Inc. (ECT) has prepared this amended Brownfield Plan on behalf of Fleet Maintenance, Inc. for the redevelopment of a portion of Parcel 420-2918-300-006 owned by Bosk in the City of Escanaba (the project). This Brownfield Plan amends the plan approved by the City of Escanaba on November 1, 2012. The project involves the redevelopment of a portion of Parcel 420-2918-300-006, which is located at the entrance to Escanaba's riverfront corridor. The subject parcel (Parcel ID 420-2918-300-032) has been unused except as the recipient of ash and miscellaneous construction fill material which have the potential to adversely impact public health and the environment.

Redevelopment of the subject parcel will provide additional taxable income to the City of Escanaba as well as protect the general public from coming into contact with contaminants associated with ash and miscellaneous construction fill material on the subject parcel. This material together will hereinafter be known as fill material.

The purpose of this plan, to be implemented by the Authority, is to satisfy the requirements for a Brownfield Plan as specified in Act 381 of the Public Acts of the State of Michigan of 1996, as amended, MCL 125.2651 et. seq., which is known as the "Brownfield Redevelopment Financing Act." Terms used in this document are as defined in Act 381.

2. ELIGIBLE PROPERTY INFORMATION

The eligible property is located on the northwest corner of 20th Avenue North and Sheridan Road in the City of Escanaba. The original parcel, Parcel ID Number 420-2918-300-006 has been split for this project and consists of approximately 4.78 acres. There are no structures currently on the property. The project site is not currently served by existing municipal utilities including water, sewer, electric, and gas service. Site Location and Parcel Maps (Figures 1 and 2) and a legal description are provided in Exhibit A.

The portion of the parcel to be developed has been vacant except for the historical disposal of fill material on the site.

3. PROPOSED REDEVELOPMENT

Fleet Maintenance (the Developer) intends to redevelop the Property as a commercial development (first phase) which will also include entrance and exit drives, on-site parking and landscaping. A second phase of building construction is planned for the future that would include expansion of the western end of the initial building. This Brownfield Plan only considers the first phase of construction. The proposed redevelopment will be commercial use for the purpose of consolidating and expanding

existing businesses that service the tractor trailer trucking businesses currently owned by Mr. Tony Harris.

The project represents a total investment of approximately \$1.2 Million. The Phase 1 Development will consist of one 17,500 square foot building which will be expanded as part of Phase 2 construction within 5 years. Investment is through private financing and the use of tax increment financing. Construction will begin in mid-2013 and will be completed in the fourth quarter of 2013. The first phase of the project is estimated to generate 2 new jobs and the second phase will generate approximately 5 additional jobs.

4. BROWNFIELD CONDITIONS

The subject property (Tax ID Number 051-420-2918-300-006) has been vacant except for the on-site disposal of fill material (buried ash and construction debris). A subsurface investigation of the fill material/soil and groundwater was conducted in June 2012 and determined that the property is a facility based on the presence of soil contamination above MDEQ Generic Residential Cleanup Criteria. The laboratory analytical results from this investigation indicated the presence of polynuclear aromatic hydrocarbons (PNAs) and metals that likely are the result of contaminants in the ash material from the burning of coal.

Therefore, the Property meets the definition of a “facility”, as defined in Part 201 of the Natural Resources and Environmental Protection Act (NREPA), Michigan Public Act (PA) 451, 1994, as amended. Table 1 describes the individual parcel and brownfield conditions qualification basis:

Table 1: Brownfield Eligibility Status

Parcel Number	Brownfield Qualification Status
420-2918-300-032	Facility benzo(a)pyrene, fluoranthene, phenanthrene, selenium, arsenic, chromium)

Details of the subsurface investigation are detailed in the Phase II Environmental Site Assessment Report (Bittner Engineering, July 31, 2012).

5. BROWNFIELD PLAN ELEMENTS (as specified in Section 13(1) of Act 381)

A. Description of Costs to Be Paid for With Tax Increment Revenues

The Developer is requesting that the CEBRA capture incremental local and state operating taxes generated through tax increment financing to reimburse the cost of certain “eligible activities” as provided in this Plan totaling \$567,000. This total of \$567,000 is eligible via State and local tax capture (environmental activities). Additionally, the Authority will capture administrative fees (\$100/yr) from this Plan.

B. Summary of Eligible Activities

MDEQ eligible activities include only environmental costs.

TABLE 2: MDEQ Eligible Activities	
1. Removal and Disposal of Unsuitable/Contaminated Fill Material	\$370,000
2. Clean Backfill (replacement of contaminated soil)	\$64,000
3. Contingency (15%)	\$65,000
4. Development of Brownfield Plan & Act 381 Work Plan	\$20,000
5. Phase II ESA	\$10,000
6. Baseline Environmental Assessment	\$5,000
7. Due Care Plan/Investigation (due care)	\$20,000
8. Construction Oversight	\$5,000
9. Topsoil	\$8,000
TOTAL ELIGIBLE ACTIVITIES	
	\$567,000
CEBRA Administrative Capture	\$100/yr
Total Capture	\$567,000

MDEQ eligible environmental activities include developing/preparing a Brownfield Plan and Act 381 Work Plan, Phase II ESA activities, Baseline Environmental Assessment (BEA), construction oversight, contaminated soil (fill material) removal and handling, contaminated soil (fill material) disposal, backfill transportation and placement and due care activities as shown in Table 2 above.

Approval of school taxes for capture is subject to approval of an Act 381 Work Plan by the MDEQ. If all or any portion of the proposed activities submitted for such approval are denied, then the corresponding activities shall be eligible for local tax capture pursuant to Act 381 of 1996, as amended if approved by the CEBRA.

Non-environmental activities are generally eligible for Michigan Economic Growth Authority (MEGA) reimbursement unless the project is not in a "core community" or is not downtown. While this project is in a core community, it is not downtown. Hence, MEGA has decided not to participate in this project.

C. Estimate of Captured Taxable Value and Tax Increment Revenues

This amended Brownfield Plan amends the Brownfield Plan approved by City Council in 2012. A cap of 22 years of TIF capture has been placed on this project by the CEBRA. Therefore, TIF could be captured until 2036 under this amended Brownfield Plan.

An estimate of the captured taxable value and tax increment revenues by year is attached as Schedule 1. All captured taxable value will be used to support the activities identified in the Brownfield Plan.

D. Method of Financing and Description of Advances by the Municipality

The costs of the Plan will be financed by the Developer. Eligible costs will be reimbursed through tax increment revenues generated from the Property. Tax increment revenues will be sought from both local and state tax capture, pursuant to an Act 381 Work Plan and the Brownfield Plan. The Developer will be reimbursed for eligible activities pursuant to an executed development and reimbursement agreement after the approval of the Brownfield Plan and the generation of adequate tax increment revenues. Schedule 1 provides a breakdown of local and state tax portions of the eligible activity reimbursement.

If the identified eligible costs are not approved by MDEQ the state for school tax capture, the cost of those activities will be eligible for local tax capture only and only upon approval of the CEBRA.

The project represents a total investment of approximately \$1.2 Million. A local bank, First Bank, is committed to be the debt provider for the project. Additionally, a state or local loan for the completion of environmental activities is being considered for the project. Both local and State tax increment revenues will be captured and used for reimbursement of eligible activities.

No interest reimbursement is being sought under this Brownfield Plan.

The developer will finance the eligible costs and will be reimbursed by the CEBRA per the Reimbursement Agreement attached as Exhibit D.

All school taxes will be captured and used according to the approved DEQ Work Plan.

E. Maximum Amount of Note or Bonded Indebtedness

There will be no advances by the City related to this Plan.

F. Duration of Brownfield Plan

This amended Brownfield Plan amends the November 1, 2012 Plan and a cap of 22 years of TIF recovery has been placed on the project by the CEBRA. Therefore, the eligible capture period will begin in 2014 and expire in 2036. The City of Escanaba does not intend to capture funds for a Local Site Remediation Revolving Fund (LSRRF). The estimated TIF capture for the project is \$567,000 which will occur in approximately 2034 (just under a 20-year capture period).

The tax capture will begin in 2014 and will remain under the Plan to the extent that all eligible activities undertaken in this Plan are repaid, but in no event will the Plan exceed the maximum duration provided for by the CEBRA (22 years).

G. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

Schedule 1 depicts the impact on the taxing jurisdictions.

H. Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

A legal description of the eligible property and a map showing the location and dimensions the eligible properties are included as Exhibit A. The site qualifies as an eligible property as it meets the definition of a "facility," as defined in Part 201 of the Natural Resources and Environmental Protection Act (NREPA), Michigan Public Act (PA) 451 of 1994, as amended.

I. Estimates of Residents and Displacement of Families

There are no persons residing on the eligible property, therefore there will be no displacement or relocation of persons or businesses under this Plan.

J. Plan for Relocation of Displaced Persons

This section is not applicable to this site as no persons are residing on the Property.

K. Provisions for Relocation Costs

This section is not applicable to this site as no persons are residing on the Property.

L. Strategy for Compliance with Michigan's Relocation Assistance Law

This section is not applicable to this site as no persons are residing on the Property.

M. Description of Proposed Use of Local Site Remediation Revolving Fund

The Authority has not established a Local Site Remediation Revolving Fund (LSRRF).

N. Other Material that the Authority or Governing Body Considers Pertinent

Administrative Fees

The CEBRA is capturing \$100/year for administrative fees for this project.

Timely Completion of Eligible Activities

Eligible activities must be completed within 5 years of the date of Brownfield Plan approval.

EXHIBITS

- A. Legal Description, Site Location Map, and Parcel Map
- B. Site Plan
- C. Photographs of Site
- D. Reimbursement Agreement

SCHEDULES

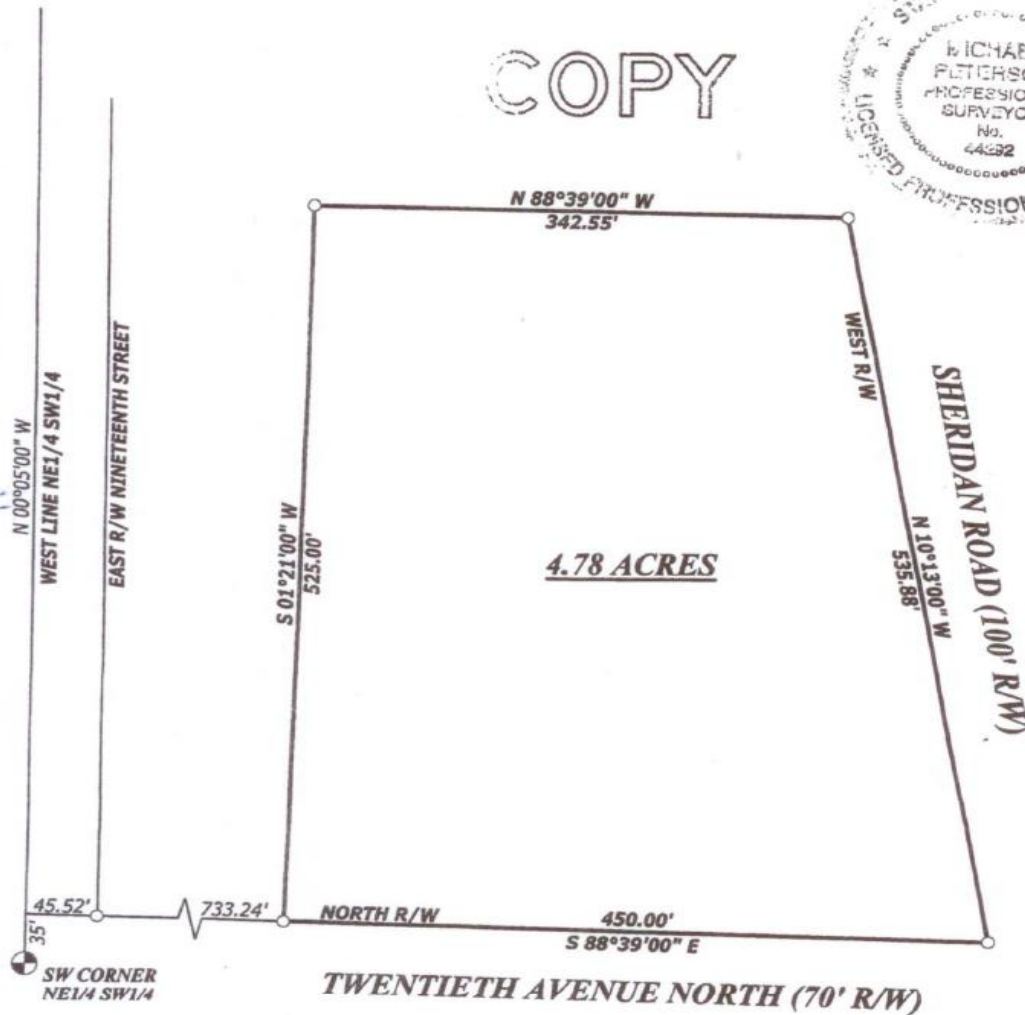
- Schedule 1 Projected Tax Increment Financing Capture by Jurisdiction

Exhibit A

Exhibit A

**PLAT OF SURVEY OF
PART OF NE¼ OF THE SW¼ OF
SECTION 18 T39N, R22W
CITY OF ESCANABA
DELTA COUNTY, MICHIGAN**

COPY



PARCEL DESCRIPTION

FROM THE SW CORNER OF THE NE1/4 OF THE SW1/4 OF SECTION 18 T39NR22W; THENCE N0°05'00"W ALONG THE WEST LINE OF SAID NE1/4 OF THE SW1/4 A DISTANCE OF 35' TO THE NORTH R/W OF TWENTIETH AVENUE NORTH; THENCE S88°39'00"E ALONG SAID R/W A DISTANCE OF 45.52' TO THE EAST R/W OF NINETEENTH STREET; THENCE CONTINUE S88°39'00"E ALONG SAID R/W A DISTANCE OF 733.24' TO THE POINT OF BEGINNING; THENCE CONTINUE S88°39'00"E ALONG SAID R/W A DISTANCE OF 450.00' TO THE WEST R/W OF SHERIDAN ROAD; THENCE N10°13'00"W ALONG SAID WEST R/W A DISTANCE OF 535.88'; THENCE N88°39'00"W PARALLEL WITH SAID NORTH R/W A DISTANCE OF 342.55'; THENCE S1°21'00"W A DISTANCE OF 525.00' TO THE POINT OF BEGINNING. CONTAINING 4.78 ACRES.



BEARINGS ARE RELATIVE TO CITY MAPPING

<p>Peterson Surveying 1223 N. LINCOLN ROAD ESCANABA, MI. 49829 (906) 789-7878 FAX (906) 789-2729</p>	<p>I, MICHAEL PETERSON, A PROFESSIONAL SURVEYOR IN THE STATE OF MICHIGAN, CERTIFY THAT I HAVE SURVEYED AND MAPPED THE ABOVE PARCEL OF LAND IN ACCORDANCE WITH P.A. 132 OF 1970, THAT THE RATIO OF THE UNADJUSTED FIELD OBSERVATIONS IS WITHIN THE ACCEPTED LIMITS.</p>	<p>JOB NUMBER: 0912080</p>	<p align="center">LEGEND</p> <p>(M) MEASURED (R) RECORDED ● IRONS FOUND ○ IRONS SET ⊕ CONTROL CORNER</p>
		<p>SURVEY FOR:</p> <p align="center">JERRY BOSK</p>	



FIGURE 1.
 FLEET MAINTENANCE - ESCANABA, MICHIGAN
 SITE LOCATION MAP

Sources: Google Earth, 2012; ECT, 2012.

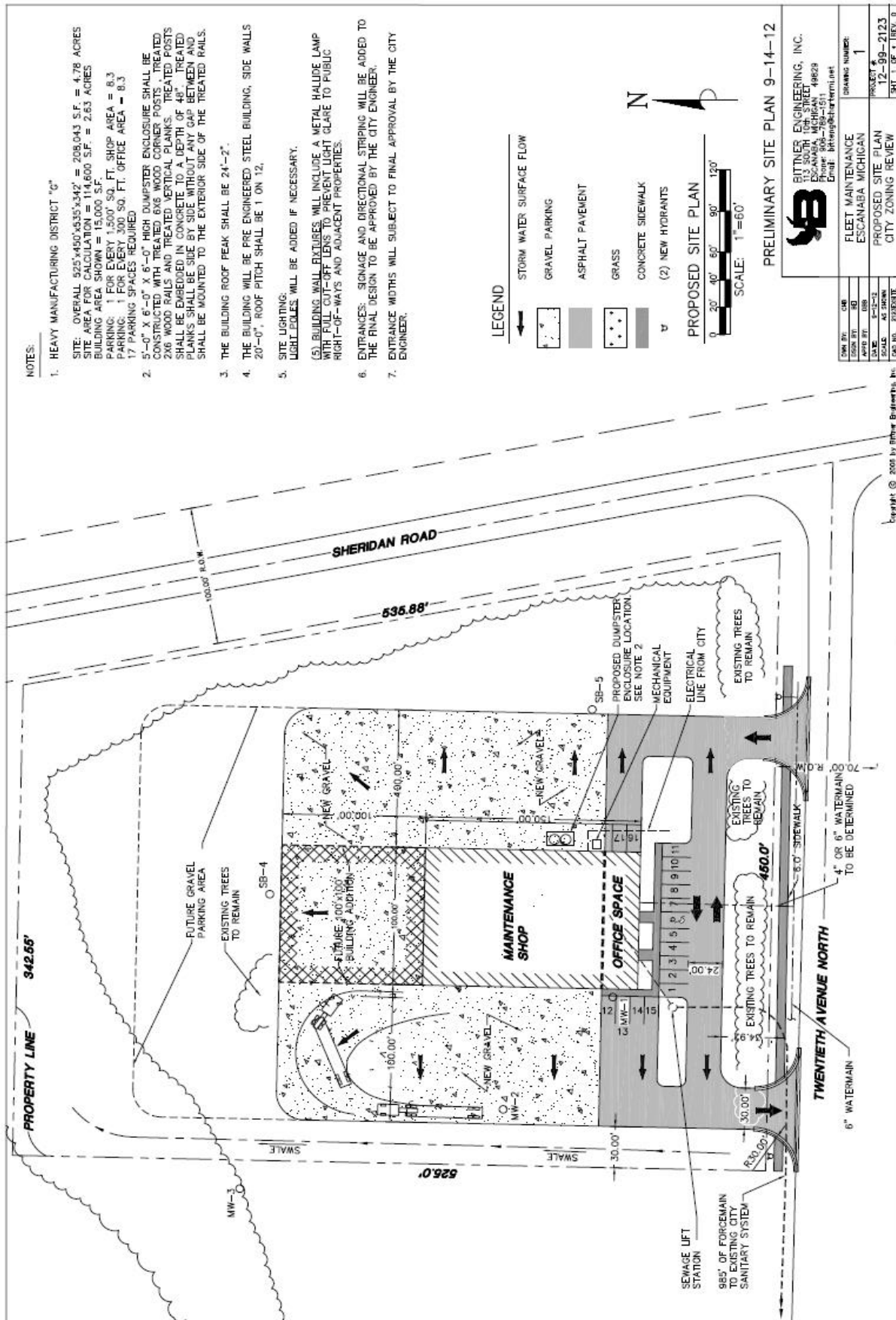
ECT
 Environmental Consulting & Technology, Inc.



ECT
Environmental Consulting & Technology, Inc.

FIGURE 2.
FLEET MAINTENANCE - ESCANABA, MICHIGAN
PARCEL MAP
Source: Google Earth, 2012; ECT, 2012

Exhibit B



BITTNER ENGINEERING, INC.
 113 SOUTH 10TH STREET
 ESCANABA, MICHIGAN 49829
 Phone: 517.339.1111
 Email: bit@bittner-engineering.com

DATE	DESCRIPTION	DRAWING NUMBER
08-15-12	PROPOSED SITE PLAN	12-99-2123
08-15-12	CITY ZONING REVIEW	REV. 1 OF 1

Exhibit C




Environmental Consulting & Technology, Inc.

PHOTOGRAPHIC LOG

Client Name: Delta County BRA	Site Location: Fleet Maintenance – Escanaba, Michigan	Project No. 120378.0100
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Photo No. 1	Date: 8/14/12	
Direction Photo Taken: From southwest corner of property		
Description: Looking north		

Photo No. 2	Date: 8/14/12	
Direction Photo Taken: From southwest corner of property		
Description: Looking northeast		



Environmental Consulting & Technology, Inc.

PHOTOGRAPHIC LOG

Client Name: Delta County BRA	Site Location: Fleet Maintenance – Escanaba, Michigan	Project No. 120378.0100
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Photo No. 3	Date: 8/14/12	
Direction Photo Taken: From southwest corner of property		
Description: Looking north		

Photo No. 4	Date: 8/14/12	
Direction Photo Taken: From southwest corner of property		
Description: Looking east		

SCHEDULE 1

TAX INCREMENT FINANCING TABLE

Fleet Maintenance Project Site
City of Escanaba

Year		0	1	2	3	4	5	6	7	8	9
Market		\$5,000	\$1,000,000	\$1,020,000	\$1,040,400	\$1,061,208	\$1,082,432	\$1,104,081	\$1,126,162	\$1,148,686	\$1,171,659
Assessed (Taxable)		\$55,000	\$500,000	\$510,000	\$520,200	\$530,604	\$541,216	\$552,040	\$563,081	\$574,343	\$585,830
Base Year Tax Value (SEV)		\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044
New Tax Value			\$500,000	\$510,000	\$520,200	\$530,604	\$541,216	\$552,040	\$563,081	\$574,343	\$585,830
SEV Tax Increment		-	\$489,956	\$499,956	\$510,156	\$520,560	\$531,172	\$541,996	\$553,037	\$564,299	\$575,786
Capturable Millage Rate		52.8244	52.8244	52.8244	52.8244	52.8244	52.8244	52.8244	52.8244	52.8244	52.8244
Tax Revenue from Capturable Mills			\$26,412	\$26,940	\$27,479	\$28,029	\$28,589	\$29,161	\$29,744	\$30,339	\$30,946
Tax Revenue (Base Year)		\$531	\$531	\$531	\$531	\$531	\$531	\$531	\$531	\$531	\$531
TAXING JURISDICTION	TOTAL	CAPTURABLE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE
	17.0000	17.0000	\$171	\$8,500	\$8,570	\$8,643	\$8,720	\$8,801	\$8,885	\$8,972	\$9,061
City	5.0917	5.0917	\$51	\$2,516	\$2,568	\$2,617	\$2,670	\$2,725	\$2,778	\$2,830	\$2,880
County General	2.3076	2.3076	\$23	\$1,154	\$1,177	\$1,200	\$1,224	\$1,249	\$1,274	\$1,299	\$1,325
Community College	0.6000	0.6000	\$6	\$300	\$306	\$312	\$318	\$325	\$331	\$338	\$345
Community Act	0.6000	0.6000	\$6	\$300	\$306	\$312	\$318	\$325	\$331	\$338	\$345
DATA	0.1346	0.1346	\$1	\$57	\$58	\$59	\$61	\$62	\$64	\$65	\$67
ISD	2.2505	2.2505	\$23	\$1,125	\$1,148	\$1,171	\$1,194	\$1,218	\$1,242	\$1,267	\$1,293
ISD Ex Voted	0.9000	0.9000	\$9	\$450	\$459	\$468	\$478	\$487	\$497	\$507	\$517
Sheriff Rd Patrol	18.0000	18.0000	\$181	\$9,000	\$9,180	\$9,364	\$9,551	\$9,742	\$9,937	\$10,135	\$10,338
School Operating	6.0000	6.0000	\$60	\$3,000	\$3,060	\$3,121	\$3,184	\$3,247	\$3,312	\$3,378	\$3,446
State Ed	52.8244	52.8244	\$531	\$26,412	\$26,940	\$27,479	\$28,029	\$28,589	\$29,161	\$29,744	\$30,339
TOTALS:											
Total Incremental Revenue		-	\$25,882	\$26,410	\$26,949	\$27,498	\$28,059	\$28,631	\$29,214	\$29,809	\$30,416
Incremental Revenue Cumulative		-	\$25,882	\$52,292	\$79,240	\$106,738	\$134,797	\$163,428	\$192,642	\$222,451	\$252,866
Principal Due (Eligible Activity Cost)		-	\$328,000	\$302,218	\$275,908	\$249,060	\$221,662	\$193,703	\$165,172	\$136,058	\$106,349
Current Interest on Principal	0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B'Fid Administration Fee (Annual)			\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Total Incremental Revenue			\$25,882	\$26,410	\$26,949	\$27,498	\$28,059	\$28,631	\$29,214	\$29,809	\$30,416
Total Principal & Interest Remaining		-	\$302,218	\$275,908	\$249,060	\$221,662	\$193,703	\$165,172	\$136,058	\$106,349	\$76,034
Revolving Fund Capture (City)											

Notes:

1. Total taxes do not include debt retirement millage.
2. Real property values do not reflect market appreciation or building depreciation.
3. Market value does not include estimate of personal property for commercial uses which shall be subject of the tax capture provisions.

11	12	13	14	15	16	17	18	19	
\$1,218,994	\$1,243,374	\$1,268,242	\$1,293,607	\$1,319,479	\$1,345,868	\$1,372,786	\$1,400,241	\$1,428,246	
\$609,497	\$621,687	\$634,121	\$646,803	\$659,739	\$672,934	\$686,393	\$700,121	\$714,123	
\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	\$10,044	
\$609,497	\$621,687	\$634,121	\$646,803	\$659,739	\$672,934	\$686,393	\$700,121	\$714,123	
-	-	-	-	-	-	-	-	-	
\$599,453	\$611,643	\$624,077	\$636,759	\$649,695	\$662,890	\$676,349	\$690,077	\$704,079	
52,8244	52,8244	52,8244	52,8244	52,8244	52,8244	52,8244	52,8244	52,8244	
\$32,196	\$32,840	\$33,497	\$34,167	\$34,850	\$35,547	\$36,258	\$36,983	\$37,723	
\$531	\$531	\$531	\$531	\$531	\$531	\$531	\$531	\$531	
REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE	CUMULATIVE
\$10,361	\$10,569	\$10,780	\$10,996	\$11,216	\$11,440	\$11,669	\$11,902	\$12,140	\$194,315
\$3,067	\$3,128	\$3,191	\$3,255	\$3,320	\$3,386	\$3,454	\$3,523	\$3,593	\$57,514
\$1,406	\$1,435	\$1,463	\$1,492	\$1,522	\$1,553	\$1,584	\$1,616	\$1,648	\$26,377
\$366	\$373	\$380	\$388	\$396	\$404	\$412	\$420	\$428	\$6,858
\$366	\$373	\$380	\$388	\$396	\$404	\$412	\$420	\$428	\$6,858
\$82	\$84	\$85	\$87	\$89	\$91	\$92	\$94	\$96	\$1,539
\$1,372	\$1,399	\$1,427	\$1,456	\$1,485	\$1,514	\$1,545	\$1,576	\$1,607	\$25,724
\$549	\$560	\$571	\$582	\$594	\$606	\$618	\$630	\$643	\$10,287
\$10,071	\$11,190	\$11,414	\$11,642	\$11,875	\$12,113	\$12,355	\$12,602	\$12,854	\$205,746
\$3,657	\$3,730	\$3,805	\$3,881	\$3,958	\$4,038	\$4,118	\$4,201	\$4,285	\$68,582
\$32,196	\$32,840	\$33,497	\$34,167	\$34,850	\$35,547	\$36,258	\$36,983	\$37,723	\$603,800
\$31,666	\$32,310	\$32,966	\$33,636	\$34,320	\$35,017	\$35,728	\$36,453	\$37,193	\$593,189
\$315,566	\$347,876	\$380,842	\$414,479	\$448,799	\$483,815	\$519,543	\$555,996	\$593,189	
\$45,099	\$13,534	-\$18,676	-\$51,542	-\$85,079	-\$119,299	\$0	\$0	\$0	
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
\$100	\$100	\$100	\$100	\$100	\$100	\$0	\$0	\$0	
\$31,666	\$32,310	\$32,966	\$33,636	\$34,320	\$35,017	\$35,728	\$36,453	\$37,193	
\$13,534	-\$18,676	-\$51,542	-\$85,079	-\$119,299	-\$154,215	\$0	\$0	\$0	
-\$13,334	\$18,976	\$51,942	\$85,579						