

RENNIE SCHOOL ROAD REDEVELOPMENT GRAND TRAVERSE COUNTY LAND BANK AUTHORITY



Proposed Brownfield Plan Amendment

Grand Traverse County Board of Commissioners
February 6, 2019

1

PURPOSE

- Hold public hearing on Amended Brownfield Plan for Rennie School Road Redevelopment in accordance with Act 381, PA 1996
- Pass resolution approving Amended Brownfield Plan

2

OVERVIEW

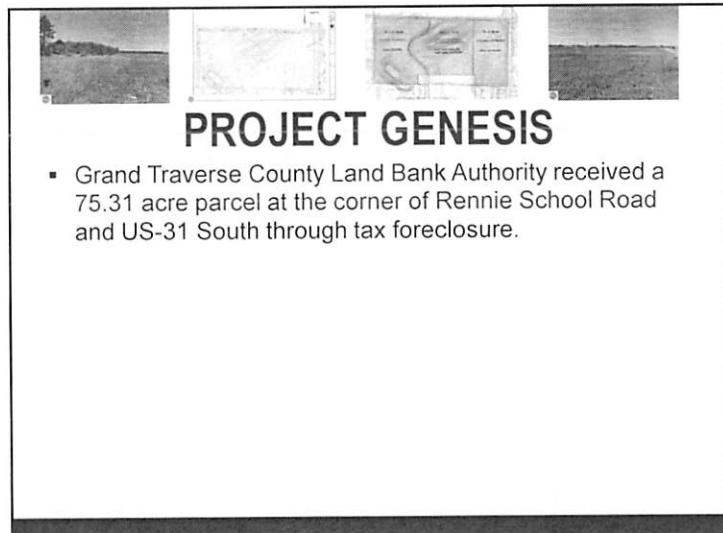
- Summary
- Background
- Additional Eligible Activity Costs
- GTCLBA 5/50 Specific Tax
- Amended Brownfield Plan
 - Eligible Activities
 - Reimbursement Schedule

3

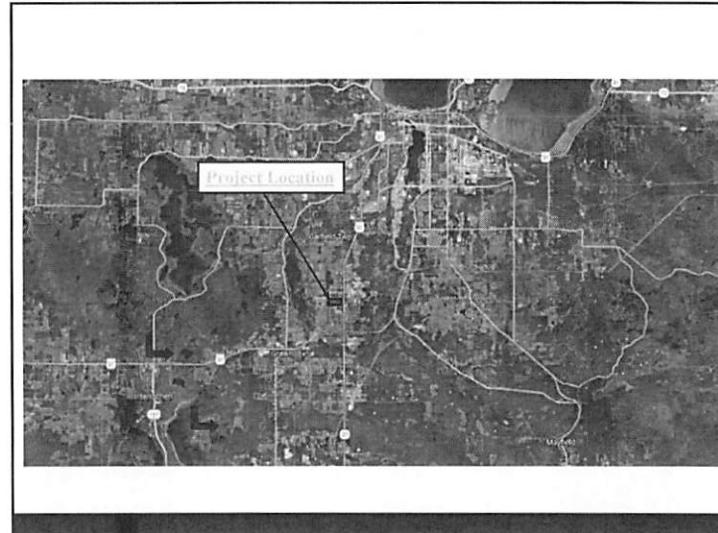
SUMMARY

- A Brownfield Plan was approved in August 2018 to support redevelopment of the tax reverted property owned by the Land Bank Authority.
- Certain Brownfield Eligible Activities were proposed to be reimbursed over time through the capture of increased taxes generated by additional private investment.
- Additional Eligible Activity costs have been identified due to MDOT, Road Commission and Blair Township stipulations which requires an amendment to the Brownfield Plan for reimbursement.
- State law provides for a levy of 50% taxes for 5 years by the County Land Bank Authority
- An Amended Brownfield Plan approved by the GTCBRA on January 30 and must be approved by the County Board, with

4



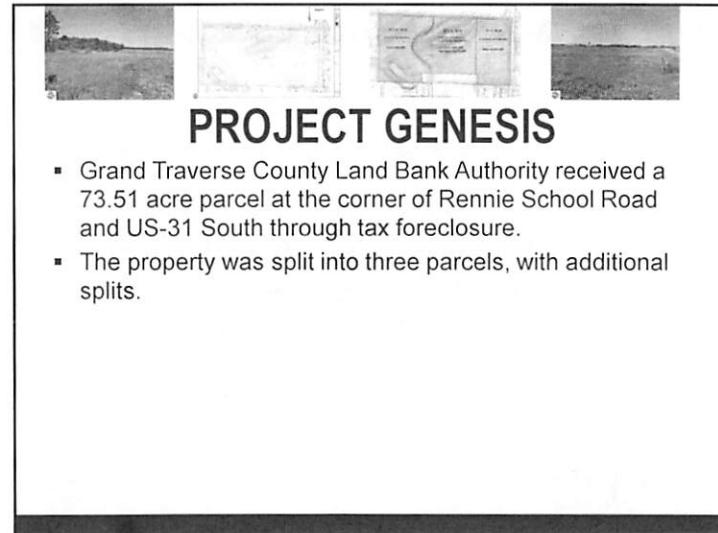
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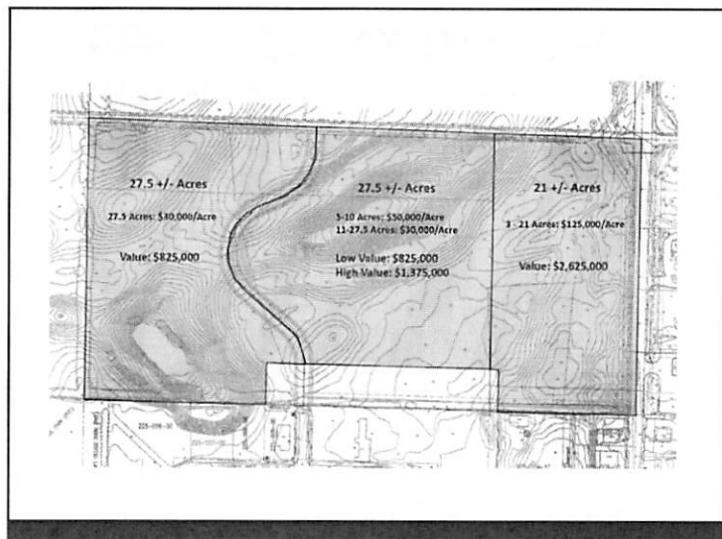
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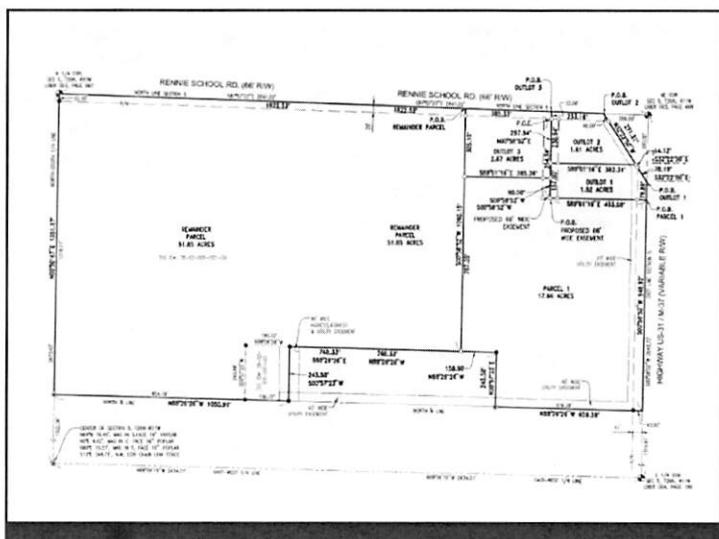
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PROJECT GENESIS

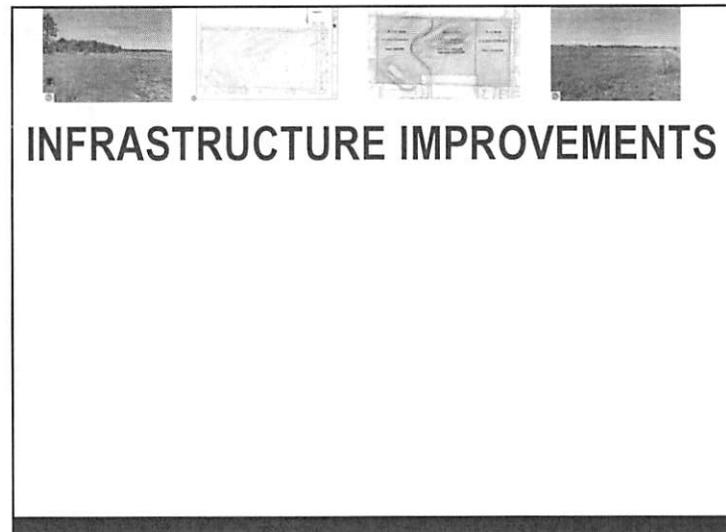
- Grand Traverse County Land Bank Authority received a 73.51 acre parcel at the corner of Rennie School Road and US-31 South through tax foreclosure.
- The property was split into three parcels, with additional splits.
- The east parcel was sold to Blain's Farm and Fleet and the middle parcel was sold to H&M Development.
- Purchase of the middle parcel was contingent upon approval of a Brownfield Plan for reimbursement of certain Eligible Activities.
- Land Bank Authority property qualifies as Brownfield Eligible Property

11

ADDITIONAL ELIGIBLE ACTIVITIES

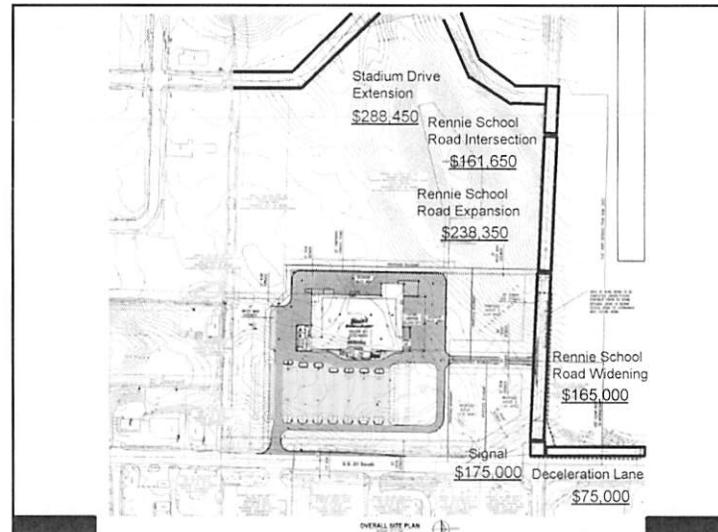
- The original Brownfield Plan identified private and public Eligible Activities for reimbursement from future tax capture.
- Additional Eligible Activity costs have been identified due to MDOT, Road Commission and Blair Township stipulations which requires an amendment to the Brownfield Plan for reimbursement.
- There is interest in the extension of Stadium Drive being a County road and the Road Commission and Blair Township approved an allocation for the cost of construction.
- The Road Commission is requiring expansion of Rennie School Road from US 31 to Stadium Drive – Rennie Intersection.

12

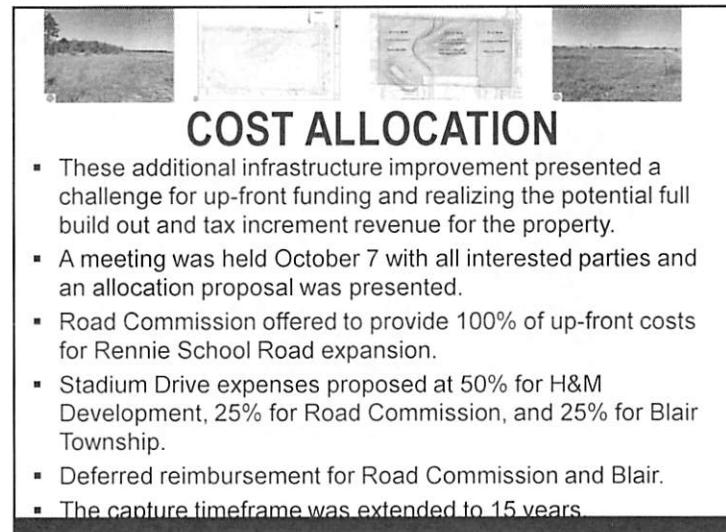


INFRASTRUCTURE IMPROVEMENTS

13



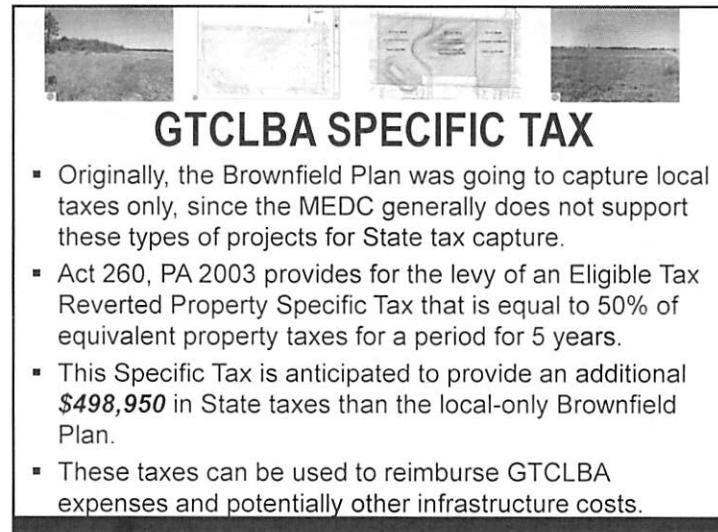
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COST ALLOCATION

- These additional infrastructure improvement presented a challenge for up-front funding and realizing the potential full build out and tax increment revenue for the property.
- A meeting was held October 7 with all interested parties and an allocation proposal was presented.
- Road Commission offered to provide 100% of up-front costs for Rennie School Road expansion.
- Stadium Drive expenses proposed at 50% for H&M Development, 25% for Road Commission, and 25% for Blair Township.
- Deferred reimbursement for Road Commission and Blair.
- The capture timeframe was extended to 15 years.

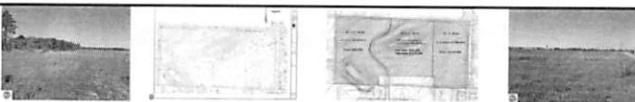
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GTCLBA SPECIFIC TAX

- Originally, the Brownfield Plan was going to capture local taxes only, since the MEDC generally does not support these types of projects for State tax capture.
- Act 260, PA 2003 provides for the levy of an Eligible Tax Reverted Property Specific Tax that is equal to 50% of equivalent property taxes for a period for 5 years.
- This Specific Tax is anticipated to provide an additional **\$498,950** in State taxes than the local-only Brownfield Plan.
- These taxes can be used to reimburse GTCLBA expenses and potentially other infrastructure costs.

16



COMPLEXITY

- Tax Increment Financing (TIF) revenue is tracked separately for each of the three major parcels.
- There are four entities that are incurring Brownfield Eligible Activities which anticipate reimbursement: Blain's, H&M, Blair Township, and the Grand Traverse County Road Commission.
- The GTCLBA also incurred expenses that are being reimbursed through the 5/50 Specific Tax that are tracked separately.

17

Brownfield Eligible Activities Costs

Eligible Activities	Total	East Parcel	Middle Parcel
PRIVATE ELIGIBLE ACTIVITIES			
Environmental Activities	\$4,600	\$2,300	\$2,300
Demolition	\$10,500	\$10,500	
Site Preparation	\$497,533	\$173,750	\$323,783
Infrastructure			
Roads - Deceleration Lane US 31 S	\$121,000	\$121,000	
Roads - Stadium Drive (50%)	\$144,250		\$144,250
Sewer and Water	\$513,750	\$105,000	\$408,750
Soft Costs	\$68,163	\$19,775	\$48,388
Contingency	\$203,280	\$64,504	\$138,776
PRIVATE ELIGIBLE ACTIVITY TOTAL	\$1,563,075	\$496,829	\$1,066,246
PUBLIC ELIGIBLE ACTIVITIES			
Rennie School Road Improvements:			
Stadium Intersection	\$161,650		\$161,650
Rennie School Road Expansion	\$238,350		\$238,350
Stadium Drive (50%)	\$144,250		\$144,250
PUBLIC ELIGIBLE ACTIVITY TOTAL	\$544,250		\$544,250
ELIGIBLE ACTIVITY TOTAL			
Administrative and Operating Costs	\$40,000	\$20,000	\$20,000
TOTAL	\$2,147,325	\$496,829	\$1,610,496

18

GTCLBA Public Infrastructure

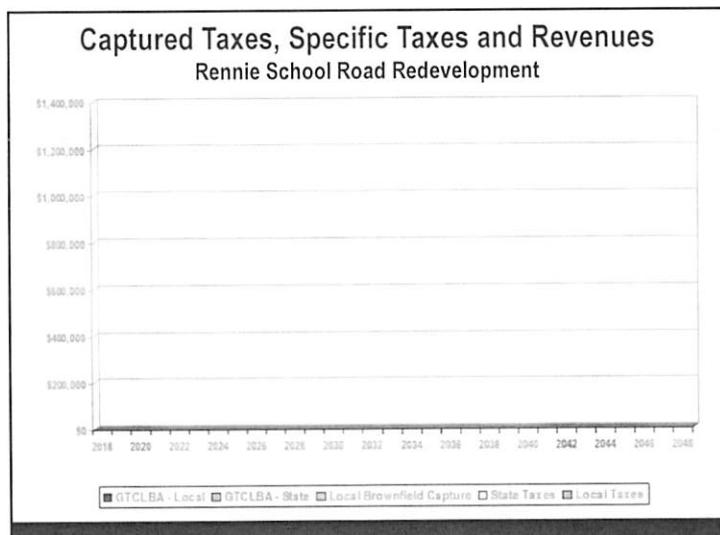
Eligible Activities	Cost
Roads - Traffic Signal: US 31 S and Rennie School Road	\$175,000
Roads - US 31 Deceleration Land	\$75,000
Roads - Rennie School Road Improvements: East	\$165,000
Soft Costs	\$36,315
Transaction Costs	\$6,500
Brownfield Plan Development, Approval, and Implementation	\$30,000
GTCLBA Infrastructure Subtotal	\$487,815

19

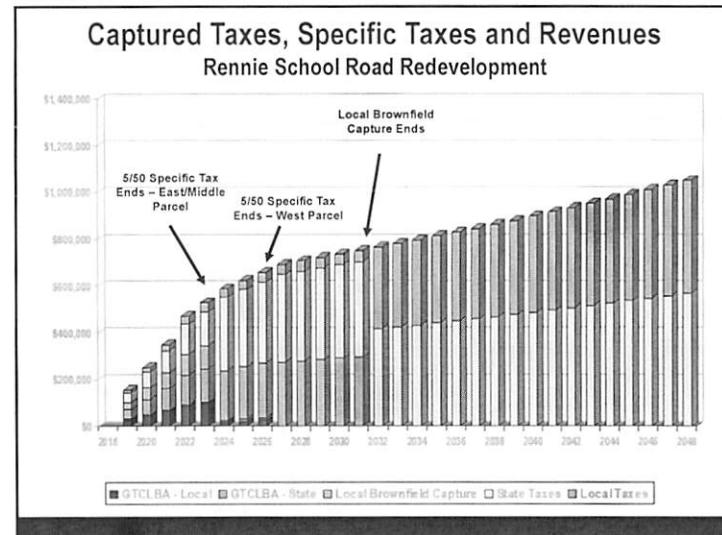
ESTIMATED INVESTMENT

Eligible Activities	Total	2019	2020	2021	2022	2023	2024
Blain's: East Parcel	10,000,000	7,000,000	3,000,000				
H&M South -Commercial: Middle Parcel	6,000,000		1,200,000	1,200,000	1,200,000	1,200,000	
H&M South - Residential: Middle Parcel	6,000,000			3,000,000	3,000,000		
Residential: West Parcel*	6,000,000				1,000,000	1,000,000	1,000,000
(Investment continues thru 2027)							
TOTAL	28,000,000						

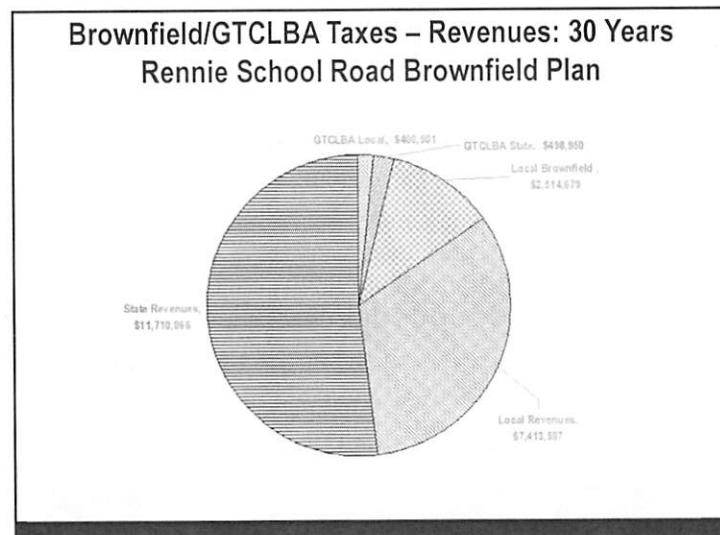
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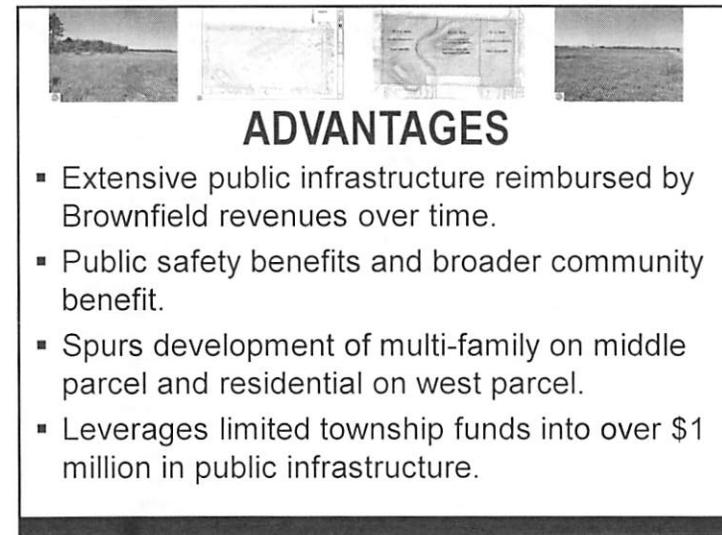
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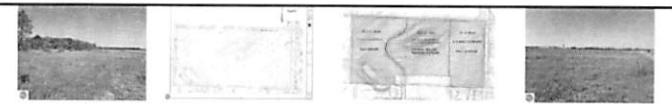
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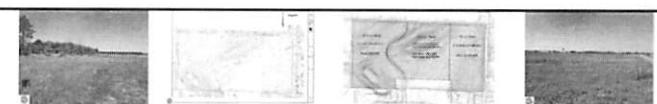
24



PROPOSAL

- Amend Brownfield Plan to:
 - Increase Eligible Activity budget for additional costs
 - Extend capture period to 15 years to ensure reimbursement of public infrastructure costs.
 - Note the GTCLBA 5/50 Specific Tax Levy
- Blair Township concurred with an allocation of 25% of the cost to extend Stadium Drive to Rennie School Road, estimated at \$72,125 at their October 8 meeting.
- Road Commission approved an allocation of 25% for Stadium Drive and 100% of Rennie School Road costs, estimated at \$472,125 at their October 25 meeting.

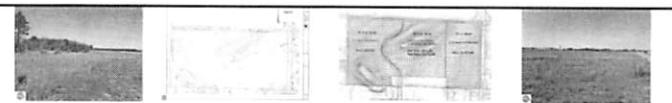
25



PROPOSED BROWNFIELD SCHEDULE

<i>ACTION</i>	<i>BOARD</i>	<i>DATE</i>
Amendment Introduction	Blair Township	October 9
Brownfield Plan Consideration	GTCBRA	January 30
Notices to Taxing Jurisdictions	GTCBRA	Sent January 25
Public Hearing, Brownfield Plan Consideration	County Board	February 5
Brownfield Plan Concurrence	Blair Township	February 12

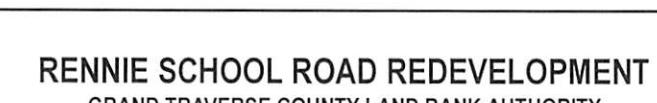
26



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27



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28