

**GRAND TRAVERSE COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY**

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement (the “Agreement”) is made on _____, between **2105 N US Highway 31 S II LLC** (the “Owner”) and the **GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY** (the “GTCBRA”), a Michigan public body corporate.

PREMISES

A. The Owner is engaged in the development of 2105 N. US 31 South commonly known as the Gauthier Redevelopment (the “Development”), as described on attached **Exhibit A**.

B. The GTCBRA has been formed pursuant to Act 381, Public Acts of Michigan, 1996, MCL 125.2651 et seq. (“Act 381”), to promote the revitalization, redevelopment, and reuse of contaminated, tax reverted, blighted, functionally obsolete, historically designated, or housing properties. The GTCBRA has approved a Brownfield Plan, attached as **Exhibit B**, that includes the Development, the Eligible Property, and the Eligible Activities.

C. The GTCBRA has determined in furtherance of its purposes and to accomplish its goals and Brownfield Plan to reimburse the cost of certain “Eligible Activities” as defined by Sec. 2(o) of Act 381, Public Acts of 1996, MCL 125.2652(o) within Eligible Property on the Site and as described in the Brownfield Plan.

D. Pursuant to the Brownfield Plan and the Act 381 Work Plan, the GTCBRA will capture 100% of the Tax Increment Revenues authorized by law to be captured from the levies imposed by taxing jurisdictions upon taxable property for the Eligible Property consistent with Act 381, as amended, and the Brownfield Plan approved by the GTCBRA (the “Tax Increment Revenues”). Upon satisfaction of the conditions expressed in this Agreement, the GTCBRA will use the Tax Increment Revenues as provided by law and as described in this Agreement.

In consideration of the premises and the mutual covenants contained in this Agreement, the Owner and the GTCBRA hereby enter into this Agreement and covenant and agree as follows:

ARTICLE 1.

Section 1.1 Definitions

The following capitalized terms used in this Agreement shall have the following meanings, except to the extent the context in which they are used requires otherwise:

- (a) "Act 381" means the Brownfield Redevelopment Financing Act , Act 381 of Michigan Public Acts of 1996, as amended, MCL 125.2651 et seq.
- (b) "Act 381 Work Plan" means the Work Plan approved by the GTCBRA, Michigan Strategic Fund/Michigan Economic Development Corporation (MSF/MEDC), the Michigan Department of Environment, Great Lakes, and Energy (EGLE), and/or the Michigan State Housing Development Authority (MSHDA), as subsequently amended or supplemented.
- (c) "Agreement" means this Development and Reimbursement Agreement entered into between the GTCBRA and the Owner.
- (d) "AMI" means Area Median Income for Grand Traverse County as published annually by MSHDA.
- (e) "Annual Unit Income Restriction" means the requirement that the Owner's net housing rent (e.g. rent concessions or promotions) per bedroom count does not exceed 100% of the MSHDA rent by bedroom count for Grand Traverse County and subject to Income Qualification.
- (f) "Brownfield Plan" means the Brownfield Redevelopment Plan, as defined under Act 381, and adopted in May 2024, as amended and attached as **Exhibit B**.
- (g) "Contractor" means any general or environmental contractor or subcontractor with whom the Owner contracts to complete work at the Eligible Property and/or Site.
- (h) "County" means the County of Grand Traverse, Michigan.
- (i) "Development" means the site work, building construction, utilities, and equipment relating to the eligible property as described on attached **Exhibit A**.
- (j) "Eligible Activities" means those response activities as defined by Sec. 2(o) of Act 381, Public Acts of 1996, as amended, MCL 125.2652(o), or approved by EGLE, MSF as administered by the MEDC, or MSHDA as part of the Act 381 Work Plan. Eligible Activities are identified in the 381 Work Plan as either "EGLE Eligible Activities", "MSF Eligible Activities", or "MSDHA Eligible Activities".
- (k) "Eligible Property" means the property as defined by Sec. 2(p) of Act 381, MCL 125.2652(p) upon which the Eligible Activities will be conducted and Tax Increment Revenues will be captured.
- (l) "Environmental Consultant" means any environmental consulting firm retained or hired by the Owner to fulfill all or part of its obligations under this Agreement, including the Eligible Activities set forth in the Act 381 Work Plan.

(m) "Event of Default" means the failure of performance or breach by a party to carry out its obligations under this Agreement or, with respect to a party, if any representation or warranty of such party was materially not accurate when made, and such obligation has not been performed or such representation or warranty corrected within 30 days after written notice thereof has been given by the other party. It also means any filing of bankruptcy or bankruptcy reorganization by the Owner.

(n) "GTCBRA" means the Grand Traverse County Brownfield Redevelopment Authority, established by the County Commission on September 24, 1997, or its successors.

(o) "Housing Development Activities" means the eligible activities as defined by Sec.2(x) of Act 381, MCL 125.2652(x).

(p) "Income Qualified Households" or "Income Qualifications" means household incomes at or below 120% of AMI for Grand Traverse County, as provided by MSHDA.

(q) "Income Restricted Units" means residential rental units occupied by Income Qualified households.

(r) "Indemnified Persons" means the County, the GTCBRA, and their members, officers, agents and employees.

(s) "LBRF" means the local brownfield redevelopment fund established by the GTCBRA, as provided under Act 381.

(t) "Local Tax Increment Revenues" means that portion of the Tax Increment Revenues excluding the School Operating Millage and the State Education Tax millage.

(u) "Maximum Cost of Eligible Activities" means the GTCBRA's maximum obligation to pay for the Eligible Activities and not to exceed \$9,959,575, as defined in the approved Brownfield Plan and Act 381 Work Plan, as amended or supplemented.

(v) "Owner" means 2105 N US Highway 31 S II LLC.

(w) "Site" means the real property located in the County of Grand Traverse, State of Michigan, as described in attached **Exhibit A**, if applicable, and made a part hereof. The Site and its description in **Exhibit A** may be amended by the parties. Such a modification shall be by amendment of this Agreement and shall be in writing signed by both parties.

(x) "School Operating Millage" means the 18 mills captured as part of the Tax Increment Revenues.

(y) "State Brownfield Redevelopment Fund" means the fund established under Act 381 pursuant to Act 502 of the Public Acts of Michigan of 2012.

(z) "State Education Tax" means the 6 mills captured as part of the Tax Increment Revenues.

(aa) "Tax Increment Revenues" means tax increment revenues, as defined by Act 381, from all taxable real and personal property located on the Project Site during the life of the Brownfield Plan.

(bb) “Transaction Costs” means GTCBRA’s costs, expenses, and liabilities related to the authorization, execution, administration, oversight, fulfillment of the GTCBRA’s obligations under this the Agreement, which such items shall include, but not be limited to, direct or indirect fees and expenses incurred as a result of the application; amendments to the Brownfield Plan; approvals of the Development, Brownfield Plan, Act 381 Work Plan and this Agreement, and any subsequent amendments; printing costs; costs of reproducing documents; filing and recording fees; counsel fees; financial expenses; insurance fees and expenses; administration and accounting for the loan proceeds and tax increments revenues; oversight and review; and all other costs, liabilities, or expenses, related to preparation and carrying out or enforcing the Brownfield Plan, the Act 381 Work Plan and this Agreement, or other related agreements with Owner, if any, and any other costs, charges, expenses, and professional and attorney fees in connection with the foregoing.

Section 1.2 Number and Gender

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms.

ARTICLE 2.

COVENANTS OF THE OWNER

Section 2.1 Construction of Development

The Owner shall proceed with the Development and the obligations under this Agreement at its discretion with due care and diligence and commence and complete the Eligible Activities and the Development in accordance with this Agreement, and in accordance with any applicable law, regulation, code and ordinance. If Owner does not proceed with the Development, Owner shall not be entitled to reimbursement pursuant to this Agreement.

Section 2.2 Covenant to pay Financial Obligations

The Development will utilize the Owner’s own funds, including debt proceeds financed by the Owner, and receive reimbursement from the GTCBRA (also referred to as the “Debt Obligation”) to the extent of available Tax Increment Revenues for payment of the Eligible Activities in accordance with the terms of this Agreement, the Brownfield Plan, and the Act 381 Work Plan. The Owner shall complete the Certificate of Completion and Reimbursement, as attached in **Exhibit C**, and submit this information to the GTCBRA for certification of completion and verification of eligible activities incurred for the Development. The Tax Increment Revenues shall be utilized by the parties and payment made in the following order of priority:

- (a) First, ten percent (10%) of the annual Local Tax Increment Revenues will be retained by the GTCBRA and split equally to cover administrative, operating and Transaction Cost, and for deposit in the LBRF;
- (b) Second, fifty percent (50%) of the State Education Tax will be retained for deposit in the State Brownfield Redevelopment Fund;

- (c) Third, five percent (5%) of the School Operating Millage and State Education Tax will be deposited in the LBRF up to the amount of School Operating Millage and State Education Tax capture for EGLE Eligible Activities.
- (d) Fourth, following the amounts retained above, the remaining Tax Increment Revenues generated by the Development captured by the GTCBRA shall be paid to reimburse the Owner for approved Eligible Activities as provided in this Agreement, within 30 days of the GTCBRA approving such a payment to the Owner, provided that the GTCBRA has received sufficient Tax Increment Revenues to pay the requested reimbursement (in whole or in part). If a partial payment is made by the GTCBRA, because the GTCBRA had not yet received sufficient Tax Increment Revenues to pay the entire amount of the Owner's reimbursement, the GTCBRA shall make additional payments toward the remaining amount owed to the Owner within 30 days of its receipt of additional Tax Increment Revenues and will continue to make such payments to the Owner within 30 days of its receipt of additional Tax Increment Revenues until the entire amount owed to the Owner as a reimbursement is paid in full;

It is anticipated that there will be sufficient available Tax Increment Revenues to meet the obligations under this Agreement. However, if for any reason the Development does not result in sufficient Tax Increment Revenues to satisfy such obligations, the Owner agrees and understands that it will have no claim or further recourse of any kind or nature against the GTCBRA except from available captured Tax Increment Revenues, and if for any reason the Tax Increment Revenues are insufficient or there are none, then Owner assumes full responsibility for any such loss or cost.

The Owner further agrees and understands that the Tax Increment Revenues used to reimburse Owner for Eligible Activities under this Agreement may be limited to Tax Increment Revenues generated from Owner's Development.

It is expressly understood and agreed that the reimbursement by GTCBRA is subject to the following conditions:

- (a) Approval by EGLE, MSF and/or MSHDA, and GTCBRA of (1) the Act 381 Work Plan, as amended or supplemented, or (2) of the Eligible Activities as qualifying for school tax capture; however, to the extent Eligible Activities falls outside (1) or (2) of this subparagraph, then the Eligible Activities must be identified in the Work Plan, as amended, and approved by the GTCBRA for reimbursement from Local Tax Increment Revenues to the extent authorized by Act 381.
- (b) The Owner shall provide proof of ownership of the Site if applicable, and shall provide the GTCBRA with a list of any known potentially responsible party (PRP) for the contamination on the Site, and shall have performed all of the covenants, obligations, terms and conditions to be performed by it pursuant to this Agreement and any financing agreement or other agreement with GTCBRA, and all preconditions to the performance of the Owner shall have been satisfied.
- (c) Owner shall provide written proof of waivers of liens by any Environmental Consultant or any Contractor providing services as described in this Agreement.

- (d) Owner shall pay all real estate tax obligations when due.
- (e) GTCBRA shall only be obligated to reimburse the Debt Obligation that has been reviewed and approved by the GTCBRA. Approval of the application and subsequent approvals of brownfield plans, work plans, or any other determination of eligibility in no way guarantees or establishes a right to reimbursement of expenditures through tax increment financing prior to review or approval of invoices. Expenditures must be documented to be considered reasonable Eligible Activities by submission of invoices and other appropriate documentation. Reimbursement shall only occur pursuant to the terms and conditions of this Agreement, as well as the policies and procedures of the GTCBRA for review and approval of invoices. All invoices for any Eligible Activities on the Site must be submitted to the GTCBRA for its review within one year from the date of the invoice. While the GTCBRA may waive this requirement in its discretion for good cause shown, the GTCBRA shall be under no obligation to reimburse any invoice for Eligible Activities that is not submitted within such one-year period.

Section 2.3 Income and Rent Documentation and Reporting

- (a) The Developer shall monitor and annually provide to the GTCBRA and/or a third-party providing verification services to the GTCBRA sufficient evidence to demonstrate its compliance with the Annual Unit Income Restriction.
- (b) Prospective renters must verify eligibility to the Owner or their designee at the time of initial occupancy by self-certifying using the MSDHA Household Income Self-Certification Form or such other applicable form approved by the GTCBRA or MSHDA.
- (c) If after GTCBRA's review of Owner's Annual Unit Income Restriction report, GTCBRA determines that Owner did not meet the Annual Unit Income Restriction for the previous 12-month period based on occupied units, GTCBRA may withhold a pro-rata share of the total Tax Increment Revenues received from the Development in an amount equal to the percentage of the total units at the Site determined to not be in compliance with the Annual Unit Income Restriction. If Owner returns to compliance at the time of the next Annual Unit Income Restriction report, the GTCBRA shall reimburse Owner using all available Tax Increment Revenues available to the GTCBRA, including any amounts previously withheld. If, based on the formula outlined above, GTCBRA has any Tax Increment Revenues withheld at the end of the Term, GTCBRA may retain such funds for deposit in the LBRF, as provided under the Act, or remit such funds to the respective taxing jurisdictions.
- (d) The Owner shall provide to the GTCBRA no later than May 1 of each year during the Term of reimbursement under this Agreement a report attached as **Exhibit D** of the following, as applicable, for the preceding calendar year pursuant to reporting requirements under Section 16 of Act 381:
 1. Total Investment and new capital investment since the prior year's report.
 2. Square footage of new construction or renovation, whether residential, commercial, or other use, and use of new or renovated space.
 3. New jobs created.

4. Total number of housing units and total number of Income Restricted Units, indicating the number rented at rates at or below 100% of AMI.
5. Number of Income Qualified purchaser households served.
6. Number of Income Qualified renting households assisted.
7. Income Restricted Unit rental rates.
8. Racial and socioeconomic data on the individuals purchasing or renting the Income Restricted Units, or, if this data is not available, racial and socioeconomic data on the census tract in which the housing units are located.
9. Other information required to be reported to the State of Michigan to verify compliance with Act 381 unless that information is readily available to Grand Traverse County.

Section 2.4 Prohibition of Short-Term Rentals

- (a) During the term of Tax Increment Revenue capture and reimbursement and in accordance with Section 15(12)(m)(iv) of the Act, no short-term rentals are allowed in any of the residential units. Leases shall be consistent with Charter Township of Garfield zoning.
- (b) The Owner agrees to include notice of the short-term rental prohibition in any lease and is responsible for monitoring compliance with this provision.

Section 2.5 Indemnification of Indemnified Persons

- (a) The Owner shall defend, indemnify and hold the Indemnified Persons harmless from any loss, damages, costs, expense (including reasonable attorney's fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, demands or claims arising or resulting from the following:
 - (1) Any activity undertaken pursuant to this Agreement or from injuries to persons or property as a result of the construction, ownership or operation, use or maintenance of the Development.
 - (2) Any material acts or omissions, negligent or otherwise, of the Environmental Consultant and/or Contractors (as defined in Sec. 6.1) or their employees or agents in the performance of the work specified in this Agreement.
 - (3) The failure of the Environmental Consultant and/or Contractors to comply with the provisions of this Agreement.
- (b) If any suit, action or proceeding is brought against any Indemnified Person, the Indemnified Person shall promptly give notice to the Owner and the Owner shall defend such Indemnified Person with counsel selected by the Owner, which counsel shall be reasonably satisfactory to the Indemnified Person. In any such proceeding,

the Indemnified Person shall cooperate with the Owner and the Owner shall have the right to settle, compromise, pay or defend against any such claim on behalf of such Indemnified Person, except that the Owner may not settle or compromise any claim if the effect of doing so would be to subject the Indemnified Person to criminal penalties, unless such Indemnified Person gives its consent. The Owner shall not be liable for payment or settlement of any such claim or proceeding made without its consent.

- (c) The Owner also shall indemnify the Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in successfully enforcing or pursuing any obligation of or claim against the Owner or Owner's Environmental Consultant or Contractors under this Agreement or any related agreement. To the extent that the enforcement of such obligation or claim involves a claim against an Environmental Consultant or Contractor who performs work or services under the terms or within the scope of this Agreement, the Environmental Consultant's or Contractor's agreement with the Owner shall be deemed to be a third-party beneficiary contract in favor of the GTCBRA or any Indemnified Persons.
- (d) The Owner shall assure that to the extent an Environmental Consultant or Contractor provides services toward completion of any Eligible Activities, at a minimum, the Environmental Consultant or Contractor shall provide to the GTCBRA and the County proof of insurance set forth in Sec. 6.12 of this Agreement.
- (e) The Owner shall obtain written acknowledgment that the Environmental Consultant or any Contractor could be liable to GTCBRA for all damage, loss, injury or expense to the extent such person or entity's acts or omissions arising out of the performance of activities under this Agreement are actionable negligence or gross negligence, or constitute intentional misconduct; the Consultant or any Contractor shall be liable for contribution to GTCBRA for any such damage, loss, injury or expense of a third party arising out of such activities, notwithstanding Sec. 20128 of the NREPA, MCL 324.20128, for releases aggravated or proximately caused by the Environmental Consultant or Contractor. This paragraph shall not affect any other liabilities or remedies of the GTCBRA.
- (f) Notwithstanding any other provision of this Agreement, the Owner shall obtain their Environmental Consultant's and other Contractors' written agreements to defend, indemnify and hold harmless the Indemnified Persons against and from all liabilities, losses, damages, costs, expenses (including attorney fees), causes of action, suits, claims and demands for judgment, to the same extent as the Owner's indemnification provisions under this Section. This indemnity shall only apply to the Environmental Consultant's or Contractor's actions, and the Consultant or Contractor shall have no obligation to indemnify, defend or hold harmless the Indemnified Persons for any loss, liability, claim, damage, cost or expense arising out of, related to or resulting from any activities performed by other Environmental Consultants or Contractors on the Property.
- (g) The Owner shall not be obligated to indemnify any Indemnified Person under subsection (b) if the liability arises out of the Indemnified Person's negligence, willful

misconduct, or breach of this Agreement or the negligence or willful misconduct of any person or entity acting by, through or under any Indemnified Person.

- (h) The indemnity provisions shall survive the Term of this Agreement.
- (i) Proof of insurance required in subparagraph (d), the written acknowledgment in subparagraph (e) and the written agreement(s) in subparagraph (f) shall be filed with the GTCBRA before any work begins or before any reimbursement under the terms of this Agreement.
- (j) A breach of the foregoing provisions of Sec. 2.5 at the option of GTCBRA constitutes or will result in a breach of this Agreement.

Section 2.6 The Owner's Repayment Obligation

In the event any monies received by the Owner under this Agreement are determined to be outside the scope of Eligible Activities for the Development or not approved in accordance with this Agreement, or due to an appeal of any tax assessment or reassessment of any portion of the Site or for any other reason the GTCBRA is required to reimburse and Development Tax Increment Revenues to the taxing jurisdictions, the Owner shall return such monies to the GTCBRA. If the monies have been already utilized by the Owner, the GTCBRA shall invoice the Owner for the amount of such reimbursement and the Owner shall pay the GTCBRA such invoiced amount with 30 days of the Owner's receipt of the invoice. In addition to any other remedies, GTCBRA shall have the right of set-off for return or repayment of such monies against its obligations under this Agreement.

Section 2.7 Deduction from Owner's Right to Reimbursement

The Owner grants the GTCBRA the right to deduct or set off from any reimbursement obligation to Owner the costs incurred by the GTCBRA in the successful enforcement of the terms of this Agreement or other claims in the event of a breach or default of this Agreement by the Owner.

Section 2.8 Site Access

The Owner shall grant to GTCBRA, EGLE MSF and/or MSHDA, or their designated agents, access to the Site to exercise their respective rights related to the purposes and pursuant to the terms of this Agreement. Site access shall include the right to perform any Eligible Activities by the GTCBRA, as provided in the Brownfield Plan and Act 381 Work Plan, in the GTCBRA's discretion. The GTCBRA shall give the Owner 24 hours prior written notice of its intent to access the Site. If notice cannot be given due to an emergency or any other unforeseen circumstance, the GTCBRA shall give notice as is reasonable and practicable under the circumstances.

ARTICLE 3.

CONDITIONS PRECEDENT TO OWNER'S OBLIGATION

Section 3.1 Conditions Precedent to Owner's Obligations to Construct the Development

The obligations of Owner to complete Eligible Activities and construct the Development, as contemplated herein, are subject to the following conditions precedent which must be satisfied by the GTCBRA as required herein, except as expressly provided in this Agreement or otherwise waived by the Owner:

- (a) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owner, the County or the GTCBRA is a party, or threatened against the Owner, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Brownfield Plan or Act 381 Work Plan, which could result in an adverse decision which would have one or more of the following effects:
 - (1) A material adverse effect upon the ability of the GTCBRA to collect and use Tax Increment Revenues to repay its obligations under this Agreement.
 - (2) A material adverse effect on the Owner's or the GTCBRA's ability to comply with the obligations and terms of this Agreement, the Brownfield Plan, or the Act 381 Work Plan.
- (b) There shall have been no Event of Default by the GTCBRA and no action or inaction by the GTCBRA eventually which with the passage of time could become an Event of Default.
- (c) The GTCBRA shall have performed all of the terms and conditions to be performed by it pursuant to this Agreement.

ARTICLE 4.

COVENANTS OF THE GTCBRA

Section 4.1 Approval of Brownfield Plan and Submission of Act 381 Work Plan

The Brownfield Plan was approved by the GTCBRA on April 25, 2024 and Grand Traverse County Board of Commissioners on May 15, 2024, with the concurrence of the Charter Township of Garfield Board of Trustees on April 23, 2024 and the GTCBRA will submit the Act 381 Work Plan (and amendments as necessary) in accordance with Act 381 which will provide for the payment of Transaction Costs, deposits to the State Brownfield Redevelopment Fund and LBRF, and reimbursement to the Owner of the Owner's Eligible Activities that have been conducted, completed

and approved in accordance with the scope and terms of this Agreement, Act 381, the Brownfield Plan, and any applicable Act 381 Work Plan, and approved by the GTCBRA pursuant to its policies and procedures. These policies and procedures include, but are not limited to, the GTCBRA's standards for local tax incremental financing eligibility.

Section 4.2 Completion of Eligible Activities

Upon the Owner's satisfactory completion of the Eligible Activities described in the Brownfield Plan attached as **Exhibit B**, as amended or supplemented, pursuant to this Agreement, and approved by EGLE, MSF and/or MSHDA and where applicable approved by the GTCBRA, the GTCBRA shall reimburse the Owner subject to and in accordance with the terms set forth in this Agreement. The Owner shall have sole responsibility to pay the Owner's Environmental Consultant and/or Contractors for completion of such Eligible Activities and provide written waiver of any liens. If the Owner incurs any expenses or costs for any activities other than the Eligible Activities or the costs exceed the Maximum Cost of Eligible Activities as set forth in the Brownfield Plan, the Act 381 Work Plan, or approval of the GTCBRA, the Owner shall bear such costs without any obligation on the part of GTCBRA. If the costs of Eligible Activities set forth in the Brownfield Plan attached as **Exhibit B**, as amended or supplemented, are less than such Maximum Cost of Eligible Activities, then the Owner shall have no further right of reimbursement beyond its actual costs.

Section 4.3 GTCBRA or Contract Manager Oversight

The GTCBRA may retain the services of a qualified contract manager to exercise oversight of the Owner and its Environmental Consultant and/or Contractors for purposes of assuring that the activities, invoices and accounting by the Owner are fair, reasonable, and constitute Eligible Activities within the meaning and scope of this Agreement, the Brownfield Plan, the Act 381 Work Plan, and Act 381. The Owner shall provide to the GTCBRA Director and the GTCBRA's contract manager access to data, reports, sampling results, invoices, and related documents reasonably necessary to fulfill the exercise of such oversight. It is expressly understood that GTCBRA has no right to control or to exercise any control over the actual services or performance by the Owner of the Eligible Activities, except as to assurance that the Owner has met the conditions and requirements of this Agreement.

Section 4.4 Limitation of Obligations and Liabilities to Third Persons or Parties

The GTCBRA and County of Grand Traverse shall have no liability to the Owner under this Agreement except to reimburse the Owner for its Eligible Activities in accordance with the Act 381 Work Plan that have been approved by the EGLE, MSF, MSHDA and the GTCBRA as provided by law and under the terms of this Agreement. No other obligation or liability of GTCBRA to the Owner or any third person or party is created by this Agreement, except as stated herein.

ARTICLE 5.

CONDITIONS PRECEDENT TO GTCBRA'S OBLIGATIONS

Section 5.1 Conditions Precedent To GTCBRA's Obligation To Reimburse Eligible Activities Expenses For The Owner's Development

The obligations of the GTCBRA to reimburse costs to the Owner for completion of Eligible Activities expenses as contemplated herein shall be subject to the following conditions precedent which must be satisfied by the Owner as required herein, except as expressly provided in this Agreement or otherwise waived in writing by the GTCBRA. It is expressly agreed that the GTCBRA makes or gives no assurance of payment to the Owner by the mere fact that an Eligible Activity or a dollar amount for such activity is identified in the Work Plan, or as hereafter supplemented or amended, and that its designated contract manager shall have the right to review and approve all written summaries of and invoices for Eligible Activities for the reasonableness of services performed by any Environmental Consultant under this Agreement. However, so long as an Eligible Activity by the Owner has been approved and is authorized by Act 381 and has been completed and approved in accordance with the following procedure and this Agreement, Owner shall be entitled to reimbursement of its Eligible Activities expenses.

- (a) The Owner shall submit invoices of its expenses and a written statement demonstrating a factual basis that it has completed any Eligible Activities to the GTCBRA Director, for preliminary review and approval, within 30 days of Owner's payment of invoice. Pursuant to Section 2.2 above, the GTCBRA shall not have any obligation to reimburse any invoice that is submitted to the Authority later than one year after the original invoice date, regardless of when payment on the invoice was made. Within 14 days of receipt of the invoice, the GTCBRA Director shall review the invoice to determine the reasonableness of the invoice and activity as eligible, and recommend approval or denial of the invoice, in part or in full, at a meeting of the GTCBRA. In the event of an objection to the invoice, the GTCBRA Director will notify the Owner, and the Owner shall meet with the GTCBRA Director and resolve or cure the objection. If the objection is not resolved or cured within 45 days, there is no obligation to pay the portion of the invoice(s) objected to until the parties have mutually agreed in writing through an alternative dispute mediation or there is a final judgment or order of a court of competent jurisdiction directing payment.
- (b) No action, suit, proceeding or investigation shall be pending before any court, public board or body to which the Owner, the County or the GTCBRA is a party, or threatened against the Owner, the County or the GTCBRA contesting the validity or binding effect of this Agreement or the validity of the Brownfield Plan or which could result in an adverse decision which would have one or more of the following effects:
 1. A material adverse effect upon the ability of the GTCBRA to collect and use Tax Increments to pay the obligations.

2. A material adverse effect upon the ability of the Owner to conduct Eligible Activities.
 3. Any other material adverse effect on the Owner's or the GTCBRA's ability to comply with the obligations and terms of this Agreement, or the Brownfield Plan.
- (c) There shall have been no Event of Default by the Owner and no action or inaction by the Owner eventually which with the passage of time would likely become an Event of Default.
- (d) The Owner shows it is owner of the Site or the Site is under land contract, and the Owner is not in default on any contract or other agreement relating to its ownership, development, or use of the Site.
- (e) Proper approvals required under applicable federal and state laws or regulations, and local ordinances, codes or regulations for land uses and development have been secured.
- (f) The Owner has consent of any affected utility for relocation, burial or the activity to accomplish the Eligible Activities.
- (g) The Owner retains an Environmental Consultant or Contractor to advise, conduct, or complete the Eligible Activities related to the Eligible Activity obligations as set forth in this Agreement.
- (h) There is no change in law which would have one or more of the effects described above.
- (i) Any Tax Increment Revenues owed to a prior owner of the Site for Eligible Activities undertaken on the Site shall be paid to the prior owner of the Site pursuant to the policies and procedures of the GTCBRA unless otherwise directed by written agreement between the prior owner and the Owner.
- (j) If for any reason the Owner is unable to obtain title to the site, the GTCBRA is not obligated to perform any of the terms of this Agreement.
- (k) Owner has provided all required reports outlined in Section 2.3:

ARTICLE 6.

OWNER'S ENVIRONMENTAL CONSULTANT OR THEIR CONTRACTOR RESPONSIBILITIES

Section 6.1 Eligible Activities and Due Care Obligation

The Owner covenants that it will contract with a competent and qualified Environmental Consultant(s) and/or other competent and qualified contractors or subcontractors to conduct and

complete the Eligible Activities set forth in this Agreement and as set forth in the Act 381 Work Plan, as amended or supplemented, or the Brownfield Plan, as amended or supplemented, and to meet any due care obligation under Sec. 20107a, NREPA, MCL 324.20107a, in accordance with any EGLE requirements and approval. Each Environmental Consultant or Contractor hired by Owner shall be responsible for the activities that they perform on the Site, but the Environmental Consultant or Contractor shall not be liable for the actions of any persons performing work on the Site that are not performing work directly or indirectly for the Environmental Consultant or Contractor.

Section 6.2 Permits

The Environmental Consultant or Contractors shall examine all permits and licenses pertaining to the Site or Development to determine whether all applicable permits and licenses required to be issued by any governmental authority on account of any or all of the activities on the Site or the Development have been obtained or issued and are in full force and effect, and whether the Site or the Development and the activities there are in compliance with the terms and conditions of such permits and licenses, but limited to only those Eligible Activities performed by Owner's Environmental Consultant or Contractors, and specifically excludes all other activities performed by other Environmental Consultants or Contractors performing activities retained by another third party.

Section 6.3 ASTM and Industry Standards

The Owner, Environmental Consultant, or Contractors shall perform all services and Eligible Activities under this Agreement in accordance with any applicable *ASTM* or other industry standards.

Section 6.4 Other Services Performed for Owner

It is expressly understood that GTCBRA is not responsible for payment or reimbursement of any services for or expenses incurred by the Environmental Consultant and/or Owner that are not within the scope of or in accordance with all of the terms, conditions and provisions of this Agreement. This Agreement shall not be deemed or construed to create any rights to reimbursement or otherwise in the Environmental Consultant or Contractors, or any third parties; specifically, this Agreement shall not be construed to create any third-party beneficiary contract or claim.

Section 6.5 Regulatory Liaison and Data and Reports

If applicable, the Owner, Environmental Consultant or Contractors will provide communication services and attend meetings with the EGLE, MSF and MSHDA as it relates to those Eligible Activities performed by Owners Environmental Consultant or Contractors. Environmental Consultant or Contractor shall:

disclose on request to GTCBRA Director all data, reports and test results generated by the Environmental Consultant or Contractors within the scope of this Agreement, or in connection with the Development.

Section 6.6 Other Agreements

The Owner covenants that it will obtain a warranty from the Environmental Consultant or Contractor that it is not a party to any other existing or previous agreement which would adversely affect the

Environmental Consultant's or Contractor's ability to perform the services with respect to the Eligible Activities.

Section 6.7 Contractors

If the Owner hires any Environmental Consultant or Contractor, or retains any person, firm or corporation to perform services related to Eligible Activities under this Agreement, the Owner shall first secure the written acknowledgment from such party that such party is not and shall not be or act as an agent or employee of the GTCBRA, nor assume or create any duty, commitment or obligation on behalf of nor bind the GTCBRA in any respect whatsoever. A copy of such written acknowledgment shall be provided to GTCBRA.

Section 6.8 Non-Discrimination Clause

Neither the Owner, Environmental Consultant nor Contractor shall discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this provision may be regarded as a material breach of this Agreement.

Section 6.9 Independent Contractor

The Environmental Consultant and Contractors shall perform their services under this Agreement entirely as independent contractors, and shall not be deemed an agent, employee or legal representative of the GTCBRA or the County. The GTCBRA, County, Owner, Environmental Consultant and Contractors shall each have and maintain complete control over all their respective employees, agents and operators. Facts or knowledge of which the Environmental Consultant or Contractors become aware shall not be imputed to GTCBRA without communication to and receipt by managerial officials or employees of GTCBRA. The Environmental Consultant or Contractors have no authority to assume or create, and will not assume or create, any commitment or obligation on behalf of the GTCBRA in any respect whatsoever. Further, the Environmental Consultant or Contractors shall exercise their independent judgment for the services provided in this Agreement.

Section 6.10 Disposal of Hazardous Waste

In the event that samples or other materials contain substances classified as "hazardous waste" under state or federal law, the Owner shall, under a manifest signed by the Owner or its agent, as the generator, have such samples transported for final disposal to a location selected by the Owner or its Environmental Consultant or Contractors. It is expressly understood that the GTCBRA has no oversight or other control or authority over the Owner's obligation to properly dispose of Hazardous Waste under the terms of this Section.

Section 6.11 Compliance With Laws

While on the Site or Development, the Owner, the Environmental Consultant, and the Contractors shall impose work orders on their employees, agents and subcontractors which are designed to assure that they comply with all applicable federal, state and local laws and regulations (including occupational safety and environmental protection statutes and regulations) in performing services

under this Agreement, and shall comply with any directions of governmental agencies relating to site safety, security, traffic or other like matters.

Section 6.12 Limitation of Liability.

- (a) **Defend, Indemnify and Hold Harmless.** Notwithstanding any other provision of this Agreement, the Owner shall obtain Environmental Consultant's or Contractor's written agreement to defend, indemnify and hold the Indemnified Persons harmless against and from any loss, expense (including reasonable counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property caused by, related to or arising as a result of Environmental Consultant's or Contractor's acts or omissions, including:
- (1) Those which the GTCBRA may sustain as a result of the failure of the Environmental Consultant or Contractor to comply with the provisions of this Agreement; and/or
 - (2) Those which result from or arise out of any acts or omissions, negligent or otherwise, of the Environmental Consultant's or Contractor's employees, agents, contractors, or subcontractors in the performance of the work specified in this Agreement.
 - (3) This indemnity shall only apply to the Environmental Consultant's or Contractor's actions, and the Environmental Consultant or Contractor shall have no obligation to directly indemnify, defend or hold harmless the Indemnified Persons for any loss, liability, claim, damage, cost or expense arising out of, related to or resulting from any activities performed by other environmental consultants, contractors, or subcontractors on the Site.
- (b) **Contribution.** The Owner shall obtain written acknowledgment that the Environmental Consultant and any Contractor, could be liable to the GTCBRA for all damage, loss, injury or expense to the extent such person or entity's acts or omissions arising out of the performance of activities under this Agreement are actionable negligence or gross negligence, or constitute intentional misconduct; the Environmental Consultant and any Contractor, shall be liable for contribution to the GTCBRA for any such damage, loss, injury or expense of a third party arising out of such activities, notwithstanding Sec. 20128 of the NREPA, MCL 24.20128, for releases aggravated or proximately caused by the Consultant. This paragraph shall not affect any other liabilities or remedies of the GTCBRA but is limited to only those eligible Activities performed by the Owner's Environmental Consultant, and specifically excludes all other activities performed by other environmental consultants, contractors, or subcontractors performing activities.
- (c) **Survivorship of Covenants.** Any Consultant's or Contractor's, indemnity, hold harmless and release shall survive the termination of this Agreement and the Consultant's agreement with the Owner, but is limited to only those Eligible Activities performed by the Owner's Environmental Consultant, and specifically excludes all

other activities performed by other Environmental Consultants, Contractors, or Subcontractors performing activities.

- (d) The written agreement in subparagraph (a) of this section and written acknowledgment in subparagraph (b) shall be filed with the GTCBRA before any work begins or before any reimbursement under the terms of this Agreement.

Section 6.13 Environmental Consultant or Contractor Insurance

The Owner shall assure that the Environmental Consultant and Contractors performing any part of the Eligible Activities covered by this Agreement shall obtain and maintain the following policies of insurance:

- (a) Worker's Compensation Insurance in the amounts required under the laws of the State of Michigan;
- (b) Comprehensive General Liability and Automobile Insurance for bodily injury, death or loss or damage to property or third persons in the minimum amount of at least \$1 million per occurrence, which policy shall name the GTCBRA and the County as additional insured to the extent of the indemnity provided in Section 2.3.
- (c) Pollution or Environmental Impairment Insurance provided by contractors, subcontractors, and site work contractors engaging in environmental response activities, covering any sudden and non-sudden pollution or environmental impairment, including cleanup costs and defense, with limits of liability in the amount of at least \$ 1 million per occurrence.
- (d) As to the Environmental Consultant only, Professional Liability Insurance in the minimum amount of \$1 million per occurrence.
- (e) The Owner shall furnish to GTCBRA a certified copy of such policies of insurance within 30 days of the date of the commencement of the Eligible Activities by such Environmental Consultant or Contractor, and the period of coverage shall commence with the date of performance of the first Eligible Activity by such insured person or entity. The limits of insurance shall not be construed as a limitation on the Environmental Consultant's or Contractor's liability for damages, costs or expenses under this Agreement.

ARTICLE 7.

REPRESENTATIONS AND WARRANTIES

Section 7.1 Representations and Warranties of GTCBRA

GTCBRA represents and warrants to the Owner that:

- (a) GTCBRA is a public body corporate, established pursuant to Act 381, with all necessary corporate powers pursuant to that Act to enter into and perform this Agreement.
- (b) The execution and delivery of this Agreement has been duly authorized by all requisite action on the part of the GTCBRA, and this Agreement constitutes a valid and binding agreement of the GTCBRA enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

Section 7.2 Representations and Warranties of the Owner

The Owner represents and warrants to the GTCBRA that:

- (a) The Owner is a Michigan limited liability company with power under the laws of such state to carry on its business as now being conducted and has the power and authority to consummate the transactions contemplated under this agreement by the Owner.
- (b) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Owner, and this Agreement constitutes a valid and binding agreement of the Owner in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.
- (c) Except as part of the performance and completion of Eligible Activities under the terms of this Agreement, the Owner or its contractors shall not use the Site for the storage, treatment or disposal of hazardous or toxic wastes of unaffiliated third parties and shall comply with all applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees and orders in connection with any use of the Site, and shall obtain all necessary permits in connection therewith.
- (d) Owner warrants that it will comply with all obligations, covenants and conditions required of it or its agents or contractors under the terms of this Agreement.
- (e) Owner shall comply with all due care obligations under Sec. 7a of Part 201 of the NREPA.
- (f) Owner has not made any misrepresentation of fact in the inducement or in the performance or administration of this Agreement.

ARTICLE 8.

OWNER FINANCIAL ASSURANCES

Section 8.1 Insurance

The Owner shall obtain and provide proof of the following current in-force insurance:

- (a) If applicable, Worker's Compensation in the amounts required under the laws of the State of Michigan;
- (b) Comprehensive General Liability, including Umbrella Liability Insurance for any such underlying liability, and Automobile Insurance for bodily injury, death or loss or damage to property of third persons in the minimum amount of \$2 million per occurrence.

The Owner shall furnish to GTCBRA a certified copy of such policies at the later of i) 14 days of the date of this Agreement and ii) at the time the Owner acquires the Site and the period of coverage shall commence with the date of performance of the first Eligible Activity. GTCBRA will review the certified policies within 14 days of their receipt to determine if the insurance requirements have been satisfied. If the policies do not fully cover the Owner's liability, including indemnity obligations, under this Agreement, then the GTCBRA reserves its right to increase the amount of other financial assurances under Article 8 of this Agreement. The limits of insurance shall not be construed as a limitation on the Owner's liability for damages, costs or expenses under this Agreement.

ARTICLE 9.

DEFAULT, REMEDIES, AND TERMINATION

Section 9.1 Remedies Upon Default

Upon the occurrence of an Event of Default, the non-defaulting party may terminate this Agreement by giving written notice to the defaulting party, and the defaulting party shall have 28 days to cure the default. If the default is not cured within this time period, then the non-defaulting party shall have the right to terminate this Agreement or, at the election of such non-defaulting party, may obtain any form of relief permitted under this Agreement, and any applicable laws and court rules of the State of Michigan. Any right or remedy provided by a specific provision of this Agreement shall be deemed cumulative to, and not conditioned on, any other remedies upon default. The prevailing party shall be entitled to an award of reasonable costs and attorney fees.

Section 9.2 Tax Appeal.

Nothing in this Agreement shall limit the right of the Owner to appeal any tax assessment.

ARTICLE 10.

MISCELLANEOUS

Section 10.1 Term

The “Term” of this Agreement shall commence on the date first written above and shall expire upon payment in full of GTCBRA’s obligations under the Debt Obligation and shall not exceed the term of the Brownfield Plan.

Section 10.2 Sale or Transfer of Eligible Property or Site within the Brownfield Plan

Up until the Owner has satisfactorily completed its Eligible Activities and performed its obligations under the terms of this Agreement, the Owner shall not sell, convey, or transfer ownership of any portion of the Site to another owner to carry out the purposes and goals of the Brownfield Plan, or any existing Act 381 Work Plan, as described in this Agreement without the written approval of the GTCBRA. The GTCBRA, in its sole discretion, will determine whether an amendment to the Brownfield Plan is necessary. The proceeding does not prohibit the Owner from selling Site or units within structures to third parties for the land uses as contemplated by the Development. This section shall not apply to: (a) assignments between governmental entities (b) assignments of any interest in the Site or to Tax Increment Revenues for financing required for the development; (c) the establishment of another entity which shall operate the premises for the infrastructure purposes; and (d) transfer of membership interests within the Owner entity.

The Owner waives the right to reimbursement for outstanding Debt Obligations, or any other reimbursement obligation of the GTCBRA, to be paid through Tax Increment Financing captured from the portion of the Site that is sold, conveyed, or transferred unless the Owner complies with the following:

- (a) The Owner provides the prospective transferee with written notice of the Brownfield Plan and Act 381 Work Plan, the nature and extent of Eligible Activities performed by the Owner pursuant to the Brownfield Plan and Act 381 Work Plan, and the extent of any outstanding obligation for reimbursement for the Debt Obligation from taxes to be captured from the Site.
- (b) The Owner and the transferee enter into an allocation agreement covering how the Tax Increment Revenues collected on the Site shall be distributed between the Owner and the prospective purchaser for any outstanding obligations or future obligations for Eligible Activities on the Site.
- (c) The Owner provides the GTCBRA with copies of the written notice and the allocation agreement between the Owner and the transferee of the property prior to transfer of the Site.

Section 10.3 Assignment

Unless otherwise provided under this Agreement, neither this Agreement nor any of the rights or obligations contained within it may be assigned or otherwise transferred by the Owner, nor shall the benefits of this Agreement inure to the benefit of any trustee in bankruptcy, receiver or creditor of the Owner, whether by operation of law or otherwise, without the prior written consent of the GTCBRA which will not be unreasonably withheld. Any attempt to assign or transfer this Agreement or any of its rights without such written consent shall be null and void and of no force or effect, and a breach of this Agreement.

Section 10.4 Notices

All notices, certificates or communications required by this Agreement to be given shall be in writing and shall be sufficiently given and shall be deemed delivered when personally served, or when received if mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

If to GTCBRA:

Sarah Gum, Grand Traverse County Treasurer, and
Heidi Scheppe, GTCBRA Treasurer
Grand Traverse County Brownfield Redevelopment Authority
400 Boardman Avenue
Traverse City, MI 49684

With copies to:

Olson, Bzdok & Howard, P.C., Attorneys for GTCBRA
420 E. Front Street
Traverse City, MI 49686

Environmental Consulting & Technology, Inc., Consultants for GTCBRA
3399 Veterans Drive
Traverse City, MI 49684

If to the Owner:

Will Bartlett and Tom O'Hare, Principals
2105 N US Highway 31 S II LLC
235 N. Edgewood
Arlington, Virginia 22201

or to such other address as such party may specify by appropriate notice.

Section 10.5 Amendment and Waiver

No amendment or modification to or of this Agreement shall be binding upon any party hereto until such amendment or modification is reduced to writing and executed by all parties hereto. No waiver

of any term of this Agreement shall be binding upon any party until such waiver is reduced to writing, executed by the party to be charged with such waiver, and delivered to the other parties hereto.

Section 10.6 Entire Agreement

This Agreement contains all agreements between the parties. There are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties, except to the extent reference is made thereto in this Agreement.

Section 10.7 Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

Section 10.8 Captions

The captions and headings in this Agreement are for convenience only and in no way limit, define or describe the scope or intent of any provision of this Agreement.

Section 10.9 Applicable Law

This Agreement shall be governed in all respects, whether as to validity, construction, performance and otherwise, by the laws of the State of Michigan.

Section 10.10 Mutual Cooperation

Each party to this Agreement shall take all actions required of it by the terms of this Agreement as expeditiously as possible and shall cooperate to the fullest extent possible with the other parties to this Agreement and with any individual, entity or governmental agency involved in or with jurisdiction regarding the purposes of this Agreement. Each party to this Agreement shall execute and deliver all documents necessary to accomplish the purposes and intent of this Agreement, including, but not limited to, such documents or agreements as may be required by the Owner's lenders with respect to the Project to secure the Owner's financing from such lenders.

Section 10.11 Binding Effect

This Agreement shall be binding upon the parties hereto, and in the event of assignment under Sec. 10.3 upon their respective successors, transferees, and assigns. Owner shall provide written notice prior to transfer or assignment of Owner's interest to any subsequent purchaser and assign of the existence of this Agreement.

Section 10.12 No Waiver

No waiver by either party of any default by the other party in the performance of any portion of this Agreement shall operate or be construed as a waiver of any future default, whether like or different in character.

Section 10.13 Survival of Covenants

Except for the financial obligations, the covenants and provisions shall survive the Term of this Agreement.

Section 10.14 No Third-Party Beneficiaries

This Agreement shall not be deemed or construed to create any rights to reimbursement or otherwise in the Environmental Consultant, Contractors, or any third parties. This Agreement shall not be construed to create any third-party beneficiary contract or claim, and the parties intend there to be no third-party beneficiaries.

Section 10.15 Disputes

The parties acknowledge and agree that any disputes arising under this Agreement shall be resolved by a court of competent jurisdiction sitting in Grand Traverse County, Michigan.

Section 10.16 Digital Signatures

The Parties acknowledge and agree under the Uniform Electronic Transactions Act, MCL 450.832, et seq. that this Agreement may be executed with the electronic signature of any person authorized and required to sign on behalf of the Parties to this Agreement.

IN WITNESS WHEREOF, the GTCBRA and the Owner have caused this Agreement to be duly executed and delivered as of the date first written above.

Owner:
Signed by:

Will Bartlett

ABCE3E69CBE0451...
By: Will Bartlett
Its: Principal

GRAND TRAVERSE COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY

Signed by:

22EB3A98644E4D8...
By: Amanda Scott
Its: Chairman

Approved as to form:

Signed by:
Scott W. Howard
63680B2695C54F5...
By: Scott Howard
Its: Attorney

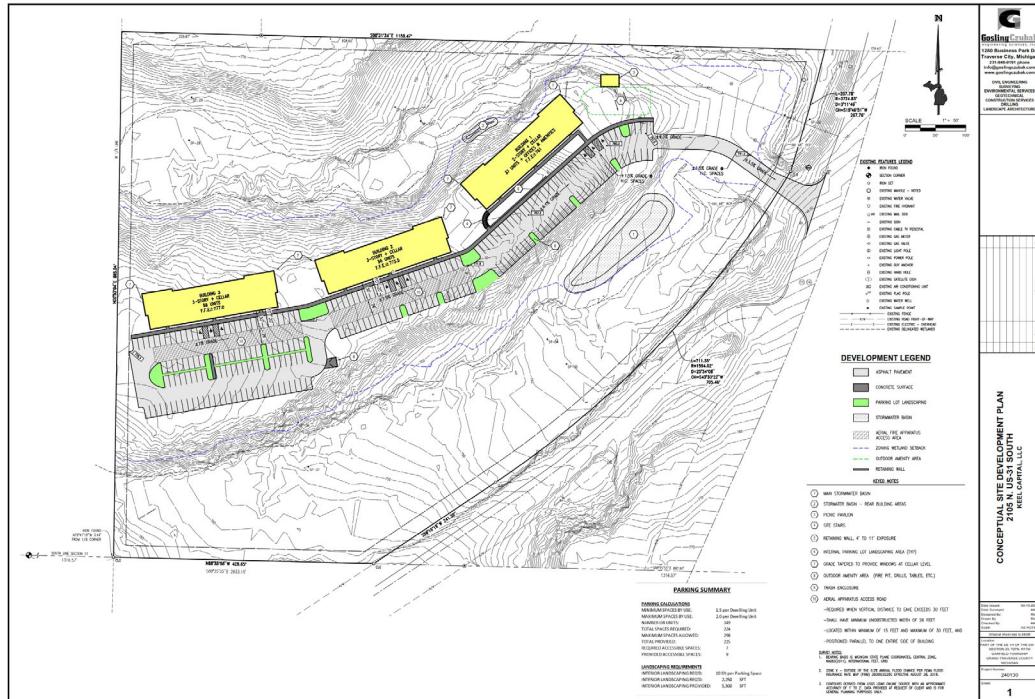
EXHIBIT A**DEVELOPMENT****Site Survey and Legal Description****Conceptual Site Plan**

EXHIBIT B

BROWNFIELD PLAN

EXHIBIT C

CERTIFICATE OF COMPLETION AND REIMBURSEMENT

TO: GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

The undersigned, as the _____ of

_____, a Michigan limited liability company (the “Developer”), submits this certification pursuant to the Reimbursement Agreement between the Developer and the Grand Traverse County Brownfield Development Authority (the “GTCBRA”), dated on or about _____, 20___(the “Reimbursement Agreement”). On behalf of the Developer in connection with certain activities completed at the Property (as hereinafter defined), I hereby certify as follows:

1. Attached as **Exhibit 1** is a narrative description of the activities (excludes housing development activities related to financing gap) that have been completed for the Property defined in the Reimbursement Agreement as of the date of this Certification for which the Developer seeks reimbursement. These activities qualify as Eligible Activities under Act 381, Public Acts of Michigan, 1996, as amended, and are eligible for reimbursement pursuant to the Brownfield Plan and the Reimbursement Agreement. The activities set forth in **Exhibit B** have been completed in the manner and in compliance with the terms of the Brownfield Plan and the Brownfield Plan’s supporting documents.
2. Attached as **Exhibit 2** are true, correct and complete copies of all: (a) documents or reports for which reimbursement is requested; (b) invoices covering the activities for which the Developer seeks reimbursement; and (c) substantiating documents for such invoices.
3. That Developer has timely paid the real estate taxes applicable to the Property, and that proof of payment is attached hereto.

The undersigned has executed this Certificate for Reimbursement on this _____ day of _____, 20___.

Signed: _____

Printed Name: _____

EXHIBIT D

ANNUAL ACTIVE PROJECT REPORTING FORM

TO: GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

The undersigned, as the _____ of _____, a Michigan limited liability company (the “Developer”), submits this reporting form pursuant to the Reimbursement Agreement between the Developer and the Grand Traverse County Brownfield Development Authority (the “GTCBRA”) on or about _____, 20____ (the “Reimbursement Agreement”). I hereby certify as follows:

1. As _____ of Developer, I am authorized to execute and deliver this reporting form, and can commit the Developer to the conditions, obligations, stipulations, and undertakings contained in the Brownfield Plan approved by the GTCBRA and the Reimbursement Agreement for the property located at _____(the “Property”).
2. Attached as **Exhibit 1** is a report on the status of the Project (as defined in the Brownfield Plan approved by the GTCBRA).

The undersigned has executed this Annual Active Project Reporting Form on this _____ day of _____, 20____.

Signed: _____

Printed Name: _____

EXHIBIT 1 TO EXHIBIT D**ANNUAL ACTIVE PROJECT REPORT**

PROJECT NAME	
STATUS OF PROJECT	
CAPITAL INVESTMENT	
AMOUNT OF NEW RESIDENTIAL SQUARE FOOTAGE	
NUMBER OF NEW OR REHABILITATED RESIDENTIAL UNITS	
AMOUNT OF RETAIL SQUARE FOOTAGE	
AMOUNT OF INDUSTRIAL SQUARE FOOTAGE	
AMOUNT OF COMMERCIAL SQUARE FOOTAGE	
*AMOUNT OF PUBLIC INFRASTRUCTURE LINEAR FOOTAGE (ex. sewer lines)	
*AMOUNT OF PUBLIC INFRASTRUCTURE SQUARE FOOTAGE (ex. park space)	
NUMBER OF JOBS CREATED	
NUMBER OF JOBS RETAINED	
TOTAL NUMBER OF HOUSING UNITS	
TOTAL NUMBER OF INCOME RESTRICTED UNITS RENTED AT RATES AT OR BELOW 100% AMI	
TOTAL NUMBER OF INCOME QUALIFIED PURCHASER HOUSEHOLDS SERVED	

TOTAL NUMBER OF INCOME QUALIFIED RENTING HOUSEHOLDS SERVED	
INCOME RESTRICTED UNIT RENTAL RATES	Studio: 1 Bedroom: 2 Bedroom: 3 Bedroom:
RACIAL AND SOCIOECONOMIC DATA ON INCOME QUALIFIED HOUSEHOLDS	
*only if costs are part of tax increment financing reimbursement request	

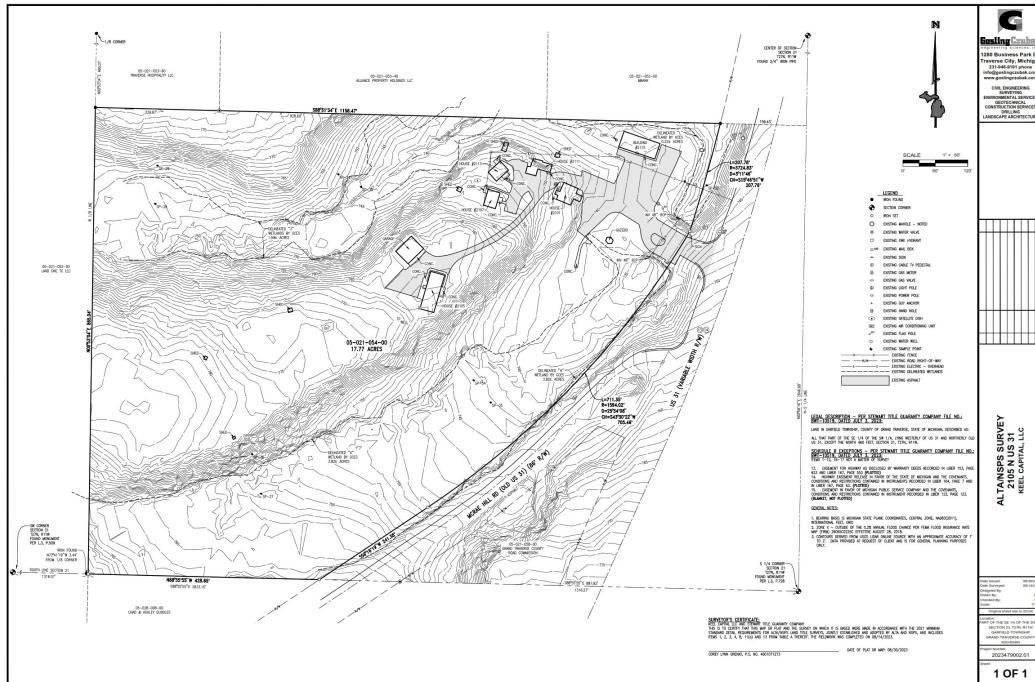
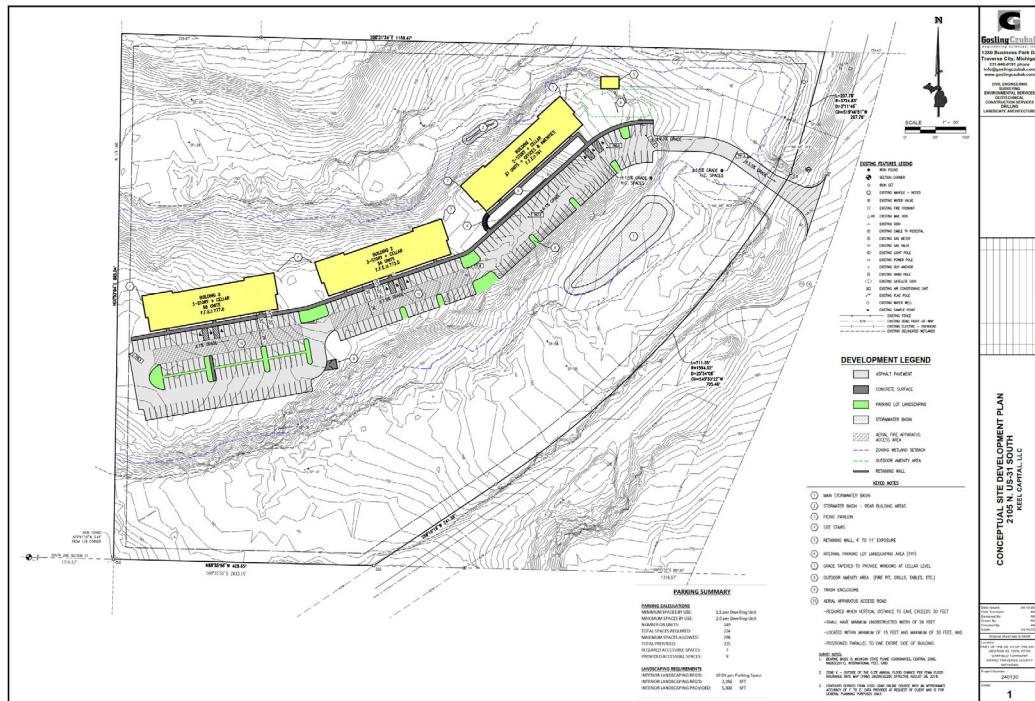
EXHIBIT A**DEVELOPMENT****Site Survey and Legal Description****Conceptual Site Plan**

EXHIBIT B

BROWNFIELD PLAN

ACT 381 BROWNFIELD PLAN

GAUTHIER REDEVELOPMENT CHARTER TOWNSHIP OF GARFIELD, GRAND TRAVERSE COUNTY, MICHIGAN

May 2024

Prepared by:

Mac McClelland
Mac Consulting Service, LLC
mactc@charter.net
231.633.6303

Concurrence by Charter Township of
Garfield Board of Trustees:

April 23, 2024

Approved by Grand Traverse County
Brownfield Redevelopment Authority:

April 25, 2024

Public Hearing:

May 15, 2024

Approved by Grand Traverse County
Board of Commissioners:

May 15, 2024

**Brownfield Plan
Gauthier Redevelopment
Charter Township of Garfield, Michigan**

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Project Summary

Keel Capital has a purchase agreement in place with the James E. and Phyllis A. Gauthier Trust for the acquisition of the Gauthier property located at 2105 N. US 31 South for the development of 149 workforce housing units. Closing is anticipated on June 24, 2024.

This Brownfield Plan will provide incremental tax revenues to repay certain Eligible Activities, including Baseline Environmental Assessment (BEA) and due care (known as Department Specific Activities), lead and asbestos abatement, demolition, and housing development activities that are critical to the economic viability of the redevelopment.

Environmental investigations have identified the presence of contaminants in soil and groundwater exceeding EGLE Generic Cleanup Residential Criteria and a Baseline Environmental Assessment has been prepared and will be submitted to EGLE. As a result, the property is a Part 201 Facility and qualifies as Brownfield Eligible Property under Act 381. The property also qualifies as Brownfield Eligible Property under the definition of Housing Property, which is the main purpose of this Brownfield Plan.

Project Name:	Gauthier Redevelopment
Project Location:	The Eligible Property is comprised of one parcel in the Charter Township of Garfield, 2105 N US 31 South, Parcel Identification Number 28-05-021-054-00
Type of Eligible Property:	Housing Property, Facility
Eligible Activities:	Baseline Environmental Assessment Activities, Due Care Activities, Housing Development Activities – (Asbestos Abatement, Demolition, Site Preparation, Infrastructure, Housing Financing Gap)

Eligible Activities	Environmental	Housing	TOTAL
ELIGIBLE ACTIVITY TOTAL	\$253,000	\$9,676,575	\$9,929,575

Period of Capture:	<i>20 years</i>	Estimated Investment:	<i>\$35,000,000</i>
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BROWNFIELD PLAN

GAUTHIER REDEVELOPMENT CHARTER TOWNSHIP OF GARFIELD, GRAND TRAVERSE COUNTY, MICHIGAN

GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

1.0 INTRODUCTION

Act 381, P.A. 1996, as amended, was enacted to promote the revitalization, redevelopment and reuse of sites identified as a facility, blighted, functionally obsolete, historic resource or housing property through incentives adopted as part of a Brownfield Plan. The Brownfield Plan outlines the qualifications, costs, impacts, and incentives for the project.

The Brownfield Plan must be approved by the Grand Traverse County Brownfield Redevelopment Authority (GTCBRA) established under Act 381, as amended and the Grand Traverse County Board of Commissioners (GTCBOC), with the concurrence of the Charter Township of Garfield Board of Trustees. The Michigan Department of Environment, Great Lakes and Energy (EGLE) must approve the Environmental ("Department Specific") Eligible Activities, with the exception of Baseline Environmental Assessment activities and Due Care Investigation and Planning, and the Michigan State Housing Development Authority (MSHDA) for Housing Development Activities, if state taxes are to be captured.

The Grand Traverse County Commission established the Grand Traverse County Brownfield Redevelopment Authority under the procedures required under Act 381 in 1997.

This Brownfield Plan is for the redevelopment of the Gauthier property south of the intersection of S. Airport Road and US 31 in the Charter Township of Garfield, Grand Traverse County, Michigan, consistent with Act 381. The Brownfield Plan describes the public purpose and qualifying factors for determining the site as an Eligible Property, the Eligible Activities and estimated costs, the impacts of tax increment financing, and other project factors.

1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The proposed redevelopment will remove the existing buildings, conduct site preparation activities, and construct three buildings with a total of 149 rental units with rental rates targeted at 100% of the Area Median Income (AMI), published by MDHDA and adjusted on an annual basis https://www.michigan.gov/mshda/rental/Property-Managers/compliance/Income_Rent_and_Utility_Limits.

Brownfield Plan
May 1, 2024

Gauthier Redevelopment
Grand Traverse County Brownfield Redevelopment Authority
Page 2

The property is zoned R-3 Multifamily Residential and is governed by the zoning ordinance of the Charter Township of Garfield. A Special Land Use Permit will be required for the proposed development.

The estimated private investment is anticipated at \$35,000,000. The project is located in the Charter Township of Garfield, which is not a Qualified Local Governmental Unit (QLGU).

1.2 Eligible Property Information

The Eligible Property includes one parcel, as described below:

Parcel Number	Address	Description	Acreage	Qualifying Status
28-05-021-054-00	2105 N. US 31 South	GA 281 A ALL THAT PART SE1/4 SW1/4 LYING WLY US 31 & NLY OLD US 31 EXC N 460' SEC 21 T27N R11W 19 A.	18.98	Housing Property Part 201 Facility

1.3 Public Purpose *MCL 125.2664(5)*:

The development of the Gauthier property into a 149-unit apartment complex for moderate income individuals and families will meet a critical community need for affordable and workforce housing and increase property taxes. After the Brownfield obligation is met, the project is estimated to generate property taxes at over **\$768,362** per year.

1.4 Housing Needs and Job Growth Data *MCL 125.2652(o)(ii)*

Housing Need

Housing North, a regional not-for-profit organization focused on housing solutions, issued a 10-county regional [Housing Needs Assessment of Northern Michigan](#), which includes Grand Traverse County. The Grand Traverse County Housing Needs Assessment showed an overall housing gap of 11,361 units, with a gap of 3,569 rental units and a gap of 7,792 for sale units over the period 2022 - 2027. Low-income and workforce (less than or equal to 120% of Area Median Income) housing gap is particularly acute, with a gap of 3,379 rental units and 5,751 for sale units.

The following is a summary conclusion from the Grand Traverse County Housing Needs Assessment:

"The county's housing market has availability and affordability issues, particularly among housing that serves lower income households. These housing challenges expose the county to losing residents to surrounding areas, making the community vulnerable to the existing housing stock becoming neglected, discouraging potential employers coming to the area, and creating challenges for local employers to retain and attract workers. There are housing gaps for both rental and for-sale housing alternatives at a variety of rents and price points. As such, county housing plans should encourage and support the development of a variety of product types at a variety of affordability levels."

Source: [Housing Needs Assessment Northern Michigan](#), Appendix G Grand Traverse County, Bowen National Research/Housing North, 2023.

Job Growth Data

According to the University of Michigan Department of Economics, Grand Traverse County is projected to see employment gains of 6.7 percent by 2050, the eleventh highest county employment growth rate in Michigan.

Source: [The Economic and Demographic Outlook for Michigan through 2050](#), Jacob T. Burton, Gabriel M. Ehrlich, Donald R. Grimes, Kyle W. Henson, Daniil Manaenkov, and Michael R. McWilliams University of Michigan

2.0 INFORMATION REQUIRED BY SECTION 13(2) OF THE STATUTE

2.1 Description of Project and Plan Costs MCL 125.2663(2)(a):

The project includes the development of 149 workforce housing units. The Brownfield Plan includes EGLE Department Specific and MSHDA Housing Development Eligible Activities:

EGLE Department Specific Eligible Activities include:

- Baseline Environmental Assessment Activities
 - Phase I Environmental Site Assessment
 - Phase II Environmental Site Assessment
 - Baseline Environmental Assessment
- Due Care Activities
 - Due Care Investigation, Planning and Documentation
 - Due Care Response Activities

MSHDA Housing Development Eligible Activities include:

- Lead and Asbestos Abatement
- Demolition
- Housing Financing Gap

- Site Preparation
- Infrastructure

Eligible Activities	Environmental	Housing	TOTAL
ELIGIBLE ACTIVITY TOTAL	\$253,000	\$9,676,575	\$9,929,575

Additional detail is provided in Table 1.1: EGLE Environmental Eligible Activities and Table 1.2 MSHDA Housing Development Eligible Activities.

The cost of Eligible Activities included in and authorized by this Brownfield Plan will be reimbursed with incremental applicable local and state tax revenue generated by the increased private investment on the Eligible Property and captured by the GTCBRA, subject to any limitation and conditions described in this Brownfield Plan and the terms of a Reimbursement Agreement between the Developer and the GTCBRA. State tax capture requires approval of an Act 381 Work Plan by EGLE for Environmental Eligible Activities, and MSHDA for Housing Development Activities, with exemptions for certain Eligible Activities, including Baseline Environmental Assessment, Due Care Investigation and Planning, and Pre-Demolition Surveys, as well as Asbestos Abatement and Demolition not to exceed \$250,000.

The Eligible Activity costs included in this Brownfield Plan are estimated and may increase or decrease depending on the nature and extent of unknown conditions encountered on the Eligible Property or other circumstances. Reimbursement will be based on the actual cost of Eligible Activities approved under this Brownfield Plan and an Act 381 Work Plan if applicable, from available Brownfield Tax Increment Financing (TIF) revenues captured by the Authority and shall be governed by the terms and conditions of the Reimbursement Agreement and Section 2 of Act 381 of 1996, as amended (MCL 125.2652). This Brownfield Plan and the Reimbursement Agreement establish the maximum Eligible Activity cost. Line-item Eligible Activity may be adjusted after the adoption of this Brownfield Plan with the approval of the Authority, as long as the total maximum Eligible Activity cost is not exceeded.

2.2 Summary of Eligible Activities *MCL 125.2663(2)(b):*

Act 381 provides for the costs of certain Eligible Activities to be reimbursed through tax increment financing. The following is a summary of Eligible Activities:

EGLE Department Specific Eligible Activities

1. **Baseline Environmental Assessment (BEA) Activities:** BEA Activities include a Phase I Environmental Site Assessment (ESAs), Phase II ESA, and a Baseline Environmental Assessment to provide an exemption for the developer from environmental liability for pre-existing contamination. Act 381 includes provisions for Baseline Environmental Activities to be conducted prior to the approval of a Brownfield Plan for local tax capture (Section 13b.(9)(b)) and for State tax capture without EGLE approval (Section 13b.(8)(a-b)), as long as included in a subsequent Brownfield Plan.
 - A. **Phase I ESA:** A Phase I ESA has been conducted for the Eligible Property with ASTM Standard E1527-21 in August 2023. The Phase I ESA includes a review of historical and current information, including regulatory agency files, historical maps, and past uses to evaluate the potential for contamination, a site inspection of both the grounds and the exterior and interior of buildings on the property, and interviews with individuals knowledgeable about the past use of the property to identify any Recognized Environmental Conditions (RECs). The Phase I report identified the following REC:
 1. The historical use of the property as an orchard, with the potential for residual pesticides, lead and/or arsenic remaining in on-site soils.
 - B. **Phase II ESA:** A Phase II Environmental Site Assessment was conducted for the Eligible Property in October 2023 to investigate the REC as part of the environmental due diligence process for property acquisition. Analysis of the soil samples identified the presence of arsenic exceeding EGLE Generic Cleanup Criteria for Direct Contact and Drinking Water Protection. As a result, the property does qualify as Brownfield Eligible Property as a Part 201 Facility, along with the qualification as Housing Property.
 - C. **Baseline Environmental Assessment:** A Baseline Environmental Assessment (BEA) has been prepared on behalf of Keel Capital, LLC to provide an exemption from environmental liability for pre-existing contamination.
2. **Due Care Investigation and Activities:** While the BEA provides an exemption from environmental liability for pre-existing contamination, new purchasers have due care obligations to prevent exposure to or exacerbation of pre-existing contamination. Act 381 includes provisions for Due Care Investigation Activities to be conducted prior to the approval of a Brownfield Plan for local tax capture (Section 13b.(9)(b)) and for state tax capture without EGLE approval (Section 13b.(8)(a,c)), as long as included in

a subsequent Brownfield Plan. There are three primary due care activities proposed under this Brownfield Plan:

- A. Due Care Investigation: Due to the presence of contaminated soils on the Eligible Property, additional investigation may be required to determine if exposure pathways are complete and if mitigation measures are required.
- B. Due Care Planning and Documentation: Following the completion of the due care investigation and determination of the redevelopment details of each future land use, the data summary and recommendations for meeting due care obligations will be included in a Response Activity Plan/Due Care Plan. The Response Activity Plan/Due Care Plan will describe the known contamination, proposed redevelopment activities, plans for mitigating unacceptable exposures and preventing exacerbation, recommendations for filing abandon container notices, notices to third parties who may be exposed to contamination (e.g., utility workers), and filing of Notices of Migration of Contamination, if necessary. In addition, an Environmental Construction Management Plan will be prepared to detail measures to protect on-site workers and construction measures to meet due care obligations. Once the due care measures are completed, Documentation of Due Care Compliance will be compiled.
- C. Due Care Exposure Pathway Mitigation: The Response Activity Plan/Due Care Plan and Environmental Construction Management Plan will identify specific measures to be taken to address due care requirements. These activities could include soil remediation; developing and implementing a soils management plan to safely relocate soils on the property or remove soils for transport and disposal to a licensed landfill; and/or institutional controls if necessary. These measures will be subject to approval of an Act 381 Work Plan by the EGLE for State tax capture.

The following tables estimate the costs for EGLE Department Specific Eligible Activities to be funded by tax increment revenues.

EGLE Department Specific Eligible Activity Cost

<u>Eligible Activities</u>	<u>Estimated Cost</u>
Baseline Environmental Assessment	\$36,000
Due Care Activities	\$184,000
Contingency (15%)	\$33,000
EGLE Department Specific Eligible Activities Subtotal	\$253,000

MSDHA Housing Development Eligible Activities

MSHDA Housing Development Eligible Activities are included under this Brownfield Plan under the auspices of Act 381. The MSHDA Housing Development Eligible Activities include Lead and Asbestos Abatement, Demolition, Site Preparation, and Housing Financing Gap.

1. *Lead and Asbestos Abatement:* NESHAP and MIOSHA regulations require a lead and asbestos survey prior to disturbance of certain buildings to demonstrate Potential Asbestos Containing Materials (PACMs) do not contain asbestos by properly testing materials in accordance with OSHA standards. Demolition or remodeling buildings that contain lead, cadmium and/or asbestos is subject to regulations to protect the health of the persons that may be affected.

Lead and Asbestos Abatement	Total
Pre-Demolition Survey	\$4,000
Monitoring	\$4,000
Abatement	\$22,000
TOTAL	\$30,000

2. *Demolition:* In preparation for redevelopment, all existing buildings and existing site appurtenances will be removed. The scope of work includes engineering specifications, contractor procurement and site demolition and selective demolition of the on-site buildings.

Demolition	Total
Site Demolition	\$20,000
Building Demolition	\$200,000
Engineering/Inspections	\$8,000
TOTAL	\$238,000

3. *Housing Financing Gap:* Act 381 provides for reimbursement from Brownfield TIF revenues of the financing gap between development costs and revenues for housing for qualified households with incomes not more than 120% of the Area Median Income (AMI).

The Gauthier Redevelopment Brownfield Plan includes the following costs related to the financing gap between development costs and revenues for the 149 residential units for qualified households of not more than 100% AMI, less than the 120% AMI rent requirement under Act 381.

The proposed Housing Financing Gap is less than calculated under the Grand Traverse County Brownfield Redevelopment Authority Potential Rent Loss calculation, provided in the Appendix.

Housing Development Eligible Activities	Total
Financing Gap between Development and Qualified Income	\$6,500,000
TOTAL	\$6,500,000

4. *Site Preparation:* Site preparation will consist of clearing and grubbing, subbase preparation, excavation for unstable soils and fill, land balancing and grading, geotechnical engineering, special foundations, relocation of active utilities, and temporary site and erosion control.

Site Preparation	Total
Earthwork	\$530,000
Geotech, Special Foundations	\$8,000
Retaining Walls	\$60,000
Staking, Temp Facilities	\$58,000
Architectural/Engineering	\$57,600
TOTAL	\$713,600

5. *Infrastructure:* Infrastructure costs will include a stormwater management system for the collection and infiltration of stormwater from impervious surfaces, including buildings and parking.

Infrastructure	Total
Utilities	\$767,000
Roads, Parking, Curb Gutter, Sidewalks	\$675,000
Stormwater Management System	\$216,000
Architectural/Engineering	\$132,640
TOTAL	\$1,790,640

A contingency of 15% is budgeted for abatement, demolition, site preparation, and infrastructure.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues MCL 125.2663(2)(c):

Act 381 defines Initial Taxable Value as taxable value of an Eligible Property identified in and subject to a Brownfield Plan at the time the resolution adding that Eligible Property in the Brownfield Plan is adopted, as shown either by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, if provided by the Brownfield Plan, by the next assessment roll for which equalization will be completed following the date the resolution adding that Eligible Property in the Brownfield Plan is adopted.

The taxable value as of December 31, 2022 is **\$308,812**. As provided in this Brownfield Plan, the Initial Taxable Value Base Year is 2023.

The EGLE Department Specific and MSHDA Housing Development Eligible Activity costs total **\$9,929,575**.

Other expenses for which Brownfield Tax Increment Revenues may be used include Administrative and Operating Costs of the GTCBRA, Local Brownfield Revolving Fund, and the State Brownfield Redevelopment Fund.

Administrative and Operating Costs (Section 13b(7))

Act 381 provides for the capture of Brownfield Tax Increment Revenues for reasonable and actual administrative and operating expenses of the GTCBRA with local taxes only, and the cost of developing and preparing Brownfield Plans and Act 381 Work Plans with both local and state taxes. The estimated amount of administrative and operating expenses allocated under this Brownfield Plan is \$196,207 and for Brownfield Plan / Act 381 Work Plan Development is \$80,000.

Local Brownfield Revolving Fund (“LBRF”) (Section 8; Section 13(2)(m))

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

The amount of tax increment revenue authorized for capture and deposit in the LBRF is currently estimated at \$359,065. All funds, if any, deposited in the LBRF shall be used in accordance with Section 8 of Act 381.

Brownfield Redevelopment Fund (Section 8a; Section 13(2)(m))

The GTCBRA shall pay to the Department of Treasury at least once annually an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, that are captured under this Plan for up to the first twenty-five (25) years of the duration of capture of tax increment revenues for each eligible property included in this Plan. If the GTCBRA pays an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on a parcel of eligible property to the Department of Treasury under Section 13b(14) of Act 381, the percentage of local taxes levied on that parcel

and used to reimburse eligible activities for the Project under this Brownfield Plan shall not exceed the percentage of local taxes levied on that parcel that would have been used to reimburse eligible activities for the Project under this Brownfield Plan if the 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on that parcel were not paid to the Department of Treasury under Section 13b(14) of Act 381. The estimated allocation to the State Brownfield Redevelopment Fund is \$798,531. The overall investment for the Project is estimated at over *\$35 million*.

Table 2 identifies taxable values for real and personal property, including tax increment revenues for the Eligible Property. In addition, 3 mils are captured and distributed to the State for the State Brownfield Redevelopment Fund for the time period in which State taxes are captured for EGLE Department Specific Eligible Activities. In accordance with Act 381, this share does not affect the State and local ratio. The Brownfield Plan proposes a capture period of *twenty (20) years* from the first year of capture, estimated to be 2027.

Redevelopment of the property will begin in Fall 2024, with initial asbestos abatement and demolition. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and equalized by the County and the millage rates set each year by the taxing jurisdictions. The estimated tax increment captured by the Authority is detailed in Table 2.

2.4 Method of Financing and Description of Advances Made by the Municipality MCL 125.2663(2)(d):

The Eligible Activities are to be financed solely by the Developer. The GCBRA will reimburse the Developer for the cost of approved Eligible Activities, but only from tax increment revenues generated and captured from the Eligible Property. No advances have been or shall be made by the Township or the GTCBRA for the costs of Eligible Activities under this Brownfield Plan.

2.5 Maximum Amount of Note or Bond Indebtedness MCL 125.2663(2)(e):

The maximum amount of Eligible Activities is anticipated to be \$9,929,575.

2.6 Beginning Date and Duration of Capture MCL 125.2663(2)(f):

The beginning date of capture is 2027. The duration of Brownfield Plan capture will be 20 years.

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2.7 Estimated Impact of Tax Increment Financing on Tax Revenues of Taxing Jurisdictions MCL 125.2663(2)(g):

Table 2.1 and 2.2 identify annual and total tax revenues projected for capture from the increase in property tax valuations. Individual tax levies within each taxing jurisdiction are also presented on Table 2.1. The taxing jurisdictions will continue to receive their tax allocation for the project once the Brownfield obligation is met and beyond the duration of the Brownfield Plan.

The total tax capture is estimated at \$9,929,575 for Eligible Activities. The Brownfield Plan also includes \$80,000 in Brownfield Plan development, approval and implementation, GTCBRA Administrative and Operating Costs, estimated at \$196,207 and capture of 50% of the State Education Tax for the State Brownfield Fund as required by Act 381, estimated at \$798,531 for this Brownfield Plan. The Brownfield Plan also provides for deposits into the Local Brownfield Revolving Fund (“LBRF”) for during the period of capture, with State tax capture limited to an amount equal to State tax capture for EGLE Department Specific Eligible Activities if available. LBRF deposits from local and state taxes are estimated at \$359,065.

After the Brownfield obligation is met, tax revenues in an amount estimated at \$768,362 per year on into the future.

2.8 Legal Description, Location, and Determination of Eligibility MCL 125.2663(2)(h):

Legal Description: The legal description of the Eligible Property follows:

Parcel Number	Address	Description	Acreage	Qualifying Status
28-05-021-054-00	2105 N. US 31 South	GA 281 A ALL THAT PART SE1/4 SW1/4 LYING WLY US 31 & NLY OLD US 31 EXC N 460' SEC 21 T27N R11W 19 A.	18.98	Housing Property Part 201 Facility

Location: The Eligible Property is located at 2015 N. US 31 South in the Charter Township of Garfield, Grand Traverse County, Michigan. Figure 1 depicts the location of the Eligible Property and Figure 2 depicts the Eligible Property boundaries.

Eligibility Determination: The property qualifies under the definition of “Housing Property” in Act 381 as property on which 1 or more residential housing units are proposed to be construction. In addition, A Phase II Environmental Site Assessment was conducted for the Eligible Property in October 2023 to investigate the REC as part of the environmental due diligence process for property acquisition. Analysis of the soil samples

Brownfield Plan

May 1, 2024

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identified the presence of arsenic exceeding EGLE Generic Cleanup Criteria for Direct Contact and Drinking Water Protection. As a result, the property also qualifies as Brownfield Eligible Property as a Part 201 Facility.

2.9 Estimate of Number of Persons Residing on Eligible Property MCL 125.2663(2)(i):

There are currently four residential dwellings or residences that occupy the Eligible Property.

2.10 Plan for Residential Relocation MCL 125.2663(2)(j):

The leases for the rental houses are on a month-to-month lease and expire at various times, but on or before September 30, 2024. Residents have been informed of the property acquisition and that the leases will not be renewed. Assistance will be provided as necessary to relocation assistance.

2.11 Provision of Costs of Relocation MCL 125.2663(2)(k):

Costs for relocation will be borne by the current lessees.

2.12 Strategy to Comply with Relocation Assistance Act, 1972 PA 227 MCL 125.2663(2)(l):

Relocation arrangements have been made by the current lessees.

2.13 Other Material Required by the Authority or Governing Body MCL 125.2663(2)(m):

None

EXHIBITS

FIGURES

- Figure 1 Eligible Property Location Map**
- Figure 2.1 Eligible Property Boundary**
- Figure 2.2 Survey**
- Figure 3 Site Photos**
- Figure 4 Eligible Property Preliminary Site Plan**
- Figure 5 Conceptual Elevations**

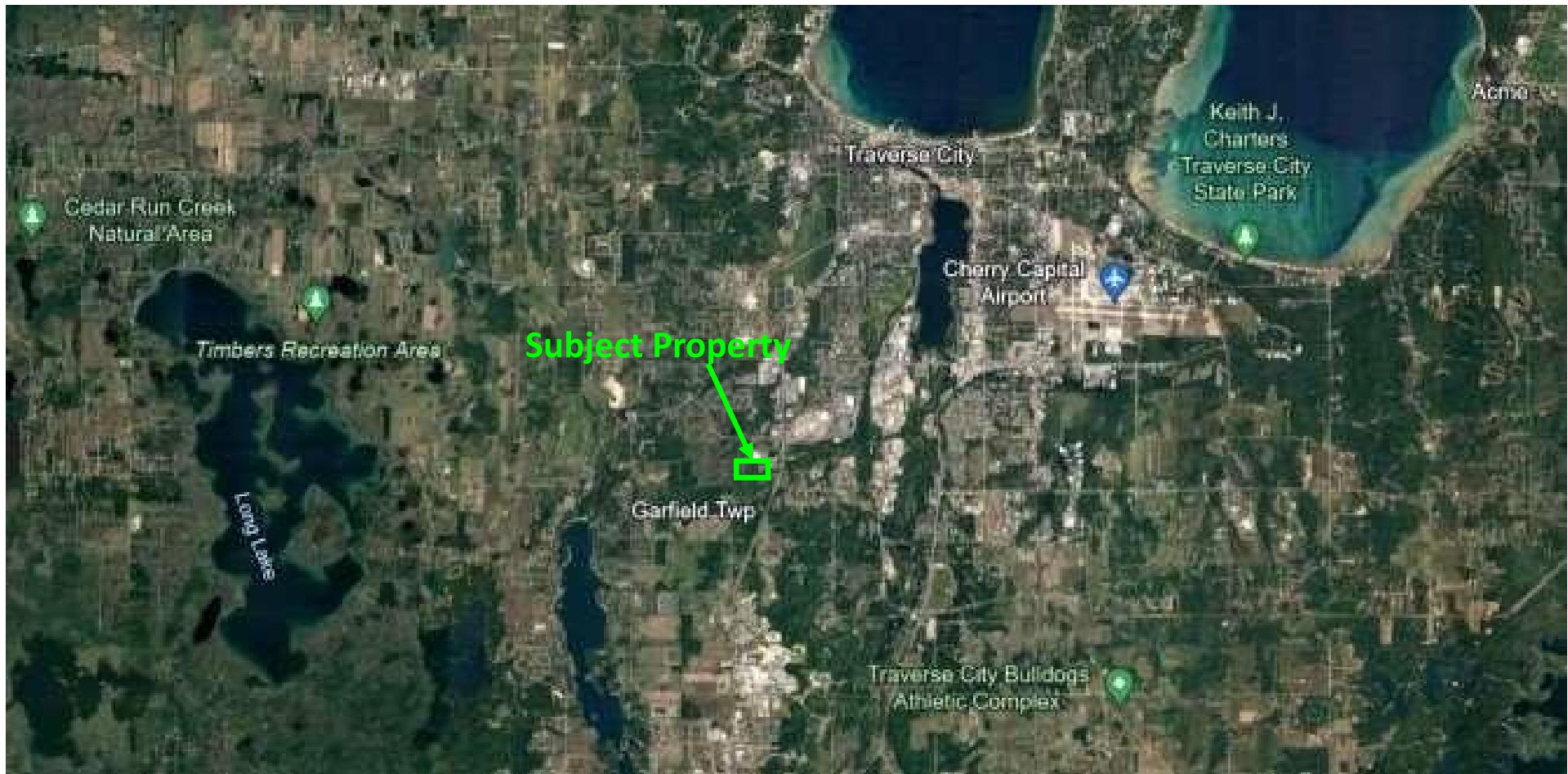
TABLES

- Table 1.1 Department Specific Eligible Activities Costs and Schedule**
- Table 1.3 Housing Development Eligible Activities Costs and Schedule**
- Table 2.1 – Annual Revenue and Brownfield Capture Estimates**
- Table 2.2 – Tax Increment Revenue Reimbursement Allocation Table**
- Table 3 – Potential Rent Loss Calculations**

ATTACHMENTS

- Attachment A – Brownfield Plan Resolutions**

FIGURES



**Brownfield Plan
Gauthier Redevelopment**

Grand Traverse County Brownfield Redevelopment Authority

Figure 1: Eligible Property Site Location

Source: Google Earth

Date: April 2024



**Brownfield Plan
Gauthier Redevelopment**

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Figure 2.1: Eligible Property Boundary

Source: Google Earth

Date: April 2024



Brownfield Plan Gauthier Redevelopment

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Figure 2.2: Survey

Source: Gosling Czubak Engineering Services, Inc., Traverse City, Michigan

Date: August 2023



US 31 N View - West



Shop Building



Undeveloped Property - West



Undeveloped Rolling Forestland

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Figure 3: Color Site Photographs

Source: Gosling Czubak Engineering
Services, Inc., Traverse City, Michigan

Date: July 2023



2101



2105



2107



2111



2113

Residences

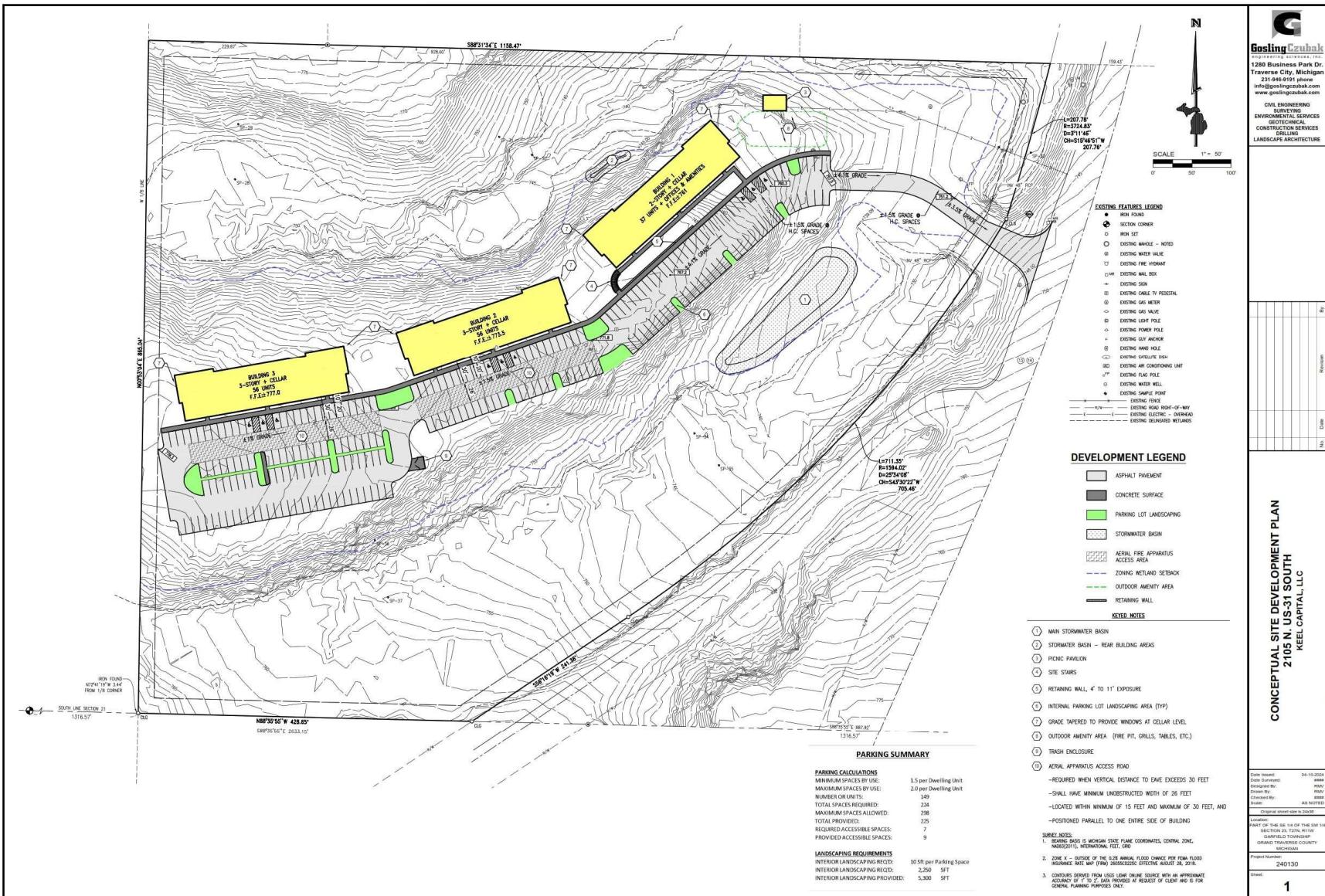
**Brownfield Plan
Gauthier Redevelopment**

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**Figure 3: Color Site
Photographs**

**Source: Gosling Czubak Engineering
Services, Inc., Traverse City, Michigan**

Date: July 2023



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Figure 4: Site Plan

Source: Gosling Czubak Engineering Services, Inc., Traverse City, Michigan

Date: April 2024

CONCEPTUAL ELEVATIONS



Note: Conceptual designs

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Figure 5: Conceptual Elevations

Source: Keel Capital

Date: April 2024

TABLES

Table 1.1 Environmental Eligible Activities Costs and Schedule

Table 1.3 Housing Development Eligible Activities Costs and Schedule

Table 2.1 – Annual Revenue and Brownfield Capture Estimates

Table 2.2 – Tax Increment Revenue Reimbursement Allocation Table

Table 3 – Potential Rent Loss Calculations

Table 1.1 EGLE Environmental Eligible Activities Costs	
GAUTHIER PROJECT	
GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY	
EGLE Environmental Eligible Activities	Cost
Department Specific Activities	
BEA Activities	
<i>Phase I ESA</i>	\$3,000
<i>Phase II ESA</i>	\$30,000
<i>Baseline Environmental Assessment</i>	\$3,000
<i>BEA Subtotal</i>	\$36,000
Due Care Activities	
<i>Due Care Investigation</i>	\$30,000
<i>Section 7A Compliance Analysis</i>	\$4,000
Due Care Measures	
<i>Soil Removal, Transport and Disposal</i>	\$150,000
<i>Due Care Subtotal</i>	\$184,000
Environmental Subtotal	\$220,000
Contingency (15%)	\$33,000
EGLE Eligible Activities Subtotal	\$253,000
Brownfield Plan/Act 381 Work Plan Preparation	\$5,000
Brownfield Plan/Act 381 Work Plan Implementation	\$5,000
EGLE Environmental Eligible Activities Total Costs	\$263,000

Table 1.3 MSHDA Housing Development Eligible Activities Costs		
GAUTHIER PROJECT		
GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY		
MSHDA Housing Development Eligible Activities	Cost	
Qualified Rehabilitation		
	<i>Subtotal</i>	\$0
Public Infrastructure Improvements		
	<i>Subtotal</i>	\$0
Demolition		
<i>Asbestos Abatement</i>		\$30,000
<i>Site Demolition</i>		\$20,000
<i>Building Demolition</i>		\$200,000
<i>Engineering/Inspections/CM</i>		\$8,000
	<i>Subtotal</i>	\$258,000
Financing Gap		
<i>Financing Gap between Development and Qualified Income</i>		\$6,500,000
	<i>Subtotal</i>	\$6,500,000
Infrastructure Improvements		
<i>Utilities</i>		\$767,000
<i>Roads, Curb and Gutter, Sidewalks</i>		\$675,000
<i>Stormwater Management</i>		\$216,000
<i>Architectural/Engineering Costs (8%)</i>		\$132,640
	<i>Subtotal</i>	\$1,790,640
Site Preparation		
<i>Clearing and Grubbing</i>		\$30,000
<i>Cut and Fill Operations</i>		\$100,000
<i>Geotechnical Engineering</i>		\$8,000
<i>Grading and Land Balancing</i>		\$400,000
<i>Retaining Walls</i>		\$60,000
<i>Staking</i>		\$8,000
<i>Temporary Facilities, Site Control, Protection</i>		\$50,000
<i>Soft Costs</i>		\$57,600
	<i>Subtotal</i>	\$713,600
Property Acquisition/Assistance		\$0
	<i>Subtotal</i>	\$0
	Private MSHDA Eligible Activities Subtotal	\$9,262,240
Contingency (15%)		\$414,335
	Private MSHDA Eligible Activities Subtotal	\$9,676,575
Brownfield Plan/Act 381 Work Plan Preparation		\$25,000
	Private MSHDA Eligible Activities SubTotal	\$9,701,575
Brownfield Plan/Act 381 Work Plan Implementation		\$45,000
	Public Eligible Activities Total	\$45,000
	MSHDA Eligible Activities Total Costs	\$9,746,575

**Table 2.1 - Annual Revenue and Brownfield Capture Estimates
Gauthier Redevelopment**

**Table 2.1 - Annual Revenue and Brownfield Capture Estimates
Gauthier Redevelopment**

Table 2.2 - Tax Increment Revenue Reimbursement Allocation Table
Gauthier Redevelopment
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Maximum Reimbursement	Proportionality	School & Local Taxes	State Brownfield Fund	LBRF	Local-Only Taxes	Total
State	61.9%	\$ 6,200,663	\$ 798,531	\$ 162,857		\$ 7,162,050
Local	38.1%	\$ 3,808,912	\$ -	\$ 196,207	\$ 4,201,327	
TOTAL	100.0%	\$ 10,009,575	\$ 798,531	\$ 359,065	\$ 11,363,377	
EGL Environmental		\$ 263,000				
MSF Non-Environmental		\$ -				
MSHDA Housing		\$ 9,746,575				
TOTAL		\$ 10,009,575				

Estimated Total Years of Capture:
Local Eligible Activities
State Eligible Activities
LBRF
TOTAL

Estimated Capture	\$ 10,009,575
Administrative Fees	\$ 196,207
State Revolving Fund	\$ 798,531
LBRF	\$ 359,065
TOTAL	\$ 11,363,377

Plan Year	Capture Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Calendar Year	notes	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2040	
Total State Incremental Revenue		\$ -	\$ -	\$ -	\$ 253,465	\$ 259,670	\$ 265,812	\$ 272,007	\$ 278,525	\$ 285,102	\$ 291,830	\$ 298,712	\$ 306,753	\$ 312,866	\$ 320,324	\$ 327,462	\$ 335,574	\$ 343,462
State Revolving Fund (50% of SET)		\$ 798,530	\$ -	\$ -	\$ 31,708	\$ 32,459	\$ 33,216	\$ 34,012	\$ 34,816	\$ 35,638	\$ 36,479	\$ 37,339	\$ 38,210	\$ 39,119	\$ 40,041	\$ 40,983	\$ 41,947	\$ 42,933
LBRF Allocation	5.0% \$	162,857			\$ -	\$ 11,098	\$ 11,361	\$ 11,629	\$ 12,185	\$ 12,473	\$ 12,768	\$ 13,069	\$ 13,377	\$ 13,692	\$ 14,014	\$ 14,344	\$ 14,681	\$ 15,026
State TIR Available for Reimbursement		\$ -	\$ -	\$ -	\$ 210,859	\$ 215,850	\$ 220,957	\$ 226,180	\$ 231,524	\$ 236,991	\$ 242,583	\$ 248,305	\$ 254,157	\$ 260,145	\$ 266,270	\$ 272,535	\$ 278,545	\$ 285,503
Total Local Incremental Revenue		\$ -	\$ -	\$ -	\$ 155,820	\$ 159,509	\$ 163,282	\$ 167,142	\$ 171,091	\$ 175,131	\$ 179,264	\$ 183,491	\$ 187,816	\$ 192,241	\$ 196,767	\$ 201,398	\$ 206,134	\$ 210,980
BRA Administrative Fee	5% \$	196,207	\$ -	\$ -	\$ 7,791	\$ 7,975	\$ 8,164	\$ 8,357	\$ 8,555	\$ 8,757	\$ 8,963	\$ 9,175	\$ 9,391	\$ 9,612	\$ 9,838	\$ 10,070	\$ 10,307	\$ 10,549
LBRF Allocation	5% \$	196,207	\$ -	\$ -	\$ 7,791	\$ 7,975	\$ 8,164	\$ 8,357	\$ 8,555	\$ 8,757	\$ 8,963	\$ 9,175	\$ 9,391	\$ 9,612	\$ 9,838	\$ 10,070	\$ 10,307	\$ 10,549
Local TIR Available for Reimbursement		\$ -	\$ -	\$ -	\$ 140,238	\$ 143,558	\$ 146,954	\$ 150,428	\$ 153,982	\$ 157,618	\$ 161,337	\$ 165,142	\$ 169,039	\$ 173,017	\$ 177,090	\$ 181,258	\$ 185,521	\$ 189,862
Total State & Local TIR Available		\$ -	\$ -	\$ -	\$ 351,097	\$ 359,408	\$ 367,910	\$ 376,608	\$ 385,506	\$ 394,609	\$ 403,921	\$ 413,447	\$ 423,192	\$ 433,161	\$ 443,360	\$ 453,793	\$ 464,466	\$ 475,385
REIMBURSEMENT	Beginning Balance	\$ 510,009,575	% Allocation	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Reimbursement	Phase I	\$ -	\$ -	\$ -	\$ 351,097	\$ 359,408	\$ 367,910	\$ 376,608	\$ 385,506	\$ 394,609	\$ 403,921	\$ 413,447	\$ 423,192	\$ 433,161	\$ 443,360	\$ 453,793	\$ 464,466	\$ 475,385
Reimbursement Balance		\$ 10,009,575	\$ 10,009,575	\$ 10,009,575	\$ 9,658,478	\$ 9,299,070	\$ 8,931,160	\$ 8,554,551	\$ 8,169,045	\$ 7,774,436	\$ 7,370,516	\$ 6,957,069	\$ 6,533,877	\$ 6,100,716	\$ 5,657,356	\$ 5,203,562	\$ 4,739,096	\$ 4,263,711
EGL Environmental Costs		\$ 263,000	\$ -	\$ -	\$ 9,225	\$ 9,443	\$ 9,667	\$ 9,895	\$ 10,129	\$ 10,368	\$ 10,613	\$ 10,863	\$ 11,119	\$ 11,381	\$ 11,649	\$ 11,923	\$ 12,204	\$ 12,491
State Tax Reimbursement	2.63%	\$ 162,921	\$ -	\$ -	\$ 5,540	\$ 5,671	\$ 5,806	\$ 5,943	\$ 6,083	\$ 6,227	\$ 6,374	\$ 6,524	\$ 6,678	\$ 6,835	\$ 6,996	\$ 7,161	\$ 7,329	\$ 7,502
Local Tax Reimbursement	2.63%	\$ 100,079	\$ -	\$ -	\$ 3,685	\$ 3,772	\$ 3,861	\$ 3,952	\$ 4,046	\$ 4,141	\$ 4,239	\$ 4,339	\$ 4,441	\$ 4,546	\$ 4,653	\$ 4,763	\$ 4,875	\$ 4,989
Total EGL Reimbursement Balance		\$ 263,000	\$ 263,000	\$ 263,000	\$ 253,775	\$ 244,332	\$ 234,665	\$ 224,769	\$ 214,640	\$ 204,272	\$ 193,659	\$ 182,796	\$ 171,677	\$ 160,295	\$ 148,646	\$ 136,723	\$ 124,519	\$ 112,028
State EGL Balance to Be Reimbursed		\$ 162,921	\$ 162,921	\$ 157,381	\$ 151,710	\$ 145,904	\$ 139,961	\$ 133,878	\$ 127,651	\$ 121,277	\$ 114,753	\$ 108,075	\$ 101,240	\$ 94,244	\$ 87,083	\$ 79,754	\$ 72,252	
Local EGL Balance to Be Reimbursed		\$ 100,079	\$ 100,079	\$ 96,394	\$ 92,622	\$ 88,761	\$ 84,808	\$ 80,762	\$ 76,621	\$ 72,382	\$ 68,043	\$ 63,601	\$ 59,055	\$ 54,402	\$ 49,640	\$ 44,765	\$ 39,776	
MSHDA Housing Development Costs		\$ 9,746,575	\$ -	\$ -	\$ 241,872	\$ 249,965	\$ 258,344	\$ 265,712	\$ 272,277	\$ 282,340	\$ 292,808	\$ 302,584	\$ 312,072	\$ 321,780	\$ 321,711	\$ 341,870	\$ 452,362	\$ 463,894
State Tax Reimbursement	97.37%	\$ 6,037,741	\$ -	\$ -	\$ 205,319	\$ 210,179	\$ 215,151	\$ 220,237	\$ 225,441	\$ 230,764	\$ 236,210	\$ 241,780	\$ 247,479	\$ 253,309	\$ 259,273	\$ 271,616	\$ 278,001	
Local Tax Reimbursement	97.37%	\$ 3,708,834	\$ -	\$ -	\$ 136,553	\$ 139,786	\$ 143,093	\$ 146,475	\$ 149,936	\$ 153,476	\$ 157,098	\$ 160,803	\$ 164,593	\$ 168,471	\$ 172,437	\$ 176,495	\$ 180,646	\$ 184,893
Total MSHDA Reimbursement Balance		\$ 9,746,575	\$ 9,746,575	\$ 9,404,703	\$ 9,054,738	\$ 8,696,495	\$ 8,329,782	\$ 7,954,405	\$ 7,570,164	\$ 7,176,857	\$ 6,774,273	\$ 6,362,200	\$ 5,940,420	\$ 5,508,709	\$ 5,066,839	\$ 4,614,577	\$ 4,191,682	
State MSHDA Balance to Be Reimbursed		\$ 6,037,741	\$ 6,037,741	\$ 5,832,423	\$ 5,622,244	\$ 5,407,093	\$ 5,186,855	\$ 4,961,414	\$ 4,730,650	\$ 4,494,441	\$ 4,252,661	\$ 4,005,181	\$ 3,751,872	\$ 3,492,599	\$ 3,227,224	\$ 2,955,608	\$ 2,677,606	
Local MSHDA Balance to Be Reimbursed		\$ 3,708,834	\$ 3,708,834	\$ 3,572,280	\$ 3,432,495	\$ 3,289,402	\$ 3,142,927	\$ 2,992,990	\$ 2,839,514	\$ 2,682,416	\$ 2,521,613	\$ 2,357,019	\$ 2,188,548	\$ 2,016,111	\$ 1,839,616	\$ 1,658,969	\$ 1,374,076	
Total Annual Reimbursement		\$ -	\$ -	\$ 351,097	\$ 359,408	\$ 367,910	\$ 376,608	\$ 385,506	\$ 394,609	\$ 403,921	\$ 413,447	\$ 423,192	\$ 433,161	\$ 443,360	\$ 453,793	\$ 464,466	\$ 475,385	

Table 2.2 - Tax Increment Revenue Reimbursement Allocation Table
Gauthier Redevelopment
 Grand Teton County Redevelopment Authority

Table 3 Potential Rent Loss Calculations
GAUTHIER PROJECT
GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

The FY 2024 Grand Traverse County, MI FMRs for All Bedroom

Year	Efficiency	Two-Bedroom			Four-Bedroom
		One-Bedroom	Three-Bedroom		
FY 2024 FMR	\$1,044	\$1,061	\$1,232	\$1,490	\$1,641
<u>FY 2023 FMR</u>	\$750	\$914	\$1,085	\$1,321	\$1,458
<u>FY 2023 FMR</u>	\$845	\$952	\$1,213	\$1,511	\$1,629

a Source : https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024summary.

MSHDA CONTROL RENT AT 100 AMI EST

Establish Control Rent (CR) MSHDA Calculations					
100 % AMI MSHDA			100 % AMI MSHDA		
Studio	\$ 1,575.00			\$ 1,575.00	
1- BR	\$ 1,687.00			\$ 1,687.00	
2- BR	\$ 2,025.00			\$ 2,025.00	
3- BR	\$ 2,337.00			\$ 2,337.00	
4- BR	\$ -			\$ -	
Establish the Potential Rent Loss (PRL) for the Project					
#Units	Square Ft	Mo. Rent avera	AMI	Loss	
Studio	19 405	\$ 1,150.00	75%	\$425.00	
1- BR	18 545	\$ 1,150.00	75%	\$537.00	
1- BR	56 618	\$ 1,375.00	90%	\$312.00	
2- BR	56 864	\$ 1,534.48	75%	\$490.52	
3- BR					
4- BR					
	149				

Determine PRL Gap				
Unit Type	loss X 12 mo.	X # of units	# of Yrs for TIF capture	
			20	
studio	\$5,100	19	\$1,938,000	
1-bed	\$6,444	18	\$2,319,840	
1-bed	\$3,744	56	\$4,193,280	
2-bed	\$5,886	56	\$6,592,548	
3-bed	\$0		\$0	
Total		149	\$15,043,668	

Add all PRL to Gap Cap Calculation to establish THS		
Studio		\$1,938,000
1- bed		\$6,513,120
2-bed		\$6,592,548
3-bed		\$0
Total THS		\$15,043,668

ATTACHMENT A – BROWNFIELD PLAN RESOLUTIONS

**CHARTER TOWNSHIP OF GARFIELD
GRAND TRAVERSE COUNTY, MICHIGAN**

**RESOLUTION 2024 10-T
RESOLUTION OF CONCURRENCE
GAUTHIER REDEVELOPMENT BROWNFIELD PLAN**

WHEREAS, The Michigan Brownfield Redevelopment Financing Act, Act 381, P.A. 1996 as amended, authorizes municipalities to create a brownfield redevelopment authority to promote the revitalization, redevelopment, and reuse of contaminated properties identified as a Part 201 Facility, blighted, functionally obsolete, historically designated, or housing property through tax increment financing of eligible environmental, non-environmental activities, and housing development eligible activities; and

WHEREAS, The Grand Traverse County Board of Commissioners established the Grand Traverse County Brownfield Redevelopment Authority in 1997; and

WHEREAS, The Grand Traverse County Brownfield Redevelopment Authority will review the Brownfield Plan for the redevelopment of the former Gauthier property for attainable / workforce housing at their April 25, 2024 meeting, with anticipated approval of the Brownfield Plan and recommendation of approval by the Grand Traverse County Board of Commissioners and concurrence by the Charter Township of Garfield Board of Trustees; and

WHEREAS, Act 381 requires the concurrence of the local unit of government in which the Brownfield project is located for Brownfield Plans under County Brownfield Redevelopment Authorities, and the former Gauthier property is located in the Charter Township of Garfield; and

WHEREAS, A public hearing will be held by the Grand Traverse County Board of Commissioners on May 15, 2024 and will consider the Gauthier Redevelopment Brownfield Plan at their regular meeting on May 15, 2024; and

NOW THEREFORE BE IT RESOLVED, that pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of 1996, as amended, being MCL 125.2651, *et seq.*, the Charter Township of Garfield Board of Trustees hereby concurs and determines that the Brownfield Plan constitutes a public purpose, with the Gauthier Redevelopment Brownfield Plan in the Charter Township of Garfield.

Moved: Molly Agostinelli

Supported: Chris Barsheff

Ayes: Agostinelli, Barsheff, Macomber, Schmuckal, McManus

Nays: None

Absent and Excused: Steve Duell and Chuck Korn

RESOLUTION 2024-10-T DECLARED ADOPTED

By:

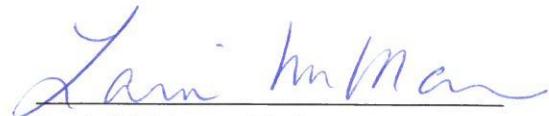

Lanie McManus, Clerk

Charter Township of Garfield

CERTIFICATE

I, Lanie McManus, Clerk of the Charter Township of Garfield, do hereby certify that the above is a true and correct copy of Resolution 2024-10-T which was adopted by the Township Board of the Charter Township of Garfield on the 23rd day of April, 2024.

Dated: 4-24-2024



Lanie McManus, Clerk
Charter Township of Garfield

R E S O L U T I O N

APPROVAL OF A BROWNFIELD PLAN FOR GRAND TRAVERSE COUNTY PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS OF THE STATE OF MICHIGAN OF 1996, AS AMENDED

Gauthier Redevelopment Charter Township of Garfield, Grand Traverse County, Michigan

WHEREAS, The Michigan Brownfield Redevelopment Financing Act, Act 381, P.A. 1996 as amended, authorizes municipalities to create a brownfield redevelopment authority to promote the revitalization, redevelopment, and reuse of contaminated properties identified as a facility, blighted, functionally obsolete, historic resource, or housing property through tax increment financing of eligible environmental and housing development eligible activities; and

WHEREAS, The Grand Traverse County Board of Commissioners established the Grand Traverse County Brownfield Redevelopment Authority in 1997 and appointed its members; and

WHEREAS, a Brownfield Plan has been prepared and submitted for the redevelopment of the former Gauthier property in the Charter Township of Garfield that outlines the qualifications, costs, impacts, and incentives for the project for reimbursement from Brownfield Tax Increment Financing revenues with the adoption of the Brownfield Plan inclusive of state and local property taxes; and

WHEREAS, the Grand Traverse County Brownfield Redevelopment Authority (Authority) met at a regular meeting on April 25, 2024 and reviewed the Brownfield Plan for the former Gauthier Redevelopment in the Charter Township of Garfield, Grand Traverse County, Michigan; and,

WHEREAS, the properties on which the Brownfield Plan is based are located within the Charter Township of Garfield; and,

WHEREAS, Pursuant to Act 381, concurrence will be considered by the Charter Township of Garfield Board of Trustees on April 23, 2024; and

WHEREAS, A public hearing on the Brownfield Plan by the Grand Traverse County Board of Commissioners will be noticed and anticipated to be held on May 15, 2024 and notice to taxing jurisdictions will be provided in compliance with the requirements of Act 381.

WHEREAS, the Brownfield Plan will be considered by the Grand Traverse County Board of Commissioners following the notice and public hearing requirements set forth in Act 381 on May 15, 2024.

NOW, THEREFORE, BE IT RESOLVED, THAT:

The Authority recommends approval of the Brownfield Plan, subject to approval as to substance by the GTCBRA Director and as to form by GTCBRA Counsel, based on the following conclusions:

1. The Brownfield Plan constitutes a public purpose and will facilitate investment and redevelopment of the properties described in the Brownfield Plan by:
 - a. Providing attainable / workforce housing
 - b. Increasing tax base
 - c. Redeveloping a contaminated underutilized property
2. The Brownfield Plan is consistent with the requirements of Section 14(1) of Act 381 (MCL 125.2664), in particular:
 - a. The Brownfield Plan provides all the information required in Section 13 of Act 381 (MCL.2663).
 - b. Eligible Activity costs will be reimbursed to the eligible parties identified in the Development and Reimbursement Agreement through the capture of tax increment revenue.
 - c. The costs of Eligible Activities proposed are reasonable and necessary to carry out the purposes of Act 381.
3. This Brownfield Plan also contemplates the capture of tax increment revenue derived from “taxes levied for school operating purposes” (as defined by Section 2(ggg) of Act 381 and hereinafter referred to as “School Taxes”), the Developer acknowledges and agrees that GTCBRA’s obligation to reimburse the Developer for the cost of eligible activities with tax increment revenue derived from Local Taxes (as these capitalized terms are defined by Act 381) is contingent upon: (i) the Developer receiving at least the initial applicable work plan approvals by the Michigan State Housing Development Authority (“MSHDA”) and EGLE as may be required pursuant to Act 381, within 270 days after the date this Plan is approved by the governing body (or such other date as the GTCBRA may agree to in writing); or (ii) the Developer providing the GTCBRA with evidence, satisfactory to GTCBRA, that the Developer has the financial means to complete the Project without the capture of, and subsequent reimbursement with, the contemplated School Taxes.

AYES: Scott, Peck, Sieffert, O'Brien , Streit, and Shaw

NAYES: None

ABSENT AND EXCUSED: Radtke

RESOLUTION DECLARED _____ on this 25th day of April, 2024.

DocuSigned by:

22EB3A98644E4D8...
Amanda Scott, Chairperson



Resolution 45-2024

Date: May 15, 2024

APPROVAL OF A BROWNFIELD PLAN FOR GRAND TRAVERSE COUNTY PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF ACT 381 OF THE PUBLIC ACTS OF THE STATE OF MICHIGAN OF 1996, AS AMENDED

**Gauthier Redevelopment
Charter Township of Garfield
Grand Traverse County, Michigan**

WHEREAS, The Michigan Brownfield Redevelopment Financing Act, Act 381, P.A. 1996 as amended, authorizes municipalities to create a brownfield redevelopment authority to promote the revitalization, redevelopment, and reuse of sites identified as a facility, blighted, functionally obsolete, historically designated, or housing property through tax increment financing of certain eligible activities; and

WHEREAS, The Grand Traverse County Board of Commissioners established the Grand Traverse County Brownfield Redevelopment Authority in 1997; and

WHEREAS, The Grand Traverse County Brownfield Redevelopment Authority has reviewed the Brownfield Plan for the Gauthier Redevelopment Project at their April 25, 2024 meeting and recommends approval by the Grand Traverse County Board of Commissioners and concurrence by Charter Township of Garfield Board of Trustees; and

WHEREAS, The Charter Township of Garfield Board of Trustees reviewed the Brownfield Plan at their April 23, 2024 meeting and concurs with the Brownfield Plan, as required by Act 381; and

WHEREAS, The Grand Traverse County Board of Commissioners has determined that the Brownfield Plan constitutes a public purpose of providing attainable / workforce housing, redevelopment of a contaminated underutilized property, increased private investment and economic development and increased property tax value; and

WHEREAS, A public hearing on the Brownfield Plan has been noticed and held on May 15, 2024, and notice to taxing jurisdictions has been provided in compliance with the requirements of Act 381;

NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF COMMISSIONERS, THAT WHEREAS,
The Grand Traverse County Board of Commissioners has reviewed the Brownfield Plan and
finds, in accordance with the requirements of Section 14 of Act 381 that:

- (a) The Brownfield Plan meets the requirements of Section 13 of Act 381, Brownfield Plan Provisions as described in the Brownfield Plan, consistent with format recommended by the State of Michigan, including a description of the costs intended to be paid with tax increment revenues, a brief summary of eligible activities, estimate of captured taxable value and tax increment revenues, method of financing, maximum amount of indebtedness, beginning date and duration of capture, estimate of impact on taxing jurisdictions, legal description of eligible property, estimates of persons residing on the eligible property if applicable, and a plan and provisions for relocation of residents, if applicable.
- (b) The proposed method of financing the costs of eligible activities, private financing arranged by the private developers is feasible and the Brownfield Authority will not arrange financing, as described on Page 11 of the Brownfield Plan.
- (c) The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381, including asbestos abatement and demolition that is necessary to clear the site, site preparation activities to provide for project construction, and infrastructure to manage stormwater from impervious surfaces, including buildings and parking, and the cost estimates are based on evaluation from certified professionals, experience in comparable projects, and preliminary discussions with reputable companies, as described on Pages 5 - 9 of the Brownfield Plan; and
- (d) The amount of captured taxable value estimated from the adoption of the Brownfield Plan is reasonable, as calculated in Table 2 of the Brownfield Plan, based on calculations of the tax revenues derived from taxable value increases and millage rates approved and authorized by the taxing jurisdictions on an annualized basis and balances against the outstanding eligible activity obligation approved as part of the Brownfield Plan and expenses reviewed and approved by the Grand Traverse County Brownfield Redevelopment Authority; and

BE IT FURTHER RESOLVED, that pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of 1996, as amended, being MCL 125.2651, et seq, the Grand Traverse County Board of Commissioners hereby approves the Brownfield Plan for the Gauthier Redevelopment Project in the Charter Township of Garfield.

EXHIBIT C

CERTIFICATE OF COMPLETION AND REIMBURSEMENT

TO: GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

The undersigned, as the _____ of

_____, a Michigan limited liability company (the “Developer”), submits this certification pursuant to the Reimbursement Agreement between the Developer and the Grand Traverse County Brownfield Development Authority (the “GTCBRA”), dated on or about _____, 20___(the “Reimbursement Agreement”). On behalf of the Developer in connection with certain activities completed at the Property (as hereinafter defined), I hereby certify as follows:

1. Attached as **Exhibit 1** is a narrative description of the activities (excludes housing development activities related to financing gap) that have been completed for the Property defined in the Reimbursement Agreement as of the date of this Certification for which the Developer seeks reimbursement. These activities qualify as Eligible Activities under Act 381, Public Acts of Michigan, 1996, as amended, and are eligible for reimbursement pursuant to the Brownfield Plan and the Reimbursement Agreement. The activities set forth in **Exhibit B** have been completed in the manner and in compliance with the terms of the Brownfield Plan and the Brownfield Plan’s supporting documents.
2. Attached as **Exhibit 2** are true, correct and complete copies of all: (a) documents or reports for which reimbursement is requested; (b) invoices covering the activities for which the Developer seeks reimbursement; and (c) substantiating documents for such invoices.
3. That Developer has timely paid the real estate taxes applicable to the Property, and that proof of payment is attached hereto.

The undersigned has executed this Certificate for Reimbursement on this _____ day of _____, 20___.

Signed: _____

Printed Name: _____

EXHIBIT D

ANNUAL ACTIVE PROJECT REPORTING FORM

TO: GRAND TRAVERSE COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

The undersigned, as the _____ of _____, a Michigan limited liability company (the “Developer”), submits this reporting form pursuant to the Reimbursement Agreement between the Developer and the Grand Traverse County Brownfield Development Authority (the “GTCBRA”) on or about _____, 20____ (the “Reimbursement Agreement”). I hereby certify as follows:

1. As _____ of Developer, I am authorized to execute and deliver this reporting form, and can commit the Developer to the conditions, obligations, stipulations, and undertakings contained in the Brownfield Plan approved by the GTCBRA and the Reimbursement Agreement for the property located at _____(the “Property”).
2. Attached as **Exhibit 1** is a report on the status of the Project (as defined in the Brownfield Plan approved by the GTCBRA).

The undersigned has executed this Annual Active Project Reporting Form on this _____ day of _____, 20____.

Signed: _____

Printed Name: _____

EXHIBIT 1 TO EXHIBIT D**ANNUAL ACTIVE PROJECT REPORT**

PROJECT NAME	
STATUS OF PROJECT	
CAPITAL INVESTMENT	
AMOUNT OF NEW RESIDENTIAL SQUARE FOOTAGE	
NUMBER OF NEW OR REHABILITATED RESIDENTIAL UNITS	
AMOUNT OF RETAIL SQUARE FOOTAGE	
AMOUNT OF INDUSTRIAL SQUARE FOOTAGE	
AMOUNT OF COMMERCIAL SQUARE FOOTAGE	
*AMOUNT OF PUBLIC INFRASTRUCTURE LINEAR FOOTAGE (ex. sewer lines)	
*AMOUNT OF PUBLIC INFRASTRUCTURE SQUARE FOOTAGE (ex. park space)	
NUMBER OF JOBS CREATED	
NUMBER OF JOBS RETAINED	
TOTAL NUMBER OF HOUSING UNITS	
TOTAL NUMBER OF INCOME RESTRICTED UNITS RENTED AT RATES AT OR BELOW 100% AMI	
TOTAL NUMBER OF INCOME QUALIFIED PURCHASER HOUSEHOLDS SERVED	

TOTAL NUMBER OF INCOME QUALIFIED RENTING HOUSEHOLDS SERVED	
INCOME RESTRICTED UNIT RENTAL RATES	Studio: 1 Bedroom: 2 Bedroom: 3 Bedroom:
RACIAL AND SOCIOECONOMIC DATA ON INCOME QUALIFIED HOUSEHOLDS	
*only if costs are part of tax increment financing reimbursement request	