

**CITY OF HOLLAND
Brownfield Redevelopment Authority
Brownfield Plan**

Approved on March 26, 2002 by:

City of Holland Brownfield Redevelopment Authority Board

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I. GENERAL INTRODUCTION AND PURPOSE

The purpose of this Brownfield Plan, to be implemented by the City of Holland Brownfield Redevelopment Authority and Holland City Council, is to satisfy the requirements for a Brownfield Plan as specified in Act No. 381 of the Public Acts of 1996, as amended, MCLA 125.2651 et seq. (Public Act 451 of 2000), which is known as the "Brownfield Redevelopment Financing Act."

II. GENERAL PROVISIONS OF THE PLAN

A. Program Policy Statement.

It is the mission of the Brownfield Redevelopment Authority to identify and to facilitate improvement of environmentally distressed, functionally obsolete, and/or blighted areas so as to promote revitalization within the municipal limits of the City of Holland. Because of the City's status as a "Core Community", the City has established a Brownfield Plan as the basis for revitalization of sites and structures satisfying certain eligibility criteria, bringing to bear certain incentives and tools for assisting private development.

The City Council has determined that the entire City of Holland shall be included as the area in which projects may be designated for inclusion within the Brownfield Plan. Attachment A illustrates this area of eligibility.

B. Incentives and Tools Available to Projects Included in Brownfield Plan.

A variety of economic development incentives and assistance programs are available to redevelopment projects within the City. These programs are described below. Only the first three programs require inclusion within the Brownfield Plan: the Single Business Tax Credit, Tax Increment Financing, and the Local Site Remediation Fund.

1. Single Business Tax (SBT) Credit.

By inclusion within the City's Brownfield Plan, a project becomes eligible for a Single Business Tax credit; that is, a financial credit against the single business tax that a business may pay. This can be a significant financial incentive for developers and investors of eligible property. In 1996, the State of Michigan enacted Public Act 382 to provide SBT credits to encourage qualified taxpayers to invest in the redevelopment of eligible properties. Public Acts 143 and 144 of 2000 expanded the level of SBT credits for eligible projects. Upon application submitted to the State, this Act provides such taxpayers a credit against their SBT liability of up to ten (10) percent of eligible investment costs that the taxpayer has incurred to redevelop or expand the eligible property, with a \$30 million limit on the total credits that any taxpayer can claim. One SBT credit is allowed per project. The SBT Credit will be issued at the completion of the project. Projects must be completed within five (5) years of the issuance of a pre-approval letter. No Credit will go to parties who have been sued or issued a unilateral administrative order by the MDEQ.

2. Tax Increment Financing (TIF).

On a case-by-case basis, the City will consider the use of Tax Increment Financing to capture a portion or all increases in property tax revenues on eligible property to pay or assist in paying costs of eligible activities through a reimbursement plan agreed to for each project. The Authority TIF may capture available property tax revenues from "non-school" taxing jurisdictions and, with State (MDEQ/MEDC) approval of a project work plan, "school" taxing jurisdictions. The Authority TIF may only be used to reimburse the costs of eligible project activities that are included within the approved Brownfield Plan.

3. Local Site Remediation Fund (LSRF).

The Authority may establish a Local Site Remediation Fund financed through excess TIF capture for up to five (5) years to address eligible activities on other eligible property.

4. Obsolete Property Rehabilitation Exemption (OPRE).

The Obsolete Property Rehabilitation Act authorizes certain governmental units to establish rehabilitation districts within which buildings and improvements are eligible for exemption from ad valorem property taxes (excluding personal

property taxes) for from one (1) to twelve (12) years. For purposes of establishing eligibility for an OPRE program, the City of Holland has been identified as a "core community". However, at this time, the City has not adopted by resolution an "obsolete property rehabilitation district" and therefore properties are not eligible for Obsolete Property Rehabilitation Exemption Certificates.

5. Brownfield Redevelopment Grants.

The Clean Michigan Initiative, approved by voters in November 1998, has provided funding to the Site Reclamation Program for Brownfield Redevelopment Grants. These grants provide funds to local units of government for investigation and due care activities (interim response and remediation) at known sites of environmental contamination which will be used for identified economic development projects. This program is not limited specifically to projects included within the Brownfield Plan.

6. State Revitalization Loan Fund.

Through the Michigan Department of Environmental Quality Site Reclamation Program, a revitalization loan (with interest rate not to exceed 50 percent of Prime Rate) is available to local governments and Brownfield Redevelopment Authorities for investigation, demolition, and interim response actions at properties with known or suspected contamination.

7. Aiding Core Communities.

The Michigan Economic Development Corporation has been appropriated funds to assist core communities, of which Holland is one, across the State in funding infrastructure needs. The fund will be used to provide grants or loans to urban communities. Communities could use the money for land assembly, site redevelopment, infrastructure, and other activities. Funds will be provided for economic development projects that create new jobs, contribute to redevelopment, and/or result in substantial private reinvestment in urban areas.

8. Act 198.

The Plant Rehabilitation and Industrial Development Districts Act, commonly known as Act 198, was adopted in Michigan in 1974 as a means of providing a stimulus in the form of significant tax incentives to industry (manufacturing and high technology companies) for the purpose of creating new jobs and maintaining existing jobs. This program allows an obsolete plant, when replaced or restored, to have its assessed value frozen at the level prior to the improvement for a maximum period of twelve years; and new plants to receive a fifty (50) percent exemption from property tax on the taxable value of new real estate and personal properties, also for a maximum period of twelve years. It is the responsibility of the City Council to establish plant rehabilitation districts and industrial development districts, and to approve the granting of exemption

certificates. See Attachment B for a map of existing districts.

9. Historic Preservation Tax Credits.

a. Federal Tax Credit: A twenty (20) percent federal income tax credit is available for depreciable historic resources rehabilitated for commercial, industrial, agricultural, or rental residential purposes. To qualify for the credit, the historic resource must be listed in the National Register of Historic Places either individually or as part of a registered historic district. The federal tax credit program is administered by the National Park Service, the Internal Revenue Service and the State Historic Preservation Office.

b. Michigan Historic Preservation Tax Credit: A state income tax credit of up to twenty-five (25) percent is available for the qualified rehabilitation of certified historic commercial and residential properties. The State Historic Preservation Office administers the program in partnership with the Michigan Department of Treasury.

10. Downtown Incentives.

The Holland MainStreet/Downtown Development Authority was created in 1984 to restore and revitalize the downtown area (see Downtown Development Authority Boundary Map, Attachment C). As part of this goal, the MainStreet/DDA seeks to promote improvements that maintain the historical significance and uniqueness of downtown structures. Administered by the MainStreet/DDA, the following incentive programs are offered:

a. Low-Interest Loans: Established in 1985, the Low-Interest Loan Program brings five downtown financial institutions (Bank of Holland, Bank One, Fifth Third bank, Macatawa Bank, and National City Bank) together to pool resources and create a fund providing below market interest rates on loans to owners and tenants to improve the interiors and exteriors of downtown buildings.

b. Design Assistance: The Design Assistance Program provides up to ten (10) hours of free design services for applicants who wish to consult with an architect or designer before beginning to restore or rehabilitate their property. This program is available to any building owner or tenant (with owner approval) in the Downtown Development Authority district. At least 25 percent of the space must be used for commercial purposes.

c. Tax Increment Financing: Through the Downtown Development Authority, the City has the ability to create a tax increment financing (TIF) district and program to provide for public improvements within the boundaries of that TIF district. This TIF is somewhat different than the TIF enabled as a part of the Brownfield Plan described previously. Windmill Island has been created as the City's first TIF district downtown, but the increment capture has not yet been implemented. See Attachment D for a map of this TIF district.

C. Criteria for Projects Included in Brownfield Plan.

1. Eligible Property.

A site must qualify as a facility, as functionally obsolete or blighted as defined by Public Act 145 of 2000 (see below), or be directly adjacent to such a site and part of an overall development plan which includes the adjacent facility.

a. "facility": Means "any area, place, or property where a hazardous substance in excess of the (specified) concentrations... has been released, deposited, disposed of, or otherwise comes to be located" as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

b. "functionally obsolete": Property that is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super-adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

c. "blighted": Property that meets **any** of the following criteria:

i. Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.

ii. Is an attractive nuisance to children because of physical condition, use, or occupancy.

iii. Is a fire hazard or is otherwise dangerous to the safety of persons or property.

iv. Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

v. Is tax reverted property owned by the City of Holland, the County, or by this State. The sale, lease, or transfer of tax reverted property by the City of Holland, County, or State after the property's inclusion in this Brownfield Plan shall not result in the loss to the property of the status as blighted property.

2. Eligible Activity or Activities.

Means one or more of the following:

a. Baseline environmental assessment activities.

- b. Due care activities, meaning those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of section 20107a of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.20107a.
 - c. Additional response activities, as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
 - d. For eligible activities on eligible property that was used or is currently used for commercial, industrial, or residential purposes that is in the City of Holland and is a facility, functionally obsolete, or blighted, and except for purposes of section 38d of the Single Business Tax Act, 1975 PA 228, MCL 208.38d, the following additional activities:
 - i. Infrastructure improvements that directly benefit eligible property.
 - ii. Demolition of structures that is not response activity under section 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
 - iii. Lead or asbestos abatement.
 - iv. Site preparation that is not response activity under section 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
 - e. Relocation of public buildings or operations for economic development purposes with prior approval of the Michigan Economic Development Authority.
3. Eligibility Criteria for Single Business Tax Credit and Tax Increment Financing.

In evaluating applications for inclusion in the Brownfield Plan, proposed projects will be reviewed in accordance with the eligibility criteria for the single business tax credit and tax increment financing, as described in Attachment E. Projects ineligible for both of these programs will not be considered for inclusion in the Brownfield Plan. *(Note: If the Obsolete Property Rehabilitation Exemption Certificate program is subsequently adopted, criteria for this program could be added to the attachment.)*

4. Demonstrate Long-Term Tax Benefit to City.

In evaluating applications, the Authority and Council will consider the following goals and objectives, intended to be applied equally in the review of applications from both local and out-of-town applicants. All proposals will be considered. A

project does not necessarily need to meet all of the following criteria.

- a. Project allows a business to be located within the city, expand in the city, retain a significant number of jobs, and/or will add sustainable, quality jobs.
- b. The project will expand the City's tax base.
- c. The City determines that a good public purpose would be served, including but not necessarily limited to the following:
 - i. Expanding the City's tax base;
 - ii. Promote diversification of Holland's present industrial and/or commercial base in order to lessen the impact of unemployment in the City of Holland during recessional times;
 - iii. Upgrade the City's current labor force by promoting more skilled or technical oriented jobs within the City of Holland;
 - iv. The project will increase the City's average income level through the promotion of higher paying jobs;
 - v. The project provides growth and will provide economic stimulus to other private sectors, especially supportive facilities; and
 - vi. Project is consistent with a redevelopment plan and/or project enhances city investment in related brownfield projects.
- d. Amount of property tax to be generated relative to property taxes abated.
- e. Amount of investment in buildings and equipment.
- f. Amount of exemption or abatement or reduction on property or personal property taxes to be requested by applicant.
- g. Strength of business plan, financial commitments, architectural plans, and market analysis for the re-use of vacant properties or structures.
- h. Strength of references.
- i. For residential projects and projects with a residential component, the extent to which the project is consistent with city housing strategies, creates mixed-use redevelopment, or develops downtown housing.

4. Consistent with City Plans and Policies.

In order for a proposed project to be included within the Brownfield Plan, the Authority and City Council must determine that the proposed project is consistent and compatible with the City's "Master Plan for the Physical Development of the City of Holland", with "Broadening the Vision: The Strategic Plan for Downtown Holland", with the City's "Housing Goals and Policies", with the "Consolidated Plan", and with other goals and policies as adopted and as may be revised from time to time by the City Council.

- a. The development of the proposed facilities will compliment the City's land use and environmental objectives.
- b. Project includes other investment in neighborhood revitalization; is located in a targeted redevelopment area; involves improvement of public infrastructure; or utilizes other public or private financing tools to maximize redevelopment benefits.
- c. The proposed facilities will be compatible with the City's present and future requirements for City services; such as roads, utilities, and public safety.

5. Additional Evaluation Factors.

In addition to items described above, City staff and the BRA board, in formulating a recommendation to the City Council about the inclusion of a owned property in the Brownfield Plan, will consider and evaluate the factors below.

- a. All applicants must comply with the following city ordinances and policies:
 - i. The applicant meets current financial obligations to the City and is not delinquent with any real and personal property taxes, fees, assessments, liens or other charges;
 - ii. The applicant is currently in compliance with applicable City ordinances and other statutory provisions, or has received approval of a plan designed to bring the company into compliance with said ordinances or statutory provisions; and
 - iii. The applicant has no record of loan loss with the city.
- b. The applicant has not contributed to, exacerbated, nor is responsible for any environmental contamination on the subject site.
- c. The applicant demonstrates a program of overall community awareness and responsibility.

6. City Fiscal Impact.

It is anticipated that there may be a significant number of opportunities for the use of tools provided for in this Plan. In order that the City and Authority may exercise care in the commitment of City resources, the Authority and City Council may look at the number of projects already included in the Plan, the specific commitments associated with those projects, and the projected overall impacts on the City's financial status of those projects in evaluating impacts of additional proposed projects.

7. Discretion.

The above mentioned criteria are not intended to be exhaustive. The Authority and City Council reserve the discretion to consider such additional goals and criteria which are intended or set forth under the goals and policies of Act 381 of the Public Acts of 1996, as amended by Public Act 451 of 2000, and which are consistent with the general health, safety, and welfare of the City of Holland.

D. Process for Determining Inclusion of Projects within Brownfield Plan.

This document is meant to be a living document, subject to revision and amendment. As specific properties and projects are identified and approved for participation in the City's Brownfield program, and/or as site-specific issues relating to included projects change, this Plan will be reviewed and amended as determined appropriate. Site-specific work plans and remedial action plans will be added as appropriate, subsequent to adoption as an amendment to the Brownfield Plan.

The process for inclusion is as follows:

1. Applicants requesting inclusion of a project within the Brownfield Plan must submit ten (10) copies of the completed application form (as provided by the City). If approved, a \$2,100 filing fee is added to the TIF. The filing fee, established by City Council, covers costs such as, but not limited to, cost of processing the application by the City's administrative staff, legal fees, and expenses incurred by the City for publishing appropriate notices.

The initial filing fee covers the cost of including the project within the Brownfield Plan and the processing of one application in conjunction with that project. Any subsequent application or amendment to the project requiring amendment to the Brownfield Plan will be subject to an additional nonrefundable filing fee as determined by City Council.

2. Applications for inclusion in the Brownfield Plan must be submitted and approved prior to the start of construction or installation of equipment and/or machinery.

3. Project developers will initially be requested to submit an information package that includes:

- a. Location: overall site location and legal description.
- b. Development Principals: Owners, consultants, financial partners.
- c. Environmental Plan: Approach to addressing environmental issues including facility listing, BEA, Due Care, additional Response activities.
- d. Redevelopment Plans: Site plan and proposed use.
- e. Financial Feasibility: Cost of environmental activities, investment, and estimated value.

Upon review by Authority Staff, an initial determination of eligibility will be made. The applicant/project developer will then be required to submit a complete project plan, including information as described in the following Section III of this Brownfield Plan.

4. Applications including both the initial information package and complete project plan will be reviewed by City staff, with a report and/or recommendation

being forwarded to the Authority for the Authority's consideration. Once the project plan has been approved by the Authority, the project plan will be forwarded to the Holland City Council for consideration. The City Council will hold a public hearing, with notice of said meeting in accordance with Act 381. All taxing units must be notified of the projected impact of the project and, along with any member of the public, have the opportunity to comment. The City Council approval of an amended Brownfield Plan integrating the proposed project plan creates an "eligible property" under State legislation.

5. Applicants shall be responsible for reimbursing the Authority/City for any specialized legal expenses incurred in formalizing a development agreement or other contractual work required to include a project/site in the Brownfield Plan. A not to exceed cost will be determined following application review.

6. A development agreement between the applicant and the Authority, in a form generally used by the Authority, will be required. The agreement will outline the roles and responsibilities of the developer and the Authority in the implementation of the project plan, and shall contain enforceable provisions for non-compliance. The Authority may require that an applicant obtain a performance bond tied to the provisions of the development agreement.

IV. ATTACHMENTS.

- A. Brownfield Plan- Eligible Area.
- B. Map of Existing Act 198 Districts / Projects.
- C. Downtown Development Authority Boundaries.
- D. Existing Tax Increment Financing District- Windmill Island.
- E. Eligibility Criteria for Single Business Tax Credit.
- F. Eligibility Criteria for Tax Increment Financing.
- G. HEDCOR: Economic Development Incentives Summary.
- H. General Definitions as Used in This Plan.

BROWNFIELD REDEVELOPMENT PLAN
Former Micromatic Textron Site
Holland, Michigan

Summary of Project

Landmark Industrial Center, LLC (“Landmark”), the new owner of the property at 345 East 48th Street, Holland, Michigan (the “Property”), intends to lease the property to a prospective, long term lessee who will renovate this facility by performing site grading, parking lot resurfacing, installing a loading dock, installing interior building walls, and performing other work as needed, to return the property to a functioning, useful location in the City of Holland. Additionally, machinery, equipment and fixtures are anticipated to be installed. After renovation, it is anticipated that the project will result in a significant long-term increase to the City’s tax base, and reuse what is currently an abandoned, environmentally contaminated facility.

The Property currently consists of 27.56 acres developed with a manufacturing building and storage building. The Property is contaminated, as indicated by a recent BEA, with ethylbenzene and xylene exceeding the Part 201 criteria in the soils. The groundwater was found to contain a number of contaminants including 1,1-dichloroethane, cis 1,2-dichloroethene, toluene, ethylbenzene, xylene, and 1,2,4-trimethylbenzene in excess of the residential Part 201 criteria. Therefore, the Property is “eligible property” as defined by the Act because it has been determined to be a “facility” as defined in Part 201 of the Natural Resources and Environmental Protection Act (“NREPA”) as a result of the described contamination.

In order to finance the renovation of the Property, the owner and/or prospective lessee propose to use tax increment financing to pay for eligible activities as described below. Additionally, the owner and/or lessee will apply for a Single Business Tax credit.

Required Elements of Brownfield Plan

A. A description of costs intended to be paid for with tax increment revenues, including a brief summary of the eligible activities that are proposed for each eligible property. (MCLA 125.2663(1)(a))

Landmark and/or its lessee intend to use school and non-school operating taxes generated through tax increment financing to reimburse the cost of “eligible activities” as provided in this plan.

“Eligible activities” is defined in the Act as meaning one or more of the following: (i) baseline environmental assessment activities; (ii) due care activities; and (iii) additional response activities. “Baseline environmental assessment activities” is defined in the Act as meaning those response activities identified as part of a brownfield plan that are necessary to complete a baseline environmental assessment (“BEA,” defined in Section 20101 of NREPA) for an eligible property in the brownfield plan. A BEA has already been performed prior to purchase of the

property by Landmark and thus reimbursement for this otherwise eligible activity will not be sought.

“Due care activities” is defined in the Act as meaning “those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107a” of Part 201 of NREPA. Landmark and its lessee will be required to comply with the requirements of Section 20107a of Part 201 of NREPA, to exercise due care with respect to the existing contamination, prevent exacerbation of the contamination, and take reasonable precautions against reasonably foreseeable acts or omissions of third parties (collectively, “due care”).

“Response activity” is defined in the Act as having the same meaning as that term is defined in Section 20101 of NREPA, that being evaluation, interim response activity, remedial action, demolition, or the taking of other actions necessary to protect the public health, safety, or welfare, or the environment or the natural resources. Response activity also includes health assessments or health effect studies carried out under the supervision, or with the approval of, the department of public health and enforcement actions related to any response activity. At this time it is not anticipated that Landmark’s lessee will be performing any response activities.

In addition, in qualified local governmental units such as the City of Holland, the Act includes the following additional activities under the definition of “eligible activities”: (A) infrastructure improvements that directly benefit eligible property; (B) demolition of structures that is not response activity under Part 201 of NREPA; (C) lead or asbestos abatement; and (D) site preparation that is not response activity under Part 201 of NREPA.

Site preparation and infrastructure improvements are anticipated to be necessary to renovate the site in order to become functional. Such activities may include site grading, upgrading of water and sewer lines, and possibly other activities.

Table 1 below presents estimated costs of the eligible activities for this project for which Landmark intends its lessee to seek reimbursement from tax increment financing.

Table 1 – Eligible Expenses	
Task	Cost Estimate
1. Draft Section 7a due care plan	\$ 3,000
2. Implement due care plan	5,000
3. Draft work plan for site preparation and infrastructure improvements	2,000
4. Infrastructure improvements: drainage system, roads, etc.	300,000
5. Demolition	10,000
SUBTOTAL	\$320,000

Table 1 – Eligible Expenses	
Task	Cost Estimate
Agency Work Plan/Administrative Costs	
BRA work plan and approval by construction manager	\$ 5,000
CUMULATIVE SUBTOTAL	325,000
Administrative operating costs of BRA (1.5% of cumulative subtotal)	4,875
MDEQ and MEDC administrative costs (2.5% of cumulative subtotal)	8,125
Contingencies (15% of cumulative subtotal)	48,750
TOTAL	\$386,750

B. An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(b))

It is intended that the Property will continue to be owned by Landmark but be developed and occupied by a prospective long-term lessee. An estimate of the captured taxable value and tax increment revenues by year for both real and personal property is attached.

C. The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. (MCLA 125.2663(1)(c))

The costs of the plan will be financed by Landmark. No advances from the City are contemplated at this time. If any advances are made by the City or on the City's behalf, they will be reimbursed from tax increment revenues when received.

D. The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(d))

None at this time.

E. The duration of the brownfield plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(e))

The estimated duration is 15 to 20 years. It is estimated that redevelopment of the Property will be completed in one year and that it could take ten or more years to recapture eligible costs through tax increment revenues. In addition, funds may be captured for an additional five years to fund the local site remediation revolving fund.

F. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. (MCLA 125.2663(1)(f))

Tabular estimates of the incremental tax increases are attached as Exhibit A.

G. A legal description of each parcel of eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (MCLA 125.2663(1)(g))

1. Part of the Southwest $\frac{1}{4}$ of Section 4, Township 4 North, Range 15 West, City of Holland, described as: That part of the South 1030.00 feet of the Southwest $\frac{1}{4}$ of said Section 4 lying East of the Chesapeake and Ohio Railroad right of way, excepting the East 600.02 feet thereof.
2. Location and Site maps: See Exhibit B.
3. Characteristics of Property: The "eligible property" was a manufacturing plant that included a machine shop containing lathes, mills, and grinders from approximately 1969 to 2000. The Property has both soil and groundwater contamination in excess of the Part 201 criteria and therefore is a facility as that term is defined in Section 20101 of NREPA.
4. Personal Property: Personal property is included as part of the eligible property.

H. An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any. (MCLA 125.2663(1)(h))

None.

I. A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable. (MCLA 125.2663(1)(i))

This Section is inapplicable to this site.

J. Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any. (MCLA 125.2663(1)(j))

This Section is inapplicable to this site.

K. A strategy for compliance with the Michigan Relocation Assistance Act, if applicable. (MCLA 125.2663(1)(k))

This Section is inapplicable to this site.

L. A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(l))

It is not anticipated that the local site remediation revolving fund will be used for activities described in Section A. above.

M. Other material that the authority or governing body considers pertinent. (MCLA 125.2663(1)(m))

Landmark is not aware of any material or information falling within this category.

4. Single Business Tax Credit

It is the intention of the Michigan Legislature to encourage redevelopment of brownfields using the 10% Single Business Tax credit incentive permitted under Act 143, Public Acts of 2000. The Single Business Tax credit can be applied against any "eligible investment" at the Property. The Single Business Tax credit will be applied against any eligible investment or part thereof made by a qualified taxpayer after approval of this Brownfield Redevelopment Plan by the City of Holland and receipt of a preapproval letter from the State of Michigan.

"Eligible investment" means demolition, construction, restoration, alteration, renovation, or improvement of buildings on eligible property and the addition of machinery, equipment, and fixtures to the Property after the date of the preapproval letter.

Landmark anticipates that its prospective lessee will apply for a Single Business Tax credit for this project. Some or all of the credit may be assigned to another qualified taxpayer as allowed under Act 143.

794870-1

EXHIBIT A-2
Landmark Center, LLC
Estimate of Personal Property Tax Increase

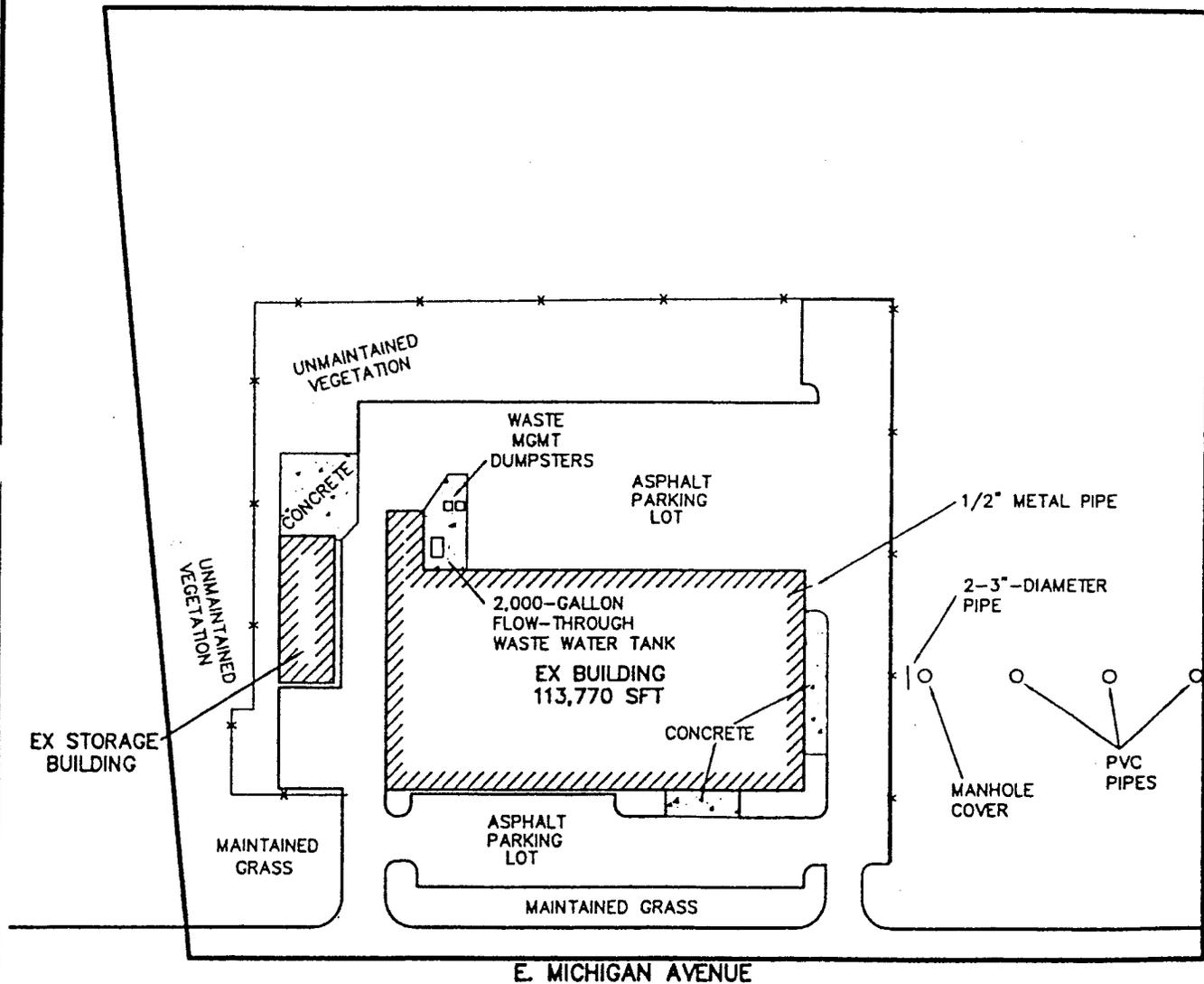
AD VALOREM TAX - Personal Property		Local Increment					State/School Increment					Total	Total Increment
Taxable Value	Alleghen County	City	Comm. Pool Authority	Inter. School	Herrick Library	Total Local	Holland School	State Ed.	Total School	Taxes	Annual	Cumulative	
Operating Mills - IFT Rate ⁽¹⁾	3.3816	5.6305	0.4234	2.1344	0.5500	12.1198	9.0000	6.0000	15.0000	27.1198			
Operating Mills - Normal Rate ⁽¹⁾	6.7631	11.2610	0.8467	4.2688	1.1000	24.2396	18.0000	6.0000	24.0000	48.2396			
Calendar Year													
2002 (Base)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
2003	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
2004	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$5,478	
2005	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$10,956	
2006	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$16,435	
2007	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$21,913	
2008	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$27,391	
2009	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$32,869	
2010	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$38,347	
2011	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$43,826	
2012	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$49,304	
2013	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$54,782	
2014	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$60,260	
2015	\$202,000	\$683	\$1,137	\$86	\$431	\$2,448	\$1,818	\$1,212	\$3,030	\$5,478	\$5,478	\$65,738	
2016	\$202,000	\$1,366	\$2,275	\$171	\$862	\$4,896	\$3,636	\$1,212	\$4,848	\$9,744	\$9,744	\$75,483	
2017	\$202,000	\$1,366	\$2,275	\$171	\$862	\$4,896	\$3,636	\$1,212	\$4,848	\$9,744	\$9,744	\$85,227	
2018	\$202,000	\$1,366	\$2,275	\$171	\$862	\$4,896	\$3,636	\$1,212	\$4,848	\$9,744	\$9,744	\$94,972	
2019	\$202,000	\$1,366	\$2,275	\$171	\$862	\$4,896	\$3,636	\$1,212	\$4,848	\$9,744	\$9,744	\$104,716	
2020	\$202,000	\$1,366	\$2,275	\$171	\$862	\$4,896	\$3,636	\$1,212	\$4,848	\$9,744	\$9,744	\$114,460	
2021	\$202,000	\$1,366	\$2,275	\$171	\$862	\$4,896	\$3,636	\$1,212	\$4,848	\$9,744	\$9,744	\$124,205	
2022	\$202,000	\$1,366	\$2,275	\$171	\$862	\$4,896	\$3,636	\$1,212	\$4,848	\$9,744	\$9,744	\$133,949	

¹ The tax levies are assumed to stay the same.

SITE MAP



THIS DRAWING IS FOR ILLUSTRATIVE PURPOSES ONLY. NO SCALE IS INTENDED OR IMPLIED.



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**DRIESENKA &
ASSOCIATES, INC.**

Engineering
Surveying
Testing

FOR SPACE SOURCE, INC.
345 E 48TH STREET
HOLLAND, MI

SECTION 4 T. 4 N., R. 15 W.

DATE 8/28/02

DRAWN BY JVB

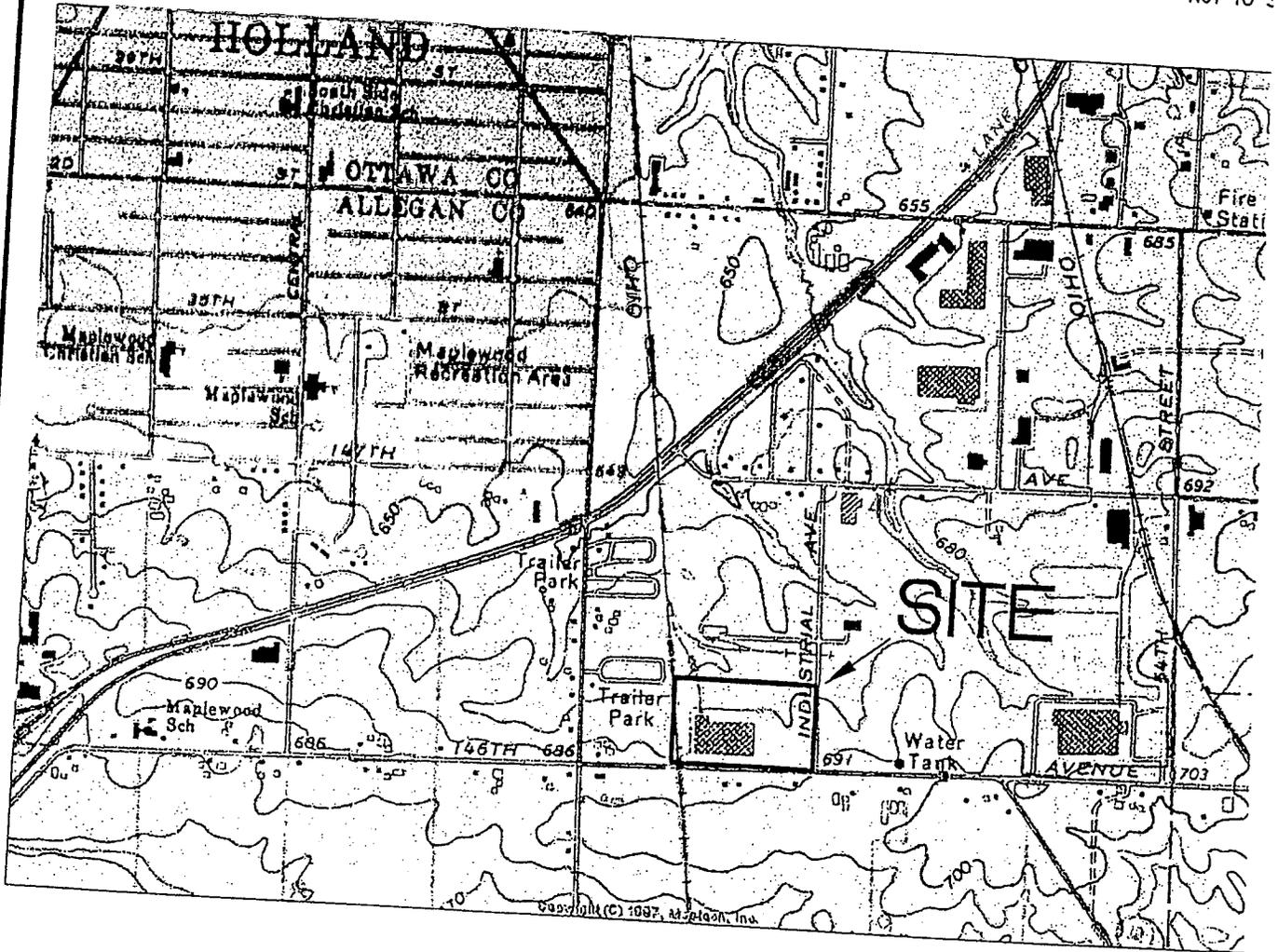
FIGURE 2

JOB No. 0210264-2

■Holland, MI □Grand Rapids, MI □Spring Lake, MI □Kalamczoo, MI
Ph. 616-396-0255 Ph. 616-249-3800 Ph. 616-846-1960 Ph. 616-544-1455

EXHIBIT B-2
SITE LOCATION MAP

NOT TO S



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**DRIESENKA &
 ASSOCIATES, INC.**

Engineering FOR
 Surveying
 Testing

SPACE SOURCE, INC.
 345 E 48TH STREET
 HOLLAND, MI

Holland, MI
 Grand Rapids, MI
 Spring Lake, MI
 Kalamazoo, MI
 Ph. 616-396-0755
 Ph. 616-340-3000

SECTION 4 T. 4 N., R. 15 W.

DATE 8/28/02

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AMENDED BROWNFIELD REDEVELOPMENT PLAN
Former GE Site
Holland, Michigan

Summary of Project

16th Street Development, L.L.C. and Essenburg Car Wash of Holland, Inc. (collectively, "Owner"), the current owners of the property at 570 East 16th Street, Holland, Michigan (the "Property"), intend to sell the Property to Menard, Inc. (the "Developer") who will renovate this functionally obsolete facility by performing demolition activities, constructing a new building and other site improvements, upgrading infrastructure, and performing other work as needed, to return the Property to a functioning, useful commercial facility in the City of Holland. Additionally, machinery, equipment and fixtures are anticipated to be installed. After demolition and reconstruction, it is anticipated that the facility will provide a significant number of new, long-term jobs. The new facility will also result in a significant long-term increase to the City's tax base and will reuse what is currently an abandoned, environmentally contaminated facility.

The Property currently consists of approximately 35 acres currently developed with two obsolete buildings. The Property is contaminated with tetrachloroethylene and its breakdown compounds in excess of the residential Part 201 criteria in the groundwater. Therefore, the Property is "eligible property" as defined by the Act because it has been determined to be a "facility" as defined in Part 201 of the Natural Resources and Environmental Protection Act ("NREPA") as a result of the described contamination.

In order to finance the renovation of the Property, the Developer intends to use tax increment financing to pay for eligible activities as described below. Additionally, a Single Business Tax credit will be sought.

Required Elements of Brownfield Plan

A. A description of costs intended to be paid for with tax increment revenues, including a brief summary of the eligible activities that are proposed for each eligible property. (MCLA 125.2663(1)(a))

The Developer intends to use non-school operating taxes generated through tax increment financing to reimburse the cost of "eligible activities" as provided in this plan.

"Eligible activities" is defined in the Act as meaning one or more of the following: (i) baseline environmental assessment activities; (ii) due care activities; and (iii) additional response activities. "Baseline environmental assessment activities" is defined in the Act as meaning those response activities identified as part of a brownfield plan that are necessary to complete a baseline environmental assessment ("BEA," defined in Section 20101 of NREPA) for an eligible property in the brownfield plan. It is anticipated that the Developer will perform a BEA which may include, at their discretion, some additional elements of a Phase I and/or Phase II environmental assessment.

“Due care activities” is defined in the Act as meaning “those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107a” of Part 201 of NREPA. The Developer will be required to comply with the requirements of Section 20107a of Part 201 of NREPA, to exercise due care with respect to the existing contamination, prevent exacerbation of the contamination, and take reasonable precautions against reasonably foreseeable acts or omissions of third parties (collectively, “due care”).

“Response activity” is defined in the Act as having the same meaning as that term is defined in Section 20101 of NREPA, that being evaluation, interim response activity, remedial action, demolition, or the taking of other actions necessary to protect the public health, safety, or welfare, or the environment or the natural resources. Response activity also includes health assessments or health effect studies carried out under the supervision, or with the approval of, the department of public health and enforcement actions related to any response activity. At this time it is not anticipated that the Developer will be performing any response activities.

In addition, in qualified local governmental units such as the City of Holland, the Act includes the following additional activities under the definition of “eligible activities”: (A) infrastructure improvements that directly benefit eligible property; (B) demolition of structures that is not response activity under Part 201 of NREPA; (C) lead or asbestos abatement; and (D) site preparation that is not response activity under Part 201 of NREPA.

It is anticipated that at least one and perhaps both existing buildings will be demolished by the Developer. Site preparation and infrastructure improvements are also anticipated to be necessary.

Table 1 below presents estimated costs of the eligible activities for this project which qualify for reimbursement from tax increment financing.

Table 1 – Eligible Expenses	
Task	Cost Estimate
1. Demolition of building(s)	350,000
2. Site Preparation – site grading, etc.	100,000
3. Infrastructure improvements – road, utilities, etc.	425,000
4. Asbestos abatement	515,000
SUBTOTAL	\$1,390,000
Administrative Costs	
Administrative operating costs of BRA (1.5% of subtotal)	\$4,000
Contingencies (15%)	208,500

Table 1 – Eligible Expenses	
Task	Cost Estimate
Interest	430,000
TOTAL	\$2,032,500

Interest will accrue on the unpaid invoices during the time between submittal of invoices for the eligible activities and the repayment through tax increment financing. The rate of interest and method of payment will be described in a Reimbursement Agreement between the Developer and the City.

B. An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(b))

It is intended that part of the Property will be developed and occupied by the Developer and the rest of the Property will be developed by purchasers or lessees. An estimate of the captured taxable value and tax increment revenues by year for both real and personal property is attached.

C. The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. (MCLA 125.2663(1)(c))

Currently, it is expected that the costs of the plan will be financed by the Developer. If any advances are made by the City or on the City's behalf, they will be reimbursed from tax increment revenues when received.

D. The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(d))

None at this time.

E. The duration of the brownfield plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(e))

The estimated duration is 10 to 15 years. It is estimated that redevelopment of the Property will be completed in two to five years and that it could take ten or more years to recapture eligible costs through tax increment revenues. In addition, funds may be captured for an additional five years to fund the local site remediation revolving fund.

F. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. (MCLA 125.2663(1)(f))

Estimates of the incremental tax increases are attached as Exhibit A.

G. A legal description of each parcel of eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (MCLA 125.2663(1)(g))

1. Legal Description: See Exhibit B.
2. Location and Site maps: See Exhibit C.
3. Characteristics of Property: The “eligible property” was a manufacturing plant that included a waste tank. The Property has groundwater contamination in excess of the Part 201 criteria and therefore is a facility as that term is defined in Section 20101 of NREPA.
4. Personal Property: Personal property is included as part of the eligible property.

H. An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any. (MCLA 125.2663(1)(h))

None.

I. A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable. (MCLA 125.2663(1)(i))

This Section is inapplicable to this site.

J. Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any. (MCLA 125.2663(1)(j))

This Section is inapplicable to this site.

K. A strategy for compliance with the Michigan Relocation Assistance Act, if applicable. (MCLA 125.2663(1)(k))

This Section is inapplicable to this site.

L. A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(l))

It is not anticipated that the local site remediation revolving fund will be used for activities described in Section A. above.

M. Other material that the authority or governing body considers pertinent. (MCLA 125.2663(1)(m))

The Developer is not aware of any material or information falling within this category.

4. Single Business Tax Credit

It is the intention of the Michigan Legislature to encourage redevelopment of brownfields using the 10% Single Business Tax credit incentive permitted under Act 143, Public Acts of 2000. The Single Business Tax credit can be applied against any "eligible investment" at the Property. The Single Business Tax credit will be applied against any eligible investment or part thereof made by a qualified taxpayer after approval of this Brownfield Redevelopment Plan by the City of Holland and receipt of a preapproval letter from the State of Michigan.

"Eligible investment" means demolition, construction, restoration, alteration, renovation, or site improvement of buildings on eligible property and the addition of machinery, equipment, and fixtures to the Property after the date of the preapproval letter.

It is anticipated that the Developer will apply for a Single Business Tax credit for this project. Some or all of the credit may be assigned to another qualified taxpayer as allowed under Act 143.

794903-4

EXHIBIT A-1
16th Street Development, LLC
Estimate of Real Property Tax Increase

AD VALOREM TAX - Real Property		Local Increment							Total Increment	
									Annual	Cumulative
	Taxable Value ¹	Ottawa County	City	Comm. Pool Authority	Inter. School	Herrick Library	Total Local			
Operating Mills ²	4.2722	11.2610		0.8467	4.2688	1.1000	21.7487			
Calendar Year										
2002 (Base)	\$1,782,100	\$7,613	\$20,068	\$1,509	\$7,607	\$1,960	\$38,758			
2003	\$1,782,100	\$7,613	\$20,068	\$1,509	\$7,607	\$1,960	\$38,758	\$0		\$0
2004	\$1,782,100	\$7,613	\$20,068	\$1,509	\$7,607	\$1,960	\$38,758	\$0		\$0
2005	\$1,835,563	\$7,842	\$20,670	\$1,554	\$7,836	\$2,019	\$39,921	\$1,163		\$1,163
2006	\$1,890,630	\$8,077	\$21,290	\$1,601	\$8,071	\$2,080	\$41,119	\$2,360		\$3,523
2007	\$4,697,349	\$20,068	\$52,897	\$3,977	\$20,062	\$5,167	\$102,161	\$63,403		\$66,926
2008	\$7,588,269	\$32,419	\$85,452	\$6,425	\$32,393	\$8,347	\$165,035	\$126,277		\$193,203
2009	\$10,315,917	\$44,072	\$116,168	\$8,734	\$44,037	\$11,348	\$224,358	\$185,599		\$378,802
2010	\$13,125,395	\$56,074	\$147,805	\$11,113	\$56,030	\$14,438	\$285,460	\$246,702		\$625,504
2011	\$16,019,157	\$68,437	\$180,392	\$13,563	\$68,383	\$17,621	\$348,396	\$309,637		\$935,141
2012	\$16,499,731	\$70,490	\$185,803	\$13,970	\$70,434	\$18,150	\$358,848	\$320,089		\$1,255,231
2013	\$16,994,723	\$72,605	\$191,378	\$14,389	\$72,547	\$18,694	\$369,613	\$330,855		\$1,586,086
2014	\$17,504,565	\$74,783	\$197,119	\$14,821	\$74,723	\$19,255	\$380,702	\$341,943		\$1,928,029
2015	\$18,029,702	\$77,026	\$203,032	\$15,266	\$76,965	\$19,833	\$392,123	\$353,364		\$2,281,393
2016	\$18,570,593	\$79,337	\$209,123	\$15,724	\$79,274	\$20,428	\$403,886	\$365,128		\$2,646,521
2017	\$19,127,711	\$81,717	\$215,397	\$16,195	\$81,652	\$21,040	\$416,003	\$377,244		\$3,023,765
2018	\$19,701,542	\$84,169	\$221,859	\$16,681	\$84,102	\$21,672	\$428,483	\$389,725		\$3,413,490
2019	\$20,292,588	\$86,694	\$228,515	\$17,182	\$86,625	\$22,322	\$441,337	\$402,579		\$3,816,069

¹ Taxable value is based on current SEV and planned improvements in 2006 and 2007 and is increased 3% per year for inflation.

² The tax levies are assumed to stay the same.

EXHIBIT A-2
16th Street Development, LLC
Estimate of Personal Property Tax Increase

AD VALOREM TAX - Personal Property		Local Increment							Total Increment
Calendar Year	Taxable Value ¹	Ottawa County	City	Comm. Pool Authority	Inter. School	Herrick Library	Total Local	Annual	Cumulative
2002 (Base)	\$0						\$0	\$0	
2003	\$0						\$0	\$0	\$0
2004	\$0						\$0	\$0	\$0
2005	\$0						\$0	\$0	\$0
2006	\$0						\$0	\$0	\$0
2007	\$375,000	\$1,602	\$4,223	\$318	\$1,601	\$413	\$8,156	\$8,156	\$8,156
2008	\$708,750	\$3,028	\$7,981	\$600	\$3,026	\$780	\$15,414	\$15,414	\$23,570
2009	\$993,750	\$4,245	\$11,191	\$841	\$4,242	\$1,093	\$21,613	\$21,613	\$45,183
2010	\$1,245,000	\$5,319	\$14,020	\$1,054	\$5,315	\$1,370	\$27,077	\$27,077	\$72,260
2011	\$1,470,000	\$6,280	\$16,554	\$1,245	\$6,275	\$1,617	\$31,971	\$31,971	\$104,231
2012	\$1,297,500	\$5,543	\$14,611	\$1,099	\$5,539	\$1,427	\$28,219	\$28,219	\$132,450
2013	\$1,147,500	\$4,902	\$12,922	\$972	\$4,898	\$1,262	\$24,957	\$24,957	\$157,406
2014	\$1,031,250	\$4,406	\$11,613	\$873	\$4,402	\$1,134	\$22,428	\$22,428	\$179,835
2015	\$937,500	\$4,005	\$10,557	\$794	\$4,002	\$1,031	\$20,389	\$20,389	\$200,224
2016	\$855,000	\$3,653	\$9,628	\$724	\$3,650	\$941	\$18,595	\$18,595	\$218,819
2017	\$787,500	\$3,364	\$8,868	\$667	\$3,362	\$866	\$17,127	\$17,127	\$235,946
2018	\$727,500	\$3,108	\$8,192	\$616	\$3,106	\$800	\$15,822	\$15,822	\$251,768
2019	\$675,000	\$2,884	\$7,601	\$572	\$2,881	\$743	\$14,680	\$14,680	\$266,449

¹ Assumes that personal property is depreciated as follows:

Age:	% Good	Age:	% Good	Age:	% Good
1	89%	6	49%	11	33%
2	76%	7	45%	12	31%
3	67%	8	42%	13	29%
4	60%	9	38%	14	28%
5	54%	10	36%	15	23%

² The tax levies are assumed to stay the same.

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16th Street Development, LLC
 Estimate of Reimbursement From Local TIF

Year	Annual Local Tax Increment Captured	Cumulative Local Tax Increment Captured	Amout Due Developer ⁽¹⁾	Payments to Developer From Local Tax Capture	Balance Due Developer (Principal)	Interest on Balance Due (4.25%) ⁽²⁾	Total Balance Due
2003	\$0	\$0					
2004	\$0	\$0					
2005	\$1,163	\$1,163	\$865,000	\$0	\$865,000	\$36,763	\$901,763
2006	\$2,360	\$3,523	\$1,426,763	\$1,163	\$1,425,600	\$60,588	\$1,486,188
2007	\$71,559	\$75,082	\$1,486,188	\$2,360	\$1,483,827	\$63,063	\$1,546,890
2008	\$141,691	\$216,773	\$1,546,890	\$71,559	\$1,475,331	\$62,702	\$1,538,033
2009	\$207,212	\$423,985	\$1,538,033	\$141,691	\$1,396,342	\$59,345	\$1,455,686
2010	\$273,779	\$697,764	\$1,455,686	\$207,212	\$1,248,474	\$53,060	\$1,301,534
2011	\$341,608	\$1,039,372	\$1,301,534	\$273,779	\$1,027,755	\$43,680	\$1,071,435
2012	\$348,308	\$1,387,680	\$1,071,435	\$341,608	\$729,827	\$31,018	\$760,845
2013	\$355,811	\$1,743,492	\$760,845	\$348,308	\$412,536	\$17,533	\$430,069
2014	\$364,372	\$2,107,863	\$430,069	\$355,811	\$74,258	\$3,156	\$77,414
2015	\$373,754	\$2,481,617	\$77,414	\$77,414	(\$0)	(\$0)	(\$0)
2016	\$383,723	\$2,865,340					
2017	\$394,372	\$3,259,712					
2018	\$405,547	\$3,665,258					
2019	\$417,259	\$4,082,518					
						\$430,905	Total Interest
⁽¹⁾ Includes anticipated expenditure plus contingency as stated in Brownfield Plan.							
⁽²⁾ Assumes interest at prime rate as of 1/30/03. Interest on balance due is calculated on an annual basis.							

EXHIBIT B

PARCEL 1: THAT PART OF SECTION 33, TOWN 5 NORTH, RANGE 15 WEST, DESCRIBED AS COMMENCING AT A POINT 1725.76 FEET WEST OF THE EAST LINE OF SAID SECTION AND 1917.96 FEET SOUTH OF THE NORTH LINE OF SAID SECTION, RUNNING THENCE WEST 45.4 FEET TO THE EAST LINE OF THE C & O RAILROAD RIGHT OF WAY, RUNNING THENCE SOUTHEASTERLY ALONG THE EAST LINE OF SAID RAILROAD RIGHT OF WAY 370 FEET, RUNNING THENCE NORTHEASTERLY 400 FEET TO A POINT 200 FEET EAST FROM THE EAST LINE OF SAID RAILROAD RIGHT OF WAY RUNNING THENCE WEST 154.6 FEET TO POINT OF BEGINNING.

PARCEL 2: THAT PART OF SECTION 33, TOWN 5 NORTH, RANGE 15 WEST, DESCRIBED AS COMMENCING AT A POINT ON THE NORTH LINE OF SAID SECTION 1455.76 FEET WEST OF THE EAST LINE OF SAID SECTION, RUNNING THENCE WEST ALONG THE NORTH LINE OF SAID SECTION TO A POINT THAT IS 286.2 FEET EAST OF THE INTERSECTION OF THE NORTH LINE OF SAID SECTION AND THE EAST LINE OF THE C & O RAILROAD RIGHT OF WAY, RUNNING THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SECTION 1917.96 FEET, THENCE EAST PARALLEL WITH THE NORTH LINE OF SAID SECTION TO A POINT OF BEGINNING, THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID SECTION 1917.96 FEET TO THE POINT OF BEGINNING.

PARCEL 3: THAT PART OF SECTION 33, TOWN 5 NORTH, RANGE 15 WEST, DESCRIBED AS COMMENCING AT A POINT ON THE NORTH LINE OF SAID SECTION 945.16 FEET FROM THE EAST LINE OF SAID SECTION THENCE WEST ALONG THE NORTH LINE OF SAID SECTION 510.6 FEET, THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SECTION 1917.96 FEET, THENCE EAST PARALLEL WITH THE NORTH LINE OF SAID SECTION 510.6 FEET, THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID SECTION 1917.96 FEET TO THE POINT OF BEGINNING, THE EAST BOUNDARY OF SAID PARCEL RUNNING ALONG THE WEST MARGIN LINE OF U.S. 31.

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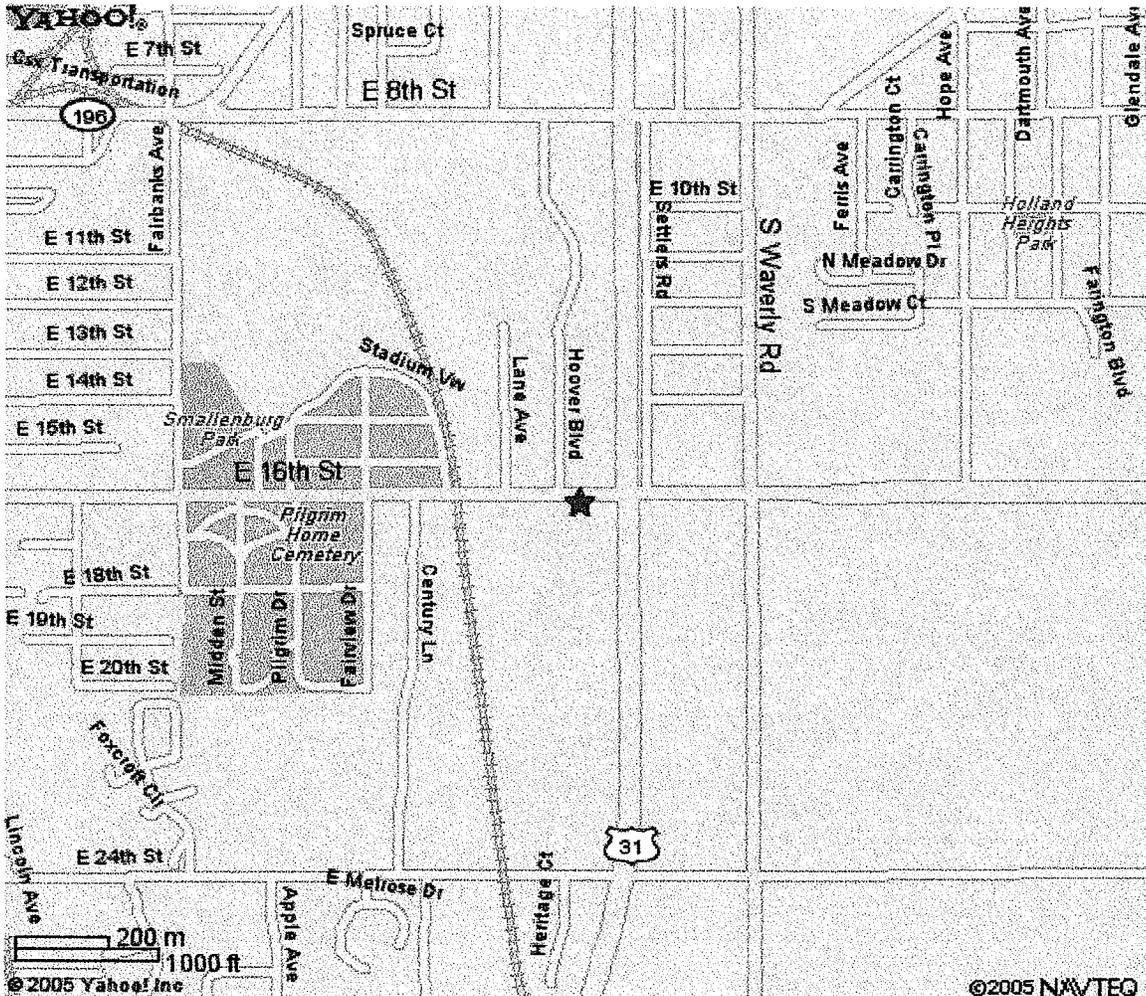
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BROWNFIELD REDEVELOPMENT PLAN
East 48th Street Properties, LLC Site
Holland, Michigan

Summary of Project

East 48th Street Properties, LLC (“East 48th Street”) proposes to purchase the property at 635 East 48th Street, Holland, Michigan (the “Property”) and completely renovate an existing building on the Property. The project will require demolition of the interior of the building and related asbestos removal as well as reconstruction of the building and the addition of equipment. The project will create many construction jobs, providing additional temporary employment in the area during construction. Once the building has been renovated and equipped, the project will also result in a significant number of permanent manufacturing jobs (in the range of 200 to 300) as well as a significant long-term increase to the City’s tax base and redevelopment of a contaminated site.

The Property currently consists of approximately 38.5 acres. The subsurface of the Property is contaminated with petroleum hydrocarbons that exceed the Part 201 residential criteria as a result of former underground storage tanks at the site. Therefore, the Property is an “eligible property” as defined by the Act because it has been determined to be a “facility” as defined in Part 201 of the Natural Resources and Environmental Protection Act (“NREPA”) as a result of the described contamination.

In order to help finance the renovation of the Property, East 48th Street proposes to use tax increment financing to pay for eligible activities as described below. Additionally, East 48th Street will apply for a Single Business Tax credit.

Required Elements of Brownfield Plan

A. A description of costs intended to be paid for with tax increment revenues. (MCLA 125.2663(1)(a))

East 48th Street intends to use school and non-school operating taxes generated through tax increment financing to reimburse the cost of “eligible activities” as provided in this plan. Those costs are more fully identified in Section B. below.

B. A brief summary of the eligible activities that are proposed for each eligible property. (MCLA 125.2663(1)(b))

“Eligible activities” is defined in the Act as meaning one or more of the following: (i) baseline environmental assessment activities; (ii) due care activities; and (iii) additional response activities. “Baseline environmental assessment activities” is defined in the Act as meaning those response activities identified as part of a brownfield plan that are necessary to complete a baseline environmental assessment (“BEA”) defined in Section 20101 of NREPA) for an eligible property in the brownfield plan.

“Due care activities” is defined in the Act as meaning “those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107a” of Part 201 of NREPA. East 48th Street will be required to comply with the requirements of Section 20107a of Part 201 of NREPA, to exercise due care with respect to the existing contamination, prevent exacerbation of the contamination, and take reasonable precautions against reasonably foreseeable acts or omissions of third parties (collectively, “due care”).

“Response activity” is defined in the Act as having the same meaning as that term is defined in Section 20101 of NREPA, that being evaluation, interim response activity, remedial action, demolition, or the taking of other actions necessary to protect the public health, safety, or welfare, or the environment or the natural resources. Response activity also includes health assessments or health effect studies carried out under the supervision, or with the approval of, the department of public health and enforcement actions related to any response activity. At this time it is not anticipated that East 48th Street will be performing any response activities.

In addition, in qualified local governmental units such as the City of Holland, the Act includes the following additional activities under the definition of “eligible activities”: (A) infrastructure improvements that directly benefit eligible property; (B) demolition of structures that is not response activity under Part 201 of NREPA; (C) lead or asbestos abatement; and (D) site preparation that is not response activity under Part 201 of NREPA.

Demolition and asbestos abatement are anticipated to be necessary to renovate the building in order for it to become functional.

Table 1 below presents estimated costs of the eligible activities for this project for which East 48th Street intends to seek reimbursement from tax increment financing.

Table 1 – Eligible Expenses	
Task	Cost Estimate
1. Preparation of work plan	\$ 5,000
2. Demolition	750,000
3. Asbestos removal	25,000
4. MEDC Administrative Costs	10,000
5. Administrative operating costs of BRA	4,000
6. Contingencies (15%)	119,000
7. Interest	225,715
TOTAL	\$ 1,138,715

Interest will accrue on the unpaid invoices during the time between submittal of invoices for the eligible activities and the repayment through tax increment financing. The rate of interest and method of payment will be described in a Reimbursement Agreement between East 48th Street and the City.

C. An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(c))

An estimate of the captured taxable value and tax increment revenues by year for real property and personal property is attached as Exhibit A.

D. The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. (MCLA 125.2663(1)(d))

The costs of the plan will be financed by East 48th Street. No advances from the City are contemplated at this time. If any advances are made by the City or on the City's behalf, they will be reimbursed from tax increment revenues when received.

E. The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(e))

None at this time.

F. The duration of the brownfield plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(f))

The estimated duration is fifteen years. It is estimated that redevelopment of the Property will be completed in two years and that it could take ten or more years to recapture eligible costs through tax increment revenues.

G. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. (MCLA 125.2663(1)(g))

Tabular estimates of the incremental tax increases are attached as Exhibit A.

H. A legal description of each parcel of eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (MCLA 125.2663(1)(h))

1. Legal Description: See attached Exhibit B.

2. Location and Site maps: See Exhibit C.
3. Characteristics of Property: The “eligible property” historically had underground storage tanks used for petroleum storage. As a result, the Property has subsurface contamination in excess of the Part 201 criteria and therefore is a “facility” as that term is defined in Section 20101 of NREPA.
4. Personal Property: Personal property is included as part of the eligible property.

I. An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any. (MCLA 125.2663(1)(i))

None.

J. A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable. (MCLA 125.2663(1)(j))

This Section is inapplicable to this site.

K. Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any. (MCLA 125.2663(1)(k))

This Section is inapplicable to this site.

L. A strategy for compliance with the Michigan Relocation Assistance Act, if applicable. (MCLA 125.2663(1)(l))

This Section is inapplicable to this site.

M. A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(m))

It is not anticipated that the local site remediation revolving fund will be used for activities described in Section B above.

N. Other material that the authority or governing body considers pertinent. (MCLA 125.2663(1)(n))

East 48th Street is not aware of any material or information falling within this category.

4. Single Business Tax Credit

It is the intention of the Michigan Legislature to encourage redevelopment of brownfields using the 10% Single Business Tax credit incentive permitted under Act 143, Public Acts of 2000, as amended. The Single Business Tax credit can be applied against any "eligible investment" at the Property. The Single Business Tax credit will be applied against any eligible investment or part thereof made by a qualified taxpayer after approval of this Brownfield Redevelopment Plan by the City of Holland and receipt of a preapproval letter from the State of Michigan.

"Eligible investment" means demolition, construction, restoration, alteration, renovation, or improvement of buildings on eligible property and the addition of machinery, equipment, and fixtures to the Property after the date of the preapproval letter.

East 48th Street anticipates that it will apply for a Single Business Tax credit for this project.

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EXHIBIT A
East 48th Street Properties, LLC
Estimate of Personal Property Tax Increase

AD VALOREM TAX - Personal Property		Local Increment					State/School Increment					Total Taxes	Total Increment Annual	Total Increment Cumulative
	Taxable Value ¹	Alleghen County	City	Comm. Pool Authority	Inter. School	Herrick Library	Total Local	Holland School	State Ed.	Total School	Total Taxes	Total Increment Annual	Total Increment Cumulative	
Operating Mills - IFT Rate ⁽²⁾		3.3792	5.6305	0.4234	2.1344	0.5500	12.1174	9.0000	6.0000	15.0000	27.1174			
Operating Mills - Normal Rate ⁽²⁾		6.7583	11.2610	0.8467	4.2688	1.1000	24.2348	18.0000	6.0000	24.0000	48.2348			
Calendar Year														
2003 (Base)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2004	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2005	\$2,500,000	\$8,448	\$14,076	\$1,058	\$5,336	\$1,375	\$30,294	\$22,500	\$15,000	\$37,500	\$67,794	\$67,794	\$67,794	
2006	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$203,381	
2007	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$338,968	
2008	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$474,555	
2009	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$610,142	
2010	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$745,729	
2011	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$881,316	
2012	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$1,016,903	
2013	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$1,152,490	
2014	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$1,288,077	
2015	\$5,000,000	\$16,896	\$28,153	\$2,117	\$10,672	\$2,750	\$60,587	\$45,000	\$30,000	\$75,000	\$135,587	\$135,587	\$1,423,664	
2016	\$5,000,000	\$33,792	\$56,305	\$4,234	\$21,344	\$5,500	\$121,174	\$90,000	\$30,000	\$120,000	\$241,174	\$241,174	\$1,664,838	
2017	\$5,000,000	\$33,792	\$56,305	\$4,234	\$21,344	\$5,500	\$121,174	\$90,000	\$30,000	\$120,000	\$241,174	\$241,174	\$1,906,012	
2018	\$5,000,000	\$33,792	\$56,305	\$4,234	\$21,344	\$5,500	\$121,174	\$90,000	\$30,000	\$120,000	\$241,174	\$241,174	\$2,147,186	
Taxable value is based planned improvements in 2004.														
Z Calculations are based on the IFT rate for the first 12 years and the normal rate thereafter. The tax levies are assumed to stay the same.														

Exhibit B

Property Description

Property Address: 635 East 48th Street
Holland, Michigan

Description:

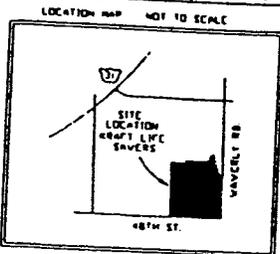
Part of the Southeast 1/4 of Section 4, Town 4 North, Range 15 West, City of Holland, Allegan County, Michigan, being described as: Beginning at the Southeast corner of said Section, thence North 89 degrees 46 minutes 24 seconds West 1324.75 feet along the South line of said Section; thence North 00 degrees 45 minutes 21 seconds West 50.01 feet; thence North 89 degrees 46 minutes 24 seconds West 8.04 feet along the North line of 48th Street; thence North 00 degrees 30 minutes 28 seconds West 1216.09 feet; thence South 89 degrees 46 minutes 24 seconds East 1322.02 feet; thence South 01 degrees 00 minutes 17 seconds East 1266.28 feet along the East line of said Section.

EXHIBIT C

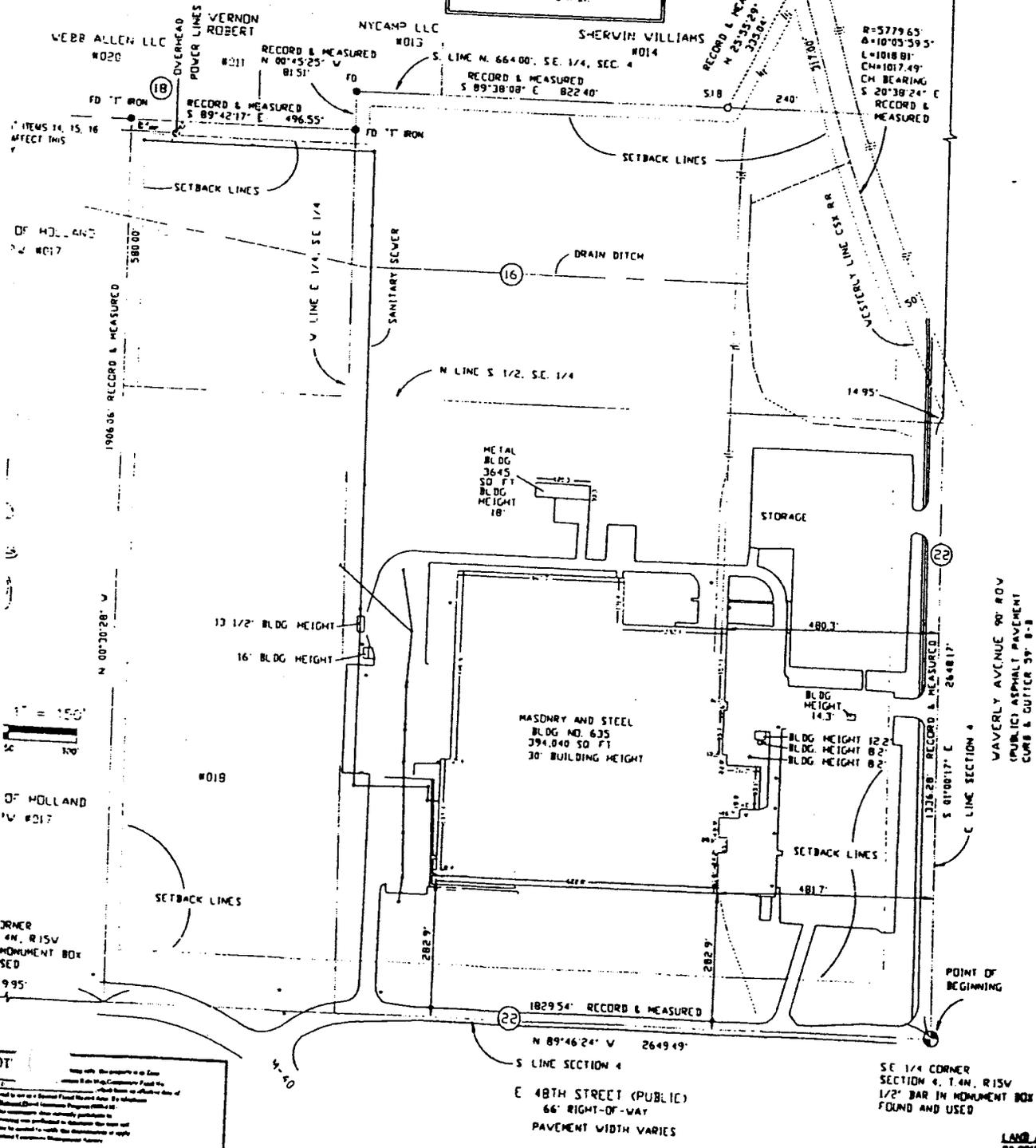
ALTA/ACSM LAND TITLE SURVEY

Legend of Symbols & Abbreviations

- IRON PIN FOUND
- ⊙ IRON PIN SET
- ⊕ MONITORING WELL
- ⊖ LIGHT POLE
- IRON PIN SET
- ⊖ CATCH BASIN
- ⊖ SET CONC MON
- FOUND CONC MON
- WATER VALVE
- ⊖ GAS METER
- ⊖ GAS VALVE
- ⊖ POWER POLE
- ⊖ FENCE
- ⊖ QUADRANT
- ⊖ HYDRANT
- ⊖ TRAIN TRACKS
- ⊖ POWER LINES



E. 1/4 CORNER SECTION 4, T.4N., R.15W
1/2" BAR IN MONUMENT BOX FOUND AND USED



ITEMS 14, 15, 16 AFFECT THIS

OF HOLLAND #017

OF HOLLAND #017

JRMCR #N. R15W MONUMENT BOX SED 995'

NOTARY PUBLIC STATE OF NEW YORK
I, _____, Notary Public for the State of New York, do hereby certify that the foregoing is a true and correct copy of the original as the same appears to me.

LAND AREA
80.9818 ACRES
3,524,004 SQUARE FEET

AMENDED BROWNFIELD REDEVELOPMENT PLAN
Fifth Street Partners LLC Site
Holland, Michigan

Summary of Project

Fifth Street Partners LLC (“Fifth Street Partners”), the owner of the property at 29 East 6th Street, Holland, Michigan (the “Property”), intends to construct approximately twenty-eight residential condominiums on the Property. The project will require demolition of a building, asbestos removal, installation of pilings and significant infrastructure improvements to 5th Street. The project will create many construction jobs, providing additional, temporary employment in the area during construction. Once the new condominiums have been constructed, the project will result in a significant long-term increase to the City’s tax base and redevelopment of a former landfill site.

The Property currently consists of approximately one acre. Part of the Property was formerly used for a landfill. The Property is contaminated with certain compounds that exceed the Part 201 residential criteria in the soils. Therefore, the Property is “eligible property” as defined by the Act because it has been determined to be a “facility” as defined in Part 201 of the Natural Resources and Environmental Protection Act (“NREPA”) as a result of the described contamination.

In order to finance the renovation of the Property, the owner proposes to use tax increment financing to pay for eligible activities as described below. Additionally, the owner will apply for a Single Business Tax credit.

Required Elements of Brownfield Plan

A. A description of costs intended to be paid for with tax increment revenues, including a brief summary of the eligible activities that are proposed for each eligible property. (MCLA 125.2663(1)(a))

Fifth Street Partners intends to use school and non-school operating taxes generated through tax increment financing to reimburse the cost of “eligible activities” as provided in this plan.

“Eligible activities” is defined in the Act as meaning one or more of the following: (i) baseline environmental assessment activities; (ii) due care activities; and (iii) additional response activities. “Baseline environmental assessment activities” is defined in the Act as meaning those response activities identified as part of a brownfield plan that are necessary to complete a baseline environmental assessment (“BEA,” defined in Section 20101 of NREPA) for an eligible property in the brownfield plan. A BEA has already been performed prior to purchase of the property by Fifth Street Partners and thus reimbursement for this otherwise eligible activity will not be sought.

“Due care activities” is defined in the Act as meaning “those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107a” of Part 201 of NREPA. Fifth Street Partners will be required to comply with the requirements of Section 20107a of Part 201 of NREPA, to exercise due care with respect to the existing contamination, prevent exacerbation of the contamination, and take reasonable precautions against reasonably foreseeable acts or omissions of third parties (collectively, “due care”).

“Response activity” is defined in the Act as having the same meaning as that term is defined in Section 20101 of NREPA, that being evaluation, interim response activity, remedial action, demolition, or the taking of other actions necessary to protect the public health, safety, or welfare, or the environment or the natural resources. Response activity also includes health assessments or health effect studies carried out under the supervision, or with the approval of, the department of public health and enforcement actions related to any response activity. At this time it is not anticipated that Fifth Street Partners will be performing any response activities.

In addition, in qualified local governmental units such as the City of Holland, the Act includes the following additional activities under the definition of “eligible activities”: (A) infrastructure improvements that directly benefit eligible property; (B) demolition of structures that is not response activity under Part 201 of NREPA; (C) lead or asbestos abatement; and (D) site preparation that is not response activity under Part 201 of NREPA.

Site preparation, demolition, asbestos abatement and infrastructure improvements are anticipated to be necessary to renovate the site in order to become functional. Such activities may include installation of pilings necessary for landfill material stabilization, demolition of the existing building, removal of asbestos, and extensive infrastructure improvements to 5th Street.

Table 1 below presents estimated costs of the eligible activities for this project for which Fifth Street Partners intends its lessee to seek reimbursement from tax increment financing.

Table 1 – Eligible Expenses	
Task	Cost Estimate
1. Preparation of work plan	\$ 5,000
2. Site preparation	490,000
3. Demolition of buildings	30,000
4. Asbestos removal	4,000
5. Infrastructure improvements	210,000
6. Agency review and approval of work plan	3,000
SUBTOTAL	\$ 742,000
Administrative operating costs of BRA (1.5% of subtotal)	11,130

Table 1 – Eligible Expenses	
Task	Cost Estimate
Interest	170,186
TOTAL	\$ 923,316

Interest will accrue on the unpaid invoices during the time between submittal of invoices for the eligible activities and the repayment through tax increment financing. The rate of interest and method of payment will be described in a Reimbursement Agreement between Owner and the City.

B. An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(b))

It is intended that the Property will be developed into residential condominiums facing 5th Street. An estimate of the captured taxable value and tax increment revenues by year for real property is attached.

C. The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. (MCLA 125.2663(1)(c))

The costs of the plan will be financed by Fifth Street Partners. No advances from the City are contemplated at this time. If any advances are made by the City or on the City's behalf, they will be reimbursed from tax increment revenues when received.

D. The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(d))

None at this time.

E. The duration of the brownfield plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(e))

The estimated duration is ten years. It is estimated that redevelopment of the Property will be completed in three years and that it could take five or more years to recapture eligible costs through tax increment revenues. In addition, funds may be captured for an additional five years to fund the local site remediation revolving fund.

F. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. (MCLA 125.2663(1)(f))

Tabular estimates of the incremental tax increases are attached as Exhibit A.

G. A legal description of each parcel of eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (MCLA 125.2663(1)(g))

1. See attached Exhibit B.
2. Location and Site maps: See Exhibit C.
3. Characteristics of Property: The “eligible property” was historically used as a landfill. The property has both soil and groundwater contamination in excess of the Part 201 criteria and therefore is a facility as that term is defined in Section 20101 of NREPA.
4. Personal Property: Personal property is included as part of the eligible property.

H. An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any. (MCLA 125.2663(1)(h))

None.

I. A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable. (MCLA 125.2663(1)(i))

This Section is inapplicable to this site.

J. Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any. (MCLA 125.2663(1)(j))

This Section is inapplicable to this site.

K. A strategy for compliance with the Michigan Relocation Assistance Act, if applicable. (MCLA 125.2663(1)(k))

This Section is inapplicable to this site.

L. A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(l))

It is not anticipated that the local site remediation revolving fund will be used for activities described in Section A. above.

M. Other material that the authority or governing body considers pertinent. (MCLA 125.2663(1)(m))

Fifth Street Partners is not aware of any material or information falling within this category.

4. Single Business Tax Credit

It is the intention of the Michigan Legislature to encourage redevelopment of brownfields using the 10% Single Business Tax credit incentive permitted under Act 143, Public Acts of 2000. The Single Business Tax credit can be applied against any "eligible investment" at the Property. The Single Business Tax credit will be applied against any eligible investment or part thereof made by a qualified taxpayer after approval of this Brownfield Redevelopment Plan by the City of Holland and receipt of a preapproval letter from the State of Michigan.

"Eligible investment" means demolition, construction, restoration, alteration, renovation, or improvement of buildings on eligible property and the addition of machinery, equipment, and fixtures to the Property after the date of the preapproval letter.

Fifth Street Partners anticipates that it will apply for a Single Business Tax credit for this project.

810892-3

EXHIBIT A
Fifth Street Partners LLC
Estimate of Real Property Tax Increase

AD VALOREM TAX - Real Property	Local Increment										State/School Increment				Total	
	Taxable Value ¹	Ottawa County	City	Comm. Pool Authority	Inter. School	Herrick Library	Total Local	Holland School	State Ed.	Total School	Total Taxes	Total Annual	Total Cumulative			
Operating Mills ²	4.2722	11.2610		0.8467	4.2688	1.1000	21.7487	18.0000	6.0000	24.0000	45.7487					
Calendar Year																
2002 (Base)	\$122,800	\$525	\$1,383	\$104	\$524	\$135	\$2,671	\$2,210	\$737	\$2,947	\$5,618					
2003	\$126,484	\$540	\$1,424	\$107	\$540	\$139	\$2,751	\$2,277	\$759	\$3,036	\$5,786	\$169	\$169			
2004	\$1,460,279	\$6,239	\$16,444	\$1,236	\$6,234	\$1,606	\$31,759	\$26,285	\$8,762	\$35,047	\$66,806	\$61,188	\$61,356			
2005	\$2,834,087	\$12,108	\$31,915	\$2,400	\$12,098	\$3,117	\$61,636	\$51,014	\$17,005	\$68,018	\$129,656	\$124,038	\$185,394			
2006	\$4,249,109	\$18,153	\$47,849	\$3,596	\$18,139	\$4,674	\$92,413	\$76,484	\$25,495	\$101,979	\$194,391	\$188,773	\$374,168			
2007	\$4,376,583	\$18,698	\$49,285	\$3,706	\$18,683	\$4,814	\$95,185	\$78,778	\$26,259	\$105,038	\$200,223	\$194,605	\$568,773			
2008	\$4,507,880	\$19,259	\$50,763	\$3,817	\$19,243	\$4,959	\$98,041	\$81,142	\$27,047	\$108,189	\$206,230	\$200,612	\$769,384			
2009	\$4,643,117	\$19,836	\$52,286	\$3,931	\$19,821	\$5,107	\$100,982	\$83,576	\$27,859	\$111,435	\$212,417	\$206,799	\$976,183			
2010	\$4,782,410	\$20,431	\$53,855	\$4,049	\$20,415	\$5,261	\$104,011	\$86,083	\$28,694	\$114,778	\$218,789	\$213,171	\$1,189,354			
2011	\$4,925,882	\$21,044	\$55,470	\$4,171	\$21,028	\$5,418	\$107,132	\$88,666	\$29,555	\$118,221	\$225,353	\$219,735	\$1,409,089			
2012	\$5,073,659	\$21,676	\$57,134	\$4,296	\$21,658	\$5,581	\$110,345	\$91,326	\$30,442	\$121,768	\$232,113	\$226,495	\$1,635,584			
2013	\$5,225,869	\$22,326	\$58,849	\$4,425	\$22,308	\$5,748	\$113,656	\$94,066	\$31,355	\$125,421	\$239,077	\$233,459	\$1,869,043			
2014	\$5,382,645	\$22,996	\$60,614	\$4,557	\$22,977	\$5,921	\$117,066	\$96,888	\$32,296	\$129,183	\$246,249	\$240,631	\$2,109,674			
2015	\$5,544,124	\$23,686	\$62,432	\$4,694	\$23,667	\$6,099	\$120,577	\$99,794	\$33,265	\$133,059	\$253,636	\$248,019	\$2,357,693			
2016	\$5,710,448	\$24,396	\$64,305	\$4,835	\$24,377	\$6,281	\$124,195	\$102,788	\$34,263	\$137,051	\$261,246	\$255,628	\$2,613,320			
2017	\$5,881,761	\$25,128	\$66,235	\$4,980	\$25,108	\$6,470	\$127,921	\$105,872	\$35,291	\$141,162	\$269,083	\$263,465	\$2,876,785			
2018	\$6,058,214	\$25,882	\$68,222	\$5,129	\$25,861	\$6,664	\$131,758	\$109,048	\$36,349	\$145,397	\$277,155	\$271,537	\$3,148,323			
2019	\$6,239,961	\$26,658	\$70,268	\$5,283	\$26,637	\$6,864	\$135,711	\$112,319	\$37,440	\$149,759	\$285,470	\$279,852	\$3,428,175			

¹ Taxable value is based on current SEV and planned improvements in 2003 and 2004 and is increased 3% per year for inflation.

² The tax levies are assumed to stay the same.

Exhibit B

LEGAL DESCRIPTION

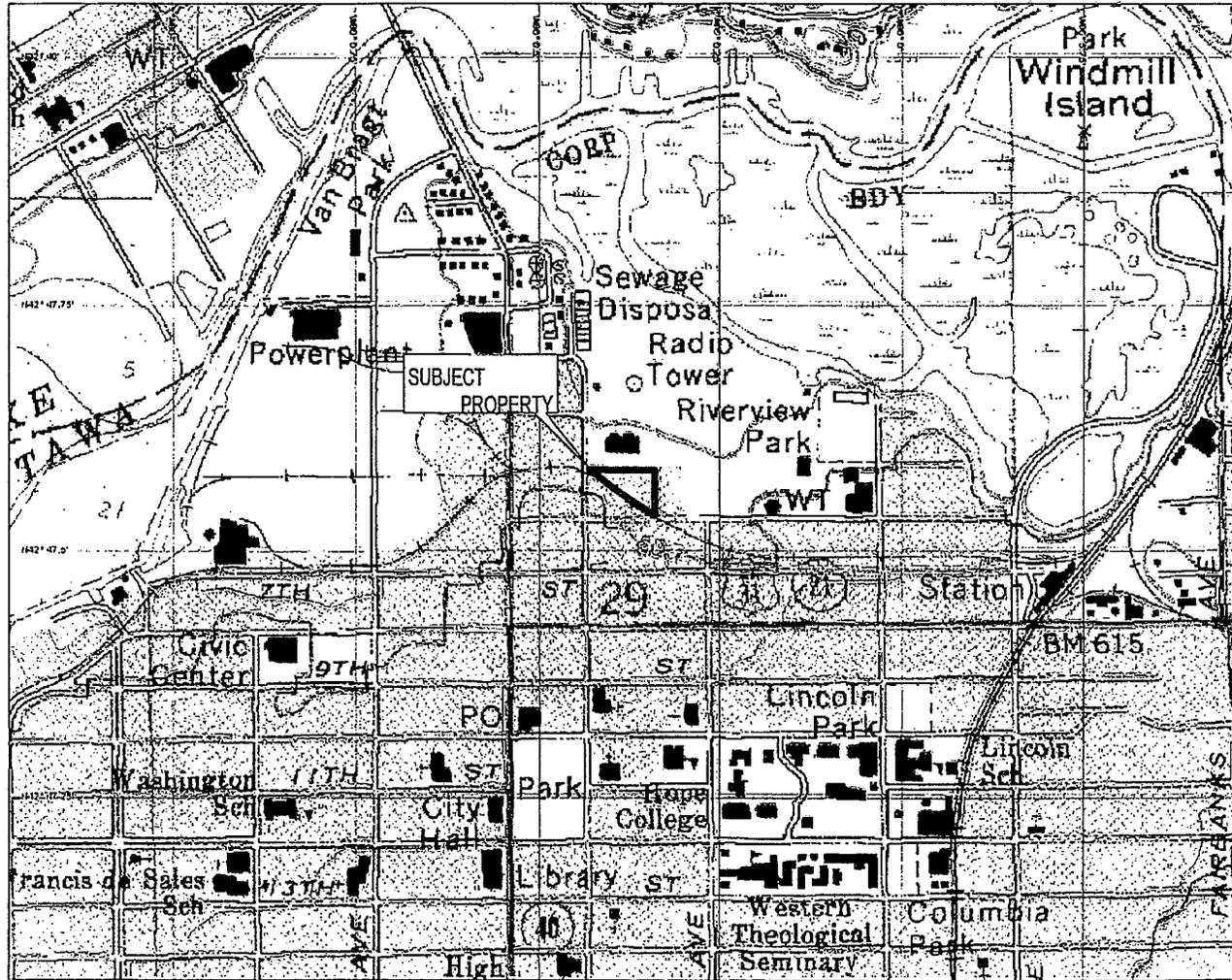
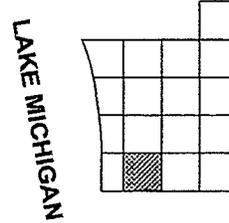
Parcel 70-16-29-251-003: Lots 2 and 3, lying North of Pere Marquette Railroad right of way, Block 21, original plat of the City of Holland, as recorded in Liber 1 of plats on page 11. Also that part of Lot 7 lying North of the Pere Marquette Railroad right of way, Block 21, original plat of the City of Holland, as recorded in Liber 1 of plats on page 11.

Parcel 70-16-29-251-004: Entire Lot 1 and that part of Lots 8 and 9 lying North of the Pere Marquette Railroad right of way, Block 21, original plat of the City of Holland, as recorded in Liber 1 of plats on page 11, also that part of the Northeast $\frac{1}{4}$ of Section 29, Town 5 North, Range 15 West described as commencing 809.4 feet North plus or minus, and 465.5 feet East of the Centerline of Section 29, said point of beginning is 115 feet North of the North line of East 6th Street; thence North 149 feet; thence West 173 feet; thence South 90 feet, plus or minus, to the Northwest corner of Lot 1; thence Southeasterly along the North line of Lots 1, 8, and 9 to a point which is due South of the point of beginning and 465.5 feet East of the West line of the Northeast $\frac{1}{4}$ of Section 29; thence North to the place of beginning. Except that part of the East 66 feet of the South 115 feet lying North of the railroad right of way.

Parcel 70-16-29-251-005: All that part of Lot 9, block 2, and that part of the Northeast $\frac{1}{4}$ which is bounded and described as follows: Beginning at a point which is 20 $\frac{1}{2}$ feet east and 32 feet north of the southeast corner of lot 8, block 21; resuming thence north 83 feet; thence east 76 feet; thence south 106.43 feet; thence northwesterly 10.1 feet to a point which is 10 feet north of the north line of 6th Street; thence northwesterly to the point of beginning, Section 29, Township 5 North, Range 15 West

Parcel 70-16-29-251-006: Lot 8, lying South of Pere Marquette Railroad right of way, Block 21, original plat of the City of Holland, as recorded in Liber 1 of plats on page 11.

Exhibit C

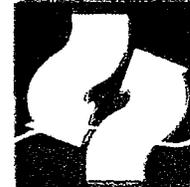


4-D TopoQuadr Copyright © 1999 Delorme Information Systems Source Date 09/95

SECTION 29, TOWN 5 NORTH, RANGE 15 WEST
OTTAWA COUNTY, MICHIGAN

FIGURE 1 - SITE LOCATION

EQUITY RESOURCE



ENVIRONMENTAL

4601 134th Ave., Ste. B
Hamilton, MI 49419
Ph: 616.751.6024
Fax: 616.751.6025

Site Name: 29 E. 6th St.
Holland, MI

Project No: 02-333

Drawn by: SJB

Date: 6/06/02

SUBJECT PROPERTY BORDER

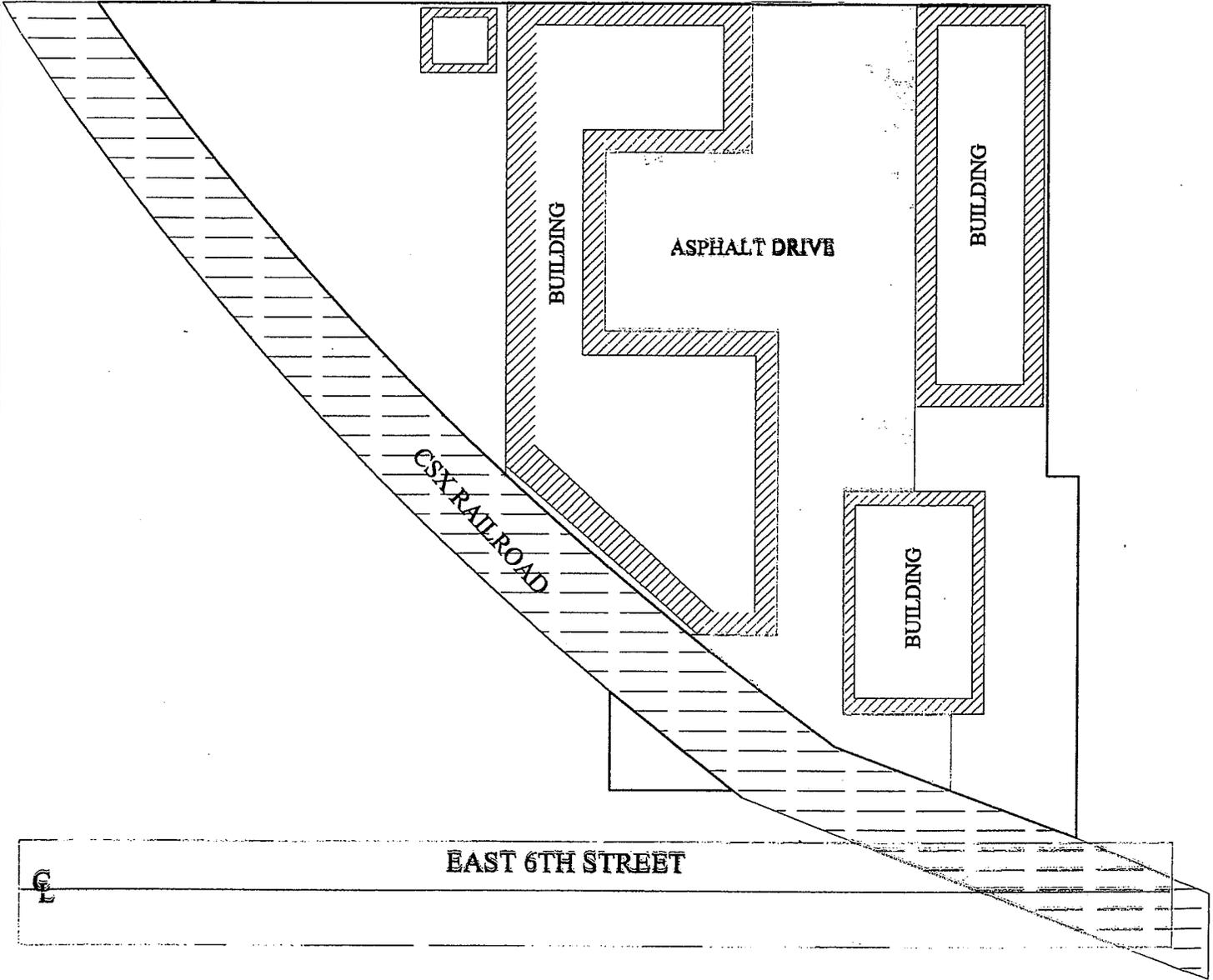
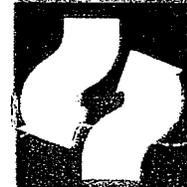


FIGURE 2 - SITE MAP



0 50 100
SCALE 1" = 100'
NOT A SURVEY

EQUITY RESOURCE



ENVIRONMENTAL

4601 134th Ave., Ste. B
Hamilton, MI 49419
Ph: 616.731.6024
Fax: 616.731.6025

Site Name: 29 East 6th St.
Holland, MI
Project No: 02-332
Drawn by: SJB
Date: 05/13/02

Revised
3-9-04

BROWNFIELD REDEVELOPMENT PLAN
Steketee-VanHuis, Inc.
Holland, Michigan

Summary of Project

Steketee-VanHuis, Inc. proposes to expand its facility located at 13 West Fourth Street, Holland, Michigan and, as part of the expansion, to purchase the property at 77 South River Avenue, Holland, Michigan (collectively, the "Property"). The project will require demolition of two outside walls of the existing building, building expansion onto its current property in one direction and building expansion onto the newly acquired property in another direction as well as the addition of equipment. The project will create construction jobs and five to ten new full time manufacturing jobs. The project will also result in a long-term increase to the City's tax base and the continued redevelopment of contaminated sites.

The Property consists of approximately 2.5 acres. The subsurface of the Property is contaminated with petroleum hydrocarbons that exceed the Part 201 residential criteria as a result of underground storage tanks at the site. Therefore, the Property is an "eligible property" as defined by the Act because it has been determined to be a "facility" as defined in Part 201 of the Natural Resources and Environmental Protection Act ("NREPA") as a result of the described contamination.

Steketee-VanHuis proposes to use tax increment financing to pay for eligible activities as described below. Additionally, Steketee-VanHuis will apply for a Single Business Tax credit for its expansion.

Required Elements of Brownfield Plan

A. A description of costs intended to be paid for with tax increment revenues. (MCLA 125.2663(1)(a))

Steketee-VanHuis intends to use school and non-school operating taxes generated through tax increment financing to reimburse the cost of certain "eligible activities" as provided in this plan. The cost of other "eligible activities" will be reimbursed through non-school operating taxes only. Those costs and their source of reimbursement are more fully identified in Section B. below.

B. A brief summary of the eligible activities that are proposed for each eligible property. (MCLA 125.2663(1)(b))

"Eligible activities" is defined in the Act as meaning one or more of the following: (i) baseline environmental assessment activities; (ii) due care activities; and (iii) additional response activities. "Baseline environmental assessment activities" is defined in the Act as meaning those response activities identified as part of a brownfield plan that are necessary to complete a baseline environmental assessment ("BEA") defined in Section 20101 of NREPA) for an eligible

property in the brownfield plan. Steketee-VanHuis will seek tax increment financing for reimbursement of BEA costs through non-school operating taxes only.

“Due care activities” is defined in the Act as meaning “those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107a” of Part 201 of NREPA. Steketee-VanHuis will be required to comply with the requirements of Section 20107a of Part 201 of NREPA, to exercise due care with respect to the existing contamination, prevent exacerbation of the contamination, and take reasonable precautions against reasonably foreseeable acts or omissions of third parties (collectively, “due care”). Steketee-VanHuis will seek tax increment financing for reimbursement of due care costs through non-school operating taxes only.

“Response activity” is defined in the Act as having the same meaning as that term is defined in Section 20101 of NREPA, that being evaluation, interim response activity, remedial action, demolition, or the taking of other actions necessary to protect the public health, safety, or welfare, or the environment or the natural resources. Response activity also includes health assessments or health effect studies carried out under the supervision, or with the approval of, the department of public health and enforcement actions related to any response activity. Steketee-VanHuis anticipates that it will be required to remove and properly dispose of contaminated soil during its excavation of an existing underground storage tank. It will seek tax increment financing for reimbursement of contaminated soil through non-school operating taxes only.

In addition, in qualified local governmental units such as the City of Holland, the Act includes the following additional activities under the definition of “eligible activities”: (A) infrastructure improvements that directly benefit eligible property; (B) demolition of structures that is not response activity under Part 201 of NREPA; (C) lead or asbestos abatement; and (D) site preparation that is not response activity under Part 201 of NREPA.

Demolition and possible asbestos abatement will be necessary to expand the existing building. Steketee-VanHuis will seek tax increment financing for reimbursement of demolition costs through both school and non-school operating taxes.

Site preparation will also be necessary as two underground storage tanks will need to be excavated and removed. Steketee-VanHuis will seek tax increment financing for reimbursement of site preparation costs through both school and non-school operating taxes.

Table 1 below presents estimated costs of the eligible activities for this project for which Steketee-VanHuis intends to seek reimbursement from tax increment financing.

Task	Cost Estimate	Funding
1. BEA	\$ 3,000	Local only
2. Due care activities	2,000	Local only

Task	Cost Estimate	Funding
3. Additional response activities	15,000	Local only
4. Preparation of MEGA work plan	2,000	
5. Demolition and Site Preparation	100,000	
6. MEDC administrative costs	1,000	
7. Administrative operating costs of BRA	4,000	Local only
8. Contingencies (15%)	19,050	
9. Interest	20,515	
TOTAL	\$ 166,565	

Interest will accrue on the unpaid invoices during the time between submittal of invoices for the eligible activities and the repayment through tax increment financing. The rate of interest and method of payment will be described in a Reimbursement Agreement between Steketee-VanHuis and the City.

C. An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(c))

An estimate of the captured taxable value and tax increment revenues by year for real property and personal property is attached as Exhibit A.

D. The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. (MCLA 125.2663(1)(d))

The costs of the plan will be financed by Steketee-VanHuis. No advances from the City are contemplated at this time. If any advances are made by the City or on the City's behalf, they will be reimbursed from tax increment revenues when received.

E. The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(e))

None at this time.

F. The duration of the brownfield plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(f))

The estimated duration is fifteen years. It is estimated that redevelopment of the Property will be completed in three years and that it could take ten or more years to recapture eligible costs through tax increment revenues.

G. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located.. (MCLA 125.2663(1)(g))

Tabular estimates of the incremental tax increases are attached as Exhibit A.

H. A legal description of each parcel of eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (MCLA 125.2663(1)(h))

1. Legal Description: See attached Exhibit B.
2. Location and Site maps: See Exhibit C.
3. Characteristics of Property: The “eligible property” historically had underground storage tanks used for petroleum storage. As a result, the Property has subsurface contamination in excess of the Part 201 criteria and therefore is a “facility” as that term is defined in Section 20101 of NREPA.
4. Personal Property: Personal property is included as part of the eligible property.

I. An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any. (MCLA 125.2663(1)(i))

None.

J. A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable. (MCLA 125.2663(1)(j))

This Section is inapplicable to this site.

K. Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any. (MCLA 125.2663(1)(k))

This Section is inapplicable to this site.

L. A strategy for compliance with the Michigan Relocation Assistance Act, if applicable. (MCLA 125.2663(1)(l))

This Section is inapplicable to this site.

M. A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(m))

It is not anticipated that the local site remediation revolving fund will be used for activities described in Section B above.

N. Other material that the authority or governing body considers pertinent. (MCLA 125.2663(1)(n))

Steketee-VanHuis is not aware of any material or information falling within this category.

4. Single Business Tax Credit

It is the intention of the Michigan Legislature to encourage redevelopment of brownfields using the 10% Single Business Tax credit incentive permitted under Act 143, Public Acts of 2000, as amended. The Single Business Tax credit can be applied against any "eligible investment" at the Property. The Single Business Tax credit will be applied against any eligible investment or part thereof made by a qualified taxpayer after approval of this Brownfield Redevelopment Plan by the City of Holland and receipt of a preapproval letter from the State of Michigan.

"Eligible investment" means demolition, construction, restoration, alteration, renovation, or improvement of buildings on eligible property and the addition of machinery, equipment, and fixtures to the Property after the date of the preapproval letter.

Steketee-VanHuis anticipates that it will apply for a Single Business Tax credit for this project.

965058

EXHIBIT A
Stekete-VanHuis, Inc.
Estimate of Real Property Tax Increase

AD VALOREM TAX - Real Property		Local Increment							State/School Increment					Total	Total Increment	Total Increment
Taxable Value ¹	Ottawa County	City	Comm. Pool Authority	Inter. School	Library	Total Local	Holland School	State Ed.	Total School	Taxes	Annual	Cumulative				
Operating Mills - IFT Rate ⁽²⁾	2.0806	6.3211	0.7950	2.1153	0.6790	11.9908	10.7934	5.0000	15.7934	27.7842						
Operating Mills - Normal Rate ⁽²⁾	4.1611	12.6421	1.5900	4.2305	1.3579	23.9816	21.5868	5.0000	26.5868	50.5684						
Calendar Year																
2003 (Base)	\$474,200	\$1,973	\$5,995	\$754	\$2,006	\$644	\$11,372	\$10,236	\$2,371	\$12,607	\$23,980					
2004	\$488,426	\$2,032	\$6,175	\$777	\$2,066	\$663	\$11,713	\$10,544	\$2,442	\$12,986	\$24,699	\$719				
2005	\$503,079	\$2,718	\$8,256	\$1,038	\$2,763	\$887	\$15,662	\$14,098	\$4,015	\$18,113	\$33,775	\$9,796				
2006	\$1,127,171	\$3,423	\$10,400	\$1,308	\$3,480	\$1,117	\$19,729	\$17,759	\$5,636	\$23,395	\$43,124	\$19,144				
2007	\$1,160,986	\$3,526	\$10,712	\$1,347	\$3,585	\$1,151	\$20,321	\$18,292	\$5,805	\$24,097	\$44,417	\$20,438				
2008	\$1,195,816	\$3,632	\$11,034	\$1,388	\$3,692	\$1,185	\$20,930	\$18,840	\$5,979	\$24,819	\$45,750	\$21,770				
2009	\$1,231,690	\$3,741	\$11,365	\$1,429	\$3,803	\$1,221	\$21,558	\$19,406	\$6,158	\$25,564	\$47,122	\$23,143				
2010	\$1,268,641	\$3,853	\$11,706	\$1,472	\$3,917	\$1,257	\$22,205	\$19,988	\$6,343	\$26,331	\$48,536	\$24,557				
2011	\$1,306,700	\$3,968	\$12,057	\$1,516	\$4,035	\$1,295	\$22,871	\$20,587	\$6,534	\$27,121	\$49,992	\$25,013				
2012	\$1,345,901	\$4,087	\$12,418	\$1,562	\$4,156	\$1,334	\$23,557	\$21,205	\$6,730	\$27,934	\$51,492	\$25,512				
2013	\$1,386,278	\$4,210	\$12,791	\$1,609	\$4,280	\$1,374	\$24,264	\$21,841	\$6,931	\$28,773	\$53,037	\$26,057				
2014	\$1,427,867	\$4,336	\$13,175	\$1,657	\$4,409	\$1,415	\$24,992	\$22,496	\$7,139	\$29,636	\$54,628	\$26,648				
2015	\$1,470,703	\$4,467	\$13,570	\$1,707	\$4,541	\$1,458	\$25,742	\$23,171	\$7,354	\$30,525	\$56,267	\$27,287				
2016	\$1,514,824	\$4,601	\$13,977	\$1,758	\$4,677	\$1,501	\$26,514	\$23,866	\$7,574	\$31,441	\$57,955	\$27,975				
2017	\$1,560,268	\$6,492	\$19,725	\$2,481	\$6,601	\$2,119	\$37,418	\$33,681	\$7,801	\$41,483	\$78,900	\$54,921				
2018	\$1,607,077	\$6,687	\$20,317	\$2,555	\$6,799	\$2,182	\$38,540	\$34,692	\$8,035	\$42,727	\$81,267	\$57,288				

¹ Taxable value is based on planned improvements in 2004, 2005 and 2006 and is increased 3% per year for inflation.

² Calculations are based on the IFT rate for the first 12 years and the normal rate thereafter. The tax levies are assumed to stay the same.

EXHIBIT A
Stekettee-VanHuis, Inc.
Estimate of Personal Property Tax Increase

AD VALOREM TAX - Personal Property		Local Increment					State/School Increment					Total	Total	Total Increment	Total Increment
	Taxable Value ¹	Ottawa County	City	Comm. Pool Authority	Inter. School	Library	Total Local	Holland School	State Ed.	Total School	Taxes	Annual	Cumulative		
Operating Mills - IFT Rate ⁽²⁾	2.0806	6.3211	0.7950	2.1153	0.6790	11.9908	10.7934	5.0000	15.7934	27.7842					
Operating Mills - Normal Rate ⁽²⁾	4.1611	12.6421	1.5900	4.2305	1.3579	23.9816	21.5868	5.0000	26.5868	50.5684					
Calendar Year															
2003 (Base)	\$2,357,600	\$9,810	\$29,805	\$3,749	\$9,974	\$3,201	\$56,539	\$50,893	\$11,788	\$62,681	\$119,220	\$0	\$0		
2004	\$2,357,600	\$9,810	\$29,805	\$3,749	\$9,974	\$3,201	\$56,539	\$50,893	\$11,788	\$62,681	\$119,220	\$0	\$0		
2005	\$3,307,600	\$11,787	\$35,810	\$4,504	\$11,983	\$3,846	\$67,930	\$61,147	\$16,538	\$77,685	\$145,615	\$26,395	\$26,395		
2006	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$66,682		
2007	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$106,969		
2008	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$147,256		
2009	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$187,543		
2010	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$227,830		
2011	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$268,118		
2012	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$308,405		
2013	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$348,692		
2014	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$388,979		
2015	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$429,266		
2016	\$3,807,600	\$12,827	\$38,971	\$4,901	\$13,041	\$4,186	\$73,926	\$66,543	\$19,038	\$85,581	\$159,507	\$40,287	\$469,553		
2017	\$3,807,600	\$15,844	\$48,136	\$6,054	\$16,108	\$5,170	\$91,312	\$82,194	\$19,038	\$101,232	\$192,544	\$73,324	\$542,877		
2018	\$3,807,600	\$15,844	\$48,136	\$6,054	\$16,108	\$5,170	\$91,312	\$82,194	\$19,038	\$101,232	\$192,544	\$73,324	\$616,201		
Taxable value is based planned improvements in 2004, 2005 and 2006.															
Calculations are based on the IFT rate for the first 12 years and the normal rate thereafter. The tax levies are assumed to stay the same.															

Exhibit B

Property Description

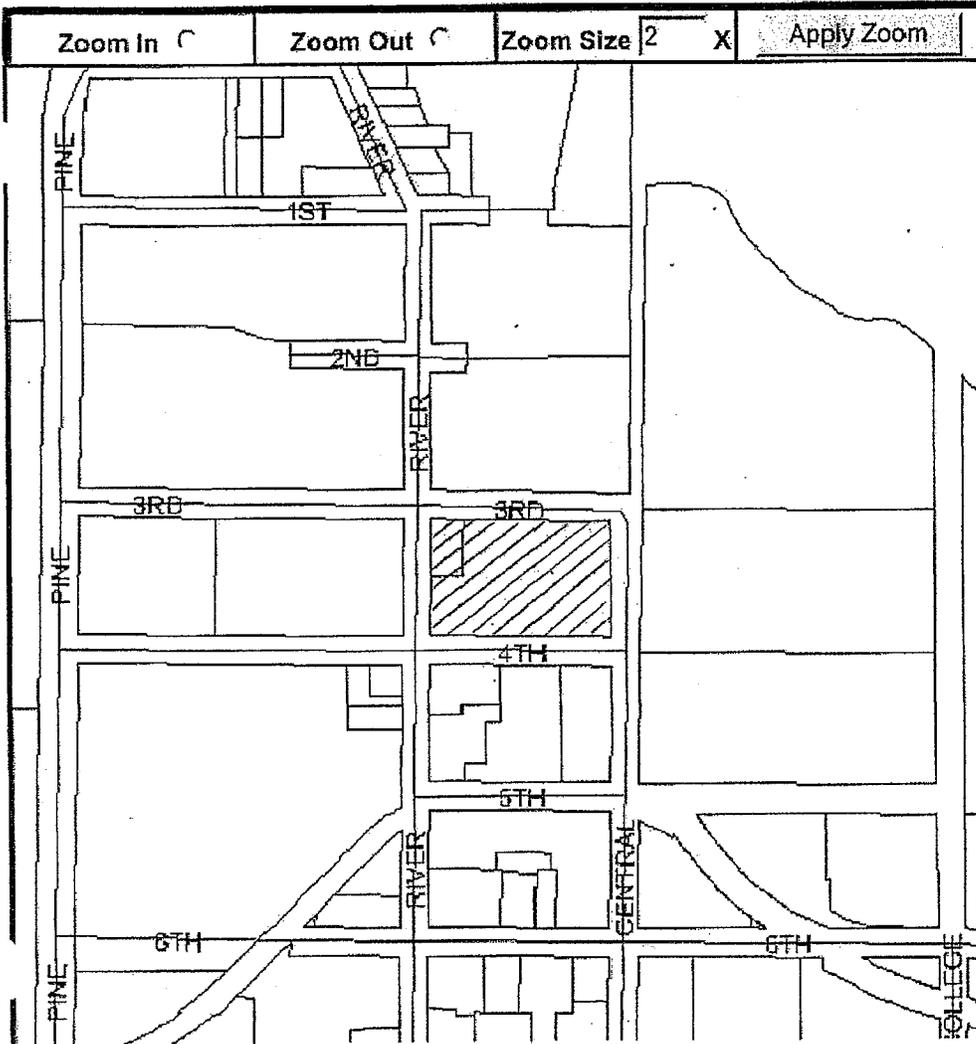
Property Address: 13 West Fourth Street
Holland, Michigan

77 South River Avenue
Holland, Michigan

Legal Description:

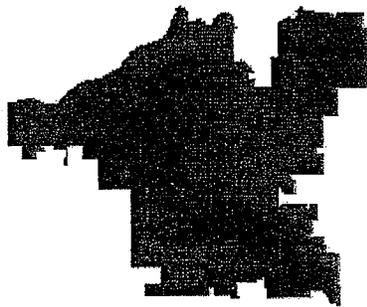
Parcel 1: Lots 1, 2, 3 and Lots 5, 6, 7 and 8, Block 11, INCLUDING vacated railroad right-of-way adjacent to Lots 1, 2 and 8. ALSO, that part of the Northwest $\frac{1}{4}$ lying West of the West line of Central Avenue between 3rd and 4th Streets, Original Plat of the City of Holland, Ottawa County, Michigan, according to the recorded plat thereof.

Parcel 2: Lot 4, Block 11, Original Plat of the City of Holland, Ottawa County, Michigan, according to the recorded plat thereof.



Powered by MapServer

Reference Map



Zoom In Zoom Size 2 X

Select Layers of Information to Display:

- Parcel (Property Lines)
 - Downtown Parking
 - Building Outlines
 - Holland Hospital Property
 - College Property
 - City Parks
 - Ward and Precinct
 - Land Use Plan
 - Zoning
 - Historic District
 - Washington Blvd Historic District
 - City Cemeteries
 - Ottawa County Topography
 - Allegan County Topography
 - Aerial Photos (1999)
- Aerial photos will slow loading of map.

Legend

- Parcel
- streets
- city limits

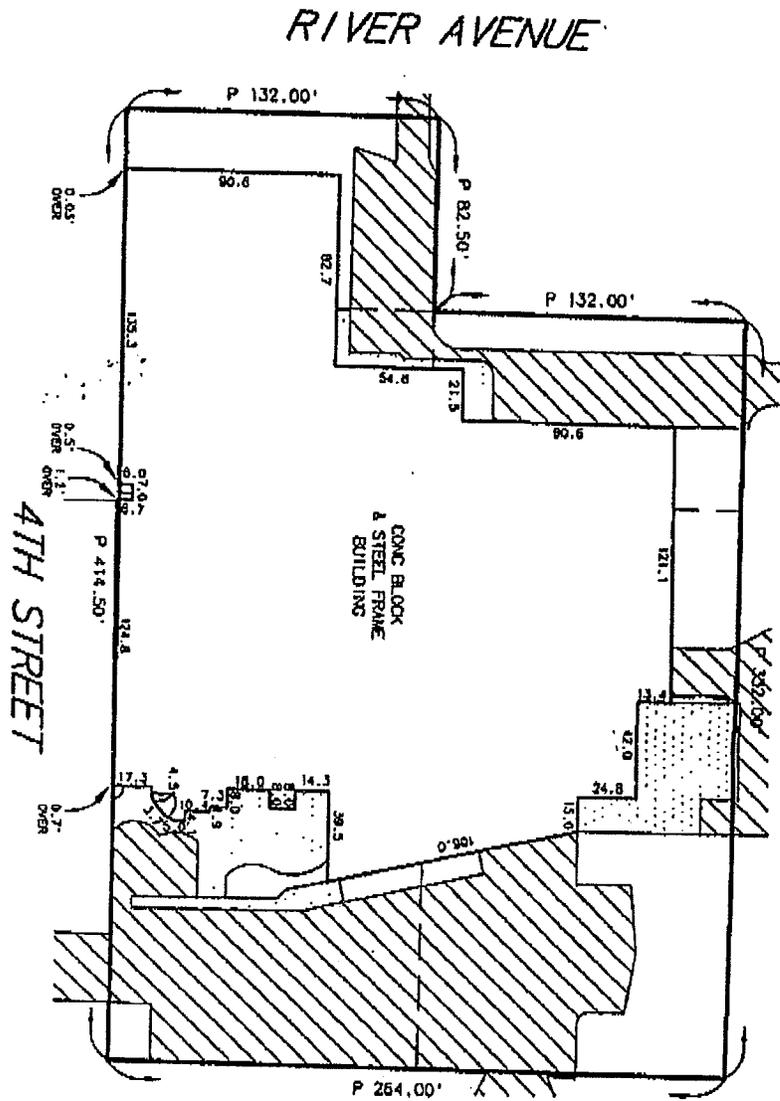
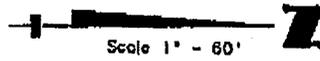


City of Holland

This is to certify to AmeriBank that we have examined the premises herein described, that the buildings are located entirely thereon as shown, and that they do not encroach except as shown herein. This report, prepared for mortgage purposes only, does not represent a property line survey, and no property corners were set. This report is not to be used for the reestablishment of any fence, building, or other improvements. The locations of fences, walls, or other indications of occupancy along or near boundary lines are not shown. This report was made from the legal description shown below. The description should be compared with the abstract of title or title policy for accuracy, easements, and exceptions. This examination was prepared for the mortgagee in connection with a new mortgage, and no responsibility is extended herein to the present or future land owner. The Surveyor's liability for any and all claims, including but not limited to those arising out of the Surveyor's professional services, negligence, gross misconduct, warranties or misrepresentations shall be deemed limited to an amount no greater than the service fee.

LEGAL DESCRIPTION

Lots 1, 2, 3 and Lots 5, 6, 7 and 8, Block 11, INCLUDING vacated railroad right-of-way adjacent to Lots 1, 2 and 8, ALSO that part of the Northwest 1/4 lying West of the West line of Central Avenue between 3rd and 4th Streets, Original Plat of the City of Holland, Ottawa County, Michigan, according to the recorded plat thereof.



If the land is not well defined, this drawing is a copy that should be assumed to contain unauthorised alterations. The certificates contained on this document shall not apply to any copies.



Date	Drawn by	Checked by	Surveyed by
03-26-09	JEV	DRP	ES

Symbol	Description
○	Set steel pin
●	Found iron stake
■	Found concrete monument
■	Reinforced foundation
P	Plot dimension
U	Unsurveyed dimension
D	Descriptive dimension
C	Calculated dimension
—	Power line
—	Face
—	Generic
—	Asphalt
—	Red decking
—	Black paving

HEI
 Holland Engineering, Inc.
 Civil Engineering,
 Land Surveying
 & Mapping
 418 East 8th St.
 Holland, MI 49423-3751
 Ph: 616-392-5938
 Fax: 616-392-2115
 email: hei@hinds.com

Date: 03-26-09 Sheet 1 of 1
 Drawn by: JEV
 Checked by: DRP
 Surveyed by: ES
 For: AmeriBank
 Mortgagee: Robert H. Baird
 Job No.: 99-03-283
 Professional Land Surveyor No. 25867

**BROWNFIELD REDEVELOPMENT PLAN
Baker Lofts LLC
Holland, Michigan**

Summary of Project

Baker Lofts LLC (“Baker Lofts”) proposes to completely renovate and restore the former Baker Furniture manufacturing building located at 573 Columbia Avenue and 176 E 24th Street, Holland, Michigan (the “Property”) into a combined residential, retail and limited office facility. The project will require demolition, restoration, renovation and significant infrastructure improvements. The project will create construction jobs and 10 to 20 new full or part time jobs. The project will also result in a long-term increase to the City’s tax base and the reuse of an old industrial building.

The Property consists of approximately six acres. The building has been determined to be functionally obsolete by a level 3 or 4 assessor. Accordingly, the property is eligible for brownfield status under the Act.

Baker Lofts proposes to use tax increment financing to pay for eligible activities as described below. Additionally, Baker Lofts will apply for a Single Business Tax credit for its renovation and restoration activities.

Required Elements of Brownfield Plan

A. A description of costs intended to be paid for with tax increment revenues. (MCLA 125.2663(1)(a))

Baker Lofts intends to use school and non-school operating taxes generated through tax increment financing to reimburse the cost of certain “eligible activities” as provided in this plan. Those costs and their source of reimbursement are more fully identified in Section B. below.

B. A brief summary of the eligible activities that are proposed for each eligible property. (MCLA 125.2663(1)(b))

In qualified local governmental units such as the City of Holland, the Act includes the following activities under the definition of “eligible activities”: (A) infrastructure improvements that directly benefit eligible property; (B) demolition of structures that is not response activity under Part 201 of NREPA; (C) lead or asbestos abatement; and (D) site preparation that is not response activity under Part 201 of NREPA.

Significant demolition and infrastructure improvements as well as asbestos and lead abatement will be necessary to renovate and restore the existing building. Baker Lofts will seek tax increment financing for reimbursement of demolition, infrastructure and asbestos/lead abatement costs.

Table 1 below presents estimated costs of the eligible activities for this project for which Baker Lofts intends to seek reimbursement from tax increment financing.

Task	Cost Estimate
1. Preparation of MEGA work plan	\$ 4,000
2. Demolition	1,117,500
3. Asbestos/Lead Abatement	400,000
4. Infrastructure	223,500
5. MEDC administrative costs	1,000
6. Administrative operating costs of BRA	4,000
7. Contingencies (15%)	262,500
8. Interest	2,273,806
TOTAL	\$ 4,286,306

Interest will accrue on the unpaid invoices during the time between submittal of invoices for the eligible activities and the repayment through tax increment financing. The rate of interest and method of payment will be described in a Reimbursement Agreement between Baker Lofts and the City.

C. An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(c))

An estimate of the captured taxable value and tax increment revenues by year for real property and personal property is attached as Exhibit A.

D. The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. (MCLA 125.2663(1)(d))

The costs of the plan will be financed by Baker Lofts. No advances from the City are contemplated at this time. If any advances are made by the City or on the City's behalf, they will be reimbursed from tax increment revenues when received.

E. The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(e))

None at this time.

F. The duration of the brownfield plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(f))

The estimated duration is 20 to 25 years. It is estimated that redevelopment of the Property will be completed in three years and that it could take 20 or more years to recapture eligible costs through tax increment revenues.

G. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. (MCLA 125.2663(1)(g))

Tabular estimates of the incremental tax increases are attached as Exhibit A.

H. A legal description of each parcel of eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (MCLA 125.2663(1)(h))

1. Legal Description: See attached Exhibit B.
2. Location and Site maps: See Exhibit C.
3. Characteristics of Property: The “eligible property” was historically used as a furniture manufacturing facility. As a result, the Property has subsurface contamination in excess of the Part 201 criteria and therefore is a “facility” as that term is defined in Section 20101 of NREPA.
4. Personal Property: Personal property is included as part of the eligible property.

I. An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any. (MCLA 125.2663(1)(i))

None.

J. A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable. (MCLA 125.2663(1)(j))

This Section is inapplicable to this site.

K. Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any. (MCLA 125.2663(1)(k))

This Section is inapplicable to this site.

L. A strategy for compliance with the Michigan Relocation Assistance Act, if applicable. (MCLA 125.2663(1)(l))

This Section is inapplicable to this site.

M. A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(m))

It is not anticipated that the local site remediation revolving fund will be used for activities described in Section B above.

N. Other material that the authority or governing body considers pertinent. (MCLA 125.2663(1)(n))

Baker Lofts is not aware of any material or information falling within this category.

4. Single Business Tax Credit

It is the intention of the Michigan Legislature to encourage redevelopment of brownfields using the 10% Single Business Tax credit incentive permitted under Act 143, Public Acts of 2000, as amended. The Single Business Tax credit can be applied against any "eligible investment" at the Property. The Single Business Tax credit will be applied against any eligible investment or part thereof made by a qualified taxpayer after approval of this Brownfield Redevelopment Plan by the City of Holland and receipt of a preapproval letter from the State of Michigan.

"Eligible investment" means demolition, construction, restoration, alteration, renovation, or improvement of buildings on eligible property and the addition of machinery, equipment, and fixtures to the Property after the date of the preapproval letter.

Baker Lofts anticipates that it will apply for a Single Business Tax credit for this project.

1045523

Exhibit A
Baker Lofts
TIF Calculation based on NEZ

AD VALOREM TAX - Real Property	Local Increment					State/School Increment					Total Taxes	Total Increment	
	Taxable Value ¹	Ottawa County	City	Comm. Pool Authority	Inter. School	Library	Total Local	Holland School	State Ed.	Total School		Annual	Cumulative
Operating Mills ²		4.2593	10.6590	0.8500	4.2192	1.0673	21.0548	18.0000	6.0000	24.0000	45.0548		
Calendar Year													
2004 (Base)	\$685,700	\$2,921	\$7,309	\$583	\$2,893	\$732	\$14,437	\$12,343	\$4,114	\$16,457	\$30,894		
2005	\$719,406	\$3,064	\$7,668	\$611	\$3,035	\$768	\$15,147	\$12,949	\$4,316	\$17,266	\$32,413	\$1,519	
2006	\$2,558,794	\$7,012	\$17,548	\$1,399	\$6,946	\$1,757	\$34,662	\$29,633	\$9,878	\$39,511	\$74,173	\$43,279	
2007	\$5,934,970	\$9,577	\$23,966	\$1,911	\$9,487	\$2,400	\$47,341	\$40,472	\$13,491	\$53,963	\$101,304	\$70,410	
2008	\$7,878,669	\$9,768	\$24,446	\$1,949	\$9,676	\$2,448	\$48,288	\$41,282	\$13,761	\$55,043	\$103,330	\$72,466	
2009	\$9,861,243	\$9,964	\$24,935	\$1,988	\$9,870	\$2,497	\$49,254	\$42,108	\$14,036	\$56,143	\$105,397	\$74,503	
2010	\$10,058,468	\$10,163	\$25,433	\$2,028	\$10,067	\$2,547	\$50,239	\$42,950	\$14,317	\$57,266	\$107,505	\$76,611	
2011	\$10,259,637	\$10,366	\$25,942	\$2,069	\$10,269	\$2,598	\$51,244	\$29,226	\$14,603	\$43,829	\$95,072	\$64,178	
2012	\$10,464,830	\$10,574	\$26,461	\$2,110	\$10,474	\$2,650	\$52,268	\$29,810	\$14,895	\$44,705	\$96,974	\$66,079	
2013	\$10,674,126	\$10,785	\$26,990	\$2,152	\$10,684	\$2,703	\$53,314	\$30,406	\$15,193	\$45,599	\$98,913	\$68,019	
2014	\$10,887,609	\$11,001	\$27,530	\$2,195	\$10,897	\$2,757	\$54,380	\$31,015	\$15,497	\$46,511	\$100,891	\$69,997	
2015	\$11,105,361	\$11,221	\$28,081	\$2,239	\$11,115	\$2,812	\$55,468	\$31,635	\$15,807	\$47,441	\$102,909	\$72,015	
2016	\$11,327,468	\$11,445	\$28,642	\$2,284	\$11,338	\$2,868	\$56,577	\$32,267	\$16,123	\$48,390	\$104,967	\$74,073	
2017	\$11,554,018	\$30,443	\$76,185	\$6,075	\$30,166	\$7,628	\$150,488	\$32,913	\$42,885	\$75,798	\$226,286	\$195,391	
2018	\$11,785,098	\$31,052	\$77,708	\$6,197	\$30,760	\$7,781	\$153,498	\$33,571	\$43,742	\$77,313	\$230,811	\$199,917	
2019	\$12,020,800	\$51,200	\$128,130	\$10,218	\$50,718	\$12,830	\$258,157	\$34,927	\$72,125	\$106,367	\$359,463	\$328,569	
2020	\$12,261,216	\$52,224	\$130,692	\$10,422	\$51,733	\$13,086	\$263,321	\$35,626	\$73,039	\$108,495	\$366,652	\$335,758	
2021	\$12,506,440	\$53,269	\$133,306	\$10,630	\$52,767	\$13,348	\$268,587	\$36,338	\$73,567	\$110,665	\$373,985	\$343,091	
2022	\$12,756,569	\$54,334	\$135,972	\$10,843	\$53,823	\$13,615	\$273,959	\$37,065	\$74,070	\$112,878	\$381,465	\$350,571	
2023	\$13,011,700	\$55,421	\$138,692	\$11,060	\$54,899	\$13,887	\$279,438	\$37,807	\$74,532	\$115,135	\$389,094	\$358,200	
2024	\$13,271,934	\$56,529	\$141,466	\$11,281	\$55,997	\$14,165	\$285,027	\$38,563	\$75,039	\$117,438	\$396,876	\$365,992	
2025	\$13,537,373	\$57,660	\$144,295	\$11,507	\$57,117	\$14,448	\$290,727	\$39,334	\$75,567	\$119,787	\$404,814	\$373,919	
2026	\$13,808,121	\$58,813	\$147,181	\$11,737	\$58,259	\$14,737	\$296,542	\$40,121	\$76,070	\$122,183	\$412,910	\$382,016	
2027	\$14,084,283	\$59,989	\$150,124	\$11,972	\$59,424	\$15,032	\$302,573	\$40,923	\$76,566	\$124,626	\$421,168	\$390,274	
2028	\$14,365,969	\$61,189	\$153,127	\$12,211	\$60,613	\$15,333	\$308,522	\$41,741	\$77,062	\$127,119	\$429,591	\$398,697	
2029	\$14,653,288	\$62,413	\$156,189	\$12,455	\$61,825	\$15,639	\$314,992	\$42,576	\$77,557	\$129,661	\$438,183	\$407,289	
2030	\$14,946,354	\$63,661	\$159,313	\$12,704	\$63,062	\$15,952	\$321,986	\$43,428	\$78,051	\$132,254	\$446,947	\$416,053	
2031	\$15,245,281	\$64,934	\$162,499	\$12,958	\$64,323	\$16,271	\$329,966	\$44,296	\$78,546	\$134,899	\$455,886	\$424,992	
2032	\$15,550,187	\$66,233	\$165,749	\$13,218	\$65,609	\$16,597	\$337,406	\$45,182	\$79,039	\$137,597	\$465,004	\$434,109	
2033	\$15,861,190	\$67,558	\$169,064	\$13,482	\$66,922	\$16,929	\$345,954	\$46,086	\$79,532	\$140,349	\$474,304	\$443,410	
2034	\$16,178,414	\$68,909	\$172,446	\$13,752	\$68,260	\$17,267	\$354,633	\$47,008	\$80,025	\$143,156	\$483,790	\$452,896	
2035	\$16,501,982	\$70,287	\$175,895	\$14,027	\$69,625	\$17,613	\$364,446	\$47,912	\$80,512	\$146,020	\$493,465	\$462,571	

¹ Taxable value is based on both land and building values, but no tax on homestead improvements (7,300,000) during NEZ.
² The first half of the NEZ terminates at the end of 2016 and the second half of the NEZ terminates at the end of 2018.

³ The tax levies are assumed to stay the same. Homestead rate is used beginning 2011.

1/10/05

1/18/05

#1054393

Baker Lofts LLC
 Estimate of Reimbursement From TIF

Year	Annual Tax Increment Captured	Cumulative Tax Increment Captured	Amount Due Developer ⁽¹⁾	Payments to Developer From Tax Capture	Balance Due Developer (Principal)	Interest on Balance Due (5.00%) ⁽²⁾	Total Balance Due
2005	\$1,519	\$1,519	\$1,006,250	\$0	\$1,006,250	\$50,313	\$1,056,563
2006	\$43,279	\$44,798	\$2,062,813	\$1,519	\$2,061,294	\$103,065	\$2,164,359
2007	\$70,410	\$115,208	\$2,164,359	\$43,279	\$2,121,079	\$106,054	\$2,227,133
2008	\$72,436	\$187,645	\$2,227,133	\$70,410	\$2,156,723	\$107,836	\$2,264,559
2009	\$74,503	\$262,148	\$2,264,559	\$72,436	\$2,192,123	\$109,606	\$2,301,729
2010	\$76,611	\$338,759	\$2,301,729	\$74,503	\$2,227,226	\$111,361	\$2,338,587
2011	\$64,178	\$402,937	\$2,338,587	\$76,611	\$2,261,976	\$113,099	\$2,375,075
2012	\$66,079	\$469,016	\$2,375,075	\$64,178	\$2,310,897	\$115,545	\$2,426,442
2013	\$68,019	\$537,035	\$2,426,442	\$66,079	\$2,360,362	\$118,018	\$2,478,380
2014	\$69,997	\$607,032	\$2,478,380	\$68,019	\$2,410,362	\$120,518	\$2,530,880
2015	\$72,015	\$679,047	\$2,530,880	\$69,997	\$2,460,882	\$123,044	\$2,583,927
2016	\$74,073	\$753,120	\$2,583,927	\$72,015	\$2,511,912	\$125,596	\$2,637,507
2017	\$195,391	\$948,512	\$2,637,507	\$74,073	\$2,563,434	\$128,172	\$2,691,606
2018	\$199,917	\$1,148,429	\$2,691,606	\$195,391	\$2,496,214	\$124,811	\$2,621,025
2019	\$328,569	\$1,476,998	\$2,621,025	\$199,917	\$2,421,108	\$121,055	\$2,542,163
2020	\$335,758	\$1,812,756	\$2,542,163	\$328,569	\$2,213,594	\$110,680	\$2,324,274
2021	\$343,091	\$2,155,847	\$2,324,274	\$335,758	\$1,988,516	\$99,426	\$2,087,942
2022	\$350,571	\$2,506,418	\$2,087,942	\$343,091	\$1,744,851	\$87,243	\$1,832,093
2023	\$358,200	\$2,864,618	\$1,832,093	\$350,571	\$1,481,522	\$74,076	\$1,555,599
2024	\$365,982	\$3,230,600	\$1,555,599	\$358,200	\$1,197,398	\$59,870	\$1,257,268
2025	\$373,919	\$3,604,519	\$1,257,268	\$365,982	\$891,286	\$44,564	\$935,851
2026	\$382,016	\$3,986,535	\$935,851	\$373,919	\$561,931	\$28,097	\$590,028
2027	\$390,274	\$4,376,809	\$590,028	\$382,016	\$208,012	\$10,401	\$218,413
2028	\$398,697	\$4,775,506	\$218,413	\$218,413	(\$0)	(\$0)	(\$0)
2029	\$407,289	\$5,182,795					
2030	\$416,053	\$5,598,848					
2031	\$424,992	\$6,023,840					
2032	\$434,109	\$6,457,949					
2033	\$443,410	\$6,901,359					
2034	\$452,896	\$7,354,255					
2035	\$462,571	\$7,816,826					
				\$4,204,948		\$2,192,448	

⁽¹⁾ Includes anticipated expenditure plus contingency as stated in Brownfield Plan.

⁽²⁾ Assumes interest at prime rate as of 11/10/04. Interest on balance due is calculated on an annual basis.

Exhibit "B"

Parcel 1:

Block B and Lots 4, 5, 6, 7 and 8 Block 7, the vacated alley lying between Block B and Block 7 and that part of the South $\frac{1}{2}$ of vacated 22nd Street lying North of Lots 6, 7 and 8, Block 7, Prospect Park Addition to the City of Holland, Ottawa County, Michigan as recorded in Liber 4 of Plats, Page 32.

EXCEPT the following:

A. All that part of Block B commencing at the Southeast corner of Lot 4, Block 7, thence Southeasterly to a point 150 feet South of the Southeast corner of Lot 2, Block 7, on a line formed by continuation South of the line between Lots 1 and 2 of Block 7, thence East to the Westerly line of Railroad right-of-way, thence Northwesterly along the Westerly line of said Railroad right-of-way to the South line of Lot 1, Block 7, thence West to the point of beginning.

B. All that part of Lots 4 and 5, Block 7, described as commencing at the Northeast corner of Lot 5, thence West along the North line of Lot 5, 30 feet, thence Southeasterly to the Southeast corner of Lot 4, thence Northwesterly to the point of beginning; also all that part of said Lot 4, Block 7 lying North of said described parcel.

C. All that part of Lots 4, 5, and 6, Block 7 and vacated 22nd Street described as commencing at a point on the North line of Lot 5, which is 30 feet West of the Northeast corner of Lot 5, thence Southeasterly along a line connecting the point of beginning and Southeast corner of Lot 4, Block 7 a distance of 60 feet, thence Northwesterly 120 feet to a point 108.3 feet East of the West line of Lot 8, Block 7 extended and 9 feet South of the centerline of 22nd Street, thence West 108.3 feet, thence North 9 feet to the center of 22nd Street, thence East along the center of 22nd Street to a point due North from the point of beginning, thence South 33 feet to the point of beginning.

Parcel 2:

The West 42 feet of Lot 6, the East 4 feet of the West $\frac{1}{2}$ of Lot 7 and the East $\frac{1}{2}$ of Lot 7, Block 1, South Prospect Park Plat, city of Holland, Ottawa County, Michigan, being a subdivision of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 32 and Lots 3 & 23 Addition No. 2 of A.C. Van Raalte Addition to the Village of Holland all in T5N, R15W as recorded in Liber 5 of Plats, Page 6.

Parcel 11.
 Block B and Lots 4, 5, 6, 7 and 8, Block 7, the vacated alley lying between Block B and Block 7 and that part of the South 1/2 of vacated 22nd Street lying North of Lots 6, 7 and 8, Block 7, Prospect Park Addition to the City of Holland, Ottawa County, Michigan as recorded in Book 4 of Plats, Page 32.

EXCEPT THE FOLLOWING:

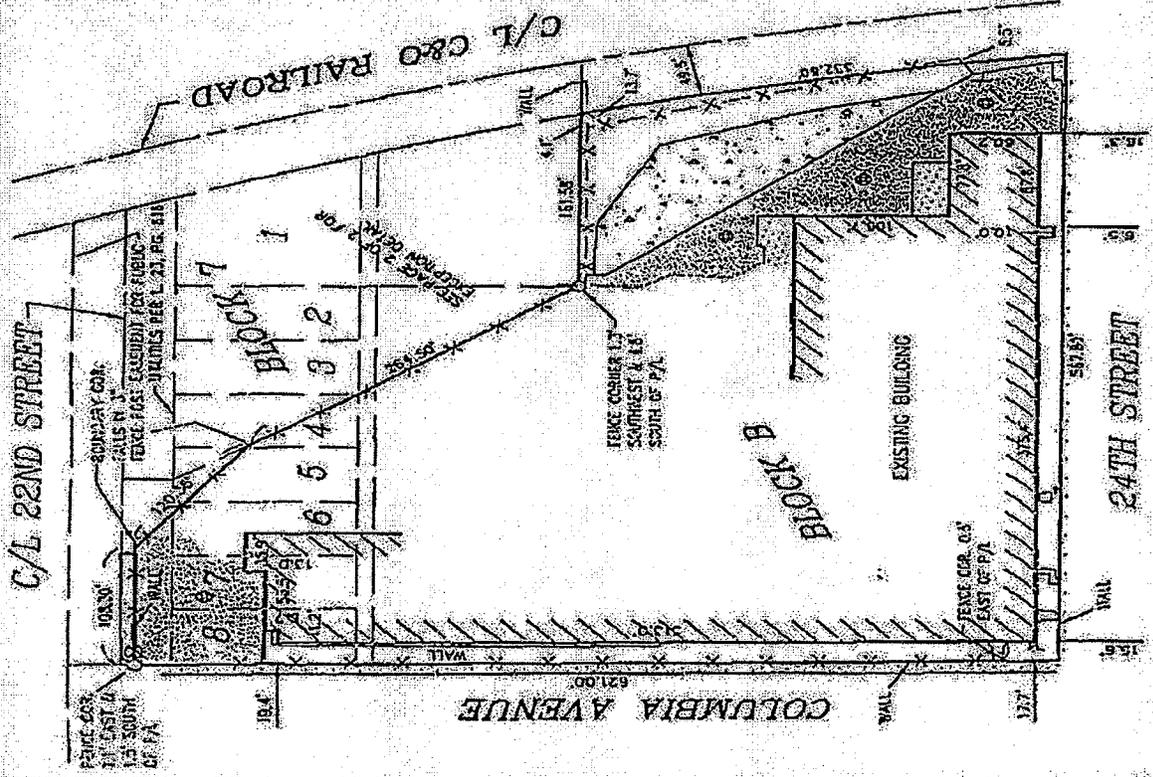
- A. All that part of Block B commencing at the Southeast corner of Lot 4, Block 7, thence Southeast to a point 150 feet South of the Southeast corner of Lot 7, Block 7, on a line formed by continuation South of the line between Lots 1 and 2 of Block 7, thence East to the Westerly line of Railroad right-of-way, thence Northwesterly along the Westerly line of said Railroad right-of-way to the South line of Lot 1, Block 7, thence West to the point of beginning.
- B. All that part of Lots 4 and 5, Block 7, described as commencing at the Northeast corner of Lot 5, thence West along the North line of Lot 5, 30 feet, thence Southeast to the Southeast corner of Lot 4, thence Northwesterly to the point of beginning; also all that part of said Lot 4, Block 7 lying North of said described parcel.
- C. All that part of Lots 4, 5 and 6, Block 7 and vacated 22nd Street described as commencing at a point on the North line of Lot 5, which is 30 feet West of the Northeast corner of Lot 5, thence Southeast along a line connecting the point of beginning and Southeast corner of Lot 4, Block 7 a distance of 60 feet, thence Northwesterly 120 feet to a point 108.3 feet East of the West line of Lot 8, Block 7, extended and 9 feet South of the centerline of 22nd Street, thence West 108.3 feet thence North 9 feet to the center of 22nd Street, thence East along the center of 22nd Street to a point 22nd Street to a point 22nd Street from the point of beginning, thence South 33 feet to the point of beginning.

NOTE: PER L. 15, PG. 137, THE RAILROAD RIGHT-OF-WAY IS DEFINED AS "A STRIP OF LAND SIX FEET IN WIDTH BEING THREE FEET ON EACH SIDE OF THE CENTER LINE OF THE RAILROAD."

- ⊙ = MANHOLE
- ⊕ = CATCH BASIN
- P = FLAG
- ⊞ = TRANSFORMER
- ▨ = STIMULOUS CONC.
- = GRAVEL

Scale 1" = 120'

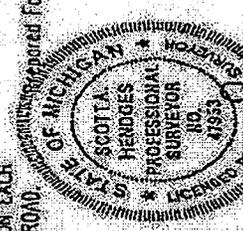
- ▨ = Concrete
- D = Description dimension
- M = Measured dimension
- P = Plotted Dimension
- = Set Iron Stake
- = Found Iron Stake
- = Fence Line



We hereby certify that we have examined the premises herein described, that the improvements are located entirely thereon as shown and that they do not encroach except as shown herein. This survey was made from the legal description shown above. The description should be compared with the Abstract of Title of this Policy for accuracy, easements and encroachments.

Prepared For: Grubb and Ellis Focus Properties
 Harry Slack
 44 East 8th Street
 Holland, MI 49423

RE: Baker Furniture
 Columbia Avenue



Scott A. Hendiges
 Licensed Professional Surveyor No. 47953

nederfeld associates, inc.
 engineering • surveying

10000 E. 15th Street, Suite 200, Grand Rapids, Michigan 49508
 Phone: (616) 372-3150 Fax: (616) 372-3151
 Website: www.nederfeld.com

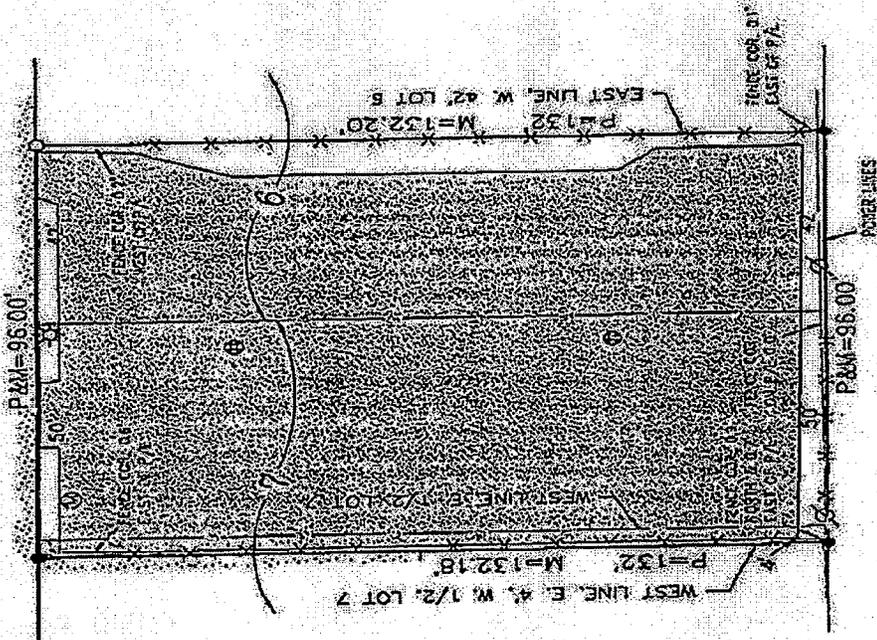
File No.: 01201220 Date: 10.6.04

Prepared For: Grubb and Ellis Focus Properties
 Harry Slenk
 44 East 8th street
 Holland, MI 49423

RE: Boker Furniture
 176 E. 24th Street

The West 42 feet of Lot 6, the East 4 feet of the West 1/2 of Lot 7 and the East 1/2 of Lot 7, Block 1, South Prospect Park Plat, City of Holland, Ottawa County, Michigan, being a Subdivision of the Northeast 1/4 of the Southeast 1/4 of Section 32 and Lots 3 and 23 Addition No. 2 of A.C. Van Realty Addition to the Village of Holland all in Town 5 North, Range 15 West as recorded in Liber 5 of Plats, Page 6.

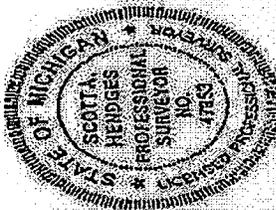
24TH STREET



- ⊕ = Power Pole
- ⊙ = Catch Basin
- ⊙ = Manhole
- ▣ = Bit Concrete

- Scale 1" = 30'
- ▣ = Concrete
 - D = Description dimension
 - H = Measured dimension
 - P = Plotted Dimension
 - = Set Iron Stake
 - O = Found Iron Stake
 - X— = Fence Line

We hereby certify that we have examined the premises herein described, that the improvements are located entirely thereon as shown and that they do not encroach except as shown hereon. This survey was made from the legal description shown above. The description should be compared with the Abstract of Title or Title Policy for accuracy, assessments and exceptions.



By: *Scott A. Hendiges*
 Scott A. Hendiges, Licensed Professional Surveyor No. 47953

nederveld associates, inc.
 engineering • surveying

COMPANY OFFICE: Ph: (616) 489-5150 Fax: 616-618-2018
 210 Rex Rd. 5700 3rd Level, Holland, Michigan 49423

LOCAL OFFICE: Ph: (616) 515-5149 Fax: 616-515-5149
 117 Power Boulevard - Suite 10, Holland, Michigan 49423

MAILING OFFICE: Ph: (616) 515-5149 Fax: 616-515-5149
 1001 West Park Court, Holland, Michigan 49423

REGISTRATION NO. 04201221 DATE 10.5.04

BROWNFIELD REDEVELOPMENT PLAN
Macatawa Bank
Holland, Michigan

Summary of Project

Macatawa Bank proposes to construct a bank on certain property in Holland, Michigan, surrounded on three sides by E. 7th St., Columbia Ave., and E. 8th St. (the "Property"). The project will require demolition of the existing buildings located on the Property. The project will create construction jobs and five new full time service jobs. The project will also result in a long-term increase to the City's tax base and the continued redevelopment of contaminated sites.

The Property consists of approximately two acres. The subsurface of the Property is contaminated with petroleum hydrocarbons that exceed the Part 201 residential criteria as a result of the historic use of the Property as a gasoline service station and a Muffler Man automotive service center. Therefore, the Property is an "eligible property" as defined by the Act because it has been determined to be a "facility" as defined in Part 201 of the Natural Resources and Environmental Protection Act ("NREPA") as a result of the described contamination.

Macatawa Bank proposes to use tax increment financing to pay for eligible activities as described below.

Required Elements of Brownfield Plan

A. A description of costs intended to be paid for with tax increment revenues.
(MCLA 125.2663(1)(a))

Macatawa Bank intends to use non-school operating taxes generated through tax increment financing to reimburse the cost of certain eligible activities at the Property such as demolition of existing buildings and additional response activities (removal of contaminated soil), including a 15% contingency, estimated at \$103,500. Interest at the rate of 5% will accrue on the unpaid invoices during the time between submittal of invoices for the eligible activities and the repayment through tax increment financing. The method of payment will be described in a Reimbursement Agreement between Macatawa Bank and the City.

Table 1 below presents estimated costs of the eligible activities for this project for which Macatawa Bank intends to seek reimbursement from tax increment financing.

Task	Cost Estimate
1. Additional response activities	\$50,000
2. Demolition	40,000
3. Administrative operating costs of BRA	4,000

Task	Cost Estimate
4. Contingencies (15%)	13,500
5. Interest (5%)	16,526
TOTAL	\$124,026

B. A brief summary of the eligible activities that are proposed for each eligible property. (MCLA 125.2663(1)(b))

“Eligible activities” is defined in the Act as meaning one or more of the following: (i) baseline environmental assessment activities; (ii) due care activities; and (iii) additional response activities. “Baseline environmental assessment activities” is defined in the Act as meaning those response activities identified as part of a brownfield plan that are necessary to complete a baseline environmental assessment (“BEA”) defined in Section 20101 of NREPA) for an eligible property in the brownfield plan.

“Due care activities” is defined in the Act as meaning “those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107a” of Part 201 of NREPA.

“Response activity” is defined in the Act as having the same meaning as that term is defined in Section 20101 of NREPA, that being evaluation, interim response activity, remedial action, demolition, or the taking of other actions necessary to protect the public health, safety, or welfare, or the environment or the natural resources. Response activity also includes health assessments or health effect studies carried out under the supervision, or with the approval of, the department of public health and enforcement actions related to any response activity.

In addition, in qualified local governmental units such as the City of Holland, the Act includes the following additional activities under the definition of “eligible activities”: (A) infrastructure improvements that directly benefit eligible property; (B) demolition of structures that is not response activity under Part 201 of NREPA; (C) lead or asbestos abatement; and (D) site preparation that is not response activity under Part 201 of NREPA.

Macatawa Bank will seek tax increment financing for reimbursement of costs associated with the following eligible activities:

1. Response Activities. Macatawa Bank anticipates that it will remove and properly dispose of contaminated soil during its construction of the bank.
2. Demolition. Demolition of the existing buildings located on the Property will be necessary to construct the bank.
3. Contingency. A 15% contingency factor is included to accommodate unexpected conditions during the course of the project.

C. An estimate of the captured taxable value and tax increment revenues for each year of the plan from each parcel of eligible property and in the aggregate. (MCLA 125.2663(1)(c))

An estimate of the captured taxable value and tax increment revenues by year for real property is attached as Exhibit A.

D. The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. (MCLA 125.2663(1)(d))

The costs of the plan will be financed by Macafawa Bank. No advances from the City are contemplated at this time. If any advances are made by the City or on the City's behalf, they will be reimbursed from tax increment revenues when received.

E. The maximum amount of the note or bonded indebtedness to be incurred, if any. (MCLA 125.2663(1)(e))

None at this time.

F. The duration of the brownfield plan, which shall not exceed the lesser of (1) the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or (2) 30 years. (MCLA 125.2663(1)(f))

The estimated duration is 12 years. It is estimated that redevelopment of the Property will be completed in one year and that it could take 7 or more years to recapture eligible costs through tax increment revenues. In addition, funds may be captured for an additional five years to fund the local site remediation revolving fund.

G. An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. (MCLA 125.2663(1)(g))

Tabular estimates of the incremental tax increases are attached as Exhibit A.

H. A legal description of each parcel of eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property and a statement of whether personal property is included as part of the eligible property. (MCLA 125.2663(1)(h))

1. Legal Description: See attached Exhibit B.
2. Location and Site maps: See Exhibit C.
3. Characteristics of Property: Historical uses of the Property include the operation of a gasoline service station and a Muffler Man automotive

service center. As a result, the Property has subsurface contamination of petroleum in excess of the Part 201 criteria and therefore is a "facility" as that term is defined in Section 20101 of NREPA.

4. **Personal Property:** Personal property is not included as part of the eligible property.

I. An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any. (MCLA 125.2663(1)(i))

None.

J. A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable. (MCLA 125.2663(1)(j))

This Section is inapplicable to this site.

K. Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any. (MCLA 125.2663(1)(k))

This Section is inapplicable to this site.

L. A strategy for compliance with the Michigan Relocation Assistance Act, if applicable. (MCLA 125.2663(1)(l))

This Section is inapplicable to this site.

M. A description of the proposed use of the local site remediation revolving fund. (MCLA 125.2663(1)(m))

It is not anticipated that the local site remediation revolving fund will be used for activities described in Section B above.

N. Other material that the authority or governing body considers pertinent. (MCLA 125.2663(1)(n))

Macatawa Bank is not aware of any material or information falling within this category.

EXHIBIT A
Maccatawa Bank
Estimate of Real Property Tax Increase

AD VALOREM TAX - Real Property - LOCAL ONLY									
Calendar Year	Taxable Value ⁽¹⁾	Ottawa County	City	Comm. Pool Auth.	Inter. School	Library	Local	Local Increment	
								Annual	Cumulative
Operating Mills ⁽²⁾		4.2593	10.5837	0.8500	4.2109	1.0473	20.9512		
2005 (Base)	\$1,117,600	\$4,760	\$11,828	\$950	\$4,706	\$1,170	\$23,415		
2006	\$1,139,952	\$4,855	\$12,065	\$969	\$4,800	\$1,194	\$23,883	\$468	\$468
2007	\$2,162,751	\$9,212	\$22,890	\$1,838	\$9,107	\$2,265	\$45,312	\$21,897	\$22,365
2008	\$2,206,006	\$9,396	\$23,348	\$1,875	\$9,289	\$2,310	\$46,218	\$22,803	\$45,169
2009	\$2,250,126	\$9,584	\$23,815	\$1,913	\$9,475	\$2,357	\$47,143	\$23,728	\$68,897
2010	\$2,295,129	\$9,776	\$24,291	\$1,951	\$9,665	\$2,404	\$48,086	\$24,671	\$93,567
2011	\$2,341,031	\$9,971	\$24,777	\$1,990	\$9,858	\$2,452	\$49,047	\$25,632	\$119,200
2012	\$2,387,852	\$10,171	\$25,272	\$2,030	\$10,055	\$2,501	\$50,028	\$26,613	\$145,813
2013	\$2,435,609	\$10,374	\$25,778	\$2,070	\$10,256	\$2,551	\$51,029	\$27,614	\$173,427
2014	\$2,484,321	\$10,581	\$26,293	\$2,112	\$10,461	\$2,602	\$52,050	\$28,634	\$202,061
2015	\$2,534,008	\$10,793	\$26,819	\$2,154	\$10,670	\$2,654	\$53,090	\$29,675	\$231,737
2016	\$2,584,688	\$11,009	\$27,356	\$2,197	\$10,884	\$2,707	\$54,152	\$30,737	\$262,474
2017	\$2,636,381	\$11,229	\$27,903	\$2,241	\$11,102	\$2,761	\$55,235	\$31,820	\$294,294
2018	\$2,689,109	\$11,454	\$28,461	\$2,286	\$11,324	\$2,816	\$56,340	\$32,925	\$327,219
2019	\$2,742,891	\$11,683	\$29,030	\$2,331	\$11,550	\$2,873	\$57,467	\$34,052	\$361,271
2020	\$2,797,749	\$11,913	\$29,611	\$2,378	\$11,773	\$2,931	\$58,624	\$35,204	\$396,475

⁽¹⁾ Taxable value is based on the 2005 SEV and planned improvements in 2006 and is increased 2% per year for inflation.
⁽²⁾ The tax levies are assumed to stay the same.

Macatawa Bank
Estimate of Real Property Tax Increase

Year	Annual Local Tax Increment Captured	Cumulative Local Tax Increment Captured	Amout Due Developer ⁽¹⁾	Payments to Developer From Local Tax Capture	Balance Due Developer (Principal)	Interest on Balance Due (5%) ⁽²⁾	Total Balance Due
2006	\$468	\$468	\$103,500	\$468	\$103,032	\$5,152	\$108,183
2007	\$21,897	\$22,365	\$108,183	\$21,897	\$86,286	\$4,314	\$90,600
2008	\$22,803	\$45,169	\$90,600	\$22,803	\$67,797	\$3,390	\$71,187
2009	\$23,728	\$68,897	\$71,187	\$23,728	\$47,459	\$2,373	\$49,832
2010	\$24,671	\$93,567	\$49,832	\$24,671	\$25,161	\$1,258	\$26,419
2011	\$25,632	\$119,200	\$26,419	\$25,632	\$787	\$39	\$826
2012	\$26,613	\$145,813	\$826	\$26,613	\$0	\$0	\$0
2013	\$27,614	\$173,427					
2014	\$28,634	\$202,061					
2015	\$29,675	\$231,737					
2016	\$30,737	\$262,474					
2017	\$31,820	\$294,294					
2018	\$32,925	\$327,219					
2019	\$34,052	\$361,271					
2020	\$34,679	\$395,950					
⁽¹⁾ Includes anticipated expenditure plus contingency as stated in Brownfield Plan.							
⁽²⁾ Assumes interest at 5% fixed. Interest on balance due is calculated on an annual basis.							

Exhibit B

Legal Description

The South 88.5 feet of Lot 16 and the South 88.5 feet of the East 18.0 feet of Lot 15, Block 32 in the City of Holland, according to the recorded plat in Liber 1, Page 11, Ottawa County Records.

ALSO, Lots 1, 2 and 3 and part of Lots 14, 15 and 16, Block 32, Original Plat of the City of Holland, according to the recorded plat in Liber 1, Page 11, described as follows: Commencing at the Southeast corner of said Lot 16; thence North 88.5 feet along the West right of way line of Columbia Avenue to the point of beginning; thence continuing North 176.40 feet; thence West 370.84 feet along the South right of way line of Seventh Street; thence South 132.47 feet along the West line of said Lot 3; thence East 62.00 feet along the South line of said Lot 3; thence South 132.47 feet along the West line of the East 7.00 feet of the West 119.00 feet of said Lot 14; thence East 189.20 feet along the North right of way line of Eighth Street; thence North 88.5 feet along the West line of the East 6.50 feet of the South 88.5 feet of the West 40.00 feet of the East 51.50 feet of said Lot 15; thence East 119.64 feet along a line parallel to and 88.5 feet North of the North right of way line of Eighth Street to the point of beginning.

EXHIBIT C

1 of 2

Yahoo! My Yahoo! Mail

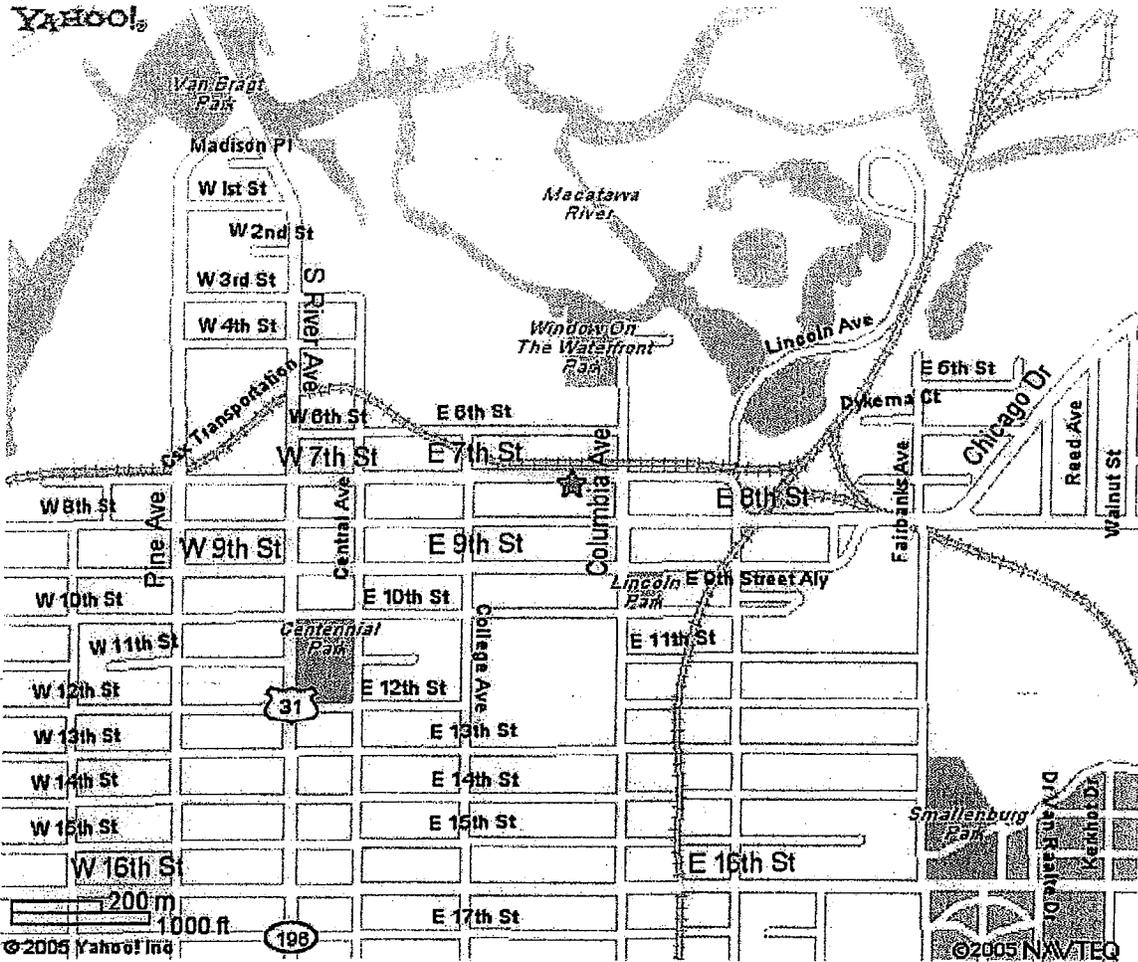
YAHOO! LOCAL Sign In
Maps New User? Sign Up

Search the Web Mi

Yahoo! Maps - Holland, MI 49423-2997

<< Back to Map

★ 124 E 7th St Holland, MI 49423-2997



When using any driving directions or map, it's a good idea to do a reality check and make sure the road still exists, watch out for construction, and follow all traffic safety precautions. This is only to be used as an aid in planning.

City of Holland

Macatawa Bank New Building Properties

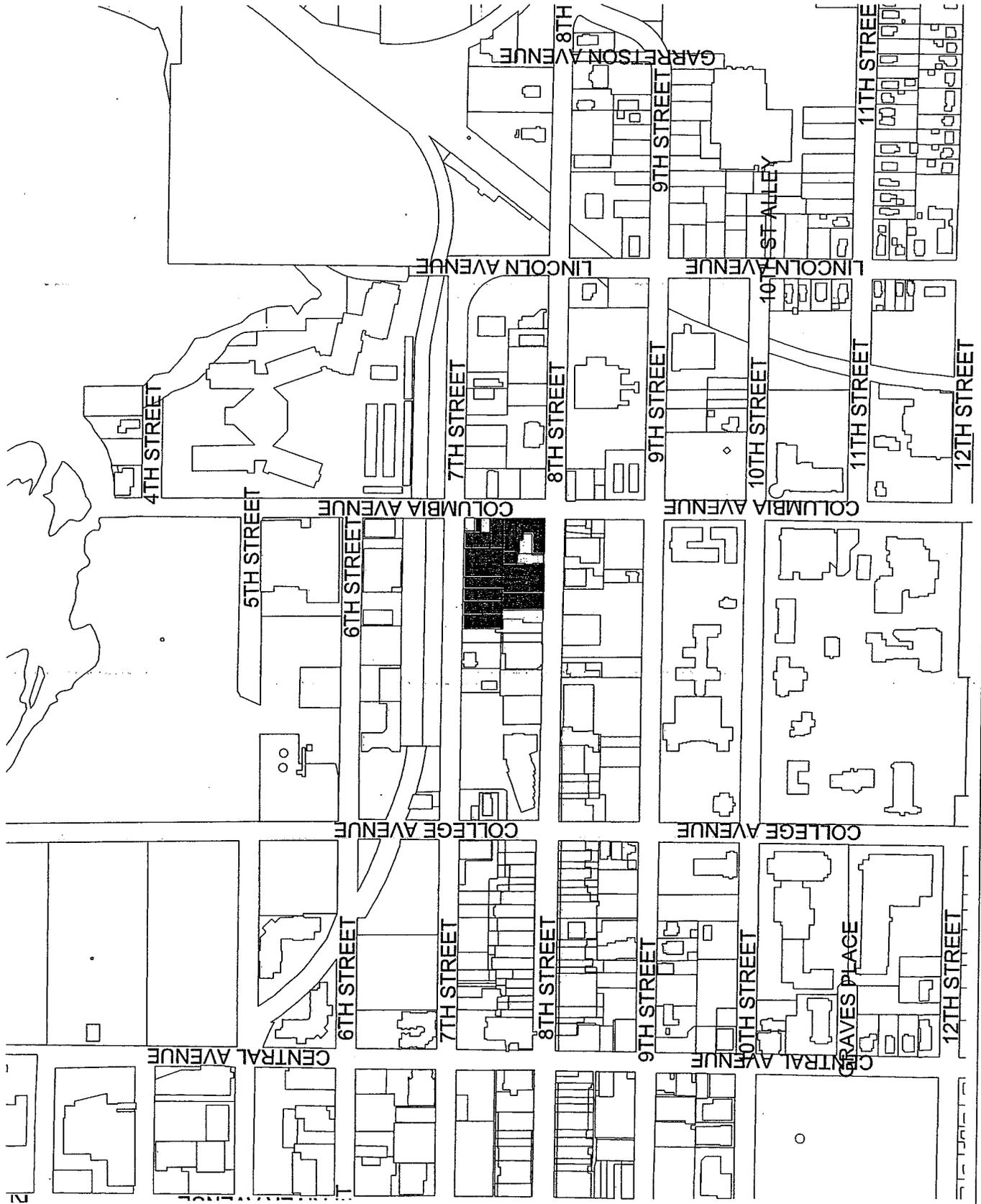
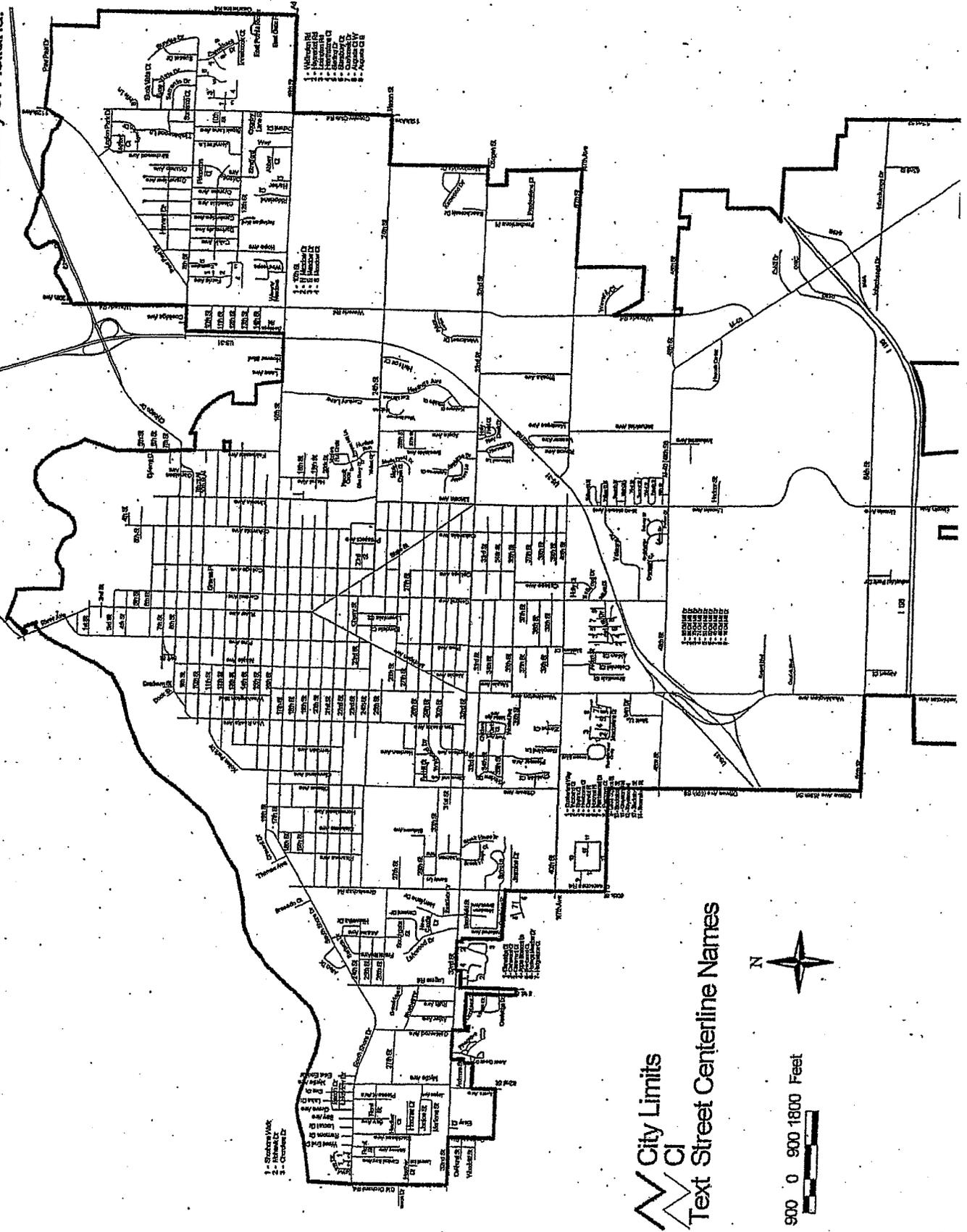


EXHIBIT A

CITY OF HOLLAND

PROPOSED BROWNFIELD REDEVELOPMENT ZONE BOUNDARIES

The governing body of the City of Holland is proposing the boundaries of the Brownfield Zone as the corporate limits of the City of Holland.

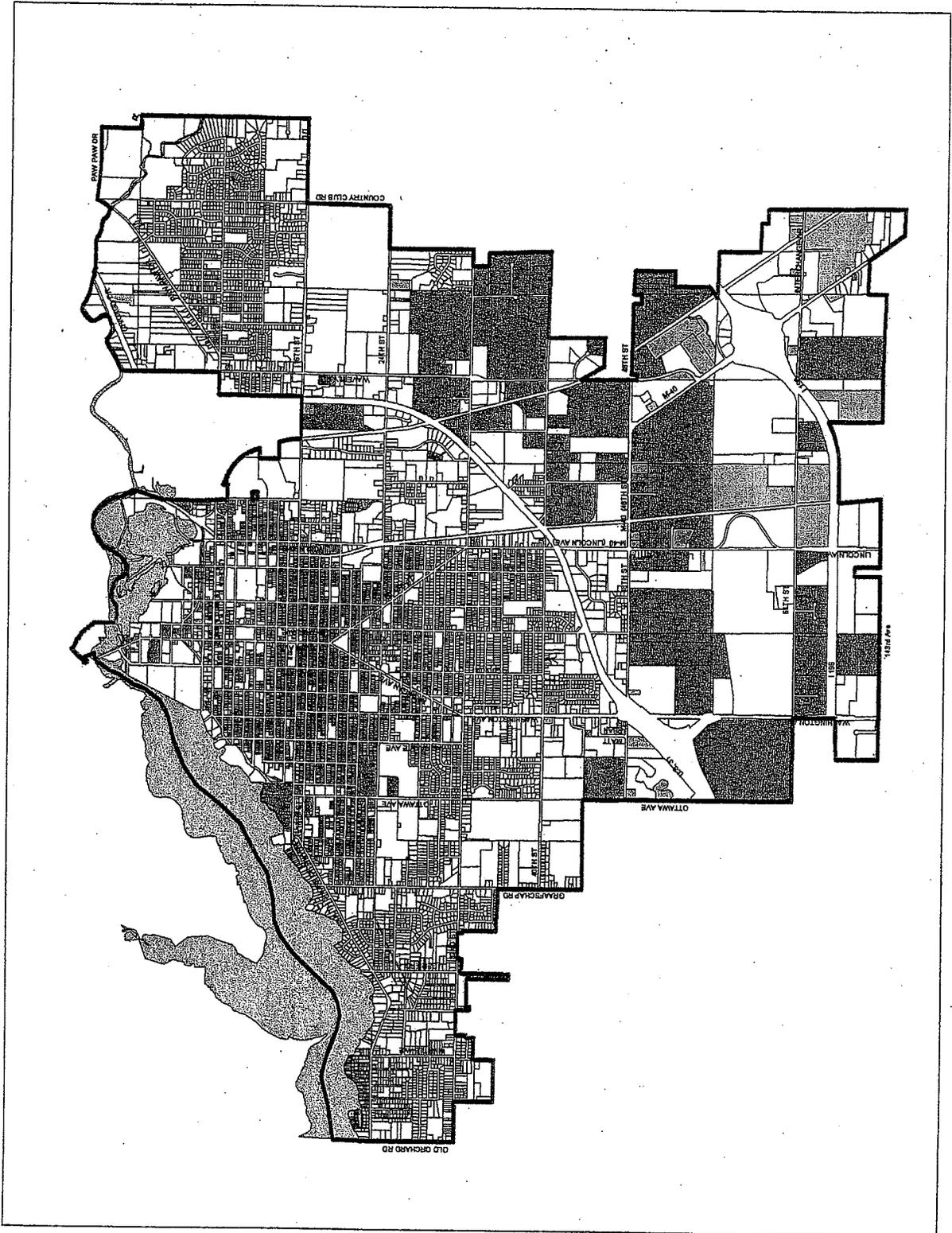


City Limits
Text Street Centerline Names



900 0 900 1800 Feet

ATTACHMENT B
 MAP OF EXISTING ACT 198 DISTRICT



CITY OF HOLLAND
 IFT PARCELS A/O 8-27-2001



 City Limits
 Lake Mac
 Text Street Major Names
 IFT Property
 Parcel

0 2000 Feet

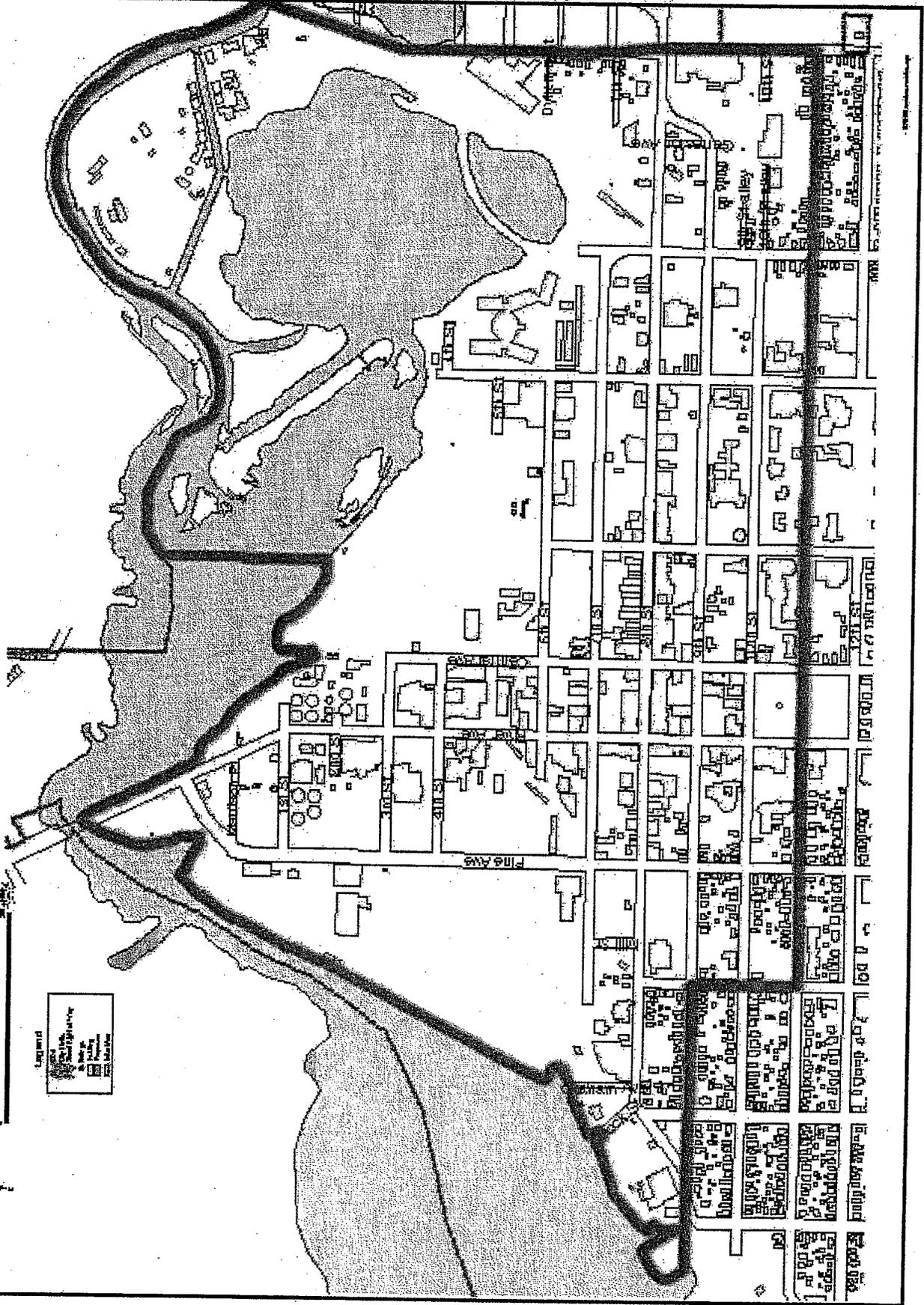
Created by Denise Bergman 8-17-2001
 Please contact City of Holland - Assessors office - for more details

City of Holland
Downtown Development Area



Legend

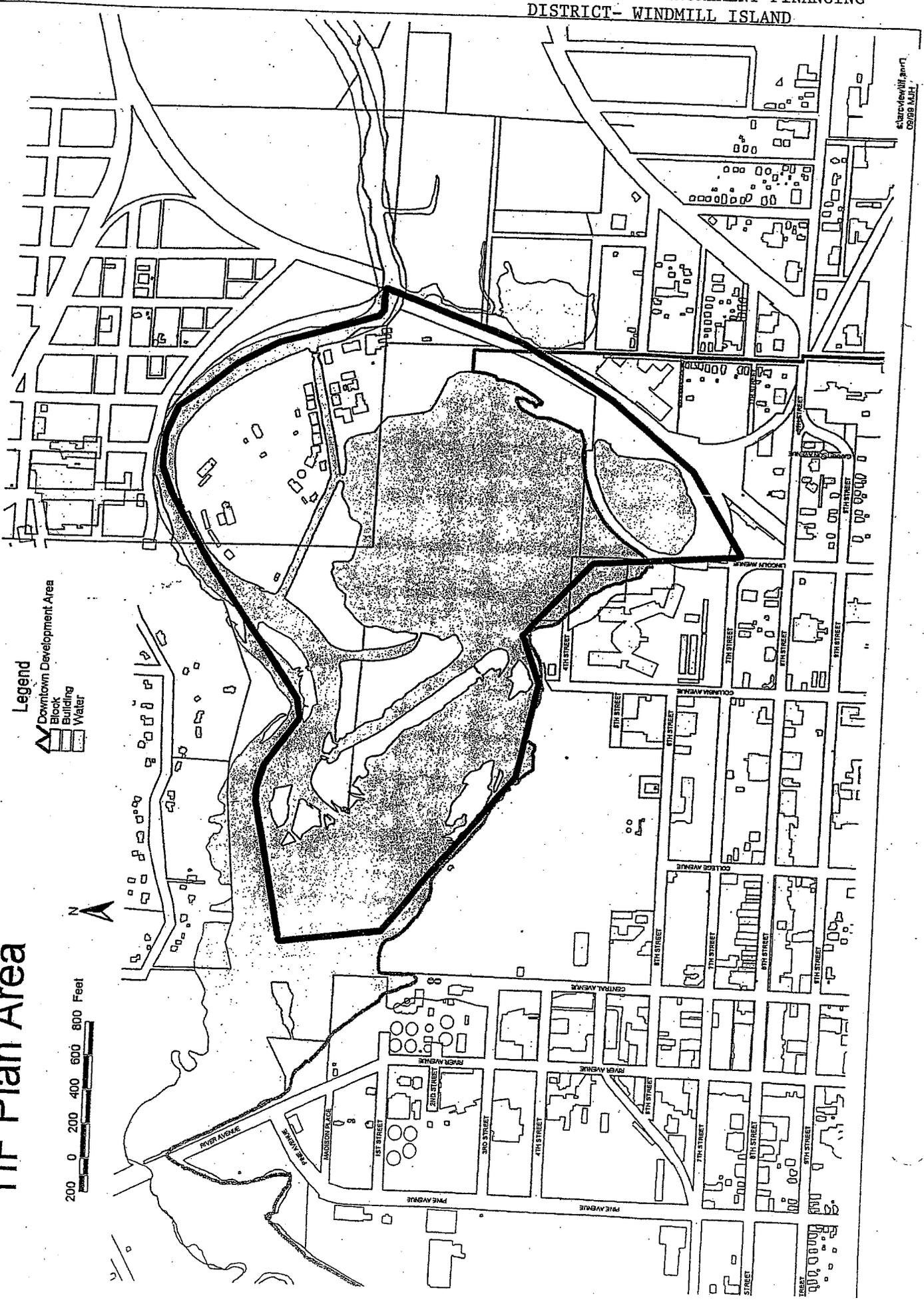
- City of Holland
- Downtown Development Authority
- City of Holland
- City of Holland



City of Holland TIF Plan Area



- Legend**
- Downtown Development Area
 - Block
 - Building
 - Water



StarView 2007
09/09 MJH

SINGLE BUSINESS TAX CREDIT ELIGIBILITY CRITERIA

- 1 Is the property located in a "qualified local governmental unit" (i.e., core community)?**

"Qualified local governmental unit" is a city, township or village which meets specific population and income criteria as described under Act 146 of PA 2000 Sec(2)(k).

See attached list of qualified "core communities." Note: This list is subject to change.

If yes, see question 2.

If no, see question 2.

- 2 Is the property a facility, functionally obsolete or blighted?**

"Facility" means any area, place or property where a hazardous substance in excess of the concentrations which satisfy the residential cleanup criteria requirements of section 20120a(1)(a) or (17) has been released, deposited, disposed of or otherwise comes to be located. Act 451 of PA 1994 Sec 20101(1)(l)

"Functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as over capacity, changes in technology, deficiencies or superadequacies in design or other similar factors that affect the property itself or the property's relationship with other surrounding property. Act 145 of PA 2000 Sec(2)(p)

"Blighted" means property that has been declared a public nuisance in accordance with a local housing, building, plumbing, fire or other related code or ordinance; is an attractive nuisance to children because of physical condition, use or occupancy; is a fire hazard or is otherwise dangerous to the safety of persons or property; has had the utilities, plumbing, heating or sewerage permanently disconnected, destroyed, removed or rendered ineffective so that the property is unfit for its intended use; or is tax-reverted property owned by a qualified local governmental unity, by a county or by this state. Act 145 of PA 2000 Sec(2)(e)

If the answer to question 1 was yes, and the property qualifies as any of the above described, see question 3.

If the answer to question 1 was no, but the property is a facility, see question 3.

If the answer to question 1 was no, and the property does not qualify as any of the above described, the project is not eligible for an SBT credit.

- 3 Is the "qualified taxpayer" making the investment in the property held liable under Part 201?**

"Qualified taxpayer" means a taxpayer that meets both the following criteria: owns or leases eligible property and certifies that the Department of Environmental Quality has not sued or issued a unilateral order to the taxpayer pursuant to part 201 of Act 451 of PA 1994, to compel response activity on or to the eligible property, or expended any state funds for response activity on or to the eligible property and demanded reimbursement for those expenditures from the qualified taxpayer. Act 143 of PA 2000 Sec(30)(l)

If yes, the qualified taxpayer is not eligible for an SBT credit.

If no, see question 4.

4. **Has the local governing body established or concurred to be part of a Brownfield Redevelopment Authority?**

"Governing body" means the elected body having legislative powers of a municipality. Act 145 of PA 2000 Sec(2)(g)

If yes, see question 5.

If no, establish a BRA prior to any eligible activities taking place on the property and/or any eligible investments are made.

5. **Is the eligible property included in an approved Brownfield Plan?**

If yes, see question 6.

If no, prepare a Brownfield Plan for the property prior to any eligible activities and/or eligible investments by the qualified taxpayer.

6. **Will eligible activities be undertaken on the property and will eligible investments be made by a qualified taxpayer?**

"Eligible activities" or **"eligible activity"** means one or more of the following: baseline environmental assessment (BEA) activities; due care activities; additional response activities; and the relocation of public buildings or operations for economic development purposes with prior approval of the Michigan Economic Development Authority (MEGA). Act 145 of PA 2000 Sec(2)(l)

"Eligible investment" means demolition, construction, restoration, alteration, renovation or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment and fixtures to eligible property after the date that eligible activities on that eligible property have started pursuant to a Brownfield Plan, and after the date that the preapproval letter is issued by the state treasurer, if the cost of the project is \$10 million or less, or MEGA, if the cost of the project is more than \$10 million. The addition of leased machinery, equipment or fixtures to eligible property by a lessee of the machinery, equipment or fixtures is eligible investment if the lease of the machinery, equipment or fixtures has a minimum term of 10 years or is for the expected useful life of the machinery, equipment or fixtures, and if the owner of the machinery, equipment or fixtures is not the qualified taxpayer with regard to that machinery, equipment or fixtures. Act 143 of PA 2000 Sec(30)(e)

NOTE: This document only focuses on issues pertaining to eligible investments for which a qualified taxpayer will apply for an SBT credit under Sec. 38(g) of Act 143 of PA 2000. It should be noted that a qualified taxpayer may still claim an SBT credit under Sec. 38(d) of Act 382 of PA 1996 for eligible investments made prior to December 31, 2000.

If yes, see question 7.

If no, the project is not eligible for an SBT credit.

7 - A) Is the eligible investment in the project \$10 million or less?

If the eligible investment in a project is \$10 million or less, a qualified taxpayer is eligible to receive an SBT credit for 10% of the eligible investment paid or accrued by the taxpayer. The total of all credits granted for each project shall not exceed \$1 million. Act 143 of PA 2000 Sec(38g)(1)(a) & Sec(38g)(2)

If yes, a taxpayer must apply to the state treasurer for approval of the project, see question 8.

NOTE 1: Treasury must approve or deny the application within 45 days.

NOTE 2: When approving projects, Treasury must give priority to projects which are facilities.

If no, refer to question 7B.

7 B) Is the eligible investment in the project more than \$10 million, and is the project either located in a "core community," or is a "facility" but is not located in a "core community"?

If the eligible investment in a project is more than \$10 million, a qualified taxpayer is eligible to receive an SBT credit for up to 10% of the eligible investment paid or accrued by the taxpayer. Under this section, the total of all credits granted for each project may be more than \$1 million but \$30 million or less, and will be determined by MEGA. Act 143 of PA 2000 Sec(38g)(3)

If yes, a taxpayer must apply to the Michigan Economic Growth Authority (MEGA) for approval of the project, see question 9.

NOTE 1: MEGA must approve or deny the application within 65 days and will forward the application to Treasury which must concur approval within five days.

NOTE 2: MEGA may not approve more than 15 projects each calendar year.

NOTE 3: Of the 15 projects MEGA may approve, up to three projects may be for credits between \$10 million and \$30 million; MEGA will determine that each of these three projects would not have occurred in the state without the tax credit offered; MEGA may also approve one project, the construction of which began after January 1, 2000 and before January 1, 2001, without determining that the eligible investment would not have occurred in the state without the tax credit offered. Act 143 of PA 2000 Sec(38g)(5)

NOTE 4: Of the 15 projects MEGA may approve, up to three projects may be for projects that are a facility (a facility for this section also includes a building or complex of buildings that was used by a state or federal agency and that is no longer being used for the purpose for which it was used by the state or federal agency), for which eligible activities are identified in a Brownfield Plan, but are not located in a "core community."

NOTE 5: Of the three projects allowed under NOTE 3, one may be a project that also qualifies under NOTE 4. Act 143 of PA 2000 Sec(38g)(4)

If no, refer to question 7A.

- 8 Does the qualified taxpayer have a preapproval letter from the Department of Treasury issued after December 31, 1999 and before January 1, 2003 for projects with an SBT credit of \$1 million or less?

A qualified taxpayer/assignee may claim an SBT credit of 10% of the cost of the qualified taxpayer's eligible investment (\$10 million or less) paid or accrued by the qualified taxpayer on the eligible property. Act 143 of PA 2000 Sec(38g)(1)(a)

If yes, see question 10.

If no, the project is not eligible for an SBT credit.

NOTE: A taxpayer is not prohibited from subsequently applying again, or under question 7B, for the same project or for another project.

- 9 Does the qualified taxpayer have a preapproval letter from MEGA issued after December 31, 1999 and before January 1, 2003, with the concurrence of the Department of Treasury, for projects with an SBT credit greater than \$1 million but \$30 million or less?

A qualified taxpayer/assignee may claim an SBT credit of up to 10% of the cost of the qualified taxpayer's eligible investment (greater than \$10 million) paid or accrued by the qualified taxpayer on the eligible property, as determined by MEGA. Act 143 of PA 2000 Sec(38g)(1)(b)

If yes, see question 10.

If no, the project is not eligible for an SBT credit.

NOTE: A taxpayer is not prohibited from subsequently applying again, or under question 7B, for the same project or for another project.

- 10 Was the project completed not more than five years after the preapproval letter was issued, and has the qualified taxpayer received a certificate of completion issued before December 31, 2003 from Treasury or MEGA, respectively?

If yes, see number 11.

If no, the project is not eligible for an SBT credit.

- 11 If a project meets the criteria of every question, an SBT credit may be claimed in the same tax year in which the certificate of completion is issued.

NOTE 1: If the credit exceeds the qualified taxpayers/assignee's tax liability for the tax year, the portion that exceeds may be carried forward to offset tax liability in subsequent tax years for up to 10 years or until used up, but shall not be refunded, unless otherwise specified by MEGA. Act 143 of PA 2000 Sec(38g)(14)

NOTE 2: For projects for which the total of credits is more than \$10 million but \$30 million or less, the qualified taxpayer must claim 10% of its approved SBT credits each year for 10 years, unless otherwise specified by MEGA. Act 143 of PA 2000 Sec(38g)(8)

TAX INCREMENT FINANCING ELIGIBILITY CRITERIA

- 1 Is the property located in a "qualified local governmental unit" (i.e., core community)?

"Qualified local governmental unit" is a city, township or village which meets specific population income criteria as described under Act 146 of PA 2000 Sec(2)(k).

See attached list of qualified "core communities." Note: This list is subject to change.

If yes, see question 2.

If no, see question 2.

- 2 Is the property a facility, functionally obsolete or blighted?

"Facility" means any area, place or property where a hazardous substance in excess of the concentrations which satisfy the residential cleanup criteria requirements of section 20120a(1)(a) or (17) has been released, deposited, disposed of or otherwise comes to be located. Act 451 of PA 1994 Sec 20101(1)(l)

"Functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as over capacity, changes in technology, deficiencies or superadequacies in design or other similar factors that affect the property itself or the property's relationship with other surrounding property. Act 145 of PA 2000 Sec(2)(p)

"Blighted" means property that has been declared a public nuisance in accordance with a local housing, building, plumbing, fire or other related code or ordinance; is an attractive nuisance to children because of physical condition, use or occupancy; is a fire hazard or is otherwise dangerous to the safety of persons or property; has had the utilities, plumbing, heating or sewerage permanently disconnected, destroyed, removed or rendered ineffective so that the property is unfit for its intended use; or is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. Act 145 of PA 2000 Sec(2)(e)

If the answer to question 1 was yes, and the property qualifies as any of the above described, see question 3.

If the answer to question 1 was no, but the property is a facility, see question 3.

If the answer to question 1 was no, and the property does not qualify as any of the above described, the project is not eligible to receive tax increment revenues.

3 Has the local governing body established or concurred to be part of a Brownfield Redevelopment Authority?

"Governing body" means the elected body having legislative powers of a municipality. Act 145 of PA 2000 Sec(2)(q)

If yes, see question 4.

If no, establish a BRA prior to any eligible activities taking place on the property and/or any eligible investments are made.

4 Is the eligible property included in an approved Brownfield Plan?

If yes, see question 5.

If no, prepare a Brownfield Plan for the property prior to any eligible activities by the qualified taxpayer.

5 Will eligible activities be undertaken on the property?

"Eligible activities" or **"eligible activity"** means one or more of the following: baseline environmental assessment (BEA) activities; due care activities; additional response activities; and, the relocation of public buildings or operations for economic development purposes with prior approval of the Michigan economic development authority. **Eligible activities** on property that is in a qualified local governmental unit (a "core community") and is a facility, functionally obsolete or blighted, also includes the following additional activities: infrastructure improvements that directly benefit eligible property, lead or asbestos abatement and demolition or site preparation that is not response activity. Act 145 of PA 2000 Sec(2)(l)

If yes, see question 6.

If no, the project is not eligible to receive tax increment revenues.

6 Is a Downtown Development Authority (DDA), Local Development Financing Authority (LDFA), Tax Increment Financing Authority (TIFA) or other taxing body currently collecting tax increment revenues?

"Tax increment revenues" means the amount of property taxes in proportion to the captured taxable value of each parcel of eligible property and personal property located on that property.

"Captured taxable value" means the amount in one year by which the current taxable value of an eligible property, for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of the property.

"Initial taxable value" means the most recent assessment of the property, at the time a Brownfield Plan is adopted, stating the taxable value of the eligible property.

If yes, see question 7.

NOTE: That taxing body currently levying taxes has precedence over the BRA and will continue to collect the same millage; the BRA may, however, capture school operating taxes, if available (not already being captured).

If no, see question 7.

7 Is the Authority planning on capturing available school operating taxes for tax increment financing purposes?

Capture of taxes levied for school operating purposes include the taxes levied by a local school district for operating purposes and taxes levied under the state education tax act.

If yes, see question 8.

If no, see question 9.

8 Has a work plan for the project been submitted by the Authority to either the Michigan Department of Environmental Quality or to the Michigan Economic Growth Authority after July 24, 1996 and before January 1, 2003, and approved?

"Work plan" means a plan that describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual activity.

The Michigan Department of Environmental Quality (MDEQ) must approve a work plan for eligible activities, excluding those listed below that MEGA approves, which will utilize taxes levied for school operating purposes.

NOTE: The MDEQ shall approve or deny the work plan within 60 days.

The Michigan Economic Growth Authority (MEGA) must approve a work plan before January 1, 2003, and a development agreement between the municipality and the owner is required if the revenues from taxes levied for school operating purposes are to be used for infrastructure improvements that directly benefit the eligible property; lead or asbestos abatement; or, demolition or site preparation that is not a response activity.

NOTE: The MEGA shall approve or deny the work plan within 90 days.

If yes, see question 9.

If no, school operating taxes are not eligible for tax increment financing capture.

9 Will the project be completed within a maximum of 30 years?

If yes, see number 10.

If no, the project is only eligible to receive tax increment financing revenues for either 30 years or for the time it takes to reimburse the eligible costs, whichever is less.

10 If a project meets the criteria of every question, tax increment revenues, derived from local taxes only, may be used for: eligible activities, including eligible activities on properties affected by a release from eligible properties; the cost of principal of and interest on any obligation issued by the Authority to pay for eligible activities; and reasonable costs of up to \$75,000 per year for the Authority's actual administrative and operating expenses for eligible activities, for preparing a work plan or remedial action plan, including costs for review, and for eligible costs incurred by the Authority prior to a Brownfield Plan approval.

NOTE: Tax increment revenues may continue to be captured for up to five years after the above costs for a project have been paid for, and deposited within a local site remediation revolving fund. However, these additional tax increment revenues may not be captured for taxes levied from school operating purposes for infrastructure improvements that directly benefit the eligible property; lead or asbestos abatement; or demolition or site preparation that is not a response activity. Act 145 of PA 2000 Sec(13)(5)



ECONOMIC DEVELOPMENT INCENTIVES

BROWNFIELD REDEVELOPMENT

Michigan's brownfield law is designed to encourage and assist developers who want to return property to productive use more quickly and at a lower cost than before, while still protecting human health and natural resources. Owners and operators of contaminated sites are no longer required to pay for cleanup actions unless they caused the contamination. Flexible cleanup standards give developers the option of proposing a solution to historical contamination based on future use of the property. To promote redevelopment of brownfield sites, Michigan allows qualified businesses to claim a credit against SBT liability equal to 10% of the investment made on a brownfield site. Total credit per eligible investment is \$1 million.

Under expansions to the brownfield law, credits are now granted per project. These credits, which can go to lessee or owner, can be as much as \$30 million, but are limited in the number that can be issued, i.e., up to 15 credits per year can exceed \$1 million. In addition, projects in 88 urban core communities around the state may receive credits for functionally obsolete and blighted property, in addition to brownfield credits.

The brownfield tax increment-financing feature has been expanded to allow not only for cleanup of contamination, but also demolition of structures, site preparation and infrastructure improvements.

TAX ABATEMENT

Industrial Property Tax Property tax incentives are available to eligible businesses to renovate or expand aging manufacturing plants or build new ones. Property taxes (real and personal) can be reduced for up to 12 years. For an obsolete plant or machinery that is being replaced or restored, this results in a 100% exemption from the property tax on the value of the improvement. For a new plant, the local unit of government can reduce the local millage by half, and the Michigan Economic Development Corporation is able to abate the 6-mill statewide education tax.

Personal Property Tax Eligible distressed communities can abate all new personal property taxes in certain geographic areas to spur economic development. Abatements include all millage, state and local. Eligible projects include manufacturing, mining, research and development, wholesale and trade, and office operations, but not retail businesses.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

Federal funds in the form of state-administered Community Development Block Grants can be used for road, water and sewer improvements necessary for a firm to locate or expand in an area. The amount of the grant depends on the number of jobs created and the amount of private investment.

JOB TRAINING

Grants averaging \$700 per employee can be used to train or upgrade skills. Michigan's annual Economic Development Job Training (EDJT) program is a major feature of the state's economic development incentive package. It provides approximately \$29 million each year to companies for training or retraining of workers to meet marketplace needs, with the employer required to match 25% of the state grant for training of existing workers. Funds are awarded through a competitive process. The employer works with private or public education providers to design the training.

CORE COMMUNITIES FUND

The Core Communities Fund (CCF), a program established to revitalize urban cores in 88 eligible communities, has a \$50-million fund to be used for land assembly, site preparation and infrastructure improvements. CCF projects have included land assembly of an urban industrial park, acquisition and demolition of riverfront parcels for new office development and demolition of a blighted area to make way for an exciting new mixed-use development.

FINANCIAL ASSISTANCE

Industrial Development Revenue Bond The IDR can be used for loans up to \$10 million in tax-exempt funds to foster economic development for manufacturing, cogeneration solid waste projects and solid waste facilities. Bond proceeds can only be used to acquire land, building and manufacturing equipment. For creditworthy companies only, interest rates normally range between 70-80% of prime.

Taxable Revenue Bond (TRB) The TRB provides companies with potentially longer term financing (perhaps 10-20 years), often at a fixed rate and lower cost than conventional financing, and is exempt at the state and local level if purchased by Michigan taxpayers. These bonds are not restricted by the IRS, and can be used to finance projects of more than \$10 million. They can be used as working capital and to finance commercial, pollution control, agricultural, and recreational projects.

Business and Industrial Development Corporation (BIDCO) BIDCOs are private financial institutions designed to fill the moderate risk/return gap between the banks and venture capitalists. They offer substantial flexibility in the types of financing tools that can be used, e.g., subordinate loans with equity features, royalty financing for product development, equity investments, and guaranteed loans under the Small Business Administration (SBA) program. There are 10 BIDCOs in Michigan.

Employee-Owned Corporation This loan program can assist in the formation of employee-owned corporations. Loans of up to \$200,000 can be used for fixed assets and working capital.

SBA 504 For qualified small businesses, the SBA 504 program can provide subordinated, fixed-asset financing at long-term Treasury bond rates. Loans are limited to the lesser of \$750,000 or 40% of project financing requirements.

Loan Guarantees The Michigan Economic Development Corporation works with SBA and the Rural Development Agency on particular projects that require loan guarantees from one of those agencies to secure private financing on eligible projects.

MICHIGAN ECONOMIC GROWTH AUTHORITY (MEGA)

This is a tax credit based on the incremental SBT liability attributable to an expansion or new location, and the amount of personal income tax attributable to new jobs being created. The maximum amount that can be awarded is based on the total wages paid at the new facility multiplied by Michigan's personal income tax rate, plus the business tax liability resulting from the new facility. Each credit may be awarded for up to 20 years and 100% of the amount attributed to the project.

For a regular MEGA, an in-state expansion must create at least 75 new full-time jobs at the project's facility, while an out-of-state business locating in Michigan must create at least 150. For a high-technology MEGA, the expansion or location in Michigan must create at least 5 new full-time jobs and 25 new full-time jobs within 5 years. In addition:

RENAISSANCE ZONES

Michigan's tax-free Renaissance Zones are 20 regions of the state designated as virtually tax free for any business or resident presently in, or moving into, a zone. The duration of the zone designation ranges from 10 to 15 years. The taxes that companies and residents do not pay comprise nearly all the state and local taxes levied on business activity include Single Business Tax, State personal income tax, 6-mill state education tax, Local personal property tax, Local real property tax, Local income tax, Utility users tax.

Still due are taxes mandated by the federal government, or local bond obligations, including Social Security tax, Unemployment compensation, Workers' compensation, Sewer and water fees, Property taxes resulting from local bonded indebtedness or special assessments, 6% state sales tax (Michigan does not allow local sales taxes).

GENERAL DEFINITIONS AS USED IN THIS PLAN

“Additional response activities” means response activities proposed as part of a Brownfield Plan that are in addition to a baseline environmental assessment activities and due care activities for an eligible property. MCLA 125.2652(a)

“Annual credit amount” means the maximum amount that a qualified taxpayer is eligible to claim each tax year for a project for which the total of all credits is more than \$10,000,000.00 but \$30,000,000.00 or less, which shall be 10% of the qualified taxpayer’s credit amount approved under subsection (3). MCLA 208.38g(30)(a)

“Authority” means a brownfield redevelopment authority created under this act. MCLA 125.2652(b)

“Baseline environmental assessment” means that term as defined in Section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101. MCLA 125.2652(c)

“Baseline environmental assessment activities” means those response activities identified as part of a Brownfield Plan that are necessary to complete a baseline environmental assessment for an eligible property in the Brownfield Plan. MCLA 125.2652(d)

“Blighted” means property that meets any of the following criteria:

(i) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.

(ii) Is an attractive nuisance to children because of physical condition, use, or

(iii) Is a fire hazard or is otherwise dangerous to the safety of persons or property.

(iv) Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

(v) Is tax reverted property owned by a qualified local

governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property's inclusion in a Brownfield Plan shall not result in the loss to the property of the status as blighted property for purposes of this act. MCLA 125.2652(e)

"Board" means the governing body of an authority. MCLA 125.2652(f).

"Brownfield Plan" means a plan that meets the requirements of Section 13 and is adopted under Section 14. MCLA 125.2652(g)

"Captured taxable value" means the amount in one year by which the current taxable value of an eligible property subject to a Brownfield Plan, including the taxable value or assessed value, as appropriate, of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property. The state tax commission shall prescribe the method for calculated captured taxable value. MCLA 125.2652(h)

"Chief executive officer" means the mayor of a city, the village manager of a village, the township supervisor of a township, or the county executive of a county or, if the county does not have an elected county executive, the chairperson of the county board of commissioners. MCLA 1-25.2652(i)

"Department" means the department of environmental quality. MCLA 125.2652(j)

"Due-care activities" means those response activities identified as part of a Brownfield Plan that are necessary to allow the owner or operator of an eligible property in the Plan to complete with the requirements of Section 20107a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20107a. MCLA 125.2652(k).

"Eligible activities" or "eligible activity" does not include activities related to multi-source commercial hazardous waste disposal wells as that term is defined in section 62506a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.62506a, but means one or more of the following:

(i) Baseline environmental assessment activities.

(ii) Due-care activities.

(iii) Additional response activities.

(iv) For eligible activities on eligible property that was used or is currently used for commercial, industrial, or residential purposes that is in a qualified local governmental unit and is a facility, functionally obsolete, or blighted, and except for purposes of section 38d of the single business tax act, 1975-PA 228, MCL 208.38d, the following additional activities:

(A) Infrastructure improvements that directly benefit eligible property

(B) Demolition of structures that is not response activity under section 2011 of the natural resources and environmental protection act, 1994-PA 451, MCL 324.20101.

(C) Lead or asbestos abatement.

(D) Site preparation that is not response activity under section 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(v) Relocation of public buildings or operations for economic development purposes with prior approval of the Michigan economic development authority. MCLA 125.2652(1)

“Eligible investment” means demolition, construction, restoration, alteration, renovation or improvement of buildings or site improvements on eligible property and the addition of machinery, equipment, and fixtures to eligible property after the date that eligible activity on that eligible property have started pursuant to a Brownfield Plan under the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2651 to 125.2672, and after the date that the pre-approval letter is issued, except that the date that the pre-approval letter is issued is not a limitation for one project the construction of which began after January 1, 2000 and before January 1, 2001 without the Michigan economic growth authority determining that the project

would not occur in this state without the tax credit offered under this section as provided in subsection (5), if the costs of the eligible investment are not otherwise reimbursed to the taxpayer or paid for on behalf of the taxpayer from any source other than the taxpayer. The addition of leased machinery, equipment, or fixtures to eligible property by a lessee of the machinery equipment, or fixtures is eligible investment if the lease of the machinery, equipment, or fixtures has a minimum term of 10 years or is for the expected useful life of the machinery, equipment, or fixtures, and if the owner of the machinery, equipment, or fixtures is not the qualified taxpayer with regard to the machinery, equipment, or fixtures. MCLA 208.38g(30)(e)

“Eligible property” means a property for which eligible activities are identified under a Brownfield Plan that was used or is currently used for commercial, industrial, or residential purposes that is either in a qualified local governmental unit and is a facility, functionally obsolete & or blighted or is not in a qualified local governmental unit and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property. Eligible property included, to the extent included in the Brownfield Plan, personal property located on the property. Eligible property does not include qualified agricultural property exempt under section 7ee of the general property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211. MCLA125.2652(m)

“Facility” means that term as defined in section 201;01 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101. MCLA 125.2652(n)

“Fiscal year” means that fiscal year of the authority. MCLA 125.2652(o)

“Functionally obsolete” means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as over-capacity, changes in technology, deficiencies or super-adequacies in design, or other similar factors that affect the property itself or the property’s relationship with other surrounding property MCLA 125.2652(p)

“Governing body” means the elected body having legislative powers of a municipality creating an authority under this act. MCLA 125.2652(q)

“Infrastructure improvements” means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage systems waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement, owned or used by a public agency or functionally connected to similar or supporting property owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity, provided that any road, street, or bridge shall be continuously open to public access and that other property shall be located in public easements or rights-of-way and sized to accommodate reasonably foreseeable development of eligible property in adjoining areas. MCLA 125.2652(r)

“Initial taxable value” means the 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 by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of property tax shall not be considered exempt from taxation. The state tax commission shall prescribe the method for calculating the initial taxable value of property for which a specific tax was paid in lieu of property tax. MCLA 125.2652(s)

“Local taxes” means all taxes levied other than taxes levied for school operating purposes. MCLA 125.2652(t)

“Municipality” means all of the following:

- (i) A city.**
- (ii) A village.**
- (iii) A township in those areas of the township that are outside of a village.**

- (iv) A township in those areas of the township that are in a village upon the concurrence by resolution of the village in which the zone would be located.
- (v) A county. MCLA 125.2652(u)

“Project” means the total of all eligible investment on an eligible property or, for purposes of subsection (4)(b), all eligible investment on property not in a qualified local governmental unit that is a facility. MCLA 208.38g(30)(j)

“Qualified local governmental unit” means a city with a median family income of 150% or less of the statewide median family income as reported in the 1990 federal decennial census that meets one or more of the following criteria:

- (i) Contains or has within its borders an eligible distressed area as that term is defined in section 11 (u)(ii) and (iii) of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.
- (ii) Is contiguous to a city with a population of 500,000 or more.
- (iii) Has a population of 10,000 or more that is located outside of an urbanized area as delineated by the United States bureau of the census.
- (iv) Is the central city of a metropolitan area designated by the United States office of management and budget.
- (v) Has a population of 100,000 or more that is located in a county with a population of 2,000,000 or more according to the 1990 federal decennial census.

“Qualified taxpayer” means a taxpayer that meets both of the following criteria:

- (i) Owns or leases an eligible property.
- (ii) Certifies that the department of environmental quality has not sued or issued a unilateral order to the taxpayer pursuant to part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, to compel response activity on or to eligible property, or expended any state funds for response activity on or to eligible property and demanded reimbursement for

those expenditures from the qualified taxpayer. MCLA 208.38g(30)(l)

“Remedial action plan” means a plan that meets both of the following requirements:

(i) Is a remedial action plan as that term is defined in Section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(ii) Describes each individual activity to be conducted to complete an eligible activities and the associated costs of each individual activity MCLA 125.2652(x)

“Response activity” means that term as defined in Section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101. MCLA 125.2652(y)

“Specific taxes” means a tax levied under 1974 PA 198, MCL 207.551 to 207.572; the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182; the technology park development act, 1984 PA 385, MCL 207.701 to, 207.718; or the obsolete property rehabilitation act. MCLA 125.2652(z)

“Tax increment revenues” means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to a Brownfield Plan and personal property located on that property. Tax increment revenues exclude ad valorem property taxes specifically levied for the payment of principal of and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit, and specific taxes attributable to those ad valorem property taxes. Tax increment revenues attributable to eligible property also exclude the amount of ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment finance authority or local development finance authority if those taxes were captured by these other authorities on the date that eligible property became subject to a Brownfield Plan under this act. MCLA 125.2652(aa)

“Taxable value” means the value determined under Section 27a of the general property tax act, 1983 PA 206, MCL 211.27a. MCLA 125.2652(bb)

“Taxes levied for school operating purposes” means all of the following:

(i) The taxes levied by a local school district for operating purposes.

(ii) Taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(iii) That portion of specific taxes attributable to taxes described under Subparagraphs (i) and (ii). MCLA 125.2652(cc)

“Work plan” means a plan that describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual activity. MCLA 125.2652(dd)

“Zone” means, for an authority established before the effective date of the amendatory act that added subdivision (r), a Brownfield redevelopment zone designated under this act. MCLA 125.2652(ee)