

BROWNFIELD PLAN FOR:

303 North Fifth Avenue and 312 and 314 Detroit Street, Ann Arbor, Michigan

WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
C/O WASHTENAW COUNTY OFFICE OF COMMUNITY & ECONOMIC DEVELOPMENT
415 W. MICHIGAN AVENUE, SUITE 2200
YPSILANTI, MICHIGAN 48197

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Prepared with the Assistance of SME
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PROJECT SUMMARY

| | |
|-----------------------|---|
| Project Name: | Detroit Street Redevelopment |
| Estimated Investment: | \$17,000,000 |
| Project Location: | The project site (the Property) consists of three parcels of land with addresses 303 North Fifth Avenue, 312 Detroit Street, and 314 Detroit Street (Tax IDs: 09-09-29-124-003, 09-09-29-124-002, and 09-09-29-124-001, respectively). The Property is approximately 0.2 acres in size and is bounded by Detroit Street to the northwest, North Fifth Avenue to the east, and 300 Detroit Street to the south. |
| Property Eligibility: | Each parcel meets the definition of a “facility” as defined in Part 201 of the Michigan Natural Resources and Environmental Protection Act (P.A. 451 of 1994, as amended). Historical uses of the Property include a residential building, a drive-through party store, restaurants, and a gas station. Arsenic, barium, lead, mercury, selenium, and zinc have been documented in the soil at concentrations greater than generic residential use criteria promulgated by the Michigan Department of Environment, Great Lakes, and Energy (EGLE), formerly the Michigan Department Environmental Quality. |
| Eligible Activities: | Beyond capturing tax increment revenues for the State Revolving Fund, Brownfield Redevelopment Authority Administrative fees, and the Local Brownfield Revolving Fund, this plan contains the following eligible activities: Environmental/Department-Specific Activities – Baseline Environmental Assessment (BEA) activities; demolition; due care activities; other response activities; brownfield and work plan preparation and implementation; and 15% in contingency costs. Non-Environmental Activities – The developer is not requesting reimbursement of non-environmental eligible activity costs. |
| Eligible Costs: | Environmental – \$2,674,011 Non-Environmental – \$0 Total – \$2,674,011 |

Capture Period: Total capture period – 9 years
Developer reimbursement – 8 years (based on projections assuming 50% of condominiums owned as principal residences and 50% as second homes)
Funding of LBRF – 9 years

Project Summary: The project consists of construction of a five story, flatiron-style mixed-use residential and retail building with underground and integrated ground level parking. Approximately 1,900 square feet of retail/office space will be located in the northern tip of the flatiron structure, across Detroit Street from the Ann Arbor Farmers Market. Ten parking spaces will be located on the remainder of the ground level, and another 13 parking spaces will be located below ground level. 14 condominiums are planned in total, four each on floors two and three, and three each on floors four and five. It is anticipated that the condominiums will be owned as principal residences and as second homes. In the revenue projections it is assumed that approximately 50% of the condominiums will be owned as principal residences, and 50% as second homes. The building will be a LEED Gold certified project. The project will utilize underground stormwater detention. Underground storage tanks (USTs) will be removed prior to construction, and remedial activities will be performed. The existing buildings and parking lots will be demolished in preparation for remediation.

I. INTRODUCTION

A. PLAN PURPOSE

The Washtenaw County Brownfield Redevelopment Authority (Authority; WCBRA), duly established by resolution of the Washtenaw County Board of Commissioners, pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, MCLA 125.2651 et. seq., as amended (Act 381), is authorized to exercise its powers within the limits of Washtenaw County, acting on behalf of its member communities. The purpose of this Brownfield Plan (the Plan), to be implemented by the WCBRA, is to satisfy the requirements of Act 381 for including the eligible property described below, designated in this Plan as the Detroit Street Redevelopment, in Ann Arbor, Michigan (the “Property”), in a Brownfield Plan. The Property is located within the boundaries of the City of Ann Arbor, a WCBRA member community.

The Authority proposes to implement this Plan to promote economic development and brownfield redevelopment within the County. The capture and use of tax increment revenues (TIR) generated by redevelopment are necessary to support needed environmental response actions and ensure the economic viability of the project. This Plan allows the Authority to capture TIR generated by redevelopment of the Property for the following purposes: reimbursement of the developer, 303 Detroit Street, LLC, a development entity formed by MAVD (the Developer), for the costs of eligible activities required to prepare the Property for safe redevelopment and reuse (see Section III); funding of the State Revolving Fund (SRF) and the Authority’s Local Brownfield Revolving Fund (LBRF); and, at the Authority’s discretion, payment of some or all of the Authority’s annual administrative and operating expenses.

B. PROPERTY DESCRIPTION

The Property consists of three parcels totaling approximately 0.2 acres located north of 300 Detroit Street, southeast of Detroit Street, and west of North Fifth Avenue. The 303 North Fifth Avenue parcel is developed with an approximately 3,000 square-foot commercial building; the 312 Detroit Street parcel is a surface parking lot; and the 314 Detroit Street parcel is developed with an approximately 1,000 square-foot commercial building with an outdoor seating and parking area. Tax parcel identification numbers and addresses for the parcels constituting the Property are shown in the table below. Additional property information is provided in Section III (G).

| PARCEL ID | ADDRESS | METHOD OF QUALIFICATION |
|------------------|------------------------|-------------------------|
| 09-09-29-124-003 | 303 North Fifth Avenue | Part 201 “facility” |
| 09-09-29-124-002 | 312 Detroit Street | Part 201 “facility” |
| 09-09-29-124-001 | 314 Detroit Street | Part 201 “facility” |

C. BASIS OF ELIGIBILITY

The Property is eligible for inclusion in this Brownfield Plan in accordance with MCL 125.2652(n) because each parcel meets the definition of a “facility” pursuant to Part 201 of Michigan’s Natural Resources and Environmental Protection Act (1994 P.A. 451, as amended), hereinafter “Part 201”. We determined this as a result of a Phase II Environmental Site Assessment (ESA) we conducted in September 2021. We advanced 10 soil borings across the Property, installed two temporary groundwater monitoring wells, and installed four soil gas sampling points. We collected soil, groundwater, and soil gas samples and submitted them to an analytical laboratory for analysis of volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), and/or the 10 Michigan metals. Soil on the Property is contaminated with arsenic, barium, lead, mercury, selenium, and zinc at levels above Part 201 residential Drinking Water Protection, Groundwater Surface Water Interface Protection, and/or Direct Contact criteria. In addition, arsenic and lead were measured at levels above Part 201 nonresidential Direct Contact criteria.

Concentrations of target analytes were not measured above Part 201 criteria or relevant screening levels in the groundwater and soil gas samples.

The Developer has acquired the Property and will comply with the requirements of the Part 201 Baseline Environmental Assessment (BEA) process to qualify for the limitations to environmental liability afforded purchasers of brownfield sites under federal and state environmental statutes.

D. PROJECT DESCRIPTION

THE PROPERTY

The approximately 0.2-acre Property is located northwest of the intersection of Catherine Street and North Fifth Avenue in Ann Arbor, south of the Kerrytown Market and east of the Ann Arbor Farmers Market. The Property is zoned D2 for Downtown Interface. The buildings present on the 303 North Fifth Avenue and 314 Detroit Street parcels are underutilized office/warehouse space and a restaurant. The 312 Detroit Street parcel is a surface parking lot. The buildings are obsolete. Other commercial and residential developments surround the Property.

Historical uses of the Property include a residential building, a drive-through party store, restaurants, and a gas station.

THE REDEVELOPMENT

The project consists of construction of a five-story, flatiron-style mixed-use residential and retail building with underground and integrated ground level parking. Approximately 1,900 square feet of retail/office space will be located in the northern tip of the flatiron structure, across Detroit Street from the Ann Arbor Farmers Market. Ten parking spaces will be located on the remainder of the ground level, and another 13 parking spaces will be located below ground level. 14 condominiums are planned in total, four each on floors two and three, and three each on floors four and five. In the revenue projections, it is anticipated that approximately 50% of the condominiums will be owned as principal residences, and 50% as second homes. The building will be a LEED Gold certified project. The project will utilize underground stormwater detention. Underground storage tanks (USTs) will be removed prior to construction, and remedial activities will be performed. The existing buildings and parking lots will be demolished in preparation for remediation.

BROWNFIELD CONDITIONS

Given the Property's location in a commercial and residential area of Ann Arbor, it is ideal for residential and retail use; however, redevelopment is hindered by the presence of USTs, contaminated soil, obsolescence of the existing buildings, and surrounding infrastructure. The 303 North Fifth Avenue and 314 Detroit Street buildings were constructed in 1936 and 1940, respectively, and are incompatible with current demand of housing and parking. Moreover, surrounding infrastructure needs to be improved, and green stormwater improvements are planned for the new development. Without redevelopment incentives, the project is not financially viable due to brownfield conditions.

It is anticipated that three USTs are located toward the northern end of the Property. Prior to redevelopment, the USTs will be removed. In preparation for UST removal and soil remediation, the obsolete buildings and parking lots will be demolished. Based on results from the Phase II ESA, contaminated soil is present throughout the Property. In addition to contaminated soils that will be removed during excavation for the planned building, the Developer intends to excavate contaminated soil on the northern tip of the Property, so as to maximize source removal during redevelopment. Contaminated soils will be hauled offsite and disposed of at a Type II landfill. Since the project is a zero-lot line development, it will require extensive shoring during excavation of the contaminated soils in order to protect adjacent public infrastructure.

II. GENERAL DEFINITIONS AS USED IN THIS PLAN

All words or phrases not defined herein shall have the same meaning as such words and phrases included in Act 381.

III. BROWNFIELD PLAN

A. DESCRIPTION OF COSTS TO BE PAID WITH TAX INCREMENT REVENUES AND SUMMARY OF ELIGIBLE ACTIVITIES

The Developer will be reimbursed for the costs of eligible activities necessary to address brownfield conditions and prepare the Property for redevelopment. The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local tax revenues and incremental state school operating tax revenues generated from the Property after redevelopment and captured by the WCBRA, subject to any limitations and conditions described in this Plan, approvals of EGLE, as appropriate, for school operating tax capture, and the terms of a Reimbursement Agreement between Developer and the Authority (the "Reimbursement Agreement"). If available, this Plan will capture all new personal property taxes generated by this project.

The estimated total cost of eligible Department Specific Activities eligible for reimbursement from tax increment revenues under this Plan are \$2,674,011. Request for reimbursement of Non-Environmental Activities is not planned at this time. The eligible activities are summarized in Table 1 (Appendix A). The costs of individually identified Department Specific activities eligible for reimbursement are estimated and may increase or decrease, depending on the nature and extent of unknown conditions encountered during redevelopment.

No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Section 2 of Act 381 of 1994, as amended (MCL 125.2652). The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities, \$2,674,011, subject to reimbursement. As long as the total of eligible costs described in this Plan or in the Department Specific cost categories are not exceeded, line-item eligible activities, tasks, and costs within each respective Department Specific category may be adjusted without Plan amendment after the date of this Plan, to the extent the adjustments do not violate the terms of Act 381. Eligible activities conducted prior to Brownfield Plan approval will be reimbursed to the extent allowed by Act 381.

Pursuant to Act 381, the Authority may capture incremental local taxes to fund its administrative operations as defined in the Act and may contribute to its LBRF with tax increment revenues in excess of the amount needed to reimburse Developer for the costs of eligible activities in the approved Brownfield Plan. For these purposes, it is the intent of the Authority to capture ten percent (10%) of the available incremental taxes annually during Developer reimbursement, and, in the year(s) after Developer reimbursement is complete, an amount equal to fifteen percent (15%) of the Developer's approved eligible activity costs. The total projected capture for administrative operations and LBRF is \$750,776, as shown in Table 3. At the sole discretion of the WCBRA, all or part of the incremental local taxes captured for the LBRF in any tax year may be used to pay the administrative and operational costs of the Authority incurred in that year.

This Plan is capped at 12 years of reimbursement. The LBRF will be fully funded, as described above, before Developer reimbursement is complete, if tax increment is limited by the Plan cap.

Fifty percent (50%) of the available incremental state education tax will be captured for deposit into the State Revolving Fund pursuant to Act 381.

B. ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES

The estimated 2021 taxable value of the Property is \$304,296, which is the initial taxable value for this Plan. This value was obtained from the City of Ann Arbor's Online Property and Land Search. The anticipated taxable value at project completion is \$8,585,000, which is expected to be attained in calendar year 2023 (for tax year 2024); however, the actual taxable value in each year of this Plan will be determined by the City Assessor.

Estimated taxable values, tax increment revenues to be captured, impacts on taxing jurisdictions, and eligible activities reimbursement cash flows are presented in Table 2 and Table 3 (Appendix B). The annual increase in taxable value of the Property is assumed to be 2% for purposes of this Plan. The annual incremental taxable value and captured tax increment revenue will be determined by the actual assessed taxable value of the Property and millages approved by the relevant taxing jurisdictions.

The WCBRA will capture 100% of the available incremental local and school operating tax revenues generated from the Property to reimburse Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. Additionally, tax revenue associated with all new personal property, if any, will be captured as part of this plan. Reimbursement using incremental school operating tax revenues is further limited to those eligible activities and costs approved by EGLE or that are otherwise eligible under Act 381.

It is the intent of this Plan to provide for the proportional capture of all eligible incremental taxes in whatever amounts and in whatever years they become available until the eligible cost reimbursement and LBRF funding described in this Plan are complete or 12 years, whichever is shorter. It is estimated that all the developer's eligible costs will be reimbursed within nine years after the first year of capture. The proportion of local taxes versus school taxes available for capture is partly dependent on the proportion of condominiums owned as principal residences versus the proportion owned as second homes. In the revenue projections, this split is estimated at 50/50, but the actual proportions will be determined by future ownership. To the extent that a greater percentage of condominiums are owned as principal residences, the proportion of reimbursement from local tax increment revenue versus state school tax revenue will increase. In no event, however, shall Developer reimbursement exceed 12 years.

Capture of incremental taxes in the amount of \$750,776 to fund the LBRF and administrative operations as needed, and \$206,465 to fund the State Revolving Fund, will occur annually during and after the developer's reimbursement period, as shown in Table 3. Except for those activities identified in this Plan as eligible for reimbursement only with incremental local taxes, if EGLE elects not to participate in this Project, or declines to approve certain eligible activities for reimbursement with incremental state school taxes, the other taxing entities will contribute only that proportionate share of capture (the local taxes) and reimbursement that would be contributed if EGLE had approved capture of state school taxes.

C. METHOD OF FINANCING PLAN COSTS AND DESCRIPTION OF ADVANCES BY THE MUNICIPALITY

Developer will be responsible for financing the costs of eligible activities included in this Plan. Neither the WCBRA nor the City of Ann Arbor will advance any funds to finance the eligible activities. All Plan financing commitments and activities and the cost reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan is intended to authorize the WCBRA to fund such reimbursements. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Plan, will be provided solely under the Reimbursement Agreement.

Reimbursements under the Reimbursement Agreement shall not exceed the cumulative eligible costs limit described in this Plan, unless the Plan is further amended.

D. MAXIMUM AMOUNT OF NOTE OR BONDED INDEBTEDNESS

Not applicable.

E. DURATION OF BROWNFIELD PLAN

The duration of this Brownfield Plan for the Property shall not exceed the shorter of the following: 1) reimbursement of all eligible costs, cumulatively not to exceed developer reimbursement of \$2,674,011 or 2) 12 years. The proposed date for beginning tax capture is tax year 2024, unless said date is amended by action of the WCBRA. It is anticipated that the eligible expenses will be fully reimbursed, and the LBRF will be fully funded, within nine years after the first year of tax increment capture.

F. ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS

Available incremental local and school operating tax revenues generated by the project will be captured by the WCBRA until all incurred eligible brownfield redevelopment costs and WCBRA administrative expenses are reimbursed, and the LBRF is funded, to the extent described in this Plan. The tax revenues available for capture by the WCBRA will be split between local and state sources. The proportion of local taxes versus school taxes available for capture is partly dependent on the proportion of condominiums owned as principal residences versus the proportion owned as second homes. In the revenue projections, this split is estimated at 50/50, but the actual proportions will be determined by future ownership. To the extent that a greater percentage of condominiums are owned as principal residences, the proportion of reimbursement from local tax increment revenue versus state school tax revenue will increase. Under a 50/50 split, approximately 71% of eligible activity costs will be reimbursed with local tax revenues and approximately 29% will be reimbursed with school operating tax revenues, based on the millage rates obtained from the City of Ann Arbor Treasurer's Office. The impact of the WCBRA incremental tax capture on local taxing jurisdictions is presented in Table 2 and Table 3 (Appendix B).

G. LEGAL DESCRIPTION, PROPERTY MAP, PROPERTY CHARACTERISTICS AND PERSONAL PROPERTY

The Property consists of approximately 0.2 acres of land. A topographic Property Location Map and scaled Eligible Property Map and legal descriptions for the three parcels are included in Appendix C. Incremental revenue generated by personal property is not anticipated to be a significant source of tax increment revenue; but to the extent available, will be captured for reimbursement of eligible activities.

H. ESTIMATES OF RESIDENTS AND DISPLACEMENT OF FAMILIES

No occupied residences are involved in the redevelopment, no persons reside on the Property, and no families or individuals will be displaced as a result of this development. Therefore, a demographic survey and information regarding housing in the community are not applicable and are not needed for this Plan.

I. PLAN FOR RELOCATION OF DISPLACED PERSONS

No persons will be displaced as a result of this development; therefore, a plan for relocation of displaced persons is not applicable and is not needed for this Plan.

J. PROVISIONS FOR RELOCATION COSTS

No persons will be displaced as result of this development and no relocation costs will be incurred; therefore, provision for relocation costs is not applicable and is not needed for this Plan.

K. STRATEGY FOR COMPLIANCE WITH MICHIGAN'S RELOCATION ASSISTANCE LAW

No persons will be displaced as result of this development; therefore, no relocation assistance strategy is needed for this Plan.

L. DESCRIPTION OF THE PROPOSED USE OF LOCAL BROWNFIELD REVOLVING FUND (LBRF)

The Authority has established a Local Brownfield Revolving Fund (LBRF) in accordance with Act 381. Funds from the LBRF may be used, at the sole discretion of the Authority, to finance or reimburse eligible activities described in this Brownfield Plan or eligible activities subsequently approved, solely for LBRF funding, by administrative action of the Authority to be conducted on the eligible property described in this Brownfield Plan.

Up to approximately \$750,776, minus any local tax increment revenues used for administrative operations of the Authority, as described in Section III.A., is projected to be deposited in the LBRF under this Plan through capture of tax increment revenues during the developer reimbursement period. The LBRF/administrative contribution will be funded by capture of 10% of the available cumulative incremental taxes in each year that the developer is reimbursed, and an amount equal to 15% of eligible activity costs in the Plan (\$401,102) after developer reimbursement is complete. The LBRF funds will be used to support future redevelopment of brownfield sites within Washtenaw County.

M. OTHER MATERIAL THAT THE AUTHORITY OR GOVERNING BODY CONSIDERS PERTINENT

This brownfield redevelopment project is supported by the Downriver Community Conference's (DCC's) U.S. EPA Brownfield Assessment grant, which assisted in funding of the Phase II ESA summarized in Section I.C.

As noted in Section III.B, the proportion of local taxes versus school taxes available for capture is partly dependent on the proportion of condominiums owned as principal residences versus the proportion owned as second homes. In the revenue projections, this split is estimated at 50/50, but the actual proportions will be determined by future ownership. To the extent that a greater percentage of condominiums are owned as principal residences, the proportion of reimbursement from local tax increment revenue versus state school tax revenue will increase over what is projected in this Plan. In no event, however, shall Developer reimbursement exceed 12 years.

APPENDIX A
SUMMARY OF ELIGIBLE ACTIVITIES AND COSTS



TABLE 1.
Eligible Activities Table
 312 and 314 Detroit Street and 303 North Fifth Street
 Ann Arbor, Michigan
 3/22/2022

| ELIGIBLE ACTIVITIES | |
|---|---------------------|
| COST ITEM | TOTAL COST |
| BEA Activities | |
| Phase I ESA | |
| Phase II ESA | \$ 28,500 |
| BEA Report | |
| Demolition and Hazardous Materials Activities | |
| HazMat Assessment of existing structures | |
| HazMat Abatement of two buildings and pavements | \$ 146,000 |
| Remove and dispose two existing buildings, pavement/asphalt/slabs, and associated utilities | |
| Due Care and Response Activities | |
| Design engineering and remediation plans for response activities. | |
| Plan for Due Care Compliance - Construction | |
| Plan for Due Care Compliance - Future Use | |
| Documentation of Due Care Compliance after construction | |
| Site Specific Health and Safety Plan | |
| Install temporary perimeter fence for security and third-party protection, install warning signs | |
| UST Removal | |
| UST Contents disposal | |
| Reporting | |
| Soil disposal characterization | |
| Shoring for excavation of soil (permanent soldier piles, lagging) - required for cleanup of contaminated soil | |
| Excavate contaminated soil to 16' in northern parcel | |
| Transport and dispose contaminated soil at a licensed Type II landfill. | |
| Acquire/place backfill to construction grade | |
| Geotechnical assessment and design for remediation shoring | \$ 2,102,270 |
| Shoring for excavation of soil (permanent soldier piles, lagging) - required for cleanup of contaminated soil | |
| Transport and dispose contaminated soil at a licensed Type II landfill. | |
| Acquire/place backfill to construction grade | |
| Rental of frac tank for on-site storage | |
| Disposal characterization | |
| Dispose nonhaz water at a licensed disposal facility. | |
| Disposal characterization | |
| Dust suppression | |
| Nonhazardous contaminated soil disposal - street sweeping | |
| Perform daily on-site inspection and monitoring of due care during response/earthwork | |
| Project coordination and management | |
| Architectural/Engineering Design/Surveying/Staking as related to infrastructure and other activities | |
| Site Construction Management - planning, design, administrative, and management | |
| General Conditions - contractor's mobilization, demobilization, temp facility, temp access, erosion control, etc. | |
| Eligible Activities Subtotal | \$ 2,276,770 |
| Contingency | |
| Contingency for eligible activities | \$ 337,241 |
| Brownfield Plan and Work Plan | |
| Brownfield Plan - City of Ann Arbor and WCBRA processes | |
| Act 381 Work Plan for Department Specific Activities | \$ 60,000 |
| Plan compliance; collecting, tracking and reporting cost and other data | |
| TOTAL ELIGIBLE COSTS: | |
| | \$ 2,674,011 |

APPENDIX B
SUMMARY OF TAX INCREMENT REVENUE (TIR) CAPTURE AND TIR
REIMBURSEMENT ALLOCATION



TABLE 3.
Tax Increment Revenue Reimbursement Allocation Table
 312 and 314 Detroit Street and 303 North Fifth Street
 Ann Arbor, Michigan
 3/22/2022

Estimated Taxable Value (TV) Increase Rate: 2% per year

| Plan Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | TOTAL | |
|--|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Calendar Year ¹ | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | | |
| Base Taxable Value ² | \$ 304,296 | \$ 304,296 | \$ 304,296 | \$ 304,296 | \$ 304,296 | \$ 304,296 | \$ 304,296 | \$ 304,296 | \$ 304,296 | \$ 304,296 | |
| Estimated New TV ¹ | \$ 8,500,000 | \$ 8,670,000 | \$ 8,843,400 | \$ 9,020,268 | \$ 9,200,673 | \$ 9,384,686 | \$ 9,572,380 | \$ 9,763,828 | \$ 9,959,105 | | |
| Estimated New TV ^(One Year Ramp Up) | \$ 4,250,000 | \$ 8,670,000 | \$ 8,756,700 | \$ 8,844,267 | \$ 8,932,710 | \$ 9,022,037 | \$ 9,112,257 | \$ 9,203,380 | \$ 9,295,414 | | |
| Non-Homestead Incremental Difference (New TV - Base TV) | \$ 1,972,852 | \$ 4,182,852 | \$ 4,226,202 | \$ 4,269,986 | \$ 4,314,207 | \$ 4,358,871 | \$ 4,403,981 | \$ 4,449,542 | \$ 4,495,559 | | |
| Homesteads Incremental Difference (New TV - Base TV) | \$ 1,972,852 | \$ 4,182,852 | \$ 4,226,202 | \$ 4,269,986 | \$ 4,314,207 | \$ 4,358,871 | \$ 4,403,981 | \$ 4,449,542 | \$ 4,495,559 | | |
| Total Incremental Difference (New TV - Base TV) | \$ 3,945,704 | \$ 8,365,704 | \$ 8,452,404 | \$ 8,539,971 | \$ 8,628,414 | \$ 8,717,741 | \$ 8,807,961 | \$ 8,899,084 | \$ 8,991,118 | | |
| School Capture³ | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | |
| State Education Tax (SET) | 6.0000 | \$ 23,674 | \$ 50,194 | \$ 50,714 | \$ 51,240 | \$ 51,770 | \$ 52,306 | \$ 52,848 | \$ 53,395 | \$ 26,790 | \$ 412,931 |
| School Operating Tax | 18.0000 | \$ 35,511 | \$ 75,291 | \$ 76,072 | \$ 76,860 | \$ 77,656 | \$ 78,460 | \$ 79,272 | \$ 80,092 | \$ 80,369 | \$ 659,583 |
| School Total | 24.0000 | \$ 59,185 | \$ 125,485 | \$ 126,786 | \$ 128,100 | \$ 129,426 | \$ 130,766 | \$ 132,120 | \$ 133,487 | \$ 107,159 | \$ 1,072,514 |
| Local Capture⁴ | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | |
| County General Operating | 4.3780 | \$ 17,274 | \$ 36,625 | \$ 37,005 | \$ 37,388 | \$ 37,775 | \$ 38,166 | \$ 38,561 | \$ 38,960 | \$ 34,208 | \$ 315,962 |
| County Parks | 0.7020 | \$ 2,770 | \$ 5,873 | \$ 5,934 | \$ 5,995 | \$ 6,057 | \$ 6,120 | \$ 6,183 | \$ 6,247 | \$ 5,485 | \$ 50,664 |
| EECS County | 0.1930 | \$ 762 | \$ 1,615 | \$ 1,631 | \$ 1,648 | \$ 1,665 | \$ 1,683 | \$ 1,700 | \$ 1,718 | \$ 1,508 | \$ 13,930 |
| HCMA | 0.2104 | \$ 830 | \$ 1,760 | \$ 1,778 | \$ 1,797 | \$ 1,815 | \$ 1,834 | \$ 1,853 | \$ 1,872 | \$ 1,644 | \$ 15,183 |
| Vet Relief | 0.0970 | \$ 383 | \$ 811 | \$ 820 | \$ 828 | \$ 837 | \$ 846 | \$ 854 | \$ 863 | \$ 758 | \$ 7,000 |
| Roads | 0.5000 | \$ 1,973 | \$ 4,183 | \$ 4,226 | \$ 4,270 | \$ 4,314 | \$ 4,359 | \$ 4,404 | \$ 4,450 | \$ 3,907 | \$ 36,086 |
| County Public Safety and Mental Health | 0.9791 | \$ 3,863 | \$ 8,191 | \$ 8,276 | \$ 8,361 | \$ 8,448 | \$ 8,536 | \$ 8,624 | \$ 8,713 | \$ 7,650 | \$ 70,662 |
| Conservation | 0.0200 | \$ 79 | \$ 167 | \$ 169 | \$ 171 | \$ 173 | \$ 174 | \$ 176 | \$ 178 | \$ 156 | \$ 1,443 |
| City General Operating | 5.8359 | \$ 23,027 | \$ 48,821 | \$ 49,327 | \$ 49,838 | \$ 50,355 | \$ 50,876 | \$ 51,402 | \$ 51,934 | \$ 45,600 | \$ 421,180 |
| Employee Benefits | 1.9452 | \$ 7,675 | \$ 16,273 | \$ 16,442 | \$ 16,612 | \$ 16,784 | \$ 16,958 | \$ 17,133 | \$ 17,310 | \$ 15,199 | \$ 140,386 |
| Refuse Collection | 2.3339 | \$ 9,209 | \$ 19,525 | \$ 19,727 | \$ 19,931 | \$ 20,138 | \$ 20,346 | \$ 20,557 | \$ 20,770 | \$ 18,237 | \$ 168,440 |
| Street Repairs | 2.0289 | \$ 8,005 | \$ 16,973 | \$ 17,149 | \$ 17,327 | \$ 17,506 | \$ 17,687 | \$ 17,870 | \$ 18,055 | \$ 15,853 | \$ 146,425 |
| Parks Maintenance & Repairs | 1.0805 | \$ 4,263 | \$ 9,039 | \$ 9,133 | \$ 9,227 | \$ 9,323 | \$ 9,420 | \$ 9,517 | \$ 9,615 | \$ 8,442 | \$ 77,979 |
| Parks Acquisition | 0.4519 | \$ 1,783 | \$ 3,780 | \$ 3,820 | \$ 3,859 | \$ 3,899 | \$ 3,940 | \$ 3,980 | \$ 4,021 | \$ 3,531 | \$ 32,613 |
| Public Library | 1.8333 | \$ 7,234 | \$ 15,337 | \$ 15,496 | \$ 15,656 | \$ 15,818 | \$ 15,982 | \$ 16,148 | \$ 16,315 | \$ 14,325 | \$ 132,311 |
| Sidewalks | 0.2000 | \$ 789 | \$ 1,673 | \$ 1,690 | \$ 1,708 | \$ 1,726 | \$ 1,744 | \$ 1,762 | \$ 1,780 | \$ 1,563 | \$ 14,435 |
| Affordable Housing | 1.0000 | \$ 3,946 | \$ 8,366 | \$ 8,452 | \$ 8,540 | \$ 8,628 | \$ 8,718 | \$ 8,808 | \$ 8,899 | \$ 7,814 | \$ 72,171 |
| AAPS Voted Sinking Fund | 2.4259 | \$ 9,572 | \$ 20,294 | \$ 20,505 | \$ 20,717 | \$ 20,932 | \$ 21,148 | \$ 21,367 | \$ 21,588 | \$ 18,955 | \$ 175,078 |
| AAATA City | 1.9452 | \$ 7,675 | \$ 16,273 | \$ 16,442 | \$ 16,612 | \$ 16,784 | \$ 16,958 | \$ 17,133 | \$ 17,310 | \$ 15,199 | \$ 140,386 |
| AAATA County | 0.6862 | \$ 2,708 | \$ 5,741 | \$ 5,800 | \$ 5,860 | \$ 5,921 | \$ 5,982 | \$ 6,044 | \$ 6,107 | \$ 5,362 | \$ 49,525 |
| WISD Operating | 0.0943 | \$ 372 | \$ 789 | \$ 797 | \$ 805 | \$ 814 | \$ 822 | \$ 831 | \$ 839 | \$ 737 | \$ 6,806 |
| WISD Special Education | 5.1774 | \$ 20,428 | \$ 43,313 | \$ 43,761 | \$ 44,215 | \$ 44,673 | \$ 45,135 | \$ 45,602 | \$ 46,074 | \$ 40,455 | \$ 373,656 |
| AAPS Supplemental | 1.8393 | \$ 7,257 | \$ 15,387 | \$ 15,547 | \$ 15,708 | \$ 15,870 | \$ 16,035 | \$ 16,200 | \$ 16,368 | \$ 14,372 | \$ 132,744 |
| Community College Operating | 3.3759 | \$ 13,320 | \$ 28,242 | \$ 28,534 | \$ 28,830 | \$ 29,129 | \$ 29,430 | \$ 29,735 | \$ 30,042 | \$ 26,378 | \$ 243,640 |
| Local Total | 39.3333 | \$ 155,197 | \$ 329,051 | \$ 332,461 | \$ 335,903 | \$ 339,384 | \$ 342,899 | \$ 346,444 | \$ 350,028 | \$ 307,338 | \$ 2,838,705 |
| Non-Capturable Millages | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | |
| AAPS Debt Service | 4.1000 | \$ 16,177 | \$ 34,299 | \$ 34,655 | \$ 35,014 | \$ 35,376 | \$ 35,743 | \$ 36,113 | \$ 36,486 | \$ 36,864 | \$ 300,727 |
| WISD Debt Service | 0.3700 | \$ 1,460 | \$ 3,095 | \$ 3,127 | \$ 3,160 | \$ 3,193 | \$ 3,226 | \$ 3,259 | \$ 3,293 | \$ 3,327 | \$ 27,140 |
| Total Non-Capturable Taxes | 4.4700 | \$ 17,637 | \$ 37,394 | \$ 37,782 | \$ 38,174 | \$ 38,569 | \$ 38,969 | \$ 39,372 | \$ 39,779 | \$ 40,191 | \$ 327,867 |
| Total Tax Increment Revenue (TIR) Available for Capture | | \$ 214,382 | \$ 454,536 | \$ 459,247 | \$ 464,003 | \$ 468,810 | \$ 473,665 | \$ 478,564 | \$ 483,515 | \$ 414,497 | \$ 3,911,219 |

Footnotes:

- Assumes construction will be 50% complete in 2022 with a 50% tax capture in 2023 and the first full tax capture occurring in 2024. A 1% inflation rate on the taxable value is assumed for the years following.
- Base taxable value obtained from Tax Year 2021 General Information available on Property Summary Sheets on file with City of Ann Arbor.



TABLE 3.
Tax Increment Revenue Reimbursement Allocation Table
 312 and 314 Detroit Street and 303 North Fifth Street
 Ann Arbor, Michigan
 3/22/2022

| Developer Maximum Reimbursement | Proportionality | School & Local Taxes | Local-Only Taxes | Total |
|---------------------------------------|-----------------|----------------------|------------------|---------------------|
| | | | | |
| State | 22.90% | \$ 612,345 | \$ - | \$ 612,345 |
| Local | 77.10% | \$ 2,061,666 | \$ - | \$ 2,061,666 |
| TOTAL | | \$ 2,674,011 | \$ - | \$ 2,674,011 |
| EGLE | 100.0% | \$ 2,674,011 | \$ - | \$ 2,674,011 |
| MSF | 0.0% | \$ - | \$ - | \$ - |

27.61%

| Estimated Capture | |
|------------------------|------------|
| State Revolving Fund | \$ 206,465 |
| LBRF/Admin | \$ 750,776 |
| Estimated Total | 9 |
| Years of Plan: | |

| Plan Year Calendar Year ¹ | 1 2023 | 2 2025 | 3 2026 | 4 2027 | 5 2028 | 6 2029 | 7 2030 | 8 2031 | 9 2032 | 10 2033 | TOTAL |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------|---------------------|
| Total State Incremental Revenue | \$ 59,185 | \$ 125,485 | \$ 126,786 | \$ 128,100 | \$ 129,426 | \$ 130,766 | \$ 132,120 | \$ 133,487 | \$ 107,159 | | \$ 1,072,514 |
| State Brownfield Revolving Fund (50% of SET) | \$ 11,837 | \$ 25,097 | \$ 25,357 | \$ 25,620 | \$ 25,885 | \$ 26,153 | \$ 26,424 | \$ 26,698 | \$ 13,395 | | \$ 206,465 |
| State TIR Available for Reimbursement / LBRF | \$ 47,348 | \$ 100,388 | \$ 101,429 | \$ 102,480 | \$ 103,541 | \$ 104,613 | \$ 105,696 | \$ 106,790 | \$ 93,764 | | \$ 866,049 |
| Total Local Incremental Revenue | \$ 155,197 | \$ 329,051 | \$ 332,461 | \$ 335,903 | \$ 339,384 | \$ 342,899 | \$ 346,444 | \$ 350,028 | \$ 307,338 | | \$ 2,838,705 |
| Local TIR Available for Reimbursement / LBRF | \$ 155,197 | \$ 329,051 | \$ 332,461 | \$ 335,903 | \$ 339,384 | \$ 342,899 | \$ 346,444 | \$ 350,028 | \$ 307,338 | | \$ 2,838,705 |
| Total State & Local TIR Available for Reimbursement² | \$ 202,545 | \$ 429,439 | \$ 433,890 | \$ 438,383 | \$ 442,925 | \$ 447,512 | \$ 452,140 | \$ 456,818 | \$ 401,102 | \$ - | \$ 3,704,754 |
| | Beginning Balance | | | | | | | | | | |
| Detroit Street Redevelopment | \$ 2,674,011 | \$ 2,492,905 | \$ 2,108,920 | \$ 1,720,955 | \$ 1,328,972 | \$ 932,928 | \$ 532,783 | \$ 128,499 | \$ - | \$ - | \$ - |
| EGLE Environmental Costs | \$ 2,674,011 | \$ 181,106 | \$ 383,985 | \$ 387,965 | \$ 391,983 | \$ 396,044 | \$ 400,145 | \$ 404,284 | \$ 128,499 | \$ - | \$ 2,674,011 |
| State Tax Reimbursement | \$ 764,232 | \$ 41,429 | \$ 87,839 | \$ 88,750 | \$ 89,670 | \$ 90,598 | \$ 91,536 | \$ 92,484 | \$ 30,039 | | \$ 612,345 |
| Local Tax Reimbursement | \$ 1,909,779 | \$ 139,677 | \$ 296,146 | \$ 299,215 | \$ 302,313 | \$ 305,446 | \$ 308,609 | \$ 311,800 | \$ 98,460 | | \$ 2,061,666 |
| Total EGLE Reimbursement Balance | \$ 2,492,905 | \$ 2,108,920 | \$ 1,720,955 | \$ 1,328,972 | \$ 932,928 | \$ 532,783 | \$ 128,499 | \$ - | \$ - | \$ - | \$ - |
| Total Annual Developer Reimbursement | \$ 2,674,011 | \$ 181,106 | \$ 383,985 | \$ 387,965 | \$ 391,983 | \$ 396,044 | \$ 400,145 | \$ 404,284 | \$ 128,499 | \$ - | \$ 2,674,011 |
| LBRF/ADMIN & OPERATING | | | | | | | | | | | |
| LBRF/Admin Deposits | \$ 21,439 | \$ 45,454 | \$ 45,925 | \$ 46,400 | \$ 46,881 | \$ 47,367 | \$ 47,856 | \$ 48,352 | \$ 401,102 | \$ - | \$ 750,776 |
| State Tax Capture | 10% | \$ 5,919 | \$ 12,549 | \$ 12,679 | \$ 12,810 | \$ 12,943 | \$ 13,077 | \$ 13,212 | \$ 13,349 | \$ 93,764 | \$ 190,302 |
| Local Tax Capture | 10% | \$ 15,520 | \$ 32,905 | \$ 33,246 | \$ 33,590 | \$ 33,938 | \$ 34,290 | \$ 34,644 | \$ 35,003 | \$ 307,338 | \$ 560,474 |

APPENDIX C

SITE MAPS LEGAL DESCRIPTIONS DESCRIBED IN SECTION III(G) OF THIS PLAN

ABBREVIATED LEGAL DESCRIPTIONS

303 NORTH FIFTH AVENUE

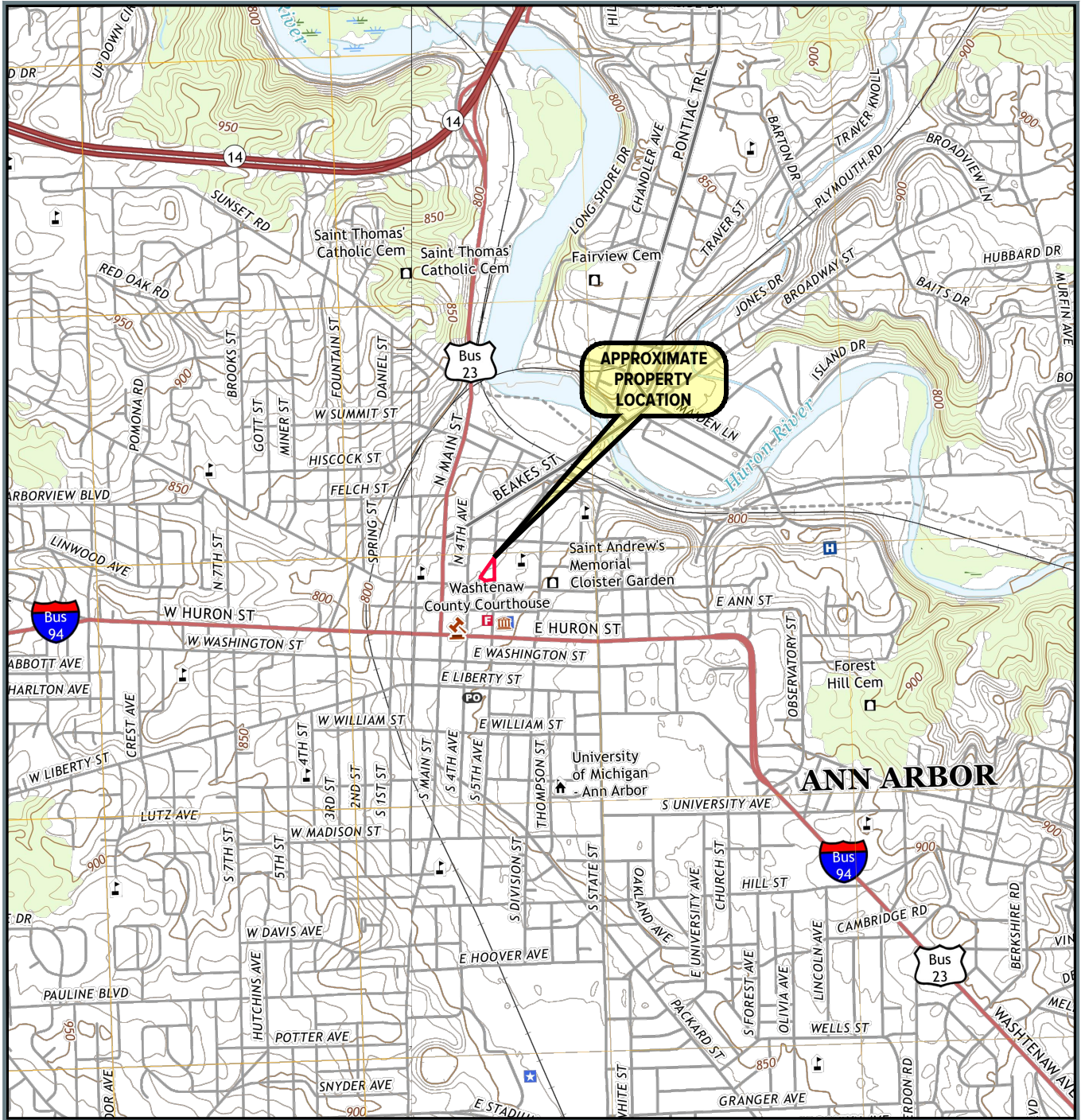
LOT 79 ASSESSORS PLAT NO. 29

312 DETROIT STREET

LOT 80 ASSESSORS PLAT NO. 29

314 DETROIT STREET

LOT 81 ASSESSORS PLAT NO. 29



Base map obtained from USGS Store

USGS QUADRANGLE(S) REFERENCED

ANN ARBOR EAST (MI) 2019
ANN ARBOR WEST (MI) 2019



SCALE: 1" = 2000'

| No. | Revision Date | Date |
|-----|---------------|---------------|
| | | 08/03/2021 |
| | Drawn By | MNR |
| | Designed By | PAG |
| | Scale | 1" = 2000' |
| | Project | 086802.00.002 |

PROPERTY LOCATION MAP
312 & 314 DETROIT STREET
AND NORTH 303 FIFTH STREET,
ANN ARBOR, MI 48104



www.sme-usa.com

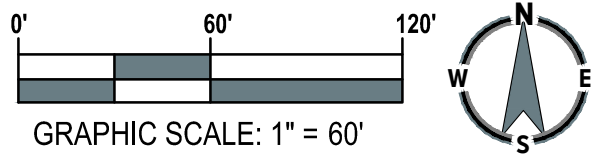
Figure No. 1



LEGEND

- APPROXIMATE PROPERTY BOUNDARY
- ① 303 NORTH FIFTH STREET
09-09-29-124-003
- ② 312 DETROIT STREET
09-09-29-124-002
- ③ 314 DETROIT STREET
09-09-29-124-001

NOTE: DRAWING INFORMATION TAKEN FROM GOOGLE EARTH PRO WITH IMAGE DATE 6/6/2019 AND SITE RECONNAISSANCE.



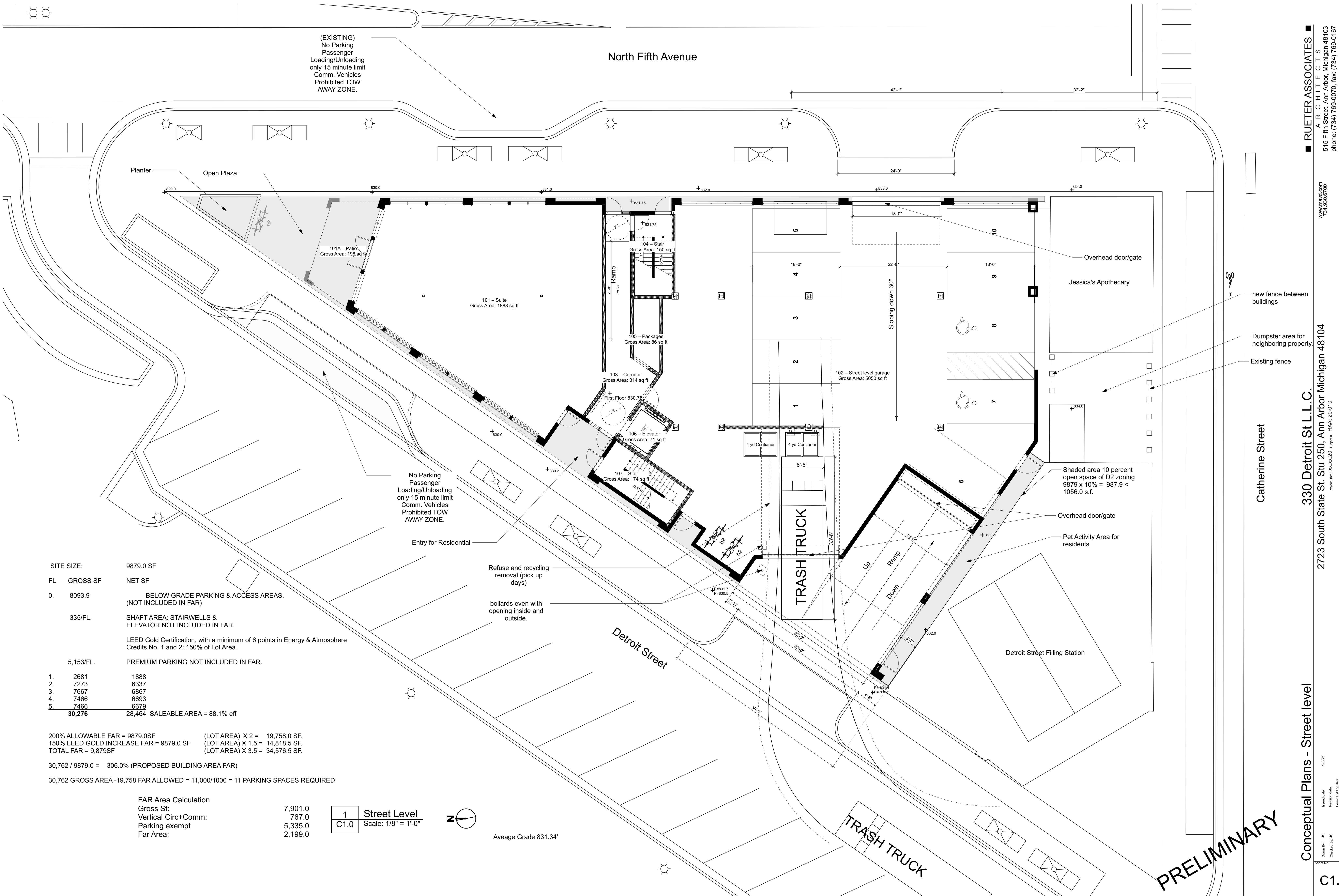
| | | | |
|-----|---------------|-------------|---------------|
| No. | Revision Date | Date | 11/23/2021 |
| | | Drawn By | MNR |
| | | Designed By | PAG |
| | | Scale | AS SHOWN |
| | | Project | 086802.00.003 |

**ELIGIBLE PROPERTY MAP
312 & 314 DETROIT STREET
AND 303 NORTH FIFTH STREET
ANN ARBOR, MICHIGAN**



Figure No. 2

APPENDIX D
PROJECT CONCEPTUAL DRAWINGS



(EXISTING)
No Parking
Passenger
Loading/Unloading
only 15 minute limit
Comm. Vehicles
Prohibited TOW
AWAY ZONE.

No Parking
Passenger
Loading/Unloading
only 15 minute limit
Comm. Vehicles
Prohibited TOW
AWAY ZONE.

SITE SIZE: 9879.0 SF

| FL | GROSS SF | NET SF |
|-----------|---------------|--|
| 0. | 8093.9 | BELOW GRADE PARKING & ACCESS AREAS. (NOT INCLUDED IN FAR) |
| 335/FL. | | SHAFT AREA: STAIRWELLS & ELEVATOR NOT INCLUDED IN FAR. |
| 5,153/FL. | | LEED Gold Certification, with a minimum of 6 points in Energy & Atmosphere Credits No. 1 and 2: 150% of Lot Area. |
| | | PREMIUM PARKING NOT INCLUDED IN FAR. |
| 1. | 2681 | 1888 |
| 2. | 7273 | 6337 |
| 3. | 7667 | 6867 |
| 4. | 7466 | 6693 |
| 5. | 7466 | 6679 |
| | 30,276 | 28,464 SALEABLE AREA = 88.1% eff |

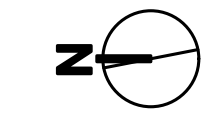
200% ALLOWABLE FAR = 9879.0SF (LOT AREA) X 2 = 19,758.0 SF.
150% LEED GOLD INCREASE FAR = 9879.0 SF (LOT AREA) X 1.5 = 14,818.5 SF.
TOTAL FAR = 9,879SF (LOT AREA) X 3.5 = 34,576.5 SF.

30,762 / 9879.0 = 306.0% (PROPOSED BUILDING AREA FAR)
30,762 GROSS AREA -19,758 FAR ALLOWED = 11,000/1000 = 11 PARKING SPACES REQUIRED

FAR Area Calculation

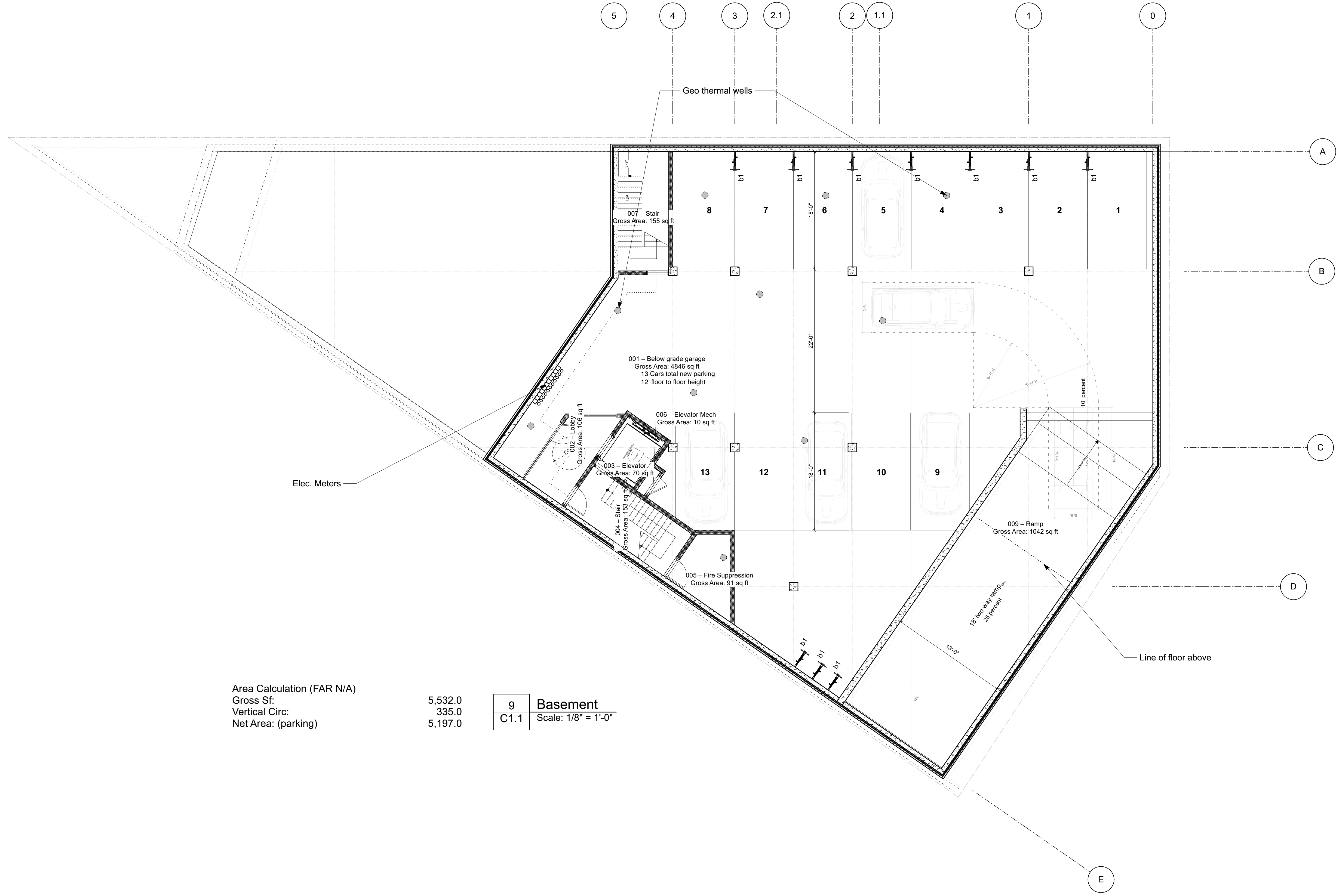
| | |
|---------------------|---------|
| Gross Sf: | 7,901.0 |
| Vertical Circ+Comm: | 767.0 |
| Parking exempt | 5,335.0 |
| Far Area: | 2,199.0 |

1 Street Level
C1.0 Scale: 1/8" = 1'-0"



Average Grade 831.34'

PRELIMINARY

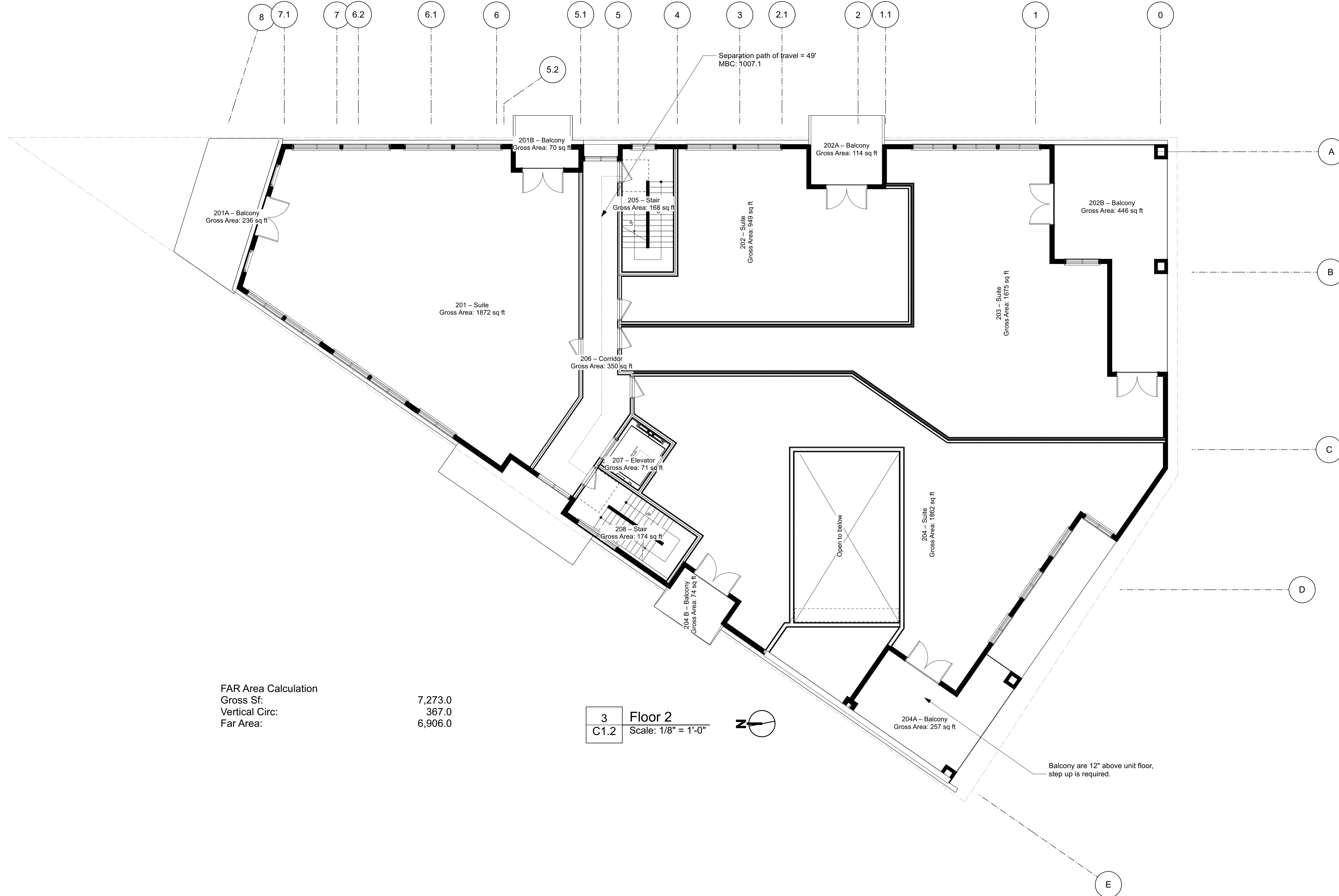


Area Calculation (FAR N/A)
 Gross Sf: 5,532.0
 Vertical Circ: 335.0
 Net Area: (parking) 5,197.0

5,532.0
 335.0
 5,197.0

9 Basement
 C1.1 Scale: 1/8" = 1'-0"

PRELIMINARY



FAR Area Calculation
 Gross Sf: 7,273.0
 Vertical Circ: 367.0
 Far Area: 6,906.0

3 Floor 2
 C1.2 Scale: 1/8" = 1'-0"

PRELIMINARY



3 Cross Section
C1.10 Scale: 3/32" = 1'-0"

2 Cross Section
C1.10 Scale: 3/32" = 1'-0"



1 Longitudinal Section
C1.10 Scale: 1/8" = 1'-0"

PRELIMINARY

Sections

C1.10

330 Detroit St L.L.C.

2723 South State St. Stu 250, Ann Arbor Michigan 48104

Project Name: 330, 250, 20-010

www.mawd.com
734.930.6700

RUETER ASSOCIATES
ARCHITECTS
515 Fifth Street, Ann Arbor, Michigan 48103
phone: (734) 769-0070, fax: (734) 769-0167

9/2/21

Drawn by: JS
Checked by: JS
Project/Working date: