

BROWNFIELD PLAN FOR:

309 North Ashley Street Redevelopment, 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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PROJECT SUMMARY

Project Name: 309 North Ashley Street Redevelopment

Estimated Investment: \$17,145,754

Project Location: The project site is approximately 0.334 acres in size, bounded by North Ashley Street to the east, Miller Avenue to the south, and residential structures to the north and west. The eligible property is comprised of the following four parcels of land:

- 210 Miller Ave. (Tax ID: 09-09-29-150-003) – Parcel 1;
- 206 Miller Ave. (Tax ID: 09-09-29-150-004) – Parcel 2;
- 307 North Ashley Street (Tax ID: 09-09-29-150-006) – Parcel 3; and
- 309 North Ashley Street (Tax ID: 09-09-29-150-007) – Parcel 4.

Property Eligibility: Three of the Property parcels (Parcels 1, 2 and 3) meet 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). Soil is contaminated with volatile organic components of gasoline at concentrations greater than generic residential use criteria promulgated by the Michigan Department of Environmental Quality. The fourth parcel (Parcel 4) is eligible by being contiguous to Parcel 3, a facility.

Eligible Activities: Beyond capturing tax increment revenues for the State Revolving Fund and the Local Brownfield Revolving Fund (LBRF), this plan contains the following eligible activities:

Department Specific Activities – Preparation of an Act 381 Work Plan, baseline environmental assessment (BEA) and due care activities, and 15% in contingency costs.

Other Activities – Preparation of a Brownfield Plan

Eligible Costs: Department Specific – \$1,999,022

Other (Brownfield Plan) – \$40,000

Total – \$2,039,022

Capture Period: Total capture period – 9 years
Developer Reimbursement – 8 years (\$2,039,022)
Funding of LBRF/Administrative operations – \$700,000

Project Summary: 309 North Ashley is a new, five-story, residential building situated on what is now four lots that are developed with two single-family residential structures in disrepair, and surface gravel parking. The redevelopment project is an urban condominium community catering to those who would like to live near Ann Arbor's urban core, including active adults and working professionals. The project includes 17, two- and three-bedroom units, ranging in size from approximately 1,840 - 2,540 square feet. Fronting on both Miller Avenue and North Ashley Street, the building will have its principle pedestrian entrance on North Ashley where the natural grade is gentler and thus more accommodating to wheelchair access. The building will sit on a below-grade, "basement", parking level and will have a smaller carport structure on the first floor, on north side of the building. The project design reflects the continuing evolution of the area from low-rise, single-family and duplex structures to mid-rise residential uses.

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 the Washtenaw County, acting on behalf of its member communities. The purpose of this Brownfield Plan (the Plan), to be implemented by the Authority, is to satisfy the requirements of Act 381 for including the eligible property described below, designated as the 309 North Ashley 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. This Plan allows the Authority to capture tax increment revenues (TIR) generated by redevelopment of the Property for reimbursement of the developer, 307 North Ashley, LLC (307 NA), for the costs of eligible activities required to prepare the Property for safe redevelopment and reuse (see Section III); payments to the State Revolving Fund (SRF); funding of 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 expenses. The capture and use of TIR generated by 307 NA’s redevelopment are necessary to support needed environmental response actions and ensure the economic viability of the project.

B. PROPERTY DESCRIPTION

The Property consists of four tax parcels occupying 0.334 acres of land at the northwest corner of Miller Avenue and North Ashley Street in the City of Ann Arbor. The Property is currently occupied by two residential structures in disrepair and associated parking areas. The parcel addresses and respective tax identification numbers are as follows:

| PRIMARY ADDRESS | TAX ID |
|-------------------------|------------------|
| 210 Miller Ave | 09-09-29-150-003 |
| 206 Miller Ave. | 09-09-29-150-004 |
| 307 North Ashley Street | 09-09-29-150-006 |
| 309 North Ashley Street | 09-09-29-150-007 |

Additional property information is provided in Section III (G).

C. BASIS OF ELIGIBILITY

The Property is eligible for inclusion in this Brownfield Plan in accordance with MCL 125.2652(n) because the four parcels of land that comprise the Property individually meet, or are contiguous to parcels that meet, 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”. Three parcels, Parcels 1, 2, and 3, have been demonstrated to be contaminated with hazardous substances at levels above generic residential use criteria established pursuant to Part 201, and thus meet the Part 201 definition of a facility. Parcel 4 is contiguous to Parcel 3, which is a facility.

307 NA is not liable for contamination existing on the Property because it has complied with CERCLA All Appropriate Inquiries and the Part 201 Baseline Environmental Assessment process to qualify for limitations to environmental liability afforded purchasers of brownfield sites under federal and state environmental statutes. 307 NA is furthermore not liable under Part 201 for the hydrocarbon

contamination (constituents of gasoline) on the Property because that contamination arises solely by migration from an off-site source (east-adjoining property).

D. PROJECT DESCRIPTION

THE PROPERTY

The Property consists of four parcels of land, totaling approximately 0.334 acres, at the northwest corner of the intersection of Miller Avenue and North Ashley Street, in an area of residential and commercial development. The Property is zoned for residential use and is developed with two, unoccupied, two-story residential structures in the northern and southeastern portions of the Property. The remaining central and southwestern portions of the Property are covered with asphalt and gravel parking areas. Municipal water and sewer services and public utilities (natural gas and electricity) are provided to the Property. The Property location is ideal for development of additional residential options near downtown Ann Arbor; however, redevelopment is hindered by the environmental challenges created by the presence of contaminated soil and two residential structures that are in disrepair and contain asbestos-containing materials (ACM).

The Property had been developed with one residential structure by 1888. By 1899 three structures were present on the Property. The number of structures had increased to six by 1925, but then had been reduced to the two current structures by 1972 through demolition of four of the structures.

A gasoline service station was present on the east-adjoining property at 202 Miller Avenue from 1931 or before to 1972 or thereafter; the exact dates of operation are not known. Sanborn® fire insurance maps from 1931, 1948, and 1972 indicate that three underground storage tanks (USTs) were present on the southeast corner of this property. It is not known if the USTs have been removed or if they are still in place on the property. This site is presumed to be the source of gasoline contamination on the Property.

THE REDEVELOPMENT

309 North Ashley will be a new, five-story, residential building situated on the Property. The building will contain 17, market-rate, residential condominium units and approximately 40,500 square feet of floor area. The design reflects the continuing evolution of the area from low-rise, single family and duplex structures to mid-rise, residential uses. Fronting on both Miller Avenue and North Ashley Street, the building will have its principle pedestrian entrance on North Ashley Street where the natural grade is gentler and thus more accommodating to wheelchair access. The building will sit on a below-grade, "basement", parking garage and will have a smaller carport structure on the north side of the building. The building is kitty-corner from the city's largest above-ground parking structure, and there is a mid-rise office building across North Ashley Street to the east. The project, located in the Kerrytown Character Area, conforms to the Downtown Character Overlay Zoning District's Building Massing Standards and is responsive to the Downtown Ann Arbor Design Guidelines.

The project is an urban condominium community catering to those that would like to live near Ann Arbor's vibrant urban core. While occupancy/purchase will be open to all, it is expected that most residents will be active adults and working professionals, typically 27 - 65 years old, living alone or with a spouse/partner and/or potentially with friends, relatives or offspring. There will be two- and three-bedroom units, each with incorporated outdoor space in the form of exterior balconies or patios. Vertical access throughout the building, via both stairways and elevators, will be available from the main entrance on North Ashley Street and the below-grade parking level. Residents will have access to the many neighborhood businesses in the area, which are within easy walking distance. They will also have only a short walk to Kerry Town and the Farmer's Market, the YMCA, City Hall and the Amtrak station and will have convenient access to many of the city's and University's educational, entertainment and cultural opportunities.

BROWNFIELD CONDITIONS

The results of multiple site assessments performed on the Property revealed the presence of petroleum contamination in soil in the southern, approximately 60%, of the Property in a contaminated zone that extends from approximately 4 feet to over 16 feet below the ground surface (bgs). The contaminants of concern are volatile aromatic hydrocarbons, including benzene, toluene, and xylenes, and low molecular weight polycyclic aromatic hydrocarbons, such as naphthalene and methylnaphthalene. The contaminants and their relative concentrations are consistent with the source being weathered gasoline. The upper 4 feet or more of soil on the site appears to be non-native fill that was historically imported to the site from unknown sources and is expected to contain hazardous substances at levels that will cause excess material to be disposed in a landfill.

Two residential structures, in poor condition and containing ACMs, are currently present on the Property. The ACMs will have to be properly removed and disposed, and the structures and their basements will have to be demolished, to prepare the site for redevelopment.

Threats to human health and the environment associated with known site contamination will be reduced or eliminated by the following project design elements and planned response actions:

- removal and proper disposal of ACMs;
- removal and proper disposal of soil contaminated at levels greater than Part 201 generic residential use criteria (approximately 9,400 tons);
- use of vapor intrusion (VI) mitigation systems to protect residents from exposure to residual contamination on the site and the east-adjoining property; and
- construction of a building and impervious pavement over any residual contaminated soil, which will significantly reduce precipitation infiltration and contaminant migration.

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

307 NA will be reimbursed for the costs of eligible activities necessary to address environmental concerns 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 Authority, subject to any limitations and conditions described in this Plan, approvals of the Michigan Department of Environmental Quality (MDEQ) for school operating tax capture, and the terms of a Reimbursement Agreement between 307 NA 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 and Brownfield Plan Preparation Activities eligible for reimbursement from tax increment revenues under this Plan are \$1,999,022 and \$40,000, respectively. The eligible activities are summarized in Table 1 (Appendix A). The individual costs of eligible 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. Eligible Department Specific baseline environmental assessment (BEA) and due care activities are summarized below:

- BEA activities (conducted prior to Brownfield Plan approval):
 - Phase I environmental site assessments (ESA);
 - Phase II ESA; and
 - preparation of a BEA report.
- Due Care activities:
 - Due Care planning and assessments conducted prior to and after Brownfield Plan approval;
 - preparation of a Plan for Compliance with Due Care, Documentation of Due Care Compliance at completion, and site specific Health and Safety Plan;
 - remediation of petroleum-contaminated soil;
 - management and disposal of contaminated soil and dewatering effluent generated during construction;
 - design and installation of vapor intrusion mitigation systems;
 - fencing for third-party protection;
 - track-out and dust control;
 - proportional design and construction management soft costs; and
 - 15% in contingency costs for field/construction-related activities;
- preparation of an Act 381 Work Plan; and
- implementation of Act 381 Work Plan.

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 1996, as amended (MCL 125.2652). The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities, \$2,039,022, subject to reimbursement. As long as the total cost limits described in this Plan are not exceeded, line-item eligible activities, tasks, and costs within the 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.

Fifty percent (50%) of the available incremental state education tax will be captured for deposit into the State Revolving Fund 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. As part of this Plan, the Authority will capture tax increment revenues, totaling \$700,000, during and after the developer reimbursement period as shown in Table 3, and deposited in the Authority's LBRF. However, at the sole discretion of the Authority, 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.

B. ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES

The 2018 cumulative taxable value of four parcels comprising the Property is \$509,475, 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 database. The anticipated taxable value at project completion is \$9,085,000, which is expected to be attained in 2023; 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 1% 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 Authority will capture 100% of the available incremental local and school operating tax revenues generated from the Property to reimburse 307 NA for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. Additionally, tax revenue associated with all new personal property will be captured as part of this plan. The Principal Residence Tax Exemption (PRE) was assumed for the for-sale condominium units when calculating the capturable incremental School Operating Taxes. The project is in the Ann Arbor Downtown Development District; however, for purposes of this Plan it is assumed that the Ann Arbor Development Authority has reached its property valuation cap, making all local incremental taxes available for capture under this Plan. Reimbursement using incremental school operating tax revenues is further limited to those eligible activities and costs approved by the MDEQ or MSF 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 for the maximum duration provided in Act 381 (MCLA 125.2663(22)), whichever is shorter. It is estimated that all of the developer's eligible costs will be reimbursed within eight years. Capture of incremental taxes to fund the LBRF will occur during and after the developer's reimbursement period, as shown in Table 3, as needed to generate \$700,000 for deposit in the LBRF, except as may be reduced by use of captured local tax increment revenues for Administrative Costs, as determined by the Authority. Except for those activities identified in this Plan as eligible for reimbursement only with incremental local taxes, if the MDEQ 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 tax increment capture (the local taxes) and reimbursement that would be contributed if the MDEQ had approved capture of state school taxes, as determined by the local/state proportionality as stated in this Plan at time of adoption.

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

307 NA will be responsible for financing the costs of eligible activities included in this Plan. Neither the Authority 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 Authority 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 \$2,039,022 plus funding of the LBRF to a total of \$700,000 or 2) the maximum duration provided for in Act 381

(MCLA 125.2663(22)). The proposed date for beginning tax capture is tax year 2020, unless said date is amended by action of the Authority. It is anticipated that the eligible expenses will be fully reimbursed, and the LBRF will be fully funded, within 10 years.

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 Authority until all incurred eligible brownfield redevelopment costs and Authority administrative expenses are reimbursed, and the LBRF is funded, to the extent described in this Plan. The tax revenues available for capture by the Authority will be split between local and state sources, with approximately 84% being reimbursed with local tax revenues and approximately 16% being reimbursed with school operating tax revenues, based on the millage rates obtained from the City of Ann Arbor Treasurer's Office and the Principle Residence Exemption. The impact of the Authority 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 0.334 acres having a planned address of 309 North Ashley Street. A Property survey and legal description is included in Appendix C.

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.

\$700,000 will be deposited in the LBRF under this Plan through capture of tax increment revenues both during and after the developer reimbursement period. The LBRF contribution will be funded by tax increment capture equal to 10% of the cumulative available incremental taxes in each year that the developer is reimbursed, plus additional tax increment capture after developer reimbursement in the amount needed to complete the LBRF funding. Any local incremental taxes used for the Authority's administrative operations will be deducted from the \$700,000 LBRF capture and will not increase that capture. 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 Plan has been approved by resolution of the City of Ann Arbor's City Council and includes any limitations and/or conditions in that approval.

APPENDIX A
SUMMARY OF ELIGIBLE ACTIVITIES AND COSTS

APPENDIX B

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

APPENDIX C

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

APPENDIX D
PROJECT CONCEPTUAL DRAWINGS

APPENDIX A
SUMMARY OF ELIGIBLE ACTIVITIES AND COSTS

TABLE 1
BROWNFIELD ELIGIBLE ACTIVITIES COST SUMMARY
309 NORTH ASHLEY STREET REDEVELOPMENT
077660.00
03/04/19

| ELIGIBLE ACTIVITIES | TOTAL ELIGIBLE COST |
|--|---------------------|
| ELIGIBLE DEPARTMENT SPECIFIC (DEQ) ACTIVITIES⁽¹⁾ | |
| BEA Activities⁽²⁾ Phase I ESA Phase II ESA BEA Report | \$ 12,600 |
| Due Care Activities Due Care Planning Due Care Investigations Due Care Plans and Documentation ⁽²⁾ Site-Specific Health & Safety Plan ⁽²⁾ Security Fence Vapor Intrusion Mitigation Remediation of Petroleum-Contaminated Soil Transportation and Disposal of Excess Contaminated Soil Management and Disposal of Dewatering Effluent Dust and Track-out Control General Conditions Due Care Design, Engineering, Management and Coordination | \$ 1,753,250 |
| Act 381 Work Plan⁽²⁾ | \$ 15,000 |
| Implementation of Act 381 Work Plan | \$ 30,000 |
| Subtotal Environmental Activities | \$ 1,810,850 |
| Contingency (15%) | \$ 188,172 |
| Total Environmental Activities | \$ 1,999,022 |
| BROWNFIELD PLAN | |
| Brownfield Plan² | \$ 40,000 |
| TOTAL ELIGIBLE ACTIVITIES | \$ 2,039,022 |

Notes:

⁽¹⁾ Cost estimates are based on engineering, contractor, or developer estimates or consultant experience.

⁽²⁾ These costs are not included in the contingency calculation.

APPENDIX B

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



TABLE 2.
Tax Increment Revenue Capture Estimates - PRE
 309 North Ashley Redevelopment
 Ann Arbor, Michigan
 3/13/2019

Estimated Taxable Value (TV) Increase Rate: 1% per year

| Plan Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | TOTAL | |
|--|----------------|-------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Calendar Year ¹ | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | | |
| Base Taxable Value ² | \$ 382,106 | \$ 382,106 | \$ 382,106 | \$ 382,106 | \$ 382,106 | \$ 382,106 | \$ 382,106 | \$ 382,106 | \$ 382,106 | \$ 382,106 | | |
| Estimated New TV ¹ | \$ 382,106 | \$ 450,000 | \$ 3,406,875 | \$ 5,451,000 | \$ 6,813,750 | \$ 6,881,888 | \$ 6,950,707 | \$ 7,020,214 | \$ 7,090,416 | \$ 7,161,320 | | |
| Incremental Difference (New TV - Base TV) | \$ - | \$ 67,894 | \$ 3,024,769 | \$ 5,068,894 | \$ 6,431,644 | \$ 6,499,782 | \$ 6,568,601 | \$ 6,638,108 | \$ 6,708,310 | \$ 6,779,214 | | |
| School Capture³ | | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | | |
| State Education Tax (SET) | 6.0000 | \$ - | \$ 407 | \$ 18,149 | \$ 30,413 | \$ 38,590 | \$ 38,999 | \$ 39,412 | \$ 39,829 | \$ 40,250 | \$ 40,675 | \$ 286,724 |
| School Total | 6.0000 | \$ - | \$ 407 | \$ 18,149 | \$ 30,413 | \$ 38,590 | \$ 38,999 | \$ 39,412 | \$ 39,829 | \$ 40,250 | \$ 40,675 | \$ 286,724 |
| Local Capture^{3,4} | | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | | |
| Washtenaw County Operating | 4.4511 | \$ - | \$ 302 | \$ 13,464 | \$ 22,562 | \$ 28,628 | \$ 28,931 | \$ 29,237 | \$ 29,547 | \$ 29,859 | \$ 30,175 | \$ 212,705 |
| Washtenaw County Parks | 0.7114 | \$ - | \$ 48 | \$ 2,152 | \$ 3,606 | \$ 4,575 | \$ 4,624 | \$ 4,673 | \$ 4,722 | \$ 4,772 | \$ 4,823 | \$ 33,995 |
| EECS | 0.1955 | \$ - | \$ 13 | \$ 591 | \$ 991 | \$ 1,257 | \$ 1,271 | \$ 1,284 | \$ 1,298 | \$ 1,311 | \$ 1,325 | \$ 9,341 |
| County Vet Relief | 0.0983 | \$ - | \$ 7 | \$ 297 | \$ 498 | \$ 632 | \$ 639 | \$ 646 | \$ 653 | \$ 659 | \$ 666 | \$ 4,697 |
| HCMA | 0.2129 | \$ - | \$ 14 | \$ 644 | \$ 1,079 | \$ 1,369 | \$ 1,384 | \$ 1,398 | \$ 1,413 | \$ 1,428 | \$ 1,443 | \$ 10,172 |
| WCC | 3.3978 | \$ - | \$ 231 | \$ 10,278 | \$ 17,223 | \$ 21,853 | \$ 22,085 | \$ 22,319 | \$ 22,555 | \$ 22,793 | \$ 23,034 | \$ 162,371 |
| AAATA County | 0.6773 | \$ - | \$ 46 | \$ 2,049 | \$ 3,433 | \$ 4,356 | \$ 4,402 | \$ 4,449 | \$ 4,496 | \$ 4,544 | \$ 4,592 | \$ 32,367 |
| Ann Arbor City Operating | 5.9407 | \$ - | \$ 403 | \$ 17,969 | \$ 30,113 | \$ 38,208 | \$ 38,613 | \$ 39,022 | \$ 39,435 | \$ 39,852 | \$ 40,273 | \$ 283,888 |
| Ann Arbor City Benefits | 1.9802 | \$ - | \$ 134 | \$ 5,990 | \$ 10,037 | \$ 12,736 | \$ 12,871 | \$ 13,007 | \$ 13,145 | \$ 13,284 | \$ 13,424 | \$ 94,628 |
| AATA City | 1.9802 | \$ - | \$ 134 | \$ 5,990 | \$ 10,037 | \$ 12,736 | \$ 12,871 | \$ 13,007 | \$ 13,145 | \$ 13,284 | \$ 13,424 | \$ 94,628 |
| Ann Arbor City Refuse | 2.3759 | \$ - | \$ 161 | \$ 7,187 | \$ 12,043 | \$ 15,281 | \$ 15,443 | \$ 15,606 | \$ 15,771 | \$ 15,938 | \$ 16,107 | \$ 113,537 |
| Ann Arbor City Streets | 2.0920 | \$ - | \$ 142 | \$ 6,328 | \$ 10,604 | \$ 13,455 | \$ 13,598 | \$ 13,742 | \$ 13,887 | \$ 14,034 | \$ 14,182 | \$ 99,972 |
| Ann Arbor City Parks | 1.0594 | \$ - | \$ 72 | \$ 3,204 | \$ 5,370 | \$ 6,814 | \$ 6,886 | \$ 6,959 | \$ 7,032 | \$ 7,107 | \$ 7,182 | \$ 50,626 |
| Ann Arbor City Parks Acquisition | 0.4601 | \$ - | \$ 31 | \$ 1,392 | \$ 2,332 | \$ 2,959 | \$ 2,991 | \$ 3,022 | \$ 3,054 | \$ 3,086 | \$ 3,119 | \$ 21,986 |
| Ann Arbor Library | 1.8663 | \$ - | \$ 127 | \$ 5,645 | \$ 9,460 | \$ 12,003 | \$ 12,131 | \$ 12,259 | \$ 12,389 | \$ 12,520 | \$ 12,652 | \$ 89,186 |
| AAPS Supplemental | 4.1442 | \$ - | \$ 281 | \$ 12,535 | \$ 21,007 | \$ 26,654 | \$ 26,936 | \$ 27,222 | \$ 27,510 | \$ 27,801 | \$ 28,094 | \$ 198,040 |
| AAPS Voted Sinking Fund | 2.4672 | \$ - | \$ 168 | \$ 7,463 | \$ 12,506 | \$ 15,868 | \$ 16,036 | \$ 16,206 | \$ 16,378 | \$ 16,551 | \$ 16,726 | \$ 117,902 |
| WISD | 5.3641 | \$ - | \$ 364 | \$ 16,225 | \$ 27,190 | \$ 34,500 | \$ 34,865 | \$ 35,235 | \$ 35,607 | \$ 35,984 | \$ 36,364 | \$ 256,334 |
| Public Safety | 0.9918 | \$ - | \$ 67 | \$ 3,000 | \$ 5,027 | \$ 6,379 | \$ 6,446 | \$ 6,515 | \$ 6,584 | \$ 6,653 | \$ 6,724 | \$ 47,395 |
| DDA Captured Local | 0.0000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local Total | 40.4664 | \$ - | \$ 2,745 | \$ 122,403 | \$ 205,118 | \$ 260,263 | \$ 263,023 | \$ 265,808 | \$ 268,621 | \$ 271,460 | \$ 274,329 | \$ 1,933,770 |
| Non-Capturable Millages³ | | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | | |
| State School Operating | 18.0000 | \$ - | \$ 1,222 | \$ 54,446 | \$ 91,240 | \$ 115,770 | \$ 116,996 | \$ 118,235 | \$ 119,486 | \$ 120,750 | \$ 122,026 | \$ 860,171 |
| AAPS Debt Service | 2.4500 | \$ - | \$ 166 | \$ 7,411 | \$ 12,419 | \$ 15,758 | \$ 15,924 | \$ 16,093 | \$ 16,263 | \$ 16,435 | \$ 16,609 | \$ 117,078 |
| Community College Debt Service | 0.0000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Non-Capturable Taxes | 20.4500 | \$ - | \$ 1,388 | \$ 61,857 | \$ 103,659 | \$ 131,528 | \$ 132,920 | \$ 134,328 | \$ 135,749 | \$ 137,185 | \$ 138,635 | \$ 977,249 |
| Total Tax Increment Revenue (TIR) Available for Capture | | \$ - | \$ 3,152 | \$ 140,552 | \$ 235,531 | \$ 298,853 | \$ 302,022 | \$ 305,220 | \$ 308,450 | \$ 311,710 | \$ 315,004 | \$ 2,220,494 |

Footnotes:

1. Assumes full taxable value will be attained in 2023, with partial construction completed in 2019 and first tax capture occurring in 2020. A 1% inflation rate on the taxable value is assumed for the years following 2023.
2. Base taxable value obtained from Tax Year 2018 General Information available on Property Summary Sheets on file with City of Ann Arbor.
3. Personal Residence Exemption applies 75% of the development.
4. Local millages listed were levied in 2018.



TABLE 2.
Tax Increment Revenue Capture Estimates - Non PRE
 309 North Ashley Redevelopment
 Ann Arbor, Michigan
 3/13/2019

Estimated Taxable Value (TV) Increase Rate: 1% per year

| Plan Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | TOTAL | |
|--|----------------|-----------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Calendar Year ¹ | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | | |
| Base Taxable Value ² | \$ 127,369 | \$ 127,369 | \$ 127,369 | \$ 127,369 | \$ 127,369 | \$ 127,369 | \$ 127,369 | \$ 127,369 | \$ 127,369 | \$ 127,369 | \$ 127,369 | |
| Estimated New TV ¹ | \$ 127,369 | \$ 150,000 | \$ 1,135,625 | \$ 1,817,000 | \$ 2,271,250 | \$ 2,293,963 | \$ 2,316,903 | \$ 2,340,072 | \$ 2,363,473 | \$ 2,387,108 | | |
| Incremental Difference (New TV - Base TV) | \$ - | \$ 22,631 | \$ 1,008,256 | \$ 1,689,631 | \$ 2,143,881 | \$ 2,166,594 | \$ 2,189,534 | \$ 2,212,703 | \$ 2,236,104 | \$ 2,259,739 | | |
| School Capture³ | | | | | | | | | | | | |
| Millage Rate | | | | | | | | | | | | |
| State Education Tax (SET) | 6.0000 | \$ - | \$ 136 | \$ 6,050 | \$ 10,138 | \$ 12,863 | \$ 13,000 | \$ 13,137 | \$ 13,276 | \$ 13,417 | \$ 13,558 | \$ 95,575 |
| School Operating Tax | 18.0000 | \$ - | \$ 407 | \$ 18,149 | \$ 30,413 | \$ 38,590 | \$ 38,999 | \$ 39,412 | \$ 39,829 | \$ 40,250 | \$ 40,675 | \$ 286,724 |
| School Total | 24.0000 | \$ - | \$ 543 | \$ 24,199 | \$ 40,551 | \$ 51,453 | \$ 51,999 | \$ 52,549 | \$ 53,105 | \$ 53,667 | \$ 54,233 | \$ 382,299 |
| Local Capture^{3,4} | | | | | | | | | | | | |
| Millage Rate | | | | | | | | | | | | |
| Washtenaw County Operating | 4.4511 | \$ - | \$ 101 | \$ 4,488 | \$ 7,521 | \$ 9,543 | \$ 9,644 | \$ 9,746 | \$ 9,849 | \$ 9,953 | \$ 10,058 | \$ 70,903 |
| Washtenaw County Parks | 0.7114 | \$ - | \$ 16 | \$ 717 | \$ 1,202 | \$ 1,525 | \$ 1,541 | \$ 1,558 | \$ 1,574 | \$ 1,591 | \$ 1,608 | \$ 11,332 |
| EECS | 0.1955 | \$ - | \$ 4 | \$ 197 | \$ 330 | \$ 419 | \$ 424 | \$ 428 | \$ 433 | \$ 437 | \$ 442 | \$ 3,114 |
| County Vet Relief | 0.0983 | \$ - | \$ 2 | \$ 99 | \$ 166 | \$ 211 | \$ 213 | \$ 215 | \$ 218 | \$ 220 | \$ 222 | \$ 1,566 |
| HCMA | 0.2129 | \$ - | \$ 5 | \$ 215 | \$ 360 | \$ 456 | \$ 461 | \$ 466 | \$ 471 | \$ 476 | \$ 481 | \$ 3,391 |
| WCC | 3.3978 | \$ - | \$ 77 | \$ 3,426 | \$ 5,741 | \$ 7,284 | \$ 7,362 | \$ 7,440 | \$ 7,518 | \$ 7,598 | \$ 7,678 | \$ 54,124 |
| AAATA County | 0.6773 | \$ - | \$ 15 | \$ 683 | \$ 1,144 | \$ 1,452 | \$ 1,467 | \$ 1,483 | \$ 1,499 | \$ 1,515 | \$ 1,531 | \$ 10,789 |
| Ann Arbor City Operating | 5.9407 | \$ - | \$ 134 | \$ 5,990 | \$ 10,038 | \$ 12,736 | \$ 12,871 | \$ 13,007 | \$ 13,145 | \$ 13,284 | \$ 13,424 | \$ 94,629 |
| Ann Arbor City Benefits | 1.9802 | \$ - | \$ 45 | \$ 1,997 | \$ 3,346 | \$ 4,245 | \$ 4,290 | \$ 4,336 | \$ 4,382 | \$ 4,428 | \$ 4,475 | \$ 31,544 |
| AATA City | 1.9802 | \$ - | \$ 45 | \$ 1,997 | \$ 3,346 | \$ 4,245 | \$ 4,290 | \$ 4,336 | \$ 4,382 | \$ 4,428 | \$ 4,475 | \$ 31,544 |
| Ann Arbor City Refuse | 2.3759 | \$ - | \$ 54 | \$ 2,396 | \$ 4,014 | \$ 5,094 | \$ 5,148 | \$ 5,202 | \$ 5,257 | \$ 5,313 | \$ 5,369 | \$ 37,847 |
| Ann Arbor City Streets | 2.0920 | \$ - | \$ 47 | \$ 2,109 | \$ 3,535 | \$ 4,485 | \$ 4,533 | \$ 4,581 | \$ 4,629 | \$ 4,678 | \$ 4,727 | \$ 33,324 |
| Ann Arbor City Parks | 1.0594 | \$ - | \$ 24 | \$ 1,068 | \$ 1,790 | \$ 2,271 | \$ 2,295 | \$ 2,320 | \$ 2,344 | \$ 2,369 | \$ 2,394 | \$ 16,875 |
| Ann Arbor City Parks Acquisition | 0.4601 | \$ - | \$ 10 | \$ 464 | \$ 777 | \$ 986 | \$ 997 | \$ 1,007 | \$ 1,018 | \$ 1,029 | \$ 1,040 | \$ 7,328 |
| Ann Arbor Library | 1.8663 | \$ - | \$ 42 | \$ 1,882 | \$ 3,153 | \$ 4,001 | \$ 4,044 | \$ 4,086 | \$ 4,130 | \$ 4,173 | \$ 4,217 | \$ 29,728 |
| AAAPS Voted Sinking Fund | 2.4672 | \$ - | \$ 56 | \$ 2,488 | \$ 4,169 | \$ 5,289 | \$ 5,345 | \$ 5,402 | \$ 5,459 | \$ 5,517 | \$ 5,575 | \$ 39,300 |
| WISD | 5.3641 | \$ - | \$ 121 | \$ 5,408 | \$ 9,063 | \$ 11,500 | \$ 11,622 | \$ 11,745 | \$ 11,869 | \$ 11,995 | \$ 12,121 | \$ 85,444 |
| Public Safety | 0.9918 | \$ - | \$ 22 | \$ 1,000 | \$ 1,676 | \$ 2,126 | \$ 2,149 | \$ 2,172 | \$ 2,195 | \$ 2,218 | \$ 2,241 | \$ 15,799 |
| DDA Captured Local | 0.0000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local Total | 36.3222 | \$ - | \$ 820 | \$ 36,624 | \$ 61,371 | \$ 77,868 | \$ 78,696 | \$ 79,530 | \$ 80,372 | \$ 81,222 | \$ 82,078 | \$ 578,581 |
| Non-Capturable Millages³ | | | | | | | | | | | | |
| Millage Rate | | | | | | | | | | | | |
| AAPS Supplemental | 4.1442 | \$ - | \$ 94 | \$ 4,178 | \$ 7,002 | \$ 8,885 | \$ 8,979 | \$ 9,074 | \$ 9,170 | \$ 9,267 | \$ 9,365 | \$ 66,014 |
| AAPS Debt Service | 2.4500 | \$ - | \$ 55 | \$ 2,470 | \$ 4,140 | \$ 5,253 | \$ 5,308 | \$ 5,364 | \$ 5,421 | \$ 5,478 | \$ 5,536 | \$ 39,025 |
| Community College Debt Service | 0.0000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Non-Capturable Taxes | 2.4500 | \$ - | \$ 55 | \$ 2,470 | \$ 4,140 | \$ 5,253 | \$ 5,308 | \$ 5,364 | \$ 5,421 | \$ 5,478 | \$ 5,536 | \$ 39,025 |
| Total Tax Increment Revenue (TIR) Available for Capture | \$ - | \$ 1,363 | \$ 60,823 | \$ 101,922 | \$ 129,321 | \$ 130,695 | \$ 132,079 | \$ 133,477 | \$ 134,889 | \$ 136,311 | \$ 960,880 | |

Footnotes:

1. Assumes full taxable value will be attained in 2023, with partial construction completed in 2019 and first tax capture occurring in 2020. A 1% inflation rate on the taxable value is assumed for the years following 2023.
2. Base taxable value obtained from Tax Year 2018 General Information available on Property Summary Sheets on file with City of Ann Arbor.
3. Personal Residence Exemption does not apply. The 25% of the redevelopment reflected in this table treats the condos as second residences.
4. Local millages listed were levied in 2018.



TABLE 2.
Tax Increment Revenue Capture Estimates - Summary
 309 North Ashley Redevelopment
 Ann Arbor, Michigan
 3/13/2019

Estimated Taxable Value (TV) Increase Rate: 1% per year

| Plan Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | TOTAL |
|--|----------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| Calendar Year ¹ | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | |
| Base Taxable Value ² | \$ 509,475 | \$ 509,475 | \$ 509,475 | \$ 509,475 | \$ 509,475 | \$ 509,475 | \$ 509,475 | \$ 509,475 | \$ 509,475 | \$ 509,475 | \$ 509,475 |
| Estimated New TV ¹ | \$ 509,475 | \$ 600,000 | \$ 4,542,500 | \$ 7,268,000 | \$ 9,085,000 | \$ 9,175,850 | \$ 9,267,609 | \$ 9,360,285 | \$ 9,453,888 | \$ 9,548,427 | |
| Incremental Difference (New TV - Base TV) | \$ - | \$ 90,525 | \$ 4,033,025 | \$ 6,758,525 | \$ 8,575,525 | \$ 8,666,375 | \$ 8,758,134 | \$ 8,850,810 | \$ 8,944,413 | \$ 9,038,952 | |
| School Capture³ | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | |
| State Education Tax (SET) | 6.0000 | \$ - | \$ 543 | \$ 24,199 | \$ 40,551 | \$ 51,999 | \$ 52,549 | \$ 53,105 | \$ 53,667 | \$ 54,233 | \$ 382,299 |
| School Operating Tax | 18.0000 | \$ - | \$ 407 | \$ 18,149 | \$ 30,413 | \$ 38,590 | \$ 38,999 | \$ 39,412 | \$ 39,829 | \$ 40,250 | \$ 286,724 |
| School Total | 24.0000 | \$ - | \$ 950 | \$ 42,348 | \$ 70,964 | \$ 90,043 | \$ 90,998 | \$ 91,961 | \$ 92,934 | \$ 93,917 | \$ 94,908 |
| Local Capture^{3,4} | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | |
| Washtenaw County Operating | 4.4511 | \$ - | \$ 403 | \$ 17,952 | \$ 30,083 | \$ 38,171 | \$ 38,575 | \$ 38,983 | \$ 39,396 | \$ 39,812 | \$ 40,233 |
| Washtenaw County Parks | 0.7114 | \$ - | \$ 64 | \$ 2,869 | \$ 4,808 | \$ 6,100 | \$ 6,165 | \$ 6,231 | \$ 6,296 | \$ 6,363 | \$ 6,431 |
| EECS | 0.1955 | \$ - | \$ 17 | \$ 788 | \$ 1,321 | \$ 1,676 | \$ 1,695 | \$ 1,712 | \$ 1,731 | \$ 1,748 | \$ 1,767 |
| County Vet Relief | 0.0983 | \$ - | \$ 9 | \$ 396 | \$ 664 | \$ 843 | \$ 852 | \$ 861 | \$ 871 | \$ 879 | \$ 888 |
| HCMA | 0.2129 | \$ - | \$ 19 | \$ 859 | \$ 1,439 | \$ 1,825 | \$ 1,845 | \$ 1,864 | \$ 1,884 | \$ 1,904 | \$ 1,924 |
| WCC | 3.3978 | \$ - | \$ 308 | \$ 13,704 | \$ 22,964 | \$ 29,137 | \$ 29,447 | \$ 29,759 | \$ 30,073 | \$ 30,391 | \$ 30,712 |
| AAATA County | 0.6773 | \$ - | \$ 61 | \$ 2,732 | \$ 4,577 | \$ 5,808 | \$ 5,869 | \$ 5,932 | \$ 5,995 | \$ 6,059 | \$ 6,123 |
| Ann Arbor City Operating | 5.9407 | \$ - | \$ 537 | \$ 23,959 | \$ 40,151 | \$ 50,944 | \$ 51,484 | \$ 52,029 | \$ 52,580 | \$ 53,136 | \$ 53,697 |
| Ann Arbor City Benefits | 1.9802 | \$ - | \$ 179 | \$ 7,987 | \$ 13,383 | \$ 16,981 | \$ 17,161 | \$ 17,343 | \$ 17,527 | \$ 17,712 | \$ 17,899 |
| AATA City | 1.9802 | \$ - | \$ 179 | \$ 7,987 | \$ 13,383 | \$ 16,981 | \$ 17,161 | \$ 17,343 | \$ 17,527 | \$ 17,712 | \$ 17,899 |
| Ann Arbor City Refuse | 2.3759 | \$ - | \$ 215 | \$ 9,583 | \$ 16,057 | \$ 20,375 | \$ 20,591 | \$ 20,808 | \$ 21,028 | \$ 21,251 | \$ 21,476 |
| Ann Arbor City Streets | 2.0920 | \$ - | \$ 189 | \$ 8,437 | \$ 14,139 | \$ 17,940 | \$ 18,131 | \$ 18,323 | \$ 18,516 | \$ 18,712 | \$ 18,909 |
| Ann Arbor City Parks | 1.0594 | \$ - | \$ 96 | \$ 4,272 | \$ 7,160 | \$ 9,085 | \$ 9,181 | \$ 9,279 | \$ 9,376 | \$ 9,476 | \$ 9,576 |
| Ann Arbor City Parks Acquisition | 0.4601 | \$ - | \$ 41 | \$ 1,856 | \$ 3,109 | \$ 3,945 | \$ 3,988 | \$ 4,029 | \$ 4,072 | \$ 4,115 | \$ 4,159 |
| Ann Arbor Library | 1.8663 | \$ - | \$ 169 | \$ 7,527 | \$ 12,613 | \$ 16,004 | \$ 16,175 | \$ 16,345 | \$ 16,519 | \$ 16,693 | \$ 16,869 |
| AAPS Supplemental ⁴ | 4.1442 | \$ - | \$ 281 | \$ 12,535 | \$ 21,007 | \$ 26,654 | \$ 26,936 | \$ 27,222 | \$ 27,510 | \$ 27,801 | \$ 28,094 |
| AAPS Voted Sinking Fund | 2.4672 | \$ - | \$ 224 | \$ 9,951 | \$ 16,675 | \$ 21,157 | \$ 21,381 | \$ 21,608 | \$ 21,837 | \$ 22,068 | \$ 22,301 |
| WISD | 5.3641 | \$ - | \$ 485 | \$ 21,633 | \$ 36,253 | \$ 46,000 | \$ 46,487 | \$ 46,980 | \$ 47,476 | \$ 47,979 | \$ 48,485 |
| Public Safety | 0.9918 | \$ - | \$ 89 | \$ 4,000 | \$ 6,703 | \$ 8,505 | \$ 8,595 | \$ 8,687 | \$ 8,779 | \$ 8,871 | \$ 8,965 |
| DDA Captured Local | 0.0000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local Total | 40.4664 | \$ - | \$ 3,565 | \$ 159,027 | \$ 266,489 | \$ 338,131 | \$ 341,719 | \$ 345,338 | \$ 348,993 | \$ 352,682 | \$ 356,407 |
| Non-Capturable Millages³ | | | | | | | | | | | |
| | Millage Rate | | | | | | | | | | |
| School Operating | 18.0000 | \$ - | \$ 1,222 | \$ 54,446 | \$ 91,240 | \$ 115,770 | \$ 116,996 | \$ 118,235 | \$ 119,486 | \$ 120,750 | \$ 122,026 |
| AAPS Supplemental | 4.3564 | \$ - | \$ 94 | \$ 4,178 | \$ 7,002 | \$ 8,885 | \$ 8,979 | \$ 9,074 | \$ 9,170 | \$ 9,267 | \$ 9,365 |
| AAPS Debt Service | 4.1442 | \$ - | \$ 221 | \$ 9,881 | \$ 16,559 | \$ 21,011 | \$ 21,232 | \$ 21,457 | \$ 21,684 | \$ 21,913 | \$ 22,145 |
| Community College Debt Service | 0.0000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Non-Capturable Taxes | 26.5006 | \$ - | \$ 1,537 | \$ 68,505 | \$ 114,801 | \$ 145,666 | \$ 147,207 | \$ 148,766 | \$ 150,340 | \$ 151,930 | \$ 153,536 |
| Total Tax Increment Revenue (TIR) Available for Capture | | \$ - | \$ 4,515 | \$ 201,375 | \$ 337,453 | \$ 428,174 | \$ 432,717 | \$ 437,299 | \$ 441,927 | \$ 446,599 | \$ 451,315 |

Footnotes:

1. Assumes full taxable value will be attained in 2023, with partial construction completed in 2019 and first tax capture occurring in 2020. A 1% inflation rate on the taxable value is assumed for the years following 2023.
2. Base taxable value obtained from Tax Year 2018 General Information available on Property Summary Sheets on file with City of Ann Arbor.
3. Personal Residence Exemption applies to all 75% of the redevelopment. The remaining 25% is considered condos for second residences.
4. Local millages listed were levied in 2018.



TABLE 3.
Tax Incremental Revenue Reimbursement Allocation Table
309 North Ashley Redevelopment
 Ann Arbor, Michigan
 3/13/2019

| Developer Maximum Reimbursement | Proportionality | School & Local Taxes | Local-Only Taxes | Total |
|---------------------------------|-----------------|----------------------|------------------|---------------------|
| | | State | 16% | \$ 326,244 |
| Local | 84% | \$ 1,712,778 | \$ - | \$ 1,712,778 |
| TOTAL | | \$ 2,039,022 | \$ - | \$ 2,039,022 |
| MDEQ | 100.0% | \$ 2,039,022 | \$ - | \$ 2,039,022 |
| MSF | 0.0% | \$ - | \$ - | \$ - |

| Estimated Capture | |
|----------------------|------------|
| Administrative Fees | \$ - |
| State Revolving Fund | \$ 191,154 |
| LBRF | \$ 700,000 |

| | |
|--------------------------------|----|
| Estimated Total Years of Plan: | 10 |
|--------------------------------|----|

| Plan Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | TOTAL |
|--|-------------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|--------------|
| | | | | | | | | | | | |
| Total State Incremental Revenue | \$ - | \$ 950 | \$ 42,348 | \$ 70,964 | \$ 90,043 | \$ 90,998 | \$ 91,961 | \$ 92,934 | \$ 93,917 | \$ 94,908 | \$ 669,023 |
| State Brownfield Revolving Fund (50% of SET) | \$ - | \$ 272 | \$ 12,100 | \$ 20,276 | \$ 25,727 | \$ 26,000 | \$ 26,275 | \$ 26,553 | \$ 26,834 | \$ 27,117 | \$ 191,154 |
| State TIR Available for Reimbursement / LBRF | \$ - | \$ 678 | \$ 30,248 | \$ 50,688 | \$ 64,316 | \$ 64,998 | \$ 65,686 | \$ 66,381 | \$ 67,083 | \$ 67,791 | \$ 477,869 |
| Total Local Incremental Revenue | \$ - | \$ 3,565 | \$ 159,027 | \$ 266,489 | \$ 338,131 | \$ 341,719 | \$ 345,338 | \$ 348,993 | \$ 352,682 | \$ 356,407 | \$ 2,512,351 |
| BRA Administrative Fee (0%) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local TIR Available for Reimbursement / LBRF | \$ - | \$ 3,565 | \$ 159,027 | \$ 266,489 | \$ 338,131 | \$ 341,719 | \$ 345,338 | \$ 348,993 | \$ 352,682 | \$ 356,407 | \$ 2,512,351 |
| Total State & Local TIR Available for Reimbursement | \$ - | \$ 4,243 | \$ 189,275 | \$ 317,177 | \$ 402,447 | \$ 406,717 | \$ 411,024 | \$ 415,374 | \$ 419,765 | \$ 424,198 | \$ 2,990,220 |
| Huron Development - 309 Ashley | Beginning Balance | | | | | | | | | | |
| Huron Development | \$ 2,039,022 | \$ 2,039,022 | \$ 2,035,204 | \$ 1,864,857 | \$ 1,579,398 | \$ 1,217,196 | \$ 851,151 | \$ 481,230 | \$ 107,393 | \$ - | \$ - |
| MSF Non-Environmental Costs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Tax Reimbursement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local Tax Reimbursement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total MSF Reimbursement Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| MDEQ Environmental Costs | \$ 2,039,022 | \$ - | \$ 3,818 | \$ 170,347 | \$ 285,459 | \$ 362,202 | \$ 366,045 | \$ 369,921 | \$ 373,837 | \$ 107,393 | \$ 2,039,022 |
| State Tax Reimbursement | \$ 326,244 | \$ - | \$ 610 | \$ 27,223 | \$ 45,619 | \$ 57,884 | \$ 58,498 | \$ 59,117 | \$ 59,743 | \$ 17,550 | \$ 326,244 |
| Local Tax Reimbursement | \$ 1,712,778 | \$ - | \$ 3,208 | \$ 143,124 | \$ 239,840 | \$ 304,318 | \$ 307,547 | \$ 310,804 | \$ 314,094 | \$ 89,843 | \$ 1,712,778 |
| Total MDEQ Reimbursement Balance | \$ 2,039,022 | \$ 2,035,204 | \$ 1,864,857 | \$ 1,579,398 | \$ 1,217,196 | \$ 851,151 | \$ 481,230 | \$ 107,393 | \$ - | \$ - | \$ - |
| Local Only Costs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local Tax Reimbursement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Local Only Reimbursement Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Annual Developer Reimbursement² | \$ 2,039,022 | \$ - | \$ 3,818 | \$ 170,347 | \$ 285,459 | \$ 362,202 | \$ 366,045 | \$ 369,921 | \$ 373,837 | \$ 107,393 | \$ 2,039,022 |
| LOCAL BROWNFIELD REVOLVING FUND | | | | | | | | | | | |
| LBRF Deposits (\$700,000) | \$ - | \$ 425 | \$ 18,928 | \$ 31,718 | \$ 40,245 | \$ 40,672 | \$ 41,103 | \$ 41,537 | \$ 312,372 | \$ 173,000 | \$ 700,000 |
| State Tax Capture | 10% | \$ - | \$ 68 | \$ 3,025 | \$ 5,069 | \$ 6,432 | \$ 6,500 | \$ 6,569 | \$ 6,638 | \$ 49,920 | \$ 111,868 |
| Local Tax Capture | 10% | \$ - | \$ 357 | \$ 15,903 | \$ 26,649 | \$ 33,813 | \$ 34,172 | \$ 34,534 | \$ 34,899 | \$ 262,452 | \$ 588,132 |

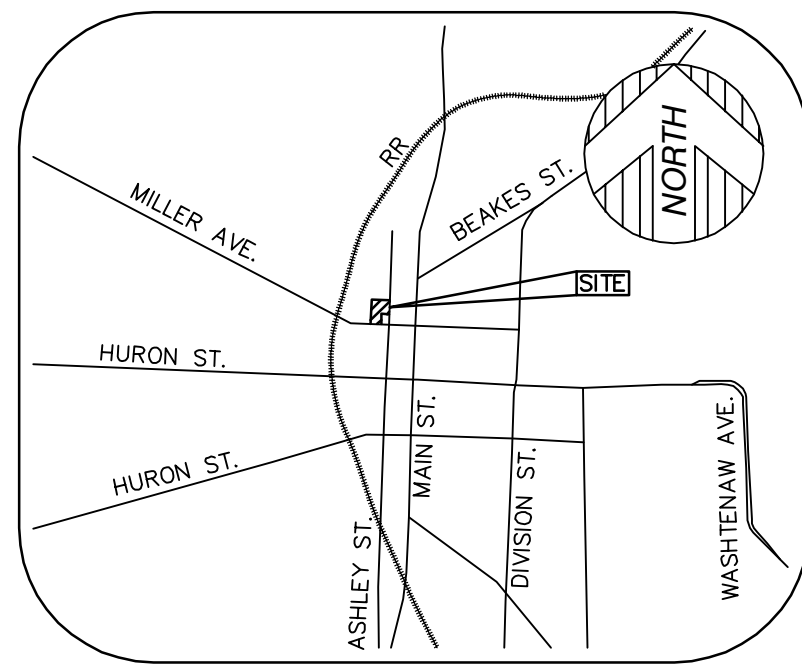
Footnotes:

- Assumes full taxable value will be attained in 2023, with partial construction completed in 2019 and first tax capture occurring in 2020.
- The total available for developer reimbursement is equal to the sum of the available state and local TIR minus 10% removed for LBRF contributions.

APPENDIX C

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

BOUNDARY/TOPOGRAPHIC SURVEY



VICINITY MAP
(NOT TO SCALE)

PARCEL AREA

PARCEL 1: 2,894± SQUARE FEET
 PARCEL 2: 2,910± SQUARE FEET
 PARCEL 3: 3,957± SQUARE FEET
 PARCEL 4: 4,752± SQUARE FEET
 TOTAL: 14,513± SQUARE FEET = 0.333± ACRES

SITE BENCHMARKS

REFERENCE BENCHMARK
 AAGRS NO. 0013A, BRASS DISC SET IN CONCRETE AT THE INTERSECTION OF THE CENTERLINE OF HURON STREET AND ASHLEY STREET.
 ELEVATION = 829.12' (NAVD88)

SITE BENCHMARK #1
 NORTH FACE OF THE UTILITY POLE, 30'± EAST OF THE SOUTHWEST CORNER OF THE SITE.
 ELEVATION = 809.14' (NAVD88)

SITE BENCHMARK #2
 WEST FACE OF THE UTILITY POLE, WEST SIDE OF ASHLEY STREET AT THE NORTHEAST CORNER OF RESIDENCE #309.
 ELEVATION = 811.38' (NAVD88)

BASIS OF BEARING

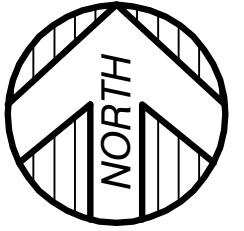
GPS OBSERVATION MICHIGAN STATE PLANE COORDINATES SOUTH ZONE

SURVEYOR'S NOTE

THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEES THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED ALTHOUGH HE DOES CERTIFY THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES OTHER THAN THE STRUCTURE INVENTORY SHOWN HEREON.

LEGEND

| | |
|-------|------------------------------------|
| ● | SET 1/2" REBAR WITH CAP P.S. 32341 |
| ○ | FOUND MONUMENT (AS NOTED) |
| (R&M) | RECORD AND MEASURED DIMENSION |
| (R) | RECORD DIMENSION |
| (M) | MEASURED DIMENSION |
| x | GROUND POINT |
| ⊕ | ELECTRIC MANHOLE |
| ⊖ | ELECTRIC METER |
| ⊞ | ELECTRIC PANEL |
| ⊟ | ELECTRIC RISER |
| ⊠ | TRANSFORMER |
| ○ | UTILITY POLE |
| ○ | GAS LINE MARKER |
| ⊙ | GAS MANHOLE |
| ⊚ | GAS METER |
| ⊛ | GAS VALVE |
| ⊜ | TELEPHONE MANHOLE |
| ⊝ | SANITARY MANHOLE |
| ⊞ | ROUND CATCH BASIN |
| ⊟ | SQUARE CATCH BASIN |
| ⊠ | STORM DRAIN MANHOLE |
| ⊡ | FIRE HYDRANT |
| ⊢ | WATER GATE MANHOLE |
| ⊣ | WATER VALVE |
| ⊤ | DECIDUOUS TREE |
| --- | PARCEL BOUNDARY LINE |
| --- | PLATTED LOT LINE |
| --- | ADJOINER PARCEL LINE |
| --- | SECTION LINE |
| --- | EASEMENT (AS NOTED) |
| --- | BUILDING |
| --- | BUILDING HATCH |
| --- | CONCRETE CURB |
| --- | EDGE OF CONCRETE (CONC.) |
| --- | EDGE OF ASPHALT (ASPH.) |
| --- | EDGE OF BRICK |
| --- | EDGE OF GRAVEL |
| --- | FENCE (AS NOTED) |
| --- | WALL (AS NOTED) |
| --- | OVERHEAD UTILITY LINE |
| G | GAS LINE |
| S | SANITARY LINE |
| r | STORM LINE |
| W | WATER LINE |
| --- | CONTOUR MAJOR |
| --- | CONTOUR MINOR |



GRAPHIC SCALE



(IN FEET)
 1 inch = 20 ft.

PROPERTY DESCRIPTION

LAND SITUATED IN THE CITY OF ANN ARBOR, WASHTENAW COUNTY, MICHIGAN DESCRIBED AS:

PARCEL 1:
 THE WEST 44 FEET OF LOT 16, BLOCK 3 NORTH OF HURON STREET, R2E, ORIGINAL PLAT OF VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGE 152, WASHTENAW COUNTY RECORDS.

PARCEL 2:
 COMMENCING AT A POINT 44 FEET WEST OF THE SOUTHWEST CORNER OF LOT 16, IN BLOCK 3 NORTH OF HURON STREET, RANGE 2 EAST, AND RUNNING FROM THENCE WEST 44 FEET; THENCE NORTH PARALLEL WITH THE EAST LINE OF LOT 16, 66 FEET TO THE NORTH LINE OF THE LOT; THENCE EAST ALONG THE NORTH LINE OF THE LOT, 44 FEET; THENCE SOUTH PARALLEL WITH THE EAST LINE OF THE LOT, 66 FEET TO THE PLACE OF BEGINNING, BEING THE MIDDLE 44 FEET OF LOT 16, BLOCK 3 NORTH OF HURON STREET, RANGE 2 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGE 152, WASHTENAW COUNTY RECORDS.

PARCEL 3:
 THE SOUTH 30 FEET OF LOT 15, BLOCK 3 NORTH OF HURON STREET, R2E, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGE 152, WASHTENAW COUNTY RECORDS.

PARCEL 4:
 LOT 15, BLOCK 3 NORTH OF HURON STREET, R2E, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGE 152, WASHTENAW COUNTY RECORDS, EXCEPTING THE SOUTH 30 FEET THEREOF.

MANHOLE SCHEDULE

| CATCH BASIN (CB#1026) | STORM MANHOLE (SRM#1233) |
|-----------------------------|-----------------------------|
| RIM=805.38' | RIM=817.12' |
| INV. 12" PIPE, S=799.88' | INV. 12" PIPE, SE=813.12' |
| | INV. 30" PIPE, E-W=808.72' |
| STORM MANHOLE (SRM#1032) | SANITARY MANHOLE (SMH#1234) |
| RIM=806.08' | RIM=817.33' |
| INV. 12" PIPE, N=799.88' | INV. 12" PIPE, N-S=811.93' |
| INV. 12" PIPE, SE=800.78' | INV. 30" VCP, W=809.13' |
| INV. 30" PIPE, E-W=798.58' | |
| SANITARY MANHOLE (SMH#1158) | SANITARY MANHOLE (SMH#1259) |
| RIM=797.36' | RIM=816.80' |
| INV. 8" VCP, S=786.36' | INV. 8" VCP, E-W=808.60' |
| BOTTOM=783.56' | BOTTOM=MORE THAN 29' |
| SANITARY MANHOLE (SMH#1181) | SANITARY MANHOLE (SMH#1258) |
| RIM=797.70' | RIM=813.44' |
| INV. 8" VCP, N=786.70' | BOTTOM=MORE THAN 29' |
| INV. 8" VCP, 786.90' | |
| STORM MANHOLE (SRM#1182) | SANITARY MANHOLE (SMH#1182) |
| RIM=795.54' | RIM=810.54' |
| INV. 8" VCP, N-S=803.54' | INV. 8" VCP, E=803.54' |
| DID NOT OPEN | |

TITLE REPORT NOTE

ONLY THOSE EXCEPTIONS CONTAINED WITHIN THE ABSOLUTE TITLE, INC. FILE NO. 82812, DATED JULY 17, 2017, AND RE-LISTED BELOW WERE CONSIDERED FOR THIS SURVEY. NO OTHER RECORDS RESEARCH WAS PERFORMED BY THE CERTIFYING SURVEYOR.

NO SPECIFIC EASEMENTS LISTED

SURVEYOR'S CERTIFICATION

I HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY HEREIN DESCRIBED. THE ELEVATIONS SHOWN HEREON ARE BASED ON A FIELD SURVEY AND THE DRAWING HEREON DELINEATED IS A CORRECT REPRESENTATION OF THE SAME.

Thomas G. Smith

THOMAS G. SMITH, P.S.
 PROFESSIONAL SURVEYOR
 MICHIGAN LICENSE NO. 32341

REVISED 11/16/17 - PER REVIEW COMMENTS



KEM-TEC & ASSOCIATES
 PROFESSIONAL SURVEYORS - PROFESSIONAL ENGINEERS
 22556 GRATIOT AVE. • EASTPOINTE, MICHIGAN 48021
 (586)772-2222 • (800)295-7222 • FAX (586)772-4048

| | |
|---------------------------------|-------------------------|
| CERTIFIED TO: HURON CONTRACTING | |
| DATE: SEPTEMBER 20, 2017 | JOB #: 17-03648 |
| SCALE: 1" = 20' | SHEET: 1 OF 1 |
| DRAWN BY: NS | REV.: NOVEMBER 16, 2017 |

APPENDIX D
PROJECT CONCEPTUAL DRAWINGS



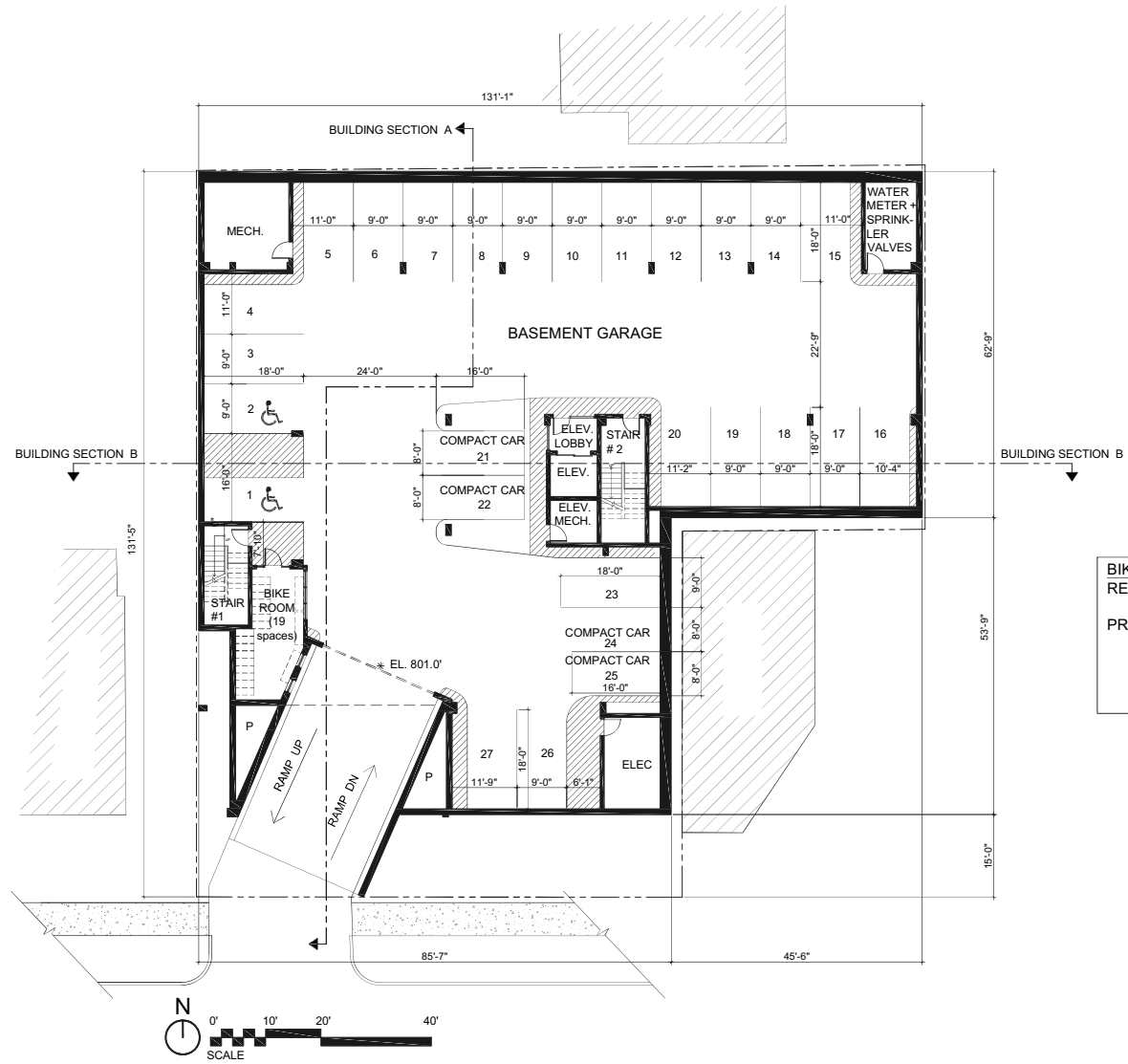












BASEMENT FLOOR PLAN

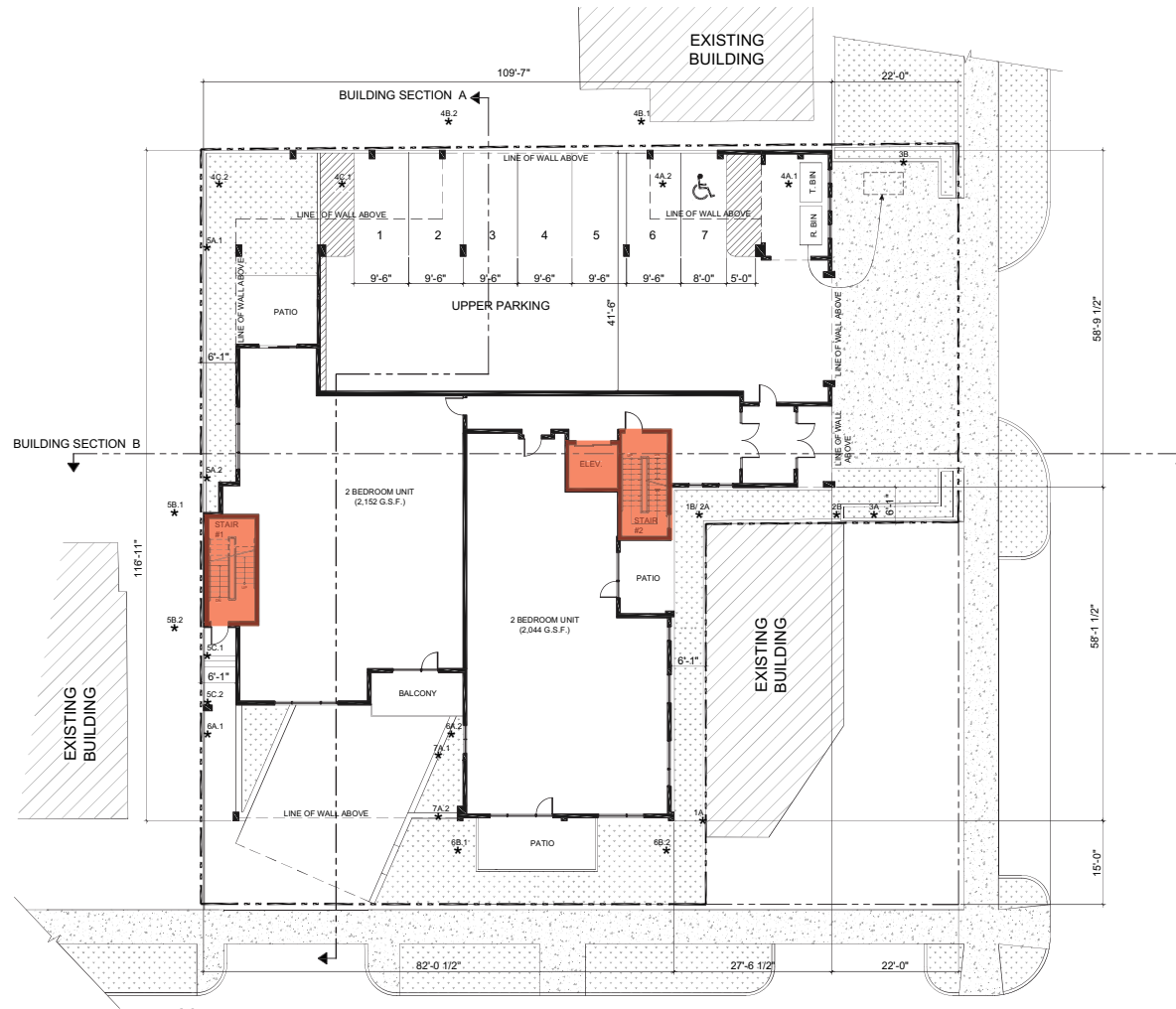
| | |
|---------------------------|----|
| BIKE STORAGE: REQUIRED | 14 |
| PROVIDED | |
| CLASS 'A1' | 16 |
| CLASS 'A2' | 3 |
| TOTAL | 19 |



Type 'A1'

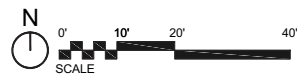
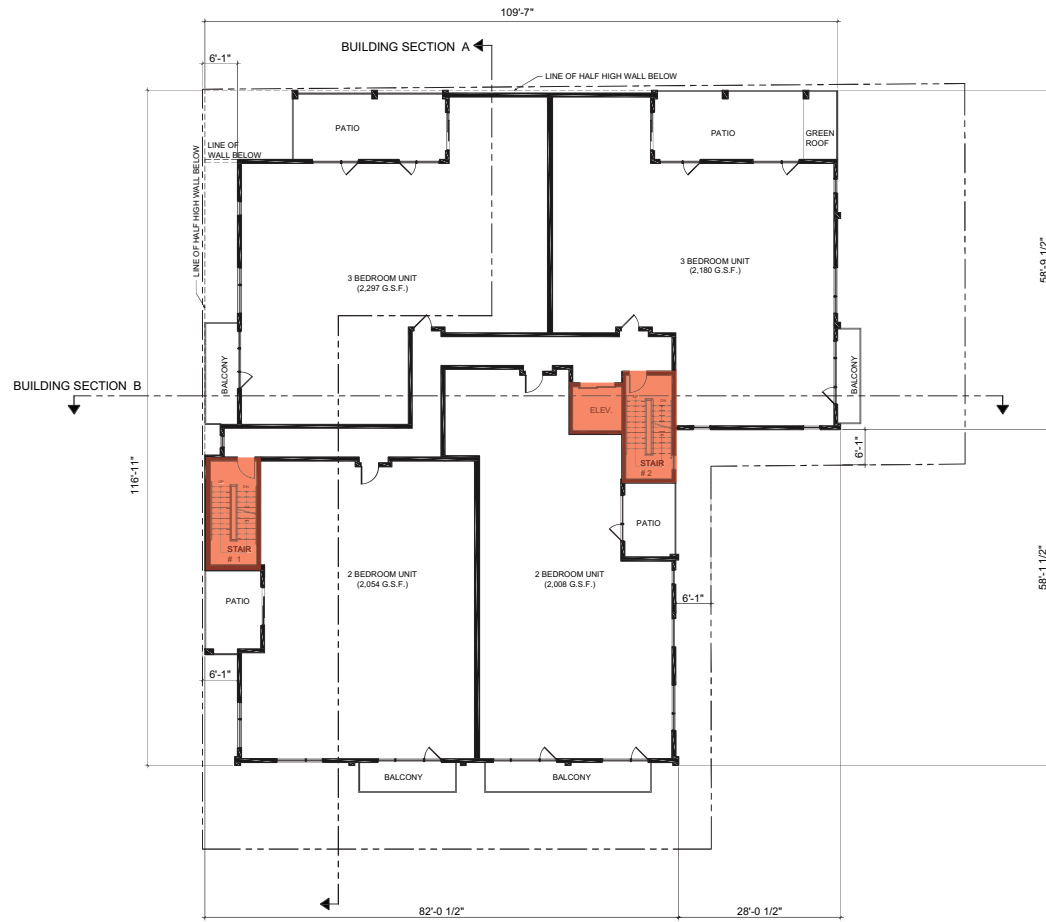


Type 'A2'



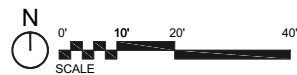
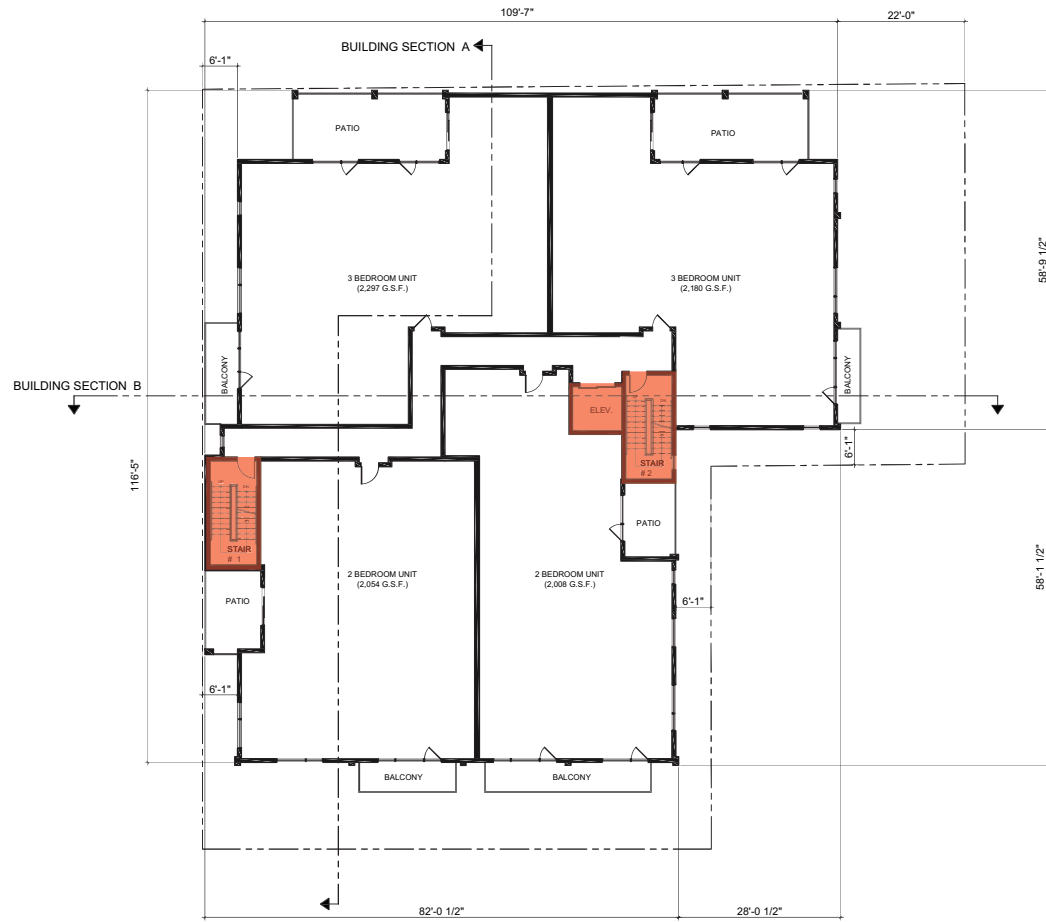
FIRST FLOOR PLAN

GROSS SQUARE FOOTAGE: 5,268.57 SF
 VERTICAL CIRCULATION: 452.34 SF
 NET AREA: 4,816.23 SF



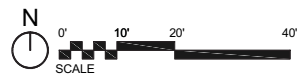
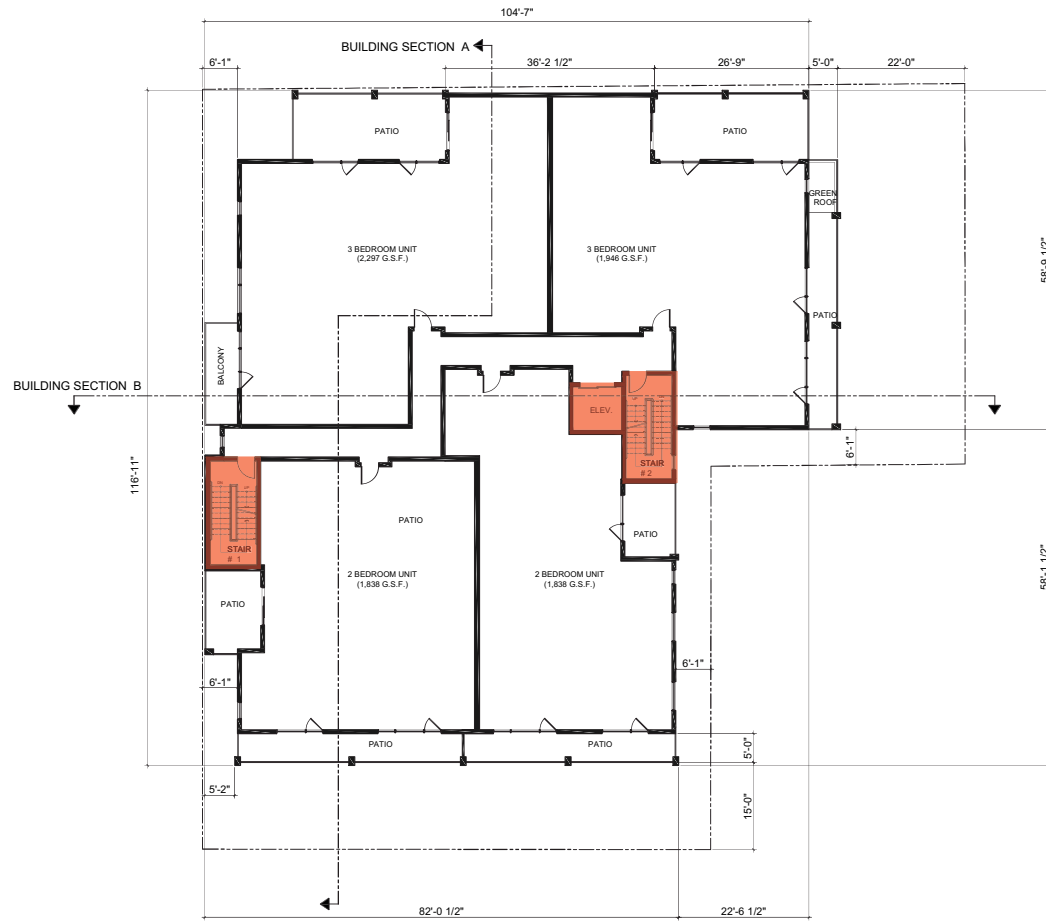
| | |
|-----------------------|-------------|
| GROSS SQUARE FOOTAGE: | 9,619.63 SF |
| VERTICAL CIRCULATION: | 452.34 SF |
| NET AREA: | 9,167.29 SF |

SECOND FLOOR PLAN



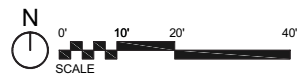
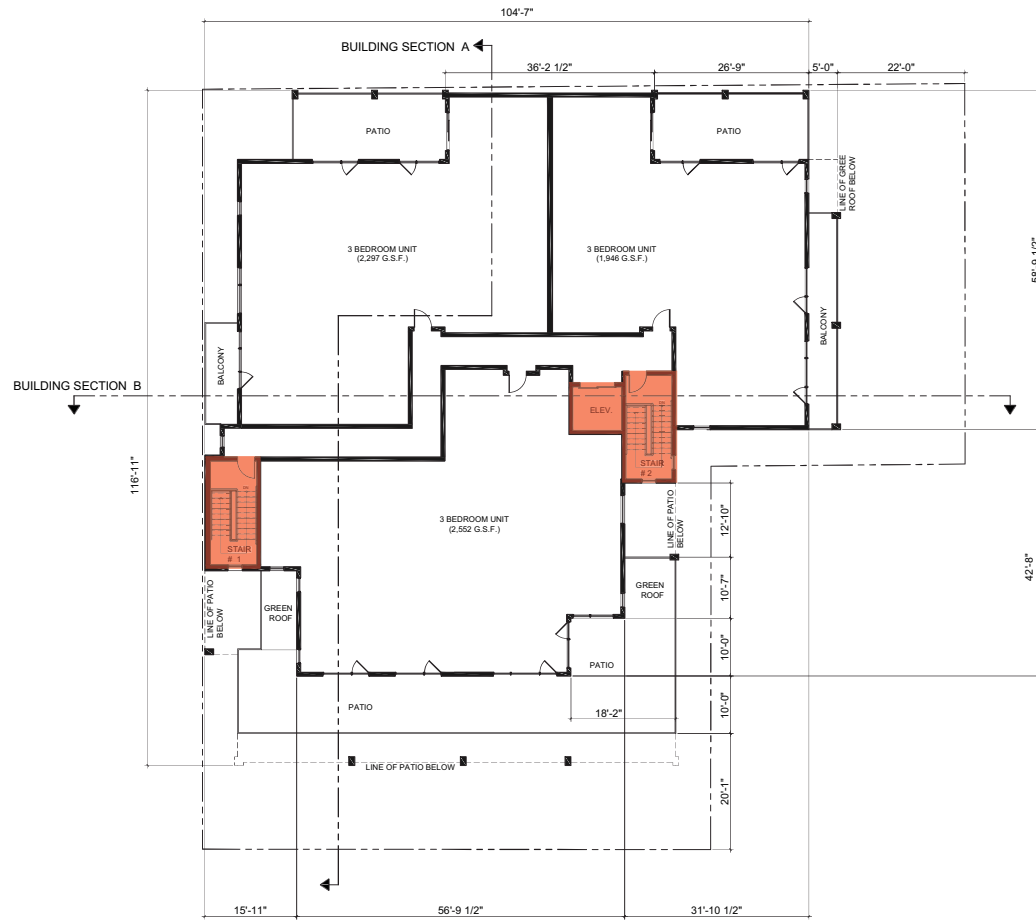
GROSS SQUARE FOOTAGE: 9,619.63 SF
 VERTICAL CIRCULATION: 452.34 SF
 NET AREA: 9,167.29 SF

THIRD FLOOR PLAN



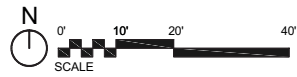
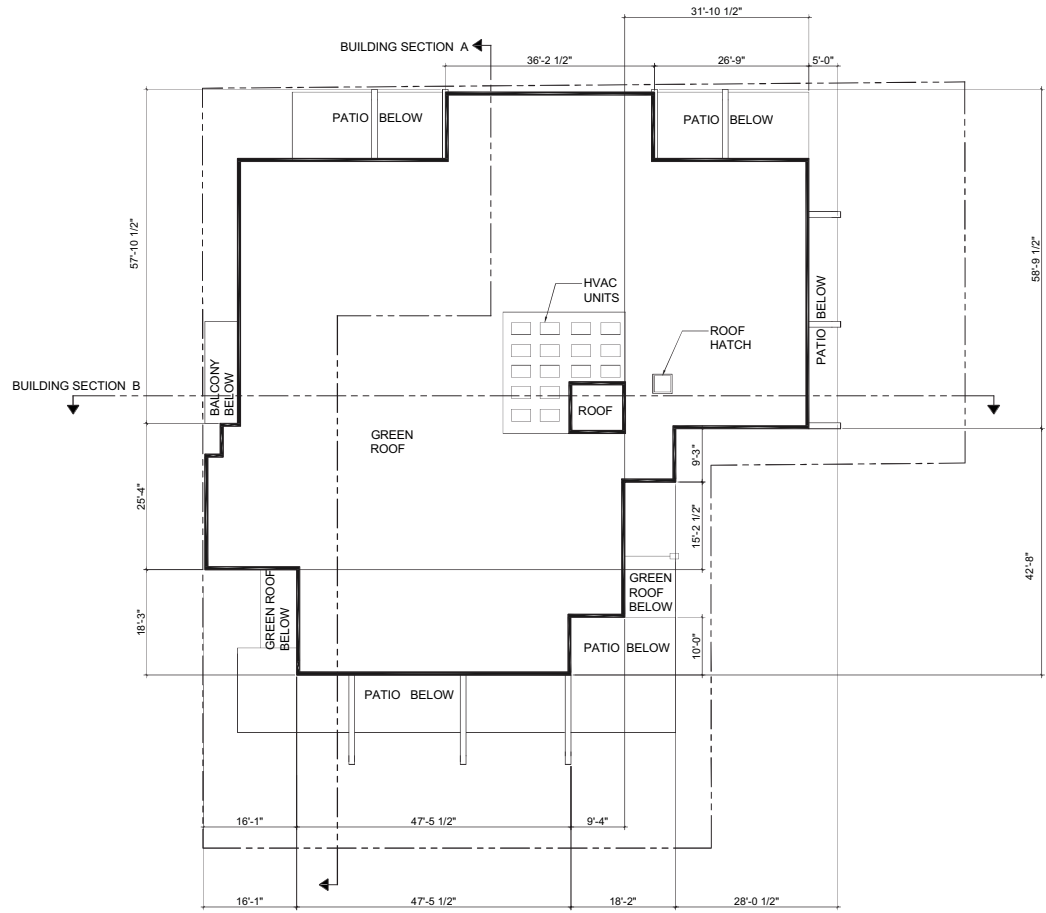
GROSS SQUARE FOOTAGE: 9,000.75 SF
 VERTICAL CIRCULATION: 452.34 SF
 NET AREA: 8,548.41 SF

FOURTH FLOOR PLAN



| | |
|-----------------------|-------------|
| GROSS SQUARE FOOTAGE: | 7,832.82 SF |
| VERTICAL CIRCULATION: | 452.34 SF |
| NET AREA: | 7,380.48 SF |

FIFTH FLOOR PLAN



ROOF PLAN