

## Fee in Lieu of Providing Affordable Housing Brownfield Project Examples

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### Maple Shoppes (ALDI)

\$ 1,010,000 Environmental Eligible Activities  
\$0 in Non-environmental eligible expenses  
\$ 4.1 M Total Private Investment

**OPTION 1:** 25% of Non-Environmental Activities  
 $25\% \times \$0 =$  **\$0 Fee in Lieu charge**

**OPTION 2:** 5% of overall project investment  
 $\$4.1 \text{ M private investment} \times 5\% =$  **\$205,000 Fee in Lieu**  
\$ 9,320 annually over 22 year length of TIF

**OPTION 3:** \$50,000 base fee + 2% of Private Investment  
 $\$50,000 + 2\% \times \$4.1 \text{ M} =$  **\$132,000 Fee in Lieu**

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### Zingerman's

\$0 Environmental Eligible Activities  
\$829,000 in Non-environmental eligible expenses  
\$7.4 M Total Private Investment

**OPTION 1:** 25% of Non-Environmental Activities  
 $25\% \times \$829,000 =$  **\$207,250 Fee in Lieu charge**  
TIF = 30 years, so \$6,908 annually paid for Fee in Lieu

**OPTION 2:** 5% of overall project investment  
 $\$7.4 \text{ million private investment} \times 5\% =$  **\$370,000 Fee in Lieu**  
\$12,333 annually over 30 year length of TIF

**OPTION 3:** \$50,000 base fee + 2% of Private Investment  
 $\$50,000 + 2\% \times \$7.4 \text{ M} =$  **\$198,000 Fee in Lieu**

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### Arbor Hills

\$1,828,000 Environmental Eligible Activities  
\$3,572,000 Non-environmental eligible expenses  
\$35.4 M Total Private Investment

**OPTION 1:** 25% of Non-Environmental Activities  
 $25\% \times \$3.572 \text{ M} =$  **\$893,000 Fee in Lieu charge**  
\$68,692 annually over 13 year of TIF

**OPTION 2:** 5% of overall project investment  
 $\$35.4 \text{ M private investment} \times 5\% =$  **\$1,770,000 Fee in Lieu**  
\$136,154 annually over 13 years of TIF

**OPTION 3:** \$50,000 base fee + 2% of Private Investment  
 $\$50,000 + 2\% \times \$35.4 \text{ M} =$  **\$708,000 Fee in Lieu**

(MI Inn, next page)

## **Michigan Inn**

*\$0 Environmental Eligible Activities*

*\$400,000 in Non-environmental eligible expenses*

*\$400,000 Total Private Investment (or \$28 M future)*

### **OPTION 1: 25% of Non-Environmental Activities**

25% x \$400,000 = **\$100,000 Fee in Lieu charge**

TIF estimated to be 12 years, so \$8,333 annually paid for Fee in Lieu

### **OPTION 2: 5% of overall project investment**

\$28 million (projected) private investment x 5% = **\$1,400,000 Fee in Lieu Charge**

\$147,500 annually over 12 years of TIF (not a good project example, because not sufficient non-environmental activities to make eligible to cover the Fee in Lieu charge, and the new development has not happened yet)

### **OPTION 3: \$50,000 base fee + 2% of Private Investment**

\$50,000 + 2% x \$28 M = **\$610,000 Fee in Lieu (if future investment is included; \$58,000 if excluded)**