

GRAND RIVER CORRIDOR IMPROVEMENT AUTHORITY MEETING

Thursday, November 9, 2023 – 8:00 a.m. Conference Room A – City Hall 23600 Liberty Street Farmington, MI 48335

AGENDA

- 1. CALL TO ORDER
- 2. APPROVAL OF AGENDA
- 3. APPROVAL OF MINUTES A. October 26, 2023 Minutes
- 4. LEGION SQUARE: BROWNFIELD PLAN REVIEW AMERICAN LEGION HALL, 31775 GRAND RIVER AVENUE
- 5. PUBLIC COMMENT
- 6. BOARD COMMENT
- 7. ADJOURNMENT

CITY OF FARMINGTON GRAND RIVER CORRIDOR IMPROVEMENT AUTHORITY **MINUTES**

October 26, 2023

CALL TO ORDER

The Farmington Grand River Corridor Improvement Authority meeting was called to order at 8:05 a.m. by Chairperson King.

Members Present:

King, Bowman, O'Dell, Graham

Members Absent:

Acceturra, Carron, Thomas

Staff:

Christiansen, Jennifer Morris (OHM Advisors)

APPROVAL OF AGENDA

Motion by Bowman, supported by Graham to approve the agenda. Motion approved unanimously.

APPROVAL OF MINUTES

Motion by Graham, supported by Bowman to approve the September 14, 2023 minutes. Motion approved unanimously.

GRAND RIVER CORRIDOR IMPROVEMENT AUTHORITY DEVELOPMENT AND TIF PLAN **REVIEW**

Director Christiansen reviewed the current Grand River Corridor Improvement Authority Development and TIF Plan with the CIA Board. The Board discussed the current TIF Plan adopted by the Grand River CIA in 2014 and the proposal from OHM Advisors to update the current Grand River Corridor Improvement Authority Development and TIF Plan. Jennifer Morris from OHM Advisors reviewed and discussed the proposed agenda to update the current TIF Plan.

PUBLIC COMMENT

None.

BOARD COMMENT

None.

ADJOURNMENT AT 9:02 am



22725 Orchard Lake Road Farmington, MI 48336 T (248) 615-1333 F (248) 615-1334 www.aktpeerless.com

October 3, 2023

Kevin Christiansen Planning and Building Director **City of Farmington** 23600 Liberty Street Farmington, Michigan 48335

Subject: Brownfield Plan Review and TIF Projections

Dear Mr. Christiansen,

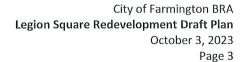
AKT Peerless presents this letter following our review of the draft brownfield plan, dated September 12, 2023, submitted by McDowell & Associates on behalf of Cervi Construction, LLC for the proposed brownfield project located at 31775 Grand River Avenue, Farmington, Oakland County, Michigan ("the Property"). Upon our review, AKT Peerless recommends the following:

- 1. Cover letter addressed to City's representative should not be included within the brownfield plan.
- 2. Cover page of <u>draft plan</u> should include the text "Approved by BRA" and "Approved by [other local governing body]" in order to enter approval dates onto said page of plan once approved.
- 3. The City of Farmington Brownfield Redevelopment Authority (FBRA) is the approving authority under Act 381 and should replace all addresses and references to the Grand River Corridor Improvement Authority (CIA) as the approving authority.
- 4. Table of Contents (TOC):
 - a. "Legal Description" and "Map of Eligible Property" should be included "Figure #", "Figure #", under "Attachment A: Figures" on TOC and as attachments.
 - b. Any development site plans available should be included as figures under "Attachment B: Project Plans" and referred to within Section 1.1.
 - c. TIF tables should be included as "Table 1, Table 2, Table 3" under "Attachment C: Tables" on TOC and as attachments.
- 5. Subsection headers: recommend be boldened for easier reading, but the format of the subsection headers should be consistent throughout the text of the plan.
- 6. Section 1.1 Proposed Redevelopment and Future Use for Each Eligible Property:
 - a. first sentence should read "...property is located along the Grand River corridor, between Power Road and Orchard Lake Road, in Farmington, Oakland County, Michigan..."
 - b. Identify the name of the project (Legion Square Development; "the Project").
 - c. Include estimated start date of the project.
 - d. Include estimated completion date of eligible activities.
 - e. Include estimated completion date of total project.
 - f. Include estimate of private investment if different from estimated development costs.
 - g. Further description of community benefits should be added such as putting an underutilized property back to productive use, healthier and safer site after development is complete, increased property value, etc.
 - h. Cervi Construction, LLC should be identified as the Developer of the property who anticipates being reimbursed for eligible activities with the estimated tax increment revenue generated after completion of the development.





- i. Development site plans (if available, even if concept) should be included as Attachment B and referred to in this section.
- 7. Section 1.2 Eligible Property Information:
 - a. Section should include "The parcel and all tangible real and personal property located thereon will comprise the Eligible Property, which is referred to herein as the "subject property." and should be referred to as such throughout the plan.
 - b. Subject property should be identified as a "core" or "non-core" community see link.
 - c. Subject property should be identified as being located within the Grand River Corridor Improvement Authority (CIA) district.
 - d. The 2023 taxable value of the project's parcel should be listed.
 - e. Include a reference to a specific plan attachment to the assessor's signed afidavit qualifying the property as functionally obsolete.
 - f. Part (b) of the Eligible Property description is not a definition for eligible properties under Act 381.
 - g. Legal description should be included and also be referred to in a specific plan FIGURE attachment.
- 8. Section 2.1 Description of Costs...:
 - a. Recommend breaking out each eligible activity with a brief description (including Contingency and Plan Preparation) into its own subparagraph:
 - i. Include the actual cost (if known) or estimated cost for the eligible activity;
 - ii. Include what tax increment revenue source will be used to reimburse the eligible activities (i.e., local, school, both);
 - b. Per Act 46 of 2017, environmental assessment activities and asbestos surveys are defined as being a part of "Department Specific Activities". Plan should be revised to read as such.
 - Environmental assessments and asbestos surveys are considered "pre-approved activities" according to the Act and can be reimbursed with both local and school TIR as reflected in Table 3 of the TIF tables.
 - c. Further clarification should be made for "environmental engineer and legal fees". If these fees are associated with already included eligible activities, recommend replacing this language with "soft costs" associated with a specific eligible activity: "soft costs associated with demolition activities". If these are not considered soft costs, add more description to determine eligibility.
 - d. Per Act 381 Section 13b(7), a Brownfield Redevelopment Authority is authorized to capture TIR for administration and operating purposes. AKT Peerless recommends that the Farmington BRA retain 10% of annual local TIR as an annual administrative fee for the duration of the plan.
 - i. A statement describing the fee should be added and should be reflected in tables throughout the plan.
 - e. Per Act 381 Section 8, a BRA is authorized to deposit excess TIR into a local brownfield revolving fund (LBRF).
 - i. Plan should clarify whether the FBRA will utilize excess TIR for a LBRF as permitted by Act 381, Section 8.
 - ii. TIF tables 2 and 3 reflect the capture of excess state TIR and local TIR.





- 9. Section 2.2 Summary of Eligible Activities:
 - a. The sentence stating, "Additional eligible activities may be carried out at the Property, without requiring an amendment to this Plan, so long as eligible activities are permitted by Act 381." should be removed as it is in conflict with Section 13 (2)(a) of Act 381 and with the third paragraph of this section.
 - Recommend that any additional eligible activities (and estimated costs) that may be currently contemplated be included if reasonable, even if they are ultimately deemed unnecessary.
 - 1. Developer is only reimbursed for actual eligible activity expenses incurred.
 - ii. Recommend breaking up the third paragraph into two paragraphs.
 - b. Recommend placing the table of eligible activities after the first paragraph of this section for easier reference with the sentence "A summary of the eligible activities and the estimated costs of each eligible activity intended to be paid for with Tax Increment Revenues from the subject property are shown in the table below and are included in Attachment C, Table 1."
 - i. It is not necessary to include service providers or invoice references, but can be referred to in the text as "eligible activity expenses will be submitted in accordance with the terms and conditions of the reimbursement agreement.
 - ii. Table in plan text should include a column "Completion Season/Year" for each activity ("Fall of 2023", "Summer of 2024", "Completed").
 - c. References to "CIA" should be replaced by "FBRA".
 - d. Reiterate the source of tax increment revenue to be used (local, school, both).
 - e. Recommend removing "...either before or after approval of this Plan..." from the second sentence of the second paragraph.
 - i. Pre-approved Activities and Brownfield Plan preparation are the only activities eligible for pre-plan activities and as described in the Act.
 - f. It is not necessary to include invoicing or quotes for services to be performed under the brownfield plan.
 - g. Recommend adding an additional budget for brownfield plan implementation which can be reimbursed to the Developer with TIF.
- 10. Section 2.3 Estimate of Captured Taxable Values...: should also include the following:
 - a. Reiterate the 2023 taxable value of the property and describe it as the initial taxable value of the plan and is based on land and real property tax only.
 - b. Include estimated year in which it is anticipated that increase in taxable value of the subject property will occur and what the anticipated taxable value will be.
 - c. Include the estimated year that tax increment revenue capture is expected to begin.
 - d. Reiterate that the property is located within the CIA district and:
 - i. is managed by the CIA, who has the authority to capture 100% of local tax increment revenue, other than intermediate school district taxes,
 - ii. an interlocal agreement is anticipated to be executed between the FBRA and the CIA,
 - iii. describe the tax increment revenue capture share and disbursement between the two entities (to be determined).
 - e. Clarify that the estimated tax increment revenue to be captured is attached to the brownfield plan as Attachment C, Table 2.



City of Farmington BRA
Legion Square Redevelopment Draft Plan
October 3, 2023
Page 4

- Further tax capture information can be added into this section upon review AKT's TIF tables.
- f. Include the estimated years the FBRA will capture TIR and for what purpose (reimburse eligible activities, contingency, FBRA administrative fees, and LBRF deposits).
 - Refer to AKT's Table 3.
- g. The third paragraph can be replaced by a simplified table based upon TIF Table 2.
- h. The fourth paragraph can be moved to Section 2.6: Duration of Brownfield Plan
- 11. Section 2.4: Method of Financing...:
 - a. Move the first and second paragraphs from Section 2.5 into Section 2.4.
 - b. Replace all references to the CIA with "FBRA".
 - c. Indicate the type of tax increment revenue to be used (local, school, both).
 - d. Identify the total estimated costs which will be reimbursed under the plan.
- 12. Section 2.5: Maximum Amount of Note or Bonded Indebtedness:
 - a. Move the first and second paragraphs into Section 2.4.
 - b. Refer to the FBRA instead of CIA.
- 13. Section 2.6: Duration of Brownfield Plan:
 - a. Move the fourth paragraph from Section 2.3 into Section 2.6.
 - b. Clarify that it is estimated that the length of the plan will be # years (refer to AKT's TIF Table 3).
 - c. Replace reference to CIA with FBRA.
- 14. Section 2.7: Estimated Impact of Tax Increment Financing...:
 - a. Refer to table in Section 2.3 and Attachment B, Table 2.
- 15. Section 3.0: it is not necessary to include this listing as all attachments are referenced in the Table of Contents.

AKT Peerless will provide any update in a subsequent letter by request. If you have any questions, you may reach me at (248) 200-6666 or gelletlyi@aktpeerless.com.

Sincerely,

Jenn Gelletly

Brownfield Incentives Project Manager

Genifa Satteth

AKT Peerless

Cc: Doug McDowell, McDowell & Associates Fabio Cervi, Cervi Construction, LLC Samantha Seimer, AKT Peerless Jeremy McCallion, AKT Peerless

Table 1. Eligible Activities

Legion Square Redevelopment 31775 Grand River Farmington, MI AKT Peerless Project No. ProjectNo As of October 3, 2023

ELIGIBLE ACTIVITIES COST SUMMARY								
				E	stimated			
					Cost of			
			Eli	gibl	e Activity	EGLE TIF	Loc	al-Only TIF
Preapproved Activities				\$	6,793	\$ 6,793	\$	-
TOTAL ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$	6,793	\$ 6,793	\$	-
Demolition				\$	139,755	\$ -	\$	139,755
Lead and Asbestos Activities				\$	34,760	\$ -	\$	34,760
TOTAL NON-ENVIRONMENTAL ELIGIBLE ACTIVITIES				\$	174,515	\$ -	\$	174,515
Total Environmental and N	on-Environme	ntal Eligibl	e Activities	\$	181,308	\$ 6,793	\$	174,515
10% Contingency on Eligible Activities				\$	17,452	\$ -	\$	17,452
Brownfield Plan Preparation				\$	5,000	\$ -	\$	5,000
Brownfield Plan Implementation				\$	3,500	\$ -	\$	3,500
Total Eligible Acti	vities Cost wi	ith 15% Co	ntingency	\$	207,259	\$ 6,793	\$	200,467
BRA Administration Fee				\$	47,689			
Local Brownfield Revolving Fund (LBRF)				\$	207,259			
Total I	Eligible Costs	for Reiml	oursement	\$	462,207	\$ 6,793	\$	200,467



Table 2. Tax Increment Revenue Estimates
Legion Square Redevelopment
31775 Grand River,
Farmington, MI
AKT Peerless Project No. 18347f
As of October 3, 2023

	Estimated T	Estimated TV Increase rate: 1.01	.01															
		Plan Year	1		7		3	4		5		9	7		8	6		10
		Calendar Year	2023		2024		2025	2026	9	2027	20	2028	2029		2030	2031		2032
	Initial	Initial Taxable Value				s	•	s	٠.	•	s	,	'	s	ì	•	s	i
	Initial T	Initial TV (Homestead)				s		s	\$	•	s	1		s		- \$	s	ī
Post-Dev TV (30% of Project Investment)	Estir	Estimated New TV			\$1,425,000		\$1,439,250	\$1,453,643		\$ 1,468,179	\$ 1,482,861		\$ 1,497,689		\$1,512,666	\$ 1,527,793		\$ 1,543,071
	New⊤	New TV (Homestead)							\$ -	•	\$		•	\$	ì	\$	s	
Incremental Diffe	erence (New	erence (New TV - Initial TV)			\$1,425,000	ı	\$ 1,439,250	\$1,453,643	ı	\$1,468,179		\$ 1,482,861	\$ 1,497,689		\$1,512,666	\$ 1,527,793	S	1,543,071
School Capture	Millage Rate																	
State Education Tax (SET)	6.0000	Incremental \$			- \$	\$	•	\$	\$ -		\$		- \$	\$	-	- \$	\$	1
School Operating Tax	18.0000	Incremental			25,650	\$ 05	1	\$	\$ -	-	\$		- \$	S	-	- \$	\$	•
School Total	24.0000		\$		\$ 25,650	\$ 05		s,	٠,	•	s		\$	\$		\$	\$	
Abatement Value (school taxes)		,	\$		- \$	s	,	Ş	\$	1	\$		\$	s	ī	\$	s	
Local Capture	Millage Rate																	
School Supplemental	5.7067	Incremental		0,	\$ 8,132	32 \$	8,213	\$	\$,296 \$	8,378	\$	8,462	\$ 8,547	47 \$	8,632	\$ 8,719	\$ 61	8,806
Library	1.4742	Incremental (\$ 2,101	\$ 10	2,122	\$	2,143 \$	2,164	\$	2,186	\$ 2,208	\$ 80	2,230	\$ 2,252	\$ 29	2,275
Intermediate School Vote	2.9777	Incremental			4,243	43 \$	4,286	\$	4,329 \$	4,372	\$	4,416	\$ 4,460	\$ 09	4,504	\$ 4,549	\$ 61	4,595
Intermediate School Allocation	0.1881	Incremental			\$ 2	\$ 897	271	\$	273 \$	276	\$	279	\$ 2	282 \$	285	\$ 28	287 \$	290
County Operating	3.9686	Incremental			\$ 5,655	\$ 55	5,712	\$	\$ 692'5	5,827	\$	5,885	\$ 5,944	44 \$	6,003	\$ 6,063	3 \$	6,124
Oakland Community College	1.4891	Incremental			\$ 2,122	22 \$	2,143	\$	2,165 \$	2,186	\$	2,208	\$ 2,230	30 \$	2,253	\$ 2,275	75 \$	2,298
Capital Improvement	0.1000	Incremental			\$ 1	143 \$	144	\$	145 \$	147	\$.	148	\$ 1	150 \$	151	\$ 1	153 \$	154
City Streets	1.4040	Incremental \$			2,001	\$ 10	2,021	\$	2,041 \$	2,061	\$	2,082	\$ 2,103	\$ 60	2,124	\$ 2,145	\$ \$	2,166
City 2018 (CAP)	2.0000	Incremental \$			2,850	\$ 05	2,879	\$	2,907 \$	2,936	\$	2,966	\$ 2,995	\$ \$6	3,025	\$ 3,056	\$ 99	3,086
City 2018 (OP)	0.8302	Incremental \$			1,183	83 \$	1,195	\$	1,207 \$	1,219	\$	1,231	\$ 1,243	43 \$	1,256	\$ 1,268	\$ 89	1,281
County PK & REC	0.3431	Incremental			\$ 4	489 \$	494	\$	\$ 664	504	\$	509	\$ 5	514 \$	519	\$ 524	\$ \$	529
Oakland Transit	0.9500	Incremental \$		5	1,354	54 \$	1,367	\$	1,381 \$	1,395	\$	1,409	\$ 1,423	23 \$	1,437	\$ 1,451	51 \$	1,466
HCMA	0.2070	Incremental \$		•	; 2	\$ 562	298	\$	301 \$	304	\$	307	\$ 3	310 \$	313	\$ 3.	316 \$	319
Local Total	35.5387	,			50,643	43 \$	51,149	\$ 51	51,661 \$	52,177	s.	52,699	\$ 53,226	\$ 92	53,758	\$ 54,296	\$ 96	54,839
Non-Capturable Millages	Millage Rate	a															•	
School Debt	3.2000	New TV			4,5	\$ 095'	4,606	s	1,652 \$	4,698	s.	4,745	4,793	93 \$	4,841	\$ 4,889	\$ 65	4,938
Zoo Authority	0.1945	New TV			. 5	277 \$	280	s	283 \$	286	s	788		291 \$	294	\$	297 \$	300
Art Institute	0.0945	New TV				35 \$	136	s	137 \$	139	s	140		142 \$	143	\$	4	146
DDA (?)	0.0000	New TV				s		\$	\$	•	s	,		s		•	s	
Total Non-Capturable Taxes	3.4890																	



Table 3. Reimbursement Allocation Schedule
Legion Square Redevelopment
31775 Grand River,
Farmington, MI
AKT Pereires Project No. 18347

Developer Projected Reimbursement	Proportionality	School & Local Taxes	O-lecal-O	Local-Only Taxes		Total
State	40.3%	\$ 2,738			s	2,738
Local	59.7%	\$ 4,054	s	200,467 \$	s	204,521
TOTAL		\$ 6,793	s	200,467	S	207,259
EGLE	100.0%	\$ 6,793				
MSF	%0.0	·				

2	,	Administrative Fees
Estimated Total Years of Plan:	10	State Revolving Fund
		Local Revolving Fund

Administrative Fees	s	47,689
State Revolving Fund	s	
Local Revolving Fund	s	207,259

Particular Par													End Plan					
Contint victor Cont		Plan Year	1		2	3	4	5	9	7	83	9	10	11	12	13	1	FOTAL
Street S		Calendar Year	2023		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
Second	the Chart is a second to the Chartest of the C				2 507 25	,			5 -	\$	•	5		٠.			s	25,78
Section Sect	סנמו סנמנה ועכיבושהוניםו אהאהנותה		·		201107	•											S	•
Strain S	ate Brownfield Revolving Fund (3 mills of SE	-	^															25 782
Section of the control of the cont	tate TIR Available for Reimbursement		s	s ·	25,782 \$		•					•		•		,	,	2,00
S 5 5000 S 5 5441 S 5 5200 S 5 5440 S 5 5400 S 5														•		•		21.010
Section Sect	otal Local Incremental Revenue		s	s ·	\$ 606'05	51,412 \$	51,926 \$	52,446 \$	52,970 \$	\$3,500 \$	54,035 \$	54,575 \$	55,121 \$				۰.	er'ere
Page final page Page final page fi	RA Administrative Fee		S	S	\$ 060'S	5,141 \$	5,193 \$	5,245 \$	5,297 \$	\$ 058'5	5,403 \$	5,458 \$	5,512 \$			·	s	31,31
Page	acibiodistin acistical																	
Beginning Strate	AND SOUTH SOUTH WITH SOUTH		Service Servic	-				\$ 100.00	47 673 6	40 1EA C	A9 621 ¢		\$ 609 67				s	281,842
Patient	ical TIR Available for Reimbursement		s					41,201 \$	41,6/3 \$	¢ 0CT'95	¢ 160'0+		n contra			,		
Section of the property of t							-						The state of the s	THE RESERVE OF THE PARTY OF THE	The contract of the contract o			
Ballotte	ital State & Local TIR Available		99						61,673	48,150 \$		49,118 \$	49,609 \$	8 .		S		
27.28 5 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78 27.78		Baninning																
1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,	CALCURE	Shiming																
17.72 2.7	EVELUTER	palance			-	-	0 504.00	2 50201			3 .	3 .	> -	5 .				
2788 2 2788 2 2788 2 2 2 2 2 2 2 2 2	VELOPER Reimbursement Balance	5 201,259	2	6 657	158,/08 5	112,437 5	02,703 3	10,300	2		-	-					L	
1778 5 1778 5	TATE Daimhirsoment Balance			2 738 5		5 -	\$.	\$ -	\$.	\$.	5 .	\$.	\$.	\$.		٠.		
1,100 1,10	The state of the s				3 730 C	2			5	5 .	\$.	\$.	\$	\$ -			s	2,738
1,128 5 1,12	Eligible Activities Kelmbursement	5 4,130	0	,	2,730 3													
State Stat	Environmental Eligible Activities	5 2,738			2,738 5													
\$ 4.054 \$ 4.054 \$ 5 . \$	Non-Environmental Eligible Activities		S			\$.		S .									ļ	1
100 100	Total STATE TIR Reimbursement		s	s	2,738 \$	•	\$,	٨	7,738
4,004 5 4,004 5 4,004 5 5 5 5 5 5 5 5 5	OCAL Deimburgement Bolonce			\$ 054 \$				\$	8	\$	\$	\$	\$.	\$		·		
	Clinible Activities Delmbureamont				4 054 5						\$.	s -	s .	\$.			s	4,054
A	cuginic Activities helifodisellient		,	,	2001						0	9 .						
S	Environmental Eligible Activities	\$ 4,054	S	,	4,054 5		,											
S	Non-Environmental Eligible Activities		S	s ·	s .	s .			^ .			0						
State Stat	Total LOCAL TIR Reimbursement		s	s ·	4,054 \$	\$.	\$	\$		s		•	•				٨	4,054
S	OCAL-ONI'V Beimbursement Balance			2 297	158.708 \$	112.437 \$	65.703 \$	18.502 \$	\$.	\$.	\$.	\$ -	\$.	\$.		S	_	
State Stat	Citable Activities Deimburgement				41 759 \$	46.271 \$	46.734 \$	47.201 \$	18.502 \$			۰.					s	200,467
	Cilgine Activities Reminding				3	3	3				5 .	5 .		\$.			s	•
S - S 41,759 S 46,771 S 46,724 S 135,042 S - S - S - S - S - S - S - S - S - S	Interest Reimpursement	0	2	0	1	2					1						v	200 467
Color Colo	Total Local-Only TIR Reimbursement		s	٠.	41,759 \$	46,271 \$	46,734 \$	47,201 \$	\$ 205'81	•	•	•				,	,	
	ital Annual Developer Reimbursement		•		48,551 \$	\$ 145,271 \$	46,734 \$	47,201 \$	18,502 \$	8	90 .	8 -	\$ -	\$.	A Alexander		so.	507,259
\$. \$ 2,738 \$. \$. \$. \$. \$. \$. \$. \$. \$. \$	DCAL BROWNFIELD REVOLVING FUN		0		0	0	0	0		2	3	4	5	0	0	0		
<u> 5 278</u> <u>5 78 5 5 5 5 5 5 5 5 5 </u>	3RF Deposits		s	s	2,738 \$	\$.	\$.	\$.	29,171 \$	48,150 \$	48,631 \$	49,118 \$	29,450 \$	\$	٠	٠.	S	207,259
\$ 29.77 \$ 48.50 \$ 48.63 \$ 49.118 \$	STATE			s	2,738 \$	\$ -	\$.	\$.	\$.	s .	\$.	\$ -	\$.			•	_	
	200								20171 5	48.150 \$	48.631 \$	49.118 \$	29.450 \$					



INTERLOCAL AGREEMENT TO USE LOCAL TAX INCREMENT REVENUES FOR THE LEGION SQUARE BROWNFIELD REDEVELOPMENT PROJECT

WHEREAS, the Urban Cooperation Act, PA 7 of 1967, Extra Session (Act 7), provides that a public agency may enter into interlocal agreements with other public agencies to exercise jointly any power, privilege, or authority that the agencies share in common and that each might exercise separately; and

WHEREAS, the City of Farmington Grand River Corridor Improvement Authority ("CIA") was duly established pursuant to PA 280 of 2005, since repealed by PA 57 of 2018 ("Act 57"); and

WHEREAS, the City of Farmington Brownfield Redevelopment Authority ("FBRA") was duly established pursuant to PA 381 of 1996, as amended ("Act 381"); and

WHEREAS, the CIA and FBRA are each considered a "public agency" under Act 7; and

WHEREAS, the FBRA has the authority to reimburse for costs of "eligible activities" and other reimbursable costs on eligible property, and capture tax increment revenues generated by the levy of certain taxes on eligible property under brownfield plans approved pursuant to and as described in Act 381; and

WHEREAS, the CIA has the authority to pay for certain eligible activities and capture tax increment revenues generated by the levy of certain taxes on parcels within the Development Area pursuant to the Grand River Corridor Improvement Development and Tax Increment Financing Plan as adopted by the Farmington Grand River Corridor Improvement Authority on _____ and City of Farmington City Council on _____ together with the 2009 Amended Plan (collectively referred to herein as the "CIA Plan"), and as permitted under Act 57; and

WHEREAS, the McDowell & Associates has completed a Brownfield Plan (the "Brownfield Plan") for eligible property that lies within the boundary of the Development Area identified in the CIA Plan, located at 31775 Grand River Avenue, Farmington, Michigan (parcel ID #20-23-27-476-007) and

WHEREAS, the CIA Plan was adopted prior to the adoption of the Brownfield Plan which results in capture of certain tax increment revenues by the CIA with respect to certain taxes levied on the Property; and

WHEREAS, the CIA and the FBRA desire to enter into this Interlocal Agreement to transfer CIA tax increment revenues captured from the eligible property to the FBRA to reimburse the costs of the Act 381 eligible activities and other reimbursable costs pursuant to the Brownfield Plan.

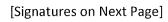
NOW THEREFORE, the CIA and FBRA agree as follows:

- 1. <u>Capture of Tax Increment Revenues by CIA</u>. The parties agree that the CIA will capture the tax increment revenues it is authorized to capture pursuant to the CIA Plan, including such tax increment revenues resulting from the capture of tax increments from taxes levied against the Property.
- 2. <u>Transfer and Use of Tax Increment Revenues</u>. Upon affirmative vote by the FBRA and the City Council of the City of Farmington (the "City Council") approving the Brownfield Plan, and approval

of this Interlocal Agreement pursuant to Act 7, one hundred percent (100%) of the tax increment revenues captured by the CIA on the Property pursuant to the CIA Plan as authorized by Act 57 (the "Tax Increment Revenues") shall be transferred to the FBRA to reimburse the costs of eligible activities and other reimbursable costs as identified in the Brownfield Plan and as permitted under Act 381, estimated to total reimbursement of \$462,207.

- 3. <u>Limitation to Tax Increment Revenues from Eligible Property</u>. The CIA shall only transfer to the FBRA the Tax Increment Revenues generated by the identified eligible property to reimburse for approved eligible activity costs and other uses identified in the approved Brownfield Plan and authorized by Act 381. Upon conclusion or dissolution of the Brownfield Plan, all tax increment revenues (as defined in Act 57) generated by the eligible property shall be captured by the CIA and expended as provided in the CIA Plan.
- 4. FDDA Obligation subordinate to Existing Bonds. The FDDA's obligation to transfer tax revenues to the FBRA pursuant to this Agreement is subordinate to, and contingent upon the ability of the FDDA to capture sufficient tax increment revenues from the captured assessed value of the property in its FDDA District (FDDA District) other than the eligible property to pay its annual debt service obligations on bonds and other obligations issued by the FDDA. In the event that the FDDA does not have sufficient funds from tax increment revenues from the captured assessed values of the property in its FDDA District other than the eligible property to pay its annual debt service on such bonds or other obligations, then the FDDA shall not be obligated to transfer tax increment financing revenues generated from the eligible property to pay its annual debt service obligations. In such instances where the FDDA uses tax increment revenues from the eligible property to pay its annual debt service on such bonds or other obligations, it is understood that once these obligations are met the transfer of tax increment revenues from the eligible property will continue until eligible activities are reimbursed or the Brownfield Plan expires, whichever occurs first.
- 5. <u>FBRA as Agent under This Agreement</u>. The parties designate the FBRA as the agent to receive and disburse such Tax Increment Revenues generated by the eligible property as provided in Section 2 above until such time all obligations to reimburse the cost of the eligible activities and other reimbursable costs, have been satisfied.
- 6. <u>FBRA as Agent under Reimbursement Agreements</u>. The parties agree to designate the FBRA as agent to develop and enforce the terms of any Reimbursement Agreement executed with outside parties pursuant to the approved Brownfield Plan.
- 7. <u>Amendment of Brownfield Plan</u>. The Brownfield Plan may be amended in order to fund additional eligible activities associated with the Project described therein and as otherwise permitted by law upon prior written approval of the FBRA and City Council.
- 8. <u>Effective Date</u>. The Agreement shall be effective upon approval by the Farmington City Council and FBRA of the Brownfield Plan, and approval of this Agreement pursuant to Act 7 as executed by the authorized representatives and filed with the County Clerk and Secretary of State of Michigan as required by Act 7.

- 9. <u>Severability</u>. To the extent that any provision contained in this Agreement is deemed unenforceable, the remaining terms shall remain in effect to the fullest extent permitted by law to accomplish the intent of the parties.
- 10. <u>Term.</u> The parties agree that the transfer of tax increment revenue from the eligible property to reimburse the cost of eligible activities and other reimbursable costs pursuant to Act 381 and the Brownfield Plan shall commence upon the Effective Date of this Agreement and once tax increment revenues are generated by redevelopment of the Property, which is expected to begin in 2021, or when full redevelopment is completed, whichever occurs first.
- 11. <u>Headings</u>. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
- 12. <u>Governing Law</u>. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.
- 13. <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
- 14. <u>Binding Effect</u>. Subject to the terms herein, the provisions of this Agreement shall be binding upon and shall inure to the benefit of each of the parties and their respective successors and assigns, heirs, and legal representatives.



The CIA and FBRA, by forth below.	their authorize	d representatives, ha	ve executed th	nis Agreement on the dates set
	ized to sign this	Agreement on the		rridor Improvement Authority. , 2023 and was executed
Witnesses				RMINGTON VER CORRIDOR IMPROVEMENT AUTHORITY
Sworn to and subscrib	oed before me,	a Notary Public, in th	Chair e County of O	akland, on this day of
Notary Public My commission expire Acting in the County of				

[Signatures Continued on Next Page]

This agreement was approved by the City of Far		
Chairperson was authorized to sign this Agreeme	ent on the day of	, 2023 and was
executed by the Chairperson on the day of	of, 2023.	
Witnesses		
		STON BROWNFIELD
	REDEVELOPMEN ⁻	Γ AUTHORITY
	Chair	
		4. 384.
Sworn to and subscribed before me, a Notary Po	ublic in the County of Oakla	nd on this day of
	ablic, ili the county of Oakia	nd, on this day of
, 2023.		
N. J. J. D. J. P.		
Notary Public		
My commission expires:		
Acting in the County of:		
1 1 1 2 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1		

BROWNFIELD PLAN FOR THE PROPOSED LEGION SQUARE DEVELOPMENT 31775 GRAND RIVER AVENUE FARMINGTON, OAKLAND COUNTY, MICHIGAN

ON BEHALF OF:

CERVI CONSTRUCTION, LLC 12419 STARK ROAD LIVONIA, MICHIGAN 48150

PREPARED BY:

McDOWELL & ASSOCIATES 21355 HATCHER AVENUE FERNDALE, MICHIGAN 48220 Ph: (248) 399-2066

Fax: (248) 399-2157 www.mcdowasc.com

SEPTEMBER 12, 2023



Geotechnical, Environmental & Hydrogeological Services • Materials Testing & Inspection

September 6, 2023

Grand River Corridor Improvement Authority 23600 Liberty Street Farmington, Michigan 48335

Job No. 22-16338

Attention:

Mr. Kevin Christiansen

Subject:

Brownfield Plan

Proposed Legion Square Development

31775 Grand River Avenue

Farmington, Oakland County, Michigan

Dear Mr. Christiansen:

McDowell & Associates has completed this Brownfield Plan to address asbestos abatement at the subject property prior to building demolition.

This Work Plan was prepared for submission to Grand River Corridor Improvement Authority.

If you have any questions, or if we can be of further service, please do not hesitate to call.

Very truly yours,

McDOWELL & ASSOCIATES

Jennifer Lagerbohm, M.S., CHMM Senior Industrial Hygienist

Douglas M. McDowell, M.S., P.E. Vice President

DM/dm



Geotechnical, Environmental & Hydrogeological Services • Materials Testing & Inspection

TABLE OF CONTENTS

		<u>Pa</u>	age
1.0	Intro	duction	1
	1.1	Proposed Redevelopment and Future Use for Each Eligible Property	1
	1.2	Eligible Property Information	2
2.0	Infor	mation required by section 13(2) of the statute	2
	2.1	Description of costs to be paid for with tax increment revenues	2 2
	2.2	Summary of eligible activities	2
	2.3	Estimate of captured taxable value and tax increment revenues	3
	2.4	Method of financing and description of advances made by the muncipality	4
	2.5	Maximum Amount of Note or Bonded Indebtedness	4
	2.6	Duration of Brownfield Plan	5
	2.7	Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions	5
	2.8	Statement of Qualifying Characteristics and Personal Property	5
	2.9	Estimates of Residents and Displacement of Individuals/Families	5
	2.10	Plan for Relocation of Displaced Persons	5
3.0	Attac	chments	5
	3.1	Legal Description and Map of Eligible Property	5
	3.2	TIF Table Error! Bookmark not defin	ed.
	3.3	Brownfield Plan Resolution(s)	5
	3.4	Development and/or Reimbursement Agreement	5
	3.5	Invoices and Proof of Payment – Work Completed Prior to Work Plan Approval	5
	3.6	Signed Affidavit for Functional Obsolescence	5

1.0 INTRODUCTION

In order to promote the revitalization of environmentally impacted and other eligible areas within the boundaries of Farmington and Farmington Hills, Michigan (the "Cities"), the Cities have established the Grand River Corridor Improvement Authority (the "CIA") pursuant to Michigan Public Act 381 of 1996, as amended ("Act 381").

The primary purpose of this Brownfield Plan ("Plan") is to promote the redevelopment of and private investment in certain "brownfield" properties within the Cities. Inclusion of property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as "brownfields." By facilitating redevelopment of brownfield properties, this Plan is intended to promote economic growth for the benefit of the residents of the Cities and all taxing units located within and benefited by the CIA.

This Plan is intended to apply to the eligible property identified in this Plan and, if tax increment revenues are proposed to be captured from that eligible property, to identify and authorize the eligible activities to be funded by such tax increment revenues.

This Plan is intended to be a living document, which may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Brownfield Plan describes the project to be completed (see Attachment C) and contains information required by Section 13(1) of Act 381.

1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The 1.385 acre property is located in the Orchard Lake Focus Area of the Grand River Corridor Improvement Authority (the "CIA") between Mayfield in Farmington and 8 Mile Road in Farmington Hills. It currently contains a 10,000 sq. ft., former American Legion Building constructed in 1945.

The Orchard Lake Focus Area portion of the CIA is identified with a preference for mixed-use land uses, including residential.

Cervi Construction, LLC intends to demolish the existing building and redevelop the property for multi-family residential development. The development will consist of four buildings with eight-units each or a total of 32 units. Each proposed building has approximately 5,057-square feet of footprint and will be three-story structures with first floor garages. This land use is a stated objective of the Orchard Lake Focus Area.

Underground stormwater detention is planned for the west portion of the property.

Total development costs are expected to be \$4,750,000.

A total of one new full-time and one part-time equivalent jobs will be created by the development.

This Brownfield Plan has been prepared to cover eligible asbestos abatement and demolition costs for the existing building as well as environmental related expenses incurred to date. The existing building has been determined to be functionally obsolete.

1.2 Eligible Property Information

The subject property consists of approximately 1.385 acres of land located at 31775 Grand River Avenue in Farmington, Oakland County, Michigan. The subject property is associated with Parcel ID 20-23-27-476-007. Refer to Figure 1- Eligible Property Map. A legal description is attached.

The property is in intermittent use as an American Legion Hall. It will be vacant at closing anticipated November-December 2023.

The subject property is considered "eligible property" as defined by Act 381, Section 2, because (a) it has been determined to be functionally obsolete by an experienced appraiser and; (b) planned future land use meets the Corridor Improvement Authority's objectives for the location.

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

2.1 DESCRIPTION OF COSTS TO BE PAID FOR WITH TAX INCREMENT REVENUES

Eligible costs for this project include environmental assessment, asbestos surveys, costs associated with development of this Work Plan, asbestos abatement, demolition, environmental related engineer and legal fees, and a post asbestos abatement visit to confirm abatement of asbestos. The post abatement visit includes costs for an additional site visit as well as additional sampling and testing in the event that suspect materials are encountered during the demolition process that are not addressed during the original abatement.

2.2 SUMMARY OF ELIGIBLE ACTIVITIES

"Eligible activities" are defined by Section 2 of Act 381 and are shown in table below. The eligible activities shown below are are not exhaustive. Additional eligible activities may be carried out at the Property, without requiring an amendment to this Plan, so long as such eligible activities are permitted by Act 381.

The Developer desires to be reimbursed for the costs of eligible activities. Tax increment revenue generated by the Property will be captured by the CIA and used to reimburse the cost of the eligible activities completed on the Property either before or after approval of this Plan pursuant to the terms of a Reimbursement Agreement with the CIA (the "Reimbursement Agreement"), subject to limits contained in Act 381.

The costs are estimated costs and may increase or decrease depending on the nature and extent of asbestos at the property and other unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues of the CIA from the Property shall be governed by the terms of the

Reimbursement Agreement. 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. The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to payment, provided that the total cost of eligible activities subject to payment or reimbursement under the Reimbursement Agreement shall not exceed the estimated costs set forth above without an amendment to this Plan. As long as the total costs are not exceeded, line item costs of eligible activities may be adjusted after the date this Plan is approved by the CIA Board of Commissioners.

Scope	Cost	Service Provider	Notes
Before Work Plan			
Approval			
Phase I ESA	\$2,950.00	McDowell & Associates	Invoice 125097
Asbestos Survey	\$3,842.50	McDowell & Associates	Invoice 125097
Brownfield Work Plan	\$1,500.00	McDowell & Associates	Lump Sum
Subtotal:	\$8,292.50		
After Work Plan			
Approval			
Asbestos Abatement	\$26,600.00	EME	
Building Demolition	\$127,050.00	Adams Demolition	
Engineer/Legal Fees	\$750.00		Estimate – T & M
Post Abatement Visit	\$2,000.00	McDowell & Associates	Estimate – T & M
Contingency (10% After			
Work Plan Approval)	\$15,640.00		
Subtotal:	\$172,040.00		
Total:	\$180,333.00		

Copies of invoices to date with confirmation of payment and quotes for activities that will follow Plan approval are attached.

2.3 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES

The estimated captured taxable value for this redevelopment by year and in aggregate are shown in Table 1. It is intended for all of the captured taxable value to be used. The initial taxable value and estimated current taxable value, by year and in aggregate, are depicted in Table 1. The estimated amount of deposits of excess tax increment revenues into the Authority's Local Brownfield Revolving Fund, by year and in aggregate, are also depicted in Table 1 and separately from the local tax increment revenues.

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. A table of estimated tax increment revenues to be captured is attached to this Plan.

Tax increments are projected to be captured as follows:

Commencing upon the reimbursement of all of the Developer's eligible activity costs, the captured taxes which are not used to pay the Authority's administrative costs or required revolving fund deposits will be paid to the taxing units until all revolving fund deposits have been made and thereafter taxes will no longer be captured.

In no event shall the duration of the Plan exceed 35 years following the date of the resolution approving the Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the CIA Board of Commissioners resolution adopting the Plan.

2.4 METHOD OF FINANCING AND DESCRIPTION OF ADVANCES MADE BY THE MUNCIPALITY

The eligible activities will be paid in full by the developer in advance of reimbursement.

Reimbursement will be through tax increment revenues from local taxes.

2.5 Maximum Amount of Note or Bonded Indebtedness

The eligible activities are to be financed solely by the Developer. The CIA will reimburse the Developer for the cost of approved eligible activities, but only from tax increment revenues generated from the Property. No advances have been or shall be made by the City or the CIA for the costs of eligible activities under this Plan.

All 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 are intended to authorize the CIA to fund such reimbursements and does not obligate the CIA, Oakland County or the City of Farmington to fund any reimbursement or to enter into the Reimbursement Agreement providing for the reimbursement of any costs for which tax increment revenues may be captured under this Plan, or which are permitted to be reimbursed under this Plan. 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 contemplated by this Plan.

The CIA shall not incur any note or bonded indebtedness to finance the purposes of this Plan.

Reimbursements under the Reimbursement Agreement shall not exceed the cost of eligible activities permitted under this Plan.

2.6 Duration of Brownfield Plan

Unless otherwise agreed to in writing by the CIA, this Plan shall expire and no longer be valid if the Developer and the CIA have not finalized and executed the Reimbursement Agreement, if required, within one hundred and eighty (180) days after the date this Plan is approved by CIA Board of Commissioners, or such other date as the CIA may agree to in writing.

In no event, however, shall this Plan extend beyond the maximum term allowed by Section 13(1)(f) of Act 381 for the duration of this Plan.

2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

Provide an estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located. This should be illustrated in detail within Table 1.

2.8 Statement of Qualifying Characteristics and Personal Property

On July 21, 2023, Matthew J. Schmidt, Michigan Master Assessing Officer (4) inspected the property to evaluate its functionality. His affidavit concludes, "The current condition of this former American Legion building is, in my opinion, functionally obsolete according to MCL 125.262(u) of the Brownfield Redevelopment Financing Act, as amended."

There is a 19th century canon displayed at the property. Plans call for it to be incorporated into future facility landscaping.

2.9 Estimates of Residents and Displacement of Individuals/Families

There are no persons or businesses residing on the eligible property and no occupied residences will be acquired or cleared, therefore there will be no displacement or relocation of persons or businesses under this Plan.

2.10 Plan for Relocation of Displaced Persons

There are no persons or businesses residing on the eligible property.

3.0 ATTACHMENTS

- 3.1 Legal Description and Map of the Eligible Property
- 3.2 TIF Table
- 3.3 Brownfield Plan Resolution(s)
- 3.4 Development and/or Reimbursement Agreement
- 3.5 Invoices and Proof of Payment Work Completed Prior to Work Plan Approval
- 3.6 Signed Affidavit for Functional Obsolescence

Legal Description and Map of the Eligible Property

TIF Table

Brownfield Plan Resolution(s)

Development and/or Reimbursement Agreement

Invoices and Proof of Payment – Work Completed Prior to Work Plan Approval

Signed Affidavit for Functional Obsolescence