

CITY OF BAY CITY BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN

**UPTOWN AT RIVER'S EDGE - FOUNDRY MARKETPLACE AND
COLUMBUS COVE PROJECTS**

Approved by the City of Bay City Brownfield Redevelopment Authority on October 6, 2004

Adopted by the City Commission of the City of Bay City on November 1, 2004

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UPTOWN AT RIVER'S EDGE – FOUNDRY MARKETPLACE AND COLUMBUS COVE PROJECTS

INTRODUCTION

The City of Bay City Brownfield Redevelopment Authority has approved and the City Commission of the City of Bay City has considered and adopted this Brownfield Plan to encourage the redevelopment of the Uptown at River's Edge – Foundry MarketPlace and Columbus Cove projects (the "Project") generally located at the former Bay Aggregate property between the Saginaw River and Water Street in the City of Bay City. The plan describes the site conditions and redevelopment plan that are proposed to be implemented by the City of Bay City (the "City") and possible future developers or owners of the property pursuant to the Brownfield Redevelopment Finance Act, Act 381 of 1996, as amended.

SITE DESCRIPTION

The Uptown at River's Edge property consists of approximately 36.57 acres of land located on the east side of the Saginaw River from 9th Street to approximately 110 feet south of the southerly line of the vacated 13th Street. Generally, the overall site extends easterly to Water Street, although it excludes a small parcel owned by City of Bay City containing the former Monarch Building. The Uptown at River's Edge project is anticipated at a future time to also include land located east of Water Street, but that additional property is not included in this Plan at this time.

The overall site has been divided into two separate projects that may be developed independently of each other: the Foundry MarketPlace project (containing approximately 18.51 acres of land) and the Columbus Cove project (containing approximately 18.06 acres of land) . Both are included in this Plan although the projects may be developed by separate developers, for distinct uses and at different times.

The legal description and current tax parcel identification numbers of the portion of the Uptown at River's Edge property which are included in this Plan (the "Property") are indicated on Exhibit A to this Plan.

PROJECT SUMMARY

The project anticipates the redevelopment of the Property for multiple uses, including residential, commercial, marina and public uses. As part of the redevelopment, the project activities are expected to include the conduct of due care and additional response activities, the demolition and removal of a large pile of concrete and miscellaneous materials and buildings containing approximately 51,706 square feet of space, site preparation activities, construction of public and other infrastructure improvements, the possible removal, encapsulation and/or other handling of asbestos-containing materials, the removal of lead-based paint and lead-based paint impacted materials, and the possible conduct of one or more baseline environmental

assessments for future owners or operators of all or a portion of the Property. All of these activities are intended to be “eligible activities” within the meaning of Act 381. A summary of the currently projected activities is included on Exhibit B to this Plan.

The City of Bay City expects to spend approximately \$1,571,850 for eligible activities (including contingency) and anticipates that one or more private developers will spend up to \$7,500,000 to conduct additional eligible activities in connection with one or more development agreements expected to be executed in the future. This Plan will be amended when sufficient information on future eligible activity costs is available.

The City of Bay City expects that private parties will invest approximately \$28,000,000 for construction and development activities on the Property during or following completion of these eligible activities. A conceptual presentation of the expected future use of the Property and the overall Uptown at River’s Edge property is contained in the Marketability & Feasibility Analysis and Proposed Development Plan for the Uptown at River’s Edge Site, Bay City, Michigan, dated as of April 26, 2004, by The Weitzman Group, Inc., a copy of which is available for inspection at the offices of the Economic Development Project Manager or Deputy City Manager of Community Development of the City of Bay City.

SUMMARY OF EXISTING CONTAMINATION

Soil and groundwater contamination is present on portions of the Property. As indicated in the reports listed on Exhibit C to this Plan, soils have been determined to be impacted by hazardous substances including metals, mineral spirits, mineral oil, volatile organic compounds and semi-volatile organic compounds. Groundwater has been determined to be impacted by hazardous substances including metals, volatile organic compounds, semi-volatile organic compounds and arochlor-1248. On the basis of these findings, the Property is a “facility” within the meaning of Part 201 and an “eligible property” pursuant to Act 381.

It is expected that the Property can be redeveloped safely with the implementation of appropriate due care activities in accordance with applicable laws. Prior to implementation of activities pursuant to this Plan, a due care plan and health and safety plan will be prepared and implemented.

PLAN ASPECTS

1. Description of Costs to Be Paid for With Tax Increment Revenues and Summary of Eligible Activities (MCL 125.2663(1)(a))

Tax increment revenues will be used to first reimburse the City and the Authority for the cost of eligible activities permitted under Act 381, including the costs of preparation of work plans and this Plan. No costs shall be reimbursed unless they are for activities implemented pursuant to a work plan or contract approved by the Authority's Board of Directors or authorized representative.

Prior to adoption of this Plan, the City has incurred preliminary engineering costs in the approximate amount of \$15,000.00 and may incur other eligible activity costs for the demolition of certain buildings. In addition, the City has incurred and will continue to incur legal costs and other administrative expenses in connection with this Plan. It is the City's intention that all of such amounts be reimbursed to the City as eligible activity costs or otherwise, to the full extent permitted by Act 381.

It is also expected that one or more private parties will conduct eligible activities in the future and that the cost of those activities either will be paid by the private parties, subject to reimbursement from future tax increment revenues, or payment or reimbursement with the proceeds of bonds issued by the Authority.

As of the date of the adoption of this Plan and based upon information known at this time by the City, it is expected that future eligible activities will consist of the activities described on Exhibit B to this Plan.

Contingency factors in the amount of 5% for work to be conducted by the City and 15% (or such other amounts approved by the Authority) for work to be conducted by private parties may be included in work plan approvals due to the likelihood of encountering unexpected conditions or requirements during the redevelopment of the Property.

The Authority shall be paid an annual administrative fee of One Thousand Five Hundred Dollars (\$1,500.00) per year from the first tax increment revenues generated under this Plan each year. Unpaid fees will accrue until adequate tax increment revenues are available. The fee will be collected through the year in which all eligible activities have been conducted and all reimbursements have been completed under this Plan and any reimbursement agreement executed in connection with this Plan.

The Authority may, but is not required to, approve work plans with a total cost in excess of the amounts estimated in this Plan without amendment of this Plan; provided that in no event shall tax increments be captured with respect to any tax year commencing more than fifteen (15) years after issuance of the first certificate of occupancy for a residence or commercial business on the Property following the date of adoption of this Plan.

2. Estimate of Captured Taxable Value and Tax Increment Revenues (MCL 125.2663(1)(b)).

See two schedules included as Exhibit C. It is the intention of the Authority to collect only so much tax increment revenues as necessary to pay or reimburse the eligible activities incurred pursuant to this Plan, interest and other costs described herein, and the amounts to be deposited into the Local Site Remediation Revolving Fund as described in Paragraph 12 below. The initial taxable value for purposes of this Plan shall be the 2005 taxable value of the Property, estimates of which are included in Exhibit C.

3. Method of Financing and Description of Reimbursements by the Municipality (MCL 125.2663(1)(c)).

The City intends that it and one or more private parties will advance the cost of eligible activities from funds now or in the future available to it from various sources, to be reimbursed from tax increment revenues available under this Plan, as received by the Authority. The City may request the Authority to issue one or more bonds or other debt instruments to fund eligible activities and other costs eligible for payment or reimbursement under this Plan and otherwise as permitted by law. The Authority, the City and one or more private parties will enter into a reimbursement/development agreement that will establish their respective obligations to pay or reimburse costs of the eligible activities implemented pursuant to this plan. Reimbursement to the City for eligible activities incurred, together with interest at the rate of one percent (1%) over the prime rate in effect on the first business day of each calendar year (as published in the Wall Street Journal) for the period between the date the City or private party advances the costs of eligible activities until the date of reimbursement by the Authority, will be made from capturable tax increment revenues generated from the Property. Commencing after the City and the private party(s) which advance the costs of eligible activities have been paid all amounts and interest due it hereunder and all obligations pursuant to any bonds issued in connection with this plan have been satisfied in full, one hundred percent (100%) of the tax increment revenues will be deposited into the Local Site Remediation Revolving Fund pursuant to Paragraph 12; provided however, that pursuant to Section 13(5) of Act 381, such deposits shall be made only for 5 years after the time that capture is required to pay the costs of eligible activities described herein (including interest thereon), and the deposit of funds derived from taxes levied for school operating purposes shall not exceed the amount captured from taxes levied for school operating purposes to implement the activities approved by the Michigan Department of Environmental Quality ("MDEQ) and interest with respect to such costs at the rate provided above or paid in connection with any bonds issued hereunder and otherwise as permitted by law from time to time. However, the Authority intends to permit all revenues from taxes other than taxes levied for school operating purposes to be used to pay or reimburse all costs approved by the Authority hereunder, regardless of whether any particular cost is approved by the MDEQ or Michigan Economic Growth Authority for payment from taxes levied for school operating purposes.

4. Maximum Amount of Note or Bonded Indebtedness (MCL 125.2663(1)(d)).

The total indebtedness with respect to the Project shall not exceed \$9,200,000 plus any additional amounts included in any potential bond indebtedness with respect to issuance costs, interest reserves or other obligations related to any such bonds.

5. Duration of Brownfield Plan (MCL 125.2663(1)(e)).

The Plan will remain in effect for as many years as required to reimburse all eligible costs, interest permitted thereon and other costs permitted hereunder or under law to the extent possible with tax increment revenues due with respect to the tax years commencing not later than fifteen (15) years after issuance of the first certificate of occupancy for a residence or commercial business on the Property following the date of adoption of this Plan, and make all revolving fund deposits both during and after such time period to the full extent permitted by law.

6. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions (MCL 125.2663(1)(f)).

See attached Exhibit C.

7. Legal Description, Property Map, Statement of Characteristics That Qualify the Property as Eligible Property and Statement as to Personal Property (MCL 125.2663(1)(g)).

Attached as Exhibits A and D to this Plan. The characteristics that qualify the property as eligible property are included in "Summary of Existing Contamination" above. Personal property of the City and future owners or occupants of the Property, if any, is included as part of the eligible property.

8. Estimates of Residents and Displacement of Families (MCL 125.2663(1)(h)).

There are no persons residing on the eligible property to which this Plan applies, and therefore there are no families to be displaced.

9. Plan for Relocation of Displaced Persons (MCL 125.2663(1)(i)).

There are no persons residing on the eligible property to which this Plan applies, and therefore there is no need for a relocation plan.

10. Provisions for Relocation Costs (MCL 125.2663(1)(j)).

There are no persons residing on the eligible property to which this Plan applies, and therefore there is no need for the provision of relocation costs.

11. Strategy for Compliance with Michigan's Relocation Assistance Law (MCL 125.2663(1)(k)).

There are no persons residing on the eligible property to which this Plan applies, and therefore there is no need for compliance with Act No. 227 of the Public Acts of 1972, being Sections 213.321 to 213.332 of the Michigan Compiled Laws.

12. Description of Proposed Use of Local Site Remediation Revolving Fund (MCL 125.2663(1)(l)).

The Authority intends to capture the maximum amount permitted by Act 381 during the term of this Plan for deposit into a Local Site Remediation Revolving Fund to be utilized as approved by the Authority in accordance with Act 381. No funds from the Local Site Remediation Revolving Fund are expected to be applied to the Project.

13. Other Material that the Authority or Governing Body Considers Pertinent.

None.

LIST OF EXHIBITS

EXHIBIT A	Legal Description and List of Tax Parcel Numbers and Taxable Values
EXHIBIT B	Description of Proposed Eligible Activities
EXHIBIT C	Projected Tax Capture Tables
EXHIBIT D	Location Map

Exhibit A

Legal Description and List of Tax Parcel Numbers and Taxable Values

Uptown at River's Edge – Foundry MarketPlace and Columbus Cove Projects

Tax Parcels Table

<u>Parcel I.D.</u>	<u>Estimated 2005 Taxable Value</u>
09-13-28-101-001	1,200 (Foundry at MarketPlace)
09-13-28-101-002	117,900 (Foundry at MarketPlace)
09-13-28-101-003	27,600 (Foundry at MarketPlace)
09-13-28-101-005	20,100 (Foundry at MarketPlace)
09-13-28-151-001	103,782 (Foundry at MarketPlace portion)
09-13-28-151-001	102,198 (Columbus Cove portion)

Legal Description Foundry Marketplace / Columbus Cove

A Parcel of land being part of Block 110 and 111 of Lower Saginaw, Block 130, and 131 to the Addition of Lower Saginaw, and Blocks 1 and 2 from the Village of Portsmouth, including the South Vacated 20 feet and North remaining Dedicated 40 feet of 9th Street, Vacated 11th Street, Vacated 13th Street, Water Street, plus a portion of Vacated Water Street Commencing from the intersection of the East right-of-way line of Water Street and the North right-of-way line of Ninth Street; thence South along the East right-of-way line of Water Street to the intersection with Vacated Water Street; Thence continuing Southerly along the East line of Vacated Water Street to the North line of Vacated Thirteenth Street; Thence Westerly along North line of Vacated Thirteenth Street to the Southeast corner of lot 5, Block1, Village of Portsmouth; thence Southwesterly along the Westerly line of Water Street to the Southeast corner of Lot 2, Block2, Village of Portsmouth; thence West along the South line of said Lot 2, 200 feet; thence S86°05'53"W 598.58 feet to the Easterly Intermediate Shore Traverse Survey Line of the Saginaw River; thence Northerly along said Easterly Shore of Saginaw River to the North line of Ninth Street; Thence East along the North line of Ninth Street to the Point of Beginning. Excepting the East 190 feet of lots A & 1 Block 130 to the Addition of Lower Saginaw and the East 190 feet of lot 8 Block 111 of Lower Saginaw, plus the East 190 feet of lots 5, 6 & 7 Block 111 of Lower Saginaw falling therein.

Exhibit B

Description of Projected Eligible Activities

The City expects to conduct the following eligible activities prior to and/or after the selection of one or more developers for the Property:

1. Environmental Investigations. The City will conduct or cause to be conducted investigations of the environmental conditions of the Property from time to time. To the extent that other sources of funds are not available, the costs of such work will be considered an eligible activity cost under this Plan.

2. Due Care Plans. One or more due care plans (which may include a health and safety plan) will be prepared for the safe ownership, occupancy and redevelopment of the Property by the City. To the extent that other sources of funds are not available, the costs of such work will be considered an eligible activity cost under this Plan.

3. Implementation of Due Care Plan Activities. It is anticipated that due care activities will be conducted consistent with the due care plan(s) described above.

4. Demolition Activities. Demolition and removal or disposal of a large pile of concrete and other materials will be conducted. Demolition of approximately eleven (11) main or ancillary structures and disposal of materials will be conducted. All demolition activities will include the preparation of bid specifications, project oversight, and compliance with all requirements under federal, state and local laws. Asbestos and lead abatement activities will be conducted prior to demolition.

5. Infrastructure Improvements. The project may include the following activities by the City: The project will include the construction of a public riverwalk along the east side of the Saginaw River, possible construction of a marina, road improvements, extension of water, sewer, gas, electric, cable and other utilities to and within the Property, and other "infrastructure improvements" within the meaning of Act 381.

6. Site Preparation Activities. Various site preparation activities may be conducted by the City in accordance with Act 381. The nature of these activities will be approved by the Authority.

7. Additional Lead Abatement. Additional lead abatement activities may be conducted in the future if deemed appropriate.

It is expected that one or more private parties will conduct the following eligible activities on the Property:

8. Environmental Investigations. It is possible that one or more private parties will conduct or cause to be conducted additional investigations of the environmental conditions of the Property from time to time.

9. Due Care Plans. One or more due care plans (which may include a health and safety plan) may be prepared for the safe ownership, occupancy and redevelopment of the Property.

10. Implementation of Due Care Plan Activities. It is anticipated that due care activities will be conducted by one or more private parties consistent with the due care plan(s) described above.

11. Additional Response Activities. It is possible that additional response activities, or other eligible activities within the meaning of Act 381, will be conducted by private parties during the redevelopment of the Property.

12. Infrastructure Improvements. The project may include the following activities by one or more developers: construction of a public riverwalk along the east side of the Saginaw River, possible construction of a marina, road improvements, extension of water, sewer, gas, electric, cable and other utilities to and within the Property, and other "infrastructure improvements" within the meaning of Act 381.

13. Site Preparation Activities. Various site preparation activities may be conducted in accordance with Act 381. These activities may include removal of fill materials and underground obstructions, preparation of the Property for future use, preparation of legal agreements and other documents necessary to facilitate the future use and sale or lease of all or a portion of the Property, and other activities qualifying as "site preparation" within the meaning of Act 381.

14. Asbestos and Lead Abatement. Additional asbestos and lead abatement activities may be conducted in the future if deemed appropriate.

Any one or more of the activities described above may be conducted by the City and/or one or more private parties, or not at all.

Exhibit D

Project Site Map

