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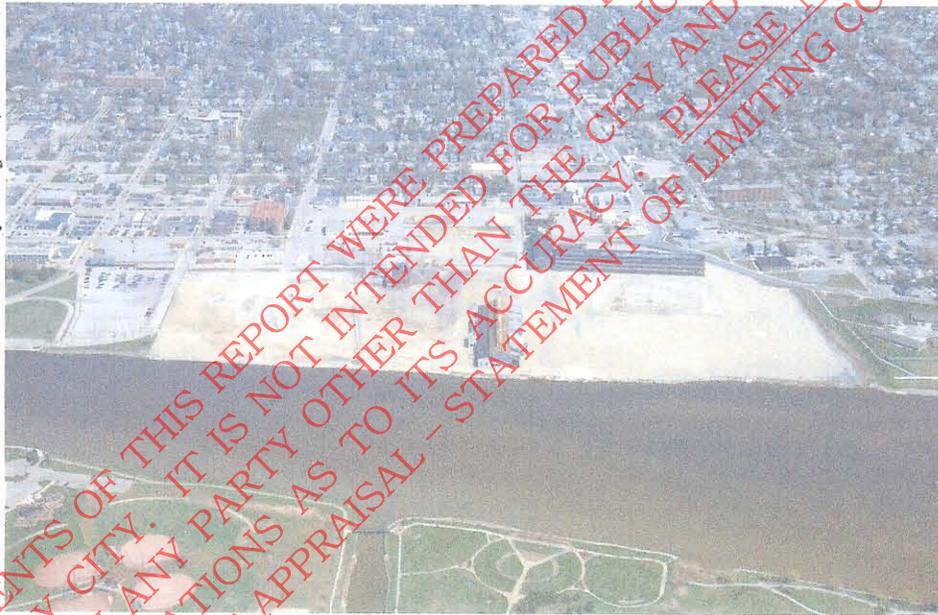
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ANTHONY M. PIAZZA, MAI, SRA, R/W-AC



SUMMARY APPRAISAL REPORT



TYPE OF PROPERTY:

The property contains a total of 42.99 acres of developmental land on the east bank of the Saginaw River in a progressive waterfront community.

LOCATION:

200 block of Water and Saginaw Streets on the east bank of the Saginaw River south of Veteran's Memorial Bridge in the City of Bay City, Bay County, Michigan.

PREPARED FOR:

City of Bay City, 301 Washington Avenue, Bay City, Michigan

DATE OF VALUATION:

January 19, 2007

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ANTHONY M. PIAZZA, MAI, SRA, R/W-AC



February 9, 2007

Ms. Patti Stowell
Economic Development Marketing Manager
City of Bay City
301 Washington Avenue
Bay City, MI 48708

Re: **Summary Appraisal Report – Uptown at River’s Edge**
200 Block Water and Saginaw Streets, City of Bay City, Bay County, MI

Dear Ms. Stowell:

As requested, I have inspected and appraised the above referenced property. The legal descriptions are included within the contents of this report including one taken from the Request for Appraisal Proposal, several other documents including Quit-Claim Deeds, Warranty Deeds and Agreement for Exchange of Real Estate, with all legal descriptions listed in Bay County, Michigan Online Property Tax Query identified under eight separate parcels. This letter of transmittal precedes and is hereby made part of the Summary Appraisal Report and Addenda which follow and further describe the property.

The purpose of this appraisal is to estimate the market values of the fee simple estate interest in the subject property to assist in the decision-making for the client in determining appropriate marketing strategy for possible sale. Pertinent data, calculations and conclusions applied in this appraisal are contained within the body of the report and my file and are subject to the Certification of Appraisal and Statement of Limiting Conditions.

The final conclusion to value is based on the sales comparison approach which provides credible results. Additional information considered within the Sales Comparison Approach section was the demolition, removal and site restoration of three vintage industrial buildings currently on site. This appraisal is predicated on the assumption that the property is approved for assistance by the City of Bay City’s Brownfield Redevelopment Authority. In that the subject has been classified as a facility and listed on the Michigan Department of Environmental Quality’s 201 Site list, I have relied on the

Environmental Summary for the Uptown at River's Edge development prepared by AKT Peerless Environmental Service which concludes that "The contamination identified at the property to date, will not represent a significant challenge to developers of the property." This appraisal also takes into consideration an extraordinary assumption in that it has been indicated that all easements for streets and utilities that once affected the subject property have since been vacated pursuant to Mr. Michael Brandow, Economic Development Specialist for the City of Bay City.

In analyzing the information available and considering factors that contribute to the highest and best use of the subject property, it is my opinion that the property should be divided into three individual entities with separate estimated market values of their fee simple estate interest as of January 19, 2007, subject to the Certification of Appraisal and Statement of Limiting Conditions. These values are as follows:

8.83 acre north riverfront parcel

THREE HUNDRED EIGHTEEN THOUSAND (\$318,000.00) DOLLARS

33.93 acre south riverfront parcel

SIX HUNDRED EIGHTY THOUSAND (\$680,000.00) DOLLARS

Southeast corner of Water and 10th Streets (off-water site)

SEVENTEEN THOUSAND (\$17,000.00) DOLLARS

Thank you for allowing me to be of service to you.

Respectfully submitted,

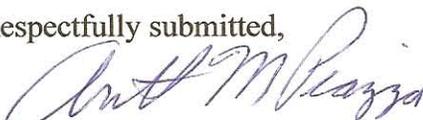

ANTHONY M. PIAZZA, MAI, SRA

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SUMMARY OF FACTS

LOCATION: The subject property is located on the east bank of the Saginaw River, south of the Veteran's Memorial Bridge and west of Saginaw Street, commonly known as the 200 and 300 blocks of Water and Saginaw Streets in the City of Bay City, Bay County, Michigan.

LEGAL DESCRIPTION: The subject includes several legal descriptions and is identified under eight parcel code numbers. 41.19 acres are described within the Request for Appraisal Proposal, a copy of which is found in the Addenda section of this report. Added to this legally described parcel are the East 190' of Lot 8, Block 111, Lower Saginaw, and the East 190' of Lots 1 and A, Block 130, Addition of Lower Saginaw, Lots 9 & 10, Block 112, Lower Saginaw, North 30' of Lots A & B, Block 129, Addition of Lower Saginaw, and Lots 15 & 16, Block 112, Lower Saginaw.

The legal descriptions for the eight individually described parcels are also found in the Bay County, Michigan Online Property Tax Queries, copies of which are found in the Addenda section of this report.

OWNERSHIP OF RECORD: City of Bay City, 301 Washington Avenue, Bay City, Michigan.

SITE DATA: The subject, which contains a total of approximately 42.99 acres, offers a total of approximately 2,300' frontage on the east bank of the Saginaw River, approximately 1,500' frontage along Saginaw Street and 800' on Water Street. The parcel is further described into separate entities including 8.83 acres at the southwest corner of Water and 9th Streets, hereinafter described as the

“north riverfront parcel”, 33.93 acres south of the Consumers Energy land improved with three vintage industrial buildings, hereinafter referred to as the “south riverfront parcel”, and 0.23 acre at the southeast corner of Water and 10th Streets, hereinafter referred to as the “off-water site.”

EASEMENTS AND ENCROACHMENTS: Numerous easements and encroachments exist at various portions of the subject property. Typical utility easements remain along the roadfront which should have no adverse affect on the marketability nor value estimates as stated within this appraisal. It is noted, however, that numerous roads and easements extend through the large parcels, once servicing utilities to the building improvements. Remnants of these infrastructures are seen protruding through the soil; however, Mr. Mike Brandow, Economic Development Specialist for the City of Bay City, has indicated that these utilities are no longer operational and it is assumed that any easements or rights-of-way granted for said utilities can be removed so as not to disrupt development of the parcels for their highest and best use. Mr. Brandow further indicated that portions of Water Street that once separated the south riverfront parcel have been or will be vacated.

Mr. Brandow stated on the day of inspection that a building known as the Monarch Building located on the south riverfront parcel is encroaching upon the Consumers Energy land which is improved with a substation and electrical power lines. This trespass will be corrected with the demolition and removal of this building.

Also, with the property fronting the river, typical rights for waterfront properties include the rights of the United States of America, the State of Michigan, the municipality and the public to have use of any part of the subject property lying within the Saginaw River itself. These rights also include use by the

public for commerce, navigation, recreation and fishery. The government may retain the rights, title and interest in the bed and waters of the river; however, its use cannot be prohibited.

SOIL AND SUBSTANCE AND HAZARDOUS/DETRIMENTAL INFLUENCES: The City of Bay City has completed several environmental assessments on the subject property, all of which are on file with the Economic Development Office. A copy of an Environmental Summary completed by AKT Peerless Environmental Service is found in the Addenda section of this report. The impact of environmental conditions on the property's redevelopment is stated as follows: "Based on the results of these environmental investigations, the property meets the definition of a 'facility' according to Part 201 of Michigan's Natural Resources and Environmental Protection Act...As a facility, purchasers and developers of the property may protect themselves from liability for existing contamination by completing a Baseline Environmental Assessment...The contamination identified at the property to date, will not represent a significant challenge to developers of the property."

The majority of a portion of the subject property including that identified as "Columbus Cove" and "Foundry Marketplace" has been approved by the City of Bay City Brownfield Redevelopment Authority for assistance through a Brownfield Plan. A summary of existing conditions within the Brownfield Plan approved on October 6, 2004, and adopted on November 1, 2004, states: "It is expected that the Property be redeveloped safely with the implementation of appropriate due care activities in accordance with applicable laws." (See copy of City of Bay City Brownfield Redevelopment Authority Brownfield Plan found in the Addenda section of this report.)

Reviewed was information from the State of Michigan Department of Environmental Quality website, Environmental Response Act, *List of Michigan Sites of Environmental Contamination – Leaking Underground Storage Tanks*. Noted from this review is that there are 56 designated 201 (formerly 307) Sites located within the City of Bay City including, but not limited to, many along the Saginaw River as well as the Saginaw River itself extending 23 miles from the Tittabawassee River to the Saginaw Bay. Other sites in close proximity include the subject itself identified as Industrial Brownhoist, Saginaw Bay Industries and Fisher Brothers, all located in the 200 and 300 blocks of Water Street, Breaker Cove condominium project just south of the subject, and Bay City Conference Center north of the subject (north of Veteran’s Memorial Bridge). Others in close proximity include the Bay City Middlegrounds at 800 Evergreen Drive, Hirschfield’s Salvage Yard at 1414 North Madison, Labadie Oldsmobile located at 244 Saginaw east of the subject, Surath Scrap Yard at Midland and the new Liberty Bridge (the site of Riverfront Land Sale Comparable 1), and the southwest corner of Saginaw and 10th Street just east of the subject, more specifically east of the off-water site.

Also noted from this review is that there are 77 leaking underground storage tank (LUST) sites within the Bay City limits including part of the subject property and several in close proximity. These sites include, but are not limited to, the southern riverfront portion of the subject identified as Industrial Brownhoist, the Bay City Department of Public Works and the Bay City Electric buildings located south of the subject in the 800 and 900 blocks of Water Street.

I indicate these items only to place the client on notice that there are sites of environmental concerns within the subject’s general neighborhood as well as the subject itself being identified as a facility, 201

site and LUST site. Considering its historical use and present improvements, the potential for environmental conditions exists. It is possible that remediation would be required in order to develop the property; however, any costs for clean-up are not considered within this market value appraisal. It is further noted that a portion of the subject property identified as Marketplace Columbus Cove, as part of the Uptown at River's Edge project, falls within the Brownfield Plan approved by the City of Bay City Brownfield Redevelopment Authority in 2004 which assists with the redevelopment of the subject.

For the purpose of this analysis, any influence on value resulting from toxic substances is hereby excluded. This appraisal is predicated upon the assumption that the subject is not adversely affected by its current environmental conditions and as stated in the Environmental Summary completed by AKT Peerless Environmental, "The contamination identified at the property to date, will not represent a significant challenge to developers of the property."

ACCESS: The subject is located along the east bank of the Saginaw River and, by mainland, is accessed via Water and Saginaw Streets. Saginaw and Water Streets are main secondary roads that extend north/south along the river's edge paralleling Washington Avenue, a main thoroughfare in the northeastern region of Bay City. North of the subject, Saginaw and Washington intersect M-25/M-15, main east/west state highways and thoroughfares that extend through the city limits and continue west across the Veteran's Memorial Bridge to the city limits. M-25/M-15 intersect M-13 which continues north to Standish or west through the suburban area, accessing I-75 at Exit 162. I-75 is a main north/south interstate through Michigan. M-25/M-15 also continue east through the downtown business district to the Thumb area of the State of Michigan. Veteran's Memorial Bridge is one of four bridges

that connect the city's east and west sides. Water Street continues south from the subject, intersecting Lafayette (M-13) which crosses the Saginaw River via the Lafayette Street Bridge. M-13 continues south on Broadway or west, becoming Salzburg, which intersects Euclid Avenue (M-13) near the city's southwestern boundary. Salzburg continues west, becoming West Side Saginaw Road, a north/south thoroughfare between Saginaw and Bay City, intersecting the I-75 interchange at Exit 160.

The subject property is visible from both the Lafayette Street Bridge and Veteran's Memorial Bridge and the state highways as well as the local roads offer good linkage throughout the city, county and surrounding communities.

The Saginaw River is a major means of transportation, with significant tonnage shipped from Bay City to the open waters of the Saginaw Bay/Lake Huron. There are several boat launches operated by municipal and private marinas which offer convenient access for recreational boating. During seasonal times, the river plays a major role in commerce, with several hospitality businesses offering waterside dockage to their patrons. The subject has approximately 2,300' frontage along the east bank of the Saginaw River. Once used as an industrial site, numerous bollards remain in place to secure large vessels as well as a small steel dock system. The north 325' of river frontage, containing 1.68 acres, is currently under lease with Bay City Boat Lines which has improved that portion of the site to accommodate docking and mooring of three for-hire vessels. It is assumed, upon termination of this lease, that the improvements in place for docking and mooring will remain on site.

UTILITIES: All utilities are located along the main roadfronts, with natural gas provided by Consumers Energy, electricity provided by Bay City Electric Light and Power, basic telephone service

provided by AT&T and a number of long distance carriers, water supplied by the Bay County Metropolitan Water Plant and sewage disposal provided by the Bay City Waste Water Treatment Plant.

FLOOD MAPPING: I have reviewed a variety of information available including the current effective FEMA Flood Insurance Rate Map for the City of Bay City, Bay County, Michigan, Community Panel No. 26017C0175 D, dated June 18, 1996, the Uptown Site at River's Edge Letter of Map Amendment (LOMA) completed by Rowe Incorporated dated December 29, 2005, and FEMA's Letter of Map Amendment Determination Document (Removal) dated April 18, 2006. All documents suggest that part of the subject property may be located in a designated FEMA flood zone; however, information varies and I am unable to make any determination, this being beyond the scope of the appraisal. (See copies of documents found in the Addenda section of this report.)

IMPROVEMENTS: The subject has historically been in use as an industrial facility, although numerous improvements have been demolished and removed from the site since the acquisition by Bay City. Several improvements remain on site including two large industrial foundry buildings, both considered to be in poor condition, and a power plant, once used in connection with the city's street car operation, also considered to be in poor condition. The majority of the property is surrounded by a 6' commercial grade chain link fence with three-barbed wire and approximately 450' of brick fencing which parallels Saginaw Street near the southeast corner.

Bay City Boat Lines installed items necessary for mooring and docking of vessels to the north riverfront parcel; however, these items could not be inventoried due to inclement weather on the day of inspection. Also, the south riverfront parcel has improvements along the waterfront once used by the

industrial facility including, but not limited to, a small steel dock and a series of bollards along the river's edge.

TAXATION AND ASSESSMENT

ASSESSED VALUE: \$295,500.00 (2006) *
TAXABLE VALUE: \$294,680.00 (2006) *
REAL ESTATE TAXES: \$16,480.15 (Summer 2006) *
\$1,726.12 (Winter 2006) *

*The above assessed and taxable values and real estate taxes are a combination of the following eight identified tax parcels:

TAX IDENTIFICATION: 09-160-028-151-001-00
09-160-028-101-006-00
09-160-028-101-005-00
09-160-028-101-002-00
09-160-028-101-001-00
09-160-028-134-008-00
09-160-028-134-007-00
09-160-028-134-001-00

ASSESSED VALUE/MILLAGE RATE: The assessed value is considered by the local authority to represent approximately 50% of the true cash value. It is noted from a review of the Bay County, Michigan On-Line Property Tax Queries that two of the individually identified parcels are not assessed. It is further noted that the cash value determined by the local assessing authority is lower than the estimated value of the subject property concluded to within this appraisal. This could be the result of two of the tax identified parcels having no current assessment.

ZONING: The official Bay City Zoning Map adopted by the Bay City Commission on October 20, 2003, designates the subject as being located in a C-3 Central Business District. Pursuant to Article

VIII, Section 122-151, of the City of Bay City Code of Ordinance effective October 23, 2003, the purpose of this district is as follows:

“The C-3, central business district, is intended to offer a variety of commercial, office, civic, cultural, entertainment, recreational, residential, and tourism-oriented uses in a compact, high intensity urban downtown environment. Residential development, particularly on the upper floors of retail and office buildings, is encouraged in this district.”

(See copy of ordinance found in the Addenda section of this report.)

HIGHEST AND BEST USE: In establishing the highest and best use of the subject property, I have analyzed market factors of supply and demand, substitution, balance and conformity. This is the foundation from which the market value is substantiated.

As defined in *The Dictionary of Real Estate Appraisal*, Third Edition, the definition of highest and best use is as follows:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."

According to the City of Bay City, the main purpose of this district is to offer a variety of uses in an intense urban downtown environment. Uses permitted include:

- Medical clinic

- Schools and colleges
- Vocational training schools, etc.
- Display halls, banquet halls
- Municipal, state or federal administrative or service buildings
- Private service clubs and fraternal lodges
- Public facilities such as museums and libraries
- Public utility buildings
- Religious institutions
- General office use
- Day care centers
- Bed and breakfasts
- Dwellings located in commercial buildings
- Multiple-family dwellings having three or fewer stories
- Bars, lounges with and without entertainment and/or dancing
- Carry-out restaurants
- Standard restaurants with alcohol
- Health and beauty salons
- Funeral homes
- Hotels and motels
- Indoor recreational uses
- Self service laundromats
- Locksmith
- Movie theaters
- Offices, showrooms or workshop
- Personal fitness centers and health clubs
- Photography studios
- Print shops/copying shops
- Auditoriums, theaters, etc.
- Watch, radio, television, clothing and shoe repair
- Any retail business except sexually oriented businesses
- Television and radio studios

Uses permitted after special permit include:

- Hospitals
- Nursing homes, convalescent homes, rest homes, orphanages
- Half-way house
- Motor vehicle related businesses including filling station, repair garage, service station, car wash and sales
- Printing plants and newspaper offices
- Adult foster care facility
- Dwelling located in commercial building
- Multiple-family dwelling having more than three stories

- Single-family attached dwellings
- Fast food restaurants with or without drive-through
- Marinas and docking facilities
- Financial institutions
- Drycleaners
- Sexually oriented businesses
- Outdoor retail sales
- Public and commercial television and radio towers
- Wireless communication

As described above, the zoning district offers a wide variety of uses which include institutional, office, hospitality, retail, service and residential. These uses are predominant within Bay City's downtown business district. As described later in the Description of Area section, the downtown business district, specifically north of the subject, has seen significant redevelopment including the new hotel and convention center, several residential condominium projects, diversified retail establishments and a significant office campus at the northern fringe. The downtown business district also hosts other governmental offices including city and county facilities, with various private sectors also occupying numerous offices throughout the city limits, many in the downtown business district.

Bay City has taken full advantage of its riverfront, with numerous privately owned boat basins offering seasonal dockage in the form of lease or dockominium ownership, full-service marinas and a municipal marina for dockage. The downtown business district is also well known for its numerous bars and taverns and together with the Midland Street Historical District located across the river, offers significant nightlife with upscale and theme restaurants.

The subject is very unique, being a large parcel of land with significant frontage along the shore of the Saginaw River. Together with the riverfront land, there is an off-water site included within this analysis.

The subject is referred to as Uptown at River's Edge and has had several developmental proposals suggested by a study completed by The Weitzman Group, Inc., real estate consultants. Within documentation obtained, two such proposals including Foundry Marketplace and Columbus Cove were suggested. The study for Foundry Marketplace would not only have redevelopment to the land, but also suggests utilizing the existing foundry buildings in the redevelopment. Columbus Cove is a proposed residential development at the furthest south end of the property and proposed mixed use is to the north end. All suggested development to the land includes a large marina and public greenspace area.

With regard to the possibility of additional boat dockage necessary for the subject's market, it is noted that the last two marinas developed included land acquisitions that date back to 1987, namely Wheeler's Landing, a 165-slip private marina under dockominium ownership, and the most recent in 1997, being the 22.5 acres required for expansion of the Bay Harbor Marina. Additional boat dockage has been/will be made available at the existing and proposed residential condominiums which are predominant along the riverfront. A Bay City Marina Feasibility Study was completed by Rowe Incorporated of Flint, Michigan, in July of 2006 and submitted by Public Sector Consultants, Inc., of Lansing, Michigan. Copies of excerpts of this study including their recommendations are found in the Addenda section of this report. I feel these findings together with what appears to be an over-supply of

boat slips within the area as well as the significant excavation that would be required to create a boat basin suggest a marina development may not prove to be economically feasible by the private sector.

Two of the six riverfront land sales considered in the Sales Comparison Approach section of this report were purchased for residential condominium development. The most recent, being located across the river and just north (Riverfront Land Sale Comparable 1), shares an inlet to a privately owned, full-service marina. This 6.08 acre parcel has an option to purchase for the development of 32 residential condominium units. Riverfront Land Sale Comparable 4, a residential condominium unit originally developed in 1997, sold its second phase off in 2004 and is slated for 28 additional detached residential condominium units. Two of the riverfront land sales identified were purchased for speculation, one for assemblage with additional motivation due to environmental conditions and the last being Riverfront Land Sale Comparable 5, purchased for mixed use development including the Thunder Bay National Marine Sanctuary and a microbrewery which are already completed. Additional development slated to this site includes a large scale hotel and mixed use commercial.

More condominiums are under construction in the subject's marketplace including Iron Bridge at Wheeler's Landing just south of Wheeler's Landing cooperative marina, Bay Harbor Pointe located adjacent to Bay Harbor Marina, and Marina Place, an upscale high-rise development located in an older boat storage warehouse in the northern downtown business district. All three projects have seen a slow absorption factor, with one building constructed at Iron Bridge reporting no individual sales. Bay Harbor Pointe resorted to public auction last summer to generate interest, selling only one-third of its units. Marina Place has seen some success with large upscale units purchased by area entrepreneurs. As previously stated, an additional 32 units are slated for construction at Riverfront

Land Sale Comparable 1 whose aesthetic views are considered inferior to the subject's riverfront, overlooking Veteran's Memorial Park and the downtown business skyline.

Industrial use, which was once predominant along the riverfront, is quickly converting to mixed use (commercial and residential). Although industry still plays a significant role along Bay City's Saginaw River, specifically with an automotive industry at the north end of the downtown business district, the last known lands purchased for industrial use include those acquired for the relocation of Bay Aggregate which once occupied the subject property back in 1999/2000.

Considering the significant redevelopment along the subject's riverfront together with that observed in other communities considered homogenous to the subject, the highest and best use would be some type of mixed use including commercial (retail, personal service, hospitality), institutional such as a museum possibly tied to the area's maritime history, office and/or residential condominiums.

The above suggestions fit the permitted uses including:

- Multiple family high-rise condominiums
- Commercial, recreational, possibly tourism-oriented
- Museum displaying maritime history
- Upscale medical clinic
- Bar, nightclub, restaurant

These suggested uses have been successful in other areas of the city as well as riverfront communities. Although there appears to be an oversupply of residential condominiums at this time, the subject's aesthetic views would be a significant draw. Commercial and recreational with regard to tourism-

oriented could take full advantage of the already abundant festivals and ongoings within the Bay City market. A museum displaying maritime history could piggyback the existing museum as well as the proposed Saginaw Naval Ship Museum, the future site of the USS Edson. Medical office development has been predominant throughout the Tri-Cities. A 60,000 square foot cardiology facility (Michigan Cardiovascular Institute) was built on the shore of the Saginaw River south of Saginaw's downtown business district. This development had similar characteristics, being an assemblage of properties including an old foundry, dated homes and vacant land. More development has been completed surrounding this project since its construction in 2003.

The highest and best use of the subject's off-water site is that for commercial development. Considering its smaller size and being separate from the larger riverfront parcels, this land will be analyzed based on individual commercial lot sales. As discussed later in the Sales Comparison Approach section of this report, a significant amount of land sales within downtown Bay City were improved with parking lot facilities, several remaining, some enhanced and some redeveloped with commercial buildings. A potential parking lot for the city's use (city hall being located one block east) or a small scale commercial building is suggested for this site; however, this may take a matter of time in that the off-water site is located off the main thoroughfare in an area of minimal traffic flow not heavily developed. The desire for this site would be more apt to be after the development of Uptown at River's Edge.

This is not a feasibility study, but only an analysis to determine the potential highest and best use of the subject property.

Estimated value of the fee simple estate interest in the subject property as of January 19, 2007, subject to the limiting conditions and extraordinary assumptions stated within this appraisal

North riverfront parcel

THREE HUNDRED EIGHTEEN THOUSAND (\$318,000.00) DOLLARS

South riverfront parcel

SIX HUNDRED EIGHTY THOUSAND (\$680,000.00) DOLLARS

Southeast corner of Water and 10th Streets (off-water site)

SEVENTEEN THOUSAND (\$17,000.00) DOLLARS

SCOPE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market values of the fee simple estate interest in the subject property as of January 19, 2007. The valuation will allocate a market value to individual components of the subject property which are not contiguous to each other. These components include 8.83 acres of riverfront land at the north end, 33.93 acres of riverfront property to the south end improved with vintage industrial buildings and an off-water site. The riverfront property is divided by 2.44 acres of Consumers Energy land with a substation and power lines. The market values are subject to normal governmental restrictions of escheat, taxation, police power, eminent domain and public trust.

This analysis, however, takes into consideration numerous limiting conditions and extraordinary assumptions including that the land could be developed with no significant challenge created by the environmental conditions as stated within the Environmental Summary completed by AKT Peerless Environmental. Also, it is assumed that all easements and roads that extend through the property have or will be abandoned, pursuant to Mr. Michael Brandow, Economic Development Specialist for the City of Bay City.

DEFINITION OF MARKET VALUE: According to the guidelines provided by the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute and the Appraisal Standards Board of the Appraisal Foundation, market value is defined as follows:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting

prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

EXPOSURE/MARKETING ANALYSIS: As stated above, the definition of market value indicates:

"...3. a reasonable time is allowed for exposure in the open market."

This exposure time is presumed to precede the effective date of the appraisal. Exposure time may be defined as the length of time that the property would be offered in the open market prior to a hypothetical sale at its projected market value date. Exposure time is measured by information gathered from sales activity and interviews with market participants.

It is difficult to establish the total exposure time for commercial and industrial properties within this area, specifically large riverfront parcels similar to the subject's Uptown at River's Edge development. In reviewing the riverfront land sales as displayed in the Sales Comparison Approach section of this report, a marketing time averaged five years. Riverfront Land Sale Comparable 1, which currently has

an option to purchase, was advertised for sale in 1992 and 2002, with an appraisal completed in 2003, suggesting more of an aggressive marketing campaign. This resulted in the recently approved option which would suggest a four to five year marketing time. Riverfront Land Sale Comparable 2 was not listed for sale in the open market; however, an appraisal was completed in 1999, helping the decision-making for this transaction. Riverfront Land Sale Comparable 3 was sold at public auction; however, it was listed since 1992 at a price three times higher than its eventual sale price. Riverfront Land Sale Comparable 4 was available for approximately two years; however, its original development dates back 10 years. A portion of Riverfront Land Sale Comparable 5 was appraised four years prior to its sale, with the balance held in trust through the Federal Bankruptcy Court. Riverfront Land Sale Comparable 6 was purchased in 2000 and placed back on the market in 2002, still available for sale five years later.

Another riverfront developmental parcel (Fletcher Oil) located upriver from the subject is a former petroleum distribution facility on 10.79 acres fronting the Saginaw River. This property has been marketed as a potential site for redevelopment since 1991, beginning at a listing price of \$3,000,000.00, then reduced to \$2,400,000.00, and more recently available for sale for \$1,900,000.00 with no offers generated to date.

There has historically been a limited supply of waterfront properties, which typically have a high demand. The subject has a potential for redevelopment and, as such, a plan must be visioned and a developer sought out. The subject's acreage is considerably larger than all of the sales observed within the marketplace and the riverfront land is separated by a 2.44 acre stretch owned by Consumers Energy. For these reasons, it is suggested that the riverfront land be divided into two separate parcels,

north and south, both requiring an exposure time of five years. This exposure time is the length of time the property would have been offered for sale in the open market, conforming to the definition of market value.

Considering the off-water site, commercial properties within Bay City averaged 287 days on the market; however, there was a wide range of 36 to 1,179 days, or one month to three years on the market. The marketing time for this site would typically fall within a one-year period; however, it is positioned off the main thoroughfare outside of the business district and until such time that development begins within this general neighborhood, it is expected that this site would remain vacant. Considering the suggested five-year exposure time for the riverfront land, which is slated for redevelopment, it is estimated that the development itself would take a significant amount of time, suggesting an extended marketing time of approximately five years for this off-water site.

It is difficult to estimate the exact marketing time for the subject property. Oftentimes, land is listed with local real estate brokers, sometimes expiring off the market and then relisted at a later date, all the while available for sale. Marketing time also can vary due to the aggressiveness of the marketing agent, the season in which the property is placed on the market and the reasonableness of the listing price.

INTENDED USE OF APPRAISAL: This appraisal is intended to estimate the market values of the fee simple estate interest in the subject property to assist the client, the City of Bay City, in the decision-making in determining appropriate marketing strategy for possible sale to promote development.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: In preparing this appraisal, I

have completed the following:

- Reviewed information provided by Ms. Patti Stowell, Economic Development Marketing Manager for the City of Bay City;
- Reviewed my files which included aerial photographs, assessment records, historical photographs, survey and budget breakdown concluding to the city's expenditure for acquisition;
- Reviewed information provided by the City of Bay City including assessment records, zoning ordinance, aerial photographs, Brownfield Plan, Environmental Assessment, Bay City Marina Feasibility Study, Request for Appraisal Proposal, survey and plat map;
- Conducted a physical inspection of the subject property on January 19, 2007, accompanied by Mr. Michael Brandow, Economic Development Specialist for the City of Bay City;
- Considered the highest and best use of the subject property and its division;
- Gathered and confirmed information on riverfront developmental land;
- Applied the sales comparison approach to arrive at an indicator of unit value for the land as though vacant;
- Reviewed and gathered additional information with regard to the costs for demolition and site restoration of the existing building improvements;
- Gathered and confirmed information on off-water commercial lots in the Bay City market;
- Applied the sales comparison approach to arrive at an indicator of unit value for said off-water commercial lots;

- Concluded to point values for the subject property;
- Prepared this summary appraisal report.

The valuation of real estate can be derived primarily through three approaches to value. These are the sales comparison approach, the income capitalization approach and the cost approach. The valuation analysis for this particular property is derived through the sales comparison approach only. This is considered the most typical approach found in the valuation of property similar to the subject and provides credible results. The sales comparison approach to value is based on the principle of substitution. When a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute, assuming no costly delays in making the substitution are present. The difficulty inherent with this approach is that rarely are two properties alike, thus the comparables must be adjusted to the subject property with values that are market oriented. This process begins with the collection, verification and interpolation of sales of properties similar to the subject. A common denominator is determined and, in this case, the unit value per acre for the riverfront land and the unit value per square foot for the off-water site were considered.

The sales comparison approach analyzes the riverfront acreage and the off-water site as separate components to the subject property. This together with additional costs considered for demolition and site restoration of the building improvements off the south riverfront parcel are considered. Although I considered the sales comparison approach as improved for the south riverfront parcel, it was not necessary due to the deteriorated conditions of the building improvements. Any reuse of the existing buildings would require significant expenditures. It is noted that vintage industrial buildings, such as those found at Riverfront Land Sale Comparables 3 and 5, do have an interim use and/or could be

slated for redevelopment, which is not the case with the subject's existing buildings that are significantly deteriorated and appear to be beyond salvage.

The income capitalization approach to value is an analysis of the present value of the future benefits of ownership of real estate. The benefits of real estate ownership would be the collection of rent and the capital return on the investment itself. This method is based on the principle that an investor would not pay more for a property than he/she would for another investment of similar risk and return. It is observed from the market that vintage industrial buildings do have a place in the rental market; however, their rates are nominal and the subject's buildings are uninhabitable in their present condition. Also, it is observed that land is typically purchased for development and sometimes speculation; however, as discussed in the Sales Comparison Approach section of this report, there is minimal, if any, appreciation of riverfront land within this market.

Although land leases are available, they are typically for smaller properties and have a wide range of rates charged. Rental income is more predominant for improved parking lots within the downtown business district. The subject is outside of the mainstream and lots typically on the fringe of the downtown business district have less vehicular occupancy than those centrally located.

The most similar land lease reviewed was a 1.5 acre fenced gravel site near the Marina Place residential condominium project. This lease is on a month-to-month tenancy, with the lessee paying an annual rate of \$4,500.00. As discussed in the Interest Appraised section, 1.68 acres of the subject have a Berth Agreement. This agreement resembles a lease and includes a portion of land in the northwest corner, dockage and mooring of several vessels. The lease rate is considered market oriented;

however, considering the subject's overall size, it is not expected that the entire property could come under a similar land lease. For these reasons, the income capitalization approach to value would be considered speculative and less reliable.

The cost approach to value takes into consideration the cost for construction of site improvements on the subject property. Although the subject property has several building improvements in place, their construction dates back to the early 1900's and all are considered to be in poor condition, thus the cost approach method is considered non-applicable.

COMPETENCY PROVISION: I have specified my qualifications which are included in my resume located in the Addenda section of this report. These qualifications serve as evidence that I am competent to complete this appraisal assignment in compliance with the competency provisions contained within the Uniform Standards of Professional Appraisal Practice (USPAP). I have experience in the valuation of commercial, developmental and industrial properties throughout central and northeastern Michigan including those purchased for redevelopment and properties influenced by waterways including the Saginaw River/Saginaw Bay.

DESCRIPTION OF AREA

The subject is located on the east side of the City of Bay City, Bay County, Michigan. The city is the county seat and is centrally located in the county, allowing for good linkage to the surrounding communities. The city is divided by the Saginaw River which offers numerous opportunities for competitive and recreational boating and fishing. Other activities include water skiing, public beaches, parks, festivals and numerous annual events. East of the Saginaw River is made up of the downtown business district which has gone through a gentrification period over the last ten years and now continues with new and proposed development. This central business district includes the home offices of many financial institutions as well as other professional offices, retail and hospitality businesses. Also located in the downtown business district are the city and county municipal buildings including the Bay County Courthouse, the law enforcement center, the United States Federal Bankruptcy Court, US Marshall's Office, FBI Office, City Hall, and other governmental agencies. In 1992, the EPA had federal funding approved to develop numerous acres along the Saginaw River. Millions of dollars for development were planned, although the project was terminated in 1995 due to loss of funding. Together with the anticipated EPA project, other interests were considered. These interests include a convention and conference center, Delta College planetarium, new downtown hotels/motels, restaurants, retail and office construction. Although the EPA development was terminated, various projects continued. Restaurants thrive and professional offices have been developed along the Saginaw River together with rehabilitation of existing office space.

Development once only dreamed of during this era is now a reality. Within a one-half mile stretch of downtown riverfront, the Jennison Place, a residential condominium project converted from a

hardware loft type building, is 100% occupied with several new two-story condominiums fronting the river and a recently constructed row type residential structure with units all sold prior to completion as well as the proposed 38-unit condominium development at the Jennison Boat House, also known as Marina Place. The hotel/conference center, the new cornerstone for the downtown district, was recently completed. This riverfront complex includes a 150-room multi-story, full service hotel and convention center, ballroom and banquet facility.

Other improvements in the downtown business area include turn-of-the-century row type structures with retail on the main floors and office and/or apartments on the upper levels. Several row type loft warehouse buildings are currently used for antique shops which have become a regional draw to the area. Occupancy levels on the main floors appear to be high as well as the finished upper level offices, although in some cases the upper floors are vacant and/or unimproved storage areas.

The subject is located south of the downtown business district in a neighborhood of mixed land use, some considered to be transitional in state. The subject includes significant acreage along the river's edge and has been targeted for a large scale development referred to as Uptown at River's Edge. Redevelopment of industrial land along the river has been successful including a 22-acre parcel south of the subject. This once industrial site was developed with 22 residential condominium sites known as Breaker's Cove and a recreational park area including riverwalk. As with many urban areas such as the subject's, older improvements are removed to make way for new development.

Together with the downtown business district are numerous commercial districts strategically positioned throughout the city limits. Although a great majority of activity is seen in the downtown

business district, the west side city limits is also undergoing commercial development, although considered somewhat more suburban than urban. This development is evident along the main thoroughfare of M-13 (Euclid Avenue). Wilder Road, at the northern boundary of the city limits, has undergone vast amounts of retail and hospitality development since the construction of the Bay City Mall, a regional shopping center. Many older business districts positioned throughout the city offer goods and services to the local neighborhood.

Industrial land use has been predominant along Michigan's riverways with Bay City being of no exception. The river offers an alternative mode of transportation for supplies and products. The Saginaw River continues to be instrumental in transporting of petroleum and aggregate products to the area or from the area north to the open waters of Lake Huron. General Motors/Powertrain continues to be the area's leading employer and is located along the river at the north end of town. This area at the northern fringe of the city limits is also the site for the relocated Bay Aggregate from the downtown Bay City limits to allow for the subject's redevelopment.

The City of Bay City reported a 2000 census count of 36,817 persons which is a 5.4% decline from the census count of 1990. The subject's area is part of a larger market including Bangor Charter Township which borders the city to the north and northwest. This township also realized a population loss for the same ten-year period; however, their combined population still maintains close to 50% of the entire county's population which includes a total of 110,157 persons. Bay County as well as other metropolitan areas in central and southeastern Michigan have reported population losses which are attributed to urbanites relocating to more suburban communities with a vast amount migrating to the more northern resort communities of the adjacent Gladwin and Arenac Counties. These counties

reported 18.8% and 15.7% increases in population for the same ten-year period. It is noted that persons who reside in the adjacent counties often commute to the Tri-City area, which includes Bay, Saginaw and Midland Counties, for employment, shopping, medical care and education.

In summary, Bay City is a progressive community taking full advantage of its waterfront along the Saginaw River together with an active downtown business district. Development continues both commercially and residentially with several platted subdivisions and multi-family communities in the suburban areas outside of the city limits. Retail has seen significant growth along Euclid Avenue as well as the northern city limits along Wilder Road. Older commercial districts offer goods and services to the surrounding neighborhoods. Industrial activities continue to play a role in Bay County and the Saginaw River. The Saginaw River continues to float tonnage of aggregate and petroleum products. The river is also utilized for recreation and amusement with several attractions throughout the year. There are numerous public boat launches as well as private marinas and dockominiums along the waterway and dockage for patrons at various restaurants. Industrial uses along the river seem to be transitional in that the city is attempting to redevelop the riverfront for more commercial and residentially oriented land uses which appear to be successful.

IDENTIFICATION OF PROPERTY

The subject contains a total of 42.99 acres with approximately 2,300' frontage along the east bank of the Saginaw River. As previously discussed in the Highest and Best Use section of this report, the parcel is broken down into three entities including 8.83 acres north of the Consumers Energy property (the north riverfront parcel), and 33.93 acres south of the Consumers Energy property (the south riverfront parcel), with an additional off-water site containing 100' x 100' for a total of 10,000 square feet, or 0.23 acre located at the southeast corner of Water and 10th Streets.

The land was once used as an industrial site and has since been redistricted as C-3 Central Business. Utilities and infrastructure that once extended through the property have since been abandoned and are no longer operable. Roads have been vacated and the property is targeted for redevelopment.

IMPROVEMENTS: As an industrial facility, the land was once interspersed with 18 identified site improvements observed from an historical aerial, five of which remain. There is 6' high commercial grade chain link fencing with three-barbed wire surrounding the perimeter and an approximate 450' masonry brick fence along Saginaw Street near the southeast boundary. Three buildings were spared demolition with the hopes of reuse in several projects proposed such as Columbus Cove and Foundry Marketplace. It was observed, however, during my January 19, 2007, inspection that the existing building improvements are in deteriorated condition and salvage of their structures is questionable. These building improvements include:

FOUNDRY BUILDING: A 51,556 square foot Class C/S foundry building. This structure is a 36' high concrete, brick and steel building with masonry foundation built in the early 1900's. The building has steel trusses covered with wood planking and is architecturally unique, having a center overall length of 400+' with a clearspan center and side wings, all considered to be in poor condition with the structural steel showing evidence of deterioration, cement columns shifting and masonry brick walls collapsing.

CORNER/KAHN BUILDING: This structure is a Class C/S foundry building constructed in the early 1900's. It contains 112,206 square feet and was once used as a crane assembly building. The building is a 34' high concrete brick and steel structure with masonry foundation and the steel roof trusses are covered with wood planking. This building is of similar condition as the Foundry Building, considered to be in poor condition, with several areas of collapsed roof.

MONARCH BUILDING: This structure is a Class C/S building constructed in the early 1900's and contains 9,225 square feet. The building is a 36' high concrete, brick and steel structure with masonry foundation. The steel wood trusses are covered with wood planking. It was once used as the power plant for the city's trolley system and, as with the other buildings on site, is considered to be in poor condition, suffering from significant deterioration to the masonry brick exterior.

Other improvements to the site include a 220 square foot masonry gate house of unique design located next to the Corner building. Although I am uncertain as to its contributory value to the subject property, it is unique and is in reasonable condition and should be salvaged for historical purposes.

In that the property was used for transporting aggregate products upriver, mooring and dockage facilities are also located on the property; however, due to inclement weather on the day of my January 19, 2007, inspection, these improvements could not be detailed. It does appear that there is a small steel dock area with bollards extending along the shores of the Saginaw River.

Also, the north end of the riverfront property is currently under a leasehold with Bay City Boat Lines, LLC. This area, which includes 1.68 acres, is in use to moor and dock three vessels available for public hire. The lessee made improvements to this portion of the land which include a dockage facility, patrons' parking area and chain link fencing. Other miscellaneous improvements include a significant amount of concrete and gravel yard cover and, as previously mentioned, chain link fencing and security gates.

Contrary to information provided, a January 26, 2007, letter from Bierlein Companies with regard to an estimate for demolition suggests that "the floor slabs from structures previously demolished at this site were not removed and still remain in place." It was my understanding that in previous demolitions all site improvements including foundation and slabs had been removed. This creates an additional extraordinary assumption in that if found to be false, could alter the final conclusion to value.

INTEREST APPRAISED

Fee simple estate, as defined in *The Dictionary of Real Estate Appraisal*, Third Edition, is:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

OWNERSHIP: City of Bay City, 301 Washington Avenue, Bay City, Michigan.

SALE HISTORY OF PROPERTY: The property was acquired from several separate entities between 1991 and 2002. Beginning in July of 1991, Schiesser transferred title of the Monarch Building to the City of Bay City. Lots 9 and 10 were transferred from Consumers Power Company in April of 1992 pursuant to a Quit-Claim Deed. The majority of the land was transferred in January of 2002 under numerous Warranty Deeds from Port Fisher, LLC, to the City of Bay City. The last known transfer was in December of 2002 when Lots 15 and 16 (off-water site) were acquired through an exchange with Mark and Julie Couturier. A monetary value was set at \$123,000.00 less the value of the exchange lot which resulted in the city paying \$79,950.00 per the agreement.

Pursuant to documentation on file provided by the City of Bay City which dates back to November of 1997, a total expenditure of \$17,803,356.74 has been made. This expenditure includes all monies spent including the acquisition of the relocated site for Bay Aggregate, the improvements to said site, permitting, legal services, etc.

LEASEHOLD ESTATE: As stated in *The Dictionary of Real Estate Appraisal*, Third Edition, the definition of leasehold estate is stated as:

"The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions."

As previously disclosed, the northwesterly 1.68 acres are occupied by Bay City Boat Lines, LLC, under a Berth Agreement. This agreement allows the occupant to dock and moor three vessels along the river's edge and operate retail sales associated with the services provided. Additional uses allowed include providing services for embarking and disembarking of personnel and visitors and loading and unloading of materials into and from such vessels over, through and upon the premises. Although this Berth Agreement is considered a leasehold, there is no value to the leasehold.

The annual rental rate exceeds market rates and although the agreement was for five years, it terminates at the end of this year, with the city all the while reserving the right of termination with a 30-day notice.

SALES COMPARISON APPROACH

The sales comparison approach, as defined in *The Dictionary of Real Estate Appraisal*, Third Edition, is defined as follows:

“A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.”

The value of real estate in the open market is related to the price one could duplicate. The difficulty with this analysis is that no two properties are identical, thus adjustments must be interpolated for any differences that exist. There must be adequate data available to extract these characteristic differences between the comparables and the subject property. This is considered a quantitative technique.

This sales comparison approach also takes into consideration a qualitative analysis which includes a relative comparison analysis, ranking analysis and personal interviews. The relative comparison analysis is the technique for analyzing comparable sales based on their characteristics and the ranking analysis is a qualitative technique for analyzing comparable sales based on an order of similarities to the subject.

PROCEDURE: The general procedure to extract and interpolate market data is as follows:

- Research
- Verify
- Determine units of comparison
- Adjust comparables to subject
- Reconcile

As previously described in the Highest and Best Use and Identification of Property sections, the subject has several components including vacant 8.83 acres of riverfront land at the north end divided from the balance of the riverfront by Consumers Energy property, leaving 33.93 acres at the south end. This south end has the remnants of several industrial buildings still in place. These industrial buildings are considered in poor condition and are quickly deteriorating. Expenses for redevelopment would include demolition and removal of these site improvements as well as site restoration. In considering these factors, the valuation process starts with the underlying land.

A market search was completed of land along significant riverways with emphasis placed on the Saginaw River itself, specifically in the Bay City market. All sales are located or were at one time designated as being in industrial districts, similar to the subject. Site sizes vary from just under two acres to over 80 acres in size with an unadjusted value range from \$7,000.00 to \$570,000.00+. \$7,000.00 to \$12,000.00 was noted for large industrial sites back in the late 1990's/early 2000 when redevelopment of the riverfront began. Two such sales included the site acquired for the relocation of Bay Aggregate which once occupied a portion of the subject property. These properties are located in an industrial district of the adjacent Bangor Township upriver from the subject.

Another industrial site that sold was also upriver on the northern fringe of the city's business district, formerly Defoe Ship Building Company and more recently a salvage business. This property sold in March of 2004 with the business entity and inventory; however, the real property value was set at \$850,000.00. This real property included 31.48 acres and approximately 15 buildings. Unit values equal \$27,000.00 per acre including the buildings, or approximately \$8,500.00 per acre, with an allocation set at the contributory value of the buildings. These unit values support the highest and best use for redevelopment in that commercial and residential land sell at a higher unit value than those purchased for industrial use.

One redevelopment project which began in 1997 was Breaker Cove Condominiums, a 22 acre parcel with 1,635' river frontage located on the south end of the business district, just south of the subject's Uptown at River's Edge project. It was purchased for development of a 66-unit residential condominium project. Originally an industrial district, this residential condominium project has had some success with 38 units built and 28 condominium sites remaining. The developers sold off the remaining sites, which included approximately four acres, in November of 2004 for \$400,000.00. This resulted in a unit value of \$100,000.00 per acre, but included the infrastructure, i.e., streets, utilities, ornamental lighting and other improvements which had an approximate value of \$263,000.00, suggesting a unit value per acre of \$34,225.00. This unit value was for land that has a river view, in that the dedicated park separates the real property from the riverfront.

Additional land upriver purchased in 1987 for \$22,000.00 per acre was developed into Wheeler's Landing, a dockominium community. Now, 6.57 acres south of the harbor are currently under development for a residential condominium project known as Iron Bridge at Wheeler's Landing. This

project places the land owner in partnership with the developer. Rumors indicate that the land owner's 48% interest in the subject is valued at \$250,000.00 and considering the land area, equates to \$38,051.75 per acre; however, this could not be confirmed.

The downtown business district has seen its share of riverfront development including commercial, residential and hospitality. The downtown business district offers convenience to employment as well as a unique shopping district, recreational amenities along the riverfront and numerous restaurants and nightly entertainment. Several projects within this downtown business district include an assemblage of several waterfront sites on the north end which make up for what is known as the federal office complex. These sites were purchased in 1994 and 1998 at unit values of \$52,980.00 and \$69,918.00 per acre. These were smaller sites ranging in size from 1.51 to 1.23 acres respectively, supporting the need for a possible size regressionary adjustment. Another development included the more recently opened hotel and convention center. The riverfront parcel, which measured just under one acre, was purchased by the county as part of an assemblage for the project at a unit value of approximately \$570,000.00 including demolition. More recently, a former boat storage building together with 22 boat slips located on just under two acres of land were sold for redevelopment of high-rise condominium units, Marina Place. This project is significant, having an acquisition in February of 2004 at a price reported to me by the city of \$1,274,500.00, and the final product will carry with it condominium prices of over \$800,000.00.

As noted, there is a wide array of activity that has taken place along the Saginaw River, more aggressively from the late 1990's/early 2000. The downtown business district is very progressive and appears to command a premium in value as well as having some participation from local governmental

authorities. Industrial re-use is on the lower range of value which helps to support the highest and best use conclusion for mixed use commercial and residential development. Adjustments considered within this portion of the Sales Comparison Approach section for riverfront land are as follows:

MARKET CONDITION: Historically, I have utilized an annual appreciation factor of properties within the Bay County market, more specifically those along the river's edge. Market condition over time varies significantly, more particularly due to motivation, but it is also caused by physical characteristics, zoning, etc. In reviewing historical data regarding the Bay County market, sales in industrially zoned neighborhoods had an annual appreciation factor range from 1.5% to 3%. Although the subject was once considered to be in an industrial district, its highest and best use is considered to be for possible mixed use redevelopment. It is difficult to pinpoint the market condition change over time, specifically due to the wide array of riverfront land sales. There was, at one time, a limited supply of waterfront properties which created an imbalance in the market. This imbalance had an affect on market condition over time. From an historical study completed of residential developmental land in northern Michigan along the shores of Lake Huron, a 6% factor was extracted. This higher appreciation is also noted in the federal office development in downtown Bay City with land sales from 1994 to 1998 suggesting an 8% annual appreciation factor. This is considered an extreme, in that the downtown business district seems to attract a premium price, once supporting a 6% annual appreciation.

It is noted, however, from the six riverfront sales analyzed, that the adjusted unit values of comparison have little change and considering Riverfront Land Sale Comparable 3 versus 6, selling five years apart and having similar characteristics, displayed little change in adjusted unit values per acre. It was also

noted that the more recent negotiated option to purchase Riverfront Land Sale Comparable 1 carries a unit value similar to that extracted from the original land sale of the 22-acre Breaker Cove residential condominium project purchased 10 years ago.

Although I have historically considered an annual appreciation factor specifically to riverfront properties, supply and demand may be out of balance, with the subject's 40+ acre parcel vacant and available. Although activity continues, the demand may be slowing.

SIZE REGRESSION: The theory of size regression is that a prudent purchaser may pay more per unit value for a smaller parcel. The subject's riverfront land is divided into two portions including the 8.83 acres north of the Consumers Energy land and the 33.93 acres south. The six land sales range in size from four to 19.77 acres and although no size regressionary adjustment is considered within the analysis grid itself, one must be considered for the south riverfront parcel.

The fact remains that the adjusted unit values of five of the six sales remain in a tight range, the smallest sale, Riverfront Land Sale Comparable 4, selling at the lowest unit value; however, this sale required a significant adjustment due to its site improvements in place, namely the infrastructure of the roads, utilities and streetscape. It is noted that the largest sale, Riverfront Land Sale Comparable 5, located in the Alpena market which carries significant weight in the final determination of unit value, did sell at a rate of approximately 10% less than its counterparts, except Riverfront Land Sale Comparable 1. This 10% variation is attributed to size and will be considered in the final reconciliation of value, specifically to the south riverfront parcel.

SITE IMPROVEMENTS: Several of the land sales had site improvements, with some removed immediately after sale, some slated for demolition and others remaining in place, suggesting a contributory value. Riverfront Land Sale Comparable 1, displaying the most recent activity on the Saginaw River in Bay City, includes a 2,400 square foot steel building, having a depreciated value of approximately \$12,000.00. All adjustments for the contributory value of any site improvements is based as a percentage of their sale price. Riverfront Land Sale Comparable 3 had numerous buildings and although in an appraisal completed the demolition of all buildings was considered, two pole buildings totaling 15,000 square feet could have a contributory value. Riverfront Land Sale Comparable 4 had a significant adjustment due to the presence of the infrastructure including streets, curbs, gutters, utilities, lights and street ornamentation. Riverfront Land Sale Comparable 5 is an assemblage of two properties on the Thunder Bay River in Alpena. Several building improvements were in place at the time of acquisition, although while completing an appraisal for a portion of this assemblage, demolition of the freight warehouse was estimated. This building along with others on the site have been utilized in the redevelopment. One building included within the assemblage has been totally renovated and now houses the Thunder Bay National Marine Sanctuary. Riverfront Land Sale Comparable 6 had three buildings in place at the time of sale, two removed after acquisition; however, a small pole building remains, having a slight contributory value.

DEMOLITION: Although it is thought that some of the improvements are located at the riverfront land sales had contributory values, those buildings were pole and/or steel buildings considered to be in average condition. Other buildings found at the sales resembled the buildings located on the subject property which are vintage industrial buildings in deteriorated condition, considered to be a detriment for redevelopment. Within this analysis, costs for demolition of these structures is estimated and an

adjustment is based as a percentage of the total sale price. Demolition estimates are gathered from sources deemed to be reliable and, in most cases, submitted by Bierlein Companies of Midland, Michigan.

ACCESS: The subject has frontage along several main roads, similar to all sales with the exception of Riverfront Land Sale Comparable 2. This comparable is accessed via an easement across the adjacent property owner's land, which was also the seller in this particular case. Although an adjustment for this access could not be quantified, the motivation included in this acquisition alone suggests less weight be attributed to this sale.

Riverfront Land Sale Comparable 3, although having road frontage, is dissected by a railroad corridor, with 50% of the underlying fee owned by the adjacent property owner. I was informed that the adjacent property owner would relinquish his hold in this corridor in lieu of development; however, details were not available. An adjustment was considered for access to the riverfront, which is divided by the corridor.

The following is a brief review of the riverfront land sales analyzed:

RIVERFRONT LAND SALE COMPARABLE 1: 1001 East Ohio Street a/k/a North Marina Park Drive, City of Bay City, Bay County, Michigan. This comparable is located approximately one-half mile north of the subject on the river's west bank. It is not a closed transaction, but is an approved option to buy 6.08 acres of development land from the city. This property is quite similar to the subject, being a former industrial site, having environmental concerns including its listing on the

Department of Environmental Quality's 201 Site List. The land is being purchased for development of 32 residential condominium units which appears to be the development of choice along this riverway. A 2,400 square foot steel storage building is located in the middle of the site and although slated for removal, it could have some contributory value during the development.

RIVERFRONT LAND SALE COMPARABLE 2: Marquette Avenue, Bangor Township, Bay County, Michigan. This comparable is located approximately two miles northeast/upriver of the subject property. This is the most recent riverfront land sale along the corridor; however, it carries least weight due to the motivation of the purchaser. Occupied for 50 years by Dow Chemical Company, this land was used as a tank farm and was under review by the Michigan Department of Environmental Quality due to hydrocarbon soil contamination. Upon termination of the lease, the land was to be turned over to the lessor in its original state, which was impossible due to the environmental conditions, thus the lessee was forced to purchase the land. The property also has several unusual variations including easement access with no direct road frontage, leasehold improvements remaining on site and it is located in an industrial district which offers no municipal sewage disposal system. The negotiated sale price, however, was established based on unit values paid for developmental land along the river.

RIVERFRONT LAND SALE COMPARABLE 3: Harrison, Cass and Water Streets, City of Bay City, Bay County, Michigan. This comparable is located approximately one and one-half miles downriver of the subject property. It was once part of and located between a full service riverfront marina and municipal boat launch. There is approximately one-quarter mile of river frontage; however, the land is divided by a railroad corridor which services one client to the south. Improved

with two vintage industrial buildings and two pole buildings, this comparable was purchased at an absolute auction. The buildings are considered to be in interim use, rented for storage and a boat builder's repair business. Although the buildings are considered to be in interim use, significant demolition costs would be required in order to prepare the site for redevelopment. Demolition costs for the vintage industrial buildings are estimated based on a percentage of the total sale price; however, the two pole buildings on site could have a contributory value which is estimated based on their depreciated cost as a percentage of the total sale price.

RIVERFRONT LAND SALE COMPARABLE 4: Water Street (Breaker Cove), City of Bay City, Bay County, Michigan. This comparable is located just south of the subject property and is the second phase of a large residential condominium development originally established in 1998. The north end with 38 units was built and sold with the south end listed for sale for approximately two years. This portion of the development includes 28 planned units with a complete infrastructure including streets, curb, gutter, utilities, ornamental lights and streetscape.

RIVERFRONT LAND SALE COMPARABLE 5: West Fletcher Street, City of Alpena, Alpena County, Michigan. This comparable, approximately 100 miles north of the subject, is located in a community considered homogenous to the subject. Alpena, located along Lake Huron and the Thunder Bay, is an industrial community that takes advantage of its northern resort atmosphere and waterfront. The Thunder Bay River is active with commercial and industrial uses together with a full service harbor and downtown business district. This comparable is an assemblage in a former industrial district which is being redeveloped with mixed use including a proposed hotel, already completed museum and microbrewery. The assemblage included 13.28 acres, once the Fletcher Paper

Company, and 6.49 acres, once owned by Bay Development Company and leased by Fletcher Paper Company as a freight warehouse. As with the subject property, numerous building improvements are in place, although all are considered superior, with two already renovated including the paper coating plant, now the Thunder Bay National Marine Sanctuary, and the freight warehouse, now a microbrewery. Some smaller buildings were removed and others remain, slated for redevelopment, although no data could be obtained to quantify any possible required adjustment.

RIVERFRONT LAND SALE COMPARABLE 6: 711 Martin Street, City of Bay City, Bay County, Michigan. This comparable is located approximately two miles northeast/upriver of the subject property. Although selling approximately seven years ago, it was chosen due to its similarities, being a riverfront acreage parcel on the fringe of a business district, once in use for industrial activities. Several buildings on site were removed after acquisition at a cost to the purchaser; however, one small pole building remains, having some contributory value to the land. The property is located at the end of Martin Street adjacent to a large public boat launch and the proposed Saginaw Naval Ship Museum. This comparable is currently available for sale for \$600,000.00 which is considered to be above market value.

Additional information regarding these comparables is located in the Comparable Riverfront Land Sale Data Supplements found in the Addenda section of this report.

COMPARABLE RIVERFRONT LAND SALES ANALYSIS GRID

DATA	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5	SALE 6
LOCATION	200 BLOCK WATER STREET BAY CITY, MI	NORTH MARINA PARK BAY CITY, MI	MARQUETTE AVENUE BAY CITY, MI	HARRISON, CASS & WATER STREETS BAY CITY, MI	WATER STREET BAY CITY, MI	WEST FLETCHER STREET ALPENA, MI	711 MARTIN STREET BAY CITY, MI
ZONING	C-3	WD	I-2	M-1	R-1	I-1	I-2
PROPOSED USE	REDEVELOPMENT	REDEVELOPMENT	ASSEMBLAGE/CLOSURE	REDEVELOPMENT	RESIDENTIAL CONDO	REDEVELOPMENT	INDUSTRIAL
SIZE (ACRES)	6.63 & 33.93	6.69	16.69	13.04	4	19.77	8.45
RIVER FRONTAGE	2300 TOTAL	750	579	1250	736.55	2000	574
SHAPE	IRREGULAR	PENDING	IRREGULAR	IRREGULAR	RECTANGULAR	BASICALLY RECTANGULAR	IRREGULAR
SALE DATE			Oct-06	Mar-05	Nov-04	Jun-03	04-00
SALE PRICE	\$109,000.00	\$17,927.63	\$650,000.00	\$377,800.00	\$400,000.00	\$710,000.00	\$330,000.00
PRICE PER ACRE	\$16,440.41	\$26,032.61	\$97,901.64	\$28,972.39	\$100,000.00	\$35,913.00	\$39,053.25
PRICE PER FR.FT.	\$145.33	\$179.28	\$1,122.63	\$302.24	\$543.07	\$355.00	\$574.91
PRIMARY ADJUSTMENT							
FINANCING	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CONDITION OF SALE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MARKET CONDITIONS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NET ADJUSTMENTS							
PRICE PER ACRE	\$17,927.63	\$39,015.61	\$39,015.61	\$28,972.39	\$100,000.00	\$35,913.00	\$39,053.25
PRICE PER FR.FT.	\$146.33	\$179.28	\$1,122.63	\$302.24	\$543.07	\$355.00	\$574.91
OTHER ADJUSTMENTS							
SIZE REGRESSION	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ACCESS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
LOCATION	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SITE IMPROVEMENTS	-11.00%	-11.00%	0.00%	-20.00%	-65.80%	0.00%	-2.00%
DEMOLITION	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NET ADJUSTMENTS	-11.00%	-11.00%	0.00%	37.00%	-65.80%	0.00%	6.00%
ADJUSTED VALUES							
PER ACRE	\$15,955.59	\$39,015.61	\$39,015.61	\$39,692.18	\$34,200.00	\$35,913.00	\$41,386.45
WEIGHT % PER ACRE	129.35	1,122.63	414.07	165.73	165.73	395.00	609.41
WEIGHTED VALUE PER ACRE	\$1,595.56	\$3,901.56	\$3,901.56	\$11,907.65	\$3,420.00	\$10,773.90	\$4,139.84
WEIGHT % PER FR. FT.	10%	10%	30%	10%	10%	30%	10%
WEIGHTED VALUE PER FR. FT.	\$12.93	\$112.26	\$124.22	\$18.57	\$18.57	\$106.50	\$60.94
RANGE HIGH	\$41,386.45	PER ACRE					
RANGE LOW	\$15,955.59	PER ACRE					
MEDIAN	\$37,464.30	PER ACRE					
ARITHMETIC MEAN	\$34,382.14	PER ACRE					
WEIGHTED UNIT VALUE	\$35,736.32	PER ACRE					
VALUE ROUNDED	\$38,000.00	PER ACRE					

RECONCILIATION OF RIVERFRONT LAND VALUE VIA SALES COMPARISON

APPROACH: This approach recognizes the activity in the sale of like and similar properties and is based on the theory of substitution which, as defined in the *Dictionary of Real Estate Appraisal*, Third Edition:

“The appraisal principle that states that when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.”

As previously noted within this section of the report, there is a wide array of data, with activity dating back many years. A significant portion of Bay City’s riverfront redevelopment occurred during the late 1990’s/early 2000 and continues to date with several projects proposed. Both size and value have a broad range and I have chosen what I believe to be the best comparables for the market study. Riverfront Land Sale Comparable 1 is the most recent activity on the riverfront and although not being a closed transaction, it is a property under city ownership, affected not only by environmental conditions, but also by a sanitary sewer easement, being purchased for a proposed residential condominium project. Riverfront Land Sale Comparable 2, although questionable with regard to the motivation of the purchaser, was established at a unit value considered to be in the upper range for riverfront developmental land. A market study of the Saginaw River corridor completed in May of 2006 by me for the seller assisted in establishing its unit value. Riverfront Land Sale Comparable 3 is similar to the subject property, being located on the east bank of the Saginaw River, having an industrial use history, and improved with several buildings including vintage industrial buildings. These buildings are considered to be in interim use until such time as redevelopment takes place. Significant adjustments were required for this comparable including a negative affect on the land

created by joint ownership of a rail spur which dissects the property, the contributory value of certain site improvements and the demolition estimates for the removal of the vintage industrial buildings. Riverfront Land Sale Comparable 4 is in closest proximity to the subject, being considered the second phase of the Breaker Cove condominium project just south of the subject. This comparable was also adjusted significantly due to the superior infrastructure that was in place including streets, curb, gutter, ornamental lighting and streetscape.

Riverfront Land Sale Comparable 5 carried significant weight in the final determination of unit value due to its similarities. Although being 100 miles north of the subject property, the City of Alpena is considered homogenous to the City of Bay City, having an industrial base along the riverfront together with its downtown business district and a rebounding residential market. This comparable was an assemblage of two parcels under separate ownership, one including Fletcher Paper Company and the second a property historically under lease by Fletcher Paper Company sold by Bay Development Company. This paper plant closed in the late 1990's. 13.28 acres were sold through the Federal Bankruptcy Court and included numerous buildings used in connection with the paper plant. Several buildings have since been removed, although several buildings still remain. The coating plant had gone through renovations and is now under federal lease with NOAA as the Thunder Bay National Marine Sanctuary for its shipwreck museum and has since been divided from the larger parcel. The east 6.49 acres under ownership with Bay Development Company were once leased to Fletcher Paper Company, had remained vacant for a period of four years and included a large freight warehouse which, although thought to be in fair to poor condition, was rehabilitated for the existing microbrewery. The buildings on site are considered superior to the subject's weather-beaten and deteriorated conditions and could play some role in the redevelopment of this Thunder Bay River

property. The comparable data displays a combination of the assemblage of these properties purchased by Alpena Marc, LLC.

Riverfront Land Sale Comparable 6, which sold in the year 2000, was an industrial site upriver from the subject bordered by a large municipal boat launch and in close proximity to the proposed Saginaw Naval Ship Museum. This land was purchased by an industrialist for leverage in this market. Two buildings were removed after acquisition at the expense of the purchaser and a third having some contributory value remaining. It is further noted that this parcel is currently available for sale at \$600,000.00, considered above market value.

Most weight was attributed to Riverfront Land Sale Comparables 3 and 5, specifically due to their land size, historical use, building improvements and potential future use. Less weight was attributed to the balance of the comparables, with Riverfront Land Sale Comparable 1 an option pending, Riverfront Land Sale Comparable 2 having additional motivation by the buyer, Riverfront Land Sale Comparable 4 due to its significant adjustment and size and Riverfront Land Sale Comparable 6 due to the fact that it is considered somewhat dated, selling approximately seven years ago. Other details regarding sales along the Saginaw River were described previously in the Sales Comparison Approach section of this report, with the majority being transactions prior to the year 2000, considered to be out of date.

The unit value considered within the analysis includes both the value per acre and the value per riverfront foot. Also, in the final determination of market value, one must consider the two components to the riverfront land. As previously discussed in the Identification of Property section, there are 8.83 acres north of the Consumers Energy property and 33.93 acres south of the Consumers

Energy property adversely affected by the deteriorated industrial buildings on site. This larger parcel to the south is also affected by its size. As previously discussed in the adjustment section of the Sales Comparison Approach section, a 10% variation existed between the largest parcel, Riverfront Land Sale Comparable 5, versus Riverfront Land Sale Comparables 2, 3 and 6. This lower unit value is evident within the market by virtue of a size regression. The size regression theory suggests that a prudent purchaser would pay less per unit value for a larger parcel. This is a proven fact in that the demand for larger parcels is less due to fewer participants in the market who can pay the higher prices for larger parcels. For this reason, two market values are defined.

Although the unit value per riverfront foot was displayed within the Comparable Riverfront Land Sales Analysis Grid, it is difficult to use this unit of comparison in that the frontage of several of the sales is estimated because no surveys were provided. This together with the fact that there is a significant range of adjusted unit values from \$129.35 to \$1,122.63 per front foot adds to its unreliability. For this reason, the unit value per acre is considered more reliable.

Based on this analysis, I estimate that the unit value of comparison of riverfront property, which ranged in size from four to 19.77 acres, is equal to \$36,000.00 per acre. With this information, I estimate that the value of the 8.83 acre north riverfront parcel as of January 19, 2007, is equal to:

$$8.83 \text{ acres} \times \$36,000.00 \text{ per acre} = \$317,880.00$$

Value rounded

THREE HUNDRED EIGHTEEN THOUSAND (\$318,000.00) DOLLARS

The balance of the riverfront property, which contains 33.93 acres, the south riverfront parcel, must be adjusted for size. This significantly larger parcel would sell at a unit value less than the above described parcel, as explained in the adjustment portion of this Sales Comparison Approach section. This results in a unit value for the south riverfront parcel equal to:

$$\$36,000.00 \text{ per acre} - 10\% \text{ (size regressionary adjustment)} = \$32,400.00$$

Together with this unit value for the land, the industrial buildings on site, which are considered to be in poor condition, have an adverse affect on the developmental potential and must be demolished and removed. An estimate prepared by Bierlein Companies, Inc., of Midland, Michigan, indicates a total of \$420,000.00 for demolition and site restoration to render the property vacant and available for development. It is noted in Bierlein's proposal of January 26, 2007, that the estimator thought additional slabs from structures previously demolished were still in place. In that none were observed on the day of inspection, an additional extraordinary assumption is made in that these slabs from previously demolished buildings are not on the site.

Considering these factors, I estimate the value of the south riverfront parcel is equal to:

33.93 acres x \$32,400.00 per acre	\$1,099,332.00
Value rounded	\$1,100,000.00
Less demolition and site restoration	<u>(\$ 420,000.00)</u>
Total value	\$ 680,000.00

SIX HUNDRED EIGHTY THOUSAND (\$680,000.00) DOLLARS

ANALYSIS OF OFF-WATER SITE LOCATED AT THE SOUTHEAST CORNER OF WATER

AND 10TH STREETS): The valuation of this off-water site also follows the sales comparison approach which is defined on Page 34 of this report. Similar procedures were used as those in the analysis of the riverfront land. These procedures include:

- Research
- Verify
- Determine units of comparison
- Adjust comparables to subject
- Reconcile

A market search was completed of properties in and around Bay City's downtown business district. The subject, although located at a corner intersection, is off the main thoroughfare, tucked away in an area that has historically been an industrial district, now slated for redevelopment to the Uptown at River's Edge. It is my opinion that until such time as Uptown at River's Edge is developed, this site would remain vacant, with very little demand. Information was researched through the Bay County Equalization Department and Assessors' Office, Realtors' Association of Bay County, local real estate brokers, appraisers and my files. Inspections of the sale properties were made and discussions were had with either the buyer, seller, local assessor, equalization director or broker to verify sales data, general condition, motivation and terms of sale. All sales included were considered arm's-length transactions.

Once significant sales data is collected and verified, I can determine the unique characteristic differences between them. Once these characteristic differences are identified, the monetary value or

percentage value they create can oftentimes be analyzed through a paired sales analysis. If quantified, the comparable properties are adjusted to the subject property for any dissimilarities between them. Adjustments necessary for this analysis are as follows:

MARKET CONDITION: I have completed numerous studies of commercial land within this area of Bay City over the past ten years and have extracted annual appreciation factors that range from 1-7%. This range is a result of variations that exist with each sale including, but not limited to, size, location, site improvements and motivation. Considering land purchased at the north end of Bay City as part of the federal office campus, an historical sale and resale of one component suggested a 2.29% annual appreciation factor. This is rounded to a 2% annual appreciation factor which is considered reasonable for commercial land and is calculated on a monthly basis.

LOCATION: The subject, as previously discussed, is located off the main thoroughfares just outside of the downtown business district in an area slated for redevelopment. Although there have been other sales of vacant land within the downtown business district, they are located on heavily traveled streets, many of them improved as parking lots. Although all of the comparables could be considered superior in respect to their location, there was insufficient data to interpolate a value difference. The sales, although located on more traveled streets, had their variations, with Sale Comparable 2 located behind a neighborhood shopping center, displaying less exposure to the main thoroughfare, and Sale Comparable 3 located on a secondary road on the fringe of the downtown business district. Sale Comparable 1 is located on Water Street between the Uptown at River's Edge development and Breaker Cove.

I have chosen what I believe to be the best comparables available from a market search and the following is a brief review:

SALE COMPARABLE 1: South Water Street, City of Bay City, Bay County, Michigan. This comparable is located between the subject's Uptown at River's Edge development and the Breaker Cove residential condominium development fronting Water Street. Originally part of the Breaker Cove development, this commercially zoned site was intended to be developed with a convenience store or some type of commercial entity to serve the needs of the condominium development as well as the neighboring residents. Listed for sale for over 10 years at an inflated price, the owners have since reduced the offering to \$65,000.00. One partner indicated to me that they would considered a reduced sale price in that it was the last component left in the original development.

SALE COMPARABLE 2: 402 Michigan Avenue, City of Bay City, Bay County, Michigan. This comparable is located approximately three/quarters of a mile south. It is a lot in a neighborhood more similar to the subject, being located off the main thoroughfare, having reduced exposure. This vacant lot was purchased by St. Vincent DePaul for warehousing/showroom for resale of donated items..

SALE COMPARABLE 3: 406 Adams Street, City of Bay City, Bay County, Michigan. This comparable is located three blocks northeast of the subject property. This commercially zoned lot is located on the fringe of the downtown business district and is a single interior lot purchased by the adjacent lot owner, currently in use for vehicular parking for residential multi-family housing.

Additional information regarding these comparables is located in the Comparable Sale Data Supplements found in the Addenda section of this report.

RECONCILIATION OF OFF-WATER SITE SALES VIA SALES COMPARISON

APPROACH: This approach recognizes the activity in the sales of like and similar properties and investigates the value differences for any dissimilarities that exist between the sold properties and the subject property. The sales comparison approach is based on the same principles as previously described in the analysis of the riverfront land. A common denominator is determined and, in this case, the unit value per square foot was considered.

One quantified adjustment necessary was for market condition which is represented by a 2% annual appreciation factor and adjusted on a monthly basis. Although other variations exist, there is insufficient data to interpolate any affect they have on market value. Other superior sites were located within the downtown business district; however, those that sold were considered superior with respect to location and access and were typically improved with parking lots which command a premium within the central business district.

Most weight was attributed to Sale Comparable 1. Although not a closed transaction, it is a commercial site in close proximity to the subject and currently available for sale, considered to be competition to the subject. Next and equal weight were attributed to Sale Comparables 2 and 3, with 2 located behind a neighborhood shopping center, somewhat off the main thoroughfare, and 3 located on the fringe of the downtown business district.

In consideration of the range of value, median, arithmetic mean and weighted contributory value, I estimate that the unit value of comparison for the subject property is equal to \$2.00 per square foot.

As previously discussed, the subject site, as a component of the Uptown at River's Edge project, is a vacant off-water, standalone site. This portion of the subject property is also considered inferior to other commercial sites that sold within the Bay City market. More activity of vacant lots was found in the downtown business district, more specifically with the majority of them improved with hard-surfaced parking lots. Another sizable lot located one block east of the subject is a 3.49 acre parcel, formerly an automobile dealership and currently being reviewed as a potential site for a new YMCA facility. Information received suggests that this large parcel of land together with cash rebate for demolition of the building improvements equates to a unit value of \$6.28 per square foot. It was noted that this location is considered extremely superior to the subject in size, location and access, having frontage on three major streets. Another recent lot sale included the south end of the above described automobile dealership that was sold to the city as a future street and boulevard entrance to the Uptown at River's Edge site. This sale, although not necessarily an arm's-length transaction, equates to \$2.19 per square foot, more similar to the suggested unit value of the subject's site.

As discussed in the Highest and Best Use and Exposure/Marketing Analysis, the proposed redevelopment project could take up to five years. Although the marketing time of large riverfront acreage parcels was determined to be within a three to five year period, the marketing time for commercial sites in Bay City is estimated at approximately one year. It is not, however, thought that this site would sell until such time as the Uptown at River's Edge development is completed, or at least started, thus an extended marketing time must be considered. The purpose of this appraisal is to estimate the current market value with the anticipated extending marketing time, thus a discount must be established.

Together with the unit value of comparison and projected extended sale date, a discount must be established to display the present value of the future benefits of this site. In many cases, the discount rate is established by a build-up method which considers a safe rate plus adjustments for risk, illiquidity, management and market condition. As previously discussed, there is a 2% annual appreciation for commercial sites within this market; however, most investors try to avoid any additional risks. A safe rate is established which is based on the annual percentage yield of a five year investment. Although the typical marketing time is one year, the subject may not sell for five years or until such time as Uptown at River's Edge is developed. The national average for bank rates indicates five year certificates of deposit ranging from 4.83% to 4.97% and three year certificates of deposit ranging from 4.78% to 4.90%. These rates are similar to the US bond yields reported through CNN Money which lists five year bonds at 4.76%. The safe rate is established at the five year jumbo certificate of deposit yielding a 4.97% return. Additional risk factors are typically considered within this build-up method; however, it is noted that the shorter term jumbo certificate of deposit yields a greater return to the investor which is not typical in this market. Also, since there does not appear to be any significant appreciation over time, the longer term investment has greater risk and produces no benefit. The five year jumbo certificate of deposit yielding 4.97% is rounded to 5% which is also a percentage capitalization rate, oftentimes associated with vacant land. This 5% is considered a reasonable discount for this analysis.

In considering the unit value of comparison of the subject property based on the square footage, the market condition appreciation over time and a potential five year holding period, the present value of the subject land discounted at today's rate is equal to:

10,000 square feet x \$2.00 per square foot	\$20,000.00
Appreciation over time	\$22,000.00
Discounted at 5% over a five year period	\$17,237.58

Value rounded

SEVENTEEN THOUSAND (\$17,000.00) DOLLARS

CONCLUSION OF VALUE

Consideration is given to the quality and quantity of data provided in this appraisal report. The subject is identified as Uptown at River's Edge, historically an industrial property assembled by the City of Bay City to promote redevelopment along the river's edge. A large percentage of the buildings once in place have since been removed; however, three large industrial buildings remain, all considered to be in poor condition, having little, if any, potential contribution for the redevelopment.

Considering the current economic climate of waterfront properties along the Saginaw River in the subject's marketplace, the most typical use would be redevelopment; however, this is adversely affected by the site improvements. In order to render the property vacant and available for development, demolition expenses for the removal of these buildings must be considered.

The subject, although containing a total of 42.99 acres, is divided into three separate entities. These divisions are created by a 2.44 acre strip of land owned by Consumers Energy on the riverfront and by Water Street. My theory is that there are three components including the north riverfront parcel which contains 8.83 acres, the south riverfront parcel which contains 33.93 acres, and the off-water site which includes 0.23 acre. The division is made to illustrate the individual components of the entire subject property and the final conclusion is not to be considered an additive of these various components. As explained in the appraisal, the off-water site would most probably not be sold until such time as development of the riverfront has taken place. This requires an extended marketing time, requiring a discount to arrive at its present value.

The riverfront parcels are valued based on their acreage. Although a unit value for river frontage is estimated within the Sales Comparison Approach section of this report, it is considered less reliable. The sales comparison approach is the most typical approach in estimating value of properties similar to the subject and provides credible results.

Based on this information, it is my conclusion that the estimated market values of the fee simple estate interest in the subject property as of January 19, 2007, subject to the Certification of Appraisal and Statement of Limiting Conditions which include extraordinary assumptions, are:

8.83 acre north riverfront parcel

THREE HUNDRED EIGHTEEN THOUSAND (\$318,000.00) DOLLARS

33.93 acre south riverfront parcel

SIX HUNDRED EIGHTY THOUSAND (\$680,000.00) DOLLARS

Southeast corner of Water and 10th Streets (off-water site)

SEVENTEEN THOUSAND (\$17,000.00) DOLLARS

Date: February 9, 2007

Appraiser: 
ANTHONY M. PIAZZA, MAI, SRA



CERTIFICATION OF APPRAISAL

STATEMENT OF LIMITING CONDITIONS

CERTIFICATION OF APPRAISAL: I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal unbiased, professional analyses, opinions and conclusions.
3. I have no present nor prospective interest in the property that is the subject of this report, and I have no personal interest nor bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value nor direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, nor the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
6. My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and is subject to the

requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute with which I am affiliated.

7. All necessary and appropriate steps have been taken to comply with the Competency Provision of the Uniform Standards of Professional Appraisal Practice.
8. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. I have made a physical inspection of the property that is the subject of this report.
11. No one provided significant professional assistance to me in preparing this report.
12. Appraisers are required to be licensed and are regulated by the Michigan Department of Labor and Economic Growth, previously referred to as the Department of Commerce and Industry Services. I currently hold a certified general appraiser's license through the Board of Real Estate Appraisers, License No. 1201000054. Any comments or questions regarding the appraisal process and/or state licensing should be directed to the Michigan Department of Labor and Economic Growth, P. O. Box 30018, Lansing, Michigan.

STATEMENT OF LIMITING CONDITIONS: The Certification of Appraisal appearing in the report is subject to the following conditions and to such other specific and limiting conditions as set forth in the report.

1. This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in my file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. I am not responsible for unauthorized use of this report.

2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

3. The property is appraised as being free and clear of any or all liens and encumbrances unless otherwise stated in this report.

4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property and may show approximate dimensions.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied.

11. It is assumed that there are no encroachments nor trespass on the subject property. Mr. Michael Brandow of the City of Bay City indicated that the Monarch Building encroaches on the adjacent Consumers Energy property; however, the final conclusion to value includes the demolition and removal of this building, thus eliminating its encroachment.

12. I am not qualified to detect hazardous waste and/or toxic materials. Any comment by myself that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. The presence of any potentially hazardous materials may affect the value of the property. My value estimate is predicated on the assumption that the property can be developed and I have relied on statements made by AKT Peerless Environmental and the City of Bay City's Brownfield Redevelopment Authority.

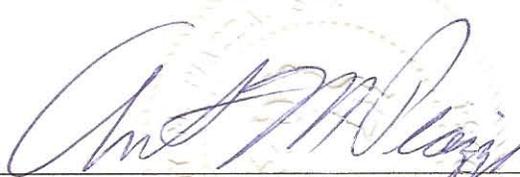
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without my written consent, and in any event, only with proper written qualification and only in its entirety. I am not responsible for any unauthorized use of this report.

14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of myself as the appraiser or the firm with which I am connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of myself.

15. I am not required to give testimony nor appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made therefor.
16. Disclosures of the contents of the appraisal report are governed by the bylaws and regulations of the Appraisal Institute with which I am affiliated.
17. The projections included in this report are utilized to assist in the valuation process and assume certain supply and demand factors in the market, as well as a continued, stable economy. These projections are subject to change in the future, which cannot be accurately predicted by myself, and could affect the future income and/or value estimates.
18. This appraisal considers several extraordinary assumptions and, if found to be false, could alter my opinion and conclusion. These include, but are not limited to:
- that any utility easements which extend through the property are abandoned and any easements for same nullified;
 - that Water Street, which once traversed the property, has been legally vacated;
 - that all slabs and foundations from the previously demolished buildings have been removed.

Date: February 9, 2007

Appraiser: _____


ANTHONY M. PIAZZA, MAI, SRA



SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



POWER PLANT BUILDING FACING NORTHEAST



**SOUTHWEST ENTRY OF POWER PLANT
(DETERIORATED MASONRY)**

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



INTERIOR OF POWER PLANT

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



CORNER BUILDING FACING NORTHEAST



SOUTHEAST CORNER OF CORNER BUILDING

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



INTERIOR OF CORNER BUILDING

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



INTERIOR OF CORNER BUILDING

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



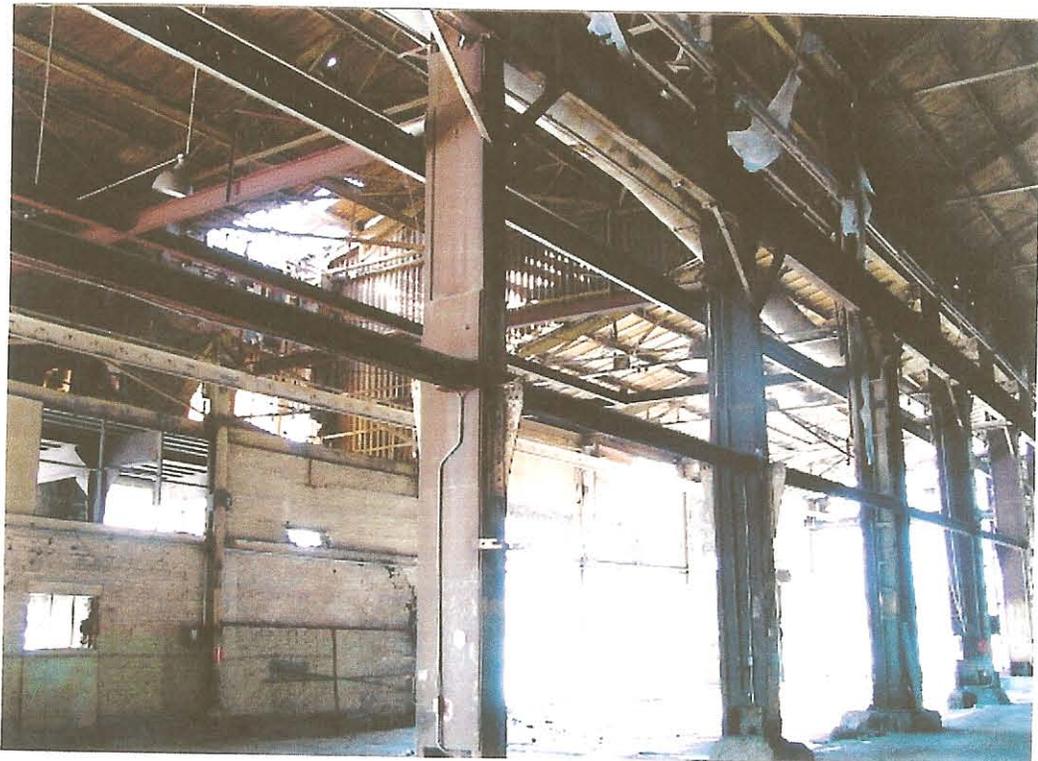
FOUNDRY BUILDING FACING WEST



FOUNDRY BUILDING FACING NORTH

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



INTERIOR OF FOUNDRY BUILDING

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



INTERIOR OF FOUNDRY BUILDING

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



NORTH WALL OF CORNER BUILDING

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



RIVER VIEW FACING NORTH FROM FOUNDRY BUILDING



RIVER VIEW FACING SOUTH FROM FOUNDRY BUILDING

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



BOAT LINE'S LEASED AREA IN NORTHWEST CORNER

SUBJECT PHOTOGRAPHS

TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



STREET SCENE FACING NORTH ON SOUTH WATER STREET

SUBJECT PHOTOGRAPHS

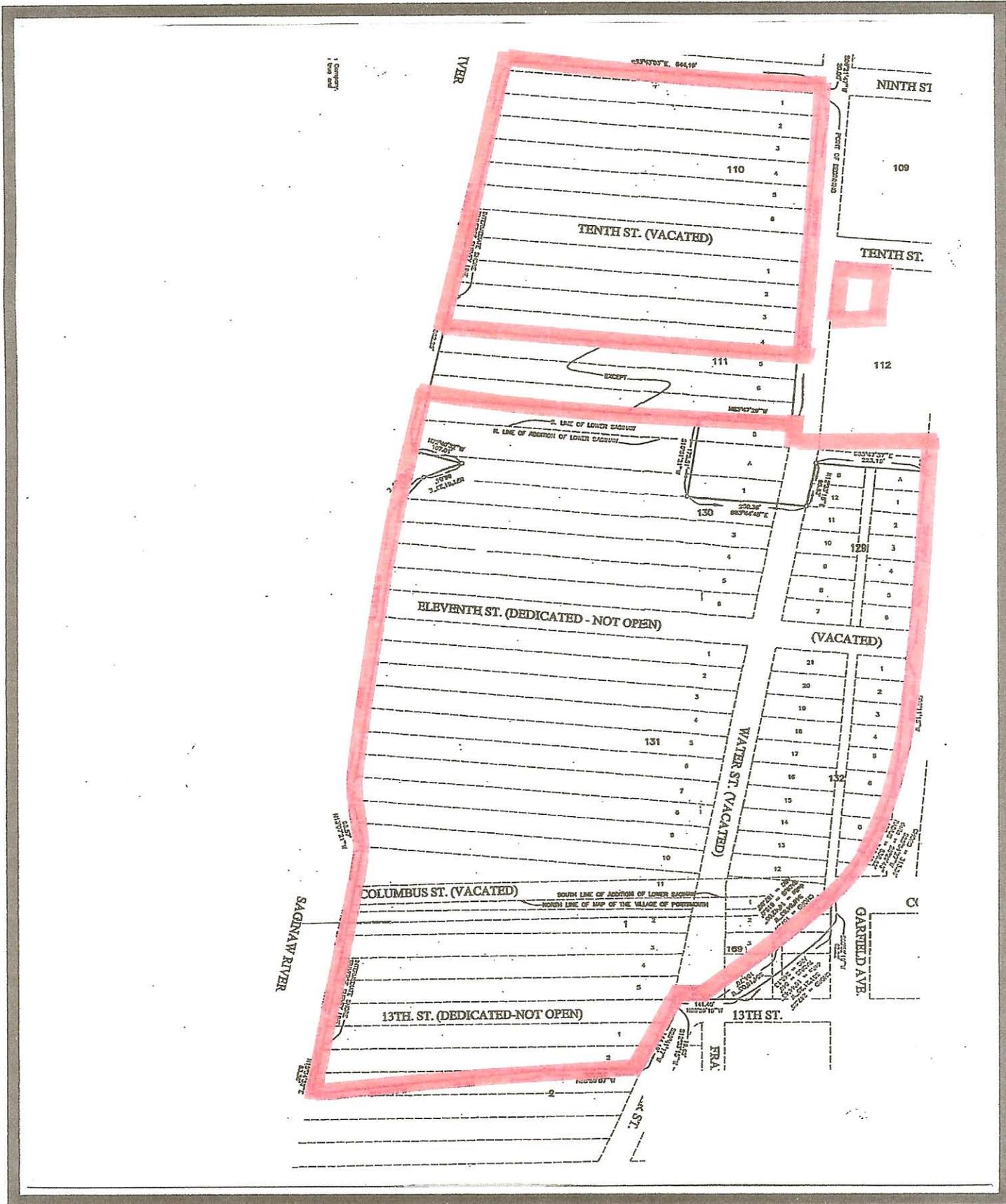
TAKEN JANUARY 19, 2007, BY ANTHONY M. PIAZZA



STREET SCENE FACING SOUTH ON WATER STREET FROM NINTH STREET

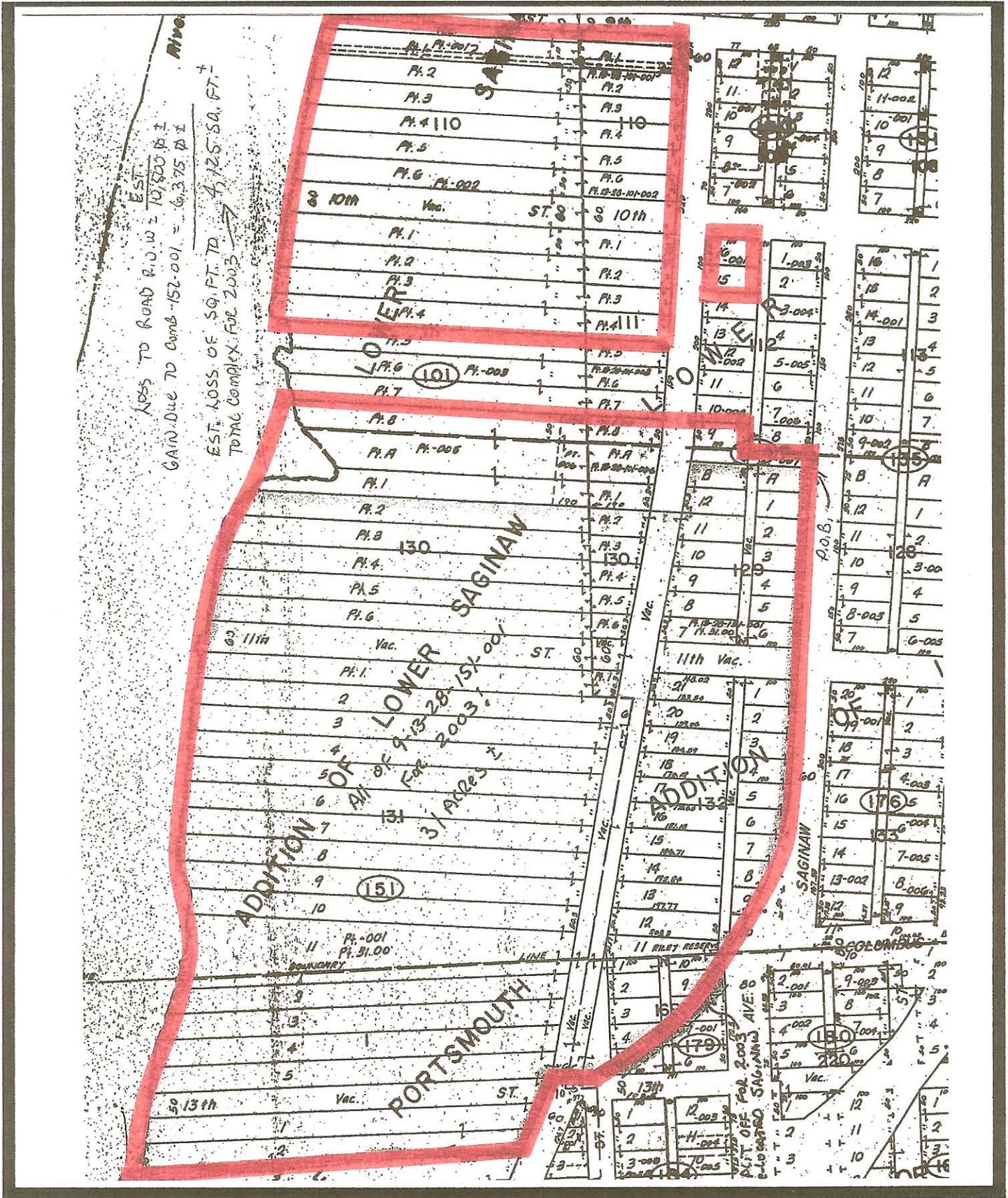


STREET SCENE FACING WEST ON NINTH STREET



SURVEY SKETCH





PLAT MAP



Bay County, Michigan Online Property Tax Query

Todays Date: 01/25/2007 
 This record last modified: 10/12/2006
 Database last updated: 01/24/2007 at 10:15:38 PM

Parcel ID	
Parcel:	09-160-028-151-001-00 City/Township Info
Property Locations or Property Address:	202 SAGINAW ST BAY CITY MI 48708
Owner of Record:	CITY OF BAY CITY 301 WASHINGTON AVE BAY CITY MI 48708

Assessment Values	
Current Assessment:	181250
State Equal. Value:	181250
Taxable Value:	181250
HomeStead:	0.0000
HomeStead Exemption:	0

Parcel Legal Data	
Acres:	30.950
Liber:	
Page:	
Purchase Date:	
Purchase Price:	0

Standard District Codes	
Property Class Code:	320
School District:	09010 (Bay City School District)

Assessment Description
<p>A PARCEL OF LAND BEING PT OF BLKS 129, 130, 131, & 132 ADD OF LOWER SAGINAW & PT OF BLKS 1,2 & 169 VILL OF PORTSMOUTH & VAC WATER ST VIZ: COM AT NE COR OF SD BLK 129 TH S 6D08M30S W 30 FT ALG E LI SD BLK 129 TO POB TH S 6D08M30S W 405.06 FT ALG W ROW LI OF SAGINAW ST TO NE COR OF BLK 132 ADD OF LOWER SAGINAW TH S 6D11M15S W 236.17 FT ALG W ROW LI OF SAGINAW ST TO A PT OF 9D CURVE TO RT TH CONT SLY ON SD CURVE TO RT ALG THE WLY ROW LI OF SAGINAW ST & RELOCATED SAGINAW ST TO A POINT ON THE N LI OF 13TH ST 70.59 FT M/L E OF THE WLY LI VAC WATER ST TH W 70.59 FT M/L TO SD WLY LI VAC WATER ST & SE COR OF BLK 1 VILLAGE OF PORTSMOUTH TH S 12D33M15S W 19.68 FT ALG W ROW LI WATER ST TH S 25D41M17S W 144.08 FT M/L TO SE COR LOT 2 BLK 2 VILLAGE OF PORTSMOUTH TH W ALG S LI SD LOT 2 200 FT TH S 86D05M53S W 498.58 FT TO INTERMEDIATE SHORE TRAVERSE SURVEY LI OF THE SAGINAW RIVER TH N 15D34M38S E 63.36 FT ALG SD SHORE LI TH N 12D25M26S E 489.77 FT TH N 13D07M21S W 98.57 FT TH N 10D33M28S E 655.73 FT TH N 44D23M0S E 71.03 FT ALG SD SHORE LI TO N LI LOT 2 BLK 130 IF EXT WLY TH S 83D44M45S E 797.56 FT ALG N LI LOT 2 IF EXT WLY TO SW COR LOT 12 BLK 129 ADD OF LOWER SAGINAW TH N 12D33M15S E 95.63 FT ALG WLY LI SD BLK 129 TH S 83D47M37S E TO POB. (CORRECT DESC FOR 1997 & COMB W/ -152-001 & SPLIT OFF RELOCATED SAGINAW ST ROW FOR 2003.) Local Unit Reference Parcel#: 09-13-28-151-001</p>

Current Tax Summary

Tax Period: W06 Assessed: 181250 Equalized: 181250 Taxable: 181250 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008275 Total Tax: 1068.09 Admin Fee: 0.00 Tax Bill: 1068.09	Tax Period: S06 Assessed: 181250 Equalized: 181250 Taxable: 181250 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008237 Total Tax: 10197.32 Admin Fee: 0.00 Tax Bill: 10197.32
Tax Period: W05 Assessed: 181700 Equalized: 181700 Taxable: 181700 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008271 Total Tax: 1656.94 Admin Fee: 0.00 Tax Bill: 1656.94	Tax Period: S05 Assessed: 181700 Equalized: 181700 Taxable: 181700 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 007425 Total Tax: 9814.42 Admin Fee: 0.00 Tax Bill: 9814.42

NOTE: INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED

PTQ created and powered by NetSource-One.com R.1319250

Bay County, Michigan Online Property Tax Query

Today's Date: 01/25/2007 

This record last modified: 10/12/2006

Database last updated: 01/24/2007 at 10:15:38 PM

Parcel ID	
Parcel:	09-160-028-101-006-00 City/Township Info
Property Locations or Property Address:	221 N WATER ST BAY CITY MI 48708
Owner of Record:	CITY OF BAY CITY 301 WASHINGTON AVE BAY CITY MI 48708-5837

Assessment Values	
Current Assessment:	0
State Equal. Value:	0
Taxable Value:	0
HomeStead:	0.0000
HomeStead Exemption:	0

Parcel Legal Data	
Acres:	0.760
Liber:	
Page:	
Purchase Date:	
Purchase Price:	0

Standard District Codes	
Property Class Code:	701 (Exempt)
School District:	09010 (Bay City School District)

Assessment Description
THE E 190 FT OF LOT 8 BLK 111 LOWER SAGINAW AND THE E 190 FT OF LOTS 1 & A BLK 130 ADDITION OF LOWER SAGINAW (SPLIT FOR 1992) Local Unit Reference Parcel#: 09-13-28-101-006

Current Tax Summary
Tax summary not found

NOTE: INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED

PTQ created and powered by [NetSource-One.com](http://www.netsource-one.com) R.1319255

Bay County, Michigan Online Property Tax Query

Todays Date: 01/25/2007 
 This record last modified: 10/12/2006
 Database last updated: 01/24/2007 at 10:15:38 PM

Parcel ID	
Parcel:	09-160-028-101-005-00 City/Township Info
Property Locations or Property Address:	201 N WATER ST BAY CITY MI 48708
Owner of Record:	CITY OF BAY CITY 301 WASHINGTON AVE BAY CITY MI 48708

Assessment Values	
Current Assessment:	7000
State Equal. Value:	7000
Taxable Value:	7000
HomeStead:	0.0000
HomeStead Exemption:	0

Parcel Legal Data	
Acres:	1.840
Liber:	
Page:	
Purchase Date:	
Purchase Price:	0

Standard District Codes	
Property Class Code:	302 (Vacant - Industrial)
School District:	09010 (Bay City School District)

Assessment Description
LOT 8, BLK 111 LOWER SAGINAW & LOTS 1 & A OF BLK 130 ADDITION OF LOWER SAGINAW EXC THE E 190 FT OF THE AFORE-DESCRIBED PARCEL. (COMB W/PT OF -006 FOR 1992) Local Unit Reference Parcel#: 09-13-28-101-005

Current Tax Summary			
	Tax Period: W06 Assessed: 7000 Equalized: 7000 Taxable: 7000 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008272 Total Tax: 41.25 Admin Fee: 0.00 Tax Bill: 41.25		Tax Period: S06 Assessed: 7000 Equalized: 7000 Taxable: 7000 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008235 Total Tax: 393.81 Admin Fee: 0.00 Tax Bill: 393.81
	Tax Period: W05 Assessed: 7000 Equalized: 7000 Taxable: 7000 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008268 Total Tax: 63.84 Admin Fee: 0.00 Tax Bill: 63.84		Tax Period: S05 Assessed: 7000 Equalized: 7000 Taxable: 7000 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 007422 Total Tax: 378.09 Admin Fee: 0.00 Tax Bill: 378.09

NOTE: INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED

PTQ created and powered by NetSource-One.com R.1319256

Bay County, Michigan Online Property Tax Query

Todays Date: 01/25/2007 
 This record last modified: 10/12/2006
 Database last updated: 01/24/2007 at 10:15:38 PM

Parcel ID	
Parcel:	09-160-028-101-002-00 City/Township Info
Property Locations or Property Address:	301 N WATER ST BAY CITY MI 48708
Owner of Record:	CITY OF BAY CITY 301 WASHINGTON AVE BAY CITY MI 48708

Assessment Values	
Current Assessment:	84050
State Equal. Value:	84050
Taxable Value:	83230
HomeStead:	0.0000
HomeStead Exemption:	0

Parcel Legal Data	
Acres:	8.610
Liber:	
Page:	
Purchase Date:	
Purchase Price:	0

Standard District Codes	
Property Class Code:	202 (Vacant - Commercial)
School District:	09010 (Bay City School District)

Assessment Description
ALL BLK 110 & LOTS 1 THRU 4 BLK 111 & S 1/2 OF VAC 9TH ST W OF WATER ST & VAC 10TH ST W OF WATER ST LOWER SAGINAW EXC A UTILITY EASEMENT ON S 10 FT OF N 40 FT OF LOT 1 IN SD BLK 110 Local Unit Reference Parcel#: 09-13-28-101-002

Current Tax Summary			
	Tax Period: W06 Assessed: 84050 Equalized: 84050 Taxable: 83230 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008271 Total Tax: 490.45 Admin Fee: 0.00 Tax Bill: 490.45		Tax Period: S06 Assessed: 84050 Equalized: 84050 Taxable: 83230 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008234 Total Tax: 4682.63 Admin Fee: 0.00 Tax Bill: 4682.63
	Tax Period: W05 Assessed: 83950 Equalized: 83950 Taxable: 80572 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008267 Total Tax: 734.74 Admin Fee: 0.00 Tax Bill: 734.74		Tax Period: S05 Assessed: 83950 Equalized: 83950 Taxable: 80572 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 007421 Total Tax: 4352.03 Admin Fee: 0.00 Tax Bill: 4352.03

NOTE: INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED

PTQ created and powered by NetSource-One.com R.1319257

Bay County, Michigan Online Property Tax Query

Todays Date: 01/25/2007 
 This record last modified: 10/12/2006
 Database last updated: 01/24/2007 at 10:15:38 PM

Parcel ID	
Parcel:	09-160-028-101-001-00 City/Township Info
Property Locations or Property Address:	10FT EASEMENT SW BAY CITY MI 48708
Owner of Record:	CITY OF BAY CITY MISC 301 WASHINGTON AVE BAY CITY MI 48708-5837

Assessment Values	
Current Assessment:	1100
State Equal. Value:	1100
Taxable Value:	1100
HomeStead:	0.0000
HomeStead Exemption:	0

Parcel Legal Data	
Acres:	0.220
Liber:	
Page:	
Purchase Date:	
Purchase Price:	0

Standard District Codes	
Property Class Code:	302 (Vacant - Industrial)
School District:	09010 (Bay City School District)

Assessment Description
S 10 FT OF N 40 FT OF LOT 1 BLK 110 LOWER SAGINAW Local Unit Reference Parcel#: 09-13-28-101-001

Current Tax Summary			
Tax Period: W06 Assessed: 1100 Equalized: 1100 Taxable: 1100 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008270 Total Tax: 6.47 Admin Fee: 0.00 Tax Bill: 6.47	Tax Period: S06 Assessed: 1100 Equalized: 1100 Taxable: 1100 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008318 Total Tax: 61.89 Admin Fee: 0.00 Tax Bill: 61.89	Tax Period: W05 Assessed: 1100 Equalized: 1100 Taxable: 1100 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008266 Total Tax: 10.04 Admin Fee: 0.00 Tax Bill: 10.04	Tax Period: S05 Assessed: 1100 Equalized: 1100 Taxable: 1100 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 007420 Total Tax: 59.43 Admin Fee: 0.00 Tax Bill: 59.43

NOTE: INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED

PTQ created and powered by [NetSource-One.com](http://www.netsource-one.com) R.1319260

Bay County, Michigan Online Property Tax Query

Today's Date: 01/25/2007

PRINT

This record last modified: 10/12/2006

Database last updated: 01/24/2007 at 10:15:38 PM



Parcel ID	
Parcel:	09-160-028-134-008-00 City/Township Info
Property Locations or Property Address:	N WATER ST BAY CITY MI 48708
Owner of Record:	CITY OF BAY CITY 301 WASHINGTON AVE BAY CITY MI 48708-5837

Assessment Values	
Current Assessment:	0
State Equal. Value:	0
Taxable Value:	0
HomeStead:	0.0000
HomeStead Exemption:	0

Parcel Legal Data	
Acres:	0.230
Liber:	
Page:	
Purchase Date:	
Purchase Price:	0

Standard District Codes	
Property Class Code:	702 (Exempt)
School District:	09010 (Bay City School District)

Assessment Description
LOTS 9 & 10 BLK 112 LOWER SAGINAW. (SPLIT FROM -006 FOR 1993) Local Unit Reference Parcel#: 09-13-28-134-008

Current Tax Summary
Tax summary not found

NOTE: INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED

PTQ created and powered by NetSource-One.com R.1319262

Bay County, Michigan Online Property Tax Query

Todays Date: 01/25/2007 
 This record last modified: 10/12/2006
 Database last updated: 01/24/2007 at 10:15:38 PM

Parcel ID	
Parcel:	09-160-028-134-007-00 City/Township Info
Property Locations or Property Address:	225 SAGINAW ST BAY CITY MI 48708
Owner of Record:	CITY OF BAY CITY 301 WASHINGTON AVE BAY CITY MI 48708-5837

Assessment Values	
Current Assessment:	19100
State Equal. Value:	19100
Taxable Value:	19100
HomeStead:	0.0000
HomeStead Exemption:	0

Parcel Legal Data	
Acres:	1.750 <i>0.115</i>
Liber:	
Page:	
Purchase Date:	
Purchase Price:	0

Standard District Codes	
Property Class Code:	302 (Vacant - Industrial)
School District:	09010 (Bay City School District)

Assessment Description
N 30 FT OF LOTS A & B BLK 129 ADD OF LOWER SAGINAW Local Unit Reference Parcel#: 09-13-28-134-007

Current Tax Summary			
	Tax Period: W06 Assessed: 19100 Equalized: 19100 Taxable: 19100 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008274 Total Tax: 112.55 Admin Fee: 0.00 Tax Bill: 112.55		Tax Period: S06 Assessed: 19100 Equalized: 19100 Taxable: 19100 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008319 Total Tax: 1074.60 Admin Fee: 0.00 Tax Bill: 1074.60
	Tax Period: W05 Assessed: 19100 Equalized: 19100 Taxable: 19100 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008270 Total Tax: 174.18 Admin Fee: 0.00 Tax Bill: 174.18		Tax Period: S05 Assessed: 19100 Equalized: 19100 Taxable: 19100 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 007424 Total Tax: 1031.68 Admin Fee: 0.00 Tax Bill: 1031.68

NOTE: INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED

PTQ created and powered by NetSource-One.com R.1319281

Bay County, Michigan Online Property Tax Query

Today's Date: 01/25/2007 
This record last modified: 10/12/2006
Database last updated: 01/24/2007 at 10:15:38 PM

Parcel ID	
Parcel:	09-160-028-134-001-00 City/Township Info
Property Locations or Property Address:	102 10TH ST BAY CITY MI 48708
Owner of Record:	CITY OF BAY CITY 301 WASHINGTON AVE BAY CITY MI 48708

Assessment Values	
Current Assessment:	10000
State Equal. Value:	10000
Taxable Value:	8242
HomeStead:	0.0000
HomeStead Exemption:	0

Parcel Legal Data	
Acres:	0.230
Liber:	
Page:	
Purchase Date:	
Purchase Price:	0

Standard District Codes	
Property Class Code:	202 (Vacant - Commercial)
School District:	09010 (Bay City School District)

Assessment Description
LOTS 15 & 16 BLK 112 LOWER SAGINAW Local Unit Reference Parcel#: 09-13-28-134-001

Current Tax Summary			
	Tax Period: W06 Assessed: 10000 Equalized: 10000 Taxable: 8242 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008273 Total Tax: 48.56 Admin Fee: 0.00 Tax Bill: 48.56		Tax Period: S06 Assessed: 10000 Equalized: 10000 Taxable: 8242 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008236 Total Tax: 463.71 Admin Fee: 0.00 Tax Bill: 463.71
	Tax Period: W05 Assessed: 10000 Equalized: 10000 Taxable: 7979 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 008269 Total Tax: 72.75 Admin Fee: 0.00 Tax Bill: 72.75		Tax Period: S05 Assessed: 10000 Equalized: 10000 Taxable: 7979 Homestead: 0.0000 Home Exempt: 0 Tax Bill Nbr: 007423 Total Tax: 430.98 Admin Fee: 0.00 Tax Bill: 430.98

NOTE: INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED

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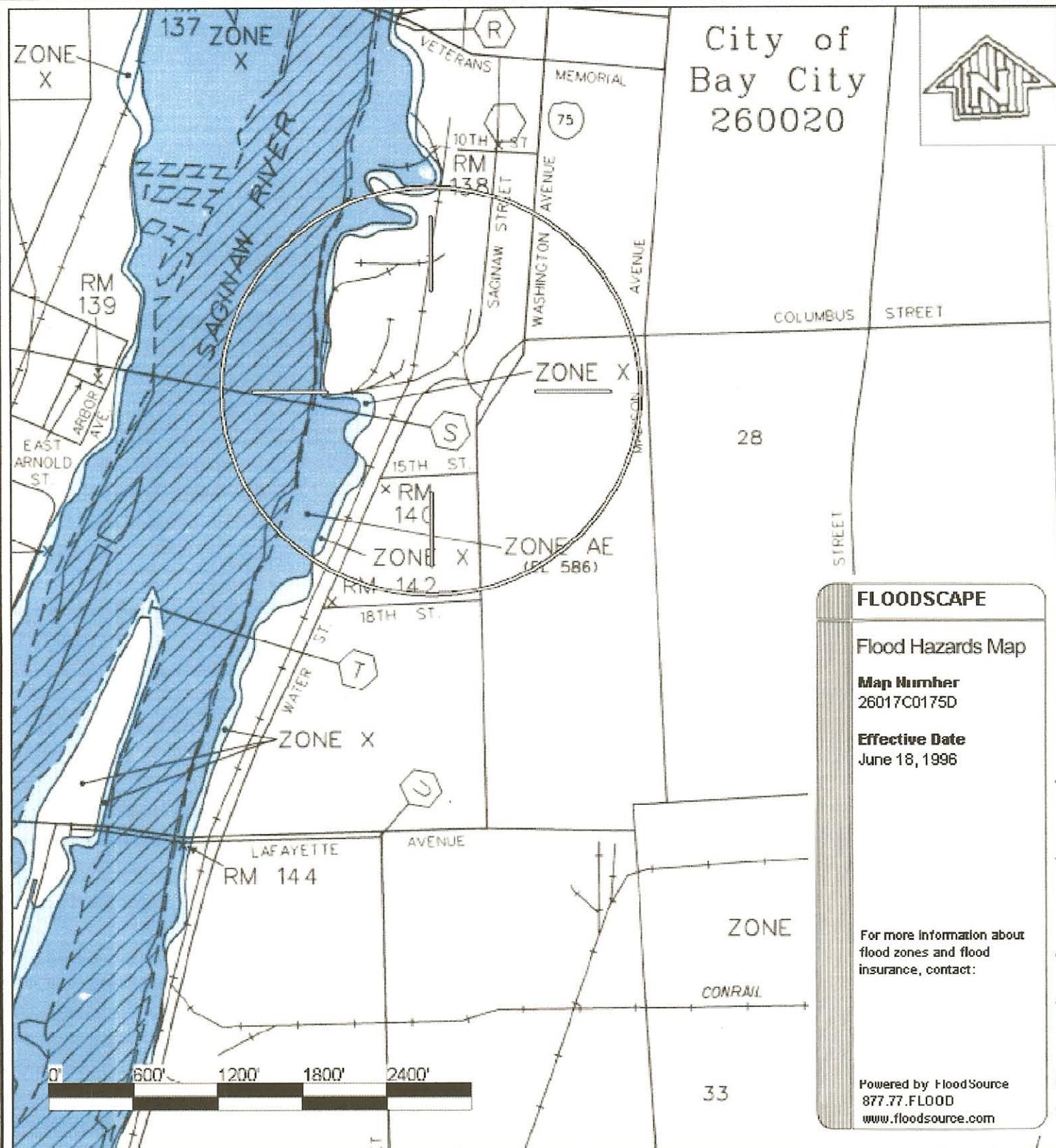
InterFlood



www.interflood.com • 1-800-252-6633

Prepared for:
Piazza Appraisal Service

200 S Water St
Bay City, MI 48708-4600



FLOODSCOPE

Flood Hazards Map

Map Number
26017C0175D

Effective Date
June 18, 1996

For more information about
flood zones and flood
insurance, contact:

Powered by FloodSource
877.77.FLOOD
www.floodsource.com



Recipient: Tony Piazza

Sent By: Community Development

Company:

Company: City of Bay City

Fax Number: 9-19893935906

Fax Number: 989-894-8220

Voice Number: 989-790-6760

Voice Number: 989-894-8154

Date: 2/27/2007

Time: 2:07:53 PM

Total No. Pages: 4

Subject: LOMA Determination Document

Message:

Tony-

Page 1 of 3	Date: April 18, 2006	Case No.: 06-05-B304A	LOMA
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Federal Emergency Management Agency
Washington, D.C. 20472

**LETTER OF MAP AMENDMENT
DETERMINATION DOCUMENT (REMOVAL)**

COMMUNITY AND MAP PANEL INFORMATION		LEGAL PROPERTY DESCRIPTION
COMMUNITY	CITY OF BAY CITY, BAY COUNTY, MICHIGAN	A portion of Blocks 110 and 111, Map of Lower Saginaw, and a portion of Blocks 129, through 132, Addition to Lower Saginaw, and a portion of Blocks 1, 2 and 169, Map of the Village of Portsmouth, as described in the Warranty Deed recorded in Liber 1852, Page 408 through 411, in the Office of the Register of Deeds, Bay County, Michigan. The portion of property to be removed from the SFHA is more
	COMMUNITY NO.: 260020	
AFFECTED MAP PANEL	NUMBER: 26017C0175D DATE: 6/18/1996	
FLOODING SOURCE: SAGINAW RIVER; SAGINAW BAY BACKWATER		APPROXIMATE LATITUDE & LONGITUDE OF PROPERTY: 43.589, -83.891 SOURCE OF LAT & LONG: PRECISION MAPPING STREETS 4.0 DATUM: NAD 83

DETERMINATION

LOT	BLOCK/ SECTION	SUBDIVISION	STREET	OUTCOME WHAT IS REMOVED FROM THE SFHA	FLOOD ZONE	1% ANNUAL CHANCE FLOOD ELEVATION (NGVD 29)	LOWEST ADJACENT GRADE ELEVATION (NGVD 29)	LOWEST LOT ELEVATION (NGVD 29)
-	-	-	-	Portion of Property	X (shaded)	585.7 feet	-	585.8 feet

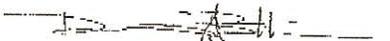
Special Flood Hazard Area (SFHA) - The SFHA is an area that would be inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood).

ADDITIONAL CONSIDERATIONS (Please refer to the appropriate section on Attachment 1 for the additional considerations listed below.)

LEGAL PROPERTY DESCRIPTION
PORTIONS REMAIN IN THE FLOODWAY
GREAT LAKES

This document provides the Federal Emergency Management Agency's determination regarding a request for a Letter of Map Amendment for the property described above. Using the information submitted and the effective National Flood Insurance Program (NFIP) map, we have determined that the described portion(s) of the property(ies) is/are not located in the SFHA, an area inundated by the flood having a 1-percent chance of being equaled or exceeded in any given year (base flood). This document amends the effective NFIP map to remove the subject property from the SFHA located on the effective NFIP map; therefore, the Federal mandatory flood insurance requirement does not apply. However, the lender has the option to continue the flood insurance requirement to protect its financial risk on the loan. A Preferred Risk Policy (PRP) is available for buildings located outside the SFHA. Information about the PRP and how one can apply is enclosed.

This determination is based on the flood data presently available. The enclosed documents provide additional information regarding this determination. If you have any questions about this document, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, 3601 Eisenhower Avenue, Suite 130, Alexandria, VA 22304-8430.


 Doug Bellomo, P.L., Chief
 Hazard Identification Section, Mitigation Division

Page 2 of 3	Date: April 18, 2006	Case No.: 06-05-B304A	LOMA
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Federal Emergency Management Agency

Washington, D.C. 20472

LETTER OF MAP AMENDMENT DETERMINATION DOCUMENT (REMOVAL)

ATTACHMENT 1 (ADDITIONAL CONSIDERATIONS)

LEGAL PROPERTY DESCRIPTION (CONTINUED)

particularly described by the following metes and bounds:

BEGINNING at the northeast corner of said Block 110, Map of Lower Saginaw, thence along the proposed area to be removed along the following courses:

1) S 06°21'47" W 732.43 FEET, 2) N 83°47'16" W 189.97 FEET, 3) S 10°44'43" W 175.75 FEET, 4) S 83°47'37" E 249.98 FEET, 5) N 12°39'25" E 96.27 FEET, 6) S 83°38'56" E 223.01 FEET, 7) S 06°06'49" W 404.98 FEET, 8) S 06°08'34" W 236.17 FEET, C1) 316.62 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 636.62 FEET, CENTRAL ANGLE OF 28°29'45" AND CHORD BEARING AND DISTANCE OF 25°52'46" W 313.36 FEET, C2) 157.80 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 615.00 FEET, CENTRAL ANGLE OF 14°42'05", AND CHORD BEARING AND DISTANCE OF S 46°53'12" W 157.37 FEET, 9) S 54°14'22" W 184.70 FEET, 10) N 89°01'00" W 70.58 FEET, 11) S 13°14'49" W 19.70 FEET, 12) S 25°41'17" W 144.19 FEET, 13) N 88°59'07" W 200.00 FEET, 14) S 86°04'51" W 478.71 FEET, 15) N 76°04'50" W 18.62 FEET, 16) N 02°41'56" E 39.73 FEET, 17) N 03°48'24" W 43.99 FEET, 18) N 30°44'59" E 19.39 FEET, 19) N 10°13'31" E 172.53 FEET, 20) N 21°10'38" E 117.79 FEET, 21) N 13°14'30" E 75.73 FEET, 22) N 02°55'01" E 47.11 FEET, 23) N 34°19'28" E 27.31 FEET, 24) N 06°25'26" E 39.44 FEET, 25) N 24°50'07" W 69.54 FEET, 26) N 10°18'52" E 137.68 FEET, 27) N 26°31'47" E 61.45 FEET, 28) N 21°44'22" W 38.85 FEET, 29) N 11°21'15" E 155.43 FEET, 30) N 05°44'16" E 46.25 FEET, 31) N 12°13'14" E 84.68 FEET, 32) N 09°17'09" E 102.04 FEET, 33) N 20°35'19" E 27.49 FEET, 34) N 46°19'21" E 64.07 FEET, 35) S 74°31'54" E 59.10 FEET, 36) S 59°55'04" E 83.55 FEET, 37) N 89°29'59" E 122.66 FEET, 38) N 12°14'20" E 62.21 FEET, 39) N 34°46'35" E 25.28 FEET, 40) N 49°18'42" E 34.50 FEET, 41) N 37°03'59" E 127.53 FEET, 42) N 56°05'39" W 29.49 FEET, 43) N 86°18'17" W 56.49 FEET, 44) N 11°19'48" W 73.01 FEET, 45) N 43°13'16" E 193.67 FEET, 46) N 34°46'41" E 90.31 FEET, 47) N 19°23'39" E 32.27 FEET, 48) N 87°03'11" W 28.55 FEET, 49) N 49°31'19" W 50.78 FEET, 50) N 25°07'53" E 104.52 FEET, 51) N 15°02'59" E 82.40 FEET, 52) N 37°16'19" E 21.13 FEET, 53) N 00°51'30" E 99.85 FEET, 54) N 27°06'16" E 95.87 FEET, 55) S 83°42'48" E 334.44 FEET, 56) S 06°21'47" W 20.00 feet to the POINT OF BEGINNING.

This attachment provides additional information regarding this request. If you have any questions about this attachment, please contact the FEMA Map Assistance Center toll free at (877) 336 2627 (877-FFMA MAP) or by letter addressed to the Federal Emergency Management Agency, 3601 Eisenhower Avenue, Suite 130, Alexandria, VA 22304-6188.

Doug Bollomo, P.E., Chief
Hazard Identification Section, Mitigation Division

Page 3 of 3		Date: April 18, 2006	Case No.: 06-05-B304A	LOMA
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Federal Emergency Management Agency
Washington, D.C. 20472

**LETTER OF MAP AMENDMENT
DETERMINATION DOCUMENT (REMOVAL)
ATTACHMENT 1 (ADDITIONAL CONSIDERATIONS)**

PORTIONS OF THE PROPERTY REMAIN IN THE FLOODWAY (This Additional Consideration applies to the preceding 1 Property.)

A portion of this property is located within the Special Flood Hazard Area and the National Flood Insurance Program (NFIP) regulatory floodway for the flooding source indicated on the Determination/Comment Document while the subject of this determination is not. The NFIP regulatory floodway is the area that must remain unobstructed in order to prevent unacceptable increases in base flood elevations. Therefore, no construction may take place in an NFIP regulatory floodway that may cause an increase in the base flood elevation, and any future construction or substantial improvement on the property remains subject to Federal, State/Commonwealth, and local regulations for floodplain management. The NFIP regulatory floodway is provided to the community as a tool to regulate floodplain development. Modifications to the NFIP regulatory floodway must be accepted by both the Federal Emergency Management Agency (FEMA) and the community involved. Appropriate community actions are defined in Paragraph 60.3(d) of the NFIP regulations. Any proposed revision to the NFIP regulatory floodway must be submitted to FEMA by community officials. The community should contact either the Regional Director (for those communities in Regions I-IV, and VI-X), or the Regional Engineer (for those communities in Region V) for guidance on the data which must be submitted for a revision to the NFIP regulatory floodway. Contact information for each regional office can be obtained by calling the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or from our web site at <http://www.fema.gov/about/regoff.htm>.

GREAT LAKES (This Additional Consideration applies to all properties in the LOMA DETERMINATION DOCUMENT (REMOVAL))

The Federal Emergency Management Agency (FEMA) has based this determination on elevation data, which is published in the current Flood Insurance Study for the community. However, the elevations established in the U.S. Army Corps of Engineers (USACE) reports on the Great Lakes are the best available data known to us. If in the future there are any subsequent map revisions to the National Flood Insurance Program map and the USACE reports remain the best available data known, FEMA will use those elevations for any such revisions. Further, be advised that the elevations on the Flood Insurance Rate Map (FIRM) may only reflect the Stillwater elevation for the lake and may not account for the effects of wind driven waves or wave runup. On-site conditions such as wind speed, wind direction, fetch distance, water depth and the slope of the beach or bluff may result in significant increases to the base flood elevation. Therefore, it is strongly recommended that the requestor be aware of these circumstances and, if warranted, evaluate the effects of wind driven waves along the shoreline of the property.

This attachment provides additional information regarding this request. If you have any questions about this attachment, please contact the FEMA Map Assistance Center toll free at (877) 336-2627 (877-FEMA MAP) or by letter addressed to the Federal Emergency Management Agency, 3601 Eisenhower Avenue, Suite 130, Alexandria, VA 22304-6439.



 Doug Bellomo, P.F., Chief
 Hazard Identification Section, Mitigation Division

**ARTICLE VIII. C-1, NEIGHBORHOOD BUSINESS DISTRICT, C-2-A, GENERAL
BUSINESS DISTRICT, C-2-B, HIGHWAY BUSINESS DISTRICT, C-3,
CENTRAL BUSINESS DISTRICT.**

Sec. 122-151. Purpose.

The intent of the business districts is to provide land in the city for a variety of commercial uses, including retail, office, restaurant, and service uses, to serve residents in the city and surrounding communities. There are four business districts that differ in the population served, the intensity of use, and the range of products and services offered.

The C-1, neighborhood business district, is intended to offer a broad range of goods and services needed by residents in surrounding neighborhoods on a daily basis. Neighborhood business districts are typically located adjacent to residential uses, so special attention must be focused on site layout, building design, vehicular and pedestrian circulation, orientation of dumpster and loading areas, light trespass, and similar considerations to prevent undesirable impacts on the residential uses.

The C-2-A, general business district, is intended to provide residents of the city with a broad range of comparison, convenience commercial, and service uses.

The C-2-B, highway business district, is intended to be the city's most vehicle-oriented commercial district. It includes the Euclid and Wilder corridors, excluding those portions zoned O-1, and that portion of Center Avenue between Livingston and the corporate limits, excluding that portion which is zoned M-1, light industrial.

The C-3, central business district, is intended to offer a variety of commercial, office, civic, cultural, entertainment, recreational, residential, and tourism-oriented uses in a compact, high intensity urban downtown environment. Residential development, particularly on the upper floors of retail and office buildings, is encouraged in this district.

Sec. 122-152. Permitted uses and structures.

A. Table of permitted uses.

Buildings shall be erected, altered, and used and land shall be used in accordance with section 122-153 and table 122-152, table of permitted uses.

B. Uses not cited by name.

The use of a building or land use which is not cited by name as a permitted or special use in a C-1, C-2-A, C-2-B, or C-3 zoning district may be permitted upon determination by the planning division staff that such use is clearly similar in nature and intensity and compatible with the permitted and existing uses in the district. In making such a determination, the planning division staff shall consider the following:

1. **Similarity and compatibility.** In making the determination of similarity and compatibility with permitted and existing uses in the district, planning division staff shall consider specific characteristics of the use in question and compare such characteristics with those uses expressly permitted in the district. Such characteristics shall include, but are not limited to, truck and vehicular traffic generation, types of services offered, types of goods offered, methods of operation, impacts from noise, and building and site characteristics.

2. **Conditions under which use may be permitted.** If the planning division staff determines that the proposed use is similar to and compatible with permitted and existing uses in the district, then planning division staff shall decide whether the proposed use is permitted by right, as a special use, or as a permitted accessory use. The proposed use shall be subject to the review and approval regulations for the district in which it is located.

Table 122-152 Table of Permitted Uses					
Use	Districts				Comments
	C-1	C-2-A	C-2-B	C-3	
• = Use is Permitted SU = Special use. X = Use is Not Permitted					
A. Clinics:					
1. Medical clinic.	•	•	•	•	
2. Hospitals.	SU	•	•	SU	See § 122-480.
3. Veterinary clinics and hospitals for the care of small animals.	SU	SU	SU	X	
B. Institutional Uses					
1. Business schools and colleges, vocational training schools, dance schools, music and voice schools, and art school.	SU	SU	•	•	
2. Cemeteries.	SU	SU	SU	X	
3. Display halls, banquet halls, and similar places of assembly.	X	SU	•	•	All activity is conducted completely within an enclosed building
4. Municipal, state or federal administrative or service buildings.	SU	SU	•	•	
5. Nursing homes, convalescent homes, rest homes, and orphanages.	X	SU	SU	SU	
6. Private service clubs and fraternal lodges.	SU	•	•	•	See § 122-482.
7. Public facilities such as museums or libraries.	•	•	•	•	See § 122-482.
8. Public utility buildings.	•	•	•	•	See § 122-493.

Table 122-152 Table of Permitted Uses					
Use	Districts				Comments
	C-1	C-2-A	C-2-B	C-3	
● = Use is Permitted SU = Special use. X = Use is Not Permitted					
9. Public, parochial, and other private elementary, intermediate, or high schools licensed by the State of Michigan to offer courses in general education.	●	X	X	X	Subject to site plan and special use approval, unless made exempt by the Revised School Code or other Michigan law.
10. Religious institutions.	●	●	●	●	See § 122-482.
11. Half-way house.	SU	SU	X	SU	
C. Motor vehicle related					
1. Motor vehicle filling station.	SU	SU	●	SU	See § 122-486.
2. Motor vehicle repair garage.	X	SU	●	SU	See § 122-487 and 122-32(71).
3. Motor vehicle service station.	X	SU	●	SU	See § 122-487 and 122-32(72).
4. Motor vehicle wash or car wash establishment.	X	SU	●	SU	See § 122-475.
5. New and used motor vehicle, truck and tractor, boat, mobile home, recreation vehicle and trailer sales.	X	SU	●	SU	See § 122-485.
D. Office uses:					
1. General office buildings and uses provided goods are not manufactured, exchanged, or sold on the premises.	●	●	●	●	
2. Printing plants and newspaper offices.	SU	SU	●	SU	
E. Residential Care Facilities:					
1. Adult foster care facilities.	●	●	●	SU	See § 122-479.
F. Day care centers.					
	●	●	●	●	See § 122-477.
G. Residential Uses:					
1. Accessory apartments	SU	SU	X	X	See § 122-472.
2. Bed and breakfasts.	SU	●	X	●	See § 122-474.
3. Dwellings located in commercial buildings constructed before the effective date of this chapter.	●	●	●	●	
4. Dwellings located in commercial buildings constructed after the effective date of this chapter.	SU	SU	SU	SU	
5. Home occupations.	A	A	A	A	See § 122-55
6. Multiple-family dwellings having three or fewer stories.	SU	SU	X	●	See § 122-303.
7. Multiple-family dwellings having more than three stories	SU	SU	X	SU	

Table 122-152 Table of Permitted Uses					
Use	Districts				Comments
	C-1	C-2-A	C-2-B	C-3	
• = Use is Permitted SU = Special use. X = Use is Not Permitted					
8. Residential swimming pools.	A	A	A	A	
9. Single-family attached dwellings (townhouses).	•	•	X	SU	
10. Single-family detached dwellings.	•	•	X	X	
11. Two-family attached dwellings (duplexes).	•	•	X	X	
H. Restaurants					
1. Bars, lounges, without entertainment and/or dancing.	SU	SU	•	•	See §122-32(89) and 122-473.
2. Bars, lounges, with entertainment and/or dancing.	X	SU	•	•	See §122-32(89) and 122-473.
3. Carry-out restaurants.	•	•	•	•	See § 122-32(89). Outdoor service and seating is permitted.
4. Drive-in restaurants.	X	SU	•	X	See § 122-32(89). Outdoor service and seating is permitted.
5. Fast-food restaurants with or without drive-through service.	SU	SU	SU	SU	See § 122-32(89) and 122-478. Outdoor service and seating is permitted.
6. Standard restaurants where alcohol may be served.	SU	SU	•	•	See § 122-32(89) and 122-473.
I. Retail and service businesses:					
1. Beauty salons, barbershops, and tanning salons.	•	•	•	•	
2. Marinas and docking facilities.	X	X	X	SU	
3. Financial institutions, including banks, credit unions, and brokerage houses.	SU	SU	•	SU	See article XVII, Off-street parking.
4. Funeral homes.	•	•	•	•	
5. Hotels and Motels.	X	SU	•	•	
6. Indoor recreation uses.	X	SU	•	•	See § 122-481.
7. Self service laundromats.	•	•	•	•	
8. Dry cleaners.	SU	SU	•	SU	
9. Locksmith.	•	•	•	•	
10. Movie theaters.	X	X	•	•	
11. Offices, showrooms, or workshop of a	X	•	•	•	The ground floor premises

Table 122-152 Table of Permitted Uses					
Use	Districts				Comments
	C-1	C-2-A	C-2-B	C-3	
● = Use is Permitted SU = Special use. X = Use is Not Permitted					
plumber, electrician, cabinet maker, upholsterer, caterer, exterminator, artisan, interior decorator, tailor, or similar trade.					facing upon and visible from any abutting street shall be used only for entrances, offices, sales, or display.
12. Commercial outdoor recreation facilities, such as miniature golf courses, batting cages, and go-carts tracks.	X	SU	●	X	
13. Personal fitness centers and health clubs.	SU	SU	●	●	
14. Photography studios.	●	●	●	●	
15. Print shops/copying shops.	●	●	●	●	
16. Sexually oriented businesses.	X	X	X	SU	See § 122-492.
17. Auditoriums, including theaters, concert halls and amphitheaters.	X	SU	●	●	
18. Watch, radio, television, clothing and shoe repair.	●	●	●	●	
J. Sale of the following on the premises:					
1. Any retail business, except sexually oriented businesses, involving the sale or rental of merchandise within a completely enclosed building.	●	●	●	●	
2. Shopping center.	X	X	SU	X	See § 122-476.
3. Outdoor retail sales.	X	SU	SU	SU	
K. Other Uses:					
1. Television and radio studios.	●	●	●	●	
2. Public and commercial television and radio towers.	X	SU	SU	SU	See § 122-490.
3. Wholesale sales and distribution.	X	SU	SU	X	
4. Wireless communication.	SU	SU	SU	SU	See § 122-68.

Sec. 122-153. Development standards.

A. Required conditions.

Unless otherwise noted, buildings and uses in the business districts shall comply with the following regulations:

1. All business, services, and processing shall be conducted within a completely enclosed building, unless otherwise specifically permitted.

2. There shall be no outdoor storage of any goods, inventory, or equipment, unless otherwise specifically permitted.
 3. Vehicles, semi-trailers, or utility trailers parked on a site shall not be used for the storage or sales of goods or materials, nor for advertising purposes.
- B. Site plan review.
Site plan review and approval shall be required in accordance with article XV.
- C. Area, height, bulk, and placement regulations.
See article XIV, Schedule of Regulations.

Secs. 122-154—122-170. Reserved.

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

Parcel I.D.	Estimated 2005 Taxable Value
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.

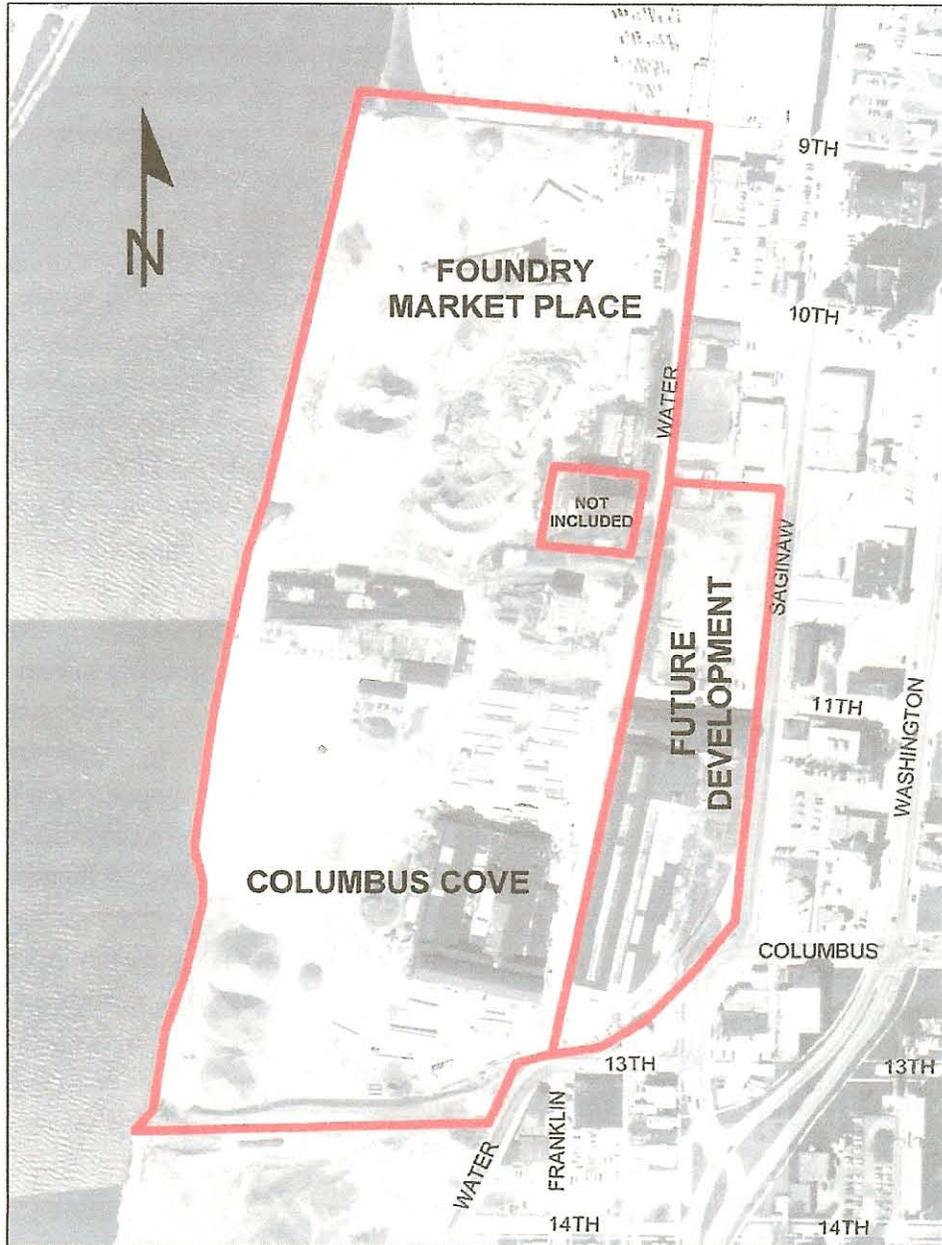
13. Site Preparation Activities. Various site preparation activities may be conducted in accordance with Act 381. These activities may include removal of fill materials and underground obstructions, preparation of the Property for future use, preparation of legal agreements and other documents necessary 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



Environmental Summary
Uptown at RiversEdge Development
(Former Industrial Brownhoist and Former Fisher Brothers Property)

Site History

The Former Industrial Brownhoist property (the southern portion of the Uptown at RiversEdge Development) was occupied by a saddle and leather equipment manufacturer in the late 1800's. By the early 1900's, the Industrial Works Company took over occupancy of the subject property. The Industrial Works Company manufactured cranes and other related equipment. The Industrial Works Company became Industrial Brownhoist in the mid 1920's. Crane manufacturing activities continued on the subject property until 1983. Historical maps also indicate the presence of a manufactured gas operation on the subject property at this time. A tar well, gas holder, and an above ground oil tank were all operated by the manufactured gas operation. The tar well is located in the eastern portion of the subject property.

The Former Fisher Brothers property (the northern portion of the Uptown at RiversEdge Development) was developed as a coal and aggregate storage yard between 1912 and 1938. Coal storage continued through the 1960's at the subject property, while the aggregate business remained until the City purchased the subject property in 2002. The subject property was owned and operated by the Robert Gage Coal Storage Company from 1912 to somewhere between 1980 and 1983. Between 1938 and 1950, the redi-mix concrete plant was built on the subject property. Approximately 7 buildings, which historically existed on the northern parcel, no longer exist. The use of these buildings is unknown, although two of the structures were coal bins. According to a 1912 Sanborn Fire Insurance Company map, the subject property served as a dumping location.

Environmental Conditions – Former Industrial Brownhoist Property

Several investigations were conducted at the property from 1989 through 1995 by Midwest Water Resource, Inc. (MWR), Arthur D. Little (ADL), ETG Environmental, and Roy F. Weston (WESTON). The investigations conducted at the property included the following (1) soil and groundwater investigation, (2) soil gas survey, (3) an asbestos survey, (4) PCB containing equipment survey, (5) geophysical survey, and (6) radiation survey.

The subsurface investigation included the installation of approximately 95 soil borings and 55 groundwater monitoring wells. Soil and groundwater samples were submitted to a laboratory for analyses for one or more of the following: volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polynuclear aromatic hydrocarbons (PNAs), metals (arsenic, barium, cadmium, chromium, copper, lead, mercury, nickel, selenium, silver, and zinc), and polychlorinated biphenyls (PCBs). The results of the investigations indicated that VOCs, PNAs, PCBs, and metals were present across the site above MDEQ Generic Residential and Commercial/Industrial Criteria, specifically Drinking Water Protection, Groundwater Surface Water Interface Protection, Soil Volatilization to Indoor Air Inhalation, and Direct Contact.

The soil gas survey indicated high concentrations of VOCs in soil gas vapors in the areas northeast and southwest of Building 41. The survey of PCB containing transformers resulted in the identification of 31 PCB containing transformers located throughout the subject property. All

PCB-containing transformers, along with contaminated soils, were removed from seven areas around the subject property. The asbestos survey identified asbestos containing materials throughout most of the building on the property.

The geophysical survey identified two areas (the southeast and northeast corners of Building 42) where USTs were suspected to be present. Approximately 153 cubic yards of material were removed from the area near the northeast corner of Building 42 while trying to locate a suspected heating oil UST. Approximately 168 cubic yards of material were removed from the area near the southeast corner of Building 42 while trying to locate a suspected gasoline UST. No UST was discovered in either location.

In 1993, WESTON conducted a gamma radiation survey during soil sampling activities. The suspected source of contamination was radioactive sands associated with the foundry sand used as fill material at the property. Shallow subsurface soil samples were collected from locations where elevated gamma radiation levels were detected. Only three locations were identified with elevated gamma radiation levels which required sampling. The results of the samples submitted from these locations indicated the levels of gamma radiation detected at the property were determined by U.S. EPA to be within the acceptable range established under Part 192 of the Code of Federal Registration. These standards have not changed since the gamma survey was conducted. Based upon review of the federal standards the gamma radiation identified at the property does not pose an unacceptable exposure risk to persons onsite.

In 2001 and 2002, limited investigations were conducted by Horizon Environmental Corporation and AKT Peerless Environmental Services. The results of these investigations indicated the presence of PNAs and metals above MDEQ Generic Residential and Commercial/Industrial criteria, and the presence of volatile organic compounds above the laboratory method detection limits.

Environmental Conditions - Former Fisher Brothers Property

Subsurface investigations were conducted at the Former Fisher Brothers property in 1992, by ADL, and in 1993, by WESTON. ADL's investigation included a geophysical survey, soil sampling, and groundwater sampling.

The geophysical survey was able to delineate the boundary of the old dumping grounds. The geophysical survey also identified an area of suspected USTs in the northeastern portion of the property, as well as one unknown UST to the south of the known UST.

The subsurface investigation consisted of a total of seven soil borings and the installation of three monitoring wells. Soil samples were analyzed for VOCs, SVOCs/TPH, and metals. Groundwater samples were analyzed for VOCs and metals. Analytical results indicated VOCs, metals, and petroleum hydrocarbons (TPH) in soil samples and VOCs and SVOCs in groundwater samples.

WESTON's investigation consisted of drilling five soil borings and conducting a geophysical survey. Four of the soil borings were drilled down gradient of a former metal plating shop and near former on-site storage buildings. The fifth soil boring was drilled in the northwest corner of the parcel to evaluate the impact from the adjacent property to the north. Soil samples were analyzed for VOCs, SVOCs, polychlorinated biphenyls (PCBs), and Michigan metals. Analytical results indicated VOCs, SVOCs, or PCBs were not detected above laboratory detection limits. Analytical results of the soil samples indicated that metals were present above MDEQ Residential Cleanup Criteria:

AKT Peerless conducted a limited subsurface investigation in 2002. The subsurface investigation consisted of 10 soil borings. A total of 10 soil samples were collected and analyzed for selected

parameters including VOCs, PNAs, lead, cadmium, and chromium. Analytical results of the soil samples indicated that VOCs, PNAs, and metals were present above MDEQ Residential Cleanup Criteria.

Impact of Environmental Conditions on Property Redevelopment

Based on the results of these environmental investigations, the property meets the definition of a “facility” according to Part 201 of Michigan’s Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended. As a facility, purchasers and developers of the property may protect themselves from liability for existing contamination by completing a Baseline Environmental Assessment (BEA).

A BEA is a powerful redevelopment tool that new owners or operators of contaminated property may use to maintain an exemption from liability for existing contamination identified on the property. To maintain the exemption from liability, the new owner or operator has the following requirements: (a) complete a BEA, (b) comply with its “due care” obligations under Section 20107a; (c) prevent any contribution to the existing contamination; and (d) conform with the intended land use category established in the BEA. By completing a BEA, requirements to remediate the property may be avoided.

The contamination identified at the property to date, will not represent a significant challenge to developers of the property. The levels of contamination identified at the property can be easily managed through a Due Care Plan. A Due Care Plan is a document which provides a risk analysis of potential exposure pathways and ways to mitigate risk to public health and the environmental.

Conclusion

Beginning in 1995, AKT Peerless Environmental Services has completed extensive environmental investigation work at the property. Recently, AKT Peerless’ was awarded a major contract by the city to continue work there. For more information regarding the technical environmental issues, please contact Mike Brandow with the City of Bay City at (989) 894-8159 or e-mail at mbrandow@baycitymi.org.

BERTH AGREEMENT

The City of Bay City, a Michigan municipal corporation (hereinafter referred to as the "City"), of 301 Washington Avenue, Bay City, Michigan 48708 hereby assigns to Bay City Boat Lines, L.L.C. (hereinafter the "Assignee"), of 1020 North Water Street, Bay City, Michigan 48708, subject to the terms and conditions hereinafter set forth, that certain wharf and/or dock premises (hereinafter termed the "premises"), owned and controlled by the City of Bay City and generally/commonly described as follows:

City-owned sea-wall on the east bank of the Saginaw River immediately south of the south edge of 9th Street, if extended to the Saginaw River, thence south along the east bank of the river 325 feet. Also including that parcel of land adjacent to the described sea wall and extending 225 feet to the east.

That said premises are assigned to, and shall at all times be used by, the assignee subject to the following terms and conditions:

1. The premises shall be used for the docking and mooring of vessels owned or operated by the assignee, for retail sales associated with the services provided in a manner consistent with the zoning ordinance and other ordinances of the City, the embarking and disembarking of personnel and visitors, and the assembling, distributing, loading and unloading of materials into and from such vessel over, through and upon such premises; provided, however, that the right hereby granted to use said premises for said purposes shall not be exclusive. The vessels which are subject of this agreement are generally described as follows:

65' touring vessel "Princess Wenonah",
55' touring vessel "Islander",
Third vessel to be identified.

During the term of this lease the Assignee and the patrons of the assignee may utilize City owned public parking located to the east of the sea wall.

2. The assignee shall be liable for and shall pay to said city, upon demand, the actual cost of all damages or repairs to property owned by or in the care and custody of the City of Bay City caused, negligently or otherwise, by the assignee, its officers, agents, employees, licensees, invitees or permittees, or by any vessel owned or operated by it.

The assignee shall at all times keep and maintain the premises in a safe, clean, wholesome, sanitary and sightly condition under all applicable federal, state, municipal and other laws, ordinances, rules and regulations and to the satisfaction of the city and no offensive or refuse matter, or any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted to be or remain, and the assignee shall prevent any such material or matter from being or accumulating upon said premises. Assignee shall furnish and maintain a sufficient number of bathrooms for use by its patrons.

Assignee shall take good care of and shall keep the premises, including its fixtures and furnishings, in a clean, safe, orderly and sanitary condition including, but not limited to, keeping all sidewalks, parking areas, roadways and facilities/areas which are a part of the premises, neat and clean; guarding all defects on the premises which may be a hazard to the general public and invitees; and promptly removing all debris and any other

promptly make all repairs which are required to maintain the premises in the condition which existed upon the commencement of its actual use and occupancy. Assignee shall not be required to repair plumbing and electrical components of the premises for damage which is not caused by the assignee, its guests or invitees. At the termination of this agreement, assignee shall yield and deliver up the premises in like condition, reasonable use and wear thereof and damage by the elements excepted.

3. The assignee shall, at its own cost and expense, provide all tackle, gear and labor for the docking or mooring of such vessel at the premises. Provided, however, that nothing herein contained shall prevent the assignee from using such appliances as may be installed by the city at said premises upon the payment to the city of the regular charges, if any, fixed therefore.

4. This agreement and the privileges hereby granted shall at all times be subject to state statutes, the charter of the City of Bay City, the ordinance of the city adopted pursuant to said charter, and the rules and regulations of the Michigan Liquor Control Commission concerning the consumption, possession, sale or distribution of alcoholic beverages.

5. That the term of this agreement shall commence upon signing and expire on December 31, 2007. Notwithstanding the above, City reserves the right to terminate this agreement upon 90 day written notice.

6. The term of this agreement does not include periods of special events such as Fireworks Festival and similar events. Assignee understands that public access to the premises may be limited or prohibited during such times. The City will make reasonable efforts to assist Assignee in locating alternate docking facilities during such times, but is otherwise under no obligation to locate such facilities.

7. Assignee shall pay to the City for the use of said premises, facilities and appliances the sum of \$6,000.00 per year. The City acknowledges that Assignee has a credit of \$9,000.00 in return for investment in improving the site. This credit may be used for the purpose of payment of the rental due under this Agreement only. Credit shall be given at the rate of \$3,000.00 per year. The payment for the first year shall be paid upon signing; remaining payments shall be paid on the 2nd day of January of each subsequent year. (Check if applicable.) The assignee, as additional consideration, shall provide educational opportunities or similar benefits to school or community groups as set forth in the attachment.

8. Assignee has examined and is satisfied with the physical condition of the premises, and accepts the premises in their "as is" condition. There shall be no alteration of or to any part of the premises beyond initial improvements without the written permission of the city.

9. No assignment, transfer, sublease or grant of control of this agreement, or any of the rights or privileges granted hereunder, in whole or in part, shall be valid for any purpose without the consent in writing thereto of the city, which shall not be unreasonably withheld.

10. Certificates or other evidence of all required coverages and endorsements must be filed with the City Clerk at least seven (7) days before occupancy of the premises.

Assignee shall carry comprehensive general liability insurance, including premises and all operations, through companies licensed and admitted to do business in

death, to persons and property which may arise out of, result from or be caused by assignee's use or occupancy of the premises or its operations conducted thereon, with occurrence and aggregated limits of not less than the amount set forth below:

REQUIRED LIMITS
COMPREHENSIVE GENERAL LIABILITY

Not less than \$1,000,000.00

THE CITY SHALL BE NAMED AN ADDITIONAL INSURED AND THIS COVERAGE SHALL BE ENDORSED ON THE CERTIFICATE AND POLICY AS BEING PRIMARY TO THE CITY, AND NOT CONTRIBUTING OR PRO RATA WITH ANY OTHER INSURANCE OR SIMILAR PROTECTION (E.G. RISK MANAGEMENT ASSOCIATION) WHICH IS OR MAY BE AVAILABLE TO OR CARRIED BY THE CITY. Assignee, shall, upon the issuance of this Agreement, provide the city with a certificate or other evidence of all required coverage's, including those set forth below. The certificate or other evidence of coverage shall provide a thirty (30) day written notice to the city in the event of cancellation or material changes in the coverage.

Assignee shall carry liquor liability insurance with combined limits of not less than \$300,000.00 insuring for any and all damage and liability which may be caused by, related to or arise out of the sale, furnishing, distribution or consumption of alcoholic beverages on the premises.

11. Assignee covenants and agrees to indemnify, protect, defend and save the city harmless from any claim, action or suit for any loss, liability and damages that may be asserted or levied against the premises or the city by reason of assignees use or occupancy of or its operations on the premises or by reason of any other person on the premises by its invitation or license, including any expenses, cost and attorney fees incurred in connection with any such claim, action or suit. In the event of any incidental occurring on the premises resulting in any personal injury, including death, to any person, assignee shall give notice to the city within twelve (12) hours after the occurrence thereof or after assignee learns of such occurrence. The indemnity, defense and hold harmless requirements shall include and extend to the person and property of assignee, its employees and all persons on the premises at its invitation or consent. All property kept, stored or maintained in the premises shall be so kept, stored or maintained at the risk of assignee only.

12. If assignee employs any independent contractor or others for any purpose whatsoever in relation to its use or occupancy of the premises, or for any operations or maintenance connected therewith, assignee shall obtain and maintain policies of workers compensation insurance and such other liability insurance which will provide coverage to the city for all claims which may arise out of, result from or be caused by that work.

13. The city may enter the premises at any time to examine, inspect and to do whatever the city may deem necessary or desirable to determine compliance with or to enforce the terms of this agreement. Bay City police, fire and other enforcement personnel shall have unrestricted access to the premises at all times.

14. Assignee may charge admission to the general public to enter the premises. Entry shall not be denied to any individual based upon race, sex, age, creed or national origin.

15. That upon the neglect, failure or refusal by the assignee to comply with any of the terms or conditions of this agreement, the city may, by written notice to the assignee, declare this agreement forfeited, and may thereupon exclude the assignee and all other person, firms or corporations from any further use of said premises, and other facilities and appliances under this agreement.

16. That in all cases where written notice is herein required to be given to the assignee, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid, address to the assignee at the above address, or to such other address as assignee may in writing register with the city for that purpose, provided, however, that nothing herein contained shall preclude or render an operative service of such notice upon the assignee in the manner prescribed by law.

17. Any and all vessels of assignee shall meet all local, state and federal ordinances, laws, statutes rules and regulations relative to environmental protection and environmental remediation prior to mooring the vessel and at all times that the vessel is moored on the premises.

18. This agreement is executed in duplicate original copies, one of which shall be retained by the city and one by assignee, each of which shall be deemed to be an original, but each of which shall be construed as one document.

19. This agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Michigan.

20. This agreement represents the entire agreement of the parties and shall be deemed to be an integrated agreement containing all prior and contemporary in this oral and written agreements between the parties, and shall not be modified in any part, except in writing signed by all parties.

21. By signing this agreement the parties hereby terminate the prior Berth Agreement signed by the parties in 2002.

CITY OF BAY CITY

BAY CITY BOAT LINES, L.L.C.

By: Robert J. Katt, Its Mayor

By: William R. Fournier, Member

Prepared By:
Neil P. Wackerly, Esq., (P27812)
ALLSOPP, KOLKA & WACKERLY, PC
509 E. Midland Street
Bay City, MI 48706

By: Elaine C. Fournier, Member

Bay City Marina Feasibility Study

July 2006

Prepared for
Rowe Incorporated
Flint, Michigan

Submitted by
Public Sector Consultants Inc.
Lansing, Michigan
www.pscinc.com

Recommendations

SEASONAL BOAT SLIPS

It is apparent there is no present demand for additional seasonal docking facilities in the Bay City area. Our projections of future traffic indicate that most, if not all, of that potential traffic can be accommodated by existing boat slips in existing marinas.

Although there is no demand for *additional* docking facilities, *higher quality facilities* (such as those at Liberty Harbor) will likely find a market in the Bay City area. Because of low water conditions and the fact that most private marina slips are of a fixed elevation design, boat owners, especially those with boats under 40' in length, find use of these slips difficult and, at times, even dangerous. The Liberty Harbor facilities are floating rather than fixed, which negates the change in the relationship of the boat to the dock that results with fixed docks and changing water elevations. The fact the city charges almost twice as much rental for its slips as do private marinas and still manages not only to rent all of their slips but also to maintain a waiting list indicates the attraction of the floating units.

Because of their convenience and utility, we believe the city could construct a new marina on the subject property and seasonally lease the boat slips. The lessees would likely come from existing marinas and/or boat clubs in the Saginaw Bay area.

A seasonal marina would be cheaper to construct than one offering transient facilities because the restroom facilities would be smaller and without showers and the need for full-time employees on the site greatly reduced. Rigidly controlled land access to the marina facilities would be necessary, but could easily be accomplished by controlled gating and regular monitoring of the facilities by appropriate city personnel. Another positive factor is the possibility of combining the proposed facility and Liberty Harbor in an offering of revenue bonds that would develop the funds necessary to complete the desired facilities (see next section for more detail).

Alternatively, there are several housing developments in the city that offer boat slips, either as a part of the property purchase or as part of the overall development. One, the Jennison Boathouse at 1111 N. Water Street, has 37 housing units and 30 boat slips. The boat slips are available solely to residents of the housing units and, to date, 16 of the 30 have been sold. Six of those slips are 50' long, two are 40-49', and eight are in the 30-39' range.

Another development offering both real estate and docking facilities is the Iron Bridge Condominiums, 1 Cove Drive. There are presently two boat slips constructed of the 24 planned, half of which will accommodate boats up to 49' in length and half for boats more than 50' long. The balance of the slips will be constructed as they are sold and sales are to be made solely to residents of the 60 condominium units in the establishment.

The existence of such housing developments and the fact that several of the marinas are dockominiums lead the authors of this report to the conclusion that **combining residential real estate and boat slips** is advantageous. If the city should decide to construct housing units to respond to local demand, the inclusion of recreational boat slips with such units would seemingly increase their popularity and marketability. The numbers of each, however, are a function of the

real estate demand which is not part of this study. One of the principal advantages of this scenario is that the city would be able to sell the boat slips rather than lease them, thus incurring no annual staffing overhead. However, the greatest demand for seasonal slips in the area appears to be for those that accommodate 30' boats. That means some larger boat slips would have to be included and this again would place the city in competition with private enterprise.

If the city should decide to construct housing units on the subject property, we would suggest the ratio of boat slips to housing units be on the order of one to five at most and that the floating boat slips provided be divided in length between 30' (50 percent), 45' (40 percent), and 60' (10 percent with a maximum of four). If rental rather than dockminium slips were to be offered to residents of the housing complex, the ratio of slip sizes could be modified to provide 65–70% percent for 30' slips, and 30–35% 45' slips. The usual amenities should also be provided, i.e. water, electricity (both 30 and 50 amp service), sewage pump-out services, cable TV and even possibly an internet connection.

Funding Possibilities

The most obvious source of funds for recreational boating facilities is the Michigan State Waterways Commission, part of the Parks and Recreation Division of the Department of Natural Resources. This commission is funded exclusively with tax revenues paid by recreational boat owners and expends these revenues on recreational boating facilities, usually in the form of a grant-in-aid to a local community. These grants are made as part of two programs, the Harbor Development Program, which is concerned with seasonal docking facilities, and the Grant-in-Aid Program, which focuses on transient docking demands.

The Harbor Development Program provides up to 75 percent of the cost of developing all non-revenue-producing elements of a proposed seasonal facility with the participating community responsible for the remaining 25 percent. If the facility is municipally owned, the increase in property value due to improvements can be used to meet the community contribution requirement. The required revenue-producing facilities are to be provided by private enterprise, which also operates and maintains the completed facility. The program requires the local community to provide the property to be so improved, with the site to be leased to the private operator for 25 years at a rate to be agreed upon, to be paid to the city and state over the term of the lease. The revenue-producing facilities include not only docking facilities but also fuel service, a sewage pump-out facility, repair service, winter storage, desired launch or haul-out facilities, and site amenities.

Since the prospect of developing seasonal facilities seems more suitable than does the development of transient facilities, the best prospect for Waterways Commission funding would be through the Harbor Development Fund. Any approach for funds from that source would be aided considerably if one or more prospective private marina interests show an interest in bidding upon and, if successful, completing the revenue-producing facilities of a proposed marina at their expense and thereafter operating the facility.

Other funding sources for recreational and urban/brownfield redevelopment projects should be consulted. The public components of the project (e.g., upland resource protection, trails, boardwalks, landscaping, play grounds, fishing platforms, fishery habitat improvements, education and/or interpretive displays) would qualify for Michigan Department of Environmental Quality's Coastal Zone Management Program, Michigan Department of Natural Resources

Natural Resources Trust Fund, and/or Great Lakes Fishery Trust funding. The Michigan Economic Development Corporation should also be contacted to determine whether or not financial assistance is available from them.

The last remaining prospect becomes revenue bonding. The primary difficulty in relying upon this source of funding lies in the need to expend considerable funds on dredging of the proposed basin and constructing shore protection and breakwaters before the first revenue-producing facilities can be constructed. To make revenue bonds marketable, most of the money for development of infrastructure facilities must come from another source, and the authors of this report cannot recommend a source for such funds. It therefore appears that one of the alternative sources of funds discussed above offers the best prospect to the city.

TRANSIENT BOAT SLIPS

From the transient traffic logs at Liberty Harbor reviewed above, it is apparent that except during the special event periods, transient slips are readily available. Expanding the number of transient slips would probably result in increased local use during these special event periods, but that action would do nothing to increase nonresident boats visiting the harbor.

We were also asked to comment on the desirability of moving the transient facilities at Liberty Harbor to the subject 48-acre industrial parcel in the city's downtown area in the hope that such a move would result in an increase in the economic activity of downtown businesses. Inasmuch as the majority of the transient traffic at the harbor is event oriented, and because moving the facilities to a new location might actually reduce transient traffic, such a move is not recommended. In addition, most of the boat owners are from the area and already have access to the downtown businesses.

BIERLEIN



January 26, 2007

Mr. Anthony M. Piazza, MAI, SRA, R/W-AC
Piazza Appraisal Service
5386 Lessandro Street
Saginaw, Michigan 48603

Re: **Estimate for Demolition
Three (3) Industrial Buildings
Uptown At River's Edge
Bay City, Michigan**

Dear Mr. Piazza:

Bierlein Companies, Inc. is pleased to present the attached quotation for the demolition of the aforementioned structures in Bay City, Michigan. This quotation is based upon the removal of all footings, slabs, basement walls and foundations in preparation for new construction activities. All demolition materials will be handled as Type II demolition debris and disposed of at the Republic Waste – Whitefeather Landfill in Pinconning, Michigan. Bierlein will recycle all concrete debris and unpainted masonry materials. All foundation and basement voids will be filled with compacted sand material suitable for new construction activities. All demolition activities will be performed in accordance with local, state and federal regulations. This demolition quotation includes provisions for the disconnection of all utility services, in addition to obtaining all necessary demolition permits.

The salvage credit for structural steel located in the three structures is based upon January 2007 pricing at OmniSource in Bay City, Michigan. OmniSource is a national firm that specializes in the processing and recycling of steel from large-scale industrial demolition projects.

I have included a breakout cost for the removal of the concrete floor slabs from the subject structures. It is my understanding that the floor slabs from structures previously demolished at this site were not removed and still remain in place.

DEMOLITION • DISMANTLING • ENVIRONMENTAL SERVICES

2000 Bay City Road • Midland, MI 48642 • Phone 989-496-0066 • FAX 989-496-0144 • www.bierlein.com

INFORMATION ONLY: PREPARED EXCLUSIVELY FOR THE CITY OF BAY CITY AND NOT INTENDED FOR PUBLIC USE.

BIERLEIN



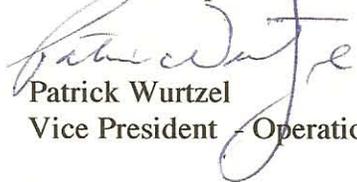
**Estimate for Demolition
Three (3) Industrial Buildings
Uptown At River's Edge
Bay City, Michigan
(cont.)**

As discussed with you, Bierlein assumes that no asbestos or other regulated materials will be left at the site. Should these materials be encountered during demolition activities, the removal, transportation and disposal costs are not reflected in this quotation.

Thank you for the opportunity to provide this quotation to Piazza Appraisal Services. Should you have any questions regarding this quotation, please feel free to contact me at (989) 496-0066.

Sincerely,

Bierlein Companies, Inc.



Patrick Wurtzel
Vice President - Operations

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BIERLEIN



Demolition Quotation Three (3) Industrial Buildings Uptown At River's Edge Bay City, Michigan

Building 9/10

Demolition of (1) 51,546 square foot foundry building. The structure is a 36' high concrete, brick and steel structure with a masonry foundation. The steel roof trusses are covered with wood planking.

Demolition to slab level:	\$82,400.00
Demolition of concrete slab	\$72,160.00
Scrap Steel Credit:	(\$60,000.00)
Net Demolition Cost:	\$94,560.00

Building 7

Demolition of (1) 9,225 square foot powerhouse structure. The structure is a 36' high concrete, brick and steel structure with a masonry foundation and full basement. The steel roof trusses are covered with wood planking.

Demolition to slab level:	\$32,800.00
Demolition of concrete slab	\$11,400.00
Scrap Steel Credit:	(\$18,000.00)
Net Demolition Cost:	\$26,200.00

Building 14/15

Demolition of (1) 112,206 square foot crane assembly building. The structure is a 34' high concrete, brick and steel structure with a masonry foundation. The steel roof trusses are covered with wood planking.

Demolition to slab level:	\$314,100.00
Demolition of concrete slab	\$210,180.00
Scrap Steel Credit:	(\$225,000.00)
Net Demolition Cost:	\$299,280.00

TOTAL

1-26-07

\$420,040.00

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MAP 12 ROUTE 117 (8) Sidwell 09-13-28-151-001

NO. 1

520

15 BR & C B
SLAB

112,206

1 32' AN

1.

70

149

178

123

122

16

61

261

16

29

23

93

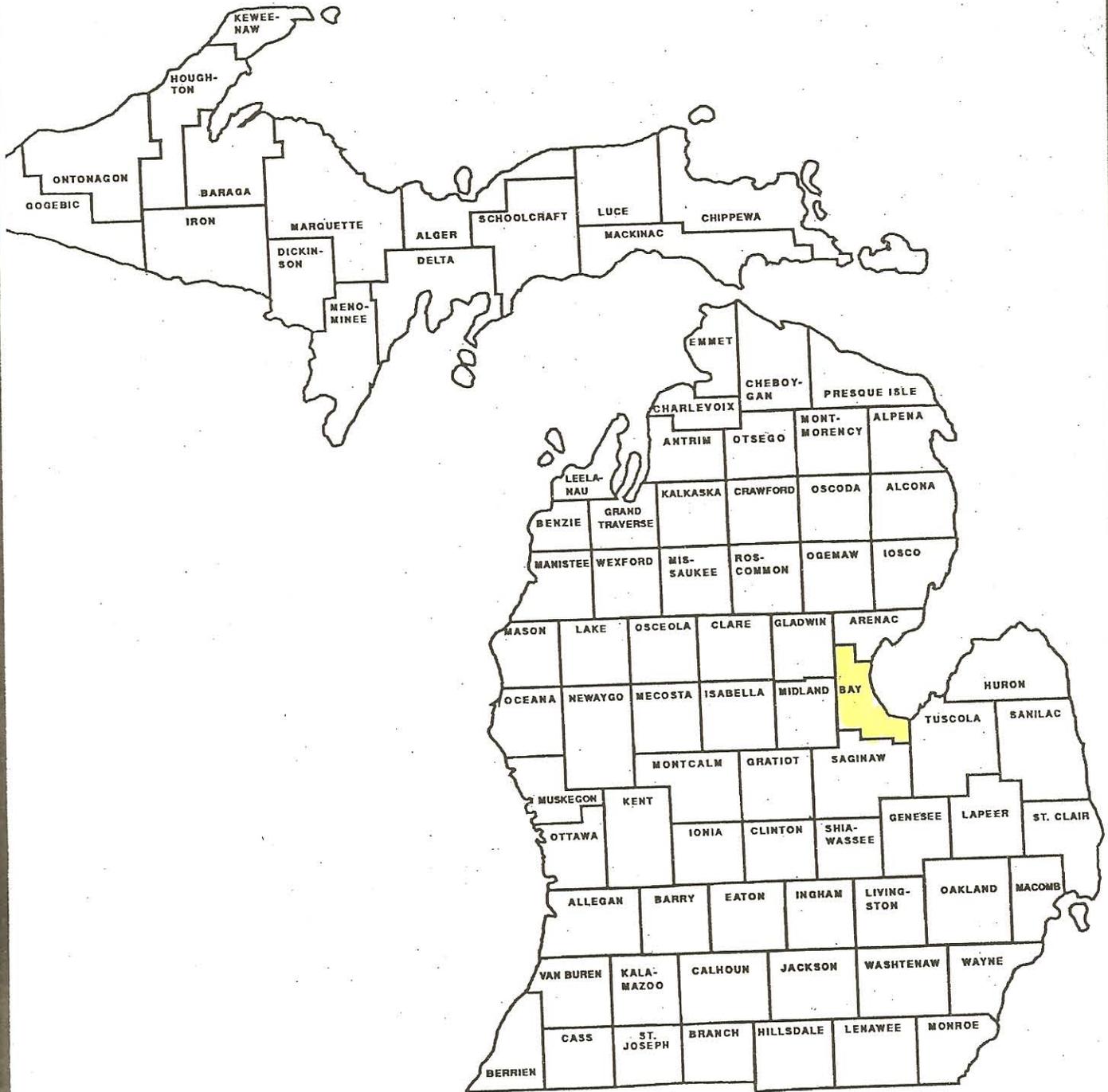
18

35

40

212

"AMERICAN BROWNHOIST CORP."



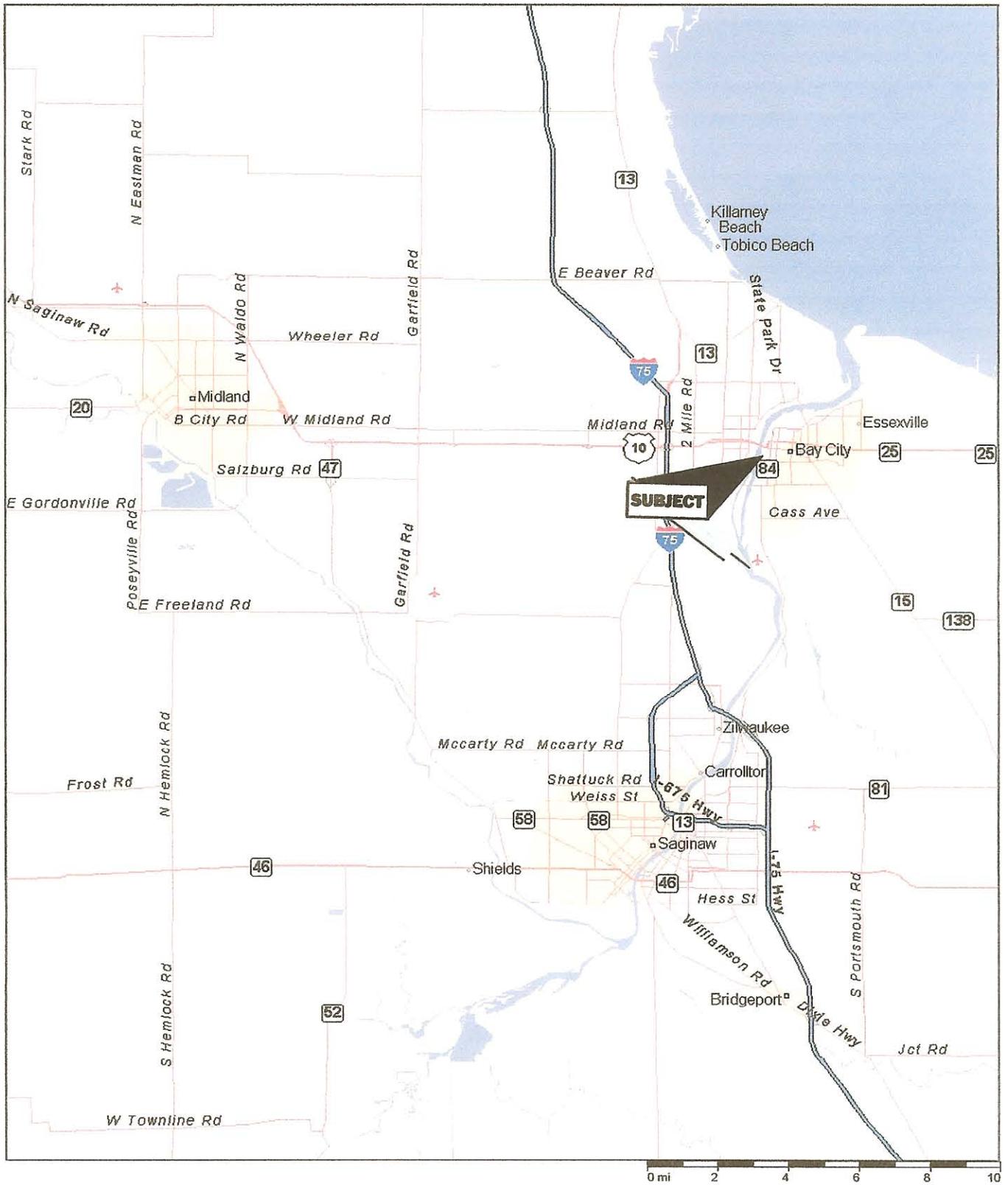


MICROSOFT MAPS
Streets Plus

MICHIGAN'S NORTHERN LOWER PENINSULA

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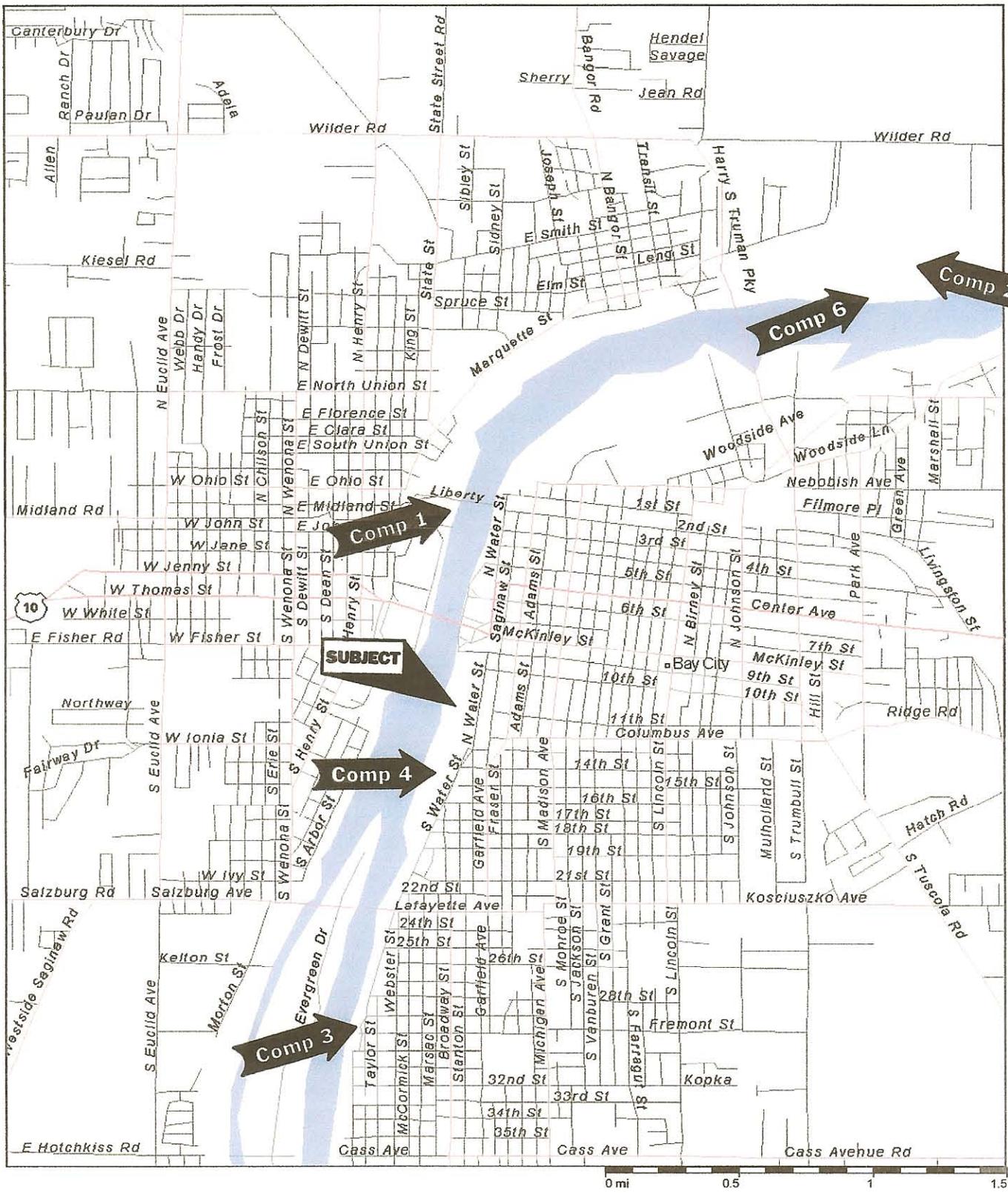
MICROSOFT AUTOMAP
Streets Plus

LOCATION MAP / TRI-CITIES AREA

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MICROSOFT AUTOMAP
Streets Plus

GREATER BAY CITY, MICHIGAN
 LOCATION MAP / RIVERFRONT SALE SALES

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COMPARABLE LAND SALE DATA SUPPLEMENT



DATE TAKEN: 1/07 **TAKEN BY:** ANTHONY M. PIAZZA **DIRECTION OF SKETCH/PHOTO:** West

<p>LOCATION: 1001 E. Ohio Street, a/k/a N. Marina Park Drive, Bay City, Michigan</p> <p>LEGAL DESCRIPTION: Part of E 1/2 of NE 1/4, Sec 20, T14N, R5E</p> <p>DATE OF SALE: Option to buy</p> <p>SELLER: City of Bay City</p> <p>PURCHASER: Pumford</p> <p>SALE PRICE: \$109,000.00</p> <p>TERMS/CONDITIONS: Cash to seller</p>	<p>DATE INSPECTED: 8/03, 1/07</p> <p>SOURCE: Patti Stowell, EDMM; my files; city assessor records; inspection</p> <p>HIGHEST AND BEST USE: Commercial, residential, redevelopment</p> <p>UTILITIES: Gas, electricity, sewer, water</p> <p>SITE: 6.08 acres with 750+' river frontage</p> <p>ZONING: Waterfront District</p> <p>IMPROVEMENTS: 2,400 square foot steel building with estimated value of \$12,000.00</p>
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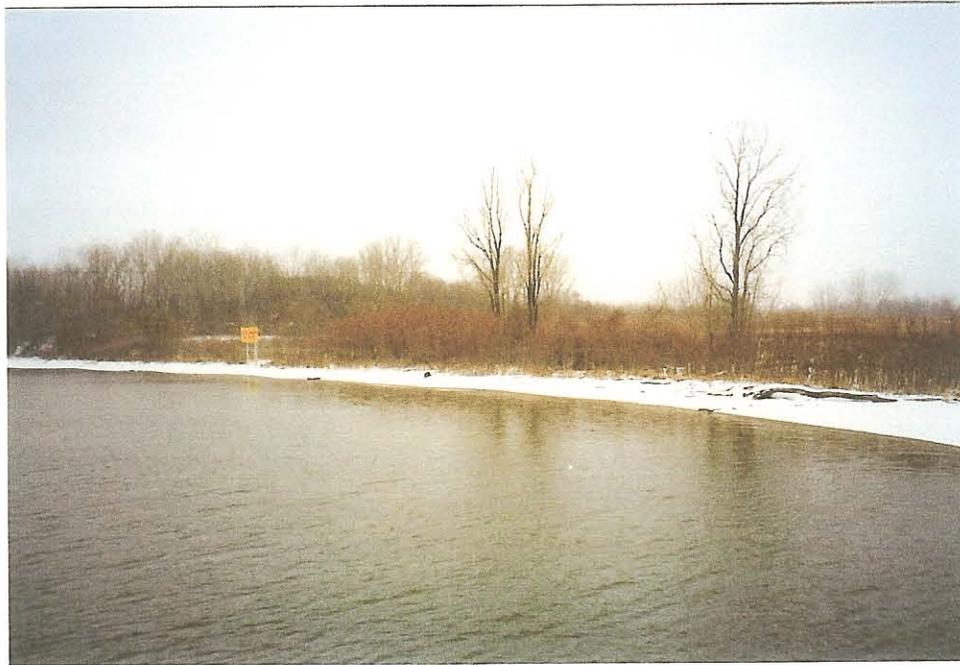
REMARKS/COMMENTS: 6.08 acres on the west bank of the Saginaw River just east of the Midland Street Historic District. The former Surath Scrap Yard was purchased by the city for construction of the new Liberty Bridge which shadows the property from the north. Its historical use has created environmental conditions and this land is identified as Site 09000022 on the DEQ's 201 Site List. The land, which is considered level ground, offers approximately 750' river frontage and an additional 500±' on Howe's Slip. Howe's Slip is shared by the adjacent Pier 7 Marina to the south, a 34-slip, full-service marina located on 4.01 acres. A storm sewer easement dissects the property from west to northeast with an outfall at the river. Attempts to market the property for redevelopment resulted in the current option to purchase by an area developer to construct four multi-story residential buildings containing a total of 32 condominium units. The option to purchase the land has been approved by council, expiring 9/07. Certain conditions exist including the purchaser's approval through the city's Brownfield Redevelopment Plan, purchaser is responsible for all environmental matters, and purchaser is required to develop the property within five years of closing; otherwise, the city has the option to buy back at the same purchase price.

UNIT(S) OF COMPARISON: \$17,927.63 per acre.

COMPARABLE NO:
CLASSIFICATION:
CITY/TOWNSHIP:
COUNTY:

2
Riverfront
Bay City
Bangor

COMPARABLE LAND SALE DATA SUPPLEMENT



DATE TAKEN: 3/99

TAKEN BY: ANTHONY M. PIAZZA

DIRECTION OF SKETCH/PHOTO: Northwest

LOCATION: East of Marquette and South of Prairie Street, Bay City, Michigan	DATE INSPECTED: 3/99, 12/06
LEGAL DESCRIPTION: Part of NE ¼, Sec 15, T14N, R5E	SOURCE: Wm. Bartlett, CMRR corp. mgr.; Dan Darland, township assessor; county records; my file 1999; inspection
DATE OF SALE: 10/06	HIGHEST AND BEST USE: Industrial, residential development
SELLER: Central Michigan Railway Company	UTILITIES: Gas, electricity, water available; septic system required; no public sewer system
PURCHASER: Dow Chemical Company	SITE: Total of 16.66 acres with 579' river frontage
SALE PRICE: \$650,000.00	ZONING: I-2 General Industrial
TERMS/CONDITIONS: Cash to seller	IMPROVEMENTS: Leaseholds, underground pipes and pumps

REMARKS/COMMENTS: Former Dow Chemical Company tank farm. Remnants of leasehold remain including underground pipes and pumps once used in the operation of the tank farm. Purchased by lessee (Dow Chemical) to close the facility which was being monitored by the DEQ. Located in an industrial area of Bay County's northern riverfront, this land is considered level, open prairie with the previously described leasehold improvements in place. Overgrown vegetation is found along the river's shoreline which includes 579' frontage with a sandy beach and sandy bottom. Railroad right-of-way parallels the easterly boundary with a rail bridge that extends over the river. A spur (Track 32) divides the subject property from the unimproved Prairie Street; however, additional land does front Perry Street north of the railroad right-of-way. An easement was granted across the westerly property for access to Marquette, a two-lane, county-maintained road. Although motivation was evident due to the environmental conditions created by Dow Chemical during its leasehold, a value was established at the high end of market rates.

UNIT(S) OF COMPARISON: \$39,015.61 per acre.

COMPARABLE NO:
CLASSIFICATION:
CITY/TOWNSHIP:
COUNTY:

3
Riverfront
Bay City
Bay

COMPARABLE LAND SALE DATA SUPPLEMENT



DATE TAKEN: 8/04

TAKEN BY: ANTHONY M. PIAZZA

DIRECTION OF SKETCH/PHOTO: East

LOCATION: 320-612 Harrison Street, 100-103 Cass Avenue, 110 and 2200 S. Water Street, Bay City, Michigan	DATE INSPECTED: 4/04
LEGAL DESCRIPTION: 13 parcels, all in Sec 32, T14N, R5E	SOURCE: Robert Jennings, broker; Tim Brennan, seller; inspection; file (2004)
DATE OF SALE: 3/05	HIGHEST AND BEST USE: Redevelopment; mixed use riverfront; interim use; industrial warehousing
SELLER: Brennan Marina Properties	UTILITIES: Gas, electricity, sewer, water available
PURCHASER: River Front, LLC	SITE: 13.04 acres with approximately 1,230' on Harrison and 1,250' Saginaw River frontage; split by RR ROW
SALE PRICE: \$340,000.00 + 10% + \$3,800.00	ZONING: M-1 Light Industrial District
TERMS/CONDITIONS: High bid at absolute auction; purchaser paid 10% brokerage fee plus survey and Phase I study totaling \$3,800.00	IMPROVEMENTS: Two vintage industrial buildings and two pole buildings

REMARKS/COMMENTS: Riverfront parcel located on the south end of a progressive waterfront community just between a 305-slip marina and public boat launch. Once an industrial facility, the site is improved with five buildings, two vintage industrial buildings totaling 33,900 square feet, two pole buildings of 6,000 and 9,000 square feet, old concrete and fencing. Average depth extends 475' although site is dissected by a RR ROW. Sold at auction for large estate. Purchased for speculation and future redevelopment. Demolition estimate for all site improvements \$152,300.00 (\$119,500.00 for two vintage industrial buildings). (See Brennan file 2004)

UNIT(S) OF COMPARISON: \$28,972.39 per acre; \$302.24 per riverfront foot including buildings
\$40,651.84 per acre; \$424.08 per riverfront foot (land only) including demolition
\$7.73 per square foot building value including land

ALL INFORMATION IS CONSIDERED CONFIDENTIAL AND IS NOT TO BE REPRODUCED WITHOUT THE WRITTEN CONSENT OF PIAZZA APPRAISAL SERVICE

INFORMATION ONLY: PREPARED EXCLUSIVELY FOR THE CITY OF BAY CITY AND NOT INTENDED FOR PUBLIC USE.

COMPARABLE NO:
CLASSIFICATION:
CITY/TOWNSHIP:
COUNTY:

4
Riverfront
Bay City
Bay

COMPARABLE LAND SALES DATA SUPPLEMENT



DATE TAKEN: 8/04

TAKEN BY: ANTHONY M. PIAZZA

DIRECTION OF SKETCH/PHOTO: Southwest

LOCATION: Water Street, Bay City, Michigan	DATE INSPECTED: 8/04
LEGAL DESCRIPTION: Part of Lot 6, Blk 2, & part of Blks 3, 4 & 5 inc vacated 16 th , 17 th & 18 th Streets, lying W'yly of the W ROW line of Water Street	SOURCE: James Koski, broker; city and county records; inspection
DATE OF SALE: 11/04	HIGHEST AND BEST USE: Residential home/condominium sites
SELLER: Breaker Cove, LLC	UTILITIES: Gas, electricity, water, sewer
PURCHASER: Riversedge Development, LLC	SITE: 4 acres with 736.55' river view
SALE PRICE: \$400,000.00 including infrastructure	ZONING: R-1 Residential
TERMS/CONDITIONS: Cash to seller	IMPROVEMENTS: Subdivision infrastructure

REMARKS/COMMENTS: Second phase of the Breaker Cove Condominium Project established in 1998 on 22± acres of riverfront land just south of downtown Bay City. Originally planned for 66 residential condominium units in 17 one-story buildings with 6 acres set aside as park area with riverwalk. North end with 38 units built and sold. South end listed for sale for approximately 2 years. Sale included 28 planned units with complete infrastructure, i.e., streets, curb, gutter, utilities and lights valued at \$263,000.00.

UNIT(S) OF COMPARISON: \$100,000.00 per acre including infrastructure; \$34,250.00 per acre land value.

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5

COMPARABLE NO:
 CLASSIFICATION: Riverfront
 CITY/TOWNSHIP: Alpena
 COUNTY: Alpena

COMPARABLE LAND SALE DATA SUPPLEMENT



DATE TAKEN: 12/99 TAKEN BY: ANTHONY M. PIAZZA DIRECTION OF SKETCH/PHOTO: Northwest

<p>LOCATION: 122-500 West Fletcher Street, Alpena, Michigan</p> <p>LEGAL DESCRIPTION: On file</p> <p>DATE OF SALE: 6/03, 10/03</p> <p>SELLER: Trustee of Bankruptcy Estate of Fletcher Paper Company and Bay Development Company</p> <p>PURCHASER: Alpena Marc, LLC</p> <p>SALE PRICE: Total \$710,000.00</p> <p>TERMS/CONDITIONS: Cash to seller</p>	<p>DATE INSPECTED: 12/99, 10/06</p> <p>SOURCE: William Bartlett, seller; Jeff Shea, city assessor; county records; inspection; my file</p> <p>HIGHEST AND BEST USE: Redevelopment; mixed use commercial</p> <p>UTILITIES: Gas, electricity, sewer, water</p> <p>SITE: Assemblage totaling 19.77 acres with approximately 2,000' river frontage</p> <p>ZONING: I-1 Light Industrial</p> <p>IMPROVEMENTS: Class C type paper company and freight warehouse</p>
--	---

REMARKS/COMMENTS: Assemblage of two parcels including the former Fletcher Paper Company and a freight warehouse once leased to Fletcher Paper. Fletcher Paper ceased operations in the late 1990's, leaving an industrial site along the Thunder Bay River vacant until its purchase in 2003 for redevelopment. A significant investment was made into two of the structures, one now housing the Thunder Bay National Marine Sanctuary and the other for hospitality, namely a microbrewery. Some buildings remain and some were removed; however, complete information was not disclosed. This location along the Thunder Bay River is just across from the central business district, west of a major bridge crossing, in a progressive waterfront community.

UNIT(S) OF COMPARISON: \$35,913.00 per acre; \$355.00 per riverfront foot (including buildings).

COMPARABLE NO:
CLASSIFICATION:
CITY/TOWNSHIP:
COUNTY:

6
Riverfront
Bangor
Bay

COMPARABLE LAND SALES DATA SUPPLEMENT



DATE TAKEN: 7/00

TAKEN BY: ANTHONY M. PIAZZA

DIRECTION OF SKETCH/PHOTO: North

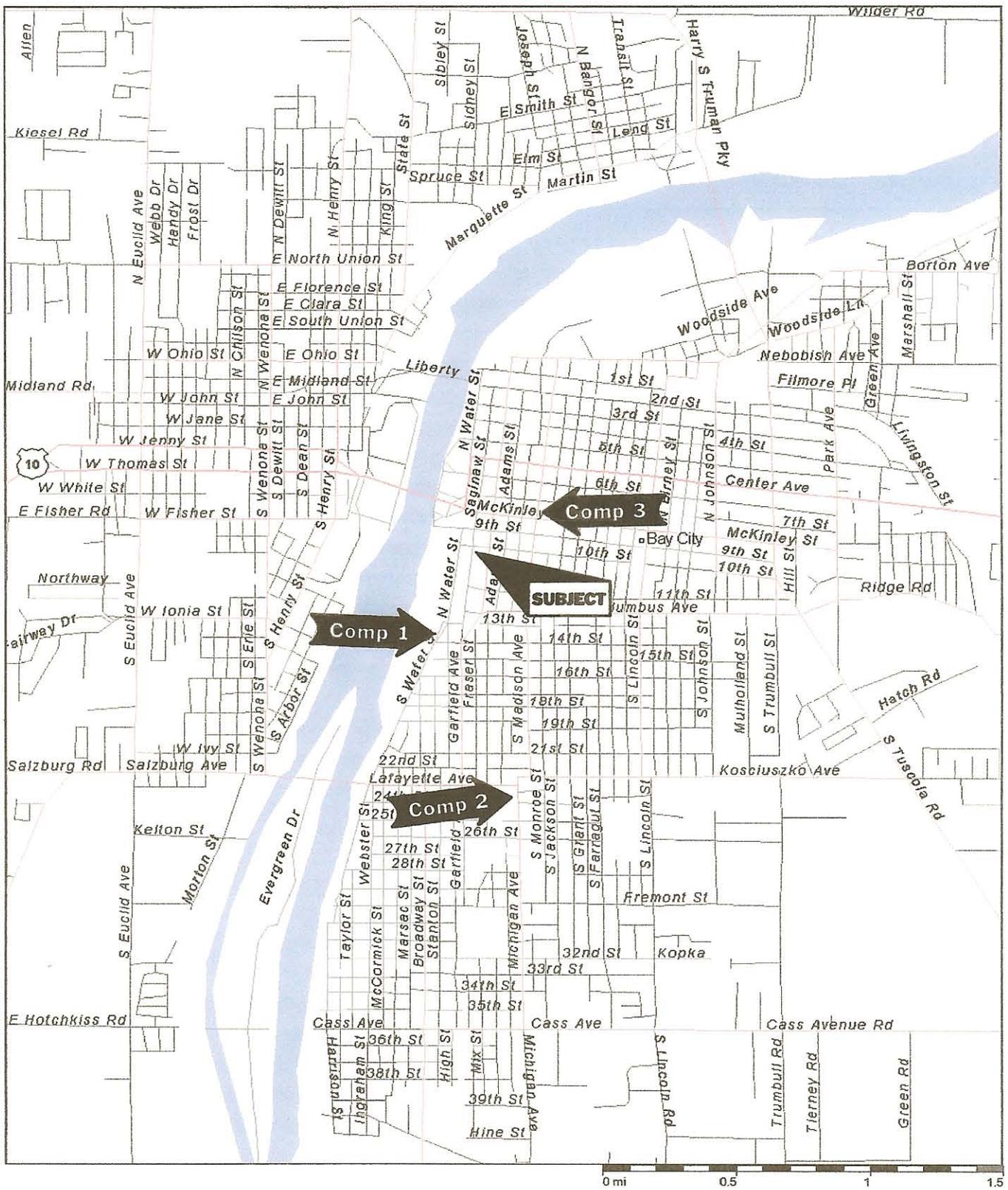
LOCATION: 711 Martin Street, Bay City, Michigan	DATE INSPECTED: 9/98, 7/00
LEGAL DESCRIPTION: Part of the NW 1/4, Sec 15, T4N, R5E	SOURCE: Roger Hayner, Terry Materials; township and county records; inspection; file (1998)
DATE OF SALE: 4/00	HIGHEST AND BEST USE: Industrial, redevelopment
SELLER: Rupp Oil Company, Inc.	UTILITIES: Gas, electricity, water, sewer; two septic tanks on site
PURCHASER: Terry Materials of Michigan	SITE: 8.45 acres with 574' river frontage
SALE PRICE: \$330,000.00 plus building demolition	ZONING: I-2 General Industrial
TERMS/CONDITIONS: Cash to seller; purchaser removed warehouse and office at cost of \$26,000.00	IMPROVEMENTS: Class C type warehouse (old); Class C type office (fire damaged); Class D type pole building

REMARKS/COMMENTS: Former petroleum distribution facility located on the Saginaw River in an historical district with ongoing redevelopment of a progressive waterfront community. Site includes an access leg that extends from a county road near a new public boat launch. Main parcel has 574' river frontage and limited road frontage. Old buildings on site removed by purchaser at a cost of \$26,000.00. Pole building remained with a contributory value of \$5,500.00. Purchased for industrial use. Now available (3/05) for sale with no offers to date. (See file 1998).

UNIT(S) OF COMPARISON: \$41,479.29 per acre including demolition less pole building value
\$610.63 per riverfront foot including demolition less pole building value

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GREATER BAY CITY, MICHIGAN
 LOCATION MAP / COMMERCIAL LAND SALES

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COMPARABLE NO:
CLASSIFICATION:
CITY/TOWNSHIP:
COUNTY:

/
Land
Bay City
Bay

COMPARABLE LAND SALE DATA SUPPLEMENT



DATE TAKEN: 8/04

TAKEN BY: ANTHONY M. PIAZZA

DIRECTION OF SKETCH/PHOTO: Northwest

LOCATION: 300 block S. Water Street, Bay City, Michigan	DATE INSPECTED: 8/04, 1/07
LEGAL DESCRIPTION: Part of Lots 2-6, Blk 2, Village of Portsmouth	SOURCE: James Koski, seller; county records; inspection
DATE OF SALE: Listing	HIGHEST AND BEST USE: Commercial development
SELLER: Breaker Cove, LLC	UTILITIES: Gas, electricity, sewer, water
PURCHASER: N/A	SITE: Irregular site totaling 25,514 square feet with 197' road frontage
SALE PRICE: \$65,000.00	ZONING: C-3
TERMS/CONDITIONS: Cash to seller	IMPROVEMENTS: Vacant

REMARKS/COMMENTS: This commercially zoned lot is located at the north end of the Breaker Cove condominium project, once part of the original development set aside for commercial use. The developers thought this site was a prime location for a convenience store to serve the needs of the residential condominium development and surrounding neighborhood; however, they wanted an independent sector to purchase the land for development. The property has been available for sale for numerous years, beginning at a higher price and currently (2/2007) listed for \$65,000.00.

UNIT(S) OF COMPARISON: \$2.55 per square foot.

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COMPARABLE NO:
CLASSIFICATION:
CITY/TOWNSHIP:
COUNTY:

2
Land
Bay City
Bay

COMPARABLE LAND SALE DATA SUPPLEMENT



DATE TAKEN: 1/07

TAKEN BY: ANTHONY M. PIAZZA

DIRECTION OF SKETCH/PHOTO: Northwest

LOCATION: 402 Michigan Avenue, Bay City, Michigan	DATE INSPECTED: 1/07
LEGAL DESCRIPTION: Part of E 1/2 of NW 1/4, Sec 33, T14N, R5E	SOURCE: City and county records; inspection
DATE OF SALE: 4/05	HIGHEST AND BEST USE: Commercial
SELLER: LaFramboise	UTILITIES: Gas, electricity, sewer, water
PURCHASER: St. Vincent DePaul	SITE: Irregular corner site totaling 35,100 square feet with 295.25' on Michigan
SALE PRICE: \$60,000.00	ZONING: C2-B Highway Business District
TERMS/CONDITIONS: Cash to seller	IMPROVEMENTS: Vacant at sale

REMARKS/COMMENTS: Irregular shaped parcel of commercial land located on a main thoroughfare positioned behind a retail neighborhood shopping mall in the city's southeast side. Positioned at a corner with the secondary road (25th Street) having no exit. Lot is considered level and its irregular shape is created by a railroad right-of-way which parallels the rear boundary. Purchased for construction of a St. Vincent DePaul warehouse facility, as observed in the photograph.

UNIT(S) OF COMPARISON: \$1.71 per square foot.

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COMPARABLE NO:
CLASSIFICATION:
CITY/TOWNSHIP:
COUNTY:

3
Land
Bay City
Bay

COMPARABLE LAND SALE DATA SUPPLEMENT



DATE TAKEN: 1/07

TAKEN BY: ANTHONY M. PIAZZA

DIRECTION OF SKETCH/PHOTO: East

LOCATION: 406 Adams Street, Bay City, Michigan	DATE INSPECTED: 1/07
LEGAL DESCRIPTION: Lot 8, Blk 95, Lower Saginaw	SOURCE: Bill Daly, broker; realtors' MLS; city and county records; inspection
DATE OF SALE: 7/04	HIGHEST AND BEST USE: Residential, commercial development, assemblage
SELLER: Simmons	UTILITIES: Gas, electricity, sewer, water
PURCHASER: Olvera	SITE: Rectangular lot 50' x 110' = 5,500 square feet, or 0.11 acre
SALE PRICE: \$5,000.00	ZONING: O-1 Office District
TERMS/CONDITIONS: Cash to seller	IMPROVEMENTS: Vacant

REMARKS/COMMENTS: Interior lot located on a southbound secondary road just south of the downtown business district. Surrounding land use includes commercial and single and multi-family residential homes considered to be in transitional state. Purchased for assemblage with adjacent property. Currently in use for vehicular parking. Lot enclosed with stockade type fencing.

UNIT(S) OF COMPARISON: \$0.91 per square foot; \$45,454.55 per acre.

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INFORMATION ONLY: PREPARED EXCLUSIVELY FOR THE CITY OF BAY CITY AND NOT INTENDED FOR PUBLIC USE.

ANTHONY M. PIAZZA, MAI, SRA, R/W-AC

PIAZZA APPRAISAL SERVICE

5386 Lessandro Street
Saginaw, Michigan 48603
(989) 790-6760

2062 North Huron Road
Tawas City, Michigan 48763
(989) 362-0020

Facsimile (989) 393-5906
E-mail piazza.anthony@sbcglobal.net

LICENSING/CERTIFICATION

State Certified General Real Estate Appraiser, State of Michigan License #1201000054

Level One Assessor, State of Michigan Certification #R-6907

Real Estate Broker, State of Michigan License #6504173541

ORGANIZATIONS/ASSOCIATIONS

The Appraisal Institute, MAI and SRA Designations

Michigan Assessor's Association (CMAE I)

International Right-Of-Way Association, Right-Of-Way Appraisal Certified

Partnership for the Saginaw Bay Watershed

National Association of Realtors

Michigan Association of Realtors

Northeastern Michigan Board of Realtors

EDUCATION

May 2006	Appraisal Review: General, The Appraisal Institute, Flint, Michigan
December 2005	Subdivision Valuation, The Appraisal Institute, Livonia, Michigan
September 2005	Oil and Gas Well Valuation, Otsego County, Gaylord, Michigan
February 2004	Land Valuation Adjustment Procedures, The Appraisal Institute, Grand Rapids, Michigan
February 2004	Land Valuation Assignments, The Appraisal Institute, Grand Rapids, Michigan
October 2003	Uniform Appraisal Standards for Federal Land Acquisitions, The Appraisal Institute, Mt. Pleasant, Michigan
September 2003	National Uniform Standards of Professional Appraisal Practice – Course 400M, The Appraisal Institute, Traverse City, Michigan
July 2003	Business Practices and Ethics – Course 420, The Appraisal Institute, Flint, Michigan
February 2003	Advanced Income Capitalization, The Appraisal Institute, Houston, Texas
April 2002	The Appraisal of Partial Acquisitions, International Right-of-Way Association, Madison, Wisconsin
February 2002	Income Capitalization 310, The Appraisal Institute, Chicago, Illinois
May 2001	GIS in the Real Estate Industry, The Appraisal Institute, Livonia, Michigan
February 2001	Comprehensive Appraisal Workshop, Ted Whitmer, Dallas, Texas
May 2000	Conservation Development and its Effect on Market Value, The Appraisal Institute, Novi, Michigan
September 1999	Michigan Gaming Trends and Impact on Land Value, The Appraisal Institute, Mt. Pleasant, Michigan
March 1999	Advanced Applications, The Appraisal Institute, Baltimore, Maryland
February 1999	Attacking & Defending an Appraisal in Litigation, The Appraisal Institute, Troy, Michigan

April 1998	Standards of Professional Appraisal Practice, The Appraisal Institute, Troy, Michigan
March 1998	Conservation Development for Rural Communities, East Central Michigan Planning and Development, Michigan Society of Planning Officials, Tawas City, Michigan
February 1998	Eminent Domain and Condemnation Appraising, The Appraisal Institute, Troy, Michigan
December 1997	Small Hotel/Motel Valuation, The Appraisal Institute, Ypsilanti, Michigan
June 1997	Highest and Best Use Applications, The Appraisal Institute, Novi, Michigan
January 1997	The High Tech Appraisal Office, The Appraisal Institute, Troy, Michigan
January 1997	The Internet and Appraising, The Appraisal Institute, Troy, Michigan
January 1995	Appraising FHA Properties, The Appraisal Institute, Flint, Michigan
September 1994	Understanding Limited Appraisals and Reporting Options – General, The Appraisal Institute, Novi, Michigan
May 1994	Easement Valuation, The Appraisal Institute, Troy, Michigan
March 1994	Report Writing and Valuation Analysis, The Appraisal Institute, Pittsburgh, Pennsylvania
December 1993	New Uniform Residential Appraisal Reports, The Appraisal Institute, Frankenmuth, Michigan
June 1993	Appraising Conservation Easements, The Appraisal Institute, Traverse City, Michigan
April 1993	Appraising From Blueprints and Specifications, The Appraisal Institute, Flint, Michigan
December 1992	Appraisal Reporting of Complex Residential Properties, The Appraisal Institute, Flint, Michigan
May 1992	Hotel/Motel Market Study, Valuation and Investment, The Appraisal Institute, Lansing, Michigan
November 1991	Capitalization Theory and Techniques "B", The Appraisal Institute, Okemos, Michigan

September 1991	Capitalization Theory and Techniques "A", The Appraisal Institute, Troy, Michigan
February 1991	Basic Valuation Procedures, The Appraisal Institute, Livonia, Michigan
October 1990	The Appraiser as an Expert Witness, American Institute of Real Estate Appraisers, Frankenmuth, Michigan
September 1990	Residential Valuation, American Institute of Real Estate Appraisers, Troy, Michigan
May 1990	Standards of Professional Practice, American Institute of Real Estate Appraisers, Lansing, Michigan
February 1990	Business Valuation, Parts A & B, American Institute of Real Estate Appraisers, Chicago, Illinois
March 1989	Applied Sales Comparison Approach, American Institute of Real Estate Appraisers, Livonia, Michigan
January 1988	Real Estate Appraisal Principles, American Institute of Real Estate Appraisers, Ann Arbor, Michigan
January 1987	Holloway's Real Estate Institute, Real Estate Law
October 1986	Holloway's Real Estate Institute, Real Estate Appraisal One

APPRAISAL/REAL ESTATE EXPERIENCE

Piazza Realty and Appraisal Service, Saginaw, Michigan, established June 1987

Anderson, Lemmer & Wilson, Inc., Saginaw, Michigan (formerly Johnson's Gallery of Homes), 1982-May 1987; Commercial Division Director, February 1984-May 1987

Donald C. Johnson Company, Saginaw, Michigan, Appraiser's Assistant, 1983-1984

PARTIAL LIST OF CLIENTS

Governmental Agencies

Arenac County

Bay County Environmental Affairs & Community Development

Board of Saginaw County Road Commissioners

Buena Vista Charter Township

City of Bay City
City of East Tawas
City of Saginaw
Flint River Dike and Erosion Control Board
Hampton Charter Township
Kochville Township
Lincoln Township
Michigan Department of Management & Budget
Michigan Department of Natural Resources
Michigan Department of Transportation
Michigan State Housing Development Authority
Saginaw County Child Development Centers, Inc.
Saginaw County Controller's Office
Saginaw County Department of Public Works
Saginaw County Parks & Recreation Commission
School District of the City of Saginaw
Tittabawassee Township
United States Fish & Wildlife Service
United States Postal Service

Conservation Agencies

Ducks Unlimited, Inc.
Little Forks Conservancy
Saginaw Basin Land Conservancy
The Conservation Fund
The Nature Conservancy

Financial Institutions

Citizens Bank
Comerica Bank
Communications Family Credit Union
Community State Bank
Family First Credit Union
Huron Community Bank
Independent Bank, msb
Bank One
National City Bank
North Bank

Attorneys/Physicians/Dentists/Medical Centers

Braun Kendrick Finkbeiner, PLC, Attorneys at Law
Bay Medical Center
Bay Regional Medical Center
Brisbois & Brisbois, Attorneys at Law

Collison & Collison, Attorneys at Law
Raymond C. Hausbeck, DDS
McGraw, Martin & Heyn, P.C., Attorneys at Law
Medical Leasing Company
Michigan CardioVascular Institute
John F. O'Grady, Attorney at Law
Peter G. Ramah, Attorney at Law
Patricia A. Rehmann, Attorney at Law
Steven E. Rehmann, Attorney at Law
Scheurer Community Services
Joseph T. Sheridan, DDS
Shinners & Cook, P.C., Attorneys at Law
Chander Srinivasan, M.D.
St. Luke's Hospital Foundation
St. Mary's of Michigan
St. Mary's of Michigan, Standish Hospital
John J. Swartz, Attorney at Law
Tawas St. Joseph Health Systems

Miscellaneous

Bay Development Corporation
Consumers Energy
Dow Chemical Company
Forward Corporation
Girl Scouts of Mitten Bay
Mast, Foulds & Company, P.C.
Order of Sons of Italy in America
The Rehmann Group
Straits Corporation
United Properties
Walmart Corporation