

DEVELOPMENT PLAN



For City of Saginaw, Michigan



City of Saginaw Brownfield Redevelopment Authority

May 17, 1999

BROWNFIELD PLAN of the City of Saginaw

1. The City of Saginaw has established a Brownfield Redevelopment Authority and a Brownfield Redevelopment Zone and, in conjunction with the companies, businesses and entities cited herein, intends to implement this Brownfield Plan. The geographic area encompassed within the Zone shall be known as the City of Saginaw Brownfield Redevelopment Zone.

This plan is established on May 17, 1999 pursuant to the provisions of the Michigan brownfield redevelopment financing act ("BRFA") and pursuant to a City Council resolution adopted on September 29, 1997. Within the resolution a determination was made that creation of this Brownfield Plan is "in the best interests of the public." Its purpose is to "promote the revitalization of environmentally distressed areas," generate jobs, ameliorate blight, preserve public lands and protect and enhance wildlife habitat.

2. **General DEFINITIONS** as used in this Brownfield Plan:

(a) "Additional response activities" means response activities proposed as part of a Brownfield Plan that are in addition to baseline environmental assessment activities and due care activities for an eligible property.

(b) "Authority" means the City of Saginaw Brownfield Redevelopment Authority created by City Council resolution on September 29, 1997.

(c) "Baseline environmental assessment" or "BEA" means that term as defined in section 20101 of part 201 of the Natural Resources and Environmental Protection Act, Act No. 451 of the Public Acts of 1994, MCL 324.20101.

(d) "Baseline environmental assessment activities" means those response activities identified as part of this Brownfield Plan that are necessary to complete a BEA for an eligible property.

(e) "Board" means the governing body of the Authority.

(f) "BRFA" means the brownfield redevelopment financing act, as amended, Act No. 381 of the Public Acts of 1996, MCL 125.2651 et seq.

(g) "Brownfield Plan" means this Brownfield Plan of the City of Saginaw, as amended, created pursuant to the BRFA.

(h) "Captured taxable value" means the amount in one year by which the current taxable value of an eligible property subject to this Brownfield Plan, including the taxable value or assessed value, as appropriate, of a property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property.

(i) "Chief executive officer" means the mayor of the city of Saginaw.

(j) "City" means the City of Saginaw.

(k) "Department" means the Michigan Department of Environmental Quality or its successor.

(l) "Due care activities" means those response activities identified as part of this Brownfield Plan that are necessary to allow the owner or operator of an eligible property in the Brownfield Plan to comply with the requirements of section 20107a of part 201 of Act No. 451 of the Public Acts of 1994, MCL 324.20107a.

(m) "Eligible activities" means one or more of the following:

1. Additional response activities;
2. Baseline environmental assessment activities;
3. Due care activities.

(n) "Eligible property" means a facility and adjacent or contiguous parcels if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of the facility for which eligible activities are proposed under this Brownfield Plan. Eligible property shall include personal property that is included in this Brownfield Plan and located on the facility.

(o) "Facility" means that term as defined in section 20101 of Part 201 of the Natural Resources and Environmental Protection Act, Act No. 451 of the Public Acts of 1994, as amended, MCL 324.20101. On the date this Brownfield Plan was adopted the term "facility" meant "any area, place, or property where a hazardous substance in excess of the concentrations which satisfy the requirements of Section 20120a(1)(a)

or (17) has been released, deposited, disposed of, or otherwise comes to be located. Facility does not include any area, place, or property at which response activities have been completed which satisfy the cleanup criteria for the residential category provided for in Section 20120a(1)(a) or (17)."

(p) "Fiscal Year" means the time period used for accounting and fiscal calculations by the Authority after adoption of the Brownfield Plan; the time period runs from July 1 of an initial year through June 30 of the next year, and each subsequent year.

(q) "Governing body" means the City Council of the City of Saginaw.

(r) "Initial taxable value" means the taxable value of an eligible property identified in and subject to this Brownfield Plan, at the time a City Council resolution adding that eligible property in this Brownfield Plan is adopted. The appropriate taxable value is that value as shown by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of the ad valorem property tax shall not be considered exempt from taxation. The Michigan State Tax Commission shall prescribe the method for calculating the initial taxable value of property for which a specific tax was paid of ad valorem property tax.

(s) "Local taxes" means all taxes levied other than taxes levied for school operating purposes.

(t) "Municipality" means the City of Saginaw, Michigan.

(u) "Remedial Action Plan" or "RAP" means a plan that meets both of the following requirements: (1) it is a remedial action plan as that term is defined in section 20101 of part 201 of Act No. 451 of the Public Acts of 1994, MCL 324.20101; and (2) the remedial action plan describes each individual activity to be conducted to complete an eligible activity and the associated costs of each individual activity.

(v) "Response activity" means that term as defined in section 20101 of part 201 of Act No. 451 of the Public Acts of 1994, MCL 324.20101, and shall include the general administrative and operating costs of the Authority to the extent the costs are incurred in the implementation of eligible activities.

(w) "Specific tax" means a tax levied under the Plant Rehabilitation and Industrial Development Act, Act 198 of the Public Acts of 1974, MCL 207.551 to 207.572; the Commercial Redevelopment Act, Act No. 255 of the Public Acts of 1978, MCL 207.651 to 207.668; the Enterprise Zone Act, Act No. 224 of the Public Acts of 1985, MCL 125.2101 to 125.2123; Act No. 189 of the Public Acts of 1953, MCL 211.181 to 211.182; or the Technology Park Development Act, Act No. 385 of the Public Acts of 1984, MCL 207.701 to 207.718.

(x) "Tax increment revenues" means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to this Brownfield Plan and personal property located on that property. Tax increment revenues exclude ad valorem property taxes specifically levied for the payment of principal of and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local government unit, and specific taxes attributable to those ad valorem property taxes. Tax increment revenues also exclude ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment financing authority, or local development finance authority if those taxes were captured by these other authorities on the date that the eligible property became subject to this Brownfield Plan.

(y) "Taxable value" means the value determined under section 27a of the General Property Tax Act, Act No. 206 of the Public Acts of 1893, MCL 211.27a.

(z) "Taxes levied for school operating purposes" means all of the following:

1. The taxes levied by a local school district for operating purposes;
2. The taxes levied under the State Education Tax Act, Act No. 331 of Public Acts of 1993, MCL 211.901 to 211.906;
3. That portion of specific taxes attributable to taxes described under subparagraphs 1 and 2 above.

(aa) "Work Plan" means a plan that describes each individual activity to be conducted to complete an eligible activity and the associated costs of each individual activity as approved by the Department.

(bb) "Zone" means the City of Saginaw Brownfield Redevelopment Zone.

3. Description and Designation of Boundaries of the Zone.

[125.2652(y)]. "**Exhibit 1**" is a map illustrating the boundaries of the Zone for this Brownfield Plan. Land encompassed within the boundaries consists of the entire corporate area of the City of Saginaw excluding only those areas designated at the time of establishment of the Authority as R-1 residential zoning. The Zone contains approximately 18 square miles of gross area which is used in the following ways: 33 percent (33%) residential, 5 percent (5%) commercial, 10 percent (10%) industrial, 5 percent (5%) institutional, 6 percent (6%) parks and recreation land, 25 percent (25%) for highways and streets, 4 percent (4%) covered with water, 9 percent (9%) vacant land, and 3 percent (3%) used for other purposes.

4. Description of Costs to be Paid from Tax Increment Revenues.

[125.2657(b)]. Tax increment revenues may be used to pay or reimburse a public or private person for costs of eligible activities attributable to an eligible property. Eligible activities as used herein include baseline environmental assessments activities, due care activities and additional response activities. Costs for such activities include, but are not limited to, all costs necessary or related to a release of hazardous substances at an eligible property, including costs of eligible activities on properties affected by a release of hazardous substances from the eligible property. Such revenue may also be used to pay for the reasonable costs of preparing a work plan or RAP, including costs of review by the Department. Costs to be paid for specific eligible properties are described in Exhibit 2 to this Brownfield Plan.

5. Site Remediation Revolving Fund (SRRF).

[125.2657(c)]. The Authority intends to establish a local site remediation revolving fund (SRRF). Additional tax increment revenue in excess of the amounts described in Section 4 of this Brownfield Plan, as authorized in sections 8 and 13(5) of the BRFA, MCL 125.2658 and .2663(5), may be captured and deposited in the SRRF. Tax increment revenue may be accumulated for appropriate future SRRF expenditures. The SRRF may be used only to pay costs of eligible activities on eligible property that are located within the Zone, subject to the limitations on use of funds derived from taxes levied for school purposes contained in section 15(1)(b) of the BRFA, MCL 125.2665(1)(b). When consistent with the limitations of the BRFA, and at the discretion of the Authority, SRRF revenue may be used on any environmentally contaminated land within the City of Saginaw.

6. Additional Powers of Authority.

Funds acquired other than through tax increment revenues and the SRRF may be used in the various ways listed below:

[125.2657(1)(d)]. Funds may be used to make and enter into contracts necessary or incidental to the exercise of the Authority's powers and the performance of its duties, including but not limited to lease purchase agreements, land contracts, installment sale agreements, and loan agreements.

[125.2657(1)(e)]. On terms and conditions, and in a manner and for consideration the Authority considers proper, funds may be used to buy, mortgage, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or other rights or interests in property.

[125.2657(1)(f-i)]. Funds may be used to acquire, maintain, repair, or operate all devices necessary to ensure continued eligible activities on eligible property. They may also be used to pay costs in connection with the performance of the Authority's authorized functions, including but not limited to administrative costs and architect, engineer, legal and accounting fees. They may be used to study, develop or prepare reports and plans the Authority considers necessary.

[125.2657(1)(j-n)]. Funds may be used to procure insurance, to make, participate in or undertake commitments to make loans and mortgages, to buy and sell loans and mortgages at public or private sale, rewrite loans and mortgages, discharge loans and mortgages, foreclose on a mortgage, commence an action to protect or enforce a right conferred upon the Authority by a law, mortgage, loan, contract or other agreement, bid for and purchase property that was the subject of the mortgage at a foreclosure or other sale, acquire and take possession of the property and in that event compute, administer, pay the principal and interest on obligations incurred in connection with that property, and dispose of and otherwise deal with the property.

Subject to the provisions of the BRFA, nothing herein shall be construed to limit the power of the Authority to authorize the expenditure of tax increment revenues and moneys in the SRRF for eligible activities on eligible properties.

7. Description of Costs of Eligible Activities and Summary of Eligible Activities for Each Project.

[125.2663(1)(a)]. **Exhibit 2** includes for each individual project an estimate of the costs of eligible activities intended to be paid with tax increment revenues, including to the extent allowed the Authority's administrative and operating costs, and a brief summary of the proposed eligible activities.

8. Estimate of the Captured Taxable Value and Tax Increment Revenue by Year.

[125.2663(1)(b)]. Estimates of annual captured taxable values and tax increment revenues per project are affixed to this Brownfield Plan in **Exhibit 2**. This

exhibit will be updated to reflect changing conditions. **Exhibit 3** presents estimates of the captured taxable values and tax increment revenues for each year for all eligible properties in the aggregate.

9. Financing Method.

[125.2663(1)(c)]. The costs of this Brownfield Plan will be financed through an initial \$100,000 loan advanced by the City. Repayment of the loan will be made with tax increment revenues. Costs of eligible activities for an eligible property may be advanced by a private party, to be repaid with tax increment revenues relating to the eligible property. The specific financing to be used for each specific project is described in **Exhibit 2**.

10. Statement of Bonded Indebtedness.

[125.2663(1)(d)]. No bonded indebtedness is anticipated within this Brownfield Plan.

11. Duration of the Brownfield Plan.

[125.2663(1)(e)]. This Brownfield Plan shall remain in effect for 30 years, or until the additional tax increment revenue collection authorized by section 13(5) of the BRFA, MCL 125.2663(5), is completed, whichever occurs first.

12. Estimate of Impact of Tax Increment Financing on Taxing Jurisdictions.

[125.2663(1)(f)]. **Exhibit 2** contains illustrates the financial impact of captured tax revenue on each jurisdiction on an eligible property by eligible property basis.

13. Legal Descriptions of Individual Parcels.

[125.2663(1)(g)]. Legal descriptions of the various eligible properties which are included within this Brownfield Plan are listed in **Exhibit 2** on an eligible property by eligible property basis.

14. Estimate of the Number of Persons Residing on Each Eligible Property.

[125.2663(1)(h)]. No persons use eligible properties included within this Brownfield Plan as a place of residence. There are no anticipated residential relocation or displacement activities.

15. Plan for Establishing Priority for and Costs of Relocation of Displaced Persons and Compliance with Act No. 227 of the Public Acts of 1972.

[125.2663(1)(i-k)]. No persons are expected to be displaced as a result of this Brownfield Plan.

16. Proposed Use of Local Site Remediation Revolving Fund (SRRF).

[125.2663(1)(l)]. Section 5 of this Brownfield Plan authorizes the establishment of an SRRF. Future proposed uses of the SRRF will be addressed in amendments to this Brownfield Plan, in **Exhibit 5**.

17. Other Material Deemed Pertinent.

(A) References cited herein shall incorporate amendments to public acts as they occur from time-to-time.

(B) **Exhibit 6** includes a copy of the act creating single business tax credits relating to certain eligible investments made on eligible properties. This information is included with this Brownfield Plan for reference only.

(C) A federal Brownfields Tax Incentive was passed as part of the Taxpayer Relief Act (HR 2014/PL 105-34) in 1997. Appendix 7 includes information relevant to this federal law published by the Michigan Department of Environmental Quality. This information is included with this Brownfield Plan for reference only.

LIST OF EXHIBITS

1. Map of Zone and Legal Description
2. Individual Projects and Related Data
3. Annual Captured Taxable Value and Tax Increment Revenues for All Projects in the Aggregate
4. Council Resolution Creating Authority and Zone and State Receipt of Filing
5. Site Remediation Revolving Fund Uses
6. Single Business Tax Credit
7. Federal Brownfield Tax Incentive

EXHIBIT 1
MAP OF ZONE AND LEGAL DESCRIPTION

Legal Description:

Pursuant to a Resolution of Intent creating the City of Saginaw Brownfield Redevelopment Authority on September 29, 1997, the Zone is described as:

The area encompassing all areas within the city limits of the city of Saginaw designated as the following zoning districts: B-1; B-1A; B-2; B-3; M-1; M-2; M-3; PDD; R-1A; R-2; R-3; R-4; and RO-1, subject to such changes as may hereinafter be made pursuant to this resolution and Act 381.

It is the intent of this Brownfield Plan to exclude only lands currently lying within the corporate limits of the City of Saginaw which are zoned R-1 and those lands which in the future will be designated as R-1. If zoning designations and boundaries should change, it is the intent of this Brownfield Plan to include properties for which future zoning changes from R-1 to some other classification.

Holding Page - Brownfield Map inserted here and labelled page 1.a

EXHIBIT 2

INDIVIDUAL PROJECTS AND RELATED DATA

INDEX

- | | |
|-------------------|---|
| Project 1. | Galen E. Wilson - 408 S. Michigan Ave |
| Project 2. | Galen E. Wilson - 2205 N. Michigan Ave |
| Project 3. | Galen E. Wilson - 2303 Hess Ave |
| Project 4. | Garb-Ko Inc. - 620 S. Washington Ave |
| Project 5. | U.S. Graphite - 1620 E. Holland Ave. |
| Project 6. | Fredd's Automotive Salvage - 1705 Boxwood St. |
| Project 7. | Peerless Environmental - 306 E. Remington St. |

Exhibit 2

Project 1.

Galen E. Wilson Project 408 S. Michigan Ave.

Table of Contents:

- 2.1.0 Project Benefits Requested
- 2.1.1 Request for inclusion of the project
- 2.1.2 Legal descriptions and location maps of eligible properties
- 2.1.3 Listing of taxable eligible real and personal property by location in zone
- 2.1.4 Estimates of annual taxable values, potential revenues and base value
- 2.1.5 Financial impact of captured revenue on other entities
- 2.1.6 Costs associated with eligible activities by property
- 2.1.7 Projections of cost recovery and other captured revenue by property
- 2.1.8 Revolving Fund cash flow and balance projections
- 2.1.S SBT (Included for reference only)
- 2.1.A Miscellaneous Attachments from Company including certification of pollution

Section 2.1.0 Benefits Requests

- SBT only. No tax Capture contemplated
- 2.1.2 Legal descriptions and location maps of eligible properties
- 2.1.3 Listing of taxable eligible real and personal property by location in zone
- 2.1.4 Estimates of annual taxable values, potential revenues and base value
- 2.1.5 Financial impact of captured revenue on other entities
- 2.1.6 Costs associated with eligible activities by property
- 2.1.7 Projections of cost recovery and other captured revenue by property

2.1.8 Revolving Fund cash flow and balance projections

2.1.S SBT (Included for reference only)

2.1.A Miscellaneous Attachments from Company including certification of pollution

Section 2.1.0 Benefits Requests

SBT only. No tax Capture contemplated

2.1.1 Insert Letter Requesting Benefits.

2.1.3 Listings of Eligible Properties

Real Estate:	17 0193 000 00	Value as of May 1998	\$ 69,733
Personalty:	17 8010 571 00	Value as of May 1998	\$ 11,000

Date of Resolution Adding these properties to plan: September 21, 1998

Resulting total initial Taxable Value: \$ 80,733

2.1.4 Estimates of annual Taxable Value after “Improvements”

Total Real Property Taxable Values after improvements (May 1999)		\$ 100,000
Total Personalty values after improvements	(May 1999)	\$ 100,000
Total Real and Personal Property (1999 Taxable Value) (May 1999)		\$ 200,000
Projected “Captured Value”	(May 1999)	\$ 119,267

2.1.5 Financial Impact of captured revenue on other communities

A financial analysis of changes in ad valorem, “base” and “captured” taxes related to this project is presented in spreadsheets as part of section 2.1.3 of this Plan. Examples are provided for both real and personal property. Proposed Taxable Values are examined as options in the following ways: (1) projections of Base Values and subsequent taxes for the time period of this project; (2) projections of increased Taxable Values and subsequent tax collections resulting activities related to the project; (3) Summations of proposed “captured” and non-captured taxes resulting from the project;* (4) summations of various taxes by government jurisdiction.

Comparison of these calculations illustrates, if the proposed investments are implemented as stated, there will be a net increase of taxes to all jurisdictions.

Exhibit 2

Project 2.

Galen E. Wilson Project
2205 N. Michigan Ave.

Contents:

- 2.2.0 Project Benefits Requested
- 2.2.1. Request for inclusion of the project
- 2.2.2 Legal descriptions and location maps of eligible properties
- 2.2.3 Listing of taxable eligible real and personal property by location in zone
- 2.2.4 Estimates of annual taxable values, potential revenues and base value
- 2.2.5 Financial impact of captured revenue on other entities
- 2.2.6 Costs associated with eligible activities by property
- 2.2.7 Projections of cost recovery and other captured revenue by property
- 2.2.8 Revolving Fund cash flow and balance projections
- 2.2.S SBT (Included for reference only)

Exhibit 2

Project 3.

Galen E. Wilson Project
2303 Sheridan Ave.

Contents:

- 2.3.0 Project Benefits Requested
- 2.3.1. Request for inclusion of the project
- 2.3.2 Legal descriptions and location maps of eligible properties
- 2.3.3 Listing of taxable eligible real and personal property by location in zone
- 2.3.4 Estimates of annual taxable values, potential revenues and base value
- 2.3.5 Financial impact of captured revenue on other entities
- 2.3.6 Costs associated with eligible activities by property
- 2.3.7 Projections of cost recovery and other captured revenue by property
- 2.3.8 Revolving Fund cash flow and balance projections
- 2.3.S SBT (Included for reference only)

Exhibit 2

Project 4.

Garb-Ko Inc.
620 S. Washington Ave.

Contents:

- 2.4.0 Project Benefits Requested
- 2.4.1. Request for inclusion of the project
- 2.4.2 Legal descriptions and location maps of eligible properties
- 2.4.3 Listing of taxable eligible real and personal property by location in zone
- 2.4.4 Estimates of annual taxable values, potential revenues and base value
- 2.4.5 Financial impact of captured revenue on other entities
- 2.4.6 Costs associated with eligible activities by property
- 2.4.7 Projections of cost recovery and other captured revenue by property
- 2.4.8 Revolving Fund cash flow and balance projections
- 2.4.S SBT (Included for reference only)

Exhibit 2

Project 5.

U.S. Graphite Inc.
1620 E. Holland Ave.

Contents:

- 2.5.0 Project Benefits Requested
- 2.5.1. Request for inclusion of the project
- 2.5.2 Legal descriptions and location maps of eligible properties
- 2.5.3 Listing of taxable eligible real and personal property by location in zone
- 2.5.4 Estimates of annual taxable values, potential revenues and base value
- 2.5.5 Financial impact of captured revenue on other entities
- 2.5.6 Costs associated with eligible activities by property
- 2.5.7 Projections of cost recovery and other captured revenue by property
- 2.5.8 Revolving Fund cash flow and balance projections
- 2.5.S SBT (Included for reference only)

Exhibit 2**Project 6.****Fredd's Auto Salvage Inc
1705 - 1823 Boxwood St.**

Table of Contents:

- 2.6.0 Project Benefits Requested
- 2.6.1 Request for inclusion of the project
- 2.6.2 Legal descriptions and location maps of eligible properties
- 2.6.3 Listing of taxable eligible real and personal property by location in zone
- 2.6.4 Estimates of annual taxable values, potential revenues and base value
- 2.6.5 Financial impact of captured revenue on other entities
- 2.6.6 Costs associated with eligible activities by property
- 2.6.7 Projections of cost recovery and other captured revenue by property
- 2.6.8 Revolving Fund cash flow and balance projections
- 2.6.S SBT (Included for reference only)
- 2.6.A Miscellaneous Attachments from Company including certification of pollution

Section 2.1.0 Benefits Requests

SBT only. No Tax Capture contemplated

Exhibit 2

Project 7.

Peerless Environmental Services, Inc
306 E. Remington Ave.

Table of Contents:

- 2.7.0 Project Benefits Requested
- 2.7.1 Request for inclusion of the project
- 2.7.2 Legal descriptions and location maps of eligible properties
- 2.7.3 Listing of taxable eligible real and personal property by location in zone
- 2.7.4 Estimates of annual taxable values, potential revenues and base value
- 2.7.5 Financial impact of captured revenue on other entities
- 2.7.6 Costs associated with eligible activities by property
- 2.7.7 Projections of cost recovery and other captured revenue by property
- 2.7.8 Revolving Fund cash flow and balance projections
- 2.7.S SBT (Included for reference only)
- 2.7.A Miscellaneous Attachments from Company including certification of pollution

Section 2.7.0 Benefits Requests

SBT and tax capture requested

EXHIBIT 3. Schedule of Site Remediation Revolving Loan Fund
repayments

3.1.0 No activities are currently planned that require use of a SRRF

EXHIBIT IV.

Council Resolution Creating Authority and Zone and State Receipt of Filing

LIST OF EXHIBITS

1. Individual projects within this plan and delineation of the following on each:

- a. Request for inclusion of the project
- b. Legal descriptions and location maps of eligible properties
- c. Listing of taxable eligible real and personal property by location in zone
- d. Estimates of annual taxable values, revenues and base value
- e. Financial impact of captured revenue on other entities
- f. Costs associated with eligible activities by property
- g. Projections of cost recovery and other captured revenue by property
- h. SBT (Included for reference only)

3. Schedule of Site Remediation Revolving Loan Fund repayments

4. Council Resolution Creating Authority and Zone and State Receipt of Filing

