

Grand River Corridor Improvement Authority Agenda

CITY OF NOVI
CORRIDOR IMPROVEMENT AUTHORITY MEETING
Tuesday, July 13, 2021 | 4:30 P.M.
Mayor's Conference Room | Novi Civic Center
45175 Ten Mile Road
(248) 347-0445

CALL TO ORDER

ROLL CALL: Mike McCready, Economic Development Director

APPROVAL OF AGENDA

AUDIENCE COMMENT– In order to hear all citizen comments at a reasonable hour, the Corridor Improvement Authority requests that speakers respect the three-minute time limit.

- 1. Approval of minutes from June 2, 2021 meeting.
- 2. Consideration of Interlocal agreement between CIA, County Brownfield Authority and Commercial Rehabilitation District

ADJOURNMENT



CORRIDOR IMPROVEMENT AUTHORITY MINUTES

CITY OF NOVI

Wednesday, June 2, 2021 | 4:00 P.M.

Virtual Meeting

CALL TO ORDER

The meeting was called to order at 4:03 PM by Mayor Pro Tem Staudt.

ROLL CALL

Present: Mayor Pro-Tem David Staudt (Novi, MI), Council Member Mutch

(Waterford Township, MI), Brandon Stewart (Novi, MI), Blair Bowman

(Novi, MI), John O'Brien (Novi, MI), Jeff Wainwright (Novi, MI)

Absent: Mayor Bob Gatt, Robert Ledbetter

Also Present: Victor Cardenas, Assistant City Manager; Barb McBeth, City Planner;

Tom Schultz, City Attorney

1. VOTE TO APPROVE THE CORRIDOR IMPROVEMENT AUTHORITY MEETING MINUTES FROM February 2, 2021, MADE BY Jeff Wainwright SUPPORTED BY Brandon Stewart.

Motion carried 6-0

2. Discuss Interlocal Agreement between CIA, County Brownfield Authority and Commercial Rehabilitation District

Discussion regards the Sakura Way Development on Grand River. Assistant City Manager, Victor Cardenas, stated that the purpose of this matter is to provide information to the Corridor Improvement Authority on the status of this project and obtain direction from CIA on any future agreement. No official motion at this time. Developer is looking for Brownfield Authority tax credit of \$850,000 for remediation over 6 years. Additionally, a Commercial Rehabilitation District (PA 210) for up to 10 years which abates future taxable value. CIA has authority for all tax capture regarding this property. As both Brownfield and PA 210 incentives are requested by the developer, CIA will need to allow for the tax capture to be forgone. No agreement is in front of the committee at this time, an agreement will be presented to the CIA at a future date.

No Motion

Proposed district will go to City Council, the application will be received at the following meeting. Between these City Council meetings, the CIA will meet.

3. Approval of the Interfund Loan Agreement:

Formalize loan agreement between the City of Novi and CIA for the special assessment dollars utilized for the renovation of Ring Road. Last meeting, a budget was provided outlined estimated repayment of loans through 2027. Outline of the financial aspects of this agreement provided. City Staff to follow up with amortization schedule and specifics of repayment plan.

Motion to Approve Interfund Loan Agreement as proposed MADE BY Council Member Mutch **and SUPPORTED BY** Mayor Pro Tem Staudt

Motion carried 6-0

4. Recognition of Mr. Brandt Russell, CEO at Ascension Providence Park Hospital, newly appointed by City Council to the Corridor Improvement Authority

Meeting adjourned at 5:52 P.M.

INTERLOCAL AGREEMENT BETWEEN THE CITY OF NOVI, THE NOVI GRAND RIVER CORRIDOR IMPROVEMENT AUTHORITY, THE OAKLAND COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY, AND THE COUNTY OF OAKLAND FOR SAKURA NOVI PROJECT

THIS TAX SHARING AGREEMENT ("Agreement") is entered into pursuant to the Urban Cooperation Act, Public Act 7 of 1967, Extra Session, ("Act 7") and is between the CITY OF NOVI ("Novi"), 45175 Ten Mile Road, Novi, Michigan 48375-3024 and the NOVI GRAND RIVER CORRIDOR IMPROVEMENT AUTHORITY ("C.I.A.") 45175 Ten Mile Road, Novi, Michigan 48375-3024, THE OAKLAND COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY ("Brownfield Authority"), 1200 North Telegraph Road, Pontiac, Michigan, 48341 ("Brownfield Authority") and the COUNTY OF OAKLAND ("County"), 1200 North Telegraph Road, Pontiac, Michigan, 48341. Novi, the C.I.A., the Authority and the County may also be referred to as "Parties."

On December 4, 2017 Novi established the C.I.A and C.I.A. District pursuant to Public Act 57 of 2018 ("Act 57") to redevelop its commercial corridors and to promote economic growth. On December 17, 2018 Novi approved a Development Plan and Tax Increment Financing Plan. ("TIF Plan"). The C.I.A. is authorized to pay for certain eligible activities and to finance improvements by capturing the property taxes levied on any incremental increase in property values within the development area. ("Tax Increment Revenue"). The designated area generally includes properties fronting Grand River Avenue extending the length of the City from Wixom to Haggerty Road. ("C.I.A. District").

Section 618(3) of Act 57 provides that a C.I.A. may enter into agreements with taxing jurisdictions and the municipality establishing the C.I.A. to share a portion of the captured assessed taxable value of the development area. On July 20, 2019, Novi, the C.I.A. and the County entered into an agreement ("C.I.A. Agreement") to allow the

C.I.A. to capture the Tax Increment Revenue generated by the County's General Operating and Parks & Recreation millages from the properties listed in the C.I.A. Agreement, or any future divisions of such properties. The C.I.A. Agreement required that the C.I.A. and Novi submit to County's TIF Review Committee for review and approval, any proposed modification or amendments to the C.I.A. Development Plan and Tax Increment Financing Plan. As set forth herein, this Agreement authorizes the C.I.A. to transfer a portion of County Tax Increment Revenue to the Brownfield Authority.

The Brownfield Authority was established by the County pursuant to Public Act 381 of 1996, as amended ("Act 381"), to facilitate the clean-up and redevelopment of brownfields within Oakland County communities. On May 2, 2020, Novi adopted a Resolution stating that it believed that the property located at 42750 Grand River Avenue and Town Center Drive, formerly called the Anglin parcel, with tax parcel ID numbers of 22-23-126-006, 22-23-226-008, D 22-23-126-011 and 22-23-226-007 ("Eligible Property") is a facility under Act 381. Novi approved having the Brownfield Authority carry out a plan approved by the County Board of Commissioners, for the redevelopment of the Eligible Property. ("Brownfield Plan"). The Eligible Property is located within the C.I.A. District and is now known as the Sakura project.

The Parties desire to enter this Interlocal Agreement to transfer a portion of the C.I.A. Tax Increment Revenues captured from the Eligible Property to the Brownfield Authority to reimburse the costs of the Act 381 eligible activities and other reimbursable costs pursuant to the Brownfield Plan.

The Parties agree as follows:

1. <u>Capture of Tax Increment Revenues by C.I.A.</u> That the C.I.A. will continue to capture the Tax Increment Revenues it is authorized to capture pursuant to the TIF

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Plan, including such Tax Increment Revenues resulting from the capture of tax increments from taxes levied against the Eligible Property.

- 2. <u>Transfer and Use of Tax Increment Revenues</u>. That one-hundred percent (100%) of the Tax Increment Revenues captured by the C.I.A. on the Eligible Property pursuant to the TIF Plan, shall be transferred to the Brownfield Authority to reimburse the costs of eligible activities and other reimbursable costs as identified in the Brownfield Plan and as permitted under Act 381, estimated to total \$850,000.00. Subject to the limitation in Section 3, the transfers shall be paid by the C.I.A. to the Brownfield Authority annually on October 15, for Tax Increment Revenues received by the C.I.A. in the prior twelve (12) months.
- 3. <u>Limitation to Tax Increment Revenues from Eligible Property</u>. The C.I.A. shall only transfer to the Brownfield Authority the Tax Increment Revenues generated by the Eligible Property for reimbursement of approved eligible activity costs and other uses identified in the approved Brownfield Plan and authorized by Act 381. The Brownfield Authority shall provide the C.I.A. with an annual accounting of the eligible activity costs. Upon conclusion or dissolution of the Brownfield Plan, all Tax Increment Revenues (as defined in Act 57) generated by the Eligible Property shall be captured by the C.I.A. and expended as provided in the TIF Plan and the C.I.A. Agreement.
- 4. <u>Brownfield Authority as Agent under This Agreement.</u> The Brownfield Authority is designated as the agent to receive and disburse such Tax Increment Revenues generated by the Eligible Property as provided in Section 2 above, until such time all obligations to reimburse the cost of the eligible activities and other reimbursable costs, have been satisfied.
- 5. <u>Brownfield Authority as Agent under Reimbursement Agreements.</u> The Brownfield Authority is designated as agent to develop and enforce the terms of any reimbursement agreement executed with outside parties pursuant to the approved Brownfield Plan.

6. Effective Date and Term. This Agreement shall be approved by the respective boards of the Parties and shall commence upon the date it is signed by all Parties ("Effective Date"). A copy of this Agreement shall be filed with the Novi Clerk and transmitted by the County Clerk to the State of Michigan, as required by Act 7. This Agreement will terminate once sufficient tax increment revenues are generated for redevelopment of the Eligible Property, or when full redevelopment is completed, whichever occurs first. Upon termination or expiration of this Agreement, the C.I.A. shall have no further obligation to transfer Tax Increment Revenue to the Brownfield Authority.

If any provision contained in this Agreement is deemed unenforceable, to the extent possible, the remaining terms shall remain in effect. This Agreement sets forth the entire agreement between the Parties and fully supersedes all prior agreements or understandings between them in any way related to this subject matter. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein. This Agreement shall not be changed or supplemented orally and may be amended only in writing and signed by the Parties after approval by their respective boards.

The Parties warrant that they each have the appropriate authority to enter into this Agreement and that each are bound by the respective signatures below.

FOR AND IN CONSIDERATION of the mutual assurances, promises, acknowledgments, warrants, representations, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned hereby execute this Agreement on behalf of the Parties, and

by doing so legally obligate and bind the Parties to the terms and conditions of this Agreement.

NOVI CORRIDOR IMPROVEMENT AUTHORIT	TY (C.I.A.)
By:	
Its:	
Date:	
THE CITY OF NOVI	
By:	
Its:	
Date:	
OAKLAND COUNTY BROWNFIELD REDEVELO	OPMENT AUTHORITY
By:	
Peter Webster	
Its: Chairperson	
Date:	
OAKLAND COUNTY	
By:	
Date:	

Novi: Interlocal C.I.A. Brownfield Draft 062521

OAKLAND COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN

SAKURA NOVI 42750 GRAND RIVER AVENUE NOVI, MICHIGAN

APRIL 15, 2020

Date Approved by BRA:	
Date Approved by Board of Commissioners:	

Prepared on Behalf of:

Sakura Novi, LLC Robert B. Aikens and Associates, LLC 350 N. Old Woodward, Suite 300 Birmingham, MI 48009 Contact Person: G. Scott Aikens Telephone: (248) 283-1071

Prepared By:

FAUSONE BOHN, LLP

41700 W. Six Mile Rd., Suite 101 Northville, Michigan 48168

Contact Person: Paul F. Bohn, Andrea E. Hayden

Telephone: (248) 380-0000

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Table 1.	Estimated	Coete	of Eligible	Activition
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Table 1: Estimated Costs of Eligible Activities
Table 2: Tax Increment Revenue Capture Estimates

Table 3: Tax Increment Reimbursement Estimates

PROJECT SUMMARY

Project Name: Sakura Novi

Project Location: The property is located at 42750 Grand River Avenue in

Township one north (T.1N), Range eight east (R.8E), Section 23, Novi, Oakland County Michigan 48375 (the "Property")

Type of Eligible

Property: The property is determined to be a "Facility"

Eligible Activities: Site Assessment and Baseline Environmental Assessment

Activities, Asbestos Containing Materials (ACM) Survey and Abatement, Contaminated Soils Removal and Disposal, Vapor Intrusion Mitigation, Due Care Activities, and Preparation of a Brownfield Plan and Act 381 Work Plan.

Developer Reimbursable

Costs: \$2,008,250 (includes eligible activities and 15% contingency)

Years to Complete

Reimbursement: Approximately 6 years from start of capture

Estimated Capital

Investment: Approximately \$45-55 million (Including hard and soft costs,

excluding the cost of land)

Project Overview: The project includes demolition of existing buildings and the

construction of an approximately 17-acre mixed-use development which will include restaurants, supporting retail, a 25,000 square foot Asian grocery, and 118 townhome apartments. It is estimated that 60-75 construction jobs will be created. The residential development will generate two permanent jobs and the commercial development will generate approximately 170-200 permanent jobs. The increase in jobs and addition of new development on the

Property will result in an increase of City tax revenue.

I. INTRODUCTION AND PURPOSE

In order to promote the revitalization of environmentally distressed, historic, functionally obsolete and blighted areas within the boundaries of Oakland County ("the County"), the County has established the Oakland County Brownfield Redevelopment Authority (OCBRA) the "Authority" pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended ("Act 381").

The purpose of this Brownfield Plan (the "Plan") is to promote the redevelopment of and investment in eligible property within the City and to facilitate financing of eligible activities at the property. Inclusion of property within any Plan in the City will facilitate financing of eligible activities at eligible properties, and will provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as "Brownfields." By facilitating redevelopment of the property, this Plan is intended to promote economic growth for the benefit of the residents of the City and all taxing units located within and benefited by the Authority.

The identification or designation of a developer or proposed use for the property that is subject to this Plan shall not be integral to the effectiveness or validity of this Plan. This Plan is intended to apply to the eligible property identified in this Plan and to identify and authorize the eligible activities to be funded. Any change in the proposed developer or proposed use of the eligible property shall not necessitate an amendment to this Plan, affect the application of this Plan to the eligible property, or impair the rights available to the Authority under this Plan.

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

This Brownfield Plan contains information required by Section 13(2) of Act 381, as amended.

II. GENERAL PROVISIONS

A. <u>Description of the Eligible Property (Section 13 (2)(h)) and Project</u>

The eligible property consists of four (4) legal parcels totaling approximately 17 acres with street addresses of 42750 Grand River Avenue and 42525 West Eleven Mile Road, Novi, Oakland County, Michigan. These parcels and all tangible personal property located thereon will comprise the eligible property and is referred to in this Plan as the "Property."

The Property is located on the northeast corner of Grand River Avenue and Town Center Drive and is bounded by Grand River Avenue to the south, Town Center Drive to the west, Eleven Mile Road to the north and City-owned wetland to the east. Individual parcel information is outlined below and legal descriptions for each parcel are included in Appendix A. A property location map is included in Appendix B.

Parcel No. 1 (ID 22-23-126-006) is currently zoned OS-1 (Office Service District) and OSC (Office Service Commercial). The parcel is partially developed with a closed car wash and an equipment building.

Parcel No. 2 (ID 22-23-226-008) is currently zoned I-1 (Light Industrial) and is undeveloped.

Parcel No. 3 (ID 22-23-126-011) is currently zoned I-1 (Light Industrial) and is developed with the Ecco Tool building.

Parcel No. 4 (ID 22-23-226-007) is currently zoned I-1 (Light Industrial) and is undeveloped.

The Property is anticipated to be rezoned as a Planned Rezoning Overlay to accommodate the proposed future use.

Standard and other historical sources were used to document that the Property was developed in 1897 when a residential building and garage were built. By 1940 a second residence was constructed on the northwestern portion of the Property. The Property continued to be used for residential purposes until 1967 when it was occupied by the present-day equipment building located on the southern portion of the Property, and a large pond/wetland on the western portion of the Property. By 1972, the current car wash building was present on the southwestern portion of the Property. The first recorded occupant of the Property was J Anglin Top Soil in 1973.

Robert B. Aikens and Associates, LLC and Sakura Novi, LLC or any affiliate, and Robertson Brothers Homes or such other developer, are collectively the project developer ("Developer"). Robert B. Aikens and Associates, LLC, was founded over 40 years ago and has since developed over 20 million square feet of retail, commercial and residential real estate throughout the country. Aikens has successfully connected retail trends to local communities and provided residents with facilities that seamlessly blend into the local social and architectural fabric. Similarly, Robertson Brothers Homes has been building beautiful communities with a wide array of home styles homes in Southeast Michigan for over 70 years. The proposed project outlined within this plan is part of continued efforts by Aikens to produce innovative community-focused development projects.

The development is intended to be a "best in class" collection of several Asian restaurants along with supporting retail and 118 units of residential townhomes. The project will feature a walkable, open air environment, located on a 2-acre pond surrounded by Japanese-influenced gardens and situated at one of the most highly populated highway intersections in southeast Michigan. The development will be anchored by a new 25,000 square foot Japanese grocery/food hall concept store. The development will create a vibrant cultural community after decades of underutilization of the Property. The creation of the mixed-use space on the Property will create numerous jobs and a regional marketplace destination. The addition of residential units to the area will also create

desired housing stock within the City of Novi. Both commercial and residential uses will lead to the influx of new employees and residents into the area and result in an increased spinoff in consumer spending.

Construction is anticipated to begin in late Summer or early Fall of 2020 and be substantially completed by late Summer/early Fall of 2024. The Developer will invest an estimated \$45 to \$55 million in the development, create approximately 60 to 75 construction jobs, and create opportunity for approximately 170 future permanent retail jobs.

A preliminary site plan is included in Appendix C.

B. Basis of Eligibility (Section 13 (2)(h) and Section 2(u))

The Property is considered "Eligible Property" as defined by Act 381, Section 2 because it is a "Facility" or adjacent to property that is a facility. The Property was determined to be a Facility based on environmental site assessments that identified contamination at levels exceeding the applicable Michigan Department of Environment Great Lakes and Energy ("EGLE") cleanup criteria as a result of historic land uses on the Property.

C. <u>Summary of Eligible Activities and Description of Costs (Sec. 13</u> (2)(a-b))

State school and/or local tax increment revenues where appropriate will be used to reimburse the costs of "Eligible Activities" (as defined by Section 2 of Act 381) and as permitted under the Act 381 that include: Site assessment and Baseline Environmental Assessment activities, Asbestos Containing Material (ACM) survey and abatement, contaminated soils removal and disposal, vapor intrusion mitigation, Due Care activities, and preparation and implementation of a Brownfield Plan and Act 381 Work Plan. A complete itemization of these activities and associated expenses is included in Table 1.

The following eligible activities and estimated costs are intended as part of the development of the Property and are to be financed solely by the Developer. All activities are "Eligible Activities" under Act 381. The Authority is not responsible for any cost of Eligible Activities and will incur no debt.

- 1. Preparation and implementation of the Brownfield Plan and Act 381 Work Plan and associated activities, including reasonable attorney fees for these efforts, at a cost of approximately \$80,000.
- 2. Site Assessment and Baseline Environmental Assessment Activities include a Phase I Environmental Site Assessment (ESA), Phase II ESA, Baseline Environmental Assessment (BEA) as required as part of the prepurchase due diligence conducted on the Property at a total cost of \$25,000.
- 3. ACM survey and abatement at an estimated cost of \$10,000.

- 4. Removal, transport and disposal of contaminated soil at an estimated cost of \$1,250,000.
- 5. Due Care Investigation at an estimated cost of \$75,000
- 6. Due Care Activities and Vapor Mitigation at an estimated cost of \$320,000.
- 7. A 15% contingency of \$248,250 to address unanticipated environmental and/or other conditions that may be discovered through the implementation of site activities. This contingency excludes the cost of Baseline Environmental Assessment Activities and preparation of the Brownfield Plan and Act 381 Work Plan.

The total estimated cost of Eligible Activities subject to reimbursement from tax increment revenues is \$1,760,000 with a potential \$248,250 contingency, resulting in a total cost of \$2,008,250.

Therefore, the total cost for reimbursement to the Developer is a not-to-exceed amount of \$2,008,250 (including contingency), unless the Plan is amended and approved by the OCBRA and the Board of Commissioners.

D. <u>Estimate of Captured Taxable Value and Tax Increment Revenues</u> (Sec. 13 (2)(c))

Incremental taxes on real property included in the redevelopment project will be captured under this Plan to reimburse eligible activity expenses. The base taxable value of the Property shall be determined by the use of the 2019 tax year tax value, which is \$277,140 (the majority of the Property is owned by the City of Novi and has a current taxable value of \$0 as tax exempt property). Tax increment revenue capture will begin when tax increment is generated by redevelopment of the Property, which is expected to begin in 2021. The estimated taxable value of the completed development utilized in the tax capture tables (Table 2 and Table 3) is approximately \$16 million. This assumes a three-year phase-in for completion of the redevelopment, which has been incorporated into the tax increment financing assumptions for this Plan. An annual increase in taxable value of 1% has been used for calculation of future tax increments in this Plan. A Commercial Rehabilitation Exemption Certificate for the Property redevelopment was assumed to reduce local taxes beginning in 2021 for a period of six (6) years. Table 2 details the estimate of captured tax increment revenues for each year of the Plan from the Eligible Property.

The OCBRA has established a Local Brownfield Revolving Fund (LBRF). Capture for the LBRF is included in this Plan for one year following Developer reimbursement, currently estimated at \$150,000. The funds deposited into the LBRF as part of this Plan will be used in accordance with the requirements of Act 381, as amended.

Payment of Brownfield Redevelopment Authority Administrative Fees will occur prior to reimbursement of the Developer.

Act 381 also requires a portion of the tax increment revenue created by the redevelopment to be placed in the State Brownfield Fund, which amount is anticipated to \$262,549.

E. <u>Method of Brownfield Plan Financing and Description of Advances</u> by the Municipality (Sec. 13 (2)(d))

Eligible activities will be financed by the Developer. The Developer will be reimbursed for eligible costs as described in Section C and outlined in Table 1. Costs for Eligible Activities funded by the Developer will be repaid with incremental taxes generated by future development of the Property. The estimated amount of tax increment revenue capture that will be used to reimburse the State Brownfield Fund, Developer, LBRF, and Brownfield Redevelopment Authority is not to exceed \$2,448,799. This includes Brownfield Redevelopment Authority Administrative fees.

No advances will be made by the Authority for this project. All reimbursements authorized under this Plan shall be governed by a Reimbursement Agreement.

F. Maximum Amount of Note or Bonded Indebtedness (Sec. 13 (2)(e))

No note or bonded indebtedness will be incurred by any local unit of government for this project.

G. <u>Duration of Brownfield Plan (Sec. 13 (2)(f))</u>

In no event shall the duration of the Plan exceed 35 years following the date of the resolution approving the Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Plan. The Property will become part of this Plan on the date this Plan is approved by the Oakland County Board of Commissioners.

H. <u>Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions (Sec. 13 (2)(g))</u>

Taxes will continue to be generated for taxing jurisdictions on local and state captured millages at the base taxable value of the Ad Valorem parcel throughout the duration of this Plan totaling approximately \$14,393.

Non-capturable millages; including the zoo authority, art institute, and school debt will provide new tax revenue of approximately \$189,647 throughout the duration of this Plan. A proposed Commercial Rehabilitation Act tax abatement is also being sought as part of the local contribution to the project, which is projected to begin in 2021 and run through 2026.

See Table 2 for a complete breakdown of available tax increment revenue and Table 3 for the estimated annual reimbursement.

I. <u>Legal Description. Property Map. Statement of Qualifying</u> <u>Characteristics and Personal Property (Sec. 13 (2)(h))</u>

The legal descriptions of the Property included in this Plan is attached in Appendix A.

A Property location map is included in Appendix B.

A preliminary site plan is included in Appendix C

Documentation of characteristics that qualify the property as eligible property pursuant to Act 381 are provided in Appendix D.

J. <u>Displacement/Relocation of Individuals on Eligible Property (Sec. 13</u> (2)(i-l))

The Property is currently unoccupied with the exception of the Ecco Tool building and car wash building. No displacement of residents or families is expected as part of this project.

K. Other Material that the Authority or Governing Body Considers Pertinent (Sec. 13 (2)(m))

The Brownfield Redevelopment Authority and the Oakland County Board of Commissioners as the Governing Body, in accordance with Act 381, may amend this Plan in order to fund additional eligible activities associated with the project described herein.

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TABLE 1

Brownfield Eligible Activities Costs
Sakura Novi, Novi Michigan

	-	
		Amount
1.	Brownfield Plan Preparation and Implementation	\$ 40,000
2.	Act 381 Work Plan Preparation and Implementation	\$ 40,000
3.	Environmental Site Assessments and BEA	\$ 25,000
4.	Asbestos Survey and Removal	\$ 10,000
5.	Due Care Investigation	\$ 75,000
6.	Contaminated Soil Removal	\$ 1,250,000
7.	Due Care Activities/Vapor Mitigation	\$ 320,000
Su	btotal Eligible Activities	\$ 1,760,000
7.	15% Contingency for items 4-7	\$ 248,250
8.		
TO	TAL	\$ 2,008,250

Table 2
Tax Increment Revenue Capture Schedule
Sakura Novi, Novi Michigan

			an Approval	Tax	Capture									
Estimated														
	Plan Ye	ar	Base Year		1	2		3		4	5	6	7	TOTAL
	Calendar Ye	ar	2019		2021	2022		2023		2024	2025	2026	2027	
	Base Taxable Valu	ie \$	277,140	\$	277,140	\$ 277,140	\$	277,140	\$	277,140	\$ 277,140	\$ 277,140	\$ 277,140	
	Estimated Land Taxable Value	e*		\$:	1,000,000	\$ 1,000,000	\$	1,000,000	\$	1,000,000	\$ 1,000,000	\$ 1,000,000		
	Commercial Frozen Val	ue		\$	70,000	\$ 70,000	\$	70,000	\$	70,000	\$ 70,000	\$ 70,000		
Estima	ated Commercial Rehab Value	e*		\$:	1,000,000	\$ 6,000,000	\$:	10,000,000	\$1	.6,000,000	\$ 16,160,000	\$ 16,321,600		
Estimated New Ad Valorem	Value (Land + Frozen + Reha	b)											\$ 17,554,816	
School Capture Incremental Difference ((Land – Base) + Frozen + Reha	ab		\$:	1,792,860	\$ 6,792,860	\$:	10,792,860	\$1	.6,792,860	\$ 16,952,860	\$ 17,114,460	\$ 17,277,676	
Local Capture Incremental Diff	ference ((Land – Base) + Froz	en		\$	792,860	\$ 792,860	\$	792,860	\$	792,860	\$ 792,860	\$ 792,860		
School Capture	Millage Rate													
State Education Tax (SET)	6.0000	\$	1,663	\$	10,757	\$ 40,757	\$	64,757	\$	100,757	\$ 101,717	\$ 102,687	\$ 103,666	\$ 525,099
School Operating Tax	17.4248	\$	4,829	\$	31,240	\$ 118,364	\$	188,063	\$	292,612	\$ 295,400	\$ 298,216	\$ 301,060	\$ 1,524,956
School Tot	al 23.4248	\$	6,492	\$	41,997	\$ 159,121	\$	252,821	\$	393,369	\$ 397,117	\$ 400,903	\$ 404,726	\$ 2,050,055
Local Capture	Millage Rate													
General City	4.7755	\$	1,323	\$	3,786	\$ 3,786	\$	3,786	\$	3,786	\$ 3,786	\$ 3,786	\$ 82,510	\$ 105,227
Library	0.7342	\$	203	\$	582	\$ 582	\$	582	\$	582	\$ 582	\$ 582	\$ 12,685	\$ 16,178
Streets	1.4273	\$	396	\$	1,132	\$ 1,132	\$	1,132	\$	1,132	\$ 1,132	\$ 1,132	\$ 24,660	\$ 31,450
Police/Fire	1.3590	\$	377	\$	1,077	\$ 1,077	\$	1,077	\$	1,077	\$ 1,077	\$ 1,077	\$ 23,480	\$ 29,945
Parks & Rec	0.3668	\$	102	\$	291	\$ 291	\$	291	\$	291	\$ 291	\$ 291	\$ 6,337	\$ 8,082
Drains	0.5583	\$	155	\$	443	\$ 443	\$	443	\$	443	\$ 443	\$ 443	\$ 9,646	\$ 12,302
School Sink	0.4731	\$	131	\$	375	\$ 375	\$	375	\$	375	\$ 375	\$ 375	\$ 8,174	\$ 10,425
Recreation	0.9400	\$	261	\$	745	\$ 745	\$	745	\$	745	\$ 745	\$ 745	\$ 16,241	\$ 20,713
Oak County HCMA	0.2117	\$	59	\$	168	\$ 168	\$	168	\$	168	\$ 168	\$ 168	\$ 3,658	\$ 4,665
Oak ISD Voted	3.0605	\$	848	\$	2,427	\$ 2,427	\$	2,427	\$	2,427	\$ 2,427	\$ 2,427	\$ 52,878	\$ 67,438
Oak ISD Alloc	0.1934	\$	54	\$	153	\$ 153	\$	153	\$	153	\$ 153	\$ 153	\$ 3,342	\$ 4,262
Oak County PK & RC	0.2329	\$	65	\$	185	\$ 185	\$	185	\$	185	\$ 185	\$ 185	\$ 4,024	\$ 5,132
Oak County Operating	4.0400	\$	1,120	\$	3,203	\$ 3,203	\$	3,203	\$	3,203	\$ 3,203	\$ 3,203	\$ 69,802	\$ 89,021
Oak Comm College	1.5303	\$	424	\$	1,213	\$ 1,213	\$	1,213	\$	1,213	\$ 1,213	\$ 1,213	\$ 26,440	\$ 33,720
Local Capturable Tot	al 19.9030	\$	5,516	\$	15,780	\$ 15,780	\$	15,780	\$	15,780	\$ 15,780	\$ 15,780	\$ 343,878	\$ 438,559

Table 2
Tax Increment Revenue Capture Schedule
Sakura Novi, Novi Michigan

Plan Approval Tax Capture Estimated Taxable Value (TV) Increase Rate: 1% per vear 7 TOTAL Plan Year Base Year 1 2 3 4 5 6 2027 Calendar Year 2019 2021 2022 2023 2024 2025 2026 Base Taxable Value \$ 277,140 \$ 277,140 \$ 277,140 \$ 277,140 \$ 277,140 \$ 277,140 \$ 277,140 277,140 \$ Estimated Land Taxable Value* \$ 1,000,000 \$ 1,000,000 \$ 1,000,000 \$ 1.000.000 \$ 1.000.000 Commercial Frozen Value 70,000 \$ 70,000 \$ 70,000 \$ 70,000 \$ 70,000 \$ Estimated Commercial Rehab Value* \$ 1,000,000 \$ 6,000,000 \$ 10,000,000 \$ 16,000,000 \$ 16,160,000 \$ 16,321,600 Estimated New Ad Valorem Value (Land + Frozen + Rehab) \$ 17,554,816 School Capture Incremental Difference ((Land – Base) + Frozen + Rehab \$ 1,792,860 \$ 6,792,860 \$ 10,792,860 \$ 16,792,860 \$ 16,952,860 \$ 17,114,460 \$ 17,277,676 **Non-Capturable Millages** Millage Rate Library Debt 0.3471 \$ 96 \$ 275 \$ 275 \$ 275 \$ 275 \$ 275 \$ 275 \$ 5,997 7,648 School Debt 7.0000 Ś 1,940 \$ 154,244 5,550 \$ 5,550 \$ 5,550 \$ 5,550 \$ 5,550 \$ 5,550 \$ 120,944 Capital Improvement 0.9565 Ś 265 **\$** 758 \$ 758 \$ 758 \$ 758 \$ 758 \$ 758 S 16.526 21.076 PA359 Econ Dvlp 0.0129 \$ 4 \$ 10 \$ 10 \$ 10 \$ 10 \$ 10 \$ 10 \$ 223 284 Ś 27 \$ Oak County Zoo 0.0973 77 S 77 \$ 77 \$ 77 \$ 77 \$ 77 \$ 1,681 2,144 Oak County Art 0.1929 Ś 53 \$ 153 \$ 153 \$ 153 \$ 153 \$ 153 \$ 153 \$ 3,333 4,251 **Total Non-Capturable Taxes** 8.6067 Ś 2.385 **\$** 6,824 \$ 6.824 \$ 6.824 \$ 6.824 \$ 6.824 \$ 6,824 \$ 148.704 189.647 Total Base Tax \$ 14.393 Total Tax Increment Revenue (TIR) Available for Capture 748,604 \$ 2,488,614 57,778 174,902 \$ 268,601 \$ 409,150 \$ 412,898 \$ 416,683 \$ **Total Tax Cumulative Available for Capture** 232,679 \$ 501,280 \$ 910,430 \$ 1,323,328 \$ 1,740,011 \$ 2,488,614 **Abatement Value** 28,510 \$ 171,058 \$ 285,097 \$ 456,155 \$ 460,717 \$ 465,324 \$ 1,866,861

Footnotes:

^{*}Estimated taxable values only, actual taxable value to be determined by City Assessor

Table 3
Tax Increment Revenue Reimbursement Allocation Table
Sakura Novi
Novi, Michigan

Maximum Reimbursement	Proportionality*
State	47.1%
Local	52.9%
TOTAL	
EGLE	100.0%
MSF	0.0%

Estimated Capture	
Administrative Fees	\$ 28,000
State Brownfield Redevelopment Fund	\$ 262,549
Local Brownfield Revolving Fund	\$ 150,000
Developer Reimbursement	\$ 2,008,250
TOTAL	\$ 2,448,799

				1		2		2		4**		-		6		7		
				2021		2022		3 2023		2024		5 2025		2026		2027		TOTAL
Total State Incremental Revenue			Ś	41,997	Ļ	159,121	۲	252,821	۲	393,369	Ļ	397,117	۲	400,903	۲	404,726	\$	2,050,055
State Brownfield Revolving Fund (50% of SET)			\$		\$	20,379		32,379		50,379		50,859		51,343		51,833	\$	262,549
State TIR Available for Reimbursement			Ś			138,743		220,442		342,991		346,259				*		1,787,506
State TIR Available for Reimbursement			Þ	36,619	Þ	138,743	Þ	220,442	Þ	342,991	Þ	346,259	Þ	349,559	Þ	352,893	>	1,/8/,506
Total Local Incremental Revenue			\$	15,780	\$	15,780	\$	15,780	\$	15,780	\$	15,780	\$	15,780	\$	343,878	\$	438,559
BRA Administrative Fee			\$	4,000	\$	4,000	\$	4,000	\$	4,000	\$	4,000	\$	4,000	\$	4,000	\$	28,000
Local TIR Available for Reimbursement			\$	11,780	\$	11,780	\$	11,780	\$	11,780	\$	11,780	\$	11,780	\$	339,878	\$	410,559
Total State & Local TIR Available for Reimburs	seme	nt	\$	48,399	\$	150,523	\$	232,222	\$	354,771	\$	358,039	\$	361,340	\$	692,771	\$	2,198,065
		Beginning																
DEVELOPER		Balance																
DEVELOPER Reimbursement Balance	\$	2,008,250	\$	1,959,851	\$	1,809,328	\$	1,577,106	\$	1,222,334	\$	864,295	\$	502,956	\$	-	\$	-
													_		_		_	
MSF Non-Environmental Costs	\$	_	\$	_	\$		\$	_	\$	_	\$	_	\$	_	\$	_	\$	_
State Tax Reimbursement	, ·		\$	_	\$	_	Ś	-	Ś	_	\$	-	Ś	-	Ś	-	\$	-
Local Tax Reimbursement			\$	_	\$	_	\$	_	\$	_	\$	-	Ś	-	Ś	-	\$	
Total MSF Reimbursement Balance			\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
EGLE Environmental Costs	\$	2,008,250	\$	48,399	\$	150,523	\$	232,222	\$	354,771	\$	358,039	\$	361,340	\$	692,771		
State Tax Reimbursement			\$	36,619	\$	138,743	\$	220,442	\$	342,991	\$	346,259	\$	349,559	\$	352,893	\$	1,787,506
Local Tax Reimbursement			\$	11,780	\$	11,780	\$	11,780	\$	11,780	\$	11,780	\$	11,780	\$	339,878	\$	410,559
Total MDEQ Reimbursement Balance			\$	1,959,851	\$	1,809,328	\$	1,577,106	\$	1,222,334	\$	864,295	\$	502,956	\$	(189,815)	\$	-
Local Only Costs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Local Tax Reimbursement																		
Total Local Only Reimbursement Balance			\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Annual Developer Reimbursement			\$	48,399	\$	150,523	\$	232,222	\$	354,771	\$	358,039	\$	361,340	\$	502,956	\$	2,008,250
LOCAL BROWNELL B BENOLUTIES STORY																		
LOCAL BROWNFIELD REVOLVING FUN	<u> </u>		Ś		Ś		Ś		Ś		Ś		Ś		Ś		Ś	
LBRF Deposits	\$		\$	<u> </u>	\$	<u> </u>	\$		\$	<u>-</u>	\$	<u>-</u>	\$	-	\$	75,000.00	\$	75,000
State Tax Capture Local Tax Capture	\$		\$		\$		\$		\$		\$		\$		\$	75,000.00	\$ \$	75,000
Total LBRF Capture	Ş	-	Ş		Ş		Ş	-	۶	-	\$ \$		\$		\$	150,000	\$	150,000
Total LDKF Capture											Ş	-	Ş	-	Ş	150,000	Ç	150,000

Footnotes

* Proportionality includes issuance of local Commercial Facilities Exemption Certificate

APPENDIX A LEGAL DESCRIPTIONS

SAKURA NOVI LEGAL DESCRIPTIONS OF ELIGIBLE PROPERTY

PARCEL 1

ID Number: 22-23-126-006

A parcel of land located in and being part of the east 1/2 of the northwest 1/4 of Section 23, T.1N., R.8E., City of Novi, Oakland County, Michigan, being more particularly described as follows:

Commencing at the North 1/4 comer of said Section 23, thence proceeding South 89 Degrees 34 Minutes 00 Seconds West 290.50 feet along the North line of said Section 23 and the centerline of Eleven Mile Road to the point of beginning; thence South 00 Degrees 26 Minutes 00 Seconds East 891.67 feet (recorded as South 00 Degree 17 Minutes 20 Seconds East 891.25 feet) to a point on the centerline of Grand River Avenue (US-16); thence North 71 Degrees 44 Minutes 00 Seconds West 652.02 feet (recorded as 650.70 feet) along said centerline of Grand River Avenue (North half 50 feet wide); thence North 682.64 feet (recorded as 682.62 feet) to a point on the North line of said Section 23, said point being located North 89 Degree 34 Minutes 00 Seconds East 433.84 feet (recorded as 419.90 feet and assessed as 433.70 feet) from the 1/16 comer located at the Northwest corner of the East 1/2 of the Northwest 1/4 of said Section 23; thence continuing North 89 Degrees 34 Minute 00 Seconds East 612.44 feet (recorded as 613.40 feet) along said North line of Section 23 and centerline of Eleven Mile Road (South half 33 feet wide) to the point of beginning.

PARCEL 2

ID Number: 22-23-226-008

Land situated in the City of Novi in the County of Oakland in the State of MI. Part of the Northeast 1/4 of Section 23, Town 1 North, Range 8 East, described as:

Beginning at a point distant North 89 degrees 00 minutes East, 99.53 feet from the North 1/4 corner of Section 23, thence North 89 degrees 00 minutes East, 165.14 feet; thence South 0 degrees 49 minutes 20 seconds East, 527.55 feet; thence South 89 degrees 00 minutes West, 165.14 feet; thence North 0 degrees 49 minutes 20 seconds West, 527.55 feet to the point of beginning.

PARCEL 3

ID Number: 22-23-126-011

Part of the Northwest 1/4 of Section 23, Town 01 North, Range 08 East, Novi Township (now city of Novi), Oakland County, MI described as: Beginning at a point distant South 89 degrees 00 minutes 00 seconds West 65.61 feet from North 1/4 corner of Section 23; thence South 00 degrees 44 minutes 20 seconds East 527.55 feet; thence South 89 degrees 00 minutes 00 seconds West 61.82 feet; thence North 71 degrees 53 minutes 30 seconds West 170.00 feet; thence North 01 degrees 00 minutes 00 seconds West 471.87 feet; thence North 89 degrees 00 minutes 00 seconds East 224.89 feet to the point of beginning.

PARCEL 4

ID Number: 22-23-226-007

Part of the Northwest 1/4 of Section 23, Town 01N, R, 08E., Novi Township (now City of Novi) Oakland County, Michigan. Described as beginning at the North 1/4 corner of Section 23, thence North 89 degrees 00 minutes 00 seconds East 99.53 feet; thence South 00 degrees 44 minutes 20 seconds East 527.55 feet; thence South 89 degrees 00 minutes 00 seconds West 165.14 feet; thence North 00 degrees 44 minutes 20 seconds West 527.55 feet; thence North 89 degrees 00 minutes 00 seconds East 65.51 feet to the point of beginning.

APPENDIX B LOCATION MAP



DRWG BY: CJB

DATE: 10/24/2018

APPROVED BY: RJZ

SCALE: 1" = 240'

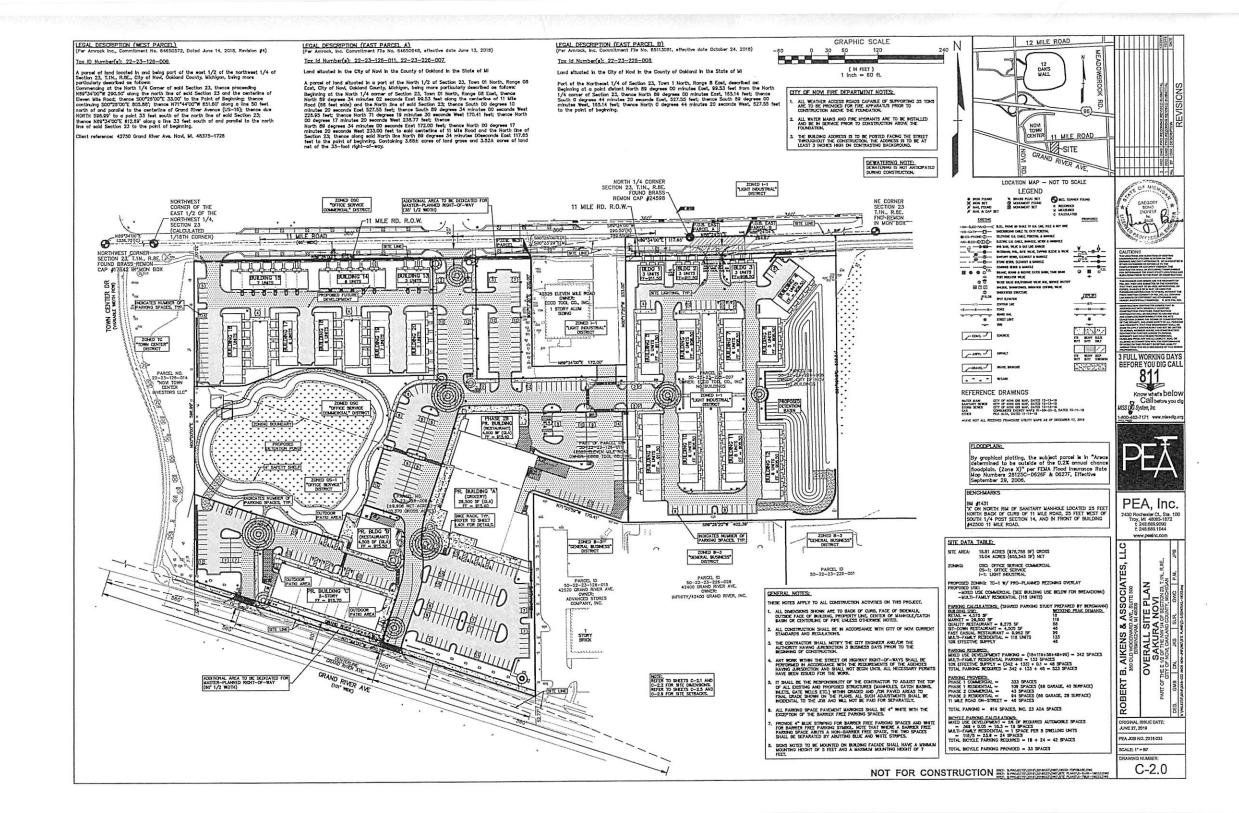
SHEET: 2 OF 3

(SOURCE: GOOGLE MAPS)

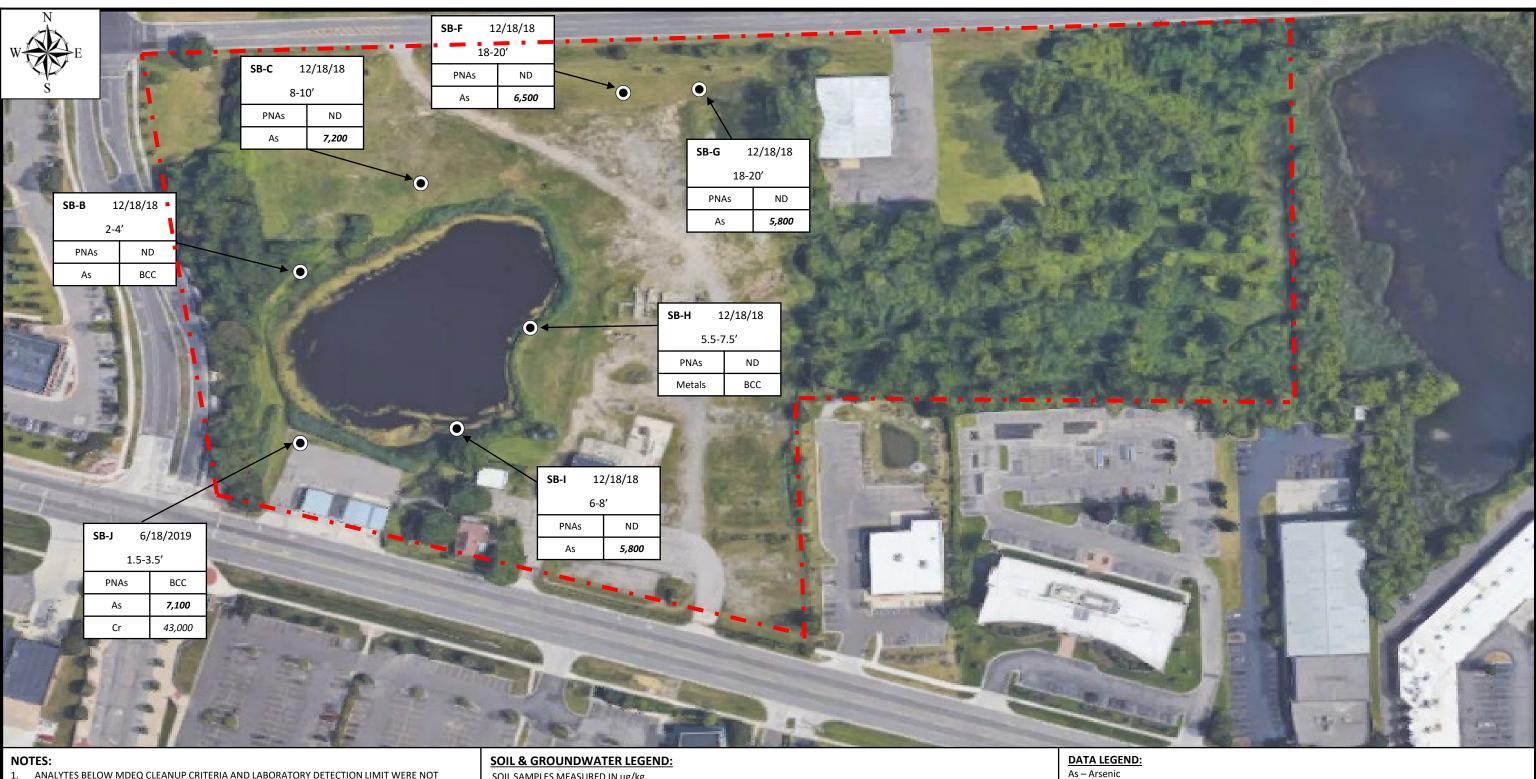
PROPOSED SAKURA WAY DEVELOPMENT 42750 GRAND RIVER AVENUE NOVI, MICHIGAN 48375



APPENDIX C PRELIMINARY SITE PLAN



APPENDIX D DOCUMENTATION OF ELIGIBILITY



- ANALYTES BELOW MDEQ CLEANUP CRITERIA AND LABORATORY DETECTION LIMIT WERE NOT INCLUDED UNLESS NOTED HEREIN.
- CONCENTRATIONS WERE COMPARED TO EGLE RESIDENTIAL CLEANUP CRITERIA FOR RESPONSE ACTIVITY (CCRRA), EFFECTIVE DECEMBER 30, 2013 (FORMERLY PART 201 RESIDENTIAL GENERIC CLEANUP CRITERIA AND SCREENING LEVELS; PART 213 TIER 1 RISK-BASED SCREENING LEVELS (RBSLS)).

PROJECT NO.: 1964.001	APPROVED BY: RJZ
DRWG BY: KLB	SCALE: 1" = 100'
DATE: 12/10/18	SHEET: 3 OF 3

SOIL SAMPLES MEASURED IN µg/kg
BOLD – CONCENTRATIONS EXCEEDING DRINKING WATER PROTECTION CRITERIA

ITALICS – CONCENTRATIONS EXCEEDING GROUNDWATER/SURFACE WATER INTERFACE CRITERIA

SOIL BORING LCOATION

_ . _ . APPROXIMATE SITE BOUNDARY

SOIL ANALYTICAL MAP

PROPOSED SAKURA NOVI

42750 GRAND RIVER AVENUE NOVI, MICHIGAN 48375

Cr – Chromium

ND – Non-detect

BCC - Below Cleanup Criteria

VOCs – Volatile Organic Compounds

PNAs – Polynuclear Aromatic Hydrocarbons



City of Novi
Corridor Improvement Authority (CIA) Fund Fiscal Year June 30, 2021 Budget and Estimates Through Fiscal Year June 30, 2027

	Actual <u>6/30/2019</u>	Actual <u>6/30/2020</u>	Budget 6/30/2021	Estimated <u>6/30/2022</u>	Estimated <u>6/30/2023</u>	Estimated 6/30/2024	Estimated <u>6/30/2025</u>	Estimated <u>6/30/2026</u>	Estimated <u>6/30/2026</u>	Estimated <u>6/30/2027</u>	<u>Total</u>
Revenues											
Property Tax Revenue Capture	-	150,763	295,778	614,144	651,638	689,695	728,323	767,530	789,516	829,018	5,516,405
Internal Loan (not shown as revenue in audit)	-	2,901,173	1,065,083								3,966,256
Interest	<u> </u>		<u> </u>						<u>-</u>	5,000	5,000
Total revenue	-	3,051,936	1,360,861	614,144	651,638	689,695	728,323	767,530	789,516	834,018	9,487,661
Expenditures											
NW Ring Road Capital Outlay	-	2,901,173	1,065,083								3,966,256
Miscellaneous Expenditures (as identified)	-	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	200,000
Internal Loan Repayment - Principal (not exp in audit)	-	93,667	154,600	477,604	529,426	583,366	639,495	697,886	740,809	49,403	3,966,256
Internal Loan Repayment - Interest (3%)		57,096	116,178	111,540	97,212	81,329	63,828	44,644	23,707	1,482	597,016
Total expenditures	-	3,051,936	1,360,861	614,144	651,638	689,695	728,323	767,530	789,516	75,885	8,729,528
Revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	758,133	758,133
Estimated Beginning Fund Balance	<u>-</u>										
Estimated Ending Fund Balance	-	-	-	-	-	-	-	-	-	758,133	758,133
Estimated Financial Statement Fund balance (deficit)	-	(2,807,506)	(3,717,989)	(3,240,385)	(2,710,959)	(2,127,593)	(1,488,098)	(790,212)	(49,403)	758,133	758,133