



## *Brownfield Redevelopment Authority*



Regular Meeting  
7:30 a.m., June 23, 2022  
Owosso City Council Chambers  
Owosso City Hall



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301 W. MAIN ▪ OWOSSO, MICHIGAN 48867-2958 ▪ (989) 725-0599 ▪  
FAX (989) 723-8854

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DATE: 6/8/2022  
TO: Owosso Brownfield Redevelopment Authority Board  
FROM: Nathan Henne, City Manager  
SUBJECT: BRA Meeting of June 23, 2022

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**Please see the enclosed packet for the Owosso Brownfield Redevelopment Authority (BRA) meeting for Thursday June 23, 2022.** This meeting will be at 7:30 a.m. in the city council chambers of City Hall at 301 W Main St, Owosso, MI.

The Authority is meeting to holding a public hearing to consider a new brownfield plan for the 123 N Washington Street Project, #22. The applicant is seeking to capture local and state school taxes (SET). Notice has been distributed to all local taxing jurisdictions and the local newspaper as required by PA 381.

The site developer and/or their representative will be available to explain the project and answer questions. Please contact me if you have any questions, comments, or other information for the BRA.

**Meeting Agenda**  
***Brownfield Redevelopment Authority***  
Thursday June 23, 2022, 7:30 a.m.  
Owosso City Council Chambers, 301 W Main Street  
Owosso, MI

**Call to order and roll call:**

**Review and approval of agenda:** June 23, 2022

**Review and approval of minutes:** October 9, 2019

**Communications:**

- 1) Agenda
- 2) Staff memorandum (Reference)
- 3) Brownfield notices
- 4) Resolution to approve Brownfield Plan #22

**Public Comments:**

**Public Hearings:**

**\*Brownfield Plan #22 – 123 N Washington St Redevelopment Project**

**Items of Business:**

**Public Comments:**

**Board Comments:**

**Adjournment:**

[The City of Owosso will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon 72 hours notice to the City of Owosso. Individuals with disabilities requiring auxiliary aids on services should contact the City of Owosso by writing or calling Amy Kirkland, City Clerk, 301 W. Main St, Owosso, MI 48867 (989) 725-0500 or on the Internet. The City of Owosso Website address is [www.ci.owosso.mi.us](http://www.ci.owosso.mi.us).]

**Affirmative Resolutions**  
***Brownfield Redevelopment Authority***  
Thursday, June 23, 2022, 7:30 a.m.  
Owosso City Council Chambers, 301 W Main Street  
Owosso, MI

**Resolution 2022-01**

Motion: \_\_\_\_\_

Support: \_\_\_\_\_

The Owosso Brownfield Redevelopment Authority hereby approves the agenda of June 23, 2022 as presented.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved: \_\_\_\_\_

Denied: \_\_\_\_\_

**Resolution 2022-02**

Motion: \_\_\_\_\_

Support: \_\_\_\_\_

The Owosso Brownfield Redevelopment Authority hereby approves the minutes of October 9, 2019 meeting as presented.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved: \_\_\_\_\_

Denied: \_\_\_\_\_

**Resolution 2022-03**

Motion: \_\_\_\_\_

Support: \_\_\_\_\_

WHEREAS, the Brownfield Redevelopment Authority (the "Authority") of the City of Owosso, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), has prepared and recommended for approval by the Authority a Brownfield Plan entitled District #22, "123 N Washington St Redevelopment Project" (the "Plan"), pursuant to and in accordance with Section 13 of the Act; and

WHEREAS, the Authority has, at least ten (10) days but not more than forty (40) days before the meeting of the Authority at which this resolution has been considered, provided notice to and fully informed all taxing jurisdictions which are affected by the Financing Plan (the "Taxing Jurisdictions") about the fiscal and economic implications of the proposed Financing Plan, and the Authority has previously provided to the Taxing Jurisdictions a reasonable opportunity to express their views and recommendations regarding the Financing Plan and in accordance with Sections 13 (10) and 14 (1) of the Act; and

WHEREAS, the Authority has made the following determinations and findings:

- A. The Plan constitutes a public purpose under the Act;

- B. The Plan meets all of the requirements for a Brownfield Plan set forth in Section 13 of the Act;
- C. The proposed method of financing the costs of the eligible activities, as described in the Plan is feasible and the Authority has the ability to arrange the financing;
- D. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act;
- E. The amount of captured taxable value estimated to result from the adoption of the Plan is reasonable; and
- F. Line item cost details are eligible expenses that serve a public good.
- G. Local redevelopment area details are accurate.

WHEREAS, as a result of its review of the Plan and upon consideration of their views and recommendations of the Taxing Jurisdictions, the Authority desires to proceed with approval of the Plan and to forward the Plan to the City Council of the City of Owosso for adoption.

**NOW THEREFORE, BE IT RESOLVED THAT:**

1. **Plan Approved.** Pursuant to the authority vested in the Authority by the Act, and pursuant to and in accordance with the provisions of June 23, 2022, and maintained on file in the office of the City Clerk.
2. **Severability.** Should any section, clause or phrase of this Resolution be declared by the Courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
3. **Repeals.** All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

**Resolution 2022-04**

Motion: \_\_\_\_\_

Support: \_\_\_\_\_

The Owosso Brownfield Redevelopment Authority hereby adjourns the June 23, 2022 meeting, effective at \_\_\_\_\_am.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Approved:\_\_\_\_

Denied:\_\_\_\_

**MINUTES  
OWOSSO BROWNFIELD REDEVELOPMENT AUTHORITY  
MEETING OF OCTOBER 9, 2019**

Meeting was called to order at 9:01 a.m. by Chairperson Susan Osika.

**Roll Call.**

*Members Present:* Loreen Bailey, Treena Chick, Janae Fear, Julie Omer, Susan Osika, and Andrea Tuttle

*Members Absent:* Randy Woodworth

Superintendent Dr. Andrea Tuttle was present as a substitute for Owosso Public Schools representative Authority Member Jeff Phillips.

**AGENDA:**

**It was moved by Vice Chairperson Fear and supported by Authority Member Omer to approve the agenda for October 9, 2019 as presented.**

**Yeas all. Motion passed.**

**COMMUNICATIONS:**

- 1) Staff memorandum (Reference)
- 2) 152 Howard Street brownfield plan
- 3) Memorandum & Resolution – 344 W. Main Street

**PUBLIC HEARING:      **Owosso Brownfield Redevelopment District #21  
152 Howard Street****

Property owners Carl and Sue Ludington provided detail on the history of the building. It was built as a bakery in 1913. They purchased the property in 2005. Since that time they have installed new windows, installed a new roof, painted the exterior and constructed offices on the first floor. Unfortunately, the 2008 recession dramatically affected their plans, bringing them to a halt until 2017 when the Owosso Main Street/DDA approached them about the possibility of adding upper story apartments. The Ludingtons have teamed up with JP Buckingham from Triterra and Bruce Johnston of Revitalize, LLC and created a development proposal for the building including: 7 upper story apartments, a new elevator, installation of fire suppression, and additional office space. Ms. Ludington indicated she wants her property to make a great first impression for those visiting the SRI and hopes that their investment in the area will spur others to do the same.

JP Buckingham, COO and Principal Geologist for Triterra, delivered a PowerPoint presentation providing further details on the property and the planned project. The property meets the definition of a brownfield due to its functional obsolescence. Contamination of the site is currently unknown but potential asbestos and lead contamination are anticipated. Chlorinated gasses have been found under the building necessitating a ventilation system. The proposed Brownfield Plan will be in place for a period of 26 years. Local taxes will be subject to an OPRA for the first 12 years of the plan, then captured in a TIF for the following 14 years. School taxes will be captured for all 26 years of the proposed plan.

The public hearing was opened at 9:20 a.m.

Bruce Johnston, founder of Revitalize, LLC, indicated he had been working with the Ludingtons on the proposed project and tax incentives like the Brownfield are essential for the project to move forward. Without them the project would be capable of sustaining the cash flow necessary for bank financing. Creating new residential opportunities and cleaning up contamination are both worthy of incentives.

There were no other citizen comments received.

Authority Members asked questions on the following topics: whether the apartments would be rented or purchased, use of on-site parking, whether rental rates are anticipated to be affordable, and how the nested OPRA works with the Brownfield Plan.

Authority Member Fear indicated that as a City Council member she felt the City was taking hit after hit on abatements. She said she felt like she was missing something.

**Motion by Authority Member Bailey, supported by Authority Member Omer:**

WHEREAS, the Community Development Office of the City of Owosso, is in receipt of a Brownfield Plan proposal entitled "Brownfield Plan #21, Howard Street Development, 152 E. Howard Street" prepared pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), which is recommended for approval by the City of Owosso Brownfield Redevelopment Authority pursuant to and in accordance with Section 13 of the Act; and

WHEREAS, the City has provided notice to and fully informed all taxing jurisdictions which are affected by the Financing Plan (the "Taxing Jurisdictions") about the fiscal and economic implications of the proposed Financing Plan, and the City has previously provided to the Taxing Jurisdictions a reasonable opportunity to express their views and recommendations regarding the Financing Plan and in accordance with Sections 13 (10) and 14 (1) of the Act; and

WHEREAS, upon review the Authority has made the following determinations and findings:

- A. The Plan constitutes a public purpose under the Act;
- B. The Plan meets all of the requirements for a Brownfield Plan set forth in Section 13 of the Act;
- C. The proposed method of financing the costs of the eligible activities, as described in the Plan is feasible and the Authority has the ability to arrange the financing;
- D. The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act;
- E. The amount of captured taxable value estimated to result from the adoption of the Plan is reasonable; and

WHEREAS, as a result of its review of the Plan and upon consideration of their views and the recommendations of the Taxing Jurisdictions, the Authority desires to proceed with approval of the Amended Plan and to forward the Plan to the City Council of the City of Owosso for adoption.

**NOW THEREFORE, BE IT RESOLVED THAT:**

1. **Plan Approved.** Pursuant to the authority vested in the Authority by the Act, and pursuant to and in accordance with the provisions of Section 14 of the Act, the Plan is hereby approved in the form considered by the Authority on October 9, 2019 with an allowance of nonsubstantive agreement, and maintained on file in the office of the City Clerk.
2. **Severability.** Should any section, clause or phrase of this Resolution be declared by the Courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.
3. **Repeals.** All resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

Approved November 7, 2013

**Yeas 5, nays 1. Motion passed.**

**ITEMS OF BUSINESS**

**Brownfield Plan Termination Recommendation: – District #19, 344 W. Main Street**

City Manager Nathan R. Henne introduced the item saying the original Brownfield Plan for the property was authorized by Council on January 3, 2017. The project included a complete rehabilitation of the two-story building with the first floor housing a mix of professional office and retail space and the second floor containing 9 new living units. To date, the project has failed to occur with respect to the eligible property and a transfer of ownership occurred August 31, 2017 to Dwyerwood, LLC without a 30-day written notice to the Authority as agreed upon in the reimbursement agreement, necessitating consideration of termination of the plan.

**Motion by Authority Member Fear to recommend to City Council the termination of Brownfield Plan District #19 – 344 W. Main Street.**

**Motion supported by Authority Member Chick.**

**Roll Call Vote.**

**AYES: Vice Chairperson Fear, Authority Members Bailey, Chick, Omer, Tuttle, and Chairperson Osika.**

**NAYS: None.**

**ABSENT: Authority Member Woodworth.**

**PUBLIC COMMENT:**

None.

**BOARD COMMENTS:**

None.

**ADJOURNMENT:**

Motion by Authority Member Omer, supported by Authority Member Fear to adjourn the meeting at 9:41 a.m.

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Amy K. Kirkland, City Clerk



301 W. MAIN ▪ OWOSSO, MICHIGAN 48867-2958 ▪ (989) 725-0599 ▪  
FAX (989) 723-8854

DATE: 6.8.2022  
TO: Owosso Brownfield Redevelopment Authority Board  
FROM: Nathan Henne, City Manager  
SUBJECT: 123 N Washington St Project, #22

Brownfield #22 will include an estimated capital investment of \$2,932,970 - of which \$402,995 is proposed for Brownfield reimbursement to the Developer.

Triterra submitted a Brownfield plan in April, 2022 and met with staff soon after that submittal. The Brownfield Plan proposes a term of 20 years for State Education Tax and School Operating tax capture and an 8 year capture for local taxes. This difference of capture duration is because the plan calls for a 12-year Obsolete Property Rehabilitation certificate layered into the incentive package. Unlike local tax, education taxes are not subject to OPRA so they will be captured for the full 20 years by this Brownfield plan. From a local capture perspective, this is an 8 year brownfield request after the prospective OPRA expires.

The following is how I scored this project based on the city’s 2019 tax abatement policy:

Capital Investment:	\$2,500,001 to \$3,000,000	5 years
Rehabilitated Facility:	Yes	2 years
Job Creation (FTE):	0	0 years
Job Wages:	N/A	0 years
Number of years in Owosso	22	2 years
Employees with Owosso Residency	N/A	0 years
Housing units Created	9	2 years
<b>TOTAL</b>		<b>11 yrs</b>

**Tax Abatement Policy: Section II Evaluation**

Section II of the City’s 2019 abatement policy outlines evaluation criteria based on 2 things: development objectives and additional objectives.

**A. PRIVATE DEVELOPMENT OBJECTIVES**

1. To retain local jobs and/or increase the number and diversity of high-quality jobs that offer attractive wages and benefits.
  - i. This project would create no new permanent jobs
2. To encourage additional unsubsidized private development in the City – either directly or indirectly through spin-off development without the use of further tax abatements.
  - i. Unlikely to occur with this development, but the project would restore a building within the historic district.

3. To facilitate the development process and to achieve development of sites that would not be development without tax abatement assistance.
  - i. Due to the condition of the building it is unlikely it would be redeveloped as proposed in this plan without local and state incentives. The property has received a letter of obsolescence from the City Assessor.
4. To remove blight and/or encourage redevelopment of commercial and industrial areas that result in high quality redevelopment, private investment, and an increase in the city tax base.
  - i. Remove Blight? No. This property is not blighted. But it has been deemed obsolete by the city assessor.

“Blighted” means property that meets any of the following criteria:

    - Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
    - Is an attractive nuisance to children because of physical condition, use, or occupancy.
    - Is a fire hazard or is otherwise dangerous to the safety of persons or property.
    - Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.
    - Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property’s inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purpose of this act.
  - ii. High Quality Redevelopment? Yes this would result in a high-quality mixed use facility.
  - iii. Private Investment? Yes. The applicants will be contributing a large portion of the project cost from their own sources.
  - iv. Increase in City Tax Base? Yes. This would increase the City tax base by an estimated \$516,736 after the first year of the plan.
5. To offset increased costs of redevelopment (contaminated site cleanup) beyond the costs normally incurred in development
  - i. No environmental contamination is known to exist on the property. Asbestos has been identified within the building and will require abatement prior to demolition activities.
6. To provide infrastructure necessary to accommodate economic development
  - i. Not Applicable to this project. City utilities are available nearby.

## B. ADDITIONAL OBJECTIVES

1. To support local businesses, extra consideration will be given to existing businesses seeking to expand and grow within the city.
  - i. This is an existing business that will remain in this location while retaining leasable commercial space and adding 9 new housing units.

2. The extent to which the proposed project creates high-quality jobs in the city, paying wages equal to or greater than the average local wage of the same class
  - i. No new jobs will be created as part of this project.
3. The extent to which the proposed project adds to the net commercial, industrial, or general tax base of the city and optimizes the private development of the proposed site
  - i. Yes. The project adds to the net commercial tax base for the city. Estimated increase in taxable value the year after the project is completed: \$516,736.
  - ii. This project increases the residential tax base with its density specific housing component
  - iii. Yes. This project optimizes the development potential of this particular site. This site is located in the downtown area and contains walkability value.
4. Whether or not the proposed project provides services not already provided in the city or services which are needed
  - i. No. This project will not provide new services as there are other similar commercial lease opportunities in the city – especially the downtown.
5. Whether or not the proposed business would be in direct competition with existing businesses in the city. Abatements should not be given to business which would receive a competitive advantage over existing businesses in the city.
  - i. This project will not create a competitive advantage over existing businesses in the city.
6. Whether or not the project will significantly impact environmental/natural resources
  - i. No.
7. The extent to which other political subdivisions are in support of the project.
  - i. As of 6.14.22, the city has not received any notices of support or opposition to the project or its abatement request.
8. The extent to which the project represents new dollars into the city.
  - i. \$2.93 million investment
    1. \$2,529,975 million in private investment
    2. \$402,995 taxpayer investment in this plan.
9. The extent to which the project requires improvements in city infrastructure, road construction, or other traffic problems. Also to be considered is the impact of the proposal on other city services such as law enforcement human services, or prosecutions.
  - i. Does not require improvements to city infrastructure
  - ii. Impact on city services (tax revenue that could be used for service but is instead repaid to developer)

1. Law enforcement:	\$919/yr	\$18,379 over 20 yrs
2. Fire Department:	\$816/yr	\$16,321 over 20 yrs
3. General Govt:	\$887/yr	\$17,741 over 20 yrs
4. Public Works:	\$376/yr	\$7,522 over 20 yrs
5. Community Dev:	\$174/yr	\$3,477 over 20 yrs
6. Parks and Culture:	\$82/yr	\$1,632 over 20 yrs
<b>7. TOTAL</b>	<b>\$3,254/yr</b>	<b>\$70,962 over 20 years</b>
10. Consistency of the proposed project with city land use regulations, zoning and planning policies.
  - i. This project meets all regulations and policies mentioned
11. How the proposed project furthers the goals and objectives of the city

- i. This project would improve an area of the city prime for redevelopment into commercial, housing, or mixed use. The area is in the downtown.
12. The level of private financial investment into the project
- i. There is about \$2.93 million in private investment for the project.

#### Options for BRA Board

1. **Approve this 20 year brownfield application with the knowledge that local taxes would only be captured for the last 8 years of the plan due to a 12-year OPRA certificate application not yet approved by City Council.**
2. **Deny the Brownfield application as the project is only eligible for 11 years of any tax abatement per the city's abatement policy. This would likely mean that an 11 year OPRA certificate will be approved but it will not be enough to cause the developers to complete the project. The pro forma for the project only works with a 12 year OPRA layered on a 20 year brownfield (8-year local capture per the plan).**

**CITY OF OWOSSO  
BROWNFIELD REDEVELOPMENT AUTHORITY**

***BROWNFIELD PLAN # 22***

**123 N. Washington Street Redevelopment Project  
123 N. Washington Street  
Owosso, Michigan 48867**

City of Owosso Brownfield Redevelopment Authority  
301 W. Main Street  
Owosso, Michigan 48867  
Contact Person: Nathan Henne  
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April 8, 2022

Approved by the Owosso BRA on:

Approved by the City of Owosso City Council on:

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**FIGURES**

- Figure 1: Property Location Map
- Figure 2: Eligible Property Boundary Map

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- Table 1: Brownfield Eligible Activities
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**ATTACHMENTS**

- Attachment A: Statement of Obsolescence from Assessor

## 1.0 PROJECT SUMMARY

<b>Project Name:</b>	123 N. Washington Street Redevelopment Project
<b>Developer:</b>	Woodworth Investments, LLC (the “Developer”) 120 W. Exchange St, Suite 203 Owosso, Michigan 48867 Jim Woodworth and Randy Woodworth
<b>Property Location:</b>	123 N. Washington Street Owosso, Michigan 48867
<b>Parcel Information:</b>	050-470-022-020-00
<b>Type of Eligible Property:</b>	“Functionally Obsolete”
<b>Project Description:</b>	<p>This project is an adaptive re-use project of a three-story, functionally obsolete building totaling approximately 17,356-square feet, located in downtown Owosso. The building was constructed in 1895 and will be completely renovated to include commercial space on the first floor and residential apartments on the second and third floors.</p> <p>This is a rehabilitation project that will include new utilities, doors, windows, flooring, and roofing. Building concrete and masonry will also be improved.</p> <p>Brownfield eligible activities include infrastructure improvements, interior and selective exterior demolition, and preparation of a Brownfield Plan and Act 381 Work Plan.</p>
<b>Total Capital Investment:</b>	Total capital investment is estimated at \$2,932,970 of which \$402,995 is proposed for Brownfield reimbursement to the Developer.
<b>Estimated Job Creation/Retention:</b>	This redevelopment will result in the creation/retention of 40 to 50 temporary construction related jobs.
<b>Duration of Plan:</b>	The duration of this Brownfield Plan is 20 years and includes a 12-year Obsolete Property Rehabilitation Act (OPRA) abatement.

**Total Captured Tax Increment Revenue:** \$446,593

<b>Distribution of New Taxes Captured</b>	
Developer Reimbursement	\$402,995
<b><i>Sub-Total Developer Reimbursement</i></b>	<b><i>\$402,995</i></b>
State Brownfield Revolving Fund	\$35,448
BRA Plan Administrative Fees	\$8,150
<b><i>Sub-Total Administrative Fees, Fund Deposits</i></b>	<b><i>\$43,598</i></b>
<b>Grand Total</b>	<b><i>\$446,593</i></b>

## **2.0 INTRODUCTION AND PURPOSE**

The City of Owosso Brownfield Redevelopment Authority (the “Authority” or “BRA”), duly established by resolution of the City of Owosso City Council (the “City”), pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, MCLA 125.2651 et. seq., as amended (“Act 381”), is authorized to exercise its powers within City of Owosso, Michigan. The purpose of this Brownfield Plan (the “Plan”), to be implemented by the BRA, is to satisfy the requirements for a Brownfield Plan as specified in Act 381.

The Plan allows the BRA to use tax increment financing to reimburse Woodworth Investments, LLC (“Developer”) for the costs of eligible activities required to redevelop the eligible property. The proposed redevelopment will only be economically viable with the support and approval of the brownfield redevelopment incentives described herein.

**3.0 ELIGIBLE PROPERTY INFORMATION**

This Plan is presented to support the Developer in the redevelopment of the subject property situated on the corner of W. Exchange Street and N. Washington Street in downtown Owosso, Owosso County, Michigan (the “Property”). The location of the Property is depicted on Figure 1.

The Property is fully defined in the following table and in Attachment A.

<b>Eligible Property</b>			
<b>Address</b>	<b>Tax ID</b>	<b>Basis of Eligibility</b>	<b>Legal Description</b>
123 N. Washington St.	050-470-022- 020-00	“Functionally Obsolete”	W 44' OF LOT 3 & THE N 44' OF THE E 88' OF LOT 3 BLK 22 ORIGINAL PLAT.

The Property consists of approximately 0.155 acres developed with an approximately 17,356 square foot multi-use, three-story commercial building used for banking by Fifth Third Bank, office space, and residential apartments. The remainder of the property consists of pavement and landscaping. The Property is currently zoned B-3, Central Business District. Former commercial uses of the Property included banking, law firms, medical practices, real estate, and insurance agencies. The Property is surrounded by active mixed-use residential and commercial property. Property layout and boundaries are depicted on Figure 2. The legal description of the Property is included in Attachment A.

The Property is considered an “eligible property” as defined by Act 381, Section 2 because: (a) the Property was previously utilized as a commercial property; (b) it is located within the City of Owosso, a qualified local governmental unit under MCL 125.2782(k); (c) it has been determined to be “functionally obsolete” as defined in Section 2(u) of ACT 381. The Letter of Obsolescence is included in Attachment B.

On December 15, 2021, the City of Owosso Assessor formally determined the building of the subject Property is “functionally obsolete” as the term is defined in Section 2(u), of Act 381. Refer to Attachment A, Statement of Obsolescence from Assessor.

#### **4.0 PROPOSED REDEVELOPMENT**

The proposed project includes rehabilitation of a three-story, functionally obsolete building totaling approximately 17,356-square feet, located in downtown Owosso. The building was constructed in 1895 and will be completely renovated to include updated commercial space on the first floor, seven residential apartments on the second floor, and two residential apartments, plus a community space, on the third floor.

This is a rehabilitation project that will include new plumbing, electrical, HVAC, an elevator, doors, windows, flooring, and roofing. Building concrete and masonry will also be improved.

The total anticipated investment into the development project is estimated at \$2,932,970.

The project will provide new and desirable downtown commercial office/retail space and residential apartments, improve downtown appearance, and increase downtown traffic by virtue of new residences along with increased business activity.

The improvements to the Property will be permanent and significantly increase the taxable value of the Property. The Project would not be possible without financial support through Brownfield tax increment financing (TIF).

The Project will result in the creation/retention of 40 to 50 temporary construction related jobs.

## **5.0 BROWNFIELD CONDITIONS**

Historical records indicate the existing building was constructed in 1895. Throughout the years the building was used for multiple purposes including banks, law firms, medical practices, real estate agencies, and insurance agencies. It has been stated that this building was part of the original Keeler Block. 'Among the numerous architecturally distinguished Victorian buildings in downtown Owosso, the Keeler Block was one of the most outstanding.' The building's exterior underwent construction in 1964, creating the "modern exterior" that is still present today.

No environmental contamination is known to exist on the property. Asbestos has been identified within the building and will require abatement prior to demolition activities.

The Property is considered an "eligible property" as defined by Act 381, Section 2 because: (a) the Property was previously utilized as a commercial property; (b) it is located within the City of Owosso, a qualified local governmental unit under MCL 125.2782(k); (c) it has been determined to be "functionally obsolete" as defined in Section 2(u) of ACT 381. The Letter of Obsolescence is included in Attachment B.

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## 6.0 BROWNFIELD PLAN

### 6.1 Description of Costs to Be Paid with Tax Increment Revenues and Summary of Eligible Activities

The Developer will be reimbursed with the new local and state taxes levied by the Project for the costs of eligible activities necessary to support redevelopment of the Property. The activities that are intended to be carried out at the Property are considered “eligible activities” as defined by Section 2 of Act 381.

Brownfield eligible activities proposed by the Developer include asbestos abatement, interior and selective exterior demolition, and preparation of a Brownfield Plan and Act 381 Work Plan.

The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local and state tax revenues generated by the Property and captured by the BRA, subject to any limitations and conditions described in this Plan and the terms of a Reimbursement Agreement between the Developer and the Authority (the “Reimbursement Agreement”).

The total cost of activities eligible for Developer reimbursement from tax increment revenues is projected to be \$402,995. The eligible activities are summarized below:

<b>MSF Eligible Activities Costs and Schedule</b>	
<b>MSF Eligible Activities</b>	<b>Cost</b>
<b>Demolition Activities</b>	
<i>Demolition – Selective Exterior</i>	\$266,995
<i>Demolition – Selective Interior</i>	\$30,000
<i>Demolition – HVAC</i>	\$30,000
<i>Demolition – Electrical</i>	\$25,000
<i>Demolition – Plumbing</i>	\$25,000
<i>Demolition – Insulation</i>	\$5,000
<i>Demolition - Oversight</i>	\$5,000
<b>Demolition Activities Sub-Total</b>	<b>\$386,995</b>
<b>MSF Eligible Activities Sub-Total</b>	<b>\$386,995</b>
<b>Contingency (0%) *</b>	-
<b>Brownfield Plan &amp; Act 381 Work Plan Preparation</b>	<b>\$16,000</b>
<b>MSF Eligible Activities Total Cost</b>	<b>\$402,995</b>

\* Contingency calculation excludes costs for EGLE exempt activities, Asbestos & Lead Survey activities, and Brownfield Plan and Act 381 Work Plan preparation and implementation.

A detailed breakdown in eligible activities is provided in Table 1, Brownfield Eligible Activities.

The costs listed above are estimated and may increase or decrease depending on the nature and extent of unknown conditions encountered on the Property. The actual cost of those eligible activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues captured by the BRA shall be governed by the terms of a Reimbursement Agreement. No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Section 2 of Act 381 of 1996, as amended (MCL 125.2652).

The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to payment. As long as the total cost limit described in this Plan is not exceeded, line-item costs of eligible activities may be adjusted within Non-Environmental eligible activities after the date this Plan is approved by the City of Owosso City Council.

## **6.2 Estimate of Captured Taxable Value, Tax Increment Revenues and Impact of Tax Increment Financing on Taxing Jurisdictions**

The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local and state tax revenues generated by the Property and captured by the BRA.

The 2021 taxable value of the Property is \$217,000 (\$13,600 in taxable value for the land and \$203,400 in taxable value for the building). This is the initial taxable value for this Plan.

The estimated new taxable value is \$733,736 in 2023. The actual taxable value will be determined by the Assessor after the project is complete.

It is projected that the BRA will capture tax increment revenues from 2023 through 2042 to reimburse the Developer for eligible activity costs.

The table on the following page presents a summary of the new tax revenues generated by the taxing jurisdictions whose millage is subject to capture by the BRA under this Plan. These are estimations based on the residential and commercial components of the proposed redevelopment.

<b>Projected Impact to Taxing Jurisdictions</b>			
<b>Taxing Unit</b>	<b>New Taxes to Taxing Units</b>	<b>New Taxes Captured for Developer, State Revolving Fund, BRA Admin Fees and LBRF</b>	<b>Total New Taxes</b>
SCHOOL OPERATING		\$212,690	\$212,690
STATE EDUCATION TAX		\$70,897	\$70,897
SHIA MCF		\$10,166	\$10,166
SENIOR SERV		\$2,521	\$2,521
VET PA214		\$508	\$508
VET SERV		\$1,011	\$1,011
MSU EXT		\$382	\$382
SRES D		\$1,232	\$1,232
SRES D SP ED		\$21,328	\$21,328
SCHOOL SINKING		\$10,144	\$10,144
LIBRARY		\$6,236	\$6,236
CITY OPERATING		\$70,962	\$70,962
DDA		\$9,739	\$9,739
SATA		\$769	\$769
COUNTY OPERATING		\$28,010	\$28,010
CITY DEBT	\$55,890		\$55,890
SCHOOL DEBT	\$30,249		\$30,249
<b>Total</b>	<b>\$86,140 (16.17%)</b>	<b>\$446,594 (83.83%)</b>	<b>\$532,734</b>

Impact to specific taxing jurisdictions is further presented in Table 2, Tax Increment Revenue Capture Estimates, and a schedule of tax increment revenue is presented in Table 3, Tax Increment Revenue Allocation Table.

The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all real and personal taxable improvements on the Property as determined by the City Assessor and the actual millage rates levied by the various taxing jurisdictions during each year of the plan. The actual tax increment captured will be based on taxable value set through the property assessment process by the local unit of government and the millage rates set each year by the taxing jurisdictions.

### **6.3 Method of Financing Plan Costs and Description of Advances by the Municipality**

The Developer is ultimately responsible for financing the costs of its specific eligible activities included in this Plan. The BRA will not advance any funds to finance the Developer eligible activities described in this Plan. All Plan financing commitments and activities and cost reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The amount and source of any tax increment revenues that will be used for purposes authorized by this Plan, and the terms and conditions for such use and upon any reimbursement of the expenses permitted by the Plan, will be provided solely under the Reimbursement Agreement contemplated by this Plan. In addition, the Downtown Development Authority (DDA) will transfer the local tax increments generated on the Property to the BRA for the duration of the Plan.

Reimbursements under the Reimbursement Agreement shall not exceed the cost of eligible activities and reimbursement limits described in this Plan.

### **6.4. Maximum Amount of Note or Bonded Indebtedness**

Eligible activities are to be financed by the Developer. The BRA will not incur any note or bonded indebtedness to finance Brownfield eligible activities outlined in this Plan.

### **6.5 Duration of Brownfield Plan**

The duration of this Plan is projected to be 20 years. Tax capture will commence in 2023 and continue to approximately 2042.

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 subsections (4) and (5) of Section 13 of Act 381 or 30 years, except as authorized by those subsections or other provisions of Act 381. 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.

### **6.6 Legal Description, Property Map, Property Characteristics and Personal Property**

The legal description of the eligible property is provided below.

- W 44' OF LOT 3 & THE N 44' OF THE E 88' OF LOT 3 BLK 22 ORIGINAL PLAT.

The general Property location and characteristics are described in Section 3.0 and depicted on Figures 1 and 2. The subject Property includes all tangible personal property that now or in the future comes to be owned or installed on the Property by the Developer or occupants.

#### **6.7 Estimates of Residents and Displacement of Families**

No occupied residences are involved in the redevelopment, no persons reside at the Property, and no families or individuals will be displaced as a result of this development.

#### **6.8 Plan for Relocation of Displaced Persons**

No persons will be displaced as a result of this development. Therefore, a Plan for relocation of displaced persons is not applicable and is not needed for this Plan.

#### **6.9 Provisions for Relocation Costs**

No persons will be displaced as result of this development, and no relocation costs will be incurred. Therefore, provision for relocation costs is not applicable and is not needed for this Plan.

#### **6.10 Strategy for Compliance with Michigan's Relocation Assistance Law**

No persons will be displaced as result of this development. Therefore, no relocation assistance strategy is needed for this Plan.

#### **6.11 Description of the Proposed Use of Local Brownfield Revolving Fund (LBRF)**

LBRF monies will not be used to finance or reimburse eligible activities incurred by the Developer as described in this Plan.

#### **6.12 Other Material that the Authority or Governing Body Considers Pertinent**

The Authority and the City, as the governing body, in accordance with the Act, may amend this Plan in the future in order to fund additional eligible activities associated with the Project or subject property described herein.

## **FIGURES**

**Figure 1: Property Location Map**

**Figure 2: Eligible Property Boundary Map**

## **TABLES**

**Table 1: Brownfield Eligible Activities**

**Table 2: Tax Increment Revenue Capture Estimates**

**Table 3: Tax Increment Revenue Reimbursement Allocation Table**

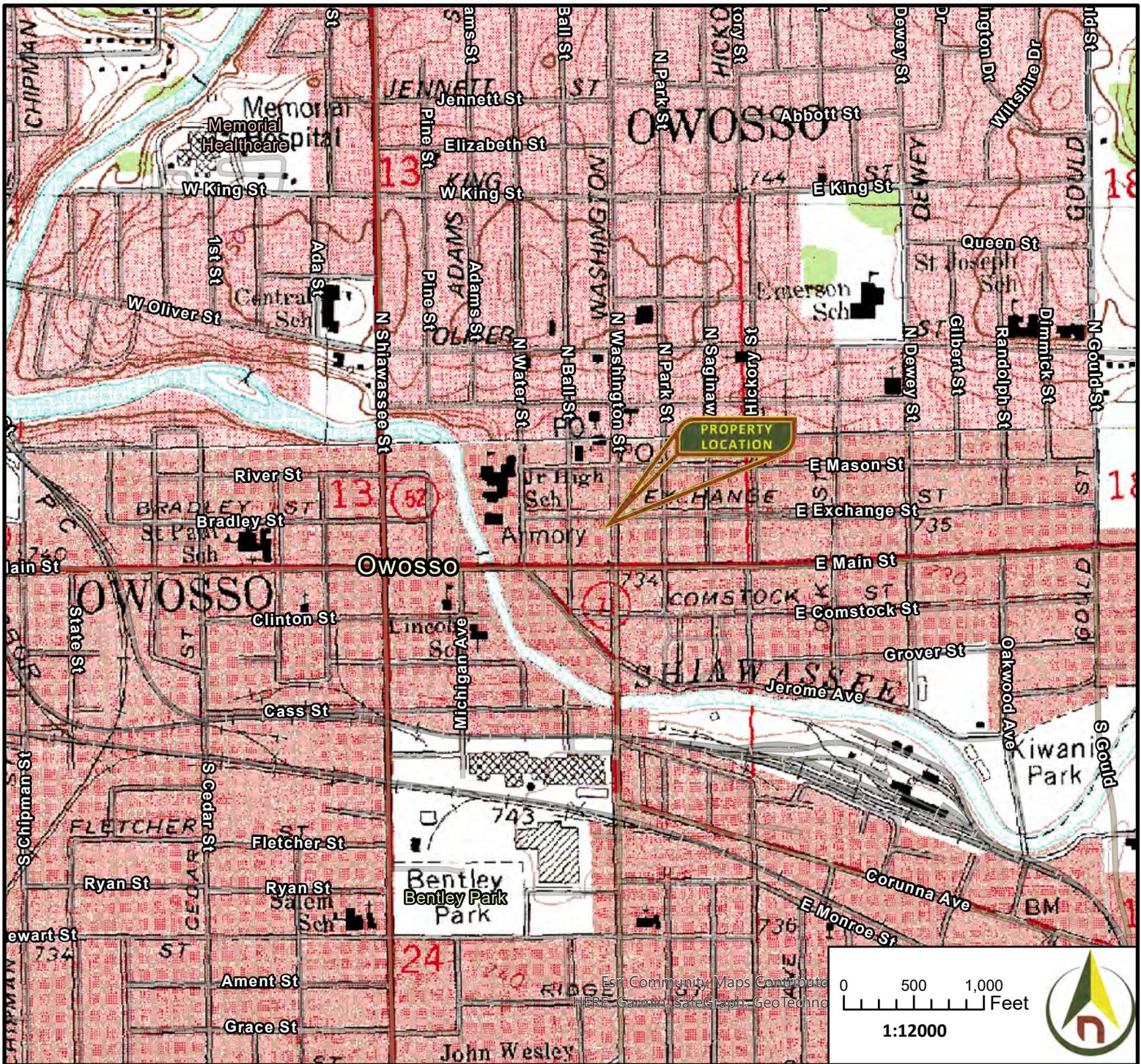
## **ATTACHMENTS**

**Attachment A: Letter of Functional Obsolescence**

## **FIGURES**

**Figure 1: Property Location Map**

**Figure 2: Eligible Property Boundary Map**



# TRITERRA

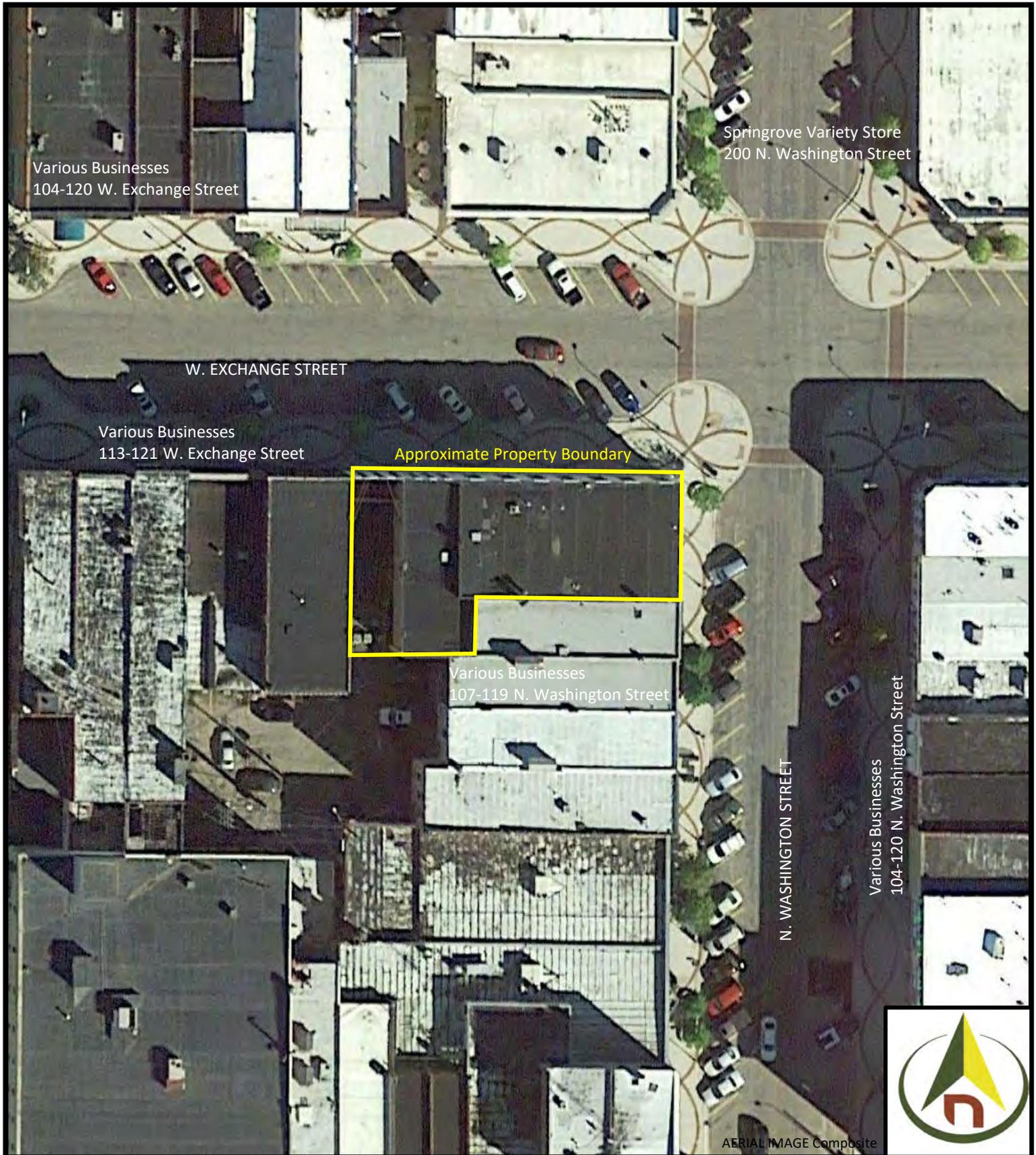
## FIGURE 1 PROPERTY LOCATION

123 N. WASHINGTON STREET  
OWOSSO, MICHIGAN 48867

SHIAWASSEE COUNTY  
T7N, R2E, SECTION 13

PROJECT NUMBER 21-2914





	<b>FIGURE 2</b>	<b>123 N. WASHINGTON STREET OWOSSO, MICHIGAN 48867</b>
	<b>PROPERTY ORIENTATION DIAGRAM</b>	
<b>PROJECT NUMBER: 21-2914</b>	<b>DATE: 4/5/2022</b>	<b>DIAGRAM CREATED BY: CJZ</b>

## **TABLES**

**Table 1: Brownfield Eligible Activities**

**Table 2: Tax Increment Revenue Capture Estimates**

**Table 3: Tax Increment Revenue Reimbursement Allocation Table**

**Table 1**  
**Brownfield Eligible Activities**  
**123 N. Washington Street**  
**Owosso, Michigan**

ELIGIBLE ACTIVITIES	NO. OF UNITS	UNIT TYPE	UNIT RATE	ESTIMATED TOTAL COST	REIMBURSEMENT ALLOCATION		
					EGLE ACTIVITIES	MSF ACTIVITIES	LOCAL-ONLY ACTIVITIES
<b>MSF ELIGIBLE ACTIVITIES</b>							
<b>Demolition</b>							
Demolition - Oversight	1	LS	\$ 5,000	\$ 5,000		\$ 5,000	
Demolition - Selective Exterior	1	LS	\$ 266,995	\$ 266,995		\$ 266,995	
Demolition - Selective Interior	1	LS	\$ 30,000	\$ 30,000		\$ 30,000	
Demolition - Plumbing	1	LS	\$ 25,000	\$ 25,000		\$ 25,000	
Demolition - Electrical	1	LS	\$ 25,000	\$ 25,000		\$ 25,000	
Demolition - Insulation	1	LS	\$ 5,000	\$ 5,000		\$ 5,000	
Demolition - HVAC	1	LS	\$ 30,000	\$ 30,000		\$ 30,000	
<i>Subtotal Demolition Activities</i>				<b>\$ 386,995</b>	\$ -	<b>\$ 386,995</b>	\$ -
<b>MSF ELIGIBLE ACTIVITIES SUB-TOTAL</b>				<b>\$ 386,995</b>	\$ -	<b>\$ 386,995</b>	\$ -
<b>MSF AND EGLE ELIGIBLE ACTIVITIES SUB-TOTAL</b>				<b>\$ 386,995</b>	\$ -	<b>\$ 386,995</b>	\$ -
Brownfield Plan & Act 381 Work Plan Preparation	1	LS	\$ 16,000	\$ 16,000		\$ 16,000	
Interest (0%, simple)				\$ -		\$ -	
<b>TOTAL ELIGIBLE COST FOR REIMBURSEMENT</b>				<b>\$ 402,995</b>	\$ -	<b>\$ 402,995</b>	\$ -
State Brownfield Revolving Fund				\$ 35,448			
BRA Administrative Fees				\$ 8,150			
<b>GRAND TOTAL</b>				<b>\$ 446,593</b>			
					0.00%	100.00%	0.00%

**NOTES:**  
These costs and revenue projections should be considered approximate estimates based on expected conditions and available information.  
It cannot be guaranteed that the costs and revenue projections will not vary from these estimates.  
Costs for Asbestos Survey, Brownfield Plan and Act 381 Work Plan Preparation and Implementation are excluded from contingency calculation.

**Table 2**  
**Tax Increment Revenue Capture Estimates**  
**3123 N. Washington Street**  
**Owosso, Michigan**

Estimated Taxable Value (TV) Increase Rate: 1% per year

Plan Year	2023 1	2024 2	2025 3	2026 4	2027 5	2028 6	2029 7	2030 8	2031 9	2032 10	2033 11	2034 12	2035 13
Base Taxable Value (TV) of Land	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600
Base Taxable Value (TV) of Building	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400
Estimated New TV for Land	\$ 13,736	\$ 13,873	\$ 14,012	\$ 14,152	\$ 14,294	\$ 14,437	\$ 14,581	\$ 14,727	\$ 14,874	\$ 15,023	\$ 15,173	\$ 15,325	\$ 15,478
Estimated New TV for Building	\$ 720,000	\$ 727,200	\$ 734,472	\$ 741,817	\$ 749,235	\$ 756,727	\$ 764,295	\$ 771,937	\$ 779,657	\$ 787,453	\$ 795,328	\$ 803,281	\$ 811,314
Incremental Difference for Land (New TV - Base TV)	\$ 136	\$ 273	\$ 412	\$ 552	\$ 694	\$ 837	\$ 981	\$ 1,127	\$ 1,274	\$ 1,423	\$ 1,573	\$ 1,725	\$ 1,878
Incremental Difference for Building (New TV - Base TV)	\$ 516,600	\$ 523,800	\$ 531,072	\$ 538,417	\$ 545,835	\$ 553,327	\$ 560,895	\$ 568,537	\$ 576,257	\$ 584,053	\$ 591,928	\$ 599,881	\$ 607,914
Total Incremental Difference	\$ 516,736	\$ 524,073	\$ 531,484	\$ 538,969	\$ 546,529	\$ 554,164	\$ 561,876	\$ 569,664	\$ 577,531	\$ 585,476	\$ 593,501	\$ 601,606	\$ 609,792

**School Capture Millage Rate**

School Operating	18.00000	\$ 9,301	\$ 9,433	\$ 9,567	\$ 9,701	\$ 9,838	\$ 9,975	\$ 10,114	\$ 10,254	\$ 10,396	\$ 10,539	\$ 10,683	\$ 10,829	\$ 10,976	
State Education Tax (SET)	6.00000	\$ 3,100	\$ 3,144	\$ 3,189	\$ 3,234	\$ 3,279	\$ 3,325	\$ 3,371	\$ 3,418	\$ 3,465	\$ 3,513	\$ 3,561	\$ 3,610	\$ 3,659	
School Total:	24.00000	43.01%	\$ 12,402	\$ 12,578	\$ 12,756	\$ 12,935	\$ 13,117	\$ 13,300	\$ 13,485	\$ 13,672	\$ 13,861	\$ 14,051	\$ 14,244	\$ 14,439	\$ 14,635

**Local Capture Millage Rate**

SHIA MCF	1.98340	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 1,209	
SENIOR SERV	0.49180	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 300	
VET PA214	0.09910	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60	
VET SERV	0.19720	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 120	
MSU EXT	0.07450	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 45	
SRES D	0.24040	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 147	
SRES D SP ED	4.16110	\$ 1	\$ 1	\$ 2	\$ 2	\$ 3	\$ 3	\$ 4	\$ 5	\$ 6	\$ 7	\$ 7	\$ 7	\$ 2,537	
SCHOOL SINKING	1.97920	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 1,207	
LIBRARY	1.21660	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 742	
CITY OPER	13.84480	\$ 2	\$ 4	\$ 6	\$ 8	\$ 10	\$ 12	\$ 14	\$ 16	\$ 18	\$ 20	\$ 22	\$ 24	\$ 8,442	
DDA	1.90010	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 1,159	
SATA	0.15000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91	
COUNTY OPERATING	5.46470	\$ 1	\$ 1	\$ 2	\$ 3	\$ 4	\$ 5	\$ 5	\$ 6	\$ 7	\$ 8	\$ 9	\$ 9	\$ 3,332	
Local Total:	31.80290	56.99%	\$ 4	\$ 9	\$ 13	\$ 18	\$ 22	\$ 27	\$ 31	\$ 36	\$ 41	\$ 45	\$ 50	\$ 19,393	
<b>Total Capturable Taxes:</b>	<b>55.80290</b>	<b>100.00%</b>	<b>\$ 12,406</b>	<b>\$ 12,586</b>	<b>\$ 12,769</b>	<b>\$ 12,953</b>	<b>\$ 13,139</b>	<b>\$ 13,327</b>	<b>\$ 13,516</b>	<b>\$ 13,708</b>	<b>\$ 13,901</b>	<b>\$ 14,097</b>	<b>\$ 14,294</b>	<b>\$ 14,493</b>	<b>\$ 34,028</b>

**Non-Capturable Millages Millage Rate**

SCHOOL DEBT	4.7300	\$ 2,444	\$ 2,479	\$ 2,514	\$ 2,549	\$ 2,585	\$ 2,621	\$ 2,658	\$ 2,695	\$ 2,732	\$ 2,769	\$ 2,807	\$ 2,846	\$ 2,884
CITY DEBT	2.5600	\$ 1,323	\$ 1,342	\$ 1,361	\$ 1,380	\$ 1,399	\$ 1,419	\$ 1,438	\$ 1,458	\$ 1,478	\$ 1,499	\$ 1,519	\$ 1,540	\$ 1,561
<b>Total Non-Capturable Taxes:</b>	<b>7.29000</b>	<b>\$ 3,767</b>	<b>\$ 3,820</b>	<b>\$ 3,875</b>	<b>\$ 3,929</b>	<b>\$ 3,984</b>	<b>\$ 4,040</b>	<b>\$ 4,096</b>	<b>\$ 4,153</b>	<b>\$ 4,210</b>	<b>\$ 4,268</b>	<b>\$ 4,327</b>	<b>\$ 4,386</b>	<b>\$ 4,445</b>

**Notes:**

  = PA 146 Obsolete Property Act Abatement (OPRA) 2022 - 2033

**Table 2**  
**Tax Increment Revenue Capture Estimates**  
**3123 N. Washington Street**  
**Owosso, Michigan**

Estimated Taxable Value (TV) Increase Rate:

Plan Year	2036 14	2037 15	2038 16	2039 17	2040 18	2041 19	2042 20
Base Taxable Value (TV) of Land	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600	\$ 13,600
Base Taxable Value (TV) of Building	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400	\$ 203,400
Estimated New TV for Land	\$ 15,633	\$ 15,789	\$ 15,947	\$ 16,107	\$ 16,268	\$ 16,430	\$ 16,595
Estimated New TV for Building	\$ 819,427	\$ 827,621	\$ 835,898	\$ 844,257	\$ 852,699	\$ 861,226	\$ 869,838
Incremental Difference for Land (New TV - Base TV)	\$ 2,033	\$ 2,189	\$ 2,347	\$ 2,507	\$ 2,668	\$ 2,830	\$ 2,995
Incremental Difference for Building (New TV - Base TV)	\$ 616,027	\$ 624,221	\$ 632,498	\$ 640,857	\$ 649,299	\$ 657,826	\$ 666,438
Total Incremental Difference	\$ 618,060	\$ 626,411	\$ 634,845	\$ 643,363	\$ 651,967	\$ 660,656	\$ 669,433

School Capture	Millage Rate								Total New Taxes
School Operating	18.00000	\$ 11,125	\$ 11,275	\$ 11,427	\$ 11,581	\$ 11,735	\$ 11,892	\$ 12,050	\$ 212,690
State Education Tax (SET)	6.00000	\$ 3,708	\$ 3,758	\$ 3,809	\$ 3,860	\$ 3,912	\$ 3,964	\$ 4,017	\$ 70,897
School Total:	24.00000	\$ 14,833	\$ 15,034	\$ 15,236	\$ 15,441	\$ 15,647	\$ 15,856	\$ 16,066	\$ 283,587

Local Capture	Millage Rate								
SHIA MCF	1.98340	\$ 1,226	\$ 1,242	\$ 1,259	\$ 1,276	\$ 1,293	\$ 1,310	\$ 1,328	\$ 10,166
SENIOR SERV	0.49180	\$ 304	\$ 308	\$ 312	\$ 316	\$ 321	\$ 325	\$ 329	\$ 2,521
VET PA214	0.09910	\$ 61	\$ 62	\$ 63	\$ 64	\$ 65	\$ 65	\$ 66	\$ 508
VET SERV	0.19720	\$ 122	\$ 124	\$ 125	\$ 127	\$ 129	\$ 130	\$ 132	\$ 1,011
MSU EXT	0.07450	\$ 46	\$ 47	\$ 47	\$ 48	\$ 49	\$ 49	\$ 50	\$ 382
SRES D	0.24040	\$ 149	\$ 151	\$ 153	\$ 155	\$ 157	\$ 159	\$ 161	\$ 1,232
SRES D SP ED	4.16110	\$ 2,572	\$ 2,607	\$ 2,642	\$ 2,677	\$ 2,713	\$ 2,749	\$ 2,786	\$ 21,328
SCHOOL SINKING	1.97920	\$ 1,223	\$ 1,240	\$ 1,256	\$ 1,273	\$ 1,290	\$ 1,308	\$ 1,325	\$ 10,144
LIBRARY	1.21660	\$ 752	\$ 762	\$ 772	\$ 783	\$ 793	\$ 804	\$ 814	\$ 6,236
CITY OPER	13.84480	\$ 8,557	\$ 8,673	\$ 8,789	\$ 8,907	\$ 9,026	\$ 9,147	\$ 9,268	\$ 70,962
DDA	1.90010	\$ 1,174	\$ 1,190	\$ 1,206	\$ 1,222	\$ 1,239	\$ 1,255	\$ 1,272	\$ 9,739
SATA	0.15000	\$ 93	\$ 94	\$ 95	\$ 97	\$ 98	\$ 99	\$ 100	\$ 769
COUNTY OPERATING	5.46470	\$ 3,378	\$ 3,423	\$ 3,469	\$ 3,516	\$ 3,563	\$ 3,610	\$ 3,658	\$ 28,010
Local Total:	31.80290	\$ 19,656	\$ 19,922	\$ 20,190	\$ 20,461	\$ 20,734	\$ 21,011	\$ 21,290	\$ 163,007
<b>Total Capturable Taxes:</b>	<b>55.80290</b>	<b>\$ 34,490</b>	<b>\$ 34,956</b>	<b>\$ 35,426</b>	<b>\$ 35,902</b>	<b>\$ 36,382</b>	<b>\$ 36,867</b>	<b>\$ 37,356</b>	<b>\$ 446,594</b>

Non-Capturable Millages	Millage Rate								
SCHOOL DEBT	4.7300	\$ 2,923	\$ 2,963	\$ 3,003	\$ 3,043	\$ 3,084	\$ 3,125	\$ 3,166	\$ 55,890
CITY DEBT	2.5600	\$ 1,582	\$ 1,604	\$ 1,625	\$ 1,647	\$ 1,669	\$ 1,691	\$ 1,714	\$ 30,249
<b>Total Non-Capturable Taxes:</b>	<b>7.29000</b>	<b>\$ 4,506</b>	<b>\$ 4,567</b>	<b>\$ 4,628</b>	<b>\$ 4,690</b>	<b>\$ 4,753</b>	<b>\$ 4,816</b>	<b>\$ 4,880</b>	<b>\$ 86,140</b>

<b>\$ 532,734</b>
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**Table 3**  
**Tax Increment Revenue Reimbursement Allocation Table**  
**123 N. Washington Street**  
**Owosso, Michigan**

Developer/City Projected Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	61.6%	\$ 248,139	\$ -	\$ 248,139
Local	38.4%	\$ 154,856	\$ -	\$ 154,856
<b>TOTAL</b>		<b>\$ 402,995</b>	<b>\$ -</b>	<b>\$ 402,995</b>
EGLE	0.0%	\$ -		
MSF	100.0%	\$ 402,995		

Estimated Total Years of Plan:	<b>20</b>
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Administrative Fees & Loan Funds*	
State Brownfield Revolving Fund	\$ 35,448
BRA Administrative Fees	\$ 8,150
Local Brownfield Revolving Fund	\$ -

\* During the life of the Plan

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Available Tax Increment Revenue (TIR)</b>													
Total State Tax Capture Available	\$ 12,402	\$ 12,578	\$ 12,756	\$ 12,935	\$ 13,117	\$ 13,300	\$ 13,485	\$ 13,672	\$ 13,861	\$ 14,051	\$ 14,244	\$ 14,439	\$ 14,635
Capture for State Brownfield Revolving Fund (3 mills of SET) (25-Yrs)	\$ 1,550	\$ 1,572	\$ 1,594	\$ 1,617	\$ 1,640	\$ 1,662	\$ 1,686	\$ 1,709	\$ 1,733	\$ 1,756	\$ 1,781	\$ 1,805	\$ 1,829
State TIR Available for Reimbursement to Developer	\$ 10,851	\$ 11,006	\$ 11,161	\$ 11,318	\$ 11,477	\$ 11,637	\$ 11,799	\$ 11,963	\$ 12,128	\$ 12,295	\$ 12,464	\$ 12,634	\$ 12,806
Total Local Tax Capture Available	\$ 4	\$ 9	\$ 13	\$ 18	\$ 22	\$ 27	\$ 31	\$ 36	\$ 41	\$ 45	\$ 50	\$ 55	\$ 19,393
Capture for BRA Administrative Fees (5%)	\$ 0	\$ 0	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 970
Local TIR Available for Reimbursement to Developer	\$ 4	\$ 8	\$ 12	\$ 17	\$ 21	\$ 25	\$ 30	\$ 34	\$ 38	\$ 43	\$ 48	\$ 52	\$ 18,423
<b>Total State &amp; Local TIR Available for Reimbursement to Developer</b>	<b>\$ 10,856</b>	<b>\$ 11,014</b>	<b>\$ 11,174</b>	<b>\$ 11,335</b>	<b>\$ 11,498</b>	<b>\$ 11,663</b>	<b>\$ 11,829</b>	<b>\$ 11,997</b>	<b>\$ 12,167</b>	<b>\$ 12,338</b>	<b>\$ 12,511</b>	<b>\$ 12,686</b>	<b>\$ 31,229</b>

DEVELOPER	Beginning Balance	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
	\$ 402,995	\$ 392,140	\$ 381,126	\$ 369,952	\$ 358,617	\$ 347,119	\$ 335,457	\$ 323,628	\$ 311,631	\$ 299,464	\$ 287,126	\$ 274,615	\$ 261,929	\$ 230,700
MSF Eligible Activities	\$ 402,995	\$ 392,140	\$ 381,126	\$ 369,952	\$ 358,617	\$ 347,119	\$ 335,457	\$ 323,628	\$ 311,631	\$ 299,464	\$ 287,126	\$ 274,615	\$ 261,929	\$ 230,700
State Tax Reimbursement	\$ 248,139	\$ 10,851	\$ 11,006	\$ 11,161	\$ 11,318	\$ 11,477	\$ 11,637	\$ 11,799	\$ 11,963	\$ 12,128	\$ 12,295	\$ 12,464	\$ 12,634	\$ 12,806
Local Tax Reimbursement	\$ 154,856	\$ 4	\$ 8	\$ 12	\$ 17	\$ 21	\$ 25	\$ 30	\$ 34	\$ 38	\$ 43	\$ 48	\$ 52	\$ 18,423
EGLE Eligible Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LOCAL-ONLY Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local-Only Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL ANNUAL DEVELOPER REIMBURSEMENT</b>		<b>\$ 10,856</b>	<b>\$ 11,014</b>	<b>\$ 11,174</b>	<b>\$ 11,335</b>	<b>\$ 11,498</b>	<b>\$ 11,663</b>	<b>\$ 11,829</b>	<b>\$ 11,997</b>	<b>\$ 12,167</b>	<b>\$ 12,338</b>	<b>\$ 12,511</b>	<b>\$ 12,686</b>	<b>\$ 31,229</b>

<b>LOCAL BROWNFIELD REVOLVING FUND (LBRF)</b>														
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

**Table 3**  
**Tax Increment Revenue Reimbursement Allocation Table**  
**123 N. Washington Street**  
**Owosso, Michigan**

	2036	2037	2038	2039	2040	2041	2042	TOTALS
	14	15	16	17	18	19	20	
<b>Available Tax Increment Revenue (TIR)</b>								
Total State Tax Capture Available	\$ 14,833	\$ 15,034	\$ 15,236	\$ 15,441	\$ 15,647	\$ 15,856	\$ 16,066	
Capture for State Brownfield Revolving Fund (3 mills of SET) (25-Yrs)	\$ 1,854	\$ 1,879	\$ 1,905	\$ 1,930	\$ 1,956	\$ 1,982	\$ 2,008	\$ 35,448
State TIR Available for Reimbursement to Developer	\$ 12,979	\$ 13,155	\$ 13,332	\$ 13,511	\$ 13,691	\$ 13,874	\$ 14,058	
Total Local Tax Capture Available	\$ 19,656	\$ 19,922	\$ 20,190	\$ 20,461	\$ 20,734	\$ 21,011	\$ 21,290	
Capture for BRA Administrative Fees (5%)	\$ 983	\$ 996	\$ 1,009	\$ 1,023	\$ 1,037	\$ 1,051	\$ 1,064	\$ 8,150
Local TIR Available for Reimbursement to Developer	\$ 18,673	\$ 18,926	\$ 19,180	\$ 19,438	\$ 19,698	\$ 19,960	\$ 20,225	
<b>Total State &amp; Local TIR Available for Reimbursement to Developer</b>	<b>\$ 31,653</b>	<b>\$ 32,080</b>	<b>\$ 32,512</b>	<b>\$ 32,948</b>	<b>\$ 33,389</b>	<b>\$ 33,834</b>	<b>\$ 34,284</b>	
<b>DEVELOPER</b>								
	\$ 199,047	\$ 166,967	\$ 134,455	\$ 101,507	\$ 68,118	\$ 34,284	\$ 0	
MSF Eligible Activities	\$ 199,047	\$ 166,967	\$ 134,455	\$ 101,507	\$ 68,118	\$ 34,284	\$ 0	
State Tax Reimbursement	\$ 12,979	\$ 13,155	\$ 13,332	\$ 13,511	\$ 13,691	\$ 13,874	\$ 14,058	\$ 248,139
Local Tax Reimbursement	\$ 18,673	\$ 18,926	\$ 19,180	\$ 19,438	\$ 19,698	\$ 19,960	\$ 20,225	\$ 154,856
EGLE Eligible Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
State Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LOCAL-ONLY Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Local-Only Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL ANNUAL DEVELOPER REIMBURSEMENT</b>	<b>\$ 31,653</b>	<b>\$ 32,080</b>	<b>\$ 32,512</b>	<b>\$ 32,948</b>	<b>\$ 33,389</b>	<b>\$ 33,834</b>	<b>\$ 34,284</b>	
<b>LOCAL BROWNFIELD REVOLVING FUND (LBRF)</b>								
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								\$ 446,594

## **ATTACHMENTS**

**Attachment A: Letter of Functional Obsolescence**



301 W. MAIN OWOSSO, MICHIGAN 48867-2958 · (989) 725-0550 · FAX 725-0526

Re: 123 N Washington St

**STATEMENT OF OBSOLESCENCE FROM ASSESSOR**

The building that is the subject of this request is a typical, three-story, downtown building constructed around 1900. The first floor of the building has been used as commercial space for many years while the second floor was office space and has been unused for approximately 30 years. The third floor has been unused for approximately 60 years. The second and third floors are completely unusable in their present condition. The obsolescence is evident in the lack of modern electrical, plumbing, and mechanical systems as well as the poor condition of the walls, floors, and ceilings. The windows and doors are also very old and inefficient by today's standards. In the opinion of the assessor, this property suffers in excess of 50% functional obsolescence.

Michael Dowler  
Assessor

  
Assessor Signature

12/15/2021  
Date



Southwest Corner of Washington Avenue and Exchange Street

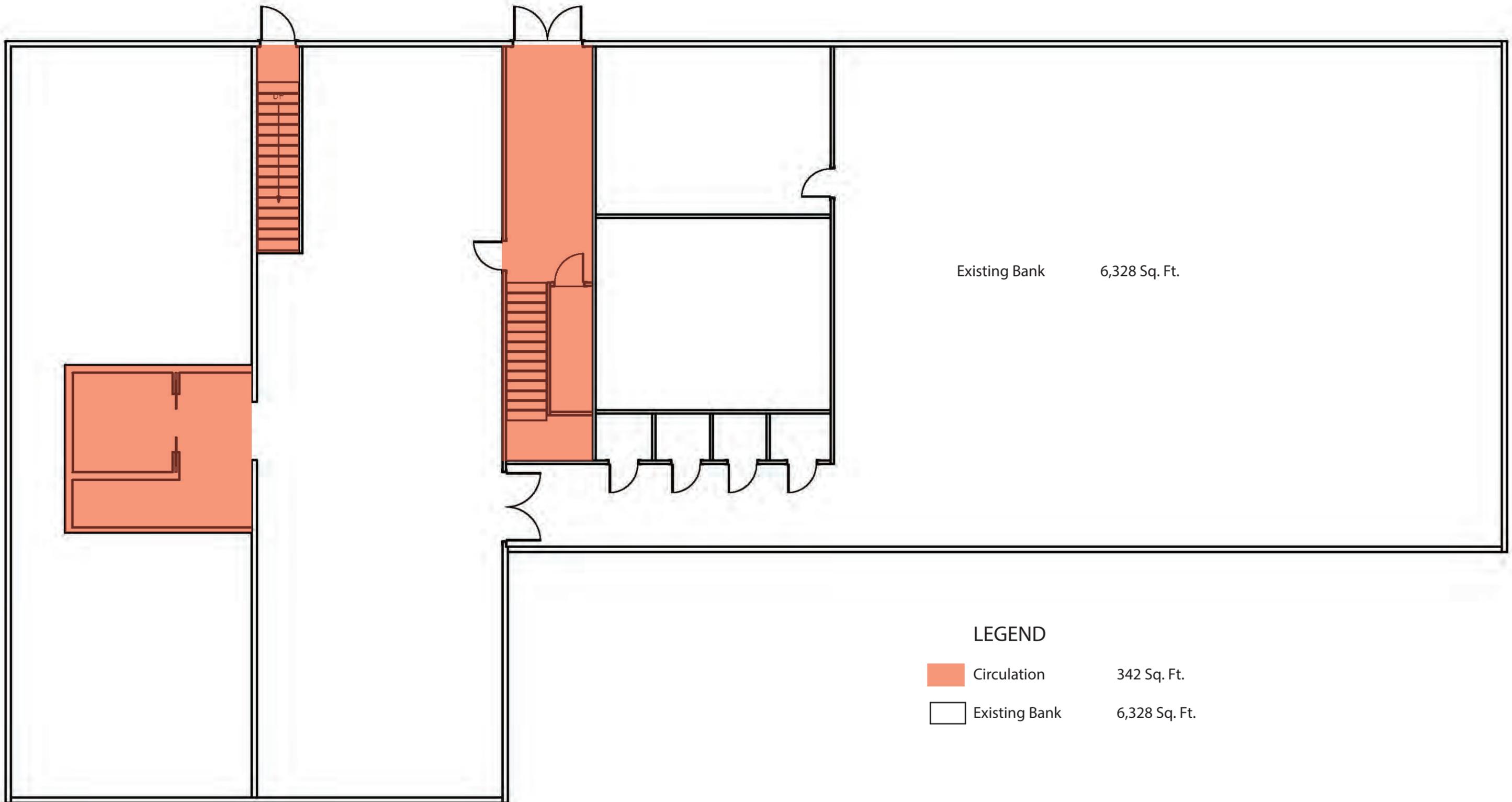




North Elevation



East Elevation

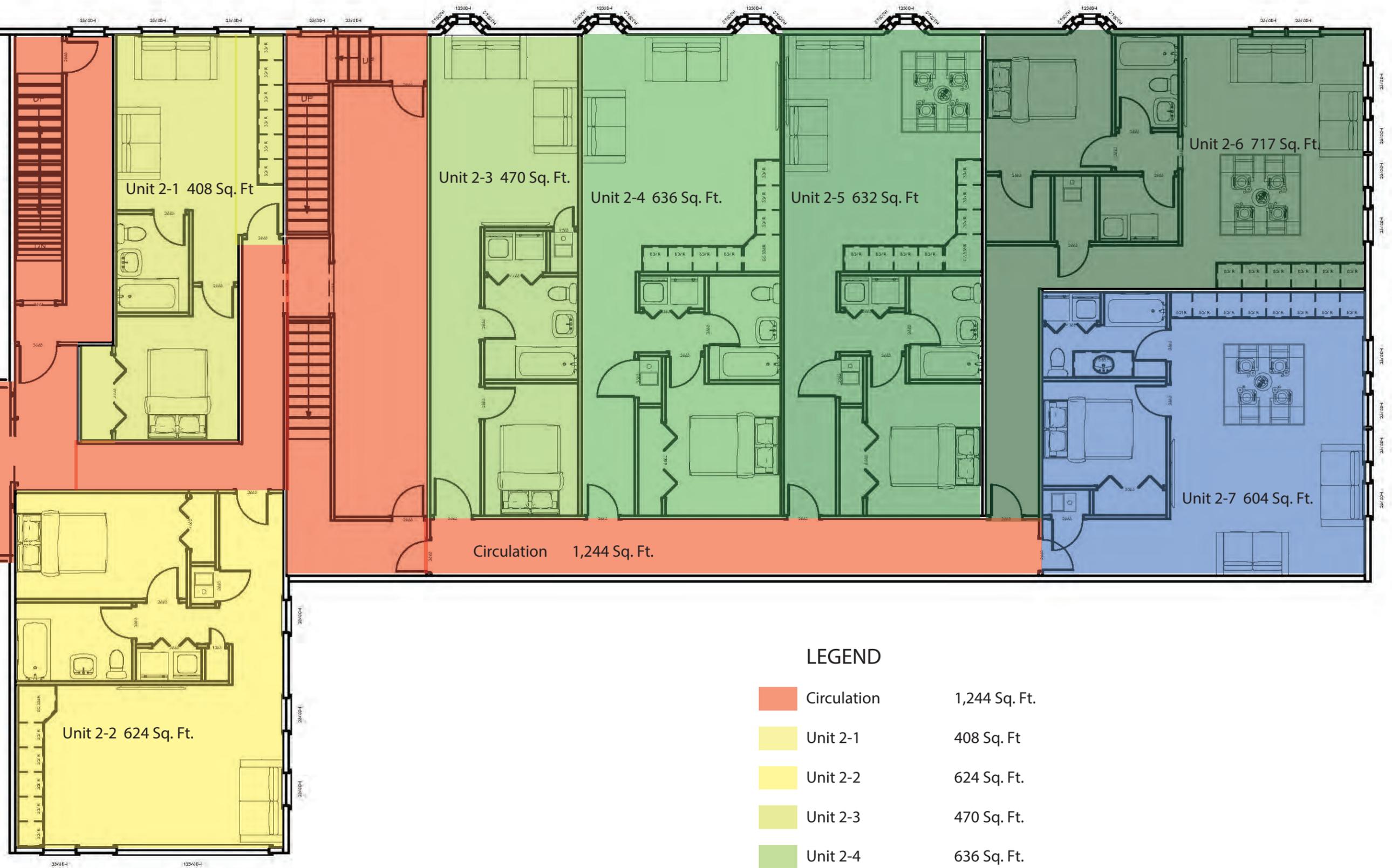


Existing Bank 6,328 Sq. Ft.

LEGEND

- Circulation 342 Sq. Ft.
- Existing Bank 6,328 Sq. Ft.

1st Floor plan



Unit 2-3 470 Sq. Ft.

Unit 2-4 636 Sq. Ft.

Unit 2-5 632 Sq. Ft.

Unit 2-6 717 Sq. Ft.

Unit 2-7 604 Sq. Ft.

Unit 2-1 408 Sq. Ft.

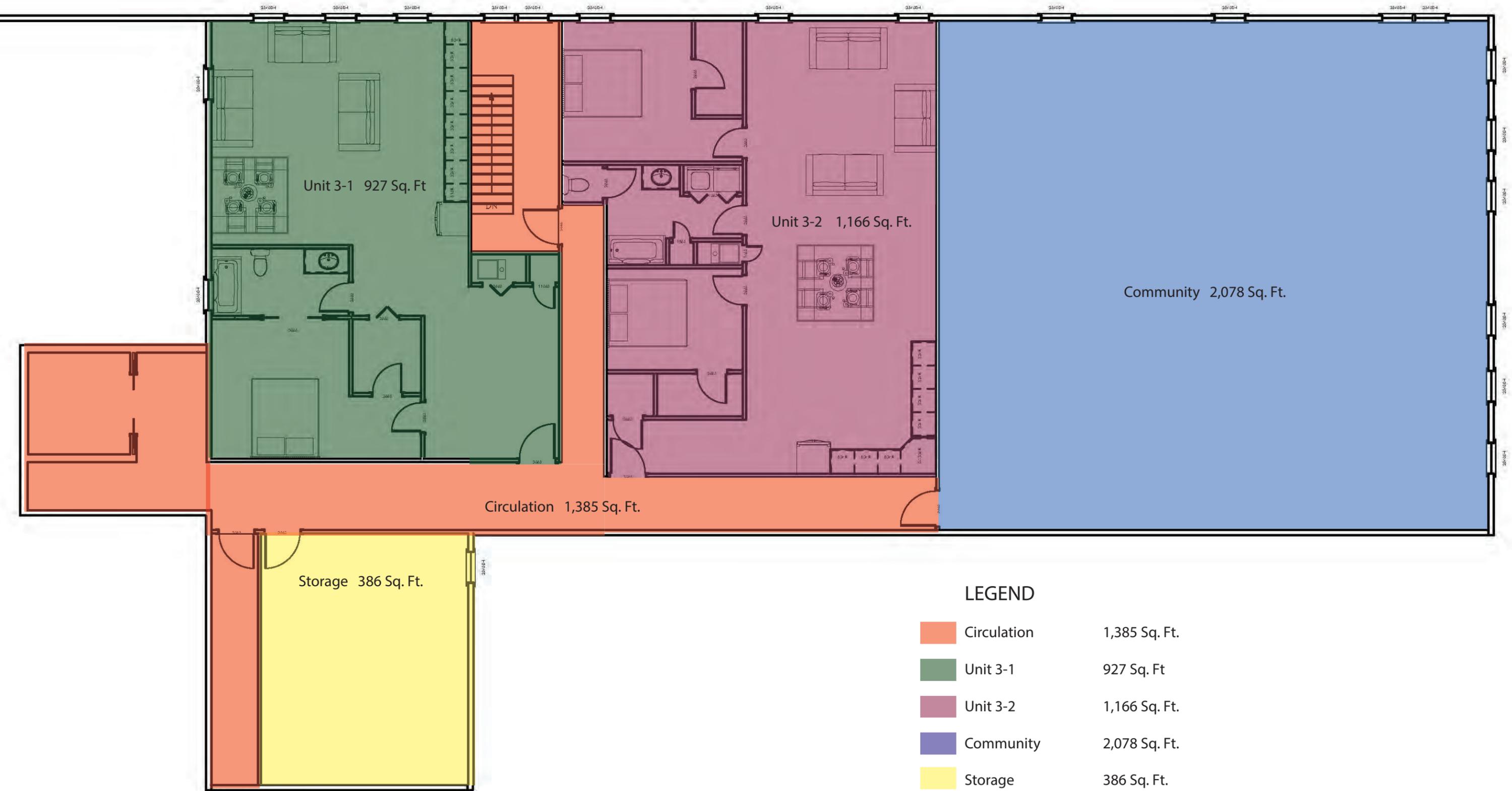
Unit 2-2 624 Sq. Ft.

Circulation 1,244 Sq. Ft.

**LEGEND**

	Circulation	1,244 Sq. Ft.
	Unit 2-1	408 Sq. Ft.
	Unit 2-2	624 Sq. Ft.
	Unit 2-3	470 Sq. Ft.
	Unit 2-4	636 Sq. Ft.
	Unit 2-5	632 Sq. Ft.
	Unit 2-6	717 Sq. Ft.
	Unit 2-7	604 Sq. Ft.

2nd Floor plan



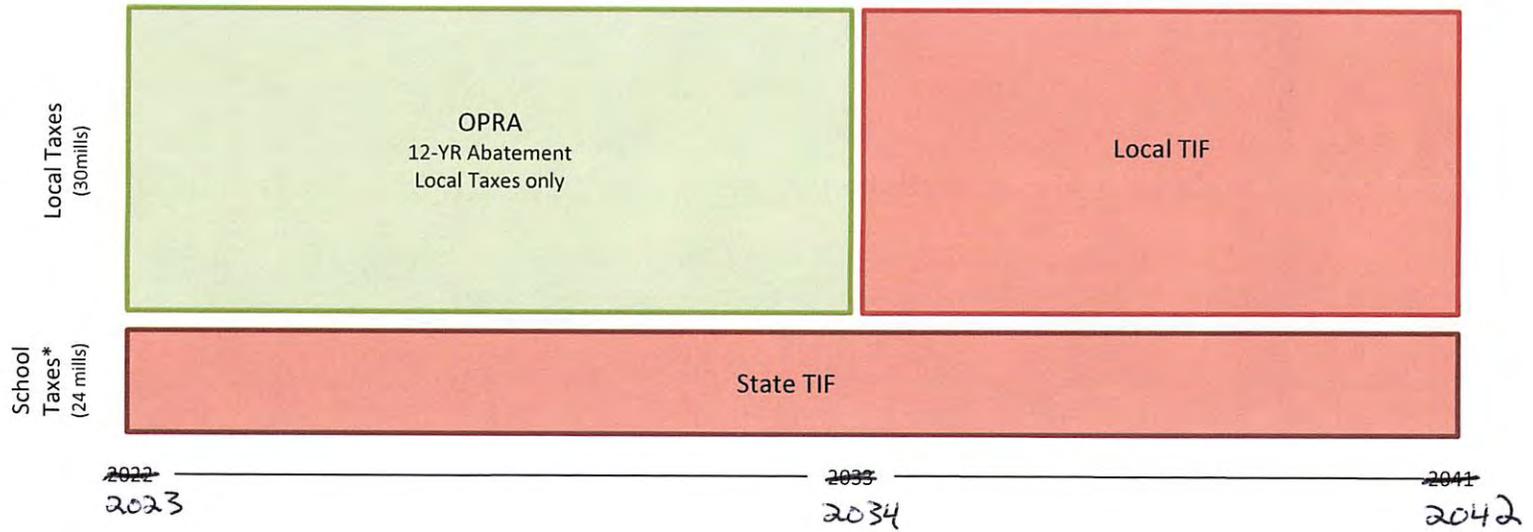
**LEGEND**

	Circulation	1,385 Sq. Ft.
	Unit 3-1	927 Sq. Ft.
	Unit 3-2	1,166 Sq. Ft.
	Community	2,078 Sq. Ft.
	Storage	386 Sq. Ft.

3rd Floor plan

# OPRA and Brownfield TIF Overlay

## Example 20-Year Plan



\* State Education Tax (SET) and School Operating Taxes

## **REIMBURSEMENT AGREEMENT**

This Brownfield Reimbursement Agreement is made as of (Month/Day), 2022, among the Owosso Brownfield Redevelopment Authority, an authority established pursuant to Act 381, with offices at 301 West Main Street, Owosso, Michigan 48867 (the “Authority”); and Woodworth Investments, LLC, 120 W Exchange St, Ste 203 Owosso, Michigan 48867, Randy and Jim Woodworth (the “Developer”).

### **RECITALS**

A. The Authority was created by the City of Owosso, a Michigan municipality (the “City”), pursuant to the Brownfield Redevelopment financing Act 1996 P.A. 381, as amended (the “Act”), and, pursuant to the Act, the Authority has prepared a Brownfield Plan to include the Property (as defined below) which was duly approved by the City Council on \_\_\_\_\_ following a public hearing held by the Brownfield Redevelopment Authority on (Month/Day) 2022, a copy of which is attached as Exhibit A (the “Brownfield Plan”).

B. The Developer plans to rehabilitate the 123 N Washington Street in the City of Owosso which is described on the attached Exhibit B (the “Property”) and which, due to the functional obsolescence of the Property as described in the Brownfield Plan is a “facility” and “eligible property” and is therefore commonly referred to as a “brownfield”.

C. Provided it obtains any needed zoning and building approvals from the City and others, the Developer plans to develop the property (the “Improvements”) into a mixed use space. This will increase the tax base for taxing jurisdictions, rehabilitate existing commercial space and create 9 new residential units that will uplift property values and enhance the downtown.

D. In order to make the Improvements on the Property, the Developer will incur costs to complete the Eligible Activities as more fully described in the Brownfield Plan (“Eligible Costs”).

E. In accordance with Act 381 and the Brownfield Plan, the parties desire to use the property tax revenues that are generated from an increase in the tax value of the Property resulting from its development (“Tax Increment Revenues”) to reimburse the parties for Eligible Costs and administrative costs they incur in redeveloping the Property.

F. The Brownfield Plan for the Property describes the activities and their attendant costs in summary form based upon the information provided by the Developer; sets out an estimate of the captured taxable value, an estimate of the tax increment revenues, an estimate of the reimbursement payment schedule and an estimate of the impact of tax increment financing on the revenues of the taxing jurisdictions. The eligible activities costs in the Brownfield Plan are estimated budgeted amounts. Prior to initiation of eligible activities, the Developer shall submit an Implementation Plan to the Authority; and

G. Accordingly, the purpose of this Agreement is to set out the obligations of the parties to this Agreement for reimbursement of the eligible costs as approved by the Authority and the City.

## **TERMS AND CONDITIONS**

In exchange for the consideration in and referred to by this Agreement, the parties agree as follows:

1. Brownfield Plan. To the extent provisions of the Brownfield Plan conflict with this Agreement, the terms and conditions of the Brownfield Plan control. To the extent provisions of the Brownfield Plan or this Agreement conflict with Act 381, Act 381 controls. Changes or additions to the Brownfield Plan may be submitted in writing to the Authority and to the City for approval. If such changes or additions increase the total cost of the eligible activities to an amount greater than in the approved Brownfield Plan, an amended Brownfield Plan incorporating the cost of said changes or additions may be approved at the sole discretion of the Authority and the City.

2. Construction of Development. If it elects to, the Developer may proceed with due care obligations to complete the improvements and undertake and complete the eligible activities resulting in the Eligible Costs, all in accordance with this Agreement, the Brownfield Plan and all applicable laws, rules regulations, permits, orders and directives of any official or agency of competent jurisdiction. The Developer shall undertake and achieve substantial completion of the development as described above within a reasonable time after the Brownfield Plan is approved by the Authority and the City.

- a. The parties agree that this Agreement and the Tax Increment Revenues collected and distributed pursuant to the Brownfield Plan are intended to fund only the Eligible Costs that have been approved by the Authority.
- b. Prior to the initiation of eligible activities, the Developer shall submit a detailed Implementation Plan that includes, at a minimum, applicable estimates of the following items related solely to eligible activities;
  - (i) Cost estimates for project costs related to eligible activities; and
  - (ii) The Implementation Plan costs shall be provided in the same format as Exhibit A to the Brownfield Plan for the Brownfield Plan costs approved by the Authority.
- c. The Developer shall comply fully with all local ordinances, state and federal laws, and all applicable local, state and federal rules and regulations. Nothing in this Agreement shall abrogate the effect of any local ordinance.
- d. The Agreement does not obligate the City to issue any permit required by law to implement the Development.

- e. Noncompliance with this Agreement or discovery of material irregularities at any time are regarded as material breaches of this Agreement. The Authority, in addition to any other remedy provided by law, may do one or more of the following:
  - (i) Withhold future payments to the extent such reimbursed payments relate directly to the noncompliance with the Agreement;
  - (ii) Recover reimbursement payments already disbursed to the extent such reimbursed payments relate directly to the noncompliance with the Agreement; or
  - (iii) Terminate this Agreement.

3. Capture of Taxes. The City shall, during the term of this Agreement, collect all Tax Increment Revenues from the Property and transmit revenues generated from real and personal property to reimburse the parties for the costs of eligible activities based upon the following priority, as applicable:

First – State of Michigan Brownfield Redevelopment Fund;

Second – Developer’s Eligible Expenses

Such reimbursement shall not be more than the tax increment revenues captured during the duration of the Brownfield Plan from the taxable improvements located on the Property, including both real property and personal property. Nor shall the total amount of reimbursement be for more than the reasonable and necessary cost of the eligible activities approved by the Authority or otherwise permitted by the Act.

4. Submission of Costs. Before requesting any reimbursement, the Developer shall pay and submit an affidavit of payment for the reasonable and necessary costs of the eligible activities that have been approved by the Authority. For those Eligible Costs for which the Developer seeks reimbursement from the Authority, the Developer shall submit to the Authority such of the following as may be required by Authority representatives:

- a. a written statement detailing the costs;
- b. a written explanation as to why reimbursement is appropriate under the Plan and this Agreement;
- c. copies of invoices from consultants, contractors, engineers, attorneys or others who provided such services;

- d. copies of Full Unconditional Waiver(s) from the vendor(s) documenting that the invoice was actually paid;
- e. if, not already submitted, copies of the contract with the contractor or supplier providing the services or supplies for which reimbursement is sought;
- f. a statement from the engineer and project manager overseeing the work recommending payment; and
- g. any other documentation requested by the Authority, in a format and on such forms approved by the Authority, with the Developer's request for reimbursement to assist the Authority in determining whether the work was performed as approved.

All documentation related to the request for reimbursement shall be submitted within ninety (90) days after the completion of each approved eligible activity. No later than receipt of a Certificate of Occupancy and prior to reimbursement payments being initiated, the Developer shall submit to the Authority a report of the results of the eligible activities performed. Such results shall include, without limitation, any abatement reports, demolition and disposal documentation, supplemental environmental investigation reports and response activity reports. In addition, the Developer shall submit construction lien waivers from the contractors and subcontractors for the approved eligible activities prior to any payments being initiated. The Developer may submit a reimbursement request including such information whenever it is available for many years thereafter. The Developer and Authority agree that no reimbursement requests will be accepted by the Authority after December 31, 2042.

In no event shall Eligible Costs exceed the estimates developed pursuant to paragraphs 2.b(i) and (ii) unless the Brownfield Plan is amended pursuant to paragraph 1.

If all real and personal property taxes relating to the site are not paid before interest and penalties attach, the duty to pay reimbursements to the Developer or it assigns shall cease.

5. Payments. Payments to the Developer shall be made as follows:

- a. Within 60 days of its receipt of the materials identified in paragraph 4 above, the Authority shall decide whether the payment request is for Eligible Costs and whether such costs are accurate. The Authority will determine the amount to be reimbursed, based upon the reasonable and necessary costs of the eligible activities approved by the Authority and the State or otherwise permitted by the Act in light of the actual costs presented in the Developer's submitted documentation. Such amount shall not exceed the amounts set forth in Section 5(d), subject to such amendments as may have been approved by the Authority, nor shall such costs be reduced by the Authority without good cause shown, such approvals not to be withheld unreasonably. If the Authority determines all or a portion of the requested payment is for the Eligible Costs and is accurate, it shall see that the portion of the payment request that is for Eligible Cost and is accurate

is processed as provided in subparagraph (b) below. If the Authority disputes the accuracy of any portion of any payment request or that any portion of any payment is for the Eligible Costs, it shall notify the Developer in writing of its determination and reasons for its determination. The Developer shall have 28 days to address the reasons given by the Authority and shall have an opportunity to meet with the Authority's representatives or, if the Authority Board consents, to meet with the Authority's Board to discuss and resolve any remaining dispute. In doing so, the Developer shall provide the Authority a written response to the Authority's decision and the reasons given by the Authority. If the parties do not resolve the dispute in such a manner, it shall be resolved as provided in paragraph 6 below.

- b. Once it approves any request for payment as Eligible Costs and approves the accuracy of such costs, the Authority shall pay to the Developer the amounts for which submissions have been made pursuant to paragraph 4 of this Agreement by June 30<sup>th</sup> of the following year, as directed by the Brownfield Plan, until all of the amounts for which submissions have been made have been fully paid to the Parties, or the repayment obligation expires, whichever occurs first.
- c. The repayment obligation under this Agreement shall expire upon the payment by the Authority to the Parties of all amounts due to the Parties under this Agreement or on December 31, 2042, whichever occurs first.
- d. The amount to be reimbursed under this Agreement shall be as follows:
  1. The OBRA will use captured taxes as referred to in (3) to reimburse the Developer for Eligible Costs total amount not to exceed \$402,995.
  2. The amount of Eligible Costs to be reimbursed with the capture of taxes levied for school operating purposes ("School Taxes") is estimated to be \$212,690.
  3. The amount of Eligible Costs to be reimbursed with the capture of taxes levied for State Education Tax (SET) is estimated to be \$70,897.
  4. The amount of Eligible Costs to be reimbursed with the capture of taxes not levied for school operating purposes ("Local Taxes") is estimated to be \$163,007.
  5. Upon payment to Developer of total reimbursement as outlined above being met, or expiration of the Plan, reimbursements to Developer shall cease.
- e. The sole source for any reimbursement shall be Tax Increment Revenues. To the extent permitted by law, such reimbursements, once approved by the Authority under subparagraph b. above shall be and remain valid and binding obligations of the Authority until paid or until expiration of the time for payment as provided in

subparagraphs c. and d. above. However, the Developer shall bear any risk of a change in law prohibiting reimbursement at the time Tax Increment revenues are available for reimbursement to the Developer for costs that were Eligible Costs at the time the Authority approved them. In no event shall the Developer be reimbursed for any approved eligible costs that have been or will be reimbursed or credited against other obligations by any other governmental entity.

- f. If any of the Property is substantially destroyed by fire or natural events or causes as determined by the Building Official of the City, this Agreement shall terminate unless reconstruction occurs at any equal or greater taxable value within twelve (12) months of the date of the loss. No payments shall be made during the period of reconstruction. Payments shall resume when the reconstruction is substantially complete as determined by the Building Official.
- g. In addition to any other remedies provided in this Agreement, if any payment made by the Authority is determined to be improper or outside of the scope of its obligations under this Agreement, or in the event of the Developer's breach or default of this Agreement, the Developer shall, at the request of the Authority, repay or return any monies paid by the Authority that are directly related to said breach, default or improper payment.

6. Dispute as to Eligible Costs. If there is a dispute over whether a cost submitted by the Developer is an "Eligible Cost", the dispute shall be resolved by an independent qualified professional chosen by mutual agreement of the parties. If the parties are unable to agree upon a professional, then each party (the City, the Authority and the Developer) shall appoint an independent qualified professional to review the Authority's decision, provided that each party chooses a professional that has not been directly employed by or provided services to that party for a period of two (2) years before the date of proposed appointment. If and to the extent that two of the three qualified professionals so selected agree that costs submitted are eligible pursuant to Brownfield Plan and was previously approved by the Authority, this shall constitute an award and the Developer shall be reimbursed those costs in accordance with this Agreement. In addition, any such award may be used as the basis for the Shiawassee County Circuit Court rendering judgment that such award constitutes a final decision under statutory arbitration.

7. Assignment of Future Reimbursement Revenue. The Developer may assign its reimbursement rights under this Agreement via a written instrument, a copy of which must be provided to the Authority no later than thirty (30) days prior to such assignment. However, any such right to reimbursement shall always remain contingent upon material compliance with all aspects of this Agreement on the part of the Developer and any of it assigns, successors, transferees and heirs. This Agreement shall run with the land constituting the Property and shall be binding upon and inure to the benefit of the Developer and the Authority as well as their respective assigns, successors, transferees and heirs.

8. Adjustments. If, due to an appeal of any tax assessment or reassessment or any other reason, the Authority is required to reimburse any Tax Increment Revenues, the Authority may deduct the amount of any such reimbursement from any amounts due and owing the Developer,

or, if all amounts due the Developer under this Agreement have been fully paid, the Authority may invoice the Developer for the amount of such reimbursement and the Developer shall pay the Authority such invoiced amount within 30 days of the Developer's receipt of the invoice from the Authority. Nothing in this Agreement shall limit the right of the Developer to appeal any tax assessment.

9. Obligation to Fund Eligible Activities. The Developer shall pay for the Eligible Costs with its own funds and receive reimbursement from the Authority by available Tax Increment Revenues. It is anticipated that there will be sufficient available Tax Increment Revenues to pay for all Eligible Costs under this Agreement. However, if for any reason increased Tax Increment Revenues from the Development do not result in sufficient revenues to satisfy such obligations, the Developer agrees and understands that it will have no claim or further recourse of any kind or nature against the City or the Authority and the Developer shall assume full responsibility for any such loss.

10. Access for Inspection. Employees and agents of the Authority and the City are authorized to enter upon the Property following a minimum of one (1) business day notice to the Developer for the purpose of inspecting the work related to the authorized eligible activities and making determinations that such work is being performed in accordance with the Brownfield Plan in a workmanlike manner.

11. Indemnification. The Developer shall defend, indemnify and hold the City and Authority, and their agents, representatives and employees (hereinafter "Indemnified Persons") harmless from any loss, expense (including reasonable legal counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising from or on account of the acts or omissions of the Developer, its officers, employees, agent or any persons acting on its behalf or under its control, in implementing the eligible activities described in the approved work plans or arising in any way from this Agreement, including but not limited to, claims for damages, reimbursement or set-off arising from, or on account of, any contract, agreement or arrangement between the Developer and any person for the performance of eligible activities or the terms of this Agreement, including claims on account of construction delays.

12. Insurance. During construction, the Developer and any contractor or subcontractor shall provide and maintain comprehensive general liability insurance with the limits of Three Million and No/100 (\$3,000,000.00) Dollars combined single limit, for claims which may arise from the Developer's operations under this Agreement, naming the Authority and the City as additionally names insureds. Proof of such insurance shall be provided to the Authority in care of the Authority's Administrator prior to initiating any redevelopment activities.

13. Termination. This Agreement shall terminate on the earlier to occur of:

- a. the date on which the Authority is no longer authorized to capture tax increment revenues;
- b. on the date the Brownfield Plan expires;

- b. the date when the amount due under this Agreement has been paid;
- d. upon default of this Agreement by Developer, including, without limitation, if the Development is not completed within sixty (60) months from the effective date of this Agreement; or
- e. upon such other conditions as set forth in this Agreement.

14. Payment of Taxes. Developer or any of its successor or assignees of the Development shall pay all real and personal property taxes levied on any portion of the Development on or before the date the same are payable, before any additional interest penalty for late payment is applied.

15. Miscellaneous.

- a. This is the entire agreement between the parties as to its subject. All previous negotiation, statements and preliminary instruments of the parties or their representative are merged in this Agreement. It shall not be amended or modified except in writing signed by all the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision. Any revision of this Agreement shall not be effective until the provision of a thirty (30) day notice by the City and the Authority to the other parties hereto so that this Agreement remains in full compliance with any applicable Federal, State or local law or regulation.
- b. This Agreement and the rights and obligations under this Agreement except as previously noted, are unassignable and non-transferrable without the consent of the parties. It shall, however, be binding upon any successors or permitted assigns of the parties.
- c. This Agreement shall become effective when approved by the Michigan Strategic Fund, the Michigan Economic Development Fund and, if necessary, the Michigan Department of Environmental Quality, and executed by the Authority and the Developer.
- d. All parties had input into the drafting of this Agreement and all had the advice of legal counsel before entering into this Agreement. In the event an ambiguity of any language in this Agreement arising, such ambiguity shall not be construed against any party.
- e. Except as otherwise provided in this Agreement, all representations, warranties, covenants and agreements of the parties contained or made pursuant to this Agreement shall survive the execution of this Agreement.

f. Notice shall be complete when delivered by personal delivery, by courier or delivery service (such as UPS, FedEx or other service) or by certified mail, return receipt requested to the addresses first above written. If any party refuses to accept delivery when presented, delivery shall be deemed to have occurred at the time of such refusal. Any such notice and communication shall be addressed as follows:

If to the Authority:           Owosso Brownfield Redevelopment Authority  
  301 West Main Street  
  Owosso, Michigan 48867  
  Attention: City Clerk

If to the Developer:           Woodworth Investments, LLC  
  120 W Exchange St, Ste 203  
  Owosso, MI 48867

g. This Agreement shall be governed by the laws of the State of Michigan. To the extent permitted by law, the jurisdiction and venue for any action brought pursuant to, arising from or to enforce any provision of this Agreement shall be solely in the state courts in Shiawassee County, Michigan.

By signing below, all parties represent and warrant their authority to enter into this Agreement on behalf of the respective organizations. The parties have signed this Agreement as of the date first written above.

OWOSSO BROWNFIELD REDEVELOPMENT AUTHORITY      WOODWORTH INVESTEMENTS, LLC

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: Chairperson

ITS: President

BY: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: Secretary

ITS:

**Notice of Public Hearing  
For New Brownfield Redevelopment Plans  
“District #22, 123 N Washington St Redevelopment Project”**

The Owosso Brownfield Redevelopment Authority of the City of Owosso, Shiawassee County, Michigan will hold a public hearing on Thursday, June 23, 2022 at 7:30 a.m. in the City Council Chambers at 301 West Main Street, Owosso, Michigan to consider approving a new Brownfield Redevelopment Plan “District #22, 123 N Washington St Redevelopment Project.” The plans have been prepared pursuant to Michigan Public Law, PA 381 of 1996, as amended. The plans provide for tax capture revenues for environmental work and eligible construction expenses.

The eligible properties for District #22 is parcel 050-470-022-020-00, and as described below:

~~E 1/2 LOT 2 BLK 22 ALSO~~ W 44' OF LOT 3 & THE N 44' OF THE E 88' OF LOT 3 BLK 22 ORIGINAL PLAT

The purpose of the public hearing is to encourage an open process for commentary and evaluation of the application. The plan, maps, and other information are available at city hall. If you should desire to learn more about the plan’s content and implications, you are encouraged to contact the City Manager at (989) 725-0568 for additional information. Written comments may also be submitted to this office for presentation at the hearing.

The City of Owosso will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon seventy-two (72) hours notice to the City of Owosso. Individuals with disabilities requiring auxiliary aids or services should contact the City of Owosso by writing or calling the following: Amy K. Kirkland, City Clerk, 301 West Main Street, Owosso, MI 48867 or at (989) 725-0500. The City of Owosso Website address is [www.ci.owosso.mi.us](http://www.ci.owosso.mi.us).

**Please publish by June 8, 2022 and furnish an affidavit.**

Sent corrected notice of public hearing to Argus for publication on 06/09/22. akk
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**Date: June 15, 2022**

**To: To the Legislative Bodies of the Taxing Jurisdictions of the City of Owosso:**  
Shiawassee County Regional Education Service District c/o District Superintendent  
Shiawassee District Library Board c/o Library Director  
Shiawassee Area Transportation Agency  
Shiawassee County c/o County Clerk  
Owosso Public Schools c/o Superintendent  
City of Owosso c/o City Clerk  
Michigan Strategic Fund – Rob Garza  
Michigan Department of EGLE  
Owosso Downtown Development Authority – Beth Kuiper

**Subject: Public Hearing on the Adoption of a Brownfield Redevelopment Plan**

**District #22 Brownfield Plan—“123 N. Washington St. Redevelopment Project”**

The Owosso Brownfield Redevelopment Authority of the City of Owosso, County of Shiawassee, State of Michigan will hold a **public hearing on Thursday June 23<sup>rd</sup>, 2022 at 7:30 a.m. in City Council Chambers at 301 West Main Street, Owosso, Michigan**, to consider the adoption of a brownfield redevelopment plan for the City for **District #22 Brownfield Plan, “123 N. Washington St. Redevelopment Project”**. The plan has been prepared pursuant to Act 381, Public Acts of Michigan, 1996 (“Act 381”), as amended. Notice of the hearing has been published in accordance with the law.

The subject property consists of one parcel listed below:

**SITE: Parcel # 050-470-022-020-00 123 N Washington Street**

Subject to required findings of public purpose at the hearing, the Brownfield Redevelopment Authority intends to approve a resolution approving the Brownfield Redevelopment Plan to provide for the capture and use of tax increment revenues to pay the costs of eligible activities for the eligible properties. **The estimated cost of the project with interest is \$2,932,970. The tax capture schedule in the plan has a term of 20 years.** Upon request, a copy of the proposed Plan is available at the Owosso City Clerk’s office; it can assist in your review of the fiscal and economic implications of the project. **The existing taxable value for the property is \$217,000. The captured taxes are projected to average \$20,149.75 per year, beginning in the year 2023.**

Under Act 381, the Authority will be authorized to capture ad valorem property taxes attributable to the application of the levy of all local taxing jurisdictions upon the captured taxable value of the parcel and personal property located on that property. The Authority will be permitted to capture the difference between the taxable value of the eligible property at the time of the adoption of the Brownfield Plan (the initial taxable value) and the taxable value of an eligible property in the current year of the capture. 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 governmental unit (debt millage), and specific taxes attributable to those ad valorem property taxes.

Act 381 states that a Brownfield Plan cannot provide for an exclusion from captured taxable value of a portion of the captured taxable value or for an exclusion of the tax levy of 1 or more taxing units. The only way a taxing unit’s taxes are exempt from capture by an Authority is if the taxes are excluded from the



definition of tax increment revenues (i.e. voted debt millage or tax increment revenues already captured by a Downtown Development Authority or Local Development Finance Authority).

The Authority can only capture tax increment revenues until the year in which the amount of the captured tax increment revenues for a parcel of eligible property is equal to the sum of the cost of eligible activities attributable to such eligible property, or up to 5 years after such date if the Authority establishes a Local Site Remediation Revolving Fund. This plan does not contemplate the receipt of funds from other brownfield sites in the City that may generate surplus tax revenues for a Revolving Fund.

Although the estimated tax capture for the plan is referenced above, it is difficult to predict at this time the exact amount of the captured tax increment revenues of the Authority, as that will ultimately be based upon:

- a) the captured assessed value of the eligible properties included in the Brownfield Plan;
- b) the duration of the capture on those eligible properties;
- c) the millage rates of all taxing jurisdiction in effect throughout the capture of the tax increment revenues;
- d) the growth of the taxable value of the eligible properties, and;
- e) the actual cost of the eligible activities.

Costs of the eligible activities are controlled by two means: 1) competitive bidding if the City is responsible for conducting an activity, or; 2) a reimbursement agreement with a Developer that states that the costs of an eligible activity shall not exceed the value of a comparable activity either commonly accepted in the marketplace or established as the low bid in City bidding procedures for similar work.

If you have any questions regarding the fiscal and economic implications of the activities of the proposed Brownfield Redevelopment Plan, please feel free to attend the public hearing described above or contact me via phone or email.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Henne".

Nathan Henne  
City Manager  
[Nathan.henne@ci.owosso.mi.us](mailto:Nathan.henne@ci.owosso.mi.us)  
989-725-0568