

**WASHTENAW COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY**

**BROWNFIELD PLAN
FOR**

**MACK & MACK BUILDING, LLC
REDEVELOPMENT PROJECT**

**211-215 W. MICHIGAN AVENUE
YPSILANTI, MICHIGAN**

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**May 27, 2008
Canopus Project No: C5134**

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INTRODUCTION

In order to promote the redevelopment of environmentally distressed properties within Washtenaw County, Michigan, the County has established the Washtenaw County Brownfield Redevelopment Authority (the "Authority") pursuant to Michigan Public Act 381 of 1996, as amended ("Act 381").

The primary purpose to this Brownfield Plan ("Plan") is to promote the redevelopment of and private investment in certain "brownfield" properties within the county. Inclusion of property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in redevelopment of eligible sites, commonly referred to as "brownfields". By facilitating redevelopment of brownfield properties, the Plan is intended to promote economic growth for the benefit of the residents of Washtenaw County and all taxing units located within and benefited by the Authority.

The identification or designation of a developer or proposed use for the eligible property that is the subject of 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, if tax increment revenues are proposed to be captured from the eligible property, to identify and authorize the eligible activities to be funded by such tax increment revenues. Any change in the proposed developer or proposed use of the eligible property shall not necessitate an amendment to the 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 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(1) of Act 381.

GENERAL DEFINITIONS AS USED IN THIS PLAN

Additional response activities means response activities identified as part of a Brownfield Plan that are in addition to baseline environmental assessment activities and due care activities for an eligible property. MCLA 125.2652(a)

Authority means the Washtenaw County Brownfield Authority, a Brownfield Redevelopment Authority created under Act 381. MCLA 125.2652(b)

Baseline environmental assessment means that term as defined in Section 20101 of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, MCL 324.20101. MCLA 125.2652(c)

Baseline environmental assessment activities means those response activities identified as part of a brownfield plan that are necessary to complete a baseline environmental assessment for an eligible property in the brownfield plan. MCLA 125.2652(d)

Blighted means property that meets any of the following criteria as determined by the governing body:

- (i) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
- (ii) Is an attractive nuisance to children because of physical condition, use, or occupancy.
- (iii) Is a fire hazard or is otherwise dangerous to the safety of persons or property.
- (iv) 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.
- (v) Is tax reverted property owned by a qualified local governmental unit, by a county or by the state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county or the 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 purposes of this act.
- (vi) Is property owned or under the control of a land bank fast track authority under the land bank fast track act, whether or not located within a qualified local governmental unit. Property included within a brownfield plan prior to the date it meets the requirements of this subdivision to be eligible property shall be considered to become eligible property as of the date the property is determined to have been or becomes qualified as, or is combined with, other eligible property. The sale, lease, or transfer of the property by a land bank fast track authority 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 purposes of this act.
- (vii) Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use. MCLA 125.2652(e)

Board means the governing body of an authority. MCL 125.2652(f)

Brownfield Plan means a plan that meets the requirements of section 13 and is adopted under section 14. MCLA 125.2652(g)

Captured taxable value means the amount in one year by which the current taxable value of an eligible property subject to a brownfield plan, including the taxable value or assessed value, as appropriate, of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property. The state tax commission shall prescribe the method for calculated captured taxable value. MCLA 125.2652(h)

Chief Executive Officer means the chair of the Washtenaw County Board of Commissioners MCLA 125.2652(i)

Department means the Department of Environmental Quality. MCLA 125.2652(j)

Due-care activities means those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of Section 20107a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20107a. MCLA 125.2652(k)

Economic opportunity zone means one or more parcels of property that meet all of the following:

- (i) That together are 40 or more acres in size.
- (ii) That contain a manufacturing facility that consists of 500,000 or more square feet.
- (iii) That are located in a municipality that has a population of 30,000 or less and that is contiguous to a qualified local governmental unit. MCLA 125.2652(l)

Eligible activities or eligible activity means one or more of the following:

- (i) Baseline environmental assessment activities.
- (ii) Due-care activities
- (iii) Additional response activities.
- (iv) For eligible activities on eligible property that was used or is currently used for commercial, industrial, or residential purposes that is in a qualified local governmental unit, that is owned or under the control of a land bank fast track authority, or that is located in an economic opportunity zone, and is a facility, functionally obsolete, or blighted, and except for purposes of former section 38d of the single business tax act, 1975 PA 228, the following additional activities:
 - (A) Infrastructure improvements that directly benefit eligible property.
 - (B) Demolition of structures that is not a response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
 - (C) Lead or asbestos abatement.
 - (D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
 - (E) Assistance to a land bank fast track authority in clearing or quieting title to, or selling or otherwise conveying, property owned or under the control of a land bank fast track authority or the acquisition of property by the land bank fast track authority if the acquisition of the property is for economic development purposes.
 - (v) Relocation of public buildings or operations for economic development purposes.
 - (vi) For eligible activities on eligible property that is a qualified facility that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, the following additional activities:

- (A) Infrastructure improvements that directly benefit eligible property.
- (B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
- (C) Lead or asbestos abatement.
- (D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
- (vii) For eligible activities on eligible property that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, the following additional activities:
 - (A) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
 - (B) Lead or asbestos abatement.
- (viii) Reasonable costs of developing and preparing brownfield plans and work plans.
- (ix) For property that is not located in a qualified local governmental unit and that is a facility, functionally obsolete, or blighted, that is a former mill that has not been used for industrial purposes for the immediately preceding 2 years, that is located along a river that is a federal superfund site listed under the comprehensive environmental response, compensation, and liability act of 1980, 42 USC 9601 to 9675, and that is located in a city with a population of less than 10,000 persons, the following additional activities:
 - (A) Infrastructure improvements that directly benefit the property.
 - (B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.201.01.
 - (C) Lead or asbestos abatement.
 - (D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
- (x) For eligible activities on eligible property that is located north of the 45th parallel, that is a facility, functionally obsolete, or blighted, and the owner or operator of which makes new capital investment of \$250,000,000.00 or more in this state, the following additional activities:
 - (A) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.
 - (B) Lead or asbestos abatement.
- (xi) Reasonable costs of environmental insurance. MCLA 125.2652(m)

Except as otherwise provided in this subdivision, eligible property means property for which eligible activities are identified under a brownfield plan that was used or is currently used for commercial, industrial, public, or residential purposes, including personal property located on the property, to the extent included in the brownfield plan, and that is one or more of the following:

- (i) Is in a qualified local governmental unit and is a facility, functionally obsolete, or blighted and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property.
- (ii) Is not in a qualified local governmental unit and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property.
- (iii) Is tax reverted property owned or under the control of a land bank fast track authority.

- (iv) Is not in a qualified local governmental unit, is a qualified facility, and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(vi).
- (v) Is not in a qualified local governmental unit and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(vii).
- (vi) Is not in a qualified local governmental unit and is a facility, functionally obsolete, or blighted, if the eligible activities on the property are limited to the eligible activities identified in subdivision (m)(ix).
- (vii) Is located north of the 45th parallel, is a facility, functionally obsolete, or blighted, and the owner or operator makes new capital investment of \$250,000,000.00 or more in this state. Eligible property does not include qualified agricultural property exempt under section 7ee of the general property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211. MCLA 125.2652(n)

Environmental insurance means liability insurance for environmental contamination and cleanup that is not otherwise required by the state or federal law. MCLA 125.2652(o)

Facility means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL324.20101. MCLA 125.2652(p)

Fiscal year means that fiscal year of the authority. MCLA 125.2652(q)

Functionally obsolete means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property. MCLA 125.2652(r)

Governing Body means the elected body (Washtenaw County Board of Commissioners) having legislative powers of a municipality creating an authority under this act. MCLA 125.2652(s)

Infrastructure improvements means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure of improvement, owned or used by a public agency or functionally connected to similar or supporting property owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity, provided that any road, street, or bridge shall be continuously open to public access and that other property shall be located in public easements or rights-of-way and sized to accommodate reasonably foreseeable development of eligible property in adjoining areas. MCLA 125.2652(t)

Initial taxable value means the taxable value of an eligible property identified in and subject to a brownfield plan at the time the resolution adding that eligible property in the brownfield plan is adopted, as shown either by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, if provided by the brownfield plan, by the next assessment roll for which equalization will be completed following the date the resolution adding that eligible property in the brownfield plan is adopted. Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of property tax shall not be considered exempt from taxation. The state tax commission shall prescribe the method for calculating the initial taxable value of property for which a specific tax was paid in lieu of property tax. MCLA 125.2652(u)

Land bank fast track authority means an authority created under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774. MCLA 125.2652(v)

Local taxes means all taxes levied other than taxes levied for school operating purposes. MCLA 125.2652(w)

Municipality means the City of Chelsea. MCLA 125.2652(x)

Owned or under the control of means that a land bank fast track authority has 1 or more of the following:

- (i) An ownership interest in the property.
- (ii) A tax lien on the property.
- (iii) A tax deed to the property.
- (iv) A contract with this state or a political subdivision of this state to enforce a lien on the property.
- (v) A right to collect delinquent taxes, penalties, or interest on the property.
- (vi) The ability to exercise its authority over the property. MCLA 125.2652(y)

Qualified facility means a landfill facility area of 140 or more contiguous acres that is located in a city and that contains a landfill, a material recycling facility, and an asphalt plant that are no longer in operation. MCLA 125.2652(z)

Qualified local governmental unit means that term as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797. MCLA 125.2652(aa)

Qualified taxpayer means that term as defined in former sections 38d and 38g of the single business tax act, 1975 PA 228, or section 437 of the Michigan business tax act, 2007 PA 36, MCL 208.1437. MCLA 125.2652(bb)

Response activity means that term as defined in Section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101. MCLA 125.2652(cc)

Specific taxes means a tax levied under 1974 PA 198, MCL 207.551 to 207.572; the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182; the

technology park development act, 1984 PA 385, MCL 207.701 to 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786; the commercial rehabilitation act, 2005 PA 210, MCL 207.841 to 207.856; or that portion of the tax levied under the tax reverted clean title act, 2003 PA 260, MCL 211.1021 to 211.1026, that is not required to be distributed to a land bank fast track authority. MCLA 125.2652(dd)

Tax increment revenues means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to a brownfield plan and personal property located on that property. Tax increment revenues exclude ad valorem property taxes specifically levied for the payment of principal of and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit, and specific taxes attributable to those ad valorem property taxes. Tax increment revenues attributable to eligible property also exclude the amount of ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment finance authority, or local development finance authority if those taxes were captured by these other authorities on the date that eligible property became subject to a brownfield plan under this act. MCLA 125.2652(ee)

Taxable value means the value determined under Section 27a of the general property tax act, 1983 PA 206, MCL 211.27a. MCLA 125.2652(ff)

Taxes levied for school operating purposes means all of the following:

- (i) The taxes levied by a local school district for operating purposes.
- (ii) Taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.
- (iii) That portion of specific taxes attributable to taxes described under subparagraphs (i) and (ii). MCLA 125.2652(gg)

Work plan means a plan that describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual activity. MCLA 125.2652(hh)

Zone means, for an authority established before June 6, 2000, a brownfield redevelopment zone designated under this act. MCLA 125.2652(ii).

BROWNFIELD PLAN PROVISIONS

A. Description of Eligible Property (Section 13 (1)(h))

The Eligible Property (subject site) is located west of the intersection of W. Michigan Avenue and S. Washington Street and is comprised of 0.23 acres of developed land platted in the northwest quarter of Section 9, T3S, R7E, City of Ypsilanti, Washtenaw County, Michigan. The addresses for the subject site include 211 through 215 W. Michigan Avenue. The site is surrounded by commercial properties and is located in the south-central portion of the City of Ypsilanti.

The subject site is currently developed with a vacant two story (with third story loft), brick and wood frame structure that includes commercial office/store front rental space on the first floor and apartment/loft space on the second and third floors. According to Ypsilanti Assessing Department records the current property owner is listed as Maurer Management & Properties, Inc., parent company of Mack & Mack Building, LLC. Historical records indicate the building was constructed in 1850 and consists of a total floor area of 21,336 square feet (8,890 sq. ft. office/store front-first floor; 8,890 sq. ft. apartment space-second floor; and 3,556 sq. ft. of loft space-third floor). The land area of the subject site is rectangular in shape (61 ft. x 165 ft.) and covers 0.23 acres. Primary access to the subject site is gained through entry ways along W. Michigan Avenue. Parking is provided along W. Michigan Avenue as well as a small asphalt parking area located on the south side of the building. Vehicle traffic can enter the small parking/delivery area from S. Washington Street. The site is bordered to the north by W. Michigan Avenue and commercial businesses (north side of W. Michigan Avenue); to the east by TC's Speakeasy Bar & Grill; to the south by parking and residential properties; and to the west by a commercial business and the city library beyond. **Attachment A (Figures)** includes a *Site Location Map and Site Plan View* of the eligible property.

Existing infrastructures at the subject site include subsurface utilities consisting of municipal sanitary/storm sewer, water, natural gas, electric, and communications. The mains for these lines run along W. Michigan Avenue and S. Washington Street, entering the property from the north and east, respectively. The City of Ypsilanti supplies potable water and public sewer service for the property. This property is presently zoned B-3 as part of the Central Business District. The property tax identification number associated with the legal description of the subject site is **11-11-39-102-018**. A legal description for the subject site is provided in **Attachment B**.

Mack & Mack Building, LLC (the "Developer") intends to redevelop the site over the next two years. Mack & Mack Building, LLC is a construction and property management company, established in March of 2008 upon acquisition of the property at 211-215 W. Michigan Avenue. The project will include a mixed commercial/residential use development consisting of the renovation of general office/retail businesses on the first floor and apartment/loft rentals on the second and third floors. The existing structure (211-215 W. Michigan Avenue) will undergo a complete internal demolition prior to redevelopment. Following completion of renovation

activities, the Developer will lease out its commercial office/retail and residential space and manage the property.

Maurer Management & Properties, Inc. (the parent company of the Developer) is a building rehabilitation and property management company, established in 1990. Maurer Management & Properties, Inc., purchases, rehabilitates and leases building space for commercial, retail and residential use. Aside from already managing 20 properties, containing a total of 30 commercial and 70 residential units, Maurer Management & Properties, Inc., and Mack & Mack Building, LLC are committed to urban renewal, with a special interest in purchasing and restoring historic properties in Ypsilanti.

To date, Maurer Management & Properties, Inc., have already purchased and renovated three buildings along Michigan Avenue in downtown Ypsilanti. They feel that the additional purchase and rehabilitation of this fourth building will further the transformation of the city's main street corridor, help to preserve a piece of the city's unique architectural heritage and spur additional downtown redevelopment efforts.

B. Basis of Eligibility (Section 13 (1)(h) and Section 2(m))

The subject site is considered "eligible property" as defined by Act 381, Section 2 due to the following; (a) the subject site is located within the City of Ypsilanti, a qualified local governmental unit under Act 381; and (b) the subject site is determined to be functionally obsolete as defined by Act 381.

The 211-215 W. Michigan Avenue building currently stands vacant and neglected, and is in need of complete renovation to become habitable. The building is unable to adequately perform the function for which it was intended due to a substantial loss in value from deficiencies in design and changes in technology. Mack & Mack Building, LLC intends to restore the historic façade and renovate the structure's interior, creating an attractive, mixed-use development offering affordable commercial retail space and residential lofts in the very heart of Ypsilanti's historic downtown and central business district.

An affidavit (letter) signed by a Level III Assessor stating that the subject site is functionally obsolete is provided in **Attachment C**.

C. Summary of Eligible Activities and Description of Costs (Section 13 (1)(a) and 13 (1)(b))

This Plan does not anticipate the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities, instead the Developer is seeking a Michigan Business Tax (MBT) credit only. The Developer has also received an Obsolete Properties Rehabilitation Act (OPRA) tax abatement from the City of Ypsilanti and the State Tax Commission for 12 years (the Obsolete Property Rehabilitation Exemption Certificate is provided in **Attachment E**).

A summary of eligible activities include internal demolition of all existing construction materials/surfaces within the subject building, site improvements and the complete renovation and redevelopment of the site structure for occupancy as a commercial/retail and residential

mixed use development. The anticipated total capital investment is \$1.7 million and the MBT eligible investment of the above mentioned activities total \$1.57 million and should be considered as estimated costs.

It is currently anticipated construction will begin in August of 2008 and eligible activities will be completed within two (2) years. Unless otherwise agreed to in writing by the Authority, all eligible activities will be completed after execution of the *approved Brownfield Plan*, however, any long-term monitoring or operation or maintenance activities or obligations that may be required will be performed in compliance with the terms of this Plan and any documents prepared pursuant to this Plan.

Attachment D provides a Cost/Funding Breakdown (**Project Proforma**) of the project to be completed at the subject site.

D. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c)); Impact of Tax Increment Financing on Taxing Jurisdictions (Section 13(1)(g))

This Plan does not anticipate the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities. The Developer is seeking a Michigan Business Tax credit only. Tax increment revenue by the Authority will not impact the revenues of taxing jurisdictions because there is not a tax capture component related to the Plan.

E. Plan of Financing (Section 13(1)(d); Maximum Amount of Indebtedness(Section 13(1)(e))

Project costs are to be financed solely by Mack & Mack Building, LLC. No advance has been made or shall be made by the Authority or the Governing Body for the costs of eligible activities under this Plan. The Authority/Governing Body shall not incur any note or bonded indebtedness to finance the purposes of this Plan.

F. Michigan Business Tax Credit

The subject site is included in this Plan to enable “qualified taxpayers” as defined by Michigan Public Act 36 of 2007, as amended, Michigan Business Tax (MBT) Act, to avail themselves of eligibility for a credit against their Michigan Business Tax liability for “eligible investments,” incurred on the subject site after the adoption of this Plan.

The total anticipated capital investment is \$1.7 million and MBT eligible investment for this project is estimated at **\$1.57 million**. As a result of this investment, the Developer, Mack & Mack Building, LLC will be seeking a Michigan Business Tax credit. Any remaining balance of its authorized credit will be sold on the open market.

G. Duration of the Plan (Section 13(1)(f))

The duration of the Plan for eligible activities on eligible property shall not exceed 35 years following the date of the governing body resolution approving the Plan.

H. Effective Date of Inclusion in Brownfield Plan

The subject site will become a part of this Plan on the date this Plan is approved by the Governing Body (Washtenaw County Board of Commissioners).

I. Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))

The subject site has been purchased by Mack & Mack Building, LLC. There are no persons residing on the subject site and, therefore, no need for compliance with 1972 PA 227, Michigan Relocation Assistance Act.

J. Description of Proposed Use of Local Site Remediation Revolving Fund (Section 13(1)(m))

The Authority has established a Local Site Remediation Revolving Fund (LSRRF). The LSRRF will consist of all tax increment revenues authorized to be captured and deposited in the LSRRF, as specified in Section 13(5) of Act 381, under this Plan and any other plan of the Authority. It may also include funds appropriated or otherwise made available from public or private sources. Since tax increment revenue will not be authorized for capture as part of this redevelopment project, the LSRRF is not applicable.

K. Owners Obligations, Representations and Warrants

The Owner and its affiliates shall comply with all applicable laws, ordinances, executive orders, or other regulations imposed by the City of Ypsilanti or any other properly constituted governmental authority with respect to the Eligible Property and in accordance with this Plan.

L. Other Material the Authority or Governing Body considers pertinent (Section 13(1)(n))

During March of 2008, Canopus Environmental Group performed a Phase I Environmental Site Assessment for the subject site. During the course of the Phase I ESA, CEG did not identify the presence of existing Recognized Environmental Condition's (RECs) at the subject site or at adjacent properties. However, two AST's are currently present in the basement of the site structure and do not appear to contain product. Mack & Mack Building, LLC is prepared to hire a responsible party to remove the AST's and are also prepared to pay for such removal.

Mack & Mack Building, LLC represents and warrants that a Phase I Environmental Site Assessment ("ESA") has been completed for the Property by Canopus Environmental Group, Inc., on March 14, 2008. A Copy of the Phase I ESA is provided in **Attachment F**.

Brownfield plan prepared by:



Canopus Environmental Group, Inc.
Project No. C5134

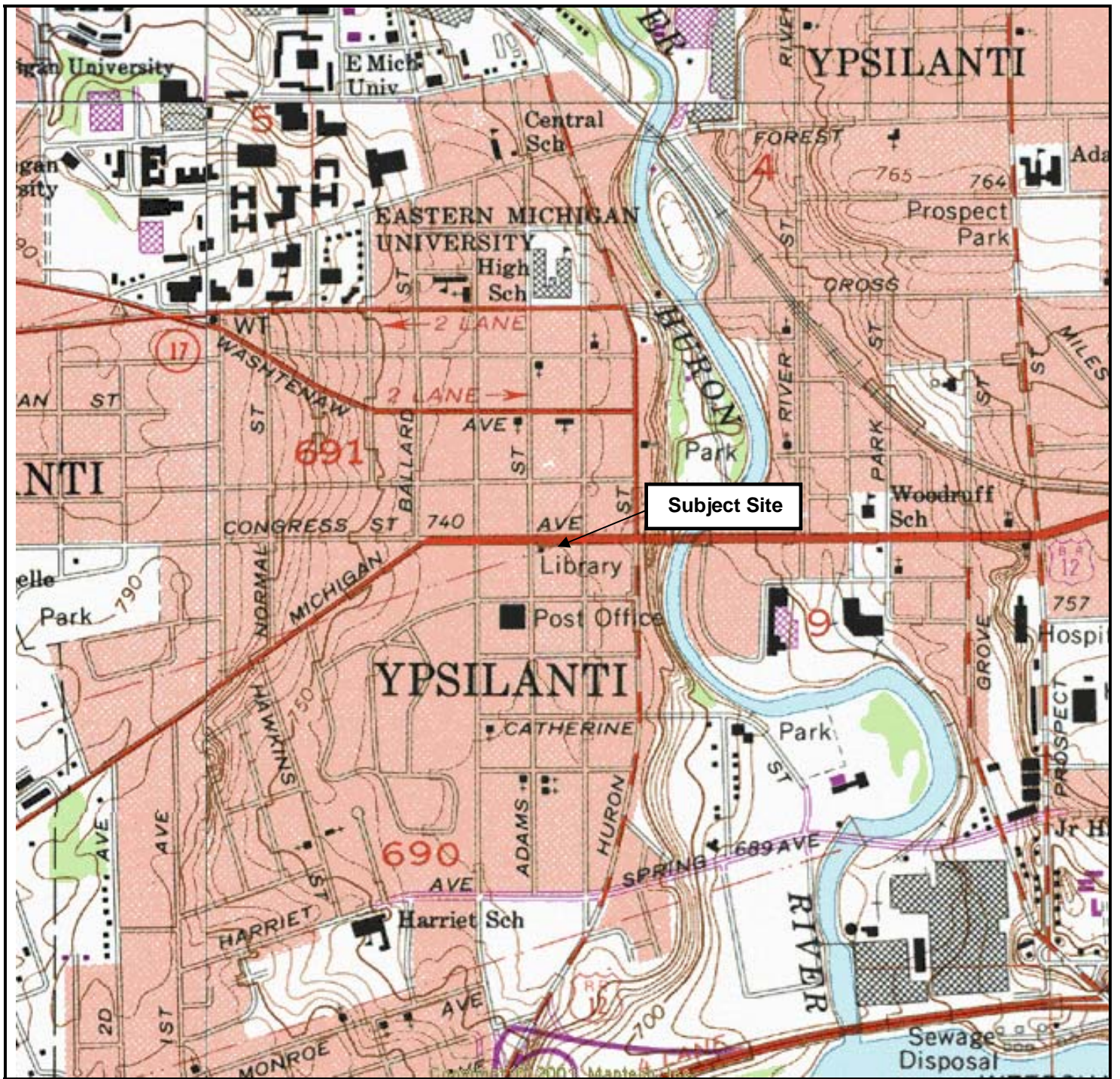
This report submitted by: _____

Louis F. Stultz
Senior Project Manager

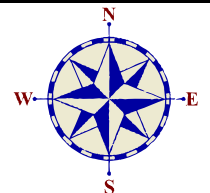
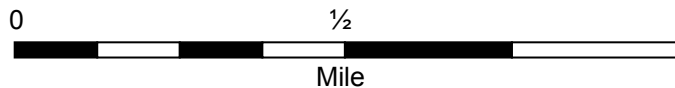
James Murray
Manager Environmental Services

ATTACHMENT A

FIGURES



Subject Site



Source: U.S.G.S. 7.5-Minute Topographic Map, Ypsilanti East, Michigan, 1967 (Photorevised 1983), 1:24,000 - Section 9, T3S, R7E



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Project #: C5134
 Date: 03/14/08
 Drafted: HCS
 Checked: LFS
 File: C5134

Figure 1 - Site Location Map

211-215 W. Michigan Avenue
 Ypsilanti, Washtenaw County, MI 48197

ATTACHMENT B
LEGAL DESCRIPTION

LEGAL DESCRIPTION

Land situated in the City of Ypsilanti, County of Washtenaw, State of Michigan, described as:

Section 9, Township 3 South, Range 7 East, City of Ypsilanti, Washtenaw County, Michigan: Assessor Request; **From 11-39-102-004, 2/07/95; **From 11-39-102-005, 2/07/95; YPC 2W-99 & 2W-105A & 2W-106 the N 41.00 ft of the W 63.00 ft of Lot 72, the W 28.80 ft of Lot 74, & the E 34.00 ft of Lot 75, Original Plat

Parcel I.D. No. 11-11-39-102-118

ATTACHMENT C

AFFIDAVIT

**City of Ypsilanti Senior Level Assessor
Statement of Functional Obsolete status**



City of Ypsilanti

Finance Department
Assessment Division

To All Parties Concerned,

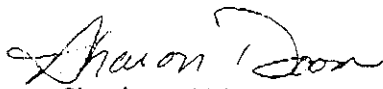
July 17, 2008

The property located at 211-215 West Michigan Ave, Ypsilanti, MI 48198 has been deemed functionally obsolete by the City of Ypsilanti.

The property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from deficiencies in design and changes in technology. The poor condition of the property is also affecting both the value of the property itself and the property's relationship with other surrounding property.

If you have any questions, please feel free to contact me. Thank you

Sharon Doom


City Assessor
Level III

ATTACHMENT D
COST/FUNDING BREAKDOWN
Project Proforma

May 8, 2008

Mack & Mack Building Sources and Uses

REVENUE SOURCES:

Private Funds	\$160,000
Eric, Karen, Walter Maurer	
Bank Loans	\$1,140,000
Citizens Bank	
Sale of MBT Brownfield tax credits	\$200,000
Sale of Federal/State tax credits	\$200,000

Total Sources:	\$1,700,000
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REVENUE USES:

Demolition and Construction of 14 Loft Apartments	\$1,361,269
Construction Manager Fee	\$33,731
Building Permits	\$5,000
1 st floor Commercial space rehabilitation	\$300,000

Total Uses:	\$1,700,000
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ATTACHMENT E

Obsolete Property Rehabilitation

Exemption Certificate



Obsolete Property Rehabilitation Exemption Certificate

Certificate No. 3-08-0006

Pursuant to the provisions of Public Act 146 of 2000, as amended, the State Tax Commission hereby issues an Obsolete Property Rehabilitation Exemption Certificate for the commercial property, owned by **Mack & Mack Building, LLC**, and located at **211-215 West Michigan Avenue, City of Ypsilanti, County of Washtenaw, Michigan**.

This certificate provides the authority for the assessor to exempt the commercial property for which this Obsolete Property Rehabilitation Exemption Certificate is in effect, but not the land on which the rehabilitated facility is located or the personal property, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Obsolete Property Rehabilitation tax.

This certificate, unless revoked as provided by Public Act 146 of 2000, as amended, shall remain in force for a period of **12 year(s)**;

Beginning December 31, 2008, and ending December 30, 2020.

The real property investment amount for this obsolete facility is **\$2,200,000**.

The taxable value of the real property related to this certificate is **\$119,203**.

The State Treasurer **has not** excluded local school operating or state education tax levied from the specific Obsolete Property Rehabilitation.

This Obsolete Property Rehabilitation Exemption Certificate is issued on **May 12, 2008**.



A handwritten signature in black ink, appearing to read "Kelli Sobel".

Kelli Sobel, Executive Secretary
State Tax Commission

A TRUE COPY
ATTEST:

A handwritten signature in black ink, appearing to read "Deborah J. Abbruzzese".
Deborah J. Abbruzzese
Michigan Department of Treasury

ATTACHMENT F

DOCUMENTS SUBMITTED TO WCBRA

Phase I Environmental Site Assessment (3/14/2007)