

**LANSING TOWNSHIP, MICHIGAN  
BROWNFIELD REDEVELOPMENT AUTHORITY  
DRAFT BROWNFIELD PLAN**

**FORMER LEASEWAY MOTORCAR TRANSPORT  
2400 W. ST. JOSEPH STREET  
LANSING TOWNSHIP, MICHIGAN**

**DRAFT BROWNFIELD PLAN  
SEPTEMBER 14, 2012**

LANSING TOWNSHIP  
BROWNFIELD REDEVELOPMENT AUTHORITY  
CONTACT: MATTHEW BRINKLEY, AICP, SENIOR PLANNER

PHONE (517) 485-4063

**PREPARED WITH THE ASSISTANCE OF:**

Triterra  
1210 N. Cedar Street, Suite A  
Lansing, Michigan 48906

Approved by the Lansing Township Brownfield Redevelopment Authority on

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Approved by Lansing Township Board of Trustees on

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## I. INTRODUCTION

### A. Plan Purpose

The Lansing Township Brownfield Redevelopment Authority (Authority; LTBRA), duly established by resolution of the Lansing Township Board of Trustees, 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 the County of Ingham, Michigan. The purpose of this Brownfield Plan (the “Plan”), to be implemented by the LTBRA, is to satisfy the requirements of Act 381 for including the eligible property described below, designated as 2400 W. St. Joseph Street, Lansing Township, Michigan (the “Property”), in the LTBRA Brownfield Plan (the “Plan”). The Property consists of three parcels of land totaling approximately 33.23 acres of land. One of the three parcels is a “facility” as defined by Part 201 of Michigan’s Natural Resources and Environmental Protection Act (P.A. 451, as amended). In accordance with Act 381, the remaining parcels included in this brownfield plan are adjacent or contiguous to the facility-designated property and are estimated to increase the captured taxable value of the facility-designated parcels. The parcels are located within the boundaries of Lansing Township, Michigan.

The Plan will allow the LTBRA to use tax increment financing to reimburse a Prospective Developer for the costs of eligible environmental activities required to redevelop this site into a business park development (“Development”). Any proposed redevelopment of the Site will only be economically viable with the support and approval of the local and state brownfield redevelopment incentives described herein.

### B. Subject Property

The Property presently consists of three parcels of land totaling approximately 33.32 acres of land. The Property is developed with an approximately 46,778-square foot light industrial building and an approximately 3,220-square foot warehouse. The three (3) parcels of land comprising the Property are located in Lansing Township, bounded to the north by Sober Road, to the east by Clare Street, to the west by a residential neighborhood abutting S. Rosemary Street, and to the south by I-496. A summary of the three parcels is presented in the table below:

<b>Eligible Properties</b>		
<b>Address</b>	<b>Tax ID</b>	<b>Basis of Eligibility</b>
2400 W. St. Joseph St.	33-21-01-18-479-003	Facility
2400 W. St. Joseph St. (vacant)	33-21-01-18-479-004	Adjacent to Facility
2907 W. St. Joseph St. (vacant)	33-21-01-19-201-006	Adjacent to Facility

The general Property location and boundaries are shown on Figures 1 and 2. The legal descriptions of the parcels are included in Table 1. The subject property includes all tangible personal property that now or in the future comes to be owned or installed on the Property.

The Property is eligible for inclusion in this Brownfield Plan in accordance with MCL 125.2652(n) because the 2400 West St. Joseph Street parcel is a “facility” as defined by Part 201 of Michigan’s Natural Resources and Environmental Protection Act (P.A. 451, as amended). The presence of contaminants at levels greater than generic residential use criteria is demonstrated by the results of a 2007 Annual Performance Monitoring Report prepared by Dragun Corporation. A summary of known environmental conditions is included in Attachment A. A layout of the historical sampling locations is shown on Figure 3.

### **C. Project Description**

The redevelopment site is located in Lansing Township. The Development project includes significant demolition of interior and exterior components of the existing 46,778-square foot light industrial building and 3,220-square foot warehouse to be leased to commercial and light industrial users. The remaining property (31 acres) will be divided into various sized lots ranging from 1 to 7 acres in size. The redevelopment of this Property will require the performance of environmental activities that are necessary for purchasing and preparing the Property for redevelopment (i.e., renovating the existing buildings).

The Development will result in the redevelopment and reuse of a vacant, deteriorating, contaminated property in Lansing Township. This Development will improve the appearance of the area, reduce potential human health and environmental impacts from site contamination to nearby neighborhoods, add over \$2,500,000 of taxable value to the Property, and generate approximately 200 new jobs for Lansing Township and Ingham County.

## **II. GENERAL DEFINITIONS AS USED IN THIS PLAN**

All words or phrases not defined herein shall have the same meaning as such words and phrases included in Act 381.

## **III. BROWNFIELD PLAN**

### **A. Description of Costs to Be Paid With Tax Increment Revenues and Summary of Eligible Activities**

The Prospective Developer will be reimbursed for the costs of eligible environmental activities necessary to prepare the Site for redevelopment. The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local and school operating tax revenues generated by the Site redevelopment and captured by the LTBRA, subject to any limitations and conditions described in this Plan, approvals of the Michigan Department of Environmental Quality (MDEQ) and Michigan Economic Growth Authority (MEGA) for school operating tax capture, and the terms of a Reimbursement Agreement between the Prospective Developer and the Authority (the

“Reimbursement Agreement”). Administrative expenses of the LTBRA will be reimbursed through capture of incremental local taxes.

The total cost of environmental activities eligible for reimbursement from tax increment revenues is projected to be \$550,000.

The eligible activities are summarized below:

**ELIGIBLE ENVIRONMENTAL ACTIVITIES**

**Environmental**

Phase I and II ESA’s, BEA and Due Care Activities.....	\$80,000
Hazardous Materials Assessment and Abatement .....	\$200,000
Renovation/Demolition.....	\$260,000
Brownfield Plan, Act 381 Work Plan, and Review Fee.....	\$10,000

**Total Estimated Costs of Environmental Eligible Activities ..... \$550,000**

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 LTBRA 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 after the date this Plan is approved by the Lansing Township Board of Trustees, to the extent the adjustments do not violate the terms of the Act 381 Work Plan and/or Amendments approved by the MDEQ or MEGA.

**B. Estimate of Captured Taxable Value and Tax Increment Revenues**

The 2012 taxable value of the Property is \$0, which is the initial taxable value for this Plan. The anticipated taxable value in 2013 will be \$250,000, based on estimates developed by the Prospective Developer. The actual taxable value will be determined by the City Assessor.

The LTBRA will capture 100% of the incremental local tax revenues generated from real and personal property to reimburse Prospective Developer for the costs of eligible activities under this Plan in accordance with the Reimbursement Agreement. The LTBRA will capture 100% of the incremental school operating tax revenues generated from real property to reimburse the costs of eligible environmental activities pursuant to work plans approved by the MDEQ and MEGA, respectively. The actual annual captured incremental taxable value and associated tax increment revenue will be

determined by the LTBRA. The actual increased taxable value of the land and all future taxable improvements on the Site may vary.

It is the intent of this Plan to provide for the proportional capture of all eligible tax increments in whatever amounts and in whatever years they become available until the eligible brownfield costs are repaid or 5 years, whichever is shorter. As long as eligible environmental activity costs do not exceed \$550,000. If the MDEQ and MEGA elect not to participate in this Project, the portion of capture related to their proportionate share will not be assumed by, made whole by, or become the responsibility of the other taxing entities without an amendment to this Plan.

**C. Method of Financing Plan Costs and Description of Advances by the Municipality**

Prospective Developer is ultimately responsible for financing the costs of eligible activities included in this Plan. However, the LTBRA may advance funds to finance the eligible activities associated with the environmental due diligence of the Property (i.e., Phase I ESA). All Plan financing commitments and activities and cost reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement. The inclusion of eligible activities and estimates of costs to be reimbursed in this Plan is intended to authorize the LTBRA to fund such reimbursements. 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.

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

**D. Maximum Amount of Note or Bonded Indebtedness**

Additional funds may be pursued through a MDEQ loan.

**E. Duration of Brownfield Plan**

The duration of this Brownfield Plan for the Site shall not exceed the shorter of the following:

- Reimbursement of all eligible costs, cumulatively not to exceed \$550,000 or
- 5 years total tax capture after the first year of tax capture under this Plan.

The date for beginning tax capture shall be 2013, unless otherwise amended by the LTBRA.

**F. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions**

Incremental local and state tax revenues generated by the Prospective Developer redevelopment project will be captured by the LTBRA until all incurred eligible brownfield redevelopment costs are reimbursed. The impact of the LTBRA incremental tax capture on local taxing authorities is presented in Table 2.

**G. Legal Description, Property Map, Property Characteristics and Personal Property**

The Property subject to this Brownfield Plan consists of three parcels of land located in Lansing Township, bounded to the north by Sober Road, to the east by Clare Street, to the west by a residential neighborhood abutting South Rosemary Street, and to the south by I-496. A summary of the three parcels is presented in the table below:

<b>Eligible Properties</b>		
<b>Address</b>	<b>Tax ID</b>	<b>Basis of Eligibility</b>
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The general Property location and boundaries are shown on Figures 1 and 2. The legal descriptions of the parcels are included in Table 1. 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 Prospective Developer.

**H. Estimates of Residents and Displacement of Families**

No occupied residences are involved in the redevelopment, no persons reside at the Site, and no families or individuals will be displaced as a result of this development. Therefore, a demographic survey and information regarding housing in the community are not applicable and are not needed for this Plan.

**I. 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.

**J. 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.

**K. 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.

**L. Description of the Proposed Use of Local Site Remediation Revolving Fund (LSRRF)**

No funds from the LTBRA LSRRF will be used to finance or reimburse eligible activities described in this Brownfield Plan. Excess tax increment revenues generated by this redevelopment will be captured by the LTBRA for funding of its LSRRF in accordance to Public Act 381 of 1996.

**M. Other Material that the Authority or Governing Body Considers Pertinent**

There is no other material that the LTBRA or governing body considers pertinent.

## **FIGURES**

**Figure 1: Property Location Map**

**Figure 2: Property Boundaries Diagram**

**Figure 3: Property Layout and Historical Sample Location Diagram**

## **TABLES**

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## **Attachment A**

### **Summary of Known Environmental Conditions**