PONTIAC CITY COUNCIL

It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."

Garland S. Doyle, M.P.A.
Interim City Clerk

STUDY SESSION

January 15, 2019
6:00 P.M.
66th Session of the 10th Council

Call to order

Roll Call

Authorization to Excuse Councilmembers

Amendments to and Approval of the Agenda

Approval of the Minutes

1. Meeting of January 8, 2019

Public Comment

Presentations

2. Friends of the Clinton River Trail
3. Presentation by Councilwoman Waterman, Main Street Pontiac, Main Street Oakland County and Genisys Credit Union regarding a grant to T. Ramsey and Associates
4. Medical Marihuana Update on Working Groups and Recent Legislation by Planning Division
5. Medical Marihuana Application Process Update by the Office of the City Clerk

Agenda Items for Consideration

Resolutions

Resolutions from January 8, 2019
Community and Economic Development

6. Resolution Requesting the Oakland County Brownfield Redevelopment Authority to Review 140 South Saginaw Street

7. Resolution Concurring with the Provisions of a Brownfield Plan Adopted by the Oakland County Brownfield Redevelopment Authority for 140 South Saginaw Street

New Resolution
Controller

8. Resolution to Approve the Budget Amendment for Fiscal Year 2018-2019 as Requested by the Mayor

Proclamation

9. Proclamation in honor of the 15th Anniversary of the Clinton River Trail

Adjournment

MINUTES

Official Proceedings
Pontiac City Council
65th Session of the Tenth Council

A Formal Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Tuesday, January 8, 2019 at 6:00 p.m. by Council President Kermit Williams.

Call to Order

Invocation

Pledge of Allegiance

Roll Call

Members Present: Miller, Pietila, Taylor-Burks, Waterman, Williams and Woodward.
Members Absent: Carter.
Mayor Waterman was present.
Clerk announced a quorum.

19-6 **Excuse Councilperson Randy Carter for personal reasons.** Moved by Councilperson Pietila and second by Councilperson Woodward.

Ayes: Miller, Pietila, Taylor-Burks, Waterman, Williams and Woodward
No: None
Motion Carried.

19-7 **Amendments to table for one week Item #4 & #5 resolutions requesting review and concurring with provisions of a Brownfield Plan adopted by Oakland County Brownfield Redevelopment Authority for 140 South Saginaw Street.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Taylor-Burks, Waterman, Williams, Woodward and Carter
No: Pietila
Motion Carried.

Councilperson Pietila proposed a motion to amend agenda and remove the presentation from Attorney Reginald Turner of Clark Hill, from the agenda. The motion was not supported.

19-8 **Approval of the Amended Agenda.** Moved by Councilperson Taylor-Burks and second by Councilperson Miller.

Ayes: Taylor-Burks, Waterman, Williams, Woodward, Miller and Pietila
No: None
Motion Carried.

19-9 **Approve minutes of January 3, 2019.** Moved by Councilperson Miller and second by Councilperson Taylor-Burks.

Ayes: Waterman, Williams, Woodward, Miller, Pietila and Taylor-Burks
No: None
Motion Carried.

Presentation from Attorney Reginald Turner from Clark Hill

Presentation from Rehmann Robson – City Audit Year ended June 30, 2018 was removed

Recognition of Elected Officials – Andy Meisner, Oakland County Treasurer on Foreclosure Tax Sale and 140 S. Saginaw Street

19-10 **Resolution to authorize Mayor to sign agreement with S.A. Torello Demolition, Inc. at a cost of $59,789.00 for Batch 13 Demolition of Homes. (CDBG funds will be used to fund the project)** Moved by Councilperson Woodward and second by Councilperson Waterman.

Whereas, the City of Pontiac advertised and received responses to a request for proposals for Home Demolition for Batch 13 on December 17, 2018 and publically opened bids; and,

Whereas, a bid tabulation was prepared and reviewed by the purchasing agent of the city, and the Project Construction Manager; and,

Whereas, the most experienced and responsible bidder is being recommended for the contract; and,

Whereas, the contract will be granted to S.A. Torello Demolition, Inc. The funding for any and all work performed under this contract will be CDBG monies,

Now, Therefore, Be It Resolved that the Pontiac City Council authorize the Mayor or Deputy Mayor to enter into a contract with: S.A. Torello Demolition, Inc. for Home Demolition for Batch 13 as budgeted.

Ayes: Williams, Woodward, Miller, Pietila, Taylor-Burks and Waterman
No: None
Resolution Passed.

19-11 **Resolution to authorize Mayor to sign agreement with MWV Environmental Services, Inc. at a cost of $5,710.00 for Batch 13 Ashestos Abatement. (CDBG fuuds will be used to fund this project.)** Moved by Councilperson Woodward and second by Councilperson Pietila.

Whereas, the City of Pontiac advertised and received responses to a request for proposals for Asbestos Abatement for Batch 13 on December 17, 2018 and publically opened bids; and,

Whereas, a bid tabulation was prepared and reviewed by the purchasing agent of the city, and the Project Construction Manager; and,

Whereas, the most experienced and responsible bidder is being recommended for the contract; and,

Whereas, the contract will be granted to MWV Environmental, Inc. The funding for any and all work performed under this contract will be CDBG monies,

Now, Therefore, Be It Resolved that the Pontiac City Council authorize the Mayor or Deputy Mayor to enter into a contract with: MWV Environmental Inc. for Asbestos Abatement for Batch 13 as budgeted.

Ayes: Woodward, Miller, Pietila, Taylor-Burks, Waterman and Williams
No: None
Resolution Passed.

Seven (7) individuals addressed the body during public comment.

Honorable Mayor Waterman, Councilwoman Patrice Waterman, Councilman Don Woodward, Councilwoman Mary Pietila, Councilwoman Doris Taylor-Burks, Councilwoman Gloria Miller and Council President Kermit Williams made closing comments. Interim City Clerk Garland Doyle had no closing comments.

Council President Kermit Williams adjourned the meeting at 7:43 p.m.

GARLAND S. DOYLE
INTERIM CITY CLERK

PRESENTATION #4

Regulated Medical Marihuana Ordinance

City Approved 90-day Moratorium
Accept Application February 12, 2019

CITY OF PONTIAC

MAYOR DEIRDRE WATERMAN

PLANNING DIVISION

Recreational Marijuana

The City Opted-Out to permit all Recreational Marijuana establishments within the City and decriminalize certain forms of Possession

What is Best for Pontiac...

A Concentrated Approach...Start Here| Work Here | Grow Here

- Select Corridors/Areas that needs new Private & Public investment.
- Spur Economic Development & Generate Revenue to pay down City Debt.
- Significant number of properties to develop/redevelop Medical Marihuana facilities with minimal impact to Residential Neighborhoods.
- Easy Access for Patients to locate Provisioning Centers with Convenient, Free Parking.
- Locate Medical Marihuana facilities in select areas within the City.
- Corridors/Areas served by utilities with sufficient capacity.
- Corridors & streets with capacity to accommodate increased traffic volumes.
- Police endorses the Approach [see attached Sheriff's letter]
  - No added cost to City since the arterials are already patrolled
  - Effective approach to patrol "Eyes on the Streets"
  - Quick access from Oakland County Government Complex and Pontiac Substation
  - Reduced response time along major arterials

Planning Commission Overlay District [MMOD] Zoning Ordinance

Establish a MMOD along portions of Cesar Chavez and Walton Boulevard.

- The City would allow approved Medical Marihuana facilities to operate within the Overlay Districts on properties zoned C-3 Corridor Commercial, M-1 Light Manufacturing, and M-2 Heavy Manufacturing and with property frontage on Walton Boulevard, Cesar Chavez and also on; Pershing, Durant, Inglewood, and Ojista Avenues within the Cesar Chavez Overlay District.

- All Medical Marihuana uses require a Special Exception Permit and Site Plan Approval.

City Council Denied this Zoning Ordinance Amendment

City Council Medical Marihuana Ordinance Amendment

Introduced by Pontiac City Council | December 18, 2018

City Council referred Amendment to Pontiac Planning Commission

City Council Medical Marihuana Ordinance Amendment

- **Cesar Chavez Medical Marihuana Overlay District [MMOD]s**
  - Commercial parcels for Provisioning Centers, Safety Compliance & Secure Transporters. Provisioning Centers require a 200 foot residential buffer measured Property Line to Property Line. Shifts a majority or all Provisioning Centers to Downtown.
  - Industrial parcels all five Medical Marihuana facilities
- **All Medical Marihuana facilities are a Permitted Use by Right...Residents & Property Owners are NOT NOTIFIED of any Medical Marihuana facility proposed in their neighborhood/area**
- **Expanded Walton Blvd to the north City Limits & Collier Road industrial parcels**
  - Commercial parcels for Provisioning Centers, Safety Compliance & Secure Transporters
  - Industrial parcels for all five Medical Marihuana facilities

City Council Medical Marihuana Ordinance Amendment cont.

- **Downtown Pontiac**
  - Downtown parcels for Provisioning Centers, Safety Compliance & Secure Transporters
  - Contentious issue divides Downtown Business Owners
  - Oakland County Sheriff – Public Safety & Security concerns with Medical Marihuana facilities in the Downtown [see attached letter]
  - Difficult for cancer patients & others in pain to access Provisioning Centers
  - Downtown Paid Parking could be a deterrent for some Medical Marihuana users
  - May not be a huge economic driver…but could be another reason to come Downtown

- **Provisioning Centers are permitted to have a drive-through within the Cesar Chavez and Walton Blvd corridors**

FAQ...What are the five Medical Marihuana Licenses?

Non Provisioning Facilities

Grower – Cultivates, dries, trims, or cures and packages marihuana for sale to a Processor or Provisioning Center.

Processor – Purchases marihuana from a Grower and extracts resin from the marihuana or creates a marihuana-infused product for sale and transfer in packaged form to a Provisioning Center.

Safety Compliance [testing] – Receives marihuana from a marihuana facility or registered primary caregiver, and tests for contaminants.

Secure Transporter – Stores and transports marihuana between marihuana facilities for a fee.

Provisioning Center [selling] – Purchases marihuana from a Grower or Processor and sells, supplies or provides marihuana to registered qualifying patients for specified medical conditions.

FAQ...Number of Medical Marihuana Licenses allowed in Pontiac?

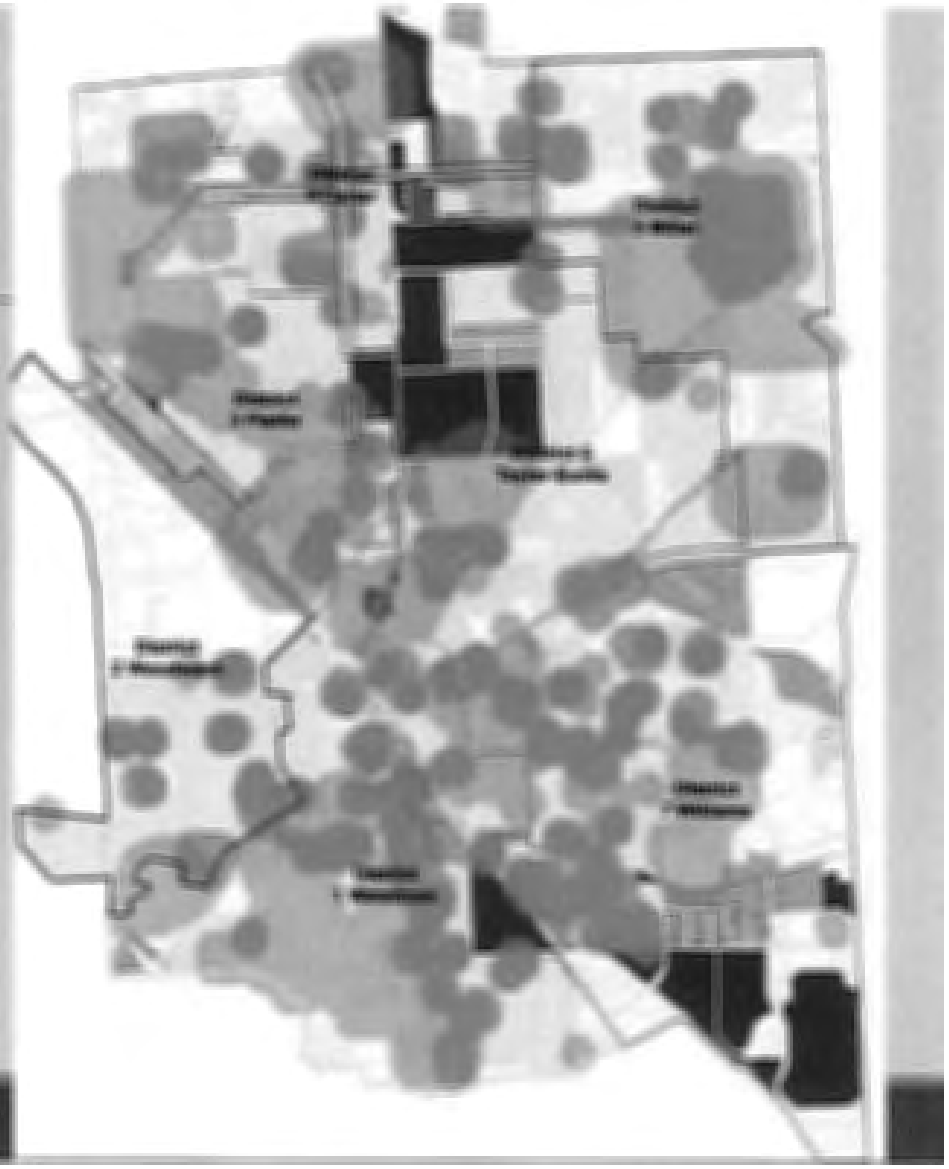
- No limit on the number of licenses issued by the City of Pontiac for Growers, Processors, Secure Transporter or Safety Compliance facilities.
- The City could issue twenty [20] Provisioning Centers licenses.

Facilities are located through zoning regulations, which control land use

Pontiac to allow these facilities in some areas, while prohibiting them in others

FAQ...Medical Marihuana Distance Requirements

- 1,000 feet+ from an operational **Public or Private School.**
- 500 feet+ from a **Commercial Childcare Center** that is licensed with MI Department of Health and Human Services.
- 500 feet+ from a **Public Park with Playground Equipment.**
- 500 feet+ from a tax exempt **Religious Institution.**



FAQs...State issues a Medical Marihuana license, does that automatically give approval from Pontiac?

NO – A state-issued license does not automatically give approval from the City of Pontic. There is a City licensing process and set of City regulations that must be met. Both a state license and Pontiac license must be obtained before a Medical Marihuana business can open in the City of Pontiac.

Does Pontiac's Medical Marihuana Ordinance include an annual renewal?

YES – The Ordinance require an annual Medical Marihuana license application. The application shall contain all the information required in the initial application.

PRESENTATION

#5

OFFICE OF THE CITY CLERK

Garland S. Doyle, Interim City Clerk
47450 Woodward Avenue
Pontiac Michigan
248-758-3200 Office 248-758-3160 Fax

TO: Honorable City Council

FR: Garland S. Doyle, M.P.A., Interim City Clerk

DA: January 11, 2019

RE: Medical Marihuana Application Process Update

Pursuant to the City of Pontiac Medical Marihuana Facilities Ordinance adopted by the voters on August 7, 2018. I am writing to inform you that the Office of the City Clerk has selected Mr. Matthew Neale, Esq., Miller, Canfield, Paddock and Stone, P.L.C. to assist the Interim City Clerk with the Medical Marihuana Facility Application Process. Section 9j of the ordinance permits the Clerk to "engage professional expert assistance in performing the clerk's duties and responsibilities under this ordinance".

Please note Miller Canfield has not been selected to serve as an attorney but as the professional expert permitted by the ordinance.

RESOLUTION

#6

MEMORANDUM

To: Honorable City Council

From: Rachel Loughrin
Economic Development Director

Through: Jane Bais-DiSessa
Deputy Mayor

Meeting: January 08, 2019

Regarding: Request for Brownfield Plan Approval and the approval of two concurring Resolutions for 140 South Saginaw Street (Former IRS Building) Parcel Number 64-14-32-235-001 a Mixed-Use Development

140 South Saginaw Partners, LLC respectfully requests the approval of a brownfield plan for the remediation and renovation of a property located at 140 South Saginaw Street, Pontiac. The property is part of the interior of the Woodward Loop and is comprised of 1.3 acres. It is a predominant architectural feature in the downtown, has been vacant for 10 years and is tax reverted, meaning, it currently does not produce any tax revenue for the City of Pontiac.

The historic record shows that the property originally consisted of multiple parcels and that the northern and eastern areas were used for gasoline and service station purposes from the mid-1920's to the 1950's. In 1972 the multiple parcels were combined and the seven-story 145,000 square foot building was constructed.

The current very poor condition of the property is an impediment to its redevelopment. The property is contaminated at concentrations exceeding the MDEQ Generic Residential Clean-up Criteria which qualifies it for 'facility' status. This means that this brownfield request for the remediation of this property falls within the requirements of the Brownfield Redevelopment Financing Act, PA 381 of 1996. Exceeding the GRCC requirements means that the site is contaminated and requires the mitigation of numerous environmental conditions such as petroleum hydrocarbon and heavy metal contamination, asbestos containing materials, lead-based paint, several types of hazardous mold, and electrical equipment that may contain polychlorinated biphenyl (PCB's).

The proposed renovations will include not only the mitigation of the environmental concerns within the building, but also those that affect the parcel itself. The building and improvements will be used to encapsulate the known existing petroleum hydrocarbon and heavy metal contamination and act as engineering controls to prevent contact with the soil, soil vapor and groundwater contamination. Appropriate environmental measures will be implemented to prevent exposure of hazardous materials to human health, safety and the environment. The developer is in the process of undertaking additional Due Care Phase II Environmental Site Assessment activities to assess soil, groundwater and vapor phase contamination as part of the redevelopment process.

The estimated amount of investment for environmental due diligence, soil mitigation and infrastructure improvements, site remediation/engineering controls, site development, building renovation, and addition of fixtures will exceed $16,047,100.00. This large amount of capital investment will be necessary to completely renovate the seven-story commercial building, provide maintenance for the adjacent parking lot, and provide continuous and on-going maintenance for the engineering controls. In addition, virtually all interior mechanical components of the building will need to be replaced.

In light of the recently approved settlement of the Ottawa Towers Phoenix Center lawsuit, the clean-up and renovation of this building will not only help add value to the area that surrounds the Phoenix Center but will also provide revenue to the city in the form of paid parking for the 400 jobs that will be created or moved into the city as an element of this mixed-use/office development.

These permeant jobs will have a typical annual salary of $62,400.00 creating a new project related payroll of $24,960,000 that will be taxed by the city at a rate of either .5 percent or 1 percent, depending on the residency status of the employee. In addition, this project will create 90 temporary construction jobs for a total project related temporary payroll of $13,384,800.00. This amount will also be taxed at the city's income tax rate as appropriate.

This brownfield request is for an estimated total of 18 years and will collect $3,064,660. Following the completion of the project, the tax revenue will increase from zero to $245,081 per year.

Of the $3,064,660 to be captured $1,412,802 will be captured from the city's portion of the taxes paid by this new development project. The rest will be captured from the other taxing jurisdictions.

The Administration recommends the approval of this request as it will rid the city of another contaminated and blighted property, will provide 400 new tax paying jobs and will help to provide parking revenue for the Phoenix Center garage. The developer will hold a workforce symposium here in Pontiac where they will discuss the positions available and help local Pontiac residents find work on their project.

Resolution Requesting the Oakland County Brownfield Redevelopment Authority to Review the 140 South Saginaw Street

WHEREAS the City of Pontiac has a Brownfield project known as 140 South Saginaw Street that it would like to have reviewed and processed by the Oakland County Brownfield Redevelopment Authority;

WHEREAS the City of Pontiac has a Brownfield Authority but desires to have the Oakland County Brownfield Redevelopment Authority handle the 140 South Saginaw Street;

WHEREAS the Oakland County Brownfield Redevelopment Authority was created by Oakland County pursuant to MCL 125.2651 et seq. to assist jurisdictions like the City of Pontiac;

WHEREAS the Oakland County Brownfield Redevelopment Authority is prepared to assist the City of Pontiac by reviewing the proposed 140 South Saginaw Street, provided that the City of Pontiac acknowledges certain rights that the Oakland County Brownfield Redevelopment Authority has, to wit:

- OCBRA intends to collect an administrative fee of $5,000.00 per year for the length of the Brownfield plan; and

WHEREAS the City of Pontiac will have the opportunity to provide public comment on any Brownfield plan (including the amount of the administrative fee to be collected) before it is finally adopted by the OCBRA and/or the Oakland County Board of Commissioners;

NOW BE IT THEREFORE RESOLVED that the City of Pontiac requests that the OCBRA undertake review of the 140 South Saginaw.

Proposed Mixed-use Office Development
Brownfield Plan

For the

Southwest Corner of W. Judson Street and S. Saginaw Street
140 S. Saginaw Street
Pontiac, Oakland County, Michigan 48342

OAKLAND COUNTY MICHIGAN

Brownfield Redevelopment Authority

Prepared for	Prepared By
140 South Saginaw Partners, LLC c/o Walbridge 777 Woodward Avenue, Suite 300 Detroit, Michigan 48226 Attn: Mr. Adorno Piccinini, Asst. V.P./Associate Broker, Real Estate Development/Asset Management T (313) 442-1298 F (313) 234-0614 M (313) 466-9117 E apiccinini@walbridge.com W www.walbridge.com	ASSOCIATED ENVIRONMENTAL SERVICES, LLC Mr. Nicholas G. Maloof, RPG President and General Counsel Associated Environmental Services, LLC 6001 North Adams Road, Suite 205 Bloomfield Hills, MI 48304 T (248) 203-9898 F (248) 647-0526 M (248) 250-2525 E ngm@associatedenvironmental.net W www.associatedenvironmental.net

Plan Preparation Date: **April 20, 2018** *(Revised on June 6, 2018 per Authority Approval on May 7, 2018)*

Approved by the Brownfield Redevelopment Authority on: May 7, 2018, Final August 21, 2018

Approved by the County Commission on: _____

Environmental Services

Land Development

Real Estate Consulting

ASSOCIATED ENVIRONMENTAL SERVICES LLC

6001 North Adams Road, Suite 205
Bloomfield Hills, Michigan 48304

June 6, 2018

Oakland County Brownfield Redevelopment Authority
2100 Pontiac Lake Road
Building 41W
Waterford, MI 48328
Attn: Mr. Brad Hansen

Associated Environmental Services, LLC Project No. 2017011601.01

RE: Proposed Mixed-use Office Development Brownfield Plan for the property located at the southwest corner of W. Judson Street and S. Saginaw Street. Commonly known as 140 S. Saginaw Street in Pontiac, Oakland County, Michigan 48342

Dear Mr. Hansen:

Pursuant to the revisions and clarifications requested by the OCBRA Board when approving this Plan on May 7, 2018, enclosed is the revised and updated Brownfield Plan for the above referenced redevelopment. ***Note that, as requested by OCBRA, this version of the Brownfield Plan: (1) does not include the Simple Interest calculation included in the original version; and (2) includes a flat $5,000.00 annual Administrative Fee.*** The property is tax reverted and have been unoccupied for an estimated ten years or more. The property has been identified as containing soil contamination exceeding the MDEQ Generic Residential Criteria (GRCC) and therefore qualifies a "facility" in accordance with Part 201 of the Natural Resources and Environmental Protection Act (NREPA), P.A. 451 of 1994, as amended. Therefore, this Brownfield Plan is based on a "facility" status determination.

As we discussed, please review the attached Brownfield Plan, Tables and Attachments and provide your feedback regarding the proposed project and capture of Tax Increment Revenue (TIR) to reimburse both the Oakland County Local Site Remediation Revolving Fund (LBRF) and 140 South Saginaw Partners, LLC for eligible activities. The Plan incorporates: (1) the estimated cost and expenses of the eligible activities; (2) the estimated value of new construction investment into the City of Pontiac; and (3) the estimated capture of Tax Increment Revenue (TIR) from the both Local and State taxing jurisdictions.

The intent of this Brownfield Plan is to present the proposed project, outline the substantial new investment in the City of Pontiac, Oakland County, Michigan and describe the eligible activities on behalf of the developer, 140 South Saginaw Partners, LLC, which has the property under contract via a Purchase Agreement with Oakland County.

Should you have any questions or comments, please contact the undersigned at (248) 203-9898.

Sincerely,
ASSOCIATED ENVIRONMENTAL SERVICES, LLC

Nicholas G. Maloof, RPG
Project Manager

NGM/bd

C:\Users\Nicholas Maloof\Google Drive\Walbridge\2017011601.01 pontiac bp\Brownfield Plan\5-17-18 Brownfield Plan Proposed Walbridge Development, 140 S. Saginaw, Pontiac MI Final 6-3-18 no interest.docx

Tel: 248-203-9898 / Fax: 248-647-0526
email: associatedenv@comcast.net
web: www.associatedenvironmental.net

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ATTACHMENTS

PROJECT SUMMARY*

Project Name: Proposed 140 S. Saginaw Street project being developed by 140 South Saginaw Partners, LLC ("Developer") c/o Walbridge LLC

Estimated Eligible Developer Reimbursable Costs: **$3,064,660.00**

Estimated Years to Complete LBRF/Developer Principal Payback: **15 Years**

Estimated Years to Complete LBRF/Developer Interest Payback: **0 Years[1]**

Estimated Years to Complete LBRF Capture: **1 Partial and 3 Full Years**

Estimated Total Years to Complete All Capture: **18 Years**

Estimated Iuvestment (Construction Costs plus Eligible Activities) by Developer: **$16,047,100.00**

Annual Tax Revenue Before Project:

Taxes – Local and School	Tax ID # 64- 14-32-235-001
Estimated 2018 Tax	$245,081
Estimated Current Tax Revenue	$0.00
Estimated Tax Revenue Increase	$245,081

Estimated Total Annual Local Tax Revenue Eligible for Capture After Project: $211,141.00 in Year 1 (the 1st year of fully completed project. See Table 3 of the TIR Tables in Appendix C for a complete breakdown between the districts)

Estimated TIR Capture for Developer Principal:	**$3,064,660.00**
Estimated Developer Interest Capture:	**$ 0.00[1]**
Estimated BRA Administrative Capture:	**$ 90,000.00**
Estimated State BRF Capture:	**$ 229,184.00**
Estimated Capture for BRA LBRF:	**$ 869,476.00**
Estimated Total TIR Capture:	**$4,253,319.00***

[1]Interest is not being supported by OCBRA or City of Pontiac

*Due to the calculation decimal point rounding operations of the TIR Tables, the totals of some estimated values may not match exactly

Project Overview

The property is located at 140 South Saginaw Street (the "Property"), which is part of the interior of the Woodward Loop thoroughfare, the area that makes up the downtown district of the City of Pontiac. The Property is comprised of one legal parcel that is approximately 1.3 acres in size and its predominant architectural feature is a tax reverted and unoccupied seven-story building formerly used for commercial purposes. The Property is a prominent feature and southern gateway into downtown Pontiac.

The proposed project being developed by 140 South Saginaw Partners, LLC (the "Developer") would completely transform the Property by mitigating known environmental issues, rehabilitating infrastructural elements, and completing renovating the seven-story commercial building into a state-of-the-art mixed-use office development (the "Project"). Once completed, the proposed Project would return one of Pontiac's key architectural assets to the tax rolls, create jobs and activate a largely vacant part of downtown Pontiac serving as a catalyst for additional development. *These goals also are supported by "Congress for New Urbanism (CNU) – Legacy Charrette "Vision for Revitalized and Transit Ready Downtown Pontiac" Published Spring 2016 ("CNU Report"), as that report specifically includes the Property in District 4, the southern gateway to downtown Pontiac.*

The proposed Project would requires mitigation of numerous environmental conditions on the Property, including: petroleum hydrocarbon and heavy metal contamination, asbestos containing materials, lead-based paint, several types of hazardous mold, and electrical equipment that may contain polychlorinated biphenyl (PCBs).

The historic record shows that the Property initially consisted of multiple parcels, and that the northern and eastern areas were used for gasoline and service station purposes from the mid-1920s through the 1950s. The scope of the environmental impact due to this past use is not clear—more investigation will be necessary to determine the full scope of impact. In 1972, the multiple parcels were combined, and the seven-story 145,000 square foot building currently on the Property was constructed. The Property has been vacant for over a decade and is currently tax reverted property owned by Oakland County.

A Phase I ESA conducted in accordance with ASTM E1527-13 and All Appropriate Inquiry (AAI) requirements was conducted by Atwell, LLC on behalf of the Developer. As prospective owner of the Property, the Developer intended to explore the possibility of redeveloping the Property for mixed-use. Atwell's Phase I ESA identified several previous environmental assessments filings with the both the applicable state (MDEQ) and federal (EPA) environmental agencies.

The MDEQ records showed two past Baseline Environmental Assessments (BEAs): Filed by LFR Levine Frank (LFR) dated November 11, 2005 and McDowell and Associates (McDowell) dated April 22, 2008. Also, the Property held an EPA RCRA Non-Generator Facility classification between 1991-2005.

Taken together, these records indicate that: (1) USTs were historically present on the Property; (2) historic uses of the Property warranted subsurface investigation (which revealed soil/groundwater contamination; further testing was recommended); and (3) the Property was a listed RCRA Facility between 1991 and 2005.

In addition, a Phase II ESA Subsurface Investigation conducted by Hillman Environmental Group dated October 6, 2004 indicates that the subsurface soil and groundwater at the Property are impacted by elevated concentrations of Volatile Organic Compounds (VOCs) and metals exceeding the MDEQ Generic Residential Cleanup Criteria (GRCC) and therefore the site qualifies as a "facility" under Part 201 of the NREPA, P.A. 451 of 1994, as amended.

Developer has undertaken, and is in the process of undertaking, Additional Due Care Phase II Environmental Site Assessment (ESA) activities to assess soil, groundwater and vapor phase contamination as part of the redevelopment process.

The Property also would qualify as "functionally obsolete[1]" as well as "blighted[2]" under the Brownfield Redevelopment Financing Act. P.A. 381 of 1996, as amended, due to the generally poor condition of the Property, aspects of the infrastructure, as well as mechanical aspects of the building itself, as stated in a Property Condition Assessment Report prepared for the Developer by Atwell, LLC under date of November 30, 2015.

The Project will serve to revitalize the City of Pontiac's downtown district by reducing vacancy in the heart of the City. The seven-story commercial building on the Property is a key architectural feature of Pontiac's downtown district and is generally one of the first images visitors see as they approach Pontiac via northbound Woodward Avenue. The project will also significantly increase the tax base of the City of Pontiac by placing a blighted and vacant piece of prime real estate back on the tax rolls, as well as providing employment opportunities for many of the local residents.

The eligible activities described in this Brownfield Plan are related to the specific activities necessary to complete the proposed re-development. The Developer is seeking reimbursement through Tax Increment Financing (TIF) for specific Brownfield activities that pose a substantial impediment to the redevelopment of the Property and the development of the Project.

The Project will involve a complete renovation of the seven-story commercial building. In addition, the building and improvements will be used to encapsulate the known existing petroleum hydrocarbon and heavy metal contamination and act as engineering controls to prevent contact with the soil, soil vapor

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[1] Under MCLA §125.2652(s) "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."

[2] Under MCLA §125.2652(c) "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 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 purposes of this act.
(vi) Is property owned by or under the control of a land bank fast track authority, 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 buried subsurface demolition debris present so that the property is unfit for its intended use.

and groundwater contamination. Appropriate environmental measures will be implemented to prevent exposure of hazardous materials to human health, safety, and the environment.

The renovation activities will be undertaken after completion of the necessary soil mitigation activities, infrastructure improvements and site preparation activities.

Estimated Amount of Investment

The Developer estimate that total investment for the environmental due diligence, soil mitigation infrastructure improvements, site remediation/engineering controls, site development, building renovation, and addition of fixtures will exceed $16,047,100.00 comprised of a minimum of $12,982,500.00 of Construction Costs plus an estimated $3,064,600.00 of Eligible Activities. This capital investment will be necessary to completely renovate the Property's seven-story commercial building, provide maintenance for the adjacent parking lot, and provide continuous and on-going maintenance for the engineering controls, as necessary.

The interior of the building is in such a state of disrepair that a total renovation will be necessary to make the Property suitable for use. According to a Property Condition Assessment prepared by Atwell, virtually all interior mechanical components of the building will need to be replaced.

Full-time Jobs

According to Developer, the proposed redevelopment will create up to an estimated 400 new Full Time Equivalent (FTE) jobs within the City of Pontiac described as follows:

Phase of Operation	Job Classification	Typical Hourly Rate	Typical Hours Worked (Weekly)	Typical Annual Salary	Number of Direct Jobs Related to Project (Average per year)	Total Annual Payroll Related to Project	Duration of Jobs Created by Project	Total Project Related Payroll (salary/wages only)
Project Completion	Office workers, building management, grounds keeping, security and other jobs	$30.00	40	$62,400.00	400	$24,960,000.00	Permanent	**$24,960,000.00**
New					**400**	**$24,960,000.00**		**$24,960,000.00**
Total Estimated Jobs and Project Payroll (Annually)					**400**	**$24,960,000.00**		**$24,960,000.00**

The proposed job creation will benefit the City of Pontiac as the current reported U3 unemployment rate for Pontiac is 8.1% as of September 2017 compared to 4.7% for Michigan overall, 5.1% for the Detroit/Dearborn/Livonia SMSA and 4.1% nationally as of January 2018.

Construction Related Jobs

According to the General Contractor for Developer, in addition to the full-time jobs created by the project, the proposed redevelopment will create up to 90 FTE construction jobs within the City of Pontiac comprised as follows:

Phase of Construction	Job Classification	Typical Hourly Rate	Typical Hours Worked (Weekly)	Typical Annual Salary	Number of Jobs Related to Project (Average per year)	Total Annualized Payroll Related to Project	Duration of Jobs in Years Created by Project (in years based on # months construction)	Total Project Related Payroll (salary/wages & benefits only)
Site Preparation & Vertical Construction	Construction Tradesmen and affiliated workers	$55.00	40	$114,400.00	90	$10,296,000.00	1.3	**$13,384,800.00**
Construction Phase Total					**90**	**$10,296,000.00**	1.3	**$13,384,800.00**

Brownfield Incentives

This Plan has been prepared to provide for Tax Increment Financing, from Local and State School Tax Capture, for reimbursement of eligible activities necessary to redevelop the Property. This Plan also incorporates collection of TIR by the Oakland County Local Remediation Revolving Fund (LBRF) after repayment to Developer for the eligible activities. The eligible activities including but not limited to Phase I ESA, Phase II ESA, BEA, 7a Due Care Plan, Additional Due Care Phase II ESA activities, remediation and engineering controls, Post-development 7a Due Care Plan, Brownfield and Act 381 Work Plan preparation and development related Hazardous Materials (Asbestos, Lead Paint, Mold, PCBs, etc.) Abatement, Demolition, Site Preparation and Infrastructure. The Developer will advance the entire cost of the eligible activities being performed on the Property under this Plan. All TIR generated by the Property through the Plan will be used to (1) reimburse Developer for all eligible activities, (2) pay up to 10% of the TIR toward BRA Management Fees and up to five (5) years of Local Brownfield Revolving Fund (LBRF) TIR Capture. Developer reserves the right to apply for additional incentives including Oakland County and MDEQ Grants & Loans, Oakland County PACE, Community Revitalization Program (CRP) grants & loans and other programs/ sources that may lessen the total TIR required to be captured.

I. INTRODUCTION AND PURPOSE

Oakland County, Michigan has established a Brownfield Redevelopment Authority pursuant to the provisions of the Brownfield Redevelopment Financing Act, M.C.L. §125.2651 *et seq.* Based upon a referral from the City of Pontiac to the Oakland County Brownfield Redevelopment Authority (hereinafter the "Authority"), this Brownfield Plan ("Plan") applies to the proposed Mixed-use Office Redevelopment Project within the boundaries of the City of Pontiac, Oakland County, Michigan (the "Project"). The proposed Project is being developed by 140 South Saginaw Partners, LLC ("Developer"), c/o Walbridge, LLC; Attn: Mr. Adorno Piccinini.

The Property is located at 140 South Saginaw Street in Pontiac, Oakland County, Michigan 48342 and is generally located west of S. Saginaw Street, north of Whittemore Street, east of Woodward Avenue, and South of W. Judson Street ("Property"). The Property is comprised of one tax parcel identified as Tax Parcel No.: 63-14-32-235-001.

Historic records show that the northern and eastern portions of the Property were used for gasoline and automotive service station purposes between the mid-1920s through the 1950s. The parcels comprising the Property were combined in 1972, at which point a seven-story commercial building was constructed. The Property has been vacant and unoccupied for over a decade as of early-2018 and is currently tax reverted and owned by Oakland County. Developer has entered into a Real Estate Purchase Agreement and a Development Agreement with Oakland County to acquire and redevelop the Property.

As part of the redevelopment process, the Developer conducted preliminary environmental due diligence activities comprised of a Phase I Environmental Site Assessment (ESA), Asbestos, Lead Based Paint and Mold Assessment and Property Condition Assessment (PCA).

Based on the results, the Property is contaminated at concentrations exceeding the MDEQ Generic Residential Cleanup Criteria (GRCC). In addition, two prior BEAs were filed with the MDEQ: McDowell and Associates (dated April 22, 2008) and LFR Levine Frank (dated November 11, 2005).

The parcel information obtained from Oakland County Records is outlined below:

Parcel Address	Parcel Number	Facility per Part 201?
140 S. Saginaw	64-14-32-235-001	Yes

Please see **Attachment A** for Legal Description information and **Attachment B** for Location Maps and Aerial Site Plan/General Concept Plans.

As the parcel qualifies as a "facility", the entire development is eligible for Tax Increment Financing (TIF) reimbursement of eligible activities as a "Brownfield" under P.A. 381 of 1996, as amended. See MCLA 125.2663(13)(1) Brownfield plan; provisions.

It is anticipated that 2018 will be the base year of the Brownfield Plan with tax increment revenue ("TIR") capture expected to commence in 2019. However, Developer reserves the right to delay capture as allowed under P.A. 381 of 1996, as amended.

The purpose of this Plan, to be implemented by the Authority, is to satisfy the requirements for a Brownfield Plan as specified in the Brownfield Redevelopment Financing Act, P.A. 381 of 1996, as amended, to authorize tax increment financing ("TIF") of eligible activities and the collection of tax increment revenue ("TIR"), and to authorize the application for Michigan Community Revitalization Program ("CRP") incentive and other available incentives for eligible properties, if available, at the option of Developer.

II. GENERAL DEFINITIONS AS USED IN THIS PLAN

All terms used in this Brownfield Plan are defined as provided in the following statutes, as appropriate:

- *The Brownfield Redevelopment Financing Act,* 1996 Mich. Pub. Acts 381, M.C.L. § 125.2651 *et seq.*, as amended.

- *The Natural Resources and Environmental Protection Act*, 1994 Mich. Pub. Acts 451, M.C.L. § 324.20101 *et seq.*, as amended.

III. DESCRIPTION OF PROJECT

The property is located at 140 South Saginaw Street (the "Property"), which is part of the interior of the Woodward Loop thoroughfare—the area that makes up the downtown district of the City of Pontiac. The Property is comprised of one legal parcel that is approximately 1.3 acres in size and its predominant architectural feature is a tax reverted and unoccupied seven-story building formerly used for commercial purposes. The Property is a prominent feature and southern gateway into downtown Pontiac.

The current very poor condition of the Property is an impediment to its redevelopment. The Property is contaminated at concentrations exceeding the MDEQ GRCC, in addition, the building interior and exterior envelope are in very poor condition with severe interior damage due to water intrusion, vandalism, the illicit removal of interior mechanical and plumbing systems, asbestos, mold and other hazardous materials, making it unusable in its current condition. Many of the building's metal fixtures have been removed illegally and haphazardly by trespassers. Incentives are necessary to equalize the costs of re-developing the Property (versus developing a Greenfield site) and "level the playing field" to make redevelopment of the Property feasible.

The proposed Project being developed by Developer includes the complete renovation of the building and building systems as well as the paved parking and landscaped areas. As part of the proposed Project, necessary remedial activities will be undertaken by Developer to install engineering controls to encapsulate the known existing petroleum hydrocarbon and heavy metal contamination and/or remove contaminated soils and groundwater to prevent contact with the soil, soil vapor and/or groundwater contamination to render the site safe for its intended use.

Facility Status of Property

Based on the Phase I ESA Report prepared by Atwell, LLC (Atwell) under date of December 4, 2015, Atwell identified the following:

- Information gathered during the site investigation and a review of aerial photographs, fire insurance maps, historical address indexes and municipal records, Atwell concluded that the subject site has been developed with the current commercial office building since 1972. Prior to 1972, the subject site was developed with multiple structures (including filling stations, automobile repair businesses, residential dwellings, and restaurants) back to at least 1888 (as depicted in the Sanborn Maps).
- Several subsurface investigations (identified below) have been completed by other consultants to address the historical filling station operations at the subject site and north adjoining property. Review of previous subsurface investigation reports and extensive ground penetrating radar (GPR) studies indicates that the historical on-site USTs were likely removed as part of site redevelopment activities.
- During the course of this Phase I ESA, Atwell was provided the opportunity to review several previous environmental reports completed for the subject site, including: (1) BEA completed by McDowell & Associates (McDowell), dated April 22, 2008; (2) BEA completed by LFR Levine Fricke (LFR), dated November 11, 2005; Phase II Subsurface Investigation report completed by Hillman Environmental Group, LLC (Hillman), dated October 6, 2004. RECs identified for the subject site by other consultants include: (1) historical gas station and automobile service/repair operations on the northern and eastern portions of the property from the 1920s through 1950s; (2) historical battery shop, auto repair shop, and paint/linoleum store on the eastern portion of the property from the 1920s through 1950s; (3) a historical UST depicted at the east adjacent property in the 1924 Sanborn Map; historical UST depicted at the east adjacent property in the 1924 Sanborn Map; and (4) elevated levels of VOCs and metals identified in soil and groundwater at concentrations exceeding applicable criteria following the completion of several subsurface investigations.
- Based on the demonstrated soil and groundwater contamination, the subject site qualifies as a "facility" as defined in Part 201 of the Natural Resources and Environmental Protection Act (NREPA), 1994.

According to the Atwell Phase I ESA, the, "...testing completed during previous subsurface investigations did not include a full list of parameters typically associated with automobile service/repair stations...at each soil boring location; thus did not adequately address historical uses of the subject site." Additional soil, groundwater and soil vapor investigative activities will be required as part of pre-development due diligence activities for the Project to determine the full extent of the contamination and determine the specific remedial measures necessary to render the site safe for its intended use.

In addition, appropriate environmental precautions will be implemented to prevent exposure of hazardous materials to human health, safety, and the environment during the renovation process.

A. Community Impact / Public Benefit

The public benefit of incentivizing the project include the revitalization of the City of Pontiac's downtown district. The proposed project involves a minimum capital investment of $16,047,100.00 including construction costs and Eligible Activities and will result in a dramatic increase to the City's tax revenue once the project is complete. In addition, a project on the scale

of the Developer's proposal will offer employment opportunities for city residents, and likely attract new residents, which would boost to the City's housing market.

The Project will serve to revitalize the City of Pontiac's downtown district by reducing vacancy in the heart of the City. The seven-story commercial building on the Property is a key architectural feature of Pontiac's downtown district and is generally one of the first images visitors see as they approach Pontiac via northbound Woodward Avenue. The project will also significantly increase the tax base of the City of Pontiac by placing a blighted and vacant piece of prime real estate back on the tax rolls, as well as providing employment opportunities for many of the local residents.

The Property is a key architectural piece of the heart City of Pontiac, as well as the gateway of the City for northbound Woodward Ave. commuters, and yet has been vacant over a decade. The Developer's proposed Project is designed to revitalize the south end of the downtown district of the City of Pontiac and contribute to the character by enhancing the community's prestige overall, in addition to the multiple tax benefits the project will yield to the City. The proposed project places a high-profile, but difficult to develop, property back on the tax rolls, which will provide benefits to local residents.

The proposed project will also contribute to a significant increase in the population density of the downtown area. This will be a key factor in both the Developer's ability to attract tenants, as well as the City's ability to attract new development. The proposed project, coupled with other redevelopment projects currently underway in downtown Pontiac, will not only provide revitalization to the individual properties, but to the downtown area as a whole.

The proposed redevelopment project will be an integral component in the overall effort to build a more vibrant and developed downtown Pontiac—a goal that every resident can get behind. In fact, the Property is referenced in the *"Congress for New Urbanism (CNU) – Legacy Charrette "Vision for Revitalized and Transit Ready Downtown Pontiac" Published Spring 2016 ("CNU Report").*

According to the CNU Report, the Property is located in the area designated as "District 4: South District" by the CNU study, which describes the area as follows:

- This District is comprised of two office towers, community buildings and vacant lots, cut-off from Downtown.
- Development Proposals included infill business and residential development, new node and improved connections to Saginaw and Transportation Center.
- The recommended development approach: Principally a private venture (private developer and private users).
- The area has the potential to be a southern gateway into Downtown.
- A mix of uses would be appropriate, including retail, offices, light industrial and some residential.

Short-term goals are described as:

- Improve pedestrian connections west to the Transportation Center and north to Saginaw;
- Facilitate easy vehicular access from Woodward Avenue into the District; and
- Create a new node at the intersection of S. Saginaw and Whittemore St.

Long-term goals are described as:

- In conjunction with the reestablishment of Saginaw and downgrading of the Woodward Loop redirect traffic through the South District; and
- Infill blocks with a mix of uses and building types, and retrofit existing buildings

The proposed Project fulfills several of these short and long term goals simultaneously by revitalizing one of the two existing office towers in the District, using a private developer with both private capital and public funding (Brownfield TIF, etc.), improving the pedestrian connections to Saginaw Street and across Woodward Avenue to the west to the existing Transportation Center and stimulating demand in the zoned Downtown District.

Estimated Amount of Investment

Developer estimates that total investment for environmental due diligence, soil mitigation infrastructure improvements, site remediation/engineering controls, site development, and building renovations will exceed $16,047,100.00. The total of $16,047,100.00 is based upon Developer' preliminary construction budget, given the projected scope of the project (not including land cost).

As projected by Developer, it is anticipated that the proposed new development will be constructed at an estimated cost that will exceed $16,047,100.00, comprised of a minimum of $12,982,500.00 of Construction Costs plus an estimated $3,064,600.00 of Eligible Activities. Allocated on a per square foot basis for the estimated 160,000 square foot building, the cost exceeds $97.62 per square foot, not including soft costs and currently unknown additional estimated environmental and site preparation costs. The estimated total investment of approximately $15,107,316.00 to re-develop the Property will result in an increase in the existing assessed and taxable values, as presented in the table below, as calculated by the millage rates provided by the Oakland County Equalization Office.

Parcel Address	Parcel Number	2018 Assessed Value[1]	2018 Taxable Value[1]	2020 Assessed Value (Developed as Anticipated)[1]	2020 Taxable Value (Developed as Anticipated)[1]
140 S. Saginaw	63-14-32-235-001	$0	$0	$12,982,500	$3,894,750
	TOTAL	**$0**	**$0**	**$12,982,500**	**$3,894,750**

[1]Values provided by the Oakland County Equalization on January 30, 2018 based on a December 31, 2018 re-valuation and are subject to further verification.

Assessed Value: The Assessed Value is determined by a property's market value. The Assessed Value represents 50% of the Market Value or True Cash Value. Set by the assessor, the Assessed Value when multiplied by two will give an approximate market value of the property. The assessor is constitutionally required to set the assessed value at 50% of the usual selling price or true cash value of the property. Assessed Value is generally the same as State Equalized Value unless an equalization factor has been applied by the county in which the property is located or the State.

State Equalized Value (SEV): SEV is the assessed value that has been adjusted following county and state equalization. The County Board of Commissioners and the Michigan State Tax Commission must review local assessments and adjust (equalize) them if they are above or below the constitutional 50% level of assessment. State Equalized Value is generally one half (1/2) of the property's True Cash Value.

True Cash Value: The fair market value or the usual selling price of property.

Taxable Value: A property's taxable value is the value used for determining the property owner's tax liability. Multiplying the Taxable Value by the local millage rate will determine your tax liability. Taxable Value increases from year to year by the rate of inflation or 5%, whichever is lower. Transfers of ownership and improvements to the property will increase the taxable value more than the rate of inflation but never more than the assessed value. Taxable value may not be the same as the property's True Cash Value, Assessed Value, or State Equalized Value, but may not be greater than the property's Assessed Value or State Equalized Value.

Note that in order to be conservative when calculating the estimated Tax Increment Revenue (TIR) payback period, AES further revised this value. The estimated 16 year Plan duration is based on the estimated investment being $12,982,500.00 and calculating a Taxable Value by taking fifty percent (50%) of the estimated investment and using a sixty percent (60%) valuation reduction factor to adjust for the Pontiac market. Based on that formula, ($12,982,500.00/2)*0.6 = $3,894,750.00 was used to calculate the real property taxes using

City of Pontiac millage rates obtained from Oakland County Equalization. Based on the estimated new Tax Increment Revenue (TIR) and the total value of Eligible Activities, fixed BRA Management Fee of $5,000.00 annually and estimated Local Brownfield Revolving Fund (LBRF) capture, 16 years are needed to fully reimburse the Developer and allow 1 partial and 3 years of LBRF capture.

Full-time Jobs

According to Developer, the proposed redevelopment will create up to an estimated 400 new Full Time Equivalent (FTE) jobs within the City of Pontiac described as follows:

Phase of Operation	Job Classification	Typical Hourly Rate	Typical Hours Worked (Weekly)	Typical Annual Salary	Number of Direct Jobs Related to Project (Average per year)	Total Annual Payroll Related to Project	Duration of Jobs Created by Project	Total Project Related Payroll (salary/wages only)
Project Completion	Office workers, building management, grounds keeping, security and other jobs	$30.00	40	$62,400.00	400	$24,960,000.00	Permanent	**$24,960,000.00**
New					**400**	**$24,960,000.00**		**$24,960,000.00**
Total Estimated Jobs and Project Payroll (Annually)					**400**	**$24,960,000.00**		**$24,960,000.00**

The proposed job creation will benefit the City of Pontiac as the current reported U3 unemployment rate for Pontiac is 8.1% as of September 2017 compared to 4.7% for Michigan overall, 5.1% for the Detroit/Dearborn/Livonia SMSA and 4.1% nationally as of January 2018.

Construction Related Jobs

According to the General Contractor for Developer, in addition to the full-time jobs created by the project, the proposed redevelopment will create up to 90 FTE construction jobs within the City of Pontiac comprised as follows:

Phase of Construction	Job Classification	Typical Hourly Rate	Typical Hours Worked (Weekly)	Typical Annual Salary	Number of Jobs Related to Project (Average per year)	Total Annualized Payroll Related to Project	Duration of Jobs in Years Created by Project (in years based on # months construction)	Total Project Related Payroll (salary/wages & benefits only)
Site Preparation & Vertical Construction	Construction Tradesmen and affiliated workers	$55.00	40	$114,400.00	90	$10,296,000.00	1.3	**$13,384,800.00**
Construction Phase Total					**90**	**$10,296,000.00**	1.3	**$13,384,800.00**

IV. THE PROPERTY ADDRESSED IN THIS PLAN IS ELIGIBLE PROPERTY

The Brownfield Redevelopment Financing Act, Public Act 381 of 1996, as amended, is:

"AN ACT to authorize municipalities to create a brownfield redevelopment authority to facilitate the implementation of brownfield plans; to create brownfield redevelopment zones; to promote the revitalization, redevelopment, and reuse of certain property, including, but not limited to, tax reverted, blighted, or functionally obsolete property; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing."

M.C.L. §125.2652(p) of the Brownfield Redevelopment Financing Act defines "eligible property" to include "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 1 or more of the following:

(i) Is in a qualified local governmental unit and is a facility or a site or property as those terms are defined in part 213, historic resource, 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 or a site or property as those terms are defined in part 213, 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." M.C.L. §125.2652(o). Eligible property includes "personal property located on the property." *Id.*

(iii) Is tax reverted property owned or under the control of a land bank fast track authority.

(iv) Is a transit-oriented development or transit-oriented property.

(v) Is located in a qualified local governmental unit and contains a targeted redevelopment area.

(vi) Is undeveloped property that was eligible property in a previously approved brownfield plan abolished under section 14(8).

(vii) 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.

M.C.L. § 125.2652(r) "Facility" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

M.C.L § 324.20101(s) *"Facility" means any area, place, parcel or parcels of property, or portion of a parcel of property where a hazardous substance in excess of the concentrations that satisfy the cleanup criteria for unrestricted residential use (emphasis added)* has been released, deposited, disposed of, or otherwise comes to be located. Facility does not include any area, place, parcel or parcels of property, or portion of a parcel of property where any of the following conditions are satisfied:

(i) Response activities have been completed under this part or the comprehensive environmental response, compensation, and liability act, 42 USC 9601 to 9675, that satisfy the cleanup criteria for unrestricted residential use.

(ii) Corrective action has been completed under the resource conservation and recovery act, 42 USC 6901 to 6992k, part 111, or part 213 that satisfies the cleanup criteria for unrestricted residential use.

(iii) Site-specific criteria that have been approved by the department for application at the area, place, parcel of property, or portion of a parcel of property are met or satisfied and hazardous substances at the area, place, or property that are not addressed by site-specific criteria satisfy the cleanup criteria for unrestricted residential use.

(iv) Hazardous substances in concentrations above unrestricted residential cleanup criteria are present due only to the placement, storage, or use of beneficial use by-products or inert materials at the area, place, or property in compliance with part 115.

(v) The property has been lawfully split, subdivided, or divided from a facility and does not contain hazardous substances in excess of concentrations that satisfy the cleanup criteria for unrestricted residential use.

(vi) Natural attenuation or other natural processes have reduced concentrations of hazardous substances to levels at or below the cleanup criteria for unrestricted residential use.

M.C.L. § 125.2652(o) "Eligible activities" or "eligible activity" means 1 or more of the following:
(i) For all eligible properties, eligible activities include all of the following:
(A) Department specific activities.
(B) Relocation of public buildings or operations for economic development purposes.
(C) Reasonable costs of environmental insurance.
(D) Reasonable costs incurred to develop and prepare brownfield plans, combined brownfield plans, or work plans for the eligible property, including legal and consulting fees that are not in the ordinary course of acquiring and developing real estate.
(E) Reasonable costs of brownfield plan and work plan implementation, including, but not limited to, tracking and reporting of data and plan compliance and the reasonable costs

incurred to estimate and determine actual costs incurred, whether those costs are incurred by a municipality, authority, or private developer.

(F) Demolition of structures that is not a response activity.

(G) Lead, asbestos, or mold abatement.

(H) The repayment of principal of and interest on any obligation issued by an authority to pay the costs of eligible activities attributable to an eligible property.

(ii) For eligible properties located in a qualified local unit of government, or an economic opportunity zone, or that is a former mill, eligible activities include:

(A) The activities described in subparagraph (i).

(B) Infrastructure improvements that directly benefit eligible property.

(C) Site preparation that is not a response activity.

(iii) For eligible properties that are owned by or under the control of a land bank fast track authority, or a qualified local unit of government or authority, eligible activities include:

(A) The eligible activities described in subparagraphs (i) and (ii).

(B) Assistance to a land bank fast track authority in clearing or quieting title to, or selling or otherwise conveying, property owned by 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.

(C) Assistance to a qualified local governmental unit or authority in clearing or quieting title to, or selling or otherwise conveying, property owned by or under the control of a qualified local governmental unit or authority or the acquisition of property by a qualified local governmental unit or authority if the acquisition of the property is for economic development purposes.

(iv) For eligible activities on eligible property that is included in a transformational brownfield plan, any demolition, construction, restoration, alteration, renovation, or improvement of buildings or site improvements on eligible property, including infrastructure improvements that directly benefit eligible property.

Under MCL §125.2652(l), "Department specific activities" means baseline environmental assessments, due care activities, response activities, and other environmentally related actions that are eligible activities and are identified as a part of a brownfield plan that are in addition to the minimum due care activities required by part 201, including, but not limited to:

(i) Response activities that are more protective of the public health, safety, and welfare and the environment than required by section 20107a, 20114, or 21304c of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20107a, 324.20114, and 324.21304c.

(ii) Removal and closure of underground storage tanks pursuant to part 211 or 213.

(iii) Disposal of solid waste, as defined in part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554, from the eligible property, provided it was not generated or accumulated by the authority or the developer.

(iv) Dust control related to construction activities.

(v) Removal and disposal of lake or river sediments exceeding part 201 criteria from, at, or related to an economic development project where the upland property is either a facility or would become a facility as a result of the deposition of dredged spoils.

(vi) Industrial cleaning.

(vii) Sheeting and shoring necessary for the removal of materials exceeding part 201 criteria at projects requiring a permit pursuant to part 301, 303, or 325 of the natural resources and environmental protection act,
1994 PA 451, MCL 324.30101 to 324.30113, MCL 324.30301 to 324.30328, or MCL 324.32501 to 324.32515a.
(viii) Lead, mold, or asbestos abatement when lead, mold, or asbestos pose an imminent and significant threat to human health.

The Activities Identified In the Plan Are Eligible Activities. The eligible activities are identified in Section V(B) of this Plan.

The Property Was Used for Commercial Purposes. Based on information gathered during the site investigation, interviews with appropriate parties, review of aerial photographs, review of Sanborn maps, review of historical address listings, and review of municipal records, the subject property was developed for commercial use sometime around 1926. Historical use includes gas station/service stations on the eastern and northern parts of the parcel. There is the known use, storage and handling of petroleum products and other hazardous materials at the eastern portion of the site including fuel oil ASTs, petroleum USTs and dispenser islands, and in-ground hydraulic hoists. Previous site assessment conducted at the site confirmed subsurface contamination at concentrations greater than the MDEQ Generic Residential Cleanup Criteria (GRCC) qualifying the subject site as a "facility" as that term is defined under Part 201.

Information obtained from the historical records review shows that the Property initially consisted of multiple parcels, and that the northern and eastern areas were used for gasoline and service station purposes from the mid-1920s through the 1950s. Uses identified for the subject site include: (1) historical gas station and automobile service/repair operations on the northern and eastern portions of the property from the 1920s through 1950s; (2) historical battery shop, auto repair shop, and paint/linoleum store on the eastern portion of the property from the 1920s through 1950s; and (3) a historical UST depicted at the east adjacent property in the 1924 Sanborn Map; historical UST depicted at the east adjacent property in the 1924 Sanborn Map. In 1972, the multiple parcels were combined, and the seven-story 145,000 square foot building currently on the Property was constructed. The Property has been vacant for over a decade and is currently tax reverted property owned by Oakland County.

The Property has been deemed to qualify as a "facility" due to the presence of petroleum hydrocarbon and heavy metal contamination exceeding the MDEQ GRCC. A copy of the Phase II ESA Report is attached as **Attachment D.**

Based upon the foregoing, the Property identified by this Plan is therefore eligible under P.A. 381, as amended, for reimbursement of the planned activities.

V. BROWNFIELD PLAN REQUIREMENTS OF M.C.L. § 125.2663

M.C.L. §125.2663 requires several items to be included in a Brownfield Plan. These items are addressed below.

A. Description of Costs to Be Paid for With Tax Increment Revenues

A description of the costs of the plan intended to be paid for with the tax increment revenues..." M.C.L. § 125.2663(2)(a).

Cost Summary. The following summary lists potential costs based on initial preliminary due diligence and site investigation results. This plan seeks approval of the following activities, which include, but not limited to: (a) Phase I ESA, BEA and Due Care Plan; (b) Additional Due Care Phase II ESA activities; (c) Remediation/Soil Vapor Mitigation; (d) Asbestos, Lead and Mold Abatement; (e) Demolition; (f) Site Preparation and Infrastructure Related activities; (g) Brownfield Plan Preparation; (h) Health and Safety Plan Preparation; and (i) Response Activities. Please see Tables 1 and 2 for a detailed listing of eligible activities. All reimbursements are proposed to be obtained from tax increment revenues derived from Local and State School Taxes.

Tax increment revenues will be used to reimburse the Developer for the eligible activities generally described in (a) through (i), above, all eligible activities permitted under the Brownfield Redevelopment Financing Act. The activities would generally be implemented in a phased approach, in the following order:

a. As much as $34,800.00 may be spent conducting Baseline Environmental Assessment (BEA) activities conducting due diligence for the project (Phase I ESA, Phase II ESA Consulting, BEA, Preliminary Section 7a Due Care Plan, and other environmental due diligence activities).

b. As much as $2,800.00 may be spent preparing a Revised Section 7a Due Care Plan for the project;

c. As much as $30,000.00 may be spent preparing the Brownfield Plan, Act 381 Work Plan and Supporting Documents plus Related Consulting, and integral documents, including applications, for the project.

d. As much as $33,500.00 may be spent for completion of the Additional Due Care Phase II ESA Activities/Additional Due Care Phase II ESA Reporting Activities for the project;

e. As much as $50,000.00 may be spent for Pump & Treat of Contaminated Groundwater During Construction for the project;

f. As much as $25,000.00 may be spent for Soil Verification Sampling for the project;

g. As much as $2,500.00 may be spent for Health & Safety Plan for the project;

h. As much as $15,000.00 may be spent on Project Management activities managing the eligible activities;

i. As much as $3,000.00 may be spent for Remediation related Soil Erosion Measures for the project;

j. As much as $30,00.00 may be spent for Remediation – Greenspace Encapsulation Incremental Costs and related Engineering/Deed Restrictions/Institutional Controls for the project;

k. As much as $50,000.00 may be spent for Remediation – Encapsulation of Building and Parking Lot Areas Incremental Costs and related Engineering/Deed Restrictions/Institutional Controls for the project;

l. As much as $35,000.00 may be spent for Soil Vapor Assessment and Pilot Test activities for the project;

m. As much as $250,000.00 may be spent for Soil Vapor Barriers/Sub-slab Depressurization System and related engineering for the project;

n. As much as $5,000.00 may be spent for Due Care related Engineering Control Work Plans, Engineering Specifications and Reports;

o. As much as $15,000.00 may be spent for Hoist, Trench, and former equipment Removal Related Activities for the project;

p. As much as $25,000.00 may be spent for UST Removal and Closure Related Activities for the project;

q. As much as $12,000.00 may be spent for UST Removal and Closure Observation Related Activities for the project;

r. As much as $4,500.00 may be spent for Additional Response related Work Plans, Engineering, Specifications and Reports for the project;

s. A contingency of $88,965.00 for MDEQ eligible activities approximating 15% of estimated project costs is established to address unanticipated conditions that may be discovered during the implementation of site activities as required under P.A. 381 of 1996, as amended.

t. As much as $250,000.00 may be spent for Engineering, Design and Planning related to the HMEA, Hazardous Materials Abatement (ACM, LBP, Mold, PCBs, etc.), Air Monitoring, and Demolition activities and management;

u. As much as $10,000.00 may be spent for Bid Specs and Bid Evaluation for the project;

v. As much as $35,000.00 may be spent for Pre Demolition Hazardous Materials Environmental Assessment (HMEA) for the project;

w. As much as $15,000.00 may be spent on site security that may include fencing, security guards or other necessary measures to help prevent site access during the Hazardous Materials Abatement activities;

x. As much as $617,490.00 may be spent for Pre Demolition Asbestos, Lead and Mold (Hazardous Materials) Abatement for the project;

y. As much as $977,245.00 may be spent for Demolition of Building (Interior and Exterior including demolition and disposal, utility disconnect and removal) for the project;

z. As much as $61,000.00 may be spent for Demolition Engineering, Design and Management, Project Management, Bid Specs, Bidding and Bid Evaluation, and Health Safety Plan for the project;

aa. As much as $50,000.00 may be spent for Utility Connection and Installation for the project;

bb. As much as $5,000.00 may be spent for Geotechnical Testing & Evaluation for the project;

cc. As much as $25,000.00 may be spent for Soil Mitigation Infrastructure related activities (testing) for the project;

dd. A contingency of $306,860.00 for MEDC eligible activities approximating 15% of estimated project costs is established to address unanticipated conditions that may be discovered during the implementation of site activities as required under P.A. 381 of 1996, as amended.

ee. Certain expenses incurred before approval of the Plan may be reimbursed, at the discretion of the Authority, including BEA and other due diligence related activities. Based on conversations, emails and meetings with Mr. Brad Hansen of the Authority, pre-plan approval expenses have already been incurred. The Authority has agreed that all eligible activities incurred prior to Plan approval shall be included in the Plan and for those eligible activities to be reimbursed by the Authority.

ff. Reasonable and actual administrative and operating expenses of the Authority permitted to be reimbursed pursuant to Section 13b(7) of the Brownfield Redevelopment Financing Act or otherwise. For purposes of this Plan, the Authority has elected to collect an annual fixed Administrative Fee of Five Thousand Dollars and No Cents ($5,000.00) of the local TIR for the life of the Plan.

Activities related to Geotechnically Non-viable Soil Removal, Parking Structure, and Site Preparation (excavation, rough and finished grading, etc.) were removed from this Plan at the request of the Authority and, if such activities and costs are necessary for the Project, the Authority has requested Developer to prepare an amended Plan reflecting any such activities and costs for review and possible approval.

All activities are eligible activities necessary to render the Property safe for its intended use as a Mixed-use Office Building are intended to be "eligible activities" under the Brownfield Redevelopment Financing Act.

The estimated costs outlined in a-ff, above, may increase or decrease depending on the nature and extent of any unknown or unanticipated conditions on the Property. As long as the total costs, including being adjusted by the 15% contingency factor, have not exceeded the total estimated eligible activities amount of $3,064,660.00, the line item costs of the Eligible Activities outlined above may be adjusted between the Eligible Activities after the date this Plan is approved without the need for any additional approval from the City of Pontiac, Oakland County or the Authority, to the extent those adjustments do not violate the terms of any MDEQ or MEDC/MSF approved work plan, if any. If necessary, this Plan may also be amended to add eligible activities and their respective costs.

The actual cost of eligible activities in this Plan that will qualify for reimbursement from tax increment revenues (TIR) generated from the Property and shall be governed by the terms of the Reimbursement Agreement between the Developer and the Authority (the "Reimbursement Agreement"). No costs of eligible activities will be qualified for reimbursement except to the extent permitted by the Brownfield Plan in accordance with the terms and conditions of the Reimbursement Agreement. The Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to payment, provided that the total cost of eligible activities subject to payment or reimbursement under the Reimbursement Agreement shall not exceed the estimated costs set forth above by more than 15% without requiring an amendment to this Plan. Developer estimates that it will incur up to $712,065.00 for MDEQ eligible activities and $2,352,595.00 for MEDC/MSF eligible activities, including the 15% contingency required under the statute.

Capture of School Taxes. This Plan provides for the capture of taxes levied for school operating purposes (State Education Tax (SET) and School Operating Tax) from the Property. However, as the approval of School Tax Capture is at the discretion of the MDEQ and MEDC/MSF, all eligible activities shall be reimbursable from Local Taxes unless School Tax Capture is approved by the agency responsible for the eligible activity(ies), then reimbursement will be from a combination of both Local and School Taxes.

B. Brief Summary of the Eligible Activities

A brief summary of the eligible activities that are proposed for each eligible property..." M.C.L. § 125.2663(2)(b).

The eligible activities will include the activities identified in a-ff, above, and are generally summarized as: (a) Phase I ESA, BEA and Due Care Plan; (b) Additional Due Care Phase II ESA activities; (c) Remediation/Soil Vapor Mitigation; (d) Site Preparation and Infrastructure Related activities; (e) Brownfield Plan Preparation; (f) Health and Safety Plan Preparation; and (g) Additional Response activities. All reimbursements are proposed to be obtained from tax increment revenues derived from Local and State School Taxes

C. Estimate of Captured Taxable Value and Tax Increment Revenues

An estimate of the captured taxable value and tax increment revenues for each year of the plan from the eligible property. The plan may provide for the use of part or all of the captured taxable value, including deposits in the local brownfield revolving fund, but the portion intended to be used shall be clearly stated in the plan. The plan shall not provide either 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 jurisdictions unless the tax levy is excluded from tax increment revenues in section 2(ss), or unless the tax levy is excluded from capture under section 15. M.C.L. § 125.2663(2)(c).

See **Attachment C** for spreadsheets depicting estimated tax increment revenues for each year of the plan. Please note that these summaries are based on the renovation of one 145,000 square foot building and site improvements and the final projected value for tax purposes will depend upon the determination of the City of Pontiac and Oakland County Equalization Office.

The final site plans, engineering drawings and permits are subject to approval by the City of Pontiac. This Plan will be interpreted to incorporate any required or requested changes to the final site plan, costs and expenses, etc. without necessitating any other approval or amendment to this Plan.

The initial taxable value of the eligible property shall be based on the 2018 taxable value as base year for initial value, currently identified as follows:

Parcel Address	Parcel Number	2018 Assessed Value[1]
140 S. Saginaw	64-14-32-235-001	$0
	TOTAL	$0

[1]Values provided by the Oakland County Equalization on January 30, 2018.

D. Method of Financing and Description of Advances by the Municipality

The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality. M.C.L. § 125.2663(2)(d).

It is anticipated that the Authority will authorize the Plan to capture TIR from the project to reimburse the Developer for the actual costs of the eligible activities, as well as up to 5 years of TIR Capture for deposit into the LBRF. In addition, it is anticipated that the Authority will also collect a $5,000.00 annual fixed fee for Administrative Costs.

The Developer, Authority and LBRF will be reimbursed for the eligible costs solely from tax increment revenues from the eligible property pursuant to the terms of the Reimbursement Agreement(s) and/or Loan Agreement(s) between the Developer, LBRF and Authority. The Authority will reimburse for the actual costs only. Although allowed under M.C.L. § 125.2663(13b)(11)-(14) Brownfield plan; provisions, payment of interest is not being supported by the Authority or City of Pontiac.

The Authority's obligation to reimburse the eligible costs is subject to receipt of tax increment revenues. If there are insufficient tax increment revenues generated on the eligible property to reimburse for the cost of all of the eligible activities during the life of the Plan, the Authority shall not be obligated to reimburse the eligible costs beyond the amount of tax increment revenues which have been received. To the extent that TIR is not sufficient to pay for the eligible activities in any

given year, the balance owing the Developer will be paid from TIR collected in subsequent years until the balance is paid in full with no time limit placed on the collection and payment of eligible activities, other than the statutory maximum. Should it be necessary, the Developer, LBRF or Authority may apply to amend the Plan at a later date to include additional eligible activities or to extend the TIR collection period or to amend the collection and deposit of TIR into the Local Brownfield Revolving Fund ("LBRF") pursuant to Section 8 of the Brownfield Redevelopment Financing Act (M.C.L. § 125.2658). The approval of any such Plan amendment is at the reasonable discretion of the Authority.

E. Maximum Amount of Note or Bonded Indebtedness

The maximum amount of note or bonded indebtedness to be incurred, if any. M.C.L. § 125.2663(2)(e).

No bonded indebtedness will be incurred by the City of Pontiac, Oakland County or the Authority in connection with this project. The repayment of eligible activities will be governed by the Reimbursement Agreement by and between the Developer and the Authority.

F. Duration of Brownfield Plan

A brownfield plan shall not authorize the capture of tax increment revenue from eligible property after the year in which the total amount of tax increment revenues captured is equal to the sum of the costs permitted to be funded with tax increment revenues under this act or 30 years from the beginning date of the capture of the tax increment revenues for that eligible property, whichever occurs first, except that a brownfield plan may authorize the capture of additional local and school operating tax increment revenue from an eligible property if 1 or more of the following apply:

(a) During the time of capture described in this subsection for the purpose of paying the costs permitted under subsection (4) or section 13b(4).

(b) For not more than 5 years after the date specified in subdivision (a), for payment to the local brownfield revolving fund created under section 8. M.C.L. § 125.2663(5).

The brownfield plan shall include a proposed beginning date of capture. The beginning date of capture of tax increment revenues shall not be later than 5 years following the date of the resolution including the eligible property in the brownfield plan. The authority may amend the beginning date of capture of tax increment revenues for a particular eligible property to a date not later than 5 years following the date of the resolution including the eligible property in the brownfield plan. The authority may not amend the beginning date of capture of tax increment revenues for a particular eligible property if the authority has begun to reimburse eligible activities from the capture of tax increment revenues from that eligible property. Any tax increment revenues captured from an eligible property before the beginning date of capture of tax increment revenues for that eligible property shall revert proportionately to the respective tax bodies. If an authority amends the beginning date for capture of tax increment revenues that includes the capture of tax increment revenues for school operating purposes, then the authority shall notify the department or the Michigan strategic fund, as applicable, within 30 days after amending the beginning date. M.C.L. § 125.2663b(16).

The duration of the Plan as proposed is estimated to be eighteen (18) years, with 2019 being the proposed start of capture. This duration is based on the estimated investment being $12,982,500.00 and calculating a Taxable Value by taking fifty percent (50%) of the estimated investment and using a sixty percent (60%) valuation reduction factor to adjust for the Pontiac market. Based on that formula, ($12,982,500.00/2)*0.6 = $3,894,750.00 was used to calculate the real property taxes using City of Pontiac millage rates obtained from Oakland County Equalization. Based on the estimated new Tax Increment Revenue (TIR) and the total value of Eligible Activities, estimated BRA Management Fee of $5,000.00 annually and estimated Local Brownfield Revolving Fund (LBRF) capture, 18 years are needed to fully reimburse the Developer and allow 1 partial and 3 full years of LBRF capture. The Plan duration may exceed 18 years if necessary to fully reimburse the approved eligible activities and LBRF capture.

G. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

An estimate of the impact of the future tax revenues of all taxing jurisdictions in which the eligible property is located. M.C.L. § 125.26632)(g).

See **Attachment C** for an estimate of the impact on all relevant taxing jurisdictions.

H. Legal Description, Property Map and Personal Property

A legal description of the eligible property to which the plan applies, a map showing the location and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property, and a statement of whether personal property is included as part of the eligible property. If the project is on property that is functionally obsolete, the taxpayer shall include, with the application, an affidavit signed by a level 3 or level 4 assessor, that states that it is the assessor's expert opinion that the property is functionally obsolete and the underlying basis for that opinion. M.C.L. § 125.2663(2)(h).

A legal description of the eligible property is included in **Attachment A**. Site maps are shown in **Attachment B.**

The characteristics that qualify the property as eligible property are set forth in Section IV of this Plan.

The eligible property will include personal property to be located within the new facility.

I. Estimates of Residents and Displacement of Families

Estimates of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, the plan shall include a demographic survey of the persons to be displaced, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals. M.C.L. § 125.2663(2)(i).

There are no persons residing at the property that would be redeveloped under the Plan and there will be no families or individuals displaced as result of development under the Plan. No occupied residences are involved in the development.

J. Plan for Relocation of Displaced Persons

A plan for establishing priority for the relocation of persons displaced by implementation of the plan. M.C.L. § 125.2663(2)(j).

No persons will be displaced as a result of implementation of the Plan.

K. Provisions for Relocation Costs

Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance

with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646. M.C.L. § 125.2663(2)(k).

No persons will be displaced as result of this development, and therefore, no relocation costs will be incurred.

L. Strategy for Compliance with Michigan's Relocation Assistance Law

A strategy for compliance with 1972 PA 227, MCL 213.321 to 213.332. M.C.L. § 125.2663(2)(l).

No persons will be displaced as result of this development.

M. Description of Proposed Use of Local Site Remediation Revolving Fund

For not more than 5 years after the date specified...for payment to the local brownfield revolving fund created under section 8. M.C.L. § 125.2663(5)(b).

As discussed above, as allowed pursuant to Section 8 of the Brownfield Redevelopment Financing Act (M.C.L. § 125.2658), the Authority has elected to capture up to four (4) years of TIR for deposit into the LBRF.

N. Other Material that the Authority or Governing Body Considers Pertinent

Other material that the authority or governing body considers pertinent to the brownfield plan. M.C.L. § 125.2663(2)(m).

At this time, other than the above, there are no other materials that the Authority or governing body considers pertinent.

It is the intention of the Michigan Legislature to encourage redevelopment of Brownfields using the Michigan Community Revitalization Program ("CRP") and MDEQ Grant & Loan Program incentives for eligible properties. Both the CRP and MDEQ Grant & Loan Program can be approved as a Grant or a Loan to pay for eligible investment or part thereof. It is the specific intention of the OCBRA to authorize and support the application for a CRP and/or MDEQ Grant and/or Loan and other available incentives, including PACE, related to the Eligible Investments made by Developer as part of this Project.

Attachment A

Legal Description of the Eligible Property

Legal Description:

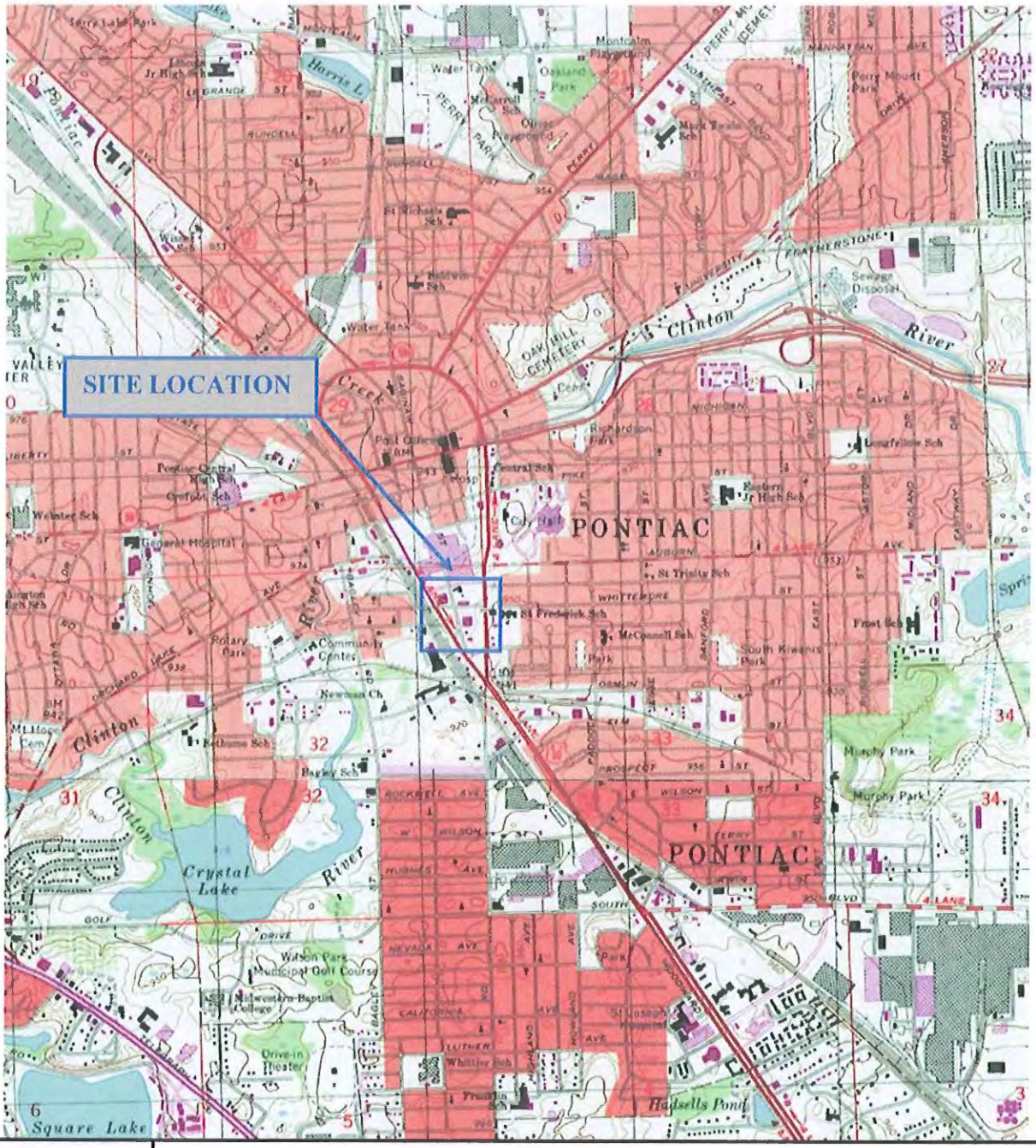
T3N, R10E, SEC 32 ASSESSOR'S PLAT NO 65 ALL THAT PART OF LOTS 9 & 10 LYING SLY OF RELOCATED JUDSON ST, ALSO LOTS 13 TO 17 INCL EXC THAT PART TAKEN FOR WIDE TRACK DR, ALSO LOTS 76, 77, 127 & 128 OF 'ASSESSOR'S PLAT NO 116' EXC THAT PART TAKEN FOR WIDE TRACK DR, ALSO VAC PART OF SAGINAW ST ADJ TO SAME, ALSO ALL OF VAC CHASE ST LYING SLY OF RELOCATED JUDSON ST & ELY OF WIDE TRACK DR

Property Address: 140 S Saginaw, Pontiac, MI 48342

Tax Parcel No.: 14-32-235-001

Attachment B

Site Maps, Photographs and Site Plan/General Concept Plan



REFERENCE
USGS 7.5 MIN TOPOGRAPHIC QUADRANGLE
PONTIAC, MICHIGAN QUADRANGLE
DATED: 1997
SCALE: 1: 24000

N

FIGURE 1: SITE LOCATION MAP

Mixed-use Commercial Building

140 South Saginaw Street
Pontiac, Oakland County, Michigan

PROJECT: 2017011601.01

DATE: 3/1/18

PREPARED BY: JAP

ASSOCIATED ENVIRONMENTAL SERVICES LLC

Environmental Services • Land Development • Real Estate Consulting

6001 North Adams Road, Suite 205
Bloomfield Hills, Michigan 48304
Tel (248) 203-9898 Fax (248) 647-0526
Email associatedenv@comcast.net
Web: www.associatedenvironmental.net

FIGURE 2: AERIAL SITE MAP

Proposed Office/Mixed-use Development

140 South Saginaw Street
Pontiac, Oakland County, Michigan

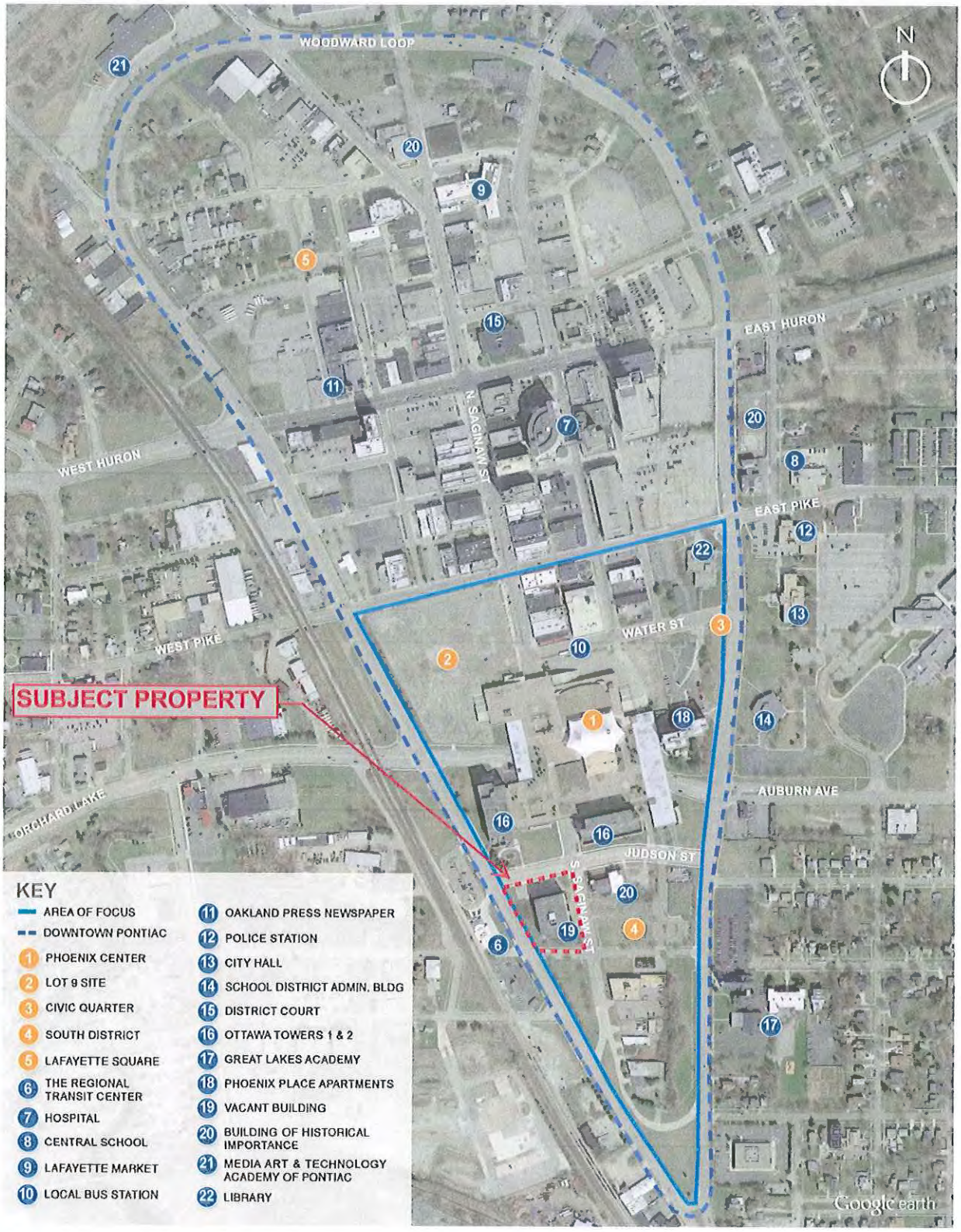
PROJECT: 2017011601.01
DATE: 3/1/18
PREPARED BY: NGM

ASSOCIATED ENVIRONMENTAL SERVICES, LLC
Environmental Services • Land Development • Real Estate Consulting

6001 North Adams Road, Suite 205
Bloomfield Hills, Michigan 48304
Tel: (248) 203-9898
Fax: (248) 647-0526
Email: associatedenv@comcast.net
www.associatedenvironmental.net

NOTES: Property is currently tax reverted and unoccupied. Mold, Asbestos and Water Damaged interior. Scrappers have damaged most building systems. Site is contaminated and qualifies as a "facility" as that term is defined in part 201 of NREPA, as amended.

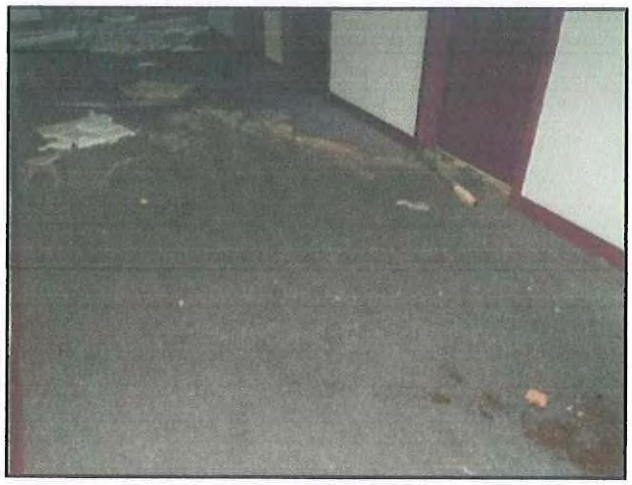
CONTEXT



Aerial Image of Existing Conditions

1 : 6th Floor - Water Damage (1)

2 : 6th Floor - Water Damage (2)



3 : 6th Floor - Water Damage (3)

4 : 7th Floor Water Damage (1)

5 : 7th Floor Water Damage (2)

6 : Basement - HVAC (1)

7 : Basement - HVAC (2)

8 : Basement - HVAC (3)

9 : Basement - HVAC (4)

10 : Basement - Block Wall Cracking (1)

11 : Basement - Electrical (1)

12 : Basement - Electrical (2)

13 : Basement - Electrical (3)

14 : Basement - Electrical (4)

15 : Basement - Electrical (5)

16 : Basement - Gas Meter (1)

17 : Basement - Gas Meter (2)

18 : Basement - Hot Water Supply (1)

19 : Basement - Hot Water Supply (2)

20 : Basement - Hot Water Supply (3)

21 : Basement - Life & Safety (1)

22 : Basement - Life & Safety (2)

23 : Basement - Misc (1)

24 : Basement - Misc (2)

25 : Basement - Misc (3)

26 : Basement - Misc (4)

27 : Basement - Misc (5)

28 : Basement - Water Supply (1)

29 : Basement - Water Supply (2)

30 : Basement - Water Supply (3)

31 : Basement Access Well (1)

32 : Building Entrance - East (1)

33 : Building Entrance - East (2)

34 : Building Entrance - North (1)

35 : Building Entrance - North (2)

36 : Building Facade (1)

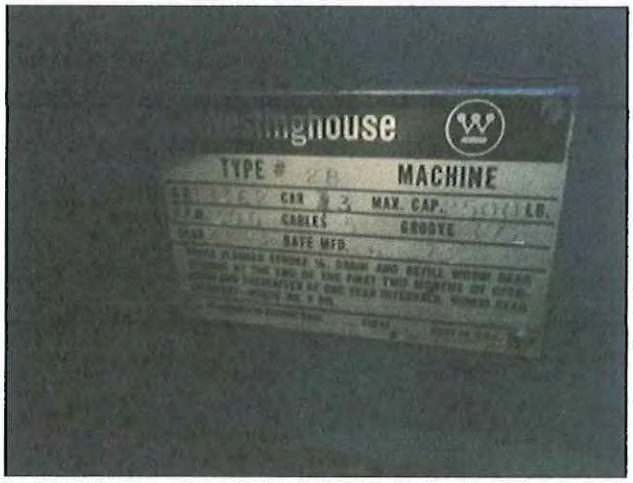
37 : Building Facade (2)

38 : Canopy Water Damage (1)

39 : Canopy Water Damage (2)

40 : Elevator Equipment (2)

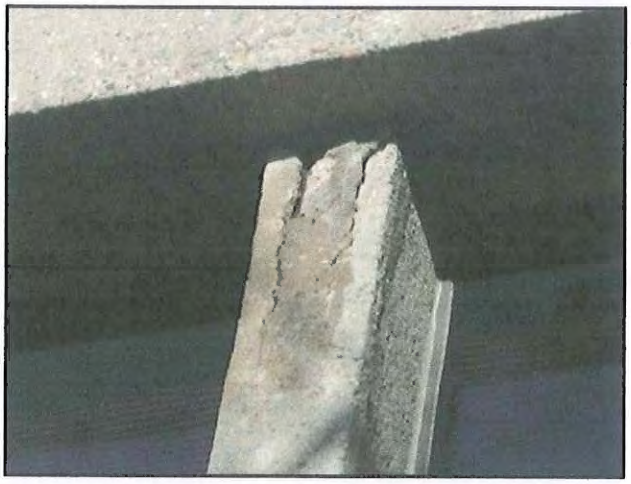
41 : Elevator Equipment (3)



42 : Elevator Equipment (1)

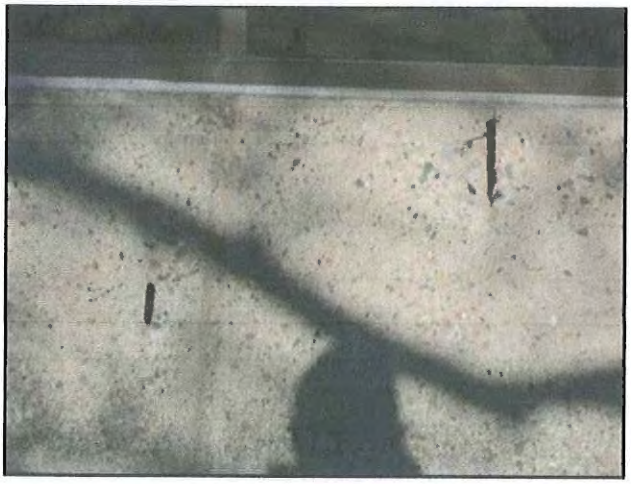
43 : Exterior Cracking & Patching (1)

44 : Exterior Cracking & Patching (2)

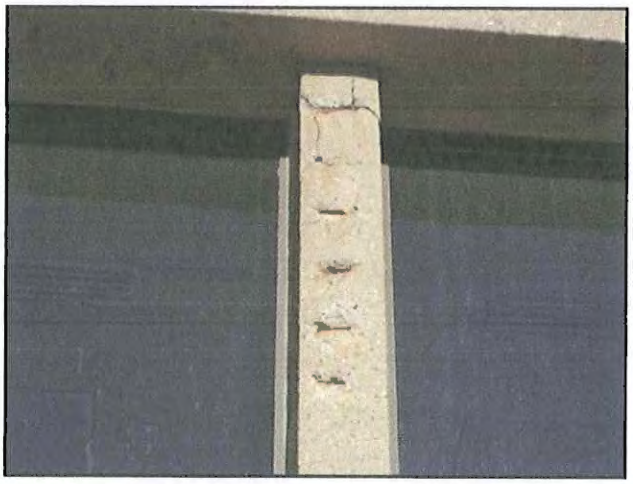


45 : Exterior Cracking & Patching (3)

46 : Exterior Exposed Rebar (1)



47 : Exterior Exposed Rebar (2)



48 : Exterior Exposed Rebar (3)

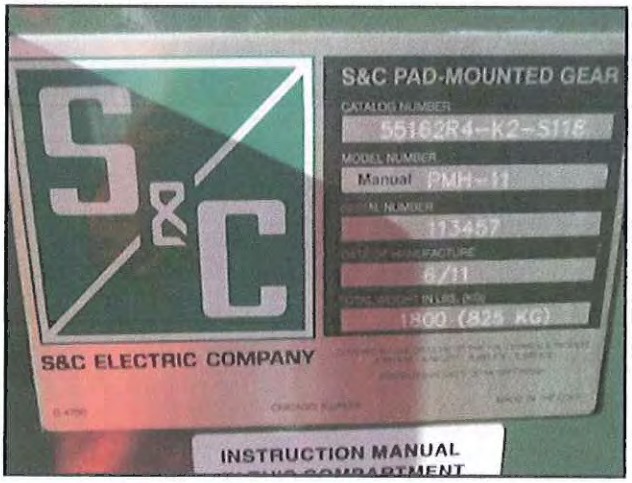
49 : Exterior Exposed Rebar (4)

50 : Exterior Signage (1)

51 : Exterior Signage (2)

52 : Exterior Signage (3)

53 : Exterior Utilities - Electrical (1)



54 : Exterior Utilities - Electrical (2)

55 : Exterior Utilities (1)

56 : Exterior Utilities (2)

57 : Flatwork - Misc

58 : Flatwork - Ramps - ADA Issues (1)

59 : Flatwork - Ramps - ADA Issues (2)

60 : Flatwork - Ramps - ADA Issues (3)

61 : Flatwork - Ramps - ADA Issues (4)

62 : Flatwork - Ramps - ADA Issues (5)

63 : Flatwork - Sidewalks (1)

64 : Flatwork - Sidewalks (2)

65 : Flatwork - Sidewalks (3)

66 : Flatwork - Sidewalks (4)

67 : Flatwork - Sidewalks (5)

68 : Interior - Electrical (1)

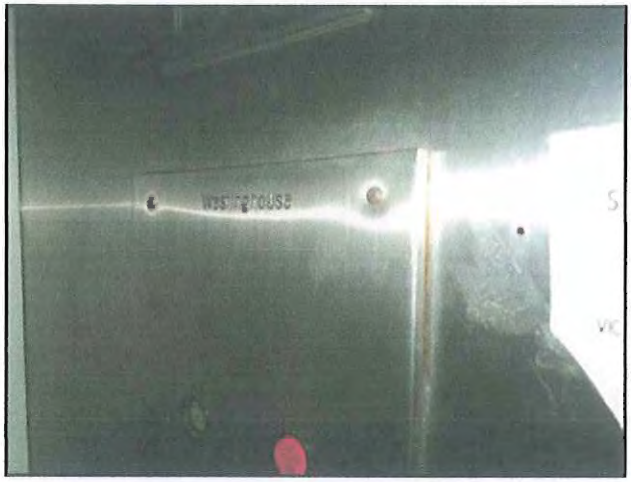
69 : Interior - Electrical (2)

70 : Interior - Electrical (3)

71 : Interior - Elevators (1)

72 : Interior - Elevators (2)

73 : Interior - Elevators (4)



74 : Interior - Elevators (5)

75 : Interior - Elevators (6)

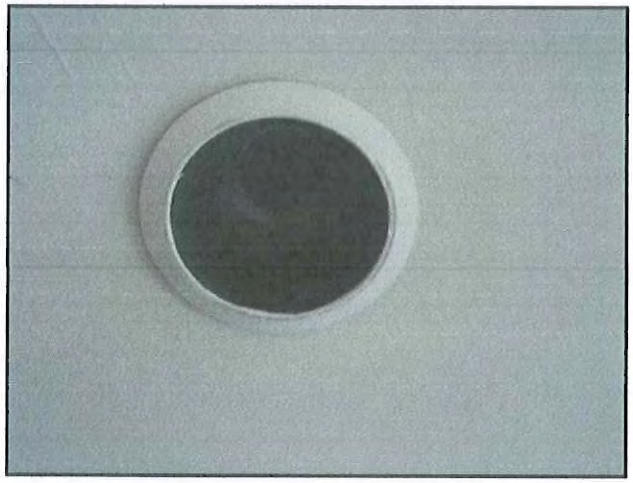
76 : Interior - Elevators (7)

77 : Interior - Elevators (3)

78 : Interior - Emergency Systems (1)

79 : Interior - Emergency Systems (2)

80 : Interior - Emergency Systems (3)



81 : Interior - Light Fixtures (1)

82 : Interior - Light Fixtures (2)

83 : Interior - Main Entrance (1)

84 : Interior - Main Entrance (2)

85 : Interior - Misc (1)

86 : Interior - Misc (2)

87 : Interior - Misc (3)

88 : Interior - Misc (4)

89 : Interior - Misc (5)

90 : Interior - Misc (6)

91 : Interior - Misc (7)

92 : Interior - Restrooms - ADA Issue (1)

93 : Interior - Restrooms - ADA Issue (2)

94 : Interior - Restrooms (3)

95 : Interior - Restrooms (4)

96 : Interior - Restrooms (5)

97 : Interior - Restrooms (6)

98 : Interior - Restrooms (7)

99 : Interior - Restrooms (8)

100 : Interior - Secondary Entrance

101 : Interior - Stairwell - ADA Issue (1)

102 : Interior - Stairwell (2)

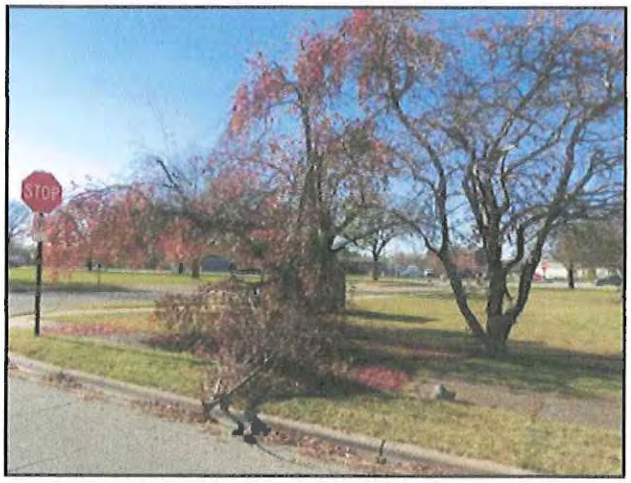
103 : Interior - Stairwell (3)

104 : Interior - Structure (1)

105 : Interior - Structure (2)

106 : Interior - Windows (1)

107 : Interior - Windows (2)



108 : Landscape - Broken Limbs

109 : Landscape - Typical

110 : Paving - Approach (1)

111 : Paving - Approach (2)

112 : Paving - Approach (3)

113 : Paving - Approach (4)

114 : Paving (1)

115 : Paving (2)

116 : Paving (3)

117 : Paving (4)

118 : Paving (5)

119 : Paving (6)

120 : Paving (7)

121 : Paving (8)

122 : Paving (9)

123 : Plexi Secured Window

124 : Roof - Damage (1)

125 : Roof - Damage (2)

126 : Roof - Drains & Vents (1)

127 : Roof - Drains & Vents (2)

128 : Roof - Drains & Vents (3)

129 : Roof - HVAC (1)

130 : Roof - HVAC (2)

131 : Roof - HVAC (3)

132 : Roof - HVAC (4)

133 : Roof - HVAC (5)

134 : Roof - Penthouse (1)

135 : Roof - Penthouse (2)

136 : Roof - Penthouse Damage (1)

137 : Roof - Penthouse Damage (2)

138 : Roof (1)

139 : Roof (2)

140 : Roof (3)

141 : Roof (4)

142 : Roof (5)

143 : Roof (6)

Attachment C

Estimated Tax Increment Revenues

(These estimates are based on the attached cost estimates to rehabilitate and redevelop a seven-story commercial building (totaling 145,000 square feet) into a state-of-the-art mixed-use office development with an estimated new investment of $16,047,160.00 or more. This also assumes that the all final City, County and State of Michigan approvals, if any, will not substantially change the project aud the project will be developed with substantially the same characteristics as contemplated by Developer.

TABLE 1 - TOTAL PROPOSED MDEQ ELIGIBLE ACTIVITY COSTS
BROWNFIELD PLAN
PROPOSED 140 S. SAGINAW STREET REDEVELOPMENT
CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN

Eligible Activity Description	Brownfield Property Cost		
DEPARTMENT SPECIFIC ACTIVITIES (MCL §125.2652(2)(l)) ELIGIBLE ACTIVITY COSTS			
Baseline Environmental Assessments (MCL §125.2652(2)(l)	**Local TIF Capture Only**	**State and Local TIF Capture**	**TOTAL**
Phase I Environmental Site Assessment	$0	$3,500	$3,500
Phase II Environmental Site Assessment	$0	$25,000	$25,000
Baseline Environmental Assessment	$0	$4,500	$4,500
7a Due Care Plan	$0	$1,800	$1,800
Due Care Activities (MCL §125.2652(2)(l) and (m))			
Section 7aCA Due Care Plan - Revisions	$0	$2,800	$2,800
Additional Due Care Phase II ESA Environmental Due Diligence Activities	$0	$30,000	$30,000
Additional Due Care Phase II ESA Environmental Due Diligence Reporting Activities	$0	$3,500	$3,500
Pump & Treatment/Disposal of Contaminated Groundwater During Construction (if necessary)	$0	$50,000	$50,000
Soil Verification Sampling (if necessary)	$0	$25,000	$25,000
Health & Safety Plan	$0	$2,500	$2,500
Project Management	$0	$15,000	$15,000
Soil Erosion Measures	$0	$3,000	$3,000
Incremental Costs for Greenspace Encapsulation (as necessary)	$0	$30,000	$30,000
Incremental Costs for Encapsulation (Engineering controls for Building and Parking)	$0	$50,000	$50,000
Soil Vapor Assessment and Pilot Test	$0	$35,000	$35,000
Soil Vapor Barrier / Sub-slab Depressurization System	$0	$250,000	$250,000
Work Plans, Engineering, Specifications and Reports	$0	$5,000	$5,000
Response Activities (MCL §125.2652(2)(l) and (oo)(i) and (ii))			
Hoist, Trench and Other former Equipment Removal Related Activities (if present)	$0	$15,000	$15,000
UST Removal and Closure (if identified during excavation)	$0	$25,000	$25,000
UST Removal Observation, Sampling and Report (if identified during excavation)	$0	$12,000	$12,000
Work Plans, Engineering, Specifications and Reports	$0	$4,500	$4,500
ENVIRONMENTAL COSTS SUBTOTAL	$0	$593,100	$593,100
TOTAL ELIGIBLE ACTIVITY COSTS PLUS CONTINGENCY AND ADMINISTRATIVE COSTS			
Contingency			
Contingency (15% of Subtotal NOT including completed BEA Activities)	$0.00	$88,965	$88,965
Brownfield Plan, Act 381 Work Plan and Related Documents **(MCL §125.2652(2)(o)(i)(D))**		$30,000	$30,000
ELIGIBLE ACTIVITY COSTS SUBTOTAL	**$0**	$712,065	$712,065
Agency Administrative Costs			
State Act 381 Work Plan Review (No longer charged by State)	$0	$0	$0
OCBRA Administrative and Operating Costs (Fixed Fee of $5,000.00 Annually)	**$90,000**	$0	$90,000
GRAND TOTAL	***$90,000***	**$712,065**	**$802,065**

TABLE 2 - TOTAL PROPOSED MSF ELIGIBLE ACTIVITY COSTS
PROPOSED 140 S. SAGINAW STREET REDEVELOPMENT
CITY OF PONTIAC, OAKLAND COUNTY, MICHIGAN

Eligible Activity Description	Brownfield Property Cost
ELIGIBLE ACTIVITIES (MCL 125.2652(2)(o)) MSF ELIGIBLE ACTIVITY COSTS	
Lead, Asbestos and Mold Abatement (MCL §125.2652(2)(o)(i)(G))	
Pre Demolition Hazardous Materials Environmental Assessment (HMEA)	$35,000
Bid Specs and Bid Evaluation (for HazMat Abatement)	$10,000
Lead, Asbestos and Mold Abatement Consulting, Management, Design and Planning, Air Monitoring	$250,000
Site Security (HazMat Abatement and Demolition)	$15,000
Pre Demolition Asbestos, Lead and Hazardous Materials Abatement	$617,490
Demolition Activities (MCL §125.2652(2)(o)(i)(F))	
Demolition Engineering, Design and Management, Bid Specs and Evaluation	$61,000
Demolition of Building (Interior and Exterior, Incl Demo & Disp, utility disconnect and removal)	$977,245
Infrastructure Improvements (MCL §125.2652(2)(o)(ii)(B))	
Utility Connection & Installation	$50,000
Parking Structure (Developer will determine the necessity, and if so, quantify cost for BP Amendment)	$0
Site Preparation (MCL §125.2652(2)(o)(ii)(C))	
Geotechnical Testing & Evaluation (Site Prep/Soil Mitigation/Non-viable Soils)	$5,000
Soil Mitigation activities	$25,000
Geotechnically Non-viable Soils Removal (Developer will identify the necessity and, if so, quantify cost for BP Amendment)	$0
Site Preparation (Exc., Grading, Utility Removal/ Re-install, etc.) (Developer will identify and, if present, quantify cost for BP Amendment)	$0
MSF ELIGIBLE ACTIVITY COSTS SUBTOTAL	*$2,045,735*
TOTAL ELIGIBLE ACTIVITY COSTS PLUS CONTINGENCY	
Contingency (15% of Subtotal)	$306,860
GRAND TOTAL	**$2,352,595**

Tax Increment Revenue Capture Estimates
140 South Saginaw Partners, LLC
140 South Saginaw Street
Pontiac, Michigan
February 23, 2018

TABLE 3

Estimated Taxable Value (TV) Increase Rate:			1% per year												
	Plan Year	**0 (Base Year)**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
	Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	*Base Taxable Value	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Estimated New TV	$ -	$ 3,894,750	$ 3,933,698	$ 3,973,034	$ 4,012,765	$ 4,052,892	$ 4,093,421	$ 4,134,356	$ 4,175,699	$ 4,217,456	$ 4,259,631	$ 4,302,227	$ 4,345,249
	Incremental Difference (New TV - Base TV)	$ -	$ 3,894,750	$ 3,933,698	$ 3,973,034	$ 4,012,765	$ 4,052,892	$ 4,093,421	$ 4,134,356	$ 4,175,699	$ 4,217,456	$ 4,259,631	$ 4,302,227	$ 4,345,249
	School Capture	**Millage Rate**													
1	State Education Tax (SET)	6.0000	$ -	$ 23,369	$ 23,602	$ 23,838	$ 24,077	$ 24,317	$ 24,561	$ 24,806	$ 25,054	$ 25,305	$ 25,558	$ 25,813	$ 26,071
2	School Operating Tax	18.0000	$ -	$ 70,106	$ 70,807	$ 71,515	$ 72,230	$ 72,952	$ 73,682	$ 74,418	$ 75,163	$ 75,914	$ 76,673	$ 77,440	$ 78,214
	School Total	**24.0000**		$ 93,474	$ 94,409	$ 95,353	$ 96,306	$ 97,269	$ 98,242	$ 99,225	$ 100,217	$ 101,219	$ 102,231	$ 103,253	$ 104,286
	Local Capture	**Millage Rate**													
3	City Operating	18.4935	$ -	$ 72,028	$ 72,748	$ 73,475	$ 74,210	$ 74,952	$ 75,702	$ 76,459	$ 77,223	$ 77,996	$ 78,775	$ 79,563	$ 80,359
4	Oakland County Transit Authority	1.0000	$ -	$ 3,895	$ 3,934	$ 3,973	$ 4,013	$ 4,053	$ 4,093	$ 4,134	$ 4,176	$ 4,217	$ 4,260	$ 4,302	$ 4,345
5	Oakland County Operating	4.0400	$ -	$ 15,735	$ 15,892	$ 16,051	$ 16,212	$ 16,374	$ 16,537	$ 16,703	$ 16,870	$ 17,039	$ 17,209	$ 17,381	$ 17,555
6	Oakland County Parks	0.2349	$ -	$ 915	$ 924	$ 933	$ 943	$ 952	$ 962	$ 971	$ 981	$ 991	$ 1,001	$ 1,011	$ 1,021
7	Huron Clinton Metropolitan Authority	0.2129	$ -	$ 829	$ 837	$ 846	$ 854	$ 863	$ 871	$ 880	$ 889	$ 898	$ 907	$ 916	$ 925
8	Oakland County ISD	3.2813	$ -	$ 12,780	$ 12,908	$ 13,037	$ 13,167	$ 13,299	$ 13,432	$ 13,566	$ 13,702	$ 13,839	$ 13,977	$ 14,117	$ 14,258
9	Sinking Fund	2.8700	$ -	$ 11,178	$ 11,290	$ 11,403	$ 11,517	$ 11,632	$ 11,748	$ 11,866	$ 11,984	$ 12,104	$ 12,225	$ 12,347	$ 12,471
10	Oakland County Community College	1.5431	$ -	$ 6,010	$ 6,070	$ 6,131	$ 6,192	$ 6,254	$ 6,317	$ 6,380	$ 6,444	$ 6,508	$ 6,573	$ 6,639	$ 6,705
	Local Total	**31.6757**		$ 123,369	$ 124,603	$ 125,849	$ 127,107	$ 128,378	$ 129,662	$ 130,959	$ 132,268	$ 133,591	$ 134,927	$ 136,276	$ 137,639
	Non-Capturable Millages	**Millage Rate**													
11	Messa Judgment	0.4000	$ -	$ 1,558	$ 1,573	$ 1,589	$ 1,605	$ 1,621	$ 1,637	$ 1,654	$ 1,670	$ 1,687	$ 1,704	$ 1,721	$ 1,738
12	Oakland County DIA	0.1945	$ -	$ 758	$ 765	$ 773	$ 780	$ 788	$ 796	$ 804	$ 812	$ 820	$ 828	$ 837	$ 845
13	Oakland County Zoo	0.0982	$ -	$ 382	$ 386	$ 390	$ 394	$ 398	$ 402	$ 406	$ 410	$ 414	$ 418	$ 422	$ 427
	Total Non-Capturable Taxes	**0.6927**		$ 2,698	$ 2,725	$ 2,752	$ 2,780	$ 2,807	$ 2,836	$ 2,864	$ 2,893	$ 2,921	$ 2,951	$ 2,980	$ 3,010
	TOTAL MILLS (Per Oakland County Equalizatio	**56.3684**													
14	**Total Tax Increment Revenue (TIR) Available for Capture**		$ 200,159	$ 202,210	$ 204,282	$ 206,375	$ 208,489	$ 210,624	$ 212,780	$ 214,958	$ 217,157	$ 219,379	$ 221,623	$ 223,889

TABLE 3

Tax Increment Revenue Capture Estimates
140 South Saginaw Partners, LLC
140 South Saginaw Street
Pontiac, Michigan
February 23, 2018

Estimated Taxable Value (TV) Increase Rate:

Plan Year	13	14	15	16	17	18	TOTAL
Calendar Year	2031	2032	2033	2034	2035	2036	
*Base Taxable Value	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Estimated New TV	$ 4,388,702	$ 4,432,589	$ 4,476,915	$ 4,521,684	$ 4,566,901	$ 4,612,570	
Incremental Difference (New TV - Base TV)	$ 4,388,702	$ 4,432,589	$ 4,476,915	$ 4,521,684	$ 4,566,901	$ 4,612,570	
School Capture	**Millage Rate**						
State Education Tax (SET)	6.0000	$ 26,332	$ 26,596	$ 26,861	$ 27,130	$ 27,401	$ 27,675	$ 458,367
School Operating Tax	18.0000	$ 78,997	$ 79,787	$ 80,584	$ 81,390	$ 82,204	$ 83,026	$ 1,375,102
School Total	**24.0000**	$ 105,329	$ 106,382	$ 107,446	$ 108,520	$ 109,606	$ 110,702	$ 1,833,469
Local Capture	**Millage Rate**						
City Operating	18.4935	$ 81,162	$ 81,974	$ 82,794	$ 83,622	$ 84,458	$ 85,303	$ 1,412,802
Oakland County Transit Authority	1.0000	$ 4,389	$ 4,433	$ 4,477	$ 4,522	$ 4,567	$ 4,613	$ 76,395
Oakland County Operating	4.0400	$ 17,730	$ 17,908	$ 18,087	$ 18,268	$ 18,450	$ 18,635	$ 308,634
Oakland County Parks	0.2349	$ 1,031	$ 1,041	$ 1,052	$ 1,062	$ 1,073	$ 1,083	$ 17,945
Huron Clinton Metropolitan Authority	0.2129	$ 934	$ 944	$ 953	$ 963	$ 972	$ 982	$ 16,264
Oakland County ISD	3.2813	$ 14,401	$ 14,545	$ 14,690	$ 14,837	$ 14,985	$ 15,135	$ 250,673
Sinking Fund	2.8700	$ 12,596	$ 12,722	$ 12,849	$ 12,977	$ 13,107	$ 13,238	$ 219,252
Oakland County Community College	1.5431	$ 6,772	$ 6,840	$ 6,908	$ 6,977	$ 7,047	$ 7,118	$ 117,884
Local Total	**31.6757**	$ 139,015	$ 140,405	$ 141,809	$ 143,228	$ 144,660	$ 146,106	$ 2,419,850
Non-Capturable Millages	**Millage Rate**						
Messa Judgment	0.4000	$ 1,755	$ 1,773	$ 1,791	$ 1,809	$ 1,827	$ 1,845	$ 30,558
Oakland County DIA	0.1945	$ 854	$ 862	$ 871	$ 879	$ 888	$ 897	$ 14,859
Oakland County Zoo	0.0982	$ 431	$ 435	$ 440	$ 444	$ 448	$ 453	$ 7,502
Total Non-Capturable Taxes	**0.6927**	$ 3,040	$ 3,070	$ 3,101	$ 3,132	$ 3,163	$ 3,195	$ 52,918
TOTAL MILLS (Per Oakland County Equalizatio	**56.3684**						
Total Tax Increment Revenue (TIR) Available for Capture		$ 226,178	$ 228,490	$ 230,825	$ 233,183	$ 235,565	$ 237,970	$ 3,934,136

Tax Increment Revenue Reimbursement Allocation Table
140 South Saginaw Partners, LLC
140 South Saginaw Street
Pontiac, Oakland County, Michigan
March 31, 2018

TABLE 4

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	40.86%	$ 1,252,295		$ 1,252,295
Local	59.14%	$ 1,812,365		$ 1,812,365
TOTAL				
MDEQ	23%	$ 712,065		$ 712,065
MSF	77%	$ 2,352,595		$ 2,352,595

Estimated Total Years of Plan: 18

Estimated Developer Capture (DEQ, MSF)	$ 3,064,660
Administrative Fees	$ 90,000
State Brownfield Redevelopment Fund	$ 229,184
Local Brownfield Revolving Fund	$ 869,476
TOTAL REIMBURSED/PAID/CAPTURED:	$ 4,253,319

	Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
25	Total State Incremental Revenue		$ 93,474	$ 94,409	$ 95,353	$ 96,306	$ 97,269	$ 98,242	$ 99,225	$ 100,217	$ 101,219	$ 102,231	$ 103,253	$ 104,286	$ 105,329	$ 106,382	$ 107,446	$ 108,520	$ 109,606
26	State Brownfield Redevelopment Fund (50% of SET)		$ 11,684	$ 11,801	$ 11,919	$ 12,038	$ 12,159	$ 12,280	$ 12,403	$ 12,527	$ 12,652	$ 12,779	$ 12,907	$ 13,036	$ 13,166	$ 13,298	$ 13,431	$ 13,565	$ 13,701
27	**State TIR Available for Reimbursement**		**$ 81,790**	**$ 82,608**	**$ 83,434**	**$ 84,268**	**$ 85,111**	**$ 85,962**	**$ 86,821**	**$ 87,690**	**$ 88,567**	**$ 89,452**	**$ 90,347**	**$ 91,250**	**$ 92,163**	**$ 93,084**	**$ 94,015**	**$ 94,955**	**$ 95,905**
28	Total Local Incremental Revenue		$ 123,369	$ 124,603	$ 125,849	$ 127,107	$ 128,378	$ 129,662	$ 130,959	$ 132,268	$ 133,591	$ 134,927	$ 136,276	$ 137,639	$ 139,015	$ 140,405	$ 141,809	$ 143,228	$ 144,660
29	BRA Administrative Fee (flat-fee)		$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
30	**Local TIR Available for Reimbursement**		**$ 118,369**	**$ 119,603**	**$ 120,849**	**$ 122,107**	**$ 123,378**	**$ 124,662**	**$ 125,959**	**$ 127,268**	**$ 128,591**	**$ 129,927**	**$ 131,276**	**$ 132,639**	**$ 134,015**	**$ 135,405**	**$ 136,809**	**$ 138,228**	**$ 139,660**
31	**Total State & Local TIR Available**		$ 200,159	$ 202,210	$ 204,282	$ 206,375	$ 208,489	$ 210,624	$ 212,780	$ 214,958	$ 217,157	$ 219,379	$ 221,623	$ 223,889	$ 226,178	$ 228,490	$ 230,825	$ 233,183	$ 235,565
	DEVELOPER	Beginning Balance																	
32	***DEVELOPER Reimbursement Balance***	*$ 3,064,660*	*$ 3,064,660*	*$ 2,864,501*	*$ 2,662,291*	*$ 2,458,009*	*$ 2,251,633*	*$ 2,043,145*	*$ 1,832,521*	*$ 1,619,741*	*$ 1,404,783*	*$ 1,187,625*	*$ 968,246*	*$ 746,623*	*$ 522,734*	*$ 296,556*	*$ 68,067*		
	NET PAYMENT TO DEVELOPER		*$ 200,159*	*$ 202,210*	*$ 204,282*	*$ 206,375*	*$ 208,489*	*$ 210,624*	*$ 212,780*	*$ 214,958*	*$ 217,157*	*$ 219,379*	*$ 221,623*	*$ 223,889*	*$ 226,178*	*$ 228,490*	*$ 68,067*		
33	MSF Non-Environmental Costs	$ 2,352,595	$ 153,652	$ 155,227	$ 156,818	$ 158,425	$ 160,047	$ 161,686	$ 163,341	$ 165,013	$ 166,702	$ 168,407	$ 170,129	$ 171,869	$ 173,626	$ 175,401	$ 52,252		
34	State Tax Reimbursement		$ 62,786	$ 63,430	$ 64,080	$ 64,736	$ 65,399	$ 66,069	$ 66,745	$ 67,428	$ 68,118	$ 68,815	$ 69,519	$ 70,230	$ 70,948	$ 71,673	$ 21,351		
35	Local Tax Reimbursement		$ 90,866	$ 91,798	$ 92,738	$ 93,688	$ 94,648	$ 95,617	$ 96,596	$ 97,585	$ 98,583	$ 99,592	$ 100,610	$ 101,639	$ 102,678	$ 103,728	$ 30,900		
36	**Total MSF Reimbursement Balance**		$ 2,198,943	$ 2,043,715	$ 1,886,897	$ 1,728,473	$ 1,568,426	$ 1,406,740	$ 1,243,399	$ 1,078,385	$ 911,684	$ 743,277	$ 573,148	$ 401,279	$ 227,652	$ 52,252	$ -		
	AVAILABLE TIR (AFTER Developer Reimbursement)																		
37	MDEQ Environmental Costs	$ 712,065	$ 46,506	$ 46,983	$ 47,464	$ 47,951	$ 48,442	$ 48,938	$ 49,439	$ 49,945	$ 50,456	$ 50,972	$ 51,493	$ 52,020	$ 52,552	$ 53,089	$ 15,815		
38	State Tax Reimbursement		$ 19,004	$ 19,198	$ 19,395	$ 19,594	$ 19,795	$ 19,997	$ 20,202	$ 20,409	$ 20,618	$ 20,828	$ 21,041	$ 21,257	$ 21,474	$ 21,693	$ 6,462		
39	Local Tax Reimbursement		$ 27,503	$ 27,785	$ 28,069	$ 28,357	$ 28,647	$ 28,941	$ 29,237	$ 29,536	$ 29,838	$ 30,144	$ 30,452	$ 30,763	$ 31,078	$ 31,395	$ 9,353		
40	**Total MDEQ Reimbursement Balance**		$ 665,559	$ 618,576	$ 571,111	$ 523,161	$ 474,719	$ 425,781	$ 376,342	$ 326,397	$ 275,941	$ 224,969	$ 173,476	$ 121,456	$ 68,904	$ 15,815	$ -		
	AVAILABLE TIR (AFTER Developer Reimbursement)																		
41	Local Only Costs		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
42	Local Tax Reimbursement																		
43	**Total Local Only Reimbursement Balance**		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
44	**Total Annual Developer Reimbursement**		$ 200,159	$ 202,210	$ 204,282	$ 206,375	$ 208,489	$ 210,624	$ 212,780	$ 214,958	$ 217,157	$ 219,379	$ 221,623	$ 223,889	$ 226,178	$ 228,490	$ 68,067		
	AVAILABLE TIR (AFTER Developer Reimbursement)											$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
45	**LOCAL BROWNFIELD REVOLVING FUND**																		
46	**LBRF Deposits ***		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 162,758	$ 233,183	$ 235,565
47	State Tax Capture																$ 66,507	$ 95,284	$ 96,258
48	Local Tax Capture																$ 96,251	$ 137,899	$ 139,307
49	**Total LBRF Capture**																$ 162,758	$ 395,941	$ 631,505

50 * Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from DEQ & Local TIR only.
Per Brad Hansen, Manager, OCBRA, the OCBRA has elected to only capture for 4 years.

Footnotes:
OCBRA Administrative Fee is a Fixed Fee of $5,000.00 per year.

LBRF (Year2-4)		$ 706,718
LBRF (Year 1)		$ 162,758
Total		$ 869,476

Developer	Principal	$ 3,064,660
Developer	Interest	$0
	Total	$ 3,064,660

Ratio Rem/Total from column P

July 31, 2018

Tax Increment Revenue Reimbursement Allocation Table
140 South Saginaw Partners, LLC
140 South Saginaw Street
Pontiac, Oakland County, Michigan
March 31, 2018

TABLE 4

Year	18	
	2036	TOTAL
Total State Incremental Revenue	$ 110,702	$ 1,833,469
State Brownfield Redevelopment Fund (50% of SET)	$ 13,838	$ 229,184
State TIR Available for Reimbursement	$ 96,864	$ 1,604,285
Total Local Incremental Revenue	$ 146,106	$ 2,419,850
BRA Administrative Fee (flat-fee)	$ 5,000	$ 90,000
Local TIR Available for Reimbursement	$ 141,106	$ 2,329,850
Total State & Local TIR Available	$ 237,970	$ 3,934,136
DEVELOPER		
DEVELOPER Reimbursement Balance		$ -
NET PAYMENT TO DEVELOPER		$ 3,064,660
MSF Non-Environmental Costs		$ 2,352,595
State Tax Reimbursement		$ 961,328
Local Tax Reimbursement		$ 1,391,267
Total MSF Reimbursement Balance		$ -
AVAILABLE TIR (AFTER Developer Reimbursement)		
MDEQ Environmental Costs		$ 712,065
State Tax Reimbursement		$ 290,967
Local Tax Reimbursement		$ 421,098
Total MDEQ Reimbursement Balance		$ -
AVAILABLE TIR (AFTER Developer Reimbursement)		
Local Only Costs		$ -
Local Tax Reimbursement		
Total Local Only Reimbursement Balance		$ -
Total Annual Developer Reimbursement		$ 3,064,660
AVAILABLE TIR (AFTER Developer Reimbursement)		$ -
LOCAL BROWNFIELD REVOLVING FUND		
LBRF Deposits *	$ 237,970	$ 869,476
State Tax Capture	$ 97,241	$ 355,289
Local Tax Capture	$ 140,730	$ 514,187
Total LBRF Capture	$ 869,476	$ 869,476

* Up to five years of capture for LBRF Deposits after el
Per Brad Hansen, Manager, OCBRA, the OCBRA has ele

Footnotes:
OCBRA Administrative Fee is a Fixed Fee of $5,000.00 p

Attachment D

Phase II ESA Report with a Description of Site Conditions
And
BEA Determination of "facility" Status

ATWELL

ONE COMPANY.
INFINITE SOLUTIONS.

December 4, 2015

Adorno Poccinini
Walbridge
777 Woodward Avenue, Suite
Detroit , MI 48226

Atwell, LLC Project Number: 15002193

RE: Phase I ESA for the building and property located at 140 South Saginaw Street, Pontiac, Oakland County, Michigan (subject site)

Dear Mr. Poccinini,

Atwell, LLC is pleased to submit its report on the Phase I Environmental Site Assessment conducted at the above referenced site.

The project objective was to perform a specified scope of research, evaluate the data, and render a professional opinion on environmental conditions at the site. The information and opinions included in this report are exclusively for the use of Walbridge and Oakland County.

We appreciate the opportunity to be of service to you on this project. Should you have any questions or desire further information, please contact us at (248) 447-2000.

Sincerely,
ATWELL, LLC

Allan R. Longyear, PG
Project Manager

ATWELL

PHASE I ENVIRONMENTAL SITE ASSESSMENT REPORT

140 SOUTH SAGINAW STREET
PONTIAC, MI 48342

Prepared for

WALBRIDGE
ADORNO POCCININI
777 WOODWARD AVENUE, SUITE
DETROIT , MI 48226

ATWELL PROJECT NO. 15002193

DECEMBER 04, 2015

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1.0 General Information

Project Information:
Pontiac, Michigan - Phase I ESA
15002193

Consultant Information:
Atwell, LLC
Two Towne Square
Southfield, MI 48076
Phone: 248-447-2000
Fax: 248-447-2001
E-mail Address: ALongyear@atwell-group.com
Inspection Date: 11/18/2015
Report Date: 12/04/2015

Site Information:
Pontiac Place
140 South Saginaw Street
Pontiac, MI 48342
County: Oakland County
Latitude, Longitude: 42.632800, -83.291100
Site Access Contact: N/A

Client Information:
Walbridge
Adorno Poccinini
777 Woodward Avenue, Suite
Detroit , MI 48226

Site Assessor:
Rebecca M. Harbison
Environmental Consultant

Senior Reviewer:
Allan R. Longyear, PG
Project Manager

General Notes:

Atwell conducted the Phase I Environmental Site Assessment (ESA) in order to provide an independent, professional opinion of the possible presence of Recognized Environmental Conditions (RECs) or other possible environmental concerns (if any) associated with the subject site as part of environmental due diligence.

An REC is defined as the presence or likely presence of any hazardous substance or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) or under conditions that pose a material threat of a future release to the environment.

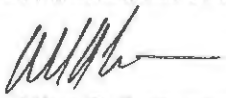
A Controlled REC (CREC) is defined as an REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, *with* hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.

A Historical REC (HREC) is defined as a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority, *without* subjecting the property to any required controls.

In accordance with the United States Environmental Protection Agency, 40 Code of Federal Regulations (CFR) Part 312, "All Appropriate Inquiry" (AAI), Atwell is providing the following Environmental Professional (EP) declarations.

EP Certification:

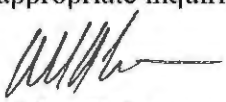
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 312.10 of this part.



Allan R. Longyear, PG - Project Manager

AAI Certification:

I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.



Allan R. Longyear, PG - Project Manager

2.0 Executive Summary

Current Use of Property

During the site reconnaissance, Atwell observed the subject site to be comprised of approximately 1.3-acres of developed land located at 140 South Saginaw Street, Pontiac, Michigan. The subject site includes one, approximately 145,000-square foot, seven story commercial office building situated in the central portion of the property, with the remaining portions consisting of asphalt covered parking areas and limited maintained landscaping. The structure consists of office space around the perimeter of each floor, with the core of the building housing the restrooms, stairwells, elevators, and mechanical rooms. The structure also has a full basement, which houses most of the mechanical equipment as well additional office space. During the site inspection, Atwell observed the subject site to be vacant of occupants and operations. The interior of the subject building was observed to be in poor condition, with significant water intrusion and mold growth visible in the basement, sixth floor, and seventh floor.

Database/Records Review

Atwell retained Environmental Data Resources (EDR) of Shelton, Connecticut, to review federal, tribal, state and EDR proprietary records related to the subject site and nearby properties within the American Society for Testing and Materials (ASTM) approximate minimal search radius. Atwell's evaluation of RECs includes circumstances where migration of hazardous substances or petroleum products in solid or liquid form at the surface or subsurface (including vapors) could reach the subject site.

- The EDR report identified RCRA-Non Generator, Facility Index Systems (FINDS), Baseline Environmental Assessment (BEA), MI Inventory, and Waste Data System (WDS) listings associated with the subject site. EDR identified numerous database listings associated with the subject site. According to the report, the subject site was a registered RCRA facility from 1991 through 2005 and no regulatory violations have been reported to date. Records indicate that two BEA reports were prepared for the subject site in 2005 and 2008. A BEA is completed for contaminated property in Michigan to limit liability for new owners. Atwell submitted a records request to the Michigan Department of Environmental Quality (MDEQ) to review the BEA reports and determined that elevated levels of volatile organic compounds (VOCs) and metals were identified in the subject site soils and groundwater at concentrations exceeding applicable MDEQ criteria. The contamination is associated with historical filling station and automobile service operations that occurred on the northeast portion of the subject site in the 1930s through 1950s. It is the opinion of the EP that the documented contamination at the subject site represents an REC.

- EDR also identified 22 sites of known or suspect contamination located within one-quarter mile of the subject site. Based on a review of the EDR report, Atwell determined that these sites have no reported violations or releases, achieved MDEQ approved closure, are located hydraulically down or cross gradient to the subject site, or are not located within close proximity (i.e., one-eighth mile) of the subject site. Therefore, it is the opinion of the EP that the nearby sites do not represent RECs.

- In addition, Atwell reviewed the EDR Orphan Summary (list of sites with inadequate address information) and did not identify any sites of known or suspect contamination located within one-quarter mile of the subject site.

- Atwell conducted a preliminary vapor migration assessment of the property. The purpose of this assessment was to determine any potential risk related to volatile constituents associated with known soil or groundwater contamination in close proximity to the site building that may adversely impact indoor air quality. Based on a review of subsurface investigation reports completed for the subject site indicating elevated levels of VOCs in the groundwater at the

2.0 Executive Summary (continued)

Database/Records Review (continued)

subject site, it is the opinion of the EP that there is a moderate potential for vapor migration concerns to be present on the subject site.

Historical/Document Review

Based on information gathered during the site investigation and a review of aerial photographs, fire insurance maps, historical address indexes and municipal records, Atwell concluded that the subject site has been developed with the current commercial office building since 1972. Prior to 1972, the subject site was developed with multiple structures (including filling stations, automobile repair businesses, residential dwellings, and restaurants) back to at least 1888 (as depicted in the Sanborn Maps). Several subsurface investigations (identified below) have been completed by other consultants to address the historical filling station operations at the subject site and north adjoining property. Review of previous subsurface investigation reports and extensive ground penetrating radar (GPR) studies indicates that the historical on-site USTs were likely removed as part of site redevelopment activities.

During the course of this Phase 1 ESA, Atwell was provided the opportunity to review several previous environmental reports completed for the subject site, including: (1) BEA completed by McDowell & Associates (McDowell), dated April 22, 2008; (2) BEA completed by LFR Levine Fricke (LFR), dated November 11, 2005; Phase II Subsurface Investigation report completed by Hillman Environmental Group, LLC (Hillman), dated October 6, 2004. RECs identified for the subject site by other consultants include: (1) historical gas station and automobile service/repair operations on the northern and eastern portions of the property from the 1920s through 1950s; (2) historical battery shop, auto repair shop, and paint/linoleum store on the eastern portion of the property from the 1920s through 1950s; (3) a historical UST depicted at the east adjacent property in the 1924 Sanborn Map; historical UST depicted at the east adjacent property in the 1924 Sanborn Map; and (4) elevated levels of VOCs and metals identified in soil and groundwater at concentrations exceeding applicable criteria following the completion of several subsurface investigations. Based on the demonstrated soil and groundwater contamination, the subject site qualifies as a "facility" as defined in Part 201 of the Natural Resources and Environmental Protection Act (NREPA), 1994. It is the opinion of the EP that the documented contamination at the subject site represents an REC.In Atwell's professional opinion, the testing completed during the previous subsurface investigations did not include a full list of parameters typically associated with automobile service/repair shop operations [i.e., solvents, polynuclear aromatic hydrocarbons (PNAs)] at each soil boring location; thus did not adequately address the historical uses of the subject site.

Site Reconnaissance Findings

During the site reconnaissance, Atwell evaluated the subject site for the potential presence of Recognized Environmental Conditions as defined by ASTM Designation: E 1527-13.

During the site reconnaissance, Atwell observed the following REC:

- Atwell inspected the subject site for the presence of oil-cooled electrical equipment that may contain polychlorinated biphenyls (PCBs). During the site reconnaissance, Atwell observed several electrical transformers and two elevator mechanical units stored within concrete vaults in the subject building's basement. The vaults were filled with water and the transformers were overturned and appeared to be in various stages of disrepair. Based on the age of the structure (reportedly constructed in 1972), the possibility exists for the electrical equipment to contain PCBs. Based on the observed condition of the equipment, it is likely that the electrical equipment has leaked onto the nearby concrete surfaces; thus representing an REC.

2.0 Executive Summary (continued)

Site Reconnaissance Findings (continued)

In addition, Atwell identified several hundred fluorescent lighting bulbs stored within a basement office of the subject building during the site reconnaissance. Fluorescent bulbs often contain hazardous levels of mercury or other metals. If these bulbs are not recycled, they must be tested to verify that they are not hazardous waste before disposal as solid waste. If the bulbs are recycled, the waste characterization requirements would not apply. Atwell recommends that all fluorescent bulbs and ballasts (if any) be properly disposed or recycled in accordance with State and Federal regulations.

Other Environmental Considerations

No evaluation for other environmental considerations was conducted during the course of this Phase I ESA.

Findings and Opinions

During the course of this Phase I ESA, Atwell identified and evaluated several potential environmental concerns and it is the opinion of the EP that the following RECs have been identified for the subject site:

- The documented soil and groundwater contamination at the subject site; and
- The potential impact to the subject site resources from leaking electrical equipment in the subject building basement.

Conclusions

Atwell has performed this Phase I ESA in general conformance with the scope and limitations of ASTM Practice E1527-13 and AAI specifications for the building and property located at 140 South Saginaw Street, Pontiac, Michigan. During the course of this Phase I ESA, the EP identified RECs associated with the subject site as previously identified. Therefore, Atwell recommends that a Limited Phase II Subsurface Investigation be conducted to determine the nature, extent and materiality of the RECs. In addition, Atwell recommends that new owners prepare a Baseline Environmental Assessment within 45 days of purchase.

Suggested Actions to Address Business Environmental Risk

The scope of services for this Phase I ESA did not include providing suggested actions to address business environmental risk.

Disclaimer

This report was prepared solely for the benefit of Walbridge and Oakland County and no other party or entity shall have any claim against Atwell due to the performance or nonperformance of the services presented herein. Only Walbridge and Oakland County may rely upon this report for the sole purpose of obtaining financing, obtaining refinancing, acquisition of the subject site, lease of the subject site, or sale of the subject site. Any other parties seeking reliance upon this report must obtain Atwell's prior written approval. Atwell specifically renounces any and all claims by parties asserting a third party beneficiary status.

3.0 Introduction

3.1 Purpose

Atwell conducted the Phase I Environmental Site Assessment (ESA) in order to provide an independent, professional opinion of the possible presence of Recognized Environmental Conditions (RECs) or other possible environmental concerns (if any) associated with the subject site as part of environmental due diligence. As defined in American Society for Testing and Materials (ASTM) Designation: E 1527-13, the term Recognized Environmental Conditions means "the presence or likely presence of any hazardous substance or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) or under conditions that pose a material threat of a future release to the environment".

Performance of the Phase I ESA was intended to reduce, but not eliminate, uncertainty regarding the existence of Recognized Environmental Conditions in connection with the subject site.

3.2 Scope of Work

Atwell performed the Phase I ESA while using standards typically adhered to by other environmental consulting professionals. Atwell adheres to such professional standards in an effort to maintain innocent landowner defense options for sellers, bona fide prospective purchasers, lenders and/or contiguous property owners under guidelines set forth in the Federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The Phase I ESA was performed to meet the standard of "All Appropriate Inquiry" (AAI) as promulgated by the United States Environmental Protection Agency (USEPA) to qualify for the CERCLA innocent landowner defenses.

The Phase 1 ESA was conducted in general conformance with the ASTM Designation: E 1527-13, Standard Practice For Conducting Environmental Site Assessments and 40 Code of Federal Regulations (CFR) Part 312, AAI.

This Phase I ESA was performed to evaluate environmental risk and does not include any investigation involving business environmental risks.

The Scope of Work for the Phase I ESA included:

A visual inspection of the subject site on November 18, 2015, and all improvements thereon to evaluate general environmental conditions;

Establishing the present and past land uses at and adjacent to the site through the review of: (1) historical aerial photographs; (2) city directories; (3) the local topographic map; (4) local Assessment/Building Department/Tax records; (5) historical Sanborn Fire Insurance Maps, if available; (6) the local Fire Department, and (7) interviews with present and past owners, operators and/or occupants, when available;

A review and evaluation of the following databases of federal, tribal, state, and local known or suspected sites of environmental contamination within the applicable ASTM recommended distance from the subject site, including but not limited to: (I) The United States Environmental Protection Agency's (USEPA's) National Priority List (NPL) records including, current NPL sites, proposed NPL sites, de-listed NPL sites and NPL recovery (Superfund Liens) sites; (2) The USEPA's Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) list of known or suspected hazardous waste sites; (3) The USEPA's Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS)-No Further Remedial Action Planned (NFRAP) list of known or suspected hazardous waste sites; (4) The USEPA's Resource Conservation Recovery Act (RCRA) Corrective Action Report (CORRACTS) list for facilities that produce small quantities, large quantities, or transport, store, or dispose (TSD) of hazardous materials that are subject to corrective action under RCRA; (5) The USEPA's Resource Conservation Recovery Information System (RCRIS) Non-CORRACTS notifier list for facilities that generate small quantities, large quantities, or TSD of

3.0 Introduction (continued)

3.2 Scope of Work (continued)

hazardous materials; (6) The USEPA's Emergency Response Notification System (ERNS) list for reported releases of oil and hazardous substances; (7) USEPA's listing of sites with activity use limitations (AUL), engineering controls (US Eng. Controls), or sites with institutional controls in place (US Inst. Controls); (8) USEPA's listing of Brownfields sites; (9) state and tribal-equivalent, prioritized listing of known sites of environmental contamination [State Hazardous Waste Sites (SHWS)]; (10) state and tribal-equivalent listing of NPL sites; (11) state and tribal-equivalent listing of CERCLA sites; (12) state and tribal-equivalent listing of current and formerly licensed and/or unlicensed landfill and disposal facilities (SWF/LF); (13) state and tribal-equivalent listing of Leaking Underground Storage Tank (LUST) sites; (14) state and tribal-equivalent listing of Registered Aboveground or Underground Storage Tanks (AST/UST); (15) state and tribal-equivalent listing of sites subject to engineering controls (Eng Controls); (16) state and tribal-equivalent listing of sites which are subject to institutional controls (Inst Controls); (17) state and tribal-equivalent listing of Voluntary Clean-up Sites (VCP); (18) state and tribal-equivalent listing of sites listing of Brownfield sites; (19) proprietary and state-specific environmental database sites within one-quarter mile of the subject site, and

Atwell has also provided a list of references used to complete the project (**Appendix A**).

The Phase I ESA was conducted between the period of November 13, 2015 to December 4, 2015.

This Phase I ESA was completed by Ms. Rebecca M. Harbison, Environmental Consultant of Atwell, under the supervision of Mr. Allan R. Longyear, Project Manager and Environmental Professional (EP). The EP's involvement includes the project planning; supervision; reviewing and interpreting all data collected; formation of findings and opinions; report review, and recommendations for any further investigations, if warranted. Personnel resumes are included in **Appendix B**.

3.3 Significant Assumptions

During the course of this Phase I ESA, no significant assumptions were made.

3.4 Limitations and Exceptions

During the site reconnaissance, interior visual observations were limited due to the lack of power to the subject site. These gaps, conditions and/or absences of information represent data failure in records pertaining to the subject site.

The information obtained from external sources, to the extent it was relied upon to form Atwell's opinion about the environmental condition of the site, was assumed to be complete and correct. Atwell cannot be responsible for the quality and content of information from these sources. However, based on a review of readily available and reasonably ascertainable information, Atwell concluded that these limitations/data gaps should not materially limit the reliability of the report and that a thorough documentation of the subject site's environmental condition has been conducted.

3.5 Deviations From the ASTM Standard

No deviations from the recommended scope of ASTM Standard E 1527-13 or AAI were performed as part of this Phase I ESA with the exception of any additions noted in Detailed Scope of Services or any additional items addressed in Section 9.0 (Other Environmental Considerations).

3.0 Introduction (continued)

3.6 Special Terms and Conditions

Authorization to perform this assessment was given by the client on November 13, 2015. Instructions as to the location of the property, access, and an explanation of the property and facilities to be assessed were provided by Mr. Adorno Piccinini of Walbridge.

3.7 Reliance

Atwell stipulates that, as of the date of the report, the information and opinions included in this Phase I ESA may be used and relied upon by Walbridge and Oakland County.

4.0 Site Description

4.1 Location and Legal Description

The subject site is located in the northeast quarter of Section 32, Township 3 North, Range 10 East, in the City of Pontiac, Oakland County, Michigan. A legal description (Parcel Number 64-14-32-235-001) for the subject site is presented in **Appendix H**. The location of the subject site is presented on the Site Location Map in Figure 1 (**Appendix C**).

4.2 Site and Vicinity Description

During the site reconnaissance, Atwell observed the subject site to be comprised of approximately 1.3-acres of developed land located at 140 South Saginaw Street, Pontiac, Michigan. The subject site includes one, approximately 145,000-square foot, seven story commercial office building situated in the central portion of the property, with the remaining portions consisting of asphalt covered parking areas and limited maintained landscaping. The building consists of office space around the perimeter of each floor, with the core of the building housing the restrooms, stairwells, elevators, and mechanical rooms. The structure also has a full basement, which houses most of the mechanical equipment as well additional office space. The area surrounding the site is primarily commercial. The Site Plan View is included as Figure 2 (**Appendix C**).

4.3 Current Use of Property

During the site inspection, Atwell observed the subject site to be vacant of occupants and operations. The interior of the subject building was observed to be in poor condition, with significant water intrusion and mold growth visible in the basement, sixth floor, and seventh floor.

4.4 Description of Structures and Other Improvements

With the exception of the subject building, paved parking areas, and public utilities, no other improvements are located on the subject site. Refer to Section 6.2 for further information.

Building Name	Building Use	# of Stories	Footprint (sq. ft)	Heat Source
140 South Saginaw	Commercial	7 plus basement	~145,000	Natural Gas
General Construction				
The subject building is constructed of a concrete facade over steel framing, with composite steel-concrete floors, aluminum frame windows, and aluminum & steel door assemblies. Interior finishes were generally observed to be in poor condition (i.e., water damaged or otherwise destroyed) and include: carpet, ceramic tile, and laminate flooring; drywall, tile, and CMU block walls; and acoustic tile and drywall ceilings.				

4.0 Site Description (continued)

4.5 Current Adjoining Property Information

The subject site is bordered to the north by West Judson Street, with the Phoenix Center (a mutli-tenant commercial office building and parking structure) beyond; to the east by South Saginaw Street, with First United Methodist Church beyond; to the south by Jackson Street, with a vacant lot beyond; and to the west by Woodward Avenue, with the Amtrak Train Station and railway beyond. During the site reconnaissance, Atwell did not observe any RECs associated with the adjacent properties.

5.0 User Provided Information

5.1 Title Records

Atwell was provided limited title records for the subject site during the course of this Phase I ESA, which indicated that the current property owner for the subject site is Oakland County. Please refer to Section 6.2 for current and historical ownership/use of the subject site.

5.2 Environmental Liens and Activity/Use Limitations

The client/user indicated that they had no knowledge of any environmental liens or activity/use limitations associated with the subject site.

5.3 Specialized Knowledge

No specialized knowledge in connection with the current or historical use of the subject site, facility operations or adjacent properties was identified by the user/client.

5.4 Purchase Price and Market Value Comparison

The user/client stated that the purchase price appears to be lower than the fair market value, based on the property being purchased following a foreclosure.

5.5 Valuation Reduction for Environmental Issues

No environmental issues were identified by the user/client that could result in property value reduction.

5.6 Owner, Property Manager, and Occupant Information

No other pertinent information in connection with the subject site was provided by the owner, the property manager or the occupant.

5.7 Reason For Performing Phase I

The Phase I ESA is being conducted for Walbridge as part of environmental due diligence prior to property transfer. The User Provided Information questionnaire is included in **Appendix E**.

6.0 Records Review

6.1 Standard Environmental Records Sources

Atwell retained EDR of Shelton, Connecticut, to review federal, tribal, state and EDR proprietary records related to the subject site and nearby properties within the ASTM approximate minimum search radius (as seen on the table below). However, Atwell typically reviews local, state, tribal or federal database records of those sites of known environmental contamination (i.e., SHWS, LUST,

6.0 Records Review (continued)

6.1 Standard Environmental Records Sources (continued)

CERCLIS, and NPL sites) within a one-quarter mile radius of the subject site. Atwell considers sites within this specified search radius as having the most potential to impact the subject site. Also, Atwell typically reviews local, state, tribal or federal database records of those sites of suspected environmental contamination (i.e., UST, Indian UST and RCRA generator sites), which adjoin the subject site, or, in the professional opinion of Atwell, are of such nature and proximity to the subject site to represent RECs. Atwell's evaluation of RECs includes circumstances where migration of hazardous substances or petroleum products in solid or liquid form at the surface or subsurface (including vapors) could reach the subject site.

- The EDR report identified RCRA-NonGen, Facility Index Systems (FINDS), BEA, MI Inventory, and Waste Data System (WDS) listings associated with the subject site. According to the report, the subject site was a registered RCRA facility from 1991 through 2005 and no regulatory violations have been reported to date. Records indicate that two BEA reports were prepared for the subject site in 2005 and 2008. A BEA is completed for contaminated property in Michigan to limit liability for new owners. Atwell submitted a records request to the MDEQ to review the BEA reports and determined that elevated levels of volatile organic compounds (VOCs) and metals were identified in the subject site soils and groundwater at concentrations exceeding applicable MDEQ criteria. The contamination is associated with historical filling station and automobile service operations that occurred on the northeast portion of the subject site in the 1930s through 1950s, as discussed in Section 6.4.2 and 6.4.4. It is the opinion of the EP that the documented contamination at the subject site represents an REC. Previous environmental reports are completed for the subject site discussed in further detail in Section 6.4.5.

- EDR also identified 22 sites of known or suspect contamination located within one-quarter mile of the subject site, with listings that include: UST, LUST, RCRA-CESQG, RCRA-NonGen, MI Inventory, BEA, US Brownfields, EDR US Historical Auto Station (EDR US Hist Auto), EDR US Historical Cleaners (EDR US Hist Clean), FINDS, and WDS. Based on a review of the EDR report, Atwell determined that a majority of the sites have no reported violations or releases, achieved Michigan Department of Environmental Quality (MDEQ) approved closure, are located hydraulically down or cross gradient to the subject site, or are not located within close proximity (i.e., one-eighth mile) of the subject site. Therefore, it is the opinion of the EP that a majority of the sites do not represent RECs. The remaining sites are discussed in further detail below.

- In addition, Atwell reviewed the EDR Orphan Summary (list of sites with inadequate address information) and did not identify any sites of known or suspect contamination located within one-quarter mile of the subject site.

- Atwell conducted a preliminary vapor migration assessment of the property. The purpose of this assessment was to determine any potential risk related to volatile constituents associated with known soil or groundwater contamination in close proximity to the site building that may adversely impact indoor air quality. Based on a review of subsurface investigation reports completed for the subject site indicating elevated levels of volatile organic compounds (VOCs) in the groundwater at the subject site, it is the opinion of the EP that there is a moderate potential for vapor migration concerns to be present on the subject site. Previous environmental reports completed for the subject site are discussed in Section 6.4.5.

The *EDR Radius Report with GeoCheck Report* is included in **Appendix G**.

Map Findings Summary

Database	Target Property	Search Distance (Miles)	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted

6.0 Records Review (continued)

6.1 Standard Environmental Records Sources (continued)

NPL		1	0	0	0	0	NR	0
CERCLIS		0.5	0	0	0	NR	NR	0
CERCLIS-NFRAP		0.5	0	0	0	NR	NR	0
CORRACTS		1	0	0	0	1	NR	1
RCRA-TSDF		0.5	0	0	0	NR	NR	0
RCRA-LQG		0.25	0	0	NR	NR	NR	0
RCRA-SQG		0.25	0	0	NR	NR	NR	0
RCRA-CESQG		0.25	2	0	NR	NR	NR	2
US ENG CONTROLS		0.5	0	0	0	NR	NR	0
US INST CONTROL		0.5	0	0	0	NR	NR	0
ERNS		TP	NR	NR	NR	NR	NR	0
US BROWNFIELDS		0.5	0	1	7	NR	NR	8
FINDS	X	TP	NR	NR	NR	NR	NR	1
EDR US Hist Auto Stat		0.125	1	NR	NR	NR	NR	1
RCRA NonGen / NLR	X	0.25	5	4	NR	NR	NR	10
SHWS		1	0	0	0	0	NR	0
SWF/LF		0.5	0	0	0	NR	NR	0
LUST		0.5	4	2	9	NR	NR	15
UST		0.25	3	2	NR	NR	NR	5
AST		0.25	0	0	NR	NR	NR	0
AUL		0.5	0	0	3	NR	NR	3
BROWNFIELDS		0.5	0	0	0	NR	NR	0
BROWNFIELDS 2		0.5	0	0	0	NR	NR	0
SWRCY		0.5	0	0	1	NR	NR	1
BEA	X	0.5	1	5	5	NR	NR	12
INVENTORY	X	0.5	7	10	14	NR	NR	32
PART 201		1	1	0	1	1	NR	3
WDS	X	TP	NR	NR	NR	NR	NR	1
INDIAN LUST		0.5	0	0	0	NR	NR	0
INDIAN UST		0.25	0	0	NR	NR	NR	0
INDIAN VCP		0.5	0	0	0	NR	NR	0
INDIAN ODI		0.5	0	0	0	NR	NR	0
INDIAN RESERV		1	0	0	0	0	NR	0
EDR MGP		1	1	0	0	0	NR	1

Site Name: VACANT LOT
Databases: WDS, LUST, UST
Address: 147 S SAGINAW
Distance: Adjoining beyond South Saginaw
Direction: Northeast
Elevation: Lower
Comments: According to the report, the southeast adjacent property (147 South Saginaw Street) is listed in the UST, LUST, RCRA-NonGen, FINDS, and WDS databases. Records indicate that two, 550-gallon USTs of unknown contents were removed from the property in March 1998. A release (Leak No. C-0824-96) was reported from one or both of the USTs in October 1996 and achieved unrestricted residential closure status in April 1998. Closure status indicates that subsurface investigations/corrective actions have been completed to render the contaminants to within applicable MDEQ criteria. Based on this information, it is the opinion of the EP that the southeast adjacent property does not represent an REC to the subject site.

6.0 Records Review (continued)

6.1 Standard Environmental Records Sources (continued)

Site Name: GM TRUCK & BUS EAST
Databases: LUST, WDS
Address: 31 E JUDSON ST
Distance: 236-feet
Direction: Northeast
Elevation: Lower
Comments: Records indicate that a release (Leak No. C-0677-85) was reported at the northeast adjacent property (31 East Judson Street) in November 1988. The release achieved Type B closure status in September 1995, which indicates that contaminants were detected above laboratory detection limits but below all applicable MDEQ criteria. There was no information (installation/removal dates, capacity, contents) available pertaining to the USTs at the northeast adjacent property. Based on the closure status, it is the opinion of the EP that the northeast adjacent property does not represent an REC to the subject site.

6.2 Additional Environmental Record Sources

Atwell reviewed current and historical files maintained by the City of Pontiac municipal offices for the subject site. The review of municipal records was conducted in order to identify possible environmental concerns (e.g., suspect building materials, USTs, ASTs, etc.) associated with the subject site. Assessing Department and Building records indicate that the subject site was formerly developed with a one story battery shop owned by L.M Angleton (1923-1926), and developed with other structures owned by John Foster (1927-1928), First National Bank (1935-1941), Sam's Unclaimed Freight Store (1942-1945), Fields (1948), City of Pontiac Urban Renewal Project (1963), and Telander Redevelopment and Construction (1971-1978).

The City of Pontiac Building Department records indicate that the subject site has been occupied by multiple tenants since 1983, including" Prudential Life INC (suite 101), Byron and Trerris (suite 201) and Wilco Corp show up in 1983. The subject site has been owned by New York Life Insurance Company (1981-1986), Lambrecht (1985), Troy Design (1985-1986), Pontiac Place Restaurant (1988), Terrice Management (1989), Thrifty Drugs of Pontiac (1991-1993), GM Truck and Bus (1992), Bric Inc. (1997), LDM Tech (1999), Nucorp, Inc. D/B/A Manpower Automotive (1995) and UAW - GM Legal Services (2007). There was no information on file pertaining to the current/former presence of suspected USTs, ASTs, at the subject site.

Atwell contacted the City of Pontiac municipal offices to determine the zoning specifications for the subject site. The subject property is currently zoned C-2 Downtown.

Atwell submitted a freedom of information act (FOIA) request to the Waterford Township Fire Department for information regarding current or former USTs or ASTs at the subject site, as well as, any hazardous material storage, spill response records or commonly known information that may be available from fire department representatives. Fire department records did not identify any items indicative of environmental concern for the subject site.

The subject site is not currently connected to any municipal or public utilities. Municipal sewer and water is available through the City of Pontiac, and electricity is available through DTE. According to the online Consumers SIMS database, natural gas services were connected to the subject site in 1972 (when the current building was constructed). No records of past heating sources for the historical structures were readily available.

The Oakland County Environmental Health Department (OCEHD) maintain environmental files for sites throughout Oakland County. The files contain field inspection reports from city inspectors, reported environmental problems, results of right-to-know programs and other miscellaneous data. Atwell submitted a FOIA request to the OCEHD for any information regarding water wells, septic

6.0 Records Review (continued)

6.2 Additional Environmental Record Sources (continued)

systems, hazardous material storage or any commonly known information that may be available from OCEHD representatives. OCEHD indicated that no such records are on file for the subject site.

Atwell reviewed the MDEQ, Remediation and Redevelopment Division (RRD) Perfected Lien List, dated September 24, 2015 (most recent version available), regarding any recorded environmental liens for the subject site. Atwell did not identify any RRD environmental liens on file for the subject site or parent parcel.

Interview documentation is included in **Appendix I**. Records documentation is included in **Appendix H**.

6.3 Physical Setting Sources

Atwell reviewed the USGS 7.5 Minute Topographic Map of the subject site and surrounding area. The topographic map reviewed was the 1907, 1943, 1952, 1968, 1973, 1983, and 1997 Pontiac, Michigan Quadrangle. The subject site and surrounding areas are depicted as densely developed urban land in the 1907 through 1997 topographic maps. Notable features depicted include a railroad to the west and a church property to the east of the subject site.

Surface drainage at the subject site appears to be generally to the east/northeast, towards Clinton River and Spring Lake. According to the EDR, Physical Setting Source Summary, no groundwater flow direction data has been reported within one quarter mile of the subject site. Unless otherwise noted, the surface drainage flow direction has been inferred from a review of regional topographical data. Site-specific conditions may vary due to a variety of factors, including geologic anomalies, utilities, nearby pumping wells (if present), and other developments.

According to the United States Department of Agriculture (USDA) online Web Soil Survey, the subject site soils are primarily composed of urban land. Urban land has been so developed that soil characteristics are undefined. However, review of previous subsurface investigations completed for the subject site indicate that the site soils are composed of clayey fill soil underlain by silty clay.

6.4 Historical Use Information

6.4.1 Historical Summary

Based on information gathered during the site investigation and a review of aerial photographs, fire insurance maps, historical address indexes and municipal records, Atwell concluded that the subject site has been developed with the current commercial office building since 1972. Prior to 1972, the subject site was developed with multiple structures (including filling stations, automobile repair businesses, residential dwellings, and restaurants) back to at least 1888 (as depicted in the Sanborn Maps). Several subsurface investigations have been completed by other consultants to address the historical automobile service, repair, and filling station operations at the subject site and north adjoining property. Based on a review of analytical results provided in the most recent BEA prepared for the subject site, it is the opinion of the EP that the documented contamination in the site soils and groundwater represents an REC. Previous environmental reports completed for the subject site are discussed in further detail in Section 6.4.5.

6.0 Records Review (continued)

6.4 Historical Use Information (continued)

6.4.2 City Directories

Atwell retained EDR to conduct a review of historical cross-index directories on file for the subject site and immediately adjoining properties. Bresser's, Cole's, and Polk's Cross-Index Directories compile historical addresses for sites located throughout southeastern Michigan. EDR reviewed the Oakland County area indexes in approximately five-year intervals for the time period of 1931 to 2013. The EDR City Directory Abstract is included in **Appendix F**.

During the review of historical address directories, Atwell identified the subject site as being occupied by the following: Holland Furnace Company, Shell Petroleum Company, Economy Lunch, Nicholas Angelo soft drinks, and private residents (1931); Narrin's Service Station, Miller Oil & Gas, Posey & Son's auto repairs, Long Geo used cars, Traicoff restaurant (1939); Sucher's Bros filling station, Butch's Collision Service/auto repair, Goodyear Service Store, Sam's Unclaimed Freight, Milliman used cars (1945); Oakland County Gas & Oil, H&H Industrial Sewer Cleaners, Bodner paints and linoleum, Milliman used car lot, Pete's Lunch (1952); Oakland County Gas & Oil, Seat Cover Mart, Harold's Pain & Linoleum, Owens used cars, Pete's Place restaurant (1957); Oakland County Gas & Oil, Pontiac Undercoating Auto, Auto Reconditioning Service, Liquidation Mart Used Cars, Pete's Place restaurant (1962); and general commercial office, restaurants, and physician's offices from 1977 through 2013.

The north adjoining property was formerly part of the subject site and was listed as being occupied by various filling stations (as previously listed above) from 1931 to 1962. The east adjacent property was listed as being occupied by various churches from 1931 through 2013, and the west adjacent property was either not listed or listed as being occupied by private residents until 2003, when the current bus and train station was initially listed. The south adjacent property was listed as being occupied by private residents, commercial retail businesses, and auto sales businesses from 1931 to 1962.

It is the opinion of the EP that city directories have identified the historical automobile service and filling station operations at the subject site and north adjacent property as occupants of environmental concern.

6.4.3 Aerial Photos

Atwell reviewed aerial photographs for the years 1940, 1949, 1956, 1963, 1974, 1980, 1990, 1997, 2000, 2005, 2010 and 2014 on file with the Oakland County One Stop Shop and DTE Aerial Photograph Collection. Aerial photographs are included in **Appendix F**.

No evidence of landfilling activities, waste dumping, unexplained excavation, or hazardous material storage activities were observed during the review of historical aerial photographs.

The aerial photograph review is as follows:

The subject site is depicted as developed with small commercial buildings and paved parking areas in the 1940 through 1963 aerial photographs. By 1974, the subject site is depicted as developed with the current commercial building, and further developed with the current parking areas in 1980.

The surroundings properties appear to consist of small commercial buildings, and residential homes in the 1940 to 1963 aerial photographs. In 1974 the land north and south of the subject site is undeveloped and the property to the east is occupied by two large commercial buildings. By 1990, the adjacent properties to the north and east are depicted as developed with large commercial buildings and paved parking lots. In the 1997 aerial photograph, the east adjacent property appears developed similar to the present. The south adjacent property appears to consist of undeveloped land in the 1974 to 2014 aerial photographs. The western adjacent property is depicted as a parking lot from 1980 to 2010, and as developed with the current commercial building in 2014.

6.0 Records Review (continued)

6.4 Historical Use Information (continued)

6.4.4 Sanborn/Historical Maps

Atwell submitted a request to EDR for copies of available Sanborn Fire Insurance Maps that cover the subject site and surrounding adjacent properties. These historical maps may provide information pertaining to adverse land uses and the presence and/or location of USTs. EDR concluded that Sanborn/Fire Insurance Maps for the years 1888, 1892, 1898, 1903, 1909, 1915, 1919, 1924, 1950, and 1970 were available for the subject site. The Sanborn Maps are included in **Appendix F**.

During the review of the historical fire insurance maps, Atwell identified historical filling station and auto repair operations (with five associated USTs) at the subject site and north adjoining property. Review of previous subsurface investigation reports and extensive ground penetrating radar (GPR) studies indicates that although contamination is present in the site soils and groundwater, historical USTs appear to have been removed as part of site redevelopment activities. Refer to Section 6.4.5 for further discussion regarding previous environmental reports completed for the subject site.

A review of the Sanborn Maps is as follows:

During the review of the historical fire insurance maps, Atwell identified the subject site as developed with as many as four residential dwellings and associated outbuildings in the southern portion of the property and a lumber yard in the northeastern portion of the property from 1888 to 1903. In addition, a public roadway (initially named "Rail Road" and later renamed "Chase Street") is depicted traversing east-west through the northern portion of the property from 1888 to 1950. From 1909 to 1915, two buildings associated with the lumber yard are depicted overlapping the northern portion of the property, and by 1919 only the small building (labeled "auto repair" remains. The 1924 Sanborn Map depicts the subject site as developed with a filling station (with two associated USTs) in the northeast portion of the property, two commercial storefronts in the eastern and southwestern portions of the property, a residential dwelling in the western portion of the property, and a battery shop and furnace store in the central portion of the property. By 1950, the subject site is depicted as developed with two filling stations (and five associated USTs) in the northeastern portion of the property, an automobile sales and service shop in the northern portion of the property, a residential dwelling in the western portion of the property, and three commercial storefronts/restaurants in the central and southern portions of the property. The 1970 Sanborn Map depicts the subject site as a vacant, undeveloped lot.

The east adjacent property (beyond South Saginaw Street) is depicted as developed with a church building from 1888 to 1970. The south adjacent property (beyond West Jackson Street) is depicted as developed with residential dwellings and a grain elevator company from 1888 to 1950, and as undeveloped land in 1970. The west adjoining property appears undeveloped until 1898, when residential dwellings and outbuildings appear through 1950. The west adjoining property is depicted as undeveloped land in 1970.

6.4.5 Other Environmental Reports

During the course of this Phase I ESA, Atwell was provided the opportunity to review several previous environmental reports completed for the subject site, including: (1) BEA completed by McDowell & Associates (McDowell), dated April 22, 2008; (2) BEA completed by LFR Levine Fricke (LFR), dated November 11, 2005; and (3) Phase II Subsurface Investigation report completed by Hillman Environmental Group, LLC (Hillman), dated October 6, 2004. Copies of all or portions of these reports are presented in **Appendix J**.

RECs identified for the subject site by other consultants include: (1) historical gas station and automobile service/repair operations on the northern and eastern portions of the property from the 1920s through 1950s; (2) historical battery shop, auto repair shop, and paint/linoleum store on the eastern portion of the property from the 1920s through 1950s; (3) a historical UST depicted at the east adjacent property in the 1924 Sanborn Map; historical UST depicted at the east adjacent property in the

6.0 Records Review (continued)

6.4 Historical Use Information (continued)

6.4.5 Other Environmental Reports (continued)

1924 Sanborn Map; and (4) elevated levels of VOCs and metals identified in soil and groundwater at concentrations exceeding applicable criteria following the completion of several subsurface investigations. Based on the demonstrated soil and groundwater contamination, the subject site qualifies as a "facility" as defined in Part 201 of the Natural Resources and Environmental Protection Act (NREPA), 1994. It is the opinion of the EP that the documented contamination at the subject site represents an REC. In Atwell's professional opinion, the testing completed during the previous subsurface investigations did not include a full list of parameters typically associated with automobile service/repair shop operations [i.e., solvents, polynuclear aromatic hydrocarbons (PNAs)] at each soil boring location; thus did not adequately address the historical uses of the subject site.

7.0 Site Reconnaissance

7.1 Methodology and Limiting Conditions

On November 18, 2015, Ms. Rebecca Harbison, Environmental Consultant for Atwell, conducted a walking reconnaissance of the subject site. During the site reconnaissance, Atwell evaluated the subject site for the potential presence of the following Recognized Environmental Conditions: (1) hazardous substances; (2) petroleum products; (3) evidence of the presence of underground storage tanks (USTs); (4) evidence of the presence of aboveground storage tanks (ASTs); (5) other suspect containers; (6) polychlorinated biphenyl (PCB)-containing equipment; (7) interior or exterior staining/corrosion; (8) discharge features (i.e., current or former septic/leaching fields, floor drains, oil/water separators); (9) pits, ponds or lagoons; (I0) evidence of excavation and/or landfilling activities; (11) evidence of surface soil/surface water stains and/or stressed vegetation; (12) water supply and/or groundwater monitoring wells, and (13) observations of adjacent property uses and potential evidence of adverse environmental impacts associated with adjoining properties (addressed in Section 4.5).

The weather condition at the time of the site reconnaissance was raining and approximately 50-degrees Fahrenheit. The visual reconnaissance consisted of observing the boundaries of the property and systematically traversing the site to provide an overlapping field of view, wherever possible. The periphery of the on-site structure was observed along with interior accessible common areas, storage and maintenance areas. During the site reconnaissance, interior visual observations were limited due to the lack of power to the subject site. Photographs of pertinent site features identified during the site reconnaissance are included in **Appendix D**.

7.2 General Site Setting

During the site reconnaissance, Atwell observed the subject site to be comprised of approximately 1.3-acres of developed land located at 140 South Saginaw Street, Pontiac, Michigan. The subject site includes one, approximately 145,000-square foot. seven story commercial office building situated in the central portion of the property, with the remaining portions consisting of asphalt covered parking areas and limited maintained landscaping. The Site Inspection Environmental Checklist is included in **Appendix J**.

7.3 Site Visit Findings

7.3.1 Hazardous Substances

No significant quantities (i.e., greater than typical residential use) and/or bulk storage of hazardous substances were identified on the subject site during the site reconnaissance.

7.0 Site Reconnaissance (continued)

7.3 Site Visit Findings (continued)

7.3.2 Petroleum Products

No significant quantities (i.e., greater than typical residential use) and/or bulk storage of petroleum products were identified on the subject site during the site reconnaissance.

7.3.3 USTs

Atwell evaluated the subject site for the possible presence of USTs. Typical indicators of USTs include: (1) gas pumps or pump islands; (2) vent pipes; (3) fill ports; or (4) unusual depressions. During the site reconnaissance, Atwell did not observe any readily apparent evidence of the current/former presence of USTs at the subject site. However, as discussed in Section 6.1 and 6.4.5, Atwell is aware of the former presence of USTs at the subject site.

The lack of visible evidence of any other potential USTs and the fact that the individuals and agencies identified in this report were not aware of or did not have record of the presence of any other USTs does not preclude the possibility that other USTs could be present at the subject site property. Visible evidence of USTs, such as fill ports or vent pipes, may have been obscured from view and other USTs could have been used at the subject site property without the knowledge of the current owner/operator, site contact or government agency.

7.3.4 ASTs

No readily apparent evidence of ASTs was identified on the subject property during the site reconnaissance.

7.3.5 Other Suspect Containers

During the site reconnaissance, Atwell identified several hundred fluorescent lighting bulbs stored within a basement office of the subject building. Fluorescent bulbs often contain hazardous levels of mercury or other metals. If these bulbs are not recycled, they must be tested to verify that they are not hazardous waste before disposal as solid waste. If the bulbs are recycled, the waste characterization requirements would not apply. Atwell recommends that all fluorescent bulbs and ballasts (if any) be properly disposed or recycled in accordance with State and Federal regulations. No other suspect containers were identified on the subject site during the site reconnaissance.

7.3.6 Equipment Likely to Contain PCBs

Atwell inspected the subject site for the presence of oil-cooled electrical equipment that may contain PCBs. During the site reconnaissance, Atwell observed several electrical transformers and two elevator mechanical units stored within concrete vaults in the subject building's basement. The vaults were filled with water and the transformers were overturned and appeared to be in various stages of disrepair. Based on the age of the structure (reportedly constructed in 1972), the possibility exists for the electrical equipment to contain PCBs. Based on the observed condition of the equipment, it is likely that the electrical equipment has leaked onto the nearby concrete surfaces; thus representing an REC.

7.3.7 Staining/Corrosion

During the site reconnaissance, Atwell observed staining/corrosion on and near the electrical equipment and elevators located in the subject building's basement. It is the opinion of the EP that potential impact to the subsurface environment from leaks and spills of hazardous materials represents an REC to the subject site.

7.0 Site Reconnaissance (continued)

7.3 Site Visit Findings (continued)

7.3.8 Discharge Features

With the exception of floor drains within the lavatories and basement, no discharge features (septic systems, catch basins, oil/water separators, etc.) were observed on the subject site during the site reconnaissance.

7.3.9 Pits, Ponds, And Lagoons

No pits, ponds or lagoons were observed on the subject site during the site reconnaissance.

7.3.10 Solid Waste Dumping/Landfills

No readily apparent evidence of solid waste dumping (i.e., unusual mounding, debris piles, or depressions), suspect fill material, or landfilling was identified on the subject site during the site reconnaissance.

7.3.11 Stained Soil/Stressed Vegetation

No stained soil or stressed vegetation was observed on the subject site during the site reconnaissance.

7.3.12 Wells

No evidence of water supply or groundwater monitoring wells was observed on the subject property during the site reconnaissance.

8.0 Interviews

With the exception of previously mentioned interviews and/or information received from the Client, owner, occupants and/or municipal offices, no other interviews were conducted during the course of this Phase I ESA.

9.0 Other Environmental Considerations

9.1 Controlled Substances

The presence of controlled substances on the subject site must be evaluated if the client is applying for or has been awarded a grant under CERCLA/EPA or if the property is considered abandoned.

The term "controlled substance" means a drug or other substance, or immediate precursor, included in schedule I, II, III, IV, or V of part B of 21 US Code 802. The drugs include but are not limited to ephedrine and pseudoephedrine, which are suppressants that are used in common over-the-counter weight control and decongestant drugs, as well as, acetone, toluene and other solvents. These "controlled substances" are used to manufacture various drugs for recreational use. Unusually large quantities (i.e., cases of cold tablets, diet pills, unexplained containers of solvents) would be observed if the substances were being misused and site use should be taken into account when evaluating for "controlled substances". The term does not include distilled spirits, wine, malt beverages, or tobacco, as those terms are defined or used in subtitle E of the Internal Revenue Code of 1986.

During the site reconnaissance, Atwell did not observe any evidence for the presence of controlled substances on the subject site.

9.0 Other Environmental Considerations (continued)

9.2 Continuing Obligations

Owners or operators of real property may be subject to certain land use restrictions or institutional controls as part of continued occupancy of a site. These obligations may include resource restrictions; conducting reasonable steps with respect to hazardous substance releases; provide full cooperation, assistance, and access to persons that are authorized to conduct response actions or natural resource restorations; comply with federal information requests and administrative subpoenas, and provide all legally required notices. During the site reconnaissance and review of reasonably ascertainable records, Atwell identified the presence of documented contamination at the subject site. Therefore, it is the opinion of the EP that the current and/or future site owner may be subject to continuing obligations.

9.3 Asbestos-Containing Materials

The scope of services for this Phase I ESA did not include an inspection or sampling of suspect ACMs.

9.4 Lead-Based Paint

The scope of services for this Phase I ESA did not include an evaluation of the presence of lead-based paint on the subject site.

9.5 Radon

The scope of services for this Phase I ESA did not include an evaluation for the potential presence of Radon in the area of the subject site.

9.6 Wetlands

The scope of services for this Phase I ESA did not include an evaluation of suspect wetland areas on the subject site.

9.7 Mold Evaluation

The scope of services for this Phase I ESA did not include a mold evaluation on the subject site.

9.8 Items of Non-Compliance

The scope of services for this Phase I ESA did not include an evaluation of items of non-compliance with applicable local, state, or federal regulations.

9.9 Client-Specific Items

The scope of services for this Phase I ESA did not include addressing any client-specific items for the subject site.

10.0 Phase I Findings/Opinions/Conclusions

10.1 Report Findings and Opinions

During the course of this Phase I ESA, Atwell identified and evaluated several potential environmental concerns and it is the opinion of the EP that the following RECs have been identified for the subject site:

10.0 Phase I Findings/Opinions/Conclusions (continued)

10.1 Report Findings and Opinions (continued)

- Based on information gathered during the site investigation and a review of aerial photographs, fire insurance maps, historical address indexes and municipal records, Atwell concluded that the subject site has been developed with the current commercial office building since 1972. Prior to 1972, the subject site was developed with multiple structures (including filling stations, automobile repair businesses, residential dwellings, and restaurants) back to at least 1888 (as depicted in the Sanborn Maps). Several subsurface investigations have been completed by other consultants to address the historical automobile service, repair, and filling station operations at the subject site and north adjoining property. Review of previous subsurface investigation reports and extensive ground penetrating radar (GPR) studies indicates that the historical on-site USTs were likely removed as part of site redevelopment activities. Based on a review of analytical results provided in the most recent BEA prepared for the subject site, it is the opinion of the EP that the documented contamination in the site soils and groundwater represents an REC. In Atwell's professional opinion, the testing completed during the previous subsurface investigations did not include a full list of parameters typically associated with automobile service/repair shop operations [i.e., solvents, polynuclear aromatic hydrocarbons (PNAs)] at each soil boring location; thus did not adequately address the historical uses of the subject site.

- During the course of this Phase I ESA, Atwell was provided the opportunity to review several previous environmental reports completed for the subject site, including: (1) BEA completed by McDowell & Associates (McDowell), dated April 22, 2008; (2) BEA completed by LFR Levine Fricke (LFR), dated November 11, 2005; Phase II Subsurface Investigation report completed by Hillman Environmental Group, LLC (Hillman), dated October 6, 2004. RECs identified for the subject site by other consultants include: (1) historical gas station and automobile service/repair operations on the northern and eastern portions of the property from the 1920s through 1950s; (2) historical battery shop, auto repair shop, and paint/linoleum store on the eastern portion of the property from the 1920s through 1950s; (3) a historical UST depicted at the east adjacent property in the 1924 Sanborn Map; historical UST depicted at the east adjacent property in the 1924 Sanborn Map; and (4) elevated levels of VOCs and metals identified in soil and groundwater at concentrations exceeding applicable criteria following the completion of several subsurface investigations. Based on the demonstrated soil and groundwater contamination, the subject site qualifies as a "facility" as defined in Part 201 of the Natural Resources and Environmental Protection Act (NREPA), 1994.

- Atwell inspected the subject site for the presence of oil-cooled electrical equipment that may contain PCBs. During the site reconnaissance, Atwell observed several electrical transformers and two elevator mechanical units stored within concrete vaults in the subject building's basement. The vaults were filled with water and the transformers were overturned and appeared to be in various stages of disrepair. Based on the age of the structure (reportedly constructed in 1972), the possibility exists for the electrical equipment to contain PCBs. Based on the observed condition of the equipment, it is likely that the electrical equipment has leaked onto the nearby concrete surfaces; thus representing an REC.

- During the site reconnaissance, Atwell identified several hundred fluorescent lighting bulbs stored within a basement office of the subject building. Fluorescent bulbs often contain hazardous levels of mercury or other metals. If these bulbs are not recycled, they must be tested to verify that they are not hazardous waste before disposal as solid waste. If the bulbs are recycled, the waste characterization requirements would not apply. Atwell recommends that all fluorescent bulbs and ballasts (if any) be properly disposed or recycled in accordance with State and Federal regulations.

10.0 Phase I Findings/Opinions/Conclusions (continued)

10.2 Conclusions

Atwell has performed this Phase I ESA in general conformance with the scope and limitations of ASTM Practice E1527-13 and AAI specifications for the building and property located at 140 South Saginaw Street, Pontiac, Michigan. Any exceptions to, or deletions from, this practice are described in Section 3.4 of this report. During the course of this Phase I ESA, the EP identified RECs associated with the subject site as previously identified. Therefore, Atwell recommends that a Limited Phase II Subsurface Investigation be conducted to determine the nature, extent and materiality of the RECs. In addition, Atwell recommends that new owners prepare a Baseline Environmental Assessment within 45 days of purchase.

K-TECH ENVIRONMENTAL CONSULTANTS, INC.

Mr. Adorno Piccinini
Walbridge
777 Woodward Ave
Suite # 300
Detroit, Michigan 48226

November 18, 2015
Project No.: 1511-4659

Ref: Mold Bulk Sampling & Analysis
(Vacant Office Building)
140 S. Saginaw Street
Pontiac, Michigan 48342

Dear Mr. Piccinini:

This report presents the results of the mold bulk sampling performed at the above referenced building in Pontiac, Michigan. Sampling was conducted by K-Tech Environmental representative, Rawlins Stivers Jr. on November 16, 2015 and then submitted them to Apex Research Inc. for laboratory analysis. The purpose of the bulk sampling was to identify mold/fungus spores and determine the existence "if any" of Stachybotrys spores, known as "black mold" on the walls and floor debris of the basement and 7th floor of the building.

Five bulk samples were collected from drywall materials and floor debris consisting of ceiling tiles located inside the basement of the building for fungal organism identification. Also, it was observed that the drywall located on the 7th floor, north side, contained mold and a sample was collected from this area. Sample designations, description and location of the samples, along with the laboratory results are included in the table below.

The bulk samples were analyzed for Microscopic examination using light microscopy analysis at 600X with Calbera's stain to identify the mold/fungus spores that may be present in the bulk samples. Official laboratory results are attached for your reference.

It was noted that the 7th floor drywall had sustained water damage and now are hosting mold/fungus colonies. Water damage materials should be cleaned and environmental conditions should be changed to prevent further growth of the mold.

The analytical lab test results for the bulk samples revealed the presence of mold spores, conidia or hyphae (Cladosporium, Stachybotrys, Penicillium/Aspergillus and Alternaria) in the form of growth with 51%-75% of the drywall & ceiling tiles debris contains mold spores (please see attached lab results). Stachybotrys which sometimes referred to as "black mold" was found in all five bulk samples.

The mold sampling data results presented in this report are indicative of the conditions of the building environment, as they existed on the day of the inspection and at the time of sampling only.

In conclusion, at this time, based on the laboratory test results of the bulk samples, K-Tech Environmental recommends that all affected materials be removed and water sustained walls & floor areas be cleaned with 5% bleach solution products and anti-fungus solution be applied to prevent any mold/fungus growth in the future.

Also, K-Tech Environmental highly recommends that the workers performing the cleanup must wear personal protective equipment including at least half face air purifying respirators with HEPA filters during the cleanup operations.

K-Tech Environmental appreciates the opportunity to provide you with our services. Should you have any questions or require any additional information concerning this report, please do not hesitate to contact our office at (248) 426-7600.

Respectfully submitted,
K-Tech Environmental

Nick Kobrossi
Vice President

NK/mk

Attachments

K-TECH ENVIRONMENTAL CONSULTANTS, INC.

Bulk Sampling & Analysis for Mold Spores

Location: 140 S. Saginaw Street, Pontiac, MI Date Collected: November 16, 2015

Project No.: 1511-4659

SAMPLE #	DESCRIPTION/LOCATION	MOLD TYPE
1	Bulk Sample / Basement, Drywall Materials on wall	Please
2	Bulk Sample / Basement, Drywall Materials on wall	See
3	Bulk Sample / Basement, Ceiling Materials on floor	Attached
4	Bulk Sample / Basement, Ceiling Materials on floor	Lab
5	Bulk Sample / 7th floor, Drywall Materials on North wall	Test Results

*Refer to the attached Lab Report for results.

Certificate of Laboratory Analysis

Test Method, Pollen/Fungal/Dust Mite Analysis

Project: 140 S. Saginaw St. Pontiac
Project #: 1511-4659

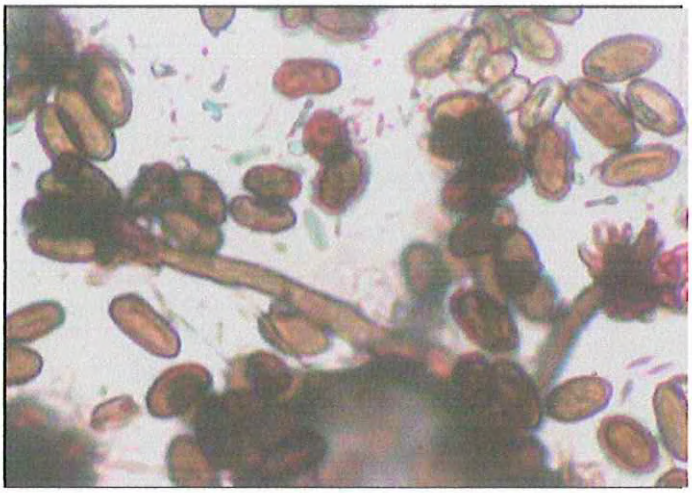
Report to:
Mr. Nick Kobrossi
K-Tech Environmental Consultants, Inc.
19500 Middlebelt Rd, Ste. 111E
Livonia, MI 48152

ARL Report # 15-M19874
Date Collected: 11/16/15
Date Received: 11/16/15
Date Analyzed: 11/17/15
Date Reported: 11/17/15

Lab ID # M19874-1
Client ID: 1
Location: Basement- Wall (Drywall)
Sample: Bulk
Type: Tape

Genus/Particle Observed	Comments
Stachybotrys	1,3,8
Cladosporium	1,3,8
Hyphal Fragments	1,3
Penicillium/Aspergillus	1,3
Alternaria	1

Image of Sample
Date: 11/17/15
Magnification: 600x



Mold Rating: 4

Observations:

Genera are listed according to amount observed, from largest to smallest.

Robert T. Letarte Jr., Laboratory Director

Some fungi, yeasts, molds, are not able to be identified by microscopic examination, all identifications are presumptive and confirmation of specific molds, fungi, or yeast or bacteria should be confirmed by culturing. APEX Research is not responsible for the sample collection or interpretation of results. The results are presumptive and analyzed to reflect the conditions at the moment tested with understanding that results may vary with time and space. The above certificate of analysis relates only to the samples tested and to insure the integrity of results may only be reproduced in full. Liability limited to cost of analysis

Certificate of Laboratory Analysis

Test Method, Pollen/Fungal/Dust Mite Analysis

Project: 140 S. Saginaw St. Pontiac
Project #: 1511-4659

Report to:
Mr. Nick Kobrossi
K-Tech Environmental Consultants, Inc.
19500 Middlebelt Rd, Ste. 111E
Livonia, MI 48152

ARL Report # 15-M19874
Date Collected: 11/16/15
Date Received: 11/16/15
Date Analyzed: 11/17/15
Date Reported: 11/17/15

Lab ID # M19874-2
Client ID: 2
Location: Basement Wall (Drywall)
Sample: Bulk
Type: Tape

Genus/Particle Observed	Comments
Stachybotrys	**1,3,8**
Myxomycetes	**1,3**
Hyphal Fragments	**1,3**
Penicillium/Aspergillus	**1,3**
Chaetomium	**1**

Image of Sample
Date: 11/17/15
Magnification: 600x

Mold Rating: 4

Observations:

Genera are listed according to amount observed, from largest to smallest.

Robert T. Lefarte Jr., Laboratory Director

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Certificate of Laboratory Analysis

Test Method, Pollen/Fungal/Dust Mite Analysis

Project: 140 S. Saginaw St. Pontiac
Project #: 1511-4659

Report to:
Mr. Nick Kobrossi
K-Tech Environmental Consultants, Inc.
19500 Middlebelt Rd, Ste. 111E
Livonia, MI 48152

ARL Report # 15-M19874
Date Collected: 11/16/15
Date Received: 11/16/15
Date Analyzed: 11/17/15
Date Reported: 11/17/15

Lab ID # M19874-3
Client ID: 3
Location: Ceiling Tile on Basement Floor
Sample: Bulk
Type: Tape

Genus/Particle Observed	Comments
Stachybotrys	1,3,8
Hyphal Fragments	1,3
Cladosporium	1,3
Penicillium/Aspergillus	1
Ulocladium	1

Image of Sample
Date: 11/17/15
Magnification: 600x

Mold Rating: 4

Observations:

Genera are listed according to amount observed, from largest to smallest.

Robert T. Lefarte Jr., Laboratory Director

Some fungi, yeasts, molds, are not able to be identified by microscopic examination, all identifications are presumptive and confirmation of specific molds, fungi, or yeast or bacteria should be confirmed by culturing. APEX Research is not responsible for the sample collection or interpretation of results. The results are presumptive and analyzed to reflect the conditions at the moment tested with understanding that results may vary with time and space. The above certificate of analysis relates only to the samples tested and to insure the integrity of results may only be reproduced in full. Liability limited to cost of analysis.

Certificate of Laboratory Analysis

Test Method, Pollen/Fungal/Dust Mite Analysis

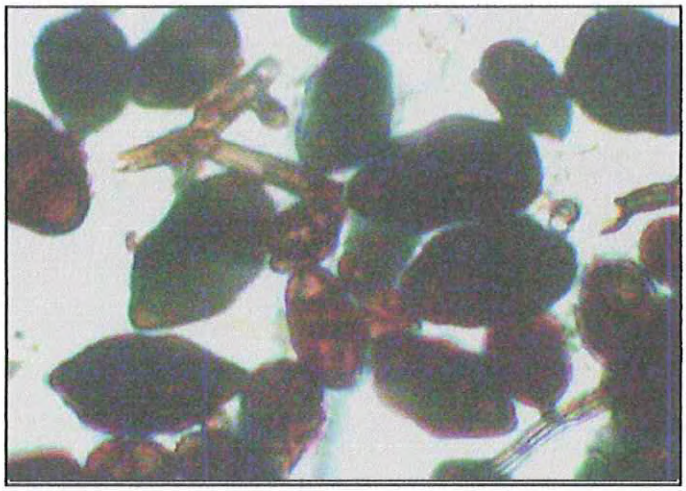
Project: 140 S. Saginaw St. Pontiac
Project #: 1511-4659

Report to:
Mr. Nick Kobrossi
K-Tech Environmental Consultants, Inc.
19500 Middlebelt Rd, Ste. 111E
Livonia, MI 48152

ARL Report # 15-M19874
Date Collected: 11/16/15
Date Received: 11/16/15
Date Analyzed: 11/17/15
Date Reported: 11/17/15

Lab ID # M19874-4
Client ID: 4
Location: Ceiling Tile on Basement Floor
Sample: Bulk
Type: Tape

Image of Sample
Date: 11/17/15
Magnification: 600x



Mold Rating: 4

Genus/Particle Observed	Comments
Ulocladium	1,3,8
Cladosporium	1,3
Hyphal Fragments	1,3
Acremonium	1,3
Stachybotrys	1,3

Observations:

Genera are listed according to amount observed, from largest to smallest.

Robert T. Lemire Jr., Laboratory Director

Certificate of Laboratory Analysis

Test Method, Pollen/Fungal/Dust Mite Analysis

Project: 140 S. Saginaw St. Pontiac
Project #: 1511-4659

Report to:
Mr. Nick Kobrossi
K-Tech Environmental Consultants, Inc.
19500 Middlebelt Rd, Ste. 111E
Livonia, MI 48152

ARL Report # 15-M19874
Date Collected: 11/16/15
Date Received: 11/16/15
Date Analyzed: 11/17/15
Date Reported: 11/17/15

Lab ID # M19874-5
Client ID: 5
Location: 7th Floor (Drywall N Office)
Sample: Bulk
Type: Tape

Genus/Particle Observed	Comments
Stachybotrys	**1,3,8**
Ulocladium	**1,3,8**
Hyphal Fragments	**1,3**
Cladosporium	**1,3**

Image of Sample
Date: 11/17/15
Magnification: 600x

Mold Rating: 4

Observations:

Genera are listed aeeording to amount observed, from largest to smallest.

Robert T. Lefarte Jr., Laboratory Director

Some fungi, yeasts, molds, are not able to be identified by microscopic examination, all identifications are presumptive and confirmation of specific molds, fungi, or yeast or bacteria should be confirmed by culturing. APEX Research is not responsible for the sample collection or interpretation of results. The results are presumptive and analyzed to reflect the conditions at the moment tested with understanding that results may vary with time and space. The above certificate of analysis relates only to the samples tested and to insure the integrity of results may only be reproduced in full. Liability limited to cost of analysis.

Mold Spore Rating

Mold Rating	Description	Interpretation
0	No Mold Spore, Hyphae, Conidia were detected	The sample consists of environmental debris that is not microscopically identified with mold or fungi.
1	Trace amount of mold spores, conidia or hyphae present	The sample consists of environmental debris with random appearances of mold debris.
2	Up to 25% of the material on the bulk samples are mold spores, conidia or hyphae	The sample consists of environmental debris with a noticeable amount of mold present. A consistent accumulation from a nearby mold source.
3	26%-50% of the material on the bulk sample are mold spores, conidia or hyphae	The sample consists of environmental debris intermingled with mold that may or may not be in a growth phase.
4	51%-75% of the material on the bulk sample are mold spores, conidia or hyphae	The sample consists of a mold growth that has some environmental debris.
5	>75% of the material on the bulk sample are mold spores, conidia or hyphae	The sample consists primarily of mold or related structures indicating a colony of established mold.

Comments For Mold Bulk Reports

1. This is a known allergen.
2. These are known allergens.
3. There is accumulation observed in this sample.
4. There is an amplification of mold in this sample.
5. No mold was observed.
6. Heavy debris noted in sample.
7. Culturing required for positive identification.
8. The presence of fruiting structures observed in this sample suggests possible fungal contamination or growth.
9. Growth was observed.
10. There was a presence of loose fungal spores which can be considered as background, most likely in dust accumulations.

RESOLUTION

#7

STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF PONTIAC

RESOLUTION CONCURRING WITH THE PROVISIONS OF A BROWNFIELD PLAN ADOPTED BY THE OAKLAND COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY FOR THE 140 SOUTH SAGINAW STREET

RECITATIONS:

WHEREAS, the Oakland County Board of Commissioners, 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"), have established a Brownfield Redevelopment Authority and Board (OCBRA) to facilitate the clean-up and redevelopment of Brownfields within Oakland County's communities; and

WHEREAS, the property located at 140 South Saginaw (Property), a site in the City of Pontiac is an environmental hazard, a "facility' under state statute; and

WHEREAS, a Brownfield clean-up and redevelopment plan (the "Plan") has been prepared to restore the environmental and economic viability to this parcel which the OCBRA has reviewed and approved; and

WHEREAS, pursuant to OCBRA by-laws, a local committee has been appointed, participated in discussions regarding the proposed plan and project, reviewed the plan, and recommends its approval; and

WHEREAS, the OCBRA, pursuant to and in accordance with Section 13 of the Act, shall consider recommending that the Oakland County Board of Commissioners approve the Brownfield Plan to be carried out within the City of Pontiac, relating to the redevelopment of 140 South Saginaw; and

WHEREAS, the City has reviewed the Plan, and have been provided a reasonable opportunity to express their views and recommendations regarding the Plan in accordance with Sections 13(13) of the Act; and

NOW THEREFORE BE IT RESOLVED THAT, the City of Pontiac hereby concurs with the provisions of the Plan including approval of the Plan by the Oakland County Board of Commissioners and implementation of the Plan by the Oakland County Brownfield Redevelopment Authority.

BE IT FURTHER RESOLVED THAT 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.

BE IT FURTHER RESOLVED THAT all resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

AYES:
NAYS:
ABSTENTIONS:
ABSENT:

CERTIFICATION

It is hereby certified that the foregoing Resolution is a true and accurate copy of the Resolution adopted by the City Council of the City of Pontiac at a meeting duly called and held on the ____ day of November, 2018.

CITY of PONTIAC

By: _____
Garland Doyle, INTERIM CLERK

RESOLUTION

#8

MEMORANDUM

City of Pontiac
Controller's Office
47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3118
Fax: (248) 758-3197

DATE : 01/09/2019

TO: Honorable Mayor and City Council

FROM: Danielle Kelley, Plante & Moran - Controller's Office

THROUGH: Jane Bais DiSessa – Deputy Mayor

SUBJECT: Budget amendment FY 2018-2019 – fiscal year 2017-2018 rollovers and Phoenix Center settlement payment

---

Mayor Waterman,

After reviewing our budgeted appropriations for the FY 2018-2019 (current year) we have determined that the appropriations in the General Fund need to be increased by $3,550,000 due to the payment executed on 11/15/2018 in relation to the Phoenix Center litigation settlement agreement.

Initial payments in accordance with the settlement agreement were as follows:

$ 1,750,000	Ottawa Towers II, LLC
$ 1,750,000	North Bay Drywall, Inc.
$ 350,000	Final attorney fees
$ 700,000	First installment of 5 year amortized payment to North Bay Drywall, Inc.
$ 4,550,000	Total due at settlement
($1,000,000)	Insurance coverage by MMRMA
$ 3,550,000	Paid through City funds

The increased appropriation will be funded by use of the accumulated fund balance in the General Fund. This fund balance was assigned for in the audited fiscal year 2018 financial statements and will not cause the General Fund to be in violation of the fund balance policy.

Additionally, we have reviewed both projects not completed and available budget of fiscal year 2018 with department heads and identified those projects and available budget which can be used to complete projects in this fiscal year 2019. Those projects are:

- General Fund
  - $3,526 – Computer equipment for DPW department budgeted, but not expended
  - $101,310 – Tele-Van transportation services not expended
  - $20,000 – Grass Cutting expenditures budgeted, but not expended
- Local Street Fund
  - $121,157 – ACT 51 funding from FY 18 recognized in FY 19 (60 day rule)
  - $106,775 – Non-motorized construction and sidewalk repair
  - $970,160 – Kettering road repair
  - $610,000 – Irwin road repair
  - $170,436 – additional funding as needed for road repairs
- Youth Recreation Fund
  - $70,000 – Vehicle purchase budgeted, but not expended.
- Cemetery Fund
  - $4,828 – Grass cutting expenditures budgeted, but not expended.
- Senior Activities Fund
  - $204,600 – Ruth Peterson roof repair
- Cable Fund
  - $722,351 – Video Equipment
- Capital Improvement Fund
  - $290,000 – City Hall parking lot repair
  - $1,117,000 – Building additions and improvements to City Hall and Courthouse
  - $25,000 – repairs for Ottawa Park Cemetery
  - $25,000 – repairs for Oak Hill Cemetery
  - $80,000 – Police station improvements

If Council agrees with the budget amendment above, then the following resolution would be in order:

Whereas, the City of Pontiac timely approved the 2018-2019 budget on June 8, 2018, and;

Whereas, payments due in regards to the Phoenix Center settlement in the amount of $3,550,000 were not known at the time the 2018-2019 budget was approved, and;
Whereas, there is a need to increase appropriations in the amount of $3,550,000 in general government appropriations in relation to this payment, and;

Whereas, the Mayor is proposing to the City Council to increase general government appropriations for the current fiscal year 2018-2019 for the General Fund in the amount of $3,550,000 for the Phoenix Center as necessary to fully account for this fiscal year expenditure in this fund, and;

Whereas, the Mayor has reviewed the department heads request for rollover of unused appropriations in the previous fiscal year, 2017-2018, and;

Whereas, the Mayor is proposing to the City Council to increase the appropriations for the current year 2018-2019 for the funds and amounts described in exhibit A as necessary to complete the projects that the City Council had fully funded and approved in the last fiscal year but were not timely expended.

Whereas, the increased appropriations will not cause the fund balance in any of the funds to go below the policy mandated thresholds, with the exception of the youth recreation fund, as that fund was created in 2017 and has not has sufficient time to accumulate fund balance and;

Now therefore, be it resolved that the City Council of the City of Pontiac approves the budget amendment for the fiscal year 2018-2019 as requested by the Mayor and detailed in the attachment labeled exhibit A.

EXHIBIT A

General Fund - 101		2018-2019		2018-2019
ESTIMATED REVENUES		Current budget	Proposed Amendment	Amended Budget
	Property Taxes	7,912,643		7,912,643
	Income Taxes	13,450,000		13,450,000
	Licenses and Permits	195,000		195,000
	Federal Grants	115,000		115,000
	State Grants	9,962,707		9,962,707
	Charges for Services	1,115,600		1,115,600
	Fines and Forfeits	108,000		108,000
	Interest and Rents	376,000		376,000
	Other Revenue	2,433,704		2,433,704
	Transfers In and Other Uses	240,000		240,000
	TOTAL ESTIMATED REVENUES	35,908,654	-	35,908,654
APPROPRIATIONS				
	General Government	5,286,826	3,550,000	8,836,826
	Public Safety	20,009,581		20,009,581
	Public Works	2,681,356	3,526	2,684,882
	Health and Welfare	150,000	101,310	251,310
	Community and Economic Development	2,439,432		2,439,432
	Recreation and Culture	700,610	20,000	720,610
	Other Functions	2,452,662		2,452,662
	Transfers Out and Other Uses	2,188,182	-	2,188,182
	TOTAL APPROPRIATIONS	35,908,649	3,674,836	39,583,485
General Fund				
	NET REVENUES/APPROPRIATIONS	5	(3,674,836)	(3,674,831)
	Audited - Nonspendable fund balance FY 18	15,278		15,278
	Audited - Committed fund balance FY 18	3,200,000		3,200,000
	Audited - Assigned fund balance FY 18	3,550,000		-
	Audited - Unassigned fund balance FY 18	10,593,924		10,469,093
	Estimated fund balance 2019	17,359,207		13,684,371
	Unassigned fund balance as a percentage of expenditures	**30%**		**26%**
	Fund Balance policy	**15%**		**15%**

EXHIBIT A - continued

Local Street Fund - 203		2018-2019 Current budget	Proposed Amendment	2018-2019 Amended Budget
ESTIMATED REVENUES				
	State Grants	1,522,860	121,157	1,644,017
	Interest and Rents	21,493		21,493
	Transfers In	14,125		14,125
	TOTAL ESTIMATED REVENUES	1,558,478	121,157	1,679,635
APPROPRIATIONS				
	Public Works	2,869,536	1,857,371	4,726,907
	TOTAL APPROPRIATIONS	2,869,536	1,857,371	4,726,907
General Fund				
	NET REVENUES/APPROPRIATIONS	(1,311,058)	(1,736,214)	(3,047,272)
	Audited - Fund balance FY 18	5,933,352		5,933,352
	Estimated fund balance 2019	4,622,294		2,886,080
	Fund balance as a percentage of expenditures	**161%**		**61%**
	Fund Balance policy	**10-20%**		**10-20%**

Youth Recreation Fund - 208		2018-2019 Current budget	Proposed Amendment	2018-2019 Amended Budget
ESTIMATED REVENUES				
	Property Taxes	960,642		960,642
	Transfers In	6,331		6,331
	TOTAL ESTIMATED REVENUES	966,973	-	966,973
APPROPRIATIONS				
	Recreation and Culture	964,393	70,000	1,034,393
	TOTAL APPROPRIATIONS	964,393	70,000	1,034,393
General Fund				
	NET REVENUES/APPROPRIATIONS	2,580	(70,000)	(67,420)
	Audited -Fund balance FY 18	161,751		161,751
	Estimated fund balance 2019	164,331		94,331
	Fund balance as a percentage of expenditures	**17%**		**9%**
	Fund Balance policy	**10%**		**10%**

Cemetery Fund - 209		2018-2019 Current budget	Proposed Amendment	2018-2019 Amended Budget
ESTIMATED REVENUES				
	Charges for Service	10,000		10,000
	Transfers In and Other Uses	240,337		240,337
	TOTAL ESTIMATED REVENUES	250,337	-	250,337
APPROPRIATIONS				
	General Government	246,996	4,828	251,824
	TOTAL APPROPRIATIONS	246,996	4,828	251,824
General Fund				
	NET REVENUES/APPROPRIATIONS	3,341	(4,828)	(1,487)
	Audited -Fund balance FY 18	62,948		62,948
	Estimated fund balance 2019	66,289		61,461
	Fund balance as a percentage of expenditures	**27%**		**24%**
	Fund Balance policy	**10%**		**10%**

EXHIBIT A - continued

Senior Activities Fund - 212		2018-2019		2018-2019
ESTIMATED REVENUES		Current budget	Proposed Amendment	Amended Budget
	Property Taxes	306,860		306,860
	Interest and Rents	19,397		19,397
	Transfers In	28,499		28,499
	TOTAL ESTIMATED REVENUES	354,756	-	354,756
APPROPRIATIONS				
	Recreation and Culture	452,021	204,600	656,621
	TOTAL APPROPRIATIONS	452,021	204,600	656,621
General Fund				
	NET REVENUES/APPROPRIATIONS	(97,265)	(204,600)	(301,865)
	Audited -Fund balance FY 18	969,486		969,486
	Estimated fund balance 2019	872,221		667,621
	Fund balance as a percentage of expenditures	**193%**		**102%**
	Fund Balance policy	**10%**		**10%**

Cable Fund - 213		2018-2019		2018-2019
ESTIMATED REVENUES		Current budget	Proposed Amendment	Amended Budget
	Charges for Service	175,100		175,100
	Interest and Rents	6,631		6,631
	Transfers In	2,840		2,840
	TOTAL ESTIMATED REVENUES	184,571	-	184,571
APPROPRIATIONS				
	General Government	138,815	722,351	861,166
	TOTAL APPROPRIATIONS	138,815	722,351	861,166
General Fund				
	NET REVENUES/APPROPRIATIONS	45,756	(722,351)	(676,595)
	Audited -Fund balance FY 18	1,166,125		1,166,125
	Estimated fund balance 2019	1,211,881		489,530
	Fund balance as a percentage of expenditures	**873%**		**57%**
	Fund Balance policy	**10%**		**10%**

Capital Improvement Fund - 445		2018-2019		2018-2019
ESTIMATED REVENUES		Current budget	Proposed Amendment	Amended Budget
	Property Taxes	908,036		908,036
	Other Revenue	5,000		5,000
	Interest and Rents	20,555		20,555
	TOTAL ESTIMATED REVENUES	933,591	-	933,591
APPROPRIATIONS				
	General Government	721,333	1,457,000	2,178,333
	Public Safety	178,000	80,000	258,000
	Public Works	695,132		695,132
	Community and Economic Development	115,136		115,136
	TOTAL APPROPRIATIONS	1,709,601	1,537,000	3,246,601
General Fund				
	NET REVENUES/APPROPRIATIONS	(776,010)	(1,537,000)	(2,313,010)
	Audited -Fund balance FY 18	2,800,087		2,800,087
	Estimated fund balance 2019	2,024,077		487,077
	Fund balance as a percentage of expenditures	**118%**		**15%**
	Fund Balance policy	**15%**		**15%**

PROCLAMATION

#9

CITY OF PONTIAC
OFFICIAL MEMORANDUM

TO: Jane Bais-DiSessa

FROM: John Balint, Director of Public Works

DATE: January 9, 2019

RE: 15th Anniversary of the Clinton River Trail

The scenic Clinton River Trail, spanning 16 miles through the five communities of Rochester, Rochester Hills, Auburn Hills, Pontiac and Sylvan Lake in Oakland County, will celebrate its 15th anniversary in 2019 with a year-long calendar of programs and events for all ages.

January 29: 15th Anniversary Kickoff at Rochester Hills Museum at Van Hoosen Farm

February 17: Winter walk, Shoe or Ski – Meet up at Letica Trail Head

April 13: "Attracting Nature's Jewels: Hummingbirds" – Goldner Walsh Garden, Pontiac

May 4: Cruisin' for the Trails – Motor City Brew Tour Fundraiser, Rochester Hills

Spring Migration – Birding on the Clinton River Trail, Oakland Audubon Young Birders' Club

May 22: 15th Anniversary Celebration at River Crest featuring Dennis Pace, Chair, Michigan Trails & Greenway Alliance on *"Destination:Trails"*

June 1: Celebrate National Trails Day on the Clinton River Trail!
OPC 5K Run & Walk for Meals
Bike ride led by Performance Bicycle Bloomfield Hills

June 15: Healthy Pontiac *Fit Fest* - Beaudette Park, Pontiac

June 26: Sears Kit Homes Lecture - Sylvan Lake Community Center

July 13: Bike ride led by Performance Bicycle

July 28: Orvis Fly Fishing Demo at Norcentra Lake - Rochester College

August 17: Bike ride led by Performance Bicycle

Nov. 2: Late Fall Birding Hike led by Oakland Audubon

CRT is a 16 mile long, multi-use, recreational trail extending through the communities of Sylvan Lake, Pontiac, Auburn Hills, Rochester Hills and Rochester. The CRT provides connections to several other trails in the area and is a critical part of two cross-state trails: the Iron Belle Trail running from Belle Isle to Ironwood and the Great Lake to Lake Trail from South Haven to Port

Huron. The CRT has contributed to the health, vitality and quality of life in the region for 15 years.

The Department of Public Works and Engineering Division is requesting that City Council approve the following Proclamation.

JVB

Attachments

CITY OF PONTIAC
PROCLAMATION
Clinton River Trail 15th Anniversary

WHEREAS, The City of Pontiac did work with the communities of Sylvan lake, Auburn Hills, Rochester Hills, and Rochester to creote, and in 2003, jointly adopted a master plan far a five city multi-use recreational trail to be known as the Clinton River Trail, and

WHEREAS, in 2004 the City of Pontiac joined those same cities in signing a ***Memorandum of Understanding*** *agreeing to cooperatively establish, maintoin, and operate a 16-mile long recreational trail, to be known as the Clinton River Trail, primarily locoted on the abandoned Grand Trunk Western rail corridor that passes through the five communities, and*

WHEREAS, Pontiac then acquired and constructed a 1.5 mile section of trail from Old Telegraph Road to Bagley Street through funding provided by grants from the Michigan Department of Natural Resources (MDNR) and the Michigan Economic Development Corporation (MEDC), and

WHEREAS, in 2009 Pontiac completed a 1.2 mile eastward extension of the trail along sidewalks from Bagley Street to the M-59/Northbound Woodward intersection, and

WHEREAS, in 2011 Pontiac obtained a federal stimulus grant through the Michigan Department of Transportation (MDOT) to build a pedestrian bridge over Telegraph Road linking the Clinton River Trail in Pontiac to the City of Sylvan Lake, and

WHEREAS, Friends of the Clinton River Trail, in cooperation with the five Clinton River Trail cities, funded the design and prototyping of trail amenities and signage to provide a consistent look and feel along the full length of the trail and subsequently same portions of the completed trail in Pontiac have had such amenities and signage installed, and

WHEREAS, in 2017 Pontiac via a Michigan Natural Resources Trust Fund grant purchased a 4.5 mile section of abandoned rail line from Opdyke Road to Jaycee Park that will allow the Clinton River Trail to be developed closer to the downtown connection and will provide trail access to citizens on the north side of the city, and

WHEREAS, other similar trails across the nation have shown how recreational trails enhance the quality of life and enhance property values in their community thus Pontiac continues to seek funding opportunities to allow the Clinton River Trail to evolve and improve;

NOW, THEREFORE, BE IT RESOLVED, that on this day, January xx, 2019 the Mayor and City Council of the City of Pontiac hereby proclaims 2019 be recognized as the year of the 15th Anniversary of the Clinton River Trail and applauds the dedication, hard work and on-going efforts of City staff, community volunteers and all entities responsible for implementing the original vision of the Clinton River Trail master plan.

Signed this ____ day of January 2019

Dr. Deirdre Waterman, Mayor	Kermit Williams, Council President
Randy Carter, Council President Pro Tem	Gloria Miller, Councilmember
Mary Pietila, Councilmember	Doris Taylor-Burks, Councilmember
Patrice Waterman, Councilmember	Don Woodward, Councilmember