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OFFICE**

City of Roseville
County of Macomb

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the City Council of the City of Roseville County of Macomb, State of Michigan, (the "Municipality") held on _____.

PRESENT: Members: _____

ABSENT: Members: _____

Member _____ offered and moved the adoption of the following resolution, seconded by Member _____.

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan Department of Environmental Quality (the "DEQ") shall establish a strategic water quality initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to municipalities for sewage collection and treatment systems or storm water or nonpoint source pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to establish a(n) (*select one or more*) asset management plan, stormwater management plan, plan for wastewater/stormwater, design of wastewater/stormwater, innovative technology, or for disadvantaged community construction activities (up to \$500,000).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate principal amount not to exceed Two Million and 00/100 Dollars (\$2,000,000.00) ("Grant") be requested from the MFA and the DEQ to pay for the planning and/or design activities; and

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. City Manager (*title of the designee's position*), a position currently held by Scott Adkins (*name of the designee*), is designated as the Authorized Representative for purposes of the SAW Grant Agreement.
2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached hereto as Appendix I) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.
3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.
4. The Grant, if repayable, shall be a first budget obligation from the general funds of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.
5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.
6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.
7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.
8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

YEAS: Members:

NAYS: Members:

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Roseville, County of Macomb, said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Name _____ of _____, Clerk
_____ of _____ County of _____

Spec. Disc. 11-19-13

**MACOMB COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN FOR
MACOMB MALL PROPERTY**

Prepared by:

Warner Norcross & Judd LLP
900 Fifth Third Center
111 Lyon Street NW
Grand Rapids, Michigan 49503
Contact: Jared T. Belka
Phone: 616-752-2447

Last Revision Date: November 4, 2013

**MACOMB COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN – MACOMB MALL REDEVELOPMENT PROJECT**

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PROJECT SUMMARY

Project Name:	Macomb Mall Redevelopment
Project Location:	The property is located at 32233 and 32455 Gratiot, Roseville, Michigan 48066. The current parcel ID numbers (includes property subject to pending split on 32233 Gratiot) is: 14-04-251-005 and 14-04-251-006.
Type of Eligible Property:	Functionally Obsolete and adjacent
Eligible Activities:	Baseline Environmental Assessment Activities, Demolition (site and building), Asbestos Abatement, Brownfield Plan and Work Plan Preparation and Development
Reimbursable Costs:	\$2.47 million, plus interest at 4.5% (capped at \$1.3 million)
Estimated Years to Complete Payback:	20 years
Estimated Private Capital Investment:	\$8.4 million

Project Overview: The overall project includes the redevelopment and rehabilitation of the existing Macomb Mall property. Due to the size and scope of the project, the redevelopment will be completed in phases. Initially, phase one of the project includes demolition of the existing 126,000 square foot former Crowley's Department Store building and associated site improvements. Following demolition, a new 50,000 to 55,000 square foot building will be constructed to house a new national retailer. Phase two will be undertaken in 2014 to 2015 and includes the following activities:

- demolition of the cinema building
- demolition and rebuilding of four major entryways
- demolition and rehabilitation of all common areas
- removal and installation of new common area ceilings, lights and bathrooms
- construction of approximately 75k-100k sf of new tenant space
- milling and capping of surface parking
- installation of islands and pedestrian walkways
- removal of existing light poles and installation of new lighting

Demolition for phase one is expected to commence late 2013 with vertical construction of the new building commencing in early 2014. Phase two will commence in 2014 with work continuing through 2015.

I. INTRODUCTION

Macomb County (the “County”) established the Macomb County Brownfield Redevelopment Authority (the “Authority”), by adoption of a resolution pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (“Act 381”). The Michigan Department of State, Office of the Great Seal, acknowledged receipt and filing of the resolution. The County Commission established the Authority Board and appointed its members. Act 381 authorizes the Authority to undertake all activities allowed by law. The primary purpose of Act 381 is to encourage the redevelopment of contaminated, functionally obsolete, or blighted property by providing economic incentives through tax increment financing for eligible activities.

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

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

This Plan may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Plan contains information required by Section 13(1) of Act 381.

II. GENERAL PROVISIONS

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

The eligible property is located at 32233 and 32455 Gratiot in the City of Roseville and currently consists of 2 parcels (one lot split pending on 32233). The current parcel ID numbers are: 14-04-251-005 and 14-04-251-006. Site maps are included in Attachment A. The 32233 Gratiot parcel meets the definition of functionally obsolete as declared by the City of Roseville Assessor. The 32455 parcel is adjacent to the eligible parcel. The legal description and Assessor's opinion are included in Attachment B.

The Macomb Mall Redevelopment project includes the redevelopment and rehabilitation of the existing Macomb Mall property. Due to the size and scope of the project, the redevelopment will be completed in phases. Initially, phase one of the project includes demolition of the existing 126,000 square foot former Crowley's Department Store building and associated site improvements. Following demolition, a new 50,000 to 55,000 square foot building will be constructed to house a new national retailer.

Phase two of the redevelopment will be undertaken in 2014 to 2015 and includes the following activities:

- demolition of the cinema building
- demolition and rebuilding of four major entryways
- demolition and rehabilitation of all common areas
- removal and installation of new common area ceilings, lights and bathrooms
- construction of approximately 75k-100k sf of new tenant space
- milling and capping of surface parking
- installation of islands and pedestrian walkways
- removal of existing light poles and installation of new lighting

The total private investment in the project is estimated to be approximately \$8.4 million. The "eligible property" will include all new personal property to be located on the real property. The parcels and all new personal property located thereon will comprise the eligible property and is referred to herein as the "Property."

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

The Property is considered "eligible property" as defined by Act 381, Section 2 because: (a) the Property was previously utilized for a commercial purpose; (b) it is located within the City of Roseville, a non-qualified local governmental unit pursuant to Act 381; (c) the Property has been declared functionally obsolete by a Level 3 Assessor as authorized under Act 381 (see Attachment B for the Assessor's opinion); and (d) the eligible activities included in the brownfield plan include demolition and lead or asbestos abatement.

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

The "eligible activities" that are intended to be carried out at the Property are considered "eligible activities" as defined by Sec 2 of Act 381, as amended, because they include demolition, asbestos abatement, and preparation of brownfield/work plans, plus interest at 4.5% (capped at \$1.3 million).

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the Property are shown in the table below.

Description of Eligible Activities	Estimated Cost
1. Baseline Environmental Assessment Activities	\$10,000
2. Demolition	\$1,750,000
3. Asbestos Abatement	\$370,000
Subtotal	\$2,130,000
4. Contingency (15%)	\$319,500
5. Brownfield Plan/Work Plan Preparation and Development	\$20,000
6. Interest at 4.5% (capped)	\$1,300,000
TOTAL	\$3,769,500

The cost of eligible activities is estimated in the table above and include the following:

1. Baseline Environmental Assessment Activities. Baseline environmental assessment activities may be required for one or more of the eligible properties as part of the due diligence process for redevelopment.
2. Demolition. Demolition includes removal of existing buildings and site improvements in preparation for new construction of buildings and site improvements.
3. Asbestos Abatement. Abatement includes the cost to properly assess, remove and dispose of all asbestos containing materials encountered during the demolition process.
4. Contingency. A 15% contingency is included to address unknown conditions that may be encountered during the project.
5. Brownfield/Work Plans Preparation and Development. Costs incurred to prepare and develop this brownfield plan and proposed work plan, as required per Act 381 of 1996, as amended.
6. Interest. Interest is included to address the true cost of conducting the eligible activities. Interest is to be calculated at 4.5% and capped at \$1.3 million.

Phase one demolition of the former Crowley's building is expected to be completed in late 2013 and site demolition will continue in early 2014. Phase one construction will commence in spring 2014 and likely be completed by 2015. Phase two will commence in 2014 and continue through 2015.

The eligible activities listed in the table above are estimated costs and may increase or decrease depending on project details discovered during the course of construction. The total principal cost of eligible activities approved in this Plan may exceed the estimated cost of \$2,469,500 by up to 10% without requiring an amendment to this Plan.

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

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities under this Plan. A table of estimated tax increment revenues to be captured and summary of impact of the taxing jurisdictions is attached to this Plan as Attachment C.

Based on current projections, the total estimated cost of the eligible activities, plus interest (capped), to be reimbursed/paid through the capture of tax increment revenue is \$3,769,500. The Developer plans to invest approximately \$8.4 million in real property improvements on the Property. The effective initial taxable value for this Plan is the next assessment roll following the date of the resolution approving the Plan (i.e. 2014 taxable value). Redevelopment of the Property is expected to initially generate incremental taxable value in 2015 with the first significant estimated increase in taxable value of approximately \$2 million. Additional anticipated redevelopment will generate increased increment over the following years.

It is estimated that the Authority will capture the 2015 through 2034 tax increment revenues to reimburse the cost of the eligible activities.

The captured incremental taxable value and associated tax increment revenue will be based on the actual increased taxable value from all taxable improvements on the Property and the actual millage rates levied by the various taxing jurisdictions during each year of the Plan. Projected tax increments are shown on Attachment C.

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

All funds under this Plan will initially be advanced and financed by the Developer. However, the identified "Developer" in the Brownfield Plan may change. The Authority will reimburse the Developer for the cost of approved eligible activities, plus interest, but only from tax increment revenues generated from the Property. No bonds will be issued for the project.

F. Duration of Plan (Section 13(1)(f))

The estimated duration of the brownfield plan for this project is 20 years. It is estimated that initial redevelopment of the Property will be completed by 2015 and that it could take up to 20 years to recapture eligible costs through tax increment revenues. Therefore, the first year of tax increment capture will be 2015 and the Plan will remain in place until all investment is completed and all eligible activities are reimbursed, but in no event will the Plan exceed the maximum duration provided for in (MCL 125.2663(22)).

G. Effective Date of Inclusion in Brownfield Plan

The Property became a part of this Plan on the date the Plan was originally approved by the County Commission for Macomb County.

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

There are no persons residing on the eligible property and no occupied residences will be acquired or cleared. Therefore, there will be no displacement or relocation of persons or businesses under this Plan.

I. Local Site Remediation Revolving Fund (“LSRRF”) (Section 8; Section 13(1)(m))

The BRA may fund its LSRRF, to the extent funds are available, following completion of reimbursement of the eligible activities identified herein for the Developer. The LSRRF will not be used for this Project.

J. Other Material that the Authority or Governing Body Considers Pertinent (Section 13(1)(n))

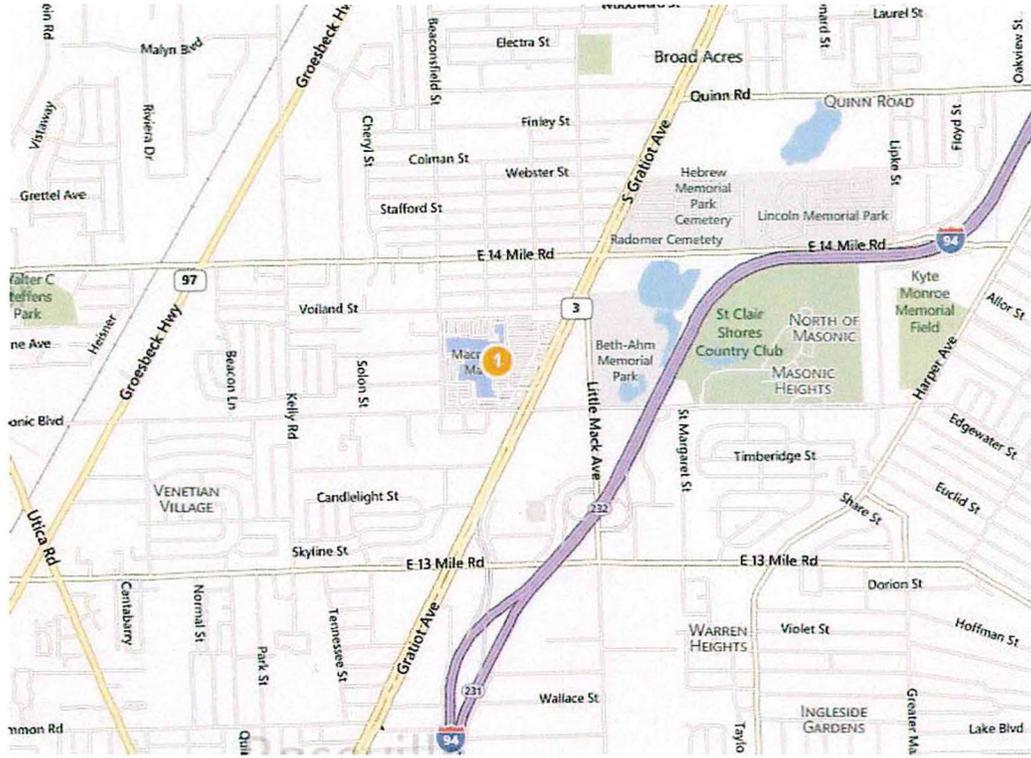
The Project will replace a currently vacant building with a newly constructed retail facility and bring a national retailer to the site. The Project will generate new investment in the City and County and bring new retail opportunities and jobs to a site that has several vacancies.

9473199

III. ATTACHMENTS

ATTACHMENT A

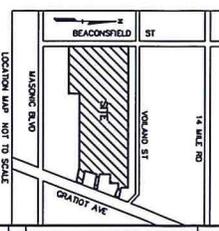
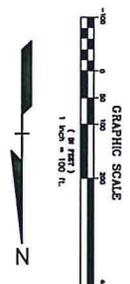
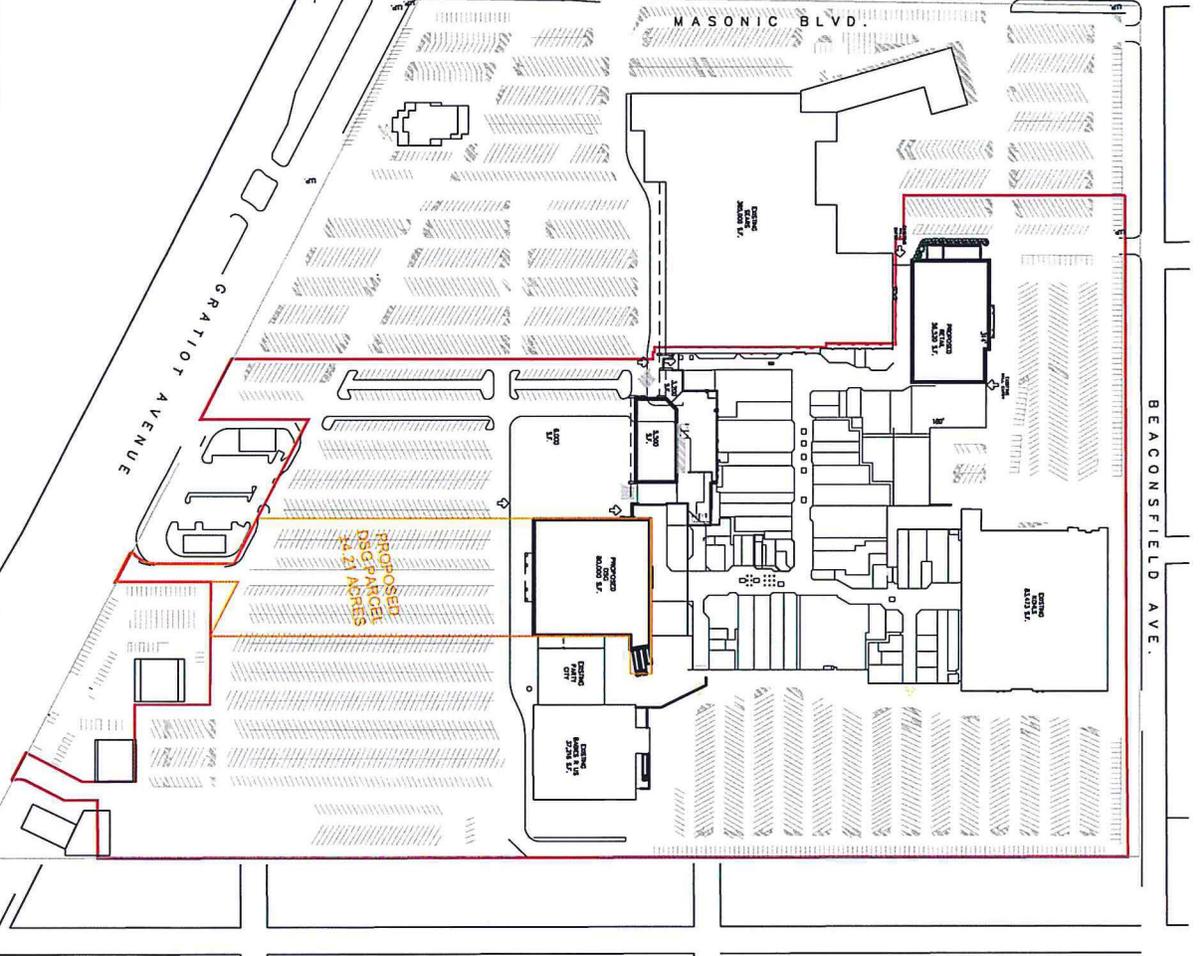
Site Maps



ATTACHMENT A-1

Site Map

DATE: 02/27/2013
 TIME: 10:00 AM
 PROJECT: EXHIBIT - MACOMB MALL
 DRAWING NO.: 2013-001
 SHEET NO.: 1 OF 1



PEA PROFESSIONAL ENGINEERING ASSOCIATES 2430 BLOOMINGDALE, CL 38410 Phone: (414) 555-0000 Fax: (414) 555-0000 www.pea.com	811 Before you dig, call 811 to find out what's below 1-800-4-A-DIG www.811.com	3 FEET WORKING DAYS BEFORE 0900 DAILY (M-F 8:00 AM - 5:00 PM) (S 8:00 AM - 12:00 PM) (D 8:00 AM - 12:00 PM) (H 8:00 AM - 12:00 PM) (W 8:00 AM - 12:00 PM) (TH 8:00 AM - 12:00 PM) (F 8:00 AM - 12:00 PM)	CHANGES 1. All changes must be approved by the Designer. 2. All changes must be submitted in writing. 3. All changes must be submitted at least 5 business days before the start of construction. 4. All changes must be submitted at least 5 business days before the start of construction. 5. All changes must be submitted at least 5 business days before the start of construction.	REVISIONS
				LORMAX STERN DEVELOPMENT 6755 DALY WEST BLOOMFIELD, MI 48322 EXHIBIT - MACOMB MALL PROPOSED DSG PARCEL PART OF THE NE 1/2 OF SECTION 17, T14N, E15E, CITY OF ROSELVILLE, MACOMB COUNTY, MICHIGAN
DES. _____ DN. _____ EH. _____ SUR. _____ ELC. _____ P.M. _____ SAS. _____	DRAWN BY: JMB DATE: 02/27/2013 SCALE: 1" = 100'	PROJECT: EXHIBIT - MACOMB MALL DATE: 02/27/2013	DRAWING NO.: 2013-001 SHEET NO.: 1 OF 1	EXHIBIT

ATTACHMENT B

Legal Description of Eligible Property to which the Plan Applies and Assessor's Affidavit

LEGAL DESCRIPTION

Address: 32233 Gratiot

Tax ID: 14-04-251-005

Description: T1N,R13E,SEC 4, GRATIOT MASONIC PARK SUB (L7,P97) PT LOTS 22,23,24,25, ALL OF LOTS 26 THRU 31 OF BLK D; LOTS 1 THRU 5 OF BLK E; LOTS 21 THRU 40 OF BLK I; LOTS 1 THRU 20 OF BLK J; LOTS 21 THRU 40 OF BLK N; LOTS 1 THRU 20 OF BLK O; ALSO VAC STS & ALLEYS ADJ IN SD SUB, DESC AS; BEG AT A PT, DIST N01*03'14"E 394.43 FT ALG N & S LINE OF SD SEC; TH S88*42'35"E 30.50 FT FROM CEN POST SEC 4; TH N01*03'14"E 953.0 FT TO A PT ON S LINE OF SUB; TH N00*40'06"E 283.5 FT; S88*47'28"E 1930.09 FT; TH S01*08'23"W 107.76 FT; TH S88*45'07"E 61.90 FT; TH S61*17'27"E 76.90 FT; TH ALG A CURVE TO THE LEFT, 30.97 RAD OF 34.91 FT, CHD BRS S S87*00'24"E 29.97 TO WLY LINE OF SD SUB; TH S28*42'33"W 59.20 FT; TH N61*17'27"W 117.87 FT; TH N89*02'30"W 97.84 FT; TH S01*08'55"W 143.41 FT; TH N88*42'35"W 139.98 FT; TH S01*38'46"W 230.10 FT; TH S88*42'35"E 172.04 FT; TH N83*49'14"E 6.04 FT TO WLY LINE OF GRATIOT, TH ALG SD LINE S28*42'33"W 65.99 FT; TH 52.80 FT ALG CURVE TO LEFT, RAD = 54.80 FT, CHD BRS N60*41'38"W 50.78 TH N88*42'35"W 146.40 FT; TH S28*25'27"W 303.31 FT; TH S88*42'35"E 201.90 FT; TO WLY LINE OF SD SUB, TH ALG WLY LINE S28*42'33"W 127.33 FT; TH N88*42'35"W 789.55 FT; TH S01*17'25"W 13.00 FT; TH N88*42'35"W 2.74 FT; TH S01*17'40"W 9.27 FT; TH N88*42'20"W 27.67 FT; TH S01*17'40"W 0.42 FT: TH N88*42'20"W 30.0 FT; TH N01*17'40"E 0.42 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 0.42 FT: TH N88*42'20"W 23.33 FT: TH N01*17'40"E 0.42 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 0.42 FT: TH N88*42'20"W 25.33 FT: TH N01*17'40"E 0.42 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 0.42 FT: TH N88*42'20"W 23.33 FT: TH N01*17'40"E 0.42 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 0.42 FT: TH N88*42'20"W 23.33 FT: TH N01*17'40"E 0.42 FT: TH N88*42'20"W 14.33 FT: TH S01*17'40"W 0.42 FT: TH N88*42'20"W 11.67 FT: TH N01*17'40"E 0.42 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 0.42 FT: TH N88*42'20"W 11.67 FT: TH N01*17'40"E 0.42 FT: TH N88*42'20"W 14.33 FT: TH S01*17'40"W 0.42 FT: TH N88*42'20"W 23.38 FT: TH N01*17'40"E 0.42 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 0.42 FT: TH N88*42'20"W 23.38 FT: TH N01*17'40"E 2.0 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 2.0 FT: TH N88*42'20"W 23.33 FT: TH N01*17'40"E 2.0 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 2.0 FT: TH N88*42'20"W 23.33 FT: TH N01*17'40"E 2.0 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 2.0 FT: TH N88*42'20"W 23.33 FT: TH N01*17'40"E 2.0 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 2.0 FT: TH N88*42'20"W 23.33 FT: TH N01*17'40"E 2.0 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 2.0 FT: TH N88*42'20"W 23.23 FT: TH N01*17'40"E 2.0 FT: TH N88*42'20"W 2.67 FT: TH S01*17'40"W 4.29 FT: TH S88*42'20"E 0.42 FT: TH S01*17'40"W 23.33 FT: TH N88*42'20"W 0.42 FT: TH S01*17'40"W 2.67 FT: TH S88*42'20"E 0.42 FT: TH S01*17'40"W 23.33 FT: TH N88*42'20"W 0.42 FT: TH S01*17'40"W 2.67 FT: TH S88*42'20"E 0.42 FT: TH S01*17'40"W 23.33 FT: TH N88*42'20"W 0.42 FT: TH S01*17'40"W 2.67 FT: TH S88*42'20"E 0.42 FT: TH S01*17'40"W 23.33 FT: TH N88*42'20"W 0.42 FT: TH S01*17'40"W 65.67 FT: TH N88*42'20"W 14.90 FT: TH S01*17'25"W 81.36 FT: TH N88*42'35"W 414.50 FT TO POB: 44.1043 AC.

Address: 32455 Gratiot

Tax ID: 14-04-251-006

Description: A PCL OF LAND LOCATED IN AND BEING PART OF THE NE 1/4 OF SEC 4, T1N, R13E, CITY OF ROSEVILLE, MACOMB COUNTY, MI. BEING DESCRIBED AS BEGINNING AT A POINT BEING A DIST N01*03'14"E 1347.43 FT ALONG THE N & S 1/4 LINE OF SAID SEC 4 TO THE SWC OF SAID "GRATIOT MASONIC PARK" SUB & TH ALG THE W LINE OF SAID SUB N00*40'06"E 283.50 FT; TH S88*47'28"E 2060.59 FT; TH S61*17'27"E 10.00 FT; TH N28*42'33"E 70.65 FT; TH S61*17'27"E 110.00 FT TO WLY LINE OF GRATIOT AVE. AS PLATTED & TH ALG SAID WLY LINE S28*42'33"W 331.05 FT FROM CENTER OF SAID SEC 4; TH S28*42'33"W 258.33 FT; TH S83*49'14"W 6.04 FT; TH N88*42'35"W 172.04 FT; TH N01*38'46"E 230.10 FT; TH S88*42'35"E 295.56 FT TO POINT OF BEGINNING, CONTAINING 1.25 ACRES, +/-



City of Roseville

29777 GRATIOT, P.O. 290
ROSEVILLE, MICHIGAN 48066

Affidavit of Functional Obsolescence

October 09, 2013

Site: 32385 Gratiot
Roseville, MI 48066
Parcel# 14-04-251-005

On October 02, 2013 an inspection was made of the property. The subject building was constructed in 1964 as a two story retail anchor store for Macomb Mall. This space is commonly known as the former Crowley's Store. Records indicate that the space has been vacant for more than 5 years. The inspection noted the following items to be functionally obsolete:

- Design deficiencies.
- Non functioning and inadequate heating and mechanical systems including boilers, radiators systems and roof top units.
- Non functioning and inadequate plumbing systems including water distribution piping, water heating systems, missing and broken fixtures.
- Non functioning and inadequate electrical systems including inoperable fixtures, open wiring and defective panels.
- Inadequate fire suppression systems.
- Most walls, ceilings and floors are in disrepair.
- Inoperable service elevators and escalators.
- Inadequate emergency lighting.
- Defective doors, windows and service doors.
- Exterior building facade in need of repairs.

Based upon the conditions listed above it is this Assessor's opinion that this property is functionally obsolete and unable to be used or perform the functions for which it is intended.

Sincerely,

Brook Openshaw
City Assessor

www.roseville-mi.gov

ATTACHMENT C

Table 1 - TIF Table

MACOMB MALL PARTNERS PROPOSED REDEVELOPMENT

Macomb Mall Partners is proposing to expand the mall by knocking down the old Crowley's and replacing it with the 50,000 sq ft big box store. Other major improvements are also slated for the Mall.

To do this Mall Partners has asked the city for a Brownfield to abate some of their costs. By definition a Brownfield allows for eligible expenses to be captured by freezing the tax base at current levels and using any future tax capture to be used to repay the developer for eligible expenses. The risk to the city is zero because the developer only gets repayment if the assessment goes up beyond the base year. It is true the city would be losing the increase in taxable value however the improvements usually cause the properties around the Brownfield to increase at a greater rate and can offset the lost from the Mall property. Also as this parcel is part of the Gratiot corridor, the potential to jump start the area economy more than offsets the tax lost.

In this case the proposed Brownfield (which would be handled by the County) would be for 20 years.

The current taxable value of the Mall (Brownfield Site) is \$7,640,904 which equates to about \$513,329 annually for taxes of which roughly one third (21.6129 mils) is city tax (165,142). This amount would continue to be assessed for the duration of the Brownfield. Besides the city other entities would lose future value as well including the County, Schools, SMART, HCMA, Veterans, MCC, Recreation Authority, and Library but never to frozen base amount. Future taxes that cannot be captured include established debt such as City Debt, Chapter 20, School Debt, County Debt, Zoo debt and DIA and MCC debt.

How much will this cost the city in lost future taxes? Proposed improvements take the taxable value to \$10,045,416 by 2017. However, if no improvements are made (no project) the 2017 taxable would be about \$8,228,417 assuming assessments were to go up at the maximum (2.5%/year). So what is really lost is the difference between the amount over the current assessment and future amounts if no improvements were made. So the estimated lost in city tax per year would be the \$4,128 the first year and compounded by 2.5% per year for length of the Brownfield.

Memo

To: Scott Adkins, City Manager
From: Paul VanDamme, Purchasing Assistant
Date: November 20, 2013
Re: Stop Loss and Renewal, 2014

Submissions were made on the City's behalf for Stop Loss and Administration for the City's health insurance by TMR & Associates, Inc. to three (3) companies, The Standard, HCC Life and Munich RE.

Standard, the City's current carrier had the lowest total annual premium for 2014, at \$500,872.92. The renewal premium represents an overall increase of 4%. This increase is due to the number of claimants and amount of claimants that are at or above 15% of the \$200,000 specific limit.

All of the submissions were evaluated by Mark Mueller, TMR and Associates, Inc., Robert Cady, Assistant City Manager and myself. The City has done business with Standard in the past in a satisfactory manor. Therefore, it is recommended that the City award the stop loss administration renewal to Standard in the amount of \$500,872.92. The proposals are available for your review. Please let me know if you have any questions or concerns.

Memo

To: Scott Adkins, City Manager
From: Paul VanDamme, Purchasing Assistant
Date: November 20, 2013
Re: Property and Casualty Renewal, 2014

Submissions were made on the City's behalf for property and casualty insurance by Nickel & Saph, Inc. to seven (7) carriers. Four declined to quote or were not competitive with their premium.

Trident Insurance and XL, the City's current carriers had the lowest total annual premium for 2014, which includes Terrorism, at \$680,183.03. The renewal premium represents an overall decrease of \$5,001.97. In addition, XL has decreased the self-insured retention (SIR) per claim from \$100,000 to \$50,000 (applicable to covered law enforcement liability claims). This decrease was due in part to Chief Berlin's updating of procedures, holding facilities, and mandated defensive driving training administered by the City.

Therefore, it is recommended that the City award the property and casualty insurance renewal to Trident Insurance in the amount of \$502,871 and XL in the amount of \$177,312.03 for a total of \$680,183.03. The proposals are available for your review. Please let me know if you have any questions or concerns.