

**BROWNFIELD REDEVELOPMENT PLAN
ROCHESTER AND TIENKEN ROADS
ROCHESTER HILLS, MICHIGAN**

for

**FRANK ARAGONA TRUST &
TIENKEN PROPERTIES, LLC**

**AKT PEERLESS PROJECT NO. 4038F
AUGUST 20, 2003**

City Rochester Hills
Rochester and Tienken Roads

Brownfield Redevelopment Plan
For
Frank Aragona Trust &
Tienken Properties, LLC

Prepared With the Assistance of:
The City of Rochester Hills
Brownfield Redevelopment Authority

and

AKT Peerless Environmental Services
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PROJECT SUMMARY

Project Name:	Rochester and Tienken Roads Commercial Development
Project Developer:	Frank Aragona Trust & Tienken Properties, LLC, in behalf of an LLC to be formed.
Project Location:	The eligible property is located at the southeast corner of Rochester and Tienken Roads (Parcel ID Numbers: 15-11-101-027, 15-11-101-030, 15-11-101-029)
Type of Eligible Property:	Facility
Eligible Activities:	BEA and Due Care
Reimbursable Costs:	\$0
Estimated Eligible Investment:	\$18.5 million

Project Overview: The developer will demolish the existing industrial building on the property and construct a new lifestyle neighborhood shopping center, consisting of not more than 115,000 square feet of a variety of retail space. Eligible Activities, as defined in MCL 125.2652 (k) will be conducted as part of the project. The overall estimated investment for the project is approximately \$18.5 million. Construction is anticipated to begin in the spring of 2004 and will continue until estimated completion in the summer of 2005. This Brownfield Plan has been created for the purpose of facilitating the cleanup and redevelopment of the Property by allowing a qualified taxpayer to make application for a State of Michigan Brownfield Redevelopment Single Business Tax Credit.

BROWNFIELD PLAN AMENDMENT

Rochester and Tienken Roads

CITY OF ROCHESTER HILLS BROWNFIELD REDEVELOPMENT AUTHORITY

1.0 INTRODUCTION

The City of Rochester Hills (The City) established the City of Rochester Hills Brownfield Redevelopment Authority (the Authority) by adoption of a resolution pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996. The Michigan Department of State, Office of the Great Seal, acknowledged receipt and filing of the resolution. The City Council established the Authority Board and appointed its members. Public Act 381, as amended (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 certain eligible activities and Brownfield Redevelopment Single Business Tax Credits.

The Brownfield Plan (Plan) describes qualifying factors that determine “eligible property” status, such as the contamination that qualifies the Property as a “facility” that makes it a brownfield site. The Plan also describes the new project or development that will occur upon remediation. Finally, the Plan describes the method or methods used to cleanup and revitalize the site, including the cost of the cleanup and the amount of tax dollars generated by the new development, if any, that will be used to pay for the cleanup or revitalization. The Plan, once approved by the Authority and The City Council, acts as a guide for implementation of the project.

2.0 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.

Sections 38d and 38g of the Single Business Tax Act, 1975 Mich. Pub. Acts 228, M.C.L. §§ 208.1 – 208.145, as amended.

Part 201 of the Natural Resources and Environmental Protection Act, 1994 Mich. Pub. Acts 451, M.C.L. § 324.20101 et seq., as amended.

3.0

BROWNFIELD PROJECT – ROCHESTER AND TIENKEN ROADS

3.1 DESCRIPTION OF THE PROJECT AND COSTS TO BE PAID THROUGH THE BROWNFIELD PLAN (MCL 125.2663(1)(A))

A. Rochester and Tienken Roads Project Description

Public Act 381 of 1996, as amended, defines “Eligible Property” as “property for which eligible activities are defined under a brownfield plan that was used or is currently used for commercial, industrial or residential purposes that is either in a qualified local unit of government and is a facility, functionally obsolete, or blighted, or is not in a qualified local unit of government and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property. Eligible property includes, to the extent included in the brownfield plan, personal property located on the property. Eligible property does not include qualified agricultural property exempt under Section 7ee of the general property tax act, 1983 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 324.20101.”

The eligible property is located at the southeast corner of the intersection of Rochester and Tienken Roads with an address of 1480 N. Rochester Road (Parcel ID Numbers 15-11-101-027, 15-11-101-030, 15-11-101-029) hereinafter referred to as the “Property”. A legal description of the Property is included in Appendix A. A Topographic Location Map, and a map illustrating the designated eligible property boundary are provided as Figures 1 and 2, respectively.

The Property is located in a commercial area of the City. The Property consists of 3 parcels totaling 12.4 acres and is currently occupied by an obsolete commercial/light industrial building of approximately 132,000 square feet in size. The building was used for light industrial purposes from 1965 to 1997. Most recently, the building was occupied by Body Techniques, with approximately 72,000 square feet, and a few other ancillary uses such as a hair salon, a karate studio and small individual offices. The one story building is of steel-frame construction with a concrete block, stone, and glass exterior. The remainder of the property consists of asphalt driveways, parking areas and landscaping.

The property owners, Frank Aragona Trust and Tienken Properties, LLC, will form a new LLC to be the developer of this property. The developer will demolish the existing building and replace it with a neighborhood shopping center consisting of not more than 115,500 square feet of retail space including tenant shops, a drug store, restaurants, and office space.

The overall estimated investment is approximately \$18.5 million. Construction is anticipated to begin in the spring of 2004 and will continue until estimated completion in the summer of 2005. This Plan has been created for the purpose of facilitating the redevelopment of the Property and to allow an appropriate qualified taxpayer to apply for a State of Michigan Brownfield Redevelopment Single Business Tax Credit.

B. Identification of the Property as a "Facility"

Under Part 201, a "facility" is defined as "any area, place, or property where a hazardous substance in excess of the concentrations which satisfy the requirements of section 20120a(1)(a) ...has been released, deposited, disposed of, or otherwise comes to be located." M.C.L. § 324.20101(1)(o). A "release" is defined to include "spilling" or "leaking" of a hazardous substance into the environment. In addition, a "release" includes the abandonment of containers or other closed receptacles containing hazardous substances. M.C.L. § 324.20101(1)(bb).

AKT Peerless Environmental Services ("AKT Peerless") has completed a review of environmental records related to the property. The review identified the following conditions:

In a report from Superior Environmental Corporation, dated September 30, 2002, the results of a subsurface investigation were detailed. As part of the investigation Superior Environmental collected soil and groundwater samples from the Property in order to determine if contamination had resulted from recognized environmental conditions. Analysis of the soil indicated the presence of tetrachloroethylene at 160 µg/kg (parts per billion or ppb) in a soil sample from Soil Boring (SB) 1. This exceeds the Department of Environmental Quality Generic Residential Cleanup Criteria and the Commercial IV Criteria for protection of groundwater as drinking water of 100 ppb. This is much lower than the Commercial IV direct contact criterion for tetrachloroethylene of 88,000 ppb. Based on the Findings and Conclusions of the investigation performed for the Property, the Property meets the definition of a facility as defined in Part 201 of the NREPA.

C. *Summary of Eligible Activities*

Eligible activities that will likely take place as part of this project include Due Care Activities undertaken to address the contamination and potential contamination on the property and Baseline Environmental Assessments for new lessees and owners. The Developer will employ continuous environmental oversight during demolition and earth moving activities and undertake environmental monitoring to identify any contamination. Depending on the type and seriousness of the contamination identified, if any, removal and disposal of contaminated materials will take place. During demolition, arrangements for the handling of asbestos containing materials and a PCB transformer will be made.

3.2 ESTIMATE OF CAPTURED TAXABLE VALUE AND TAX INCREMENT REVENUES (MCL 125.2663(1)(B))

No activities will be financed by tax increments.

3.3 METHOD OF FINANCING AND DESCRIPTION OF ADVANCES BY THE MUNICIPALITY MCL 125.2663(1)(C)

The Developer shall finance all eligible activities under this Plan. There will be no advances by the municipality related to this Plan.

3.4 MAXIMUM AMOUNT OF NOTE OR BONDED INDEBTEDNESS (MCL 125.2663(1)(D))

The maximum amount of note or bonded indebtedness related to this Plan is \$18.5 million consisting solely of the private financing arranged by the Developer.

3.5 DURATION OF BROWNFIELD PLAN (MCL 125.2663(1)(E))

The Plan will remain in effect for as many years as is required to fully complete the project, or 30 years, whichever is less.

3.6 ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON REVENUES OF TAXING JURISDICTIONS (MCL 125.2663(1)(F))

Tax increments will not be used to finance eligible activities under the project. All increase in tax revenues will accrue to the taxing jurisdictions.

3.7 LEGAL DESCRIPTION, PROPERTY MAP AND PERSONAL PROPERTY (MCL 125.2663(1)(G))

A legal description of the Property is provided in Appendix A. A Topographic Location Map and a Boundary Map of the Property are provided as Figure 1 and Figure 2. Personal Property is included as part of the Eligible Property, and the value of the Personal Property is considered an eligible investment for the purpose of calculating the amount of the Brownfield Redevelopment Single Business Tax Credit for this project.

3.8 ESTIMATES OF RESIDENTS AND DISPLACEMENT OF FAMILIES (MCL 125.2663(1)(H))

There are no persons residing on the Property to which this Plan applies, and, therefore, there are no families to be displaced.

3.9 PLAN FOR RELOCATION OF DISPLACED PERSONS (MCL 125.2663(1)(I))

There are no persons residing on the Property to which this Plan applies, and, therefore, there is no need for a relocation plan.

3.10 PROVISIONS FOR RELOCATION COSTS (MCL 125.2663(1)(J))

There are no persons residing on the Property to which this Plan applies, and, therefore, there is no need for the provision of relocation costs.

3.11 STRATEGY FOR COMPLIANCE WITH MICHIGANS RELOCATION ASSISTANCE LAW MCL 125.2663(1) (K)

There are no persons residing on the Property to which this Plan applies, and, therefore, there is no need for compliance with Act No. 227 of the Public Acts of 1972, being Sections 213.321 to 213.332 of the Michigan Compiled Laws.

3.12 DESCRIPTION OF PROPOSED USE OF LOCAL SITE REMEDIATION REVOLVING FUND MCL 125.2663(1)(L)

Tax increment revenue will not be captured for the project. and no deposits will be made to the Local Site Remediation Revolving Fund.

3.13 OTHER MATERIAL THAT THE AUTHORITY OR GOVERNING BODY CONSIDERS PERTINENT

None

APPENDIX A

Legal Description

Legal Descriptions

Parcel A: 15-11-101-027

In the Northwest ¼ of section 11, Town 3 north, Range 11 east, City of Rochester Hills, Oakland County, Michigan described as commencing at the northwest corner of section 11; thence east 150.00 feet along the north line of section 11 and along the centerline of Tienken Road for a Place of Beginning; thence continuing east 505.93 feet along said north line and along said centerline; thence south 327.25 feet; thence N89°40'00"W 596.49 feet; then N00°05'51"E 174.11 feet; thence N31°05'32"E 174.78 feet to the north line of section 11 and centerline of Tienken Road and to the place of beginning, containing 4.30 acres of land subject to easements, exceptions, conditions and requirements, if any.

Parcel B: 15-11-101-030

Northwest ¼ of section 11, Town 3 north, Range 11 East, City of Rochester Hills, Oakland County, Michigan, describes as: Commencing at the northwest corner of section 11; thence east 655.93 feet along the north line of section 11 and along the centerline of Tienken Road for a Place of Beginning; thence continuing east 203.57 feet along the north line and along the centerline to the northwest corner of "Junction Land Company's Subdivision" as recorded in Liber 22, Page 28, Oakland County records; thence south 328.43 feet along the west line of said subdivision; thence N89°40'00"W 203.59 feet; thence north 327.25 feet to the north line of section 11 and the centerline of Tienken Road and to the place of beginning, containing 1.53 acres.

Parcel C: 15-11-101-029

Northwest ¼ of section 11, Town 3 north, Range 11 East, City of Rochester Hills, Oakland County, Michigan, describes as: Commencing at the northwest corner of section 11; thence east 859.50 feet along the north line of section 11 and along the centerline of Tienken Road to the northwest corner of "Junction Land Company's Subdivision" as recorded in Liber 22, page 28, Oakland County Records; thence south 328.43 along the west line of the Subdivision for a place of beginning, thence continuing south 320.49 feet along the west line of the subdivision; thence S89°55'43"W 864.41 feet to the west line of section 11; thence N00°27'00"E 397.99 feet along said west line; thence N31°05'32"E 119.53 feet; thence S00°05'51"W 174.11 feet; thence S89°40'00"E 800.06 feet to the north line of section 11 and the centerline of Tienken Road and to the place of beginning, containing 6.59 acres of land.

FIGURE 1

Location Map of the Eligible Property

FIGURE 2

Eligible Property Boundary Map