



CITY OF NOVI CITY COUNCIL
MARCH 2, 2020

SUBJECT: Consideration of approval and adoption of:

- (A)** Resolution of Understanding authorizing the Oakland County Brownfield Redevelopment Authority (OCBRA) to undertake review of a Brownfield Plan proposal for the Sakura Novi Development, located on the north side of Grand River Avenue near Town Center Drive, and to collect various fees in connection with the proposal;
- (B)** Resolution Concurring in the provisions of a Brownfield Plan submitted to the OCBRA utilizing tax increment financing for a period of approximately six years, ending no later than 2027.

SUBMITTING DEPARTMENT: City Manager

BACKGROUND INFORMATION: Earlier in the agenda, City Council considered a request by Sakura Novi for approval of a mixed-use commercial/residential development using the City's Planned Rezoning Overlay (PRO) process. The site is located on the north side of Grand River Avenue, east of Town Center Drive. Most of the property affected is currently owned by the City and is the site of the former Anglin operation. The property requires some environmental cleanup, and Sakura has engaged Fausone Bohn to prepare a Brownfield Redevelopment Plan. Sakura initially submitted this plan to the Oakland County's Brownfield Redevelopment Authority (OCBRA) on January 31, 2020. The OCBRA is reviewing the plan but has required an indication of support from the City.

The OCBRA was established by the County Board of Commissioners in 2001 to assist in brownfield redevelopment in communities that have not established their own such authorities. Generally, the County will not proceed without knowing that the municipality in which the property is located is in support of the project.

The next step in the County's process is for the Plan to be approved by the Oakland County Board of Commissioners, after notice and a public hearing as provided by statute. The Board, however, will not process the Plan until it gets a more formal indication of the City's support. It, therefore, requires the City to adopt a form of resolution first indicating that the City wants the County to undertake the process and

acknowledging that the County will require certain fees for doing so (the Resolution of Understanding), and then indicating that the City Council has read the Brownfield Plan and supports it (the Resolution Concurring in the Provisions of a Brownfield Plan).

These are the two resolutions that have been prepared for consideration by the Council and attached for its review, along with the Brownfield Plan, which is also attached.

City administration believes that this project merits consideration. The majority of the environmental issues are related to the pond on the property, which will be cleaned up as part of the development. Moreover, and perhaps more importantly, the City's purchase agreement with Sakura indicates that the City will support the Brownfield application.

The preliminary estimates to remediate the site, not including administrative fees and revolving fund deposits, are approximately \$2 million. Taxes associated with the Novi school district will be unaffected. The City of Novi will benefit from the increase in tax base created by development on, to date, an undevelopable site.

Approval of the enclosed Resolution is contingent on Sakura receiving approval on their PRO Plans and PRO Agreement at a later date.

RECOMMENDED ACTION: Approval and adoption (subject to PRO Concept Plan and PRO Agreement approval and site plan approval) of:

- (A) Resolution of Understanding authorizing the Oakland County Brownfield Redevelopment Authority (OCBRA) to undertake review of a Brownfield Plan proposal for the Sakura Novi development, and to collect various fees in connection with the proposal;
- (B) Resolution Concurring in the Provisions of a Brownfield Plan adopted by the OCBRA utilizing tax increment financing for a period of six years, ending no later than 2027

**OAKLAND COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY**

BROWNFIELD PLAN

**SAKURA NOVI
42750 GRAND RIVER AVENUE
NOVI, MICHIGAN**

FEBRUARY 27, 2020

Date Approved by BRA:

Date Approved by Board of Commissioners:

Prepared on Behalf of:

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PROJECT SUMMARY

Project Name: Sakura Novi

Project Location: The property is located at 42750 Grand River Avenue in Township one north (T.1N), Range eight east (R.8E), Section 23, Novi, Oakland County Michigan 48375 (the "Property")

Type of Eligible Property: The property is determined to be a "Facility"

Eligible Activities: Site Assessment and Baseline Environmental Assessment Activities, Asbestos Containing Materials (ACM) Survey and Abatement, Contaminated Soils Removal and Disposal, Vapor Intrusion Mitigation, Due Care Activities, and Preparation of a Brownfield Plan and Act 381 Work Plan.

Developer Reimbursable Costs: \$2,008,250 (includes eligible activities and 15% contingency)

Years to Complete Reimbursement: Approximately 6 years from start of capture

Estimated Capital Investment: Approximately \$45-55 million (Including hard and soft costs, excluding the cost of land)

Project Overview: The project includes demolition of existing buildings and the construction of an approximately 17-acre mixed-use development which will include restaurants, supporting retail, a 25,000 square foot Asian grocery, and 118 townhome apartments. It is estimated that 60-75 construction jobs will be created. The residential development will generate two permanent jobs and the commercial development will generate approximately 170-200 permanent jobs. The increase in jobs and addition of new development on the Property will result in an increase of City tax revenue.

I. INTRODUCTION AND PURPOSE

In order to promote the revitalization of environmentally distressed, historic, functionally obsolete and blighted areas within the boundaries of Oakland County (“the County”), the County has established the Oakland County Brownfield Redevelopment Authority (OCBRA) the “Authority” pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (“Act 381”).

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

The identification or designation of a developer or proposed use for the property that is subject to 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 to identify and authorize the eligible activities to be funded. 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 is intended to be a living document, which may be modified or amended in accordance with and as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Brownfield Plan contains information required by Section 13(2) of Act 381, as amended.

II. GENERAL PROVISIONS

A. Description of the Eligible Property (Section 13 (2)(h)) and Project

The eligible property consists of four (4) legal parcels totaling approximately 17 acres with street addresses of 42750 Grand River Avenue and 42525 West Eleven Mile Road, Novi, Oakland County, Michigan. These parcels and all tangible personal property located thereon will comprise the eligible property and is referred to in this Plan as the “Property.”

The Property is located on the northeast corner of Grand River Avenue and Town Center Drive and is bounded by Grand River Avenue to the south, Town Center Drive to the west, Eleven Mile Road to the north and City-owned wetland to the east. Individual parcel information is outlined below and legal descriptions for each parcel are included in Appendix A. A property location map is included in Appendix B.

Parcel No. 1 (ID 22-23-126-006) is currently zoned OS-1 (Office Service District) and OSC (Office Service Commercial). The parcel is partially developed with a closed car wash and an equipment building.

Parcel No. 2 (ID 22-23-126-008) is currently zoned I-1 (Light Industrial) and is undeveloped.

Parcel No. 3 (ID 22-23-126-011) is currently zoned I-1 (Light Industrial) and is developed with the Ecco Tool building.

Parcel No. 4 (ID 22-23-226-007) is currently zoned I-1 (Light Industrial) and is undeveloped.

The Property is anticipated to be rezoned as a Planned Rezoning Overlay to accommodate the proposed future use.

Standard and other historical sources were used to document that the Property was developed in 1897 when a residential building and garage were built. By 1940 a second residence was constructed on the northwestern portion of the Property. The Property continued to be used for residential purposes until 1967 when it was occupied by the present-day equipment building located on the southern portion of the Property, and a large pond/wetland on the western portion of the Property. By 1972, the current car wash building was present on the southwestern portion of the Property. The first recorded occupant of the Property was J Anglin Top Soil in 1973.

Robert B. Aikens and Associates, LLC and Sakura Novi, LLC or any affiliate, and Robertson Brothers Homes or such other developer, are collectively the project developer (“Developer”). Robert B. Aikens and Associates, LLC, was founded over 40 years ago and has since developed over 20 million square feet of retail, commercial and residential real estate throughout the country. Aikens has successfully connected retail trends to local communities and provided residents with facilities that seamlessly blend into the local social and architectural fabric. Similarly, Robertson Brothers Homes has been building beautiful communities with a wide array of home styles homes in Southeast Michigan for over 70 years. The proposed project outlined within this plan is part of continued efforts by Aikens to produce innovative community-focused development projects.

The development is intended to be a “best in class” collection of several Asian restaurants along with supporting retail and 118 units of residential townhomes. The project will feature a walkable, open air environment, located on a 2-acre pond surrounded by Japanese-influenced gardens and situated at one of the most highly populated highway intersections in southeast Michigan. The development will be anchored by a new 25,000 square foot Japanese grocery/food hall concept store. The development will create a vibrant cultural community after decades of underutilization of the Property. The creation of the mixed-use space on the Property will create numerous jobs and a regional marketplace destination. The addition of residential units to the area will also create

desired housing stock within the City of Novi. Both commercial and residential uses will lead to the influx of new employees and residents into the area and result in an increased spinoff in consumer spending.

Construction is anticipated to begin in late Summer or early Fall of 2020 and be substantially completed by late Summer/early Fall of 2024. The Developer will invest an estimated \$45 to \$55 million in the development, create approximately 60 to 75 construction jobs, and create opportunity for approximately 170 future permanent retail jobs.

A preliminary site plan is included in Appendix C.

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

The Property is considered “Eligible Property” as defined by Act 381, Section 2 because it is a “Facility” or adjacent to property that is a facility. The Property was determined to be a Facility based on environmental site assessments that identified contamination at levels exceeding the applicable Michigan Department of Environment Great Lakes and Energy (“EGLE”) cleanup criteria as a result of historic land uses on the Property.

C. Summary of Eligible Activities and Description of Costs (Sec. 13 (2)(a-b))

State school and/or local tax increment revenues where appropriate will be used to reimburse the costs of “Eligible Activities” (as defined by Section 2 of Act 381) and as permitted under the Act 381 that include: Site assessment and Baseline Environmental Assessment activities, Asbestos Containing Material (ACM) survey and abatement, contaminated soils removal and disposal, vapor intrusion mitigation, Due Care activities, and preparation and implementation of a Brownfield Plan and Act 381 Work Plan. A complete itemization of these activities and associated expenses is included in Table 1.

The following eligible activities and estimated costs are intended as part of the development of the Property and are to be financed solely by the Developer. All activities are “Eligible Activities” under Act 381. The Authority is not responsible for any cost of Eligible Activities and will incur no debt.

1. Preparation and implementation of the Brownfield Plan and Act 381 Work Plan and associated activities, including reasonable attorney fees for these efforts, at a cost of approximately \$80,000.
2. Site Assessment and Baseline Environmental Assessment Activities include a Phase I Environmental Site Assessment (ESA), Phase II ESA, Baseline Environmental Assessment (BEA) as required as part of the pre-purchase due diligence conducted on the Property at a total cost of \$25,000.
3. ACM survey and abatement at an estimated cost of \$10,000.

4. Removal, transport and disposal of contaminated soil at an estimated cost of \$1,250,000.
5. Due Care Investigation at an estimated cost of \$75,000
6. Due Care Activities and Vapor Mitigation at an estimated cost of \$320,000.
7. A 15% contingency of \$248,250 to address unanticipated environmental and/or other conditions that may be discovered through the implementation of site activities. This contingency excludes the cost of Baseline Environmental Assessment Activities and preparation of the Brownfield Plan and Act 381 Work Plan.

The total estimated cost of Eligible Activities subject to reimbursement from tax increment revenues is \$1,760,000 with a potential \$248,250 contingency, resulting in a total cost of \$2,008,250.

Therefore, the total cost for reimbursement to the Developer is a not-to-exceed amount of \$2,008,250 (including contingency), unless the Plan is amended and approved by the OCBRA and the Board of Commissioners.

D. Estimate of Captured Taxable Value and Tax Increment Revenues (Sec. 13 (2)(c))

Incremental taxes on real property included in the redevelopment project will be captured under this Plan to reimburse eligible activity expenses. The base taxable value of the Property shall be determined by the use of the 2020 tax year tax value, which is \$271,990 (the majority of the Property is owned by the City of Novi and has a current taxable value of \$0 as tax exempt property). Tax increment revenue capture will begin when tax increment is generated by redevelopment of the Property, which is expected to begin in 2021. The estimated taxable value of the completed development utilized in the tax capture tables (Table 2 and Table 3) is approximately \$17 million. This assumes a three-year phase-in for completion of the redevelopment, which has been incorporated into the tax increment financing assumptions for this Plan. An annual increase in taxable value of 1% has been used for calculation of future tax increments in this Plan. A Commercial Rehabilitation Exemption Certificate for the Property redevelopment was assumed to reduce local taxes beginning in 2021 for a period of six (6) years. Table 2 details the estimate of captured tax increment revenues for each year of the Plan from the Eligible Property.

The OCBRA has established a Local Brownfield Revolving Fund (LBRF). Capture for the LBRF is included in this Plan for one year following Developer reimbursement, currently estimated at \$150,000. The funds deposited into the LBRF as part of this Plan will be used in accordance with the requirements of Act 381, as amended.

Payment of Brownfield Redevelopment Authority Administrative Fees will occur prior to reimbursement of the Developer.

Act 381 also requires a portion of the tax increment revenue created by the redevelopment to be placed in the State Brownfield Fund, which amount is anticipated to \$261,828.

E. Method of Brownfield Plan Financing and Description of Advances by the Municipality (Sec. 13 (2)(d))

Eligible activities will be financed by the Developer. The Developer will be reimbursed for eligible costs as described in Section C and outlined in Table 1. Costs for Eligible Activities funded by the Developer will be repaid with incremental taxes generated by future development of the Property. The estimated amount of tax increment revenue capture that will be used to reimburse the State Brownfield Fund, Developer, LBRF, and Brownfield Redevelopment Authority is not to exceed \$2,448,078. This includes Brownfield Redevelopment Authority Administrative fees.

No advances will be made by the Authority for this project. All reimbursements authorized under this Plan shall be governed by a Reimbursement Agreement.

F. Maximum Amount of Note or Bonded Indebtedness (Sec. 13 (2)(e))

No note or bonded indebtedness will be incurred by any local unit of government for this project.

G. Duration of Brownfield Plan (Sec. 13 (2)(f))

In no event shall the duration of the Plan exceed 35 years following the date of the resolution approving the Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Plan. The Property will become part of this Plan on the date this Plan is approved by the Novi City Counsel.

H. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions (Sec. 13 (2)(g))

Taxes will continue to be generated for taxing jurisdictions on local and state captured millages at the base taxable value of the Ad Valorem parcel throughout the duration of this Plan totaling approximately \$14,409.

Non-capturable millages; including the zoo authority, art institute, and school debt will provide new tax revenue of approximately \$199,402 throughout the duration of this Plan. A proposed Commercial Rehabilitation Act tax abatement is also being sought as part of the local contribution to the project, which is projected to begin in 2024 and run through 2030.

See Table 2 for a complete breakdown of available tax increment revenue and Table 3 for the estimated annual reimbursement.

I. Legal Description. Property Map. Statement of Qualifying Characteristics and Personal Property (Sec. 13 (2)(h))

The legal descriptions of the Property included in this Plan is attached in Appendix A.

A Property location map is included in Appendix B.

A preliminary site plan is included in Appendix C

Documentation of characteristics that qualify the property as eligible property pursuant to Act 381 are provided in Appendix D.

J. Displacement/Relocation of Individuals on Eligible Property (Sec. 13 (2)(i-l))

The Property is currently unoccupied with the exception of the Ecco Tool building and car wash building. No displacement of residents or families is expected as part of this project.

K. Other Material that the Authority or Governing Body Considers Pertinent (Sec. 13 (2)(m))

The Brownfield Redevelopment Authority and the Oakland County Board of Commissioners as the Governing Body, in accordance with Act 381, may amend this Plan in order to fund additional eligible activities associated with the project described herein.

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TABLE 1

**Brownfield Eligible Activities Costs
Sakura Novi, Novi Michigan**

		Amount
1.	Brownfield Plan Preparation and Implementation	\$ 40,000
2.	Act 381 Work Plan Preparation and Implementation	\$ 40,000
3.	Environmental Site Assessments and BEA	\$ 25,000
4.	Asbestos Survey and Removal	\$ 10,000
5.	Due Care Investigation	\$ 75,000
6.	Contaminated Soil Removal	\$ 1,250,000
7.	Due Care Activities/Vapor Mitigation	\$ 320,000
Subtotal Eligible Activities		\$ 1,760,000
7.	15% Contingency for items 4-7	\$ 248,250
8.		
TOTAL		\$ 2,008,250

Table 2
Tax Increment Revenue Capture Schedule
Sakura Novi, Novi Michigan

Plan Approval Tax Capture
 Estimated Taxable Value (TV) Increase Rate: 1% per year

Plan Year	Base Year	1	2	3	4	5	6	7	TOTAL
Calendar Year	2019	2021	2022	2023	2024	2025	2026	2027	
Base Taxable Value	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990
Land Value		\$ 1,000,000	\$ 1,010,000	\$ 1,020,100	\$ 1,030,301	\$ 1,040,604	\$ 1,051,010	\$ 1,061,520	
Commercial Frozen Value		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	
Estimated Commercial Rehab Value		\$ 1,000,000	\$ 6,000,000	\$ 10,000,000	\$ 16,000,000	\$ 16,160,000	\$ 16,321,600	\$ 16,484,816	
Estimated New Ad Valorem Value (Land + Rehab)		\$ 2,000,000	\$ 7,010,000	\$ 11,020,100	\$ 17,030,301	\$ 17,200,604	\$ 17,372,610	\$ 17,546,336	
Incremental Difference (New Ad Valorem - Base)		\$ 1,728,010	\$ 6,738,010	\$ 10,748,110	\$ 16,758,311	\$ 16,928,614	\$ 17,100,620	\$ 17,274,346	
Local Capture TV During Certificate (Land - Base + Frozen)		\$ 803,010	\$ 813,010	\$ 823,110	\$ 833,311	\$ 843,614	\$ 854,020		

School Capture	Millage Rate										
State Education Tax (SET)	6.0000	\$ 1,632	\$ 10,368	\$ 40,428	\$ 64,489	\$ 100,550	\$ 101,572	\$ 102,604	\$ 103,646	\$ 523,656	
School Operating Tax	17.4280	\$ 4,740	\$ 30,116	\$ 117,430	\$ 187,318	\$ 292,064	\$ 295,032	\$ 298,030	\$ 301,057	\$ 1,521,046	
School Total	23.4280	\$ 6,372	\$ 40,484	\$ 157,858	\$ 251,807	\$ 392,614	\$ 396,604	\$ 400,633	\$ 404,703	\$ 2,044,703	

Local Capture	Millage Rate									
General City	4.7755	\$ 1,299	\$ 3,835	\$ 3,883	\$ 3,931	\$ 3,979	\$ 4,029	\$ 4,078	\$ 82,494	\$ 106,228
Library	0.7342	\$ 200	\$ 590	\$ 597	\$ 604	\$ 597	\$ 604	\$ 627	\$ 12,683	\$ 16,302
Streets	1.4273	\$ 388	\$ 1,146	\$ 1,160	\$ 1,175	\$ 1,160	\$ 1,175	\$ 1,219	\$ 24,656	\$ 31,691
Police/Fire	1.3590	\$ 370	\$ 1,091	\$ 1,105	\$ 1,119	\$ 1,105	\$ 1,119	\$ 1,161	\$ 23,476	\$ 30,175
Parks & Rec	0.3668	\$ 100	\$ 295	\$ 298	\$ 302	\$ 298	\$ 302	\$ 313	\$ 6,336	\$ 8,144
Drains	0.5583	\$ 152	\$ 448	\$ 454	\$ 460	\$ 454	\$ 460	\$ 477	\$ 9,644	\$ 12,396
School Sink	0.4731	\$ 129	\$ 380	\$ 385	\$ 389	\$ 385	\$ 389	\$ 404	\$ 8,172	\$ 10,505
Recreation	0.9400	\$ 256	\$ 755	\$ 764	\$ 774	\$ 764	\$ 774	\$ 803	\$ 16,238	\$ 20,871
Oak County HCMA	0.2117	\$ 58	\$ 170	\$ 172	\$ 174	\$ 172	\$ 174	\$ 181	\$ 3,657	\$ 4,701
Oak ISD Voted	3.0605	\$ 832	\$ 2,458	\$ 2,488	\$ 2,519	\$ 2,488	\$ 2,519	\$ 2,614	\$ 52,868	\$ 67,954
Oak ISD Alloc	0.1934	\$ 53	\$ 155	\$ 157	\$ 159	\$ 157	\$ 159	\$ 165	\$ 3,341	\$ 4,294
Oak County PK & RC	0.2329	\$ 63	\$ 187	\$ 189	\$ 192	\$ 189	\$ 192	\$ 199	\$ 4,023	\$ 5,171
Oak County Operating	4.0400	\$ 1,099	\$ 3,244	\$ 3,285	\$ 3,325	\$ 3,285	\$ 3,325	\$ 3,450	\$ 69,788	\$ 89,703
Oak Comm College	1.5303	\$ 416	\$ 1,229	\$ 1,244	\$ 1,260	\$ 1,244	\$ 1,260	\$ 1,307	\$ 26,435	\$ 33,978
Local Capturable Total	19.9030	\$ 5,413	\$ 15,982	\$ 16,181	\$ 16,382	\$ 16,278	\$ 16,480	\$ 16,998	\$ 343,811	\$ 442,113
CRE Abatement Tax		\$ -	\$ 21,396	\$ 21,595	\$ 21,796	\$ 21,999	\$ 22,204	\$ 22,411		

Table 2
Tax Increment Revenue Capture Schedule
Sakura Novi, Novi Michigan

		Plan Approval	Tax Capture							
Estimated Taxable Value (TV) Increase Rate:		1% per year								
Plan Year	Base Year	1	2	3	4	5	6	7	TOTAL	
Calendar Year	2019	2021	2022	2023	2024	2025	2026	2027		
Base Taxable Value	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	\$ 271,990	
Land Value		\$ 1,000,000	\$ 1,010,000	\$ 1,020,100	\$ 1,030,301	\$ 1,040,604	\$ 1,051,010	\$ 1,061,520		
Commercial Frozen Value		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000		
Estimated Commercial Rehab Value		\$ 1,000,000	\$ 6,000,000	\$ 10,000,000	\$ 16,000,000	\$ 16,160,000	\$ 16,321,600	\$ 16,484,816		
Estimated New Ad Valorem Value (Land + Rehab)		\$ 2,000,000	\$ 7,010,000	\$ 11,020,100	\$ 17,030,301	\$ 17,200,604	\$ 17,372,610	\$ 17,546,336		
Incremental Difference (New Ad Valorem - Base)		\$ 1,728,010	\$ 6,738,010	\$ 10,748,110	\$ 16,758,311	\$ 16,928,614	\$ 17,100,620	\$ 17,274,346		
Non-Capturable Millages										
	Millage Rate									
Library Debt	0.3471	\$ 94	\$ 600	\$ 282	\$ 286	\$ 289	\$ 293	\$ 296	\$ 5,996	\$ 8,042
School Debt	7.0000	\$ 1,904	\$ 12,096	\$ 5,691	\$ 5,762	\$ 5,833	\$ 5,905	\$ 5,978	\$ 120,920	\$ 162,186
Capital Improvement	0.9565	\$ 260	\$ 1,653	\$ 778	\$ 787	\$ 797	\$ 807	\$ 817	\$ 16,523	\$ 22,162
PA359 Econ Dvlp	0.0129	\$ 4	\$ 22	\$ 10	\$ 11	\$ 11	\$ 11	\$ 11	\$ 223	\$ 299
Oak County Zoo	0.0973	\$ 26	\$ 168	\$ 79	\$ 80	\$ 81	\$ 82	\$ 83	\$ 1,681	\$ 2,254
Oak County Art	0.1929	\$ 52	\$ 333	\$ 157	\$ 159	\$ 161	\$ 163	\$ 165	\$ 3,332	\$ 4,469
Total Non-Capturable Taxes	8.6067	\$ 2,341	\$ 14,872	\$ 6,997	\$ 7,084	\$ 7,172	\$ 7,261	\$ 7,350	\$ 148,675	\$ 199,412
CRE Abatement Tax		\$ -	\$ 9,252	\$ 9,338	\$ 9,425	\$ 9,513	\$ 9,602	\$ 9,691		
Total Base Tax	\$ 14,127									
Total Tax Increment Revenue (TIR) Available for Capture		\$ 56,466	\$ 174,039	\$ 268,189	\$ 408,892	\$ 413,084	\$ 417,631	\$ 748,515	\$ 2,486,816	
Total Tax Cumulative Capture		\$ 56,466	\$ 230,506	\$ 498,695	\$ 907,587	\$ 1,320,670	\$ 1,738,301	\$ 2,486,816		
Abatement Value		\$ 18,617	\$ 161,166	\$ 275,204	\$ 446,263	\$ 450,824	\$ 455,431		\$ 1,807,505	

Footnotes:

*Projected taxable values only, actual taxable value to be determined by City Assessor

Table 3
Tax Increment Revenue Reimbursement Allocation Table
Sakura Novi
Novi, Michigan

Maximum Reimbursement	Proportionality*
State	47.6%
Local	52.4%
TOTAL	
EGLE	100.0%
MSF	0.0%

Estimated Capture	
Administrative Fees	\$ 28,000
State Brownfield Redevelopment Fund	\$ 261,828
Local Brownfield Revolving Fund	\$ 150,000
Developer Reimbursement	\$ 2,008,250
TOTAL	\$ 2,448,078

	1	2	3	4**	5	6	7	TOTAL
	2021	2022	2023	2024	2025	2026	2027	
Total State Incremental Revenue	\$ 40,484	\$ 157,858	\$ 251,807	\$ 392,614	\$ 396,604	\$ 400,633	\$ 404,703	\$ 2,044,703
State Brownfield Revolving Fund (50% of SET)	\$ 5,184	\$ 20,214	\$ 32,244	\$ 50,275	\$ 50,786	\$ 51,302	\$ 51,823	\$ 261,828
State TIR Available for Reimbursement	\$ 35,300	\$ 137,644	\$ 219,562	\$ 342,339	\$ 345,818	\$ 349,331	\$ 352,880	\$ 1,782,875
Total Local Incremental Revenue	\$ 15,982	\$ 16,181	\$ 16,382	\$ 16,278	\$ 16,480	\$ 16,998	\$ 343,811	\$ 442,113
BRA Administrative Fee	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 28,000
Local TIR Available for Reimbursement	\$ 11,982	\$ 12,181	\$ 12,382	\$ 12,278	\$ 12,480	\$ 12,998	\$ 339,811	\$ 414,113
Total State & Local TIR Available for Reimbursement	\$ 47,282	\$ 149,825	\$ 231,945	\$ 354,617	\$ 358,298	\$ 362,329	\$ 692,692	\$ 2,196,988
DEVELOPER	Beginning Balance							
DEVELOPER Reimbursement Balance	\$ 2,008,250	\$ 1,960,968	\$ 1,811,142	\$ 1,579,198	\$ 1,224,581	\$ 866,283	\$ 503,954	\$ -
<hr/>								
MSF Non-Environmental Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total MSF Reimbursement Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MDEQ Environmental Costs	\$ 2,008,250	\$ 47,282	\$ 149,825	\$ 231,945	\$ 354,617	\$ 358,298	\$ 362,329	\$ 692,692
State Tax Reimbursement	\$ 16,808	\$ 137,644	\$ 219,562	\$ 342,339	\$ 345,818	\$ 349,331	\$ 352,880	\$ 1,764,382
Local Tax Reimbursement	\$ 6,277	\$ 12,181	\$ 12,382	\$ 12,278	\$ 12,480	\$ 12,998	\$ 339,811	\$ 408,408
Total MDEQ Reimbursement Balance	\$ 1,960,968	\$ 1,811,142	\$ 1,579,198	\$ 1,224,581	\$ 866,283	\$ 503,954	\$ (188,738)	\$ -
Local Only Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Local Only Reimbursement Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Developer Reimbursement	\$ 47,282	\$ 149,825	\$ 231,945	\$ 354,617	\$ 358,298	\$ 362,329	\$ 503,954	\$ 2,008,250
LOCAL BROWNFIELD REVOLVING FUN								
LBRF Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00	\$ 75,000
Local Tax Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00	\$ 75,000
Total LBRF Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000

Footnotes:
* Proportionality includes issuance of local Commercial Facilities Exemption Certificate

APPENDIX A
LEGAL DESCRIPTIONS

SAKURA NOVI
LEGAL DESCRIPTIONS OF ELIGIBLE PROPERTY

PARCEL 1

ID Number: 22-23-126-006

A parcel of land located in and being part of the east 1/2 of the northwest 1/4 of Section 23, T.1N., R.8E., City of Novi, Oakland County, Michigan, being more particularly described as follows:

Commencing at the North 1/4 corner of said Section 23, thence proceeding South 89 Degrees 34 Minutes 00 Seconds West 290.50 feet along the North line of said Section 23 and the centerline of Eleven Mile Road to the point of beginning; thence South 00 Degrees 26 Minutes 00 Seconds East 891.67 feet (recorded as South 00 Degree 17 Minutes 20 Seconds East 891.25 feet) to a point on the centerline of Grand River Avenue (US-16); thence North 71 Degrees 44 Minutes 00 Seconds West 652.02 feet (recorded as 650.70 feet) along said centerline of Grand River Avenue (North half 50 feet wide); thence North 682.64 feet (recorded as 682.62 feet) to a point on the North line of said Section 23, said point being located North 89 Degree 34 Minutes 00 Seconds East 433.84 feet (recorded as 419.90 feet and assessed as 433.70 feet) from the 1/16 corner located at the Northwest corner of the East 1/2 of the Northwest 1/4 of said Section 23; thence continuing North 89 Degrees 34 Minute 00 Seconds East 612.44 feet (recorded as 613.40 feet) along said North line of Section 23 and centerline of Eleven Mile Road (South half 33 feet wide) to the point of beginning.

PARCEL 2

ID Number: 22-23-226-008

Land situated in the City of Novi in the County of Oakland in the State of MI. Part of the Northeast 1/4 of Section 23, Town 1 North, Range 8 East, described as:

Beginning at a point distant North 89 degrees 00 minutes East, 99.53 feet from the North 1/4 corner of Section 23, thence North 89 degrees 00 minutes East, 165.14 feet; thence South 0 degrees 49 minutes 20 seconds East, 527.55 feet; thence South 89 degrees 00 minutes West, 165.14 feet; thence North 0 degrees 44 minutes 20 seconds West, 527.55 feet to the point of beginning.

PARCEL 3

ID Number: 22-23-126-011

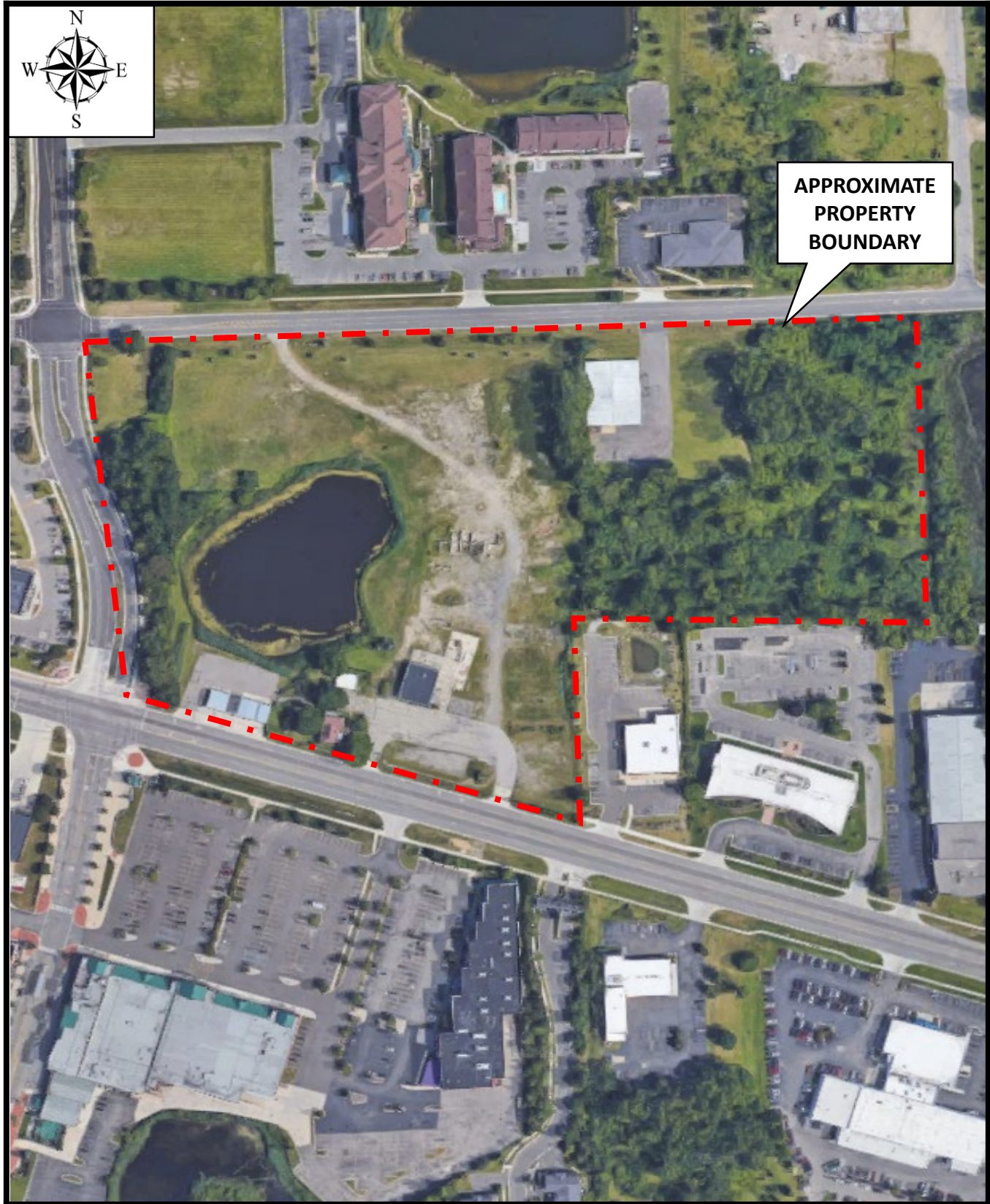
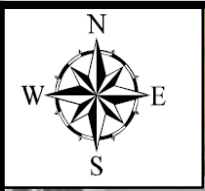
Part of the Northwest 1/4 of Section 23, Town 01 North, Range 08 East, Novi Township (now city of Novi), Oakland County, MI described as: Beginning at a point distant South 89 degrees 00 minutes 00 seconds West 65.61 feet from North 1/4 corner of Section 23; thence South 00 degrees 44 minutes 20 seconds East 527.55 feet; thence South 89 degrees 00 minutes 00 seconds West 61.82 feet; thence North 71 degrees 53 minutes 30 seconds West 170.00 feet; thence North 01 degrees 00 minutes 00 seconds West 471.87 feet; thence North 89 degrees 00 minutes 00 seconds East 224.89 feet to the point of beginning.

PARCEL 4

ID Number: 22-23-226-007

Part of the Northwest 1/4 of Section 23, Town 01N, R, 08E., Novi Township (now City of Novi) Oakland County, Michigan. Described as beginning at the North 1/4 corner of Section 23, thence North 89 degrees 00 minutes 00 seconds East 99.53 feet; thence South 00 degrees 44 minutes 20 seconds East 527.55 feet; thence South 89 degrees 00 minutes 00 seconds West 165.14 feet; thence North 00 degrees 44 minutes 20 seconds West 527.55 feet; thence North 89 degrees 00 minutes 00 seconds East 65.51 feet to the point of beginning.

**APPENDIX B
LOCATION MAP**



**APPROXIMATE
PROPERTY
BOUNDARY**

PROJECT NO.: 1964.001
DRWG BY: CJB
DATE: 10/24/2018
APPROVED BY: RJZ
SCALE: 1" = 240'
SHEET: 2 OF 3

SITE MAP
(SOURCE: GOOGLE MAPS)

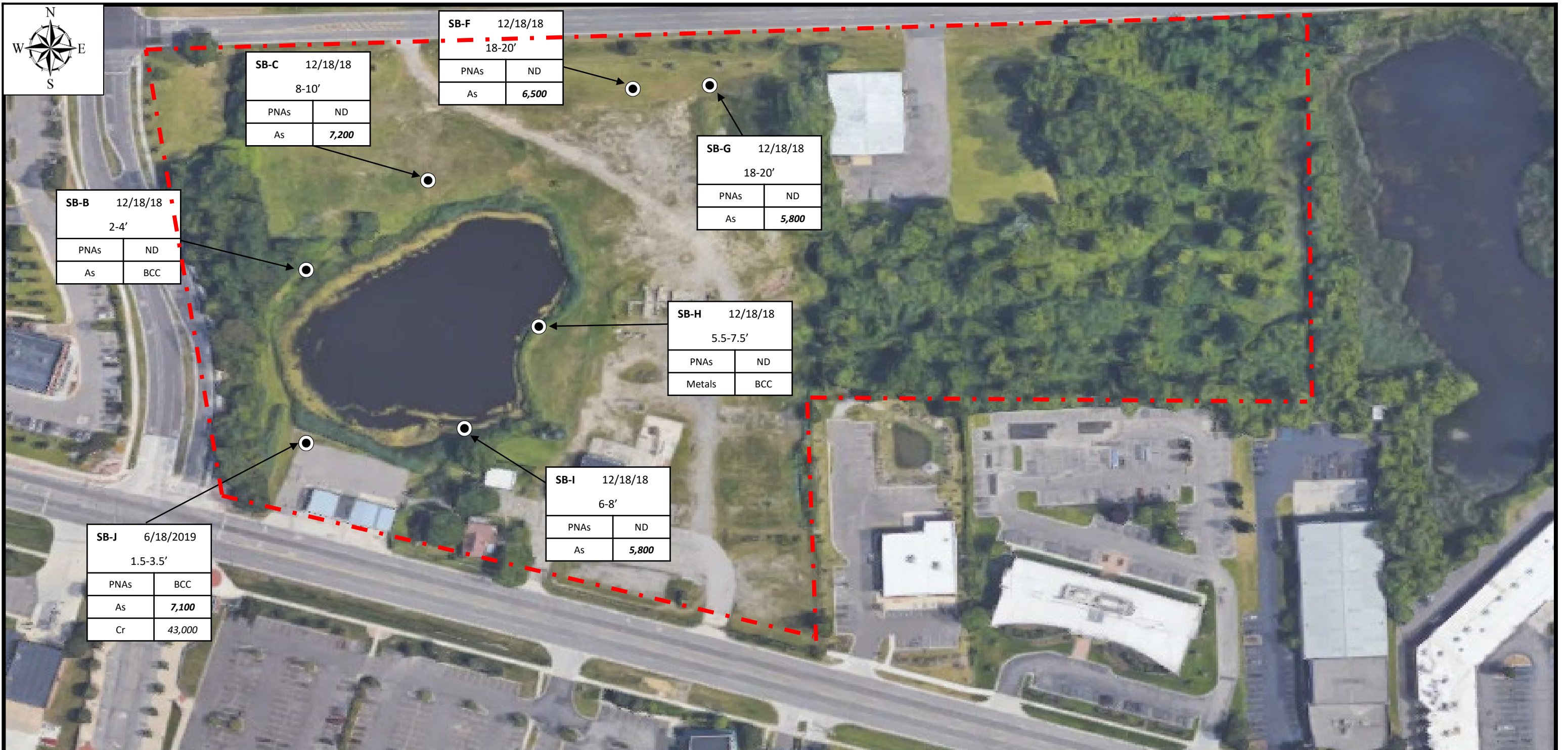
PROPOSED SAKURA WAY DEVELOPMENT
42750 GRAND RIVER AVENUE
NOVI, MICHIGAN 48375



Environmental Resources Group
28003 Center Oaks Court • Suite 106 • Wixom, MI • 48393
Phone: 248-773-7986 • Fax: 248-924-3108

APPENDIX C
PRELIMINARY SITE PLAN

APPENDIX D
DOCUMENTATION OF ELIGIBILITY



NOTES:

- ANALYTES BELOW MDEQ CLEANUP CRITERIA AND LABORATORY DETECTION LIMIT WERE NOT INCLUDED UNLESS NOTED HEREIN.
- CONCENTRATIONS WERE COMPARED TO EGLE RESIDENTIAL CLEANUP CRITERIA FOR RESPONSE ACTIVITY (CCRRA), EFFECTIVE DECEMBER 30, 2013 (FORMERLY PART 201 RESIDENTIAL GENERIC CLEANUP CRITERIA AND SCREENING LEVELS; PART 213 TIER 1 RISK-BASED SCREENING LEVELS (RBSLS)).

SOIL & GROUNDWATER LEGEND:
 SOIL SAMPLES MEASURED IN µg/kg
BOLD – CONCENTRATIONS EXCEEDING DRINKING WATER PROTECTION CRITERIA
ITALICS – CONCENTRATIONS EXCEEDING GROUNDWATER/SURFACE WATER INTERFACE CRITERIA
 ● SOIL BORING LOCATION
 - - - APPROXIMATE SITE BOUNDARY

DATA LEGEND:
 As – Arsenic
 Cr – Chromium
 ND – Non-detect
 BCC – Below Cleanup Criteria
 VOCs – Volatile Organic Compounds
 PNAs – Polynuclear Aromatic Hydrocarbons

PROJECT NO.: 1964.001	APPROVED BY: RJZ
DRWG BY: KLB	SCALE: 1" = 100'
DATE: 12/10/18	SHEET: 3 OF 3

SOIL ANALYTICAL MAP
PROPOSED SAKURA NOVI
 42750 GRAND RIVER AVENUE
 NOVI, MICHIGAN 48375



ERG Environmental Resources Group
 28003 Center Oaks Court • Suite 106 • Wixom, MI • 48393
 Phone: 248-773-7986 • Fax: 248-924-3108

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

**RESOLUTION OF UNDERSTANDING RELEASING SAKURA NOVI
PROJECT TO THE OAKLAND COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY (OCBRA) TO ADMINISTER**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on March 2, 2020, at ____ o'clock P.M. Prevailing Eastern Time.

PRESENT:

Councilmembers _____

ABSENT:

Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, the City of Novi has been approached by a developer, Sakura Novi, with a request for a Brownfield project in connection with a development known as the Sakura Novi development; and

WHEREAS, the City would like the project reviewed and processed by the Oakland County Brownfield Redevelopment Authority (OCBRA); and

WHEREAS, the OCBRA was created by Oakland County pursuant to MCL 125.2651 *et seq.* to assist jurisdictions like the City of Novi, which does not have its own Brownfield Authority; and

WHEREAS, the OCBRA is prepared to assist City of Novi by reviewing the proposed the Sakura Novi project, provided that City of Novi acknowledges certain rights that the OCBRA has, to wit:

- OCBRA intends to collect an administrative fee of approximately \$4,667.00 per year for the length of the Brownfield plan (or approximately \$28,000 for six years); and
- OCBRA will capture and collect an amount of approximately \$150,000 from the project that will be placed in the OCBRA revolving loan fund for future remediation projects.

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

NOW BE IT THEREFORE RESOLVED that City of Novi requests that the OCBRA undertake review of the Sakura Novi project.

IT IS FURTHER RESOLVED that City of Novi acknowledges and understands that OCBRA intends to collect certain administrative fees and certain taxes for its revolving loan fund, which will be specified in detail in any Brownfield Plan before it is finally adopted.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 2nd day of March, 2020, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Cortney Hanson, City Clerk
City of Novi

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

**RESOLUTION CONCURRING WITH THE PROVISIONS OF A
BROWNFIELD PLAN ADOPTED BY THE OAKLAND COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY FOR THE SAKURA
NOVI PROJECT**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on March 2, 2020, at ____o'clock P.M. Prevailing Eastern Time.

PRESENT:

Councilmembers_____

ABSENT:

Councilmembers_____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

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"), has 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 City of Novi has been informed and believes that the property located at Grand River Avenue and Town Center Drive known as the former Anglin parcel (the "Property"), in the City of Novi, is a "facility" under state statute; and

WHEREAS, a Brownfield clean up and redevelopment plan (the "Plan") has been prepared to restore environmental and economic viability to this parcel, which such Plan the OCBRA has begun reviewing; 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, will consider recommending that the Oakland County Board of Commissioners approve the Plan to be carried out within the City of Novi, for the redevelopment of the property; and

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

NOW BE IT THEREFORE RESOLVED the City of Novi hereby concurs with the provisions of the draft Plan, and supports approval of the Plan by the Oakland County Board of Commissioners, and implementation of the Plan by the OCBRA.

IT IS FURTHER RESOLVED the City of Novi acknowledges and understands that OCBRA intends to collect certain administrative fees and certain taxes for its revolving loan fund, which will be specified in detail in any Brownfield Plan before it is finally adopted.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 2nd day of March, 2020, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Cortney Hanson, City Clerk
City of Novi