

Brownfield Redevelopment Financing Act Act 381 – Plan Amendment

**Property Owner: Bosk Properties
Property Location: 2000 North Lincoln Rd.
Escanaba, MI 49829**

**Prepared by:
Timberland Engineering Inc.
809 Delta Avenue
Gladstone, MI 49837**

1.0 INTRODUCTION

On behalf of Bosk Properties (developer), Timberland Engineering Inc. has prepared this Brownfield plan amendment. The parcel (subject property) includes approximately 1.98 acres of real estate with a 3323 S.F. unoccupied building located at 2000 North Lincoln Rd., Escanaba, Michigan. Bosk Properties is planning to develop the property for its use as an equipment rental business.

1.1 ELIGIBLE PROPERTY INFORMATION

1.1.1 Location

The parcel is located in the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 13, Township 39 North, Range 23 West, City of Escanaba, Delta County, Michigan. It is approximately 1.98 acres in size. The site is specifically located at 2000 North Lincoln Rd., Escanaba, Michigan. A project location map can be found in Figure 1 and a site location map is shown in Figure 2 in Appendix A. An existing site map is shown in Figure 3 in Appendix A. Tax and legal descriptions are included in Appendix B.

1.1.2 Current Ownership

The parcel is currently owned by the developer whose address is 2020 North 19th Street Escanaba, MI 49829.

1.1.3 Proposed Future Ownership

The parcel will remain under the ownership of the developer. The developer plans to demolish the existing building to make this Brownfield site an attractive site for re-development. The developer intends to construct a new building, outside equipment rental display area, and parking lot resulting in the establishment of a new equipment rental business on the re-developed site.

1.1.4 Delinquent Taxes, Interest, and Penalties

Neither the developer nor the City of Escanaba Tax Assessor, Elizabeth Keller, is aware of any delinquent taxes, interest, and/or penalties associated with the subject property. The parcel tax number is 051-420-2813-400-004.

1.1.5 Existing and Proposed Future Zoning of Eligible Subject Property

The subject property is currently zoned Commercial and will remain Commercial zoning.

According to public records, the property was originally owned by the Escanaba Foundation. It was purchased in 1961 by Fairmont Foods. Fairmont Foods had the existing building built in 1961 and operated as a food distribution center until 1980. Marigold Foods Inc. purchased the subject property in 1980 and operated a food distribution center for one year. Bosk Paint and Sandblast Co. purchased the property in 1981 and in 1988 it became part of Bosk Properties Inc.

1.2 HISTORICAL USE OF EACH ELIGIBLE SUBJECT PROPERTY

The parcel was purchased by Bosk Properties in 1988 and over the years has been leased to the following businesses:

Business Name	Type of Business
All-Phase Electric	Electrical supplies
Superior Auto Glass	Auto glass replacement
360 Bikes	Motorcycle sales & services
Richer Auto Electric	Automobile starter, alternator, and generator repairs and rebuilds
Low Cost Auto Sales	Used car sales
Salvation Army*	Food storage and distribution

* Current occupant, but not leased.

1.3 CURRENT USE OF EACH ELIGIBLE SUBJECT PROPERTY

The subject property is currently being used as a food storage and distribution center by the Salvation Army.

1.4 SUMMARY OF PROPOSED REDEVELOPMENT AND FUTURE USE FOR EACH ELIGIBLE PROPERTY

The developer intends to create a developable site for use by the developer as a new business.

To redevelop the subject property, the existing structure will be demolished and removed from the site. Following demolition, the site will be regraded and a new 10,000 S.F. building will be constructed on the northeast quadrant of the parcel. A future addition is planned to the south of the building. A parking lot will also be constructed along the southside of the subject property. An outside equipment rental display area will be provided on the northwest quadrant of the parcel. A preliminary site plan is included in Figure 4 of Appendix A.

2.0 CURRENT SUBJECT PROPERTY CONDITIONS

2.1 SUBJECT PROPERTY ELIGIBILITY

The subject property is eligible for Brownfield tax increment financing because it is within a qualified local government unit (City of Escanaba) and meets the definition of a functionally obsolete site.

2.2 SUMMARY OF ENVIRONMENTAL CONDITIONS

An abandoned underground storage tank, previously used as fuel oil storage for an oil-fired furnace, is believed to be located on the west side of the existing building of the subject property.

An aboveground fuel oil storage tank is located in a fenced area along the north side of the existing building.

A physical assessment of asbestos-containing building materials (ACBM) was conducted at the subject property by Pearson Asbestos Abatement Inc. on October 30, 2007. A report dated November 6, 2007, indicated ACBM are present in the existing building on the parcel.

Pearson Asbestos Abatement Inc. also conducted a lead-based paint inspection on October 30, 2007. A report dated November 6, 2007, indicated the presence of lead-based paint on some building materials.

Since ownership of the subject property will remain with the developer, no Phase I Environmental Site Assessment was required to be prepared for this plan amendment.

2.3 SUMMARY OF FUNCTIONALLY OBSOLETE AND/OR BLIGHTED CONDITIONS

The functional obsolescence of the subject property was determined by Ms. Elizabeth Keller, CMAE III, a level 3 assessor. Her report dated January 15, 2008 is included in Appendix C. The existing structure will be demolished in order to redevelop the site.

3.0 SCOPE OF WORK

There are two types of eligible activities for reimbursement. The first is referred to as Michigan Department of Environmental Quality (MDEQ) eligible expenses, and include the cost of environmental assessments, remediation, and the preparation of this plan. The second is referred to as Michigan Economic Growth Authority (MEGA) eligible expenses and includes the cost of asbestos and lead-based paint abatement, utility upgrades, demolition, site grading, and resurfacing.

3.1 MDEQ ELIGIBLE ACTIVITIES

The developer has indicated there will be no MDEQ eligible remediation activities other than plan preparation costs.

3.2 MEGA ELIGIBLE ACTIVITIES

3.2.1 Public Infrastructure Improvements

A new building will be constructed north of the existing building. The estimated cost of the new building is \$800,000. The new building is not a MEGA eligible activity, however new utilities, including water, sewer, electrical power lines, and natural gas, will have to be run to the subject property. These expenses are MEGA eligible expenses.

A paved parking lot is also planned for this redevelopment.

3.2.2 Demolition

The existing building will need to be demolished in order to promote redevelopment of the parcel.

Efforts will be made to recycle construction materials where possible. Unpainted brick, block (CMU), and concrete will be used as clean fill. Structural steel and other metals will be taken to a steel-recycling center. The remaining debris will be properly disposed of in a licensed landfill.

3.2.3 Lead Abatement

Lead-based paint was found to be present on some of the existing building components, and therefore precautions and proper removal procedures will need to be adhered to during the demolition process. The demolition contractor's personnel should have lead awareness training, and the demolition practices should include the use of a fine water spray to help reduce dust.

3.2.4 Asbestos Abatement

ACBM have been identified on the subject property and will need to be abated prior to demolishing the existing structure.

3.2.5 Site Preparation

Activities required to prepare the site for redevelopment will include:

- a. Proper removal and disposal of the underground and aboveground fuel oil storage tanks. This work will have to be conducted by a MDEQ-approved contractor in accordance with Part 211 of Michigan Public Act 451.
- b. Clearing, grubbing and grading of the site will have to be completed once the existing structure has been demolished.

3.2.6 Assistance to a Land Bank Fast Track Authority

No local bank authority is involved.

3.2.7 Relocation of Public Buildings or Operations

No relocation or removal of public buildings is involved.

4.0 SCHEDULE AND COSTS

4.1 SCHEDULE OF ACTIVITIES

A schedule of activities is included in Appendix D. The schedule calls for asbestos abatement work to be conducted in April 2008 with the demolition work starting after the asbestos removal is complete. The site preparation work is planned for May 2008. Infrastructure improvements will be implemented in June 2008 along with construction of the new building. Project completion is currently scheduled for early September 2008.

4.2 ESTIMATED COSTS

The potential reimbursable costs, tax capture, and Act 381 Work Plan are included in Tables I, II, III, and IV located in Appendix E. The developers' total estimated eligible expenses are \$78,800.

Appendix A



FIGURE 1
PROJECT LOCATION MAP
 NOT TO SCALE

		Timberland Engineering Inc. <small>809 Delta Ave. Gladstone, MI 49837 (806) 426-4145 Phone (806) 426-4252 Fax</small>
<small>DWN BY: JM</small> <small>DSGN BY: TC</small> <small>DATE: 1-10-08</small> <small>SCALE: NTS</small> <small>CAD#: 07-19-1655</small> <small>JOB#: 07-19-1655</small>	BOSK PROPERTIES 2000 NORTH LINCOLN RD. ESCANABA, MI 49829	
FIGURE 1		

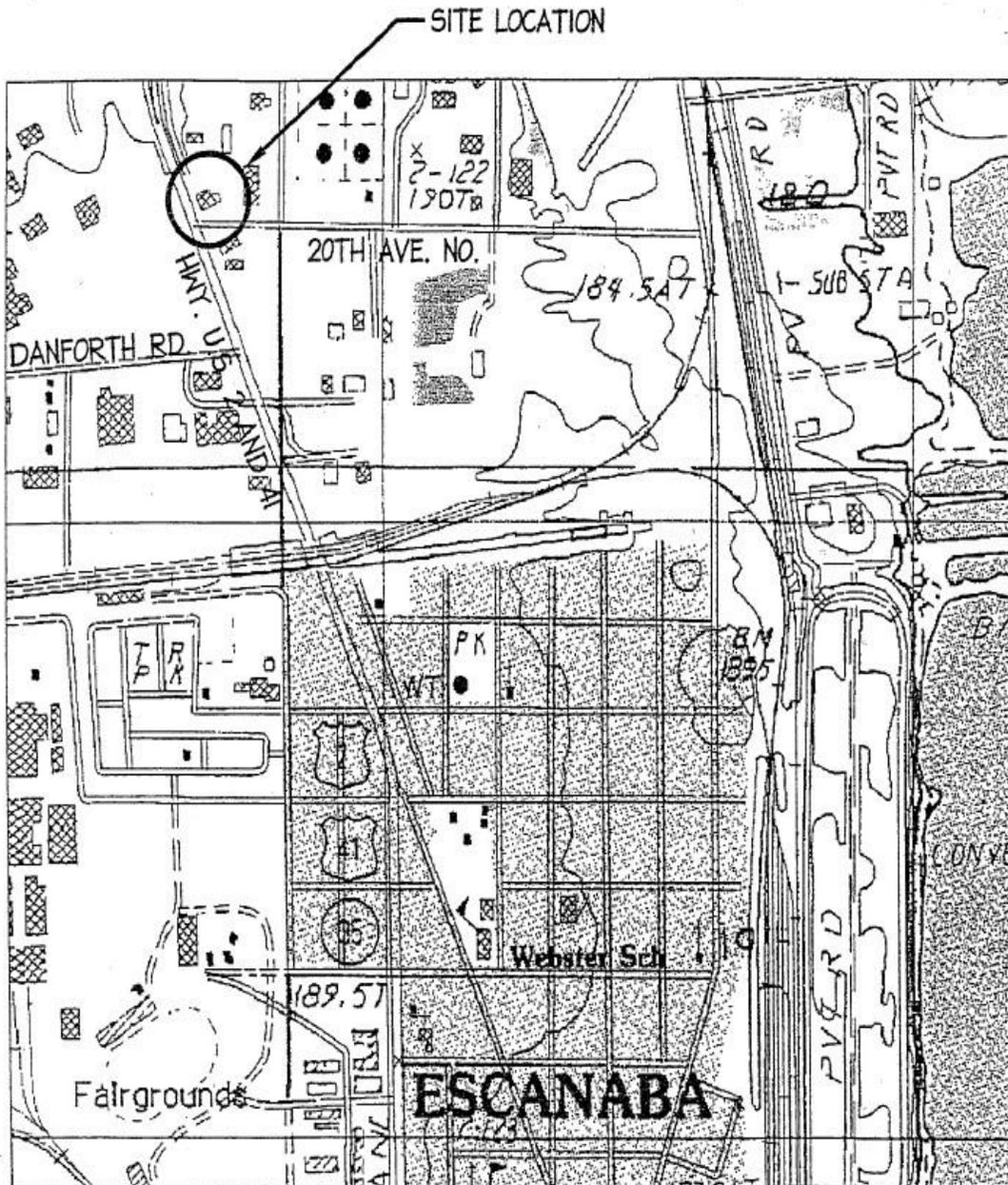


FIGURE 2
SITE LOCATION MAP
 NOT TO SCALE

 <p>Timberland Engineering Inc. 509 Delta Ave. (905) 425-4145 Phone Gledstone, MI 49837 (905) 425-4262 Fax</p>			
		<p>BOSK PROPERTIES 2000 NORTH LINCOLN RD. ESCANABA, MI 49829</p>	
<p>DWN BY: JM DSGN BY: TC DATE: 1-10-06 SCALE: NTS CAD#: 07-19-1655 JOB#: 07-19-1655</p>		<p>FIGURE 2</p>	

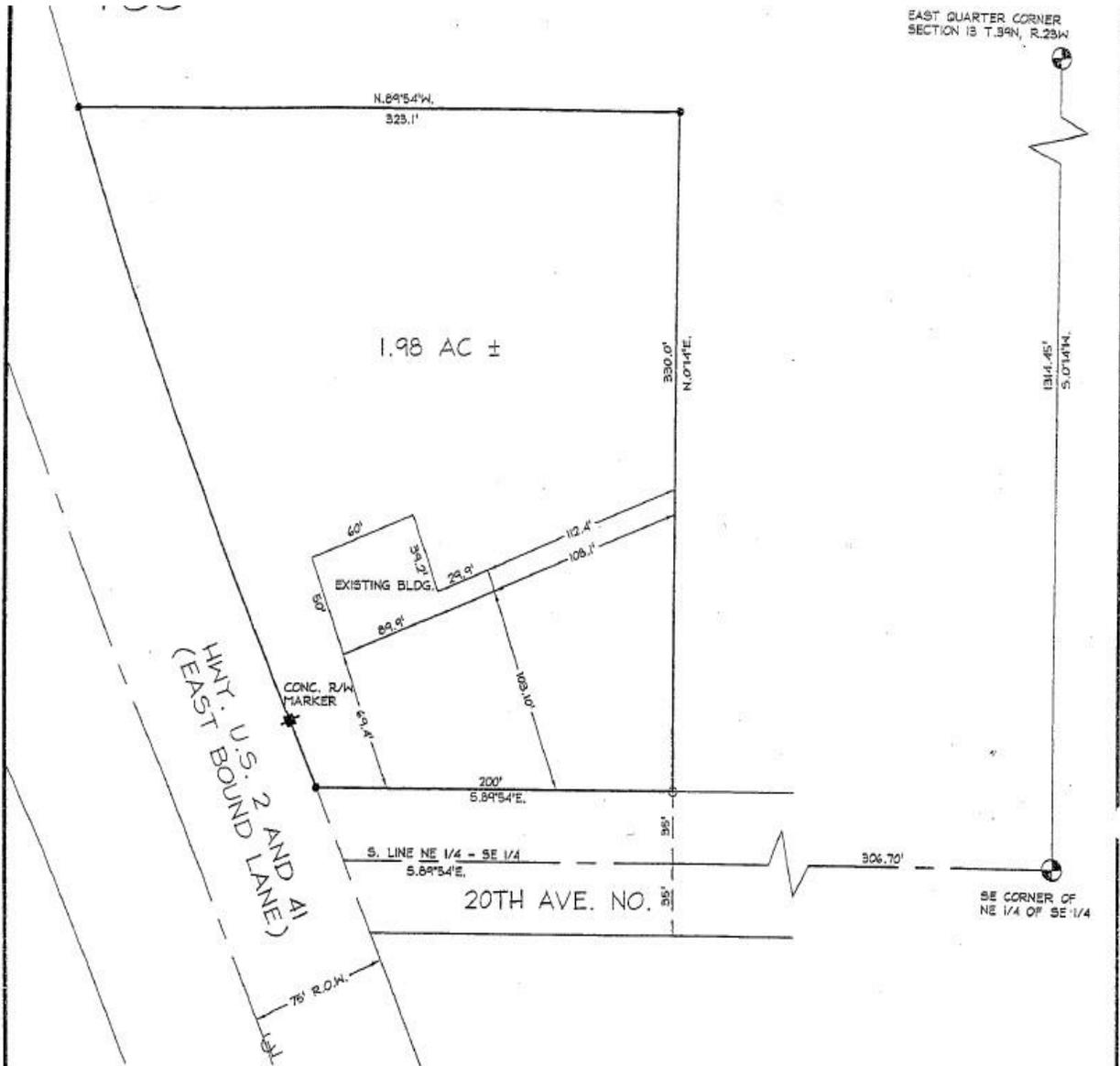


FIGURE 3
EXISTING SITE MAP
 NOT TO SCALE

 Timberland Engineering Inc. 809 Delta Ave. (906) 428-4145 Phone Gladstone, MI 49837 (906) 428-4282 Fax	
DWN BY: J.M. DSGN BY: T.C. DATE: 1-10-08 SCALE: NTS CAD#: 07-19-1655 JOB#: 07-19-1655	BOSK PROPERTIES 2000 NORTH LINCOLN RD. ESCANABA, MI 49829 FIGURE 3

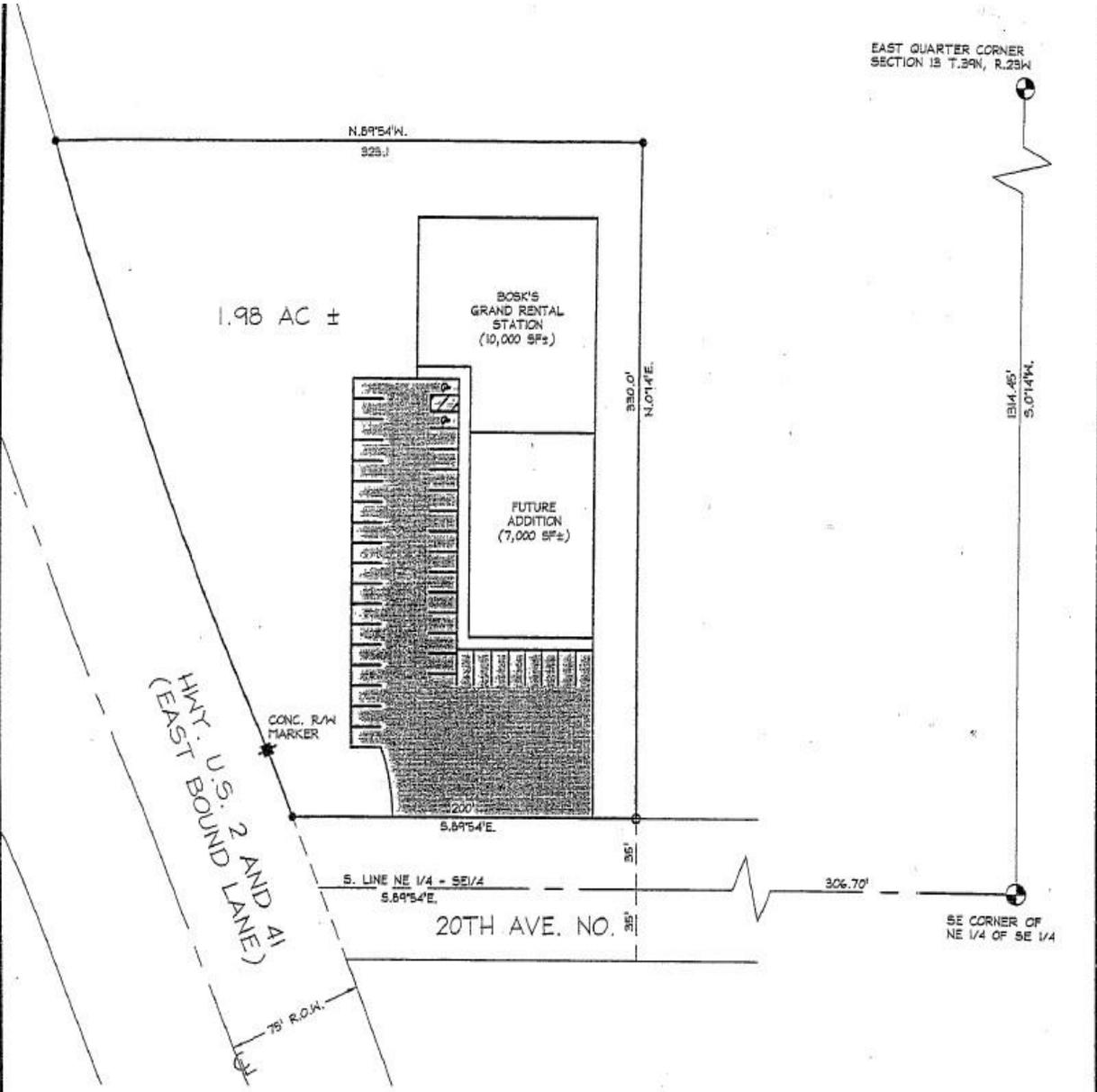


FIGURE 4
PRELIMINARY SITE PLAN
 NOT TO SCALE

 <p>Timberland Engineering Inc. 805 Delta Ave. Gladstone, MI 49837 (906) 428-4146 Phone (906) 428-4282 Fax</p>	
DWN BY: JIM DESGN BY: TC DATE: 1-10-08 SCALE: NTS CAD#: 07-19-1685 JOB#: 07-19-1685	<p>BOSK PROPERTIES 2000 NORTH LINCOLN RD. ESCANABA, MI 49829</p> <p>FIGURE 4</p>

Appendix B

410 LUDINGTON STREET
 P.O. BOX 948
 ESCANABA, MI 49829

BOSK PROPERTIES
 Property Address:
 2000 NORTH LINCOLN ROAD

051-420-2813-400-004

Bill Date	12/10/07
Total Tax Due	\$1,967.81
Check Number	

BOSK PROPERTIES
 P.O. BOX 461
 ESCANABA, MI 49829-0461



051-420-2813-400-004

Amount Remitted:

R-8-3163

TREASURER'S COPY (Please return top portion with payment)

TAXPAYER'S COPY (Please retain this portion for your records)

Parcel Nbr. 051-420-2813-400-004
 Property Assessed To:
 BOSK PROPERTIES
 P O BOX 461
 ESCANABA, MI 49829-0461

Property Address:
 2000 NORTH LINCOLN ROAD
 ESCANABA, MI 49829

Property Class: 201
 School District: 21010

Your PRE/QAG Exemption has reduced this tax bill by: \$0.00

One Mill equals \$1.00 of tax per \$1,000 of taxable value.

TAX DESCRIPTION	MILLAGE	AMOUNT
SCH OP	18.0000	\$1,328.56
ISD	0.0673	\$4.96
ISD EX VOT	1.1252	\$83.03
COMM COLL	1.1536	\$85.14
COLL DEBT	0.6074	\$44.82
SHERIFF	0.7740	\$56.56
DATA	0.6600	\$44.27
COMM ACT	0.5831	\$43.05
CTR DISP	0.5000	\$36.39
SCH DEBT	2.8900	\$213.27
Total Taxes:		\$1,948.33
Admin Fee:		\$19.48
Total Due:		\$1,967.81

Tax Base Values	Description of Lands or Personal Property
Taxable Value: \$73,798	SEC 13 T39N R23W COM @ NE COR NE 1/4 SE 1/4 TH S 0D 14M W 1314.45 FT TO SE COR SE-PORTY TH N 39D 54M W 306.7 FT M/L TH N OD 14M E 1335 FT TO POB ON N R W 20TH AVE N TH N 330 FT TH N 39D 54M W 323.1 FT TO E ROW LN HWY TH SELY TO INT W/N RO SD 20TH AVE N TH S 39D 54M E 200 FT TO POB 2 AC M/L 2000
State Equalized: \$96,280	
Assessed: \$96,280	
PRE/QAG: \$0	
% Declared Exempt: 0.00%	
Operating Fiscal Years	
COUNTY: 07/01/07 TO 09/30/08	PAY ON OR BEFORE 2/14/08 WITHOUT PENALTY FEB 15 THROUGH FEB 28 ADD 3% PENALTY (MIN \$1.00) MAR 1, 2008 & AFTER PAY REAL PROPERTY TAX + 4% PENALTY (MIN \$1.00) + 1% INTEREST PER MONTH TO DELTA COUNTY TREASURER. OCT 1, 2008, ADD \$15 FEE; MARCH 1, 2009, ADD \$175 FEE; MARCH 1, 2008, AND AFTER PAY PERSONAL PROPERTY TAX AT ESCANABA CITY HALL PLUS 4% LATE FEE (MIN \$1.00) + 1% INTEREST PER MONTH.
SCHOOL: 07/01/07 TO 06/30/08	
STATE: 06/01/07 TO 09/30/08	
CITY: 07/01/07 TO 06/30/08	
MAKE CHECKS PAYABLE TO: CITY OF ESCANABA	
PAY AT CITY UTILITY OFFICE OR MAIL TO: ESCANABA CITY TREASURER P.O. BOX 948 ESCANABA, MI 49829	

TOTAL P. 03

Appendix C



January 15, 2008

Mr. Gerald Bosk
Bosk Properties, Inc.
P.O. Box 461
Escanaba, MI 49829-0461

RE: 2000 North Lincoln Road
Parcel No. 051-420-2813-400-004

Dear Mr. Bosk:

On December 18, 2007, along with Kevin Dubord of this office and you, I inspected the property at 2000 North Lincoln Road. Based on that inspection, I have determined that this property is at least 60% functionally obsolete.

Built in 1961 as a warehouse with loading dock, this 2,444 square-foot concrete block structure included 1,000 square feet of chilling area, and was used as a distribution warehouse. Fairmont Foods sold the property to Marigold Foods, Inc., in 1980. A year later, Marigold Foods sold to Bosk Paint & Sandblast Co. In 1988 the building became part of Bosk Properties, Inc. Currently vacant, the building has had various short-term occupants in recent years.

The structure is in disrepair and cannot function as originally intended as a distribution or storage warehouse. The storage area is not large enough and is in need of repair and the minimal office area is not useable in its present condition. Alternative uses of the existing building are impractical, requiring extensive remodeling costs which would exceed the structure's value.

Please contact me if you have questions or concerns.

Yours truly,

Elizabeth H. Keller, CMAE III
City of Escanaba Assessor
(906) 786-9402
ekeller@escanaba.org

Copy: Thomas Creten, PE

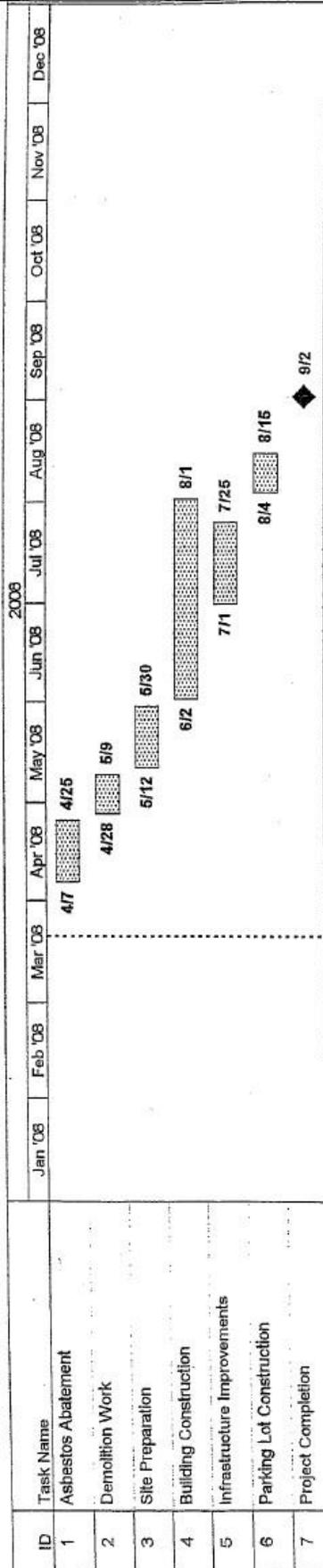
Mission Statement:

Enhancing the enjoyment and livability of our community by providing quality municipal services to our citizens.

Appendix D

Act 381 - Plan Amendment
Property Owner: Bosk Properties
Property Location: 2000 North Lincoln Rd., Escanaba, MI 49829

Proposed Schedule of Activities



Task
 Split
 Progress
 Milestone

Summary
 Rolled Up Task
 Rolled Up Split
 Rolled Up Milestone

Rolled Up Progress
 External Tasks
 Project Summary

Project: Brownfield Redevelopment
 Project No. 07-19-1655
 Date: Fri 3/21/08

Appendix E

TABLE I ACT 381 – MDEQ ELIGIBLE EXPENSES	
Act 381 Plan Preparation	\$ 3,500
Phase I Environmental Assessment	\$ 0
Total	\$ 3,500

TABLE II - Rev. October 2008 ACT 381 – MEGA ELIGIBLE EXPENSES	
ACBM Abatement	\$ 5,000
Removal of Abandoned Fuel Oil Storage Tanks	\$ 4,100
Utility Improvements	\$ 9,200
Demolition	\$26,300
Sidewalks	\$ 5,000
Parking Lot	\$35,000
Total	\$84,600

TABLE III TAX CAPTURE		
The estimated true cash value of the project upon completion is \$1,000,000; the estimated SEV upon completion would be \$500,000; the estimated taxable value, \$435,000. The 2007 taxable value of the property is \$73,398. The planned project can yield an annual tax increment revenue of \$10,161 on the projected taxable value capture of \$361,600.		
Jurisdiction	Mills	Est. Annual Tax Cap
City	17.0000	\$ 6,147
College	3.5225	\$ 1,273
County	5.0315	\$ 1,819
Sheriff	0.8749	\$ 316
Comm. Act.	0.5800	\$ 209
Central Dispatch	0.5000	\$ 180
DATA	0.6000	\$ 217
Total	28.1089	\$ 10,161

Amended 11/06/08

TABLE IV

ACT 381 WORK PLAN

Bosk Properties, 2000 N. Lincoln Rd., Escanaba, MI

Rev 10/2008

	BASE YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
Real Property TV	TAXABLE VAL	\$435,000	\$439,350	\$443,744	\$448,181	\$452,663	\$457,189	\$461,761	\$466,379	\$471,042
Captured Taxable Value		\$361,602	\$365,952	\$370,346	\$374,783	\$379,265	\$383,791	\$388,363	\$392,981	\$163,197
Taxing Jurisdiction	Mills									
County	5.0317	\$1,819	\$1,841	\$1,863	\$1,886	\$1,908	\$1,931	\$1,954	\$1,977	\$821
College	3.5225	\$1,274	\$1,289	\$0	\$1,320	\$1,336	\$1,352	\$1,368	\$1,384	\$575
City	17.0000	\$6,147	\$6,221	\$6,296	\$6,371	\$6,448	\$6,524	\$6,602	\$6,681	\$2,774
Sheriff	0.8749	\$316	\$320	\$324	\$328	\$332	\$336	\$340	\$344	\$143
Comm Actlon	0.5831	\$211	\$213	\$216	\$219	\$221	\$224	\$226	\$229	\$95
DATA	0.6000	\$217	\$220	\$222	\$225	\$228	\$230	\$233	\$236	\$98
Central Dispatch	0.5000	\$181	\$183	\$185	\$187	\$190	\$192	\$194	\$196	\$82
School Operating	NA									
State Ed Tax	NA									
ISD	NA									
TOTAL CAPTURE	27.6122	\$10,165	\$10,288	\$9,107	\$10,536	\$10,662	\$10,789	\$10,918	\$11,048	\$4,588
Expenses Remaining		\$77,935	\$67,647	\$58,540	\$48,004	\$37,342	\$26,553	\$15,035	\$4,588	\$0
Expenses Paid		\$10,165	\$20,453	\$29,560	\$40,096	\$50,758	\$61,547	\$72,465	\$83,512	\$88,100

Eligible Environmental Expenses 88,100
 Assumes 1% increase in annual taxable value of property
 Assumes no personal property tax

Amended 11/06/08