

OTTAWA COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

Agenda for Thursday, September 19, 2024 | 3:30pm | Conference Room E

12220 Fillmore Street, West Olive MI 49460

1. Call to order
2. Roll call
3. Approval of the agenda for the September 19, 2024 meeting
4. Approval of the minutes from the July 18, 2024 meeting
5. Correspondence and communications – MSHDA 381 Work Plan – Prospect Flats
6. Budget report - none
7. Old business – none
8. New business

A. Reimbursement Agreements

Motion: To approve and authorize the Chair and Vice Chair/Secretary to sign the Development and Reimbursement Agreement for Terra Station Ventures, LLC

Motion: To approve and authorize the Chair and Vice Chair/Secretary to sign the Development and Reimbursement Agreement for 106 S Buchanan, SL LLC

Motion: To approve and authorize the Chair and Vice Chair/Secretary to sign the Development and Reimbursement Agreement for Prospect Flats, LLC

B. FY25 Budget Approval

Motion: To open the public hearing and receive comments on the proposed FY25 Budget

Motion: To close the public hearing on the proposed FY25 Budget

Motion: To approve and authorize the Chair and Vice Chair/Secretary to sign the FY25 Budget Resolution

9. Discussion Items
 - A. Housing TIF evaluation feedback
 - B. City of Ferrysburg Project – Stillwater
 - C. City of Coopersville Project - MFD
 - D. Allendale Twp Project

10. Other business updates

- A. One open board seat – applications due 10/9/2024

11. Public Comment

12. Adjournment

**OTTAWA COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
UNAPPROVED MINUTES**

The Ottawa County Brownfield Redevelopment Authority met Thursday, July 18, 2024, at 3:30 p.m. in Conference Room E at the Fillmore Administrative Complex and was called to order at 3:34 p.m. by Mr. Brugger.

Present at roll call: Kirk Perschbacher, Cheryl Clark, Garry Post, Josh Brugger, Roger Belknap, Ken Brune (6)

Absent at roll call: Rebecca Hopp, James Bleicher, and Jon Anderson (3)

Staff & Guests: Becky Huttenga, Strategic Impact; Jessica Kass-Doornbos, Clerk/Register of Deeds; Peter Oleczuk, Westwind; Roman Wilson, Fishbeck.

BRA 24-019 Mr. Perschbacher moved to approve the agenda for the July 18, 2024 meeting. The motion passed.

BRA 24-020 Mr. Brune moved to approve the minutes from the May 16, 2024 meeting. The motion passed.

Correspondence and Communication – None

Budget Report – Becky Huttenga gave an update on the budget.

Old Business – None

New Business –

A. Brownfield Incentive Program – 303 East Main, City of Zeeland

BRA 24-021 Motion:

Mr. Perschbacher motioned to ratify the Board Chair's approval of a Phase I Environmental Site Assessment at 303 East Main at not-to-exceed cost of \$3,000.

YEAS: Mr. Belknap, Mr. Brugger, Ms. Clark, Mr. Post, Mr. Brune, Mr. Perschbacher; (6); NEAS: None; ABSENT: Rebecca Hopp, James Bleicher, and Jon Anderson. (3). The motion passed.

Discussion Items –

A. Upcoming project – City of Coopersville

Becky Huttenga gave discussion. Peter Olezczuk gave discussion. Roman Wilson gave discussion. Mr. Brugger gave discussion. Roman Wilson gave discussion. Mr. Perschbacher gave discussion. Becky Huttenga gave discussion. Ms. Clark gave discussion. Peter Olezczuk gave discussion. Mr. Post gave discussion. Mr. Brugger gave discussion. Peter Olezczuk gave discussion. Mr. Brugger gave discussion. Becky Huttenga gave discussion. Peter Olezczuk gave discussion. Mr. Post gave discussion. Peter Olezczuk gave discussion. Mr. Perschbacher gave discussion.

B. Housing TIF project evaluation

Becky Huttenga gave discussion. Mr. Perschbacher gave discussion. Becky Huttenga gave discussion. Mr. Post gave discussion. Mr. Brune gave discussion. Mr. Perschbacher gave discussion. Mr. Brugger gave discussion. Mr. Brune gave discussion. Mr. Post gave discussion. Mr. Brugger gave discussion. Mr. Perschbacher gave discussion. Becky Huttenga gave discussion. Mr. Belknap gave discussion. Mr. Perschbacher gave discussion. Becky Huttenga gave discussion. Mr. Brugger gave discussion. Mr. Perschbacher gave discussion. Becky gave discussion. Mr. Perschbacher gave discussion. Mr. Brugger gave discussion. Mr. Perschbacher gave discussion.

Other Business/Discussion/Updates – None.

Public Comment – None.

Adjournment: The meeting was adjourned by Mr. Brugger at 4:48 p.m.



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

AMY HOVEY
EXECUTIVE DIRECTOR

August 8, 2024

Ottawa County Brownfield Redevelopment Authority
12220 Fillmore Street, Room 260
West Olive, Michigan 49460

RE: Housing Activities Brownfield Work Plan Review – Prospect Flats
MSHDA Assigned Housing TIF Program No. HTIF-24-003

To All Member of the Ottawa County Brownfield Redevelopment Authority:

On behalf of the Michigan State Housing Development Authority (MSHDA), I am advising you that MSHDA has reviewed the brownfield work plan housing activities for Bellaire Lofts – MSHDA Assigned Housing TIF Program No. HTIF-24-003. Pursuant to Section 15(11) MSHDA is issuing a **Conditional Approval** with the following required necessary modifications Per Section 2 of the Housing TIF Addendum II which must be shared with MSHDA once fulfilled:

1. Executed version of the Development and Reimbursement agreement. This must be the exacted unaltered version that was submitted with the work plan, and it must be submitted to MSHDA.
2. Per Section 2 of the Housing TIF Program Plan Addendum II the following items must be satisfied:
 - a. Firm commitment or full approval of PA 210 Commercial Rehabilitation Tax Credit.
 - b. Certification that the appropriate standards for EGLE residential development were followed.
3. Entity or agency monitoring price and income must (a) be changed to one with sufficient experience in monitoring price and income for affordable housing; or (b) partnering with a sufficiently experienced monitoring agency; or (c) receive two hours or more of training with MSHDA staff on income monitoring processes and procedures; or (d) provide sufficient evidence of 3 or more years' experience in Michigan.
4. Provide recorded Notice of Develop or Reimbursement Agreement restricting the property for affordable housing dedicated to serve AMI levels as for a period not less than the proposed tax capture.

735 EAST MICHIGAN AVENUE P.O. Box 30044, LANSING, MICHIGAN 48909
Michigan.gov/mshda • TOLL-FREE 855-MI-MSHDA (855-646-7432) • FAX 517.335.4797



The total Potential Rent Loss (PRL) gap cap is **\$1,254,804**.

The maximum total allowable tax capture amount is **\$1,856,305**.

If you have any questions concerning this matter, please contact Josh Campbell directly at 517-335-4225 or by email at campbellj37@michigan.gov.

Respectfully,

A handwritten signature in black ink, appearing to read "Anthony Lentych". The signature is written in a cursive, flowing style.

Anthony Lentych,
Chief Housing Investment Officer

cc: HTIF-24-003 Project File

Attachment: Sample Notice of Development or Reimbursement Agreement

Brownfield Redevelopment Authority

Object	Budget	Actuals	Description/Narrative		
Revenue					
402010	82,521	47,750.43	Current Property Taxes		
				<i>Budget</i>	<i>Actuals</i>
			Borculo/ZFS	14,129	14,455.05
			Best	18,812	19,447.18
			Epicurean Village	42,609	8,812.11
			Gull Lake Marine	6,971	5,036.09
			Total	82,521	47,750.43
501000	0	0.00	Federal Grants		None Currently
541000	0	0.00	State Grant: Program		None Currently
580000	4,100	0.00	Local Contributions		
				<i>Budget</i>	<i>Actuals</i>
			BIP	4,100	0.00
			Total	4,100	0.00
626000	5,844	7,013.18	Services Rendered		
				<i>Budget</i>	<i>Actuals</i>
			Borculo/ZFS	744	760.79
			Best	990	1023.54
			Epicurean Village	2,243	463.79
			Gull Lake Marine	367	265.06
			Application Fee (Future Project)	1,500	4,500.00
			Total	5,844	7,013.18
665000	189	0.00	Interest on Investments		
				<i>Budget</i>	<i>Actuals</i>
			Interest Allocation	189	0.00
			Total	189	0.00

Brownfield Redevelopment Authority

Object	Budget	Actuals	Description/Narrative	
Expense				
702000	0	0.00	Regular Wages Benefitted	None Currently
710000	0	0.00	Fringes	None Currently
808000	86,622.00	27,133.76	Service Contracts	
				Budget Actuals
			Consultants/Contracted Services	0.00 0.00
			Borculo/ZFS	13,010 13,285.56
			SET (Borculo/ZFS)	1,120 0.00
			GLM North (Gull)	6,971 5,036.09
			Epicurean Village	42,609 8,812.11
			SET (Best)	1,213 0.00
			EGLR Repayment (Best)	17,599 0.00
			BIP (Admin Transfer to BIP)	4,100 0.00
			Total	86,622.00 27,133.76
860000	50	33.64	Travel Mileage	
				Budget Actuals
			Mileage	50 33.64
			Total	50 33.64
967010	25,500	24,591.50	Project Costs	
				Budget Actuals
			Bob Jeff Hudsonville	6,800 6791.50
			CL Real Estate	6,500 0.00
			Rosendall Land Holdings	8,500 8500.00
			Airpark	3,700 0.00
			106 Buchanan	0 2200.00
			Old Fire Barn	0 2200.00
			HRS Land	0 4900.00
			Total	25,500 24591.50
Revenue	92,654	54,763.61		
Expense	112,172	51,758.90		
Fund Balance*	19,518	0.00		
Net Gain/Loss	0	3,004.71		

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement (the “Agreement”) is made this _____ day of _____, 2024, between the **Ottawa County Brownfield Redevelopment Authority**, a Michigan public body corporate (the “Authority”), whose address is 12220 Fillmore Street, West Olive, Michigan 49460, **Terra Station Ventures, LLC**, a Michigan limited liability company, whose address is 5000 Kendrick Street SE, Grand Rapids, Michigan 49512 (the “Developer”), and the **Hudsonville Downtown Development Authority**, a Michigan public body corporate (the “DDA”), whose address is 3275 Central Blvd., Hudsonville, Michigan 49426.

RECITALS

A. The Authority was created by Ottawa County (the “County”) pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996, as amended (“Act 381”). Pursuant to Act 381, the Authority has prepared a Brownfield Plan, which was duly approved by the Ottawa County Board of Commissioners (the “Brownfield Plan”).

B. The Developer owns or has an agreement to purchase approximately 4.461 acres of property in the City of Hudsonville (the “City”), with a street addresses of 3302 Prospect and a portion of 3275 Central Blvd (the “Property”), which is legally described in the attached Brownfield Plan Amendment for the Terra Station Ventures, LLC Project (the “Amendment”) attached as Exhibit A, and which is a “facility” and “housing property” as defined in Act 381.

C. The DDA owns property in the City adjacent to the Property, which it intends to develop into additional surface parking to support redevelopment of the Property and support attainable housing, as well as serving the general public.

D. The Amendment was recommended for approval by the Authority on April 18, 2024, and approved by the Ottawa County Board of Commissioners on June 11, 2024, with concurrence from the DDA on May 1, 2024 and the Hudsonville City Commission on May 14, 2024.

E. The Developer proposes construction of a new mixed-use multifamily and retail development consisting of a total of twelve (12) new three-story residential buildings, which includes one (1) of the buildings as a mixed-use building with approximately 4,600 square feet of first floor retail space with nineteen (19) residential units (1-beds) above located along School Avenue (the “Project”). The Project’s remaining eleven (11) multifamily residential buildings will each include a range of ten to twelve (10-12) units with a mix of studio, one (1) bedroom, and two (2)-bedroom units. In total, the Project will include a total of one hundred forty-one (141) new residential units, consisting of thirty-six (36) studios, fifty-nine (59) one-bedroom, and forty-six (46) two-bedroom units. The Project will have the effect of assisting in the redevelopment of the Property, increasing housing inventory, increasing the tax base, creating jobs, and otherwise enhancing the economic vitality and quality of life in the County.

F. Subject to the Michigan State Housing Development Authority (“MSHDA”) approval of the Act 381 Work Plan for the Project (the “Work Plan”), with respect to the state education tax and taxes levied for school operating purposes (the “Educational Taxes”), Act 381 permits the Authority to capture and use the property tax revenues generated from the incremental increase in property value of a redeveloped brownfield site constituting an “eligible property” under Act 381 to pay or to reimburse the payment of costs of conducting activities that meet the requirements under Act 381 of “eligible activities” (hereinafter the “Eligible Costs”).

G. By undertaking the Project, the Developer incurred and will incur Eligible Costs, which include costs associated with department specific activities (Phase II environmental site assessment, baseline environmental assessment, fifteen percent (15%) contingency), housing development activities, and brownfield plan preparation and development, all as defined in the Amendment. The Developer’s Eligible Costs shall not exceed \$4,100,700.

H. As part of the Project, the DDA incurred and will incur Eligible Costs, which includes costs associated infrastructure improvements to support housing activities and property, all as defined in the Amendment. The DDA’s Eligible Costs shall not exceed \$223,100.

I. The Developer and DDA are eligible for “housing development activities” under the Act based on the Developer’s commitment to reserve a portion of the Project’s rental units as income restricted units for income qualified households (i.e. household incomes at or below one hundred-twenty

percent (120%) area median income (AMI)) (the “Annual Unit Income Restriction”). The Annual Unit Income Restriction for the Project includes a total of twenty-five percent (25%) of the total units (i.e. thirty-five (35) units) for tenant households earning eighty percent (80%) – ninety-five percent (95%) AMI or less for the Term of this Agreement, consisting of nine (9) studios at eighty percent (80%) AMI, nine (9) studios at eighty-five percent (85%) AMI, fifteen (15) one-bedrooms at ninety percent (90%) AMI, and two (2) two-bedrooms at ninety-five percent (95%) AMI.

J. The Authority has incurred and will incur certain eligible administrative costs associated with the Amendment (the “Administrative Costs”), for which it seeks reimbursement from Local Tax Increment Revenue (“Local TIR”), including brownfield plan and work plan implementation.

K. Act 502 of the Public Acts of Michigan of 2012 amends Act 381 to provide that during the period up to the first twenty-five (25) years that the Developer is reimbursed for Eligible Costs the amount of Tax Increment Revenues (as defined below) captured annually shall be reduced by fifty percent (50%) of the state education tax levy (the “SET SBRF Tax Increment Revenues”), which is required to be paid to the Michigan Department of Treasury (“Treasury”) for deposit in the state brownfield redevelopment fund (the “SBRF”).

L. Following reimbursement of all amounts due the Developer, the DDA, and all amounts payable to the Authority as Administrative Costs from applicable Tax Increment Revenues (as defined below) and payment to Treasury of the SET SBRF Tax Increment Revenues for deposit in the SBRF, additional tax increment revenues will be deposited into the local brownfield revolving fund for two (2) full years, which is accordance with Section 13(5) of Act 381, which limits such deposits to be made for no more than five (5) years after the time that capture is required to pay the Eligible Costs.

M. In accordance with Act 381 and subject to the terms of this Agreement, the parties desire to use the property tax revenues that are generated from an increase in the taxable value of the real and personal property resulting from the redevelopment of the Property to which the Authority is entitled to receive (the “Tax Increment Revenues”) to reimburse the Developer and the DDA for the Eligible Costs, to pay the Authority for Administrative Costs, to pay Treasury the SET SBRF Tax Increment Revenues and to fund a local brownfield revolving fund pursuant to Act 381.

N. The parties are entering into this Agreement to establish the procedure for such reimbursement and funding.

Terms and Conditions

Therefore, in exchange for the consideration in, and referred to, by this Agreement, the parties agree as follows:

1. **Capture of Taxes:** During the Term of this Agreement, the Authority shall capture all Tax Increment Revenues from the Property and use those Tax Increment Revenues as provided in this Agreement.

2. **Submission of Costs:** For those Eligible Costs for which the Developer or the DDA seeks reimbursement from the Authority, the Developer or the DDA shall submit to the Authority:

(a) a written statement detailing the costs;

(b) a written explanation as to why they are Eligible Costs;

(c) copies of invoices from contractors, engineers or others who provided such service, or, for the Developer's or the DDA's personnel for whose services reimbursement is being sought, detailed time records showing the work performed by such individuals;

(d) copy of occupancy permit, as applicable;

(e) copies of local required building permits, inspection reports, and any other information which may be required by the Authority or its auditors.

3. **Payments:**

a. The Tax Increment Revenues received by the Authority shall be paid to the Developer and the DDA to reimburse the parties for Eligible Costs. Local TIR generated from the Property shall first be retained by the Authority in an amount equal to five percent (5%) of the annual Tax Increment Revenues up to the maximum amount allowed annually for Administrative Costs under Act 381 for all Authority projects and the SET SBRF Tax Increment Revenues realized from the Property during the period up to the first twenty-

five (25) years that the Developer and the DDA are reimbursed for Eligible Costs shall be paid to Treasury for deposit in the SBRF. After retention of such Local Tax Increment Revenues and payment to Treasury of the SET SBRF Tax Increment Revenues, Project Tax Increment Revenues shall be used to reimburse the Developer and the DDA for Eligible Costs; *provided, however*, if Developer or the DDA, as applicable, has not paid any applicable professional fees and costs (legal, environmental, etc.) incurred by the Authority related to the Developer's and the DDA's request to use Project Tax Increment Revenues to reimburse it for Eligible Costs within thirty (30) days of being invoiced for such costs, then the Authority is authorized to pay such costs from Project Tax Increment Revenues before such Project Tax Increment Revenues are used to reimburse the Developer or the DDA. The amount of Project Tax Increment Revenues used to pay such costs shall be subtracted from the Developer or the DDA's total Eligible Costs and Developer or DDA shall not be entitled to reimbursement of such amount. The Authority shall have no obligation to reimburse the Developer or the DDA for Eligible Costs from Tax Increment Revenues captured and received by the Authority after December 31, 2039, unless otherwise authorized under the Act. The amount of taxes levied as Educational Taxes that will be used to reimburse the Eligible Costs of implementing eligible activities at the Property will be limited to the Eligible Costs of eligible activities approved by MSHDA. Tax Increment Revenues shall be distributed according to the Cost Table included as Exhibit B.

- b. Unless the Authority disputes whether such costs are Eligible Costs or the accuracy of such costs, the Authority shall, after review by an Authority Board member or the County Economic Development Coordinator and approval by the Authority Board, pay to the Developer and the DDA the amounts for which submissions have been made pursuant to Section 2 of this Agreement within thirty (30) days after the Authority Board has approved such payment provided Tax Increment Revenues have been received from which the submission may be wholly or partially paid and provided, further, an occupancy permit shall have been issued for those portions of the Project for which there are Eligible Costs. Tax Increment Revenues used to reimburse the Developer and the DDA will be split proportionally based on the total Eligible Costs incurred by the parties.

If a partial payment is made by the Authority because of insufficient Tax Increment Revenues, then the Authority shall make additional payments toward the remaining amount within thirty (30) days of its receipt of additional Tax Increment Revenues until all of the amounts, for which submissions have been made, have been fully paid to the Developer and the DDA or to December 31, 2039, whichever occurs first.

4. **Adjustments:** If, due to an appeal of any tax assessment or reassessment of any portion of the Property or for any other reason, the Authority is required to reimburse any Tax Increment Revenues to the County, City, or any other tax levying unit of government, the Authority may deduct the amount of any such reimbursement, including interest and penalties, from any amounts due and owing the Developer and the DDA. If all amounts due the Developer and the DDA under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to the Developer and the DDA, then the Authority shall invoice the Developer and the DDA for the amount of such reimbursement. Further, the Developer and the DDA shall pay the Authority such invoiced amount within thirty (30) days of the Developer's and the DDA's receipt of the invoice. Amounts invoiced and paid to the Authority by the Developer and the DDA pursuant to this paragraph shall be reinstated as Eligible Costs for which the Developer and the DDA shall have the opportunity to be reimbursed in accordance with the terms, conditions and limitations of this Agreement. Nothing in this Agreement shall limit the right of the Developer to appeal any tax assessment.

5. **Development:**

- a. The Developer shall commence work on the Developer's portion of the Project as soon as possible. The Developer will use its reasonable best efforts to complete the Developer's portion of the Project no later than fall of 2026. Units held to the Annual Unit Income Restriction shall be comparable in overall quality of construction and maintenance, and with equal access to amenities (including parking), to a typical and similarly situated market-rate unit.
- b. The DDA shall commence work on the DDA's portion of the Project as soon as possible. The DDA will use its reasonable best efforts to complete the DDA's portion of the Project no later than fall of 2026.

6. **Reporting:**

a. Income and Rent Documentation and Reporting:

- i.* No later than May 15 annually, the Developer shall monitor and provide to the Authority and/or a third-party providing verification services to the Authority sufficient evidence to demonstrate its compliance with the Annual Unit Income Restriction.
- ii.* Prospective renters must verify eligibility to the Developer or their designee at the time of initial occupancy by self-certifying using the MSDHA Household Income Self-Certification Form or as otherwise approved by MSHDA.
- iii.* If after the Authority's review of Developer's Annual Unit Income Restriction report, Authority determines that the Developer did not meet the Annual Unit Income Restriction for the previous twelve (12) month period based on occupied units, then the Authority may withhold a pro-rata share of the total Tax Increment Revenues received from the Development in an amount equal to the percentage of the total units of the Project determined to not be in compliance with the Annual Unit Income Restriction. If the Developer returns to compliance at the time of the next Annual Unit Income Restriction report, then the Authority shall reimburse the Developer using all available Tax Increment Revenues available to the Authority, including any amounts previously withheld. If, based on the formula outlined above, and the Authority has any Tax Increment Revenues withheld at the end of the Term, then the Authority may retain such funds for deposit in the local brownfield revolving fund, as provided under the Act, or remit such funds to the respective taxing jurisdictions.
- iv.* No later than May 1st of each year during the Term of reimbursement under this Agreement, the Developer shall provide to the Authority a report of the following,

as applicable, for the preceding calendar year pursuant to reporting requirements under Section 16 of Act 381:

1. Total investment and new capital investment since the prior year's report.
2. Square footage of new construction or renovation, whether residential, commercial, or other use, and use of new or renovated space.
3. New jobs created.
4. Total number of housing units and total number of Annual Unit Income Restriction units, indicating the number rented at rates at or below the applicable AMI ranges subject to this Agreement.
5. Number of Annual Unit Income Restriction units rented to or available to be rented by income qualified household renters.
6. Annual Unit Income Restriction units' rental rates.
7. Racial and socioeconomic data on the individuals purchasing or renting the Annual Unit Income Restriction units or, if this data is not available, racial and socioeconomic data on the census tract in which the housing units are located.
8. Other information required to be reported to the State of Michigan to verify compliance with Act 381 unless that information is readily available to the Ottawa County Treasurer.

7. **Prohibition of Short-Term Rentals**

- a. During the Term of Tax Increment Revenues capture and reimbursement and in accordance with Section 15(12)(m)(iv) of the Act, no short-term rentals are allowed in any of the residential units. Leases shall be consistent with the City's zoning.
- b. The Developer agrees to include notice of the short-term rental prohibition in any lease and is responsible for monitoring compliance with this provision.

8. **Interpretation:** This is the entire agreement between the parties as to its subject. It shall not be amended or modified except in writing signed by the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

9. **Assignment - Binding Effect:** This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other parties, which shall not be unreasonably withheld; *provided, however,* the Developer and the DDA may assign its interest in this Agreement to an affiliate without the prior written consent of the Authority; *provided,* any such assignee shall acknowledge to the Authority in writing on or prior to the effective date of such assignment its obligations upon assignment under this Agreement; *provided, further,* that the Developer may make a collateral assignment of the Tax Increment Revenues after review of such assignment and consent by the Authority's legal counsel and approval of the Authority and the Ottawa County Department of Strategic Impact Director. As used in this paragraph, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship or other individual or entity which (a) is owned or controlled by the Developer or the DDA, (b) owns or controls the Developer or the DDA, or (c) is under common ownership or control with the Developer or the DDA. This Agreement shall be binding upon any successors or permitted assigns of the parties.

10. **Indemnification:** The Developer and the DDA agrees to indemnify, defend, and hold Ottawa County, the Ottawa County Brownfield Redevelopment Authority, as well as all officers, agents, employees, and assigns thereof harmless against (a) any and all claims by any person claiming for personal or property injuries or damage due to the Developer's redevelopment of the Property or, as applicable, the DDA's development of the adjacent parking lot, provided pursuant to the terms of this Agreement, and/or (b) claims by any third parties which may arise out of, or be related to, the Developer's redevelopment of the Property or, as applicable, the DDA's development of the adjacent parking lot, pursuant to this Agreement. The Developer or the DDA shall not be obligated to indemnify any persons under this section if the liability arises out of the person's negligence, willful misconduct, or breach of this Agreement or the negligence or willful misconduct of any person or entity acting by, through or under any such persons.

11. **Term:** This Agreement shall terminate when all reimbursements and payments contemplated under this Agreement have been paid or December 31, 2039.

WHEREFORE, this Agreement has been executed as of the date first written above.

TERRA STATION VENTURES, LLC

By: 
Chris Veneklasen, Manager

**OTTAWA COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY**

By: _____

Name: _____, Chairperson

By: _____

Name: _____, Vice Chair/ Secretary

HUDSONVILLE DOWNTOWN DEVELOPMENT AUTHORITY

By: _____

Name: _____, Chairperson

By: _____

Name: _____, Vice Chair/ Secretary

EXHIBIT A
Brownfield Plan

EXHIBIT B

Financial Consideration Between the Parties

Eligible Activities	Cost
To the Authority	\$147,552
Administration (5%)	\$147,552
To the Developer	\$4,100,700
MSHDA	\$4,080,000
Pre-approved EGLE Activities	\$20,700
To the Downtown Development Authority	\$223,100
Public Parking Lot	\$223,100
To Brownfield Revolving Funds	\$1,309,366
State	\$493,080
Local	\$816,286
Total approved costs	\$5,557,618

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement (the “Agreement”) is made this _____ day of _____, 2024, between the **Ottawa County Brownfield Redevelopment Authority**, a Michigan public body corporate (the “Authority”), whose address is 12220 Fillmore Street, West Olive, Michigan 49460, and **106 S. Buchanan, SL LLC**, a Michigan limited liability company, whose address is 702 E. Michigan Avenue, Mt. Pleasant, Michigan 48858 (the “Developer”).

RECITALS

A. The Authority was created by Ottawa County (the “County”) pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996, as amended (“Act 381”). Pursuant to Act 381, the Authority has prepared a Brownfield Plan, which was duly approved by the Ottawa County Board of Commissioners (the “Brownfield Plan”).

B. The Developer owns or has an agreement to purchase approximately 0.96 acres of property in the Village of Spring Lake at the street address 106 S. Buchanan Street (the “Property”), which is legally described in the attached Brownfield Plan Amendment for the 106 S. Buchanan, SL LLC Project (the “Amendment”) attached as Exhibit A, and which is a “facility” and “housing property” as defined in Act 381.

C. The Amendment was recommended for approval by the Authority on May 16, 2024, and approved by the Ottawa County Board of Commissioners on July 9, 2024, with concurrence from the Spring Lake Downtown Development Authority on May 9, 2024 and the Spring Lake Village Council on May 20, 2024.

D. The Developer proposes to construct a new mixed-use multifamily development with approximately 2,684 of first floor commercial retail space fronting S. Buchanan Street, residential townhomes facing E. Exchange Street that includes a total of forty-one (41) residential units (the “Project”). The Project will include one (1) one-bedroom residential unit on the first floor, the lower-level entrances for five (5) two-bedroom two-story residential townhome units, as well as bike storage totaling 8,349 square feet. The Project’s second floor will consist of the second floors of the five (5)

two-bedroom townhomes, five (5) studio apartments, and ten (10) one-bedroom apartments totaling 13,657 square feet. The Project's third floor will consist of five (5) studio apartments, fourteen (14) one-bedroom apartments, and one (1) one-bedroom apartment totaling 13,657 square feet. The Project will have the effect of assisting in the redevelopment of the Property, increasing housing inventory, increasing the tax base, creating jobs, and otherwise enhancing the economic vitality and quality of life in the County.

E. Subject to the Michigan State Housing Development Authority ("MSHDA") approval of the Act 381 Work Plan for the Project (the "Work Plan"), with respect to the state education tax and taxes levied for school operating purposes (the "Educational Taxes"), Act 381 permits the Authority to capture and use the property tax revenues generated from the incremental increase in property value of a redeveloped brownfield site constituting an "eligible property" under Act 381 to pay or to reimburse the payment of costs of conducting activities that meet the requirements under Act 381 of "eligible activities" (hereinafter the "Eligible Costs").

F. By undertaking the Project, the Developer incurred and will incur Eligible Costs, which include costs associated with department specific activities, housing development activities, infrastructure improvements to support housing activities and property, and brownfield plan preparation and implementation, all as defined in the Brownfield Plan Amendment.

G. The Developer is eligible for "housing development activities" under the Act based on the Developer's commitment to reserve a portion of the Project's rental units as income restricted units for income qualified households (i.e. household incomes at or below one hundred-twenty percent (120%) area median income (AMI)) (the "Annual Unit Income Restriction"). The Annual Unit Income Restriction for the Project includes a total of twelve percent (12%) of the total units (i.e. 5 units) for tenant households earning 85-95% AMI or less for the Term of this Agreement, consisting of two (2) studios at 85% AMI and three (3) one-bedrooms at 95% AMI.

H. The Authority has incurred and will incur certain eligible administrative costs associated with the Amendment (the "Administrative Costs"), for which it seeks reimbursement from Local Tax Increment Revenue ("Local TIR"), including brownfield plan and work plan implementation.

I. Act 502 of the Public Acts of Michigan of 2012 amends Act 381 to provide that during the period up to the first twenty-five (25) years that the Developer is reimbursed for Eligible Costs the amount of Tax Increment Revenues (as defined below) captured annually shall be reduced by fifty percent (50%) of the state education tax levy (the “SET SBRF Tax Increment Revenues”), which is required to be paid to the Michigan Department of Treasury (“Treasury”) for deposit in the state brownfield redevelopment fund (the “SBRF”).

J. Following reimbursement of all amounts due the Developer and all amounts payable to the Authority as Administrative Costs from applicable Tax Increment Revenues (as defined below) and payment to Treasury of the SET SBRF Tax Increment Revenues for deposit in the SBRF, additional tax increment revenues will be deposited into the local brownfield revolving fund for two (2) full years, which is accordance with Section 13(5) of Act 381, which limits such deposits to be made for no more than five (5) years after the time that capture is required to pay the Eligible Costs.

K. In accordance with Act 381 and subject to the terms of this Agreement, the parties desire to use the property tax revenues that are generated from an increase in the taxable value of the real and personal property resulting from the redevelopment of the Property to which the Authority is entitled to receive (the “Tax Increment Revenues”) to reimburse the Developer for the Eligible Costs, to pay the Authority for Administrative Costs, to pay Treasury the SET SBRF Tax Increment Revenues and to fund a local brownfield revolving fund pursuant to Act 381.

L. The parties are entering into this Agreement to establish the procedure for such reimbursement and funding.

Terms and Conditions

Therefore, in exchange for the consideration in, and referred to, by this Agreement, the parties agree as follows:

1. **Capture of Taxes:** During the Term of this Agreement, the Authority shall capture all Tax Increment Revenues from the Property and use those Tax Increment Revenues as provided in this Agreement.

2. **Submission of Costs:** For those Eligible Costs for which the Developer seeks reimbursement from the Authority, the Developer shall submit to the Authority:

- (a) a written statement detailing the costs;
- (b) a written explanation as to why they are Eligible Costs;
- (c) copies of invoices from contractors, engineers or others who provided such service, or, for the Developer's personnel for whose services reimbursement is being sought, detailed time records showing the work performed by such individuals;
- (d) copy of occupancy permit, as applicable;
- (e) copies of local required building permits, inspection reports, and any other information which may be required by the Authority or its auditors.

3. **Payments:**

- a. The Tax Increment Revenues received by the Authority shall be paid to the Developer to reimburse the parties for Eligible Costs. Local TIR generated from the Property shall first be retained by the Authority in an amount equal to five percent (5%) of the annual Tax Increment Revenues up to the maximum amount allowed annually for Administrative Costs under Act 381 for all Authority projects and the SET SBRF Tax Increment Revenues realized from the Property during the period up to the first twenty-five (25) years that the Developer are reimbursed for Eligible Costs shall be paid to Treasury for deposit in the SBRF. After retention of such Local Tax Increment Revenues and payment to Treasury of the SET SBRF Tax Increment Revenues, Project Tax Increment Revenues shall be used to reimburse the Developer for Eligible Costs; *provided, however*, if Developer has not paid any applicable professional fees and costs (legal, environmental, etc.) incurred by the Authority related to the Developer's request to use Project Tax Increment Revenues to reimburse it for Eligible Costs within thirty (30) days of being invoiced for such costs, then the Authority is authorized to pay such costs from Project Tax Increment Revenues before such Project Tax Increment Revenues are used to reimburse the Developer. The amount of Project Tax Increment Revenues used to pay such costs shall be subtracted from the Developer total Eligible Costs and Developer shall not be entitled to reimbursement of such amount. The Authority shall

have no obligation to reimburse the Developer for Eligible Costs from Tax Increment Revenues captured and received by the Authority after December 31, 2041, unless otherwise authorized under the Act. The amount of taxes levied as Educational Taxes that will be used to reimburse the Eligible Costs of implementing eligible activities at the Property will be limited to the Eligible Costs of eligible activities approved by MSHDA. Tax Increment Revenues shall be distributed according to the Cost Table included as Exhibit B.

- b. Unless the Authority disputes whether such costs are Eligible Costs or the accuracy of such costs, the Authority shall, after review by an Authority Board member or the County Economic Development Coordinator and approval by the Authority Board, pay to the Developer the amounts for which submissions have been made pursuant to Section 2 of this Agreement within thirty (30) days after the Authority Board has approved such payment provided Tax Increment Revenues have been received from which the submission may be wholly or partially paid and provided, further, an occupancy permit shall have been issued for those portions of the Project for which there are Eligible Costs. If a partial payment is made by the Authority because of insufficient Tax Increment Revenues, then the Authority shall make additional payments toward the remaining amount within thirty (30) days of its receipt of additional Tax Increment Revenues until all of the amounts, for which submissions have been made, have been fully paid to the Developer or to December 31, 2041, whichever occurs first.

4. **Adjustments:** If, due to an appeal of any tax assessment or reassessment of any portion of the Property or for any other reason, the Authority is required to reimburse any Tax Increment Revenues to the County, City, or any other tax levying unit of government, the Authority may deduct the amount of any such reimbursement, including interest and penalties, from any amounts due and owing the Developer. If all amounts due the Developer under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to the Developer, then the Authority shall invoice the Developer for the amount of such reimbursement. Further, the Developer shall pay the Authority such invoiced amount within thirty (30) days of the Developer's receipt of the invoice. Amounts invoiced and paid to the Authority by the Developer pursuant to this paragraph shall be reinstated as Eligible Costs for which the Developer shall have the opportunity to be reimbursed in

accordance with the terms, conditions and limitations of this Agreement. Nothing in this Agreement shall limit the right of the Developer to appeal any tax assessment.

5. **Development:** The Developer shall commence work on the Project as soon as possible. The Developer will use its reasonable best efforts to complete the Project no later than spring of 2026. Units held to the Annual Unit Income Restriction shall be comparable in overall quality of construction and maintenance, and with equal access to amenities (including parking), to a typical and similarly situated market-rate unit.

6. **Reporting:**

a. The Developer shall submit a written report in a form provided by the Authority to the Authority within 90 days of the Project's completion date indicating the total private investment, the number of permanent full-time or equivalent full-time jobs retained and created, and such other information as shall be required by such form.

b. Income and Rent Documentation and Reporting:

- i.* No later than May 15 annually, the Developer shall monitor and provide to the Authority and/or a third-party providing verification services to the Authority sufficient evidence to demonstrate its compliance with the Annual Unit Income Restriction.
- ii.* Prospective renters must verify eligibility to the Developer or their designee at the time of initial occupancy by self-certifying using the MSDHA Household Income Self-Certification Form or as otherwise approved by MSHDA.
- iii.* If after the Authority's review of Developer's Annual Unit Income Restriction report, Authority determines that the Developer did not meet the Annual Unit Income Restriction for the previous twelve (12) month period based on occupied units, then the Authority may withhold a pro-rata share of the total Tax Increment Revenues received from the Development in an amount equal to the percentage of the total units of the Project determined to not be in compliance with the Annual

Unit Income Restriction. If the Developer returns to compliance at the time of the next Annual Unit Income Restriction report, then the Authority shall reimburse the Developer using all available Tax Increment Revenues available to the Authority, including any amounts previously withheld. If, based on the formula outlined above, and the Authority has any Tax Increment Revenues withheld at the end of the Term, then the Authority may retain such funds for deposit in the local brownfield revolving fund, as provided under the Act, or remit such funds to the respective taxing jurisdictions.

iv. No later than May 1st of each year during the Term of reimbursement under this Agreement, the Developer shall provide to the Authority a report of the following, as applicable, for the preceding calendar year pursuant to reporting requirements under Section 16 of Act 381:

1. Total investment and new capital investment since the prior year's report.
2. Square footage of new construction or renovation, whether residential, commercial, or other use, and use of new or renovated space.
3. New jobs created.
4. Total number of housing units and total number of Annual Unit Income Restriction units, indicating the number rented at rates at or below the applicable AMI ranges subject to this Agreement.
5. Number of Annual Unit Income Restriction units rented to, or available to be rented by, income qualified household renters.
6. Annual Unit Income Restriction units' rental rates.
7. Racial and socioeconomic data on the individuals purchasing or renting the Annual Unit Income Restriction units, or, if this data is not available, racial and socioeconomic data on the census tract in which the housing units are located.
8. Other information required to be reported to the State of Michigan to verify compliance with Act 381 unless that information is readily available to the Ottawa County Treasurer.

7. **Prohibition of Short-Term Rentals**

- a. During the Term of Tax Increment Revenues capture and reimbursement and in accordance with Section 15(12)(m)(iv) of the Act, no short-term rentals are allowed in any of the residential units. Leases shall be consistent with the Village's zoning.
- b. The Developer agrees to include notice of the short-term rental prohibition in any lease and is responsible for monitoring compliance with this provision.

8. **Interpretation:** This is the entire agreement between the parties as to its subject. It shall not be amended or modified except in writing signed by the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

9. **Assignment - Binding Effect:** This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other parties, which shall not be unreasonably withheld; *provided, however*, the Developer may assign its interest in this Agreement to an affiliate without the prior written consent of the Authority; *provided*, any such assignee shall acknowledge to the Authority in writing on or prior to the effective date of such assignment its obligations upon assignment under this Agreement; *provided, further*, that the Developer may make a collateral assignment of the Tax Increment Revenues after review of such assignment and consent by the Authority's legal counsel and approval of the Authority and the Ottawa County Department of Strategic Impact Director. As used in this paragraph, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship or other individual or entity which (a) is owned or controlled by the Developer, (b) owns or controls the Developer, or (c) is under common ownership or control with the Developer. This Agreement shall be binding upon any successors or permitted assigns of the parties.

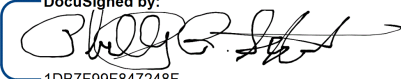
10. **Indemnification:** The Developer agrees to indemnify, defend, and hold Ottawa County, the Ottawa County Brownfield Redevelopment Authority, as well as all officers, agents, employees, and assigns thereof harmless against (a) any and all claims by any person claiming for personal or property injuries or damage due to the Developer's redevelopment of the Property pursuant to the terms of this Agreement, and/or (b) claims by any third parties which may arise out of, or be related to, the Developer's redevelopment of the Property pursuant to this Agreement. The Developer shall not be obligated to indemnify any persons under this section if the liability arises out of the person's negligence,

willful misconduct, or breach of this Agreement or the negligence or willful misconduct of any person or entity acting by, through or under any such persons.

11. **Term:** This Agreement shall terminate when all reimbursements and payments contemplated under this Agreement have been paid or December 31, 2041.

WHEREFORE, this Agreement has been executed as of the date first written above.

106 S BUCHANAN SL LLC

DocuSigned by:

By: _____
1DB7F99F847248F...
Phillip Seybert, Manager

**OTTAWA COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY**

By: _____
Name: Josh Brugger, Chairperson

By: _____
Name: Rebecca Hopp, Vice Chair/ Secretary

EXHIBIT A
Brownfield Plan

EXHIBIT B

Financial Consideration Between the Parties

Summary of approved Eligible Costs

Eligible Activities	Cost
To the Authority	\$51,566
Administration (5%)	\$51,566
To the Developer	\$1,274,620
MSHDA	\$1,251,620
Pre-approved EGLE Activities	\$23,000
To Brownfield Revolving Funds	\$361,291
State	\$136,366
Local	\$224,925
Total approved costs	\$1,687,477

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Development and Reimbursement Agreement (the “Agreement”) is made this 12th day of Sept., 2024, between the **Ottawa County Brownfield Redevelopment Authority**, a Michigan public body corporate (the “Authority”), whose address is 12220 Fillmore Street, West Olive, Michigan 49460, and **Prospect Flats, LLC**, a Michigan limited liability company, whose address is 3437 Eastern SE, Grand Rapids, Michigan 49508 (the “Developer”).

RECITALS

A. The Authority was created by Ottawa County (the “County”) pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996, as amended (“Act 381”). Pursuant to Act 381, the Authority has prepared a Brownfield Plan, which was duly approved by the Ottawa County Board of Commissioners (the “Brownfield Plan”).

B. The Developer owns or has an agreement to purchase approximately 4.461 acres of property in the City of Hudsonville at street addresses 5489, 5459, 5469, 5479, and 5501 32nd Avenue and 3233 Prospect Street (the “Property”), which is legally described in the attached Brownfield Plan Amendment for the Prospect Flats, LLC Project (the “Amendment”) attached as Exhibit A, and which is a “facility” and “housing property” as defined in Act 381.

C. The Amendment was recommended for approval by the Authority on May 16, 2024, and approved by the Ottawa County Board of Commissioners on July 9, 2024, with concurrence from the Hudsonville Downtown Development Authority on May 1, 2024 and the Hudsonville City Commission on May 14, 2024.

D. The Developer proposes to construct two new 3 story residential apartment buildings with a total of 22 1-bedroom and 19 2-bedroom housing units. The 1-bedroom units will range from 600-750 sq ft in size and the 2-bedrooms will range in size from 870 to 1,000 square feet. The Project focuses on providing affordable housing for individuals and families earning up to 120% of Ottawa County’s area median income (AMI) and serves an important public purpose in Ottawa County and the City of Hudsonville. The Project will have the effect of assisting in the redevelopment of the Property,

increasing housing inventory, increasing the tax base, creating jobs, and otherwise enhancing the economic vitality and quality of life in the County.

E. Subject to the Michigan State Housing Development Authority (“MSHDA”) approval of the Act 381 Work Plan for the Project (the “Work Plan”), with respect to the state education tax and taxes levied for school operating purposes (the “Educational Taxes”), Act 381 permits the Authority to capture and use the property tax revenues generated from the incremental increase in property value of a redeveloped brownfield site constituting an “eligible property” under Act 381 to pay or to reimburse the payment of costs of conducting activities that meet the requirements under Act 381 of “eligible activities” (hereinafter the “Eligible Costs”).

F. By undertaking the Project, the Developer incurred and will incur Eligible Costs, which include costs associated with department specific activities, housing development activities, infrastructure improvements to support housing activities and property, and brownfield plan preparation and implementation, all as defined in the Brownfield Plan Amendment.

G. The Developer is eligible for “housing development activities” under the Act based on the Developer’s commitment to reserve a portion of the Project’s rental units as income restricted units for income qualified households, i.e. household incomes at or below one hundred-twenty percent (120%) area median income AMI (the “Annual Unit Income Restriction”). The Annual Unit Income Restriction for the Project includes a total of twelve percent (12%) of the total units comprised of two (2) one-bedroom and three (3) two -bedroom, for tenant households earning 90% AMI or less for the Term of this Agreement.

H. The Authority has incurred and will incur certain eligible administrative costs associated with the Amendment (the “Administrative Costs”), for which it seeks reimbursement from Local Tax Increment Revenue (“Local TIR”), including brownfield plan and work plan implementation.

I. Act 502 of the Public Acts of Michigan of 2012 amends Act 381 to provide that during the period up to the first twenty-five (25) years that the Developer is reimbursed for Eligible Costs the amount of Tax Increment Revenues (as defined below) captured annually shall be reduced by fifty percent (50%) of the state education tax levy (the “SET SBRF Tax Increment Revenues”), which is

required to be paid to the Michigan Department of Treasury (“Treasury”) for deposit in the state brownfield redevelopment fund (the “SBRF”).

J. Following reimbursement of all amounts due the Developer and all amounts payable to the Authority as Administrative Costs from applicable Tax Increment Revenues (as defined below) and payment to Treasury of the SET SBRF Tax Increment Revenues for deposit in the SBRF, additional tax increment revenues will be deposited into the local brownfield revolving fund for two (2) full years, which is accordance with Section 13(5) of Act 381, which limits such deposits to be made for no more than five (5) years after the time that capture is required to pay the Eligible Costs.

K. In accordance with Act 381 and subject to the terms of this Agreement, the parties desire to use the property tax revenues that are generated from an increase in the taxable value of the real and personal property resulting from the redevelopment of the Property to which the Authority is entitled to receive (the “Tax Increment Revenues”) to reimburse the Developer for the Eligible Costs, to pay the Authority for Administrative Costs, to pay Treasury the SET SBRF Tax Increment Revenues and to fund a local brownfield revolving fund pursuant to Act 381.

L. The parties are entering into this Agreement to establish the procedure for such reimbursement and funding.

Terms and Conditions

Therefore, in exchange for the consideration in, and referred to, by this Agreement, the parties agree as follows:

1. **Capture of Taxes:** During the Term of this Agreement, the Authority shall capture all Tax Increment Revenues from the Property and use those Tax Increment Revenues as provided in this Agreement.

2. **Submission of Costs:** For those Eligible Costs for which the Developer seeks reimbursement from the Authority, the Developer shall submit to the Authority:

(a) a written statement detailing the costs;

(b) a written explanation as to why they are Eligible Costs;

(c) copies of invoices from contractors, engineers or others who provided such service, or, for the Developer's personnel for whose services reimbursement is being sought, detailed time records showing the work performed by such individuals;

(d) copy of occupancy permit, as applicable;

(e) copies of local required building permits, inspection reports, and any other information which may be required by the Authority or its auditors.

3. **Payments:**

- a. The Tax Increment Revenues received by the Authority shall be paid to the Developer to reimburse the parties for Eligible Costs. Local TIR generated from the Property shall first be retained by the Authority in an amount equal to five percent (5%) of the annual Tax Increment Revenues up to the maximum amount allowed annually for Administrative Costs under Act 381 for all Authority projects and the SET SBRF Tax Increment Revenues realized from the Property during the period up to the first twenty-five (25) years that the Developer are reimbursed for Eligible Costs shall be paid to Treasury for deposit in the SBRF. After retention of such Local Tax Increment Revenues and payment to Treasury of the SET SBRF Tax Increment Revenues, Project Tax Increment Revenues shall be used to reimburse the Developer for Eligible Costs; *provided, however*, if Developer has not paid any applicable professional fees and costs (legal, environmental, etc.) incurred by the Authority related to the Developer's request to use Project Tax Increment Revenues to reimburse it for Eligible Costs within thirty (30) days of being invoiced for such costs, then the Authority is authorized to pay such costs from Project Tax Increment Revenues before such Project Tax Increment Revenues are used to reimburse the Developer. The amount of Project Tax Increment Revenues used to pay such costs shall be subtracted from the Developer total Eligible Costs and Developer shall not be entitled to reimbursement of such amount. The Authority shall have no obligation to reimburse the Developer for Eligible Costs from Tax Increment Revenues captured and received by the Authority after December 31, 2041, unless otherwise authorized under the Act. The amount of taxes levied as Educational Taxes that will be used to reimburse the Eligible Costs of implementing eligible activities at the

Property will be limited to the Eligible Costs of eligible activities approved by MSHDA. Tax Increment Revenues shall be distributed according to the Cost Table included as Exhibit B.

- b. Unless the Authority disputes whether such costs are Eligible Costs or the accuracy of such costs, the Authority shall, after review by an Authority Board member or the County Economic Development Coordinator and approval by the Authority Board, pay to the Developer the amounts for which submissions have been made pursuant to Section 2 of this Agreement within thirty (30) days after the Authority Board has approved such payment provided Tax Increment Revenues have been received from which the submission may be wholly or partially paid and provided, further, an occupancy permit shall have been issued for those portions of the Project for which there are Eligible Costs. Tax Increment Revenues used to reimburse the Developer will be split proportionally based on the total Eligible Costs incurred by the parties. If a partial payment is made by the Authority because of insufficient Tax Increment Revenues, then the Authority shall make additional payments toward the remaining amount within thirty (30) days of its receipt of additional Tax Increment Revenues until all of the amounts, for which submissions have been made, have been fully paid to the Developer or to December 31, 2041, whichever occurs first.

4. **Adjustments:** If, due to an appeal of any tax assessment or reassessment of any portion of the Property or for any other reason, the Authority is required to reimburse any Tax Increment Revenues to the County, City, or any other tax levying unit of government, the Authority may deduct the amount of any such reimbursement, including interest and penalties, from any amounts due and owing the Developer. If all amounts due the Developer under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to the Developer and the DDA, then the Authority shall invoice the Developer for the amount of such reimbursement. Further, the Developer shall pay the Authority such invoiced amount within thirty (30) days of the receipt of the invoice. Amounts invoiced and paid to the Authority by the Developer pursuant to this paragraph shall be reinstated as Eligible Costs for which the Developer shall have the opportunity to be reimbursed in accordance with the terms, conditions and limitations of this Agreement. Nothing in this Agreement shall limit the right of the Developer to appeal any tax assessment.

5. **Development:** The Developer shall commence work on the Project as soon as possible. The Developer will use its reasonable best efforts to complete the Project no later than fall of 2026. Units held to the Annual Unit Income Restriction shall be comparable in overall quality of construction and maintenance, and with equal access to amenities (including parking), to a typical and similarly situated market-rate unit.

6. **Reporting:**

- a. The Developer shall submit a written report in a form provided by the Authority to the Authority within 90 days of the Project's completion date indicating the total private investment, the number of permanent full-time or equivalent full-time jobs retained and created, and such other information as shall be required by such form.
- b. Income and Rent Documentation and Reporting:
 - i. No later than May 15 annually, the Developer shall monitor and provide to the Authority and/or a third-party providing verification services to the Authority sufficient evidence to demonstrate its compliance with the Annual Unit Income Restriction.
 - ii. Prospective renters must verify eligibility to the Developer or their designee at the time of initial occupancy by self-certifying using the MSDHA Household Income Self-Certification Form or as otherwise approved by MSHDA.
 - iii. If, after the Authority's review of Developer's Annual Unit Income Restriction report, Authority determines that the Developer did not meet the Annual Unit Income Restriction for the previous twelve (12) month period based on occupied units, then the Authority may withhold a pro-rata share of the total Tax Increment Revenues received from the Development in an amount equal to the percentage of the total units of the Project determined to not be in compliance with the Annual Unit Income Restriction. If the Developer returns to compliance at the time of the next Annual Unit Income Restriction report, then the Authority shall reimburse

the Developer using all available Tax Increment Revenues available to the Authority, including any amounts previously withheld. If, based on the formula outlined above, and the Authority has any Tax Increment Revenues withheld at the end of the Term, then the Authority may retain such funds for deposit in the local brownfield revolving fund, as provided under the Act, or remit such funds to the respective taxing jurisdictions.

iv. No later than May 1st of each year during the Term of reimbursement under this Agreement, the Developer shall provide to the Authority a report of the following, as applicable, for the preceding calendar year pursuant to reporting requirements under Section 16 of Act 381:

1. Total investment and new capital investment since the prior year's report.
2. Square footage of new construction or renovation, whether residential, commercial, or other use, and use of new or renovated space.
3. New jobs created.
4. Total number of housing units and total number of Annual Unit Income Restriction units, indicating the number rented at rates at or below the applicable AMI ranges subject to this Agreement.
5. Number of Annual Unit Income Restriction units rented to or available to be rented by income qualified household renters.
6. Annual Unit Income Restriction units' rental rates.
7. Racial and socioeconomic data on the individuals purchasing or renting the Annual Unit Income Restriction units, or, if this data is not available, racial and socioeconomic data on the census tract in which the housing units are located.
8. Other information required to be reported to the State of Michigan to verify compliance with Act 381 unless that information is readily available to the Ottawa County Treasurer.

7. Prohibition of Short-Term Rentals

- a. During the Term of Tax Increment Revenues capture and reimbursement and in accordance with Section 15(12)(m)(iv) of the Act, no short-term rentals are allowed in any of the residential units. Leases shall be consistent with the City's zoning.
- b. The Developer agrees to include notice of the short-term rental prohibition in any lease and is responsible for monitoring compliance with this provision.

8. **Interpretation:** This is the entire agreement between the parties as to its subject. It shall not be amended or modified except in writing signed by the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

9. **Assignment - Binding Effect:** This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other parties, which shall not be unreasonably withheld; *provided, however*, the Developer may assign its interest in this Agreement to an affiliate without the prior written consent of the Authority; *provided*, any such assignee shall acknowledge to the Authority in writing on or prior to the effective date of such assignment its obligations upon assignment under this Agreement; *provided, further*, that the Developer may make a collateral assignment of the Tax Increment Revenues after review of such assignment and consent by the Authority's legal counsel and approval of the Authority and the Ottawa County Department of Strategic Impact Director. As used in this paragraph, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship or other individual or entity which (a) is owned or controlled by the Developer, (b) owns or controls the Developer, or (c) is under common ownership or control with the Developer. This Agreement shall be binding upon any successors or permitted assigns of the parties.


10. **Indemnification:** The Developer agrees to indemnify, defend, and hold Ottawa County, the Ottawa County Brownfield Redevelopment Authority, as well as all officers, agents, employees, and assigns thereof harmless against (a) any and all claims by any person claiming for personal or property injuries or damage due to the Developer's redevelopment of the Property pursuant to the terms of this Agreement, and/or (b) claims by any third parties which may arise out of, or be related to, the Developer's redevelopment of the Property pursuant to this Agreement. The Developer shall not be obligated to indemnify any persons under this section if the liability arises out of the person's negligence,

willful misconduct, or breach of this Agreement or the negligence or willful misconduct of any person or entity acting by, through or under any such persons.

11. **Term:** This Agreement shall terminate when all reimbursements and payments contemplated under this Agreement have been paid or December 31, 2041.

WHEREFORE, this Agreement has been executed as of the date first written above.

PROSPECT FLATS, LLC

By: 
Trevor Petroelje, Partner

**OTTAWA COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY**

By: _____

Name: Josh Brugger, Chairperson

By: _____

Name: Rebecca Hopp, Vice Chair/ Secretary

EXHIBIT A
Brownfield Plan

EXHIBIT B

Financial Consideration Between the Parties

Summary of approved Eligible Costs

Eligible Activities	Cost
To the Authority	\$38,196
Administration (5%)	\$38,196
To the Developer	\$1,856,305
MSHDA	\$1,679,255
Pre-approved EGLE Activities	\$177,050
To Brownfield Revolving Funds	\$498,310
State	\$203,611
Local	\$294,699
Total approved costs	\$2,392,811

The Ottawa County Brownfield Redevelopment Authority
Board of Directors

RESOLUTION TO APPROVE 2025 OPERATING BUDGET

At a meeting of the Board of Directors of the Ottawa County Brownfield Redevelopment Authority, whose office of record is located at the Ottawa County Administrative Complex, Olive Township, Michigan, in said County on September 19, 2024, at 3:30 p.m. local time.

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____
and supported by _____:

WHEREAS, Section 125.2668 of Public Act 381 of 1996 requires Brownfield Redevelopment Authorities to approve an operating budget; and

WHEREAS, the Ottawa County Brownfield Redevelopment Authority Treasurer and Ottawa County Department of Strategic Impact Staff, have reviewed the recommended budget in detail; and

WHEREAS, estimated total revenues of \$231,840 and total expenses of \$231,840 are recommended, as shown on Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the Ottawa County Brownfield Redevelopment Authority Board of Directors hereby adopts the official budget for FY2025; and

FURTHER BE IT RESOLVED THAT all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

YEAS:

NAYS:

ABSTAIN:

RESOLUTION DECLARED ADOPTED.

Chairperson, Josh Brugger

Vice-Chair/Secretary, Rebecca Hopp

Certification

I, the undersigned, duly qualified Vice-Chair/Secretary of the Ottawa County Brownfield Redevelopment Authority, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the Ottawa County Brownfield Redevelopment Authority, at a meeting held on September 19, 2024.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 19th day of September, 2024.

Vice-Chair/Secretary, Rebecca Hopp

Exhibit A

Object	2025	Description/Narrative	
Revenue			
402010	205,808	Current Property Taxes	
		Borculo/ZFS	14,229
		Best	18,922
		Epicurean Village	43,228
		Gull Lake Marine	6,890
		Terra Station	18,000
		Prospect Flats	80,781
		Winsor Place	23,758
		Total	<u>205,808</u>
501000	0	Federal Grants	
541000	0	State Grant: Program	
580000	4,383	Local Contributions	
		BIP TIF	4,383
		Total	<u>4,383</u>
626000	5,883	Services Rendered	
		Borculo/ZFS	749
		Best	996
		Epicurean Village	2,275
		Gull Lake Marine	363
		Terra Station	0
		Prospect Flats	0
		Winsor Place	0
		Application Fee (Future Project)	1,500
		Total	<u>5,883</u>
665000	0	Interest on Investments	
		Interest	0
		Total	<u>0</u>

Exhibit A

Expense

808000	210,190	Service Contracts	
		Borculo/ZFS	13,088
		SET (Borculo/ZFS)	1,141
		GLM North (Gull)	6,890
		Epicurean Village	43,228
		SET (Best)	1,237
		EGL (Best)	17,684
		Terra Station	15,750
		SET (Terra)	2,250
		Prospect Flats	70,683
		SET (Prospect)	10,098
		Winsor Place	20,758
		SET (Winsor)	3,000
		BIP TIF	4,383
		Total	<u><u>210,190</u></u>
860000	50	Travel Mileage	
		Mileage	50
			<u><u>50</u></u>
862000	0	Travel Not Mileage	
		Travel Fees	0
			<u><u>0</u></u>
956000	0	Conference & Training Reg Fee	
		Registration Fees	0
			<u><u>0</u></u>
967010	21,600	Project Costs	
		Park Twp Airport	5,000
		HRS Land LLC	4,900
		Airpark	3,700

Exhibit A

New Projects

8,000

Total

21,600

Revenue	216,074
Expense	231,840
Use of Fund Balance*	-15,766
Over/under	0

*Unobligated BIP Balance at 9/12/2024:
24,600