State of Michigan Environmental and Economic Incentives 2024

MBC

July 16, 2024

PM ENVIRONMENTAL a PINCHIN company

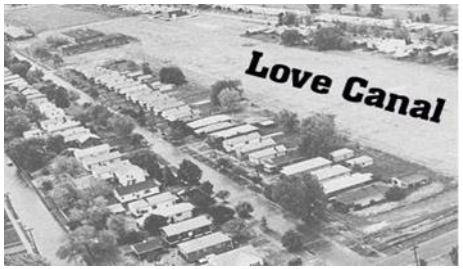
Due Diligence Overview

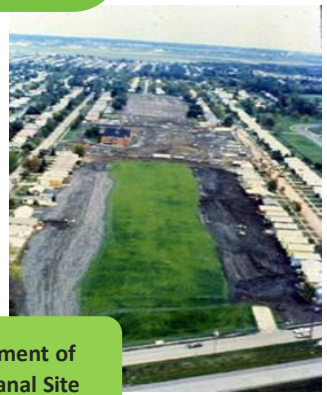
How did we get here?

Love Canal – In 1890, William T. Love, a former railroad lawyer, prepared plans to construct a preplanned urban community of parks and residences on the shore of Lake Ontario. Love's plan incorporated a shipping lane that would bypass Niagara Falls. Then in 1906, environmental groups successfully lobbied Congress to pass a law, designed to preserve Niagara Falls, prohibiting the removal of water from the Niagara River. Only one mile (1.6 km) of the canal was dug, about 50 feet (15 m) wide and 10–40 feet (3–12 m) deep,. By the end of the 1940's, Hooker Chemical Company was searching for a place to dispose its large quantity of chemical waste. The Niagara Power and Development Company granted permission to Hooker during 1942 to dump wastes into the canal.

Both, of these sites were instrumental in the creation and passage of Federal CERCLA regulation in 1980.

Valley of the Drums – Waste disposal site with over 100,000 drums disposed over 23 acres outside Louisville, KY. The site became a collection point for **toxic wastes** and, in 1966, some of the **drums caught fire and burned for more than a week**.





Redevelopment of the Love Canal Site

Due Diligence Overview

Environmental Risk Management Today

Laws, Regulations & Environmental Hazards
created the need for Environmental Due Diligence

- Relatively young and fragmented market
- No licensing, credentials, etc. (i.e., CPA, Lawyer passed Bar, P.E., etc.)
- Firms range from National/ International, Super Regionals, and Mom & Pops.

- The market offers many different scopes, pricing, and end deliverable products to identify/quantify environmental risk. Reports can be cheap and fast, or expensive and like a science project.
- Due to the market's relative youth, the variability of quality is significant (Wild West).

- Environmental Due Diligence has become a prerequisite for real estate transactions to adhere to All Appropriate Inquiry (AAI) and to quantify real property risk above and below ground.

Commercial Lending has been around for thousands of years; environmental risk management is only just over 40 years old!

Due Diligence Overview

Why do I have to do a Phase I?

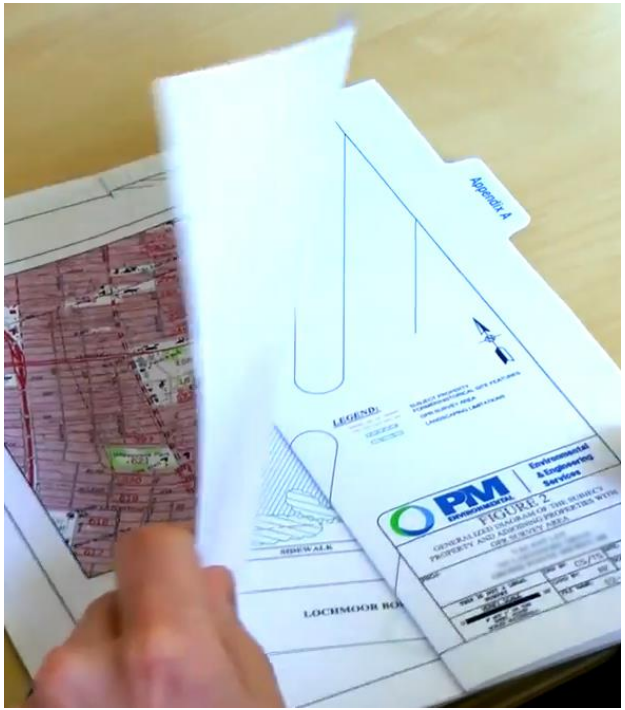
A Phase I Environmental Site Assessment (ESA) permits a user to satisfy one of the following limitations on CERCLA liability, also known as "**landowner liability protections**," or "LLPs":

- **Innocent Landowner** – Did not know and had no reason to know the property was contaminated
- **Contiguous Property Owner** – Prospective landowners who purchase property with the knowledge of contamination which has migrated from a contiguous property. Can obtain protection from liability, provided they meet certain pre- and post- purchase requirements.
- **Bona Fide Prospective Purchasers (BFPP)** – Prospective landowners who purchase property with knowledge of contaminations and obtain protection from liability, provided they meet certain pre- and post- purchase requirements.

Prospective Purchasers can then avoid **Strict, Join and Several Liability as defined in CERCLA**:

- **Strict** – Liable whether, or not a party acted carelessly or unreasonably.
- **Join and Several** – Any and all liable parties can be forced to pay for cleanup.

A current Phase I is required for a Baseline Environmental Assessment (BEA) submittal for liability protections in Michigan.



Due Diligence Overview

What Comes Next?

If RECs are identified, then they must be assessed by conducting a Phase II ESA. Samples of soil, groundwater, and soil gas are collected using a Geoprobe.

The Geoprobe:

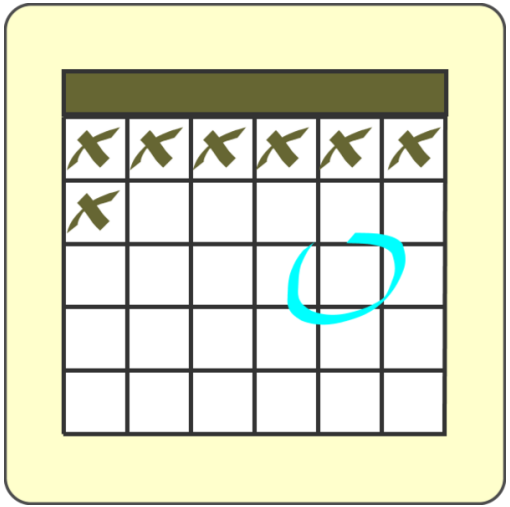
- Is hydraulically powered either from a vehicle or an auxiliary engine.
- It rearranges particles in the subsurface by application of weight and percussion to advance a tool string and produces no cuttings in the process.
- It can drill through surface pavements 12 inches or more in thickness and probe beneath them to collect samples.

If a Phase II ESA is "clean" then environmental due diligence may be complete.

Due Diligence Overview

BEA Recommended to Obtain Liability Protections

- If contamination is identified, owners/operators of contaminated properties in Michigan can avoid "Joint and Severally" liability for cleanup from after completion and submittal of a **Baseline Environmental Assessment (BEA)**.
- The Baseline Environmental Assessment (BEA) report combines the Phase I and Phase II results into EGLE required format.
- Once a BEA is submitted to EGLE, the owner/operator has liability protection from the State of Michigan for both known and unknown existing contamination (i.e., cleanup not required) under Part 201 and/or 213.
- Does not provide protection for federally regulated contamination (i.e., PCBs (TSCA) or RCRA).



Timeline for Completion

- BEA must be completed prior initial ownership/operation or within **45 days** following initial ownership/operation.
- Must be submitted to EGLE within **6 months** of initial ownership/operation.

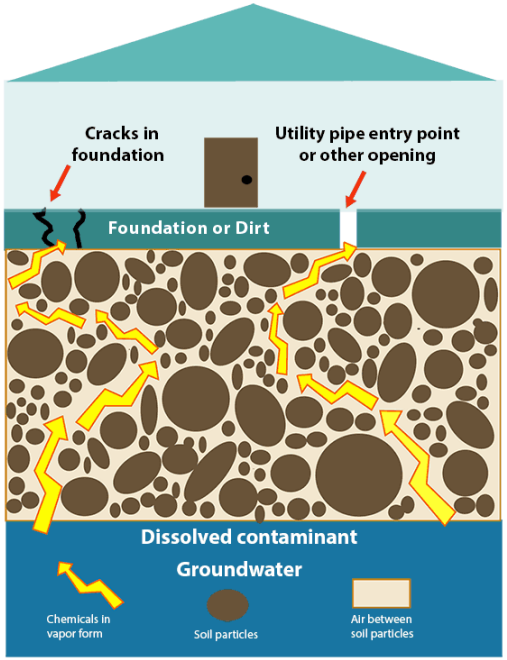
Due Diligence Overview

Vapor Intrusion: A New Challenge

Vapor Intrusion (VI) is a pathway for occupants of a building to be potentially exposed to volatile or semi-volatile chemicals that emit from soil or groundwater impact in the form of soil gas that accumulates in soil pore spaces.

Previous Phase II investigations may no be adequate. Phase II ESAs completed in the past did not properly assess the vapor pathway. Therefore, additional investigation could be necessary.

Previous Phase II ESAs that were "clean" may now exceed vapor screening levels.

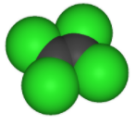


Due Diligence Overview

Vapor Intrusion: Screening Criteria

SCREENING CRITERIA

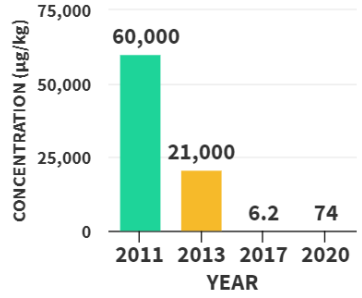
Below are the 2020 changes to Michigan's Soil, Groundwater and SoilGas screening criteria for Non-Residential property.



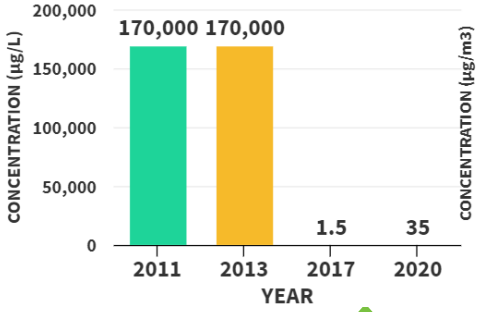
PCE -TETRACHLORETHYLENE

Tetrachloroethylene (also known as PCE, PERC, perchloroethylene or tetrachloroethene) is a man-made chemical that is widely used for dry cleaning clothes and degreasing metal.

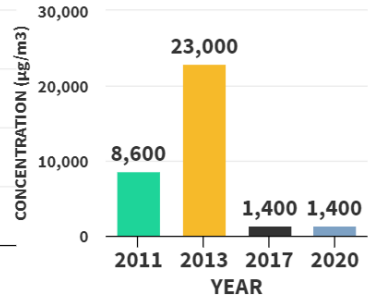
PCE: Soil



PCE: Groundwater



PCE: SoilGas



Due Diligence Overview

Vapor Intrusion: Sub-slab Depressurization System Install

1 Pilot Test

A Sub-Slab Depressurization system pilot test is first performed to allow for effective design and system layout

2 Drilling

On the ground floor of a building, a hole or trench, depending on the design, is drilled through the floor slab into the soil.

3 Vapor Collection

A collection pit, trench, permeable matting or piping, is then created in the area. Extractions fans are mounted next.

4 Install Geovent

Installation of proprietary extraction matting or perforated piping to allow effective sub-slab depressuriztion.

5 Backfill

Installation of permeable gravel layer to create the preferential flow zone.

6 Install piping

Extraction and venting pipe is then installed.

7 Sealing

The extraction holes or trenches must be sealed up and the piping must be sealed where it connects to the floor, as well as around any external venting areas.

8 Venting

The vent pipe is then exited through the wall or ceiling of the building in accordance wit local regulatory discharge requirements.

9 Exterior Termination

The piping must terminate above the roofline.

10 System Commissioning & Monitoring

System components are commissioned and monitored to ensure proper system operation. Continued O&MM services are provided to support ongoing compliance.

11 Sample & Vent Ports

Sample, test and monitoring ports are installed consistent with local regulatory requirements to allow for proper OM&M and due care compliance and reporting

12 Vacuum Test

System monitoring gauges, in-line test ports, and floor vacuum test ports are the last items to be installed before the system is complete.

Due Diligence Overview

Vapor Barrier Application Progress: What to Expect

Vapor Barrier Application Progress

What to Expect

1 Installing Sub-membrane Vent Runs

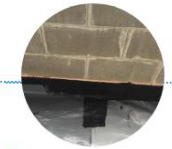
2 Installing Vent Risers

3 Installing "Grout Blocks" at Nested Utility Penetrations

4 Rolling Out "Film 11" Membrane

5 Detailing Individual Utility Penetrations

6 Detailing Nested Utility Penetrations



7 Sealing "Film-11" Membrane at Foundation Perimeter

8 Sealing "Film-11" Membrane Overlap Boundaries

9 Vapor Barrier Spray Coat Application In-Progress

10 Completed Vapor Barrier Spray Application

11 Smoke Testing Vapor Barrier

12 Smoke Testing Identifies Pinholes Requiring Sealing

13 Geo-Seal Bond Protection Layer Installation Following Smoke Testing

14 Geo-Seal Bond Protection Layer Installed

15 Perimeter Foam and Expansion Joint Installed by Concrete Contractor Prior to Pouring Concrete Floor Slab

Emerging Contaminants PFOS/PFOA

Due Care Compliance

- Per and polyfluorinated Compounds (PFCs; also referenced as PFOS/PFAS) are a group of headline contaminants in Michigan with cleanup criteria initially issued in 2018 and Maximum Contaminant Limits for drinking water adopted in August 2020;
  - Primarily a groundwater ingestion (drinking water) and groundwater venting to surface water issue, which can be addressed like other contaminants.

Do not drink or discharge to any surface water

Contaminant	MCL (ng/L)*
Perfluorononanoic acid (PFNA)	6
Perfluorooctanoic Acid (PFOA)	8
Perfluorooctane Sulfonic Acid (PFOS)	16
Perfluorohexane Sulfonic Acid (PFHxS)	51

Let's imagine the amount of time in one trillion seconds. A billion seconds ago it was 1990; a trillion seconds ago it was 29,700 B.C. You would have to be 31,709 years old to live a trillion seconds.

Brownfield & Incentives Update

How to Pay for It

PM provides Brownfield & Economic Incentive Consulting Services:

- EPA Grant implementation and management
- Preparation of EPA grant applications
- Community outreach & EPA kickoff meetings organization
- QAPPs, Phase I and Phase II ESAs, BEA, Due Care implementation
- Cleanup/Remediation Planning and Management
- Local and State Tax Increment Financing (TIF) capture process
- Tax Abatements
- Revolving Loan Fund Grants and Loans
- EGLE Grants and Loans
- MEDC Grants and Loans

EPA Site Assessment Grants

- EPA provides financial assistance to eligible applicants through four competitive grant programs: assessment grants, revolving loan fund grants, cleanup grants, and job training grants.
- EPA Grant funds can apply to CRE environmental due diligence where redevelopment and/or job creation can be demonstrated and can cover cost associated with:
  - Phase I and Phase II environmental site assessments (ESAs)
  - Hazardous Materials Surveys (i.e., Lead Based Paint surveys, Asbestos Containing Materials Surveys)

OAKLAND COUNTY MICHIGAN
All ways, MOVING FORWARD
$1,500,000

CHARTER COUNTY OF WAYNE MICHIGAN
$1,000,000
applied for FY 2023
Wayne County, MI

LENAWEE COUNTY MICHIGAN
$500,000

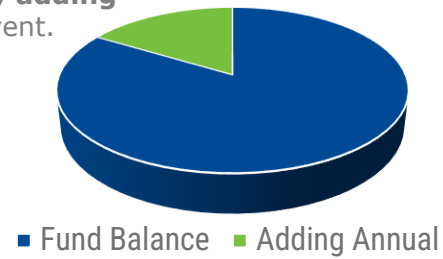
Michigan UST Authority (MUSTA) Fund

Objectives:

- Reimburse owners/operators for corrective actions addressing releases from leaking USTs.
- Assist owners and operators of UST systems in meeting their financial responsibility (FR).

Covers up to $1,000,000 per Owner/Operator (O/O) per year less deductible. **The MUSTA Fund covers orphan USTs.**

Fund balance is $102,000,000+, adding $20,000,000 annually and is solvent.



PM UST site closures in the last six years

245

Average cost of closure is less than

$100 Thousand*

How many claims have been made so far?

953

How many have been approved?

895

As of July 2024

Deductible:

- $2,000 per claim for O/O with fewer than eight USTs
- $10,000 per claim for the O/O of eight or more USTs

Funded by a 1 cent per gallon environmental protection regulatory fee on all refined petroleum sold or imported to the State.

Brownfield & Incentives Update

Tax Abatements

- Tax Abatements (OPRA, PA 198, PA 210) are available to encourage the rehabilitation of obsolete, commercial, and industrial properties.
- The type, amount, and length of the tax abatement is dependent upon the property history and need for assistance.

There are typically two types of approvals to obtain for tax abatements:

- Approval of a district
- Approval of a certificate

It is important to note that in some cases, building and construction permits can not be pulled until the district approval has been established.

State Funding for non liable parties

Department of Technology, Management & Budget (DTMB) is contract holder for the State of Michigan and its agencies (EGLE, DNR, DOC, etc.). They handle all RFPs and select the professional service firms for each contract.

2022 Design-Build Tank and Soil Services ISID (DB) – active contract.

2023 Environmental ISID (PSC) – active contract.

2023 Expanded Environmental Remediation ISID? (PSC) – awaiting award notifications.

What is a Design-Build (DB) contract?

This a streamlined contract mechanism that allows PM to act in a dual role where we can conduct investigations, design excavation projects, and conduct monitoring. Excavation projects are done in partnership with a trade contractor, without using the traditional DTMB procurement process. PM and the trade contractor are considered one entity.

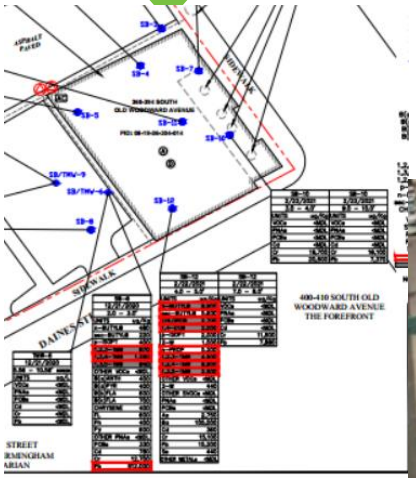
What is a Professional Services Contract (PSC)?

PM provides professional services only under PSC. We can conduct investigation and design work, but must use the DTMB's trade contractor procurement process to select remediation contractors.

Work Done Under These Contracts
Typical Urban Redevelopment

The REC (i.e., environmental concern)

- The southeastern parcel was historically occupied by a gasoline dispensing station between at least 1929 and the 1960s. Review of available records document at least four USTs associated with these operations. A gasoline tank was also depicted east of this parcel, in the South Old Woodward Avenue right of way in the 1926 Sanborn map.



Documentation of Due Care Compliance

- Contaminated soil and/or groundwater will not be relocated or removed form the subject property without proper disposal or moved from one portion of the subject property to another without proper characterization and/or appropriate notices in accordance with Section 20c of Part 201, and/or the use of engineering controls (i.e., liners, surface cover, etc.).

The End Result

$80,000,000 Development
adding to the tax base of the city

Brownfield & Incentives Update

Brownfield Public Act 381

Contaminated

Facility, Site or Property; Defined by Part 201, as a site or property under Part 213.

Clean

Functionally Obsolete: Property is unable to adequately perform the function for which it was intended due to substantial loss in value from factors such as **overcapacity, changes in technology, deficiencies or super adequacies in design**.

Blighted: Abandoned and declared a public nuisance based on local code or ordinance, dangerous to children, utilities disconnected, etc. **Property held by a land bank automatically qualifies as a "blighted" Property.**

Historic Resource: A publicly or privately owned historic building or structure located within a historic district designated by the national register of historic places, the state register of historic sites, or a local unit acting under the local historic districts act.

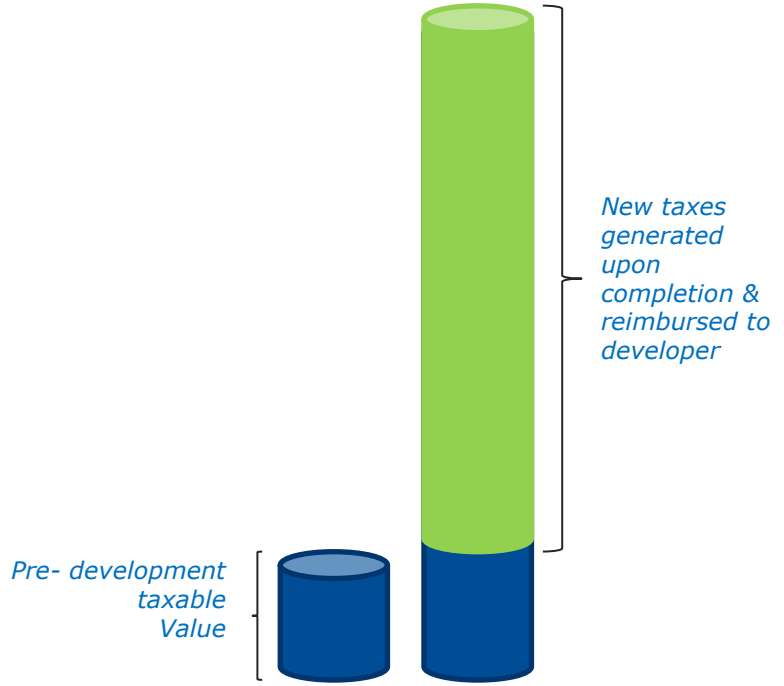
Adjacent and Contiguous: Parcels adjacent and contiguous to eligible property

A July 18, 2023, Amendment to PA 381 includes – A proposed or existing "housing property" development and/or renovation

Brownfield & Incentives Update

What is a TIF?

- A financing tool
- Used by local governments
- Uses incremental or new taxes generated by a project.
- Reimburses eligible activities.
- Property owner and or tenants pay 100% of tax bill; owner or tenant receives a check back utilizing new tax revenues.
- Pre-development taxes remain with taxing units so no loss of tax revenue.



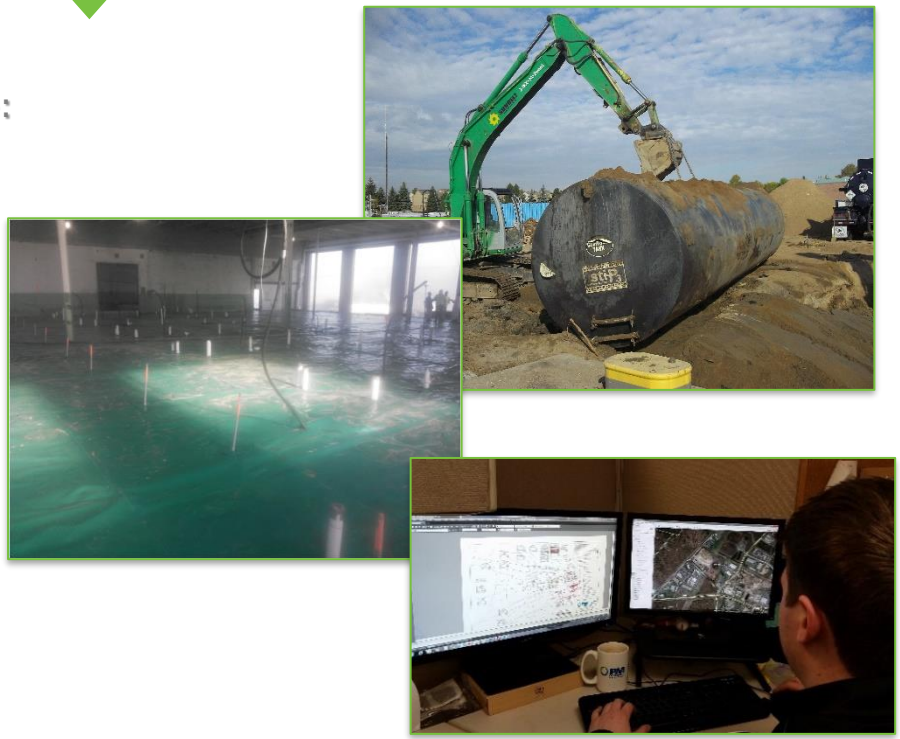
Brownfield & Incentives Update 2022-23

Eligible Activities

Possible statewide eligible reimbursement expenses include:

- Environmental Assessments and Brownfield Plan Preparation
- Documentation of Due Care Compliance and Implementation
- Additional Response Activities
- Lead and Asbestos Surveys and Abatement
- Demolition, Solid Waste Disposal, Industrial Cleaning and UST Removal
- Interest

Tax Reimbursement comes from the increased property taxes above the existing tax based on project.

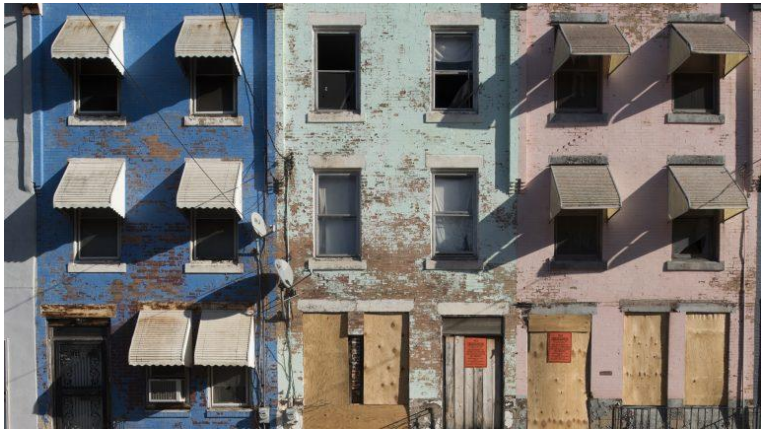


Brownfield & Incentives Update

Eligible Activities

Qualified Local Government Units (CORE Communities)

- 148 (8-2021) select cities, counties, village and townships based upon a 2000 Michigan law to help older urban and industrial communities to reinvest and redevelop.
- Section 2(k) of the Act 146 (OPRA) gives the qualifications which must be met for a local unit to be a qualified local governmental unit/CORE Community. Property in a land bank qualifies as CORE Community anywhere in Michigan.
- **A proposed or existing "housing property" development and/or renovation ??**
- Allows for TIF reimbursement on site preparation, and infrastructure improvements



Brownfield & Incentives Update

Non-Environmental Eligible Costs

Demolition

- Pre-demolition Audit or Survey
- Building Demolition
- Disposal of Non-Reusable/Non-Recyclable Building Elements
- Foundation Removal
- Dewatering During Foundation Removal
- Fill/Compaction/Rough Grading to Balance Site where Bldg. was Located
- Removal of Abandoned Utilities
- Removal of Parking Lots
- Removal of Curbs and Gutters
- Removal of Sidewalks
- Fill, Compaction & Rough Grading to Balance Site Where Improvements Were Located
- Removal of Under Ground Storage Tanks (non environmental costs)
- Professional Fees Related to Geotechnical, Engineering & Design Work if Directly Related to Building and/or Site Demolition Activities

Infrastructure Improvements

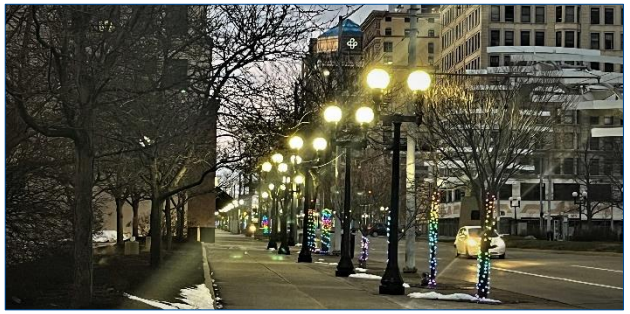
- Urban Storm Water Management Systems (Traditional versus Low Impact Design)
- Underground and Multi-Level Parking Structures (public or private)
- Sidewalk Improvements
- Curbs and Gutters
- Roads
- Bike Paths
- Public Lighting
- Public Signage
- Storm Sewers
- Water Mains
- Sanitary Sewer Mains
- Landscaping
- Park/Seating Areas
- Professional Fees Related to Geotechnical, Engineering & Design Work if Directly Related to Infrastructure Improvements

Site Preparation

- Geotechnical Engineering Including Investigating Existing Subsurface Conditions, Soil Sampling, Assessing Risks Posed by Site Conditions, Designing Earthworks and Structure Foundations
- Clearing & Grubbing and Related Disposal
- Temporary Construction Access and/or Roads
- Temporary Facility
- Temporary Traffic Control
- Temporary Erosion Control
- Temporary Site Control
- Excavation of Unstable Material
- Foundation Work to Address Special Soil Concerns
- Fill Relating to Other Eligible Activities
- Dewatering Relating to Other Eligible Activities
- Land Balancing
- Grading
- Relocation of Active Utilities
- Compaction & Sub-Base Preparation
- Cut & Fill Operations
- Temporary Bracing/Sheeting/Shoring
- Soft Costs Related to Other Eligible Activities
- Unique Site Preparation Activities if Deemed Appropriate

Brownfield & Incentive Update

Typical CORE Reimbursables



Brownfield & Incentives Update

Eligible Activities – Qualified Facility

NEW!

- Senate Bill 562 Amended definition of “qualified facility” - landfill facility area of 15 or more contiguous acres that is located in a city and that contains, contained, or is adjacent to a landfill, a material recycling facility, or an asphalt plant that is no longer in operation.
- Allows for site prep and infrastructure improvement activities on these properties, even if not in a QLGU/Core Community
- Allowing a landfill facility that meets the requirements to be an eligible property under the Act will assist in increased redevelopment of these properties.

Brownfield & Incentives Update

Michigan Community Revitalization Program (CRP)

- Encourage and promotes investment on brownfield and historic preservation sites located in traditional downtowns and high-impact corridors
- Grants and Loans up to 20-25% of eligible investment. Maximum allowable is $10,000,000
- Must qualify as a Brownfield: Facility, Functionally Obsolete, Blighted, Historic Resource
  - $10,000,000 Maximum for Loans
  - $1,500,000 Maximum for Grants
    - The total grant amount will change based on current policies of the MEDC; current policy max. is $750,000
- Very Competitive: project must be economically sound and have financing established prior to submittal of an application

Project Profile

40 Hague

Detroit, Michigan

Services

Phase I & II Environmental Site Assessments (ESA)
Baseline Environmental Assessment (BEA)
Asbestos Containing Materials (ACM)
Lead-Based Paint Survey
Incentive Procurement

Project Summary

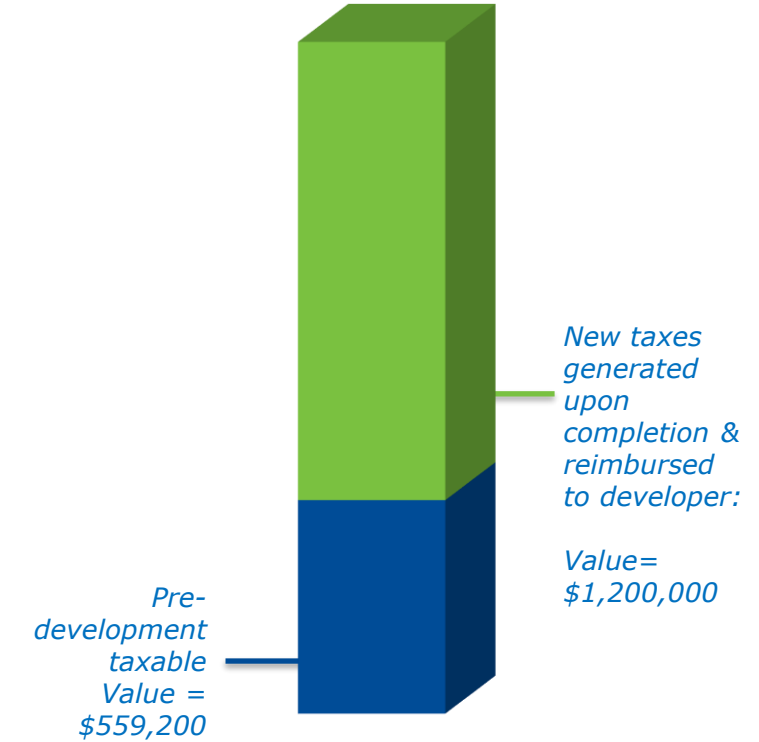
- The Former Packard Automotive Showroom in Detroit's North End neighborhood underwent a residential redevelopment.
- A Phase I ESA identified a Recognized Environmental Condition (REC) associated with two former 1,000-gallon gasoline Underground Storage Tanks (USTs).
- The two-story building was rehabilitated into 38 apartments, with eight being reserved as affordable units at 60% Area Median Income (AMI).
- The $8 million redevelopment incorporated greenspaces throughout the property; a landscaped interior courtyard will feature eating areas and plantings offering a unique place for residents to relax and entertain.
- The project created approximately 11 construction jobs and one full time equivalent (FTE) job to manage the property. Construction started in fall 2019 and completed in May 2021. Economic incentives leveraged **$8 million** in private investment.

Brownfield & Incentives Update

TIF Example: 40 Hague

- **$1,401,345** – Obsolete Property Rehabilitation Tax Abatement (OPRA)
- Brownfield TIF - **$731,873**
- Pre-development taxable value – **$559,200**
- Pre-development tax bill - **$47,880**
- Post-development Taxable Value - **$1,200,000** (without incentives the tax bill would be **$102,000** annually)
- OPRA Value - **$71,500+** tax savings annually (through 2031)
- Brownfield Reimbursement - **$15,000** annually through 2031, then ~**$50,000** annually
- Estimated Brownfield payback: **Payback is 29 years**

26.66% Return on Investment



Project Profile

DFCU

BIRMINGHAM, MICHIGAN

PM ENVIRONMENTAL PINCHIN company

Services

Phase I & II Environmental Site Assessments (ESAs)
Baseline Environmental Assessment & Due Care Plan
Asbestos & Hazardous Materials Survey
Remediation & Oversight of Leaking Underground Storage Tank & Soil
Preparation of a Brownfield Plan

Project Summary

- $2 million new construction of DFCU bank branch at former gasoline service station site.
- PM identified several RECs including contaminated soil and Leaking Underground Storage Tanks.
- USTs were removed along with 4,000 tons of contaminated soil.
- To ramp up safety measures due to several environmental concerns a vapor barrier was used to meet the requirements of the client and also included in the Brownfield Plan for partial developer reimbursement.
- PM prepared a Brownfield plan which was submitted and approved to help reimburse up to $189,226 for environmental assessments and remediation activities.
- The bank branch created 15 temporary construction jobs along with 5 part time and 4 full time jobs.

Project Profile

Former First State Bank
DETROIT, MICHIGAN

Services

Brownfield Consulting
OPRA Tax Abatement
CRP Grant Procurement

Project Summary

- **Vacant since 1999**, the former First State Bank Building will be **converted into a mixed-use space** that will include a retail space for Marx Moda on the first floor and offices on the second, third, and fourth floors.
- The total estimated development cost for the project is $6.8 Million and it will **create 27.5 full-time equivalent jobs in the community.**
- PM managed and authored a **Community Revitalization Program Grant Application totaling approximately $700,000**.
- PM also **assisted with and Obsolete Property Rehabilitation (OPRA) Tax Abatement for the project with a total value estimated at $300,000**
- Project encountered unexpected costs necessitating a **Brownfield TIF** in the amount **$840,000** to maintain the development as viable

Project Profile

Woodward Market

ROYAL OAK, MICHIGAN

Services

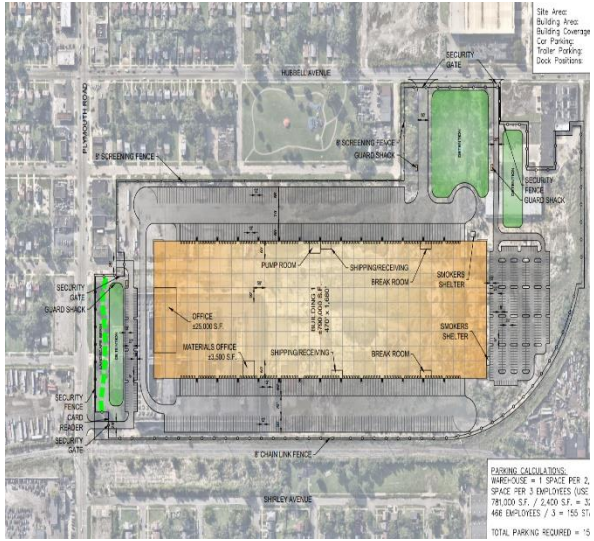
Facilitation of Brownfield Approval Meetings

Continued Oversight & Evaluation of Excavation & Remediation Activities

Project Summary

- Developer plans to demolish the existing dilapidated gas station situated in a high-traffic area in Royal Oak, and replace it with a modern, 7,100 sq. ft. convenience store and gas station.
- Scope of work includes demolition of existing building and removal of all of the existing site improvements to properly address the Underground Storage Tanks (USTs) and associated system components along with contaminated soil and/or groundwater.
- Upon completion of the subsurface environmental work, the new convenience store will contain six dispensers and one, compartmental UST system.
- **Total brownfield Tax Increment Reimbursement of $485,839 over 25 years**
- Creation of three new full-time jobs
- Clean up and mitigation of existing contamination
- The development was ready for occupancy in 2017
- Total private investment of **$3 million**

Project Profile



AMC Headquarters

Detroit, Michigan

PM ENVIRONMENTAL PINCHIN company

Services

Phase I Environmental Site Assessment
Phase II ESA
Asbestos Containing Materials Survey
Brownfield Incentives

Project Summary

- Developed in **1920**s, later became American Motors Corporation during the **1950s,** merging with Hudson Motors.
- Consists of **45** parcels, totaling **50.90** acres. The site is occupied by several buildings totaling nearly **800,000** square feet.
- Wayne County utilized funds from their 2019 EPA Brownfield Assessment Grant to fund Phase I and Phase II Environmental Site Assessments, as well as an Asbestos Containing Materials Survey.
- The site's redevelopment includes the removal of blighted structures, cleanup and mitigation of environmental contamination and the construction of a new **790,000** square foot modern manufacturing facility.
- Expected to bring in over **$72 million** in private investment to the site and create an estimated **350** jobs.
- EGLE awarded a **$1 million** grant to support the cleanup activities at the site.
- TIF - **$11 Million (EGLE), $18 Million** MSF (Non-Environmental)
- Industrial Facilities Tax Abatement – estimated value of **$7.4 Million**

Project Profile

Peerless
GRAND HAVEN, MICHIGAN

PM ENVIRONMENTAL PINCHIN company

Services

Phase I & II ESAs
Due Care Activities
PFAS/PFOS Investigation
Preparation of a Brownfield Plan & Act 381 Work Plan

Project Summary

- Redevelopment of a substantially vacant, underutilized, and contaminated site into 124-units of market rate apartments, an amenity building and outdoor pool
- PM completed a subsurface investigation to assess the RECs identified in the Phase I ESA, advancing 18 soil borings and installation of 14 temporary monitoring wells. The Phase II ESA also included the investigation of PFAS/PFOS.
- TIF - **$4.78 Million** EGLE and MSF
- PM worked with the project team and City of Grand Haven to prepare a Brownfield Plan and Act 381 Work Plan for Brownfield Tax Increment Financing (TIF) and submittal for EGLE Grant funding.
    - **$900,000 EGLE Grant & $900,000 EGLE Grant Loan**
- Project will connect the Chinook Pier and Downtown Main Street via the 1st Street corridor, creating a pedestrian friendly area.
- **$27.8 million** in developer investment, demolition and site preparation activities are set to begin in the spring of 2021.
- Expected to be completed in early **2023**

Project Profile

Starbucks – Former Railroad Station
LANSING, MICHIGAN

Services

Phase I ESA
Hazardous Materials Activities
Incentive Procurement

Project Summary

- Building was constructed in 1878. Several additions were constructed between 1892 and 1902. Total TIF Reimbursement: ~**$400,000**
- 1.8 acres. One 4,970-square foot one-story restaurant building with a mezzanine area and one 1,000-square foot one-story connected rail car. The current configuration has been present since 1902.
- The building was used as a passenger depot for the adjoining railroad tracks from construction to 1972 and was converted into a restaurant in 1978 which operated until 2016.
- Phase I ESA was to evaluate the current and historical conditions of the subject property in effort to identify recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), and historical recognized environmental conditions (HRECs).
- Converted into Starbucks first "community store" inside the 120-year former train station. Employed 25 workers, joins 27 other community stores that company operates in the U.S. that is focused on local hiring, partnerships with local nonprofits and working with diverse contractors and subcontractors.

Project Profile

Starbucks

ROYAL OAK, MICHIGAN

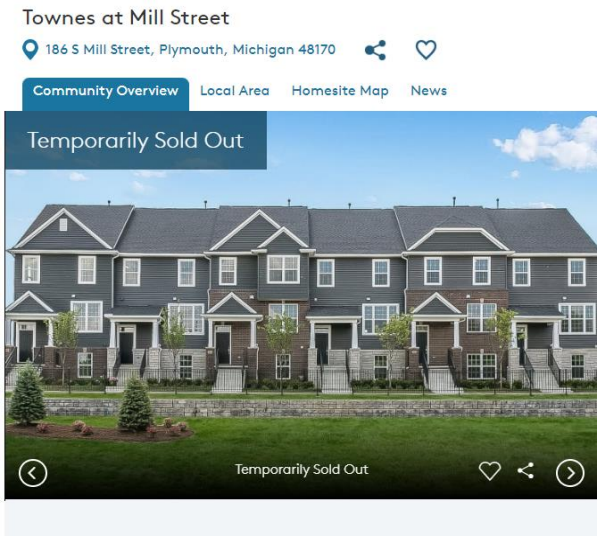
Services

Baseline Environmental Assessment
Due Care Activities
Asbestos Containing Materials Survey & Abatement
Preparation of a Brownfield Plan & Related Activities
Site Demolition

Project Summary

- This highly trafficked spot in Royal Oak had been developed in 1950 and multiple business had occupied the then-vacant office building. The adjacent property held an automotive repair shop. The client planned on demolishing those structures to build a new Starbucks with a drive-through.
- PM provided Site assessments- Phase II, and BEA and Documentation of Due Care Compliance, Excavation, transport, and disposal of 5,415 tons of contaminated soil and associated sample, verification, and reporting and backfill, pre-demolition asbestos survey and abatement, site demolition activities as well as preparation of Brownfield Plan and associated activities
- Estimated capital investment: Approximately $1.65 million
- Project completed in fall of 2014. {Watch Video}
- Created 20 full time jobs for the area.
- Reimbursable costs: $243,175

Project Profile



Pulte Homes
PLYMOUTH, MICHIGAN

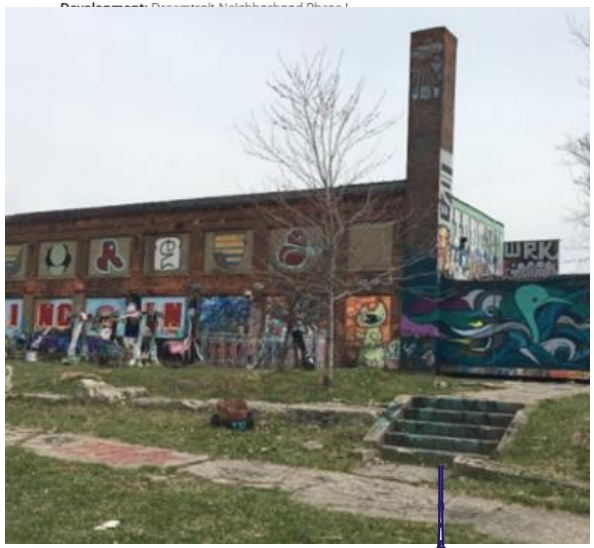
Services

Economic Incentives
Due Diligence
Vapor Intrusion Mitigation

Project Summary

- 15-acre property is the site of the former Bathey Manufacturing Co., which closed shop in the late 1980s
- The **$20 million** redevelopment includes the construction of 76 new residential townhomes and incorporates pedestrian and bike trails throughout the site to help further the connection of downtown and Old Village
- Upon completing Phase I and Phase II Environmental Site Assessments (ESAs), Volatile Organic Compounds (VOCs), PNAs, naphthalene, and lead were discovered on the property
- PM designed and installed a vapor barrier system, and remove and dispose of contaminated soils at a licensed disposal facility
- PM assisted in the preparation of a successful **$1 million** brownfield grant in conjunction with the grant, tax increment financing (TIF) is being sought for reimbursement of approximately **$2 million** for demolition activities

Project Profile



DREAMTROIT
Detroit, MICHIGAN

PM ENVIRONMENTAL PINCHIN company

Services

Phase I & II ESAs
Pre-Renovation Hazardous Materials Survey
Economic Incentives Consulting

Project Summary

- PM completed Phase I & II ESAs.
- Incentives secured for the nearly $20 million project:
  - $3.6mm Brownfield
  - $2.4mm CRP loan
  - $900K PA210 tax abatement
  - $2.5mm NEZ tax abatement
  - **TOTAL = $9.4mm**
- Project anticipated to become a mixed-use commercial and residential hub for the local art community upon completion.
- The project, in addition to delivering all residential units below 120% the area mean income (AMI), will offer 50% of the units will be below 80% AMI, and 20% of the units below 50% AMI, keeping the units affordable.

Brownfield & Incentives Update

Why Does This Matter to Michigan Business Connection?

- It shows a real value add.
- Although TIF cannot be relied on in loan documents to service depth, the extra cash flow puts developers in a better credit position.
- Understanding an endless maze of rules, regulations, environmental compliance, etc. to understand the true cost of environmental risk when evaluating collateral
- A strong need to engage strategic vendors that can look at the big picture from 10,000 feet down to removing a fill pipe of a potential UST and finding creative funding options to offset cleanup costs

New Expanded Geography

Connecting our national clients to our partner resources in Canada

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