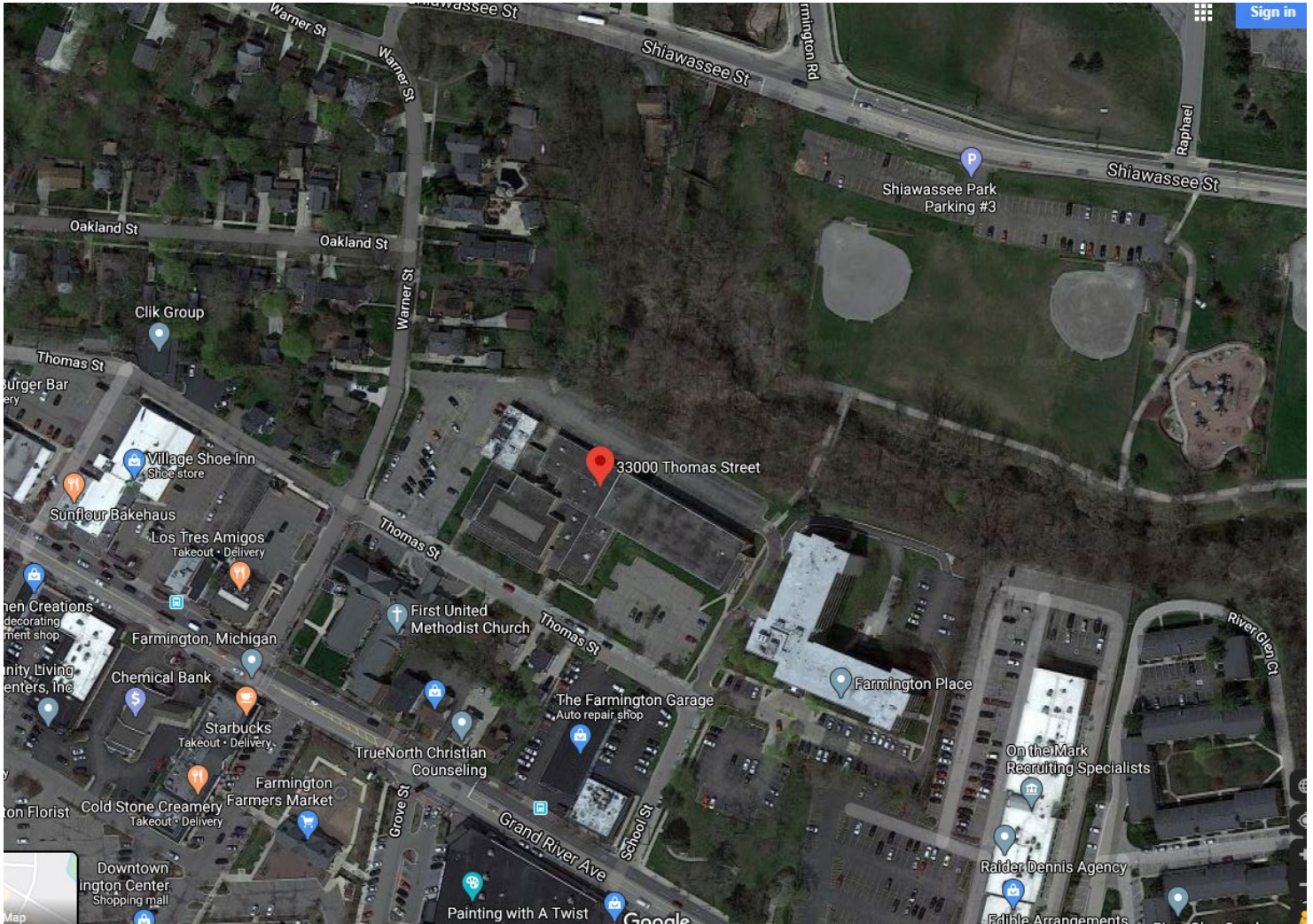


REQUEST FOR QUALIFICATIONS

City of Farmington

33000 Thomas Street Redevelopment Project



Publication Date: October 6th, 2020

Submittal Due Date: November 13th, 2020

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B – Pre-Demolition Asbestos Containing Materials and Hazmat Survey prepared by AKT Peerless dated October 4, 2019 – Available by request at the city or through the following link.

[https://www.farmgov.com/getattachment/City-Services/Public-Services/Construction-Project/Maxfield-Training-Center-33000-Thomas-Street/Maxfield-Training-Center-AKT-12083f2-City-of-Farmington_33000-Thomas-Street-Hazmat-Report-\(1\).pdf.aspx?lang=en-US](https://www.farmgov.com/getattachment/City-Services/Public-Services/Construction-Project/Maxfield-Training-Center-33000-Thomas-Street/Maxfield-Training-Center-AKT-12083f2-City-of-Farmington_33000-Thomas-Street-Hazmat-Report-(1).pdf.aspx?lang=en-US)

C – Preliminary Financial TIF Incentives Possible Memorandum Prepared by Advanced Redevelopment Solutions dated May 23, 2020

D – Link to Planned Unit Development (PUD) Zoning Requirements

https://library.municode.com/mi/farmington/codes/code_of_ordinances?nodeId=PTIICO_OR_CH35ZO_ART10PUPLUNDE

E – 2019 Alta Survey prepared by Nowak & Fraus Engineers

I. INTRODUCTION

The City of Farmington is seeking Developers with experience and capability building and implementing high quality developments to develop land that it owns in its Downtown area. The City's objective as both the owner of the subject property and as the approving regulatory body is to select and enter into an agreement with a Developer to construct a new residential development at 33000 Thomas Street (MTC Site). The scope of the development is negotiable but could be up to 124 owner-occupied and/or market rate multi-family residential housing units so long as the City's Redevelopment Objectives can be met as outlined in Section IIC.

The objective of this Request for Qualifications (RFQ) is to determine the level of interest and number of qualified available Developers for the concept identified above. Responses to this RFQ should provide general ideas and strategies for the development of the MTC Site, including resumes and relevant qualifications for the development team. Additionally, the Developer should provide its Concept Development Proposal (CDP) for City consideration as outlined in Section II.

The City will review qualification packages and the CDP to select experienced and qualified Developers to advance to the final selection process, which may include a more detailed proposal, ultimately leading to the selection of a preferred Developer and the eventual disposition of the MTC Site through sale under mutually agreed-upon financial and other terms. The City will look favorably on respondents that possess the capacity and interest to carry their development from concept to implementation, aesthetically pleasing design concepts, access to capital, and management strategy.

The City has experienced significant growth and development in all sectors, including its traditional downtown corridors. The selected development team will successfully demonstrate how their concept will bring new and valuable offerings to this environment and what benefit their development will bring to the further redevelopment of the community. The City will favorably review developments that satisfy the listed Areas of Interest, which are described in detail in the following section. Depending on the number and quality of responses received, the City reserves the right to request additional information from some or all respondents, or to issue additional requests to advance the review process. This process does not obligate the City or any of its agents, assigns, or employees to select or negotiate with any development team or to accept offers that the City, in its sole judgment, determines not to be in the best interest of the City and its residents. The City reserves all rights as the property owner and regulatory body under this development process.

Thank you for your interest in this development opportunity.

II. DEVELOPMENT OPPORTUNITY OVERVIEW

A. MTC Site and Existing Building Conditions Description

The MTC Site has frontage on Thomas Street and overlooks the beautiful Shiawassee Park. The MTC Site is strategically located in the City's vibrant downtown and represents a key element in the future vision plan for the City. The City prefers to see the MTC Site developed with owner-occupied and/or market rate multi-family residential units.

The MTC Site is roughly 3 acres with a nearly 60,000 square-foot existing building, formerly a school within the Farmington School District. It has previously been reviewed for environmental contamination and asbestos containing materials. Several environmental reports have been completed and can be made available upon request but attached in Exhibit A is a Summary of Environmental Conditions and in Exhibit B is the Pre-Demolition Asbestos Containing Materials and Hazmat Survey.

Additionally, the City owns two existing properties that can be potentially utilized in conjunction with the development opportunity for such uses as the concept Promenade and parking. Those two City-owned properties include 33104 Grand River and 33107 Thomas Street.



B. Zoning and Development Standards

The MTC Site is currently zoned CBD, or Central Business District. The City will expect the Developer to utilize Planned Unit Development (PUD) zoning to provide flexibility to the preferred selected developer and the City.

C. Redevelopment Objectives

This RFQ seeks and favors a creative Developer of urban commercial and housing projects to construct a development that meets the following goals and objectives. The City's desired development of the MTC Site includes

owner-occupied and/or market rate multi-family residential housing units' opportunities in the downtown MTC Site. While the Developer may propose some limited commercial as part of its proposal, the residential development component for this MTC Site will be crucial to consideration and selection of any Developer.

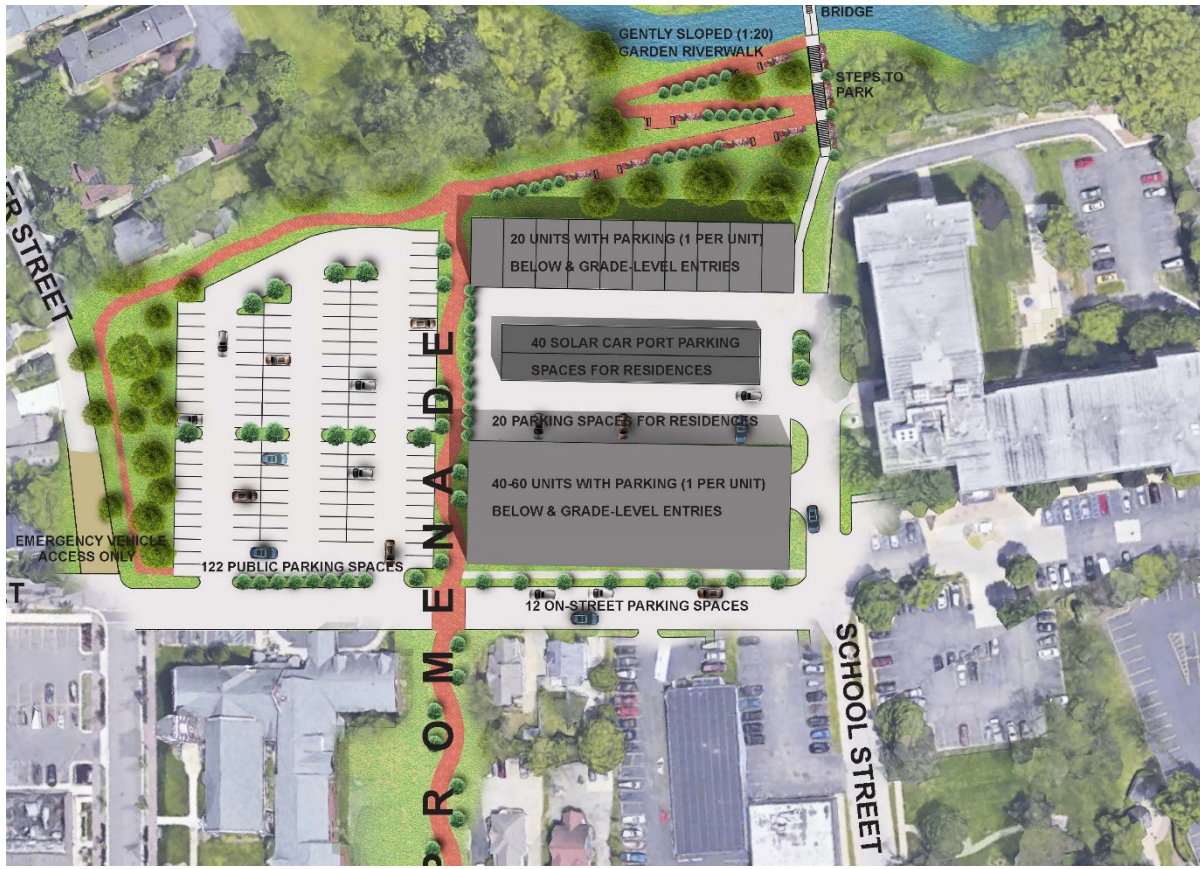
In addition to the Developer's qualifications for these types of developments, the Developer shall provide its Concept Development Proposal (CDP) (as outlined in Section IV) for this MTC Site. The successful CDP will incorporate forward-thinking approaches to urban design, architecture, and the public realm. The City values a development that will bring additional amenities and opportunities for working, living, and recreating downtown, and as such the Developer's CDP should:

- Create either owner-occupied and/or market rate multi-family residential housing units' opportunities at a competitive market rate to encourage downtown living.
- Create a dynamic urban destination that encourages commercial investments and considers the importance of the pedestrian environment.
- Create unique signing and branding for the development.
- Create substantial positive economic value for the City by increasing the consumer attraction potential for the MTC Site and the downtown generally.
- Provide and incorporate a pathway connection from Grand River to Shiawassee Park.
- The Developer may enter into a shared parking agreement in the development of public parking that may include the two City owned properties at 33104 Grand River and 33107 Thomas Street, a portion of the MTC Site's acreage and possibly other neighboring properties that the Developer would be responsible to secure. The City has a strong interest in developing public parking in this area and could participate in a public private partnership arrangement to achieve this goal.
- Interact well with existing downtown businesses/institutions, events, and neighborhoods.

D. Specific Areas of Interest

The City is specifically interested in a development that can activate this important MTC Site in the downtown. The selected development should incorporate public spaces and amenities that will connect this section of the downtown area with additional residents. The desired development should be "a reflection" of the following MTC Site development concept. The preferred selected Developer will have flexibility with the final layout and final construction of the MTC Site. The below illustration is provided only to reflect what the City has in mind as a concept. In addition, here is a link to the City's Master Plan:





E. Incentives Available

As noted above, the MTC Site has an existing building and contamination that will need to be dealt with by the selected Developer as a part of its redevelopment efforts. The incentives that should be considered by the Developer to support a possible project on the MTC Site include tax increment financing (TIF) to gain access to and use local & state tax increment revenues generated as a result of the redevelopments new taxable value pursuant to the:

- Downtown Development Authority Act, PA 197 of 1975 (DDA TIF).
- Brownfield Redevelopment Financing Act, PA 381 of 1996, as amended (BRA TIF).

As such, the City will help facilitate the Developer with the adoption of a Brownfield Plan and Act 381 Work Plan request under a BRA TIF to the State of Michigan for the reimbursement of eligible activity costs to deal with lead and asbestos abatement, demolition of existing MTC Site and building improvements, and addressing environmental contaminants to allow for the successful redevelopment of the MTC Site. Additionally, the MTC Site is part of an existing Downtown Development Authority (DDA) and the City may consider the use of its DDA TIF plan toward infrastructure improvements necessary for the Developer's redevelopment efforts.

These two TIF incentives for the redevelopment of this MTC Site should be considered and included as a part of the Developer's submission of its conceptual financial structure as outlined in Section IV below. A memorandum is included in the attached Exhibit C that outlines these financial TIF incentives under three (3) potential redevelopment conceptual project models.

III. DESIRED DEVELOPER QUALIFICATIONS

The City is seeking responses from Developers who are interested in undertaking the development concept described in this RFQ. In this context, the terms "Developer" and "Developer Qualifications" apply to the development entity itself and the respondent's professional team assembled to execute and manage the project. It is the City's expectation that the MTC Site be repurposed and developed into a residential location immediately adjacent to the main downtown corridor. Although we reserve the right to select a development group with less experience, or non-traditional experience, the City is seeking a Developer and supporting professional team that possesses a strong combination of the following qualifications and experience:

- Experience building, developing, and managing large-scale mixed-use buildings and market rate residential projects.
- Experience in the redevelopment property in a downtown or key commercial corridor.
- Experience operating and managing properties in an urban downtown setting including functions and services on land under easement or owned by a local municipality.
- Experience working with municipal government in business, community events, or other collaborative ventures.
- Experience working with local and state governmental agencies on the redevelopment of Brownfield contaminated property.
- Clearly defined qualifications regarding the design and buildout of unique commercial and housing sectors.

IV. SUBMISSION FORMATS AND CONTENT

Submittals must include one (1) original of the response, together with two (2) unbound hard copies and one (1) electronic copy (PDF) of the response. Every effort should be made to make proposals as concise as possible. Submissions must address the following sections to be considered complete and ensure consideration.

A- Qualifications and Experience

RFQ responses shall introduce the company and resumes of the respondent's members and its professional team and the firm's areas of expertise. The Developer's lead contact person should be clearly identified. Respondent teams may be a joint venture. A narrative shall be provided that explains structure or relationship(s) proposed. The response should clearly show how the

development team meets the minimum qualifications as outlined in SECTION III of the RFQ.

B – Concept Development Proposal (CDP)

Responses shall describe the overall development vision and program approach to bring the concept to fruition for the MTC Site which may include two City-owned properties at 33104 Grand River and 33107 Thomas Street as well as other neighboring properties that the Developer would be responsible to secure. This section should include introductory plans regarding type of design, scope of the project, buildout, theme, and other relevant details related to the proposed development. This section should also illustrate the desired timeline requested by the Developer to implement the proposed project.

C – Conceptual Financial Structure/ Financial Stability

Responses shall provide a conceptual financial structure for the CDP, including private sources of funding and a proposed structure for providing compensation for the City owned real estate (e.g., real property purchase). The City has significant flexibility with respect to disposition options and methods for compensation and as a result encourages and welcomes financial proposals that maximize the value of the resulting developments and their positive economic and community impacts to the downtown. Justification for the use of public fund contributions and proposed repayment mechanisms should be provided if public financing is included as part of the proposal as was summarized in Section II-E.

Provide evidence of the Developer’s financial capability to undertake the project. Evidence should cover the last three (3) years. If your proposal is being submitted by a partnership of two or more entities, provide evidence for each firm or individual that would be a part to the project. Suitable documentation includes audited or reviewed financial statements, partnership or corporation tax returns, bank or financial institution commitments, or other verifiable information demonstrating financial stability necessary to support a project of this scope. The City will seek to protect such information from disclosure as and to the extent permitted by law. Submission of this RFQ provides consent to the City or its assigns to confirm the information provided in response to this question.

All respondents will be required to allow the City to inspect and examine their company operating information and financial statements during the selection process. Each firm shall submit its legal firm name or names, headquarters address, local office addresses, state of incorporation, and key firm contact names.

V. EVALUATION CRITERIA

The City supports the further creation of a vibrant downtown and commercial/housing district to complement current and future downtown business enterprises. Accordingly, City staff and its consultants will evaluate responses based on the criteria stated within this document. Given the uniqueness

of the anticipated development, developer qualifications and experience will be assigned the greatest value including but not limited to the following:

- Developer qualifications and experience (as identified in Section III of this RFQ).
- Developer provided Concept Development Proposal (CDP) identifying creativity and unique concepts in proposed development vision and program (as identified in Section IV of this RFQ).
- Conceptual financial structure (as identified in Section IV of this RFQ).
- Financial history/stability (as identified in Section IV of this RFQ).

This RFQ is not a binding agreement. Submittals will be assessed in accordance with the evaluation criteria, and respondents will be notified whether they have been selected. The City will not reimburse respondents for any cost(s) involved in the preparation and submission of responses to this RFQ or in the preparation for and attendance at any interviews or meetings, if conducted. Furthermore, this RFQ does not obligate the City to sell its property for any expressed or implied development.

VI. RESPONSE DEADLINE

Responses to this Request for Qualifications must be submitted (one original, two unbound copies, and one electronic copy) by no later than 4:00pm on November 13th, 2020. Responses received after this date and time will not be considered.

Please address responses to:

City of Farmington

Attention: Kevin Christiansen, Economic and Community Development Director

Email: kchristiansen@farmgov.com

23600 Liberty Street

Farmington, MI 48335

VII. INQUIRIES

Any inquiries regarding this Request for Qualifications, including MTC Site walkthroughs, must be submitted in writing via email. All such written inquiries must be submitted by 4:00pm on October 23rd, 2020, no further inquiries will be accepted after this date and time.

Inquiries should be submitted to:

City of Farmington

Attention: Kevin Christiansen, Economic and Community Development Director

Email: kchristiansen@farmgov.com

23600 Liberty Street

Farmington, MI 48335

VIII. SELECTION PROCEDURE AND TIMELINE

After the submission deadline, responses to this RFQ will be reviewed by city staff and its consultants. Those recommended for further discussion will be invited to answer any requests for additional information or clarification of their submittal. City Council will be provided all responses received, but a staff and consultant recommendation will be made for Council. Pending approval of a preferred Developer, all respondents will be notified of the outcome of the selection process. From this point, the preferred Developer will be asked to enter into negotiations for more specific terms and obligations on behalf of both parties, the Developer and the City. Upon successful completion of these terms, the City and the Developer will enter into a binding Purchase and Development Agreement with respect to the sale of the property, conditioned on further development approvals as addressed below, following final review and approval by the City Council.

The following is a preliminary schedule and general timeframe for the RFQ response and selection process. All these dates are subject to change at the discretion of the City.

10/06/2020: RFQ Issued

10/23/2020: Inquiries/questions on RFQ due by 4:00pm

10/30/2020: City responses to RFQ inquiries posted to city website.

11/13/2020: Responses to RFQ due by 4:00pm

12/21/2020: Response presentations to City Council with staff and consultant recommendations.

12/22/2020: Subject to Council authorization, commence negotiations between Preferred Developer(s) and the City

02/01/2021: Preferred Developer recommendation to City Council

02/02/2021: Initiate negotiation of final Purchase and Development Agreement with City Council selected developer

03/01/2021: Purchase and Development Agreement presented to City Council for final approval

After approval of Purchase and Development Agreement, Developer will go through the PUD Development process.

Developers must understand that, in addition to being the owner of the property, the City will be the approving body for any development. Any agreement for the sale of the property will include an acknowledgment, in a form and manner acceptable to the City, that a PUD development process, including a separate PUD development agreement will still need to be entered into, and that the failure of the City to ultimately approve a particular development under its land use regulations is not affected or limited in any way by the Purchase and Development Agreement, and will not be a cause of default or breach of such agreement and that the City is not engaging in a proprietary function for purposes of this redevelopment process.

EXHIBITS

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E – 2019 Alta Survey prepared by Nowak & Fraus Engineers

November 15, 2019

Mr. Kevin Christiansen
City of Farmington
23600 Liberty Street
Farmington, Michigan 48335

Subject: Summary of Environmental Conditions
33000 Thomas Street
Farmington, Michigan

Dear Mr. Christiansen,

AKT Peerless is pleased to provide this letter summarizing known environmental conditions at the subject property identified above.

Phase I Environmental Site Assessment and Subsurface Investigations

AKT Peerless completed a Phase I Environmental Site Assessment (ESA) of the subject property on August 27, 2019 on behalf of the City of Farmington. The following recognized environmental conditions (RECs) were identified in association with the subject property:

REC 1 – The subject property was historically developed as a school, utilizing two heating oil underground storage tanks (USTs). A 20,000-gallon heating oil UST was located near the central portion of the subject property, reportedly installed in 1949 and removed in 1991. During AKT Peerless' site reconnaissance, a 20,000-gallon fuel gage was observed in the former coal storage room. In addition, a 12,000-gallon heating oil UST was located near the eastern boundary of the subject property. Records regarding the removal of the 12,000-gallon heating oil UST were not identified; however, according to the representative of the subject property owner, all known USTs in the area were removed. The possibility exists this UST may have been located on the current eastern adjoining property which was formerly part of the subject property. Additionally, oil piping extended from these USTs to the current and former school buildings and to the southern portion of the subject property. During the site reconnaissance, AKT Peerless observed a suspicious pipe, likely a vent pipe near the exterior central portion of the subject building.

REC 2 – Records indicate that the subject building and previous school buildings on the subject property utilized coal as a heating fuel prior to connection to natural gas. Blueprints identified coal storage rooms in the subject building and previous building on the subject property. Additionally, a service lift was identified near the northern portion of the former coal storage room associated with the current subject building.

To further evaluate the RECs, AKT Peerless conducted a subsurface investigation of the subject property in October 2019 on behalf of the City of Farmington that included: (1) conducting a targeted geophysical survey, (2) the advancement of 10 soil borings and (3) the collection of 12 soil samples and one groundwater sample for laboratory analysis of volatile organic compounds (VOCs), polynuclear aromatic

hydrocarbons (PNAs), Michigan 10 Metals¹, and/or polychlorinated biphenyls (PCBs). AKT Peerless conducted soil sampling in areas most likely to be impacted by contaminants based on the past use of the subject property.

The results of the investigation indicated the following:

- The targeted geophysical survey did not identify anomalies within the targeted areas of the subject property indicative of potential abandoned USTs, and/or associated piping. However, the geophysical survey identified anomalies throughout the targeted area, interpreted to be subgrade utilities (water, sewer, and/or electric), the former 20,000-gallon UST cavity, and potential fill material in the area of the former structures on the southeastern portion of the subject property.
- Various metals, PNAs, and VOCs were detected in fill material along the southeastern portion of the subject property at concentrations exceeding Michigan Department of Environmental, Great Lakes, and Energy (EGLE) Residential Cleanup Criteria (RCC). Various concentrations in soil were detected above the residential Drinking Water Protection (DWP), Groundwater Surface Water Interface Protection (GSIP), Soil Volatilization to Indoor Air Inhalation (SVIAI) and/or Direct Contact (DC) criteria.
- Metals were detected in subsurface soils in the vicinity of the current/former boiler room of the subject building at concentrations exceeding EGLE DWP and GSIP criteria.
- PNAs were detected in subsurface soils in the vicinity of the former 20,000-gallon heating oil UST at concentrations exceeding EGLE GSIP.
- PCBs were detected in fill material on the southeastern portion of the subject property above Federal Toxic Substance Control Act (TSCA) Subpart D Cleanup Standards; however, were below EGLE RCC.
- Target parameters were not detected above laboratory analytical method detection limits (MDLs) in the groundwater sample.

In November 2019, AKT Peerless conducted a supplemental subsurface investigation at the subject property through Oakland County's USEPA Assessment Grant on behalf of the City of Farmington to further evaluate potential due care obligations and to delineate the previously identified contamination to support future redevelopment activities. As part of this investigation, AKT Peerless (1) advanced 12 soil borings, (2) installed two temporary groundwater monitoring wells, (3) installed three temporary soil gas monitoring points, and (3) collected 13 soil samples, two groundwater samples, and three soil gas samples for laboratory analysis of VOCs, PNAs, Michigan 10 Metals, and/or PCBs.

Results of this investigation identified extensive fill material in the area of the former school building on the southeastern portion of the subject property. The encountered fill material ranged in depth of approximately two feet below ground surface (bgs) to eight feet bgs. Similar metals as identified during the October 2019 subsurface investigation were identified in this fill material above EGLE RCC. Target parameters were not detected in collected groundwater samples above laboratory analytical MDLs. Soil gas samples collected from areas of fill material on the southeastern portion of the subject property

¹ Michigan 10 Metals includes arsenic, barium, cadmium, total chromium, copper, lead, total mercury, selenium, silver, and zinc.

identified target parameters at concentrations that may pose a vapor intrusion concern associated with future redevelopment activities.

Based on these laboratory results, the subject property meets the definition of a “facility” as defined in Part 201 of the Natural Resources and Environmental Protection Act (NREPA), Michigan Public Act 451 of 1994, as amended. Therefore, AKT Peerless recommends any future owner(s)/operator(s) prepare a Baseline Environmental Assessment (BEA) report. Section 26(1)(c) of Part 201 provides certain liability protections to a person who becomes an owner or operator of a *facility* on, or after June 5, 1995 if they comply with both of the following, or unless other defenses apply: a BEA is conducted prior to or within 45 days after the earlier of the date of purchase, occupancy, or foreclosure, and the owner or operator discloses the results of the BEA to the EGLE and subsequent purchaser or transferee.

In addition, because the subject property meets the definition of a facility, AKT Peerless recommends conducting a Section 20107(a) Compliance Analysis to assure compliance with Due Care obligations. Funding has been secured to prepare these documents on behalf of the City of Farmington through Oakland County’s USEPA Assessment Grant.

Depending on the future use and redevelopment of the subject property, a future owner/operator may be required to further evaluate and/or mitigate known contamination to comply with due care obligations.

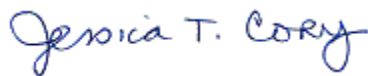
Pre-Demolition Asbestos and Hazardous Materials Survey

AKT Peerless prepared a Pre-Demolition Asbestos and Hazardous Materials Survey of the structure located at the subject property in October 2019 on behalf of the City of Farmington. Results of this survey identified various asbestos containing materials (ACM) and hazardous materials that need to be properly removed in advance of any demolition and/or renovation within the facility.

If you have any questions or require additional information, please contact me at 248.615.1333 or via email at coryj@aktpeerless.com.

Sincerely,

AKT PEERLESS



Jessica Cory
Senior Project Manager

ADVANCED REDEVELOPMENT SOLUTIONS

PO Box 204, Eagle MI 48822

Tel 517.648.2434

ephelzer@msn.com

MEMORANDUM

To: David Murphy – City Manager, City of Farmington

From: Eric P. Helzer, EDFP – Principal, Advanced Redevelopment Solutions (ARS)
Carmine P. Avantini, AICP – President, CIB Planning (CIB)

Date: May 23, 2020

**Subject: Preliminary Financial TIF Incentives Possible - Due Diligence Review
Proposed Maxfield Training Center Building Redevelopment Project, Farmington Michigan**

Advanced Redevelopment Solutions (ARS), as a team member with CIB Planning (CIB) has completed a review of various tax increment financing (TIF) incentive due diligence items for the Proposed Maxfield Training Center Building Redevelopment Project located at 33000 Thomas Street, Farmington MI (Project), under three (3) potential redevelopment Conceptual Project Models (Models). At this time, the incentives considered to support a possible Project on the Property included only tax increment financing (TIF) to gain access to and use local & state tax increment revenues generated as a result of the redevelopments new taxable value pursuant to the:

- Downtown Development Authority Act, PA 197 of 1975 (DDA TIF).
- Brownfield Redevelopment Financing Act, PA 381 of 1996, as amended (BRA TIF).

We have been asked to provide a high level preliminary financial incentives due diligence review of these TIF programs for the Property totaling 2.66 Acres described as follows:

- 23-27-152-016, 33000 Thomas Street with approximately 1.70 Acres
- 23-27-177-092, 33000 Thomas Street with approximately 0.96 Acres

First and foremost, based on our review of the due diligence within the scope of work specified, three (3) Conceptual Project Models (Models) were developed at the request of the City to form the basis of what could be a potential developer's proposal for this Property.

Models used are as follows:

- 124 Unit Market Rate Apartments, Rental: Midrise multi-story apartments, on-site parking
- 80 Unit Market Rate Apartments, Rental: Midrise multi-story apartments, on-site parking
- 64 Unit Condominiums, Owner Occupied: Stacked three-story, 2-car garage rowhome/Brownstone

The City has engaged CIB to provide a review of preliminary information and address the following items as they relate to the Project:

1. Estimate the Projected Future Taxable Value of a Project under the Models.
2. Derive the amount of available tax increment revenues (TIR) under the DDA TIF and BRA TIF.
3. Determine the maximum available amount of TIR ("TIR Capacity") under each Model, with a set of City assumptions, to service eligible debt service for Project allowable DDA and BRA activities. This analysis will assist the City in determining the extent of support that they may allow for a Project

with TIRs and the period for tax capture. Furthermore, this will allow potential developers to potentially fill any identified “gaps” in their financing with reimbursed TIRs.

This memo and the three Exhibits (A, B and C) attached summarize the findings of this review from the Conceptual Project Models described above. Below is a high-level summary (Table A) of the resultant benefit/opportunity that could be afforded to a developer to take on the redevelopment of this Property. The Grand Total TIR Available to Project is made up of a combination of BRA and DDA TIR captures over two separate tax capture periods. One important note is that when the DDA Capture ends (after 18 years in Year 2038) the BRA begins capturing Local taxes to service Eligible BRA Activity Debt Service Costs for developer. Therefore, the BRA Capture grows at a much faster rate and surpasses the DDA’s Capture.

TABLE A – TIR CAPACITY UNDER CONCEPTUAL PROJECT MODELS

Comparable Data Estimates for “TIR Capacity”	124 Unit Market Rate Apartments	80 Unit Market Rate Apartments	64 Unit Condominiums
<i>BROWNFIELD REDEVELOPMENT AUTHORITY (BRA) – Over 30 Years</i>			
Total BRA Capturable TIF Revenue	\$6,955,666	\$4,487,526	\$5,600,861
Less to BRA (5% Admin and 5% LBRF*)	\$695,567	\$448,753	\$560,086
Less to Pass-through to all Taxing Jurisdictions (0%)	\$0	\$0	\$0
BRA TIF Reimbursements Allocated/Available to Developer (Project) (90%*)	\$6,260,099	\$4,038,774	\$5,040,775
<i>DOWNTOWN REDEVELOPMENT AUTHORITY (DDA) – Over 18 Years</i>			
Total DDA Capturable TIF Revenue	\$2,027,843	\$1,308,286	\$2,786,356
Less to DDA (1% Admin*)	\$20,278	\$13,083	\$27,864
Retained Obligation to meet DDA Debt Service Requirements** (50%*)	\$1,013,921	\$654,143	\$1,393,178
DDA TIF Reimbursements Allocated/Available to Developer (Project) (49%*)	\$993,643	\$641,060	\$1,365,314
GRAND TOTAL AVAILABLE TO DEVELOPER (PROJECT)	\$7,253,742	\$4,679,834	\$6,406,089

Source: Exhibits A, B and C

* %-age estimates provided as a Conceptual Project Model with the City’s Assessor review to be completed at a later date. State Education Tax (SET) Millage allocation to the State’s Michigan Brownfield Revolving Fund (MBRF) are not included and would reduce tax capture estimates shown.

**Retained Obligation to meet DDA Debt Service Requirements set at and assumed to be 50% of available capturable revenue by DDA.

Estimates assume annual 2.00% appreciation.

While the above Table A reflects maximum TIR Capacity available to a developer for eligible costs, any proposed Project by a developer may not need these maximum TIR amounts through the BRA or DDA. Therefore, we were asked to project the probable costs of eligible expenses that may be requested from a developer to ready the site and surrounding infrastructure for a proposed Project. Based upon information gathered by the City from consultants, engineers, and contractors, as well as in our professional opinion, we were able to develop and opinion of probable cost for the Brownfield eligible activities only (environmental and non-environmental eligible activity costs). Unfortunately the City did not have any infrastructure improvements data available at the time this review was completed, but in our opinion the amount of TIR Capacity available under each of the Models above should be ample support to any Project’s needed infrastructure improvement costs from the DDA. Table B below summarizes the Best Case (Lowest Cost) and Worst Case (Highest Cost) Brownfield Estimates under each of the Models that will require support from the BRA. In short, each Model should not require the use of the maximum available 30-year term of capture under a Brownfield Plan.

TABLE B – BROWNFIELD COSTS EVALUATION UNDER CONCEPTUAL PROJECT MODELS

Comparable Data Estimates	124 Unit Market Rate Apartments	80 Unit Market Rate Apartments	64 Unit Condominiums
<i>BEST CASE (LOWEST COST)</i>			
Eligible Activities Estimate	\$1,207,279	\$1,374,665	\$1,433,257
Duration of TIR Capture (Years)	10	17	18
<i>WORST CASE (HIGHEST COST)</i>			
Eligible Activities Estimate	\$2,341,405	\$2,697,185	\$2,644,711
Duration of TIR Capture (Years)	18	24	23

Source: Exhibits A, B and C

All information contained in this Preliminary Financial TIF Incentives Possible - Due Diligence Review is for preliminary discussion purposes only and is intended to begin discussions with the City of Farmington on the probable approaches to using the TIF Incentives evaluated toward a possible Project at this Property. We look forward to discussing this review further with the City.

ATTACHMENTS:

- EXHIBIT A – 124 Unit Market Rate Apartments, Rental
- EXHIBIT B – 80 Unit Market Rate Apartments, Rental
- EXHIBIT C – 64 Unit Condominiums, Owner Occupied

EXHIBIT A
124 Unit Market Rate Apartments, Rental

TABLE 1: Projected Future Taxable Value, Taxes Paid & Estimated DDA/BRA Capturable Property Taxes Summary

Conceptual Project Model - 124 Unit Market Rate Multi-family Apartment Product (Farmington MI)

estimate as of April 28, 2020

Product Type	Estimated Annual Property Taxes Upon Completion (per Unit)	# of Units	Total Estimated Property Taxes Upon Completion	Millage Rate Paid (2019)	BRA Capturable Millage Rate Paid (2019)	DDA Capturable Millage Rate Paid (2019)	DDA and BRA Capturable Millage Rate Paid (2019)	Projected Future Taxable Value (PFTV)	Total Annual Estimated BRA Capturable Property Taxes (Available for Developer assumed 100% {no pass-thru} at 100% Project Completion)	Total Annual Estimated DDA Capturable Property Taxes (Available for Developer assumed 100% {no pass-thru} at 100% Project Completion)	Total Annual Estimated Capturable Property Taxes for Developer, DDA and BRA (at 100% Project Completion)
Market Rate Apartments, Rental	\$ 1,900	124	\$ 235,600	59.7470	32.1402	24.0166	56.1568	\$ 3,943,294	\$ 126,738	\$ 94,705	\$ 221,443

Assumptions Used:

1. %-age Homestead or Non-Homestead: 100% Non-Homestead
2. County: Oakland
3. City: Farmington
4. School District: Farmington City School District
5. PFTV projection based upon Conceptual Project Model estimated Annual Property Taxes Upon Completion (per Unit)
6. Millage Rate obtained from BS&A 2019 Total Property Tax Rates
7. Millage Rate verified from City Certified Tax Rates

8. Non-Capturable DDA or BRA Millages: 3.5902

9. Capturable BRA Millages: 32.14020

10. Capturable DDA Millages: 24.01660

59.7470 =Total 2019 Millages Paid
56.1568 =Total Capturable Millages

Taxing Authority	2019 Millage Rate	Entity Allowed to Capture
Intermediate School Vote	3.06050	BRA
Intermediate School Allocation	0.19340	BRA
Oak Com College	1.53030	DDA
City Operating	14.00000	DDA
City Streets	1.46970	DDA
City 2018 (CAP)	2.00000	BRA
City 2018 (OP)	0.96250	BRA
County Pk & Rec	0.23290	DDA
Library	1.53930	DDA
Sch Oper	18.00000	BRA
Sch Debt	3.30000	NA
OCPA	0.99270	DDA
State Educ Tax	6.00000	BRA
County Oper	4.04000	DDA
HCM	0.21170	DDA
DDA Debt	1.92380	BRA
Art Institute	0.19290	NA
Zoo Authority	0.09730	NA

Total 2019 Millages Paid= 59.74700 Note: Capture assumptions between DDA and BRA to be verified by City at a future date.

11. Fifty Percent (50%) of State Education Tax (SET) Millage must be allocated to the State's MBRF.

50% of SET	3.0000			\$ 3,943,294	\$ 11,830
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12. Document as prepared by Advanced Redevelopment Solutions is for preliminary analysis purposes only to derive the public/private partnership participation for the proposed project within the City of Farmington, MI. Upon the City and the Developer mutually agreeing to a tax sharing arrangement between the DDA and the BRA for use of tax increment revenues as a result of the proposed project, it is our intent to use the data tables within each individual tab of this Excel workbook as a basis for the production of detailed tax increment financing schedules to be incorporated into a Brownfield Plan for City consideration.

TABLE 2 - PROPOSED BROWNFIELD REDEVELOPMENT AUTHORITY (BRA) & DOWNTOWN DEVELOPMENT AUTHORITY (DDA) PLAN CAPTURES - MAXFIELD TRAINING CENTER REDEVELOPMENT, FARMINGTON MI

Preliminary Estimate for Discussion Purposes Only as of April 28, 2020																																						
PROJECT CASH FLOW - BRA & DDA Tax Increment Revenue (TIR) Available																																						
Based upon the Projected Future Taxable Value (PFTV) Estimates (124 Unit Market Rate Multi-family Apartment Product (Farmington MI))																																						
Annual Appreciation = 2.00%																																						
TIF AUTHORITY	%-age of Revenue Allocated*	Capture Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	TOTAL					
		Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	BREAKDOWN (Over 30 Years)					
BROWNFIELD (BRA)																																						
TOTAL BRA (Over 30 Years)																																						
Total Brownfield Capturable TIF Revenue off of PFTV Estimate (4/28/2020)	NA	---	\$126,738	\$129,273	\$131,858	\$134,496	\$137,186	\$139,929	\$142,728	\$145,582	\$148,494	\$151,464	\$154,493	\$157,583	\$160,735	\$163,949	\$167,228	\$170,573	\$173,984	\$177,464	\$316,275	\$322,600	\$329,052	\$335,633	\$342,346	\$349,193	\$356,177	\$363,300	\$370,566	\$377,978	\$385,537	\$393,248	\$6,955,666					
Less to BRA (5% Admin and 5% LBRF)	10%	---	\$12,674	\$12,927	\$13,186	\$13,450	\$13,719	\$13,993	\$14,273	\$14,558	\$14,849	\$15,146	\$15,449	\$15,758	\$16,073	\$16,395	\$16,723	\$17,057	\$17,398	\$17,746	\$31,627	\$32,260	\$32,905	\$33,563	\$34,235	\$34,919	\$35,618	\$36,330	\$37,057	\$37,798	\$38,554	\$39,325	\$695,567					
Less to Pass-through to all Taxing Jurisdictions (0%)	0%	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
BRA TIF Reimbursements Allocated/Available to Developer	90%	---	\$114,064	\$116,346	\$118,673	\$121,046	\$123,467	\$125,936	\$128,455	\$131,024	\$133,645	\$136,318	\$139,044	\$141,825	\$144,661	\$147,555	\$150,506	\$153,516	\$156,586	\$159,718	\$284,647	\$290,340	\$296,147	\$302,070	\$308,111	\$314,274	\$320,559	\$326,970	\$333,510	\$340,180	\$346,984	\$353,923	\$6,260,099					
DDA																																						
TOTAL DDA (Over 18 Years)																																						
Total DDA Capturable TIF Revenue off of PFTV Estimate (4/28/2020)	NA	---	\$94,705	\$96,599	\$98,531	\$100,501	\$102,511	\$104,561	\$106,653	\$108,786	\$110,961	\$113,181	\$115,444	\$117,753	\$120,108	\$122,510	\$124,961	\$127,460	\$130,009	\$132,609	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,027,843					
Less to DDA (1% Admin)	1%	---	\$947	\$966	\$985	\$1,005	\$1,025	\$1,046	\$1,067	\$1,088	\$1,110	\$1,132	\$1,154	\$1,178	\$1,201	\$1,225	\$1,250	\$1,275	\$1,300	\$1,326	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,278					
Retained Obligation to meet DDA Debt Service Requirements (50%)**	50.00%	---	\$47,352	\$48,299	\$49,265	\$50,251	\$51,256	\$52,281	\$53,326	\$54,393	\$55,481	\$56,590	\$57,722	\$58,877	\$60,054	\$61,255	\$62,480	\$63,730	\$65,005	\$66,305	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,013,921					
DDA TIF Reimbursements Allocated/Available to Developer	49.00%	---	\$46,405	\$47,333	\$48,280	\$49,246	\$50,230	\$51,235	\$52,260	\$53,305	\$54,371	\$55,459	\$56,568	\$57,699	\$58,853	\$60,030	\$61,231	\$62,455	\$63,704	\$64,979																		\$993,643
Estimate Low - Best Case Brownfield Cost												Estimate High - Worst Case Brownfield Cost												GRAND TOTAL AVAILABLE TO PROJECT						\$7,253,742								
																			CAPACITY: Last Year of DDA Capture to service Eligible DDA Activity Debt Service Costs for Developer - DDA Plan Ends on December 31, 2038.						CAPACITY: If needed, Last Year of Capture to service Eligible BRA Activity Debt Service Costs for Developer - Brownfield Plan Ends on December 31, 2050													
NOTE: When DDA Capture ends BRA begins capturing Local taxes to service Eligible BRA Activity Debt Service Costs for Developer.																																						

NOTES:
 * %-age estimates provided as a Conceptual Project Model with the City's Assessor review to be completed at a later date. State Education Tax (SET) Millage allocation to the State's Michigan Brownfield Revolving Fund (MBRF) are not included and would reduce tax capture estimates shown.
 **Retained Obligation to meet DDA Debt Service Requirements set at and assumed to be 50% of available capturable revenue by DDA.
 Estimates assume annual 2.00% appreciation.

Brownfield Estimates -
 Estimate High - Worst Case Brownfield Cost: Estimates assume that \$2,341,405 in eligible activity reimbursements are needed for Developer (inc. 15% contingency and 5% simple interest) over 18 capture years.
 Estimate Low - Best Case Brownfield Cost: Estimates assume that \$1,207,279 in eligible activity reimbursements are needed for Developer (inc. 15% contingency and 5% simple interest) over 10 capture years.

EXHIBIT B
80 Unit Market Rate Apartments, Rental

TABLE 1: Projected Future Taxable Value, Taxes Paid & Estimated DDA/BRA Capturable Property Taxes Summary

Conceptual Project Model - 80 Unit Market Rate Multi-family Apartment Product (Farmington MI)

estimate as of May 13, 2020

Product Type	Estimated Annual Property Taxes Upon Completion (per Unit)	# of Units	Total Estimated Property Taxes Upon Completion	Millage Rate Paid (2019)	BRA Capturable Millage Rate Paid (2019)	DDA Capturable Millage Rate Paid (2019)	DDA and BRA Capturable Millage Rate Paid (2019)	Projected Future Taxable Value (PFTV)	Total Annual Estimated BRA Capturable Property Taxes (Available for Developer assumed 100% {no pass-thru} at 100% Project Completion)	Total Annual Estimated DDA Capturable Property Taxes (Available for Developer assumed 100% {no pass-thru} at 100% Project Completion)	Total Annual Estimated Capturable Property Taxes for Developer, DDA and BRA (at 100% Project Completion)
Market Rate Apartments, Rental	\$ 1,900	80	\$ 152,000	59.7470	32.1402	24.0166	56.1568	\$ 2,544,061	\$ 81,767	\$ 61,100	\$ 142,866

Assumptions Used:

1. %-age Homestead or Non-Homestead: 100% Non-Homestead
2. County: Oakland
3. City: Farmington
4. School District: Farmington City School District
5. PFTV projection based upon Conceptual Project Model estimated Annual Property Taxes Upon Completion (per Unit)
6. Millage Rate obtained from BS&A 2019 Total Property Tax Rates
7. Millage Rate verified from City Certified Tax Rates

8. Non-Capturable DDA or BRA Millages: 3.5902

9. Capturable BRA Millages: 32.14020

10. Capturable DDA Millages: 24.01660

59.7470 =Total 2019 Millages Paid
56.1568 =Total Capturable Millages

Taxing Authority	2019 Millage Rate	Entity Allowed to Capture
Intermediate School Vote	3.06050	BRA
Intermediate School Allocation	0.19340	BRA
Oak Com College	1.53030	DDA
City Operating	14.00000	DDA
City Streets	1.46970	DDA
City 2018 (CAP)	2.00000	BRA
City 2018 (OP)	0.96250	BRA
County Pk & Rec	0.23290	DDA
Library	1.53930	DDA
Sch Oper	18.00000	BRA
Sch Debt	3.30000	NA
OCPPTA	0.99270	DDA
State Educ Tax	6.00000	BRA
County Oper	4.04000	DDA
HCMCA	0.21170	DDA
DDA Debt	1.92380	BRA
Art Institute	0.19290	NA
Zoo Authority	0.09730	NA

Total 2019 Millages Paid= 59.74700 Note: Capture assumptions between DDA and BRA to be verified by City at a future date.

11. Fifty Percent (50%) of State Education Tax (SET) Millage must be allocated to the State's MBRF.

50% of SET	3.0000			\$ 2,544,061	\$ 7,632
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12. Document as prepared by Advanced Redevelopment Solutions is for preliminary analysis purposes only to derive the public/private partnership participation for the proposed project within the City of Farmington, MI. Upon the City and the Developer mutually agreeing to a tax sharing arrangement between the DDA and the BRA for use of tax increment revenues as a result of the proposed project, it is our intent to use the data tables within each individual tab of this Excel workbook as a basis for the production of detailed tax increment financing schedules to be incorporated into a Brownfield Plan for City consideration.

TABLE 2 - PROPOSED BROWNFIELD REDEVELOPMENT AUTHORITY (BRA) & DOWNTOWN DEVELOPMENT AUTHORITY (DDA) PLAN CAPTURES - MAXFIELD TRAINING CENTER REDEVELOPMENT, FARMINGTON MI

Preliminary Estimate for Discussion Purposes Only as of May 13, 2020																																																		
PROJECT CASH FLOW - BRA & DDA Tax Increment Revenue (TIR) Available																																																		
Based upon the Projected Future Taxable Value (PFTV) Estimates (80 Unit Market Rate Multi-family Apartment Product (Farmington MI)																																																		
Annual Appreciation = 2.00%																																																		
TIF AUTHORITY	%-age of Revenue Allocated*	Capture Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	TOTAL																	
		Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	BREAKDOWN (Over 30 Years)																	
BROWNFIELD (BRA)																																																		
TOTAL BRA (Over 30 Years)																																																		
Total Brownfield Capturable TIF Revenue off of PFTV Estimate (5/13/2020)	NA	---	\$81,767	\$83,402	\$85,070	\$86,771	\$88,507	\$90,277	\$92,082	\$93,924	\$95,803	\$97,719	\$99,673	\$101,667	\$103,700	\$105,774	\$107,889	\$110,047	\$112,248	\$114,493	\$204,048	\$208,129	\$212,292	\$216,538	\$220,868	\$225,286	\$229,791	\$234,387	\$239,075	\$243,857	\$248,734	\$253,708	\$4,487,526																	
Less to BRA (5% Admin and 5% LBRF)	10%	---	\$8,177	\$8,340	\$8,507	\$8,677	\$8,851	\$9,028	\$9,208	\$9,392	\$9,580	\$9,772	\$9,967	\$10,167	\$10,370	\$10,577	\$10,789	\$11,005	\$11,225	\$11,449	\$20,405	\$20,813	\$21,229	\$21,654	\$22,087	\$22,529	\$22,979	\$23,439	\$23,908	\$24,386	\$24,873	\$25,371	\$448,753																	
Less to Pass-through to all Taxing Jurisdictions (0%)	0%	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																		
BRA TIF Reimbursements Allocated/Available to Developer	90%	---	\$73,590	\$75,062	\$76,563	\$78,094	\$79,656	\$81,249	\$82,874	\$84,532	\$86,222	\$87,947	\$89,706	\$91,500	\$93,330	\$95,196	\$97,100	\$99,042	\$101,023	\$103,044	\$183,643	\$187,316	\$191,063	\$194,884	\$198,782	\$202,757	\$206,812	\$210,949	\$215,168	\$219,471	\$223,860	\$228,338	\$4,038,774																	
DDA																																																		
TOTAL DDA (Over 18 Years)																																																		
Total DDA Capturable TIF Revenue off of PFTV Estimate (5/13/2020)	NA	---	\$61,100	\$62,322	\$63,568	\$64,839	\$66,136	\$67,459	\$68,808	\$70,184	\$71,588	\$73,020	\$74,480	\$75,970	\$77,489	\$79,039	\$80,620	\$82,232	\$83,877	\$85,554	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,308,286																
Less to DDA (1% Admin)	1%	---	\$611	\$623	\$636	\$648	\$661	\$675	\$688	\$702	\$716	\$730	\$745	\$760	\$775	\$790	\$806	\$822	\$839	\$856	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,083																
Retained Obligation to meet DDA Debt Service Requirements (50%)**	50.00%	---	\$30,550	\$31,161	\$31,784	\$32,420	\$33,068	\$33,729	\$34,404	\$35,092	\$35,794	\$36,510	\$37,240	\$37,985	\$38,745	\$39,519	\$40,310	\$41,116	\$41,938	\$42,777	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$654,143																
DDA TIF Reimbursements Allocated/Available to Developer	49.00%	---	\$29,939	\$30,538	\$31,148	\$31,771	\$32,407	\$33,055	\$33,716	\$34,390	\$35,078	\$35,780	\$36,495	\$37,225	\$37,970	\$38,729	\$39,504	\$40,294	\$41,100	\$41,922											\$641,060																			
																				Estimate Low - Best Case Brownfield Cost										Estimate High - Worst Case Brownfield Cost										GRAND TOTAL AVAILABLE TO PROJECT										\$4,679,834
																														CAPACITY: Last Year of DDA Capture to service Eligible DDA Activity Debt Service Costs for Developer - DDA Plan Ends on December 31, 2038.										CAPACITY: If needed, Last Year of Capture to service Eligible BRA Activity Debt Service Costs for Developer - Brownfield Plan Ends on December 31, 2050										
																														NOTE: When DDA Capture ends BRA begins capturing Local taxes to service Eligible BRA Activity Debt Service Costs for Developer.																				

NOTES:
 * %-age estimates provided as a Conceptual Project Model with the City's Assessor review to be completed at a later date. State Education Tax (SET) Millage allocation to the State's Michigan Brownfield Revolving Fund (MBRF) are not included and would reduce tax capture estimates shown.
 **Retained Obligation to meet DDA Debt Service Requirements set at and assumed to be 50% of available capturable revenue by DDA.
 Estimates assume annual 2.00% appreciation.

Brownfield Estimates -
 Estimate High - Worst Case Brownfield Cost: Estimates assume that \$2,697,185 in eligible activity reimbursements are needed for Developer (inc. 15% contingency and 5% simple interest) over 24 capture years.
 Estimate Low - Best Case Brownfield Cost: Estimates assume that \$1,374,665 in eligible activity reimbursements are needed for Developer (inc. 15% contingency and 5% simple interest) over 17 capture years.

EXHIBIT C
64 Unit Condominiums, Owner Occupied

TABLE 1: Projected Future Taxable Value, Taxes Paid & Estimated DDA/BRA Capturable Property Taxes Summary

Conceptual Project Model - 64 Unit Condominiums Stacked 3-Story Rowhome/Brownstone Product (Farmington MI)

estimate as of May 23, 2020

Product Type	Estimated Annual Property Taxes Upon Completion (per Unit)	# of Units	Total Estimated Property Taxes Upon Completion	Millage Rate Paid (2019)	BRA Capturable Millage Rate Paid (2019)	DDA Capturable Millage Rate Paid (2019)	DDA and BRA Capturable Millage Rate Paid (2019)	Projected Future Taxable Value (PFTV)	Total Annual Estimated BRA Capturable Property Taxes (Available for Developer assumed 100% {no pass-thru} at 100% Project Completion)	Total Annual Estimated DDA Capturable Property Taxes (Available for Developer assumed 100% {no pass-thru} at 100% Project Completion)	Total Annual Estimated Capturable Property Taxes for Developer, DDA and BRA (at 100% Project Completion)
Condominium Units, Owner Occupied	\$ 3,534	64	\$ 226,197	41.7470	14.1402	24.0166	38.1568	\$ 5,418,280	\$ 76,616	\$ 130,129	\$ 206,744

Assumptions Used:

1. %-age Homestead or Non-Homestead: 100% Non-Homestead
2. County: Oakland
3. City: Farmington
4. School District: Farmington City School District
5. PFTV projection based upon Conceptual Project Model estimated Annual Property Taxes Upon Completion (per Unit)
6. Millage Rate obtained from BS&A 2019 Total Property Tax Rates
7. Millage Rate verified from City Certified Tax Rates

8. Non-Capturable DDA or BRA Millages: 3.5902

9. Capturable BRA Millages: 14.14020

10. Capturable DDA Millages: 24.01660

41.7470 =Total 2019 Millages Paid
38.1568 =Total Capturable Millages

Taxing Authority	2019 Millage Rate	Entity Allowed to Capture
Intermediate School Vote	3.06050	BRA
Intermediate School Allocation	0.19340	BRA
Oak Com College	1.53030	DDA
City Operating	14.00000	DDA
City Streets	1.46970	DDA
City 2018 (CAP)	2.00000	BRA
City 2018 (OP)	0.96250	BRA
County Pk & Rec	0.23290	DDA
Library	1.53930	DDA
Sch Oper	0.00000	BRA
Sch Debt	3.30000	NA
OCPTA	0.99270	DDA
State Educ Tax	6.00000	BRA
County Oper	4.04000	DDA
HCMA	0.21170	DDA
DDA Debt	1.92380	BRA
Art Institute	0.19290	NA
Zoo Authority	0.09730	NA

Assumes all property claims PRE (Homestead Tax Exemption)

Total 2019 Millages Paid= 41.74700 Note: Capture assumptions between DDA and BRA to be verified by City at a future date.

11. Fifty Percent (50%) of State Education Tax (SET) Millage must be allocated to the State's MBRF.

50% of SET	3.0000			\$ 5,418,280	\$ 16,255
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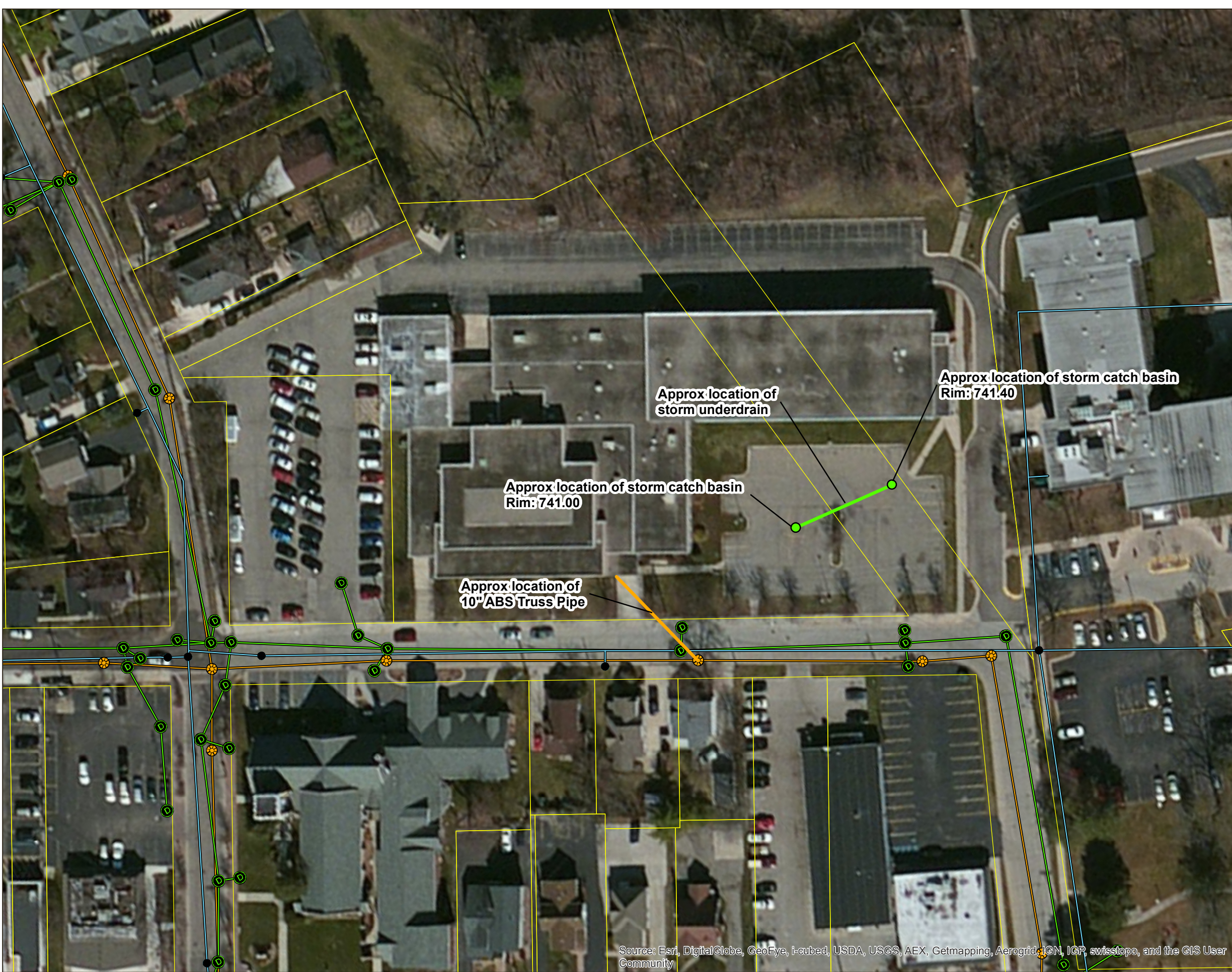
12. Document as prepared by Advanced Redevelopment Solutions is for preliminary analysis purposes only to derive the public/private partnership participation for the proposed project within the City of Farmington, MI. Upon the City and the Developer mutually agreeing to a tax sharing arrangement between the DDA and the BRA for use of tax increment revenues as a result of the proposed project, it is our intent to use the data tables within each individual tab of this Excel workbook as a basis for the production of detailed tax increment financing schedules to be incorporated into a Brownfield Plan for City consideration.

TABLE 2 - PROPOSED BROWNFIELD REDEVELOPMENT AUTHORITY (BRA) & DOWNTOWN DEVELOPMENT AUTHORITY (DDA) PLAN CAPTURES - MAXFIELD TRAINING CENTER REDEVELOPMENT, FARMINGTON MI

Preliminary Estimate for Discussion Purposes Only as of May 23, 2020																																										
PROJECT CASH FLOW - BRA & DDA Tax Increment Revenue (TIR) Available																																										
Based upon the Projected Future Taxable Value (PFTV) Estimates (64 Unit Condominiums Stacked 3-Story Rowhome/Brownstone Product (Farmington MI))																																										
Annual Appreciation = 2.00%																																										
TIF AUTHORITY	%-age of Revenue Allocated*	Capture Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	TOTAL									
		Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	BREAKDOWN (Over 30 Years)									
BROWNFIELD (BRA)																																										
TOTAL BRA (Over 30 Years)																																										
Total Brownfield Capturable TIF Revenue off of PFTV Estimate (5/23/2020)	NA	---	\$76,616	\$78,148	\$79,711	\$81,305	\$82,931	\$84,590	\$86,282	\$88,007	\$89,767	\$91,563	\$93,394	\$95,262	\$97,167	\$99,110	\$101,093	\$103,114	\$105,177	\$107,280	\$295,282	\$301,187	\$307,211	\$313,355	\$319,622	\$326,015	\$332,535	\$339,186	\$345,970	\$352,889	\$359,947	\$367,146	\$5,600,861									
Less to BRA (5% Admin and 5% LBRF)	10%	---	\$7,662	\$7,815	\$7,971	\$8,131	\$8,293	\$8,459	\$8,628	\$8,801	\$8,977	\$9,156	\$9,339	\$9,526	\$9,717	\$9,911	\$10,109	\$10,311	\$10,518	\$10,728	\$29,528	\$30,119	\$30,721	\$31,336	\$31,962	\$32,601	\$33,254	\$33,919	\$34,597	\$35,289	\$35,995	\$36,715	\$560,086									
Less to Pass-through to all Taxing Jurisdictions (0%)	0%	---	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
BRA TIF Reimbursements Allocated/Available to Developer	90%	---	\$68,954	\$70,333	\$71,740	\$73,175	\$74,638	\$76,131	\$77,653	\$79,206	\$80,791	\$82,406	\$84,055	\$85,736	\$87,450	\$89,199	\$90,983	\$92,803	\$94,659	\$96,552	\$265,753	\$271,069	\$276,490	\$282,020	\$287,660	\$293,413	\$299,282	\$305,267	\$311,373	\$317,600	\$323,952	\$330,431	\$5,040,775									
DDA																																										
TOTAL DDA (Over 18 Years)																																										
Total DDA Capturable TIF Revenue off of PFTV Estimate (5/23/2020)	NA	---	\$130,129	\$132,731	\$135,386	\$138,094	\$140,855	\$143,673	\$146,546	\$149,477	\$152,466	\$155,516	\$158,626	\$161,799	\$165,035	\$168,335	\$171,702	\$175,136	\$178,639	\$182,212	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,786,356									
Less to DDA (1% Admin)	1%	---	\$1,301	\$1,327	\$1,354	\$1,381	\$1,409	\$1,437	\$1,465	\$1,495	\$1,525	\$1,555	\$1,586	\$1,618	\$1,650	\$1,683	\$1,717	\$1,751	\$1,786	\$1,822	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,864									
Retained Obligation to meet DDA Debt Service Requirements (50%)**	50.00%	---	\$65,064	\$66,366	\$67,693	\$69,047	\$70,428	\$71,836	\$73,273	\$74,738	\$76,233	\$77,758	\$79,313	\$80,899	\$82,517	\$84,168	\$85,851	\$87,568	\$89,319	\$91,106	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,393,178									
DDA TIF Reimbursements Allocated/Available to Developer	49.00%	---	\$63,763	\$65,038	\$66,339	\$67,666	\$69,019	\$70,400	\$71,808	\$73,244	\$74,709	\$76,203	\$77,727	\$79,281	\$80,867	\$82,484	\$84,134	\$85,817	\$87,533	\$89,284	<i>Estimate Low - Best Case Brownfield Cost</i>										<i>Estimate High - Worst Case Brownfield Cost</i>										GRAND TOTAL AVAILABLE TO PROJECT	\$6,406,089
																				CAPACITY: Last Year of DDA Capture to service Eligible DDA Activity Debt Service Costs for Developer - DDA Plan Ends on December 31, 2038.										CAPACITY: If needed, Last Year of Capture to service Eligible BRA Activity Debt Service Costs for Developer - Brownfield Plan Ends on December 31, 2050												
																				NOTE: When DDA Capture ends BRA begins capturing Local taxes to service Eligible BRA Activity Debt Service Costs for Developer.																						

NOTES:
 * %-age estimates provided as a Conceptual Project Model with the City's Assessor review to be completed at a later date. State Education Tax (SET) Millage allocation to the State's Michigan Brownfield Revolving Fund (MBRF) are not included and would reduce tax capture estimates shown.
 **Retained Obligation to meet DDA Debt Service Requirements set at and assumed to be 50% of available capturable revenue by DDA.
 Estimates assume annual 2.00% appreciation.

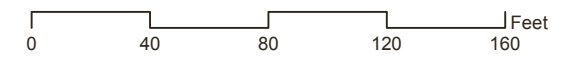
Brownfield Estimates -
 Estimate High - Worst Case Brownfield Cost: Estimates assume that \$2,644,711 in eligible activity reimbursements are needed for Developer (inc. 15% contingency and 5% simple interest) over 23 capture years.
 Estimate Low - Best Case Brownfield Cost: Estimates assume that \$1,433,257 in eligible activity reimbursements are needed for Developer (inc. 15% contingency and 5% simple interest) over 18 capture years.



Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Legend

- Water Structure
- Storm Structure
- Sanitary Structure
- Water Main
- Storm Main
- Sewer Main
- Tax Parcels



Source: Data provided by Oakland County and the City of Farmington, Michigan. Orchard, Hiltz and McCliment does not warrant the accuracy of the data and/or the map. This document is intended to depict the approximate spatial location of the mapped features within the Community and all use is strictly at the user's own risk.

Coordinate System: NAD 1983 StatePlane Michigan South FIPS 2113 Feet Intl

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