

Act 381 Brownfield Plan

Bluebird Redevelopment Project
102 E. River Street and 101 S. Main Street
Leland, MI 49654

Leelanau County Brownfield
Redevelopment Authority

Project No. 230504
September 11, 2023

Act 381 Brownfield Plan

Bluebird Redevelopment Project 102 E. River Street and 101 S. Main Street Leland, MI 49654

**Prepared For:
Leelanau County Brownfield Redevelopment Authority**

**September 11, 2023
Project No. 230504**

**Recommended for Adoption by the Brownfield Redevelopment Authority on: 9-19-2023
Supported by the Governing Body of the Local Jurisdiction on: _____
Adopted by the County Board of Commissioners on: _____**

1.0 Introduction.....1

 1.1 Proposed Redevelopment and Future Use for Each Eligible Property.....1

 1.2 Eligible Property Information1

2.0 Information Required by Section 13(2) of the Statute2

 2.1 Description of Costs to be Paid for with Tax Increment Revenues.....2

 2.2 Summary of Eligible Activities3

 2.3 Estimate of Captured Taxable Value and Tax Increment Revenues4

 2.4 Method of Financing and Description of Advances Made by the Municipality.....4

 2.5 Maximum Amount of Note or Bonded Indebtedness4

 2.6 Duration of Brownfield Plan.....4

 2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions5

 2.8 Legal Description, Property Map, Statement of Qualifying Characteristics, and Personal Property.....5

 2.9 Estimates of Residents and Displacement of Individuals/Families5

 2.10 Plan for Relocation of Displaced Persons5

 2.11 Provisions for Relocation Costs5

 2.12 Strategy for Compliance with Michigan’s Relocation Assistance Law5

 2.13 Other Material that the Authority or Governing Body Considers Pertinent.....5

List of Figures

Figure 1 – Location Map of the Eligible Property

Figure 2 – Site Plan

List of Tables

Table 1 – Summary of Eligible Costs

Table 2 – Total Captured Incremental Taxes Estimates

Table 3 – Estimated Reimbursement Schedule

List of Appendices

- Appendix 1 Brownfield Plan Resolution(s)
- Appendix 2 Development/Reimbursement Agreement
- Appendix 3 Notice to Taxing Jurisdictions
- Appendix 4 Notice of Public Hearing
- Appendix 5 Functional Obsolescence Designation

List of Abbreviations/Acronyms

- ACM asbestos-containing material
- LBRF Local Brownfield Revolving Fund
- LCBRA Leelanau County Brownfield Redevelopment Authority
- GPR Ground-Penetrating Radar
- USEPA U.S. Environmental Protection Agency
- UST underground storage tank

1.0 Introduction

1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The proposed project will facilitate the redevelopment of a 0.5-acre developed piece of land. Daryl (Skip) and Lynn Telgard are the third generation of Telgards to own and operate the Bluebird restaurant, which has been a staple in the Leland Township community since it was founded in 1927. The restaurant has expanded over the years to meet the community's needs; however, the current building is inefficient to operate and does not meet the current trend toward fast, casual, and increased outdoor eating spaces. The redevelopment involves demolishing the "functionally obsolete" existing Bluebird restaurant and rebuilding a smaller restaurant closer to the serene Leland River. The new building will include a large patio with 100+ outdoor spaces and indoor seating to accommodate another 100 patrons. As the Bluebird restaurant is the main livelihood of the Telgards, the goal is to have the redevelopment finished as soon as feasible and is anticipated to have the new restaurant in operation late 2024.

The adjacent former Early Bird restaurant will be redeveloped as well. This phase of redevelopment anticipated the demolition of the existing structure in two to three years. The redevelopment anticipates a new two-story mixed-use building with retail anticipated on the first floor and up to three residential units on the second floor.

This Plan helps to offset the cost gap associated with rising construction costs and the loss of restaurant income during redevelopment through the reimbursement of eligible activities with the new tax increment generated by the redevelopment. This project is anticipated to retain approximately 15 full-time equivalent (FTE) and 10 part-time jobs at the Bluebird restaurant. At the Early Bird property, the project is anticipated to retain 12–15 part-time jobs and create approximately 3–4 new part-time positions. The anticipated private investment is estimated to be \$3.4 million for the Bluebird phase of redevelopment and estimated to be \$2.8 million for the Early Bird phase of redevelopment. Therefore, the total capital investment for the project is expected to be \$6.2 million.

Overall, this project is set to serve a public purpose to the Township of Leland by revitalizing a popular local amenity, expanding the tax base, retaining and adding local jobs, and investing significant capital into the community. The property qualifies as "eligible property" under Act 381 on the basis of meeting the definition of "functionally obsolete" (Appendix 5).

1.2 Eligible Property Information

Basis of Eligibility

The property is located in the Township of Leland (the "Township"). The Leland Township Assessor, a Level 3 assessor, has inspected the restaurant building located at 102 E. River Street—including the roof, mechanical, plumbing, water systems, cooler and freezers, and restrooms—and found the structure to be at the end of its economic life. Therefore, the property qualifies as "eligible property" under Act 381 on the basis of meeting the definition of "functional obsolescence" (Appendix 5). The parcel located at 101 S. Main Street is adjacent and contiguous to 102 E. River Street and therefore also meets the definition of "eligible property" under Act 381.

Parcel ID: 009-750-120-00

102 E. River Street, Leland, MI 49654

Approximately 0.33 acres

Parcel ID: 009-750-111-50

101 S. Main Street, Leland, MI 49654

Approximately 0.17 acres

2.0 Information Required by Section 13(2) of the Statute

2.1 Description of Costs to be Paid for with Tax Increment Revenues

This Brownfield Plan has been developed to reimburse existing and anticipated costs to be incurred by Daryl (Skip) Telgard and Lynn Telgard (The Telgards, aka “the Developer”) and the Leelanau County Brownfield Redevelopment Authority (LCBRA). Tax increment revenues will be captured for reimbursement from local tax increment revenues. School taxes will only be captured to cover statutorily pre-approved activities.

The total cost of eligible activities, inclusive of contingencies, is anticipated to be a maximum of \$246,775. Authority implementation costs to cover the reasonable cost of administering and implementing the Brownfield Plan are calculated at 10% of available tax increment revenues and are anticipated to be \$43,529. The capture of tax increment revenue for the Local Brownfield Revolving Fund (LBRF) is estimated to be \$144,985. The estimated cost of all eligible activities under this Plan is summarized in Table 1.

2.1.1 Site Assessment and Baseline Environmental Assessment Activities

Eligible costs for reimbursement include Pre-Approved Activities, including a Phase I Environmental Site Assessment, \$3,000; an Asbestos Survey, \$12,000; and a Phase II Environmental Site Assessment, estimated at \$8,000 and to date to include a Ground-Penetrating Radar (GPR) Survey, incurred by the LCBRA. Pre-Approved Activities are statutorily eligible for reimbursement with both school and non-school tax increment revenues.

2.1.2 Due Care

Two underground storage tanks (USTs), believed to be closed in place, were discovered on the property located at 101 S. Main Street, which includes the structure known as the former Early Bird restaurant. The former Early Bird building is anticipated to be demolished in two to three plus years. One of the tanks is located partially under the building. It is anticipated that the tanks will be removed concurrently with the demolition of the Early Bird structure. A Due Care budget of \$5,000 is anticipated and included in this Plan as an eligible cost to cover UST Site Assessment Sampling concurrent with tank removal.

2.1.3 Asbestos Abatement

An Asbestos Survey has been completed on both structures which identified asbestos-containing materials (ACMs). ACMs identified within the Early Bird structures may be maintained in good condition until the time of demolition.

ACMs should be abated prior to demolition, and asbestos abatement is included in this Brownfield Plan as an eligible expense, estimated at \$12,500 for the Bluebird and \$6,000 for the Early Bird structures, totaling \$18,500 for both structures. Asbestos abatement is anticipated to be reimbursed with both school and local tax increment revenues, as allowable by statute.

2.1.4 Building Demolition

The Bluebird building is anticipated for demolition immediately following asbestos abatement this Fall. The Early Bird building is anticipated to be demolished in two to three plus years from now. Building demolition is built into this Brownfield Plan as an eligible expense and is estimated at \$60,000 for the Bluebird building and \$45,000 for the Early Bird building, totaling an estimate of \$105,000 for both structures. The building demolition is anticipated to be reimbursed with both school and local tax increment revenues, as allowable by statute.

2.1.5 Site Demolition

Site demolition is anticipated on the eligible property. Much of the current parking lot will need to be removed during redevelopment activities to access water and sewer utilities. Some sidewalks are also anticipated to need

to be removed during demolition activities. Site demolition is included as an eligible expense and is anticipated as \$25,000 associated with the Bluebird (102 E. River Street) property and \$10,000 associated with the Early Bird property (101 S. Main Street). In addition, UST removal is anticipated on the 101 S. Main Street property and is included in this Brownfield Plan as an eligible expense, estimated at \$25,000. The total cost of site demolition activities is anticipated to be \$60,000. Site demolition is anticipated to be reimbursed with both school and local tax increment revenues, as allowable by statute.

2.1.6 Brownfield Plan/Work Plan Preparation

The preparation of the Brownfield Plan is estimated to cost \$7,000, which will be incurred by the LCBRA, and is estimated to be reimbursed with state and local tax increment revenues.

2.1.7 Contingency

A 15% contingency on future costs is included to cover unexpected cost overruns encountered during construction on future costs. The total contingency cost is anticipated at \$28,275.

2.1.8 Interest

Interest expenses, while allowable, are not included as an eligible expense and are therefore not applicable to this Brownfield Plan.

2.1.9 Authority Implementation/Administration Cost

Actual eligible costs incurred by the LCBRA to implement the Brownfield Plan are included in this Plan as an eligible expense, calculated at 10% of eligible state and local tax increment revenues and are estimated to total \$43,529.

2.1.10 Local Brownfield Revolving Fund

The Authority intends to capture tax increments for deposits in the Local Brownfield Revolving Fund (LBRF) for a full five years, or as allowed by the statute. The LBRF is established under statute to maintain the sustainability of the LCBRA's work within the county to conduct other eligible activities on other eligible properties. This capture is estimated to be \$144,985 and will be collected from both school and local tax increment revenues, as allowable by statute.

2.2 Summary of Eligible Activities

Environmental Activities

Pre-approved environmental costs, funded by the LCBRA, are anticipated to be reimbursed through this Brownfield Plan using both school and non-school tax increment revenues and include a Phase I Environmental Assessment, Asbestos Survey, and Phase II Environmental Site Assessment, including a GPR Survey. UST Site Assessment sampling, anticipated to be a future Developer expense, is also included as an eligible, statutorily approved due care expense.

Non-Environmental Activities

This Plan will provide for the reimbursement of eligible asbestos abatement, building demolition, and site demolition, inclusive of UST removal. These expenses will be incurred by the Developer.

Authority Expenses

The Authority has incurred or will incur expenses related to assessment activities and preparation of the Brownfield Plan, estimated at \$30,000, funded through the county's U.S. Environmental Protection Agency (USEPA) Brownfield Assessment Grant. These costs are included for reimbursement so that funds can be

leveraged to support further eligible activities. Actual eligible costs incurred by the LCBRA for the administration of implementing the Brownfield Plan are also included as an eligible expense.

Contingencies

A 15% contingency on future costs is included to cover unexpected cost overruns encountered during construction on future costs.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues

The initial taxable value will be the 2023 combined taxable value of both parcels, \$815,328. An estimate of the captured taxable value for this redevelopment by year is depicted in Table 2. This Plan captures all available tax increment revenues, including real and personal property tax increment revenues.

The county has already invested costs into the project, including Phase I Environmental Site Assessment, Asbestos Survey, and Phase II Environmental Site Assessment, inclusive of a GPR Survey, initiated in 2023. The Developer intends to begin asbestos abatement of the Bluebird building, followed by building demolition, as soon as feasible. Tax increment revenue collection will start within five years of the adoption of this Plan and is anticipated to begin as early as 2025.

Future taxable value estimates have been derived through communication with the local Assessor, using redevelopment information provided by the Developer. After the reconstruction of the Bluebird, the projected taxable value is estimated at \$1,372,034, as estimated by the Assessor. A conservative 1% annual increase is built into the project tax increment financing (TIF) tables. Year 5 of the Plan depicts a larger jump in estimated taxable value to account for the redevelopment of the Early Bird property. Reimbursements will be made on the actual tax increment that is realized. The estimated captured taxable value for this redevelopment by year and in aggregate for each taxing jurisdiction is depicted in tabular form (Table 2). The Authority intends to capture up to five full years of tax increment and deposit the revenues into an LBRF in an amount to not exceed the total cost of eligible activities. The Plan also includes a fee for the LCBRA to implement the Brownfield Plan, estimated at 10% of available tax increment revenues. A summary of the estimated reimbursement schedule and the amount of capture into the LBRF by year and in aggregate is presented in Table 3.

2.4 Method of Financing and Description of Advances Made by the Municipality

The eligible activities contemplated under this Plan will be financed by the Developer and the LCBRA, as outlined in this Plan and the accompanying development agreement. No advances from the city or county are anticipated at this time.

2.5 Maximum Amount of Note or Bonded Indebtedness

At this time, there are no plans by the Authority to incur indebtedness to support the development of this site, but such plans could be made in the future to assist in the development if the Authority so chooses.

2.6 Duration of Brownfield Plan

The Authority intends to begin the capture of tax increment as early as 2025. This Plan will then remain in place for up to 30 years, or until the eligible activities have been fully reimbursed and up to five full years of capture into the LBRF (not to exceed the amount of eligible activities), whichever occurs sooner. Current estimates used to prepare this Plan anticipate a 19-year Plan term, with 14 years estimated to reimburse the Developer and the LCBRA for eligible costs, and the final five years for collection into the LBRF. An analysis showing the anticipated reimbursement schedule is attached in Table 3.

2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions is illustrated in detail within Table 2.

2.8 Legal Description, Property Map, Statement of Qualifying Characteristics, and Personal Property

The property area subject to this Plan consists of two parcels, totaling approximately 0.5 acres in size and located at 102 E. River Street and 101 S. Main Street in the Township of Leland, Michigan. The parcel IDs for the subject property are 009-750-120-00 and 009-750-111-50. Eligible property dimensions are depicted in the attached Figure 1 (Location Map) and Figure 2 (Site Plan).

The legal descriptions for the parcels are as follows:

Parcel ID No.: 009-750-120-00

LOTS 2 & 4 PLUS ELY 15 FT OF LOTS 1 & 3 BLK 12 VILLAGE OF LELAND PLUS ADJ WLY 10 FT OF VACATED FIRST ST MORE FULLY DESCRIBED AS: COM NW COR SD LOT 3 TH S 68 DEG 32'40" E 85 FT TO POB TH CONT S 68 DEG 32'40" E 125 FT TH S 21 DEG 06'23"W 112.59 FT TO SHR LELAND RIVER (A/K/A CARP RIVER) TH ALG SD SHR N 68 DEG 58'54" W 10 FT TH CONT ALG SD SHR N 73 DEG 10'30" W 115.32 FT TH N 21 DEG 06'21" E 121.98 FT TO POB INLCUDES ALL LAND BETWEEN SIDELINES TO WATERS EDGE OF LELAND RIVER WITH FULL REPARIAN RIGHTS SEC 9 T30N R12W 0.33 A M/L

Parcel ID No.: 009-750-111-50

WLY 85 FT OF LOTS 1 & 3 BLK 12 VILLAGE OF LELAND INLCUDES ALL LAND BETWEEN SIDELINES TO WATERS EDGE OF LELAND RIVER (A/K/A CARP RIVER) SEC 9 T30N R12W 0.17 A M/L

The property is located in the Township of Leland (the "Township"). The property qualifies as "eligible property" under Act 381 on the basis of meeting the definition of "functional obsolescence" (Appendix 5). This Brownfield Plan does intend to capture tax increment revenues associated with personal property tax, if available.

2.9 Estimates of Residents and Displacement of Individuals/Families

There are no residents or families residing at this property, and thus no residents, families, or individuals will be displaced by the project.

2.10 Plan for Relocation of Displaced Persons

No persons reside on the eligible property. Therefore, this section is not applicable.

2.11 Provisions for Relocation Costs

No persons reside on the eligible property. Therefore, this section is not applicable.

2.12 Strategy for Compliance with Michigan's Relocation Assistance Law

No persons reside on the eligible property. Therefore, this section is not applicable.

2.13 Other Material that the Authority or Governing Body Considers Pertinent

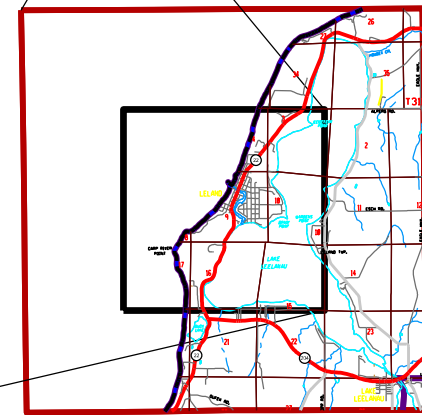
As the Bluebird restaurant is the main source of income for the Telgards, they are highly motivated to see this redevelopment plan to fruition and get the new restaurant up and running as soon as feasible. The Early Bird redevelopment is anticipated to be a few years down the road, but still a priority. The reimbursement to the

Telgards from the Brownfield Plan is a small piece of the project funding compared to the total capital investment for the project, expected to be \$6.2 million. However, this Plan helps to offset the cost gap associated with rising construction costs and the loss of restaurant income during redevelopment through the reimbursement of eligible activities with the new tax increment generated by the redevelopment. Overall, this project is set to serve a public purpose to the Township of Leland by revitalizing a popular local amenity, expanding the tax base, retaining and adding local jobs, and investing significant capital into the community.

Figures

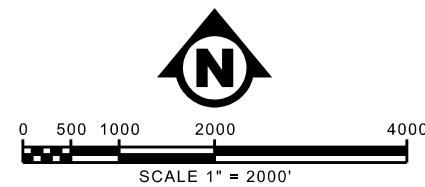


SOURCE: LAURIUM, MICHIGAN USGS 7.5 MINUTE TOPOGRAPHIC QUADRANGLE MAPS
 MAPTECH© U.S. TERRAIN SERIES™ ©MAPTECH©, INC. 606-433-8500



T 30 N. R. 12 W.
 LEELANAU TOWNSHIP
 LELAND, MICHIGAN

000000.AAAAAA File:AA.dgn Model: Location Map



**BLUEBIRD REDEVELOPMENT
 PROJECT**
 102 EAST RIVER ST &
 101 SOUTH MAIN ST
 LELAND, MI 49654
LOCATION MAP

PROJECT No.
 230504

FIGURE No.

1



SCALE 1" = 40'
0 10 20 40 80

NOTE:
THIS IS NOT A PROPERTY BOUNDARY SURVEY. PROPERTY BOUNDARIES SHOWN ON THIS MAP
ARE BASED ON AVAILABLE FURNISHED INFORMATION AND ARE APPROXIMATE ONLY AND
SHOULD NOT BE USED TO ESTABLISH PROPERTY BOUNDARY LOCATION IN THE FIELD.

BLUEBIRD REDEVELOPMENT PROJECT

102 EAST RIVER ST &
101 SOUTH MAIN ST
LELAND, MI 49654

SITE PLAN



PROJECT NO.
230504

FIGURE No.

2

Tables

Table 1 – Summary of Eligible Activities

EGLE Eligible Activities Costs and Schedule

EGLE Eligible Activities	Est. Cost	Est. Completion Season/Year
Department Specific Activities	\$28,000	2023–2026
Phase I Environmental Site Assessment (LCBRA)	\$3,000	2023
Asbestos Survey (LCBRA)	\$12,000	2023
Phase II Environmental Site Assessment/GPR Survey (LCBRA)	\$8,000	2023
UST Site Assessment Sampling (anticipated Developer expense)	\$5,000	2025–2026
EGLE Eligible Activities Subtotal	\$28,000	
Contingency (15% of future costs)	\$750	
Interest (0%)	\$0	
EGLE Eligible Activities Total Costs	\$28,750	

MSF Eligible Activities Costs and Schedule

MSF Eligible Activities	Est. Cost	Est. Completion Season/Year
Asbestos Abatement (Developer)	\$18,500	2023–2026
Bluebird Asbestos Abatement	\$12,500	2023
Early Bird Asbestos Abatement	\$6,000	2025–2026
Building Demolition (Developer)	\$105,000	2023–2026
Bluebird	\$60,000	2023–2024
Early Bird	\$45,000	2025–2026
Site Demolition (Developer)	\$60,000	2023–2026
Bluebird – Staking, Grading, Demolition, Temporary Site Control, and Other Activities as Described by the Statue	\$25,000	2023–2024
Early Bird – Staking, Grading, Demolition, Temporary Site Control, and Other Activities as Described by the Statue	\$10,000	2025–2026
UST Removal	\$25,000	2025–2026
Brownfield Plan (LCBRA)	\$7,000	2023
Brownfield Plan Preparation	\$7,000	
MSF Eligible Activities Subtotal	\$190,500	
Contingency (15% of future costs)	\$27,525	
Interest (0%)	\$0	
MSF Eligible Activities Total Costs	\$218,025	

Summary of Estimated Eligible Costs/Capture

Eligible Activities	Estimated Cost
Total to LCBRA Implementation Costs (10%)	\$43,529
Total to LCBRA EGLE Costs	\$23,000
Total to LCBRA MSF Costs	\$7,000
Total to Developer MSF Costs (inclusive of contingency)	\$216,775
Total to Local Brownfield Revolving Fund (LBRF)	\$144,985
Total to State Brownfield Revolving Fund (SBRF)	\$51,149
Total Estimated Costs	\$486,438

Table 2: Tax Increment Revenue Capture Estimates
 Bluebird Redevelopment
 102 E. River Street and 101 S. Main Street
 Leland, Michigan
 September 2023

Estimated Taxable Value (TV) Increase Rate: 1%

Plan Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	TOTAL	
Calendar Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043		
*Base Taxable Value	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	\$ 815,328	
Estimated New TV	\$ 1,372,034	\$ 1,385,754	\$ 1,399,611	\$ 1,413,607	\$ 1,675,475	\$ 1,692,229	\$ 1,709,152	\$ 1,726,243	\$ 1,743,506	\$ 1,760,941	\$ 1,778,550	\$ 1,796,336	\$ 1,814,299	\$ 1,832,442	\$ 1,850,766	\$ 1,869,274	\$ 1,887,967	\$ 1,906,846	\$ 1,925,915		
Incremental Difference (New TV - Base TV)	\$ 556,706	\$ 570,426	\$ 584,283	\$ 598,279	\$ 860,147	\$ 876,901	\$ 893,824	\$ 910,915	\$ 928,178	\$ 945,613	\$ 963,222	\$ 981,008	\$ 998,971	\$ 1,017,114	\$ 1,035,438	\$ 1,053,946	\$ 1,072,639	\$ 1,091,518	\$ 1,110,587		
School Capture																					
	Millage Rate																				
State Education Tax (SET)	6.0000	\$ 3,340	\$ 3,423	\$ 3,506	\$ 3,590	\$ 5,161	\$ 5,261	\$ 5,363	\$ 5,465	\$ 5,569	\$ 5,674	\$ 5,779	\$ 5,886	\$ 5,994	\$ 6,103	\$ 6,213	\$ 6,324	\$ 6,436	\$ 6,549	\$ 6,664	\$ 102,298
School Operating Tax	10.9013	\$ 6,069	\$ 6,218	\$ 6,369	\$ 6,522	\$ 9,377	\$ 9,559	\$ 9,744	\$ 9,930	\$ 10,118	\$ 10,308	\$ 10,500	\$ 10,694	\$ 10,890	\$ 11,088	\$ 11,288	\$ 11,489	\$ 11,693	\$ 11,899	\$ 12,107	\$ 185,864
School Total	16.9013	\$ 9,409	\$ 9,641	\$ 9,875	\$ 10,112	\$ 14,538	\$ 14,821	\$ 15,107	\$ 15,396	\$ 15,687	\$ 15,982	\$ 16,280	\$ 16,580	\$ 16,884	\$ 17,191	\$ 17,500	\$ 17,813	\$ 18,129	\$ 18,448	\$ 18,770	\$ 288,162
Local Capture																					
	Millage Rate																				
Sinking Fund	0.5000	\$ 278	\$ 285	\$ 292	\$ 299	\$ 430	\$ 438	\$ 447	\$ 455	\$ 464	\$ 473	\$ 482	\$ 491	\$ 499	\$ 509	\$ 518	\$ 527	\$ 536	\$ 546	\$ 555	\$ 8,525
County Alloc	3.3580	\$ 1,869	\$ 1,915	\$ 1,962	\$ 2,009	\$ 2,888	\$ 2,945	\$ 3,001	\$ 3,059	\$ 3,117	\$ 3,175	\$ 3,234	\$ 3,294	\$ 3,355	\$ 3,415	\$ 3,477	\$ 3,539	\$ 3,602	\$ 3,665	\$ 3,729	\$ 57,253
North ED(TBAISD)	2.8871	\$ 1,607	\$ 1,647	\$ 1,687	\$ 1,727	\$ 2,483	\$ 2,532	\$ 2,581	\$ 2,630	\$ 2,680	\$ 2,730	\$ 2,781	\$ 2,832	\$ 2,884	\$ 2,937	\$ 2,989	\$ 3,043	\$ 3,097	\$ 3,151	\$ 3,206	\$ 49,224
County Road	0.5000	\$ 278	\$ 285	\$ 292	\$ 299	\$ 430	\$ 438	\$ 447	\$ 455	\$ 464	\$ 473	\$ 482	\$ 491	\$ 499	\$ 509	\$ 518	\$ 527	\$ 536	\$ 546	\$ 555	\$ 8,525
County Seniors	0.3134	\$ 174	\$ 179	\$ 183	\$ 188	\$ 270	\$ 275	\$ 280	\$ 285	\$ 291	\$ 296	\$ 302	\$ 307	\$ 313	\$ 319	\$ 325	\$ 330	\$ 336	\$ 342	\$ 348	\$ 5,343
Early Childhood	0.2111	\$ 118	\$ 120	\$ 123	\$ 126	\$ 182	\$ 185	\$ 189	\$ 192	\$ 196	\$ 200	\$ 203	\$ 207	\$ 211	\$ 215	\$ 219	\$ 222	\$ 226	\$ 230	\$ 234	\$ 3,599
TWP Alloc	0.3994	\$ 222	\$ 228	\$ 233	\$ 239	\$ 344	\$ 350	\$ 357	\$ 364	\$ 371	\$ 378	\$ 385	\$ 392	\$ 399	\$ 406	\$ 414	\$ 421	\$ 428	\$ 436	\$ 444	\$ 6,810
TWP Fire/Res Op	2.1000	\$ 1,169	\$ 1,198	\$ 1,227	\$ 1,256	\$ 1,806	\$ 1,841	\$ 1,877	\$ 1,913	\$ 1,949	\$ 1,986	\$ 2,023	\$ 2,060	\$ 2,098	\$ 2,136	\$ 2,174	\$ 2,213	\$ 2,253	\$ 2,292	\$ 2,332	\$ 35,804
TWP Fire/Res Eqp	0.5000	\$ 278	\$ 285	\$ 292	\$ 299	\$ 430	\$ 438	\$ 447	\$ 455	\$ 464	\$ 473	\$ 482	\$ 491	\$ 499	\$ 509	\$ 518	\$ 527	\$ 536	\$ 546	\$ 555	\$ 8,525
Library	0.3815	\$ 212	\$ 218	\$ 223	\$ 228	\$ 328	\$ 335	\$ 341	\$ 348	\$ 354	\$ 361	\$ 367	\$ 374	\$ 381	\$ 388	\$ 395	\$ 402	\$ 409	\$ 416	\$ 424	\$ 6,504
BATA	0.4788	\$ 267	\$ 273	\$ 280	\$ 286	\$ 412	\$ 420	\$ 428	\$ 436	\$ 444	\$ 453	\$ 461	\$ 470	\$ 478	\$ 487	\$ 496	\$ 505	\$ 514	\$ 523	\$ 532	\$ 8,163
Local Total	11.6293	\$ 6,474	\$ 6,634	\$ 6,795	\$ 6,958	\$ 10,003	\$ 10,198	\$ 10,395	\$ 10,593	\$ 10,794	\$ 10,997	\$ 11,202	\$ 11,408	\$ 11,617	\$ 11,828	\$ 12,041	\$ 12,257	\$ 12,474	\$ 12,694	\$ 12,915	\$ 198,276
Non-Capturable Millages																					
	Millage Rate																				
Construction Debt	2.2000	\$ 1,225	\$ 1,255	\$ 1,285	\$ 1,316	\$ 1,892	\$ 1,929	\$ 1,966	\$ 2,004	\$ 2,042	\$ 2,080	\$ 2,119	\$ 2,158	\$ 2,198	\$ 2,238	\$ 2,278	\$ 2,319	\$ 2,360	\$ 2,401	\$ 2,443	\$ 37,509
2019 Debt	0.3000	\$ 167	\$ 171	\$ 175	\$ 179	\$ 258	\$ 263	\$ 268	\$ 273	\$ 278	\$ 284	\$ 289	\$ 294	\$ 300	\$ 305	\$ 311	\$ 316	\$ 322	\$ 327	\$ 333	\$ 5,115
TWP Fire Bond	0.4296	\$ 239	\$ 245	\$ 251	\$ 257	\$ 370	\$ 377	\$ 384	\$ 391	\$ 399	\$ 406	\$ 414	\$ 421	\$ 429	\$ 437	\$ 445	\$ 453	\$ 461	\$ 469	\$ 477	\$ 7,325
Total Non-Capturable Taxes	2.5006	\$ 1,392	\$ 1,426	\$ 1,461	\$ 1,496	\$ 2,150	\$ 2,192	\$ 2,235	\$ 2,277	\$ 2,320	\$ 2,364	\$ 2,408	\$ 2,453	\$ 2,497	\$ 2,543	\$ 2,589	\$ 2,635	\$ 2,682	\$ 2,729	\$ 2,776	\$ 42,624
Total Tax Increment Revenue (TIR) Available for Capture		\$ 15,883	\$ 16,275	\$ 16,670	\$ 17,069	\$ 24,540	\$ 25,019	\$ 25,501	\$ 25,989	\$ 26,481	\$ 26,979	\$ 27,481	\$ 27,989	\$ 28,501	\$ 29,019	\$ 29,542	\$ 30,070	\$ 30,603	\$ 31,142	\$ 31,686	\$ 486,439

Footnotes:
 2023 Summer and 2022 Winter Millage Rates

Table 3: Tax Incremental Revenue Reimbursement Allocation
 Bluebird Redevelopment
 102 E. River Street and 101 S. Main Street
 Leland, Michigan
 September 2023

Developer Maximum Reimbursement	Proportionality	School & Local Taxes	Local-Only Taxes	Total
State	59.2%	\$ 218,025	\$ -	\$ 218,025
Local	40.8%	\$ -	\$ 28,750	\$ 28,750
TOTAL				
MSF	0.0%	\$ -	\$ -	\$ -
EGLE	100.0%	\$ 218,025	\$ 28,750	\$ 246,775

Estimated Total Years of Plan: 19

Estimated Capture

BF Plan Implementation/Administrative Fees	\$ 43,529
State Brownfield Redevelopment Fund	\$ 51,149
Local Brownfield Revolving Fund	\$ 144,985

Year of Plan	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	TOTAL
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
Total State Incremental Revenue	\$ 9,409	\$ 9,641	\$ 9,875	\$ 10,112	\$ 14,538	\$ 14,821	\$ 15,107	\$ 15,396	\$ 15,687	\$ 15,982	\$ 16,280	\$ 16,580	\$ 16,884	\$ 17,191	\$ 17,500	\$ 17,813	\$ 18,129	\$ 18,448	\$ 18,770	\$ 288,162
State Brownfield Redevelopment Fund (50% of SET)	\$ (1,670)	\$ (1,711)	\$ (1,753)	\$ (1,795)	\$ (2,580)	\$ (2,631)	\$ (2,681)	\$ (2,733)	\$ (2,785)	\$ (2,837)	\$ (2,890)	\$ (2,943)	\$ (2,997)	\$ (3,051)	\$ (3,106)	\$ (3,162)	\$ (3,218)	\$ (3,275)	\$ (3,332)	\$ (51,149)
BF Plan Implementation Costs	\$ (774)	\$ (793)	\$ (812)	\$ (832)	\$ (1,196)	\$ (1,219)	\$ (1,243)	\$ (1,266)	\$ (1,290)	\$ (1,315)	\$ (1,339)	\$ (1,364)	\$ (1,389)	\$ (1,414)	\$ (1,439)	\$ (1,465)	\$ (1,491)	\$ (1,517)	\$ (1,544)	\$ (23,701)
State TIR Available for Reimbursement	\$ 6,965	\$ 7,137	\$ 7,310	\$ 7,485	\$ 10,761	\$ 10,971	\$ 11,183	\$ 11,397	\$ 11,613	\$ 11,831	\$ 12,051	\$ 12,274	\$ 12,498	\$ 12,725	\$ 12,955	\$ 13,186	\$ 13,420	\$ 13,656	\$ 13,895	\$ 213,312
Total Local Incremental Revenue	\$ 6,474	\$ 6,634	\$ 6,795	\$ 6,958	\$ 10,003	\$ 10,198	\$ 10,395	\$ 10,593	\$ 10,794	\$ 10,997	\$ 11,202	\$ 11,408	\$ 11,617	\$ 11,828	\$ 12,041	\$ 12,257	\$ 12,474	\$ 12,694	\$ 12,915	\$ 198,276
BF Plan Implementation Costs	\$ (647)	\$ (663)	\$ (679)	\$ (696)	\$ (1,000)	\$ (1,020)	\$ (1,039)	\$ (1,059)	\$ (1,079)	\$ (1,100)	\$ (1,120)	\$ (1,141)	\$ (1,162)	\$ (1,183)	\$ (1,204)	\$ (1,226)	\$ (1,247)	\$ (1,269)	\$ (1,292)	\$ (19,828)
Local TIR Available for Reimbursement	\$ 5,827	\$ 5,970	\$ 6,115	\$ 6,262	\$ 9,003	\$ 9,178	\$ 9,355	\$ 9,534	\$ 9,715	\$ 9,897	\$ 10,081	\$ 10,268	\$ 10,456	\$ 10,645	\$ 10,837	\$ 11,031	\$ 11,227	\$ 11,424	\$ 11,624	\$ 178,449
Total State & Local TIR Available	\$ 12,792	\$ 13,107	\$ 13,425	\$ 13,747	\$ 19,764	\$ 20,149	\$ 20,538	\$ 20,931	\$ 21,327	\$ 21,728	\$ 22,132	\$ 22,541	\$ 22,954	\$ 23,371	\$ 23,792	\$ 24,217	\$ 24,647	\$ 25,080	\$ 25,519	\$ 391,760
LCBRA	Beginning Balance																			
LCBRA Reimbursement Balance	\$ 30,000	\$ 4,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EGLE Environmental Costs	\$ 30,000	\$ 30,000	\$ 17,208	\$ 4,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Reimbursement	\$ 17,772	\$ 6,965	\$ 7,137	\$ 4,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,203
Local Tax Reimbursement	\$ 12,228	\$ 5,827	\$ 5,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,797
Total EGLE Reimbursement Balance	\$ 17,208	\$ 4,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Total Annual LCBRA Reimbursement	\$ 12,792	\$ 13,107	\$ 4,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
DEVELOPER	Beginning Balance																			
DEVELOPER Reimbursement Balance	\$ 216,775	\$ 216,775	\$ 207,451	\$ 193,704	\$ 173,940	\$ 153,791	\$ 133,253	\$ 112,322	\$ 90,995	\$ 69,267	\$ 47,135	\$ 24,594	\$ 5,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EGLE Environmental Costs	\$ 188,025	\$ 188,025	\$ 188,025	\$ 188,025	\$ 180,369	\$ 168,330	\$ 151,022	\$ 133,377	\$ 115,391	\$ 97,061	\$ 78,384	\$ 59,356	\$ 39,974	\$ 20,234	\$ 4,019	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Reimbursement	\$ 111,385	\$ -	\$ -	\$ 3,209	\$ 7,485	\$ 10,761	\$ 10,971	\$ 11,183	\$ 11,397	\$ 11,613	\$ 11,831	\$ 12,051	\$ 12,274	\$ 8,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Reimbursement	\$ 76,640	\$ -	\$ -	\$ 4,447	\$ 4,354	\$ 6,547	\$ 6,674	\$ 6,803	\$ 6,933	\$ 7,065	\$ 7,197	\$ 7,331	\$ 7,467	\$ 7,603	\$ 4,019	\$ -	\$ -	\$ -	\$ -	\$ -
Total EGLE Reimbursement Balance	\$ 188,025	\$ 188,025	\$ 180,369	\$ 168,330	\$ 151,022	\$ 133,377	\$ 115,391	\$ 97,061	\$ 78,384	\$ 59,356	\$ 39,974	\$ 20,234	\$ 4,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,025
Local Only Costs	\$ 28,750	\$ 28,750	\$ 28,750	\$ 28,750	\$ 27,082	\$ 25,374	\$ 22,918	\$ 20,414	\$ 17,862	\$ 15,261	\$ 12,611	\$ 9,911	\$ 7,161	\$ 4,360	\$ 1,508	\$ -	\$ -	\$ -	\$ -	\$ -
Local Tax Reimbursement	\$ 28,750	\$ -	\$ -	\$ 1,668	\$ 1,708	\$ 2,456	\$ 2,504	\$ 2,552	\$ 2,601	\$ 2,650	\$ 2,700	\$ 2,750	\$ 2,801	\$ 2,852	\$ 1,508	\$ -	\$ -	\$ -	\$ -	\$ -
Total Local Only Reimbursement Balance	\$ 28,750	\$ 28,750	\$ 27,082	\$ 25,374	\$ 22,918	\$ 20,414	\$ 17,862	\$ 15,261	\$ 12,611	\$ 9,911	\$ 7,161	\$ 4,360	\$ 1,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,750
Total Annual Developer Reimbursement	\$ -	\$ -	\$ 9,324	\$ 13,747	\$ 19,764	\$ 20,149	\$ 20,538	\$ 20,931	\$ 21,327	\$ 21,728	\$ 22,132	\$ 22,541	\$ 19,066	\$ 5,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,775
LOCAL BROWNFIELD REVOLVING FUN	Beginning Balance																			
LBRF Deposits *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Tax Capture	\$ 129,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,888	\$ 12,725	\$ 12,955	\$ 13,186	\$ 13,420	\$ 13,656	\$ 13,895
Local Tax Capture	\$ 117,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,118	\$ 10,837	\$ 11,031	\$ 11,227	\$ 11,424	\$ 11,624
Total LBRF Capture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,888	\$ 17,843	\$ 23,792	\$ 24,217	\$ 24,647	\$ 25,080	\$ 25,519

* Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from EGLE & Local TIR only.

Footnotes:
 BF Plan implementation costs calculated as 10% of eligible TIR. May be taken from State and Local TIR.

Appendix 1

Brownfield Plan Resolution(s)

Appendix 2

Development/Reimbursement Agreement

Appendix 3

Notice to Taxing Jurisdictions

Appendix 4

Notice of Public Hearing

Appendix 5

Functional Obsolescence Designation

March 22, 2023

Leelanau County Brownfield Redevelopment Authority
Attention: Trudy Galla, Planning Director
Subject: The Bluebird of Leland

Dear Trudy:

A recent inspection and owner interview of the subject property known as the Bluebird of Leland, has resulted in the following observations concerning the functional and economic obsolescence of this building:

The original building has been added on to multiple times over many years which has resulted in a large rambling footprint that has become increasingly inefficient to operate as well as difficult to staff. Parts of the restaurant are not ADA compliant including the restrooms. The mechanical systems need replacement as well plumbing and water systems. The walk-in coolers and freezers, which are between 40-50 years old, are at the end of their economic lives and need replacement. The flat roof is leaking in several areas requiring either repair or possibly replacement. The building is poorly insulated which makes it inefficient and increasingly expensive to heat and cool. Most of the windows are uninsulated adding to the energy inefficiency and costs.

It is my opinion that this building is at the end of its economic life and that the cost to cure the known deficiencies would be excessive. The 2023 parcel record card lists an overall average age of 50 years resulting in a percent good of 35% and a depreciation of 65%, rendering the building functionally obsolete as defined in section 2(u) of the Brownfield Redevelopment Financing Act, Act 381 of 1996.

The subject property is located at 102 E River Street in Leland, Leelanau County, Michigan. The parcel number is 009-750-120-00.

Sincerely,



Julie Krombeen, MAAO 3
Certificate Number R-7403
Leland Township Assessor
Leelanau County, Michigan