



ADA TOWNSHIP BROWNFIELD REDEVELOPMENT AUTHORITY BOARD
Monday, November 2, 2020 Special Meeting
8:00 A.M.

PURSUANT TO PUBLIC ACT 228 OF 2020, IN ORDER TO PROTECT THE PUBLIC HEALTH, THIS MEETING WILL BE CONDUCTED VIA ELECTRONIC COMMUNICATIONS. ANY MEMBER OF THE PUBLIC WISHING TO LISTEN AND/OR WATCH THE PROCEEDINGS OR PROVIDE PUBLIC COMMENT MAY DO SO BY USING THE FOLLOWING INTERNET CONNECTION OR PHONE NUMBER, MEETING ID NUMBER AND PASSCODE:

Click link to join videoconference:
<https://us02web.zoom.us/j/83472456117>

Meeting ID: 834 7245 6117
Passcode: 807944

One tap mobile
+13017158592,,83472456117#,,,,,0#,,807944# or
+13126266799,,83472456117#,,,,,0#,,807944#

Dial-in phone audio:
+1 301 715 8592 or
+1 312 626 6799

Meeting ID: 834 7245 6117
Passcode: 807944

AGENDA

1. Call to Order/Roll Call
2. Consider Approval of Amendment to Brownfield Reimbursement Agreement with Geld, LLC, to Reduce Interest Rate on Unreimbursed Balance from 4% to 2%, Effective November 1, 2020.
3. Public Comment
4. Adjournment



MEMORANDUM

Date: 10/28/20

TO: Brownfield Redevelopment Authority Board
FROM: Jim Ferro, Planning Director
RE: Proposed Amendment to Brownfield Reimbursement Agreement with Geld, LLC Reimbursement

Following our outreach regarding the subject, Geld, LLC has agreed to amend the Brownfield Reimbursement Agreement to reduce the interest rate paid to Geld by the Authority on the unreimbursed balance from 4%/year to 2%/year.

Attached are projections of future tax base growth, reimbursement amounts and accrued interest based on buildout of redevelopment projects that are either already under construction or have zoning approval. The projections show potential savings of about \$30,000 in interest over the remaining reimbursement timeframe as a result of the reduced interest rate.

Approval of the attached Amendment to Brownfield Reimbursement Agreement is recommended.

PROJECTED REIMBURSEMENT SCHEDULE - INTEREST RATE REDUCED TO 2%/YR. BEGINNING AFTER OCTOBER, 2020 REIMBURSEMENT

	Actual	Actual	Actual	Actual	Estimated	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Interest Rate	4%	4%	4%	4%	2%	2%	2%	2%	2%	2%	2%	2%	
Projected Tax Increment Growth Rate						7.1%	7.1%	19.3%	19.3%	7.8%	7.8%	0%	Total Interest Payments
Tax Year	2018	2019		2020		2021		2022		2023		2024	
Reimbursement Date	Mar-19	Oct-19	Mar-20	Oct-20	Mar-21	Oct-21	Mar-22	Oct-22	Mar-23	Oct-23	Mar-24	Oct-24	
Beginning Balance	\$927,985.40	\$866,899.05	\$793,237.18	\$784,792.84	\$667,087.43	\$638,122.40	\$501,630.86	\$468,481.12	\$302,718.72	\$260,213.81	\$79,073.86	\$30,780.99	
Reimbursement	\$61,086.35	\$90,999.85	\$24,309.08	\$133,401.27	\$35,635.91	\$142,872.76	\$38,166.06	\$170,447.20	\$45,532.10	\$183,742.08	\$49,083.61	\$183,742.08	
Interest for prior 6 months	\$-	\$17,337.98	\$15,864.74	\$15,695.86	\$6,670.87	\$6,381.22	\$5,016.31	\$4,684.81	\$3,027.19	\$2,602.14	\$790.74	\$307.81	\$78,379.67
Ending Balance	\$866,899.05	\$793,237.18	\$784,792.84	\$667,087.43	\$638,122.40	\$501,630.86	\$468,481.12	\$302,718.72	\$260,213.81	\$79,073.86	\$30,780.99	\$(152,653.28)	

PROJECTED REIMBURSEMENT SCHEDULE - INTEREST AT 4%/YR.

	Actual	Actual	Actual	Actual	Estimated	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Interest Rate	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	
Projected Tax Increment Growth Rate						7.1%	7.1%	19.3%	19.3%	7.8%	7.8%	0%	Total Interest Payments
Tax Year	2018	2019		2020		2021		2022		2023		2024	
Reimbursement Date	Mar-19	Oct-19	Mar-20	Oct-20	Mar-21	Oct-21	Mar-22	Oct-22	Mar-23	Oct-23	Mar-24	Oct-24	
Beginning Balance	\$927,985.40	\$866,899.05	\$793,237.18	\$784,792.84	\$667,087.43	\$644,793.27	\$514,816.38	\$486,946.65	\$326,238.38	\$287,231.04	\$109,233.58	\$62,334.64	
Reimbursement	\$61,086.35	\$90,999.85	\$24,309.08	\$133,401.27	\$35,635.91	\$142,872.76	\$38,166.06	\$170,447.20	\$45,532.10	\$183,742.08	\$49,083.61	\$183,742.08	
Interest for prior 6 months	\$-	\$17,337.98	\$15,864.74	\$15,695.86	\$13,341.75	\$12,895.87	\$10,296.33	\$9,738.93	\$6,524.77	\$5,744.62	\$2,184.67	\$1,246.69	\$110,872.21
Ending Balance	\$866,899.05	\$793,237.18	\$784,792.84	\$667,087.43	\$644,793.27	\$514,816.38	\$486,946.65	\$326,238.38	\$287,231.04	\$109,233.58	\$62,334.64	\$(120,160.75)	

Projected Reduction in Interest payments:

\$ 32,492.54

Projections of Future Tax Capture Growth:

Taxable Value per SF of floor space, existing buildings:

	Taxable Value	SF floor area	Taxable/SF
B-2	\$ 1,600,000	22848	\$ 70.03
B-3	\$ 504,700	8532	\$ 59.15
A-7	\$ 1,720,000	25237	\$ 68.15

Assume for new construction: \$ 65.00 /sf

2020 Total Captured Value: \$ 11.71 million

Tax Year	Total SF	Total Taxable Value@\$65/sf	Added value by tax year					
			2021		2022		2023	
			% completed	Added Value	% completed	Added Value	% completed	Added Value
B-5	19337	\$ 1,256,905	50%	\$ 628,453	50%	\$ 628,453		
B-6	12660	\$ 822,900	25%	\$ 205,725	75%	\$ 617,175		
Hotel	36140	\$ 2,349,100			50%	\$ 1,174,550	50%	\$ 1,174,550
Total added value by year				\$ 834,178		\$ 2,420,178		\$ 1,174,550
2020 Captured Value				\$ 11,711,000.00				
Total captured Value by year:				\$ 12,545,177.50		\$ 14,965,355.00		\$ 16,139,905.00
% increase from prior year:				7.1%		19.3%		7.8%

**First Amendment to
Brownfield Reimbursement Agreement**

The Ada Township Brownfield Redevelopment Authority (“Authority”) and Geld LLC (“Developer”) agree:

1. **Acknowledged Facts.** The Authority and the Developer entered into a Brownfield Reimbursement Agreement dated March 13, 2018 the “Agreement”). The parties now wish to amend the interest rate applicable to certain payments made under that Agreement.

2. **Interest Rate.** Effective November 1, 2020, 1) the annual interest rate under section 6(d) of the Agreement will be 2% instead of 4% per year, and 2) the annual interest rate specified in item 8 of Exhibit B to the Agreement will be 2% instead of 4%.

3. **General.** All terms of the Agreement remain in effect except as modified by this Amendment. This Amendment contains the entire agreement between the parties with respect to its subject matter and may be amended only in writing signed by both parties.

ADA TOWNSHIP BROWNFIELD
REDEVELOPMENT AUTHORITY

By: _____
Print Name: _____
Title: _____
Address: 7330 Thornapple River Drive
Ada, Michigan 49301
Date: _____

GELD LLC

By: _____
Print Name: _____
Title: _____
Address: 7575 E. Fulton
Ada, Michigan 49355-0001
Date: _____