

Funding

- Total projected project cost: \$16.9 million.
- MCC to guarantee a loan for \$4.7 million, invest approximately \$5.8 million of equity.
- New Market Tax Credits are being secured.
- Michigan Economic Development Corporation is committed to help fund this project. State funding is dependent on local participation.
- May seek funding from Environment, Great Lakes, and Energy (EGLE) which is the former MDEQ, to address the possible site remediation.
- When the purchase and development agreement was approved in September 2018, it was known that two tax abatements would be requested to make the project viable.
- Taxes paid for first 15 years is estimated at \$1,505,000. Value of tax abatements for all taxing units is \$1,192,800 for first 15 years.

Of the above numbers, City taxes paid for the first 15 years is \$401,200. Value of tax abatements for first 15 years is \$339,600.

After 15 years, full taxes to be received for the life of the building.

- MCC has paid \$65,000 into escrow which will be used toward the purchase price of the land.
- Purchase price for the land in the agreement is \$360,000 and is being requested to be reduced to \$65,000 since tax abatements are 50% instead of 100% as originally assumed.
- Project is expected to have less than a 1% annual rate of return, which is acceptable to this developer due to their focus on mission-driven projects as opposed to maximizing profit potential.

Parking

- Approximately 50 on-site parking spots.
- MCC is requesting that City Parking Lot 12 at Oak and Broadway (64 spaces) and the City Hall Parking Lot (104 spaces) will remain public parking and overnight parking for an extended period of time.
- Broadway Street has 27 on street parking spaces between the railroad tracks and Pine Street, which can be used to address parking needs.