

CITY OF MUSKEGON

DOWNTOWN DEVELOPMENT AUTHORITY/BROWNFIELD REDEVELOPMENT AUTHORITY MEETING

July 14, 2026 @ 10:30 AM

CONFERENCE ROOM 204

933 TERRACE STREET, MUSKEGON, MI 49440

AGENDA

- ☐ **CALL TO ORDER:**
- ☐ **APPROVAL OF MINUTES:**
 - I. June 30, 2026 DDA/BRA Meeting Minutes Economic Development
- ☐ **ROLL CALL:**
- ☐ **PUBLIC COMMENT ON AGENDA ITEMS:**
- ☐ **PUBLIC HEARINGS:**
- ☐ **NEW BUSINESS:**
 - I. BRA: Development and Reimbursement Agreement for 221 W. Webster, LLC — 221 W. Webster Ave & 1040 2nd St. Economic Development
 - II. BRA: Brownfield 101 Presentation Economic Development
 - III. BRA: Former Mall Tax Capture Discussion Economic Development
 - IV. DDA: TIFA 1 Capture Economic Development
 - V. DDA: Acceptance of Financial Report for June 30, 2026 Economic Development
- ☐ **ANY OTHER BUSINESS:**
- ☐ **ADJOURNMENT:**

AMERICAN DISABILITY ACT POLICY FOR ACCESS TO OPEN MEETINGS OF THE CITY OF

MUSKEGON AND ANY OF ITS COMMITTEES OR SUBCOMMITTEES

To give comment on a live-streamed meeting the city will provide a call-in telephone number to the public to be able to call and give comment. For a public meeting that is not live-streamed, and which a citizen would like to watch and give comment, they must contact the City Clerk's Office with at least a two-business day notice. The participant will then receive a zoom link which will allow them to watch live and give comment. Contact information is below. For more details, please visit: www.shorelinecity.com

The City of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting with twenty-four (24) hours' notice to the City of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the City of Muskegon by writing or by calling the following:

Ann Marie Meisch, MMC. City Clerk. 933 Terrace St. Muskegon, MI 49440. (231)724-6705.
clerk@shorelinecity.com

CITY OF MUSKEGON

DOWNTOWN DEVELOPMENT AUTHORITY/BROWNFIELD REDEVELOPMENT AUTHORITY MEETING

June 9, 2026 @ 10:30 AM

CONFERENCE ROOM 204

933 TERRACE STREET, MUSKEGON, MI 49440

MINUTES

AGENDA

CALL TO ORDER

M. Bottomley called the meeting to order at 10:33 and roll was taken.

ROLL CALL

MEMBERS PRESENT: Martha Bottomley, Kiel Reid, Bob Tarrant, Sherri Black, Michael Kleaveland, James Curtis, Brad Hastings, Jeanette moore, Jonathan Seyferth, JoAnn Dornbos, Chad Doane, Kathyne Lynnes

MEMBERS ABSENT:

MEMBERS EXCUSED: Andrew Boyd

STAFF PRESENT: J. Hines, J. Eckholm, W. Webster

OTHERS PRESENT: Russell Galumba, American Fabricators

APPROVAL OF MINUTES

I. May 12, 2026 DDA/BRA Meeting Minutes Economic Development

A motion to May 12, 2026 DDA/BRA Meeting Minutes was made by B. Hastings,

supported by C. Doane, and all in favor.

PUBLIC COMMENT ON AGENDA ITEMS

None

PUBLIC HEARINGS

None

NEW BUSINESS

I. BRA: Request for Reimbursement — 221 W. Webster Ave. & 1040 2nd Street Economic Development

Core Plaza, the former Huntington Bank building located at 221 W. Webster Avenue and 1040 2nd Street, has been redeveloped into a multi-tenant commercial facility. The project transformed a long-vacant property into approximately 42,888 square feet of restored commercial space consisting of restaurants, retail establishments, and office suites. Construction commenced in 2021 and was completed in 2025, with a total private investment of approximately \$10 million.

The request for reimbursement was submitted on March 31, 2026. The Brownfield Plan Amendment was approved by both the Brownfield Redevelopment Authority (BRA) and the City Commission on April 8, 2025. In accordance with Act 381, Public Acts of Michigan, 1996, as amended, the BRA is responsible for reviewing and approving reimbursement requests associated with eligible brownfield activities.

Coalition Companies (Jeff Salowitz) and City staff have reviewed the submitted invoices and determined that they accurately reflect the eligible activities authorized under the Brownfield Plan. While actual eligible expenses exceeded the approved amount, reimbursement is limited to the \$838,500 authorized in the Brownfield Plan. This amount consists of \$27,500 in EGLE-eligible activities, \$252,000 in MEDC-eligible activities, and \$559,000 in local-only eligible activities.

Reimbursement will occur through the capture of tax increment revenues as they become available over the life of the plan.

Upon completion of all reimbursements, the Local Brownfield Revolving Fund (LBRF) is projected to receive approximately \$306,814 by 2048.

Motion by K. Reid, second by J. Moore, to approve the request for reimbursement submitted by 221 W. Webster Ave. for eligible activities.

ROLL VOTE: Ayes: J. Curtis, M. Kleaveland, K. Reid, K. Lynnes, B. Tarrant, B. Hastings, M. Bottomley, S. Black, J. Moore, C. Doane, J. Dornbos, J. Seyferth
Nays: None

MOTION PASSES

II. BRA: Brownfield Plan Amendment for American Fabricated Products — 331 W. Laketon Ave. Economic Development

American Fabricated Products, Inc. (American Fab) has submitted a request for a Brownfield Plan Amendment for the property located at 331 W. Laketon Avenue. The Brownfield Plan Amendment will facilitate the redevelopment of the former Intra City Dispatch facility by enabling the use of tax increment financing (TIF) to reimburse the developer for eligible environmental and site redevelopment activities associated with the creation of a new industrial facility.

The former Intra City Dispatch facility will be rehabilitated and occupied by American Fab, a West Michigan-based manufacturer specializing in advanced metal fabrication, precision machining, laser cutting, CNC machining, welding, robotic welding, metal forming, assembly, and prototype-to-production manufacturing services. The company serves a diverse customer base across the defense, automotive, furniture, industrial, logistics and warehousing, agricultural, medical, and food service industries. American Fab supports both original equipment manufacturers (OEMs) and their suppliers and is a supplier to prime and subcontract defense contractors, manufacturing components for military defense vehicles.

The relocation and expansion of American Fab's operations to the City of Muskegon will retain 30 existing jobs and create an additional 22 jobs. The total project investment is estimated at \$650,000.

The Brownfield Plan Amendment includes \$75,202 in developer-eligible activities, consisting of \$63,702 in pre-approved activities and \$11,500 for Brownfield Plan Amendment preparation. In addition, the plan includes \$10,673 in Brownfield Redevelopment Authority administrative costs and \$75,202 for the Local Brownfield Revolving Fund (LBRF).

The reimbursement period is anticipated to remain in effect through 2045, with the collection of tax increment revenues beginning in 2039. The duration of the reimbursement period may be adjusted pending approval of the Industrial Facilities Exemption Certificate.

K. Reid shared concerns about subsidizing them with taxpayer dollars, school funds, blight, etc.

J. Eckholm provided further clarification - schools are held harmless both local and state. The state reimburses schools for loss revenue on a state captured Brownfield school aid fund. Schools immediately benefit from new taxable value, Brownfield or not.

J. Seyferth also added Further clarification - As a Brownfield group, we make environment conducive for business growth within the city. Brownfields are set up to do exactly what this business is asking. It is going to get a building reactivated that exists for manufacturing purposes. We need to use the limited tools we have to invite investments in our city. This will bring in more income tax from both an industrial standpoint that we don't currently get in addition to the businesses that are there. We will be getting a tax break for a period of time, but when that expires, we will be receiving full freight.

Motion by B. Tarrant, second by C. Doane, to approve the resolution for the Brownfield Plan Amendment located at 331 W. Laketon Ave. and further request staff to set a public hearing before the City Commission to consider adoption of the plan.

ROLL VOTE: Ayes: J. Curtis, M. Kleaveland, K. Lynnes, B. Tarrant, B. Hastings, M. Bottomley, S. Black, J. Moore, C. Doane, J. Dornbos, J. Seyferth
Nays: K. Reid

MOTION PASSES

III. BRA: Development and Reimbursement Agreement for American Fabricated Products, INC.—331 W. Laketon Ave. Economic Development

American Fabricated Products, Inc. (American Fab) is requesting approval of a Development and Reimbursement Agreement for the property located at 331 W. Laketon Avenue.

The former Intra City Dispatch facility was acquired by AFP Real Estate, LLC to facilitate the relocation and expansion of American Fab's operations from Spring Lake to the City of Muskegon. American Fab is a West Michigan-based manufacturer specializing in advanced metal fabrication, precision machining, laser cutting, CNC machining, welding, robotic welding, metal forming,

assembly, and prototype-to-production manufacturing services. The company serves a diverse customer base across the defense, automotive, furniture, industrial, logistics and warehousing, agricultural, medical, and food service industries. American Fab supports both original equipment manufacturers (OEMs) and their suppliers and is a supplier to prime and subcontract defense contractors, manufacturing components for military defense vehicles.

The Brownfield Plan is anticipated to remain in effect through 2048, or until all eligible activities have been reimbursed, whichever occurs first. The duration of the reimbursement period may be impacted by the approval of an Industrial Facilities Exemption Certificate, which is scheduled for City Commission consideration on June 9, 2026.

The Brownfield Plan Amendment is scheduled for consideration by the Brownfield Redevelopment Authority (BRA) at its June 9, 2026 meeting. Upon approval of the Development and Reimbursement Agreement by the BRA, staff will forward a recommendation to the City Commission for consideration at its June 23, 2026 meeting.

The Development and Reimbursement Agreement complements the Brownfield Plan by establishing the specific terms, conditions, and procedures for reimbursement, including the timeline for repayment of eligible activities through tax increment financing (TIF) revenues.

Motion by J. Seyferth, second by J. Moore to approve the Development and Reimbursement Agreement for the approved Brownfield Plan for American Fabricated Products, INC (331 W. Laketon Ave.) as presented..

ROLL VOTE: Ayes: J. Curtis, M. Kleaveland, K. Reid, K. Lynnes, B. Tarrant, B. Hastings, M. Bottomley, S. Black, J. Moore, C. Doane, J. Dornbos, J. Seyferth
Nays: None

MOTION PASSES

IV. DDA: Acceptance of Financial Report for May 31, 2026 Economic Development

City staff requests approval of the financial report for the period ending May 31, 2026. The current projected fund balance is \$454,964.56.

Significant revenues for May included \$5,506 in tax increment revenues generated from captured taxes associated with tax incentive properties. Significant expenses for the month included staffing costs, chalet rent, and the Barry's Greenhouse contract.

Motion by K. Reid, second by B. Hastings, to approve the May 31, 2026, financial report as presented..

ROLL VOTE: Ayes: J. Curtis, M. Kleaveland, K. Reid, K. Lynnes, B. Tarrant, B. Hastings, M. Bottomley, S. Black, J. Moore, C. Doane, J. Dornbos, J. Seyferth
Nays: None

MOTION PASSES

V. DDA: Approval of 2026-2027 Budget Economic Development

Staff reviewed historical revenues, expenditures, and operational costs in developing the attached FY 2026–2027 budget. As part of this review, staff also evaluated sponsorship expenditures from recent fiscal years.

FY 2023–2024 Sponsorships: \$22,800

- Lakeshore Legacy Project (downtown holiday lights)
- Parties in the Park
- Haybales
- MMA Festival of Trees

FY 2025–2026 Sponsorships: \$41,623.69

- Pitch Competition with Muskegon Innovation Hub
- Chalet Workshops
- Chalet Rentals
- Parties in the Park
- Haybales
- Michigan Makers Market (Girlfriends Getaway Weekend)
- Lakeshore Legacy Project (downtown holiday lights)

- Snowflakes

FY 2026–2027 Proposed Sponsorships: \$33,924

- Michigan Makers Market (Girlfriends Getaway Weekend)
- Haybales
- Lakeshore Legacy Project (downtown holiday lights)
- Snowflakes
- Chalet Rentals
- Chalet Workshops

As the Board considers future sponsorship requests, it is important to recognize that increases in sponsorship funding reduce the resources available for other DDA priorities, including marketing, consulting services, strategic planning initiatives, and other economic development activities. Staff encourages the Board to consider sponsorship requests within the context of the DDA's overall goals, available resources, and long-term financial sustainability.

Motion by J. Seyferth, second by C. Doane, to approve the 2026-2027 budget as presented.

ROLL VOTE: Ayes: J. Curtis, M. Kleaveland, K. Reid, K. Lynnes, B. Tarrant, B. Hastings, M. Bottomley, S. Black, J. Moore, C. Doane, J. Dornbos, J. Seyferth
Nays: None

MOTION PASSES

ANY OTHER BUSINESS

J. Hines updated the board on downtown projects. Lakeview Lofts, Element by Marriott, Harbor 31 and Muskegon Lakeshore Chamber of Commerce Ambassador Program

I. BRA CLOSED SESSION: TIF Capture Economic Development

M. Bottomly made a motion to go into closed session at 10:58 to consider material exempt from discussion or disclosure, under state or federal statute, as an attorney/client communication. Supported by J. Moore

ROLL VOTE: Ayes: J. Curtis, M. Kleaveland, K. Reid, K. Lynnes, B. Tarrant, B. Hastings, M. Bottomley, S. Black, J. Moore, C. Doane, J. Dornbos, J.

Seyferth
Nays: None

MOTION
PASSES

J. Seyferth made a motion to come out of closed session at 11:37. Supported by B. Tarrant. All in favor.

B. Tarrant made a motion to accept the recommendation in the city staff letter regarding the Muskegon Mall Brownfield Plan. Second by C. Doane.

ROLL VOTE: Ayes: J. Curtis, M. Kleaveland, K. Lynnes, B. Tarrant, B. Hastings, M. Bottomley, J. Moore, C. Doane, J. Dornbos, J. Seyferth
Nays: None

MOTION
PASSES

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:52.

Respectfully Submitted,

Ann Marie Meisch, MMC City Clerk



Agenda Item Review Form

Muskegon Downtown Development Authority/Brownfield Redevelopment Authority

Commission Meeting Date: July 14, 2026	Title: BRA: Development and Reimbursement Agreement for 221 W. Webster, LLC — 221 W. Webster Ave & 1040 2nd St.							
Submitted by: Jocelyn Hines, Development Analyst	Department: Economic Development							
Brief Summary: 221 W. Webster, LLC is seeking approval of the development and reimbursement agreement for 221 W. Webster Ave. & 1040 2nd St.								
Detailed Summary & Background: The Development and Reimbursement Agreement between the Brownfield Redevelopment Authority (BRA), the City of Muskegon, and the developer extends through 2048, or until all eligible activities have been reimbursed through tax increment financing (TIF) capture, whichever occurs first. The Brownfield Plan Amendment was approved by the BRA and City Commission on April 8, 2025. The Development and Reimbursement Agreement complements the Brownfield Plan Amendment by defining the specific terms, conditions, and timeline for reimbursement. The first reimbursement request was approved by the BRA at its June 9, 2026 meeting; however, it was subsequently discovered that a Development and Reimbursement Agreement had not been presented for approval. Pursuant to the Brownfield Plan and the terms governing reimbursement, tax increment reimbursements cannot be made until the Development and Reimbursement Agreement has been duly approved and executed.								
Goal/Action Item: 2027 Goal 2: Economic Development Housing and Business								
Is this a repeat item?: Explain what change has been made to justify bringing it back to Commission:								
Amount Requested: N/A	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;">X</td> <td style="width: 12.5%;"></td> </tr> </table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;">X</td> <td style="width: 12.5%;"></td> </tr> </table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Recommended Motion:								

I move to approve the Development and Reimbursement Agreement for the approved Brownfield Plan for 221 W. Webster, LLC (221 W. Webster Ave & 1040 2nd St.) as presented.

Approvals:

Immediate Division Head	X	
Information Technology		
Other Division Heads		
Communication		
Legal Review	X	

Name the Policy/Ordinance Followed:

Public Act 381 of 1996, as amended

DEVELOPMENT AND REIMBURSEMENT AGREEMENT

THIS DEVELOPMENT AND REIMBURSEMENT AGREEMENT (the "Agreement"), is entered into on ____, 2026, between the **CITY OF MUSKEGON BROWNFIELD REDEVELOPMENT AUTHORITY**, a Michigan public body corporate established pursuant to Act 381 of the Public Acts of 1996, as amended, MCL 125.2651 et seq. ("Act 381"), whose address is 933 Terrace Street, Muskegon, Michigan 49440 (the "Authority"), and **221 W WEBSTER, LLC** a Michigan limited liability company, whose address is P.O. Box 1485, Muskegon, MI 49443 (the "Developer").

RECITALS

- A. The Authority was created by the City of Muskegon (the "City") pursuant to the Brownfield Redevelopment Financing Act, Act 381 of the Public Acts of Michigan of 1996, as amended ("Act 381"). Pursuant to Act 381, the Authority has prepared a Brownfield Plan, which was duly approved by the City of Muskegon Board of Commissioners (the "Brownfield Plan").
- B. The Developer owns approximately 2.2 acres of property in the City of Muskegon at street addresses 221 West Webster Avenue, and 1040 2nd Street, Muskegon, Muskegon County, Michigan (the "Property"), which is legally described in the attached Brownfield Plan Amendment (the "Plan Amendment") attached as Exhibit A, and which is a "facility" as defined in Act 381.
- C. The Plan Amendment was recommended for approval by the MBRA on April 8, 2025, and approved by the City of Muskegon Board of Commissioners on April 8, 2025.
- D. The Developer proposes renovating the existing structure into a multi-suite commercial structure. Once the redevelopment is completed, the building will consist of approximately 42,888 square feet of restored commercial spaces. The Project will have the effect of assisting in the redevelopment of the Property, increasing the tax base, creating jobs, otherwise enhancing the economic vitality and quality of life in the County.
- E. Act 381 permits the Authority to capture and use the property tax revenues generated from the incremental increase in property value of a redeveloped brownfield site constituting an "eligible property" under Act 381 to pay or to reimburse the payment of costs of conducting activities that meet the requirements under Act 381 of "eligible activities" (hereinafter the "Eligible Costs").
- F. By undertaking the Project, the Developer incurred and will incur Eligible Costs, which include costs associated with pre-approved environmental due diligence activities, selective demolition, asbestos abatement, and Plan Amendment preparation and development, all as defined in the Plan Amendment.
- G. The Authority has incurred and will incur certain eligible administrative expenses associated with the Plan Amendment (the "Administrative Costs"), for which it seeks reimbursement from Local Tax Increment Revenue ("Local TIR") and pre-approved State TIR, including Plan Amendment implementation.

- H. Following reimbursement of all amounts due the Developer and all amounts payable to the Authority as Administrative Costs from applicable Local TIR and pre-approved State TIR (as defined below), additional tax increment revenues will be deposited into the local brownfield revolving fund for up to five full years, which is in accordance with Section 13(5) of Act 381, which limits such deposits to be made for no more than five years after the time that capture is required to pay the Eligible Costs.
- I. In accordance with Act 381 and subject to the terms of this Agreement, the parties desire to use the Local TIR, and pre-approved State TIR, that are generated from an increase in the taxable value of the real and personal property resulting from the redevelopment of the Property to which the Authority is entitled to receive (the "Tax Increment Revenues") to reimburse the Developer for the Eligible Costs, to pay the Authority for Administrative Costs and to fund a local brownfield revolving fund pursuant to Act 381.
- J. The parties are entering into this Agreement to establish the procedure for such reimbursement and funding.

Terms and Conditions

Therefore, in exchange for the consideration in, and referred to, by this Agreement, the parties agree as follows:

1. **Capture of Taxes:** During the Term of this Agreement, the Authority shall capture only those Tax Increment Revenues that are lawfully eligible for capture under Act 381 and that are specifically authorized for capture in the Brownfield Plan and any approved Plan Amendment for the Property and use those Tax Increment Revenues provided in this Agreement.

2. **Submission of Costs:** For those Eligible Costs for which the Developer seeks reimbursement from the Authority, the Developer shall submit to the Authority:

- (a) a written statement detailing the costs;
- (b) a written explanation as to why they are Eligible Costs;
- (c) copies of invoices and proof of payment from contractors, engineers or others who provided such service, or, for the Developer's personnel for whose services reimbursement is being sought, detailed time records showing the work performed by such individuals; and
- (d) copy of occupancy permit
- (e) copies of the required local building permits, inspection reports, and any other information which may be required by the Authority or its auditors.

3. **Payments:**

- a. The Tax Increment Revenues received by the Authority shall be paid to the Developer to reimburse it for Eligible Costs actually paid by the Developer. Local TIR generated from the Property shall first be retained by the Authority in an amount equal to 10% of the annual Tax Increment Revenues up to the maximum amount allowed annually for Administrative Costs under Act 381 for all Authority projects. After retention of such Local TIR, Tax Increment Revenues shall be used to reimburse the Developer for Eligible Costs, *provided, however*, if Developer has not paid any applicable professional fees and costs (legal, environmental, etc.) incurred by the Authority related to Developer's request to use Project Tax Increment Revenues to reimburse it for Eligible Costs within 30 days of being invoiced for such costs, the Authority is authorized to pay such costs from Project Tax Increment Revenues before such Project Tax Increment

Revenues are used to reimburse Developer. The amount of Project Tax Increment Revenues used to pay such costs shall be subtracted from Developer total Eligible Costs and Developer shall not be entitled to reimbursement of such amount. The Authority shall have no obligation to reimburse the Developer for Eligible Costs from Tax Increment Revenues captured and received by the Authority after the 20-year Developer reimbursement period. Tax Increment Revenues shall be distributed according to the Cost Table included as Exhibit B.

- b. Unless the Authority disputes whether such costs are Eligible Costs or the accuracy of such costs, the Authority shall, after review by an Authority Board member or the City Economic Development Coordinator and approval by the Authority Board, pay to the Developer the amounts for which submissions have been made pursuant to Section 2 of this Agreement within 30 days after the Authority Board has approved such payment provided Tax Increment Revenues have been received from which the submission may be wholly or partially paid and provided, further, an occupancy permit shall have been issued for those portions of the Project for which there are Eligible Costs. Developer shall cooperate with the Authority's review of its Request for Reimbursement by providing supplemental information and documentation which may be reasonably requested by the Authority. If a partial payment is made by the Authority because of insufficient Tax Increment Revenues, the Authority shall make additional payments toward the remaining amount within 30 days of its receipt of additional Tax Increment Revenues until all of the amounts, for which submissions have been made, have been fully paid to the Developer or to December 31, 2044, whichever occurs first.
- c. **Adjustments:** If, due to an appeal of any tax assessment or reassessment of any portion of the Property or for any other reason, including but not limited to fraud, misrepresentation, use of funds for ineligible costs, failure to complete the Project as approved, the Authority is required to reimburse any Tax Increment Revenues to the County, City, or any other tax levying unit of government, the Authority may deduct the amount of any such reimbursement, including interest and penalties, from any amounts due and owing the Developer. If all amounts due the Developer under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to the Developer, the Authority shall invoice the Developer for the

amount of such reimbursement and the Developer shall pay the Authority such invoiced amount within 30 days of the Developer's receipt of the invoice. Amounts invoiced and paid to the Authority by the Developer pursuant to this paragraph shall be reinstated as Eligible Costs for which the Developer shall have the opportunity to be reimbursed in accordance with the terms, conditions and limitations of this Agreement. Nothing in this Agreement shall limit the right of the Developer to appeal any tax assessment.

4. **Reporting.**

a. The Developer shall provide to the Authority, within 30 days after the Project receives an occupancy permit, and annually thereafter no later than May 1 of each year during the Term of reimbursement under this Agreement, a report of the following, as applicable, for the preceding calendar year pursuant to reporting requirements under Section 16 of Act 381:

1. Total investment and new capital investment since the prior year's report.
2. Square footage of new construction or renovation, whether residential, commercial, or other use, and use of new or renovated space.
3. New jobs created.
4. Total number of housing units.
5. Other information required to be reported to the State of Michigan to verify compliance with Act 381.

5. **Interpretation.** This is the entire agreement between the parties as to its subject. It shall not be amended or modified except in writing signed by the parties. The waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

6. **Assignment.** This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by either party without the consent of the other party, which shall not be unreasonably withheld, *provided, however*, the Developer may assign its interest in this Agreement to an affiliate without the prior written consent of the Authority, *provided*, any such assignee shall acknowledge to the Authority in writing on or prior to the effective date of such assignment its obligations upon assignment under this Agreement, *provided, further*, that the

Developer may make a collateral assignment of the Tax Increment Revenues after review of such assignment and consent by the Authority's legal counsel and approval of the Authority. As used in this paragraph, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship or other individual or entity which (a) is owned or controlled by the Developer, (b) owns or controls the Developer or (c) is under common ownership or control with the Developer. This Agreement shall be binding upon any successors or permitted assigns of the parties.

7. **Indemnification.** Developer agrees to indemnify and hold City of Muskegon, the City of Muskegon Brownfield Redevelopment Authority, as well as all officers, agents, employees, and assigns thereof harmless, including attorney's fees, against (a) any and all claims by any person claiming for personal or property injuries or damage due to the Developer's redevelopment of the Property provided pursuant to the terms of this Agreement, and/or (b) claims by any third parties which may arise out of, or be related to, the Developer's redevelopment of the Property pursuant to this Agreement. Developer shall not be obligated to indemnify any persons under this section if the liability arises out of the person's negligence, willful misconduct, or breach of this Agreement or the negligence or willful misconduct of any person or entity acting by, through or under any such persons.

8. **Term.** This Agreement shall terminate when all reimbursements and payments contemplated under this Agreement have been paid or December 31, 2044, whichever comes first.

9. **Legislative Authorization.** This Agreement is governed by and subject to the restrictions set forth in Act 381. If there is legislation enacted in the future that alters or affects the amount of Brownfield TIF Revenue subject to capture, eligible property, or Eligible Activities, then the Developer's rights and the Authority's obligations under this Agreement shall be modified accordingly as required by law, or by agreement of the parties.

10. **Notices.** All notices shall be given by registered or certified mail addressed to the parties at their respective addresses as shown above. Any party may change the address by written notice sent by registered or certified mail to the other party.

11. **Severability.** If any term, provision or condition contained in this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is

invalid or unenforceable) shall not be affected thereby, and each term, provision or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. **Binding Effect.** This Agreement shall be binding upon and enforceable by the parties and their respective legal representatives, successors, and assigns.

13. **Entire Agreement.** This Agreement supersedes all agreements previously made between the parties relating to the subject matter. There are no other understandings or agreements between the parties.

14. **Non-Waiver.** No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, constitutes a waiver of that or any other right, unless otherwise expressly provided herein.

15. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

16. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[Signature page follows]

WHEREFORE, this Agreement has been executed as of the date first written above.

**CITY OF MUSKEGON BROWNFIELD
REDEVELOPMENT AUTHORITY**

By:
Its:

CITY OF MUSKEGON

By:
Its:

By:
Its:

221 W WEBSTER, LLC

By:
Its:

EXHIBIT A

Brownfield Plan Amendment

EXHIBIT B

Financial Consideration Between the Parties

Summary of approved Eligible Costs

Eligible Activities		Cost
To the Authority		\$105,018
Administration (10%)		\$105,018
To the Developer		\$838,500
State		\$172,656
Local		\$665,844
To Local Brownfield Revolving Fund		\$306,814
State		\$27,500
Local		\$279,314
Total approved costs		\$1,250,332
State TIR		\$200,156
Local TIR		\$1,050,176



Agenda Item Review Form

Muskegon Downtown Development Authority/Brownfield Redevelopment Authority

Commission Meeting Date: July 14, 2026	Title: BRA: Brownfield 101 Presentation															
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development															
Brief Summary: Director Eckholm will be presenting on the basics of a brownfield redevelopment authority and brownfield revolving loan fund.																
Detailed Summary & Background: Director Eckholm will be presenting on the basics of a brownfield redevelopment authority and brownfield revolving loan fund.																
<u>Goal/Action Item:</u>																
Is this a repeat item?: Explain what change has been made to justify bringing it back to Commission:																
Amount Requested: N/A	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 5%;"></td> <td style="width: 25%;">No</td> <td style="width: 5%;"></td> <td style="width: 25%;">N/A</td> <td style="width: 5%;"></td> <td style="width: 10%;">X</td> </tr> </table>	Yes		No		N/A		X								
Yes		No		N/A		X										
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 5%;"></td> <td style="width: 25%;">No</td> <td style="width: 5%;"></td> <td style="width: 25%;">N/A</td> <td style="width: 5%;"></td> <td style="width: 10%;">X</td> </tr> </table>	Yes		No		N/A		X								
Yes		No		N/A		X										
Recommended Motion: Discussion Only																
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Immediate Division Head</td> <td style="width: 10%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> <tr> <td>Communication</td> <td></td> <td></td> </tr> <tr> <td>Legal Review</td> <td></td> <td></td> </tr> </table>	Immediate Division Head			Information Technology			Other Division Heads			Communication			Legal Review			<u>Name the Policy/Ordinance Followed:</u>
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BROWNFIELD 101

WHAT WE WILL COVER

- BROWFIELD: WHAT IS IT?
- TAX INCREMENT FINANCING
- STATE CAPTURE AND TBP
- BROWNFIELD REVOLVING FUND
- POTENTIAL PROGRAMMING OF A BRA
- Q & A



BROWNFIELD

WHAT IS IT?

Public Act 381

The State of Michigan's Brownfield Legislation

Works hand in hand with Federal statutes (CERCLA)

Eligible Properties

Law in Michigan defines Brownfield Eligible sites as "contaminated, blighted, historic, or functionally obsolete"

Qualified Facilities are eligible for benefits of the Act.

Incentives

The Act empowers both state agencies and local governments

Local TIF and Revolving Funds

State BSA Funding

EGLE Grant and Loan

TAX INCREMENT FINANCING

- Tool used by local governments for community improvements or development projects
- Set the “0 Year” of taxable value
- As value increases, the “increment” or increase in value is captured and diverted for other purposes
 - Most of the time, the capture applies to all non-public school local millages
- For the BRA, this is reimbursement to an eligible recipient for “eligible activities”
 - Environmental remediation
 - Demolition
 - Connection to public utilities
 - Soft costs

STATE CAPTURE & TRANSFORMATIONAL BROWNFIELD (TBP)

- Developers (with local support) can apply to Michigan Economic Development Corporation (MEDC) for additional TIF incentive
- State Capture must be approved by Michigan Strategic Fund Board, allows for capture of school millages (schools held harmless)
- Transformational Brownfields are for generational projects
 - Only 14 since inception in 2018
 - Also capture state sales and use, income taxes of residents/employees/contractors
 - Can capture local income tax as well, if present
- State of Michigan just renewed depleted funding for TBP at the beginning of July, 2026

BROWNFIELD REVOLVING FUNDS

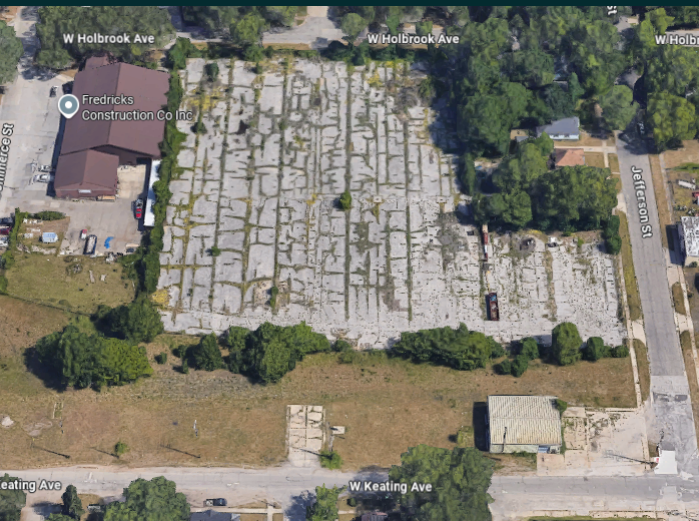
- City staff work with developers to include the BRA in the TIF collection, typically for the final five years of TIF capture after developer reimbursement
- Additionally, we negotiate an annual administration fee to offset the BRA's cost of carrying out the Brownfield Plan, this is covered in a "Development and Reimbursement Agreement"
- These monies are kept in a Brownfield Revolving Fund (BRF) to partner on future projects
 - Environmental Site Assessments, Due Care Plans, other "soft costs"
 - Connection to public utilities
 - Low interest loans/gap financing for eligible activities
 - Grants to emerging developers
 - Acquire strategic properties

POTENTIAL MUSKEGON BRF PROGRAMS

- Gap Financing Loans
 - Muskegon deals tend to have gaps between “senior debt” and equity investment that sometimes cannot be covered by available tax incentives. Low interest cash at the “front” of a project can get them to construction.
- Emerging Developer Grants
 - These can provide dollars (alongside EGLE programming) for soft costs on a site for new or local developers on smaller scale projects
 - Site Planning
 - Environmental Site Assessments
 - Survey
 - Architectural Services
 - Engineering (Geotechnical, Mechanical, Electrical, Plumbing, Civil)

POTENTIAL MUSKEGON BRF PROGRAMS

- Strategic Property Acquisitions for Brownfield Projects
 - Brunswick Site
 - Amoco Tank Farm
 - 1901 Peck Street (Former DYMET)
 - 155 W. Holbrook Ave



THANK YOU!
QUESTIONS?



Agenda Item Review Form

Muskegon Downtown Development Authority/Brownfield Redevelopment Authority

Commission Meeting Date: July 14, 2026	Title: BRA: Former Mall Tax Capture Discussion				
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development				
Brief Summary: We have determined the final proposed payment for the BRA related to the former Muskegon Mall Brownfield Plan					
Detailed Summary & Background: The City's auditors have advised that we settle the accounts related to the former mall Brownfield Plan in one fiscal year rather than a protracted payment plan. This will result in a large sum of money being available for programming for the BRA much sooner than we planned. The proposed payment from the City is \$1,519,223, and this is in addition to the estimated \$264,000 from the first year of the Terrace Point BRA capture. Additionally, the City owes another approximately \$240,000 to the BRA for admin fees from other plans. This will, in this fiscal year alone, result in \$2,023,223 in the Brownfield Revolving Fund for the first time in City history. Staff recommend accepting the lump sum motion as presented.					
<u>Goal/Action Item:</u>					
Is this a repeat item?: Explain what change has been made to justify bringing it back to Commission:					
Amount Requested:	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%;"></td> </tr> </table>	Yes	No	N/A	
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Yes	No	N/A			
Recommended Motion: Motion to grant the City of Muskegon a Brownfield TIF grant in the amount of \$442,995 to reimburse them for uncollected eligible activities related to the Former Muskegon Mall Brownfield Plan, and to accept a lump sum final payment for revenues related to said plan of \$1,519,223 to the Muskegon Brownfield Redevelopment Authority Revolving Fund.					
Approvals:	<u>Name the Policy/Ordinance Followed:</u>				

Immediate Division Head			
Information Technology			
Other Division Heads			
Communication			
Legal Review			



Agenda Item Review Form

Muskegon Downtown Development Authority/Brownfield Redevelopment Authority

Commission Meeting Date: July 14, 2026	Title: DDA: TIFA 1 Capture						
Submitted by: Jake Eckholm, Development Services Director	Department: Economic Development						
Brief Summary: Upon further review of various TIF plans and other old financial documents, city staff has found a TIF overlaid on top of the DDA related to what is now the Delta Hotel.							
Detailed Summary & Background: After the situation we uncovered with the former mall Brownfield, we decided to review more old paper records to determine if there are any other discrepancies in the TIF capture functions the city performs. Upon further review, we found another TIF district plan that began in 1982 related to City investment in the parking structure attached to the Delta Hotel by Marriott. The plan allows the City to capture its original investment. This has been completed, and so the tif district can be dissolved and the revenues flow instead to the DDA. The total revenue will positively impact the DDA budget significantly, with an estimated capture this fiscal year of \$52,435. This represents approximately a 10% annual revenue increase moving forward.							
<u>Goal/Action Item:</u>							
Is this a repeat item?: Explain what change has been made to justify bringing it back to Commission:							
Amount Requested:	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%;"></td> </tr> </table>	Yes	No	N/A			
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Yes	No	N/A					
Recommended Motion:							
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Immediate Division Head</td> <td style="width: 10%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> </table>	Immediate Division Head			Information Technology			<u>Name the Policy/Ordinance Followed:</u>
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Other Division Heads			
Communication			
Legal Review			



Agenda Item Review Form

Muskegon Downtown Development Authority/Brownfield Redevelopment Authority

Commission Meeting Date: July 14, 2026	Title: DDA: Acceptance of Financial Report for June 30, 2026									
Submitted by: Jocelyn Hines, Development Analyst	Department: Economic Development									
Brief Summary: City staff is requesting approval of the financial report for the period ending June 30, 2026.										
Detailed Summary & Background: City staff is requesting approval of the financial report for the period ending June 30, 2026. The current projected fund balance is \$454,964.56. Significant revenues for May included \$2,606.14 from the State of Michigan for TIF revenue loss. Significant expenses for the month included staffing costs, Barry's Greenhouse contract, seasonal workers, and western market workshops.										
<u>Goal/Action Item:</u>										
Is this a repeat item?: Explain what change has been made to justify bringing it back to Commission:										
Amount Requested: N/A	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%;">No</td> <td style="width: 25%;"></td> <td style="width: 25%;">N/A</td> <td style="width: 25%;"></td> <td style="width: 25%;">X</td> <td style="width: 25%;"></td> </tr> </table>	Yes		No		N/A		X		
Yes		No		N/A		X				
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%;">No</td> <td style="width: 25%;"></td> <td style="width: 25%;">N/A</td> <td style="width: 25%;"></td> <td style="width: 25%;">X</td> <td style="width: 25%;"></td> </tr> </table>	Yes		No		N/A		X		
Yes		No		N/A		X				
Recommended Motion: I move to approve the June 30, 2026, financial report as presented.										
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Immediate Division Head</td> <td style="width: 10%; text-align: center;">X</td> <td style="width: 20%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> </table>	Immediate Division Head	X		Information Technology			Other Division Heads			<u>Name the Policy/Ordinance Followed:</u>
Immediate Division Head	X									
Information Technology										
Other Division Heads										

Communication			
Legal Review			

DDA FOR CITY OF MUSKEGON

Balance As of 06/30/2026

GL Number	Description	YTD Balance 06/30/2025	25-26 Amended Budget	YTD Balance 06/30/2026	Activity For 06/30/2026
Fund: 394 DOWNTOWN DEVELOPMENT AUTH DS					
Account Category: Assets					
Department: 000					
394-000-001	CASH IN BANK	518,734.47		693,104.65	(36,343.34)
394-000-018	ACCOUNTS RECEIVABLE	17,912.43		0.00	0.00
Total Department 000:		536,646.90		693,104.65	(36,343.34)
Assets		536,646.90		693,104.65	(36,343.34)
Account Category: Liabilities					
Department: 000					
394-000-202	ACCOUNTS PAYABLE	80,189.25		1,870.40	(11,456.01)
394-000-257	DEFERRED COMPENSATION	1,493.09		0.00	0.00
Total Department 000:		81,682.34		1,870.40	(11,456.01)
Liabilities		81,682.34		1,870.40	(11,456.01)
Account Category: Fund Equity					
Department: 000					
394-000-399	FUND BALANCE UNRESERVED	460,986.12		454,964.56	0.00
Total Department 000:		460,986.12		454,964.56	0.00
Fund Equity		460,986.12		454,964.56	0.00
Account Category: Revenues					
Department: 000					
394-000-402	PROPERTY TAX	516,659.00	537,000.00	519,427.00	0.00
394-000-428	REIMBURSEMENT STATE	0.00	0.00	39,469.06	0.00
394-000-540	STATE GRANTS	12,000.00	0.00	0.00	0.00
394-000-569	STATE GRANTS OTHER	0.00	0.00	6,621.98	2,606.14
394-000-613	EVENT REVENUE	98,381.95	100,000.00	86,991.82	15,781.22
394-000-665-004970	INTEREST INCOME	2,071.18	1,300.00	1,553.55	0.00
394-000-679-004847	SPONSORSHIP REVENUE - MUSK ART FAIR	24,000.00	12,000.00	37,000.00	1,000.00
394-000-699-200000	OP. TRANS FROM SPECIAL REVENUE	600.00	0.00	0.00	0.00
Total Department 000:		653,712.13	650,300.00	691,063.41	19,387.36
Revenues		653,712.13	650,300.00	691,063.41	19,387.36
Account Category: Expenditures					
Department: 703 DOWNTOWN MUSKEGON BID					
394-703-702	BUDGETED SALARIES & BENEFITS	0.00	138,284.00	0.00	0.00
394-703-703	SALARY PERMANENT	70,695.55	0.00	82,352.52	6,036.46
394-703-707	OVERTIME	2,442.90	0.00	2,473.51	0.00
394-703-708	VACATION PAY	7,659.99	0.00	4,232.16	0.00
394-703-710	PERSONAL & OTHER LEAVE	469.39	0.00	1,871.74	0.00
394-703-711	HOLIDAY PAY	3,803.62	0.00	4,240.32	763.82
394-703-712	RETIREE HEALTHCARE - GENERAL	2,430.30	0.00	2,626.39	204.00
394-703-714	MERS RETIREMENT SYSTEM	7,535.81	0.00	8,040.89	612.02
394-703-717	HEALTH INSURANCE	19,805.39	0.00	7,856.30	775.90
394-703-718	LIFE INSURANCE	338.77	0.00	365.60	27.50
394-703-719	DENTAL INSURANCE	967.40	0.00	569.34	72.10
394-703-721	DISABILITY INSURANCE	306.29	0.00	337.15	25.98
394-703-722	SOCIAL SECURITY	6,235.72	0.00	6,715.48	501.80
394-703-723	WORKERS' COMPENSATION	686.77	0.00	641.36	23.41
394-703-724	UNEMPLOYMENT	9.93	0.00	5.77	0.00
394-703-727	BUDGETED SUPPLIES	4,460.00	0.00	3,129.40	0.00
394-703-801	CONTRACTUAL SERVICES	38,583.62	100,000.00	30,130.28	0.00
394-703-850	TELEPHONE	259.72	0.00	61.42	0.00
394-703-861	CONFERENCE, TRAINING AND TRAVEL	0.00	0.00	450.00	0.00
394-703-944	VEHICLE RENTAL	0.00	0.00	7,355.31	0.00
Total Department 703:		166,691.17	238,284.00	163,454.94	9,042.99
Department: 778 LAKESHORE ART FESTIVAL					
394-778-749	MISCELLANEOUS MATERIAL & SUPPLIES	16,597.60	2,000.00	13,688.43	2,575.32
394-778-801	CONTRACTUAL SERVICES	68,660.12	20,000.00	24,678.56	8,396.00
394-778-850	TELEPHONE	824.95	700.00	68.71	0.00
394-778-903	ADVERTISING	13,272.25	7,000.00	15,181.71	6,179.01
Total Department 778:		99,354.92	29,700.00	53,617.41	17,150.33
Department: 780 TASTE OF MUSKEGON					
394-780-749	MISCELLANEOUS MATERIAL & SUPPLIES	15.99	0.00	370.00	370.00
394-780-801	CONTRACTUAL SERVICES	25,115.20	0.00	0.00	0.00
Total Department 780:		25,131.19	0.00	370.00	370.00

DDA FOR CITY OF MUSKEGON

Balance As of 06/30/2026

GL Number	Description	YTD Balance 06/30/2025	25-26 Amended Budget	YTD Balance 06/30/2026	Activity For 06/30/2026
Fund: 394 DOWNTOWN DEVELOPMENT AUTH DS					
Account Category: Expenditures					
Department: 808 FARMERS & FLEA MARKET					
394-808-801	CONTRACTUAL SERVICES	1,277.90	0.00	0.00	0.00
Total Department 808:		1,277.90	0.00	0.00	0.00
Department: 809 EVENTS					
394-809-749	MISCELLANEOUS MATERIAL & SUPPLIES	2,393.58	0.00	2,455.94	0.00
Total Department 809:		2,393.58	0.00	2,455.94	0.00
Department: 906 DEBT SERVICE					
394-906-801	CONTRACTUAL SERVICES	204,884.93	145,000.00	234,895.43	17,711.37
394-906-995-400000	OPER. TRANS TO CAPITAL PROJECT	130,000.00	130,000.00	0.00	0.00
Total Department 906:		334,884.93	275,000.00	234,895.43	17,711.37
Department: 999 TRANSFERS TO OTHER FUNDS					
394-999-995-400000	OPER. TRANS TO CAPITAL PROJECT	30,000.00	0.00	0.00	0.00
Total Department 999:		30,000.00	0.00	0.00	0.00
Expenditures		659,733.69	542,984.00	454,793.72	44,274.69