

This Addendum is incorporated into the requirements and contract documents for the Request for Proposal and Qualifications issued by the Kingsley Downtown Development Authority. All terms and conditions of the Request for Proposal and Qualifications shall remain unchanged

1. Is the Village open to apartment development at Elm and Blair if designed with desirable architectural character? We understand this would require a zoning change. *The DDA invites RFQP responses from qualified developers presenting their best and most feasible development concepts, including apartment development at Elm and Blair. Because the two parcels at that corner are currently zoned Village Residential (see Response 5), concepts requiring rezoning or other zoning relief will be considered, and the Village is open to evaluating those options through its standard review and approval process.*
2. Would 4-story development be desirable on Brownson? We understand this requires a special land use action. *The Village is not opposed to a fourth story, provided the building is compatible with the scale and character of downtown. One approach is to step the fourth floor back from the street-facing façade so the building reads as three stories from the sidewalk. Any four-story proposal remains subject to special land use approval.*
3. Will there be multiple development agreements? One between the developer and the DDA and one between the developer and the Grand Traverse County Land Bank Authority? Section 5.4 suggests two agreements. Is it feasible to do a single, multi-party agreement to reduce legal cost and uncertainty? *Yes. The Grand Traverse County Land Bank Authority is agreeable to a single, multi-party development agreement among the developer, the DDA, and the Land Bank, provided the agreement is also approved by the DDA.*
4. There has been discussion of vacating the northern half of the alley west of Brownson. Is it the Village's preference to vacate that portion of the alley, or would it be possible to propose leaving it open? If the alley is vacated, is that envisaged as a development site or does it need to remain open space (either due to utilities or other considerations)? Further, there is an east-west alley on the southern edge of Parcel A. Has the Village considered vacating that alley, or support its vacation? *The DDA will consider proposals that vacate either or both the north-south alley west of Brownson and the east-west alley along the southern edge of Parcel A. Proposals that contemplate vacation should describe how the developer will accommodate existing alley users (for example,*

*deliveries, parking, and rear access), minimize disruption to business operations, and balance the needs of those users with the objectives of the proposed development. Vacated alley areas may be incorporated into the development site, subject to the necessary approvals. The north half of the alley does not need to remain open space for utility purposes. The existing storm sewer, electric, and gas lines in that portion of the alley can be vacated and rerouted to support any development plan without impact to existing businesses and residents in that section of the Village. This has been confirmed with the Village Engineer (storm sewer), Consumers Energy (electric), and DTE Energy (gas). The developer will be responsible for all costs associated with utility relocation, including design, engineering, permitting, construction, any required new easements, and restoration, and must coordinate that work with the Village and each utility provider as part of the development approval process. Alternatively, developers may propose to keep the alleys open for continued use.*

5. The RFQP says all sites are in C-1 zoning, but the zoning map shows the corner of the site at Elm & Blair is Village Residential zoning. Can the zoning status be clarified? *The RFQP statement is incorrect as to this corner. The two parcels at the corner of Elm and Blair are currently zoned Village Residential (VR), while the other RFQP sites are zoned C-1. Uses not permitted in the VR district would require rezoning or other zoning approval (see Response 1).*
6. Group B has no environmental assessment on file. Would the DDA or the Land Bank request an EGLE Brownfield Redevelopment Assessment, or extend the EPA funding to fund a Phase I/II, for Group B (particularly 215 W. Main, a former gas station with a closed 2014 leak)? *According to available records, 215 W. Main has been remediated, and a Baseline Environmental Assessment (BEA) and due care plan are on file with the Michigan Department of Environment, Great Lakes, and Energy (EGLE). The DDA and Land Bank do not currently plan to request an EGLE Brownfield Redevelopment Assessment or fund a Phase I/II for Group B. Notwithstanding the existing BEA and due care plan for 215 W. Main, or any environmental reports available for other parcels, the DDA and Land Bank make no representation or warranty regarding the environmental condition of any RFQP property, including the Group A and Group B parcels, and the selected developer is solely responsible for conducting its own environmental due diligence on each parcel it will acquire, in either Group A or Group B, before acquisition. The requirements below apply to every parcel the developer acquires. Under Part 201 (Environmental Remediation) and, for petroleum releases, Part 213 (Leaking Underground Storage Tanks) of the Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.20101 et seq. and MCL 324.21301a et seq., a new owner or*

*operator of contaminated commercial property is liable for existing contamination unless it: (i) conducts all appropriate inquiry (AAI) in accordance with 40 CFR Part 312, typically a Phase I Environmental Site Assessment (ESA) meeting ASTM E1527-21, followed by a Phase II ESA (soil, groundwater, and/or soil-gas sampling) where warranted; (ii) completes its own BEA prior to or within 45 days after the earlier of the date of purchase, occupancy, or foreclosure; (iii) submits the BEA to EGLE within six months after the earlier of those dates and discloses it to any subsequent purchaser or transferee; and (iv) complies with its due care obligations under Section 20107a of Part 201 (MCL 324.20107a), including preventing exacerbation of existing contamination, preventing unacceptable exposures, and complying with any land or resource use restrictions. Liability protection under an existing BEA does not transfer to a new owner. Completing AAI before acquisition is also required to qualify for bona fide prospective purchaser protection under federal CERCLA. Eligible environmental due diligence and response costs may be reimbursable through brownfield tax increment financing (see Item 7).*

7. Potential forms of support –

- *Tax increment financing. Reimbursement of eligible Project costs from tax increment revenues captured by the DDA under the Recodified Tax Increment Financing Act, 2018 PA 57, MCL 125.4101 et seq. Any reimbursement must be consistent with the DDA's development plan and tax increment financing plan, which may need to be amended to include the Project.*
- *Brownfield tax increment financing. Reimbursement of eligible costs through a brownfield plan under the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2651 et seq. Eligible activities may include environmental response activities, demolition, site preparation, infrastructure improvements, and, for qualifying projects, housing development activities. Any brownfield plan is subject to approval by the Grand Traverse County Brownfield Redevelopment Authority and other required local approvals. Capture of state school taxes also requires approval by EGLE and/or the Michigan Strategic Fund, as applicable. Reimbursement of housing development activities through a brownfield plan (brownfield housing TIF) using state school tax capture also requires approval by the Michigan State Housing Development Authority (MSHDA), and the Project must meet MSHDA's eligibility and income-targeting requirements for those activities.*
- *Conveyance of the Property. Conveyance of the Property at a negotiated price, which may be below fair market value where justified by the Project's public benefits and permitted by law (see RFQP Section 5.4). The terms of any conveyance will be set out in the development agreement.*

- *Public infrastructure. Participation by the DDA or the Village in public improvements that support the Project, such as infrastructure, streetscape, utility, and public parking improvements. The scope and cost-sharing of any participation will be negotiated as part of the development agreement.*
- *Other incentives. Support for, or assistance in applying for, other state and local economic development tools, such as a Commercial Rehabilitation Act exemption (2005 PA 210), an Obsolete Property Rehabilitation Act exemption (2000 PA 146), a payment in lieu of taxes (PILOT) for qualifying affordable housing under the State Housing Development Authority Act (1966 PA 346), MSHDA housing programs, or Michigan Strategic Fund / MEDC programs such as the Michigan Community Revitalization Program, as applicable and subject to separate approval. Note: The Village of Kingsley was recently certified under the MEDC's Redevelopment Ready Communities (RRC) program. RRC certification can provide access to additional MEDC incentives and technical assistance and may strengthen the Project's competitiveness for state funding.*