

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, creating a sense of height and architectural scale. The buildings are arranged in a way that they seem to converge towards the top of the frame. The sky is a pale, overcast blue.

 AKTPEERLESSTM
ENVIRONMENTAL SERVICES



PROPOSED AMENDMENT: SOUTHGATE TOWER BROWNFIELD PLAN

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, creating a sense of height and architectural scale. The buildings are dark against a light, overcast sky.

QUICK REVIEW OF ACT 381 THE BROWNFIELD ACT

NEW ELIGIBILITY FOR BROWNFIELDS

UPDATE TO MICHIGAN PA 381, “ACT 381 - BROWNFIELD ACT”

In 2023, Act 381 was amended to expand brownfield eligibility definitions to include “Housing Property”.

“Housing Property” means:

- Property on which 1 or more units of residential housing are proposed
- One or more units of residential housing with a mixed-use project

The 2023 amendment enables housing projects to qualify for brownfield assistance even when the site is not otherwise contaminated or blighted.

It also expands eligibility to allow reimbursement of additional activities that may not otherwise be available to certain communities.

BROWNFIELD ELIGIBLE COSTS

ALL COMMUNITIES (state-wide):

Environmental Investigations

- Phase I/II Environmental Site Assessments
- Baseline Environmental Assessments
- Documentation of Due Care Compliance Plans
- Lead and Asbestos Surveys

Due Care Activities

- Contaminated Soil/Groundwater Removal
- Vapor Mitigation Systems
- Underground Storage Tank Removal
- Direct Contact Barriers (Capping)

Demolition and Abatement

- Asbestos Abatement
- Building Demolition
- Site Demolition (parking lots, utility)

ONLY “CORE” COMMUNITIES:

(In addition to state-wide activities)

Infrastructure Improvements

- Water mains, storm and sanitary sewer expansion
- Vertical parking structures
- Right-of-Way Landscaping, lighting, signage
- Public sidewalks, roads, curb/gutters

Site Preparation Activities

- Grading/Land Balancing
- Clearing and Grubbing
- Relocation of Active Utilities
- Temporary Construction access, roads, facilities
- Traffic Control, site security

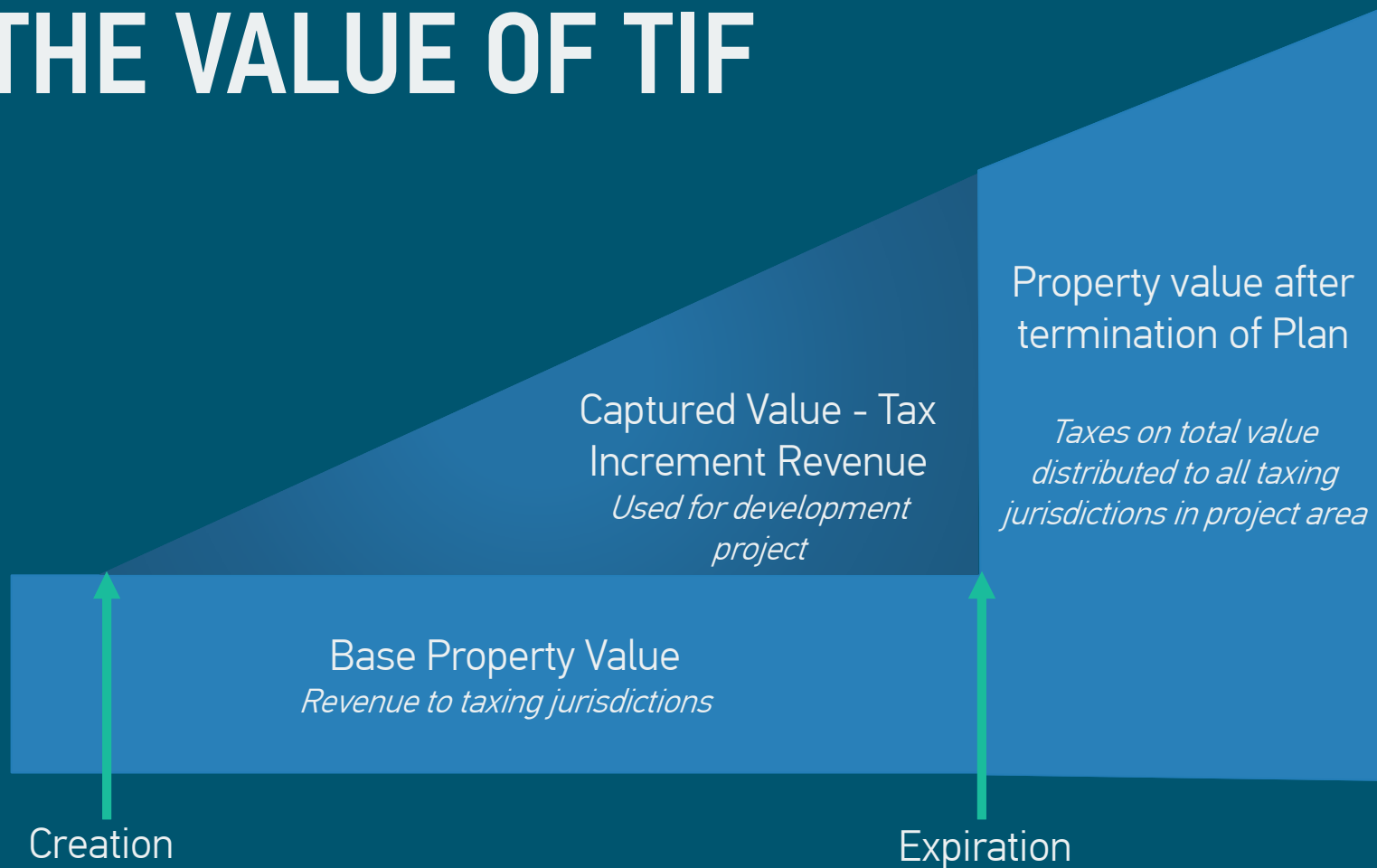
HOUSING PROPERTY ELIGIBLE ACTIVITIES (2023 AMENDMENT TO ACT 381)

Sites qualifying as Housing Property under Act 381 may include infrastructure and site preparation activities that support a residential development.

Southgate has a demonstrated housing need, with a low 3.9% vacancy rate, shrinking household sizes, and housing values that lag neighboring communities.

The Southgate Tower redevelopment responds directly to this need by delivering over 200 new apartment units and expanding the City's housing options to better attract and retain residents

THE VALUE OF TIF





SOUTHGATE TOWER BROWNFIELD PLAN AMENDMENT

The background image shows two workers installing solar panels on a brick roof. One worker is in the foreground, wearing a red shirt and blue jeans, leaning over the panels. The other worker is further back, wearing a blue shirt and a yellow hard hat, also working on the panels. A wooden ladder is leaning against the roof structure. The entire image is overlaid with a semi-transparent blue filter.

BROWNFIELD PLAN OVERVIEW

REDEVELOPMENT OF SITE

Commonly known as the Bank Tower building and referred to as “Southgate Tower” under the Original Brownfield Plan, this project involves the renovation of the 14-story, 186K square foot functionally obsolete office building.

The building has been redeveloped into a multifamily apartment complex, creating 216 new units consisting of a mix of studio, one-bedroom, and two-bedroom apartments, along with improvements to the overall property.

Under Amendment #1, the City of Southgate will perform infrastructure improvements which support the subject property, including a pedestrian overpass and further eligible activities.

PROJECT OVERVIEW – ORIGINAL VS. AMENDMENT

	Original Plan	Amendment #1
Project Investment	\$45 million	\$48+ million
Residential Units	203	216
Eligible Activity Costs	\$4,457,209	\$8,712,141
Brownfield Eligibility	Functionally Obsolete	Functionally Obsolete; Housing Property
Developer(s)	Southgate Tower, LLC	Southgate Tower, LLC; City of Southgate

BF PLAN ELIGIBLE ACTIVITIES

ORIGINAL VS. AMENDMENT

	Original Plan	Amendment #1
"Pre-approved"	\$29,115	\$40,676
Demolition	\$1,486,820	\$1,763,366
Asbestos Abatement	\$1,805,221	\$1,138,200
Housing Development Activities:	Infrastructure & Site Preparation	
	\$0	\$4,567,300
Contingency	\$493,806	\$685,095
Interest (Developer 1)**	\$597,247	\$419,286
Plan Prep & Implementation	\$45,000	\$72,500

BF PLAN ASSUMPTIONS – ORIGINAL VS. AMENDMENT

	Original Plan	Amendment #1
Initial or “Base” TV	\$561,400	\$561,400 (no change)
Post Development TV	\$13,108,705	\$10,985,799
Plan Approval Date	October 5, 2022	Est. January 2026
Est. Length of Plan	10 years	18 years
Type of Capture	Phased	100%

The background image shows two construction workers installing solar panels on a brick wall. One worker is on a ladder, and the other is on the ground. The scene is overlaid with a semi-transparent blue filter. The text "SITE PLANS AND RENDERINGS" is centered in white, bold, sans-serif font.

SITE PLANS AND RENDERINGS







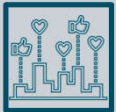
COMMUNITY BENEFIT



Expansion of residential housing stock in the City of Southgate



Elimination of environmental and health hazards within the building



Reactivation of over 180,000 SF of underutilized property



Increase of Property Tax and Nearby Property Values

CONCLUSION

- Redevelopment transforms a long-vacant, obsolete property into 216 new apartments.
- Amendment #1 strengthens the project with updated eligible activities and development participation from the City.
- TIF support enables key infrastructure improvements and continued progress.
- Project increases local housing options and supports long-term community revitalization.