



**CITY OF ZEELAND  
BROWNFIELD REDEVELOPMENT AUTHORITY  
AGENDA**

**October 13, 2025**

**ZEELAND CITY HALL COUNCIL CHAMBERS – 21 S ELM STREET**

**4:00 PM**

- Meeting called to order
- Roll Call
- Excuse absent members
- Additional agenda items

**VISITORS/PUBLIC COMMENT:**

- 

**COMMUNICATIONS/REPORTS:**

- Financial Update, Kevin Plockmeyer, Asst. City Manager/Finance Director

**PUBLIC HEARINGS:**

- 

**ACTION:**

- Approve minutes of January 21, 2025

**UNFINISHED BUSINESS:**

- 

**NEW BUSINESS:**

- Brownfield Tax Increment Revenue Financing Expenses for GDP – Zeeland, LLC (Sligh Building)
- 17 E. Main Development and Reimbursement Agreement
- Review Brownfield Tax Increment Financing Policy (amended) and Community & Economic Development Financial Incentive Policy
- Update on Land Bank Transfer for 800 E. Riley (JR Automation)
- Select Officers for November 1, 2025 – October 31, 2026

**OTHER:**

- Consider any other business which may lawfully come before the Brownfield Redevelopment Authority

**ADJOURN**

**FEEL THE ZEEL**



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## INTEROFFICE MEMORANDUM

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TO: Brownfield Redevelopment Authority  
FROM: Kevin Plockmeyer, ACM of City Services/Infrastructure and Finance  
SUBJECT: Brownfield Fund Financials  
DATE: October 9, 2025

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Following this cover memo is the most current revenue and expense report for the Brownfield Fund. As noted at the bottom of the financial statement, the current fund balance is \$24,876.68.

In short, due to expenses associated with the purchase of 303 East Main and consulting services for Brownfield Plan administration, we requested a \$25,000 transfer from the General Fund at the most recent City Council meeting to maintain adequate funding in the Brownfield Fund. This cash infusion will serve as a buffer until we begin collecting administrative fees from our active Brownfield Plans.

We will continue to monitor the fund balance during future budget cycles to ensure sufficient resources are available for ongoing Brownfield Plan administration.

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Kevin Plockmeyer, ACM of City Services/Infrastructure and Finance

FEEL THE ZEEL

10/10/2025 08:15 AM  
User: KPlockmeyer  
DB: Zeeland

REVENUE AND EXPENDITURE REPORT FOR CITY OF ZEELAND  
PERIOD ENDING 10/31/2025  
% Fiscal Year Completed: 33.70

Page: 1/1

		2025-26	YTD BALANCE	AVAILABLE
GL NUMBER	DESCRIPTION	AMENDED BUDGET	10/31/2025	BALANCE
			NORMAL (ABNORMAL)	NORMAL (ABNORMAL)
Fund 243 - BROWNFIELD DEVELOPMENT AUTHORITY				
Revenues				
Dept 000 - GENERAL				
243-000-665.001	Interest Earnings - Investment	5,000.00	4.77	4,995.23
243-000-699.101	Transfers In - 101	25,000.00	25,000.00	0.00
Total Dept 000 - GENERAL		30,000.00	25,004.77	4,995.23
TOTAL REVENUES		30,000.00	25,004.77	4,995.23
Expenditures				
Dept 728 - ECONOMIC DEVELOPMENT				
243-728-820.000	Contractual Services - Other	30,000.00	1,189.50	28,810.50
243-728-970.020	Land Acquisition	0.00	3,414.07	(3,414.07)
Total Dept 728 - ECONOMIC DEVELOPMENT		30,000.00	4,603.57	25,396.43
TOTAL EXPENDITURES		30,000.00	4,603.57	25,396.43
Fund 243 - BROWNFIELD DEVELOPMENT AUTHORITY:				
TOTAL REVENUES		30,000.00	25,004.77	4,995.23
TOTAL EXPENDITURES		30,000.00	4,603.57	25,396.43
NET OF REVENUES & EXPENDITURES		0.00	20,401.20	(20,401.20)
BEG. FUND BALANCE		191,182.54	191,182.54	
NET OF REVENUES/EXPENDITURES - 2024-25			(186,707.06)	(186,707.06)
END FUND BALANCE		191,182.54	24,876.68	

# **Minutes of the Brownfield Redevelopment Authority**

## **January 21, 2025**

Pursuant to public notice duly given, the meeting of the Brownfield Redevelopment Authority of the City of Zeeland, County of Ottawa, Michigan was convened in open session at 4:00 p.m., local time, on Tuesday, January 21, 2025 at the Zeeland City Hall, 21 S. Elm Street.

Chairperson Klynstra called the meeting to order at 4:00 p.m. A roll call of members was conducted.

PRESENT: Mayor Klynstra, Tim Klunder, Tim Maday, Andy Boatright, Beth Blanton

ABSENT: Rick VanDorp

GUESTS: Kirk Perschbacher, Fishbeck Consultants; Trevor Woollatt, Fleis & VandenBrink (electronically)

Staff present: Finance Director/ACM Plockmeyer and City Clerk Holmes

*Motion was made by Maday and seconded by Klunder to excuse VanDorp due to personal reasons. Motion carried. All voting aye.*

### **Visitors/Public Comment**

There were no visitors or public comment.

### **Communications/Reports**

- None

### **Public Hearings**

- None

### **Action Items**

- Approve Minutes of the December 20, 2024 meeting.

*Motion was made by Klunder and supported by Maday to approve the minutes of the December 20, 2024 meeting. Motion carried. All voting aye.*

### **Unfinished Business**

- None

## **New Business**

- Brownfield Plan Amendment Consideration – 17 E. Main, LLC Redevelopment, 17 E. Main Avenue

Klunder noted in the Brownfield Authority meeting packet, were site-specific provisions for the 17 E. Main Avenue plan amendment.

Although development details of the project have been publicly shared during the sale of the property to the developer and site plan approval process, they are also referenced in the Brownfield plan amendment. In summary, the developer estimates the project's capital investment at \$7 million. The building will be three-stories tall and 27,461 sq. ft. in size. It will be a mixed-use facility with the first floor anticipated to be office/commercial and the second and third floors consisting of 22 one-bedroom apartment units. Completion of the project is expected late winter/spring of 2025.

Kirk Perschbacher of Fishbeck Consultants explained the property qualifies as "Eligible Property" under the Brownfield Redevelopment Financing Act on the basis of meeting the definition of a "Housing Property". The Act defines Housing Property, in part, as property on which one or more units of residential housing are proposed to be constructed. This will be the city's first Brownfield project that qualifies under this housing provision. The project focuses on providing affordable housing for individuals and families earning up to 120% of Ottawa County's Area Median Income (AMI). Six of the twenty-two units will be capped with controlled rents at MSHDA approved rates for 80% AMI of Ottawa County for the life of the plan (estimated at 30 years).

As a reminder, the City of Zeeland has one Brownfield Plan that we have amended for site specific provisions since the inception of the Brownfield Redevelopment Authority. As such, the plan would be a site-specific amendment to the City's Brownfield Plan. The proposed 17 E. Main project amendment does request the use of tax increment financing (TIF) – generally speaking, the increased taxes on the property generated from the rehab are used to reimburse the developer for their Brownfield costs. The ability to consider brownfield incentives like tax increment financing for a project such as this enables the project to be financially viable for a developer.

Like previously approved projects in the city, the developer is wishing to layer an approved (12.17.24) Commercial Rehabilitation Act (CRA) tax incentive with the Brownfield incentives. Generally speaking, the CRA incentive, essentially freezes the property building level prior to rehab for up to 10 years. You will thus notice in the tax increment tables, that there is no tax increment to collect for Brownfield reimbursement (other than State Education Tax and School Operating) for the first 10 years of the project. Once the CRA is finished, the tax increment on local taxes then goes to reimburse the developer for their eligible Brownfield costs.

In total, it is estimated the developer will be reimbursed \$671,900.00 for eligible activities. Those activities include such things as a Baseline Environmental Assessment, demolition, Brownfield Plan amendment and implementation, infrastructure to support housing, site preparation, housing gap activities and contingencies. The estimated TIF plan shows the developer will be fully reimbursed in 14 years.

For its part, the city is eligible to collect TIF on eligible public infrastructure to support the project. As part of the original sale of this parcel to the developer, terms of the agreement included a provision to provide boiler space in the basement of the facility for a snowmelt boiler to support/expand the city's snowmelted sidewalks. As such, we are proposing that the city will capture \$2 million (estimated in years 14-30) in TIF to largely fund a snowmelt boiler system (estimated at \$2.6 million). Thus, total TIF collection for private/public development purposes will be \$2,671,900.00. In grand total, approximately \$2.9 million in TIF will be collected over 30 years (maximum) as some of the TIF dollars reimburse the State and City's Brownfield Authority for administering the plan amendment.

Trevor Woollatt of Fleis & VandenBrink added the Housing TIF opens up projects to take advantage of this incentive. The City is the recipient of the tax dollars. The Developer will be reimbursed first and the City will get reimbursed on the back end. Woollatt stated we will probably see more of these in the future.

Klunder reported of the \$2,671,900.00 in TIF that will be collected for developer reimbursement and snowmelt, approximately \$538,000.00 (20%) will come from the city, while nearly \$1.5 million will come from the state (state education tax and school operating). The remainder will come from other taxing units.

From a procedural standpoint, should the Brownfield Redevelopment Authority agree with the Brownfield Plan Amendment for the 17 E. Main project, a resolution for approval is included in the packet. If approved, it would then go before the Zeeland City Council. It is anticipated that the Zeeland City Council will consider a resolution at their February 3, 2025 meeting to set a public hearing on the Brownfield Plan Amendment at their February 17, 2025 meeting. The City Council would then hold the public hearing and consider approving the Brownfield Plan Amendment. Finally, a reimbursement agreement (forthcoming) will be required to be approved between the Brownfield Authority/City and developer before any tax reimbursements are made.


*Motion was made by Blanton and seconded by Boatright to approve a Resolution to amend the City's Brownfield Plan to include the 17 E. Main, LLC Redevelopment project as presented. Motion carried. All voting aye.*

### **Other**

- Klunder agreed that we will probably see more of these eligible Brownfield housing plans in the future which will likely have a TIF component to them. We are looking at updating our tax incentive policy, trying to set those parameters. These projects come with such varying levels of investment that we want to establish policies the best we can that we develop equity in between those.

### **Adjourn**

*Motion was made by Klunder and seconded by Maday to adjourn the meeting at 4:14 p.m. Motion carried. All voting aye.*

  
\_\_\_\_\_  
Tim Klunder, Secretary



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## INTEROFFICE MEMORANDUM

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TO: Brownfield Redevelopment Authority  
FROM: Kevin Plockmeyer, ACM of City Services/Infrastructure and Finance  
SUBJECT: GDP – Zeeland, LLC Reimbursement  
DATE: October 9, 2025

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In 2022 and into 2023, the Brownfield Redevelopment Authority and subsequently City Council approved a Brownfield Plan for GDP – Zeeland, LLC for the redevelopment of the Sligh Building. This plan originally authorized the reimbursement of \$1,991,539 in eligible expenses for the project. (This amount included a contingency of \$246,527 but did not include interest expenses authorized by the plan.)

After the project was completed, the developer submitted invoices for expenses they believed were eligible for reimbursement. We engaged Samantha Ruiz from Fleis and Vandenbrink to review the reimbursement request, and we ultimately determined that \$1,759,738.51 constituted eligible reimbursable expenses (please see the attached report from Fleis and Vandenbrink).

At Monday's meeting, we are seeking approval of this reimbursement amount by the Authority. Once approved, staff will reimburse the developer on an annual basis per the reimbursement agreement, as tax capture becomes available. Our intention is not to bring individual reimbursement requests to the Authority but rather to approve the total reimbursement amount at this time.

In addition to these reimbursable expenses, the Brownfield Plan also authorizes the payment of interest on this amount, which will be calculated and paid as the plan matures. As a result, the total reimbursement will ultimately exceed the \$1,759,738.51 in approved reimbursable expenses.

Overall, we are very pleased with this development and with tools such as Brownfield Tax Increment Financing, which make projects like this possible. We recommend that the Authority approve the reimbursement amount as presented.

**Recommendation:**

That the Brownfield Redevelopment Authority authorize \$1,759,738.51 in reimbursable expenses to GDP – Zeeland, LLC for the Sligh Building project.

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A handwritten signature in black ink, appearing to read 'K. Plockmeyer'.

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Kevin Plockmeyer, ACM of City Services/Infrastructure and Finance

FEEL THE ZEEL





February 28, 2025

Mr. Kevin Plockmeyer  
City of Zeeland  
21 S. Elm Street  
Zeeland, Michigan 49464

**RE: 866210 – City of Zeeland Brownfield Services  
Sligh Building Reimbursement Request Review**

Dear Mr. Plockmeyer:

Fleis & VandenBrink (F&V) is providing this Recommendation Letter following our review of the Tax Increment Financing (“TIF”) Reimbursement Request, including supporting documents, submitted to the City of Zeeland Brownfield Redevelopment Authority (the “Authority”) by GDP – Zeeland, LLC, (the “Developer”) for the redevelopment of 349 E Main Avenue (and associated parcels), Zeeland, MI 49464, commonly referred to as the “Sligh Building.”

The Developer submitted expenses in the amount of \$1,924,338.51 and supporting documentation which included expenses for Pre-Approved Department Specific Activities, Due Care Activities related to a vapor intrusion mitigation system, asbestos abatement, site and building demolition, and the preparation and implementation of a Brownfield Plan.

F&V has reviewed the costs contained within the Reimbursement Request to ensure that 1) the activity and amount are an eligible activity cost that is approved within the approved Brownfield Plan; 2) the activities were completed in accordance with Public Act 381, as amended (“Act 381”); and 3) the activities and requested amount are in accordance with the executed Development and Reimbursement Agreement between the Authority and the Developer (dated October 17, 2022).

On January 9, 2025, F&V reviewed all submitted documentation, compared to the Brownfield Plan, Act 381, and the executed Development and Reimbursement Agreement between the Authority and the Developer. F&V requested additional information from the developer which included the following items:

- AKT Peerless
  - o Need Proof of Payment for all invoices - invoice register with the check number, AR ledger from AKT Peerless, copies of the cancelled checks, Full Unconditional Lein Waiver, or Sworn Statement.
- Fishbeck
  - o Copies of missing invoices 431456 and 8/18/2022
- Exxcels Engineering
  - o Verification that Exxcels Engineering costs are directly related to an approved eligible activity within the Brownfield Plan. Invoices reference field work for benchmarks on existing floors, office calculations to prepare exhibits for vacating ROW, survey work for finish floor, construction staking for infrastructure, elevations for balconies, field work for staking. Confirm that these pertain to the approved Due Care items.
- Melching
  - o Need additional detail regarding CO#1-5

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[www.fveng.com](http://www.fveng.com)**

- DeSal Excavating
  - o AIA page #3, continuation sheet page 2
- Hoekstra
  - o Need Proof of Payment - invoice register with the check number, AR ledger from Hoekstra, copies of the cancelled checks, Full Unconditional Lein Waiver, or Sworn Statement
- Straightline Fencing
  - o Need Proof of Payment - invoice register with the check number, AR ledger from Straightline Fencing, copies of the cancelled checks, Full Unconditional Lein Waiver, or Sworn Statement

On February 7, 2025, the Developer submitted additional documents pertaining to the above referenced outstanding information needed to complete the reimbursement request.

## REIMBURSEMENT REQUEST FINDINGS

Of the \$1,924,338.51 submitted for Tax Increment Revenue ("TIF") Reimbursement, \$1,759,738.51 is eligible for reimbursement under the approved Brownfield Eligible Activities. Overall, \$164,600 of the submitted expenses are ineligible. The following activities are ineligible for reimbursement.

Vendor	Description	Invoice No.	Amount	Ineligible Determination
Exxcel Engineering	Fieldwork to set benchmarks on existing floors, office calculations for vacating ROW	S202118-04	\$1,390.00	Description of work not related to approved Brownfield Eligible Activity
Exxcel Engineering	Survey work necessary to set benchmarks for finish floor	S202118-05	\$940.00	Description of work not related to approved Brownfield Eligible Activity
Exxcel Engineering	Construction Staking including sanitary sewer, storm sewer and curbs, establish elevations for proposed balconies	S202118-06	\$5,135.00	Description of work not related to approved Brownfield Eligible Activity
Exxcel Engineering	Field work to stake for curbs, walks, blacktop and Pario areas, field work to stake property lines, office calculations to prepare legal descriptions and sketches of parcels	S202118-07	\$8,570.00	Description of work not related to approved Brownfield Eligible Activity
Exxcel Engineering	Construction Staking for curbs and walkways in courtyard area	S202118-08	\$1,220.00	Description of work not related to approved Brownfield Eligible Activity
Melching	Permits	Final Pay App #13	\$7,500.00	Permits ineligible under Act 381

DeSal Excavating	Sanitary Sewer	Final Pay App #16	\$22,500.00	Infrastructure not an approved Eligible Activity
DeSal Excavating	Watermain	Final Pay App #16	\$6,250.00	Infrastructure not an approved Eligible Activity
DeSal Excavating	Storm Sewer	Final Pay App #16	\$98,850.00	Infrastructure not an approved Eligible Activity
DeSal Excavating	CO#7 323 E. Main	Final Pay App #16	\$4,560.00	Infrastructure not an approved Eligible Activity
DeSal Excavating	Misc. Clean up around Sligh Townhomes and Adjacent Building	2110	\$7,685.00	Description of work not related to approved Brownfield Eligible Activity

## SUMMARY

It is recommended that TIR, as available, up to **\$1,759,738.51** be reimbursed to the developer, GDP Zeeland, LLC. Currently, the subject property has an approved Commercial Rehabilitation Exemption Certificate C2021-020 in effect until December 31, 2031. Therefore, only tax increment is available on the Subject Property from State Taxes for Pre-Approved, Department Specific Activities, up to \$60,148.64. After Pre-Approved activities are reimbursed with State taxes, there will not be increment available until 2032, after the expiration of the abatement period.

Overall, the Brownfield Plan approved up to \$2,524,639 for TIR reimbursement. The costs associated with Due Care Activities and the BRA Application fee were higher than anticipated with the approved Brownfield Plan, however, the entirety of the reimbursement request is less than the total approved amount, therefore are acceptable per Act 381, City of Zeeland BRA policies and procedures, and the executed Development and Reimbursement Agreement to be paid with future TIR.

If you have any questions or need additional information you may reach me by email at [smariuz@fveng.com](mailto:smariuz@fveng.com) or at 248.224.0305.

Sincerely,

**FLEIS & VANDENBRINK**



Samantha R. Mariuz  
Economic Development Manager

## ATTACHMENTS

- Project Brief
- Eligible Activity Summary
- Estimated Tax Increment Revenue Schedule
- Reconciliation of Reimbursement Request
- Communication Summary



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## MEMORANDUM

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TO: Brownfield Redevelopment Authority Board

FROM: Tim Klunder, City Manager

SUBJECT: Development and Reimbursement Agreement – 17 E. Main, LLC

DATE: October 7, 2025

CC: Brownfield Redevelopment Authority Meeting – October 13, 2025  
Kevin Plockmeyer, Asst. CM of City Services/Infrastructure and Finance

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We are in the final stages of completing the brownfield plan process for the 17 E Main LLC project. Final procedural steps, prior to the financial reimbursement process, include (1) approval of the Act 381 Work Plan by the Michigan State Housing Development Authority (MSHDA) with respect to the use of incremental state education taxes and school operating taxes for eligible activities and (2) consideration by the Brownfield Redevelopment Authority and City Council to approve a Development and Reimbursement Agreement which details the terms and conditions for reimbursement of eligible activities with tax increment revenue – both school (subject to MSHDA approval) and non-school taxes. At your October 13, 2025 meeting, we recommend that the Zeeland Brownfield Redevelopment Authority approve the attached Development and Reimbursement Agreement with 17 E Main, LLC.

The agreement is consistent with the 17 E Main, LLC Brownfield Plan Amendment that was approved by the Zeeland City Council on March 3, 2025 and the Brownfield Redevelopment Authority on January 21, 2025. (Please let us know if you would like a copy of that plan.) The agreement was originally drafted by Kirk Perschbacher, Fishbeck Consultants, on behalf of the applicant. The agreement has been reviewed by Pat McGow, Miller Canfield attorney, and Samantha Mariuz, Economic Development Manager from Fleis and VandenBrink (city's brownfield consultant) on the city's behalf. We thank Mr. Perschbacher, Mr. McGow, and Ms. Mariuz for their assistance in getting this agreement drafted.

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The agreement states that the developer plans for a new mixed-use, three-story building with a total of 27,461 square-feet. The first floor will be for office/mixed use (a restaurant was recently announced) and is 8,933 square-feet. The second and third floors will consist of a total of 22 residential 1-bedroom units.

The project focuses on providing affordable housing for individuals and couples. The developer is eligible for “housing development activities” under the Act based on the developer’s commitment to reserve a portion of the rental units at or below 120% of the area median income (AMI). Specifically, the project includes reserving 6 income qualified units for tenant households earning 80% AMI at rents equivalent to the 80% AMI or less for the term of this agreement (30 years). Currently, that would put the rents at approximately \$1,500 per month. The agreement does require the developer to submit annual verification of controlled rents.

For the city’s benefit, the project will have the effect of assisting in the redevelopment of the property, increasing housing inventory, increasing the tax base, and otherwise enhancing the economic vitality and quality of life in the city. The total private capital investment for the project is expected to be \$7 million.

Over the life of the 30-year Brownfield Plan, it is projected that the development will generate approximately \$2.9 million of tax increment revenue (including \$214k retained by the State for its brownfield fund). Beyond the State retaining tax increments for its brownfield fund, the Brownfield Plan and the Reimbursement Agreement’s terms and conditions outline the tax increment uses and reimbursements in the following manner.

The Brownfield Redevelopment Authority will reimburse the developer in an amount not-to-exceed \$671,900 (unless approved by the parties) for eligible activities such as environmental assessment, demolition, Brownfield Plan amendment and implementation, infrastructure to support housing, site preparation, housing gap activities and contingencies. It is estimated that the developer will be reimbursed in approximately 14 years. As a reminder, the project did receive a Commercial Rehabilitation Tax incentive which basically freezes the taxes (other than State Education Tax and School Operating Taxes) for the first 10 years of the project. Thus, given there is no tax increment to collect for brownfield reimbursement, other than State Education Tax and School Operating, for the first 10 years of the project, that does contribute to the estimated reimbursement period of 14 years to the developer.



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Beyond the developer's reimbursement, to help support the project, the city is eligible to capture tax increments for public infrastructure. Per the plan, the city estimates the collection of \$2,000,000 in tax increments (years 14 – 30) to largely fund a snowmelt boiler system (estimated at \$2.6 million) we plan to install in the basement of the 17 E. Main site. This boiler system will provide capabilities for the city to expand our public snowmelt sidewalk system.

Finally, in addition to reimbursing the developer and largely funding public infrastructure to support the site, the Brownfield Plan does also provide for the collection of \$65,097 over the life of the plan for the Brownfield Redevelopment Authority's administration of the plan. Again, terms and conditions within the agreement detail how tax increment revenue is actually disbursed to the respective parties over the life of the agreement.

We again thank 17 E Main, LLC for their investment project in the city and recommend that the Zeeland Brownfield Redevelopment Authority approve the agreement.

**RECOMMENDATION:** City staff recommends that the Brownfield Redevelopment Authority approve the attached Development and Reimbursement Agreement with 17 E. Main, LLC as presented.

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Timothy R. Klunder, City Manager

## **DEVELOPMENT AND REIMBURSEMENT AGREEMENT**

This Development and Reimbursement Agreement (the “Agreement”) is made this \_\_\_\_ day of \_\_\_\_, 2025, between the **City of Zeeland Brownfield Redevelopment Authority**, a Michigan public body corporate (the “Authority”), whose address is 21 South Elm Street, Zeeland, Michigan 49464, the **City of Zeeland**, a Michigan municipal corporation (the “City”), whose address is 21 South Elm Street, Zeeland, Michigan 49464 and **17 E Main LLC**, a Michigan limited liability company, whose address is 16 South Elm Street, Zeeland, Michigan 49464 (the “Developer”).

### **RECITALS**

A. The Authority was created by the City of Zeeland (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 Developer has prepared a Brownfield Plan, which was duly approved by the City Council and the Authority (the “Brownfield Plan”).

B. The Developer has an agreement to construct, operate, and manage a mixed-use development on approximately 0.72 acres of property in the City at street address 3 East Main Street (the “Property”), which is legally described in the attached Plan for 17 E Main Redevelopment (the “Project”) attached as Exhibit A, and which is “housing property” as defined in Act 381.

C. The Plan was recommended for approval by the Authority on January 21, 2025, and approved by the City on March 3, 2025.

D. The proposed redevelopment will include a new mixed-use, three-story building with a total of 27,461 square-feet. The first floor will be for office/mixed use and is 8,933 square-feet. The second and third floors will consist of a total of 22 residential 1-bedroom units. The total capital investment for the Project is expected to be \$7 million. The Project focuses on providing affordable housing for individuals and couples, serving an important public purpose in the City. The Project will have the effect of assisting in the redevelopment of the Property, increasing housing inventory, increasing the tax base, and otherwise enhancing the economic vitality and quality of life in the City.

E. Subject to the Michigan State Housing Development Authority (“MSHDA”) approval of the Act 381 Work Plan for the Project (the “Work Plan”), with respect to the state education tax and taxes levied for school operating purposes (the “Educational Taxes”), 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 has incurred and will incur Eligible Costs, which include costs associated with demolition, housing development activities, site preparation activities, infrastructure improvements to support housing activities and property, and brownfield plan preparation and implementation, all as defined in the Brownfield Plan.

G. Additionally, by the Developer undertaking the Project, the City will incur Eligible Costs, which include costs associated with infrastructure improvements to support housing development activities, as defined in the Brownfield Plan Amendment.

H. The Developer is eligible for “housing development activities” under the Act based on the Developer’s commitment to reserve a portion of the Project’s rental units as income restricted units for income qualified households, i.e. household incomes at or below one hundred-twenty percent (120%) area median income AMI (the “Annual Unit Income Restriction”). The Annual Unit Income Restriction for the Project includes reserving 6 income qualified units for tenant households earning 80% AMI at rents equivalent to the 80% AMI (as specified and updated yearly by MSHDA) or less for the Term of this Agreement.

I. The Authority has incurred and will incur certain eligible administrative costs associated with the Amendment (the “Administrative Costs”), for which it seeks reimbursement from Local Tax Increment Revenue (“Local TIR”), including brownfield plan and work plan implementation.

J. Act 381 provides that during the period up to the first twenty-five (25) years that the Developer/City are reimbursed for Eligible Costs the amount of Tax Increment Revenues (as defined below) captured annually shall be reduced by fifty percent (50%) of the state education tax levy (the “SET



SBRF Tax Increment Revenues”), which is required to be paid to the Michigan Department of Treasury (“Treasury”) for deposit in the state brownfield redevelopment fund (the “SBRF”).

K. Following reimbursement of all amounts due to the Developer, the City and all amounts payable to the Authority as Administrative Costs from applicable Tax Increment Revenues (as defined below) and payment to Treasury of the SET SBRF Tax Increment Revenues for deposit in the SBRF, the Brownfield Authority may decide to collect additional tax increment revenues and deposit them into the local brownfield revolving fund which is in accordance with Section 13(5) of Act 381, which limits such deposits to be made for no more than five (5) years after the time that capture is required to pay the Eligible Costs.

L. In accordance with Act 381 and subject to the terms of this Agreement, the parties desire to use the property tax revenues 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, to pay Treasury the SET SBRF Tax Increment Revenues [and to fund a local brownfield revolving fund pursuant to Act 381].

M. 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 all Tax Increment Revenues from the Property and use those Tax Increment Revenues as provided in this Agreement.

2. **Submission of Costs:** For those Eligible Costs for which the Developer & City seek reimbursement from the Authority, the Developer & City 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 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;

(d) copy of occupancy permit, as applicable;

(e) copies of local required 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 and/or City to reimburse the parties for Eligible Costs. Local TIR generated from the Property shall first be retained by the Authority in an amount equal to five percent (5%) of the annual Tax Increment Revenues up to the maximum amount allowed annually for Administrative Costs under Act 381 for all Authority projects and the SET SBRF Tax Increment Revenues realized from the Property during the period up to the first twenty-five (25) years that the Developer/City are reimbursed for Eligible Costs shall be paid to Treasury for deposit in the SBRF. After retention of such Local Tax Increment Revenues and payment to Treasury of the SET SBRF Tax Increment Revenues, Project Tax Increment Revenues shall be used to reimburse the Developer/City 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 the Developer's request to use Project Tax Increment Revenues to reimburse it for Eligible Costs within thirty (30) days of being invoiced for such costs, then the Authority is authorized to pay such costs from Project Tax Increment Revenues before such Project Tax Increment Revenues are used to reimburse the Developer/City. The amount of Project Tax Increment Revenues used to pay such costs shall be subtracted from the Developer/City total Eligible Costs and Developer shall not be entitled to reimbursement of such amount. The Authority shall have no obligation to reimburse the Developer/City for Eligible Costs from Tax Increment Revenues captured and received by the Authority after December 31, 2055, unless otherwise authorized under the Act. The amount of taxes levied as Educational Taxes that

will be used to reimburse the Eligible Costs of implementing eligible activities at the Property will be limited to the Eligible Costs of eligible activities approved by MSHDA. 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 City the Community Development Director and Finance Director, or the City's designated Brownfield Redevelopment Authority consultant, and approval by the Authority Board, pay to the Developer/City the amounts for which submissions have been made pursuant to Section 2 of this Agreement within thirty (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. Tax Increment Revenues will be used to first reimburse the Developer for the total Eligible Costs incurred by the Developer. Once the Developer is fully reimbursed, the City will be reimbursed for the total Eligible Costs incurred by the City. If a partial payment is made by the Authority because of insufficient Tax Increment Revenues, then the Authority shall make additional payments toward the remaining amount within thirty (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/City or to December 31, 2055, whichever occurs first.

4. **Adjustments:** If, due to an appeal of any tax assessment or reassessment of any portion of the Property or for any other reason, the Authority is required to reimburse any Tax Increment Revenues to the 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/City. If all amounts due the Developer/City under this Agreement have been fully paid or the Authority is no longer obligated to make any further payments to the Developer/City, then the Authority shall invoice the Developer/City for the amount of such reimbursement. Further, the Developer/City shall pay the Authority such invoiced amount within thirty (30) days of the receipt of the invoice. Amounts invoiced and paid to the Authority by the Developer/City pursuant to this paragraph shall be reinstated as Eligible Costs for which the Developer/City 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.

5. **Development:** The Developer commenced work on this project in the Winter 2024. The Developer will use its reasonable best efforts to complete the Project no later than spring of 2026. Units held to the Annual Unit Income Restriction shall be comparable in overall quality of construction and maintenance, and with equal access to amenities (including parking), to a typical and similarly situated market-rate unit.

6. **Reporting:**

- a. The Developer shall submit a written report in a form provided by the Authority to the Authority within 90 days of the Project's completion date indicating the total private investment, the number of permanent full-time or equivalent full-time jobs retained and created, and such other information as shall be required by such form.
- b. Income and Rent Documentation and Reporting:
  - i. No later than May 15 annually, the Developer shall monitor and provide to the Authority and/or a third-party providing verification services to the Authority sufficient evidence to demonstrate its compliance with the Annual Unit Income Rent Restriction.
  - ii. Prospective renters, at the time of move in, must verify eligibility to the Developer or their designee at the time of initial occupancy by self-certifying using the MSDHA Household Income Self-Certification Form or as otherwise approved by MSHDA. Income verification is not necessary past the move in date
  - iii. If, after the Authority's review of Developer's Annual Unit Income/Rent Restriction report, Authority determines that the Developer did not meet the Annual Unit Income/Rent Restriction for the previous twelve (12) month period based on occupied units, then the Authority may withhold a pro-rata share of the total Tax Increment Revenues received from the Development in an amount equal to the

percentage of the total units of the Project determined to not be in compliance with the Annual Unit Income/Rent Restriction. If the Developer returns to compliance at the time of the next Annual Unit Income/Rent Restriction report, then the Authority shall reimburse the Developer/City using all available Tax Increment Revenues available to the Authority, including any amounts previously withheld. If, based on the formula outlined above, and the Authority has any Tax Increment Revenues withheld at the end of the Term, then the Authority may retain such funds for deposit in the local brownfield revolving fund, as provided under the Act, or remit such funds to the respective taxing jurisdictions.

iv. No later than May 15 of each year during the Term of reimbursement under this Agreement, the Developer shall provide to the Authority 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 and total number of Annual Unit Income/Rent Restriction units, indicating the number rented at rates at or below the applicable AMI ranges subject to this Agreement.
5. Annual Unit Income/Rent Restriction units' rental rates.
6. Other information required to be reported to the State of Michigan to verify compliance with Act 381 unless that information is readily available to the City Treasurer.

## 7. **Prohibition of Short-Term Rentals**

- a. During the Term of Tax Increment Revenues capture and reimbursement and in accordance with Section 15(12)(m)(iv) of the Act, no short-term rentals are allowed in any of the income qualified residential units.
- b. Short-term rentals in non-income qualified residential units must comply with all provisions of the City's Ordinances. Leases shall be consistent with the City's zoning.
- c. The Developer agrees to include notice of the short-term rental prohibition in any lease and is responsible for monitoring compliance with this provision.

8. **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. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

9. **Assignment - Binding Effect:** This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other parties, 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 by 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.

10. **Indemnification:** The Developer agrees to indemnify, defend, and hold City, the Authority, as well as all officers, agents, employees, and assigns thereof harmless 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 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. The 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.

11. **Term:** This Agreement shall terminate when all reimbursements and payments contemplated under this Agreement have been paid or December 31, 2055, whichever occurs first.

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

**17 E MAIN, LLC**

By: \_\_\_\_\_  
Scott Geerlings, Managing Partner

**CITY OF ZEELAND**

By: \_\_\_\_\_  
Tim Klunder, City Manager

**CITY OF ZEELAND BROWNFIELD  
REDEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Kevin Klynstra Chairperson

By: \_\_\_\_\_  
Rick VanDorp, Vice Chair



**EXHIBIT A**  
**Brownfield Plan**

## EXHIBIT B

### Financial Consideration Between the Parties

Summary of approved Eligible Costs

Eligible Activities	Cost
<b>To the Authority</b>	<b>\$65,097</b>
Administration (5%)	\$65,097
<b>To the Developer</b>	<b>\$671,900</b>
MSHDA	\$671,900
<b>To the City</b>	<b>\$2,000,000</b>
MSHDA	\$2,000,000
<b>Total approved costs</b>	<b>\$2,736,997</b>



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## MEMORANDUM

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TO: Brownfield Redevelopment Authority Board

FROM: Tim Klunder, City Manager

SUBJECT: Review of (1) Proposed Amendments to the Brownfield Tax Increment Financing Policy and (2) New Community and Economic Development Financial Incentive Policy

DATE: October 9, 2025

CC: October 13, 2025 Brownfield Redevelopment Authority Meeting

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### **Brownfield Tax Increment Financing Policy**

When the city originally established our Brownfield Redevelopment Authority, a Brownfield Tax Increment Financing (TIF) Policy was put in place to help guide decisions around brownfield plans seeking tax increment financing – historically tax increment financing has helped reimburse developers for additional costs associated with cleaning up contaminated sites. The city's Brownfield TIF Policy largely remained unchanged from when it was established in 2004 until 2022. At that time, the city started to witness an increase in brownfield activity and the policy needed to be refreshed.

We now feel the Brownfield TIF Policy should undergo another update. Two primary reasons are suggested for the updates. (1) In 2023 the State of Michigan enabled housing activities to qualify for tax increment financing in the Brownfield Act if certain criteria are met with the project. (2) Within the city we have seen developments, particularly in the downtown, seek multiple layers of tax incentives to make the project financially viable. We are thus recommending an overall Economic Development Incentive Policy be established (discussed below) and therefore, the Brownfield TIF Policy should reference that proposed new policy as well.

Attached you will find proposed amendments to the Brownfield Tax Increment Financing Policy. At Monday's meeting, we would like some feedback from the Authority on these proposed amendments. We are not seeking action by the Authority at Monday's meeting. A summary of the proposed amendments are as follows:

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1. Under “Tax Increment Financing Considerations” adding a component related to housing and the need for the developer to reserve a portion of the project’s housing for income qualified households. Note, we are not suggesting that a minimum percentage of income restricted units be set. Rather, we feel each project should be evaluated on a case-by-case basis.
2. Adding a “Tax Increment Financing Provisions” Section.
  - a. Item #1 and #2 under this section are setting percentages (or maximums) for administrative fees and interest payments. The city has historically collected administrative fees and we have allowed interest payments. Providing guidance on these percentages creates consistency between projects.
  - b. Item #2 deals with the layering of a Commercial Rehabilitation Tax increase with a brownfield plan. This has been done with numerous projects in the city. The impact is that a Commercial Rehabilitation Tax essentially freezes (some school tax exceptions) taxes for 10 years. Thus, there is no incremental gain in tax revenue to reimburse a developer for brownfield costs in the first 10 years. This naturally extends the time required to repay a developer. Under the Brownfield Act, once a developer is paid in full, the Authority can collect another 5 years (assuming the entire plan does not go beyond 30 years) of tax increment revenue to put in the Local Brownfield Fund. Under the Brownfield Act, an Authority can delay the start of collecting TIF for 5 years. This delayed start may allow for the Local Brownfield Fund to collect 5 years of TIF within the 30-year time limit of TIF collection.
  - c. Item #4 and #5 are the “heart” of the updates. Under Item #4 of the proposed policy amendment, incentives maximums should target no more than 40% brownfield incentives (50% if no other incentives offered). How these percentages are calculated are written into the policy. The increase from 40% to 50% if no other incentives are offered, tries to bring equity to projects that do “layer” other economic incentives – and which will now be addressed in a new Economic Development Incentive Policy.
  - d. Item #5 notes that a TIF Plan shall provide some funding to either the Local Brownfield Fund and/or support public infrastructure for the project. This would prevent a project from capturing all of the tax increment revenue for “private purposes only”. It also notes 10% of the annual tax increment shall be used for public infrastructure work (if it is undertaken for the project).



3. Adding a “Housing Assistance Fund” provision section. This section is theoretically based and there is no Housing Assistance Fund within the Brownfield Authority or city at this time. This provision is established if (a) a proposed project is above the financial incentive percentages outlined in the Brownfield TIF Policy and/or Economic Development Incentive Policy and (b) if the city were able to obtain funds for a Housing Assistance Fund through a grant, donation, etc. In theory, the Housing Assistance Fund could be used to close the financial gap. This is purely a pro-active statement at this time. But, it is a provision that may help with projects that are seeking to create affordable workforce housing, but would not be able to develop their project to the full extent requested due to the city’s incentive policy limits.

#### **Community and Economic Development Financial Incentive Policy**

In conjunction with the Brownfield TIF Policy amendments, we are proposing a new policy that looks to bring equity to projects that may seek multiple financial incentives. While some projects have only sought brownfield incentives, more recently, projects have looked to layer incentives such as Commercial Rehabilitation Incentives, Brownfield Incentives, property purchases, etc. As stated above, the new policy looks to establish equity between projects by creating target maximum percentages of incentives offered to projects.

#### **Financial Incentives Example Chart**

Attached to this information is a chart of how percentages would have been calculated on existing projects (projects 1 – 4) and an example of a potential housing project that would not have met the policy and thus, would have to alter their request in order to comply with the policy. A review of existing projects helped formulate the percentage maximums that have been proposed.

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Timothy R. Klunder, City Manager

**CITY COUNCIL (OR GOVERNING BODY/COMMISSION)  
POLICY DIRECTIVE**

INDEX NUMBER: 04.43 (amended ~~5-16-2022~~ TBD)

DATE: ~~May 16, 2022~~

BODY: City Council and Brownfield Redevelopment Authority

SUBJECT: Brownfield Tax Increment Financing

Project Review Administration Fees

The City of Zeeland Brownfield Redevelopment Authority and the Zeeland City Council require that outside consulting fees (for example, legal fees, ~~and~~ publication fees, brownfield consultants, traffic engineers, etc.) incurred by the City of Zeeland Brownfield Redevelopment Authority and/or by the City of Zeeland be repaid by the applicant within thirty days from the date of billing.

The applicant may treat such fees, however, as project expenses and may be reimbursed for such fees with tax increment financing (TIF) revenues (if a plan is approved with TIF dollars) at the beginning of the TIF collection. The applicant shall also be liable for such fees and costs if a Brownfield Plan is not approved for the applicant. Amounts annually repaid for these administrative fees shall be subject to the limits of applicable state laws.

Tax Increment Financing (TIF) Considerations

The City of Zeeland Brownfield Redevelopment Authority and the City of Zeeland encourage applicants that seek to use TIF dollars to obtain approval for school tax capture as appropriate for the eligible activities.

The City of Zeeland Brownfield Redevelopment Authority and the City will consider the following factors and guidelines when deciding whether or not to approve a TIF plan:

1. Number and type of jobs created or retained by the project.
- ~~1.2.~~ In the case of housing, the developer's commitment to reserve a portion of the Project's rental units as income restricted units for income qualified households, i.e., household incomes at or below the State's income percentages found in Act 381 (the Brownfield Redevelopment Financing Act, Act 381 of Public Acts of Michigan of 1996, as amended).
- ~~2.3.~~ The impact of the project on the community.
- ~~3.4.~~ The impact of the project on the City's tax base.
- ~~4.5.~~ The ability of the project to move forward without the capture of TIF.
- ~~5.6.~~ The quality of construction and the site plan of proposed structures and of a development.
- ~~6.7.~~ Other relevant factors as may be permitted by law and as may be raised during a public hearing.
8. The proposed length of time for tax increment revenue captures, which shall be limited to a period not to exceed the maximum duration permitted by law.



#### Tax Increment Financing Provisions:

1. The City's Brownfield Authority shall collect a 5% annual administrative fee during the term a developer is reimbursed with Tax Increment Financing.
2. Up to 5% interest on the outstanding reimbursement balance of the developer will be considered for payment, with the Secured Overnight Financing Rate (SOFR) used as a benchmark during the Brownfield Plan development. No interest shall be paid while local capture is not being collected (during a CRA exemption for example).
3. If Commercial Rehabilitation Act Exemption, Commercial Redevelopment Act Exemption, or similar incentives are sought which would delay the local capture of TIF, the TIF plan may seek to delay the start of TIF collection for five years.
4. Development incentive maximums should target no more than 40% Brownfield tax increment incentives (50% if no other city involved financial incentives are provided – refer to City's Community and Economic Development Financial Incentive Policy) of projected cash value of the project. Please refer to attached sample calculation table.
- 7.5. The TIF Plan shall provide for 5 years of Local Brownfield Redevelopment Capture and/or the capture of funds to support public infrastructure for the project. Should capture occur to support public infrastructure work, 10% of the annual available capture (after State Brownfield Revolving Fund and BRA Administrative Fee captures) shall be paid to the Brownfield Authority for public infrastructure work associated with the project.

In the event the capture of school tax increment revenues is not requested or is not approved, the reimbursement for eligible activities will be limited to the proportional share that captured local tax mills have to the total property tax mills. There may be exceptions for those cases where there is a compelling local interest. In addition to the criteria set above, the City of Zeeland Brownfield Redevelopment Authority and City Council will also consider the following criteria when deciding to capture additional local non-school taxes.

1. The ability of the project to move forward without the extension of local non-school tax captures.
2. The length of time needed to capture the full school tax capture amount.

#### Reimbursement Agreement

The City of Zeeland Brownfield Redevelopment Authority and the Zeeland City Council shall require all projects that seek to utilize TIF revenue captures to enter into a reimbursement agreement as specified by the City of Zeeland which will outline the respective parties' obligations as they relate to the reimbursement of eligible costs under a TIF plan.

#### Housing Fund Assistance

Should an eligible (under Act 381) Housing Development Project's proposed Tax Increment Financing Plan fail to capture sufficient funds to reimburse the developer's eligible cost due to compliance with the City's Tax Increment Financing Provisions found within this Policy and/or the Financial Incentive Percentages found within the City's Community and Economic Development Financial Incentive Policy, the Developer

may request the use of funds (if available) within the Brownfield Authority's fund balance committed for Housing Projects. The "Housing Fund Assistance" dollars will be considered as "gap" financing between the Tax Increment Financial Incentives and other City Financial Incentives capped by the Policies referenced above and the projected amount of dollars requested by a developer to fully recoup their eligible activities within a developer's Brownfield Plan. The amount of dollars provided by the Brownfield Authority/City Council from the City's Housing Assistance Fund will be determined solely by the City's Brownfield Redevelopment Authority and City Council based on project criteria outlined in the various incentive policies outlined within this policy and will only be made available if the developer obtains an approved Brownfield Plan from the City and State. Additionally, the City, at its sole discretion, may determine that only a percentage of the "financial gap" will be provided and nothing shall require the City to fully fund the "financial gap" referenced above. Funds provided by the City designated as Housing Assistance Fund will be considered as a grant that will be paid to the developer at the conclusion of the Brownfield Plan term.

Commented [TK1]: Should this be considered a 0% loan



## **CITY COUNCIL (OR GOVERNING BODY/COMMISSION) POLICY DIRECTIVE**

INDEX NUMBER: tbd

DATE: tbd

BODY: City Council

SUBJECT: Community and Economic Development Financial Incentive Policy

### Policy Overview

The City of Zeeland has a Community and Economic Development commitment to our “Feel the Zeel” Vision. That commitment states the City will: *“Lead and facilitate strategic growth that is consistent with the City’s vision by building collaborative relationships and promoting a climate that is accommodating, identifies and utilizes resources to create development opportunities, and is responsive to emerging issues and trends.”* This Community and Economic Development commitment also plays a role in impacting other commitments such as a Vibrant Downtown; Infrastructure; Strong, Safe and Connected Neighborhoods; and Financial Sustainability.

Identifying financial incentives, and utilizing those resources to create development opportunities has been a hallmark of Zeeland’s success. Incentives that the City has used successfully include (but are not limited to) grants, Industrial Facility Tax Exemptions (PA 198), Commercial Rehabilitation Tax Incentives (Act 210), Commercial Redevelopment Act (Act 255), Brownfield Redevelopment Tax Increment Financing (Act 381), and land sales/agreements.

In keeping with the City’s commitment to remain Financially Sustainable, and to promote equity between various community and economic development projects seeking financial incentives from the City to make those developments financially viable, the City has established an overall financial incentive benchmark (cap) when considering approval of financial incentives (single or multiple) for proposed development projects.

Each specific incentive (IFT, CRA, etc.) has already established specific criteria when analyzing a project around such things as job creation, impact of the project on the community, cash investment by the developer, quality of project, etc. Please refer to each applicable incentive policy for those identified criteria. As such, this policy does not necessarily touch on those evaluation criteria, but rather, the purpose of this policy is to create equity in financial incentives across various projects.

### Financial Benchmarks/Comparables

While no specific values are set for any single financial benchmark noted below, the City will perform an analysis of the financial incentives across the applicable benchmarks to determine if they are comparable with other projects within the City. Those benchmarks are:

1. Dollar incentive per dwelling unit. (Divide dwelling units by estimated cash value of financial incentives offered.)
2. Dollar incentive per square feet of building project. (Divide building square footage by estimated cash value of financial incentives offered.)
3. Dollar incentive per investment value. (Divide estimated incentive value by total estimated cash value of the project upon construction completion.)

### Financial Incentive Percentage

1. Incentive maximums to the developer should target no more than 40% Brownfield tax increment incentives (50% if no other city involved financial incentives are provided) and no more than 50% combined financial incentives that the city has direct financial participation in (for example, Commercial Rehab, IFT, land, etc.).
  - a. Calculation of percentages are derived by dividing the estimated financial incentives by the total estimated cash value of the project upon completion. (See table example attached.)

### Development Agreement and/or Contracts

The City may require a developer to enter into a development agreement and/or contract which will identify the parameters for the development (estimated construction value, jobs created, timeline, project aesthetics, materials, etc.) in consideration of the financial incentives offered.

	Project				Potential	to meet 40% policy	to meet 50% policy	average incentive of offers
	Example 1	Example 2	Example 3	Example 4		adjusted Potential	adjusted Potential	
Land Value	\$ 315,800.00	\$ 467,500.00	\$ 195,000.00	\$ -	\$ -	\$ -	\$ -	
Proposed Brownfield Value	\$ 671,900.00				\$ 2,346,119.00	\$ 1,400,000.00	\$ 1,750,000.00	
Actual Brownfield Value			\$ 2,523,640.00	\$ 147,250.00				
Value of Tax Abatement (CRA)	\$ 696,632.20	\$ 377,384.66	\$ 1,163,312.44	\$ 95,248.62				
<b>Total Incentive</b>	\$ 1,684,332.20	\$ 844,884.66	\$ 3,881,952.44	\$ 242,498.62	\$ 2,346,119.00	\$ 1,400,000.00	\$ 1,750,000.00	
No. of Dwelling Units	22	8	48	N/A	18	18	18	\$ 87,681.72
Incentive per Unit	\$ 76,560.55	\$ 105,610.58	\$ 80,874.01	N/A	\$ 130,339.94	\$ 77,777.78	\$ 97,222.22	
Finished Square Footage	27684	19075	62808	6548	18415	18415	18415	\$ 50.99
Incentive per Square Foot	\$ 60.84	\$ 44.29	\$ 61.81	\$ 37.03	\$ 127.40	\$ 76.02	\$ 95.03	
Total True Cash Value	\$ 4,662,000.00	\$ 2,500,000.00	\$ 8,400,000.00	\$ 920,000.00	\$ 3,500,000.00	\$ 3,500,000.00	\$ 3,500,000.00	\$ 0.36
Incentive per Investment Value	\$ 0.36	\$ 0.34	\$ 0.46	\$ 0.26	\$ 0.67	\$ 0.40	\$ 0.50	
Percentage of Total Incentive to True Cash Value	36.13%	33.80%	46.21%	26.36%	67.03%		50.00%	35.62%
Percentage of Total Brownfield incentive to True Cash Value	14.41%	0.00%	30.04%	16.01%	67.03%	40.00%		20.15%

Example 1 Land Value - Purchase price of property plus demolition costs

Example 2 Land Value - Purchase price of property, demolition costs, and land purchase

Example 3 Land Value - Estimated Market Value less Payment for property, Estimated Market Value for Vacated ROW



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## MEMORANDUM

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TO: Brownfield Redevelopment Authority Board

FROM: Tim Klunder, City Manager

SUBJECT: Election of Officers Consideration (11/1/2025 – 10/31/2026)

DATE: October 6, 2025

CC: Brownfield Redevelopment Authority Meeting – 10/13/2025

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At the Brownfield Authority's meeting on October 28, 2024, the Authority appointed officers for the period of November 1, 2024 – October 31, 2025. Our by-laws state that officers are elected for one year.

Since we are meeting close to the end of the "officer year", it is suggested that we handle appointments for the upcoming year of November 1, 2025 – October 31, 2026.

As a reminder, the current officers are Mayor Klynstra, Chair; Councilman VanDorp, Vice-Chair; Andrew Boatright, Treasurer; and Tim Klunder, Secretary.

Our current board members, with their corresponding term end date are as follows:

- Mayor Klynstra (term ending 11/1/2027)
- Councilman Rick VanDorp (term ending 11/1/2026)
- Beth Blanton, VP of Engagement at Lakeshore Advnt. (term ending 11/1/2025)
- Tim Maday, Community Development Director (term ending 11/1/2026)
- Andy Boatright, ZBPW General Manager (term ending 11/1/2026)
- Tim Klunder, City Manager (term ending 11/1/2027)
- Jeff Roon, Lincoln Elementary Principal (term ending 11/1/2025)

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Given Mayor Klynstra is not seeking re-election, the Board may wish to consider appointing a new Chairperson for 2025/2026. As a general note, Mayor Klynstra may continue to serve on the Board until he no longer lives in the city.

We are also hopeful that Beth Blanton and Jeff Roon will consider reappointment to their positions on the Board.

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Timothy R. Klunder, City Manager