

# **MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY**

Meeting of April 29, 2014

2 pm - Council Chambers, City Hall, 70 Maple Street,  
Manistee, Michigan

## **AGENDA**

### **I Call to Order**

### **II Roll Call**

### **III Approval of Agenda**

At this time the Brownfield Redevelopment Authority can take action to approve the April 29, 2014 Agenda.

### **IV Approval of Minutes**

At this time Brownfield Redevelopment Authority can take action to approve the January 28, 2014 meeting Minutes.

### **V Public Hearing**

### **VI Financial Reports**

#### **Approval of Invoices**

At this time the Brownfield Redevelopment Authority can take action to approve invoices for payment

### **VII New Business**

#### **US EPA Grant Status**

Staff will update the Brownfield Redevelopment Authority on the status of current projects.

### **VIII Old Business**

### **IX Public Comments and Communications**

At this time the Chair will ask if there are any public comments.

**X Correspondence**

At this time the Chair will ask if any correspondence has been received to be read into the record.

**XI Staff Reports**

At this time the Chair will ask Staff for their report.

**XII Members Discussion**

At this time the Chair will ask members of the Brownfield Redevelopment Authority if they have any items they want to discuss.

**XIII Adjournment**



## MEMORANDUM

Planning & Zoning  
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TO: Brownfield Redevelopment Authority Directors

FROM: Denise Blakeslee  
Planning & Zoning

DATE: April 24, 2014

RE: April 29, 2014 Brownfield Redevelopment Authority Meeting

Directors, the next meeting of the Brownfield Redevelopment Authority will be on Tuesday, April 29, 2014 at 2 pm in the Council Chambers. We have the following items on the Agenda.

**Approval of Invoices** – A copy of the Invoice Summary is included in your packet for your review.

**US EPA Grant Status** – T. Eftaxiadis will update the BRA on current grants and projects.

**BRA Financing** – Finance Director Ed Bradford will give a financial status update on the Grants and Brownfield Redevelopment Authority Funds.

If you are unable to attend the meeting please call me at 398.2805. See you Tuesday!

:djb

# MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

70 Maple Street  
Manistee, MI 49660

## MEETING MINUTES

January 28, 2014

A meeting of the Manistee City Brownfield Redevelopment Authority was held on January 28, 2014 at 2:00 pm in the Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan.

Meeting was called to order at 2:05 pm by Secretary Don Kuk

Roll Call:

Members Present: W. Frank Beaver, Dave Carlson, Donald Kuk, Marlene McBride, Clinton McKinven-Copus, Jeffrey Stege

Members Absent: Steve Brower (excused)

Others: Patrick Kay (DDA/Main Street Director)T. Eftaxiadis (BRA Consultant), Ed Bradford (BRA Administrator), and Denise Blakeslee (BRA Recording Secretary)

### APPROVAL OF AGENDA

Motion by Dave Carlson, seconded by Marlene McBride that the agenda be approved as prepared.

With a Voice Vote this motion passed unanimously.

### APPROVAL OF MINUTES

Motion by Marlene McBride, seconded by Jeff Stege that the minutes of the October 29, 2013 Brownfield Redevelopment Authority Meeting be approved as prepared.

With a Voice Vote this motion passed unanimously.

### PUBLIC HEARING

None

### FINANCIAL REPORTS

Chair Clinton McKinven-Copus entered and proceeded over the meeting

**Approval of Invoices** – Members reviewed the summary of invoices submitted for payment.

MOTION by Don Kuk, seconded by Frank Beaver to approve payment of invoices as follows:

REPORTING PERIOD:				November 1, 2013 through January 20, 2014
VENDOR NAME	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	SERVICE DESCRIPTION
Swidorski Bros	11/01/13	2787	\$252.00	EPA Grant -HAZARDOUS; Remedial Design Exploratory Test Pits: Manistee Plating site
Eftaxiadis Consulting Inc	12/13/13	CMBRA-1311	\$658.75	Joslin Cove, 334 River, CMBRA Technical Support Services
Eftaxiadis Consulting Inc	12/13/13	CMBRA-1311H	\$3,145.00	EPA Grant - HAZARDOUS; Phase II ESAs, Remedial Planning, Brownfield Planning, Outreach, Program Mgmt (Veterans Memorial Park, Manistee Plating, 346 River, Hokanson, North Channel Outlet, Century Boat Works)
Eftaxiadis Consulting Inc	12/13/13	CMBRA-1311P	\$425.00	EPA Grant - PETROLEUM; Technical Program Mgmt
Abonmarche Engineering	01/20/14	108241	\$3,500.00	EPA Grant - PETROLEUM; Veterans Memorial Park survey
Eftaxiadis Consulting Inc	01/13/14	CMBRA-1321H	\$191.25	EPA Grant - HAZARDOUS; Phase II ESAs, Remedial Planning, Brownfield Planning, Program Mgmt (Veterans Memorial Park, Manistee Plating, Peninsula)
<b>TOTAL:</b>			<b>\$8,172.00</b>	

With a Voice Vote this motion passed unanimously.

## NEW BUSINESS

### Election of Officers

According to the By-Laws of the City of Manistee Brownfield Redevelopment Authority the election of Officers is held at their annual meeting in January.

**Chair** - At this time the meeting was turned over to Ed Bradford who asked for nominations for the Position of Chair.

Don Kuk nominated Clinton McKinven-Copus for the position of Chair

Nominations were asked for again. There being no further nominations, nominations were closed.

With a voice vote Clinton McKinven-Copus was elected Chair of the Brownfield Redevelopment Authority for 2014, unanimously.

Ed Bradford turned the meeting over to Chair McKinven-Copus

**Vice-Chair** - Chair McKinven-Copus asked for nominations for the Position of Vice-Chair.

Don Kuk nominated Steve Brower for the position of Vice Chair

Nominations were asked for again. There being no further nominations, nominations were closed.

With a voice vote, Steve Brower was elected Vice - Chair of the Brownfield Redevelopment Authority for 2014, unanimously.

**Secretary/Treasurer** - Chair McKinven-Copus asked for nominations for the Position of

Secretary/Treasurer

Don Kuk nominated Jeff Stege for the position of Secretary/Treasurer

Nominations were asked for again. There being no further nominations, nominations were closed.

With a voice vote, Jeff Stege was elected Secretary/Treasurer of the Brownfield Redevelopment Authority for 2014, unanimously.

**Appointment of a Recording Secretary 2014** - Once Elected the Secretary may appoint a Recording Secretary to handle the administrative functions of the office.

Jeff Stege appointed Denise Blakeslee to act as the Recording Secretary for the Brownfield Redevelopment Authority for the year 2014.

**By Law Review** - According to the By-Laws of the City of Manistee Brownfield Redevelopment Authority shall annually review their By-Laws at their annual meeting in January.

No Changes were made.

**Oath of Office/Section 6 Conflict of Interest** - Annually the Brownfield Redevelopment Authority members will take an Oath of Office and agree to abide by Section 6 Conflict of Interest of the By-Laws of the City of Manistee Brownfield Redevelopment Authority.

At this time members of the Brownfield Redevelopment Authority took their Oath of Office and agreed to abide by Section 6 Conflict of Interest of the By-Laws of the City of Manistee Brownfield Redevelopment Authority.

**US EPA Grant Status** - T. Eftaxiadis prepared a memo on the status of current projects (attached) and detailed the projects for the members of the Brownfield Redevelopment Authority and answered questions. Mr. Eftaxiadis noted that the BRA had authorized him to prepare four Phase I ESA's, two have been completed and there is a possibility for three more. He also spoke of requesting an extension for the Hazardous Grant to allow time to utilize remaining funds for projects.

The members asked that staff send a letter to owners of property that Mr. Eftaxiadis has been working with informing them that the ability to use grant funds for their projects is near expiration.

MOTION by Don Kuk, seconded by Frank Beaver to authorized administration to request an extension of the Hazardous Grant if there is interest in projects to warrant the decision.

With a voice vote Motion passed unanimously.

MOTION by Don Kuk, seconded by Marlene McBride that Eftaxiadis Consulting is authorized to prepare one additional Phase I ESA (for a total of five) at the same rate.

With a voice vote Motion passed unanimously.

**BRA Financing –**

Finance Director Ed Bradford gave a financial status update (attached) on the Grants and Brownfield Redevelopment Authority Funds to the Directors.

**OLD BUSINESS**

None

**PUBLIC COMMENTS AND COMMUNICATIONS**

None

**CORRESPONDENCE**

Staff has received the closeout documentation for the Petroleum Grant.

**STAFF REPORTS**

None

**MEMBERS DISCUSSION**

None

The next regular meeting of the Brownfield Redevelopment Authority will be held on April 29, 2014

**ADJOURNMENT**

Motion by Don Kuk, seconded by Marlene McBride that the meeting be adjourned. MOTION PASSED UNANIMOUSLY.

Meeting adjourned at 3:15 pm

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

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Denise J. Blakeslee, Recording Secretary

# Memo

**To:** City of Manistee Brownfield Redevelopment Authority Directors and Administrator  
**From:** T. Eftaxiadis, Eftaxiadis Consulting Inc.  
**Date:** January 28, 2014  
**Re:** USEPA Grants Status

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1. The two Grants (Petroleum and Hazardous) were extended by the USEPA to March 31, 2014. As of end of December 2013 the estimated balance remaining in the Grants is approximately \$30,063 for the Hazardous and \$6,315 for the Petroleum.

An extension of the period of the Hazardous Grant to September 2014 would allow the completion of projects delayed due to severe adverse weather and/or lack of site access.

2. The status of "open" projects since the last BRA meeting (October 29, 2013) is as follows:
  - i. North Channel Outlet. A prospective redeveloper of the property is still interested in assistance with performing environmental due diligence work and asbestos and structural surveys through the Grants. To date, formal access to the property from the property owner is not available. We continue to work with the prospective developer on available Brownfield programs for that property.
  - ii. 518 First Street Property (former Rengo property). The property owner has provided access for environmental due diligence work (Phase I and II ESAs) through the Grants, prior to listing the property for sale. We are waiting for the owner to provide access to the interior of the building for the site walk component of the Phase I ESA. Additionally, a Phase II ESA would have to be delayed due to the cold and snowy conditions.
  - iii. River Parc Place. The developer, the DDA, the BRA Administrator and the City Manager are in the process of determining the components of a Brownfield Plan, for future public hearing and action by the BRA and City Council. A special meeting of the BRA may be required in February or March.
  - iv. 308 River Street. The property owner has expressed interest in performing Phase I and II ESAs and asbestos survey through the Grants. While there are no enough funds remaining in the Petroleum Grant for this work, an Eligibility Determination Request will be submitted to the US EPA for use of the Hazardous Grant funds for this property.
  - v. Veterans Memorial Park. We are assisting the Community Foundation, AES and the veterans group by providing topographic survey for the planning of the memorial's expansion, as well as technical support related to infrastructure improvements through Brownfield TIF.
  - vi. Douglas Park Area. The City is applying for State of Michigan grants for the development of, and improvements at various sections of Douglas Park. A Phase I ESA is needed to identify potential environmental impacts to the development efforts due to historic brine extraction and processing activities at the site.

3. Additionally, the following currently inactive projects may require assistance through the EPA grants, prior to Grant expiration, to undertake Grant eligible activities:
  - a. MAPS Vocational Training Facility – Brownfield Plan and Act 381 Work Plan.
  - b. Bookmart – Asbestos/Lead Survey, Baseline Environmental Assessment (BEA), Brownfield Plan and Act 381 Work Plan.
  - c. Manistee Iron Works - Brownfield Plan and Act 381 Work Plan.
  - d. Century Boat Works – Phase I ESA, BEA, Brownfield Plan and Act 381 Work Plan.
  - e. Hotel Northern - BEA, Brownfield Plan and Act 381 Work Plan.

Please let me know if you have any questions or require additional information.



## Finance\Treasurer's Office

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**Memo to:** Brownfield Redevelopment Authority Board  
T. Eftaxiadis, Brownfield Consultant

**From:** Edward Bradford, CFO, BRA Administrator

Handwritten signature of Edward Bradford in blue ink.

**Re:** BRA Finances

**Date:** January 23, 2014

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The purpose of this memo is to explain the current and historical state of BRA finances and discuss options for managing the finances of the BRA moving forward.

As of December 31, 2013 the BRA had \$21,514 in cash and a \$15,321 receivable from the State of Michigan. I have attached a summary of the entire financial history of the BRA which shows how this number was derived.

Revenues of \$67,000 are comprised of permit fees, service charges and City general fund transfers. Over \$40,000 of this are City general fund transfers. Expenses of \$30,000 are made up of supplies, printing, professional services and some State of Michigan fees. The vast majority are for professional services.

The reason for the current positive cash balance is that at the end of the 2013 fiscal year, the City had to transfer \$30,000 from the general fund to the BRA to avoid having a deficit balance. At the time, we were waiting for some money for the 334 River Street project to be disbursed from the State, which was eventually received.

However, in discussion with T. Eftaxiadis, the situation is a bit more complicated. The City uses the services of Eftaxiadis Consulting for both City and BRA projects. When Jon Rose was the Brownfield Administrator, frequently the services requested of Eftaxiadis Consulting by the City were simply charged to the BRA instead of being split between the City and BRA. Mr. Eftaxiadis estimates that of the \$26,000 in fees charged, only \$6,000 were properly allocable to "pure" BRA Administration, and the remainder to City projects. What this means is that when this is considered, the BRA has run about a \$5,000 deficit. Once the receivable from the State is received, the BRA would have about \$35,000 in cash. This all could be refunded to the City general fund, leaving \$5,000 remaining to be paid back.

However, that would cause cash flow problems for the BRA moving forward. I believe that all but \$10,000 should be refunded to the City general fund. If and when the BRA has the funds to

sustain its operations and generate a surplus, the remaining \$15,000 owed to the general fund could be paid back to the City.

Moving forward presents some challenges. The key takeaway is that the fees being brought in have not been sufficient to fund the operations of the BRA. With the pending expiration of the EPA grants, this situation will worsen as whenever acceptable, we charge expenses to these grants rather than to the BRA directly.

There are three ways to deal with this shortfall in the future.

1. Increase the revenue brought into the BRA by bringing in more projects and/or relevant grants. This activity would generate permit fees, charges for service, TIF capture and administration fees that could be used to fund the operations of the BRA. We may need to reevaluate the fees we charge for some of our activities.
2. Continue to subsidize the BRA with the City's general fund. Unfortunately, in past years this general fund contribution was never considered during the regular budgeting process, only indirectly in year-end budget amendments. This will have to change moving forward. That will be difficult given the fiscal challenges the City is facing.
3. Consider dissolving the City BRA and using the County BRA instead. Obviously, this would require a great deal of discussion before any decision was made.

In any event, the BRA will need to adopt a formal budget prior to July 1, 2014. I will be working with Mr. Eftaxiadis to prepare a budget for consideration at a future meeting. In the interim, the \$10,000 cash balance left in the BRA account should provide ample funds for the remaining months of the current fiscal year.

## City of Manistee

### BRA Financial Summary

12/31/2013

<b>Cash</b>	\$	21,514
Due from State	\$	15,321
	\$	<b>36,835</b>

#### Revenue

Permits	\$	3,000	Rieth-Riley, Jim Matthews
Charge for Service	\$	19,500	Rieth-Riley, American Materials, Amptech, Mariah Power
Rieth-Riley	\$	4,139	
Net Transfers In	\$	40,357	City of Manistee General Fund
<b>Total Revenue</b>	\$	<b>66,996</b>	

#### Expense

Supplies	\$	252
Printing	\$	175
Professional Services	\$	26,799
State of Michigan	\$	2,935

<b>Total Expenses</b>	\$	<b>30,161</b>
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<b>Net</b>	\$	<b>36,835</b>
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**CITY OF MANISTEE  
BROWNFIELD REDEVELOPMENT AUTHORITY**

**SUMMARY OF INVOICES SUBMITTED FOR PAYMENT**

**REPORTING  
PERIOD:**

January 21, 2014 through April 24, 2014

<b>VENDOR NAME</b>	<b>INVOICE DATE</b>	<b>INVOICE NUMBER</b>	<b>INVOICE AMOUNT</b>	<b>SERVICE DESCRIPTION</b>
EDR	02/26/14	3863221	\$250.00	EPA Grant -HAZARDOUS; North Channel Phase I ESA
Eftaxiadis Consulting Inc	01/13/14	CMBRA-1312H	\$191.25	EPA Grant - HAZARDOUS; Remedial Planning, Brownfield Planning, Project Mgmt (Veterans Memorial Park, Manistee Plating, MNST Iron Works)
EDR	04/03/14	3893984	\$350.00	EPA Grant -HAZARDOUS; Hokanson Phase I ESA
Eftaxiadis Consulting Inc	02/13/14	CMBRA-1401H	\$935.00	EPA Grant - HAZARDOUS; Phase I/II ESAs, Remedial Planning, Program Mgmt (Douglas Park, Veterans Memorial Park, Hokanson)
Eftaxiadis Consulting Inc	02/13/14	CMBRA-1401P	\$612.25	EPA Grant - PETROLEUM; Technical Program Mgmt
Northern Analytical Services	03/30/14	2014-67	\$1,200.00	EPA Grant -HAZARDOUS; North Channel Asbestos/Lead Surveys
Eftaxiadis Consulting Inc	03/03/14	CMBRA-1402H	\$2,932.50	EPA Grant - HAZARDOUS; Phase II ESAs, Remedial Planning, Brownfield Planning, Program Mgmt (Douglas Park, Hokanson, North Channel, General Chemical, MNST Iron Works)
Eftaxiadis Consulting Inc	03/03/14	CMBRA-1402P	\$913.75	EPA Grant - PETROLEUM; Brownfield Planning, Program Mgmt (Tuscan, MNST Iron Works)
Nordlund & Associates	03/18/14	13509	\$1,008.00	EPA Grant - HAZARDOUS; Structural Safety Assessment (North Channel Outlet)
<b>TOTAL:</b>			<b>\$8,392.75</b>	

# Memo

**To:** City of Manistee Brownfield Redevelopment Authority Directors and Administrator  
**From:** T. Eftaxiadis  
**Date:** April 24, 2014  
**Re:** Status of MDEQ Grants/Loan, USEPA Grants and Brownfield Plans

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1. **MDEQ GRANTS/LOANS.** The status of MDEQ grants and loans awarded to the City of Manistee Brownfield Redevelopment Authority (CMBRA) is as follows:

- a. A \$289,823 Grant was awarded in April 2011 to assist with the environmental cleanup and partial demolition of the **334 River Street** property. The work was substantially completed in June 2012, and the Grant was closed in October 2013.
- b. A \$91,240 Loan and a \$478,510 Grant was awarded in June 2008 to assist with demolition, environmental remediation and due care activities at the **American Materials (Rieth Riley) property**. The work under the Loan and Grant was substantially completed December 2010. The Loan was closed in October 2013, while the Grant is expected to be closed in late April or early May 2014.

The initial annual payment of \$9,140.06 to the MDEQ for the Loan was made in June 2013. Payments will continue for 10 years, to 2023, at the interest rate of 2%; total payments to the Loan will be \$100,541. In accordance with the terms of the Brownfield Plan for the property dated December 2007 and the Brownfield Development & Reimbursement Agreement between the CMBRA and American Materials dated January 2008, American Materials started in June 2013, and will continue to provide to the CMBRA the amount of the annual Loan payments due to the MDEQ until the adequate tax incremental financing (TIF) revenues from the property become available to the CMBRA to repay the Loan. The CMBRA will reimburse American Materials for the Loan payments using TIF when available (see Section 3 – Brownfield Plans, of this memorandum).

2. **USEPA GRANTS.** The previously extended periods of the two USEPA Grants expired on March 31, 2014. Work activities associated with the two Grants since last reported at the January 28, 2014 meeting of the CMBRA, include the following:

- a. Petroleum Site Assessment Grant:
  - i. CMBRA staff is in the process of preparing “close-out” reports and documents as required by USEPA. All “close-out” documents are due on June 31, 2014.
- b. Hazardous Site Assessment Grant:
  - i. **North Channel Outlet.** A Phase I Environmental Site Assessment (ESA), an Asbestos & Lead Based Paint Survey, and a Building Structural Safety Assessment were substantially completed through the Grant prior to its expiration. However, due to the severe weather conditions through March 2014, access to the property was not feasible to complete the Phase II ESA. At staff's request, USEPA provided a two-month extension beyond the March 31, 2014 end date of the Grant period, to allow the CMBRA to occur expenditures associated with the

Phase II ESA and the Baseline Environmental Assessment (BEA) for this property. CMBRA staff will prepare and submit "close-out" reports and documents as required by USEPA" by June 31, 2014

- ii. **518 River Street (former Rengo property)**. The property owner did not respond to the request to access the site to complete the Phase I ESA prior to the expiration of the Grant period.
- iii. **Douglas Park Area**. The Eligibility Determination request to perform a Phase I ESA at this property was denied by the USEPA due to the status of the City (owner) as a potentially liable party.
- iv. **306 River Street (Hokanson)**. The Phase I ESA for this site was substantially completed prior to the expiration of the Grant period. While Recognized Environmental Conditions (REC) were identified at the site, the Grant budget balance and its expiration date did not allow the performance of a Phase II ESA.

3. **BROWNFIELD PLANS**. The status of active and planned Brownfield Plans partially of totally funded through the USEPA grants, is as follows:

- a. Redevelopment efforts at several sites (MAPS Vocational Training Facility, Bookmart, Manistee Iron Works, Century Boat Works and Hotel Northern) did not progress fast enough to trigger need for Brownfield Plans as previously anticipated.
- b. **334 River Street** property: A Brownfield Plan was approved for this property in October 2010 by the CMBRA and City Council. The MDEQ approved \$144,900 in TIF capture for the reimbursement of eligible environmental activities based on an Act 381 Work Plan submitted for the project; no non-environmental expenses were approved by the MEDC at that time. Following approval of the TIF capture, the MDEQ awarded a grant to the CMBRA (see Item 1.a. above) to cover the vast majority of the eligible environmental and non-environmental project costs. We estimate that the property owner/developer may have incurred and paid up to \$35,100 in TIF reimbursable environmental expenses beyond the amount that was paid with the MDEQ grant.

The "baseline" taxable value of the property at the time the Brownfield Plan was approved was \$82,651. The Brownfield Plan estimated a 10-year TIF capture period to reimburse the owner/developer's and the CMBRA's expenses. However, the taxable value of the property since the approval of the Brownfield Plan has been decreasing. Therefore, no Brownfield TIF has been available for capture by the CMBRA to date. At the time when TIF becomes available, and upon receipt of proper documentation, the owner/developer's eligible costs and the CMBRA's administrative costs may be paid.

- c. **American Materials (Rieth Riley)** property. A Brownfield Plan was approved for this property in December 2007 by the CMBRA and City Council. Based on an Act 381 Work Plan submitted for the project at that time, the MDEQ and the MEDC approved TIF capture of \$381,190 for the reimbursement of eligible environmental activities, and \$522,925 for the reimbursement of non-environmental expenses, respectively. However, following approval of the Brownfield Plan and the Act 381 Work Plan, the MDEQ awarded a Grant and a Loan to the CMBRA (see Item 1.b. above) to cover the cost of the TIF eligible environmental and non-environmental project activities. As noted above, the developer of the property, American Materials, is obligated to pay the amount of the

annual Loan payments due to the MDEQ (\$9,140) until adequate TIF revenues from the property become available for capture by the CMBRA. The repayment of the amount of the Loan utilized for the project (\$91,242) is expected to be completed within approximately 15 years from the award date of the Loan (2023). The CMBRA will reimburse American Materials for the Loan payments made by American Materials, using future TIF revenues when they are available.

However, note that the property is located within a Renaissance Zone, and property taxes are abated for 15 years, from 2007 to 2022; partial TIF capture will be available during the last three years of the Renaissance Zone period. Therefore, the reimbursement of the Loan payments made by American Materials on behalf of the CMBRA is expected to be initiated when incremental taxes are available for capture and be completed within approximately six and a half (6 ½) years following expiration of the 15 year Renaissance Zone period. Per the approved Brownfield Plan, the TIF capture and reimbursement period will be limited to seven (7) years following the expiration of the 15 year Renaissance Zone period.

Representatives of the CMBRA and American Materials plan to meet in the next few months to discuss the future annual Loan payments and the projected available TIF capture, in light of reductions in the original amount of the Loan and legislative changes impacting the amount of future property taxes.

Please let me know if you have any questions or require additional information.