



Strategic Planning Process Commission Priorities

Issue Title: Founders Landing

Committee: Marquette Brownfield Redevelopment Authority

Plan: Founders Landing (Amended) Development and Reimbursement Agreement

Status: Ongoing; not yet completed.

Issue: Next Phase of the Founders Landing project and City project responsibilities.

In November 2014, the Landing Development Group II, LLC proposed to finance and construct a multilevel parking facility as part of the next phase of the Founders Landing development, after extended negotiations for a publicly financed parking facility did not result in agreement. Recent changes in Act 381 included privately financed multilevel or underground parking as a Brownfield Eligible Activity for reimbursement from Brownfield Tax Increment Financing (TIF) revenues. An administrative amendment to the Brownfield Plan was approved by the Marquette Brownfield Redevelopment Authority (MBRA) in April 2015 and the Development and Reimbursement Agreement was amended in May 2015 to reflect this new arrangement. Landing Development Group II, LLC (LDG) has secured financing for the parking facility and is ready to begin construction on One Marquette Place, the first of the three final phases for Parcel #3 of Founders Landing.

There are still two public components of the project: Baraga Street Extension and the Pier Reuse – Public Marina.

Coordination will be needed between City staff, City Commission, the MBRA, and LDG for the design, financing and development of the Baraga Street Extension and Marina.

The Pier Reuse – Public marina was included in the Brownfield Plan, with the understanding that the nature and extent of the marina still needs to be determined. A preliminary proposal includes a first phase to utilize the existing north pier pile as a marina and the south pier pile as a fishing pier.

Background: The Founders Landing Brownfield Plan was approved in July 2009 and the Act 381 Work Plan for state tax capture was approved in August 2009. The Brownfield Plan anticipated an investment of over \$50 million and Brownfield Eligible Activities of \$20.5 million. Of that \$20 million, approximately \$15.3 million was for public infrastructure associated with the project.

To date, 33 condominium units have been constructed with 31 sold and nine more to be completed over the next few years and the Hampton Inn has been developed with private investment of \$16 million and a taxable value increase of over \$8 million and additional taxes totaling approximately \$334,000.

The Hampton Inn employs approximately 60 people. The mixed use on Parcel 3 will create 40-50 jobs with the first phase. Subsequent phases will potentially create 120-150 jobs.

Forecast: MBRA transaction costs will be covered by available MBRA funds captured under the Founders Landing Brownfield Plan.

The cost for the Baraga Street extension and Pier Reuse – Public Marina (Phase I) are proposed to be covered through bonding.

Year One: FY 2017 - \$50,000 (staff, consultants, legal counsel)
\$900,000 Baraga Street Extension

Year Two: FY 2018 - \$50,000 (staff, consultants, legal counsel)
\$1,500,000 Pier Reuse – Public Marina Phase I