

# PAPER CITY

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DEVELOPMENT, LLC

September 27, 2018

Village of Vicksburg  
Attn: Jim Mallery, Village Manager  
126 North Kalamazoo Avenue  
Vicksburg, MI 49097  
[jmallery@vicksburgmi.org](mailto:jmallery@vicksburgmi.org)

**Re: PUD District Application  
Paper City Development, LLC – The Vicksburg Mill Redevelopment**

Dear Jim,

Pursuant to Section 82-623 of The Zoning Ordinance of the Village of Vicksburg, please accept this letter and its accompanying documentation as an application on behalf of Paper City Development, LLC (“Paper City”) for designation of a PUD District to include several parcels comprising the proposed Vicksburg Mill Redevelopment.

## **A Vision for The Mill**

Chris Moore, whose family has been a part of the Vicksburg community since the 1840s, has a big and simple vision for the former Lee Paper Mill and the surrounding property. The Mill will be transformed from a brownfield, blighted liability into a beautiful landmark, an entrepreneurial economic engine, and a cultural destination within Southwest Michigan.

As detailed below, Chris’s vision is consistent with the vision that the Village articulated in its 2015 Master Plan and the 2015 DDA Strategic Plan. Lovingly restored historic architecture will be surrounded by public gardens, promenades, and natural recreational spaces. On the campus, villagers and visitors will gather for everything from employment to entertainment, conventions to concerts, weddings to walks through wetlands, drinking craft beer and dining under the stars to music on summer evenings.

The “Mill at Vicksburg” will employ hundreds of people with good jobs, create educational opportunities for students, build civic recognition and pride, and bring visitors to Vicksburg’s businesses. As a destination, it will host people for events of all shapes and sizes. Some will be small: weddings, family reunions, social clubs gathering in the beer gardens or taprooms on a Saturday afternoon. Other events will be larger: concerts in both indoor and outdoor venues, professional conferences, conventions, and trade shows. Years from now, when the campus is fully developed, there will even be a couple of annual weekend-long music festivals.

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All of these activities are necessary elements of the sustainable business model. Chris Moore is a philanthropist who wants to steward a restored and repurposed Mill for Vicksburg. But such philanthropy must be sustainable: a mill that can't support itself will once again run out of steam. The Mill must produce new products to replace paper. After years of study by a team of the best experts in America, Paper City is convinced that the Mill can be a nationally-renowned event and entertainment campus, celebrating the area's heritage of excellence in agriculture and industry and centered around high-quality craft beer and food production. For that to work, enough visitors need to come and spend money to make it viable. Chris won't build something that can't succeed.

It is with this in mind that we submit this PUD Application, requesting the establishment of a PUD District that will allow this vision to become a reality.

### **Documentation in Support**

Pursuant to Section 82-624, please find enclosed the following documentation in support of our application:

1. District Site Plan. A copy of our proposed District Site Plan is enclosed as **Exhibit A**. The site plan shows the intended building redevelopment, landscaping, and open space use within the proposed PUD District as required by Section 82-624 (2)(a) and (b).
2. Building Programming. A copy of our building programming plan diagram, detailing the primary intended uses for the Mill, is enclosed as **Exhibit B**.
3. Construction Timeline. An estimated timeline for construction for the proposed redevelopment is enclosed as **Exhibit C**. The proposed schedule includes commencing stabilization work this fall and completing the entire redevelopment by 2024.
4. Environmental Impact. Paper City has retained Phillips Environmental Consulting Services, Inc. ("Phillips Environmental") to steward the environmental impact of the redevelopment. As detailed in the report from Phillips Environmental, a copy of which is enclosed as **Exhibit D**, the redevelopment will significantly *improve* the environmental conditions at the property and protect human health and the environment. This includes remediation of this blighted and contaminated site to the most stringent state and federal standards, thus ensuring the safety and health of adults and children living, working, and playing at the Mill.
5. Community Impact Studies. In addition to the traffic impact and management plan, Paper City has commissioned several third-party experts to study the impact of the redevelopment on the Village of Vicksburg, including the following:
  - a. *Economic Impact Report*. Paper City retained Michael Shuman, a renowned economist from Washington D.C., to study the economic impact of the redevelopment on Vicksburg. A copy of his findings are enclosed as **Exhibit E**. As you will see in the report, the redevelopment will create 210-223 construction jobs in the

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first-three years of construction alone, and will result in an estimated 1,852 jobs in the surrounding areas within five years of operation. That economic activity will result in an estimated \$214,000,000 in new wages, and \$399,000,000 in new value added.

- b. *Sound Study.* Paper City has retained the internationally-renowned sound engineering firm, Enginuity, to study the sound impact of the redevelopment's proposed uses and to participate in the planning and designing of the property to minimize any such impact. A copy of that sound study is attached hereto as **Exhibit F**. As provided in the report, the Mill has been designed to fully comply with relevant national standards for sound mitigation, and we have included ongoing compliance with those standards as an express condition of the PUD Development Agreement.
- c. *Residential Market Study.* Paper City retained Tracy Cross & Associates ("Tracy Cross"), real estate market consultants from Chicago with extensive experience analyzing markets in southwest Michigan, to study the economic feasibility of the redevelopment's residential component as well as the impact that the redevelopment may have on the demand for housing in Vicksburg. A copy of that study is attached hereto as **Exhibit G**. The study indicates that development of the Mill could double or triple the growth of residential demand in the Village of Vicksburg, creating opportunity for increased property values, new residential development to accommodate this increase in demand, and a broader tax base. This residential growth will, of course, lead to measured population growth for the Village.

### **Standards for Approval**

The proposed PUD District also meets each of the standards required for approval, as detailed in Section 82-625 of the Ordinance, as follows:

1. The PUD District is compatible with the Village's Master Plan. The 2015 Comprehensive Master Plan includes a stated goal to "redevelop the former paper mill property." Moreover, the proposed PUD District, and our redevelopment plans for the site, further many of the goals identified in the Master Plan, including, but not limited to, the following:
  - a. *Goal 1: Development & Planning.* The Mill redevelopment will meet the Master Plan's goal of cultivating "a dynamic and vibrant mix of housing, business, and activities designed to be attractive to a variety of demographic groups," providing precisely this "vibrant mix."
  - b. *Goal 2: Commercial.* The Mill redevelopment will involve commercial development through "reuse and redevelopment" that "will respect the historic character of the Village." The redevelopment plans include the renovation and restoration of the historic Mill so that it can be redeployed to productive use, including commercial, retail, light industrial, residential, and hospitality lodging.

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- c. *Goal 3: Industrial.* The Mill redevelopment will “improve the vitality of existing industrial areas,” as the Mill’s industrial legacy will be honored through a mix of commercial, retail, lodging, and light industrial uses.
  - d. *Goal 4: Housing.* The Mill redevelopment will aid in the Master Plan’s objective of “providing diverse housing choices and ensuring that residential development and new infill development complements and enhances the character of existing neighborhoods.” The Mill redevelopment plan includes apartments and hospitality lodging that will provide this desired diversity and will complement existing residential offerings in Vicksburg.
  - e. *Goal 5: Recreation, Culture & Leisure.* The Mill redevelopment includes several uses designed to “expand and improve the arts, culture, and recreation system to incorporate a broader array of opportunities that will best serve the needs of Vicksburg’s residents of all ages,” including walking trails, cultural events, space focused on food, art and music, and the Prairie Ronde Artist Residency that is already bringing artists to Vicksburg to create and share their creativity with our community.
  - f. *Goal 6: Natural Features.* Maintaining and protecting significant and sensitive natural features and integrating “natural feature preservation into land use decisions” is a core value of the Mill redevelopment. Specifically, the Mill maintains much of the open space on the Mill site, protects the high quality wetlands and adjoining Portage Creek, and integrates green infrastructure, including a low-impact design storm water management system, thus protecting and improving natural features at and adjoining the property.
  - g. *Goal 7: Historic Preservation.* The Mill redevelopment will be the embodiment of “preservation and enhancement of historic resources in the Village.” Paper City has already advanced this goal by having the Mill placed on the National Register of Historic Places, and the proposed redevelopment will preserve and restore many of the historic features of the Mill according to the Secretary of the Interior’s Standards for Rehabilitation.
2. The PUD District would not have a significant negative impact on properties and bodies of water adjacent to the PUD District. Quite to the contrary, Paper City’s proposed redevelopment in the PUD District would significantly *improve* the environmental conditions in and around the Mill (See **Exhibit D**).
3. The PUD District would not have a significant negative impact on the residents of the Village. Quite to the contrary, Paper City’s redevelopment would provide significant *benefit* to the residents of the Village, including job creation, increased economic activity for existing businesses, and the creation of new businesses to service the residents of Vicksburg (See **Exhibits E and G**).

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4. The creation or continued development of the PUD District would not create additional costs for either the Village or the Village residents. Paper City has retained Byce & Associates, Inc. (“Byce”) to evaluate and plan for the redevelopment’s infrastructure needs. Through this analysis, it has been determined that the proposed redevelopment will not utilize the Village’s infrastructure any more than the historical paper mill ever did. A copy of the report from Byce detailing these findings is enclosed as **Exhibit H**.
5. The PUD District would not have a significant and unreasonable negative impact on government services provided to Village residents. Most days of the year, Paper City’s proposed redevelopment will not have a disproportionate need for government services. In those rare instances when large numbers of visitors are expected for events at the PUD District, Paper City and/or the event promoter expects to bear the cost for additional temporary safety officers, cleanup, and traffic management.

### **PUD Development Agreement**

Pursuant to Section 82-626 of the Ordinance, Paper City proposes that the Village of Vicksburg enter into a PUD Development Agreement, a copy of which is enclosed as **Exhibit I**. As you will see, the Agreement establishes a PUD District which defines property uses and zoning restrictions that satisfy Paper City’s requirements for the proposed redevelopment while establishing mutual safeguards that protect the Village of Vicksburg, its residents, and Paper City.

### **Conclusion**

Thank you for your consideration of our PUD application. We are looking forward to the opportunity to make a significant investment in our great community.

Very Truly Yours,

PAPER CITY DEVELOPMENT, LLC



Jackie Koney

cc: Steve J. Sielatycki, Esq.  
Andrew C. Horne, Esq.

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DEVELOPMENT, LLC

- Exhibit A – Site Plans
- Exhibit B – Building Programming Plan Diagram
- Exhibit C – Estimated Construction Timeline
- Exhibit D – Environmental Impact Analysis
- Exhibit E – Economic Impact Analysis
- Exhibit F – Sound Study
- Exhibit G – Residential Market Study
- Exhibit H – Byce Infrastructure Impact Letter
- Exhibit I – Draft PUD Development Agreement

# EXHIBIT A



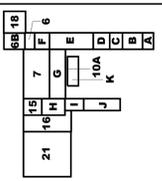


ISSUED FOR	DATE
PLD Submittal	2018.02.28

DO NOT SCALE DIMENSIONS - SHEET SIZE  
SEAL & SIGNATURE

FOR REVIEW ONLY  
NOT FOR CONSTRUCTION

KEY PLAN



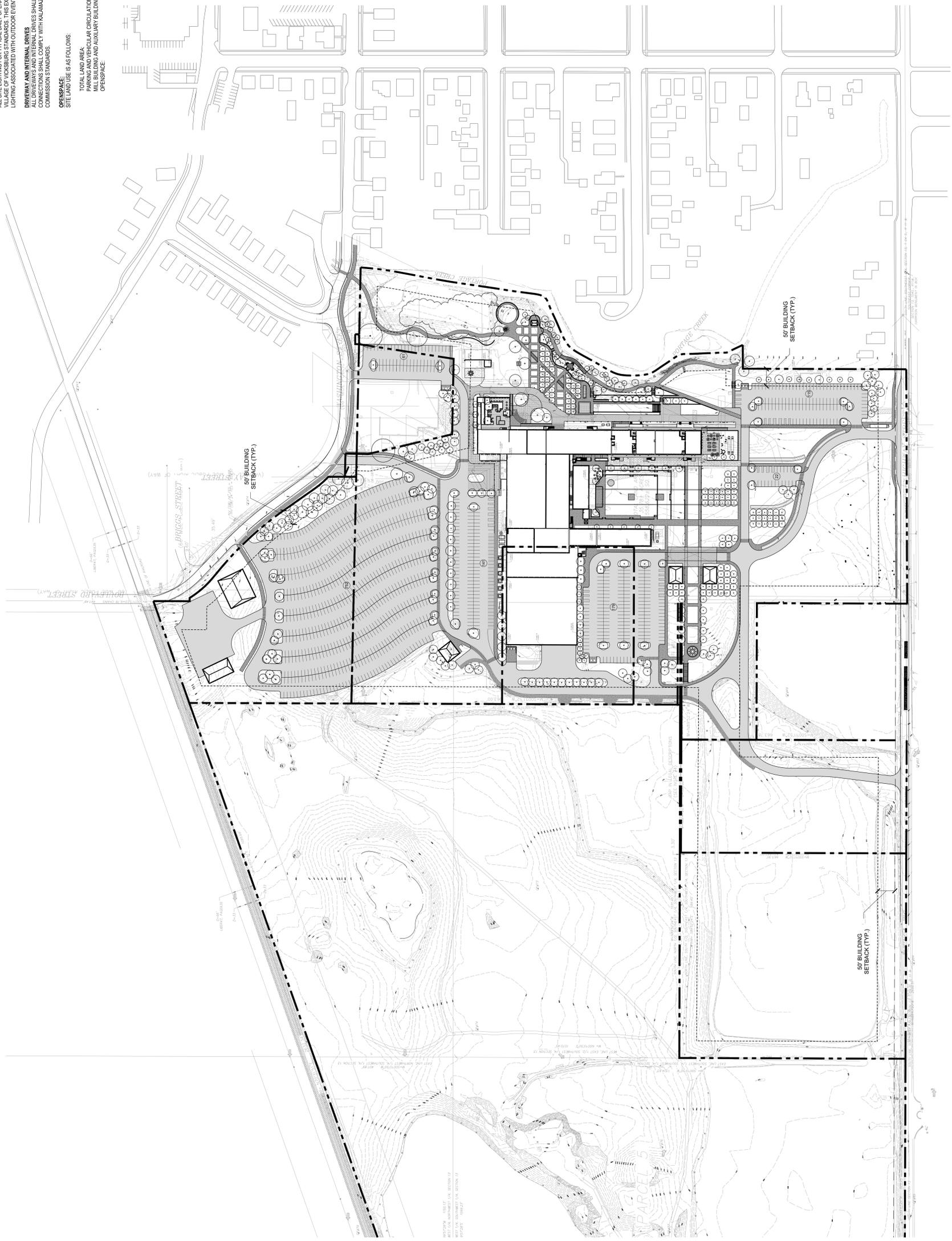
SCALE  
1" = 100'-0"  
NORTH ARROW

DRAWING TITLE  
OVERALL SITE PLAN

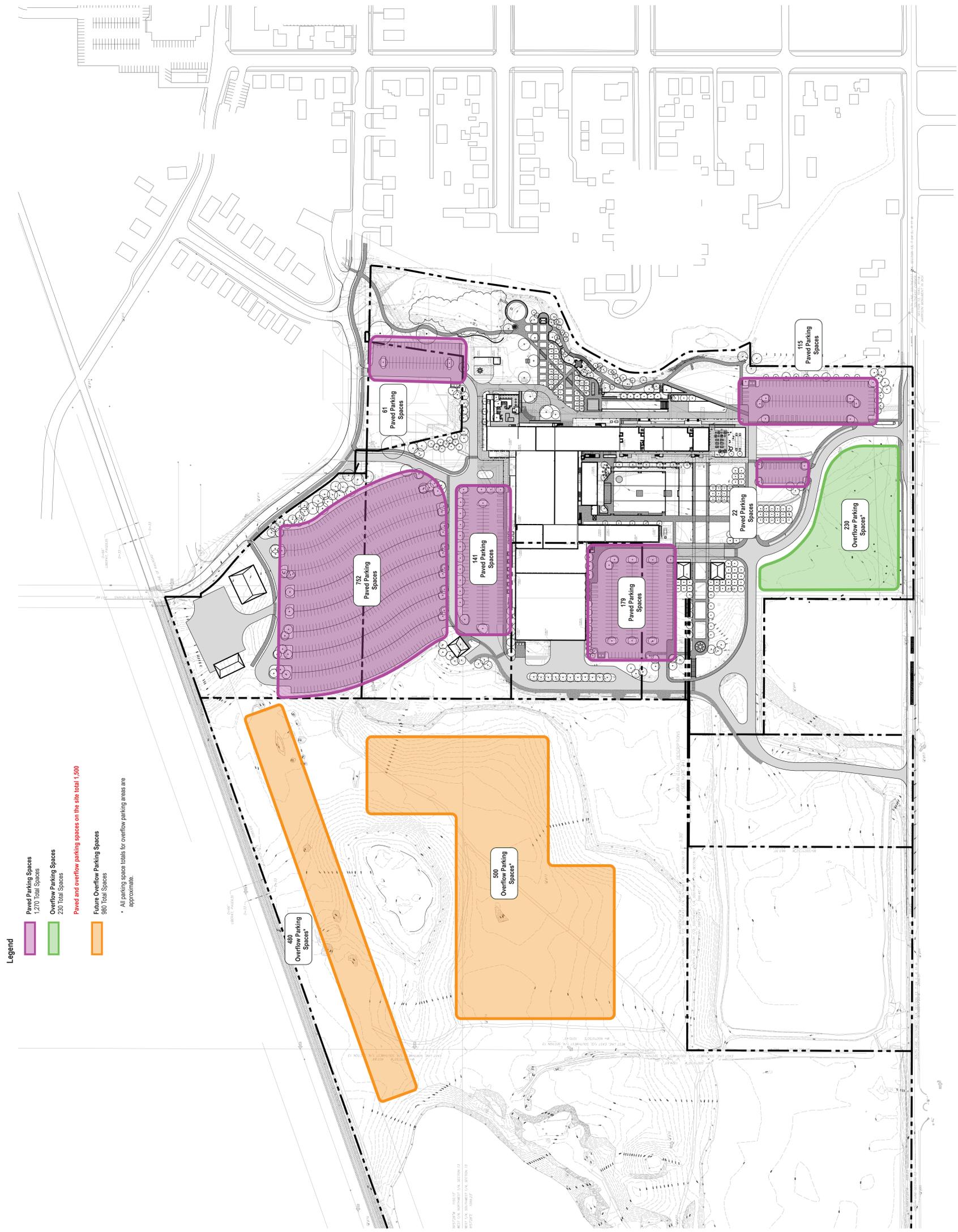
SHEET NUMBER

**Series 2**  
**L1.1**

- NOTES:**
- PARKING**  
PARKING SPACES ON-SITE TOTAL 1,270. OFF-SITE PARKING LOCATIONS FOR LARGE EVENTS SHALL BE DETERMINED AT A LATER DATE.
  - LIGHTING**  
LIGHTING FOR TYPICAL DAILY OPERATION SHALL CONFORM TO THE VILLAGE OF VICKSBURG STANDARDS. THIS EXCLUDES ANY ADDITIONAL LIGHTING ASSOCIATED WITH OUTDOOR EVENTS.
  - DRIVEWAY AND INTERNAL DRIVES**  
ALL DRIVEWAYS AND INTERNAL DRIVES SHALL BE 24' WIDE. ALL DRIVEWAY CONNECTIONS SHALL COMPLY WITH KALAMAZOO COUNTY ROAD COMMISSION STANDARDS.
  - OPENSPACE:**  
SITE LAND USE IS AS FOLLOWS:  
TOTAL LAND AREA: 55.39 ACRES (100%)  
PARKING AND VEHICULAR CIRCULATION: 14.74 ACRES (27%)  
MILL BUILDING AND AUXILIARY BUILDINGS: 4.43 ACRES (8%)  
OPENSPACE: 36.22 ACRES (65%)







- Legend**
- Paved Parking Spaces  
1,270 Total Spaces
  - Overflow Parking Spaces  
230 Total Spaces
  - Paved and overflow parking spaces on the site total 1,500
  - Future Overflow Parking Spaces  
980 Total Spaces
- \* All parking space totals for overflow parking areas are approximate.

# EXHIBIT B

Residential Units/Hotel

Old Stove Taproom

Event Space

Office Space

Event Space

Shipping + Receiving

Breweriana  
Museum

Event Space

Community Taproom

Craft Food &  
Beverage  
Production

Concert / Event Venue

Partner Brewing

Regional Trail

Event Space

Event Space

Beer Garden

Grand Entry

42 Airbnb Units  
23 Residential Units

Classroom | Lab

Artisan's Row  
12 to 15 Enhanced Agricultural Producers, and  
Artists Studio

AERIAL VIEW FROM NORTHEAST

# THE MILL

VICKSBURG, MI

Shipping and Distribution Area

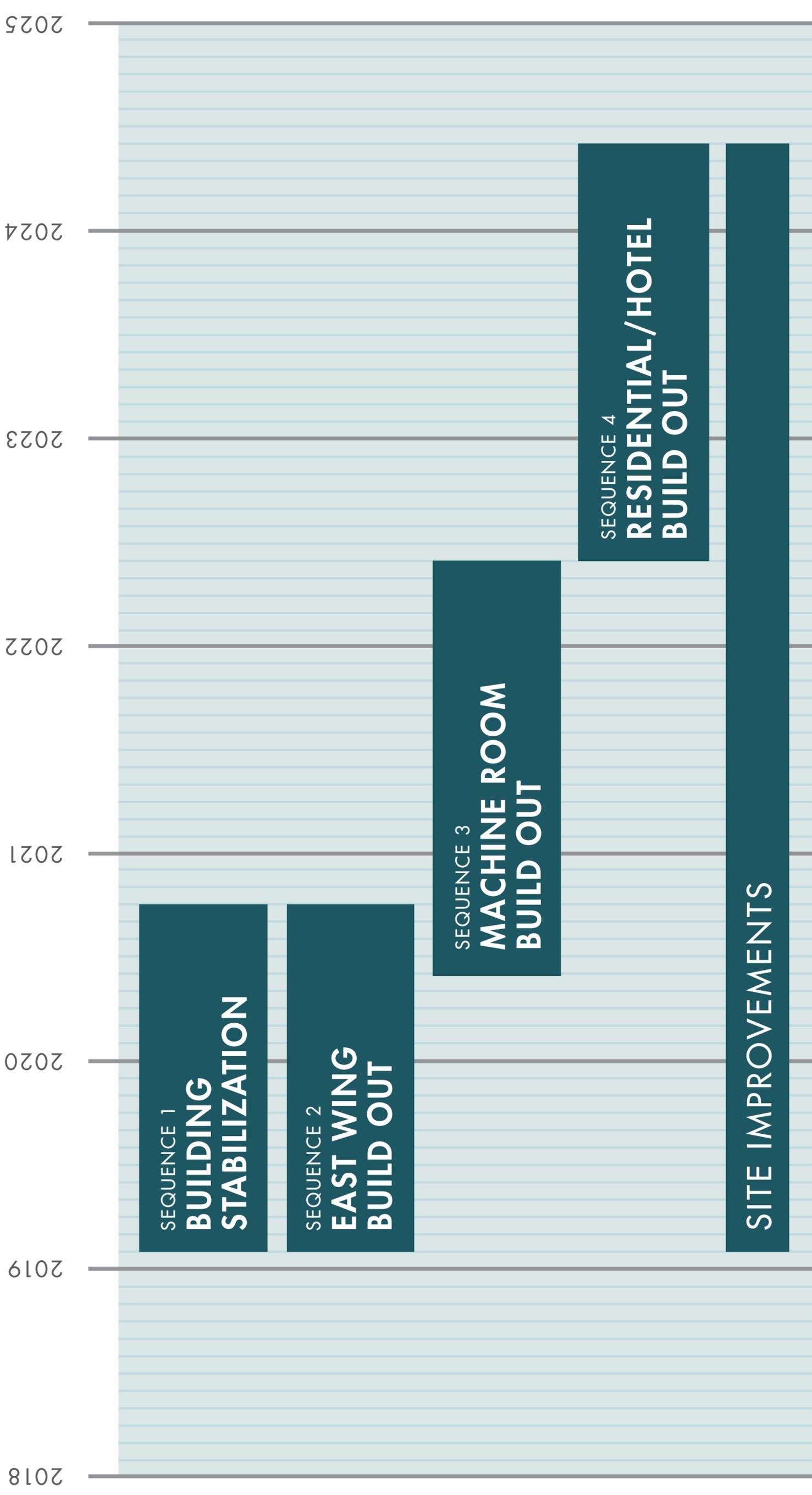
AERIAL VIEW FROM SOUTHWEST

# EXHIBIT C



PAPER CITY  
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# CONSTRUCTION SCHEDULE



# EXHIBIT D



Phillips  
Environmental  
Consulting Services

June 4, 2018

Mr. Steve Sielatycki  
Sielatycki Law Firm, PLC  
516 Whites Road, Suite 4  
Kalamazoo, MI 49008

Re: The Mill at Vicksburg Planned Environmental Mitigation Activities

Dear Mr. Sielatycki:

In connection with an application for rezoning of the former Vicksburg Paper Mill (proposed Mill at Vicksburg redevelopment – the Property) this letter serves to describe the activities that are and will be undertaken at the property that will significantly improve environmental conditions and serve to protect human health and the environment. Prior to occupation of the site by the general public, the site will be remediated to the most stringent of all state and federal standards. The completed redevelopment will be protective of all potential uses of the Property, including residential uses that will ensure the safety of adults and children living, working and/or visiting at the site.

***Overview***

Redevelopment of this brownfield site will contribute to numerous environmental benefits. In addition to remedial activities to improve public health and safety, the redevelopment will beautify the area by addressing blighted conditions and achieve significant energy and resource savings through building reuse. The redevelopment will implement numerous sustainable development principles that will further improve and protect the local ecology. The proposed redevelopment takes a significantly blighted and contaminated site and will turn it into a place of unique character and interest that enriches the social, cultural, environmental, and public fabric of the community and region.

***Intent***

Application for rezoning of the former Vicksburg Paper Mill (proposed Mill at Vicksburg redevelopment) to a Planned Unit Development (PUD) zone requires an assessment of the potential environmental impacts of the Property to the surrounding land, streams, and wetlands; and storm water drainage, water supply and sewage disposal systems. Impacts, if any, associated with the municipal water and sanitary sewer at the Property would be addressed by the project civil engineers. This document summarizes the environmental remedial activities, environmental protection actions, and sustainable development initiatives that will be undertaken to improve and protect human health and the environment.

### ***Summary of Environmental Condition***

Extensive assessment activities have been completed at the Property to evaluate the impact of former operations. The most recent environmental assessment activities have indicated the presence of volatile organic hydrocarbons, polynuclear aromatic hydrocarbons, dioxins and metals in the surficial and subsurface soils across the Property. Contaminants were detected at concentrations in excess of the MDEQ Part 201 Generic Residential Cleanup Criteria (GRCC) for Drinking Water Protection, Groundwater/Surface Water Interface (GSI) Protection, Particulate Soil Inhalation and Direct Contact. The laboratory results indicate the presence of metals (arsenic, barium, iron, lead, manganese, and vanadium) and ammonia nitrogen in groundwater at the site in excess of Part 201 GRCC for Drinking Water and GSI Protection.

### ***Summary of Planned Remedial Activities***

Remedial activities will be undertaken at the site to ensure the health and safety of all persons using the site. Activities will be conducted to achieve the most stringent (residential) cleanup standards in accordance with state and Federal law. These include management of contaminated soil through excavation and use of protective caps to remediate potential direct contact and particulate inhalation concerns. Soil and groundwater management activities will be conducted in a manner that will not exacerbate contamination at the site (will not adversely affect soil or groundwater). Measures will be undertaken to protect against groundwater impacts resulting from storm water infiltration through contaminated soil. Such measures may include replacement of soils in infiltration areas with clean soil. Impacted soil and groundwater removed from the site will be properly managed/disposed. Lastly, investigation and remediation will be conducted if warranted to ensure that the impacted soil does not pose inhalation concerns.

The environmental activities to be undertaken in connection with the redevelopment will leave the Property in a much safer condition, enabling residents and visitors to safely interact with the environment.

### ***Sustainable Development and Environmental Protection***

In addition to the environmental cleanup activities to be undertaken at the Property, the redevelopment will result in other significant environmental benefits. These sustainable initiatives will serve to protect surrounding land, streams, wetlands, and the groundwater. Based on our review of the proposed development plans for the Property, the project is designed to be sustainable economically, socially and environmentally. Three development zones are envisioned: an historic zone; an event and production zone; and a conservation zone. All functional and historic aspects of the building and infrastructure will be restored and reused. Areas outside of the historic zone will include greenspace preservation of the sensitive areas within the conservation zone and careful planning and management within the event and recreational zone situated between the historic zone and conservation zone.



The conservation area will serve to protect the wetland and woodland features, including an existing heron rookery. Boardwalks and art installations will extend onto the less fragile areas of the conservation zone. Information and interpretative signage within the conservation area and throughout the site will be placed to educate the viewer regarding natural features and sustainable redevelopment activities incorporated into the redevelopment project.

Temporary detention basins, diversions, and silt fence will be used to protect all water bodies during construction. Green infrastructure will include permanent infiltration areas (rain gardens) developed to capture nonpoint source runoff. Further, because of highly permeable soils in some areas, permeable surfacing will be used to directly infiltrate rain water without having to convey it to collection areas. Rain water will be managed using passive infiltration techniques. Existing water bodies will be protected and/or improved.

The project will accommodate numerous energy saving principles. The redevelopment results in significant energy conservation through the reuse and rehabilitation of a historic building. Redevelopment of the site will create efficiencies in management of public infrastructure already serving the area that may be underutilized since closing of the paper mill. New windows, insulation and LED lighting will be incorporated to reduce energy consumption.

### ***Summary***

It is our professional opinion that the proposed redevelopment activities will have a significant positive impact on the environmental condition of the site benefiting the surrounding area and village of Vicksburg residents. If you have any questions or if we can be of any additional service, please do not hesitate to contact our office at (269) 624-4211.

Very truly yours,

**PHILLIPS ENVIRONMENTAL CONSULTING SERVICES, INC.**



Lisa K. J. Phillips, CGWP  
Hydrogeologist/Project Manager



# EXHIBIT E



# THE ECONOMIC IMPACT OF THE VICKSBURG MILL REDEVELOPMENT

By Michael H. Shuman  
August 2017

## Executive Summary

The Vicksburg Mill Redevelopment Project aims to repurpose a historic paper mill into a popular destination with multiple functions: a beer innovation hub, anchored by Old Stove Brewery and a Craft Food and Beverage Cluster, which will support 14 early-stage breweries with equipment, technical assistance, and two public tap rooms; residential space with 40 units; dedicated spaces for special events, including weddings, parties, and concerts; and commercial and retail occupants that will draw visitors to a public market environment. This paper analyzes the economic impact of the proposed project over its first five years of operation.

Using IMPLAN, the standard economic model used by economic development agencies across the United States, we estimate project impacts to be 210-223 construction jobs over three years, and 1,852 jobs within the project’s five years of operation. The total impact on the Kalamazoo County economy during the three years of construction and first five years of operation will be \$214 million in new wages, \$399 million in new value added (effectively, regional Gross Domestic Product), and \$60 million in new state and local taxes, as detailed in the chart below.

	Employment	Labor Income	Value Added	Output	Bus Taxes
<b>Construction - 2017</b>	210	\$11,115,560	\$15,954,257	\$28,945,617	\$694,862
<b>Construction - 2018</b>	216	\$11,418,217	\$16,366,109	\$29,464,927	\$709,186
<b>Construction - 2019</b>	223	\$11,768,491	\$16,868,168	\$30,368,815	\$730,941
<b>All Impacts 2020</b>	463	\$13,203,220	\$26,963,103	\$53,917,407	\$4,256,031
<b>All Impacts 2021</b>	967	\$27,164,705	\$52,372,839	\$105,006,573	\$8,755,501
<b>All Impacts 2022</b>	1,223	\$35,258,728	\$67,949,318	\$139,678,683	\$11,287,341
<b>All Impacts 2023</b>	1,535	\$46,162,674	\$89,952,828	\$190,427,456	\$14,687,344
<b>All Impacts 2024</b>	1,852	\$57,413,902	\$113,023,645	\$247,521,033	\$18,465,296
		\$213,505,497	\$399,450,267	\$825,330,511	\$59,586,502

Additionally, the project will bestow other benefits on the region that are harder to quantify. It will spread and deepen a world class microbrewery cluster that will attract other companies, talent, capital, and visitors. And it will clean up a major brownfield that has been damaging the environment and served as a huge eyesore for nearly two decades.

This is also a unique economic development project. Very few economic development projects of this magnitude anywhere simultaneously cleanup a polluted site, restore historically important buildings, create hundreds of high-paying jobs, and attract tens of thousands of visitors. All these features will complement and enhance other economic development initiatives in the region.

## Background

By 1925 Kalamazoo, Michigan, had earned the nickname of “Paper City.” The region had 25 mills churning out 900 tons of paper per day, six days a week, producing more book paper than any other region in the world. One of region’s most admired mills was opened in 1903 by the Lee Paper Company. Its beautifully designed buildings, based in Vicksburg, employed 250 people in more than 400,000 square feet of work space. After a series of buyouts and downsizes, the plant was shuttered in 2001. In the 15 years since, the site has decayed and the buildings were slated for demolition. Recently, however, former Vicksburg resident, Chris Moore, has led an effort to renovate the buildings. His company, Paper City Development LLC, plans to invest more than \$60 million in world-class redevelopment of the mill buildings and site. Among the key elements of the plan are:

- A beer innovation hub, anchored by Old Stove Brewery and a Craft Food and Beverage Cluster which will support 14 early-stage breweries (plus Old Stove) with equipment, technical assistance, and two public tap rooms;
- Residential space with 40 units;
- Spaces for special events, including weddings, parties, and concerts;
- Commercial and retail occupants, configured in a public market, that will draw regular visitors.

This paper analyzes the economic impacts of this project. It was commissioned by Paper City Development. The assignment was to answer the following questions:

- How will this project impact the region’s jobs, income, value added, and taxes?
- What other, hard-to-quantify benefits might the project confer on the region?
- How do the benefits of this project compare with other plausible economic-development projects in the region?

## Findings

A summary of the projected economic impacts of the Vicksburg Mill Redevelopment Project is presented in Chart 1.

The project will support 210-223 construction jobs over three years, and create 1,852 permanent jobs within the project’s five years of operation. The total impact on the Kalamazoo County economy during the three years of construction and first five years of operation will be \$214 million in new wages, \$399 million in new value added (effectively, regional Gross Domestic Product), and \$60 million in new state and local taxes.

**Chart 1**  
**Summary of Economic Impacts of Project (2017-2024)**

	Employment	Labor Income	Value Added	Output	Bus Taxes
<b>Construction - 2017</b>	210	\$11,115,560	\$15,954,257	\$28,945,617	\$694,862
<b>Construction - 2018</b>	216	\$11,418,217	\$16,366,109	\$29,464,927	\$709,186
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<b>All Impacts 2024</b>	1,852	\$57,413,902	\$113,023,645	\$247,521,033	\$18,465,296
		\$213,505,497	\$399,450,267	\$825,330,511	\$59,586,502

It is worth noting, moreover, that most of the \$60 million in new state and local taxes will be generated by new businesses occupying the mill and new visitor spending in the region, both of which are unaffected by the tax incentives sought by the project’s developers.

## **Methodology**

The analysis in this paper looks at four sources of positive economic impact:

- Projected expenditures on site cleanup, restoration, and construction;
- Residential and commercial rents from the new properties;
- New businesses occupying the new properties;
- Visitors to the mill for shopping, tourism, or special events.

Dollar estimates for each of these activities were drawn up in close consultation with project builders, developers, financiers, and participants, as well as with other economic-development specialists in the region. The exact sources of each estimate are discussed throughout this paper.

The data are then analyzed through a regional input-output model called IMPLAN, which is a standard tool used for economic-development analysis across the United States.

Finally, the paper looks at “opportunity costs” of the project—specifically, how these impacts compare with other, alternative uses of the mill space.

## Impact #1: Construction Costs

The first impact studied is the cost of construction. Chart 2 shows the estimated costs of cleanup, renovation, and construction to be just over \$58 million, spread over three years—presumably 2017-19. The companies tasked with construction were asked to estimate how costs would be distributed over three years, and their best judgments are reflected in Chart 2. Costs vary from \$18.8 million in 2017 to \$20.1 million in 2019.

**Chart 2**  
**Construction Costs**

Hard Costs	Total Cost	Year 1	Year 2	Year 3
Public Infrastructure	\$980,000	\$980,000	\$0	\$0
<b>Structures</b>				
Masonry	\$1,098,000	\$366,000	\$366,000	\$366,000
Circulation/Infrastructure	\$2,037,000	\$1,527,750	\$509,250	\$0
Structural Steel	\$1,160,792	\$386,931	\$386,931	\$386,931
Roofing Replacement and Repairs	\$3,048,463	\$3,048,463	\$0	\$0
Doors and Windows	\$2,187,388	\$1,312,433	\$437,478	\$437,478
Stud Framing, Drywall, and Accoustical	\$525,000	\$0	\$315,000	\$210,000
Flooring	\$428,138	\$0	\$256,883	\$171,255
Painting	\$747,000	\$0	\$448,200	\$298,800
Plumbing	\$343,000	\$171,500	\$85,750	\$85,750
Fire Protection	\$1,284,651	\$770,791	\$385,395	\$128,465
HVAC	\$6,623,000	\$3,973,800	\$1,986,900	\$662,300
Electrical	\$6,035,000	\$3,621,000	\$1,810,500	\$603,500
Elevators/Special Equipment	\$1,065,000	\$319,500	\$532,500	\$213,000
Tenant Upgrades	\$7,500,000	\$0	\$3,000,000	\$4,500,000
Other	\$16,200,000	\$0	\$6,480,000	\$9,720,000
<b>General Conditions</b>	\$2,506,265	\$835,422	\$835,422	\$835,422
<b>CM Fee</b>	\$2,142,857	\$714,286	\$714,286	\$714,286
<b>Construction Contingency</b>	\$2,312,250	\$770,750	\$770,750	\$770,750
<b>Totals</b>	\$58,223,804	\$18,798,624	\$19,321,244	\$20,103,936

## Impact #2: Lease Income

The principal income to the developer, Paper City Development, will come from residential and commercial leases. An estimated 318,627 in leasable space will generate \$4.1 million in net income per year.

Chart 3 summarizes the leasable space in the new buildings. About 14% of the space will go to 40 residential units, and the remainder to commercial leases. About two-thirds of the commercial space will be used for the breweries (Old Stove and the Brewery Cluster). Most of the remainder is for serving beer (the Old Stove Taproom and Community Tap Room) or for holding events. Other envisioned occupants, which will contribute to the public market” character of some of the space, are on-site food producers and the project administrators.

**Chart 3**  
**Lease Income**

	Sq. Feet	Net Income
<b>Residential</b>	44,359	\$538,696
<b>Commercial</b>		
Old Stove Taproom	3,060	\$45,785
Old Stove Event Expansion	5,848	\$110,834
Old Stove Brewing	3,717	\$70,446
Event Space K	5,282	\$109,139
Community Tap Room	4,041	\$60,463
Event Space E	13,713	\$283,345
Flex/Event	3,730	\$45,180
Flex	4,004	\$48,498
Food Producer/Flex	19,656	\$406,142
Producers' Boardwalk	12,110	\$250,223
Education	10,404	\$185,321
Office	9,252	\$164,801
Brewery Cluster	179,451	\$1,813,891
	274,268	\$3,594,068
<b>Total</b>	318,627	\$4,132,764

### Impact #3: New Business Activity

A third source of economic impact comes from the new businesses that will occupy the leasable commercial space. Based on conversations with the project organizers, Old Stove Brewery, and the Craft Food and Beverage Cluster, we anticipate a total of 32 (FTE) new jobs in 2020, and these grows to 220 new jobs in 2024.

**Chart 4**  
**New Businesses**  
**(Full-Time Equivalents)**

<b>Business</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Project Administration & Property Management	7	7	7	7	7
Project Security	4.5	4.5	4.5	4.5	4.5
Old Stove Brewery	7.5	9	12	15	17.5
Brewery Innovation Administration - Cluster	2	5	6	7	7.5
Brewery Innovation Tenants (14 Tenants)	5	10	20	40	70
Taproom	3	3	4	5	6
Other Office Space Tenants	0	7	14	28	37
Producers' Boardwalk - Administration	0	1.5	2	2	2.5
Producers' Boardwalk - Vendors	0	9	22.5	35	45
Producers' Boardwalk - Artists	3	6	10	12	15
Museum	0	0	1	1.5	2
Residential Management	0	0.5	1	2	3
Hotel Management	0	0	0	1.5	3
	32	62.5	104	160.5	220

The jobs are in the following categories:

- *Project Administration and Property Management* – The project will have a general manager, property manager, marketing/events manager, and a facilities team.
- *Project Security* – The project will have a round-the-clock securities team with capacity for expansion during special events.
- *Old Stove Brewery* – Old Stove will be the first microbrewery on the premises.
- *Brewery Innovation Administration* – The Craft Food and Beverage Cluster will administer common equipment and other coordination issues for the participating microbreweries.

- *Brewery Innovation Tenants* – The project will gradually see the number of microbreweries grow to 14, with each having 5 FTE employees.
- *Taproom* – A public tap room will allow visitors to taste the products brewed on the premises.
- *Office Space* – Roughly 9,300 of office space will be rented to yet-to-be identified tenants.
- *Producers' Boardwalk* – Artisans and food vendors will operate in a public market setting, and a small administrative staff for this area will be necessary.
- *Museum* – The project will have a museum on the history of the site and the paper industry in the region.
- *Residential/Hotel Manager* – The project will require small staffs to oversee the residential spaces and the hotel.

projections are conservative in that they assume single shifts every 24 hours. Jobs at the breweries could double or triple if demand for product increases, and new hires are made for round-the-clock shifts.

## Impact #4: Visitor Spending

The fourth source of economic impact is visitor spending. Based on an analysis of similar event venues around the country, beer tourism generally, and the visitor market in and around Kalamazoo, Paper City Development prepared two estimates of the expected number of visitors for the first five years of operation, 2020-24, as shown in Charts 5 and 6.

Chart 5 shows the estimated number of daily visitors. These are people, primarily people living in the region, taking advantage of the Mill’s year-round amenities, including the public market, the nature preserves, the brewery tours, the museum, and the tap rooms.

**Chart 5**  
**Projected Number of Daily Visitors Per Year**

	2020	2021	2022	2023	2024
<b>OSB Spaces and Brewery Cluster</b>	8,280	19,108	20,139	21,146	22,203
<b>Historical</b>	1,380	5,030	5,282	5,546	5,823
<b>Producers Boardwalk</b>	0	12,385	13,004	13,654	14,337
<b>Artists</b>	1,380	6,865	7,208	7,569	7,947
<b>Community Education</b>	365	732	769	807	847
<b>Outdoor Recreation</b>	4,140	9,595	10,075	10,578	11,107
<b>Field Trips &amp; Outings</b>	368	1,553	1,631	1,712	1,798
<b>Local Residents Shopping</b>	4,225	12,785	13,424	14,095	14,800
<b>Local Employee Shopping</b>	1,380	6,405	6,725	7,062	7,415
<b>Total</b>	21,518	74,458	78,257	82,169	86,277

Chart 6 shows the estimated number of visitors coming for special events at the Mill. These events include parties, weddings, anniversaries, seasonal celebrations, and local performances that occur throughout the year, and larger outdoor events that occur May-October.

To estimate the regional spending patterns of these two kinds of visitors, an analyst ideally wants to know the characteristics of the visitors. How many are day trippers versus overnight visitors? Where are they staying and eating? How much are they spending in Kalamazoo County? The local organization promoting tourism, Discover Kalamazoo, is now undertaking a comprehensive study of this, but its results will not be available until 2018. So the best one can do is abstract from some big-picture data from Kalamazoo County and the state of Michigan.

**Chart 6  
Projected Number of Visitors for Special Events Per Year**

	2020	2021	2022	2023	2024
<b>January</b>		1,500	1,650	1,815	1,997
<b>February</b>		2,000	2,200	2,420	2,662
<b>March</b>		1,500	1,650	1,815	1,997
<b>April</b>		2,950	3,245	3,570	3,926
<b>May</b>	4,505	5,366	9,845	14,428	16,999
<b>June</b>	12,360	14,442	19,887	25,524	29,304
<b>July</b>	14,400	16,240	18,406	20,821	23,529
<b>August</b>	1,500	6,595	11,755	16,824	22,051
<b>September</b>	5,900	11,990	17,691	23,526	29,386
<b>October</b>	5,100	15,610	17,171	18,888	20,777
<b>November</b>	6,000	6,600	7,260	7,986	8,785
<b>December</b>	6,000	6,600	7,260	7,986	8,785
<b>Total</b>	55,765	91,393	118,020	145,603	170,198

We developed estimates using data from Tourism Economics, which prepared a study on “The Economic Impact of Travel in Michigan” (2014) for the Pure Michigan Program of the Michigan Economic Development Corporation (MEDC). Specifically:

- To estimate the current number of tourists coming to Kalamazoo County, we applied the state spending rate per visitor, and divided it into the total level of tourist spending in Kalamazoo County.
- We then used the estimated expenditures per visitor for Kalamazoo County in five categories: lodging, food and beverage; retail, recreation, and transport.
- We also assumed that visitor expenditures would continue to grow at 3.7% per year, as they had statewide 2011-14. (This is conservative, because the growth rate for visitor expenditures in Kalamazoo County during this period was somewhat greater.)
- Finally, we assumed that daily visitors and special events visits would contain the same makeup – in terms of day trippers versus out-of-town visitors – as tourists coming to Kalamazoo generally. For some major events, however, the percentage of people coming from out of town—and typically spending more—could be greater.

Chart 7 applies the projected spending rates for 2020-2024 to the total projected number of visitors to the project. Note that this assumes that the characteristics of people coming to the mill for events is the same as visitors to the state generally.

**Chart 7  
Projected Spending by Event Visitors**

	2020	2021	2022	2023	2024
<b>Estimated Visitors</b>	77,283	165,851	196,277	227,772	256,475
<b>Lodging</b>	\$4,126,512	\$9,183,241	\$11,270,056	\$13,562,375	\$15,836,500
<b>Food &amp; Drink</b>	\$5,216,099	\$11,608,035	\$14,245,864	\$17,143,459	\$20,018,057
<b>Retail</b>	\$3,788,979	\$8,432,087	\$10,348,209	\$12,453,025	\$14,541,135
<b>Recreation</b>	\$2,795,519	\$6,221,218	\$7,634,937	\$9,187,876	\$10,728,490
<b>Transport</b>	\$3,433,178	\$7,640,279	\$9,376,468	\$11,283,633	\$13,175,661
<b>Total</b>	\$19,360,288	\$43,084,860	\$52,875,533	\$63,630,368	\$74,299,843

The chart shows that total visitor spending in the region grows from \$19 million in 2020 to \$74 million in 2024.

## **IMPLAN Inputs**

To analyze the overall effects of the four impacts discussed above, we allocated the dollars associated with construction spending, lease spending, and visitor spending into the most appropriate categories within the IMPLAN model. This inherently involves judgment calls.

For construction spending, we divided most of the spending by the allocation of resulting floor space among residential, commercial, and manufacturing activities. This is shown in Chart 8.

**Chart 8  
IMPLAN Inputs for Construction Spending**

IMPLAN		Year 1	Year 2	Year 3	Total
56	New Infrastructure	\$980,000	\$0	\$0	\$980,000
60	New Multifamily Residential	\$2,480,695	\$2,689,888	\$2,798,854	\$7,969,437
53	New Manufacturing	\$12,019,786	\$13,033,397	\$13,561,372	\$38,614,555
57	New Commercial	\$3,318,144	\$3,597,958	\$3,743,710	\$10,659,812
		\$18,798,624	\$19,321,244	\$20,103,936	\$58,223,804

For lease spending, all of this fit neatly in one IMPLAN category.

For visitor spending, we followed the following procedure. Where we had some information about the character the spending – we know from state data, for example, that most visitor spending for transportation is for air travel—we allocated spending

accordingly. Where we didn't have specific information, we allocated spending by the relative presence (by jobs) of different sectors already in the Kalamazoo County economy. The resulting allocations are show in Chart 9.

For new businesses, IMPLAN allows one to input new jobs and automatically ascribes associated spending patterns based on national production functions and local wage patterns. Most of the business categories in Chart 4 can be easily mapped into IMPLAN categories. For the commercial office space users, we assume the companies are software producers.

**Chart 9**  
**IMPLAN Inputs for Visitor Spending**

	IMPLAN Sector	2020	2021	2022	2023	2024
<b>Lodging</b>	499 Hotels & Motels	\$3,302,825	\$7,350,187	\$9,020,456	\$10,855,208	\$12,675,398
	500 Other Accommodations	\$823,687	\$1,833,054	\$2,249,600	\$2,707,167	\$3,161,102
<b>Food &amp; Drink</b>	501 Full Service Restaurants	\$2,003,006	\$4,457,540	\$5,470,478	\$6,583,169	\$7,687,028
	502 Limited Service Restaurants	\$2,048,777	\$4,559,399	\$5,595,484	\$6,733,600	\$7,862,683
	503 All Other Food & Drinking Establishments	\$1,164,316	\$2,591,097	\$3,179,902	\$3,826,691	\$4,468,346
<b>Retail</b>	400 Retail -- Food & Beverage	\$488,688	\$1,087,539	\$1,334,674	\$1,606,145	\$1,875,462
	401 Retail -- Health & Personal Care	\$399,457	\$888,962	\$1,090,972	\$1,312,874	\$1,533,016
	405 Retail -- General Merchandise	\$968,454	\$2,155,221	\$2,644,977	\$3,182,963	\$3,716,679
	402 Retail -- Gasoline Services	\$1,942,953	\$4,323,895	\$5,306,463	\$6,385,793	\$7,456,556
<b>Recreation</b>	488 Performing arts companies	\$347,166	\$772,593	\$948,158	\$1,141,013	\$1,332,336
	489 Commercial Sports Except Racing	\$239,860	\$533,791	\$655,091	\$788,336	\$920,523
	490 Racing and Track Operation	\$27,495	\$61,188	\$75,093	\$90,367	\$105,519
	491 Promoters of performing arts and sports and agents for public figures	\$126,028	\$280,467	\$344,200	\$414,210	\$483,665
	492 Independent artists, writers, and performers	\$882,413	\$1,963,743	\$2,409,987	\$2,900,176	\$3,386,475
	493 Museums, historical sites, zoos, and parks	\$209,156	\$465,460	\$571,232	\$687,421	\$802,686
	494 Amusement parks and arcades	\$7,596	\$16,904	\$20,746	\$24,965	\$29,151
	495 Gambling industries (except casino hotels)	\$290,357	\$646,169	\$793,005	\$954,301	\$1,114,318
	496 Other amusement and recreation industries	\$665,447	\$1,480,902	\$1,817,425	\$2,187,087	\$2,553,816
	<b>Transport</b>	408 Air transportation	\$2,803,619	\$6,239,242	\$7,657,057	\$9,214,495
409 Rail transportation		\$137,983	\$307,071	\$376,851	\$453,502	\$529,544
410 Water transportation		\$3,263	\$7,262	\$8,912	\$10,725	\$12,523
412 Transit and ground passenger transportation		\$301,139	\$670,162	\$822,451	\$989,737	\$1,155,695
414 Scenic and sightseeing transportation and support activities for transportation		\$175,587	\$390,755	\$479,551	\$577,091	\$673,857
		\$19,359,274	\$43,082,603	\$52,872,763	\$63,627,035	\$74,295,951

## IMPLAN Results

We put these inputs together for eight scenarios—a scenario for each year. The first three years just involve construction. The next five years involve lease spending, business expansion, and visitor spending. The results are expressed in three kinds of impacts:

- Direct impacts are those caused by the first “round” of relevant spending.
- Indirect impacts occur when the new or expanded businesses purchase new inputs from other local businesses.
- Induced impacts occur from the greater local spending by employees at the new or expanded businesses.

Charts 10-17 show the results for each year.

**Chart 10**  
**Impacts from Construction (2017)**

Impact Type	Employment	Labor Income	Value Added	Bus Taxes
<b>Direct Effect</b>	135.5	\$7,746,158	\$10,094,136	\$92,540
<b>Indirect Effect</b>	21.9	\$1,130,360	\$1,835,564	\$194,750
<b>Induced Effect</b>	52.9	\$2,239,041	\$4,024,557	\$407,571
<b>Total Effect</b>	210.3	\$11,115,560	\$15,954,257	\$694,862

**Chart 11**  
**Impacts from Construction (2018)**

Impact Type	Employment	Labor Income	Value Added	Bus Taxes
<b>Direct Effect</b>	139.7	\$7,988,945	\$10,395,231	\$95,144
<b>Indirect Effect</b>	21.9	\$1,129,265	\$1,836,810	\$195,395
<b>Induced Effect</b>	54.4	\$2,300,006	\$4,134,067	\$418,647
<b>Total Effect</b>	216	\$11,418,217	\$16,366,109	\$709,186

**Chart 12**  
**Impacts from Construction (2019)**

Impact Type	Employment	Labor Income	Value Added	Bus Taxes
<b>Direct Effect</b>	144	\$8,234,020	\$10,714,123	\$98,063
<b>Indirect Effect</b>	22.6	\$1,163,908	\$1,893,158	\$201,389
<b>Induced Effect</b>	56	\$2,370,563	\$4,260,887	\$431,490
<b>Total Effect</b>	222.6	\$11,768,491	\$16,868,168	\$730,941

**Chart 13  
Impacts from Project Operations (2020)**

<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Bus Taxes</b>
<b>Direct Effect</b>	336.6	\$7,849,744	\$17,268,993	\$3,376,538
<b>Indirect Effect</b>	63.1	\$2,693,912	\$4,912,727	\$395,094
<b>Induced Effect</b>	62.9	\$2,659,564	\$4,781,383	\$484,399
<b>Total Effect</b>	462.6	\$13,203,220	\$26,963,103	\$4,256,031

**Chart 14  
Impacts from Project Operations (2021)**

<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Bus Taxes</b>
<b>Direct Effect</b>	711.4	\$16,399,104	\$32,828,415	\$6,979,867
<b>Indirect Effect</b>	125.7	\$5,293,733	\$9,708,628	\$779,476
<b>Induced Effect</b>	129.4	\$5,471,868	\$9,835,796	\$996,158
<b>Total Effect</b>	966.5	\$27,164,705	\$52,372,839	\$8,755,501

**Chart 15  
Impacts from Project Operations (2022)**

<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Bus Taxes</b>
<b>Direct Effect</b>	891.6	\$21,144,431	\$42,346,034	\$8,956,244
<b>Indirect Effect</b>	163.6	\$7,012,025	\$12,836,973	\$1,038,172
<b>Induced Effect</b>	167.9	\$7,102,272	\$12,766,311	\$1,292,925
<b>Total Effect</b>	1,223.20	\$35,258,728	\$67,949,318	\$11,287,341

**Chart 16  
Impacts from Project Operations (2023)**

<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Bus Taxes</b>
<b>Direct Effect</b>	1099	\$27,372,493	\$55,945,293	\$11,584,129
<b>Indirect Effect</b>	216	\$9,491,493	\$17,293,335	\$1,410,494
<b>Induced Effect</b>	219.9	\$9,298,689	\$16,714,200	\$1,692,721
<b>Total Effect</b>	1,534.90	\$46,162,674	\$89,952,828	\$14,687,344

**Chart 17**  
**Impacts from Project Operations (2024)**

<b>Impact Type</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Value Added</b>	<b>Bus Taxes</b>
<b>Direct Effect</b>	1306.1	\$33,604,744	\$70,033,400	\$14,524,752
<b>Indirect Effect</b>	272.9	\$12,244,098	\$22,202,218	\$1,835,234
<b>Induced Effect</b>	273.5	\$11,565,059	\$20,788,027	\$2,105,310
<b>Total Effect</b>	1,852.40	\$57,413,902	\$113,023,645	\$18,465,296

## **Other Benefits**

Not all the economic benefits of the Mill Project can be rigorously quantified but nonetheless are significant and worth mentioning.

First, the Kalamazoo Valley is now seeing the emergence of a world-class cluster of micro-brewers. More than a dozen popular microbreweries in the region, such as Arcadia, Bell’s, and Boatyard Breweries, have put Kalamazoo on the map as a “must visit” place for beer lovers. The Mill Project will spread and deepen this reputation, generating the following important economic benefits:

- The region will attract still more breweries and related businesses in food, fermentation, and even biofuels.
- The region will draw more entrepreneurs to region, both to join in the existing cluster and to participate in growing other businesses stimulated in the emerging “creative economy” (a term popularized by Richard Florida).
- The region’s educational programs that support beer entrepreneurs will expand, which will draw still more talent.
- All the above will give the region a stronger ability to convince the best and the brightest young people to stay or return after college, which will lay a strong foundation for future economic development.
- Unlike many other potential clusters, this one naturally serves as a long-term magnet to tourists.

There are also hard-to-calculate environmental benefits of the project. The site right now is filled with toxic contaminants and is a prominent eyesore. The redevelopment project will clean up the site and restore the buildings original beauty. The presence of gardens and farms will augment the ecosystems on the site.

As an educational center, the Mill Project will teach a new generation of students in the area about the region's unique history and the virtues of historic preservation and environmental restoration.

## **A Comparison with Other Economic Development Initiatives**

Economics is ultimately about how to allocate scarce resources. And a final way to evaluate the Mill Project is to compare its potential benefits with those from other economic development projects were the same resources – money, skill, land, etc. – allocated elsewhere.

Some of the benefits of the Mill Project, of course, would accrue from any new project on the site. Almost any envisioned project on the site – an incubator, an industrial park, a convention center – would require cleanup, construction, and new business creation. But the Mill Project *also* offers several uniquely beneficial features for Vicksburg and Kalamazoo County.

- Most economic development aims to attract and retain outside companies through tax breaks and other incentives. When the incentives end, however, these companies often depart elsewhere. The companies involved in the Mill Project are largely locally owned and therefore unlikely to move elsewhere *ever*. The project provides unique economies of scale for participating breweries, and free marketing that comes from a steady stream of visitors. This ensures that the benefits of the project will produce results for many years to come, possibly many generations.
- Unlike most business-development projects, the Mill Project will draw tens of thousands (ultimately hundreds of thousands) of visitors each year. These visitors will benefit businesses throughout the region, and the taxes then paid will be fully enjoyed by local, county, and state government entities.
- Unlike most tourism-related projects, the Mill Project has at its core manufacturing facilities that generate well-paid jobs. Indeed, the promotion of the microbrewing cluster is all about creating high quality employment.
- The Mill Project models many of the feature of cutting-edge economic development practices that are being embraced across the world. These include historical preservation, placemaking, youth engagement, and on-site entrepreneurship training.

Finally, it's worth noting that the Vicksburg Mill Project is unique—not only in the region but in the world. Its contributions to the region will boost the prospects for other economic development initiatives in the region. For example, it will expand the number of businesses seeking incubator, increase the flow of tourists to other destinations, and bolster the reputation of the region as an innovator, which will attract and retain more companies.

# EXHIBIT F



06 / 15 / 2018

To Whom it may concern:

**NEW Corporate Office:**  
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Drive North Las Vegas, NV  
89031

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/ RETURN ADDRESS:**  
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<http://enginuityonline.com>

Our team at Enginuity has been testing, designing, building, and operating performance/concert venues all around the world for more than three decades. We have designed and built acoustics systems, sound, lighting, and LED Video systems for Super Bowl halftime shows, Las Vegas performance venues, Olympics, resorts and theme parks, A-List rock star tours, and megachurches in North and South America, Europe and Asia.

We were asked to review the plans for outdoor performance venues on the campus being called "The Mill at Vicksburg." We were asked to evaluate those plans for their environmental impact on the surrounding community. In particular, we focused on the transmission of acoustic energy (sound pressure levels in decibels) at the property line. We were asked whether these venues will exceed generally accepted standards in similar communities across America.

We were also asked to make recommendations to the developers for venue positioning and both active and passive technologies for acoustic abatement, to bring these venues into compliance at the property lines with those national standards.

Our professional opinions:

- There is nothing unusual or even unique about the challenges for sound abatement in this project. We frequently work with venues that are in closer proximity to residential or commercial development than this would be.
- Careful positioning of the venues, and the use of active and passive sound abatement technologies, will be more than sufficient to bring these venues into compliance with national standards for acoustic levels. And, since these technologies continue to develop at a rapid pace, we are confident that the capacity to manage sound pressure levels will only increase over the next few years as the project is developed.

- These technologies represent a very serious investment by the developer, but the developer has indicated that he is more than willing to make these investments to be within compliance and to be a good neighbor with surrounding developments.

We base these conclusions on the following evaluations.

- We came onto the site, and measured existing ambient noise at the property lines. Existing ambient noise (cars on the road, wind in the trees, birds, frogs, barking dogs, lawnmowers in nearby yards, etc.) measured on 05/16/2018 at 5:33pm, at 73 degrees, ranged from 56.1 - 71.8 decibels. Based on regional ordinances and standard practice in communities across the country, we are confident that we can bring sound pressure levels from outdoor concerts down to 80 decibels at the property line for most concert sizes. This means that it would be no louder than other sound sources, and would become part of that ambient background. Likewise, for the occasional large music festivals at the site, we are confident that we can bring sound pressure levels below 90 decibels.

Using very sophisticated industry software, we built 3-D virtual computer models of the entire property and beyond (out to 2,400 yards from the property line). We then modeled all of the proposed stage locations, projecting from them a range of acoustic frequencies at the sound pressure levels consistent with the proposed musical formats. These models had over 22 million data points, and the software calculated sound pressure levels at various frequencies out to beyond the property line. These models calculate for temperature and humidity, and are within 0.1% accuracy. They showed us the vectors for acoustic energy, and the sound pressure levels in decibels at various points.

- We then recommended repositioning the stages to minimize transmission vectors, and virtually modeled these with various active and passive abatement techniques, including multiple types and sizes of sound barrier walls. These software outputs are attached to this report.
- Based on these virtual models, we were able to ascertain that

sound pressure levels, measured in decibels, will not exceed 80 decibels at the property lines for most concert sizes, and no more than 90 decibels for the occasional large music festivals. We have attached simplified diagrams showing the transmission vectors and sound pressure levels at the property lines.

- Generally accepted national standards for acoustic abatement call for 80 decibels at the property line on most days with occasional exceptions for large festivals. Based on our analysis, we conclude that the development will be able to comply with these standards.

We are always available for any questions or comments. Please let us know if you require any additional information whatsoever.

For the Company,

A handwritten signature in black ink, appearing to read 'Tom Johnson', written over a horizontal line.

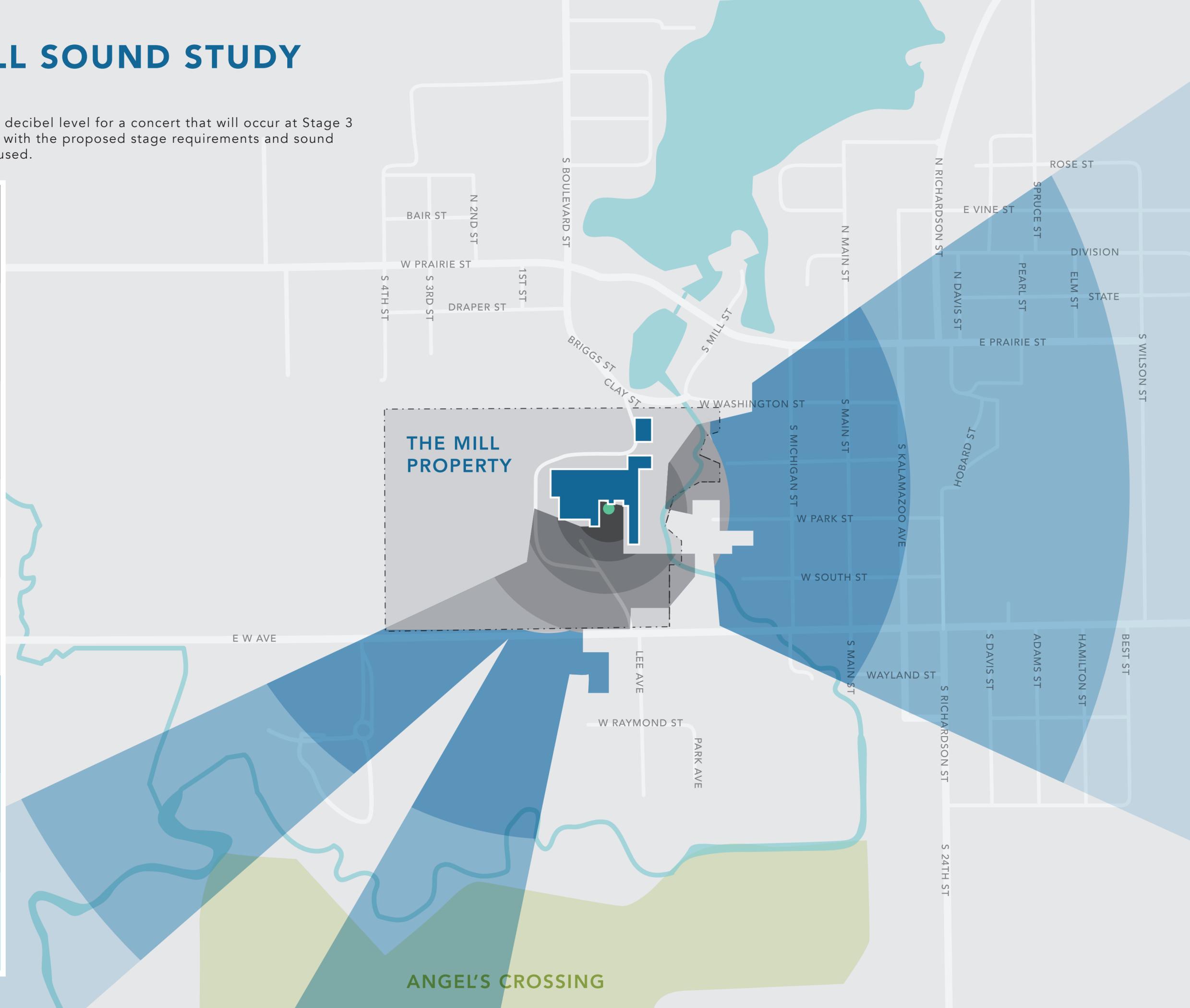
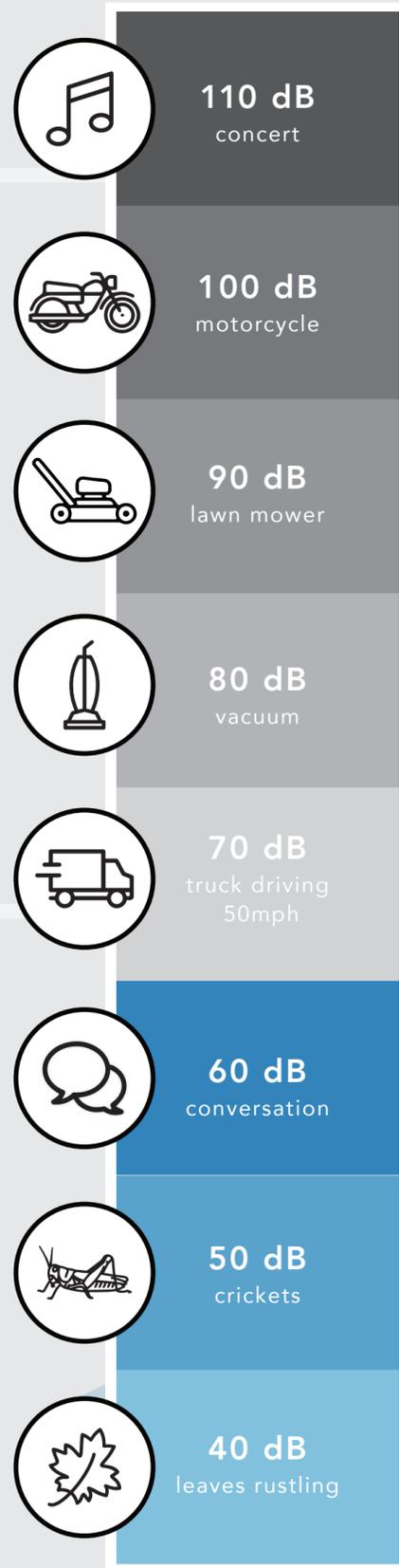
Tom Johnson  
President / C.I.O.



# THE MILL SOUND STUDY

## STAGE 3

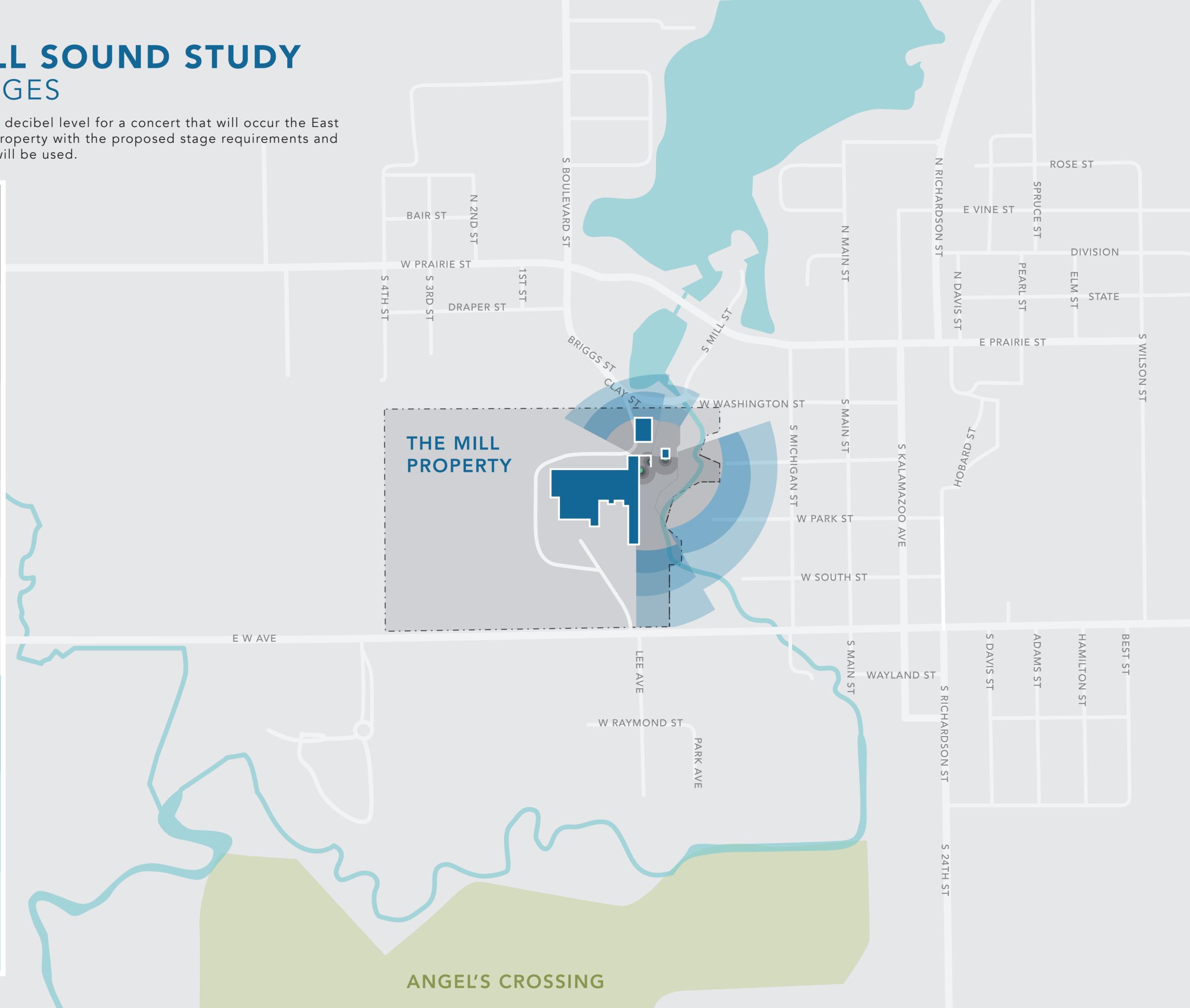
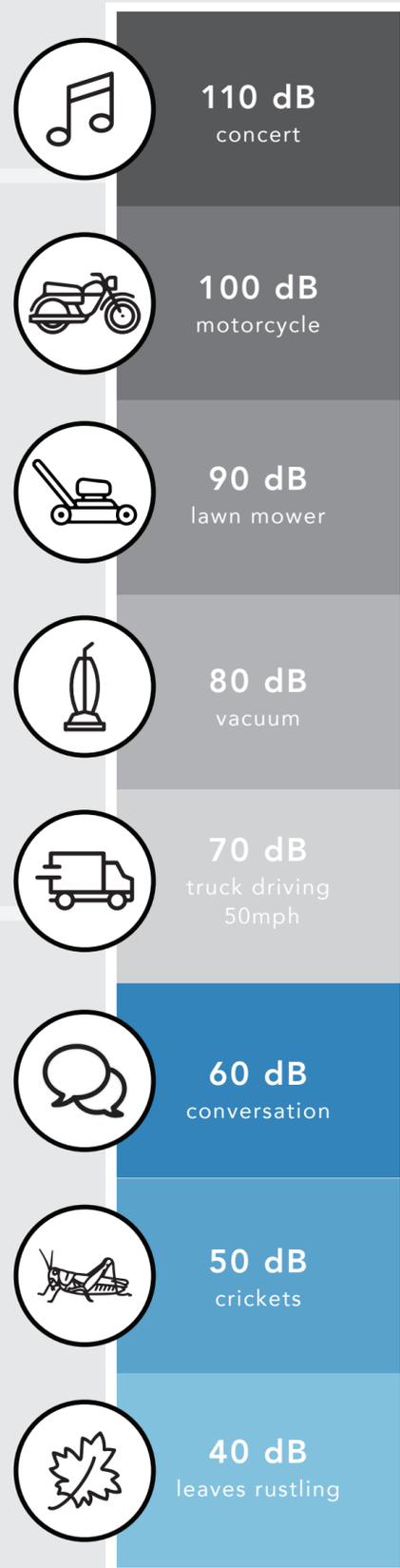
This study shows the decibel level for a concert that will occur at Stage 3 on The Mill property with the proposed stage requirements and sound barriers that will be used.



# THE MILL SOUND STUDY

## EAST STAGES

This study shows the decibel level for a concert that will occur the East Stages on The Mill property with the proposed stage requirements and sound barriers that will be used.



# EXHIBIT G



# An Assessment of Residential Development Opportunities For Paper City Development LLC Vicksburg, MI



Presented by  
Tracy Cross & Associates, Inc.  
January 18, 2018



# Summary

- ❑ Establishing The Mill as a destination will increase the livability and desirability of Vicksburg, doubling or tripling demand for residential units
- ❑ The Mill is anticipated to be the tipping point for developers to view Vicksburg as a viable market
- ❑ Vicksburg already attracts higher income, higher skilled workforce than other parts of the county
- ❑ The Vicksburg market is already trending towards residential growth that can be captured and accelerated by The Mill.
  - ❑ The number and income of 1- and 2-person households indicate a favorable base from which to draw for apartments
  - ❑ Current income levels support economically viable rental rates
  - ❑ Low vacancy rates support rent and unit growth



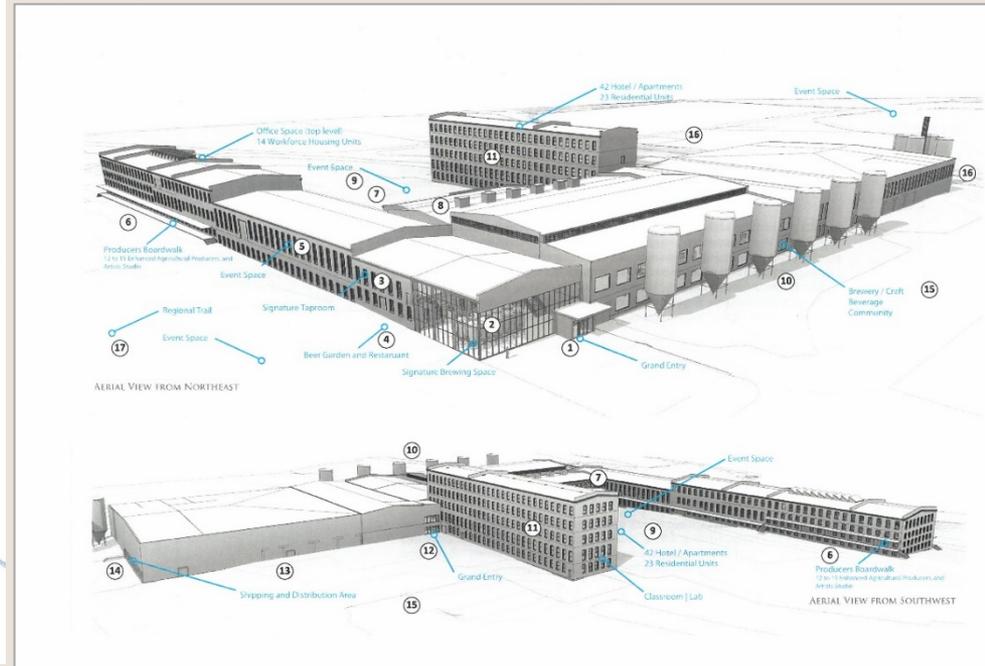
# The Mill Property -- Vicksburg, MI --





# The Mill

## -- Illustrative Master Plan --



- ❑ Trail to Commercial District
- ❑ Multiple Outdoor/Indoor Concert Areas
- ❑ Brewery / Artisanal Food Producers
- ❑ Taproom and Beer Gardens

- ❑ Apartments
- ❑ Event Space
- ❑ Museum/Exhibition/Gallery Space
- ❑ Offices



# Opportunities and Challenges

## – The Long Term View --

### Opportunities

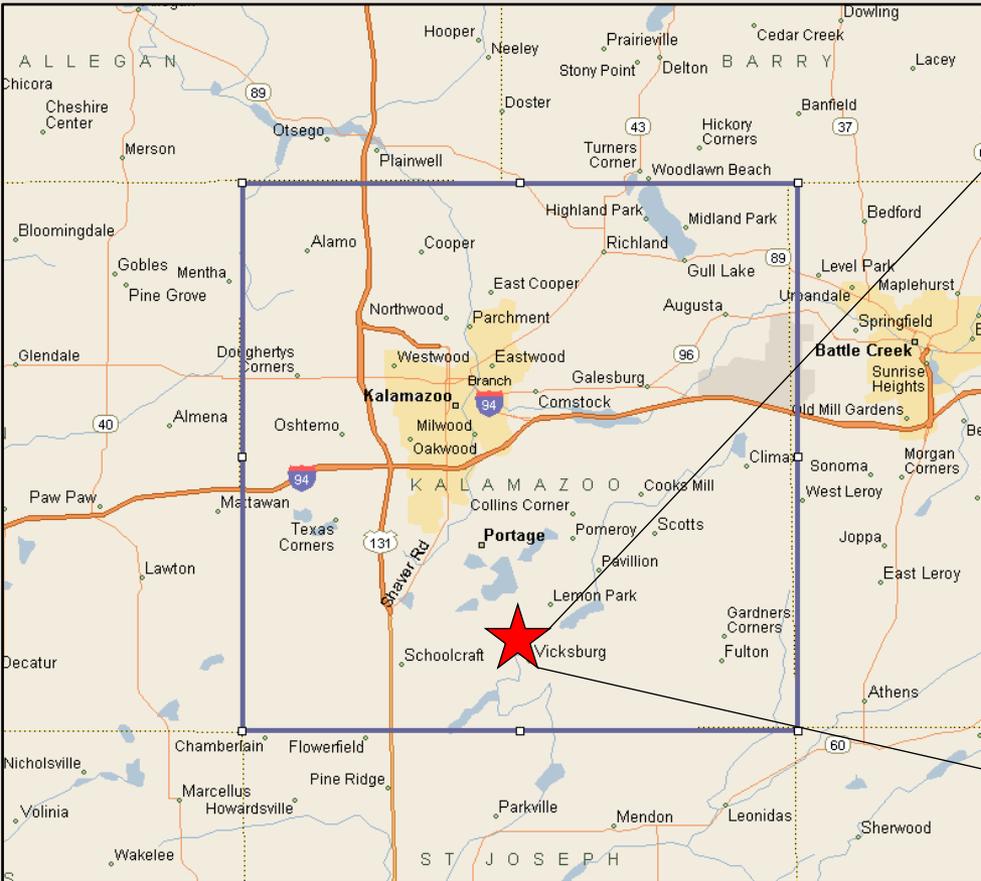
- ❑ A Significantly Improving Regional Economy
- ❑ Presence of Major Employers and Universities
- ❑ Steady Pace of Regional Household Growth
- ❑ Skilled Professional Workforce

### Challenges

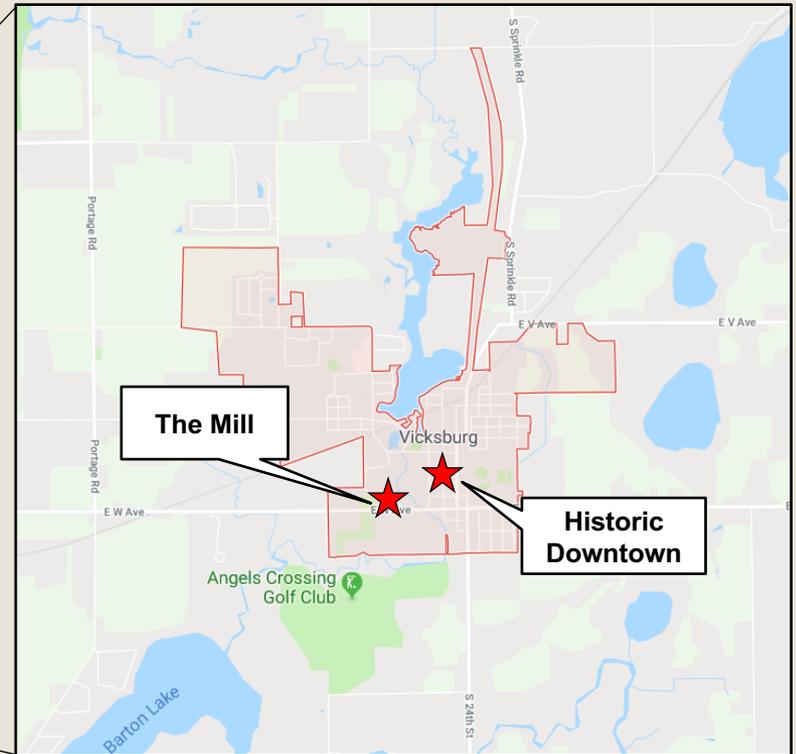
- ❑ Competition From Established Festival and Entertainment Districts of Downtown Kalamazoo
- ❑ Niche Lifestyle Environment
- ❑ Lack of Adequate Support Businesses Locally
- ❑ Competition From Apartment Communities Located More Proximate To Employment and In-place Ancillary Services.



# Defining the Market Area



**Kalamazoo County Market Area**

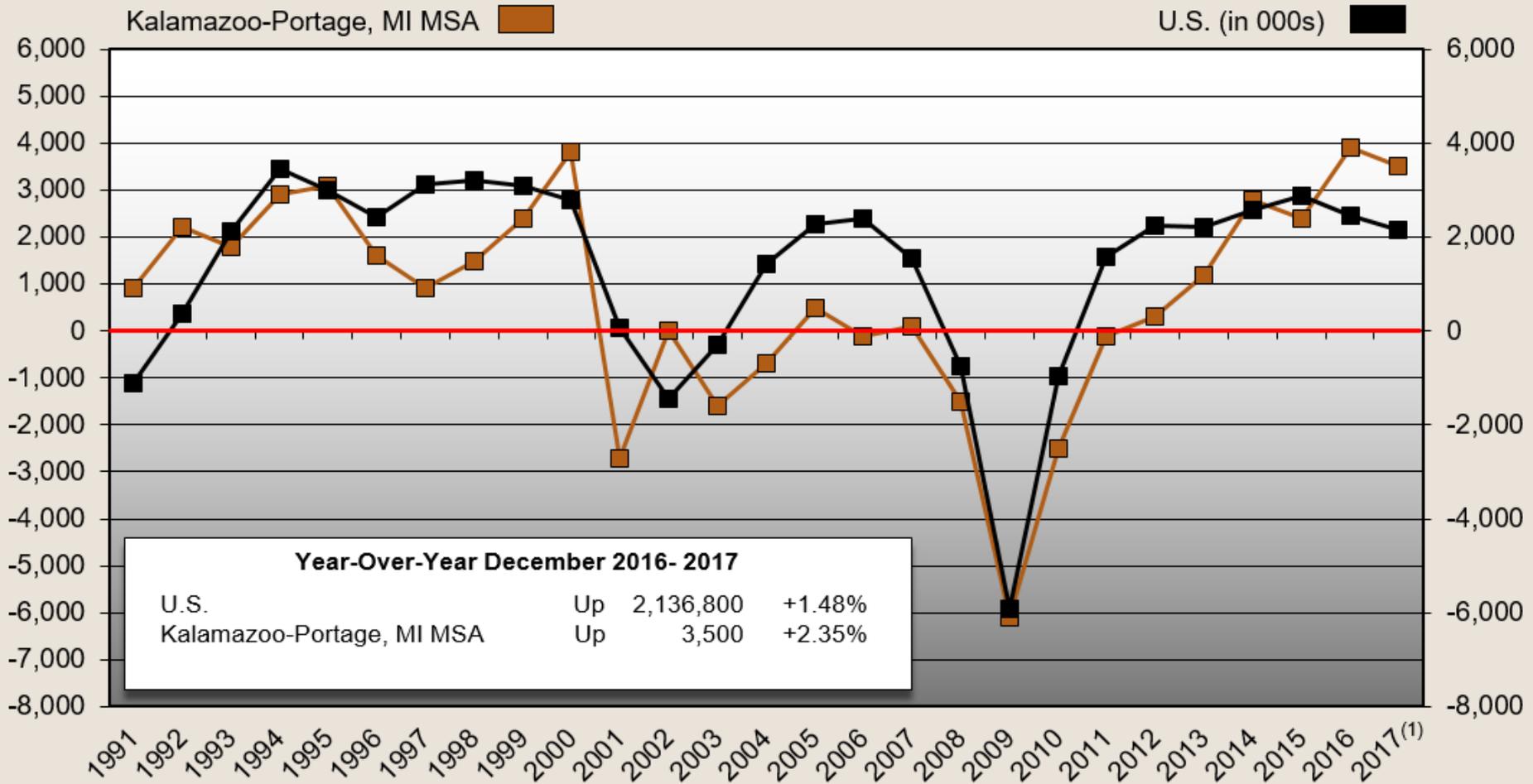


**Village of Vicksburg**



# Employment Trends

## -- Kalamazoo-Portage, MI MSA --



(1) YTD December; figures are preliminary.

Source: U.S. Department of Labor, Bureau of Labor Statistics.



# Employment Trends

## -- Kalamazoo-Portage, MI MSA --

<u>Industry Sector</u>	<u>All Employees</u>			<u>Average Annual Change</u>	
	<u>2010</u>	<u>2016</u>	<u>YTD Dec 2017</u>	<u>2010 - 2016</u>	<u>Y-O-Y 2016-2017</u>
<b>Total Nonfarm Employment</b>	<b>135,600</b>	<b>146,100</b>	<b>149,600</b>	<b>1,750</b>	<b>3,500</b>
Mining/Logging/Construction	4,600	6,100	6,500	250	400
Manufacturing	18,300	21,600	21,700	550	100
Wholesale Trade	5,200	6,800	7,000	267	200
Retail Trade	14,500	15,900	16,300	233	400
Transportation & Utilities	3,500	3,400	3,500	-17	100
Information	1,200	900	900	-50	0
Financial Activities	7,700	8,400	8,500	117	100
Professional & Business Services	14,100	17,300	19,000	533	1,700
Education & Health Services	22,300	23,100	23,500	133	400
Leisure & Hospitality	14,800	15,800	16,200	167	400
Other Services	6,700	5,500	5,500	-200	0
Government	22,700	21,200	21,200	-250	0



# Demographic and Household Characteristics

## -- Kalamazoo County Market Area and the Village of Vicksburg --



<u>Attribute</u>	<u>Kalamazoo County Market Area</u>	<u>Village of Vicksburg</u>
<b>Population</b>		
2018	264,085	3,624
2023	270,837	3,813
<b>Annual Change</b>	<b>1,350</b>	<b>38</b>
<b>Households</b>		
2018	107,083	1,381
2023	110,246	1,452
<b>Annual Change</b>	<b>633</b>	<b>14</b>
<b>Median Household Income 2018</b>	<b>\$56,559</b>	<b>\$66,283</b>
<b>Tenure</b>		
<b>Total Households 2018</b>	107,083	1,381
<b>Owners</b>	68,232	1,110
<b>Percent</b>	<b>63.7</b>	<b>80.4</b>
<b>Renters</b>	38,851	271
<b>Percent</b>	<b>36.3</b>	<b>19.6</b>



# Household Composition

-- Kalamazoo County Market Area and the Village of Vicksburg --

Attribute	Kalamazoo County Market Area		Village of Vicksburg	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<b>Total Households</b>	<b>107,083</b>	<b>100.0</b>	<b>1,381</b>	<b>100.0</b>
1-Person Household	32,408	30.3	309	22.4
2-Person Household	36,601	34.2	470	34.0
3-Person Household	16,145	15.1	257	18.6
4-Person Household	12,938	12.1	205	14.8
5-Person Household	5,787	5.4	85	6.2
6-Person Household	2,148	2.0	37	2.7
7 or More Person Household	1,056	1.0	18	1.3
<b>Total 1- and 2-Person Households</b>	<b>98,092</b>	<b>91.6</b>	<b>779</b>	<b>56.4</b>



# Household Incomes

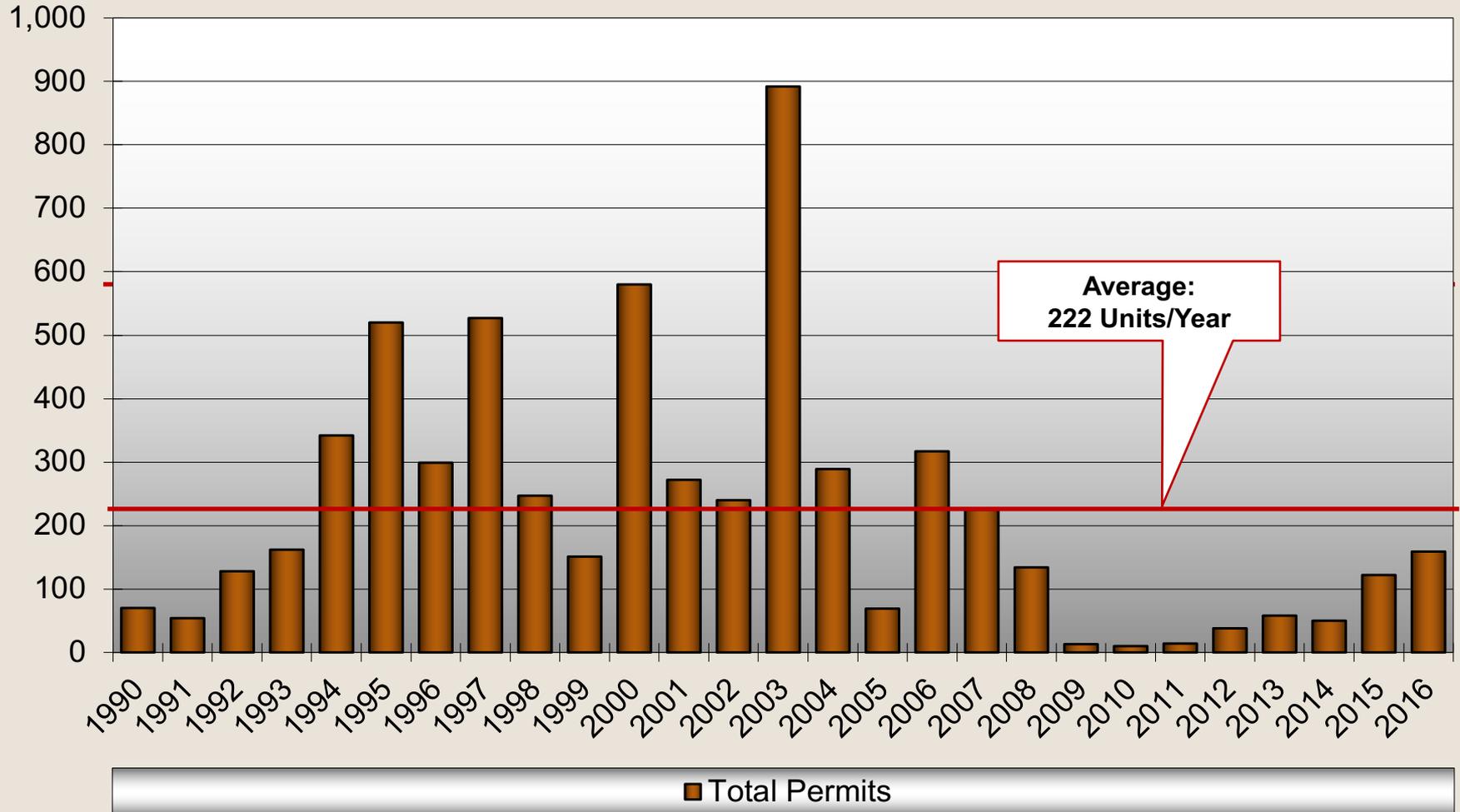
## -- Kalamazoo County Market Area and the Village of Vicksburg --

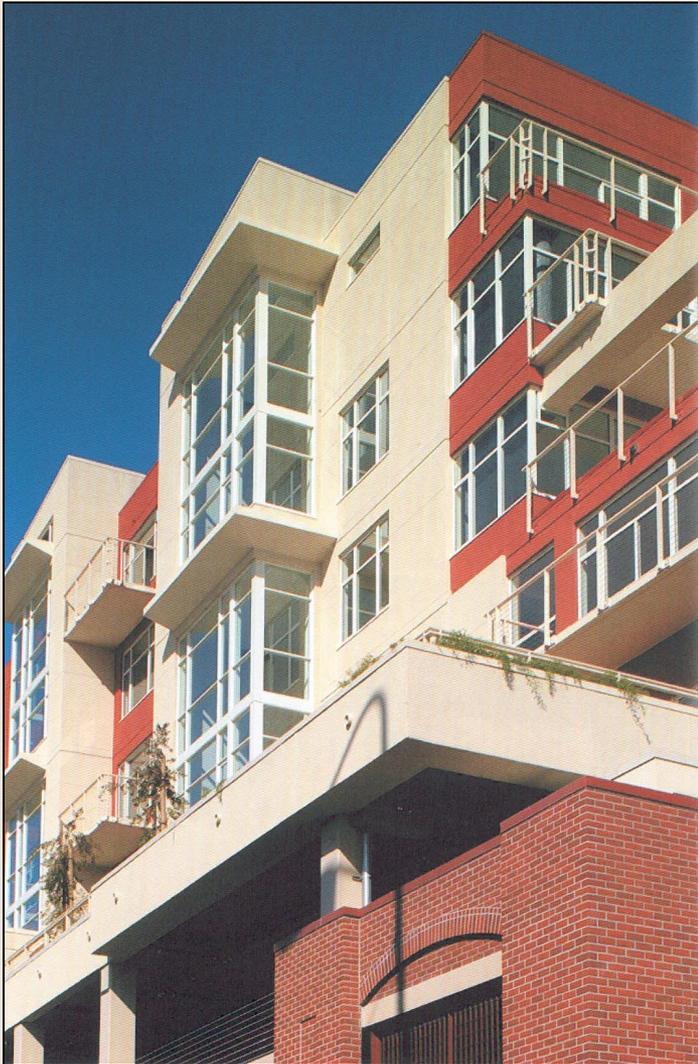
<u>Attribute</u>	<u>Total Households</u>					
	<u>Kalamazoo County Market Area</u>			<u>Village of Vicksburg</u>		
	<u>Number</u>	<u>Percent</u>	<u>Median</u>	<u>Number</u>	<u>Percent</u>	<u>Median</u>
<b>Total Households</b>	<b>107,083</b>	<b>100.0</b>	<b>\$56,559</b>	<b>1,381</b>	<b>100.0</b>	<b>\$66,283</b>
Under 25 Years	9,538	8.9	25,269	39	2.8	62,322
25 - 34 Years	18,263	17.1	58,222	208	15.1	70,127
35 - 44 Years	17,365	16.2	68,922	264	19.1	79,254
45 - 54 Years	17,101	16.0	84,171	259	18.8	88,833
55 - 64 Years	18,877	17.6	74,371	269	19.5	76,402
65 - 74 Years	14,597	13.6	50,932	204	14.8	47,756
75 - 84 Years	7,655	7.1	40,821	100	7.2	40,183
85 Years and Over	3,687	3.4	32,760	38	2.8	35,000
<b>Total Households Under 35 Years</b>	<b>27,801</b>	<b>26.0</b>	<b>46,916</b>	<b>247</b>	<b>17.9</b>	<b>68,895</b>
With Incomes of \$35,000 or More	16,601	59.7	---	203	82.2	---
With Incomes of \$50,000 or More	12,571	45.2	---	180	72.9	---
With Incomes of \$75,000 or More	7,312	26.3	---	102	41.3	---
<b><i>With Incomes of Less than \$35,000</i></b>	<b>11,200</b>	<b>40.3</b>	<b>---</b>	<b>44</b>	<b>17.8</b>	<b>---</b>



# Multifamily Permit Trends

-- Kalamazoo County Market Area --





## The Rental Market -- An Overview --



# Annual New Rental Construction Requirements – Kalamazoo County Market Area --



<u>Attribute</u>	<u>Number</u>
Expected Annual Household Growth	633
Expected Annual Renter Household Growth @ 30.0 Percent of Total <sup>(1)</sup>	190
Annual Replacement Demand @ 0.4 Percent of 2017 Rental Inventory	155
<b><i>Derived Annual Construction Requirement</i></b> <sup>(2)</sup>	<b>345</b>

(1) Determined by applying the expected percentage of new renter households to the expected number of new household additions from 2018 through 2023.

(2) Excludes designated student, senior and public housing forms.



# Rent/Value Analysis – A Composite Summary

## -- Select Newer/Renovated Post-1985 Suburban Apartments --

### December 2017



<u>Attribute</u>	<u>Representative Suburban Apartments Built/Renovated in 1985 or Later</u>
Number of Programs	17
Number of Units	3,889
Average Per Program	229
Vacancy Rate	1.9
Average Year Built	1995
Average Plan Size (Sq. Ft.)	925
Average Monthly Rent Per Sq. Ft.	\$912 \$0.99
Slope (Average Rent Movement Per Incremental Sq. Ft.)	\$0.73
Average Monthly Rent:	
@ 600 Sq. Ft.	\$674
@ 700 Sq. Ft.	747
@ 800 Sq. Ft.	820
@ 900 Sq. Ft.	893
@ 1,000 Sq. Ft.	966
@ 1,100 Sq. Ft.	1,039
@ 1,200 Sq. Ft.	1,112
@ 1,300 Sq. Ft.	1,185



## Moving Forward -- The Mill Property --



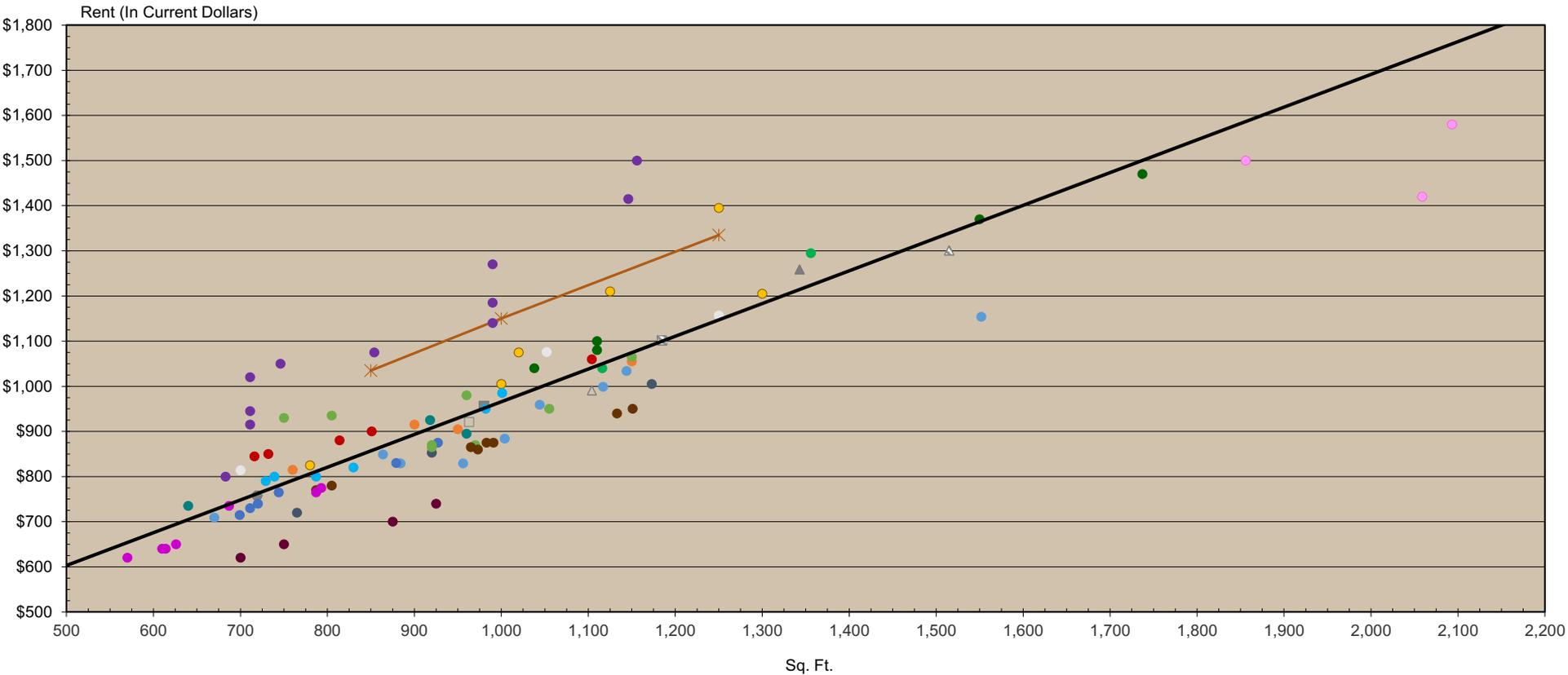
- ❑ The development of +/-30 rental apartments is suggested. These units should reflect one and two bedroom plan styles in a footage range of 750 to 900 square feet.
- ❑ Residential/commercial growth beyond baseline projections in Vicksburg is dependent upon establishing “The Mill” as a regional Work/Live/Play destination.
- ❑ Potential relationships with Stryker, Pfizer, Bronson and/or other regional employers create additional demand for residential units and for long-term lease of meeting and conference/exhibition space.





# Rent/Value Analysis

-- Select Newer/Renovated Post-1985 Apartments and The Mill Prototype --  
December 2017



◆ Studio	● One Bedroom Flat	■ Two Bedroom/1+Den Flat	□ Two Bedroom 2S	▲ Three Bedroom/2+Den Flat	△ Three Bedroom 2S	◻ Two Bedroom TH
△ Three Bedroom TH	● Canterbury (5.5)	● Coopers Landing (2.4)	● Dover Hills (3.7)	● Drake's Pond (2.0)	● Emerald Park (0.8)	● Summer Ridge (1.6)
● Tall Oaks (1.0)	● Centre Street Village (1116)	● Foxwood (1.0)	● Greenspire IV-V (0.0)	● Hermitage THs (5.0)	● Mulberry Point (0.0)	● Pinefield THs (2.2)
● Prinwood Place (3.4)	● Spruce Creek (1.7)	● Walnut Trail (0.6)	● The Vista (4.3)	—*— The Mill-Prototype	— Market Line	



# Rent/Value Analysis

-- Select Newer/Renovated Post-1985 Apartments and The Mill Prototype --  
December 2017

Plan Size (Sq. Ft.)	Average Market Rent	Program/Location	Year Built/ Renovated	Total Units	Average Plan Size (Sq. Ft.)	Average Posted Rent		Average Market Rent	Variance From Market	Vacancy Rate/ (Monthly Absorption)
						Dollars	Rent per Sq. Ft.			
600	\$674	Greenspire- PH IV-V/Portage	2015-17	112	907	\$1,175	\$ 1.30	\$898	+\$277	0.0
700	747	<b>The Mill-Prototype at Benchmark</b>	<b>2020</b>	<b>30</b>	<b>1,033</b>	<b>1,173</b>	<b>1.14</b>	<b>990</b>	<b>+183</b>	<b>2.5/Mo. Fcst</b>
800	820	Drake's Pond/Kalamazoo	1987	497	996	1,044	1.05	963	+81	2.0
900	893	Prinwood Place/Portage	1997	118	1,001	1,031	1.03	967	+64	3.4
1,000	966	Tall Oaks/Kalamazoo	2008	198	899	941	1.05	893	+48	1.0
1,100	1,039	The Vista/Portage	1996	188	1,017	1,006	0.99	979	+27	4.3
1,200	1,112	Pinefield Townhomes/Portage	2003	182	1,307	1,211	0.93	1,190	+21	2.2
1,300	1,185	Summer Ridge/Kalamazoo	1989/2006	248	996	979	0.98	963	+16	1.6
1,400	1,258	Centre Street Village/Portage	1996	31	1,170	1,098	0.94	1,090	+8	0.0
1,500	1,331	Foxwood/Portage	1998	192	876	884	1.01	876	+8	1.0
1,600	1,404	<b>--- Market ---</b>	<b>1995</b>	<b>3,889 / 229</b>	<b>925</b>	<b>912</b>	<b>0.99</b>	<b>912</b>	<b>0</b>	<b>1.9</b>
1,700	1,477	Dover Hills/Kalamazoo	1994	381	940	922	0.98	923	-1	3.7
1,800	1,550	Emerald Park/Kalamazoo	1987	246	790	801	1.01	813	-12	0.8
1,900	1,623	Walnut Trail/Portage	1977/2000	798	675	690	1.02	729	-39	0.6
2,000	1,696	Coopers Landing/Kalamazoo	2002; 2005-09	454	986	895	0.91	956	-61	2.4
2,100	1,769	<sup>(1)</sup> Saw Mill Creek/Vicksburg	1984	66	641	639	1.00	704	-65	4.5
2,200	1,842	Canterbury/Kalamazoo	2004	36	963	869	0.90	939	-70	5.5
		Spruce Creek/Portage	1989	60	937	846	0.90	920	-74	1.7
		Mulberry Point/Portage	1989	88	818	677	0.83	833	-156	0.0
		Hermitage Townhomes/Portage	1998	60	1,998	1,496	0.75	1,695	-199	5.0

Slope: \$0.73 per sq. ft.

<sup>(1)</sup> Development not included in derivation of market line; statistics exclude 24 income-restricted units.



# The Mill: Market-Rate Apartments

## -- Suggested Features / Amenities / Premiums --

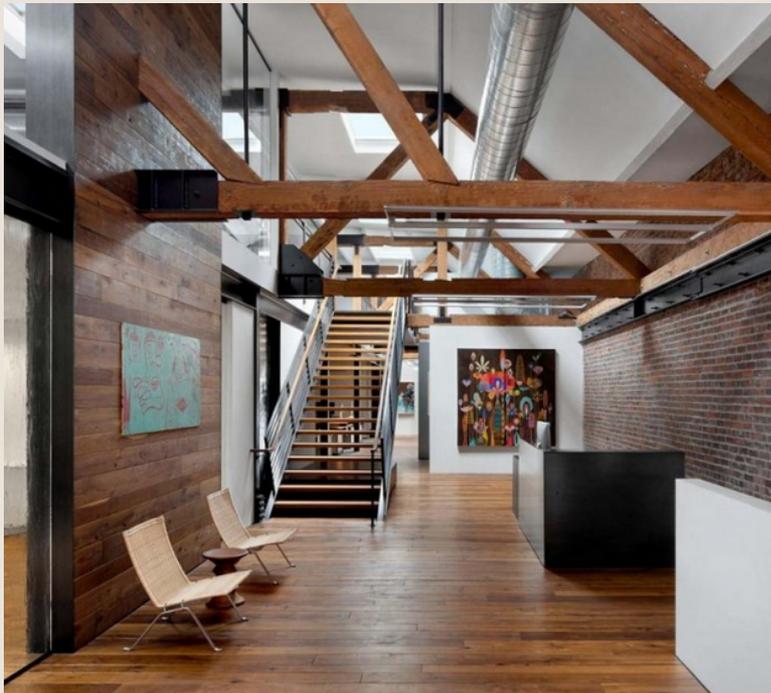


- ❑ Individually Controlled Heat/Air Conditioning
- ❑ Internet/Cable Connectivity/USB Outlets
- ❑ High Intensity Sound Attenuation/Insulation
- ❑ Raised Ceiling Heights
- ❑ Concrete/Restored Wood Flooring Throughout or Laminate Plank-Style Flooring
- ❑ In-Unit Storage
- ❑ Designer Kitchen Cabinetry and Lighting
- ❑ Quartz/Granite Kitchen Countertops/Islands
- ❑ Energy-Efficient Stainless Steel Appliances: Gas Oven/Range, Refrigerator, Microwave, Dishwasher, Disposal, Full-Size Washer and Dryer
- ❑ Designer Baths with Frameless Glass Shower Doors, Ceramic Shower Surround and Quartz/Granite Vanity Countertops



# The Mill: Market-Rate Apartments

## -- Suggested Features / Amenities / Premiums --



- ❑ Non-Smoking Environment
- ❑ Secured Reception Lobby
- ❑ Secured Mail/Package Center
- ❑ Tenant Paid Water/Refuse or Resident Billing System
- ❑ Individually Metered Utilities/Cable/Internet
- ❑ On-Site Leasing and Management
- ❑ Central On-Site Leasing and Management (shared with commercial entities)



# Moving Forward -- The Village of Vicksburg --

Once The Mill is established, and in concert with projected regional household growth and an improving regional for sale residential marketplace, new primarily family-oriented development will serve as the catalyst for growth in the Village's commercial district.



<u>Attribute</u>	<u>Prototype Development</u>
<b>Unit Size Range (Sq. Ft.):</b>	<b>1,800 - 2,400</b>
<b>Base Sales Price Range: (In Current 2018 Dollars)</b>	<b>\$180,000 - \$250,000</b>
<b>Average Monthly Sales Rate Per Development:</b>	<b>1.5 to 2.0</b>
<b>Potential Number of Active Developments:</b>	<b>2 to 3</b>
<b>Potential Annual Sales:</b>	<b>36 to 72</b>



# Conclusions

- ❑ Current demand supports more market rate residential units
- ❑ Development of The Mill will double or triple growth
- ❑ +/- 30 units at The Mill is recommended based on baseline, forecasted growth
- ❑ More is possible as the The Mill becomes established as a destination

# EXHIBIT H

April 13, 2018

Mike Schwartz, PE  
 Prein & Newhof  
 7123 Stadium Drive  
 Kalamazoo, MI, 49009

Re: Sanitary sizing for Vicksburg Mill  
 Vicksburg Mill Redevelopment  
 Vicksburg, Michigan  
 B/A # 15100235

Dear Mr. Schwartz,

This letter is in response to the request for sizing data for the sanitary lines at the proposed Vicksburg Mill Redevelopment. The associated sizing calculations are based on the available design drawings with fixture counts and occupancy. This is done per the 2015 Michigan Plumbing code-based drainage fixture units which are shown in the table below. Estimated peak load will be 465 GPM based on the Hunter's curve converting fixture units to peak discharge in GPM. If we assume a peaking factor of 4, the average daily flow would be approximately 117 GPM. The existing onsite 8" sewer pipe per Larry L. Harris and George A. Granger III P.E. on the existing drawings, was installed at 0.64%, and has a capacity of 470 GPM per the Manning's formula. Therefore, we can manage our flow within the existing capacity serving our site.

Building/Use	Drain Fixture Units	GPM
East Wing-Office/Event	380	30
West Wing-apartments/hotel	642	80
Building 7 -Event	456	125
Outdoor Bathrooms-Event	480	140
Brewery 50k barrels	180	90
	Total Peak Flow	465
	Total Average Flow	117

These numbers are based on the current design drawings and the future 10 year build out of the facility. There is still a possibility of design changes to the site that could alter the numbers. It is our intent to use high efficiency fixtures and water conservation best practices to manage our water usage.

If there are any questions or concerns regarding the above, please contact me.

Sincerely,

BYCE & ASSOCIATES, INC.



Glenn Glidden, PE  
 Mechanical Engineer.

c: file

# EXHIBIT I

STATE OF MICHIGAN

COUNTY OF KALAMAZOO

VILLAGE OF VICKSBURG

**AGREEMENT FOR THE MILL AT VICKSBURG  
PLANNED UNIT DEVELOPMENT**

This Planned Unit Development (“PUD”) Agreement (“Agreement”) is by and between Paper Village Development, LLC (“Developer”), whose address is 101 South Main Street, Vicksburg, Michigan, 49097, and the Village of Vicksburg, a Michigan municipal corporation (“Village”), whose address is 126 North Kalamazoo Avenue, Vicksburg, Michigan, 49097 (collectively, the “Parties”).

**RECITATIONS**

As of the Effective Date, Developer is the fee owner of 54.61 acres of property described on the attached and incorporated Property Description **Exhibit A** (the “Property”), located in the Village of Vicksburg, Kalamazoo County, Michigan.

Developer has proposed rezoning and development of the Property as a PUD. Accordingly, Developer has applied for approval of an amendment to The Zoning Ordinance of the Village of Vicksburg (the “Zoning Ordinance”) granting a rezoning of the Property to PUD, with the zoning on the Property to be known as “The Mill at Vicksburg Planned Unit Development.” Developer is the developer and proprietor of The Mill at Vicksburg Planned Unit Development (sometimes also referred to as the “Development”).

The Village has given the Developer approval of Development subject to the conditions set forth in this Development Agreement. This Development Agreement effective on the effective date of the Village’s Zoning Ordinance amendment granting rezoning of the Property to the Mill at Vicksburg Planned Unit Development.

Now, therefore, as an integral part of the grant of the rezoning of the Property and pursuant to the conditions of approval that the Village and Developer have agreed to as set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, it is agreed as follows:

A. **Development as PUD.** The Property shall be developed and improved only in accordance with the following (referred to collectively as the “PUD Documents”):

1. Article VIII, Planned Unit Development District (PUD), Sections 82-621 through 82.627 of the Zoning Ordinance, as amended.

2. The approved PUD plans dated October \_\_\_\_, 2018, and any supplemental site plans for subsequent sequences of this Development approved by the Village under 82-623 and 82-624, for the Development (the “PUD Plans”).

3. This Development Agreement for The Mill at Vicksburg Planned Unit Development.

4. All other applicable Village ordinances and all design standards for the Village, except as modified by Section E below.

5. Recordation with the Kalamazoo County Register of Deeds office of an affidavit by Developer on the effective date of the rezoning, approved by the Village Attorney, containing the legal description of the Property, specifying the date of the Village's approval of The Mill at Vicksburg Planned Unit Development, and declaring that all future development of the Property has been authorized, restricted, and required to be carried out only in accordance with the "Ordinance Granting The Mill at Vicksburg Planned Unit Development" and the PUD Documents.

6. The Ordinance Granting The Mill at Vicksburg Planned Unit Development.

Except as modified by this Development Agreement and other PUD Documents, all development, use, and improvement of the Property shall comply with all applicable Village ordinances, all other approvals and permits required under applicable Village ordinances, the PUD Documents, and state laws for the respective components of the Development. In addition to the terms and conditions set forth in this Agreement, Developer shall comply with all of the other PUD Documents to the extent that those documents are consistent or otherwise do not conflict with any terms, conditions, or obligations placed upon Developer or this Development under this Agreement. All consistent, non-conflicting terms in the PUD Documents are incorporated by reference into this Agreement.

**B. Effect of PUD Approval.** The Ordinance Granting The Mill at Vicksburg Planned Unit Development reclassifies the zoning of the Property to PUD and constitutes the land use authorization for the Property, and all use and improvement of the Property shall be in conformity with this Ordinance and the applicable terms of the PUD Documents as described in Section A above. Any development within the PUD that includes uses not already provided for under this Agreement must go through the approval procedures set forth in Section 82-623 of the Zoning Ordinance.

**C. Land Use.** Within the Development, all buildings and site amenities shall be laid out, situated, and designed as described on approved PUD Plans, as may be submitted by Developer to the Village from time to time for approval.

**D. Sequencing of PUD.** Developer shall develop the Property in multiple sequences. All sequences described in this Agreement are subject to and shall undergo site plan review and approval as set forth in Section 82-623 and Section 82-624(3) of the Zoning Ordinance. In addition to the requirements set forth in the Zoning Ordinance with respect to site plan reviews and approvals, site plan reviews and approvals for all or any portion of the Development shall be based on the Village's determination, in its reasonable discretion, that the proposed use and the proposed structure are in compliance with the minimum standards set forth in the approved PUD Plans and in the other PUD Documents. The sequences are as follows:

1. Sequence I includes building stabilization and site preparation.

2. Sequence II includes a maximum of 160,000 square feet of renovated space, constituting Old Stove Brewery, Event Space, Partner Brewing, Beer Garden, support space for these functions, and/or other permissible uses as part of an approved site plan, consistent with this Development Agreement and the PUD Documents.

3. Sequence III includes approximately 200,000 square feet of renovated space constituting Concert / Event Venue, Craft Food and Beverage Production, support spaces for these functions, and/or other permissible uses as part of an approved site plan, consistent with this Development Agreement and the PUD Documents.

4. Sequence IV consists an approximately 60,000 square feet of renovated space constituting Residential units and/or Hotel space, support spaces for these functions, and/or other permissible uses as part of an approved site plan, consistent with this Development Agreement and the PUD Documents.

Since this is a multi-sequence Development, prior to the issuance of building permits or any other approvals necessary for any sequence of the Development, Developer shall submit for the review and approval of the Village a supplemental site plan for each sequence or any sub-sequence Developer is proceeding with. In their review of each proposed supplementary plan, the Village shall rely on the standards of review and minimum zoning requirements described in 82-625 and 82-626, and the modifications to those minimum requirements under Section F of this Agreement.

Sequences I, II III, and IV may be further broken down into sub-sequences and plans submitted for future sequences shall indicate whether approval for the entire sequence contemplated in the PUD is being sought or whether the respective sequence is being broken down. Furthermore, the timing of the construction of any of the structures approved as part of the PUD Plan need not occur only as part of, or in accordance with, the proposed sequencing; e.g., a structure listed as part of Sequence III may be constructed during the time period proposed for Sequence II, subject to the approval of the supplemental site plan by the Village (described above). As set forth under Section 82-627 of the Zoning Ordinance, Developer is responsible for the actual costs (including any attorney and consultant fees) the Village incurs, up to a cap of \$5,000 for each site plan submitted, in its review of the supplemental site plans submitted under this Section D.

E. **Zoning Standards.** The zoning of the Property shall be reclassified as a PUD. and the following zoning classifications of the Zoning Ordinance shall apply: (a) R-4; (b) C-2, C-3, C-4; and (c) I-2, and I-3 (but excluding any special land uses in I-3 as well as the following permitted uses: automobile repair garage, construction and farm equipment sales, contractor's equipment yard, gasoline service station, hardware and building supplies, lumber, fuel and feed yards, public utility buildings and storage yards, maintenance and service yard, and adult regulated uses). In addition to the zoning classifications identified above, any of the following uses, or combination of uses, are permissible at The Mill at Vicksburg Planned Unit Development:

- a. Multi-family residential apartments.
- b. Indoor and outdoor event spaces offering a diversity of activities, including, but not limited to, corporate events, conferences, conventions, music and entertainment performance, sports, cultural and art events, festivals, and exhibitions, weddings, and other

celebrations. Events which utilize offsite parking will require approval of the Village subject to Section F(7) below.

c. Food and beverage uses that include one or more entities engaged in the activities of processing, production, service, and/or shipping of beer, food, and other alcoholic beverages.

d. Breweries, beer gardens, taprooms, and/or restaurants, which may include kitchen and catering services.

e. Kitchens/Catering Services.

f. Woodworking and other manufacturing consistent with I-2.

g. Hotel, motel, and/or other short-term rental units.

h. Music industry-related support uses, including, but not limited to, rehearsal spaces, recording studios, vocal booths, control rooms, private lounges, kitchens, and other production-related spaces.

i. Museum and/or educational space.

j. Distribution, shipping, receiving, and/or cold and hot warehousing servicing businesses in and around the Development.

k. Farming demonstration plots and community/restaurant gardens/orchards.

l. Outdoor recreation and short-term camping rentals.

Unless modified under Section F of this Agreement, the above-uses are subject to the minimum PUD zoning requirements under 82-626, as well as any additional, applicable requirements under the Village Code for uses permitted under the following zoning classifications: R-4, C-2, C-3, C-4, I-2, and I-3.

**F. Minimum Requirements.** Developer and the Village agree to the following adjustments to the minimum zoning standards under Section 82-626 of the Zoning Ordinance:

1. Structures. No newly developed permanent structure may be taller than forty (40) feet in height. For the purpose of this measurement, antennas, solar panels, or other non-occupiable structures are excluded.

2. Open Space. No less than thirty percent (30%) of the Development shall constitute open space that is land devoted to conservation or recreational purposes and/or designated to remain undeveloped. For the purposes of this section, "open space" includes: lawns, decorative plantings, walkways, active and passive recreation areas, playgrounds, fountains, living plant materials, wetlands, and water bodies. Open space shall not include buildings, driveways, parking lots or other surfaces designed or intended exclusively for vehicular travel.

3. Setback. All newly developed structures within The Mill at Vicksburg Planned Unit Development must be located no less than thirty (30) feet from all perimeter property lines of the Development.

4. Multi-Family Density. For multi-family dwellings, as well as hotel, motel, and other short-term rentals, The Mill at Vicksburg Planned Unit Development may not exceed an average of four (4) residential units per acre within the Development. As part of its site plan submission, Developer will submit a density schedule as required under 82-168(3)(g).

5. Off-Street Parking. Parking shall conform to the standards and number of spaces required under the Village of Vicksburg Zoning Ordinance for the then-active uses in the Development. For events in which more than 3,000 attendees are anticipated, a minimum of one parking space for every 4 anticipated attendees is required. Parking is permitted on or off premises as a way to satisfy the parking requirements for such an event. When seeking approval for off premises parking or submitting an event plan under Section F(7) below, Developer shall provide a signed agreement with any property owner(s) providing such off-site parking to the Village. Failure to maintain minimum approved off-street parking is a violation of the PUD ordinance and this Agreement.

6. Sound. Decibel levels from the programming of amplified sound (e.g. concerts, performances, etc.) or any other sources of excessive sound at any perimeter property lines of The Mill at Vicksburg Planned Unit Development shall not exceed 80 dBA at any perimeter property lines. Notwithstanding the foregoing, at events for 20,000 or more anticipated attendees (the "Large Events"), Developer shall not exceed 85 dBA at any perimeter property lines. For all events, except the Large Events, all amplified sound programming or other sources of excessive sound must stop from 10 pm to 9 am Sunday through Thursday and 12 am to 9 am on Friday and Saturday. For the Large Events, which shall occur no more than six (6) days in any calendar year, excluding days for setup, sound-checking, and tear down, all amplified sound programming or other sources of excessive sound must stop from 12am to 9am for the day(s) of the Large Events. Notwithstanding the foregoing, ambient sound after the hours defined above shall not exceed 70 dBA. If excessive sound continues after the hours defined above, Developer shall pay to the Village a penalty of \$2,500 per daily overage from one to 30 minutes, and \$5,000 per daily overage of more than 30 minutes.

To monitor compliance with these requirements, Developer shall install decibel level monitoring systems as directed by a third-party sound/acoustic industry expert (such as, Enginuity, Inc.) to ensure an accurate reading in real time of the noise being generated at all perimeter property lines. For the purposes of this Section F(6), and consistent with the applicable ANSI industry standards, sound will be measured as a continuous average dBA during amplified sound, measured in one-minute increments, and only an exceedance for more than five minutes during an event shall be considered a violation of this Section F(6). Moreover, in order to achieve compliance with the sound limitations defined in this Section F(6), the placement of sound monitoring systems at the "perimeter property lines" shall mean the perimeter of The Mill at Vicksburg Planned Unit Development or the perimeter of any contiguous properties, including across public rights of way, owned by Developer or one of its affiliates. Developer will notify the Village in writing of the location of these monitoring devices and give the Village access to the Property to check these monitoring systems during any amplified sound event or in response to any noise complaints.

Developer is also responsible for hiring security to be on site during any such event to ensure that any event participants do not engage in any activity that generates excessive noise, injury, and/or fire or electrical hazards.

7. Events.

(a) Event Approval and Plans. Developer shall submit an event plan for both one-day events (the “One-Day Event Plan”) and for multi-day festivals (the “Multi-Day Event Plan”) that require off-site parking, both scalable up to 40,000 anticipated attendees (collectively, the “Event Plans”) as early as practicable for review and approval by the Village. Upon receipt of one or both of the Event Plans, the Village agrees to consider the Event Plan or Plans for approval within ninety (90) days. The expectation of the parties is that the Event Plans will be submitted by Developer to the Village in 2019. The Event Plans shall include a description of the nature of the event, including the dates and hours for the event; and a map and site plan of the area drawn to scale showing the location of all proposed toilets to be used, water supply sources, refuse disposal and collection facilities, areas of assembly, outdoor camping areas or other short-term rentals being utilized for the event, food service areas, ingress and egress of pedestrian and vehicular traffic, locations and number of parking spaces (including, available on site or off), and location and intensity of any additional lighting being used for the event. To receive approval for the event, Developer must submit a detailed plan that demonstrates compliance with Section 82-626 (2-5) and industry standards for all of the following:

(i) Adequate Traffic Management Plan. For events where off-site parking is necessary, Developer agrees to prepare and produce an industry standard Traffic Management Plan that includes a plan for traffic control, comply with industry standards for negative traffic impacts, sufficient total parking spaces pursuant to Section E(5) above, measures to address roadway access for Village residents, emergency services, and Village services.

(ii) Adequate toilet facilities.

(iii) Adequate refuse storage and disposal facilities.

(iv) Adequate food and sanitary food service, if supplied.

(v) Adequate emergency medical facilities and communication systems.

(vi) Adequate fire protection.

(vii) Adequate security personnel.

(b) Event Consultation. Within the earlier of ten (10) days after the event or prior to the first event of the next larger size (see subparagraph (c) below), Developer and the Village agree to meet to evaluate the success of the event and any failure to comply with the approved Event Plan and this Agreement, along with necessary improvements to ensure that future events comply with the approved Event Plan and this Agreement. After three (3) consecutive consultations at each event level without failure to comply with the

approved Event Plan and this Agreement, consultations required under this paragraph shall be held once each calendar year or upon request of the Village. Upon written notice from the Village to Developer of a failure to comply with the approved Event Plan and this Agreement, Developer shall, prior to proceeding with further events, provide the Village with adequate assurances, including specific plans, to bring future events into compliance with the approved Event Plan and this Agreement.

(c) Event Sequencing. Notwithstanding approval of the Event Plans as detailed in Section 7(a) above, Developer agrees to put on events at the Property in the below listed sequence – moving from a smaller-sized event to a mid-size event to a Large Event, as follows:

- An event of less than 9,999 anticipated attendees utilizing off-site parking. (the “Small Event”).
- A mid-size event of between 10,000 to 19,999 anticipated attendees (“Mid-Size Event”).
- And, finally, a Large Event of 20,000 or more anticipated attendees.

Developer must demonstrate compliance with the applicable approved Event Plan for an event of each size before Developer can put on an event of the next larger size. The Village will determine, in its reasonable discretion, Developer’s compliance with the applicable Event Plan and this Agreement during the Event Consultation described in Section 7(b) above. If it is determined by the Village, in its reasonable discretion, that Developer did not comply with the applicable Event Plan and this Agreement, Developer shall, prior to proceeding with further events, provide the Village with adequate assurances, including specific plans, to bring future events into compliance with the approved Event Plan and this Agreement.

(d) Event Insurance. As part of any event plan submitted to the Village under Section F(7)(a) above, Developer must provide the Village with a certificate of insurance issued by a reputable insurance company which provides liability insurance of not less than \$1,000,000 per occurrence for death, injury or property damage arising out of any event up to 9,999 anticipated attendees; and not less than \$5,000,000 per occurrence for death, injury or property damage arising out of any event involving 10,000 to 40,000 anticipated attendees. The insurance policy must name the Village, including its agents and representatives, as an additional insured.

(e) As set forth under Section 82-627 of the Zoning Ordinance, Developer is responsible for the actual costs (including any attorney and consultant fees) the Village incurs in its review of Event Plans under this Section F(7).

8. Historic Elements. The Mill at Vicksburg is on the National Register of Historic Places and is being rehabilitated to preserve historic elements of the Mill. To that end, should a discrepancy arise between Village zoning requirements and Developer’s compliance with the Secretary of the Interior’s Standards for Rehabilitation, the Secretary of the Interior’s Standards

for Rehabilitation shall govern, and all such improvements shall be deemed compliant with the Ordinance.

**G. Water and Sanitary Sewer Systems.** Developer shall, at its sole expense, construct, reconstruct, and install improvements and/or connections tying into the existing municipal water and sewage systems, as required for the Development. That includes, but is not limited to, customary water and sewer connection fees and pass-through fees. All of the foregoing improvements shall be designed and constructed in accordance with the approved PUD Plan and all applicable Village, state, and county standards, codes, regulations, ordinances, and laws. Such water and sanitary sewer systems shall be provided by the Developer and dedicated to the Village (as required by the Village in its discretion) to the extent necessary to fully service all proposed and existing facilities, structures, and uses within the sequence of the Development to be served by those facilities, extensions, and easements, prior to issuance of any building permits for any building in such sequence of the Development, other than building permits issued prior to the date of this Agreement.

The water and sanitary sewer improvements within and for a particular sequence must be completed to the extent that such sequence shall, on completion and dedication of such improvements, be fully capable of standing on its own in terms of the provision of water and sanitary sewer services to such sequence according to applicable laws, ordinances, codes, regulations, and standards at the time of construction of each such sequence.

**H. Drives and Parking Lots.**

1. Internal drives and parking lots within and for the Development shall be designed, situated, and constructed in accordance with all requirements of the applicable ordinances of the Village, the PUD Documents, and the approved PUD Plan. Developer shall determine, at its discretion, the structural pavement design adequate for the Development.

2. Internal roads, drives, and parking lots depicted on any approved PUD Plan within or necessary to serve each sequence of the Development shall be completed and approved (except top coat) prior to issuance of a certificate of occupancy for any building or structure to be served by them or to benefit from them. In the event a structure is entirely eligible otherwise for issuance of a certificate of occupancy and the top coat of paving cannot be installed due to winter conditions and the resulting closing of asphalt plants, the Village shall issue a temporary certificate of occupancy with a firm commitment by Developer for completion on or before June 15th of the following year. Any purchase agreement or lease agreement for any building, or any portion of such building, within the Development shall provide that a final certificate of occupancy will not be issued until the paving of such improvements has been completed (including topcoat and parking lot striping).

3. Developer, and any assigns and transferees of Developer, shall be solely responsible for maintenance and repairs of the drives, entranceways, and parking lots at the Development.

4. For events with anticipated attendance above the capacity for paved parking on-site, temporary on-site grass parking shall be permitted subject to an approved Event Plan.

H. **Completion of Improvements.** All on-site and off-site improvements of the Development, including, without limitation, all internal roads, drives, entranceways, parking lots, sanitary sewer service systems, water service systems, storm water drainage systems, detention and retention facilities, gas and electric utilities, lighting, signage, landscaping, landscaping amenities, public safety paths, internal private pedestrian walkways with related amenities and improvements, barrier or screening walls, sidewalks, retaining walls, soil erosion and sedimentation controls, and any other improvements within or for the Development shall be completely constructed and provided to all buildings and facilities within the Development as required and as set forth in the PUD Documents, the approved PUD Plans, any other approvals or permits granted by the Village, and all applicable ordinances, laws, standards, and regulations. During the construction of the Development, Developer shall be obligated to maintain the above improvements and amenities. Moreover, each sequence will be capable of standing on its own in terms of the presence of services, facilities, and open space, and shall contain the necessary components to ensure the protection of natural resources and the health, safety, and welfare of the users of the Development and the residents of the surrounding area.

I. **Village Enforcement.** Except as otherwise provided for in this Agreement, in the event of a perceived failure by Developer to comply with the terms of this Agreement, the Village may serve written notice on Developer setting forth such deficiencies and a demand that the deficiencies be cured within a stated reasonable time period, but not shorter than thirty (30) days, and specify a date, time, and place for a hearing before the Village Council, or such other Council, body, or official delegated by the Village Council, to allow Developer an opportunity to be heard as to why Village should not proceed with the correction of the deficiency. At any such hearing, the time for curing and the hearing itself may be extended and/or continued to a date certain. The foregoing notice and hearing requirements shall not be necessary in the event Village determines in its reasonable discretion that an emergency situation exists requiring immediate action. If, following the hearing described above, the Village Council, or the other Council, body, or official designated to conduct the hearing, determines that the failure has not been corrected within the time specified in the notice, or if an emergency circumstance exists as determined by Village, then the Village shall have the power and authority, but not the obligation, to take any or all of the following actions, in addition to any other legal remedies available to the Village:

1. Developer shall provide the Village with a bond with a total coverage amount of \$96,500 to secure the Property with fencing in the event of an uncured default by Developer, but shall otherwise be exempt from the bonding requirements of Section 82-171(b) of the Ordinance.

2. Initiate legal action for the enforcement of any of the provisions, requirements, or obligations set forth in the PUD Documents. Except in emergency circumstances, Developer shall be provided reasonable notice of the deficiencies from the Village and shall be afforded an opportunity to timely correct. In the event the Village is the prevailing party in any such litigation, Developer shall pay all court costs and attorney fees incurred by the Village in connection with such a suit.

3. Issue a stop work order as to any or all aspects of the Development, deny the issuance of any requested building permit or certificate of occupancy within any part or all of the

Development, regardless of whether Developer is the named applicant for such permit or certificate of occupancy, and suspend further inspections of any or all aspects of the Development.

J. **Enforcement; Severability.** Any failure or delay by the Village or Developer to enforce any provision contained in this Agreement shall in no event be deemed, construed, or relied on as a waiver or estoppel of the right to eventually do so in the future. The parties acknowledge that monetary damages for a breach of this Agreement would be inadequate to compensate the parties for the benefit of their bargain. Accordingly, the parties expressly agree that in the event of a violation of this Agreement, the non-breaching party shall be entitled to receive specific performance. This Agreement is intended to establish zoning ordinance regulations applicable to the Development and shall not be enforceable as a contract with contract remedies, except that Developer or Village may seek specific performance as detailed above. Each provision and obligation contained in this Agreement shall be considered to be an independent and separate covenant and agreement and, in the event one or more of the provisions and/or obligations shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, all remaining provisions and/or obligations shall nevertheless remain in full force and effect.

K. **Access to Property.** The Village and its contractors, representatives, consultants, and agents shall be permitted, and are granted authority, upon reasonable notice to Developer or upon no notice for fire, EMS, or other emergency services or for the purposes described in Section F(8) above, to enter all or any portion of the Property for the purposes of inspecting for compliance with and enforcing the PUD Documents. So long as any construction is occurring on the Property, Developer is responsible for providing adequate emergency services access to the Property. Developer shall provide written notice to the Village of the emergency services access provided at Property and any changes to that access. The sufficiency of the emergency access provided at the Property is subject to the approval of the Village fire chief.

L. **Agreement Jointly Drafted.** Developer has negotiated with the Village the terms of this Agreement; and this Agreement is the product of the joint efforts and mutual agreements reached between the Developer and the Village. Developer and the Village fully accept and agree to the final terms, conditions, and obligations of this Agreement. It is agreed that the improvements and undertakings described in this Agreement, as well as the terms, conditions, and obligations put on the Developer and the Development under this Agreement, are necessary and roughly proportional to the burden imposed, and are necessary in order to (1) ensure that public services and facilities necessary for and affected by the Development will be capable of accommodating the development on the Property; (2) protect the natural environment and conserve natural resources; (3) ensure compatibility with adjacent uses of land; (4) promote use of the Property in a socially, environmentally, and economically desirable manner; and (5) achieve other legitimate objectives authorized under the Michigan Zoning Enabling Act, MCL 125.3101 et seq. It is further agreed and acknowledged that all such improvements, both on-site and off-site, are clearly and substantially related to the burdens to be created by the development of the Property and all such improvements without exception are clearly and substantially related to Village's legitimate interests in protecting the public health, safety, and general welfare.

M. **Ambiguities and Inconsistencies.** Where there is a question with regard to applicable regulations for a particular aspect of the Development or with regard to clarification, interpretation, or definition of terms or regulations, and there are no apparent express provisions

of the PUD Documents that apply, Village, in the reasonable exercise of its discretion, shall determine the regulations of Village's Zoning Ordinance, as that Ordinance may have been amended, or other Village ordinances that are applicable, provided such determination is not inconsistent with the nature and intent of the PUD Documents. Any modification of the Zoning Ordinance that is favorable to the Developer shall be incorporated by reference into this Agreement.

N. **Warranty of Ownership.** Developer warrants that it is the owner in fee simple of the Property described on the attached Property Description, **Exhibit A**.

O. **Running with the Land; Governing Law.** This Development Agreement shall run with the land constituting the Property and shall be binding on and inure to the benefit of the Village and its successors, Developer, all future owners of any part of the Development, all undersigned parties, and all of their respective heirs, successors, assigns, and transferees. An affidavit providing notice of the rezoning of the Property, the PUD Documents, this Development Agreement, and the general obligations relating to the PUD shall be executed by the property owners and may be recorded by any of the undersigned parties following the execution of this Agreement. This Development Agreement shall be interpreted and construed in accordance with Michigan law and shall be subject to enforcement only in Michigan courts. The parties understand and agree that this Development Agreement is consistent with the intent and provisions of the Michigan and U.S. Constitutions and all applicable law.

P. **Single Ownership and/or Control of PUD Property.** Developer represents and warrants to Village that, as of the Effective Date, the single ownership and/or control of the Property has been vested solely in Developer in accordance with and for all purposes necessary to satisfy Section 82-626(3) of Village Zoning Ordinance, and Developer is fully authorized and empowered to rezone and develop the Property in accordance with and pursuant to the PUD Documents and all other documents, agreements, plans, dedications, ordinances, and recordings applicable to The Mill at Vicksburg Planned Unit Development as submitted to and as approved by the Village Council.

Q. **Modifications.** This Agreement may not be modified, replaced, amended, or terminated without the prior written consent of the Village Council and the Developer or its successors in title to the Property as of the date of the modification, replacement, amendment, or termination.

- next page -

This Agreement was executed by the respective parties on the date specified with the notarization of their signatures and shall be considered to be dated on the date of the Village Council's adoption of the Ordinance Granting The Mill at Vicksburg Planned Unit Development, and shall take effect on the effective date of Village's Ordinance Granting The Mill at Vicksburg Planned Unit Development rezoning (the "Effective Date").

WITNESS:

/s/ \_\_\_\_\_

Name: \_\_\_\_\_

DEVELOPER:

Paper City Development, LLC

By: /s/ \_\_\_\_\_  
Christopher E. Moore  
Its: Managing Member

WITNESS:

/s/ \_\_\_\_\_

Name: \_\_\_\_\_

STATE OF MICHIGAN     )  
KALAMAZOO COUNTY    )

Acknowledged before me in Kalamazoo County, Michigan, on \_\_\_\_\_, 2018, by Christopher E. Moore of Paper City Development, LLC, a Michigan limited liability company, on behalf of the company.

/s/ \_\_\_\_\_

Notary Public's Name: \_\_\_\_\_

Notary public, State of Michigan, County of Kalamazoo.

My commission expires \_\_\_\_\_

WITNESS:

/s/ \_\_\_\_\_

Name: \_\_\_\_\_

VILLAGE:

The Village of Vicksburg, a Michigan municipal corporation

WITNESS:

/s/ \_\_\_\_\_

By: /s/ \_\_\_\_\_  
Jim Mallery  
Its: Village Member

Name: \_\_\_\_\_

By: /s/ \_\_\_\_\_

Name of Clerk: \_\_\_\_\_

Its: Clerk

STATE OF MICHIGAN     )

KALAMAZOO COUNTY    )

Acknowledged before me in Kalamazoo County, Michigan, on \_\_\_\_\_, 2018, by Jim Mallery of The Village of Vicksburg, a Michigan municipal corporation, on behalf of the municipality.

/s/ \_\_\_\_\_

Notary Public's Name: \_\_\_\_\_

Notary public, State of Michigan, County of Kalamazoo.

My commission expires \_\_\_\_\_

Drafted by:

Sielatycki Law Firm, PLC

By: /s/ \_\_\_\_\_

Steve J. Sielatycki, Esq. (P66751)

516 Whites Road, Suite 4

Kalamazoo, MI 49008

(269) 718-3012

When recorded return to:

[Name], Clerk

Village of [Village)

[Address, telephone]

