

MILL OPEN HOUSE PUBLIC MEETING



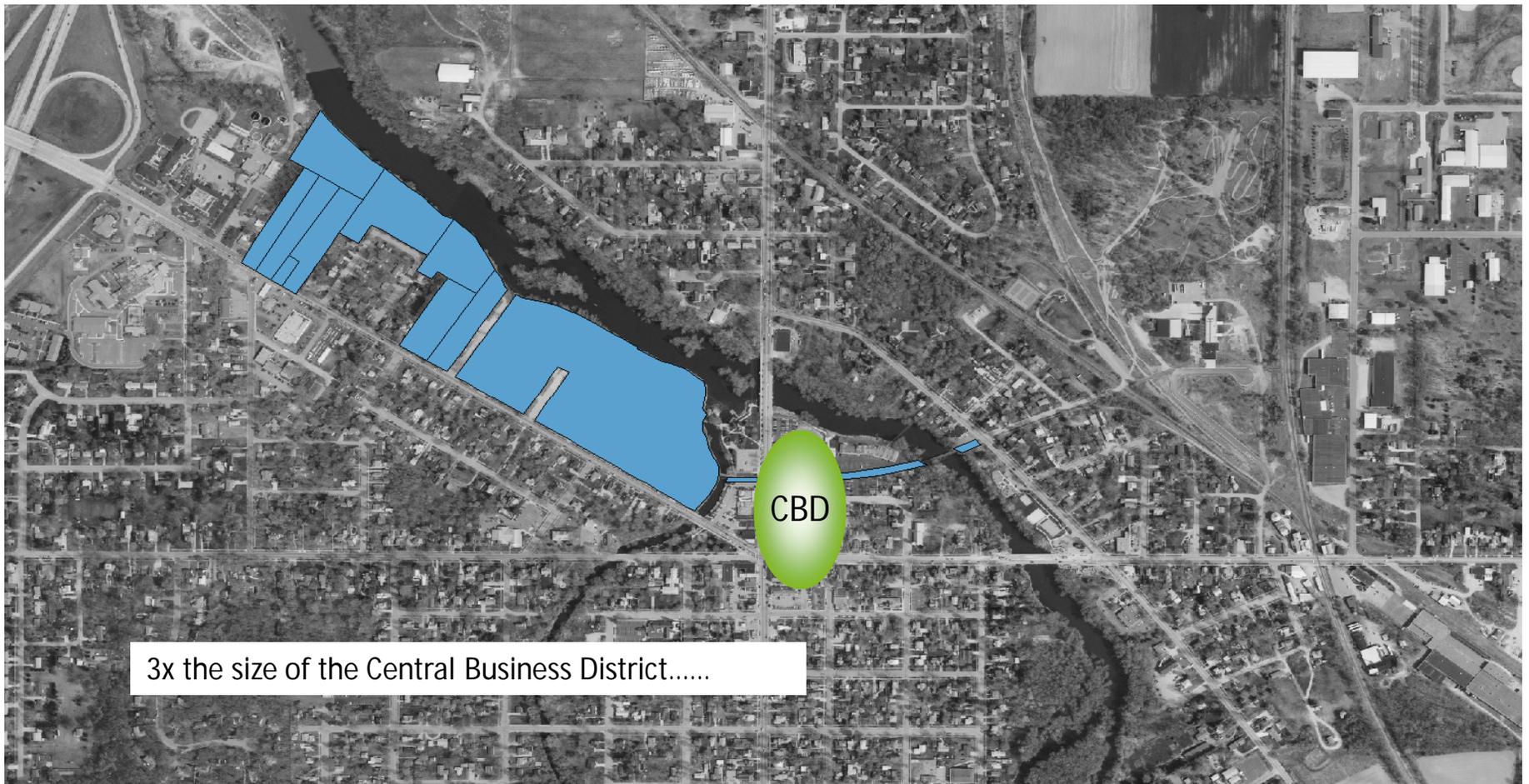
DECEMBER 17, 2014

Why are we here tonight?

- Mill Significance
- Highlight Progress
 - Conestoga Rovers and Associates
 - Mill Demolition, Phase I
 - Fannie Pell Park
 - Public Safety
 - Mill's Former WWTP Demolition
 - City Hall
 - Summary
 - Next Steps
- Tour City Hall
- Public Input

Mill Significance

- Big...36 Acres in a City of 2.2 sq. miles
- Over 250,000 sq. ft. of building (east side)
- 2,134 feet of state highway (M-89) frontage
- Adjacent to U.S. 131 and CBD
- "Front door "off expressway
- 3,370 (.64 miles) feet of river frontage

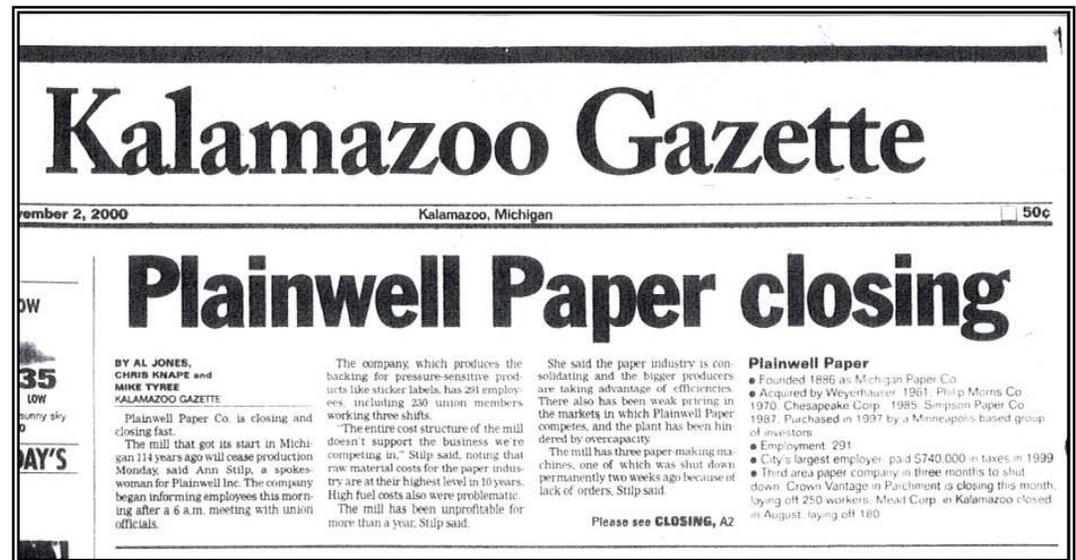


Mill Significance

Bankruptcy – November, 2000

- Tied to the social fabric of the community
- Loss of economic engine – at one point, mill consisted of 18% of the City's total taxable value.
- Plainwell's future at risk
- Negative impact on adjacent property values
- Collapse of DDA

City Council: "Goals must be accomplished without raising taxes"



2. Mill Significance

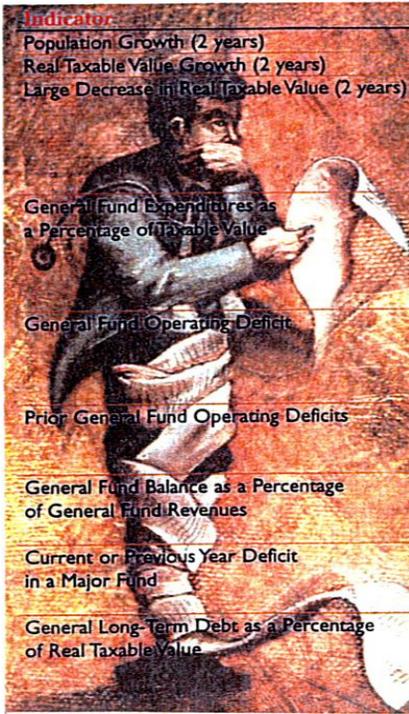
JUNE 2003

Government Finance Review

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Exhibit 2: 10-Point Scale of Fiscal Distress

Indicator	Performance Standard
Population Growth (2 years)	If the government lost population, then it is penalized one point.
Real Taxable Value Growth (2 years)	If the government experienced negative real growth, then it is penalized one point.
Large Decrease in Real Taxable Value (2 years)	If growth in real taxable value is less than -0.04, then the government is penalized one point. The level of -0.04 is approximately one standard deviation below the average two-year real growth rate for cities and villages and approximately 1.5 standard deviations below the township average. The standard used is closer to the city and village standard deviation because very few townships experienced fiscal distress.
General Fund Expenditures as a Percentage of Taxable Value	If a city or village scores greater than 0.05, or if a township scores greater than 0.01, then the government is penalized one point. This is the only variable for which we use a separate standard depending on the type of government. We did this because a half standard deviation in the "wrong direction" gives a standard of 0.05 for cities and villages and 0.01 for townships.
General Fund Operating Deficit	This indicator is calculated by subtracting general fund revenues from general fund expenditures for a given year and dividing the result by general fund revenues. If the result is less than -0.01, it is considered a nontrivial operating deficit and the government is penalized one point.
Prior General Fund Operating Deficits	Governments are penalized one point for each year in which they record an operating deficit. Thus, they can be penalized a total of three points for operating deficits—one for a current operating deficit and two for previous operating deficits.
General Fund Balance as a Percentage of General Fund Revenues	If this ratio is less than 0.13, then the government is penalized one point. Using a half standard deviation in the "wrong direction" as a benchmark (indicating a low fund balance), the resulting indicator threshold is about 0.13.
Current or Previous Year Deficit in a Major Fund	Governments are penalized one point for a current or previous year deficit in a major fund. For a definition of a major fund, see Stephen Gauthier, <i>Governmental Accounting, Auditing, and Financial Reporting</i> (Chicago: GFOA, 2001).
General Long-Term Debt as a Percentage of Real Taxable Value	If this ratio is greater than 0.06, then the government is penalized one point. The governments in our sample averaged 0.025 on this variable. Accordingly, one standard deviation in the "wrong direction" (high debt level) gives us a performance standard of about 6 percent.



1999 Scores

10	Highland Park
7	Hamtramck
6	River Rouge
5	Benton Harbor
5	Buena Vista Township
5	Ecorse
5	Flint
5	Jackson
5	Kalamazoo
5	Pontiac

2000 Scores

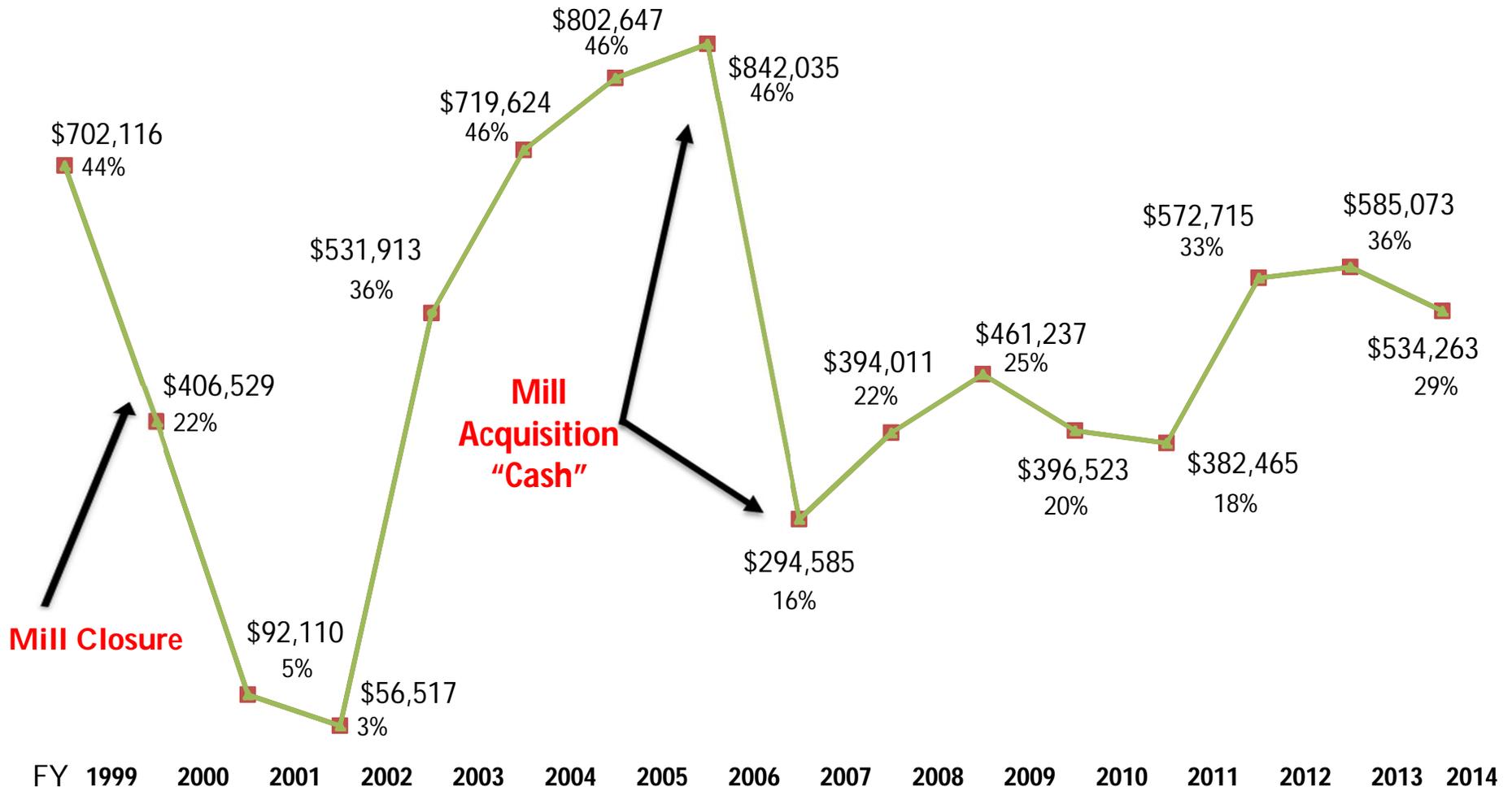
8	Flint
7	Benton Harbor
6	Ecorse
6	Kinross Township
5	Hamtramck
5	Highland Park
5	Newaygo
5	River Rouge

2001 Scores

9	Flint
7	Benton Harbor
7	Ecorse
6	Munising
6	Plainwell
5	Detroit
5	Kinross Township
5	Newaygo
5	Norway
5	Pontiac
5	Reading



General Fund Balance 1999-2014 (Cash and Percent of GF)



*Auditor recommends at least 15%-20%

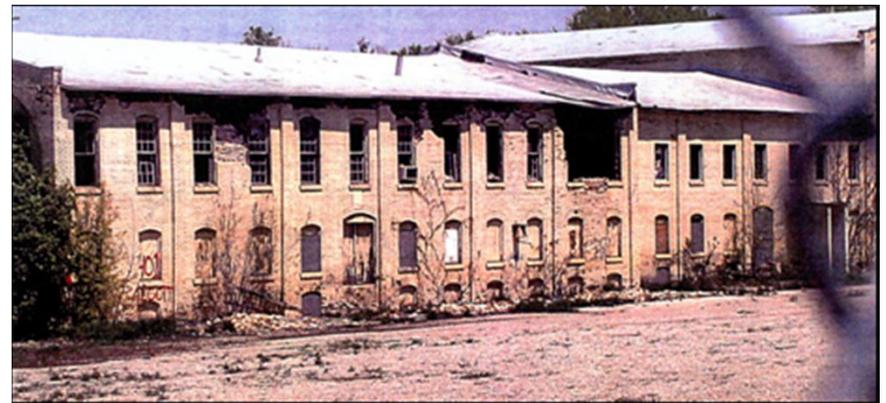
Strategic Investment: Asset or Anchor?

Why did the Council pursue the mill?
Controlling our own destiny

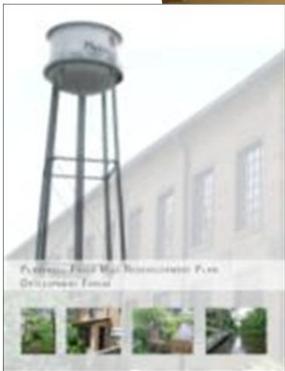
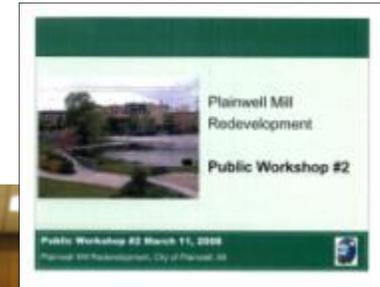
- our terms / our vision
- why wait?
- if not us, who?
- shining the apple (Mill can be asset)
- no market for vacant mills



Allied Paper Mill
Kalamazoo, Michigan



Public Input (Pre and Post Acquisition)



Vision For Tomorrow



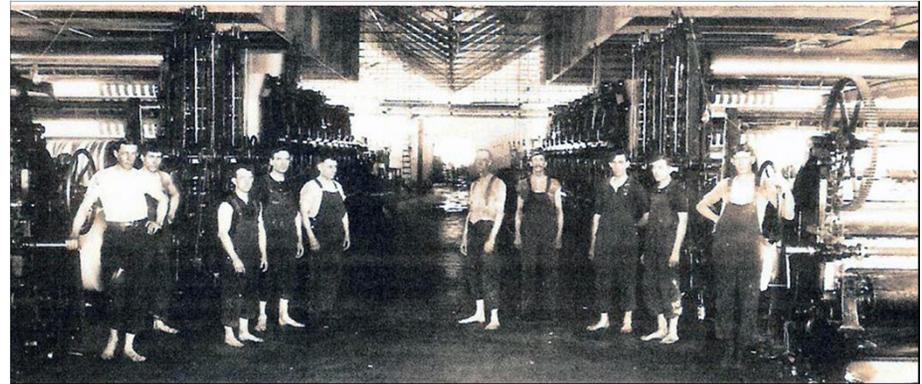
Community Input:

- Promote community gathering
- Provide mix of residential, commercial, recreation, & civic uses
- Promote commerce & attract visitors
- Access the Kalamazoo River & protect the natural environment
- Recognize & celebrate the Plainwell Paper Mill as an important part of the community's history & heritage
- Protect the health and safety of community residents

Guiding Principles

Historic Mill Complex now Listed on National Register

- Preserve and safeguard our community's heritage
- Help to stabilize property values and strengthen our local economy
- Many public and private grant/loan funds are set aside for structures on historic registers



United States Department of the Interior

NATIONAL PARK SERVICE
1849 C Street, N.W.
Washington, D.C. 20240

Preliminary determinations:



appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by Historic Preservation Officer according to the procedures set forth in 36 CFR Part 60.

Vision for Tomorrow: Mill Concept Plan



• Western Redevelopment

- Gateway condition
- Prince St. connection

• Central Redevelopment

- River view corridors
- Allegan St.

• Mill Redevelopment

- Access and parking
- Mill race crossing

Secured Development Partner

- New Location – PLAINWELL
- \$2,400,000 private investment into CRA offices and Common Area
- 50 Jobs!
- First time in over a decade that part of the mill is held in private hands.

“CRA’s business takes us all over the country; our construction headquarters does not need to be in Michigan. With a strong partner in the MEDC and the advantages the Community Block Program offered us, it made our \$2 million dollar / 50 job investment in Michigan make sense.”

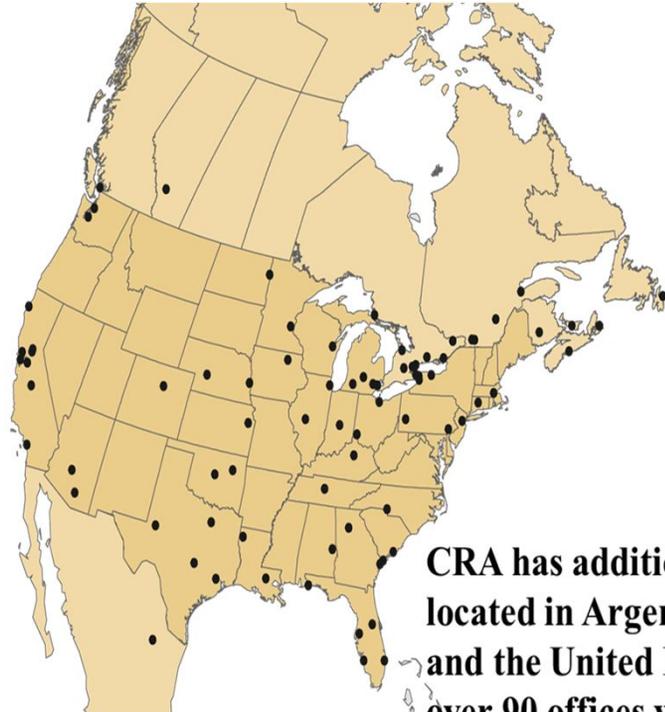
Wayne G. Bauman,
Vice President/Principal
Conestoga – Rovers & Associates, Inc.



Secured Development Partner



CRA's North American Office Locations



CRA has additional offices located in Argentina, Brazil, and the United Kingdom, with over 90 offices worldwide

<u>SPECIALTY</u>	<u>NUMBER EMPLOYED</u>
• Engineers.....	800
• Scientists (Biologists, Chemists, Toxicologists, etc.).....	350
• Geologists/Hydrogeologists.....	250
• Technicians/Technologists.....	800
• IT Professionals (including programmers/graphics, etc.).....	150
• Support.....	550
Total.....	2,900

*CRA's knowledge of Superfund was critical

**Without Development Agreement with CRA, grant funding with be difficult.

Fannie Pell Park Improvements

Project Total - \$710,000

\$639,000 Grant (MEDC)

\$71,000 – City Match

Additional downtown parking (25) serving the public

Demolition of obsolete structures

Public restroom facility

New ADA pedestrian bridge to central mill building/improved entrance

New kayak livery



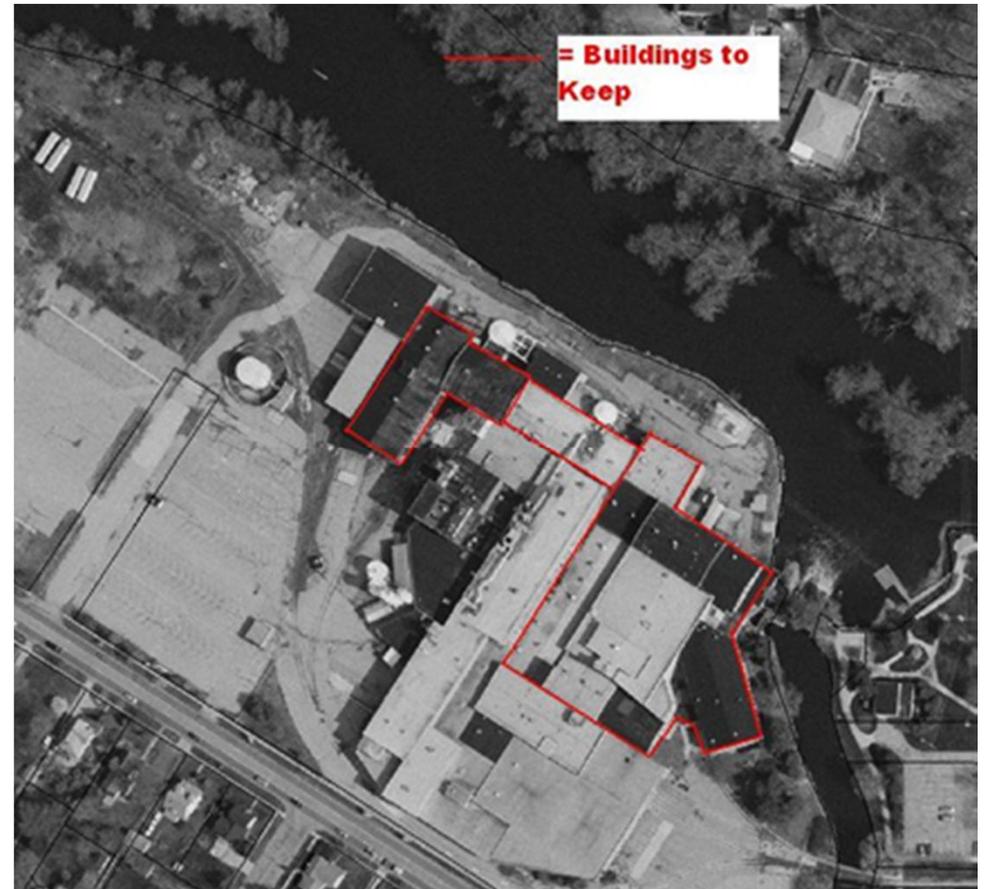
*"Renaissance Race"
T.J. Aitken*



Blight Elimination- CDBG Mill Demolition- 2010



- Essentially non-brick structures to be removed
- “Vision for Tomorrow”
- Historic “contributing” structures to stay
- MEDC/DEQ Grant:
\$2,300,000



Blight Elimination- CDBG Mill Demolition- 2010



Blight Elimination- CDBG Mill Demolition- 2010



Blight Elimination- CDBG Mill Demolition- 2010



Blight Elimination- CDBG Mill Demolition- 2010



Public Safety Building – The Need

- The former building did not meet National Fire Protection Association guidelines, American with disabilities accessibility guidelines or the Michigan Barrier free code.
- 1995 Michigan Fire Chiefs Association recommended that “the cost to renovate the existing station would not be feasible due to the changes that need to be made.”



1914 F.D Travis built the most modern and well equipped farm implement and car dealer in West Mich. Had 12 employees.



Public Safety Building – The Need

Access and parking issues



Bay floor and Pillars are cracked, water leaks into basement. Lack of room between vehicles.



Public Safety Building – The Need



- Asbestos is used to cover water line
- Cracking and leaking evident



Air quality – exhaust and ventilation issues

Public Safety Building – The Need

Cost was approximately \$35,000 to have last fire truck customizes to fit into space.



Public Safety Building – Financial

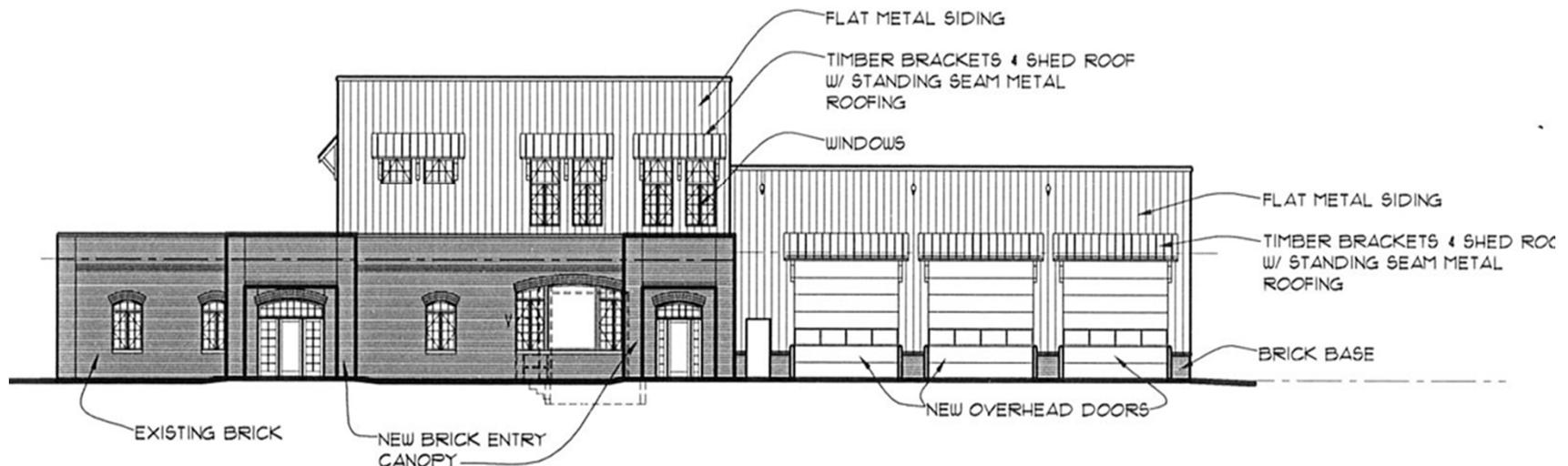
Council made the decision to renovate the former Plainwell Paper Mill De-Watering building and slightly increase its size to 14,100 sq. ft.

Low Bid – BCI Construction: \$1,586,700

USDA Approved Loan Amount: \$1,350,000 for 40 yrs. @ 3.75%

PLAINWELL PUBLIC SAFETY BUILDING SOUTH ELEVATION

SCALE: 1/16" = 1'-0"



Public Safety Building – Financial

New vs. Old

Public Safety Building Size: 14,100 sq. ft.
 Construction Contract – BCI: \$1,579,837
 Construction Cost Per Square Foot: **\$112**

“Likely” Scenario:
 14,100 sq. ft. X \$175 sq. ft. = \$2,467,500
 (note: 2008 costs)

Difference in construction cost of new versus renovation: \$887,663

Debt service interest cost over 40 years: \$840,065

Total Savings over 40 years: \$1,727,728

Construction Feasibility Study City of Plainwell New Public Safety Building

Developed Program		4 bays		Total	
Scenario I	8500	5600		14100	
Scenario II	10800	5600		16400	

Range of Construction Costs		One	Total Project I	Two	Total Project II
Albion	\$137	\$1,931,700	\$2,318,040	\$2,246,800	\$2,696,160.0
Low Range	\$141	\$1,988,100	\$2,385,720	\$2,312,400	\$2,774,880.0
Mid Range	\$190	\$2,679,000	\$3,214,800	\$3,116,000	\$3,739,200.0
High Range	\$238	\$3,355,800	\$4,026,960	\$3,903,200	\$4,683,840.0
Kalamazoo	\$201	\$2,834,100	\$3,400,920	\$3,296,400	\$3,955,680.0

90% Developed Program		4 bays		Total	
Scenario I	7650	5040		12690	
Scenario II	9720	5040		14760	

Range of Construction Costs		One	Total Project I	Two	Total Project II
Albion	\$137	\$1,738,530	\$2,086,236	\$2,022,120	\$2,426,544.0
Low Range	\$141	\$1,789,290	\$2,147,148	\$2,081,160	\$2,497,392.0
Mid Range	\$190	\$2,411,100	\$2,893,320	\$2,804,400	\$3,365,280.0
High Range	\$238	\$3,020,220	\$3,624,264	\$3,512,880	\$4,215,456.0
Likely	\$175	\$2,220,750	\$2,664,900	\$2,583,000	\$3,099,600.0
Kalamazoo	\$201	\$2,550,690	\$3,060,828	\$2,966,760	\$3,560,112.0

Fees		A/E	8%-10% of Const
Survey			6,000
Soil Borings			5,000
	CM or Contractor		5%
Contingency			5%

Diekema Hamann Architecture & Engineering 2008

* Construction cost only – A/E and Contingency not included

Public Safety Building - Transformation

Before



Looking
West

After



Public Safety Building - Transformation

Before



Looking
East

After



Public Safety Building - Transformation

Before



Parking Lot

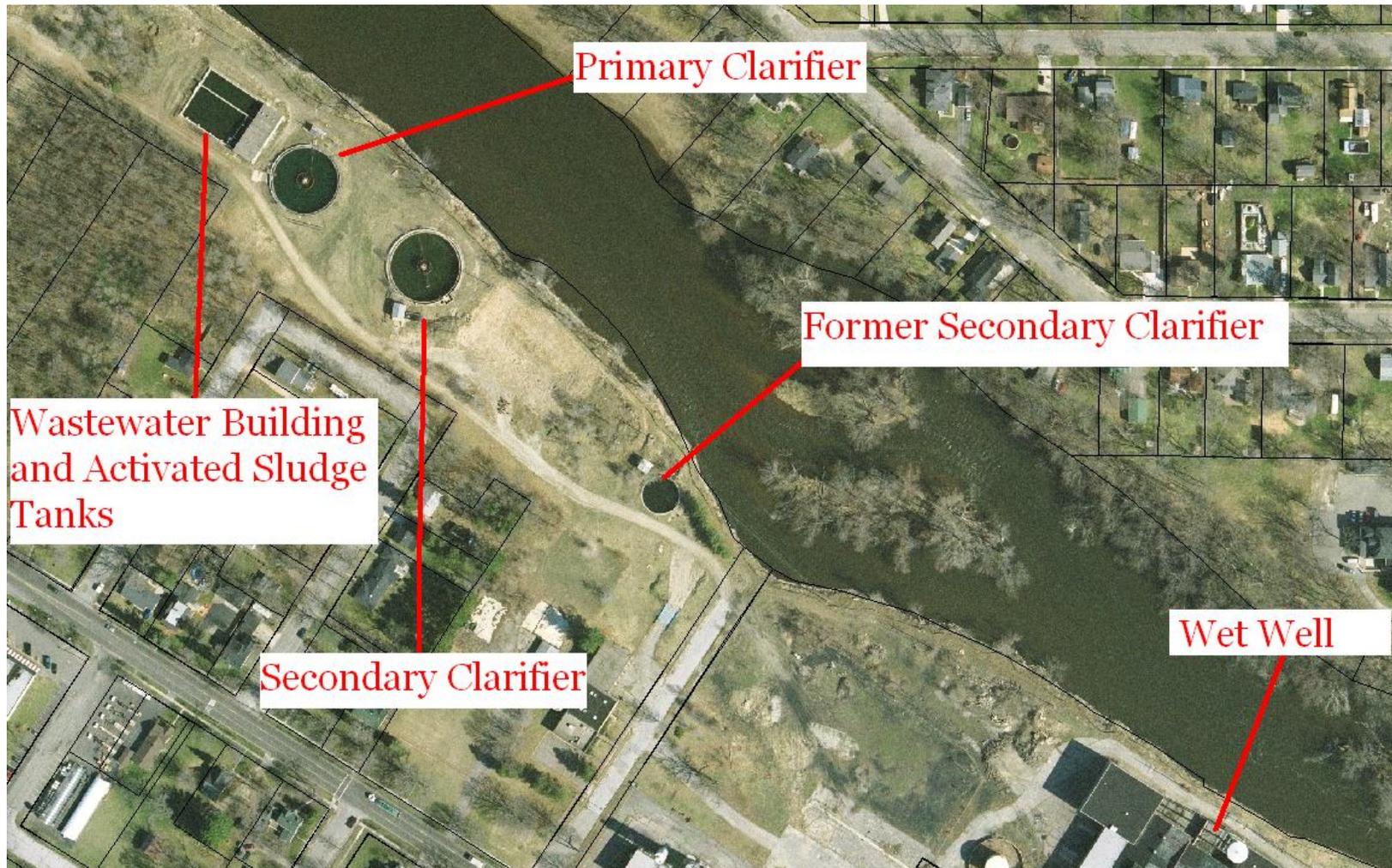
After



Public Safety Building - Transformation



Mill's Former WWTP Demolition



Grant from Michigan Land Bank Fast Track Authority - \$720,720

Mill's Former WWTP Demolition



Wastewater Building and
Activated Sludge Tanks

Mill's Former WWTP Demolition

View from Michigan Avenue



Before



After

City Hall

- Requirement of development agreement
- Anchor for rest of development
- Secures access to mill building for public
- Agreement with DEQ to use scrap metal value for City Hall move:

Scrap value - \$597,797 / City Hall Renovation - \$548,887



Summary

Doing more with less.....partnerships are key to getting projects done:

Mill Demolition Phase I

Michigan Economic Development Corporation:	\$ 1,000,000
Michigan Department of Environmental Quality:	\$ 1,300,000
Capture of Scrap Metal:	\$ 597,797
City Match:	\$ -
Total:	<u>\$ 2,897,797</u>

Mill WWTP Demolition

Michigan Land Bank:	\$ 720,720
City Match:	\$ -
Total:	<u>\$ 720,720</u>

Fannie Pell Park

Michigan Economic Development Corporation:	\$ 639,000
City Match:	\$ 71,000
Total:	<u>\$ 710,000</u>

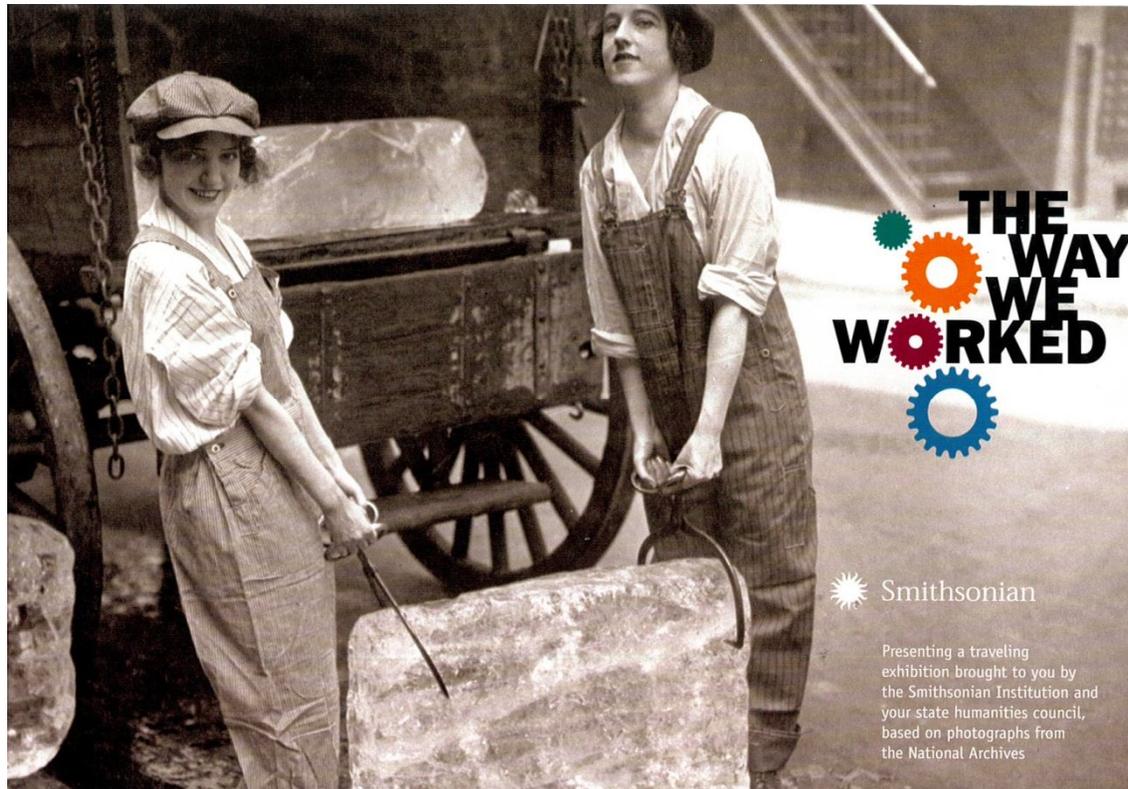
Outside Funding:	\$ 4,257,517
City Funding:	\$ 71,000

Summary



- Obtained \$4,257,571 of funding
- 2 of the 3 phases of demolition is complete
- Secured Development Partner
- Mill project has no debt service
- Secured access for public – City Hall/Public Safety Building
- Mill is on National Register of Historic Places

We are proud to host...



June 6 – July 19, 2015
Plainwell Mill

ABOUT THE WAY WE WORKED

The Way We Worked is a Smithsonian Institution traveling exhibition that draws from the National Archives' photographic collections to tell the story of work in American culture. It traces the many changes that have affected the workforce and environments over the past 150 years.

The Michigan Humanities Council coordinates exhibits throughout the state as they travel from community to community. The Way We Worked is targeted to rural areas and features graphics, audio components, photo flipbooks, film and numerous artifacts on the history of the workforce. Local programming accompanies the exhibit and varies by site, from oral history projects to public lectures.

2014-15 Tour Schedule



To learn more, visit www.michiganhumanities.org or contact:

Next Steps.....

- Completion of Remedial Investigation Feasibility Study (RIFS)
- Public Input

