



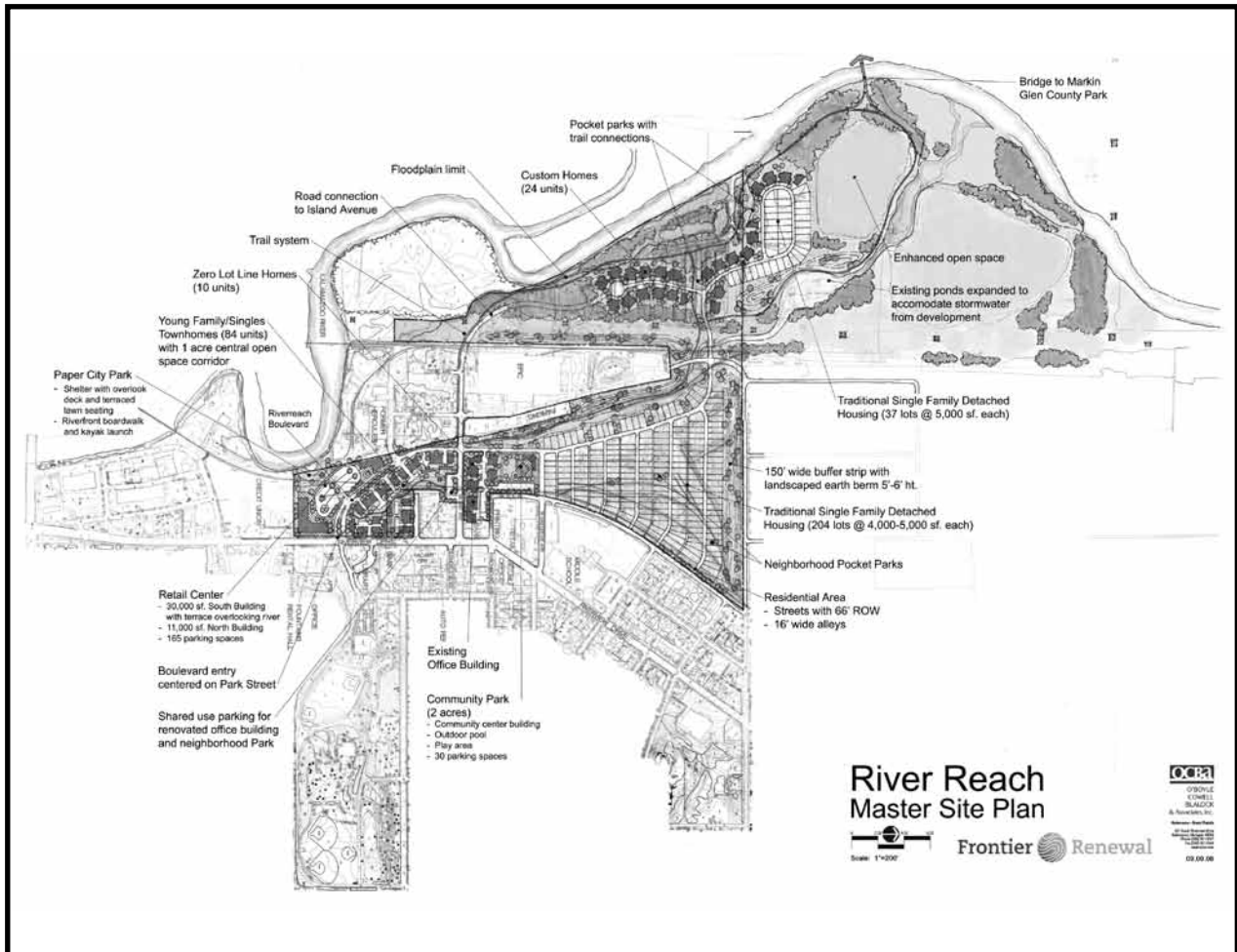
PARCHMENT PROGRESS

JANUARY 12, 2009

City of Parchment

Mill Sale Complete; Developer Begins Work

With the sale of the former Crown Vantage property to River Reach Partners LLC now done, work begins in earnest to prepare the site for a new mixed-use residential, retail and commercial development.



Changing the Face of Parchment

River Reach Project To Add 350 New Residential Units, 30,000 Square Feet of Retail Space and 40,000 Square Feet of Commercial Office Space

The Parchment City Commission approved a development agreement with River Reach Partners LLC, experts in Brownfield redevelop-

ment, on November 17, 2008 starting the process of transforming the former Crown Vantage paper mill site. The agreement outlines the partnership established with the firm, based in Greenwood Village, Colorado, to turn the vacant paper mill property into a mixed-use residential, commercial and retail development. It calls for certain milestones to be met by River Reach, including the initiation of demolition by December 2009, and the construction of new roads and utility infrastructure in 2010. Per the agreement, construction of new single-family homes will begin in January 2011. A timeline of activities is provided below.



Parchment Mayor Rob Heasley signs closing documents on December 19, 2009 officially transferring ownership of the former Crown Vantage property to River Reach Partners.

The project is to be funded by a variety of sources including a grant from the Michigan Department of Environmental Quality (MDEQ), the City of Parchment and River Reach Partners. A summary of project funding sources is provided on page 3.

River Reach Project Timeline

December 2008

Sale of Property to River Reach Partners

January 2009—December 2009

Completion of a BEA
Development of a Due Care Plan
Soil Testing
Create Tax Increment Financing (TIF) District

December 2009

Demolition Begins
Environmental Remediation

January 2010

Mass Grading Begins
Construction of Storm Water Facilities

October 2010

Construction of Roadways
Installation of Public Utilities

January 2011

Vertical Construction Begins
(single-family homes, commercial office and retail structures).

River Reach Project Funding

River Reach Partners LLC

\$23.6 million

River Reach Partners LLC will invest funds to support environmental remediation, demolition, mass grading and infrastructure construction. A major portion of this money will be reimbursed to River Reach via the City's future TIF District revenues.

MDEQ

\$2 million

The Michigan Department of Environmental Quality (MDEQ) has awarded the project a \$1 million Brownfield Grant and \$1 million Brownfield loan.

City of Parchment

\$2 million

The City of Parchment will contribute funds for environmental work, public infrastructure construction (roads and utilities) and development of a Brownfield plan.

TOTAL PROJECT COST

\$27.6 million

WHAT IS A TIF DISTRICT?

Tax Increment Finance (TIF) Districts are used by municipalities to "capture" tax revenue generated in a development area to support improvement activities specifically in that area. Property values are frozen when the District is created and any new value resulting to the property—from demolition, cleanup or infrastructure activities—generates a new tax "capture" to help pay for the project.

WHAT IS A BEA?

A Baseline Environmental Assessment (BEA) is a "snapshot" report of what environmental elements exist on a property. In most instances, a BEA reveals soil contaminants and other negative items that require remediation before new construction can occur.

A Note From The Mayor

During the past national election, it seemed as though every other word out of the candidates' mouths was "change." The fact is, change has always been slow for Parchment, and I'm quite sure that some of our residents live here because of that fact. But necessity is the mother of invention, and having 83 acres of abandoned industrial property qualifies as a necessity. The landscape is about to make a major change in appearance. We're fortunate to have developed a relationship with Frontier Renewal and Larry Lundine. Together, they make up River Reach Partners, and are currently working hard to make the site ready for demolition. We should see the wrecking ball in late 2009.

Of course, any mention of change in Parchment must include the dramatic renovations and additions at Parchment High School. That new gym is GORGEOUS!

Both of these projects are proof of the vitality of our community. Please watch for our newsletters; we'll keep you updated.

Rob Heasley
Mayor

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PARCHMENT CITY COMMISSION



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Donald Banner
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Commissioner



Terry L. Hageman
Commissioner



Brian Sell
Commissioner



Ben Tanis
Commissioner

City Manager
City Clerk
City Treasurer
Police Chief
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Public Works

Dennis G. Durham
Curtis Flowers
John Frakes
Bill Bongers
Timothy Bourgeois
Joe Bonhomme

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The Parchment City Commission meets the 1st and 3rd Mondays of the month at 7 p.m. in the Commission Chambers at Parchment City Hall.