

Memorandum

To: Dennis Durham, City Manager, City of Parchment, Michigan
From: Eric Williams, on behalf of River Reach Partners
CC:
Date: 11/2/2011
Re: Q3 Status Report – River Reach Redevelopment Project

This memo provides an update for the River Reach Redevelopment Project in Parchment, Michigan.

Environmental/Demolition

- Phase I of the demolition of the plant is essentially complete. A few remaining tasks are being finalized, including:
 - Phase II investigation report
 - Building materials characterization
 - Final demolition report
 - Comprehensive due care report
- Approximately \$150,000 remains in the grant and loan budget. River Reach partners is working with the City and MDNRE concerning the use of these funds. Demolition of some of the large above ground storage tanks is being contemplated.
- The grant and loan contracts expire January 14, 2012 so they will be extended.

Infrastructure

- Began design of the G Avenue roadway improvements.
- Began the environmental assessment required to construct River Reach Blvd.

Marketing/Developer Pursuit

- Met with our broker, Signature Associates, to discuss marketing strategy, market conditions, and developer interest. We also agreed that they would update the project brochure.

- Met with a regional retail developer concerning their interest in developing a small retail center on the property. They have an interest in an option contract on a couple acres to build a 10,000 strip center, contingent upon them finding tenants. Discussions are ongoing.
- Fielded a request from a local small retailer interested in building a small retail shop off Riverview Blvd. Discussions are ongoing.
- Discusses the possibility of the credit union south of the property acquiring property to expand their parking lot. Discussions are ongoing.

River Reach Partners continues to pursue private financing for “horizontal” aspects of the project. However, in the current economy, investors are not investing in land and particularly not without committed vertical development.