



"The Island City"

Agenda



1. Goals: Why are we here tonight?
2. Significance of Mill
3. Strategic Investment: Asset or Anchor?
4. Process: Getting it done right
5. Vision for Tomorrow: Mill Concept Plan
6. Partnerships: We can't do it alone
7. Conestoga-Rovers (CRA) Presentation





"The Island City"

1. Goals: Why are we here tonight?



➤ Inform

➤ Seek Input





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2. Mill Significance



- Tied to the social fabric of the community
- Provided employment (400-500 jobs) to generations of citizens
- At one point, the mill consisted of 18% of the City's total taxable value
- In 2000, the mill paid close to \$50,000 in utility bills



Public Meeting: Former Plainwell Paper Mill Property, May 19, 2009



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2. 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





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2. Mill Significance



Bankruptcy – November, 2000

- Loss of economic engine
- Plainwell's future at risk
- Negative impact on adjacent property values
- Collapse of DDA
- Leaner government (living within our means)



Public Meeting: Former Plainwell Paper Mill Property, May 19, 2009



2. Mill Significance



How bad did it get?



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

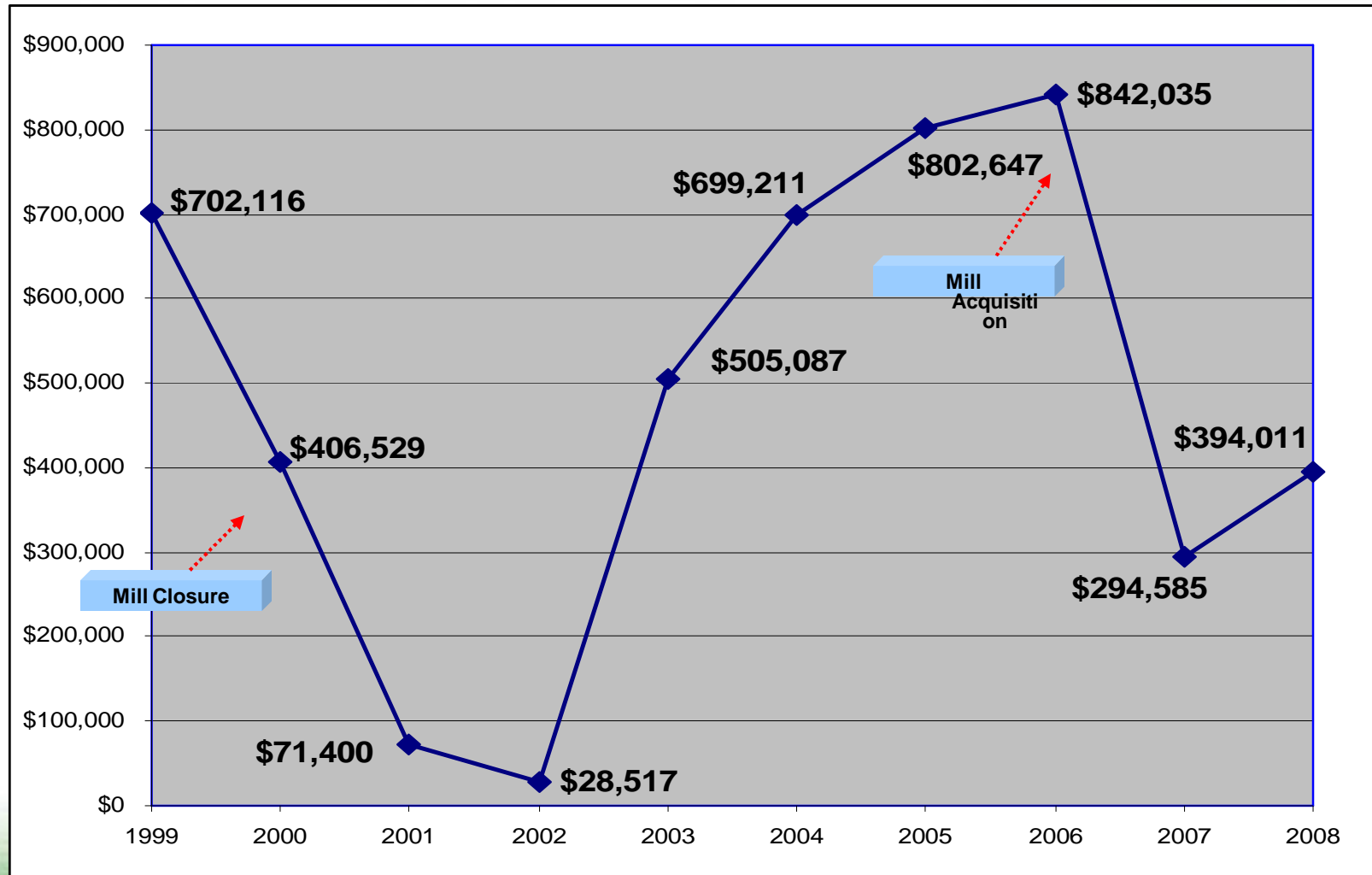




2. Mill Significance



➤ Discretionary General Fund Balance 1999-2008



Source: City Audit



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3. Strategic Investment: Asset or Anchor?



- No market for vacant mills
- If not us who?
- Our terms / our vision
- Doing Nothing Has A Cost



Allied Paper, Kalamazoo, MI





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3. Strategic Investment: Asset or Anchor?



Why return the Mill to an asset?

- First impression of the community
- Improve / stabilize property values throughout community
- Revenue stream
- Highly visible
- Historical value





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3. Strategic Investment: Asset or Anchor?



Plainwell Mayor Richard Brooks
signs closing documents - August 31, 2006.

City of Plainwell boosting its economy

“Instead of wringing their hands, as have other communities when a major industrial plant shuts its doors and puts many people out of work, Plainwell's leaders are doing something about it.....we admire the aggressive action of Plainwell.”

➤ -Kalamazoo Gazette Editorial, September 6, 2006

Public Meeting: Former Plainwell Paper Mill Property, May 19, 2009



4. Process: Getting it done right



2008 – Nov. Issuance of RFQ

2008 – Public Workshop #2

2006 – City purchases Mill, ongoing repairs & clean-up, first opportunity to “control” property

2000 – Plainwell Mill closes

Future:
Public meeting #3 (Insert Date)
Pre-Development Agreement
Development Agreement

2009 – April, Developer selected to “move forward”

2007 – Public Workshop #1

2007 – Developers Forum

2004 - E² Vision report issued

1990 – Mill site listed as an EPA Superfund Site



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5. Vision for Tomorrow: Mill Concept Plan



Out of the community meetings and planning process came the following Guiding Principles:

- 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.
- Ensure the protection of the health and safety of community residents.





5. 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



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6. Partnerships: We can't do it alone



(Pending Development Agreement)



**CONESTOGA-ROVERS
& ASSOCIATES**

+

Other Development
Partners



**Mill
Redevelopment**

Community



Prospective Responsible Party (PRP)



+ Other
Agencies



6. Partnerships: We can't do it alone



Some of the "Behind the Scenes" Accomplishments

- "Compromising" of interest and penalties (\$220,000, Allegan County)
- Acquisition and maintenance of property
- PCB Removal – Kalamazoo River
(132,000 cubic yards \$30-40 million)
- PCB Removal – Mill Banks
(Weyerhaeuser: 4,750 tons of contaminated material)
- Mill Concept Plan
- Asbestos Study
- Architectural Study
- M-89 Corridor Study (in progress)
- Successful Lobbying Effort (Brownfield Redevelopment Financing Act)
Reimbursement for infrastructure, demolition, lead or asbestos site preparation
- Hydro-Power Feasibility Study Complete
- RFQ Process Complete with Potential Developer





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7. Conestoga-Rovers (CRA) Presentation



CONESTOGA-ROVERS
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