



August 28, 2024

Mr. Ted E. Dearing
Assistant City Manager
City of Battle Creek
10 North Division Street, Room 206
Battle Creek, Michigan 49014
Email: tedearring@battlecreekmi.gov

PILOT Application – Battle Creek Fieldstone Site Development

Dear Ted:

Please consider this letter as a request by Horizon Development Group, Inc. (“Horizon”), and applicant for one (1) PILOT Ordinance pursuant to Chapter 882.01 of the City of Battle Creek Code (“PILOT Application”), for the purpose of the Battle Creek Fieldstone Site Development Project (the “Project”).

Description of the Project: Manchester Place

The Project consists of a development on the Fieldstone Site called Manchester Place, located on 165 W Manchester Street, into affordable housing. The development consists of two-story walk-up apartment buildings that are non-age restricted. Residential units will include one-, two-, and three-bedroom unit types, ranging in size from approximately 700-1,350 square feet. Adequate surface parking will be provided for resident use. Other site features include shared open spaces, leasing office, central parcel pickup, community clubroom, and fitness center. The overall objective of the project is to expand the affordable housing stock within the City of Battle Creek while simultaneously aiding in the growth of the Washington Heights Neighborhood.

Project Site:

The subject site is just under nine-acres (8.81 AC) at 165 W. Manchester Street, consisting of the former Bronson Behavioral Health Facility, commonly referred to as the “Fieldstone Site.”

Please reference Exhibit A for a more detailed illustration of the site. The current owner of the site is Bronson Hospital. Horizon will be entering into a purchase and sale contract with Bronson Hospital. Please note that Horizon is contemplating the potential set aside of approximately 5 acres of land for future development consideration.

Financing

The Project will be developed and financed through the use of Low-Income Housing Tax Credits (“LIHTC”) through the Michigan State Housing and Development Authority (“MSHDA”). It will be financed using 9% LIHTC, conventional debt, and PILOT. Our goal is to commence construction by Fall of 2025 and anticipate a 12 to 18-month construction period.

LIHTC Rents & Unit Mix

Our LIHTC Application will take advantage of the ‘Income Averaging’ method of acquiring the 9% credits. Our project will consist of (21) one-bedroom units, (22) two-bedroom units, and (10) three-bedroom units at income limits ranging from 30%-80% of the County Median Income (CMI). Each income level will be further reduced by 5% due to MSHDA incentives related to the States’ Qualified Allocation Plan. Please see Table 1 below for the breakdown of rents and our proposed unit mix.

Table 1- Proposed Unit Mix

# of Units	Bedroom Size	AMI Level	Collected Rent
3	One-Br	30% - Voucher	\$732
4	One-Br	30%	\$235
2	One-Br	40%	\$375
3	One-Br	50%	\$520
9	One-Br	80%	\$880
3	Two-Br	30% - Voucher	\$886
4	Two-Br	30%	\$275
3	Two-Br	40%	\$445
3	Two-Br	50%	\$615
9	Two-Br	80%	\$1,040
2	Three-Br	30% - Voucher	\$1,109
2	Three-Br	40%	\$510
2	Three-Br	50%	\$700
4	Three-Br	80%	\$1,200

Rents and unit mix listed are projected and are subject to change prior to MSHDA Application

Ownership

Horizon is an experienced developer of affordable housing communities throughout the Midwest. Horizon will be partnering with a LIHTC equity investor to be identified.

Proposed Project Timeline

The Applicant seeks to begin construction in Fall of 2025 after the receipt of 9% LIHTC and commitment of all other funding sources.

10/2024	MSHDA 9% LIHTC Application Due
12/2024	MSHDA 9% LIHTC Award Announcement
10/2025	Design Development, Pre-Closing, Finance Closing, Initial Capital Contributions, and Permitting Expected Completion Date
10/2025	Construction Begins (12 Months)
10/2026	Lease-up Begins

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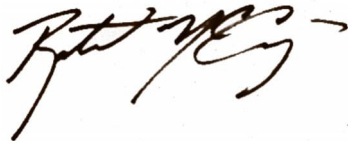
Requested Terms for PILOT Application

The Applicant is requesting a PILOT Ordinance with a service charge equal to 5% of shelter rents. The Applicant is also requesting that the PILOT Ordinance has a term of fifty (50) years.

We look forward to continuing to work with this city on this community and PILOT approval.
Please contact us with any questions or concerns.

Sincerely,

Horizon Development Group

A handwritten signature in black ink, appearing to read "Bob McCaigue", with a stylized flourish at the end.

Bob McCaigue
Development Manager
B.MCCAIGUE@HORIZONDBM.COM
(262) 384-1103

Exhibit A
Site Map and Legal Description of the Project



Source: Calhoun County GIS

Parcel Number: 52-3560-00-013-0

LEGAL DESCRIPTION ACCORDING TO CALHOUN COUNTY GIS [TO BE CONFIRMED BY TITLE COMMITMENT AND SURVEY]

PART OF NW 1/4 OF SEC 1 T2S R8W: BEG NE COR OF LOT 9 OF GRAVES' 2ND ADD - N 89 DEG 35 MIN E ALG S LI OF ANN AVE DIST OF 630.75 - S 01 DEG 16 MIN 17 SEC E ALG WLY LI OF WASHINGTON AVE DIST OF 232.65 FT - CONTN ALG SD WLY LI S 02 DEG 21 MIN 47 SEC E 363.28 FT - S 89 DEG 40 MIN 39 SEC W ALG N LI OF MANCHESTER ST DIST OF 681.44 FT - N 00 DEG 43 MIN 43 SEC W 132.14 FT - N 89 DEG 08 MIN 44 SEC E ALG S LI OF LOT 1 OF SD PLAT DIST OF 47.88 FT - N 00 DEG 15 MIN W ALG ELY LI OF LOT 1 OF SD PLAT DIST OF 61.98 FT - S 89 DEG 54 MIN 36 SEC W ALG SD ELY LI DIST OF 11.92 FT - N 00 DEG 29 MIN 38 SEC W ALG SD ELY & ELY LI OF OAKLAWN AVE, & LOTS 8 & 9 OF SD PLAT DIST OF 400.12 FT TO POB, CONT 8.80 AC((S 132' OF W 47.67' ASSESSED AS #3560-00-002-1 IN 1983 THRU 2003; E 49.5' OF W 97.17' OF S 132' ASSESSED AS #3560-00-006-0 IN 1983 THRU 2003))