



COUNTY ADMINISTRATOR

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TO: Suzanne Shaw, Chair
Board of Commissioners

THROUGH: Robert E. Guenzel
County Administrator

FROM: Patricia Denig
Brownfield Redevelopment Management Analyst

DATE: November 6, 2002

RE: Consideration of a Resolution to Adopt the proposed Amendment to the Brownfield Plan for Washtenaw County for the Ypsilanti Township/McDonald's Brownfield Redevelopment Project

ACTION REQUESTED

It is requested that the Washtenaw County Board of Commissioners consider adoption of the proposed Amendment to the Brownfield Plan for Washtenaw County (Plan), for the Ypsilanti Township/McDonald's Brownfield Redevelopment Project.

BACKGROUND

In May of 1999, the Washtenaw County Board of Commissioners established the Washtenaw County Brownfield Redevelopment Authority (WCBRA) through Resolution 99-0110, and subsequently appointed members to its Board that same year (Res. 99-0122). In February 2000, the Commissioners approved the bylaws of the WCBRA (Res. 00-0035); and in October of 2000, the Commissioners adopted the Brownfield Plan for Washtenaw County (Res. 00-0215).

Pursuant to the State of Michigan Brownfield Redevelopment Financing Act (P.A. 381 of 1996, as amended) herein referred to as the "Act", the WCBRA is preparing an Amendment to the Plan for the Ypsilanti Township/McDonald's Brownfield Redevelopment Project that will be located within the brownfield redevelopment zone. The Amendment addresses a single business tax credit and eligible activities to be reimbursed through the capture of tax incremental revenues. In accordance with the Act, the Washtenaw County Board of Commissioners will hold a public hearing on the adoption of the proposed Amendment on November 6, 2002, notice of which was given as required by the provisions of the Act.

DISCUSSION

The Washtenaw County Board of Commissions has demonstrated its support for the sustainable redevelopment of environmentally distressed sites in Washtenaw County. By establishing and supporting the Brownfield Redevelopment Authority and its Board, and adopting the Plan, the Commissioners began the process to transform underutilized brownfields into productive properties. The Board can continue to serve the public interest by adopting this Amendment to the Plan for the Ypsilanti Township/McDonald's Brownfield Redevelopment Project as the first of what is expected to be many opportunities to redevelop brownfields.

The proposed project is a \$2 million development for a McDonalds on the corner of Hewitt and Washtenaw in Ypsilanti Township. This site was previously a gas station with leaking underground storage tanks resulting in soil and groundwater contamination. The responsible party is currently in the process of completing a commercial closure on the property. The new development is expected to create 25 full-time and 25 part-time jobs. Ground breaking for the project is targeted for the spring of 2003. Pursuant to the Act, the WCBRA is authorized to use incentives to encourage developers to pursue brownfields such as this site over developing greenfields. The project is requesting a \$150,000 Single Business Tax credit (from the \$1.5 million of eligible investment of the development); and, reimbursement of \$56,114 in eligible activities through tax incremental financing (these eligible activities include assessment expenses, additional response and due care activities, administrative fees, and the establishment of a county-wide revolving loan fund). No school taxes will be captured through the tax incremental financing piece.

The WCBRA is requesting that the Board of Commissioners consider approving the proposed Amendment to the Plan for the following reasons:

- The contaminated property will be cleaned-up to the standards required by State of Michigan law;
- The property will be put back into productive use;
- The new development will create 50 full and part time jobs in the community;
- The new development will increase the tax base for the Township and the County;
- A portion of the tax incremental financing from the development will be used to establish a brownfield revolving loan fund, which will be used to pursue future brownfield redevelopment projects within the County;
- The County will be supporting brownfield redevelopment over Greenfield development;
- Being the first local unit of government in Washtenaw County to approve a brownfield project through the WCBRA, the Township of Ypsilanti has shown their support of the brownfield redevelopment initiative and this project, thus showing true leadership in the County around sustainable redevelopment of environmentally distressed communities;
- And, finally, if not for the brownfield redevelopment incentives to be authorized through this Amendment to the Plan, this project may not move forward due to the approximate \$300,000 deficit in project expenses.

The WCBRA is further requesting that the Board of Commissioners consider approving the Amendment to the Brownfield Plan at their November 6th Board meeting should there be no major changes from the Public Hearing to be held that same evening. This request is made due to the concern that P.A. 381 of 1996, as amended, is slated to sunset on January 1, 2003; and, the fact that the State requires a 45-day review period of any Brownfield Plan or Amendment to a

Brownfield Plan that has been adopted through resolution by the governing body. Thus this Amendment must be submitted to the State of Michigan no later than November 14th. This submission deadline falls before what would be the next regularly scheduled Board of Commissioners meeting (November 20th) after the Public Hearing is held (November 6th). The Amendment could not be submitted earlier for Board action, as it had to first go through local unit of government and WCBRA approvals, October 15th and November 1st, respectively.

IMPACT ON PERSONNEL

No impacts are indicated for this resolution

IMPACT ON BUDGET

The total TIF revenue projected for recapture over the five years from 2003 to 2008 is \$56,114. Of this amount, \$35,000 is projected to be used to reimburse for eligible activities, \$5,000 will be used to cover administrative fees, and \$16,114 will be reserved for the Revolving Loan Fund.

IMPACT ON INDIRECT COSTS

There will be no impact on indirect costs

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES

This project will allow the Township of Ypsilanti (who has joined the WCBRA to be included in the redevelopment zone) and the County to partner together in pursuing sustainable land use practices by remediating and putting back to productive use environmentally distressed areas.

CONFORMITY TO COUNTY POLICIES

This action is in conformance with County policies. The proposed Amendment to the Plan was approved by the Ypsilanti Township Board on October 15, and is expected to be approved by the WCBRA on at a special Board meeting on November 1st. The proposed Amendment to Plan has been reviewed by Corporation Counsel, Finance and County Administration

ATTACHMENTS/APPENDICES

Attachment A Resolution to Adopt the Amendment to the Brownfield Plan

Attachment B Proposed Amendment to the Brownfield Redevelopment Plan.

Preparer: Patricia Denig
Brownfield Redevelopment Management Analyst

A RESOLUTION TO ADOPT THE PROPOSED AMENDMENT TO THE BROWNFIELD
PLAN FOR WASHTENAW COUNTY

WASHTENAW COUNTY BOARD OF COMMISSIONERS

November 6, 2002

WHEREAS, the Washtenaw County Board of Commissioners, supports the sustainable redevelopment of environmentally distressed sites designated as brownfields; and

WHEREAS, through Resolution 99-0110, the Washtenaw County Board of Commissioners, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Financing Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act"), established the Washtenaw County Brownfield Redevelopment Authority (the "WCBRA") to facilitate the implementation of plans relating to the identification and treatment of environmentally distressed areas in Washtenaw County; and

WHEREAS, through Resolution 00-0215, the Washtenaw County Board of Commissioners adopted the Brownfield Plan for Washtenaw County (the "Plan"); and

WHEREAS, the property located at the corner of 701 Hewitt and 2220 Washtenaw (the "Property") in the Charter Township of Ypsilanti has been an environmental hazard, a "facility" under state statute; and

WHEREAS, a brownfield clean-up and redevelopment plan has been prepared as an Amendment to the Plan, to restore the environmental and economic viability of the property; and

WHEREAS, the Charter Township of Ypsilanti Board of Trustees have reviewed the Amendment to the Plan, and have been provided a reasonable opportunity to express their views and recommendations regarding it in accordance with Section 13(13) of the Act; and

WHEREAS, on October 15, 2002, the Charter Township of Ypsilanti Board of Trustees passed a resolution concurring with the provisions of the Amendment to the Plan, including approval by the Washtenaw County Board of Commissioners and implementation by the WCBRA; and

WHEREAS, pursuant to and in accordance with Section 13 of the Act, the WCBRA, on November 1, 2002, voted to recommend that the Washtenaw County Board of Commissioners approve the Amendment to the Plan to be carried out within the Charter Township of Ypsilanti, relating to the redevelopment of the Property; and

WHEREAS, the Washtenaw County Board of Commissioners held a Public Hearing to receive comment on the proposed Amendment to the Plan pursuant to the Act; and

WHEREAS this matter has been reviewed by the County Administrator's Office and the Corporation Counsel; and

NOW THEREFORE BE IT RESOLVED, that the Washtenaw County Board of Commissioners accepts the concurrence of the Charter Township of Ypsilanti Board of Trustees and the recommendation of the WCBRA, and approves the adoption of the proposed Amendment to the Plan, as attached hereto and made a part hereof.

BE IT FURTHER RESOLVED THAT should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.

BE IT FURTHER RESOLVED THAT all resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.