

A RESOLUTION TO PLEDGE THE COUNTY'S FULL FAITH AND CREDIT AS A GUARANTEE FOR A \$300,000 CMI LOAN FOR THE CITY OF ANN ARBOR'S "BROADWAY VILLAGE AT LOWERTOWN" BROWNFIELD REDEVELOPMENT PROJECT

WASHTENAW COUNTY BOARD OF COMMISSIONERS

August 6, 2008

WHEREAS, Washtenaw County has committed to collaborating with other governmental units and providing leadership for long term county-wide sustainable development and redevelopment incorporating a diversified economy, environmental protection, and social needs; and

WHEREAS, brownfield redevelopment encourages more efficient use of the land that will provide for sustainable growth, protect valued natural resources, preserve important agricultural and open space lands, while also encouraging growth and economic revitalization on 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, 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, through Resolution 03-0247, the Washtenaw County Board of Commissioners approved an amendment to the Plan for the City of Ann Arbor's "Broadway Village at Lower Town" Brownfield Redevelopment Project.

WHEREAS, through Resolution 04-0241 the Washtenaw County Board of Commissioners approved ratifying the County Administrator's signature on an application to the State of Michigan Department of Environmental Quality's "Clean Michigan Initiative (CMI)" program for a \$1 million Brownfield Redevelopment Grant and Loan.

WHEREAS this matter has been reviewed by the Finance Department, Corporation Counsel, Human Resources, County Administrator's Office and the Ways and Means Committee.

WHEREAS, the State of Michigan awarded a \$700,000 CMI Brownfield Redevelopment Grant (BRG) and \$300,000 CMI Brownfield Redevelopment Loan (BRL) in 2005 and through Resolution 05-0215 the County pledged its Full Faith and Credit as a Guarantee for the CMI BRL.

WHEREAS, the County must renew its Full Faith and Credit pledge in order to re-issue a new CMI BRL contract. The Amendment to the Plan for this project provides for Tax Increment Financing (TIF) in the amount of \$40 million, of which \$300,000 will be used to repay the CMI Loan. Additionally, as further guarantee, the Washtenaw County Brownfield Redevelopment

Authority (WCBRA) is requiring an “Irrevocable Letter of Credit” from the Developer in the amount of the CMI Loan.

NOW THEREFORE BE IT RESOLVED, that the Washtenaw County Board of Commissioners renews its approval of the use of the County’s Full Faith & Credit to guarantee the \$300,000 CMI Brownfield Redevelopment Loan portion of the award, recognizing that the amendment to the Plan for this project provides for Tax Increment Financing (TIF) in the amount of \$40 million, of which \$300,000 will be used to repay the CMI Loan.

BE IT FURTHER RESOLVED THAT, as further guarantee, the Washtenaw County Brownfield Redevelopment Authority (WCBRA) will require an “Irrevocable Letter of Credit” from the Developer in the amount of the CMI Loan to be in place before any of the CMI Loan funds are expended on cleanup of the site, and that the WCBRA will not release the Letter of Credit until such time that the project is completed and the TIF funds are in place.