

APPENDIX A

SITE NAME: Banks of Saline

TRACKING CODE: 2008-1081

FUNDING RECIPIENT: Washtenaw County

COUNTY: Washtenaw

PROJECT #: 431830-00 Brownfield Redevelopment Loan
431830-71 Brownfield Redevelopment Grant

FUNDING TYPE AND AMOUNT:

\$600,000 Clean Michigan Initiative (CMI) Brownfield Redevelopment Loan (BRL)

\$400,000 CMI Brownfield Redevelopment Grant (BRG)

FUNDING SOURCE: Part 196, Clean Michigan Initiative Implementation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA). Legislative appropriation of funding assistance is set forth in 2004 PA 309.

PROPERTY SIZE AND LOCATION: A 9-acre parcel located at 232 Monroe Street in Saline, Michigan.

SITE HISTORY AND OWNERSHIP: The site was first developed in 1912. Development has included a dairy and creamery, die cast parts manufacturing, regulated hazardous materials storage and automotive electrical parts storage and distribution. During the period between 1942 and 2006, the property was used for manufacturing and storage of chemicals that include petroleum-based products such as machine coolants, lubricants, hydraulic fluids, parts cleaners and solvents. All commercial and industrial activities ceased at the subject site in September 2003. When the site was acquired by the current owner, Saline Rivers Property (SRP), several vacant buildings existed. The buildings have been demolished, at the current owner's expense. The site is a Resource Conservation and Recovery Act (RCRA) site, Johnson Controls Inc. operated on the property at one time and is considered a liable party. Under a Corrective Measures Proposal Addendum Johnson Controls will address its liability for remediation of an impoundment area and a disposal vault structure.

PROJECT SCOPE: The site meets the definition of a "facility" as outlined in Part 201 of the Natural Resources Environmental Protection Act (NREPA), 1994, PA 451, as amended. The eligible activities to be undertaken using the requested funding are outlined in the MDEQ approved Act 381 Work Plan, Addendum Two and include tasks necessary to ensure that the site owner sufficiently evaluates, identifies and complies with Due Care obligations.

PROJECT DESCRIPTION: The objective of the proposed remedial action is to abate the risks associated with impacted soil and groundwater occurring at the site. Clean-up activities are intended to comply with due care obligations as described under section 20107a of NREPA Part 201. The Act 381 Work Plan Addendum 2, identifies \$718,100 of tax capture to be used for eligible activities. The Work Plan proposes removal and off-site disposal of soils that are both impacted above pertinent clean-up criterion, and are structurally unsuitable for building on. Re-use and/or relocation of soils will be considered in an effort to manage potential costs by minimizing removal of material from the site. Cleanup of groundwater at the site is not currently proposed beyond proper handling for dewatering during construction of sub-grade structures

(footing, foundations, utilities, etc). The developer is seeking approval for discharge from the city of Saline.

Various volumes of soil that are structurally unsuitable for building foundations must be excavated from their present locations beneath the proposed building footprints where the existing fill was not placed in an engineering appropriate manner. As soils are excavated a structural engineer will determine if the soil can be returned to the location and properly compacted. If the soils are not suitable for this purpose the engineer will consider re-use of the soils at some other location on site. As soils are evaluated due care obligations will also be considered. Priority will be given to placement of impacted fill beneath paved surfaces or in areas that will receive adequate clean cover. If soil cannot be re-used and or relocated on-site in areas that are protective of pertinent exposure pathways, the material will be properly disposed of off-site.

Observations made during several Phase II Subsurface Investigations indicate that soil and groundwater contamination in certain areas of the site are significant in terms of both the volume of impacted media and the concentrations of contaminants observed related to both industrial and residential land use scenarios. Volatile organic compounds (VOC) impacted soil occurs in three distinct areas on the property impacting approximately 15,000 cubic yards of material. Vinyl chloride occurs in the groundwater across the central portion of the site. Metals and cyanide impacted soils also occur in three distinct areas and impact an estimated 12,000 cubic yards of soil. Arsenic impacted soils occur in certain "hot spots" mainly located in the central and western portions of the site and impact an estimated 6,000 to 8,000 cubic yards of soil.

Based on the Cut/Fill plans and utility spoils estimates, an additional 13,750 tons of soil will be generated during the utility installation process. Based on known areas of impacted soils it's estimated that 6,000 tons of these utility spoils may be un-useable for backfill and or re-use on-site and need to be disposed of off site.

The targeted soils occur mainly beneath the proposed building footprints, areas adjacent to the building footprint and within the proposed utility corridors. Based on these areas of concern the proposed excavations will total approximately 27,000 tons of impacted and/or structurally unsuitable soil.

An Addendum 3 Act 381 Work Plan is forthcoming. This Work Plan itemizes due care obligations that will be conducted after Addendum 2 activities have occurred. Specifically, these activities include the installation of a vapor barrier system beneath the buildings to address indoor air issues associated with the VOC. The Brownfield Plan has approved \$140,860, to be used for this phase of the eligible activities. Cost estimates are being solicited and once determined the Act 381 Work plan will be submitted to the MDEQ.

Saline River Properties (SRP) expects to conduct due care response activities in phases. The first phase will begin as soon as the Clean Michigan Initiative funding is available. This will include due care activities which have been approved by the MDEQ under Work Plan Addendum 2. The next phase will include due care activities as described in Addendum 3.

A Section 7a Compliance Analysis and Due Care Plan will be prepared to address all of the due care responsibilities. An assessment of intended use with regard to contamination and identification of Section 7a issues will be performed.

SITE DEVELOPMENT PROPOSAL: The Banks of Saline development is located within the City of Saline and will consist of 102 residential condominiums located in 7 buildings. The site location and design incorporates traditional neighborhood, smart growth and new urbanism concepts. It is also adjacent to an existing residential neighborhood and sidewalks link pedestrians to downtown Saline, which is within walking distance. Greater than 50% of the 9 acre site will be preserved as open space by providing public easement along the Saline River (which will connect to the Curtiss Park Trail System), clustering residential units and providing parking spaces below the residential units.

This project will provide a valuable economic benefit to the community by reusing an industrial site that has been vacant and distressed for 20 years. The project will provide a significant increase in taxable property value to the City of Saline. Currently, the property’s SEV is \$845,000 and upon completion the project will increase the SEV to approximately \$8,612,000. The Banks of Saline project will create 5 permanent, full time jobs and approximately 50 full time temporary construction jobs during the first five years. The total private investment is approximately \$24 million. The Brownfield Plan was approved for \$944,000 of eligible expenses to be reimbursed through tax increment financing. The City of Saline has also pledged \$145,000 for sewer improvements.

PROJECT BUDGET: In addition to the items listed below, funds may be used for work plan and budget development, bid solicitation, technical specifications, and other administrative tasks as approved by the DEQ project coordinator. Prior approval is necessary for work to be preformed.

Task	CMI Brownfield Redevelopment Loan	CMI Brownfield Redevelopment Grant	Totals
Baseline Environmental Assessment – Local Funds (\$7,500)	-0-	-0-	\$7,500 in local funds
Grant Administration	\$24,000		\$24,000
Field Project Oversight and Sampling		\$39,500	\$39,500
Soil Excavation, Land Balancing, Laboratory Analysis and/or Soil Disposal at a Type II Landfill	\$269,760	\$217,740	\$487,500
Summary Report of Soil Remediation/Management and Environmental Project Management	\$13,000	\$39,600	\$52,600
Contaminated Groundwater, pilot testing, treatment and disposal as necessary	\$77,620	\$57,380	\$135,000
VOC Engineered Due Care Control Measures	\$140,000		\$140,000
Grant/Loan – Final Reports		\$20,000	\$20,000
Contingency	\$75,620	\$25,780	\$101,400
Total	\$600,000	\$400,000	\$1,000,000

DELIVERABLES: The funding recipient shall submit to the DEQ for approval, prior to work being initiated, a detailed work plan and budget describing the proposed response activities, which funding source will be used for which work plan task, a schedule for completing the work activities funded with either or both the grant and loan funds.

Quarterly reports will be submitted to the DEQ describing both loan and grant funded tasks completed during the quarter, status of on-going tasks or work activities, and tasks or activities scheduled for the next quarter. Included with these quarterly reports will be sufficient documentation as prescribed by the grant manager to document how funds were spent during the quarter, including as a minimum copies of invoices, expense sheets, and other financial documents necessary to support expenditures of loan and grant funds. Grant reimbursement requests will also be submitted quarterly and documented in a similar manner for reimbursement of expenses with grant funds.

The Grantee shall provide two copies of a final report to the DEQ at least 45 days prior to the end date of this contract. The report should include a description of the work completed under the loan or grant. Following completion of the development project, a follow up report shall be submitted that includes electronic photographs of the completed project; a summary of the project to include the number of permanent jobs created; the actual amount of private investment; the number of acres improved; the actual final total project cost; and a project fact sheet in a format provided by the State describing the development.

The Grantee shall provide two copies of any document produced using loan or grant funds, including plans, bids, proposals, advertisements, and progress reports, unless provided electronically.

SCHEDULE: Following the Start of Work (SOW) date provided to the State by the applicant, the project will proceed on the following schedule:

Task	Quarter Work will Occur (from SOW)
Submit work plan for DEQ approval, receive DEQ approval of work plan, stage equipment, and prepare for soil Removal	End of 2nd Quarter – FY08
Complete soil removal, conduct verification sampling, prepare due care plan, and implement due care plan	End of 3rd Quarter – FY08
Prepare project closeout report and submit project closeout	End of 1 st Quarter – FY09