

Washtenaw County
Brownfield Redevelopment Authority (WCBRA)
Annex Large Conference Room
110 N. Fourth Avenue, Ann Arbor

MEETING MINUTES
April 14, 2011

Board Present: Teresa Gillotti, Chair James Harless, Secretary/Treasurer Mark Heusel, Jeremy McCallion, Vice-Chair Victoria Pebbles, Yousef Rabhi, Anna Sandhu, Todd Campbell, Douglas McClure

Board Absent: None

Staff: Brett Lenart

Handouts: Agenda, March 10, 2011 Draft Minutes, Agenda Summary Memo, Packard Square Brownfield Plan (4/8/11 version), Proposed Packard Square Motion, Packard Square LEED Checklist, Packard Square Environmental Summary Letter, LaFontaine Chevrolet Brownfield Plan, LaFontaine Chevrolet Proposed Motion, March 2011 WCBRA Financial Report, Packard Square Brownfield Plan (4/13/11 version), Packard Square Site Plan, Packard Square Proposed extent of contamination source removal, project tracking status

1. Call to Order & Public Comment

Harless called the meeting to order at 9:10 a.m. There was no public comment.

Rabhi moved (Support: Campbell) that the minutes of the March 10, 2011 meeting be approved as presented and the motion carried unanimously.

2. WCBRA Program

Consideration of Packard Square Brownfield Plan

Jeremy McCallion recused himself from participating in discussion and action on the project. While he is not working on the project directly, his employer, AKT Peerless is the developer's environmental consultant for the project.

Lenart introduced Matt Naud of the City of Ann Arbor, Bret Stuntz of AKT Peerless and Bruce Measom of Harbor Companies who were in attendance. Lenart provided an overview of the project including:

- Overall plan to redevelop the site into a mixed-use residential/commercial project.
- The property is eligible through its designation as a facility, largely due to the presence of contaminants that are likely from the historic use of a portion of the property for dry cleaning.
- That after consultation with the State, a preliminary approach was recommended to remove source contaminants to State-specified levels, and presumptively install a vapor intrusion barrier and passive ventilation system.
- That in light of this, the City was still evaluating the potential benefit and costs associated with removing additional source material to achieve a reduced risk level (10 -6).
- Accordingly, a revised Brownfield Plan was provided to articulate this cost with the perspective that a reduced capture could ultimately be regulated through the reimbursement agreement or refinement of the Plan at the Board of Commission level. Alternatively, if known, the Brownfield Plan activities would be reduced to the state-prescribed clean up levels.
- A summary of the eligible activities included the estimated period of TIF capture (21 years), and an overview of discussion and conclusions at the subcommittee discussion:
 - The provision of sustainable project components
 - The removal of DTE circuits as a public infrastructure activity
 - The utilization of local labor to the greatest extent possible

The Board discussed the project and policy position of the City of Ann Arbor, and recognized support of the City's decision on source removal, pursuant to the City's membership in the Authority. McClure asked what the specific concentrations were and to what standard the State and 10 -6 difference was being evaluated against. Lenart presumed that the standard would be to indoor air volatilization criteria, but that he didn't know the exact concentration numbers and could follow up with the Authority with that information.

After discussion, McClure moved (Support: Sandhu) to approve the Brownfield Plan for Packard Square, 2502-2568 Packard Street (the Plan) as presented based on the following determinations and findings:

- 1) The Plan meets all of the requirements for a Brownfield Plan set forth in Section 13 of the Brownfield Redevelopment Financing Act (The Act);
- 2) The proposed method of financing the costs of the eligible activities, as described in the Plan, is feasible;
- 3) The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act;
- 4) The amount of captured taxable value estimated to result from adoption of the Plan is reasonable;
- 5) The Plan constitutes a public purpose for the following reasons:
 - a. The project will redevelop a vacant Facility into a new mixed-use development;
 - b. The redevelopment will add commercial and residential space within existing infrastructure networks;
 - c. The project will result in the removal and mitigation of source contamination that adversely impacts environmental quality;
 - d. The project is estimated to create 45 new jobs;
 - e. The project is expected to result in an estimated \$49 million in new investment.
- 6) Approval is contingent upon approval by the City of Ann Arbor. Inclusion of Local Only Additional Response activities shall be as approved by the City of Ann Arbor and governed by the Reimbursement Agreement.

The motion carried unanimously with McCallion abstaining.

Consideration of LaFontaine Chevrolet Brownfield Plan

Lenart introduced Louis Stultz of Canopus Environmental, Josh Bloom and Gary Laundroche of Bloom General Contracting who were in attendance to represent the project.

Lenart provided an overview of the Brownfield Plan supporting the redevelopment of the dealership, inclusive of source removal, vapor intrusion barrier, and culminating in a \$5.3 million dollar investment. The new dealership will be LEED certified and retain 76 jobs with the creation of an estimated 50 additional jobs. Lenart provided additional information

- The property is eligible as a facility due to the presence of volatile organic compounds and Polynuclear aromatic hydrocarbons at levels exceeding state criteria (generic residential cleanup criteria)
- LaFontaine purchased the property from another entity, and the facility status was discovered in the context of due diligence investigation
- Eligible Activities include:
 - Due Care/Additional Response Activities (conservative estimate)
 - Brownfield Plan, Workplan
 - Asbestos/Lead Paint Abatement

- WCBRA Admin Fees
- Local Site Remediation Revolving Fund
- At the WCBRA Subcommittee review there was discussion over the demolition as MEDC had indicated that they would not likely consider it as the support would be too small. The subcommittee supported the plan with the provision of consulting with the Village and MEDC on the best approach to demolition. Subsequent conversations result in the recommendation to forgo state TIF on demolition.
- Project is located in Dexter DDA who have approved interlocal agreement. WCBRA action should include approval of this document execution.

McClure inquired as to the ownership and whether General Motors owned the property or an interest in the property through the ownership change, to which the project team responded that the ownership was entirely separate from General Motors and a BEA was filed.

Rabhi moved (support: Campbell) that the Washtenaw County Brownfield Redevelopment Authority approve the Brownfield Plan for LaFontaine Chevrolet, 7120 Dexter-Ann Arbor Road (the Plan) and execution of Interlocal Agreement as presented based on the following determinations and findings:

- 1) The Plan meets all of the requirements for a Brownfield Plan set forth in Section 13 of the Brownfield Redevelopment Financing Act (The Act);
- 2) The proposed method of financing the costs of the eligible activities, as described in the Plan, is feasible;
- 3) The costs of the eligible activities proposed in the Plan are reasonable and necessary to carry out the purposes of the Act;
- 4) The amount of captured taxable value estimated to result from adoption of the plan is reasonable;
- 5) The Plan constitutes a public purpose for the following reasons:
 - a. The project will consist of the redevelopment of a contaminated property and will include the demolition of two buildings and construction of a new LEED Certified commercial building;
 - b. The project will result in the removal and mitigation of source contamination that adversely impacts environmental quality;
 - c. The project will retain approximately 76 jobs and support 50 new jobs and bring economic activity to the Village of Dexter;
 - d. The project is expected to result in \$5.3 million in new investment.

The motion carried unanimously.

Officer Nomination

McClure moved (support: Campbell) the current officers (Harless, Chair; Pebbles, Vice-Chair; Heusel, Secretary-Treasurer) be nominated and elected for a one year term. The motion carried unanimously.

March 2011 Financial Report

The Financial Report including activity through April 1, 2011 was provided to the Board. Lenart requested the Board approve the Report that includes the following transactions:

- Deposit of the LaFontaine application fee into the Economic Development & Energy Fund for \$4,000.

Rabhi moved (Support: McClure) to approve the Financial Report as presented and the motion carried unanimously.

Financial Report of Status of Activities of the WCBRA for 2010 Fiscal Year

Financial reports regarding the status of WCBRA activities are due to the State Treasury by March 15th each year. Lenart requested that the Board approve the reports for submission to the State. The Board decided that action by the Board is not necessary to approve submission of the reports.

Project Status Updates

Lenart provided a tracking sheet with an overview of projects.

3. Public Comment

None.

Adjourn

Rabhi moved (Support: Pebbles) to adjourn the meeting and the motion carried unanimously.

These minutes were approved by the Washtenaw County Brownfield Redevelopment Authority Board on May 12, 2011.