



Washtenaw County Brownfield Redevelopment Authority

MEETING AGENDA

9:00 a.m., Thursday, October 13, 2011

Washtenaw County Annex Building

Annex Large Conference Room, 1st Floor

110 N. Fourth Avenue, Ann Arbor, MI 48104

- 1. Call to Order**
- 2. Public Comment***
- 3. Approval of Minutes** – July 14, 2011 WCBRA Minutes
- 4. Business**
 - a. Eligible Activity Certification – Schoolpictures.com
 - b. Notice of Default – Thompson Block
 - c. July-September Financial Report
 - d. Project and Status Updates
- 5. Public Comment***
- 6. Adjournment**

*All public comment will be limited to three (3) minutes per person

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

MEETING MINUTES
July 14, 2011

Board Present: Chair James Harless, Todd Campbell, Jeremy McCallion, Vice-Chair Victoria Pebbles, Yousef Rabhi, Douglas McClure

Board Absent: Mark Heusel, Teresa Gillotti, Anna Sandhu

Staff: Brett Lenart, Jen Horton

Handouts: Meeting Agenda, June 9, 2011 Draft Minutes, 601 Forest Eligible Activity Certification Memorandum, LSRRF Policy Draft, BST Investments Reimbursement Agreement, June WCBRA Financial Report, Project Tracking Status

1. Call to Order & Public Comment

Harless called the meeting to order at 9:08 a.m. There was no public comment.

Rabhi moved (Support: Pebbles) that the minutes of the June 9, 2011 meeting be approved as presented and the motion carried unanimously.

2. WCBRA Program

Easement Costs Memorandum to WCBRA July 2011

Lenart opened the discussion by reviewing the Easement Costs Memorandum for 601 S. Forest. Lenart provides a recommendation that the BRA approve 10% of the total easement costs the developers are proposing for the site.

McClure arrives.

Lenart indicated that MEDC is in agreement with this approach. The Board discussed the need to better define the policy on soft costs, and that future work plans provide detail on site preparation components. The Board discussed the issue of including third party entities as eligible activities.

Pebbles moved (Support: McClure) to approve 10% of the total easement costs be paid with the exception that none of the third party legal and engineering fees be included and the motion carried unanimously.

LSRRF Policy Draft

Horton opened the discussion by presenting a draft policy highlighting possible eligibility, terms, and prioritization of the LSRRF for the Board's review. The policy draft will go under iteration for the Board's review at the next meeting.

Items that needed revision/further consideration include:

- Allowing a 5 year grace period to repay LSRRF loans
- The inclusion of a set interest rate for LSRRF loans
- The inclusion of a security agreement for LSRRF loans
- A time frame for the WCBRA to consider LSRRF loan applications should be 60 days

- A less vague description of “public entity” should be included in the Terms of the LSRRF Policy
- Instead of an emphasis on jobs created (Prioritization Section), there should be emphasis based on the number of local jobs created
- LEED criteria should be taken out of the Smart Growth bullets (Prioritization Section)
- There should be a loan application fee, but the fee amount was not decided

Horton indicated she would make these changes.

BST Investments Reimbursement Agreement

Lenart provided an overview of the Reimbursement Agreement for the 2810 Baker Road Brownfield Plan in the Village of Dexter.

McClure moved (Support: Campbell) to approve the reimbursement agreement as Lenart presented it and the motion carried unanimously.

June 2011 Financial Report

The Financial Report including activity through July 8, 2011 was provided to the Board. Lenart requested the Board approve the Report that includes the following transactions:

- Deposit of Arbor Hills Crossing Application Fee to Economic Development and Energy Department
- Pay the Michigan Strategic Fund \$1000 for the work plan review that Thompson Block has yet to submit

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

Project Status Updates

Lenart provided a tracking sheet with an overview of projects.

3. Public Comment

None.

4. Adjournment

Rabhi moved (Support: McClure) to adjourn the meeting and the motion carried unanimously at 11:03 a.m.

These minutes were _____ by the Washtenaw County Brownfield Redevelopment Authority on October 13, 2011.

Schoolpictures.com Eligible Activity Certification - October 2011

Eligible Activity	Brownfield Plan Approved 11/19/08	Act 381 Work Plan Approved 2/3/09	Item #	Invoice Date	Contractor	Description	Work Start	Work End	Invoice Amount	Proof of Payment	Recommended Certification
Brownfield Plan Act 381 Work Plan & HASP Preparation	\$ 5,800.00 \$ 5,000.00	\$ 5,800.00 \$ 5,000.00	1	8/22/2011	FB Development Services, LLC	Brownfield Plan and Act 381 Work Plan Preparation			\$ 10,800.00	Waiver	\$ 10,800.00
MEDC Work Plan Review Fee	\$ 1,000.00	\$ 1,000.00	2	2/4/2009	MEDC	Work Plan Review Fee			\$ 1,000.00	Check Statement	\$ 1,000.00
Asbestos Survey and Abatement	\$ 75,000.00	\$ 75,000.00	3		ATC Associates	Asbestos containing materials survey		Dec-08	\$ 1,380.00	Letter	\$ 1,380.00
Recommended Total											\$ 13,180.00
Total Eligible Activity Costs	\$ 86,800.00	\$ 86,800.00									

Additional Information Needed:

4	1/6/2009	Building Services Unlimited	Demolition in preparation of Asbestos Abatement	12/31/2008	\$ 2,250.00	Waiver of Lien
5	12/24/2008	Asbestos Abatement Inc.	Asbestos Abatement Work performed through 12/24/08 (Inv. #1200)	12/24/2008	\$ 25,220.00	Waiver of Lien
6	12/24/2008	Asbestos Abatement Inc.	Deposit for Work at 300 & 302 W. Forest (Inv. #1200-1)	12/24/2008	\$ 3,000.00	Note: paid 1/6/09; Waiver of Lien
7	3/13/2009	Asbestos Abatement Inc.	Progress Billing for work performed through 3/11/09 (Inv. #1200-2)	3/11/2009	\$ 24,250.00	Waiver of Lien



Washtenaw County Brownfield Redevelopment Authority

July 18, 2011

Stewart Beal, Managing Member
Historic Equities Fund, LLC
221 Felch Street
Ann Arbor, MI 48103

RE: Michigan Economic Growth Authority – Approval of Act 381 Work Plan
Eligible Activities Application Fee

Dear Mr. Beal:

Enclosed is an invoice for the review of the Act 381 Work Plan to enable tax increment financing as proposed in the approved Brownfield Plan for the Historic Thompson Block Redevelopment Project in Ypsilanti. Please make arrangements to pay this invoice as indicated to ensure compliance with the Reimbursement Agreement for your project.

Please contact me at (734) 222-3860 or lenartb@ewashtenaw.org if I can provide any additional information or if you would like to discuss further.

Sincerely,

A handwritten signature in black ink that reads 'Brett D. Lenart'.

Brett D. Lenart
Washtenaw County Brownfield Redevelopment Authority

Enclosure

Cc: File



Washtenaw County
Economic Development & Energy
110 N. Fourth Ave.
Ann Arbor, MI 48107
Phone (734) 222-3860
Fax (734) 222-6531

INVOICE

July 18, 2011

INVOICE #
11-004

Bill To: Historic Equities Fund, LLC
221 Felch Street
Ann Arbor, MI 48103

For: MEGA Eligible Activities Act 381 Work Plan Review Fee
The Historic Thompson Block Redevelopment Project

DESCRIPTION	AMOUNT
MEGA Eligible Activities Act 381 Work Plan Review Fee, Historic Thompson Block Redevelopment Project	\$1,000
TOTAL	\$ 1,000.00

Payment is due 30 days after receiving this invoice
Make check payable to "Washtenaw County"

Mail to: Brett Lenart
Economic Development & Energy Department
110 N. Fourth Ave.
P.O. Box 8645
Ann Arbor, MI 48107-8645

If you have any questions concerning this invoice, contact Brett Lenart, (734) 222-3860, lenartb@ewashtenaw.org

THANK YOU!

WCBRA Financial Report - July 9 - September 30, 2011

Project	Toyota Technical Center	Schoolpictures	Maple Shoppes	Michigan Inn	601 S. Forest	2011 Projects
Project Parameters						
Brownfield Plan - Approved Maximum Activities	\$ 4,900,000.00	\$ 99,820.00	\$ 1,209,027.00	\$ 651,490.00	\$ 5,437,183.00	
Certified Eligible Activity Expenses	\$ 4,895,263.00	\$ -	\$ 1,010,042.00	\$ 20,000.00	\$ 727,215.62	
Eligible Activity Expense Reimbursed to Date	\$ 1,541,289.61	\$ -	\$ 48,222.45	\$ 20,000.00	\$ -	
Remaining Eligible Activity Expenses	\$ 3,353,973.39	\$ -	\$ 961,819.55	\$ -	\$ 727,215.62	
Project Financial Activity						
12/31/10 Fund Balance	\$ -	\$ 25,341.24	\$ -	\$ 5,421.20		
2011 REVENUES						
Application Fee	\$ -	\$ -	\$ -	\$ -		\$ 19,000.00
TIF Revenue	\$ 175,677.89	\$ 66,015.32	\$ 29,115.27	\$ -		
Total Revenues	\$ 175,677.89	\$ 66,015.32	\$ 29,115.27	\$ -		\$ 19,000.00
2011 EXPENDITURES						
Certified Expense Reimbursement	\$ 156,927.89		\$ 29,115.27			
Administrative Fee Transfer	\$ 18,750.00	\$ 685.00				
LSRRF Deposit	\$ -					
Total Expenditures	\$ 175,677.89	\$ 685.00	\$ 29,115.27	\$ -		
Current Balance	\$ -	\$ 90,671.56	\$ -	\$ 5,421.20		

Transaction Approval Requested

Note:

MEDC Act 381 Work Plan Review Fee paid by Economic Development & Energy Department	\$ 1,000.00
Schoolpictures.com eligible activity payment (based on Board action)	\$ 13,180.00

WCBRA Board Project Tracking

Date Printed: 10/7/2011

Project Name	Address	Community	Acres	Project Qualification Basis	Estimated Investment (\$)	Taxable Value at Plan Approval (real property) (\$)	Est. Jobs Created/Retained	Date Brownfield Plan Approved	Total Approved Eligible Activities (\$)	MEDQ Approval of 381 Workplan?	MEGA Approval of 381 Workplan?	MBT Granted for Project?	MBT Amount	Construction Started?	Capture Started?	Eligible Costs Certified?	Reimbursement Complete?	2010 Taxable Value (real property) (\$)	Notes:
Broadway Village	1100-1170 Broadway; 915-959 Maiden Lane	Ann Arbor City	6.4	Facility	171,000,000	2,332,451	582	2003	40,382,285	N	Y	N		N	N	N	N	1,796,100	
Monument Park	8031 Main	Dexter Village	0.47	Facility	2,100,000	-	50	2005	n/a	n/a	n/a	Y		Y	n/a	n/a	n/a	1,565,600	Complete
Toyota Technical Center	8777 Platt, Saline	York Township	690	Facility	150,000,000	-	900	2006	4,900,000	Y	n/a	N		Y	Y	Y	N	14,503,100	TIF Repayment Period
Banks of Saline	232 Monroe	Saline City	10.6	Facility	21,000,000	565,497	5	2006	1,038,906	Y	N	N		N	N	N	N	89,284	EPA/JCI Dialogue, legal action
Water Street	2-216 E. Michigan	Ypsilanti City	38	Facility, Blighted	120,500,000	-	0	2006	23,217,533	N	N	N		N	N	N	N	-	Recreation Center Proposal
Village Market Place	147-185 W. Michigan; 104 Henry	Saline City	1.09	Facility	10,400,000	544,210	30	2007	1,250,174	Y	N	Y		N	N	N	N	153,361	Default
Dexter Wellness Center	2810 Baker Road	Dexter Village	7.42	Facility	14,000,000	1,296,069	120	2011	240,000	n/a	N	Y		Y	N	N	N	967,500	Work Plan Submitted to MEDC; November Action
200 S. Ashley	200 S. Ashley	Ann Arbor City	0.1	Facility	9,650,000	166,322	38	2007	834,903	N	Y	N		N	N	N	N	180,000	
Mack & Mack	211-215 W. Michigan	Ypsilanti City	0.28	Functionally Obsolete	1,700,000	156,400	25	2008	n/a	n/a	n/a	Y	314,724	Y	n/a	n/a	n/a	297,603	Completed Project
Schoolpictures.com	300 W. Forest	Ypsilanti City	3.03	Functionally Obsolete	4,300,000	-	80	2008	99,820	n/a	Y	Y	354,250	N	N	N	N	384,200	Certification of Activities Underway
Maple Shoppes	512-540 N. Maple; 2350-2390 Dexter	Ann Arbor City	2.7	Facility	7,800,000	340,985	30	2008	1,209,027	Y	Y	N		Y	N	N	N	412,400	TIF Repayment Period
Michigan Inn	2800 Jackson	Ann Arbor City	4.5	Facility, Functionally Obsolete & Blighted	28,000,000	256,697	0	2008	651,490	N	Y	N		Y	N	N	N	853,600	\$20K reimbursed to date
Federal Screw Works	425 Congdon, 500 S. Main	Chelsea City	2.56	Facility	5,000,000	262,700	50	2008	546,179	N	Y	N		N	N	N	N	243,400	RLF awarded; Contingency on taxes and workplan approval
Thompson Block	400-408 N. River	Ypsilanti City	0.3	Functionally Obsolete	4,000,000	153,000	50	2008	185,000	N	N	Y	373,783	N	N	N	N	153,000	MEGA Invoice Follow up; Potential Default
601 Forest	607-621 Forest; 1304 S. University	Ann Arbor City	0.79	Facility	82,800,000	1,033,458	90	2008	3,501,250	N	Y	Y	10,000,000	N	N	N	N	1,078,928	Second Set of Invoices submitted for certification
ACH-Saline	7700 Michigan Avenue	Saline City	187	Facility	10,000,000	9,134,200	2000	2010	n/a	n/a	n/a	Y		n/a	n/a	n/a	n/a	9,134,200	March 2011, 14M invested, 200 jobs added
Near North Apartments	626-724 North Main Street	Ann Arbor City	1.2	Facility	12,200,000	686,870	6	2010	n/a	n/a	n/a	Y		N	n/a	n/a	n/a		Financing finalizing; Activity anticipated in 3-4 months
Mellencamp Building	120-124 W. Michigan	Ypsilanti City	0.25	Functionally Obsolete	2,200,000	74,000	25	2010	n/a	n/a	n/a	Y	314,724	Y	n/a	n/a	n/a		Renovation started
Zingerman's	418-420 Detroit, 322 E. Kingsley	Ann Arbor City	0.34	Functionally Obsolete	6,700,000	669,228	65	2010	817,265	n/a	Y	Y		N	N	N	N		Foundation started of new 2 story building
Packard Square	2502-2568 Packard	Ann Arbor City	6.57	Facility	48,000,000	1,562,000	45	2011	3,121,521	N	Y	N		N	N	N	N		Finalizing Grant Application; MEGA approved Workplan
LaFontaine	7120 Dexter-Ann Arbor Road	Dexter Village	8.34	Facility	5,300,000		50	2011	254,100	N	N	N		Y	N	N	N		Awaiting Work Plan



**Washtenaw County
Brownfield Redevelopment Authority**

October , 2011

Stewart Beal, Managing Member
Historic Equities Fund, LLC
221 Felch Street
Ann Arbor, MI 48103

RE: Historic Thompson Block Brownfield Reimbursement Agreement – Notice of Default

Dear Mr. Beal:

In April of 2010, and again in July of 2011, you were notified of an outstanding invoice associated with Act 381 Work Plan review by the Michigan Economic Development Corporation for the Historic Thompson Block Redevelopment Project. This invoice (enclosed) for \$1,000 remains due to Washtenaw County.

Additionally, 2010 Summer, 2010 Winter, and 2011 Summer taxes are all past due on the property. The Reimbursement Agreement which provides for the reimbursement of eligible activities associated with redevelopment of the property specifies the condition that real estate tax obligations be paid when due (Section 5.2 (d)).

Under Section 7.2(d) of this Reimbursement Agreement, Historic Equities Fund LLC warranted that it would comply with all obligations, covenants and conditions required of it or any of its subcontractors.

Based on the outstanding invoice and past due real estate tax obligations, Historic Equities LLC is in default of the executed Reimbursement Agreement. Historic Equities has 30 days to cure this default. If not satisfactorily cured within this time period, the Washtenaw County Brownfield Redevelopment Authority will consider the resulting right to terminate the Reimbursement Agreement.

If you have any questions or require additional information, please contact Brett Lenart at (734) 222-3860 or lenartb@ewashtenaw.org.

Sincerely,

James Harless, Chair
Washtenaw County Brownfield Redevelopment Authority

cc: Teresa Gillotti, City of Ypsilanti, One South Huron Street, Ypsilanti, MI 48197
Washtenaw County Brownfield Redevelopment Authority
Brett Lenart, Economic Development & Energy Department, Washtenaw County
File



Washtenaw County Brownfield Redevelopment Program

July 29, 2011

Thomas M. Scott, Authorized Signatory
Campus Investors 601 Forest Property Owner, LLC c/o Campus Acquisitions, LLC
161 N. Clark Street, Suite 4900
Chicago, IL 60601

RE: Campus Investors 601 Forest, LLC Brownfield Eligible Activities Certification – Ann Arbor

Dear Mr. Scott:

I am writing to notify you of the status of the 601 Forest, LLC – Green Urban Living site's eligible expenses approved by the Washtenaw County Brownfield Redevelopment Authority (WCBRA). On June 9, \$603,459.17 was approved for eligible expenses by the WCBRA (see attachment A). On July 14, \$123,756.45 was approved for eligible expenses by the WCBRA (see attachment B). The total certified eligible activities approved by the WCBRA were \$727,215.62.

You will notice that only 10% of the costs associated with compensation to an adjacent property owner and legal costs resulting in a Development Agreement and a Temporary Construction Easement was approved by the WCBRA. This results in an approved cost of \$51,794.65 (10% of \$517,946.45) approved for these items. With Brownfield Activities representing 10% of the total project cost (\$5.4M of \$54.4M total project costs), this same factor was applied to these items.

You will also notice that six items requested for reimbursement were fully or partially rejected by the WCBRA (see Attachment B). This total amounts to \$563,244.84 of rejected costs requested for reimbursement. Please let me know if you have any questions.

Sincerely,

Brett D. Lenart
For the Washtenaw County Brownfield Redevelopment Authority

Enclosures

Cc: Kurt M. Brauer, Warner, Norcross & Judd, 2000 Town Center, Suite 2700, Southfield, MI 48075
Jared Belka, Warner, Norcross & Judd, 900 Fifth Third Center, 111 Lyon St. NW, Grand Rapids, MI 49503
Washtenaw County Brownfield Redevelopment Authority
File