

Washtenaw County
Brownfield Redevelopment Authority (WCBRA)
Washtenaw County Western Service Center
705 N. Zeeb Rd.

MEETING MINUTES
June 12, 2008

Present:

Board Members: Todd Campbell, Suzie Heiney, Mark Heusel, Jeff Irwin, Rhonda McGill, April McGrath

Staff: Patricia Denig, Mary Kowalski and Jeremy McCallion of Planning and Environment; Xiaohong Wu of Finance

Consultants: Mark Van Doren, AKT Peerless

Public/Guests: None

Absent: David Hamilton (excused), James Harless (excused) and Victoria Pebbles (excused)

Handouts:

Agenda, Agenda Summary, May 19, 2008 Meeting Minutes, MBT Brownfield Credit Overview, Mack and Mack Building Redevelopment Plan, City of Ypsilanti City Council Resolution Approving the Mack and Mack Plan

1. Call to Order & Public Comment

McGill called the meeting to order at 9:10 a.m.

Heusel motioned for and A. McGrath seconded approval of the minutes from the May 19, 2008 meeting. The motion carried.

2. Announcements

McCallion discussed the amendments to the Michigan Business Tax (MBT) Brownfield credits, stating that the previous 10% credit on eligible investments has been increased to 12.5% and that they removed the former soft cost provision. There is also a 20% credit available for some urban projects that include high density, mixed use, walkability and increased commerce-related development. He noted that AKT Peerless has succeeded in obtaining one of the 20% credits. The website and program guide will need to be updated, and McGill suggested sending this information to local municipalities, hopefully to spur development.

3. Active Brownfield Projects

The Village Market Place & Lofts, Saline Project 2

No Change

Banks of Saline (232 Monroe Street)

The Clean Michigan Initiative (CMI) grant/loan was awarded. A kickoff meeting was held on May 27 including staff, the developer, representatives from the Michigan Department of Quality (MDEQ) and the oversight consultant. They are still trying to determine how to split the grant/loan funds. It has been determined that once the Act 381 plan has been approved CMI grant/loan monies cannot be used for Act 381 approved activities, and therefore staff would like a clear delineation before activities begin. Once the contracts are signed, work can begin; the target date is in August of this year. Campbell noted that Johnson Controls still needs to complete some cleanup of the site.

200 South Ashley Street, City of Ann Arbor

McCallion stated that he received communication from the developer indicating that they are changing the project by increasing the size of the building and changing the parking. They are also having difficulty financing the project at this time. The developer has indicated an interest in applying for the MBT credit and would like support from the WCBRA. Irwin noted that he would like to see the changes to the plan before the WCBRA provides a letter of support, and the rest of the board agreed. McCallion stated that he would follow up with the developer as well as the City.

Broadway Village at Lower Town Project

McCallion reported that there are still issues with the private financing as related to the Tax Increment Financing (TIF). There should be a decision within a month over whether or not they will be able to pursue public financing at the state level. There was a closing date set for January 2008, but it has passed due to a

lack of documentation. Additionally, the CMI grant/loan expires in July 2008; an Extension of Loan Request was submitted to the State yesterday. The contract has not yet been finalized with the contractor, but an oversight contractor has been established. Additionally, there will be a request to revise the loan contract to start it in 2008 and it looks as if there will be an 18-month construction time. At this time we are stalled until we know whether the extension is granted; we should know within two weeks. The plan needs to be amended once it is determined how best to capture the funds and what value it should be based upon.

4. Potential Brownfield Projects

Federal Screw Works

The interlocal agreement was approved at the last WCBRA meeting, and updates have been completed, but a legal opinion suggests that the DDA plan needs to be amended due to revenue sharing. Washtenaw County Corporation Counsel is looking into it as well and will likely issue an opinion within the next week or so. We are targeting getting this on next month's meeting agenda and then forwarding it to the City Council at their first meeting after the BRA meeting and to the Board of Commissioners in August. Denig noted that the current application fees for brownfield plans do not seem to cover all of the costs associated with implementation, and therefore this will be one of the items considered as part of the program/policy review committee work.

Water Street Redevelopment Project

Staff is reviewing the historic information for the Revolving Loan Fund (RLF) and hopes to have it complete soon.

Corners at Dixboro Project

No change

Thompson Block, City of Ypsilanti

There was a public hearing on June 3, at which there was no public comment; the project will go to the Board of Commissioners for approval consideration at their July 2 meeting.

Growing Hope, City of Ypsilanti

The due care investigation has been completed; a cistern was found on the site and AKT Peerless has recommended sampling the bottom of it. The EPA has approved that test. We are looking to finalize costs, including cleanup of the parking lot and asbestos and lead removal from the structures. The RLF subcommittee will need to discuss the financial side of things – the subcommittee will consist of McGill, Heusel, former WCBRA member Rick Plewa and some members of the financial/banking community. We are looking at doing a brownfield plan for the site.

211-215 W. Michigan (Mack and Mack), City of Ypsilanti

The plan was passed by the City of Ypsilanti on June 3 and the WCBRA subcommittee is recommending approval. There is a public hearing scheduled for the July 2 Board of Commissioner's meeting, and then consideration for approval at their August 6 meeting. They have support from the State for the MBT plan, and may be able to start work before the plan is approved.

Heiney moved that the WCBRA approve the brownfield plan, Irwin seconded and the motion carried.

5. Grants

EPA Revolving Loan Fund (RLF) Grant

McCallion reported that there had been some misunderstandings regarding the specifics of when the money is considered "spent." Because several activities need to be completed before invoices can be issued, it appears unlikely that all activities utilizing RLF at the Water Street site will be complete and paid for before the August 31 deadline. Denig and McCallion will discuss options with the EPA project officer next week. McGrath stated that she could place an item reconfirming the Ypsilanti City Council's commitment to spending the loan money on the next meeting agenda if it would help keep the money available.

EPA Petroleum Assessment Grant (PAG)

McCallion noted that there was around \$60,000 remaining to spend, and that signed proposals are complete for around \$55,000 of that money. All of the money from the grant will be spent by the September 30 deadline, and any 50/50 cost share requirement waivers were issued as administrative waivers, as a one-time instance.

1196 Ecorse Road

Friends In Deed would like to do a Phase II after all; they are working out the zoning situation with the City.

7890 Ann Arbor Street

Staff will waive the 50/50 cost share requirement for a Phase II on this site.

918-924 West Michigan Avenue

Some funds may be used to test the cistern on this site.

NE Corner of Dexter and Maple Roads

The 50/50 cost share requirement has been waived for the Phase II, as well as for the brownfield plan development and Act 381 plan development.

6. Other Sites

2800 Jackson Road (formerly Michigan Inn, Ann Arbor)

McCallion updated the board on the fact that the site was bought by the "Michiginns" and that the City of Ann Arbor would like the building to be demolished as soon as possible. There are two possibilities for the site: the first is to utilize local taxes and create a brownfield plan, citing the site as functionally obsolete, and then going back to address the school taxes afterwards. The second option would require that the City of Ann Arbor advance the funds to assist with demolition before a brownfield plan is passed and then have the developer/loan reimburse the City. The legality of the second option is not clear at this time; staff will speak with Corporation Counsel and report back to this Board.

7. Next Steps

- Resolve the RLF question: determine whether the time limit can be extended and report back to the Board
- Resolve the Lower Town brownfield plan amendment issue
- Have Corporation Counsel review the Federal Screw Works result and send to the City of Chelsea
- Growing Hope – go through the RLF submittal, have the financial subcommittee review and perform additional testing on the cistern

8. Public Comment

None

Adjourn

Irwin made a motion to adjourn the meeting at 10:55 a.m.

I certify that the minutes are accurate and approved by the Washtenaw County Brownfield Redevelopment Authority Board on July 10, 2008.

S. Heiney, Treasurer

Date