

Washtenaw County Brownfield Redevelopment Authority
Agenda Summary
October 9, 2008 Board Meeting

3. Action Items

Active Brownfield Projects

1. Michigan Inn, City of Ann Arbor Subcommittee Selection (ACTION)

- The site is located on Jackson Road, next to the entrance ramp to I-94 East. The Michigan Inn has not been in operation for approximately 15-20 years and the building is a public safety hazard.
- It was recently purchased by a developer who intends to redevelop the site. The City of Ann Arbor has signed an agreement with the new owner to demolish the site by the end of the year.
- The proposed project would request a rezoning from R5 to C2B. The current buildings will be demolished (with the removal of asbestos before demolition) and a mixed-used development would be completed within approximately 5 years. The new development would include several 4 story buildings (taking advantage of grade changes) which would house retail, office and residential. The redevelopment would also incorporate green design elements.
- This site is above the Gellman plume and does quality as a facility, but the developers will be seeking functionally obsolete status. The eligible activities include
 - i. Demolition
 - ii. Asbestos abatement
 - iii. Site preparation
 - iv. Plan preparation
 - v. Contingency
 - vi. Interest

Total = \$ \$526,050.00

- i. Authority Administrative Fees and Local Site Remediation Revolving Fund Deposit approximately **\$81,538**

Total Cost of Eligible Activities = **\$607,588**

- The City of Ann Arbor's Brownfield Review Committee (BRC) met on 9/29/08 and directed the WCBRA and developer to move forward with brownfield plan development. The BRC will review the plan on Monday, October 13, 2008.

2. 601 S. Forest, City of Ann Arbor Subcommittee Selection (ACTION)

- The site is located on 5 parcels at the corner of South University and South Forest. The site is a facility.
- The proposed redevelopment will include residential student apartments, main floor retail and second floor business offices. The building will include 275,000 total square feet consisting of a 14 story "L-Shaped" building.
- The project investment is approximately \$87.8 million and proposes approximately \$3.5 Million in Michigan Department of Environmental Quality eligible activities and \$5.9 million in Michigan Economic Growth Authority (MEGA) eligible expenses. The anticipated payback is approximately 10 years.
- The City of Ann Arbor's Brownfield Review Committee will review the project on Monday, October 13.

3. SchoolPictures.com (300 W. Forest Avenue), City of Ypsilanti (presentation) (ACTION)

- American Photo Marketing will be rehabilitating two vacant elementary school buildings to create a new photography studio, data processing facility for school pictures and a state-of-the-art yearbook printing house. The buildings are functionally obsolete.

- The proposed project will invest approximately \$4.3 million in rehab and renovation. TIF reimbursement is requested for asbestos remediation and brownfield plan and Act 381 Work Plan preparation in the amount of \$86,800. The WCBRA administration fees result in a total TIF capture of \$99,820, attributable to school operating and local taxes. Total capture period is a maximum of 2 years, but most likely 1.5 years.
 - The developer is requesting a MBT credit from Michigan Economic Growth Authority.
 - 24-30 new full-time positions will be created within the next two years and a total of 80 new jobs will be created in the next five years. The location will also allow the owner to utilize students for internship opportunities from Eastern Michigan University.
 - WCBRA has reviewed the plan and recommended approval. The Plan will be considered for approval by the City of Ypsilanti on October 7, 2008.
4. WCBRA Policy Review (ACTION)
- The Policy review committee has decided that a phased approach to changing the WCBRA's policies, procedures and associated costs is the most effective method.
 - The Policy review committee has recommended an increase in the project application fees. In order for the fees to be increased, the Washtenaw County Board of Commissioners (BOC) needs to approve the project application fee increase. The recommended fee schedule will be provided at the meeting.
 - The Policy review committee has also recommended changing our local site remediation revolving policy. The Policy committee would like to capture LSRRF funds earlier in the process instead of after all eligible activities have been completed. More details will be provided at the meeting.

4. Potential Brownfield Projects

1. Maple Shoppes (Dexter/Maple Rd.), City of Ann Arbor (update)
 - The site contains multiple parcels and numerous addresses. We have used PAG funds for Phase I, Phase II and BEA activities at the site.
 - The project would remediate contamination and redevelopment will include an ALDI and an additional retail service building. The project is requesting approximately \$1.2 million in TIF attributable to local and school operating taxes, which includes eligible activities, WCBRA administration fees and a deposit into the Local Site Remediation Revolving Fund. The payback is approximately 11 years.
 - The WCBRA subcommittee recommended approval of the plan. The City of Ann Arbor's Brownfield Review Committee supports the plan but did not recommend approval to City Council until some site plan issues are resolved. The concerns surround the sign and are currently being resolved. The City of Ann Arbor's Brownfield Review Committee will review the plan on Monday, October 13, 2008.
2. Federal Screw Works (FSW), City of Chelsea (update)
 - The site is located in downtown Chelsea and will be redeveloped into a mixture of commercial uses, with second story residential on select buildings.
 - An Interlocal Agreement between the City of Chelsea's Downtown Development Authority was executed in May 2008 to share tax increment financing revenue with the WCBRA. It was determined that the DDA plan needed to be amended to include language about this project.
 - The plan proposes a total of \$471,700 of eligible activities to be reimbursed by TIF. WCBRA and LSRRF deposit result in the eligible activities totaling \$546,179. A WCBRA subcommittee reviewed the plan on 4/29/08 and recommended approval.
 - The City of Chelsea's DDA has approved the DDA plan amendment and the City of Chelsea City Council will consider approval of the DDA Plan amendment on October 14th. The brownfield plan will be considered for approval by City Council on October 14th. The WCBRA will consider approval on