

Washtenaw County Brownfield Redevelopment Authority
Agenda Summary
September 11, 2008 Board Meeting

3. Active Brownfield Projects

1. Broadway Village at Lower Town, City of Ann Arbor (presentation) (ACTION)
 - The developer has submitted an amendment to the Broadway Village at Lower Town Brownfield Plan, which was approved by the Washtenaw County Board of Commissioners (BOC) on December 3, 2003. The amendment would extend to the duration of the plan and update the TIF tables.
 - The developer and environmental consultant will present an update about the project, discuss the next steps and answer any questions.
 - Need to select a subcommittee to review the plan (this is one of three plans that need to be reviewed)
2. The Village Market Place and Lofts (147 & 159 West Michigan Ave.), City of Saline (update)
 - Activities have begun and expect to begin capture in 2009. More information will be provided at the meeting.
3. Banks of Saline (232 Monroe Street), City of Saline (no change)
 - Environmental Consulting & Technology, Inc. (ECT), has been selected as the oversight contractor and the professional service contract has been executed.
 - The Michigan Department of Environmental Quality (MEDQ), staff, the developer, the developer's consultant and the oversight consultant met to discuss the contracts, grant and loan budget and work plan requirements on May 27, 2008. A few items need to be addressed before the work plan can be drafted and submitted to the MDEQ. These items and the next steps will be discussed at the meeting.
4. 200 South Ashley Street, City of Ann Arbor (no change)
 - Due to an increase in building size (from 26,000 to 34,000 square feet), private financing requirements and parking constraints the developer is expected to submit an amended Michigan Business Tax Brownfield Credit application for 20% of eligible investment, instead of a 10% credit previously submitted.
 - The developer is requesting a letter of support from the WCBRA and the City of Ann Arbor, as part of the application process.
5. Thompson Block, City of Ypsilanti (update)
 - The Washtenaw County Board of Commissioners (BOC) approved the Thompson Block Redevelopment Plan on July 2, 2008.
 - The Michigan Economic Growth Authority (MEGA) Board approved the Act 381 Work Plan on August 19th, 2008. Expect Act 381 Work Plan and Michigan Business Tax (MBT) credit approval letters in next few weeks.
6. 211-215 W. Michigan (Mack and Mack Building), City of Ypsilanti (update)
 - The BOC approved the Brownfield Plan on August 6, 2008.
 - Approval of the MBT application is expected in the next few weeks.

4. Potential Brownfield Projects

1. Federal Screw Works, City of Chelsea (update)
 - Staff attended the City of Chelsea Downtown Development Authority's (DDA) meeting on August 21, 2008 to discuss amending the DDA's plan to reflect the Federal Screw Works (FSW) Brownfield Plan. They have agreed to complete a text amendment for the FSW project.
 - More information on timing will be provided at the meeting.
2. Water Street Redevelopment Project, City of Ypsilanti (update)

- Staff had a conference call with our EPA managers on July 1, 2008 to discuss an extension of the Revolving Loan Fund (RLF) for this project and the Growing Hope project. It was determined that a final decision would be made once all the eligibility memos have been submitted and reviewed.
 - Staff submitted 5 site eligibility memos and owner eligibility letters for 9 properties within a few weeks of the conference call. We scheduled another conference call on August 13, 2008.
 - We were told by the EPA that the RLF will not be extended for several reasons:
 - This money was allocated from the Superfund Program and Washington D.C. wants this money returned and reallocated for other Superfund activities. RLF grants are now provided through the EPA's Brownfield program.
 - Further, the stage of the project, previous history with the RLF and pressure from D.C. resulted in no opportunity for an extension.
 - More details will be provided at the meeting.
 - City of Ypsilanti was informed of the decision and alternative options are discussed below in the Grants section.
3. Corners at Dixboro Project, Superior Township (no change)
- The site has been included in the Brownfields Conference booth booklet. Similar marketing materials, as the Water Street project, will be developed for the BTF.
4. Growing Hope, City of Ypsilanti (update)
- As described above for the Water Street Project, the RLF is not available to remove the contaminated soil and abate lead and asbestos.
 - Growing Hope has been informed and several options were presented and discussed. These options included:
 - Applying for an EPA Cleanup Grant
 - Following due care obligations and capping the contamination
 - Pursuing a Michigan Business Tax credit with either capping or removing the contamination.
 - More details will be provided at the meeting.
5. 2810 Baker Road, Village of Dexter (update)
- Brownfield Plan was approved by the BOC in July 2007. The developer intended to build the Dexter Wellness Center and apply for a Single Business Tax (SBT) credit (now Michigan Business Tax) to cover redevelopment expenses. The project was invited to complete the SBT application in May 2007. Part II of the SBT was never submitted, thus the credit never received.
 - Due to financing complications the developer has not started activities. Staff met with the developer and spoke to the Michigan Economic Development Corporation (MEDC) about the project to evaluate all options. The MEDC will most likely not support the original credit of \$600,000, therefore a combination of TIF and a lower MBT credit request might be pursued.
 - More details will be provided at the meeting.
6. 601 South Forest, City of Ann Arbor (update)
- Met with the City of Ann Arbor Brownfield Committee on August 11th, 2008 to review the project application.
 - The City of Ann Arbor evaluated the project and will support tax increment financing for only environmental remediation activities.

5. Grants

Revolving Loan Fund Grant (RLF) (update)

- The EPA will not extend the RLF grant, please refer to Potential Brownfield Projects #2 and #4 for further details. The Grant has been closed.

- We have used approximately \$58,461 for personnel and we must provide a 20% match. The match has been provided as labor.

Petroleum Assessment Grant (PAG) (update)

- The grant expires on September 30, 2008. We have approximately \$3,900 remaining to spend and we are verifying that there are no outstanding invoices. We have used more funds for assessments than personnel and outreach, as originally budgeted. The budget change will be reflected in the last quarterly report and the remaining funds will be used for personnel.
- A summary report and map of all activity completed with the PAG will be provided at the next meeting.

Active Previous Nominations:

1196 Ecorse Road, Ypsilanti Township (update)

- The Phase I is complete and recognized environmental concerns have been identified. A Phase II Environmental Site Assessment has been conducted.
- The Phase II did reveal that contamination was present at the site. The contamination was believed to be migrating onto the site from a nearby gas station and was not related to previous operational activities at the site. The MDEQ district office has been informed of the findings.
- A BEA has been completed and Friends in Deed purchased the property in mid-August.

7890 Ann Arbor Street, Dexter Village (update)

- A Phase I, Phase II and Supplemental Phase II have been completed. I am awaiting the results of the subsurface investigations.
- A BEA has been completed, but not filed.

Next EPA Funding Cycle (update)

- New guidelines have been adopted for this cycle. The applications are due November 14th, 2008.
- Proposal:
 - Washtenaw County: Community-wide Petro Assessment Grant \$200,000 and Community-wide Hazardous Assessment Grant \$200,000
 - City of Ypsilanti: Maximum of 3 properties with a \$200,000 limit for each property
- Particular focus on economic need, past experience, identification of properties that will use assessment grants, WCBRA goals and new initiatives and successes of program.
- Need to discuss cost share policy. Current PAG grant had difficulty spending funds in the two year timeframe and required 2 extensions. This was due in large part to 50/50 cost share policy.

6. Other Sites

1. Maple Shoppes (Dexter/Maple Rd.), City of Ann Arbor (ACTION)
 - 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 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 City of Ann Arbor Brownfield Committee met on August 11, 2008 and decided to proceed forward with the brownfield plan. I have not received an approval letter yet.

- The developer has been denied an MBT credit. The developer intended to use the MBT to off-set the interest costs, therefore interest reimbursement may be requested.
- Need to select a subcommittee to review the plan (this is two of three plans that need to be reviewed)

2. 300 West Forest Avenue, City of Ypsilanti (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.
- Proposed project will invest approximately \$4.5 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 \$89,657, attributable to school operating and local taxes. Total capture period is a maximum of 2 years, but most likely 1.5 years.
- Also 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.
- Met with City of Ypsilanti on September 3, 2008 and they approve moving forward with the brownfield plan.
- Need to select a subcommittee to review the plan (this is three of three plans that need to be reviewed)

7. **WCBRA Policy Review Subcommittee** (update)

- The Policy Review Subcommittee is meeting approximately every two weeks.
- An outline of activities will be provided at the meeting which describes in detail the approach.