

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

MEETING MINUTES
DECEMBER 13, 2007

Present:

Board Members: Karen Hart, Suzie Heiney, Mark Heusel, Rhonda McGill, Richard Plewa and Guy Williams

Staff: Patricia Denig, Mary Kowalski and Jeremy McCallion of Planning and Environment, Xiaohong Wu and Catherine McClary of the Treasurer's Office

Consultants: Mark Van Doren of AKT Peerless

Public/Guests: Tom Foley

Absent: David Hamilton, Jeff Irwin, Larry Stoever

Handouts:

Agenda, Agenda Summary, November 8, 2007 Meeting Minutes, Senate Bill 534, 539 and House Bills 4711-4712, Chelsea Standard Article "Federal Screws Works: Industrial Landmark" and Due Care Opinion from Washtenaw County Corporation Council.

1. Call to Order & Public Comment

R. McGill called the meeting to order at 9:11 a.m.

K. Hart motioned for and G. Williams seconded approval of the minutes from the November 8, 2007 meeting, with the change of the word "property" to "building" in the second line of the "Thompson Block" portion, changing "They would also pay no local taxes" to "The current annual amount of local taxes has been frozen for twelve years" in the same paragraph, and spelling out the acronyms "OPRA" and "RCRA." The motion carried.

2. Announcements

Catherine McClary introduced herself as the County treasurer, and stated that she was in attendance in order to educate the Board on the policy surrounding tax foreclosures of potentially contaminated properties.

R. McGill presented G. Williams and R. Plewa with plaques of appreciation for their service as members of the WCBRA Board, noting that both were original members. P. Denig also thanked them for their service, and G. Williams and R. Plewa expressed their gratitude for and pride for being members of the board.

J. McCallion discussed a few new Senate and House Bills that extend brownfield legislation to include capture of school operating taxes. The new legislation would include demolition and lead and asbestos abatement in non-core communities

3. Potential Brownfield Projects

2810 Baker Road, Village of Dexter

J. McCallion stated that the final site plan has been approved by the Village of Dexter, and permits are set to be reviewed. They are still working on the Michigan Economic Growth Authority (MEGA)/Single Business Tax (SBT) application.

The Village Market Place & Lofts, Saline Project 2

J. McCallion stated that he is still waiting on confirmation from the developer, but it appears that private financing has been secured and they do not need additional funding. The demolition permit was approved and they are still waiting for Michigan Department of Transportation (MDOT) and Soil Erosion permits.

200 South Ashley Street, City of Ann Arbor
No change

William Street Station (Former Ann Arbor YMCA)
J. McCallion stated that the site will now temporarily be made into a parking lot, and the building will be demolished using Downtown Development Authority (DDA) funds.

Water Street Redevelopment Project
No change

Banks of Saline (232 Monroe Street)
J. McCallion stated that a meeting was scheduled with the Environmental Protection Agency (EPA), but after discussion between the developer, County staff and the Department of Environmental Quality (DEQ), it was decided that the meeting should be cancelled. There was no possibility of qualification for Revolving Loan Funds (RLF) because the Resource Conservation and Recovery Act (RCRA) agreement was not finished; the Corrective Measures Proposal submitted by Johnson Controls was not sufficient.

The developer has applied for a Clean Michigan Initiative (CMI) grant. The application was for a 50/50 grant/loan split, but that ratio may change because grant funds are low right now. We hope to get a recommendation by the end of the week; if we receive it, we will need to create a full faith and credit resolution and get it to the Board of Commissioners (BOC) by the January 23 meeting.

Corners at Dixboro Project
No change

Broadway Village at LowerTown Project
The project is set to break ground. Washtenaw County received a six-month extension of the Clean Michigan Initiative contract, private financing has been secured and all of the old buildings have been demolished. There will be a groundbreaking ceremony on January 10, which Governor Granholm will be attending. Board members should let J. McCallion know if they are interested in attending. The project was approved in 2003 with the requirement that tax increment revenues be collected in five years, so they are trying to determine if they will be able to hold the tax capture for a few more years. They would like to capture as much TIF as possible. It would need to be captured in the July 2008 taxes. They are not applying for the RLF that is available.

Toyota Redevelopment Project
No change

Thompson Block, City of Ypsilanti
The State Treasurer has approved the exclusion from the Obsolete Properties Tax calculation of 50% of the mills levied for local school operation and the State Education Tax for 6 years. The developer is interested in capturing the remaining school taxes for six years and the full amount for the remaining 6 years of the 12 year tax abatement. The State is currently reviewing the TIF tables to determine if this capture can be used for this project.

4. Grants

EPA Revolving Loan Fund (RLF) Grant
An application was expected for the Broadway Village project, but that will not be happening. There is around \$1.2 million available, and it needs to be spent before July of 2008.

EPA Petroleum Assessment Grant (PAG)
Catherine McClary discussed the County's tax foreclosure procedure, which had been inaccurately represented in minutes from the last three month's meetings. She stated that

one site in the City of Chelsea contained two parcels with 4 parcel ID numbers and one site in Lima Township contained two contiguous parcels. The County never owned either of these properties; C. McClary has the only authority in Washtenaw County for foreclosure and forfeiture of properties for nonpayment of taxes. There is a period of "pass-through ownership," but this exists only to put the property up for auction to the public. After due process and due notice, the circuit court issues a foreclosure order. This will extinguish all liens, clear the title and transfer ownership to the County Treasurer for the sole purpose of auctioning the property to the highest bidder. The County Treasurer, as a foreclosing government unit, got involved when foreclosure was demanded by the judge. The Department of Planning and Environment worked with the County Treasurer to provide brownfield funds in order to complete a Phase II. The State statute indicates that the County treasurer has no due care or liability for the property.

The legal opinion received by J. McCallion was prepared by the County's Corporation Counsel and not the County Treasurer's attorney, but C. McClary's attorney agrees with that opinion.

C. McClary also noted that she takes actions that go beyond the statute, paying attention to environmental issues even though there is no obligation for her to do so. By completing a Phase I, and possibly a Phase II, on a foreclosed-upon property, the County Treasurer is developing a record for the new owner or potential bidders. The County treasurer has a contract with AKT Peerless to do these site assessments, after which they recommend whether or not to go after brownfield funds.

J. McCallion discussed a site that Northfield Township hopes to turn into a community center. It is an old fire station, and they would like to do a Phase I – but the site does not qualify for funding.

J. McCallion discussed a site at 7890 Ann Arbor St. in Dexter Village. It has been approved. Developers would like to turn it into a mixed use development, including two other parcels that are not eligible. They are conducting a Phase I at this time.

J. McCallion discussed a third site, which is located in Ypsilanti and would be the new location of Growing Hope, a non-profit gardening organization. They would like to keep the two existing buildings but utilize funds in order to assist with remediation activities. The site plan shows that a parking lot would be located over the contamination, and therefore they may not be required to remove the contamination, but further subsurface investigation would assist with making this determination. They closed on the property on December 7.

There is also a site at Dexter and Maple Roads, and the developers are also interested in performing a Phase II on an adjacent parcel.

5. Other Sites

J. McCallion stated that an application was received for the Federal Screw Works site in downtown Chelsea. It is in a residential neighborhood, but is currently zoned as "industrial." There is interest in demolishing the building and redeveloping it as a mixed-use commercial development, but the property would need to be rezoned. The matter will be discussed at the December 18 Planning Commission meeting and J. McCallion will attend. The City is currently reviewing a draft Master Plan and considering approval. There is also some interest in preserving some historical features of the building. The Preservation Planner for the County has also been consulted, but has not yet found a listing for this property as a historic site.

6. Administration

The Washtenaw County BRA had previously decided to be part of the Downriver Consortium set of booths. The booths will be across from Wayne County's islands of booths. The

Downriver Consortium has created a pamphlet in which each community can describe three sites and the cost is \$500. The Board agreed that it would like to participate in the booklet.

J. McCallion also announced that he will be taking the LEED accreditation exam on January 16.

7. Next Steps

- None were listed.

8. Public Comment

None

Adjourn

M. Heusel made a motion to adjourn the meeting at 10:50 a.m.

I certify that the minutes are accurate and approved by the Washtenaw County Brownfield Redevelopment Authority Board on February 14, 2008.

S. Heiney, Treasurer

Date