



Washtenaw County  
Department of Planning & Environment  
Brownfield Redevelopment Program

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**MEMORANDUM**

**TO:** WCBRA Subcommittee and City of Ann Arbor Brownfield Review Committee

**SUBJECT:** Maple Shoppes Draft Brownfield Plan Summary

**FROM:** Jeremy McCallion

**DATE:** September 24, 2008

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**Project Summary:**

The project consists of the comprehensive redevelopment of the property located at the northeast corner of North Maple Road and Dexter Avenue in the City of Ann Arbor, Washtenaw County, Michigan. Chelsea Land Company Maple, LLC and Schultz Holdings, LLC are the current owners of the subject property. Historical operations on the property have included: automotive repair and fueling, storage of automobiles and construction vehicles, warehousing, retail and commercial businesses.

The Development Team comprised of Aldi Foods, Inc (Michigan) and Chelsea Land Company Maple, LLC, will remove and dispose of contaminated soil, demolish the existing buildings and construct an Aldi Food Center on the east end of the property and additional retail shops along Maple Road. The available retail space for new business is projected to provide ~25-30 new full-time service jobs and/or full-time management and administrative positions. This Brownfield Plan has been created to facilitate the rehabilitation and redevelopment of the property, to allow for the repayment of eligible activities through utilization of Tax Increment Financing. The developer intended to also seek a Michigan Business Tax credit, but that application has been denied by the Michigan Economic Development Corporation (MEDC), staff for the Michigan Economic Growth Authority (MEGA).

**Eligible Activity Summary:**

- 1) The developer is requesting to be reimbursed for the following activities:
  - a. Environmental Activities = \$457,189**
    - i. Environmental Assessment and Baseline Environmental Assessment (environmental assessment activities not paid by Washtenaw County's EPA Assessment Grant)
    - ii. Due Care
    - iii. Additional Response Activities (removal and disposal of all contaminated soil);
    - iv. 3% interest on unreimbursed activities
    - v. 15% contingency (for unseen problems that may occur during remediation and reimbursed only if the cost is incurred)
  - b. Non-Environmental Activities = \$594,194**
    - i. Asbestos Abatement

- ii. Demolition
  - iii. Site Preparation
  - iv. Public Infrastructure Improvements (sidewalks and streetscape)
- 2) Additional Eligible Activities for WCBRA
- a. **Authority Administrative Fees and Local Site Remediation Revolving Fund Deposit = \$157,703**
- 3) Total Cost of Eligible Activities
- a. **Total Funded through TIF with Local and State School Taxes = \$1,209,027**
- 4) Payback Period
- a. TIF capture estimated to begin in 2010, with eligible activities being completed in 2020 and local site remediation revolving fund deposit completed in 2021.

### **Key Issues**

- 1) Completion of WCBRA Brownfield Plan Review Checklist (includes review of eligible activities and public benefit)
- 2) Discussion about TIF capture percentage
  - a. Plan proposes capture of all available TIF for the reimbursement period. Do we want to consider a different % of capture to return revenues to the community during the capture period?
- 3) Discussion about Interest
  - a. Developer was denied an Michigan Business Tax credit, which was intended to assist with interest payments
  - b. Interest calculated at 3% on unreimbursed environmental activities
  - c. Estimated cost of \$41,462 to be paid by year 2014
- 4) Discussion about Public Infrastructure Improvements
  - a. Recognizing the MBT will not be approved, MEDC indicated they would support sidewalks and streetscape through TIF
- 5) Discussion about Duration of Plan
  - a. City of Ann Arbor Brownfield Review Committee during their review of the project application expressed an interest to include language in the plan that would give some assurances the project will be completed.
- 6) Timeline and next steps