

AMENDMENT TO BROWNFIELD PLAN
PACKARD SQUARE REDEVELOPMENT PROJECT

TO ADD UNDERGROUND PARKING
AND URBAN STORM WATER MANAGEMENT EXPENSES
AS ELIGIBLE ACTIVITIES

May 22, 2013

Introduction

This is an amendment of the Washtenaw County Brownfield Plan for the Packard Square Redevelopment Project that was approved by the Washtenaw County Board of Commissioners and the Ann Arbor City Council in May, 2011 (the “Brownfield Plan”). This Brownfield Plan Amendment (“Amendment”) adds two “eligible activities” that are now eligible for reimbursement under Act 381 of 1996, as amended (“Act 381”). The two categories of infrastructure expenses that are being added pursuant to this Amendment are underground parking and an urban stormwater management system. Recent changes to Act 381 have added certain expenses to the “infrastructure” category under Act 381, including both underground parking and urban stormwater management systems. This Amendment does not propose to increase the approved maximum amount of eligible activities reimbursable to the developer (Packard Square LLC) under the Brownfield Plan, which is \$3,582,222, including the 15% contingency, plus interest. Because there is no change in the maximum amount of eligible activities reimbursable to the Developer, the only change in the TIF schedule that was included with the Brownfield Plan will be that the TIF capture will begin in 2014 and subsequent capture years will follow thereafter.

Addition of Certain Infrastructure Expenses

- A. Underground Parking. Packard Square LLC estimates that its expenses for underground parking, which is now an eligible activity under Act 381, will be \$2,400,000. Pursuant to this Amendment, these expenses would be added to the category of infrastructure expenses under the Brownfield Plan.

- B. Urban Stormwater Management System. Packard Square estimates that its expenses for the urban stormwater management system, which is now an eligible activity under Act 381, will be \$475,000. The cost for a standard stormwater system (detention basin) is approximately \$150,000. Therefore, pursuant to this Amendment, the cost differential of \$325,000 would be added to the list of infrastructure expenses under the Brownfield Plan.

Table of Reimbursable Eligible Activities

Included below is a revised table of reimbursable eligible activities based upon this Amendment.

ESTIMATED COST OF REIMBURSABLE ELIGIBLE ACTIVITIES*		
Description of Eligible Activities		Estimated Cost
1.	BEA Activities	\$ 24,180
2.	Due Care/Due Care Activities	\$ 3,000
3.	Preparation of a Brownfield Plan	\$ 10,000
4.	Preparation of Work Plans	\$ 16,000
5.	Demolition (Building and Site)**	\$ 122,471
6.	MEGA Infrastructure Improvements	\$ 4,013,881
7.	Local-Only Public Infrastructure Improvements	\$ 650,000
8.	Lead and Asbestos Abatement	\$ 60,000
9.	Site Preparation	\$ 645,000
Subtotal		\$ 5,544,532
Capped at Original Brownfield Plan Total		\$ 3,121,521
10.	15% Contingency***	\$ 460,701
11.	MEGA Fee	\$ 1,000
12.	MDEQ Fee	\$ 1,500
13.	BRA Administrative Fees	\$ 358,222
14.	Interest	\$ 717,236
15.	LSRRF Deposits	\$ 1,180,377
TOTAL		\$ 5,840,557

*The costs of Additional Response Activities and Demolition are anticipated to be higher; however, the Developer plans to pay for portions of these eligible activities with MDEQ grant funds.

**Portions of the building demolition in this project are Part 201 Response Activities (i.e., it is a necessary step in the remediation activities). The costs will be covered by 381 TIF, MDEQ Grant Funds and by a liable party.

***The contingency is applied to the capped Subtotal, except the BEA Activities, which have already been performed.

Although the subtotal of eligible activities exceeds the amount that is included in the Brownfield Plan, the developer is not proposing any increase in the overall total for the reimbursable TIF eligible activities. Hence, the maximum amount of reimbursable TIF eligible activities will be \$3,582,222 (which includes the 15% contingency) plus interest.

Reimbursement of Eligible Activities with Local-Only TIF

With respect to the reimbursement of eligible activities with local-only TIF, the Brownfield Plan is amended as follows. In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MDEQ or MEGA, these activities (except those specific activities listed as “local-only” in the table above, which will be fully reimbursed with local-only TIF) will be reimbursed with local-only TIF, only up to the amount that would have been reimbursed if the use of school tax had been approved by the MDEQ or MEGA. The sub-slab vapor barriers with passive system will be supported locally, however, only if they are approved by the MDEQ.

Revised Table 1

Because of the addition of these two categories of infrastructure eligible activity expenses, and the shifting of other expenses (see next paragraph for explanation), the figures in Table 1 of Attachment C of the Brownfield Plan have been revised. The revised Table 1 is attached hereto.

The original number of required sewer disconnects (57) was increased to sixty-two (62) as a result of an increase in the number of residential units, which increased the cost for this infrastructure activity. The remaining infrastructure, site preparation and abatement cost changes were the result of bids based on the final project design documents for contractors to work from. The earlier costs were estimates developed prior to the detailed documents being available for review.

Incorporation of Provisions of Brownfield Plan

All other terms of the Brownfield Plan remain unchanged and are incorporated herein by reference.