

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

To: City of Ann Arbor Brownfield Review Committee

From: Derek Delacourt, Community Services Manager

Subject: Draft City of Ann Arbor Brownfield Policy

Date: January 28, 2019

BACKGROUND

Washtenaw County established a Brownfield Redevelopment Authority (WCBRA) in 1999, under Act 381, and extended invitation to represent local units of government. Currently, 23 local units of government have since joined the WCBRA, including the City of Ann Arbor in 2002. The brownfield program is a good example of regional cooperation, and allows one authority, including administration of tax increment capture and the associated fiduciary responsibilities, to centralize resources and processes in the development and approval of Brownfield Tax Increment Financing Plans within a wide area. In addition, by pooling resources and expertise, grant and loan incentive programs have been able to be created to assist with the redevelopment of challenging brownfield sites within any member communities.

The City has partnered with the WCBRA in 8 completed brownfield projects, 3 currently under construction, and 2 of which will be completed this year. The County has secured two, \$1 million MDEQ Clean Michigan Initiative grants since 2011, to support the redevelopment of key brownfield sites in the City.

The WCBRA defers to member communities to provide direction regarding policy priorities for use of Brownfield TIF.

Historically, the City has strongly supported use of Tax Increment Financing for Environmental Eligible Activities, recognizing the threat to human health and the environment. However, the use of TIF for Non-Environmental Activities has increasingly been scrutinized, as there have not been set priorities for use. With the economy improving and the Ann Arbor market growing in strength, a clearly articulated policy for use of Brownfield TIF would provide clarity for developers and consistency for staff to implement the Council's goals for public benefit in regard to use of Brownfield TIF. Previous examples have been community infrastructure and affordable housing.

The attached draft policy has been developed by City and County staff, with input from Finance, City Attorney's office, and the Ann Arbor Housing Commission. It provides for specific guidance to the City and developers for approving Brownfield Plans, Environmental vs. Non-Environmental activities, when public infrastructure might be financed, and a specific emphasis on using Brownfield Plans to advance identified community goals.