

## City of Ann Arbor

## Legislation Details (With Text)

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Туре:	Resolu	ution			Status:	Passed	
File created:	5/2/20	11			In control:	City Council	
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Enactment date:	5/2/20	11			Enactment #:	R-11-168	
Title:	Resolution to Approve Packard Square Redevelopment Project Brownfield Plan, 2502-2568 Packard, Ann Arbor, MI (BRC Recommendation: Approval - 3 Yeas and 0 Nays)						
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Sponsors:				Kunse	elman, Sandi Sm	<b>,</b>	
Sponsors: Indexes:				Kunse	elman, Sandi Sm	<b>,</b>	
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Indexes:	Marcia		Stephen	Kunse	elman, Sandi Sm	<b>,</b>	
Indexes: Code sections:	Marcia 1. Bro	a Higgins,	Stephen	Kunse	elman, Sandi Smi Acti	th	Result

Resolution to Approve Packard Square Redevelopment Project Brownfield Plan, 2502-2568 Packard, Ann Arbor, MI (BRC Recommendation: Approval - 3 Yeas and 0 Nays)

Attached is a resolution to approve the Packard Square Redevelopment Project Brownfield Plan. Approval of this resolution will allow the Brownfield Plan to advance to the Washtenaw County Brownfield Redevelopment Authority (WCBRA) to authorize Tax Increment Financing (TIF) to reimburse the Developer for the eligible activities identified within the Plan.

The Brownfield Plan Review Committee, at its meeting of April 25, 2011 recommended approval of this request.

Petition Summary:

• The overall investment for this project is approximately \$48.2 million. The Brownfield Plan's eligible activities total \$2.82 million, plus interest at 5%. Some of the eligible activities include site preparation, demolition, infrastructure improvements including Footing Drain Disconnects and Sanitary Sewer upgrades, and remediation of an abandoned dry cleaning site.

• The property qualifies for Brownfield financial incentives because the site is a facility pursuant to the Brownfield Redevelopment Act.

• The owners also intend to apply for a Michigan business tax credit.

• The related Packard Square Redevelopment Site Plan is also being considered by City Council on May 2, 2011.

The Brownfield Plan Review Committee reviewed several approached to remediation at the site and is recommending a Brownfield Plan where the developer removes all contaminated soils to the 10<sup>-5</sup> level and installs a vapor barrier and passive ventilation system. The Brownfield Review Committee, after hearing from city staff, MDEQ staff, and environmental consultants, decided that alternate scenarios to remove additional soils to the 10<sup>-6</sup> level provided minimal protective benefits to the site occupants and neighbors for the additional \$3.4 million in Brownfield Tax Capture, interest, and other costs. The committee also believes that the additional upfront investment provides a significant barrier to the developer obtaining financing to make the project viable.

Attachments: Tax Increment Finance Analysis - April 15, 2011
Prepared by: Matthew Naud, Environmental Coordinator
Reviewed by: Wendy L. Rampson, Planning Manager, Matthew Horning, Sumedh Bahl, Community
Services Administrator
Whereas, Packard Square LLC has requested approval of the Packard Square Redevelopment
Project Brownfield Plan in order to pursue tax increment financing through WCBRA;

Whereas, The Washtenaw County Board of Commissioners established the Washtenaw County Brownfield Redevelopment Authority (the "WCBRA") and adopted the Brownfield Redevelopment Plan for Washtenaw County (the "Plan"), which facilitates the implementation of plans relating to the identification and treatment of environmentally-distressed and other areas within the County of Washtenaw, pursuant to and in accordance with the provisions of the Brownfield Redevelopment Authority Act, being Act 381 of the Public Acts of the State of Michigan of 1996, as amended (the "Act");

Whereas, The Act requires the explicit consent of each local governmental unit to be included in the Authority Zone, and that the County resolution included a provision that the Proposed Brownfield Redevelopment Zone will include all local governmental units within the County that pass a resolution approving the inclusion of the Brownfield Redevelopment Zone;

Whereas, The Ann Arbor City Council passed Resolution R-24-1-02 to include the City of Ann Arbor in the Washtenaw County Brownfield Redevelopment Authority; and developed the Brownfield Implementation Plan to describe the Brownfield process in the City;

Whereas, The Brownfield Implementation Plan allows for public participation and comment and allows the City of Ann Arbor to use a more restrictive clean up standard for each project based on the Current Part 201 Residential clean up standard of the Natural Resources and Environmental Protection Act ("NREPA") and a 10<sup>-6</sup> risk level for carcinogens;

Whereas, The Packard Square LLC. property was identified as a potentially eligible property as defined by the Brownfield Redevelopment Act for Brownfield Financial Incentives on the basis that the property is a facility with levels of tetrachloroethylene in soil samples above Michigan Department of Environmental Quality Generic Residential Cleanup Criteria;

Whereas, The Developer conducted a public presentation of the Plan on January 10, 2011, which described site conditions and the proposed site plan for the development, and their intent to pursue Tax Increment Financing as well as Michigan Business Tax Brownfield Redevelopment Credits for this project;

Whereas, The Developer has paid the Application Fee for City review of the application;

Whereas, On April 25, 2011 the Brownfield Plan Review Committee ("Committee") met to review the proposed Brownfield Plan and its associated agreements;

Whereas, The Brownfield Plan Review Committee reviewed several remediation strategies proposed for the site and after careful consideration is recommending a Brownfield Plan where the developer will remove contaminated soils to the 10<sup>-5</sup> level and install a vapor barrier and passive ventilation system; and

Whereas, The Brownfield Plan Review Committee met on April 25, 2011, being fully apprised of the physical condition of the property, intended cleanup, and redevelopment and tax capture recommended approval of the petition to City Council and WCBRA;

RESOLVED, That City Council approve the Packard Square Redevelopment Project Brownfield Plan, dated April 25, 2011;

RESOLVED, That the City Clerk be directed to submit a copy of this Resolution to the Washtenaw County Board of Commissioners as documentation of the City's consideration and approval of the Brownfield Plan; and

RESOLVED, That any changes to the Brownfield Plan after the date of this Resolution will require review by the Brownfield Plan Review Committee and approval by City Council.

Submitted: Brownfield Plan Review Committee: Marcia Higgins, Stephen Kunselman and Sandi Smith