



## Legislation Details (With Text)

**File #:** 08-0971      **Version:** 1      **Name:** 10-20-08 Maple Shoppes Project Brownfield Plan  
**Type:** Resolution      **Status:** Passed  
**File created:** 10/20/2008      **In control:** City Council  
**On agenda:** 10/20/2008      **Final action:** 10/20/2008  
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**Title:** Resolution to Approve the Maple Shoppes Redevelopment Project Brownfield Plan

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Maple Shoppes Brownfield Plan.pdf

Date	Ver.	Action By	Action	Result
10/20/2008	1	City Council	Approved	Pass
10/20/2008	1	City Council	Held and Closed	

### Resolution to Approve the Maple Shoppes Redevelopment Project Brownfield Plan

Attached for your approval is the Brownfield Plan for the Maple Shoppes Redevelopment Project on the corner of Maple and Dexter Roads (site map included in attached Brownfield Plan document). City Council approval of the Maple Shoppes Redevelopment Project Brownfield Plan will allow the approval process to continue through the Washtenaw County Brownfield Redevelopment Authority (WCBRA) and Washtenaw County Board of Commissioners (BOC). The Developer will then seek state approval from the Michigan Economic Development Corporation (MEDC) and the Michigan Economic Growth Authority (MEGA) of the Brownfield Plan.

If approved by City Council on October 20, 2008, the anticipated timetable for review and action by the other government agencies is as follows:

WCBRA Subcommittee Meeting - 9/29  
City Council - 10/20  
WCBRA Approval - 11/13  
County BOC Hearing - 11/19  
County BOC Final Plan Approval - 12/3  
MEGA Meeting - 12/16

### Background

In January 2002, the Ann Arbor City Council voted to join the Washtenaw County Brownfield Redevelopment Authority (R-35-1-02) and adopted a City of Ann Arbor Brownfield Implementation Plan that defines the process and public engagement for projects seeking tax increment financing (TIF) and other economic support for eligible brownfield sites.

The City's Brownfield Implementation Plan goal was to build a partnership between the citizens of Ann Arbor, the County and applicant/developers to ensure cleanup of contaminated sites; that tax increment financing is used to encourage development that provides significant environmental benefits to the City that would not likely occur without TIF; TIF is used for projects where there is a net increase in taxable value; and all opportunities to reduce City costs are exhausted to maximize the City's investment.

The Maple Shoppes Redevelopment Project site has been identified as a contaminated property and is eligible for brownfield funding under the Michigan Brownfield Redevelopment Financing Act (P.A. 381 of 1996, as amended (Act 381)).

A public information meeting on the Maple Shoppes Redevelopment Project Brownfield Plan was held on June 2, 2008, as required by the City's Brownfield Implementation Plan.

#### Eligible Activities and Description of Costs

Brownfield Cleanup - Soil removal and disposal at the site will remove a significant source of petroleum contamination including five underground storage tanks, soil contamination and a septic field.

Financing - The City is not financing the Brownfield cleanup. The developer will pay for costs of eligible activities and be reimbursed by the WCBRA using captured taxes.

All of the Brownfield TIF capture - from both state and local taxes - will come from parcels that are not in the DDA. The current taxes on the properties will continue to be captured by state and local taxing entities. Although school taxes are being captured from the parcels, our local school district will continue to receive the state allocation per student.

The new taxes from the improved parcels will be captured by the WCBRA and used to reimburse the developer for eligible expenses. MEGA will review the proposed use of TIF capture and the proposed apportionment of these costs between local and state TIF. Because this is a "plan," best conservative estimates are made on the expected taxes available for capture and anticipated costs of eligible expenses. The developer is only reimbursed for actual costs presented to and substantiated by the WCBRA.

Because the City of Ann Arbor is a "Core Community," expenses beyond the environmental contamination are eligible for reimbursement. Under this Brownfield Plan, the developer has requested funding for demolition, public infrastructure and site preparation in connection with Ann Arbor's "Core Community" status.

Estimated State Capture	\$573,088
<u>Estimated Local Capture</u>	<u>\$753,692</u>
Total	\$1,326,780

<i>City Portion of the Local Capture</i>	<i>\$441,911 (@33% of total capture)</i>
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MDEQ Eligible Activities*	
Soil Remediation	\$415,848

MEGA Eligible Activities	
Demolition, Infrastructure, Site Preparation	\$594,194
WCBRA Administrative Fees	\$52,571
<u>WCBRA Revolving Loan Fund</u>	<u>\$105,132</u>
Total	\$1,209,027

\* A full list of activities and estimated costs are included in the Brownfield Plan

The TIF is proposed to pay for eligible improvements and environmental response activities on the property consistent with the City environmental goal of significant source removal and Act 381.

The developer is also seeking LEED “Silver” certification for the Aldi store to create an efficient structure that significantly reduces energy use and demonstrates green building practices in the community.

The developer has applied for MBT (Michigan Business Tax credit), which is approved outside the City authority and at no cost to the City.

In summary, this project supports several City goals including reuse of a contaminated site, stormwater quality improvements and environmentally sustainable building construction.

The Brownfield Review Committee established by City Council has reviewed the proposed project and Brownfield Plan and the committee and the administration recommend approval of the Brownfield Plan.

Prepared By: Matthew Naud, Environmental Coordinator

Reviewed By: Jayne Miller, Community Services Area Administrator

Approved By: Roger W. Fraser, City Administrator

WHEREAS, The Washtenaw County Board of Commissioners established the Washtenaw County Brownfield Redevelopment Authority (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 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 City of Ann Arbor Environmental Commission passed a resolution supporting the City’s inclusion in the Washtenaw County Brownfield Redevelopment Authority Zone;

WHEREAS, The Ann Arbor City Council passed Resolution R-35-1-02 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 Maple Shoppes Redevelopment Project properties have been identified as eligible for Brownfield Financial Incentives after a finding that the parcel(s) contain petroleum contamination above state cleanup standards;

WHEREAS, The Ann Arbor City Council created the Brownfield Plan Review Committee (Committee) to accept and review applications as well as to negotiate with Washtenaw County and the applicant a Brownfield Project Plan; and

WHEREAS, The Committee reviewed the Application for the Maple Shoppes Redevelopment Project properties, recommended that the Administrator work with WCBRA to develop a Brownfield Plan, reviewed the Brownfield Plan, and recommended that City Council take action on the Brownfield Plan;

RESOLVED, That City Council approves the Maple Shoppes Redevelopment Project Brownfield Plan developed by the Washtenaw County Brownfield Redevelopment Authority;

RESOLVED, That City Council supports subsequent review and approvals by the Washtenaw County Board of Commissioners, Michigan Department of Environmental Quality and Michigan Economic Growth Authority;

RESOLVED, That the City Clerk is 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 committee and approval by City Council.