



## Legislation Text

**File #:** 13-0685, **Version:** 1

Resolution to Approve 544 Detroit Combined Brownfield Plan, 544 Detroit Street, Ann Arbor, MI 48104 (BRC Recommendation: Approval - 3 Yeas and 0 Nays)

Attached is a resolution to approve the 544 Detroit Combined Brownfield Plan. Approval of this resolution will allow the 544 Detroit Combined 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.

### Petition Summary:

- The overall investment for this project is approximately \$1.5 million. The Brownfield Plan's eligible activities total \$698,773. Some of the eligible activities are due care activities which include soil remediation (\$174,620), infrastructure improvements (\$70,350), and vapor mitigation (\$32,000).
- The property qualifies for brownfield financial incentives because it is considered an "eligible property" as defined by Act 381, Section 2. Further, the property is considered a "facility", as defined in Part 201 of the NREPA, Michigan Public Act 451, 1994 because of the presence of petroleum hydrocarbons in the site's soil and groundwater.
- The related 544 Detroit Site Plan is also being considered by City Council on June 17, 2013.

The "Combined Brownfield Plan" format, allowed under the Act, as recently amended, includes in addition to all the required information for a Brownfield Plan the information necessary to submit the Plan to MDEQ or the Michigan Strategic Fund in lieu of seeking approval separately of an associated work plan for the brownfield project.

The Brownfield Redevelopment Committee, at its meeting of May 28, 2013, recommended approval of this request.

Submitted by: Brownfield Review Committee: Councilpersons Higgins, Petersen, and Kunselman

Prepared By: Jill Thacher, City Planner

Reviewed By: Wendy L. Rampson, Planning Manager

Sumedh Bahl, Community Services Area Administrator

Whereas, 544 Detroit Street LLC has requested approval of the 544 Detroit Combined Brownfield Plan in order to pursue tax increment financing through Washtenaw County Brownfield Redevelopment Authority;

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  $10^{-6}$  risk level for carcinogens;

Whereas, The 544 Detroit Street property was identified as potentially eligible for Brownfield financial incentives after a finding that a portion of the property's soil and groundwater are contaminated;

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

Whereas, On May 28, 2013, the Brownfield Review Committee ("Committee") met to review the proposed Combined Brownfield Plan, and being fully apprised of the physical condition of the property, intended cleanup, and redevelopment and tax capture, recommended approval of the proposed amendments to City Council and WCBRA;

Whereas, The Plan would enable the Developer to seek tax increment capture on a portion of the project;

Whereas, The reimbursement by the WCBRA is for actual eligible expenses only;

Whereas, The burden is on the developer to build the project and pay taxes in order for tax capture and reimbursement to occur;

Whereas, The City is not liable for any costs associated with this project if the project is not built or if it fails to achieve the estimated taxable value;

Whereas, Local tax increment revenues to be captured for the payment of interest shall not exceed the current proportional share of the total interest figure included in the Plan. Based on the current capturable millage split, the local-only interest portion is projected to be \$54,490;

Whereas, It is understood that neither the initiation of the review process by the WCBRA for development of the Brownfield Plan nor the recommendation of the Brownfield Plan to WCBRA by the City is a guarantee that it will be approved by the Washtenaw County Board of Commissioners, the MDEQ or that financial incentives will be obtained; and

Whereas The City Council held a public hearing on June 17, 2013 to receive public comment on the 544 Detroit Combined Brownfield Plan;

RESOLVED, That City Council approve the 544 Detroit Combined Brownfield Plan submitted by 544 Detroit Street LLC and prepared by AKT Peerless, dated May 21, 2013;

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 Committee and approval by City Council.