



OFFICE OF COMMUNITY & ECONOMIC DEVELOPMENT

Washtenaw County Brownfield Redevelopment Authority

October 18, 2024

NOTICE TO ALL TAXING JURISDICTIONS - THE WASHTENAW COUNTY BOARD OF COMMISSIONERS PROPOSES TO APPROVE A BROWNFIELD PLAN FOR 300-312 E. Huron, ANN ARBOR, MI 48104

The Washtenaw County Board of Commissioners has established a Brownfield Redevelopment Authority (the "Authority") in accordance with the Brownfield Redevelopment Act., Act 381 Public Acts of the State of Michigan of 1996, as amended (the "Act").

The Act was enacted to provide means for local units of government to facilitate the revitalization of contaminated, functionally obsolete and/or blighted sites. The Authority Board has prepared, and recommended approval of a Brownfield Plan for the Brownfield Redevelopment Project known as 300-312 E. Huron, Ann Arbor, Michigan, 48104. The proposed reuse for this property is a six-story hotel with 139 rooms. The property has been determined to contain hazardous substances as defined under existing environmental laws and regulations. This document serves to notify local taxing units of the County's intent to approve a Brownfield Plan for the noted property. The effect of the Brownfield Plan is to commit future Tax Increment Revenues to reimburse the developer for Environmental Eligible expenses of a maximum of \$749,529, and allow the County Brownfield Authority to capture funds for Administrative Fees and/or the Local Brownfield Revolving Fund, the combination of which is estimated to be approximately \$208,805. It is anticipated the first Tax Increment capture will occur in 2026, and that it will take five (5) years to fully reimburse for all activities included in the Plan.

The Act permits the use of the tax increment financing in order to provide the Authority with the means of financing the eligible brownfield activities included in a Brownfield Plan. Tax increment financing allows the Authority to capture tax revenues attributable to increases in the taxable value of real and personal property located on the "eligible property." Increases in taxable value may be attributable to various factors, including remediation, new construction, rehabilitation, remodeling, alterations, additions, and the installation of personal property on the redeveloped property.

A public hearing on the Plan will be held at the Wednesday, November 6, 2024 meeting of the Washtenaw County Board of Commissioners, held at 7:00 p.m. in the County Administration Building located at 220 N. Main, Ann Arbor, MI 48104. If you have any questions or comments concerning the proposed Brownfield Plan or the Brownfield Authority you may attend the meeting in person and express those concerns during the public comment period. You may also direct inquiries to the Washtenaw County Board of Commissioners office or to Nathan Voght (734) 660-1061 or voghtn@washtenaw.org. It is anticipated that the Brownfield Plan will be adopted at the November 20, 2024 meeting of the Washtenaw County Board of Commissioners.

Proposed Brownfield Plan attached.

**ACT 381 BROWNFIELD PLAN
For the
AC Hotel Project
300-312 E Huron, Ann Arbor, Michigan**

**Washtenaw County Brownfield Redevelopment Authority
C/O Washtenaw County Office of Community & Economic Development
415 W. Michigan Avenue, Suite 2200
Ypsilanti, Michigan 48197**

**Nathan Voght, AICP
Brownfield Redevelopment Coordinator**

July 11, 2024

Prepared with the Assistance of ASTI Environmental

Approved by Ann Arbor City Council on October 7, 2024
Approved by the Washtenaw County Brownfield Redevelopment Authority on August 22, 2024
Approved by the Washtenaw County Board of Commissioners on _____

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Project Summary

Project Name: AC Hotel
Estimated Investment \$16,000,000

Project Location: 300-312 E Huron, located on the southeast corner of East Huron St. and South 5th Avenue in downtown Ann Arbor. The project includes the following two parcels for a total of 0.45 acres (the “Subject Property”):

Parcel No.	Acreage
09-09-29-113-007	0.13
09-09-29-113-006	0.32

Project Applicant: 310 E Huron LLC (the “Developer”)

Property Eligibility: Each parcel meets the definition of a “facility” as defined in Part 201 of the Michigan Natural Resources and Environmental Protection Act (P.A. 451 of 1994, as amended). The northwest corner of the Subject Property was used as a former gas station and auto repair facility from approximately 1925 to 1992, and the eastern half was a cleaner from approximately 1969 to 1976. The Subject Property has been a surface parking lot since approximately 1992.

Eligible Activities: In addition to capturing tax increment revenues for the State Revolving Fund, the Brownfield Redevelopment Authority Administrative fees and the Local Brownfield Revolving Fund, this plan includes the following eligible activities:

Environmental/Department Specific Activities: Baseline Environmental Assessment (BEA) activities, soil investigations, demolition as a response activity, soil management plan, landfill approvals, remediation and response activities, due care activities, preparation of Due Care Plan, brownfield and work plan preparation and implementation and 15% contingency on some costs.

Non-Environmental Activities: None

Eligible Costs:

	<u>Total Cost</u>	Local Proportional Share	Local and School Capture	<u>Reimbursement</u>
Environmental	\$1,032,566	\$583,294	\$83,350	\$666,644
Non-Environmental	\$0	\$0	\$0	\$0
Contingency	<u>\$134,882</u>	<u>\$82,885</u>	<u>\$0</u>	<u>\$82,885</u>
Total Above	\$1,167,448	\$666,179	\$83,350	\$749,529

Capture Period Total capture period: 5 Years
Developer reimbursement: 5 years
LBRF capture period: 1 year

AC Hotel Project
300-312 E Huron, Ann Arbor
Brownfield Plan

Project Summary: The project will consist of the construction of a six-story hotel and associated on-site short term parking. The hotel will have 139 keys, and will provide additional food, beverage and meeting options on the first floor. Guest parking will be through arrangements with local parking structures. The project will activate a corner that has been vacant and undeveloped for over 20 years, and provide needed accommodations for events and visitors.

ACT 381 BROWNFIELD PLAN

1.0 INTRODUCTION

In order to promote the revitalization of environmentally distressed and blighted areas within the boundaries of Washtenaw County, the Washtenaw County Board of Commissioners established the Washtenaw County Brownfield Redevelopment Authority (the "Authority") pursuant to Michigan Public Act 381 of 1996, MCLA 125.2651 et. seq. as amended ("Act 381"). The Authority is authorized to exercise its powers within the limits of Washtenaw County, acting on behalf of its member communities. The purpose of this Brownfield Plan (the "Plan"), to be implemented by the Authority, is to satisfy the requirements of Act 381 for including the eligible property described below, designated in this Plan as the AC Hotel Project, located in Ann Arbor, Michigan (the Subject Property), in a Brownfield Plan. The Subject Property is located within the boundaries of the City of Ann Arbor, a Authority member community.

The Authority proposes to implement this Plan to promote economic development and brownfield redevelopment within the County. The capture and use of tax increment revenues ("TIR") generated by redevelopment are necessary to support needed environmental response actions and ensure the economic viability of the project. This Plan allows the Authority to capture TIR generated by redevelopment of the Subject Property for the following purposes: reimbursement of the Developer, 310 E Huron LLC, for the costs of eligible activities required to prepare the Subject Property for safe redevelopment and reuse; funding of the State Revolving Fund (SRF) and the Authority's Local Brownfield Revolving Fund (LBRF); and, at the Authority's discretion, payment of some or all of the Authority's annual administrative and operating expenses.

All words or phrases not defined herein shall have the same meaning as such words and phrases included in Act 381.

1.1 Description of Eligible Property (Section 13 (2)(h))

1.1.1 Proposed Redevelopment and Future Use for Each Eligible Property

The project will consist of the construction of a six-story hotel and associated on-site short term parking on both eligible parcels. The hotel will have 139 keys, and will provide additional food, beverage and meeting options on the first floor. Guest parking will be through arrangements with local parking structures. The project will activate a corner that has been vacant and undeveloped for over 20 years, and provide needed accommodations for events and visitors.

The estimated private investment is anticipated at \$16,000,000. The total number of fulltime equivalent jobs to be added as a result of this project is estimated to be 35. Available positions will include front desk, management, maintenance staff, and part-time and full-time positions.

Demolition is anticipated to begin in Summer 2024 with project completion in Fall 2025.

310 E Huron LLC is the project developer (“Developer”).

1.1.2 Eligible Property Information

The property comprising the eligible property consists of two parcels that are currently undeveloped, for a total of approximately 0.45 acres. The parcels are located on southeast corner of E. Huron Street and South Fifth Avenue (see Figure 1 titled “Site Location Map”). The parcel and all tangible personal property located thereon will comprise the eligible property and are referred to herein as the “Subject Property”. The boundaries of the Subject Property are shown in Figure 2 titled “Sample Location Map”.

Parcel information is outlined below.

Address Parcel 1	300 E Huron St.
Parcel ID	9-09-29-113-007
Acreage	0.13
Owner	300 E Huron LLC 115 Depot Street Ann Arbor, MI 48104
Legal Description	N 75 FT LOT 1 AND N 75 FT OF W 9 FT LOT 15 B1S R6E ORIGINAL PLAT OF ANN ARBOR

Address Parcel 2	312 E Huron St.
Parcel ID	09-09-29-113-006
Acreage	0.32
Owner	300 E Huron LLC 115 Depot Street Ann Arbor, MI 48104
Legal Description	LOT 1 EXC N 75 FT W 16.4 FT LOT 3 LOT 15 EXC N 75 FT OF W 9 FT B1S R6E ORIGINAL PLAT OF ANN ARBOR

1.1.3 Historical Use and Previous Ownership

The Subject Property was residential from 1888 until approximately 1925. The Subject Property was a parking lot by 1992. Each of two properties were developed differently as follows.

- The western parcel (300 E Huron St.) was redeveloped as a gas station from around 1925 to 1992. By 1962, a new filling station was constructed. It has been occupied by gas stations (1925-1992) and a car stereo installation center (1977-1992). The gas station was demolished sometime before 1992.
- The eastern parcel (312 E. Huron St.) was redeveloped as a 130-car garage sometime prior to 1937. By 1960, a dry cleaner occupied the building until approximately 1978. The building was demolished sometime before 1992.

1.1.4 Current Use of the Subject Property

The Subject Property is currently vacant and undeveloped.

1.1.5 Site Conditions and Known Environmental Contamination

Phase I Environmental Site Assessment

The most recent Phase I Environmental Site Assessment (ESA) of the Subject Property is dated March 15, 2024. The following recognized environmental conditions (RECs) were identified based on historical uses of the Subject Property.

- 300 E. Huron is a former gas station and auto repair facility. Environmental concerns associated with automobile repair include the use, storage, and management of hazardous substances and petroleum products and the presence of inground hoists, floor drains, sumps, and oil/water separators. Based on the periods of operations, it is unlikely that modern spill prevention, response, and waste manifesting were implemented.
- 312 E. Huron is listed as a historical cleaner from 1969 to 1976. A&P Cleaners Inc. was listed as drycleaning plants, except rugs. Laundromats and cleaners commonly utilize hazardous substances and/or petroleum products. Modern material management (e.g., spill prevention, spill response, manifesting, etc.) was unlikely to have been practiced.
- 300 E. Huron had five underground storage tanks removed in 1991. Closure standards have changed since the removal of the underground storage tanks. Additional sampling is recommended in those areas.
- According to Sanborn Maps at 300 E. Huron, there is at least one additional underground storage tank located east of the original gas station building. There is no record as to whether a sixth underground storage tank was removed.
- The Subject Property contained former buildings that are known, or suspected, to have had basements. Fill material would have been required to return to grade the basement following demolition. The source of the fill material is unknown. Since the building was demolished prior to the 2000s, the fill material is considered suspect because the typical demolition program had poor oversight of fill material placement during this earlier period. Fill material placed during this time can potentially contain demolition materials and industrial by-products. These types of fill material can contain hazardous substances and/or petroleum products. According to a Geotechnical Evaluation Report, dated August 30, 2023, buried materials including plastic pieces, concrete pieces, brick pieces, and cinders, etc. were encountered in four soil borings.

Soil and Groundwater Sampling

A soil and groundwater investigation was conducted on February 26, 2024, and delineation sampling was conducted on March 20, 2024. The soil and groundwater investigation report is dated March 25, 2024, and the delineation report is dated April 17, 2024.

The laboratory analytical results for the soil and groundwater investigation reported tetrachloroethylene (PCE) in three soil samples (at depths of 2 to 7 feet bgs) at

concentrations exceeding the residential Volatilization to Indoor Air Pathway (VIAP) Screening Levels (SL), and in one soil sample at concentrations exceeding the nonresidential VIAP SL. The concentrations of PCE reported in one soil sample also exceeded the Generic Residential Clean-up Criteria (GRCC) and the Generic Non-Residential Clean-up Criteria (GNRCC) for drinking water protection (DWP). No other exceedances of Part 201 criteria were reported.

The laboratory analytical results for the delineation sampling reported PCE in seven soil samples (3 to 13 feet bgs) at concentrations exceeding the residential VIAP SL, and in four soil samples (4 to 13 feet bgs) at concentrations exceeding the nonresidential VIAP SL. The concentrations of PCE reported in soil samples also exceed the GRCC and GNRCC for DWP. No other chlorinated VOCs were detected in the soil samples at concentrations at or greater than the laboratory reporting limits. (Refer to Figure 3 for sample locations exceeding residential VIAP SL.)

The Subject Property is a facility as defined by Part 201 of Act 451. Based on the results of these investigations, PCE in soil has not been vertically delineated to beneath the VIAP SLs. Therefore, in order to mitigate the VIAP, additional sampling would need to be conducted under various seasonal conditions for further delineation, or a presumptive vapor mitigation system can be installed on the proposed building to mitigate the VIAP exposure risk. Based on the depth of the deeper PCE impacts, excavation is not likely a viable option to eliminate the vapor intrusion risk.

2.0 Information Required by Section 13(2) of the Statute

The Developer will be reimbursed for the costs of eligible activities necessary to address brownfield conditions and prepare the Subject Property for redevelopment. The costs of eligible activities included in, and authorized by, this Plan will be reimbursed with incremental local tax revenues and incremental state school operating tax revenues generated from the Subject Property after redevelopment and captured by the Authority, subject to any limitations and conditions described in this Plan, approvals of EGLE, as appropriate, for school operating tax capture, and the terms of a Reimbursement Agreement between Developer and the Authority (the "Reimbursement Agreement"). If available, this Plan will capture all new personal property taxes generated by this project.

The estimated total cost of eligible Department Specific Activities eligible for Developer reimbursement from tax increment revenues under this Plan are \$1,167,448. Request for reimbursement of Non-Environmental Activities is not planned at this time. The eligible activities are summarized in Table 1. The costs of individually identified Department Specific activities eligible for reimbursement are estimated and may increase or decrease, depending on the nature and extent of unknown conditions encountered during redevelopment.

No costs of eligible activities will be qualified for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Section 2 of Act 381 of 1994, as amended (MCL 125.2652). The

Reimbursement Agreement and this Plan will dictate the total cost of eligible activities subject to reimbursement. As long as the total of eligible costs described in this Plan or in the Department Specific cost categories are not exceeded, line-item eligible activities, tasks, and costs within each respective Department Specific category may be adjusted without Plan amendment after the date of this Plan, to the extent the adjustments do not violate the terms of Act 381. Eligible activities conducted prior to Brownfield Plan approval will be reimbursed to the extent allowed by Act 381.

This Plan is projected to take 5 years for full reimbursement of all Eligible Activities, including LBRF capture.

Fifty percent (50%) of the available incremental state education tax will be captured for deposit into the State Revolving Fund pursuant to Act 381.

2.1 Basis for Eligibility (Section 13 (2)(h) and Section 2 (p))

The Subject Property is considered “eligible property” as defined by Act 381, Section 2 because (a) the Subject Property was previously utilized for a commercial purpose and (b) the Subject Property is a facility, as that term is defined in Part 201 of Michigan’s Natural Resources and Environmental Protection Act (1994 PA 451), based on investigations in 2014 and 2021.

2.2 Summary of Eligible Activities and Costs (Section 13 (2)(a),(b))

The “eligible activities” that are intended to be carried out at the Subject Property are considered “eligible activities” as defined by Sec 2 of Act 381, because they include baseline environmental assessment activities, due care activities, demolition as a response activity, installation of a vapor mitigation system, soil management, and preparation and implementation of a Brownfield Plan and 381 Work Plan

A summary of the eligible activities and the estimated cost of each eligible activity intended to be paid for with tax increment revenues from the Subject Property are shown in Table 1 titled “Eligible Activity Cost Estimates”. The eligible activities described in the table are not exhaustive.

The costs listed in the Plan are estimated costs and may increase or decrease depending on the nature and extent of environmental contamination and other unknown conditions encountered on the Subject Property. As long as the total costs are not exceeded, line item costs of eligible activities may be adjusted after the date this Plan is approved by the governing body, to the extent the adjustments do not violate the terms of the Plan, and provided that the total cost of eligible activities subject to payment or reimbursement shall not exceed the estimated costs set forth in the Plan.

The Developer desires to be reimbursed for the costs of eligible activities. Local and state tax increment revenue generated by the Subject Property will be captured by the Authority and used to reimburse the cost of the eligible activities completed on the Subject Property. The actual cost of those eligible activities encompassed by this Plan

that will qualify for reimbursement from tax increment revenues from the Subject Property shall be governed by the terms of this Plan, the Reimbursement Agreement, and Act 381.

The following eligible activities will be completed for this Project and are the subject of this Plan. A list of eligible activities included in this Plan, and the associated estimated costs, is provided in Table 1.

Environmental Eligible Activities

Pre-Approved Activities

The following activities will be reimbursed from local and school tax. Some of these activities were completed prior to this Plan as permitted by Act 381 and those activities do not include contingency.

Baseline Environmental Assessment Activities

This includes the completion of environmental due diligence activities that include preparation of Phase I and II Environmental Site Assessments (ESAs); Baseline Environmental Assessments (BEA); delineation investigation; investigations to document and support the due care activities; additional delineation required to define impacts or design remedies; vapor mitigation system design, preparation of a Due Care Plan; and data interpretation and reporting as required to support the Project.

Develop/Prepare Brownfield Plan

This includes the reasonable costs of preparing the Brownfield Plan. This activity also includes professional costs related to oversight and project management of these activities as needed.

Due Care and Response Activities

The following activities will be reimbursed from local and school tax capture. If a 381 Work Plan is not approved, reimbursement will be limited to the proportional share of local tax capture.

Due Care Activities

Due Care Activities will be completed to ensure compliance with due care obligations under 324.20107a and 324.21304c. These activities are specific measures to be taken to address due care requirements, including, but not limited to health and safety plan; installation, performance monitoring and operational documentation of a vapor mitigation system; and transportation and disposal of dewatering fluids. This activity also includes professional costs related to engineering, design, and oversight and project management of these activities as needed.

Soil Management

This includes transportation and disposal of soils impacted above generic residential clean-up criteria as necessary to prepare the Subject Property for redevelopment; soil disposal characterization and verification sampling; and dust control as necessary. This activity also includes professional costs related to engineering, design, and oversight and

project management of these activities as needed.

Demolition as a Response Activity

This includes site demolition and infrastructure removal as necessary to access underlying soils to prepare the property for redevelopment. This activity also includes professional costs related to engineering, design, and oversight and project management of these activities as needed.

Other Activities

The following activities will be reimbursed from local and school tax capture. If a 381 Work Plan is not approved, reimbursement will be limited to the proportional share of local tax capture. Some of these activities may have been completed prior to this Plan as permitted by Act 381 Plan and those activities do not include contingency.

Implement Brownfield Plan

This includes costs for implementation of the Brownfield Plan, including requests for reimbursement. This activity also includes professional costs related to oversight and project management of these activities as needed.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(2)(c))

This Plan anticipates the capture of tax increment revenues from local and school taxes to reimburse the Developer for the total costs of Eligible Activities under this Plan in accordance with the Reimbursement Agreement. The initial taxable value will be the taxable value of the eligible property at the time of plan approval, as shown by the assessment roll. For illustration purposes this Plan uses an initial taxable value of \$393,110, which is the current actual taxable value, and a projected future taxable value of \$5,000,000, which is the estimated taxable value of the Subject Property at the time of the next assessment roll after project completion. The captured taxable value will be the difference between the initial taxable value at the time this Plan is approved and the actual taxable value for each year for which this Plan is in effect.

A table of the total estimated tax increment revenues to be captured for the entire project is attached to this Plan as Table 2. Tax capture for reimbursement of Eligible Activities as described in this Plan is estimated to require 5 years, assuming reimbursement from incremental local and school taxes for the preapproved activities, and from the proportional share of incremental local taxes for all other eligible costs, as illustrated in Table 3, but will not exceed 8 years. Conservative assumptions were included in the captured taxable value and tax rates. These assumptions are used for illustrative purposes only, and are not intended to limit reimbursement of the actual annual tax capture amount. The following assumptions were used to develop the attached tables.

1. Tax capture for Due Care Response Activities and Other Activities described above is assumed to be limited to the proportional share of local tax capture.
2. Annual appreciation in taxable value of 2%.
3. The future taxable value at completion is assumed to be based on the cost of construction.

Tax increments are projected to be captured and applied: (i) to reimbursement of Eligible Activity costs; (ii) for payment of the administrative expenses of the Authority; (ii) to make deposits into the State of Michigan Brownfield Redevelopment Fund (BRF); and (iii) to make deposits into the Local Brownfield Redevelopment Fund (LBRF) as follows:

	Plan Amount
Eligible Activity Reimbursement	\$ 749,529
Administrative Fees and LBRF Deposit	\$ 96,376
State Brownfield Redevelopment Fund	\$ 5,422
Local Brownfield Revolving Fund	\$ 112,429
Total Brownfield Plan Capture	\$ 963,757

2.4 Method of Financing and Description of Advances Made by the Municipality

The Eligible Activities are to be financed solely by the Developer. No advances have been made by the Authority or City for the costs of eligible activities under this Plan.

2.5 Maximum Amount of Note or Bonded Indebtedness

The Authority will not incur any note or bonded indebtedness to finance the purposes of this Plan.

2.6 Duration of Brownfield Plan (Section (13)(2)(f))

This Plan will remain in effect for 30 years from the beginning date of the capture of tax increment revenues, or for the duration necessary to complete the reimbursement of eligible expenses for the project, whichever is less. In no event shall the duration of the Plan exceed 35 years following the date of the resolution approving the Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years.

The beginning date of capture of tax increment revenues for each eligible property is anticipated to occur in 2026, as illustrated in the TIF table described in Table 3. However, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Plan.

The Subject Property will become a part of this Plan on the date this Plan is approved by the governing body.

2.7 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions (Section 13(2)(g))

The following is the impact of this Plan on the taxing jurisdictions.

AC Hotel Project
300-312 E Huron, Ann Arbor
Brownfield Plan

		Tax Capture for This Plan (5 Year Plan)				
<u>School Capture</u>	<u>Millage Rate</u>	<u>Total</u>		<u>Brownfield</u>		
		<u>Capture</u>	<u>Reimburse</u>	<u>Authority</u>	<u>State BRF</u>	<u>LBRF</u>
School Operating Tax	18.0000	\$ 32,535	\$ 28,291	\$ -	\$ -	\$ 4,244
State Education Tax (SET)	6.0000	\$ 10,845	\$ 4,715	\$ -	\$ 5,422	\$ 707
School Total	24.0000	\$ 43,379	\$ 33,006	\$ -	\$ 5,422	\$ 4,951
<u>Local Capture</u>	<u>Millage Rate</u>					
AAATA CITY	1.9321	\$ 46,482	\$ 36,187	\$ 4,867		\$ 5,428
AAATA COUNTY	0.6805	\$ 16,371	\$ 12,745	\$ 1,714		\$ 1,912
AAPS SINKING	2.4103	\$ 57,987	\$ 45,143	\$ 6,072		\$ 6,771
CITY AFF HOUSING	0.9933	\$ 23,897	\$ 18,604	\$ 2,502		\$ 2,791
CITY BENEFITS	1.9321	\$ 46,482	\$ 36,187	\$ 4,867		\$ 5,428
CITY CLIMATE ACT	1.0000	\$ 24,058	\$ 18,729	\$ 2,519		\$ 2,809
CITY OPERATING	5.7967	\$ 139,456	\$ 108,568	\$ 14,603		\$ 16,285
CITY PARKS ACQ	0.4488	\$ 10,797	\$ 8,406	\$ 1,131		\$ 1,261
CITY PARKS MAINT	1.0732	\$ 25,819	\$ 20,100	\$ 2,704		\$ 3,015
CITY REFUSE	2.3182	\$ 55,771	\$ 43,418	\$ 5,840		\$ 6,513
CITY SIDEWALK	0.1986	\$ 4,778	\$ 3,720	\$ 500		\$ 558
CITY STREETS	2.0153	\$ 48,484	\$ 37,745	\$ 5,077		\$ 5,662
COMM COLLEGE	3.3548	\$ 80,709	\$ 62,833	\$ 8,451		\$ 9,425
COUNTY	2.6901	\$ 64,718	\$ 50,384	\$ 6,777		\$ 7,558
PUBLIC LIBRARY	1.8228	\$ 43,853	\$ 34,140	\$ 4,592		\$ 5,121
WASH COUNTY OPER	4.3512	\$ 104,680	\$ 81,495	\$ 10,961		\$ 12,224
WISD OPERATING	0.0937	\$ 2,254	\$ 1,755	\$ 236		\$ 263
WISD SPEC EDUC	5.1452	\$ 123,782	\$ 96,366	\$ 12,962		\$ 14,455
Captured Total	38.2569	\$ 920,377	\$ 716,523	\$ 96,376	\$ -	\$ 107,478
Total Captured Above	62.2569	\$ 963,757	\$ 749,529	\$ 96,376	\$ 5,422	\$ 112,429

In addition, the following taxes are projected to be generated but shall not be captured during the life of the Plan.

<u>Millages Not Captured</u>	<u>Millage Rate</u>	<u>Increment Not Captured (5 Year Plan)</u>
AAPS DEBT	4.1000	\$ 98,792
WISD DEBT	0.3000	\$ 7,229
Total Above	4.4000	\$ 106,020

2.8 Estimates of Residents and Displacement of Individuals/Families (Section 13(2)(i-l))

There are currently no residential dwellings or residences that occupy the Subject Property and no occupied residences will be acquired or cleared, therefore there will be no displacement or relocation of persons under this Plan. Therefore, a plan for relocation of displaced persons is not application and is not needed for this Plan. In addition, a provision for relocation costs is not applicable and is not needed for this Plan. No persons will be displaced as a result of this development, therefore, no relocation assistance strategy is needed for this Plan.

2.9 Plan of Financing (Section 13(2)(d)) and Maximum Amount of Indebtedness (Section 13(2)(e))

The Eligible Activities are to be financed solely by the Developer. The Authority will reimburse the Developer for the actual cost of approved Eligible Activities, but only from actual tax increment revenues generated from the Subject Property.

All reimbursements authorized under this Plan shall be governed by the Reimbursement Agreement and Act 381. Reimbursements under the Reimbursement Agreement shall not exceed the cost of eligible activities permitted under this Plan.

Unless otherwise agreed upon by the Developer, the Authority, and the State of Michigan, the Authority shall not incur any note or bonded indebtedness to finance the purposes of this Plan.

2.10 Local Brownfield Revolving Fund ("LBRF") (Section 8; Section 13(2)(m))

The Authority has established a Local Brownfield Revolving Fund (LBRF) in accordance with Act 381. Funds from the LBRF may be used, at the sole discretion of the Authority, to finance or reimburse eligible activities described in this Plan or eligible activities subsequently approved, solely for LBRF funding, by administrative action of the Authority to be conducted on the eligible property described in this Plan. The LBRF funds will be used to support future redevelopment of brownfield sites within Washtenaw County.

Pursuant to Act 381, the Authority may capture incremental local taxes to fund its administrative operations as defined in the Act and may contribute to its LBRF with tax increment revenues in excess of the amount needed to reimburse Developer for the costs of eligible activities in the approved Brownfield Plan. For these purposes, it is the intent of the Authority to capture ten percent (10%) of the available incremental taxes annually during Developer reimbursement, before payment into the State Brownfield Redevelopment Fund, as either LBRF or Administrative Fees capture,, and, in the year(s) after Developer reimbursement is complete, to capture an amount equal to fifteen percent (15%) of the Developer's proposed Eligible Activity Costs in the approved Brownfield Plan for deposit into the LBRF Deposit. As illustrated in Table 3, the LBRF/Administrative capture is estimated at \$96,376, and the LBRF Deposit is estimated at \$112,429. At the sole discretion of the Authority, all or part of the incremental local taxes captured for the LBRF in any tax year may be used to pay the administrative and operational costs of the Authority incurred in that year.

2.11 Brownfield Redevelopment Fund (Section 8a; Section 13(2)(m))

The Authority shall pay to the Department of Treasury at least once annually an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, that are captured under this Plan for up to the first twenty-five (25) years or the duration of capture of tax increment revenues for each eligible property

included in this Plan. If the Authority pays an amount equal to 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on a parcel of eligible property to the Department of Treasury under Section 13b(14) of Act 381, the percentage of local taxes levied on that parcel and used to reimburse eligible activities for the Project under this Plan shall not exceed the percentage of local taxes levied on that parcel that would have been used to reimburse eligible activities for the Project under this Plan if the 50% of the taxes levied under the state education tax, 1993 PA 331, MCL 211.901 to 211.906, on that parcel were not paid to the Department of Treasury under Section 13b(14) of Act 381.

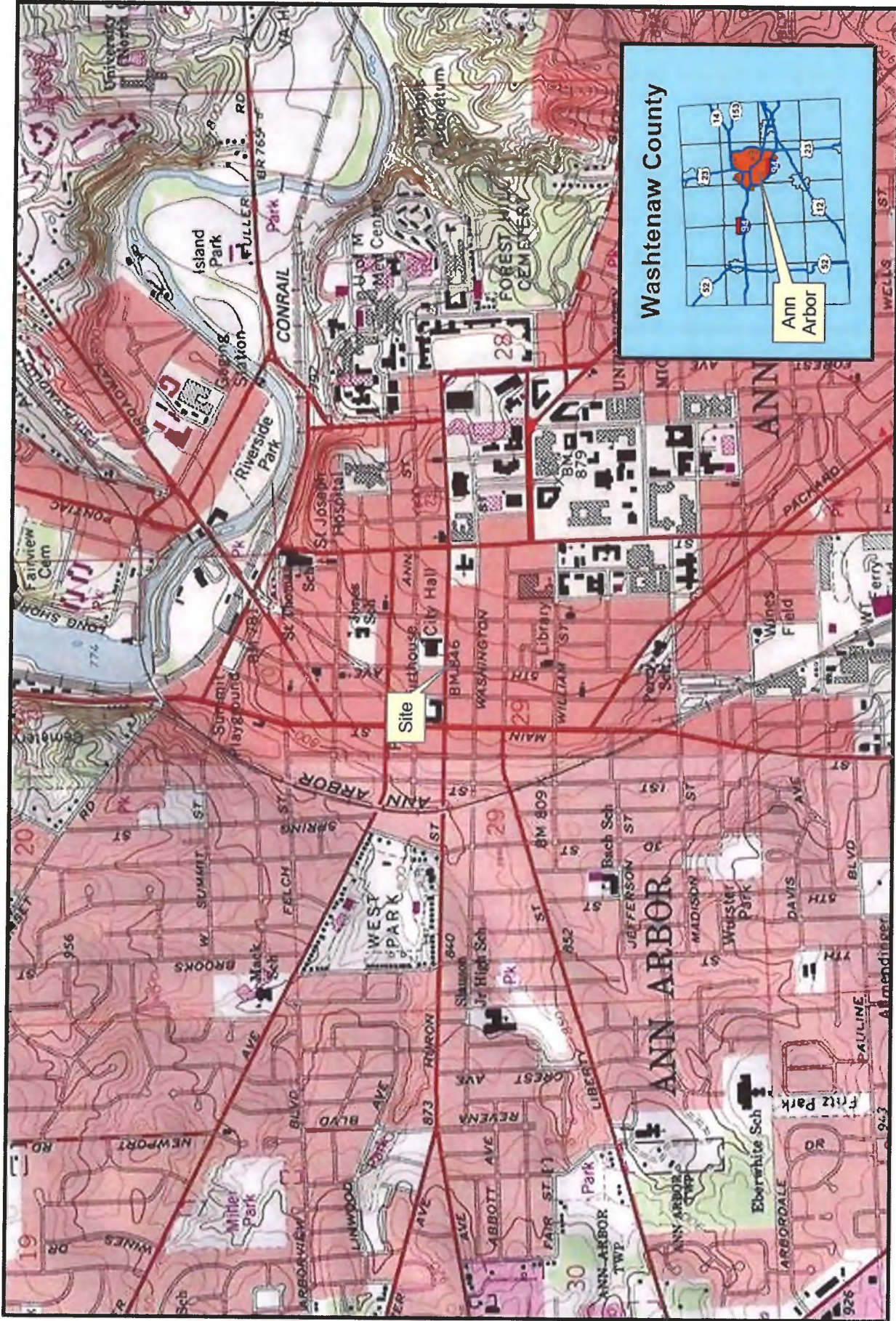
2.12 Other Material that the Authority or Governing Body Considers Pertinent

The Developer and its affiliates shall comply with all applicable laws, ordinances, executive orders, or other regulations imposed by the City or any other properly constituted governmental authority with respect to the Subject Property and shall use the Subject Property in accordance with this Plan.

III. EXHIBITS

FIGURES

Site Maps



Ann Arbor, MI

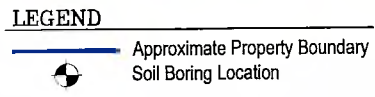
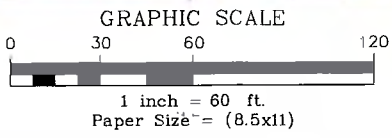
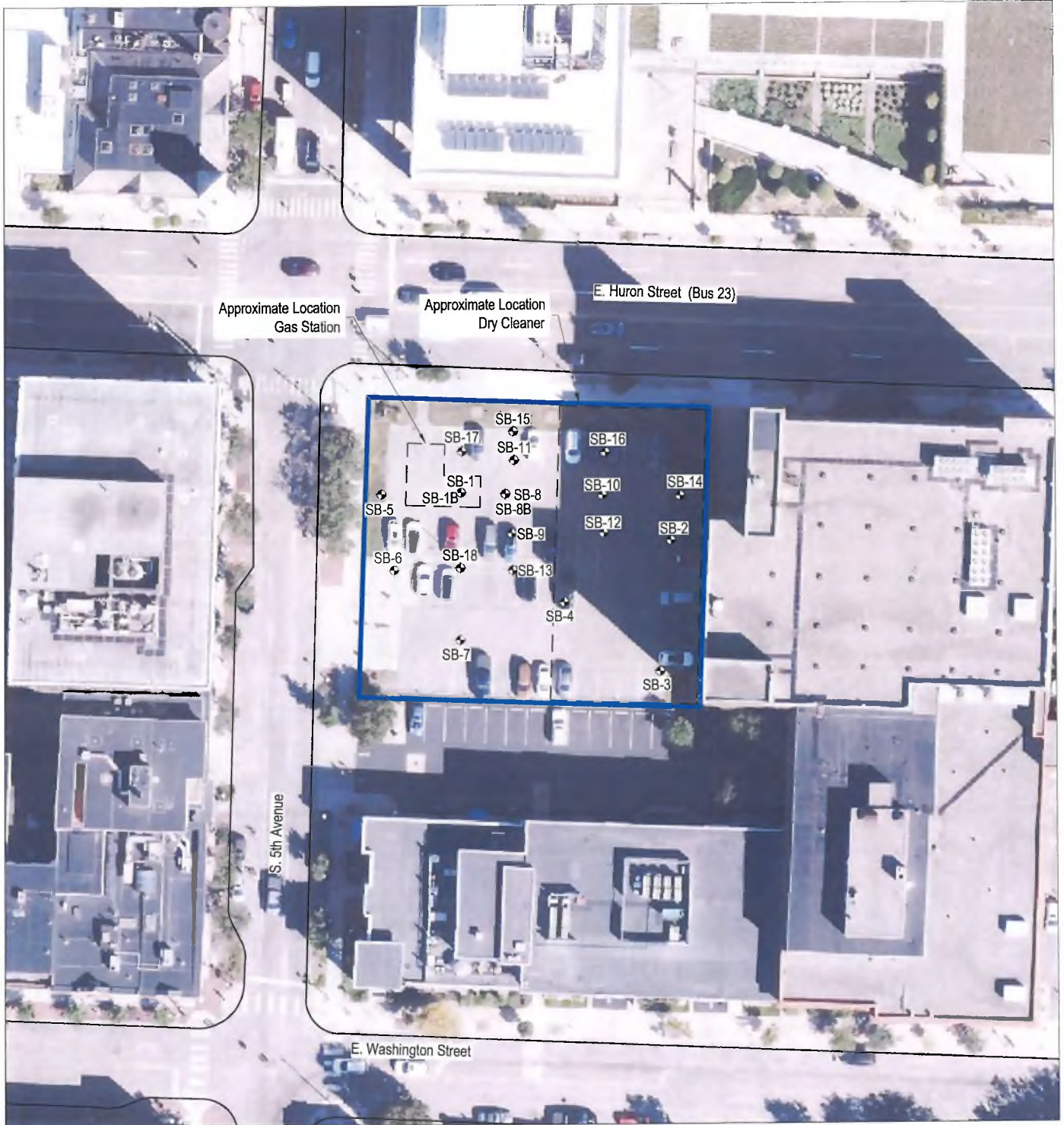
300-312 E. Huron Street

Created for: 310 E Huron LLC
 Created by: RMH, March 7, 2024, ASTI Project 2-13116



Figure 1 - Site Location Map

Project File\G:\m... and \b... \1000-1389\13116-1389\13116_300 East Huron Area Map W/2-13116_Envelope_DWG-2-13116.dwg - 4/7/2024 11:58 AM



300-312 E. Huron Street

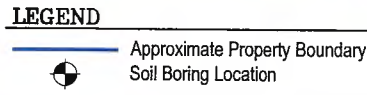
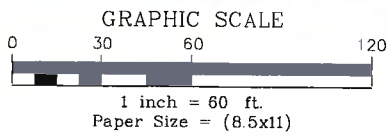
Client: 310 E Huron LLC
ASTI Project 2-13116, JRN, April 1, 2024

Ann Arbor, MI

Figure 2 - Sample Location Map



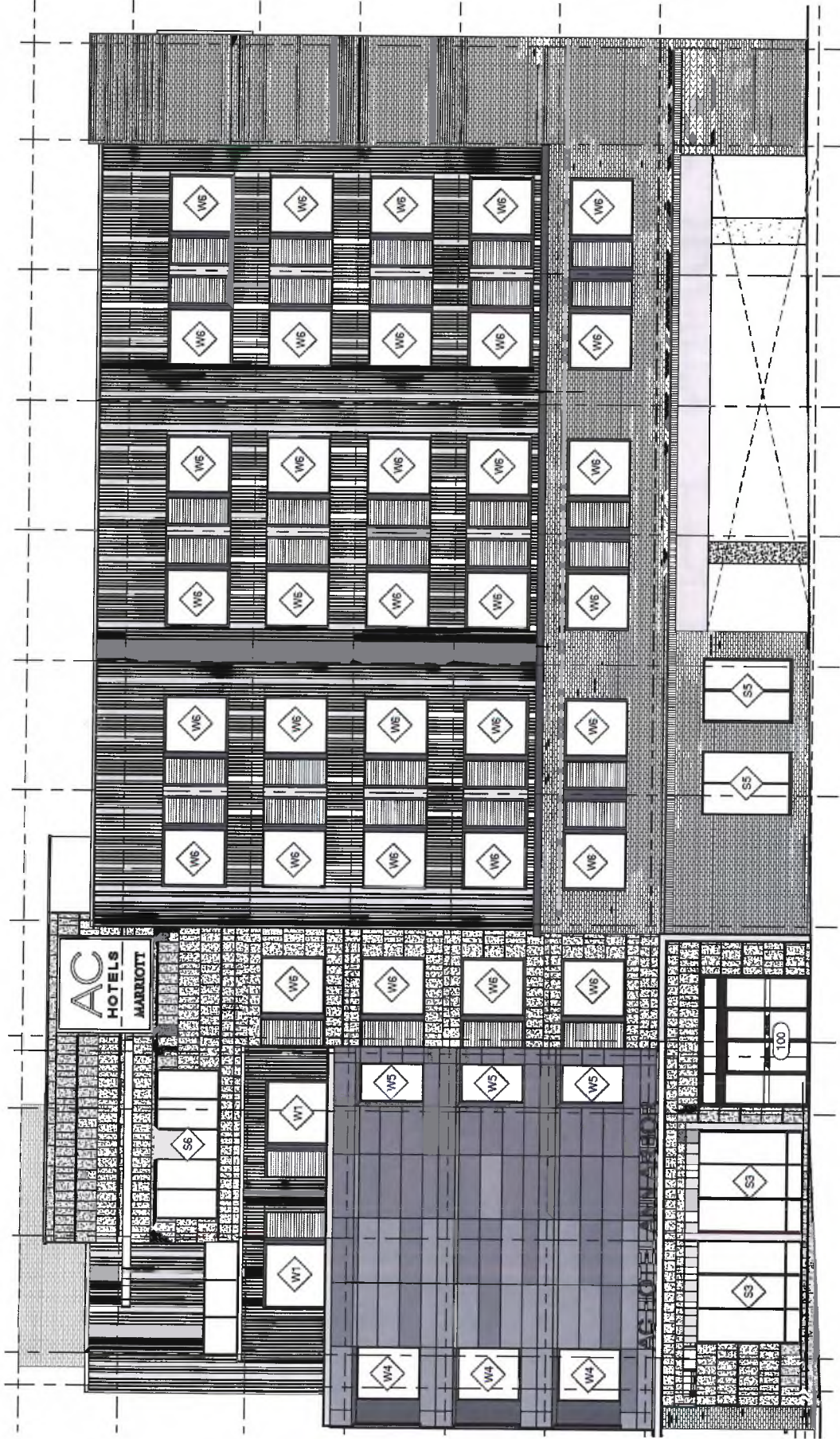
X:\Project Files\Current and Closed\1000-13116\1-13116\1-13116\300 East Huron Ave. Aerial w/12-13116 Delinquent CAD 2-13116.dwg 5/16/2024 2:22 PM



300 E. Huron Street
Client: 300 E Huron LLC
ASTI Project: 1-13116, JRN, May 16, 2024

Ann Arbor, MI
Figure 3 - Exceedances of Residential VIAP





Ann Arbor, MI

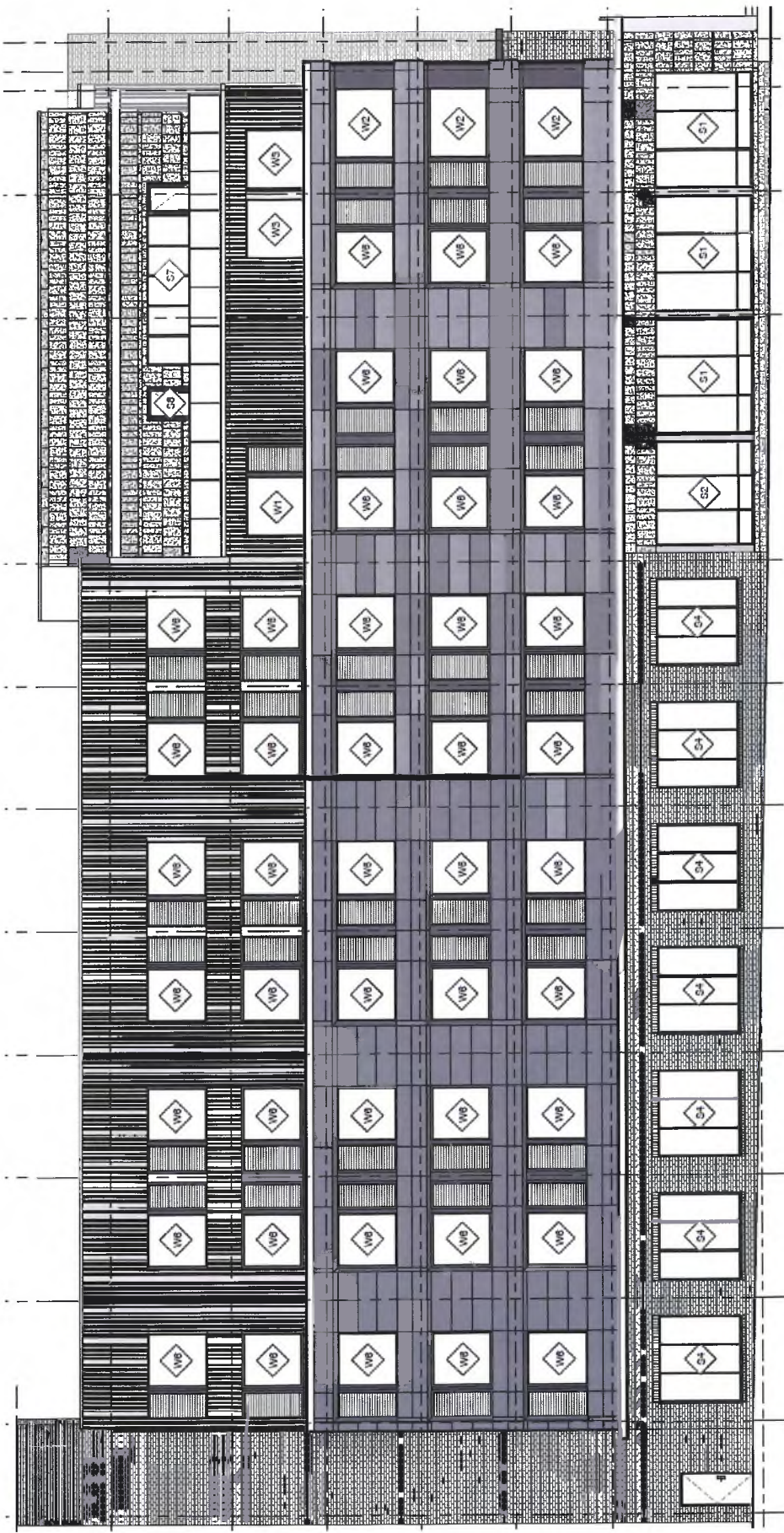
Figure 5: West Elevation



300-312 Huron

Created for: 310 E Huron LLC
 Created by: TJW May 10, 2024 (ASTI Project A23-3116.00)





300-312 Huron

Ann Arbor, MI



Created for: 310 E Huron LLC
 Created by: TJW May 10, 2024 (ASTI Project A23-3116.00)



Figure 6: North Elevation

TABLES

Eligible Activity Cost Estimates, TIF Capture and Reimbursement

Table 1
Eligible Activity Cost Estimates

Assessment and Due Care		Estimated Costs
<i>Pre-Approved Activities (Not Requiring Act 381 Work Plan Approval)</i>		
Phase I		\$2,400
Phase II Investigation		\$14,650
BEA		\$3,000
Due Care Plan		\$2,800
Vapor Mitigation Design		\$11,000
Brownfield Plan		\$30,000
Project Management		\$2,500
Delineation Sampling		\$17,000
Subtotal Pre-Approved Activities		\$83,350
<i>Due Care Activities</i>		
Waste Characterization Analysis for Soils		\$2,500
Vapor Mitigation System Installation		\$330,000
Vapor Mitigation System Shakedown		\$5,500
Vapor Mitigation System One-Year Performance Monitoring		\$27,500
Dust Control Measures		\$2,000
Contaminated Soil Management (transport and disposal only)		\$253,500
Oversight and Reporting		\$63,375
Verification Sampling		\$15,000
Site Demolition as Response Activity		\$138,000
Project Management (including design and oversight)		\$61,841
Subtotal Due Care Activities		\$899,216
<i>Other Costs</i>		
Implementation of Brownfield Plan		\$50,000
Subtotal Plan Activities		\$50,000

<i>Subtotal Above</i>	\$1,032,566
<i>Contingency at 15%*</i>	\$134,882
Total Activity Costs with Contingency	\$1,167,448

*Contingency does not include Pre-Approved Activities, or Brownfield Plan costs

Local Taxes as Percent of Total Capturable Taxes 61.5%

Summary of Reimbursement	
<i>Total Local Tax Capture (Proportional Share at 61.5%)</i>	\$666,179
<i>Total Local Tax Capture (Full Share)</i>	\$50,344
<i>Total School Tax Capture</i>	\$33,006
Total Capture Above for Reimbursement	\$749,529

FINANCIAL ANALYSIS

Table 2 - Total Brownfield Tax Capture

**AC Hotel
July 11, 2024**

Plan Year	2.00% Estimated Taxable Value (TV) Increase Rate					TOTAL
	1	2	3	4	5	
Calendar Year	2026	2027	2028	2029	2030	
Base Taxable Value	\$ 393,110	\$ 393,110	\$ 393,110	\$ 393,110	\$ 393,110	
Estimated New TV	\$ 5,007,862	\$ 5,108,019	\$ 5,210,180	\$ 5,314,383	\$ 5,420,671	
Incremental Difference (New TV - Base TV)	\$ 4,614,752	\$ 4,714,909	\$ 4,817,070	\$ 4,921,273	\$ 5,027,561	
School Capture						
	Millage Rate					
School Operating Tax	18.0000	\$ 28,291	\$ -	\$ -	\$ -	\$ 4,244
State Education Tax (SET)	6.0000	\$ 9,430	\$ -	\$ -	\$ -	\$ 1,415
School Total	24.0000					\$ 43,379
Local Capture						
	Millage Rate					
AAATA CITY	1.9321	\$ 8,916	\$ 9,110	\$ 9,307	\$ 9,508	\$ 9,641
AAATA COUNTY	0.6805	\$ 3,140	\$ 3,208	\$ 3,278	\$ 3,349	\$ 3,396
AAPS SINKING	2.4103	\$ 11,123	\$ 11,364	\$ 11,611	\$ 11,862	\$ 12,027
CITY AFF HOUSING	0.9933	\$ 4,584	\$ 4,683	\$ 4,785	\$ 4,888	\$ 4,956
CITY BENEFITS	1.9321	\$ 8,916	\$ 9,110	\$ 9,307	\$ 9,508	\$ 9,641
CITY CLIMATE ACT	1.0000	\$ 4,615	\$ 4,715	\$ 4,817	\$ 4,921	\$ 4,990
CITY OPERATING	5.7967	\$ 26,750	\$ 27,331	\$ 27,923	\$ 28,527	\$ 28,924
CITY PARKS ACQ	0.4488	\$ 2,071	\$ 2,116	\$ 2,162	\$ 2,209	\$ 2,239
CITY PARKS MAINT	1.0732	\$ 4,953	\$ 5,060	\$ 5,170	\$ 5,282	\$ 5,355
CITY REFUSE	2.3182	\$ 10,698	\$ 10,930	\$ 11,167	\$ 11,408	\$ 11,567
CITY SIDEWALK	0.1986	\$ 916	\$ 936	\$ 957	\$ 977	\$ 991
CITY STREETS	2.0153	\$ 9,300	\$ 9,502	\$ 9,708	\$ 9,918	\$ 10,056
COMM COLLEGE	3.3548	\$ 15,482	\$ 15,818	\$ 16,160	\$ 16,510	\$ 16,740
COUNTY	2.6901	\$ 12,414	\$ 12,684	\$ 12,958	\$ 13,239	\$ 13,423
PUBLIC LIBRARY	1.8228	\$ 8,412	\$ 8,594	\$ 8,781	\$ 8,970	\$ 9,095
WASH COUNTY OPER	4.3512	\$ 20,080	\$ 20,516	\$ 20,960	\$ 21,413	\$ 21,712
WISD OPERATING	0.0937	\$ 432	\$ 442	\$ 451	\$ 461	\$ 468
WISD SPEC EDUC	5.1452	\$ 23,744	\$ 24,259	\$ 24,785	\$ 25,321	\$ 25,674
Local Total	38.2569					\$ 920,377
Non-Capturable Millages						
	Millage Rate					
AAPS DEBT	4.1000	\$ 18,920	\$ 19,331	\$ 19,750	\$ 20,177	\$ 20,613
WISD DEBT	0.3000	\$ 1,384	\$ 1,414	\$ 1,445	\$ 1,476	\$ 1,508
Total Non-Capturable Taxes	4.4000					\$ 106,020
Total Tax Increment Revenue (TIR) Available for Capture		\$ 214,267	\$ 180,378	\$ 184,286	\$ 188,273	\$ 196,553
Total Tax Increment Revenue (TIR) Not Available		\$ 20,305	\$ 20,746	\$ 21,195	\$ 21,654	\$ 22,121

Footnotes: Amounts provided are estimates based on the assumptions used as of the date of this table. Actual tax payments and reimbursement amounts will vary based on assessed value, tax rates and other factors. This table is provided for illustration purposes only.

FINANCIAL ANALYSIS **AC Hotel/**
Table 3 - Brownfield Plan Reimbursement **July 11, 2024**

	Developer Reimbursement		Actual School & Local Taxes		Actual Local Only Taxes		Total Actual Capture		Estimated Developer Reimbursement												
	Maximum Reimbursement	Proportionality	Actual School & Local Taxes	Capture	Actual Local Only Taxes	Total Actual Capture	1	2	3	4	5	6	7	8	9	10	11	12	13	14	TOTAL
Total State Incremental Revenue	\$ 37,721	35%	\$ 13,302	\$ 13,302	\$ 13,302	\$ 13,302															\$ 43,379
State Brownfield Redevelopment Fund (3 mils of SET)	\$ 4,715	65%	\$ 3,056	\$ 3,056	\$ 3,056	\$ 3,056															\$ 5,422
State TIR Available for Reimbursement	\$ 33,006																				\$ 37,957
Total Local Incremental Revenue	\$ 176,546	180.37%	\$ 184,286	\$ 184,286	\$ 184,286	\$ 184,286															\$ 920,377
LBRF/Administrative Capture	\$ 21,427	18.03%	\$ 18,429	\$ 18,429	\$ 18,429	\$ 18,429															\$ 96,376
Local TIR Available for Reimbursement	\$ 155,119		\$ 165,858	\$ 165,858	\$ 165,858	\$ 165,858															\$ 824,002
Total State & Local TIR Available	\$ 188,125		\$ 185,958	\$ 185,958	\$ 185,958	\$ 185,958															\$ 865,958
DEVELOPER																					
DEVELOPER Reimbursement Balance	\$ 749,529		\$ 359,064	\$ 233,206	\$ 63,761	\$ 63,761															\$ -
MSF Non-Environmental Costs	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
State Tax Reimbursement	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
Local Tax Reimbursement	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
Total MSF Reimbursement Balance	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
EGLE Environmental Costs	\$ 85,350		\$ -	\$ -	\$ -	\$ -															\$ 85,350
State Tax Reimbursement	\$ 33,006		\$ -	\$ -	\$ -	\$ -															\$ 33,006
Local Tax Reimbursement	\$ 50,344		\$ -	\$ -	\$ -	\$ -															\$ 50,344
Total EGLE Reimbursement Balance	\$ 168,700		\$ -	\$ -	\$ -	\$ -															\$ 168,700
Local Only Costs	\$ 666,179		\$ 162,340	\$ 165,858	\$ 169,445	\$ 63,761															\$ 666,179
Local Tax Reimbursement	\$ 104,775		\$ 182,340	\$ 185,858	\$ 189,445	\$ 63,761															\$ 666,179
Total Local Only Reimbursement Balance	\$ 561,404		\$ 399,064	\$ 233,206	\$ 63,761	\$ 63,761															\$ -
Interest Costs	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
State Tax Reimbursement	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
Local Tax Reimbursement	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
Total Interest Reimbursement Balance	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
Total Annual Developer Reimbursement	\$ 188,125		\$ 185,958	\$ 185,858	\$ 189,445	\$ 63,761															\$ 749,529
LOCAL BROWNFIELD REVOLVING FUND																					
LBRF Deposits*	\$ -		\$ -	\$ -	\$ -	\$ -															\$ -
State Tax Capture (15% of Reimbursed Eligible Activities in Plan)	\$ -		\$ -	\$ -	\$ -	\$ -															\$ 4,951
Local Tax Capture (15% of Reimbursed Eligible Activities in Plan)	\$ -		\$ -	\$ -	\$ -	\$ -															\$ 107,478
Total LBRF Capture	\$ -		\$ -	\$ -	\$ -	\$ -															\$ 112,429

* Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from EGLE & Local TIR only.

Amounts provided are estimates based on the assumptions used as of the date of this table. Actual tax payments and reimbursement amounts will vary based on assessed value, tax rates and other factors. This table is provided for illustration purposes only.