Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
9/16/2019	1	City Council	Approved	Pass

Resolution Adopting the City of Ann Arbor Brownfield Policy
The City of Ann Arbor has been a member of the Washtenaw County Brownfield Redevelopment Authority since 2002. The City has completed 8 brownfield projects with several others currently under construction. In recent years, the City has put an emphasis on more clearly defining community benefits in exchange for supporting non-environmental brownfield eligible activities, such as affordable housing and public infrastructure.

The adopted 2015 Affordable Housing Study recommends the City adopt a Brownfield Policy that can be leveraged to achieve affordable housing goals.

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 OCED staff, with input from City 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.

The draft policy was presented to the Brownfield Review Committee (BRC) on February 11, 2019, including Councilmembers Eaton, Smith, Griswold, and Hayner. The BRC recommended several revisions to the policy, and that it be forwarded to City Council in final draft.

A summary of the key aspects of the final draft of the proposed policy:

1. The City will prioritize and generally support environmental eligible activities, with the presumed benefit to the environment and public health, provided a project financial gap is demonstrated.
2. Brownfield projects that request non-environmental eligible activities, such as public infrastructure, parking decks, rain gardens, will be reviewed with greater scrutiny and require the provision of 15% of the units as affordable housing, or a fee-in-lieu of providing the affordable housing.
3. Infrastructure non-environmental activities will generally be supported if they would not otherwise be required as part of the usual development review process.
4. Non-environmental activities that support energy efficiency will be encouraged.
5. The amount of requested brownfield TIF developer reimbursement should not exceed 20% of the overall private investment.
6. Certain eligible activities will not be permitted, such as Interest, Permit Fees, Sewer Disconnect Fees, and others.
7. The City may limit overall duration of Brownfield Plan capture to lower than allowed by statute.
8. Brownfield Plan review procedures are provided.

Since review by the BRC, one change is being recommended by staff and has been incorporated into the proposed Policy.

"The payment in lieu amount shall be $50,000 + 2% of the overall private investment, to be ~~taken~~ reserved by the Brownfield Authority and remitted to the City from first Tax Increment capture available for reimbursement ~~TIF revenues prior~~ to developer ~~reimbursement~~ for Eligible Activities."

This proposed amendment seeks to clarify that the reservation of any corresponding funds would come from the first instance of tax increment capture attributed to eligible activities. This clarification acknowledges that while affordable housing support is not a directly supported brownfield activity, it may utilized by the City in consideration of support of other eligible activities.

Prepared by: Nathan Voght, Washtenaw County Brownfield Redevelopment Coordinator
Brett Lenart, Planning Manager
Reviewed by: Derek Delacourt, Community Services Administrator
Approved by: Howard S. Lazarus, City Administrator

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

Whereas The ACT requires explicit consent of each local unit of government included in the Authority, which the City of Ann Arbor joined by resolution R-24-1-02;

Whereas, the attached Brownfield Policy is presented to City Council for consideration to direct applicants, City staff, and the Brownfield Authority on desired outcomes on brownfield redevelopment sites in the City of Ann Arbor; and

Whereas, On February 25, 2019, The Brownfield Review Committee made amendments and recommended forwarding the policy to City Council for consideration; and

RESOLVED, That City Council approves the attached City of Ann Arbor Brownfield Policy dated April 9, 2019; and

RESOLVED, That City Council directs staff to utilize this Policy as direction to communicate City Council expectations and goals in advance to presenting any Brownfield Plan for consideration.