



Legislation Text

File #: 19-0717, **Version:** 1

Resolution to Approve the 309 N. Ashley Brownfield Plan (BRC Recommendation: Approval - 4 Years and 0 Days)

Attached is a resolution to approve the 309 N. Ashley 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 Review Committee, at its meeting of March 25, 2019, recommended approval of this request.

Petition Summary:

- The overall private investment is \$17,145,754. The Brownfield eligible activities include \$2,039,022 in developer-reimbursable costs, limited to Environmental Activities only, and \$700,000 in annually LBRF and/or Administrative Fees.
- The BRC recommendation includes a condition that total tax capture be limited to 12 years, and if the Plan extends to the maximum 12 years, that LBRF and/or Administrative fees capture be prioritized over developer reimbursement.
- The four parcels involved are eligible for Brownfield Tax Increment Financing (TIF) as they are either a Facility, or Adjacent and Contiguous to a Facility, as defined by Part 201 of Michigan's Natural Resources and Environmental Protection Act. The developer is not liable for the contamination and therefore is not a Liable Party. No Viable Liable Party exists for the historic contamination.
- The 309 N. Ashley Site Plan is also being considered by City Council on May 6, 2019

Upon a favorable recommendation by the City Council, the resulting Brownfield Plan will be forwarded to the Washtenaw County Brownfield Redevelopment Authority and Washtenaw County Board of Commissioners for final consideration and action.

Attachments: 309 N. Ashley Brownfield Plan Staff report to the BRC dated 3-25-19
309 N. Ashley Brownfield Plan dated 4-5-19

Prepared by: Nathan Voght, Washtenaw County Brownfield Redevelopment Coordinator;
Brett Lenart, Planning Manager

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The Developer, 309 North Ashley, LLC has requested approval of the 309 North Ashley Broadway Plan in order to pursue tax increment financing through the Washtenaw County

Brownfield Redevelopment Authority;

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 properties included in the Plan were determined to be Facilities, or Adjacent and Contiguous, as required by Act 381;

Whereas, Any reimbursement by the WCBRA based on an approved Brownfield Plan 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 the project if the project is not built or if it fails to achieve the estimated taxable value;

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, MSF, or that financial incentives will be obtained;

Whereas, On March 25, 2019, The Brownfield Review Committee (BRC) recommended approval of the Brownfield Plan for 309 North Ashley;

Whereas, The BRC approval recommendation included a condition that a cap of 12 years on the total TIF reimbursement period be imposed, and that capture of LBRF and/or Administrative Fees be prioritized over developer reimbursement, should the plan extend to the maximum 12 years; and

Whereas, The City Council held a public hearing on May 6, 2019 to receive public comment on the Brownfield Plan;

RESOLVED, That City Council approve the 309 North Ashley Brownfield Plan submitted to the City and dated April 5, 2019;

RESOLVED, That the Plan be recommended for approval with a proposed maximum total tax capture as identified in the Brownfield Plan and additionally, not to exceed a total period of 12 years of tax increment capture;

RESOLVED, That if the total period of tax capture extends to the maximum 12 years, for whatever reason, that LBRF and/or Admin capture funding be prioritized over developer reimbursement;

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 concurrence 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.