



City of Ann Arbor

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Ann Arbor, MI 48104
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Legislation Text

File #: 23-1315, **Version:** 1

Resolution to Approve the Amended 303 North Fifth and 312-314 Detroit Redevelopment Brownfield Plan

The proposed resolution would approve the first amendment to the 303 North Fifth and 312-314 Detroit Redevelopment Brownfield Plan. This Brownfield Plan was originally approved on July 5, 2022. The proposed amendment seeks additional reimbursement costs for unexpected site conditions, which increased the cost of environmental remediation activities. Subsurface conditions on the site did not enable the original plan of driving pilings to retain the perimeter of the site, which necessitate increased labor and equipment costs than the originally proposed approach. No new activities are being proposed as part of the amendment.

The amendment would increase the amount of developer-eligible costs by \$624,984 (an increase from \$2.67 to \$3.29 million), and would have corresponding incremental increases to the contingency reimbursement item, Washtenaw County Local Brownfield Revolving Loan Fund, and State of Michigan Revolving Loan Fund, with captured funds. The net impact is an estimated 10-year capture period to project completion, extended from the original 9-year projection. The Plan retains a maximum capture period of 12 years.

The proposed development includes:

- Construction of new five-story building, containing 14 residential homes and 1,850 square feet of retail or office space.
- 15 vehicular parking spaces
- LEED Gold energy efficiency certification

As noted in the attached report, staff is supportive of the proposed amendment.

Prepared by: Brett Lenart, Planning Manager

Reviewed by: Derek Delacourt, Community Services Area Administrator
Marti Praschan, Chief Financial Officer

Approved by: Milton Dohoney Jr., City Administrator

Whereas, MAV Development has requested approval of the Amended 303 North Fifth and 312-314 Detroit Redevelopment Brownfield 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 property included in the Plan was determined to be a Facility, 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 development to building 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, EGLE, MSF, or that financial incentives will be obtained;

Whereas, The City of Ann Arbor previously approved a Brownfield Plan for the project on July 5, 2022; and

Whereas, The City Council held a public hearing on August 21, 2023 to receive public comment on the Amended Brownfield Plan;

RESOLVED, That City Council approve the Amended 303 North Fifth and 312-314 Detroit Redevelopment Brownfield Plan submitted to the City and dated July 21, 2023;

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 substantial changes to the Brownfield Plan after the date of this Resolution will require review by the Committee and approval by City Council.