REGULAR MEETING AGENDA
Thursday, March 7, 2019
200 N. Main, Ann Arbor, MI
Lower Level Large Conference Room

1. Call to Order
2. Public Comment*
3. Approval of Agenda
4. Approval of Minutes
   a. February 7, 2019 Meeting
5. Board Member Conflict of Interest Disclosure
6. Business
   1. 1150 Midway Rd. Environmental Assessment Grant, Ypsilanti Twp, Phase I – Action
   2. 2 W. Michigan Ave, Ypsilanti, Environmental Assessment Grant Application – Action
   3. Approval of Interest as Eligible Activity on Brownfield Projects – Action:
      i. Maple Shoppes $41,282
      ii. Zingerman’s $155,949.57
      iii. 618 S. Main $268,166.20
      iv. 544 Detroit $30,744.20
      v. Arbor Hills $1,015,444 (total)
         1. $403,750.85 (state/local)
         2. $611,693.15 (local only)
      vi. Michigan Inn $36,964
   4. Packard Square Eligible Activities – Action
7. Other Business
8. Public Comment*
9. Adjournment

*All public comment will be limited to three (3) minutes per person

For more information on this agenda please contact Nathan Voght, Washtenaw County Office of Community and Economic Development at (734) 544-3055 or voghtn@ewashtenaw.org.
Board Present: Jeremy McCallion – Chair, James Harless, Trevor Woollatt-Vice-Chair, Matt Naud - Secretary/Treasurer, Sybil Kolon, Jason Morgan, Joe Meyers

Board Absent: Todd Campbell, Allison Krueger

Staff: Nathan Voght, Nick Fiore

In Attendance: Jennifer Hall – Ann Arbor Housing Commission


1. Call to Order

Chair McCallion called the meeting to order at 9:02 a.m.

2. Public Comment

J. McCallion asked if there was any public comment, and there was none.

3. Approval of Agenda

J. Harless moved to approve the agenda (2nd T. Woollatt), and the motion passed unanimously.

4. Approval of January 10, 2019 Meeting Minutes

Sybil Kolon was not noted as being present. It was not noted that control of the meeting was handed back to the Chair was missing on business item #3, and T. Woollatt’s name was misspelled.

M. Naud moved to approve the January 10, 2019 minutes as corrected (2nd J. Harless), and the motion passed unanimously.

5. Board Member Conflict of Interest Disclosure

No member declared a conflict of interest with any business on the agenda.

The Chair mentioned that Board member A. Krueger has had a personal issue come up and will miss at least the next three meetings.

Each Board member introduced themselves, since we have a new Board of Commissioner representative, Jason Morgan, attending his first meeting.

6. Business

1. Annual Conflict of Interest Disclosure Form - Action
N. Voght handed out the forms to be signed by all members. He noted the form was updated with the new Conflict of Interest language in the By-Laws. The By-Laws require that each member annual sign the acknowledgement and disclosure.

2. 1514 White Street LBRF Grant Escrow Agreement – Action

Staff explained the request by the Ann Arbor Housing Commission to transfer the $600,000 in LBRF funds to an escrow account held by a title company, for the purposes of along the Housing Commission to close on the Swift Lane public housing redevelopment. Jennifer Hall, the Director of the Housing Commission, was in attendance to answer any questions. Staff pulled up the proposed Escrow Agreement between the title company and the Brownfield Authority, provided by Jim Reach, an attorney working on behalf of the County.

The Brownfield Authority reviewed the Agreement, and made several minor edits. Staff will send this back to Mr. Reach for consideration and then execution.

J. Harless moved to approve the proposed Escrow Agreement, as amended, (2nd T. Woollatt), and to authorize staff and the Housing Commission to finalize the agreement as necessary for all parties to allow the project to close, and the motion passed unanimously.

3. Combined City/County Brownfield Application – Action

Staff presented the final version of the application, which previously was a separate application for City of Ann Arbor projects, and any projects from outside the City.

J. Meyers move to approve the application form (2nd J. Harless), and the motion passed unanimously.

Nick Fiore, OCED intern, presented the updates to the County Brownfield project web page, where a table of all projects, with links to Brownfield Plans, Work Plans, and Reimbursement Agreements was added. Also, a table of all grants awarded and received on behalf of projects is listed. A Board member asked about


N. Voght referred to the report, with TIF deposits, and Admin and LBRF transfers. Developer reimbursements were also included for approval. He referenced the hand Admin Capture hand-out, which provides information for each project and which projects provide flexibility with Admin capture. He noted that Packard Square Admin capture is increased, as the TIF capture period will be much smaller than planned. Admin was lowered for Arbor Hills, as it was increased in the previous year. All Admin capture will balance out over the term of the Plan, but may fluctuate year over year, as permitted by the Reimbursement Agreements.

J. Meyers moved to approve the financial report and transactions (2nd J. Morgan), and the motion passed unanimously.

Staff reminded the Board of Admin projections, and the need to continue to generate interest in the Environmental Assessment Grant Program, in order to maintain a level balance in the Admin account. The Board previously established the policy of carrying no more than one-year’s worth of Admin capture in the account, which is $165,000.

7. Other Business
8. **Public Comment:** There was no public comment.

9. **Adjournment:**

   J. Harless moved to adjourn the meeting at 9:52 a.m. (2\(^{nd}\) S. Kolon), and the motion passed unanimously.

These minutes were approved by the Washtenaw County Brownfield Redevelopment Authority at the ____________________, 2019 Meeting.
TO: Washtenaw County Brownfield Authority  
FROM: Nathan Voght, Washtenaw County Brownfield Coordinator  
DATE: March 1, 2019

1. **1150 Midway Street, Environmental Assessment Grant Application, Ypsilanti Township – Action**

   Please see an application from Ypsilanti Township to conduct a Phase I on the above property, which is proposed for an Ypsilanti-area skatepark.

2. **2 W. Michigan Ave., Environmental Assessment Grant Program Application, City of Ypsilanti – Action**

   Please see the application for Phase I, Phase II for 2 W. Michigan Avenue. This is a former car dealership and gas station. The total request is for $18,120. Staff recommends approval of the application. Staff also recommends the Board consider increasing grant awards for the next several months in order to draw down grant funds more quickly, given the higher fund balance than the Board established as a maximum. The Board could approve $15,000 for this application, instead of 50% of total cost, which would only be $9,060.

3. **Packard Square Eligible Activities Approval – Action**

   The third and final submittal for Eligible Activities has been submitted by McKinley. The Board approved $594,024 and $1,281,912 in Eligible Activities over the last several months, for a total of $1,875,937.65.

   Note the submitted spreadsheet lists ALL possible Eligible Activities (about $5.4 Million, with Contingency), based on the revised Brownfield Plan approved in 2013, where Urban Stormwater Management and underground parking costs were added, but the overall developer-reimbursable costs were still capped at the original Brownfield Plan approval of about $3.5 million. So, the total list of possible eligible activities that could be approved is much higher than the maximum approved in the Brownfield Plan. While $5.5 million in possible costs were approved in the 2013 Brownfield Plan amendment, the maximum developer-reimbursable costs remained at about $4.2 million (including contingency AND interest). Given the rapid pace of repayment anticipated these next 2 years, very little Interest will likely accrue to the developer.

   Here is a table summarizing maximum Eligible Activities from approved Work Plans, and amounts submitted for approval from McKinley:
The grand total of the recommended Eligible Activities exceed the maximums in the above table, not including Interest, which is yet to be determined.

Here is a link to the final summary spreadsheet, and all the back-up invoices, pay requests, and proof of payments, etc.:

https://drive.google.com/drive/folders/1r1y7dD25QDkSIL7tsAaysg6GYEvzoCFX?usp=sharing

I have reviewed the invoices and documents with Jennifer Van Volkinburg, of McKinley, and the final, revised spreadsheet of activities requested is included. There are several points of discussion:

1. The full cost of the Urban Stormwater Management System is requested of $381,528. The MEDC only approved $325,000 of the original estimate of the system of $425,000. The application is requesting to use about $55,000 in Contingency to make up the difference. Staff is not supportive of approving over $325,000 in costs, as the MEDC approval specifically limited this cost. Should the Board wish to approve the additional costs above $325K, it should be from Local-Only tax capture.

2. The Evergreen Civil LLC contract for off-site sanitary work included a $25,000 bonus if their work was completed in 2 weeks. The original contract amount was $51,000, with Change
Orders up to about $58,000, and Change Order #1 awarded the $25,000 bonus. Staff is not supportive of including the $25,000 bonus cost as an Eligible Activity.

3. Contingency on BEA activities is prohibited, therefore not shown.

4. In order to take full advantage of Contingency, McKinley will continue to look for additional costs. One area they may request is a General Conditions mark-up. An updated spreadsheet may be distributed prior to the Board meeting on 3/7.


The financial report has been updated to reflect all the developer reimbursements, Admin and LBRF transfers approved last month.

**Other Business:**

**Ann Arbor Brownfield Policy** – The City of Ann Arbor Brownfield Review Committee (BRC), made up of Councilmembers Kathy Griswold, Jeff Hayner, Chip Smith, and Jack Eaton, convened on Feb. 11th to review a proposed City Brownfield Policy. The purpose of the policy is to provide the City a framework for evaluating and approving brownfield TIF incentives. The proposed policy prioritizes environmental clean-up costs and support for projects with Affordable Housing and energy efficiency. There is also guidance provided for approval of non-environmental activities, and maximum TIF support, compared to total private investment. Finally, infrastructure costs are supported only if they benefit a wider area, and would not otherwise be required of a typical development. The BRC requested changes to the draft policy, final distribution, and then will be forwarded to City Council. A draft of the policy will be provided once BRC finalizes the policy.
The WCBRA Environmental Assessment Grant Program provides grants for conducting Department Specific Activities, as defined by Act 381, by, or on behalf of, the Brownfield Authority on prospective eligible properties to be included in a Brownfield Plan. These include, but are not limited to, Phase I and II studies, as part of Baseline Environmental Assessments, Due Care Activities and Hazardous Materials Surveys.

The program is funded using available Brownfield Administrative Funds from active brownfield projects. Sites owned by a public entity or non-profit are eligible for 100% of the cost of eligible assessment activities, up to $15,000. Private sites are eligible for up to 50% of the cost of eligible assessment activities, up to a maximum of $10,000 of reimbursement.

Type of Application

☑ Publicly-Owned or Non-Profit-Owned Property (100% grant, up to $15,000 maximum)
☐ Privately-Owned Property (50% grant, up to $10,000 maximum)

Owner Information

Property Owner: Charter Township of Ypsilanti
Contact: Sara Jo Shipley, Economic Development Director
Property Address: 1150 Midway Rd. Ypsilanti, MI 48198
Phone No.: 734.544.3733
Property Tax ID #: K-11-02-285-001

Applicant Information

Applicant Name: Charter Township of Ypsilanti
Phone No.: 734.544.3733
Address: 7200 S. Huron River Dr
Developer (Entity) Name (if different than applicant):

Project Information

Project Name: Eastern Washtenaw Skatepark
Project Description: Development of a 10,000 SF concrete skatepark structure in the Community Center Park on Clark Road.

Please provide a Site Map, Aerial, and/or Site Plan for the redevelopment.

Property Information

Previous Owners: Township has owned the site since the early 1970s

Historic Property Uses: Vacant lot since early 1980s. As late as 1979, there was a building on the parcel. The building served as a grocery store and as an administration building for Washtenaw Community College during the era of Willow Run Village.

Property Acreage: 1.9 acres
Zoning: RM2
Surrounding Land Use: Park, Golf Course, Church, vacant land

Proposed Environmental Activities:

<table>
<thead>
<tr>
<th></th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>X Phase I</td>
<td>$2,150</td>
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<tr>
<td></td>
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<tr>
<td>X BEA Report</td>
<td></td>
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<tr>
<td>X Due Care Plan</td>
<td></td>
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<tr>
<td>X Hazardous Material Survey</td>
<td></td>
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</tbody>
</table>

Please attach a price quote from a qualified environmental firm.

Please describe Previous Environmental Assessments Completed: none

Please describe environmental conditions: No known environmental contamination. The site is flat, has good drainage, and is a mix of gravel and grass.

Please provide cloud links to any relevant environmental reports.
Please return the completed form and attachments to:
Nathan Voght
Economic Development Specialist
Washtenaw County Office of Community and Economic Development
415 W. Michigan Ave.
Ypsilanti, MI 48197
734-544-3055
voghtn@ewashtenaw.org
February 5, 2019

Sara Jo Shipley
Charter Township of Ypsilanti
7200 South Huron River Drive
Ypsilanti, Michigan  48197

Subject: Proposal to Conduct Phase I Environmental Site Assessment (ESA)
Proposal No. PF-23909-1

Ms. Shipley:

AKT Peerless is pleased to present its proposal to provide Environmental Consulting Services for the following property:

- 1150 Midway Road
  Ypsilanti Township, Michigan

AKT Peerless will implement work immediately and will provide its Phase I ESA within three to four weeks of your authorization to proceed. AKT Peerless’ estimated lump sum cost to complete the proposed scope of work is $2,150.

Any other unexpected or extraordinary concerns that become apparent during the assessment may require a revision in the scope of work and cost and could delay the project. AKT Peerless will notify you of any concerns or necessary changes in the proposed scope of work.

For your convenience, this proposal is presented in a form that can be accepted as an agreement. To accept this proposal, please sign the signature page and return a copy to me.

We look forward to working with you on this project. If you have any questions or require additional information, please contact me at 248.302.2361 or Bob Lambdin at 248.615.1333 or via email at mcgaheyt@aktpeerless.com and lambdinr@aktpeerless.com.

Sincerely,

AKT PEERLESS

Timothy J. McGahey, CHMM, LEED-AP
Vice President Environmental Due Diligence

Enclosure
PROPOSAL FOR ENVIRONMENTAL CONSULTING SERVICES
AKT Peerless Proposal No. PF-23909-1

Introduction
AKT Peerless is pleased to submit its proposal to provide environmental consulting services for the following property:

- 1150 Midway Road
  Ypsilanti Township, Michigan

AKT Peerless understands the Client intends to redevelop the subject property as a recreational skate park.

AKT Peerless understands the Client plans to utilize Washtenaw County Brownfield Redevelopment Authority (WCBRA) to fund the proposed scope of work. AKT Peerless will comply with the insurance requirements as outlined in Section 10 of the draft WCBRA Environmental Assessment Grant Agreement provided to AKT Peerless on February 5, 2019.

Scope of Work
AKT Peerless is pleased to submit its proposal to provide environmental consulting services. AKT Peerless’ Phase I ESA will be based on (1) the scope and limitations of the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process / Designation E 1527-13 (ASTM Practice E 1527) which outlines good commercial and customary practice for conducting a Phase I ESA, and (2) the United States Environmental Protection Agency (USEPA) Standards and Practices for All Appropriate Inquiries (40 CFR Part 312).

Certain users of the proposed Phase I ESA may be able to satisfy one of the environmental due diligence requirements to qualify for the bona fide prospective purchaser, contiguous landowner, or innocent landowner liability protections available under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, the Superfund Amendments and Reauthorization Act (SARA) of 1986, and the Small Business Liability and Brownfield Revitalization Act (Brownfield Amendments) of 2002.

For the purpose of the proposed Phase I ESA, the Client will be the party that retains AKT Peerless to complete this Phase I ESA. AKT Peerless will not make an independent determination whether its Client is a User and intends to use this Phase I ESA to qualify for Landowner Liability Protection (LLP) under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980.

In accordance with ASTM Practice E 1527, a User is the party seeking to use ASTM Practice E 1527 to complete an environmental site assessment of the subject property. A User may include, without limitation, a potential purchaser of property, a potential tenant of property, an owner of property, a lender, or a property manager. Furthermore, a User seeking to qualify for an LLP under CERCLA has specific obligations for completing a successful application of this practice, including the Client and User...
Requirements described below. AKT Peerless’ scope of work does not include an evaluation or completion of these specific user obligations under the ASTM Practice E 1527, unless otherwise noted in this proposal.

The purpose of AKT Peerless’ proposed ESA will be to provide an independent, professional opinion of the recognized environmental conditions (RECs)\(^1\), historical recognized environmental conditions (HRECs)\(^2\), and controlled recognized environmental conditions (CRECs)\(^3\), in connection with the subject property, if any. AKT Peerless’ Phase I ESA is designed to identify adverse environmental conditions and the possible need for a more definitive study addressing specific areas of concern, if any. The proposed Phase I ESA will be intended to reduce, but not eliminate, uncertainty regarding the potential for RECs, HRECs, and CRECs in connection with the subject property.

**Client Requirements**

AKT Peerless requests that the Client provide the following information to facilitate developing a history of the previous uses of the subject property and surrounding area, and to aid the identification of conditions of potential environmental concern in connection with the subject property:

- Environmental records or reports regarding potential or known environmental liabilities associated with the subject property.
- The precise geographic location of the subject property, either by address, legal description, land survey, site map, or assessor’s parcel number (APN, a.k.a. parcel identification number, ward/item number, etc.) and its relation to neighboring sites and/or cross streets in close proximity to the subject property.
- Completed and signed “Client Environmental Questionnaire”
- Completed Document Request Form
- Best time to schedule interview
- User Obligations for LLP, if any, in accordance with E 1527 and AAI

In addition, if underground storage tanks (USTs) are known to be present at the subject property, AKT Peerless requests that the client provide (or obtain from the current UST operator) copies of documentation (e.g., permits, registration records, insurance certificates, etc.) regarding the compliance status of on-site USTs relative to currently applicable engineering upgrade requirements for leak detection, corrosion protection, and overspill protection.\(^4\)

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1. ASTM Standard Practice E 1527-13 defines the term REC as the presence or likely presence of any hazardous substance or petroleum product in, on, or at a property: (1) due to any release to the environmental; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.

2. ASTM Standard Practice E 1527-13 defines the term HREC as a past release of any hazardous substance or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted residential use criteria established by a regulatory authority, without subjecting the property to any required controls.

3. ASTM Standard Practice E 1527-13 defines the term CREC as a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.

4. If a UST system is present, the client should also be prepared to disclose to AKT Peerless the mechanism by which the current or new tank owner/operator will meet financial assurance obligations.
User Requirements

In order to qualify for one of the LLPs offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2002 (the “Brownfields Amendments”), a User must conduct certain inquiries as described in 40 CFR 312. If the Client intends to use ASTM Practice E 1527 to qualify for a LLP to CERCLA liability, then AAI requires that certain tasks be performed by - or on behalf of – that party. As appropriate, these inquiries must also be conducted by EPA Brownfield Assessment and Characterization grantees. While such information is not required to be provided to the Environmental Professional, AKT Peerless requests that the Client provide such information via a Questionnaire, Document Request Form, and Interviews as such information can assist the AKT Peerless in identifying environmental conditions.

Scope of Work

In accordance with ASTM Standard Practice E 1527-13, AKT Peerless’ ESA will include the following tasks:

- A reconnaissance of the subject property, as well as observation of the adjoining properties as feasible from the subject property and public right-of-ways, to identify uses or activities that may pose an environmental concern to the subject property, including a review of: (1) general activities occurring at the subject property, (2) existing subject property conditions, and (3) the uses of adjoining properties.
- A review of current environmental database information compiled by a variety of regulatory agencies to evaluate potential environmental risks associated with the subject property, adjoining properties, and other sites that are (1) identified on target lists, and (2) within varying distances of up to one mile from the subject property.
- A review of reasonably ascertainable agency file information associated with known or suspected sites of environmental concern maintained by federal, state and local regulatory agencies, including records of compliance, as appropriate. Files will be reviewed for the subject property. Files for adjoining properties, and nearby sites that may present a concern to the subject property, will be reviewed, but additional fees may apply. If such records are not reviewed, AKT Peerless will provide written justification as to why a review was not completed.
- A review of reasonably ascertainable standard historical sources to develop a history of the previous uses of the subject property and surrounding area back to their obvious first developed uses, or 1940, whichever is earlier; such sources may include aerial photographs, maps (e.g., topographic, fire insurance, plat, etc.), city directories/address indexes, previous environmental assessments, and municipal records, as appropriate.
- A review of reasonably ascertainable records pertaining to regulated waste generation, registered USTs, leaking UST (LUST) incidents, or other environmental events occurring on the subject property or nearby sites that AKT Peerless judges to have a potential to pose an environmental concern to the subject property.
- The consideration of adjoining property use and activity.
- A review of readily available environmental information and reports maintained for the subject property.
- Interviews with persons, including regulatory agency representatives, who are familiar with past and present uses, activities, and/or environmental concerns at the subject property and adjoining properties.
- Discussion regarding compliance with Activity and Use Limitations (AULs), if any.

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5 AKT Peerless will use search radii that meet or exceed ASTM’s recommended minimum search distances.
• An evaluation of information obtained from the aforementioned sources to determine if RECs, CRECs, or HRECs exist in connection with the subject property.

During the assessment, AKT Peerless will evaluate or consider: (1) the potential for contamination of soil, soil vapor, and groundwater at the subject property, (2) the possible presence of underground or aboveground storage tank systems at the subject property, (3) the possible presence of hazardous substances or petroleum products at the subject property, (4) the proximity of the subject property to known and/or suspected sites of environmental concern, and (5) the historical use of the subject property.

AKT Peerless will prepare a written report documenting the data and information gathered during the Phase I ESA. AKT Peerless’ report will summarize the known environmental conditions associated with the subject property, if any. Unless advised otherwise by the Client, AKT Peerless will include recommendations for further investigation of the noted environmental concerns.

The conclusions and recommendations will reflect AKT Peerless’ best professional judgment, and will be based upon the conditions observed and information made available at the time of the assessment.

Schedule
AKT Peerless will implement work immediately and will provide its Phase I ESA within three to four weeks of your authorization to proceed.

Fees
AKT Peerless proposes to provide the services described in this proposal for the total estimated cost described below:

| Total Estimated Cost - Phase I ESA | $2,150 |

Additional fees may be charged to adequately and appropriately evaluate potential environmental concerns that may be presented by uses of (or events at) adjoining or nearby properties. AKT Peerless’ proposal includes reviewing regulatory agency records for the subject property. However, AKT Peerless may charge an additional fee to review regulatory agency records for any adjoining or nearby sites we judge to be a potential environmental concern to the subject property. Furthermore, the additional costs for municipal fees related to Freedom of Information Act (FOIA) responses may be passed on to the Client, if necessary. AKT Peerless will promptly apprise the client of the relative cause for such additional fees, and will not complete the extra activity unless Client authorizes AKT Peerless to do so.

AKT Peerless’ cost estimate for its proposed scope of work includes one (1) hour of consulting time after the project is complete. Follow-up services provided by AKT Peerless, such as additional research, post-publication modifications to the report, project meetings, etc., shall be billed based on AKT Peerless’

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If AKT Peerless deems it necessary to review such records that are maintained by federal, state, or local regulatory agencies, the overall time to complete the project may be delayed due to agency response times. As necessary, AKT Peerless may require a change order to review government files for adjoining and nearby sites.
standard professional service fee schedule for Phase I ESA modifications and/or project support outside of the scope of work.

Unless requested otherwise, AKT Peerless will provide an electronic copy of the final report. Paper copy reports, if requested, will be provided at a rate of $75 per copy.

**Limitations**

AKT Peerless will make reasonable efforts to determine if USTs or related equipment (collectively referred to as UST systems) are or have been present at the subject property. AKT Peerless defines reasonable efforts as obtaining and evaluating information from visual observations of unobstructed areas and from the historical sources described above in this proposal. AKT Peerless recognizes, and urges users of the proposed assessment to acknowledge, that the accuracy of our conclusions relative to the on-site presence or use UST systems directly corresponds to the presence of obstructions (e.g. snow, densely growing vegetation, standing water, pavement, equipment, structures, storage, debris, etc.) at the time of the reconnaissance, or to our receipt and evaluation of incorrect or incomplete information.

Unless specifically noted in the proposed scope of work, AKT Peerless will not evaluate any potential environmental conditions (i.e., further areas of possible business/environmental concern and/or liability) that are outside the scope of ASTM Practice E 1527. Examples of such non-ASTM potential environmental conditions that are beyond the scope of this Phase I ESA include cultural and historic resources, ecological resources, endangered species, health and safety, high-voltage power lines, indoor air quality, industrial hygiene, lead-based paint, lead in drinking water, moisture intrusion, mold, noise pollution, radon, asbestos, and/or regulatory compliance. If the Client requires any of these services, please contact AKT Peerless to provide a proposal to conduct these services under a separate scope of work.

AKT Peerless’ scope of work is limited to investigating the past uses of the subject property, though some historical information is also reviewed for adjoining properties, but does not include investigating past uses of surrounding or nearby properties.

AKT Peerless is not proposing to conduct any sampling or analysis of the subject property’s natural resources. If visual observations or information obtained during the Phase I ESA indicate the need for any sampling or analysis of soil, soil gas, and/or groundwater, AKT Peerless will promptly contact you to convey our findings and related opinions, and to discuss a proposed scope of services to address those concerns.

This proposal and the associated cost estimate are valid for 60 days. After 30 days have elapsed, AKT Peerless reserves the right to alter the scope of work and estimated cost. Any unexpected or extraordinary concerns that become apparent during the assessment may require a revision in the scope of work and cost and could delay the project. AKT Peerless will notify you of any concerns or necessary changes in the proposed scope of work. Changes in the scope of work and the estimated price would be dependent on potential changes in the amount of available site information, regulatory requirements, seasons, economic conditions, etc. If necessary, AKT Peerless will provide an altered scope of work and the associated price estimate for approval prior to initiating project activities.

This proposal, including: descriptive material, pricing, discussion of proposed methods to be used or implemented by AKT Peerless, and related information set forth herein are confidential; these items constitute trade secrets of and are proprietary to AKT Peerless. AKT Peerless is submitting this
information for informational purposes only, based on the express understanding that it will be held in strict confidence; will not be disclosed, duplicated, or used, in whole or in part, for any purpose other than the evaluation of this information; and will not, in any event, be disclosed to third parties, without prior written consent of AKT Peerless.

**Terms and Conditions**

By signing this proposal, the Client agrees to the terms and conditions presented as Appendix A. Unless otherwise noted, AKT Peerless will prepare and render invoices for work performed to date on a monthly basis.
PROPOSAL ACCEPTANCE FOR
Phase I Environmental Site Assessment
1150 Midway Road, Ypsilanti Township, Michigan

This proposal submitted by: Timothy J. McGahey, CHMM, LEED-AP
Vice President Environmental Due Diligence

Proposal submitted on: February 5, 2019

Please authorize the proposal by executing below:

Proposal amount: $2,150

Client contact:
Sara Jo Shipley
Charter Township of Ypsilanti
7200 South Huron River Drive
Ypsilanti, Michigan 48197

AKT Peerless Proposal No. PF-23909-1

Acceptance: ________________________________ (Signature)
Client Name: Charter Township of Ypsilanti
Print Name: ________________________________
Title: __________________________________________________________________________
Date: __________________________________________________________________________

TO EXPEDITE COMPLETION OF THIS PROJECT, PROVIDE THE FOLLOWING:
PROPERTY OWNER NAME: PROPERTY OWNER CONTACT INFORMATION:

KEY SITE CONTACT NAME: KEY SITE CONTACT INFORMATION:

LENDER NAME: LENDER CONTACT INFORMATION:
MEMORANDUM

To: Sara Jo Shipley, Economic Development Director

From: Karen Lovejoy Roe, Clerk

Date: January 16, 2019

Subject: Request to Approve the Ypsilanti Township Park Commission Recommendation to Proceed with a Skatepark Project at the Proposed Location of Community Center Park and the Estimated Associated Maintenance Costs of $5,000.00 Annually

At the regular meeting held on January 15, 2019, the Charter Township of Ypsilanti Board of Trustees approved the recommendation of the Ypsilanti Township Park Commission to proceed with a skatepark project at the proposed location of Community Center Park and the estimated associated maintenance costs of $5,000.00 annually.

Should you have any questions, please contact my office.

Irs

cc: Ypsilanti Township Park Commission
Brenda Stumbo, Supervisor
Javonna Neel, Accounting Director
Files
Memorandum

To: Karen Lovejoy Roe, Township Clerk
From: Sara Jo Shipley, Economic Development Director
Subject: Skatepark
Date: December 19, 2018

RE: Approve the Township Parks Commission recommendation to proceed with the skatepark project at the proposed location at Community Center Park and the associated maintenance costs of $5,000 annually

Background

Washtenaw County Parks and Recreation Commission (“Washtenaw Parks and Rec”) applied for and received a grant from the Tony Hawk Foundation and the Ralph C. Wilson Foundation to build a skatepark on the eastern side of Washtenaw County. The awarded $250,000 grant, along with the $250,000 matching funds, provided by the County, is enough to build a 10,000 square foot skatepark.

At the Township Parks Commission meeting on December 3, 2018, a presentation by Meghan Bonfiglio, Deputy Director of Washtenaw County Parks & Recreation Commission and Trevor Staples, Built to Play Skatepark Manager for the Tony Hawk Foundation, was given about locating the skatepark in Ypsilanti Township. Meghan and Trevor explained that based on several criteria such as, access to bus transit, proximity to convenience food, sidewalk connections, bathrooms, etc. that the Community Center Park on Clark Road is the best location for the new skatepark. Maintenance costs for a skatepark are approximately $5,000 per year. Most of these annual costs are staffing and landscaping. The Township will be responsible for the maintenance costs of the skatepark. Volunteer days often take care of litter clean-up needs.

Recommendation

Based on the December 3rd presentation, as well as community input at that meeting, the Parks Commission recommends that the skatepark project proceed at the proposed Community Center Park location.

Next Steps

Once the location is approved, Washtenaw Parks and Rec will convene a Request for Proposal (“RFP”) Committee that will be responsible for selecting a firm for the design and construction of the amenity. The RFP process will be managed by Washtenaw Parks and Rec.

Attachments

Map of Proposed Location
Proposed Skatepark

© 2013 Washtenaw County

This map represents parcels at the time of printing. The official parcel tax maps are maintained solely by the Washtenaw County Equalization Department and can be obtained by contacting that Office at 734-222-6662.

NOTE: Parcels may not be to scale.

The information contained in this cadastral map is used to locate, identify and inventory parcels of land in Washtenaw County for appraisal and taxing purposes. It is not to be construed as a survey description. The information is provided with the understanding that the conclusions drawn from such information are solely the responsibility of the user. Any assumption of legal status of this data is hereby disclaimed.

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Environmental Assessment Grant Program
APPLICATION FORM

The WCBRA Environmental Assessment Grant Program provides grants for conducting Department Specific Activities, as defined by Act 381, by, or on behalf of, the Brownfield Authority on prospective eligible properties to be included in a Brownfield Plan. These include, but are not limited to, Phase I and II studies, as part of Baseline Environmental Assessments, Due Care Activities and Hazardous Materials Surveys.

The program is funded using available Brownfield Administrative Funds from active brownfield projects. Sites owned by a public entity or non-profit are eligible for 100% of the cost of eligible assessment activities, up to $15,000. Private sites are eligible for up to 50% of the cost of eligible assessment activities, up to a maximum of $10,000 of reimbursement.

Type of Application

☐ Publicly-Owned or Non-Profit-Owned Property (100% grant, up to $15,000 maximum)
☒ Privately-Owned Property (50% grant, up to $10,000 maximum)

Owner Information
Property Owner: REYNOLD LOWE
Contact: 
Property Address: 2 W Michigan Ave, Ypsilanti MI 48197
Phone No.: 734-483-6980
Property Tax ID #: 11-11-40-401-001

Applicant Information
Applicant Name: Bill & Tyler Kinley
Phone No.: 734-971-6850
Address: 117 N First St, #80, Ann Arbor MI 48104
Developer (Entity) Name (if different than applicant): PRAXIS PROPERTIES

Project Information
Project Name: 2 W Michigan Ave
Project Description: Phase I environmental assessment for the property located at 2 W Michigan Ave in Ypsilanti, MI

Please provide a Site Map, Aerial, and/or Site Plan for the redevelopment.

Application Form approved May 4, 2017
Property Information
Previous Owners: Moose Lodge, Former dealership

Historic Property Uses: Car Dealership, Moose Lodge, Furniture Resale

Property Acreage: 
Zoning: Commercial Surrounding Land Use: Commercial, park

Proposed Environmental Activities:

<table>
<thead>
<tr>
<th></th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>☒ Phase I</td>
<td>$2,500.00</td>
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<tr>
<td>☒ Phase II</td>
<td>$15,620.00</td>
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<td>□ BEA Report</td>
<td></td>
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<tr>
<td>□ Due Care Plan</td>
<td></td>
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<tr>
<td>□ Hazardous Material Survey</td>
<td></td>
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</tbody>
</table>

Please attach a price quote from a qualified environmental firm.

Please describe Previous Environmental Assessments Completed: None

Please describe environmental conditions: Formerly a car dealership with gas pumps located on site. Currently an antique store with property behind for parking and vehicle access.

Please provide cloud links to any relevant environmental reports.

Please return the completed form and attachments to:
Nathan Voght
Economic Development Specialist
Washtenaw County Office of Community and Economic Development
415 W. Michigan Ave.
Ypsilanti, MI 48197
734-544-3055
voghtn@ewashtenaw.org
WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

Environmental Assessment Grant Program

The Washtenaw County Brownfield Redevelopment Authority assists member communities with redevelopment of brownfield properties, using all available tools and resources. Act 381 allows Administrative fees to be captured from local tax increment revenues in order to fund brownfield program costs. Administrative fees support actual and reasonable costs of operating the County Brownfield Redevelopment Program. In addition, Administrative fees will be utilized to conduct Department Specific Activities by or on behalf of the Brownfield Authority related directly to work conducted on prospective eligible properties prior to approval of a brownfield plan. Funds will be prioritized for sites that are actively being marketed or pursued for redevelopment, or sites that are part of an active, locally-initiated redevelopment strategy.

The WCBRA hereby establishes the Environmental Assessment Grant Program, which provides grant funding for environmental due diligence activities on suspected or known brownfield sites. The grant funds are available to both publicly and privately-owned properties to conduct Department Specific Activities as permitted by Act 381. These include, but are not limited to, Phase I and II studies, as part of Baseline Environmental Assessments, Due Care Activities and Hazardous Materials Surveys.

The program is funded using available Brownfield Administrative Funds, captured from active brownfield projects. It is the intent of the Brownfield Authority to not allow available Administrative funds in any one year to exceed the full year’s allowable capture for that year under Act 381. Sites owned by a public entity or non-profit are eligible for 100% of the cost of eligible assessment activities, up to $15,000. Private sites are eligible for up to 50% of the cost of eligible assessment activities, up to a maximum of $10,000 of reimbursement.

Applications will be accepted at any time, as available fund reserves allow. Brownfield staff will review the application for eligibility and completeness, and then forward to the Washtenaw County Brownfield Authority Board for consideration. Interested parties must fill out the Environmental Assessment Grant Program Application and submit it as indicated.

Grant Requirements

Publicly-owned properties are eligible for a 100% grant, up to $15,000 in eligible assessment activities. Privately-owned properties are eligible for 50% (matching) grant, up to a maximum of $10,000, of the total actual cost of eligible assessment activities.

Conducting Assessment Work

Municipalities awarded a grant must demonstrate that the expenditures of those grant funds will follow the community’s standard procurement procedures in having the assessment work completed. A Grant Agreement will be required, which includes a requirement for coordination with Brownfield Staff on the work to be conducted.
Grant applications for privately-owned sites must include a price quote from a qualified environmental consultant as a basis for the request. The pricing will be reviewed for reasonableness by the Brownfield Authority as part of the overall grant application review.

For More Information:

https://www.washtenaw.org/brownfields

Brownfield Program Staff:

Nathan Voght
Economic Development Specialist
Washtenaw County Office of Community and Economic Development
415 W. Michigan Ave.
Ypsilanti, MI 48197
734-544-3055
voghtn@ewashtenaw.org
February 28, 2019

Mr. Bill Kinley
Praxis Properties, LLC
117 N. First Street
Suite 80
Ann Arbor, MI 48104

RE: Proposal for Phase II Subsurface Investigation of 2 W. Michigan Avenue, Ypsilanti, Washtenaw County, Michigan.

Dear Bill:

Quantum Environmental, Inc. (Quantum) is pleased to provide the following proposal for a Phase II subsurface investigation at the referenced property. Quantum is in the process of conducting a Phase I Environmental Site Assessment (ESA) of the property (at this time, we are still waiting to receive Freedom of Information Act (FOIA) records from various government agencies). However, based on the information gathered to date, our Phase I ESA of the subject site did reveal potential recognized environmental conditions (RECs) associated with the site, as summarized below. RECs are defined as the presence or likely presence of any hazardous substances or petroleum products in, on or at a property: (1) due to any release to the environment; (2) under conditions indicative or a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.

The site consists of an approximately 13,000 square foot, three-story building originally constructed in the late 1920’s. Based on our historical research of the site, including review of fire insurance maps and city directories, and our inspection of the current operation, it is possible that release(s) have occurred at the site. The operation of an automobile sales and service facility from the late 1920’s through the early 1940’s, the operation of a carriage factory in the early 1900’s (in a previous building on-site), and the current furniture stripping and painting operations and all identified as potential RECs. In addition, a dry cleaning operation had previously been located on an adjoining property to the west, and a Detroit Edison substation had been located on an adjoining property to the north. These operations could also have released materials of concern which could have migrated onto the subject site, and therefore are also identified as RECs.

These type of facilities typically store, use and possibly dispose of materials in their process, including oils, paints, fuels and cleaners. Many of these uses at the site occurred decades before regulations governing the proper use, storage and disposal of both hazardous and non-hazardous materials and wastes were enacted in the 1970’s. Therefore, it is possible that contamination exists on-site from these previous and current uses.

Part 201 of Michigan’s Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended, addresses liability for the cleanup of environmental contamination. Sites which are identified as a "facility" based on the sampling and analysis conducted at a site would be regulated under this act. A facility is defined as a property where hazardous substance exists in excess of the Michigan Department of Environmental Quality’s Guidance Levels or when there is an indication of contamination from a previous or ongoing business operation.

Quantum Environmental, Inc. (Quantum) is currently in the process of completing a Phase I Environmental Site Assessment (ESA) of the property. The results of the ESA will provide information regarding the presence of potential recognized environmental conditions (RECs) at the site. Based on the information gathered to date, our Phase I ESA of the subject site did reveal potential RECs associated with the site, as summarized below. RECs are defined as the presence or likely presence of any hazardous substances or petroleum products in, on or at a property: (1) due to any release to the environment; (2) under conditions indicative or a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.

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Environmental Quality (DEQ) Generic Residential Cleanup Criteria (GRCC). For a prospective buyer, Section 20126(1)(c) of Part 201 provides certain liability protections to a person who becomes an owner or operator of contaminated property, if that person, among other things, conducts a Baseline Environmental Assessment (BEA). In order to meet the criteria for an exemption from liability, a BEA must be conducted prior to or within 45 days after the earliest of purchase, occupancy or foreclosure.

In order to determine if contamination exists on the property above the GRCC, we propose placing up to eight soil borings on the site. Exact boring locations will be determined in the field and will be designed to target suspect areas of potential concern, particularly associated with the lower level of the building where the automobile service operation and current furniture stripping and painting operations are located, as well as adjacent properties. Borings will be drilled up to 12 feet below ground surface and may include hand auger borings inside the building. All borings will be back-filled with bentonite pellets to seal the formation and plugged with asphalt or concrete, as appropriate.

Soil and groundwater (if encountered) samples collected from each boring will be analyzed for likely contaminants in accordance with applicable regulations. Soil samples will be collected at specific intervals from each boring and will be evaluated for signs of contamination. Based on the evaluation, up to three samples selected from each boring (three soil or two soil and one groundwater), and will be submitted for laboratory analysis.

All samples will be analyzed for volatile organic compounds (VOCs) and selected samples will be analyzed for polynuclear aromatics (PNAs), Michigan metals PCBs. These represent a range of typical contaminants associated with past and current uses of the site. A breakdown of the estimated costs associated with this Phase II subsurface investigation are presented below.

- Analysis of samples as follows:
  Up to 24 samples for VOCs @ $120.00 per sample;
  Up to 8 samples for PNAs @ $120.00 per sample;
  Up to 3 samples for PCBs @ $160.00; and
  Up to 8 samples for Michigan metals @ $160.00 per sample; $5,600.00
- Drilling equipment rental, including drilling equipment, coring equipment and steam cleaner, and mobilization @ $900.00 per diem (estimate two days of investigation): $1,800.00
- Drilling services including soil logging, sample screening and sample collection: $5,140.00
- Professional services including research and preparation of report summarizing the results of the investigation: $3,080.00

TOTAL (estimated): $15,620.00
All sampling implements will be decontaminated with a detergent (Alconox) or steam cleaner and distilled water rinse to ensure sample integrity and prevent cross-contamination between sampling locations. All drilling, field sampling and sample handling operations will be performed in accordance with all applicable federal and state protocols, including those defined in the EPA Field Sampling Manual SW-846. The samples will be submitted to subcontracted laboratories to confirm the presence or absence of potential contaminants.

For your information, this type of Phase II subsurface drilling investigation (including a report) is typically completed within four to five weeks of receiving written authorization to proceed. We request a deposit of one-half of the estimated cost ($7,810.00) prior to beginning the fieldwork.

Please note that the above cost estimate assumes that two days will be necessary to complete the soil boring investigation. If difficulties are encountered while drilling, such as subsurface obstructions which prevent drilling in certain locations, additional time may be necessary. If so, we will advise you and revise the work and fees as you direct. Also note that if soil and/or groundwater contamination is detected, additional investigation may be necessary to determine the extent of contamination and to evaluate potential impacts to indoor air quality as a result of vapor intrusion. If additional investigation into vapor intrusion is advised, we will prepare a separate scope of work and associated cost estimate.

If the site is identified as a facility based on the Phase II results and a BEA is required for liability protection, the DEQ also requires that a Documentation of Due Care Compliance plan be prepared and implemented to ensure contamination does not cause unacceptable exposure and is not exacerbated. Preparation and submittal to the DEQ of a BEA and Due Care Compliance plan (which does not have to be submitted to the DEQ but must be available for their review upon request) for this site will be $4,000.00.

If this proposal is acceptable, please sign and return a copy for our records. We look forward to working with you on this project. If you have any questions or need additional information, please call Keith Gadway or me at (734) 930-2600.

Sincerely,

QUANTUM ENVIRONMENTAL, INC.

[Signature]
Ann L. Ottenhoff, CHMM, REPA, REM
Senior Environmental Scientist

ACCEPTANCE OF PROPOSAL

We accept the above Phase II proposal for 2 W. Michigan Avenue, Ypsilanti, Washtenaw County, Michigan provided by Quantum Environmental, Inc. ("Quantum") and agree to pay the costs specified therein.

Date: ________________________________
January 7, 2019

Mr. Bill Kinley
Praxis Properties, LLC
117 N. First Street
Suite 80
Ann Arbor, MI 48104


Dear Bill:

Quantum Environmental, Inc. is pleased to provide the following proposal for a Phase I Environmental Site Assessment (ESA) for the referenced property. You indicated the property consists of an approximately 13,000 square foot building originally constructed in the 1920’s and currently occupied by Materials Unlimited. The proposed investigation is designed to comply with ASTM Designation: E 1527-13 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. This standard is designed to comply with EPA’s Standards and Practices for All Appropriate Inquiries (AAI), which defines how a user of the standard can comply with the CERCLA liability requirements. In addition to general liability insurance, we carry professional liability (errors and omissions) coverage.

Investigative activities are designed to identify recognized environmental conditions (RECs) as defined in the ASTM standard and will include the following:

- A site visit to inspect the study site, surrounding properties, and general site conditions.
- Interview(s) with available current or past owners, operators and occupants, local government officials and/or knowledgeable people.
- Review of available pertinent environmental information, including readily available information at the local fire, assessing and building departments, previous environmental reports, and hydrogeological information.
- Review of historical information on the site, including available and applicable ownership and use history, historical aerial photographs, topographical maps, and fire insurance maps, city directories, and other information dating from at least 1940 or when the property was first developed to identify past site activities and changes to the site and surrounding area over time.
- Contact with state and local environmental authorities to determine if the site is or has been the subject of investigations or enforcement actions and review of information readily available from these sources.
- Review of Environmental Record Sources, including state and federal lists of potential environmental concern, to determine if the site is listed or impacted by sites on the lists.
Review of information provided by the user of the Phase I ESA in the “User Questionnaire” and review of an Environmental Lien Search.

Once the investigative activities are complete, a written Phase I report will be provided. The report will contain a detailed analysis of the environmental condition of the site, identifying any RECS, and provide recommendations for additional investigation or corrective measures, if requested.

As part of the requirements of E 1527-13, the user of the Phase I agrees to provide known information about the site to Quantum. A Phase I ESA User Questionnaire is attached which details the required information. Please complete the questionnaire and return it to Quantum as soon as possible. We also request that you provide a legal description of the property and a site contact for interviewing and inspecting the site.

The cost for the Phase I ESA utilizing the ASTM standard will be $2,500.00. If limited sampling for potential asbestos containing materials is conducted during the Phase I, the cost will be $15.00 per sample. For your information, these types of investigations are typically completed within two to three weeks of receiving written authorization to proceed.

Please refer to the attached TERMS AND CONDITIONS that are incorporated by reference into this proposal and will become a part of our agreement to provide the Phase I ESA. If this proposal is acceptable, please sign and return a copy for our records.

Upon acceptance, this proposal, together with the attached TERMS AND CONDITIONS, will become a binding contract. We look forward to working with you on this project. If you have any questions or need additional information, please call me at (734) 930-2600, ext. 103.

Sincerely,

QUANTUM ENVIRONMENTAL, INC.

[Signature]

Ann L. Ottenhoff, CHMM, REPA, REM
Senior Environmental Scientist

ACCEPTANCE OF PROPOSAL

We accept the above proposal provided by Quantum Environmental, Inc. ("Quantum") for 2 W. Michigan Ave, Ypsilanti, Michigan and agree to pay the costs specified therein.

Quantum may contact Bill Kinley at (734) 695-9324 regarding the site.

Date: 2/14/19
Quantum Environmental, Inc.
Phase I ESA User Questionnaire

In order to comply with the requirements of ASTM Designation E 1527-13 Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, the user must provide the following information (if available) to Quantum. This will also qualify the user for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001. Failure to provide this information could result in a determination that "all appropriate inquiry" as defined in CERCLA is not complete.

1. Are you aware of any environmental cleanup liens against the subject property that are filed under federal, tribal, state or local law?*  
   - Yes

2. Are you aware of any activity and land use limitations (AULs), such as engineering controls, land use restrictions or institutional controls that are in place at the site and/or have been filed or recorded in a registry under federal, tribal, state or local law?*  
   - No

3. As the user of this Phase I ESA do you have any specialized knowledge or experience related to the property or nearby properties (e.g. are you in the same or similar business)?  
   - No

4. Does the purchase price for this property reasonably reflect the fair market value of the property? If not, could it be that the lower purchase price is because contamination is known or believed to be present at the property?  
   - Yes

5. Are you aware of any commonly known or reasonably ascertainable information about the property that would help Quantum to identify conditions indicative of releases or threatened releases? These would include, but are not limited to, any known past uses of the property, knowledge of chemicals previously or currently present on the property, knowledge of any spills or chemical releases that have taken place on the property, and whether any environmental cleanups have taken place at the site.  
   - Yes
6. As the user of this Phase I ESA, based on your knowledge and experience related to the property, are there any obvious indicators that point to the presence or likely presence of releases at the property?

No

7. What is the reason for performing the Phase I ESA (e.g. to qualify for an LLP to CERCLA liability, to understand the potential environmental conditions that could impact the operation of a business)?

Potential purchase

8. Please provide contact information you have on current and/or previous owners and current and/or previous managers. Please also provide any information you have on current and/or previous occupants and uses.

Current/previous owners: 734/678-3446

Reynold Lowe rlowe@materials unlimited.com

Current/previous managers: Jane

Current/previous occupants/uses: Scam Moose Lodge/USO/WWII pleader 1929

* Note that reasonably ascertainable recorded land title records and judicial records that are filed under federal, tribal, state or local law should be reviewed in order to answer these questions. The ASTM standards indicates that the user should engage a title company/professional to review reasonably ascertainable recorded land title records and lien records to identify environmental liens or activity and use limitations recorded against or relating to the property, or negotiate with the environmental professional to perform this work.
## Waitsame County Brownfield Authority
### Summary Table of Interest Calculations

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<td>2009</td>
<td>2010</td>
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<td><strong>Dingerman's (5%)</strong></td>
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<td><strong>618 S. Main (4%)</strong></td>
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<td>2010 and 2018</td>
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<td>$2,530,196.05</td>
<td>$101,203.87 $2,133,363.17</td>
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<td><strong>544 Detroit (5%)</strong></td>
<td>2013</td>
<td>2017</td>
<td>$70,648.00 $381,368.00</td>
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<td>$15,919.63 296,491.36</td>
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<td><strong>Packard Square (5%)</strong></td>
<td>2011</td>
<td>9/6/18 and 10/12</td>
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<td><strong>Arbor Hills (5%)</strong></td>
<td>2011 Nov-12</td>
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*Note: The above table includes interest calculations for various projects, with interest rates ranging from 3% to 5% and interest periods ranging from 2009 to 2018. The table details the total expenses, unreimbursed balances, and interest generated over the specified periods.*

---

**Summary:**

- The table provides a detailed view of interest calculations for various projects, showcasing the total expenses, unreimbursed balances, and interest generated over the specified periods.
- Projects include Maple Shoppes, Dingerman's, 618 S. Main, 544 Detroit, Packard Square, Arbor Hills, and Michigan Inn.
- Interest rates vary from 3% to 6%, with interest periods ranging from 2009 to 2018.
- The table reflects the complexity of interest calculations in the context of Brownfield Authority projects.
### Construction Activity Log

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<thead>
<tr>
<th>Item Approved Act 381</th>
<th>Eligibility Activity</th>
<th>WHO DATE WORK</th>
<th>Conditions Attached?</th>
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<td>BEA $3,500</td>
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<tr>
<td>Infrastructure</td>
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<td>Site Preparation</td>
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<tr>
<td>Stormwater Detention</td>
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<td>Total</td>
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### Approved Amount for Subcontractor

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<td></td>
<td></td>
</tr>
<tr>
<td>Site Preparation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater Detention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Contingency Requested

<table>
<thead>
<tr>
<th>Item Approved Act 381</th>
<th>Eligibility Activity</th>
<th>WHO DATE WORK</th>
<th>Conditions Attached?</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEA $3,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site Preparation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stormwater Detention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WASHTENAW COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY

AMENDMENT TO BROWNFIELD PLAN
PACKARD SQUARE REDEVELOPMENT PROJECT
TO ADD UNDERGROUND PARKING
AND URBAN STORM WATER MANAGEMENT EXPENSES
AS ELIGIBLE ACTIVITIES

Prepared by:

Packard Square LLC
P.O. Box 7067
Bloomfield Hills, Michigan 48302
Contact Person: Bruce Measom
Phone: (248) 332-4444

Warner Norcross & Judd LLP
900 Fifth Third Center
111 Lyon Street NW
Grand Rapids, Michigan 49503-2487
Contact Person: John Byl
Phone: (616) 752-2149

Last Revision Date: May 22, 2013

Approved by Ann Arbor City Council
June 17, 2013
Approved by Washtenaw County Brownfield Redevelopment Authority
June 6, 2013
Approved by Washtenaw County Board of Commissioners
July 10, 2013
Introduction

This is an amendment of the Washtenaw County Brownfield Plan for the Packard Square Redevelopment Project that was approved by the Washtenaw County Board of Commissioners and the Ann Arbor City Council in May, 2011 (the “Brownfield Plan”). This Brownfield Plan Amendment (“Amendment”) adds two “eligible activities” that are now eligible for reimbursement under Act 381 of 1996, as amended (“Act 381”). The two categories of infrastructure expenses that are being added pursuant to this Amendment are underground parking and an urban stormwater management system. Recent changes to Act 381 have added certain expenses to the “infrastructure” category under Act 381, including both underground parking and urban stormwater management systems. This Amendment does not propose to increase the approved maximum amount of eligible activities reimbursable to the developer (Packard Square LLC) under the Brownfield Plan, which is $3,582,222, including the 15% contingency, plus interest. Because there is no change in the maximum amount of eligible activities reimbursable to the Developer, the only change in the TIF schedule that was included with the Brownfield Plan will be that the TIF capture will begin in 2014 and subsequent capture years will follow thereafter.

Addition of Certain Infrastructure Expenses

A. Underground Parking. Packard Square LLC estimates that its expenses for underground parking, which is now an eligible activity under Act 381, will be $2,400,000. Pursuant to this Amendment, these expenses would be added to the category of infrastructure expenses under the Brownfield Plan.

B. Urban Stormwater Management System. Packard Square estimates that its expenses for the urban stormwater management system, which is now an eligible activity under Act 381, will be $475,000. The cost for a standard stormwater system (detention basin) is approximately $150,000. Therefore, pursuant to this Amendment, the cost differential of $325,000 would be added to the list of infrastructure expenses under the Brownfield Plan.

Table of Reimbursable Eligible Activities

Included below is a revised table of reimbursable eligible activities based upon this Amendment.
### ESTIMATED COST OF REIMBURSABLE ELIGIBLE ACTIVITIES*

<table>
<thead>
<tr>
<th>Description of Eligible Activities</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BEA Activities</td>
<td>$ 24,180</td>
</tr>
<tr>
<td>2. Due Care/Due Care Activities</td>
<td>$ 3,000</td>
</tr>
<tr>
<td>3. Preparation of a Brownfield Plan</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>4. Preparation of Work Plans</td>
<td>$ 16,000</td>
</tr>
<tr>
<td>5. Demolition (Building and Site)**</td>
<td>$ 122,471</td>
</tr>
<tr>
<td>6. MEGA Infrastructure Improvements</td>
<td>$ 4,013,881</td>
</tr>
<tr>
<td>7. Local-Only Public Infrastructure Improvements</td>
<td>$ 650,000</td>
</tr>
<tr>
<td>8. Lead and Asbestos Abatement</td>
<td>$ 60,000</td>
</tr>
<tr>
<td>9. Site Preparation</td>
<td>$ 645,000</td>
</tr>
</tbody>
</table>

| Subtotal Capped at Original Brownfield Plan Total   | $ 5,544,532     |
| 10. 15% Contingency***                             | $ 460,701       |
| 11. MEGA Fee                                       | $ 1,000         |
| 12. MDEQ Fee                                       | $ 1,500         |
| 13. BRA Administrative Fees                        | $ 358,222       |
| 14. Interest                                       | $ 717,236       |
| 15. LSRRF Deposits                                 | $ 1,180,377     |
| **TOTAL**                                          | $ 5,840,557     |

*The costs of Additional Response Activities and Demolition are anticipated to be higher; however, the Developer plans to pay for portions of these eligible activities with MDEQ grant funds.

**Portions of the building demolition in this project are Part 201 Response Activities (i.e., it is a necessary step in the remediation activities). The costs will be covered by 381 TIF, MDEQ Grant Funds and by a liable party.

***The contingency is applied to the capped Subtotal, except the BEA Activities, which have already been performed.

Although the subtotal of eligible activities exceeds the amount that is included in the Brownfield Plan, the developer is not proposing any increase in the overall total for the reimbursable TIF eligible activities. Hence, the maximum amount of reimbursable TIF eligible activities will be $3,582,222 (which includes the 15% contingency) plus interest.
Reimbursement of Eligible Activities with Local-Only TIF

With respect to the reimbursement of eligible activities with local-only TIF, the Brownfield Plan is amended as follows. In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MDEQ or MEGA, these activities (except those specific activities listed as “local-only” in the table above, which will be fully reimbursed with local-only TIF) will be reimbursed with local-only TIF, only up to the amount that would have been reimbursed if the use of school tax had been approved by the MDEQ or MEGA. The sub-slab vapor barriers with passive system will be supported locally, however, only if they are approved by the MDEQ.

Revised Table 1

Because of the addition of these two categories of infrastructure eligible activity expenses, and the shifting of other expenses (see next paragraph for explanation), the figures in Table 1 of Attachment C of the Brownfield Plan have been revised. The revised Table 1 is attached hereto.

The original number of required sewer disconnects (57) was increased to sixty-two (62) as a result of an increase in the number of residential units, which increased the cost for this infrastructure activity. The remaining infrastructure, site preparation and abatement cost changes were the result of bids based on the final project design documents for contractors to work from. The earlier costs were estimates developed prior to the detailed documents being available for review.

Incorporation of Provisions of Brownfield Plan

All other terms of the Brownfield Plan remain unchanged and are incorporated herein by reference.
Eligible Activities means 1 or more of the following: 1) Baseline environmental assessment activities (Phase I, Phase II, BEA), 2) Due Care Activities (Due Care Plan and its associated activities), 3) Additional response activities (activities beyond what is minimally required under the law), 4) Infrastructure improvements that directly benefit the property, 5) demolition of structures that is not a response activity (including interior demolition), 6) Lead or asbestos abatement (included assessments), 7) Site preparation that is not a response activity (removal of fill, site grading/gouging, etc.), 8) relocation of public buildings or operations for econ dev purposes, 9) costs of preparing a brownfield plan or work plan, 10) costs of environmental insurance

### Table 1 - Packard Square Project - MSF and MDEQ Eligible Activities

<table>
<thead>
<tr>
<th>Item/Activity</th>
<th>Total Estimated Cost</th>
<th>School and Local MSF Act 381 Eligible Activities</th>
<th>School and Local MDEQ Act 381 Eligible Activities</th>
<th>Local Only Act 381 Eligible Activities</th>
<th>Activities to Be Funded All or Partially with MDEQ Grant</th>
<th>Activities to Be Funded by Harbor Georgetown, L.L.C.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEA Environmental Assessment Activities - No prior MDEQ or MEGA work plan approval necessary if costs are included in the Plan (even if incurred before Brownfield Plan approval)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase II</td>
<td>$ 15,000</td>
<td>$ 15,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplemental Phase II</td>
<td>$ 5,680</td>
<td>$ 5,680</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BEA</td>
<td>$ 3,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Response Activities** | | | | | | |
| Demo-Building 3 (Dry Cleaner) | $ 43,445 | | $ 43,445 | | | |

| **Due Care Activities** | | | | | | |
| Due Care Plan | $ 3,000 | $ 3,000 | | | | |
| Remove existing monitoring wells and lab analysis | $ 18,700 | | $ 18,700 | | | |
| Evacuation Field Oversight, Verification Sample Collection, Project Management, HASP, Reporting | $ 46,210 | | | | $ 46,210 | |
| Still Removal and Disposal – Incremental cost over greenfield - Core Area (15’ below grade) | | | | | | |
| 880 tons | $ 71,280 | | | | | $ 71,280 |

| **Infrastructure Improvements** | | | | | | |
| Water | $ 325,000 | $ 325,000 | | | | |
| Sanitary Sewer | $ 490,000 | $ 490,000 | | | | |
| 1.44% of Sanitary Sewer Upgrading | | $ 475,000 | | $ 475,000 | | |
| Residential Sewer Disconnected (62 Units) | $ 650,000 | | | | | $ 650,000 |
| Underground/MultiLevel Parking | $ 2,398,881 | $ 2,398,881 | | | | |
| Urban Storm-Water Management System (incremental cost only) | $ 325,000 | $ 325,000 | | | | |

| **Asbestos Survey and Hazardous Mat Activities** | | | | | | |
| Asbestos, Lead and Hazardous Material Survey | $ 10,000 | $ 10,000 | | | | |
| Asbestos Abatement | $ 25,000 | $ 25,000 | | | | |
| Hazardous Abatement | $ 20,000 | $ 20,000 | | | | |
| Oversight and Reporting | $ 5,000 | $ 5,000 | | | | |

| **Demolition** | | | | | | |
| Site Demo (Parking Lot) | $ 125,480 | $ 72,471 | | $ 52,989 | | Grant Funded |
| Building Demo (1&2) | $ 263,211 | $ 50,000 | | $ 213,211 | | Grant Funded |
| Brick Recyling | $ 23,700 | | | $ 23,700 | | Grant Funded |

| **Site Preparation** | | | | | | |
| Soil Erosion Control | $ 18,100 | | $ 18,100 | | | |
| Retaining Wall | $ 113,000 | $ 113,000 | | | | |
| Land Balancing | $ 113,000 | $ 113,000 | | | | |
| Fill | $ 368,000 | $ 368,000 | | | | |
| Construction Filing | $ 30,000 | $ 30,000 | | | | |
| Construction Fencing | $ 35,700 | | | $ 35,700 | | Grant Funded |
| Power Line Relocation | $ 79,110 | | | $ 79,110 | | Grant Funded |
| Transformer Removal | $ 6,250 | | | | | $ 6,250 | |

| **Project Sub Totals** | | | | | | |
| $ 6,510,000 | $ 4,841,812 | $ 27,180 | $ 630,000 | $ 880,000 | | |

| **15% Contingency on Eligible Activities (copied at original approval and does not include grant contingency)** | | | | | | |
| $ 580,771 | $ 477,086 | $ 6,280 | $ 52,335 | $ 40,070 | | |

| **Preparation of Brownfield Plan and Act 382 Workplan** | | | | | | |
| Brownfield Plan | $ 10,000 | $ 5,000 | $ 5,000 | | | |
| MSF Act 381 Work Plan | $ 16,000 | $ 16,000 | | | | |
| MDEQ Act 381 Work Plan and Bd Specs | $ 34,000 | | | | | $ 34,000 | |

| **Applications/Admin Fees** | | | | | | |
| MSF Fee | $ 1,000 | $ 1,000 | | | | |
| MDEQ Fee | $ 1,500 | | $ 1,500 | | | |
| BRA Administrative Fees | $ 358,222 | | | | | $ 358,222 | Local Only |
| Interest | $ 712,281 | $ 517,281 | $ 14,676 | $ 145,279 | | |
| Calhoun County Admin Fee | $ 40,000 | | | | | $ 40,000 | Grant Funded |
| Local Site Remediation Redevelopment Fund | $ 1,180,777 | | $ 506,107 | | $ 674,270 | |

| **Total Cost of Eligible Activities (includes WCERA admin, Fees and ERRF and MDEQ Grant)** | | | | | | |
| $ 9,453,193 | | $ 5,897,719 | $ 540,743 | $ 1,880,107 | $ 1,000,000 | $ 114,625 |
### Packard Square Brownfield Plan Amendment At-A-Glance*

<table>
<thead>
<tr>
<th>Description of Eligible Activity</th>
<th>Estimated Cost in May 11, 2011 Approved Plan</th>
<th>Estimated Cost in Proposed Amendment</th>
<th>Comment/Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Response Activities &amp; Building Demo</td>
<td>$989,780</td>
<td>$122,471</td>
<td>Some costs are covered through the MDEQ Grant, and certain costs have been removed from this category (hot spot removal)</td>
</tr>
<tr>
<td>MSF Infrastructure Improvements</td>
<td>$588,705</td>
<td>$4,013,881</td>
<td>Costs determined from actual bids versus estimated costs and the addition of the underground/multilevel parking and urban storm water management system activities</td>
</tr>
<tr>
<td>Local-Only Infrastructure Improvements</td>
<td>$600,000</td>
<td>$650,000</td>
<td>Increased number of residential units which increased the required number of disconnects from 57 to 62.</td>
</tr>
<tr>
<td>Lead &amp; Asbestos Abatement</td>
<td>$323,100</td>
<td>$60,000</td>
<td>Costs determined from actual bids versus estimated costs</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>$364,300</td>
<td>$645,000</td>
<td>Costs determined from actual bids versus estimated costs</td>
</tr>
</tbody>
</table>

*The amount of available TIF Reimbursement will remain the same as previously approved. The above figures represent the category shifts within the eligible activities.*
MEMORANDUM

Date: November 20, 2013

To: Michigan Strategic Fund Board

From: Joseph Martin, Manager Brownfield and Community Revitalization Program
      Dan Wells, Community Development Specialist

Subject: County of Washtenaw Brownfield Redevelopment Authority
         Packard Square Redevelopment Project
         Request for Approval of an Act 381 Work Plan Amendment

Request
The County of Washtenaw Brownfield Redevelopment Authority is seeking approval to increase capture of local and school tax for MSF eligible activities by $1,349,650 for a total capture of $3,389,799, and request an additional three years to complete eligible activities.

Background
The project was originally approved July 19, 2011 to capture $2,040,149 for MSF eligible activities including demolition, lead and asbestos abatement, site preparation, contingency, interest and review costs. On December 22, 2011 the Department of Environmental Quality approved eligible activities up to $1,483,002 for environmental costs. After the initial approval of the work plan in 2011, a liable party was determined to be responsible for a portion of the environmental response activities on the site. As the liable party assumed responsibility for some response costs, it reduced the costs for environmental activities for the developer. The project also received a Clean Michigan Initiative grant through DEQ that reduced the DEQ eligible activity costs further. The applicant is requesting to increase the MSF portion of the capture to include costs for the parking deck that was originally part of the project, and urban stormwater management costs, since these are now considered infrastructure improvement eligible activities after the 2012 amendment to Act 381.

This project will involve the demolition of three vacant one-story buildings and the construction of a four-story mixed-use retail and residential building on approximately 6.7 acres of property located at 2502-2568 Packard Street in the City of Ann Arbor. The project includes approximately 21,000 square feet of commercial space on Packard Street and 230 apartments that will be located above and behind the retail space. A 60,000 square foot combined underground and vertical parking structure will be integrated into the building, substantially reducing the amount of surface parking.

The number of full time jobs created remains at approximately 45, and the capital investment remains at $49 million.

Other State and Local Assistance to the Project
DEQ is currently in the process of revising their approval to reimburse the cost of environmental response activities from $1,193,131 to an estimated $36,288. A $1 million Clean Michigan Initiative grant was issued to Washtenaw County for this project that will cover some of the environmental response
activities. Harbor Georgetown, LLC was identified as a liable party by DEQ and will pay for approximately $114,625 of the demolition and soil removal costs to remediate contamination related to a former dry cleaner operation at the site. Local-only tax capture is estimated at $650,000 for the disconnection of residential storm sewer drains surrounding the project area per local ordinance. Note that under the amended Brownfield plan, MSF primary eligibility activity capture is capped at $2,418,341.

**Tax Capture Breakdown**
There are 56.1976 non-homestead mills available for capture, with school millage equaling 24 mills (42.71%) and local millage equaling 32.1976 mills (57.29%). The requested tax capture for MSF eligible activities breaks down as follows:

<table>
<thead>
<tr>
<th></th>
<th>Original Approval</th>
<th>Amendment Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>School tax capture (42.71%)</td>
<td>$1,447,783</td>
<td></td>
</tr>
<tr>
<td>Local tax capture (57.29%)</td>
<td>$1,942,016</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,389,799</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Cost of MSF Eligible Activities**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Original Approval</th>
<th>Amendment Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition</td>
<td>$202,456</td>
<td>$122,471</td>
</tr>
<tr>
<td>Lead or Asbestos Abatement</td>
<td>303,100</td>
<td>60,000</td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>588,705</td>
<td>4,013,881</td>
</tr>
<tr>
<td>Site Preparation</td>
<td>±364,300</td>
<td>±645,000</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>1,458,561</td>
<td>(Capped at) 2,418,341 *</td>
</tr>
<tr>
<td>Contingency (15%)</td>
<td>±218,784</td>
<td>±362,751</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>1,677,345</td>
<td>2,781,092</td>
</tr>
<tr>
<td>Interest (5%)</td>
<td>±351,804</td>
<td>±587,707</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>2,029,149</td>
<td>3,368,799</td>
</tr>
<tr>
<td>Brownfield/Work Plan Preparation</td>
<td>10,000</td>
<td>20,000</td>
</tr>
<tr>
<td>MEGA Review Cost</td>
<td>±1,000</td>
<td>±1,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$2,040,149</td>
<td>$3,389,799</td>
</tr>
</tbody>
</table>

*Note that under the amended Brownfield plan, MSF primary eligibility activity capture is capped at $2,418,341.*

**Recommendation**
The MEDC recommends approval of the request by County of Washtenaw Brownfield Redevelopment Authority to capture local and school taxes for the MSF eligible activities totaling $3,389,799 as described above. Utilizing the current state to local capture ratio, the amount of school tax capture for this project is estimated at $1,447,783. It is also recommended to add an additional three years to complete eligible activities.
AERIAL OF PROJECT AREA
MICHIGAN STRATEGIC FUND

RESOLUTION 2013- 197

County of Washtenaw Brownfield Redevelopment Authority
Packard Square Redevelopment Project
(Amendment #1)
County of Washtenaw

At the meeting of the Michigan Strategic Fund (“MSF”) held on November 20, 2013 in Lansing, Michigan.

WHEREAS, 2002 PA 727 amended 1996 PA 381, MCL 125.2651 et seq, to empower local brownfield redevelopment authorities to request the Michigan Economic Growth Authority Board (“MEGA”) to approve a brownfield project work plan and, thereby, capture taxes levied for school operating purposes for the project;

WHEREAS, captured school operating tax revenues may be used under 1996 PA 381 as amended, for infrastructure improvements that directly benefit eligible property, for lead or asbestos abatement, and for structure demolition and site preparation that are not response activities under the Natural Resources and Environmental Protection Act, 1994 PA 451;

WHEREAS, Executive Order 2012-9 transferred all the authority, powers, duties, functions, responsibilities, records, personnel, property, unexpended balances of appropriations, allocations or other funds of the MEGA to the MSF;

WHEREAS, the MEGA Board approved a Work Plan request for the Packard Square Redevelopment Project (the “Project”), by Resolution 2011-096 on July 19, 2011, authorizing the Authority to capture taxes levied for school operating purposes based on a maximum of $2,040,149 in eligible activities;

WHEREAS, the qualified taxpayer wishes to amend the scope of the Project by incorporating costs for a parking deck into the building of the Project, including stormwater management costs, increasing the maximum amount for eligible costs, and increasing the time to complete eligible activities;

WHEREAS, the County of Washtenaw Brownfield Redevelopment Authority (the “Authority”) is requesting MSF approval to capture additional taxes levied for school operating purposes to provide for the reimbursement of the cost of eligible activities on an eligible property; and

WHEREAS, the Michigan Economic Development Corporation (the “MEDC”) provides administrative services to the MSF, and has reviewed the application and recommends approval of the amended Brownfield Work Plan by the MSF Board.

NOW, THEREFORE, BE IT RESOLVED, that the MSF Board authorizes a project scope amendment for the Authority to capture taxes levied for school operating purposes in substantially the same proportion as the 42.71% to 57.29% ratio currently existing between school and local taxes for non-homestead properties, to reimburse the cost of infrastructure improvements and site preparation as presented in the revised Work Plan dated July 10, 2013. Any change in millage that increases the capture percentage of school operating taxes by more than 5 percentage points must be approved by the MSF Board. The authorization is based on the Authority capturing all available local operating mills for the term of the capture period. The authorization for the capture of taxes levied for school operating purposes is based on a maximum of $2,781,092 for the principal activity costs of non-environmental activities and a contingency, a maximum of $587,707 in interest, and a maximum of $21,000 for Brownfield/Work Plan preparation and MSF review costs, and with the capture of taxes levied for school operating purposes being limited to a maximum of $1,447,783.

BE IT FURTHER RESOLVED, that the MSF Board authorizes the staff of the MSF, to provide written notification to the Authority, in the form of a letter which incorporates the terms set forth in this Resolution and consistent with the limitations of the Act, and that this approval is further conditioned upon the Authority, or the County of Washtenaw, as appropriate, maintaining adequate records regarding: a) all taxes captured for the project; and b) receipts or other appropriate documentation of the cost of eligible activities. The records shall be
made available for review upon request by MSF staff. Eligible activities authorized by this resolution must be completed within three (3) years of the date this Resolution is adopted.

BE IT FURTHER RESOLVED, that the MSF Board is authorizing the capture of taxes levied for school operating purposes for the payment of interest, up to a maximum of $587,707 related to the eligible activities for the Project.

Ayes: Craig DeNooyer, Mike Finney, Mike Jackson, Andrew Lockwood for Treasurer Clinton (designation attached), Bill Martin, W. Howard Morris (by phone), Richard Rassel (by phone), Mike Zimmer for Steve Arwood (designation attached).

Nays: None.

Recused: None

November 20, 2013

Lansing, Michigan
December 20, 2013

Mr. Nathan Voght  
Economic Development Specialist  
Washtenaw County Brownfield Redevelopment Authority  
110 North Fourth Avenue, Suite 300  
P.O. Box 864S  
Ann Arbor, Michigan 48107

Dear Mr. Voght and the Washtenaw County Brownfield Redevelopment Authority:

SUBJECT: Act 381 Amended Work Plan Review for Packard Square Redevelopment Project

Staff of the Department of Environmental Quality (DEQ) Remediation and Redevelopment Division have reviewed the Act 381 amended work plan (Plan) for Baseline Environmental Assessment (BEA) activities at the Packard Square, 2502-2568 Packard Street, Ann Arbor, Washtenaw County, which was submitted to us on November 25, 2013, for approval pursuant to the Brownfield Redevelopment Financing Act, 1996 PA 381, as amended (Act 381), MCL 125.2665. The original plan was submitted to the DEQ on November 14, 2011, and approved on December 22, 2011. The DEQ revised its approval on June 6, 2013, to exclude those activities which were to be conducted by the liable party, Harbor Georgetown LLC.

The November 25, 2013, Plan reduces the amount to be reimbursed, and removes all activities that are being funded under the CMI grant, which was awarded on May 9, 2012. Upon consideration of relevant factors identified in Section 15(2) of Act 381, and based upon representations and information contained in your submittal, the DEQ approves the Plan for the following:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEA activities</td>
<td>$24,180</td>
</tr>
<tr>
<td>DEQ Review fee</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

The total amount of this work plan approved for reimbursement with tax increment revenues including taxes levied for school operating purposes, to conduct eligible activities is limited to $25,680. Of this amount, no more than $10,967 shall be from taxes levied for school operating purposes, which is the ratio of school taxes to local taxes levied on the eligible property.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,967</td>
<td>School Tax Capture 42.71%</td>
</tr>
<tr>
<td>+ $14,713</td>
<td>Local Tax Capture 57.29%</td>
</tr>
<tr>
<td>$25,680</td>
<td>Total</td>
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</table>
The Brownfield Plan, approved by Washtenaw County Brownfield Redevelopment Authority, includes the use of school taxes for reimbursement of interest costs associated with environmental response activities. The cost associated with this interest is not included in the amount above. Section 13(17) states, in part, "If an authority reimburses a person or entity under this section for an advance for the payment or reimbursement of the cost of baseline environmental assessments, due care, and additional response activities and interest thereon included in a work plan approved by the department, the authority may capture taxes levied for school operating purposes and local taxes for the payment of that interest." Therefore, school taxes may be used for interest costs associated with the financing of activities approved by the DEQ. The current state policy allows for reimbursement of interest with school taxes for DEQ approved activities utilizing simple (non-compounding) interest at a maximum rate of five percent.

Act 381 allows local units of government to redevelop brownfield properties and to reimburse costs for eligible activities through tax increment financing. Be advised that tax increment revenues, including school taxes, cannot be captured for eligible activities that are being funded with a Brownfield Redevelopment grant. Accordingly, the amount of tax capture is limited to the costs of eligible activities that will be funded with tax increment revenues.

Please note that in making this determination, the DEQ is not making any findings about exemptions to liability under Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA).

Pursuant to Section 15(1)(a) of Act 381, the Authority may approve the use of taxes levied for school operating purposes without DEQ approval for the following activities:

a. Site investigation activities required to conduct a BEA and to evaluate due care activities required under Part 201;
b. Conducting a BEA; and
c. Preparing a due care plan to comply with Part 201.

All other activities (due care activities, additional response activities, interest associated with environmental eligible activities) are only eligible for reimbursement with taxes levied for school operating purposes if undertaken after DEQ approval of a work plan. If activities in addition to those approved in this work plan are determined to be necessary and/or if the approved costs will be exceeded, prior DEQ approval is required. Please be advised that the amount of tax capture is limited to actual expenditures with the exception of excess capture allowed for deposit into the local site remediation revolving fund, if applicable. Capture of tax increment revenues from the eligible property shall be in accordance with Section 13(2) of Act 381.

All actions taken pursuant to this work plan must be undertaken in accordance with the requirements of all applicable or relevant and appropriate state and federal laws, rules, and regulations, including, but not limited to, Part 201 of the NREPA, the Part 201
Mr. Nathan Voght

Rules, and laws relating to occupational safety and health. This approval does not obviate a person’s obligation to obtain and maintain compliance with any permit or authorization required under state or federal laws.

Please provide a copy of all reports and findings relative to environmental activities to the DEQ project manager, Mr. Daniel Hamel.

If you have any questions regarding this letter, please contact Mr. Hamel at 517-780-7832, via e-mail at hameld@michigan.gov; or at the DEQ, Jackson District Office, 301 E. Louis Glick Highway, Jackson, Michigan 49201.

Sincerely,

[Signature]

Mitch Adelman, District Supervisor
Remediation and Redevelopment Division
Jackson District Office
517-780-7852

cc: Mr. Jim Mills, Michigan Department of Treasury
Mr. Joe Martin, Michigan Economic Development Corporation
Mr. Jared Belka, Warner Norcross
Ms. Carrie Geyer, DEQ
Ms. Michelle Bakun, DEQ
Mr. Daniel Hamel, DEQ
Tracking Code: 2011-1148
| Project | Maple Shappins (5) | Michigan Inn | Zingerman's (4) | Arboret Hils (7) | 618 S. Main (3) | AJY Apartments/1407 | 544 Detroit (2) | Packard Square (6) | Water Street | Kingsley Condos - 221 Felch | 615 S. Main - A2 | Grand View Commons - Dexter | 1140 Broadway - A2 | Thompson Block | 309 N. Ashley | Broadway Park - Radbury |
|----------|--------------------|--------------|-----------------|-----------------|-----------------|---------------------|-----------------|-------------------|-------------|-----------------------|-----------------|-------------------|-------------------|-----------------|-----------------|
| **Project Parameters** | | | | | | | | | | | | | | | | |
| Brownfield Plan - Max Developer Reimbursement | $1,209,027.00 | $655,640.00 | $1,233,937.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 | $5,400,000.00 |
| Actual Approved Eligible Activity Expenses | $1,010,042.00 | $397,893.13 | $600,218.85 | $5,400,000.00 | $5,400,000.00 | $2,420,266.00 | $298,463.97 | $383,368.00 | $1,875,937.65 | $2,609,663.57 |
| Approved Eligible Activity Expense Reimbursed to (5) | $500,638.86 | $314,219.08 | $174,200.89 | $2,593,943.78 | $724,527.16 | $194,185.07 | $88,124.79 | $1,166,547.64 | $168,873.57 |
| Remaining Approved Eligible Activity Expenses | $509,403.14 | $83,620.60 | $426,017.96 | $2,806,056.22 | $1,695,738.84 | $104,278.90 | $295,243.21 | $709,390.01 | $2,440,791.00 |
| **Project Activity** | | | | | | | | | | | | | | | | |
| 12/31/18 Fund Balance | $ - | $ - | $5,000.00 | $456,076.44 | $ - | $ (10,281.82) | $ - | $362,541.53 | $64,582.83 | $ - | $ - | $ - | $ - | $ - | $1,764.01 |
| **TOTAL REVENUES** | | | | | | | | | | | | | | | | |
| Application Fee | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $1,304.50 | $ - | $ - | $ - |
| Interest Revenue* | | | | | | | | | | | | | | | | |
|事例 Revenues/Capture | $13,010.28 | $11,074.66 | $9,747.36 | $112,111.92 | $63,157.74 | $38,400.49 | $3,844.15 | $209,981.41 | $36,466.95 | $201,412.08 | $57,912.74 | $ - | $472.75 | $ - | $ - | $ - |
| **Total Revenues** | $13,010.28 | $11,074.66 | $9,747.36 | $112,111.92 | $63,157.74 | $38,400.49 | $3,844.15 | $209,981.41 | $36,466.95 | $201,412.08 | $57,912.74 | $ - | $472.75 | $1,304.50 | $ - | $ - |
| **2018 EXPENDITURES** | | | | | | | | | | | | | | | | |
| Certified Expense Reimbursement | $9,821.28 | $9,227.66 | $4,477.69 | $595,523.03 | $38,120.33 | $21,214.74 | $1,248.15 | $572,522.94 | $ - | $ - | $29,024.71 | $ - | $ - | $ - | $ - |
| Administrative Fee Transfer | $134,080.00 | $1,842.41 | $4,108.00 | $8,664.93 | $55,015.41 | $6,953.93 | $2,596.00 | $3,646.70 | $20,141.00 | $8,888.03 | $ - | $ - | $ - | $ - |
| LBFF Revenue or Deposit | $ - | $ - | $6,161.67 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $68.75 | $ - | $ - | $ - |
| State of MI Brownfield Fund (Approved after 2014) | $13,010.28 | $11,074.66 | $14,747.96 | $568,187.96 | $63,157.74 | $28,188.67 | $3,844.15 | $572,522.94 | $20,141.00 | $57,912.74 | $ - | $68.75 | $ - | $ - |
| **Total Expenditures** | $13,010.28 | $11,074.66 | $14,747.96 | $568,187.96 | $63,157.74 | $28,188.67 | $3,844.15 | $572,522.94 | $20,141.00 | $57,912.74 | $ - | $68.75 | $ - | $ - |
| **Current Brownfield Account Balance** | | | | | | | | | | | | | | | | |
| Misc Fund | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $97,403.08 | $181,271.08 | $ - | $ - | $2,168.01 | $ - | $1,304.50 | $ - |
| * Includes Admin and LBFF Funds | | | | | | | | | | | | | | | | |

**Total of all 2018 CY TIF Reimbursements** | $1,245,180.53 |
| Total of all 2016 CY Admin Transfers | $164,999.72 |
| Total of all 2017 CY Admin Transfers | $164,113.00 |
| Total of all 2016 Admin Transfers | $150,739.88 |
| Total of all 2015 Admin Transfers | $114,457.35 |
| Total of all 2014 Admin Transfers | $87,198.19 |
| Total of all 2013 Admin Transfers | $6,230.42 |

**TRANSACTION APPROVALS REQUESTED:**

**PROJECT**

<table>
<thead>
<tr>
<th>TIF CAPTURE</th>
<th>ADMIN TRANSFER</th>
<th>LBFF TRANSFER</th>
<th>DEVELOPER REIMBURSEMENT</th>
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