



# Washtenaw County Brownfield Redevelopment Authority

## IN-PERSON MEETING AGENDA

Monday, June 5<sup>th</sup> 2023 **10:00** a.m.

200 N. Main, Ann Arbor, Lower Level Large Conference Room

Zoom Link to Webinar for Public to Join the Meeting:

<https://washtenawcounty.zoom.us/j/81099386316?pwd=aEhqMWtsVldYOXVuSEdnZ3BqNFZ6UT09>

Passcode: 788623

Dial In Number: US: +1 470 381 2552 or +1 267 831 0333 or +1 301 715 8592 or +1 312 626 6799  
or +1 470 250 9358 or +1 206 337 9723 or +1 213 338 8477 or +1 253 215 8782

1. **Call to Order**
2. **Public Comment\***
3. **Approval of Agenda**
4. **Approval of Minutes**
  - a. May 11<sup>th</sup>, 2023 Meeting
5. **Board Member Conflict of Interest Disclosure**
6. **Business**
  1. Main Street Park Alliance, Federal Screw Works Site, Chelsea, Project Update – Info
  2. 121 Catherine Street LBRF Application, Ann Arbor Housing Commission – Action
  3. May 2023 Financial Report – Information
7. **Other Business**
8. **Public Comment\***
9. **Adjournment**

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

**Washtenaw County**  
**Brownfield Redevelopment Authority (WCBRA)**  
Meeting held in-person at 200 N. Main, downtown Ann Arbor  
Lower Level Large Conference Room

**DRAFT MEETING MINUTES**  
**Thursday, May 11, 2023, 9:00 a.m.**

**Board Present:** Trevor Woollatt – Chair, Joe Meyers – Secretary, James Harless, Sam Baushke, Christy Maier, Colleen O’Toole, Allison Krueger – Vice Chair

**Board Absent:** Justin Hodge

**Staff:** Nathan Voght – OCED

**Joining the Meeting:** Troy Helmick – SME, Katie Jones – City of Ypsilanti, Mark Smith – MI-HQ, Brian Wooden, Jeff Huntington and Jim Tischler, from the Michigan State Land Bank (Via Zoom), Christopher Jacobs – City of Ypsilanti (Via Zoom), Bret Stuntz – SME (Via Zoom)

**Handouts:** April 2023 Financial Report, Conflict of Interest Acknowledgement Form

**1. Call to Order**

Chair Woollatt called the meeting to order at 9:00 a.m.

**2. Public Comment**

There was no public comment.

**3. Approval of Agenda**

J. Meyers moved to approve the revised Agenda, with Business Item #4, 124 Pearl Street, added (2<sup>nd</sup> J. Harless), and the motion passed unanimously.

**4. Approval of April 13<sup>th</sup>, 2023 Meeting Minutes**

J. Meyers moved to approve the agenda, with the revision requested by J. Harless to remove the end of the sentence on the first paragraph of page 3 regarding it being easier to approve a new plan (2<sup>nd</sup> C. O’Toole), and the motion passed unanimously.

**5. Board Member Conflict of Interest Disclosure**

None declared.

**6. Business**

1. 300 North Zeeb Road Brownfield Plan – Action

Staff provided an update on the status of the project, summarizing the last several months spent with Scio Township staff and Trustees providing guidance on the process and Brownfield Plan. In addition, the requested Tax Abatement complicated tax capture, which took extra time to explain and for the Township to get comfortable with. The developer, Mark Smith, with MI-HQ, is in attendance today. He requested a 10 year abatement, but the Township granted a five-year abatement. This will eliminate availability of all local millages for capture until the 6<sup>th</sup> year.

J. Harless moved to approve the Brownfield Plan for 300 North Zeeb (2<sup>nd</sup> J. Meyers), and the motion passed unanimously.

2. 300 North Zeeb Brownfield Reimbursement Agreement – Action

Staff referred to the draft Agreement, using our standard template. It's been sent to Mark Smith, but Mr. Smith stated he's been out of town and not able to review it prior to the meeting.

Staff suggested the Board could approve the Agreement, and allow any final revisions, if not substantive, to be negotiated between staff, the developer and County Corporation Counsel.

J. Meyers moved to approve the Reimbursement Agreement, allowing staff to negotiate any final revisions needed, provided they are not substantive, (2<sup>nd</sup> C. O'Toole), and the motion passed unanimously.

3. County Land Bank Discussion

Staff introduced Jeff Huntington, Jim Tischler, and Brian Wooden, joining the meeting via Zoom, who are the State Land Bank leadership. County leadership, including J. Hodge, are exploring the creation of a County Land Bank, and it could mean the Brownfield Authority could also serve as the Land Bank Authority.

Mr. Huntington asked what level of presentation was desired, or perhaps just a question and answer discussion. The Board simply began with some general questions, such as other Counties that have formed Land Banks, and their experience. Berry County, Shiawassee County, and Kalamazoo Counties were all discussed. These Counties staff their Land Banks generally with existing Economic Development Staff. Some Treasurers are more active in these Counties, and others not active. However, by statute, the County Treasurer must be a member of the Land Bank Authority.

Jim Tischler covered other specific advantages under Act 381 for a Land Bank to own property. It makes the property eligible for Non-Environmental Activities, even if not in a Core Community. Mr. Tischler continued, discussing the MEDC's reluctance to support this concept, but with SB 129, a new bill that is on its way to becoming law, affordable housing costs, and other non-environmental activities will now become eligible for affordable housing projects. MSHDA will now become the reviewing agency for these types of Plans.

Jeff Huntington discussed the available \$500,000 of ARPA funding for a County Land Bank established prior to the end of July, hence the active discussions occurring now, to determine if the County could use those funds. N. Voght asked for clarification on this funding, as he understood it was for seed funding to get a new Land Bank off the ground. However, Mr. Huntington clarified it's intended to be used for housing rehabilitation within Qualified Census Tracts.

The Board next discussed how a Land Bank could acquire properties. Properties could be acquired through tax reversion, donated, outright acquired through purchase, for example. The Land Bank can keep 50% of local taxes after disposition to help fund the operations, through the "550" rule.

Brett Stuntz, with SME, who was on the Zoom call, asked about what is considered "under control" of a Land Bank. The Board discussed different instruments, including Liens, development rights easement, and Deed transfers. Deed transfers are obviously the most common and clear ways of control. Mr. Tischler stated this is the most common method at the State Land Bank.

The Board asked for other examples of County Land Banks where the Brownfield Authority serves also as the Land Bank Authority. State Land Bank staff mentioned Shiawassee, Berry and Alger as examples.

The Board thanked the State Land Bank representatives for their information.

4. 124 Pearl Street, City of Ypsilanti, Environmental Assessment Grant - Action

Staff indicated this was a last-minute addition to the agenda, with approval by the Chair. Troy Helmick, with SME, is present to answer questions. The current owner acquired the site in about 2001, but did not file a BEA. There is old Phase II boring maps, but no results found. An updated Phase I is needed, and likely Phase II, due to the records of an old filling station in the middle of the site. Staff pulled up some maps on the screen provided by Mr. Helmick.

The DCC reviewed this yesterday and only supported half the Phase I, as they wanted a more specific Phase II scope for approval at a future meeting. The Authority agreed that they might support 50% of a Phase I now, but would need a more detailed scope for a Phase II before approving more grant funds.

J. Harless moved to approve 50% of the Phase I ESA for 124 Pearl, up to \$1,875 (2<sup>nd</sup> J. Meyers), and the motion passed unanimously.

5. Conflict of Interest Disclosure Forms

Staff passed our Forms to be signed by all members. The forms refer to the Conflict of Interest provisions in the By-Laws. This was debated several years ago, when various projects presented questions of potential conflicts by members. The By-Laws were updated to clarify when members should recuse themselves, and therefore this form reflects the updated provisions. C. O'Toole indicated she did not have a form, and staff will provide at the next meeting.

6. Election of Board Officers – Action

N. Voght indicated officers are elected annually, for one year terms, per the By-Laws. An officer is not limited from serving multiple terms in a row, nor is an officer prevented from running for the same position held in the past.

J. Meyers moved to nominate A. Krueger for Chair (2<sup>nd</sup> C. Maier), and there were no other nominations, so the motion passed unanimously.

T. Woollatt nominated C. O'Toole for Vice-Chair (2<sup>nd</sup> J. Meyers), and there were no other nominations for Vice-Chair, so the motion passed unanimously.

C. Maier nominated S. Baushke for Secretary, and there were no other nominations, so the motion passed unanimously.

7. April 2023 Financial Report – Information

Staff referred to the Financial Report, which reflects all the Admin, LBRF and developer reimbursements made last month. All project accounts are up to date.

**7. Other Business**

N. Voght updated the Board on the County Board of Commissioners review and approval of the Village of Ann Arbor Brownfield Plan at the May 3<sup>rd</sup> meeting. A Commissioner expressed concern about the City's negotiation with the developer to request electrification of the for-sale

units, and solar street lights and clubhouse. This Commissioner, and two others voted against the First Reading of the Brownfield Plan, which spurred some meetings with City officials, and a correspondence from the City of Ann Arbor Mayor, and two council members whose district this project is within. On final reading and adoption, Katie Scott, whose district this is in, voted in favor, and there was only one final dissenting vote. Staff's concern is, quite simply, if we vote against plans put forward by our most critical partner, we risk losing them. Since Ann Arbor provides 90% of our funding, this would be a certain, slow decline of our program, with no new Ann Arbor projects being under County Authority jurisdiction.

Staff mentioned that it appears the first Monday of every month at 10:00 a.m. is the preferred time/date for the Authority to meet the rest of the year, based on J. Hodge's schedule conflict with the first Thursdays of the month.

**8. Public Comment:**

None.

**9. Adjournment:**

The meeting was moved to adjourn by J. Harless at 10:35 a.m. (2<sup>nd</sup> S. Baushke), and the motion passed unanimously.

These minutes were approved by the Washtenaw County Brownfield Redevelopment Authority at the \_\_\_\_\_, 2023 meeting, held at 200 N. Main, lower level large conference room, downtown Ann Arbor.



# Washtenaw County Brownfield Redevelopment Authority

## Agenda Summary Memo

### REGULAR IN-PERSON MEETING

10:00 a.m. Thursday, June 5<sup>th</sup>, 2023

200 N. Main, Lower Level Conference Room, Ann Arbor

**TO: Washtenaw County Brownfield Authority**

**FROM: Nathan Voght, Washtenaw County Brownfield Coordinator**

**DATE: May 30, 2023**

This regular board meeting will be held in-person, at 200 N. Main, lower level Conference Room, downtown Ann Arbor. Any public wishing to participate can attend the meeting in-person, or use the provided Zoom Webinar link on the meeting agenda.

#### **Business Items:**

#### **1. Main Street Park Alliance, Federal Screw Works Site, Chelsea, Project Update – Info**

Joe Ziolkowski, from the Main Street Park Alliance, will be on hand to provide a project update. Also, Adrianna Jordan, City of Chelsea Community Development Director, will attend.

[The Phase I and II ESA can be found here.](#)

#### **2. 121 Catherine Street, LBRF Application, Ann Arbor Housing Commission – Action**

[Please see an LBRF application from the Ann Arbor Housing Commission and Avalon Housing.](#) The Authority previously awarded a \$45,000 LBRF grant to assist with Phase I, II, Urban Fill and Due Care Planning. The current request is for \$959,406 in LBRF grant funding, which will finance a variety of activities, including Site Demolition, Excavation of unstable urban fill, Site Preparation, and Urban Stormwater Management. The applicant is intending to apply for an EGLE grant simultaneously for \$910,000. The cost breakdown with various activities is provided in a spreadsheet attached to the application.

[Here is a Geotech report](#) and [Structural Narrative](#).

The project is located in Kerrytown, Downtown Ann Arbor, with 66 affordable housing units, within a 65,000 s.f. building. Eighteen public parking spaces will be provided, replacing some from the existing parking lot. The ground floor will maintain the urban fabric of the sidewalks by providing a community and arts space, and other uses.

The project will use tax credits, and therefore will be non-taxable. A PILOT will be agreed to with the City. Brownfield TIF is not an option, given the tax-exempt status.

This project is aligned with the Authority's LBRF policy in supporting affordable housing projects (policy provided in meeting packet). There is currently approximately \$1.5M in unobligated LBRF funds. Anticipated deposits from upcoming capture are estimated to follow this schedule:

- 2023** No LBRF Capture rest of 2023 calendar year
- 2024** \$710,000 (Kingsley Condos, 618 S. Main and Arbor Hills, and 4 other projects)
- 2025** \$1,000,000 (618 and Arbor Hills)
- 2026** \$200,000 (Various projects)
- 2027** \$1,000,000 (1140 Broadway)

Note, the above represent the calendar year the LBRF deposits are expected (not tax year).

An LBRF application is expected for 206-210 N. Washington, in the City of Ypsilanti, from Avalon Housing, and an application from Main Street Park Alliance in Chelsea. I recommend the Board consider available LBRF funding, timing of future funding requests, knowing the expected LBRF deposits over the next several years, and, of course, the merits of each project.

### **3. May 2023 Financial Report – Information**

For information only.

#### **Staff updates:**

1. Staff will be emailing separately in a day or two a draft 2021-2022 Brownfield Authority two-year report for your review and feedback. Here is the previous [two-year report for 2019-2020](#).







# Washtenaw County Brownfield Redevelopment Authority

## Local Brownfield Revolving Fund (LBRF) Policy

**Purpose:** The Washtenaw County Brownfield Redevelopment Authority (WCBRA) established a Local Brownfield Revolving Fund (LBRF) to assist with brownfield projects in WCBRA member communities. This policy is hereby adopted to guide review of applications for LBRF loan or grant funds in support of brownfield activities.

The WCBRA intends to utilize LBRF funds to most effectively advance the goals of the program, stated herein. The Local Brownfield Revolving Fund is capitalized from dedicated tax increment revenue (TIR) captured from projects within member communities of the Washtenaw County Brownfield Authority. Therefore, revenues accruing to the LBRF may not necessarily be awarded geographically in the same proportion as the LBRF TIR was captured.

The WCBRA may seek reimbursement of some or all grant funds using Tax Increment Financing as part of the approved Brownfield Plan for the project, and will utilize Tax Increment revenues for repayment of loans.

### Application Eligibility

Below is a table that indicates program eligibility for different organizations. Please note that of all the eligible entities below, private developers are not eligible for grants.

LBRF Eligibility Table

	Local Unit of Government	Non-Profit Organization	Economic Development Organization	Land Bank	Private Developer
Grant	Yes	Yes	Yes	Yes	No
Loan	Yes	Yes	Yes	Yes	Yes

### Eligible Activities

The LBRF will be used to further the purpose of the Program, which is to facilitate the redevelopment of previously developed sites classified as a “facility”, historic resource, functionally obsolete or blighted, or as otherwise eligible, as defined in PA 381 of 1996, as amended (Act 381).

The LBRF may be used only to pay the costs of eligible activities on eligible property that is included in an approved Brownfield Plan, as defined in Act 381. The WCBRA may



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prioritize applications for available funds, is under no obligation to fund all or any projects, and shall review each application on a case-by-case basis.

### **LBRF Program Requirements**

- LBRF *grant* and *revolving loan* funds may only be used to support redevelopment of brownfields in Washtenaw County communities that have joined the WCBRA.
- LBRF funds may be used by the WCBRA to conduct eligible activities when such use is deemed necessary to encourage redevelopment of a brownfield site.
- The awarding of loans or grants, and the amount of the award, shall be solely at the discretion of the WCBRA.
- Grants may be awarded to an eligible entity only to finance Act 381 eligible activities on sites that will be tax-exempt after redevelopment.
- Grant and loan recipients must not be a liable party, as defined in Part 201 of the Michigan Natural Resources and Environmental Protection Act (PA 451 of 1994, as amended).
- All awards of LBRF funds are contingent on successful adoption of a Brownfield Plan, which establishes site eligibility and includes all eligible activities and costs that will be funded by the LBRF grant or loan.
- LBRF Grants and Loans will not exceed the current maximum amount as established from time to time by the WCBRA and will be prioritized to fund mitigation of conditions that pose an imminent public health threat, environmental response activities, due care activities, due care assessments, and environmental due diligence, in that order.
- In addition to general requirements, the following apply to LBRF loans:
  - LBRF loans are intended to support development projects that are demonstrated to be economically viable to the satisfaction of the WCBRA, and will create additional tax base for the host community and County. The WCBRA may request project financial information suitable for project and developer viability evaluations.
  - Only one loan will be awarded to each project.



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- No loan for any project will be issued in an amount exceeding \$1,000,000 or the amount available in the LBRF, whichever is less.
- The repayment period for each loan will be negotiated, but generally will not exceed 15 years. The loan interest rate, amortized over the loan period from the date of first payment, shall be 50 percent of the Wall Street Journal Prime Rate on the date of loan closing. To accommodate project economics, the date of first payment may be deferred up to the date of first TIR reimbursement of eligible costs under the approved Brownfield plan, but deferral shall not exceed three years after the loan closing date without prior approval of the WCBRA.
- Any Loan approval is contingent upon execution of a Loan Agreement and Security Agreement between the applicant and the WCBRA that details all aspects of the loan.

### **LBRF Funding Review Criteria**

- The extent to which the project reduces the extent, migration, and/or exposure to environmental contamination.
- The project will remove significant blight from a property.
- The extent to which the project effectively addresses or intervenes in an immediate real or potential public health threat.
- The extent to which the funds support stated affordable housing goals in the [2015 Housing Affordability and Economic Equity Analysis](#), as applicable.
- The degree to which the project meets [Smart Growth Principles](http://smartgrowth.org/smart-growth-principles).  
smartgrowth.org/smart-growth-principles
- Funding or funding commitments sufficient to complete the project are available.
- The following additional criteria will be used for LBRF loans:
  - Additional financial security may also be requested by the WCBRA for loans.
  - Location of the site within traditional downtowns and existing commercial and industrial areas.
  - The number of local temporary and permanent jobs created as a result of the redevelopment.



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### LBRF Application:

- An [LBRF application](#), which must provide a project description and how funding is critical to the project and consistent with [WCBRA policies and procedures](#) (link: <http://bit.ly/1P4hnEA>), is required for any LBRF request.
- For LBRF loans, a non-refundable application fee of \$1,000 is required.

Adopted August 7, 2014 by the Washtenaw County Brownfield Redevelopment Authority

Revised and Re-Adopted December 3, 2015

Revised and Re-Adopted March 3, 2016

Revised and Re-Adopted May 4, 2017

Revised and Re-Adopted August 2, 2018