WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
PERFORMANCE AUDIT - 2019 UPDATE
Washtenaw County Board of Commissioners
September 10, 2020 Working Session
KEY PLAN METRICS

- Job Creation
- Private Investment
- Taxable Value
- Public & Private Investment
- Duration of the Brownfield Plan
- Construction Start/Finish date
County Board of Commissioners formed the Brownfield Authority in 1999 under Act 381, Brownfield Redevelopment Financing Act

23 local governments participate in County (regional) Brownfield Authority

27 total Brownfield Plans approved
  • 17 total projects completed as of end of 2019
  • 5 projects under construction

Audit included data from 14 completed TIF (Tax Increment Financing) projects
COMPLETED TIF PROJECTS MEASURED

City of Ann Arbor – 8 projects
City of Dexter – 3 projects
City of Chelsea – 1 project
City of Ypsilanti – 1 project
York Township – 1 project

14 projects measured
Go to: https://www.washtenaw.org/brownfields and click on “Brownfield Project Locations”
### BROWNFIELD SITE CONDITIONS

<table>
<thead>
<tr>
<th>Brownfield Condition</th>
<th>Number of Completed Projects</th>
<th>Total Acreage Impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only Dangerous, Blighted, Obsolete Building(s)</td>
<td>2</td>
<td>3 acres</td>
</tr>
<tr>
<td>Only Groundwater/Soil Contamination</td>
<td>3</td>
<td>12 acres</td>
</tr>
<tr>
<td>BOTH GW/Soil Contamination AND Dangerous, Blighted Obsolete Building(s)</td>
<td>9</td>
<td>773 acres</td>
</tr>
</tbody>
</table>
New taxes paid on brownfield sites after developers are fully reimbursed for all eligible brownfield expenses
~ $840,000 in (base) taxes paid in 2020 without brownfield redevelopment

~ $6,200,000 in taxes paid in 2020 with brownfield redevelopment (increase of $5.36 M)

- ~ $600,000 in new County taxes received in 2020 from Brownfield Projects
- ~ $12,600,000 total new taxes received annually by 2030

~ $134,000,000 total cumulative new taxes projected between 2010 and 2030 from currently completed BF Projects
2019 Update

Total Jobs Created from All Projects

- **estimated**: 1,660
- **actual**: 1,971

The total number of jobs created by completed projects is 18.7% higher than what was projected in the approved brownfield plans.

2015 Audit Comparison

- +20% of jobs created
- 1,552 jobs estimated
- 1,931 Actual

![Diagram showing job comparison]
2019 Update

Total Certifiable Eligible Brownfield Expenses

<table>
<thead>
<tr>
<th>estimated</th>
<th>$36,797,261</th>
</tr>
</thead>
<tbody>
<tr>
<td>actual</td>
<td>$26,159,725</td>
</tr>
</tbody>
</table>

The total of all certified TIF expenses is 28.9% less than expected in the approved plans.

2015 Audit Comparison

- -31%
- $24 million estimated
- $16.7 million actual
### TYPE OF APPROVED ELIGIBLE ACTIVITIES

<table>
<thead>
<tr>
<th>Total Approved Eligible Brownfield Expenses*</th>
<th>Environmental Expenses**</th>
<th>Non-Environmental Expenses</th>
<th>Interest on Unreimbursed Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$39,241,860</td>
<td>$12,300,568</td>
<td>$25,203,994</td>
<td>$1,737,298</td>
</tr>
<tr>
<td>100%</td>
<td>31%</td>
<td>64%</td>
<td>5%</td>
</tr>
</tbody>
</table>

- **Environmental**: Environmental investigations, building demolition over contaminated areas, soil remediation, Vapor Mitigation Systems
- **Non-Environmental**: Building demolition, asbestos/lead abatement, public infrastructure, public utilities, parking decks, rain gardens, streetscape improvements, special foundations, site preparation

* Projects completed and under construction
** Does not include $2,000,000 in EGLE Environmental Clean Up grant funding for Packard Square and 1140 Broadway

### Environmental vs. Non-Environmental Subsidies

<table>
<thead>
<tr>
<th>Total Certified Eligible Brownfield Expenses</th>
<th>Environmental Expenses</th>
<th>Non-Environmental Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16,730,530</td>
<td>$4,641,409</td>
<td>$12,089,121</td>
</tr>
<tr>
<td>100%</td>
<td>28%</td>
<td>72%</td>
</tr>
</tbody>
</table>

*2015 Audit*
2019 Update

Total Private Investment of all Completed Projects

<table>
<thead>
<tr>
<th>estimated</th>
<th>$463,817,722</th>
</tr>
</thead>
<tbody>
<tr>
<td>actual</td>
<td>$510,141,121</td>
</tr>
</tbody>
</table>

Total private investment generated from all completed projects is 10.0% higher than projected in the approved brownfield plans.

2015 Audit Comparison

- +13%
- $337 million estimated
- $381 million actual
2019 Update

Taxable Value of Projects Upon Completion

<table>
<thead>
<tr>
<th></th>
<th>Estimated</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$158,944,054</td>
<td>$181,134,544</td>
</tr>
</tbody>
</table>

The total taxable value of all completed projects is 14.0% higher than estimates from the approved plans.

2015 Audit Comparison

- -2%
- $125.4 million estimated
- $123.4 million actual
2019 Update

Construction Starts

- 6 On time
- 3 One year delay
- 1 Two year delay
- 1 Three year delay

81.0% of all projects began within 1 year of the planned start date. The longest delay was 3 years.

2015 Audit Comparison

- 6 On time
- 6 One year delay
- 2 Two-3 year delay
2019 Update

Completion Progress

86.7% of all projects were completed on or ahead of schedule.

2015 Audit Comparison

- 6 On time
- 2 Early
- 3 Delayed
2019 Update

TIF Reimbursement Period

Almost 70% of projects have a shorter TIF reimbursement period than expected. Only 3 out of 13 projects have been extended.

2015 Audit Comparison

- 2 On time
- 7 Early
- 3 Extension
BROWNFIELD EFFECTIVENESS

• $39 Million in Public Support
  (Completed and under construction projects: the amount of certified eligible brownfield expenses to be reimbursed using Tax Increment Financing)

• $510 Million in Private Investment

• For every $1 in public investment,
  • $13 in private investment was generated
Environmental Assessment Program

- $362,000 in environmental assessment grants given since 2017
- Assisting evaluation of 30 potential brownfield sites
  - Grants provided to sites within Cities of Ann Arbor, Ypsilanti, Dexter, and Chelsea, and Ypsilanti, Northfield, Pittsfield, Superior, and Scio Townships.
GRANT PROGRAMS

Local Brownfield Revolving Fund

• $1,378,000 in Local Brownfield Revolving Funds awarded to local governments for Environmental Clean-Up:
  • City of Ypsilanti - $240,000 for Border to Border Remediation in Water Street
  • Ann Arbor Housing Commission - $600,000 to support White/State/Henry Affordable Housing Redevelopment
  • City of Ann Arbor -$538,000 for Leslie Science Center remediation
COMMUNITY BENEFITS

• 50 Affordable Housing Units created or preserved using brownfield incentives
• 1,971 Jobs created or preserved
• Conversion of 800 acres, over 14 sites, from blighted, contaminated, and/or obsolete, to productive/contributing parcels
SUMMARY

• The Brownfield Authority is a unique regional partnership that has been very effective in its mission in redeveloping brownfields.

• The program has been increasingly impactful, with more projects and new grant and loan programs since 2017.

• The program has numerous broader community benefits, including job creation, neighborhood revitalization, and can be leveraged to achieve other goals, such as affordable housing.

• The program provides a direct positive fiscal impact with new tax revenue.

• The 2015 and 2019 Audits demonstrate that the program has not overstated the public benefits of the projects.

• The Brownfield Program allows us to address the legacy of brownfields that our society has created.
The Brownfield Authority’s first performance summary was complete in 2016, which was presented to the County Board of Commissioners. This is an update of the program’s 2016 analysis through 2019. The Brownfield Authority analyzed 15 of its completed projects, including partial measures from 2 additional projects recently completed or partially phased to determine the accuracy of key metrics of its Brownfield Plans and the program as a whole.
QUESTIONS

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