Washtenaw County Brownfield Redevelopment Authority

VIRTUAL MEETING AGENDA

Thursday, March 11th 2021 9:00 a.m.

(Due to COVID-19 this meeting will be held virtually, using Zoom, and available to the public using either method below)

Link to join the meeting:
https://washtenawcounty.zoom.us/j/99121565816?pwd=bk9IdXpEUmJQU1hNbVhPWHE2d3pwUT09

Call In Number: US: +1 312 626 6799 Webinar ID: 9912156 5816 Passcode: 228181

Link to Board Member Contact Information: https://docs.google.com/document/d/1US6F29kg7dHZyT421-8_Sz0ZxcGewlcJfGiAjNW1aAs/edit?usp=sharing

1. **Call to Order**
   a. Board member Roll Call and Declaration of City/Township/Village, County and State from which they are attending. (i.e. *PRESENT and attending remotely, from City of Ypsilanti, Washtenaw County, Michigan*)
2. **Public Comment***
3. **Approval of Agenda**
4. **Approval of Minutes**
   a. February 11, 2021 Meeting
5. **Board Member Conflict of Interest Disclosure**
6. **Business**
   1. Rockwell Building, City of Chelsea, Form Brownfield Plan Review Sub-Committee – Action
   2. S. Union St. Vacant, Manchester Village, Environmental Assessment Grant, Phase II – Action
   3. 220 N. Park Phase I, II, BEA Env. Assessment, City of Ypsilanti – Action
   4. EGLE PRB Effectiveness Memo about 1140 Broadway – Information only
   5. February 2021 Financial Report – Information
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) 660-1061 or voghtn@washtenaw.org.

Washtenaw County
Brownfield Redevelopment Authority (WCBRA)
Meeting held virtually using Zoom

DRAFT MEETING MINUTES
Thursday, February 11, 2021, 9:00 a.m.

Board Present: Trevor Woollatt – Chair, Christy Maier, James Harless, Sybil Kolon, Karen Lancaster, Sue Shink, Joe Meyers, Allison Krueger, Morgan Foreman

Board Absent: None

Staff: Nathan Voght

Joining the Video conference: Bret Stuntz and Troy Helmick – SME, Tim Loughrin – Robertson Brothers Homes, Derek Delacourt – City of Ann Arbor, Patti McCall - Tetratech

Handouts: None

1. Oath of Office by Washtenaw County Clerk

a. Edwin Peart joined the Zoom call and administered the Oath of Office to Morgan Foreman, and requested that they sign and mail back the oath cards he mailed to them.

2. Call to Order

Chair Woollatt called the virtual video-conference meeting to order at 9:05 a.m.

a. Board member Roll Call and Declaration of City/Township/Village, County and State from which they are attending: James Harless, calling from Webster Twp., Washtenaw County, Trevor Woollatt, calling from Ada, Kent County, Christy Maier, calling from Dexter Twp, Washtenaw County, Sue Shink, calling from Northfield Twp., Washtenaw County, Karen Lancaster, calling from Saline, Washtenaw County, Allison Krueger, calling from City of Ypsilanti, Washtenaw County, Joseph Meyers, calling from City of Ypsilanti, Washtenaw County, and Sybil Kolon, Manchester Township, Washtenaw County.

3. Public Comment

There was no public comment.

4. Approval of Agenda

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

The Board introduced themselves to the new member, Morgan Foreman. M. Foreman introduced themselves to the Board. Edwin Peart, Washtenaw County Clerk, joined the meeting and administered the Oath of Office to M. Foreman.

5. Approval of January 14th, 2021 Meeting Minutes

C. Maier moved to approve the minutes from January 14th as presented (2nd K. Lancaster), and the motion passed unanimously.

6. Board Member Conflict of Interest Disclosure

S. Shink, BOC Chairperson, asked if there may be a conflict with the parks issue on the agenda. T. Woollatt disclosed that he worked on the Dhu Varren Road property back in 2000, but did not feel it posed a conflict today.

7. Business

1. Leslie Science and Nature Center, Eligible Brownfield Activities Approval from LBRF Grant, City of Ann Arbor – Action

   N. Voght provided background on the project, the Brownfield Plan that was adopted to include only the LBRF grant funding, and the funds already reimbursed to the City last May. He explained the current reimbursement submittal, and how it was well organized by TetraTech.

   Patti McCall, from TetraTech, the City's Environmental Consultant managing the remediation and mitigation process at the site, provided an update to the Board on the status. There are still some submittals about indoor air to EGLE that are being reviewed, and may result in additional costs.

   N. Voght stated as it stands now, there will be about $60,000 left in the LBRF grant still unreimbursed after the current request.

   J. Meyers moved to approve the reimbursement request of $95,556.72 to the City of Ann Arbor, from the LBRF grant to the project, (2nd K. Lancaster) and the motion passed unanimously.

   T. Woollatt explained the LBRF grant funding for the benefit of new members.

   Derek Delacourt, from the City of Ann Arbor, again expressed his appreciation for the support of the County Brownfield Authority in addressing the brownfield issues at the site.

2. 1680 Dhu Varren Road, 2670-2672 Pontiac Trail, Ann Arbor Township, Phase I, BEA, Due Care Plan, Environmental Assessment Grant Application , Robertson Brothers Homes – Action

   N. Voght referred to the application and the proposed development. He stated he met with the Township Supervisor, Planner, and the developers to find out more about the project. He learned of their intent to apply for Brownfield TIF funding, and informed them of the Ann Arbor Brownfield Policy, adopted in the summer of 2019. He referred to his staff report where he suggested the Board consider not approving this application as they are at the end of their Due Diligence period, and will be applying for annexation to the City of Ann Arbor soon. And, since a Brownfield Plan will be pursued, these environmental assessment costs could be included in a Brownfield Plan for TIF reimbursement, rather than utilize limited Brownfield Authority Funding. N. Voght continued in explaining how we use Administrative Fees to fund this program, and since fund reserves have been spent down as of the end of 2020, we are now limited to about $65,000 to $75,000 per year in available funds for grants.

   The Board discussed the project and asked questions of the developers and their environmental consultants, who were in attendance. Several Board members expressed concern for using grant funds for this project, knowing the funds could equally be reimbursed through the Brownfield Plan.

   A. Krueger observed that the project was private, and also in a High Opportunity Area of the County.

   Tim Loughrin, of Robertson Homes, stated he understood the concerns expressed, and at least was appreciative of having an opportunity to introduce the project.

T. Woollatt mentioned that there is a lot of buried debris on the site, as he broke a drive shaft on a drilling machine when he worked on the site in 2000.

J. Harless moved to deny the Grant Application (2nd S. Shink), and the motion passed unanimously.

3. 2021 Meeting Calendar, change meetings to 2nd Thursday – Discussion/Action

   Staff referred to the two possible meeting calendars, either the 1st or 2nd Thursday of the month, and asked which day the Board preferred. The Board discussed it and preferred the 2nd.

   J. Meyers moved to adopt the 2021 Meeting Calendar with the meetings to occur on the 2nd Thursday of every month (2nd A. Krueger), and the motion passed unanimously.

4. January 2021 Financial Report, Winter 2020 TIF Deposits – Information Only

   N. Voght referred to the report, where all accounts have been “reset” to “zero” and balances carried forward for the new year. Some Winter 2020 TIF deposits have come in, but we are still waiting on several projects, so Administrative Fees for 2020 cannot be calculated until all distributions are settled. He expects to present Admin transfers and reimbursements for Winter capture in the next two months.

8. Other Business

N. Voght updated the Board on Maple Oaks, where he expects additional information to be submitted, to be reviewed by the Sub-Committee, then potentially on the next BRA Agenda.

9. Public Comment:

The Board asked if anyone attending had additional public comment, and no one responded.

10. Adjournment:

J. Harless moved to adjourn the meeting at 10:12 a.m. (2nd K. Lancaster)

These minutes were approved by the Washtenaw County Brownfield Redevelopment Authority at the ____________________-, 2021 meeting, held virtually with Zoom.

Washtenaw County Brownfield Redevelopment Authority

Agenda Summary Memo

REGULAR VIRTUAL MEETING

9:00 a.m. Thursday, March 11, 2021

TO: Washtenaw County Brownfield Authority
FROM: Nathan Voght, Washtenaw County Brownfield Coordinator
DATE: March 5, 2021

This regular board meeting will be held virtually, using Zoom. Here is a link to the meeting:

https://washtenawcounty.zoom.us/j/99121565816?pwd=bk9IdXpEUmJQU1hNbVhPWHE2d3pwUT09

The public will be able to attend by following the above link, or with the following call-in info:
Phone #: US: +1 312 626 6799 Webinar ID: 9912156 5816 Passcode: 228181

A roll call of each member present will be taken, with each announcing the city/county/state where they are physically located. In addition, board member contact information is required to be included in the meeting notice. I have added a link to a roster of the Board, with email contact information, to the top of the agenda.

Business Items:

1. **Rockwell Building, City of Chelsea, Form Brownfield Plan Review Sub-Committee – Action**

   This is a historic building, a former stove manufacturing facility, within the Chelsea Clocktower Redevelopment. It was previously proposed for redevelopment with about 36 apartments in 2019 by JP Commercial, but they backed out of the deal. The current developers have a purchase agreement and have spent the last year conducting due diligence on the property. They are proposing 51 apartment units, and will be requesting Commercial Rehabilitation Tax Abatement for 10 years (freezes local taxes only), Commercial Revitalization Grant of $1M from the MEDC, as well as Brownfield TIF, to facilitate the redevelopment of the site. These incentives were also requested in the 2019 proposal. They are also exploring an EGLE environmental grant, which was offered in 2019.

   We anticipate a Draft Brownfield Plan from Dave VanHarren, of TriTerra soon, which staff will email to the Board. Mr. VanHarren will attend the meeting to introduce the project. At this time, we need three Board volunteers to assist with Brownfield Plan review, prior to going to Chelsea City Council and DDA for local approval.

2. **S. Union Street Vacant, Manchester Village, Environmental Assessment Grant, Phase II – Action**

   Please find an application for $9,160 Environmental Assessment Grant to conduct a Phase II on a vacant site in the Village of Manchester, which is privately owned. Therefore, 50% of this cost is eligible for a grant, under current policy.

The applicant also intends to apply for separate DCC assessment grant funding for $7,400 for Phase I, BEA, and Due Care Planning.

This site is proposed for a 50,000 s.f. warehouse and manufacturing facility to be combined with, and accessory to, a proposed market within an existing 15,000 s.f. building on the adjacent parcel to the northwest at 455 W. Main Street.

Staff recommends this project is discussed in more detail, such as whether the ultimate intention is to seek Brownfield TIF, and whether the proposed use is consistent with local zoning. Staff contacted the Village Manager, Jeff Wallace, and he is meeting with the owners on March 11th to get more information.

Here is a link to previous environmental investigations provided by AKT Peerless:
https://drive.google.com/drive/folders/1KuSSapU3tHoHBkLqYWMR1Hhl6HWyc1cX?usp=sharing

Staff recommends approving the grant, if the ultimate intention is to not seek Brownfield TIF, and the proposed use is likely consistent with local land use regulations. However, if a Brownfield Plan is ultimately requested, these costs should be considered to be rolled into the Brownfield Plan. Finally, increasing the DCC request should be discussed, as they will fund up to 50% of all the costs, up to $10,000. If all the costs were submitted for DCC grant, it would fund about $8,500 of the costs, and the BRA could fund the remainder.

3. 220 N. Park Phase I, II, BEA Env. Assessment, City of Ypsilanti – Action

The City of Ypsilanti owns 220 N. Park, and they have an interested developer. Board Member Joe Meyers mentioned the project at the January meeting. The site has various Recognized Environmental Conditions, based on the 2015 Phase I, which is outdated. J. Meyers, on behalf of the City, has submitted an environmental Assessment Grant Application for Updated Phase I, Phase II, and BEA, for $12,500. 100% of this cost is eligible for a grant, as the site is publicly-owned.

Staff recommends an application be submitted to the DCC to at least share in the cost of this work. If timing is an issue, the Board could approve the full $12,500, to be reduced or replaced by any amount the City is successfully able to secure through the DCC. This would give the City confidence to authorize AKT Peerless to begin the assessment work now, and not slow the project.

4. EGLE PRG Effectiveness Memo about 1140 Broadway – Information Only

Please see enclosed a memo from EGLE regarding the most recent results of testing of the effectiveness of the Permeable Reactive Barrier at 1140 Broadway (Beekman on Broadway), and the multiple partners and cooperation from the developer to achieve the clean up. The memo includes a reference to the more technical report from the January and June 2020 testing events, which sampled groundwater monitoring wells on both the 1140 site, and on the adjacent (downstream side of the PRB, after the groundwater is intercepted and reduced in concentration by the PRB wall) multi-family site to the east, owned by McKinley.

As the remediation strategy was being planned for how to most effectively use the $1 million Clean Michigan Initiative Grant from EGLE, the environmental engineers and EGLE projected an 80% reduction in concentrations of PERC (Dry-Cleaning solvent) over several years, and the testing showed an 84% reduction in a much shorter time-frame. This information was sent to Derek Delacourt at the City of Ann Arbor, and already distributed to Ann Arbor City Council.

5. February 2021 Financial Report – Information Only

Please see the report in the packet. At this time, staff is still waiting on all TIF winter 2020 TIF transfers. If additional transfers come in prior to 3/11, and staff has time to calculate Admin, LBRF and Developer Reimbursements prior, the Board may be able to authorize these transactions at the 3/11 meeting. An updated Financial Report may be distributed prior to 3/11 detailing the transactions.

Note that the Jiffy and Packard Square capture will be 100% for the LBRF, after calculating County capture of Admin, as the owners have been fully reimbursed for Eligible Activities. As always, we do anticipate capturing the maximum allowed under Act 381 of $165,000, with 15 projects capturing TIF in 2020. It appears that we will have 16 projects capturing TIF in 2021, which will increase allowable Admin capture to **$192,500** ($175,000 + 10% more for being a regional Authority).

Other Updates:

Staff still is waiting on updated Private Investment and Job Creation stats from at least one project. We compile this information for our Annual Report of the Brownfield Authority, and also need to report it to the MEDC every August. The Board decided to do bi-annual reports, which allows reporting our activities every two years. Our last Annual Report was 2018, so staff will be preparing a 2019-2020 Bi-Annual Report for the Board's review in April or May

5411 Jackson Road, Scio Township: A draft Brownfield Plan is being developed to propose about $1 million in Building Demolition costs. Staff anticipates requesting a Review Sub-Committee in April to assist. The development team will present to the Township Board in the next couple months, and staff will present a Brownfield Program overview presentation concurrently, as many Township officials are new.

Maple Oaks, City of Saline: The Sub-Committee of members J. Harless, T. Woollatt, and C. Maier, met with attorneys John Byl and Jared Belka to explore project and activity eligibility. The Sub-Committee was firm in its interpretation that the proposed costs of excavation of the unsuitable fill did not meet the definition of "Site Demolition," but rather were consistent with "Site Preparation" activities, which is a Non-Environmental Brownfield Activity, only allowed within Core Communities (Qualified Local Units of Government), which only includes the Cities of Ann Arbor and Ypsilanti in Washtenaw County. The information was conveyed back to the developer, and they are now focused on compiling "Site Demolition" activities previously undertaken, such as asphalt paving, sidewalk, and water main removals, and future anticipated brownfield costs for the northern phase of their development. A Draft Brownfield Plan will be submitted within a week, and the Sub-Committee and staff will conduct an initial review. A updated draft will be presented to Saline City Council on March 15th, with possible approval on April 5th. The Plan would then go to the April 8th BRA meeting for consideration, and then on to the BOC in late April and May.

MEDC/MSF Brownfield TIF Program Guidelines: The MEDC has engaged statewide stakeholders, including Brownfield Authorities' representatives, on updated guidelines around approval of TIF projects. Please see enclosed draft Brownfield TIF Guidelines from the MEDC on approving Brownfield TIF projects, and a summary of comments and how the document was revised based on earlier feedback. They did not invite Brownfield Authority Boards, but rather their staff. When a Brownfield Plan with TIF is approved locally, in order to secure capture of School Taxes, to reimburse Non-Environmental Activities, an Act 381 Work Plan must be submitted to the MEDC and approved by the Michigan Strategic Fund Board. (EGLE approves State reimbursement for Environmental Activities). These guidelines would guide that process. These are anticipated to be approved by the MSF Board on March 23rd.

The Environmental Assessment Grant Opportunity Index Map has been updated by Lauren, our Planning and Policy Intern. The 2021 Opportunity Map Draft Update is being used as the new Base Map. It's included in the packet. A total of 14 out of the 30 Grants awarded by the BRA are within the 2021 Very Low or Low Opportunity Areas.

301 N EAST ST CHELSEA, MI 48118 (Property Address)

Parcel Number: 06-06-12-111-007 Account Number: 1207-2

Item **1** of **13** 12 Images / 1 Sketch

Property Owner: NORFOLK HOMES OF THE ROCKWELL BLDG

Summary Information

- Commercial/Industrial Building Summary
  - Yr Built: N/A
  - # of Buildings: 1
  - Total Sq.Ft.: 43,752
- Property Tax information found
- Assessed Value: $86,000 | Taxable Value: $85,188
- Utility Billing information found

Owner and Taxpayer Information

Owner	NORFOLK HOMES OF THE ROCKWELL BLDG 8178 JACKSON RD ANN ARBOR, MI 48103	**Taxpayer**	SEE OWNER INFORMATION

Amount Due

Current Taxes: **$3,459.77**

Pay Now

Legal Description

M.D. L4339 P352 11/21/2003 UNIT 7 CHELSEA CLOCK TOWER SPLIT ON 11/24/2003 FROM ROCKWELL BUILDING

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date 2/9/2021 Recalculate

Tax History

Year	Season	Total Amount	Total Paid	Last Paid	Total Due	
2020	Winter	$3,459.77	$0.00		**$3,459.77**	Pay Now

General Information for 2020 Winter Taxes

School District	81040	**PRE/MBT**	0.0000%
Taxable Value	$85,188	**S.E.V.**	$86,000
Property Class	201 - 201 COM IMP	**Assessed Value**	$86,000
Tax Bill Number	*No Data to Display*	**Last Receipt Number**	*No Data to Display*
Last Payment Date	*No Data to Display*	**Number of Payments**	0
Base Tax	$3,425.58	**Base Paid**	$0.00
Admin Fees	$34.19	**Admin Fees Paid**	$0.00
Interest Fees	$0.00	**Interest Fees Paid**	$0.00
Total Tax & Fees	$3,459.77	**Total Paid**	$0.00
Renaissance Zone	*Not Available*	**Mortgage Code**	*Not Available*

Tax Bill Breakdown for 2020 Winter

Taxing Authority	Millage Rate	Amount	Amount Paid
WISD	5.662500	$482.37	$0.00
DISTRICT LIBRARY	2.514400	$214.19	$0.00
WCC	3.353800	$285.70	$0.00
CSD OPERATING	18.000000	$1,533.38	$0.00
CSD SINKING FUND	0.912000	$77.69	$0.00
	40.144200	**$3,459.77**	**$0.00**

Taxing Authority	Millage Rate	Amount	Amount Paid
CSD DEBT	7.000000	$596.31	$0.00
COUNTY PARKS	0.469500	$39.99	$0.00
COUNTY NATL AREA	0.232500	$19.80	$0.00
COUNTY EECS	0.193000	$16.44	$0.00
COUNTY HCMA	0.210400	$17.92	$0.00
COUNTY VET RELF	0.097000	$8.26	$0.00
COUNTY ROADS	0.500000	$42.59	$0.00
COUNTY MH & PS	0.979100	$83.40	$0.00
COUNTY CONS DIST	0.020000	$1.70	$0.00
MILL CREEK CONSO	0.000000	$5.84	$0.00
Admin Fees		$34.19	$0.00
Interest Fees		$0.00	$0.00
	40.144200	**$3,459.77**	**$0.00**

Click here for a printer friendly version of Winter 2020 Tax information

2020	Summer	$2,371.58	$2,371.58	09/11/2020	$0.00

General Information for 2020 Summer Taxes

School District	81040	**PRE/MBT**	0.0000%
Taxable Value	$85,188	**S.E.V.**	$86,000
Property Class	201 - 201 COM IMP	**Assessed Value**	$86,000
Tax Bill Number	*No Data to Display*	**Last Receipt Number**	00238508
Last Payment Date	09/11/2020	**Number of Payments**	1
Base Tax	$2,348.10	**Base Paid**	$2,348.10
Admin Fees	$23.48	**Admin Fees Paid**	$23.48
Interest Fees	$0.00	**Interest Fees Paid**	$0.00
Total Tax & Fees	$2,371.58	**Total Paid**	$2,371.58
Renaissance Zone	*Not Available*	**Mortgage Code**	*Not Available*

Tax Bill Breakdown for 2020 Summer

Taxing Authority	Millage Rate	Amount	Amount Paid
GENERAL FUND	11.200000	$954.10	$954.10
STREETS	1.220000	$103.92	$103.92
SOLID WASTE	0.735500	$62.65	$62.65
DDA	1.627500	$138.64	$138.64
COUNTY OPERATION	4.394700	$374.37	$374.37
STATE EDUCATION	6.000000	$511.12	$511.12
CHEL AREA FIRE	2.386500	$203.30	$203.30
Admin Fees		$23.48	$23.48
Interest Fees		$0.00	$0.00
	27.564200	**$2,371.58**	**$2,371.58**

Click here for a printer friendly version of Summer 2020 Tax information

2019	Winter	$3,366.83	$3,366.83	02/13/2020	$0.00
2019	Summer	$2,330.68	$2,330.68	09/16/2019	$0.00
2018	Winter	$3,311.74	$3,311.74	02/14/2019	$0.00
2018	Summer	$2,231.53	$2,231.53	09/14/2018	$0.00
2017	Winter	$2,072.90	$2,072.90	02/14/2018	$0.00

2017	Summer	$1,433.80	$1,433.80	09/11/2017	$0.00	
2016	Winter	$2,065.61	$2,065.61	02/06/2017	$0.00	
2016	Summer	$1,436.96	$1,436.96	11/17/2016	$0.00	

Load More Years

WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

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. Municipal and Non-Profit sites are eligible for 100% of the cost of eligible assessment activities, up to $15,000, and privately-owned sites are eligible for 50% of the cost, up to $15,000. Higher awards may be given on a case-by-case basis.

Type of Application

Publicly-Owned or Non-Profit-Owned Property

✕ Privately-Owned Property

☐ Site is located within a Low or Very Low Opportunity Area, within the Washtenaw County Opportunity Index

Owner Information

Property Owner: Wallace and Wallace Properties, LLC

Contact: Alex Wallace

Property Address: S. Union Street

Phone No.: (734) 476-5285

Property Tax ID #: PM-16-02-391-034

Applicant Information

Applicant Name: Ken Heers, Member Phone No.: (517) 403-3604

Address: 117 W Louis Glick Highway, Jackson, MI 49201

Developer (Entity) Name (if different than applicant):

Project Information

Project Name: Manchester Market Warehouse

Project Description: Manufacturing and production, dry and cold storage in an approximate 50,000 sq. ft. building. In addition, we will build a hoop house to grow crops, to be managed by the Acorn Farmers Market. Our total investment will be between $1.8-2 million and create 16-24 new jobs.

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

Property Information

Previous Owners: Private ownership dating back to the 1960s

Historic Property Uses: Railroad yard; lumber yard; and bulk petroleum plant

Property Acreage: 2.59

Zoning: 202 - Commercial

Surrounding Land Use: 401, 201, and 703

Proposed Environmental Activities:

	Estimated Cost
☐ Phase I	
☒ Phase II	$9,160
☐ BEA Report	
☐ Due Care Plan	
☐ Hazardous Material Survey	
TOTAL	$9,160

Please attach a price quote from a qualified environmental firm.

Please describe Previous Environmental Assessments Completed: In 2000 a Phase I ESA and Phase II ESA were completed; in 2004 a Phase II ESA a limited Phase II ESA were completed; in 2007 a Phase I ESA was completed.

Please describe environmental conditions: Based on previous environmental site assessments performed, the subject property meets the definition of a "facility," as defined in Part 201 of the NREPA, Michigan Public Act (PA) 451, 1994, as amended. Potential environmental h azards include VOCs, PNAs, and metals on the site.

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
734-660-1061
voghtn@washtenaw.org

Geographic Information System

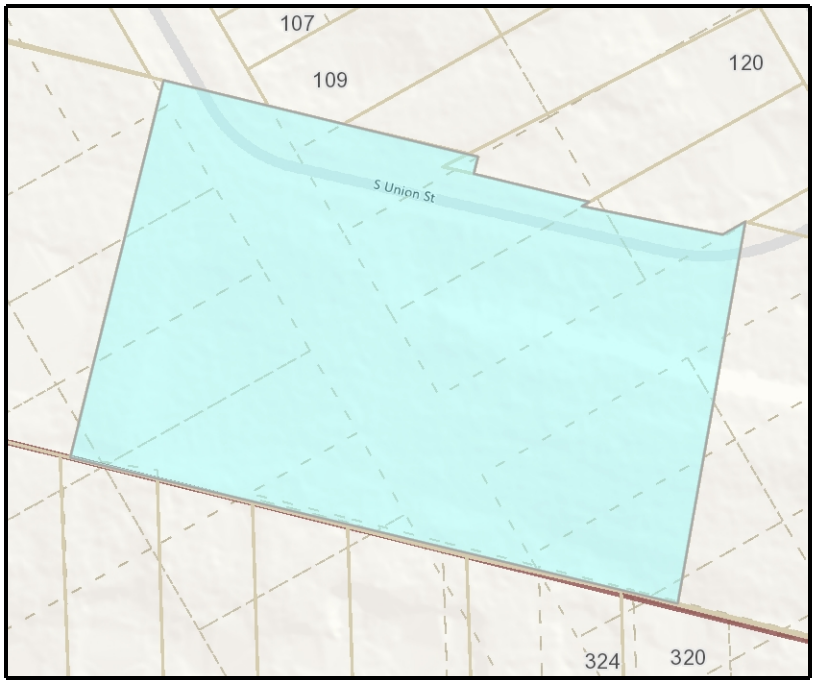
Washtenaw County Parcel Report

Parcel ID: **PM-16-02-391-034**

Report generated 11/24/2020 10:35:32 AM

Parcel Information

PIN:	**PM-16-02-391-034**
CVT Code:	PM
CVT Description:	VILLAGE OF MANCHESTER
School:	81080 , MANCHESTER COMMUNITY SCHO
Property Class:	202 , COMMERCIAL VACANT



Parcel highlighted in blue

Property Information

Address: S UNION ST
MANCHESTER , MI 48158

Owner Information

Owner: WALLACE & WALLACE PROPERTIES LLC

Address: P O BOX 490
MANCHESTER , MI 48158

Homestead Information

Homestead Percent: 0%

Values

Assessed Value:	$ 31250	**SEV:**	$ N/A
Capped Value:	$ 31843	**Taxable Value:**	$ 31250

Drain Assessment (not incl. drain debts)

Year	Drain Name	Amount

Sales (last 3 max)

Date	Sale Price	Type

Tax Description

OWNER REQUEST MAV 1-139A-2 PCL " B " COM AT S 1/4 COR SEC 2, TH S 87-53-00 W 8.87 FT, TH N 29-48-00 W 202.93 FT, TH N 75-37-30 W 46.01 FT, TH N 29-48-00 W 162.44 FT, TH N 76-33-00 W 117.25 FT TO A POB, TH S 60-00-29 W 18.19 FT, TH N 78-47-36 W 100.31 FT, TH N 59-59-22 E 6.06 FT, TH N 76-33-00 W 83.02 FT, TH N 13-46-00 E 12.27 FT, TH N 76-33-00 W 225.34 FT, TH S 13-46-00 W 270.00 FT, TH S 76-33-00 E 435.89 FT, TH N 09-50-04 E 270.53 FT TO THE POB. PT OF SW 1/4 SEC 2, T4S-R3E, & PT OF BLK 6, ORIGINAL PLAT. 2.59 AC
SPLIT ON 08/11/2015 FROM PM-16-02-391-032, PM-16-02-391-008;

AKT PEERLESS

214 Janes Avenue
Saginaw, Michigan 48607
T 989-754-9896
www.aktpeerless.com

February 19, 2021

Ken Heers
Manchester Market, LLC
455 West Main Street
Manchester, Michigan 48158

Subject: Proposal to Conduct a Phase I & II Environmental Site Assessment, Baseline Environmental Assessment and Due Care Plan Activities
Parcel 16-02-391-034, Manchester, Michigan

AKT Peerless Proposal No.: PS-27215.1

Mr. Heers:

AKT Peerless Environmental Services (AKT Peerless) appreciates the opportunity to present the attached proposal to conduct a Phase I Environmental Assessment (ESA), Phase II Subsurface Investigation, Baseline Environmental Assessment (BEA), and Due Care Plan Activities at Parcel 16-02-391-034 in Manchester, Michigan.

AKT Peerless will implement work immediately upon your authorization to proceed. AKT Peerless' maximum estimated cost to complete the proposed scope of work is $16,260.

Please refer to the Limitations section of our proposal for information regarding potential delays related to recent EGLE FOIA policy changes and the coronavirus (COVID-19). 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 989.754.9896 or via email at carrj@aktpeerless.com.

Sincerely,

AKT Peerless

Jeff S. Carr

Jeff Carr
Group Leader - Project Manager

Enclosure

JSC/tc

Enclosure

PROPOSAL FOR A PHASE I & II ENVIRONMENTAL SITE ASSESSMENT, BASELINE ENVIRONMENTAL ASSESSMENT, AND DUE CARE COMPLIANCE

SUBJECT PROPERTY

Parcel 16-02-391-034 in Manchester, Michigan.

PREPARED FOR Ken Heers
Manchester Market, LLC
455 West Main Street
Manchester, Michigan 48158

PROPOSAL # PS-27215.1

DATE February 19, 2021

AKTPEERLESS

PROPOSAL FOR A PHASE I & II ESA, BEA, AND DUE CARE COMPLIANCE

Parcel 16-02-391-034, Manchester, MI

Introduction

AKT Peerless Environmental Services (AKT Peerless) appreciates the opportunity to present its proposal to conduct environmental services at Parcel 16-02-391-033 (210 South Macomb Street) and Parcel 16-02-391-034 in Manchester, Michigan (subject property).

AKT Peerless reviewed previous environmental assessments conducted on the subject property. These assessments included:

- 2000 Phase I ESA
- 2000 Phase II ESA
- 2004 Phase II ESA
- 2004 Phase II ESA
- 2007 Phase I ESA

Based upon the review of these previous environmental assessments, the subject property historically operated as a railroad yard, lumber yard, and bulk petroleum plant with several aboveground storage tanks. Subsurface investigations conducted to evaluate these former sites identified concentrations of volatile organic compounds, polynuclear aromatics, and metals within on-site soil and groundwater above the current Michigan Department of Environment, Great Lakes, & Energy (EGLE) criteria.

AKT Peerless' proposed scope of work is to further evaluate the current environmental conditions of the subject property subsequent to the proposed acquisition and redevelopment of the subject property.

Scope of Work

In accordance with accepted industry practice, AKT Peerless' proposed scope of work includes completing:

- Phase I Environmental Site Assessment
- Phase II Environmental Site Assessment
- Baseline Environmental Assessment
- Documentation of Due Care Compliance

Phase I ESA

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 Phase I 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.

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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.

- 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]

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.

Phase I ESA 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[5].
- 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.

[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.

[5] AKT Peerless will use search radii that meet or exceed ASTM's recommended minimum search distances.

- 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.
- 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.

Phase I ESA Report

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.

Phase II ESA

AKT Peerless proposes to conduct a Phase II ESA at the subject property, based on historical operations as a rail yard, lumber yard, and bulk petroleum plant with known contamination identified in connection with the subject property.

The purpose of AKT Peerless' Phase II ESA is to evaluate the environmental condition of the subject property. The scope of work presented below does not include RECs that may be identified upon completion of AKT Peerless' proposed Phase I ESA.

The purpose of AKT Peerless' proposed scope of work is to perform an evaluation of the current environmental condition of the subject property and determine the contaminants present at the subject property exceeding the EGLE criteria.

Phase II ESA Scope of Work

AKT Peerless has established the following scope of work to evaluate the environmental condition at the subject property.

- Advance 10 borings to a maximum depth of 12.0 feet below ground surface (bgs) and install up to 5 temporary monitoring wells at the subject property.
- Collect soil and water samples.
- Submit the samples to a fixed-base, independent laboratory for chemical analysis of volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PNAs), and 10 Michigan Metals (arsenic, barium, cadmium, chromium, copper, lead, mercury, selenium, silver, and zinc).
- Prepare Phase II ESA report.

Boring Placement and Laboratory Analysis

Soil and groundwater samples collected for chemical analysis will be submitted under chain-of-custody to a fixed-base, independent laboratory.

The laboratory will conduct laboratory analyses using EGLE and/or U.S. Environmental Protection Agency (EPA) approved analytical methods.

Methodologies and Quality Control

AKT Peerless will advance ten, 12.0-foot-deep soil borings. AKT Peerless will either: (1) use a hand auger, (2) use a hydraulic push probe, (3) retain a drilling contractor to use a Geoprobe®, or (4) retain a drilling contractor to use hollow-stem augers.

All Phase II Environmental Site Assessments will be conducted in general conformance with ASTM E1903-11: *Standard Practice for Environmental Site Assessments: Phase II Environmental Site Assessment Process*.

It is anticipated that borings will be advanced with a hydraulic push probe or Geoprobe®. When possible, a macro core soil sampler will be used to collect continuous soil samples. If time is limited or subsurface soils restrict the penetration of the macro core sampler, a 2-foot-long discrete sampler will be used in place of the macro sampler.

If hollow stem augers are used the driller will follow the ASTM D-1586 publication. While drilling with hollow-stem augers, soil samples will be collected in 2-foot-intervals using a 2-foot-long, 2-inch-diameter, split-spoon sampler.

AKT Peerless will request the local utility companies to mark on the ground surface the locations of buried utilities (e.g., electrical lines, telephone lines, sewers, water mains, and natural gas pipes). Before starting drilling operations, the client will provide AKT Peerless with all available documents, drawings, and maps that indicate buried utility lines and USTs at the site, if necessary.

Soil samples collected in the field will be visually examined in accordance with the Unified Soil Classification System, ASTM D-2488. As appropriate, soil samples collected in the field will be screened for VOCs using a portable organic vapor meter/photoionization detector (OVM/PID). To ensure accurate VOC screening, the quantity of the soil, temperature, and headspace volume will be kept as constant as possible. The OVM/PID will be calibrated prior to mobilization to the site.

Strict decontamination procedures will be followed during the completion of investigation activities by AKT Peerless personnel to reduce the potential for cross-contamination. All drilling and down-hole sampling equipment will be decontaminated prior to first use onsite, and thereafter between uses, using a high-temperature, high-pressure spray washer, and/or a vigorous wash in an Alconox solution, followed by a tap water rinse, and a distilled water rinse.

All samples will be collected in pre-cleaned glass jars and stored following U.S. EPA Publication SW-846 Method 5035, final version of March 26, 1998, Testing Methods for Evaluating Solid Waste and ASTM D4547-09: *Standard Guide for Sampling Waste and Soils for Volatile Organic Compounds*. This publication includes guidelines for the Soil Sample Collection and Methanol Preservation for Volatile Analysis.

If groundwater is encountered, AKT Peerless will install temporary groundwater monitoring wells in select soil boring locations drilled at the subject site. The monitoring wells will be installed to a maximum depth of 12.0 feet bgs. Each temporary monitoring well will consist of a riser and screened section of PVC piping. The monitoring wells will be screened to bisect the static groundwater table, above a confining clay layer or at the maximum available depth due to drilling methods.

AKT Peerless will collect one groundwater sample from each monitoring well after: (1) evacuating at least three times the initial volume of groundwater in the well casing; (2) purging the well until measured parameters (temperature, turbidity, oxidation reduction potential, pH, and conductivity) have stabilized; or (3) purging the well dry and allowing sufficient time for recharge.

All soil and groundwater samples will be transported to a laboratory under chain-of-custody documentation in an ice-cooled container.

Phase II ESA Report

After completing the site investigation, AKT Peerless will prepare an electronic report that will include a summary of field activities, analytical results, discussion of procedures/methodologies, site map with sampling locations, discussion of results and recommendations, if appropriate.

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

Baseline Environmental Assessment

Since one or more contaminants were historically identified, a BEA will be prepared to document the environmental condition of the property within 45 days of occupancy. The BEA will be completed for submittal to the EGLE for an exemption from liability for the existing contamination. A BEA is used for sites where contamination has been detected above a residential standard. The BEA documents the environmental condition of the subject property and provides future owners and operators with an exemption from liability for existing contamination. If applicable, the BEA will be prepared in accordance with Part 201 of 1994, Public Act 451 and the amendments thereof.

BEA Scope of Work

AKT Peerless' scope of work is based on Section 20126(1)(c) of Part 201 of the NREPA, 1994 PA 451, as amended.

AKT Peerless' scope of work to complete the BEA will be based on the following:

- Results of AKT Peerless' Phase I ESA
- Results of AKT Peerless' Phase II Site Investigation
- Proposed future use of the site
- Planned redevelopment activities

Due Care Compliance Analysis Report

AKT Peerless will prepare the Due Care Compliance Analysis based on the findings of the proposed Phase II Subsurface Investigation. This plan will be prepared for Client use but is not intended for submittal or review by any regulatory agency.

Section 20107a provides that a person who owns or operates property and has knowledge it is a facility must:

- Undertake measures to prevent exacerbation of existing contamination.
- Exercise due care by undertaking response activities to mitigate unacceptable exposure to hazardous substances, mitigate fire and explosion hazards due to hazardous substances, and allow for the intended use of the subject property in a manner that the protects health and safety.
- Take reasonable precautions against the reasonably foreseeable acts or omissions of a third party and the consequences that could result from those acts or omissions.
- Provide notifications to the EGLE and others in regard to mitigating fire and explosions hazards, discarded or abandoned containers, contamination migrating beyond property boundaries, as applicable.
- Comply with land use or resource use restrictions established or relied on in connection with the response activities at the facility.
- Not impede the effectiveness or integrity of any land use or resource restriction employed at the facility in connection with response activities.

Reports

Unless requested otherwise, AKT Peerless will provide one electronic version of all final reports. One hard copy of the BEA will be completed for submittal to the EGLE and additional reports, if any, will be provided at a rate of $75 per copy.

The proposed scope of work will also provide a limited evaluation of any due care obligations necessary to meet the EGLE requirements, provide for the safe reuse of the property and mitigate the potential for ongoing or future releases.

Schedule

AKT Peerless will implement work immediately and will provide its deliverables within four to five weeks of your authorization to proceed.

Fees

AKT Peerless estimates the fees and expenses for this project will be between **$16,260**. All subcontracted services and outside project costs will be billed at a cost-plus 15 percent. The estimated costs to provide the services described in this proposal are shown in the tables below.

Phase I ESA Estimated Costs

ACTIVITY	COST
PROFESSIONAL SERVICES & PROJECT COSTS	
Phase I ESA Report	$2,300
TOTAL	**$2,300**

Phase II ESA Estimated Costs

ACTIVITY	COST
PROFESSIONAL SERVICES	
Project Management	$1,225
Field Activities	$820
Phase II ESA Report	$2,200
PROJECT COSTS	
Laboratory Analyses	$3,230
Drilling	$1,250
Field Supplies and Expenses	$435
TOTAL	**$9,160**

BEA and DDCC Estimated Costs

ACTIVITY	COST
BEA Report	$2,300
DDCC	$2,500
TOTAL	**$4,800**

In January 2020, the Michigan EGLE changed their Freedom of Information Act (FOIA) request policy. The revised policy includes an internal review of requested documents to evaluate the need for redactions (among other changes). This policy change has resulted in delays to the access of file information and increased FOIA fees. In some cases, these time and cost increases have made this information not *reasonably ascertainable* as defined in ASTM International Standard E1527. AKT Peerless will provide updates if such delays occur and additional fees are required.

The referenced fees include only those activities described herein. Additional fees will be incurred and invoiced if additional sample analysis is requested by the client, deemed necessary to completely evaluate the site conditions or if other regulatory reporting activities are necessary. Furthermore, in the event evidence of a possible abandoned UST are identified additional environmental assessment activities will be warranted. AKT Peerless will notify the client immediately with knowledge of any proposed scope of service modifications but no additional activities will be conducted without prior written client authorization.

Costs associated with investigating any additional recognized environmental conditions that may be identified upon completion of the Phase I ESA, but not specifically addressed by the proposed scope of work, are not included in this proposal.

Limitations

In January 2020, the Michigan EGLE changed their FOIA request policy. The revised policy includes an internal review of requested documents to evaluate the need for redactions (among other changes). This policy change has resulted in delays to the access of file information and increased FOIA fees. In some cases, these time and cost increases have made this information not *reasonably ascertainable* as defined in ASTM International Standard E1527. AKT Peerless will provide updates if such delays occur and additional fees are required.

Due to the current coronavirus (COVID-19) pandemic, interior subject property reconnaissance may not be conducted during the proposed Phase I ESA. AKT Peerless will consider the health and safety of our staff and the general public when determining the appropriateness of completing the reconnaissance. Furthermore, accessibility to information critical to completion of our deliverables (i.e., municipal offices, regulatory agency files, historical information/vendors, libraries, etc.) may be limited during this time. AKT Peerless will provide updates if such limitations are encountered or delays occur.

If the client chooses to alter the proposed scope of work, AKT Peerless shall propose alterations to the scope of work and related fees, the client will authorize AKT Peerless in writing to conduct more or less work than defined in this proposal.

AKT Peerless will provide these services using its commercially reasonable best efforts consistent with the level and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

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.

Drilling costs presented in this proposal assume that there will be no significant obstructions and delays (e.g., encountering cement rubble or boulders, sandy soil heaving into the augers, and inclement weather). If delays occur, AKT Peerless will notify the Client immediately, and AKT Peerless will revise the scope of work and fees appropriately.

This proposal and the associated cost estimate are valid for 30 days. After 30 days have elapsed, AKT Peerless reserves the right to alter the scope of work and estimated cost. 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 in Appendix A. AKT Peerless will prepare and render invoices for work performed to date on a monthly basis. All invoices shall be payable within thirty (30) days of invoice date.

PROPOSAL ACCEPTANCE FOR PHASE I, & II ESA, BEA, AND DDCC

Parcel 16-02-391-034 in Manchester, Michigan

This proposal submitted by: ______________________
Jeff Carr
Group Leader-Project Manager

Proposal submitted on: February 19, 2021

Please authorize the proposal by executing below:

Proposal amount: **$16,260**

Client contact:
Ken Heers
Manchester Market, LLC
455 West Main Street
Manchester, Michigan 48158

AKT Peerless Proposal No. PS-27215.1

Appendix A: Terms and Conditions

Acceptance: ______________________ (Signature)

Print Name: ______________________

Title ______________________

Date ______________________

WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

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. Municipal and Non-Profit sites are eligible for 100% of the cost of eligible assessment activities, up to $15,000, and privately-owned sites are eligible for 50% of the cost, up to $15,000. Higher awards may be given on a case-by-case basis.

Type of Application

☒ Publicly-Owned or Non-Profit-Owned Property

☐ Privately-Owned Property

☒ Site is located within a Low or Very Low Opportunity Area, within the Washtenaw County Opportunity Index

Owner Information

Property Owner: City of Ypsilanti Contact: Joe Meyers

Property Address: 220 N. Park Phone No.: 734 - 482-9774

Property Tax ID #: 11-11-09-111-004

Applicant Information

Applicant Name: City of Ypsilanti Phone No.: 734-482-9774

Address: 1 S. Huron Ypsilanti, MI 48197.

Developer (Entity) Name (if different than applicant): ____________________

Project Information

Project Name: 220 N. Park

Project Description: Future residential housing.

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

Property Information

Previous Owners: Private Residence before city acquired

Historic Property Uses: pre 1837: unknown, 1837-1859, undeveloped. 1859-1938: Gardens w/ private residence. 1938-2010, Athletic fields w/ Recreation Building, 2010-Present, Vacant - Rec. Bldg removed 2013

Property Acreage: 4.46

Zoning: CN-Mid

Surrounding Land Use: Residential, Industrial

Proposed Environmental Activities:

	Estimated Cost
☒ Phase I	$ 2,000
☒ Phase II	$ 8,250
☒ BEA Report	$ 2,250
☐ Due Care Plan	
☐ Hazardous Material Survey	
TOTAL	$ 12,500

Please attach a price quote from a qualified environmental firm.

Please describe Previous Environmental Assessments Completed: Phase I ESA completed by AKT Peerless in 2015 - the report has expired

Please describe environmental conditions: Vacant lot with some unknown fill material. Adjacent former industrial properties have a history of coal and oil storage.

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
734-660-1061
voghtn@washtenaw.org

AKTPEERLESS
22725 Orchard Lake Road
Farmington, Michigan 48336
T 248-615-1333
www.aktpeerless.com

February 17, 2021

Mr. Joe Meyers
City of Ypsilanti
One S. Huron Street
Ypsilanti, Michigan 48197

Subject: Proposal for Environmental Consulting Services
220 N. Park Street
Ypsilanti, Michigan
Proposal No. PF-27560
AKT Peerless Project No. 10627F

Mr. Meyers:

AKT Peerless appreciates the opportunity to present the attached proposal to provide environmental consulting services in connection with the property located at 220 N. Park Street in Ypsilanti, Washtenaw County, Michigan (the subject property).

AKT Peerless will implement work immediately and will provide its deliverables within six to eight weeks of your authorization to proceed. AKT Peerless' estimated cost to complete the proposed scope of work is **$12,500**.

Any necessary changes that become apparent during AKT Peerless' proposed site assessment activities may require a revision in the scope of work and cost and could delay the project. AKT Peerless will notify you of any 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.

If you have any questions or need additional information please contact me or Lou Stultz at 248-615-1333, or by email at wasielewskis@aktpeerless.com or stultzl@aktpeerless.com.

Sincerely,

AKT Peerless

Scott Wasielewski

Scott Wasielewski
Project Manager

Enclosure

AKT PEERLESS

PROPOSAL FOR ENVIRONMENTAL CONSULTING SERVICES

SUBJECT PROPERTY

220 N. Park Street
Ypsilanti, Michigan

PREPARED FOR	City of Ypsilanti One S. Huron Street Ypsilanti, Michigan 48197
PROPOSAL #	PF-27560
PROJECT #	10627F
DATE	February 17, 2021

PROPOSAL FOR ENVIRONMENTAL CONSULTING SERVICES

220 N. Park Street, Ypsilanti, Michigan
AKT Peerless Proposal No. PF-27560
AKT Peerless Project No. 10627F

Introduction

AKT Peerless appreciates the opportunity to present its proposal to conduct environmental consulting services in connection with the property located at 220 N. Park Street in Ypsilanti, Washtenaw County, Michigan (the subject property).

AKT Peerless completed a Phase I Environmental Site Assessment (ESA) for the subject property in October 2015. The following recognized environmental conditions (RECs) were identified in connection with the subject property:

REC 1 - During AKT Peerless' Site Reconnaissance, fill material (soil and concrete) was observed within the thick vegetation located along the southern property boundary. The nature and extent of this fill material is unknown. Therefore, further investigation and/or assessment is warranted in order to evaluate the nature, extent, magnitude, and materiality of REC 1.

REC 2 - A southeastern adjoining property (206 N. Grove Street) was identified as an oil distributor which utilized a bulk oil storage yard from the mid 1950's until the late 1970's. This site was also listed as a State Hazardous Waste Site (SHWS) and was identified on the Baseline Environmental Assessment (BEA) database. In AKT Peerless' opinion, the past use of this adjoining property and identification on the SHWS and BEA databases represents an REC. Therefore, further investigation and/or assessment may be warranted in order to evaluate if potential contaminants have migrated to the subject property.

REC 3 - A southern adjoining property (204 N. Park Street) was utilized as a coal storage yard and bulk oil and gasoline storage facility in the 1920s until the early 1970s. No information regarding any current or former underground storage tanks (USTs), aboveground storage tanks (ASTs), installation and removal dates, business practices, or other environmental data was identified. In AKT Peerless' opinion, the past use of this adjoining property represents an REC. Therefore, further investigation and/or assessment may be warranted in order to evaluate if potential contaminants have migrated to the subject property.

REC 4 - A southern adjoining property (103 N. Park Street) has been utilized for various industrial operations (including manufacturing, machine shop, foundry and plating operations) from at least 1916 until the present day. This site was also listed on the Resource Conservation and Recovery Act (RCRA) and Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) databases with multiple hazardous waste violations identified. In AKT Peerless' opinion, the current and past use of this adjoining property represents an REC. Therefore, further investigation and/or assessment may be warranted in order to evaluate if potential contaminants have migrated to the subject property.

REC 5 - A western adjoining property (223 N. Park Street) historically operated as a coal storage yard from at least 1916 until the mid-1960s. In AKT Peerless' opinion, the past use of the western adjoining property as a coal storage yard represents an REC. Therefore, further investigation and/or assessment may be warranted in order to evaluate if potential contaminants have migrated to the subject property.

AKT Peerless' proposed scope of work includes the following: (1) prepare a Phase I ESA of the subject property to update the findings of AKT Peerless' October 2015 Phase I ESA, which expired in October 2016; (2) prepare a Phase II ESA of the subject property to evaluate the above-identified RECs; and (3) prepare a BEA for the subject property for submittal to the Michigan Department of Environment, Great Lakes, & Energy (EGLE) for an exemption from liability for existing contamination, if the results of the proposed Phase II ESA indicate that the subject property meets the definition of a "facility," as defined in Part 201 of the Natural Resources and Environmental Protection Act, Michigan Public Act 451 of 1994, as amended (NREPA). Any additional RECs identified during AKT Peerless' proposed Phase I ESA beyond those identified in AKT Peerless' October 2015 Phase I ESA may require a revision in the proposed Phase II ESA scope of work and cost. AKT Peerless will notify the Client immediately of any necessary changes in the proposed scope of work.

Scope of Work

In accordance with accepted industry practice, AKT Peerless' proposed scope of work includes completing:

- Task 1 – Phase I ESA
- Task 2 – Phase II ESA
- Task 3 – BEA

Task 1 – Phase I ESA

AKT Peerless' Phase I ESA will be based on (1) the scope and limitations of ASTM International's *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) United States Environmental Protection Agency (USEPA) Standards and Practices for All Appropriate Inquiries [AAI, 40 Code of Federal Regulation (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 Brownfields Revitalization Act (Brownfields 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 CERCLA.

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 ASTM Practice E 1527, unless otherwise noted in this proposal.

The purpose of AKT Peerless' proposed Phase I ESA will be to provide an independent, professional opinion of the *RECs*[1], *controlled recognized environmental conditions (CRECs)*[2], and *historical recognized environmental conditions (HRECs)*[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, CRECs, and HRECs 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 in 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 an interview.
- User Obligations for LLP, if any, in accordance with ASTM Practice E 1527 and AAI.

In addition, if 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

[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 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.

[3] 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.

applicable engineering upgrade requirements for leak detection, corrosion protection, and overspill protection.[4]

User Requirements

In order to qualify for one of the LLPs offered by 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 an 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 USEPA 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 Questionnaire, Document Request Form, and Interview responses as such information can assist AKT Peerless in identifying environmental conditions.

Phase I ESA Scope of Work

In accordance with ASTM Practice E 1527, AKT Peerless' Phase I 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 rights-of-way, 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[5].
- 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.

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[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.

[5] AKT Peerless will use search radii that meet or exceed ASTM's recommended minimum search distances.

- 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.
- An evaluation of information obtained from the aforementioned sources to determine whether 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, groundwater, and/or soil gas at the subject property, (2) the possible presence of UST or AST 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.

The proposed Phase I ESA is <u>not</u> intended to satisfy the requirements a specific lender, the United States Small Business Administration (SBA), United States Department of Housing and Urban Development (HUD), and/or Michigan State Housing Development Authority (MSHDA) funding programs. If the Client anticipates the use of any of these funding sources, please contact AKT Peerless to provide a proposal to conduct a Phase I ESA that complies with the associated program requirements.

Phase I ESA Report

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 conditions. 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.

Unless requested otherwise, AKT Peerless will provide one electronic version of the final report. Hard copies of the report, if requested by the Client, will be provided at a rate of $75 per copy.

Task 2 – Phase II ESA

As noted above, AKT Peerless' October 2015 Phase I ESA for the subject property identified multiple RECs, including the presence of fill material at the subject property and the current and/or historical uses of select adjoining properties. The purpose of AKT Peerless' proposed Phase II ESA is to evaluate these previously identified RECs.

Any additional RECs identified during AKT Peerless' proposed Phase I ESA beyond those identified in AKT Peerless' October 2015 Phase I ESA may require a revision in the proposed Phase II ESA scope of work and cost. AKT Peerless will notify the Client immediately of any necessary changes in the proposed scope of work.

Phase II ESA Scope of Work

AKT Peerless has established the following scope of work to evaluate the RECs previously identified in connection with the subject property.

- Advance four soil borings to a maximum depth of up to 24 feet below ground surface and install one temporary monitoring well at each of these soil boring locations at the subject property.
- Collect one soil sample and four groundwater samples for laboratory analyses; additional soil samples may be collected in lieu of groundwater samples if groundwater is not encountered.
- Submit the soil and groundwater samples to a fixed-base, independent laboratory for chemical analyses of volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polynuclear aromatic hydrocarbons (PNAs), one or more of the Michigan Ten Metals (i.e., arsenic, barium, cadmium, chromium, copper, lead, mercury, selenium, silver, and zinc), and/or polychlorinated biphenyls (PCBs).
- Prepare a Phase II ESA report.

Boring Placement and Laboratory Analysis

Soil and groundwater samples will be collected from areas most likely to be contaminated based on the past use and/or current condition of the subject property and select adjoining properties. Samples will be submitted for laboratory analyses under chain-of-custody documentation to a fixed-base, independent laboratory.

The laboratory will conduct laboratory analyses using EGLE- and/or USEPA-approved analytical methods.

Methodologies and Quality Control

AKT Peerless will request the local utility companies to mark on the ground surface the locations of buried utilities (e.g., electrical lines, telephone lines, sewers, water mains, and natural gas pipes) in advance of investigation activities.

Subsurface investigation activities will be conducted in general conformance with ASTM International Standard Practice E 1903-11: *Standard Practice for Environmental Site Assessments: Phase II Environmental Site Assessment Process*. Strict decontamination procedures will be followed during the completion of subsurface investigation activities by AKT Peerless personnel to reduce the potential for cross-contamination. All drilling and down-hole sampling equipment will be decontaminated prior to first use on-site, and thereafter between uses, using a high-temperature, high-pressure spray washer, and/or a vigorous wash in an Alconox solution, followed by a tap water rinse, and a distilled water rinse.

AKT Peerless will advance soil borings to a maximum depth of up to 24 feet below ground surface, depending on observed subsurface conditions. AKT Peerless will retain a drilling contractor to use a Geoprobe®. When possible, a macro core soil sampler will be used to collect continuous soil samples. If time is limited or subsurface soils restrict the penetration of the macro core sampler, a two-foot-long discrete sampler will be used in place of the macro sampler.

Soil samples collected in the field will be visually examined in accordance with the Unified Soil Classification System, ASTM International Standard Practice D 2488-09a: *Standard Practice for Description and Identification of Soils (Visual-manual) Procedure*. As appropriate, soil samples collected in the field will be screened for VOCs using a portable organic vapor meter/photoionization detector (OVM/PID). To ensure accurate VOC screening, the quantity of the soil, temperature, and headspace volume will be kept as constant as possible. The OVM/PID will be calibrated prior to mobilization to the site.

All samples will be collected in precleaned glass jars and stored following USEPA Publication SW-846 Method 5035, final version of March 26, 1998, *Testing Methods for Evaluating Solid Waste* and ASTM International Standard Practice D 4547-09: *Standard Guide for Sampling Waste and Soils for Volatile Organic Compounds*. This publication includes guidelines for the Soil Sample Collection and Methanol Preservation for Volatile Analysis.

If groundwater is encountered, AKT Peerless will install temporary groundwater monitoring wells in select soil boring locations at the subject property. Each temporary monitoring well will consist of a riser and screened section of PVC piping. The monitoring wells will be screened to intersect the static groundwater table, above a confining clay layer or at the maximum available depth due to drilling methods.

Soil and groundwater samples collected for chemical analyses will be submitted under chain-of-custody documentation to a fixed-base, independent laboratory. Soil and groundwater samples will be transported to the laboratory in an ice-cooled container. The laboratory will conduct analyses using EGLE- and/or USEPA-approved analytical methods.

Phase II ESA Report

After completing the subsurface investigation, AKT Peerless will prepare a report that will include a summary of field activities, analytical results, discussion of procedures/methodologies, site map with sampling locations, discussion of results and recommendations, as appropriate.

Unless requested otherwise, AKT Peerless will provide one electronic version of the final report. Hard copies of the report, if requested by the Client, will be provided at a rate of $75 per copy.

Task 3 - Baseline Environmental Assessment

If the results of the proposed Phase II ESA indicate that the subject property meets the definition of a “facility,” as defined in Part 201 of the NREPA, AKT Peerless will prepare a BEA on the Client’s behalf for submittal to EGLE for an exemption from liability for existing contamination. A BEA is used for sites where contamination has been detected above a residential standard. AKT Peerless’ proposed scope of work is based on Section 20126(1)(c) of Part 201 of the NREPA.

AKT Peerless will complete the BEA on behalf of the Client based on the results of AKT Peerless’ October 2015 Phase I ESA, AKT Peerless’ proposed Phase I ESA, AKT Peerless’ proposed Phase II ESA, the proposed future use of the subject property, and planned redevelopment activities.

Schedule

AKT Peerless will implement work immediately and will provide its deliverables within six to eight weeks of your authorization to proceed.

Fees

AKT Peerless estimates the fees and expenses for this project will be $12,500. All subcontracted services and outside project costs will be billed at cost plus 15 percent. The estimated costs to provide the services described in this proposal are shown in the tables below.

Phase I ESA Estimated Costs

ACTIVITY	COST
Phase I ESA	$2,000
TOTAL	**$2,000**

Phase II ESA Estimated Costs

ACTIVITY	COST
PROFESSIONAL SERVICES	
Project Management	$1,250
Field Activities	$1,000
Report Preparation	$2,200
PROJECT COSTS	
Laboratory Analyses	$1,450
Drilling	$1,250
Field Supplies and Expenses	$1,100
TOTAL	**$8,250**

BEA Estimated Costs

ACTIVITY	COST
BEA	$2,250
TOTAL	**$2,250**

The referenced fees include only those activities described herein. Costs associated with investigating any additional RECs beyond those identified in AKT Peerless' October 2015 Phase I ESA are not included in this proposal. Additional fees will be incurred and invoiced if additional sample analysis is requested by the client, deemed necessary to completely evaluate site conditions, or if other regulatory reporting activities are necessary. AKT Peerless will notify the Client immediately of any proposed scope of service modifications, but no additional activities will be conducted without prior written client authorization.

Limitations

If the Client chooses to alter the proposed scope of work, the Client shall advise AKT Peerless, and AKT Peerless shall propose alterations to the scope of work and related fees. The Client will authorize AKT Peerless in writing to conduct more or less work than defined in this proposal.

AKT Peerless will provide these services using its commercially reasonable best efforts consistent with the level and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

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 Practice E 1527 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 RECs previously identified in connection with the subject property and select adjoining properties. Costs associated with investigating any additional RECs beyond those identified in AKT Peerless' October 2015 Phase I ESA are not included in this proposal.

Drilling costs presented in this proposal assume that there will be no significant obstructions and delays (e.g., encountering cement rubble or boulders, sandy soil heaving into the augers, and inclement weather). If delays occur, AKT Peerless will notify the Client immediately, and AKT Peerless will revise the scope of work and fees appropriately.

This proposal and the associated cost estimate are valid for 30 days. After 30 days have elapsed, AKT Peerless reserves the right to alter the scope of work and estimated cost. Changes in the scope of work and the estimated cost 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 cost 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 in Appendix A. AKT Peerless will prepare and render invoices for work performed to date on a monthly basis. All invoices shall be payable within thirty (30) days of invoice date.

PROPOSAL ACCEPTANCE FOR ENVIRONMENTAL CONSULTING SERVICES

220 N. Park Street, Ypsilanti, Michigan

This proposal submitted by:	Scott Wasielewski Scott Wasielewski Project Manager
Proposal submitted on:	February 17, 2021

Please authorize the proposal by executing below:

Proposal amount:	**$12,500**

Client contact:
Mr. Joe Meyers
City of Ypsilanti
One S. Huron Street
Ypsilanti, Michigan 48197

AKT Peerless Proposal No.	PF-27560
AKT Peerless Project No.	10627F
Appendix A:	Terms and Conditions

Acceptance:	______________________ (Signature) City of Ypsilanti
Print Name:	______________________
Title	______________________
Date	______________________

Appendix A

Terms and Conditions

AKT PEERLESS
TERMS AND CONDITIONS

The following Terms and Conditions govern the services (referred to herein as "work" or "services") to be performed by AKT Peerless ("**we**", "**us**", "**our**", "**AKT Peerless**" or **"Consultant**") for you ("**you**", "**your**" or "**Client**"). By accepting the proposal or authorizing all, or any portion, of the work to be performed by Consultant, Client shall be deemed to accept these terms and conditions, as if set forth in full, in the proposal to which these terms and conditions apply (when accepted, the proposal and these Terms and Conditions constitute the "Agreement" (hereinafter, this "**Agreement**").

1. **Performance**: Consultant will provide advice, consultation and other environmental services to Client in a manner consistent with the level of care and skill ordinarily exercised by members of Consultant's profession currently practicing under similar conditions and in the same locality. Consultant shall use commercially reasonable best efforts to comply with all federal, state, and local statutes, codes, laws and administrative regulations relating specifically to the services to be performed by Consultant, including, but not limited those related to environmental, fire, safety and health matters. Finally, it is Consultant's obligation to have marked by appropriate utility companies the location of all underground utilities or improvements.

AKT Peerless prides itself in rapid responses to client inquiries. Therefore, we make extensive use of e-mail and facsimile machines to communicate with our clients. We will communicate with you via the e-mail address and/or facsimile number on file for you. In the case of facsimiles, please let us know if you would like us to call first before faxing. At present, AKT Peerless does not use any encryption programs for our outgoing e-mail. All written, telephone, facsimile or email communication between the Client and AKT Peerless shall not be considered unwanted commercial speech (e.g. "spam") unless written notification is provided.

2. **Client Cooperation**: Client shall use commercially reasonable best efforts to cooperate fully with Consultant in meeting Consultant's responsibilities herein. Such cooperation shall include but shall not be limited to providing: 1) access to the real estate, buildings or other property, 2) such surveys and other records concerning the subject matter of the project, and 3) all communications with regulatory agencies and other parties that may have an interest related to the project as may be in Client's possession or under its control. Client shall provide Consultant with a written description of all information required to enable Consultant to perform its services, including documents, data and other information concerning the presence of any hazardous, radioactive, toxic, irritant, pollutant or otherwise dangerous substances or conditions that Client knows or has reason to believe may be located at, on or under the property. Consultant shall not be liable for any incorrect advice, judgment, recommendation, finding, decision or conduct based upon any inaccurate or incomplete information supplied, or withheld, by Client, or errors or incorrect statements of governmental agencies or third parties relied on by Consultant. Client agrees to provide an on-site contact to identify utilities and improvements. Client acknowledges that, in the event any subsurface investigation is required, it is inevitable that some damage or destruction to the current property conditions shall occur. Repair of concrete and/or surface structures is not included as part of this proposal and Consultant shall have no liability to repair same, except as may be specifically set forth in the proposal.

3. **Payment**: The Client agrees to pay Consultant for all services and expenses, according to this agreement, through the termination or completion date, plus all interest, and expenses or costs incurred for early termination as set forth below and all costs of collections, including reasonable attorney fees. Any work requested hereunder, either in the proposal or subsequent change orders will be performed at the prices agreed to in the proposal and/or according to the provisions of the Consultant's standard rate schedule. If requested, prior to performing any services AKT Peerless may require a retainer ("Retainer"). AKT Peerless shall hold the Retainer and apply it to the final invoice from AKT Peerless to the Client (with any excess left over, immediately returned to the Client). Consultant reserves the right to amend the rate schedule in advance of any future work. Client understands that outside services contracted and paid for by Consultant which are included in the proposal will be billed to the Client at cost plus fifteen percent (15%). All invoices submitted to Client shall be payable within thirty

(30) days of issuance by Consultant. Any payment not received within that period will bear interest at the rate of one and one half percent (1.5%) per month thereafter. Client agrees that it shall pay Consultant at Consultant's then prevailing rate for all time spent on behalf of Client in preparation for any court, administrative, or other legal proceedings arising out of the services provided under this Agreement, whether or not Consultant is subpoenaed to appear at such proceeding by Client or any third party. In the event that payment is not received by Consultant on any invoice within thirty (30) days of the issuance of the invoice, Consultant may then, by written termination notice to Client, terminate this Agreement (and any other existing contracts between Client and Consultant) and apply any existing Retainer to outstanding invoices without incurring any liability to Client; such termination by Consultant shall be effective immediately upon Consultant's issuance of the termination notice. Any objection to any invoice must be made by the Client, in writing, within ten (10) business days after the invoice is issued by Consultant, or the objection shall be deemed waived.

4. **<u>Termination</u>**: In addition to any other rights of Consultant to terminate this Agreement, Consultant may terminate this agreement if, in its sole discretion, it believes that any request from Client may violate applicable professional standards, law, or regulations and the parties are unable to reach a satisfactory resolution of the issue. Additionally, this agreement may be terminated by either party upon thirty (30) days written notice, unless such termination shall irreparably harm either party. In the event that Client terminates this agreement prior to the completion of Consultant's work, Client agrees to pay Consultant for the work that has been performed through the date of termination and for efforts that are expended by Consultant to wrap up its work in a professional, businesslike manner (including, without limitation, costs and fees for demobilizing from a site, for proper handling and disposal of samples, for organization of files and reports and the like) and in addition, ~~Client shall pay Consultant an additional amount equaling ten percent (10%) of the agreed initial estimated price, as a reimbursement for loss of opportunity.~~ In no event shall any payment pursuant to this section 4 exceed the original agreement amount by ten percent (10%).

5. **<u>Indemnification:</u>** Client shall defend, indemnify, and hold harmless Consultant, its subcontractors, and their respective officers, directors, shareholders, members, attorneys, agents and employees from and against any and all liability, claims, demands, lawsuits, losses, damages, penalties, expenses and costs, including reasonable attorney fees ("**Damages**"), whether direct, indirect or consequential: that arise as a result of Client's negligence, gross negligence, or willful misconduct. All claims brought against Consultant, relating to the services provided by Consultant or otherwise, whether based upon contract, tort, statute or otherwise, must be brought within one (1) year from completion of the contracted services or they shall be forever barred. The Client acknowledges that Consultant has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant or otherwise dangerous substance or condition at the real estate as to which Client has requested Consultant's services.

Consultant agrees to defend, indemnify, and hold harmless Client, its subcontractors, and their respective officers, directors, shareholders, members, attorneys, agents and employees from and against any and all Damages, whether direct, indirect, or consequential arising out of, or in any way connected with Consultant's negligence, gross negligence or willful misconduct in the performance of services under this Agreement.

In addition to the other limitations contained in this section 5 and elsewhere in these Terms and Conditions, a party's obligation to the other hereunder shall be limited to the party's relative fault among all persons or entities that may have contributed to or caused the Damages at issue, as determined by a court of competent jurisdiction or as the allocation of fault may otherwise be agreed by the parties.

The Client understands that its incentive services involve incentive programs, not entitlement programs, and, as such, approval of any incentive benefit is not guaranteed. Strict compliance with the applicable incentive legislation is needed in order to even qualify for consideration by the applicable government agency. This compliance is the responsibility of the Client. Tax increment finance tables involve projected revenue that is highly dependent on post-development taxable values determined through the normal assessment process. The Client agrees to indemnify and hold harmless AKT Peerless from all claims, losses, expenses, fees including reasonable attorney fees, costs, and judgments that may be asserted against the Client arising out of this Agreement, or the

Client's application and/or qualification for incentive programs (provided, however, this indemnity shall not apply to claims arising out of the gross negligence of AKT Peerless or it employees or agents). The Client is strongly encouraged to seek legal advice, at the Client's own expense, on all legal matters or questions that may arise regarding these incentives and to have any documents prepared by AKT Peerless for submission to any federal, state or municipal government or agency reviewed by competent legal counsel before submission. The Client is strongly encouraged to seek accounting services, at the Client's own expense, on all tax matters or questions that may arise regarding these incentives and to consult with the Client's accountant prior to submission of any tax forms. In no event shall the liability of AKT Peerless under this Agreement for any claim whatsoever exceed amounts paid by Client to AKT Peerless for the particular task giving rise to such claim. Further, in the event AKT Peerless is successful in obtaining governmental incentives for Client, they require strict compliance after approval of same to obtain their benefits. Certain failures to comply on an ongoing basis can terminate or limit the availability of the full benefits received, require repayment or have negative tax consequences. AKT Peerless assumes no liability for post award actions of Client.

6. **<u>Insurance and Limitations of Liability</u>**: Consultant and its subcontractors shall procure and maintain at its own expense, during the term of this Agreement, the following insurance, with limits of liability at least as set forth below, and upon such terms and conditions as are customary in the industry:

(a) Comprehensive general liability insurance in the amount of $2,000,000 combined per occurrence and $2,000,000 combined per aggregate;
(b) Professional liability (errors and omissions) insurance in the amount of $2,000,000 combined per occurrence and $2,000,000 combined aggregate limit;
(c) Pollution liability insurance in the amount of $2,000,000 per occurrence and $2,000,000 aggregate;
(d) Automobile liability insurance in the amount of $2,000,000 combined single limit for bodily injury for property damage; and
(e) Workers' Compensation insurance complying with the laws of the state(s) in which Consultant's services are performed hereunder.

Notwithstanding anything contained herein to the contrary, Consultant's liability to Client for any claimed Damages arising out of or in any way related to this Agreement or the services provided by Consultant shall be limited to the amounts available under the above insurance policies. However, in no event shall the liability of AKT Peerless for any redevelopment incentive or tax credit service under this Agreement for any claim whatsoever exceed amounts paid by Client to AKT Peerless for the particular task giving rise to such claim. Consultant will not be responsible for any claims arising out of the negligence, gross negligence, or willful misconduct by Client or by any person or entity not under the direct control of Consultant. In no event shall Consultant have any liability for any claims (whether based upon contract or tort) for any loss of business opportunity, profits or any special, incidental, consequential or punitive damages. In the event Client perceives that it has suffered any Damages as a result of the services provided by Consultant or in any way arising out of or related to this Agreement, Client agrees to provide Consultant with reasonable notice of and an opportunity to cure the claimed Damages, prior to or within ten (10) days of discovery of same. Failure to so provide said notice and opportunity to cure shall act as an absolute bar to any recovery for any Damages. Unless an emergency otherwise dictates, Consultant shall have no more than thirty (30) days after receiving notice as provided herein to cure any defect for which Client provides notice hereunder, unless such cure requires additional time to implement or complete, in which case Consultant shall be provided a commercially reasonable amount of time to complete the cure. Failure by Consultant to cure any defect as provided herein shall in no event bar or preclude any defense to which Consultant may otherwise be entitled. Finally, Consultant shall have no liability or obligation to Client for Damages greater than the minimum requirements as set forth under the applicable state law and the most cost effective and reasonable remedy provided thereunder in consideration of all relevant facts.

~~Consultant shall not be liable to Client for failure to comply with the terms of Section 1 unless such non-compliance is due to the negligence, gross negligence, or intentional misconduct of Consultant.~~ Client acknowledges that Consultant has made no representations, express or implied, and ~~no warranty or~~ guarantee is included or intended in any report, opinion, or document regarding the results to be achieved upon completion of the services except as set forth herein. In the case of incentives work, Client understands that the decision to grant any incentives is wholly that of the applicable governmental agencies.

7. **Confidentiality**: Consultant shall retain as confidential all information, samples and data furnished to it by Client or collected by it during the course of the work performed under the Agreement or any amendment thereto. Such information shall not be disclosed to any third party except as directed by Client or as required by law, regulation or court order. Prior to making any disclosure required by law, regulation or court order, Consultant shall notify client of the obligation to make such disclosure and provide Client with a reasonable opportunity to lawfully challenge the need to make such disclosure. Any such challenge shall be performed at Client's sole cost and expense, including but not limited to any payments to Consultant for its time spent assisting in such challenge. Consultant shall retain all reports generated for a period of three (3) years after completion of any project. Client authorizes Consultant to destroy any file or retain portions thereof, in the discretion of Consultant after said time. Any samples obtained by a Consultant under this Agreement will be discarded within thirty (30) days after laboratory analyses unless another time period is mutually agreed to in writing.

8. **Final Product:** Client acknowledges that any environmental report is merely a "snapshot" of the subject property at the time the investigation was performed and any material change in the use or condition of the property shall directly terminate any further obligation of Consultant for the accuracy of the report. In no event shall this report be relied on for more than one-hundred eighty (180) days after the date of issuance. If at any time after the issuance of the final report, Client becomes aware of any information previously unknown that would materially alter the findings or conclusions contained therein, Client agrees to immediately provide Consultant with same and allow Consultant to revise the report accordingly, except that Consultant shall not be required to make such revisions if such information was withheld by Client in violation of this Agreement. Client further understands that the failure to discover hazardous, radioactive, toxic, irritant, pollutant, petroleum or otherwise dangerous substances, products, or conditions does not guarantee that these materials do not exist at the property, and that hazardous materials may later be found on such a site. Client agrees that Consultant is not responsible for any failure to detect or clean up the presence of hazardous materials unless: (1) the failure to detect same is caused by Consultant's negligence, gross negligence or willful misconduct; and (2) Client suffers Damages as a result. Client agrees that any Damages related to said failure shall be further limited by the provisions of this Agreement.

All tax increment finance projections and other incentive related documents shall be supplied in paper or printable document file (PDF) format. The source documents are considered work product and will only be released at the sole discretion of AKT Peerless. If source documents are released, it is under a one (1) month license only to the Client who shall not modify, alter, copy or distribute the source documents without the expressed written permission of AKT Peerless and shall destroy or return the source documents and all copies to AKT Peerless upon expiration of the license.

AKT Peerless ordinarily retains client files for a reasonable period of time after the conclusion of a matter. If requested, AKT Peerless will provide these files to you (excluding our notes and other work products) at the conclusion of the matter upon your request. If you do not request the files, after a reasonable period of time, unless you advise us in writing to the contrary, we shall be free to dispose of them. If you request that we turn our files over to you or to another firm and you have not fully satisfied all of your obligations to us under this agreement, including the payment of all fees and costs, we shall be entitled to hold the files as security for performance of those obligations.

9. **Lien**: In order to secure repayment of the amounts required hereunder, Consultant hereby notifies client that it intends to utilize any rights it may have under Michigan's Construction Lien Act (MCLA 570.1101 *et seq*) or such similar provision which may be in force in the jurisdiction where the work under the Agreement is performed. Client further agrees to execute and deliver to Consultant any and all documents necessary and/or grants Consultant power of attorney to execute and record on their behalf all documents in order to comply with the requirements of the Act.

10. **Changes**: The parties acknowledge that neither this Agreement nor any proposal may be modified except upon written agreement by both parties. If changes occur in the project, or events are discovered during Consultant's work, these events may require alterations to the scope of work. If such changes are required by changes in the statutes, regulations, governmental authorities or the interpretations thereof, this agreement and proposal shall therefore be amended to incorporate those changes and the compensation to Consultant shall be adjusted accordingly. If the Client alters the scope of work proposed by Consultant, Consultant shall have no liability whatsoever for any Damages based upon the final product, if in the performance of the Consultant's original proposal; the claimed defect could have been discovered. Client further acknowledges that the costs in the proposal are merely estimates. These estimates are made by Consultant on the basis of its experience, qualifications, and professional judgment, but are estimates and not guaranteed.

11. **Delays**: Consultant shall use commercially reasonable best efforts in performing the services under this agreement. However, Consultant shall not be responsible for any delay or failure to perform its services if there is any failure to provide or delay in providing Consultant with necessary access to the properties, documentation, information, materials or contractors retained by Client or its representatives, or due to any act of God, labor trouble, fire, inclement weather, act of governmental authority or the failure to gain cooperation of any necessary third party or any other act beyond the control of Consultant. In the event said events do occur, then the time for Consultant's for completion of this Agreement shall be extended by a commercially reasonable period under the circumstances. If any delay is caused by either the acts or omissions of Client or by any third party (including Governmental agencies) Consultant shall be entitled to additional compensation, based upon standard rates, for the additional efforts required in obtaining said approvals, documentation or access.

12. **Reliance and Reliance Letters**: The services performed and issuance of any report which is to be generated is for the sole benefit of Client and no other individual or entity may therefore rely on same without the express written permission of Consultant. Consultant acknowledges that, from time to time, Client may require that Consultant issue to Client's financial institution or other third party a Reliance Letter. Consultant agrees, at no additional cost, to provide same, so long as it is subject to these Terms and Conditions and that said request is made within one hundred eighty (180) days of the final report. Client agrees that it shall provide a copy of these Terms and Conditions to its financial institution or other third party and that the financial institution shall accept same and shall acknowledge that any such reliance shall be effective only as to the condition of the property on the date the final report was written. Consultant shall not be required to provide reliance on any report older than 180 days. In the event that Consultant does agree to provide a Reliance Letter, the party seeking reliance must agree in writing to be bound by these Terms and Conditions. Any reliance shall only be as of the date the report was published. For reliance requests based upon these reports, Consultant's liability for any and all Damages in any way related to the services provided by Consultant, either directly or indirectly, whether by agreement or otherwise, shall be limited to the cost of the services provided by Consultant hereunder. In accepting this limitation, Client and any other relying party shall acknowledge that ASTM E-1527, Section 4.6, states that any Phase I Environmental Site Assessment older than one hundred eighty (180) days is no longer valid and therefore acknowledges that this reduced limitation of liability is reasonable.

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING

GRETCHEN WHITMER
GOVERNOR

LIESL EICHLER CLARK
DIRECTOR

January 20, 2021

Mr. Nathan Voght
415 West Michigan Avenue, Suite 2200
Ypsilanti, Michigan 48197

Dear Mr. Voght:

SUBJECT: Brownfield Redevelopment Grant Project
1140 Broadway Street
Tracking Code #2018-1319

On June 29, 2018, the Washtenaw County Brownfield Redevelopment Authority (WCBRA) was awarded a Brownfield Redevelopment Grant from the Department of Environment, Great Lakes, and Energy (EGLE) in the amount of $1,000,000 to assist with the 1140 Broadway Street Redevelopment Project by reducing tetrachloroethene (PCE) contaminant concentrations in source-area soils and groundwater using in-situ treatment techniques. In addition to the grant-funded source area injections, the developer (Morningside, LLC) installed two zero-valent iron permeable reactive barriers to further reduce contaminant concentrations in groundwater prior to off-site migration. The remedial action goal established by SME, the developer's consultant, was to reduce PCE concentrations in groundwater by 80% within two years following treatment at the property boundary.

The remedial actions were completed between December 2018 and June 2019. Since implemented, on-site and off-site monitoring has been conducted to assess the effectiveness of the remedial actions. Morningside, LLC, and WCBRA have jointly conducted groundwater sampling activities in January and June 2020 and have an additional groundwater sampling event scheduled for June 2021. Wood PLC and SME, the environmental consultants for WCBRA and Morningside, LLC, respectively, have prepared a summary document of the remedial activities and sampling results that have been completed to date. The results indicate that an estimated 84% reduction in PCE concentrations in groundwater has been achieved. This exceeds the original goal of 80% reduction in PCE and was achieved sooner than the estimated two years following treatment. EGLE and WCBRA intend to continue to conduct groundwater sampling to monitor PCE concentrations. The frequency and period of the groundwater sampling will be determined based on PCE concentrations and the potential risks to human health and the environment.

EGLE would like to acknowledge that the work conducted by Morningside, LLC, on the 1140 Broadway site to address PCE off-site migration in groundwater was completed outside of their due care obligations in accordance with Section 20107a(1)(b) of the Natural Resources and Environmental Protection Act, Act 451 of 1994, as amended. By completing this work on the source property, EGLE is able to direct limited public funds in the coming year toward reducing PCE concentrations in groundwater on off-site properties.

If you have any questions, please do not hesitate to contact me at BranchH1@Michigan.gov, or at the phone number below.

Sincerely,

Holden Branch, Brownfield Coordinator
Brownfield Assessment and Redevelopment Section
Remediation and Redevelopment Division
517-331-0993

Enclosure
cc: Ms. Mary Miller, EGLE
Ms. Carrie Geyer, EGLE
Mr. Ryan Londrigan, EGLE
File #2018-1319

WCBRA Financial Report - February 2021

Developer Reimbursement Complete

Project	Maple Shoppes	Michigan Inn	Zingerman's	Arbor Hills	618 S. Main	Jiffy Warehouse/140 Buchanan	544 Detroit	Packard Square	Water Street	Kingsley Condos - 221 Felch	615 S. Main -A2	Grand View Commons-Dexter	1140 Broadway-A2	Thompson Block	309 N. Ashley	Broadway Park-Roxbury
Project Parameters																
***Brownfield Plan - Max Developer Reimbursement**	$ 1,209,027.00	$ 655,640.00	$ 1,233,937.00	$ 5,400,000.00	$ 4,628,636.00	$ 580,676.00	$ 698,773.00	$ 3,582,222.00	$ 22,874,634.00	$ 4,000,000.00	$ 4,489,510.00	$ 3,370,613.00	$ 13,159,069.00			
Actual Approved Eligible Activity Expenses	$ 1,010,042.00	$ 397,839.13	$ 600,218.85	$ 4,384,556.00	$ 2,726,826.00	$ 298,463.97	$ 383,368.00	$ 3,431,092.00		$ 4,000,000.00	$ 2,609,663.57	$ 1,552,678.00	$ 6,787,385.93			
Approved Eligible Activity Expense Reimbursed to Date	$ 623,891.93	$ 397,839.13	$ 222,575.55	$ 3,604,643.46	$ 1,144,845.21	$ 298,463.97	$ 133,378.89	$ 3,431,092.00		$ 1,406,361.34	$ 2,377,039.31	$ 100,568.21	$ 528,210.58			
Remaining Approved Eligible Activity Expenses	$ 386,150.07	$ -	$ 377,643.30	$ 779,912.54	$ 1,581,980.79	$ -	$ 249,989.11	$ -	$ -	$ 2,593,638.66	$ 232,624.26	$ 1,452,109.79	$ 6,259,175.35	$ -	$ -	$ -
Remaining Interest Eligible Activity to be Reimbursed	$ 41,282.00	$ 36,964.00	$ 176,175.52	$ 1,015,444.00	$ 340,974.38	$ -	$ 44,456.38	$ 53,331.18				$ 69,953.26				
Interest Reimbursed to Date		$ 10,583.67						$ 53,331.18								
Remaining Interest to be Reimbursed	$ 41,282.00	$ 26,380.33	$ 176,175.52	$ 1,015,444.00	$ 340,974.38		$ 44,456.38	$ -				$ 69,953.26				
Project Financial Activity																
12/31/20 Fund Balance	$ -	$ -	$ 5,000.00	$ -	$ -		$ 5,000.00		$ 126,649.96	$ -	$ (37,972.50)		$ (247.00)			$ 513.35
TOTAL 2020 REVENUES																
Application Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest Revenue*																
TIF Revenue/Capture	$ 16,975.54	$ 11,476.94			$ 81,884.20	$ 39,540.55	$ 4,838.86	$ 341,653.31		$ 174,832.64	$ 214,662.02					
Total Revenues	$ 16,975.54	$ 11,476.94	$ -	$ -	$ 81,884.20	$ 39,540.55	$ 4,838.86	$ 341,653.31	$ -	$ 174,832.64	$ 214,662.02	$ -	$ -	$ -	$ -	$ -
2020 EXPENDITURES																
Certified Expense Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Administrative Fee Transfer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LBRF Revenue or Deposit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of MI Brownfield Fund (Approved after 2014)						$ -	$ -			$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Misc Refund																
Current Brownfield Account Balance	$ 16,975.54	$ 11,476.94	$ 5,000.00	$ -	$ 81,884.20	$ 39,540.55	$ 9,838.86	$ 341,653.31	$ 126,649.96	$ 174,832.64	$ 176,689.52	$ -	$ (247.00)	$ -	$ -	$ 513.35

Includes Admin and LBRF Funds

Total of all 2021 CY TIF Reimburse Transfers	$ -
Total of all CY 2019 Admin Transfers	$ 165,000.00
Total of all CY 2018 Admin Transfers	$ 164,999.72
Total of all CY 2017 Admin Transfers	$ 164,113.00
Total of all CY 2016 Admin Transfers	$ 150,739.88
Total of all CY 2015 Admin Transfers	$ 114,437.35
Total of all CY 2014 Admin Transfers	$ 87,198.19
2020 LBRF Capture Running Current Yr Total	$ -

ACCOUNT BALANCES SUMMARY

Admin Fund Cash Reserves as of 2-28-21*	**$ 29,115**	** Max AnnualAdmin Capture $165,000 per Act 381, with 15 active projects*
LBRF Interest earned in 2020 as of 12-31-20 (inc. in bal. below)	**$ 7,770**	
LBRF Balance as of 2-28-21	**$ 1,201,990**	

NO TRANSACTION APPROVALS REQUESTED

PROJECT	Winter 2020 TIF	2020 Admin	LBRF Capture	DEVELOPER REIMBURSEMENT
Thompson Block 2020 Capture	Pending			
Family Dollar (Water Street) 2020 Capture	Pending			
Zingerman's Winter 2020	$ 4,838.86			
544 Detroit Winter 2020				
Arbor Hills Winter 2020				
1140 Broadway Winter 2020				
Broadway Park				
Grandview Commons Winter 2020	$ 33,983.71			
Grand Total				

MICHIGAN STRATEGIC FUND

BROWNFIELD TAX INCREMENT FINANCING MSF PROGRAM GUIDELINES

PROGRAM OVERVIEW

The Brownfield program has three distinct components with approvals by separate entities. [1]
This includes:

I. Local Plans in which municipalities that are authorized to create Brownfield Redevelopment Authorities (BRA) develop and approve *local* brownfield plans that promote revitalization of brownfield properties though the use of Brownfield Tax Increment Financing (TIF).
II. Local and Department of Environment, Great Lakes and Energy (EGLE) Plans which have local capture in addition to approval from EGLE for projects requesting incremental State Taxes be captured to pay for department-specific eligible activities.
III. Local and Michigan Strategic Fund (MSF) Plans which include local capture in addition to approval from the MSF for incremental State Tax capture to reimburse for non-department (EGLE) specific eligible activities[2] which are referred to as MSF brownfield eligible activities.

The Brownfield Program helps to facilitate the redevelopment of brownfield properties[3] that might otherwise be cost prohibitive due to the pre-existing conditions on the property (e.g., contaminated, functionally obsolete, historic or blighted). This tool provides BRAs in Michigan communities with the ability to capture the incremental increase of state property tax millages (State Taxes) to reimburse developers, local units of government or other investors for development activities (identified in The Act). Generally, Brownfield MSF TIF is used to support redevelopment projects by providing a financing mechanism for MSF brownfield eligible activities.

PROGRAM GOALS

The Brownfield Program encourages and promotes capital investment and redevelopment of brownfield and historic properties in order to transform underutilized properties into vibrant areas that are attractive to residents and businesses.

The MSF supports these goals by:

- Attracting investors to brownfield sites to create new jobs, housing and general vitality to serve as a catalyst for other investment and talent recruitment and retention; and
- Facilitating business attraction, expansion and retention.

To ensure alignment with the state's priorities, each prospective project is extensively evaluated to determine the business opportunity, financial viability, and the economic impacts for the reuse of a property.

APPLICANT CRITERIA

[1] Approval of brownfield TIF by other entities may include different considerations than those outlined herein.

[2] Eligible activities include, but are not limited to, demolition, lead, asbestos or mold abatement, site preparation and infrastructure improvements that directly benefit the eligible property as defined in the Act 381 Work Plan Guidance Document.

[3] Brownfield properties are defined in Act 381 Section 2 (p) "Eligible property" as defined under Brownfield Redevelopment Financing Act, as amended (The "Act") and summarized in Appendix A herein,

The Act authorizes municipalities to create Brownfield Redevelopment Authorities to develop and approve local brownfield plans. Generally, properties are identified by the Brownfield Redevelopment Authority or municipality in conjunction with a developer or company interested in redeveloping that property. Interested applicants must first apply for TIF through their local BRA. Once locally approved, any BRA that has a project that fits the goals of the program as determined by the MSF may apply.

PROJECT CONSIDERATIONS

In addition to being required to document that the project is located on an eligible property (See **Appendix A**) through the locally approved brownfield plan, the Michigan Strategic Fund shall consider the following statutory criteria to the extent reasonably applicable to the type of activities proposed as a part of the prospective work plan:

- Whether the individual activities included in the work plan are sufficient to complete the eligible activity. (Sec 15(12)(a)).
- Whether each individual activity included in the work plan is required to complete the eligible activity. (Sec 15(12)(b)).
- Whether the cost for each individual activity is reasonable. (Sec 15(12)(c)).
- The overall benefit to the public. (Sec 15(12)(d)).
- The extent of reuse of vacant buildings and redevelopment of blighted property. (Sec 15(12)(e)).
- Creation of Jobs. (Sec 15(12)(f)).
- Whether the eligible property is in an area of high unemployment. (Sec 15(12)(g)).
- The level and extent of contamination alleviated by or in connection with the eligible activities. (Sec 15(12)(h)).
- The level of private sector contribution. (Sec 15(12)(i)).
- If the developer or projected occupant of the new development is moving from another location in this state, whether the move will create a brownfield. (Sec 15(12)(j)).
- Whether the project of the developer, landowner, or corporate entity that is included in the work plan is financially and economically sound. (Sec 15(12)(k)).
- Other state and local incentives available to the developer, landowner, or corporate entity for the project of the developer, landowner, or corporate entity that is included in the work plan. (Sec 15(12)(l)).
- Any other criteria that the Michigan Strategic Fund considers appropriate for the determination of eligibility or for approval of the work plan. (Sec 15(12)(m)).

OTHER PROJECT CONSIDERATIONS:

Expanding upon the statutory criteria outlined above, the MSF will also consider the project's local and regional impact, place considerations and economic and financial considerations. The considerations listed below are aimed at ensuring alignment between the economic priorities of the state with the needs of local municipalities. Projects are unique and each will be considered on its own merits, therefore, there is no scoring or minimum number of considerations to be met.

Local and Regional Impact Considerations:

- Project supports the vision and goals stated in the local master plan, downtown plan, capital improvements plan, economic development strategy, or regional economic development strategy or initiative.
- Project is located in and/or addresses adopted strategies of a Redevelopment Ready Community, Michigan Main Street Community or a community engaged in Build Ready Sites.
- Community financially supports the project as demonstrated through local tax increment revenue capture or other financial support for the project.
- The proposed project will not cause detriment to adjacent municipalities.
- Project strengthens connections between local/regional workforce and career opportunities and the community, region and/or state's overall workforce and opportunities particularly in support of the growth and development of the MEDC's strategic focus industries.
- Project is supported by existing utilities, housing, transportation, public transit and other community services.
- Project includes improvements and upgrades to existing public infrastructure and public spaces.

- The community has a documented public participation strategy for engaging a diverse set of community stakeholders.
- Emerging developers[4] who seek to generate community development projects that serve as a catalyst for community impact, specifically in Geographically Disadvantaged Business Locations.
- Located in a Geographically Disadvantaged Business Location[5]; Click here to see a map of Michigan's Geographically Disadvantaged Business Locations.
- Supports business attraction, expansion or retention within MEDC's identified strategic focus industries, which includes, without limitation, Mobility and Automotive Manufacturing, Medical Device Technology, Engineering, Design and Development, Technology, Advanced Manufacturing and Professional and Corporate Services.
- Supports business attraction, expansion or retention within a Regional Impact Industry, which includes, without limitation, Agribusiness, Tourism, Logistics, Financial Services and Other Manufacturing.
- Project supports opportunities for creation of new, high wage jobs and/or pathway jobs[6].

Place Considerations:

- Evaluated in concert with the basic tenets of urban design; has density, building type(s), and scale appropriate to the neighborhood context and positively contributes to the pedestrian experience.
- Contributes to a traditionally dense mixed-use area and contains multi-story elements.
- Project promotes restoration of a Historic Resource. Promotes mixed-income neighborhoods.
- Incorporate integrated and sustainable approaches to manage the quantity and the quality of stormwater for infrastructure improvements.
- Proposed plans demonstrate principles of Universal Design; designed to be accessed, understood and used to the greatest extent possible by all people.
- Redevelopment meets a third-party certification for green buildings (e.g., Leadership in Energy and Environmental Design [LEED], Energy Star, Living Building Challenge, Net Zero Energy Building, Green Globes).
- Availability of public transportation, non-motorized transportation infrastructure or other transportation programs to improve job access, or proximity/accessibility for workforce.

Economic and Financial Considerations:

- Financial need for the incentive is clearly demonstrated and a "but for" case can be made.
- The project appears to be financially viable based on the amount of developer equity and projected cash flow to fully service all proposed debt and returns are reasonable.
- Anticipated future taxable values are based on reasonable projections.

FINANCIAL STRUCTURE AND AWARD LIMITATIONS

The MSF (or EGLE) may authorize the capture of tax increment revenue generated from the School Operating millage (18 mills) and State Education Tax (SET) Millage (6 mills) by the requesting BRA. Fifty percent of the taxes levied under the State Education Tax captured annually for projects approved after January 1, 2013 will be paid to the

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[4] Michigan-based developers with limited real estate experience and financial resources who support local initiatives and have completed commercial real estate training programs.

[5] Geographically Disadvantaged Business Locations are defined as economically distressed and historically underinvested census tracts and counties, especially in urban and rural areas, that tend to experience relatively high unemployment and low household incomes. MEDC and the State of Michigan operationalize Geographically Disadvantaged Business Locations to constitute Treasury-designated Opportunity Zones and Small Business Administration-defined HUBZones (Historically Underutilized Business Zones).

[6] A Pathway Job is categorized as either "targeted" or "promising." A targeted job is a Qualified New Job in which the wages generally allow a family to sustain life needs such as food, shelter, utilities, transportation and childcare, etc. to support a modest life style, and also includes an employer sponsored health program and/or other employer sponsored benefits. Identifying a target job is generally determined using third-party resources. A promising job is a Qualified New Job in which the wage is below a wage generally considered a "targeted" wage threshold for the applicable county, however, is designed to provide a career pathway to a "targeted" job within a reasonable period of time, such as over a five (5) to ten (10) year period. Identifying a "promising" job is generally determined through identified proposed training that is expected to result in industry-recognized credentials, or third-party resources and analyses then utilized by the MEDC.

state for use in the State Brownfield Redevelopment Fund which will support program administration and grant and loan programs. The amount of the request considered by the MSF cannot exceed the maximum amount of eligible activities as identified in the brownfield plan. There is no eligible activity maximum amount for a single request; however, the MSF reserves the right to award less than the amount requested, based on staff evaluation of the proposed project.

APPLICATION AND SELECTION PROCESS

All applicants are required to provide a draft work plan while working with their Community Assistance Team member or Business Development Manager. Community Assistance Team members can be identified by going to miplace.org and Business Development Managers can be identified by going to michiganbusiness.org.

The following is a summary of the process[7]:

1. MEDC engagement with local partners around potential project.
2. Applicant provides draft work plan or combined work plan, proforma, and initial intake documentation.
3. MEDC completes a comprehensive review of the project, which includes a financial and statutory review as well as other considerations that impact the project's benefits and feasibility.
4. MEDC provides a Letter of Interest, when appropriate.
5. MEDC completes a background check of those entities being reimbursed, completes a statutory review of the work plan and works with the Applicant to provide an administratively complete work plan with additional supporting documents.
6. MEDC prepares a recommendation to the Michigan Strategic Fund (MSF) Board or its authorized delegate for project approval.
7. MSF Board, or authorized delegate, considers the project and if approved, the appropriate BRA administers collection of State Tax increment and developer reimbursement.
8. The appropriate BRA reports project activity as required by Act 381 Legislation[8].

Background Check

The Michigan Strategic Fund ("MSF") Act requires the MSF Board to establish requirements to ensure any applicant(s) seeking an MSF incentive in the amount of $15,001 or more is subject to a civil and criminal background check as part of the due diligence process for programs and activities created and operated by the MSF. Background check guidelines and procedures are outlined in the MSF Background Review Policy and can be found on our website at michiganbusiness.org.

PROGRAM REQUIREMENTS AND LIMITATIONS

The MEDC, in conjunction with the Department of Environment, Great Lakes and Energy (EGLE) provides an Act 381 work plan Guidance document, which is posted online and contains in depth explanation of statutory definitions and eligible activities. See **Appendix B** for specific statutory interpretations and MSF policies contained within the Act 381 Work Plan Guidance document.

[7] A more detailed process flow chart can be found at miplace.org.

[8] BRAs are statutorily required to report BRA activity and active project data to the MEDC by August 31 on an annual basis. For a project to be eligible for Community Development Incentive Support, the municipality in which the project is located must be in compliance with the statutory reporting requirements.

APPENDIX A: ELIGIBLE PROPERTY

Eligible property includes one or more of the following:

Facility:

As defined in Public Act 451 of 1994, MCL 324.20101, means any area, place, or property where a hazardous substance in excess of concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located. A Phase I and Phase II Baseline Environmental Assessment is used to determine whether the property is a facility. The MEDC will confirm with the Michigan Department of Environment, Great Lakes and Energy (EGLE) who will certify the property as a facility after adequate documentation is received from the developer.

Historic Resource:

A publicly or privately-owned historic building or structure, individually listed, or located within a historic district designated by the National Register of Historic Places, the State Register of Historic Sites, or a local unit acting under the Local Historic Districts Act, 1970 PA 169. Documentation is required to verify any of the above designations.

Functionally Obsolete:

Property that is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself, or the property's relationship with other surrounding property as determined by a Michigan Advanced Assessing Officer or a Michigan Master Assessing Officer.

Blighted:
Property that meets any of the following criteria as determined by the respective unit of government, building official, or assessor when applicable:

- Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance;
- Is an attractive nuisance to children because of physical condition, use, or occupancy;
- Is a fire hazard, or is otherwise dangerous to the safety of persons or property;
- Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use;
- Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state;
- Is property owned, by or under the control of, a land bank fast track authority under the Land Bank Fast Track Act, 2003 PA 258; and
- Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.

Transit-Oriented Property:
Property that houses a transit station in a manner that promotes transit ridership or passenger rail use.

Transit-Oriented Development:
Infrastructure improvements that are located within ½ mile of a transit station or transit-oriented property that promotes transit ridership or passenger rail use as determined by the municipality.

Targeted Redevelopment Area (TRA):
Between at least 40 and no more than 500 contiguous parcels located within a Qualified Local Government Unit (QLGU) and designated as a TRA by resolution of the governing body and approved by the MSF.

Adjacent or Contiguous:
Other parcels that are adjacent or contiguous to qualifying property described above that is part of the same project and all properties are improved.

APPENDIX B: Detailed Program Policies

Land Bank Fast Track Authority Owned or Controlled Eligible Property

Act 381 allows any property owned by or under the control of a Land Bank Fast Track Authority (LBFTA) to qualify as eligible property under the blighted definition, however, the MSF will not support state tax capture for projects that qualify as blighted due to being owned or under the control of a LBFTA, if there is not a clear demonstration that the property was acquired and held by the LBFTA for a reasonable amount of time prior to the property's inclusion within a brownfield plan, or if acquisition of the property by the LBFTA was for the purpose of reducing the property's initial taxable value to zero, increasing access to additional eligible activities or qualifying an otherwise non-brownfield property as a brownfield. Exceptions to this policy that allow for the transfer of properties to a land bank will be considered for projects where the land bank has waived the 5/50[9] capture for those properties and one or more of the following apply:

- Project has state or federal mortgages or regulatory agreements in place for affordable or attainable housing
- Project is preserving a historic resource
- Project is expected to have an extraordinary economic development benefit to the state and also has extraordinary infrastructure needs. These projects will have a profound ripple effect of positive change that fundamentally enhances the fiscal capacity of state and local governments or redefines the identity and image of the state's economy.

Targeted Redevelopment Area

Act 381 allows for properties to qualify as eligible properties by being included in a targeted redevelopment area of not fewer than 40 and not more than 500 contiguous parcels of real property located in a qualified local governmental unit and designated as a Targeted Redevelopment Area by resolution of the governing body and approved by the Michigan Strategic Fund. A brownfield plan using the Targeted Redevelopment Area designation to qualify eligible property should fully describe the goals of the project and why the parcels should qualify for the designation. The MSF will consider support for a TRA based on the prevalence of brownfield conditions throughout the proposed area, and the likelihood that designation will lead to significant alleviation of brownfield conditions. The following criteria apply to eligible property designated as a TRA by the BRA and MSF:

- Capture on all parcels must begin at the same time, and within five years of inclusion in the brownfield plan.
- Parcels included in a TRA designation must have identified eligible activities occurring on or supporting the eligible property.
- Once a TRA designation is approved, parcels may not be removed. Parcels included in a TRA designation may only be removed from the associated brownfield plan or 381 work plan through the termination or abolishment of the brownfield plan and TRA designation by the approving BRA.
- Eligible property included in the TRA designation may not be contributing available capture to another TIF authority.

Eligible Activity Costs Incurred Prior to MSF Approval

Any costs incurred for MSF eligible activities prior to approval of the brownfield plan, work plan, or combined brownfield plan are made at the developer's risk and with the understanding that State Tax capture may not be approved for those activities. The MSF understands that there are often practical reasons that some site preparation and infrastructure costs must be incurred prior to completion and approval of the brownfield plan and the 381 work plan. The date which eligible activity costs may be incurred and included in the reimbursement of eligible activity costs recommended for MSF

[9] 5/50 Capture is fifty percent of the eligible tax reverted property specific tax that for five years is distributed to the authority that sold or otherwise conveyed the property under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, which sale or conveyance caused the property to be eligible tax reverted property, as described in Public Act 260 of 2003 (211.1025).

approval must be the lesser of up to one year prior to the local approval of a brownfield plan or the start date which the municipality approves for eligible activity cost expenditures. Costs incurred more than one year prior to the approval of a local brownfield plan will not be considered as part of the recommendation unless those cost were incurred by a public entity in which case they may be considered for reimbursement.

Tax Increment Revenue (TIR) Initial Capture Date and Capture Period

The beginning date of TIR capture does not need to coincide with the first year that the taxable value increases but the capture period cannot exceed 30 years and the end date of capture can be no later than 35 years following the eligible property being approved in the Plan. In the case of a brownfield plan that was approved without tax capture (a Michigan Business Tax (MBT) only plan), that plan may be amended to begin capture after 5 years from the original approval date, but the start date of capture must be identified to begin within 5 years of the approval of the brownfield plan and capture may not exceed 30 years from the start date.

Proportionality of State and Local Taxes

Unless otherwise explicitly stated by the MSF in the 381 work plan approval, capture of state and local taxes to reimburse the cost of eligible activities must be proportional to the ratio of state to local taxes being captured at the time such approval is granted.

If tax increment revenue is being captured by another TIF authority on eligible property at the time of approval, it is recommended that the Brownfield Redevelopment Authority and the other authority enter into an agreement and that all of the new tax revenue generated by the brownfield project be captured to support the eligible activities related to that brownfield project. If the other authority does not agree to forgo local capture, then the state capture will be reduced so that the same percentage of state mills is available to the brownfield project as the percentage of local mills being used to support the brownfield project. Alternatively, the local support could be achieved through another local source such as an abatement, or other approved local contribution rather than the local brownfield tax increment revenue.

If a BRA decides to pass through a percentage of captured taxes to taxing jurisdictions, then state support using the proportionality test will be applied in the same percentage. For example, if the BRA utilizes 90 percent of local taxes for reimbursement of eligible activities, then only 90 percent of state taxes can be utilized for the same and 10% is passed through to the taxing jurisdictions including the state.

Interest

The MSF may support up to 5% simple interest on a project based on the following criteria:

- Interest will be based on the cost of principal eligible activities including demolition, infrastructure improvements, site preparation, and lead, asbestos & mold abatement.
- The project must demonstrate financial need as determined by MEDC staff's analysis of project financing, including the layering of state and local incentives.
- Interest must be supported by the local BRA and the interest rate must be included in the approved brownfield plan.
- Interest will be calculated based on the number of years required to fully reimburse non-environmental and/or environmental activities as reflected in the 381 work plan.

The MSF reserves the right to approve an interest rate and/or interest amount lower than what is requested in the brownfield plan.

Contingency

The MSF may support up to a maximum of fifteen percent (15%) contingency for unforeseen circumstances and cost overruns on the estimated cost of the proposed activities. The contingency shall not be calculated on the costs for brownfield plan/work plan preparation or implementation, interest, or for activities conducted prior to 381 work plan submittal.

Brownfield TIF Roundtables

Summary of Comments with Staff Responses

March 1, 2021

Are there any considerations that you found difficult to understand?

1. Within the "Project Considerations" section, specifically callout it's an Act 381 work plan so it is not confused with the work plans required by EGLE.
   This change was made.

2. Within the "Financial Structure and Award Limitations" section, it cites SET 6 mills, but it should state SET 3 mills.
   Language was added to clarify.

3. Consider revising "environmental eligible activities" to "departmental activities" to capture the non-environmental activities (e.g. demolition).
   This change was made.

4. The use of the word "competitive" is concerning because it implies an allocation of funds you're considering how to allocate and that is not the case with TIF.
   Based on feedback from several stakeholders we have removed the word competitive. Projects are not evaluated against each other, but are evaluated based upon how the project characteristics meet the criteria included in the statute and the considerations included in the guidelines.

5. There are a lot of considerations, consider tiering them or prioritizing them. This would be a helpful approach given all considerations can't be met.
   Language was added to clarify that statutory criteria are the priority and that the considerations are intended to illustrate the many ways that a project can demonstrate that it is meeting one or more of the statutory criteria.

6. Footnote #4 – expand on what is considered a real estate training program.
   We have chosen to not define or describe a real estate training program in order to allow greater flexibility and opportunity for emerging developers to identify themselves as qualifying.

7. Consider revising the first bullet under "Economic and Financial Considerations" as it seems very subjective. It is preferred to have a range of what is considered financially viable.

The consideration is intended to help applicants understand what will be evaluated. It does not set firm numbers as we agree that there is a range of acceptable variables to be considered.

8. The first bullet under "Economic and Financial Considerations," what is sufficient equity and what are reasonable returns?
   Similar to the response to the last question, sufficient equity and reasonable returns will vary based on each project's unique situation. This consideration is intended to provide applicants with information about what will be evaluated.

9. Consider clarifying the third bullet under "Economic and Financial Considerations" to include what is considered a reasonable projection as well as what is exactly being required of the locals.
   It is anticipated that the TIF projections are realistic based on projected taxable values and accurate local millages.

10. Consider creating a dollar threshold for projects (e.g. projects under a million don't have to have as rigorous criteria review).
    The statute requires that the MSF consider, to the extent reasonably applicable, that the project is financially and economically sound. Staff will work to create a simplified proforma for smaller TIF projects in order to simplify the application and review process.

11. A legal perspective was requested to review the third paragraph under the "Proportionality of School and Local Taxes" section.
    The intention of the third paragraph is to ensure that there is equal treatment to all taxing jurisdictions, which is not believed to be in conflict with the language in the Act.

12. Under footnote #2 on the first page, provide clarity around non-environmental because the language leads you to pause because what is listed feels very much environmental.
    Act 381 refers to eligible activities as department specific activities (approved by the Department of Environment, Great Lakes and Energy), and not department specific which are the activities that can be approved by the Michigan Strategic Fund. Over time, environmental and non-environmental have become the shortened version of this. We did revise the language to say department specific in many places, but have chosen to keep the non-environmental activities name for MSF approved activities.

Give an example of a challenge you have faced utilizing the Brownfield TIF program.

1. Emerging developers do not have the resources or the capital to meet the criteria so there are a lot of projects at a standstill. TIF is easier to access than CRP, however, it is still difficult for emerging developers to access the tool.

- Consider a more streamlined and simpler process for minorities and emerging developers. It's a very expensive process for a few hundreds of dollars.
- Consider an expedited timeline for emerging developers given they have property under contract for a limited time and then will have to pay past a 60-90-day window.
- Demolition projects could get an accelerated timeline.

Staff will work to create a simplified proforma for smaller TIF projects in order to simplify the application and review process. The project will be evaluated based on the statutory criteria and the project's local and regional impact, place considerations, and economic and financial considerations.

2. Understanding there needs to be alignment with the strategic plan, however, the strategic plan feels very one size fits all.
    - Focus industries and strategic direction described within the strategic plan doesn't fit the economic or industry landscape of rural communities.

    It is the intent of the strategic plan to show a commitment to empowering economic growth in every region – from rural areas to urban cores. This plan also reaffirms MEDC's commitment to attracting, retaining and supporting businesses in the state, investing in our communities through innovative placemaking and development initiatives, supporting our entrepreneurial ecosystem and promoting Michigan's image as a world-class business location and travel destination. MEDC will continue to engage in opportunities to grow and attract new investment to the state – regardless of industry and to ensure the long-term resiliency of our economy. The six focus industries – mobility and automotive manufacturing, advanced manufacturing, medical device technology, tech, engineering, design and development, and professional and corporate services – are the industries that MEDC will focus its national and global attraction efforts – including economic development tools, proactive marketing efforts and more. We know there are other regional impact industries - including agribusiness, tourism, logistics, financial services and other manufacturing – that play a vital role in creating jobs and energizing communities in the state. MEDC will continue to support growth in these industries as a partner in the efforts of other state, regional and local partners to attract, grow and retain businesses within these industries. We believe this strategy will ensure MEDC is supporting the greatest potential economic benefit to all communities throughout Michigan.

3. The Legislative intent of the program is much narrower than what is provided via the project considerations, and therefore, meeting the local needs should be the priority.

    Meeting local needs is a priority, however the MSF must also consider other criteria to the extent reasonably applicable.

4. Lookback is an option, but from experience it doesn't always seem encouraged.

There is a risk associated with starting work in advance of getting approvals and staff is careful to acknowledge that risk in discussions about projects.

5. The technical work is difficult, and the length of the process impacts the value of the reimbursement.
   Work plan and TIF table templates are provided to make the expectations for materials more transparent and to simplify the submittal process and review process. Using combined work plans rather than separate brownfield plans and work plans may simplify and speed the process.

What are some ways we could use TIF to assist local housing efforts?

1. Community Land Trust – a unique use of a land bank that opens the door.
2. Housing could better be supported if the prohibition to Land Bank transaction was lifted.
   a. Allow the transfer to Land Bank to prepare the plan and move forward.
3. Amend the statute to allow capture from pilot payments since a lot of housing projects are pilot driven.
4. The possibility to use the tool at a small finance scale to help rebuild neighborhoods would be very impactful.
   a. There's a lot of promise and potential in using TIF funds, but there is concern around the value-add when utilized on a small scale; at a neighborhood level, you need to use the tool at a larger scale.

These suggestions are appreciated as we evaluate options for supporting local housing shortages in various markets around the state. Changes were made to the program guideline language around land bank owned properties so that requests for state tax capture will be considered when properties are transferred to the land bank for certain specific redevelopment efforts.

Is there any information missing from the document that you would need to know?

Not clear of the intention of the lookback language. Consider revising the language to be more flexible as it's hard to make everything fit within the year timeframe.
By including some parameters around the lookback in a board approved document, there is less risk of having the project criticized for starting work in advance of approval. If there is good rational for work starting more than one year earlier, the board could waive this restriction as part of their action on the brownfield request.

Overall Process Discussion:

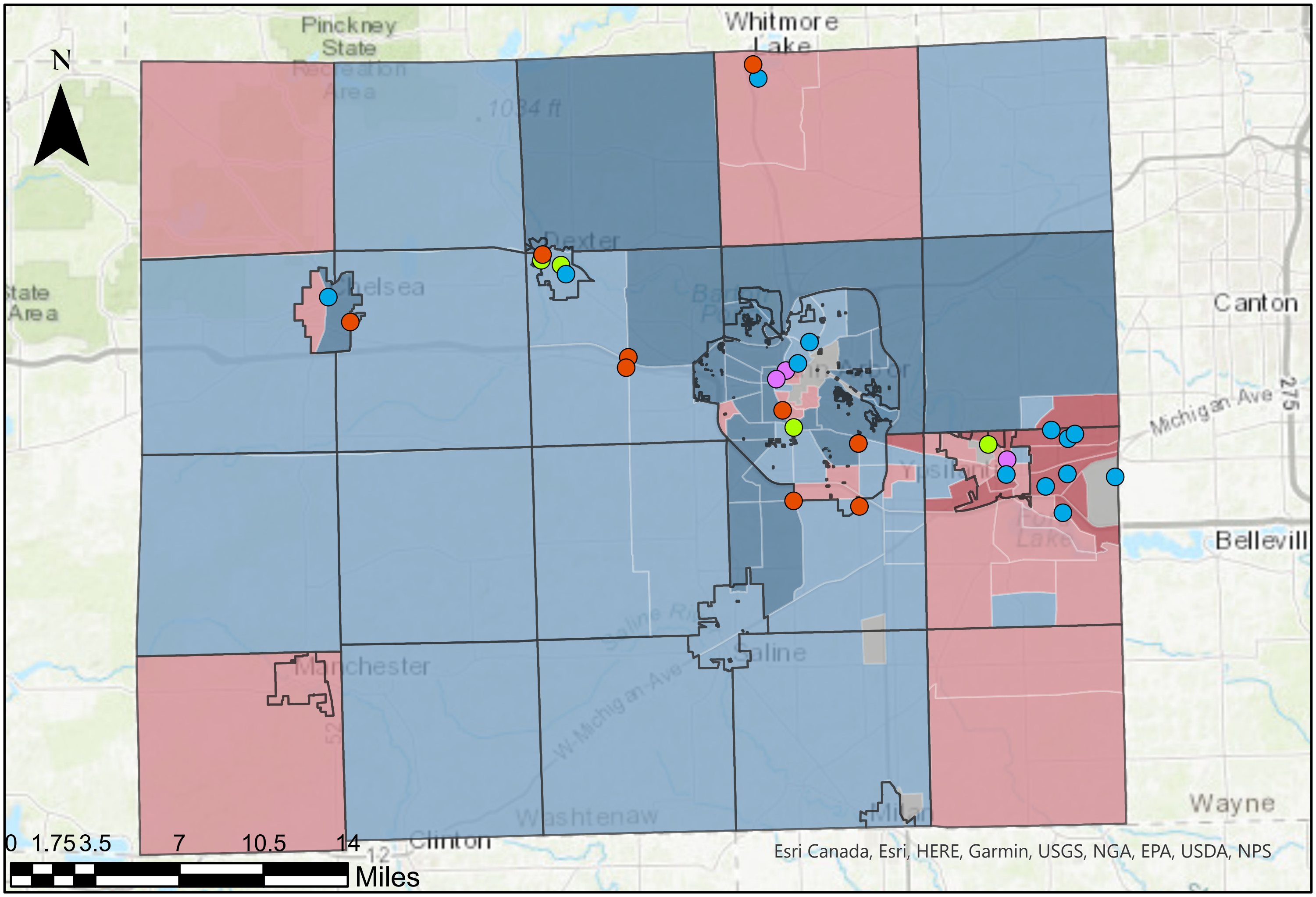
From experience, the process included in the guidelines is not comprehensive and is incomplete.

The guidelines have a process overview. Staff is working on a more comprehensive process flowchart that will be online and the guidelines can provide a link to that process when it is complete.

In regard to the application and selection process, is there a way to shorten the initial engagement and achieve the full commitment? Going through the process took longer than anticipated to get that final approval and would like to expedite the process.

Using a combined brownfield and work plan may shorten the process if the MEDC program administration staff reviews the draft plan in advance of local approval. This would allow the local approval process and MEDC review to be completed on parallel timelines with MSF action on the work plan occurring more closely to completion of all local approvals. Your Community Assistance Team member can assist you in learning more about this process.

Washtenaw County Brownfield Redevelopment Authority Environmental Assessment Grants by Opportunity Area 2017-2020



Brownfield Grant Sites

- 2020 - 9
- 2019 - 14
- 2018 - 3
- 2017 - 4

Overall Score

- Very Low Access to Opportunity - 11
- Low Access to Opportunity - 3
- High Access to Opportunity - 8
- Very High Access to Opportunity - 6
- Not reported - 2

Washtenaw County Equity Index and Washtenaw County Brownfield Redevelopment Authority
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Washtenaw Office of Community and Economic Development
02/25/2021