Washtenaw County Brownfield Redevelopment Authority

IN-PERSON MEETING AGENDA

Thursday, November 10th 2022 9:00 a.m.

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

Zoom Link to Webinar for Public to Join the Meeting:

https://washtenawcounty.zoom.us/j/88190242596?pwd=L2pwNy9PT3d1TkY2OU1Ga0MvVXFWdz09 Passcode: 733219

Join Webinar by Telephone:

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

1. **Call to Order**
2. **Public Comment***
3. **Approval of Agenda**
4. **Approval of Minutes**
   a. October 6th, 2022 Meeting
5. **Board Member Conflict of Interest Disclosure**
6. **Business**
   1. 220 N. Park, LBRF Loan Term Options – Action
   2. October 2022 Financial Report – Action
7. **Other Business**
8. **Public Comment***
9. **Adjournment**

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

For more information on this agenda please contact Nathan Voght, Washtenaw County Office of Community and Economic Development at (734) 660-1061 or voghtn@washtenaw.org.

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

DRAFT MEETING MINUTES
Thursday, October 6, 2022, 9:00 a.m.

Board Present: Trevor Woollatt – Chair, James Harless, Sam Baushke, Christy Maier, Sue Shink, Joe Meyers – Secretary, Colleen O'Toole 9:17 a.m.

Board Absent: Allison Krueger – Vice Chair

Staff: Nathan Voght – OCED, Jacques Jones – OCED Planning and Policy Intern

Joining the Meeting: Patti McCall – TetraTech, for 237-247 Monroe Saline LBRF Grant, Nicholas G. Maloof – Associated Environmental for 5135 Plymouth Road, Jill Ferrari – Renovare (on Zoom)

Handouts: None

1. Call to Order

Chair Woollatt called the meeting to order at 9:06 a.m.

2. Public Comment

There was no public comment.

3. Approval of Agenda

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

4. Approval of September 8th, 2022 Meeting Minutes

J. Meyers moved to approve the September 8th meeting minutes (2nd S. Baushke), and the motion passed unanimously.

5. Board Member Conflict of Interest Disclosure

None disclosed.

6. Business

1. <u>220 N. Park Collateral Agreement – Action</u>

   Staff referred to the sample Collateral Agreement in the packet, which is a template we previously approved, but explained that the construction lender's loan and LBRF Loan repayment details need to be finalized before this agreement can be signed. Staff asked the Board to authorize staff to work with the developers and County Corp Counsel to finalize the details.

   J. Meyers moved to authorize staff to negotiate final details of the Collateral Agreement with the developer and County Corporation Counsel, and execute the Agreement (2nd S. Shink), and the motion passed unanimously.

2. 237-247 Monroe, City of Saline, Request Increase to LBRF Grant and Approve LBRF Grant Costs for Reimbursement – Action

N. Voght stated the Board previously approved about $78,000 in funding previously. The City proceeded with the work, and there were significant cost overruns in several tasks. The final costs ended up at almost $200,000.

Patti McCall, from TetraTech was on hand and discussed the project budget. Board memer Colleen O'Toole, Saline City Manager, providing information as well. After additional questions and discussion, the Board was supportive of approving and reimbursing the final project amount requested.

J. Meyers move to approve an increase in the LBRF Grant Award to $199,778.83, and approve a final reimbursement amount that would be due, after the increase, of $164,618.86 (2nd C. Maier), and the motion passed unanimously.

3. 5135 Plymouth Road, Phase II Env. Assessment Grant Application – Action

Staff referred to the application for Phase II for this property, proposed for an art and antique gallery. The site is a former gas station and located in Superior Township. Staff talked to Superior Township Manager, Ken Schwartz, about the application and he had no concerns with the Authority considering the request.

Nick Maloof, with Associated Environmental, was in attendance at the meeting and discussed the specific scope of the investigation. He provided a range of cost estimate from about $15K to $25K. He stated the site is a Facility, but the data is 15 years old. In 2013 Benzene was discovered that exceeded criteria.

J. Harless moved to approve 50% of the maximum allowed $15,000 for a private site for the Phase II investigation (2nd C. Maier), and the motion passed unanimously.

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4. Discuss Introduced Senate Bills Amending Act 381 to Allow Affordable Housing Costs as Eligible Activity

Staff referred to the introduced Senate Bills, and the history of the State Land Bank presenting to the Board in March of 2020 on using the existing provisions to include housing costs in a Brownfield Plan to support the disposition of municipal-owned land for economic development purposes.

The 220 N. Park project includes $730,000 of housing costs in the Brownfield Plan, to support the construction of the 23 affordable units. However, as the MEDC does not support this, these costs are Local Only in the Plan.

Staff has various concerns upon first reading of the Bills, including adding MSHDA as another state reviewing entity for Brownfield Plans. A meeting of Brownfield Authorities is scheduled to review the amendments and provide feedback. Members J. Harless, T. Woollatt, and S. Baushke expressed an interest in attending. Staff would ask the other Authorities about including the Board members.

S. Shink expressed concern that these amendments would increase the chances that more demolition of homes would be encouraged and potential displacement of people and families making them homeless. N. Voght stated that he didn't see anything in the amendments that would increase that likelihood, and further, there are existing provisions in the Act that requires the Plan to disclose if any individuals or families will be displaced.

5. <u>September Financial Report – Action</u>

Staff referred to the Report, with additional summer 2022 reimbursements for Michigan Inn, Grandview Commons in Dexter, Maple Oaks in Saline, and 1140 Broadway in Ann Arbor.

Michigan Inn will be fully paid out, including all LBRF capture, with this final transaction. The 1140 Broadway is Personal Property, which had not been captured yet.

J. Meyers moved to approve the noted transactions (2^{nd} J. Harless), and the motion passed unanimously.

7. Other Business

J. Harless provided an update to the Board on a recent call with Main Street Park Alliance regarding the Federal Screw Site. The scope of the Phase II was expanded beyond what is necessary for the proposed use, so the Park Alliance was told that the scope the Authority can fund is more narrow than the investigation they appear to want to conduct.

They are drilling in October for the work the Authority is funding, and will have to fund some additional investigation they feel they need by themselves.

8. Public Comment:

None.

9. Adjournment:

The meeting was moved by J. Harless to adjourn at 10:18 a.m. (2^{nd} S. Shink), and the motion passed unanimously.

The Board realized they had not approved the State of Michigan 3 mills SET invoice, to J. Meyers moved to re-convene the meeting (2^{nd} J. Harless), and the motion passed.

J. Meyers moved to approve the State of Michigan 3 mills SET invoice for the 2021 tax year (2^{nd} J. Harless), and the motion passed unanimously.

These minutes were approved by the Washtenaw County Brownfield Redevelopment Authority at the _______________, 2022 meeting, held at 200 N. Main, lower level large conference room, downtown Ann Arbor.

Washtenaw County Brownfield Redevelopment Authority

Agenda Summary Memo

REGULAR IN-PERSON MEETING

9:00 a.m. Thursday, November 10th, 2022

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

TO: Washtenaw County Brownfield Authority
FROM: Nathan Voght, Washtenaw County Brownfield Coordinator
DATE: November 4, 2022

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

Business Items:

1. **220 N. Park, LBRF Loan Term Options – Action**

   The 220 N. Park is projected to close in December, at which time a ribbon-cutting will be planned. In the meantime, staff has been working with the City, County Administration, and developers on finalizing all required contracts.

   The Authority awarded a $500,000 LBRF Grant and $500,000 LBRF Loan to the project. The award was made with the understanding that the repayment of the LBRF Loan would be made with a maximum 3-year grace period, and utilizing a small portion of the available Tax Increment Revenues (TIR) starting in year 4 to service our loan. The significant portion of the annual TIR would be used to pay down the developers' $1.7 loan from their main lender, Michigan Community Capital (MCC), which financed the remainder of the $2.7M of the Eligible Activities. (the LBRF award would fund the first million).

   As discussions progressed with how the LBRF and MCC Eligible Activity loans would be repaid, MCC's position is that they would take 100% of the annual TIR to go towards paying off the $1.7M loan (11 to 13 years), first, and then TIR would be available (in year 12 or 13) to pay down the LBRF loan. Essentially, the LBRF loan would still have three year grace period where no interest would accrue, but then interest would begin to accrue starting in year 4, and payments would not start until year 12 or 13. In other words, payments from TIR to pay down accrued interest and principal on the LBRF loan would begin only after the $1.7M MCC Loan is fully paid off.

   Staff and the developers are very aware that this proposal deviates from the Authority LBRF Policy, and not what was proposed when the LBRF award was made. Additional amortization table scenarios are being developed, which will assist the Board having a discussion with the developers about specific loan terms, and will be emailed out separately on Monday or Tuesday. This includes payoff tables showing a lower LBRF loan rate of 2% (instead of 3.125%), and a lower LBRF loan amount of $300,000, instead of $500,000.

2. October 2022 Financial Report – Action

Please see the noted 140 Buchanan/Jiffy summer capture, which will complete the LBRF capture for the project, and close it out, and cover the State of Michigan 3 mills SET invoicing for the project approved last month by the Board. Note, $2,530 will remain in the account to pay for the 3 Mills SET invoice we receive in fall of 2023.

Also please note the 2022-2023 Membership Invoice from the DCC, for $8,000. Staff requests authorization to pay the invoice.

WCBRA Financial Report - October 2022

			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	Maple Oaks-Saline
Project Parameters																	
***Brownfield Plan - Total Approved Elig Activities**	$ 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	$ 5,109,420.00	$ 4,489,510.00	$ 3,370,613.00	$ 13,159,069.00	$ 1,651,241.00	$ 2,739,022.00		$ 781,957.00
Brownfield Plan - Maximum Developer Reimbursement	$ 1,010,042.00	$ 569,414.00		$ 5,400,000.00						$ 4,000,000.00				$ 1,332,613.00	$ 2,039,022.00		$ 550,000.00
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	$ 975,696.00	$ 1,876,130.05		$ 68,267.50
Approved Eligible Activity Expense Reimbursed to Date	$ 715,592.41	$ 397,839.13	$ 257,929.41	$ 4,230,383.96	$ 1,452,203.00	$ 298,463.97	$ 168,770.92	$ 3,431,092.00		$ 2,400,545.77	$ 2,609,663.57	$ 350,480.29	$ 3,256,855.22	$ 21,402.62	$ 22,885.43		$ 68,267.50
Remaining Approved Eligible Activity Expenses	$ 294,449.59	$ -	$ 342,289.44	$ 154,172.04	$ 1,274,623.00	$ -	$ 214,597.08	$ -	$ -	$ 1,599,454.23	$ -	$ 1,202,197.71	$ 3,530,530.71	$ 954,293.38	$ 1,853,244.62	$ -	$ -
Approved Interest to be Reimbursed	$ 41,282.00	$ 36,964.00	$ 212,171.16	$ 1,015,444.00	$ 457,335.21	$ -	$ 67,833.69	$ 53,331.18				$ 213,705.45					
Interest Reimbursed to Date		$ 35,117.00						$ 53,331.18									
Remaining Interest to be Reimbursed	$ 41,282.00	$ 1,847.00	$ 212,171.16	$ 1,015,444.00	$ 457,335.21		$ 67,833.69	$ -				$ 213,705.45					
Project Financial Activity																	
12/31/21 Fund Balance	$ -	$ -	$ 5,000.00	$ -	$ -		$ 5,000.00		$ 156,495.82	$ -	$ 77,639.00	$ 118,713.82	$ -	$ 6,876.68	$ -	$ 1,574.03	$ -
TOTAL 2022 REVENUES																	
Application Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Interest Revenue*																	
TIF Revenue/Capture	$ 82,301.95	$ 16,993.77	$ 28,587.46	$ 585,700.33	$ 269,055.05	$ 60,803.50	$ 33,014.37		$ 34,137.70	$ 1,006,265.80		$ 248,437.22	$ 1,457,852.54	$ 15,341.94	$ 145,284.74	$ 2,101.85	$ 60,209.60
Total Revenues	$ 82,301.95	$ 16,993.77	$ 28,587.46	$ 585,700.33	$ 269,055.05	$ 60,803.50	$ 33,014.37	$ -	$ 34,137.70	$ 1,006,265.80	$ -	$ 248,437.22	$ 1,457,852.54	$ 15,341.94	$ 145,284.74	$ 2,101.85	$ 60,209.60
2022 EXPENDITURES																	
Certified Expense Reimbursement	$ 79,112.95	$ 1,847.00	$ 16,385.18	$ 533,269.33	$ 245,121.05	$ -	$ 28,499.37	$ -	$ -	$ 875,350.80		$ 332,490.04	$ 1,379,283.67	$ 21,402.62	$ 142,995.74	$ -	$ 18,704.31
Administrative Fee Transfer	$ 3,189.00	$ 1,847.00	$ 3,089.00	$ 52,431.00	$ 23,934.00	$ 6,368.00	$ 2,596.00		$ 3,100.00	$ 84,680.00		$ 8,977.00	$ -	$ -	$ 2,289.00	$ -	$ -
LBRF Revenue or Deposit	$ -	$ 13,299.77	$ 5,097.00	$ -	$ -	$ 47,195.00	$ -		$ -	$ -		$ -	$ 45,573.87	$ -	$ -	$ 81.62	$ 2,548.00
State of MI Brownfield Fund (Approved after 2014)						$ 7,240.50	$ 4,111.00		$ 2,584.50	$ 93,929.50	$ 77,402.50	$ 25,684.00	$ 108,953.50	$ 2,689.00	$ -	$ 89.50	$ 3,570.00
Total Expenditures	$ 82,301.95	$ 16,993.77	$ 24,571.18	$ 585,700.33	$ 269,055.05	$ 60,803.50	$ 35,206.37	$ -	$ 5,684.50	$ 1,053,960.30	$ 77,402.50	$ 367,151.04	$ 1,533,811.04	$ 24,091.62	$ 145,284.74	$ 171.12	$ 24,822.31
Misc Refund																	
Current Brownfield Account Balance	$ -	$ -	$ 9,016.28	$ -	$ -	$ -	$ 2,808.00	$ -	$ 184,949.02	$ (47,694.50)	$ 236.50	$ -	$ (75,958.50)	$ (1,873.00)	$ -	$ 3,504.76	$ 35,387.29
						($18,214.50 in LBRF capture remaining)					Balance due to SET Invoicing from State						

Includes Admin and LBRF Funds

Total of all 2021 CY TIF Reimburse Transfers	$ 3,491,359.39			
Total 2022 CY LBRF CAPTURE	$ 113,795.26			
Total of all CY 2022 Admin Transfers (from 2021 TY)	**$ 192,500.00**	**16 Active Projects**		
Total of all CY 2019 Admin Transfers	$ 165,000.00	15 Active Projects		
Total of all CY 2018 Admin Transfers	$ 164,999.72	15 Active Projects		
Total of all CY 2017 Admin Transfers	$ 164,113.00	15 Active Projects		
Total of all CY 2016 Admin Transfers	$ 150,739.88	ACCOUNT BALANCES SUMMARY		
Total of all CY 2015 Admin Transfers	$ 114,437.35	Admin Fund Cash Reserves as of 9-30-22*	**$**	**143,831**
Total of all CY 2014 Admin Transfers	$ 87,198.19	LBRF Interest earned since 2017 as of 1-10-22 (inc. in bal. below)	**$**	**63,221**
2022 LBRF Capture Running Current Yr Total	$ 113,795.26	LBRF Balance as of 8-25-22	**$**	**2,746,000**

TRANSACTION APPROVALS REQUESTED

PROJECT

	Total TIF Capture		State 3 Mill Payment	LBRF	Developer Reimbursement	
140 Buchanan/Jiffy Summer 2022 Capture	$ 21,810.00		$ 3,595.50	$ 15,684.50	N/A	FINAL LBRF Payment (SET Payment approved in Oct), will leave $2,530 in account to pay for 3 mills SET Invoice in 2023
Grand Total	$ 21,810.00	$ -	**$ 3,595.50**	**$ 15,684.50**	$ -	

DOWNRIVER COMMUNITY CONFERENCE

15100 Northline Rd. Suite 134
Southgate, MI 48195
734-362-7070

INVOICE

Invoice #: 7067
Invoice Date: 10/1/2022

Billing To:
Washtenaw County
Office of Community & Economic Dev.
415 W. Michigan Ave, 2nd Floor, Suite 2200
Ypsilanti, MI 48197-5326

Ship To:
Washtenaw County
Office of Community & Economic Dev.
415 W. Michigan Ave, 2nd Floor, Suite 2200
Ypsilanti, MI 48197-5326

DCC Associate Membership Dues 2022/2023

Date	Description	Quantity	Amount
10/1/2022	DCC Associate Membership Dues 2022/2023	1.00	$8,000.00

Total: $8,000.00

Notes:
1) Total Payment is due within 30 days.
2) Please include invoice number on check.

Remit Payment To:
Downriver Community Conference
15100 Northline Rd.
Southgate, MI 48195
Attn: Accounts Receivable

If you have any questions regarding this invoice, please contact:
Terra.Gutenschwager@dccwf.org