

MEETING AGENDA (Revised 6-8-10)

Thursday, June 10, 2010
Washtenaw County Annex Building
Annex Large Conference Room, 1st Floor
110 N. Fourth Avenue, Ann Arbor, MI 48104

- 1. Call to Order
- 2. Public Comment*
- 3. Approval of Minutes May 13, 2010 WCBRA Minutes
- 4. Business
 - a. Near North Brownfield Plan, Ann Arbor
 - b. Mellencamp Building Brownfield Plan, Ypsilanti
 - c. Outreach Activities
 - d. Project Status Updates
 - e. Zingerman's Brownfield Plan Project Sub-committee
- 5. Public Comment*
- 6. Adjournment

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

Washtenaw County Brownfield Redevelopment Authority (WCBRA)

Annex Large Conference Room 110 N. Fourth Avenue, Ann Arbor

MEETING MINUTES May 13, 2010

Board Present: Todd Campbell, James Harless, Mark Heusel, Jeff Irwin, Douglas McClure, April

McGrath, Anna Sandhu

Board Absent: Victoria Pebbles (excused)

Staff: Brett Lenart

Handouts: Agenda, April 8, 2010 Draft Minutes, Outreach Handout, Project Tracking Table,

MDNRE/MEDC Brownfield Redevelopment Workshop materials, Summary of Broadway

Village at Lowertown Brownfield Plan status

1. Call to Order & Public Comment

Irwin called the meeting to order at 9:13 a.m. There was no public comment.

Harless moved (Support: Campbell) that the minutes of the April 8, 2010 meeting be approved as presented and the motion carried unanimously.

2. WCBRA Program

Project Status Updates

Lenart provided an overview of projects based on the tracking sheet. He indicated that Saline ACH Brownfield Plan was approved by the Washtenaw County Board of Commissioners on May 5, 2010. He indicated that the Near North sub-committee had also met and developed language with the developer that meets the requirements of the Act relative to displaced residents.

As determined at previous meetings, the Board invited Matt Naud, Environmental Coordinator from the City of Ann Arbor to participate in a discussion regarding the Broadway Village at Lowertown Brownfield Project. Mr. Naud provided a depth of knowledge about the site. The Authority primarily discussed that the contamination at the site existed without a known liable party or development scenario that would address the impacted soil and water conditions. It was generally discussed that given the current approach by some at the State level, keeping the brownfield plan in effect without revocation would provide a potential tool should development interest become focused again at the property. (Heusel left the meeting during this discussion).

Outreach Handout

Lenart pointed out that the final outreach handout was included in the packets. The board discussed potential groups to schedule a presentation including the A2Y Chamber of Commerce Public Policy Committee, the Business and Real Estate Law sections of the Washtenaw County Bar Association, the Regional Planning Groups, Commercial bankers/lenders (perhaps through regional bankers associations, and local assessing groups. Lenart indicated he would begin to schedule these outreach sessions.

3. Public Comment

None

<u>Adjourn</u>

Campbell moved (Support: McClure) to adjourn the meeting at 11:00 a.m. and the motion carried unanimously.

These minutes were _____ by the Washtenaw County Brownfield Redevelopment Authority Board on June 10, 2010.

WASHTENAW COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

BROWNFIELD PLAN FOR:

626-724 NORTH MAIN STREET, ANN ARBOR, MICHIGAN

NEAR NORTH APARTMENTS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP (LDHA LP) 626 N. MAIN STREET ANN ARBOR, MICHIGAN PHONE (734) 663-5838

PREPARED WITH THE ASSISTANCE OF:

Soil and Materials Engineers, Inc. 43980 Plymouth Oaks Boulevard Plymouth, Michigan 48170

Approved by the Washtenaw County Brownfield Redevelopment Authority on
Approved by the City of Ann Arbor Board of Commissioners on
Approved by the Washtenaw County Board of
Commissioners on

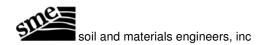
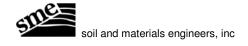




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I. PROJECT SUMMARY

Project Name: Near North Apartments LDHALP

Project Location: The eligible property is located at 626-724 North Main Street and

includes 09-09-20-412-002, 09-09-20-412-003, 09-09-20-412-004, 09-09-20-412-005, 09-09-20-412-006, 09-09-20-412-007, 09-09-

20-412-008, 09-09-20-412-009, and 09-09-20-412-010.

Type of Eligible

Property: Facility

Eligible Activities: BEA, Due Care, Additional Response Activities, Site Preparation,

and Public Infrastructure.

Eligible Costs: \$720,000

Years to Complete

Payback: The eligible activities will not be reimbursed through tax increment

financing (TIF).

Estimated Eligible

Investment: \$12.2 million (for the portion of the project included in this Plan)

Project Overview: The Property will be redeveloped and used as a mixed-use building that

includes residential apartments, retail and office space and parking for residential uses. Eligible Activities, as defined in MCL 12.52652 (k) will be conducted as part of the project. The overall estimated investment for the portion of the project related to this Plan is approximately \$12.2 million. The Plan includes \$720,000 in eligible activities. The eligible activities will not be reimbursed through tax increment financing (TIF). The City of Ann Arbor has approved a Payment in Lieu of Taxes (PILOT) and a Downtown Development Authority (DDA) construction grant up to \$500,000. Construction is anticipated to begin in the spring of 2010 and will continue until estimated completion in the winter of 2011. This Brownfield Plan has been created for the purpose of facilitating the cleanup, rehabilitation and redevelopment of the Property and to allow for the application of a State of Michigan Brownfield Redevelopment

Michigan Business Tax (MBT) Credit.



II. INTRODUCTION AND PURPOSE

The Washtenaw County Brownfield Redevelopment Authority (Authority; WCBRA) is authorized to exercise its powers within the municipal limits of Washtenaw County. This Brownfield Plan applies to the property located at 626-724 N. Main Street (the Property), which is within the boundaries of the City of Ann Arbor, Michigan. Near North Apartments Limited Dividend Housing Association Limited Partnership (hereinafter referred to as Near North) intends to redevelop the Property into a three to four-story, 52,500 square-foot, mixed-use development. The project would result in approximately \$12.2 million of private investment and the project is anticipated to create four to six full-time positions and 45 to 65 temporary construction jobs.

The purpose of this Plan, to be implemented by the WCBRA, is to satisfy the requirements for a Brownfield Plan as specified in Act No. 381, of the Public Acts of 1996, MCLA 125.2651 et. seq., as amended, which is known as the "Brownfield Redevelopment Financing Act." The Brownfield Plan will be used to encourage Near North to invest in Washtenaw County, Michigan. The plan will allow Near North to seek a Michigan Business Tax (MBT) Brownfield Redevelopment Credits for this redevelopment project. This plan does not include tax increment capture.

III. GENERAL DEFINITIONS AS USED IN THIS PLAN

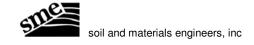
All terms used in this Brownfield Plan are defined as provided in the following statutes, as appropriate:

- The Brownfield Redevelopment Financing Act, 1996 Mich. Pub. Acts 381, M.C.L. § 125.2651 et seq., as amended.
- Section 437 of Michigan Public Act 36 of 2007, M.C.L. §208.1437, as amended (the "Michigan Business Tax Act")
- Part 201 of the Natural Resources and Environmental Protection Act, 1994 Mich. Pub. Acts 451, M.C.L. § 324.20101 et seq., as amended.

IV. ELIGIBLE PROPERTY WITHIN THE BROWNFIELD ZONE

Eligible Property and History

The eligible property is located in the City of Ann Arbor at 626-724 N. Main St. The Property consists of nine tax parcels with a total area of approximately 1.19 acres. Historically, the Property was used for residential purposes from at least 1900 to the present.





Basis of Eligibility

The Property is considered an" eligible property" as defined by Act 381, Section 2 because the Property meets the definition of a "facility", as defined by Act 381. The property was identified as a "facility" based on the results of soil and groundwater sampling conducted by NTH, Inc. on April 3, 2009, and Soil and Materials Engineers, Inc. (SME) on February 11, 2010, for the constituents listed below:

- Benzo(a)pyrene, arsenic and lead were measured in soil samples at concentrations above the Part 201 Generic Residential Cleanup Criteria and Screening Levels (residential cleanup criteria) for Drinking Water Protection and/or Direct Contact.
- Arsenic, barium, chromium, copper, lead, mercury, selenium, silver and zinc were measured in groundwater samples at a concentration above the residential cleanup criteria for Drinking Water and/or GSI.

See Appendix D for additional information.

Project Description

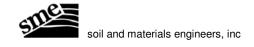
Near North is intends to construct a three to four-story, 52,500 square-foot, mixed-use development. The Near North development will provide 25 units (48,000 square-feet) of affordable apartments to households with low incomes and 14 supportive housing apartments. The development will also include approximately 1,500 square-feet of office and 3,000 square-feet of retail space. The retail component will be located on the first floor and completed in Phase Two of the development. The redevelopment will also include below-grade parking that will provide approximately 45 parking spaces.

This redevelopment will renew the North Main Downtown Corridor of the City of Ann Arbor. The project will redevelop 1.19 acres of land, which includes nine parcels of property located at 626-724 North Main Street. The property presently consists of eight single-family residents. The property is located between East Summit Street and Felch Street.

Near North is seeking an MBT Brownfield Redevelopment Credits at this time to correlate with the Michigan Economic Growth Authority's review and approval schedule for 2010 MBT credits. Near North is not seeking brownfield redevelopment tax increment financing for the project. Substantial community involvement has been demonstrated by the approval of a Payment in Lieu of Taxes (PILOT) and a Downtown Development Authority (DDA) contribution.

A. <u>Description of Costs to Be Paid for With Tax Increment Revenues and Summary of Eligible Activities</u>

There are no anticipated eligible activities to be reimbursed through tax increment revenues through this Plan. The estimated costs of the eligible activities are \$720,000.





The anticipated eligible activities for this Plan include the following:

<u>Baseline Environmental Assessment</u>. The Category N Baseline Environmental Assessment (BEA) of the Property has been completed prior to that approval of the Plan. The BEA was completed by conducting a Phase I & II Environmental Site Assessment (ESA). Under provisions of PA 381 of 1996, as amended in 2007, costs incurred for environmental assessments conducted before the completion of the formal brownfield plan adoption process may be reimbursed with local and state tax increment financing. The estimated cost for this eligible activity is \$15,000.

<u>Due Care Plan</u>. These activities include, but are not limited to testing of the soils and groundwater on site to determine the extent of contamination, due care investigations, removal of contaminated soil and groundwater, engineering controls to protect future users of the site and site security to prevent the unintentional exposure of third parties to contaminants of concern. The estimated cost is \$5,000.

Additional Response Activities. These activities include, but are not limited to remediating areas of concerns and the removal and disposal of contaminated soils. The estimated cost is \$130,000.

<u>Demolition</u>. To accommodate the redevelopment, the existing structures will be demolished to prepare the property for redevelopment. Grading and balancing will be required to address the demolition of the below grade structures. This includes the lead and asbestos abatement necessary to demolish the existing buildings. The estimated cost is \$155,000.

<u>Site Preparation</u>. Various site preparation activities will be required including excavate and haul urban fill material, sheet piling for excavation, special foundations and underpinning. The estimated cost is \$315,000.

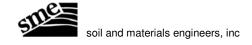
<u>Public Infrastructure Improvements</u>. Public Infrastructure improvements will include replacement of sidewalks, driveway curb cuts, and streetscape improvements. The estimated cost is \$100,000.

B. Estimate of Captured Taxable Value and Tax Increment Revenues

Incremental taxes on real and personal property included in the project will not be captured under this Brownfield Plan.

C. Method of Financing and Description of Advances by the Municipality

No financing or municipal advances for plan costs are required at this time





D. <u>Maximum Amount of Note or Bonded Indebtedness</u>

No note or bonded indebtedness will be incurred by any local unit of government for this project.

E. Duration of Brownfield Plan

The duration of this Brownfield Plan shall be ten years.

F. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

There will be no impact on local taxing jurisdictions.

G. Legal Description, Property Map and Personal Property

The Property is comprised of nine parcels identified as 626-724 N. Main Street. The tax identification numbers for each parcel is listed in the table below. The legal description of the parcel is included in Appendix B. A location map and map depicting the current Property features are included in Appendix C.

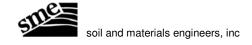
Parcel Address	Tax Identification Numbers
626 N. Main St.	09-09-20-412-010
630 N. Main St.	09-09-20-412-009
700 N. Main St.	09-09-20-412-008
704 N. Main St.	09-09-20-412-007
708 N. Main St.	09-09-20-412-006
712 N. Main St.	09-09-20-412-005
718 N. Main St.	09-09-20-412-004
722 N. Main St.	09-09-20-412-003
724 N. Main St.	09-09-20-412-002

H. Estimates of Residents and Displacement of Families

There are three persons residing on the property. The occupied residents are not designated for acquisition and/or clearance by the authority. Therefore, a demographic survey and information regarding housing in the community is not required applicable or needed for this Plan.

I. <u>Plan for Relocation of Displaced Persons, Provisions for Relocation Costs, and Strategy for Compliance with Michigan's Relocation Assistance Law</u>

Displaced residents will be provided assistance such as alternative housing availability, moving expenses, and potentially rent assistance pursuant to the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, Public Law 91-646. This assistance will be in accordance with all applicable laws.





J. Description of Proposed Use of Local Site Remediation Revolving Fund

No funds from the WCBRA Local Site Remediation Revolving Fund (LSRRF) will be used on this Property and no incremental taxes will be captured for deposit in the LSRRF. Subsequent amendments to this Brownfield Plan will detail incremental tax capture for deposit in the LSRRF, if applicable. Relocations

K. Other Material that the Authority or Governing Body Considers Pertinent

On October 19, 2009, the City of Ann Arbor approved a Payment-in-lieu-of Taxes (PILOT) for this development. The approval resolution is appended as Appendix E. On January 6, 2010, the Downtown Development Authority (DDA) agreed to contribute \$400,000 towards the construction of this development upon completion. An additional \$100,000 will be provided upon achieving LEED Gold certification. The approved DDA Meeting Minutes and resolution is appended as Appendix F. This contribution represents a significant local contribution for this development.



Appendix A – Not applicable for this Brownfield Plan

Summary of Tax Increment Financing and Reimbursement of Eligible Activities



Appendix B

Legal Description Described in Section III(G) of this Plan



Appendix B—Legal Description

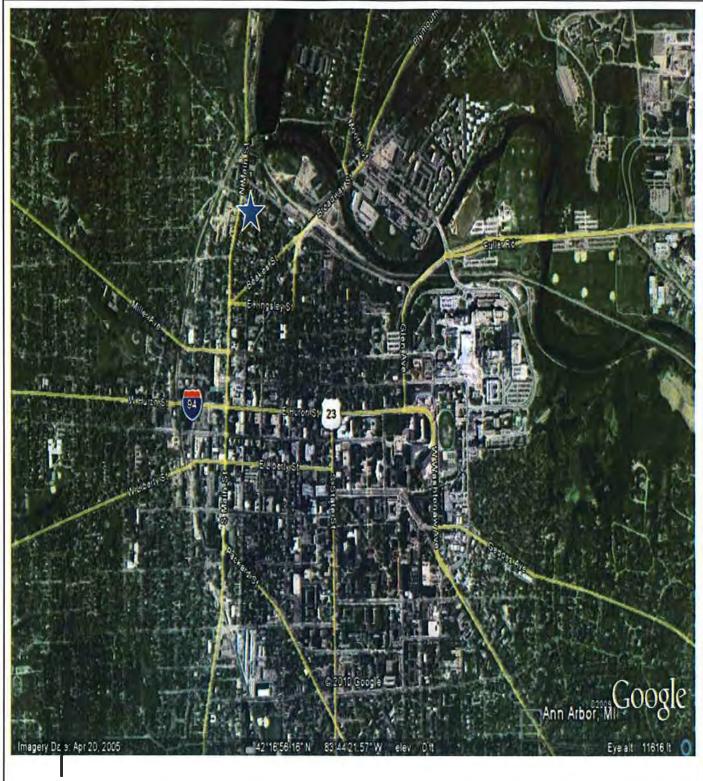
Legal Description of 1.19 Acre parcel of land part of Lots 1, 2 & 14 and all of Lots 5, 7, 9, 11 & 13 of Block #1, Ormsby and Page's Addition.

Commencing at the monumented intersection of Main Street and Summit Street; thence S 62°00'42" E 37.46 feet to a point along the centerline of Summit Street, said point being N 62°00'42" W 366.67 feet from the monumented intersection of Summit Street and N. Forth Street; thence S 19°00'00" W 114.21 feet parallel to the monumented centerline of Main Street and along the westerly line of Lot 1 of Block 1, Ormsby and Page Addition, as Recorded in Liber M of Deeds, pages 191 & 192, Washtenaw County Records, Michigan for a POINT OF BEGINNING; thence S 71°02'44" E 80.66; thence S 18°20'18" W 29.33 feet; thence S 0°52'52" E 10.05 feet; thence S 28°13'07" W 1.73 feet; thence S 71°07'58" E 67.47 feet along the North line of Lot 5 of said Addition; thence S 22°03'45" W 208.08 feet along the East line of Lots 5, 7, 9 and 11 of said Addition to a found Iron pipe; thence S 22°36'53" W 123.99 feet along the East line of Lots 11 & 13 of said Addition; thence N 70°53'11" W 139.30 feet along the South line of Lot 13 of said Addition to a point which lies N 19°00'00" E 215.31 feet parallel to the monumented centerline of Main Street, along the Easterly right-of-way line of Block 1 of said Addition from the Southwesterly corner of Lot 19 of said Addition; thence N 19°00'00" E 362.08 feet parallel to the monumented centerline of Main Street, along the Easterly right-of way line of Block 1 of said Addition to the Point of Beginning. Being a part of Lots 1, 2 & 14 and all of Lots 5, 7, 9, 11 & 13 of Block #1, Ormsby and Page's Addition, in the SE 1/4 of Section 20, T2S, R6E, in the City of Ann Arbor, Washtenaw County, Michigan. Containing 1.19 acres of land, more or less. Being subject to easements And restrictions of record, if any. Containing 1.19 acres of land, more or less. Being subject to easements and restrictions of record, if any;

Appendix C

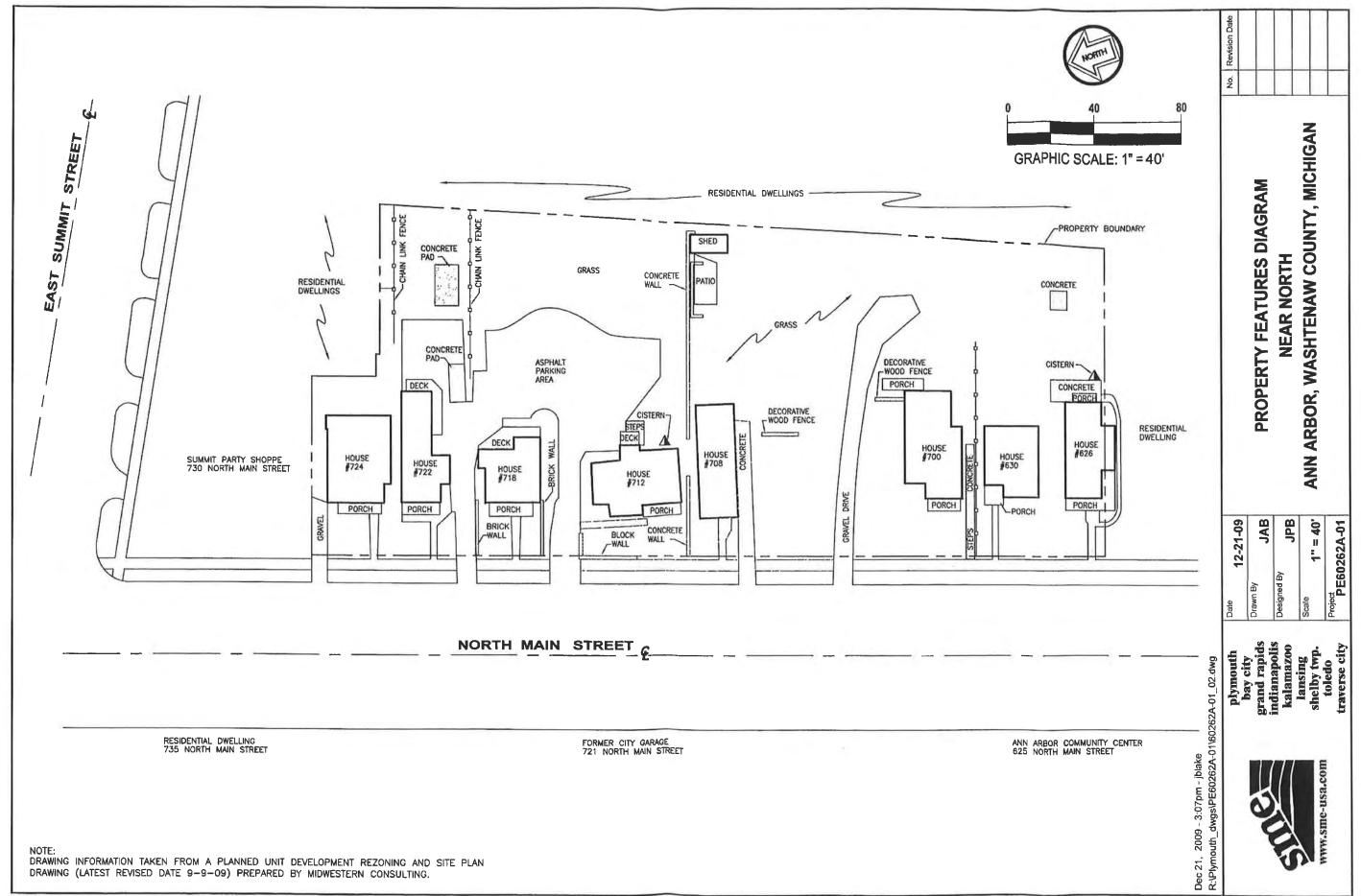
Map of the Property Described in Section III(G) of this Plan

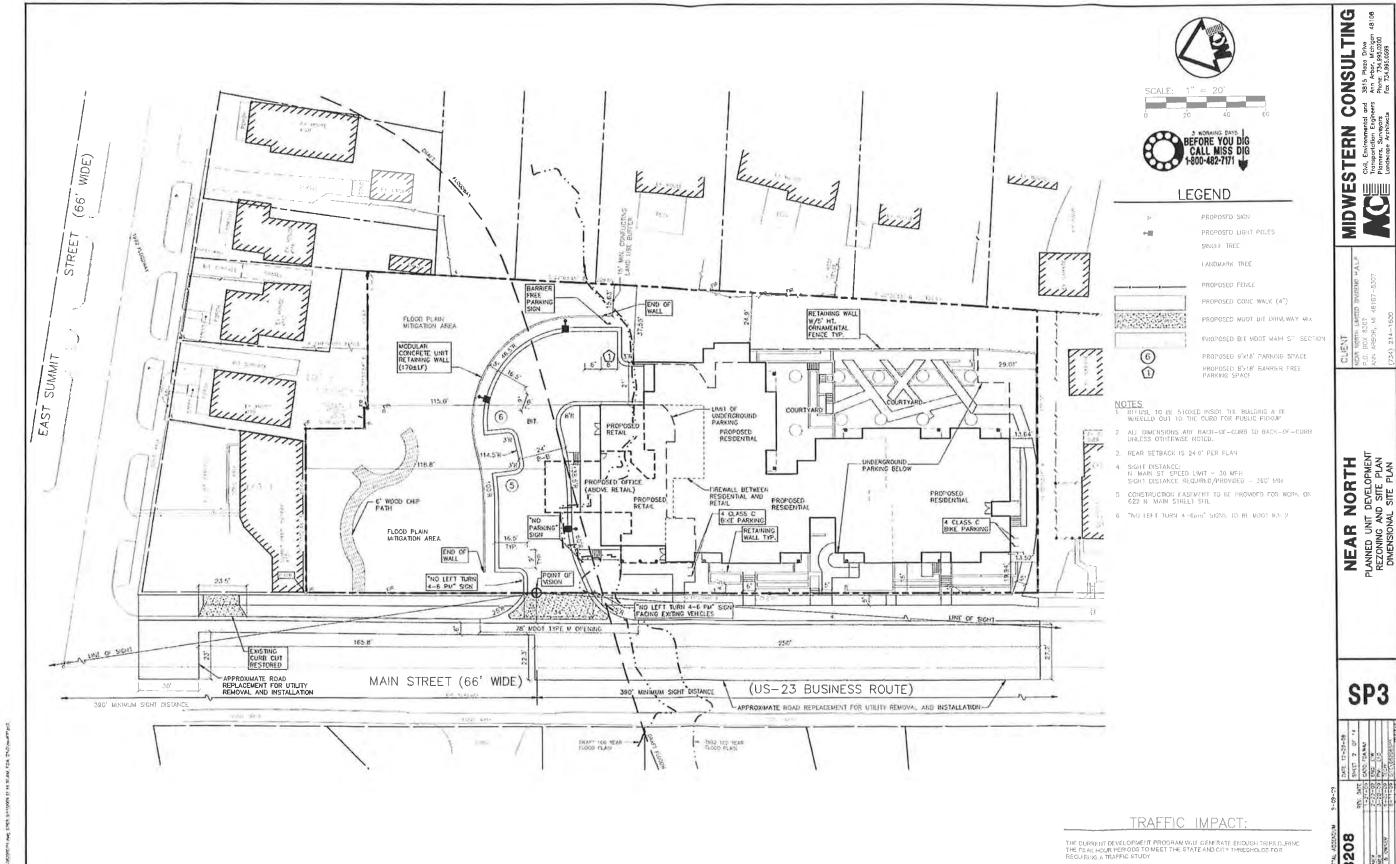




N

Project No.: LE-61060 Scale: unknown	Project Name: Near North Apartments 626-724 N. Main Street, Ann Arbor, MI	Property Location Map	Date: 3-31-2010
Drawn By: SLW Checked By:		als Engineers, Inc. (SME) sciences, materials and the environment	Appendix:





SP3

08208 COT A CHRES COT A CHRES COT A CHRES WOOL CITY & CHRES

NORTH MAIN STREET IS A STATE BUSINESS ROUTE AND IS UNDER MODI-IUMSOCCHON, MIDOT HAS REVIEWED THE PLANS AND WAY-FO THE REQUIRE FOR A TRAFFIC STUDY, DUE TO GEOMETIKIC CONSTRAINTS."

THE CITY OF ANN ARBOR. HOWEVER, I HAS REQUESTED A TRAFFIC STUDY. MITIGATION MEASURES SUCK AS SIGNAL TIMING CHANGES MAY BE REQUIRED. THE TRAFFIC STUDY WILL FOLLOW UNDER SEPARATE COVER.

Appendix D

Demonstration of Facility Status (CD-ROM ATTACHED)



Appendix E

Payment in Lieu of Taxes (PILOT)





City of Ann Arbor

100 N. Fifth Avenue Ann Arbor, MI 48104 http://a2gov.legistar, com/Calendar.aspx

Result

Legislation Details (With Text)

File #:

09-0953

Version: 1

Action

10/19/09 Near North Payment in Lieu of Taxes

Type:

Resolution

Status:

Passed

File created:

10/19/2009

In control:

Name:

City Council

On agenda:

10/19/2009

Final action:

10/19/2009

Enactment date: 10/19/2009

Enactment #:

R-09-426

Title:

Resolution to Approve a Payment in Lieu of Taxes (PILOT) for Near North Limited Dividend Housing

Association Limited Partnership at 626 N. Main

Sponsors:

Indexes:

Code sections:

Attachments:

Near North PILOT-Chptr 19.pdf

Date **Action By** 10/19/2009 City Council File #:

09-0953

Version: 1

Title

Resolution to Approve a Payment in Lieu of Taxes (PILOT) for Near North Limited Dividend Housing Association Limited Partnership at 626 N. Main

Memorandum

On September 21, 2009, the property at 626 N. Main received a rezoning to Planned Unit Development.

Avalon Housing, together with its development partner, Three Oaks Group, will be applying for Low Income Housing Tax Credits (LIHTC) from the Michigan State Housing Development Authority (MSHDA) through Near North Apartments LDHA LP, a partnership that will own the Apartments, as required under the IRS code for LIHTC.

The LIHTC selection process includes a point system. Avalon can secure 15 points if the City of Ann Arbor adopts a PILOT (payment in lieu of taxes) specifically for this project. The City currently has a PILOT ordinance (Chapter 19 attached) that applies to all affordable housing projects that meet the requirements of the ordinance. Our ordinance technically would include the Near North project. However, MSDHA only awards 15 points if a separate PILOT resolution is adopted that specifically mentions the project.

The Office of Community Development recommends that City Council approve a PILOT for Near North Apartments LDHA LP at 626 N. Main Street.

Staff

Prepared by: Jennifer Hall, Housing Manager

Reviewed by: Mary Jo Callan, Community Development Director and Jayne Miller, Community Services Area Administrator

Body

Whereas, Three Oaks Group, together with Avalon Housing, has applied for a rezoning of the parcels at 626 N. Main for new construction of 39 units of affordable housing;

Whereas, Avalon Housing Inc. and Three Oaks will create Near North Apartments Limited Dividend Housing Association Limited Partnership as the ownership entity for the property located at 626 N. Main to be called Near North Apartments;

Whereas, City Council approved a rezoning to PUD including the provision of 39 units of affordable housing; and

Whereas, The Ann Arbor City Council hereby determines that the Near North Apartments will be qualified for, and should be granted Payment in Lieu of Taxes (PILOT), the exemption from all property taxes, as provided in the State Housing Development Authority Act and pursuant to Chapter 19, Section 1:651 of the Code of the City of Ann Arbor;

RESOLVED, That pursuant to Section 15(a) of the State Housing Development Authority Act and Chapter 19, Section 1:651 of the Code of the City of Ann Arbor, the City Council hereby approves an exemption from all property taxes for the Near North Limited Dividend Housing Association Limited Partnership, for the term of the Michigan State Housing Development Authority mortgage loan, not to exceed fifty years, subject to the Michigan State Housing Development Authority's approval of the loan for the project and receipt of the "Notification to Local Assessor of Exemption" from the Michigan State Housing Development Authority for said parcel;

File #:

09-0953

Version: 1

RESOLVED, That notwithstanding the provisions of Section 15(a)(5) of the State Housing Development Authority Act to the contrary, a contract to provide tax exemption and accept payment in lieu of taxes, as previously described, between the City of Ann Arbor and the Near North Limited Dividend Housing Association Limited Partnership, with the Michigan State Housing Development Authority as third party beneficiary under this contract, is effectuated by adoption of this resolution, and its successors and assigns, of the following parcels of property:

Legal Description of 1.19 Acre parcel of land part of Lots 1, 2 & 14 and all of Lots 5,7,9, 11 & 13 of Block #1, Ormsby and Page's Addition.

Commencing at the monumented intersection of Main Street and Summit Street; thence S 62° 00'42" E 37.46 feet to a point along the centerline of Summit Street, said point being N 62° 00'42" W 366.67 feet from the monumented intersection of Summit Street and N. Forth Street; thence S 19°00'00" W 114.21 feet parallel to the monumented centerline of Main Street and along the westerly line of Lot 1 of Block 1, Ormsby and Page Addition, as Recorded in Liber M of Deeds, pages 191 & 192, Washtenaw County Records, Michigan for a POINT OF BEGINNING; thence S 71°02'44" E 80.66; thence S 18°20'18" W 29.33 feet; thence S 52'52" E 10.05 feet; thence S 28°13'07" W 1.73 feet; thence S 71°07'58" E 67.47 feet along the North line of Lot 5 of said Addition; thence S 22°03'45" W 208.08 feet along the East line of Lots 5,7,9 and 11 of said Addition to a found Iron pipe; thence S 22°36'53" W 123.99 feet along the East line of Lots 11 & 13 of said Addition; thence N 70°53'11" W 139.30 feet along the South line of Lot 13 of said Addition to a point which lies N 19°00'00" E 215.31 feet parallel to the monumented centerline of Main Street, along the Easterly right-of-way line of Block 1 of said Addition from the Southwesterly corner of Lot 19 of said Addition; thence N 19°00'00" E 362.08 feet parallel to the monumented centerline of Main Street, along the Easterly right-ofway line of Block 1 of said Addition to the Point of Beginning. Being a part of Lots 1,2 & 14 and all of Lots 5,7,9,11 & 13 of Block #1, Ormsby and Page's Addition, in the SE 1/4 of Section 20, T2S, R6E, in the City of Ann Arbor, Washtenaw County, Michigan. Containing 1.19 acres of land, more or less. Being subject to easements And restrictions of record, if any. Containing 1.19 acres of land, more or less. Being subject to easements and restrictions of record, if any;

RESOLVED , That pursuant to Chapter 19, Section 1:651 of the Code of the City of Ann Arbor, the project shall pay a service charge equal to One Dollar (\$1.00) for the assisted units as provided for by the Michigan State Housing Development Authority Act; and

RESOLVED, That the City Administrator be authorized to take necessary administrative actions to implement this resolution.

Appendix F

Ann Arbor Downtown Development Authority Meeting Minutes-January 6, 2010



ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY MEETING MINUTES January 6, 2010

Place: Time:

DDA Office, 150 S. Fifth Avenue, Suite 301, Ann Arbor, 48104 DDA Chair John Splitt called the meeting to order at 12:05 PM

1.

ROLL CALL

Present:

Gary Boren, Russ Collins, Leah Gunn, John Hieftje, Joan Lowenstein, John Mouat,

Keith Orr, Sandi Smith, John Splitt

Absent:

Newcombe Clark, Jennifer Hall, Roger Hewitt.

Staff Present:

Susan Pollay, Executive Director Joe Morehouse, Deputy Director

Joan Lyke, Management Assistant

Amber Miller, Planning & Research Specialist

Audience: Peter Allen, Peter Allen & Associates

Dave Askins, A2 Chronicle

Ray Detter, Downtown Area Citizens Advisory Council Alan Haber, Ann Arbor Committee for the Commons/A2C2

Adrian Iraola, Park Avenue Consultants, Inc. Mark Lyons, Republic Parking System

Kyle Mazurek, Ann Arbor Area Chamber of Commerce

Brad Mikus, Citizen

Oscar Notz, Turner Construction

Dave Pezda, Luckenbach/Ziegelman Architects

Nancy Shore, getDowntown Teresa Welsh, Near North

2.

AUDIENCE PARTICIPATION

Mr. Allen said that the City would soon issue an RFP to hire a consultant to provide advice for the Library Lot project. He recommended that this consultant be made aware of what makes a great city, as whatever will be constructed will be a 100 year decision. For instance, it must have great architecture, and must address the AADL and former Y site as part of an area master plan. Many people should be consulted to give input into this vision.

Mr. Haber said he agreed with Mr. Allen that many people must be consulted. He added that he would like the library lot to become a community center. He stated he would like to see a public process to develop a public green space. He indicated that just about everyone if asked about the site would say, "Give us the green." He encouraged the DDA to support the Commons and added that the, "Green will bring Green." He mentioned that the November summary of his comments should read as follows: ..." the group is calling for the whole lot to become a large community center."

3.

REPORTS FROM CITY BOARDS AND COMMISSIONS

Downtown Area Citizens Advisory Council: Mr. Detter reported that the CAC supports efforts to develop a coherent and comprehensive parking and transportation demand management

program run by the DDA in cooperation with the City. CAC are supportive of a more extensive "Area Planning" if no desirable selection can be made from the 6 Library Lot proposals. CAC continues to be concerned with conditions at Courthouse Square and asks the city to appoint a taskforce to find a way to provide better management and supportive services for residents.

4. STATUS OF TASKFORCE EFFORTS WITH DDA MEMBERSHIP

A2D2 Steering Committee: No report.

<u>Mutually Beneficial Committee</u>: Ms. Smith said that questions have been provided to staff and DDA/City committee members will meet when this information is compiled. She also stated that City Council passed a resolution asking the DDA for a comprehensive public parking management plan by April 19, 2010. The Mutually Beneficial committee will meet as information becomes available.

<u>Library Lot Advisory Committee:</u> Mr. Splitt said that the City's Library Lot RFP requirement set forward that: "The proposal must provide a positive financial return to the City" and the committee determined that two of the proposals did not meet this minimum threshold to be considered. Interviews have been scheduled with project teams at the Library on Jan. 20th.

5. MINUTES

Mr. Orr moved and Ms. Gunn seconded approval of the December 2, 2009 DDA meeting minutes.

A vote on the motion to approve the minutes showed:

AYES: Boren, Collins, Gunn, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS: None

Absent: Clark, Hall, Hewitt

The motion carried.

6. PARTNERSHIPS COMMITTEE

<u>Energy Saving Grant Program</u>: Ms. Smith said that 43 grants were approved in FY 2008/9, and 36 energy audits were completed and 8 have already completed Phase II. Thus far DDA costs for FY 2008/09 \$103,000 for energy audits and \$32,800 for Phase II improvements. Ms. Smith said that 50 applications were approved in FY 2009/10 and nearly all have selected their energy auditor and are underway with their audits.

Near North: Ms. Smith moved and Ms. Gunn seconded the following resolution:

RESOLUTION PROVIDING AVALON NONPROFIT HOUSING CORPORATION'S NEAR NORTH PROJECT WITH A GRANT FOR THE CONSTRUCTION OF NEW AFFORDBLE HOUSING

Whereas, The Ann Arbor DDA 2003 Renewal Plan makes a strong commitment to participating in projects which stimulate new, converted, or renovated housing, with the goal of a diver se and vibrant downtown residential base;

Whereas, Avalon Nonprofit Housing Corporation is developing Near North with its for-profit partner Three Oaks as a mixed-used 100% affordable housing development providing 25

apartments affordable to households with incomes =/<50% of AMI and 14 supportive housing apartments with project-based Section 8 rent subsidies. Phase I will develop the residential units and 1,800 sq. ft. of offices, and P hase II, contingent on greenway and related funding, will involve the acquisition and demolition of Summit Market and 3 houses in the floodway on E. Summit, and relocation of the retail into new space built at Near North.

Whereas, These 39 new housing units are within the ¼ mile radius of the DDA District approved by the DDA as the area within which they might provide DDA Housing Fund support, and it has been determined that many tenants that will reside in these apartments will work, shop, or use the downtown for recreational and other purposes;

Whereas, The cost of this project including property acquisition is \$11 Million and the DDA has been asked by Avalon for a \$500,000 grant, with other funds to come from tax credits, MSHDA, and other sources;

Whereas, The DDA Partnerships Committee reviewed this request and has set forward the following recommendations regarding a grant from the DDA's Housing Fund:

- The DDA would provide \$400,000 from its Housing Fund for this project
- The DDA would provide an additional \$50,000 if the project receives a Silver LEED certification or an additional \$100,000 if the project receives a Gold LEED certification
- The DDA would provide its grant at the time the project receives its Certificate of Occupancy from the City, after all lien wavers have been satisfied, and after a minimal LEED certification is met and affordability established as promised
- As with all DDA grants, this grant would expire at the end of the second fiscal year after approval by the DDA
- The grant would be given provided that the Office of Community Development has agreed to manage ongoing income verification for all residential units

RESOLVED, The DDA will provide Avalon Housing, Inc. with a \$400,000 grant as recommended by its Partnerships Committee as stated above, which may also include \$50,000 or \$100,000 incentive funds upon Silver or Gold LEED certification, with DDA grant payment upon receipt of a certificate of occupancy, waiver of all liens, and an agreement in place with the Office of Community Development to manage ongoing income verification for all residential units.

Ms. Smith asked Ms. Walsh and Mr. Appel to provide a project overview, which they did, outlining that the DDA funds would be used exclusively to support construction of the housing portion of the project. Mr. Appel said that if approved, the DDA funds would be the first grant dollars committed, but the last grant dollars received because they require a certificate of occupancy. Mr. Hieftje said that DDA support would help the project get tax credits and other funds. The connection between this project and downtown was noted, as many of the future residents will work downtown, and all of these residents would use the downtown. Mr. Mouat expressed concern that the DDA would be fully obligating its Housing Fund with this grant, and that it would cost much less to spend funds on existing units rather than on new construction. Ms. Smith said that this project enabled the DDA to encourage new development. Ms. Walsh said that the DDA funds are local dollars which are needed for state funds. Mr. Hieftje agreed, encouraging that the grant be approved so DDA dollars could leverage state funds.

DDA Board Meeting Minutes January 6, 2010 Page 4

A vote on the motion to approve the resolution showed:

AYES:

Boren, Collins, Gunn, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS:

None

Absent:

Clark, Hall, Hewitt

The motion carried.

<u>DDA annual retreat</u>: Mr. Collins said that Board members should provide information to staff on their availability so this session could be scheduled.

<u>Municipal Center tour:</u> Approximately a half dozen DDA representatives took a hard-hat tour of the new building.

Library Lot RFP: Committee discussed the proposals received by the City. There was strong committee consensus that an expert real estate consultant be hired by the City to advise it through the process of selection and negotiating. Critical issues to be assessed include determining if the projects are financially feasible, assessing if the developers have the capacity to complete their projects as proposed, and selecting the project which will provide the most benefit to the downtown as well as highest financial return to the city. Mr. Splitt and Council member Teall brought this question to the RFP Advisory Committee and there was strong support to pursue hiring a consultant.

7. TRANSPORTATION COMMITTEE

<u>Pedestrian counts/satisfaction:</u> Mr. Mouat said the Committee continued work on its list of possible projects and surveyed itself to determine areas of greatest interest. They are: minimizing sidewalk obstructions, trees/urban greenery, and minimizing trip hazards. The committee will develop specific tactics to meet these strategies at the next meeting.

<u>Transportation/Parking Demand Management</u>: The Transportation and Operations Committee met together to formulate goals: encourage even greater use of sustainable transportation choices and even greater efficiencies in our parking system by spreading demand. It was agreed that the Transportation Committee will work to support the creation and use of more sustainable transportation options, the Operations Committee will develop strategies to use parking prices to provide more parking choices, and both committees will share the task of developing ways for patrons to get more information about their parking use.

8. OPERATIONS COMMITTEE

<u>Parking Study</u>. Ms. Gunn said that City Council asked the DDA to provide it with a comprehensive public parking plan by late April, and work has begun on this project.

350 S. Fifth Avenue lot. Ms. Gunn moved and Ms. Smith seconded the following resolution:

RESOLUTION TO APPROVE NET REVENUE USES AT 350 S. FIFTH AVENUE (OLD Y PARKING LOT)

Whereas, On November 13, 2007 City Council voted to request that the DDA demolish the former YMCA building at 350 S. Fifth Avenue, and upon demolition, authorized the DDA to establish a temporary public parking lot;

Whereas, On February 6, 2008 The DDA voted to approve the demolition of the former YMCA building as requested by City Council, and by late summer 2008 a new parking lot had been established for use by the public;

Whereas, The City and DDA have not spelled out a financial arrangement for this parking lot, nor is this lot included as part of the 2005 City/DDA Parking Agreement;

Whereas, On December 21, 2009 City Council voted to approve "Resolution Regarding New Parking Meters", which set forward that the net revenues less parking lot installation costs (excludes demolition costs) for the 350 S. Fifth Avenue (old YMCA) parking lot, and less parking lot operational costs for this lot be directed to the City's General Fund;

Whereas, The DDA Operations Committee reviewed the December 21, 2009 City Council action and researched to determine that the cost to install the parking lot was approximately \$400,000 which included the cost to install the permeable pavement and other elements that enable 100% of storm water to be captured on site;

Whereas, It will be many years before the lot installation is paid for from parking lot revenues, so the DDA Operations Committee recommends that the DDA provide the City with either a minimum \$100,000/year from parking lot revenues generated at this site, or the net revenues from this site after installation costs and operations costs, whichever is greater, on a quarterly basis beginning with FY 2009/10 fourth quarter;

RESOLVED, The DDA approves a financial arrangement for the 350 S. Fifth Avenue (old YMCA) parking lot with either a minimum \$100,000/year from parking lot revenues generated at this site or the net revenues from this site after installation costs and operations costs, whichever is greater, on a quarterly basis beginning with FY 2009/10 fourth quarter, with funds to be directed to the City's General Fund.

Ms. Smith said that she appreciated the financial arrangement in this resolution, as it honored the goals set forward by City Council in its resolution. Mr. Splitt said that the DDA would eventually get repaid for its installation costs, though it would take a little longer.

A vote on the motion to approve the resolution showed:

AYES:

Boren, Collins, Gunn, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS:

None

Absent:

Clark, Hall, Hewitt

The motion carried.

Parking Pay Stations. Ms. Gunn moved and Ms. Smith seconded the following resolution:

RESOLUTION TO PURCHASE AND INSTALL 150 ADDITIONAL PARKING PAY STATIONS

Whereas, In their 2007 study Nelson/Nygaard recommended that the on-street parking meters be replaced with new multi-space pay stations to improve patron convenience as this equipment allows payment with credit cards, cash and cell phones, and they will support demand management efforts by providing flexible time and location parking rate pricing strategies;

Whereas, The DDA Operations Committee shaped a multi-year plan that would eventually replace core area on-street and parking lot parking meters with 175 interconnected multi-space parking machines;

Whereas, In spring 2008 the DDA distributed an RFP for this equipment, and Digital Payment Technologies was selected as the equipment that would best meet the needs of the Ann Arbor community;

Whereas, The DDA voted to purchase 25 machines in November 2008, and this equipment was installed in summer 2009;

Whereas, In December 2009 the DDA Operations Committee reviewed the operations of the initial installation, including patron survey feedback, and set forward the following recommended installation plan for the remaining 150 parking pay stations and space number markers:

Fiscal year	<u>Percent</u>	Pay Stations	<u>Cost</u>
FY 2010	25%	37	\$ 562,400
FY 2011	50%	75	\$1,140,000
FY 2012	25%	<u>38</u>	\$ 577,600
Total Cost	100%	150	\$2,280,000

RESOLVED, The DDA approves the multi-year purchase and installation of 150 parking pay stations and space number markers with a project budget of \$2,280,000, with these funds to be taken from the DDA 065 Parking Maintenance Fund.

Ms. Smith said that she knows that the pay stations are finding good use, but she heard a complaint from a disabled citizen, and she asked what accommodations exist to assist disabled individuals; Mr. Morehouse said that payment can be made by cell phone, which may make payment easier for some individuals. Mr. Mouat asked if the area around these pay stations could be cleared of snow; Mr. Splitt said that Republic Parking is doing this. Ms. Gunn said that the pay stations are well received; Mr. Splitt said that there are tradeoffs with this equipment, but generally they are very well received.

A vote on the motion to approve the resolution showed:

AYES:

Boren, Collins, Gunn, Hieftje, Lowenstein, Orr, Smith, Splitt

NAYS:

None

Absent:

Clark, Hall, Hewitt

The motion carried.

Pre Pay Parking Rate: Ms. Gunn said that the DDA would be instituting a new \$5 pre-pay entry rate at various parking structures and lots. The primary purpose behind this is to give Republic Parking a tool to use when it is anticipates a large concert or other big event is likely to create a problem when hundreds of patrons want to exit at the same time. Even with every cashier booth staffed, after a big event it can take many minutes to move all vehicles through the line, which can be frustrating for parking patrons impatiently sitting in a long line to pay. This pre-pay process is already in place during Art Fair and will be expanded for use more broadly during the year. A secondary benefit to this new pre-paid rate would be to provide a solution at parking

facilities with automated equipment where patrons are recurrently breaking exit gates rather than paying to park.

9. CAPITAL IMPROVEMENTS COMMITTEE

S. Fifth Avenue Project: Mr. Splitt said that steel fabrication for the earth retention system will resume next week. Drilling equipment has been brought to the site. Overhead utility lines are scheduled to be relocated by the end of the month.

Water Mains: Ms. Gunn moved and Mr. Collins seconded the following resolution:

RESOLUTION TO AUTHORIZE AN ADDITIONAL \$600,000 FOR NEW WATER MAINS UNDER DIVISION STREET, S. FIFTH AVENUE, AND LIBRARY LANE

Whereas, In August 2009 the DDA approved \$226,000 for three new water mains under Division Street, S. Fifth Avenue, and behind the Library from William Street as part of its S. Fifth Avenue Underground Parking Structure project, but upon bidding, actual costs for the Division Street and S. Fifth Avenue water mains exceeded initial estimates, and a new plan was developed to place the third water main under Library Lane rather than off William Street;

Whereas, The funds approved by the DDA in August 2009 were used to install the water main under Division Street, and additional funds are now needed to complete repairs to Division Street and install the two other water mains under S. Fifth Avenue and Library Lane;

Whereas, These water mains will greatly enhance water flows in the center city area, both improving existing conditions for current residents and commercial enterprises, and providing needed capacity for future downtown development;

Whereas, Plans for this work have been submitted for approval to City staff and a permit will be submitted to the Michigan Department of Water Quality for the water main along Library Lane, with the expectation that work will be constructed in coming months, under the inspection of the City of Ann Arbor's Project Management Unit;

Whereas, It is anticipated that the total cost for the remaining water main work will not exceed \$600,000;

Whereas, These water mains are included in the DDA project budget for the S. Fifth Avenue underground parking structure project, but are not included in the GMP provided by Christman;

Whereas, The DDA Capital Improvements Committee reviewed the costs and installation plans for these water mains and recommends approval:

RESOLVED, The DDA authorizes its Capital Improvements Committee to spend up to \$600,000 to complete road repairs on S. Division, install a new water main under S. Fifth Avenue, and a new water main under Library Lane.

RESOLVED, The DDA Chair, Capital Improvements Committee Chair and Executive Director are authorized to sign the necessary construction contracts, and to take the necessary administrative actions to implement this resolution.

A vote on the motion to approve the resolution showed:

AYES:

Boren, Collins, Gunn, Hieftje, Lowenstein, Mouat, Orr, Smith, Splitt

NAYS:

None

Absent:

Clark, Hall, Hewitt

The motion carried.

10.

EXECUTIVE COMMITTEE

<u>Updating DDA Bylaws</u>. Mr. Splitt said that as has been reported over the past couple months that the Executive Committee has been reviewing DDA's bylaws. Changes were approved in 2007 but not acted on by City Council and these and other ideas were considered. No action is needed at this time, but the Committee wanted to bring the revised document to the board for discussion, with the plan that the bylaws will come to the DDA for action in February. There was a general discussion of the proposed changes.

Grant to the City For a Library Lot Consultant: Mr. Splitt said that the South 5th Ave project includes a large investment in infrastructure to support/encourage redevelopment on this site, including structural support, new water mains, electric infrastructure, and mid-block street. Ms. Smith moved and Ms. Lowenstein seconded the following resolution:

RESOLUTION PROVIDING A GRANT TO THE CITY OF ANN ARBOR TO HIRE A CONSULTANT TO PROVIDE REAL ESTATE ADVICE TO ASSIST WITH THE SELECTION OF A DEVELOPER FOR THE S. FIFTH AVENUE (LIBRARY LOT) PROPERTY

Whereas, A large portion of the DDA's S. Fifth Avenue Underground Parking Structure project are elements that will encourage redevelopment on this site, including structural support, new water mains, electric infrastructure, and midblock street:

Whereas, The City of Ann Arbor distributed an RFP in August 2009 seeking proposals from developers interested in constructing projects on top of the underground parking structure and six proposals were subsequently received;

Whereas, The DDA Partnerships Committee recommended that the Advisory Committee helping City Council with its selection of a preferred developer be asked if there would be benefit to the City hiring a consultant to provide expert real estate advise to assist in the proposal selection process, and DDA heard back that there was support to pursue this assistance;

Whereas, The DDA Executive Committee has reviewed this concept and recommends that the DDA provide the City with a \$50,000 grant for this consultant, because encouraging quality downtown private redevelopment is the mission of the DDA;

RESOLVED, The DDA approves a grant to the City of Ann Arbor for \$50,000 to enable the City to hire a consultant with real estate development expertise to advise it throughout the project selection process for the S. Fifth Avenue (Library Lot) property.

Mr. Splitt said that both the DDA Partnerships Committee and the City RFP Advisory Committee members agreed that it would be advantageous for the City, the downtown, and the community if an expert real estate consultant could be found to assist through the selection and negotiating process for the Library Lot. Ms. Lowenstein said that other similar efforts have gone awry and hopefully this consultant will help the city know which project(s) are financially feasible and will most benefit the community. Mr. Collins said the DDA is not making the selection about what is being built on top of the library lot, and this grant would enable the City to hire a consultant to help it review the proposals it has received. Mr. Mouat said he was not enamored with the process the City follows to sell/redevelop city property, and that the roles of the DDA and City need to be clarified. Mr. Hieftje said that the City process for its 415 W. Washington property was a success, as the City determined that it didn't want to pursue any of the projects proposed for the site; if it is determined that none of the proposals for the Library Lot are acceptable the City should wait for a more viable and attractive project at some point in the future.

A vote on the motion to approve the resolution showed:

AYES:

Boren, Collins, Gunn, Hieftje, Lowenstein, Orr, Smith, Splitt

NAYS:

Mouat

Absent:

Clark, Hall, Hewitt

The motion carried.

11. OTHER DDA BUSINESS MATTERS

Offpeak/Overnight Monthly Parking Permit: Mr. Hieftje asked about the possibility of improving the publicity for the DDA's \$30 overnight permit. Ms. Shore explained the getDow ntown was promoting the permit and explained that without evening enfor cement patrons were not inclined to move from free parking meters to a structure, even if the cost of the permit was so low. It was noted that publicizing the \$30 limited overnight permit will continue and will be included in a larger strategy regarding evening parking needs as part of the Public Parking Plan being developed for City Council.

Mr. Splitt congratulated Mr. Morehouse on his excellent article, "Demand Management Contributes to Vibrancy in Downtown Ann Arbor," published in the December issue of *The Parking Professional*.

12. OTHER AUDIENCE PARTICIPATION

Mr. Mikus mentioned the on-line DDA board packet was different than the one distributed at the meeting. He also noted the draft of the by-laws did not address the question about the Mayor sending representatives to participate at DDA meetings when he was absent. Mr. Splitt said this latter issue is being reviewed by the Executive committee. Ms. Pollay said that the packet distributed at the board meeting was identical to the online board packet with the exception of the parking revenue report which was inadvertently omitted, and the Old Y lot resolution as the Operations Committee had met just the day before.

13. ADJOURNMENT

Mr. Hewitt moved and Ms. Gunn seconded adjournment of the meeting at 1:40 PM.

Respectfully submitted, Susan Pollay, Executive Director

Washtenaw County Brownfield Redevelopment Authority

Brownfield Plan For Mellencamp Building LLC 120-124 W. Michigan Avenue Ypsilanti, MI

Washtenaw County Brownfield Redevelopment Authority Economic Development and Energy Department 110 N. Fourth Ave., P.O. Box 8645 Ann Arbor, MI 48107-8645

Jeff Irwin, Chair Brett Lenart, Project Manager, (734) 222-3860 ph., lenartb@ewashtenaw.org Lindsay Nelson, Brownfield Assistant, (734) 222-6551 ph., nelsonl@ewashtenaw.org

Prepared with the assistance of:

Karen Maurer, Vice President Mellencamp Building, LLC 35 S. Summit St. Ypsilanti, MI 48197 (734) 487-7183 ph.

Approved by the Washtenaw County Brownfield Redevelopment Authority on [date approved] Approved by City Council of Ypsilanti on [date approved] Approved by the Washtenaw County Board of Commissioners on [date approved]

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PROJECT SUMMARY

Project Name: Mellencamp Building, LLC, Ypsilanti, Michigan

Project Location: The property is located at 120, 122, and 124 West Michigan

Avenue in Ypsilanti and is comprised of 0.25 acres.

Type of Eligible

Property: Functionally Obsolete

Eligible Activities: Phase I Environmental Assessment, Phase II, Hazardous

Materials Survey, Interior Demolition, Brownfield Plan

Development

Reimbursable Costs: \$316,000 MBT

Estimated Capital

Investment: \$2,200,000

Project Overview:

This project will involve the purchase and rehabilitation of three vacant buildings in order to convert the unused buildings into habitable residential and commercial spaces. The renovation is projected to bring 30 new residents and 25 new jobs to downtown Ypsilanti. The anticipated completion date of the project is December 2011.

This Brownfield Plan has been created to facilitate rehabilitation and investment in the property and to allow for Michigan Business Tax credits to be pursued on eligible investment categories.

1. INTRODUCTION AND PURPOSE

Washtenaw County (the County) established the Washtenaw County, Brownfield Redevelopment Authority (the Authority) in 1999, by adoption of a resolution pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (Act 381). The Michigan Department of State, Office of the Great Seal, acknowledged receipt and filing of the resolution. The County Board of Commissioners established the Authority Board and appointed its members. Act 381, authorizes the Authority to undertake all activities allowed by law. The primary purpose of Act 381 is to encourage the redevelopment of contaminated, functionally obsolete, or blighted property by providing economic incentives through tax increment financing for certain eligible activities and Brownfield Redevelopment Michigan Business Tax Credits.

The primary purpose of this Brownfield Plan (Plan) is to promote the redevelopment of and private investment in certain "brownfield" properties within the County. Inclusion of property within this Plan will facilitate financing of environmental response and other eligible activities at eligible properties, and will also provide tax incentives to eligible taxpayers willing to invest in revitalization of eligible sites, commonly referred to as "brownfields." By facilitating redevelopment of brownfield properties, this Plan is intended to promote economic growth for the benefit of the residents of the County and all taxing units located within and benefited by the Authority.

The identification or designation of a developer or proposed use for the eligible property that is the subject of this Plan shall not be integral to the effectiveness or validity of this Plan. This Plan is intended to apply to the eligible property identified in this Plan and, if tax increment revenues are proposed to be captured from that eligible property, to identify and authorize the eligible activities to be funded by such tax increment revenues. Any change in the proposed developer or proposed use of the eligible property shall not necessitate an amendment to this Plan, affect the application of this Plan to the eligible property, or impair the rights available to the Authority under this Plan.

This Plan may be modified or amended in accordance with the requirements of Act 381, as necessary to achieve the purposes of Act 381. The applicable sections of Act 381 are noted throughout the Plan for reference purposes.

This Brownfield Plan contains information required by Section 13(1) of Act 381.

2. ELIGIBLE PROPERTY INFORMATION

The Eligible Property (subject site) is located in Section 9, T3S, R7E, City of Ypsilanti, Washtenaw County, Michigan. The addresses of the subject site include 120 through 124 West Michigan Avenue. The site consists of three parcels and is comprised of 0.25 acres. The site is located on the north side of W. Michigan Avenue between N. Huron Street and N. Washington Street, in the historic downtown business district of Ypsilanti. The property is located in the city's DDA district.

The subject site is currently developed with three vacant three story buildings that have a total area of 18,000 square feet. The parcel identification numbers are 11-11-40-485-015, 11-11-40-485-013.

The property is currently zoned as B-3 as part of the Central Business District. The property is located in the downtown district of Ypsilanti characterized by commercial, residential, and industrial properties. Adjacent land uses are mixed use commercial and residential land uses. Existing infrastructure at the site consist of underground utilities including municipal sanitary/ storm sewer, water, natural gas, electric, and communications.

Exhibit A includes a Site Location Map, Site Plan View, and Legal Description of the eligible property.

The subject site is considered "eligible property" as defined by Act 381, Section 2 due to the following: (a) the site is located within in the City of Ypsilanti, a qualified local governmental unit under Act 381; and (b) the site is determined to be functionally obsolete and/or blighted as defined by Act 381. An affidavit signed by a Level III Assessor stating that the subject site is functionally obsolete and/or blighted is provided in Exhibit B.

The buildings at 120-124 West Michigan Avenue currently stand vacant and neglected, and are in need of complete renovation to become habitable. The Developer intends to restore to buildings to create a functional mixed-use development offering affordable commercial retail space and residential loft apartments in the center of historical downtown Ypsilanti.

3. PROPOSED REDEVELOPMENT

Mellencamp Building, LLC, (the Developer) intends to redevelop the three existing buildings into mixed use spaces that include residential and commercial spaces. The rehabilitation of the buildings will leave only the existing brick walls and floors. The Developer will remove all existing materials and install all new mechanicals, insulation, soundproofing, utilities, and finishes to create 11 or 12 loft apartments on the 2nd and 3rd floors of the buildings. The Developer will also convert the ground levels of the buildings into commercial spaces to be move-in ready upon acquisition of a tenant. The Developer will lower the basement floor to create a legal commercial office or artist studio space on the lower levels of the buildings. Upon completion of the project, the developer will lease its commercial and residential spaces and manage the property.

The total private investment is projected to be \$2,200,000. It is estimated this project will create 25 new jobs. The project is considering application for a 20% MBT credit based on eligible investment. It is estimated that the MBT application would be for approximately \$316,000 in credits.

4. BROWNFIELD CONDITIONS

The buildings were previously used as commercial spaces: Mellencamp Clothing Store and Shafer Hardware. The three buildings have been vacant and underutilized for over 50 years and require complete renovation in order to become habitable.

5. BROWNFIELD PLAN ELEMENTS (as specified in Section 13(1) of Act 381)

A. Description of Costs to Be Paid for With Tax Increment Revenues

There will be no tax increment financing by the Authority as part of this Plan.

B. Summary of Eligible Activities

	EST. COST
Activity	
Phase I, II, and/or Baseline Environmental Assessments	\$20,000
Interior Demolition	\$40,000
Asbestos/Lead Abatement	\$10,000
Total Eligible Activities	\$70,000

No tax increment financing will be utilized to support these activities.

C. Estimate of Captured Taxable Value and Tax Increment Revenues

This Plan does not anticipate the capture of tax increment revenues to reimburse the Developer for the costs of eligible activities. The Developer is seeking a Michigan Business Tax credit only.

D. Method of Financing and Description of Advances by the Municipality

The Developer shall finance all costs of activities under this Plan and intends to seek Michigan Business Tax Credits based on the level of investment.

E. Maximum Amount of Note or Bonded Indebtedness

There will be no advances by the City, County, or Authority related to this Plan.

F. Duration of Brownfield Plan

The duration of the Plan for eligible activities on eligible property shall not exceed 10 years following the date of the governing body resolution approving the Plan.

G. Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdictions

There will be no tax increment financing by the Authority as part of this Plan and therefore there will be no impact on revenues of taxing jurisdictions.

H. Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

A legal description of the property is included in Exhibit A. Exhibit A also includes a map showing the location and dimensions of each eligible property. The site is determined to be functionally obsolete and therefore qualifies as an eligible property. An affidavit signed by a Level III Assessor stating that the subject site is functionally obsolete and/or blighted is provided in Exhibit B.

I. Estimates of Residents and Displacement of Families

There are no persons residing on the eligible property, and therefore there will be no displacement or relocation of persons or businesses under this Plan.

C-4 C--4

J. Plan for Relocation of Displaced Persons

Not applicable.

K. Provisions for Relocation Costs

Not applicable.

L. Strategy for Compliance with Michigan's Relocation Assistance Law

Not applicable.

M. Description of Proposed Use of Local Site Remediation Revolving Fund

No tax increment revenue will be deposited in the Authority's Local Site Remediation Revolving Fund or will be captured for administrative functions of the Authority as part of this Plan.

N. Other Material that the Authority or Governing Body Considers Pertinent

Brownfield Michigan Business Tax (MBT) Credit

The Property is included in this Plan to enable "qualified taxpayers" to apply for a credit against their Michigan business tax liability for "eligible investments", as defined by Section 437(32) of Michigan Business Tax Act, incurred on the Property after the adoption of this Plan, but no earlier than 90 days from the date of a pre-approval letter from the Michigan Economic Growth Authority. By approval of this Plan, the Authority and the City neither intend to make nor have made representations to a developer or any other person of the availability, amount or value of any credit under the Michigan Business Tax Act or that adoption of this Plan will qualify or entitle a developer or any other person to apply for or receive pre-approval or approval of any credit under the Michigan Business Tax Act for the Property. The Authority and the City also assume no obligation to take any action or to modify or amend this Plan to facilitate or to allow any person to receive pre-approval or approval of any credit under the Michigan Business Tax Act for the Property.

Obsolete Property Rehabilitation Act (OPRA)

The City of Ypsilanti granted a 12 year Obsolete Property Rehabilitation Certificate to support this project which is provided in Exhibit C.

EXHIBITS

- A. Legal Description, Location Map, Parcel Map, and Photographs of the Eligible Property Described in Sections 2 and 5(H) of this Plan
- B. Affidavit Signed by Level 3 or 4 Assessor Stating Eligible Property is Functionally Obsolete
- C. Obsolete Property Rehabilitation Act Certificate granted by the City of Ypsilanti

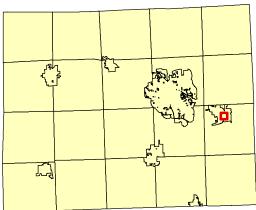
EXHIBIT A

SITE LOCATION MAP PARCEL MAP LEGAL DESCRIPTIONS PHOTOGRAPHS

MELLENCAMP BUILDING, LLC BROWNFIELD PROJECT

Location Map



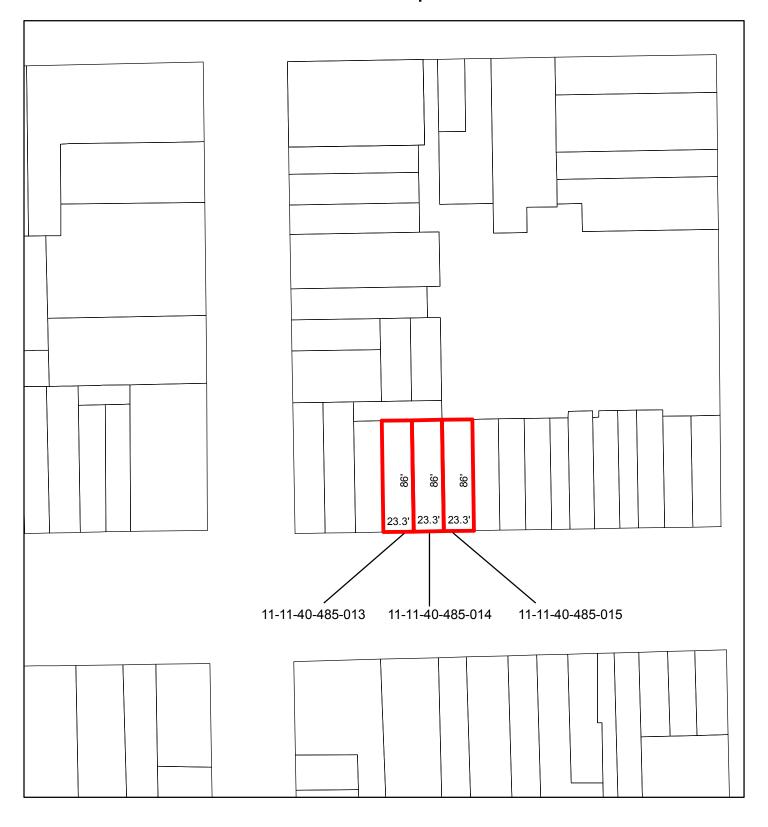






MELLENCAMP BUILDING, LLC BROWNFIELD PROJECT

Parcel Map



225

150

37.5

75

300

Feet



WARRANTY DEED

AMERICAN TITLE COMPANY OF WASHTENAW

The Grantor(s) Bank of Ann Arbor, a Michigan banking corporation,
Convey(s) and Warrant(s) to Mellencamp Building, L.L.C., a Michigan limited liability company, whose address is 35
S. Summit, Ypsilanti, MI 48197

the following property located in the City of Ypsilanti, Washtenaw County, Michigan:
Commencing at a point 46 feet and 8 inches West of the Southeast corner of Lot 117, according to the plat of the Village of Ypsilanti (now City), as recorded in the Office of the Register of Deeds for Washtenaw County, Michigan in Transcript, Page 162; thence West 23 feet and 4 inches; thence North to the North line of said lot; thence East on the North line of said lot 23 feet 4 inches; thence South to the PLACE OF BEGINNING, excepting a 15 foot alley running along said lot conveyed to the City of Ypsilanti in Liber 60 of Deeds, Page 155, Washtenaw County Records, being a part of Lot 117, according to the Plat of the Village (now City) of Ypsilanti, Washtenaw County, Michigan.

(Address: 124 W. Michigan Ave.) tax parcel #11-11-40-485-013

for the sum of One Hundred Fifty Five Thousand and 00/100 (\$155,000.00) Dollars, subject to easements and building and use restrictions of record, and further subject to the lien of real property taxes not yet due and payable.

Dated:, 2010	Bank of Ann Arbor	
	By: Cynthia J. Livesay Its: Senior Vice President	
Acknowledged before me in Washtenaw Count Vice President of Bank of Ann Arbor, a Michiga	-//	ynthia J. Livesay, Senior

Drafted by:
Michelle J. Taylor (P64926)
3005 Boardwalk, Suite 202
Ann Arbor, MI 48108
Recording fee: \$14.00
County transfer tax: \$170.50
State transfer tax: \$1,162.50
Total transfer tax: \$1,333.00

When recorded return and send tax bills to: Mellencamp Building, L.L.C. 35 S. Summit Ypsilanti, MI 48197

File#99984sfg

EXHIBIT "A" - LEGAL DESCRIPTION

CT File No.: 10.0075

Land situated in the City of Ypsilanti, County of Washtenaw, State of Michigan described as:

Parcel II: Beginning at a point in the North line of Michigan Avenue (formerly designated as Congress Street) 23 feet and 4 inches West of the Southeast corner of Lot 117, Original Plat of the Village (now City) of Ypsilanti, Washtenaw County, Michigan as recorded in Transcripts, Pages 162 and 163, Washtenaw County Records; thence North parallel to the East line of said Lot, 10 rods; thence West 23 feet and 4 inches parallel to the North line of Michigan Avenue; thence South parallel to the East line of said Lot, 10 rods to the North line of Michigan Avenue; thence East on the North line of Michigan Avenue 23 feet 4 inches to the Place of Beginning. EXCEPTING THEREFROM the North 15 feet of the South 101 feet deeded to the City of Ypsilanti for alley purposes in Liber 60 of Deeds, Page 155, Washtenaw County Records. ALSO EXCEPTING the East 9 feet of the North 74 feet, and the West 14.4 feet of the North 64 feet of said land.

This property may be located within the vicinity of farmland or farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

The Grantor grants to the Grantee the right to make _____ division(s) under section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967.

Commonly known as: 122 W. Michigan Avenue

Parcel I.D. No.: 11-11-40-485-014

EXHIBIT "A" - LEGAL DESCRIPTION

CT File No.: 10.0074

Land situated in the City of Ypsilanti, County of Washtenaw, State of Michigan described as:

Parcel 1: Commencing at the Southeast corner of Lot 117, Original Plat of the Village (now City) of Ypsilanti, Washtenaw County, Michigan, as recorded in Transcripts, Pages 162 and 163, Washtenaw County Records; thence West 23 feet 4 inches on the North line of Michigan Avenue; thence North on a line parallel to the East line of said Lot 117, a distance of 86 feet to a point in the South line of a public alley distant 23 feet 4 inches West from the East line of said Lot 117; thence East along the South line of said public alley to the East line of said Lot 117; thence South along the East line of said Lot 117 to the Place of Beginning.

Subject to:

This property may be located within the vicinity of farmland or farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

The Grantor grants to the Grantee the right to make _____ division(s) under section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967.

Commonly known as: 120 W. Michigan Avenue

Parcel I.D. No.: 11-11-40-485-015





124 W. Michigan Ave. 122 W. Michigan Ave.

120 W. Michigan Ave.

EXHIBIT B

AFFIDAVIT
Statement of Functional Obsolete Status

AFFIDAVIT OF SHARON DOOM

STATE OF MICHIGAN) SS: COUNTY OF WASHTENAW)

Sharon Doom, being sworn, says:

- 1. I have personal knowledge of the facts stated in this affidavit and, if sworn, as a witness, I am competent to testify hereto.
- 2. I am the City Assessor, Level III, for the City of Ypsilanti in the State of Michigan.
- 3. I inspected the specific property located at 120,122 & 124 West Michigan. The property suffers from physical depreciation, poor design and is currently vacant.
- 4. On the basis of my physical inspection of the specific aforementioned property, I have determined that this property is "functionally obsolete" and is unable to be used to perform as intended due to substantial loss in value resulting from deficiencies and super inadequacies in design and construction.
- 5. Further affiant sayeth not.

Subscribed and sworn to before me this 13th day of May, 2010.

annie Schuette

Notary Public, WashlewawCounty, MI My commission expires: December 22, 2010 Acting in Washtenaw County, Michigan

EXHIBIT C

Obsolete Property Rehabilitation Act Certificate

Resolution No. 2010 - 095 June 1, 2010



RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the Obsolete Property Rehabilitation Act, Public Act 146 of 2000 (the "Act"), provides for a tax incentive to encourage the redevelopment of obsolete buildings through the establishment of an Obsolete Property Rehabilitation District; and

WHEREAS, pursuant to PA 146 of 2000, the City of Ypsilanti is a Qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and

WHEREAS, the Council of the City of Ypsilanti legally established an Obsolete Property Rehabilitation District that includes parcels #11-11-40-485-015, 11-11-40-485-014, and 11-11-40-485-013 (120, 122, and 124 W. Michigan Ave) on June 1, 2010 after a public hearing held on the same date as provided by section 3 of Public Act 146 of 2000; and

WHEREAS, the properties at 120, 122 and 124 W. Michigan was certified functionally obsolete by the City Assessor per P.A. 146 on May 13, 2010; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Ypsilanti eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, the owners of the above referenced parcels, Mellencamp Building, LLC, have submitted an application for an obsolete property as defined in section 2(h) of Public Act 146 of 2000 requesting an exemption for a period of 12 years as a function of the Act; and

WHEREAS, the application included all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate; and

WHEREAS, Mellencamp Building, LLC is not delinquent in any taxes related to the facility; and

WHEREAS, the owners of the above referenced parcel have proposed to rehabilitate currently vacant and functionally obsolete structures into a ground floor commercial, and upper story residential lofts for Mellencamp Building, LLC including basement office space and additional office/art studio space for rent; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Ypsilanti; and

WHEREAS the rehabilitation includes improvements aggregating approximately 100% of the true cash value of the property at commencement of the rehabilitation as provided by section 2(I) of Public Act 146 of 2000.

WHEREAS, the review committee met on Thursday, May 13, 2010 and recommends approval of the application for a period of twelve years (2011-2022); and

WHEREAS, the application is not recommended for an extension; and

WHEREAS the completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, revitalize urban areas, and increase number of residents in the community in which the facility is situated.

WHEREAS, the application was approved at a public hearing as provided by section 4(2) of Public Act 146 of 2000 on June 1, 2010; and

NOW, THEREFORE, BE IT RESOLVED THAT the Ypsilanti City Council herby grants an Obsolete Property Rehabilitation Exemption for a period of 12 years beginning December 31, 2010 and ending December 30, 2022 for the real property, excluding land, located in the Obsolete Property Rehabilitation District defined by parcels #11-11-40-485-015, 11-11-40-485-014, and 11-11-40-485-013 (120, 122, and 124 W. Michigan Ave) pursuant to the provisions of PA 146 of 2000, as amended, subject to completion of the renovations within two (2) years, the final approval of exemption certificates by the State Tax Commission, and to the taxes on the property being paid on time.

OFFERED BY: .	Council Member Richardson	
SUPPORTED BY	: Council Member Murdock	
YES: 6 N	O: 0 ABSENT: 1 (Swanson-Winston)	VOTE: Carried

Date Printed: 6/3/2010

Project Name	Address	Community	Project Qualification Basis	Estimated Investment (\$)			Total Approved Eligible Activities (\$)	MEDQ Approval of 381 Workplan?	MEGA Approval of 381 Workplan?	MBT G	Construction Started?	Eligible Costs (Reimbursement (2010 Taxable Value (real property) (\$)	Notes:
Monument Park	8031 Main	Dexter Village	0.47 Facility	2,100,000		50 200		n/a r	•		•	a n/a	n/a		Completed Project
Toyota Technical Center	8777 Platt, Saline	York Township	690 Facility	150,000,000		900 200			,		YY	Υ	N		Work completed; in TIF repayment period
Mack & Mack	211-215 W. Michigan	Ypsilanti City	0.28 Functionally Obsolete	1,700,000	156,400	25 200	·	n/a r		Υ `	Y n/a	n/a	n/a		Completed Project
Schoolpictures.com	300 W. Forest	Ypsilanti City	3.03 Functionally Obsolete	4,300,000	-	80 200	·	n/a	Υ	Υ	Ν	N	N	384,200	Correspondence to Developer for Certification
Maple Shoppes	512-540 N. Maple; 2350-2390 Dexter	Ann Arbor City	2.7 Facility	7,800,000	340,985	30 200	8 1,209,027	Υ \	Υ	N '	Y N	N	N	412,400	Costs Certified, TIF Capture likely in 2010
Michigan Inn	2800 Jackson	Ann Arbor City	4.5 Facility, Functionally Obsolete & Blighted	28,000,000	256,697	0 200	8 651,490	N Y	Υ	N '	Y N	N	N	853,600	Demo complete, no TIF in 2010
Banks of Saline	232 Monroe	Saline City	10.6 Facility	21,000,000	565,497	5 200	6 1,038,906	1 Y	N	N	N N	N	Ν	89,284	EPA/JCI Dialogue, legal action; CMI grant/loan expired
Village Market Place	147-185 W. Michigan; 104 Henry	Saline City	1.09 Facility	10,400,000	544,210	30 200	7 1,250,174	1 Y	N	ΥI	N N	N	N	153,361	Site plan expired on project
Dexter Wellness Center	2810 Baker Road	Dexter Village	7.42 Facility	9,000,000	1,296,069	30 200	7 n/a	n/a r	n/a	Y	Y n/a	n/a	n/a	967,500	Phase I complete in Winter
Federal Screw Works	425 Congdon, 500 S. Main	Chelsea City	2.56 Facility	5,000,000	262,700	50 200	8 546,179	N Y	Υ	N	N N	N	Ν	243,400	Act 381 Workplan drafted; unsubmitted
Water Street	2-216 E. Michigan	Ypsilanti City	38 Facility, Blighted	120,500,000	-	0 200	6 23,217,533	N I	N	N	N N	N	N	-	EPA Clean-up Grant work being conducted
200 S. Ashley	200 S. Ashley	Ann Arbor City	0.1 Facility	9,650,000	166,322	38 200	7 834,903	N Y	Υ	N	N N	N	N	180,000	Seeking increased MBT Credit; Considering RLF Application
Thompson Block	400-408 N. River	Ypsilanti City	0.3 Functionally Obsolete	4,000,000	153,000	50 200	8 185,000	N 1	N	Υ	N N	N	Ν	153,000	Building damaged by fire; legal action btw owner/City
601 Forest	607-621 Forest; 1304 S. University	Ann Arbor City	0.79 Facility	82,800,000	1,033,458	90 200	8 3,501,250	N Y	Υ	N	N N	N	N	1,078,928	381 Workplan denied by MDEQ
Broadway Village	1100-1170 Broadway; 915-959 Maiden Lane	Ann Arbor City	6.4 Facility	171,000,000	2,332,451	582 200	3 40,382,285	N Y	Υ	N	N N	N	Ν	1,796,100	
ACH-Saline	7700 Michigan Avenue	Saline City	187 Facility	10,000,000	9,134,200	2000 201	0 n/a	n/a r	n/a		n/an/a	n/a	n/a	9,134,200	Approved by BOC on May 5th
Near North Apartments	626-724 North Main Street	Ann Arbor City	1.2 Facility	12,200,000		6	n/a	n/a r	n/a			n/a	n/a		City BRC review complete, City council on June 7th
Mellencamp Building	120-124 W. Michigan	Ypsialnti City	0.25 Functionally Obsolete	2,200,000)	25	n/a	n/a r	n/a			n/a	n/a		