

WASHTENAW COUNTY  
BROWNFIELD REDEVELOPMENT AUTHORITY

AMENDMENT TO BROWNFIELD PLAN  
PACKARD SQUARE REDEVELOPMENT PROJECT  
TO ADD UNDERGROUND PARKING  
AND URBAN STORM WATER MANAGEMENT EXPENSES  
AS ELIGIBLE ACTIVITIES

Prepared by:

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

June 17, 2013

June 6, 2013

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## **Introduction**

This is an amendment of the Washtenaw County Brownfield Plan for the Packard Square Redevelopment Project that was approved by the Washtenaw County Board of Commissioners and the Ann Arbor City Council in May, 2011 (the “Brownfield Plan”). This Brownfield Plan Amendment (“Amendment”) adds two “eligible activities” that are now eligible for reimbursement under Act 381 of 1996, as amended (“Act 381”). The two categories of infrastructure expenses that are being added pursuant to this Amendment are underground parking and an urban stormwater management system. Recent changes to Act 381 have added certain expenses to the “infrastructure” category under Act 381, including both underground parking and urban stormwater management systems. This Amendment does not propose to increase the approved maximum amount of eligible activities reimbursable to the developer (Packard Square LLC) under the Brownfield Plan, which is \$3,582,222, including the 15% contingency, plus interest. Because there is no change in the maximum amount of eligible activities reimbursable to the Developer, the only change in the TIF schedule that was included with the Brownfield Plan will be that the TIF capture will begin in 2014 and subsequent capture years will follow thereafter.

## **Addition of Certain Infrastructure Expenses**

- A. Underground Parking. Packard Square LLC estimates that its expenses for underground parking, which is now an eligible activity under Act 381, will be \$2,400,000. Pursuant to this Amendment, these expenses would be added to the category of infrastructure expenses under the Brownfield Plan.
- B. Urban Stormwater Management System. Packard Square estimates that its expenses for the urban stormwater management system, which is now an eligible activity under Act 381, will be \$475,000. The cost for a standard stormwater system (detention basin) is approximately \$150,000. Therefore, pursuant to this Amendment, the cost differential of \$325,000 would be added to the list of infrastructure expenses under the Brownfield Plan.

## **Table of Reimbursable Eligible Activities**

Included below is a revised table of reimbursable eligible activities based upon this Amendment.

<b>ESTIMATED COST OF REIMBURSABLE ELIGIBLE ACTIVITIES*</b>		
<b>Description of Eligible Activities</b>		<b>Estimated Cost</b>
1.	BEA Activities	\$ 24,180
2.	Due Care/Due Care Activities	\$ 3,000
3.	Preparation of a Brownfield Plan	\$ 10,000
4.	Preparation of Work Plans	\$ 16,000
5.	Demolition (Building and Site)**	\$ 122,471
6.	MEGA Infrastructure Improvements	\$ 4,013,881
7.	Local-Only Public Infrastructure Improvements	\$ 650,000
8.	Lead and Asbestos Abatement	\$ 60,000
9.	Site Preparation	\$ 645,000
Subtotal		\$ 5,544,532
<b>Capped at Original Brownfield Plan Total</b>		<b>\$ 3,121,521</b>
10.	15% Contingency***	\$ 460,701
11.	MEGA Fee	\$ 1,000
12.	MDEQ Fee	\$ 1,500
13.	BRA Administrative Fees	\$ 358,222
14.	Interest	\$ 717,236
15.	LSRRF Deposits	\$ 1,180,377
<b>TOTAL</b>		<b>\$ 5,840,557</b>

\*The costs of Additional Response Activities and Demolition are anticipated to be higher; however, the Developer plans to pay for portions of these eligible activities with MDEQ grant funds.

\*\*Portions of the building demolition in this project are Part 201 Response Activities (i.e., it is a necessary step in the remediation activities). The costs will be covered by 381 TIF, MDEQ Grant Funds and by a liable party.

\*\*\*The contingency is applied to the capped Subtotal, except the BEA Activities, which have already been performed.

Although the subtotal of eligible activities exceeds the amount that is included in the Brownfield Plan, the developer is not proposing any increase in the overall total for the reimbursable TIF eligible activities. Hence, the maximum amount of reimbursable TIF eligible activities will be \$3,582,222 (which includes the 15% contingency) plus interest.

## **Reimbursement of Eligible Activities with Local-Only TIF**

With respect to the reimbursement of eligible activities with local-only TIF, the Brownfield Plan is amended as follows. In the event that the use of school tax revenues to reimburse specific eligible activities is not approved by the MDEQ or MEGA, these activities (except those specific activities listed as “local-only” in the table above, which will be fully reimbursed with local-only TIF) will be reimbursed with local-only TIF, only up to the amount that would have been reimbursed if the use of school tax had been approved by the MDEQ or MEGA. The sub-slab vapor barriers with passive system will be supported locally, however, only if they are approved by the MDEQ.

## **Revised Table 1**

Because of the addition of these two categories of infrastructure eligible activity expenses, and the shifting of other expenses (see next paragraph for explanation), the figures in Table 1 of Attachment C of the Brownfield Plan have been revised. The revised Table 1 is attached hereto.

The original number of required sewer disconnects (57) was increased to sixty-two (62) as a result of an increase in the number of residential units, which increased the cost for this infrastructure activity. The remaining infrastructure, site preparation and abatement cost changes were the result of bids based on the final project design documents for contractors to work from. The earlier costs were estimates developed prior to the detailed documents being available for review.

## **Incorporation of Provisions of Brownfield Plan**

All other terms of the Brownfield Plan remain unchanged and are incorporated herein by reference.

Table 1 - Packard Square Project - MSF and MDEQ Eligible Activities							
Eligible Activities means 1 or more of the following: 1) Baseline environmental assessment activities (Phase I, Phase II, BEA), 2) Due Care Activities (Due Care Plan and its associated activities), 3) Additional response activities (activities beyond what is minimally required under the law), 4) Infrastructure improvements that directly benefit the property, 5) demolition of structures that is not a response activity (including interior demolition), 6) Lead or asbestos abatement (included assessment), 7) Site preparation that is not a response activity (removal of fill, site grading/grubbing, etc.), 8) relocation of public buildings or operations for econ dev purposes, 9) costs of preparing a brownfield plan or work plan, 9) costs of environmental insurance							
Item/Activity	Total Estimated Cost	School and Local MSF Act 381 Eligible Activities	School and Local MDEQ Act 381 Eligible Activities	Local Only Act 381 Eligible Activities	Activities to Be Funded All or Partially with MDEQ Grant	Activities to Be Funded by Harbor Georgetown, L.L.C.	Comments
<b>BEA Environmental Assessment Activities - No prior MDEQ or MEGA work plan approval necessary if costs are included in the Plan (even if incurred before Brownfield Plan approval)</b>							
Phase II	\$ 15,000		\$ 15,000				
Supplemental Phase II	\$ 5,680		\$ 5,680				
BEA	\$ 3,500		\$ 3,500				
<b>Response Activities</b>							
Demo Building 3 (Dry Cleaner)	\$ 43,345					\$ 43,345	
Soil Removal and Disposal - incremental cost over greenfield -Core Area (15' below grade) 880 tons	\$ 71,280					\$ 71,280	
<b>Due Care Activities</b>							
Due Care Plan	\$ 3,000		\$ 3,000				
Remove existing monitoring wells and lab analysis	\$ 18,700				\$ 18,700		Grant Funded*
Excavation Field Oversight, Verification Sample Collection, Project Management, HASP, Reporting	\$ 46,250				\$ 46,250		Grant Funded
Soil Removal and Disposal – Incremental cost over greenfield - Impacted soils (up to 15" below grade), excluding Core Area ~2,500 tons	\$ 240,000				\$ 240,000		Grant Funded
Dewatering, Trucking and Backfill	\$ 55,000				\$ 55,000		Grant Funded
Vapor Barrier (southeast wing)	\$ 110,000				\$ 110,000		Grant Funded
<b>Infrastructure Improvements</b>							
Water	\$ 325,000	\$ 325,000					
Sanitary Sewer	\$ 490,000	\$ 490,000					
1,500' of Sanitary Sewer Upsizing	\$ 475,000	\$ 475,000					
Residential Sewer Disconnects (62 Units)	\$ 650,000			\$ 650,000			
Underground/Multilevel Parking	\$ 2,398,881	\$ 2,398,881					
Urban Storm Water Management System (incremental cost only)	\$ 325,000	\$ 325,000					
<b>Asbestos Survey and Hazardous Mat Activities</b>							
Asbestos, Lead and Hazardous Material Survey	\$ 10,000	\$ 10,000					
Asbestos Abatement	\$ 25,000	\$ 25,000					
Hazardous Abatement	\$ 20,000	\$ 20,000					
Oversight and Reporting	\$ 5,000	\$ 5,000					
<b>Demolition</b>							
Site Demo (Parking Lot)	\$ 125,460	\$ 72,471			\$ 52,989		Grant Funded
Building Demo (1&2)	\$ 263,231	\$ 50,000			\$ 213,231		Grant Funded
Brick Recycling	\$ 23,700				\$ 23,700		Grant Funded
<b>Site Preparation</b>							
Soil Erosion Control	\$ 18,100	\$ 18,100					
Retaining Wall	\$ 115,000	\$ 115,000					
Land Balancing	\$ 113,000	\$ 113,000					
Fill	\$ 368,900	\$ 368,900					
Construction Staking	\$ 30,000	\$ 30,000					
Construction Fencing	\$ 35,700				\$ 35,700		Grant Funded
Power Line Relocation	\$ 79,110				\$ 79,110		Grant Funded
Transformer Removal	\$ 6,250				\$ 6,250		Grant Funded
<b>Project Sub Totals</b>	<b>\$ 6,514,087</b>	<b>\$ 4,841,352</b>	<b>\$ 27,180</b>	<b>\$ 650,000</b>	<b>\$ 880,930</b>		
<b>15% Contingency on Eligible Activities (capped at original approval and does not include grant contingency)</b>	<b>\$ 580,771</b>	<b>\$ 477,086</b>	<b>\$ 6,280</b>	<b>\$ 52,335</b>	<b>\$ 45,070</b>		
<b>Preparation of Brownfield Plan and Act 381 Workplan</b>							
Brownfield Plan	\$ 10,000	\$ 5,000	\$ 5,000				
MSF Act 381 Work Plan	\$ 16,000	\$ 16,000					
MDEQ Act 381 Work Plan and Bid Specs	\$ 34,000				\$ 34,000		Grant Funded
<b>Application/Admin Fees</b>							
MSF Fee	\$ 1,000	\$ 1,000					
MDEQ Fee	\$ 1,500		\$ 1,500				
BRA Administrative Fees	\$ 358,222			\$ 358,222			Local Only
Interest	\$ 717,236	\$ 557,281	\$ 14,675	\$ 145,279			
Washtenaw County Admin Fee	\$ 40,000				\$ 40,000		Grant Funded
Local Site Remediation Revolving Fund	\$ 1,180,377		\$ 506,107	\$ 674,270			
<b>Total Cost of Eligible Activities (includes WCBRA admin. Fees and LSRRF and MDEQ Grant)</b>	<b>\$ 9,453,193</b>	<b>\$ 5,897,719</b>	<b>\$ 560,743</b>	<b>\$ 1,880,107</b>	<b>\$ 1,000,000</b>	<b>\$ 114,625</b>	

### Packard Square Brownfield Plan Amendment At-A-Glance\*

Description of Eligible Activity	Estimated Cost in May 11, 2011 Approved Plan	Estimated Cost in Proposed Amendment	Comment/Reason
Additional Response Activities & Building Demo	\$989,780	\$122,471	Some costs are covered through the MDEQ Grant, and certain costs have been removed from this category (hot spot removal)
MSF Infrastructure Improvements	\$588,705	\$4,013,881	Costs determined from actual bids versus estimated costs and the addition of the underground/multilevel parking and urban storm water management system activities
Local-Only Infrastructure Improvements	\$600,000	\$650,000	Increased number of residential units which increased the required number of disconnects from 57 to 62.
Lead & Asbestos Abatement	\$323,100	\$60,000	Costs determined from actual bids versus estimated costs
Site Preparation	\$364,300	\$645,000	Costs determined from actual bids versus estimated costs

\*The amount of available TIF Reimbursement will remain the same as previously approved. The above figures represent the category shifts within the eligible activities.