

Not Yet Approved  
*The City of Auburn Hills*  
**Brownfield Redevelopment Authority Meeting** **July 31, 2002**

---

**CALL TO ORDER:** Chair Capen called the meeting to order at 6:10 p.m.

**ROLL CALL:** Present. Burchfield, Capen, Douglas, McDonald  
Absent. Vettel  
Also Present. City Manager Ross, Assistant City Manager Tanghe  
3 Guests

**LOCATION:** Community Room at the Public Safety Building, 1899 N. Squirrel Road, Auburn Hills MI 48326

**3. PERSONS WISHING TO BE HEARD** - none

**4. APPROVAL OF MINUTES: DECEMBER 17, 2001**

Mr. Capen, referencing Mr. Ross' comment that the Authority should be receiving a letter from the DEQ regarding the Fons landfill, asked if the letter has been received. Mr. Ross indicated it has not.

**Mr. Douglas moved to approve the minutes of December 17, 2001 as submitted.**

**Supported by Mr. Burchfield.**

**VOTE: Yes: All  
No: None**

**Motion carried**

**5. ELECTION OF OFFICERS**

**Mr. Douglas nominated Mr. Capen for the office of Chair.**

**Seconded by Mr. Burchfield.**

**VOTE: Yes: Burchfield, Capen Douglas, McDonald  
No: None**

**Motion carried (4-0)**

**Mr. McDonald nominated Mr. Burchfield for the office of Vice Chair.**

**Seconded by Mr. Douglas.**

**VOTE: Yes: Burchfield, Capen Douglas, McDonald  
No: None**

**Motion carried (4-0)**

**6. FINANCIAL REPORT**

There were no questions on the financial report.

**7. PRESENTATION OF PROPOSED PROJECT – JOSLYN-COLLIER,LLC**

Mr. Greve introduced **Mr. Bruce Brickman**, General Development Company, developer of the project. Mr. Brickman introduced his team: **Mr. Mark Jacobs**, Environmental Counsel, and **Mr. Doug \_\_\_\_**.

Mr. Brickman explained the property is being developed as an Industrial and T&R park, and noted one tenant has been signed for 150,000 square feet. He also advised the Authority that the 30-acre wetland to the north of the project site will be protected by a conservation easement to the City of Auburn Hills and the DEQ.

Mr. Brickman noted that screening and other elements requested by the area residents when the plan was first introduced will be incorporated into the site plan .

Mr. Brickman clarified the conservation easement will not change the ownership of the wetland property, which is owned by the Schram's.

Responsibility for monitoring the existing wells along the property line between the subject property and the Pontiac landfill was discussed. Mr. Brickman was of the opinion the responsibility lies with the landfill, but assured the Authority Joslyn-Collier LLC will be keeping a close eye on the monitoring process. Mr. Brickman confirmed the City has no direct responsibility to monitor the wells for contamination.

Mr. Capen questioned if Act 381 gives the City the responsibility of seeking cost recovery from the party responsible for the contamination. Mr. Greve clarified that the Act makes it discretionary, but gives the City the ability to sue for cost recovery. Mr. Jacobs explained the City can not offer money to the party liable for the contamination. Mr. Brickman explained that because the subject property is bounded by two landfills and the former Columbus Drum property proving liability against the Pontiac landfill would be very difficult.

Returning to the screen issue, Mr. Brickman noted 311 eight-foot evergreen trees will be planted along Collier.

Mr. Douglas referenced the due care plan and asked if it would inhibit the development of other sites. Mr. Brickman could see no reason for that to be the case.

#### **8. RECOMMENDATION ON BROWNFIELD PLAN – JOSLYN-COLLIER, LLC**

Mr. Greve noted that each building site has been treated in the Plan as a separate item, so that individual tenants will not have to wait for completion of the entire site before being able to apply for the single business tax (SBT) credit.

Mr. Greve briefly highlighted certain sections of the Plan document. Item B on page 10 demonstrates the reason why the property has been qualified as a brownfield site. The table in Item C breaks down the estimated costs of eligible activities for each of the three building sites, showing a combined total of \$934,500.00 in eligible costs. Mr. Greve pointed out that methane collection and treatment accounts for almost half of the estimated costs related to the subject site. He also noted that the relatively high cost for soil excavation and disposal is driven by the requirement to dispose of contaminated soil at a Type 2 landfill.

Responding to concerns about the contamination level of the wetlands, Mr. Jacobs explained that in terms of relevant clean up standards the wetlands don't represent a danger. Mr. Doug noted that wetlands are good at accepting and holding contamination, and also reported that there are no exceedences of direct contact standards with either the water or the soil. He also reported that surface water samples from the Galloway Creek, which is downstream from the wetlands, showed no worrisome levels of contamination.

Returning to the Plan document, Mr. Greve noted that the tables on pages 13-14 show the total estimated tax increment revenue, which includes five years of tax capture for the revolving fund, to be \$1,850,227.00 for Property 1; \$445,441.00 for Property 2; and \$503,623.00 for Property 3. He further noted that the method of financing includes interest to be paid from the tax increment finance (TIF) revenues. As an incentive for steady progress toward completion of development, the interest is payable only through December 31, 2007. Mr. Greve explained the interest is derived, as shown in Item 5 of the Development Agreement, from actual interest expense up to 8%.

Continuing, Mr. Greve directed attention to Page 16 which shows the affected taxing jurisdictions and their contribution.

Mr. Greve then presented the following summaries:

#### **FINANCIAL SUMMARY**

##### **Current Conditions**

Current Unabated Taxable Value: \$78,140.00

Current Unabated Annual Tax Revenue: \$3,500.00

##### **Anticipated Outcome**

Projected Unabated Taxable Value: \$13,670.00

Projected Annual Tax Revenue: \$611,000.00

##### **Authority's Role**

Investment by Authority: \$934,500.00

##### **Other Benefits**

Creation of Revolving Fund: \$1,864,000.00

Job Creation: Estimated at 400 jobs

#### **SUMMARY OF ELIGIBLE ACTIVITIES**

##### **Tasks Completed to Date:**

- Phase I ESA
- Phase II ESA and geotechnical activities
- BEA
- Preparation of work plan

##### **Future Tasks:**

- Due care and additional response activities
- Soil and groundwater sampling
- BEA's for the site tenants
- Contaminated soil removal and disposal
- Methane collection and treatment
- Contaminated groundwater collection and disposal

#### **SUMMARY OF ELIGIBLE EXPENSES**

##### **Estimate of Costs Eligible for Reimbursement:**

- BEA's - **\$30,000**
- Work plan preparation - **\$20,000**
- Due Care and additional response activities - **\$60,000**
- Soil removal - **\$280,000**
- Methane collection and treatment - **\$433,000**
- Groundwater disposal - **\$40,000**
- Administrative - **\$71,500**
- Interest – **8%**

**Estimated Total Cost: \$934,500**

All financing shall be provided by Joslyn-Collier, LLC.

Mr. Capen questioned inclusion, in the list of eligible activities, of Phase I & II Baseline Environmental Assessments (BEA's) since the costs were incurred prior to Plan approval. Mr. Greve explained that the Act 381 has been applied is to disregard how a municipality chooses to spend local tax dollars, but to disallow school taxes for costs incurred prior to Plan approval. Mr. Jacobs pointed out the estimated eligible costs also reflect future Phase II BEA's for individual tenants.

Mr. Greve clarified, in reference to Tables 1 and 2, that school taxes can be captured for the revolving fund in an amount equal to that spent on the project.

Mr. Doug reassured Mr. Capen that residents near the site are aware of the methane presence and that their homes have tested negative for methane. Mr. Jacobs confirmed that control and detection are the two main components of the methane plan which will be developed once the Plan approved.

Mr. Jacobs assured the Authority that since the methane presence on the Pontiac landfill was reported to the DEQ, the DEQ's level of interest in the site increased dramatically. He reported that the Pontiac landfill has committed to have controls in place by the end of the year.

**9. RECOMMENDATION ON WORK PLAN – JOSLYN-COLLIER,LLC**

Mr. Greve explained the Work Plan contains the same information as the Brownfield Plan, but in greater detail, and will be submitted to the DEQ for approval.

**10. RECOMMENDATION ON DEVELOPMENT AGREEMENT – JOSLYN-COLLIER,LLC**

Mr. Greve noted the Development Agreement is similar to the Agreements approval for other Brownfield projects. He indicated the City Attorney will be reviewing the Agreement before it is presented to City Council.

Inclusion of language protecting the Authority if the development does not proceed or the developer backs out was discussed.

Mr. Capen requested Item 5 of the agreements in the Development Agreement be revised to extend the deadline for the Authority to review the submission of a statement of costs of Eligible Activities from 14 days to 21 days.

Mr. Douglas disclosed that he has interviewed for a job with Fishbeck, a firm that may have some involvement in the subject brownfield project.

**Mr. Douglas moved to approve the Brownfield Plan for Joslyn-Collier, LLC and to forward the Plan to City Council.**

**Supported by Mr. Burchfield.**

**VOTE: Yes: Burchfield, Capen Douglas, McDonald  
No: None**

**Motion carried (4-0)**

**Mr. Burchfield moved to approve the Work Plan for Joslyn-Collier, LLC and to forward the Plan to the DEQ.**

**Supported by Mr. Douglas.**

**VOTE: Yes: Burchfield, Capen Douglas, McDonald  
No: None**

**Motion carried (4-0)**

**Mr. Douglas moved to adopt the Development Agreement with the extension of the deadline for the Authority to review the submission of a statement of costs of Eligible Activities to 21 days.**

**Supported by Mr. Burchfield.**

**VOTE: Yes: Burchfield, Capen Douglas, McDonald  
No: None**

**Motion carried (4-0)**

Mr. McDonald excused himself from the meeting at 7:30 p.m.

**11. OTHER BUSINESS**

Mr. Capen clarified for Mr. Douglas that the Authority does not receive compensation from the City.

Mr. Capen noted that the Authority members sign a conflict of interest form annually, usually after the annual election of officers.

Mr. Capen advised the representatives of Joslyn-Collier, LLC of the City's new Campaign Finance Disclosure Ordinance. City staff was directed to address the method of compliance for Joslyn-Collier, LLC with the City Attorney.

Mr. Tanghe informed the Authority that the City Finance Officer and the City Treasurer would like the Authority to officially rescind the Lamppost LLC Brownfield Plan, now that the developer has sold the subject property to MDOT.

**Mr. Burchfield moved to recommend that City Council rescind the Lamppost LLC Brownfield Plan. Supported by Mr. Douglas.**

**VOTE: Yes: Burchfield, Capen Douglas  
No: None**

**Motion carried (3-0)**

**12. ADJOURNMENT**

**Mr. Burchfield moved to adjourn the meeting.**

**Supported by Mr. Douglas.**

**VOTE: Yes: All  
No: None**

**Motion carried**

The meeting was adjourned at 7:40 p.m.

Linda F. Shannon, City Clerk

J. Cherilynn Tallman, Deputy Clerk