

*The City of Auburn Hills*  
**Brownfield Redevelopment Authority Meeting**

**December 16, 2002**

---

**CALL TO ORDER:** Chair Capen called the meeting to order at 6:30 p.m.

**ROLL CALL:** Present. Burchfield, Capen, Douglas, McDonald, Vettel  
Absent. None  
Also Present. City Manager Ross, Brownfield Consultant Greve  
6 Guests

**LOCATION:** Conference Room, 1827 N. Squirrel Road, Auburn Hills MI 48326

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

**4. APPROVAL OF MINUTES: OCTOBER 21, 2002**

Mr. Capen, referencing Item No. 5 on Page 2, asked that his question regarding investigation fees related to possible contamination at the old fire station on Opdyke be answered. Mr. Ross agreed to get Mr. Capen an answer.

**Moved by Ms. Vettel to approve the minutes of October 21, 2002 as submitted.**

**Supported by Mr. Burchfield.**

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

**Motion carried**

Mr. Capen deviated from the agenda.

**6. ELECTION OF OFFICERS**

Mr. Capen opened the floor for nominations for Chair.

**Mr. Douglas nominated Mr. Capen for Chair.**

There being no other nominations, Mr. Capen closed the nominations.

**VOTE FOR MR. CAPEN AS CHAIR OF THE AUTHORITY:**

**Yes: All  
No: None**

**Mr. Capen was elected to the position of Chair.**

Mr. Capen opened the floor for nominations for Vice Chair.

**Ms. Vettel nominated Mr. Burchfield for Vice Chair.**

There being no other nominations, Mr. Capen closed the nominations.

**VOTE FOR MR. BURCHFIELD AS VICE CHAIR OF THE AUTHORITY:**

**Yes: All  
No: None**

**Mr. Burchfield was elected to the position of Vice Chair.**

**7. REQUEST FOR BROWNFIELD PLAN - LOWES**

Mr. Greve briefly outlined the proposal from Lowes to locate on a closed landfill on the site currently occupied by Mulligan's Golf Center. The eligible activities are estimated at \$9.2 million. He explained if the Authority reaches an agreement on the proposal, Lowe's will prepare a Brownfield Plan and bring it to the Authority and to the City Council for approval.

Mr. Ross explained the proposal is different from most Brownfield projects because it is for a retail facility as opposed to an industrial facility. He commented that the return in terms of taxes is not the same as with an industrial property and reported that every retail outlet in the Auburn Mile has filed a tax appeal. Mr. Ross expressed concerns with a retail operation being able to pay off the high cost of cleanup and development of the subject site.

Mr. Ross, responding to a question from Mr. McDonald, indicated the site could support industrial use with the proper construction which would be expensive. Mr. McDonald commented that industrial use of the site would carry the same repayment concerns as retail.

Mr. Ross clarified the north quarter of the site is zoned landfill/business, and the rest of the site is zoned landfill/recreation.

Mr. Douglas pointed out there is tense competition in the retail corridor where the site is located, and businesses such as Kmart and JCPenney have vacated their facilities. He stressed that Lowes will need to be able to stay in business in the corridor to make the long term payoff.

**Mr. Paul Bohn**, representing the petitioner, clarified that the report on the condition of the site was based on a 1987 DEQ inspection and referenced historical conditions. He explained the Lowe's store will require superstructures to provide the required load bearing capacity which is as great as or greater than some industrial users. Mr. Bohn noted the subject site is located in a retail area. He also explained that Lowes enters into 25 year leases and hires career employees at top dollar. Mr. Bohn pointed out that if the parcel is ever going to generate more tax income than Mulligan's, the Authority will have to deal with the same issues now being discussed.

**Mr. Pat Bell**, Atwell Hicks, clarified the construction would be a slab on grade big box.

Mr. Ross clarified that the developers agreement could likely include tax floors and time limits.

Mr. Bell explained the landfill is capped but the DEQ considers it open for reasons detailed in the 1987 report. He noted there is an impermeable barrier on 17 acres of the site with an active methane collection and venting system. Mr. Capen pointed out that, because the landfill is capped and the methane is being vented, development of the site will not change the environmental conditions.

**Mr. David Katz**, one of Mulligan's owners, explained it has been 30 years since garbage was dumped in the landfill so not much methane is currently being created. He further explained that Mulligan's will close without a partnership with an entity like Lowes or the development of the back half of the property.

Mr. Bell indicated there is currently a leachate collection system on three sides of the property which discharges to the sanitary system and which is closely monitored and periodically tested by the current owners. He noted the leachate system would remain intact.

Mr. Katz clarified Mulligan's has a long term lease with Waste Management for the entire property. Mr. Bell noted there is potential for other foundation systems to be used on the site which would be appropriate for industrial facilities.

**Mr. David Fink**, another of Mulligan's owners, addressed Mr. Capen's earlier statement by commenting that, based on the regulatory framework in place, any landfill, after closure, can be improved in terms of environmental protection. He explained that a more complete and impermeable cap will improve the long term environmental implications.

Mr. Bohn confirmed that the subject site is the only Auburn Hills property being considered for the project.

Mr. Capen stated that he could not see an advantage to the proposal, specifically citing the possibility of the City not seeing increased tax revenue for 30 years and concern with disturbing a capped landfill. Mr.

Bohn asserted that, if Mulligan's leaves, the landfill cap could eventually erode. Mr. Ross indicated Waste Management would be responsible for the landfill as the successor company.

Mr. Burchfield advised he has a problem with the amount of money and subsequent length of time required to pay back eligible expenses. Mr. Bohn requested the Authority to determine what they could support.

Mr. McDonald remarked he was basically in favor of development of the subject property but felt the Authority could be creative in regards to a payback period.

"I'm going to speak more as a Councilperson here, too, that we're always looking for, I'll say retail or commercial, whatever, coming into the City and this has been vacant for a long time. Obviously I'm, I'll say, for a development on this property, but I kind of have the same concern you did. I think we can be creative in a payback period and possibly the total amount of \$9 million could be worked on too. From that standpoint I would say our job is to encourage this type of a development, and, I know we've worked with Mulligan's in the past when they developed their property and they've always worked very well with the City and did, basically, anything that the City requested of them. So I'm sure Lowe's is a fine organization, too, or Mulligan's wouldn't be dealing with them if that wasn't the case, so I, from Council's standpoint, feel comfortable working with them and I think that it would probably work out for a win-win case for the City and Lowe's and Mulligan's

*Mr. McDonald was excused to attend the City Council meeting.*

Mr. Burchfield said he would like to see a proposal.

Ms. Vettel, noting that the landfill has been a long-term problem, that the site will be expensive to develop for any use and that the property is located in a primarily retail area, expressed support for the Plan.

Mr. Douglas said he would be in favor of the project if some creative bargaining and negotiating in terms of the payback period took place.

The Authority was in general agreement that some options should be prepared for their consideration.

**Moved by Mr. Douglas to authorize the City Manager to negotiate a contract between Lowes and the Authority for preparation of a Brownfield Plan.  
Supported by Ms. Vettel.**

**VOTE: Yes: Vettel, Douglas, Burchfield  
No: Capen**

**Motion carried (3-1)**

## **8. REPORT AND RECOMMENDATION – PROJECT EXPENSES – AUBURN HILLS COMMERCE PARK**

Mr. Greve reported that the initial request for repayment for the preliminary work on analysis of the site has been submitted. Mr. Capen requested information about the location and contents of the storage tank which was removed.

**Moved by Mr. Douglas to approve the expenses and authorize Mr. Greve to begin the reimbursement process.**

**Supported by Mr. Burchfield.**

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

**Motion carried (4-0)**

Mr. Greve reported the storage tank was used on the site, based on information contained in the invoice.

**9. PROJECT UPDATE – BROWN ROAD GROUP, LLC**

Mr. Greve reported all items for the school tax capture have been approved with the exception of the methane collection system. He clarified that the design of the collection system has been approved, but additional information has been requested prior to approval being granted for installation.

**5. FINANCIAL REPORT**

Mr. Greve indicated the \$476 advertising cost is related to the publication of public hearing notices in *The Oakland Press*.

**Moved by Mr. Burchfield to accept the financial statement for the Brownfield Fund for the period ended November 30, 2002.**

**Supported by Mr. Douglas.**

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

**Motion carried**

**10. OTHER BUSINESS**

Mr. Capen questioned the ability of Mulligan's to build on a landfill that was not officially closed. Mr. Greve hypothesized that closure reports may not have been required prior to current regulations. He assured the Authority there is nothing else that has to be done to make the landfill safer than it currently is.

**9. ADJOURNMENT**

There being no objections, the meeting was adjourned at 7:46 p.m.

Linda F. Shannon, City Clerk

J. Cherilynn Tallman, Deputy Clerk