

**Brownfield Redevelopment Authority
MINUTES
City Commission Room of the Municipal Building
151 Martin Street, Birmingham, Michigan**

**Tuesday, March 21, 2017
8:30 a.m.**

1. Board Member Robert Runco acted as Chairman, welcomed everyone and convened the meeting at 8:15 a.m.

Members Present:

Paul Robertson, Jr.
Robert Runco
Dani Torcolacci
Wendy Zabriskie

Member Absent: Chairperson Beth Gotthelf

Also Present: Stacy DeSantis, PM Environmental, Inc.
Mike Kulka, PM Environmental, Inc.

Brett Stuntz, AKT Peerless Environmental Services, City Brownfield Consultant

Administration: Tim Currier, City Attorney
Jana Ecker, Community Development Director
Mark Gerber, Finance Director
Carole Salutes, Recording Secretary
Joseph Valentine, City Manager

2. Approval of September 27, 2016 Minutes

Motion and seconded to approve the September 27, 2016 minutes.

Voice

Vote:

**Yeas, 4
Nays, 0
Absent, 1 (Gotthelf)**

Motion carried, 4-0.

3. Request for reimbursement on Brownfield Plan approved for 400 S. Old Woodward Ave. (The Forefront)

Resolution approving the TIF reimbursement for the previously approved Brownfield project at **400 S. Old Woodward Ave.** (The Forefront) and directing the Brownfield Redevelopment

Authority to reimburse the applicant for actual expenses in the amount of \$191,466.77 as covered under their Reimbursement Agreement dated October 27, 2014 (reimbursement of up to \$316,552 was originally approved), as listed in the reimbursement request dated November 7, 2016, to the extent of property taxes captured to date for 400 S. Old Woodward Ave.

Ms. Ecker noted the applicant is requesting less than the amount that was originally estimated under their Brownfield Plan.

Ms. DeSantis explained they ended up finding extra tanks on-site, so they utilized the contingency because there wasn't money allocated specifically for the tanks since they didn't know about them.

Mr. Robertson noted the expense was for backfill because they had ground water. He questioned what that has to do with environmental issues. Ms. DeSantis said the backfill cost estimate of \$4,000 was included in the Brownfield Plan that was approved as part of the building and site demolition activities. They put \$37,279 worth of backfill costs into the Contingency Section and they put the other \$14,842.06 in the Demolition Section within the Brownfield Plan. The backfill number went from \$4,000 estimated to \$52,000. Mr. Robertson said it appears to him the backfill was caused by the soil conditions and it had nothing to do with the environmental. Ms. DeSantis further explained they utilized some of the backfill to cover some of the space that was filling where the tanks were.

Ms. DeSantis went on to say that a total of 1,320.32 yards of contaminated soil was disposed of and 2,300 yards of backfill was added to the site. Four tanks were removed that weighed 22.28 tons. She noted that the \$4,000 estimate for 235 yards of sand was low because soil conditions were not known until they got on the site. Everyone agreed that further clarification would be needed on the estimates. Chairman Runco explained the Authority is trying to justify the difference between what was pulled out, and what was done, along with a specific explanation.

Motion by Ms. Zabriskie

Seconded by Ms. Torcolacci to approve the TIF reimbursement for the previously approved Brownfield project at 400 S. Old Woodward Ave. (The Forefront) with the exception of Demolition of \$14,842.06 and the Contingency of \$37,279.

Voice
Vote: Yeas, 4
Nays, 0
Absent, 1 (Gotthelf)

Motion carried, 4-0.

At this time a phone call was made to PM Environmental, Inc. to get information on the reason for the difference between the original estimated amount of \$4,000 for backfill and why it went to \$52,000 and the difference in the sand yards and cost versus increased yards and costs. Additionally, how that is related to environmental.

Mr. Mike Kulka returned with new information. The \$4,000 was a concession on demo related activities. It was a placeholder and not a true estimate of anything. The Authority basically didn't agree that demo could be included, but they did allow some amount of backfill. So the backfill was an approved line item and that is why they went to Contingency with it. As far as the 1,300 yards of contaminated soil out and 2,400 going back in, they couldn't get proper compaction and that was directly related to what was taken out.

Ms. Zabriskie stated these are estimates and they do the best they can with the information they have at the time. Other estimates were made which they ended up coming in lower on. That is exactly why there is a contingency. Ms. Torcolacci thought a new line item should have specified Unforeseen Site Conditions. Ms. Zabriskie and Mr. Robertson did not feel this is Demo.

Chairman Runco summarized by saying they pulled out 1,300 yards. In addition they had four or five voids from tanks that equated to X amount of yards that got them up to say, 2,000 yards. Then there were additional instability factors of 100 yards and that brings them to the 2,300 number. Possibly the Authority may allow everything up to 2,000 yards and not the instability issues.

Mr. Mike Kulka clarified when they removed the tanks it ended up being kind of a spread out area where they were having trouble getting compaction. Authority members were fine with the explanation.

Motion by Ms. Zabriskie

Seconded by Ms. Torcolacci to amend the prior motion for approval in the full amount of \$191,466.77.

Voice

**Vote: Yeas, 4
Nays, 0
Absent, 1 (Gotthelf)**

Motion carried, 4-0.

4. Request for reimbursement on Brownfield Plan approved for 2483 W. Maple Rd. (DFCU Financial)

Resolution approving the TIF reimbursement for the previously approved Brownfield project at **2483 W. Maple Rd.** (DFCU Financial) and directing the Brownfield Redevelopment Authority to reimburse the applicant for actual expenses in the amount of \$174,162.27 as covered under their Reimbursement Agreement dated October 12, 2015 (reimbursement of up to \$189,226 was originally approved), as listed in the reimbursement request dated February 24, 2017, to the extent of property taxes captured to date for 2483 W. Maple Rd.

Ms. Ecker noted this applicant also is requesting less than the amount that was originally estimated under their Brownfield Plan.

Ms. DeSantis went through the total estimated costs that were originally approved in the Brownfield Plan and then the actual invoice costs:

	<u>Estimated Cost</u>	<u>Actual Invoice Cost</u>
• Due care activities	\$176,576.00	\$161,939.27
• Asbestos	5,050.00	5,123.00
• Preparation of Brownfield Plan	<u>7,600.00</u>	<u>7,100.00</u>
TOTAL REQUEST	\$189,226.00	\$174,162.27

Mr. Robertson thought the cost of demolition, fill and tank removal which was \$123,975 should have been broken down separately. Ms. DeSantis said the original Brownfield Plan estimate showed 4,100 tons, but they ended up removing 4,940.28 tons of contaminated soil along with 4,100 tons of contaminated ground water.

Mr. Sam Karana, Karana Real Estate, LLC, the property owner, recalled they removed all of the tanks and contaminated soil. Then they came back to dig the basement and found an additional area of contamination that wasn't identified. Ms. DeSantis said they made sure that they got everything that needed to be removed and taken to the correct land fill site. The difference in the amount charged per ton from \$26/ton on 10-30 and 11-3; and \$29/ton on 11-24 was due to the difference in the truck that was needed, so the price jumped.

Mr. Runco noted the \$29/ton was for a semi truck as opposed to a smaller truck. He asked that both transportation costs and disposal costs be broken down in the future instead of lumping them all in one. Then if the price does change it can be explained a little better. On another subject, Ms. DeSantis clarified that a vapor barrier was installed for peace of mind, but it was not included in the Brownfield Plan and the owner didn't pay for it, so it is not part of this discussion.

Motion by Mr. Robertson

Seconded by Ms. Zabriskie to approve the TIF reimbursement for the previously approved Brownfield project at 2483 W. Maple Rd. (DFCU Financial) and directing the Brownfield Redevelopment Authority to reimburse the applicant for actual expenses in the amount of \$174,162.27 as covered under their Reimbursement Agreement dated October 12, 2015 (reimbursement of up to \$189,226 was originally approved), as listed in the reimbursement request dated February 24, 2017, to the extent of property taxes captured to date for 2483 W. Maple Rd.

**Vote: Yeas, 4
Nays, 0
Absent, 1 (Gotthelf)**

Motion carried, 4-0.

5. Project Updates (none at this time)

However, Ms. Ecker advised she has received several calls regarding Brownfields that may be coming through:

- 2010 Cole, south side, a three-story mixed-use building;
- 298 S. Old Woodward Ave. at the corner of Brown, five-story hotel;
- 35975 Woodward Ave. at Oak, next to Douglas Cleaners;
- 412-420 E. Frank at Ann, three story residential building.

6. Open to the public for items not on the Agenda (no public comments)

Mr. Valentine followed up on a topic of conversation at prior meetings about establishing some guidelines for this Authority moving forward in terms of having benchmarks that can be used in terms of approving the Brownfield requests that come in. At a subsequent meeting some tentative policy guidelines will be brought forward for the Authority to consider as the criteria by which the loans can be approved.

It was discussed that the chart showing the total amounts and the payback should be kept up.

7. Adjournment

No further business being evident, the board passed a motion to adjourn at 9:15 a.m.

Respectfully submitted,

Carole Salutes
Recording Secretary