



MEMORANDUM

DATE: January 31, 2025

TO: Brownfield Redevelopment Authority

FROM: Planning Division

SUBJECT: Brownfield Plan and Reimbursement Agreement at 3200 W. 14 Mile Rd. (parcel no. 20-32-351-001).

Demolition of former metal fabrication facility (MacLean-Fogg Components) and construction of: (1) automobile filling station including convenience store with sales of packaged alcoholic beverages and outdoor displays and sales, and standard restaurant with drive-through facility and outdoor café (Sheetz); (2) automatic automobile wash (El Carwash); and (3) addition to existing maintenance building with outdoor storage for cemetery (Clover Hill Park Cemetery).

Petitioner & Owner: Broder Sachse Real Estate / Consultant: PM Environmental.

1. Site Information.

Attached is proposed brownfield redevelopment plan for 3200 West 14 Mile Road. The property is located on the north side of West 14 Mile Road at the intersection of Coolidge Highway west of the CN Railroad right-of-way. The triangular parcel has a width of 524.13 feet, a depth of 933.78 feet, and an area of 245,562 square feet or 5.64 acres. The property is developed with two one-story buildings most recently occupied by a metal fabrication facility (MacLean-Fogg Components).

2. Proposed Development.

The petitioner proposes to demolish the existing metal fabrication facility at this location. Following demolition, the petitioner would divide the property into three separate parcels – A, B, and C – and construct the following: (a) an automobile filling station including a convenience store with sales of packaged alcoholic beverages and outdoor sales and displays, and a standard restaurant including a drive-through facility and an outdoor café, all on parcel A; (b) an automatic car wash on parcel B; and (c) an addition to the remaining maintenance building with outdoor storage on parcel C for use by the adjacent Clover Hill Park Cemetery.

3. Status as “Eligible Property.”

In order to receive brownfield redevelopment financing a site must be an “eligible property” according to the [Michigan Brownfield Redevelopment Financing Act](#) (Public Act 381 of 1996, as amended). To be an eligible property, a site must meet one of the following definitions in Act 381: a facility; an historic resource; functionally obsolete; or blighted.

According to the petitioner’s brownfield plan, the site is an eligible property because it meets the definition of a “facility” under Act 381 and is a location that was previously occupied for various

industrial, agricultural, and automotive manufacturers including the use of hazardous substances and petroleum products. Floor drains within the building that have no known discharge point were also identified. The petitioner also reports that petroleum products were previously documented to be present in the soil of a nearby automobile filling station and that contamination could have migrated to their property.

4. Eligible Activities & Costs.

If adopted, the brownfield plan would reimburse the petitioner through tax increment revenues for the costs of activities eligible for brownfield redevelopment financing under Act 381. According to the summary on pages 4 and 5 and Table 1, the eligible activities and their related costs to be reimbursed under the plan are as follows:

Workplan Exempt Activities	
Phase I Environmental Site Assessment	\$ 2,000
Baseline Environmental Assessment	\$ 3,500
Documentation of Due Care Compliance	\$ 2,500
Subtotal	\$ 8,000
 Department Specific Activities	
Vapor Mitigation System	\$ 439,585
Barriers, Liners & Gasketing	\$ 122,102
Contaminated Water Management	\$ 157,000
Contaminated Soil Transport & Disposal	\$ 1,087,641
Oversight, Sampling & Reporting	\$ 167,500
Subtotal	\$ 1,973,828
 Building & Site Demolition	 \$ 560,000
 Eligible Activities Subtotal	 \$ 2,541,828
15% Contingency (only applies to department specific activities & demolition)	\$ 380,074
Brownfield Plan & Act 381 Work Plan Preparation	\$ 30,000
Brownfield Plan & Act 381 Work Plan Implementation	\$ 30,000
 TOTAL COSTS OF ELIGIBLE ACTIVITIES	 \$ 2,981,902

The costs proposed by the petitioner include a contingency of 15% for response activities and building demolition; it does not apply to the site assessments or preparation of the brownfield and work plans. No interest rate is proposed that would be applied to the balance of eligible costs after each annual reimbursement.

The petitioner estimates that they would be reimbursed the full amount of \$ 2,981,902 over a 26-year reimbursement period. An annual fee of \$ 1,000 is included as part of the brownfield plan to compensate the city for the administrative costs of overseeing the plan.

5. Projected Captures.

Summaries of estimated tax increment captures that the brownfield plan could generate are included on pages 6 and 7 and on Tables 2 and 3. The current taxable value of the property is \$ 1,183,450 . The plan estimates the completed project will result in a taxable value of \$ 2,847,675 generating an initial captured value of \$ 1,661,550 . Based on current millage rates, that amount of

captured value would initially generate \$ 86,683 in captured revenues that could be used to reimburse the petitioner. The estimated captured revenues and reimbursements to the developer projected over the plan's duration are summarized in Table 3.

The brownfield plan proposes to capture tax increment revenues from both school and non-school millage levies for the entire duration of the plan. Since the capture of revenues from school levies is proposed, the plan will require approval by the Michigan Department of Environment, Great Lakes, and Energy (EGLE). Without the capture of school levies, the estimated captured value would initially generate \$ 46,806 in captured revenues.

6. Duration of Brownfield Plan.

The petitioner proposes that the brownfield plan be in effect for 30 years beginning in 2025 . Eligible activities would be fully reimbursed by 2049 according to the plan's estimates. Tax increment revenues would then continue to be collected and credited to the city's brownfield revolving loan fund for another four years until 2053. A total duration of 35 years for brownfield plans is allowed under Act 381.

7. Reimbursement Agreement.

A draft of the reimbursement agreement as recommended by staff is also attached that specifies how and when the petitioner would be reimbursed for the costs of eligible activities.

8. Recommendations.

The Board must make a recommendation to the City Commission on the disposition of the brownfield plan, but it has the authority to adopt the reimbursement agreement pending approval of the plan by the City Commission. Should the Board choose to recommend adoption of the brownfield plan it will be forwarded to the City Commission for their review. Under Act 381 the City Commission is required to conduct a public hearing prior to adopting any brownfield plan.

In reviewing a proposed brownfield plan and reimbursement agreement, the Board should consider the following issues, among other factors they may deem appropriate, in making their findings, recommendation, and decision:

- The determination that the site is a facility as defined by Act 381;
- The list of eligible activities for which the petitioner would be reimbursed;
- The costs for eligible activities to be reimbursed to the petitioner;
- The contingency percentage for department specific activities and building demolition;
- The interest rate percentage and total amount of interest;
- The amount of the city's annual administrative fee;
- The capture of school millage levies during the first year; and
- The length of the plan's reimbursement period.

The following resolutions are provided for consideration:

To **recommend approval** by the **City Commission** of a **brownfield plan** for **BSR 14 Mile, LLC**, at **3200 West 14 Mile Road** (parcel no. 20-32-351-001), and request that the City Commission set a public hearing for the plan, provided it has a maximum duration of no more than 30 years beginning in the 2025-2026 fiscal year, with total costs eligible for reimbursement not to exceed \$ 2,981,902 for the following activities:

Workplan Exempt Activities	\$ 8,000
Department Specific Activities	\$ 1,973,828
Building & Site Demolition	\$ 560,000
Eligible Activities Subtotal	\$ 2,541,828
15% Contingency (applies to department specific activities & demolition only)	\$ 380,074
Brownfield Plan & Act 381 Work Plan Preparation & Implementation	\$ 60,000
TOTAL COSTS OF ELIGIBLE ACTIVITIES	\$ 2,981,902

To **approve** a **brownfield plan reimbursement agreement** for **BSR 14 Mile, LLC**, at **3200 West 14 Mile Road** (parcel no. 20-32-351-001), with no applicable annual interest rate on costs eligible for reimbursement, contingent upon approval of the associated brownfield plan by the City Commission and any revisions to the reimbursement agreement recommended by the City Attorney; and **to authorize** the Board's executive director to sign the reimbursement agreement.

cc: Steve Robinson, Broder Sachse Real Estate
Jacob Soyka, Broder Sachse Real Estate
Ginny Dougherty, PM Environmental

It is recommended that the petitioner or a representative attend the Brownfield Redevelopment Authority meeting on February 11, 2025. The meeting starts at 6:00 p.m. in the City Commission chambers on the first floor of City Hall.