

Water Street Monthly Report: August 12, 2008
Respectfully Submitted by April L. McGrath, Director of Administrative Services

The following is the Water Street Update for the month of August, 2008:

Amendment of Master Plan:

The Master Plan amendment for Water Street is currently undergoing review by the County and other neighboring and regional entities, as required by State planning legislation. The County's Planning Advisory Board will be compiling these comments and providing them to the City prior to the September Planning Commission meeting.

Zoning Amendments:

Vetting Process:

For both Zoning amendments and the vetting process we are waiting for several items before we can start this process. Currently the market study is being completed along with a design vignette that we can show developers. We will be presenting the updated concept to Council for Water Street given the new economy and will work with the City Assessor to apply monetary values to the property. This should be completed by the end of September or beginning of October.

Continued demolition and remediation of Water Street:

Please see attached memo regarding status of the EPA Revolving Loan Fund.

We are also seeking ways to begin demolition of properties that are not eligible for the EPA Revolving Loan Fund. The former State Police Building, Chinese Restaurant, a few pole barns and the Huron Trade Center. The Fire Department is evaluating the possibility of doing live burns for Fire Fighter training on the smaller buildings, which would leave only the hauling costs.

Also, staff has been working with Recycle Ann Arbor to identify opportunities for deconstructing and resale or recycling of materials from buildings on Water Street. Due to labor costs, deconstruction may or may not be cheaper than demolition and land filling, but could be considered more environmentally desirable at similar cost.

Marketing of Water Street:

Staff continues to meet monthly with CBRE to discuss activity on Water Street and general updates. The marketing study has been started and the first draft is ready, it is 127 pages long and CBRE has indicated they want to make sure we have everything we need and to summarize the findings. The final report will ready in the next two weeks.

CBRE is currently "soft selling" Water Street as we are waiting for our market study. Once that is complete and the design vignette is approved an "Offer Package" will be assembled that will allow for CBRE to have strong materials to show developers. Until then CBRE is seeking out many of the developers we had previously talked with and developers of areas CBRE feels may be viable on the site. I should have more to report in September.

Signage: Completed.

Final Action: The "For Sale" signs have been placed on the property. According to CBRE they have had over 10 phone calls inquiring about the property since the signs have been placed.

General Clean up of the Water Street Site:

Fence: DPS will have the contaminated area contained by the week of August 11, 2008 and the rental fence will be taken down by the end of the week.

General Clean-up: City staff will now be facilitating all board ups and clean ups of Water Street on a trial basis. We are currently working on other creative ways to make it look even better (with less money) until we can get more of the buildings down. We are also working to creatively figure out a way to keep people out of the buildings and off the property. Firefighter John Roe is working to weld doors shut and remove glass. We will continually be working on creative ways to address blight and safety in this area.

Miscellaneous:

State Historic Preservation Offices: No new updates. We are still waiting on word from the MEDC.

Vacation of Plats: Completed.

Final Action: A settlement conference was held on June 30, 2008 with Mayor Paul Schreiber, Councilmember Brian Filipiak, and Councilmember Nickels in attendance. A settlement was reached.

Infrastructure: CBRE will be meeting with OHM to discuss infrastructure costs over the next month. We are currently working on design vignette's as part of the zoning and vetting process and once that is complete we will have a more accurate picture of potential infrastructure costs.

DDA Concerns: Completed.

Final Action: There was a question raised regarding the Ypsilanti DDA's use of future tax increment financing (TIF) revenues from Water Street. A Development Plan and

TIF Plan were approved in 2001, addressing the use of TIF revenues for projects within the Water Street project area. Please see the attached memo dated January 19, 2001, by Jennifer Goulet, past Director of the YDDA, regarding the intent for the TIF capture after that development plan is complete. Hopefully this will address concerns regarding the future use of TIF revenue from development on Water Street.

Development Updates:

I am pleased to add this section to the Water Street report. I will report on inquires and any other development action on this site. As of Thursday, August 7, 2008. There are three possible developments that are working with CBRE these include a grocery store, mixed- use residential/retail building, and senior housing. As these or other possibilities continue to move forward I will keep you updated.

It is important to remember there are many things that need to be completed on Water Street, however, rather than wait until everything is ready CBRE continues to seek developers for our site and work with the developers that have already shown interest. I look forward to sharing more with my September report. If there is anything that I missed or other items you would like to know about or in greater detail please do not hesitate to contact me at amcgrath@cityofypsilanti.com or (734) 743-7290.