



**CITY OF YPSILANTI
WORK SESSION MEETING
Tuesday, November 12, 2019 @ 7:00 PM
Council Chambers
One South Huron, Ypsilanti, MI 48197**

Page

I. CALL TO ORDER

II. ROLL CALL

III. INVOCATION

IV. PLEDGE OF ALLEGIANCE

- A. I pledge allegiance to the flag, of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

V. AGENDA APPROVAL

VI. PUBLIC COMMENT (3 MINUTES)

VII. REMARKS FROM THE MAYOR

VIII. WORK SESSION

2 - 43

- A. Discussion/update on the Water Street Development Site.
[Presentation](#)

IX. PUBLIC COMMENT (3 MINUTES)

X. COMMUNICATIONS

- A. Parliamentary Procedures Training - November 14, 2019, 6-9 pm (Senior Center)
- B. Goal Session Dates - December 3rd & 17, 6 pm (City Hall)
- C. Roads/Recycling Work Session - December 10th, 7 pm.

XI. REMARKS FROM THE MAYOR

XII. ADJOURNMENT



Water Street Work Session

CITY OF YPSILANTI, MI
NOVEMBER 12, 2019

Tonight's Presentation

- 1. Water Street Timeline (how did we get here)**
- 2. Obstacles of moving forward with a Water Street Development**
- 3. Inquires on the Water Street Property**
- 4. Staff recommendation on moving forward**
- 5. Questions for Council**

Water Street Timeline

Late 1970s - First instances of planning for redevelopment of Water Street. New residential construction projects increase in City.

1998 - City receives EPA Pilot grant for environmental investigation and project planning; \$200,000 EPA Brownfields Assessment Demonstration Pilot grant supports Phase I and II environmental assessments , market study, and urban design plan for 34-acre site adjacent to downtown on Huron River.

1999 - City holds a design charette providing public input in designing concepts for reuse of Water Street redevelopment area.

2000 - City receives CMI grant from the State of Michigan for land acquisition.

2001 - City receives \$3,050,000 grant/loan from the State of Michigan (CDBG) for acquisition, relocation, program planning and environmental testing.

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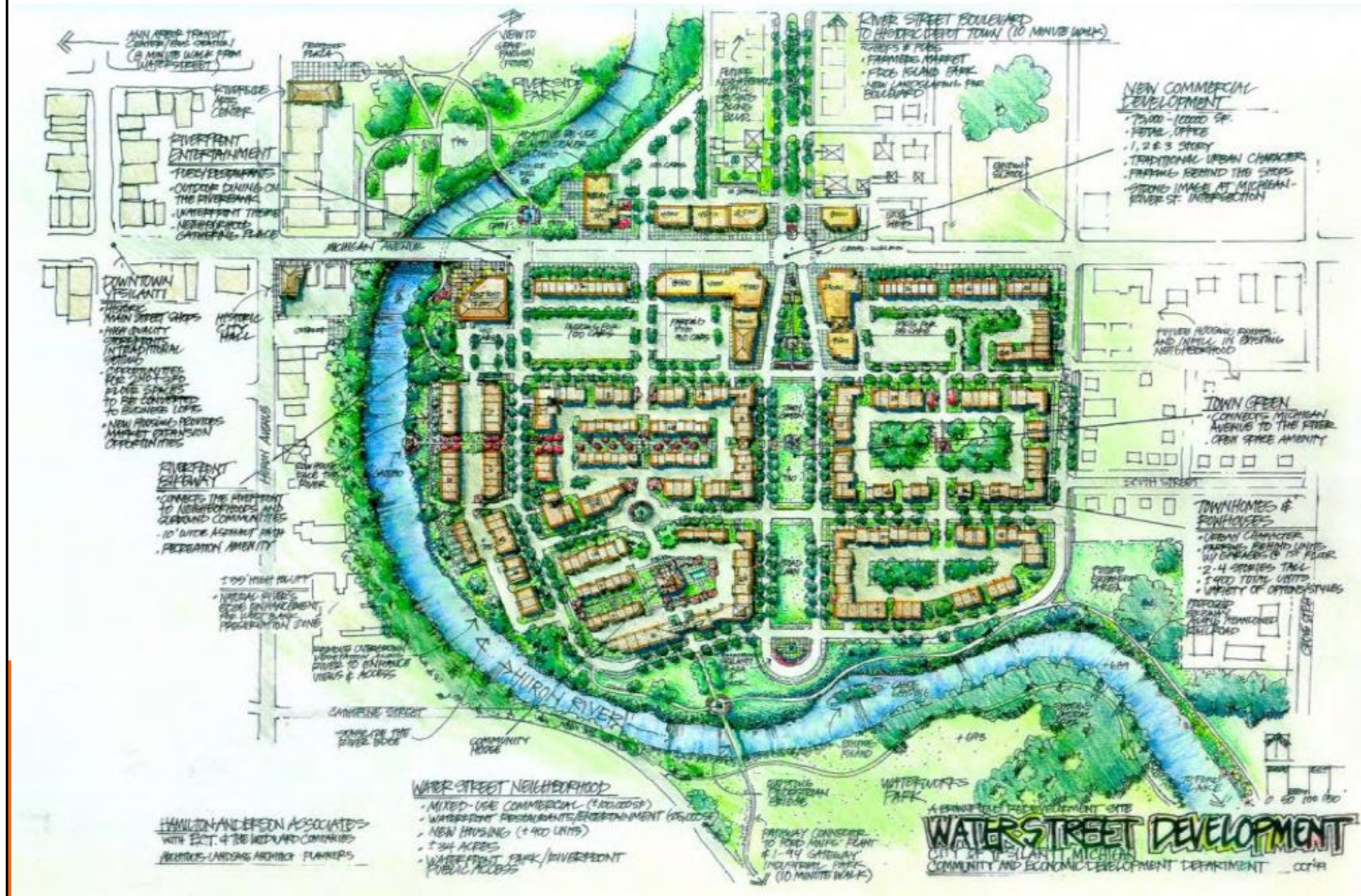
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1999 Charette Design



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2002-2004 - City puts out RFP for developers and selects Biltmore, developer of Cherry Hill Village, to purchase and develop the entire Water Street site. The firm spends significant time on engineering, developing a Planned Unit Development plan as well as sales books (blue book). Goal was primarily housing but with a restaurant pad, linear park with public access and 872 residential units – comprising several distinct neighborhood styles.

2003 - City bonds for acquisition and remediation funds.

2004 - City conducts some remediation and demolition activities with the use of grant and bond funds.

November 2004 - Biltmore and the city ceased discussions on the development.

Water Street Projected TIF Revenues

ANTICIPATED TAX INCREMENT REVENUES

Year	N. of Michigan ¹	S. of Michigan ²	Taxable Value ³	Capture Value ⁴	Annual Captured Funds ⁵	Cumulative Balance
2000	\$584,835	\$2,149,971	\$2,734,806	\$0	\$0	\$0
2001	\$599,456	\$0	\$599,456	\$0	\$0	\$0
2002	\$614,442	\$0	\$614,442	\$0	\$0	\$0
2003	\$629,803	\$0	\$629,803	\$0	\$0	\$0
2004	\$645,548	\$10,911,450	\$11,556,998	\$8,822,192	\$300,979	\$300,979
2005	\$661,687	\$21,822,900	\$22,484,587	\$19,749,781	\$673,786	\$974,764
2006	\$678,229	\$33,065,000	\$33,743,229	\$31,008,423	\$1,057,886	\$2,032,651
2007	\$695,185	\$33,891,625	\$34,586,810	\$31,852,004	\$1,086,666	\$3,119,317
2008	\$712,565	\$34,738,916	\$35,451,480	\$32,716,674	\$1,116,165	\$4,235,482
2009	\$730,379	\$35,607,389	\$36,337,767	\$33,602,961	\$1,146,402	\$5,381,884
2010	\$748,638	\$36,497,573	\$37,246,211	\$34,511,405	\$1,177,395	\$6,559,279
2011	\$767,354	\$37,410,013	\$38,177,367	\$35,442,561	\$1,209,162	\$7,768,441
2012	\$786,538	\$38,345,263	\$39,131,801	\$36,396,995	\$1,241,724	\$9,010,164
2013	\$806,202	\$39,303,894	\$40,110,096	\$37,375,290	\$1,275,099	\$10,285,263
2014	\$826,357	\$40,286,492	\$41,112,848	\$38,378,042	\$1,309,309	\$11,594,573
2015	\$847,015	\$41,293,654	\$42,140,670	\$39,405,864	\$1,344,374	\$12,938,947
2016	\$868,191	\$42,325,995	\$43,194,186	\$40,459,380	\$1,380,316	\$14,319,263
2017	\$889,896	\$43,384,145	\$44,274,041	\$41,539,235	\$1,417,157	\$15,736,420
2018	\$912,142	\$44,469,740	\$45,380,802	\$42,646,086	\$1,454,019	\$17,190,439
2019	\$934,947	\$45,580,468	\$46,515,414	\$43,780,608	\$1,493,624	\$18,684,962
2020	\$958,320	\$46,719,979	\$47,678,300	\$44,943,494	\$1,533,297	\$20,218,258
2021	\$982,278	\$47,887,979	\$48,870,257	\$46,135,451	\$1,573,962	\$21,792,220
2022	\$1,006,835	\$49,085,178	\$50,092,014	\$47,357,208	\$1,615,643	\$23,407,863
2023	\$1,032,006	\$50,312,308	\$51,344,314	\$48,609,508	\$1,658,367	\$25,066,230
2024	\$1,057,806	\$51,570,116	\$52,627,922	\$49,893,116	\$1,702,159	\$26,768,389
2025	\$1,084,251	\$52,859,368	\$53,943,620	\$51,208,814	\$1,747,045	\$28,515,434
2026	\$1,111,358	\$54,180,853	\$55,292,210	\$52,557,404	\$1,793,054	\$30,308,487
2027	\$1,139,142	\$55,535,374	\$56,674,516	\$53,939,710	\$1,840,213	\$32,148,700
2028	\$1,167,620	\$56,923,758	\$58,091,378	\$55,356,572	\$1,888,550	\$34,037,250
2029	\$1,196,811	\$58,346,852	\$59,543,663	\$56,808,857	\$1,938,097	\$35,975,347
2030	\$1,226,731	\$59,805,524	\$61,032,254	\$58,297,448	\$1,988,882	\$37,964,228

NOTES:

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Biltmore Concept Design



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Sources of Funds

Source	Type	Amount	Use
EPA Brownfield PILOT Demonstration Program	Grant	\$200,000	First phase of environmental testing, conceptual planning
MDEQ Clean Michigan Initiative	Grant	\$3,728,000	Land acquisition and related costs
MEDC Community Block Grant	Grant/Loan	\$3,050,000	\$1,050,000 grant \$2,000,000 loan to support administrative costs, relocation costs, design/engineering, attorney and legal fees
Capital Improvements Bond	Bond	\$13,100,000	Land acquisition and related costs, demolition, environmental and geotechnical remediation
Land Revolving Fund	Cash	\$600,000	Land acquisition and related costs, administrative costs
Michigan Economic Development Corporation Core Communities Grant	Grant	\$170,000	Public Infrastructure
Washtenaw County Greenways Initiative	Grant	\$150,000	Riverfront greenway development
Southeast Michigan Community Foundation	Grant	\$100,000	Riverfront greenway development
Michigan Department of Environmental Quality	Grant/Loan	\$1,000,000	\$500,000 grant \$500,000 loan to support demolition, environmental clean-up and geotechnical remediation
Total		\$22,098,000	

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Summer 2006 - Joseph Freed and Associates engage with the City to develop Water Street for mixed-use and residential development.

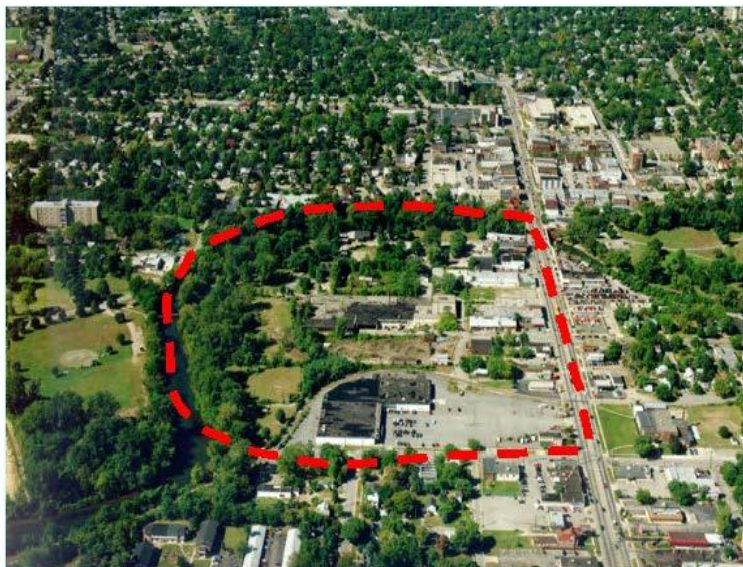
Winter 2006 - With turn in market, Joseph Freed and Associates cease discussions for a developer and the City takes over lead developer role and looks to potentially sell smaller parcels of the project in a phased approach to redevelopment. Hires CBRE to conduct market study and market the property.

2009-2010 - City acquires and combines EPA clean up grant funds, NSP funds and a grant from the Downriver consortium to demolish remaining structures on Water Street and perform additional remediation.

2011 - City receives two Great Lakes Restoration Initiative Grants – one for a small phytoremediation project in an area of heavy metals, and the other for a city tree nursery.

Dec. 2011 - City and Washtenaw County Parks and Recreation Commission sign Letter of Intent to develop a Recreation Facility on a portion of the site.

Request for Development Proposals for the Water Street Redevelopment Project Ypsilanti, Michigan



Final Responses to this Request are Due August 19, 2005 at 5:00 p.m. EST

Planning & Development Department
City of Ypsilanti
One South Huron Street
Ypsilanti, MI 48197
(Issue Date 5/3/05)

(Revised 7/26/05 – Extend Deadline/Update Schedule)

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2006 Joseph Freed and Associates Concept



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Eastside Recreation Center Concept



Water Street Timeline

November 2012 – Family Dollar proposed purchasing corner of E. Michigan and Park for \$210,000.

2013 - Shape Ypsi master plan develops city concept for Master Plan with focus on grid structure, building fronting streets, and emphasis on more form and placement of buildings than use.

October 2013 – Herman and Kittle Properties proposes 4.68 acre development on the site for multifamily housing utilizing Low Income Housing Tax Credits.

Jan. 2014 - Adoption of infrastructure plan creating blocks for sale.

Summer 2014 - Family Dollar to close and start construction.

Fall 2015 - Construction of bridge and trail.

Spring 2016 – Staff gets MEDC to convert grant to loan for the CDBG award saving the city \$2,750,350.

Fall 2016 – Washtenaw County Parks and Recreation Commission withdraws purchase agreement for recreation center on Water Street.

Family Dollar Site



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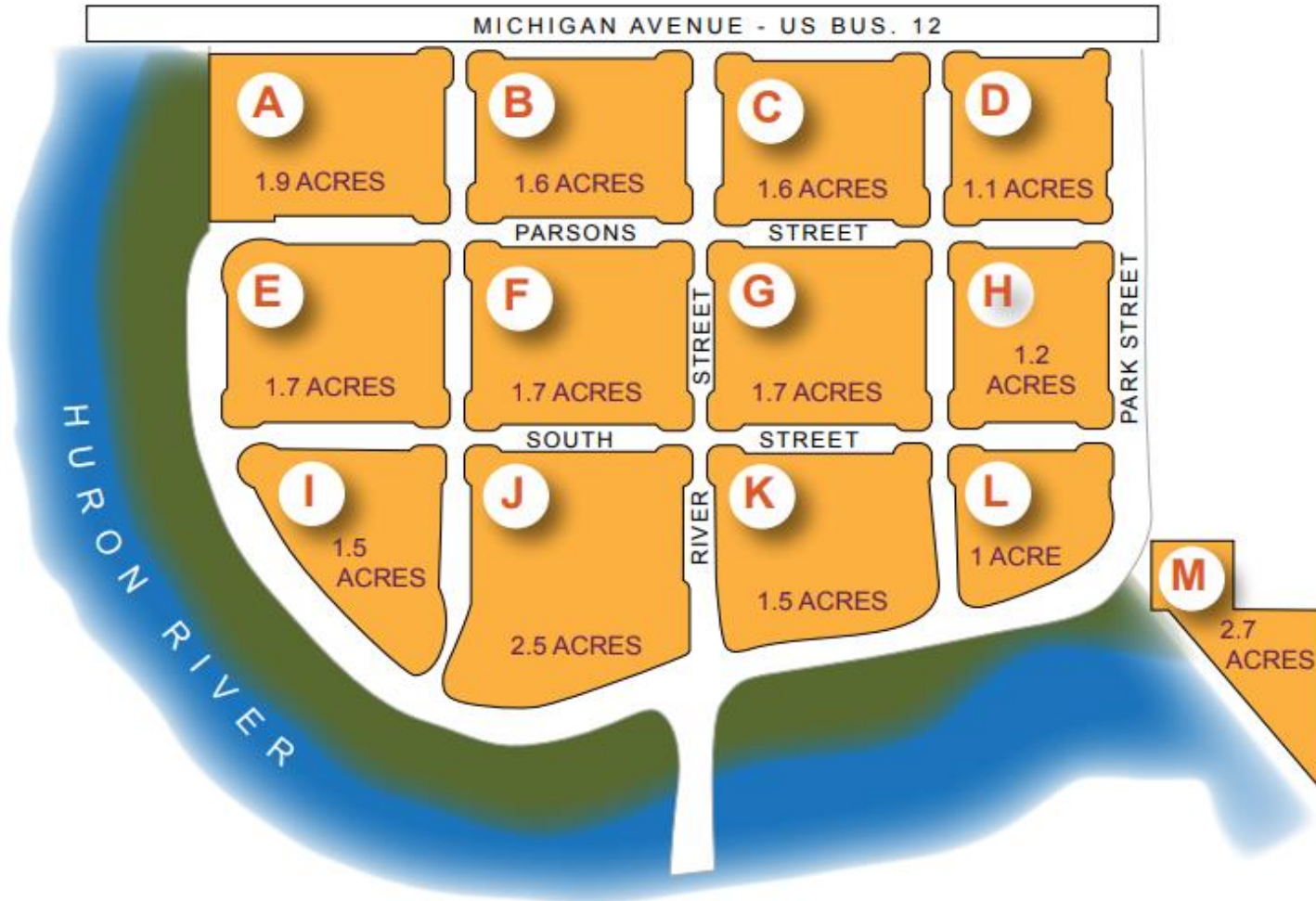
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Water Street Block Plan



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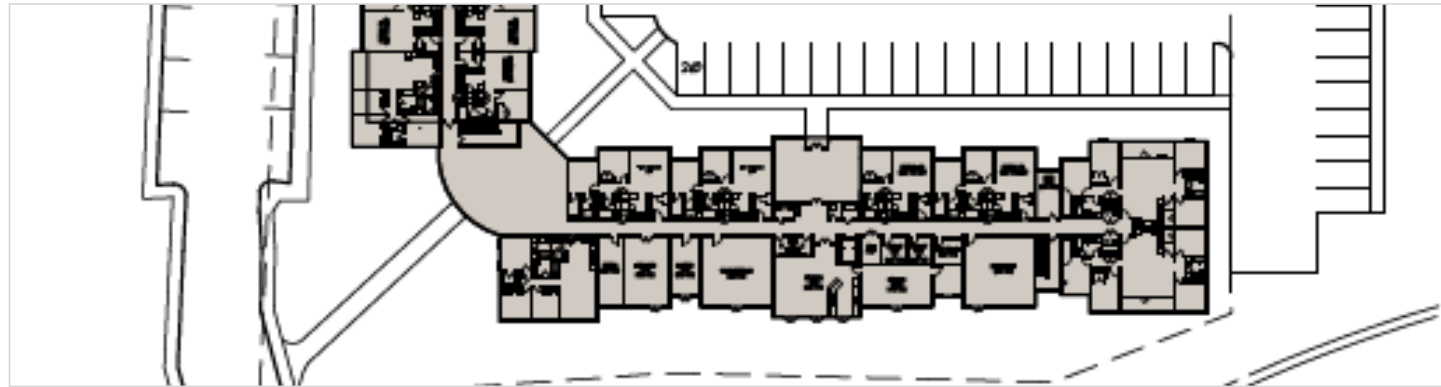
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Herman and Kittle Concept Plan



1 TYPICAL ELEVATION
A201 SCALE: 1/16" = 1'-0"

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Water Street Timeline

Spring 2017 – Herman and Kittle Properties withdrew purchase agreement due to MSHDA requirements.

May 2017 – International Village Letter of Interest received.

Summer 2017 – Additional cleanup needed to reopen the trail based on the Department of Environmental Quality.

September 2017 – Public meetings are held and concerns about the developer, development and financing are vocalized.

September 2017 – Council votes to proceed with purchase agreement with International Village.

December 2017 – contingency period on International Village expires as does the purchase agreement.

Summer 2018 – Water Street Trail reopens.

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International Village Concept Plan



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Obstacles of moving forward with a Water Street Development

Due to the Water Street Trail, the property is no longer 38 acres

The current block plan requires substantial infrastructure that is not funded. This needs to be addressed with any development plan. The block plan also does not allow for the large scale brownfield TIF revenues required to do the necessary cleanup on the site.

Currently the estimate to remediate the site ranges anywhere from 8 million to 23 million depending on the use. While there is a brownfield plan on the property, any new development would need to take into account the Community Benefits Ordinance.

In 2013, staff created a price of \$335,000 per acre for property on Water Street based on the debt occurred to purchase the property. This price far exceeds the market value of the property. According to an appraisal done in September 2019, the property is valued at \$5,715,000 (approximately \$150,000 per acre). This appraisal was conducted not taking the contamination into consideration as there are brownfield tax credits to cover the cleanup.

Inquires since January 2019 on Water Street

Type of Inquires	Number of Inquires	Last Inquiry	Holdups/
Marijuana Uses	15	November 2019	No licenses left and use of property
Affordable Housing	56	October 2019	MSHDA
Housing	10	September 2019	Contamination
Mixed Use	4	October 2019	Availability of funding
Realistic Prospects	3	November 2019	
Total	88		

Process of moving forward

Staff recommends working with the Michigan Economic Development Corporation to market the site as a certified Redevelopment Ready Site. In order to do this, we need to complete the following steps:

- 1. Create a vision for the site including the desired development outcomes**
- 2. Hold public engagement sessions to get community input on the councils vision for the site.**
- 3. Identity incentives that would be available for the site**
- 4. Create a committee of community champions**
- 5. Package the site for either RFP or for marketing.**

Questions for Council

What is City Councils vision for water street?

Is city council willing to negotiate on the price of the land for the development council desires?

Is the mixed use block plan presented in the Biltmore, Joseph Freed and Associates, and International Village still what council would like to see? Are there different development plans council would like to see explored?

Does Council want to put out an RFP for the redevelopment of Water Street, work with the MEDC to help promote it to developers or work with a real estate firm to market?

Questions