

Mt. Pleasant Center
Land Purchase by the City of Mt. Pleasant

I. Reasons for Purchase

- ❖ Allows for Control and Orderly growth
 - Large tract of undeveloped land - one of few left within the City limits
 - Signature entrance to the Northwest section of the City
 - City ownership assures community voice in development and allows greater input/decision into how the land is used or developed
 - City can look at the entire 300 ± acres instead of Planning/City Commission reacting to individual requests for rezoning or development
 - If purchased by another governmental entity for use by the governmental entity, City zoning is not enforceable

- ❖ If the City doesn't buy, the State's other options may not be advantageous to the community
 - If purchased by another governmental entity for use by the governmental entity, City zoning is not enforceable
 - Could sit vacant for years with substandard upkeep waiting for alternative buyer

- ❖ Tax Base or Job Development
 - Purchase price less than \$200 per acre
 - Creation of additional taxable property – generate revenues long term for the City
 - Adding new tax base best option to keep millage rate in check for existing property owners
 - Tools to Assist Private Sector – City can assist with grants if linked to job development
 - Could “kick-start” other development on Pickard Street

- ❖ Appearance, Maintenance, Security at an acceptable City-standard
 - State may not maintain property adequately (don't want it to become known as “all that is wrong with Pickard”)

- ❖ Some funds are available to assist in economic development
 - Project 2000 Fund could cover holding costs for the first 4-5 years
 - Some land could be leased to farmers to offset maintenance costs
 - Salvage from property could raise some cash or offset demolition expenses
 - Bond payment capacity available in 2017 without millage impact
 - Economic Development Funds could be used to assist

- ❖ City has successful experience with encouraging and supporting private sector development to generate long-term benefit to community through expanded tax base (Project 2000)

II. Goals for Redevelopment of the Land

Redevelopment of the land to bring a long term benefit to the community including the creation of jobs and an increase in the City's tax base.

The property has 21 buildings inter-connected with a tunnel system and centralized utilities. Many buildings contain lead and asbestos so demolition and abatement costs are expected to be high. The property is currently zoned agricultural but the future use is likely some combination of commercial and residential.

The City Commission fully recognizes that the redevelopment of this land is a long term process likely to take in excess of 20 years to be fully developed. With the help of the project management team selected in November 2011 comprised of Spicer Engineering, AKT Peerless, and CBRE a year by year plan will be developed to ready the property for the market at the appropriate time in the economy.

Attachment A gives an overview of the entire section of land with the red outlined area being the areas currently being farmed to reduce mowing and maintenance costs.

Attachment B depicts the pieces of the section that are not owned by the City of Mt. Pleasant. The land within the red markings is owned by Mt. Pleasant Public Schools and the Saginaw Chippewa Indian Tribe.

III. Estimated timeline

April 2011	Complete land transfer
mid 2011	Secure property, transfer all contracts
late 2011	Complete RFQ process to hire project manager
early 2012	Finalize 1 st year contract with project manager
2012	Progress report from Project Manager attached to 2012 report

In addition:

- ✓ Bid and completed a contract for farming of large pieces of land to minimize mowing expense
- ✓ Completed two Memorandum of Understandings with CMU and Saginaw Chippewa Indian Tribe to allow for some limited archaeological investigation
- ✓ Deeded an additional 5 acres to the Tribe which included one Indian school building and additional lands around the Indian School Building
- ✓ Submitted a request to MDEQ for environmental clean up loan of \$2 million

- ✓ Submitted grant request to MSHDA for \$2.7 million blight elimination grant
- ✓ Finalized second year contract with Spicer Group for project management services

2013 2013 Progress Report from Project Manager attached to 2013 report

- ✓ Received, publicly presented, and took public input on Highest and Best Use Study
- ✓ Accepted MDEQ Loan of \$1 million
- ✓ Accepted grant for Blight Elimination of \$800,000
- ✓ Prepared Unanticipated Discovery Plan
- ✓ Discussed/Investigated future archaeological issues

2014 2014 Progress Report from Project Manager attached to 2014 report

- ✓ Finalized Phase I Demolition of two buildings and the water tower
- ✓ Attended Section 106 training and had numerous meetings with Tribal Representatives regarding the potential release of the EPA grant funds
- ✓ Closed out the blight elimination grant of \$800,000
- ✓ Prepared all the appropriate paperwork for the loan documents MDEQ loan
- ✓ Pursued grant requests with the MEDC
- ✓ Obtained estimates on running water and sewer to the Mt. Pleasant School building

2015 See attached 2015 Progress Report from Project Manager

- ✓ Submitted request for MEDC \$2,000,000 Blight Elimination Grant (request was denied)
- ✓ Submitted and awarded grant for \$250,000 Michigan Land Bank Blight Elimination Grant
- ✓ Submitted and received approval to extend DEQ loan to June 2016
- ✓ Completed second MOU with Tribe and CMU for Summer 2015 archaeological work
- ✓ Submitted revised work plan for EPA grant
- ✓ Attended Section 106 Training at Saginaw Chippewa Indian Tribe
- ✓ Requested and received extension for EPA grant

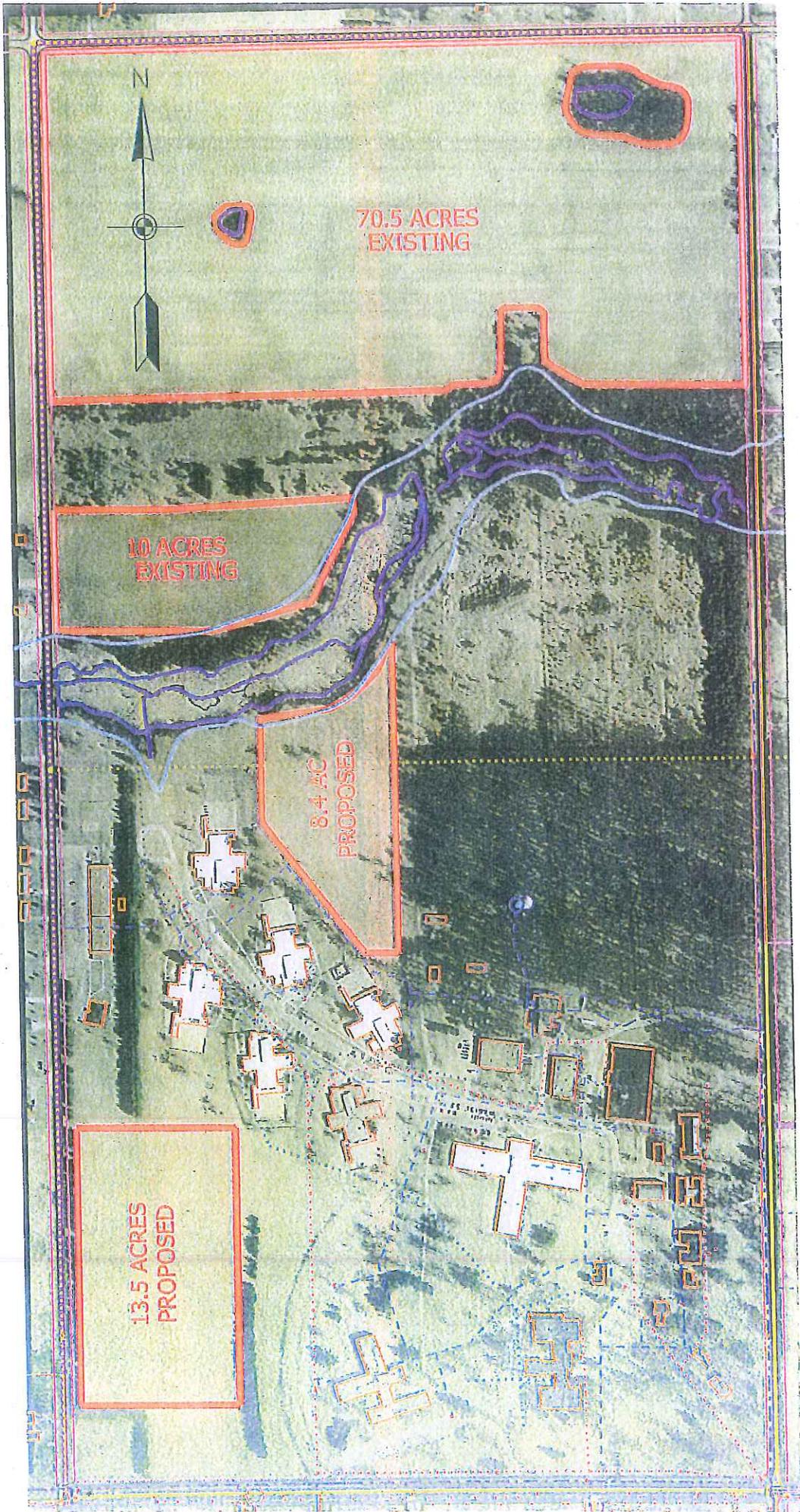
- ✓ Met with SHPO, EPA and Tribe on Section 106 and toured site
- ✓ Submitted revised work plan for DEQ Loan for asbestos surveys
- ✓ Worked with Tribe to allow for electrical hook up for increased lighting on Tribal owned property
- ✓ Analyzed and recommended 2016 demolition options
- ✓ Requested another extension to EPA grant

2016 Phase II demolition to be bid and completed, future use planning

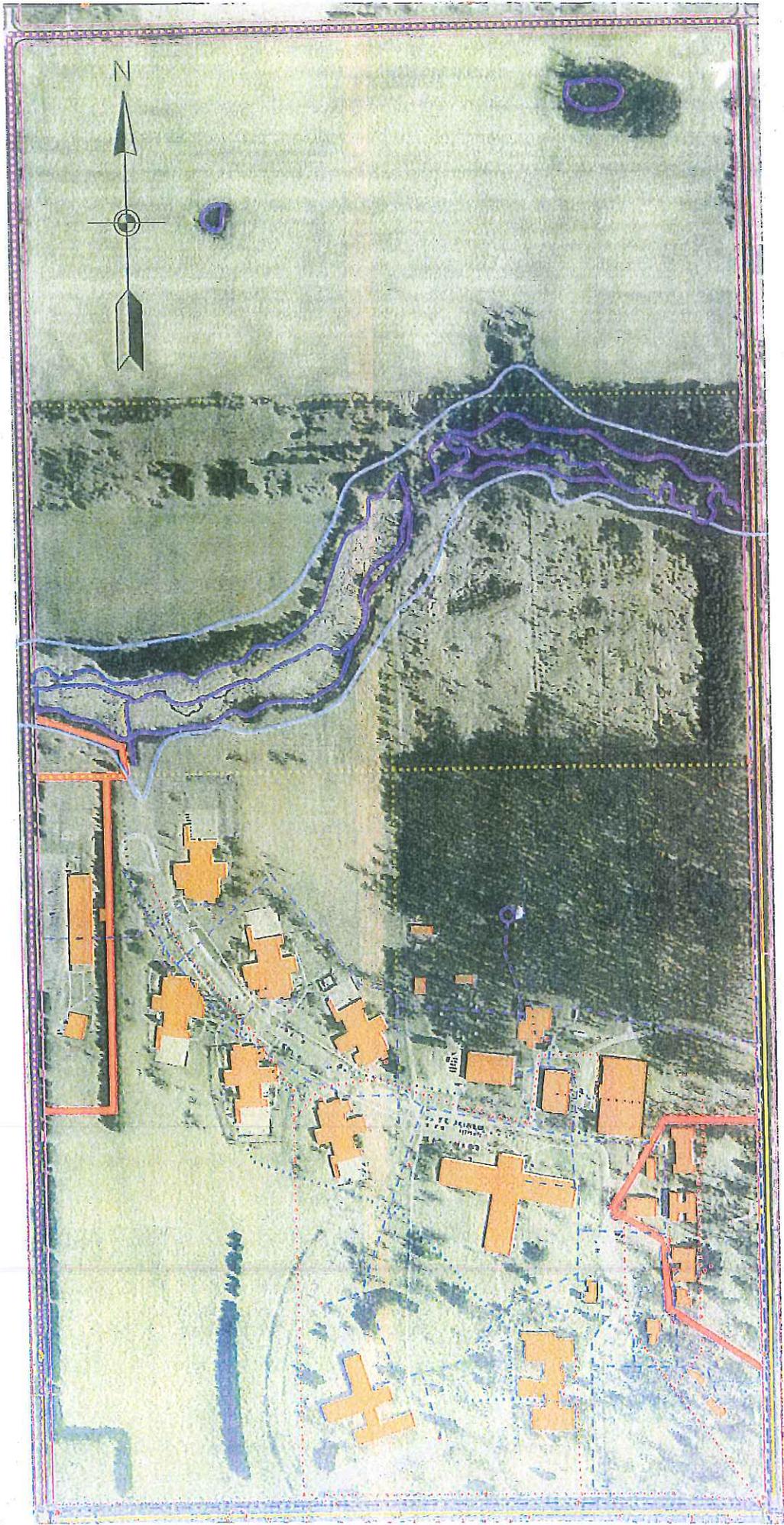
2017 and beyond To be determined based on progress in 2016

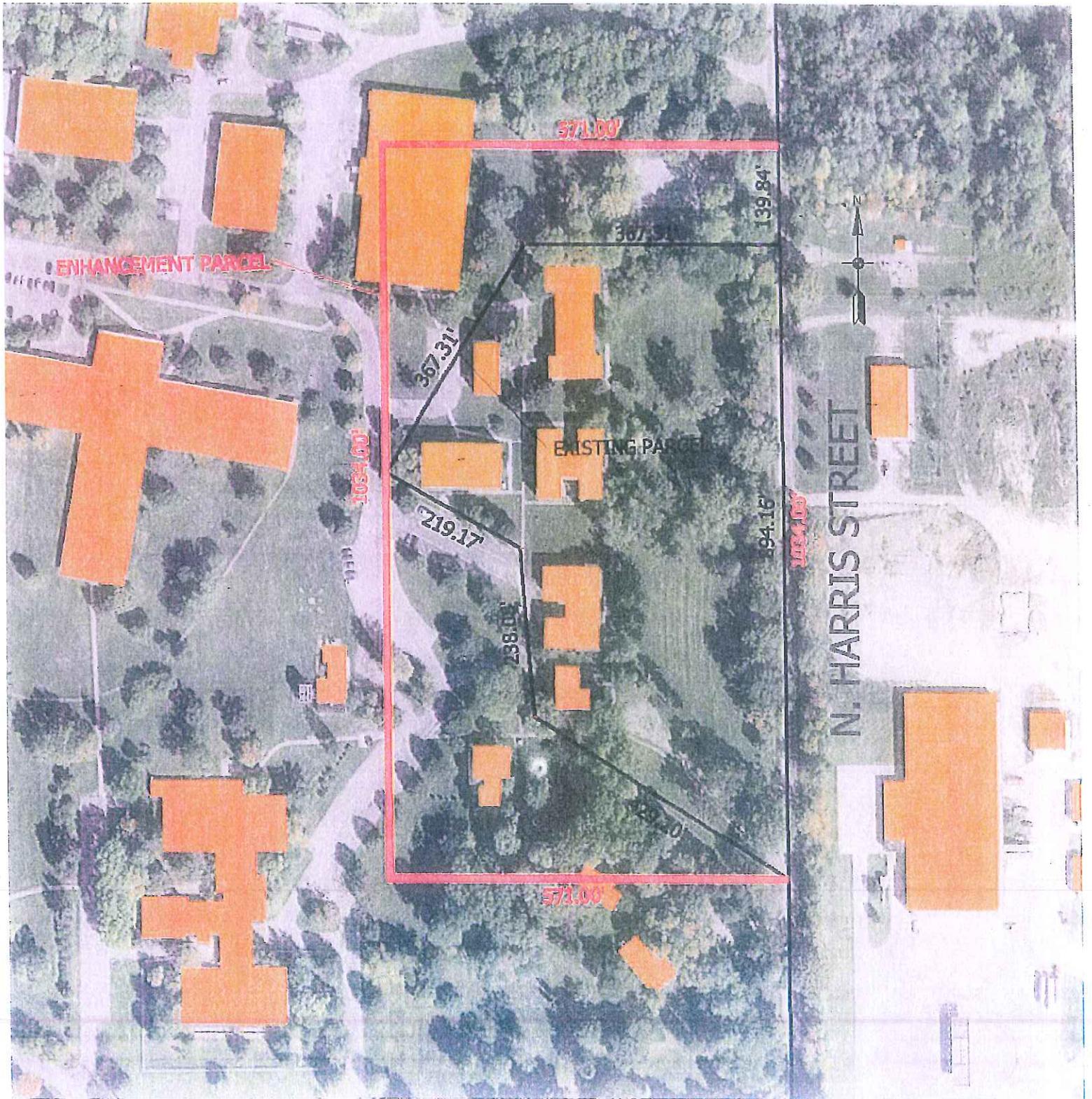
Created: March 2011

Updated: December 2011, December 2012, December 2013, January 2015, December 2015



Attachment B





MT. PLEASANT CENTER

ANNUAL PROGRESS REPORT 2015

The team comprised of Spicer Group and AKT Peerless Environmental was engaged by the City of Mt. Pleasant (the City) to perform various planning, design, environmental and project management related services for the redevelopment of the Mt. Pleasant Center site. This report is intended to provide a brief overview of work performed over the past year.

Demolition Planning/Phase II

The Phase I Demolition and Abatement project was completed and closed out in 2014. At the request of the City and as part of grant applications (described below) the Project Team prepared several demolition scope of work and cost scenarios. These scenarios range from demolition of select buildings to full site wide demolition. The purpose of these scenarios includes, but is not limited to evaluating the scope of work for a Phase II Demolition project, maximizing the use of remaining grant and loan funds, evaluation of additional funding needs, and pursuit of additional funding as described below.

Grant and Financial Planning

Community Development Block Grant (CDBG)

The Project Team and City met several times with representative of the Michigan Economic Development Corporation (MEDC) in 2014 and 2015 to vet various funding opportunities, including a possible CDBG grant. A CDBG pre-application project summary was submitted to the MEDC in January 2015. Various other MEDC grant funding summary documents and "in-take" forms were submitted in early 2015. In June 2015, the City received an official rejection of the CDBG grant application, based on the 2015 budget and program changes at MEDC, the relatively small amount of leveraged funds, and lack of permanent job creation associated with the Mt. Pleasant Center project.

Michigan Blight Elimination Grant (MBEG)

In May 2015, the Project Team assisted the City apply for a MBEG grant from the Michigan State Housing Development Authority (MSHDA). The grant application was successful and resulted in an award of \$250,000 (the maximum amount awarded). These funds will be utilized to pay for a portion of the proposed Phase II Demolition and Abatement project. The Project Team assisted the award documents, meetings, and reporting. These funds are set to expire on June 30, 2016.

Michigan Department of Environmental Quality (MDEQ) Loan

The City of Mt. Pleasant was also awarded an MDEQ Loan for up to \$1,000,000 in eligible costs on July 18, 2013. The Loan can pay for eligible environmental related activities including: site investigations, removal and disposal of hazardous materials, removal of storage tanks, removal and disposal of asbestos debris, as well as related engineering fees. A single draw of \$300,000

was made on this loan to pay for eligible activities, which have totaled \$271,404.77 to date for the Phase I Demolition and Cleanup.

The MDEQ Loan was set to expire in July 2015. The City and Project Team prepared an updated application for the purpose of extending the loan. The extension was approved by the MDEQ and the loan is extended until July 17, 2016. The Project Team prepared a Loan Work Plan to conduct pre-demolition hazardous material surveys at the property which was approved by the MDEQ.

Additional draws can be made for future eligible activities. Unspent funds will be returned to the state. The loan has no interest or payments for 5 years from award (July 2013). The Project Team has been assisting the City with quarterly progress reporting, preparation of drawdown request, loan backup documentation, and coordination with state brownfield personnel for this funding source.

United States Environmental Protection Agency (USEPA) Cleanup Grant

The City of Mt. Pleasant was awarded an USEPA Brownfield Cleanup grant for \$200,000 in 2013. The grant has not been released by the USEPA for expenditure and therefore the cleanup grant funding was not utilized as part of the Phase I Demolition and Abatement project. The grant funds were set to expire in 2015. Two 90-day extension request have been granted by the EPA. The City, Project Team, and USEPA continue to work towards the approved use of these grant funds for a future phase of the site redevelopment activities. These grant funds are currently set to expire March 31, 2016.

Other Funding

The Project Team and City continuously explore additional funding sources which may be used to assist with the demolition and abatement costs associated with the site. In addition to internal Team meetings, several funding discussions have taken place with the MEDC staff 2015.

Utility Planning

The Project Team and City staff reviewed existing water and sewer service through the Mt. Pleasant Center site that service the existing Mt. Pleasant Public Schools building on Bamber Road. These existing water and sewer lines are adequate to support this facility until such time that they are removed as part of the final phase of demolition. At that time, a permanent water and sewer infrastructure will have to be designed and constructed to support the needs of the entire site, as well as this existing facility. Engineering estimates were provided for running water and sewer mains to the school site on Bamber Road.

Community Outreach Assistance

This effort is primarily done by City of Mt. Pleasant staff. As additional information is available it is posted to the website to keep the public informed with regard to progress at the site. Please see the link below for additional information.

http://www.mt-pleasant.org/our_city/mtpleasantcenter/

Progress Meetings

The Project Management Team and City staff meet quarterly or as necessary to discuss the project, funding, grants, and identify next steps.

In addition to the regular progress meetings, the Project Team and City Staff met on-site with State Historic Preservation representative, the State Archeologist, and multiple Tribal representatives to review the next proposed phase of demolition work and possible use of federal funding sources.

Demolition Preparation Activities

Hazardous materials requiring special handling and disposal during demolition are located throughout the Property. These materials include asbestos, oils, and abandoned chemicals, among other items. Formal pre-demolition hazardous material surveys are still necessary to inventory the on-site materials. In late 2015, the Project Team began pre-demolition surveys of the priority buildings anticipated to be included in the Phase II Demolition project. Pre-demolition survey work of all the remaining on-site buildings is expected to be completed in 2016.

The Project Team also began project planning and scoping for the Phase II demolition project. Full engineering plans and specifications are expected to be prepared in 2016. The anticipated schedule for the proposed Phase II Demolition is as follows:

2016 Demolition Conceptual Schedule

Activity	Estimated Schedule
Approval by Mt. Pleasant and Start of Work	January 2016
Engineering, Pre-Demolition Surveys, Development of Specifications	January / February 2016
Pre-Bid Advertisement to Contractors	February 15, 2016
Bid Release	February 29, 2016
Mandatory Walk Through	March 4, 2016
Bids Due	March 15, 2016
Award Recommendation	March 22, 2016
City Commission Review and Award Approval	March 28 or April 11, 2106
Abatement / Demolition Begin	April 2016
Closeout MBE Grant	June 2016
Closeout MDEQ Loan	July 2016
Demolition / Site Restoration Complete	November 2016/Spring 2017