

Brownfield Redevelopment Authority

Regular Meeting Agenda

Monday, January 12, 2015
4:00 p.m., Council Chambers



City of South Haven

1. Call to Order

2. Roll Call

Chairman Art Bolt, Thomas Erdmann, Eugen Gawreliuk, Mike Henry, Robert Herrera, Lynn Kerber, Andy Klavins, Mike Rainey, Doug Schaffer, Christine Valentine.

3. Approval of Agenda

4. Approval of Minutes – November 24, 2014

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

6. Financial Report

7. Meeting Schedule

8. Factory Condo Reimbursement Request

9. Factory Condominium Act 381 Work Plan Proposal

10. General Comments

11. Adjourn

RESPECTFULLY SUBMITTED,
Paul VandenBosch
Secretary, Brownfield Redevelopment Authority

SOUTH HAVEN CITY HALL IS BARRIER FREE AND THE CITY OF SOUTH HAVEN WILL PROVIDE THE NECESSARY REASONABLE AUXILIARY AIDS AND SERVICES FOR PERSONS WITH DISABILITIES, SUCH AS SIGNERS FOR THE HEARING IMPAIRED AND AUDIO TAPES OF PRINTED MATERIALS BEING CONSIDERED AT THE MEETING TO INDIVIDUALS WITH DISABILITIES AT THE MEETING UPON SEVEN (7) DAYS NOTICE TO THE SOUTH HAVEN CITY HALL.

Brownfield Redevelopment Authority

Special Meeting Minutes

Monday, November 24, 2014
4:00 p.m., Council Chambers



City of South Haven

1. Call to Order by Bolt

2. Roll Call

Present: Erdmann, Gawreliuk, Henry, Klavins, Rainey, Schaffer, Bolt
Absent: Herrera, Kerber, Valentine

3. Approval of Agenda

Motion by Henry, second by Schaffer to approve the November 24, 2014 Special Meeting Agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes – July 14, 2014

Motion by Schaffer, second by Henry to approve the July 14, 2014 Regular Meeting Minutes as written.

All in favor. Motion carried.

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

None

6. Financial Report

VandenBosch gave an overview of the Financial Report.

Motion by Erdmann, second by Schaffer to approve the financial report.

All in favor. Motion carried.

7. Brownfield Report

VandenBosch noted that his recommendation is to approve reimbursements to Lago Blue and Roland J. Peterson, LLC.

Motion by Gawreliuk, second by Erdmann to approve the payments of reimbursements of \$18,099.89 to Lago Blue LLC from the Erie Street (Central Lofts) brownfield plan and a reimbursement of \$7,314.65 to Roland J. Peterson, LLC and Peterson Land Company, Inc. from the 1070 Indiana Avenue (National Motors) brownfield plan.

All in favor. Motion carried.

8. Adjourn

Motion by Henry, second by Gawreliuk to adjourn.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

City of South Haven
Brownfield Authority
For the period ended December 31, 2014

Revenues

| | | |
|-----------------------|--------|---------------|
| Property Tax Captures | 89,622 | |
| Interest Income | 3,967 | |
| Other Revenue | - | |
| Other Transfers In | - | |
| Total Revenue | | <u>93,589</u> |

Expenditures

| | | |
|--------------------------------|---------------|---------------|
| Administrative Costs | | |
| General Fund/DDA Reimbursement | <u>29,000</u> | |
| Total Administrative Expenses | 29,000 | |
| Contractual Services | <u>25,415</u> | |
| Total Other Expenses | <u>25,415</u> | |
| Total Expenditures | | <u>54,415</u> |

| | | |
|-------------------------------|--|----------------------|
| Year-to-Date Fund Gain/(Loss) | | <u><u>39,175</u></u> |
|-------------------------------|--|----------------------|

Cash and Investments

| | | |
|-----------------------------|-------------------------|--|
| Cash | 320,661 | |
| Certificates of Deposit | 278,694 | |
| Other Financial Investments | <u>669,783</u> | |
| Total | <u><u>1,269,139</u></u> | |

**BROWNFIELD REDEVELOPMENT AUTHORITY
OF THE CITY OF SOUTH HAVEN
COUNTIES OF VAN BUREN AND ALLEGAN, MICHIGAN**

RESOLUTION NO. _____

A RESOLUTION SETTING MEETING DATES FOR 2015

Minutes of a regular meeting of the Board of Directors of the Local Development Finance Authority of the City of South Haven, Allegan and Van Buren Counties, State of Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan, on January 12, 2015, at 4:00 p.m., local time.

Present, Boardmembers: _____

Absent, Boardmembers: _____

The following preamble and resolution were offered by Boardmember _____ and supported by Boardmember _____.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The regular meetings of the Local Development Finance Authority are hereby scheduled for the following dates:

- January 12
- February 9
- March 9
- April 13
- May 11
- June 8
- July 13
- August 10
- September 14
- October 12
- November 9
- December 14

AYES: _____

NAYS: _____

RESOLUTION DECLARED ADOPTED.

Paul VandenBosch, Secretary

CERTIFICATION

STATE OF MICHIGAN)
) ss.
COUNTY OF VAN BUREN)

I, Paul VandenBosch, the duly qualified and acting Secretary of the Board of the Local Development Finance Authority of the City of South Haven, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a meeting held on January 12, 2015, the original of which is on file in the office of the Local Development Finance Authority. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I have hereto affixed my official signature this January 12, 2015.

Paul VandenBosch, Secretary

December 5, 2014

City of South Haven
ATTN: Mr. Paul VandenBosch
1199 8th Avenue
South Haven, MI 49090

RE: REQUEST FOR PAYMENT UNDER BROWNFIELD ACT 381

Dear Mr. VandenBosch,

As treasurer of the Factory Condominium Association Board, I am requesting reimbursement for the following:

Project Name:

The Factory Condominium Association (a/k/a Belgravia site)
125 Elkenburg Street
South Haven, MI 49090

Description of work performed: See consultant's summary letter and billing enclosed herewith.

It is my understanding that the work was completed in accordance with the work plan along with proposed future monitoring; accordingly, we are requesting payment on invoice # 20140916 dated November 30, 2014 in the amount of \$9,622.96 pursuant to billing referenced above.

Payment should be made payable to: Factory Condominium Association

And mailed to: Factory Condominium Association
ATTN: Rory Beers, Treasurer
125 Elkenburg Street - Unit 11
South Haven, MI 49090

Your expeditious handling of this request will be greatly appreciated.

Sincerely,

Rory Beers



December 1, 2014

The Factory Condominium Association
Attn: Mr. Gary Bowman
125 Elkenburg Street
South Haven, Michigan 49090

**RE: HORIZON ENVIRONMENTAL INVOICE FOR PROFESSIONAL CONSULTING SERVICES
THE FACTORY CONDO SITE, SOUTH HAVEN, MICHIGAN**

Dear Mr. Bowman:

Enclosed is an invoice for environmental consulting services provided by Horizon Environmental for the period from September 28, 2013 through November 30, 2014. The scope of work completed included collection of soil gas and indoor air samples in February 2014, inspection of the subslab depressurization system, and preparation of the December 1, 2014 report summarizing 2014 activities. These activities were contemplated in the MDEQ-approved *Act 381 Work Plan to Conduct Eligible MDEQ Redevelopment Activities – Former Belgravia Project Site February 2006 (Revised May 2006)*.

Horizon submitted a June 28, 2012 proposal for continued indoor air and soil gas testing to The Factory Condominium Association. The proposal included costs for three (3) indoor air and soil gas testing along with associated reporting of the results. The total projected cost for the three events was \$27,550. The enclosed billings to-date since the submittal of that proposal is \$25,482.01 including the enclosed invoice. This leaves a total budget balance of \$2,067.99. All activities anticipated in the June 2012 proposal have been completed.

As described in the December 1, 2014 report, an additional soil gas and indoor air sampling event is recommended for February 2015 to follow-up on the low level detections reported during 2014. Once you've had an opportunity to review the report, please let us know if you'd like a cost proposal to complete the February 2015 sampling event.

If you have any questions, please contact us at (616) 554-3210 or via e-mail at wtdavidson@horizonenv.com.

Sincerely,

HORIZON ENVIRONMENTAL

A handwritten signature in black ink that reads "William T. Davidson".

William T. Davidson
Project Manager

enclosure

INVOICE
Terms Net 30

HORIZON ENVIRONMENTAL CORPORATION
4771 50th St. SE, Suite One
Grand Rapids, MI 49512
PH: 616-554-3210
WTD

FACTORY CONDOMINIUM ASSOCIATION
ATTN: MR. GARY BOWMAN
125 Elkenburg Street
South Haven, Michigan 49090

PROJECT NUMBER: WNJ-1001
INVOICE NUMBER: 20140916
30-Nov-14

RE: INDOOR AIR/SOIL GAS MONITORING - BELGRAVIA

INVOICE FOR PERIOD ENDING NOVEMBER 30, 2014

LABOR

| <u>Staff</u> | <u>Hours</u> | <u>Rate</u> | <u>Total</u> |
|------------------|--------------|-----------------------|--------------------|
| William Davidson | 26.7 | 134.00 | 3,577.80 |
| David Bandlow | 32.5 | 95.00 | 3,087.50 |
| Karen Hathaway | 6.4 | 118.00 | 755.20 |
| Michael Potter | 4 | 95.00 | 380.00 |
| Charles Nivison | 0.5 | 76.00 | 38.00 |
| Stone Peng | 5 | 62.00 | 310.00 |
| | | Labor Subtotal | \$ 8,148.50 |

EXPENSES

| | |
|-----------------------|--------------------------|
| Copying Charges | 15.12 |
| Shipping Charges | 20.29 |
| Truck/Mileage Charges | 262.05 |
| Laboratory Charges | 1,177.00 |
| | Expenses Subtotal |
| | \$ 1,474.46 |

TOTAL THIS INVOICE **\$ 9,622.96**

Please make check payable to:
Horizon Environmental Corporation and send to: 4771 50th St. SE, Suite One, Grand Rapids, MI 49512

January 5, 2015

TO: Brownfield Redevelopment Authority

FR: Paul VandenBosch

RE: Factory Condominium Health Club Demolition

We are progressing with the bid documents to demolish the Factory Condominium Health Club building to allow for environmental remediation by the DEQ.

In order to fund the demolition work, staff proposes to write an Act 381 Brownfield Work Plan to allow for use of school operating tax capture. The funds we intend to use have been captured as part of a Factory Condominium brownfield plan balance of \$206,235 school operating tax capture and \$50,592 local tax capture.

The estimated cost of demolition is roughly \$100,000. Earlier we had expected to need a new brownfield plan, however the demolition cost appears to be lower than we had originally expected, so no new brownfield plan is required.

Staff proposes to submit the Act 381 Work Plan to the DEQ for their approval, which is required in order to use school operating tax capture.

The BRA is requested to consider a proposal to write an Act 381 Work Plan to submit to the DEQ to fund the demolition of the Factory Condominium Health Club building. The proposal from Abonmarche is for \$1,885.

Staff Recommendation

Approve the proposal from Abonmarche to write an Act 381 Brownfield Work Plan, authorize submittal to the DEQ and authorize the use of Brownfield Revolving Funds for the work described in the proposal.

November 13, 2014

Paul Vandebosch
City of South Haven
1199 8th Avenue
South Haven, Michigan 49090

Re: Proposal for Professional Services – Factory Condos Act 381 Work Plan

Dear Mr. Vandebosch,

Abonmarche is pleased to present this proposal for the preparation and submittal of an Act 381 Work Plan in pursuant to the Brownfield Redevelopment Financing Act, 1996 PA 381, as amended (Act 381), for the Factory Condominium property located at 125 Elkenburg. We understand that the Brownfield Redevelopment Financing Act, 1996, PA 381, as amended (Act 381) allows municipalities, such as South Haven, to adopt and implement brownfield redevelopment financing plans to capture local and school property taxes from a contaminated property, such as the Factory Condominium property, to reimburse the costs associated with conducting environmental response activities. Securing financial assistance through the Brownfield Redevelopment Financing Act, 1996 PA 381, as amended (Act 381), will guarantee that the environmental remediation necessary for the Factory Condominium property will be fulfilled. The details of the work plan will ensure the safety of the property for neighbors, visitors, future property owners, and the city of South Haven as a whole.

As you know, Abonmarche has been assisting the City of South Haven with due diligence activities related to this project over the past year. The information garnered from this work as well as through meetings with the property owners of the adjacent residential condominium units have now lead to the point where enough information is available to develop a PA 381 Plan for the project. Based on the information and knowledge we have collected to date on the project, we propose the following scope and fees to complete the plan and submit it to the DEQ for approval.

95 West Main Street
Benton Harbor, MI 49022
269.927.2295

361 First Street
Manistee, MI 49660
231.723.1198

503 Quaker Street
South Haven, MI 49090
269.637.1293

750 Lincoln Way East
South Bend, IN 46601
574.232.8700

3177 Willowcreek Road
Portage, IN 46368
219.850.4624

SCOPE OF SERVICES AND FEES

Task I: Data Collection for Required Work Plan Content \$650

Abonmarche staff will collect all required information for the work plan. This information includes, but is not limited to, property information, historical / current / proposed future uses, summary of environmental conditions, scope of proposed environmental response activities, schedule and costs of proposed environmental response activities, and required photographs and maps.

Task II : Preparation and Submission of Work Plan \$1,235

Abonmarche staff will prepare an Act 381 Work Plan for the Factory Condominium property that follows the DEQ Act 381 Work Plan Outline. This task will include coordination with the Brownfield Redevelopment Authority (BRA) to submit the work plan and any coordination and correspondence necessary with agency representatives to discuss the project. We will work with the DEQ and answer any necessary questions to facilitate the plans approval.

We anticipate that this work can commence within one week after authorization to proceed with completion in 1-2 weeks, contingent on securing necessary information from the appropriate sources. Your signature in the space provided below will serve as authorization to proceed with this project. This will allow the planned demolition work on the building to be bid and started in the Spring of 2015 as has been planned during the due diligence work done so far.

Thank you for the opportunity to work with the City of South Haven. We look forward to assisting you with this project. If you have any questions, please do not hesitate to contact me at (269) 252-8980 or via email at tmcghee@abonmarche.com

Sincerely,
ABONMARCHE



Tony McGhee

Authorized By

Date



MEMORANDUM

DATE: January 1, 2015

TO: Paul Vandebosch

FROM: Tony McGhee

RE: Factory Condos – Belgravia Site Demolition

Given the numerous changes/moving pieces that are finally falling into place, we felt an update memo would be beneficial to recap work completed to date, issues which have arisen and projected next steps. Abonmarche was contracted to complete plans and specifications for the demolition of the unoccupied north part of the Factory Condominiums building, and to coordinate our efforts with the State of Michigan's environmental consultant, GRT, Inc.

Abonmarche planned a schedule that would have had the job bid in January and the structure demolished by spring. After the planning stage was completed, some items came up that will cause delays and require extra funding, as well as require more coordination of where that funding comes from – whether it will be paid by the state, the City, or, for a few items, the condominium association.

At the beginning of the project, Abonmarche was aware there was contamination on the site, but GRT has informed us that the contamination is extensive enough that the floor slab of the to-be-demolished section of the building cannot be removed on schedule. Instead, GRT wants to complete the planned demolition of all the above-ground parts of the structure, leave the slab as it is, and seal the existing empty swimming pool. These measures would seal off the contaminated area while GRT's subconsultant completes remediation. GRT's subconsultant (for which an additional bid package will have to be prepared, again adding to the schedule) will complete a Thermal Treatment Project, wherein the subconsultant drops heating rods into the dozens of wells already created on the property, turning the contaminants to vapor and extracting the hazardous material. This process will take a year. Once the remediation is complete, the remaining slab will be demolished in the second phase of demolition.

Due to the fact that the north section of the building was built in stages over several years, there are variances in the floor's elevation. Because of this, Abonmarche had to make several unexpected changes to the original plans. Abonmarche also generated additional architectural documents to add details for the demolition contractors so that the contractors know what they cannot disturb, in order to maintain the sealed slab against contamination. Abonmarche's edits to the plans did not add to the amount of time our firm needed to complete our portion of the project, but did add additional work to the initial scope.

Another change to the scope is that, due to the potential of contamination, Abonmarche has to preserve an additional room that was initially slated for demolition. This room contains the condominium's blower, which has to run 24/7 to keep contamination from entering the occupied part of the condominium building.

The condo association also wants Abonmarche to save two additional rooms on the southeast corner of the vacant building. That will be simple, though some consideration does have to be made for the rooms' interior windows, which, following demolition, will become exterior windows and so will have to be weatherproofed. That could add a few thousand dollars to the demolition cost.

Abonmarche intends to ask that pricing on this aspect of the project be estimated separately from the rest of the project, so that when it is determined whether it is the state, city or condo association that has to cover the costs, they will be able to do so. There is also a question of parking lot and site landscape restoration. Demolition equipment will have to access the site twice, once before the remediation, during the first phase of demolition and again after the remediation. This could cause damage to the parking lot – the most likely access point. Landscaping could also be damaged. A temporary fence will most likely have to be erected following the first phase of demolition to prevent the remediation process from being disturbed. After the second and final demolition phase, a new fence may have to be erected. The updated schedule is as follows:

| | |
|---------------------------------------|------------------------------|
| Finalize Plans for Demolition | February 15, 2015 |
| Bidding Phase for Phase I Demolition | February 16 – March 4, 2015 |
| Award Contract | March 16, 2015 |
| Phase I Demolition | April 1 – April 30, 2015 |
| Thermal Treatment Project/Remediation | May 8, 2015 – April 31, 2016 |
| Phase II Demolition | Summer 2016 |

Abonmarche's work is largely completed, pending one or more meetings with GRT and the DEQ. Some additional work could be required as a result of upcoming meetings, before plans and specifications can be finished.



Abonmarche will seek clarification on the following questions from the appropriate entities:

- Confirmation from the DEQ that all additional costs incurred by the now two-phase demolition process will be covered.
- An estimation on the weatherproofing necessary for the two rooms the condo association would like to preserve.
- Who will be responsible for parking lot restoration and landscape restoration costs? Who will be responsible for fencing costs?

If you have any questions or need additional information, please do not hesitate to contact me at your convenience.





BELGRAVIA - FACTORY CONDOS, 1999

Contaminant Sources

- **Degreasing, plating and painting 1960s – 1970s**
- **Discharge to septic tank and associated drain field**
- **Floor drains and interior piping leaks**
- **Miscellaneous spills**

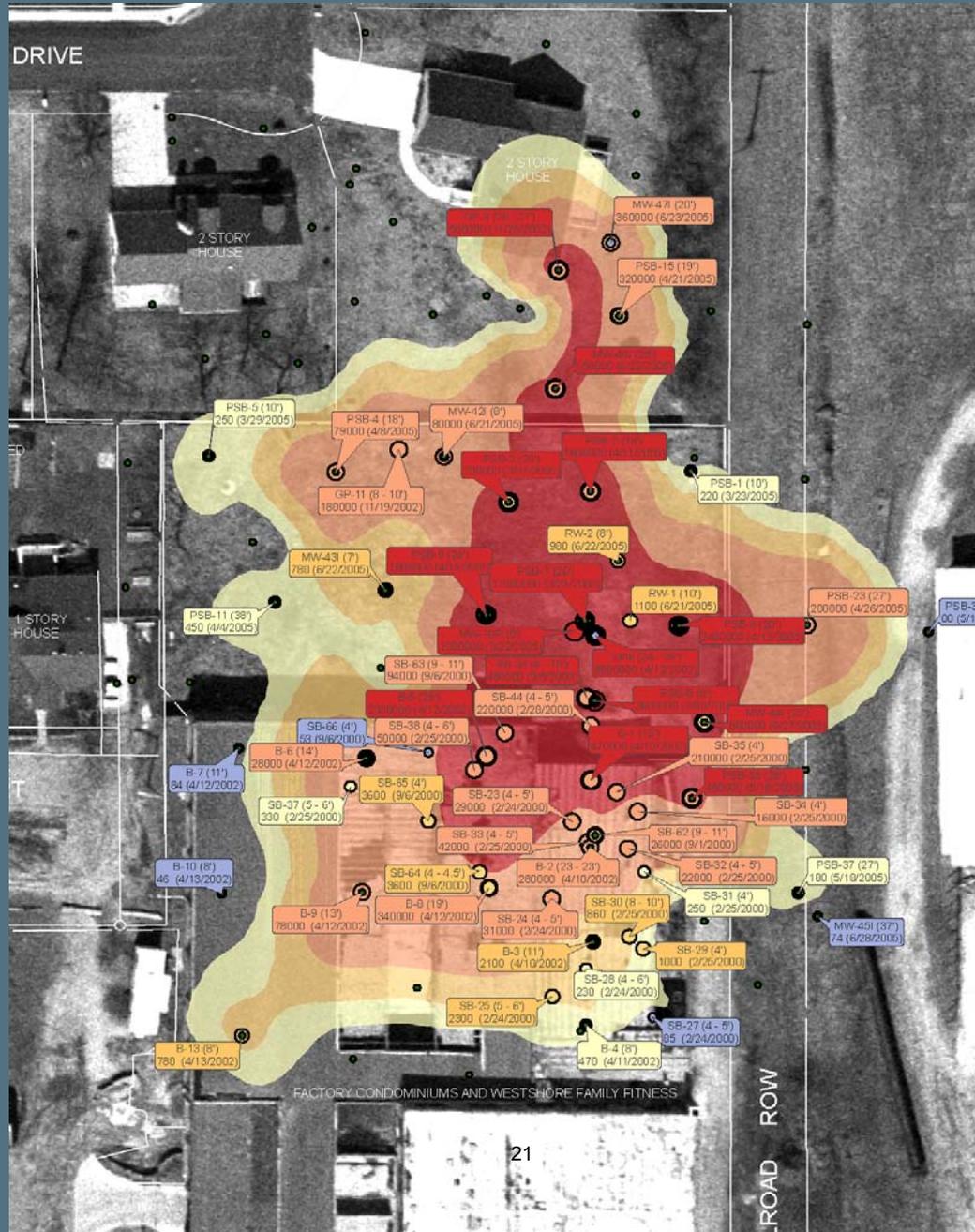
Primary Chemicals of Concern

- **Trichloroethylene, aka – TCE**
 - **Suspected Carcinogen**
 - **Product Density Greater Than Water**
 - **TCE = 1.46, Water = 1.0**
 - **MDEQ Drinking Water Criteria – 5 ug/L**
 - **MDEQ Drinking Water Protection Criteria – 100 ug/kg**
- **Cis–1,2-Dichloroethylene, aka - DCE**
 - **Breakdown Product of TCE**
- **Vinyl Chloride**
 - **Breakdown Product of TCE and DCE**
 - **Carcinogen**

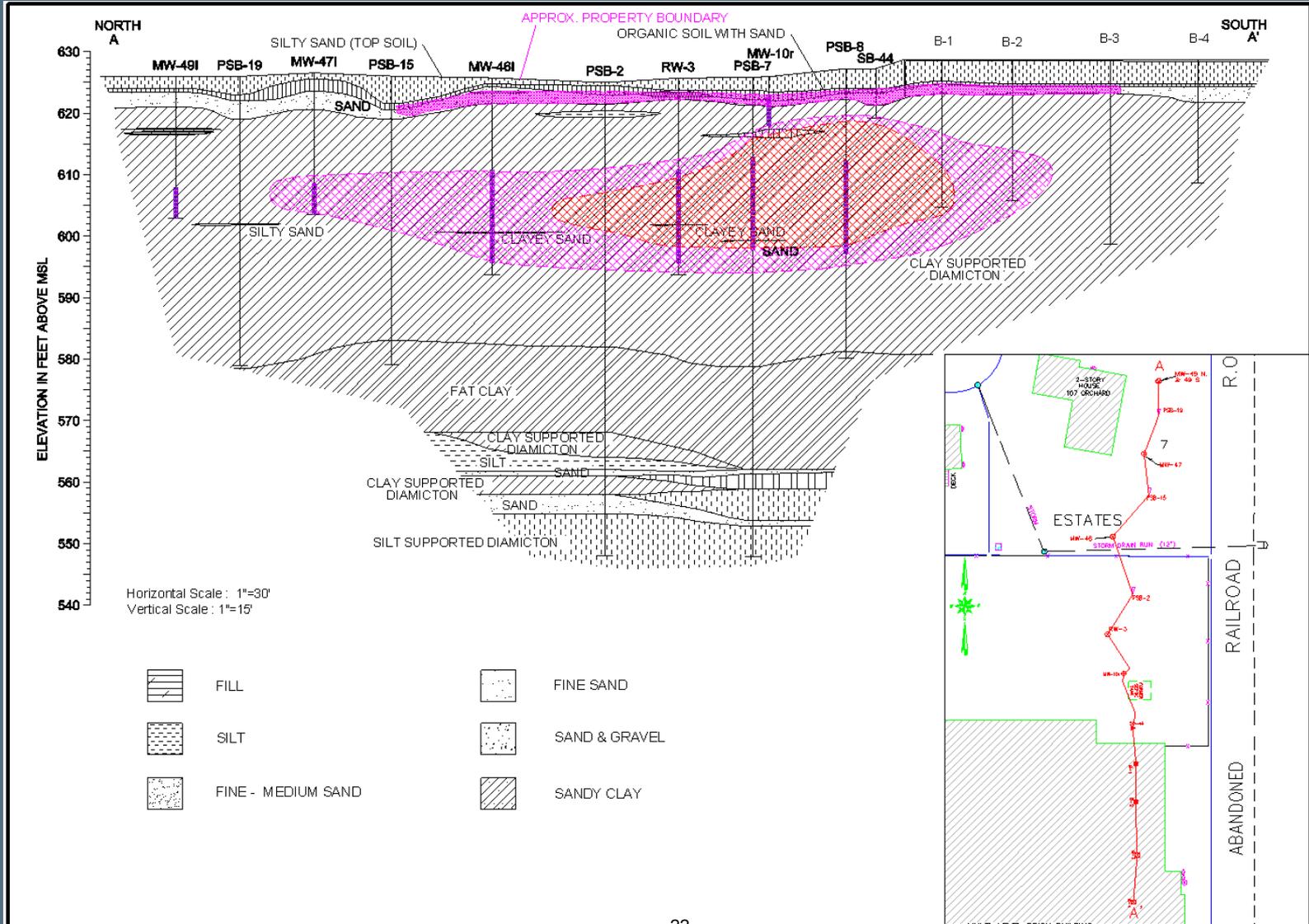
Extent of Contaminants in Soil, Groundwater, and TCE Product

- **Extent of Soil Contamination**
 - **Soil samples were collected continuously from the ground surface to depths of 30 – 100 feet**
 - **Soil was found to be impacted with both volatile organic compounds and metals above the MDEQ residential cleanup criteria, however volatiles pose the greatest risk for human exposure**
 - **Soil in the area of the former septic tank exhibited free product**

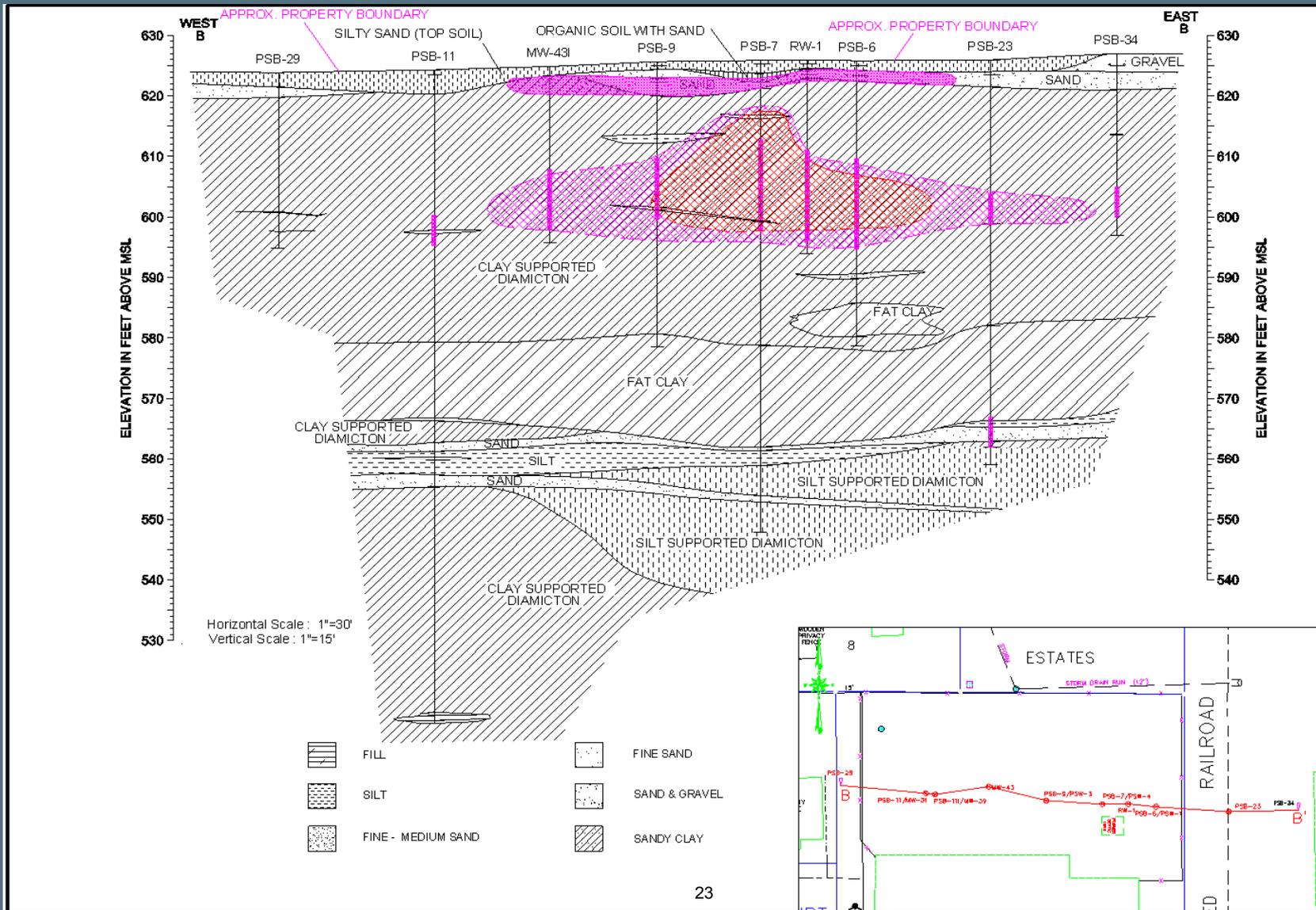
TCE Impact in Saturated Soils



Cross Sectional View of Contamination



Cross Sectional View of Contamination



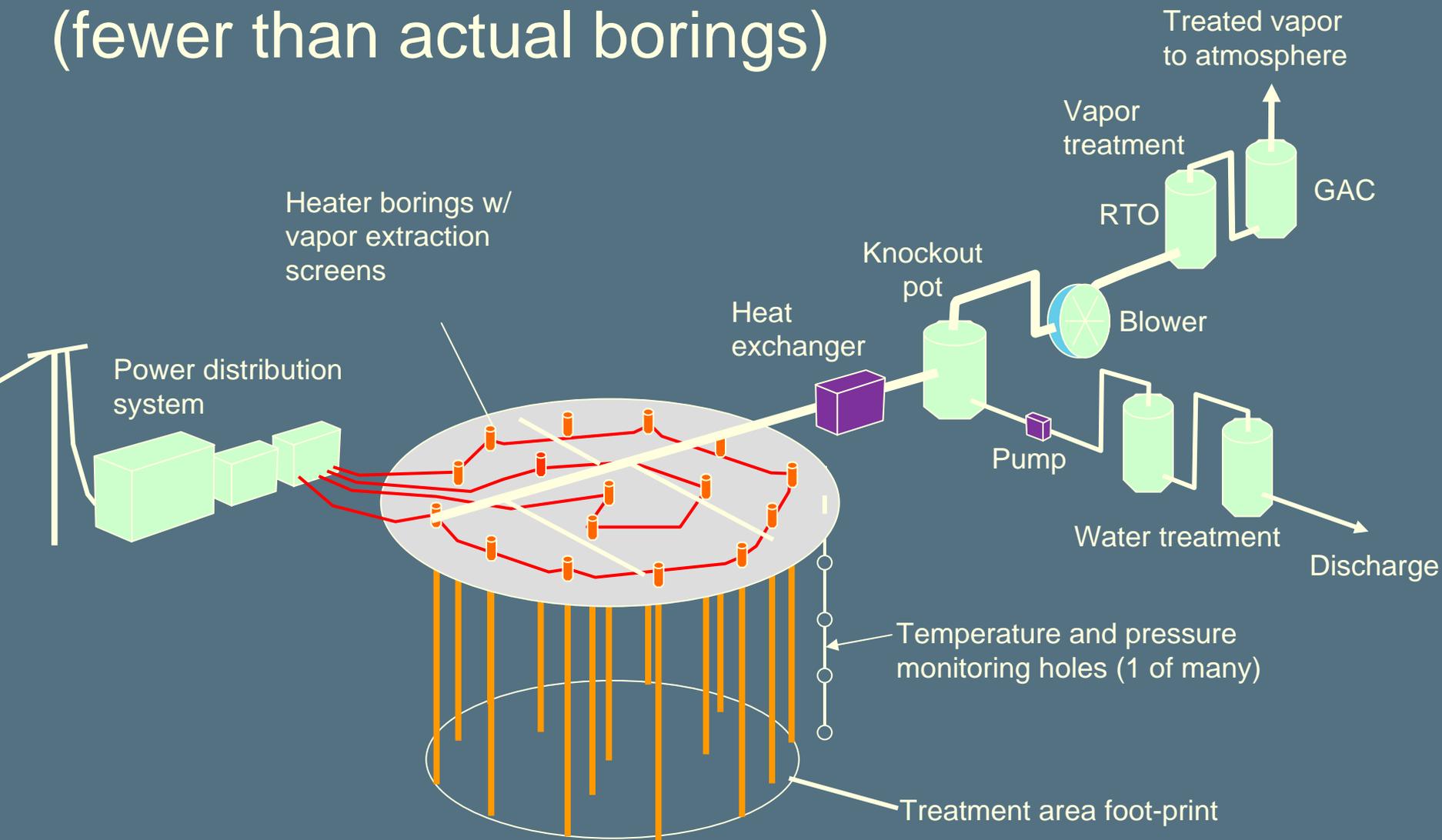
Electrical Resistance Heating (ERH) (TRS)



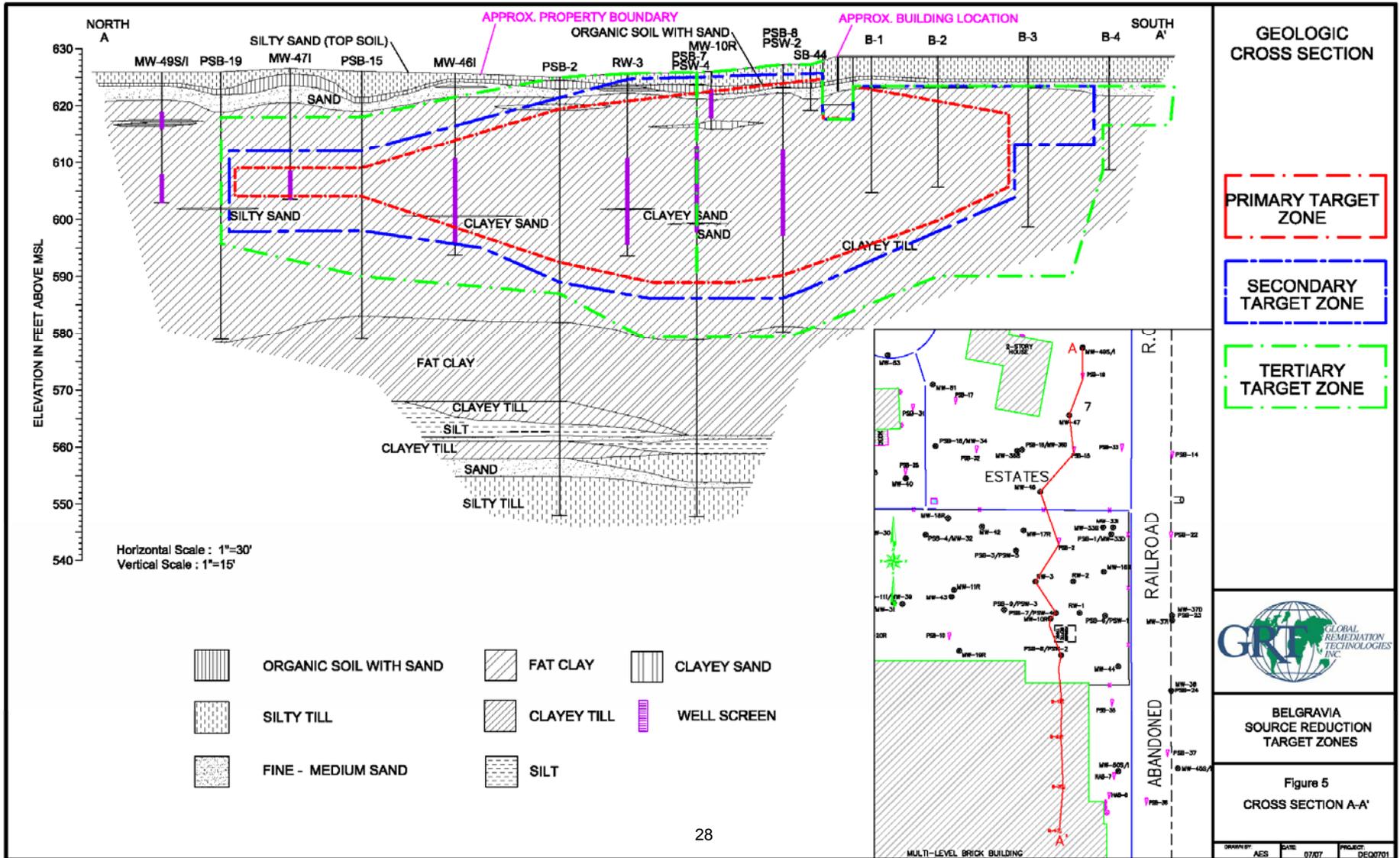
Electrical Resistance Heating (ERH) (TRS)



Simplified ISTD site layout (fewer than actual borings)



Cross Sectional View of Proposed Treatment Areas



BELGRAVIA SOURCE REDUCTION TARGET ZONES

**Figure 5
CROSS SECTION A-A'**