



MEDIA RELEASE FOR IMMEDIATE RELEASE

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AKT PEERLESS SECURES BROWNFIELD MICHIGAN BUSINESS TAX CREDIT FOR BAY AREA FAMILY YMCA

AKT Peerless Environmental & Energy Services secured a 12.5%, \$2.3 million Brownfield Redevelopment Michigan Business Tax (MBT) credit for the Bay Area Family YMCA on September 22, 2009. The credit was the first awarded to a nonprofit organization under the new Michigan Economic Development Corporation (MEDC) policy that makes it more difficult for nonprofit organizations to receive brownfield MBT credits.

The Bay Area Family YMCA has been in continuous operation since 1886. The YMCA is replacing its small, outdated building with a new, state-of-the-art facility to meet the growing needs of the Bay City regional community. The new facility will be 110,000 square feet and two stories, with a basement. It will include swimming pools, a gymnasium, a fitness center, racquetball courts, locker rooms, community centers, daycare facilities, offices, a café, and a playground. Seventeen permanent, full-time jobs will be created as a result of the project. The total capital investment in the new development is anticipated to be \$21.3 million.

The Bay Area Family YMCA began the application process for the brownfield MBT credit in spring 2009. The credit was necessary to redevelop the YMCA's target site, which is environmentally contaminated. The City of Bay City approved a Brownfield Plan for the site in June 2009.

During the approval process, the MEDC undertook a policy review and considered eliminating nonprofits from consideration for brownfield MBT credits altogether. AKT Peerless wrote an explanatory memo to the MEDC describing the benefits of nonprofit development in Michigan and the statutory basis for retaining the brownfield MBT credit for nonprofits. The MEDC subsequently decided not to eliminate nonprofits from consideration for the credit, although it is subjecting nonprofit applications to a heightened, case-by-case scrutiny. AKT Peerless' efforts facilitated the MEDC's approval of the Bay Area Family YMCA's brownfield MBT credit, and were buttressed by a September 16, 2009; Michigan Department of Treasury letter extending Treasury support to otherwise qualified nonprofit brownfield MBT credit projects.

"This is an important step for non profit organizations that often in urban areas have no choice but to redevelop Brownfield Properties. It demonstrates that the MEDC and Treasury Department value these organizations and their ability to redevelop abandoned, underutilized and contaminated properties within our communities and really create socioeconomic change within the neighborhoods." said Anne Jamieson-Urena, Director of Brownfields and Redevelopment Incentives at AKT Peerless.

FOR MORE INFORMATION, CONTACT ANTHONY KASHAT
(248) 615-1333 OR KASHATA@AKTPEERLESS.COM

Chicago, IL

Detroit, MI

Farmington, MI

Lansing, MI

Saginaw, MI

www.aktpeerless.com