

City of Mt. Pleasant  
Economic Development Corporation (EDC)  
Brownfield Redevelopment Authority (BRA)

**MINUTES**  
**September 1, 2010**  
**City Hall, Commission Chambers**

I. Vice-Chair Smith called the meeting to order at 9:09 a.m. Roll Call:

Present: Tim Coscarelly, Tim Dolehanty, Joe Pius, Nancy Ridley, Jeff Smith (Vice-Chair).

Absent: Kathie Grinzinger, Jim Holton, Tom Krapohl, Joe Olivieri (Chair).

Staff: Rich Morrison, Economic Development Director; Mary Ann Kornexl, City Treasurer;  
Jeff Gray, Director of Planning and Community Development.

II. Approval of Agenda.

Motion by Coscarelly, second by Ridley, to approve the agenda as presented. Motion carried.

III. Approval of Minutes:

A. August 4, 2010 Regular Meeting

Motion by Pius, second by Coscarelly, to approve the minutes as presented. Motion carried.

IV. Old and New Business:

A. BRA – Consider City Commission’s request to return funds to the City’s Economic Development fund.

Morrison reviewed the packet materials explaining that funds were previously allocated by the City Commission to the Brownfield Redevelopment Authority for incentives to support redevelopment of the property at Main and Pickard. The planned redevelopment of that property is no longer moving forward.

At their August 23<sup>rd</sup> meeting, the City Commission acted to request that the BRA return those funds to the City’s Economic Development Fund and proposed allocating \$150,000 to the Economic Development Corporation for incentive assistance. The City Commission requested that the EDC develop criteria for the distribution of those funds and establish a quarterly reporting mechanism to report on the use of the funds. Unused funds are to be returned to the general fund at the end of one year.

Morrison indicated that both the BRA and the EDC are represented by this board. He stated that a motion will be necessary if the board is willing to take up the request.

Motion by Coscarelly, second by Ridley, that the BRA return \$250,000 to the City’s General Fund and that the EDC accept a \$150,000 allocation from the City Commission for incentive assistance. Motion carried.

B. EDC – Consider criteria for eligibility for EDC Assistance utilizing funds transferred from the City Commission.

Morrison noted that he had provided a sample list of eligibility criteria on the second page of his August 18<sup>th</sup> memorandum to the City Commission that was included in the packet.

Discussion followed regarding the criteria. It was noted that criteria should be kept general so that the EDC can remain flexible. It was also pointed out that applicants should not be expected to meet all of the criteria, but as many as possible. Each request should be considered on its own merits. It was recommended that the number of jobs retained be added to the criteria.

Motion by Ridley, second by Dolehanty, to utilize the recommended criteria with the addition of the number of jobs retained. Motion carried.

C. EDC – Discussion of EDC assistance and incentives.

Morrison stated that staff has focused the incentive development on the interest write down/rebate that was discussed at the previous meeting. He indicated that if this approach were used, each applicant would be brought individually to the EDC for consideration. He noted that those who have shown interest in the program have had trouble getting conventional financing and are likely to have higher interest loans.

The EDC expressed support for the interest write-down as it could have an impact, but limit risks of providing funds to start up businesses. The EDC discussed the importance of establishing caps to the amount of the loan and the percentage rate that would be written down.

Morrison indicated that he anticipated most of the loans being in the \$100,000 - \$150,000 range. He is looking at potential scenarios that would write down the interest to 0% in the first year of the loan and gradually step it up over time. The goal is to keep the term of the incentive short to encourage business growth and conversion to conventional financing.

He asked whether the EDC would be willing to advance the first year's interest rebate at the start of the loan to help the businesses with cash flow. It was the consensus that the program should be a true rebate program, with funds expended only after the applicant has paid the lender the interest payments. The board was open to frequent rebates of monthly or quarterly to meet the needs of the applicant.

Morrison noted that this would help with developing parameters. He suggested that with the interested parties that staff has been meeting with, it may be possible that we would be bringing an application to consider while we are also finalizing the program.

D. Other.

Morrison gave a brief update of the action taken by the City Commission following their recent closed session in the Billboards by Johnson matter.

V. Adjournment

Since there was no further discussion, Vice Chair Smith adjourned the meeting at 9:35 a.m.