

REGULAR MEETING

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

MINUTES September 15, 2011

- I. Ridley offered to chair the meeting since the Chair and Vice-Chair were both absent. The board supported her offer. Ridley called the meeting to order at 1:03 p.m. Roll call:

Present: Tim Coscarelly, Tim Dolehanty, Kathie Grinzinger, Tom Krapohl, Nancy Ridley.

Absent: Bruce Kilmer, Joe Olivieri (Chair), Jeff Smith (Vice-Chair), one vacancy.

Staff: Mary Ann Kornexl, City Treasurer; Jeff Gray, Community Development Director.

Guest: Andy Smits, Inland Seas Engineering.

- II. Approval of Agenda.

Motion by Grinzinger, second by Dolehanty, to approve the agenda as presented. Motion carried.

- III. Approval of Minutes:

- A. August 4, 2011 Regular Meeting

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

- IV. Old and New Business:

- A. BRA – Consider amendment to Brownfield Plan for Site #5, 510-600 W. Pickard Street (P&A Development)

Gray noted that this Brownfield Plan had originally been approved in 2006. The original Plan included total reimbursements of about \$950,000. Those reimbursements were to be made from the capture of new tax revenue that would be generated from the redevelopment of the site, with the revenue to come from a combination of both local and school tax capture.

However, the Michigan Department of Environmental Quality (MDEQ) failed to approve the applicant's work plan, making over \$400,000 in school tax revenue unavailable for capture.

Staff has been working with the applicant for the last 3 years in an effort to address the issue. Gray introduced Andy Smits, with Inland Seas Engineering. Gray explained that the applicant recently hired Inland Seas Engineering to assist in the project. Staff has been working with Mr. Smits for the past several months to develop the proposed Brownfield Plan amendment.

Mr. Smits explained his background in environmental engineering and brownfields. He provided an overview of the Plan amendment noting the proposal to address the shortfall in funds available for reimbursement of expenses. He noted that the applicant is proposing to forgo over \$200,000 in reimbursement. In addition, the administrative fee to cover costs associated with the administration of the plan has been reduced. The length of the plan has been increased by 4 years to end in 2025. Each of the local taxing jurisdictions will see a slight increase in the total amount

of their capture. However, a portion of that increase will be offset by additional revenue that will be generated by a building addition that was not contemplated in the original plan.

Smits also discussed his September 14, 2011 correspondence addressing the clean up measures that were undertaken on the site.

Discussion and clarification of the numbers followed. Board members noted that the Plan resolves the shortfall with all parties giving a bit. It was noted that the developer has not only forgone a significant amount of their reimbursement, but is also delivering additional taxable value.

The board was reminded that only 75% of the new revenue will be captured, with 25% passing through to the local taxing jurisdictions. So the new development will create benefit to the taxing jurisdictions in the short term. Although the new construction will result in additional expenses that are eligible for reimbursement as a brownfield, the developer is not seeking additional reimbursement.

Motion by Dolehanty, second by Coscarelly, to recommend that the City Commission approve Brownfield Plan Amendment #1 for Site #5 (510-600 W. Pickard Street) from P&A Development as presented. Motion carried.

Motion by Coscarelly, second by Dolehanty, to approve the Reimbursement Agreement for the site, subject to final changes by the City Attorney. Motion carried.

B. EDC – Update on City Commission allocation of Economic Development Funds

Ridley noted that the City Commission considered the EDC's request to retain the Economic Development Funds at their August 22nd meeting. As the attached copy of the City Commission minutes indicate, the City Commission granted the request, subject to the original conditions associated with the allocation of funds.

C. Other

There was no further discussion.

V. Adjournment