

City of Mt. Pleasant

Economic Development Corporation (EDC) Brownfield Redevelopment Authority (BRA)

MINUTES OF THE REGULAR MEETING

October 30, 2012, 9:00 A.M.
City Hall, Conference Room A

I. Call to Order

In the absence of the Chair and Vice-Chair, the meeting was called to order by Tom Krapohl at 9:03 a.m.

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

Absent: Bruce Kilmer, Joe Olivieri, Jeff Smith

Also attending: Jeff Gray, Mary Ann Kornexl, Dave Lapham, Tim Lapham, William Mrdeza

II. Approval of Agenda

It was moved by Ridley, seconded by Pung, to reverse the order of the agenda, covering Brownfield Authority business ahead of the EDC business in order to respect the time of the two Brownfield project applicants in the audience, Dave and Tim Lapham. **The motion passed unanimously.**

III. Approval of the July 17, 2012 Meeting Minutes

It was moved by Coscarelly, seconded by Grinzinger, to approve the minutes of the July 17, 2012 meeting as presented. **The motion passed unanimously.**

IV. Old and New Business:

A. **BRA**

1. **Review and Recommendation to City Commission Regarding Amendments to the Site #4 (Chieftain Hotel) Brownfield Redevelopment Plan**

Mrdeza gave a brief overview of the project and history of the existing Brownfield plan for the site on Mission. He explained that the existing plan anticipated a different project

and investment in the property that never materialized due to a down-turn in the economy. The current McLaren development proposed for the site would allow sufficient taxes to be generated and captured to reimburse the developer for the original costs incurred in the demolition of the former hotel. Should a second phase of the project occur (a second multistory, mixed-use building) additional taxes would be generated that would allow for the capture and reimbursement of additional abatement costs associated with the former hotel demolition, relocation of the water line in the property right of way, and additional funds toward the construction of a cross connection roadway between Appian Way and Fairfield on the east side of the property. These additional reimbursements would be dependent upon the amount of investment in the second phase including the number of stories contained in this future development.

Kornexl presented a PowerPoint summary of the proposed revised Brownfield plan for the site, based upon the new development and its subsequent phases. After some discussion, it was moved by Dolehanty, seconded by Pung, to adopt a resolution approving and recommending that the City Commission approve an amended and restated Brownfield Redevelopment Plan for Site #4 as presented. **The motion passed unanimously.**

2. Brownfield Assessment Grant Application

Mrdeza informed the Board members that he had been working with Brian Anderson of the Middle Michigan Development Corporation (MMDC) and Don Schurr of Greater Gratiot Development on an application to the Environmental Protection Agency (EPA) for a Brownfield Assessment Grant which would cover Isabella and Gratiot Counties, including the City of Mt. Pleasant. The application would be submitted by the November deadline and was being written by SME, Inc. as a consortium grant; as such, the grant would be for \$600,000 to assess sites suspected to be contaminated with petroleum products or with hazardous materials. It is anticipated that the announcement of grant awards will be made in April or May, 2013.

B. EDC

1. Brief Update on Parcel B and IDC Shell Building

Mrdeza indicated that the City settled its lawsuit with J.E. Johnson and as a result, would be receiving Parcel B adjacent to City Hall as part of the settlement agreement. Title to the property would be in the name of the EDC. There is interest in identifying a suitable development project for the parcel as soon as possible. Mrdeza asked the Board for their preference in marketing the parcel, once it was officially turned over to the City. It was agreed by general consensus that for the immediate future, a sign would be placed on the property once it became available indicating its availability for development purposes. The MMDC would act as the marketing agent with their contact information appearing on the sign. It was suggested that the Board discuss the parameters for the most appropriate type of development at their next meeting.

Mrdeza next discussed the need to prepare an updated Phase I, Baseline Environmental Assessment (BEA), and possibly a Due Care plan for Parcel B once the City becomes the new owner of the property. The City's environmental consultant, AKT Peerless, were in discussions with the City's legal counsel to determine exactly what will be needed and required in order to protect the City from potential future environmental claims. The worst case cost was \$6,000 including contingencies and Mrdeza requested authorization to expend up to that amount depending upon the determination of need by the City's attorney and consultant. It was moved by Dolehanty, seconded by Ridley, to authorize the expenditure up to \$6,000 for required environmental assessment and due diligence work on Parcel B once ownership reverted back to the City. **The motion passed unanimously.**

Mrdeza also discussed some recent interest in the IDC Shell building located in the University Smart Zone. He and Anderson had met with an interested party who discussed the possibility of locating a state of the art regional DNA testing and analysis lab in the building. While talks are preliminary at this stage, Mrdeza reminded the Board that the EDC still had a commitment for a five year interest write down totaling \$56,500 for the build out of the building should a suitable developer be found. He will keep the EDC informed of any future developments should they materialize.

V. Other Business

There was no Other Business discussed at the meeting.

VI. Adjourn

There being no other business, **the meeting adjourned at 10:00 am.**