

City of Mt. Pleasant

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

MINUTES OF THE REGULAR MEETING

October 29, 2014—8:00 A.M.
City Hall, Commission Chambers

I. Call to Order

The meeting was called to order by Chair Joe Olivieri at 8:02 am.

Present: Tim Coscarelly, Jim Holton (for Sharon Tilmann), Mary Ann Kornexl, Tom Krapohl, Margaret McAvoy, Joe Olivieri (Chair), Mike Pung, Nancy Ridley, Jeff Smith (Vice Chair)

Absent: None

Also attending: Staff: William Mrdeza

Guests: Garrett Seybert (P.S. Equities), Phil Seybert (P.S. Equities), Allison Chiodini (Lodgco), Darrell Herbruck (Lodgco)

II. Approval of Agenda

It was moved by Ridley, seconded by McAvoy, to approve the agenda as presented. **The motion passed unanimously.**

III. Approval of the July 1, 2014 Meeting Minutes

It was moved by Smith, seconded by Krapohl, to approve the July 1, 2014 meeting minutes. **The motion passed unanimously.**

IV. Old and New Business:

A. BRA

1. Approval of the Final Amended 2014 Budget

Kornexl presented the final 2014 amended Brownfield budget. She indicated that the amount of capture increased slightly over the original amended budget amount. The remainder of the budget was consistent with previous projections.

While on the subject of budget approvals, the Board asked to review of the EDC budget at this time as well. Kornexl reported that the incentive on the IDC shell building in

University Park was disbursed and the City Commission agreed to continue to allow the EDC to carry forward the remaining \$78,746 for additional incentive opportunities for another year. She also indicated that there was an increase in the fund balance at the end of the year. It was moved by Ridley, seconded by Krapohl to approve the final 2014 amended budgets of both the Brownfield Authority and the Economic Development Corporation. **The motion passed unanimously.**

2. Consideration of a Brownfield Plan for 915 E. Broomfield

Mrdeza and Kornexl presented a proposal from 915 E. Broomfield LLC (Broomfield Lofts) which sought a Brownfield Plan Amendment for the property as part of a proposed mixed use redevelopment of the parcel. The existing functionally obsolete building would be demolished and a new multi-story commercial/residential project would be constructed on the site. The cost of the demolition, together with other eligible project costs would be reimbursed to the developer over a ten year period, with an additional five years of tax capture to be paid into the local site remediation revolving fund. The project investment would amount to approximately \$1.35 million resulting in a total of \$136,000 of reimbursable costs paid to the developer. The total tax capture over the 15 year period of the plan is \$247,000, which includes administrative expenses and finance costs. After some discussion, it was moved by Holton, seconded by Coscarelly, to recommend the City Commission approve the plan amendment as prepared. **The motion passed unanimously.**

B. EDC

1. Approval of the Final Amended 2014 Budget

This agenda item was acted on together with the Brownfield Budget as reported previously.

2. Consideration of a Financial Incentive Package for the CMU Hotel Project

Mrdeza reported that Lodgco Management had requested the City assist with construction of a new Courtyard by Marriott on CMU's property adjacent to Kelly Shorts Stadium. Specifically they asked for consideration of incenting a new access road to the development off of Mission Street that would also include the abandonment and relocation of the existing Campus Drive north of its present location in order to better serve the new \$16.4 million development. Normally, this would be a request to be considered by the DDA, but the project falls outside of the DDA's tax capture boundaries and therefore is ineligible for consideration.

Mrdeza indicated that this request was complementary to the grid street construction the DDA has been involved with along Mission Street and might result in a traffic signal in that location in the future. He also reminded the Board that the EDC currently had \$78,746 in unobligated funds available that could be used for incentive purposes. Since it was projected that this new development could generate approximately \$130,000 per year in tax revenue for the City, it was the staff's recommendation that the EDC consider incenting the \$338,820 total cost of the new entry street. This would require a request to

the City Commission of an additional allocation of \$260,074 to the EDC from the Economic Development Fund. After additional discussion, it was moved by Holton, seconded by Krapohl, to recommend to the City Commission at their November 10, 2014 meeting that they allocate \$260,074 to the EDC for the purpose of incenting the new entryway. Further, if allocated, the funds are to be reimbursed to the Economic Development Fund from taxes generated by the project over a period of time. **The motion passed unanimously.**

3. Consideration of a Request to Extend the Due Diligence Period on Parcel B

Before beginning the discussion on this item, Mrdeza informed the EDC Board that Lodgco Management had decided to not request an extension of the due diligence period for the exclusive development rights on Parcel B as previously anticipated. Lodgco had previously been granted these rights for a six month period in order to more fully develop their earlier proposal for the site. The developer indicated that the cost of the development become too expensive at this time for them to pursue, especially when combined with other projects they were currently committed to completing in the near future. They did agree to continue a dialog with the City to see if a more appropriate conceptual design could be developed. In light of this information, it was moved by McAvoy, seconded by Ridley, to remove this item from the agenda. **The motion passed unanimously.**

4. Discussion on Preferred Procedure for Addressing Routine Maintenance Requests on EDC-Owned Cellular Communications Towers and Equipment

Mrdeza reported that periodically the City receives notices from the cellular service providers leasing space on the EDC-owned cell towers that routine maintenance needs to be conducted in accordance with the language contained in the leasing agreement. These notices typically require the owner's (EDC) signature. Mrdeza suggested that in instances where requests of this nature are received, the EDC Board authorize staff to sign such notices on the Board's behalf, and notify the Board of such action at their next meeting. Of course any activity that would be outside the scope of the lease agreement (such as new construction requiring site plan review by the Planning Commission) would first need to be reviewed and approved by the EDC Board as has been the practice in the past. It was moved by Holton, seconded by Smith, that staff be authorized to sign routine maintenance requests by the cellular provider lessees and provide notification to the Board of such action at their next meeting in order to keep the Board informed. **The motion passed unanimously.**

5. Use of Parcel B for the Man vs. Mountain Adventure Race February 7, 2015

Mrdeza reminded the Board that he had previously polled the Board members regarding the use of Parcel B for the upcoming Man vs. Mountain adventure race to take place on February 7, 2015. The event is being organized by the City's Recreation Department staff. Participants will use the property to traverse a final obstacle before finishing at Mountain Town Station. Little or no impact to the property is expected.

V. Other Business

There was no Other Business discussed at the meeting.

VI. Adjourn

There being no other business, **the meeting adjourned at 8:54 a.m.**



MEMORANDUM

TO: Brownfield Redevelopment Authority Board

FROM: William R. Mrdeza
Community Services and Economic Development Director *W.R.M.*

DATE: March 3, 2015

SUBJECT: Brownfield Plan Amendment for 715 Edgewood (Casa Loma Townhomes)

Background

The Brownfield Board is asked to consider recommending a Brownfield Plan Amendment to Brownfield Site #16 that would support the reimbursement of eligible expenses associated with the demolition and redevelopment of property at 715 Edgewood. The proposed development consists of demolishing the current single story, eight unit (32 occupants) apartment building and reconstructing a 2 ½ story, ten unit townhome development with a maximum allowable occupancy of 39. Private investment in the property is estimated to be \$985,000.

The proposed plan amendment projects reimbursement of \$150,000 to the developer over sixteen years, with an additional five years added to the plan to allow for the reimbursement of eligible expenses and capture for the local site remediation revolving fund. This brings the total duration of the plan to twenty one years. The *total* taxable value of the development increases from the current value of \$94,662 to \$550,825 after improvements. The *captured* taxable value is estimated to be \$456,163 based on the anticipated level of investment.

Requested Action

Based on the level of investment and the increase in taxable value the project will generate, staff supports a recommendation by the Brownfield Redevelopment Authority to the City Commission to amend the plan as presented.