

City of Mt. Pleasant

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

MINUTES OF THE REGULAR MEETING

March 20, 2014--11:30 A.M.
City Hall, Commission Chambers

I. Call to Order

The meeting was called to order by Chair Joe Olivieri at 11:32 am.

Present: Jim Holton, Mary Ann Kornexl, Margaret McAvoy, Joe Olivieri (Chair), Nancy Ridley, Jeff Smith (Vice Chair), Sharon Tilmann

Absent: Tim Coscarelly, Tom Krapohl, Mike Pung,

Also attending: William Mrdeza, Michelle Sponseller

II. Approval of Agenda

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

III. Approval of the February 6, 2014 Meeting Minutes

It was moved by Smith, seconded by Tilmann, to approve the February 6, 2014 meeting minutes. **The motion passed unanimously.**

IV. Old and New Business:

A. BRA

1. Approval of a Brownfield Redevelopment Plan and Reimbursement of Eligible Expenses for the Demolition of a Portion of 916 E. Broomfield (Southpoint Village, LLC—Elva Drive)

Mrdeza reported that the owners of Southpoint Village are proposing to demolish and rebuild a portion of their multi-family rental apartments along Elva Street and were requesting the creation of a Brownfield TIF plan be created for the property. If approved, this would enable the property owner to recoup the cost of the demolition. Mrdeza referred to Kornel for the presentation of more details regarding the financial aspects of the proposed plan.

Kornexl indicated that the proposed development would include a \$1.9 million investment and result in an estimated taxable value of \$2,362,500 after reconstruction. This would mean an increase in value over the current property of \$612,500. The proposed Brownfield plan anticipates a reimbursement of eligible demolition costs of \$134,975 over the term of the plan at a 2% interest rate. The plan conservatively projects no growth in value over the life of the project.

While the Brownfield Board could deny the plan, should they decide to act on the request, Kornexl indicated there were two options to consider. The first option was to approve a Brownfield capture plan for eleven years, while the second option included approving a plan for the initial eleven years plus an additional five years as provided for in the Brownfield Act (sixteen years total). Kornexl explained that the first option would not allow for the capture of additional remediation revolving funds, while the second option would. Kornexl further explained that should the Brownfield Board wish to approve one of the plan options, they would need to send their recommendation to the City Commission and request the Commission set a public hearing date and then take action on the recommendation once the hearing is held.

It was moved by Smith, seconded by Tilmann, that the Brownfield Board recommend approving a Brownfield Plan for 916 E. Broomfield for sixteen years (which included an additional five years to add to the remediation revolving fund) and request the City Commission to set a public hearing on the plan. Once the public hearing is held, the City Commission would then act on the Board's recommendation. **The motion passed unanimously.**

B. EDC

1. **Approval of the Development Agreement Between the Economic Development Corporation and Lodgco Management for the Development of Parcel B as Previously Proposed**

Mrdeza presented the proposed agreement between the EDC Board and Lodgco Management for the development of Parcel B adjacent to City Hall. The EDC Board had previously approved a proposed development by Lodgco for a four story mixed use structure to include first floor commercial space, second floor office space and two floors of residential. The document presented to the Board for their consideration was an eight month exclusive development agreement during which time Lodgco could perform due-diligence activities in order to determine the site's suitability for their proposed development. At the end of this time period, ownership interest could be transferred to Lodgco should they decide to proceed with development. It was moved by Smith, seconded by Tilmann, to approve the eight month exclusive development agreement for Parcel B with Lodgco and authorize the Chair to sign the agreement. **The motion passed unanimously.**

2. Update on the EDC Commitment of Funds for the Completion of the IDC Shell Building in the CMU SmartZone

Mrdeza provided a brief update on the status of the IDC Shell Building. He reminded the Board that the EDC had previously committed \$56,500 toward the completion of the spec building in the University Park SmartZone. A local developer is in the process of closing on the building and will be leasing it to Charter Communications. The funds committed by the EDC will be used to assist with the cost of the construction loan and will be reimbursed to the developer at the conclusion of the project once documentation has been received certifying that the contractor has been paid. It is anticipated that the new tenant will move into the renovated building by mid-summer, 2014.

V. Other Business

There was no Other Business discussed at the meeting.

VI. Adjourn

There being no other business, **the meeting adjourned at 12:04 p.m.**

