

City of Mt. Pleasant

Central Business District (CBD) Tax Increment Finance Authority (TIFA)
Mission-Pickard Downtown Development Authority (DDA)
Industrial Park North TIFA
University Park TIFA

MINUTES OF THE REGULAR MEETING

February 12, 2015 10:00 AM
City Hall, Conference Room A

I. Call to Order

The meeting was called to order by Chair Rich Swindlehurst at 10:12 am.

Present: Tim Driessnack, Margaret McAvoy, Rick McGuirk (Vice-Chair), Lisa Orlando, Jeff Smith, Rich Swindlehurst (Chair),

Absent: Tim Coscarelly, John Hunter, Tom Krapohl, Nancy Ridley, Terri Zitzelsberger

Also attending: (Staff): Mary Ann Kornexl, William Mrdeza
(Others): Tim Lapham

II. Approval of Agenda

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

III. Approval of the January 8, 2015 Meeting Minutes

It was noted by McAvoy that the January meeting minutes incorrectly listed Coscarelly and Hunter as those that moved and seconded the approval of the November 13, 2014 meeting minutes; neither was present at the January meeting. Mrdeza thanked McAvoy for recognizing the error and indicated that the January minutes should instead read "It was moved by *Ridley*, seconded by *McAvoy*, to approve the minutes of the November 13, 2014 meeting." He would note the error and make the correction in the original minutes of that meeting. Hearing no further corrections to the January minutes, it was moved by Driessnack, seconded by Orlando, that the January 8, 2015 meeting minutes be approved as amended. **The motion passed unanimously.**

IV. Old and New Business

A. TIFA

1. 2014 Event Sponsorship Review and Update

Mrdeza presented a synopsis of the events that were conducted with the sponsorship funds allocated by the TIFA Board to the Downtown Development Board as requested for that purpose. The three events that the funds assisted with in 2014 included the June 7 Craft Beer Festival, the July 11-12 Back to the Bricks car show, and the July 31-August 20 Art Walk Central event. No further action from the Board was necessary on this issue.

2. University Park Activity Update

As requested by the TIFA Board at the last meeting, Mrdeza presented a brief update on activities in the SmartZone that the CMU-RC staff have been engaged in. Activities included continuing to gather comments from the community regarding proposed SmartZone future development plans, creating a subcommittee to advise the staff on next steps, and soliciting feedback from LDFA and TIFA board members regarding the future development strategy outlined at the previous meeting. No further action from the Board was necessary on this issue.

B. DDA

1. Request from Lapham Associates to Consider Additional Incentive Funds for 1523 and 807 S. Mission Street (Action Postponed from January Meeting)

Mrdeza presented additional information from Lapham Associates regarding their request for additional funding to cover overrun costs of the amenities for the McLaren and Popeye's developments. As a reminder, he indicated that originally the Board granted a not to exceed amount of \$62,000 for the McLaren amenities and \$24,875 for Popeye's. Action on this item was postponed from the January meeting and staff was asked to 1) make a recommendation to the Board on whether or not to grant the request, 2) identify programmatic changes that would prevent this issue from occurring in the future, and 3) request the City's engineering staff evaluate the reasonableness of the requested costs. Mrdeza recommended that the additional costs be allowed for a number of reasons, including the fact that the developer has invested over \$100,000 in additional unanticipated legal fees in order to comply with the City's desire to move the McLaren building closer to Mission Street. He also suggested programmatic changes to prevent similar situations from occurring in the future including basing final approval on actual construction bids received by the developer rather than engineering estimates. Also, any changes to the approved amount would only be considered if the request is submitted and approved ahead of any work being done. The Engineering staff had not received sufficient additional information to evaluate the reasonableness of the costs by the time of the meeting.

A detailed discussion followed staff's presentation. There was general agreement on the programmatic changes suggested by staff. Swindlehurst suggested an addition that would require multiple bids on incentive requests that would be funded 100% by the DDA. He suggested a combined motion that would grant the developer the additional funds and would also adopt the suggested programmatic changes. McAvoy indicated she was not in favor of a combined motion primarily because she did not support providing additional funds to cover the cost of the overruns. While she agreed with the programmatic changes, she requested staff prepare a separate set of program guidelines rather than including them as part of a memo on the topic. Smith inquired as to whether there could be a summary prepared that would identify which of the requested items were a result of City requirements and which were a result of developer error? Generally, the Board also wanted additional time for the Engineering staff to analyze and provide feedback on the reasonableness of the incurred additional costs. As a result of the discussion, it was moved by Smith, seconded by Orlando, to postpone action on this request until the next meeting where the additional information requested could be provided. **The motion passed unanimously.**

V. Other Business

Kornexl informed the Board that the City had finally received the last outstanding amount from the MEDC for the Jockey Alley project. She reminded them that the MEDC had originally disallowed the grant management costs of \$40,000 and that she had appealed that decision. After submitting her justification, the MEDC agreed to the grant management costs and would allow the City to finally close out the project and receive full reimbursement. No further action from the Board was necessary on this issue.

VI. Adjourn

There being no other business, the meeting adjourned at 11:03 am.

