

## City of Mt. Pleasant

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

#### MINUTES OF THE REGULAR MEETING November 10, 2016—3:00 P.M. City Hall, Conference Room A

#### I. Call to Order

The meeting was called to order by Chair Jeff Smith at 3:02 pm.

**Present:** Tim Coscarelly, Mary Ann Kornexl, Tom Krapohl, Kathleen Ling, Margaret McAvoy, Joe Olivieri (Vice-Chair), Mike Pung, Nancy Ridley, Jeff Smith (Chair)

**Absent:** None

**Also attending:** (Staff): William Mrdeza

#### II. Approval of Agenda

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

#### III. Approval of the August 26, 2016 Meeting Minutes

It was moved by Pung, seconded by Krapohl, to approve the August 26, 2016 meeting minutes as presented. **The motion passed unanimously.**

#### IV. Old and New Business:

##### A. BRA

##### 1. Consider a Recommendation on a Proposed Brownfield Redevelopment Plan for 1040 E. Broomfield

Olivieri disclosed that he was a partner in the proposed development at 1040 E. Broomfield, which is the subject of this agenda item and therefore had to recuse himself from further discussion due to a conflict of interest. Mrdeza and Kornexl then presented a Brownfield plan for 1040 E. Broomfield to the Board for consideration. The purpose of the plan was to capture eligible reimbursable expenses associated with the redevelopment of a parcel currently containing a former veterinary office that has been determined to be functionally obsolete and therefore eligible for consideration as a Brownfield site. The site had been conditionally rezoned from C-3 to M-2 several years ago and had recently received conditional site plan approval for the proposed development from the Planning Commission.

The project, called the Lofts on Broomfield, proposes to construct four buildings in a phased development (approximately one per year for four years, depending on market conditions) with each building containing six residential units. Occupancy was projected to begin in the fall of 2017. Each building was anticipated to have a taxable value of approximately \$320,000 upon its completion. The 22 year plan anticipates tax capture for 20 years for eligible expenses to include utilities, demolition, parking lot paving, storm water retention, etc. The total \$618,717 in eligible reimbursable costs includes \$2,000 to the City and \$616,717 to the developer. Over the 20 years of the plan's tax capture approximately \$630,266 would be realized in captured taxes at the 75% capture rate. Due to the size of the investment and amount of reimbursable costs requested, the plan does not allow for the payment of interest to the developer or payment into the local site remediation fund.

Board members voiced a number of concerns regarding the plan. Some of the concerns expressed included the fact that the majority of the reimbursable eligible expenses were not of an environmental nature, which to some was the original purpose of the program. Other concerns included the length of time that plan was written for, the level of proposed reimbursement contained in the plan (it appeared very high relative to the investment in the property), and the fact that the City usually does not reimburse for expenses which primarily benefit the private development exclusively. While there was a general recognition that the site posed challenges to development in general, given the fact that the project is a student housing development it called into question whether the City needed to incent this type of development since student housing is plentiful in the City.

In order to continue the discussion, it was moved by Coscarelly, seconded by Krapohl, to recommend the proposed Brownfield plan to the City Commission for approval as presented. Additional discussion ensued. The developer was asked if they were willing to reconsider aspects of the plan which would result in a shorter plan duration and a request for less reimbursable expenses. As a result of this discussion, the original motion was withdrawn; Ridley then moved to postpone action on the Brownfield plan until such time as the developer worked with staff and either 1) resubmitted a revised plan which contained a lower amount of reimbursable expenses and a shorter plan duration, or 2) the developer decided not to pursue a Brownfield plan for this project on this site. The motion was seconded by Coscarelly. **On a vote of 7 in favor, 0 opposed, and 2 abstaining (Olivieri, Ling), the motion passed.** Staff will work with the developer on a revised plan and call another meeting of the Brownfield Redevelopment Authority Board at a later date.

## **B. EDC**

### **1. There was no business pending before the Economic Development Corporation Board**

## **V. Other Business**

There was no Other Business discussed at the meeting.

## **VI. Adjourn**

There being no other business, **the meeting adjourned at 3:57 p.m.**