

City of Mt. Pleasant

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

MINUTES OF THE REGULAR MEETING

November 17, 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, Joe Olivieri (Vice-Chair), Nancy Ridley, Jeff Smith (Chair)

Absent: Margaret McAvoy, Mike Pung

Also attending: (Staff): William Mrdeza

II. Approval of Agenda

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

III. Approval of the November 10, 2016 Meeting Minutes

It was moved by Ridley, seconded by Krapohl, to approve the November 10, 2016 meeting minutes as presented. **The motion passed unanimously.**

IV. Old and New Business:

A. BRA

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

Olivieri once again disclosed that he was a partner in the proposed development at 1040 E. Broomfield, which is the subject of this agenda item, and therefore recused himself from further discussion due to a conflict of interest. Mrdeza and Kornexl then highlighted the revised Brownfield plan for 1040 E. Broomfield to the Board for consideration. The previous version of the plan consisted of reimbursable expenses and a duration that the Brownfield Board was not totally comfortable with. Action was tabled on that plan and the applicant was asked to resubmit a revised plan that reduced the amount of reimbursable expenses as well as the plan's duration.

As a result, the revised plan contained a reduction of \$200,000 in eligible reimbursable expenses as well as a reduction in the number of years of the plan. Mrdeza outlined the highlights of the revised plan:

- Construct four, six unit apartments to be built in phases over four years
- Contains eligible expenses including on-site storm water retention, fencing, site work, demolition, storm sewers, and cost sharing of infrastructure costs
- Has a duration of 17 years but captures 75% of the generated taxes for 15 years
- Contains reimbursable costs of \$399,704, including \$2,000 of eligible costs to the City
- Anticipates a contribution to the Local Site Remediation Fund of \$26,258 in the final year of the plan
- Includes an increase in the taxable value of the property from the current value of \$75,200 to \$1,374,500 upon buildout

Based on the above, it was moved by Coscarelly, seconded by Krapohl, to recommend Brownfield Plan #19 to the City Commission for approval as presented. Additional discussion ensued. Phil Seybert, a partner in the development, questioned the contingency cost included in the plan. He indicated a willingness to reduce the total cost of the plan by \$200,000 as compared with an earlier version considered by the Board, inclusive of other expenses such a contingency. As a result, this allowed for a plan written for a shorter duration compared with the original proposal. As a result, Seybert suggested removing the contingency line item from the plan and to reallocate the \$27,750 amount to offset the cost of extending the water line to the site. This would result in sharing approximately 45% of the water line cost with the developer. All parties were in agreement to this change.

Coscarelly then amended his motion to recommend Brownfield Plan #19 to the City Commission with the following amendments:

1. Remove the contingency line item of \$27,750
2. Share up to 45% of the cost of the water line for the project by reallocating the amount of the contingency to the water line
3. Cap the assistance for the water line at a not-to-exceed amount of \$27,750

Krapohl seconded the amended motion. Additional discussion ensued. Some members questioned the need to incent additional student housing with Brownfield TIF assistance. Other members indicated that the market should determine the feasibility of the project and indicated that the proposed project would add to the tax base of the City over the current use. It was also noted that given the long and narrow nature of the site, this property had development challenges and therefore incentives were warranted. Other comments included:

- The Brownfield program is one of the few local tools still available for communities to incent development and that this project was an appropriate use of this tool

- The market shouldn't exclusively determine the nature of the development that occurs; the benefit to the community should also be considered
- Setting policy parameters on the use of the Brownfield program was a decision best left up the City Commission, which is a good starting point for discussion on this topic next year at a future City Commission work session

At the conclusion of the discussion on the motion and the merits of Brownfield Plan #19, the vote was called with the following results: **5 in favor, 1 opposed (Ling), 1 abstaining (Olivieri). The motion passed.**

B. EDC

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 3:24 p.m.**