

City of Mt. Pleasant

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

MINUTES OF THE REGULAR MEETING July 17, 2017—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 p.m.

Present: Tim Coscarelly, Mary Ann Kornexl, Kathleen Ling, Margaret McAvoy, Joe Olivieri (Vice-Chair), Jennifer Verleger, Nancy Ridley, Jeff Smith (Chair)

Absent: Tom Krapohl

Also attending: (Staff): William Mrdeza, Michelle Sponseller
(Commission Alternate): Jim Holton

II. Approval of Agenda

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

III. Approval of the June 27, 2017 Meeting Minutes

It was moved by Ling, seconded by Ridley, to approve the June 27, 2017 meeting minutes as presented. **The motion passed unanimously.**

IV. Old and New Business:

A. EDC

1. Review and Consider Authorizing the Chair and Secretary to Sign the Development Agreement Between the EDC and Mt. Pleasant – 410 W. Broadway, LLC for the Proposed Development of 410 W. Broadway

Mrdeza presented the draft Purchase and Development Agreement for the Board to consider. The draft agreement had been reviewed by attorneys from both parties with changes marked up on the copy distributed to the Board for consideration. Mrdeza reviewed the proposed language with the Board for comments. He explained that the purchase price had yet to be determined and the agreement called for an earnest money deposit of \$10,000 to be escrowed and applied to the final purchase price at the time of closing. Mrdeza also pointed out that the agreement provided for up to two extensions of

the 60 day due diligence period. Each extension was available for an additional 60 day period and required an escrow payment of \$10,000, which would also be applied to the final purchase price. Another notable penalty provision in the draft agreement included a payment of \$80,000-100,000 to the City if the approved project was not constructed.

Board members expressed some concerns with portions of the draft agreement. One question was what prevented the developer from constructing a project that was something less than originally represented, resulting in a lower taxable value? There was also a question regarding how the payment penalty of \$80,000-100,000 for not constructing the project at all would actually work. Another concern raised was that the project should not be marketed exclusively as student housing or apartments as the goal is to attract more professionals to live downtown. Finally, the draft agreement calls for a project which would result in a taxable value of at least \$4 million. Board members questioned what the penalties were in the event the final value was less than this amount. Related to this was also a question regarding how the taxable value of the project could be known prior to the completion of the project. Mrdeza was directed to work with the City's legal counsel to address these concerns and incorporate solutions into the draft agreement to be shared with the developer.

It was moved by Ridley, seconded by Verleger, to authorize the Chair to sign a final development agreement which incorporated a purchase price of \$30,000, resulted in market rate housing units with a taxable value of not less than \$4 million, was not marketed exclusively to the student housing market (i.e. is similar to other Maplegrove projects), and clarifies how the higher payment penalty would be applied should development not occur. The final draft development agreement is to be presented for the Chair's signature after Mrdeza and the City's attorney have reviewed and concurred that the final language incorporated into the agreement reflected the Board's input as discussed above. **The motion passed unanimously.**

B. BRA

- 1. There was no business before the Brownfield Redevelopment Authority for consideration at this time.**

V. Other Business

There was no Other Business discussed at the meeting.

VI. Adjourn

There being no other business, **the meeting adjourned at 3:34 p.m.**