

## City of Mt. Pleasant

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

#### MINUTES OF THE REGULAR MEETING

January 23, 2018—11:00 A.M.

City Hall, Conference Room A

#### I. Call to Order

The meeting was called to order by Chair Jeff Smith at 11:01 a.m.

**Present:** Tim Coscarelly, Mary Ann Kornexl, Tom Krapohl, Allison Quast-Lents, Margaret McAvoy, Nancy Ridley, Jeff Smith (Chair), Jennifer Verleger

**Absent:** Joe Olivieri (Vice-Chair)

**Also attending:** (Staff: William Mrdeza, Michelle Sponseller  
(Others: Dave Cantrell, Steve Calverley, Lori Gillis, Kathleen Ling, Jim McBryde)

#### II. Approval of Agenda

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

#### III. Approval of the November 15, 2017 Meeting Minutes

It was moved by Ridley, seconded by Krapohl, to approve the November 15, 2017 meeting minutes as presented. **The motion passed unanimously.**

#### IV. Old and New Business:

##### A. BRA

There was no business pending before the Brownfield Redevelopment Authority Board at this time.

##### B. EDC

1. **Consider Granting Mt. Pleasant—410 W. Broadway LLC (Maplegrove) a No-Cost 60 Day Extension to their Development Agreement for the Purpose of Considering Revisions to their Original Project Proposal**

Mrdeza updated the Board on the 410 W. Broadway project, indicating that at their December 11, 2017 meeting, the City Commission did not approve the recommended Brownfield plan amendment that was required in order to finalize the project financing plan and move the project forward. Subsequent conversations with the development team indicated their desire to work on a solution to the objections raised by the Commission that would be agreeable to both parties. Mrdeza reminded the Board that the current development agreement between the EDC and Mt. Pleasant—410 W. Broadway LLC expires on January 25<sup>th</sup>; this was the final extension allowable under the terms of the agreement. Should the Board agree to grant another extension to the agreement in order to explore revisions to the original project proposal, the Development Agreement would need to be amended to allow for a third extension. Staff recommended a 60 day extension at no cost since the developer had already deposited an amount in escrow equal to the agreed-upon purchase price of the property.

It was moved by McAvoy, seconded by Quast-Lents, to grant Mt. Pleasant—410 W. Broadway LLC a no cost 60 day extension to the Purchase and Development Agreement for the purpose of considering revisions to their original project proposal and to authorize the Chair and Secretary to sign Addendum #1 to the agreement for that purpose. Discussion on the motion ensued.

Coscarely inquired seeking other proposals in the event the Maplegrove project could not be move forward. Mrdeza indicated that the Purchase and Development Agreement with Maplegrove does not allow for entertaining or accepting other offers during the time the agreement is in effect. Coscarely offered a friendly amendment to the motion on the table which would amend the original Purchase and Development Agreement by striking Section 12.A.3. from the document in order to allow staff to identify other potential developers for the property in case the current project proved not feasible. Verleger seconded the amended motion. Discussion on the amended motion ensued. The Chair called for a vote on the amended motion, **the motion failed on a vote of 1 for and 7 against.** After some additional discussion on the original motion, the Chair called for a vote. **The original motion passed on a vote of 7 for and 1 against.**

## V. Other Business

There was no Other Business discussed at the meeting.

## VI. Public Comment

The Chair opened the meeting for public comment, indicating that those choosing to speak were limited in their comments to five minutes. Dave Cantrell indicated that while he supported a project of this nature, he was concerned that providing an incentive or a subsidy to the 410 W. Broadway project would give it an unfair advantage over other rental properties in the City.

Lori Gillis indicated her comments were as a resident of the City and not as a City Commissioner. She expressed a concern that the 410 W. Broadway project was seeking \$4.8 million in eligible reimbursable expenses under a Brownfield plan amendment and objected to what amounted to her as a tax subsidy. She felt the previous Mercantile Bank proposal was a

better option since it did not involve incentives from the City and that the employees of the bank would have a greater impact to the downtown than would residents in the proposed project.

Gillis also pointed out that the proposed project was seeking an interest of 5% during the life of the plan, amounting to an additional \$1.9 million. She also felt that 15 years to realize the full impact from the increased tax revenue the project would generate was too long a period to wait. Gillis concluded by saying that she would be more comfortable with the project if it was not subsidized by the City and if the design was more aesthetically pleasing. She also expressed a concern that if the units could not be rented at market rate, the project could ultimately become a low income housing project.

## **VII. Adjourn**

There being no other comments or business, **the meeting adjourned at 11:42 a.m.**