

City of Mt. Pleasant

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

MINUTES OF THE JOINT MEETING WITH THE CITY COMMISSION

February 13, 2018—5:00 P.M.

City Hall, Conference Room A

I. Call to Order (EDC/Brownfield Board)

The joint meeting was called to order by Mayor Allison Quast-Lents at 5:02 p.m.

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

EDC Absent: Tom Krapohl, Joe Olivieri (Vice-Chair)

II. The Mayor opened the meeting under City Commission procedures per the prepared agenda before beginning the joint work session

III. Old and New Business:

A. Work Session on 410 W. Broadway

City Manager Ridley began the session with an overview of the history of trying to develop the 410 W. Broadway property (formerly referred to as Parcel B). This included:

Items to consider as next steps are discussed:

- Lawsuit settlement was completed in September, 2012 and the property was returned to the EDC
- Settlement included payment of funds to cover a portion of the bond payments through 2016
- 2017 and 2018 shortfall was covered by refinancing the outstanding bonds and “front loading” the savings as well as transfers from other brownfields in the city which exceeded expectations
- 2019 shortfall is approximately \$50,000
- Projected total shortfall on bond payments 2020 through 2022 is \$345,000
- This is the last large vacant/unused parcel available in the downtown so we should make sure we “get it right”
- Whatever building is built will likely be there for 100 years or more so it is important to take a long term view

- Previously, we have heavily discouraged interested parties who were interested in a single use, non-residential development.
- Since 2013 have had approximately nine (9) “serious” concept ideas/proposals presented
- Zoning ordinance now sets some minimum requirements for the property which didn’t exist in the previous zoning ordinance (two stories required, ground level commercial not required, etc)

Potential Questions for discussion:

1. What are the real or perceived barriers to the development of this site?
How can we best overcome those barriers?
2. Do we expect this property development to continue to provide the expected funding for the outstanding bonds from the West Broadway Revitalization Project OR is that one of the barriers that exists?
3. Of the preferred development guidelines, which ones are the highest priority that we “must” have, which ones are “preferred”, and which ones should be taken off the list?
Are there other development guidelines that should be added to the list?
4. Is the city willing to “incent/assist” with local funds to assist with any financial shortfalls for creating a preferred development? If so, under what circumstances and how much?

Members of both bodies then spent time identifying possible barriers to developing the property. In no particular order of importance, barriers that were identified included:

- Environmental contamination
- Belief that the property is located in a floodplain
- Parking issue
- Rents are “too high”
- Vacancies for commercial space already exist downtown
- Perception the City doesn’t want outside investment in the community
- Perception the City is difficult to work with
- Multiple project approvals are necessary
- Borden Building bond costs still need to be covered by a new development
- CMU enrollment is down
- Uncertainty about the City’s commitment to provide incentives
- Perception the City is desperate for a development on the property
- Question whether or not the property has been sufficiently marketed
- The City expects too much investment on one site
- The “City” is tied to the original “old” conceptual development plan
- Land is inexpensive
- City property taxes are high compared to Union Township

- Perception that the local developers and contractors do not have sufficient capacity to deliver a project that meets the community's expectations of what a successful project would look like

Additional discussion ensued, which included the above topics as well as a general discussion on what the EDC and City Commission would be comfortable offering as development incentives in the future. There was consensus among members from both boards that the City would be willing to:

- Consider offering the property at zero cost, depending on the type of development proposed and on the amount of investment being proposed
- Consider a Brownfield TIF as long as the tax benefits of the project would be realized by the taxing jurisdictions earlier than 20 years from the date of approval
- Consider a ground lease if the development was proposed by a tax exempt entity
- Be flexible
- Leave the question of how much parking to provide up to the developer, although on-site parking to meet the development demand was preferred

While there was consensus on the above, at least one Commissioner did not favor offering a Brownfield and felt it was the City's responsibility to clean up any remaining environmental issues on the property before proceeding further and then market it as a Greenfield site. Also, this Commissioner was not in favor of the possibility of offering the property at no cost.

Following the discussion above, the Board members discussed next steps to attract a development to the property. Board members were in agreement the City staff should first put in a concerted effort to market the property broadly before considering engaging with a national property marketing firm. Mrdeza indicated that staff had previously put together a listing of qualified firms that could be solicited for project proposals and felt that the list could be easily updated. McAvoy offered the County's help by listing the solicitation on the MITN bid network, to which they have an account. Staff agreed to include that opportunity as part of the proposal solicitation process. There was also agreement that if needed, the Commission and EDC should meet annually to review the status of the property and discuss any changes in strategy to attract a development to the site.

Finally, staff and Board members reviewed the previous RFP that was advertised and suggested deletions to and changes in some of the language as a result of the above discussion. The changes included making it clear that while the City prefers a mixed use development, it is not a requirement; to indicate there is flexibility in the expected project design; that parking can be accommodated both on and off site and the amount needed is up to the developer to decide; and that while the City prefers a development that results in \$4.1 million in true cash value with a \$2.1 million taxable value upon completion, there is some flexibility in that expectation. Staff committed to creating a timeline for marketing, receiving proposals, and engaging with a qualified developer in the following weeks as a reference tool.

IV. Other Business

There was no Other Business discussed at the meeting.

V. Public Comment

There was no public comment given or received.

VI. Adjourn

There being no other comments or business, **the meeting adjourned at 6:25 p.m.**