

City of Mt. Pleasant

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

MINUTES OF THE REGULAR MEETING

May 1, 2019—4:00 P. M.

City Hall, Conference Room A

I. Call to Order

The meeting was called to order by Chair Brad Wahr at 4:00 p.m.

Present: Joshua Agardy, Will Joseph, Mary Ann Kornexl, Tom Krapohl, Margaret McAvoy, Nancy Ridley, Jeff Smith (Vice Chair), Jennifer Verleger, Bradley Wahr (Chair)

Absent: None

Also attending: (Staff): William Mrdeza, Michelle Sponseller
(Others): Sarah Christensen, Green Tree Grocery; Marilyn Crowley, MCC; Lori Gillis; Eric Hanna, MCC; Katie Mora, MMDC; Mindy Norton, The Morning Sun; Chelsea Rowley, MEDC (by phone); Petro Tolas

II. Approval of Agenda

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

III. Approval of the February 11, 2019 Meeting Minutes

Before the February 11, 2011 minutes were considered, Mrdeza noted an error on the second page under the project details as discussed by Eric Hanna. Mrdeza noted that the minutes should reflect the fact that at a minimum, the project would require the creation of a Neighborhood Enterprise Zone and a PA255 Commercial Facilities Abatement (not an OPRA as reported in the minutes). It was moved by Smith, seconded by Krapohl, to approve the February 11, 2019 meeting minutes as amended. **The motion passed unanimously.**

IV. Old and New Business:

A. BRA

1. Receive and Accept the 2018 Year End Budget and Budget Report for the Brownfield Redevelopment Authority

Kornexl presented the Brownfield year end budget report to the Board for their consideration. She indicated there were not many changes and that the variances between the amended and

actual budget figures were very small. It was moved by Smith, seconded by Joseph, to receive and accept the 2018 year end budget for the Brownfield Redevelopment Authority as presented. **The motion passed unanimously.**

B. EDC

1. Receive and Accept the 2018 Year End Budget and Budget Report for the Economic Development Corporation

Kornexl next presented the EDC year end budget report for consideration. She noted that similar to the Brownfield budget, there was little variation in line items between the amended and actual budget amounts at the end of the year. It was moved by Smith, seconded by McAvoy, to receive and accept the 2018 year end budget for the Economic Development Corporation as presented. **The motion passed unanimously.**

2. Consider Transferring the Industrial Park South Retention Pond Property from the EDC to the City and Authorize the Board Chair to Execute the Deed and Property Transfer Affidavit

Mrdeza explained that the City was in the process of applying for grant funds from the Economic Development Administration (EDA) to assist with the expansion of the retention pond in Industrial Park South. He indicated that there was a special Federal appropriation for four counties in Michigan and fifteen counties in Wisconsin affected by the 2017 flood. While the appropriated funds were subsequently all allocated to Wisconsin, the Michigan counties could still apply, using the flood as the qualifying event, although funding would come from EDA's regular program rather than the special set-aside.

In order to make the application process simpler, staff was recommending transferring the parcel of property containing the retention pond from EDC ownership to City ownership. According to the City's attorney, the process includes a deed preparation, a property transfer affidavit, and an authorization to have the Board chair sign the documents and file them with the Register of Deeds once they have been executed.

McAvoy clarified that the special appropriation referenced by Mrdeza for the grant application was different from the disaster appropriation which was available from FEMA immediately after the flood. The FEMA funds were intended to assist individuals recover losses incurred during the event. It was then moved by Smith, seconded by McAvoy, to convey the approximately 9.5 acres of land owned by the EDC in Industrial Park South (which contains the park retention pond) to the City, and to authorize the Board Chair to execute the deed and property transfer affidavit when they available. Staff was also instructed to file the conveyance documents with the Register of Deeds office once the appropriate signatures were secured and notarized. **The motion passed unanimously.**

3. Update on the 410 W. Broadway Development Project and Next Steps

Mrdeza re-introduced Eric Hanna from Michigan Community Capital (MCC) who subsequently introduced their new Investment Director, Marilyn Crowley. Hanna indicated that Crowley would be the primary contact for the project during these early stages as the

remaining funding gaps for infrastructure are addressed, prior to moving forward with the project. Mrdeza reminded the Board that the Purchase and Development Agreement provides for a 21 day review of the preliminary concept plan for the development. On or before that time, the Board must communicate with the developer any questions, concerns, or objections to the plan and whether or not the conceptual plans are consistent with the original proposal. The 21 day period is triggered as of the date of the meeting since the concept plan was presented to the Board as part of the meeting packet.

Since there were several members of the Board that were new and not part of the original decision to enter into a Purchase and Development Agreement with MCC, Mrdeza asked Hanna to provide a brief overview of the project concept and to explain the nature of MCC's non-profit status. While this status allows them to factor in a much lower rate of return on the project than a pure profit driven company, the project will nonetheless be taxable upon its completion. After his overview, Hanna asked Crowley to provide an update on the due diligence activities the project team has been engaged in over the past months and what issues yet need to be addressed.

Crowley explained that MCC is comfortable that financing for the building construction has been secured but there was still a gap that they are working on to address site conditions and infrastructure needs. They are currently investigating additional state funding availability to close this gap. Both Hanna and Crowley reiterated that 1) the presence of Green Tree Grocery was integral to the project and was also necessary in order to access a portion of the outside financing needed for the project, and 2) MCC will still be requesting the creation of a Neighborhood Enterprise Zone and a PA255 commercial abatement from the City. Crowley also indicated that because of the uncertainty regarding the timing of resolving the financing to address the remaining gap in infrastructure and site conditions, MCC would be requesting the EDC Board consider granting an additional amendment to extend the Purchase and Development Agreement prior to June 10th when the current amendment to the agreement expires. After additional discussion, the Board agreed to meet prior to the expiration of the 21 day project concept review to provide their comments as required in the Development Agreement.

V. Other Business

There was no Other Business that came before the Board.

VI. Public Comment

Lori Gillis asked about the need and availability of public parking to support the development. Petro Tolas inquired as to MCC's knowledge of the 100 year flood plain boundary area and any associated limitations.

VII. Adjourn

There being no other comments or business, **the meeting adjourned at 5:01 p.m.**