

City of Mt. Pleasant, Michigan

Mt. Pleasant
[meet here]

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

MINUTES OF THE REGULAR MEETING

January 29, 2020—4:00 P. M.

City Hall, Conference Room E

I. Call to Order

The meeting location was changed to Conference Room E in City Hall due to the after-hours timeframe. The meeting was called to order by Chair Bradley Wahr at 4:00 p.m.

Present: Will Joseph, Mary Ann Kornexl, Tom Krapohl, Margaret McAvoy, Nancy Ridley, Bradley Wahr (Chair)

Absent: Joshua Agardy, Jeff Smith (Vice Chair), Jennifer Verleger

Also attending: (Staff): William Mrdeza
(Guests): Jim McBryde, MMDC

II. Approval of Agenda

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

III. Approval of the November 18, 2019 Meeting Minutes

It was moved by Joseph, seconded by McAvoy, to approve the November 18, 2019 meeting minutes as presented. **The motion passed unanimously.**

IV. Old and New Business:

A. BRA

1. There was no business for the Brownfield Redevelopment Authority Board to consider.

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B. EDC

1. **Consider Approving the Proposed Parking Easement Agreement with Michigan Community Capital for the Broadway Lofts Project**

Mrdeza presented the draft parking easement agreement between the EDC and Michigan Community Capital (MCC) for the Borden Building parking lot. He indicated the City Commission had approved the agreement as it pertained to Parking Lot #12 at their meeting earlier in the week. In addition to memorializing the previously agreed provision that the lot remain public parking for the next thirty years, the agreement established the current and future calculations of applicable parking fees. It was moved by Joseph, seconded by Krapohl, to approve the parking easement agreement with MCC for the Borden Building lot and to authorize the Board Chair and Secretary to sign the same. **The motion passed unanimously.**

2. **Act on the Mowing Contract for Industrial Park South Isabella Road Right of Way**

Mrdeza presented the bid for mowing the public right of way along Isabella Road as part of the 3.5 acres owned by the EDC in Industrial Park South. The bid was part of the DPW bids for public right of way mowing throughout the City. Funds were available in the 2020 EDC budget. It was moved by McAvoy, seconded by Ridley, to accept the not to exceed bid of \$1,500 for once per month mowing for six months at \$250/month. **The motion passed unanimously.**

3. **Status of EDA Grant and Possible Action**

Mrdeza explained that the City was awarded a \$230,000 grant from the U.S. Department of Commerce, Economic Development Administration (EDA) for the expansion of the detention pond on City-owned property in Industrial Park South. One of the requirements of accepting the grant is to record a restrictive covenant of use and purpose for both the City-owned and the EDC-owned properties in the industrial park. Such a covenant would place certain restrictions on the use of the property and could require federal share compensation to EDA by the City if either parcel is used for a purpose not authorized by EDA (typically non-industrial or commercial purposes). Mrdeza indicated that this requirement could be problematic for marketing the EDC-owned property and therefore research has been undertaken to determine whether or not this requirement could be waived. Staff requested the Board give some consideration to this issue and provide direction related to the EDC parcel if desired.

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Board members discussed the impact recording a restrictive covenant would have on the marketability of its parcel, and also considered the impact expanding the detention pond would have on future investment and employment opportunities in the industrial park. The Board also discussed how to handle a potential future interest in purchasing the EDC parcel for a use that otherwise would not fit the restrictive covenant requirements. If that situation arose, the Board agreed they could simply not accept the offer or, alternatively, could establish a purchase price that would reflect any penalties imposed by EDA, up to and including repayment of the entire grant amount. As a result of that discussion, it was moved by Krapohl, seconded by McAvoy, to agree to record the restrictive covenant on the EDC-owned parcel as required by the terms of the EDA grant award. **The motion passed unanimously.**

4. Response from Wildlife Gallery to IPA Property Counter Offer

Mrdeza reported that The Wildlife Gallery rejected the counter offer of \$52,000 for the sale of the 3.5 acres owned by EDC in Industrial Park South. He was also made aware that The Wildlife Gallery has first right of refusal on the property, which was a part of its original purchase agreement.

5. Status of Gingko Tree Inn Land Contract

Mrdeza informed the Board that the final balloon payment for the Gingko Tree Inn was made prior to the end of 2019. Jean Prout previously held a ten year land contract with both the EDC and the Downtown TIFA on the property which came due at that time. As a result, the EDC and TIFA have been released from ownership of the property, which is now wholly owned by Ms. Prout.

V. Other Business

There was no Other Business that came before the Board.

VI. Public Comment

There was no Public Comment given or received.

VII. Adjourn

There being no other comments or business, **the meeting adjourned at 4:45 p.m.**