

City of Mt. Pleasant, Michigan



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

AMENDED MINUTES OF THE REGULAR MEETING May 29, 2020—1:00 P. M. ELECTRONICALLY CONDUCTED

I. Call to Order

The meeting location was conducted electronically due to the Governor’s Stay Safe, Stay Home Executive Order related to the COVID-19 pandemic. The meeting was called to order by Chair Brad Wahr at 1:03 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 (meeting host)
(Guests): Andy Theisen, Konwinski Construction

II. Approval of Agenda

Mrdeza requested an amendment to the Agenda, which would add a third item for the EDC to consider. As owner of the property in Industrial Park South, the amendment would authorize the Board Chair or Secretary to sign an application for site plan review. It was moved by Ridley to approve the agenda with an amendment adding a third item under Section IV, B, to “Consider Authorizing the Chair or Secretary to Sign an Application for Site Plan Review Associated with the Sale of EDC Property in Industrial Park South.” The motion was seconded by McAvoy. **The motion passed unanimously.**

III. Approval of the February 25, 2020 Meeting Minutes

It was moved by Joseph, seconded by Verleger, to approve the February 25, 2020 meeting minutes as presented. **The motion passed unanimously.**

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IV. Old and New Business:

A. BRA

1. Approve the 2020 Amended and 2021 Proposed Budgets for the Brownfield Redevelopment Authority

Kornexl presented the budgets for the Brownfield Authority, explaining that the reduction in property values in 2020 for some plans resulted in lower projections of captured taxes. In 2021 the Budget Inn plan expires, resulting in the decrease shown. She also indicated that working capital uses were projected to be less because of the reduced tax revenue available. It was moved by Smith, seconded by McAvoy, to approve the 2020 amended and 2021 proposed budgets as presented. **The motion passed unanimously.**

B. EDC

1. Approve the 2020 Amended and 2021 Proposed Budgets for the Economic Development Corporation

Kornexl next presented the EDC budgets for the Board's consideration. She identified a reduction in anticipated interest earnings, the repayment to the General Fund of Ginkgo Tree Inn land contract, and crack sealing the City Hall parking lot as highlights of the Working Capital uses. The amended and proposed budgets had similar ending balances shown for Working Capital. It was moved by Smith, seconded by Verleger, to approve the 2020 amended and 2021 proposed budgets as presented. **The motion passed unanimously.**

2. Consider Offer From Konwinski Construction to Purchase 3.579 Acres in Industrial Park South

Mrdeza presented an offer from Konwinski Construction to purchase approximately 3.5 acres owned by the EDC in Industrial Park South for \$44,000. It was moved by Ridley, seconded by McAvoy, to accept the offer as presented. Additional discussion ensued. Mrdeza reminded the Board that The Wildlife Gallery had a first right of refusal on the property which dated from 2000 when they originally purchased their adjacent parcel from the City. When recently contacted regarding the pending offer, they indicated that if the purchase price was at or above the current offer of \$44,000, they would *not* choose to exercise their first right of refusal to purchase the property.

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Andy Theisen, representing the buyer, was in virtual attendance and indicated that the sale of the property would result in an investment of \$275,000 and 4-6 new jobs. Kornexl estimated the sale would generate about \$8,000 in total taxes and about \$2,000 to the City proper.

Smith offered an amendment to the motion to counter the offer at \$48,000. The amendment was seconded by Joseph. Discussion on the amendment ensued. On a unanimous vote, the original motion was amended to reflect a counter offer of \$48,000, contingent upon the approval of the Economic Development Administration (EDA) to the proposed by-right industrial use of the property. Ridley offered a second amendment to the original amendment which would include the contingency to the counter offer. The amendment to the amended motion was unanimously approved.

The Board then voted on the amended motion on the floor which as to counter the original offer of \$44,000 for the sale of 3.579 acres in Industrial Park South with a purchase price of \$48,000, contingent upon the approval of the proposed use by EDA. The reason given for a willingness to accept a purchase price lower than the value suggested by the City Assessor was 1) the length of time the property has been available for sale, 2) there was uncertainty as to how property values would be affected in the future because of the shutdown associated with the COVID-19 pandemic, 3) there was a shovel-ready project proposed for the property, and 4) the sale would result in an investment of \$275,000, would generate taxable value, and would result in job creation. **The motion passed unanimously and the counter offer was accepted by the buyer, contingent upon his review of the restrictive covenant language from EDA to make sure he was comfortable with that wording.**

3. Authorize the Board Chair or Board Secretary to Sign an Application for Site Plan Review Associated with the Sale of EDC Property in Industrial Park South

Mrdeza explained that Konwinski Construction had a client interested in a project on the 3.5 acres discussed above in Industrial Park South. As the owner of the property, the EDC would have to sign an application to the Planning Commission for site plan review for the project. It was moved by Smith, seconded by Joseph, to authorize the Board Chair or Secretary to sign the application for site plan review for a proposed project on the 3.5 acres owned by the EDC in Industrial Park South. **The motion passed unanimously.**

Ridley noted that according to the buyer, if the sale of the EDC's property in Industrial Park South proceeds as anticipated, the entity that actually purchased the property might not be Konwinski Construction, but one of the related companies owned by the construction company. In order to provide that flexibility and avoid any confusion,

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Ridley moved to authorize Konwinski to transfer the purchase agreement for the property to one of their related entities if needed. The motion was seconded by McAvoy. **The motion passed unanimously.**

V. Other Business

Mrdeza provided a brief update on the Broadway Lofts project, currently under construction on the 410 W. Broadway site. He indicated that the relocation of the lift station to the south side of Broadway was in process and that the work plan for the environmental grant was recently approved by EGLE staff. As a result, site work associated with environmental remediation and the relocation of the storm sewer on the west side of the 410 West Broadway site should begin shortly.

VI. Public Comment

Andy Theisen spoke and thanked the Board for working with him on the sale of the property owned by the EDC in Industrial Park South in order to try to make his proposed project happen in that location.

VII. Adjourn

There being no other comments or business, **the meeting adjourned at 1:46 p.m.**