

KALAMAZOO COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES

MEETING DATE: Thursday, November 18, 2010

PLACE OF MEETING: County Administration Building

Present were: Joe Agostinelli, Clare Annen, Larry Baumgart, Leroy Crabtree, Ken Peregou, Julie Rogers, Anne Summerfield, Matthew VanDyk, Thell Woods
Kalamazoo Township: George Cochran
Staff Support: David Artley, Jeff Hawkins (consultant), Lotta Jarnefelt
Absent: Ruth Blake, Robert Barnard, Representatives from Augusta and Comstock
Guests: Bruce Reder and Steve Taplin, Terra Contracting, LLC; Fred Schubkegel, Varnum Law Firm
Recording Secretary: Lori Pyatt

1. CALL TO ORDER

Chairperson Rogers called the meeting to order at 4:07pm.

2. MEMBERS EXCUSED

Excused: Ruth Blake Unexcused: Robert Barnard

3. APPROVAL OF AGENDA

A motion to approve the agenda was made by Ms. Summerfield, supported by Mr. Annen, and unanimously approved.

4. APPROVAL OF MINUTES

A motion to approve the October 14th and October 28th Minutes as amended before the meeting was made by Mr. Agostinelli, supported by Ms. Summerfield, and approved.

5. CITIZENS COMMENTS

Mr. Schubkegel, of Varnum Law Firm, Mr. Bruce Reder, and Mr. Steve Taplin, both of Terra Contracting, introduced themselves.

6. OATH OF OFFICE

Mr. Agostinelli took the oath of office for both the BRA and EDC bodies.

7. CONSENT CALENDAR

B&W Charters – Brownfield Redevelopment Authority Site Tour on Friday 10/22/2010: \$400.00. This payment would come out of the Administrative Account (#101-801-60.00).

A motion to approve the payment to B&W Charters in the amount of \$400.00 was made by Mr. VanDyk, supported by Mr. Woods, and approved.

(Mr. Baumgart arrived at 4:12pm.)

8. DISCUSSION &/OR ACTION CALENDAR

a. TERRA CONTRACTING: GEORGIA PACIFIC AND NOLICHUCKY SITES ON KINGS HIGHWAY.

The members would vote on this issue on December 15, 2010. Mr. Hawkins gave an overview of the property at 2425 Kings Highway, the former Georgia-Pacific/Nolichucky site. Terra Contracting was seeking to relocate and consolidate their business. Contaminated soils would have to be managed. Georgia-Pacific would retain a portion of the property, and easements would remain for the extension of the Kalamazoo River Valley Trail.

The request before the Board was as follows:

- Phase 1 – assessing the clean-up needs & due diligence; estimated at \$15,000 for the two sites which had 5 mills; Mr. Hawkins hoped it would cost less than this
- BEA – estimated at \$10,000
- Timeframe: about 24 months to occupancy
- MDNRE Grant (it was possible that dollars had been earmarked for this project) and Loan; a formal application would need to be filed – estimated at \$8,000
- The \$125,000 Subsidies Fund would be used for these expenses
- The total eligible activities for which potential funding may be sought: \$41,000, all of which would be paid back with TIF
- Previous work already completed: many buildings had been cleared, clean-up of lagoons, bank stabilization and an examination of the possibility of PCB's leaking into the river
- There remained vast areas which required further research

Mr. Steve Taplin, CEO of Terra Contracting, LLC, gave a brief history of the company. What began as his father's septic business began evolving in the 1970's into a hazardous substances clean-up company. In the late 90's, Mr. Taplin broke off to focus on remediation and had spent much time on the Georgia-Pacific property, Kalamazoo River clean-up, and more recently the Enbridge spill, which caused a surge in their staffing. (Mr. Peregón arrived at 4:29pm.)

Mr. VanDyk said he would have to abstain from the discussion and any related vote; his firm represented Georgia Pacific.

The following points were brought up:

- There were unique challenges; it was beneficial to involve a company who was well acquainted with contaminated land and development restrictions.

- The parcels would be purchased from Kalamazoo Township and Georgia Pacific.
- Terra's development would begin on the east end of parcel 9 with future development spreading across the property.
- It was intended to bring rail back into the property.
- Only about 2/3^{rds} could be developed.
- Discussion ensued on the recreational possibilities of the site and the Kalamazoo Valley Trail.
- A vote will come at the December meeting.
- County Legal has stated that the BRA could still pay Enviroligic Technologies directly even though the firm is serving as environmental consultant for Terra providing that
 - a formal work order listing scope, sequence, individual eligible costs in each step, and total cost not to be exceeded and said work order is approved by the Authority,
 - the Authority approves the project according to its usual procedure, and
 - each subsequent individual invoice is approved by the Authority as the current practice dictates.
- It is worth of noting that it is expected that the County Board will approve Enviroligic Technologies contract to work as the BRA's environmental consultant from 10/1/2010 through 12/31/2011 at its December 7th Regular meeting.
- Kalamazoo Township would be the applicant on MDNRE's grant/loan application; Mr. Cochran said they were "in full support
- A meeting would occur at 1pm at Kalamazoo Township the following day; Mr. Crabtree agreed he would attend.

b. BY LAWS

These had been discussed at the committee meetings. The words 'separate program' on page 8) section 3) article 9) were clarified to mean the application process; this was unchanged from the previously adopted version.

A motion to approve the by-law changes as written was made by Mr. Woods, supported by Mr. Baumgart and approved.

Ms. Rogers thanked the By-laws Committee for their work.

c. FORMAL MOVE OF MEETING DATE TO WEDNESDAY, DECEMBER 15th

A motion to move the next meeting date to Wednesday, December 15, 2010, was made by Mr. Agostinelli, supported by Mr. Baumgart and approved.

d. DISCUSS AND CONSIDER APPROVING THE BRA BUDGET ORIGINATING FROM THE COUNTY AWARD OF \$125,000 AS DISCUSSED IN COMMITTEES.

Ms. Rogers stated the budget was flexible; budget adjustments could be made at a later date if needed. The code numbers and names originated from the County Accounting System. The second three numbers in the account codes would differentiate the projects.

A motion to approve the BRA budget originating from the County award of \$125,000 as presented was made by Mr. Crabtree, and supported by Mr. Agostinelli. The motion carried.

e. DISCUSS AND CONSIDER APPROVING AN APPLICATION FEE FOR ENVIRONMENTAL ASSESSMENTS

The Members discussed the following:

- The EDC Fund's application fee started at 1K and increased depending on the amount of the request.
- The Brownfield application fee could be part of the developer's eligible activities recoverable by local TIF; the cost of reviewing applications could be eligible expenses recoverable by local TIF as well.
- A few members would have a difficult time imposing an application fee on the Terra Project, yet supported charging application/administrative fees on future submissions.
- Some members would prefer to have the developer fund it immediately rather than billing over time through administrative because staff would have to do the work regardless if the project was approved or not.
- It could help filter out applicants who weren't serious.
- It would be helpful during times when other funds were not available to do the work.
- A brief discussion ensued on making the fee contingent on whether the application was approved or not. It was reiterated that staff would have to do the work regardless.
- Mr. Artley would convert his hours on the Terra application to dollars for planning purposes.
- Another possible approach would be to charge a fee as a percentage of the funding request, or as a calculation of projected TIF reimbursements.
- A two-tiered approach was possible: a nominal fee, then a percentage on top of that if the project was approved.
- It would be important to put into policy that the BRA would waive the fee for non-profits, etc.

The group was asked to consider the following questions:

- 1) Should Terra be charged up front?
- 2) Should Terra be charged like Midlink under administrative fees?

3) Should a policy be written regarding application fee assessment on future applications?

Action would be taken at the next meeting.

9. STAFF REPORTS

a. The revised reimbursement Developer's Agreement was shared with Midlink. Mr. Artley hadn't heard anything back on their changes to the 381 Plan, yet he was assured they knew the deadlines. The Brownfield Plan had been shared with Comstock and the County Commissioners where it was mostly well received.

Another commissioner was pleased to see the dollar cap language. Ms. Rogers encouraged the members to join her December 7th at 7pm at the related public hearing.

b. **QUESTIONS ON THE "BROWNFIELD ACCOUNT"**

Mr. Artley pointed out document 9.B.1 in their packets. The bus tour came out of this account, which left a balance of \$6,100.

c. **ATTENDANCE UPDATE**

Ms. Rogers asked that guests be taken off of the attendance tally sheet and that the members consider an attendance policy. She suggested that if more than four meetings were missed, then a recommendation to remove would be sent to the County Board of Commissioners. Discussion ensued:

- Language could be added for absences due to extended illness.
- Mr. Artley would obtain the attendance policies for the two other volunteer County Boards.
- Mr. VanDyk couldn't recollect that there was ever a time when it was difficult to have a quorum. Ms. Rogers stated it was sometimes a problem before he was on the Board.
- The complexity of the issues brought to the Board required regular attendance; without it, informed votes would be difficult. It was noted, however, that staff kept the Board well informed via: email.
- Because of the ability to stay well informed and the fact that membership was a voluntary Board, Mr. Annen was not supportive of an attendance policy.
- Attendance expectations were covered during the interview process.
- A policy would be weak without the ability to enforce.
- One member felt the County Commission would be understanding of the BRA's need to address chronic, unexcused absences.

The conversation would be continued at future meetings.

d. **RFP FOR AN ADDITIONAL CONSULTANT**

As discussed in committee meetings, an email went out to the selected seven entities. If a grant was awarded, it was possible that a full-blown RFP would be sent in June. Mr. Hawkins' contract would go before the CBOC on December 7th for extension through December 31, 2011. Mr. Artley would relay the developments. (Mr. Baumgart left at 5:22pm.)

e. REVISED MEMBERS LIST

The members updated their information for the list. It would go to the County office when the revisions were complete.

10. COMMITTEE REPORTS

A. Land Bank – The part-time property manager position had been filled, and tax delinquent properties were being examined. Different hardship programs and blighted properties were briefly discussed. The focus of the dollars was on six area neighborhoods. Discussion ensued.

B. Executive Committee – Friday 12/10 7:30

B. Project/Finance Committee – Thursday 12/9 at 4pm

C. PR/Media Committee – No meeting was scheduled, but Mr. Artley would prepare press releases for the Midlink and GP properties to run after the December meeting.

11. OTHER

There was nothing reported.

12. BOARD MEMBERS COMMENTS

-Ms. Rogers was disappointed to not have received feedback from Midlink.

13. ADJOURNMENT

The meeting was adjourned at 5:34pm.

NEXT MEETING: Wednesday, December 15, 2010 at 4pm

Respectfully submitted: LP