
KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

MEETING DATE: Thursday, April 23, 2015
PLACE OF MEETING: County Administration Building
201 West Kalamazoo Avenue, Room 207a
TIME: 4:00 pm

MINUTES

Present: Julie Rogers, Thell Woods, Andy Wenzel, Joe Agostinelli, Anne Summerfield, Travis Grimwood, Habib Mandwee, Tim Hudson

Members Excused: Christopher Carew, Ken Peregon, James Spurr

Kalamazoo Township: Pamela Brown Goodacre attending for George Cochran, Ex-Officio Member

Staff: Lotta Jarnefelt, Rachael Grover

Consultant: Jeff Hawkins

Recording Secretary: Rachael Grover and Lotta Jarnefelt

Community: 3

1. Chair Agostinelli called the meeting to Order at 4:00 p.m.
2. Members Excused: Christopher Carew, Ken Peregon, James Spurr
3. Approval of the Agenda: 8h is added to agenda. **Summerfield moved and Hudson seconded the approval of revised agenda. Motion Carried.**
4. Approval of Minutes: **Woods moved and Mandwee seconded the approval of March 26, 2015 minutes. Motion Carried.**
5. Citizens Comments: None
6. Consent Agenda – Invoices
 - a. \$140.00 – WO#17 General Environmental Review
 - b. \$241.70 – WO#18 E. Eliza St. MDEQ Gran/Loan Application
 - c. \$57.50 – WO#19 Checker Motors
 - d. \$1915.00 – WO#20 Accu-Mold Brownfield Plan
 - e. **\$1,161.00 – W.E. Upjohn Institute – Lee Adams - per contract 10-15-2014**
 - f. \$6,399.34 – Staff Quarterly Invoice

Rogers pulled item e. W.E. Upjohn Institute – Lee Adams. **Woods moved and Hudson seconded the approval of Consent Agenda with exclusion of item e. Motion Carried.**

Rogers requested timeline and expectations of when consulting would be complete with Lee Adams.

Jarnefelt stated there has not been additional activities with Lee Adams, W.E. Upjohn Institute, since February 12th. This invoice should be the last one.

Hudson moved and Summerfield seconded the approval of the Invoice for W.E. Upjohn Institute in the amount of \$1,161.00. Motion Carried.

7. Financial Report and Administrative Expenses
 - a. **Discussion:** Fund 247 Year to date
Grover noted there are no new activities since the committee met 2 weeks ago. All Envirologic invoices have been paid from the last meeting.

Jarnefelt stated cash flow is currently fine unless a large project comes in.

Major TIF is expected after summer tax is paid which would be the end of summer or early fall.

Grover stated the portion of 2014 Administrative expenses related to Midlink is covered by the TIF received from Winter taxes.

Rogers will speak to Finance if bridge cash becomes necessary.

b. **Discussion/Action:** BRA 2014 General Administrative Expenses

i. Site Reimbursement Analysis Sheets (provided) – Approval of 2014 Administrative Expenses

Grover communicated with Comstock Township re: General Mills tax appeal, stating they did not go through Board of Review at this time. Estimate of expected 2015 TIF for this site is as presented. Assessor stated that General Mills still could appeal directly to Michigan Tax Tribunal.

Jarnefelt stated that initially TIF from Eliza Street was expected, but the TIF is now down to zero which has impacted allocation of administrative expenses for 2014.

Wenzel moved and Woods seconded the approval of 2014 Allocation of Administrative Expenses as presented. Motion Carried.

8. Discussion and/or Action Calendar

a. **Discussion/Action:** 232 LLC

i. Amendment to Development Agreement

Agostinelli stated KCBRA entered into a Development agreement in 2011 with 232 LLC who did not start the project as planned. From the presentation last month, they are now moving forward. Amendment to the previously approved agreement includes redefining the project and extending the completion of the project to 12/31/2015. Additionally it clarifies cost reimbursement, requesting third party verification.

Hudson moved and Mandwee seconded the approval authorizing the Chair to sign the addendum. Agostinelli abstained due to prior work relationship with the developer. Motion Carried.

The City of Kalamazoo already agreed to have Kalamazoo County as the primary Brownfield Authority for this project.

Discussion ensued regarding potential tax appeal by developer and need for amendment/clawback for development agreement. Not critical for this site at this time. Developer incurring the majority of eligible costs, excepting administrative expenses incurred by the Authority.

b. **Discussion/Action:** Corner @ Drake

i. Developer Expenses – Invoices due by June 30th according to Development Agreement.

Agostinelli stated staff should send a reminder of the deadline on the invoices.

c. **Discussion/Action:** 555 E. Eliza St.

i. MDEQ Grant/Loan Application – BOC Resolution Language

Jarnefelt stated, prior to applying the MDEQ loan, they would need the resolution from the Board of Commissioner stating that they will accept the responsibility for the loan. Draft Resolution is included in the packet. Grover looked up Grand Traverse County language for MDEQ Loan/Grant Resolution. If Resolution language approved, it will be on the Board of Commissioner's Agenda for the May 5, 2015 meeting.

Hawkins stated that MDEQ is supportive of the project. They are anxious for KCBRA to submit the application.

Grover has not yet received a reply back from Matt Rzepka, CFO/Accountant for Clark, regarding the Letter of Credit. The Loan Reimbursement Agreement showing Clark commitment is needed prior to Board of Commissioner's approval. Loan Reimbursement Agreement allows 60 days for obtaining the Letter of Credit document.

Jarnefelt stated if Loan reimbursement agreement not received back from Clark prior to BOC May 5th meeting, the request will not be included in the BOC Agenda.

Hudson moved and Mandwee seconded to recommend approval of resolution language to the Board of Commissioners. Motion Carried.

- ii. Loan Reimbursement Agreement – to Developer/Clark, waiting for signature and return
- iii. Amend signed Development Agreement to clarify owner/developer/operator to match Loan Reimbursement Agreement. Per Varnum Suggestion.

Grover reported on Varnum's recommendation regarding the development agreement between CMS and KCBRA and the loan reimbursement agreement for MDEQ Loan that lists both CMS and Clark Logistics. Varnum recommends amending the development agreement to include both entities so that both agreements match.

Hawkins stated between the time that development agreement was drafted and now, the company changed its name to Clark Logistics, the new logo branding for Clark companies which includes CMS.

Agostinelli recommend staff follow up with CMS regarding the name change.

d. **Discussion/Action:** 4460 Commercial Ave. Portage – ACCU-Mold

- i. Letter to Accu-Mold re: repayment of BRA expenses

Agostinelli stated that according to the reimbursement agreement with ACCU Mold if the project is not started within 12 months they will repay KCBRA for costs incurred. At the Committee meetings there was discussion regarding sending them a letter reminding the deadline is approaching and the amount of the costs incurred by the KCBRA.

Summerfield stated that if the contract negotiation is terminated, it should accelerate the default date.

Agostinelli asked staff to add the language for clawback agreement to discuss at the committee meeting.

e. **Discussion/Action:** Vicksburg Mill Brownfield Application.

Not received yet.

Agostinelli and Grover met with Chris Moore 2 weeks ago. Moore is the Mill developer. He has retained Lisa Philips from Philips Environmental to represent the developer. The delay may be because Moore has not done a real estate deal in Michigan especially with a Brownfield Project and is unsure of his potential liability. Developer also retained Steve Sielatycki as his attorney. Expecting Brownfield application soon.

f. **Discussion/Action:** Part I and Part II Brownfield Application

Hawkins stated fillable form is not done yet in time for this meeting. The Part I and Part II application is in Excel fillable form. Part I and Part II relate to each other for auto fill. Still doing testing on it and will send to staff. This will be discussed at committee meeting.

- g. **Discussion:** Development Agreement Template and Tax appeal
Should the KCBRA prohibit tax appeal?

Grimwood suggested that they should have a clawback included in the agreement in case of a tax appeal that affects the expected TIF.

Summerfield suggested having an attorney to help with legal terms outlining that if the TIF revenue doesn't hit a certain level where the KCBRA can get reimbursement, then there is a clawback that kicks in that the developer is responsible to pay back.

Woods suggests getting recommendation and tabling this to next meeting. To be discussed at the committee meeting.

- h. **Discussion/Action:** Approval of Grover to attend MEDA Economic Development Toolbox May 28th ; \$165 registration plus mileage to Lansing

Grimwood moved and Hudson seconded the approval for Grover attending the MEDA Economic Development Toolbox. Motion Carried.

9. Staff Reports

Hawkins communicated with Joe Walczak from MDEQ regarding Checker Motor Site re Brownfield Assessment Grant that KCBRA applied for - MDEQ will start work at site in July.

Agostinelli asked Hawkins to email Jill Bland with what he needs. She's working with potential prospect. CC Agostinelli.

10. Committees - times dates and places

- a. Land Bank Report–
Woods stated good presentation of River Launch Site – new Land Bank headquarters that also houses Open Roads. They have tanks underground but no leakage. Stephanie Moore is new representative from Board of Commissioner. The presentation didn't cover the Vicksburg Mill. Grover stated she would like to get a copy of their Strategic Roadmap.
- b. Project/Finance Committee–verbal report, meeting schedule Thursday, May 14th, 4:00pm
- c. Executive Committee – verbal report, meeting schedule Friday, May 8th, 8:30 am
- d. PR/Media Committee – BRA sign is up at Costco site.

11. Other – none

12. Board Member Comments – none

13. Adjournment at 5:07 p.m.

Next Meeting: 4th Thursday – May 28, 2015 at 4pm (room 207a, County Admin Bldg)

PLEASE CALL 384-8112 OR EMAIL RAGROV@KALCOUNTY.COM

IF YOU ARE UNABLE TO ATTEND THE MEETING
