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**KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY**

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**MEETING DATE:** Thursday, March 26, 2015  
**PLACE OF MEETING:** County Administration Building  
201 West Kalamazoo Avenue, 207a  
**TIME:** 4:00 pm

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**MINUTES**

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**Present:** Julie Rogers, Ken Peregon, Thell Woods, Andy Wenzel, Joe Agostinelli, Anne Summerfield, Travis Grimwood, Habib Mandwee, Christopher Carew, James Spurr

**Members Excused:** Tim Hudson

**Kalamazoo Township:** 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 4:02 p.m.
2. Members Excused: Tim Hudson
3. Approval of the Agenda: Place item 8a before consent agenda Item 6 to allow presentation of 232 LLC update. **Peregon moved to approve agenda as amended. Carew seconded the approval of the agenda. Motion Carried.**
4. Approval of Minutes: **Woods moved and Spurr seconded the approval of February 26, 2015 minutes. Motion Carried.**
5. Citizens Comments: Jeff Hawkins introduced Pam Jackson who is the new Manager of Marketing and Communications at Envirologic.

**8a. Moved before Item 6 Discussion:** 232 LLC

James Dally of Mavcon, Developer, gave an update regarding updated redevelopment plans. Floors 2 and 3 will be apartments. Six, high-end, modern apartments: 2 two-bedroom apartments; 4 one-bedroom apartments. No longer pursuing green roof. Main floor will be completed for commercial space; vacant space is 1550 sq. feet on main floor. Hoping to complete work in approximately 6 months.

Agostinelli discussed that a Draft Amendment to the Development Agreement to extend timelines has just been received and Staff is reviewing to bring to Authority Board.

Agostinelli discussed meeting with MEDC, KCBRA Staff, and Developer's Legal Counsel (Steve Sielatycki) to investigate MEDC support for school tax capture. KCBRA and Developer did not pursue 381 Workplan two years ago due to push to meet MBT Tax Credit deadlines. MEDC is requesting further information from Developer regarding updates to project to determine their ability to support school tax capture.

6. Consent Agenda: Invoices
    - a. \$862.50 Envirologic WO#18 – MDEQ Grant/Loan application
    - b. \$1,178.75 Envirologic WO#19 Checker Motors Site Assessment Grant Application
    - c. \$3,033.75 Envirologic WO#20 Accu-Mold Brownfield Plan**Summerfield moved, Woods seconded approval of the Consent Agenda. Motion Carried**
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7. Financial Report and Administrative Expenses

- a. **Discussion:** Fund 247 Year to date – Staff gave update of TIF funds received - \$82.00 from Portage Road Brownfield Site; \$8,165 from Brown Family Holdings Brownfield Site.
- b. **Discussion/Action:** BRA 2014 General Administrative Expenses
  - i. Percentage Allocation related to TIR – 555 E. Eliza St. Site will not be generating TIF, at least not in 2015. Action regarding 2014 Administrative Expenses until later meeting pending Board of Review results for new sites.

Discussion ensued regarding Development agreements and taxable values/appeals that impact tax increments.

Discussion regarding researching possibility of amending plan to reset base year for taxable value or possibility of administrative change to reset base year.

- ii. Site Reimbursement Analysis Sheet w/ 2014 Administrative Expenses – Defer action until 2014 Administrative Expenses are approved

8. Discussion and/or Action Calendar

- a. **Discussion/Action** – 232 LLC moved to before Item 6 Consent Agenda
- b. **Discussion/Action:** Corner @ Drake
  - i. According to AVB, contractor is set to install sign in 1-2 weeks.

c. **Discussion/Action** – 555 Eliza St.

MDEQ Grant/Loan: Discussion regarding impact of no TIR on Loan repayment. Hawkins discussed possibility for Developer to cover the Loan repayment.

Discussion ensued regarding how to protect the KCBRA and the County if something happens to owner/developer.

Jarnefelt discussed that staff and Varnum have been working on a Loan Reimbursement Agreement with Clark Logistics/CMS to make the MDEQ Loan payments.

Grimwood discussed options for Letters of Credit and what banks may require.

Hawkins suggested staff contact Grand Traverse County BRA to see what options they use in lieu of TIR to pay back loans.

County Administration has OK'd submitting a Draft Loan application, as requested by MDEQ. MDEQ has told Jarnefelt that they will not move forward formally with the application until the Kalamazoo County Board of Commission has passed the required Resolution. MDEQ wants to start the technical review of this application and will hold off on forwarding it for formal approval until the KCBRA receives County BOC resolution.

**Motion to report to County BOC that KCBRA is still moving forward with MDEQ Loan application contingent on changes that need to be made to Loan Reimbursement Agreement with Developer. Changes that need to be made include updating Letter of Credit Renewal timeframe, removing reliance on TIR for loan repayment. Spurr Motioned, Peregon seconded, Motion carried.**

- i. MDEQ Grant Loan application - **Woods Motioned authorizing Chair Agostinelli as Applicant Representative for MDEQ Loan/Grant Application and that Chair can sign when the Application is formally submitted to MDEQ, Mandewee second, Motion carried.**



- ii. Loan Reimbursement Agreement - KCBRA Board members discussed revisions to Loan Reimbursement agreement. Review and comments will be submitted to staff. Defer authorizing chair to sign the Loan Reimbursement Agreement until more complete review.
  - Grimwood and staff will meet with Developer to discuss Letter of Credit option to secure loan.
  - Summerfield expressed concerns regarding Board approval of important documents/items that may require more thorough reviews and discussions. Board discussed confirming timelines and the possibility of additional meetings. Delay signature of Loan Reimbursement Agreement until MDEQ timeline and discussion with Developer occurs and additional Board meeting is determined.

Jarnefelt will follow-up with MDEQ to see if it is possible to delay receiving BOC resolution until April 21 or May 5, 2015 BOC Meeting. If MDEQ requires resolution prior to these dates, KCBRA may need to convene special meeting if needed. If MDEQ is OK with delay, Resolution will be pulled off of the April 7 BOC Meeting.

- d. **Discussion/Action** – 4460 Commercial Ave. Portage – ACCU Mold
  - i. Revisions to Brownfield Plan – administrative changes to update correct base taxable value, additional details and errors for Table 1. No action required; administrative changes only.
  - ii. Brownfield Plan approved by Portage City Council March 24, 2015.
  - iii. Draft Development Agreement – Grover will follow-up with owner of Accu-Mold regarding the Development Agreement.
- e. **Discussion/Action** – Officer Nomination Committee – Elections April Annual Meeting. **Spurr and Grimwood volunteered to call officer candidates; Rogers offered assistance.**

#### 9. Staff Reports

Jarnefelt commented that Clark may develop southern parcel of the 555 E. Eliza St. property so that may have a positive impact on the site. Clark is very supportive of placing a sign on property to advertise redevelopment through KCBRA.

#### 10. Committees - times dates and places

- a. Land Bank Report– no meeting – Rogers requested update for Vicksburg Mill from Land Bank
- b. Project/Finance Committee– verbal report, meeting schedule Thursday, May 14<sup>th</sup>, 4:00 pm
- c. Executive Committee – verbal report, meeting schedule Friday, May 8<sup>th</sup>, 8:30 am
- d. PR/Media Committee – mLive has reduced staff so less coverage

#### 11. Other – Agostinelli reported there is still positive movement on Checker Motors site.

Agostinelli discussed that MEDC has agreed to provide school tax capture for the 555 Eliza St. site – add Act 381 Work plan to Committee discussions regarding lack of increment.

#### 12. Board Member Comments – Spurr would like to revisit discussion regarding template Development Agreement containing language to include a dynamic where KCBRA is indemnified to be reimbursed our expenses if there is a negative tax increment through tax appeal.

Chair Agostinelli thanked Board for thoughtfulness/deliberation into discussions regarding complicated sites while considering protection of the KCBRA, the County, the taxpayers, and redevelopment of brownfield/contaminated properties.

#### 13. Adjournment at 5:22

**Next Meeting: 4<sup>th</sup> Thursday – April 23, 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

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