

KALAMAZOO COUNTY
BROWNFIELD REDEVELOPMENT AUTHORITY
MINUTES

MEETING DATE: Thursday, October 28, 2010

PLACE OF MEETING: County Administration Building

Present were: Joe Agostinelli, Clare Annen, Robert Barnard, Ken Peregon, Julie Rogers, Anne Summerfield, Matthew VanDyk, Thell Woods

Kalamazoo Township: George Cochran

Staff Support: David Artley, Jeff Hawkins (consultant)

Absent: Larry Baumgart, Ruth Blake, Leroy Crabtree, Lotta Jarnefelt and, Representatives from Augusta and Comstock. (The three members and Ms. Jarnefelt all advised well in advance that they would be absent.)

Recording Secretary: Lori Pyatt

1. CALL TO ORDER

Chairperson Rogers called the meeting to order at 4:04pm.

2. MEMBERS EXCUSED

Ms. Blake, Mr. Baumgart and Mr. Crabtree were excused from the meeting. Mr. Artley relayed the medical information Ms. Blake had given him as to the reason for her absence; she would be unable to attend meetings for a few months. Later it was explained that Ms. Jarnefelt was out of town to attend to personal business.

Ms. Rogers asked for a moment of silence in remembrance of Representative Robert Jones.

3. APPROVAL OF AGENDA

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

4. APPROVAL OF MINUTES

A motion to approve the September 16th Minutes as presented was made by Mr. Woods, supported by Mr. Peregon, and unanimously approved. Mr. Artley stated that the minutes from the special meeting would be forthcoming.

5. CITIZENS COMMENTS

There were no comments made.

6. CONSENT CALENDAR

A. Envirollogic Technologies Invoice #26633: Total \$2,862.50

General Programmatic Activities

Work Order #19 (Bill Group D)

This could be split evenly between the Petroleum Grant and the Hazardous Substances Grant.

Activities include the budget reconciliation and other administrative support. Based on information gathered thus far, the budget had essentially been expended. Based on conversations with Mr. Artley, an invoice was included for some costs related to budget reconciliation activities and other administrative support for consideration by the Authority. *Payment of this invoice was dependent on the availability of grant funds.*

- B. Envirologic Technologies Invoice #26581: Total \$1,440.00
Midlink
Work Order #6 (Bill Group G)
Activities Included communications and meetings with County and Comstock Township, review of revised Brownfield Plan & Act 381 Work Plan.

- C. Envirologic Technologies Invoice #26596: Total \$16,495.06
Davis Creek Business Park
Work Order #20 (Bill Groups D, E, F, G, H)
Activities included time to install vapor test wells, vapor transmission testing and report writing.

- D. Howard and Howard / Susan Padley Invoice Dated October 8, 2010: Total \$6,510.00
Assorted Hours (22 Hours total) for review of Brownfield Plan Amendment #3, BRA/Renaissance Zone Interface, TIF Capture Time Limits, 381 Work Plan, and support of/participation in negotiations with Midlink over August and September of 2010.

Discussion ensued regarding the accounting of grant dollars and how the reconciliation would affect payment of the invoices of B., C., and D before A.

A motion was made by Mr. VanDyk and supported by Mr. Annen to approve the payment of Invoice #26633 for \$2,862.50, Invoice #26581 for \$1,440.00, Invoice #26596 for \$16,495.06, and the invoice from Howard and Howard dated October 8, 2010 for \$6,510.00. The motion passed unanimously.

7. DISCUSSION & ACTION CALENDAR

A. Review, Discuss and Consider formal Approval of BRA Plan, Amendment #3

Mr. Artley drew the Members' attention to the map and the "Brownfield Plan for Midlink Business Park—Amendment #3". He noted that the renaissance zone (3/4 of it – excluding Kaiser) would start to come out in 2015 and be available for TIF capture at 25% of value per year, e.g 25% in 2015, 25% in 2016, 25% in 2017 and, finally, 25% in 2018. The Kaiser portion will start to emerge in about 2022.

Further, discussion turned to officially registered plat lines. There will be six development areas under the amendment. They will have no effect on TIF capture, but clearly will have effect on Midlink and the prospective buyers in their ability to seek state tax breaks as they may exist under the Michigan Economic Development Corporation after 1/1/11.

Ms. Rogers turned their attention to a change on pg. 16 of the Plan: “plus interest at 3% not to exceed \$2 million for interest.” Mr. Artley explained the reason for this change: the new amount takes out Comstock’s debt service and special assessment millages for lighting, fire: operational, and fire: capital. Then capture on TIF would be a little slower. He explained that the \$1,831,644 could be set as the cap, but he set the cap not to exceed \$2 million in order to keep from having to change it each time the estimate changed. As a result of this potential decrease in interest, the Developer would be allowed to charge interest on eligible activities incurred since the adoption of the original Plan and this latest amendment, once these eligible costs have been approved by the Authority for reimbursement.

It was clarified that *the approach* was being approved, since the numbers were not written in stone.

Mr. VanDyk pointed out the wording in the first paragraph under (f) on page 18. He asked that “to 5200 E. Cork” be struck in the second and third sentence, since the BRA needed to be reimbursed for eligible activities during this time as well. Discussion ensued.

Mr. Artley pointed out the final sentence on p. 17, which would ensure the BRA would not pay for anything that was paid for by insurance or any other means.

Discussion ensued on capture vs. reimbursement, and the years involved for both. Mr. Cochran explained that January 1st of 2011 was when capture would begin because that is when the taxing year began; reimbursement would begin when tax payments were received.

The group turned back to Table #3 in Green:

- The original plan excluded things like the juvenile home and three special assessments.
- Table #3 on the yellow sheet pulled off the juvenile home.
- Table #3 on the green sheet pulled off the juvenile home, fire: operational, fire: capital and lighting.
- In order to stay on schedule, the Authority had the option to approve these amounts (as shown in Table #3 on the Yellow Sheet), because by the time the plan went before other boards for their approval, there would be time to get clarification on the issue.
- If the special assessments could be captured, they needed to be in the Plan. It was doubtful that special assessments could be captured.
- The fourth column, “Administrative Fee”, had \$15,000 placed in most rows as filler; this amount could go up to \$100,000 per year.
- Discussion ensued on the \$40,500 for previous Authority’s eligible activity costs, and which column it would come out of.

- The group agreed that Mr. Artley should ask that the \$40,500 be in a separate column named “KCBRA Eligible Activities”. The final effect on the “Administrative Fee” column was unknown since the numbers were estimates.
- The 2010 balance of \$2,263,654 was listed in under the “Balance Due to Developer” column and wasn’t written off because the amount were incurred prior to January 1, 2011.
- Mr. Artley was asked to add a date on tables as they were revised.

Discussion turned to how the Act addressed ad valorem taxes and special assessment districts. (Mr. Barnard arrived during this discussion at 4:41pm.)

A motion to adopt the BRA Plan amendment #3 as corrected (to include Mr. VanDyk’s suggestions on page 18, suggestions on cover page, numbering of tables and the “correct versions” of Table #3) was made by Mr. Annen, supported by Mr. Woods, and was unanimously approved.

Discussion ensued on next steps. The tables in the plan would not have to be changed significantly when actual amounts became known; the only thing that would significantly change the Tables was if the Authority did not get the school tax.

B. Other – There was nothing to report.

6. STAFF REPORTS

A. Close Out of EPA Grant – The cut-off date was September 30, 2010.

B. New EPA Grant—Was submitted on October 15th. North Side Business Association and others wrote letters of strong support. The Low-Income Study was tied into the application. The Authority could have their answer by May for use by October to January.

C. BRA Request for \$125,000 from County – This was approved unanimously on 10/5/2010. The group agreed that it would like to see a regular accounting on this amount. Mr. VanDyk requested a balance sheet covering all revenues and expenses similar to what Mr. Hawkins had supplied in the past. It could require a contract with someone to handle this work; this would be discussed further at the next meeting.

Discussion turned to past payments out of the administrative account within the Planning and Community Development Budget, commonly referred to as the brownfield account. Mr. Artley agreed to bring more information at or before the next meeting.

D. Attendance Update – This was not discussed.

E. Other -- There was nothing reported.

9. COMMITTEE REPORTS

A. Land Bank Report – Mr. Artley, Mr. Woods and Mr. Hawkins attended the retreat. While there was good information shared, Mr. Woods was unclear as to how to apply it to brownfields.

B. By-Laws – These were submitted to County Legal the previous day.

C. Executive Committee – Mr. Agostinelli agreed to serve in Mr. Hatton's seat. The next meeting would be November 12th at 7:30am.

D. Project/Finance Committee – The next meeting would be November 11th at 4pm. Discussion ensued on having someone serve as the Alternative in place of Ms. Blake.

E. PR/Media Committee – There was nothing reported.

10. OTHER: Reschedule November 25th Meeting – The group agreed to move the next Brownfield Authority on November 25th meeting to November 18th.

11. BOARD MEMBER COMMENTS

-Mr. Barnard apologized for being late.

-Mr. Peregon thought the tour was nicely done and very educational, but the geographic region over extended resulting in a few people missing lunch meetings.

-Mr. Rogers echoed Mr. Peregon's comments and added that it had great media coverage. She mentioned the National Brownfield Conference would be held April 3rd – 5th, 2011. Discussion turned to funding for conferences. Mr. Woods stated that since he had family in that area, he might attend.

-Mr. Agostinelli restated his alarm that there was not a developer's agreement in place at that point since they could not receive Michigan Business Tax Credit without one. He thought it should be a matter of policy.

-Mr. Artley stated the Brownfield Plan would go before Comstock Township on November 1st, before the County Board on November 16th, and then to a Public Hearing in December.

12. ADJOURNMENT

The meeting was adjourned at 5:29pm.

Next Meeting: November 18, 2010 at 4PM

Respectfully submitted: LP