

## KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

MEETING DATE: Thursday, August 25, 2011, 4:00 p.m.  
PLACE OF MEETING: Room 207A, County Administration Building

### MINUTES

Present: Joe Agostinelli, Clare Annen, Larry Baumgart, Ruth Blake, Brandt Iden, Julie Rogers, Anne Summerfield, Matthew VanDyk, Thell Woods

Kalamazoo Township: George Cochran

Excused: Clare Annen, Kenneth Peregon

Staff: David Artley, Lotta Jarnefelt, David Stegnik (Envirologic)

Recording Secretary: Janet Jones

1. Chairperson Agostinelli called the meeting to order at 4:04 pm.
2. Members Excused: Clare Annen, Kenneth Peregon
3. Rogers moved and Baumgart seconded approval of the Agenda. Motion Carried
4. Woods moved and Blake seconded approval of the Minutes of the July 28, 2011 BRA meeting. Motion Carried.
5. Citizen Comments: None
6. Consent Calendar:
  - a. Approve payment of Clerical Support Services through Janet M. Jones of Kalamazoo – Minutes of July 28 Meetings. (4.75 hours X \$15/hr) Total amount - **\$71.25** from BRA 247-000-808.11.
  - b. Approve payment of CMS work order costs at Clausing by Envirologic Technologies on ET Invoice #27269 in the amount of **\$11,504.31** from Account # 247-000-808.00 (Work Order #2 was originally approved on June 23, 2011).
  - c. Approve payment of Envirologic Technologies Invoice #27270 in the amount of **\$210.00** technical review of BRA Redevelopment/Reimbursement Agreement related to 232, LLC project under Work Order #3. Fund from Account 247-000-808.00.

VanDyk moved and Rogers supported removal of item (c) from the consent calendar to allow Agostinelli to abstain from that discussion. Motion Carried.

VanDyk moved and Woods supported approval of Items (a) and (b) from consent calendar. Motion Carried

Van Dyk moved and Blake supported approval of Item (c). Motion carried – One abstention.

8. Discussion/Action Calendar:

- a. Discussion – Monthly financial reports – *[Board packet- Attachment #2, pp.10-15]*  
BRA is waiting for BOC approval to move items in the budget from one line to another as previously discussed and approved.

Financials will be adjusted to show payment to Envirollogic (see consent agenda).

- b. Discussion/Action – Nomination of and Election of Vice-Chair of the BRA left open due to

VanDyk nominated Rogers, referencing her experience in BRA leadership. Blake supported.

Woods moved and Summerfield supported nominations close and a unanimous vote be cast for Rogers.

Rogers agreed to serve if elected.

Motion Carried. Julie Rogers is the new Vice President.

- c. Action – **Central Manufacturing Services – Reimbursement agreement as discussed in the Committees** –

Woods moved and Summerville supported payment of the invoice as stated in the Board packet.

Artley followed BRA instructions to divide the amount in two unequal amounts. The BRA Committee agreed to refund CMS \$1K from the application fee.

VanDyk questioned why a refund was necessary. Artley explained that the decision was made based on the relatively small amount of staff time used on this project and the fact that it wasn't CMS "fault" that the project did not go forward. Since CMS is still paying more than \$12K and it is also likely that CMS will apply again, the \$1K seems a modest token of good will.

Baumgart commented that a developer takes a risk when they apply to BRA and there shouldn't be a precedent set that if a project doesn't go forward, there will be a refund. The response was that the Committee discussion included this issue and that refunds will be dealt with on a case-by-case basis.

Motion carried

- d. Discussion: 232, LLC *[Board Packet –Development Agreement Attachment 3, pp. 16-23]*

Agostinelli stated his abstention from this discussion due to a conflict of interest.

Artley reviewed the Agreement as presented in the Board packet. He added that there were no costs related to this project. The "eligible costs" (10% to BRA – p18) are only related to two activities. Artley then went through the Reimbursement schedule in the chart on page 23. A total to BRA at the end of the 21<sup>st</sup> year is \$42,479.

Pg 20 – indicates there will be a sign at the site indicating it is a Kalamazoo County Brownfield Redevelopment site. BRA is also allowed to use photos and information from the project in public relations/awareness materials.

Woods asked about timing; Artley explained that there is nothing urgent about voting on this agreement because the Brownfield Plan has already been filed so that 232

LLC can apply for state tax relief.

Van Dyk asked why a vote is not being taken at this meeting. Artley explained that this is the process adopted by BRA – that issues are discussed at one meeting and voted on the next to allow time for Committees to discuss and BRA members to develop their responses.

Blake moved and Van Dyk supported that the vote be taken today and the agreement be accepted because the Agreement has already been discussed in Committee. Rogers stated that she is ready to vote today but would not have been ready to vote if there had been any glaring issues. Van Dyk added that the BRA had had time to look at the materials.

Agostinelli ceded chairmanship of this item to Vice Chairman Rogers who called the vote.

Motion carried with one abstention.

8. Staff Reports: [Board Packet – Update/Attachment 4, pg.24]

- a. **Midlink:** Artley distributed a hand-written summary of the TIF collection for this item comparing the amount eligible for collection to the amount estimated at the June meeting – the actual amounts are less than had been estimated. This reckoning will be included in the official record of the meeting and includes use of funds for various activities. Net eligible expenses reimbursable to BRA of \$54,726.37 will go into Acct. 247-000 [includes 2007-09 costs but not 2010-11 which may result in higher total – estimated at \$65K +]

Van Dyk: these expenses were almost all paid from the EPA grant? Why was 2010-11 not included? Artley responded that yes, these expenditures were made from the funds in hand. 2010-11 numbers were not included because they have not yet been received.

Rogers asked about time spent on legal review. Artley responded that legal would not necessarily review an invoice so there is no expense. ALL staff time and other County expenses will be documented more clearly in the coming year. Jarnefelt added that every eligible activity has been recorded and no additional expenses from the past are expected to surface. Expenses going forward will be documented.

Artley added a “thank you” to Clare Annen (in absentia) for his request for an EXACT accounting. This accounting includes expenses are eligible for reimbursement from school tax without a 381 work. There should be more information forthcoming from the state.

The first set of **invoices** has arrived from Midlink (nearly \$1.5M); Staff is reviewing and has found several errors which will be reported to Midlink by registered letter. Staff time for the review is billable. Artley stated that he will ask for much more detail about what was covered by the invoices from vendors. There are references to work done but not specifics of what exactly was done.

Only \$20K was allocated in the plan but the invoices are for \$24K – which can be paid? . . . the original allocation or the actual expense?

Susan Winslett from the State of Michigan has been helpful in reviewing what

expenses match the eligibility requirements. Any interest paid by vendors without a 381 work plan must come from the local taxes rather than school tax.

Artley distributed copies of a letter from Jill Bland at Southwest Michigan First to about 130 financial organizations that could work with developers to tell them about the NEW GAP opportunity. The actual application packet will be sent to the BRA members electronically. Committee will discuss to whom else the notice should go.

b. **Galesburg Properties:** No update

c. **EPA Grants** were NOT awarded to Kalamazoo in the current funding cycle. Hawkins and Artley investigated other public funds which may be available and appropriate and will be preparing a request for EPA funds during the next cycle.

Rogers asked about debriefing from the Fed related to the previous proposal. Artley responded that the debriefing had not taken place. However, he has spoken to other localities in Michigan that have received feedback and it is similar to previous debriefing.

d. **BRA Replacement:** Leroy Crabtree resigned from the Authority due to scheduling conflicts. Artley reported there have been or will be applications from: SW MI First; Hinman (Andy Wensel, Community Development); Crease, Anderly, Hudgins, Borsos (Jeff Swenterton); Travis Grinwood, SWMI Professional Network; Kalamazoo Community Foundation (Suprotik Stotz-Ghosh); Renee Taylor (environmental interests); as well as others. Applications represent the criteria discussed in the Committee. BOC Committee interviews are Sept. 20.

Woods: does BRA have any input on the selection process? Artley responded that recommendations from current BRA members would not necessarily be followed. Artley and Jarnefelt will possibly be allowed to sit in on the interviews.

Rogers recommended that applicants be invited to observe a BRA meeting if there is time before the BOC votes. Artley responded that going forward, this should be part of the process.

e. **New leads:** See above

9. Committees:

a. **Land Bank Report**– Woods reported:

- 25% of Tax foreclosures were sold and Land Bank recouped half of it. Land Bank committee members are worried about properties going to auction because properties are often bought by folks who do not pay the taxes and the cycle begins again. Discussion centered on whether the Land Bank should just take over the properties for renovation before selling.
- Marketplace has had 2 sales with 8 additional set for Fall, 2011 and 5 in the spring. Remax is the realtor.
- Creamery demolition will begin in Sept. and is expected to be completed by Dec.

- Prairie Gardens architect drawings are almost finished.
- Land Bank will apply for non-profit status so that they can accept certain grants they are not presently eligible for
- Land Bank offices moving to East Michigan Ave.
- 32 of the 100 vacant lots owned by the Land Bank have been sold to neighbors.
- Set up website and will staff it themselves.
- Land Bank will host the 2012 fall National conference. 600-800 attendees are expected. Woods recommended that a Brownfield tour be developed.

VanDyk asked what has been spent and how much is left. Artley responded that it is his understanding that funds must be spent by June 2013.

Van Dyk – what is expected to be spent for the Prairie Gardens and the Northside projects? Artley responded that it is probably about \$4-\$5M combined [35% of funding must be designated for residents earning 50% AMI; the rest divided on 6 specified areas] Artley will investigate the actual figures and report

b. **Executive Committee** – Next meeting: **Friday, September 9, 2011, 7:30 a.m.**  
County Administration Bldg

c. **Project/Finance Committee** –  
Next meeting: **Thursday, Sept. 8, 2011, 4:00 pm** in County Administration Bldg.

d. **PR/Media Committee**– A report on BRA will be made to the County Board of Commissioners scheduled for Sept. 20, 2011.

Artley stated that he has drafted a primer for the County Board but has not asked to be included in the Sept. 20 agenda because he would like for the BRA to see the document before it goes to the BOC.

Rogers asked to include the 1 page sheet used for the bus tour.

Iden said he hopes that the BOC briefing could happen before the new BRA Board member is appointed and that he is interested in pushing back the start date for the new member to October 5 BOC vote if the BRA explanation to the Board is delayed. Iden explained the new interview process adopted by the BOC for ALL appointments to ALL County Committees.

Artley asked if the BRA could request that the BOC Committee interviews take place on the 20<sup>th</sup> but the actual full Board interview and vote be delayed until after the presentation has occurred. Iden concurred.

Rogers recommended that radio interviews be done again to publicize that money is available for proposals. Also getting on the Environmental Council agenda is important as soon as possible because they meet only twice yearly.

10. Board Member Comments: None

11. Meeting adjourned at 5:18 p.m.

Next Meeting: **Thursday, September 22, 2011 at 4:00 p.m.**