

## KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY

MEETING DATE: Thursday, September 22, 4:00 p.m.  
PLACE OF MEETING: Room 207A, County Administration Building

### MINUTES

Present: Joe Agostinelli, Clare Annen, Ruth Blake, Brandt Iden, Kenneth Peregon, Julie Rogers, Anne Summerfield, Thell Woods

Excused: Larry Baumgart, Matthew VanDyk

Staff: David Artley, David Stegnik (Envirologic)

Kalamazoo Township: George Cochran

Community: Connie Ferguson

Recording Secretary: Janet Jones

1. Chairperson Agostinelli called the meeting to order at 4:01 p.m.
2. Members Excused: Larry Baumgart, Matthew VanDyk
3. Rogers moved and Peregon seconded approval of the Agenda. Motion Carried
4. Rogers and Artley gave two corrections to the minutes of August 25, 2011:
  - (1) Spelling of KREIS, ENDERLE and SWENARTON in section 8d;
  - (2) Spelling: WENZLIK (pg 3 a)
  - (3) Rogers is now Vice CHAIR (not Vice President pg 4 d).Woods moved and Iden seconded approval of the Minutes as amended. Motion Carried.
5. Citizen Comments: Ferguson announced that the Kalamazoo Environmental Council (KEC) is co-sponsoring a forum on Water Quality with the Students for a Sustainable Earth on October 24, 7:00 p.m. at WMU, Fetzer Center. More information to follow.
6. Consent Calendar:
  - a. Approve payment of Clerical Support Services through Janet M. Jones of Kalamazoo – Minutes of August 25 Meeting. (3 hours X \$15/hr) Total amount - **\$45.00** from BRA 247-000-808.11.
  - b. Approve payment of Envirologic Technologies Invoice #27363 in the amount of **\$300.00** technical review of documents/invoice related to Midlink Work Order #1. Fund from Account 247-000-808.00.

Rogers moved and Summerfield supported approval of the consent calendar.  
Motion Carried

### 7. Discussion/Action Calendar:

- a. Discussion – Monthly financial reports – *[Board packet- Attachment #2, pp.6-12]*

Artley pointed out that (pg 6) the \$6,100 has been identified from the budget and will be moved to account # 247.000. The County has not received payment from Midlink for the 1<sup>st</sup> TIF that is projected to be about \$8,600+ vs the projected \$2,500

Rogers: will we get any school tax back?

Artley: No. We can use School TIF for expenses that are BEA in nature (after the Brownfield Plan) so some of the return may require most of the projected \$52,184.69 TIF collection

Next year, .2 FTE will be charged for Administrative Time

Agostinelli: as CMS makes payment will it go into the same 000 account?

Artley: yes. The \$6,500+ check has been cut (by phone enquiry) but has not arrived. This is the net amount owed by CMS after deducting the amount that BRA has allowed from the initial application fee. CMS representative says he has another property in Schoolcraft that he may bring to BRA for consideration.

Annen: Will the Cost Allocation to the County be paid? What does that cover?

Artley: Support services – accounting, IS, Computer, staff,  
247.000 account will include the \$54,726.37 for use by the BRA.

Annen: I understand that we cannot spend that back for the original project for Midlink, correct? Is that the law that when you collect TIF for a project you can't use it back for the same project? Could we use it for other projects from Midlink even if it's in the same brownfield plain?

Artley: Yes, we can spend it for other projects in the same Brownfield even those from Midlink.

Woods: Can the funds be used for scholarships for people who are willing to pursue BRA help but don't have the application fee?

Artley: yes if you choose to suspend or amend your current policy which does not allow for that application.

Not road patrol, violence prevention, nor community neighborhood programs  
UNLESS it is a public education program about a Brownfield.

Peregon: Is Methamphetamine clean-up allowed?

Stegina: No only if it's on a Brownfield site. Though if there were a fire and a release of hazardous materials, you could use these funds for clean up.

- b. Discussion – Central Manufacturing Services first check for payment is forthcoming. There is potentially another site being considered by CMS that may come to a future BRA meeting.
- c. Discussion – Midlink Invoice Response: Artley distributed an Envirolgic memo that was forwarded to Midlink regarding the TIF reimbursement. There are many questions about the submission for payment. (*See file for the memorandum which details the concerns*) . For example, there was not enough detail and it wasn't clear from the documents from Midlink what information was directly related to the BEA on the site.

There is no interest available from school TIF because there was not enough information from Midlink to share with the state. Midlink has not provided insurance statements, etc. There will be more discussion in the BRA meetings as Midlink responds to the concerns.

Susan Wenzlet sent copies of the annotated documents that identify exactly where the concerns are. In total, Artley and Hawkins have spent more than 18 hours in review thus far which will be expensed against the Midlink Request.

Peregon: Is this memo the response required by 9-26?

Artley: No, but the e-mail sent today with the memo attached does meet that requirement. Midlink will not be paid until they have satisfied our questions at which time we will bring it forward to a BRA meeting.

Agostinelli: Will we make the decision only when the entire submittal is corrected or will we pay invoices as they are cleared up? Would we be in violation if we do not?

Artley: there are problems with nearly EVERY vendor invoice but as Midlink does clarify the problems, the invoices could be brought forward for approval by this Board. Probably the Warner/ Norcross and the insurance invoices will be available at the next meeting for approval. No, we won't be in violation of the entire agreement.

Rogers: Can we get a legal opinion? Insurance? We don't have proof of insurance?

Artley: We don't need a legal opinion, we are following the agreement. Insurance is only eligible from the Local TIF. We do not have the insurance certificates.

Annen: About your procedure, Comstock Township is collecting \$17,531 in non school and \$51,998 in school tax. Will they send us two checks? I assume our expenses will exceed the \$17K amount so that all of the non-school tax will be taken up to cover our expenses. So, will you decide what activities could be charged back from school tax without a 381 workplan?

Artley: Yes, that's right, we have to resolve whether they are eligible for school tax at all without the work plan and that's why we've asked the State about what exactly fits the uses for school tax. Essentially for the first 18 mos, the three payments of non-school tax will pay for our BRA costs through August, 2011.

d. Discussion – New Leads [*Attachment 4 – pg.14*]

Artley: We are still researching it but the Galesburg Speedway may be coming up (no developer has been identified). There is a long history on this piece of property as to whether there are "issues" which is likely given that it was a speedway.

Idea: I'm concerned about doing this for 'public good' rather than a specific project.

Artley: It is privately owned but in foreclosure. This will be Charleston Township, not City of Galesburg. More information to come at October meeting.

8. Staff Reports: [*Board Packet – Update/Attachment 3, pg13*]

a. **Galesburg Properties:** No update

Artley will find out if the City is considering tearing down buildings.

- b. **EPA Grants:** no report – submissions are due October 17. Debriefing from the last round of proposals was essentially the same comments as the previous time. Brownfield plans are not usually pro-active unless the Authority owns the land like the Lakeside Property (Davis Creek). We will apply for a grant but it may be site specific and we need to do more research.

Stigina: Guidelines are not out yet.

Rogers: We were considering pursuing a coalition; did we?

Artley: No, that won't probably work.

- c. **BRA Replacement:** BOC interviewed 3 candidates to finish out the term through Oct. 31, 2013. The member will be eligible for reappointment to a second term: Swenarton, Wentzel, and Grimwood. The Committee recommended Wentzel and his name will go forward to the County Board meeting on Oct. 4 for approval. If another vacancy occurs there are two other people interested who could serve. Other candidates have been mentioned as well. Mr. Wentzel is an owner and developer. He has a background in dealing with local governments and Brownfield experience. He was eloquent in the interview and didn't dodge questions but stated when he didn't have an answer.

Annen: Did we receive a recommendation from SWMI first?

Artley: no, we requested it but no recommendation was made.

Woods: In future will the person being considered for the Board be expected to attend at least one meeting before they are recommended?

Artley: you can suggest and recommend but you can't insist.

Rogers: Could you also give him a notebook and orientation?

Artley: we will give him background data and try to bring him up to speed before the first meeting.

- d. **Other: None**

#### 9. Committees:

- a. **Land Bank Report**– Woods reported that this was not a full meeting. Justin VanderArk and Al Roh were reappointed. The Land Bank has moved 229 Michigan Ave. Bids are being received on Blakeslee property. Some offers are already being made on the houses that would be included on the property.

Annen: Does the Land Bank need a quit claim from court? Not an automatic title?

Blake: That's a quiet title exchange and they do need to go to court.

Thell: It's sort of from one pocket to the other.

- b. **Executive Committee** – Next meeting: **Friday, October 14, 2011, 7:30 a.m.** County Administration Bldg. Wentzel will be invited to attend. Rogers cannot stay

for the entire meeting.

c. **Project/Finance Committee** – No meeting in September  
Next meeting: **Thursday, Oct. 13, 2011, 4:00 pm** in County Administration Bldg.

d. **PR/Media Committee**– Artley reported on the presentation made to the County Board of Commissioners on Sept. 20, 2011. Artley distributed the packet that was shared with the Board and pointed out what was said.

Iden: The presentation was well received by the Board of Commissioners. Generally they thought that the grant from the County (\$125,000 in fall 2010) to the BRA would be well used, however it was apparent that one BOC member was expecting reimbursement of the grant.

Artley reminded the BRA of that he had noted at the 9/20/2011 CBOC meeting that the County Funds were exactly that – a budget allocation grant and there had been no indication in the fall of 2010 that the grant would be expected or needed to be repaid. There was no support for the returning of the funds on the CBOC 9/20/2011.

Rogers: I strongly disagree that we will give it back. We need to have the discussion in this meeting. Philosophically, we are increasing the County's revenues by helping put the properties back on the tax rolls, and that is potentially a far greater amount than the original grant.

Agostinelli: my understanding of PA381 is that once the funds are given to us, it is ours, to be used in the ways we see fit and are legal.

Rogers: A time for a WKZO radio interview is being determined. It would be nice to have a project as soon as possible to talk about.

Thell: Downtown Rotary is scheduling a panel presentation to include the Land Bank and City of Kalamazoo Brownfield Redevelopment people. County BRA will not be represented.

10. Other: Artley: the "social" at Thell's house was really nice.

11. Board Member Comments:

Rogers: I've heard about a situation in the Township involving a demolition project where asbestos was found. What was that about? Asbestos demotion?

Cochran: we must hire someone to check for asbestos before demolition if it is suspected.

Rogers: Is the property owned by the Township?

Goerge: No, it's privately owned

Annen: There was a previous problem of a private owner demolishing a building by burning it down and the State of Michigan got involved because of suspected asbestos.

12. Meeting adjourned at 5:08 p.m.

Next Meeting: **Thursday, October 27, 2011 at 4:00 p.m.**