

KALAMAZOO COUNTY BROWNFIELD REDEVELOPMENT AUTHORITY
Board of Directors Meeting
MINUTES

MEETING DATE: Thursday, November 15, 2012 at 4:00 p.m.

PLACE OF MEETING: Room 207A, County Administration Building

Present: Joe Agostinelli, Clare Annen, Brandt Iden, Kenneth Peregon, Julie Rogers,
Anne Summerfield, Matthew Van Dyk, Andy Wenzel, Travis Grimwood

Members Excused: Thell Woods

Kalamazoo Township: None

Community: 2

Staff: Lee Adams, Jeff Hawkins, Lotta Jarnefelt

Recording Secretary: Zeña Vos

1. Chair Agostinelli called the meeting to Order at 4:03 pm.
Chair Agostinelli welcomed the new BRA Member Travis Grimwood. He will be sworn in at the next meeting.
2. Members Excused: Thell Woods
3. Approval of the Agenda: Jarnefelt to add to the agenda the approval of the 3rd Quarter BRA Administration invoice. The item is added under 7b iv. **Summerfield moved and Iden seconded approval of the Agenda as amended. Motion Carried.**
4. Approval of Minutes: Peregon suggested corrections on Consultants' name who submitted RFP; Jeff Hawkins to Envirologic Technology (ET), ESTI to ASTI on page 3, 7e. **Iden moved and Rogers seconded approval of October 25, 2012 minutes as amended. Motion Carried.**
5. Citizens Comments: None
6. Consent Calendar: None
7. Discussion and/or Action Calendar
 - a. **Discussion** – BRA Board Membership
 - i. Officers – Vice Chair and Secretary/Treasurer

Rogers is potentially leaving the BRA Board due to her election on the County Board of Commissioner.

Blake's term ended at the last meeting and she chose not to serve another term.

Claire Annen was nominated for Vice Chair by Rogers, seconded by Wenzel. Motion carried unanimously.

Matthew Van Dyk was nominated for Secretary/Treasurer by Rogers, seconded by Summerfield. Motion carried unanimously.

- ii. Committee rosters

Agostinelli – Historically, executive committee contains the chair, vice chair of the EDC and the BRA. They are: Agostinelli, Annen, Woods and now the vacancy.

Wenzel will fill in the vacancy and will be attending the executive committee meeting on Fridays at 7:30 a.m.

The other board members are in the Projects and Finance Committee with no alternate.

iii. Letter to Ruth Blake – Staff sent a thank you letter to her.

b. **Action/Discussion** – Financial status reports

i. Budget Adjustments

- Jarnefelt explained the purpose of the Budget adjustment. No increases or decreases in the fund, just moving the sums within the line item. This is regularly done at the end of the year.

Summerfield moved and seconded by Annen the approval of the Budget Adjustment as submitted. Motion Carried.

ii. Midlink

1. Approve TIF Payment

- Adams requested motion to approve the payment to Midlink for the school tax in the amount of \$53,819.03.

Annen moved, Summerfield seconded the approval of payment to 5200 Investors LLC in the amount of \$53,819.03. Motion Carried.

2. Reimbursement Analysis

- Adams – included in the packet, the updated version of the interest calculation. In a conversation with Jared Belka, who represents Midlink, Jared stated that his interpretation of both Development agreement and Brownfield Plan together calls for interest first payments.

Adams pointed out the TIF calculation in the BRA Plan that the payments come off the interest before they apply the principal. The second to the last line in the Development Agreement states: “All payments should be governed by the plan amendment and this agreement.”

Adams stated that with the combination of the two agreements, it appears that interest has to be paid first. This will change the Reimbursement Analysis.

- Annen shared his recollection regarding the process in the past. The interest has accrued, and we should not pay it until we have paid off the principal.

In the first year, 44 days from the time of approval, Nov. 19 to the end of the year, the interest is pro-rated at 3%. That total came to \$5,100. We kept track it because we still owe both, 1 million local and \$300,000-\$400,000 school tax. When we got through paying those off, we would keep track with the interest. He thought the agreement was to pay the interest after the principal is paid off.

- Rogers agreed on Annen's recollection. When David Artley was doing a quick estimate, he also anticipated never getting to the end of the interest.
- Agostinelli says when the BRA Plan was drafted, it had a TIF table that goes through 18 years of calculations. The way the table was written, and adopted, it implies payments to interest prior to payment of principal. That means they will accrue more interest overtime because the BRA would not pay down the principal balance very much.
- Hawkins advised that he does not think the Brownfield Statue will allow the BRA to pay interest with school TIF. There was an interest policy from DEQ that regulates it.
- Agostinelli asked the staff to contact the attorney on the specific subject and to put the explanation in writing if there is any disagreement.
- Midlink Invoice:
- Hawkins stated no invoices at this time. The intent was to talk about the ability to use local TIF.
- Adams: Staff will get the proper documentation from Terra Contracting. Will have complete invoice for board review.
- Agostinelli stated this is remediation work that the BRA initially hoped to be covered under a 381 Work Plan; but it is such a small amount that it would cost more to prepare 381 Work Plan than the actual work itself. They want the board's approval, to seek reimbursement through local TIF.
- Hawkins stated that they may not have a big amount of expenses at this point to put into 381 Work Plan. They would like to get an approval from the Board to consider using the local TIF to pay for these expenses versus school TIF. They have a quote to remove and dispose of the material.
- Agostinelli – Midlink is asking the board if there are any concerns about moving forward with the expense, with understanding that it is ok submitting the invoice as a reimbursable expense under local tax.
- Agostinelli explains that it is important to point out the disposal activity is currently covered under BRA Plan that we don't need to take any action, to allow them to be reimbursed under existing plan, they just need to submit their invoices, and the board will allocate the expense under an existing category in the BRA Plan.

(Matt Van Dyk arrived at 4:35 p.m.) – notified that he was elected as Secretary/Treasurer.

- Adams will contact Jared Belka regarding the interest.

iii. Brown Family Holdings Reimbursement Analysis

- Adams explained that staff received payment for the TIF collection from Kalamazoo Township.
- Jarnefelt stated that she talked to Shawn a while back; Goodwill is paying what they are supposed to so he did not anticipate any problems. Staff will check in next year when we near reimbursement of BRA expenses on the site.

iv. 3rd Quarterly Admin Invoice:

Jarnefelt – 3rd Quarter Invoice in the amount of \$364.11. Staff is requesting approval of reimbursement to the County.

Annen moved and seconded by Rogers the approval of 3rd quarter invoice (invoice #: BRA-3QT) in the amount of \$364.11. Motion Carried.

c. **Discussion** – 306 N Grand Schoolcraft – November 1 meeting with DDA

i. Next steps

1. MOU with Land Bank

- Adams stated that Rogers was present at the meeting with Land Bank and Village of Schoolcraft. The meeting was positive; the elected officials were on board. However, they have not received the official “yes” from the Village.
 - Rogers relayed that the Village staff was resistant. That if they put the parcel in the BRA then it’s taking their money out of their taxing jurisdiction, it’s going to have a negative effect on their DDA.
 - Rogers – suggested getting their “yes” in writing.
 - Agostinelli stated, as members agreed, to add some language in the draft MOU that would outline the Village’s responsibilities and circulate to all parties.
 - Jarnefelt noted that they have been talking to the DDA, Village Manager and Treasurer but have not been in front with the village council.
2. Review of DEQ files
Jarnefelt stated that the BRA will not need to review with DEQ before the agreement is figured out.

d. **Discussion** – EPA Grant Application Draft

Hawkins – Apologized for the delay in distributing the copy of the draft. It should be sent out soon for the board to review. The deadline was originally due November 19 but due to Hurricane Sandy, the deadline was extended to December 3rd. He should have the support letters, including one from the State, back soon.

e. **Action** – Contract offer to 2013 consultant

Agostinelli – The executive committee reviewed all the RFP responses. He stated that all parties who responded were qualified. There were only two or three local firms. The committee felt strongly that because Envirologic Technology (ET) is doing a great job, is a local firm, and are competitive on price, they should receive a contract offer. No contract was drafted but it would be appropriate to take action to approve the committee's selection, and direct staff to prepare the contract for execution.

Summerfield moved and Peregon seconded the approval of a contract offer to Envirologic Technology. Motion Carried.

f. **Action** – Upcoming Conferences

i. National Brownfield – May 15-17, 2013

- Woods and Adams would like to attend the Conference.

- Jarnefelt stated that they will make their own travel arrangements such as; Airfare and hotel as it had been done in the past and the BRA will reimburse based on the receipts.

Rogers moved and Van Dyk seconded the approval of expenses for attending the EPA conference May 15-17, not to exceed \$4,000 for up to 3 people representing the BRA, including staff, to attend. Motion Carried.

8. Staff Reports ~ **4:40**

a. Checker Motors Site

Jarnefelt shared the information she received from Ruth Blake. The City and Kalamazoo Township have received complaints from adjacent property owners. Neither the Township nor City has a strategy or plan for the property. The City Department of Planning and Development is operating with the bare bone staff. The current owner is Jones Trading LLC, a Canadian company. No Taxes has been paid on this property since 2010 summer tax. Subsequently, the property is schedule to be foreclosed on March 31, 2013. Ruth's unofficial feeling is that the property owner has stripped the property of any salvaged value and abandoned it, but she has no documentation to support it. Ruth said that she is sure the Township would be willing to work with the City and the County to address this issue. She is available to provide more info if needed.

The payoff of taxes owed is \$42,300 with penalties of \$10,600.

Rogers asked if anyone has contacted the DEQ

Hawkins does not think there's any evaluation with the DEQ since it was privately held since Checker let go of it.

Hawkins - the site is 50 acres, majority of it is in the County. With this site comes an opportunity to put a collaborative effort with the BRA, City, Township and Land Bank together. Maybe apply for an EPA clean up grant.

b. December Meeting – December 20, 2012.

9. Committees - times dates and places ~ **4:50**

a. Land Bank Report– Thell Woods

Adams – Land Bank has three new members. The meeting mostly focused on orienting new members. Since the NSP is drawing down, they are looking for additional sources of income; LISC offered the Land Bank a \$400,000.00 loan to continue NSP type programs.

b. Project/Finance Committee – verbal report/meeting schedule Thursday, Dec 13th, 4:00 pm

c. Executive Committee – verbal report/meeting schedule Friday, Dec 14th, 7:30 am

10. Other –

Rogers commented, since there is quite a bit of turnover, she highly recommend a formal education session from Envirollogic Technology and staff after new members are appointed - have a separate meeting to go over technicalities.

She also stated that she will be sworn in Dec 18 and that she can't serve as appointed member to a body and serve as a county commissioner. She will likely resign in the next few weeks.

She expressed her thanks and gratitude to the BRA and that she learned a lot in the last 5 years, especially from Jeff Hawkins (ET), as well as David Artley and Lotta Jarnefelt. She will continue to be a huge champion of BRA on County Board.

11. Board Member Comments

Van Dyk congratulated Iden & Rogers on their election to County Board of Commissioners. (*Members applaud!*) He added that it was fun working with Rogers.

12. Adjournment ~ **5:30 pm**

Next Meeting: 4th Thursday – December 20, 2012 at 4 pm - room 207a, County Admin Bldg.