

**BROWNFIELD REDEVELOPMENT AUTHORITY
APPROVED MINUTES**

April 21, 2015

Call to Order:

Eric Helzer called the Brownfield Redevelopment Authority meeting to order at 7:30 a.m.

Roll Call: Carol Betts, Emily Coles, Ralph Crew, Bobby Fisher, and Richard Hult

PRESENT: Carol Betts, Emily Coles, Ralph Crew, Bobby Fisher, and Richard Hult

ALSO PRESENT: Mark J. Warba, Mayor, Lynn Anderson, City Commissioner, Steve Sobers, City Manager, Mark Gifford, Director of Public Works, Mark Sweppenheiser, Director of Neighborhood Services, and Jim Sandy, Director of Economic Development Director.

ALSO PRESENT: Eric Helzer, Vice President, AKTPeerless, and Janet Michaluk, Project Manager, AKTPeerless.

ABSENT: None

APPROVAL OF AGENDA

Moved by, Carol Betts, seconded by Richard Hult to approve the Brownfield Redevelopment Authority agenda.

Motion passed unanimously.

APPROVAL OF MINUTES

Moved by, Carol Betts, seconded by Emily Coles to approve the Brownfield Redevelopment Authority minutes of the regular meeting of March 17, 2015 with the following corrections: meeting started at 7:30 a.m. not 7:30 p.m. and ended at 9 a.m. not 9 p.m.

Motion passed unanimously.

PUBLIC COMMENTS - None

Eric Helzer, Vice President of AKT Peerless and Janet Michaluk, Project Manager gave the third of four presentations on Brownfield development.

Bylaws

The revised bylaws were distributed and reviewed. There were two changes:

1) Article II, Section 6 - **Meetings** – Have decided to hold the annual meeting the second calendar quarter of each year.

2) Article II, Section 10 – changed the wording to “A committee so designated by the Board,

to the extent provided in the resolution by the Board, may exercise all powers and authority of the Board in the management of the business and affairs of the Authority, except that such committee *'shall not have the power or authority to.'*”

- 3) Article III, Section 2 – **Nomination, Election and term of Office** – decided to have the following wording *'candidates shall be nominated by a nominating committee composed of three members appointed by the Chairperson OR candidates shall be nominated by another Director.*

The Authority reviewed the resolution that will be presented to the City Commission for adoption of the bylaws.

MOTION

Moved by, Carol Betts, seconded by Emily Coles to approve and recommend the Big Rapids Brownfield Redevelopment Authority Bylaws to the Big Rapids City Commission.

Motion passed.

Mr. Helzer Recapped the March 17, 2015 meeting highlights.

Brownfield Plans vs Act 381 Work Plans opportunities

Two different kinds of Work Plans:

- Department of Environmental Quality (DEQ) – for the environmental portion of the work plans.
- Non-Environmental Work Plan. This is the Michigan Strategic Fund (MSF)

Writing an Act 381 Work Plan – See PowerPoint for the Following Steps

Step 1

- Contact the State - (after the plan has gone through the application process, Brownfield approval process or just starting. Must have an adopted Brownfield resolution).

Step 2

- Prepare the Work Plan – Standard minimal information needs to be collected such as, if a person or company has delinquent taxes or penalties.
- Scope of Work - MDEQ Eligible Activities
MSF Eligible Activities
- Schedule and Costs – put in enough costs so that you do not have to go back and amend the Brownfield Plan
- Tables
- Attachments

Step 3

- Work Plan Approval at local level (is not required by statute and is at local discretion)
Local only tax revenue Brownfield Plan is if you don't proceed on with a Work Plan for State school revenue capture. Some communities still want to see a Work Plan. Suggested to gather supplemental information at the board level.

Step 4

- Submit the Work Plan to MDEQ/MSF
 - *BRA submits a letter deeming the Work Plan administratively complete. (resolution adopting the Brownfield Plan or a Development of Reimbursement Agreement may have to be submitted to the State before sending the letter). The clock for the State does not start until those two documents are in.
 - *May also submit the Work Plan to the appropriate agency(ies)
 - *Unbound and printed both sides on recycled paper

Step 5

- Agency Review/Response
 - MDEQ – 60 calendar days (will take right to the 60th day to respond) Only environmental projects go to the MDEQ.
 - MSF – 65 calendar days (easier to work with, will get right to work on the Work Plan).

Step 6

- Conduct Work
 - MDEQ – No timeframe
 - MSF – Complete work within 3 years (can extend)

*Work Plans below \$500,000 do not need to go to the board.

Project Approval Process – See PowerPoint

Brownfield Plan Opportunities

- Can adjust the beginning date of the Tax Increment Revenue capture. Brownfield plans have a maximum of 30 years. You can defer for 5 years, which means a Brownfield plan cannot exceed 35 years. The deferral does not have to happen up front, can amend the plan. If revenues have been dispersed to the developer, than the 30 year period cannot be adjusted. If the revenues have been captured but not dispersed, then the taxing jurisdictions must be made whole.
- Identifying Initial Taxable Value – can look at the most recent or the next Assessment Roll following the Brownfield Plan adoption.

Items that do not need State approval – do not have to be included in an Act 381 Work Plan

Phase I Environmental Site Assessments (ESAs), Phase II ESAs, Baseline Environmental Assessments (BEAs), and Due Care Planning Activities for contamination on site do not require state approval to capture state school tax dollars. This could include, analysis, additional studies, written plans, preparation for construction, and all planning activities associated with the Phase I & Phase II to allow the project to move forward. Can conduct all of this without the State's approval.

Adoption of a Flexible Brownfield Plan

- Consider what you are willing to do as a Local Only Plan. Decide on whether or not you wish to work with the State on projects.

Environmental Activities (MDEQ) and Non-Environmental Activities (MSF)

The following applies to both agencies:

*Ability to shift costs between principal eligible activity categories within the agency activities.

*Total cost of eligible activities cannot exceed total amount of eligible activities approved in the Act 381 Work Plan approved by the agency.

This is usually done by the Director instead of burdening the board. The board is usually updated at the annual meeting.

See PowerPoint for Environmental and Non-Environmental Redevelopment Incentives.

Environmental - When looking at projects, make sure that the City is not burdened with all of the costs. Take the opportunity to work with the Mecosta County and the EPA Assessment Grants. There are also other State grants (DEQ) as well.

Non Environmental – There is a lot of funding through several agencies. The developer usually approaches these agencies.

Policies & Procedures

A draft copy of the Policies & Procedures were handed out. There are a lot of areas that are identified in yellow that have not been reviewed by City staff and our policies. If the City has their own policy, that policy can be inserted in the yellow highlighted areas. This is a public document that moralizes to the public how this board will conduct their business. This document is a collection of other authority's policies that Mr. Helzer has been working with from the last several years.

Items to look at include:

Pg. 3 Conflicts of Interest – need to take out Schoolcraft City. If the City already has a policy on Conflicts of Interest, it can be inserted here.

Pg. 11 – Summary and Fees – a \$500 fee has been written, but staff or the board needs to determine if this is the amount they want to use. An Authority does not want to have a huge dollar amount, which might deter business. This amount is to cover consulting costs, staff time, etc. The fee is usually from \$500 - \$1,500.

Pg. 11 – Read through the guideline section. In addition to statutory requirements, all projects submitted will be considered only if they meet the following overall guidelines on page 11 under section 2 – Guidelines.

Pg. 12 – Review the 1% administrative fee. Any projects with eligible activity expenses greater than (decide on dollar amount) will be capped at an administrative fee of (decide on dollar amount). This fee should be no higher than \$20,000. This fee has to be paid before a Development Reimbursement Agreement is executed.

Redevelopment Areas of Focus.

Paperwork on Redevelopment of Areas of Focus was handed out. Mr. Helzer will be meeting with City staff today to discuss more areas, better maps, definitions and the Master Plan. **This will be discussed at the next meeting.**

Draft Application Process

A draft application process was handed out. This will be helpful being this is a new board and may not know what to look for or how to equate projects. This process will also weed out anyone who is not a serious applicant.

Read Section H of the Policies & Procedures first, then review the application. The application is a fillable form that will need to be on the City's website along with a link to the Brownfield Authority.

City Attorney, Eric Williams will review the Policies & Procedures for the next meeting.

Next meeting will be May 19, 2015 at 7:30 a.m. in the Commission Chambers at City Hall.

There being no further business to come before the board, the acting chair declared the meeting adjourned at 8:45 a.m.

Respectfully submitted,

Tamyra K. Gillis, MMC
Secretary