

**Brownfield Redevelopment Authority
Board of Directors Meeting
September 15, 2022
Immediately following EDC meeting**

Agenda

- A. Call to Order**
- B. Roll Call and Motion to Excuse Absent Members** (Action: Motion to excuse absent members)
- C. Adoption of Formal Agenda** (Action: Motion to approve formal agenda)
- D. Approval of Minutes for Meetings on August 18, 2022** (Action: Motion to approve the meeting minutes of August 18, 2022)
- E. Citizen Comments**
- F. Directors' Comments**
- G. New Business**
 - G-1. Approval of the Second Amendment to the Purchase and Sale Agreement between BRA and River Caddis Development, LLC for the parcel located at 508 Harrison Street and authorize the chair to sign.

(**ACTION:** Motion to approve the Second Amendment to the Purchase and Sale Agreement between BRA and River Caddis Development, LLC for the parcel located at 508 Harrison Street and authorize the chair to sign).
 - G-2. Approval of the First Amendment to the Purchase and Sale Agreement between BRA and Burdick@Cedar, LLC and 116 West Cedar, LLC for the parcel located at 116 W. Cedar Street and authorize the chair to sign.

(**ACTION:** Motion to approve the First Amendment to the Purchase and Sale Agreement between BRA and Burdick@Cedar, LLC and 116 West Cedar, LLC for the parcel located at 116 W. Cedar Street and authorize the chair to sign).
 - G-3. Adoption of a Resolution approving the sale of property between BRA and Bogan Developments, LLC for the parcel located at 315 E. Frank Street and authorize staff to sign all closing documents.

(**ACTION:** Motion to adopt a resolution approving the sale of property between BRA and Bogan Developments, LLC at 315 E. Frank Street and authorize staff to sign all closing documents).
 - G-4. Approval of the second and final TIF Reimbursement Request from Gilmore Real Estate for the brownfield project located at 162 E. Michigan.

(**ACTION:** Motion to approve the second and final TIF Reimbursement Request from Gilmore Real Estate for 162 E. Michigan Avenue Project).

G-5. Adoption of the 2023 Budget for the Brownfield Operations Fund and the Local Brownfield Revolving Fund.

(**ACTION:** Motion to adopt the 2023 Budget for the Brownfield Operations Fund and the Local Brownfield Revolving Fund).

H. Old Business

I. Communications and Announcements

J. Staff Updates

- City Commission Approval of BRA grant acceptance from EGLE for Rivers Edge Development Project at 508 Harrison in the amount of \$1,000,000 (September 6).

K. Adjournment

**CITY OF KALAMAZOO
BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
Thursday, August 18, 2022
Community Planning and Economic Development
245 N. Rose Street, Kalamazoo, MI 49007**

MEMBERS PRESENT: Lucas Middleton; Nathan Bolton; Rachel Bair; Kevan Hess; Jason Novotny; Qianna Decker; Sharon Ferraro (to be sworn in as a new member next month)

MEMBERS ABSENT: Kyle Gulau

CITY COMMISSIONERS/CITY STAFF PRESENT: Jamie McCarthy (Sustainable Development Coordinator); Beth Cheeseman (Executive Administrative Assistant); Clyde Robinson (City Attorney)

Meeting was called to order at 7:50 AM by Director Hess.

MOTION TO EXCUSE ABSENT MEMBERS: Director Middleton moved to excuse absent members; seconded by Director Bair. Motion approved by voice vote unanimously.

APPROVAL OF AGENDA: Director Bolton moved the approval of the agenda as presented; seconded by Director Bair. Motion approved by voice vote unanimously.

APPROVAL OF MINUTES: Director Middleton moved the approval of the minutes from the June 16, 2022 and July 21, 2022 meeting; seconded by Director Bair. Motion approved by voice vote unanimously.

CITIZEN COMMENTS

None.

DIRECTOR'S COMMENTS

Director Hess welcomed Ms. Sharon Ferraro to the Board.

NEW BUSINESS

1. Adoption of a Resolution accepting a Brownfield Redevelopment Grant from the Michigan Department of Environment, Great Lakes, and Energy for the brownfield redevelopment project at 508 Harrison and authorize staff to sign.

(**ACTION:** Motion to adopt a Resolution accepting a Brownfield Redevelopment Grant from the Michigan Department of Environment, Great Lakes, and Energy for the brownfield redevelopment project at 508 Harrison and authorize staff to sign).

Ms. McCarthy gave a brief background of the property and presented a map of the project area. There is historical contamination of the soil and ground water on this property. Ms. McCarthy said that some grant money was used for demolition and abatement, but due care was the largest expense. They had to work with soil removal, collection, and disposal. There is also a high water table. Buildings on the site will need vapor intrusion mitigation systems installed. This project received the highest EGLE grant award representing a huge investment in Kalamazoo. Ms. McCarthy stated that this project was working with MSHDA for LIHTC. She said it will take some time to get that on MSHDA's agenda due to timelines and the review process. Ms. McCarthy said they will grant this for one year. Some benchmarks were mentioned in the packet – site plan approval and some environmental plans. She said they are comfortable that these benchmarks will be happening within the next year.

Mr. Dan Wisinski, Director of Construction for River Caddis, said they received MSHDA approval in June. They plan to design a vapor intrusion system through this November. Mr. Wisinski said it is a complicated project, but that is their specialty.

Director Hess asked if they have a realistic timeline for financing with MSHDA. Mr. Wisinski said he couldn't answer that, but he could get an answer to Ms. McCarthy. Director Hess asked how soon they could start once financing was approved. Mr. Wisinski said if they get the design done in November, and count time for the EGLE review, it would be spring. Mr. Doug Koop, EGLE, said they can extend that if needed.

Mr. McCarthy said the Developer had been working with PM Environmental. She mentioned some State review periods and that it could be pushed out as much as a year from now. Ms. McCarthy said that next month, she would come forward with a timeline for the Board. They have asked for a 30-day extension of the purchase agreement. She estimated that they will probably need one more extension before they break ground. Ms. McCarthy indicated that she would be able to give that information in the next month.

Director Bolton asked about the life expectancy of the vapor intrusion system. Mr. Wisinski said it will last the life span of the building. He added there will be a monitoring system installed to let them know if it fails.

Director Novotny asked if there were any other approvals still contingent. He noted this project has been in planning over many years, with several rounds of reviews and extensions. Ms. McCarthy said the main approval happened in June. Now it will be plan approvals and different elements of underwriting. She said that all of the big approvals are done.

Mr. Koop added that the contracts are typically two years. When vapor mitigation systems are involved, then the contracts are three years. He said that they are looking at next fall to begin, but they will need an extension. Mr. Koop said they will look at milestones, monitor, and consider the length of the extension.

Director Bolton made a motion to adopt a Resolution accepting a Brownfield Redevelopment Grant from the Michigan Department of Environment, Great Lakes, and Energy for the brownfield redevelopment project at 508 Harrison and authorize staff to sign; seconded by Director Bair.

A roll call vote was taken and passed unanimously.

2. Adoption of a Resolution approving the Purchase and Sale Agreement between BRA and Kalamazoo County Government for property at 315 E. Alcott Street and authorize the chair to sign.

(**ACTION:** Motion to adopt a Resolution approving the Purchase and Sale Agreement between BRA and Kalamazoo County Government for property at 315 E. Alcott Street and authorize the chair to sign).

Ms. McCarthy presented the background of the property. She reported that the middle parcel is a separate parcel that PlazaCorp purchased. The County Health Department was there for a number of years. They understood they could purchase the surrounding parcel. The parcel was deeded to the BRA from the State years ago and the BRA has been paying taxes on it. The County has a lease with PlazaCorp and has the option to purchase the property. Some costs would need to be repaid from PlazaCorp to the BRA. Both properties will be purchased by the Health Department, and they will join the parcels. Ms. McCarthy pointed out that it will be off the tax rolls. She said the County came forward and asked if they could offer a more competitive sale price. Ms. McCarthy shared that the Project Review Committee agreed that the value of the property is low to anyone but the owner of the building. Because it was owned by the State in the past, proceeds from the sale would return to the State. Ms. McCarthy said it made sense to get the amount it cost the BRA to maintain the property. The sale price is \$20,000. The BRA will received the full amount of the outstanding EGLE loan. She said it was still in forbearance now – not due to the State until next year. Ms. McCarthy said money will come back to the BRA for the Brownfield eligible activities that the BRA incurred, and the utility costs. The County wants to close at the end of the month. This was before the Board to approve the purchase and sale agreement.

Director Novotny made a motion to adopt a Resolution approving the Purchase and Sale Agreement between BRA and Kalamazoo County Government for property at 315 E. Alcott Street and authorize the chair to sign; seconded by Director Bair.

Commissioner Decker asked about other organizations in that area. Ms. McCarthy listed Family Health Center, Health & Human Services, and the County Health Department. She said the BRA has a purchase option with Hollander for affordable housing there.

A roll call vote was taken and passed unanimously.

3. Approval of the Agreement to Terminate all Documents Regarding 400 Bryant LLC and authorize chair to sign.
(**ACTION:** Motion to approve the Agreement to Terminate all Documents Regarding 400 Bryant LLC and authorize chair to sign).

Ms. McCarthy stated that they needed to terminate the development agreement for TIF for 400 Bryant. Once the loan is paid off, staff will take steps to abolish the Brownfield Plan. She said the Plan served its purpose because the project was built. Any taxes collected this year will continue to capture and will be paid to the developer. Ms. McCarthy said it was a 20 year plan. The five years of payment to LBRF won't happen in this scenario. They are capturing about \$40,000 per year.

Director Middleton made a motion to approve the Agreement to Terminate all Documents Regarding 400 Bryant LLC and authorize chair to sign; seconded by Director Bolton.

A roll call vote was taken and passed unanimously.

4. Approval of a Consent to Enter Form for BRA-owned parcels along Portage Creek near the former Performance Paper site and authorize the chair to sign.
(**ACTION:** Motion to approve a Consent to Enter Form for BRA-owned parcels along Portage Creek near the former Performance Paper site and authorize the chair to sign).

Ms. McCarthy said she was approached by Mr. Brettmann from EGLE for a project that happened years ago. It was for the restoration of the creek and Alcott Street. They need access to the former Panelyte site for some work.

Mr. Greg Brettmann gave a presentation on their plans for the Portage Creek restoration. He said they are hoping to do this work in the fall and finish in the spring. This happens to be on property owned by the BRA. Mr. Brettmann explained work they had done in 2018. Unfortunately, they ran into unexpected issues and couldn't finish the work due to budget constraints. He let the Board know he was not asking them for money, but he is asking for access to the property for the work they need to do. Mr. Brettmann said they brought on a consultant, put together bid specs, and received bids yesterday. The engineer's estimate was over \$600,000. They need to get access to the property, work with various players (City, DNR, Fisheries), and put together a permit. They will need to excavate additional flood plain space. Mr. Brettmann stated that the soil was tested and is contaminated. It exceeds residential criteria, but it can be used for non-residential property. He said they are hoping to reuse the soils on an EPA project.

Director Novotny asked if there was a purpose for the soil or would they just be pouring it on the site. Mr. Brettmann said he knew there were concerns from residents about having contaminated soils placed there. The reuse is up to the EPA. They may be able to use it for part of the consolidation area. Ms. McCarthy said there is a certain amount of fill material they are using to stabilize that area. Mr. Brettmann said it would be 950 yards which sounds like a lot, but with what is happening there, it's a drop in the bucket.

Director Bolton asked what the difference would be if the soil was not moved. Mr. Brettmann said it is fine to have it sitting there because it is not residential property. The problem comes in if erosion carries the soil off.

Mr. Brettmann said they plan to construct a ripple. He said this will help slow down water velocities, and it will help with fish migration. Fish can only swim upstream so far before they're tired. This will create eddies where they can rest in between. Mr. Brettmann said they are working with Mr. James Baker to take a look at these drawings and get approvals to do that. They plan to plant over 500 trees and shrubs. He said they have worked with the DNR to determine the species needed. Mr. Brettmann said they want to modify the ripples that were installed in five locations in 2012-13. The way they were done, it hinders larger fish from migrating. They also want to stabilize banks in a few areas where the stream has cut into the bank. He said they are asking for access through 2024, and they plan to keep a consultant on board to monitor changes.

Director Middleton asked about the invasive nature of access. He wondered if there would be any changes to BRA owned parcels. Mr. Brettmann assured them that the work would be done on the channel, and it shouldn't negatively affect the parcels. He thought it would make the BRA properties look better. Director Middleton said he appreciated them looping back to this work. Mr. Brettmann commented that there was still a chance that it wouldn't happen if the bids came in too high.

Director Bolton asked if the work was all or nothing. Mr. Brettmann said they structured the bid so they could do parts of it. They have tried to prioritize the work. Modifying ripples is on their wish list.

Commissioner Decker commented that having shrubbery and trees are important. Mr. Brettmann agreed they are important for fish habitat and to reduce erosion. Attorney Robinson noted that they amended ordinances to allow trout fishing at Milham Park. They have to have the right habitat.

Director Middleton made a motion to approve a Consent to Enter Form for BRA-owned parcels along

Portage Creek near the former Performance Paper site and authorize the chair to sign; seconded by Commissioner Decker.

Director Bair brought up a parcel that was just sold. Ms. McCarthy said they will be notifying the County to give them access. Mr. Brettmann said they didn't ask for access through that stretch on Portage Creek.

A roll call vote was taken and passed unanimously.

5. Adoption of a Resolution approving the Purchase and Sale Agreement with WLP Security, LLC for the property at 501 N. Westnedge Avenue and authorize the chair to sign.

(ACTION: Motion to adopt a Resolution approving the Purchase and Sale Agreement with WLP Security, LLC for the property at 501 N. Westnedge Avenue and authorize the chair to sign).

Ms. McCarthy stated that this property was a former auto mechanic business on the Northside. The City obtained ownership and deeded it to the BRA. Mr. James Pitts is seeking a purchase and sale agreement. The purchase price is \$35,000. She said they want to start a phased renovation of the property.

Director Novotny made a motion to adopt a Resolution approving the Purchase and Sale Agreement with WLP Security, LLC for the property at 501 N. Westnedge Avenue and authorize the chair to sign; seconded by Director Bair.

A roll call vote was taken and passed unanimously.

OLD BUSINESS

None.

COMMUNICATIONS AND ANNOUNCEMENTS

None.

STAFF UPDATES

City Commission approved the adoption of the amended Scattered Site Brownfield Plan (August 1, 2022).

City Commission Appointment of three new board members to the EDC/BRA Board of Directors. The new members will be sworn in next month.

Ms. McCarthy showed the Board members the BRA website. She indicated it is a platform they will continue to build and grow.

Commissioner Decker asked for a chart that shows the diversity of the board. She would like it to cover male, female, people of color. Ms. McCarthy said they will get the roster updated and distributed.

ADJOURNMENT: 8:55 am

Beth Cheeseman
Recording Clerk

Chair Signature

Printed Name/Title