

**CHARTER TOWNSHIP OF MERIDIAN
BROWNFIELD REDEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES**

APPROVED

**February 17, 2022
5151 Marsh Road, Okemos, MI 48864-1198
Town Hall Room, 8:00 A.M.**

PRESENT: Township Manager Frank Walsh, Chair Jeff Theuer, Vice-Chair Ned Jackson, David Premoe, John Matuszak, Brenda Chapman, Joyce Van Coevering
ABSENT: None
STAFF: Director of Community Planning and Development Timothy Schmitt, Neighborhoods, Economic Development Director Amber Clark, and Treasurer Phil Deschaine
OTHER: Village of Okemos representatives Eric Helzer and John Peckham

1. Call meeting to order

Chair Theuer called the regular meeting to order at 8:04 a.m.

2. Approval of Agenda

Director Premoe moved to approve the agenda as written.

Supported by Director Van Coevering.

VOICE VOTE: Motion carried unanimously.

3. Approval of Minutes

4. Public Remarks – None

5. New Business

A. Election of Officers

Chair Theuer explained that the election of officers for the Brownfield Redevelopment Authority is done through a committee that meets and recommends nominations. Manager Walsh, Director Van Coevering, and Director Matuszak agreed to serve on the subcommittee. Director Schmitt offered to set up a meeting in the next few weeks for the group to meet.

B. Bank Statements

Director Schmitt briefly went through the bank statements from previous months and pointed out that everything was in order.

C. 2021 Quarterly Reports – Village of Okemos EGLE Grant

Director Schmitt went through the quarterly reports that were submitted in 2021 for the grant/loan from the Department of Environment, Great Lakes, and Energy (EGLE). Chair Theuer asked if any formal action was needed by the Authority. Director Schmitt indicated that no action was needed, as the reports have already been submitted, in a timely fashion.

D. New Brownfield Plan Introduction – Village of Okemos Blocks 1&2

Director Schmitt introduced the Brownfield plan that has been submitted for the Village of Okemos, blocks 1 and 2. He discussed the project and process in general and where we are at in the process.

Eric Helzer, Advanced Redevelopment Solutions, gave a detailed overview of the project. The asbestos removal and demolition on the site were largely completed in 2021, with one building remaining to be demoed as the project moves forward. There is a high amount of contamination on and around the site due to the historic use of one of the properties as a dry cleaner. This is driving clean up costs and stormwater design. This is also the reason the majority of concrete and asphalt have been left on the site where possible, to limit further infiltration. All of blocks one and two qualify as facilities under the enabling legislation.

Helzer continued to discuss the future due care plan, which will show that the project is not making things worse and is improving to the extent feasible. The project is located within two drainage districts, but ultimately all run off and ground water goes to the Red Cedar River. EGLE has done the clean up on the former dry cleaner site, where the large hole is currently and the sheeting/shoring remain in place to protect the infrastructure under the road, prior to vertical construction.

Helzer indicated that construction is expected to begin in fall of 2022 with substantial completion in 2024. The Okemos Road work will not be included and will instead be done with the Ingham County Road Commission's (ICRC) project on Okemos Road. The power line burial on Okemos road will be done with the Okemos Road work as well. Director Premoe asked about the burial of these power lines. Director Clark explained the current situation and the path ahead for the Township.

Director Van Coevering asked about the role of the ICRC in the project. John Peckham discussed their role being limited to logistics only, with no financial role in the project.

Director Chapman asked about the on-street parking proposed as part of the project. Helzer discussed the traffic calming role it plays and the overall design.

Vice Chair Jackson asked about the sidewalk width throughout the project, which appears to vary in places. Helzer explained the 'in/out' nature of the design from a streetscape perspective. Further discussion occurred around the on-street parking and non-motorized transportation.

Director Chapman asked about snow removal. Helzer discussed how downtown snow removal occurs in other communities and indicated that something similar would need to be done here.

Project costs were discussed. Helzer pointed out that the largest brownfield costs are in the soil contamination cleanup and in the vapor mitigation systems that are required. There are other minor improvements that are included in the potential capture. Chair Theuer asked about the removal of the soils and the practicality of removing all of the contaminated soils on the site. Helzer explained that it was basically impossible; the key is removing the source and then dealing with the residual. For this project, the area under Ardmore is the most contaminated and will require special pipe and fittings for the infrastructure. Helzer explained that Michigan has very high standards for vapor mitigation for residential

construction. There was substantial discussion regarding vapor mitigation and active v. passive systems.

The Authority discussed the payback period for the project. The law allows for up to 30 years, but the applicant is only proposing 15 years. Helzer further discussed the details of what was going to be captured and how the values were calculated under the income approach to taxable value.

Director Van Coevering asked about the Meridian Redevelopment Fund (MEF) versus the Brownfield Redevelopment Authority and how the two interact. Director Clark explained the purposed of the MRF, the application procedure, the potential use of funds, and other items.

Helzer talked further about the capture amounts and sources of funds. Director Matuszak asked about the difference between the total investment amount in the project and the taxable value projections. Helzer explained that not all investment is taxable value under the income approach to valuation. There are a number of untaxable costs on a developer for a project of this nature. Helzer further explained the leveraging of the dollars in order to get additional gap funding from the State of Michigan. Additionally, the EGLE loan would get paid off first under the brownfield plan, in order to finalize that obligation from the Township.

Helzer discussed the construction schedule and the closure timing of the Hamilton Road and the other roads. Director Premoe asked about traffic management and stormwater management. Director Schmitt indicated the site plan was still under review and those items would be part of that review.

Director Matuszak asked about interest rates. Helzer explained the State of Michigan's policy on interest rates: simple interest, not compounded, 5% of time. Discussion continued about unreimbursed expenses and Helzer noted that will be part of the Act 381 work plan.

Manager Walsh asked about the level of complication for this project in comparison to others. Helzer noted it was complicated, but not among the most complex projects. Manager Walsh further asked if the commercial space was removed, would it lower the various incentive asked. Helzer responded no, but it would reduce the ask to the Michigan Economic Development Corporation. Manager Walsh further shared his concern with the commercial space and the future of commercial space in the Township.

Discussion among the Board continued regarding the long term outlook of commercial space in the project and the downtown, the potential for Downtown Development Authority Tax Increment Financing, the MRF request, commercial lending for public infrastructure work, the current lending environment for commercial versus residential space, up to date market studies, and the target market for the residential space in the project.

Treasurer Deschaine asked about the MRF request and how critical it is to the project. Helzer discussed the overall incentive stack for the project and the gap that they fill. Helzer further discussed the river access and potential for a park on that property.

Director Van Coevering asked what would happen if the Brownfield plan is approved but the project doesn't proceed. Conversation occurred about the five year window to start the project and what happens to abandoned plans. Manager Walsh discussed reimbursements

and making sure the project repays in the event it doesn't proceed, to make sure we protect the Township's investment.

E. Consultant Contract Proposal – Village of Okemos Blocks 1&2 review

Chairperson Theuer asked to ensure that the Township's attorneys review the contract with Tri Terra, the Township's third party brownfield review team. Director Schmitt assured that would happen.

Moved by Matuszak, seconded by Premoe, to approve the contract with Tri Terra for review of the Village of Okemos, Blocks 1 and 2 brownfield plan, subject to review and approval of the contract by the Township Attorney.

Treasurer Deschaine asked about any potential conflicts of interest with Tri Terra. Director Schmitt explained the projects that Tri Terra works on for the Township versus the projects where they are the developer's consultant.

6. **Old Business – None**

7. **Project Updates**

Director Schmitt provided updates on the following projects:

- Haslett Marathon
- Pine Village
- Elevation at Okemos Pointe
- 2360 Jolly Road

Helzer briefly discussed the reimbursement situation for Elevation at Okemos Point and 2360 Jolly Road.

8. **Public Remarks - None**

9. **Adjournment**

Chair Theuer adjourned the meeting at 9:34 a.m.

Respectfully Submitted,

Timothy R. Schmitt, *AICP*
Director of Community Planning & Development