

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

APPROVED

July 28, 2022

5151 Marsh Road, Okemos, MI 48864-1198

Town Hall Room, 8:00 A.M.

PRESENT: Chair Jeff Theuer, Vice Chair Ned Jackson, Township Manager Frank Walsh, Director Peter Trezise, Director John Matuszak
ABSENT: Director Chapman, Director Van Coevering
STAFF: Director of Community Planning and Development Timothy Schmitt, Neighborhoods and Economic Development Director Amber Clark, Treasurer Phil Deschaine, Supervisor Patricia Herring Jackson
OTHER: Dave Van Haaren, Tri Terra, Connor Zook, Tri Terra, Chad Koster, Paramount Realty Partners, Mike Bosgraaf, Bosgraaf Homes

1. Call meeting to order

Chair Theuer called the regular meeting to order at 8:01 a.m.

2. Approval of Agenda

Vice Chair Jackson moved to approve the agenda as written.

Supported by Director Matuszak

VOICE VOTE: Motion carried unanimously.

3. Approval of Minutes

Manager Walsh moved to approve the June 16, 2022 minutes

Supported by Director Trezise, subject to the correction of minor typographical and spelling errors pointed out by the Directors

VOICE VOTE: Motion carried unanimously.

4. Public Remarks – None

5. New Business – None

6. Old Business

A. Haslett Village Square Brownfield Plan

CPD Director Schmitt introduced the project and discussed Staff's review of the project. The MTBRA's secondary consultant, SME, was not able to assist Staff with the review and Staff is recommending moving forward with termination of our contract with them as a result. CPD Director Schmitt explained how the main property qualifies as a facility, which makes the adjacent property also eligible under PA 381. The plan proposes the capture of \$2.4 million ineligible expenses and approximately \$380,000 towards state and local revolving loan funds and administration costs. Nearly 89% of the captured dollars are state tax dollars, as this is a state and local capture plan, as opposed to a local only plan.

CPD Director Schmitt explained how the Commercial Rehabilitation Act (CRA) proposed for the site will interact with the proposed Brownfield Redevelopment Plan. The CRA runs for 10

years and in year 11 there will be larger local capture to complete the plan. The plan only assumes 1% of background growth, a very conservative approach. CPD Director Schmitt indicated that the project largely meets the MTBRA policies and procedures, with the exception of requiring a pro forma submittal prior to final review. The applicant has indicated that they are preparing that and will provide it to Staff. Given that the plan meets the standards in Act 381 and the local policies and procedures, Staff would recommend approval of the plan. The Township Board will have final review and approval over the request.

Chad Koster introduced the project to the MTBRA. He went through some of the history and the positive aspects of a project like this in Meridian Township.

Dave Van Haaren provided the MTBRA with a brief presentation of the project, outlining the overall site plan and the details of the buildings, details of the environmental contamination both in the ground (Perc) and in the buildings (asbestos), the cleanup of that contamination, and the financial details of the Brownfield Plan. Mr. Van Haaren clarified that no debt millages are captured, so if the project goes forward, nearly \$1 million of new taxes will still flow through to those agencies with debt millages, while the capture and payback is occurring. Mr. Van Haaren further explained that this project was somewhat unique in that they would be cleaning the entire site of environmental contamination, completely, unlike other sites where that is financially infeasible.

Manager Walsh discussed the potential for larger than 1% growth, which is common in the Township, leading to a potentially shorter plan. Manager Walsh further discussed the ownership of the trailhead proposed for the plan. Mr. Koster indicated that it would be given to the Township.

Manager Walsh is pleased to see a project moving forward, moving the taxable value from approximately \$1 million to \$17 million. He further explained how important additional residents are to the financial payments from the State of Michigan in future years.

Director Matuszak asked about the calculation of the interest for the project. Mr. Van Haaren explained that the calculation is based on the eligible activities and the calculation is done specifically in a calculator provided by the Michigan Economic Development Corporation. He further explained that interest and contingencies and the like are not counted for the purposes of interest.

Director Matuszak asked about the local capture for the administration and local brownfield redevelopment fund. Mr. Van Haaren explained the State policy regarding this portion of the capture and that the overall capture cannot exceed the end of plan, five-year capture, which is the maximum outlined in PA 381.

Chair Theuer stated that he appreciates the complete clean up of the site and that it is a short plan. He discussed the interaction of the CRA and the Brownfield Plan. He continues to have concerns with the interest rate policy but understands the current situation. Manager Walsh explained that controlling the interest rate was one reason Meridian Township established a local Brownfield Authority. He further explained that given that this was in a Potential Intensity Change Area (PICA) and that this is where we wanted higher density development, he has less concerns about the interest rate in this case.

Vice Chair Jackson asked about the market potential for this project. Mr. Koster explained that broadly, there is a shortage of housing everywhere and specifically, the study they have commissioned show the need for 'missing middle' housing. More and more people are leasing, especially as interest rates go up.

Director Clark added to the conversation that it took her family three years of renting to be able to save up to buy a house in Haslett. The rental home market is evolving and people aren't simply buying a house right out of college. She further discussed the need for additional housing in the Haslett school district and this project would greatly support the district. Having the American House project and this project, both on the same block, would bring vitality to Haslett that is currently not here.

Vice Chair Jackson moved to recommend the Haslett Village Square Brownfield Plan to the Township Board

Supported by Director Trezise

VOICE VOTE: Motion carried unanimously.

7. Project Updates

CPD Director Schmitt provided an update on Pine Village construction, Haslett Marathon completion, and Elevation construction. Staff has begun the Brownfield reporting process for the 2021/2022 year.

CPD Director Schmitt further discussed the potential for both Pine Village and Haslett Marathon to delay capture, which is permitted under PA 381, to get a full year's worth of capture, instead of a partial year's worth in 2021. He further indicated that Joe's on Jolly will likely take the same course, as they are nearing completion as well.

8. Public Remarks

Treasurer Deschaine discussed the history of Haslett Village Square and the excitement for this redevelopment. He further discussed interest rates and how that has changed over the past year.

9. Adjournment

Chair Theuer adjourned the meeting at 8:49 a.m.

Respectfully Submitted,

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