

Brownfield Redevelopment Authority

Regular Meeting Minutes

Monday, April 13, 2015
4:00 p.m., Council Chambers



City of South Haven

1. Call to Order by Bolt at 4:00 p.m.

2. Roll Call

Present: Dotson, Erdmann, Gawreliuk, Klavins, Schaffer (arrived 4:18 p.m.), Valentine, Bolt
Absent: Henry, Herrera, Timmer

3. Approval of Agenda

Motion by Valentine, second by Erdmann to approve the April 13, 2015 regular meeting agenda as presented:

All in favor. Motion carried.

4. Approval of Minutes – January 12, 2015

Motion by Erdmann, second by Klavins to approve the January 12, 2015 regular meeting minutes as written.

All in favor. Motion carried.

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

There were none.

6. Financial Report

VandenBosch reviewed the Financial Report.

7. Factory Condo Memorandum of Understanding

VandenBosch reviewed the background of the Factory Condominium project in which the city was partner with the Department of Environmental Quality (DEQ) regarding contamination on that site. The DEQ is willing to come back and perform a remediation if the health club building is demolished. The city now owns the health club through tax foreclosure, allowing the city to authorize demolition. The building has to be demolished so

the DEQ can access the contamination which currently is located under the health club foundation.

The various agreements contained in the packet are explained in the memo VandenBosch provided. VandenBosch noted that the city will quit claim the property to the condo association to be converted to open space.

VandenBosch explained that the estimated figure of \$125,000 in the memo has been updated to \$160,000. The estimate from the contractor is just one piece of the expenses involved. The estimate should be higher than what we expect to spend on the project, because if the estimate is low, there will be a problem in getting additional funds.

The reimbursement agreement, which was originally between the City and the owner/developer, is being amended to allow the demolition expenses to be reimbursed to the City. That agreement and the new brownfield plan will allow the city to be reimbursed for demolition costs.

VandenBosch explained the Act 381 Work Plan as a technical report sent to the DEQ by the city requesting the use of school operating tax capture. The city has captured a large amount of school operating funds in the Factory Condominium Brownfield Plan. If the DEQ will permit use of those funds, the city will be able to receive payment for demolition soon after being invoiced for the demolition expenses.

VandenBosch noted that the resolution is to consolidate all these agreements; the Factory Condominium board has approved the resolution.

Motion by Erdmann, second by Dotson to approve Resolution 2015-02, a resolution authorizing agreements and actions to enable environmental remediation at the Factory Condominium site.

Ayes: Erdmann, Dotson, Gawreliuk, Klavins, Bolt

Nays: None

Valentine abstained as a condominium unit owner in The Factory Condominium.

Motion carried.

8. Overton Report

VandenBosch noted that there is still no action on the Overton building. This collapsing building is near a city park and not far from an elementary school. The property owner did not pay the property taxes; therefore the property is going to go into tax foreclosure. The city will have first option whether to take ownership before it goes into auction. VandenBosch explained that it is not like it is a free gift; the back taxes will have to be paid.

VandenBosch noted that the proposed Brownfield budget has some money in it reserved for the Overton Building; approval of the budget is not an approval of demolition, but it gives the Finance Director has an idea what we might be spending in the next fiscal year.

9. Budget

VandenBosch pointed out the amounts for the Overton property and Factory Condos, noting that the other expenditure items are guesstimates of how much the Brownfield Authority might reimburse the developers who have already incurred expenses and are waiting for tax capture to allow them to be reimbursed.

VandenBosch noted the budgeted amount for Administrative Expense and explained that it covers the costs of city staff and overhead.

VandenBosch explained that this budget is an item that the City Council would like to have a recommendation on.

Erdmann asked if there is any alternative for the Overton demolition, if part of the building could be saved. VandenBosch explained even the part of the building that does not have a collapsed roof is kind of rough, noting that parts of the complex were built hurriedly during World War II to expedite production.

In response to a question from Erdmann regarding recycling of bricks VandenBosch explained that usually the recycling of materials is reflected in the bid and the demolition contractor takes care of the recycling of materials. By allowing the contractor to sell the salvaged materials, it lowers the bid amount.

Valentine recalled that VandenBosch said there is some contamination but not enough to apply for a grant. VandenBosch confirmed that, noting that staff is working with an environmental firm in checking for other contamination.

Bolt shared his fear this is going to be a long drawn out process; determining ownership of the property will have to make its way through the courts.

Valentine asked about the budget which VandenBosch explained is not a decision but a planning tool.

Motion by Valentine, second by Klavins to recommend that City Council approve the budget as presented.

All in favor. Motion carried.

10. General Comments

There were none.

11. Adjourn

Motion by Klavins, second by Erdmann to adjourn at 4:22 p. m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary