

**Brownfield Redevelopment Authority (BRA)**  
**Minutes December 12, 2017**  
**Smartzone Building**

**1. Call to Order & Introductions**

Chairperson Worley called the meeting to order at 12:50 p.m.

**2. Roll Call**

Members Present:            Dan Dasho                            Tom Veum                            Bob Mattson  
   Gwen Worley                        Dr. Rachael McCoy                Kelley Bunker  
   Doug Welton                        Abby Baker, City Commission Liaison

Members Absent:            Steve Glezen     Jim Devaprasad

Staff Present:                Jeff Holt                            Tracey Laitinen

Also Present:                Jeff Hagan, EUP Regional Planning & Development  
   Josh Billington, SBDC  
   John Allison, Central Savings Bank  
   Jeff Hagan, EUP Regional Planning  
   Tina Fuller, City of SSM Assessor  
   Mark VanDoren, Smith & Co. Real Estate  
   David Pawley, City of SSM Finance  
   Amy Butler, Kanava International

**3. No changes or Additions to the Agenda**

**4. Matters presented by the public**

No public present at this time.

**5. Approval of Minutes**

Moved by Dasho, supported by Veum to approve the October 17, 2017 minutes. The motion carried unanimously.

**6. Approval of Financial Report**

Laitinen submitted the financial report ending 10.31.17 for City Fund 242 and reported that the two home demolitions came in around \$35,000.

Moved by Welton, supported by McCoy to approve the financial report as presented. The motion was carried unanimously.

**7. Review Phase I and Phase II amended applications**

Holt gave an update on the progress that has been made between the EDC/BRA, City Assessor and City Finance to improve and clarify the application process. The timeline, Phase I application and Phase II applications were reviewed and proposed changes were highlighted. The first change was 5 to 30 days on the initial timeline as this better fits public notice and any meeting preparation time frame. An entirely new cover sheet was created for the Phase I application and now includes a checklist of items so the applicant can determine whether this program is a good fit for their property. Items that include taxable value are:

- NEW construction (e.g., a house, shed, garage, workshop, etc., NOT maintenance or remodeling)
- Paving an unpaved lot
- Adding square footage to your building
- Removing contamination
- Bringing a previously exempt property back online

McCoy noted that the changes were preferred to clarify the process. Worley thought the addition of taxable value vs. market value were positive.

Additional changes to the Phase I application included the definition of Functionally Obsolete and highlighting Additional Required Attachments. Worley suggested changing these to a numbered format and leaving space in between so applicants do not forget to fill these pieces out. Contractor quotes and an applicant signature line were also added. Billington suggested adding a note that Page 1 Funding Request will match Page 3 Totals.

Discussion of reimbursement vs. tax increment financing were discussed and it was clarified that this process allows for both. Filling out Phase I allows the BRA Board to evaluate the property and either utilize local site remediation revolving funds (SRRF) (if available) for environmental issues in a reimbursement capacity or if the taxable value will be increased significantly to allow for tax increment financing (TIF). If an applicant was awarded local site remediation revolving funds it would be a grant. If an applicant was awarded TIF they would receive a reimbursement check back from the City each time they paid taxes, for a specific time frame.

Billington inquired on what tax base year would be used to which Fuller replied that it would be the year that the individual plan was approved.

Worley noted that it was good to see the increase in Brownfield program options beyond just contamination. Pawley explained that in Michigan, Act 381 expanded to include economic development but that is unique to Michigan.

Welton asked if a property being deemed a Brownfield ultimately reduces the assessment to which Fuller replied that the property is most likely already reduced such as the Seaway Motel.

Holt summarized by noting that these documents are working documents that change based on questions and input from City Departments and other partners including MEDC, DEQ, etc. It is likely that these will be modified again in the future.

Moved by Dasho, supported by Welton to accept the Phase I and Phase II applications as modified. The motion was carried unanimously.

#### 8. **Review Phase I Applications**

An application was received for the Soo Automotive building at 301 Maple Street by Abby Baker. The application was reviewed by the BRA and was missing several attachments.

Moved by Dasho, supported by McCoy to have the applicant fill out the new forms and bring those back to the BRA since the initial application was incomplete. The motion was carried unanimously.

Holt then asked Baker to describe her new endeavor for the group. Baker gave an update that the facility will be a farm to table operation including a restaurant, bar and bakery named Bakers Dozen. They plan to offer a baked goods delivery service. She plans to utilize local construction teams as well as animals and produce. Plans to utilize the garage area for private parties with in-floor heat. She plans to be open from 6 am to 4 pm with 13 menu items that rotate weekly with an emphasis on breakfast as well as gluten free options.

**9. Updates**

Holt reported that the Bambi/Family Dollar was up and running and that the homes at 606 Eureka and 629 Magazine had been demoed. The Seaway is still listed for sale, but there is a new party interested in purchasing.

**10. Future User Fee Schedule**

Laitinen reported on the paperwork and staff time involved in accepting and following a Brownfield project through. Noting most recently the Bambi/Family Dollar and then recent applications. The EDC agreed that moving forward it would be reasonable to have a filing fee. For a new Brownfield Phase I application the recommended fee would be \$250. If a Brownfield sold and came under new ownership the transfer fee would be 5% or \$2000 of the total plan. Laitinen will look to add this onto the User Fee Schedule in 2018 for implementation as of July 1, 2018.

**11. Other Matters**

Worley wished the group Merry Christmas and thanked everyone for their patience with the Brownfield meeting starting at 1pm instead of 12:30pm as posted.

**12. Adjournment**

It was moved by Welton, supported by Bunker to adjourn the meeting at 1:30 p.m. The motion was carried unanimously.



Dan Dasho, Secretary