

**Brownfield Redevelopment Authority (BRA)**  
**Minutes March 9, 2021**  
**Via Zoom**

**1. Call to Order & Introductions**

Chair McCoy called the meeting to order with the time being 1:03pm.

**2. Roll Call**

Members Present:	Tom Veum	Dr. Rachael McCoy	Kelley Bunker
	Dan Dasho	Tim Ellis	Rob Landis
Members Absent:	Gary Sharp	Jim Devaprasad	
Staff Present:	Jeff Holt	Tracey Laitinen	
Others Present:	Mac McClelland, Otwell Mawby Kali Brosco, Accountant/Deputy Treasurer Morrie Walworth, LSSU Vice President for Finance & Operations Tyler Perron, City Engineering		

It was moved by Bunker, supported by Landis to excuse those board members absent. The motion carried unanimously.

**3. Changes or Additions to the Agenda-None**

**4. Matters presented by the Public**

McCoy congratulated Walworth on his upcoming retirement August 1<sup>st</sup>. Walworth added that the challenge will be finding his replacement.

**5. Approval of Minutes**

Moved by Ellis supported by Dasho to approve the February 9, 2021 minutes. The motion carried unanimously.

**6. Approval of Financial Report**

Brosco reviewed the financial report ending January 31, 2021 for City Fund 243. The two environmental reimbursements were processed and will be reflected on the next financials. \$3,000 is left in the environmental line item and approximately \$140,000 in the fund.

Moved by Landis, supported by Bunker to approve the financial report as presented. The motion carried unanimously.

**7. LSSU CFRE Project Update**

McClellan updated the group on the project:

**PROJECT UPDATE – March 2, 2021**

**CENTER FOR FRESHWATER RESEARCH AND EDUCATION (CFRE)**

**EGLE BROWNFIELD GRANT AND LOAN**

The following is a project update for the Michigan Department of Environment, Great Lakes and Energy (EGLE) Brownfield Grant and Loan to the Sault Ste. Marie Brownfield Redevelopment Authority for environmental response activities and site demolition for the Center for Freshwater Research and Education of Lake Superior State University.

- Site work has focused on sanitary lead and connections. There are anticipated to be some soils from these excavations that will require loading, transport and disposal under the EGLE Loan.
- The storm water system was revised to provide for a retention basin, which will mean additional

excavation and likely additional site demolition work, which was approved by EGLE. A majority of this work will be conducted after frost.

- Bids were received by the City for Salmon Run Way. Contract award is anticipated soon and work is expected to begin after underground utilities are installed beginning in spring. There will be soils to be removed from the site and disposed at the landfill that will be covered by the EGLE Brownfield Loan.
- The EGLE Grant Contract includes a 10% retainage (in this case, \$100,000) at the end of the Grant until the Grant and Loan are closed out. Grant expenditures through December 31, 2020, Q1 FY 2021 were \$948,577.81, so retainage now totals \$48,477.81. The balance of grant expenditures will be withheld until the work is completed, a final report is submitted, and the project is closed out. The EGLE Loan Balance is \$490,712.77.
- The Q1 FY 2021 Quarterly Report for the period October 1 – December 31, 2020 was submitted. A revision that included expenses for soil loading, transport, and disposal was recently submitted. The following are the anticipated reimbursements:

Payments	Expenses	Grant	Retainage	Total Retainage	Grant Payment	Loan	Loan Payment
LSSU	\$169,124.59	\$0.00		(\$45,567.81)	<b>\$0.00</b>	\$187,510.73	<b>\$187,510.73</b>
SSMBRA	\$191.25	\$0.00	\$0.00	(\$377.50)	<b>\$0.00</b>	\$191.25	<b>\$191.25</b>
Otwell Mawby	<u>\$3,685.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	(\$2,612.50)	<b>\$0.00</b>	<u>\$3,685.00</u>	<b>\$3,685.00</b>
	\$173,000.84	\$0.00	\$0.00	(\$48,557.81)	<b>\$0.00</b>	\$191,386.98	<b>\$191,386.98</b>

Walworth added that they are now working on the utilities under Salmon Run Way and that the City did receive 2 bids for the roadway. Once load restrictions are lifted then the project can start back up.

McClelland noted that the grant will likely close out September 30, 2021 with most site work complete. It will take several months to close out with EGLE and then the hold back will be released.

Landis inquired on occupancy and Walworth’s goal is August or September so that fall classes can start in the building.

**Mac Building Brownfield Plan 411 W. Portage Ave.**

McClelland gave an update on the project and that the City Manager and City Attorney are not agreeable to the language in the Interlocal Agreement that was sent out on Monday.

- February 9 – SSMBRA Brownfield Plan resolution
- February 10 – DDA introduction to Interlocal Agreement (Mac - presentation)
- No Later Than March 5 – Notices to Taxing Jurisdictions (Mac will prepare notices for distribution by City)
- March 9 – SSMBRA Brownfield Interlocal Agreement
- March 10 – DDA Interlocal Agreement
- March 15 – City Commission Public Hearing and Brownfield Plan (Mac will provide resolution)

McCoy inquired about the SSMBRA’s liability if the project was to fall short of completion and McClelland clarified the Brownfield Plan/Interlocal Agreement and the EGLE Brownfield Grant/Loan. Under the Brownfield Plan and Brownfield TIF reimbursement, all the risk is on the developer, who will be making the Eligible Activity expenses and can only be reimbursed from increased incremental taxes generated by the project. Under an EGLE Brownfield Loan, the Brownfield Authority would be responsible to make the Loan payment. A Development Agreement is executed that obligates the developer to make the payments. Based on McClelland’s discussion with EGLE Staff, this may be a 100% Grant and no Loan for the MAC Building.

*It was moved by Dasho, supported by Ellis, to approve the Interlocal Agreement between the*

SSMBRA and the Sault Ste. Marie DDA to provide for SSMBRA capture and reimbursement for eligible activities and other costs under the MAC Building Brownfield Plan and approval to have Chair McCoy sign the agreement as presented. The motion carried unanimously.

**Bambi/Family Dollar**

Holt recapped the previous Brownfield plan which demolished the motel and then the site was redeveloped into a Family Dollar. The owner is now selling the store and discussions are taking place regarding the transfer of the remaining brownfield credits. Holt has forwarded the agreement to the City Manager who is reviewing it with legal.

**8. Review any submitted applications – none at this time**

**9. Other Matters – none at this time**

**10. Next meeting is April 13, 2021 in person at the Smartzone**

**11. Adjournment**

*It was moved by Landis, supported by Dasho to adjourn the meeting at 1:27 p.m. The motion was carried unanimously.*



Dan Dasho, Secretary