

Washtenaw County
Brownfield Redevelopment Authority (WCBRA)
Meeting held in-person at 200 N. Main, downtown Ann Arbor
Lower Level Large Conference Room

APPROVED MEETING MINUTES
Thursday, November 10, 2022, 9:00 a.m.

Board Present: Trevor Woollatt – Chair, Allison Krueger – Vice Chair, James Harless, Sam Baushke, Christy Maier, Joe Meyers – Secretary, 9:17 a.m., Sue Shink

Board Absent: Colleen O'Toole

Staff: Nathan Voght – OCED

Joining the Meeting: Jason LaFayette – SME, for Ypsilanti Township and Gault Village (on Zoom), Jill Ferrari and Shannon Morgan – Renovare (on Zoom), Eric Hanna and Liz Alexandrian – Michigan Community Capital (on Zoom)

Handouts: Amended agenda, adding Business Item #2, Gault Village Shopping Center, LBRF Grant Application, and associated materials sent via email to Board prior to meeting. Downriver Community Conference \$8,000 2023 membership invoice, via email.

1. Call to Order

Chair Woollatt called the meeting to order at 9:06 a.m.

2. Public Comment

There was no public comment.

3. Approval of Agenda

J. Meyers moved to approve the amended agenda, emailed to the Board separately, adding Business Item #2, Gault Village Shopping Center, LBRF Grant Application, Ypsilanti Township, and adding payment of the \$8,000 DCC Membership invoice to Financial Report (2nd J. Harless), and the motion passed unanimously.

4. Approval of October 6th, 2022 Meeting Minutes

J. Meyers moved to approve the October 6th meeting minutes, with revisions requested by J. Harless to Business Items #1 and #3, and the Financial Report section, (2nd C. Maier), and the motion passed unanimously.

5. Board Member Conflict of Interest Disclosure

None disclosed.

6. Business

1. 220 N. Park, LBRF Loan Term Options – Action

Staff referred to the proposed Loan Amortization tables for the \$1.7M Michigan Community Capital Loan, and the \$500,000 LBRF loan. The proposal is to allow a three-year grace period on the LBRF loan, then \$15,000 annual payments during the payoff period for the MCC loan,

projected to be about 14 years, then the LBRF loan gets 100% of the annual Tax Increment Revenues for the next year or two to fully pay off the LBRF loan.

Two different Interest scenarios are also provided, one at 3.5% and one at 2%. Staff stated that the lower interest rate means a significant amount less of interest paid. It's also possible that with either scenario the LBRF loan takes more than the Board's policy of 15 years to fully pay off.

The Board discussed the scenarios and asked the Michigan Community Capital representatives to provide any more useful information. Eric Hanna discussed the nature of this project, which will not have any collateral for their \$1.7M loan, as it's a for-sale project. Jill Ferrari, one of the developers, stated that they are asking for a bit of creativity here.

J. Harless commented that he's less concerned with the time limit of the payoff than the interest rate. With a 3.5% Interest rate, this will not impact the project at all, and will ensure additional interest if paid back to the LBRF fund at the very end.

J. Harless moved to approve the LBRF Loan with the following terms: \$500,000 principal at 3.5% fixed interest rate, waiving the 15 year maximum term for LBRF Loans, guaranteeing at least \$15,000 LBRF loan payments are collected from annual Tax Increment Revenues during the period in which the MCC Loan is being repaid, and then 100% of the TIR will be used to fully pay off the LBRF loan after the MCC loan is fully repaid (2nd C. Maier), and the motion was approved unanimously.

2. Gault Village Shopping Center, LBRF Grant Application, Ypsilanti Township – Action

N. Voght referred to the \$20,000 LBRF application and cost proposal from SME to conduct Phase II investigation related to the former dry cleaners on site. The DCC has recently approved \$20,000 for a Hazardous Materials Survey of the building and building demolition specifications. Staff update the Board on the legal status, where a Circuit Judge has granted the Township an order to proceed with demolition.

In order to demolish, there's needs to be more information about potential contamination.

The Board asked various questions about the timing of the investigation, the details of the proposed scope for sub-grade samples, which Jason LaFayette, from SME, representing the Township responded to.

J. Harless moved to approve the LBRF application as proposed, with the condition that staff discuss with the Township attorney the potential for cost recovery of the LBRF funds through the courts and the current owner, if possible (2nd C. Maier), and the motion passed unanimously.

3. October Financial Report – Action

Staff referred to the Report and DCC Membership invoice of \$8,000, sent separately to the Board for payment approval.

J. Meyers moved to approve the noted transaction for 140 Buchanan/Jiffy and the \$8,000 DCC invoice for 2023 membership (2nd C. Maier), and the motion passed unanimously.

7. Other Business

None.

8. Public Comment:

None.

9. Adjournment:

The meeting was moved by J. Harless to adjourn at 9:51 a.m. (2nd A. Krueger), and the motion passed unanimously.

These minutes were approved by the Washtenaw County Brownfield Redevelopment Authority at the January 12, 2023 meeting, held at 200 N. Main, lower level large conference room, downtown Ann Arbor.