

CITY OF CHEBOYGAN
SPECIAL BROWNFIELD REDEVELOPMENT AUTHORITY BOARD MEETING
June 25, 2019

The Special Meeting of the Brownfield Redevelopment Authority Board was called to order by Chairperson Mick at 1:00 p.m. in the City Council Chambers.

Present: West, Mick, Granger, Jones, McNeil and Andrews
Also Present: Recording Secretary Eustice

Review and Consideration of Interlocal Agreement to Use Local Tax Increment Revenues for the WB Vacation Properties, LLC, 103 & 107 W. State St., Brownfield Redevelopment Project -

Recording Secretary Eustice informed the Board this meeting is intended to approve two Agreements that are part of the Brownfield Project for WB Properties, LLC which is rehabilitating the former Cheboygan Hardware facility. They have had approval for Obsolete Property Rehabilitation Act. This Board approved their Brownfield Plan and there was a public hearing at the City Council level to approve that Plan, but these two Agreements before the Board today were not part of the approval process at the time of the Brownfield Plan, as the documents were not produced yet. Recording Secretary Eustice went on to state it is the City's policy to approve the documents; however, the State says we don't necessarily have to do that and are okay with it. Because we have a process that we have adhered to for every plan we have done, he thought it would be a good idea to have a special meeting to review the documents and consider approval of the same.

Board Member McNeil said the Board will note that he and the Chair have actually signed the Interlocal Agreement; it was his understanding that the Board spoke about it and the DDA's approval of it. He was of the thought that they were authorized to sign the document, so they did. What they are looking for is the Board reflecting on that. Recording Secretary Eustice said although the document is signed, he would like the Board to entertain a motion to approve the signing of the same by the Chair and Vice-Chair for the Board.

Motion by Granger seconded by Andrews to approve and confirm the authorization for Chairman Mick and Vice-Chair McNeil to have executed the Interlocal Agreement to Use Local Tax Increment Revenues for the WB Vacation Properties, LLC, 103 & 108 W. State Street. A roll call vote was taken; motion passed unanimously.

Vice-Chairperson McNeil said he would like to talk about a policy for the signing of such documents.

Review and Consideration of Brownfield Reimbursement Agreement, WB Vacation Properties, LLC and City of Cheboygan Brownfield Redevelopment Authority-

Recording Secretary Eustice informed the Board the Reimbursement Agreement is somewhat boilerplate; the just of the Agreement is basically based on Brownfield Statute. There is also mention of the owner's development cost, which is \$1,497,001.00. The Reimbursement Agreement is that the Brownfield Board will manage the reimbursable costs of this project. For example, we have done this for the Cheboygan Village Marina and Straits Area Federal Credit Union and the reimbursable dollars are brought before the Board every year. The Board will manage the reimbursable cost, with the County Treasurer calculating what the

Regular Meeting of the Brownfield Redevelopment Authority Board, June 25, 2019

expenses are and what the reimbursement for those expenses is, with the Board having to approve the same. The Agreement states this is the Board's responsibility and we will not be able to disburse any funds without the Board's approval. Recording Secretary Eustice informed the Board when he went back and looked at prior Brownfield Agreements we have always taken these documents on an individual basis and have always been taken to the Brownfield Board for approval of signature. Chairperson Mick asked if there was not a formal approval by the City Council. Recording Secretary Eustice replied yes, noting there was a public hearing. He went on to state this document has to be part of the Plan and it is all factual. If the board does not approve the document, the project will not go forward. In speaking with Vice-Chair McNeil we kind of set precedence in our process that these documents are taken to the Board for review and approval, even though we basically have agreed to approve the Brownfield Plan and go forward with it, our practice is to approve each document.

Board Member Granger inquired as to the duration of the Plan. Recording Secretary Eustice replied he believes it is a 12 year Plan. Board Member Granger the commented he likes the fact that, in no. 6 on page 3, that during the life of the Plan if the tax revenues are insufficient to cover the costs of \$330,628.00 the City is not on the hook to provide additional revenues to reimburse them. Vice-Chair McNeil said he noticed that also, as it obligates the City to what the tax increment produce is for. Several members of the Board stated he liked this.

Motion by McNeil, seconded by Granger, to approve the Brownfield Reimbursement Agreement, WB Vacation Properties, LLC and City of Cheboygan Brownfield Redevelopment Authority and authorize the Chair to sign the same. A roll call vote was taken; motion carried unanimously.

Vice-Chair McNeil inquired about the Board adopting a policy to allow the Chair and Vice-Chair to sign these types of documents with approval of the attorney and not have to have these meetings. Board Member Granger commented no matter how well we word it there will always be a situation that comes up that is not covered. He said he would lean towards continuing to have the Board review and approve these. Chair Mick said he could go either way. Recording Secretary Eustice said there certainly was ample time to set up other meetings. Vice-Chair McNeil commented if the project is not real complicated during the approval of the Brownfield process the Board could always approve the Chair and Vice-Chair to sign subsequent documents. Board Member Granger agreed, as he likes the Board to be proactively involved. Recording Secretary Eustice said that is not a bad practice especially with this type of Authority as you are part of the City of Cheboygan and are really an independent as the Board's task is to abide by State Law and not necessarily local law, as this is a State program. The Brownfield Authority was assembled to manage the State program.

Adjournment:

Chairperson Granger, seconded by Mick to adjourn the meeting at 1:15 p.m.

James Mick, Chairperson