

**CITY OF AUBURN HILLS
BROWNFIELD REDEVELOPMENT AUTHORITY**

March 18, 1999

CALL TO ORDER:
at 5:30 p.m.

Chair Capen called the meeting to order

ROLL CALL:
Edwards, Love, Vettel
Absent.
Also Present.

Present. Capen, Harvey-
Douglas
Assistant Manager Greve

LOCATION:
Auburn Hills 48326

Civic Center, 1827 N. Squirrel Road,

3. PERSONS WISHING TO BE HEARD - none

4. APPROVAL OF MINUTES

Mr. Capen requested his statement on the first page be corrected from "the Authority *can* also share taxes captured by . . ." to "the Authority *must* also share taxes captured by . . .".

Ms. Harvey-Edwards moved to approve the minutes of March 4, 1999 as corrected.
Supported by Mr. Love.

VOTE:
Edwards, Love, Vettel
No:

Yes: Capen, Harvey-
none

Motion

carried (4-0)

5. REVIEW AND APPROVAL OF BYLAWS

Mr. Greve presented the revised version of the Bylaws, with the changes italicized, and indicated they are ready to be adopted if there are no further revisions.

Mr. Capen questioned the inclusion of grants in the stipulation requiring a vote by the majority of the Board then in office in Article II, Section 8. Mr. Greve explained the wording was probably contained in the law and noted he picked the wording up from Article IV, Section 2. He advised the stipulation would be beneficial in situations involving things such as matching grants.

Mr. Capen, noting Roberts Rules of Order usually stipulate the Chair isn't afforded a vote, requested an amendment to Article III, Section 4 to state: *The Chair may discuss and vote on all questions except as noted in Article II, Section 5, "Conflict of Interest"*.

Mr. Greve clarified for Ms. Harvey-Edwards that Article IV, Section 2 mandates a majority of three Board members is necessary to contract a grant or loan, and explained the stipulation avoids having only two members, when only three are present at a meeting, making major decisions.

Ms. Vettel moved to approve the Bylaws as amended by the Chair.
Supported by Ms. Harvey-Edwards.

VOTE:
Edwards, Love, Vettel
No:

Yes: Capen, Harvey-
none

Motion

carried (4-0)

Mr. Greve advised the Board he will be forwarding the Bylaws to the City Council for their approval.

Ms. Vettel moved to reaffirm the election of the Chair and Vice Chair.
Supported by Mr. Love.

VOTE:	Yes:	Capen, Harvey-
Edwards, Love, Vettel		
No:	none	

Motion

carried (4-0)

6. REVIEW AND APPROVAL OF BROWNFIELD PLAN

Mr. Greve presented the first draft of the base document. He explained the document contains the necessary points of law and that the critical portion will be what is added as amendments. He pointed out that "Amendment A" is just a sample, noting that as the Board adds a site or project an amendment will be added to the plan and passed to City Council for approval. Mr. Greve asked for comments and suggestions on the base document.

Mr. Capen said his first reaction is that the bulk of the document is very different from the Kalamazoo plan, especially in that it includes procedures. He questioned if Michigan Department of Environmental Quality (MDEQ) has any appreciation for that. Mr. Greve did not think so. He noted he has gathered a number of documents from different communities from a group called Consumer Renaissance Development Corporation (CRDC), a nonprofit organization set up by Consumer's Energy to assist communities with the redevelopment of brownfields. He explained they are advocates and facilitators for discussions between communities and potential developers and are a good source of information. Mr. Greve indicated he took the bulk of the base document from the City of Monroe, who have had a number of their plans approved by the DEQ already. He feels the document will give developers a clear understanding of the procedure process. In response to a comment from Mr. Capen, Mr. Greve indicated the inclusion of procedures in the plan is a useful format.

Mr. Capen noted "Eligible activities" and "Eligible property" are defined on both pages 2-3 and on page 5. Mr. Greve agreed to take a closer look at the section, while noting the entire definition section was taken verbatim from the law.

Referring to Section VI, "Procedural Steps for Brownfield Plan Approval", Mr. Capen questioned if the Board wishes to limit themselves to waiting for an inquiry to come to them before initiating any type of action or if the Board would rather be more proactive in searching out projects and developers. Ms. Harvey-Edwards suggested Step 1 be changed to "Inquiries or Identification". Responding to a question from Ms. Harvey-Edwards, Mr. Greve noted the Board will become very involved in the process at Step 4, "Preliminary Report". Mr. Capen expressed concern that the procedural steps as proposed might restrict the Board in regards to how it operates since the City Council will be approving them as part of the plan.

Mr. Greve agreed a note could be added to the procedures section specifying the steps are general and not restrictive. He suggested changing the title of the section to denote the procedures are guidelines.

In response to a question from Mr. Capen, Mr. Greve explained a baseline assessment is a report that denotes what contaminants are on a parcel, where they are located and how much is present. The baseline serves to satisfy the DEQ as to what is contained on-site and to provide a means of determining later whether development of the site exacerbated the problem.

Mr. Capen, referencing Step 8, asked if the City will have to keep developers on hold for 60 days before the amendment is submitted to City Council for approval. He wondered if it would be considered improper to submit the plan to City Council for tentative approval. Mr. Greve suggested a step could possibly be added to allow for preliminary approval. Ms. Harvey-Edwards supported the idea, noting it would give Council more time to review the amendment. Mr. Greve asked for time to review the issue with regards to the law.

Referencing Step 6, Mr. Capen asked how the Board will determine if a plan constitutes a public purpose. Mr. Greve explained the City Council will have to make the determination if a plan will serve the greater

public good. In response to a question from Mr. Capen, Mr. Greve indicated the Board will not always have to go to the MDEQ for approval if school taxes are not going to be captured.

Mr. Greve walked the Board through the sample amendment, noting the bolded information in brackets and each numbered item is required by law. He also noted the italicized information has been taken from the law.

Referencing a question raised at the last meeting, Mr. Greve reported there is benefit in putting sites in the plan now because the base tax value is set when the site is entered in the plan. He advised if the site has a building that will be removed it may be advantageous to do the demolition before including the site in the plan if the demolition results in a lower base value. In response to a question from Mr. Capen regarding the City doing some preliminary assessments, Mr. Greve indicated in most cases the Board should recommend the developers incur all costs and specify that the City will only reimburse developers to the extent it is able to capture tax increments.

Discussion ensued regarding the feasibility of extending Dutton Road to Brown Road.

Mr. Greve listed seven potential sites:

1. Columbus Steel Drum, sometimes referred to as the "barrel factory". Located off Collier, east of the landfill. The site has rail access, and contains 36 acres, half of which are wetlands.
2. Sanicem, on M-24, is an old landfill which was operational in the 1970's. The owner, Mr. Fons, would like to sell the site, and some interest has been expressed by a real estate agent with a potential buyer.

In response to a question from Ms. Harvey-Edwards, Mr. Greve indicated he hopes to have more information on the two parcels by the next time the Board meets, including DEQ reports.

Answering Mr. Capen's question, Mr. Greve advised the Board he would get legal advice before including a property in the plan if the property is not already on an established contamination list.

3. Road Commission of Oakland County Dump. This site contains mostly broken concrete and other construction materials. The Road Commission may be interested in selling this property, and it is not currently on an established list.

Ms. Harvey-Edwards asked if the Authority can begin to capture taxes once the sites are identified, whether the developer steps in at that point or not. Mr. Greve explained that CRDC gave good reasons not to do so. Since the limit for capturing taxes is the life of the project or 30 years, if the Authority starts capturing a lower increment and a developer doesn't come in for ten years, the remaining 20 years may not be enough time to repay the cost of the cleanup. He also noted the Authority only has five years at the end to capture the revolving fund, so it is beneficial to make sure you are capturing the largest increment possible. In most cases, unless you own the site, it is not advantageous to begin without a developer.

1. Northwest corner of Pontiac Road and Opdyke Road. This was formerly a gas station and is now a vacant lot.
1. Old DPW. This site belongs to the City, and the City desires to have it included in the plan. The garage was located behind what is currently Fire Station #2.
2. Southeast corner of M-59 and I-75 - Dump. The site may contain mostly construction debris. A developer has indicated the upper level of soil is unstable and the land underneath is possibly swampland, making the site unbuildable. Another developer is interested and feels the site can be developed.
3. Southwest corner of Squirrel and Auburn. This is an old gas station site.

In response to a question from Ms. Vettel, Mr. Greve explained CRDC markets sites and has a list of people interested in buying, cleaning and selling brownfield property. He felt bringing in competition for the sites may increase local interest.

Mr. Capen brought up the issue of owners who have caused the problems on their site using the Authority to clean up the site. Mr. Greve indicated the Board may have to balance the issue against public purpose and a greater public good, but noted the Board could perhaps require a contribution from the owner. Mr. Capen suggested the Board members give the issue some thought.

Mr. Greve announced the next step is to get the necessary information on the proposed sites, in order to get them into the plan.

7. OTHER BUSINESS

Mr. Capen asked for a status report on the idea of preferred developers. Mr. Greve reported he has met with no negative reactions, although he is not sure which parts of the process can be accelerated. He noted there have been some suggestions to provide financial incentives on items such as sewer taps.

8. ANNOUNCEMENT OF NEXT MEETING - The next meeting is scheduled for April 15, 1999 at 5:30 p.m.

9. ADJOURNMENT

Ms. Harvey-Edwards moved to adjourn the meeting.
Supported by Mr. Love.

VOTE:

No:

Yes:
None

All

Motion

carried (4-0)

The meeting was adjourned at 6:47 p.m.

Respectfully submitted,
Helen R. Venos
City Clerk

J. Cherilynn Tallman
Records Retention Clerk