

**CITY OF AUBURN HILLS
BROWNFIELD REDEVELOPMENT AUTHORITY**

December 12, 2000

CALL TO ORDER:
at 6:03 p.m.

Chair Capen called the meeting to order

ROLL CALL:
McDonald
Absent.
Also Present.

Present. Capen, Douglas,
Love, Vettel
City Manager Ross
Brownfield Consultant Patrick Greve

LOCATION:
Auburn Hills 48326

Civic Center, 1827 N. Squirrel Road,

3. PERSONS WISHING TO BE HEARD - none

4. APPROVAL OF MINUTES

Mr. Douglas moved to approve the minutes of November 6, 2000 as submitted.
Supported by Mr. McDonald.

VOTE:
McDonald
No:

Yes: Capen, Douglas,
none

Motion

carried (3-0)

5. OLD BUSINESS

5A. Report and Recommendation on JAR Development Reimbursement Request

Mr. Greve presented the request from JAR Development for reimbursement related to completion of their clean up work on the JAR Brownfield Project. He noted that the only environmental work left to do is baseline environmental assessments (BEA's) for each tenant as they come into the project. Mr. Greve explained he reviewed the itemized list of expenses and notified JAR by letter on December 11, 2000 of several items that need further clarification as to their eligibility.

Mr. Greve referenced his financial summary of the JAR Brownfield Plan, noting the total approved budget was \$595,811.00, while the total actual expenditures, including interest payments, was only \$460,715.77, a savings of approximately \$130,000.00. Mr. Capen questioned why no money was spent on corosivity evaluation. Mr. Greve explained that JAR's environmental consultant must have determined that type of evaluation was not needed once the investigation into the site was underway, and noted that some of the budgets fluctuated based on the actual contamination found. Mr. Greve confirmed for Mr. Capen the actual expenses will increase by the costs of the BEA's conducted for the tenant sites.

Mr. Ross asked for an explanation of the substantial difference between the budgeted amount for soil excavation, hauling and disposal and the much lower actual cost. Mr. Greve explained the actual price per yard was considerably below the estimate.

Mr. Greve commented on the thoroughness of the detailed breakdown of eligible expenses versus actual costs and referenced by invoice number which was submitted by JAR. Mr. Greve also noted that the City's environmental consultant reviewed the costs and found them to be standard for the industry. He clarified for Mr. Douglas that the actual costs include those items still needing further explanation as to eligibility.

Mr. Greve reported the City has received approximately \$15,000.00 in tax increment income from the summer taxes on the site, with an increment of \$24,000.00-\$25,000.00 expected from the winter taxes. He noted that the road for the site is in and the underground work is complete, and JAR is just waiting for approval of site plans before moving forward with construction.

Mr. Greve, in response to a question from Mr. Capen, indicated the Authority has set aside up to \$10,000.00 per year for administrative costs, with actual costs being around \$5,000.00. The Authority was in agreement with Mr. Ross that cash outlays for administrative costs should be recovered. Mr. Greve clarified for Mr. Capen the budget balance is approximately \$35,000.00-\$40,000.00. Mr. Ross confirmed for Mr. McDonald that Mr. Greve's contract, if approved, would be considered an administrative cost and would be allocated to all three brownfield plans.

Mr. Douglas moved to authorize the City Manager to reimburse JAR Development Company, L.L.C. for their eligible expenses related to the JAR Brownfield Project in accordance with the brownfield plan and development agreement, including the items listed in the December 11, 2000 letter to JAR Development Company, L.L.C. once said items are resolved to the City Manager's satisfaction.
Supported by Mr. McDonald.

VOTE:	Yes:	Capen, Douglas,
McDonald		
No:	none	

Motion

carried (3-0)

6. NEW BUSINESS

6A. Report and Recommendation on Agreement with PGR, LLC

Mr. Ross presented the proposal from Professional Government Relations, L.L.C. (PGR) for Mr. Greve to provide general management consulting services to the Authority, with the scope of services to include, but not be limited to:

- meetings with staff and developers
- project consulting during plan development
- project management during plan implementation
- project plan review
- general consulting to the Authority
- attendance at all Authority meetings
- meetings with MDEQ and other outside agencies
- project management services for MDEQ grant for Lamppost, L.L.C. project

Mr. Ross noted the monthly retainer for Mr. Greve's services would be \$850.00 with an additional amount of \$150.00 per month for grant management services. He also indicated the term of the contract would be for one year with either party having the right to terminate with sixty days written notice. Mr. Ross explained he intends to have a new Assistant City Manager hired by late January or early February, and would anticipate a certain amount of transition time for that person to get up to speed on brownfield projects.

Mr. McDonald commented that the fee being proposed by PGR is very reasonable.

Mr. Douglas moved to approve the proposal for brownfield authority consulting services submitted by PGR, L.L.C. as signed by Mr. Pat Greve on November 12, 2000.

Supported by Mr. McDonald.

VOTE:	Yes:	Capen, Douglas,
McDonald		
No:	none	

Motion

carried (3-0)

7. OTHER BUSINESS

Mr. Ross reported that City Council approved the Lamppost, L.L.C. Brownfield Plan, and advised there will be some issues related to the MDOT project to reconstruct the I-75 interchange because of the potential for a considerable taking. Mr. Greve reported that the DEQ is going to try to push MDOT to resolve the matter to some extent before the grant is executed.

Mr. Douglas asked if Adams Road is going to be realigned. Mr. Ross explained the issue is who is going to buy the right-of-way for a particular stretch of road in the project area, since the previous mayor of Rochester Hills committed to the purchase and the current mayor says the funds are not available. He indicated he will be attending a meeting toward the end of the week where the status of the project will be discussed.

Mr. Ross reported the Willis School building demolition is basically complete, and a site plan for development of the site has been submitted. Mr. Greve noted that the building to the south of the school building, which was included in the brownfield plan, should start to produce tax increments in July, 2001.

8. ADJOURNMENT

Mr. Douglas moved to adjourn the meeting.
Supported by Mr. McDonald.

VOTE:

No:

Yes:

None

All

Motion

carried (3-0)

The meeting was adjourned at 6:44 p.m.

Helen R. Venos
City Clerk

J. Cherilynn Tallman
Deputy City Clerk