

Not Yet Approved
The City of Auburn Hills
Brownfield Redevelopment Authority Meeting

August 16, 2005

CALL TO ORDER: Chair Capen called the meeting to order at 6:00 p.m.

ROLL CALL: Present. Burchfield, Capen, Douglas, McDonald
Absent. Vettel
Also Present. Brownfield Consultant Greve
2 guests

LOCATION: City Council Chambers, 1827 N. Squirrel Road, Auburn Hills MI 48326

3. PERSONS WISHING TO BE HEARD - none

4. APPROVAL OF MINUTES: AUGUST 10, 2004

This item was tabled to the next meeting

5. FINANCIAL REPORT

The financial statement for the Brownfield Fund for the period ended July 31, 2005 was accepted. Supported by Mr. Douglas

6. ELECTION OF OFFICERS

Nominations for Chair and Vice Chair were taken.

Mr. Capen was nominated for Chair of the Brownfield Redevelopment Authority.

VOTE: Yes: Burchfield, Capen, Douglas, McDonald

Motion Carried (4-0)

Mr. Burchfield was nominated for Vice Chair of the Brownfield Redevelopment Authority.

VOTE: Yes: Burchfield, Capen, Douglas, McDonald

Motion Carried (4-0)

7. REPORT AND RECOMMENDATION ON PROJECT EXPENSES FOR JAR DEVELOPMENT

Mr. Greve summarized his August 11, 2005, memo as follows:

I recommend the Brownfield Redevelopment Authority authorize a final payment to JAR Development of \$136,244.34 from available tax increment revenue in order to satisfy payment for reimbursement of approved eligible activities plus interest.

With this payment, all claims submitted to date by the developer will be satisfied and the Authority can begin its five year capture of tax increment revenue for the revolving fund. The tax revenue deposited in the revolving fund can be utilized by the Authority to pay eligible costs at this property or at other Brownfield properties.

Through 2004, the local tax increment revenue generated from this property is \$276,193 with the balance of \$320,482 resulting from school taxes. This taxable value of this property was \$95,950 in 200 when this plan was adopted. The 2004 taxable value was \$3,933,055.

The Authority may retain a portion (up to \$17,500.00 per year) of the local tax increment revenues collected to date in order to pay its administrative and operating expenses.

Mr. Greve assured the Authority he had the necessary documents to support the requests for payment and amounts had not been inflated.

Moved by Mr. Douglas to accept the recommendation of AKT Peerless and authorize reimbursement of \$136,244.34 from available local tax increment revenue for the eligible expenses incurred to date for this project, to JAR Development, and authorize Mr. Greve to begin the reimbursement process.

Supported by McDonald.

**VOTE: Yes: Burchfield, Capen, Douglas, McDonald
No: None**

Motion carried (4-0)

8. REPORT AND RECOMMENDATION ON PROJECT EXPENSES FOR AUBURN HILLS COMMERCE PARK

Mr. Greve summarized his June 30, 2005 memo as follows:

I have reviewed the submittal and request from Auburn Hills Commerce Park, LLC related to their request for reimbursement of various eligible expenses incurred by them for the Auburn Hills Commerce Park Brownfield Redevelopment project. I find that these expenses qualify as eligible expenses incurred by the developer to conduct eligible activities in accordance with the approved Brownfield Plan and MDEQ Work Plan.

A summary of the costs incurred compared to the estimated budget included in the Brownfield Plan and approved MDEQ Work Plan is provided below:

<u>ITEM</u>	<u>BUDGET</u>	<u>ACTUAL</u>
Groundwater and Soil Assessment	\$15,000	\$6,968.50
Clean Fill Isolation Zone	<u>\$56,000</u>	<u>\$9,629.52</u>
Total	\$71,000	\$16,598.02

Tax increment revenues from local taxes and school taxes may be utilized for reimbursement of these expenses.

I recommend that the Brownfield Redevelopment Authority authorize reimbursement up to \$16,598.02 from available tax increment revenue for the eligible expenses.

The Authority may retain a portion (up to \$10,000 per year) of the local tax increment revenues collected to date in order to pay its administrative and operating expenses.

Moved by Mr. Burchfield to authorize the reimbursement up to \$16,598.02 from available tax increment revenue for the eligible expenses approved to date for the Auburn Hills Commerce Park project.

Supported by Mr. Douglas.

**VOTE: Yes: Burchfield, Capen, Douglas, McDonald
No: None**

Motion carried (4-0)

9. REPORT AND RECOMMENDATION ON PROJECT EXPENSES FOR JOSLYN-COLLIER, LLC

Mr. Greve summarized his August 10, 2005 memo as follows:

Property 1

The developer previously submitted the required information and the total amount approved for reimbursement to date is \$98,734.24. At this time, they are requesting that the interest portion of the reimbursement also be approved and paid.

The date of the initial submittal was March of 2004. The amount approved from the submittal was \$98,734.24. Per the plan, this is the principal amount. A payment of \$48,801.08 was made on June 23, 2004. A second payment of \$20,218.17 was made on January 26, 2005.

Using the principal balance of \$98,734.24, applying each payment on the date paid as principal reduction, adding accrued interest on the date of payment to the principal balance and using the developer's interest rate of 5.79% as the annual interest rate, I come up with \$6,555.00 in accrued interest owed through the end of June 2005.

I recommend the Board authorize a payment of interest in the amount of \$6,555.00 in addition to the amount previously approved for eligible activities in the amount of \$98,734.24.

Moved by Mr. McDonald to authorize the reimbursement up to \$6,555.00, from available tax increment revenue for the interest accrued to date for Joslyn-Collier, LLC Project, Property 1.

Supported by Mr. Douglas.

**VOTE: Yes: Burchfield, Capen, Douglas, McDonald
No: None**

Motion carried (4-0)

Property 2

I have reviewed the detailed invoices from Joslyn-Collier, LLC related to their request for reimbursement for various eligible expenses incurred by them for the Joslyn-Collier, LLC Redevelopment – Property 2.

I recommend that the Brownfield Redevelopment Authority authorize a reimbursement up to \$6,942.25 from available tax increment revenue for the eligible expenses approved to date for this project.

The Authority may retain a portion (up to \$18,625 per year from the combined Joslyn-Collier Properties) of the local tax increment revenues collected to date in order to pay its administrative and operating expenses.

Moved by Mr. McDonald to authorize the reimbursement up to \$6,942.25.00 from available tax increment revenue for the interest accrued to date for Joslyn-Collier, LLC Project, Property 2.

Supported by Mr. Douglas.

**VOTE: Yes: Burchfield, Capen, Douglas, McDonald
No: None**

Motion carried (4-0)

10. OTHER BUSINESS

Mr. Capen inquired about the Mocerri and Collier Road Brownfield plans. Mr. Greve responded that neither was pursued by the developer.

Mr. Capen updated the board on the recent MDEQ meeting regarding methane concerns surrounding the former Sanicem Landfill.

ADJOURNMENT

There being no objections, the meeting was adjourned at 6:47 p.m.

Stephanie L. Schlegel