

Brownfield Redevelopment Authority

Regular Meeting Minutes

Monday, August 13, 2012
4:00 p.m., Council Chambers



City of South Haven

1. Call to Order by Bolt at 4:30 p.m.

2. Roll Call

Present: Erdmann, Gawreliuk, Henry, Herrera, Kerber, Klavins, Valentine, Varney, Bolt
Absent: Lewis, Rainey

3. Approval of Agenda

Motion by Valentine, second by Klavins to approve the agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes – July 9, 2012

Motion by Varney, second by Valentine to approve the July 9, 2012 Regular Meeting Minutes as written.

All in favor. Motion carried.

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

None at this time.

6. 1070 Indiana Expenses for Approval

VandenBosch noted the developers at the old National Motors site have provided the Brownfield Authority with invoices for expenses they have occurred. These expenses will be added to the obligation; an additional expense. The developers currently have a Brownfield Plan approve for greater than \$2 million which brings them to roughly \$500,000; they are nowhere near their limit. This current expense is well within the amount they are authorized to request. VandenBosch recommends that the Authority approve these expenses.

Bolt asked who owns that property. There was discussion regarding the question of ownership; the property or part of the property may be bank owned. The issue is that there are environmental expenditures that have been incurred and that the Brownfield Authority is adding this request to the total amount that can be reimbursed, adding it to the City's obligation to reimburse. Bolt asked if this will start the clock again.

Varney asked if these are expected expenses, since no development is going on. VandenBosch noted that some of the expenses are Department of Environmental Quality (DEQ) inspection and review. The developers really do not have a choice; they are required to do this by the Department of Environmental Quality (DEQ). The IRDC, which the Department of Environmental Quality (DEQ) is using to monitor their activity, are required to report to the Department of Environmental Quality (DEQ) annually.

Kerber said, "These amounts are being accumulated until a certain amount is reached." VandenBosch reiterated that the developers have a \$2 million limit.

Bolt pointed out that R.J. Peterson is submitting this reimbursement request but he is not the listed owner. VandenBosch explained that the development is happening in stages; Peterson owns the southern half of the site (the former National Motors site); the other pieces are otherwise owned. Bolt questioned whether Peterson was not the one that owned the property and said he did not want to sell it. VandenBosch clarified that was said by Larry Basil. Bolt had multiple questions regarding ownership to which VandenBosch responded that it is difficult to know who may really be involved; it might be the bank. Bolt noted that If Peterson did not have an interest in the property he would not be requesting this reimbursement. VandenBosch explained that the Brownfield Authority will continue to accept expenses for approval until the development is done, and after that, expenses for monitoring.

VandenBosch added that the maximum tax capture at 1070 Indiana is \$204,000. There is a fifteen (15) year limit that started in 2004. To date the Brownfield has had revenues of \$65,000 and paid out \$57,000; roughly \$10,000 coming in per year. VandenBosch noted that the total expenses to date at 1070 are \$537,000, so unless that development proceeds, there will not be enough tax capture to pay that amount. In summarization, VandenBosch said the Brownfield Authority is just adding in those expenses; it is not known if there will ever be a pay-out.

Erdmann asked if the fifteen (15) years is the end of capture, to which VandenBosch responded, "Yes, then captured taxes will go to local jurisdictions". VandenBosch commented that the developers are very likely to ask for an extension and VandenBosch's recommendation would be for the Authority to say no.

Motion by Henry to approve expenses as eligible expenses. Second by Valentine.

All in favor. Motion carried.

7. General Comments

There were none.

8. Adjourn at 4:47 p.m.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary