

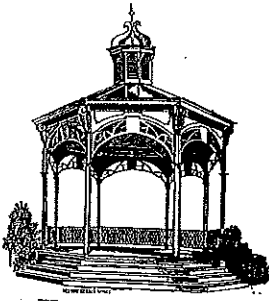
City of Fenton – Brownfield Redevelopment Authority  
Meeting of Thursday April 14, 2016  
6:00 pm. – Fenton City Hall Conference Room

### **AGENDA**

Call to Order

Roll Call

- 1) Approve Minutes of the May 18, 2015 Board Meeting
- 2) Modifications to the 381 Environmental Plan for 102 W. Silver Lake Road.
- 3) Call to Audience
- 4) Adjournment



**Fenton  
Brownfield  
Redevelopment  
Authority**

**FENTON BROWNFIELD REDEVELOPMENT  
AUTHORITY PROCEEDINGS**

Monday May 18, 2015

The meeting was called to order by Patric Parker at 6:00pm.

**ROLL CALL:**

**PRESENT:** Osborn, Parker, Tebo, Draves, Wiley, Width

**ABSENT:** NONE

**OTHERS:** Michael Burns, DDA Director/Assistant City Manager  
Lynn Markland, City Manager

**APPROVE MINUTES OF THE APRIL 20, 2015 MEETING:**

MOTION by Parker, supported by Wiley to approve the minutes as presented.

MOTION CARRIED, Roll Call Vote: Osborn-aye, Parker-aye, Tebo-aye, Draves-aye, Wiley-aye, Width-aye

**INTERLOCAL AGREEMENT BETWEEN THE BROWNFIELD REDEVELOPMENT  
AUTHORITY AND DDA FOR TAX CAPTURE OF 102 W SILVER LAKE RD:**

At our April Brownfield Redevelopment Authority meeting, the Brownfield Redevelopment Authority (BRDA) recommended an Act 381 Combined Brownfield and Work Plan for 102 W. Silver Lake Rd. At the May 11, 2015 City Council Meeting, the City Council approved the plan and will allow a tax increment finance capture for the property to occur. The final step for this process is for the BRDA to capture the increased tax increment for the property to remediate the site.

Discussion ensued among board members.

MOTION by Draves, supported by Tebo that the Brownfield Redevelopment Authority approve the inter-local agreement with the Downtown Development Authority to begin capturing the increase in taxable value for the redevelopment of 102 W. Silver Lake Rd to remediate environmental conditions to the site for up to a 12-year period.

MOTION CARRIED, Roll Call Vote: Osborn-aye, Parker-aye, Tebo-aye, Draves-aye, Wiley-aye, Width-aye.

MOTION by Draves, seconded by Tebo to support the Brownfield Redevelopment Agreement for 102 W. Silver Lake Rd.

MOTION CARRIED, Roll Call Vote: Osborn-aye, Parker-aye, Tebo-aye, Draves-aye, Wiley-aye, Width-aye.

**CALL TO THE AUDIENCE:**

NONE

**ADJOURNMENT:**

6:24pm.

Respectfully submitted by,

*Patric Parker*

Patrick Parker, Chairman  
Brownfield Redevelopment Authority

*Elaine McGreevy*

Elaine McGreevy  
Recording Secretary

# MEMO

**FOSTER SWIFT**  
FOSTER SWIFT COLLINS & SMITH PC || ATTORNEYS

**ATTORNEY-CLIENT PRIVILEGE**

**TO:** City of Fenton Brownfield Redevelopment Authority  
**FROM:** Charles (Chuck) Barbieri  
**DATE:** April 8, 2016  
**RE:** Proposed Amendment to Brownfield Plan

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## **A. REQUEST FOR ACTION**

SkyPoint Ventures and its affiliated entity, 102 W. Silver Lake, LLC, are asking for the City of Fenton to approve an amended Brownfield Plan (a/k/a Act 381 Combined Brownfield and Work Plan) for the redevelopment of 102 W. Silver Lake Road in Fenton. (Attachment 1). As will be discussed further below, the amendment reflects a change in the scope of the project which has prompted the need for review of the project.

## **B. BACKGROUND**

You will recall that the Brownfield Redevelopment Authority reviewed and recommended a Brownfield Redevelopment Plan on April 20, 2015 for redevelopment of the former Action Auto site at 102 W. Silver Lake Road. The Brownfield Plan proposed the demolition of existing structures, environmental investigation and remediation of contamination, and certain other activities to support the construction of a 2 to 3 story building providing commercial and retail space on the first floor and market rate multi-family residential units above. The total investment was pegged at \$7.7 Million. After notice was given to taxing jurisdictions and the City Council conducted a hearing, the City Council accepted the Authority's recommendation and approved Brownfield Plan #1 on May 11, 2015.

The Plan as approved described an evaluation of (1) proposed eligible activities that the developer would perform and seek reimbursement through tax increment financing under Michigan's Brownfield Statute and (2) the potential tax increments that would be expected to be realized and recaptured from the redevelopment. The Brownfield Plan, as adopted, not only intended to reimburse the developer for about \$610,000 in eligible costs that were to be incurred but also allowed for the City and its Brownfield Redevelopment Authority to cover ongoing and future administrative expenses of about \$123,000 and realize the benefit of about \$594,000 through tax recapture after eligible activities have been reimbursed for deposit into the Brownfield Authority's local site remediation revolving fund (LSRRF). The LSRRF is a fund that the City's Brownfield Redevelopment Authority can use to cover costs of eligible activities for other potential Brownfield projects in the future.

The Plan as proposed and approved last year called for the recapture not only of certain local taxes but also certain school taxes. The recapture of school tax dollars to cover certain eligible environmental activities requires the approval of the MDEQ, and the recapture of

school tax dollars to cover certain eligible non-environmental activities requires the approval of the MEDC (Michigan Strategic Fund). While the MDEQ approved the Brownfield Plan on June 22, 2015, the MEDC did not approve the Plan. During discussions with the MEDC, the developer was also discussing a Community Revitalization Program (CRP) grant which was considered vital for implementation of the project as designed. Apparently, the MEDC imposed conditions that would have required additional investment by the developer. The developer did not find the requirement of additional investment acceptable. As a result, the developer has changed the scale of the project and has abandoned the plan of building multi-family residential units on the top floor. It now plans a 25,000 square foot, 2 to 3 story building with commercial and retail space on the first floor and office space on the upper floor or floors. The projected investment has decreased from \$7.7 Million to \$4.98 Million. This decrease means that the Brownfield Redevelopment Authority may only receive about \$82,000 to \$100,000 (as opposed to about \$123,000) in tax recapture for administrative expenses associated with oversight of the Plan and about \$360,000 to \$393,000 (as opposed to about \$595,000) for deposit into the LSRRF.

Under either the original Plan or the proposed amended Plan, the taxing jurisdictions may still receive slightly over \$140,000 in tax payments which are calculated on the initial taxable value before the redevelopment, except to the extent that they may be already recaptured by the City's Downtown Development Authority. In that connection, tax incremental revenues should revert back to the City's Downtown Development Authority once the LSRRF receives its allocation of tax revenues in accordance with the interlocal agreement between that Authority and the Brownfield Redevelopment Authority.

In the meantime, many of the eligible activities had been performed. Additional response activities, demolition and lead and asbestos activities have been performed. Based on information supplied several weeks ago, we understand that about approximately \$387,425.

### **C. NEXT STEPS**

As a result of discussions with the MEDC, the MEDC has asked the developer to have the Brownfield Plan as revised approved by the City. Although the City appears to have the right administratively to approve the Plan amendment, the City administration believes it is prudent for the Brownfield Authority to review the changed nature of the Brownfield Plan and to make a recommendation on the amendment. Consequently, we have prepared a resolution for the Brownfield Redevelopment Authority to adopt if the amended Plan is viewed as acceptable. (Attachment 2). Based on the assumption that the Brownfield Redevelopment Authority will recommend the amendment, we have drafted a resolution for the City Council to adopt. (Attachment 3). Again, the purpose of the amendment is to allow the developer to receive reimbursement of certain eligible non-environmental activity costs through recapture of school tax dollars.

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**BROWNFIELD REDEVELOPMENT AUTHORITY**  
**RESOLUTION NO. 2016 - 01**

At a regular meeting of the City of Fenton Brownfield Redevelopment Authority, held in the City Hall, 301 South Leroy Street, Fenton, Michigan 48430 on the 14th day of April, 2016, at 6:00 p.m.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_:

WHEREAS, the City of Fenton Brownfield Redevelopment Authority ("Brownfield Authority") recommended approval of Brownfield Plan #1 in 2015 to facilitate the proposed redevelopment of 102 (112) West Silver Lake Road on April 20, 2015;

WHEREAS, the Fenton City Council based on the recommendation of the Brownfield Authority, as well as other matters, adopted Brownfield Plan #1 on May 11, 2015;

WHEREAS, the City of Fenton Brownfield Redevelopment Authority ("Brownfield Authority") has received a request for an amendment of Brownfield Plan #1 for the proposed redevelopment of 102 (112) West Silver Lake Road, as attached;

WHEREAS, the Brownfield Authority desires to recommend the approval of the amendment to Brownfield Plan #1, in accordance with the attached.

NOW, THEREFORE, the City of Fenton Brownfield Redevelopment Authority hereby resolves as follows:

1. The Brownfield Authority recommends that the City Council of the City of Fenton approve the Brownfield Plan #1, as amended, in accordance with the attached amended Plan.

2. The Brownfield Authority submits that Brownfield Plan #1, as amended, constitutes a public purpose under Act 381 of the Public Acts of 1996 as amended ("Act"); that the Plan, as amended, meets all requirements set forth in Section 13 of that Act; that the proposed method of financing the cost of eligible activities is feasible and the Authority has the ability to arrange financing; that the cost of eligible activities proposed in the Plan, as amended, is reasonable and necessary to carry out the purposes of the Act; and that the amount of taxable value that may result from the adoption of the Plan, as amended, is reasonable.

ADOPTED:

YEAS: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

The foregoing Resolution declared and adopted on the day written above.

Dated: \_\_\_\_\_  
Secretary

\_\_\_\_\_  
Brownfield Redevelopment Authority