

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

70 Maple Street
Manistee, MI 49660

MEETING MINUTES

January 28, 2014

A meeting of the Manistee City Brownfield Redevelopment Authority was held on January 28, 2014 at 2:00 pm in the Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan.

Meeting was called to order at 2:05 pm by Secretary Don Kuk

Roll Call:

Members Present: W. Frank Beaver, Dave Carlson, Donald Kuk, Marlene McBride, Clinton McKinven-Copus, Jeffrey Stege

Members Absent: Steve Brower (excused)

Others: Patrick Kay (DDA/Main Street Director), T. Eftaxiadis (BRA Consultant), Ed Bradford (BRA Administrator), and Denise Blakeslee (BRA Recording Secretary)

APPROVAL OF AGENDA

Motion by Dave Carlson, seconded by Marlene McBride that the agenda be approved as prepared.

With a Voice Vote this motion passed unanimously.

APPROVAL OF MINUTES

Motion by Marlene McBride, seconded by Jeff Stege that the minutes of the October 29, 2013 Brownfield Redevelopment Authority Meeting be approved as prepared.

With a Voice Vote this motion passed unanimously.

PUBLIC HEARING

None

FINANCIAL REPORTS

Chair Clinton McKinven-Copus entered and proceeded over the meeting

Approval of Invoices – Members reviewed the summary of invoices submitted for payment.

MOTION by Don Kuk, seconded by Frank Beaver to approve payment of invoices as follows:

REPORTING PERIOD:				November 1, 2013 through January 20, 2014
VENDOR NAME	INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	SERVICE DESCRIPTION
Swidorski Bros	11/01/13	2787	\$252.00	EPA Grant -HAZARDOUS; Remedial Design Exploratory Test Pits: Manistee Plating site
Eftaxiadis Consulting Inc	12/13/13	CMBRA-1311	\$658.75	Joslin Cove, 334 River, CMBRA Technical Support Services
Eftaxiadis Consulting Inc	12/13/13	CMBRA-1311H	\$3,145.00	EPA Grant - HAZARDOUS; Phase II ESAs, Remedial Planning, Brownfield Planning, Outreach, Program Mgmt (Veterans Memorial Park, Manistee Plating, 346 River, Hokanson, North Channel Outlet, Century Boat Works)
Eftaxiadis Consulting Inc	12/13/13	CMBRA-1311P	\$425.00	EPA Grant - PETROLEUM; Technical Program Mgmt
Abonmarche Engineering	01/20/14	108241	\$3,500.00	EPA Grant - PETROLEUM; Veterans Memorial Park survey
Eftaxiadis Consulting Inc	01/13/14	CMBRA-1321H	\$191.25	EPA Grant - HAZARDOUS; Phase II ESAs, Remedial Planning, Brownfield Planning, Program Mgmt (Veterans Memorial Park, Manistee Plating, Peninsula)
TOTAL:			\$8,172.00	

With a Voice Vote this motion passed unanimously.

NEW BUSINESS

Election of Officers

According to the By-Laws of the City of Manistee Brownfield Redevelopment Authority the election of Officers is held at their annual meeting in January.

Chair - At this time the meeting was turned over to Ed Bradford who asked for nominations for the Position of Chair.

Don Kuk nominated Clinton McKinven-Copus for the position of Chair

Nominations were asked for again. There being no further nominations, nominations were closed.

With a voice vote Clinton McKinven-Copus was elected Chair of the Brownfield Redevelopment Authority for 2014, unanimously.

Ed Bradford turned the meeting over to Chair McKinven-Copus

Vice-Chair - Chair McKinven-Copus asked for nominations for the Position of Vice-Chair.

Don Kuk nominated Steve Brower for the position of Vice Chair

Nominations were asked for again. There being no further nominations, nominations were closed.

With a voice vote, Steve Brower was elected Vice - Chair of the Brownfield Redevelopment Authority for 2014, unanimously.

Secretary/Treasurer - Chair McKinven-Copus asked for nominations for the Position of

Secretary/Treasurer

Don Kuk nominated Jeff Stege for the position of Secretary/Treasurer

Nominations were asked for again. There being no further nominations, nominations were closed.

With a voice vote, Jeff Stege was elected Secretary/Treasurer of the Brownfield Redevelopment Authority for 2014, unanimously.

Appointment of a Recording Secretary 2014 - Once Elected the Secretary may appoint a Recording Secretary to handle the administrative functions of the office.

Jeff Stege appointed Denise Blakeslee to act as the Recording Secretary for the Brownfield Redevelopment Authority for the year 2014.

By Law Review - According to the By-Laws of the City of Manistee Brownfield Redevelopment Authority shall annually review their By-Laws at their annual meeting in January.

No Changes were made.

Oath of Office/Section 6 Conflict of Interest - Annually the Brownfield Redevelopment Authority members will take an Oath of Office and agree to abide by Section 6 Conflict of Interest of the By-Laws of the City of Manistee Brownfield Redevelopment Authority.

At this time members of the Brownfield Redevelopment Authority took their Oath of Office and agreed to abide by Section 6 Conflict of Interest of the By-Laws of the City of Manistee Brownfield Redevelopment Authority.

US EPA Grant Status - T. Eftaxiadis prepared a memo on the status of current projects (attached) and detailed the projects for the members of the Brownfield Redevelopment Authority and answered questions. Mr. Eftaxiadis noted that the BRA had authorized him to prepare four Phase I ESA's, two have been completed and there is a possibility for three more. He also spoke of requesting an extension for the Hazardous Grant to allow time to utilize remaining funds for projects.

The members asked that staff send a letter to owners of property that Mr. Eftaxiadis has been working with informing them that the ability to use grant funds for their projects is near expiration.

MOTION by Don Kuk, seconded by Frank Beaver to authorized administration to request an extension of the Hazardous Grant if there is interest in projects to warrant the decision.

With a voice vote Motion passed unanimously.

MOTION by Don Kuk, seconded by Marlene McBride that Eftaxiadis Consulting is authorized to prepare one additional Phase I ESA (for a total of five) at the same rate.

With a voice vote Motion passed unanimously.

BRA Financing –

Finance Director Ed Bradford gave a financial status update (attached) on the Grants and Brownfield Redevelopment Authority Funds to the Directors.

OLD BUSINESS

None

PUBLIC COMMENTS AND COMMUNICATIONS

None

CORRESPONDENCE

Staff has received the closeout documentation for the Petroleum Grant.

STAFF REPORTS

None

MEMBERS DISCUSSION

None

The next regular meeting of the Brownfield Redevelopment Authority will be held on April 29, 2014

ADJOURNMENT

Motion by Don Kuk, seconded by Marlene McBride that the meeting be adjourned. MOTION PASSED UNANIMOUSLY.

Meeting adjourned at 3:15 pm

MANISTEE CITY BROWNFIELD REDEVELOPMENT AUTHORITY

Denise J. Blakeslee, Recording Secretary

Memo

To: City of Manistee Brownfield Redevelopment Authority Directors and Administrator
From: T. Eftaxiadis, Eftaxiadis Consulting Inc.
Date: January 28, 2014
Re: USEPA Grants Status

1. The two Grants (Petroleum and Hazardous) were extended by the USEPA to March 31, 2014. As of end of December 2013 the estimated balance remaining in the Grants is approximately \$30,063 for the Hazardous and \$6,315 for the Petroleum.

An extension of the period of the Hazardous Grant to September 2014 would allow the completion of projects delayed due to severe adverse weather and/or lack of site access.

2. The status of "open" projects since the last BRA meeting (October 29, 2013) is as follows:
 - i. North Channel Outlet. A prospective redeveloper of the property is still interested in assistance with performing environmental due diligence work and asbestos and structural surveys through the Grants. To date, formal access to the property from the property owner is not available. We continue to work with the prospective developer on available Brownfield programs for that property.
 - ii. 518 First Street Property (former Rengo property). The property owner has provided access for environmental due diligence work (Phase I and II ESAs) through the Grants, prior to listing the property for sale. We are waiting for the owner to provide access to the interior of the building for the site walk component of the Phase I ESA. Additionally, a Phase II ESA would have to be delayed due to the cold and snowy conditions.
 - iii. River Parc Place. The developer, the DDA, the BRA Administrator and the City Manager are in the process of determining the components of a Brownfield Plan, for future public hearing and action by the BRA and City Council. A special meeting of the BRA may be required in February or March.
 - iv. 308 River Street. The property owner has expressed interest in performing Phase I and II ESAs and asbestos survey through the Grants. While there are no enough funds remaining in the Petroleum Grant for this work, an Eligibility Determination Request will be submitted to the US EPA for use of the Hazardous Grant funds for this property.
 - v. Veterans Memorial Park. We are assisting the Community Foundation, AES and the veterans group by providing topographic survey for the planning of the memorial's expansion, as well as technical support related to infrastructure improvements through Brownfield TIF.
 - vi. Douglas Park Area. The City is applying for State of Michigan grants for the development of, and improvements at various sections of Douglas Park. A Phase I ESA is needed to identify potential environmental impacts to the development efforts due to historic brine extraction and processing activities at the site.

3. Additionally, the following currently inactive projects may require assistance through the EPA grants, prior to Grant expiration, to undertake Grant eligible activities:
 - a. MAPS Vocational Training Facility – Brownfield Plan and Act 381 Work Plan.
 - b. Bookmart – Asbestos/Lead Survey, Baseline Environmental Assessment (BEA), Brownfield Plan and Act 381 Work Plan.
 - c. Manistee Iron Works - Brownfield Plan and Act 381 Work Plan.
 - d. Century Boat Works – Phase I ESA, BEA, Brownfield Plan and Act 381 Work Plan.
 - e. Hotel Northern - BEA, Brownfield Plan and Act 381 Work Plan.

Please let me know if you have any questions or require additional information.



Finance\Treasurer's Office

Memo to: Brownfield Redevelopment Authority Board
T. Eftaxiadis, Brownfield Consultant

From: Edward Bradford, CFO, BRA Administrator

Handwritten signature of Edward Bradford in blue ink.

Re: BRA Finances

Date: January 23, 2014

The purpose of this memo is to explain the current and historical state of BRA finances and discuss options for managing the finances of the BRA moving forward.

As of December 31, 2013 the BRA had \$21,514 in cash and a \$15,321 receivable from the State of Michigan. I have attached a summary of the entire financial history of the BRA which shows how this number was derived.

Revenues of \$67,000 are comprised of permit fees, service charges and City general fund transfers. Over \$40,000 of this are City general fund transfers. Expenses of \$30,000 are made up of supplies, printing, professional services and some State of Michigan fees. The vast majority are for professional services.

The reason for the current positive cash balance is that at the end of the 2013 fiscal year, the City had to transfer \$30,000 from the general fund to the BRA to avoid having a deficit balance. At the time, we were waiting for some money for the 334 River Street project to be disbursed from the State, which was eventually received.

However, in discussion with T. Eftaxiadis, the situation is a bit more complicated. The City uses the services of Eftaxiadis Consulting for both City and BRA projects. When Jon Rose was the Brownfield Administrator, frequently the services requested of Eftaxiadis Consulting by the City were simply charged to the BRA instead of being split between the City and BRA. Mr. Eftaxiadis estimates that of the \$26,000 in fees charged, only \$6,000 were properly allocable to "pure" BRA Administration, and the remainder to City projects. What this means is that when this is considered, the BRA has run about a \$5,000 deficit. Once the receivable from the State is received, the BRA would have about \$35,000 in cash. This all could be refunded to the City general fund, leaving \$5,000 remaining to be paid back.

However, that would cause cash flow problems for the BRA moving forward. I believe that all but \$10,000 should be refunded to the City general fund. If and when the BRA has the funds to

sustain its operations and generate a surplus, the remaining \$15,000 owed to the general fund could be paid back to the City.

Moving forward presents some challenges. The key takeaway is that the fees being brought in have not been sufficient to fund the operations of the BRA. With the pending expiration of the EPA grants, this situation will worsen as whenever acceptable, we charge expenses to these grants rather than to the BRA directly.

There are three ways to deal with this shortfall in the future.

1. Increase the revenue brought into the BRA by bringing in more projects and/or relevant grants. This activity would generate permit fees, charges for service, TIF capture and administration fees that could be used to fund the operations of the BRA. We may need to reevaluate the fees we charge for some of our activities.
2. Continue to subsidize the BRA with the City's general fund. Unfortunately, in past years this general fund contribution was never considered during the regular budgeting process, only indirectly in year-end budget amendments. This will have to change moving forward. That will be difficult given the fiscal challenges the City is facing.
3. Consider dissolving the City BRA and using the County BRA instead. Obviously, this would require a great deal of discussion before any decision was made.

In any event, the BRA will need to adopt a formal budget prior to July 1, 2014. I will be working with Mr. Eftaxiadis to prepare a budget for consideration at a future meeting. In the interim, the \$10,000 cash balance left in the BRA account should provide ample funds for the remaining months of the current fiscal year.

City of Manistee

BRA Financial Summary

12/31/2013

Cash	\$	21,514
Due from State	\$	15,321
	\$	36,835

Revenue

Permits	\$	3,000	Rieth-Riley, Jim Matthews
Charge for Service	\$	19,500	Rieth-Riley, American Materials, Amptech, Mariah Power
Rieth-Riley	\$	4,139	
Net Transfers In	\$	40,357	City of Manistee General Fund
Total Revenue	\$	66,996	

Expense

Supplies	\$	252
Printing	\$	175
Professional Services	\$	26,799
State of Michigan	\$	2,935

Total Expenses	\$	30,161
-----------------------	----	---------------

Net	\$	36,835
------------	----	---------------