~~Municipal Offices, 1000 Rochester Hills Road, Rochester Hills, Michigan, and will~~ begin at 7:00 PM Michigan Time.

2009 Regular Meeting Dates

January 15, 2009	July 16, 2009
February 19, 2009	August 20, 2009
March 19, 2009	September 17, 2009
~~April 16, 2009~~	October 15, 2009
~~May 21, 2009~~	November 19, 2009
June 18, 2009	December 17, 2009

2009-0024

Acting Chairperson McGarry noted for the record that the 2009 Meeting Schedule ~~had been established.~~

8. DISCUSSION

8A. 2007-0436 Discussion Regarding City Brownfield Policy

Acting Chairperson McGarry stated that the next item was a discussion regarding a proposed City Brownfield Policy, and asked for an update from Mr. Delacourt.

Mr. Delacourt stated the Authority had discussed a policy in the past, and had held a joint meeting with City Council to discuss the parameters for a potential Brownfield Policy for the City. He introduced Tom Wackerman from ASTI Environmental, who had facilitated the joint meeting. Many ideas were discussed at the joint meeting, and the packet information included a summary of the minutes from the joint meeting.

Mr. Delacourt stated that based on the input received from the joint meeting, a draft Brownfield Policy had been prepared. The Authority would review the proposed policy to determine if it is appropriate for the City. If the Authority felt the proposed policy was a good place to start, the Authority could make a recommendation to move the policy on to City Council. Alternately, if the Authority requested changes, the policy could be brought back before the Authority for another review and discussion before they make a recommendation to move it on to City Council.

Mr. Wackerman stated the Authority would discuss the draft policy and the proposed application form.

Mr. Wackerman began by noting that the joint meeting was very unusual for this process. Typically, there is a facilitated workshop where objectives and goals are reviewed and a specific action item list created. Mr. Wackerman's notes from the joint meeting were displayed on the monitor for review by the Authority.

Mr. Wackerman stated there was a general consensus at the joint meeting to be developer-friendly, which has to do with being flexible. The two ideas he heard consistently throughout the joint meeting were to be developer-friendly, and to make sure there was a specific process a developer could look at and understand so there were not any surprises in the process.

Mr. Wackerman explained that when he developed the draft policy, certain things that other communities would be very specific about, such as whether or not interest would be included; claw-back provisions for incentives, and limits on incentives, were left out. This was done to create a flexible policy in order to manage the concept of being developer-friendly.

Mr. Wackerman referred to Page 1 of the draft Policy, and stated he had listed four items in the Introduction section, but did not make them requirements. Rather than saying that the City would have a very strict approach to implementing those criteria, the City thought they were great ideas and should drive the program, but would be reviewed on a case-by-case basis.

Mr. Wackerman stated there were a couple things that came up during the meeting that he did not address. He explained they were important, but were external to the policy. The first was a preference for cleaning up and fixing the landfills in the City. There is really no way to include in the policy that the City is going to make sure that landfills get money first. Primarily, because this is an incentive for investment, and if no investment was being done, there was no incentive and no way to fund it. The desire to develop those areas may have to be addressed in a different way.

Mr. Wackerman stated another comment that came up that was hard to address in the policy was "we want a certain 'class' of developer". In some communities, that was code for "only people from our community" and in other communities, it was code for "only people who have been incredibly successful" or it could be code for a number of things. He explained there was no way to define "class of developer" within in the policy, because as you start excluding or including certain classes of developers, the City ran the risk of excluding or including categories the City did not intend to exclude or include. Therefore, the draft policy was fairly general from that point of view.

Mr. Wackerman stated he did not include details for the reimbursement agreement in the draft policy. He explained the reimbursement agreement was the City's tool to hold the developer's feet to the fire, and was becoming a more important tool. He commented that if MBT credits were being applied for, the municipality was required to have a reimbursement agreement on any TIF (tax increment financing) component. Other components were becoming more common, such as the claw-back provisions for changes in assessed value after the payback period. He stated he kept that out of the policy because it became more a legal document than a policy document.

Mr. Wackerman stated if the Authority wanted to reflect some of the issues in the policy document that would be discussed in the reimbursement agreement, he could do that.

Mr. Wackerman referred the "overall objections" discussed at the joint meeting, which were:

- preference for site specific
- clean-up instead of engineering controls
- maintaining some kind of control, but not too difficult
- "class of developer" comment
- concern about financial viability
- strong desire to assist the landfill areas

Mr. Wackerman stated that other comments included:

- the policy should encourage developers to come to Rochester Hills
- should we consider functionally obsolete and blighted properties
- how do we handle developers who go around the BRA
  - then City has no oversight
- are Ordinances strong enough to protect the City on brownfield redevelopment

Mr. Wackerman stated the issue associated with oversight of brownfield redevelopment was not in the policy, and commented he had never seen a policy that addressed that issue. The issue is - if the developer got the credits - do they then implement what they said they would implement. He noted that was a concern in any brownfield, but was a particular concern when the developer did not go to the State for approval of a work plan. They might do local TIF only; say they are going to do "a, b and c", but how does the City make sure they did "a, b and c" because there was no agency looking over them.

Mr. Wackerman referred to the "Eligibility Criteria", and commented that one thing that came out of the joint meeting was whether or not the applicant was financially sound. He noted the problem of defining "financial soundness" especially in the current marketplace. More importantly, who on the Authority would make that determination. Consequently, no financial soundness "test" was included in the draft policy; however, one of the criteria that would be evaluated was the applicant's business plan. He explained he was trying to maintain flexibility, but also provide the tools the City could use without having to utilize a prescriptive approach.

Mr. Wackerman stated other comments provided when the eligibility criteria was discussed was an initial screening form to determine eligibility, and how the estimated taxable value fit into the financial soundness equation.

Mr. Wackerman referred to the "Ineligibility Criteria" discussed during the joint meeting. The one item that received a resounding "yes" and which was included in the legislation was that the City would not give tax credits to applicants who were responsible for the contamination (which has been included in the draft policy). He noted there was much discussion about sites where no remediation was being done, but they were still coming for tax credits. He pointed out the conversation at the joint meeting went on to other items and this question was never fully answered. When someone comes with a brownfield proposal, but were not going to do any remediation, did the City let them do it? In order words, the applicant wanted to be a brownfield, but did not want to do anything that costs money on the site.

Mr. Wackerman stated that translated into one of the overall objectives listed on Page 1 of the draft policy (i.e., incorporate a preference for source control, active remediation, or mitigation). The City was not requiring this, but was telling the developer the City really wanted and actually preferred the developer do something if the City was going to give them public dollars.

Mr. Wackerman referred to the "Eligibility Criteria for the Property" discussed during the joint meeting. He explained that as a non-core community, except in some very specific circumstances, the property had to be a facility defined by Part 201, and had to be located in the City. He noted the discussion at this point in the meeting centered around the fact that if the City was going to do this, it better be needed and development would not occur without incentives; and development would correct or ameliorate threats to the public health or the environment caused by site conditions. He thought that was addressed under the first objective listed at the beginning of the draft policy.

Mr. Wackerman stated the next item discussed during the joint meeting was how the City evaluated a developer. He explained the only consensus shown at that meeting was that there should be some dollar per square foot of new investment criteria. He stated the City of Grand Rapids did that, and although they did not publish that criterion, they asked that question and it was one of the explicit questions on their application. In trying to be flexible, rather than trying to come up with a strict number, he added that criteria to the application form. The developer has to answer that question on the application, and the City can determine if it looked right. He noted he did not know what that number should be because there were so many potential circumstances that the City might deal with. He stated the idea of percentage contribution to a project was becoming more prevalent with his municipal clients. There had to be a significant amount of investment before the City would give public incentives.

Mr. Wackerman referred to the ratio of public assistance to private investment and stated he did not know where to go with that. He explained it was similar to the criteria just discussed, just worded differently.

Mr. Wackerman referred to the type of development, which was an issue in all communities. In other words, how does the City overlay zoning with the type of development, with the neighborhood, with consistency, or with transition zones. Therefore, an explicit set of questions was included on the application form that had to do with current zoning, future zoning and incentivizing adjacent properties.

Mr. Wackerman noted the eligible activities that are restricted by legislation for a non-core community included demolition, lead abatement, and asbestos abatement, which are permitted only in specific circumstances. He stated the discussion at the joint meeting indicated the City did want to capture for a local RLF (revolving fund), so the policy specifically indicated that any brownfield plan must include that.

Mr. Wackerman referred to the discussion at the joint meeting about the interest incurred by a developer for eligible activities. The consensus was that could be considered on a case-by-case basis, which was in the policy, but that the City was not necessarily interested in funding their costs for funding this item. The comments at the joint meeting included: "by exception basis"; "maybe capped"; "no, but if we give it, it will be capped". He noted this was an area in the policy he thought should be fairly firm, because if it was not firm, every developer would assume that interest was included and would maximize it, and City would not really have a policy. He explained that because of the comments at the meeting, he left it very vague. He suggested this was an area of the policy where the Authority might want to hammer out better language so there was a clear understanding for the developer whether interest, and under what circumstances, and under what cap interest, would be allowed to be recouped under the TIF program.

Mr. Wackerman referred to the discussion at the joint meeting about the terms and conditions, and there was a clear indication there would be no application fee, but there would be a processing fee. He included the processing fee that is currently charged by the City on the application form. There was also a preference for covering legal, engineering and environmental review fees. He commented he was aware this had been an issue in the past because of the very large 381 work plans, which tended to be very complicated. He noted that went back to the issue of how to control, verify or oversee the process. The draft policy included a set fee for the brownfield plan, which was pretty straightforward; and then the policy stated the City would charge a fee for the work plan based on the size of the work plan and the complexity of review required, including legal, engineering and administrative costs. The policy also states that fee will be set at the initial meeting, which gives the City some discretion depending on the size of the plan. This also provides some certainty to the developer because it was set at the initial meeting.

Mr. Webber thanked Mr. Wackerman for his work on the policy, which was a good starting point. He referred to the oversight question, and stated he thought the consensus was that the applicant would be ineligible if they were responsible for the contamination of the site. He asked how the City determined who was responsible.

Mr. Wackerman stated the application form itself asked the applicant if they were the cause of the contamination, and they had to sign the application indicating all statements made on the application were true.

Mr. Webber asked if that could be disputed, particularly if someone wanted to slow the project down. Mr. Wackerman agreed it could be disputed, which led to the issue of how to define an innocent landowner. He explained there could be someone who did not cause the contamination who was also not an innocent landowner. The draft policy states that if an applicant has not completed a Phase I prior to purchase, or a Baseline Environmental Assessment (BEA) within 45-days of purchase, then they cannot access the funds. That is because they would lose their innocent landowner provision under Part 201.

Mr. Wackerman stated if the applicant did not do the proper due diligence, they do not have access to the TIF. The other question was how the City determined whether someone was the cause of a release. If the release occurred during their ownership of the property, then it was pretty straightforward because they become the liable party. The problem is whether that can be proven, which can be a long-litigated, very difficult process, and hard to pin down. He was not aware of a good method to do that within a policy or a brownfield due to the cost and resource restrictions. He stated that other communities relied on the Michigan Department of Environmental Quality (MDEQ) to make that determination. The basic tool for that is the filing of the BEA.

Mr. Wackerman explained that some communities will require that the BEA be filed for affirmation, which means the MDEQ has to review the BEA and give a positive affirmation. He noted the draft policy did not include that provision, which might be a good change to include. In that event, the MDEQ goes through the process, not the City.

Mr. Delacourt stated that would be as opposed to just acceptance of the BEA by the MDEQ. Mr. Wackerman explained that it would be filed for either disclosure or determination. Disclosure was just that the BEA was sent and filed by the MDEQ. A determination is sent with a filing fee and the MDEQ provides a review of whether it is applicable.

Mr. Webber stated he liked that idea. He asked if developers would see that step as slowing the process down, or would give the impression that Rochester Hills was slowing the process down.

Mr. Wackerman stated it was required on grant applications. He noted it took a little bit longer to do this, but put the burden on the MDEQ. He thought it would be a good change to the policy.

Acting Chairperson McGarry asked if the submittal to the MDEQ for affirmation could be done in parallel with other things the developer was doing anyway, and not inhibit the process. Mr. Wackerman agreed, noting they had to file the BEA within 45-days. Most astute developers would file it before then so that if it came back with a denial, they would have time to make a remedy. A remedy is not permitted after the 45-day period. He did not feel it would add anything to the timeline.

Mr. Delacourt stated he did not see a downside to that requirement. The City could require that the BEA be filed for affirmation, and be affirmed prior to approval. That way the developer could start to work with the City even if the MDEQ requested additional information or for some reason needed longer to complete the review. He stated the City would not approve any final plan until the BEA had been affirmed. He commented that was better than simply requiring the BEA be submitted to the MDEQ, because that meant it was just placed on file and that provided liability protection, even though no one ever read the Assessment. Mr. Wackerman stated he would include that provision in the draft policy.

Ms. Morita referred to pages 5 and 6 of the draft policy, which included a schedule. She suggested the items be re-ordered so they were listed in week order, or the estimated time week order. Mr. Wackerman agreed they could be listed by date order.

Ms. Morita asked how much time the Authority would be given to review the documents and consultant reports prior to a meeting. She noted the plans could be quite comprehensive and difficult to get through, and she needed more than two days to get through them.

Mr. Delacourt suggested the Authority determine how much time they needed to review documents. Ms. Morita stated she was concerned that a schedule was being put in the policy but there did not seem to be any flexibility. She noted if there was a large plan, it would take more time for the Authority to review it, and more time should be allocated.

Mr. Delacourt noted that packets were typically provided on the Friday of the week before the meeting, but if the Authority needed more time, that could be worked out.

Ms. Morita stated she needed time to get over to City Hall to pick up the packet, even if it was ready on Friday. Mr. Delacourt stated if the Authority wanted more time that was not really something that had to be included in the policy. He explained that typically the developers are asked to provide their materials and documentation so that the packets can be prepared by the Friday prior to the meeting. If that time frame needs to be extended, the Authority can request Staff to do that.

Ms. Morita stated it depended on how many pages the Authority had to review.

Acting Chairperson McGarry asked if the projects could be categorized, such that category A was a relatively simple project, and might only require a week to review. However, if the project was larger, perhaps two weeks might be needed for review.

Mr. Delacourt stated that from a Staff standpoint, he would rather see the review time standardized. That way the developer can be told at the onset of the project that prior to being put on an Agenda, the materials and documentation had to be submitted two and a half weeks prior to the meeting date. He did not agree with some type of sliding scale, which would mean some projects only had to submit one week prior, while others had to submit two weeks before a meeting.

Ms. Morita stated she preferred to have two weeks for review. Mr. Delacourt stated that could be handled.

Mr. Wackerman stated he was conflicted about putting schedules in policies. In reading the notes from the joint meeting, the policy was intended to be as developer-friendly as possible. One thing developers always complain about is a lack of predictability in the schedule for a brownfield project. He noted if a large work plan was submitted to him for review, he would provide a summary for the Authority to review, which moved the process along.

Mr. Wackerman stated that the real problem with schedules is when the plan is not complete, or it comes to the Authority and there are significant questions and has to come back the next month. Some plans could go on for several months. It was his recommendation not to include a schedule in a policy. He had included the schedule in the draft policy based on the notes from the joint meeting about wanting to be developer-friendly and transparent. He noted that alternatively, the policy could simply state it usually takes four to six months to process, with an addition that applications had to be submitted to the City two weeks prior to a Brownfield Authority meeting, which are typically scheduled for the third Thursday of each month.

Mr. Delacourt explained that once a submittal is received by the City, it is reviewed by City Staff and/or consultants, usually within a week of submittal, with comments provided to the applicant.

City Staff does not just pass applications along to the Authority. City Staff may request changes or improvements with respect to Ordinance compliance or compliance with other standards, and the applicant is required to update their submittal and resubmit it to the City. The process continues until Staff is comfortable making a recommendation to the Authority, and the project is not scheduled for a meeting prior to that time.

Mr. Delacourt stated developers were advised that if time was an issue, all requested changes should be made the first time they are asked for. Developers are advised not to resubmit something without all the changes; let it be reviewed, and have the same set of comments generated back because the changes were not made. If the developer does not feel the changes are required, they are advised to schedule a meeting with City Staff to discuss them. He explained oftentimes developers indicate that was not how other communities did things, and simply brought back submittals that were not complete.

Ms. Morita suggested perhaps developers should be told to submit their documentation three weeks prior to a Brownfield Authority meeting. She noted with the last project, consultant summaries were submitted to the Authority the day of or the night before the meeting. She would prefer the plans be submitted to the City to get those issues ironed out, so by the time the Authority gets the plan, they are not getting consultant letters just prior to the meeting. She felt those summaries were important and had to be read, and she preferred not to get them the day before the meeting.

Mr. Delacourt stated that in some instances, a meeting has been scheduled, the public hearing noticed, and the packets submitted; however, an applicant makes changes after that has been done, causing the changes to be reviewed and comments provided on those changes. The applicant would not be permitted to submit information to the Authority that had not been reviewed, and pointed out that situation could not always be controlled.

Ms. Morita suggested perhaps the policy be worded to indicate that a project would not be scheduled for an Authority meeting until two weeks after the last changes have been submitted. She thought that was fair to everyone, and if the developer wanted to make changes, the meeting date would be moved as well.

Mr. Delacourt stated that in instances where a hearing has been noticed and scheduled, it became difficult to change the meeting date. He explained the Authority could do that after the meeting began by indicating they had received the information too late and would not make a recommendation at the meeting.

Mr. Wackerman stated that many communities have a drop-dead date. For example, one community specifies if the materials are not in by the Friday before the meeting, then it does not go on the agenda. If it is brought to the meeting, they simply tell them "forget it, you have to come to our next meeting" which is a month later. He thought it was important to communicate that to the developer, because if it is communicated, it is removed as a source of frustration. He suggested the timing of when materials should be submitted be included in the policy.

Ms. Morita stated she did not want to receive any documentation the day before the meeting.

Mr. Delacourt commented that the two brownfield plans that had come through the City were done outside the normal process. They were operating under Consent Judgments with time frames built into the Consent Judgment, taking control of some of the time frames away from the City. He did not think the policy should be built around those two projects because they were outside the normal procedure for a brownfield.

Ms. Morita appreciated the idea of adding a "drop dead" date to the policy. If it is not in by this date, the developer has to wait to the next meeting.

Acting Chairperson McGarry agreed submittal dates or deadlines were a good suggestion. If submittal deadlines were stated, that provided good grounds to postpone to the next meeting.

Mr. Delacourt agreed that would be helpful because oftentimes materials are submitted the morning the packets are being prepared. If it is written in the policy, it takes the submittal deadlines out of Staff's hands. Staff always tries to be flexible and work with applicants; however, if it is written, then the policy can be referred for the final deadline.

Mr. Wackerman stated he had heard two suggestions: One being two weeks prior to the Brownfield Authority meeting, and the other the Wednesday of the week before the meeting, and asked for clarification on which date should be included in the policy.

Mr. Delacourt stated that would depend on when the Authority wanted to receive their packets.

Acting Chairperson McGarry stated the Authority would like to see the packet two weeks prior to the meeting. Ms. Morita stated she would be happy with a week before the meeting, which would mean the applicant had to submit their materials two weeks before the meeting.

Acting Chairperson McGarry stated the Authority was trying to address the issue of last-minute submittals. He was not sure a drop-dead date could be incorporated into the policy relating to changes to the plans.

Mr. Delacourt stated he and Mr. Wackerman would work on some proposed language to address that situation. Mr. Wackerman stated it was specific to how the community wanted to operate. He noted some communities require submittal by noon on Friday, even if they call at 10:00 AM Friday morning and ask for changes. When the applicant responds "I'll get them to you by Monday"; the community will say if it is not submitted by noon, their project is bumped to the next meeting, which is usually the next month. He noted that was how rigid some communities were. He commented the City could choose to be that rigid or could choose to be more flexible. He heard the Authority saying they wanted the materials submitted two weeks before a meeting, but would entertain amendments up to a week before.

Ms. Morita stated up to the Friday before. Acting Chairperson McGarry indicated the Wednesday before.

Mr. Delacourt stated if the policy indicated the information had to be submitted two weeks before the meeting that was fine with Staff. If someone brought something in at the last minute that helped clarify something, he would still pass that along to the Authority. A deadline in the policy would give Staff some leeway with respect to submissions that were clearly too late.

Ms. Morita asked if there would be a drop-dead date for changes, such as a week before the meeting. She was concerned about additional information being submitted and wanted it to be very clear if something was being changed in the plan itself, those changes had to be submitted to the City at least a week before the meeting.

Mr. Wackerman suggested the policy state that materials must be submitted two weeks before; however, changes to any submitted documents must be provided the Wednesday before the meeting.

Ms. Morita stated the policy should also state: "or it will not be heard the following week".

Mr. Delacourt stated he could encounter that situation and be unable to stop the meeting because the matter had been publicly noticed. He pointed out the Authority could choose not to act on the matter at a meeting based on the changes being provided too late. He noted he could not prevent an applicant from proposing changes to the Authority, and once a public hearing had been noticed, it could be logistically more difficult to cancel the meeting, than it would be to allow the applicant to present the proposed changes, and let the Authority acknowledge it had received the changes but did not feel there had been enough time to review them and table the matter for a month. He commented that was the more likely scenario that would occur. However, if the deadlines were stated in the policy, it gave Staff some leverage and provided the applicant with the understanding that likely could happen.

Ms. Morita suggested another statement be included in the policy that indicated when there was a change proposed after the one week deadline, the Authority will most likely table that matter. Mr. Delacourt stated it could state the Authority reserves the right to table the matter.

Acting Chairperson McGarry suggested that the wording be crafted to indicate that clarifications could be submitted up to one week prior to the meeting; however, material changes to the plan had to be submitted two weeks prior. He thought there should be some type of delineation such that if it was information that resolved a question the Authority might have, rather than something that was a directional change.

Mr. Delacourt agreed if it was material that required additional review or substantially changed the plan. He noted it was hard for Staff to receive last minute changes that were technical changes because he was not be comfortable making a recommendation without review and input from a consultant. He explained what usually happened was that the consultant conducted an accelerated review, and the Authority received a review letter the night of the meeting.

Ms. Morita pointed out that scenario cost the City additional money in review fees. Mr. Delacourt stated the applicant would be charged for those review fees. He stated he and Mr. Wackerman would provide some proposed language.

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Ms. Morita stated she wanted to avoid the situation of a developer claiming the City was delaying a project because the consultant's had not reviewed something they submitted just prior to the meeting. She thought the developers had to be put on notice that there was an orderly procedure to follow; that the City expected things in a timely fashion, and if they did not provide things in a timely manner, they could not expect the Authority to act.

Acting Chairperson McGarry stated he had been at enough meetings where Staff had made the recommendation that the Authority not take any action. He agreed if something was stated in the policy, no one could come back and claim the City was being difficult.

Mr. Delacourt agreed putting something in the policy would be helpful.

Mr. Webber asked if the City Attorney would review the policy. Mr. Delacourt indicated the City Attorney would review the policy and provide comment to City Council.

Mr. Webber referred to the opportunity for public involvement and comment that is included in the draft policy, but asked if items #2 and #3 on Page 5 were not the same item. He explained Item #1 was the Brownfield Authority's review and public meeting, and the other would be the City Council public meeting.

Mr. Wackerman stated some communities held a separate public meeting, and some held a public meeting prior to the City Council meeting, and scheduled approval of the plan after the public meeting.

Mr. Webber asked if a public hearing was held. Mr. Delacourt stated the public hearing was held at the same meeting the Authority took action, making the City's formal process a two-step process. Ms. Morita noted item #3 should be changed to City Council's review of the plan. Mr. Wackerman stated he would revise the policy.

Mr. Wackerman asked if the Authority wanted to keep a schedule in the policy, or make additions for the submittal requirements, and then simply state it takes four to six months.

Ms. Morita liked having the activities included in the policy, and suggested they be put in the order they would occur. She suggested eliminating the estimated time line.

Mr. Webber asked if the estimated time line provided some level of certainty that the process would not be dragged out.

Acting Chairperson McGarry stated that ran along the lines of making the policy developer-friendly because one of the biggest complaints was uncertainty in the process. The time line lent some clarity into what to expect.

Mr. Wackerman agreed that was correct from a developer point of view, but asked if it made sense from the Authority's point of view to be held to that schedule. He thought adding the requirements for submittal fixed the problem of late materials, but having a schedule implies the developer can count on it. Typically, developers have everything planned out with a construction date they want to hit, and there will be times where the revisions take months, which clearly would be outside the schedule.

Acting Chairperson McGarry asked if it would be beneficial to state the schedule was representative, but include a comment stating that extenuating circumstances such as additional reviews, could alter the schedule.

Mr. Webber agreed with that suggestion. He thought if Staff agreed the time frame was reasonable for a normal plan, he would rather under-promise/over-perform. He did not want to cut the time frame too short, but thought it would be helpful with respect to a normal brownfield plan procedure.

Mr. Delacourt stated that from a Staff standpoint, either way would be acceptable. He suggested including a statement indicating that the time frame was dependent on the applicant providing complete information in a timely manner. He pointed out the time frame did not include the time the applicant's professionals needed to make changes and resubmit. He thought perhaps the time frames could be worded to indicate the time the City would take once complete and accurate information is submitted. He suggested including a statement indicating that for each individual review, the City would provide comments within 14 days; and once a plan is recommended for approval, it will be scheduled for the next available Brownfield Authority meeting.

Acting Chairperson McGarry agreed that might be a better way to state it. Instead of a calendar, rather when a certain event occurs, this is what can be expected.

Mr. Delacourt agreed, noting developers often forgot how much time their professionals spend on the plans before it is resubmitted to the City.

Ms. Morita stated the Authority had been talking about transparency a lot, but a proposed reimbursement agreement had not been made part of the policy. She thought it was important some type of draft agreement or document that stated what the City expected a developer to enter into at the completion of the process be provided *before* the developer began the process. She did not think it was fair for a developer to go through the process if at the end of the process, the City would throw an agreement at them containing many provisions; because if the developer had known beforehand the City was going to demand those provisions, they never would have gone forward in the first place.

Ms. Morita thought some of the policy concerns could be taken care of in that agreement. She explained if one of the issues was whether the developer was credit-worthy, there were certain things that could be included in the agreement in terms of requiring a letter of credit from a particular type of bank. If the developer knew at the beginning of the process they would not qualify for that type of letter of credit, they might not go forward with the project.

Ms. Morita stated if the City was going to require something like that, the developer needed to know ahead of time. She would like to see a draft agreement included in the policy that contained those requirements, so everyone knew what the City expected. She thought it would be helpful for the Authority because if the Authority knew that at the end of the process the developer was going to have to sign the agreement that contained those requirements, the Authority would not have to worry about whether or not the developer was credit-worthy.

Mr. Wackerman asked if the City had some example documents that were acceptable. Mr. Delacourt stated that a draft agreement could be created.

Mr. Wackerman stated he had two concerns about reimbursement agreements, noting that those agreements went way beyond a policy contract. More importantly, they required an attorney because it was a legal document. He noted he would be comfortable pointing out items that were necessary.

Ms. Morita stated if the document was not going to be attached to the policy, there should be a section in the policy that indicated the developer's agreement with the City will require you to enter in to a, b, c, d, e, f and g. If the developer is not prepared to do that, they should go away.

Mr. Delacourt stated that in the past, the developer's attorney would prepare the agreement, and the City would review the proposed agreement. He agreed that letting the developer know what the City wants in the agreement would make it easier for the developer's professional to prepare the document. He stated he could work with the City Attorney to create of list of items to include in the document.

Mr. Wackerman agreed a list of things to include would not be inappropriate for a policy. He stated most of the communities he dealt with included a sample reimbursement agreement. He noted that some of the sections were becoming controversial, such as claw-back provisions.

Mr. Delacourt suggested either a list of items to include be included to hand out with the materials for review, or a section could be included in the policy. He asked what the Authority wanted to see in the agreement.

Ms. Morita stated that other than the letter of credit/bond issue, she would like to see something in the agreement that gave the City an "out" if there was a legislative change that increased costs to the City. She explained she had reviewed House Bill 4084 of 2009 that was pending that may increase costs for the City in terms of monitoring the situation. She stated the legislation would require counting how many new people are working at the site, or making sure they are all Michigan residents.

Ms. Morita stated she would also like to see the agreement include a provision that if for some reason the property owner decides to sue the City and the Tax Tribunal over the value of property, the agreement should become null and void. Also, the developer would have to pay the City back for all monies they had received.

Mr. Delacourt stated he would check with the City Attorney about those points.

Mr. Wackerman asked if Ms. Morita was referring to just a lawsuit or any type of challenge of the assessment. Ms. Morita clarified if they challenge the assessment in the Michigan Tax Tribunal.

Mr. Delacourt clarified the property owner could come to the Review Board and if the Review Board made an adjustment, that would be fine. However, if they appealed that to the Tax Tribunal, then they lose their TIF rights, at least going forward, with a potential for claw-back.

Mr. Delacourt stated he liked the suggestion. He commented it had always been an issue because although the developer estimates the total value of the project, the City does not just accept that estimate. The City looked at whether the developer actually built what he said he would build, which is what the City will assess on. The City knows how much less it will be than what the developer actually sinks in to the project. Therefore, the amount of TIF the developer is initially estimating will never be generated.

Mr. Dawson stated the duration was limited based on the developer's estimate, and if the developer goes beyond that, it is at the developer's expense. If the developer challenges that in the interim, and the value is much lower than they predicted, it was at the developer's expense.

Mr. Delacourt commented there was always a disparity between what the developer first projects for the assessed value and TIF generated, indicating they will pay back the eligible activities in five years, so the City can cap at five years. However, as the project progresses the assessed value drops, and the developer indicates the cap cannot be at anything less than ten or twelve years.

Mr. Delacourt stated that if the project is sold, the new owner is not getting the TIF, and they could come in and challenge the assessment.

Mr. Wackerman stated the draft policy states under 5(j) on page 4 that the brownfield plan duration will be three years beyond the capture period for the City's local revolving loan fund, or a maximum of 30 years. Based on the discussion, he suggested a statement be added to reflect that the payback will be limited by the years.

Mr. Delacourt suggested it be limited by the developer's estimate. He thought it was discretionary on the City's part to limit the number of years.

Mr. Wackerman commented that the number of years issue comes up all the time in the policy decisions and what is a reasonable amount of time. Some communities decide to limit it to a ten to fifteen year window instead the full thirty years. He stated that did not come up at all during the discussion at the joint meeting, although that question was not asked specifically. He explained the draft policy indicated the developer came with a plan; they said "x" number of years, and that is what they got.

Mr. Delacourt stated the plan could be $100,000.00 or $30,000,000.00; putting a blanket estimate on it when the City had no idea what the development was going to be, how much TIF it would generate, or what the property value would be at the time. He liked the idea of the developer providing an accurate estimate, and the City determining if that was reasonable, and limiting it based on what their projection is. He agreed a proposed cap could be included if that was the direction the Authority wanted to take.

Acting Chairperson McGarry questioned if there was a benefit to having a shorter period of time capped, perhaps depending on project size. He did not see that there was a benefit to either the City or the Authority.

Mr. Delacourt stated the Authority always had the ability to do that. The Authority can say they like the project, but have decided to limit it to ten years. In that manner, the developer would be given ten years worth of whatever they could generate, and the City would cap it at that.

Mr. Wackerman stated the City was not obligated to fund the entire requested amount. He noted the benefit to the Community would be that it goes back on the tax rolls faster. He was seeing more of a backlash against TIF funding because communities wanted it back on the tax rolls as quickly as possible.

Mr. Delacourt stated it was an Authority and City Council decision. He thought the City had an interest in seeing people be honest up front with what they think the project will generate, and when they would actually have build-out. Oftentimes, the proposed plan indicates a 100% build-out at year one and assessed value, which is what they base their TIF estimates on. In reality, it takes six years to build out and in the interim basically nothing is generated. He thought it was in the interest of the City to evaluate it in an honest estimate, rather than from a "best case" estimate. He was very comfortable with the Authority and City Council making a case-by-case determination.

Mr. Webber asked if the Authority should review the proposed Application form. Mr. Wackerman suggested that next the Authority review the Policy section by section. Mr. Webber noted that three Authority members were absent from this meeting, and he thought their viewpoints should also be included.

Mr. Delacourt stated he would provide the minutes to the three Authority members, and ask them for their thoughts and comments. As it appeared there were enough significant changes to the draft policy, he suggested the policy could be brought back before the Authority one more time, before the Authority makes any recommendation to City Council.

Mr. Wackerman referred to the first section of the draft policy, Introduction, and stated he wanted to be sure the four items really represented the objectives of the brownfield incentive program in the City. He read the four objectives, and stated he tried to include the comments made at the joint meeting in those objectives. Not as a strict rule, but as a guideline for developers. He asked if the objectives accurately reflected the Community. The Authority indicated they did.

Ms. Morita asked if #3 should not only provide for an increase in taxable value to the property that is affected, but also to the surrounding area. She thought it should be beneficial to everyone, as opposed to just the particular property.

Mr. Delacourt asked "what if it doesn't".

Ms. Morita thought she would be less inclined to be in favor of a redevelopment that only benefited that particular property and did not provide any benefit to any of the surrounding properties.

Acting Chairperson McGarry asked how "benefit" would be defined. Whether it was purely a financial benefit, or was it a desirability benefit that accrues to the surrounding properties that could not be defined.

Mr. Delacourt commented a former gas station or former industrial site was being redeveloped, where the remediation of some underground tanks and the development above it increases the taxable value of that property, but has no substantial effect, positive or negative, to any of the surrounding properties.

Acting Chairperson McGarry noted other than the fact it would be nice that it was gone.

Mr. Delacourt stated one could make the assumption, although some may not like the above ground development; some may love it; some may perceive it as a negative because they would not want to live there with that development, and others would be happy it was there because they could walk to it.

Ms. Morita commented if there was a run-down gas station on a corner and it was replaced with something that was not run down and was operating and not vacant, that should be perceived as an upgrade as opposed to having a broken down gas station that everyone is presuming is contaminated which prevented redevelopment. She thought that would affect the neighboring properties.

Mr. Delacourt asked if that was something that belonged in the policy itself. The policy would state that it should have an impact on the value of surrounding properties.

Ms. Morita was not sure the policy should say "impact on the surrounding properties" or say "it lessens the deleterious affect of the property on the surrounding properties". She commented it could not just be a taxable value increase to that particular property as she did not think that was enough in considering whether or not TIF should be granted.

Mr. Wackerman stated the discussion had segue-wayed from taxable value to affect. He summarized the comments he heard, both because of timing and measurability, does it make sense to have an increase in taxable value to the property and a beneficial affect in the area.

Ms. Morita responded she thought that would be fair.

Mr. Delacourt stated that from a devil's advocate perspective "beneficial affect" is certainly going to be in the eye of the beholder. He asked if "beneficial effect" was that it was cleaner environmentally, but you have a drugstore on the property. He commented some would say they do not care about the drugstore, they were just glad the ground was cleaned up. Others would say they would rather see it sit the way it is because it is not getting any worse and live without the drugstore.

Ms. Morita stated it was important to have the discussion and she would welcome resident comments. Mr. Delacourt noted the question was if that should be stated in the policy, because it would be included in the policy without a measurable. He pointed out the discussion always takes place.

Mr. Webber pointed out that it would not be known whether the taxable value to the surrounding properties had changed. He noted the argument was made all the time that "my taxable value will go down if City Council does x, y and z", but no one could predict the future.

Ms. Morita stated that "taxable value" and "value" were two different things because taxable value was limited by statute in terms of how much it can go up. She thought something should be said such that "not only must there be an increase in taxable value to the property itself, but there has to be some other beneficial affect on the surrounding area".

Mr. Wackerman noted that stating it that way provided a lot of flexibility, but the problem was not only from the point of view of a drugstore versus a gas station, because some people would consider the drugstore to be worse than the old gas station, but there was also a timing question. If you prescribe to the broken window pane theory of redevelopment, that says "if you fix that gas station, other great things will happen" no matter how you fix it, the answer is "yes, but how long will it take". Therefore, how do you measure it - does it take two years, or if it takes eight or twelve years, did it really happen?

Mr. Wackerman stated the other thorny part of it is that the Environmental Protection Agency (EPA) did an interesting survey of people who lived next to Superfund sites, which were the worst sites in the country. They asked what their number one concern was, and their number one concern was the noise from trucks. It was not contamination, death or chemicals, it was the noise from trucks. The whole idea of "beneficial value" is a really tough thing to measure. He thought if a statement was included in the policy, it would open the discussion.

Mr. Delacourt stated that the discussion would always take place, whether it was written in the policy or not. Some would say it was a benefit, some would say it was not, and both the Authority and City Council would end up having the discussion.

Mr. Delacourt noted that if the Authority wanted some determinable factor in the policy, it should be decided what that was and really look into to it to make sure it would work.

Mr. Wackerman indicated he had edited the policy to state: "provide an increase in taxable value to the property and a beneficial affect in the area that would not have occurred without the incentives".

Ms. Morita thought the statement could read "potential beneficial affect" because no one knew what would happen in eight years.

Mr. Wackerman referred to last paragraph at the bottom of Page 1 and the interest issue. He explained he had kept it very loose in stating "In addition, interest costs associated with these eligible activities may also be eligible for tax increment financing, based on the size of the project, the anticipated repayment period, and the assistance required. The eligibility of interest costs will be determined on a case-by-case basis", which was very, very general. The problem with it was that every developer would request interest, negating that portion of the policy. He asked if the Authority wanted to be specific about interest.

Ms. Morita thought the discussion at the joint meeting indicated that no interest would be given except under limited circumstances, with the interest being very limited.

Mr. Wackerman stated that was not clear from his notes taken at the meeting. He indicated there was a desire to be flexible, and his notes reflected: "it should be considered on a case-by-case basis"; "not necessarily interested in funding their costs"; "by exception basis, or maybe cap it"; "no, but if given, it will be capped", which reflected many variables. He stated some communities simply say no; some communities say yes, but no more than 3% above the Federal rate; some communities that say only if it exceeds ten years; and there were many ways to handle it. He thought developers would prefer the paragraph in the draft policy as it provides flexibility, but he recommended the City include something more specific.

Mr. Delacourt asked if the policy should be more specific, and if the Authority had a general direction they preferred, such as "yes, for a certain amount"?

Acting Chairperson McGarry referred to the comment about a certain percentage above the Federal rate, or somehow including a cap. He thought a developer could cite expensive financing that would materially affect the payback period. If it could be tied to a very recognizable benchmark, it would provide some restriction.

Mr. Delacourt asked if Mr. Wackerman had seen instances where the community said "no interest" and the developer would not start the process because the community would not consider interest.

Mr. Wackerman stated he had never seen a developer walk from a brownfield incentive deal because interest was not provided.

Ms. Morita referred to the minutes from the joint meeting, and pointed out Mr. Rosen had said "no interest"; Mr. Ambrozaitis said "case-by-case basis"; Mr. Casey said "this was an area for negotiation"; Mr. McGarry said he "questioned whether there should be a cap"; Ms. Morita said "no, but if it is given it should be a cap"; so she thought of the members who spoke at the meeting, the general consensus was either no or very little or a cap.

Acting Chairperson McGarry asked if it made sense to say "generally we do not pay interest, but on a case-by-case it could be reviewed" so the developer would actually have to present their case as to why.

Mr. Delacourt stated he would say no. The City's policy is no interest, but with this caveat, the applicant may request of City Council under certain circumstances. He thought it was more of a City Council issue rather than an Authority issue, although City Council would want to hear the Authority's opinion. He suggested a statement that said: "The general policy of the City is no interest", which did not prevent applicants from requesting interest. He commented if it "makes or breaks" their project, it would not prevent them from asking. Or the policy could state under certain circumstances, it can be requested, but it would be beholden upon the applicant to demonstrate why that will make or break the deal.

The policy could state that the Authority or City Council may request additional information to demonstrate why it is necessary. Which may allow the Authority and/or City Council to ask about the applicant's financials or why it was necessary, in order to be satisfied before interest is given.

Acting Chairperson McGarry thought if the policy stated it had to go to Council, that "upped the ante" in terms of the applicant's ability to demonstrate and prove why it is required.

Mr. Delacourt noted it also let the applicant know right away that before they submit a full plan to the City, and before it is reviewed, the applicant needed to ask that specific question and have that discussion before four to six months had been spent reviewing a brownfield plan based on interest that the applicant might not get.

Mr. Webber asked if it made sense or would sound more flexible if the policy was worded "eligibility of interest costs could be determined on a case-by-case basis; however, it is the City's policy...". He asked if that was a better way to word the policy.

Mr. Delacourt stated it was better because it did not start off as "no".

Acting Chairperson McGarry thought the policy should start off saying "no", rather than starting off with "we might look at it". It was stronger for the developer to know the City did not give interest, or the developer had to do something extra to demonstrate a reason for receiving interest.

Mr. Delacourt stated the general comment he had heard in the past is "we really don't want to pay interest, but we don't want to kill the project before they walk in the door". If that is really the deal-breaker, the City did not want to be so strong in their stance, but it was something the City would rather not include as an eligible activity. The feeling he had gotten was that the general answer was "no" until the applicant demonstrated why, then the City considered that something above and beyond what the City was willing to do.

Mr. Wackerman asked what the circumstance would be, and explained he was looking for something to include in the policy. He asked if it was a financial need assessment.

Mr. Delacourt commented it went back to the comment made at the joint meeting "but for...., this would not happen", and suggested it would be stated that the City did not do this as a matter of policy, unless the applicant can demonstrate why.

Mr. Wackerman asked if it should be tied a Federal rate, and if that was the case, it would be no more than three percentage points above the Federal rate.

Ms. Morita thought it would be less of a cap than that. She pointed out the Federal rate could be at five (5%) percent. She stated Council would have to decide what they were willing to agree to, keeping in mind how much money the City makes on municipal bonds. She noted Council might want a two-percent cap or even a one-percent cap.

Mr. Delacourt suggested the policy could just state "it will be capped" and would be based on an analysis. That would let the applicant know there would be a cap, either a potential cap on years, percentage and/or dollar amount.

Mr. Wackerman was not sure from a developer's point that any of that changed what the policy already said. He thought any developer could absolutely show need on any project. He noted this was the toughest section of the policy. Mr. Delacourt agreed that interest was the toughest question for every brownfield project he had been involved in.

Acting Chairperson McGarry asked if the policy should say nothing more than "it is the policy of Rochester Hills not to pay interest". He asked if developers read that, would they still come and ask if there was a way around that. Mr. Delacourt agreed developers would ask if they could request it. Acting Chairperson McGarry thought that if someone had an attractive project, they would not necessarily look at that one line in the policy and walk away.

Mr. Delacourt thought it would be the very rare instance that if a developer was evaluating two potential sites for a development, they would compare one city's policy against another and decide to start elsewhere because a city would or would not consider interest, all other things being equal.

Mr. Wackerman stated he had never had a client do that, and he had never seen the whole concept of a developer in Michigan playing two sites against each other for brownfield tax credits. Generally, they were coming to a community based on the location, and they want to make the best deal they can make. He commented that he had a client with Thirty Million Dollars in tax credits, that came back two years later and pointed out they had not asked for interest. He advised them that the reason was because the community was not going to give it to them. The developer went back to the community and asked anyway, and the community said no. His point was - that was a 25-year, $30 Million Dollar deal that no one even thought about interest on until two years later. From his perspective, interest was not the issue. The issue is that the City is willing to cover eligible expenses and eligible investments and make the deal as good as possible. The developer is there because they like the property, the City and the neighborhood.

Acting Chairperson McGarry asked if the City suggests that it is willing to consider interest, it becomes an open invitation for developers to ask. Mr. Wackerman replied that if interest in not addressed in the policy, some developers would not even question or ask for it. If interest is addressed in this way, everyone will ask for it.

Acting Chairperson McGarry agreed with Mr. Webber that the other Authority members who could not attend this meeting should provide their thoughts, but indicated he leaned toward just saying it was the City's policy not to pay interest and that was the end of that. He asked what the other Authority members who were present thought.

Ms. Morita stated she was in favor of that. Mr. Karas clarified that meant a "no interest" statement period. Acting Chairperson McGarry pointed out it appeared that if someone wanted to forge ahead with a project, it would not deter them from asking. At least if the policy said "no", it was not like they were not warned.

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Mr. Delacourt commented that way the developer could factor that in ahead of time. Many times developers were more interested in knowing what the rules were ahead of time, than they were in arguing about it. He suggested the language in the policy would read as a no statement. It can always be reconsidered during the next review by the Authority or by City Council when they review the policy.

Mr. Wackerman reviewed the Eligible Projects section of the policy. He pointed out the first two were fairly straightforward - it had to be located in the City and had to be a facility because the City was a non-core community. He stated he added specific requirements that the developer has or will submit a Baseline Environmental Assessment (BEA), and clarified that based on prior discussion the words "for affirmation" would be added. The statement "the development would not occur without the incentives" covers the "but for..." position. Also, in some way the development will ameliorate threats to the public health and environment caused by site conditions through remediation, mitigation or control.

Mr. Wackerman pointed those provisions out because the policy requires that all five (5) be conditions of eligibility. He stated he kept #5 broad enough so that if someone is simply putting a parking lot over contamination, it applies because it is a mitigation or control remedy.

Mr. Wackerman discussed the reasons a project would not be eligible for brownfield credits. He stated Item #2 was included because of the innocent

landowner requirements and noted that under CERCLA, a Phase I was required at the very minimum to be innocent.

Mr. Wackerman discussed the bulleted items listed at the bottom of Page 2 and the top of Page 3. He noted he included those as suggestions, and stated the items could be evaluated and ranked. His recommendation, given the need to be developer-friendly, is that the items be listed as things that would be looked at, but that numeric values not be assigned to them, or have a strict regime. Rather, this puts the developer on notice that these are things the City is interested in.

Ms. Morita asked if something should be added regarding the potential beneficial effects on the surrounding area, as discussed earlier in the meeting.

Mr. Wackerman noted that the second to the last item stated "If the investment will provide an incentive to other development in the area". Ms. Morita stated that was not the same as providing a potential beneficial affect. She thought an additional bulleted item should be added stating "the potential beneficial affect on the surrounding area and the community as a whole".

Mr. Webber asked want was meant by "proximity to other incentivized projects". He asked if that meant it was across the street from another incentivized project, it was not eligible.

Mr. Wackerman stated that incentives are sometimes viewed as causing clusters, so an incentivized property, by its nature, is supposed to incentivize the adjacent properties. He noted the Michigan Economic Development Corporation (MEDC) explicitly looks at this and whether it works. If that is true, then putting two incentivized projects right next door to each other does not improve the ability of getting those clusters around the City. The idea of that, and the idea the MEDC has, is a community won't incentivize a project next to a project that was just incentivized because it is supposed to incentivize the neighborhood on its own.

Mr. Webber asked "what if it had the same contamination brownfield issues and they need some incentives to clean up that site". He asked how that came into play.

Mr. Wackerman agreed it was sort of a gap need. He stated it did not eliminate the possibility.

Acting Chairperson McGarry stated the policy says this is one of the criteria the City might look at, but did not say "if you're next door, you're out of luck".

Mr. Webber thought it could be read as "they just incentivized the parcel right next to my parcel, does that mean I don't qualify". He thought it could be made to read more clearly.

Mr. Karas asked how that would affect the existing parcels in the City, such as the NE Corner of Hamlin and Adams, and the Madison Park projects. Mr. Delacourt noted they were across the street from each other.

Mr. Karas asked if that would be a detriment to development. Mr. Delacourt questioned if a project would score higher or lower, depending on whether it was closer or farther away. He assumed, based on Mr. Wackerman's explanation, that if it is closer to a previously incentivized project, that it would rank lower. He thought it should be clarified as to why.

Mr. Wackerman commented that perhaps because it was ambiguous, it should be removed. Mr. Karas pointed out the School Road area of the City where there were several adjacent parcels. He thought that requirement would defeat the purpose. Mr. Wackerman suggested the item be removed from the policy.

Mr. Wackerman stated that the application process was pretty straightforward, but noted he added to Steps 5 and 10 some specific requirements for submittal of the brownfield plan and the 381 work plan. He noted this had not been discussed at the joint meeting, but were things he felt fairly strongly about in terms of standardizing the information provided to the City. He stated this was the section of the policy to include any specific items the City always wanted to see. He thought it would make the review easier, and commented he had seen a number of brownfield plans that did not include the basic information that allowed a decision to be made. He was trying to indicate that Act 381 had to be followed, but for the City's purposes, if the City is going to review it, these items must also be included.

Mr. Wackerman asked that Staff review the listed items and decide if there was anything else that should be submitted, or that should be included under the Application Process.

Mr. Wackerman referred to the Fees section on Page 5, and explained he had retained the $2,500.00 fee but made it payable when the brownfield plan is submitted. He also included an administrative fee paid from the tax increment financing, and that an estimate of that fee would be provided at the initial meeting.

Mr. Wackerman noted that the fourth paragraph under the Fees section included a provision that the City would provide a review fee estimate that would cover technical, legal and administrative costs of reviewing the 381 work plan at the initial meeting.

Mr. Webber thought it was a good idea to include the required MEDC application fees. Mr. Wackerman commented that many developers did not know that a fee would be required by the MEDC.

Mr. Wackerman referred to the application form, and explained the first page was the same form the City had been using. He then created two sections, with the first section being the project information section. He referred to the third question under Project Description "Why does the project need incentives? Are there excess costs or market conditions that make investment difficult?" He explained this related to whether this was a gap financing tool.

Mr. Wackerman referred to the last question under Project Description "Describe basis for brownfield designation under Part 201". He noted that at this point in the process he did not anticipate that the City would have received the BEA, although eventually it would have to be submitted as part of the process.

Mr. Wackerman referred to the third page of the application form, which described the evaluation criteria, such as square footage, leasing, number of jobs created, and investment per square foot. He discussed the inclusion of the question under Construction Description that asked "Will the project promote mixed used development, walkable communities, sustainable development or increased density". He stated that was included for the MEDC process, and many communities with an urban agenda liked to promote this as well. He commented that what was happening in suburban communities is what is called "urban-suburbia" which is the idea of increasing density around small or new downtown areas. He stated the question could be removed if necessary.

Mr. Wackerman referred to the "LEED" question, and stated he included it because many communities liked to see that to gauge what was being done to improve environmental impacts.

Mr. Wackerman referred to the last question about "any other overlay districts". He stated he has found that developers did not think about other overlay districts or how they compete or work with the brownfield incentives. He commented if a project was in a DDA district, it would not receive brownfield TIF incentives.

Ms. Morita referred to the various overlay districts and suggested only those districts available in the City be included. Mr. Webber pointed out the City did not have a DDA. Mr. Delacourt verified the City did have a SmartZone, but did not have a Renaissance Zone or Tool and Die Recovery Zone. Mr. Wackerman asked if the City had an NEZ, but pointed out that could be established. Mr. Delacourt suggested that be left in the form. Mr. Wackerman asked if the City had a Commercial Improvement Zone, which it does not. Mr. Delacourt suggested the LDFA be added.

Ms. Morita stated she liked the question that asked if the project would promote mixed used development, etc. She thought that related to the benefit to the surrounding area. She suggested an additional check-off box could be: will you improve the overall look of the area.

Mr. Wackerman referred to Page 4 of the application form, which requested investment information, or what the applicant was requesting. The form requested information about the general activities and the eligible activities. He pointed out he left demolition and lead or asbestos abatement on the form, noting he did not go into a long discussion in the policy about the circumstances under which those particular benefits may accrue. He indicated that perhaps those line items should be eliminated so it did not become an issue.

Ms. Morita thought the discussion held at the joint meeting indicated that was something the City wanted to consider as an eligible activity. Mr. Wackerman commented only under the circumstances in which they would apply. Mr. Delacourt suggested an asterisk be added to those items and include a statement on the form that additional requirements may apply or have the applicant identify where they apply.

Mr. Webber referred to Page 3 of the application form, and asked if any communities were providing incentives on green building or LEED certified projects. Mr. Wackerman stated it was becoming more of an issue for the MEDC and whether or not they would provide MEDC credits because they wanted green and sustainable development. He noted there was also a movement to allow LEED, green or sustainable development costs to be eligible activities, although he did not know the status of that legislation. He stated that was being pushed on the State level through the MEDC. Currently, it was not an explicit line item anywhere, but he thought it would become one.

Mr. Delacourt stated that no City-based incentives were provided other than the City encouraged it and worked with it. If a developer was willing to propose a LEED project, the City would work with them. The City was finding LEED was starting to live up to its reputation as being cost-effective to build. Developers were building that way without being asked to do so.

Mr. Wackerman stated that the box at the bottom of Page 4 of the application form was just a restate of the four key items from the policy and a place for the Authority to write notes.

Ms. Morita requested that that section be changed to match the changes made to those items in the policy document.

Acting Chairperson McGarry asked for any other thoughts, comments or questions from the Authority.

Mr. Webber suggested that the minutes from this meeting be provided to the Authority members who could not attend this meeting to solicit their thoughts and comments. He thought the Authority should review the revised policy one more time. He noted it was a Council objective to establish this policy.

This matter was Discussed

9. ANY OTHER BUSINESS

Acting Chairperson McGarry asked if there had been any interest in any new brownfield projects. Mr. Delacourt responded "no". He commented everyone was looking for stimulus money. It appeared some money would be put into the existing State Revolving Fund and perhaps the existing brownfield projects in the City would try to receive some of those funds through the MDEQ.

Ms. Morita asked for an update on the two brownfield projects in the City. Mr. Delacourt stated that the NE Corner Hamlin and Adams project had been hours away from receiving a permit from the City to begin moving earth and remediating that site; however, they backed off at the beginning of December. They called and asked that the City stop processing as the project was being put on hold.

Mr. Delacourt stated that the REI project had done some dynamic compaction testing on the site and some settlement testing on the site, which they were evaluating. The City had not heard anything further since the testing was done. He knew they wanted to do one more round of testing that would involve a surcharge or piling dirt on the site and leaving it there to survey it to see what the compaction rates were. The City required a Land Improvement Permit because of the amount of dirt involved. He did not know if they were going forward with that testing and stated they had not requested any TIF dollars for this investigation.

Acting Chairperson McGarry asked how long a test like that would take. Mr. Delacourt stated the forced compaction test was done quickly; the surcharge test would take about six months to a year to obtain any useable data. The City was encouraged to see them doing more investigation of that type to find out what impact the development would have, and that they were still doing some due diligence and investigation.

Acting Chairperson McGarry called for any other business. No other business was presented.