

**CITY OF GRAND HAVEN
GRAND HAVEN, MICHIGAN
ECONOMIC DEVELOPMENT CORPORATION
BROWNFIELD REDEVELOPMENT AUTHORITY
WEDNESDAY, DECEMBER 6, 2023 at 2:30PM**

The Special Meeting of the Economic Development Corporation/Brownfield Redevelopment Authority was called to order at 2:32 pm by Jim Bonamy in the City of Grand Haven City Council Chambers, 519 Washington Avenue, Grand Haven, MI 49417.

Present: Brook Bisonet, Jim Bonamy, Mike Fritz, Joy Gaasch, Eric Schmidt, Bill Van Lopik

Absent: Tom Braciak, Bob Monetza, Linda Weavers

Others Present: Emily Greene, Ashley Latsch, Tim Price, Brian Urquhart, Elizabeth Butler, Kirk Perschbacher

APPROVAL OF AGENDA

Motion to approve by Gaasch, seconded by Fritz to approve the agenda as submitted.

Ayes: 6

Nays: 0

This motion carried unanimously.

CALL TO AUDIENCE

Jim Hagen, 400 Lake: Commented on the use of Tax Increment Financing (TIF) funds.

NEW BUSINESS

Kirk Perschbacher, Senior Brownfield Specialist from Fishbeck, presented the Diesel Plant Property Brownfield Tax Increment Financing (TIF) Plan for 518 S Harbor Drive on behalf of the developer Grand Power Works, LLC. With the passing of an 8-year Obsolete Property Rehabilitation Act (OPRA) exemption at City Council on December 4, 2023, Grand Power Works is requesting a 16-year TIF for eligible activities, accompanied by a 4 year TIF capture for the Local Brownfield Revolving Fund. The taxable value of this parcel has historically been \$0. The initial taxable value for the parcel will be \$499,000 prior to rehabilitation. Layering the 8-year OPRA and 20-year TIF will consist of:

- In years 1 to 20, the parcel will pay taxes on the assessed value of \$499,000.
- In years 1 to 8, the OPRA will abate local taxes on the redevelopment.
- In years 1 to 8, State taxes will be captured to reimburse eligible activities and costs in the Brownfield TIF plan.
- In years 9 to 16, or after the OPRA is completed, local and state tax increment revenues will be captured for TIF reimbursement.

The eligible activities include public infrastructure improvements, site preparation, work plan, A/E related to eligible activities, demolition and abatement, pre-demolition surveys, demolition on interior engines/pipes, and vapor intrusion/due care totaling \$960,000.

Conversation occurred around the likelihood that a Brownfield TIF will be requested for any development on this parcel due to the significant environmental challenges.

A question was submitted by Weavers via email prior to the meeting regarding the allowable interest rate reimbursement to the developer. Discussion took place about why interest is requested, and what the guidelines are in using it. In the Plan, the developer is requesting a 5% simple interest rate. Statutorily, 5% interest is standard, although it is negotiable. Setting the interest rate is at the discretion of the Authority. Historically, the City of Grand Haven has used the interest rate based on the request submitted and 5% interest is consistent with obsolete properties that the BRA has done and is common Statewide. Ottawa County has a maximum rate of 5% and Muskegon also uses 5%. The cost to the developer to borrow the funds is higher than the 5% interest rate they are requesting.

Moved by Gaasch, seconded by Schmidt, the Brownfield Redevelopment Authority recommends approval to the Grand Haven City Council for the submitted Brownfield Plan at 518 S. Harbor Drive.

Roll call vote:

Ayes: 6

Nays: 0

This motion carried unanimously.

ADJOURNMENT

Motion to adjourn by Bisonet, seconded by Schmidt, carried unanimously. The meeting adjourned at 3:01pm.