

Bay City Brownfield Redevelopment Authority Meeting
February 25, 2025
Meeting Minutes

CALL TO ORDER

A meeting of the Brownfield Redevelopment Authority (BRA) was called to order at 4:00 p.m. by Chairman Steve Black.

MEMBERS PRESENT: Steve Black, Todd Clements, Mike Debo, Mitzi Dimitroff, Timothy Beckman Jr., David Huiskens, George Martini, Dana Muscott, and Jim Reaume.

MEMBERS EXCUSED: Gary Glaza, Mike Stodolak, Adam Webster, and Patrick Winningham.

MEMBERS ABSENT: Bruce Falcon.

OTHERS PRESENT: Shelli Thurston and Amy MacDonald with the City of Bay City.
S. Thurston stated that Wayne Hoffman has resigned from the board.

PUBLIC HEARING:

Brownfield Plan Amendment #1 for the Water Street Lofts Project

S. Thurston stated a Public Hearing is needed to consider the amendment to the brownfield plan for the Water Street Loft project. The project is located at 114 First Street, 1201 Washington Avenue and 1210 N. Water Street.

No public were in attendance.

Discussion was held on the changes to the Brownfield Plan. The changes are to be in accordance with MSHDA's Housing TIF program. S. Thurston distributed a summary of the changes that were made. The changes included information for the housing property eligibility and community housing need, addition of the potential rent loss gap cap and total housing subsidy, clarification of the number of units and types, and how many will be 120% AMI. Additionally, the base value has changed because the original plan didn't account for the demolition of the building that has already taken place, which is allowed under the brownfield program. It was also determined that MSF/MEDC did not need to be part of the plan, so they were removed in the amendment. These changes increased the amount of reimbursement to the developer by close to \$100,000.

S. Black asked for a review of how many units will be in the project. S. Thurston stated they are constructing 89 units with 88 units offered at 120% LMI or below. For rent amounts, all of Bay County is used to determine income levels for the MSHDA rent caps. Rent will be 30% of the income for a family. MSHDA requires a determination in rent gap in all units and the subsidy they are eligible for. This plan will be over \$17M, but that amount will not be reached due to the plan stopping in 25 years to be reimbursed. The Brownfield Plan requires them to stay at 120% AMI for the entire life of the brownfield plan. Annual certifications are required.

Discussion was held on how much is diverted each year from the plan to the revolving loan fund. The plan assumes capture for the last 5 years of the plan for the revolving loan fund, which is estimated at \$2M. If we wanted to capture some revenues along the way, a 5% capture each year would net another \$600,000 for the revolving loan fund but the developer would be shorted this amount in reimbursement. Concern was expressed that this change would add risk to the developer.

S. Thurston discussed what other counties do for their capture in a brownfield plan. Most take more of a percentage in their administrative fee in lieu of having an annual contribution to the revolving loan fund. We are capped by Act 381 of 1996 for how much we can take in admin fees annually, which is based on

the number of brownfield plans. We are currently very close to that cap. Therefore. S. Thurston gave her opinion that there isn't an advantage to increasing the admin percentage, but adding more per year to the revolving fund could be helpful.

Motion made by M. Dimitroff, seconded by T. Beckman to have staff come back with an updated policy with 5% in revolving loan fund contribution per year for the board to consider.

The Public Hearing was closed.

APPROVAL OF MINUTES

S. Thurston asked the board to review the portion under January 28th, 2025, "Old Business" regarding the revolving loan interest rate floor.

Motion by J. Reaume, seconded by D. Muscott, to approve January 28, 2025, meeting minutes. Motion carried.

M. Dimitroff made a motion, seconded by D. Muscott, to work on clarification of the interest rate floor with the bankers on the board (Debo, Stodolak, and Clements) and bring that to the next meeting. Motion carried.

REPORT OF OFFICERS:

No reports of officers.

OLD BUSINESS:

No old business.

NEW BUSINESS:

Brownfield Plan Amendment #1 – 114 First Street, 1201 Washington Avenue and 1210 North Water Street – Water Street Lofts

Motion made by T. Clements, seconded by T. Beckman to approve the Water Street Lofts Brownfield Plan Amendment #1. Motion carried.

OTHER BUSINESS

No other business.

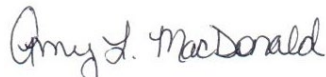
ANNOUNCEMENTS

Next meeting is April 15, 2025. Agenda items include elections of officers, budget approvals for the FY26, and proposed changes to the Brownfield Policies and Revolving Loan Policies.

ADJOURNMENT

Motion made by J. Reaume, seconded by D. Muscott to adjourn at 4.26 pm. Motion carried.

Respectfully submitted,



Amy MacDonald, Recording Secretary