

Van Buren County Brownfield Redevelopment Authority

Donald Hanson Board of Commissioners Room

Van Buren County Administration Building

219 E Paw Paw Street, Paw Paw, MI 49079

March 19, 2025 – 3:30 PM

MINUTES

I. Call to Order and Attendance

Chair Kate Hosier called the meeting to order at 3:30 PM.

Present: Kate Hosier, Lisa Phillips, Cynthia Compton, Katie Strohauer, Zach Morris, Dr. Patrick Creagan, John Young, Bryan Myrkle. **Absent:** Gail Patterson-Gladney.

II. Approval of Agenda

Motion: Morris, supported by Compton, made a motion to approve the agenda for March 19, 2025. **Motion carried unanimously.**

III. Approval of Minutes

Motion: Myrkle, supported by Morris, made a motion to approve the minutes from January 17, 2025, and Special Meeting on February 26, 2025. **Motion carried unanimously.**

IV. Public Comments - None.

V. Communications/Reports: No additional comments were provided beyond written report.

VI. New Business

A. Review and Establish New Application Fee for Brownfield Projects: The Board reviewed the current \$2,500 application fee for Brownfield projects, noting the increasing costs associated with legal and administrative processes. After discussion, the Board agreed to revisit the fee structure at the June meeting following further research. Additionally, staff will review the applications to ensure they include necessary housing details for evaluation and will present findings to the board.

VII. Ongoing Business/Reports

A. Hazen Street Housing Brownfield Plan

The developer has requested over \$6.2 million in Brownfield Tax Increment Financing (TIF) for private and public infrastructure costs, rent loss subsidy, and site preparation.

Phillips noted that while the BRA received a letter of support from the Village, she was concerned that the Village had not approved the plan prior to the BRA's consideration.

She wanted to ensure the Village did not feel pressured to approve the plan based on the BRA's decision. Myrkle acknowledged the concern and stated he would relay it to the Village Council.

A Financial Review Subcommittee had met to evaluate the financial details associated with the Housing TIF proposal, including the proposed interest rate and investor return, debt service coverage ratio, financial feasibility, and review of the 4.5% reimbursement interest rate. The Subcommittee reported that they had met but had not yet received a review from a private lender. The subcommittee determined that the proposed financial figures fall within 1.5% of MSHDA's allowable limits. Given that the project's financials remain subject to ongoing economic factors, the committee decided to recommend submitting the financials to MSHDA as presented. Should MSHDA determine that adjustments are necessary, the financial structure can be revisited and revised accordingly.

Hosier asked for thoughts on the reimbursement policy of 3% interest and a 20% limit on reimbursed expenses. After discussion, Morris noted that the Wall Street Journal's prime interest rate has increased from 3.5% in 2016 to 7.5% today and suggested the BRA consider adjusting its policy in response to economic changes, including rising commercial interest rates, construction costs, and housing demand. Morris, supported by Compton, moved to request that the Board of Commissioners consider a waiver of the 3% interest rate cap under Section B.3 of the Reimbursement Policy, allowing for a 4.5% rate if deemed in the County's best interest. The motion carried, with Myrkle abstaining.

Phillips noted that the BRA's Reimbursement Policy from 2016 limits interest accrual to after a complete reimbursement request is submitted, with a maximum of 3% simple interest calculated from the first approved eligible expense. Principal is paid before interest, which is recalculated annually based on the remaining principal. Cumulative interest cannot exceed 20% of the total reimbursed expense.

Phillips noted that the phases of development were not specified in the Brownfield Plan and should be included in both the Brownfield Plan and the Development and Reimbursement Agreement to ensure the income-qualified housing is included in the first phase and regulated by MSHDA requirements. The developer agreed, stating that the project will be phased over five years, with Phase 1 beginning in Spring 2025 and including the multifamily units. Of the 66 multifamily units, 14 (21%) are designated for income-qualified households earning $\leq 100\%$ AMI. The single-family units will be built after the multifamily units at a rate of 8 to 12 per year until project completion.

Myrkle noted that at the last BRA meeting, the developer agreed to adjust the public infrastructure cost to \$385,000 but did not see that reflected in the Brownfield Plan. The

developer assured that it will be reflected and will restructure the infrastructure table to call out both public and private investment separately.

Phillips, supported by Compton, moved to adopt and recommend approval of the Hazen Street Redevelopment Project Brownfield Plan to the Van Buren County Commission, subject to the following conditions:

1. The Brownfield Plan must be approved by the Paw Paw Village Council, with notification that the County's BRA approval is not a recommendation for Village approval, but a decision at their discretion.
2. Due to economic conditions, the Van Buren County Commission is requested to adjust the VBCBRA Reimbursement Policy for this project, allowing a simple interest rate of 4.5%, while ensuring the cumulative interest expense accrued does not exceed 20% of the total reimbursed expenses.
3. The Brownfield Plan and the Development and Reimbursement Agreement must include project phasing details, ensuring that the multifamily income-qualified housing is completed in the first phase and MSHDA approves before a reimbursement request is finalized and submitted to the County.

The motion carried, with Myrkle abstaining.

B. Update on EPA Grant Application - Ransler provided an update, stating that results on the grant application are expected in April or May.

E. Land Bank Authority Report - Morris reported that the Bergen Building in Decatur and the Waverly Township Building demolition were the current projects for the Land Bank.

F. Economic Development Corporation Report - Morris provided an update on county-wide economic trends, upcoming projects, and community development initiatives.

VIII. General Member Comments and Discussion – Myrkle expressed gratitude for the Authority's thorough review of the project.

IX. Adjournment - Motion: Phillips, supported by Young, made a motion to adjourn the meeting. **Motion carried unanimously.** Meeting adjourned at **4:16 PM.**

Next Regular Meeting - June 18, 2025, at 3:30 PM – Annual Meeting