

CITY OF PORTAGE BROWNFIELD REDEVELOPMENT AUTHORITY

Thursday, February 27, 2025

7:30 AM

**Portage City Hall, Conference Room 1
7900 S. Westnedge Ave, Portage MI 49002**

The City of Portage Brownfield Redevelopment Authority meeting of February 27, 2025, was called to order by Chair Lewandowski at 7:33 am.

In Attendance

Board: Chair Keith Lewandowski (yes), Vice Chair Eric Alburtus (no), Secretary/Treasurer William Lenehan (no), Todd Campbell (yes), Bradley Galin (yes), Karen Gallagher (yes), John Herberg (excused), Michelle Karpinski (yes).

Staff: Peter Dame, Chief Development Officer; Andrew Falkenberg, Deputy Assessor; Jonathon Hallberg, Deputy Director of Economic Development; Grant Taylor, Deputy Director of Treasury.

Guests: Joe Agostinelli, Michigan Growth Advisors; Greg Dobson, AVB; Brian Farkas, Allen Edwin Homes; Rick Freiman, Planning Commissioner; Mike West, Allen Edwin Homes.

Introductions

Introduction of Authority members, staff, and guests was conducted. The board also reviewed the agenda.

Approval of Minutes

Motion by Gallagher, seconded by Campbell, to approve the BRA Meeting Minutes of October 25, 2024, as submitted. Motion carried, 5-0.

Staff Report – none

Old Business

1. City of Portage Brownfield Redevelopment Plan Amendment No. 10, 3413 W. Centre Ave. (Tall Timbers LLC) – Request for Reimbursement

Hallberg outlined and summarized the memorandum pertaining to the request for reimbursement by Tall Timbers of Portage, LLC. He indicated that the project is substantially complete, with certificates of occupancy issued for two of the three buildings and temporary certificates of occupancy for the third building. Hallberg confirmed that all work has been completed for any eligible cost items and that the applicant has submitted substantial documentation to verify completion and payment.

Hallberg referenced the motion recommended in the board packet indicates the applicant is allowed to submit additional requests for eligible expenses up until the deadline of March 27, 2026 in accordance with the Development and Reimbursement Agreement.

Motion by Karpinski, seconded by Campbell, to approve the request for reimbursement up to an amount of \$10,175,954, plus interest allowance, per the approved Brownfield Redevelopment Plan, and subject to any verified increases as permitted by the Development Agreement & Reimbursement Agreement and upon further review by the Brownfield Redevelopment Authority at future meetings between now the three-year deadline of March 27, 2026.

Discussion: Chair Lewandowski asked Mr. Dobson if there would be more eligible expenses. Dobson stated that all capital elements were submitted and no additional expenses would be submitted for reimbursement, but that the eligible 3% interest was not included in the total. Hallberg and Agostinelli confirmed that the motion, if carried, would also cover the 3% interest provision as interest accrues annually.

Gallagher asked what would happen if interest brought the total reimbursement above the \$11,182,806 estimate in the Brownfield Plan. Hallberg stated that the Development & Reimbursement Agreement for Tall Timbers did not have a cap. Therefore, the maximum reimbursement is limited only by the amount of interest that accrues on unpaid eligible costs until they are paid off or 25 years passes, whichever is first.

Lewandowski asked about the completion status of the entire project. Dobson provided details and shared photos of the substantially completed project. He also stated that the board is invited to the tentatively-planned ribbon cutting to commemorate the Grand Opening on June 11, 2025 at 11:00 a.m. Dobson shared that a formal invitation would be forthcoming.

Karpinski asked about the difference between the rental rates for the rent-controlled workforce units and the market rate units. Dobson indicated that the studio units already qualified but that the larger units had some modest gaps. Agostinelli shared the required MSHDA rental rates for 100% of area median income. Dobson indicated that rental rates are listed on the Tall Timbers website for the market rate units.

Motion Carried, 5-0

Summary discussions occurred about tornado damage costs and cleanup, about the project's consideration of wetlands protection, and about the LEED Gold certification that the project will be eligible for after the board voted.

New Business

- 1. Green Development Ventures, LLC d.b.a. Allen Edwin Homes Act 381 Brownfield Plan – “Oakland Commons and Creekside Commons”, 9581 Oakland Drive and 8150 Creekside Drive***

Hallberg summarized the contents of the memorandum pertaining to the Oakland Commons and Creekside Commons Act 381 Brownfield Plan, Application, and Draft Development & Reimbursement Agreement. He indicated that the project is complex and unique for the Portage BRA Board because it is their first MSHDA Housing TIF application and there are additional eligible expenses not seen before related to housing income subsidies and infrastructure on private property, such as landscaping and driveways. He said it is also unique because it consists of two housing developments submitted under one brownfield plan, each of which qualifies for brownfield funding independently.

Hallberg showed the draft elevations, renderings, approved site plans, location maps, Tax Increment Finance Capture Tables and reimbursement tables for each development. He explained the breakdown between both projects. He shared that the combined developments will result in 114 for-lease housing units with a \$35,464,608 estimated capital investment. Hallberg shared an outline of how the MSHDA control rent structure works in comparison with the MSHDA rent-by-income for Kalamazoo County and how the new amendments to PA 381 allow for the gap in potential revenue is an eligible annual expense for rent-controlled units.

Oakland Commons will be for 58 new residential units consisting of 26 single family homes that are anticipated to be 1,640-square foot 3-bedroom homes, three duplex buildings for a total of six residential units, six 3-plex buildings for a total of 18 residential units, and two 4-plex buildings for a total of eight residential units. Of the 58 for-lease housing units at Oakland Commons, 46 will be market rate housing units and 12 will be income qualified workforce housing units for a period of fifteen (15) years. The total capital investment for Oakland Commons is estimated at \$19,000,000.

Creekside Commons will be for 46 new residential units, consisting of 38 single family homes that are anticipated to be 1,640-square foot 4-bedroom homes, and two 4-plex buildings resulting in eight attached residential units. Of the 46 for-lease housing units at Creekside Commons, 36 will be market rate housing units and 10 will be income qualified workforce housing units for a period of ten (10) years. The total capital investment for Creekside Commons is estimated at \$16,000,000.

Hallberg went through the Brownfield Plan step-by-step and outlined the unique aspects of the draft development agreement and reimbursement agreement. He reminded the board that the agreement is the key document dictating the terms of assistance in accordance with the Brownfield Plan and is still under negotiation. He shared that, historically, the board entrusts the Board Chair to execute the final version, which is typically reviewed and approved by the City Council, with the help of legal counsel and city administration.

Finally, Hallberg shared draft board motion language for the Board's consideration. Galin recommended alterations from Allen Edwin Homes to Green Development Ventures LLC.

Motion by Galin, seconded by Gallagher to approve the Act 381 Brownfield Plan and application by Green Development Ventures LLC for “Oakland Commons and Creekside Commons”, 9581 Oakland Drive and 8150 Creekside Drive, to recommend Portage City Council approval of Brownfield Plan Amendment 13 by resolution at their next appropriate meeting, and to authorize the BRA Board Chair to finalize and execute a Development Agreement and Reimbursement Agreement in support of the Plan.

Discussion: Campbell asked what the next steps are. Agostinelli shared that the item would presumably go before City Council at their first meeting in March to call a public hearing. The public hearing would likely be held during the second meeting in March. If approved, the applicant would submit an Act 381 Work Plan to MSHDA, in a form similar to the Brownfield Plan the BRA Board reviewed. MSHDA would have up to 60 days to make a determination. The Development Agreement would be finalized and executed and sent to MSHDA prior to their decision as it is part of how they structure their own agreement.

Gallagher asked for clarification on what the State of Michigan captures through participation. Taylor shared details about the six-mill State Equalization Tax, of which three mills are contributed to the State Brownfield Fund throughout the developer’s reimbursement period annually. He shared details about other school millage funds that are contributed to the project via the State School Aid fund, which guarantees that all schools are made whole on their funding.

Chair Lewandowski shared concerns about the timeline. Farkas indicated the construction is ready to start, with bids and contracts ready. The City Council public hearing will be the signal to start. While the timeline is going to be close, what was submitted is a general guideline and it could take a little longer. Lewandowski asked when houses would be ready for occupancy. Farkas shared the expectation is that home construction can begin in the fall of 2025, with leases signed for occupancy sometime in the spring of 2026.

Motion carried, 5-0.

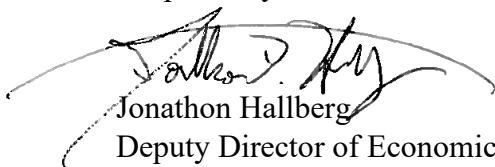
Staff Report: none

Statements of Citizens: General remarks by attendees about how different the scope and complexity of the projects has become since the start of the Brownfield program.

Adjournment:

Motion by Campbell, seconded by Karpinski, to adjourn. Motion carried, 5-0. The meeting was adjourned at 9:17 am.

Respectfully submitted,



Jonathon Hallberg

Deputy Director of Economic Development