

**Gogebic Brownfield Redevelopment Authority
Gogebic County, Bessemer, Michigan**

Regular Meeting, December 9, 2014

A meeting of the Gogebic Brownfield Redevelopment Authority was called to order at 9:42 a.m. in the District Court room in the Courthouse, City of Bessemer, on the above date, by Alan Baron, Vice Chairman.

Roll Call: Present: Alan Baron
 Joe Bonovetz
 John Garske
 Rudy Grbavcich
 Dave Neumann
 Velda Sclafani
 Dan Siirila

Absent: Neil Beckman

Also Present: Sue Pertile, Paul Porter

Mr. Grbavcich, supported by Mr. Siirila, and carried by unanimous voice vote to approve the minutes from October 14, 2014, with the correction of adding Mr. Bonovetz for the Roll Call as present.

A motion by Mr. Garske, supported by Mr. Siirila, and carried by unanimous voice vote to approve the agenda as presented. Pertile asked the Board if they would want to move our Old Business up on the agenda for the conference call with Mr. Van Haaren. Mr. Garske asked to proceed with the agenda as is and see if Mr. Beckman arrived prior to calling Mr. Van Haaren.

Appearances: Mr. Paul Porter was inquiring on funding for a small fabrication business (wood/metal products) on McLeod Ave in Ironwood. He said he would have a plan in place by next summer but would need help with remodeling, etc. Mr. Garske informed Mr. Porter that the GBRA would not be able to help with funding but said the MEDC may be able to help and could he could possibly speak with Jennifer Tucker. He also noted Mr. Van Haaren may be able to point Mr. Porter in the right direction too.

Under New Business, Mr. Grbavcich wanted to inquire about possibly lowering our application fee since it is rather high fee for small businesses. Discussion took place. Mr. Grbavcich wanted the Board to think about this and to bring this up at our next meeting in January. Mr. Garske discussed possibly setting up districts, incentives, or possibly not charging an administration fee.

Under Old Business was an audit update by telephone with Mr. David Van Haaren. He did a FOIA to MDEQ in Gwinn and MEDC in Lansing for eligible activities of Act 381 work plans for school tax recapture. The projects did not follow through with this process. GRB & Kauppila's projects decided not to apply for school tax capture. All three plans are local plans and were approved by local and county levels. Discussion took place. Mr. Grbavcich inquired about Sunnyside's one building that did not qualify and was informed that it would need an opinion or affidavit from an assessor 3 or 4 in order to be included.

Also discussed was Josephson's. The Board was emailed minutes from the County Board in regards to Josephson's. Mr. Van Haaren stated that there was not a file on Josephson's plan and no adoption. In regards to the former EDC Brownfield, Mr. Grbavcich thought we should inquire if the City would have the minutes in regards to their RLF monies to Josephson's and see how it was handled. Ms. Sciafani sits on their board and will ask for the information.

Discussion took place on Sunnyside as the audit only approved \$97,000 for their reimbursement, and as of present, they have been overpaid. Mr. Van Haaren stated there was not a reimbursement agreement and some of their invoices were not eligible expenses. Ms. Pertile questioned that previously Mr. Van Haaren had said to use the amounts presented, and from that meeting used the \$257,954 figure. It was over one year that the audit took place, and created three more payments approved to be disbursed. Mr. Grbavcich remembered this happening also. Mr. Garske asked what our options were going forth and was informed by Mr. Van Haaren that we should use the affidavit and complete the project using the \$97,000. Mr. Van Haaren said we could send a letter requesting reimbursement. It was discussed to have someone from the committee meet with Sunnyside and explain the situation and that the authority is under no obligation to pay any more. He also stated Sunnyside could amend their plan and would have to produce more invoices to substantiate it, and go through the motions.

Mr. Van Haaren recommended using Tables 1 and 2 for Kauppila's (\$61,112) and Gogebic Range Bank (\$415,236), and to sign the affidavits. He recommended stopping reimbursement and closing the project for Sunnyside. A lengthy discussion took place on Sunnyside's receipts presented and the other projects not having any. For future reference, a Reimbursement Agreement should always be in place to verify eligible costs and to have copies of the invoices.

A motion by Mr. Grbavcich, supported by Mr. Garske, and carried by unanimous voice vote to have AKT Peerless provide a spreadsheet on Sunnyside's expenses for the board to review.

A motion by Mr. Garske, supported by Mr. Bonovetz, and carried by unanimous voice vote to table Sunnyside pending AKT Peerless' information to January's meeting. Discussion took place on signage for the affidavits if this will withstand any legal obligations, even with the State. Mr. Van Haaren verified that the affidavits would.

A motion by Mr. Garske, supported by Mr. Siirila, and carried by unanimous voice vote that prior to signing the affidavits, a committee be set up to sit with each brownfield project and discuss the affidavits and our audit findings.

Next on the agenda was the payment of tax capture to projects. Sunnyside will be on hold, but as of yet, their 2014 winter taxes have not been paid. GRB has paid their 2014 winter taxes, but Kauppila's has not. A motion by Mr. Grbavcich, supported by Mr. Siirila to pay the winter 2014 tax recapture monies to Gogebic Range Bank for \$2,388.17. Ayes – 6, Nays 1. Motion carried.

A motion by Mr. Siirila, supported by Mr. Garske, to pay the winter 2014 tax recapture monies when paid to Kauppila's Family Ptr. in the amount of \$305.37. Ayes – 6, Nays – 1. Motion carried.

Ms. Pertile informed the board that AKT Peerless had submitted their bill for \$4,706.25. The Board previously approved the payment up to \$5,000 so there was no need to be reapproved.

Ms. Pertile informed the board that she will be resigning as Secretary to the Board, sitting there may be a conflict of interest. She is delegating her duties to Donna Frello, Administrative Secretary for the Gogebic County Retirement System, to take her place. The Board accepted the resignation and approved Ms. Frello as the new Secretary to the Board.

A motion by Mr. Siirila, supported by Mr. Grbavcich, and carried by unanimous voice vote to adjourn the meeting at 11:55 a.m.