

**Economic Development Corporation Board Meeting
Oak Business Center
Minutes of May 9, 2017**

Present

Derwin Munroe
William Hammond
Councilman Kerry Nelson

Staff Present

Glenda R. Dunlap
Wade Goble
Gloria Shavers

Absent

Mayor Karen Weaver
Councilman Herbert Winfrey

Other Present

Mark Evans, Metro Community Dev.
Kyle McCree, Flint & Genesee Chamber
of Commerce
Larry Gawthrop, Mott Community College
Dr. Amy Fugate, Mott Community College
Maureen Steffen, Flint & Genesee Chamber of Commerce
Benson Ekong, Metro Medical Ambulance
Darryl Buchanan, Metro Medical Ambulance
Joe Martin, Uptown Reinvestment Corporation

I. MEETING CALL TO ORDER:

There being a quorum, the Economic Development Corporation board meeting was called to order by Councilman Kerry Nelson at 8:40 a.m.

II. PUBLIC COMMENTS:

Presentation of Mott Culinary Institute Project – Resolution Approval Required Uptown Reinvestment Corporation

Ms. Dunlap introduced the speakers who were representing the 550 Bears, LLC project. Mr. Kyle McCree from the Flint & Genesee Chamber of Commerce, Mr. Larry Gawthrop from Mott Community College, Dr.s. Amy Fugate from Mott Community College, Ms. Maureen Steffen from Flint & Genesee Chamber of Commerce and Mr. Joe Martin, of Uptown Reinvestment Corporation

Mr. Gawthrop stated that the development project consists of the renovation of the old Woolworth Building located at 550 S. Saginaw St. in the heart of downtown. The property lies in census tract 26049002800 in a severely distressed area with a poverty rate of 40%, and unemployment rate of 22%, and incomes at 43.5% of the area median. He said the building has been donated by the Charles Stewart Mott Foundation. The total development is projected at approximately \$11.5million, which includes the relocation of the MCC Culinary Institute as well as complete restoration of both the exterior and interior of the building, and upgrading the building's life-safety systems.

Mr. Gawthrop said the building is currently owned by the Charles Stewart Mott Foundation. Mott Foundation pays the property taxes, and the property taxes will remain in place for the duration of the OPRA term.

Ms. Dunlap asked about the term of the OPRA requested. Mr. Martin stated that they needed a term that would allow for the development, holding title of the building for the required 7 years prior to ownership transfer and then a close-out period. He stated that close-out could last up to 24 months.

Dr. Amy Fugate mentioned that a group of them traveled across the country visiting some of the other culinary schools, and they were highly impressed on how some of the city culinary programs are thriving.

The three speakers all agreed that the culinary school downtown Flint relocation is a great project and an essential asset to the community.

The discussions between the board members and the presenters continue regarding the culinary school program, property taxes, and the location.

It was moved by Mr. Hammond and supported by Mr. Munroe to approve the OPRA project for the Mott Culinary School Institute, and recommended for City Council approval. Motion passed unanimously.

III. Approval of Previous Meeting's Minutes

It was moved by Mr. Hammond and supported by Mr. Munroe to approve the December 6, 2016 minutes. Motion passed unanimously.

IV. Reaffirming Resolution

Councilman Nelson stated that the reaffirming resolution reaffirms the actions taken by the EDC President to carry out the OBC day to day operations between meetings.

It was moved by Mr. Munroe and supported by Mr. Hammond to approve the reaffirming resolution. Motion passed unanimously.

V. Financial Reports

EDC Financial Report for March 31, 2017

Mr. Goble reported on the Economic Development Corporation financial status for the period ended March 31, 2017.

It was moved by Mr. Hammond and supported by Mr. Munroe to approve the EDC March 31, 2017 financial reports. Motion passed unanimously.

- Budget to Actual Report
- Available Revenue

Presentation of 2017-18 OBC & EDC Budgets – Action Required

Ms. Dunlap explained the OBC budgets for fiscal year 2017-2018.

It was moved by Mr. Hammond and supported by Mr. Munroe to approve the EDC RFL 244 Budget for fiscal year 2017 -2018. Motion passed unanimously.

It was moved by Mr. Munroe and supported by Mr. Hammond to approve the EDC State RLF Fund 241 Budget for fiscal year 2017-2018. Motion passed unanimously.

Ms. Dunlap explained the OBC amended budget for 2016-2017 and the projected budget for fiscal year 2017-2018.

It was moved by Mr. Hammond and supported by Mr. Munroe to approve the OBC 583 budget for fiscal year 2017-2018. Motion passed unanimously.

VI. Oak Business Center Committee Report.

- Occupancy Report

Ms. Dunlap stated at the September board meeting, Councilman Nelson requested a list of OBC tenant names, what units they are leasing and if they are current with the rent. The rent collections report was then presented.

•

o Metro Flint Youthbuild Update – Property Manager

Mr. Evans reported that W. T. Stevens is looking to lease unit 207. The number of tenants leasing has increased and OBC is looking great.

Councilman Nelson asked if the roof still needs to be repaired.

Mr. Evans agreed that there are still some leaks in the roof that need to be repaired. He said Ms. Dunlap has applied for CDBG funds from the City to repair the roof.

Councilman Nelson asked Ms. Dunlap to give him the application requesting funds to have OBC roof repaired.

It was moved by Mr. Hammond and supported by Mr. Munroe to accept the OBC report. Motion passed unanimously.

- Next Committee Meeting Tuesday, May 23, 2017, 3:00pm

VII. Loan Review Committee Report

Ms. Dunlap reported that all of the EDC loans were paid except for Banks & Banks and Metro Medical Ambulance.

Councilman Nelson stated that he and Ms. Dunlap spoke a few weeks ago on ways to help the borrowers who have delinquent balance by offering them last chance agreements. He proposed offering the borrower to pay a percentage – either 50 or 75 percent of the delinquent amount. Once paid, the balance of the delinquent amount would be forgiven and the loan would be in good standing. If the last chance offer is not acted upon, the borrower would be reported to the credit bureaus. Currently, the EDC delinquent loans are not reported to credit bureaus.

- Metro Medical Ambulance Representative

Mr. Ekong owner of Metro Medical Ambulance LLC addressed the board. He said the current state that the city is in, financial institutions don't want to finance businesses in Flint. He said his company has been going through hardship and he is looking forward to any options that the board may offer.

Mr. Buchanan thanked the EDC staff for their kindness, patience and consideration in working with Mr. Ekong. He said once a business leaves downtown and relocates its business to the north side of Flint, banks are not willing to lend. Once banks begin to review the environmental situation on the property, and see that there were five gas tanks, along with the water crisis, banks becomes even more reluctant to help. Mr. Buchanan said when banks look at projects that have environmental issues, they think the loan is going toward the remediation, and the company has no money to do the rehab of the property. He said it costs more to remediate the property, than to build a brand new building on the current location at Home Ave. and Clio Rd.

Ms. Dunlap said that there is a program through the Department of Environmental Quality to remove the gas tanks.

Mr. Ekong yes. The DEQ wanted to see bank involvement.

It was moved by Mr. Hammond and supported by Mr. Munroe to accept the EDC report. Motion passed unanimously.

- Next Committee Meeting Tuesday, May 30, 2017, 12:30 pm

VIII. New Business

- **Best Practice Consulting Services – Small Business Development Community Project**

Ms. Dunlap mentioned that Ms. Laura Sigmund is the consultant for Best Practice. She said Ms. Sigmund has already recruited 10 business prospects who are looking to start their own business.

XI. Old Business

There was no old business.

X. Other New Business

There was no other new business.

XI. ADJOURNMENT

With no further business to conduct, Mr. Munroe called for a motion to adjourn the meeting at 10:15 a.m.

Mr. Hammond seconded the motion. Motion passed unanimously