

A regular meeting of the Leelanau County Brownfield Redevelopment Authority (LCBRA) was held on Tuesday, November 21, 2023 at the Leelanau County Government Center.

CALL TO ORDER

Meeting was called to order at 10:29 a.m. by Chairman Heinz who led the Pledge of Allegiance.

ROLL CALL

Members Present: D. Allen, G. Allgaier, D. King, J. Arens, D. Heinz

Members absent: R. Foster, T. Eftaxiadis
(prior notice)

Staff: T. Galla, Director, G. Myer, Senior Planner

Public: L. Mawby, T. Searles, J. Stimson, J. Lamier, S. Mitchell

PUBLIC COMMENT

Mawby thanked Galla and members for all of their work to benefit the county.

DIRECTOR COMMENTS

Galla told members that she and Searles would be meeting with a potential developer at a site after the meeting. She has also talked with two other individuals on potential sites they could use EPA assessment funds on, and she has a phone call to return regarding another possible site. This is all good news because they need to continue using those EPA assessment dollars.

Galla continued, saying that the Centerville Township site, which was the old dump site, has not moved forward. She reached out to the township and is waiting to hear back on whether they want to sell it or develop it in any way. Galla then referenced the EPA grant and her difficulty getting onto the ASAP website. She has contacted the Treasury Department because they will have to help fix the issue. She and Allen will work together on changing access to this site so they can draw those funds down. In conclusion, Galla said she forwarded a memo and an invoice from Fishbeck to members late last night and she would like to take care of those today.

CONSIDERATION OF AGENDA

Heinz added "Discussion with HomeStretch on potential Phase I and II projects" as "New Business" "Item #1" and updated the claims and account amount to \$12,585.50.

Motion by Allgaier, seconded by Arens, to accept the agenda as amended. Motion carried 5-0.

CONFLICT OF INTEREST – None.

CONSIDERATION OF OCTOBER 17, 2023 MINUTES

Motion by Allgaier, seconded by King, to approve the minutes, as presented. Motion carried 5-0.

CONSENT AGENDA

Fishbeck – General consulting and TIF management

Fishbeck – EPA Assessment Grant

Motion by Allen, seconded by Allgaier, to approve the consent agenda as presented. Motion carried 5-0.

OLD BUSINESS

Update: Brownfield Plan – Bluebird project

Galla reminded members of the tour of the Bluebird at 4:30 p.m., and the Public Hearing will be held at 6:00 p.m. The County Board will be considering the resolution for the plan at their meeting at 7:00 p.m. Galla said she received a letter from a citizen who was concerned as to why this site is considered a Brownfield Site. This letter was received by Commissioner Ty Wessell and forwarded to Galla. Galla forwarded the letter to Therese Searles and Jeff Hawkins, from Fishbeck, so that they can frame their response.

NEW BUSINESS

HomeStretch potential Phase I and Phase II projects

Heinz said the Land Bank Authority (LBA) discussed with Stimson, from HomeStretch, the four parcels they are selling to HomeStretch for \$32,000.00. He brought up the fact the LBA has EPA assessment grant funding available. If HomeStretch has a need for it, there could be potential for the BRA to arrange with HomeStretch to get a Phase I and Phase II funding through this grant.

Galla questioned if a Phase I and Phase II were needed before HomeStretch developed the property? Stimson said at least a Phase I. Galla then explained that the BRA has an application, and there is a fee associated with that, but it has been waived in the past for a nonprofit. Galla will talk to Gallagher about getting the applications completed. Once the applications are received, they will work with Fishbeck on those. There is an eligibility determination that is done for each site which has to be submitted to EPA and they will then let them know if they can use EPA assessment funds on those sites. Stimson asked the board to also consider it for the property located at 7600 E. Duck Lake Rd. Stimson said he will fill out that application. Heinz mentioned another LBA owned piece of property that is for sale and the possibility of applying for EPA assessment funds to be used on it, if the value to a potential owner would be enhanced if they did a Phase I and Phase II.

Motion by Allen, seconded by Allgaier, to waive any fees associated with the applications, if the applicant is HomeStretch.

Discussion

Arens stated he wanted to discuss their procedure on waiving fees when appropriate.

Motion on the table carried 5-0.

Work Order (Fishbeck)

Searles reviewed the work order, saying that this was proposed amendment #1 to approved work order #2, which is the EPA Grant Community Outreach Programmatic Activities. It was anticipated that the bulk of those activities would occur at the beginning of the grant. Searles said that two-thirds of those outcomes that were put in the grant workplan have already been accomplished. There are still programmatic activities that will be needed for the remainder of the grant period and Fishbeck is

requesting an additional budget of \$5,000.00 to support those activities. This is all within contractual funds and technically a formal request is not needed. Searles concluded by saying that this request was more of a courtesy.

Motion by Allgaier, seconded by King, to approve the workorder from Fishbeck for an additional \$5,000.00 to support activities. Motion Carried 5-0.

2024 Budget

Galla reviewed a couple proposed changes from what was originally sent out in the agenda packet. It looks like the board will be starting termination of the West Shore brownfield plan next year. There have been numerous discussions on this site, there is no development and Fishbeck advises to stop collecting Tax Increment Financing (TIF) on the site. The permits for the township and the state for the proposed marina will be expiring.

Galla continued, mentioning again the account that was closed at the bank some time ago that is still showing up in 2023, but will go away in 2024. Galla said they have a balanced budget. There could possibly be adjustments that need to be addressed in December.

Motion by Allgaier, seconded by Arens, to accept the amended 2024 budget. Motion Carried 5-0.

Recommendation for TIF reimbursement (GTRAC Brownfield Plan)

Galla explained the memorandum, saying that it explains the TIF that has been captured to date on the GTRAC Brownfield Site. The memorandum also address's the approved disbursements. Searles stated that they have \$9,037.77 and they need to decide what to do with it. Fishbeck recommends that \$2,000.00 of it go back to the BRA for administrative fees, and the remaining \$7,037.77 to the developer for their approved eligible activities.

Motion by Allgaier, seconded by King, to approve Fishbeck's recommendation as presented. Motion Carried 5-0.

Recommendation - \$10,000.00 loan repayment to the County

Galla stated that the county loaned the BRA \$100,000.00 when they first started up and they have paid back \$20,000.00 so far. The BRA started making annual payments of \$10,000.00.

Searles explained that right now they have a little over \$21,000.00 in tax increment that has been collected for this property. Fishbeck does recommend that if the BRA terminates the West Shore Brownfield Plan because development has not moved forward and existing debts and obligations have been paid, it does not feel appropriate to put money into the BRA. Fishbeck's opinion is that there are four active brownfield plans, so supporting \$25,000.00 from each, would be appropriate. They recommend that \$20,334.51 be reimbursed to the county administrative plan. Galla clarified that instead of paying the county \$10,000.00, it is suggested to pay them \$20,334.51. Searles said Fishbecks recommendation is that \$20,334.51 go towards the loan payment to the county, and \$705.52 goes to BRA for administrative costs.

Allgaier questioned why they would pay the county more than \$10,000.00. Searles said there are no other eligible activities to use this on. The owner can only get reimbursed through the plan with eligible activities. The BRA is holding those funds and should do something with them. This was put in place in 2007, and there is not a lot of time left on it. Galla said that at some point you will get questioned by the township as to why they are still collecting TIF with no eligible activities, plus the owner has never submitted any invoices for any of the TIF to be reimbursed.

King stated that they budgeted for \$10,000.00 this year, which is independent of this, so why not wrap up what is going to happen with this brownfield plan next year and deal with that money then. It would be nice to formalize a payment plan for paying the county back. Searles stated that these funds must be used in an appropriate manner. King said nothing prevents them from taking this money next year and using it in the same way. Allen questioned if there had been any prior communication with the owner? Galla said there has been lots of communication from the BRA to the owner and he hasn't given them any update since August.

Motion by King, seconded by Allgaier, to make a \$10,000.00 loan payment to the County. Motion Carried 5-0.

Discussion continued

Heinz sated he would like to deal with Searles recommendation next year. He wants to give the owner one more shot to say what is happening. Arens said he wanted to give the owner a specific date to respond by. Members agreed to send correspondence to the owner, stating a response is needed by the end of the year or they will take action the first of the year. Heinz said he would like this on the agenda in January. King questioned why they couldn't have the owner respond before the end of the year and put the "consideration of termination of the brownfield plan" on the January agenda? Members agreed with King. Galla and Allen will work on drafting a letter to go out this week.

Galla said she wanted to clarify that the money is in the checking account, which is the only account the BRA has. Going forward she would like to see line items for each. Allen requested that Heinz work with Galla and her, to put together a financial overview report so there is a clear understanding of those funds and how they can be used in the future.

Discussion on loan from the County Board

Allgaier questioned if the County Board could forgive the loan so that the BRA could use those funds? Heinz said this could be a discussion item. Galla said the loan was made by a motion of the County Board twice, \$50,000.00 each time. This has been researched in the past and the County Treasurer has it on the books as a loan and he budgets \$10,000.00 as an annual payment from the BRA. Heinz commented that it would be a wonderful budget adjustment in December if they could write that back in as a loan that has been forgiven.

Discussion on Brownfield Director position

Galla said that she reached out to a former BRA member and asked them to help out in the director position for a while, but they declined. She will be available to help her staff through December and part of January, but the BRA needs to consider who will handle things with the consultant. Galla continued, saying that staff members Gail Myer and Jenny Herman will make sure the meetings get set-up and will be taking minutes. Allen asked for clarification on whether or not the BRA pays a portion of the directors salary? Galla said they do not. She was given the position years ago with no stipend or additional pay, it was considered part of her work. She learned the work; she didn't have an environmental background or

brownfield background. The next person may not have her background because the job description does not include that.

***Motion by Allen, seconded by Allgaier, to remove Trudy Galla from the LCBRA checking account.
Motion carried 5-0.***

Allen said they are making every effort to find an individual to fill the director's position before the board meets again.

FINANCIALS

Claims & Accounts – adjusted amount \$12,586.00.

***Motion by King, seconded by Allgaier, to approve Claims & Accounts in the amount of \$12,586.00.
Motion carried 5-0.***

Post Audit, Budget Amendments, Transfers – None.

CORRESPONDENCE/COMMUNICATION ITEMS – None.

PUBLIC COMMENT

Searles said that she appreciated working with Galla over the past fifteen years. Galla has extensive institutional knowledge and was always very professional. She wishes her the best of luck.

DIRECTOR COMMENTS

Galla thanked members and said this would be her last meeting here. She will be in contact with her staff and has gotten things in order for a smooth transition. She is typing up all of her notes so there will be a record of what she has done regarding each board and commission.

MEMBER / CHAIRPERSON COMMENTS

Allgaier said she is excited for Galla, but sad for the board. Galla is such a loss for the county and this board.

Heinz read a letter of appreciation, covering Galla's history with the county and all of her accomplishments.

(A complete copy of the letter is on file in the Planning & Community Development Office)

ADJOURN

Meeting adjourned at 11:33 a.m.