

**A regular meeting of the Leelanau County Brownfield Redevelopment Authority (LCBRA) was held on Tuesday, August 15, 2023 at the Leelanau County Government Center.**

**CALL TO ORDER**

Meeting was called to order at 10:00 a.m. by Chairman Heinz who led the Pledge of Allegiance.

**ROLL CALL**

**Members Present:** D. Heinz, D. Allen, G. Allgaier, J. Arens, D. King, R. Foster, T. Eftaxiadis

**Members absent:** None

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

**Public:** L. Mawby, T. Searles

**PUBLIC COMMENT** - None.

**DIRECTOR COMMENTS** - None.

**CONSIDERATION OF AGENDA**

Heinz mentioned that the correct “Claims & Account” amount was \$8,608.49 and that Galla sent this information separately in an email.

*Motion by Allen, supported by Foster, to accept the agenda as amended. Motion carried 7-0.*

**CONFLICT OF INTEREST** – None.

**CONSIDERATION OF JULY 18, 2023 MINUTES**

*Motion by Foster, supported by Allgaier, to approve the minutes as presented. Motion carried 7-0.*

**CONSENT AGENDA**

- a. Fishbeck – General Consulting and TIF Management
- b. Fishbeck – EPA Assessment Grant

*Motion by King, supported by Allgaier, to accept the consent agenda as presented. Motion carried 7-0.*

**OLD BUSINESS** – None.

**NEW BUSINESS**

TIF Repayment to Courthouse Redevelopment Group LLC

Galla explained that this is an email request that came from Ross Satterwhite, and he is requesting to be reimbursed under his Brownfield Development and Reimbursement Agreement in the amount of \$38,862.50. Galla said they did a Brownfield Plan on the old courthouse site and used a revolving loan fund from EPA in which the developer put in a matching fund. When Satterwhite signed the agreement, he received a copy of the TIF Policy which explains the order of reimbursement. First is payments on loans on the property, then administrative costs, and then Satterwhite’s reimbursement is at the bottom.

His reimbursement is still many years away because the plan still has over six years left on it for collection. Galla continued, saying that Satterwhite wanted to close out his company but he can't with this sitting out there. He is asking for reimbursement prior to what the agreement states. Galla said over the years the EGLE loan was renegotiated to lower the payments and interest rate. Now, there is enough TIF money to make the EGLE payment. The BRA is responsible for this loan to EGLE even though it was taken out for the benefit of a prior developer. If the TIF money doesn't cover the payment for some reason, the BRA is responsible for making the payment.

Galla continued, saying the BRA borrowed from the county for operations when they first started up and still owe \$80,000 back to the county. There is approximately \$100,000 in the escrow fund which the BRA has not touched in order to be sure there was enough money to cover the EGLE payment in case TIF did not cover it. There is enough TIF coming in now to cover the \$25,000 annual payment to EGLE. Galla said Satterwhite's reimbursement is years away according to the contract he signed. Satterwhite wasn't a developer, he purchased the property and sold the land. All of the lots have been sold now, so he would like out of this. Eftaxiadis asked what the balance of their loan with EGLE was. Galla said the balance was over \$200,000.

Heinz said he is reluctant to pay someone "out of formula" if they are still going through the agreement the way they are supposed to. He appreciates that Satterwhite is going through some reorganization, and wants to get rid of that LLC, but maybe there is a way to accommodate his restructuring and still have the plan intact. Eftaxiadis questioned if there was anything in the agreement that prevented Satterwhite from transferring financial obligations or proceeds to another entity. Galla said she would have to check. The agreement does say in several places how things would be paid back. Heinz stated that they are anticipating that all the future TIF will be coming in. What if something happens on that property and they aren't getting all of the TIF money coming in anymore? He is reluctant to reimburse Satterwhite until everything else has been paid. Eftaxiadis agreed with Heinz.

King questioned if the request from Satterwhite had been done correctly or formally and could he accomplish what he wants without the BRA involved. Maybe Satterwhite needs to do more homework, there is an assignment clause in the agreement.

***Motion by King, supported by Eftaxiadis, requesting Satterwhite to provide a formal request to the BRA, specifying reasons why there should be a change in the terms of the original Brownfield Development and Reimbursement Agreement.***

Discussion

Allgaier said she didn't know why they were asking for this formal request if they are not open to accepting it. Arens said he wanted to hear what Satterwhite's reasons were, maybe then they would be open to it. Foster commented that they could be setting a precedent if they decide to do this.

***Motion on the table carried 7-0.***

### **Update-Brownfield Conference**

Galla spoke about mobile tours she attended while at the conference, saying the first one was to the old Northland Mall. It is a 100-acre site and they are now constructing apartments and condominiums. Another tour was to the old railroad depot. Since some of the upper floors were never inhabited as intended, they were able to work with the state historic commission and they do not have to meet historic preservation requirements when developing those floors. They have interest from a couple hotels that

want three floors of the building. The building is 700,000 square feet and there is approximately 11 acres next to this building where the rails run, and they are talking about bringing back passenger rail in some way. They were not able to go inside the depot but it may be open next year. Galla continued, saying they went into another building at this site owned by the Ford Motor Company, that was amazing. It had columns that were made to look like martini glasses and had more of an industrial look to the interior. King was familiar with this building and said he had spent time in it. Galla said the last educational session she attended was on Smithers, West Virginia and Bellaire, Ohio. The transportation department in Bellaire decided the best place to put a four-lane highway was between the town and the river. In Smithers, they have an old school which was built on the river that they have torn down and created a space along the river to bring people in. The presentations for this session were very good and almost seamless they way they moved from one discussion to the next.

Allen said she found the expo portion very helpful. There was a lot of information in regards to alternative energy options and there were a lot of consultants there such as Fishbeck. She attended a mobile tour which took her to the old Studebaker manufacturing company where they have taken a portion of the plant and turned it into housing for homeless veterans. Allen said there are some interesting models out there, as they look at apartment style or low-income housing. She was impressed with how the community is so proud of the revitalization of Detroit. In conclusion, Allen said there were a lot of sessions on TIF and testimonials and overall, a very worthwhile conference.

Eftaxiadis commented that Detroit had certainly come around, at least the downtown. A lot of the sites he worked on 35-40 years ago have been redeveloped and there is an emphasis on incorporating renewable energy into new developments.

Allgaier mentioned requiring new projects in the county to incorporate renewable energy as much as possible. Eftaxiadis said those costs may not be TIF reimbursable so they would need to be careful. If all of the project is TIF reimbursable, then all of the components are also. As part of an agreement, they could incorporate that, but he would like to get a legal opinion. Foster mentioned having a best practices list. Eftaxiadis said yes, a list of desirables they would like to see in projects. He will provide a sample at the next meeting that he has run by legal counsel already.

## **FINANCIALS**

### **Claims & Accounts**

Galla noted the hotel costs were included in the new total, but the tax on one hotel was not removed. This should be approved, and the check will be adjusted if the tax gets removed. She is working with accounting on this step.

***Motion by Foster, seconded by Allen, to approve Claims & Accounts in the amount of \$8,608.49.  
Motion carried 7-0.***

**Post Audit, Budget Amendments, Transfers – None.**

## **CORRESPONDENCE/COMMUNICATION ITEMS**

Galla mentioned the revised Claims & Accounts that she emailed to members prior to the meeting that added in hotel costs for the conference. Also, the letter she handed out from Pat Johnson that was emailed to her this morning is an update on the West Shore site which the LCBRA is trying to determine whether or not to terminate the brownfield plan. Mr. Johnson's permits will be expiring and Galla doesn't know if the township will renew them again because they have already given extensions. She has driven by and is not seeing any progress there. Galla said she can check to see when those permits expire and maybe at that time, if they are not reissued, the BRA should discuss what to do.

**PUBLIC COMMENT**

Mawby said he liked the idea of having the BRA encourage energy efficiency. It's admirable and in the long run it is the best way to keep things affordable.

**DIRECTOR COMMENTS**

Galla informed members that she and Searles attended the Leland Township Board meeting the prior night and did a short presentation on the brownfield project at the Bluebird Restaurant. They wanted to introduce this plan and the timeline for when they would be back in front of them with a brownfield plan.

Searles said the purpose was just to be informational because this is a relatively new board that has not gone through this process of approving a brownfield plan. It seemed like the information was well received. Heinz commented that there are a lot of moving parts that need to come together in a very short amount of time. Searles said this will probably be a 15-year brownfield plan. Heinz said sales tax can be captured under the right circumstances. The Telgards are in the restaurant business and every bill will have a sales tax which could be huge. Searles said there are certain requirements and a sizeable investment involved with that and a longer approval process, but they could certainly look into the feasibility of this. Eftaxiadis said transformational brownfield plans have a lot of requirements. The concept has been around for a while, but only three or four have been approved because they are suitable for larger more complex projects such as mixed-use developments.

Galla mentioned EPA funds that were supposed to go into the Sheriff's budget but instead were deposited to the BRA account. This is the 2<sup>nd</sup> time it has happened but it will be corrected.

Heinz asked about the Centerville dump and a brownfield plan. Searles said she would need to see what the redevelopment plan is and how to safely use the site. A public park was mentioned, but that will not create TIF. They discovered in Phase 1 that a lot of the dumping was done offsite. A phase 2 will help them better understand if a brownfield plan is needed.

**MEMBER / CHAIRPERSON COMMENTS** – None.

**ADJOURN**

Meeting adjourned by consensus at 10:50 a.m.