



# Leelanau County Government Center

Leelanau County Land Bank Authority (LC-LBA)

Website: <http://www.leelanau.gov/landbank.asp>

8527 E. Government Center Dr.  
Suttons Bay MI 49682 231-256-9838

## NOTICE OF MEETING

The Leelanau County Land Bank Authority (LC-LBA) will meet **On Wednesday June 22, 2022 at 9:00am** at the Leelanau County Government Center

### DRAFT AGENDA

PLEASE TURN OFF ALL CELL PHONES

PLEDGE OF ALLEGIANCE

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF MINUTES: April 19th, 2022 *pgs 2-5*

PUBLIC COMMENT

➤ UNFINISHED BUSINESS

Policies & Procedures (revised) *pgs 6-20*

➤ DISCUSSION/ ACTION ITEMS

1. Discussion on 2022's Tax Foreclosed Inventory. *Pg 21*
2. Update on possible Brownfield application for parcels owned. *(Handed out at meeting)*
3. Update on Brownfield plan for Maple City project.
4. Update on borrowing from County Delinquent Tax Revolving Fund. *Pg 22*
5. Use of Land Bank Revenues (5/50, sale proceeds)
6. Distribution and Discussion of 2023's budget workbooks. *Pgs 23-24*
7. Other Business

CLAIMS & ACCOUNTS *pgs 25-26*

POST AUDIT

CORRESPONDENCE/COMMUNICATION ITEMS

PUBLIC COMMENT

MEMBER COMMENTS

CHAIRPERSON COMMENTS

ADJOURN

#### Members

Treasurer John A. Gallagher III – Chair  
Dan Heinz-Vice-Chair  
Trudy Galla - Secretary  
Rick Foster-Treasurer  
Chet Janik  
Lois Bahle  
Richard Isphording

**The Leelanau County Land Bank Authority (LC-LBA) held a regular meeting on Tuesday, April 19, 2022 at the Leelanau County Government Center.**

**CALL TO ORDER:** Meeting was called to order at 9:00 am by Chairman Gallagher who led the Pledge of Allegiance.

**ROLL CALL:**

**Members Present:** J. Gallagher, R. Foster, T. Galla, D. Heinz, R. Isphording, T. Wessell

**Members Absent:** C. Janik  
(prior notice)

**Public Present:** J. Hawkins, L. Mawby, C. Hessell, W. Irvin, D. King, T. Eftaxiadis

**APPROVAL OF AGENDA**

*Motion by Heinz, seconded by Foster, to approve the agenda as presented. Motion carried 6-0.*

**APPROVAL OF MARCH 15, 2022 MINUTES**

*Motion by Wessell, seconded by Heinz, to approve the minutes as presented. Motion carried 6-0.*

**PUBLIC COMMENT - None**

**UNFINISHED BUSINESS – None**

**DISCUSSION / ACTION ITEMS**

Review 2022's Tax Foreclosed Inventory

Gallagher stated there are three tax foreclosed properties. The first parcel is in Bingham Township with a mobile home or single-wide with taxes due of \$2,872.56. The second parcel is in Cleveland Township, parcel 003-022-011-90, with a very nice residence and taxes due of \$6,453.45. The last parcel is in Solon Township that has 25% interest on 18 acres with taxes due of \$1,543.54. There is interest from the family for the property to go back to the 75% interest owner, Bill Kasben. The previous owner is looking for excess proceeds. The new law for treasurers is that the property can't be acquired through first right of refusal for back taxes anymore. Now, it is recommended treasurers do an appraisal and get fair market value and that is what they sell the property for. The reason for that is because the previous owners have the right to those proceeds. Gallagher explained that he essentially acts as a real estate agent to take those properties to foreclose, sell or transfer them at auction or fair market value and then they have to claim them in circuit court to get the difference of what he has into it, minus any fees. He is hesitant to get those properties through purchase as he doesn't have the funds. Later on the agenda, we can talk about borrowing for acquisition. Heinz asked for clarification. If the first parcel has \$2,872.56 in back taxes, then you would have to pay that, plus get an appraisal and if it is at \$100,000.00 and you sell for that, where does the money go? Gallagher said if the LBA takes it and sells it for \$100,000.00 he would take the money as treasurer and hold those funds in escrow until such time that a claimant files a petition to receive those funds.

Galla asked about the length of time after selling that a person can file a claim and Gallagher replied there is a six-year statute of limitations but he thought there was one year to file a petition for the claim. He didn't know what happens to the excess proceeds after that time period. Gallagher proposed letting these parcels go through auction and if they don't sell, then the Land Bank has the opportunity to pick them up for another bid. Wessell said it makes it more difficult for us to be committed to our mission. Gallagher said we still have the first right of refusal. Adjustments need to be made because everything will go up such as holding cost, acquisition and the cost of the project. There is still equity within the property. Long term, we need to look at first acquisition and how to navigate that. For example, an appraisal could be done for the mobile home in Bingham, but it could be worth

more if the structure is removed and sell the land for housing.

Heinz asked if the first 2 properties could be put into the brownfield plan with the properties from last year. Gallagher said if the board wished to pursue that and do an appraisal on the properties, then we could discuss acquisition and borrowing. The Land Bank could get an agreement with the Board of Commissioners or go to a bank for a line of credit.

Galla asked about the parcel in Cleveland. Gallagher said he thought the owners passed on and the heirs did not follow up on it. Principal Residence Exemption (PRE) was denied because a death certificate was filed.

Wessell asked what happens if we do nothing. Gallagher said by law, the properties have to offer the properties for auction. With the prior seven properties the Land Bank owns, those claimants could still come forward against us on those parcels.

Galla asked if the Land Bank has to decide soon on these properties and Gallagher replied, probably by June. Hawkins suggested the Land Bank could bundle the properties and put restrictions on them, for example demolition of the mobile home as condition of sale. He said the Land Bank could also put requirements that they have to buy all of them at one time at the auction, not just one parcel.

Wessell asked if they go to auction, do they need to be sold at or above fair market value? Gallagher said it would be offered starting at back taxes owed for beginning price, then fair market value is established by the bidding. Wessell asked if the Land Bank could bid at auction and Gallagher replied, yes.

Galla asked about ¼ interest on the third parcel. Gallagher explained what happened and the interest of the current owner to acquire the ¼ interest. He said they would have to acquire for fair market value. Galla asked about appraisal and Gallagher explained how he would handle it – ultimately it could be challenged in court if our appraisal was \$25,000 and it was really a value of \$250,000.

Heinz asked about prior parcels and commented on the Marek Rd. property. Is there a cloud now on whether Homestretch paid fair market value for that? Gallagher felt the liability was with the treasurer. Galla asked they are now clear since we are past one year and no claim has been filed. Gallagher replied, yes. Heinz said these six parcels might be the last chance for the Land Bank to obtain properties. Gallagher replied the courts need to make a decision so these liabilities are not hanging over county's heads. Heinz asked if there is anything to be done now by the Land Bank? Gallagher replied that if there is interest, he could get appraisals through the treasurer's office for backup on his auction, and also for historical documentation. He could share that with the Land Bank. Heinz supported acquiring the first two properties.

Further discussion was held on interest in the properties, and acquiring appraisals.

Gallagher confirmed it would be his role as treasurer to obtain the appraisals. If there is interest from this body, he would pull the properties from his auction. We can exercise a first right of refusal form, appraised value, borrowing for acquisition, brownfield plan, etc. Galla mentioned the property in Cleveland had a state equalized value (SEV) of \$119,000. Even if it doubled, it is probably not close to what properties are going for now.

Isphording said it is a good idea to get appraisals, to protect yourselves because we don't know the value until someone looks at it. They could find problems. Isphording noted he trusted what Gallagher will found out. He didn't know about the exposure for Gallagher, in his position, and if that compromises his ability to be flexible on cost. Isphording concluded that he was okay with the process.

Foster was curious as to why this legal change was made. Gallagher said it was a class action lawsuit. A cohort in southern Michigan foreclosed on a \$200,000 house for \$85,000. He turned around and sold it for \$200,000. In Leelanau County we don't foreclose on these as the Treasurer's office has been successful getting taxes paid. This is a small community. Someone knows who these people are so we try to track them down to get them to pay.

Gallagher has been successful contacting everyone, with the exception of the owners of the Cleveland property.

Discussion on Brownfield application for parcels owned

***Motion by Wessell, seconded by Heinz, to move forward with these parcels and submit an application to the Brownfield Redevelopment Authority (LCBRA) for a combined brownfield plan of six parcels.***

Discussion continued.

Wessell asked if they felt the cherry home property might be an exception because of its location. Heinz said yes, but the proceeds from this parcel could subsidize the other properties. Gallagher was contacted by the president of cherry homes and they might be interested in acquiring this piece. There is value in that piece if the value can be captured and use toward future acquisitions. Galla reported there are two parts to the BRA application, and there is a \$150.00 fee for Part I and a \$500.00 fee for Part II.

***Motion amended by Wessell, seconded by Heinz, to amend the motion and ask to waive Part I and Part II fees of the application.***

Discussion continued.

Heinz clarified that these parcels are beyond one year so there may be less of legal exposure but it is still not clear yet. Gallagher said that was his understanding. There isn't any legal standing for someone to go against foreclosures from previous years. They are working on 2021 and 2022 foreclosures right now to establish legal precedence. The statute might follow behind that and be modified by that precedence. For the state to open up a statute of limitations on all prior years would open a pandora's box. Heinz thought Gallagher brought this up about a year ago and Heinz asked if they could keep the money and Gallagher said yes. Heinz said this is a further refinement of prior law and now there is a cloud in it.

Gallagher said last year it was fine for selling at the minimum bid, and this year we are being told to use fair market value. Heinz noted we still have options: acquire and try to develop these, or send out an offering to the names on our list for a request for proposals. Gallagher replied that would be up to this board. Right now, we are trying to establish a brownfield plan to secure future funding and recapture TIF. Once established, it will be up to this board to discuss what we do for solicitation and Request for Proposals (RFP).

Hawkins commented that before a plan is adopted, this has to be modeled to get a better sense of what properties will be used for development. Gallagher clarified that for the brownfield plan, it should be modeled as affordable housing and for market rate to present and adopt.

Foster asked if they have a notion on what other brownfield and land bank authorities are doing with new interpretation of the law. Gallagher said they are following the same procedure. Foster said makes it tough to make any decisions.

***On a voice vote, the motion carried 6-0.***

Borrowing for Acquisition

Gallagher said we have the need for more funding. Everything will come out of operations, but acquisition of a new property is going to exhaust funds in an expedited fashion. Is this body willing to consider a bank or go through the county board, for a line of credit for a fixed amount? The funds would be to purchase properties.

Members discusses some previous projects, and need for funding. Isphording recommended going to the board and have the appropriate money with limitations and some flexibility. Foster suggested \$200,000 limit.

***Motion by Wessell, seconded by Forster, to submit a request to the board of commissioners for a line of credit of \$200,00.00 for the Land Bank Authority, in May. Motion carried 6-0.***

Other

Gallagher asked Irvin to give an update on the Maple City Crossings project in partnership with LBA. Irvin introduced herself as the CEO of Habitat for Humanity of the Grand Traverse Region. Last year they submitted Part 41 permit to Environment, Great Lakes, and Energy (EGLE). They submitted it three times before EGLE accepted administrative part of it which was in February. She anticipated they would have the permit by the end of this year. Last week they found out EGLE might expedite the review. She received technical comments and their engineer is now reviewing about 60 from EGLE and preparing responses. EGLE also can come back and comment on the responses. She is hoping that they get permit in about 3 weeks. Once that is in hand, she can provide another update.

**CLAIMS & ACCOUNTS – None**

**POST AUDIT- None**

**CORRESPONDENCE/COMMUNICATION ITEMS**

Stimson was not able to attend this morning but gave an update on Marek Rd for Vineyard View apartments. The funding gap is \$121,690.00. He is still optimistic they will close that gap and proceed.

**PUBLIC COMMENT - None**

**MEMBER COMMENTS**

Heinz asked about the Bay View lots in Suttons Bay. Gallagher said he sold the undeveloped air condos in Suttons Bay Village back to the homeowner's association. As Treasurer, he has held them for about five years and has tried to get real estate agents to list. Developers looked at it but no proposals came through. Heinz asked if the county is free of that property now and Gallagher answered, yes.

**CHAIRPERSON COMMENTS- None**

**ADJOURN**

***Motion by Foster, seconded by Isphording, to adjourn. Adjournment at 9:59 am.***

## Trudy Galla

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**From:** Tim Perrone <tperrone@cstmlaw.com>  
**Sent:** Tuesday, April 26, 2022 11:33 AM  
**To:** Trudy Galla  
**Cc:** John Gallagher  
**Subject:** RE: Land Bank - Policies & Procedures  
**Attachments:** Land Bank Policies-Procedures - Rev 4-18-22 - redline rev.docx

Trudy:

I have reviewed the proposed changes to the Land Bank Policies and Procedures. I made only a few slight revisions (see attached redline rev version), and offer the following comments for your consideration in making further changes as determined to be desirable:

1. Under the Introduction, Sec. A and B.1.b., the types of housing supported is described as being for workforce, and attainable and affordable. You may wish to place the latter two terms in context, e.g., attainable and affordable “to low-income residents.”
2. Under the Introduction, Sec. B.1.f., if you do not have or use an evaluation system to “analyze” all property transfer requests, then perhaps this subsection should be deleted. If you do conduct an analysis, there should be objective criteria taken into consideration, such that the decision is not simply an arbitrary exercise of unfettered discretion, e.g., does it meet with the mission of the Land Bank to promote workforce/attainable/affordable housing?. Even so, there are criteria spelled out elsewhere in the document for both the acquisition and disposition of property.
3. Under Land Bank Program Implementation, Sec. B, the proposed change clarifies that Board action is required to establish the purchase price and to approve all purchases of non-tax-foreclosed properties. I have no legal objection to this change.
4. Under Land Bank Program Implementation, Sec. J.1.b., the proposed change clarifies that the Chairman/Executive Director may enter into agreements to finalize property transactions and execute conveyances only as to (a) Adjacent Lot Dispositions, and (b) Board-approved transactions. It is my understanding that the Board approves the consideration in both cases.
5. However, under Land Bank Program Implementation, Sec. J.1.c., further discussion may be necessary. The intent should be clarified if it is limited to sales of Land Bank property. The proposed change would allow the Chairman/Executive Director to enter into purchase agreements, where there is a refundable deposit of not more than \$5,000.00. But if the agreement is not otherwise approved by the Land Bank Board, the Land Bank could potentially still be bound to close a transaction (specific performance), unless a contingency is not met. The agreement could be made contingent on Land Bank Board approval.
6. Further, under Land Bank Program Implementation, Sec. J.1.c, there is reference to “option for first right of refusal or other conveyances.” First, an option and a right of first refusal are different things, i.e., an option guarantees that the optionee can purchase the property upon exercise of the option (property cannot be sold to anyone else), whereas a right of first refusal requires the seller to allow the optionee to match a bona fide offer from another prospective purchaser if the optionee wishes to purchase the property (but is under no obligation). Further, both an option and right of first refusal require consideration to be paid, which could be nominal. Finally, the phrase “or other conveyances” is very broad, and would appear to grant delegated

authority to the Chairman/Executive Director to enter into agreements of any kind and at any price to convey Land Bank property where there is a refundable deposit of \$5,000.00 or less.

7. The proposed change under Land Bank Program Implementation, Sec. J., as to entry into a Temporary License or Consent to Enter is not objectionable, so long as the temporary permission is supported by consideration and otherwise contains protections of Land Bank property.

Please contact me if you have any questions or wish to discuss further.

Timothy M. Perrone  
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[tperrone@cstmlaw.com](mailto:tperrone@cstmlaw.com)

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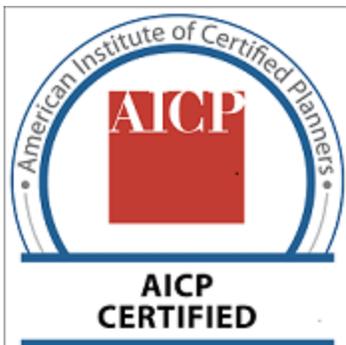
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**From:** Trudy Galla <[tgalla@leelanau.gov](mailto:tgalla@leelanau.gov)>  
**Sent:** Monday, April 18, 2022 1:35 PM  
**To:** Tim Perrone <[tperrone@cstmlaw.com](mailto:tperrone@cstmlaw.com)>  
**Cc:** John Gallagher <[jgallagher@leelanau.gov](mailto:jgallagher@leelanau.gov)>  
**Subject:** Land Bank - Policies & Procedures

Hi Tim;  
Attached you will find some proposed suggestions to the Land Bank Authority Policies & Procedures document. Can you give this a review and let John and I know if these are acceptable changes for this document? Feel free to provide alternative language for our consideration.  
This would be for consideration at the May 17 Land Bank meeting.

Thank you.

Trudy J. Galla, AICP, Leelanau County Planning Director  
8527 E. Government Center Dr., Suite 108  
Suttons Bay MI 49682  
231-256-9812  
[tgalla@leelanau.gov](mailto:tgalla@leelanau.gov)





## INTRODUCTION

The Leelanau County Fast Track Authority a.k.a., Leelanau County Land Bank Authority (LCLBA) was established on August 25, 2008 under the Michigan Land Bank Fast Track Act (Public Act 258 of 2003, as amended). The Leelanau County Land Bank Authority was created by an Intergovernmental Agreement between the Leelanau County Treasurer and the Michigan Land Bank Fast Track Authority, with the approval of the Leelanau County Board of Commissioners. In addition to the County Treasurer who, by law, must be a member of the LCLBA, the other members are appointed by the Leelanau County Board of Commissioners. The LCLBA has the authority to select and retain an Executive Director, however, in lieu of an Executive Director, the Chairman has ultimate authority. The entire board consists of seven (7) members.

The Michigan Land Bank Fast Track Act (Public Act 258 of 2003, as amended) provides for the creation of county land bank fast track authorities to:

- a. assist governmental entities in the assembly and clearance of title to property in a coordinated manner;
- b. facilitate the use and development of certain property;
- c. promote economic growth;
- d. prescribe the powers and duties of certain authorities;
- e. provide for the creation and appointment of boards to govern land bank fast track authorities and to prescribe their powers and duties;
- f. authorize the acquisition, maintenance, and disposal of interests in real and personal property;
- g. authorize the conveyance of certain properties to a land bank;
- h. authorize the enforcement of tax liens and the clearing or quieting of title by a land bank;
- i. provide for the distribution and use of revenues collected or received by a land bank;
- j. authorize the transfer and acceptance of property in lieu of taxes and the release of tax liens;
- k. exempt property, income, and operations of a land bank from tax; and
- l. extend protections against certain liabilities to a land bank.

Similarly, the purpose of the LCLBA is to assemble or dispose of public property, including tax reverted property, in a coordinated manner to foster the development of property, which in the judgment of the LCLBA Board should contribute to public good, and/or to promote economic growth in Leelanau County and in the local units of government within the county.

The acquisition and disposition of properties owned and managed by the LCLBA and its operations are in accordance with the Michigan Land Bank Fast Track Act, PA 258 of 2003, as amended; the Tax Reverted Clean Title Act, PA 260 of 2003, as amended; PA 261 of 2003 which amends the General Property Tax Act (PA 206 of 1893), as amended; the Brownfield Redevelopment Financing Act (PA 381 of 1996, as amended), its operational By-Laws, and the general policies and procedures contained herein.

The purpose of these Policies and Procedures is to establish general principles on which sound decisions can be made and to determine specific parameters to guide the actions of the LCLBA. The LCLBA may amend these policies and procedures from time to time by resolution of the Board of Directors of the LCLBA (the “LCLBA Board”).

As an owner of property in the county, the LCLBA, within budgetary constraints, will make all reasonable efforts to:

1. maintain its property,
2. prevent the property from being a blighting influence,
3. prevent the property from being a danger, and
4. return the property to productive use consistent with the plans and goals of the community.

## **A. MISSION STATEMENT**

The mission of the Leelanau County Land Bank Fast Track Authority is to enhance tax base by returning tax reverted properties to the tax rolls and to partner with community stakeholders to acquire and redevelop undervalued properties to support workforce attainable/affordable - housing and economic development. ~~(Adopted January 19, 2016).~~

## **B. GOALS**

### **1. Programmatic**

- a. Use the LCLBA disposition program to promote the economic development and/or redevelopment in the creation of jobs that will promote the year-round economy of the county.
- b. Support housing solutions and actions that will provide workforce housing, affordable housing, and attainable housing.
- ~~a.~~
- b.c. Collaborate with other agencies to develop a comprehensive approach and a “one-stop-shop” for developers to access the LCLBA, Brownfield and the Economic Development

Corporation development tools, including but not limited to access to grant funds, low interest loans and tax credits.

- e.d. Maintain an inventory of properties for potential development projects that will achieve the priority land uses established in the LCLBA 's policies.
- d.e. Establish a side lot program and convey all non-developable properties as they become tax foreclosed, to facilitate the elimination of abandoned property that is not on the tax rolls.
- f. Create an evaluation system to effectively analyze all property transfer requests. (what does this mean? We do not currently do this. Delete?)
- e.—

## 2. Organization

- a. Create policies and procedures that will govern the decision making of the LCLBA consistent with the organization's programmatic goals.
- b. Keep the LCLBA operating as efficiently as possible by collaborating with existing programmatic capacity at the County and other nonprofit and governmental agencies. This would include incorporating housing programs into the LCLBA, when applicable.
- c. Create a communication plan to ensure public awareness of the LCLBA programs and how they can be accessed. In addition, the plan should cultivate dialogue and education on an ongoing basis.
- d. Establish a board and staff development training program which is dedicated to comprehensive and ongoing member education. This can be accomplished in several ways including mini trainings at board meetings, literature reviews, conference attendance, and consultant visits.

# LAND BANK PROGRAM IMPLEMENTATION

## A. ACQUISITION OF PROPERTY

The following criteria shall be considered in determining property to be acquired by the LCLBA, to facilitate development, in conjunction with the acquisition of property, to carry out the purpose of the LCLBA or to enhance the operation and function of the LCLBA:

1. Property which is strategic to implementing an economic development, neighborhood stabilization or revitalization plan or strategy undertaken by the LCLBA.
2. Property which is strategic to implementing an economic development, neighborhood stabilization or revitalization plan or strategy undertaken by a local government entity pursuant to an intergovernmental agreement with the LCLBA.
3. Property which is strategic to implementing an economic development, neighborhood stabilization or revitalization plan or strategy undertaken by a nonprofit corporation pursuant to a community or neighborhood plan approved by the local political jurisdiction.

- 4 Property necessary to complete a land assembly project to enhance the marketability of or to protect property already held by the LCLBA.
- 5 Property that promotes health, safety and welfare.
- 6 Property that will generate financial resources for the operation and function of the LCLBA.

The LCLBA may acquire property as permitted by law. In determining the nature and extent of property to be acquired, the LCLBA shall consider the value of the property, the financial resources available for acquisition, the capacity of the LCLBA to own and manage the property, and the projected length of time required to convey or utilize the property for the purpose intended by the LCLBA in acquiring the property. All acquisitions shall require the approval of the LCLBA Board.

## ***B. POLICIES GOVERNING THE ACQUISITION OF NON-TAX-FORECLOSED PROPERTIES***

The Land Bank Fast Track Act, 2003 PA 258, MCL 124.755 et seq allows for the direct purchase of property. While the foundation of the LCLBA is property acquired through the tax foreclosure process, there will be opportunities for direct purchase of mortgage foreclosed, redevelopment project, and other properties that represent the mission of the LCLBA.

Policies and Procedures to carry out these Priorities are:

1. Accumulate property information such as assessment data, map location, photos, code violation information, zoning and other pertinent information regarding the property.
2. Personal inspection of the interior/exterior of the property.
3. Evaluate the need to conduct, if necessary, environmental due diligence (All Appropriate Inquiry) on the subject property since land banks are only exempt from environmental liability when property is acquired involuntarily (e.g., through the tax foreclosure process).
4. Obtain appraisal or market value estimate.
5. Submit all information to the Land Bank Authority ~~chairman or executive director~~ to establish purchase price and approval.
- ~~6. If purchase price is over \$100,000, LCLBA board approval is required.~~
- ~~7. All commercial property acquisition requires LCLBA board approval.~~

## ***C. DISPOSITION OF PROPERTY***

### **1. Conveyances**

The following apply to the conveyance of property:

- a. Real property conveyances by the LCLBA will be made directly by the LCLBA to the individual or entity responsible for undertaking the proposed development and in accordance with its stated use of the property.
- b. The LCLBA will not convey real property to an individual or entity for future speculative conveyances to third parties. However, simultaneous closings involving property of the LCLBA may occur.
- c. The LCLBA will not convey real property to an individual or entity that was the prior owner of any real property in Leelanau County that was tax foreclosed.
- d. Conveyance(s) will be made at the sole discretion of the LCLBA.
- e. The consideration received by the LCLBA for any conveyance will be determined in the sole discretion of the LCLBA.
- f. Once a property is sold or otherwise conveyed by the LCLBA, the LCBA will collect 50% of a five-year specific tax as allowed by PA 260 of 2003.

## 2. Property Specific Criteria

The following criteria will be considered to determine property that will be conveyed by the LCLBA:

- a. to facilitate development pursuant to 2003 PA 258,
- b. to better carry out the purpose of the LCLBA, or
- c. to enhance the operation and function of the LCLBA.

The LCLBA will consider the following factors in pricing and conveying property:

- i. The proposed use of the property with emphasis on returning the property to taxable status or conveyance, which in the judgment of the LCLBA Board contributes to public good.
- ii. Development which results in preserving and rehabilitating neighborhoods, promoting affordable homeownership and multiple family housing, as well as facilitating economic development and creating jobs.
- iii. The feasibility of the proposed development including financial resources, time frame for completion, site suitability including, but not limited to, size, location, land use, environmental issues, and infrastructure requirements.
- iv. The stability, ability, financial resources, nature, identity and capacity of the proposed purchaser including development experience and readiness to commence and complete development.

- v. The potential impact of the conveyance on community and neighborhood plans approved by the local unit of government(s) with emphasis on preserving, stabilizing and restoring neighborhoods, improving and modernizing commercial and industrial areas, remediating environmental issues and/or promoting compatible uses of land.
- vi. The potential for the conveyance to generate proceeds to support and enhance the operation and function of the LCLBA.

The LCLBA may convey any property in its inventory in its sole discretion and establish disposition programs, including programs designed for specific areas.

#### ***D. GENERAL AGREEMENTS WITH LOCAL UNITS OF GOVERNMENT***

The LCLBA may enter into Agreements with local units of government. The intent of the Agreements is to share information on a continuing basis to identify the parcels of property within a specific geographical area that are owned by the LCLBA. Once identified, the LCLBA and local units of government can solicit, receive and evaluate requests and proposals for the conveyance of property held by either the LCLBA or by a local unit of government. Once received, the LCLBA and the local unit of government can prepare recommendation packages for conveyance including information on the proposed purchaser, the proposed use of the property, and the consideration. Appropriate notice requirements to the LCLBA and the local unit of government will be followed in relation to the proposed conveyance of any property.

Note: Agreements will provide that the party holding legal title of the property to be conveyed will make final approval of the conveyance. The Executive Director or Chairman of the LCLBA may execute agreements consistent with this policy.

#### ***E. Requirements of Conveyance***

The LCLBA, in its sole discretion, will determine all other terms and conditions of the conveyance. The documents that the LCLBA may use to convey an interest in property may include but are not limited to a quitclaim deed, a lease, a land contract and a grant of easement, as authorized by law and/or a development agreement.

#### ***F. TERMS OF CONVEYANCE***

The following terms will be used to establish the consideration to be received by the LCLBA for the conveyance of real property.

1. It is the LCLBA's intent that the minimum monetary consideration will be no less than the Property Cost. "Property Cost" means the direct and indirect costs and expenses

attributable to the property including, but not limited to, cost allocation for overhead, costs of acquisition, maintenance, repair, rehabilitation by or on behalf of the LCLBA, demolition, marketing and litigation to quiet title.

2. The value of the property will be established by an appraisal or other valuation as determined by the LCLBA.

The LCLBA, in its sole discretion, will determine the consideration and terms of conveyance.

## ***G. USE***

Prior to conveying the property, the range of uses that will be considered by the LCLBA (which are not in any particular order of importance) include, but are not limited to the following:

- a. Dedication to public use by a governmental entity.
- b. Homeownership and affordable housing.
- c. Return of the property to taxable status.
- d. Land assemblage for economic development.
- e. Provision for financial resources for operating functions of the LCLBA.
- f. Green space or conservation purposes.
- g. Elimination of blight.
- h. Uses for childcare.
- i. Dedication to use by a social, educational or faith-based institution.
- j. Recreation centers.
- k. Agricultural uses.

## ***H. ADJACENT LOT DISPOSITION PROGRAM***

Property may be conveyed to an adjacent property owner in the LCLBA's sole discretion.

### **1. Qualified Property**

Property eligible for inclusion in the Adjacent Lot Disposition Program must meet the following minimum criteria:

- a. The Property is used for residential purposes and has a common boundary line with the Purchaser's property.
- b. The Property is not buildable according to current zoning and building codes.
- c. The Property is not part of a proposed plan or development supported by the local unit of government requiring land assembly.

## **2. Purchaser(s)**

To convey property to Purchaser(s), the LCLBA will determine the following:

- a. Purchaser(s) own a contiguous property.
- b. When more than one adjacent property owner exists and each wants the same adjacent Property, the Property may be conveyed in whole or divided and conveyed at the discretion of the LCLBA. The LCLBA staff may contact adjacent property owners to ascertain interest in the Property.
- c. Purchaser(s) has submitted a completed application to the LCLBA indicating the address(es) of the Properties to be purchased.
- d. Purchaser(s) are current on all property taxes owed for parcels within the county held by said purchaser.
- e. Purchaser(s) has submitted any financial information requested by the LCLBA.
- f. Purchaser(s) has submitted any other information requested by the LCLBA.

## **3. Consideration**

Property conveyed through the Adjacent Lot Disposition Program will have the consideration determined by the LCLBA, in its sole discretion.

### ***I. APPLICATION PROCESS***

#### **1. Application from an Individual**

For Individual Purchasers, other than those applying for property offered through the Adjacent Lot Program, the LCLBA will consider a completed application from Individual Purchaser(s), which includes, but is not limited to the following:

- a. The address(es), legal description(s), and recent photos of the property to be purchased.
- b. The proposed development and/or use of the property.
- c. The time frame for rehabilitation, improvement or development.
- d. Financial documentation, which includes but is not limited to a Pre-Qualification Letter from a Lender (if financing the transaction).
- e. Proof of personal identification by an official state or federal document.

#### **2. Applications from Organizations**

For Organizations, including but not limited to, nonprofit corporations, partnerships, institutions, community groups, limited liability corporations, and joint ventures, the LCLBA will consider a completed application from Organizations, which includes, but is not limited to the following:

- a. The address(es), legal description(s), and recent photos of the property to be purchased.
- b. The proposed development and/or use of the property.
- c. Names of key individuals on the Development Team.
- d. The time frame for rehabilitation, improvement or development.
- e. Financial documentation, which includes but is not limited to a Pre-Qualification Letter from a Lender (if financing the transaction).

### 3. LCLBA Review

The LCLBA staff will attempt, within ninety (90) days of receiving a completed application, to complete a review of the application. After review, the LCLBA staff will notify the applicant of the determination or request additional information.

## ***J. CONVEYANCES REQUIRING BOARD APPROVAL AND EXECUTIVE DIRECTOR/CHAIRMAN AUTHORITY***

### **~~1. Conveyances Requiring Board Approval~~**

~~The Executive Director/Chairman can approve all conveyances with the following exceptions which require Board approval:~~

- ~~a) Any conveyance for which the ultimate use of the property will result in an exemption from property taxes.~~
- ~~b) Conveyances for projects containing greater than fifteen (15) parcels.~~
- ~~c) Conveyances involving transactions greater than \$100,000 in value.~~
- ~~d) Any transaction not specifically authorized shall require LCLBA Board approval.~~

### **2.1. Executive Director/Chairman Authority**

The Executive Director/Chairman of the LCLBA may enter into agreements to finalize property transactions and execute conveyances on behalf of the LCLBA regarding the following:

- a) Conveyances issued pursuant to the Adjacent Lot Disposition Program.
- ~~b) Conveyances of fifteen (15) parcels or less, unless to a single purchaser during the LCLBA's fiscal year.~~
- b) Conveyances approved by the LCLBA Board.
- c) Purchase agreements, options, ~~for~~ first right of refusal or similar conveyances, where there is a refundable deposit of not more than \$5,000 required.

The Executive Director/Chairman may enter into a Temporary License or an Agreement & Consent to Enter State-Owned Property as determined by the Executive Director/Chairman to

be in the best interest of the LCLBA.

2. Board Approval

- a) Any transaction not specifically authorized shall require LCLBA Board approval.

~~Other restrictions notwithstanding, the Executive Director/Chairman may contract for demolition of a structure on LCLBA owned property provided that the demolition contract is less than~~

~~\$50,000.00, and the contract complies with applicable procurement requirements. Additionally, the Executive Director/Chairman may enter into a Temporary License or an Agreement & Consent to Enter State-Owned Property as determined by the Executive Director/Chairman to be in the best interest of the LCLBA.~~

### **3. Reporting Requirement**

All conveyances entered into by the Executive Director/Chairman will be reported in writing to the LCLBA Board at the next LCLBA Board meeting.

### ***K. Policy on Borrowing Money, Issuing Bonds or Notes***

The LCLBA Board by resolution can authorize the LCLBA to borrow money and issue bonds and notes according to the Act.

BY: jgallagher

For 2022 Foreclosures of 2019 and prior taxes

DB: Leelanau

All Records

Fees Computed As Of: 04/12/2022

PARCEL	TAX DUE	INTEREST/FEES DUE	TOTAL DUE	TAX YEARS	DELINQUENT
001-005-003-40	2,102.23	770.33	2,872.56	2021 2020	2019

L398 P526-528/94 PRT NE 1/4 COM NE COR SD SEC TH S 00 DEG15' 51" E ALG E LN SD  
 SEC 1534.38 FT TO POB TH S 00 DEG 15' 51" E CONT ALG SD E LN 377.03 FT TO C/L W  
 PINE VIEW RD TH N 67 DEG 51' 54" W ALG SD C/L 249.93 FT TH N 00 DEG 15' 51" W  
 PARALLEL WITH SD ESEC LN 377.03 FT TH S 67 DEG 51' 54" E PARALLEL WITH SD C/L  
 249.93 FT TO POB SEC 5 T29N R11W 2.16 A M/L.

Property Address: 2581 S PINE VIEW RD SUTTONS BAY MI  
 Owner: TAYLOR JAMES D

003-022-011-90	5,355.75	1,097.70	6,453.45	2021 2020	2019
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L216 P581 L355 P125-131/92 PRT W 1/2 OF SE 1/4 SEC 22 COM S 1/4 SEC COR TH N 01  
 DEG 11' 43" W ALG N-S 1/4 LN 660.89 FT FOR POB TH CONT N 01 DEG 11' 34" W  
 330.45 FT TH N 89 DEG 45' 46" E 1321.07 FT TH S 01 DEG 07' 04" E 330.30 FT TH S  
 89 DEG 45' 24" W 1320.61 FT TO POB SEC 22 T29N R13W.

Property Address: 5831 S HLAVKA HILL DR MAPLE CITY MI  
 Owner: FISHBURN RORY JAMES

010-019-006-01	945.40	598.14	1,543.54	2021 2020	2019
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1/4 INT OF PT OF NW FRL 1/4 SEC 19 BEG NW SEC COR TH E 597.5 FT TH S 395 FT TO  
 E LN OF OLD RD TH SLY TO C/L CO RD TH CONT SLY ALG C/L TO 1/8 LN TO W TO W SEC  
 LN TH N 1320 FT TO POB ALSO PRT S 1/2 OF NW 1/4 LYING NWLY OF C/L OF RD SEC 19  
 T28N R12W 0.07 A M/L 2002 INT SPLIT FROM 010-019-006-00 INTO 010-019-006-00  
 010-019-006-01, 010-019-006-02, 010-019-006-03 EACH WITH 1/4 INT

Property Address: 2175 E KASBEN RD CEDAR MI  
 Owner: FIEBING CHARLES III & BARBARA J

PARCEL COUNT: 3	8,403.38	2,466.17	10,869.55		
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**From:** [Tim Perrone](#)  
**To:** [John Gallagher](#)  
**Cc:** [Trudy Galla](#)  
**Subject:** RE: Landbank Question for Counsel  
**Date:** Monday, June 13, 2022 10:37:14 AM

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John:

Chet sent me your question on May 31, and asked to set up a conference call to discuss.

I gave him some available dates, but did not hear back.

In general, the County cannot loan itself money from the DTRF, even if it intends to pay it back with interest.

The County's auditors would likely agree, as the issue has been flagged by auditors in other Counties.

However, a surplus in the DTRF may be transferred to the County General Fund, MCL 211.87b(7), and then used from there for any proper County purpose.

If there are insufficient funds in the DTRF for its statutory purposes, the County may borrow money to replenish the DTRF. MCL 211.87c.

It is my understanding that the Land Bank may pay the minimum bid for tax foreclosed properties before the auction if (a) a city, village, township, or county does not purchase that property, and (b) no claimant has filed a claim for remaining proceeds from the foreclosed property under section 78t(2). MCL 211.78m(1).

Please call me if you have any questions or wish to discuss further.

**Timothy M. Perrone**  
**Cohl, Stoker & Toskey, P.C.**  
**(517) 372-9000**  
[tperrone@cstmlaw.com](mailto:tperrone@cstmlaw.com)

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**From:** John Gallagher <jgallagher@leelanau.gov>  
**Sent:** Monday, June 13, 2022 10:06 AM

# 2023 BUDGETARY WORKSHEET

Fund 101 General Fund - Land Bank

Leelanau County Land Bank Authority

Department

Period Ending Date: May 31, 2022

Account Number	2019 Audited	2020 Audited	2021 Un-Audited	2022 Year-to-Date	2022 Adopted Budget	2022 Amended Budget	2023 Proposed Budget	2023 Department Requests
Account Name								
<b>Fund 101 General Fund - Land Bank</b>								
<b>Fiscal Year 2022</b>								
<b>Revenues</b>								
000000-401.000								
Balance brought forward	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-402.000								
Tax Revenue - TIF	3,990.90	442.59	6,016.27	6,078.67	7,500.00	7,500.00	7,500.00	7,500.00
000000-539.000								
Grant Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-599.000								
Contribution from County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-664.000								
Interest	24.17	57.47	41.82	11.42	125.00	125.00	125.00	125.00
000000-669.000								
Misc Reimbursements	6,066.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-673.000								
Sale of Asset	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-694.000								
Cash over/short	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Revenues Total</b>	<b>10,081.43</b>	<b>700.06</b>	<b>6,058.09</b>	<b>6,090.09</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>
<b>Expenses</b>								
000000-802.000								
Brownfield Site Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-810.000								
Bank Charges	0.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00
000000-815.000								
Recording Fees	0.00	0.00	0.00	0.00	150.00	150.00	150.00	150.00
000000-929.000								
Property Tax Expense	688.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-990.000								
Debt Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-991.000								
Foreclosed Parcel Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100101-727.000								
Office Operating	0.00	0.00	50.00	0.00	200.00	200.00	200.00	200.00
100101-728.000								
Postage	0.00	0.00	0.00	0.00	50.00	50.00	50.00	50.00
100101-800.000								
Attorney Fees	0.00	0.00	0.00	0.00	1,500.00	1,500.00	1,500.00	1,500.00
100101-801.000								
Contractual Services	1,330.00	285.00	0.00	0.00	0.00	0.00	0.00	0.00

# 2023 BUDGETARY WORKSHEET

Fund 101 General Fund - Land Bank

Leelanau County Land Bank Authority

Department 100101 Land Bank Board

Period Ending Date: May 31, 2022

Account Number	2019 Audited	2020 Audited	2021 Un-Audited	2022 Year-to-Date	2022 Adopted Budget	2022 Amended Budget	2023 Proposed Budget	2023 Department Requests
Account Name								
100101-807.000 Membership and Dues	225.00	125.00	0.00	0.00	0.00	0.00	0.00	0.00
100101-860.000 Travel	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00	1,000.00
100101-891.000 Contingency	0.00	0.00	0.00	0.00	3,715.00	3,715.00	3,715.00	3,715.00
100101-900.000 Printing & Publishing	0.00	0.00	23.90	0.00	500.00	500.00	500.00	500.00
100101-960.000 Education	0.00	0.00	0.00	0.00	500.00	500.00	500.00	500.00
100101-970.000 Capital Outlay > \$5,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Expenses Total</b>	<b>2,243.87</b>	<b>410.00</b>	<b>73.90</b>	<b>0.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>
	<b>7,837.56</b>	<b>290.06</b>	<b>5,984.19</b>	<b>6,090.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Revenues Total</b>	<b>10,081.43</b>	<b>700.06</b>	<b>6,058.09</b>	<b>6,090.09</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>
<b>Expenses Fund Total</b>	<b>2,243.87</b>	<b>410.00</b>	<b>73.90</b>	<b>0.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>
<b>Net (Rev/Exp)</b>	<b>7,837.56</b>	<b>290.06</b>	<b>5,984.19</b>	<b>6,090.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total for Revenues</b>	<b>10,081.43</b>	<b>700.06</b>	<b>6,058.09</b>	<b>6,090.09</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>
<b>Grand Total for Expenses</b>	<b>2,243.87</b>	<b>410.00</b>	<b>73.90</b>	<b>0.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>	<b>7,625.00</b>
<b>Grand Total Net Rev/Exp</b>	<b>7,837.56</b>	<b>290.06</b>	<b>5,984.19</b>	<b>6,090.09</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

LEELANAU COUNTY  
LAND BANK AUTHORITY

Claims and Accounts  
June 22, 2022

6/22/22 Michigan Association of Land Banks (MALB) – membership dues

<b>CLAIMS AND ACCOUNTS</b>
----------------------------

<b>\$ 125.00</b>
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**AMOUNT RECOMMENDED FOR APPROVAL:** \_\_\_\_\_

**AMOUNT REJECTED:** \_\_\_\_\_



# INVOICE

Date: 03/01/2022

Payment Terms

	Due on receipt	
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	Description	Unit Price	
03/01/22	2022 MI Assn of Land Banks dues		
	For gross revenues of \$0 - \$50,000	\$125.00	
	For gross revenues of \$50,000 - \$100,000	\$500.00	
	For gross revenues over \$100,000	\$1,000.00	
		<b>Total</b>	

Make checks payable to:

Michigan Association of Land Banks  
 Attn: Michelle Thompson  
 448 Court Place  
 Beulah, MI 49617