

**A REGULAR MEETING OF LEELANAU COUNTY BROWNFIELD
REDEVELOPMENT AUTHORITY (LCBRA) WAS HELD ON TUESDAY,
FEBRUARY 18, 2020, AT THE LEELANAU COUNTY GOVERNMENT CENTER,
SUTTONS BAY, MICHIGAN.**

Proceedings of the meeting were recorded and are not the official record of the meeting. The formally approved written copy of the minutes will be the official record of the meeting.

CALL TO ORDER: Meeting was called to order at 10:00 a.m. by Chairman Egan, who led the Pledge of Allegiance.

ROLL CALL:

Members Present: K. Egan, P. Soutas-Little, D. Bushey, C. Janik, J. Arens

**Members Absent:
(Prior Notice)** R. Foster

Staff Present: T. Galla

Public Present: J. Hawkins, R. Ispphording, E. DePetrie, J. Gallagher, P. Soutas-Little

CONSIDERATION OF AGENDA

Egan added “TIF tracking system update” as Item #2 in Old Business and “Resolution of appreciation RE: Randy Harmson” as Item #4 under New Business.

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

CONFLICT OF INTEREST - None

CONSIDERATION OF JANUARY 21, 2020 MINUTES

Motion by Soutas-Little, seconded by Bushey, to approve the minutes as presented. Motion carried 5-0.

PUBLIC COMMENT - None

DIRECTOR COMMENTS - None

CONSENT AGENDA

Motion by Janik, seconded by Bushey, to approve the consent agenda as presented. Carried 5-0.

OLD BUSINESS

Update on Open Position

Galla reported the County Board recommended T Eftaxiadis for appointment and the final action would take place that night at the County Board meeting. She will notify the appointee so they can get sworn in and attend the next meeting.

TIF tracking system update

Hawkins reviewed the four TIF tracking systems currently in place. Two Peas LLC, the former dry cleaners in Suttons Bay, GTRAC (the old Norris School site), Leland Residential (the former Government Center site), and the West Bay project. Hawkins said they have been moving around thru the years to make sure they are capturing the right amounts, reimbursing, and then ultimately closing the plans.

Hawkins handed out an excel spreadsheet showing the tracking system they have used for other communities, which had three tabs: statement of account, tax capture detail, and eligible activities. Hawkins continued, saying spreadsheets are a tool for the LCBRA to work with local jurisdictions on how much they are to capture, what millages to capture, and submit back to the LCBRA. The tracking systems allows local taxing jurisdictions to look at information prior to settlement and to ensure that they are at the right numbers and reimburse for anything captured that should not have been. Hawkins reviewed a PowerPoint showing the spreadsheet and going through the line items and tabs.

Arens asked if this was a typical spreadsheet? Hawkins said they developed it, and they send out invoices on behalf of Jackson County, Kalamazoo County and St. Clair County.

Hawkins reviewed the Brownfield Plan for the Leland Site, saying he created a statement of account for each of the seventeen parcels. They have RLF and DEQ loans to repay. The Brownfield Plan was amended to make sure they were covering all those costs and have proper distribution between school taxes and local taxes. Hawkins said they have been dealing with this project since 2007 and have gone through a couple of developers. Arens questioned if the DEQ Grant was reflected in the spreadsheet. Hawkins said yes. Egan stated you are creating a software system that you could sell. Hawkins stated ideally it would be good to do it thru BS&A Software. Gallagher said they are currently using a DDA function of the software to try and create these reports and they are not getting the detail needed. It is rather difficult for the collecting units to disseminate information because BS&A does not have a specific report for brownfields, which makes it very cumbersome to generate reports. Additionally, it requires an assessor to set up the parcel correctly so software recognizes it as a captured parcel. Gallagher concluded by saying they have been working on a myriad of issues for years. Hawkins commented that this may be a tool that can be used which would make it fairly easy to adapt and track properly.

Soutas-Little stated this was excellent in terms of tracking TIF's and questioned if it was Hawkins intent to utilize this when they iron out all the details for reporting back to the County Board or is it something they are tracking internally for other counties? Hawkins said the intent was to get the system in place and up-to-date. It would have to be set up initially and then handed off to be managed, or his company could be hired to manage it on an annual basis. Hawkins concluded by saying the system is in place for all four Brownfield Plans and they are still ironing out a few more details. Bushey thanked Hawkins for his presentation. Hawkins said he will share it with Galla so she can share with members.

NEW BUSINESS

Review/ Policies & Procedures

Galla reviewed the proposed changes to the Policies & Procedures, pointing out the requirement for applicants to provide a minimum of 10% of the funds required for any project here and also in the Brownfield Application. Galla said this was done with regard to assessment dollars and they no longer have those. Soutas-Little suggested spelling out acronyms.

Discussion ensued on 10% funds required by applicant.

Arens thought the wording should remain the same for continuity. Egan said this ensured that the applicant had some investment in the plan or “skin” in the game. Members decided to leave the wording as is.

Arens suggested using the word “mitigate” in the mission statement instead of “eliminate” blight. Bushey stated he thought it was a good goal and he felt the word “eliminate” was appropriate. Members decided to leave the wording as is.

Motion by Soutas-Little, seconded by Janik, to approve Policies & Procedures as amended here today. Motion carried 5-0.

Review/ Adopt Application & Fees

Galla stated she would be changing the date at the bottom and changing DEQ to Michigan Department of Environment, Great Lakes, and Energy (EGLE).

Motion by Bushey, seconded by Janik, to adopt the changes to the Application & Fees. Motion carried 5-0.

Application for Brownfield Plan (from Leelanau County Land Bank Authority)

Gallagher and Hawkins presented an application for a Brownfield Plan on a parcel of land located at 71 E. Mill St. in Maple City. Gallagher said the Leelanau County Land Bank Authority (LCLBA) approved the application for consideration, as well as an agreement for services with Envirologic. This property was acquired through tax foreclosure by the Leelanau County Treasurer’s Office and had a significant amount of asbestos and blight. The LCLBA used its own funds to remediate through a Phase I and Phase II, using EPA funds. Hawkins reviewed using Tax Increment Financing (TIF) through a Brownfield Plan to offset certain eligible costs. The property was sold to Habitat for Humanity who built a house and then sold it in 2019. Because of the process through the LCLBA, it has blighted status and becomes brownfield eligible. The property still has a ‘zero’ taxable value on the tax rolls. Technically they have until the end of May to put it in a Brownfield Plan to potentially capture TIF and repay some of these costs.

Gallagher said the home sold for \$199,000, the Taxable Value will be about half of that, and the brownfield eligible capture is about 8 mills, so he is not anticipating full repayment of the costs incurred on the property. This would be a step in assisting the LCLBA with future projects and continuing the process of providing affordable housing and blight elimination. Gallagher continued, saying they recently closed on a property in Maple City in which they partnered with Habitat for Humanity to build up to eight mixed use units on the site. The LCLBA may present that project to this board as it has eligible costs. Gallagher said this is a good first step in blazing the trail to develop a working relationship between the LCLBA and LCBRA and to further develop a funding mechanism for LCLBA to continue its work. Hawkins said the application is to allow for a Brownfield Plan which would be brought for review and recommendation, subject to review by the municipality, to the Board of Commissioners.

Gallagher continued, stating additionally they are requesting the LCBRA waive the application fee as they are both working toward the same goals.

Egan questioned how many years of capture they were going after. Gallagher said 30 years. Egan commented, so for 30 years the township won't get any revenue off this parcel, what if the township says no and doesn't approve it. Hawkins stated they have that option, but there is potential to negotiate. There is another possible Brownfield Plan coming forward and they could be combined into one plan which would allow them to use tax increment on any site. They could absorb some of the costs for developing the plan and divide it among other parcels.

Gallagher stated the community was behind the work at Mill St. it and they appreciated the assistance. He thinks the community will recognize the need for more infrastructure and hopeful the township board will be receptive. Whether capturing the full 30 years or a partial capture will help them continue to do this type of work.

Hawkins mentioned it was important to communicate to the local unit of government how a Brownfield Plan works. They need to remember this was a tax foreclosure and they weren't getting anything anyway. Everyone's values can rise because that blight project was cleaned up. Hawkins said you can leverage tools to bring more tax dollars into the community. Soutas-Little commented it was an excellent idea because they have talked before of bringing in homes and working families to communities. Soutas-Little continued, saying they started with zero tax base, they now have a family living there and working in the community which brings support and dollars to community. Gallagher pointed out that the municipality may have had a blighted parcel on their tax roll that was taken care of for them. Cleanup itself cost \$57,000 because of the significant amount of asbestos and blight. This is a prime project to collaborate and publicly work together making this a positive engagement for blight elimination and future housing development.

Arens mentioned waiving the application fee and stated he didn't feel they should get into that. Galla explained the application fee is what the LCBRA charges. Because the LCLBA and the LCBRA work so closely together, this fee has been waived in the past for LCLBA applications, not individual applicants. Arens stated the argument could be made from others as to why the fee was waive for the LCLBA and not them. Janik stated they could defend that as they have done it in the past when fees were reduced, or waived. Soutas-Little commented the LCLBA is paying for assistance in developing this document that the LCBRA will not have to pay for. Egan stated if it was a for-profit developer coming in with an application, they would pay an application fee, but then the LCBRA would pay the cost of a Brownfield Plan. In this situation, the LCLBA is paying for the Brownfield Plan.

Motion by Soutas-Little, seconded by Arens, to accept the application for a Brownfield Plan. Motion carried 5-0.

Motion by Soutas-Little, seconded by Bushey, to waive the application fee for this project. Motion carried 5-0.

Resolution RE: Randy Harmson

Egan read the Resolution

Motion by Bushey, seconded by Janik, to accept the Resolution.

Janik-yes

Soutas-Little – yes

Bushey-yes

Arens-yes

Egan-yes.

Motion carried 5-0.

FINANCIALSClaims & Accounts

Motion by Soutas-Little, seconded by Janik, to approve C&A in the amount of \$392.50. Motion carried 5-0.

Post Audit – None

Budget Amendment, Transfers - None

CORRESPONDENCE/COMMUNICATION ITEMS

Galla stated she met with the developer of West Shore Hotel to review the Brownfield Plan. The developer has bought out the other partner and is moving forward with a revised hotel and marina. She informed him that they needed to sign a new reimbursement agreement, so that will be brought back before this board at some point in the future.

PUBLIC COMMENT - None

DIRECTOR COMMENTS - None

MEMBER/CHAIR COMMENTS

Soutas-Little thanked Galla for the Harmson resolution paying tribute to his work on the LCBRA. Egan stated she would be absent for March meeting.

ADJOURN

Meeting adjourned at 11:08 a.m.