

**A regular meeting of the Leelanau County Brownfield Redevelopment Authority was held on Tuesday, May 19, 2020.**

Proceedings of the meeting are being recorded (audio and video) and are not the official record of the meeting. The formally approved/accepted written copy of the minutes will be the official record of the meeting.

**CALL TO ORDER**

Meeting was called to order by Chairman Egan at 10:05 am. The meeting was held at the Leelanau County Government Center, 8527 E. Government Center Dr., Suttons Bay MI and via ZOOM.

**Roll Call**

**Members Present:** Kathy Egan, Patricia Soutas-Little, T. Eftaxiadis, Dennis Bushey  
(via ZOOM)

**Members Present:** Chet Janik  
(At Government Center)

**Members Absent:** John Arens  
(Prior Notice)

**Members Absent:** Rick Foster

**Staff Present:** T. Galla, Director, L. Evans, Executive Assistant  
(At Government Center)

**Public (via ZOOM):** Jeff Hawkins

**CONSIDERATION OF AGENDA**

*It was moved by Janik, seconded by Bushey, to approve the agenda as presented. Motion Carried 5-0.*

**CONFLICT OF INTEREST – None**

**CONSIDERATION OF April 21, 2020 MINUTES**

*It was moved by Eftaxiadis, seconded by Bushey to approve the minutes as presented. Motion Carried 5-0.*

**PUBLIC COMMENT – None**

**DIRECTOR COMMENTS – None**

**CONSENT AGENDA**

*It was moved by Janik, seconded by Eftaxiadis, to approve the consent agenda as presented. Motion Carried 5-0.*

**OLD BUSINESS - Update on Sugar Loaf application process**

Galla gave a quick update since the last meeting and the acceptance of the 1<sup>st</sup> part of the application from the owner of Sugar Loaf. We have not gotten any notification of permits pulled from Building Safety or Conservation District.

Janik confirmed neither of those departments have had contact with the owner. Janik personally called the developer twice in the last week and phone calls have not been returned so there is no new update. Janik has

kept Tim Stein, Supervisor at the township, apprised of the situation. The township has the next steps on any legal enforcement. We have not had any contact with the developers.

Egan said we did not expect anything at the brownfield meeting this month, anyway. It's not outside of what we expected but it is good that we have a report and keeping track of things.

## **NEW BUSINESS**

### **1. Work Order – continued work on TIF tracking - Envirologic**

Egan introduced the amendment to the Work Order, amendment #6, to our ongoing work order with Envirologic for general help and support to the LCBRA. Currently Hawkins is working on the TIF tracking system. Egan said this is the first time we are seeing this so we could discuss it and think about it, or act on it today.

Eftaxiadis said he reviewed it and it seems reasonable to him. Hawkins added that Envirologic does have a contract through December of 2021 for services. They will do what is needed or asked of them from the Authority, as we move forward.

***It was moved by Eftaxiadis, seconded by Janik, to approve amendment #6 in the amount of \$4,000 to Envirologic's current contract.***

Janik commented that we have a great partnership with Envirologic. They have followed through with all their commitments with us and he felt very comfortable going forward.

***Motion carried 5-0.***

### **2. Discussion RE: Submittal of EPA grant application**

Galla gave a review on the next round of grants. This has been discussed a few times over the last 6 months or so. We are currently out of EPA grant funds and in talking with Hawkins it looks like EPA has moved up deadlines for grant applications to August instead of November. She wanted to give the Authority time to discuss this and see if we want to put in an application and what that process might look like.

Hawkins reviewed some of the history and said the county has been very successful in receiving EPA grants. In 2007 you received the 1<sup>st</sup> grant for petroleum assessment for \$200,000, in 2008 you received \$200,000 for hazardous substances, in 2014 you got \$200,000 for hazardous and \$200,000 for petroleum and then in 2010 you were awarded \$1 million for a Revolving Loan Fund (RLF) which you used a portion of. You have been pretty successful in the past in getting these awards. Hawkins sat in on a webinar, and one of the directors of EPA was speaking about future anticipated funding. Even with the Covid situation, they are still moving forward with the understanding they are going to continue to get funding. If anything, some of the stimulus money being spent may include some opportunities to increase or enhance brownfield funding which might be in infrastructure or some other vehicle. EPA will continue with assessment grants with a maximum of \$400,000 and you can get a combination of hazardous or petroleum funds. You can also go in as part of a coalition with up to \$600,000 and a minimum of 3 partners with one being the lead partner. Cleanup grants for a site could be up to \$500,000 and a match is required. This is for properties owned by the applicant so it is not really beneficial to a private entity. Over the years the EPA has typically only awarded about a dozen RLF grants in a round. They are opening up a multi-purpose grant for up to \$800,000 funding that could include opportunities for assessment, cleanup and planning on a site with emphasis on planning for projects. You cannot do cleanup with assessment grants so this multi-purpose grant would allow you to proceed further with planning and then cleanup. There are only about 10

of these grants awarded nationwide. All of these grants are extremely competitive. Michigan did well this year with grants and Envirologic was successful in helping St. Joseph County and Jackson County receive awards in this round of grants. Hawkins noted it will be August or September for the application process which is earlier than usual. You have about 60 days to put the application together and then EPA reviews it so awards would not be done until next spring or summer and you don't get to spend funds till around October 1 of the year in which it is awarded. So, there is a lag time from the award until you can spend funds. Awards are typically for 3 years. Hawkins said he and Eftaxiadis had talked briefly about this and in the past, some of the funds were used toward an inventory to identify where potential sites are located. These grants are so competitive that they want you to have plans in place and know what redevelopment is for sites. You might not know what site x or y will ultimately become but there may be an area or corridor where you know what your community wants to have on site x or y such as commercial development or greenspace. You really have to know what your plans are going to be. It's no longer just assessment dollars to do assessments in the county. You need to be more focused. You could do a multi-purpose grant throughout the county but it should be driven by plans. Hawkins said he was tossing out some ideas for consideration. He was toying with the possibility of the agricultural angle and transition of some of your orchard properties to redevelopment identified as a need. Some areas had concentrated wash or processing areas. You ran into that issue on Carter Rd. with respect to the Traverse City Housing Commission (TCHC) site. That might be a theme or emphasis that could be considered. If you are going to apply, you need to start thinking about it sooner rather than later.

Galla stated that the County Board is the one to apply for these types of grants and the Brownfield administered past grants.

Egan said she spoke with Galla last week and perhaps we should go to the County Board first to see if they are supportive of this before anyone puts hours into preparing an application. Janik felt that made sense. Galla asked if the Board would consider this without an actual application before them. Janik said that as Egan has pointed out, we would hate to have someone do a lot of work and then the board does not support it. We could ask the Board for an informal endorsement to proceed. Once the application is completed, the Board would be asked for approval to submit.

Egan commented we could tell the Board we want to submit a grant for X number of dollars and a focus on agricultural land and tell them what we are looking at without doing the work of putting it all together. She asked for members to discuss it now and see if we have a focus, based on options Hawkins has provided.

Eftaxiadis asked if all previous budgets (RLF) were expended. Hawkins replied there was a 5-year term on the RLF and it was sitting idle for several years. Toward the end of the grant the Authority used a portion of the funds on the former government site in Leland. It was a grant to the county to set up a revolving loan fund for future projects. The award was \$1 million and funds are requested as you go along. Those grant dollars are now gone.

Eftaxiadis asked if they were sub-grants or loans and will there be repayment. Hawkins replied the government center site used about \$300,000 from the RLF and it is set up to be paid back to the Authority for future use. He reminded the members that the brownfield plan, as written, anticipated some significant investment that hasn't really occurred yet on that property and there is other debt with the EGLE state loan that is being repaid. Although the intent is to recapture the RLF funds, after a period of time, it can be forgiven. There is a post grant lookback which is 3 years after closing of the RLF.

Eftaxiadis agreed with Hawkins earlier comment that these grants are no longer as easy to get as they used to be even 5-10 years ago. Given the level of effort that it takes and because we have to be so competitive and differentiate ourselves and our proposed use from others around the country, we really need to have a good solid

project and reasons. Even then, the probability of being awarded a grant will not be too high. He has thought about what the county has received in the past and what the needs really are and tends to agree that the only avenue and only approach he sees worth the time to put together an application would be to tie it with some agricultural aspects within the county. Even that is going to be challenging. He asked who would incur the cost of putting the application together. In the past when grants were awarded was the work assigned or did we go out for public procurement to do the work? Hawkins said all the grants were publicly procured. Eftaxiadis asked who is going to do the application, specifically.

Egan questioned if we have a compelling project or story or ability to be competitive in this field. Is it worth the time? Who is going to spend the time? Are we competitive enough to get the funding? We can't just get money and scatter it around sites anymore, we have to have destinations and a plan where we want to do the work and why.

Hawkins said Egan was correct. If you pursue a community wide assessment grant, you could still use it anywhere in the county. For purposes of application and developing a work plan, you obviously need to show need and have a focus. You need a strategy that is compelling to the reviewers from a 'need' perspective. Your demographics don't work well on these grants. You've had great success, but you are the 2<sup>nd</sup> highest in the state for property values and those are the kinds of demographics you are dealing with.

Eftaxiadis added that demographics have to be included in the application.

Egan noted that whatever we do it is not going to create a lot of jobs. Hawkins replied that EPA does take a look at population and the rural perspective. You will want to focus on the haves/have nots such as the issue of workforce housing. You have wealth but you also have a segment of the population that is not wealthy. Returning property to a use when it is potentially environmentally impacted or a brownfield site is very important, as well as including the number of acres impacted and the amount of dollars the grant can leverage from investment in properties and in the community. It doesn't have to be brick and mortar investment. It could be greenspace and recreation.

Janik said the answer to who is going to do this work is Galla. This will take a great deal of work and we need her opinion. Galla responded that she felt it was worth it to apply again for these grants as we have been very successful. We have grants we submitted which were successful, as well as EPA comments we received on applications that were not successful so we know what we did wrong. We also have successful applications from other communities. Galla felt there was enough background information and it's about telling the story and she liked doing that – telling EPA why they should award money to small counties like Leelanau because we do need it and there are a lot of areas where our demographics show that there are a lot of 'have nots' in the area – not just those that have high property values and high SEV. Galla was willing to do the work and there is enough background information. We just need to know what we are applying for to weave that story in. She added that all members of the Authority would also be reviewing and giving input.

Soutas-Little agreed with Galla that we should go forward. She really liked the ag approach, and felt a lot of grants we are seeing have a focus on agriculture and areas to invest. She asked Hawkins to provide a few more examples.

Hawkins said there are some areas where fruit processing/washing has occurred and they have concentrated some of the effluent from cleaning cherries. They wash chemicals off and it goes to holding ponds or discharged on the ground. That creates interesting dynamics in ground water and saturated zone about groundwater. He knows of one in particular where they are doing an amendment to groundwater because there is a chemical

oxygen demand that creates an environment that causes naturally occurring metals to leach from soils and creates elevated levels in groundwater. That would be one example. Another is the Carter Rd site, an area that is no longer going to be farmed but maybe has elevated metals due to arsenic application over the years. You need to look at what communities have in their plans. Are any of these potential properties included in the community plan? They need funds to support the outcome of those plans. To just clean up properties here and there does not really work anymore for applications.

Egan announced there seemed to be consensus to go down this path for a grant application. The next step would be to go to the County Board and ask for their support. There would be no commitment at this point on anyone's part. We would just explain what we were thinking of, what we want to apply for, and ask for approval to move forward. Then, we are tasking Galla with trying to weave a narrative for a potential focus. Galla has the most insight on community plans and community visions for the future.

Hawkins noted they are willing to help Galla with this effort as they have done in the past. In the past, they have not charged. He saw 3 steps: 1) revisit and meet with EGLE representative for part 213 and 201 lists and see how that has changed and what sites we have addressed. EGLE may have sites they are concerned about that we can add to the list and add to our narrative. 2) sit down with Horticultural Research Station and talk with them about their initiatives and what a grant like this could support. 3) work with Galla to identify what communities are active with respect to their planning work to try and figure out changes in their communities and how that could fit in with the narrative.

Janik stated Galla could come to the Executive meeting on June 9 and get their feedback and then report back to the Authority on June 16 and we can come up with a plan. That gives Galla and Hawkins and the rest of us a month to come up with ideas to discuss on June 16. We will know if the Board wants us to proceed or not proceed.

Egan liked that approach as it gives us time to think about it and we have no commitment. Along the lines of a story to pursue, Egan would like to hear back on Galla's ability to do the application or work in combination with Envirollogic or Gabriel Zawadzki from MAC or someone as to what this entails. This is on top of everything Galla already has going.

Eftaxiadis asked if a decision is made in June, that really leaves 2.5 months to pull something together. He asked Galla if that was enough time and Galla replied, yes. Eftaxiadis asked Hawkins on EGLE (DEQ) past position that they would not support brownfield TIF for sites that are primarily arsenic in soil or groundwater which they felt was attributed to normal agricultural practices. Is that still the case and would that impact EGLEs support for this? Also, is there a policy, written or unwritten, at EPA concerning this? Hawkins said from the EPA perspective there is no agricultural exemption associated with use of assessment dollars to assess impacts from agricultural application of chemicals. You are correct that under Part 201 of PA 451, in Michigan, there is an exemption related to what would be considered a 'release' related to the normal agricultural application rate that would prevent a site from being considered a facility. A facility qualifies a site for a brownfield plan. That can be problematic, unless we can demonstrate that a wash station or other concentrated area or some other reason indicates that these chemicals were not applied at normal agricultural rates and it was truly a release. If we can only attribute it to spray on trees, that may be problematic. But we have found that EGLE has become a little less stringent on that, because it basically stops projects.

Galla will put this request before the county board and report back to the LCBRA.

**FINANCIALS**

Claims & Accounts

***Motion by Bushey, seconded by Eftaxiadis to approve Claims & Accounts in the amount of \$783.75. Motion carried 5-0.***

**CORRESPONDENCE/COMMUNICATION ITEMS** - None

**PUBLIC COMMENT**

Hawkins said one of the things he learned through the webinar on the 13<sup>th</sup> is there is a fair amount of money put into the EDA, CDBG grant funds, rural development, etc. He thought there was outreach to the county for these opportunities and there may be other funding, as well. If there is a need for a particular property, now might be a good time to look into it. MEDC funding has been compromised because of availability on projects, related to Community Revitalization program (CRP). A lot is being steered toward CDBG.

**DIRECTOR COMMENTS**

Galla noted there are plenty of properties in the county that could use assistance from an assessment grant.

Also, she has talked to a property owner that has stated a brownfield application for assistance will submitted soon. They need to line up their details and will then submit a request.

**MEMBER/CHAIRPERSON COMMENTS**

None

**ADJOURN**

***It was moved by Janik, seconded by Bushey to adjourn. Meeting adjourned at 11:00 am.***