

**A regular meeting of the Leelanau County Brownfield Redevelopment Authority (LCBRA) was held on Tuesday, September 20, 2022 at the Leelanau County Government Center.**

**CALL TO ORDER**

**The meeting was called to order at 10:10 am by Chairman Heinz who led the Pledge of Allegiance.**

**ROLL CALL**

**Members Present:** D. Heinz, J. Arens, C. Janik, T. Eftaxiadis, David King, R. Foster

**Members Absent:** L. Bahle  
*(Prior Notice)*

**Staff Present:** T. Galla

**Public Present:** T. Searles, Envirologic (zoom)

**PUBLIC COMMENT** – None

**DIRECTOR COMMENTS** – Galla gave an update on the Brownfields 2022 Conference, sessions attended, and a mobile tour. The next conference will be in 2023 in Detroit.

**CONSIDERATION OF AGENDA**

Heinz noted the printed agenda has one change for Claims & Accounts – the revised amount is \$6,737.71.

*It was moved by Eftaxiadis, seconded by Janik, to approve the agenda with correction as noted. Motion carried 6-0.*

**CONFLICT OF INTEREST** - None

**CONSIDERATION OF JULY 19 Minutes**

*It was moved by Eftaxiadis, seconded by King, to approve the minutes as presented. Motion carried 6-0.*

**CONSENT AGENDA**

*It was moved by Janik, seconded by Eftaxiadis, to approve the Consent Agenda as presented. Motion carried 6-0.*

**UNFINISHED BUSINESS** *(Hawkins, Galla)*

- a. Update on Brownfield Plan: Maple City Crossings/Habitat for Humanity

Galla gave an update on the last presentation of the revised brownfield plan to Kasson Township, and their denial. She noted that it was revised by Envirologic for an 80/20 split of TIF, and at the meeting there was mention by board members of a 50/50 split that a citizen had suggested. That was not ~~was~~ prepared by Envirologic as the township wanted to look at 80/20. Galla felt more education was needed before plans were presented to communities, even though we have done a lot of education and trainings in the past.

Searles added that a question came up during today’s Land Bank meeting if the EPA assessment grant could be used for outreach. As Galla already mentioned, perhaps there is some education needed and it can absolutely be

done with EPA assessment grant funds. You have hosted previous education meetings and could do some similar trainings.

Galla stated the county board asked about the possibility of just the county doing a brownfield plan and capturing the county portion of the taxes and I've been getting some mixed information on that. I've talked to our attorney and Jeff Hawkins is going to provide some information on that. We have gotten mixed information and we are looking for a clear answer, if a community denies a brownfield plan. Eftaxiadis clarified that you are looking to see if a brownfield plan would not capture the taxes from the jurisdiction? Galla replied, yes. We are seeking a legal opinion on that.

Searles was curious what type of information we are hearing. What feedback do you have. Galla replied that she has gotten different information. Where we are at right now is the attorney asked for the specific sections of the statute and provide it to him so he can review before he puts it in writing. There is not a clear answer right now.

Foster asked if the major objection was the loss of local tax that they don't have now. Galla said the objection was not to the project. In fact, the township noted the project will go forward. We heard subsidy and loss of future tax plus they have not done this for anyone else. Eftaxiadis said it is a loss of potential future tax. It is a land bank property. Galla said she thought timing was also important and thought if this had been presented at the time of the site plan, it might have been a different decision. But the township planning commission approves the project and the township board would approve the brownfield plan. The project already broke ground and the township stated it will go forward and they will find the funds somewhere.

Searles reported on the memos that were in the packet and said that most activities were related to annual reporting that is required to be submitted to MEDC by end of August and they were completed and submitted on time. 2022 summer TIF spreadsheets and memos were sent out and Envirologic takes a look at all of these. We review each check that comes in to see if any ineligible taxes were captured that must be sent back to the local community.

Galla thanked Envirologic for getting the reports done. She was out of state for the conference and then off on vacation and they were able to review these and get them submitted, knowing Galla was going to be gone.

## **NEW BUSINESS**

### **1. Update on EPA Assessment Grant, submittal of reimbursement requests**

Galla provided an update on the grant and noted she had emailed a copy of the grant to all members, for reference. The grant is actually between the County Board and the EPA so the Board is the one that needs to accept the document. The LCBRA will be administering the grant on behalf of the county. It does not require any approvals but Galla will take it to the County Board as they approve all grants for the county. Galla has started to print out documents and go through the requirements. For travel, she will get that ready for submittal to EPA for reimbursement. She discussed the ASAP program which will be used for draws. She discussed with Jared Prince, Finance Manager the administration of the grant and how the money funnels through the LCBRA. The LCBRA gets audited through the county's annual audit. The Finance Manager recommended we do this grant the way we have in the past, by running it through the LCBRA books. Also, once we are ready to do reimbursement requests, you need to decide if you want to approve them one by one, or if you want Galla to submit them once we are set with Claims & Accounts. Heinz asked about reimbursements. Galla noted that this grant is different from prior grants in that we have to expend the funds within 5 days of receiving them from EPA. The LCBRA always paid the invoices first, and then requested a draw for reimbursement from EPA. If you are okay with paying invoices first, we will proceed in that way. Members agreed. Heinz thought the work plan required quarterly reports, and is there one due soon? Galla stated the reports are not too difficult once you get them started. We worked with Michigan Association of Counties (MAC) for prior grants for doing reports and tracking funds but Galla suggested just doing it in house.

Galla continued, saying we have to select a consultant and it is a competitive process. At the conference, she spoke with or EPA project manager about using the states bid system which is online. The county has used it in the past and it meets our procurement policy. Galla will need to send more information to project manager to see if this will work. Once a consultant is selected, they have work that has to be submitted to EPA. There is a lot of start up work to do before we can tell citizens we have assessment dollars to start using.

Heinz asked about the schedule for the remainder of the year as listed in the work plan. Galla said if we are delayed, that is part of the information that goes into the quarterly reports.

Heinz suggested talking to townships about brownfield plans and how TIF can help with affordable housing. Galla, as the planning director, can also talk about Accessory Dwelling Units (ADUs), and minimum dwelling sizes. We will get a lot of benefit out of Galla going to the townships to help facilitate this grant work. Eftaxiadis asked if the intent was for Galla to be doing that work, or perhaps a consultant. Galla replied that with prior grants, it was a joint effort and there were also LCBRA members involved. Some of the most productive meetings were small meetings with just a few people from a community. Those resulted in projects being identified, assessment work completed and redevelopment. Foster suggested the new Housing Ready position through Housing North covering Leelanau County could also be an asset for this outreach.

## **FINANCIALS**

### **1. Claims & Accounts - \$6,737.71**

Galla reviewed invoices. Searles noted there is a memo from Envirologic to reimburse Elmwood Township for \$70.99 for TIF for school debt capture which is ineligible. It was noticed earlier so funds were set aside but the LCBRA did not take action to return the funds.

Heinz asked about the TIF reimbursement to Elmwood Township and thought we had paid that already. Galla said she did check back in the books; we have not reimbursed the township for that amount.

***It was moved by Eftaxiadis, seconded by Arens, to approve Claims & accounts as revised for a total of \$6,737.71. Motion carried 6-0.***

## **CORRESPONDENCE / COMMUNICATION ITEMS - None**

## **PUBLIC COMMENT**

Searles noted the brownfield conference next year will be in Detroit. The conference was usually held every 18 months but they have an agreement in place and with a delay of 2 years with the pandemic, it will be held again next year in August of 2023. There will be an opportunity to provide feedback on the Oklahoma City conference, and Hawkins may be on the Detroit planning committee and could take suggestions. Since this is more local, the Detroit conference might be an opportunity for brownfield members to attend.

## **DIRECTOR COMMENTS - None**

## **MEMBER / CHAIRPERSON COMMENTS**

Eftaxiadis said he was a bit concerned about the Maple City project and the fact that it was turned down. It doesn't surprise him that a lot of people do not understand the concept of capturing taxes – we've been seeing this over the years in a lot of other communities. In this particular case, he wondered if the brownfield plan and the commitment of the LCBRA to assist the project had taken place before the developer was ready to start construction, would have made a difference with the township and if they would have seen it differently. Normally, brownfield plans and TIF are used to take the argument 'but for the assistance, the project can not proceed'. In this case, it appears we approved a brownfield plan, and commitments had been made already to build the project. So, from the township's perspective, did they say "They are going to do it anyway so why support it?". He wondered if some of that thinking was involved in what happened. It seems we also need to be talking to prospective developers, private or public, to get through the brownfield process before they

commit to construct. Then, the local units of government can see “hey if we don’t assist, it’s not going to happen and we aren’t going to get any taxes”. As part of public outreach Galla will be doing with the EPA grant, this is a grant eligible activity and maybe it is something that needs to be emphasized. In any projects he did or assisted with, they never committed to construct until everything was in order.

Heinz thought that happened in this case. Habitat for Humanity already broke ground. The township knew this was going to go through. There was discussion with Habitat for Humanity about doing the brownfield plan and they didn’t go that route at first and then when they put the numbers together, they had a huge shortfall between what a buyer could afford and the actual cost so there was interest to try and capture that in a brownfield plan. By that time, dirt had been moved. Heinz also mentioned a couple other projects where Galla tried to get the word out about using these types of plans. It’s good to keep ongoing communications on these things. Janik said he heard the same thing from a few people and they felt the project was going through anyway so the township’s help was not needed.

**ADJOURN** – meeting adjourned at 10:50 am.