

**A regular meeting of the Leelanau County Brownfield Redevelopment Authority (LCBRA) was held on Tuesday, December 19, 2023 at the Leelanau County Government Center.**

**CALL TO ORDER**

Meeting was called to order at 10:08 a.m. by Chairman Heinz who led the Pledge of Allegiance.

**ROLL CALL**

**Members Present:** D. Heinz, R. Foster, D. Allen, G. Allgaier, D. King

**Members absent:** J. Arens

**Members absent:** T. Eftaxiadis  
**(Prior notice)**

**Staff:** G. Myer, Interim Planning Director, J. Herman, Planning Secretary

**Public:** L. Mawby, T. Searles, J. Stimson, J. Collins, R. Walters

**PUBLIC COMMENT**

John Collins, a partner of Empire Associates and the applicant for Part I Brownfield Project Application said he was there to answer questions. Heinz said this will be discussed under New Business Item #1.

**DIRECTOR COMMENTS**

Myer said Mr. Walters was also here to answer any questions on the West Shore project/possible termination. She mentioned that Searles and Galla had been in communication on a possible new application for a school in the village of Empire. Searles said Joe Van Esley plans to prepare a Part I application. No action is needed at this time but it may come up for discussion at a later meeting.

**CONSIDERATION OF AGENDA**

Heinz added “New Business Item #3” “discuss signing authority and correspondence to EPA and other agreements” and “New Business Item #6” “\$21,040.03 on West Shore”.

*Motion by Allgaier, seconded by Allen, to accept the agenda as amended. Motion carried 5-0.*

**CONFLICT OF INTEREST – None.**

Heinz gave kudos to Myer for her consideration of motions in the packet.

**CONSIDERATION OF NOVEMBER 21, 2023 MINUTES**

*Motion by Foster, seconded by Allgaier, to approve the minutes as presented. Motion carried 5-0.*

**CONSENT AGENDA**

Fishbeck – General consulting and TIF management  
Fishbeck – EPA Assessment Grant

*Motion by King, seconded by Allgaier, to approve the consent agenda as presented. Motion carried 5-0.*

**OLD BUSINESS**

Update: Termination of Brownfield Plan – West Shore

Heinz said last month the BRA authorized him to send a letter to Mr. Johnson regarding the situation and

their intent to start the termination of the BRA plan in January. Myer and Heinz received a letter from Mrs. Johnson that her husband passed away unexpectedly three weeks ago. Ron Walters was present to speak on her behalf. Walters, who was the original applicant in 2006, explained that this project started then 2008 hit and everything went out the window. He bought the property back in 2016 with Mr. Johnson and continued to work with the BRA to develop a hotel site. The permitting process has been difficult and Mrs. Johnson had asked him to sell the project. He stated it would be determinantal if the BRA got rid of the plan. He has a potential buyer and is asking the board to allow some time for the pieces to fall into place. The entity itself will still be West-Shore Partners but with different partners.

Searles said there is no required action today. She clarified that there is an active brownfield plan for up to 30 years, so essentially, they are on a clock. There are no current eligible activities that are collecting Tax Increment Financing (TIF) and reimbursing on so, it is up to the BRA to choose to terminate the brownfield plan or not. She thought it would be helpful for the BRA, Fishbeck and representatives of West-Shore to have a meeting about clarification/status. Searles said it was fine if ownership changes, but the plan may need to be amended. Searles also recommended they have discussions with the township and the county to make sure they are still supportive. If they are supportive, then they can move forward with a new plan if there will be new activities. Heinz questioned the change in ownership. Searles said the BRA plan is for the geographic area of the property and for the certain eligible activities and the amount of those certain eligible activities. If those change, then the plan will need to be amended but if everything stays the same, they can move forward with the existing plan. King asked if the amendment changes the statutory cap of how long the plan lasts. Searles said no, it can change the activities and the amount but it would still be on the same window.

Walters said nothing has changed but the dollar amount due to inflation, is there any cap and cover? Searles said it would depend if there was a contingency in a plan to use for those overages, otherwise, he would have to amend the plan. Searles said several boards do take the policy that there is “xyz” eligible activities and a total cap on what is approved, so if you use more on one line item and less on others, they would generally accept that to not go over the approved amount. Searles suggested the BRA meet with the new entities to evaluate what is in the plan including reviewing the development reimbursement agreement, is the plan different, and what will the cost look like. Fishbeck can then prepare a memo after that meeting to explain to the board where they are at and what are the considerations.

***Motion by Foster, seconded by Allgaier, to postpone termination of the West-Shore Brownfield Plan for 6 months, for staff and Fishbeck to communicate with developers. Motion carried 5-0.***

## **NEW BUSINESS**

Part I Application – Parcel in Empire Village/Apple/Old Lumber Yard

Collins said he is a partner in Empire Associates LLC. They own a 3+ acre parcel in Empire which includes the old Empire hardware store, Empire lumber storage area, and a historic livery barn. The barn is now 110 years old and nothing has happened there except for use of storage and the horse stalls are still there. It is a wonderful piece of history and their vision is to bring that back to life as shared commercial, potential community use but also recognizing the historical significance of the structure. Collins has been actively involved as a partner for 7-8 years and a lot has been talked about but nothing has been done with the property. He would appreciate being a partner with the BRA if his Part I application is approved. There was an old fuel tank that has been cleaned up and there is asbestos in the hardware site. What they are looking at the end is a site for a mix of residential, commercial and community use.

Searles would like to have further discussion with Empire Associates LLC to evaluate what an appropriate scope of assessment would be and to start the eligibility process if the BRA approves the application. Searles asked Collins if he had a Phase I environmental site assessment done? Collins said

no. Searles recommended they go through that process to give them a better understanding of the site. She then asked if they have had a formal asbestos surveys done on all of the buildings. Collins said he would have to check with his partner to see if there has been any formal testing done. There was a formal look at a fuel tank that was leaking and was certified that it was cleaned up properly. Searles said it would be appropriate to do a Phase I for redevelopment purposes to do a formal hazardous waste inspections on all of the buildings. A Phase II will likely be proposed if they feel soil and water sampling will be needed. Heinz said the application itself is intended to cover capturing EPA assessment grants that the BRA has availability for Phase I and Phase II, then that is where the grant would end. Searles said the grant could pay for the preparation of a brownfield plan. Heinz asked if it would include remediation of anything else that was found? They may assist with other available sources outside of this grant to help pay for those costs. Heinz said possible blight elimination funds might help, TIF down the road but it would depend if the entities are paying property taxes. The application itself says if the standing policy is a not for profit, then the application fee is waived. Collins said that Galla told him the application fee was \$150.00 which was received and deposited by Galla.

***Motion by King, seconded by Foster, to allow Fishbeck to communicate, clarify and prepare eligibility for EPA and to accept the Part I application and request Work Order from Fishbeck for the January meeting.***

Searles clarified that for any of the EPA assessment grants, the BRA is required to use Fishbeck since they are their established Environmental Service Provider, therefor, any grant fund activities will be completed by Fishbeck.

***Motion on the table carried 5-0.***

Part I Application – LCAO-RFP-2023-007

Heinz said the Part I Application was presented at the Land Bank Authority (LBA) meeting today by Chairman Gallagher, for the four properties owned by the LBA. These properties were acquired by tax foreclosure by the County Treasurer. The LBA wants to go through with a brownfield plan to assist HomeStretch with the due diligence to determine that those parcels are free of contaminates, etc. HomeStretch has an agreement to acquire the four properties for \$32,000.00 but they want to make sure financing is settled.

Searles said Fishbeck does not have a prepared work order for consideration but it is up to this board for approval/denial of the application. If timing is of the essence pending a purchase agreement, then they may want to move forward with authorizing the eligibility.

***Motion by Foster, seconded by Allgaier, to accept the Part I brownfield project application and request Fishbeck prepare a Work Order that will determine eligibility with EPA. Motion carried 5-0.***

Discuss Signing Authority and Correspondence

Heinz said they need a proper person to post notices for the BRA meetings. In the past it was Galla as BRA Director and not a voting member. Searles said they currently have Galla listed on the Cooperative Agreement to handle all communication so it is appropriate to designate someone to take that over.

***Motion by Allen, seconded by Allgaier, to assign Myer as Interim Brownfield Director, with signing authority, as the communication agent, and posting authority, for the Leelanau County Brownfield Authority until a permanent Planning Director is identified.***

Discussion ensued

***Motion by Allen, seconded by Allgaier, to rescind the motion.***

***Motion by Allen, seconded by Allgaier, to replace Galla with Myer in the Cooperative Agreement with the EPA and all correspondence. Motion carried 5-0.***

Fishbeck Work Order: Work Order #1 GES – (General Services)

***Motion by Allgaier, seconded by Foster, to approve Fischbeck’s Work Order #1 GES, Amendment No. 1, as presented. Motion carried 5-0.***

Fishbeck Work Order: Work Order #2 GES – (General Services)

***Motion by King, seconded by Allgaier, to approve Fishbeck’s Work Order #2 GES, Amendment No. 1, as presented. Motion carried 5-0.***

Brownfield Development and Reimbursement Agreement – Bluebird

Heinz said this was a last-minute email sent out to members.

***Motion by Allgaier, seconded by Foster, to approve the Brownfield Development and Reimbursement Agreement between the Leelanau County Brownfield Redevelopment Authority and Daryl J. Telgard and Lynn M. Hamelin-Telgard (Bluebird of Leland, Inc.), and to give the chairman authority to sign and authorize the final agreement with attachments added. Motion carried 5-0.***

Discussion ensued

Heinz said he would talk to the accounting department regarding putting money in a separate account. Searles said the BRA has funds in the Local Brownfield Revolving Fund (LBRF) and that each of these plans are set up so that the last five years of the plan would go into the LBRF. Heinz said they have five TIF programs. Searles said they need to be tracked separately.

Searles added that this is the body of the agreement, there are some attachments which include the BRA’s policies on TIF reimbursements and there is also an annual reporting form. That form is given to the developer to assist with the BRA annual reporting obligations to the Michigan Economic Development Corporation (MEDC). The MEDC periodically changes their requirements so that form will need updates. She has a copy of it that she can share that was most recently reviewed in 2022.

West Shore- \$21,040.03

Heinz said this was a document that they had on the table last meeting. There is \$21,040.03 in the West-Shore plan to be disbursed or held. All of the expenses of the developers that qualified for TIF reimbursement have been paid. Searles said there are no current eligible activities. Heinz said the county gave the BRA \$100,000.00 and the BRA recorded it as a loan and liability. The county board was not specific to if it was a grant or a loan. About a year or two ago, Gallagher asked what the check was for and made an account. Heinz said there is no written agreement for repayment or interest rate.

Searles said the \$21,040.03 is tax increment that the BRA has collected and is currently sitting in the

account. The BRA can only use those funds for eligible activity as established in the brownfield plan. If they don't have eligible activities then it would not be appropriate to use those for something else and in that case, they have to return those funds. It is Fishbeck's evaluation to use these funds to cover administrative cost with the county. Allen said it was premature to disperse any funds related to West Shore until they know how they are moving forward.

***Motion by Allen, seconded by Allgaier, to maintain the funds for West Sore until they have a confirmation of a plan to move forward. Motion carried 5-0.***

Allen suggested there be more investigation done to clarify the funds that are being held as a loan or as seed money for the organization. There will need to be communication with the clerk and treasurer as they were the entities that managed funds back when the BRA was established. Allen said herself and Myer will work on that and it may have to come to the Board of Commissioners. King would like a plan of action at a future date if the BRA needs to pay back the loan. Heinz said the balance was \$80,000.00 on the books as of November 17<sup>th</sup>, and on 19<sup>th</sup> they paid \$10,000.00 so, the new balance should be \$70,000.00.

## **FINANCIALS**

**Claims & Accounts – \$10,615.67**

Heinz said the last three months of expenses that they approved for payment and related to eligibility from EPA reimbursement did not get transacted by ASAP.gov because Galla was unable to log in to the account. Allen and Galla met to resolve that issue so the money should come in soon. Allen said there were at least four payments that were submitted and there are two-three pending approval after today's meeting. Heinz said if the BRA is comfortable with having the County Administrator, Debrah Allen, who also happens to be a member of this board be the one to handle that financial responsibility as opposed to Arens as treasurer.

***Motion by Allgaier, seconded by King, to approve Claims & Accounts in the amount of \$10,615.67. Motion carried 5-0.***

***Motion by Allgaier, seconded by King, to authorize Allen as a temporary agent to submit the EPA request on behalf of the BRA on ASAP.gov. Motion carried 4-0. Allen abstained.***

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

**CORRESPONDENCE/COMMUNICATION ITEMS – None.**

**PUBLIC COMMENT- None.**

**DIRECTOR COMMENTS- None.**

## **MEMBER / CHAIRPERSON COMMENTS**

Allen thanked Myer and Herman for being flexible and stepping up. She appreciates them both. Heinz gave thanks to all BRA members and Fishbeck for their contributions in 2023, everyone is greatly appreciated. Heinz also congratulated Myer for her interim BRA Director responsibilities.

## **ADJOURN**

Meeting adjourned at 11:52 a.m.