

A regular meeting of the Leelanau County Land Bank Authority (LCLBA) was held on Tuesday, May 23, 2023 at the Leelanau County Government Center.

CALL TO ORDER

Meeting was called to order at 9:00 am by Chair Gallagher who led the Pledge of Allegiance.

ROLL CALL

Members Present: G. Allgaier, D. Allen, T. Galla, J. Gallagher, D. Heinz, R. Foster

Members Absent: R. Isphording
(Prior notice)

Public Present: Larry Mawby, Kyle Evans, Ty Wessell, Chris Fredrickson

Staff Present: G. Myer, Senior Planner

APPROVAL OF AGENDA

Gallagher moved “New Business Item #1” to “Item #3”, and moved “New Business Item #2” to “Item #1”.

Motion by Allgaier, seconded by Galla, to approve the agenda as amended. Motion carried 6-0.

APPROVAL OF APRIL 18, 2023 MINUTES

Heinz pointed out that the date of the March minutes should be the 21st.

Motion by Foster, seconded by Allen, to approve the minutes as amended. Motion carried 6-0.

PUBLIC COMMENT

Wessell stated he was a Northport resident and voiced support for the blight elimination grant request from Kyle Evans. He has lived here for 20 years and has been looking for a way to eliminate the blight at the old hospital for a long time. Wessell said a lot of the community supports eliminating this blight and cleaning up their village.

Mawby, from Peninsula Housing, said he also supports the removal of the blight at the old hospital in Northport.

UNFINISHED BUSINESS - None.

DISCUSSION/ ACTION ITEMS

Approval of resolution(s) for Blight Elimination Grant applications

Gallagher stated that they had two applications to review and that he would like each applicant to give a brief presentation of their application.

Kyle Evans, a Northport resident, said he submitted the grant application for blight elimination at the old Memorial Hospital in Northport. His intention is to fully redevelop the site with the community’s interest in mind.

Gallagher asked what the timeline would be for the project if the grant application is awarded and successful? Evans would like to move forward as quickly as possible. It is a lot more attractive to find perspective developers or partners without an old hospital on the site. At the same time, he wants to take his time in terms of identifying the exact approach to redevelopment when it comes to the community. Evans said he wants to make this project very community driven and local as possible.

Gallagher questioned if he would seek the help of the Brownfield Redevelopment Authority (BRA) if they didn't receive full grant funding? Evans said the building has lead paint and asbestos, and the mitigation of that before demolition is very costly. Galla stated that there are EPA grant funds for assessment through the BRA. Gallagher questioned if this project would move forward without the grant funds or is it contingent on the funding? Evans stated that at the moment, it is contingent on the funding. Galla said they have not submitted an application to the BRA, but the prior owner did use EPA grant funds for assessment of the building. Galla said they would probably need to ask for a pre-demolition survey of the building so they will know what's in there. Evans stated that he had already paid for a complete survey, including a Phase I and II, and a sample study of all the lead and asbestos in the building to understand the quantity that has to be removed. Allgaier questioned if he needed more? Galla said that would be a question for Fishbeck.

Allgaier said she likes that they are planning for work force housing and possible commercial. Evans said he wasn't sure what the commercial side looks like. His intention is to work with a nonprofit on a section of the project for housing, and then another section for commercial use. Evans doesn't want to build too many affordable housing units though. Allgaier said she doesn't think too many is a problem. Older people who are looking to downsize can also benefit from these.

Gallagher explained the state scoring guidelines and it is his recommendation that they use the same scoring guidelines. It is broken up into the following four sections:

- Development Catalyst and Community Impact Opportunities – 30 points
- Local Support – 20 points
- Public Safety – 20 points
- Additional Investment – 5 points

Allen asked the applicant to speak to any issue related to public safety or how this project will enhance the community. Evans said the building is falling apart and the facade on the backside is falling down into the parking lot of the high school. The windows are broken out and they have issues with people breaking in all the time. The building is filled with black mold, lead paint and asbestos, and the copper plumbing has been stolen.

Galla questioned the timeline to start redevelopment after the building is demolished? Evans said he didn't know because he is focused on getting the building down first and then he wants to fast track getting the next phase going. Foster questioned if the neighboring school kids could access it? Evans said yes, it's just up the hill, behind the school. Heinz questioned the sewer system and if it could handle this type of development? Evans said he has not checked into that. Foster stated that the old hospital was on the sewer system.

Chris Fredrickson, from TC Whiskey Company, said they have been in business for 11 years and five years ago they purchased an old property which they want to turn into an industrial distillery. This property contains several outbuildings along with the main commercial building and an abandoned home and garage which contain hazardous materials including asbestos and lead. They plan to bring in sewer and natural gas, which neighbors will benefit from. The total budget for this project has been around \$20 million for the last year and a half, but they recently received bids back for the project that added an

additional \$10 million to the cost. At this point, they have a plan to rehab the existing building and turn it into a visitors center and also add a community *park*. Fredrickson said it will be very family and community friendly. They have received tremendous local, state, and federal support.

Frederickson continued, saying that they plan to hire more than 100 people strictly for production in the next three years. This doesn't include front house staff to operate the tasting room, or the grounds. They have also been met with some challenges going back over the last five years. The Sheriff has visited regarding squatters and other issues with the old farmhouse. They tried to donate the old farmhouse, but it was just not feasible. The roof is a big issue, it is leaking and causing a mosquito issue.

Frederickson continued, saying that their plan is to make this something special for the community, that is here for decades to come. His company has grown over the years and it has become paramount that they grow with the right team. Because this is such a niche industry, it has forced them to find talent in another state to help guide them in the process. As they brought this talent in, they realized the single biggest challenge was finding housing. Frederickson said as they bring in people with this special talent, workforce housing is going to be an absolute necessity on the property and will be a part of Phase II or III.

Gallagher said that with this big of a project, they need to make the state aware of it and see if they can't get additional assistance and this is probably the first step. Heinz pointed out an error in the spreadsheet. Gallagher stated that it would be fixed. Galla questioned the demolition cost, has that increased also? Frederickson stated that was the current number. Allgaier said we can submit both applications to the state, correct? Gallagher said they could submit both applications, but they needed to score them and give some prioritization to the application. Galla asked for clarification, saying you are not taking down the entire building/buildings, correct? You are talking about demolition in the interior and removing environmental hazards, correct? Fredrickson said the plan is to demolish the existing farmhouse, rehab the interior of the 35,000 square foot plant, and add on to it. There is also an auxiliary building/lean-to connected to the plant that will be demolished.

Gallagher said the state can request further documentation with regard to blight elimination versus remediation, etc. In the past if there are questions on the budget narrative, the state has contacted either him or Galla and they have worked through that through round one. He would like to receive the request as is for today and accept it with the notion that it can be amended by the LBA to reflect the correct request amount, to address the Sigma ID, and to have the authorized signature of the board chair or secretary prior to May 31st.

Galla said they will need to be certain with both of these applications that they have everything the state is requiring. This application needs the "Attachment E Checklist" and environmental reports will be sent also. Gallagher stated that the applicant was aware and they would have that prior to submission.

Heinz questioned whether Elmwood Township had designated this as blighted? Gallagher stated that his understanding is that by the agreement with TC Whiskey for site control, it puts the blight condition on the property. Galla said through the RFP (request for proposal) from the state, there is a definition of what they consider a blighted property, so this project would have to meet that as well or the state would not accept it.

Gallagher then turned the discussion back to the old hospital and asked about page 10, item 6, Project Management. Do members want it as specific as currently listed, or change the language to project managers, or contractors? It doesn't necessarily have to be himself or Galla, it could be LBA. Galla pointed out the two paragraphs on that page outlining Gallaghers background and experience along with hers. She spoke with Gallagher regarding this and they determined that they would ask the

applicant to modify this section so that the LBA is the one, or if they contract with someone, that person would be in charge of overseeing the project and the funds.

Consensus by the LBA that this language would be clarified in both applications prior to submission.

Galla commented that a letter of support from the school located next to the old hospital could be helpful. Allgaier said especially if the kids are getting in there.

Review and score round 2 Blight Elimination Grant applications

Gallagher explained that the next portion of this is the scoring. They do need to give priority to one of the applications and he suggests using the states recommended guidelines with the four criteria:

Development Catalyst and Community Impact Opportunities – 30 points

Local Support – 20 points

Public Safety – 20 points

Additional Investment – 5 points

This means a total possible 75 points, and they will independently score TC Whiskey and the Memorial Hospital. Members agreed to use the score sheet provided by Gallagher and they will be collected and read into the minutes.

Heinz said he had comments regarding each applicant's application and wanted to know if there was time to make his suggested changes. Gallagher said that subjectivity as to how each applicant presented their application is up to the state.

(Meeting paused to allow Galla to make copies of the scoring explanation)

Meeting resumed and members scored each applicant. The results were as follows:

TC Whiskey- 417 points

Memorial Hospital- 428 points

Gallagher said they will now make their recommendation to support the Memorial Hospital and also submit TC Whiskey's application. Allen questioned if they had to show their ranking? Gallagher said they do have to show a priority or recommendation. Allen wanted it to be shown that both are excellent projects and were closely ranked. Galla said in reality they might not approve either, or both, or partially. Gallagher said they will send the full ask for both along with the scoring results to be reviewed by the state and they will make the determination.

Allgaier stated that both are really important to the community and to make that known if possible. Galla would like to point out the workforce housing offered by each and we desperately need that. Allen said she would like to also include the ask for consideration for the additional funding if applicable. Galla purposed to modify the Letters of Interest for each project for any additional information submitted. Allgaier said it's reality that when new projects go in, you have to discuss the fact that you will have to put in housing for your people. It is a sign of what's going on in our country and our region, so thank you for acknowledging that and willing to go there.

Galla suggested they respond to each applicant in writing giving them a deadline to submit any additional information or update their application. A deadline of Friday the 26th was agreed upon.

Approval of Resolutions for Blight Elimination Grant Application

Gallagher read the resolution for Highstreet Holding project into the minutes.

Leelanau County Land Bank Authority Grant Application to State Land Bank Authority High Street Holdings Project.

WHEREAS, on May 23, 2023 the Leelanau County Land Bank Authority approved submission of the Grant Application to the State Land Bank Authority; and,

WHEREAS, the submission of this Grant Application is due May 31, 2023 to the State Land Bank Authority and,

WHEREAS, the Leelanau County Land Bank Authority believes such a grant would be consistent with its public purpose as stated in MCL 124.752; and,

NOW, THEREFORE, BE IT RESOLVED that the Leelanau County Land Bank Authority approves the submission of the Grant Application to the State Land Bank Authority on behalf of High Street Holdings for a property in Northport Village and authorizes the Chairman to enter into a grant agreement, disburse the grant funds and do all other things reasonably necessary and appropriate for the administration of this grant consistent with this Resolution.

Motion by Allgaier, supported by Galla, to approve the Highstreet Holdings resolution.

Discussion – none.

Roll Call Vote:

Gallagher – Aye

Heinz – Aye

Galla – Aye

Foster – Aye

Allen – aye

Allgaier – Aye

AYES – 6

NAYS – 0

ABSENT - 1

Motion carried 6-0.

Gallagher read *referred to* the resolution for TC Whiskey *which will be in* ~~into~~ the minutes.

**Leelanau County Land Bank Authority Grant Application to State Land Bank Authority
TCWC Project**

WHEREAS, on May 23, 2023 the Leelanau County Land Bank Authority approved submission of the Grant Application to the State Land Bank Authority; and,

WHEREAS, the submission of this Grant Application is due May 31, 2023 to the State Land Bank Authority and,

WHEREAS, the Leelanau County Land Bank Authority believes such a grant would be consistent with its public purpose as stated in MCL 124.752; and,

NOW, THEREFORE, BE IT RESOLVED that the Leelanau County Land Bank Authority approves the submission of the Grant Application to the State Land Bank Authority on behalf of TCWC for a property in Elmwood Township and authorizes the Chairman to enter into a grant agreement, disburse the grant funds and do all other things reasonably necessary and appropriate for the administration of this grant consistent with this Resolution.

Motion by Foster, supported by Allgaier, to approve the Highstreet Holdings resolution.

Discussion – none.

Roll Call Vote:

Gallagher – Aye

Heinz – Aye

Galla – Aye

Foster – Aye

Allen – aye

Allgaier – Aye

AYES – 6

NAYS – 0

ABSENT - 1

Motion carried 6-0.

Gallagher thanked both companies for their submissions.

Review of RFP vacant parcels

Gallagher said he is bringing these back for direction and discussion. He has reached out to Peninsula Housing, Homestretch, and Habitat for Humanity. Interest is there from Homestretch and Habitat for Humanity to engage in the RFP for purchasing and developing. Galla clarified that there were four parcels left because one was sold. Allen suggested they move this conversation to next month because she is involved in conversations with people in the community and she may have more beneficial information next month. She will inform Galla of this information. Galla said she would like more substantial information on each parcel when they acquire them so they know more about what restrictions, easements, zoning, etc.

Motion by Allen, supported by Galla, to table this discussion until the June meeting. Discussion tabled.

CLAIMS & ACCOUNTS

Motion by Allgaier, supported by Foster, to accept claims & accounts in the amount of \$1,381.12. Motion carried 6-0.

POST AUDIT- None.

CORRESPONDENCE/COMMUNICATION ITEMS - None.

PUBLIC COMMENT

Mawby said to keep up the great work.

MEMBER COMMENTS

Allen commented that it is wonderful that they have two entrepreneurs in the community willing to make an investment in the community.

Galla said she had three other potential projects willing to apply; she wishes they had a round three.

CHAIRPERSON COMMENTS

Gallagher said they are waiting on a permit to get started at Brewery Creek. He has requested an update on the Quiet Title for the Marek Rd. parcel and there will be another closing next week for Maple City Crossings.

ADJOURNMENT

Meeting adjourned at 10:14 a.m.