

**A regular meeting of the Leelanau County Land Bank Authority (LCLBA) was held on Tuesday, July 18, 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. Isphording  
R. Foster

**Members Absent:** None  
(prior notice)

**Public Present:** L. Mawby, S. Gorr, J. Stimson, J. Hawkins

**Staff Present:** G. Myer, Senior Planner

**APPROVAL OF AGENDA**

*Motion by Foster, seconded by Allen, to approve the agenda as presented. Motion carried 7-0.*

**APPROVAL OF JUNE 20, 2023 MINUTES**

*Motion by Heinz, seconded by Foster, to approve the minutes as presented. Motion carried 7-0.*

**PUBLIC COMMENT**

Mawby spoke in favor of agenda items 1a and 1b.

Stimson updated member on the Marek Rd. project, saying that they paved yesterday, the mechanical, electrical and plumbing rough is happening now and should be done in about a week and a half. They will then start drywall and insulation next. He encouraged members to go take a tour. Five thousand cubic yards of dirt were moved at a cost of \$240,000.00, and it looks impressive. The structure is up, cost laminated timber was used for floor decks, whirlpool appliances are ordered and they hope to have Certificate of Occupancy Permits in early November. Stimson said they are at the end of their grant expenditure and are looking to get a construction loan. They are also hoping to secure some grant money from the Federal Home Loan Bank, so he is imploring whoever has control in getting them the right documents, to get the deed transfer. That will help them with the financing and grants that they have to pull down after they spend 20% of their construction loan.

Stimson continued, saying Homestretch took back a Provemont Pines three bedroom, two bath, unit that appraised for \$330,000.00, the formula price to resell is \$150,000.00, so they are looking for a family to fill that unit. Income cannot exceed 80% AMI per family size, preferably it is a family that lives and works in this community.

Steve Gorr, Centerville Township resident, stated he was interested in purchasing the Sugar Loaf

Manor Green property and asked if the board would consider selling it to him for development.

## **UNFINISHED BUSINESS**

### **RFP-Land Bank Properties**

Gallagher explained that he had modified this previously used template for their purposes and is opening it back up for discussion. The intent is to release it this month, see if they can get questions back and in September bring this back for selection.

Heinz said the language “Fast Track” is not in their Bylaws as their legal name, so he would suggest removing them. Galla stated that it is actually the proper name for a Land Bank according to the state law, they don’t usually use it though. Gallagher said they reference it based on the Act. Galla saw no issue in removing those two words. Heinz also referenced page 8, the second sentence under “Selection.” He interpreted that to read that they will be bidding on all four parcels or none. If that is not the intention, he would suggest changing the wording to say more than one contract might be issued.

Discussion ensued.

Gallagher said he was trying to leave it open so that they would either get a bundle or just an individual bid. Galla questioned if they even needed that sentence. Allen suggested eliminating the word “one” and adding an “s” onto “contract”. Allgaier said “contract(s)” could be used.

Heinz then questioned deed restrictions regarding subsequent selling of property the Land Bank sells. Are they departing from that and just looking to sell this property and use the proceeds towards something else? Gallagher said affordable housing is the preference, it is mentioned in the document numerous times. They are looking for proposals first, and the next step is the development agreement and that could be addressed there. He is not opposed to mentioning it in this document though. Galla suggested adding it under “Acceptance and Rejection”, something like “the Land Bank will require you to meet certain criteria such as bonding, etc.” Gallagher said he will add language to inform respondents that additional requirements are going to be required for bonding, etc.

Allgaier clarified, that this group of properties could be affordable housing and questioned what Gorr would like to build there? Gorr said there is a requirement for a certain square footage in that subdivision, and it would be for his personal family use. Allgaier pointed out that they also need to add an ‘s’ to “respondent” under “Selection.”

***Motion by Allgaier, seconded by Allen, to approve LCAO-RFP-2023-002 as amended, to be distributed according to the schedule outlined in the RFP.***

Allgaier asked Gorr if it would be used as a short-term rental. Gore responded no.

***Motion on the table carried 7-0.***

## **DISCUSSION/ ACTION ITEMS**

### Letters of support-Rural Readiness Grant applications

- a) Peninsula Housing
- b) Leelanau County

***Motion by Galla, seconded by Foster, to approve the letter of support for Peninsula Housing Rural Readiness Grant application. Motion carried 7-0.***

***Motion by Allgaier, supported by Allen, to approve the letter of support for Leelanau County Rural Readiness Grant application.***

Discussion:

Allgaier asked for clarification. Galla explained that this is the grant application that Deb Allen presented to the County Board about a month ago for a grant writer/administrator.

***Motion carried 7-0.***

### Round 2 SLBA's Blight Elimination-award letter and demo training session

***Motion by Allgaier, seconded by Allen, to accept the RFP 2023-005 award in the amount of \$751,610.00 for 201 High St demolition project in Northport Village.***

Galla pointed out that the correspondence says we will be getting a grant agreement to review. Should we hold off on accepting this until we see the requirements in that agreement? Gallagher said that would be preferable. Galla said the link in the correspondence is for zoom training for demolition, which Land Bank members need to watch. As many members as possible should attend to better understand what is required of the Land Bank to oversee this project. This is for the demolition of the old Hospital in Northport, so that they can move forward with a new development.

***Allgaier moved to withdraw her motion, supported by Allen. Motion withdrawn.***

Gallagher said the next step is the required demolition training, so add it to your calendars.

Discussion ensued.

Galla said the Land Bank is the recipient, so members need to do the training. Gallagher will see how many members need to participate.

### Round 3 SLBA's Blight Elimination-award letter and acceptance

Galla said this round has some limitations for the county on the use of the funds, because of our high property values. This round, the money cannot be used for demolition, it can be used for housing rehab on properties that are publicly owned. The Land Bank doesn't currently own property with houses on them, however, in the past that situation has occurred or there were municipalities that had a need for demolition or rehab. She recommended accepting this \$500,000. Gallagher pointed out that it could be

used for acquisition, and said it would be beneficial as a line of credit for the next 18 months for projects that have been mentioned in the past.

***Motion by Galla, seconded by Allgaier, to accept the Round 3 Blight Elimination Grant, in the amount of \$500,000.00 and direct Chairman Gallagher to fill out the grantee risk assessment form and return it to the state. Motion carried 7-0.***

Updates: Parcel survey, grant writer, facilities administrator

Gallagher updated members on the parcel survey, saying it has been backlogged. There was an advertisement in the *Enterprise* for a quick survey, so he will reach out to see if we can get on the docket for next month.

Allen said she is moving both the grant writer and facilities administrator to the County Board's agenda in terms of the budget session. Gallagher asked if this was an annual grant? Galla said the Rural Readiness grant is a one-time grant and you must state how you would continue on your own with the position. Allen explained that the intent is this would be a contracted position to see what kind of volume of grant writing we utilize and then use that for justification to consider making it a full-time position. Similarly, the facilities administrator position has been an ongoing discussion with the County Board in regard to the need. They are currently looking at several different options to identify a cost to assess. This will also be a part of the budget discussion. Gallagher questioned if the grant writer would also be a grant administrator? Allen said that would be part of what they are looking for, but there would still be internal processes expected as well.

Gallagher updated members on the deed issue with the Marek Rd. property. Due to a clerical error, the easement was left off the legal description and they have to go back through the courts to rectify. This was identified back in April/May and was assigned to a staffer who left the law firm and didn't show up to court. It has now been reassigned and moving forward through the required quiet title action timeframe.

Galla suggested the Land Bank might want to do some research on the properties they acquire to catch any of these things. Gallagher is not opposed to that idea. He said this is the first instance like this that he recalls, on any of his foreclosures. Galla suggested it be added to a future agenda to discuss, with the cost to come out of the sales price. Gallagher asked for it to be on the August agenda.

Galla said Wendy Irvin from Habitat for Humanity stated they would be moving forward on the remaining phase at Maple City Crossings which involved the last 2 homes of the 6-unit development. Allgaier stated that their goal is to always work towards affordable housing.

**CLAIMS & ACCOUNTS** -None.

**POST AUDIT**- None.

**CORRESPONDENCE/COMMUNICATION ITEMS** - None.

**PUBLIC COMMENT**

Hawkins spoke regarding Act 381 and the changes in the eligibility of a brownfield site. Now an eligible property is a property where housing is going to occur. Certain housing and housing activity associated with that will now be eligible through a brownfield plan. Potentially, school

taxes can be captured, and site preparation and infrastructure associated with housing. Hawkins concluded by saying that there are quite a few changes associated with this which open the door for others to utilize the brownfield tools.

Gallagher mentioned the state Land Bank conference in September.

### **MEMBER COMMENTS**

Allen referred to the letter of recommendation that Chairman Gallagher issued on behalf of the Land Bank, and said it would be presented to the County Board Chairman tonight at their regular meeting. The intent is that they will discuss it at the August meeting concerning the potential reformation of the county's former Economic Development Corporation (EDC). It would support the relationship with TC Connect to be able to offer the tax-exempt financing for housing projects.

**CHAIRPERSON COMMENTS** - None.

### **ADJOURNMENT**

Meeting adjourned at 9:43 a.m.