

**A regular meeting of the Leelanau County Brownfield Redevelopment Authority (LCBRA) was held on Tuesday, May 21, 2024 at the Leelanau County Government Center.**

**CALL TO ORDER**

Meeting was called to order at 10:00 am by Chairman Heinz who led the Pledge of Allegiance.

**ROLL CALL**

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

**Members absent:** J. Arens, R. Lewis

**Staff:** G. Myer, Planning Director, J. Herman, Senior Planner

**Public:** T. Searles, J. Gallagher, C. Hartesvelt

**PUBLIC COMMENT-** None.

**DIRECTOR COMMENTS**

Heinz asked if the Empire Lumberyard is close to a brownfield plan? Searles replied, no, there have been meetings with Empire Associates LLC. They wanted more information to evaluate and determine if they should pursue a brownfield plan. There is no formal request at this time.

**CONSIDERATION OF AGENDA**

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

**CONFLICT OF INTEREST** – None.

**CONSIDERATION OF APRIL 16, 2024 MINUTES**

Heinz pointed out a typo.

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

**CONSENT AGENDA**

Fishbeck - General Consulting and TIF Management

Fishbeck - EPA Assessment Grant

*Motion by King, seconded by Eftaxiadis, to approve the consent agenda as presented.*

*Motion carried 5-0.*

**OLD BUSINESS** – None.

## **NEW BUSINESS**

### 2022 Delinquent Tax Increment Revenue Capture

Heinz stated that these are property taxes that citizens didn't pay. The County Treasurer's Department makes the townships whole, in hopes that the delinquent taxpayers are expected to pay. This involved two of their brownfield plans; the Old Courthouse and West Shore. He said that Logan Mulholland, Brownfield Project Analyst for Fishbeck, has been in communication with the Treasurer's Department to resolve the check of \$39,398.81, all but \$4,449.11 does not belong to the LCBRA. It was sent to the LCBRA for things that are not eligible for Tax Increment Financing (TIF) levy.

Gallagher said it was from the Delinquent Tax Revolving Fund (DTRF). This is an unresolved overcollection clerical error made by the township. Searles said that the check cannot be adjusted, so Fishbeck recommended the LCBRA deposit the check and keep what is eligible for the LCBRA and to return the rest to the respective jurisdictions. In addition, the township will need some communication so that everything is accurate in their books. Searles said Fishbeck can send an email explaining the situation to the township.

Heinz suggested they deposit the check so that Myer can issue a check for \$34,949.70 to the Treasurer's Delinquent Fund and Mulholland will work with the townships. Hartesvelt suggested they keep what belongs to the LCBRA and disburse the remaining amount to two separate entities because they have not been made whole.

***Motion by Allgaier, seconded by Eftaxiadis, to approve \$4,449.11 of the 2022 West Shore and Leelanau County Complex Brownfield Plan delinquent tax capture is reserved for the LCBRA and the remaining \$34,949.70 is disbursed to the respective taxing jurisdictions and clarification with the townships.***

Heinz stated that out of the \$4,449.11 that the LCBRA keeps, the Old Courthouse TIF program should get \$596.40 and West Shore brownfield TIF should be \$3,852.71.

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

### **Old Courthouse TIF**

#### Development and Reimbursement Agreement

Heinz explained the hierarchy of money and where it goes. The agreement makes reference to how it is accounted for but the agreement makes reference to exhibit C., which is what they are following the guidelines to receipt and disbursement.

#### LCBRA Old Courthouse Brownfield Spreadsheet

Heinz said at the end of 2023, the LCBRA had \$77,201.00 in unspent TIF money. He continued, saying that \$47,665.00 was TIF revenue received in 2023. He suspects that will be the same revenue for each following year. Heinz continued to explain his spreadsheet line by line of the Old Courthouse Brownfield Plan.

Excerpt Leelanau County BOC Special Session, 10/23/2008

Heinz said this was an excerpt provided by the Clerk's Office, he then read the motion made by the Board of Commissioners (BOC) from 2008. Hartesvelt said the Varley-Kelly sale fell through and was

foreclosed.

Amount owed to County upon sale to Varley-Kelly

Heinz said the sale was escrowed prior to closing the 2.4 million deal then when the deal was signed off by both parties, the \$100,000.00 was on the general ledger as an escrow account but it was actually their money market account. He then explained his money market account spreadsheet on page 42. The total Varley-Kelly sale proceeds, including interest owed to Leelanau County per terms of sale from County to LCBRA was \$96,487.53.

DEQ Loan Amortization Schedule

Heinz said they need to pay the DEQ loan off and per the amortization schedule they are to pay \$25,000.00 a year that they agreed to. The next payment due date is June 2.

DEQ Loan Payment amount

Heinz suggested they make a double payment to pay off the DEQ loan in five years instead of ten years. King asked if there was anything that would prohibit them from not making that additional principal payment? Could they make that extra payment later in the year? Eftaxiadis suggested they pay the DEQ loan and pay the County for the money they borrowed for paying the DEQ loan, then they can begin paying the LCBRA administrative costs, the LCBRA eligible costs, and the developer. Heinz said per their Policy on TIF Collection and Disbursal, they have to pay the loan off first prior to step B.

Hartesvelt would like to find the minutes from the BOC meeting to see if it is a capital infusion because she is not seeing it as a note receivable in the general fund book. They may not be expecting repayment.

King said there needs to be more research, but in the meantime, he recommended the LCBRA make the required DEQ loan payment by June 2. He would like a detailed written recommendation of the DEQ loan payment schedule so that members can properly assess it.

***Motion by King, seconded by Allgaier, to make the required \$25,000.00 payment to the DEQ loan by June 2 and to table the rest of the discussion.***

Per Eftaxiadis request, Searles will present what the eligible costs were in the brownfield plan at the next meeting. King recommended they figure out their internal documents first, then seek legal counsel for review of prioritization and then come up with a plan.

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

Money Market Account

Heinz explained the Trial Balance Report from page 82. He has been working with Hartesvelt on breaking down the cash balance into subaccounts for each brownfield plan. Heinz recommended that since the checking account and money market account earn .3%, close out the money market account, and have one big bank balance. Hartesvelt said the County has an Investment Policy with restrictions. Tabled for further research.

Leelanau County Complex Redevelopment Brownfield Tax Increment Revenue

Heinz said they have \$86,397.10 in unspent TIF. He stated that paying the developer is "last in line" for

reimbursement. After the DEQ loan payment, they will have \$61,397.10.

#### West Bay/West Shore Hotel Redevelopment Brownfield Tax Increment Revenue

Heinz said five months ago the LCBRA gave the owners a six-month extension before terminating the brownfield plan. He said that \$18,867.70 is in the checking account. He suggested they terminate the plan now since there has been no change. Members disagreed and that the LCBRA should honor the full six-month extension. Searles said she has recently reached out to the owners and has not been aware of any new information. Searles clarified that there are two separate issues, the first being determination of terminating the brownfield plan and secondly, the recommendation on the TIF collected to date.

Searles will provide a listing of what the brownfield plan is allowable for administrative costs.

Discussion ensued and members agreed to table this topic for next month.

***Motion by Eftaxiadis, seconded by Allgaier, that the LCBRA captures the available tax increments from the West Shore project for its administrative costs, subject to as allowed by the brownfield plan. Motion carried 5-0.***

#### Two Peas Brownfield Tax Increment Revenue

Members agreed to table this topic for next month.

#### GTRAC Brownfield Tax Increment Revenue

Heinz said there is \$1,096.46 of available TIF and this should go to the developer.

***Motion by Eftaxiadis, seconded by Allgaier, to reimburse GTRAC Brownfield Plan project with the available \$1,096.46. Motion carried 5-0.***

#### Due Care & Brownfield Plan Evaluation- Former Empire School

Members agreed to table this topic for next month.

#### Oath of Office

Heinz said this topic is done.

#### **FINANCIALS**

**Claims & Accounts - \$9,978.36**

***Motion by Foster, seconded by King, to approve Claims & Accounts in the amount of \$9,978.36. Motion carried 5-0.***

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

**Trial Balance- None.**

**CORRESPONDENCE/COMMUNICATION ITEMS-** None.

**PUBLIC COMMENT-** None.

**DIRECTOR COMMENTS-** None.

**MEMBER / CHAIRPERSON COMMENTS-** None.

**ADJOURN**

Meeting adjourned at 11:58 AM.