

**A regular meeting of the Leelanau County Land Bank Authority (LCLBA) was held on Tuesday, December 19, 2023 at the Leelanau County Government Center.**

**CALL TO ORDER**

Meeting was called to order at 9:08 am by Chair Gallagher who led the Pledge of Allegiance.

**ROLL CALL**

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

**Members Absent:** R. Isphording

**Public Present:** L. Mawby, T. Searles, J. Stimson

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

Gallagher opened the meeting with officer appointment and nominations for the vacancy of Land Bank Secretary. He acknowledged Gail Myer as she has been stepping in for the time being.

*Motion by Allen, seconded by Allgaier, to appoint Gail Myer, Interim Planning Director to the position of Secretary until a Planning Director is formally named. Motion carried 5-0.*

**APPROVAL OF AGENDA**

Heinz stated the following modifications to the agenda. Item #4 under Discussion/Action Items be moved to #1 and everything else is re-sequenced. 7 a. High Street Blight Elimination Project, 7 b. Update on Brewery Creek property status expiring Blight Elimination Grant situation, 7 c. Betsy Price HomeStretch status, and 7 d. Update on an EDC organization.

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

**APPROVAL OF SEPTEMBER 19, 2023 MINUTES**

Heinz made corrections to the minutes.

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

**PUBLIC COMMENT** – None.

**UNFINISHED BUSINESS** – None.

**DISCUSSION/ ACTION ITEMS**

Marek Road Invoice

Gallagher said the reason for moving this item up is because it effects the budget amendment for 2023 and in addition to that there is information presented by corporate counsel. Gallagher read the email handout from counsel on page 23. The invoice for HomeStretch could be reimbursed. For that consideration they would have to acknowledge their paid receipt for that project. With approval from the LBA, they can approve pending proof of payment. Gallagher questioned as to whether or not

HomeStretch may collect their pledged 1/3 match for the purposes of a road improvement serving property the LBA held in a development agreement. Gallagher said there was no dispute, it was their intent and they did not put expectations from HomeStretch or the Road Commission on how that would transpire, billing invoice, etc. Gallagher asked if they wish to reimburse work that has already been completed. They could do a reimbursement in which Gallagher would pay the invoices provided that Stimson must present proof of payment in the amount exceeding their reimbursement.

***Motion by Allgaier, seconded by Foster, to approve the invoice as presented from HomeStretch.***

Discussion Continued

Heinz said Stimson sent them a copy of the invoice two meetings ago from HomeStretch to Suttons Bay Township of \$45,000.00. He also attached a document from the township of an additional \$15,000.00. Gallagher clarified that they have confirmation from corporate counsel for reimbursement.

***Motion on the table carried 6-0.***

Approval of 2024 Proposed Budget/ Budget Amendment 23-01

Gallagher asked if the LBA wanted to reimburse HomeStretch in 2023 or 2024. He said he could execute the invoice reimbursement in 2023. Gallagher said by looking at the proposed budget the previous budget was \$0 and the amended budget will be increased by \$15,000.00 plus change of \$15,000.00 for 2023. The fund balance forward will increase by set \$15,000.00 and the new total will be \$95,083.00

***Motion by Heinz, seconded by Allgaier, to approve the budget for 2024 as presented.***

***Motion carried 6-0.***

***Motion by Heinz, seconded by Allen, to accept the fiscal year 2023 amendment 23-01 in the amount of \$95,083.00. Roll Call vote.***

***Ayes- 6 (Allen, Allgaier, Foster, Gallagher, Heinz, Myer)***

***No- 0***

***Absent-1 (Isphording)***

Gallagher noted that he will make these changes and will be set for audit.

HomeStretch Proposal/Affordable Housing

Gallagher looked for approval for the LBA to present this at the Brownfield Redevelopment Authority (BRA) meeting and to have the associated fees waived. This is a follow up from the previous LBA meeting on the four properties. It was discussed with HomeStretch to pursue Phase I on these properties because it is a prerequisite for most of the funding sources. They hope that these four properties are considered for 2024 as candidates for improvement. Heinz added that legal counsel will put together a purchase agreement.

***Motion by Allgaier, seconded by Foster, to approve Part I applications to the Brownfield Redevelopment Authority and to waive the fees. Motion carried 6-0.***

Hold Harmless Update

Gallagher received an email last night and wanted to present it to members. The email is confirmation that transactionally moving forward the LBA can develop dialog that will hold the LBA harmless. Gallagher continued, saying that they have to take into account that the statute states that the minimum bid isn't satisfying the court and the statute for claiming excess proceeds would potentially come after transfers of

property for less than fair market value. However, you can't do anything with the properties that have already been transferred, Gallagher suggests they have a Hold Harmless Agreement developed. No action is needed today but should be done prior to taking property from the Treasurer.

Heinz asked if the Treasurer's Office who administers foreclosures is willing to ~~identify~~ indemnify the LBA in case there are any claims for going back including properties they will sell to HomeStretch? If there is an ultimate liability, the difference between what they get it for and what the fair market value is, then the tax delinquent fund is the biggest pot of money not the LBA. Gallagher agreed, he asked two different attorneys and they both gave him the same answer that there isn't a mechanism to hold the LBA harmless for previous sales. Gallagher suggested the County Administrator follow up with this matter. Allen asked Gallagher for better language so she knows what to ask for and Gallagher agreed to assist with that.

#### CDBG 276 Non-Program Income Request

Gallagher asked corporate counsel for examples in and around funding for the LBA. Gallagher said CDBG non-program income is available for the purposes of housing, and he would like the LBA to ask the Board of Commissioners (BOC) for the non-program income available in 2024. Gallagher showed resolutions how different communities are being funded. Gallagher would like to work with corporate counsel to develop a proposal that would work with both the BOC and LBA and bring it in front of the BOC in January. Gallagher explained that these are interest payments from the housing rehabilitation program that fell outside of the restricted funding so they do not have to be reused in a program income way. Galla once mentioned that these funds can be used and administered under the guide of housing. Gallagher will show a breakdown of the program build-up provided by Galla.

***Motion by Allgaier, seconded by Heinz, to move this forward to the Board of Commissioners meeting in January. Motion carried 6-0.***

#### High Street Bid Acceptance

Gallagher said they had a closed bid that was presented from Fishbeck. They thought they accepted the bid but it is being brought back today for clarification. They will need to approve it formally today as it was presented.

***Motion by Heinz, seconded by Allgaier, for clarification, to approve Fishbeck as the environmental consultant on the High Street blight elimination project. Motion carried 6-0.***

#### Brewery Creek Update

Gallagher said Brewery Creek went out for rebids and they came in significantly lower. They awarded the bid and have formally asked the state for an extension and the state gave a rebuttal on their proposed budget and asked for a revised budget. Gallagher said no action needs be done at this time but he will give Fishbeck an update as soon as he gets it from the state. Searles confirmed Fishbeck is not taking action on this.

#### Betsey Price- HomeStretch

Stimson said Price's attorney is drafting a purchase agreement instead of using HomeStretch's letter of intent. He sent a letter of intent 3 months ago and wants to move along with the application. Stimson stressed that there are other applications that he needs to work on. He brought up that maybe the LBA or BRA would be interested in purchasing the land in conjunction with HomeStretch.

EDC

Heinz asked Allen for an update from Galla and the state however no update was available. Heinz said it would be a good source of funding for the LBA.

Any other business- None.

**CLAIMS & ACCOUNTS** – None.

**POST AUDIT**- None.

**CORRESPONDENCE/COMMUNICATION ITEMS** - None.

**PUBLIC COMMENT**- None.

### **MEMBER COMMENTS**

Heinz gave members an update that himself, Myer, Allgaier and others went to the Marek Rd. open house and they were very impressed. He met with the project manager who was very confident and professional. The first unit is going to be rented to a mother with four kids. He said Stimson hires aces to put in their places so he can handle Marek Rd, a project in Honor, a project in Manistee, and lots more projects. Heinz expressed thanks for what the LBA is doing.

Allen said on the 7/4 news there was coverage of a panel discussion on Housing North and other housing entities. She will look into getting more information and share that with members.

Allgaier said she has so much respect for the people in this area that at their end of their careers continue to give back.

**CHAIRPERSON COMMENTS** - None.

### **ADJOURNMENT**

Meeting adjourned at 10:00 am.