

A regular meeting of the Leelanau County Land Bank Authority (LCLBA) was held on Tuesday, August 20, 2024 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, R. Foster, J. Gallagher, D. Heinz, D. King, R. Lewis, G. Myer

Members Absent: None.

Public Present: C. Hartesvelt, L. Mawby, T. Searles

Staff Present: J. Herman, Senior Planner

PUBLIC COMMENT- None.

APPROVAL OF AGENDA

Gallagher added the May 21, 2024 meeting minutes for approval.

Motion by Heinz, seconded by Allgaier, to approve the agenda as amended. Motion carried 7-0.

APPROVAL OF MAY 21, 2024 & JUNE 18 MEETING MINUTES & JULY 23 SPECIAL MEETING MINUTES.

Motion by Heinz, seconded by Allgaier, to approve the May 21, 2024 & June 18, 2024 Meeting minutes & the July 23, 2024 Special Meeting minutes as presented. Motion carried 7-0.

UNFINISHED BUSINESS-None.

DISCUSSION/ ACTION ITEMS

Approval of Bridge Loan between Leelanau County and Land Bank Authority

Gallagher said one of the handouts he provided was a request for reimbursement from Bay Area Demolition for the Northport Hospital project. He said the state would help the LBA if they came into a financial position that they were not able to meet the obligation because they are a small county Land Bank. The state requires Gallagher to go to the Board of Commissioners (BOC) for said loan to cover in an amount not to exceed \$400,000.00 between Leelanau County and the LBA for a period of not more than six months with no interest. Gallagher continued, saying that this is one of the solutions to fund the Northport Hospital demolition. As these payables come due, draw funds from the county and get the reimbursement from the State Land Bank Authority.

Motion by Lewis, seconded by Heinz, to approve the Bridge Loan between Leelanau County and Land Bank Authority contingent upon the Board of Commissioners approval.

Discussion ensued on clarification and accounts.

Motion on the table carried 7-0.

Projected TIF Revenue

Gallagher explained the spreadsheet and expressed that it was simply an estimate since he did not have data on the unbuilt New Waves Development. He hopes this illustrates the different projects they have throughout 2029, and repaying the county back for the investment in these endeavors.

Heinz said he requested to see this spreadsheet so that the LBA can see what type of cashflow they will have that they can use to acquire more properties or put money into a project. This will also help determine if they need to apply for Blight Elimination funds, etc. Heinz pointed out that the spreadsheet should only list seven projects for New Waves Development, not fourteen, because they are not going to get 5/50 on the parcels that Habitat for Humanity owns. Heinz continued to explain his calculations and findings based on the information provided, Gallagher stated that this was an estimated projection.

Discussion ensued on the parcels.

Gallagher will look into some of the parcels/information and bring back for next the meeting.

Budget Amendment 24-001

Hartesvelt said this was to set up the budget for the LBA to have expenditure to pay vendors, contractors and for demolition. This also amends the revenue so the LBA can receive reimbursement from the state. Hartesvelt said this also sets up Brewery Creek and asked who has the grant? Gallagher said the LBA was awarded the grant and Elmwood township prepaid the contractor. He is looking to see if the state will do a pass through or will want a reimbursement from the LBA. Hartesvelt continued with the budget amendment and said it also recognizes the revenue from non-program income.

Hartesvelt brought up the Quit Claim Deed where Habitat for Humanity conveys 50% of their interest to the LBA for \$1.00. Gallagher said fundamentally that is what the auditors recommended. He said the LBA will be partners through the development of this project and then relinquish their interest at the sale of the property to a private citizen. Hartesvelt asked in order to qualify for 5/50 does the LBA have to own the property for a period of time? Gallagher replied, one day but the clock starts the day it is transferred out.

Motion by Heinz, seconded by Allgaier, to approve Fiscal Year 2024 Amendment Number 24-001 as presented. Motion carried 7-0.

Any Other Business

Heinz asked if Gallagher had the copies of signed agreements with Habitat for Humanity? Gallagher said he is still waiting for the signed copies from Wendy Irvin and he will provide those to the LBA once received.

Heinz asked for an update on the four homes that HomeStretch is proposing to build. He said HomeStretch still owes the LBA \$4,000.00 per parcel. Hartesvelt asked on clarification as she does not

see receivables on the books for that, Gallagher will provide her with a copy of the agreement. Gallagher will also ask Jon Stimson for an update for next month.

Heinz asked, since the LBA is part owner of the seven properties in the New Waves Development, will a Phase I and/or Phase II assessment need to be done? He said there is grant funding available through the Leelanau County Brownfield Redevelopment Authority (LCBRA). Lewis suggested the LCBRA should be the board to reach out.

CLAIMS & ACCOUNTS – \$7,481.85

Gallagher added the following items for payment:

- Northport Demolition of \$76,500.00
- Blight Elimination Program RFP 2023-001 \$34,112.00
- Habitat for Humanity- Quit Claim Deed for the full consideration of \$1.00

Motion by Lewis, seconded by Allgaier, to approve Claims & Accounts in the amount of \$118,094.85. Motion carried 7-0.

POST AUDIT- \$88,536.50

Motion by King, seconded by Foster, to approve Post Audit in the amount of \$88,536.50. Motion carried 7-0.

CORRESPONDENCE/COMMUNICATION ITEMS

Gallagher said by surprise, Bay Area Demolition found a tunnel that connects the Highlands to the old facility. The LBA will have to determine whether this is within the demolition scope or if additional services will be covered under the grant and what that would look like for timing of the project completion or remediation.

Searles stated they knew that the tunnels were present but they were not expecting them to connect the two buildings, because they were originally told that the tunnels were blocked off and no longer exist. The pipes are no longer functioning and have since been removed. They want to make sure they are removing what they need to within the scope of demolition to prepare for redevelopment. They also want to make sure they are not compromising the structural integrity of the Highlands building. There is room in the demolition budget if they determine that it is part of the demolition scope. Bay Area Demolition will be able to complete it with a change order. Searles will provide the LBA with an update when there is more information.

PUBLIC COMMENT

Mawby thanked the LBA and stated that Otwell Mawby is a good consulting engineer.

MEMBER COMMENTS- None.

CHAIRPERSON COMMENTS - None.

ADJOURNMENT

Meeting adjourned at 10:01 a.m.