

**A regular meeting of the Leelanau County Land Bank Authority (LCLBA) was held on Tuesday, November 21, 2023 at the Leelanau County Government Center.**

**CALL TO ORDER**

Meeting was called to order at 9:02 am by Chair Gallagher who led the Pledge of Allegiance.

**ROLL CALL**

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

**Members Absent:** R. Foster, T. Galla  
(prior notice)

**Members Absent:** R. Isphording

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

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

**APPROVAL OF AGENDA**

Heinz stated that he wanted to add the following items under “DISCUSSION/ACTION ITEMS”:

- Discussion on Treasurer’s Office /hold harmless policy on the tax foreclosure properties
- Discussion on Brewery Creek Property
- Status check on New Waves Development
- Discussion at the state level on an EDC

*Motion by Allgaier, seconded by Allen, to approve the agenda as amended. Motion carried 4-0.*

**APPROVAL OF SEPTEMBER 19, 2023 MINUTES**

Heinz pointed out a couple spelling errors.

*Motion by Allgaier, seconded by Allen, to approve the minutes as amended. Motion carried 4-0.*

**PUBLIC COMMENT**

Mawby said he supports the request of HomeStretch, which is agenda Item #1, a, b and c.

**UNFINISHED BUSINESS**

Update Habitat for Humanity-Cedar home

Gallagher updated members, saying that Habitat for Humanity decided to keep the parcel contiguous and not separate out the side lot. As a result, the LBA did not need to pay Habitat for

Humanity \$15,000.00 that would have been secured by a mortgage on the side lot.

Update-Cherry Wood Ct. property listing

Gallagher said the property had been listed for 28 days, for \$24,900.00 and he has not had any activity or solicitations.

Tour of Marek Rd. property-Dec. 7<sup>th</sup> or 8<sup>th</sup>.

Stimson said the tour is dependent upon getting the buildings ready. They are hopeful that they will be ready by the 7<sup>th</sup> or 8<sup>th</sup>.

## **DISCUSSION/ ACTION ITEMS**

HomeStretch

Marek Rd. matched grant request

Gallagher explained that this was a follow up request from last year for a 1/3 matching grant. HomeStretch requested funds to be used toward the Marek Rd. and M-204 intersection improvements. These improvements were mandated by the Leelanau County Road Commission, who approved 1/3 match. The Suttons Bay Township Board approved the matching funds contingent upon approval of the road commission participation in the project. Gallagher said the formal request for the matching funds never came before the board as an agreement between the three entities.

Heinz commented that he doesn't know from a legal standpoint if they can do this. They deeded the property to HomeStretch, if they give them the \$15,000.00 now, it would be considered a charitable contribution. Gallagher said he agrees, they have to carefully review this and present it to corporate counsel. The timing is an issue, they no longer own the property, and the work has been completed.

Stimson said the money should go to Suttons Bay Township. Even before the property was transferred, the request was for property outside of your ownership at the time. Gallagher said this was a fair point, it was an easement. Heinz said it still was to enhance our property. Stimson stated that the property couldn't have been improved without that improvement. Gallagher requested that Stimson circle back and see who this request should be coming from, Homestretch or the township. Stimson agreed to do some homework on the back end. Gallagher said the request is warranted; it just needs clarification. Allgaier agreed with the need for more clarification. Gallagher will bring back potentially next month.

| ~~Buree~~ Bruce and Betsy Price property partnership

Stimson, along with Jim Lamier, from HomeStretch, spoke, saying they offered this letter of

intent to purchase a portion of their property contingent upon zoning for multi-family. HomeStretch is poised to do perk tests, and see how much it would cost to rehab the building buildings. There may be a second request later on because of this rehab. They can do a PUD (planned unit development) under the current zoning or get it rezoned. It will probably need a new sewer and well. Stimson said they are interested in finding out how to go forward without representing the LBA. Lamier said the site has been used as a dumping ground for many years. The roof looks pretty bad, they might be able to save the concrete floors and walls.

Discussion ensued on the condition of the buildings.

Heinz questioned if they would need a Phase I and II. Stimson said a Phase I at least, and a Phase II if necessary. Heinz stated that the Leelanau County Brownfield Redevelop Authority (BRA) might be able to help through an EPA Assessment Grant. -Heinz questioned if they would be able to stay with Fishbeck on their own dime for any clean-up costs. Stimson said yes, Fishbeck is a great firm. Stimson pointed out that there is a new contract with the correct date, November 1, 2024. ~~Heinz stated that the Leelanau County Brownfield Redevelop Authority (BRA) might be able to help through an EPA Assessment Grant.~~

Gallagher questioned what Stimson was looking for today in order to move this forward, because he would like to support this. It could potentially be eligible for the 3<sup>rd</sup> round of blight elimination grant money. Heinz said they don't have to be a joint owner with them. They wouldn't need to be fiscally responsible for the project. Allgaier said she is in support of HomeStretch. Gallagher suggested a letter from him in support to HomeStretch. Stimson said that would help to show the owner, and the township for the zoning request. Gallagher will draft a letter of support. Stimson said they have one year to come up with the funds of the purchase price.

RFP presentation on four properties LBA listed for sale

Stimson spoke on the four parcels and Lamier passed out a handout to members which he then reviewed. Stimson mentioned the site plans in the packet, to give a visual/idea of what could be done. Overall, the idea to portray, is that grants are available in February that they can tap into. His concern is if they build one of these, people within the 80% AMI bracket can't afford it. Stimson said one option is a hybrid program where they would create a lease program lasting from three to five years. After this time, the resident would be eligible to purchase the home using a portion of the rents set aside for down payment assistance. Stimson concluded by saying that it is a hard uphill battle to get them occupied. They can manage them either way, sell or rent.

Allen asked if there was language prohibiting a land contract? Stimson said a Land Contract stipulates that a person has the option to purchase at any time. It is a possibility; they could see on a case-by-case basis. Stimson spoke on mortgages being able to be sold to a secondary market and the difficulty with that since the intent is to use modular homes on these properties. Stimson said they are trying to do as minimal construction on their part as they can, because the properties are scattered. Gallagher mentioned deed restrictions once they get that far. Would a

new buyer start another 15yrs. or assume the balance of the 15yrs.? Stimson said he would like them to start another 15yrs. Heinz questioned if they would be in need of Brownfield help? Stimson responded yes. Gallagher questioned if it would make sense to prepare Phase I and II before the LBA transfer the property to HomeStretch. Heinz said it would save HomeStretch money. Gallagher explained that this is why he asked Stimson to come back, so they are all on the same page before they transfer the property. Stimson would like a transfer to both entities, with LBA retaining some interest in the property. Gallagher concluded by saying they need to check into blight elimination funds and the use of the property after it transfers.

#### Proposed Fishbeck contract for High Street

Gallagher said they wanted to make sure there were no perceived or known conflict of interest. Fishbeck has the depth to approach this without any conflicts.

Short discussion ensued on the memo.

Searles clarified the memo and said they need approval on High St. to move forward on that. Gallagher said they approved the RFP contract pending this. Accepting this today completes this.

***Motion by Gallagher, seconded by Allgaier, to accept the memo from Fishbeck stating no conflict of interest, re: LCAO-RFP-2023-008, dated November 7, 2023.***

Discussion ensued.

Allen questioned what the intent of the last sentence in ~~the this~~ memo was? ~~since the intent is to use modular homes on these properties?~~ Searles stated the intent of the memo is to resolve any possible conflict of interest.

***Motion on the table carried 4-0.***

#### Discussion on Brewery Creek Property

Gallagher said no work has been done, the state is entertaining an extension.

#### 2024 Budget

Gallagher said he rolled last year's budget forward with no amendments. There is an accounting error that needs to be corrected. Gallagher explained that the contribution from LBA was \$20,000.00 on the REACH properties in Northport. When it returned to the rolls, it didn't hit the books properly. ~~There should have been a different revenue to recognize this revenue.~~

***Motion by Allen, seconded by Allgaier, to approve year-end adjustments for 2023 as presented, to prepare for the audit. Motion carried 4-0.***

## Hold Harmless Agreement

Gallagher suggests that this be done through the Treasurer's Office to utilize their corporate counsel, not the county's.

## New Waves Development

Heinz said Jeff Hawkins, from Fishbeck, was doing research to see what funds are available. Galla hasn't heard back yet. Gallagher said it is on the horizon, and has been in conversations for a few months. He is not comfortable talking numbers yet. There are six or seven lots available.

## EDC

Allen said she and Galla met with Tischler who was going to be checking into a couple options to see what kind of funding projects they were looking at, at the state level. She hasn't heard back yet, will take time to look into. Update at the December meeting.

Any other business - None.

**CLAIMS & ACCOUNTS** – None.

**POST AUDIT**- None.

**CORRESPONDENCE/COMMUNICATION ITEMS** - None.

## **PUBLIC COMMENT**

Mawby spoke again in favor of HomeStretch.

## **MEMBER COMMENTS**

Allgaier thanked HomeStretch and anyone building affordable housing.

## **CHAIRPERSON COMMENTS**

Gallagher instructed Stimson to let him know if they get the letter of intent signed.

## **ADJOURNMENT**

Meeting adjourned at 10:19 a.m.