



Leelanau County Government Center

Leelanau County Land Bank Authority (LC-LBA)

Website: <http://www.leelanau.cc/lclbameetings.asp>

8527 E. Government Center Dr.
Suttons Bay MI 49682 231-256-9838

NOTICE OF MEETING

The Leelanau County Land Bank Authority (LC-LBA) will meet

On Tuesday, September 20th 2016 at 9:00 am

The Leelanau County Government Center

DRAFT AGENDA

PLEASE TURN OFF ALL CELL PHONES

PLEDGE OF ALLEGIANCE

CALL TO ORDER

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF MINUTES: August 3rd, 2016. **pgs 2-6**

PUBLIC COMMENT

➤ UNFINISHED BUSINESS

1. Timberlee update.
2. Round-one auction update. **pg 7**
3. Financial Review. **pgs 8-10**

➤ DISCUSSION/ ACTION ITEMS

1. 2017 Budget Worksheets. **pgs 11-12**
2. Addendum to Purchase Agreement – Timberlee. **pg 13**

CLAIMS & ACCOUNTS

POST AUDIT

CORRESPONDENCE/COMMUNICATION ITEMS

PUBLIC COMMENT

MEMBER COMMENTS

CHAIRPERSON COMMENTS

ADJOURN

Members

Treasurer John A. Gallagher III – Chair
Trudy Galla, Secretary
Chet Janik
Peachy Rentenbach
Mark Walter
Karen Zemaitis
Bud Welch

A special meeting of the Leelanau County Land Bank Authority was held on Tuesday, August 3, 2016 at the Government Center.

Call to Order: The meeting was called to order at 9:00 am by Chairman Gallagher who led the Pledge of Allegiance.

Members Present: J. Gallagher, T. Galla, C. Rentenbach, B. Welch, K. Zemaitis, M. Walter (9:09 am)

Members Excused: C. Janik

Public Present: None

Approval of Agenda

It was moved by Zemaitis, seconded by Rentenbach to approve agenda as presented. Motion carried 5-0.

Approval of June 20, 2016 Minutes

Zemaitis – corrections on page 3 of the minutes – “their” instead of there, and add ‘Suttons Bay’ to Village.

It was moved by Zemaitis, seconded by Rentenbach to accept the June 20 minutes as corrected. Motion carried 5-0.

Public Comment - None

Discussion/Action Items

- a. Review offer on Timberwoods Drive Property

Gallagher stated there was an offer that came in for all of the property. The real estate agent has reviewed it and is comfortable with the offer. The buyer will be out of the country for a bit and there is a clause for 45 days needed. Gallagher asked about the offer expiring July 22 and the Land Bank not being able to meet and our realtor thought the buyer would still be able to work with us.

(Mark Walter arrived.)

Rentenbach asked about the 45 days. Gallagher replied we would acknowledge his 45 days due diligence. He wants date of closing on September 9. We would still probably try to have date of closing on September 9. Does the Board want to extend that further, or not. Galla said she read it as 45 days from date of agreement so she is assuming it is 45 days from when we sign it.

Gallagher said based on our counter or acceptance, we can accept based on his offer and decide how we want to proceed. It is full offer, a cash offer. Galla asked if there were others interested. Gallagher said not at this time. There is someone interested in part of it.

Galla said the description on front page says 22-23 lots, and we should distinguish that from the map that shows 22 lots. Is there something else that is not marked as a lot? Rentenbach asked about the tax parcel numbers listed. Galla said she had counted 22 lots, but on the front page of the offer it says 22-23

lots. This is a minor thing but she wanted to make sure descriptions are correct for the number of lots we are selling.

Galla noted our realtor is not here to answer this, but on front page, buyer says the name and/or assigns. So, this may be someone who is buying for someone else – is that Gallagher's understanding? Gallagher said that may be correct. If buyer is not the developer and contracts out or partners, this gives him opportunity to partner with somebody.

Galla asked if we were responsible for providing any title work to them. She wondered what our closing costs will be on this and if there was anything else that we have to cover from delinquent tax fund, assessments, etc. She is assuming the full purchase price will cover everything.

Gallagher said closing costs are going to be the title work, fees for transfer, and any delinquent taxes that are on the county treasurer's roll or township treasurer's roll. There is not anything on the tax rolls. What is owed on the property is on the balance sheet on the treasurer's side and that is being charged back to the local townships. What we have on the books is \$26,000, and that is going to be paid back to the delinquent tax fund. So that's something that the Land Bank has as a liability and is owed, but not part of the closing. It's an inter-governmental loan, not part of the closing costs.

Galla stated she did not understand that and asked Gallagher why it would not be part of the closing cost. Gallagher said because it is not on the tax roll, it is an intergovernmental loan. Galla felt it was tied to these properties. Gallagher said it is but it's not a bonafide loan by a commercial loan that is recorded on the property. Galla replied you are stating it is not part of the actual closing costs, but when we get our money back we have to pay it back, correct? Gallagher agreed. Galla stated so it will come out of that sale amount. Gallagher noted it won't be part of the title work at closing. It will be an exchange, something we do internally. Galla asked what the amount was that Gallagher stated had been charged back to the local township. Gallagher said special assessment; we split it basically in half \$26,200 back to the delinquent fund plus \$26,400 that was charged back to the local unit, or vice versa. The township is going to be paying their portion back to the county and the Land Bank will pay their portion back to the county. The township is obliged to pay out of their general funds and Land Bank is going to pay out of these gross proceeds.

Galla asked again for clarification, and asked why the township would do that. We've got the properties and are going to sell them. Would the township be able to make the argument that Land Bank got the property, sold it, so they don't need to pay back? Gallagher replied it is partially because they left the advalorem tax for additional year and were not supposed to, so they were paying additional amount above and beyond what was foreclosed upon so it is a charge back. Galla asked if they know this and are good with it and Gallagher replies, yes, and in addition to that, in 2013 when we acquired property, we acquired base tax, and the special assessment was charged back to the local unit. So that's how we proceeded with these lots. Galla noted she wanted to be sure what is owed and what the bottom line is here. Gallagher agreed and said at end of the day we will have the goal to have properties being free and clear.

Welch asked if this was purchase price that was made in presentation by realtor and Gallagher said it is a full offer.

Rentenbach asked about the property numbers 22-23. There is no 001-00. Walter pointed out a property on the map that does not have a tax number on it. Maybe they are confused, I'm confused by that. We have a tax property number for every lot but there is no number on that lot. Gallagher said we have a 001, excluding parcel owned by James Groseclose. (Galla looked up numbers on computer.)

Further discussion on the legal descriptions and tax parcel numbers. Galla stated 001-00 is our parcel, it is the bottom one on map. We have all parcels except 7 and 8 which are privately owned. Galla said 23 parcels are shown on the county's website in the name of the Land Bank. So the reply to the offer should correct the numbers.

Gallagher said part of the issue was when we foreclosed on them, we foreclosed on 001, and the rest of them were assessed with it. So the assessor had combined all the value of the whole subdivision with 001 underneath this one parcel so foreclosure documents only show the one parcel but you have to read the legal description to get the rest of the parcels. It is an absolute mess. He has since scolded and chastised rest of assessors. For us at the county level and township level, it makes it an absolute nightmare.

Galla said title insurance is covered under item #4, last sentence says we equally divide cost of title insurance.

Gallagher thought this looked like a pretty standard buy/sale agreement.

Gallagher said question is, do we accept the price. The closing is subjective to the date of when we sign this agreement. If we sign this agreement today or tomorrow, it still gives the buyer about a month to do his due diligence.

Rentenbach wondered why he picked date of September 9. Gallagher thought that was when he was going to be back in the country. It did not matter to Gallagher when we close. Rentenbach thought the closing was contradictory to other things in the agreement so that's why she asked. Gallagher did not think it was unreasonable. Walter noted we have offer, looks like standard buy/sale agreement, and we know where money is going when we are done with it.

It was moved by Walter, seconded by Galla, to accept the offer, with clarification on the lots, and authorize Chairman to move forward with sale of this property.

Galla asked if Gallagher would ask real estate agent to prepare proper paperwork to get signed. Gallagher replied yes. He would forward them the actual foreclosure documents. Exhibit A needs to be clarified to include lot 1 with the property sale.

On a voice vote, the motion carried 6-0.

Recommendation to pay Leelanau County liability

Gallagher said last month we went forward with paying the County back for assets held. For reference purposes, he reprinted the assets held for resale/excel spreadsheet. What he wanted to present is that in discussions with Galla, and he emailed that to members a couple weeks ago in his update - in 2011 he had gone under the assumption that the initial payment of \$5,226.92 was a payment that was in lieu of assets held for resale. In further discovery while he was going through the county's side of the books, this was actually for housing. Gallagher asked Galla to explain to the members and she stated it was for

new housing where the home and land was put into the Land Bank and when it was sold, that remaining amount had to go back into the housing fund, not to the General Fund. So the properties and home were in the Land Bank and off the tax rolls so this money did not go back to the General Fund from the Land Bank, it went to the housing fund. Gallagher said when he was doing his calculations, we was using the Land Bank books showing what was going back to the General Fund, and he had mistakenly used that \$5,226.92 as part of reduction of debt back to the county. So that's what this 1 page handout is, it shows it went to Fund 277 which is one of the housing funds, this printout is out of the county data base. And in packet, he readjusted trial balance for Land Bank Authority to show the 3rd item down due to county is still \$5,226.92. So at this time, he is looking for authorization to issue another check back to the County from Land Bank Authority in the amount of \$5,226.92. That will clear all debts to the County from the Land Bank Authority.

It was moved by Walter, seconded by Galla, to authorize Gallagher to issue a check back to the county in the amount of 5,226.92.

Gallagher said he would update the assets held for resale and redistribute that out and get that back to everyone.

On a voice vote, the motion carried 6-0.

Public Comment – None

Member/Chair Comments

Zemaitis said it was nice to see Gallagher being able to go back and take care of getting things just the way they should be, think that is great. Gallagher has a much greater grasp on really what we did and how things were handled and sometimes it's very confusing and these things happen and nice to get things straightened out. She was sure it took a lot of research and she thanked Gallagher. Gallagher noted Galla's involvement and Zemaitis also thanked her. Gallagher said he had confusion trying to figure it out and had to ask Galla for help.

Galla asked Gallagher to update on village lot in Suttons Bay that sold as well as the parcels up for auction. Gallagher said Suttons Bay Village exercised right of refusal and they purchased home on Madison Ave. They have taken this property behind the VI Grill. Their intent is to make it into parking lot so they purchased that from delinquent tax revolving fund for the back taxes owed. The parcels remaining from foreclosure – the parcels on Bow Rd were bundled. The odd lots and the Maple City house were bundled. And the rest of the properties were offered individually. Those are up for auction August 20.

Welch asked what is site if people are interested and Gallagher said it is www.tax-sale.info Auction is at old K of C Hall in Elmwood Township.

Galla asked if anything was happening with the lots north on M-22 that was part of Bay View and Gallagher said they are being listed with Mr. Brick. We have a listing agreement right now and they are being posted. Listing just done about 10 days ago. Hopefully, get some positive feedback in next 6-8 weeks and get these properties moved as well.

Rentenbach asked if the properties on Bow Rd were bundled with the odd lots and Gallagher corrected saying, no, just the 2 Bow Rd lots side by side were bundled. Rentenbach asked about the swamp parcel

and Gallagher said it was left by itself. The side lot, turnaround, RR corridor, Maple City house were bundled together with a performance bond on that house because it needs to be torn down.

Galla said the Maple City property is a mess and full of stuff.

Gallagher said someone may want to purchase it as the back taxes are not much, but the performance bond itself, gives us assurance it does not revert back to taxes again or becomes home where there are other problems. Rentenbach said someone may want it to build on the lot.

Meeting adjourned at 9:40 AM.

Leelanau County

Sale Stats

Total Lots	Lots Unsold	Lots Sold	Taxes Collected	Sales Total	Total Revenue
6	2	4	\$1,796.90	\$136,250.00	\$138,046.90

Sales Total	Minimum Bids	Sales/Minimum Bids
\$136,250.00	\$34,551.62	394.34%

Sales By Lot

Lot #	Winning Bidder	Minimum Bid	Summer Taxes	Winning Bid	Total Sale Price	Parcels
3800	940	\$5,502.37	\$353.95	\$26,750.00	\$27,103.95	005-012-041-00 005-012-041-10
3802		\$11,286.96	\$0.00	\$0.00	\$0.00	007-002-035-00 008-119-007-00 008-140-001-01 011-026-005-00
3803	571	\$10,437.31	\$742.65	\$82,000.00	\$82,742.65	007-030-003-60
3806	575	\$1,193.91	\$71.83	\$10,000.00	\$10,071.83	010-016-001-00
3807		\$2,957.69	\$0.00	\$0.00	\$0.00	011-003-021-00
3808	718	\$3,173.38	\$628.47	\$17,500.00	\$18,128.47	011-009-010-10

REVENUE & EXPENSE REPORT - CURRENT

Fund 101 General Fund - Land Bank

Leelanau County Land Bank Authority

Department

Period Ending Date: August 31, 2016

Account Number	Month-to-date Actual	Current Year-to-date Actual	Current Year Total Amended Budget	Percentage Spent/Received
Account Name				
Fund 101 General Fund - Land Bank				
Fiscal Year 2016				
Revenues				
000000-402.000				
Tax Revenue - TIF	621.38	1,607.64	6,500.00	24.73%
000000-664.000				
Interest	12.19	91.83	30.00	306.10%
000000-673.000				
Sale of Asset	0.00	0.00	30,000.00	0.00%
Revenues Total	633.57	1,699.47	36,530.00	4.65%
Expenses				
000000-810.000				
Bank Charges	0.00	0.00	10.00	0.00%
000000-815.000				
Recording Fees	0.00	17.00	150.00	11.33%
000000-991.000				
Foreclosed Parcel Expense	0.00	5,226.92	0.00	100.00%
100101-727.000				
Office Operating	0.00	78.72	200.00	39.36%
100101-728.000				
Postage	0.00	0.00	50.00	0.00%
100101-800.000				
Attorney Fees	0.00	0.00	1,500.00	0.00%
100101-801.000				
Contractual Services	0.00	1,801.25	15,000.00	12.01%
100101-807.000				
Membership and Dues	0.00	0.00	250.00	0.00%
100101-860.000				
Travel	0.00	0.00	1,000.00	0.00%
100101-900.000				
Printing & Publishing	0.00	104.00	500.00	20.80%
100101-960.000				
Education	0.00	0.00	500.00	0.00%
Expenses Total	0.00	7,227.89	19,160.00	37.72%
	633.57	-5,528.42	17,370.00	-31.83%
Revenues Total	633.57	1,699.47	36,530.00	4.65%
Expenses Fund Total	0.00	7,227.89	19,160.00	37.72%
Net (Rev/Exp)	633.57	-5,528.42	17,370.00	

Beginning/Adjusted Balance		YTD Revenues	YTD Expenses	Current Fund Balance
173,297.63	+	1,699.47	-	7,227.89
			=	167,769.21

REVENUE & EXPENSE REPORT - CURRENT

Fund 101 General Fund - Land Bank

Leelanau County Land Bank Authority

Department 100101 Land Bank Board

Period Ending Date: August 31, 2016

Account Number Account Name	Month-to-date Actual	Current Year-to-date Actual	Current Year Total Amended Budget	Percentage Spent/Received
Grand Total for Revenues	633.57	1,699.47	36,530.00	4.65%
Grand Total for Expenses	0.00	7,227.89	19,160.00	37.72%
Grand Total Net Rev/Exp	633.57	-5,528.42	17,370.00	

Trial Balance Report

Leelanau County Land Bank Authority
 Summary
 YTD Ending 8/31/16

		Debits	Credits
Fund 101 General Fund - Land Bank			
000000-001.000	Cash	141,565.93	
000000-085.000	Land held for resale	26,203.28	
000000-390.000	Fund Balance		173,297.63
000000-402.000	Tax Revenue - TIF		1,607.64
000000-664.000	Interest		91.83
000000-815.000	Recording Fees	17.00	
000000-991.000	Foreclosed Parcel Expense	5,226.92	
100101-727.000	Office Operating	78.72	
100101-801.000	Contractual Services	1,801.25	
100101-900.000	Printing & Publishing	104.00	
	Total Fund General Fund - Land Bank 101	174,997.10	174,997.10

2017 BUDGETARY WORKSHEET

Fund 101 General Fund - Land Bank

Leelanau County Land Bank Authority

Period Ending Date: December 31, 2017

Department

Account Number	2013 Audited	2014 Audited	2015 Audited	2016 Year-to-date	2016 Adopted Budget	2016 Amended Budget	2017 Proposed Budget	2017 Exceptions
Account Name								
Fund 101 General Fund - Land Bank								
Fiscal Year 2016								
Revenues								
000000-339.000								
Deferred Revenue	5,134.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-401.000								
Balance brought forward	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-402.000								
Tax Revenue - TIF	2,150.42	7,210.35	6,650.38	1,607.64	6,500.00	6,500.00	6,500.00	6,500.00
000000-539.000								
Grant Revenue	0.00	42,390.87	0.00	0.00	0.00	0.00	0.00	0.00
000000-599.000								
Contribution from County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-664.000								
Interest	28.59	111.28	115.36	79.64	30.00	30.00	30.00	30.00
000000-669.000								
Misc Reimbursements	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-673.000								
Sale of Asset	0.00	158,154.96	0.00	0.00	30,000.00	30,000.00	30,000.00	30,000.00
000000-694.000								
Cash over/short	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-698.000								
Sale proceeds	13,594.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenues Total	20,907.95	208,367.46	6,765.74	1,687.28	36,530.00	36,530.00	36,530.00	36,530.00
Expenses								
000000-802.000								
Brownfield Site Costs	11,294.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-810.000								
Bank Charges	0.00	0.00	0.00	0.00	10.00	10.00	10.00	10.00
000000-815.000								
Recording Fees	0.00	31.00	0.00	17.00	150.00	150.00	150.00	150.00
000000-929.000								
Property Tax Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
000000-990.000								
Debt Payment	0.00	0.00	0.00	0.00	5,000.00	0.00	5,000.00	5,000.00
000000-991.000								
Foreclosed Parcel Expense	60,500.65	0.00	0.00	5,226.92	0.00	0.00	0.00	0.00
100101-727.000								
Office Operating	71.07	0.00	0.00	78.72	200.00	200.00	200.00	200.00
100101-728.000								
Postage	9.20	0.00	19.99	0.00	50.00	50.00	50.00	50.00

2017 BUDGETARY WORKSHEET

Fund 101 General Fund - Land Bank

Leelanau County Land Bank Authority

Department 100101 Land Bank Board

Period Ending Date: December 31, 2017

Account Number	2013 Audited	2014 Audited	2015 Audited	2016 Year-to-date	2016 Adopted Budget	2016 Amended Budget	2017 Proposed Budget	2017 Exceptions
Account Name								
100101-800.000 Attorney Fees	0.00	0.00	0.00	0.00	1,500.00	1,500.00	1,500.00	
100101-801.000 Contractual Services	7,909.90	50,681.01	8,392.27	1,801.25	15,000.00	15,000.00	15,000.00	
100101-807.000 Membership and Dues	0.00	0.00	0.00	0.00	250.00	250.00	250.00	
100101-810.000 Bank Charges	10.00	109.00	0.00	0.00	0.00	0.00	0.00	
100101-860.000 Travel	20.91	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00	
100101-891.000 Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100101-900.000 Printing & Publishing	538.70	0.00	0.00	104.00	500.00	500.00	500.00	
100101-929.000 Property Tax	681.95	0.00	0.00	0.00	0.00	0.00	0.00	
100101-942.000 Copy Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100101-960.000 Education	0.00	0.00	0.00	0.00	500.00	500.00	500.00	
100101-965.000 Contribution to other Agency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100101-970.000 Capital Outlay > \$5,000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
100101-990.000 Debt Repayment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Expenses Total	81,036.68	50,821.01	8,412.26	7,227.89	24,160.00	19,160.00	24,160.00	
	-60,128.73	157,546.45	-1,646.52	-5,540.61	12,370.00	17,370.00	12,370.00	
Revenues Total	20,907.95	208,367.46	6,765.74	1,687.28	36,530.00	36,530.00	36,530.00	
Expenses Fund Total	81,036.68	50,821.01	8,412.26	7,227.89	24,160.00	19,160.00	24,160.00	
Net (Rev/Exp)	-60,128.73	157,546.45	-1,646.52	-5,540.61	12,370.00	17,370.00	12,370.00	
Grand Total for Revenues	20,907.95	208,367.46	6,765.74	1,687.28	36,530.00	36,530.00	36,530.00	
Grand Total for Expenses	81,036.68	50,821.01	8,412.26	7,227.89	24,160.00	19,160.00	24,160.00	
Grand Total Net Rev/Exp	-60,128.73	157,546.45	-1,646.52	-5,540.61	12,370.00	17,370.00	12,370.00	

**NORTHERN GREAT LAKES REALTORS® MULTIPLE LISTING SERVICE LLC
ADDENDUM TO PURCHASE AND SALES AGREEMENT FOR REAL PROPERTY
FOR COMPLIANCE WITH PA 1984, NO. 351**

THIS ADDENDUM is attached to and made a part of a certain Purchase Agreement dated 8-8-16,
between the undersigned parties. The address of the property is commonly known as:

Timberwoods Drive

The following terms are incorporated into the above-referenced Purchase and Sales Agreement:

Closing to be on or before September 23, 2016.

ELECTRONIC TRANSACTIONS: The parties agree to conduct this transaction by electronic means. This Agreement may be executed by providing an electronic signature under the terms of the Uniform Electronic Transactions Act. It may not be denied legal effect or admissibility as evidence solely because it is in electronic form, permits the completion of the business transaction referenced herein electronically instead of in person, or has been stored electronically. As an alternative to physical delivery, any document, including any signed document or written notice may be delivered in electronic form only by the following indicated methods: Facsimile Email Internet No Electronic Delivery. Documents with original signatures shall be provided upon request of any party.

This is Addendum number 1

Receipt of a copy hereof is acknowledged by the undersigned parties:

Purchaser(s) Dated: _____

Seller(s) Dated: _____

[Empty signature box for purchaser]

John Gallagher dotloop verified
09/09/16 8:13PM EDT
8RFV-9SXU-LYVC-HADZ

[Empty signature box for purchaser]

[Empty signature box for seller]