

**A regular meeting of the Leelanau County Brownfield Redevelopment Authority (LCBRA) was held on Tuesday December 15, 2015 at the Government Center.**

**CALL TO ORDER:**

Meeting called to order at 9:30 am by Chairman Walter who led the Pledge of Allegiance.

**ROLL CALL**

**Members Present:** M. Walter, K. Egan, C. Rentenbach, C. Janik, K. Zemaitis

**Members Excused:** R. Bunek

**1 open position**

**Staff Present:** T. Galla, Director

**Public Present:** T. Krause, M. Witkowski, J. Michaluk, J. Hawkins

**CONSIDERATION OF AGENDA**

Walter requested that Item 2B be added to new Business – Revisions to the DEQ Loan on the Leland site.

***It was moved by Egan, seconded by Zemaitis to accept the agenda as modified. Motion Carried 5-0.***

**CONFLICT OF INTEREST** – none

**CONSIDERATION OF NOVEMBER 17, 2015 MINUTES**

***It was moved by Egan, seconded by Janik to accept the minutes as presented. Motion carried 5-0.***

**PUBLIC COMMENT** - none

**DIRECTOR COMMENTS**

Galla briefly discussed the loan agreement for the Leland site which will be between the County Board and the LCBRA.

**CONSENT AGENDA**

1 AKT Peerless – Monthly update

***It was moved by Janik, seconded by Egan to accept the update as presented. Motion carried 5-0.***

2. Envirollogic RLF Monthly update.

Zemaitis asked about page 9, number 4, Traverse City Housing Site, she noted Hawkins had talked before about arsenic, etc. on the site. She asked if they are going to do this grading and barrier that Hawkins previously discussed. Hawkins replied that in order to build on the site, they need to address the environmental issues on the site. Early discussions may have been ahead of their ability to do any additional development there. Based on some conversations between Galla and the director at the Housing Commission, they may now be getting to a point to consider additional development. Hawkins said they had discussed what could be done with the soils and using the RLF funds from EPA. A meeting is scheduled in early January to have some additional discussions on their plans and how the LCBRA might be able to assist. Zemaitis asked if the anticipated Payment in Lieu of Taxes (PILOT), would make it difficult for us to use the RLF funds. Hawkins said EPA has stated there needs to be a way to pay back the RLF and with PILOT, there may not be any means for us to capture funds for repayment of the RLF. Zemaitis asked if it is off the table. Hawkins said not necessarily. First, we need another extension on the RLF and we will be meeting with the Housing Commission representative in January. This may be another project that could support extension of the RLF.

Zemaitis commented that page 10, Leland property, says the county intends to have excess soil be placed on county property instead of disbursing it across the county. How do we do that legally, and is it in the contract? Hawkins said it is something we are still working through with the developer. The way the PUD is set up, there are

already restrictions on the properties for the water supplies. Hawkins envisioned that we tie that requirement for moving of materials such as excavation of basements. They have to take the soils to a designated location – county owned property or licensed landfill. This would be a requirement as part of the condo association and everyone signs on and agrees to it. Zemaitis stated the loan from the County to the LCBRA will be repaid with tax increment from the new development in order to fund the future RLF. Do you have the figures yet to show that repayment? Hawkins said they are still working on those numbers. Zemaitis commented so much money has to be paid back on loans from the TIF for this property. Hawkins is working to have this ready for a future meeting. ***It was moved by Zemaitis, seconded by Janik to accept this consent item, with the verbal update as noted.***  
***Motion carried 5-0.***

3. Envirologic – Brownfield Assessment Grant Monthly Update

***It was moved by Egan, seconded by Rentenbach to accept the update as presented.***

Zemaitis had a question. She asked Hawkins to explain why we are using different terms (page 12) such as Leland residential site, Leland property, courthouse redevelopment, etc? We have so many names for this same property. Is this due to names we had when we got loans on this site? Hawkins said partially, and partially what we were doing at the time. We should consolidate it back under 1 name and use that for the future.

***Motion carried 5-0.***

4. Envirologic – General Consulting Monthly Update

Zemaitis questioned pg 15, which says that Hawkins assisted with drafting language for the Northport affordable housing project. Hawkins said Galla asked for assistance for a proposal of the old Northport hospital site. There is a brownfield plan in place there and the proposed development calls for building affordable housing and pursuing a PILOT and the intent was that the LCBRA has expenditures on the property and if a PILOT is put in place and investment put in on the property, the LCBRA could lose the ability to get reimbursed. The intent was to draft a letter to indicate to all parties involved that the LCBRA wants to be made whole, as part of their deal putting it into a PILOT. Galla noted that some local officials knew it was in a brownfield plan, some did not or did not remember, and she wanted Hawkins to make sure language was correct in the letter to notify all parties about the brownfield plan and expectation of repayment: the village, the township and the developers.

***It was moved by Rentenbach, seconded by Janik to accept this consent item, with the verbal update as noted.***

***Motion carried 5-0.***

**NEW BUSINESS**

1. B2015-03 Former Drycleaner site, Village of Suttons Bay

a) Work Order #7H-14

Hawkins noted at the last meeting, Mr. Krause submitted an application for assistance of the drycleaner site in the village. Since that time, he has worked with Galla to obtain some documents on the work that has already been done on the site. Much of the investigation was specifically on the property and DEQ did work off site. It demonstrated some contamination from somewhere, maybe from this site. Hawkins put together a work order under assessment grants to conduct due diligence so Mr. Krause can acquire the property, and to assure it is safe to occupy and use. Work Order takes into account Phase I, and conceptually, Phase II and a Baseline Environmental Assessment (BEA) and Brownfield Plan and Act 381 Work Plan. At this point, Mr. Krause intends a two phase development on the site. The first step is to acquire the property and lease out some space. Within about 24 months or maybe sooner, he'll do some expansion on the building. So, we also proposed a Brownfield Plan and Act 381 Work Plan to capture TIF and repay eligible activities. Hawkins said perhaps the elements for acquisition should be approved first, and wait on the others until they are ready to go. Hawkins discussed the environmental sampling that has occurred and some releases. Levels for some of the solvents are pretty high. We may shift some of these things in the work order but the cost will probably remain the same. We will probably focus in the interior of the building and use vapor pins and evaluate potential for indoor movement of contaminants below the slab (vapor migration). If levels are high enough,

may need mitigation put into place. We know it is contaminated and he needs a BEA. Due care compliance is also needed.

Rentenbach questioned the underground tanks and the contamination. Hawkins said it sounds like they were filled in place. There is not a lot of room there so extracting a container could cause other problems. Mr. Krause wants to know what limitations he might have in the future for using the building or expanding it. We need to get that information to help him with those decisions.

***It was moved by Egan, seconded by Rentenbach to accept Work Order #7H-14 in the amount not to exceed \$29,900, as presented.***

Galla noted the 10% requirement from the applicant with 90% approved by the LCBRA. This is consistent with what the LCBRA has approved on other projects.

***The motion was amended to state that 10% of the amount spent is to be paid by the applicant, with LCBRA approving 90% of the amount spent.***

Egan said the total amount listed in the Work Order seems high but this is what the LCBRA is for - to use these funds to redevelop sites within the villages and towns that would not get reused if we didn't help out.

Zemaitis said most likely it would be the \$21,900 initially and another \$8,000 if you go into the final phase. Hawkins said yes, it is the goal of the LCBRA that Mr. Krause makes the investment on the property and it moves forward so you can recapture the amount invested on the site.

***Motion carried 5-0.***

2. B2007-02 Leland Residential Site
  - a) Final comments/revision to draft ABCA and Community Involvement Plan

Hawkins noted that any final comments or revisions that the LCBRA has will need to be addressed so the documents can be released for the public comment period.

Zemaitis had questions on the cost table. Is the seeding required? Egan felt it should be. Hawkins said along the river, we will have soil erosion and control measures and feel that any new soil on those locations will be required. Especially with no buildings on those soils. Egan commented on the rain we have had lately and without seeding, we would have a big problem. Hawkins said the river side is okay, it is the middle part that is a problem. Zemaitis commented there is no way to water the middle part for seeding. Hawkins said the intent is to take the lead around the old jail, and to address the one decision unit with the mercury. He agreed with Zemaitis we want to be prudent and not spend money on anything we don't need to.

Zemaitis had some questions on the TIF and noted she met with Galla and went over some of the questions. Hawkins said the TIF table will be coming soon and should address any questions. We (Brownfield/County) have control of the site and want to be smart with the funds, and also improve it so everyone stays on board with the plans going forward.

Egan asked if it needs to be accepted. Hawkins said it will remain a draft until we get through the public comment period. Intent is to get your nod to release it to EPA and move it forward into the process.

***It was moved by Egan, seconded by Rentenbach, to accept draft ABCA as presented to be brought forward after EPA review, to the public. Motion carried 5-0.***

***It was moved by Egan, seconded by Rentenbach, to accept community involvement plan as presented to be brought forward after EPA review, to the public. Motion carried 5-0.***

b.) Revisions to DEQ loan

Galla reviewed the revisions to DEQ loan she negotiated. She had discussions over the phone and with some correspondence regarding modification to the DEQ loan for the Leland site. She stressed that the property is tax exempt right now and we are trying to sell it to a new developer but there is still work to be done on the site. Any relief we can get on the terms of the DEQ loan would be beneficial. She has negotiated a deferment of payments and interest, and a longer payback time. Galla said she wanted to see if the LCBRA was accepting of the terms, before a formal letter from the DEQ is completed.

***It was moved by Rentenbach, seconded by Egan to accept the terms as outlined in the draft letter from MDEQ. Motion carried 5-0.***

Janik noted this didn't just happen, and thanked Galla for her work on the modifications to the loan. This is a positive action and it's good to see this. Members agreed.

3. Approval of year end transfers and budget amendments.

***It was moved by Rentenbach, seconded by Janik to authorize the Director to make the necessary year end transfers and budget amendments, as needed. Motion carried 5-0.***

#### **FINANCIALS**

1. Claims & Accounts

***It was moved by Zemaitis, seconded by Janik to pay Claims & Accounts in amount of \$5,297.22 as presented. Motion carried 5-0.***

2. Request Reimbursement from EPA

***It was moved by Egan, seconded by Janik to approve reimbursement from EPA for the RLF in the amount of \$3,583.57. Motion Carried 5-0.***

***It was moved by Egan, seconded by Rentenbach, to approve reimbursement from the EPA for the assessment grant in the amount of \$1,447.67. Motion carried 5-0.***

3. Post Audit, Budget Amendments, Transfers

***It was moved by Zemaitis, seconded by Egan, to accept Post Audit in the amount of \$40 total, for payment to the state for annual reports. Motion Carried 5-0.***

**CORRESPONDENCE/COMMUNICATION ITEMS - none**

#### **PUBLIC COMMENT**

Hawkins & Michaluk wished all a great holiday.

#### **MEMBER COMMENTS**

Janik wished all a Merry Christmas and mentioned a thank you letter was sent to Robert Bunek for his service on the LCBRA.

Members echoed the wishes for a Merry Christmas and New Year, and safe travels.

***ADJOURNMENT - It was moved by Zemaitis, seconded by Egan to adjourn. Meeting adjourned at 10:20 am.***