

Village of Pentwater

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Joint Special Meeting Pentwater Township Board Village of Pentwater Council Minutes July 27, 2020 at 6:00 P.M. Via Zoom Electronic Meeting

1. CALL TO ORDER

Village President Jeff Hodges called the special meeting of the Pentwater Township Board and Village Council to order at 6:02 PM via Zoom from the Village Marina. The purpose of the meeting is to discuss the divestment of 327 South Hancock.

2. PLEDGE OF ALLEGIANCE

President Hodges led the Pledge of Allegiance.

3. ROLL CALL

Township:

Present: Mike Flynn, Dean Holub (6:40 P.M.) Sue Johnson, and Dave Spitler

Absent: Jan Siska.

Village:

Present: Michelle Angell-Powell, Jared Griffis, Dan Nugent, Don Palmer (6:13 P.M.), Claudia Ressel-Hodan and Jeff Hodges.

Absent: Pam Burdick.

Also, present: Deputy Supervisor, Lisa McKinney; Village Manager, Chris Brown; Clerk/Treasurer, Rande Listerman; and Village Attorney, Brian Monton.

4. INTRODUCTION TO THE MEETING FORMAT.

A. Village of Pentwater, President Jeff Hodges:

Dave & I along with Claudia have spoken regarding the scope of this meeting. We want to keep the focus on the divestment of 327 South Hancock. Most of you know the history. We have moved forward slowly during this process. We have a game plan. We have joint ownership. The scope is narrow. The Planning Commission, the Vision Team and both boards have looked at where we go from here. We have (3) options to talk about tonight and item (4) is "Other" given anyone an opportunity to add a suggestion that may not have been discussed yet. We want to do what is best for the entire community. We hope after tonight's discussion we have a clear path moving forward. We will go back to our respective boards to make the decision.

B. Township Supervisor, Dave Spitler:

I agree with Jeff 100%. What we are looking for is to make sure we are all on the same page in terms of moving forward, not making decisions on what will be done, but getting input in terms of what could be done and the possibilities that are there. We are looking for ideas tonight, looking for information from both boards. The suggestion is a one total board we will discuss and

hear the ideas. We will go back to our August meetings individually and discuss options from the information we gather here tonight.

5. MUTUAL DIVESTMENT OF 327 SOUTH HANCOCK.

A. List for Sale by bid with restrictions and rights of refusal for any and all.

- List for sale by bid
- Rights of refusal of any or all bids
- Restrictions include what the community decided should go on that parcel based on Village Zoning, the Masterplan, the Land Use Map and the Vision Team surveys.
- The timeline of the project which will include a bond guarantee which will protect the community regarding the project completion date.
- The Engineering Studies could be included in the bid package.

Questions from Boards:

Sue Johnson - Should we have an appraisal before we put the building up to bid?

Chris Brown - The attorney's said you could do an appraisal just don't open the appraisal until we open the bids.

Sue Johnson – Questioned the price tag to fix the building?

Chris Brown – It's based on the Fishback Study.

B. Brownfield District – Claudia Ressel-Hodan.

- The Brownfield Redevelopment Financing Act, 1996 Public Act (PA) 381, as amended (Act 381), (Michigan Compiled Law [MCL] 125.2651 through 125.2672), authorizes Brownfield Redevelopment Authorities (BRAs) to approve Brownfield Plans and Act 381 Work Plans (Work Plans) that help revitalize, redevelop, and reuse contaminated, blighted, functionally obsolete, or historic resources. Under Act 381, eligible school (includes state education tax [SET] and taxes levied for school operating purposes only) and local tax revenues can be captured and used to reduce the burden of brownfield-related costs when redeveloping affected properties through a process called tax increment financing (TIF).
- Any local unit of government (city, village, township, county) can establish an Authority. An Authority is a financial resource that may use tax increment financing to assist with the redevelopment of eligible brownfield properties. Tax increment financing is the capture of increased property tax revenues, under an approved brownfield plan, resulting from the investment in, and redevelopment of, eligible property. Eligible brownfield properties include properties that are contaminated, blighted, or functionally obsolete.
- A local governing body must approve a brownfield plan that includes specific brownfield properties when the Authority will use tax increment financing to reimburse the costs of: addressing environmental contamination, demolition, lead or asbestos abatement, and, for qualified local units of government infrastructure improvements, or site preparation

that is not a response activity; relocation of public buildings or operations for economic development purposes; and assistance to a land bank fast track authority.

- Hold one or more meetings with community leaders (i.e., mayor/president/chairperson, commission/council/board of trustees, finance department, planning departments, etc.) to explain the purpose and powers of a Brownfield Redevelopment Authority and the benefits to the community.
- The local governing body must adopt a resolution of intent to establish an Authority. The resolution sets a date for a public hearing on the adoption of a resolution creating the Authority.
- Advantages of the Brownfield District it locates new development in areas where better use can be made of existing municipal infrastructure and services. A redevelopment plan can be developed to meet the vision of the Pentwater Master Plan to work towards extending our season as part of the vision. A Brownfield Project increases property assessment values and resulting tax-based leading to increase revenues for Government which sees the tax increase after the abatement period is over.
- Disadvantages of a Brownfield District it is time consuming to set up a board, identify the development areas and needs to have public hearings. No guarantee that the MEDC will approve a project once we identify a re-development. Our community has a limited number of people to serve on a board.

Discussion and Questions:

Dave Spitler gave the example from Oceana County of the Lake Point Development by Hart Lake.

Michelle Angell-Powell - That was a painful process and took a long time.

Chris Brown - A good viable Brownfield Project has a pool of developers that want to come and do something nice in a community. When it happens there is a trickle-down effect to the surrounding downtown district.

Mike Flynn - Claudia would you do the presentation on the Brownfield process to the Township Board?

Claudia Ressel-Hodan - As soon as I am asked.

Dave Spitler - Will you come and give the presentation at the Township meeting in August?

Claudia Ressel-Hodan - Yes

C. Cash Buy out from the Village to the Township.

Jeff Hodges - A simple option that might work is if the Village buys out the Township. We could do something with that money for the community like invest into affordable housing. The Village could match the same amount into the affordable housing project.

Sue Johnson - Affordable Housing in the Village or the Township?

Jeff Hodges - It could be either. The Village is within the Township.

Chris Brown - Most affordable housing projects would need utilities so it most likely would be within the Village limits.

Sue Johnson - We need to have our own legal counsel present when we discuss this.

Michelle Angell-Powell - We have a big election coming up let's get through that.

Chris Brown - We need to return something to the tax rolls since we took two more properties off. As Claudia spoke in her presentation in the 90's the village invested \$500,000 per block in infrastructure on Hancock Street. It's the only location that can support fire suppression systems for high rise buildings. So, a serious investment was made into utilities on each block on Hancock Street. When you look at Main Street, we have multiple parks, marina, municipal parking, village and township owned property and a lot of non-taxable properties that do not return an investment towards what was spent on Hancock Street's infrastructure. We could choose the direction of how most communities investment and create re-development.

Michelle Angell-Powell - Is there any reason why we would not start with putting it on the market?

Chris Brown - It costs nothing to put it up for bid.

(A). Realistically we could receive a low bid but with a bond that puts a viable building up and it goes right on the tax rolls sooner and employees X number of people.

(B). We set up a Brownfield District and give a tax abatement for a period of years.

Either we take are money over time or we get it up front. Those are the two options.

It costs nothing to put it up for bid. We have the time. It might not be a bad thing to exhaust the option.

Claudia Ressel-Hodan - As a council person voting on a cash buy out saying the money would be used towards affordable housing with a match it is very attractive to me. This fulfills our vision, our needs in this village. It helps younger families move into this village. It has a lot of positives. It gives us the boost we need to build affordable housing. If I look at our list and prioritize, I would choose A, C, B and maybe there is a number D we have not heard yet.

D. Other

No one gave another option.

6. COMMENTS FOR THE TOWNSHIP AND VILLAGE BOARDS.

Dean Holup - Would an appraisal of the building be done? Is any consideration given to Bell Park?

Jeff Hodges – Yes, on the appraisal. We can open it at the time of opening the bids. On Bell Park today is about the divestment of the property, Bell Park is a part of the property. Any future plans, we can talk about at a later date.

7. PUBLIC COMMENTS

Amy LaBarge - Was an appraisal included with the Fishbeck study?

Dave Spitler - Only a square footage number for the existing building. It was not a real estate appraisal.

Sue Johnson - Are we not doing the appraisal first?

Jeff Hodges - To open after we receive bids. We do not want it to be public knowledge before we receive bids.

Sue Johnson - I believe it would not be subject to FOIA when it is a part of a real estate transaction.

Jeff Hodges - It is a concern. We do not want it in our repertoire and have someone bid exactly what the appraisal is. If we do not know it then it's not subject to FOIA.

Larry Doran, Weare Township - I think you are correct the up-front bid would not be that large. But if they put a plan together and put 15 people to work and put the property back on the tax rolls. Plus, affordable housing has been talked about for a long time but if we do not have any jobs to offer those young families will we still attract them? I think you are the right track to put it out for bid. The Brownfield is a long process.

Claudia Ressel-Hodan - When we talk about affordable housing, they may not work in the village, but they would like to live in the Village.

Jeff Hodges - Don't forget there our teachers that would love to live in the village.

Dan Nugent - Don't forget the largest growing work environment is those that work remotely from home.

Dean Gustafson - My thought is to make this work we need to get to a workable number. If I am a buyer I don't want to purchase from a large group of people. Don't try to do this all from a board room I see this as being difficult. You may need to create a committee.

Dan Nugent - What is our goal? Take this back to our boards to discuss and hope we come up with the same decision.

Claudia Ressel-Hodan - I don't see why we can't go back to our perspective boards and rank them.

Jeff Hodges - I am not opposed to that idea. The decision is how long do we want to take to come to a resolution. I am not opposed to a cash buy out with a caveat to where that money goes if that gets us where we want to go faster and it's the best solution for the community.

Dave Spitler - We need to look at everything with our individual boards. Everything is on the table.

Sue Johnson - I thought that was the purpose of the meeting. I would like to rank them now. I would like to come to a mutual agreement now to move forward.

Jeff Hodges - That was not what Dave and I talked about. I am not opposed to that idea.

Dave Spitler - As long as we can do that here.

Sue Johnson – Can we each make a motion at this meeting.

Rande Listerman – You cannot make any motions at this meeting you need to go back to your perspective board meetings to do the motion. This is public comment time. I do have (2) members from the public that have their hands raised.

Amy LaBarge – Are you going to put a timeline together for this process?

Jeff Hodges - A 30 or 45-day timeline for the bid process if we put it out for bid?

Amy LaBarge - Are you also going to give yourselves a timeline to go through this process?

Jeff Hodges - Just for consideration if the Village Council decides they want to go with (A) we might want to consider 45 days for that process. If we don't like that then we can talk directly about a cash buy out if the township would agree to that. Of course, the good news is the money is the taxpayers it is all going to go back into the community.

Claudia Ressel-Hodan - I have a point of order. First, we were concerned if we had a quorum. So, if we can't vote why are we concerned if we have a quorum? We can vote separately. We are all here. First the township could make their motion and second it and take their vote. Then the Village could make their motion, second it and take their vote. I don't understand the point of having a quorum if we can't vote.

Jeff Hodges - We do have the Village Attorney Brian Monton on the zoom meeting, so let's have him give us his legal opinion.

Chris Brown - Action items were not put on the agenda just discussion. Open Meeting Act 101.

Rande Listerman - You need a quorum for any meeting to be held in the Open Meetings Act.

Brian Monton - I would have reservations about the format of it. It is obviously not clear who is chairing the meeting with authority to call for a vote. You would almost have to bifurcate the minutes somehow. The best course of action is to vote on it separately at your respective meetings and have it on the agenda as an action item. I would also note that the FOIA exemption regarding appraisals does not necessary apply to this one where the municipality is selling the property it applies when the municipality is acquiring the property. We may be able to find another exemption where this appraisal is not subject to FOIA, but I would have to do some research, but it does not fit expressly within the specific exemptions for appraisals of real estate. So, keep that in mind.

Larry Doran, Weare Township - I was concern that you would be able to keep the appraisal quiet when it could be a FOIA able document. I think Michelle was probably correct you all have Pentwater in your heart and are concerned about what happens. However, you do have elections coming up the people elected should be the ones making the decision just because they are the ones that will have to live with it. I would suggest you wait for a couple more months.

Dan Nugent - I don't see the harm in listing it.

Jeff Hodges - It sounds like both boards are considering the idea of putting it out to bid.

Dan Nugent - I worry about rushing into a cash buy out. I have learned a thing or two about very old buildings in this town, and this will be one that is hard to appraise. I am suggesting we follow the recommendation of A, C, B.

8. ADJOURNMENT

President Hodges adjourned the meeting at 7:02 P.M.

Respectfully submitted,

Rande Listerman, MiCPT, CPFA, CPFIM
Clerk/Treasurer

Date