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DEPARTMENT OF LABOR & ECONOMIC GROWTH  
LANSING

KEITH W. COOLEY  
DIRECTOR

**STATE OF MICHIGAN  
LAND BANK FAST TRACK AUTHORITY BOARD**

**BOARD MEETING MINUTES**  
**Thursday – March 15, 2007 – 2:00 p.m.**

Cadillac Place - State of Michigan Office Bldg.  
3028 W. Grand Blvd. – 4<sup>th</sup> Floor  
MSHDA Conference Room, Suite 602  
Detroit, Michigan 48202

**Board Members Present:** Chairman Hon. Daniel Kildee, Vice-Chairperson Nicole Lamb-Hale, George Jackson, James Paquet (Representing Member Michael DeVos), John Czarnecki, (Representing Member James Epolito), and Marty Gibbs (Representing Member Keith Cooley).

**Board Members Absent:** Stacy Fox.

**DLEG/Atty. General Staff:** Semone M. James, Fred Durhal, Jr., Patricia Quinn, First Assistant Attorney General, Finance Division, and Michael Reilly, Assistant Attorney General, State Operations Division.

**Call To Order / Attendance Call:**

Chairman Hon. Daniel Kildee called the meeting to order at 2:02 p.m. Fred Durhal, Jr. presented the roll call. Six members were present. A quorum was declared.

**Approval of Agenda:**

Chairman Kildee presented the agenda for approval:

**Motion: Member Czarnecki / Supported by Member Gibbs:** *To approve the agenda.*  
***MOTION APPROVED UNANIMOUSLY.***

**Approval of Minutes of January 11, 2007:**

Chairman Kildee presented the Minutes of the January 11, 2007 Board Meeting for correction/approval:

**Motion: Member Paquet / Supported by Member Gibbs:** *To approve the minutes of the January 11, 2007 Board Meeting.*  
***MOTION APPROVED UNANIMOUSLY.***

**Public Comment #1:**

Chairman Kildee asked for public comment. The results: None.

**Revised Meeting Schedule:**

Chairman Kildee presented the revised schedule for discussion and adoption. After discussion, a motion was offered:

**Motion: Member Paquet / Supported by Member Gibbs:** *To Approve the Revised Meeting Schedule of the Michigan Land Bank Fast Track Authority Board for 2007.*

***MOTION APPROVED UNANIMOUSLY.***

**MLBFTA Status Report by Executive Director Semone M. James:**

Director James highlighted the following in addition to her written report:

- **Tax Recapture FAQ Document** – Was circulated at the Land Bank Summit for response. Once remarks are received, the document will be forwarded to the Attorney General Office for legal review and then brought back to the Authority Board for adoption and public circulation.
- **Quiet Title Actions** – Quiet Title Actions were requested from the Attorney General Office for properties in Genesee and Monroe Counties.
- **Fiscal Report** – FYD approx. \$366,000 in revenues, Cash Fund Balance is over \$2.5 million, 64 out of 100 parcels from MSHDA/MLBFTA Program have been credited, 89 parcels have been returned to the tax rolls and 82 re-conveyances have taken place FYD.
- **Meetings** – Many attended the recently held Land Bank Summit. Announcements were made about the upcoming Michigan Association of Counties Meeting in August and the Vacant Properties Campaign Meeting in September 2007. Additional training was discussed for the agenda for the Association of Counties Meeting. The Summit indicated that property maintenance, Brownfield Act and usage, and title insurance were topics of interest.
- **Memorandums** – Request for advice regarding the Far Eastside Detroit Project and the Recapture of Tax Revenues. Director James urged Board members to carefully read the material included in their packages because there are serious policy issues addressed in the information. Both documents are attorney-client privileged information.
- **Maroon Industrial Park Project** – The transaction consists of selling an 11.9 acre contaminated parcel (former Lear-Siegler Plant and Armstrong Junkyard) with M4 (Manufacturing) zoning, located on Epworth near the Tiremen/Livernois Corridor in the City of Detroit. Although the MDEQ has spent a reported \$4.7+ million on clean up activities, no environmental lien exists on the property. Dr. Claud Anderson with the Bedford Group as Maroon City Development Company has made application to the MLBFTA to purchase the subject property for an agreed upon price of \$250,000. The project proposes to consist of a dry cleaning plant, seafood plant, and other light industries. The Authority is working with the Detroit Economic Growth Corporation who owns a four-acre area adjacent to the project. The City of Detroit Mayor's Office and City Council are interested in the completion of this transaction. Director James asked the Board if they had any concerns, wishes, or directions given the negotiated price and desires expressed by the governing bodies for the City of Detroit to see this deal completed.

Chairman Kildee expressed his desire to have the applicant accept the 18 month right-of-re-entry language and should be making significant progress toward development. Ms. James indicated

that the developer has agreed with those terms. Ms. James also responded to questions asked about the site and environmental concerns. Board action was not required on this transaction although staff was directed to proceed and to ensure that the 18 month right-of-re entry language was included in the conveyance document.

**Discussion Items:**

**Strategic Planning:**

Director James asked the Board to assemble a committee for the development of a strategic plan. There was discussion among the Board members. A committee will be assembled.

**Quit Claim Deed Language Reservations/Restrictions:**

Director James stated that the Attorney General Office, State Operations Division had prepared a sample Quit Claim Deed, and that within the document there is language pertaining to the various reservations/restrictions which should be reserved by the state. Director James urged the Board to read the information included in the packet that is protected by attorney/client privilege. Board members asked questions about the deed and mineral rights. There was further discussion among the Board, Director James, and comments from Assistant Attorney General Reilly.

**Petroleum Specialties Site Redevelopment:**

Director James reminded the Authority that Mr. Daly appeared before this Board in April 2006 with a proposal to option properties from the Authority. Mr. Daly stated to the Authority that he wanted to re-develop the former PSI industrial property that is approximately 40.37 acres, valued at approximately \$1 million, SEV alone. Director James stated that there is an environmental lien of \$2.2 million held by the DEQ. Additionally, the EPA has spent over \$6 million to clean up the site. The DEQ has agreed to release its lien for the sum of \$100,000. The DEQ has requested that the Authority grant Mr. Daly an option to purchase the property. However, Mr. Daly owes approximately \$200,000 in back taxes and the redemption period has expired without him redeeming the property. Director James commented that there are several policy questions at hand. Mr. Daly wants to appear at the next Board meeting and has informed the DEQ of his intention to litigate. Director James stated that in addition to paying the DEQ \$100,000 for the release of its environmental lien, Mr. Daly is willing to pay the Authority \$5,000 at the signing of the agreement, \$5,000 when it is exercised and \$4,000 for every year the option is in force, without the payment of the back taxes. Questions were asked by Board members as to why the DEQ wanted the Authority to support this transaction. Director James called to the Board's attention a memo received from the DEQ to the Authority requesting Board support of the transaction.

Chairman Kildee stated that his experience is that prior title holders who lost their properties to tax foreclosure should not be given purchase consideration. Chairman Kildee stated that there are possibly constitutional and policy questions that the Board must consider. Assistant Attorney Generals Quinn and Reilly also commented. Ms. James gave the history of the site, the prior ownership interest of Mr. Daly, and his plan to seek developers. After more discussion, the Board took the matter under advisement. Chairman Kildee stated that based upon the information provided by Mr. Daly, there is not adequate rationale for consideration for the transaction. If he introduces new information, the Board would consider it at that time.

**Action Items For Board Approval:**

**Resolution 2007-3 - Public Use Property Conveyance – City of Adrian**

The subject property is a .73 acre parcel zoned warehouse/wholesale. The City of Adrian seeks to acquire the property for a public use for the development of a bus dispatch-transfer-storage facility. MDOT has granted funding for the purchase of the subject and adjacent properties. The subject property is the former “Adrian Silos” and has been the beneficiary of a State of Michigan Clean Michigan Initiative program grant. The city seeks to reimburse the Authority the sum of \$1,000.00 for administrative costs and public use fees.

**Motion: Member Lamb-Hale / Supported by Member Paquet:** *To approve Resolution 2007-03 as written.*

***MOTION APPROVED UNANIMOUSLY.***

**Resolution 2007-4 - Amended Policies and Procedures**

Director James yielded the floor to Assistant Attorney General Quinn. Attorney Quinn spoke about the policies and the procedures that needed preliminary approval for adoption as *guidelines* as opposed to rules. Board members asked questions about the difference between guidelines and rules. Chairman Kildee expressed his concern that public input should be meaningful and efficient. He stated that there should be a meeting where public comment and discussion can be taken. Attorney Quinn stated that notices could be sent to businesses and other interested parties. There was some discussion about the 35-day period for comment. Vice-Chairperson Lamb-Hale asked if members could receive a marked copy containing all the comments from the public.

Member Paquet offered the following motion:

**Motion: Member Paquet / Supported by Member Gibbs:** *That Resolution 2007-04 be adopted with necessary amendments and that staff solicit comment from interested parties, that the comments be received and transmitted to the board prior to our next regular meeting which shall reserve a place on the agenda for people to speak to those comments and to present amendments to the preliminary adopted policies so that we can receive and formally adopt the policies, and that staff provide a report and marked copy of the policies and procedures reflecting comments and proposed language, identifying the source of the comment(s).*

***MOTION APPROVED UNANIMOUSLY.***

Discussion was held regarding the date of the next meeting because of several Board members having conflicts with the date. It was agreed to hold the meeting on April 16, 2007 at 2:00 p.m. in Detroit.

**Motion: Member Lamb-Hale / Supported by Member Czarnecki:** *To re-schedule the next regular Board Meeting to April 16, 2007 at 2:00 p.m. in Detroit.*

***MOTION APPROVED UNANIMOUSLY.***

Member Czarnecki offered the motion to reimburse for expenses related to the refreshments for the Land Bank Summit Meeting not to exceed \$150.00.

**Motion: Member Paquet / Supported by Member Gibbs:** *To reimburse Director James for expenses for the Land Bank Summit Meeting held on March 13, 2007.*

***MOTION APPROVED UNANIMOUSLY.***

Ms. James was directed to find out about the permissibility of refreshments (i.e. coffee, water) for future Board meetings.

**Public Comment #2:**

Katy Locker spoke about policies and procedures and her comments that were sent to the Board. Ms. James thanked both Katy Locker and Jennifer Rigterink for their involvement with the Land Bank Summit. Member Czarnecki thanked Director James for calling the summit meeting. Chairman Kildee urged Board members to attend the conferences in August and September. He also talked about a new report that is coming out from Michigan State University regarding land usage and vacant properties.

**Chairman Kildee adjourned the meeting at 3:25 p.m.**