

**VILLAGE OF GRAND BEACH
SPECIAL COUNCIL MEETING
AUGUST 7, 2019**

CALL TO ORDER

Council president Deborah Lindley called the special council meeting to order at 7:04 p.m. EST. Present in addition to Lindley were James Bracewell, Paul Leonard Jr., Blake O'Halloran and Steve Slater.

ADOPT AGENDA

Lindley moved, seconded by Leonard to adopt the August 7, 2019 agenda as presented. Motion carried unanimously 5-0.

PRESENTATIONS/RECOGNITION

None

UNFINISHED BUSINESS

None

NEW BUSINESS

Mario Ortega of McKenna - Grant Discussion and Next Steps

Lindley said the purpose of the meeting was to sign the agreement with the State of Michigan for the purchase of the 42 Acres. She thanked members of the first Parks & Recreation Committee that worked on the original 5-year plan with the purpose of applying for a grant to purchase the property. She thanked Sheila McGinnis, Terry Smith and the Friends of the Grand Beach Nature Preserve for all of the work they did and thanked all of the residents who have generously donated towards the purchase.

Mario Ortega, Planning Consultant with McKenna said he worked with the Village on the first 5-year plan with the idea of preserving the 42 Acres and applying to the DNR for an acquisition grant for the 42 Acres. The grant document was submitted in April 2018 with supplemental documents submitted later, and we were officially notified at the end of last year that we were one of the lucky groups to be rewarded a grant. We are in the final process of fulfilling the grant requirements. He said we are here to discuss signing the agreement and there are some firm deadlines that need to be met. Because the Village has been awarded the grant, the state is willing to work with us as a partnership to help us through the process.

He explained that the Village will submit a boundary map and legal description along with the signed agreement to the DNR. The project agreement shows that \$2.4M was granted to the Village, and the Village has so diligently been working on the 25% match which is equivalent to \$800,000.

There was an appraisal submitted to the State by the property owners Grand Beach Land Development (GBLD) and an appraisal submitted by the Village. The official numbers for the fair market value of the property will be decided when the state evaluates the appraisals and additional appraisal that will be required by the state.

Project Agreement highlights:

- Drafted agreement in May 2019. They give us up to two years to get this grant process completed. May 2021 is the project deadline that we are under if we choose to use that much time. Even though we have a 2-year time frame they, also mention another date in the agreement of August 2021.
- The grant was given for public conservation, and the property will be used for passive recreation. One of the main reasons the Village received the grant is because of the rare coastal plain marsh and the unique flora species located there. The property will be open to the public.

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- Grant total is 75% or \$2.4M. At the closing, the state deposits 90% of the grant amount, and the Village places the other 10% of that amount into escrow. The 10% is held in escrow until the process is complete and then the 10% will be returned to the Village. The Village gets to decide when the closing will take place. Once we do the 40-year title search and confirm acceptance of the appraisal by the state, we have to inform the state of the closing date 60 days prior to closing, and then confirm the date with them 30 days before closing. To get the 10% back, the state will do an audit which should go quickly. Once the audit is completed and the property owner cashes the check, the Village should receive the 10% back. The timing is all dependent on how long the audit takes.
- Because the grant is over \$750,000, we need two appraisals which we already have. We have one from GBLD and one that the Village had done.
- Since this is a conservation project, the Village will have to erect a sign which will include a nice MDNR logo stating that it is the Grand Beach Nature Preserve. Lindley said that the Pokagon Fund needs to be acknowledged on the sign as well. The Village is also required to have a ribbon cutting ceremony to let the public know that this is a public preserve. The cost for the sign is built into the grant.
- The Village will have to maintain the property. Chikaming Open Lands has agreed to partner with the Village and do an annual inspection to see if there is anything that needs to be done.
- The property has to be opened to the public within 90 days of the project closing.
- Since the Village received a grant for the purchase of the property, it must remain recreation land in perpetuity. It cannot be changed over to something else, although technically there are times if something has to be changed, the state steps in to work through it. The state has first right of refusal and can even ask for the money back if the use of the property changes at any point in time.

Ortega said that the numbers are based on estimates and the paragraph at the bottom of page three of the agreement says that the 25% does represent 25% of the final costs. If project cost drops down, the 25 % match will be 25% of the actual cost. If the appraisal goes up, the 25% match will go up. If the cost goes down, the state could say that we've raised a certain amount of money, so now we are paying 50% of the match. The Village will know what the 25% match will be before we get to the closing.

The landowner will be at the closing and will sign the purchase agreement. The landowner has to agree to the document in order to proceed with the sale.

Once the agreement is signed, the Village will have the 40-year title search done and Ortega will start working with the state to see if they can utilize the appraisal that the Village had done. The appraisal that GBLD submitted was not done very recently. The Village has not seen their appraisal. If the state says the appraisals work and the number is locked down, then the Village can come up with the closing date. If GBLD chooses not to accept the appraisal that we had done, we might have to have a second appraisal done. Chances are the state is going to want a new appraisal since the appraisals are so far apart.

Clerk Mary Robertson asked if GBLD has any say in the 2-year time frame for the closing date. Ortega said that we need a willing partner and obviously as part of the process he mentioned to Ellen Frankle that this does take some time because we are dealing with the state and going through legislature. They are very willing partners, but the Village should try and move things along so that we can complete this for GBLD as soon as we can.

Ortega said the Village will need to advertise the Grand Beach Nature Preserve on the website, in our newsletter and at the appropriate time, talk to news reporters to get articles out there now and then.

There was concern about the continued use of the driving range located on the property. Lindley said that the driving range was part of the grant application. Ortega said that it was part of the grant application and the Village will be able to continue to use the driving range.

Matching Funds Requirement

Lindley said that the Village still needs \$123,000 to meet our 25% match and we have had a very generous resident offer to match funds up to \$61,500 to reach that goal. So if you make a donation, the resident will match that amount to reach the \$123,000. She doesn't think there will be a problem with raising the remaining funds because we have had wonderful donations and participation from our residents. She asked everyone to spread the word about the generous offer and the need to continue to raise funds. Checks should be submitted to the Village of Grand Beach.

Lindley feels that we should have some idea of where the money is coming from if we don't meet the 25% match and the Council has time to decide. Friends of Grand Beach Nature Preserve Chair Sheila McGinnis asked if the council is planning on moving forward if we don't get the \$123,000. Resident John Deaner asked if there would be a special assessment for the 42 Acres.

Slater said he supports the 42 acres and it is beautiful and a great resource, but there are other great resources here such as the beach. He supports it, but there are some real pressing needs in a lot of areas. He doesn't think that we can drain all of our monies. Lindley said she and Sheila McGinnis have told people that have donated that there won't be an assessment for the 42 Acres.

Leonard said we need to look at the broad needs of the Village and figure out how to raise money to meet all of those needs. That would be the reason for an assessment. We haven't had a tax increase in years, and haven't had an assessment. It has been difficult for the council year after year to balance the budgets and the Village has passed on the cost of garbage pickup to the residents because we couldn't afford it. The Village had to consolidate our public safety with the neighboring village. Leonard said we are going to need to do a special assessment or millage increase at some point for all of these other things. We are not going to do a special assessment for the 42 Acres.

Resolution to Accept the Terms of Agreement for Michigan Department of Natural Resources Grant

Lindley moved, seconded by Leonard to adopt resolution #2019-07 to accept the terms of the grant agreement as presented.

Roll Call Vote

Blake O'Halloran	Aye
Paul Leonard Jr.	Aye
Steve Slater	Aye
James Bracewell	Aye
Deborah Lindley	Aye

Nays
None

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AUDIENCE RECOGNITION

None

CORRESPONDENCE

None

ADJOURNMENT

Bracewell moved to adjourn the meeting. Motion carried unanimously 5-0. With no further business, the meeting was adjourned at 8:21 p.m. EST.

Respectfully submitted,

Mary J. Robertson
Clerk-Treasurer