



*Rachel Nelson, Chair  
Gary Buren, Vice-Chair  
Eric Gustad, Secretary/Treasurer  
Mitch Deisch  
Duane Jones*

415 3rd Street, Manistee, MI 49660  
[www.manisteecountymi.gov/421/Land-Bank-Authority](http://www.manisteecountymi.gov/421/Land-Bank-Authority)

## MINUTES

Tuesday, January 20, 2026  
1:00 P.M.

Manistee County Courthouse & Government Center  
Board of Commissioners' Meeting Room

Members Present: Rachel Nelson, Chair; Gary Buren, Vice Chair; Eric Gustad, Secretary/Treasurer; Duane Jones

Members Absent: Mitch Deisch

Others Present: Jessica Sorensen, Recording Secretary; Katie Gruenberg, Project Manager; Scott Fraley, Planning Department Staff; Ken, Fleis & Vandenbrink

Zoom: Brian Atkinson, Public; Shelly Lynnes, Village of Bear Lake President

Rachel Nelson, Chair, called the meeting to order at 1:00 P.M. Roll call was taken by the Recording Secretary.

Ms. Nelson called for nominations of officers. It was noted that the County Treasurer is automatically the Chair of the Land Bank Authority as set by the Intergovernmental Agreement which established the County Land Bank.

**There was a motion by Mr. Gustad, supported by Mr. Jones, to nominate Mr. Gary Buren as Vice Chair and Mr. Eric Gustad as Secretary/Treasurer, close nominations, and cast a unanimous ballot for the two positions for 2026. Motion carried by unanimous vote.**

**There was a motion by Mr. Gustad, supported by Mr. Jones, to approve the January 20<sup>th</sup>, 2026 meeting agenda as presented. Motion carried by unanimous vote.**

No public comment.

**There was a motion by Mr. Gustad, supported by Mr. Buren, to approve the regular meeting minutes from Monday, December 15<sup>th</sup>, 2025 as presented. Motion carried by unanimous vote.**

Ms. Nelson provided an overview of the Authority's financial report for fiscal activities from October 2025 to December 2025. Ms. Nelson highlighted reimbursements for the demolition projects are now viewable on the report. Ms. Gruenberg noted there were some administrative cost overages associated with the completed demolitions, but they were minimal and collectively totaled less than \$1,000.

Ms. Gruenberg had no outreach or potential project updates. Noting efforts have been primarily focused on blight elimination grants and associated reporting.

Ms. Nelson reported that the Bear Lake property (Java Lodge) transfer to the Atkinsons was finalized and recorded on January 2<sup>nd</sup>, and the new owners are proceeding accordingly.

Ms. Gruenberg reported progress on Round 3 and Round 4 of the Blight Elimination projects:

- **7702 Lake Street:** Is complete; Waiting on clarification on a few loose ends before final submittal for reimbursement.
- **7780 Lake Street:** Ms. Gruenberg provided a detailed update on this project. She explained that Phase 1 planning and engineering work through the contact with Fleis & Vandenbrink has been completed, and cost estimates for rehabilitation came in significantly higher than anticipated. Major cost drivers include electrical, plumbing, and HVAC work necessary to obtain a certificate of occupancy.

Despite efforts to reduce scope and explore additional funding, the projected costs far exceed available grant funds. Ms. Gruenberg reported that the Land Bank has already invested approximately \$31,600 in the project, primarily for hazardous materials inspections, administrative costs, and engineering services. Discussions with the State Land Bank confirmed that no additional funding is available and emphasized strict timelines for reimbursement eligibility.

Four potential paths forward were outlined:

- Proceed with full rehabilitation, which carries significant financial and timing risks.
- Convert the project to stabilization, which is limited in scope and may not align with the intended future use of the building.
- Transition the project to full demolition, providing the Village with a clean slate for future development.
- Accept approximately \$31,600 in losses and end the project.

Ms. Gruenberg noted that demolition appears to be the most viable option under current constraints, though it is not the Village's preferred outcome. She also explained that some previously incurred costs may or may not be reimbursable depending on the final project direction.

Extensive discussion followed among Board members, staff, consultants, and Village representatives.

Topics included:

- The risk of continued investment without reimbursement certainty
- Timing constraints related to bidding, construction, and grant deadlines
- Concerns regarding change orders and code compliance, particularly with existing, grandfathered restroom facilities
- Opportunities for value engineering to reduce costs
- The feasibility and implications of demolition versus rehabilitation
- Potential interim solutions, such as portable restroom facilities for village campground use should demo be pursued
- The need for confirmation from building officials regarding grandfathered code allowances

Board members expressed concern about committing additional funds without clearer assurances and emphasized the importance of minimizing financial exposure.

Consensus was reached to allow additional time for:

- Refinement of revised cost estimates and scope reductions
- Village review and consideration of demolition as an alternative

- o Further clarification on reimbursement eligibility and permitting requirements

It was agreed to hold a **special meeting February 2<sup>nd</sup>, 2026 at 1:00 PM** to review updated information and determine a definitive path forward for the 7780 Lake Street project.

- **518 First Street:** Extension was requested and granted by Ms. Nelson as an amended Notice to Proceed issued with a new deadline of March 13<sup>th</sup>, 2026. The extension was due to weather-related delays, and obtaining required approvals from the landfill for contaminated soil removals.
- **141 Washington Street:** A proposed extension to June 1<sup>st</sup>, 2026 was presented for consideration, with the understanding that no further extensions would be granted. This item was brought forward for Authority approval prior to execution.

**There was a motion by Mr. Gustad, supported by Mr. Buren, to approve the extension for the 141 Washington Street Project Notice to Proceed with the June 1<sup>st</sup>, 2026 deadline and no future allowable extensions. Motion carried by unanimous vote.**

There were no updates from the Land Bank's potential collaborators.

Members discussed recent news articles regarding nonconforming lots and zoning standards in the City of Manistee, including potential adjustments to dimensional requirements. Members noted the importance of addressing these issues in a uniform manner rather than through spot zoning. Examples from other communities were referenced, including proportional setback reductions for substandard lot widths. The Authority expressed interest in monitoring how local zoning bodies proceed and keeping potential projects in mind.

Ms. Nelson provided in the members' meeting packets the procurement policy with local preference and conflict-of-interest provisions, which were presented in October. Members briefly discussed the balance between supporting local contractors and maintaining competitive bidding, noting past challenges in receiving bids. Members agreed additional time was needed for full review and moved further discussion to the next scheduled meeting.

Members approved the proposed meeting calendar, continuing meetings on the third Monday of each month at 1:00 p.m., with minor adjustments due to anticipated courthouse closures. The meetings will be held in the Manistee County Planning Department conference room at 395 Third Street, Manistee, MI 49660.

Ms. Nelson introduced Scott Fraley, a new Planning Department employee, who may assist with future minute-taking.

Members shared positive remarks regarding ongoing development in Bear Lake and the impact of Land Bank projects. Discussion also included the importance of continued advocacy for state and federal funding opportunities and remaining prepared for future programs.

There being no further business to come before the Authority, the meeting was adjourned at 2:37 P.M.

Respectfully Submitted,



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Eric Gustad, Land Bank Authority Secretary/Treasurer