

## Portage Point Inn gets county approval of brownfield plan

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Posted on March 19, 2014



MANISTEE COUNTY — The brownfield plan for Portage Point Inn was approved by the Manistee County Board of Commissioners at its meeting on Tuesday.

The board unanimously approved a resolution after holding a public hearing on the brownfield plan. During the hearing, a presentation was given by Mac McClelland, a brownfield project manager from Otwell Mawby.

“The extraordinary costs of environmental cleanup, asbestos abatement and selective demolition of non-historic components of the buildings are barriers to redevelopment,” McClelland said in a previous interview. “Michigan’s Brownfield Redevelopment Financing Act provides for the reimbursement of these extraordinary costs to redevelop (sites like Portage Point Inn) through the capture of future increased property taxes resulting from additional private investment.”

The cost of the activities that are eligible to be reimbursed through Michigan’s brownfield law is about \$490,000, according to the plan.

McClelland said during his presentation that the estimated private investment into Portage Point Inn is \$4.5 million, with a total investment of about \$19 million.

The reopening and renovation of the inn will be good for the surrounding area because it will create jobs, induce spin off businesses and increase the tax base, he said.

The capture of taxes to reimburse investment on brownfield sites levels the playing field between brownfield and greenfield sites, since properties that don’t have environmental or health contaminants don’t have the expense of removing them.

After Otwell Mawby spent days collecting samples, some asbestos was found in window caulking, and lead paint chips were found in the soil surrounding the inn, both of which will be removed. Other activities that are eligible for reimbursement through the state's program includes demolition of non-historic buildings.

Without the brownfield plan, and redevelopment of the Portage Point Inn property, McClelland estimated that the property value would decline 1 percent each year. With the plan, tax collecting entities will continue to collect taxes based on the taxable value of the property on Dec. 31, 2013.

Onkama Township supervisor David Meister said the property would decline much quicker than that, and urged the board to approve the resolution.

"We see this as a win-win," he said. "We won't lose anything."

Meister added that the renovation will add value to the condos that are on the Portage Point Inn property, but aren't part of the brownfield, which will immediately increase tax revenues to the township and other taxing entities.

The brownfield plan was approved by the township on Feb. 4, and by the Manistee County Brownfield Authority on Feb. 19.

"This is exactly the kind of project Manistee County needs," said Commissioner Mark Bergstrom to owner Bob Gezon during the meeting. "I hope you are successful."

The next step after the county's approval of the plan, is to get the brownfield authority's OK on the work plan, which is a more specific plan that lays out work to be done, McClelland said.

The meeting is scheduled for 6 p.m. today at the county government center, located at 415 Third St. in Manistee.

If the work plan is approved, both the brownfield and work plans will head to the state for consent. McClelland said he would expect to hear back from the state by May 21.

Gezon said the support from local and state governments has been encouraging so far.

"It's a complex process to straighten out all the issues that affect Portage Point Inn," he said.

He added that he will present a new master plan to the Onkama Township Board of Trustees meeting on April 1. The meeting begins at 9 a.m. in the township hall, located at 5435 Main St. in Onkama.