Charter Township of Lyon

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

MAY 13, 2008

Chairman Jay Howie called the meeting to order at 6:08 p.m.

Members present included John Dolan, Jay Howie, Tim Miner, Mark Mitra, Troy Powe, Mike Stanton & Lannie Young.

Also present Les Cash, Lyon Township Fire Chief, Chris Doozan, Township Planner and Interim DDA Director, Jim Sharpe, Township Engineer & Matthew Quinn, Township Attorney.

Ten guests were also in attendance.

Public Discussion, non- agenda items. No public discussion.

Approval of Agenda. Mike Stanton made a motion to approve the agenda as amended to include discussion regarding demolition of Gross House. Mark Mitra seconded the motion. Motion approved unanimously.

Approval of Prior Meeting Minutes. Mark Mitra made a motion to approve the minutes of the April 2, 2008 DDA Meeting as submitted. Mike Stanton seconded the motion. Motion approved unanimously.

Presentation of Financial Information by Tom Traciak. Mr. Traciak first asked the members of the committee if any of them had been through a bond issue previously. He explained that under State law the DDA could only borrow money in one format and that is a bond issue. Mr. Traciak explained that there are three basic bonds the first is a Revenue Bond such as is used for a water and sewer system where you promise the bond holder to pay him back out of the rates collected. He then gave an explanation of this type of bond and how it could be used for the DDA projects but the risk involved might prevent finding a buyer.

Mr. Traciak went on to explain that most bonds done are Limited Tax General Obligation Bonds. The DDA will enter into a contract with the township and promise to make payments to the township and they will issue bonds on the DDA's behalf. When the township does this it will do a limited tax general obligation pledge. This will become their first budget obligation and is limited in the sense that if the DDA does not pay and the township has to dip into their general fund they have to increase millage up to their charter statutory limitation.

He went on to state that the rating of the township is a A- which is a good rating and therefore the bonds would be able to be sold in that format. The issuer of the bonds is the

township and not the DDA. The title of the bonds will say Downtown Development but the issuer will be the township.

Mr. Traciak explained that the format we are looking at are Capital Improvement Bonds. These can be used for any improvement such as sewers, drains, roads, anything necessary. This type of bond doesn't have to be limited to DDA revenue, special assessments and other revenue sources can be added in. With this by resolution prepared by the Bond Attorney the DDA will promise to pay the township's debt service.

Spreadsheets showing the cash flow were then displayed and explained to those present.

Lannie Young noted that the 2008 bond issue would pay back the DDA for the roundabout that has been started. This will put the money back in the DDA fund for the money already spent on land acquisition.

Mr. Traciak continued to explain the bond selling procedure including the bidding process and the interest rates. To have money in the bank this October he would need a figure in August, the whole process takes approximately six months.

Discussion regarding the structure of future bond issues took place.

Lannie Young asked for clarification that the total thirty million dollars shown in the cash flow analysis that has been provided by the township's attorney, auditor and the treasurer, include the land acquisitions, improvements, etc. To accomplish all the projects planned it is necessary to know there is money available to complete them.

Mr. Traciak explained that when he has a solid number he would put together the official statement, which would include township information and all the legal perimeters of the bond issue. This will be sent out to the market to sell the bonds. The bond attorney will provide the resolutions.

Jay Howie asked for an explanation of the Bond Resolution and Mr. Traciak detailed what was included in the resolution.

Presentation by Ernie D'Ascenzo – Removed From Agenda

Discussion of Demolition of Gross House. Matt Quinn stated that the tenants are just about moved out and they have made a request to tear the aluminum siding off the house.

Jay Howie stated that there is a liability issue involved and he is not in favor of the family removing the siding from the house.

Mr. Quinn stated that this was not included in the original agreement as part of what the owners could remove.

A quote will be requested from George Boston for the demolition of the house.

West Grand River Roundabout – Update. Jim Sharpe reported that the Lyon Crossing wall has been taken down, the pre construction meeting was held, and all the permits have been pulled. The road closure signs have been put in place and phase one on the north side of Grand River will begin very soon.

Mr. Sharpe continued that a ground breaking would take place on May 19th at 1:00 p.m.

Jim stated that he received a comment from the Road Commission that they would accept the stamped concrete across the intersection and are waiting for a price from the contractor. Along with the brick pavers they still want the white striping going across the roadway to delineate where the crosswalk is. He will get bids for color concrete with and without stamping.

Roundabout at Grand River and Northeast Ring Road – Update.
Matt Quinn stated that until Jim Sharpe finalizes the drawings a meeting would not be set up. He went on to explain that due to the lack of cooperation with the Roershieb property a new design for a three-legged roundabout or just a traffic signal might be in order. The County will agree to either.

Proposed DLZ Contract Amendment to design a three-legged roundabout (enclosed). Chris Doozan noted that the contract amendment for DLZ has been put on hold temporarily.

Updates on appraisals and land purchases. Gary Day of GMD Construction who presently lives at 57050 Cash Street explained that his house and his mother's house would be needed for the ringroad. He would like to remain in Lyon Township and needs money to build two houses. He also stated he would need at least a year to build these homes.

Lannie Young asked Matt Quinn for a procedure so that the DDA could start negotiating for the purchase of the houses on Milford Road going west.

Mr. Quinn responded that the DDA would need to pass a resolution that the Southwest Quadrant of the Ringroad is the next in line to be worked on. That would automatically begin the process.

Mark Mitra made a motion to move up the process of acquiring properties for the second phase of the Southwest Ring Road. Troy Powe seconded the motion. Motion approved unanimously.

Tony Zerilli of 57057 Cash Street asked if properties on the south side of Cash Street are going to be acquired.

Jim responded that he doesn't believe any of the homes will be acquired but there might be property that will be needed. There will be easement issues.

Proposal from Brien's to repair damaged streetscape (enclosed). Chris Doozan stated that there is no action necessary at this time. He explained that MDOT in the process of putting up signs damaged the streetscape in the amount of over $400.00. Mr. Doozan is presently looking into whether MDOT will repair it or not.

Announcements. David Cue of the Lyon Township Fire Department brought to the attention of the DDA that the Grand Ledge DDA has give money to the local police and fire department and their library to aid them in making purchases for trucks and other necessary equipment.

Jay Howie responded that our charter is written in a way that prevents giving them money.

Matt Quinn explained that the DDA plan would have to be amended and get it approved by the County. This would be expenditures not included in the original plan and you would be using the Counties match for that purpose. He noted that there is a lengthy process in doing this and it is something to look at when amendments to the plan are made.

Lannie Young explained that the original cost of the lower parking lot has come back considerably higher due to both cost increase and also because the scope of the job has been added to.

Mr. Young then presented spreadsheets with the current and previous cost for the committee to review.

After explanation and discussion a motion to increase the DDA contribution was made.

Lannie Young made a motion to increase the DDA portion of the original lower parking lot contribution from $31,718.97 to 42,300.63. John Dolan seconded the motion.

Roll call vote: Six yes votes. Two absent. Motion approved.

Jim Sharpe stated that the sidewalk to connect the two entrances has been redesigned and Leslie Zawada is meeting with the Road Commission regarding it.

Adjourn. John Dolan made a motion to adjourn. Troy Powe seconded the motion. Motion approved unanimously. Meeting adjourned at 7:41 p.m.

Respectfully submitted,

Rose Case
Recording Secretary

Chris Doozan
Interim DDA Director