

Charter Township of Lyon  
Board of Trustees  
Special Meeting Minutes  
June 21, 2010

Approved: August 2, 2010 as written

The meeting was called to order by Supervisor at 2:05 p.m.

Roll Call: Patricia Carcone, Treasurer  
Michele Cash, Clerk  
John Dolan, Trustee  
Steven Fletcher  
Brent Hemker, Trustee  
John Hicks, Trustee  
Lannie Young, Supervisor

Guests: 6

Also Present: Tom Traciak, ACI Financial  
Paul Wyzgoski, Dickinson Wright, PLLC  
Matthew Quinn, Township Attorney  
Jon Hutto  
Frank Hutto

Supervisor Young asked for a moment of silence in remembrance of Jeff Potter, County Commissioner.

**CALL TO THE PUBLIC** - None

**APPROVAL OF AGENDA**

**Motion by Fletcher, second by Cash  
To approve the agenda as submitted.**

**Voice Vote: Ayes: Unanimous  
Nays: None**

**MOTION APPROVED**

**1. Second Reading Tractor Supply Planned Development**

Mr. Quinn explained that the text is the same as the first reading and all exhibits have been supplied. The changes within the PD agreement are set forth in Number 2 on Page 2 dealing

with permitted uses. Mr. Quinn stated it is ready for final approval.

**Motion by Hicks, second by Carcone**

**To approve the second reading of Tractor Supply Development for the 3<sup>rd</sup> Amendment to the Planned Development Agreement.**

**Roll Call Vote:       Ayes: Hemker, Carcone, Dolan, Fletcher, Young, Hicks, Cash  
                              Nays: None**

**MOTION APPROVED**

**2. Review the Senior Center Housing Proposal by Jon Hutto**

Mr. Hutto explained that they are calling this Plan C and it evolved from Plan A which was a large bond issue to help them get into the ground and create a tool for financing. This plan would create jobs in the area, a tax base and create local stimulus. The original plan was just too much for the Board to consider with the large bond issue. He continued that they took all of the comments from the Board members and consultants and have come back with a better plan as to what could potentially be considered by this Board.

Mr. Hutto explained that the bond issue is at 8.5 million which includes all of the infrastructure, extending the water and sewer to the limits of the district, includes a senior center of 8500 sq. feet, includes conveying 1.5 acres of land for the senior center to the township and it would include 8 plus acres of easement to the township for road work and for the property to construct the pond. He explained that the pond is critical to every unit on the development. A \$2,000 storm management fee will be paid for every unit and also the senior center user fees which would include about \$15,000 per senior housing unit after its constructed would be used for payback. It would also call for some payment on the 66 units of senior cottages. There are not enough payback situations to cover the entire 8.5 million dollar bond. Mr. Hutto explained that the township would be getting a senior center and Griswold Road would be paved.

Mr. Wyzgoski stated that the project is very different than what was presented before. He explained the bond issue. The purchase price of the land will include a significant portion which would go to paying off all of the outstanding special assessments on the larger parcel and another significant portion would go towards paying the special assessments on the township land. He felt the proposal overall was in good form.

Mr. Traciak stated that the progression has been looking at the legal side and now it's a matter of looking at the dollars and cents.

Mr. Hutto reviewed the land purchase dollar amounts and how that money is allotted. He explained that they would be pursuing financing aggressively. The total cost of the 66 senior cottages including capital reserves was around 16 million. The 120 units of senior apartments would be approximately 18 million. The 30 units of Alzheimer units would be about 3.5 to 4 million.

Mr. Hutto explained that 1.5 million dollars would be spent for the site work associated with the Senior Center. He also reviewed the infrastructure parcel site work.

Mr. Traciak reviewed the debt service schedule regarding the bonds. Supervisor Young explained that with this proposal the cheapest would be 13 million; there is a debt obligation if the Hutto's don't reimburse the Township for the bond payments. Mr. Traciak stated that they would be putting the township in debt 13.7 million. One of the things that need to be discussed is timing. It is a risk, but the comparison is that the township would have an asset. When this amortization is reduced and the township can sell the property there is an offset for selling the property.

Mr. Fletcher stated that they need a full financial analysis and a true picture of all scenarios. Treasurer Carcone explained how the taxes are calculated on the property and that the county could not even tell her what the Township could or would owe on that property. There are about 1 million dollars owed currently.

Supervisor Young stated that no matter how it's sliced the Township's Sewer Enterprise Fund will be impacted. Mr. Fletcher stated that the cash flow and timing is very important. Supervisor Young reviewed the cash flow amounts. Mr. Hemker felt that from a cash flow analysis it didn't make sense.

Mr. Hicks felt that if the Township was going to build a senior center or a community center that it would not be built in that location. Mr. Traciak stated that an alternative could be not building the senior center, but buy the piece of property, distinguish the debt and get the bond issue down further. Mr. Traciak questioned how much would be eliminated by not building the senior center. Mr. Doozan explained that there is a preliminary planned development approval for the senior center which is in essence approval for that site and use. Mr. Hutto stated without the infrastructure nothing would happen. Mr. Hutto stated that everyone is out of pocket, maybe it is a dream, but it has a lot of good chance to it. Mr. Hutto explained that everyone says that it's on cue for today's economy.

Supervisor Young felt the Township would be more exposed if they entered into an agreement than if they didn't do anything. He continued that this plan puts the township in debt for the next 25 years. Mr. Hutto asked the Board to explain exactly what the Township would be willing to do or if the Township does not want to do anything then to say it and be done with it. Mr. Hutto continued that they would go and do what they have to do and the Township would do what they need to do. Mr. Hemker felt it was too much risk for the residents.

Supervisor Young wondered if there was a way to get the sewer and water and the pond built down to the site and if that would help the borrowing capabilities at that point. Mr. Hutto didn't know, they would have to look into it. Supervisor Young thought it was worth looking into. Supervisor Young explained that at this point in time to go in debt 8.5 million and have that 25 year exposure he was not willing to do that. He would be willing to look at other things to get the project going.

Mr. Dolan stated that he liked the idea of coming down on the 8.5 million but he could not do it on behalf of everyone else in the Township. Mr. Fletcher stated that there certainly are intangible benefits to bring this to some level of activity but the Township would take on such a huge exposure.

Supervisor Young suggested if there was a way to come up with a bond to cover the pond and the sewer and investigate this more before letting it go.

Mr. Hutto explained the HUD process and summarized what they have been through so far. Mr. Hemker asked what scenarios HUD would look at to get this going.

Supervisor Young asked where do they go from here, it did not benefit anyone to keep having meetings that go no where. Mr. Hutto asked it to be tabled. Supervisor Young stated if it was tabled they could investigate other options. Mr. Fletcher stated that he would like to see something that does not expose the Township to additional risk in the sewer enterprise fund from a cash flow perspective. Supervisor Young explained that he felt this particular proposal was probably a dead issue but they were still willing to work to find a solution. It was the consensus of the Board to continue working and try to find a solution.

#### **ADJOURNMENT**

**Motion by Carcone, second by Cash  
To adjourn the meeting at 4:09 p.m.**

**Voice Vote: Ayes: Unanimous  
Nays: None**

#### **MOTION APPROVED**

The Special Meeting of the Board of Trustees was adjourned at 4:09 p.m.

Respectfully Submitted,

*Kellie Angelosanto*

Kellie Angelosanto  
Recording Secretary

Michele Cash  
Clerk