



CITY OF BURTON
BURTON CITY COUNCIL MEETING
OCTOBER 7, 2015
MINUTES

Council Chambers

Special Meeting

7:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Tom Martinbianco at 7:07 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	President	Present	
Duane Haskins	Vice-President	Present	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	Councilman	Present	
Ellen Ellenburg	Councilwoman	Remote	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor	Teresa Karsney, Clerk
Ginger Burke-Miller, Controller	Rik Hayman, Chief of Staff
William Fowler, Assessor	Doug Bingman, Treasurer

C. ADMINISTRATIVE REPORT

Mayor Zelenko stated that we have been presented with a purchase agreement from Remax Grande. We have been working on this for a few months now. We have a person who wants to purchase all three subdivisions. I am going to defer my administrative report over to Michael Conn and Patti Baumgardner from Remax Grande. We also have the Controller, Treasurer and Assessor if you have any questions.

Mr. Conn of Remax Grande stated the offer on the table is \$1,200,000.00 for all 168 lots in Mallard Ponds, Cross Creek and Burton Estates. This is a cash offer, the offer is including the balance of the special assessments on the property. Party is coming in with \$500,000.00 dollars in cash and taking the balance of the assessments of \$700,000.00. He has a 45 day diligence period, he just doesn't know what the taxes are going to be. He wants to be able to verify the taxes.

Mr. Haskins asked there is no current assessment right now?

Mr. Conn stated the assessment is being paid by the City right now. The taxes are off the tax roll because the City owns the property. Currently he does not know what the taxes will be on those properties.

Mr. Martinbianco asked are there any improved properties in these subdivisions that the City has taken back.

Mayor Zelenko stated they are all vacant.

Mr. O'Keefe asked is this deal like the Trail Ridge sale, where the bonds are paid but if the property sells it will be paid off at the time of the sale.

Mr. Conn stated yes when they are building. They plan to put 2 spec homes in each development. He is going to fund the construction loans. Going to keep the outside of building looking like the current ones in each subdivision. The floor plan inside the home may change but the outside will look like the other homes.

Mr. O'Keefe asked what is the down side?

Mr. Conn stated that nobody wants to buy a house in these subdivisions. Bonds are to be paid off in 2019. He is going to put 2 spec homes in each development, if one sells, he will build another.

Mr. Ellenburg asked is this would improve our bond rating.

Mr. Conn stated no, he didn't really know. It will get our bonds that we currently have paid off.

Mr. Haskins asked if we had any information on the purchaser or investor.

Mr. Conn stated that it is D & D Holdings LLC and they have given proof for the purchase.

D. AUDIENCE PARTICIPATION

Hal Lindsay of Burton is President of Cross Creek Home Owners Association. We think this is wonderful that someone wants to purchase the empty lots. He feels it would be beneficial to the City to get this property back on the tax roll. We plow our own streets and we mow the empty lots. There has been 3 properties in subdivision for sale and 2 sold very quickly. We are very excited that someone is interested in these empty lots.

Mr. Conn stated that the developer is going to keep the exterior of the buildings the same as they currently are in the subdivision.

Danny Wells of Burton stated this is a stunning number for these three major pieces of property. How much do we owe for the special assessments. Also lot use to sell for \$15,000.00 - \$16,000.00 in the past. Why are we letting them go for around \$7,100.00.

Mr. Lindsay stated the lots have been empty for so long it would be better to get them back on the tax roll.

E. COUNCIL ACTION

1. Discussion and possible sale of City owned properties: Mallard Ponds, Cross Creek and Burton Estates.

Mr. Martinbianco asked if the City was going to make the roads in Cross Creek part of our local road system. What is the benefit of selling the lots in Cross Creek.

Mayor Zelenko stated no they will stay as a private road. Cross Creek would be put back on the tax roll.

Mrs. Ellenburg asked how long we have had these properties and how much did we pay for them.

Mrs. Burke-Miller stated we paid \$4,500.00 for Burton Estates in November 2009. Mallard Ponds was tax reverted back to the City in October of 2011 and Cross Creek was also tax reverted back to the City.

Amanda Doyle, City Attorney stated that it is a simple, straight forward purchase agreement. No concerns.

Mayor Zelenko recommended to the City Council accept the offer.

Mr. Hatfield stated the City has been making the bond payments are they paying us back for the a payments we made or just the what is left on the bond payments.

Mayor Zelenko stated just what is left on the bond payments.

Mr. Hatfield asked has anyone done any calculations on how much money this would generate if these were put back on the tax roll.

Mr. Fowler stated will be coming back on the tax roll as a new ownership. As homes are built and sold they we will brought on a market value. They are working on getting a market value on the properties by comparing with others that have sold in the area.

Mr. Hatfield stated he lives in Mallard Ponds subdivision and asked if he could still vote on this matter.

Attorney Doyle stated yes he can because this is no financial gain to him.

2. Motion to approve the sale of Mallard Ponds, Burton Estates, and Cross Creek for the listing purchase price of \$1,200,000.00 pursuant to terms of the purchase agreement to D & D Holdings LLC and authorize the Mayor and Clerk to close the transaction.

RESULT:	CARRIED [UNANIMOUS]
MOVER:	Steven Heffner, Councilman
SECONDER:	Dennis O'Keefe, Ellen Ellenburg
AYES:	Martinbianco, Haskins, O'Keefe, Heffner, Ellenburg, Smith, Hatfield

Meeting was adjourned at 8:15 PM.



Burton City Council
4303 S. Center Road
Burton, MI 48519

Meeting: 10/07/15 07:00 PM
Department: Clerk's Office
Category: Contract
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

E.1

SCHEDULED

AGENDA ITEM (ID # 1895)

DOC ID: 1895

Discussion and possible sale of City owned properties: Mallard Ponds, Cross Creek and Burton Estates.