

CITY OF BURTON
SPECIAL COUNCIL MEETING MINUTES
MARCH 7, 2011, 6:30 P.M., COUNCIL CHAMBERS
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The Special Meeting was called to order by President Steven Heffner at 6:40 p.m.

MEMBERS PRESENT: Ellenburg, Martinbianco, O'Keefe, Wells, Smith, Haskins and Heffner.

MEMBERS ABSENT: None.

OTHERS PRESENT: Mayor P. Zelenko and J. Adams, City Clerk.

PURPOSE OF THE MEETING: Presentation and discussion regarding the following:

1. Pines of Burton Memory Center

PRESENTATION:

Mayor Zelenko indicated Chuck Sekrenes is here for an informational presentation on new business he would like to bring to Burton, and we would like Council's ideas on some of the City's fees. We talked about combining some of our building fees into one license fee.

Chuck Sekrenes, 418 Woodbridge, Grand Blanc, MI, stated he is here with Steve Steffy from Linden, one of his business partners. He has been a developer in Burton, Davison and Grand Blanc for quite a while. He started out in Burton with subdivisions and the strip mall at the corner of Belsay and Davison Rd. He believes taking care of seniors is the need for the future and they went in the direction of assisted living facilities. We have been building senior facilities for the past 3 to 4 years. Some they own. The next big thing coming up is memory care for seniors. They are put in facilities and if they get to the wandering stage with dementia or Alzheimer, in assisted living you cannot lock down the facility. They can leave 24 hours a day. We monitor with door alarms. Mr. Sekrenes stated further, they are here tonight to talk about a possible memory center.

Mr. Sekrenes passed out information to Council and stated both he and Steve Steffey represent SSIG Construction. It is a company they formed strictly to work on assisted living facilities. We built the Pines of Burton, the Pines of Lapeer Memory Care in Lapeer, and the Cranberry Park in Clio. Clio is one area we are looking at that is not listed on your sheet. Other areas are Fenton and Swartz Creek because they already have their Pines facilities, as does Burton. The big thing today is building cost effectively so seniors can afford it. This is private pay. We don't get funds from the State or anywhere else. If a family comes in, they have a budget they have to work off of. If their parents have not saved or picked up long-term insurance, it comes out of pocket. Sometimes people go into nursing homes. The State pays up to \$9,000 a month to have someone in a nursing home. If you are here, you are looking at \$4,000 a month on average. Our philosophy is to try and create an all-inclusive facility for our residents.

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Mr. Sekrenes expressed further they have a rendering of a floor plan as to what their facility would look like whether it is here in Burton, Swartz Creek or Fenton. We have 20 bed facilities, if you get larger than that, you are in another realm of licensing. In a memory care facility, you can have a complete lock down of the facility. We are looking to you as a City to help us bring this facility to Burton instead of another area. I started in Burton and Steve Steffey built homes in Brookwood Point. In your documentation, it shows the 3 locations we built a facility and the fees it cost us to build each one. Burton is the highest cost to build when it came to fees. Lapeer doesn't have CCIF fees. They collect their own through their sewer fee. The water tap fee in Burton is high and I think it is a reason of having a front foot fee out front. The other cost is saddle tap we had to do on the last facility we built in Burton because it is on other side of the road. One thing that got us thinking of just coming to talk to you and see if you have any ideas to help us get the facility here, is the building permit fee. The Clio facility we finished two months ago and the Lapeer was a year and a half ago. Those fees are 30% of your fee. We think Burton is a good location. We like the Fenton area also. All the Pines group facilities we are involved with are full and we see the need for memory. The question is where do we put the next memory. The one in Lapeer filled up in 6 months. Wherever the next facility is, it will be filled up in 6 months.

Mrs. Ellenburg asked how many jobs would this create.

Mr. Sekrenes replied starting out for construction we would have about 50 people. Part time and full time is operational and would be anywhere from 15 to 25 jobs. Average is about 18 on staff.

Mr. Smith inquired as to why the building permit is so different in Burton versus the other municipalities.

Mayor Zelenko said she does not know but she will look into it.

Mr. Smith asked why the saddle tap boring fee is unique to Burton.

Mr. Sekrenes said the sewer is on the other side of the road. It was on the other side of the road for the facility we built for assisted living. To get to the other side of the road will cost \$12,000. That is the fee the City charges to get the sewer brought to our side of the road. There is a manhole at the entrance of Mallard Ponds that we could possibly come across to tap in, but I was told recently I couldn't tap a manhole. We need sewer to make it work. Do we get it across the street and pay \$12,000 or get it from Mallard Ponds and hopefully not destroy the entrance to get it.

Mr. Smith asked Mr. Sekrenes if he is the owner of Mallard Ponds and the location of the proposed site.

Mr. Sekrenes said he currently is the owner. The piece they are looking at is part of the 5 acres next to the Harley Davidson Shop on Davison Rd. They are optioning to buy the 5 acres, splitting it and putting 2 acres for this facility and retaining 3 acres. We think another fit would be a rehab center. A lot of elderly people need rehab before they can be back in the facility. Rehab is out of our realm right now but we are learning.

Mr. Smith said he sees that the CCIF fees for Burton is 12 and Clio is 12. There is nothing for Lapeer.

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Mr. Sekrenes responded that the Lapeer CCIF fee is in their sewer tap fee; in that \$24,000. The County charges \$2,000 per unit and there are 6 units, so that is \$12,000; a thousand for sewer and a thousand for water to tap into your system. That is their infrastructure fee a lot of people have been talking about over the years of being charged CCIF fee and where is the money going. It is a fee we have to pay the County before we can come to you.

Mr. Martinbianco in reference to Mr. Sekrenes' development in Lapeer, he asked to clarify City of Lapeer or a surrounding township.

Mr. Sekrenes replied it is Mayfield Township for Lapeer, across from Suncrest Drive where all the medical buildings are located. The one in Clio is Vienna Township, just east of the soccer complex.

Mr. Martinbianco said the big stumbling block is the building permit fees and why they would vary so much. The CCIF fees are out of our hands unless there is something that would come through from the Drain Office. The Mayor is our representative on the Water & Waste Committee and she could further clarify that with Mr. Wright. The water and sewer tap-in fees are governed by ordinance so any deviation from those fees would have to come through an ordinance revision. It may be secluded to just include certain facilities of so many beds, so many acres, over so many square feet. I concur that the building permit fee seems like it is wildly skewed.

Mr. Sekrenes said these are actual fees we paid for the buildings that we already constructed. The buildings are almost identical with the same square footage and costs.

Mr. Martinbianco said Mr. Sekrenes' memo stated "we would like the piece of land we purchase to be large enough for this 20 bed facility in the future, the 2nd facility would be for memory care residents". Mr. Martinbianco asked if he is suggesting building another Pines first.

Mr. Sekrenese responded we took the sheet off of some other areas we were looking at because we try to buy 5 acre parcels. It just so happened that we have the assisted on the other side of Mallard Ponds so we wouldn't need all 5 acres. That is why we want to purchase 2 acres if we can and option the other, and the other would be the rehab. Everything we are proposing falls within your ordinance.

Mr. Wells said this is going to be right down the road and you already paid the saddle tap boring fee to get sewer to that facility. You might not have to pay that again. There may be a per foot fee.

Mr. Martinbianco stated more than likely that, and an indirect tap fee if that were the case. Mr. Sekrenes indicated he is concerned about what it might do to the entryway to Mallard Ponds and the impact it would have to go across that front half.

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Mr. Wells said I don't think we are at a point to turn down any kind of business. We will work with him and we would have to sit down and review some ordinances. Mr. Wells inquired regarding a site plan.

Mr. Sekrenes replied they have not presented Council with a site plan yet because we are determining where we are going first, whether it is Burton or somewhere else. I stopped in one day and Mayor Zelenko was nice enough to let me come in and chat with her about it. She suggested I come to speak with you. We are not asking for an answer tonight. We are asking for you to consider talking to us a little more on this.

AUDIENCE PARTICIPATION: None.

COUNCIL DISCUSSION:

Mr. Martinbianco said this would require reviewing preliminary documents and at some point in time after that, setting up a Legislative Committee meeting to discuss what our options are. If there is any sense of urgency, because obviously they are shopping this product with other communities, it is in our best interest to continue if we can financially do it, and still create equity amongst all the other interested folks who might want to build here.

Mrs. Ellenburg asked if it needed to go to Legislative. If it is a money issue, it should go to Finance.

Mr. Martinbianco said he doesn't want to bog it down in Finance. Tap-in fees are mandated by ordinance.

Mrs. Ellenburg suggested a joint meeting to be able to cover more.

Mr. Martinbianco suggested a Committee of a Whole Session. His comfort zone with this proposal would be to review it first. He is not ready to go to a meeting format yet. I think after we all have had an independent chance to do some research and we can come back and establish that meeting.

Mr. Wells asked the Mayor for a breakdown in costs on the building permits.

Mayor Zelenko said Mr. Kray would work on it first thing in the morning.

Mr. Wells said we would need to see that first and then make some decisions.

Mrs. Ellenburg thanked Mr. Sekrenes and Mr. Steffy for coming before Council and keeping Burton as a prospect for their new business. I think there is a big need for it.

Meeting adjourned at 7:07 p.m.

Julie Adams, City Clerk