

**CHARTER TOWNSHIP OF BANGOR
DOWNTOWN DEVELOPMENT AUTHORITY
MINUTES**

The regular May meeting of the Charter Township of Bangor Downtown Development Authority was held on May 5, 2014, commencing at 8:00 A.M., prevailing time at the offices of the Township pursuant to notice.

Present: B. Goik, K. Lange, D. Leitemann, L. Newton, J. Rivet
(arrived at 8:02 AM), T. Thelen, T. Watson (arrived at 8:10 AM)
Absent: B. Behmlander and M. Rowley
Also present: T. Keyes, S. DeShano and W. Darbee

The Chairman called the meeting to order at 8:00 A.M. after determining that a quorum was present by roll call of the Chairman.

The Chairman then asked if there was any person in attendance who wanted to address the Board. The Chairman noted that no one made a request and so he moved onto the next order of business.

The Chairman requested acceptance of the February 3, 2014 regular meeting minutes. Mr. Goik moved that the minutes of the February 3, 2014 regular meeting minutes be accepted as circulated with the agenda. Mr. Newton seconded the motion. The Chairman called for questions on the motion and hearing none the Chairman then called for discussion on the motion. Again hearing no discussion on the motion, the Chairman called for a vote on the motion. The motion passed five votes in favor, zero votes against to accept the minutes of February 3, 2014 as circulated with the agenda.

Mr. Rivet arrived.

The Chairman then asked the Treasurer to review the quarterly report. Ms. Leitemann noted that the Debt Retirement & Projects Fund will have a cash balance as of May 5, 2014 of \$1,079,053.57 after approved payments of \$7,909.91 which were reviewed. She reported that the DDA Operating Fund will have a cash balance as of May 5, 2014 of \$8,789.37 after payment of the itemized statements of \$16,680.00. Mr. Rivet moved to

receive the Treasurer's report and authorize payment of the bills. Mr. Lange seconded the motion. The Chairman called for questions on the motion and hearing none, he then called for discussion on the motion. The Chairman hearing no request for discussion on the motion, called for a vote on the motion. The Motion passed six votes in favor, zero votes against to receive the report of the Treasurer.

The Chairman stated that at the last meeting of the DDA, after a lengthy discussion commenced by Mr. Newton who had presented a proposal to the DDA about he purchasing a small portion of DDA property and doing an exchange with Graff. Since the issue involved an agreement with Graff a motion was ultimately stated by the Chairman as follows:

The Chairman moved to sell the property subject to (i) DDA price review, (ii) whether the future value of the remainder of the lot is impacted by the sale and (iii) subject to an agreement of sale acceptable to Graff and the DDA.

Upon inquiry of the Chairman, Mr. Newton stated that Graff is not interested in pursuing the transaction and stated that from his point of view the proposal is dead with no possibility of completing the transaction without the active participation of Graff. He stated that the transaction will not be pursued further at this time by himself. He then thanked the Board for its consideration of the matter.

Mr. Watson arrived.

The Chairman indicated that he had been in touch with Scott DeShano on behalf of DeShano Companies, Inc. about locating an assisted living facility on Lots 22 and 23. He stated that their preliminary discussions has now resulted in a formal request for financial assistance being received by the Chairman from Mr. DeShano. The Chairman read the formal request of the project authored by Mr. DeShano. He then reviewed the project from his viewpoint. He advised that he had viewed the Bridgeport facility before the meeting and explained what he had seen and the pictures he had taken. He noted that the DDA has about \$158,000 in out of pocket investment at this point in the two lots. The Chairman made a proposal to allow the property to be transferred to the applicant in return for a building of approximately

\$3,000,000 true cash value. He then introduced Mr. Scott DeShano who proceeded to summarize what his company desired to construct, the estimated cost of it and the timing of it. A general discussion followed about the project generally and the function of the DDA of assisting in development. In responding to a question, Mr. DeShano stated that because of the configuration of the lots, that the building would look initially like an "L" and then when ultimately finished would look like an "E". Mr. Watson expressed his approval of the project in general again emphasizing that the function of the DDA is to create development of business and jobs. Mr. Rivet asked who would be the operator. Mr. DeShano stated that his company is a construction company and not an operations company. They build the project and either sell or lease it to a licensed operator. He currently has two licensed operators in mind but until a project is definitive, he does not pursue an operator. Mr. Thelen questioned the number of beds and Mr. DeShano indicating about 40. After further discussion, Mr. Rivet moved to provide Lots 22 & 23 to DeShano Corporation and to authorize the attorney to create the necessary Development Agreement in format outlined by Mr. Lange in his opening remarks working with the Chairman, Ms. Leitermann and Mr. Watson in order to provide the property to DeShano. Mr. Watson seconded the motion. The Chairman called for questions on the motion and hearing none, he then called for discussion on the motion. The Chairman hearing no request for discussion on the motion, called for a vote on the motion. The Motion passed six votes in favor, zero votes against to authorize the attorney to create the necessary Development Agreement working with the Chairman, Ms. Leitermann and Mr. Watson in order to provide the property to DeShano.

The Chairman noting Ms. Behmlander was not in attendance indicated there is no formal report at this point from the Mall.

The Chairman stated that Mr. Keyes was in attendance to provide a report on the status of Bay Futures. He initially provided a summation of the 2013 activity of Bay Futures and the actual projects for 2014 to date. The impetus will be towards creating a brochure for the various sites available for improvements in the DDA. The Chairman suggested a more pro-active form of marketing. Mr. Keyes replied that until a specific type of business is

targeted, that a general marketing strategy does not produce results. For instance a statement of "Lots for Sale" has less appeal than does a campaign for a specific use which can be advertised within a specialized trade magazine. The Chairman thought that the arena sign could promote the lots. It was the consensus what Mr. Keyes would put together a brochure outlining the current premises available within the DDA area and work with Mr. Lange on the project. The Chairman volunteered to prepare a message to utilize the sign for possible development.

The Chairman then indicated the current status of the financial position of the DDA. He stated that because of the status of the current projects the thought for him was to delay any action to pass along further funding at this time.

The Chairman asked if the attorney had any report. He stated that the Dutsky condemnation had been settled and the sidewalk is in the process of being constructed.

The Chairman asked Mr. Goik about the status of the arena. Mr. Goik indicated he was very pleased with the Knife and Gun show held this past Saturday. He and the Developer were talking about a 2-day show for next year. The Home Construction show also went very well. The Chairman asked the status of Kelly DuHaime. Mr. Goik advised that she has been very helpful on doing items and will advise of what additional service she might be contracted to do for the arena.

Mr. Newton left the meeting at 9:10 AM.

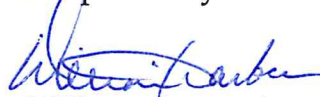
The Chairman noted for the Dutsky parcel the sidewalk engineering phase is complete and bids for construction will be going out on this date and then there will be a bid phase review and construction phase shortly thereafter.

The Chairman stated that he recently received a resignation letter from Mr. Rowley and read it to the Board. On behalf of the Board, he accepted, with regret, the resignation of Mr. Rowley as of April 30, 2014.

After hearing no request for old business he requested if anyone had new business.

Hearing no request for further business, it was moved by Mr. Watson with a second of Mr. Lange to adjourn the meeting at 9:19 AM. The Chairman hearing no opposition to the motion declared the meeting adjourned at 9:19 AM.

Respectively submitted,



William H. Darbee
Recording Secretary