

Potential Property Acquisition - Update

The Township has the opportunity to purchase two parcels of property (a total of 8.3 acres) bordered by Sunset Station on the West, Lake Arcadia on the South, 1st Street on the East, and Lake Street on the North.

Address:

17220 1st Street

Parcel numbers:

01-600-094-00

01-600-096-00

The Supervisor and Treasurer engaged a commercial real estate appraiser to appraise the property. The property was appraised at \$750,000.

The Supervisor and Treasurer have also engaged a bond advisor, and an attorney that specializes in local government land purchases. There will be no cost to the Township for their services unless the bond is passed, and the project moves forward.

The initial intended use of the land is passive recreation. If further recreational development is desired in the future, that would require additional/separate funding. The Board will have this as a topic for regular Board meetings, as well as any special Board meetings that are required in the future. No commercial development will be allowed on the property for at least 49 years.

To purchase the property, the Township would need to issue a bond to finance the purchase. There is a millage proposal on the November 5, 2024, ballot to decide this issue. Registered voters must vote to approve the purchase on the November 5 ballot for the project to move forward. Registered voters will make the decision on whether to purchase the property or not, and the board will follow that decision. Please note, having the proposal on the ballot does not commit the Township to anything. It simply allows the registered voters to make the decision on whether to move forward with the purchase or not.

The millage is expected to be approximately 1.1 mil, for 15 years. The advisors said that this is a reasonable, but conservative estimate. The bond is expected to be less than \$1 million. The Township has entered an agreement to purchase the land for \$940,000.

The potential loss of tax revenue is well less than \$3,000.00 of Township tax revenue.

An environmental study was done in 2017, and it determined that there were no significant environmental issues with the property. If there was going to be commercial development, any land that was excavated would need to be removed from the property. This environmental study does not belong to the Township, and the Township will have an

updated study done in the Township's name if the ballot proposal is approved. The Township purchase of the property is contingent on the new study having similar (or not significantly worse) results as the 2017 study.

If the millage/bond proposal does not pass, the family does not intend to keep the property. They have indicated that there are other interested parties.

This item has been an agenda topic for the last two regular Board meetings, as well as the topic of a special public meeting that was held on Wednesday July 31 at 7:00PM to discuss and solicit additional public comment. It will also be on the regular monthly Board Meeting on October 10 at 7PM, and, as always, the public is welcome to participate at that meeting.

There will then be a special Board Meeting October 15 at 3PM to meet the bond advisors.

The bond proposal ballot language is below. A "yes" vote means that a voter wants the Township to move forward with the purchase of the property, and a "no" vote means that a voter does not want the Township to move forward with the purchase.

Property Acquisition Bond Proposal

Shall the Township of Arcadia, County of Manistee, Michigan, borrow the principal sum of not to exceed One Million Dollars (\$1,000,000), and issue its unlimited tax general obligation bonds payable in not to exceed fifteen (15) years from the date of issue, to pay all or part of the cost of acquiring and improving certain property adjacent to the Township's Lake Michigan Beach for recreation purposes? If approved, the estimated millage to be levied in 2025 is 1.12 mills (\$1.12 per \$1,000 of taxable value) and the estimated average annual millage rate required to retire the bonds is 1.1 mills (\$1.10 per \$1,000 of taxable value).

Please direct any questions to:
Supervisor@townshipofarcadia.org

Posted _____ By _____