Brownfield Redevelopment Authority

Regular Meeting Agenda

Monday, September 10, 2012
4:00 p.m., Council Chambers

City of South Haven

1. **Call to Order**

2. **Roll Call**

   Chairman Art Bolt, Thomas Erdmann, Eugen Gawreliuk, Mike Henry, Robert Herrera, Lynn Kerber, Andy Klavins, Larry Lewis, Mike Rainey, Christine Valentine, Janice Varney.

3. **Approval of Agenda**

4. **Approval of Minutes** – August 13, 2012

5. **Interested Citizens in the Audience Will be Heard on Items Not on the Agenda**

6. **Financial Report**

7. **Brownfield Report**

8. **General Comments**

9. **Adjourn**

RESPECTFULLY SUBMITTED,
Paul VandenBosch
Secretary, Brownfield Redevelopment Authority

SOUTH HAVEN CITY HALL IS BARRIER FREE AND THE CITY OF SOUTH HAVEN WILL PROVIDE THE NECESSARY REASONABLE AUXILIARY AIDS AND SERVICES FOR PERSONS WITH DISABILITIES, SUCH AS SIGNERS FOR THE HEARING IMPAIRED AND AUDIO TAPES OF PRINTED MATERIALS BEING CONSIDERED AT THE MEETING TO INDIVIDUALS WITH DISABILITIES AT THE MEETING UPON SEVEN (7) DAYS NOTICE TO THE SOUTH HAVEN CITY HALL.

Brownfield Redevelopment Authority

Regular Meeting Minutes

Monday, August 13, 2012
4:00 p.m., Council Chambers

City of South Haven

1. **Call to Order by Bolt at 4:30 p.m.**

2. **Roll Call**

   Present: Erdmann, Gawreliuk, Henry, Herrera, Kerber, Klavins, Valentine, Varney, Bolt
   Absent: Lewis, Rainey

3. **Approval of Agenda**

   Motion by Valentine, second by Klavins to approve the agenda as presented.

   All in favor. Motion carried.

4. **Approval of Minutes** – July 9, 2012

   Motion by Varney, second by Valentine to approve the July 9, 2012 Regular Meeting Minutes as written.

   All in favor. Motion carried.

5. **Interested Citizens in the Audience Will be Heard on Items Not on the Agenda**

   None at this time.

6. **1070 Indiana Expenses for Approval**

   VandenBosch noted the developers at the old National Motors site have provided the Brownfield Authority with invoices for expenses they have occurred. These expenses will be added to the obligation; an additional expense. The developers currently have a Brownfield Plan approve for greater than $2 million which brings them to roughly $500,000; they are nowhere near their limit. This current expense is well within the amount they are authorized to request. VandenBosch recommends that the Authority approve these expenses.

   Bolt asked who owns that property. There was discussion regarding the question of ownership; the property or part of the property may be bank owned. The issue is that there are environmental expenditures that have been incurred and that the Brownfield Authority is

adding this request to the total amount that can be reimbursed, adding it to the City's obligation to reimburse. Bolt asked if this will start the clock again.

Varney asked if these are expected expenses, since no development is going on. VandenBosch noted that some of the expenses are Department of Environmental Quality (DEQ) inspection and review. The developers really do not have a choice; they are required to do this by the Department of Environmental Quality (DEQ). The IRDC, which the Department of Environmental Quality (DEQ) is using to monitor their activity, are required to report to the Department of Environmental Quality (DEQ) annually.

Kerber said, "These amounts are being accumulated until a certain amount is reached." VandenBosch reiterated that the developers have a $2 million limit.

Bolt pointed out that R.J. Peterson is submitting this reimbursement request but he is not the listed owner. VandenBosch explained that the development is happening in stages; Peterson owns the southern half of the site (the former National Motors site); the other pieces are otherwise owned. Bolt questioned whether Peterson was not the one that owned the property and said he did not want to sell it. VandenBosch clarified that was said by Larry Basil. Bolt had multiple questions regarding ownership to which VandenBosch responded that it is difficult to know who may really be involved; it might be the bank. Bolt noted that If Peterson did not have an interest in the property he would not be requesting this reimbursement. VandenBosch explained that the Brownfield Authority will continue to accept expenses for approval until the development is done, and after that, expenses for monitoring.

VandenBosch added that the maximum tax capture at 1070 Indiana is $204,000. There is a fifteen (15) year limit that started in 2004. To date the Brownfield has had revenues of $65,000 and paid out $57,000; roughly $10,000 coming in per year. VandenBosch noted that the total expenses to date at 1070 are $537,000, so unless that development proceeds, there will not be enough tax capture to pay that amount. In summarization, VandenBosch said the Brownfield Authority is just adding in those expenses; it is not known if there will ever be a pay-out.

Erdmann asked if the fifteen (15) years is the end of capture, to which VandenBosch responded, "Yes, then captured taxes will go to local jurisdictions". VandenBosch commented that the developers are very likely to ask for an extension and VandenBosch's recommendation would be for the Authority to say no.

Motion by Henry to approve expenses as eligible expenses. Second by Valentine.

All in favor. Motion carried.

7. General Comments

There were none.

8. Adjourn at 4:47 p.m.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

City of South Haven
Brownfield Authority
For the period ended August 31, 2012

Revenues			
Property Tax Captures	-		
Interest Income	1,780		No August 2012 interest posted yet
Other Revenue	-		
Other Transfers In	-		
Total Revenue		1,780	
Expendtires			
Administrative Costs			
General Fund/DDA Reimbursement	-		
Total Administrataive Expenses	-		
Contractual Services	8,697		
Total Other Expenses	8,697		
Total Expenditures		8,697	
Year-to-Date Fund Gain/(Loss)		(6,917)	
Cash and Investments			
Cash	646,446		
Certificates of Deposit	275,503		
Other Financial Investments	400,000		
Total	1,321,949		

August 31, 2012

TO: Brownfield Redevelopment Authority

FR: Paul VandenBosch

RE: Brownfield Reimbursements

After review of the 2011-12 Brownfield Plan, there are two brownfield reimbursements to recommend to the Brownfield Redevelopment Authority.

1070 Indiana (Everett Park, National Motors), in the amount of $18,027.96 to Roland J. Peterson, LLC.

500 Erie Street (Central Lofts), in the amount of $175,811.17 to The Huntington National Bank.

Eligibility to receive brownfield reimbursements has been transferred from Central Lofts LLC (Bosgraaf) to The Huntington National Bank by an Assignment of Tax Increment Financing Reimbursement Payments dated May 21, 2007.

Recommendation

Staff recommends authorizing payment of the above brownfield reimbursements.

City of South Haven
Brownfield Redevelopment Authority
Brownfield Plan Revenue and Expenses
As of June 30, 2012

08/15/12

	2011-2012 Revenue	2011-2012 Reimbursements	Life of Plan Revenue	Life of Plan Reimbursements	Life of Plan Balance	Maximum Plan Amount	Capture Deadline
1421 Kalamazoo 1 Local	Closed	.00	109,337.09	109,337.09	.00	675,000.00	Closed
1421 Kalamazoo 1 School	Closed	.00	565,662.91	436,445.00	129,217.91		
Revolving Fund Local	Closed	.00	20,702.66	.00	20,702.66	675,000.00	Closed
Revolving Fund School	Closed	.00	565,662.91	.00	565,662.91		
1421 Kalamazoo 2 Local	2,747.28	.00	89,214.72	36,715.61	52,499.11	400,000.00	2034
KSU Local	.00	.00	899.36	.00	899.36	436,500.00	2028
KSU School	.00	.00	3,352.31	.00	3,352.31		
Factory Condo 1 Local	Closed	.00	198,087.08	198,087.08	.00	380,000.00	Closed
Factory Condo 1 School	Closed	4,195.69	181,912.92	32,849.24	149,063.68		
Factory Condo 2 Local	20,761.52	4,885.90	27,459.36	9,701.85	17,757.51	434,650.00	2022
Factory Condo 2 School	20,720.26	.00	24,019.20	.00	24,019.20		
900 Indiana Local	.00	.00	.00	.00	.00	319,687.00	2012
1070 Indiana Local	10,129.57	24,367.03	75,730.40	57,702.44	18,027.96	2,004,657.05	2022
Sherman Hills Local	5,091.27	.00	55,127.28	.00	55,127.28	2,000,000.00	10 Years
500 Erie Local	30,986.89	.00	190,443.32	14,632.15	175,811.17	817,232.00	2019
The Preserve Local	8,847.73	.00	59,134.20	3,025.98	56,108.22	3,967,407.00	2026
The Preserve School	X	.00	.00	.00	.00		
TOTAL	99,284.52	33,448.62	2,166,745.72	898,496.44	1,268,249.28	12,110,133.05	

South Haven

City of South Haven

City Hall • 539 Phoenix Street • South Haven, Michigan 49090-1499
Telephone (269) 637-0775 • pvandenbosch@south-haven.com

August 31, 2012

Roland J. Peterson, LLC
P.O. Box 638
Douglas, MI 49406

Peterson Land Company, Inc.
P.O. Box 638
Douglas, MI 49406

RE: 1070 Indiana Street Brownfield Plan, 2011-12 Tax Year Brownfield Report

Good Morning;

The 1070 Indiana Street Brownfield Plan has a balance of $18,027.96 including 2011-12 tax capture revenues. There are approved expenses in the amount of $504,261.58 which are eligible for reimbursement.

Van Buren County records indicate that there are no delinquent property tax payments on parcels in the 1070 Indiana Street brownfield plan.

The proposed payment of $18,027.96 are proceeds from taxes captured on the 1070 Indiana Avenue site, South Haven Michigan (National Motors, Everett Park) under the Brownfield Redevelopment Financing Act, Act 381 of 1996.

If you have any questions or feel that any of the information in this report is in error, please contact Paul VandenBosch at 269-637-0775 or pvandenbosch@south-haven.com.

The City of South Haven Brownfield Redevelopment Authority will consider approval of the 2011-12 Brownfield Report at its meeting at 4:00p.m., September 10, 2012 at Council Chambers in South Haven City Hall, 539 Phoenix Street, South Haven.

Sincerely;

Paul VandenBosch
Secretary, Brownfield Redevelopment Authority

South Haven

City of South Haven

City Hall • 539 Phoenix Street • South Haven, Michigan 49090-1499
Telephone (269) 637-0775 • pvandenbosch@south-haven.com

August 31, 2012

The Huntington National Bank
10717 Adams Street
Holland, MI 49423

RE: 500 Erie Street Brownfield Plan, 2011-12 Tax Year Brownfield Report

Good Morning;

The 500 Erie Street Brownfield Plan has a balance of $175,811.17 including 2011-12 tax capture revenues. There are approved expenses in the amount of $547,543.38 which are eligible for reimbursement as funds become available.

Van Buren County records indicate that there are no delinquent property tax payments on parcels in the 500 Erie Street brownfield plan.

The proposed payment of $175,811.17 are proceeds from taxes captured on the 500 Erie Street site, South Haven, Michigan (Central Lofts) under the Brownfield Redevelopment Financing Act, Act 381 of 1996.

If you have any questions or feel that any of the information in this report is in error, please contact Paul VandenBosch at 269-637-0775 or pvandenbosch@south-haven.com.

The City of South Haven Brownfield Redevelopment Authority will consider approval of the 2011-12 Brownfield Report at its meeting at 4:00p.m., September 10, 2012 at Council Chambers in South Haven City Hall, 539 Phoenix Street, South Haven.

Sincerely;

Paul VandenBosch
Secretary, Brownfield Redevelopment Authority

cc

Central Lofts LLC
200 N. Franklin, Ste. 100
Zeeland, MI 49464

South Haven

City of South Haven

City Hall • 539 Phoenix Street • South Haven, Michigan 49090-1499
Telephone (269) 637-0775 • pvandenbosch@south-haven.com

August 31, 2012

PWH Management, LLC
303 W. Madison Street, Suite 1925
Chicago, IL 60606

Edward S. Salomon
25 E. Washington, Suite 1000
Chicago, IL 60602

RE: The Preserve Brownfield Plan, 2011-12 Tax Year Brownfield Report

Good Morning;

The Preserve Brownfield Plan has a balance of $56,108.22 including 2011-12 tax capture revenues. There are approved expenses in the amount of $3,469,407 which are eligible for reimbursement as funds become available.

Van Buren County records indicate that there are a total of $409,023.20 in delinquent property tax payments on parcels in the Preserve brownfield plan. Because the amount of unpaid property taxes exceeds the funds available for reimbursement, no brownfield reimbursement will be paid at this time. The funds available for reimbursement remain on the account for the Preserve brownfield plan, and will be available for reimbursement when property taxes have been paid.

If you have any questions or feel that any of the information in this report is in error, please contact Paul VandenBosch at 269-637-0775 or pvandenbosch@south-haven.com.

The City of South Haven Brownfield Redevelopment Authority will consider approval of the 2011-12 Brownfield Report at its meeting at 4:00p.m., September 10, 2012 at Council Chambers in South Haven City Hall, 539 Phoenix Street, South Haven.

Sincerely;

Paul VandenBosch
Secretary, Brownfield Redevelopment Authority