

Downtown Development Authority

Special Meeting Minutes

Wednesday, August 21, 2013
Noon, Council Chambers



City of South Haven

MISSION STATEMENT: The Downtown Development Authority (DDA) is to be a leader in helping to fulfill the City of South Haven Municipal Plan; through planning, funding, and development of projects within the DDA District which promote, encourage and contribute to the overall economic growth and development of the community.

1. Call to Order by Olson at 12:00 noon.

2. Roll Call

Present: Burr, Maxwell, Newton, Whiteford, Zuckerman, Olson
Absent: Braun, Marcoux

3. Approval of Agenda

Motion by Burr, second by Newton to approve the August 21, 2013 Special Meeting Agenda as presented.

All in favor. Motion carried.

4. DDA will be asked to consider the adoption of a Resolution Requesting the City of South Haven Issue Downtown Development Bonds Pledging Tax Increment Revenues as Security and Approving Estimates of Projected Tax Increment Revenue.

Davidson introduced this item as one that needs to be taken care of before the bonds can be issued. The board is being asked to approve the bond issuance and to use annual debt service funds to cover principal and interest payments. Davidson noted that Wendy Hochstedler, Finance Director, is here to answer questions.

Burr queried when the bonds will be issued to which Hochstedler responded that they will be issued the first week in September. Hochstedler has been working closely with the city's financial advisor and bond council.

Hochstedler explained the two options; 1.) Competitive sale which has a set date for the bond sale and takes whatever the market will bear or perhaps no bids at all. 2.) Private Placement in which one purchaser buys the entire issue. The City's financial advisor has already secured a bid with a 4.19 per cent interest rate over a 14 year term. A request for proposal (RFP) has been sent out for banks and financial institutions in an attempt to secure an even lower interest rate if possible. Hochstedler pointed out that there is less issuance

cost for private placement and the RFP for other banks are due the end of this week. The 4.19 percent interest rate is the worst case scenario, and falls in the middle of the range of interest rates for all other outstanding City bond issues.

It was noted that staff's pre-planning has shown that the DDA has ample dollars within our budget.

Olson called for question/comments. Hearing none, Olson called for a motion.

Motion by Newton, second by Whiteford, to adopt a Resolution Requesting the City of South Haven issue Downtown Development Bonds pledging tax increment revenues as security and approving estimates of projected tax increment revenue.

All in favor. Motion carried.

5. Adjourn

Motion by Burr, second by Newton to adjourn at 12:07 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary