

# Local Development Finance Authority

## Regular Meeting Minutes

Monday, November 9, 2015  
4:00 p.m., Council Chambers  
South Haven City Hall



City of South Haven

Due to the absence of the chair and co-chair, VandenBosch asked for a motion to appoint a chairperson for these meetings.

Motion by Klavins, second by Dotson to appoint Henry as temporary chair.

All in favor. Motion carried.

### 1. Call to Order by Henry at 4:00 p.m.

### 2. Roll Call

Present: Dotson, Gawreliuk, Herrera, Klavins, Timmer, Henry  
Absent: Erdmann, Schaffer, Valentine, Bolt

Also present: Brian Dissette, City Manager; Kate Hosier, City Clerk

### 3. Approval of Agenda

Motion by Timmer, second by Klavins to approve the November 9, 2015 Regular Meeting Agenda as presented.

All in favor. Motion carried.

### 4. Approval of Minutes – October 12, 2015 Regular Meeting

Motion by Klavins, second by Gawreliuk to approve the October 12, 2015 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. Financial Report

VandenBosch reviewed the Financial Report.

Motion by Dotson, second by Klavins to accept the Financial Report.

All in favor. Motion carried.

## **7. Economic Development Report**

McCloughan was not available to give the Economic Development Report.

## **8. MBG Utility Incentive Extension**

VandenBosch reviewed the details of progress on getting work done, noting that due to inability to make the deadline and have asked for a six (6) month extension. The agreement was for a \$150,000 credit toward utilities (water and sewer connection fees). VandenBosch explained that payment has already been made, so the financial report will not change if this payment is made.

In response to a question from Dotson regarding the delay, VandenBosch explained that he knows the developers are working on a lot split between Hanson's, Michigan Blueberry Growers and Dole, which is just one of the issues, although the city is not privy to the details.

Henry asked what if extension is not granted what the consequences would be to which VandenBosch responded that the developers would then have to pay a full connection fee and the \$150,000 would be refunded from the city's water fund to the LDFA.

Klavins asked if the \$150,000 covers all their tap fees which VandenBosch responded that it will not cover all of the fees.

Dissette stated he was notified by Jansen that the lot split application should be in today or tomorrow. The complexity of arrangements is much more complicated than a usual deal, with two (2) to three (3) owners of one structure working out the details is taking longer than anticipated.

Henry asked if the city is optimistic about the project continuing forward and VandenBosch responded, "Yes."

VandenBosch explained the content of the resolution provided to extend the incentive.

Motion by Klavins, second by Dotson to approve Resolution No. 2015-04, a Resolution Authorizing a Development Incentive Executive for a Development at 1600 and 1800 2<sup>nd</sup> Avenue.

A Roll Call vote was taken:

Ayes: Dotson, Gawreliuk, Herrera, Klavins, Timmer, Henry

Nays: None

Motion carried.

## **9. Overton Easement**

VandenBosch reviewed the details of the Overton Easement, noting that the Department of Environmental Quality (DEQ) had planned to enter the site through the parking lot but due to a steep area of the parking lot, the suggestion is to create an easement through the Overton property. This easement will allow the DEQ to do the cleanup on the site and re-route the bike path. City Council approved the easement because they own the bike path; it was approved with the condition that the path be restored with asphalt. VandenBosch noted that the acronym HMA refers to Hot Mix Asphalt. At completion of the project the state will come in and restore everything according to the site plan used by the city.

Henry asked the expected duration to which VandenBosch responded twenty-four (24) months between construction and treatment.

Gawreliuk asked why pavement was proposed and VandenBosch noted that people in wheelchairs and strollers and many other users that would benefit from the asphalt.

Dotson asked if the bike path will be usable when the equipment is not present and VandenBosch responded, "Yes, there will be a fence separating the work site from the path, with stop signs so the trail will continue to be usable for bikes and pedestrians."

Disette: "The work being proposed brings an end to a long open chapter related to environmental considerations at the Factory Condominium site. The state has agreed to expand that footprint and will be buying the electricity for the cleanup work from the city electric utility. Long standing remediation concerns will be settled and the city will be selling the electric to the state for the cleanup work."

Motion by Timmer, second by Klavins to approve the Overton Easement for access to property for environmental remediation, as proposed.

All in favor. Motion carried.

## **10. NAI Wisinski Agency Agreement**

VandenBosch explained that this agenda item has to do with the brokerage agreement being extended for one year on the Bohn property with a seven percent (7%) brokerage fee with minimum commission of \$5,000 per transaction.

VandenBosch noted there have been several showings of the building and it has been useful to have a broker available to show the building.

Klavins asked about updates and VandenBosch noted that Cindy Compton, a local realtor who has been marketing the property, calls with a weekly update.

Henry believes it makes sense to keep this activity going.

Motion by Dotson, second by Gawreliuk to approve the amendment to the 220 Aylworth listing agreement with Dane Davis, NAI Wisinski of West Michigan.

All in favor.

Motion carried.

## 11. Bohn Warehouse Improvement Proposal

VandenBosch explained that approving this amendment is at the board's discretion. East Jordan Plastics, a local company, wants to rent the building to use as cold storage but cannot get occupancy without sprinkling, lighting and exit paths. VandenBosch is not sure how much it would cost to bring the building into occupation status so asked Abonmarche for a proposal and sample bid package to get the building into condition for cold storage. Their architects proposed \$2,200 to give the city a number which includes an engineer's estimate to bring the building to a condition to rent for cold storage and have a bid packet ready if the board chooses to do so.

Dissette: "This is something I would personally endorse. We have East Jordan Plastics, they have rented that building in the past; this is something that if we had a clear understanding what it would take to get an occupancy permit, as Compton is marketing this, is something we need to know in case we get an offer." Dissette noted he has been through the building; there have been improvements in lighting and cleaning but having a water system in place is a question and this seems to be the efficient way to determine what the costs are.

Henry noted that the proposal seems to make sense but fire suppression would seem to be the issue.

Dotson asked whether the board would we have an answer to this by next time we meet to which VandenBosch responded, "Potentially."

Motion by Klavins to authorize a study by Abonmarche on renovation of the Bohn building for cold storage at a cost of \$2,200. Second by Dotson.

All in favor.

Motion carried.

## 12. General Comments

Henry: You kept us busy on this last meeting.

There were no other comments.

## 13. Adjourn

Motion by Klavins, second by Gawreliuk to adjourn at 4:20 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom  
Recording Secretary