

Local Development Finance Authority

Regular Meeting Agenda

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



City of South Haven

1. Call to Order

2. Roll Call

Chairman Art Bolt, Tyler Dotson, Thomas Erdmann, Eugen Gawreliuk, Mike Henry, Robert Herrera, Stephanie Timmer, Andy Klavins, Doug Schaffer, Christine Valentine.

3. Approval of Agenda

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

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

6. Financial Report

7. Economic Development Report

8. MBG Utility Incentive Extension

9. Overton Easement

10. NAI Wisinski Agency Agreement

11. Bohn Warehouse Improvement Proposal

12. General Comments

13. Adjourn

RESPECTFULLY SUBMITTED,
Paul VandenBosch
Secretary, Local Development Finance 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.

Local Development Finance Authority

Regular Meeting Minutes

Monday, October 12, 2015
4:00 p.m., Council Chambers
South Haven City Hall



City of South Haven

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

2. Roll Call

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

3. Approval of Agenda

Motion by Valentine, second by Timmer to approve the October 12, 2015 regular meeting agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes – August 10, 2015 Regular Meeting

Motion by Henry, second Klavins to approve the August 10, 2015 regular meeting minutes.

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 noted the financial report does not show any revenue from tax capture for this year yet, and reviewed the remainder of the financial report.

Motion by Dotson, second by Klavins, to accept the financial report as presented.

All in favor. Motion carried.

7. Economic Development Report

Jack McCloughan reviewed Economic Development activities since the last meeting.

8. MBG Land Division Transfer

VandenBosch reviewed the sale of the property by the LDFA to Michigan Blueberry Growers (MBG) which included no land divisions. "Now that Hanson's property sale is underway, to complete the closing, Hanson's wants the ability to divide the land, with MBG and Hanson's each taking a portion of the rights to split the property. A document has been drawn up by the City Attorney to transfer those land division rights to MBG."

Erdmann asked why the previous deed transferred zero land divisions to which VandenBosch responded that he is not sure why that is in there and noted that MBG's attorney prepared the deed. Klavins explained this is a common thing encountered in real estate transactions. Bolt pointed out that divisions stay with the property and asked if that is a concern: "If Hanson's decides to build a cold storage and MBG decides not to do anything, will that stop the whole deal again? We have sat on that for a long time." Discussion ensued regarding the rules for lots splits in the Zoning Ordinance and whether someone could sell off a portion of the property. There was discussion regarding whether Hanson's would be going forward if they feel they do not have control of what is going to happen to the property. VandenBosch noted that while he does not know that, including the ability to split the lots is a condition of closing.

Erdmann asked if the document can be changed to allow just one (1) split. Dotson asked whether there has been any indication of why land divisions are being pursued. VandenBosch explained that it is usually sought for future investment or sale of property.

In regards to questions about the construction deadline for the utility payment, VandenBosch explained the time line was for the first construction project, no matter who it was.

Motion by Henry to execute this land transfer as requested. Second by Klavins.

All in favor. Motion carried.

9. Overton Change Orders

VandenBosch noted that the asbestos environmental group did not identify two areas of asbestos contamination so that was not included in our bid documents. "This is additional work the contractor did not know about when he bid the project. The discovery of the asbestos created an extra expense that the contractor has asked for and the architect has reviewed and recommended the change orders." VandenBosch also noted that there were also windows that workers could not get to because the floor was rotted or the roof was caved in.

Change Order #1 covers proper disposal of windows and chimneys as well as removal and proper disposal of existing kiln flues.

Change Order #2 is for removal, separation and disposal of material from the kiln room area.

The total of the two Change Orders is \$48,180 in additional work which would be an additional payment to the contractor on top of his contract.

Erdmann asked if there were other bidders on that contract. VandenBosch said there were several bidders and noted that the city's environmental consultant should have noticed the items in the Change Orders but they did not.

Motion by Valentine, second by Gawreliuk, to approve Change Orders #1 and #2 for a total cost of \$48,180.

All in favor. Motion carried.

10. General Comments

Henry noted there are some very large timbers on the site and asked whether the large timbers can be resold. VandenBosch explained that the contract was written so the contractor has the rights to salvage and can recycle anything in the structure. By doing this, the salvage value is reflected in the bid and reduces the overall cost of the project.

11. Adjourn

Motion by Klavins, second by Dotson to adjourn at 4:16 p.m.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

City of South Haven
Local Development Finance Authority
For the period ended October 31, 2015

	LDFA #1	LDFA #2	LDFA #3
Revenues			
Property Tax Captures	150,822	29,942	45,347
Interest Income	73	78	19
Land Sales			-
Other Revenue State PPT reimb	-	-	-
Other Transfers In	-	-	-
Total Revenue	150,895	30,020	45,367
Expenditures			
Economic Liaison	4,891	5,380	6,033
Administrative Costs	-	-	-
Professional Fees	2,890	-	-
Contractual Services	-	-	89
Capital Projects	88,265	-	-
General Fund Administration	-	10,000	11,667
Transfer to Building Authority Debt Service	-	4,328	-
MEDC Loan Payments			6,802
Transfer to St. Joe Project Debt Service	40,000	-	-
Other Transfers Out	-	-	-
Total Expenditures	136,046	19,708	24,590
Year-to-Date Fund Gain/(Loss)	14,849	10,312	20,777
Cash and Investments			
Cash	338,397	55,329	88,916
Certificates of Deposit	262,850	-	
Other Financial Investments	182,655	125,093	489,195
Total	783,902	180,422	578,111

Land Assets - 345 Kalamazoo St	5.19 acres	\$	46,710	Mkt Value per assessor
Land Assets - 1391 Kalamazoo St	1.54 acres	\$	36,729	Mkt Value per assessor
220 Aylworth Ave	13.22 acres	\$	118,980	Mkt Value per assessor
1280 Kalamazoo St.	3.48 acres	\$	31,320	Mkt Value per assessor

LDFA Debt Obligations

St. Joe Projects Bonds - Final Maturity - May 2027	\$120,000/Year		
DPW Relocation Bonds - Final Maturity - Nov. 2021		\$13,990 Average/Year	
MEDC Loan -0% Interest - Final Payment - April 2016			\$27,208/Year

October 26, 2015

TO: Local Development Finance Authority

FR: Paul VandenBosch

RE: MBG Freezer Storage Development, Incentive Extension

MBG purchased the land on 2nd Avenue from the LDFA for development of a freezer storage facility. MBG has brought partners to the table and proposes to sell part of the land to its partners for development of a freezer storage facility. The partners are Hanson Cold Storage and Dole. The intent is that Dole would package and process food products, and Hanson would operate the freezer storage facility. MBG will consider adding its own processing facility directly adjacent to the partner's freezer storage facility in the future.

The purchase agreement included an Economic Development Incentive of \$150,000 for tap fees, meter fees, connection fees and system fees for City water and sanitary sewer utility services at the property (Section 8.C. of the purchase agreement). The incentive was contingent upon MBG completing phase I of its proposed development within 36 months from May 8, 2012, which means the deadline was May 9, 2015.

On June 8, the LDFA extended the utility incentive to the next development to occur on the 2nd Avenue site for six months, to December 8, 2015.

In order to encourage development of the freezer storage facility, the Local Development Finance Authority is requested to consider extending the economic development incentive offer for the site as outlined in the attached resolution. This would be the second extension.

Approval of the attached resolution would extend the incentive six months to May 9, 2015.

The funds for the \$150,000 economic development incentive were transferred to the water and sanitary fund in 2012. No payment from the LDFA will be required if the incentive is made.

Recommendation:

Approve Resolution 2015-04, a Resolution Authorizing a Development Incentive Executive for a Development at 1600 and 1800 2nd Avenue.

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 2015-04

A RESOLUTION AUTHORIZING EXTENSION OF A DEVELOPMENT INCENTIVE
FOR A DEVELOPMENT AT 1600 AND 1800 2ND AVENUE

Minutes of a regular meeting of the Local Development Finance Authority of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on November 9, 2015 at 4:00 p.m. local time.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by Member _____ and supported by Member _____.

WHEREAS, the LDFA sold property to MBG at 1600 and 1800 2nd Avenue under the terms of a purchase agreement; and,

WHEREAS, the purchase agreement included a development incentive for water and sanitary utility connection fees in the amount of \$150,000 which terminated on May 9, 2015; and,

WHEREAS, the development incentive for water and sanitary utility connection fees in the amount of \$150,000 was extended for six months on June 8, 2015; and,

WHEREAS, MBG proposes to sell part of the property to a developer for development of a freezer storage building; and,

WHEREAS, the water and sewer connection fees are expected to exceed \$150,000; and

WHEREAS, development of the site will create jobs, increase property value, will enhance the ability of the local fruit industry to market its product and will create processing capability to add value to local products; and,

WHEREAS, the Local Development Finance Authority desires to authorize a development incentive for the property at 1600 and 1800 2nd Avenue.

NOW THEREFORE BE IT RESOLVED, that the LDFA hereby offers a development incentive for the property at 1600 and 1800 2nd Avenue as a one time credit toward City of South Haven water and sanitary utility tap fees, meter fees, connection fees and system fees; and,

BE IT FURTHER RESOLVED, that the amount of the development incentive credit is not to exceed \$150,000; and,

BE IT FURTHER RESOLVED, that the development incentive credit will be credited to the first City of South Haven municipal water and sanitary utility account created for development on the site; and,

BE IT FURTHER RESOLVED, that the development incentive credit is contingent upon beginning construction of the development within six months of the date of this resolution.

RECORD OF VOTE:

Yeas: _____

Nays: _____

RESOLUTION DECLARED ADOPTED.

Arthur Bolt, Chair

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City of South Haven Local Development Finance Authority at a meeting held on the 9th day of November, 2015, at which meeting a quorum was present, and that this resolution was ordered to take immediate effect. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 167 of the Public Acts of Michigan 1976 (MCL 15.261 *et seq*).

Paul VandenBosch, Secretary

Paul Vandenbosch

From: Moorer, Brad <bmoorer@BLUEBERRIES.com>
Sent: Monday, October 26, 2015 9:55 AM
To: Paul Vandenbosch; Andy Janson
Cc: Jim Reits
Subject: RE: South Haven Utility Incentive, Extension

Importance: High

Paul –

MBG would like to formally request an additional 6 month extension for the utility incentives for the South Haven site. As you know, MBG has agreed to sell a portion of the acreage to Hanson Logistics for a future expansion of their business. The purchase agreement has been signed, and closing on the sale is imminent.

Thank you for the consideration to our extension request.

Kind regards,

Brad Moorer
Chief Financial Officer
269-512-2302 (cell)
269-434-8030 (office)

From: Paul Vandenbosch [<mailto:pvandenbosch@south-haven.com>]
Sent: Thursday, October 22, 2015 10:34 AM
To: Moorer, Brad; Andy Janson
Cc: Jim Reits
Subject: RE: South Haven Utility Incentive, Extension

Brad;

Could you write a letter or email requesting the extension? I would recommend requesting a six month extension to the Utility Incentive for the MBG site.

Paul VandenBosch
Assistant City Manager/Harbormaster

City of South Haven
pvandenbosch@south-haven.com
269-637-0775 Desk
269-637-5319 Fax
539 Phoenix Street
South Haven, MI 49090

From: Moorer, Brad [<mailto:bmoorer@BLUEBERRIES.com>]
Sent: Thursday, October 22, 2015 10:31 AM
To: Andy Janson; Paul Vandenbosch
Cc: Jim Reits
Subject: RE: South Haven Utility Incentive, Extension

Agreed.

Brad

From: Andy Janson [<mailto:ajanson@hansonlogistics.com>]
Sent: Wednesday, October 21, 2015 4:25 PM
To: Paul Vandenbosch; Moorer, Brad
Cc: Jim Reits
Subject: RE: South Haven Utility Incentive, Extension

Paul

That would definitely be the direction we would need to go....we are up against weather etc.

Thank you very much....this project will happen.

Andy

From: Paul Vandenbosch [<mailto:pvandenbosch@south-haven.com>]
Sent: Wednesday, October 21, 2015 2:47 PM
To: Andy Janson; Moorer, Brad
Subject: South Haven Utility Incentive, Extension

Brad, Andy;

Would you like to request an extension of the utility incentive at the MBG site in South Haven?

The current incentive is contingent upon beginning construction before December 9. I would be happy to take a request to extend this to the LDFA.

Paul VandenBosch
Assistant City Manager/Harbormaster

City of South Haven
pvandenbosch@south-haven.com
269-637-0775 Desk
269-637-5319 Fax
539 Phoenix Street
South Haven, MI 49090

October 27, 2015

TO: Local Development Finance Authority

FR: Paul VandenBosch

RE: Overton Easement for DEQ Remediation

The DEQ is progressing with its remediation project on the Belgravia - Factory Condominium site. In discussion with the DEQ and its contractor, staff asked if it would be possible to access the remediation area from the Overton site rather than from the Factory Condominium parking lot. This will minimize impacts on residents and reduce damage to the parking lot.

The DEQ has received additional funding and has expanded the treatment area to the east. The City of South Haven bicycle path parcel and the LDFA Overton parcel will benefit from the remediation activities.

This easement would allow the DEQ to use the southeast portion of the Overton site for 24 months. The most activity would occur in the first three months and last three months. Truck access would be from Elkenburg Street. The bike path would be temporarily rerouted around the treatment area. A single crossing of the bicycle path would be established for vehicle entry into the site. There would be a temporary construction equipment and staging area on the Overton site.

Upon completion of the remediation project, the bike path and landscaping would be restored.

The LDFA is requested to consider approval of the easement for the Overton property, and the City Council is requested to consider approval of the easement for the Bike Path property.

Staff Recommendation:

Approve the Easement for Access to Property for Environmental Remediation.

EASEMENT FOR ACCESS TO PROPERTY FOR ENVIRONMENTAL REMEDIATION

FOR AND IN CONSIDERATION of the agreement herein contained, and for other good and valuable consideration the City of South Haven of 539 Phoenix Street, South Haven, Michigan 49090 and the Local Development Finance Authority of the City of South Haven of 539 Phoenix Street, South Haven, Michigan 49090 (Grantors) hereby grants and conveys to Global Remediation Technologies, Inc. on behalf of the Michigan Department of Environmental Quality (Grantee) of 1102 Cass Street, Traverse City, Michigan 49484, its successors and assigns, a temporary, non-exclusive easement (Easement) in, under, upon, about, over and through the property described in the Legal Descriptions of the attached **Exhibit A**, hereto and incorporated herein by reference (Property).

1. Global Remediation Technologies, Inc. (Grantee) is a professional consulting firm acting on behalf of the Michigan Department of Environmental Quality (MDEQ) to provide engineering design and trade contractor oversight for purposes of remediating environmental contamination on and around the Belgravia Site. MDEQ authorization for Global Remediation to enter this Easement is included in **Exhibit B**.

2. Grant. The easement granted hereby shall be for ingress and egress to, from, upon and over the Property described as;

229 Elkenburg Street, South Haven, Michigan 49090
Owner: City of South Haven

201 Elkenburg Street, South Haven, Michigan 49090
Owner: Local Development Finance Authority of the City of South Haven

3. Work Description on the Property. The Grantee is a professional consulting firm under contract to the Michigan Department of Environmental Quality to provide engineering design and trade contractor oversight for purposes of remediating environmental contamination on and around the Belgravia Site.

The Grantee will be allowed to perform environmental remediation activities including installation of equipment, placement of vehicles and equipment on the property. Grantee will be allowed to erect temporary structures to protect and store equipment including a fence and gate. Grantee will be allowed to re-route electric lines in order to perform environmental remediation activities on the property.

Grantee will re-route the current bike path on the property with all parties agreeing to the location, type, and condition of the re-routed bike path. This will include a crossing area over the bike path for Grantee's environmental remediation activities. Conceptual Fencing and Bike Path Layout Plan is included in **Exhibit C** while the material construction of the re-routed bike path shall follow specifications as indicated in **Exhibit D**.

The timeframe will consist of three months of heavy construction in the beginning, followed by eighteen months of remedial activities, leaving three months for restoration.

STATE OF MICHIGAN)
) ss
COUNTY of VAN BUREN)

This foregoing instrument was signed and sworn before me on this 5 day of
November, 2015.



Susan K. Maring Notary Public
Leelanau County, Michigan
Acting in Grand Traverse County
My commission expires: 06/15/2016

EXHIBIT A

Legal Description of Subject Properties

Overton Site. Owner: City of South Haven
229 Elkenburg Street, South Haven, Michigan 49090

A856 10-1-17 1049-664-666 1474-596 1490-583 1615-84 1619-195 1620-128 *** BEG 90' W OF THE E LINE & 33' N OF THE S LINE OF NW 1/4 OF SW 1/4 OF SEC 10, TH N 2.64', TH N 24 DEG 40' W 48.67', TH ALG CURVE TO RT WITH RAD OF 861.41' & CHORD BEARING N 20 DEG 40' 30" W 119.3', TH ALG CURVE TO RT WITH RAD OF 708.17' & CHORD BEARING N 13 DEG 30' W 79.26', TH ALG CURVE TO RT WITH RAD OF 822.55' & CHORD BEARING N 7 DEG W 80.87' TO PT 12.5' E OF CEN L MAIN TRACK OF RR, TH N PAR SD CEN L 230.2', TH N 5 DEG 50' E 10', TH N 9 DEG 21' E 37.9' TO PT 627' N OF S L OF NW1/4 SW1/4 OF SEC, TH S 89 DEG 52' E PAR SD S L 174' TO N & S 1/8 L OF SW1/4 OF SEC, TH N ALG SD 1/8 L 85.79', TH E TO A PT 160' W OF W L OF INDIANA AVE, THE S 93.88', TH E 160' TO SD W L OF INDIANA AVE, THE S ALG SD W L 50', TH W 122.58', TH S 150', TH E 122.58' TO SD W L, TH S 385.91', TH W TO BEG. BEING PART OF BLK 1 OF ELKENBURG ADD & UNPLATTED SECTION 10.

Bike Path Site: Owner: Local Development Finance Authority of the City of South Haven
201 Elkenburg Street, South Haven, Michigan 49090

BEGINNING 90 FEET WEST AND 35.64 FEET NORTH OF THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 10, TOWN 1 SOUTH, RANGE 17 WEST; THENCE NORTH 24⁰ 40' 00" WEST 48.67 FEET; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 861.41 FEET TO THE FAR END OF A CHORD BEARING NORTH 20⁰ 40' 30" WEST, 119.30 FEET; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 708.17 FEET TO THE FAR END OF A CHORD BEARING NORTH 13⁰ 30' 00" WEST 79.26 FEET; THENCE ON A CURVE TO THE RIGHT WITH A RADIUS OF 822.55 FEET TO THE FAR END OF A CHORD BEARING NORTH 07⁰ 00' 00" WEST 80.87 FEET; THENCE NORTH 230.20 FEET; THENCE NORTH 05⁰ 50' 00" EAST 10.00 FEET; THENCE NORTH 09⁰ 21' 00" EAST 37.90 FEET TO A POINT 627 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE WEST 36 FEET, THENCE SOUTH 591 FEET TO THE NORTH LINE OF ELKENBURG STREET; THENCE EAST ALONG SAID NORTH LINE 120 FEET TO THE PLACE OF BEGINNING

EXHIBIT B

MDEQ Authorization for Professional Services Contractor

MDEQ Authorization of Professional Services Contractor

October 16, 2015

To: Whom it May Concern

Global Remediation Technologies Inc. (GRT) is under contract with the Michigan Department of Environmental Quality (MDEQ) to perform Professional Environmental Consulting Services in support of the MDEQ's environmental and human health protection goals including but not limited to identifying subsurface chemical distribution, designing remediation plans and overseeing Trade Contractors in their performance of the cleanup effort for the Belgravia Site; its location 125 Elkenburg, South Haven, Van Buren County, Michigan. GRT is performing this service under Contract Order No. Y07121 for this site identified under DMB File No. 761/07073.SAR and Index No. 44501.

MDEQ hereby authorizes GRT to enter into an Easement Agreement with the City of South Haven City of South Haven (a Michigan municipal corporation, the principal business address of which is 539 Phoenix Street, South Haven, MI 49090) and authorizes GRT on behalf of MDEQ to abide by the terms of said agreements.

Authorization provided by MDEQ Environmental Manager:



Date:

10/28/2015

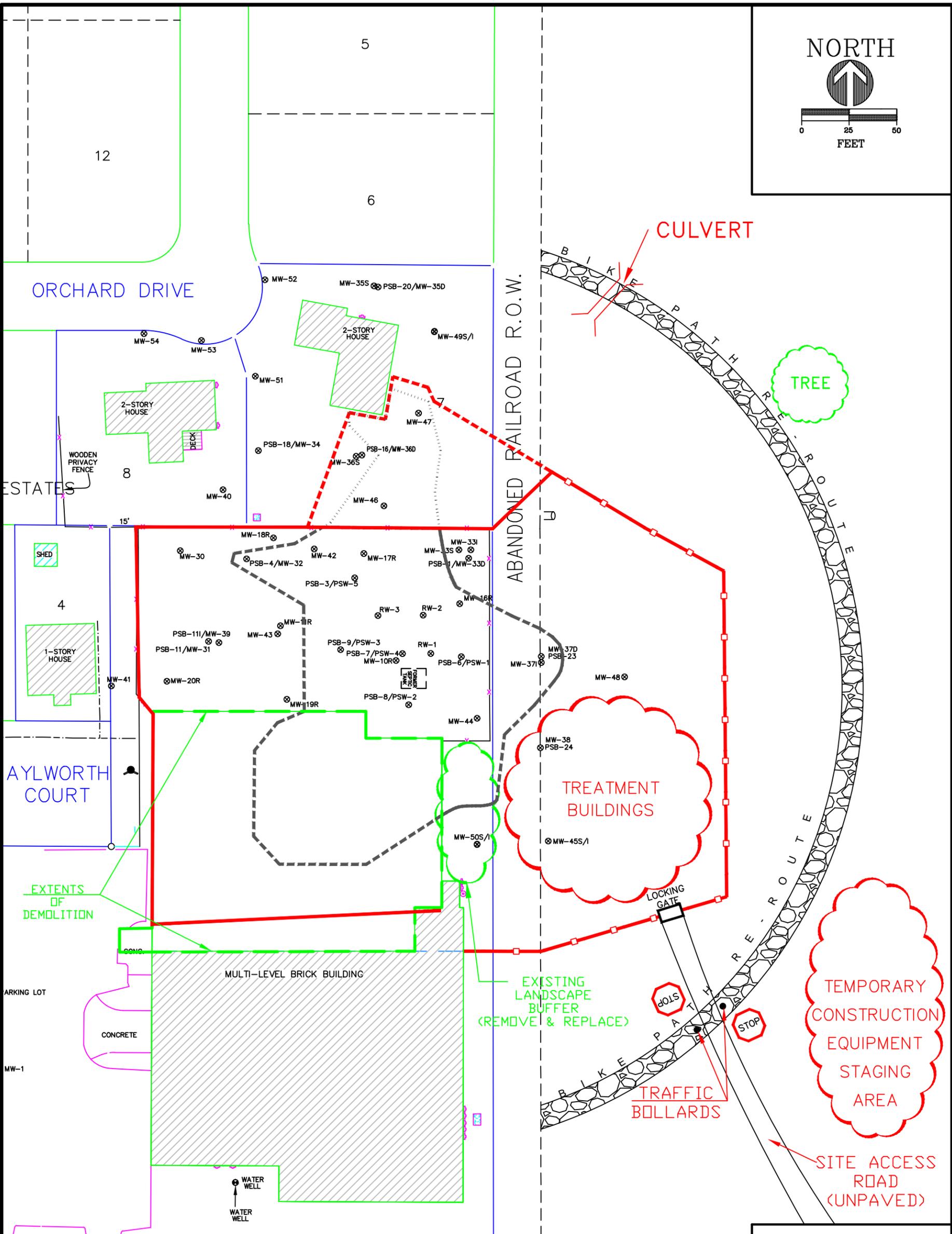
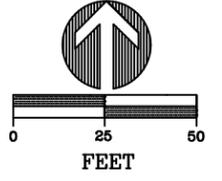
Kalamazoo District Office
Remediation and Redevelopment Division
Michigan Department of Environmental Quality
7953 Adobe Road
Kalamazoo, Michigan 49009

EXHIBIT C

F11 - Conceptual Fencing & Bike Path Layout Plan

F-12 Site Access and Equipment Staging Area

NORTH



LEGEND

- 6' Cedar Fence
- 6' Chainlink "Cyclone" Fence
- Generalized Targeted Treatment Area
- Additional fencing pending landowner permission
- Additional treatment area pending landowner permission
- Temporary Bike Path Re-Route (Temporary Path Construction to be Completed using 1100T HMA per Specific

Note: Actual dimensions to be determined by trade contractor

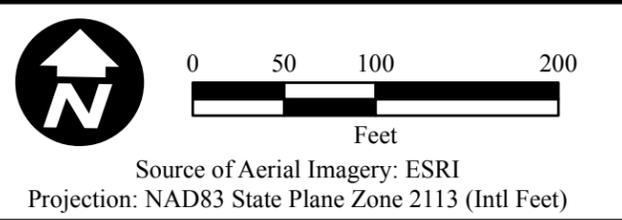
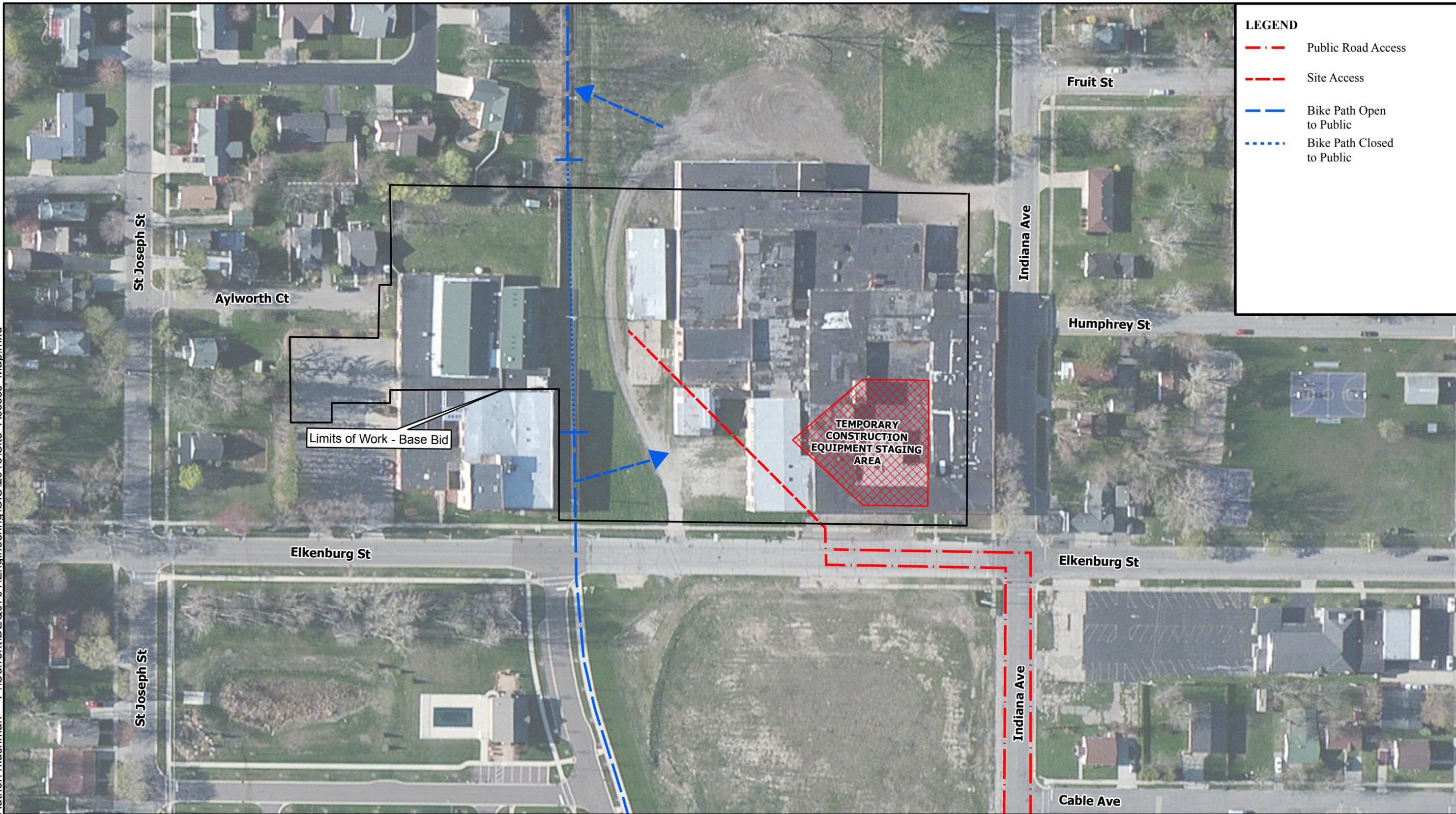


BELGRAVIA BID SPECIFICATION FOR THERMAL REMEDIATION

FIGURE 11 CONCEPTUAL FENCING & BIKE PATH LAYOUT PLAN

10/6/15 P:\Current\DEQ0701\Engineering\DWGs\2015\Concept_Figure.dwg

2013-12-20 Van Buren Trail Construction Drawings



DEQ
Prepared for:
MICHIGAN DEPT. OF ENVIRONMENTAL QUALITY

GRI GLOBAL REMEDIATION TECHNOLOGIES, INC.
Prepared by:
GLOBAL REMEDIATION TECHNOLOGIES, INC.
1102 Cass Street - Traverse City, Michigan 49684

SITE ACCESS PLAN
BELGRAVIA THERMAL REMEDIATION PROJECT
SOUTH HAVEN, MICHIGAN
Created: October 2015 / Scale: as noted

FIGURE 12

October 27, 2015

TO: Local Development Finance Authority

FR: Paul VandenBosch

RE: Extension of 220 Aylworth Listing Agreement

The current real estate listing agreement for the Bohn building expires on November 30, 2015. The listing is with Dane Davis, NAI Wisinski of West Michigan.

The brokerage fee is 7% of the sales price, with a minimum commission of \$5,000 per transaction.

The attached Amendment to Listing Agreement would extend the agency agreement for one year to November 30, 2016.

Staff Recommendation:

Approve the Amendment to Listing Agreement to extend the listing agreement for the Bohn building.



AMENDMENT TO LISTING AGREEMENT OR BUYER AGENCY CONTRACT

SECTION 1: AMENDMENT TO LISTING AGREEMENT

MLS# 15000975

Property Address (or description) 220 Aylworth Ave. & 1280 Kalamazoo St., South Haven MI

- Change sale price from _____ to _____
- Change lease price from \$ _____ per sq ft (\$ _____ per mo) to \$ _____ per sq ft (\$ _____ per mo)
- Change square footage from _____ to _____
- Change expiration date from 11/30/15 to 11/30/16
- Other: All other terms & conditions shall remain the same.

SECTION 2: AMENDMENT TO BUYER AGENCY CONTRACT

Name of Buyer on Buyer Agency Contract _____

- Change expiration date from _____ to _____
- Other:

SECTION 3: PAYMENTS UPON TERMINATION

If this amendment is to effect a termination of the listing agreement, Broker shall receive payment upon execution of this Agreement for:

- Any expenses (including advertising costs and other out-of-pocket expenses) that Broker may have incurred as a result of said listing. The amount of those expenses is \$ _____.
- A fee calculated by multiplying the number of hours that Broker reasonably believes have been spent relating to the listing by the sum of \$ _____ per hour.
The number of hours is _____ and the total fee is \$ _____.
- A flat fee in lieu of hourly compensation in the amount of \$ _____.

The undersigned agree that the present Listing Agreement Buyer Agency Contract is amended as described above.

Effective Date: 10/27/15

The undersigned hereby acknowledge receipt of a copy of this amendment to the contract.

Witness

 Buyer Seller Landlord Tenant

Witness

 Buyer Seller Landlord Tenant

Agent

NAI Wisinski of West Michigan
Broker (required for amendments related to commission fee or acceleration of expiration date)

**AGENCY AGREEMENT
(PROPERTIES FOR SALE)**

1. **CONSIDERATION AND TERMS OF CONTRACT.** In consideration of Broker's agreement to list the real Premises and all equipment, fixtures, and/or personal property appurtenant to and currently used in connection with the improvements thereon except office furniture and office equipment described below in the Commercial Alliance of REALTORS® Multiple Listing Service (hereinafter "MLS") and to pay the fee therefore and to cause the listing information to be distributed to the participating members in the MLS and in further consideration of Broker's agreement to use Broker's best effort to find a Buyer, Seller hereby grants NAJ Wisinski of West Michigan, the Broker, from 12/1/14 (date) to 12:00 midnight on 11/30/15 (date) the exclusive irrevocable right and privilege to sell the Premises located in the City Township Village of South Haven, Van Buren County, Michigan, commonly known as 220 Aythworth Ave & 1280 Kalamazoo Street and legally described as:

See Attached

PP# 80-53-220-001-10 & 80-53-220-002-10

Seller understands that any real estate agents who show the property may not be acting as Seller's agent; therefore, Seller understands that Seller should not disclose confidential information to any salesperson that Seller would not disclose to a Buyer.

Approx. lot size and/or acreage: 16.8 acres +/-;

Approx. building square footage offered: 84,900 SF + 11 acres vacant land

2. **PRICE, TERMS AND BROKERAGE FEE.** Seller agrees to sell the Premises for the sum \$750,000; payable as follows (terms of purchase shall be as indicated by "X" below; check all that apply):

CASH NEW MORTGAGE MORTGAGE ASSUMPTION ASSIGNMENT OF LAND CONTRACT

OTHER-- please specify: _____

LAND CONTRACT. The Buyer shall pay the full purchase price to the Seller pursuant to the terms and conditions stated in the Commercial Alliance of REALTORS® Land Contract or a Purchase Money Mortgage. The Land Contract shall provide a down payment of

\$ _____ and payment of the balance \$ _____ in installments of

\$ _____ per _____ or more, at Buyer's option, including interest at the rate of

_____ % per annum computed monthly or with Seller's consent for a lesser sum or on other terms. Interest shall commence on the agreed upon date of closing. Seller understands that consummation of the sale or transfer of the Premises shall not relieve Seller of any liability that Seller may have under the mortgage(s) to which the Premises are subject, unless otherwise agreed to by the lender or required by law or regulation.

OR with Seller's consent for a lesser sum or other terms, WHICH PRICE INCLUDES ALL ENCUMBRANCES, TAXES, ASSESSMENTS, AND BALANCES OWING ON ALL EQUIPMENT. The term "sale" shall be deemed to include any direct or indirect exchange, trade, or transfer of any direct or indirect interest in the above-listed Premises to which Seller consents, or the exchange, trade or transfer of a controlling interest in any entity with an interest in the Premises. The term "Premises" shall be deemed to include the above-listed Premises and any direct or indirect interest therein. In the event of a sale, if applicable, Seller will convey, or agree in writing to convey by warranty deed, a good and marketable title to said Premises to the Buyer thereof. Further, Seller will furnish a policy of title insurance.

Seller agrees to pay Broker a brokerage fee of Seven (7%) percent of the sales price due and payable if: there is a sale or trade by Broker or by Seller or anyone else during the listing period (including sales occurring after the listing period pursuant to options granted or contracts executed during the listing period); or a prospective Buyer ready, willing and able to purchase the Premises on the terms specified herein or other terms acceptable to Seller is produced by Broker or any agent or person during the listing period; or there is a sale within six (6) months after expiration of the listing period (including sales pursuant to options granted or contracts executed within that period following expiration) to a Buyer who had been introduced to or provided information regarding the Premises during the listing period by Broker or Seller or any other agent or person, except that this provision shall not apply if the Premises is sold pursuant to a valid listing agreement entered into with another member of an Association of REALTORS subsequent to the expiration of the listing period of this agreement.

The brokerage fee may be shared by the Broker with any cooperating broker who participates in the sale per the following compensation schedule:

Subagent (of the Seller) zero (0%) percent of the sale price or Buyer's Agent Three and a Half (3.5%) percent of the sale price or Transaction Coordinator 3.5% percent of the sale price. Participation in the MLS requires cooperation with at least one type of relationship as listed above.

If, during the listing period, the Premises is leased by Broker or Seller or anyone else, or if within N/A months after the expiration of said period, a lease is made to any person who has been introduced to or provided information regarding the property during said listing period by

Broker or Seller or anyone else, Seller agrees to pay Broker a brokerage fee of N/A of the total Rent and/or other consideration paid, except that this provision shall not apply if the Premises is leased pursuant to a valid listing agreement entered into with another member of an Association of REALTORS subsequent to the expiration of the listing period of this agreement. The total brokerage fee owed pursuant to this Paragraph shall be paid upon execution of a lease for the Premises, renewal brokerage fees shall be paid upon tenant's exercise of renewal option. Brokerage fees shall not be otherwise affected by a later breach or termination of such lease by Landlord or Tenant. This brokerage fee shall be paid in full promptly after it is earned, but not later than any applicable closing.

Seller represents and warrants that: (i) there are no obligations to pay brokerage fees to any person or entity except as specified in this Agreement; and (ii) there are no rights of first refusal or options to lease or purchase applicable to the Premises. If these representations and warranties prove to be inaccurate, no such obligation shall diminish the obligation to pay the brokerage fee specified herein. Seller and Broker agree that Broker shall be entitled to payment of reasonable attorney's fees and costs incurred by Broker to collect any commission owed under the terms of this Agreement. Seller agrees that interest shall accrue, and be paid to Broker, at highest rate allowed by law on any unpaid balance, compounded monthly until paid.

Property Address 220 Aythworth Ave/1280 Kalamazoo Street

Seller's Initials

- 3. REFERRAL. Seller agrees to refer to Broker all inquiries received concerning the Premises during the period of this listing.
- 4. INDEMNIFICATION. Seller shall indemnify and hold Broker and Broker's agents and subagents harmless from any and all liability for any reason as a result of injury to a person(s) or damage or loss to Premises arising out of a showing of the Premises pursuant to this listing.
- 5. OPTIONS. In the event Seller grants an option to purchase or lease the property, other than an option which is part of a lease, Seller agrees that the running of the term of this listing shall automatically be suspended for the duration of the option and, upon the expiration of the option, shall automatically recommence and continue for the remainder of said term so that the listing period before and after the option will total the original term of this listing.
- 6. POSSESSION. Possession to be given upon close or as negotiated in the purchase agreement _____ subject to rights of tenants, if any.
- 7. MARKETING. Broker is hereby authorized to photograph the Premises and publish pictures, place a marketing sign on said Premises and to remove all other marketing signs. Broker is also authorized to have access to said Premises and all parts thereof for the purposes of showing same at reasonable hours and to promote the Premises in any media it deems necessary.
- 8. OFFERS. Broker shall present all offers to Seller unless otherwise agreed in writing with Broker, except for an accepted offer that prohibits solicitation or consideration of other offers during the period that the resulting Purchase Agreement is in effect.
- 9. PRICE AND TERMS. Seller acknowledges that the purchase price will be disclosed by the Commercial Alliance of REALTORS® in the ordinary conduct of its business.
- 10. NON-DISCRIMINATION. Broker and Seller acknowledge that discrimination because of religion, race, color, national origin, age, sex, marital status, disability, or familial status in connection with the offer, sale or lease of the real estate is prohibited by law.
- 11. HEIRS AND SUCCESSORS. This contract binds Seller, Broker, their personal representatives and heirs, and anyone succeeding to their interest in the property.
- 12. COST OF SERVICES OF PRODUCTS OBTAINED FROM OUTSIDE SOURCES. Broker will not obtain or order products or services from outside sources (e.g. surveys, environmental tests, title insurances, inspections, etc.) without the prior consent of Client, and Client agrees to pay all costs of products or services obtained.
- 13. CONFIDENTIAL INFORMATION. Broker acknowledges that Seller may disclose confidential information to Broker in connection with performance of services under this Agreement, and Broker agrees to preserve such information in confidence and not to disclose any such information to the detriment of Seller in connection with any transaction described herein. Similarly, Seller acknowledges that Broker may have received confidential information in the past from a party on the opposite side of a proposed transaction with Seller, and Seller agrees that Broker's faithful maintenance of such information in confidence will not be a breach of any duty to Seller.
- 14. ENVIRONMENTAL DISCLOSURE. Michigan environmental law provides that a person who has knowledge that his/her real property is a "facility" may not transfer an interest in that real property (including by sale or lease) unless the person provides written notice to the purchaser or lessee. The notice should state that the real property is a facility and disclose the general nature and extent of the release of contamination. A "facility" is any property where contamination in excess of certain concentrations has been released or otherwise exists. An owner should seek legal and technical counsel from experienced professionals if the owner is concerned whether their property is a facility.
- 15. OTHER CONDITIONS. See Exhibit for Other Conditions.
- 16. MISCELLANEOUS. This contract contains all of the terms and conditions of the Agreement between the parties with respect to its subject matter, and there are no representations, warranties, conditions, or promises except those expressly set for in this contract. This contract may be modified only by a writing signed by the parties. If Seller is an entity, the undersigned represents that he/she has the legal authority to execute this instrument on behalf of the Seller and that Seller has full power and authority to enter into and perform this contract including the conveyance of title as specified. Each of the undersigned individuals who have signed this instrument on behalf of Seller represent and warrant that he/she is authorized to sign this instrument on behalf of such party and to bind such party to the requirements of this instrument. Seller hereby acknowledges receipt of a completed copy of this contract. This Agreement shall be governed by Michigan law.

Seller acknowledges that if a commission is owed under a prior agreement, execution of this agreement will not eliminate the prior agreement.

SELLER

Listed by: _____
 NAI Wisinski of West Michigan
 Through Danek A. Durb
 Agent

Entity: South Haven Local Development Finance Authority
 By: Paul Vandenberg 12/31/14
(Note: Please sign as you wish your name to appear on the final documents.)
 Printed Name of Signatory: Paul Vandenberg
 Its: Secretary
 Entity: _____
 By: _____
(Note: Please sign as you wish your name to appear on the final papers.)
 Its: _____
 Printed Name of Signatory: _____
 Type of Ownership: Sole Joint Other _____
(Please specify)

Exhibit A – Legal Description

Parcel 1: Beginning at the Northeast corner of Lot 1, Supervisor's Plat of Irving T. Olson Industrial Subdivision, according to the recorded plat thereof, as recorded in Liber 5 of Plats on Page 74, in the Office of the Register of Deeds for Van Buren County, said point being North 89°22'00" West 531.87 feet along the North line of Section 15, Town 1 South, Range 17 West, and South 00°00'12" West 32.44 feet from the North Quarter corner of said Section 15, according to the Government Survey thereof; and proceeding thence South 00°00'12" West 177.79 feet, along the East line of said Lot 1; thence South 89°57'04" West 413.51 feet; thence South 00°08'05" West 218.71 feet; thence South 89°57'07" East 70.76 feet; thence South 00°10'41" East 80.67 feet; thence South 89°53'18" East 146.13 feet; thence South 00°42'47" West 167.54 feet; thence South 89°36'44" West 22.45 feet; thence South 00°00'12" West 218.26 feet; thence North 89°59'48" West 269.0 feet; thence South 00°00'12" West 414.70 feet to the South line of said Lot 1; thence North 89°21'02" West, along the South line of said Lot 1, 276.97 feet; thence North 00°04'12" East, along the West line of said Lot 1, 1283.27 feet; thence South 89°21'36" East, along the North line of said Lot 1, 764.90 feet to the point of beginning.

Parcel 2: Beginning at a point on the East line of Lot 1, Supervisor's Plat of Irving T. Olson Industrial Subdivision, according to the recorded plat thereof, as recorded in Liber 5 of Plats on Page 74, in the Office of the Register of Deeds for Van Buren County, South 00°00'12" West 177.79 feet from the Northeast corner of said Lot 1, said point also being North 89°22'00" West 531.87 feet along the North line of Section 15, Town 1 South, Range 17 West, and South 00°00'12" West 210.23 feet from the North Quarter corner of said Section 15, according to the Government Survey thereof; and proceeding thence South 00°00'12" West, along the East line of said Lot 1, 466.26 feet; thence South 89°36'44" West 198.95 feet; thence North 00°42'47" East 167.54 feet; thence North 89°53'18" West 146.13 feet; thence North 00°10'41" West 80.67 feet; thence North 89°57'07" West 70.76 feet; thence North 00°08'05" East 218.71 feet; thence North 89°57'04" East 413.51 feet to the point of beginning.

And being together with and subject to an easement for ingress, egress and utilities being described as: Beginning at a point of the East line of Lot 1 distant South 00°00'12" West 644.05 feet from the Northeast corner of Lot 1 said point also being distant North 89°22'00" West 531.87 feet along the North line of Section 15 and South 00°00'12" West 676.49 feet from the North 1/4 corner of Section 15 and proceeding thence South 00°00'12" West 30.00 feet along the East line of Lot 1; thence South 89°36'44" West 221.39 feet; thence South 00°00'12" West

377.06 feet; thence South 89°59'48" East 21.40 feet; thence South 00°00'12" West 229.14 feet along the West line of Lot 11 and the extension thereof; thence North 89°21'02" West 71.40 feet along the South line of Lot 1; thence North 00°00'12" East 635.06 feet; thence North 89°36'44" East 271.40 feet to the point of beginning.

Exhibit B

Objective: It is understood by Broker that Seller/Client's objective is to sell the property to an owner occupant that will increase the employment and tax base for the City of South Haven. Any prospective buyer will not be considered ready, willing and able unless they meet the above stated objective for the Seller/Client.

Minimum Fee: The minimum commission per transaction shall be \$5,000.00 paid at Closing.

November 2, 2015

TO: Local Development Finance Authority

FR: Paul VandenBosch

RE: 220 Aylworth Bohn Building Renovation to Cold Storage Use

There appears to be demand for cold storage warehousing in the South Haven Area.

The Bohn building is not currently in a condition where it could obtain an occupancy permit for warehousing uses. A walkthrough of the building showed deficiencies in fire suppression, exit signage and exit path lighting. There would need to be a water service in place to serve the fire suppression system.

Staff has asked that Abonmarche provide a proposal to assess the building for use as a cold-storage warehouse and a cost projection on what it would take to bring the building to a condition to obtain an occupancy permit for cold storage warehousing.

This report and cost estimate could lead to a project to renovate the building to cold storage use, if the LDFA were to approve the project.

Staff Recommendation:

Consider whether to authorize a study on renovation of the Bohn building for cold storage warehousing.

October 12, 2015

Mr. Paul Vandenbosch, Assistant City Manager
City of South Haven
539 Phoenix Street
South Haven, Michigan 49090

Subject: 220 Alyworth-Bohn Building

Dear Mr. Vandenbosch:

We performed a cursory walk through review of the Bohn Building to assess its possible use as a cold-storage warehouse. Based upon our observations, the facility will likely require renovation to be used as warehouse. Some of the issues that will likely need to be addressed include emergency and egress pathways, exit lighting, and signage. Additionally, using the building for cold storage will require converting the fire suppression system to a dry or freeze resistant system.

We propose to complete an investigative study for the building. We will perform an assessment of all possible code issues that need to be addressed. In addition to completing a code review, we will meet with the building inspector and fire department to get their input. A rough floor plan will be developed for use in this study, to assist with meetings and communications with select contractors.

Projecting possible costs for this work is also critical for you to evaluate the needed improvements for the desired use. We will prepare a summary report outlining all deficiencies and projected construction costs for each.

We anticipate 20-24 staff-hours of effort to complete this study. We propose a not-to-exceed fee of \$2,200. We will invoice time and materials up to the maximum amount for services rendered.

If you wish to proceed with this, study, please sign and date in the appropriate spaces below and return one copy to our office. We are ready to start this work within 5 working days of authorization and will complete the study within 12 working days of authorization.

Sincerely,
Abonmarche



Tony McGhee
Director of Development

Authorized by: _____

Date: _____

95 West Main Street
Benton Harbor, MI 49022
269.927.2295

361 First Street
Manistee, MI 49660
269.637.1293

503 Quaker Street
South Haven, MI 49090
269.637.1293

750 Lincoln Way East
South Bend, IN 46601
574.232.8700

3177 Willowcreek Road
Portage, IN 46368
219.850.4624

318 South Shore Drive
Battle Creek, MI 49014
269.753.0088

www.abonmarche.com

