

Brownfield Redevelopment Authority

Regular Meeting Agenda

Monday, December 12, 2016
4:00 p.m., Council Chambers



1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes – November 18, 2016
5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda
6. Financial Report
7. 2017 Meeting Dates
8. Factory Condo Association Request for Reimbursement
9. Brownfield Plan Reimbursement for The Preserve
10. General Comments
11. Adjourn

RESPECTFULLY SUBMITTED,

Kate Hosier
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

Friday, November 18, 2016
4:00 p.m., Council Chambers



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

2. Roll Call

Present: Laura Bos, Barbara Craig (4:07 p.m.), Tom Erdmann, Tom Fleming, Eugen Gawreliuk, Mike Henry, Chris Valentine

Absent: Robert Herrera, Andy Klavins, Stephanie Timmer, Art Bolt

3. Approval of Agenda

Motion by Henry, second by Fleming to approve the November 18, 2016 Regular Meeting Agenda as presented.

All in favor. Motion carried.

4. Approval of Minutes – September 19, 2016

Motion by Bos, second by Erdmann to approve the September 19, 2016 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

There were none.

6. Financial Report

Hosier reviewed the Financial Report.

Motion by Erdmann, second by Henry to accept the Financial Report for the record.

All in favor. Motion carried.

7. Brownfield Plan Amendment for 220 Aylworth & 1280 Kalamazoo

Hosier introduced the developer, Renee Russell, representing Lukela Group, LLC, and noted this is the parcel the LDFA, sold to the Lukela group which we finished closing on in mid-October. This is the Brownfield plan for the 220 Aylworth office building and the 1280 Kalamazoo Street large blue building.

Hosier explained that the LDFA's action today is to recommend this to City Council for a public hearing and eventual approval or disapproval.

Henry asked what this means in layman's terms. Renee Russell explained that this is a facility with environmental issues; there are extra costs involved and this Brownfield plan amendment helps to mitigate this type of expense.

Henry asked if he understood correctly that it is the Lukela Group's intention to demolish the office building. Renee Russell responded that Lukela has had several people looking at the office building and "we are working hard to save the building. If we had 10 we could fill them all. This Brownfield plan amendment is a tool to help us succeed at doing that. We believe the flat work and exterior walls make it salvageable. Not cheap but salvageable."

Craig inquired about what type of businesses are interested in the property and Renee Russell listed packaging companies, a plumbing company and service businesses among others. They aren't looking to bring this up to running standards but to run their business.

Hosier remarked that Jack McCloughan has been very helpful in this process. "He has forwarded contacts to us; there seems to be a lot of need for space." Renee Russell agreed, noting that the current lessee contacted Lukela before we even had a purchase agreement for the building. Fleming explained that the current lessee is the company assembling the cooling towers for the power plant.

Valentine asked if the office building has room for industrial space to which Renee Russell responded, "No mostly office space, maybe a little space for warehousing. This brownfield plan covers both buildings."

Valentine inquired whether the city is comfortable that this is a good plan to which Hosier responded, "We are and we are doing what we can to encourage this development."

Motion by Erdmann to approve Resolution 2016-02, a resolution approving the proposed Brownfield Plan Amendment for 220 Aylworth & 1280 Kalamazoo and recommending the plans adoption to City Council, including the terms in both the resolution and the reimbursement. Second by Henry.

All in favor. Motion carried.

8. General Comments

There were none.

9. Adjourn

Motion by Fleming, second by Gawreliuk to adjourn at 4:10 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

City of South Haven
Brownfield Authority
For the period ended November 30, 2016

Revenues

Property Tax Captures	92,243	
Interest Income	3,857	
Other Revenue	-	
Other Transfers In	-	
Total Revenue		<u>96,100</u>

Expenditures

Administrative Costs		
General Fund	7,500	
Total Administrative Expenses	<u>7,500</u>	
Contractual Services	38,808	
Total Other Expenses	<u>38,808</u>	
Total Expenditures		<u>46,308</u>

Year-to-Date Fund Gain/(Loss)		<u>49,793</u>
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Cash and Investments

Cash	177,041	
Certificates of Deposit	280,843	
Other Financial Investments	502,238	
Total	<u>960,122</u>	



Agenda Item # 7

Brownfield Redevelopment Authority 2017 Meeting Dates

Background Information:

The Brownfield Authority will be asked to consider a motion setting the Brownfield Redevelopment Authority meeting dates for 2017.

The Brownfield Redevelopment Authority Board meets every second Monday of the month at 4:00 p.m. in Council Chambers. The second Monday of every month in 2017 is as follows:

January 9
February 13
March 13
April 10
May 8
June 12
July 10
August 14
September 11
October 9
November 13
December 11

Staff Recommendation:

The Brownfield Authority should make a motion setting the Brownfield Redevelopment Authority meeting dates for 2017.

Supplemental Documents:

None



Agenda Item # 8

Factory Condos Request for Reimbursement

Background Information:

The Brownfield Authority will be asked to approve payment of \$3,6431.40 as brownfield reimbursement of the invoiced environmental expenses to the Factory Condominium Association.

The invoice from Horizon Environmental is for services from July 9, 2016 through October 28, 2016 for eligible activities including soil gas sampling.

Staff Recommendation:

The Brownfield Authority should consider a motion to approve payment of \$3,641.40 as brownfield reimbursement of the invoiced environmental expenses to the Factory Condominium Association.

Supplemental Documents:

Factory Condos Association Request for Reimbursement
Horizon Environmental Cover Letter
Horizon Environmental Invoice

FROM THE DESK OF
GLENN W PIETENPOL

November 25, 2016

City of South Haven
ATTN: Ms Kate Hosier
1199 8th Ave
South Haven, MI 49090

Dear Kate RE: Request for payment under Brownfield Act 381

As treasurer of the Factory Condominium Association Board, I am requesting reimbursement for the following:

Project Name:
The Factory Condominiums Association (a/k/a Belgravia site)
125 Elkenburg
South Haven, MI 49090

Description of work performed: see consultant's summary letter and billing enclosed herewith.

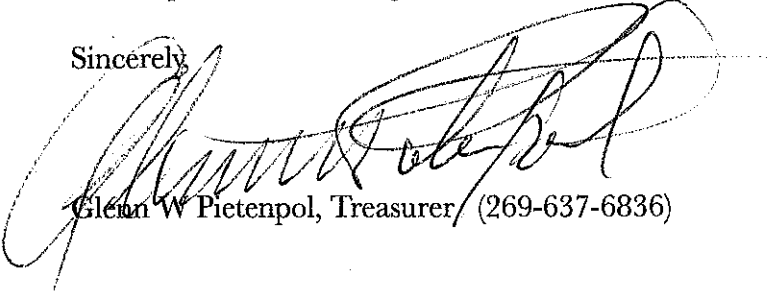
It is my understanding that the work was completed in accordance with the work plan along with proposed future monitoring; accordingly, we are requesting payment on invoice #22801009.00-4 in the amount of \$3,641.40 pursuant to billing referenced above.

Payment should be made payable as follows:

Factory Condominium Association
ATTN: Lou Adamson, Property Manager
PO Box 567
South Haven, MI 49090

Your expeditious handling of this request will be appreciated.

Sincerely,



Glenn W Pietenpol, Treasurer (269-637-6836)

 HORIZON ENVIRONMENTAL

November 22, 2016

The Factory Condominium Association
Attn: Mr. Glenn Pietenpol
125 Elkenburg Street
South Haven, Michigan 49090

**RE: HORIZON ENVIRONMENTAL INVOICE FOR PROFESSIONAL CONSULTING
SERVICES
THE FACTORY CONDO SITE, SOUTH HAVEN, MICHIGAN**

Dear Mr. Pietenpol:

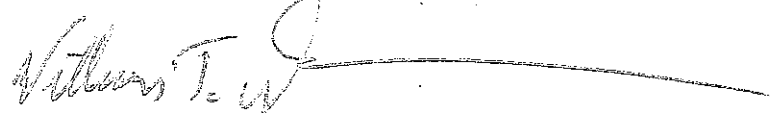
Enclosed is an invoice for environmental consulting services provided by Horizon Environmental for the period from July 9, 2016 through October 28, 2016. The scope of work completed included planning and implementing a soil gas sampling event. These activities were contemplated in the MDEQ-approved *Act 381 Work Plan to Conduct Eligible MDEQ Redevelopment Activities – Former Belgravia Project Site February 2006 (Revised May 2006)*.

We are working on a draft report of the findings of the soil gas sampling event and will forward to you in early December.

I've copied LASR Property Management on this invoice as they requested in a July 19, 2016 e-mail.

Sincerely,

HORIZON ENVIRONMENTAL



William T. Davidson
Project Manager

cc: LASR Property Management

enclosure

INVOICE

Horizon Environmental Corporation
4771 50th Street SE
Grand Rapids, MI 49512
Phone: 616-554-3210

Mr. Glenn Pietenpol
Factory Condominium Association
125 Elkenburg Street
South Haven, MI 49090

November 18, 2016
Invoice No: 22801009.00 - 4

Total this Invoice \$3,641.40

Regarding: Indoor Air/Soil Gas Monitoring and Due Care Planning - Factory Condominiums

Activities include:

- Set-up sampling program
- Discuss scope of sampling with MDEQ and Global
- Collect Soil Gas samples
- Preliminary data review

Professional Services from October 01, 2016 to October 28, 2016

Labor Charges

	Hours	Rate	Amount	
Consultant / Advisor				
Davidson, William	10.40	134.00	1,393.60	
Miron, Christopher	.30	149.00	44.70	
Engineer / Scientist / Specialist III				
Hathaway, Karen	.50	118.00	59.00	
Engineer / Scientist / Specialist I				
Braspenninx, Alan	9.00	89.00	801.00	
Support Personnel I				
Lewis, Nichole	.40	62.00	24.80	
Tolhurst, Julie	.10	47.00	4.70	
	20.70		2,327.80	
Subtotal Labor				2,327.80

Subconsultant Charges

Subconsultants				
10/28/2016 ALS Group			1,188.00	
Subtotal Subconsultant				1,188.00

Expense Charges

Travel				
10/7/2016 Braspenninx, Alan	Daily Truck Charge		50.00	
10/7/2016 Braspenninx, Alan	Mileage		75.60	
Subtotal Expenses				125.60

Total this Invoice \$3,641.40

Thank you in advance for the prompt processing of this invoice. If you have any questions, please contact William Davidson, your Barr project manager, at (616) 554-3210 or email at [wdavidson@barr.com](mailto:w davidson@barr.com).

PLEASE REMIT TO ABOVE ADDRESS and INCLUDE INVOICE NUMBER ON CHECK.

Terms: Due upon receipt. 1 1/2% per month after 30 days. Please refer to the contract if other terms apply.



Agenda Item # 9

Brownfield Plan Reimbursement for The Preserve

Background Information:

The Brownfield Authority will be asked to approve Resolution 2016-___, a resolution approving the brownfield plan reimbursement amount and authorizing payment to the Preserve developers per the reimbursement agreement.

The 2015-2016 Brownfield Report shows tax capture revenue for each brownfield plan. In cases where a developer has environmental expenses for reimbursement, the Life of the Plan Balance is the amount available for reimbursement. After identifying the amount available for reimbursement, staff checks for any delinquent property taxes. If there are delinquent taxes, the reimbursement amount is reduced by the delinquent tax amount. The unpaid balance remains in the brownfield plan account and is available for reimbursement in the future.

Staff is recommending an additional brownfield reimbursements, as indicated in the resolution and letters to the developers for the Preserve in the amount of \$22,221.16. The delinquent tax bill for the parcels in the Preserve, an amount in excess of \$1 million dollars, was paid on August 29, 2016 at the Van Buren County Treasurer's Office.

Staff Recommendation:

The Brownfield Authority consider approval of Resolution 2016-___, a resolution approving the brownfield plan reimbursement amount and authorizing payment to the Preserve developers per the reimbursement agreement.

Supplemental Documents:

BRA Resolution 2016-___
2015-2016 Brownfield Plan Report



City of South Haven

City Hall • 539 Phoenix Street • South Haven, Michigan 49090-1499
Telephone (269) 637-0700 • Fax (269) 637-5319

December 7, 2016

Harbor Club AC, LLC
1341 W. Fullerton Ave., Suite 159
Chicago, IL 60614

Edward S. Salomon
Robbins, Salomon & Patt, LTD
Suite 3300, 180 N. LaSalle Street
Chicago, IL 60601

RE: The Preserve Brownfield Plan, 2015 Tax Year Brownfield Report

Good Morning;

The Preserve Brownfield Plan revenue for 2015 was \$22,221.16. The plan has a balance of \$119,556.35 including 2015 tax capture revenues. There are approved expenses in the amount of \$3,469,407 which are eligible for reimbursement as funds become available.

In August, 2016 Van Buren County records indicated there was a total of \$1,315,104.24 in delinquent property tax on parcels in the Preserve brownfield plan. The delinquencies have now been paid and the 2015 Preserve Brownfield Plan revenue can be disbursed.

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

The City of South Haven Brownfield Redevelopment Authority will consider approval of the 2015 Tax Year Brownfield Report at its meeting at 4:00 p.m., December 12, 2016 at Council Chambers in South Haven City Hall, 539 Phoenix Street, South Haven.

Sincerely,

Kate Hosier
Secretary, Brownfield Redevelopment Authority

Enclosures

BROWNFIELD REDEVELOPMENT AUTHORITY
OF THE CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 2016-_____

A RESOLUTION AUTHORIZING PAYMENT OF BROWNFIELD REIMBURSEMENTS

Minutes of a regular meeting of the Brownfield Redevelopment 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 December 12, 2016 at 4:00 p.m. local time.

PRESENT: _____

ABSENT: _____

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

WHEREAS, the City of South Haven has approved brownfield plans which provide for reimbursement of environmental expenses to developers; and

WHEREAS, each year, a report is prepared by staff which identifies the amount of tax capture for each brownfield plan, and recommends the appropriate amount of reimbursement to eligible developers; and,

WHEREAS, staff has reviewed the tax captures and balances for each plan, has debited each plan account for prorated administrative expenses, has added prorated interest income to the plan accounts, has reviewed approved eligible expenses, has reviewed delinquent tax payments debiting them from the proposed payment and has recommended a reimbursement for brownfield plans which show a balance to be reimbursed.

NOW THEREFORE BE IT RESOLVED, that the Brownfield Redevelopment Authority approves and authorizes the following brownfield reimbursement payments as follows:

Scott Sinar Harbor Club AC, LLC 1341 W. Fullerton Ave., Suite 159 Chicago, IL 60614	The Preserve	\$22,221.16
Edward S. Solomon Robbins, Salomon & Patt, LTD 180 N. LaSalle St, Suite 3300 Chicago, IL 60601		

RECORD OF VOTE:

Yeas: _____

Nays: _____

RESOLUTION DECLARED ADOPTED.

Christine Valentine, Vice-Chair
Brownfield Redevelopment Authority

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City of South Haven Brownfield Redevelopment Authority at a meeting held on December 12, 2016 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.*).

Kate Hosier, Secretary

**City of South Haven
Brownfield Redevelopment Authority
Brownfield Plan Revenue and Expenses
For 2015 Tax Year and Fiscal Year 2015-2016**

	2015-2016 Revenue	Proposed 2015-2016 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	416,455.16	565,662.91	416,455.16	149,207.75		
1421 Kalamazoo 2 Local	8,355.57	.00	117,486.07	36,715.61	80,770.46	400,000.00	2034
KSU Local	100.25	.00	1,301.93	.00	1,301.93	436,500.00	2028
KSU School	373.68	.00	4,593.73	.00	4,593.73		
Factory Condo 1 Local	Closed	.00	198,087.08	198,087.08	.00	380,000.00	Closed
Factory Condo 1 School	Closed	40,356.99	181,912.92	84,551.18	97,361.74		
Factory Condo 2 Local	42,042.18	57,377.28	139,650.11	80,290.36	59,359.75	434,650.00	2022
Factory Condo 2 School	25,433.03	0.00	116,404.69	.00	116,404.69		
900 Indiana Local	Closed	.00	.00	.00	.00	319,687.00	Closed
900 Indiana Revolving Fund	.00	.00	.00	.00	.00	Five Years	2017
1070 Indiana Local	10,226.45	6,141.11	106,358.24	96,131.79	10,226.45	2,004,657.05	2022
Sherman Hills Local	11,012.87	.00	90,524.27	.00	90,524.27	2,000,000.00	2015
500 Erie Local	44,799.38	24,878.20	314,377.94	261,215.07	53,162.87	817,232.00	2019
The Preserve Local	22,221.16	.00	122,582.33	3,025.98	119,556.35	3,967,407.00	2026
The Preserve School	Closed	.00	.00	.00	.00		Closed
TOTAL	164,564.57	545,208.74	2,654,644.88	1,722,254.32	932,390.56	12,110,133.05	