

Local Development Finance Authority

Regular Meeting Agenda

Monday, February 13, 2013
4:00 p.m., Council Chambers
South Haven City Hall



City of South Haven

1. Call to Order

2. Roll Call

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

3. Approval of Agenda

4. Approval of Minutes – November 14, 2011

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

6. Financial Report

7. Invoices for Approval

L DFA 2

8th Avenue Project

Midwest Civil Engineers #05-9310, January 17, 2012 \$ 522.00

Midwest Civil Engineers #05-9281, December 8, 2011 \$1,700.00

L DFA 3

Clark Hill #435809, December 9, 2011 \$ 874.00

8. 2012-2013 L DFA Budget

9. Economic Development Report

10. General Comments

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.

11. 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, November 14, 2011
4:00 p.m., Council Chambers
South Haven City Hall



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

2. Roll Call

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

3. Approval of Agenda

Motion by Henry, second by Valentine to approve the agenda as presented. All in favor.
Motion carried.

4. Approval of Minutes – June 13, 2011

Motion by Henry, second by Klavins to approve the June 13, 2011 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

A Review of Audited Financial Statements for the Fiscal Year Ended June 30, 2011 was provided for the LDFA and Brownfield.

7. Invoices for Approval

LDFA 3

130 Veterans Sale

Clark Hill #414032, June 9, 2011	\$522.00
Clark Hill #420006, July 15, 2011	\$ 54.00
Clark Hill #426069, September 15, 2011	\$ 38.00
Clark Hill #428422, October 11, 2011	\$266.00

VandenBosch noted the closing for New Age Landmark has gone through and he does not expect that the Local Development Finance Authority will receive any more invoices regarding that transaction.

Motion by Erdmann, second by Erdmann to approve the invoices as listed above. All in favor. Motion carried

8. 2nd Avenue Proposal

Brian Dissette, City Manager. Dissette said he and the mayor have been working on a proposal on the 2nd Avenue Property. The City has a developer proposing to construct a facility costing \$15,000,000 which would be a large user of electricity and secondary user of water and sewer.

Dissette outlined the price of \$5,000 per acre, with property tax abatement 50% of real and personal property for 12 years, which he noted is what the City typically does for any new developer. Dissette said the City has committed to actively seek an Agricultural Renaissance Zone, which would be 100% property tax abatement; that requires the blessing of City Council and the State of Michigan.

Regarding Infrastructure capacity, Dissette said the City is confident that the developers needs for water, sewer and electricity can be met. Dissette said he believes the developers find the City's utilities a positive, noting that our investment in the water plant make us more expensive than some of the other communities. Dissette stated that the developers are looking at the City as a potential location, pointing out that the City is very competitive when it comes to electricity, with prices consistently below Consumers Energy and about the same as AEP and others. Dissette stated that the City can provide reliability due to the rebuilt electric service.

In response to a question from Chairman Bolt, Dissette stated that the City's funds are kept separate which means the Local Development Finance Authority will be assisting the developers with the electric, water and sewer connections. Dissette noted that electric connection assistance is done for all new developers; as they install electric on their site we rebate their total investment up to 50% based on purchased power. Dissette concluded that the City believes the electric, water and sewer connections provide a very strong and competitive incentive. The City, Dissette said, hopes to be bringing the Local Development Finance Authority a purchase agreement.

In response to a question by Kerber regarding a previous grant, VandenBosch said that the Local Development Finance Authority has a low interest loan which continues until about the year 2016, which VandenBosch does not recommend paying off immediately. VandenBosch noted that the loan payment is about \$27,208 per year. Kerber asked the remaining balance which VandenBosch said he believes is about \$110,000.

Erdmann asked if the money is in the Local Development Finance Authority budget. VandenBosch referred to pg. 29 of the Local Development Finance Authority Agenda: the I-196 2nd Avenue Project is budgeted for \$150,000, noting the incentive is based on the budget.

Dissette noted that the prospective developer has requested a minimum of thirty-five acres, stating that the purchase could be for only thirty-five acres or for the full forty one acres. Dissette said that the City envisions that the developer will likely use up all of the vacant land with future expansion.

VandenBosch noted that this agenda item is before the Local Development Finance Authority for discussion; if you have objections let us know. The City is negotiating based on these terms. No decision is needed from the Local Development Finance Authority at this time, but comments negative or positive would be helpful.

Bolt noted a resolution is provided. VandenBosch stated that the resolution is a separate item. Based on the request from a previous developer, the City had rezoned the 2nd Avenue frontage to a commercial use. The intent of the resolution is that the LDFA would request the Planning Commission to rezone the property back to I-1 Light Industrial, whether or not the developer purchases the property.

Kerber asked about the memo talking about the abatements being offered with no dollar amount to which Dissette responded that the City does not have clear knowledge of the value of the development. Dissette noted that the prospective buyer has not gone through the process to engineer the site and stated that the developer's range for total project cost is expected to be at least \$15,000,000. From there, Dissette said it is cutting the number in half and applying the tax rate. More information will be developed as the City works with the developers. If the Agricultural Renaissance Zone is something the City can pursue, the City Council will act on that request, and share the information with the Local Development Finance Authority board. Dissette pointed out that the Local Development Finance Authority should be prepared that this project will not increase their cash flow.

VandenBosch noted that we have spoken to the developer and the City Attorney to make sure they are aware that there will be a limited time line for development, and if no development occurs, the City will have the ability to regain ownership.

Bolt asked if there is any way for us to recoup our investment in this business. VandenBosch noted that we have in our LDFA 1 Budget an Infrastructure Improvement Plan in which we promised City Council that we will pay a certain amount each year toward infrastructure. Dissette stated that the intent was to forgive this annual payment over three years, which would equal \$150,000. The City is working with the State of Michigan on grant and loan programs for infrastructure; the City was just awarded a sub grant for a project and has met with a firm that will be managing that loan, so forgiveness of the Infrastructure Improvement Plan will not delay infrastructure improvements. Dissette noted that the City will be issuing that debt but that is a couple of years out. The simplest way, should the project come through, Dissette noted, is to issue some debt to the Indian Grove Project.

Varney stated that she assumes this project is being proposed by a firm that is financially viable. Dissette said it is apparent that they are able to finance the entire project.

Bolt asked if there were any objections. Kerber said without any more information it is hard to judge, but on the surface it seems to be viable. Dissette said as more information comes in we will share with the board. We know the bulk of these folks and believe they are capable for this commitment.

Kerber asked where the subject property is. VandenBosch said it is across from the college and the Noble facility, in front of Sherman Hills.

Motion by Henry, second by Klavins to rezone the parcels at 1600 2nd Avenue and 1800 2nd Avenue to I-1 Light Industrial.

A roll call vote was taken.

Yeas: All
Nays: None

Motion carried.

9. Economic Development Report

Jack McCloughan gave an update on Economic Development.

10. General Comments

There were none.

11. Adjourn

Motion by Black, second by Erdmann to adjourn at 4:27 p.m. All in favor. Motion carried.

Respectfully submitted,

Marsha Ransom
Recording Secretary

City of South Haven
Local Development Finance Authority
For the period ended January 31, 2012

	LDFA #1	LDFA #2	LDFA #3
Revenues			
Property Tax Captures	161,836	29,279	35,284
Interest Income	(112)	1,972	2,490
Land Sales			
Other Revenue	-	-	5,920
Other Transfers In	-	-	-
Total Revenue	161,725	31,250	43,694
Expenditures			
Economic Liaison	12,983	1,537	12,437
Administrative Costs	-	-	-
Professional Fees	874	2,750	-
Contractual Services	-	-	454
Capital Projects	-	-	-
General Fund Administration	-	-	-
Transfer to Building Authority Debt Service	-	11,828	-
MEDC Loan Payments	-	-	13,604
Transfer to St. Joe Project Debt Service	29,994	-	-
Other Transfers Out	-	-	-
Total Expenditures	43,850	16,115	26,495
Year-to-Date Fund Gain/(Loss)	117,874	15,135	17,198
Cash and Investments			
Cash	570,324	92,148	481,348
Certificates of Deposit	255,755	-	100,000
Other Financial Investments	536,813	103,848	272,488
Total	1,362,892	195,996	853,836

Land Assets - Four Star & Du-Wel Parcels 6.73 Acres \$ 90,855 Market 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

MIDWEST CIVIL ENGINEERS

13560 76th Street
 South Haven, MI 49090

PHONE: 269-637-9205 FAX: 269-637-9206
 e-mail: info@mce-us.com

INVOICE	
Date	Invoice #
12/8/2011	05-9281

Bill To
Department of Public Works Attn: Steve Oosting 1199 8th Avenue South Haven, MI 49090

Terms	Due Date	Job No. / Project Name	Period Ending
Net 30	1/7/2012	11-205 8th Ave & Blue Star Topo Survey	
		Description	Amount
		Topographical Survey - Partial Invoice for 8th Avenue & Blue Star Highway	1,700.00
		<div style="border: 1px solid black; border-radius: 50%; padding: 2px; display: inline-block;">P.O. #4044</div> <i>Partial payment</i> <i>Steve Oosting</i>	

	Total	\$1,700.00
MCE NOW ACCEPTS VISA, MASTERCARD and DISCOVER FOR PAYMENT!	Payments/Credits	\$0.00
	Balance Due	\$1,700.00

EFFECTIVE IMMEDIATELY, MCE WILL CHARGE A LATE FEE OF 1.5 % ON ALL INVOICES NOT PAID IN THE N-30 TERMS THAT WE OFFER.

MP

MIDWEST CIVIL ENGINEERS

13560 76th Street
 South Haven, MI 49090

PHONE: 269-637-9205 FAX: 269-637-9206

e-mail: info@mce-us.com

INVOICE	
Date	Invoice #
1/17/2012	05-9310

Bill To
Department of Public Works Attn: Steve Oosting 1199 8th Avenue South Haven, MI 49090

Terms	Due Date	Job No. / Project Name	Period Ending
Net 30	2/16/2012	11-205 8th Ave & Blue Star Topo Survey	
Description			Amount
Topographical Survey (2-man crew)			150.00
Topographical Survey Drafting			650.00
Topographical Survey (1-man crew)			182.14
Reimbursable Expenses - Mileage			67.86

	Total	\$1,050.00
MCE NOW ACCEPTS VISA, MASTERCARD and DISCOVER FOR PAYMENT!	Payments/Credits	\$0.00
	Balance Due	\$1,050.00

EFFECTIVE IMMEDIATELY, MCE WILL CHARGE A LATE FEE OF 1.5 % ON ALL INVOICES NOT PAID IN THE N-30 TERMS THAT WE OFFER.

MD

2nd and final payment on PO 4044

Steve Oosting

CLARK HILL P.L.C.

December 9, 2011

INVOICE # 435809

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RE: Local Development Finance Authority

11/01/11	SGS	Email exchange with P. VandenBosch regarding possible offer to Blueberry Growers; attorney conference with R. Swets regarding remaining issues.	.60
11/01/11	RS	Review LDFA Act to determine authority for possible economic development incentives.	1.50
11/02/11	SGS	Preparation of extensive email to P. VandenBosch regarding proposed sale of property; telephone conference with P. VandenBosch and B. Dissette regarding practical approach.	1.30
11/02/11	RS	Review LDFA plan; attorney conference regarding desired incentives the city is considering; review email.	1.20
TOTAL SERVICE FOR THIS MATTER			\$874.00

January 31, 2012

TO: Local Development Finance Authority

FR: Paul VandenBosch

RE: 2012-2013 LDFA Budget

The current budget sheets are presented to the LDFA for their review and comment.

Due to discussion at the state level regarding changes to the personal property tax, the projected personal property tax revenues have been reduced to one half of the previously projected amount. We do not know what action the state will take on this issue.

LDFA 1

A land purchase amount of \$400,000 has been included in the 2012-2013 budget. This is a transfer of the unspent budgeted amount from last year.

LDFA 1 Infrastructure Improvement Plan

Contributions to the Infrastructure Improvement Plan have been shown as ending in 2012.

The \$300,000 balance of the Infrastructure Improvement Plan is budgeted for the Indian Grove Project (Monroe Blvd, Lovejoy Ave. and Kalamazoo Street) in 2015.

LDFA 2

The 8th Avenue Improvement Project has started with surveying and engineering expenses incurred in the current year. We hope to design, bid and complete the project in 2012-2013.

LDFA 3

A land purchase in the amount of \$250,000 has been moved from the current year to 2013.

The 2nd Avenue Project in the amount of \$150,000 has been moved from the current year to 2013.

The Dewey Water Main Project in the amount of \$68,000 has been moved from the current year to 2013.

This budget is presented to the LDFA for review and comment.

L DFA1 Budget

L DFA 1 2012-2013 Budget

	2009	2010	2011	2012	2013	2014	2015	2016
Revenues	Prior Year	Prior Year	Prior Year	Current Year	2012-2013 Proposed Budget	2013-2014	2014-2015	2015-2016
	Actual	Actual	Actual	Budgeted	Projection	Projection	Projection	Projection
Real Property Taxes	153,162	144,614	126,179	94,235	92,350	92,350	92,350	92,350
Personal Property Taxes	207,614	43,955	68,058	98,650	49,325	49,325	49,325	49,325
Interest Income	23,036	11,308	6,060	3,000	3,000	3,000	3,000	3,000
Total Revenue	383,812	199,877	200,297	195,885	144,675	144,675	144,675	144,675
Expenses	Prior Year	Prior Year	Prior Year	Current Year	2013 2012-2013 Proposed Budget	2014 2013-2014	2015 2014-2015	2016 2015-2016
	Actual	Actual	Actual	Budgeted	Projection	Projection	Projection	Projection
Economic Development Liaison Expenses	17,433	28,376	27,268	27,561	14,199	14,483	14,773	15,068
Professional Consulting Fees	24,186	5,872	5,424	0	1,000	1,000	1,000	1,000
Other Contractual Services	10,544	6,887	3,264	0	0	0	0	0
Travel, Conferences, Training, Membership	1,386	1,047	1,243	0	1,000	1,000	1,000	1,000
Administrative Fees	20,000	20,000	20,000	0	0	0	0	0
General Fund Transfer	37,500	37,500	10,000	10,000	10,000	10,000	10,000	10,000
St Joseph Street Project Bond	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Infrastructure Improvement Plan Reserve	100,000	100,000	50,000	50,000	0	0	0	0
Water Tower Maintenance				75,000				
				Moved to next year 400,000	400,000			
Land Purchase Aylworth Avenue Capital Projects	175,796	3,296						
Total Expenses	506,845	322,978	237,199	282,561	546,199	146,483	146,773	147,068
Revenue	383,812	199,877	200,297	195,885	144,675	144,675	144,675	144,675
Expenses	506,845	322,978	237,199	282,561	546,199	146,483	146,773	147,068
Balance	-123,033	-123,101	-36,902	-86,676	-401,524	-1,808	-2,098	-2,393
Estimated End of Year Fund Balance	1,354,406	1,231,305	1,194,403	1,107,727	706,203	704,395	702,297	699,904
	Actual	Actual	Actual	Budgeted	Proposed Budget	Projected	Projected	Projected

The St Joseph Street Project Bond extends to 2030, as does the term of LDFA 1.
Economic Development Liaison expenses are budgeted 30% from LDFA1 and 70% from LDFA3.

L DFA1 Infrastructure Improvement Plan

L DFA 1 Infrastructure Improvement Plan 2012-2013 Budget

	2009 Prior Year	2010 Prior Year	2011 Prior Year	2012 Current Year	2013 2012-2013 Proposed Budget	2014 2013-2014	2015 2014-2015	2016 2015-2016
Revenues	Actual	Actual	Actual	Budgeted		Projection	Projection	Projection
Infrastructure Improvement Plan Transfer	100,000	100,000	50,000	50,000	0	0	0	0
Total Revenue	100,000	100,000	50,000	50,000	0	0	0	0
Expenses	Actual	Actual	Actual	Budgeted	2013 2012-2013 Proposed Budget	2014 2013-2014	2015 2014-2015	2016 2015-2016
Lovejoy-Kalamazoo Street Project (part of Monroe Blvd-Indian Grove Project)	0	0	0	Deleted 250,000	0	0	300,000	0
Total Expenses	0	0	0	0	0	0	300,000	0
Revenue	100,000	100,000	50,000	50,000	0	0	0	0
Expenses	0	0	0	0	0	0	300,000	0
Balance	100,000	100,000	50,000	50,000	0	0	-300,000	0
Estimated End of Year Fund Balance	100,000	200,000	250,000	300,000	300,000	300,000	0	0
	Actual	Actual	Actual	Budgeted	Proposed Budget	Projected	Projected	Projected

The Infrastructure Improvement Plan is a commitment by the LDFA to fund water, sewer and street improvements in LDFA 1 as part of the City's 20 year Street Improvement Plan.

L DFA2 Budget

L DFA Approved April 11, 2011
L DFA 2 2010-2011 Budget

	2009	2010	2011	2012	2013	2014	2015	2016
Revenues	Prior Year	Prior Year	Prior Year	Current Year	2012-2013 Proposed Budget	2013-2014	2014-2015	2015-2016
	Actual	Actual	Actual	Budget	Projection	Projection	Projection	Projection
Real Property Taxes	24,366	27,695	22,421	18,238	17,873	17,873	17,873	17,873
Personal Property Taxes	9,631	13,337	15,423	15,363	7,682	7,682	7,682	7,682
Interest Income	3,844	973	4,525	2,000	1,000	1,000	1,000	1,000
Total Revenue	37,840	42,006	42,369	35,601	26,555	26,555	26,555	26,555
Expenses	2009	2010	2011	2012	2013	2014	2015	2016
	Prior Year	Prior Year	Prior Year	Current Year	2012-2013 Proposed Budget	2013-2014	2014-2015	2015-2016
	Actual	Actual	Actual	Budget	Projection	Projection	Projection	Projection
Professional Consulting Fees	2,258	1,044	0	0	0	0	0	0
Renewable Energy Project	0	0	0	0	0	0	0	0
General Fund Transfer	5,000	5,000	5,000	20,000	20,000	20,000	20,000	20,000
Building Authority #2	13,810	13,768	13,703	13,618	12,848	12,848	12,848	12,848
8 th Avenue Improvements				3,237	150,000			
Total Expenses	21,068	19,812	18,703	36,855	182,848	32,848	32,848	32,848
Revenues	37,840	42,006	42,369	35,601	26,555	26,555	26,555	26,555
Expenses	21,068	19,812	18,703	36,855	182,848	32,848	32,848	32,848
Balance	16,772	22,194	23,666	-1,254	-156,293	-6,293	-6,293	-6,293
Estimated End of Year Fund Balance	189,325	211,519	235,185	233,931	77,638	71,345	65,052	58,759

Building Authority #2 bond extends to 2022.

L DFA3 Budget

L DFA Approved April 11, 2011
L DFA 3 2010-2011 Budget

	2009	2010	2011	2012	2013	2014	2015	2016
Revenues	Prior Year	Prior Year	Prior Year	Current Year	2012-2013 Proposed Budget	2013-2014	2014-2015	2015-2016
	Actual	Actual	Actual	Budget	Projection	Projection	Projection	Projection
Real Property Taxes	40,674	85,047	34,140	30,635	30,022	30,022	30,022	30,022
Personal Property Taxes	75,929	99,521	10,525	10,021	5,011	5,011	5,011	5,011
Interest Income	8,964	7,400	5,646	4,000	3,000	3,000	3,000	3,000
Sale of Land	25,000			14,535	200,000	0	0	0
Sundry		155,056	6,428	5,920	0	0	0	0
Total Revenue	150,568	347,025	56,739	65,111	238,033	38,033	38,033	38,033
Expenses	Prior Year	Prior Year	Prior Year	Current Year	2013 2012-2013 Proposed Budget	2014 2013-2014	2015 2014-2015	2016 2015-2016
	Actual	Actual	Actual	Budget	Projection	Projection	Projection	Projection
Economic Development Liaison Expenses	11,622	18,939	18,187	18,652	32,652	32,652	32,652	32,652
Other Contractual Services	11,143	30,874	12,089	0	0	0	0	0
General Fund Transfer	27,500	27,500	5,000	10,000	10,000	10,000	10,000	10,000
Travel Conferences Training Subscriptions	903	698	857	0	700	700	700	700
Loan Payment to MEDC	27,208	27,208	27,208	27,208	27,208	27,208	27,208	27,208
Loan Payment to L DFA1								
Land Purchase Capital Projects				Moved to next year 250,000	250,000			
I-196 2 nd Ave Project				Moved to next year 150,000	150,000			
Dewey Lane Water Main Water Tower Painting				20,000	60,000 75,000			
Total Expenses	78,376	105,219	63,341	75,860	605,560	37,908	37,908	37,908
Revenues	150,568	347,025	56,739	65,111	238,033	38,033	38,033	38,033
Expenses	78,376	105,219	63,341	75,860	605,560	37,908	37,908	37,908
Balance	72,191	241,806	-6,602	-10,749	-367,527	125	125	125
Estimated End of Year Fund Balance	566,185	807,991	801,389	790,640	423,113	423,238	423,363	423,488
	Actual	Actual	Actual	Budgeted	Projected	Projected	Projected	Projected

MEDC Loan payment continues until 2016.

LDFA Comparison

LDFA Financial Charts

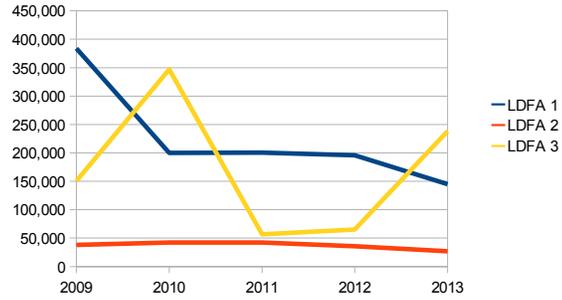
Revenue

	LDFA 1	LDFA 2	LDFA 3
2009	383,812	37,840	150,568
2010	199,877	42,006	347,025
2011	200,297	42,369	56,739
2012	195,885	35,601	65,111
2013	144,675	26,555	238,033

Actual
Actual
Actual
Budget
Budget

2010 LDFA 3: Noble Settlement, 155,000
2013 LDFA 3: Property Sale (Budgeted) 200,000

LDFA Revenue



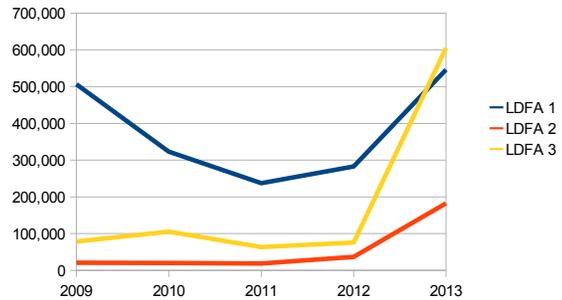
Expenditures

	LDFA 1	LDFA 2	LDFA 3
2009	506,845	21,068	78,376
2010	322,978	19,812	105,219
2011	237,199	18,703	63,341
2012	282,561	36,855	75,860
2013	546,199	182,848	605,560

Actual
Actual
Actual
Budget
Budget

2013 Budgeted Items
LDFA 1: Land Purchase 400,000
LDFA 2: 8th Avenue Improvements 150,000
LDFA 3: Land Purchase 250,000
LDFA 3: 2nd Ave Project 150,000
LDFA 3: Dewey Water Main 68,000

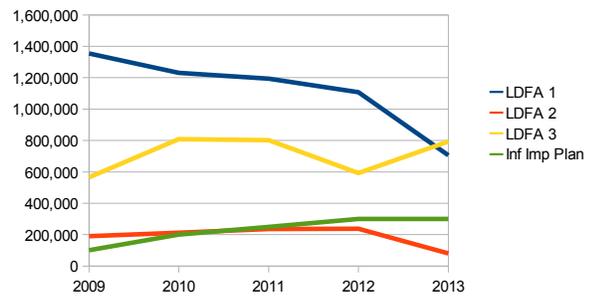
LDFA Expenditures



Fund Balance

	LDFA 1	LDFA 2	LDFA 3	Inf Imp Plan	
2009	1,354,406	189,325	566,185	100,000	Actual
2010	1,231,305	211,519	807,991	200,000	Actual
2011	1,194,403	235,185	801,389	250,000	Actual
2012	1,107,727	237,168	592,640	300,000	Budget
2013	706,203	80,875	792,765	300,000	Budget

LDFA Fund Balances



Note: 2009 through 2011 are actual, 2012 and 2013 are projected.

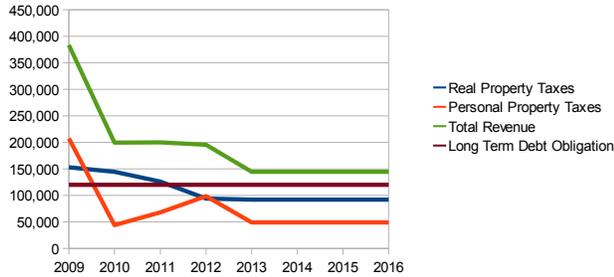
Long Term Debt

LDFA 1

Revenues	2009	2010	2011	2012	2013	2014	2015	2016
Real Property Taxes	153,162	144,614	126,179	94,235	92,350	92,350	92,350	92,350
Personal Property Taxes	207,614	43,955	68,058	98,650	49,325	49,325	49,325	49,325
Interest Income	23,036	11,308	6,060	3,000	3,000	3,000	3,000	3,000
Total Revenue	383,812	199,877	200,297	195,885	144,675	144,675	144,675	144,675
Long Term Debt Obligation	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000

The St. Joseph Street Project Bond extends to 2030, as does the term of LDFA 1.

LDFA 1 Revenue and Long Term Debt

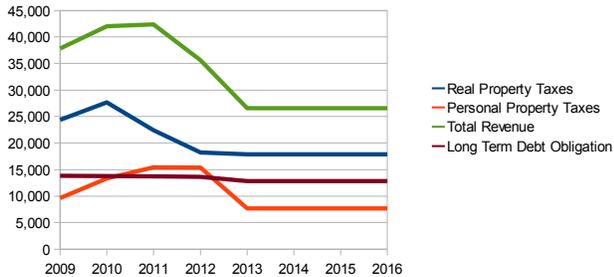


LDFA 2

Revenues	2009	2010	2011	2012	2013	2014	2015	2016
Real Property Taxes	24,366	27,695	22,421	18,238	17,873	17,873	17,873	17,873
Personal Property Taxes	9,631	13,337	15,423	15,363	7,682	7,682	7,682	7,682
Interest Income	3,844	973	4,525	2,000	1,000	1,000	1,000	1,000
Total Revenue	37,840	42,006	42,369	35,601	26,555	26,555	26,555	26,555
Long Term Debt Obligation	13,810	13,768	13,703	13,618	12,848	12,848	12,848	12,848

Building Authority #2 bond extends to 2022.

LDFA 2 Revenue and Long Term Debt

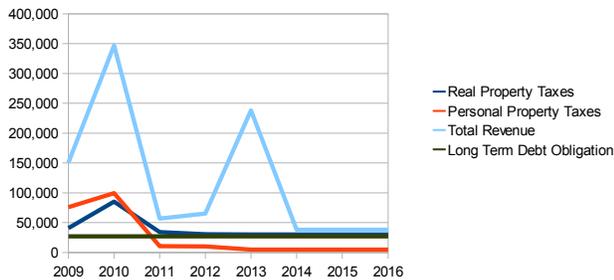


LDFA 3

Revenues	2009	2010	2011	2012	2013	2014	2015	2016
Real Property Taxes	40,674	85,047	34,140	30,635	30,022	30,022	30,022	30,022
Personal Property Taxes	75,929	99,521	10,525	10,021	5,011	5,011	5,011	5,011
Interest Income	8,964	7,400	5,646	4,000	3,000	3,000	3,000	3,000
Sale of Land	25,000			14,535	200,000	0	0	0
Sundry		155,056	6,428	5,920	0	0	0	0
Total Revenue	150,568	347,025	56,739	65,111	238,033	38,033	38,033	38,033
Long Term Debt Obligation	27,208	27,208	27,208	27,208	27,208	27,208	27,208	27,208

MEDC Loan payment continues until 2016.

LDFA 3 Revenue and Long Term Debt



INDIVIDUAL PROJECT DESCRIPTION

Engineering Department PR 2013-007

Project Title 8 th Avenue Improvements
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Department LDFA

Year Proposed	FY 2011-2012	FY 2012-2013	FY 2013-2014	Total Cost
Capital Cost	\$3,237	\$150,000		\$153,237

1. Description and Location

Reconstruction of 8th Avenue at intersection of Blue Star Highway.

2. Source of Funding

G.L. Account #	Total Amount
253-901-974-000 Capital Projects	\$150,000

3. History and Plans

8th Avenue is the only public street located within LDFA 2. This street provides access to several businesses, including Compton Inc., Do-It Corporation, and South Haven Packaging Inc. The City's Department of Public Works facility is also located on 8th Avenue.

4. Need and Impact

8th Avenue is a county road that is still maintained by the Van Buren County Road Commission. Traffic has increased since construction of Compton Inc. and the DPW. Presently, trucks are often crossing the road centerline or running off the narrow asphalt pavement onto the gravel shoulders because the road was never designed or constructed to accommodate larger sized truck traffic. Improved geometrics and pavement condition are desirable to accommodate the larger size and higher volume of traffic.

The proposed project will improve the intersection at Blue Star by providing larger radii, wider pavement, and possibly a right turn lane on Blue Star Highway. Curb and gutter and storm sewer systems will be added where needed to improve drainage. Improvements on 8th Avenue will continue east as far as funding permits.

5. Related Cost Details

Engineering design and construction administration will be performed by the City's engineering department. This will enable the bulk of the available budget to be used for actual construction costs.

6. Future Funds Needed

The amount budgeted will likely not complete improvements along the entire length of 8th Avenue. Additional funding in future years will be required to complete reconstruction to the east boundary of LDFA 2.

INDIVIDUAL PROJECT DESCRIPTION

Engineering Department PR 2013-008

Project Title 71½ Street Water Main Construction

Department Street Improvements

Year Proposed	FY 2011-2012	FY 2012-2013	FY 2013-2014	Total Cost
Capital Cost	\$20,000	\$60,000		\$80,000

1. Description and Location

Construction of 12-inch water main in 71½ Street between Phoenix Road and Dewey Lane.

2. Source of Funding

G.L. Account #	Total Amount
253-901-974-000 Capital Projects	\$80,000

3. History and Plans

This project has been under consideration by the LDFA since 2006. At that time, plans were prepared, bids were solicited, and a contractor was selected. Prior to construction, it was discovered that Frontier Communications (formerly Verizon) operates several buried fiber optic cables along the east side of 71 ½ Street. These cables interfered with the alignment of the proposed water main. After reviewing several options, it was determined that the only available alignment was below the street pavement. Costs were negotiated with the contractor to complete the work based on the revised design. At that time, the project cost would have increased from \$55,000 to \$83,000.

Due to the significant cost increase, the City began discussions with the Van Buren County Road Commission in order to coordinate the water main construction with a future paving project. This required that the project be placed on hold. In 2010, the Road Commission notified the City that it had received grant funding for safety improvements at the intersection of Phoenix Road and 71½ Street and invited the City to coordinate installation of the required water main with their reconstruction project.

4. Need and Impact

Parcels on Dewey Lane are currently provided water via an 8-inch water main that extends east from Veterans Boulevard and dead ends just past the cul-de-sac. In order to improve system reliability and increase the available fire flow in Dewey Lane, a 12-inch water main needs to be connected to the water main in Phoenix Road and extended north along 71½ Street to reach Dewey Lane.

5. Related Cost Details

In November of 2011, the Road Commission solicited bids for the project, including water main improvements, via the Michigan Department of Transportation bidding system. The low bidder is Hoffman Bros., Inc. with a total bid of \$414,048.27. In accordance with the draft cost sharing agreement with the Road Commission, the City's share of the project cost,

including engineering and administrative fees, is estimated to be \$78,708.58. The final cost will be adjusted to pay for the actual quantities of work constructed. The agreement will require an upfront payment of 25% of the estimated amount with final billing upon completion. Construction is anticipated to occur during April and May of 2012.

6. Future Funds Needed

INDIVIDUAL PROJECT DESCRIPTION

Engineering Department PR 2013-009

Project Title Exterior Repainting of 300,000 Gallon Spheroid Water Storage Tank
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Department LDFA

Year Proposed	FY 2011-2012	FY 2012-2013	FY 2013-2014	Total Cost
Capital Cost		\$75,000		\$75,000

1. Description and Location

Exterior overcoating and dry interior spot repainting of 300,000 gallon spheroid water storage tank located west of Veteran's Boulevard in LDFA 3.

2. Source of Funding

G.L. Account #	Total Amount
253-901-974-000 Capital Projects	\$75,000

3. History and Plans

In 1998, the City constructed a water booster pump station and a 300,000 gallon spheroid water storage tank east of I-196. This created a high pressure service district, enabling the City to extend its water distribution system into an area of higher ground elevation. The improvements permitted the construction of a water distribution system to serve the properties in and adjacent to LDFA 3. Properties in LDFA 2 are also served by this water storage tank.

4. Need and Impact

The water storage tank is an epoxy urethane system. When last inspected in 2008, the coating was noted to be in overall good condition with some minor failures on the baseplate, roof vent neck, and on the painter's rail and roof safety rail. The consultant who performed the inspection advised the City to budget for exterior overcoating in 3-5 years. The consultant's report indicates that average exterior coating life is 12-15 years.

The proposed work will recoat the exterior of the tank with a full coat of epoxy, followed by two full coats of polyurethane. This system will have a life span of 12-15 years and can be recoated again at that time. Performing these periodic recoatings will postpone the need to strip the tank down to bare metal until 2038. Minor repairs to some interior coatings will also be completed.

5. Related Cost Details

The following cost summary is from the 2008 inspection report:

Exterior overcoat:	\$55,000
Dry interior spot repaint:	<u>\$5,000</u>
Subtotal:	\$60,000
Engineering and contingencies:	<u>\$15,000</u>

Total Project Cost: **\$75,000**

6. Future Funds Needed