

Local Development Finance Authority

Regular Meeting Agenda

Monday, April 12, 2012
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 – March 12, 2012

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

6. Financial Report

7. Dewey Lane Watermain, Cost Share Agreement

8. Economic Development Report

9. General Comments

10. 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, March 12, 2012
4:00 p.m., Council Chambers
South Haven City Hall



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

2. Roll Call

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

3. Approval of Agenda

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

4. Approval of Minutes – November 14, 2011

Motion by Gawreliuk, second by Henry to approve the November 14, 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

Motion by Valentine, support by Henry to accept the Financial Report. Motion carried.

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

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

8. 2012-2013 LDFA Budget

VandenBosch presented the LDFA budget, including sheets for LDFA District 1, LDFA Infrastructure Improvement Plan, LDFA District 2 and LDFA District 3.

Motion by Henry, second by Gawreliuk to approve the LDFA Budget. All in favor. Motion carried.

9. Economic Development Report

Jack McCloughan gave an update on Economic Development.

10. General Comments

Kerber stated that Scott Ellison is working for Chemical Bank and specializes in a number of government insured funding sources for commercial loans.

11. Adjourn

Motion by Valentine, second by Kerber to adjourn. All in favor. Motion carried.

Respectfully submitted,

Paul VandenBosch
Local Development Finance Authority Secretary

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				
Internet Fiber Project					10,000			
				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	556,199	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	556,199	146,483	146,773	147,068
Balance	-123,033	-123,101	-36,902	-86,676	-411,524	-1,808	-2,098	-2,393
Estimated End of Year Fund Balance	1,354,406	1,231,305	1,194,403	1,107,727	696,203	694,395	692,297	689,904
	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 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	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	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			
Internet Fiber Project					10,000			
Total Expenses	21,068	19,812	18,703	36,855	192,848	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	192,848	32,848	32,848	32,848
Balance	16,772	22,194	23,666	-1,254	-166,293	-6,293	-6,293	-6,293
Estimated End of Year Fund Balance	189,325	211,519	235,185	233,931	67,638	61,345	55,052	48,759

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	0	0	0	0
Sundry		155,056	6,428	5,920	0	0	0	0
Total Revenue	150,568	347,025	56,739	65,111	38,033	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
Internet Fiber Project					20,000			
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	625,560	37,908	37,908	37,908
Revenues	150,568	347,025	56,739	65,111	38,033	38,033	38,033	38,033
Expenses	78,376	105,219	63,341	75,860	625,560	37,908	37,908	37,908
Balance	72,191	241,806	-6,602	-10,749	-587,527	125	125	125
Estimated End of Year Fund Balance	566,185	807,991	801,389	790,640	203,113	203,238	203,363	203,488
	Actual	Actual	Actual	Budgeted	Projected	Projected	Projected	Projected

MEDC Loan payment continues until 2016.

LDFA Comparison

LDFA Financial Charts

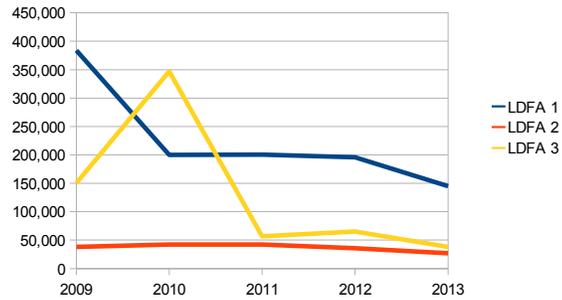
Revenue

	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	38,033

Actual
Actual
Actual
Budget
Budget

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

LDFA Revenue



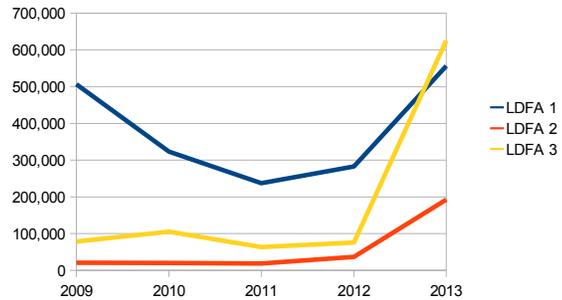
Expenditures

	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	556,199	192,848	625,560

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

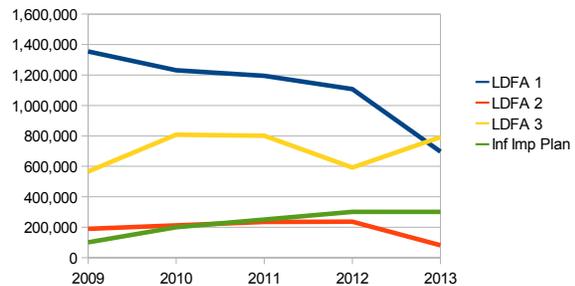
LDFA Expenditures



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	696,203	80,875	792,765	300,000	Budget

LDFA Fund Balances



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

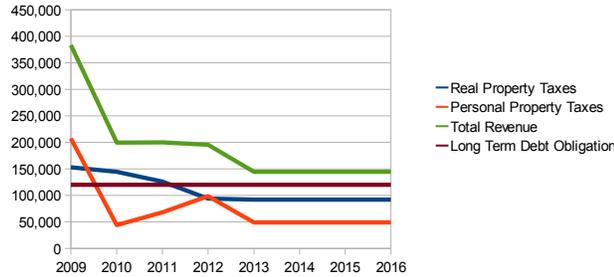
Long Term Debt

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

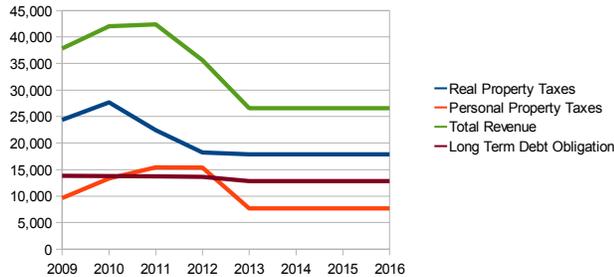


LDFA 2

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

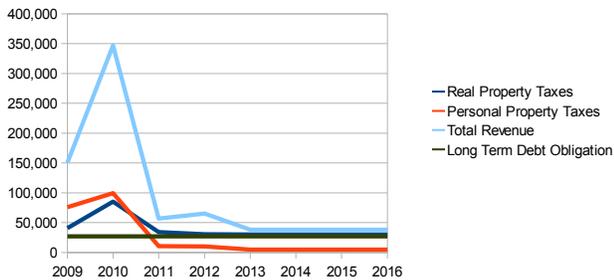


LDFA 3

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	0	0	0	0
Sundry		155,056	6,428	5,920	0	0	0	0
Total Revenue	150,568	347,025	56,739	65,111	38,033	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



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

	LDFA #1	LDFA #2	LDFA #3
Revenues			
Property Tax Captures	190,515	33,965	41,460
Interest Income	1,456	2,451	3,679
Land Sales			
Other Revenue	-	-	5,920
Other Transfers In	-	-	-
Total Revenue	191,970	36,416	51,059
Expenditures			
Economic Liaison	17,465	1,537	15,596
Administrative Costs	-	-	-
Professional Fees	874	2,750	-
Contractual Services	-	-	454
Capital Projects	-	-	-
General Fund Administration	10,000	20,000	10,000
Transfer to Building Authority Debt Service	-	11,828	-
MEDC Loan Payments			20,406
Transfer to St. Joe Project Debt Service	29,994	-	-
Other Transfers Out	-	-	-
Total Expenditures	58,333	36,115	46,456
Year-to-Date Fund Gain/(Loss)	133,637	301	4,603
Cash and Investments			
Cash	557,513	56,419	431,841
Certificates of Deposit	255,755	-	100,000
Other Financial Investments	565,325	123,693	309,400
Total	1,378,593	180,111	841,241

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

COST SHARE AGREEMENT

71.50 Street from CR388 to 2nd Avenue

This Agreement entered into this ____ day of _____, 20__, by and between the Board of County Road Commissioners of Van Buren County, hereinafter referred to as "COMMISSION"; and the City of South Haven, hereinafter referred to as "CITY".

WHEREAS, COMMISSION and CITY jointly initiated an intersection improvement project within the CITY; and

WHEREAS, the project contemplated involves the widening and resurfacing of the intersection; and,

WHEREAS, COMMISSION and CITY agree to have the project engineered, constructed, inspected and placed in service.

NOW, THEREFORE, in order to save public funds and expedite the project, COMMISSION and CITY agree to carry out the project under a single contract according to the following terms and conditions:

1. The project termini are:
 - 71.50 Street from CR388 (Phoenix Road) to 2nd Avenue
2. The total project shall be defined as, but not necessarily include:
 - Required material
 - Contract cost
 - Survey, engineering plans, testing and field staking
 - Labor and equipment rental charges
 - Overhead and fringe benefits
 - Right-of-way acquisition
 - Preliminary and construction engineering
 - Signing and pavement marking
 - Other labor, materials, etc. to provide a complete project
3. The following cost sharing proportions have been agreed to (See attached Exhibit A):
 - COMMISSION share: All project costs to crush and shape 71.50 Street, widen intersection and extend four-lane section of CR388 past intersection to the East.
 - CITY share: All project costs to construct a watermain at said intersection, including fire hydrants, gate valves and boxes, water main, line tap and stop.
4. Funds provided by CITY shall be paid to COMMISSION in the following manner:
 - Twenty Five percent (25%) prior to the commencement of construction,
 - Progress bills thereafter as project expenses are incurred by COMMISSION,
 - Final bill upon completion of project.

- 5. Monthly progress bills and final bill sent by COMMISSION to CITY shall include agreed upon costs of the project, including administration.
- 6. COMMISSION administration shall be at the rate of three percent (3%) and shall be applied to total project costs incurred by COMMISSION.
- 7. COMMISSION preliminary engineering, construction engineering, and inspection shall be at the rate of ten percent (10%) and shall be applied to total project costs incurred by COMMISSION.
- 8. CITY, COMMISSION, their officers, agents, employees and consultants will be listed as additional insureds on the Contractor's insurance policy for general liability, automobile liability, excess coverage and worker's compensation.
- 9. COMMISSION agrees to obtain authorization for additional expenditures beyond the limits of the Construction Contract from CITY prior to committal of same.

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the date set forth above.

WITNESSETH:

**BOARD OF COUNTY ROAD COMMISSIONERS
OF VAN BUREN COUNTY**

By: Lawrence B. Hummel, P.E.
Its: Engineer-Manager

WITNESSETH:

CITY OF SOUTH HAVEN

By: _____
Its: _____

EXHIBIT A

As bid by Hoffman Bros., Inc.

71.50 Street between CR388 to 2nd Avenue

Watermain Construction

City of South Haven

Watermain Construction	\$46,466.56
Preliminary Engineering, Construction Engineering, and Inspection (10%)	\$4,646.66
Administration (3%)	<u>\$1,394.00</u>
Total Watermain Construction Estimate	\$52,507.22

Intersection Improvement Project

Van Buren County Road Commission

Crush, shape and widen intersection and extend four-lane section of CR388 past intersection to the East.

**\$367,581.71, plus preliminary engineering,
construction engineering and inspection**

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	\$14,500	\$43,500		\$58,000

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 final draft of the cost sharing agreement with the Road Commission, the City's share of the project

cost, including engineering and administrative fees, is estimated to be \$52,507.22. 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