Local Development Finance Authority

Regular Meeting Agenda

Monday, June 11, 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, 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** – April 9, 2012 Regular Meeting
   May 8, 2012 Special Meeting

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

6. **Financial Report**

7. **Invoices for Approval**

   LDFA 3

   Clark Hill, #451137, May 4, 2012, MBG Sale, $2,831.00
   Lambrix Design, #3498, Mar 9, 2012, Agriculture Brochure Insert, $596.45
   Mitchell and Morse, #107474, May 16, 2012 MBG Land Description, Easement, $125.00
   VB Co Road Commission, Apr 30, 2012, Dewey Water Main Deposit, $13,126.81

8. **Economic Development Report**

9. **General Comments**

10. **Adjourn**

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.

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, April 9, 2012
4:00 p.m., Council Chambers
South Haven City Hall

City of South Haven

1. **Call to Order by Erdmann at 4:03 p.m.**

2. **Roll Call**

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

3. **Approval of Agenda**

   Motion by Valentine, second by Klavins to approve the April 9, 2012 Agenda as presented.

   All in favor. Motion carried.

4. **Approval of Minutes** – March 12, 2012

   Motion by Lewis, second by Varney to approve the March 12, 2012 Regular Meeting Minutes as written.

   All in favor. Motion carried.

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

   None at this time.

6. **Financial Report**

   VandenBosch gave an overview of the Financial Report.

   LDFA 1 ¾ through fiscal year which ends June 2012. Erdmann inquired about the balance of LDFA 2 and whether we will lose money on that fund.

   Motion by Valentine, second by Klavins, to approve the Financial Report.

   All in favor. Motion carried.

7. Dewey Lane Watermain, Cost Share Agreement

VandenBosch explained that this project will connect the water main in Phoenix Street to the one on Dewey Lane. This is a project that the City wanted to do years ago, but waited until the Road Commission was ready to replace the asphalt to run the water main. The Commission will pay for the asphalt portion of the costs. VandenBosch pointed out that the 12" water main will greatly improve flow out of the fire hydrants and be an improvement, converting this portion of the system to a loop system.

Erdmann questioned the figures presented, particularly the figure noted as 25%. VandenBosch noted that the 25% is of the estimated cost, not of the budget. VandenBosch noted that this year we have budgeted $80,000 in our budget; the payment will come some in this fiscal year and some in the next.

Motion by Lewis, second by Klavins to approve the Dewey Lane Water main Cost Share Agreement.

All in favor. Motion carried.

8. Economic Development Report

Jack McCloughan, Economic Development Director, gave an overview of recent activities.

9. General Comments

None at this time.

10. Adjourn

Motion by Valentine, second by Gawreliuk to adjourn at 4:26 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,

Marsha Ransom
Recording Secretary

Local Development Finance Authority

Special Meeting Minutes

Tuesday, May 8, 2012
12:00 Noon, Council Chambers
South Haven City Hall

City of South Haven

1. **Call to Order by Bolt at noon.**

2. **Roll Call**

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

3. **Approval of Agenda**

4. **Three Party Purchase Agreement and Easement**

   VandenBosch outlined the details of the proposed purchase agreement with Michigan Blueberry Growers (MBG) for property at 1600 2nd Avenue. This agreement is for forty (40) acres, for $206,500, including an incentive from the Local Development Finance Authority (LDFA) which will cover water and utility connections. VandenBosch noted there is a restriction on sale of the property by Michigan Blueberry Growers (MBG); if they sell the property within 60 months, any difference, or profit, must be paid to the LDFA within 30 days after such sale. VandenBosch noted that last night at the City Council meeting, the City deeded the property to the LDFA.

   VandenBosch noted we have a purchase agreement and an easement up for consideration. The City and Michigan Blueberry Growers (MBG) hope to close the purchase agreement this afternoon if the board agrees.

   Bolt noted the timeliness of beginning construction being an issue with previous potential buyers. Dissette noted that the contract specifies that the buyer has committed to thirty-six (36) months for building to commence.

   VandenBosch noted the contract states their plans on Page 4, Paragraph 9A.

   Bolt asked for confirmation that when the closing is done, the LDFA will get a check for $206,500. VandenBosch explained the arrangements. Dissette noted that we have done that in the past.

   Varney asked who will be paying for the connecting of the utilities. VandenBosch said Michigan Blueberry Growers (MBG) will be responsible for the cost of connecting the

utilities, except the City has offered them the $150,000 incentive. Michigan Blueberry Growers (MBG) will be paying for the hookup. Varney asked if there are any other incentives. VandenBosch said tax abatement and the City will help Michigan Blueberry Growers (MBG) pursue an Agricultural Renaissance Zone with the State of Michigan.

Dissette clarified that the maximum $150,000 being offered to Michigan Blueberry Growers (MBG) by the City should cover all City charges. Michigan Blueberry Growers (MBG) will bear the cost of running the waterline from the City right-of-way to their building. Dissette noted that the City's standard policy is that the electrical Line expense is also borne by the builder but over a 3-year period the customer can receive a rebate. The final point regarding the tax incentives is that this is just continuing standard practice. Regarding petitioning for an Agricultural Renaissance Zone; the City has repeatedly stated that to Michigan Blueberry Growers (MBG) that there are only a few of these being granted by the State. Michigan Blueberry Growers (MBG) is aware that they may not get the Agricultural Renaissance Zone; however the City has agreed to help them pursue that.

Varney asked how getting that designation (Agricultural Renaissance Zone) would impact Michigan Blueberry Growers (MBG). Dissette said the State of Michigan will cover all taxes. However, the State has cut back on the number they grant. Varney asked if the Michigan Blueberry Growers (MBG) contract is contingent on receiving that designation; Dissette said "No, if Michigan Blueberry Growers (MBG) had been ready to close six (6) months ago, it would have been virtually a given that they would receive that designation. At this point there are only a few left.

Varney asked how many jobs would be created. VandenBosch noted that on Page 4, Item 9A, Michigan Blueberry Growers (MBG) projects that developing this property will result in approximately two (2) to four (4) full-time equivalent professional or management jobs .and up to twenty (20) seasonal jobs.

Varney noted that she appreciated the point in the contract about the reselling of the property and the rebate to the City.

Motion by Henry, second by Klavins to approve the purchase agreement and deed as presented in the closing documents.

All in favor. Motion carried.

Motion by Henry, second by Klavins to approve the utility easement as presented.

All in favor. Motion carried.

5. Adjourn

Motion by Klavins, second by Henry to adjourn at 12:15 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 May 31, 2012

	LDFA #1	LDFA #2	LDFA #3
Revenues			
Property Tax Captures	190,515	33,965	41,460
Interest Income	5,513	3,599	5,564
Land Sales			217,501
Other Revenue	-	-	5,920
Other Transfers In	-	-	-
Total Revenue	196,028	37,565	270,445
Expendtires			
Economic Liaison	21,791	1,537	18,519
Administrative Costs	-	-	-
Professional Fees	1,170	2,967	-
Contractual Services	-	-	17,434
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	62,954	36,333	66,359
Year-to-Date Fund Gain/(Loss)	133,073	1,232	204,085
Cash and Investments			
Cash	374,782	67,379	444,115
Certificates of Deposit	256,394	-	100,000
Other Financial Investments	747,066	113,876	482,411
Total	1,378,242	181,256	1,026,526

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

RE: Michigan Blueberry Growers

04/02/12	SGS	Review and revised draft purchase agreement; voice message from and email to Michigan Blueberry Grower's attorney.	.40
04/03/12	SGS	Reviewed and significantly revised Purchase and Development Agreement; monitored and oversaw title work and Jarvey issues; attorney conferences with K. Lane.	2.90
04/03/12	KPL	Drafting of revisions to purchase and development agreement as requested by S. Smith.	3.50
04/04/12	SGS	Attorney conference with K. Lane regarding change in wording for transformer credit.	.10
04/04/12	KPL	Drafting of modifications to purchase and development agreement as requested by S. Smith.	.60
04/20/12	SGS	Attorney conference regarding closing issues.	.20
04/23/12	SGS	Attorney conferences with K. Lane regarding buy/sell contract issues and closing issues; review revisions to contract.	.20
04/23/12	KPL	Telephone conversation with attorney representing the Michigan Blueberry Growers relating to proposed purchase agreement.	.40
04/24/12	SGS	Telephone conference with B. Dissette and P. VanderBosch regarding MBG agreement draft; attorney conferences with K. Lane regarding developments.	.40
04/24/12	KPL	Conference call with City Manager and Assistant City Manager regarding purchase and development agreement; drafting of modifications to purchase and development agreement as requested by City Manager and Assistant City Manager.	1.40
04/25/12	SGS	Numerous attorney conferences regarding closing and other "deal" issues; review numerous emails.	.50

04/25/12	KPL	Telephone conversation with attorney representing the Michigan Blueberry Growers relating to proposed purchase agreement, title commitment and survey.	.40
04/26/12	SGS	Telephone conference with L. Halberstadt, B. Dissette and P. VandenBosch regarding 17 foot easement; telephone conference with D. Poland regarding same; communication with K. Lane, B. Dissette and P. VandenBosch regarding telephone conference with D. Poland.	1.20
04/26/12	KPL	Drafting of modifications to draft purchase and development agreement to incorporate Michigan Blueberry Growers proposed modifications.	.80
04/27/12	KPL	Drafting of deed to transfer property from LDFA to City; drafting of utility easement from LDFA to City.	1.40
04/30/12	KPL	Drafting of modifications to deed and utility easement as requested by S. Smith.	.50

TOTAL SERVICE FOR THIS MATTER $2,831.00

LAMBRIX DESIGN
AND COMPANY

INVOICE

March 9, 2012

City of South Haven
539 Phoenix Street
South Haven, MI 49090

Attn: Jack McCloughan

Invoice #3498

Economic Development - Agriculture Insert

Size: one-sided, 8.5" x 11.5"
Design fee to include all of the following:

- Client meeting
- Writing of Agriculture insert copy
- Design concept, layout and typesetting of Agriculture Insert
- Photo retouching work
- One time usage fee of 2 stock photos (@ $24.95 each)
  - blueberries and green watercolor paper background
- Color proof provided electronically for review and editing
- Two sets of minor copy revisions made to layout
- Keylining of artwork according to printer specifications
- Camera-ready artwork provided to Holland Litho upon final approval

Total Due for Economic Development Agriculture Insert.....$596.45

OK to Pay

TOTAL: $596.45

Payment is Due upon Receipt.

9127 HIGHLAND VIEW DRIVE, KALAMAZOO, MICHIGAN 49009 PH 269.353.5991 WEB LAMBRIXDESIGN.COM

MITCHELL & MORSE
LAND SURVEYING

234 VETERANS BLVD.
SOUTH HAVEN, MICHIGAN 49090

PHONE (269) 637-1107
FAX (269) 637-1907

253-901-802-000
gmH 5-18-12

Invoice

DATE	INVOICE NO.
5/16/2012	107404

BILL TO
CITY OF SOUTH HAVEN 539 PHOENIX STREET SOUTH HAVEN, MI 49090 ATTN: LARRY

P.O. NO.	TERMS	DUE DATE
12-404	Net 30	6/15/2012

FOR PROFESSIONAL SERVICES	AMOUNT
FOR PREPARING SKETCH AND DESCRIPTION FOR PROPOSED EASEMENT OVER PARCELS OF LAND IN THE CITY OF SOUTH HAVEN, VAN BUREN COUNTY, MICHIGAN RE: 102ND AVENUE	125.00

Thank you for your business.

Total $125.00

CITY OF SOUTH HAVEN
REQUISITION / PAY REQUEST

№ 3193

Vendor Number _____ Date 5/9/12

Vendor: VB Co Road Commission Department _____

PURCHASE ORDER (Will be mailed)		CHECK REQUEST	
Original	☐	Regular	☐
Confirming	☐	Prepay	☐

BUDGETARY ACCT. # FUND/DEPT./LINE ITEM	QTY.	ITEM	UNIT PRICE	TOTAL
		Pre-Construction Deposit 71 ½ St Construction Dewey Ln Water main 25% Prior to Commencement of Project.		13,126.81

COMMENTS: LDFA Approved Agreement Apr 9, 2012

Signature (under $500) Date

Group Leader ($500 & over less than $1000) Date 5/9/12

City Manager ($1000 & over less than $15000) Date

ACCOUNTING USE ONLY

Recommended by Date

Authorized to Pay Date

BOARD OF COUNTY ROAD COMMISSIONERS
BOARD OF COUNTY PARK TRUSTEES
BOARD OF PUBLIC WORKS

Commissioners:
Reginald D. Boze, Gregory H. Kinney, Chester M. Ray, Jean A. Stein, Alain E. Svilpe
Lawrence B. Hummel, P.E., County Highway Engineer-Manager
Gregory M. Pardike, Board Secretary-Accountant

April 30, 2012

City of South Haven
Attn: Larry Halberstadt
1199 - 8th Avenue
South Haven, MI 49090

REQUEST FOR PRE-CONSTRUCTION DEPOSIT

The pre-construction deposit for the following project is now due and payable:

Project #459.2517 Watermain Construction on 71/2 Street (CR689) at CR388 (Phoenix Road

Estimated Project Cost	$52,507.22	
Pre-Construction Deposit (25%)		**$13,126.81**
	Due Road Commission	**$13,126.81**

VAN BUREN COUNTY ROAD COMMISSION

253-901-974-000
LMH 5-7-12

POST OFFICE BOX 156 • LAWRENCE, MICHIGAN 49064 • TELEPHONE 269-674-8011 • FAX 269-674-3770
www.vbcrc.org

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.

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%)	$1,394.00
Total Watermain Construction Estimate	**$52,507.22**

25% → 13,126.81

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

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: _____

_____