

Local Development Finance Authority

Regular Meeting Minutes

Monday, January 14, 2013
4:00 p.m., Council Chambers
South Haven City Hall



City of South Haven

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

2. Roll Call

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

3. Approval of Agenda

Motion by Kerber, second by Henry to approve the Agenda as presented.
All in favor. Motion carried.

4. Approval of Minutes – November 12, 2012 Regular Meeting

Motion by Henry, second by Gawreliuk to approve the November 12, 2012 regular meeting minutes as written.

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.

7. Invoices for Approval - LDFA 3

220 Aylworth Avenue
Envirologic, Dec 12, 2012, #28534, \$3,914.25

Motion by Henry, second by Gawreliuk to approve the invoice from Envirologic for \$3,914.25.

All in favor. Motion carried.

8. Bohn Plant update

VandenBosch updated the board regarding security issues between the Lovejoy self-storage and the Bohn plant site and updates that have been made.

There was discussion of cleaning the building up and making improvements before showing the building. The board discussed the cost of improving the property enough to allow leasing or selling of the property and the cost of a survey by an architect which would reflect what updates need to be made.

There was discussion regarding where the funds would go if the property were sold. There were questions regarding the value of the building and where it would be listed.

VandenBosch described exterior improvements that could be done, such as having landscape elements trimmed, to get rid of the “abandoned building” look.

VandenBosch informed the board that there is a large piece of equipment inside the building that will probably have to be removed.

9. East Jordan Request

VandenBosch gave an overview of the terms of the lease which East Jordan Plastics has through March 15 and noted East Jordan is requesting an extension of 6 months to remove the large amount of product which is stored in the building.

There was discussion of liability, cost of lease, safety issues etc. There were questions regarding whether the City and LDFA are bound by the March 15 lease and whether that lease protects the LDFA at all from liability. There was discussion of the amount of time it will take for them to remove the material currently stored in the building. There was discussion of whether the extension of the lease will get in the way of clean-up, restoration and even sale of the building. The board agreed that the extension needs to indemnify the city from liability. Another factor discussed was whether the city can do the extension in increments; perhaps beginning with a 3-month extension and then evaluate the situation.

The board discussed more possible contingencies to an extension:

- No new product may be moved in; removal only.
- East Jordan must pay the electric bill once power is restored to the building.
- Product must be moved if the City needs to access part of the building.

There was discussion of leasing smaller areas to them as time goes on and product is removed. The board wondered if the cost of repairs and maintenance will come out of the LDFA and then be reimbursed at a later date. VandenBosch will explore the possibility of obtaining a grant. The board discussed what sort of grant might be available. A possibility, according to VandenBosch, is to obtain a grant to put a road in and subdivide the property.

Klavins suggested getting three commercial real estate agents to do a presentation on possibilities that might help us know what would be the best route to take in marketing this property. Klavins will get the names and contact information for VandenBosch.

10. MCE Lighting Proposal

VandenBosch pointed out the bid from Midwest Civil Engineers, LLC for the design of a temporary lighting system. VandenBosch also noted that the gas company is removing the meter which is much too large and seems to be leaking.

Motion by Henry to approve the proposal from Midwest Civil Engineers, Inc. for the report and temporary lighting.

Kerber questioned whether any of the existing lighting is functional and whether the temporary lighting system proposed by Midwest would be a sunk expense.

After discussion, Valentine asked for a second.

Second by Erdmann.

Valentine and called the question.

All in favor. Motion carried.

11. Economic Development Report

Jack McCloughan, Economic Development Director, gave an overview of economic development activities in the past month.

12. General Comments

There were none

13. Adjourn

Motion by Henry, second by Klavins to adjourn at 4:52 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,
Marsha Ransom
Recording Secretary