

# Local Development Finance Authority

## Special Meeting Minutes

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



### 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 2<sup>nd</sup> 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