

## City Council

### Regular Meeting Minutes

**Monday, July 21, 2014**  
**7:00 p.m., Council Chambers**



#### 1. Call to Order by Mayor 7:00 p.m.

#### 2. Invocation by Bernice Thomas – Greater Faith Community Church.

#### 3. Roll Call

Present: Arnold, Gruber, Klavins, Patterson, Burr  
Absent: Fitzgibbon, Kozlik Wall

Moved by Arnold to excuse Councilmember Kozlik Wall for personal reasons. Seconded by Patterson.

Voted Yes: All. Motion carried.

Moved by Gruber to excuse Councilmembers Fitzgibbon due to illness. Seconded by Klavins.

Voted Yes: All. Motion carried.

#### 4. Approval of Agenda

Moved by Patterson to approve the agenda. Seconded by Klavins.

Voted Yes: All. Motion carried.

#### 5. Consent Agenda: Items A thru E (Roll Call Vote Required)

Moved by Patterson, seconded by Arnold to approve the Consent Agenda as follows:

- A. Council will be requested to approve the City Council Minutes of July 7, 2014.
- B. Bills totaling \$514,712.85 for the period ending July 20, 2014 be approved and forwarded to the Clerk and Treasurer for payment.
- C. Council will be asked to award the bid for the Van Buren Trail pavement marking project to PK Contracting in the amount of \$4,150.00.
- D. Council will be asked to approve a contract with Appraisal Plus Group, Inc. for assessing and land division services.
- E. Council will be asked to receive the following administrative reports and approved minutes to be placed on file:
  - 1) Parks Commission: Minutes, April 8, 2014.

- 2) Brownfield Redevelopment Authority: Minutes, November 11, 2013.
- 3) Planning Commission: Minutes, June 5, 2014.
- 4) Local Development Finance Authority: Minutes, April 14, 2014.

A Roll Call Vote was taken:

Yeas: Arnold, Gruber, Klavins, Patterons, Burr

Nays: None

Motion carried.

## NEW BUSINESS

- 6. Council will be asked to consider Resolution 2014-33: A Resolution setting a public hearing date of August 4, 2014 for consideration of an application for an Industrial Facilities Exemption Certificate requested by Petter Investments Inc. dba Riveer.**

*Background Information:* The tax exemption request, which totals approximately \$75,783, is for real construction and new personal property acquired by the company. The applicant notes that the company anticipates creating 15 new jobs at their facility, and retaining 34 jobs, as a result of the project. The company indicates that the construction and personal property is for the creation of an engineering department office, which required space and office equipment.

Riveer was founded in 1983. Riveer features a range of wash rack systems, along with industrial and military grade pressure washers. The company makes products which are designed to keep equipment clean, combat corrosion, and reclaim as much water as possible.

The estimated total value of the Industrial Facilities Tax Exemption Certificate for Riveer is \$9,906 over the 12 year life of agreement if all machinery is included in the certificate. The tax exemption does include a "claw-back" provision, which allows the City of South Haven to seek the abated tax amount if the terms of the abatement are not met by the business.

Moved by Gruber to approve Resolution 2014-33: A Resolution setting a public hearing date of August 4, 2014 for consideration of an application for an Industrial Facilities Exemption Certificate requested by Petter Investments Inc. dba Riveer. Seconded by Arnold.

Voted Yes: All. Motion carried.

- 7. City Council will be asked to approve Special Event 2014-42: Blueberry Festival 5k/10k (August 9, 2014).**

*Background Information:* This 5k /10k race is scheduled for August 9th, 2014 during the Blueberry Festival weekend. The race will start at 7 am and end at approximately 11 am. The number of people expected to run in this race is 1,500.

The sponsoring Organization for this event is South Haven Health Systems and like in years past they request to have police officers staffed that day to escort the race. They request to have one officer in the lead and one behind.

Moved by Patterson to approve Special Event 2014-42: Blueberry Festival 5k/10k (August 9, 2014) contingent upon receipt of proof of insurance. Seconded by Arnold.

Voted Yes: All. Motion carried.

**8. City Council will be asked to approve a lease agreement with Frost Law Office, PLC for the use of the Michigan State Police Post, located at 720 La Grange Street.**

*Background Information:* The South Haven Michigan State Police Post was closed for operation by the State of Michigan. At that time the ownership of the building at 720 LaGrange Street reverted from the State of Michigan to the City of South Haven. In the past two years, the city has made improvements to the building (e.g., painting, cleaning, updating the wiring,) which allowed the South Haven Police Department to temporarily operate from the building, while the Police/Fire Complex was rebuilt. Since the South Haven Police Department vacated the building at 720 LaGrange Street has been empty. Recently, Mr. John Frost, Frost Law Office PLC, approached city officials about purchasing the building, to be used as office space for their law office. At this time, the city cannot sell the site due to title issues. The city holds title to a portion of the overall site, with the State of Michigan still holding title to the back parking lot and storage building. Should the city acquire title to the full site, Frost Law Office PLC may have an interest in purchasing the overall site.

The lease agreement is a one year agreement, and has a monthly cost of \$800. The lease allows for annual renewals, but cannot extend beyond five years. The lease agreement does require the city to provide water, sewer, electric, and gas utilities. The tenant shall provide telephone and other communications and data services. The tenant shall be responsible for all exterior and interior maintenance and repairs. The agreement allows the tenant to deduct the costs of any repairs (but not maintenance) it makes to the premises from monthly rent; provided that the tenant submits paid invoices or documentation to the city. Any repairs which exceed \$500 must be approved in advance by the city.

The lease agreement requires the tenant to obtain and maintain a general liability insurance policy, with a minimum of \$1,000,000 per occurrence, for the building, which holds the city as an additionally insured. Should the city acquire title to the full MSP site, and should the tenant desire to purchase the site, and the City Council desire to sell the site, the agreement includes a credit of up to 50% of the lease payments to be applied towards the purchase of the site.

Given that the facility is currently vacant, and that the city has no immediate plans for the site, staff recommends approval of the lease agreement. Approval of the agreement allows for a local business to expand, and fills a vacant facility.

Moved by Gruber to approve a lease agreement with Frost Law Office, PLC for the use of the Michigan State Police Post, located at 720 La Grange Street. Seconded by Klavins.

Voted Yes: All. Motion carried.

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

Marilyn Miller, 119 South St – voiced concerns with the construction of the marina facility and its impact on her property.

**10. City Manager's Comments**

**11. Mayor and Councilperson's Comments**

Gruber: Nice to see the upgrades to the camera system.  
Patterson: Thanked Mrs. Miller for her comments. Thanked City staff for helping make this summer safe and enjoyed by many.  
Arnold: No comments.  
Klavins: Town was packed this last weekend. Apologized to Mrs. Miller for not responding to her call.  
Burr: No comment.

**12. Council will be asked to go into closed session pursuant to Michigan Open Meetings Act; Public Act No. 267 of 1976; 15.268; Sec. 8(e) to discuss trial or settlement strategy with its attorney.**

Moved by Patterson to go into closed session pursuant to Michigan Open Meetings Act; Public Act No. 267 of 1976; 15.268; Sec. 8(e) to discuss trial or settlement strategy with its attorney. Seconded by Klavins.

A Roll Call Vote was taken:

Yeas: Arnold, Gruber, Klavins, Patterson, Burr

Nays: None

Motion carried. Meeting adjourned into closed session at 7:35 p.m.

Moved by Gruber to return to open session. Seconded by Arnold.

Voted Yes: All. Motion carried. Council returned to open session at 7:53 p.m.

Moved by Klavins to approve the July 16, 2014 proposed agreement to be finalized by the attorneys as discussed in closed session. Seconded by Patterson.

Voted Yes: All. Motion carried.

**13. Adjourn**

Moved by Arnold to adjourn. Seconded by Klavins.

Voted Yes: All. Motion carried. Meeting adjourned at 7:54 p.m.

RESPECTFULLY SUBMITTED,



Amanda Morgan, CMC  
City Clerk

Approved by City Council: August 4, 2014