

# Local Development Finance Authority

## Regular Meeting Minutes

Monday, October 12, 2015  
4:00 p.m., Council Chambers  
South Haven City Hall



City of South Haven

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

### 2. Roll Call

Present: Erdmann, Dotson, Gawreliuk, Henry, Herrera, Klavins, Timmer, Valentine, Bolt  
Absent: Schaffer

### 3. Approval of Agenda

Motion by Valentine, second by Timmer to approve the October 12, 2015 regular meeting agenda as presented.

All in favor. Motion carried.

### 4. Approval of Minutes – August 10, 2015 Regular Meeting

Motion by Henry, second Klavins to approve the August 10, 2015 regular meeting minutes.

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 noted the financial report does not show any revenue from tax capture for this year yet, and reviewed the remainder of the financial report.

Motion by Dotson, second by Klavins, to accept the financial report as presented.

All in favor. Motion carried.

### 7. Economic Development Report

Jack McCloughan reviewed Economic Development activities since the last meeting.

## **8. MBG Land Division Transfer**

VandenBosch reviewed the sale of the property by the LDFA to Michigan Blueberry Growers (MBG) which included no land divisions. "Now that Hanson's property sale is underway, to complete the closing, Hanson's wants the ability to divide the land, with MBG and Hanson's each taking a portion of the rights to split the property. A document has been drawn up by the City Attorney to transfer those land division rights to MBG."

Erdmann asked why the previous deed transferred zero land divisions to which VandenBosch responded that he is not sure why that is in there and noted that MBG's attorney prepared the deed. Klavins explained this is a common thing encountered in real estate transactions. Bolt pointed out that divisions stay with the property and asked if that is a concern: "If Hanson's decides to build a cold storage and MBG decides not to do anything, will that stop the whole deal again? We have sat on that for a long time." Discussion ensued regarding the rules for lots splits in the Zoning Ordinance and whether someone could sell off a portion of the property. There was discussion regarding whether Hanson's would be going forward if they feel they do not have control of what is going to happen to the property. VandenBosch noted that while he does not know that, including the ability to split the lots is a condition of closing.

Erdmann asked if the document can be changed to allow just one (1) split. Dotson asked whether there has been any indication of why land divisions are being pursued. VandenBosch explained that it is usually sought for future investment or sale of property.

In regards to questions about the construction deadline for the utility payment, VandenBosch explained the time line was for the first construction project, no matter who it was.

Motion by Henry to execute this land transfer as requested. Second by Klavins.

All in favor. Motion carried.

## **9. Overton Change Orders**

VandenBosch noted that the asbestos environmental group did not identify two areas of asbestos contamination so that was not included in our bid documents. "This is additional work the contractor did not know about when he bid the project. The discovery of the asbestos created an extra expense that the contractor has asked for and the architect has reviewed and recommended the change orders." VandenBosch also noted that there were also windows that workers could not get to because the floor was rotted or the roof was caved in.

Change Order #1 covers proper disposal of windows and chimneys as well as removal and proper disposal of existing kiln flues.

Change Order #2 is for removal, separation and disposal of material from the kiln room area.

The total of the two Change Orders is \$48,180 in additional work which would be an additional payment to the contractor on top of his contract.

Erdmann asked if there were other bidders on that contract. VandenBosch said there were several bidders and noted that the city's environmental consultant should have noticed the items in the Change Orders but they did not.

Motion by Valentine, second by Gawreliuk, to approve Change Orders #1 and #2 for a total cost of \$48,180.

All in favor. Motion carried.

## **10. General Comments**

Henry noted there are some very large timbers on the site and asked whether the large timbers can be resold. VandenBosch explained that the contract was written so the contractor has the rights to salvage and can recycle anything in the structure. By doing this, the salvage value is reflected in the bid and reduces the overall cost of the project.

## **11. Adjourn**

Motion by Klavins, second by Dotson to adjourn at 4:16 p.m.

RESPECTFULLY SUBMITTED,

Marsha Ransom  
Recording Secretary