

Local Development Finance Authority
121 N. Church Street, Hudson, Michigan 49247
Regular Meeting
January 19, 2012 6:30 p.m.

The LDFA Meeting was called to order by Chairperson Kim Murphy at 6:30 p.m. in the Council Chambers at City Hall.

Roll Call: Present: Rob Hall, John Enerson, Marsha Evenson, Ali Moreno, Rex Murphy, and Kim Murphy
Absent: Jack Donaldson and Tim Stanley
Others Present: Dennis Smoke, City Manager Steve Hartsel, and City Clerk Judy Tanner.

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ORDERS OF THE DAY:

Excuse absent members:

Motion by Rex Murphy, seconded by Ali Moreno to **excuse Tim Stanley from the meeting**, CARRIED: Unanimously by voice vote.

Motion by Rob Hall, seconded by Rex Murphy to **excuse Jack Donaldson from the meeting**, CARRIED: 4-2 by voice vote. (Hall, Evenson, Enerson, and Moreno – Yes)(R. Murphy and K. Murphy – No).

Motion by Rob Hall, seconded by Marsha Evenson to **move the Financial Report under New Business as item 3**, CARRIED: Unanimously by voice vote.

Approval of the Minutes:

Motion by Rex Murphy, seconded by John Enerson to **approve the minutes from October 13, 2011, and place them on file**, CARRIED: Unanimously by voice vote.

NEW BUSINESS:

Reappointment: Jack Donaldson:

Jack Donaldson has expressed his interest in being reappointed to the Local Development Finance Authority. This is a four-year appointment that will expire in December 2015. Jack Donaldson meets all the minimum requirements to be reappointed to the Local Development Finance Authority.

Motion by Rob Hall, seconded by Rex Murphy to **recommend to Council to confirm reappointing Jack Donaldson to the Local Development Finance Authority with a 4-year term expiring in December 2015**, CARRIED: Unanimously by voice vote.

Reappointment: Ali Moreno:

Ali Moreno has expressed his interest in being reappointed to the Local Development Finance Authority. This is a four-year appointment that will expire in December 2015. Ali Moreno meets all the minimum requirements to be reappointed to the Local Development Finance Authority.

Motion by Rex Murphy, seconded by Rob Hall to **recommend to Council to confirm reappointing Ali Moreno to the Local Development Finance Authority with a 4-year term expiring in December 2015, CARRIED: Unanimously by voice vote.**

LDFA: Duties and Responsibilities:

As requested by the LDFA Chairperson the Authority was provided with a copy of the LDFA's Duties and Responsibilities. This was to inform new members and remind existing members of the purpose of the Local Development Finance Authority. After thorough discussion of their Roles and Responsibilities the Authority requested a copy of the Local Development Finance Authority Plan be sent to them electronically for review for discussion at their next meeting.

Financial Report:

The LDFA was provided with a financial report for the period ending December 31, 2011 with an estimated Fund Balance of \$258,907.53 for June 2012 submitted by the City Treasurer. Chairperson Kim Murphy stated that the reason she had asked that the financial report be moved up on the agenda was because the Authority would be looking at their budget and some project requests, and they need to know what the LDFA Fund Balance was before they decide whether or not they would do any more projects.

Motion by Rex Murphy, seconded by Marsha Evenson to **accept the Financial Report, and place on file, CARRIED: Unanimously by voice vote.**

Industrial Park: Marketing Discussion:

Chairperson Murphy stated that the reason she had requested this discussion was the failing of the Lenawee Economic Development Corporation (LEDC) millage, and what the future of the LEDC is going to be. One of the concerns is how will the City of Hudson market its Industrial Park. She stated that part of the LDFA's purpose is to promote the Industrial Park in stimulating business and jobs for the community.

City Manager Steve Hartsel was asked for his input as to what the advantages are to be a Certified Industrial Park. Mr. Hartsel explained that a Certified Industrial Park meets a certain level of standards and criteria; there is a set of covenants that are enforced, there are certain levels of infrastructure there, whether it's fresh water and sewage disposal, storm water drainage, Class A roads leading into the park, certain appearance standards, etc. All these things have to be met or exceeded, and are inspected and approved to become certified. The Authority was provided with a copy of the home page of the MEDA (Michigan Economic Developers Association) webpage dedicated to the Hudson Industrial Park. Mr. Hartsel advised that the website will assist site selectors in knowing that Hudson has a Certified Business Park. He also advised that we have the additional advantage of having the southernmost Certified Business Park in the State of Michigan, and it is also recognized by the Governor.

The Authority asked whether or not the City was going to support the LEDC next year, and Mr. Hartsel advised that it was budgeted for 2011/12. He stated that he was also asked that same question by the LEDC, and told them that it was up to the LDFA and he couldn't make any promises. Mr. Hartsel advised that the LEDC is doing some work for us that could be very valuable that probably deserves compensation. Mr. Hartsel advised that the LEDC has been very helpful to Mr. Cox in getting a Machinery and Equipment Grant, and they are working with some other institutions in town. The Authority agreed that they are still interested in having the LEDC involved, but need to work out some communication issues with them.

The Authority discussed whether they would like to support paying an outside firm to market the Industrial Park, or try to do it in house. They indicated that they would like the Certified Industrial Park designation to continue, and questioned whether they want to do any target marketing in house such as prepare a professional flyer or brochures that are up to date.

Mayor Smoke advised that Siena Heights has an intern program for their marketing degree. Mr. Smoke advised that the DDA has started looking at promoting Hudson, and he has been spearheading with local business owners to get their point of view of Hudson promoting Hudson. He indicated that funding would come from everyone; the City Office, Boards and Commissions, Hudson Schools, Churches, and the downtown. He stated that we need to put a program together and form a committee to take a look at this and see what we need, such as how will we fund the program and how will we continue to fund it. His opinion was that we would not just fund it for one or two years, because it will get lost, and along with this we need direction. He suggested that anyone wanting to be a part of the program get involved.

Mr. Hartsel suggested that we come up with an updated visual brochure on the Industrial Park. Chairperson Murphy stated that as the LDFA one of their biggest marketing responsibilities is the Industrial Park, and should they come up with a separate marketing plan or do any target marketing for the Industrial Park. She gave a synopsis of what was prepared in the past working with the LEDC for target mailers, and asked whether we could update what we have or leave it up to the LEDC. Mr. Hartsel requested input on whether the Authority would like to budget monies to use for marketing purposes.

Budget Discussion:

The LDFA was provided with their current fiscal year budget for discussion. Mr. Hartsel reiterated from their earlier discussion of the financial report they should take notice that some items on the current year's budget will not be on next year's budget; such as the LDFA loan payment will be paid off this year, the Steger reconstruction will be completed, and as previously suggested marketing will be increased. The LDFA discussed meeting in March instead of April to finalize their recommendations for their 2012/13 budget. The Authority also asked if the farmland lease contract is up this year, and will we rebid it.

UNFINISHED BUSINESS:

Industrial Park Internally – Lighted Sign

City Manager Steve Hartsel gave the LDFA an update on the Industrial Park internally lighted sign. The Authority was provided with some examples of other Industrial Park signs from other communities for review. Mr. Hartsel reminded the Authority that he was asked to come back to them with more specifics and pricing for a new sign. He advised that he has had some discussions with a couple of contractors. He has also done some research on a range of examples with qualities he thought the LDFA was looking for. He stated that the size of the sign would need to be determined, and recommended something with a foundation built to raise the base up, be a minimum size of 12 ft. wide and 7 ft. high, and be lighted. Mr. Hartsel provided the Authority with a drawing that he had come up with that would go along with an existing theme for Hudson, and would serve as a Gateway sign on the east end of the City. The members indicated that they preferred this design to the others provided. A sign update will be taken back to the LDFA at their next meeting.

Steger Industrial Drive Extension Project Update:

The Steger Industrial Drive Phase 4 Extension Project is underway. Design has been completed, and Brady Sand & Gravel has completed the initial grading, and storm water drainage, and they finished the sanitary sewer system today. Brady has suspended any further work for the winter until the spring thaw, and the substantial infrastructure completion date has been adjusted to June 1 (no negative impact with this change). Mr. Hartsel informed the LDFA that approximately \$125,000.00 out of the total has been sent to Brady for their progress, and Jones & Henry Engineering (J&H) has received a total \$27,717.86, which \$15,800 was for design. The most recent progress meeting was held on January 10th, and preliminary notes from this meeting were attached for review. The total project cost for this 1100 ft. project, including engineering, remains at approximately \$565,000.00. Mr. Hartsel stated that J&H has been showing a very high level of performance over this project, and have been extraordinarily thorough just on the bonding and insurance requirements for the project. They have had an onsite inspector on the job everyday so far. Mr. Hartsel also informed the Authority that a different type of fire hydrant is being installed, which is one of the best fire hydrants in the world, and is made in

Michigan. It will be the same cost, and will last longer than our existing hydrants. He also noted that J&H has made sure that there are provisions in this contract to televise the entire sub-drains when the project is completed.

Phase 5 Design Proposal

The LDFA was advised that before any further work can be done to complete Steger Industrial Drive; the remaining section (Phase 5) must be designed. Jones & Henry Engineers (J&H) has submitted a formal project proposal in the amount of \$22,690.00 to design the Steger Industrial Drive Phase 5 Extension, and they are offering the same budget for construction engineering and bidding for this project. J&H has indicated that they can always do another option to deviate from a full-time on site representative during that phase to save money. This proposal covers designing the final section (approx. 1150 feet) of road, curb, gutter, storm water, sanitary sewer, and water needed to complete Steger Industrial Drive. The road would be designed to the same Class A All-Season standards as the rest of Steger (12” sand sub-base with sub-drain, 8” aggregate base and 5” asphalt). The agreement also fixes the rate for bidding, office and field engineering at the Phase 4 price in the event that the LDFA authorizes all or part of Phase 5 to move ahead in the future.

Mr. Hartsel indicated that J&H would have a design ready prior to the next LDFA meeting, which would tell them exactly how much material they are going to need, and if the LDFA decides to go ahead with the project J&H would provide them with an actual cost proposal. Mr. Hartsel estimated a cost of approximately \$450,000.00 to do the final phase. He stated that it is projected that approximately \$575,000.00 is not obligated out of the LDFA’s budget for the next fiscal year. Mr. Hartsel also indicated that Phase 5 could possibly be done in stages.

The Authority indicated that it would make sense to at least have the project engineered and ready to go. Mr. Hartsel stated that the understanding would be that the \$22,690.00 for the design would be approved, and an agreement would be signed, but the \$64,800.00 would not be spent unless the project actually progressed, based on a percentage. Mr. Hartsel requested that the Authority approve the proposal from J&H for \$22,690.00 to design Phase 5. The LDFA agreed that if they were going to continue developing the Park like they have been tasked to do things like this need to be done, but were concerned about budget timing. The Authority agreed that it was a good idea to keep on target with their plans, but were concerned about the cash line in their budget. They discussed the idea of possibly securing a bond to potentially do the entire project, and any other miscellaneous items such as lighting, or any infrastructure improvements that are needed in the Industrial Park.

Motion by Rex Murphy, seconded by John Enerson to **accept the proposal from Jones & Henry Engineers, Ltd. to provide Design Services for the Steger Industrial Drive Phase 5 Extension Project for \$22,690.00, and Bidding, Office and Field Engineering Services for \$64,800.00; and authorize the City Manager to sign the associated contract documents with Jones & Henry, CARRIED: 6-0 by roll call vote.**

Bills:

Bills to be Approved for Payment: \$16,551.76

Jones & Henry Engineers Ltd	\$16,551.76	Steger Dr Ext Engineering NOV 2011
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Bills to be Confirmed: \$127,045.92

Philip Rubley, CPA	\$1,500.00	FYE June 2011 Annual Audit Fee
Brady Sand & Gravel	\$20,022.08	Steger Dr Extension Pay App #1
Brady Sand & Gravel	\$105,523.84	Steger Dr Extension Pay App #2

Motion by Rex Murphy, seconded by John Enerson to **pay the bills, CARRIED: Unanimously by voice vote.**

Visitors Before Authority:

There was no Public Comment.

CITY MANAGER'S REPORT:

- Burnip's, the New Holland Agricultural Equipment franchise, has begun to move in across from the Industrial Park.
- Hi-Lex Controls, Inc. has applied for an Industrial Facilities Tax Exemption Certificate (IFT) to cover the 600-ton stamping press and associated equipment they intend to install in the near future to expand their operations. This IFT will be for new personal property valued at over \$3 million.
- Contractors working with three of the four properties participating in the new façade project are preparing to begin work in the four corners area. One of the first noticeable activities will be the removal of the awning from the front of 300 W. Main St.
- The DDA will be sponsoring a paint program this year for properties within the DDA area. The program is expected to begin mid-year, and cover the cost of paint, while the property owners must furnish the labor.
- A field team from the Merit Fiber-Optic project met with city staff last week to determine a potential route through town for the fiber. This network could connect all city buildings, including the library, and the industrial park with the network. The section of the statewide project linking Adrian with Hillsdale is expected to be put in place around mid-year.
- The first Wayfinding sign has been installed north of the 127 Party Store. The other 7 signs will be put in place over the next several weeks.
- The Findlay Trail bridge lighting should be completed before this weekend. The trenching and wiring is already completed. Only the fixtures and final inspection need to be completed before the lights can be activated.
- A small agricultural supply company is expected to move their headquarters to Hudson within the next quarter, bringing about 6 new jobs to the city.
- Apparently, the platting in the Industrial Park has not been consummated. The surveying was done, but that is as far as it went, and the County Assessor and City Assessor are working together to get it processed through as an assessors plat.
- I will be looking into the idea of potentially putting in a sidewalk around the retention pond in the Industrial Park. More details will be provided at the next quarterly LDFA meeting.

Adjournment:

Motion by Rex Murphy, seconded by John Enerson to adjourn the meeting at 8:25 p.m. There were no objections.

ATTEST:

Judith A. Tanner, City Clerk