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BOYNE CITY LOCAL DEVELOPMENT FINANCE AUTHORITY

March 19, 2012-following the noon EDC meeting

- 1. CALL MEETING TO ORDER**
- 2. OATH OF OFFICE**
Kelly Bellant
- 3. ROLL CALL**
Excused Absences
- 4. READING AND APPROVAL OF MINUTES**
Approval of the February 13, 2013 meeting minutes
- 5. HEARING CITIZENS PRESENT (ON NON-AGENDA ITEMS)**
- 6. CORRESPONDENCE**
- 7. REPORTS OF OFFICERS, BOARDS, AND STANDING COMMITTEES**
- 6. UNFINISHED BUSINESS**
 - a. Road/Intersection Improvements
 - Drainage Issues
 - b. Sign updates
 - New Entrance
 - Business Name
 - Moll/LexaMar Directional
- 7. NEW BUSINESS**
 - a. Budget review
 - b. Kirtland Study funding
 - c. Visitor Guide Ad
- 8. GOOD OF THE ORDER**
- 9. ANNOUNCEMENT**
The next regular meeting is scheduled for May 14, 2012.
- 10. ADJOURNMENTS**



Approved: _____

**MEETING OF
FEBRUARY 13, 2012**

**MINUTES OF THE BOYNE CITY LOCAL DEVELOPMENT FINANCE
AUTHORITY MEETING DULY CALLED AND HELD ON
MONDAY, FEBRUARY 13, 2012**

CALL TO ORDER

Chair Gillette called the meeting to order at 12:04 p.m.

ROLL CALL

Present: Pat Anzell, Michael Cain, Richard Copeland, Michelle Cortright, Pete Friedrich, Ralph Gillett and Josette Lory

Absent: None

**MEETING
ATTENDANCE**

Staff: Planning/Zoning Administrator Scott McPherson, Assistant
Planning/Zoning Administrator Shannon McMaster, Main Street
Director Hugh Conklin and Recording Secretary Karen Seeley

Public: Eight

**APPROVAL OF
MINUTES
MOTION**

Friedrich moved, Cortright seconded, PASSED UNANIMOUSLY to approve the February 9, 2012 minutes as presented.

**UNFINISHED
BUSINESS**

First Robotics Competition Team \$500 presentation: Five members of Team Blaze along with their mentor Gordon Rushlow gave the board a brief synopsis of the robotic competition. They had six weeks from January until March to design & build a robot to complete in a themed challenge. This year's challenge is picking up small sized basketballs and shooting them at basketball goals. The team has two upcoming competitions where three robots will compete against each other. The robotics club will give students experience that they can put on their resume for college.

**NEW BUSINESS
Kirtland Products**

City Manager Cain opened the discussion stating that even after the improvements Kirtland Products has made to date they are still not in compliance with the conditional use permit they received. The community is complaining about the sound, site, plume, smell and dust. Financially, they feel they have done all they can do to this point. If Kirtland closes, Arte' will close also, they are tied financially. Board discussion to bring in someone with the knowledge to help with these problems. We have an opportunity to provide the financing for some one to do that. There is always going to be a plume, if the stack was higher, wouldn't it dissipate better? The current height is under FAA regulation, as it is so close to the airport. There is a frequency problem, not just a decibel problem. Would a consultant be the one to tell us if they could get them where they should be at 24 decibels at the property line?

Scott McPherson, Planning/Zoning Administrator stated that there is no specific number they have to meet. Kirtland indicated that noise would not be an issue and it is. Board questioned if there are any resources out there to deal with this situation. Someone out there should have the information, someone with the background with a similar fix, or have a reasonable solution to shoot for. Our goal is to retain/recruit businesses. Maybe we should have a tighter requirement regarding noise, site and outside processing. They over promised and have not delivered. We need to figure out what is best for the entire community. We could go out for RFP (request for proposals) for what we want. The zoning is industrial, and it is technically outside the Industrial Park. It is in the district, but not under the covenant of the Industrial Park.

Staff Comments: Hugh Conklin, Main Street Manager: We need to look for every opportunity to help this business; they have invested six million dollars. We should take every opportunity to make this business succeed. We need to stand behind them and if they fail, they need to know we did everything we could to help them succeed.

Citizen Comments: Tom Erhart, NLEA: This is a start up business, all start up businesses have financial problems. They have taken all the steps to rectify the problems and are very receptive to solutions.

Board discussion: Will this be a cost sharing venture or are we just giving support and will they be willing to except the ruling and suggestions.

MOTION

Moved by Lory seconded by Cortright PASSED UNANIMOUSLY that the LDFA approve expenditure to request RFP's (request for proposals) toward acquiring guidelines/parameters associated to items listed on Kirtland Products conditional use permit approval of 2008, including, but not limited to: Noise, vapor, odor, visual, plume including particulates, industrial nuisance and items affecting mixed use properties.

This will also give us the criteria for the next business interested in the park. The issue is more than just the sound, frequency and decibel levels; the smoke stack will be a DEQ issue. If it meets DEQ omission standards there is nothing we can do. Can we take care of enough of the issues to get this community to settle down? How do we determine ordinance standard on odor? We need an expert with experience with plants of this type, there must be standards out there, and where does Kirtland fall in those standards? What is acceptable? We need someone to analyze where the particulates are coming from.

It would be a good idea form a citizens committee to deal with the issues.

GOOD OF THE ORDER

Tempral Products has a new owner

Precision Edge looks very sharp inside, the first couple pieces of equipment have been moved in.

NEXT MEETING

The next meeting of the Local Development Finance Authority is scheduled for Monday, March 12, 2012 at Boyne City, City Hall.

ADJOURNMENT

The February 13, 2012 Local Development Finance Authority meeting was adjourned at 1:23p.m.

Pete Friedrich, LDFA Secretary

Karen Seeley, Recording Secretary



LOCAL DEVELOPMENT FINANCE AUTHORITY

Fund Code: 251

REVENUES

Code	Account Title	Prior year FYE 2011	Current Year FYE 2012		Proposed FYE 2013
			Budgeted	Projected	
030	REVENUES				
402	Property Tax Collections	218,768	207,829	179,365	192,195
664	Interest Earnings	1,643	1,000	0	0
TOTAL		220,411	208,829	179,365	192,195

Summary	Prior FYE 2011	Current FYE 2012	Proposed FYE 2013
Fund Balance, Beginning of Year	1,131,034	898,678	911,554
Revenues Over (Under) Expenditures	(232,356)	12,876	(309,794)
Fund Balance, End of Year	898,678	911,554	601,760

The LDFA generates revenue from increases in taxable value within the LDFA District (Air Industrial Park) that occur after the district was established (1996). It levies a millage equal to those that would ordinarily be levied by other taxing authorities within the district; in other words, these other taxing units forego their increased tax collections in order that the LDFA can capture them for improvements within the district. The LDFA currently raises income based upon a levy of 23.7296 mills.

LINE ITEM CLARIFICATION - Revenues

Tax Revenues.....\$ 192,195

Within the LDFA District, the LDFA levies 23.7296 mills on an increase in taxable value since 1996 of \$8,099,249

LOCAL DEVELOPMENT FINANCE**AUTHORITY****Fund Code: 251
EXPENDITURES**

Code	Account Title	Prior year FYE 2011	Current Year FYE 2012		Proposed FYE 2013
			Budgeted	Projected	
040	EXPENDITURES				
726	Administrative	0	500	500	500
750	Administrative Service Fee	25,000	25,000	25,000	30,000
802	Legal Services	0	5,000	2,000	5,000
808	Community Promotion	6,825	13,000	7,500	7,500
818	Contracted Services/Engineering	128	2,500	7,500	2,500
819	Professional Services	2,955	7,500	30,000	0
825	Right-of-Way Construction	106	0	10,000	15,000
870	Training/Travel	90	1,500	1,500	1,500
871	Workforce Training Program	0	0	0	75,000
900	Advertising/Publishing	2,675	20,000	10,000	10,000
971	Capital Outlay - Entrance sign	0	2,500	7,500	15,000
987	Contracted Services - CDBG	0	105,000	0	75,000
988	Contracted Services - EDA	350,000	0	0	200,000
992	CDBG Loan Principal	64,989	64,989	64,989	64,989
TOTAL		452,768	247,489	166,489	501,989

A. LINE ITEM CLARIFICATION - Expenditures

750 -Administrative Fee..... \$ 30,000

This expenditure covers support staff services provided from departments within the General Fund.

802 - Legal Services..... \$ 5,000

This expenditure covers legal costs associated with the sale of lots in the industrial park.

818 - Contracted Services/Engineering..... \$ 2,500

825 - Contracted Services/Engineering..... \$ 15,000

871 - Right of Way Construction ... \$ 2,500

Contribution to General Fund for M-75 Pathway Project

971 - Capital Outlay..... \$ 2,500

Sign and streetlight improvements

987 Contracted Construction Services.....\$ 75,000

This expenditure covers costs of possible broadband improvements in the Business Park.

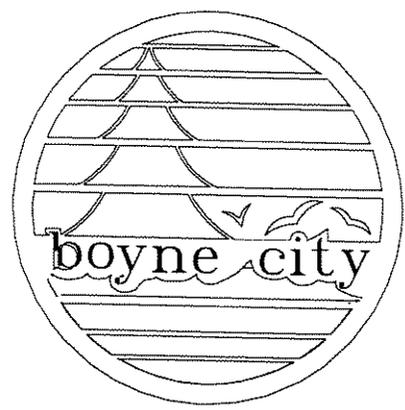
988 Transfer to Major Streets..... \$200,000

This expenditure covers Business Park Road Improvements

990/992- Principal\$ 64,989

This item includes four payments of \$16,247 each for repayment on the CDBG loan. There is no interest being charged on this loan.

CITY OF BOYNE CITY



To: Michael Cain, City Manager
From: Scott McPherson, Planning Director *SM*
Date: March 16, 2012
Subject: Kirtland Products Status Update

Status Update

The City received two proposals in response to the RFP developed to review the issues at Kirtland Products. Proposals were received from RSG Inc and from UPEA Engineers and Architects. The Committee met on Thursday March 15th and discussed the proposals and had a phone conference with representatives from RSG. We were not able to schedule a phone conference with UPEA on the 15th but are hoping to speak with them on Thursday March 22nd.

While the committee found RSG to be a well qualified firm it would still like to talk to UPEA and also further consider the possibility of providing the opportunity for firms to submit proposals that would address solely the emissions or the noise components of the RFP. As representatives from Kirtland have indicated that they will not be operating for several weeks, this provides additional time to consider all available options.

Hugh Conklin and I will be attending the EDC/LDFA meeting scheduled for March 19th for further discussion on this issue.