



# City of South Haven

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## MEMORANDUM

**To:** Honorable Members of the City Council

**Cc:** Kate Hosier, City Manager

**From:** Griffin Graham, Assistant City Manager

**Date:** July 19, 2021

**RE:** Economic Development Projects

### Status Report

I'm writing to provide a short update on the City of South Haven's ongoing economic development projects.

#### 1. *Business Resource Sheet*

The City of South Haven supports local businesses through a variety of programs, resources, and networks. City Staff compiled this information into a single document to highlight many of the items intended to support local businesses. This resource can be viewed [here](#).

#### 2. *Priority Sites List*

City Staff is often contacted by individuals seeking information about available property in South Haven. To assist with these requests, materials were prepared to help market commercial and industrial sites that are ripe for redevelopment in the community. Our goal is not to get into the real estate business; but instead, City Staff aim to create an environment that is supportive of development/redevelopment efforts and to assist those interested in property in South Haven.

As identified in the *2020 Economic Development Strategic Plan*, City Staff is working toward a web-based site inventory to market these sites to local businesses, site selectors, etc. to promote the expansion of existing businesses and recruitment of new businesses. In the meantime, a map of these sites can be viewed [here](#).

#### 3. *M140 Corridor/425 Agreement*

The City of South Haven and South Haven Charter Township are exploring a partnership to promote the revitalization of the M140 Corridor to Blue Star Highway to improve the southern entry into the city.

*Public Act 425 of 1984* allows local governments to transfer land temporarily and conditionally. This is often used when properties need infrastructure and/or other services to support economic development projects. The City of South Haven and South Haven Charter Township already work together closely to provide regional services, and are exploring a 425 Agreement to give the proposed district access to incentive tools along with other planning, zoning, and building services to promote economic development in the area.

The proposed partnership would create a single point of contact for building, planning, and zoning approvals, infrastructure approvals, potential tax incentives, and other municipal services in order to facilitate development/redevelopment in the district. For example, the City of South Haven could create another Commercial Rehabilitation District to support the revitalization of the proposed district.

#### 4. *Commercial Rehabilitation District Applications*

In 2018, the City of South Haven established a Commercial Rehabilitation District to encourage the rehabilitation of commercial property and has seen many successes with many more projects underway. The *Commercial Rehabilitation Act* allows local units of government to abate the property taxes generated from new investment in eligible projects for a period of up to 10 years. To be eligible, commercial property must be located within an established Commercial Rehabilitation District and be a building or group of contiguous buildings of commercial property that is 15 years or older. City Staff regularly facilitate this process for interested individuals.

#### 5. *LMC Property Acquisition & Marketing*

In May, the City of South Haven acquired 6.87 acres of land from Lake Michigan College (LMC). This property is located in the I-196 Business Park and Local Development Finance Authority (LDFA) #3. Due to its location, this property an important and unique development opportunity.

City Staff suggests seeking proposals from businesses interested in developing the city-owned parcel and creating employment opportunities in the community. Once a proposal is selected, City Council can consider entering into an Exclusive Right to Negotiate Agreement with the applicable business to proceed with detailed due diligence, pre-development, and entitlement activities while working with City to negotiate a Purchase and Sale Agreement for the property.

#### 6. *Business Retention Visits, Expansion Assistance, and Ombudsman Services*

City Staff regularly visit local businesses to build relationships and understand the needs of local businesses. These visits are tracked, and City Staff work to improve identified challenges as applicable. Additionally, City Staff are happy to help businesses starting, relocating, or expanding operations by connecting interested parties with applicable resources and serving as a primary point of contact for local questions and concerns. From these visits, City Staff learned that there are several local businesses currently exploring options for expanding locally.

## *7. Broadband Expansion*

City Staff continue to work toward improving high-speed internet access in South Haven. We have talked with a number of providers, including Aspen Wireless, Midwest Energy, and Bloomingdale Telephone.

The Metropolitan Transparency Act requires a feasibility study to be conducted for internet expansion projects. City Staff are negotiating costs with Merit, a group comprised of 15 Michigan colleges and universities, whose mission is to assure widespread availability of high-speed internet throughout Michigan. A feasibility study could also serve as market information for potential private providers.

## *8. Market Van Buren Agreement*

Market Van Buren is Van Buren County's Economic Development Organization with the principal responsibility of guiding economic and community development efforts throughout the county. City Staff is negotiating a one-year agreement with Market Van Buren for supplementary economic development services on a trial basis. These services would be evaluated during the year as a long-term agreement is contemplated moving forward. Market Van Buren's 2020 Annual Report can be viewed [here](#).

## *9. Workforce Housing/Overton Site*

On June 21, 2021, City Council voted to authorize staff to continue to work with The Habitat Company on the redevelopment of the former S. E. Overton Factory site located at 229 Elkenburg. This plan includes the construction of three phases of new housing product (144 total units) including one, two, and three bedroom for-rent apartments and for-sale townhomes. The current concept plan can be viewed [here](#).

Since 2018, addressing housing needs has been a top priority of the City Council. Additionally, the need for affordable housing options to support a year-round workforce is highlighted during many of the regular site visits with local businesses. A goal of this proposed project is to bring housing units to the market that are affordable to those primarily making between 40-80% of the area median income (AMI), which equates to approximately \$25,000-\$50,000 annually. These units are not otherwise being built; therefore, to achieve these rates, tax credits are being sought from the Michigan State Housing Development Authority (MSHDA).

This project still needs to go through site plan review and the other applicable planning & zoning processes, as well as conditions will be negotiated with The Habitat Company as part of an eventual purchase agreement.

## *10. Central Business District Development/Hale's Site Redevelopment*

City Staff is working with a local developer who is interested in redeveloping the former Hale's site. This property is a critical part of the downtown due to its size & location; therefore, City Staff engaged the Michigan Economic Development Corporation's Redevelopment Services Team to provide pre-development assistance, which included financial assistance to hire a team of consultants to help facilitate public engagement activities, preliminary design efforts, and zoning review. It is anticipated that this project will go through formal planning & zoning review this fall.

## 11. Redevelopment Ready Community® Certification

The City of South Haven was certified as a Redevelopment Ready Community® (RRC) on December 22, 2020. In short, this means that the City of South Haven satisfied all the requirements of the state's RRC Best Practices that promote the facilitation of community-driven economic development projects. However, certification is not the end of the RRC process. The City has a responsibility to continue implementing best practices, including annual updates/reviews of items specific to South Haven. Most of the certification maintenance items are the responsibility of City Staff in Planning, Zoning, and Economic Development.

## 12. Other Projects

- With the closing of the Palisades Nuclear Power Plant in 2022, City Staff is engaging representatives from Van Buren County & Entergy regarding this process.
- City Staff is actively marketing the former Michigan State Police Outpost located at 720 Le Grange Street.