

**CHARTER TOWNSHIP OF VAN BUREN
LOCAL DEVELOPMENT FINANCE AUTHORITY
FEBRUARY 9, 2010**

Chairman McKanders called the meeting to order at 4:05p.m.

Roll Call:

Members present: Chairman McKanders, Vice Chairman Peters, Treasurer Armstrong, Secretary Dotson, Supervisor White, Hayes, Armelagos and Tyler.

Staff Present: Director Swallow and Secretary Grishaber.

Absent/Excused: Medlen, Niederhofer

Audience: None.

Approval of Agenda:

Motion White seconded Dotson to approve the agenda of February 9, 2010 as presented.

Motion Carried.

Approval of Minutes:

Motion Peters seconded Armelagos to approve the minutes of January 12, 2010 as presented.

Motion Carried.

Correspondence: None.

UNFINISHED BUSINESS:

1. Impact of Economic Downturn and Visteon Bankruptcy on LDFA Finances

Director Swallow presented the LDFA Bank Account Statements that included the latest invoices from Kilpatrick & Associates. Kilpatrick & Associates are the attorneys that are representing the Township through the Visteon Corporation Bankruptcy.

Director Swallow informed the committee that the Township Board of Trustees has authorized entering into an agreement with Visteon Corporation to resolve some of the bankruptcy issues. The Agreement provides for a reduced assessed and taxable value for the Visteon Village complex to reflect the current real estate market. In recognition of the financial benefits Visteon will received in reduced property taxes, the agreement includes an allowed claim by the Township to recoup some of the lost tax revenues.

In the proposed agreement, the Township consents that the true cash value of Visteon real estate is (60) sixty million dollars with taxable value and assessed value of (30) thirty million dollars.

This valuation will be updated for the 2010 assessment date and shall be subject to adjustment in future years as permitted by Michigan Law. Visteon agrees to pay the outstanding property taxes on time, which will benefit the Township and the LDFA by having a good cash position at least for the short term to pay the bonds. This also allows some time for the Township to address the long term shortfall in revenues. Under bankruptcy Visteon could have extended the tax payments over several years, but this agreement accelerates payment of all of the 2009 taxes they owed.

Visteon will not object to the Township filing a \$9,800,000.00 claim in the bankruptcy court, for taxes the Township would have collected without any tax abatements and some of the costs the Township incurred in the development of the Visteon Village. There are a number of claims against Visteon in bankruptcy, some of them secured and some of them unsecured. What this means is that some of Visteon's creditors have a secure position against their assets and another group is unsecured. Unfortunately, the Township falls under the unsecured group. Depending on the payout approved by the bankruptcy court, the Township will probably only get (45) forty five cents to the dollar. The primary concern is that the township has bond payments for the improvements that were made at the Visteon Village that stretch out to 2032.

There was a lengthy discussion with the committee about moving forward in the future when more information becomes available. The committee discussed in great length the effect of the agreement on the projected bond payments, the development agreement entered into by Visteon and the Township, and the binding effect these agreements may have on all parties.

Vice-Chairman Peters requested information from other properties on appeal with the Tax Tribunal, to determine average amounts of tax value adjustments awarded to commercial/industrial properties in Wayne County for 2009. Swallow presented some recent tax reductions on properties in the Township which were granted by the Tax Tribunal.

Motion Peters seconded Covington to include the Tax Tribunal information in the minutes. Motion Carried.

TAX REDUCTION

Van Buren Business Park	8500 & 8652 Haggerty	49.20%
Mobile Station	Haggerty & Service Dr.	63.10%
Steeplechase-Windmill	Hull Road	70%
Westlake	Belleville Road	63.50%
Die-Namic	Haggerty & Ecorse	60.50%
Republic Die & Tool	Van Born & Belleville	49.50%
Ecorse-Belleville LLC	Belleville & Ecorse	78%
Sylvan Valley	Ecorse	37.75%
Pine Creek	W. Huron River Dr.	70.80%
MG Development	Belleville & Yost	55%

GENERAL DISCUSSION:

Director Swallow updated the committee that GE has the 1st floor renovations complete for Building 40 and another floor is under renovation currently. They have a website linked to our township website with about 100 job postings. In the future they plan on building a new Technology Center.

NON AGENDA ITEMS:

Director Swallow informed the committee on March 1st Aerotropolis Development Corporation will hold its first meeting for 2010.

There being no further business, Motion Peters, seconded Armstrong to adjourn the meeting at 5:43p.m.

Motion Carried.

Next Meeting Date: March 9, 2010

Respectfully Submitted,

Secretary Grishaber