

**ANNUAL REPORT
2016-17
Battle Creek Tax Increment Finance Authority
For Fort Custer Industrial Park
Development Area Number One**

INTRODUCTION

This report on the status of the Battle Creek Tax Increment Finance Authority for Fort Custer Industrial Park is submitted to the Battle Creek City Commission in accordance with section 14 (3) of Act 450 of the Public Acts of 1980. This report covers fiscal year 2016-17.

AMOUNT OF REVENUES, EXPENDITURES AND FUND BALANCE

	General	Debt Service	Airport Bonds	Capital Projects
REVENUES				
Property Taxes - current	\$ 1,885,239	\$ -	\$ -	\$ -
Property Taxes - prior period delinquent collections and other	-	-	-	-
State Reimbursement of Tax Increment Revenue Decreases	4,576,980	-	-	-
Interest	154,155	-	-	-
Sale of assets and other	27,628	-	-	25,967
Total revenues	6,644,002	-	-	25,967
EXPENDITURES				
General government	226,495	-	-	55,669
Capital outlay - infrastructure	-	-	-	3,545,511
Transfer to the City of Battle Creek for:				
Debt service	-	-	-	-
Capital outlay and other	1,284,197	-	-	491,819
Brownfield Redevelopment loan	3,010	-	-	-
Battle Creek Unlimited	2,700,000	-	-	-
Debt service:				
Principal	51,336	205,000	175,000	-
Interest	2,017	100,394	109,496	-
Bond Issuance Costs	-	-	-	-
Total expenditures	4,267,055	305,394	284,496	4,092,999
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,376,947	(305,394)	(284,496)	(4,067,032)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Discount	-	-	-	-
Operating transfers in	-	305,394	284,496	-
Operating transfers out	(589,890)	-	-	-
Total other financing sources	(589,890)	305,394	284,496	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	1,787,057	-	-	(4,067,032)
FUND BALANCES - Beginning of Year, restated	(878,081)	-	10,336	18,765,291
FUND BALANCES - End of Year	\$ 908,976	\$ -	\$ 10,336	\$ 14,698,259

Tax increment revenue during 2016-17 enabled Battle Creek Unlimited to continue to market and maintain the Fort Custer Industrial Park pursuant to the activities contained in the development plan. Tax increment revenue also enabled Battle Creek Unlimited to continue economic development as outlined in the plan.

**THE AMOUNT OF PRINCIPAL AND INTEREST ON ANY
OUTSTANDING BONDED INDEBTEDNESS**

The Battle Creek Tax Increment Finance Authority has outstanding bond principal of \$4,950,000 as of June 30, 2017. Total interest to be incurred on the above listed debts, if held to maturity, totals \$1,421,801.

THE INITIAL ASSESSED VALUE AND CAPTURED ASSESSED VALUE OF THE PROJECT AREA

The Initial Assessed Value, i.e. the aggregate State Equalized/Taxable Value of all real and personal property not exempt from taxation, located within the defined development area at the time of the adoption of the Tax Increment Finance Plan was \$16,898,380. The Captured Taxable Value of the property in the district for 2016-17 was \$129,114,286. The Authority captured 75% of taxes derived from operating millages levied by Calhoun County and Calhoun Intermediate School District. 100% of taxes derived from operating millages of the City of Battle Creek, and 17.7% Battle Creek School District and Lakeview School District are captured. Millages not captured include the Willard Library and debt millages of the County. The City's Police and Fire Pension captured millage is capped at 2.691, with 1.988 mills passed through to that Fund in FY 2016-17. Additional millages not captured include the building and site millage of the Battle Creek Schools, special voted millage of the CISD, and 100% of millages levied by Kellogg Community College. Uncaptured amounts revert to taxing units, and are not included in revenue in this report.

CAPTURED VALUES	Current Taxable Value	Initial (base year) Assessed Value	Captured Value
Ad valorem non-PRE Real	\$ 53,021,161	\$ 9,069,055	\$ 43,952,106
Ad valorem industrial personal	\$ 25,695,819	\$ 3,741,045	\$ 21,954,774
Ad valorem commercial personal	\$ 3,593,212	\$ 11,775	\$ 3,581,437
Ad valorem utility personal	\$ 2,920,640	\$ -	\$ 2,920,640
Ad valorem other personal	\$ -	\$ 3,951,505	\$ (3,951,505)
IFT New Facility real property 0% SET exemption	\$ 16,198,772	\$ -	\$ 16,198,772
IFT New Facility real property 50% SET exemption	\$ 365,765	\$ -	\$ 365,765
IFT New Facility real property 100% SET exemption	\$ 1,826,659	\$ -	\$ 1,826,659
IFT New Facility personal property on industrial class land	\$ 42,265,638	\$ -	\$ 42,265,638
TOTAL	145,887,666	16,773,380	129,114,286

TAX INCREMENT REVENUES RECEIVED

From local school districts-operating	\$ 139,753
From intermediate school districts	\$ 37,598
From State Education Tax (SET)	\$ 49,119
From state share of IFT and other specific taxes**	\$ 390,653
From county	\$ 382,374
From municipalities (city, twp, village)	\$ 1,248,370
TOTAL	\$ 2,247,867

Respectfully submitted

Al Bobrofsky, Chair of the Board
Battle Creek Tax Increment Finance Authority