

**ANNUAL REPORT
2017-18
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 2017-18.

AMOUNT OF REVENUES, EXPENDITURES AND FUND BALANCE

	General	Debt Service	Airport Bonds	Capital Projects
REVENUES				
Property Taxes - current	\$ 1,357,842	\$ -	\$ -	\$ -
Property Taxes - prior period delinquent collections and other	-	-	-	-
State Reimbursement of Tax Increment Revenue Decreases	2,595,961	-	-	-
Interest	175,361	-	-	-
Sale of assets and other	538,782	-	-	21,940
Total revenues	4,667,946	-	-	21,940
EXPENDITURES				
General government	241,968	-	-	56,768
Capital outlay - infrastructure	-	-	-	7,487,916
Transfer to the City of Battle Creek for:				
Debt service	-	-	-	-
Capital outlay and other	694,361	-	-	323,176
Brownfield Redevelopment loan	13,246	-	-	-
Battle Creek Unlimited	2,600,000	-	-	-
Debt service:				
Principal	-	215,000	180,000	-
Interest	-	93,731	104,171	-
Bond Issuance Costs	-	-	-	-
Total expenditures	3,549,575	308,731	284,171	7,867,860
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,118,371	(308,731)	(284,171)	(7,845,920)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Bond Proceeds	-	-	-	-
Bond Discount	-	-	-	-
Operating transfers in	-	308,731	284,171	-
Operating transfers out	(592,902)	-	-	-
Total other financing sources	(592,902)	308,731	284,171	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	525,469	-	-	(7,845,920)
FUND BALANCES - Beginning of Year, restated	908,976	-	10,336	14,698,259
FUND BALANCES - End of Year	\$ 1,434,445	\$ -	\$ 10,336	\$ 6,852,339

Tax increment revenue during 2017-18 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 \$4,550,000 as of June 30, 2018. Total interest to be incurred on the above listed debts, if held to maturity, totals \$1,224,898.

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 2017-18 was \$115,101,319. The Authority captured 75% of taxes derived from operating millages levied by Calhoun County and Calhoun Intermediate School District. 65% 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 2.318 mills passed through to that Fund in FY 2017-18. 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	\$ 54,549,418	\$ 9,069,055	\$ 45,480,363
Ad valorem industrial personal	\$ 18,306,773	\$ 3,741,045	\$ 14,565,728
Ad valorem commercial personal	\$ 3,874,040	\$ 11,775	\$ 3,862,265
Ad valorem utility personal	\$ 2,892,922	\$ -	\$ 2,892,922
Ad valorem other personal	\$ -	\$ 3,951,505	\$ (3,951,505)
IFT New Facility real property 0% SET exemption	\$ 15,361,666	\$ -	\$ 15,361,666
IFT New Facility real property 50% SET exemption	\$ 369,056	\$ -	\$ 369,056
IFT New Facility real property 100% SET exemption	\$ 1,760,308	\$ -	\$ 1,760,308
IFT New Facility personal property on industrial class land	\$ 34,760,516	\$ -	\$ 34,760,516
TOTAL	131,874,699	16,773,380	115,101,319

TAX INCREMENT REVENUES RECEIVED

From local school districts-operating	\$ 97,117
From intermediate school districts	\$ 23,542
From State Education Tax (SET)	\$ 34,228
From state share of IFT and other specific taxes**	\$ 331,569
From county	\$ 330,795
From municipalities (city, twp, village)	\$ 540,591
TOTAL	\$ 1,357,842

Respectfully submitted

Erik Stewart, Chair of the Board
Battle Creek Tax Increment Finance Authority