

**BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY**  
**TAX INCREMENT FINANCING AND DEVELOPMENT PLAN**

Revised  
May, 1993

**WITH CITY MODIFICATIONS**

## PART ONE

### Battle Creek Tax Increment Finance Authority Development Plan

#### I. Introduction

The comprehensive revision of the Battle Creek Tax Increment Finance Authority (BCTIFA) Tax Increment Financing and Development Plan was necessitated by the introduction of complex tax reform legislation currently being debated in Lansing. This comprehensive revision incorporates and continues all previous rights and obligations found in earlier plans and amendments, not inconsistent with this plan. The Lansing office of the law firm Miller, Canfield, Paddock and Stone has advised BCTIFA staff that it would be in the best interest of the Authority to complete the process of updating its Tax Increment Financing and Development Plan prior to July 1, 1993 (see Figure 1 - attached).

The City of Battle Creek, Michigan, has been striving to maintain a rate of economic growth which will continue to provide a satisfying and healthy life for all area residents. In attempting to stimulate highly desirable and diversified employment opportunities from sound private investment, the City has acquired approximately 3,000 acres of land through the excess property program of the Federal Government. This land is now known as the Fort Custer Industrial Park and it comprises the bulk of the property included within the boundary of the Battle Creek Tax Increment Finance Authority district.

Very few older cities in the United States of comparable size to Battle Creek have a land resource of such magnitude within their city limits which can be committed to economic development. Realizing both the opportunity and the responsibility, the Battle Creek City Commission created Battle Creek Unlimited, a nonprofit corporation, charged with marketing the Fort Custer Industrial Park to achieve broad public goals established for the welfare of the total community. Battle Creek Unlimited also advises the City Commission on development programs for the park. To discharge the responsibility, Battle Creek Unlimited decided to prepare a Master Plan to guide its future decisions.

The Battle Creek City Commission authorized the funding of the Master Plan, and financial assistance was provided by the Albert L. and Louise B. Miller Foundation, the Southwest Michigan Building and Construction Trades Council AFL-CIO, the Calhoun County UAW Community Action Council, and through technical assistance grants from the Economic Development Administration (EDA) of the U.S. Department of Commerce.

Formal professional planning for the industrial park began when the Board of Directors of Battle Creek Unlimited interviewed consultants for the task of preparing the Master Plan. Ballinger/WMRT of Philadelphia, Pennsylvania, the consultants selected to provide this service, put together a team of specialists to carry out the work. At the time, Ballinger was a firm of architects and engineers which had designed over three hundred industrial buildings of all kinds and sizes. Wallace, McHarg, Roberts and Todd (WMRT), urban, regional, and ecological planners, architects, and landscape architects, had planned a number of large scale industrial parks and industrial complexes. Simpson and Curtin, transportation planners, were responsible for traffic projections and street, highway, and railroad layouts. A.J. Pennington, Inc., provided the market

and cost analyses. Gilbert Associates, Inc., civil engineers, assisted the engineers from Ballinger with the utilities planning. Environments, Inc., made recommendations on park graphic design.

The basic charge given to Battle Creek Unlimited and to their planning consultants was best expressed in a memorandum of January 13, 1971, from a former city manager of Battle Creek: "...more and better jobs for the people of Battle Creek." The memorandum went on to spell out the underlying motivation for this goal: "The industries located in Fort Custer should provide the greatest number of career opportunities for a wide range of talents, skills, and education, paying good salaries and wages, so that all persons in Battle Creek, especially the young, need not look elsewhere for opportunity--so that they can remain and work in Battle Creek with sufficient income to afford the better things in life--good housing, better education for their children, medical care, a good car, and the leisure-time pleasures of recreation and cultural activities."

The basic goal of increasing employment opportunities for the citizens of Battle Creek was enriched by a series of secondary objectives. These include:

- 1 providing a full range of activities within the park to increase the businesses opportunities for the occupants and to provide a rich working environment for the employees;
- 2 making full use of all the transportation possibilities including rail service and the W.K. Kellogg Airport; and,
- 3 ensuring that the desired economic development occurs in such a way that undue environmental costs do not result.

The consultants were charged with preparing the Master Plan which included a physical development plan and an implementation program which would be a flexible and practical management tool for marketing, financial planning, and public and private investment; would safeguard the public interests; and would provide the means for appropriate community participation. To achieve these objectives, the emphasis was placed on the creation of a management process for continued planning and adapting to changing conditions.

Goals and goal elements were translated into land requirements in terms of jobs based upon industries most likely to locate in the Battle Creek area. Regional growth projections were reviewed and independent forecasts of population, income, and employment were developed. A mix of light and heavy industries, research and development, commercial and other uses was introduced and a potential land use program was developed. Land uses compatible with the goals and objectives, marketing capability, and a diversified mix were related to the available land.

Without a program determination, work could not begin on an analysis of the systems required to serve the complex. Regional and site transportation facilities were reviewed in terms of capacities and constraints. Investigation included the existing and proposed highway network and available air and rail services. Sewer, water, gas, electric, and telephone supply and distribution systems were reviewed in present form and future service capability. The land itself was recognized as the major resource for the Fort Custer Industrial Park. It is a complex and expendable resource which, if used wisely, will continue to offer high returns. Unwise use will erode the profitability with indirect and hidden costs which, if not realized immediately, will be borne by future generations.

Accordingly, the factors which make up the total natural environment were examined. These included bedrock, geology, surface water, ground water, weather, soil quality, vegetation, and wildlife. From an analysis of these factors, conclusions were drawn which characterized the land in

terms of its relative suitability for development. Those lands where people can operate with the greatest ease and the least cost were designated as most suitable for use. Most of the site falls into this category. As development costs would increase, or as land becomes more sensitive to human intrusion, then it is increasingly less suitable for construction. In this way, the total site has been ranked in terms of ease and desirability of future building activity.

From this understanding of the properties of the land resources, from a knowledge of the potential market, from analysis of the goals of Battle Creek Unlimited and the City of Battle Creek, and from analysis of the man-made systems servicing the park, a series of four possible future developments was generated. In December, 1980, a fifth possible future development was also generated.

## II. The Master Plan

The central concept of this plan is to provide a framework which allows precise decisions to be made whenever required and to establish a set of guidelines to make sure that the decisions are correct. The guidelines are overt and explicit. The plan is, therefore, a living and changing document which can be updated periodically for recording decisions made and to act as a continuing framework.

The Master Plan, then, is composed of these two elements:

- 1 a physical development plan of land uses, structures, transportation capabilities, utilities, a method for subdividing available land into sales parcels, and necessary public and private activities; and,
- 2 an implementation program which tells how to move step by step to build the park over the course of several years.

## III. Ecological Resource Analysis

Discovering and prescribing the intelligent use of the land resource was the starting point in the planning process. The ecological planning method is an explicit process to understand the express opportunities and constraints in the interaction of natural phenomenon and man-induced change. Each area of the site was ranked for its most appropriate use. These uses were then matched with the program of activities derived from the goals statement. The coincidence of the appropriate use of the natural environment with the program requirement produces a land use plan which gives direction to all other physical elements of the Master Plan.

The first step of the ecological analysis was to describe the natural features of the site through research into previous reports and other literature, use of aerial photographs, and field work. The areas of natural science investigated were geology (both surficial and bedrock), ground water, surficial hydrology, topography, soils, vegetation, wildlife, and landscape quality. A graphic description of each feature was made on a site map utilizing color variations to express distinctions.

The second step was an interpretation of each environmental factor within the site to determine its limitations on development and the potential impact of development. The highlights of this study can be simply stated. The water regime, both surface and ground water, is most sensitive to alteration. The two systems are very closely interconnected. Whatever appears in the surface water will assuredly show up in the ground water system. The Marshall Formation, a bedrock

under the southern portion of the site, is a very good water source. However, pollutants will enter this ground water system directly from the surface water and, once polluted, the ground water will not readily cleanse itself.

The streams and wetlands on the surface perform an important hydrologic function in draining the site. The wetlands are characterized by muck soils which are basically unstable and make a very poor building foundation. However, the muck soils perform an important natural function. They are capable of absorbing tremendous quantities of water. During rainstorms they soak up excess water and hold it, slowing the discharge and preventing downstream flooding. At the same time, the natural vegetation growing on the soils acts to cleanse the retained waters of chemical and biological impurities.

In 1990, a comprehensive wetland identification and mapping project covering the southern portion of the Fort Custer Industrial Park was completed by Snell Environmental Group, Inc. (SEG) of Lansing, Michigan. The SEG study (see Figure 2 - attached) identified the four types of wetland areas present in this portion of the park (emergent, scrub-shrub, forested, and combination) and provided a detailed map outlining the type and location of each wetland area. This study will continue to help guide development in this portion of park for the next several years.

In 1991, GZA GeoEnvironmental, Inc. (GZA) of Livonia, Michigan completed the *Community Noise Survey at Harts Lake*. The purpose of this survey was to measure and quantify ambient noise levels at the site, in order to evaluate potential future land use and/or residential development in this area. Such a study was critical for this portion of the park given its proximity to Interstate 94 to the south, W.K. Kellogg Airport to the east, and the U.S. Army's Fort Custer Training Center to the north and west. Quite simply, this study helps determine appropriate land uses, if any, in this area, given the existing level of ambient noise.

In 1992, Ms. Sandra E. Marlatt, Ph.D., produced a report entitled *Environmental Assessment & Site Reclamation Needs for the Harts Lake Area of Fort Custer*. As stated in the final report, this project was undertaken to provide the following:

- 1 A general environmental description of the Harts Lake area to the condition of the property; notation of wetlands and any other areas of ecological significance; confirmed or possible presence of any threatened, rare or endangered species; and,
- 2 A list of necessary military actions needed to restore the area to as near its natural or native state as is reasonable by the end of their lease. The focus is...on:
  - a. removing materials from the site which have been put there by human activity; and,
  - b. implementing restorative land management techniques such as grading, filling, planting, seeding, mulching, et al, to minimize erosion and permit the land to revegetate itself.

With understanding of this order, all the natural characteristics of the area can be evaluated to determine their relative tolerance to modification and the cost which would have to be borne if the conditions were altered beyond certain limits. The areas of greatest sensitivity were detailed in the Ballinger/WMRT document's Synthesis Conservation Map (see Figure 3 - attached).

There are three grades of ranking:

- 1 Areas of Conservation: As might be expected, these are the most essential elements of the water regime. Disruption would be expensive and would result in the ultimate loss of valuable site amenities. The area is composed of:

- a. floodplains, drainageways, and surface waters;
- b. wetlands; and,
- c. seasonal wetlands and organic soils with over five feet to firm soil.

2. Areas Requiring Management: These features can be moderately modified without undue costs. Good management practices can prevent any harm from development.

There are two categories of management:

a. Strict Management:

- 1) seasonal wetlands and organic soils with 0-5' to firm soil;
- 2) 100' buffer around surface water, wetlands and organic soils;
- 3) 12%+ slopes; and,
- 4) mature lowlands woods

b. Management:

- 1) upland mature woods; and,
- 2) wildlife habitats of high value.

3. Few Natural Constraints to Development: The vast majority of the site has few natural constraints to development. This is particularly true of the northern portion of the site on each side of Dickman Road.

#### IV. Physical Development Plan

The Ballinger/WMRT Physical Development Plan, along with the Economic Plan discussed in the Economic Analysis section of the consultant's report, formed the core of the Master Plan for Fort Custer Industrial Park.

The Physical Development Plan consists of three parts. The Land Use Element contains a program of uses and the allocation of those uses to the site. The Circulation Element describes those traffic and transit improvements within the Park, the necessary connection to the existing system, and the modification to the external system to accommodate Park demand. The Utilities Element identifies sanitary and storm sewer needs, the water, electric, gas, and telephone demands and details the ways in which these requirements are met.

##### A. The Land Use Element

The basic program for land use was developed from the initial goals which gave rise to Fort Custer.

Four primary needs continue:

- 1 to provide new jobs to reduce unemployment from the prevailing levels of approximately 7.0% to an employment level of approximately 94.0%;
- 2 to provide new jobs and training for workforce entrants from the existing area

population;

- 3 to provide expansion space for businesses which might otherwise be forced to leave the Battle Creek area such as in the case of United Steel & Wire Company, Union Pump Company, National Sign and Signal Company, Collateral Management Company, Battle Creek Flower Exchange Inc., and Gallagher Industrial Laundry, Inc.
- 4 to provide new jobs for projected migrants to the area. This need is the most difficult to identify and is probably the lowest priority.

The Land Use Plan was based upon the planning synthesis which consolidated all previous data on the environment, access, utility availability, ease of development, and adjacent area conflicts into an expression of site suitability. The Land Use Plan simply assigns those uses to the most propitious land.

The development of Fort Custer Industrial Park has been concentrated in three areas. These areas are identified by natural terrain, economics of development, availability of service, etc. While they are recognizably separate and distinct, nevertheless, they are tied to one another by the overall network of utilities and circulation. In addition, two other areas are projected for future development activity. Those areas are the Harts Lake property and the area located north and east of the existing Veterans Administration Medical Center. The current districts are:

1. Dickman Road Corridor: Characterized by highly developable land through an existing street network and existing services capable of expansion. This district was marked for intense and early development in predominantly manufacturing uses and is largely built out. One of the major gateways to the Fort Custer Industrial Park is located where Dickman Road enters the eastern area of the park. Marking this entrance is a commercial/service area set aside to serve primarily as a convenience for park employees. See Figure 4 - attached.
2. Hill-Brady Road Corridor/Southeast Park Area: The 1,090 acres of this district are generally undisturbed virgin land. The lease of 159 acres of land to the Michigan Air National Guard, the anticipated lease of approximately 150 acres of land to the Department of the Navy, and large areas of muck soils and dense vegetation will limit development of this land to approximately 275 acres, with much of it anticipated to host heavy industrial users.

Due to the award of an Urban Development Action Grant totalling \$6.25 million in 1985, it was possible to complete the extension of Hill-Brady Road to Dr. Martin Luther King, Jr. Memorial Highway in accordance with the Ballinger Master Plan. In addition, the construction of Logistics Drive and Buckner Drive have made possible the development of over 90 acres of land in the extreme southeastern portion of the Fort Custer Industrial Park. This 90 acre section of land is particularly attractive for industries with extensive transportation requirements due to its proximity to Interstate 94 and the mainline tracks of Grand Trunk Western/Canadian National North America Railroad. Clear Zone Areas near the intersection of Dr. Martin Luther King, Jr. Memorial Highway and Columbia Avenue have been established by the Federal Aviation Administration. See Figure 5 - attached.

3. Kellogg Airport District: This district is comprised of the property generally described as being east of the mainline tracks of Grand Trunk Western/Canadian National North

America Railroad and within the boundary of the Battle Creek Tax Increment Finance Authority district. Due to the general agreement between the communities of Battle Creek and Kalamazoo, the Kalamazoo/Battle Creek International Airport has been designated as the area's passenger hub, leaving the W.K. Kellogg Airport available for development and maintenance of non-passenger aeronautical uses. At this time, the general agreement removes the need for an expensive, modern terminal building at W.K. Kellogg Airport.

Development of W.K. Kellogg Airport is anticipated to continue in a number of ways. These ways include maintenance and cultivation of aerospace industries (such as Kal-Aero Inc.), further development of cargo handling capabilities (including maintenance and possible improvement or expansion of the City-owned cargo hangar and the possible development of a direct cargo link to the Fort Custer Industrial Park), maintenance and possible improvement of aviation services (for instance those offered by a fixed-base operator [FBO] such as Battle Creek Air Services, maintenance and further development of government facilities (such as the new Flight Inspection Field Office of the FAA and the Battle Creek Air National Guard base) and maintenance and improvement of general aviation services (such as the City-owned T-hangars, corporate hangars, etc.).

Additionally, W.K. Kellogg Airport's standing as an uncongested airport featuring a 10,003 foot main runway and a large amount of City-owned available and contiguous acres of land makes it ideal for pilot training activities. This situation forms the basis for the ongoing investigation of a possible air academy dedicated to training given the projected shortage of airline pilots over the next several years. The consulting firm SYPHER:MUELLER International Inc. has conducted an *Evaluation of the Feasibility of an Air Training Facility at the W.K. Kellogg Airport (in) Battle Creek, Michigan*. This study is included as Figure 7 of this document. Battle Creek Tax Increment Finance Authority participation in the development and continued successful operation of such a training facility would be critical. See Figures 6 and 7 - attached.

Finally, the potential increase in activity at Kellogg Airport and the adjacent Fort Custer Industrial Park may necessitate the establishment of a public works complex within the Authority district to ensure the efficient continuation of municipal services in the district. Such a complex could include a fleet maintenance facility, engineering offices, a materials storage area, and any other structures or operations related to municipal services.

As stated earlier, the two districts targeted for possible future development include:

4. Harts Lake Property: This section of approximately 441 acres currently hosts U.S. Marine Corps training activities (through the Department of the Navy) on approximately 216 acres. This situation is anticipated to change (see Hill-Brady Road Corridor/Southeast Park narrative) in 1993. Removal of the Marine/Navy training activity and restoration of the property per the Sandra Marlatt report would pave the way for potential development of the Harts Lake property. This property may be well suited to host smaller, high technology firms which typically seek aesthetically appealing sites as locations for new developments. This theme has already begun, as evidenced by the existing structures on Harts Lake Road (Anatech, Ltd. and Hotset Corporation). Development of these types of facilities would most likely require installation and/or improvement of all forms of utilities and services (perhaps a fiber optic communication network, satellite uplink/downlink capability, basic public and private utilities, etc.). Whatever future development takes place, sensitivity to the environmental characteristics of the Harts Lake property will be of



utmost importance. Reliance on past studies (SEG, GZA, and Ballinger reports, etc.) and appropriate further investigations will be critical to any development in order to reduce the impact on the environment as much as possible. See Figure 8 - attached.

5. Property North and East of the Veterans Administration Medical Center: Due to its remote location, rolling topography, dense forestation and limited accessibility, the land located north and east of the existing Veterans Administration Medical Center (approximately 200 acres) may lend itself to the establishment of a concentrated research and development sector in the Fort Custer Industrial Park. The serenity of the setting would be most hospitable for the location of research facilities and high technology light industry. In order to realize a potential land use, this area will have to be serviced by the extension of utilities. It should be an increasingly important objective for this land to receive municipal services, most likely accomplished through the construction of the platted Rainbow Road. See Figure 9 - attached.

Finally, discussion of an additional development category is necessary.

6. Other: Consistent with the language of the Ballinger report, various services, amenities, and facilities have been acquired, established, upgraded, or maintained in the Fort Custer Industrial Park and within the boundaries of the Battle Creek Tax Increment Finance Authority district. These actions have been taken in an effort to continually improve the overall marketability and development of the park and the district. These actions include, but are not limited to, the following:
  - Development, expansion, and maintenance of the Frederick R. Brydges Customs Cargo Center
  - Development, expansion, and maintenance of the Regional Manufacturing Technology Center
  - Acquisition, redevelopment, and preparation for sale of the facility known as the Robbins Building
  - Acquisition through a land contract purchase of the remaining City-owned property in the Fort Custer Industrial Park in order to afford the BCTIFA greater fiscal responsibility over the majority of the land within its boundary.

Annual projects, such as those listed above, can be anticipated if the Fort Custer Industrial Park and the Battle Creek Tax Increment Finance Authority district are to remain favorable locations for existing or incoming private investment and job creation activities.

#### B. The Circulation Element

The circulation element was derived from the Ballinger Land Use Plan and Program. The circulation element consists of a highway system, a railroad system, air transportation, and public transportation.

1. The Highway System: The most important Fort Custer Industrial Park Movement System element from the point of view of both regional access and internal circulation is the highway network. This system is most critical insofar as employee and visitor accessibility are concerned. Moreover, by accommodating truck traffic, this system also represents an indispensable component of the goods movement system.

The highway system is comprised of two components:

- the external regional facilities which provide access to the site, and
- the internal circulation system which serves the individual sites located throughout the Industrial Park.

Major external highway access is provided by two primary roadways: the Interstate 94 Business Loop (I-94BL) and Michigan State Highway 96 (M-96). Between downtown Battle Creek and the Fort Custer Industrial Park, the I-94 Business Loop follows Dickman Road. Immediately west of the Fort Custer Industrial Park, Dickman Road veers to the northwest, becoming M-96, while the I-94 Business Loop route turns to the southwest, becoming Dr. Martin Luther King, Jr. Memorial Highway, which proceeds to an interchange with I-94, the main interstate highway connecting Chicago and Detroit. Other routes important to local accessibility to the Fort Custer Industrial Park include Helmer Road, Columbia Avenue, River Road, and Custer Drive (formerly Coldwater Road).

As the Ballinger Movement Systems Analysis directed, widening and intersection changes have been undertaken on Helmer Road and are in progress on Columbia Avenue.

Key to the provision of Fort Custer Industrial Park access are the intersections between regional highways and internal park roadways. Major access points include the intersection of Hill-Brady Road at Dr. Martin Luther King, Jr. Memorial Highway, which serves the Harts Lake area, and the Dickman/Hill-Brady Roads intersection, which collects traffic from a substantial number of industrial parcels both north and south of Dickman Road. Additional key intersections are located along Dickman Road at Clark Road, Fritz-Keiper Boulevard, Armstrong Road, and at Dr. Martin Luther King, Jr. Memorial Highway north of Columbia Avenue.

As stated, efforts have been made to link Dickman Road with Dr. Martin Luther King, Jr. Memorial Highway through the extension of Hill-Brady Road south and east of the intersection of Denso Road (the former Rainbow Road). In addition, the extension of Armstrong Road to adjoin with Denso Road has facilitated better traffic flow on the west side of the Fort Custer Industrial Park, thus completing the traffic loop called for in the Ballinger Master Plan.

From Battle Creek Unlimited's understanding and analysis of demand, the following traffic recommendations are made:

- Construction of Rainbow Road (north of the V.A. Medical Center);
- Installation of traffic control at key intersections along the Dickman Road (M-96) and Dr. Martin Luther King, Jr. Memorial Highway (BL-94) corridors;
- Construction of the platted International Lane off Stanley Road;
- Possible construction of additional roadways off McQuiston Drive to facilitate potential additional development in the vicinity of Gallagher Industrial Laundry;
- Possible construction of a roadway north and east of the intersection of Dickman and Hill-Brady Roads to facilitate the potential development of industrial use(s) located between the current Kellogg Research & Development facility and the current Union Pump Company site, potentially accessing the Consolidated Rail Corporation siding located between Dickman and River Roads;
- Improvement of Helmer Road within the boundary of the Authority district in order

to promote efficient traffic flow and further development consistent with the previous Kellogg Airport District narrative;

- Expansion of South Airport Road from its present boundary on the east to a new intersection with Helmer Road;
- Improvement and/or possible relocation of the existing Territorial Road, west of Helmer Road, to facilitate development consistent with the previous Kellogg Airport District narrative;
- Expansion of Dr. Martin Luther King, Jr. Memorial Highway to four lanes and/or installation of street lighting between Dickman Road and I-94;
- Improvement of Dickman Road from Dr. Martin Luther King, Jr. Memorial Highway to Armstrong Road;
- Establishment of signs on I-94 on east and west approaches denoting U. S. Customs Port of Entry, Foreign-Trade Zone 43, and the Fort Custer Industrial Park, and;
- Possible construction of a new road and other necessary improvements at the former Radar Site to facilitate the positive redevelopment of a site all but rendered useless due to the former military structures located on-site.

2. Rail System: Utilizing as a base the excellent existing system, the proposed system expands rail access to two critical areas of the Park. Specifically, these areas include the northern portion of the Fort Custer Industrial Park capable of being served by Consolidated Rail Corporation movements, and the southeastern portion of the park, which is capable of hosting Grand Trunk Western/Canadian National North America service. In addition, the establishment of a bulk transfer facility serving both food and non-food industrial users in the area should be seriously considered. Finally, facilities complimentary to the established Battle Creek Intermodal Gateway should be considered if and when necessary.

3. W. K. Kellogg Airport: As mentioned, the improvement and/or potential relocation of the existing Territorial Road, west of Helmer Road, and the potential extension of South Airport Road both have the possibility of encouraging additional development consistent with the previous Kellogg Airport District narrative. Additionally, the acquisition, establishment, expansion and/or maintenance of housing facilities with adequate corresponding road access for students of the proposed air training academy may require Battle Creek Tax Increment Finance Authority participation. Continued local support of the various government functions at the airport is also to be considered by the Authority. Projects could include, but are not limited to, establishment and maintenance of various facilities, components (antennas, etc.) and services necessary to meet existing or future needs. All Authority participation in airport projects should be consistent with the City of Battle Creek's Airport Master Plan.

It is anticipated that additional demands for air service generated by the Fort Custer Industrial Park would not approach or significantly test the capacity of the W. K. Kellogg Airport. Similarly, cargo service would be provided in response to demand for such service.

The relocation of Columbia Avenue was necessitated by the lengthening of the main Airport runway by 3,000 feet. With the runway extension, the Airport can now accommodate any aircraft requiring a B-3 type air facility. Kellogg Airport is classified as a general aviation and commercial airport.

The air cargo movement requirements of the Fort Custer Industrial Park can be comfortably served by the W. K. Kellogg Airport. In 1976, the City of Battle Creek authorized a budget for the establishment of a U. S. Customs Port of Entry in Fort Custer Industrial Park and at the W. K. Kellogg Airport. In October of that year, Battle Creek was designated a Port of Entry and offices for U.S. Customs officials and a customhouse broker were established in Fort Custer Industrial Park. In order to coordinate the needs and expansion of the U. S. Customs activities in the region, the City of Battle Creek established BC/CAL/KAL Inland Port Development Corporation which operates under contract to the City.

In December of 1990, the Foreign Trade Zones Board of the United States declared most of the developable property in the Fort Custer Industrial Park and at the W.K. Kellogg Airport as capable of hosting Foreign Trade Zone activity.

Presently Battle Creek also serves as a truck staging area for air cargo to Detroit and Chicago. Air freight is collected in Battle Creek from an area of sixty miles. The U. S. Customs facility has accelerated its service to their customers receiving foreign air freight.

4. Public Transportation: Analysis of public transportation requirements and services has indicated that there is no anticipated capacity limitations for public transportation which might hinder the planned development of the Fort Custer Industrial Park. In fact, it has been the experience of Battle Creek Unlimited that public transportation, specifically the services provided by the municipally run Battle Creek Transit System, has been a partner in the development process. This situation is clearly evidenced by Battle Creek Transit's willingness to adapt its routing schedule to accommodate the needs of new entities in the park (such as Goodwill Industries and Gallagher Industrial Laundry, Inc.).

#### C. The Utilities Element

Three of the five areas described in the Land Use Element section of this document have hosted extensive utility development. These areas include the Dickman Road Corridor, the Hill-Brady Road/Southeast Park area, and (portions of) the Kellogg Airport District. This development includes both public (water, storm sewer, sanitary sewer) and private (electricity, natural gas, telephone) utility installation. Portions of the Dickman Road Corridor and Kellogg Airport District are served by older utility systems, some dating back to the military use of the property. These systems should be continually monitored and, when needed, the BCTIFA should engage in modernization programs to maintain or improve the capacity of these systems.

The two areas described in the Land Use Element needing the most extensive utility work are the Harts Lake Property and the Property North and East of the Veterans Administration Medical Center. Being the last areas of the Fort Custer Industrial Park to be developed, these areas have not undergone a significant amount of utility development. Since the majority of the usable property in the Harts Lake area has been occupied since 1977 by the Department of the Navy for training purposes, utility development in this area has been unnecessary. This situation will change when the Navy relocates to the approximately 150 acre site located within the Hill-Brady Road/Southeast Park area. The area labeled Property North and East of the V.A. Medical Center, with its remote location and rolling topography, makes the installation of public and private utilities a challenge. Clearly, this section of the Fort Custer Industrial Park calls for careful development requiring extensive coordination between the public and private utility concerns.

As with any development area, utility installation in these two areas needs to be sized to meet both current and anticipated future needs. Given the potential nature of development on both the Harts Lake Property and the Property North and East of the V.A. Medical Center, installation of state-of-the-art communications capability should be stressed. In addition, all public and private utility work should be designed and carried out in such a way as to minimize the environmental impact on these areas.

## V. Implementation Program

### A. Growth Strategy and Development

It is impossible and irresponsible to sell and develop all the land in the Fort Custer Industrial Park in a short time span. The market is simply not there, and an extremely rapid increase in the demand for workers could cause shortages in the prepared labor supply. In addition, the costs of building the total infrastructure in such a short time would strain the resources of the BCTIFA past the breaking point. Accordingly, a time dimension has been added to the Development Plan.

In short, the sales, build-out, and construction of public facilities are staged over a number of years related to the anticipated rate of market demand. The demand for land and the rate of creation of jobs is the driving force behind this staging. All other elements, such as road construction, new utilities, and so forth, are designed to anticipate this development rate.

### B. The Long Term-Future

Build out for the existing park property is anticipated in the year 2010. While this may seem far away, in actuality locational choices within the Park will probably be sharply restricted by 1995. Efforts should be made to acquire property for future development.

## VI. Fort Custer Industrial Park as a Blighted Area

In 1971, 1,834 acres of land were deeded to the City of Battle Creek by the U.S. Government. Beginning in 1963, the Federal Government began a phasing out of most of its military operations at the former Fort Custer Army Base. Since 1971, the City has purchased more land from the Federal Government to the extent that the Park now covers approximately 3,000 acres.

Only some 50% of the land contains the necessary utilities such as sanitary and storm sewers, electric power, gas mains, etc., to facilitate proper economic development activities. In this 50%, industrial development has rapidly occurred.

In order to halt the outmigration of industry and residents and to halt the decline in property values, the Battle Creek City Commission has, through various resolutions, declared the Park as a blighted and redevelopment area. Documents reflecting City Commission action on Public Act 198 of 1974 are included in the document. See Figure 10 - attached.

The Battle Creek City Commission action of April 28, 1981 which designated the area in and around the Fort Custer Industrial Park and W.K. Kellogg Airport as the Battle Creek Tax Increment Finance Authority district is consistent with previous municipal action taken by the City of Battle Creek to develop and enhance the Fort Custer Industrial Park/W.K. Kellogg Airport region, and to take the necessary steps to convert an obsolete blighted military area to a modern industrial park and airport complex.

## PART TWO

### Battle Creek Tax Increment Finance Authority Financing Plan

#### I. Purpose of the Battle Creek Tax Increment Finance Authority

Act 450, Public Acts of Michigan, 1980, commonly referred to as the Tax Increment Finance Authority Act, was created in part to correct and prevent deterioration in industrial and residential districts, to authorize the acquisition and disposal of interests in real and personal property, to authorize the creation and implementation of development and financing plans in the districts, to promote the economic growth of the districts, to authorize the issuance of bonds and other evidence of indebtedness, and to authorize the use of tax increment financing. The Act, in its entirety, is included as figure 11 of this document. The Act seeks to reverse historical trends which have led to a loss of population, jobs, and business in Michigan cities, notably in the industrial areas. It seeks to accomplish that goal by providing city planners, through a tax increment finance authority, with tools to revitalize industrial and residential areas. Those tools may be used by industrial development authorities in different ways depending on the problems facing a particular industrial district and the particular plan which has been developed to benefit such a district. The Battle Creek Tax Increment Finance Authority will show through this document how the tools given it by the Act will be used to continue the revitalization of the Fort Custer Industrial Park/W.K. Kellogg area.

#### II. Description of Tax Increment Financing

The era of the tight budget has forced cities to find new forms of capital to underwrite economic development programs designed to redevelop older industrial, commercial, and residential areas within urban centers. The message of the money squeeze, common knowledge to public officials and citizens alike, is that traditional revenue sources are increasingly limited. Certainly, budget cuts by the Federal Government and the State of Michigan have profoundly hampered the flow of revenue to local development programs.

Despite the desire for lower taxes, the public is unlikely to want to pull back from such programs, many of which encourage industrial development and rehabilitation of the rundown sections of older cities. In fact, more pressure can be anticipated for redevelopment, especially on the housing front. As tax revenues tighten, cities are pressured to maintain essential public services as a priority. In such cases, municipal funding of economic development programs is typically delegated a lesser status. Thus, additional pressures are frequently placed on municipalities, particularly those in the northeast and midwest regions of the nation, to halt the deterioration of the industrial base, the central business districts, and the residential areas.

The concept of tax increment financing is one method by which a municipality may continue to pursue economic development initiatives. However, the key to tax increment financing is the commitment of tax incremental resources for the payment of redevelopment costs. The idea of tax increment financing is that redeveloped or improved property is more valuable to the city than deteriorated or vacant property because it produces more tax revenue.

The tax increment financing concept began during the 1950s in California and Minnesota, but it was not until the late 1960s and 1970s that its use began to spread rapidly to other states as well. A total of 31 states have now enacted tax increment financing legislation. Most of the legislative actions allowing use of this financing technique took the form of amendments to existing urban

renewal statutes. It is usually the urban redevelopment agency or a city engaged in urban redevelopment that develops tax increment financing as a means to facilitate a project and then issues the bonds, etc. A few of the more recent laws expand tax increment financing as a vehicle to supplement broader municipal development or community development programs.

One of the major reasons advanced for the initial use and later proliferation of tax increment financing as a tool was the scarcity of Federal economic development money. Under the Reagan Administration, scarcity of Federal funds became a pronounced fact of life.

The importance of tax increment financing among policy officials is indicated by its consideration at the state and local levels, whether in the form of constitutional change, new legislation or amendments. Nineteen of the 31 states which have tax increment financing laws have adopted these over the last two decades.

An illustration of how the tax increment financing system works is featured in the following hypothetical case:

State enabling legislation allows the city to designate an area as blighted and in need of rehabilitation. The city concentrates on a ten acre parcel adjacent to the central business district that is blighted and that has an assessed tax value of \$6.5 million. The cumulative city, county and school district tax rate of \$2.50 per hundred dollars assessed valuation produces property tax income of \$162,500. Redevelopment plans call for construction of an air/rail/truck transfer and distribution facility on the tract. Estimated tax value of the redevelopment is \$45 million. The city, in designating the area, is allowed to "freeze" the valuation for general tax purposes at \$6.5 million, the value before redevelopment. The \$162,500 continues to be distributed to the city, county and school system in proportion to each jurisdiction's share of total tax collected for the old (frozen) assessment.

Tax revenues from the \$38,500,000 tax assessment increase are encumbered to pay the costs of land acquisition, clearance and construction of any physical facilities needed to support redevelopment. Under this scenario the graduated "increment" reflecting increased value of the property -- up to \$962,500 (2.5% of \$38,500,000) when the project is completed -- is available for repaying principal and interest on the notes or bonds issued to pay for the redevelopment costs. When the bonds are paid off, the incremental value is added to the regular tax tools and distributed once again among all the taxing jurisdictions in the same manner as before the revitalization project began.

Thus it is possible to conclude that tax increment funds, which are paid by Fort Custer Industrial Park/Battle Creek Tax Increment Finance Authority district entities, are put back into park/district development. The result will be continued promotion of the Authority district. As tax revenues increase, financing for Authority district physical improvements will become more readily available. This will enhance the existing infrastructure and will open up new tracts for land development purposes. In very basic terms, the long-term benefits of such an arrangement are the attraction and retention of industry, added families and school enrollments, and increased commercial development.

### III.

#### Creation of the Battle Creek Tax Increment Financing Authority

As previously stated, on April 28, 1981 the Battle Creek City Commission adopted Resolution Number 27, which created the Battle Creek Tax Increment Finance Authority (see Figure 12 - attached). The Authority was given all of the powers and duties described for a tax increment finance authority pursuant to Act 450 of the Public Acts of 1980 for the State of Michigan (see Figure 11 - attached). The City Commission also designated the boundary within which the Battle Creek Tax Increment Finance Authority may legally work. This area is clearly shown in the attached Figure 13. Figure 14 contains a legal description of the Battle Creek Tax Increment Finance Authority district (the identical area was described in the attachment to Resolution 27 of the Battle Creek City Commission meeting of April 28, 1981).

#### IV. Activities of the Authority

This plan outlines how the Battle Creek Tax Increment Finance Authority will carry on the development and improvement of the Authority district through continued facilitation of private investment on available industrial sites, continued development of the district's transportation infrastructure, continued development of U. S. Customs Port of Entry and Foreign Trade Zone activity, and continued development of the W.K. Kellogg Airport. The overall effect of this activity will be a continuing positive impact on the entire local economy.

#### V. Purpose of This Plan

The purpose of this Battle Creek Tax Increment Finance Authority Development and Financing Plan is to provide the legal authority and procedures for the public financial participation necessary to facilitate certain private investment projects within the Authority district. Such financial participation is designed to make possible the continued retention and attraction of industry, the growth of the industrial service sector, and the positive spin-off impacts on commercial development.

#### VI. Development Plan

Section 16 (1) of the Act (Figure 11) requires that when tax increment financing is used to finance a development, a development plan must be prepared containing all of the information required by Section 16 (2). Therefore, this development plan discussion will follow the requirement mandated by Section 16 (2) and each lettered paragraph will seek to supply the information required in the corresponding lettered paragraph of Section 16 (2).

##### A. Designation of boundaries of the development area in relation to the boundaries of the authority district and any other development areas within the authority district:

The numbered attached figures correspond to the development areas described in detail in Part One of this document. Listed below are the numbers of the attached figures and brief descriptions of the areas covered by the figures:

- |          |  |
|----------|--|
| Figure 4 | Dickman Road Corridor                        |
| Figure 5 | Hill-Brady Road Corridor/Southeast Park Area |
| Figure 6 | Kellogg Airport District                     |
| Figure 8 | Harts Lake Property                          |



Figure 9 Property North and East of the Veterans Administration Medical Center

Also, as previously stated, the attached Figure 13 outlines the entire Battle Creek Tax Increment Finance Authority district boundary, and attached Figure 14 contains a legal description of the Authority district.

- B. Designation of boundaries of the development area in relation to highways, streets, or otherwise:

Figure 13 clearly outlines the Authority district (which includes all development areas as delineated in Figures 4-6,8-9) and provides detail regarding all related highways, streets, and otherwise.

- C. The location and extent of existing streets and other public facilities within the development area and the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area:

Again, Figure 13 clearly outlines the features of the Battle Creek Tax Increment Finance Authority district. As stated in Part One of this document, the 3,000 acre Fort Custer Industrial Park comprises the bulk of the Authority district. That being the case, the attached Figure 15 contains an up-to-date map of the Fort Custer Industrial Park, which includes all streets, public and private facilities. The attached Figure 16 contains an up-to-date list of the entities occupying space within the Fort Custer Industrial Park. In addition, the attached Figures 4-6 and 8-9 describe the distinct areas of development within the Authority district, and the corresponding narrative contained in Part One of this document details specific future development objectives for these distinct areas.

- D. Location, extent, character, estimated cost and time for completion of improvements:

Key to the continued marketing, management, and improvement of the Battle Creek Tax Increment Finance Authority district are the operations of Battle Creek Unlimited, Inc. ("BCU") and the BC/CAL/KAL Inland Port Development Corporation ("BC/CAL/KAL"). The operations of both BCU and BC/CAL/KAL should remain a top priority for the Authority for the foreseeable future. To ensure that consistency, a four-way contractual agreement between the City of Battle Creek, the Battle Creek Tax Increment Finance Authority, BCU and BC/CAL/KAL is in place (see Figure 17 - attached). It is of the utmost importance that this contractual agreement continue to be recognized and funded by the Battle Creek Tax Increment Finance Authority.

As stated in Part One of this document, physical improvements within the Authority district should encompass the following:

- 1 Construction of Rainbow Road and corresponding utility improvements (north of the V.A. Medical Center);
- 2 Installation of traffic control at key intersections along the Dickman Road (M-96) and Dr. Martin Luther King, Jr. Memorial Highway (BL-94) corridors;
- 3 Construction of the platted International Lane and corresponding utility improvements off Stanley Road;
- 4 Construction of additional roadways and corresponding utility improvements off McQuiston Drive;

- 5 Construction of a roadway and utility improvements north and east of the intersection of Dickman and Hill-Brady Roads (between the current Kellogg Research & Development facility and the current Union Pump Company site);
- 6 Improvement of Helmer Road and the corresponding utilities within the boundary of the Authority district;
- 7 Expansion of South Airport Road and the corresponding utilities from its present boundary on the east to a new intersection at Helmer Road;
- 8 Improvement and/or possible relocation of the existing Territorial Road and corresponding utilities, west of Helmer Road;
- 9 Expansion of Dr. Martin Luther King, Jr. Memorial Highway to four lanes (including corresponding utilities) and/or the installation of street lighting between Dickman Road and I-94;
- 10 Improvement of Dickman Road and corresponding utilities from Dr. Martin Luther King, Jr. Memorial Highway to Armstrong Road;
- 11 Establishment of signs on I-94 on east and west approaches denoting U. S. Customs Port of Entry, Foreign-Trade Zone 43, and the Fort Custer Industrial Park, and;
- 12 Site demolition/clearing and/or construction of a new road and corresponding utilities in the vicinity of the former Radar Site located between the existing Clark Road and Brydges Drive.
- 13 Construction of an emergency service depot for police and fire protection within the Authority district. This depot could be a part of a possible fire training/hazardous materials training center to be developed in the Authority district. This depot could also be a part of a possible Battle Creek Public Works complex to be developed in the Authority district. Both the possible fire training/hazardous materials training center and the possible Public Works complex could become separate Authority projects under this plan (see numbers 14 and 24 below)
- 14 Further planning, establishment, maintenance, and expansion of a possible fire training/hazardous materials training center;
- 15 Physical improvement of Harts Lake property;
- 16 Further planning, establishment, maintenance, and expansion of the proposed aviation training facility in and around W.K. Kellogg Airport;
- 17 Purchase, final renovation, maintenance, support, and/or preparation for sale of the various tenant spaces located in the existing Robbins Building;
- 18 Continued maintenance and upgrading of all BCTIFA/City of Battle Creek-owned and/or maintained streets, utilities, and appurtenances;
- 19 Continued maintenance, upgrading, renovation and possible expansion of the Frederick R. Brydges Customs Cargo Center;
- 20 Continued support of the U.S. Customs operation based in the Customs Cargo Center;
- 21 Continued support of labor training activities designed to maximize the skills of all area citizens in connection with the jobs to be created and maintaining within the Authority district;
- 22 Continued funding of the operations of Battle Creek Unlimited, Inc. and the BC/CAL/KAL Inland Port Development Corporation;
- 23 Continued funding of the operations of the W.K. Kellogg Airport as managed by the City of Battle Creek;
- 24 Establishment of a public works complex within the Authority district;
- 25 Environmental assessment and/or cleanup, and;
- 26 Payments to include the cost of preserving public and private buildings and

facilities, including without limitation, police and fire services.

All utility and public service improvements financed by the Battle Creek Tax Increment Finance Authority will be maintained by the City of Battle Creek as part of the City's normal municipal maintenance responsibilities.

The following table indicates the current estimates of the costs of the projects and programs and, where possible, estimated completion dates. The projects and programs are listed as 1 through 26 and correspond to the above lists of potential/actual/ongoing Battle Creek Tax Increment Finance Authority projects and programs:

#	Project	Est. Cost in 1993 \$	Estimated Completion
1	Rainbow Road	\$5,000,000	1996
2	traffic control	\$50,000 (local portion)	unknown (state controlled)
3	International Lane	\$2,500,000	1997
4	roads off McQuiston Dr.	\$1,500,000	1995
5	N. Dickman roads/util.	\$4,000,000	1995
6	Helmer Rd. work	\$250,000	1994
7	S. Airport Road work	\$2,000,000	1995
8	Territorial Road work	\$1,000,000	1995
9	BL-94 work	\$300,000 (local portion)	unknown (state controlled)
10	Dickman Road work	\$150,000 (local portion)	unknown (state controlled)
11	I-94 signs	\$0 (state funded)	unknown (state controlled)
12	former radar site work	\$2,000,000	1998
13	emer. service depot	\$500,000	1996
14	fire training center	\$1,000,000	1997
15	Harts Lake work	\$7,000,000	2000
16	aviation training facility	\$2,000,000	1994
17	Robbins Building work	\$100,000	1994
18	public street/util. main.	\$750,000 annually	ongoing
19	Cargo Center	\$100,000 annually	ongoing
20	U.S. Customs support	\$35,000 annually	ongoing
21	workforce training	\$200,000 annually	ongoing
22	marketing/mgt.	\$800,000 annually	ongoing
23	Kellogg Airport oper.	\$200,000 annually	ongoing
24	Public Works complex	\$5,000,000	1996
25	environmental cleanup	\$100,000 annually	ongoing
26	preservation of public/ private facilities	actual costs	ongoing

When deemed necessary, the Authority will establish and maintain a capital replacement reserve as well as a capital expenditure reserve.

In addition, the funding of construction, replacement, or repair of Airport infrastructure and equipment, including, but not limited to, utilities, roadways, runways, taxiways, aprons, ramps, hangars, terminals, lighting, and maintenance equipment shall be considered by the Authority Board when necessary.

Further, the acquisition and physical improvement of available land to promote economic development.

Also, the funding of various studies, reports, or other contractual services, as deemed appropriate by the Battle Creek Tax Increment Finance Authority in order to carry out the mission of the Authority.

Finally, during any time the Regional Manufacturing Technology Center (RMTC) is not managed by KCC, tax increment revenues may be used to pay operating deficits of the RMTC, should they exist. In addition, the Authority shall, at any time, consider the funding of RMTC expansion projects when such projects can be demonstrated to enhance the mission of the Authority.

- E. The location, extent, character, and estimated costs of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion:

See Section VI (D) and additional relative text throughout this document.

- F. A statement of the construction or stages of construction planned, and the estimated time of completion of each stage:

See Section VI (D) and additional relative text throughout this document.

- G. A statement of any parts of the development area to be left as open space and the use contemplated for that space:

At the present time, this plan contemplates light industrial/research & development land use in the development areas labeled as (4) Harts Lake Property and (5) Property North and East of the Veterans Administration Medical Center. The majority of this property is now classified as open space. This classification will remain until such time as these areas are developed in accordance with the language of this document and those materials referenced in this document. Even if developed to the fullest extent possible, both development areas should continue to contain a significant amount of open space.

- H. A description of any portion of the development area which the Authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed items:

Figure 18 contains a land contract agreement between the Battle Creek Tax Increment Finance Authority and the City of Battle Creek. The agreement details the BCTIFA's land contract purchase of approximately 1,580 acres of Fort Custer Industrial Park property owned by the City of Battle Creek. This contractual obligation represents the most significant Authority action to be described in response to Section 16 (H) of P.A. 450. In addition, the Authority may, in the future, enter into transactions with the City of Battle Creek regarding the transfer of land or other real or personal property when such action would serve to further the mission of the Authority.

- I. A description of desired zoning changes and changes in streets, street levels, intersections, and utilities:

Property within the Authority district is generally zoned as heavy industrial (I-2) or commercial (C). No additional changes in zoning designations are contemplated at this time.

- J. An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing:

Please refer to Section VI (D) for estimated costs of the various projects and programs described in this section. Funding for these projects and programs will come from annual tax incremental revenue and, possibly, from the issuance of bonds. The Battle Creek Tax Increment Finance Authority has demonstrated its ability to issue bonds as evidenced by the \$3.28 and \$5.00 Million issues detailed in the attached Figure 19.

- K. Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the Authority:

It is not possible to identify the possible person or persons, corporate or natural, to whom the development property may be leased, sold or otherwise conveyed; however, it is expected that industries and businesses will acquire the land to conduct operations which will benefit all residents of the Battle Creek area.

- L. The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the development upon its completion, if there is no express or implied agreement between the Authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons:

Battle Creek Unlimited, a contractor with the City of Battle Creek (see Figure 17), negotiates on behalf of the City and or the Authority. Any bidding for significant work would be on a competitive and public basis with bids from relevant area minority business enterprises emphasized. The Authority will continue to coordinate all bidding activity with and through the office of the purchasing agent for the City of Battle Creek.

- M. Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the Authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals:

No persons reside in the development area or the Authority district.

- N. A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area:

Not applicable.

- O. Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970s,

42 U.S.C. 4601 to 4655:

Not applicable.

- P. A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws:

Not applicable.

- Q. Other material which the Authority, local public agency, or governing body considers pertinent:

No other material is deemed pertinent at this time by the Authority.

## VII. Battle Creek Tax Increment Authority Financing Plan

This Tax Increment Financing Plan is established to make possible the financing, operation and maintenance of the public improvements necessary or desirable for the development of the Fort Custer Industrial Park/W.K. Kellogg Airport development area in accordance with the development plan for that area.

### A. Tax Increment Authority Financing Procedures

The Tax Increment Financing procedure as outlined in the Act requires the adoption by the City, by Resolution, of a development and a Tax Increment Financing Plan. Following the adoption of that Resolution, the municipal and county treasurers are required by law to transmit to the Battle Creek Tax Increment Finance Authority that portion of the tax levy of all taxing bodies paid each year on the "Captured Assessed Value of all real and personal property located in the development area." The amounts so transmitted are hereinafter referred to as "Tax Increment Revenue."

The "Captured Assessed Value" is defined as the amount in any one year by which the current assessed value of the development area, including the assessed value of the property for which a commercial facilities exemption certificate has been issued pursuant to Act No. 255 of the Public Acts of 1978, as amended, being sections 207.651 to 207.668 of the Michigan Compiled Laws, and the assessed value of property for which an industrial facilities exemption certificate has been issued pursuant to act No. 198 of the Public Acts of 1974, as amended, being sections 207.551 to 207.571 of the Michigan Compiled Laws, exceeds the initial assessed value. The "Initial Assessed Value" is defined as the most recently assessed value, as finally equalized by the state board of equalization, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the Tax Increment Financing Plan is approved. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a Commercial Facilities Exemption Certificate or property for which an Industrial Facilities Exemption Certificate is in effect shall not be considered property which is exempt from taxation. Attached hereto as Figure 22 is the schedule of the current assessed value of all real and personal property in the development area. Also in Figure 22 is a calculation of the estimated assessed value of all improvements currently under construction or completed by December 31, 1992.

The tax levy of all taxing jurisdictions is currently 70.7527 mills. Consequently, under this tax increment financing plan the estimated annual tax increment revenue to be paid by the county and municipal treasurers to the Battle Creek Tax Increment Finance Authority will be the sum set forth in Figure 22. Under this Tax Increment Financing Plan, the entire captured assessed value is to be utilized by the Authority for the purposes and for the period as hereinafter set forth.

**B. Bonded Indebtedness to be Incurred**

The total amount of bonded indebtedness to be incurred under this development plan is \$8,280,000 in FY 1991 and such amounts as the City Commission shall approve in subsequent years in the development area. The Authority will have to consider and/or establish bonded indebtedness when it chooses to undertake additional development projects, such as those numbered 1-24 of Section VI D (Development Plan) of Part Two of this document. Specifically, such projects could include, but are not limited to, the following:

- Physical improvement and development of the Harts Lake property;
- Construction of Rainbow Road;
- Demolition, site clearing and improvement in and around the former Radar Site, and;
- Establishment, maintenance and expansion of the proposed air training academy.

**C. Expenditures of Tax Increment Revenue**

The tax increment revenue paid to the Authority by the municipal and county treasurers is to be disbursed by the Authority from time to time in such manner as the Authority may deem necessary and appropriate in order to carry out the purposes of the development plan, including, but not limited to, the following:

- 1 Amounts necessary to meet contract obligations or payments of principle and interest coming due prior to the next collection of taxes, on bonds or other debt, issued by the Authority, or others, in anticipation of the tax increment revenue under this plan;
- 2 Contract remittance for marketing and promotion of the Fort Custer Industrial Park and W.K. Kellogg Airport by Battle Creek Unlimited, Inc. and the BC/CAL/KAL Inland Port Development Corporation;
- 3 Payments necessary to construct the public facilities detailed in Section VI (D) above;
- 4 Payments necessary for land acquisition and construction of structures to be leased or sold to private businesses including incubator facilities to house businesses;
- 5 Payments necessary to maintain and preserve public facilities and other structures or property owned by the Authority or by the City of Battle Creek, including without limitation, police and fire services;

- 6 Payments required to establish and maintain a capital replacement reserve, when deemed necessary;
- 7 Payments required to establish and maintain a capital expenditure reserve when deemed necessary;
- 8 Payments required to meet annual administration costs of the Authority including contractual commitments and obligations;
- 9 Payments to pay the costs of any additional improvements to the development area that are determined necessary by the Battle Creek Tax Increment Finance Authority and approved by the Battle Creek City Commission;
- 10 During any time the Regional Manufacturing Technology Center (RMTC) is not managed by Kellogg Community College, tax increment revenue may be used to pay operating deficits of the RMTC, should they exist (see Figure 20 - attached);
- 11 Payments to cover the costs of training and retraining workers, acculturation programs, and any other programs which may advance the Authority toward the stated goals including specialized language schools for transferees and residents in the area;
- 12 Payments necessary to subsidize the costs of the U.S. Customs Service office in the Frederick R. Brydges Customs Cargo Center;
- 13 Payments necessary to cover utility/infrastructure development costs;
- 14 Payments to cover the costs of relocation to the Authority district from the Central Business District;
- 15 Payments for the cost of installing and maintaining street lighting, and;
16. Payments necessary to cover the costs of the purchase, renovation, maintenance, support, and/or preparation for sale of the various tenant spaces located in the Robbins Building (see Figure 21 - attached);
17. Payments to cover the cost of all projects financed by the City of Battle Creek on behalf of the Authority, and;
18. Payments to cover the cost of environmental assessment and/or cleanup.

D. Annual Surplus of Tax Increment Revenue

The following tax increment revenue shall pass through or revert to the taxing jurisdictions pursuant to agreements in place:

- 1 All revenues derived from voted millages which are passed after July 1, 1985 and which are not replacement of prior millages;
- 2 All revenues derived from voted millages for debt service;



- 3 25% of revenues derived from Calhoun County operating millage;
- 4 25% of revenues derived from Calhoun Intermediate School District allocated (non-special voted) millage in place prior to July 1, 1985;
- 5 100% of the tax increment revenues of the Authority to Kellogg Community College during the time period KCC has responsibility for the operation and maintenance of the Regional Manufacturing Technology Center (RMTC) under the terms of a management and transfer agreement between the City of Battle Creek, Kellogg Community College, and the Authority. During any time the RMTC is not managed by KCC, tax increment revenues may be used to pay operating deficits of the RMTC, should they exist;
- 6 Any tax increment revenue of the Authority which, at the end of any fiscal year, exceeds the sum necessary for the Authority to meet the commitments and payments as set forth above.

E. Duration of the Plan

The Battle Creek Tax Increment Finance Authority Development and Financing Plan shall last thirty (30) years from the date of acceptance of this document except as the same may be modified from time to time by the City Commission of the City of Battle Creek upon notice and upon public hearing and agreements as required by the Act.

F. Impact on Assessed Values

The overall impact of the development area will generate increased economic activity in the development area and throughout the County causing an increase in assessed value of all taxing jurisdictions in the development area and throughout the County. The actual projected impact is set forth in the attached Figure 22.

G. Use of the Captured Assessed Value

The Tax Increment Finance Authority Plan provides for the use of all of the captured assessed values for the Battle Creek Tax Increment Finance Authority for the purposes herein set forth. Provided, however, that the provisions delineated in section VII (D) are observed.

H. Reports

The Battle Creek Tax Increment Finance Authority shall submit annually to the Battle Creek City Commission a report on the status of the tax increment financing account. Such report shall comply with the requirements of Section 14 of the Tax Increment Finance Authority Act as set forth in Figure 11.

I. Plan Review

The Battle Creek Tax Increment Finance Authority Development and Financing Plan shall be reviewed at least once every five years following its adoption by the Authority and recommendations for amendments shall be submitted to the Battle Creek City Commission.

FIGURES REFERENCED IN THE  
BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY  
TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

MAY, 1993

Figure 1	Letter from Miller, Canfield, Paddock and Stone
Figure 2	Wetland Map prepared by SEG
Figure 3	Synthesis Map prepared by Ballinger
Figure 4	Dickman Road Corridor
Figure 5	Hill-Brady Road Corridor/Southeast Park Area
Figure 6	Kellogg Airport District
Figure 7	SYMPHER:MUELLER International Summary Report
Figure 8	Harts Lake Property
Figure 9	Property North and East of the V.A. Medical Center
Figure 10	P.A. 198 documentation
Figure 11	P.A. 450 documentation
Figure 12	Resolution from April 28, 1981 City Commission meeting
Figure 13	Battle Creek Tax Increment Finance Authority District Map
Figure 14	Legal Description of Authority District
Figure 15	Fort Custer Industrial Park Map
Figure 16	Fort Custer Industrial Park List
Figure 17	Contract between BCTIFA, City, BCU and BC/CAL/KAL
Figure 18	Land Contract between BCTIFA and City
Figure 19	BCTIFA bond issue documentation
Figure 20	RMTC Agreement between the City, BCTIFA, and KCC
Figure 21	Land Contract between BCTIFA and Speed's, Inc.
Figure 22	Tax Increment Financial Analysis

Figure 1  
Letter from  
Miller, Canfield, Paddock and Stone

SIDNEY T. MILLER (1884-1940)  
GEORGE L. CANFIELD (1866-1928)  
LEWIS H. PADDOCK (1866-1935)  
FERRIS D. STONE (1882-1946)

LAW OFFICES OF  
**MILLER, CANFIELD, PADDOCK AND STONE**

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ONE MICHIGAN AVENUE, SUITE 900  
LANSING, MICHIGAN 48933-1609

TELEPHONE (517) 487-2070  
FAX (517) 374-6304

ANN ARBOR, MICHIGAN  
BLOOMFIELD HILLS, MICHIGAN  
DETROIT, MICHIGAN  
GRAND RAPIDS, MICHIGAN  
KALAMAZOO, MICHIGAN  
LANSING, MICHIGAN  
MONROE, MICHIGAN

BOCA RATON, FLORIDA  
WASHINGTON, D.C.

GDAŃSK, POLAND  
WARSAW, POLAND

Jay B. Rising  
(517)483-4922

April 28, 1993

Mr. Rob Young  
Marketing Director  
Battle Creek Unlimited  
4950 West Dickman Road  
P.O. Box 1438  
Battle Creek, Michigan 49016

Dear Rob:

With the action of the Legislature to adopt HJR G and place it as Proposal A before the voters on the June 2, 1993 special election ballot, it is important for all tax increment financing entities to examine and update their current tax increment financing plans and development plans.

As I have explained previously, Proposal A will, if adopted, affect tax increment revenues received in two (2) manners; a revenue reduction caused by the school operation millage cuts and a limitation in revenue growth caused by the assessment cap. Proposal A does, however, offer some protection to obligations supported by tax increment revenues. That protection is conditioned upon inclusion of projects to which the obligation relates in the tax increment financing plan by July 1, 1993, and the issuance of the obligation by October 1, 1993.

To protect those obligations you intend to issue or incur before October 1, 1993, you should now review your current tax increment financing plan to insure it includes those anticipated obligations and reevaluate the capacity to incur new obligations in light of the proposed assessment cap and millage cut. In making this review you should also consider what obligations you may intend to issue or incur on or after October 1, 1993. While obligations issued after October 1, 1993 will continue to be legally permitted, they will not share in the constitutional protection. Moreover, if tax increment revenues are available to repay obligations issued or incurred after October 1, 1993, the pre-October 1, 1993 obligations will obviously not need the constitutional protection.

MILLER, CANFIELD, PADDOCK AND STONE

Mr. Rob Young

-2-

April 28, 1993

I am also enclosing a copy of the tax increment financing protection implementing legislation which has been drafted in two (2) formats. One format would have this legislation adopted as a new act. The other format anticipates its inclusion in the school aid bill currently being considered by the Legislature to implement the school aid components of Proposal A. The current draft of that school aid bill includes tax increment financing protection language which I would replace with the enclosed language.

If you would like me to review any plan amendments you prepare, please give me a call.

Sincerely,



Jay B. Rising

JBR/lh

LAFS1\22696.1\006545-00002

Figure 2

Wetland Map prepared by  
Snell Environment Group

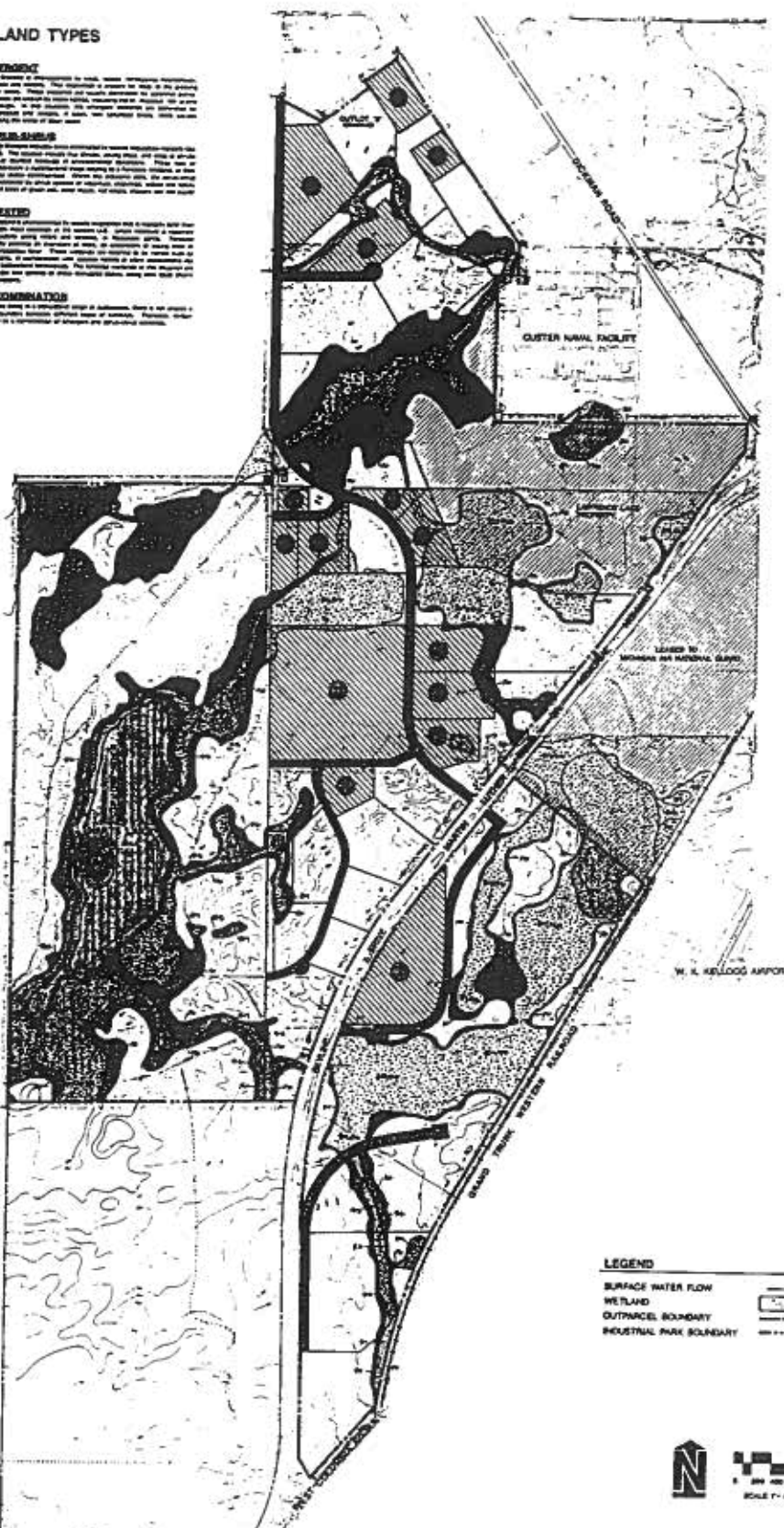
# WETLAND TYPES

- DE. DEEPWATER**  
This wetland is characterized by deep water, usually more than 6 feet deep, and is found in the southern portion of the industrial park. It is characterized by the presence of deep water, usually more than 6 feet deep, and is found in the southern portion of the industrial park. It is characterized by the presence of deep water, usually more than 6 feet deep, and is found in the southern portion of the industrial park.
- SA. SCUDGRASS**  
This wetland is characterized by the presence of scudgrass, which is a type of grass that grows in wet areas. It is found in the southern portion of the industrial park. It is characterized by the presence of scudgrass, which is a type of grass that grows in wet areas. It is found in the southern portion of the industrial park.
- PD. POSEDGE**  
This wetland is characterized by the presence of posedge, which is a type of grass that grows in wet areas. It is found in the southern portion of the industrial park. It is characterized by the presence of posedge, which is a type of grass that grows in wet areas. It is found in the southern portion of the industrial park.
- WASS. COMBINATION**  
This wetland is characterized by the presence of a combination of the above wetland types. It is found in the southern portion of the industrial park. It is characterized by the presence of a combination of the above wetland types. It is found in the southern portion of the industrial park.

PORT CUSTER MILITARY PARK

## OBLIGATED PARCELS

- 1. AMT FREIGHT INC.
- 2. ANATECH LTD.
- 3. B & J MOVING & STORAGE
- 4. BATTLE CREEK FLOWER EXCHANGE
- 5. BRATCHER & ASSOC.
- 6. COLLATERAL MANAGEMENT
- 7. FAWN INDUSTRIES OPTION PARCEL
- 8. GALA FOOD PROCESSING
- 9. GALA OPTION PARCEL
- 10. GALLAGHER INDUSTRIAL LAUNDRY
- 11. GERARD INDUSTRIES OPTION PARCEL
- 12. HOTSET CORPORATION
- 13. LL STANLEY
- 14. NEW MOON NOODLE INC.
- 15. WASTE MANAGEMENT



### LEGEND

- SURFACE WATER FLOW
- WETLAND
- OUTPARCEL BOUNDARY
- INDUSTRIAL PARK BOUNDARY



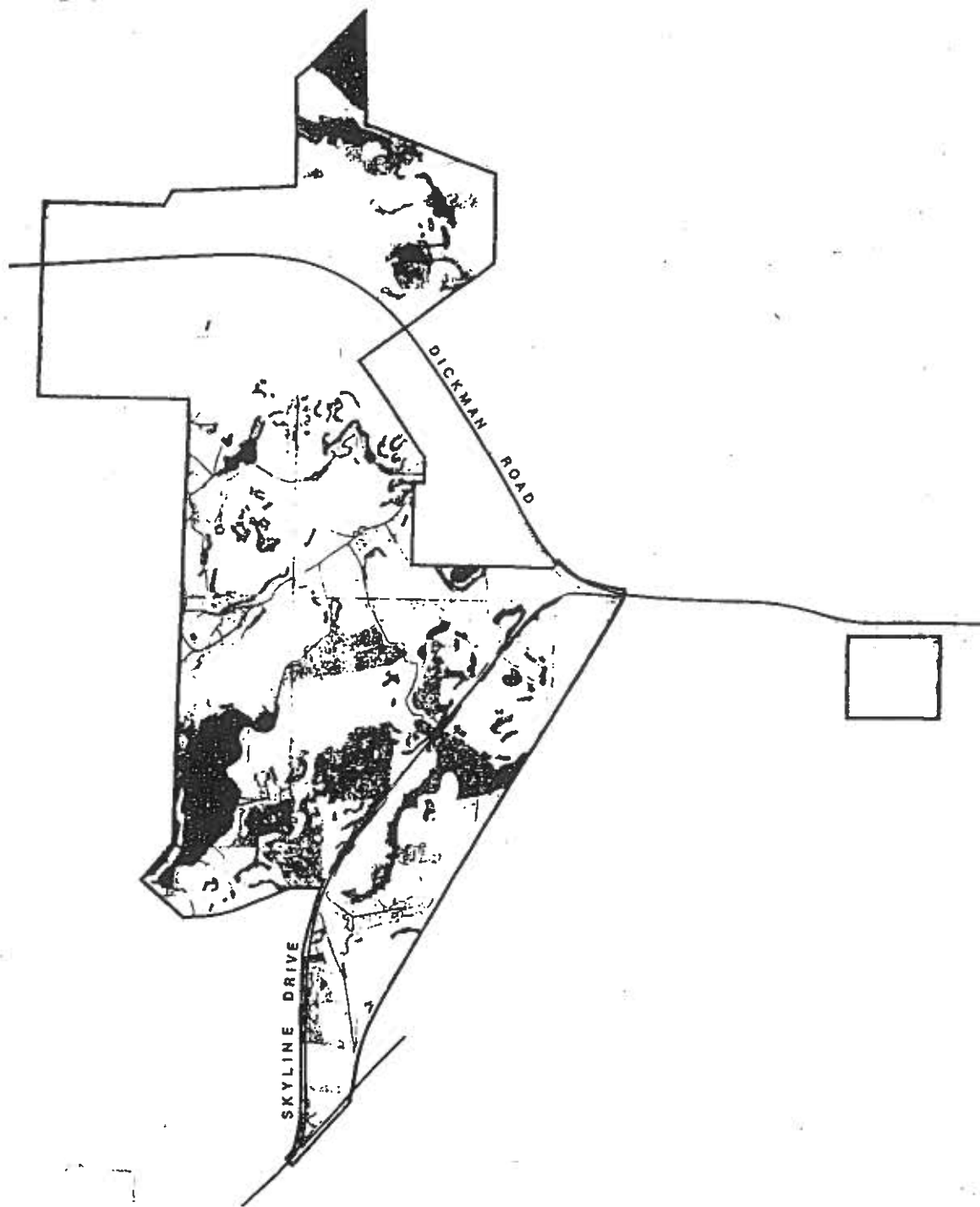
## Southern Portion of FORT CUSTER INDUSTRIAL PARK

City of Battle Creek, Michigan

Figure 3




Synthesis Map prepared by  
The Ballinger Company









## SYNTHESIS

### I. CONSERVATION



-  FLOODPLAIN, DRAINAGEWAYS, SURFACE WATER
-  WETLANDS
-  SEASONAL WETLANDS AND ORGANIC SOILS OVER 5 FT. TO FIRM SOIL (12% MINIMUM BUFFER)

### II. MANAGEMENT

#### A. STRICT MANAGEMENT

-  SEASONAL WETLANDS & ORGANIC SOIL 0-5' TO FIRM SOIL
-  100 FT. MIN. BUFFER
-  12%+ SLOPES
-  MATURE LOWLAND WOODS

#### B. MANAGEMENT

-  MATURE UPLAND WOODS
-  PRIME WILDLIFE HABITATS (OTHER THAN THOSE INCLUDED IN PREVIOUS CATEGORIES)

### III. FEW NATURAL CONSTRAINTS

- 

FIGURE 1

FORT CUSTER INDUSTRIAL PARK - BATTLE CREEK MICHIGAN

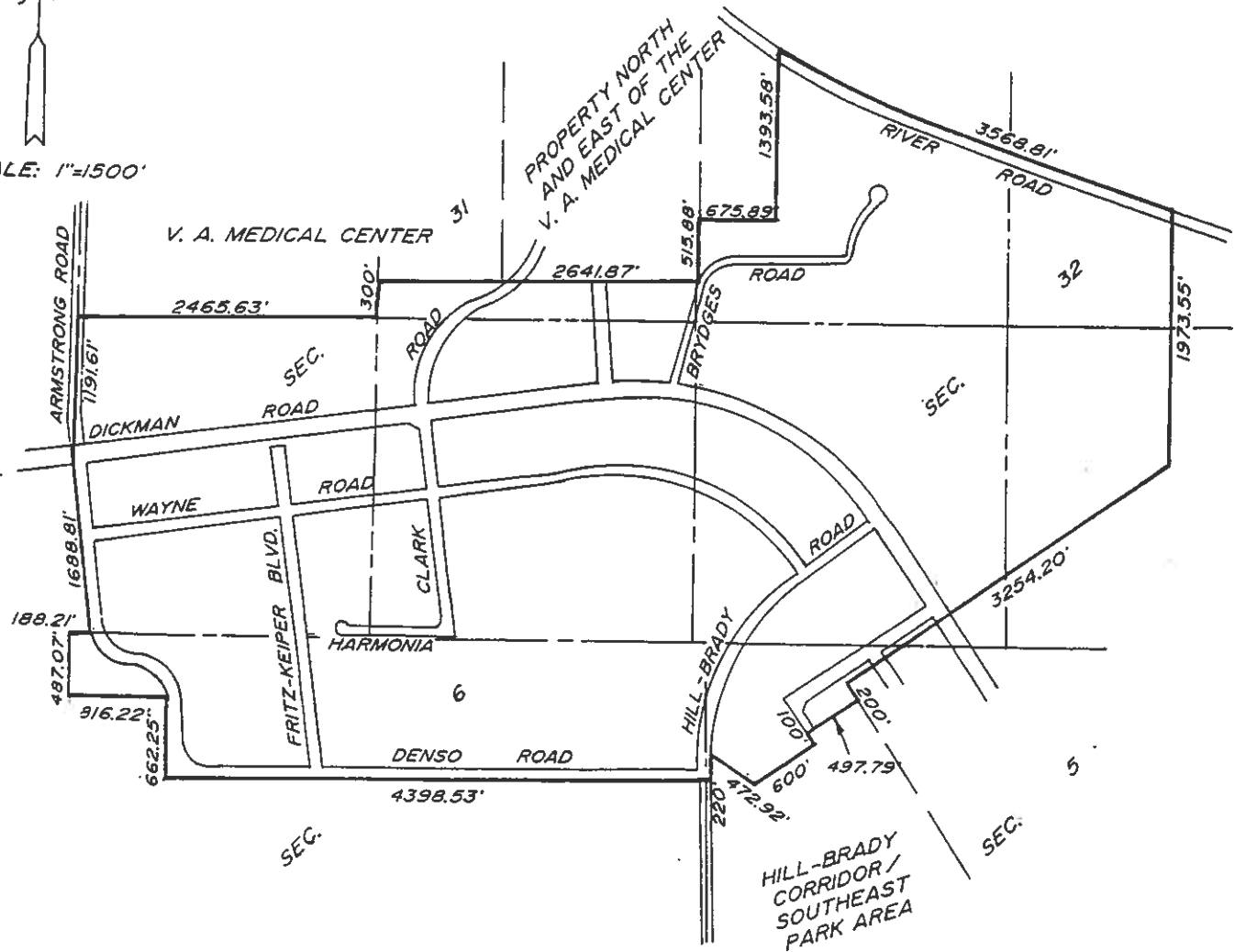


Figure 4  
Dickman Road Corridor

# DICKMAN ROAD CORRIDOR



SCALE: 1"=1500'



**Figure 5**  
**Hill-Brady Road Corridor/Southeast Park Area**

DICKMAN ROAD  
CORRIDOR

# HILL-BRADY ROAD CORRIDOR / SOUTHEAST PARK AREA

WEST LINE OF  
SECTION 5  
T. 2 S., R. 8 W.



NORTH LINE OF  
SECTION 8  
T. 2 S., R. 8 W.

SCALE: 1"=1500'

N.W. 1/4 LINE OF  
SECTION 8  
T. 2 S., R. 8 W.

HART'S LAKE  
PROPERTY

SOUTH LINE OF  
SECTION 8  
T. 2 S., R. 8 W.

OLD TERRITORIAL  
ROAD

STANLEY ROAD

NOT BUILT

MARTIN LUTHER KING JR. MEMORIAL HIGHWAY  
LOGISTIC DRIVE

DRIVE

BUCKNER

GRAND TRUNK RAILROAD

KELLOGG AIRPORT  
DISTRICT

EAST LINE OF  
SECTION 8  
T. 2 S., R. 8 W.

DICKMAN ROAD

HILL-BRADY  
ROAD

McQUISTON  
DRIVE

ROAD

100.498'  
600'  
2428'

N.E. 1/4 LINE OF  
SECTION 8  
T. 2 S., R. 8 W.

2738'

1621'

275'

1685'

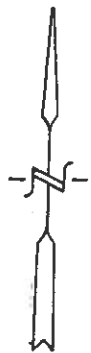
319'

119'

227'

Figure 6

Kellogg Airport District



KELLOGG AIRPORT  
DISTRICT

SCALE: 1"=1500'

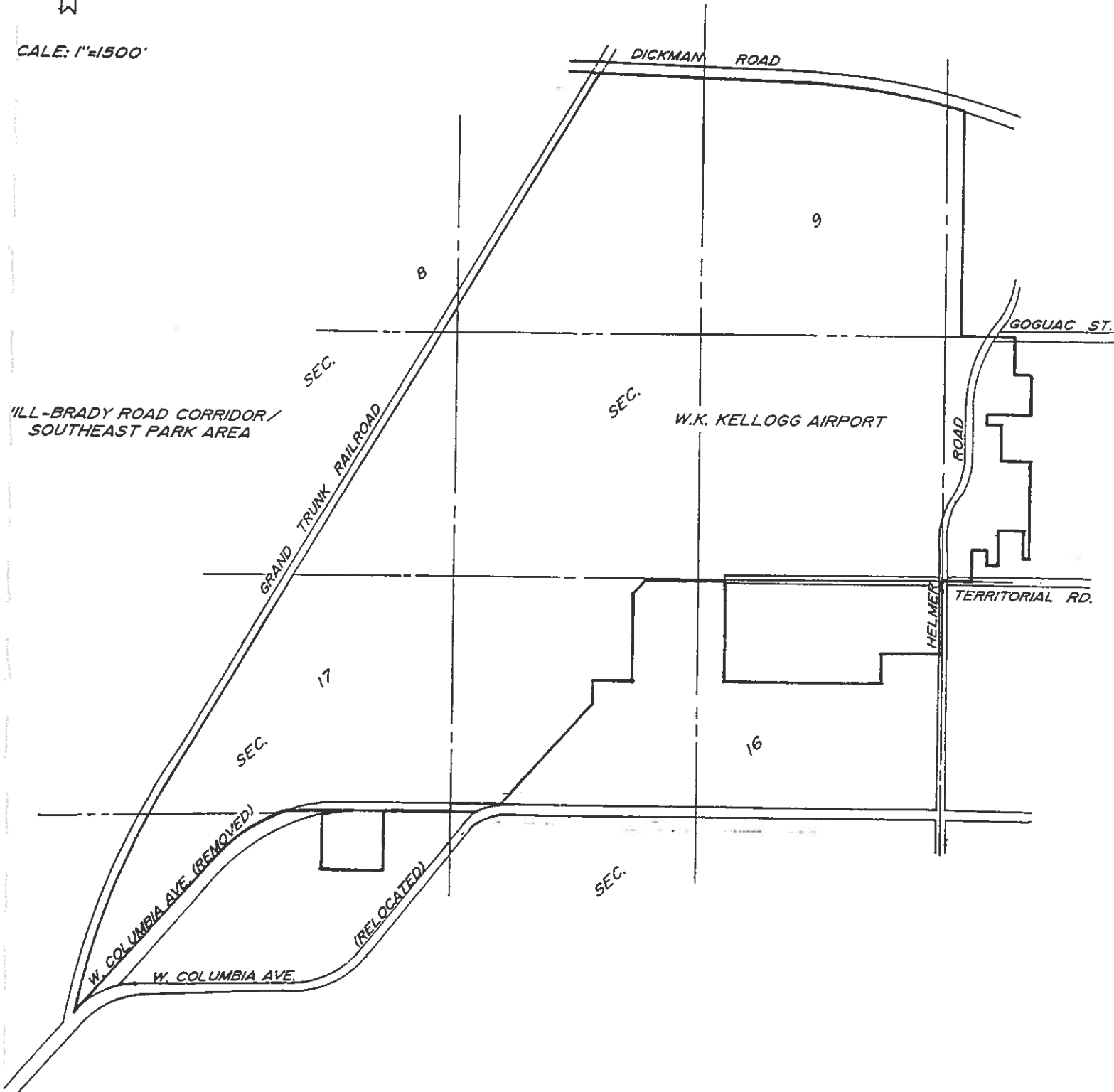


Figure 7

SYPHER:MUELLER International Inc.  
Summary Report



**EVALUATION OF THE FEASIBILITY  
OF  
AN AIR TRAINING FACILITY  
AT THE  
W.K. KELLOGG AIRPORT  
BATTLE CREEK, MICHIGAN  
SUMMARY REPORT**

Prepared for:  
**Battle Creek Unlimited**

By:  
**SYPHER:MUELLER International Inc.**  
1401 S. Edgewood Street, Suite 1000  
Baltimore, MD  
21227 USA

• Ottawa • Vancouver • Winnipeg • U.K. • Brussels

September 1992

**Sypher**

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## SUMMARY

### A. BACKGROUND

The W.K. Kellogg Airport at Battle Creek, Michigan is an under-utilized facility with many attractive features. Preliminary investigations confirmed flight training as a potential opportunity. In April 1992, Battle Creek Unlimited (BCU), with support from the Kellogg Foundation, commissioned SYPHER:MUELLER International to conduct a feasibility study for an Air Training Academy at Battle Creek. The study had two objectives:

- To determine the market need for a flight training academy; and
- To define the organizational and financial structures to establish an academy.

The study was organized in two phases corresponding to these objectives. Phase I outlined what was required to determine the markets needs, which involved:

- assessed the Battle Creek airport facilities and services to support flight training operations and the capabilities of BCU and Western Michigan University (WMU) to establish an academy;
- analyzed the ten year (1994-2003) demand for pilots, both for the U.S. and for the rest of the world;
- determined the extent of a pilot shortage that would require new sources of supply (ie. Battle Creek Academy); and
- examined the current sources of pilot supply (i.e. competition) and their capability to meet future demands.

With respect to these tasks the findings of the Phase I study were:

- The Battle Creek airport facilities are well suited to support a major flight training operation. BCU, with the experience of WMU, has the capability to attract and facilitate the successful development of this industry.

- There will be a ten year demand, beginning in 1995 (after the current pilot surplus is absorbed), for 115,000 new airline pilots, 55,000 for the U.S. and 60,000 for the rest of the world.
- The supply of pilots from current sources will be unable to meet this demand. The military will be training fewer and retaining more of its pilots. The general aviation (GA) sector is continuing to shrink. College/University programs are constrained by budgets and the high cost of flight training. There are very few ab initio (from the beginning) flight training programs, all of which currently cater primarily to foreign airlines.
- These current sources have been estimated to have a ten year capacity of 70,000 pilots, leaving a shortage of 45,000 pilots to be trained by new or expanded pilot training programs.
- The "state of the art" in pilot training in North America is still evolving, with the University of North Dakota (UND) being the primary pioneer. Therefore, opportunities still exist to develop a qualitative competitive advantage.

From these findings it was concluded that there will be a major market opportunity for a new flight training academy at Battle Creek.

With the market feasibility demonstrated, the purpose of Phase II was to determine the economic feasibility of an academy. The Phase II Objective, "To develop the organizational and financial structures necessary to ensure the successful implementation of the academy", required the following tasks:

- more precise definition of pilot training requirements by focussing on two market segments, European Majors and U.S. Regionals;
- investigation of the current leading pilot training academies for the purpose of assisting in the development of a conceptual model for the Battle Creek Academy;
- definition of the scope and specifications of the academy, including determining the inputs and their costs, the outputs and associated prices;

- development of a financial model for the academy to predict cash flow and return measures to analyze whether projected financial performance of the academy would be satisfactory and self supporting;
- evaluation of the strategic options available to BCU for the development of the academy; and
- an implementation outline to set out the actions, financing, timing and milestones for the successful establishment of the academy.

The findings from these tasks of the Phase II study are summarized in the following sections.

## B. DEFINITION OF MARKET REQUIREMENTS

The study team focussed on two market segments in order to define the requirements of airline employers. In the foreign category, the European Majors were selected, particularly since British Airways and Lufthansa had expressed interest in the Battle Creek project during Phase I. Phase I had found that Asian-Pacific Rim airlines already have contractual ab initio training programs in place with U.S. institutions. To conduct market research on other world airlines from developing countries would have been prohibitively expensive because of the diversity of this segment. However, research into the European Majors revealed that many developing countries obtain airline pilot training through the European Majors; therefore a focus on this segment of the market provides, indirectly, access to additional customers.

European Majors have contracted some of their training needs to U.S. centres (for example, Swissair training at Flight Safety in Florida) or have established their own facilities in the U.S. (e.g. Lufthansa in Arizona). However, the majority of pilot training has been through ab initio programs given in European locations. This activity is winding down because of current pilot surpluses but the need for new pilots will resume by 1995. Several European Major airlines are using this hiatus to re-evaluate this training sources. High costs in Europe are a major concern. Because of the U.S. cost advantage, there is a

major opportunity for a new academy at Battle Creek to be articulated with a prestigious European major airline as an anchor client. The study team made personal visits to officials at British Airways and Lufthansa.

In the U.S. market, the study focussed on the regional airline industry. U.S. major carriers are not expected to adopt ab initio training as foreign airlines have. Rather, they will more likely hire pilots from the regional airlines. It is the U.S. Regionals that will need new pilots primarily because of the resulting high turnover rates.

Due to the current pilot surplus and the geographic dispersion of the U.S. Regional carriers, it was not possible to conduct site visits to a representative sample. A random sample of the top 50 carriers were surveyed by facsimile. The responses covered a good cross-section of the industry: affiliated and independent carriers, passenger and cargo airlines, and large and small - 80,000 to 2,000,000 annual passengers. The airlines surveyed accounted for 17% of total passengers carried.

The survey responses revealed an anomaly in the understanding of U.S. Regionals' needs. They all required that pilots have a high level of experience (2,000 hours total, 400 hours multi-engine). However, they all noted the deficiencies in new pilot hires with respect to flying precision and instrument skills. The irony is that these skills are at their peak when a pilot completes training. But to meet airline minimum experience requirements, pilots must spend several years in GA jobs operating aircraft mostly VFR where their higher order skills deteriorate. Survey results revealed that the regional carriers do recognize the need for the skills developed by a more comprehensive ab initio program. However, the carry-over of the perceived need for more experience will still be a barrier for ab initio type programs to overcome.

In summary, both market segments would provide a similar set of specifications for new pilot hires that would include:

- thorough knowledge of advanced aeronautics subjects (including ATP level);
- highly proficient flying skills, especially in instrument flight rules (IFR) procedures;
- disciplined and standardized in their approach to the job;

- a team member functioning as part of a crew, that is, understanding of the crew job and their part in it;
- understanding and appreciation of the airline operations environment; and
- a good communicator, cooperative, who displays leadership and responsibility, who can analyze and make decisions.

### C. CASE STUDIES

Visits were carried out to the leading examples of pilot training today. The university programs were categorized as "the academic model" while programs provided by private sector companies were characterized as "the corporate model". The case studies were:

- academic model:
  - Embry-Riddle Aeronautical University
  - UND Center for Aerospace Sciences
  - Western Michigan University
- corporate model
  - Flight Safety Academy
  - Comair Aviation Academy
  - Oxford Air Training School

All of the case studies, (except WMU), are major operations with fleets of 75-100 aircraft and which produce hundreds of pilots per year. The programs vary significantly. FSA qualifies graduates to the FAA commercial license with multi-engine and instrument ratings; the only enhancement beyond FAA requirements is 26 hours of classroom CRM (cockpit resource management). The CAA program includes 50% more ground school and instructor ratings for a comparable price. WMU's program provides the same flight qualifications with about 750 aviation technical classroom hours. ERAU includes some courses oriented to airlines and advanced aircraft. OATS provides a 14 month ab initio course. UND's 15 month SPECTRUM program is the most comprehensive with over 1,100 classroom hours. Adding Advanced Spectrum (turbine rating) and Airline Pilot Qualification (an eight month first officer regional airline internship) extends the complete program to 27 months.

All three elements of SPECTRUM, including the internship experience, is the only program that would meet U.S. regional carrier needs. The OATS program, as contracted by foreign airlines, would not appear to fully meet carriers' needs; some pre and post course orientation and upgrade training are also required.

For Battle Creek, there can be advantages to an academy under either the academic or corporate approach. However, it should be possible to better meet the needs of airline employers by combining the best features of both the academic and corporate models. The collaboration of UND and NATCO (Northwest Airlines Training Corporation) through the Aerospace Foundation is possibly an example of this "joint venture" model.

#### D. THE ACADEMY CONCEPT

Based on a range of 5-10% of either or both of the U.S. Regionals and/or European Majors, the academy could "sell" 150 to 640 pilot graduates per year. Adding WMU's current output of 50 and assuming a two year program, between 400 and 1,400 ab initio flight students in training at once would be the possible scope of the operation.

However, the airport has existing users in the ANG, corporate and local GA. The airport also has significant potential opportunities in air cargo and aerospace industry. Reserving 20% of airport capacity for each of the present and potential traffic sectors, leaves a capacity of 150,000 annual operations for flight training. That translates to a maximum of 800 students.

Therefore, the academy should be initially developed for 400 flight students but planned for expansion to 800 students.

As much as the number of students, the features incorporated into the academy program determine the facilities, equipment and staff required. The features to be built into the Battle Creek academy are:



### 1. Comprehensiveness

The program must be comprehensive in terms of aeronautical skills and knowledge and also in development of the personal and team skills essential in an airline cockpit.

### 2. High Standards

Completion of program requirements must be set to meet or exceed the highest international standards so that graduates fully satisfy FAA, CAA or JAA regulatory requirements. This is the employer's guarantee that the product will meet their needs. Ideally, new international standards will be agreed to by leading world authorities, but if not, the academy's program must be designed to the most stringent of world standards (e.g. European JAA license requirements if the academy is to serve the European Majors market).

### 3. Selective Entry

In keeping, admittance to the program must be based on strict standards of academic and personal prerequisites and aptitude screening so that a very high success rate is assured. Ab initio is too expensive to tolerate a high drop out rate.

### 4. Quality Facilities, Equipment and Staff

Less than the best available will be insufficient. There can be no compromise in classroom crowding, out dated equipment or the qualifications of staff. The choice of suitable training aircraft will be particularly critical.

### 5. Airline Oriented

The entire program needs to be focussed on the airline environment. The academy operations manual should mirror that of an actual airline; uniforms are a consideration. The entire program must be governed by the discipline and responsibility standards of an airline pilot.

## 6. Intensive Focus

A concentrated, demanding, in-residence program is necessary to fully focus education and training. The analogy of a military academy is not inappropriate.

## 7. Practical

The program should incorporate actual exposure and experience of the real world of airline operations to develop appreciation and understanding of adverse weather, maintaining schedules and interface with the many other elements, from maintenance to passenger service, of an airline operation.

## 8. Cost

While keeping in mind the above requirements, the cost of the program must be kept competitive to other suppliers and reasonable relative to other components of airline operation.

## 9. Anchor Customer

While not directly an element of the program, attracting a prestigious anchor airline client will greatly enhance the credibility of the academy to both prospective students and employers.

## 10. Modularity

The program should be organized in modules to meet the needs of different student groups and employers. For example, these might include:

- Introduction - roughly equivalent to the private license, this module might be taken by students in other options or as the final aptitude screening into the airline pilot option;
- Professional Pilot - training to the commercial, multi, IFR qualification level; basically, the first half of the ab initio program;
- Practicum/Internship - supervised work experience in the real world of daily airline operations;

- Airline Pilot - the second half or "graduate" training level in advanced aeronautical subjects, aircraft and systems including a turbine rating and "frozen" ATP; graduates of other Michigan programs might be admitted for this level;
- Jet Rating - for those going directly to a major carrier versus a regional airline; alternatively, this module might be reserved to airlines to do themselves or an airline might establish its type/recurrent training center at Battle Creek which would work cooperatively with the academy.

The numbers and features define the physical facilities, equipment and staff:

	At 400 Students	At 800 Students
■ buildings (sq ft)		
- academic	12,500	25,000
- operations	6,000	12,000
- hangars	30,000	60,000
- residence	100,000	200,000
- land (acres)	20	40
■ equipment		
- SEP aircraft	16	32
- complex SEP	16	32
- multi engine	8	16
- single simulators	3	6
- dual simulators	3	6
- turbo simulators	3	6
■ staff		
- management/office	10	10
- flight instructors	40	80
- academic	12	24
- support staff	12	24

With the inputs defined, costs could be specified. Revenues were based on \$45,000 flight fees and \$24,000 board for \$69,000 compared to UND's quote of \$75,000. A financial model was constructed to test different scenarios. These were:

**One** - "Greenfield" - all facilities and equipment are acquired/developed from scratch.

**Two** - "Base Case" - BCU buildings and WMU aircraft are "contributed" to reduce initial capital required.

**Three** - "Slow Growth" - a 1994/95 initial student level of 200 is used for all scenarios. In One and Two growth is at 100 students per year to the 800 student capacity. The pessimistic case uses slow growth adding only 50 students p.a.

**Four** - "Fast Growth" - Here the rapid expansion into contract pilot training sees the academy grow by 200 students a year to be operating at capacity by year four.

**Five** - "Breakeven Fees" - This scenario illustrates use of the model as a pricing aid. It sets financial requirements and then finds the fees necessary to achieve the objective.

The model showed that the academy would be economically viable under the full range of the scenarios tested.

## E. DEVELOPMENT STRATEGIES

BCU's objectives are maximum employment for Battle Creek, maximum economic benefit for the southwest Michigan region, enhanced airport viability and industrial attractiveness, and exports. These were the criteria used to assess the optional approaches to development of the academy.

The options available to BCU were:

1. Development by Western Michigan University.
2. Development by a Private Sector Training Institution.
3. Development of Training by both WMU and A Private Firm Operating Separately.
4. Development of One Flight Academy by WMU and a Private Partner as A Joint Venture.

On their individual merits, the capability of the options to best meet BCU's objectives were ranked: 4, 3, 1, then 2.

As a practical matter, 4 is an ideal that may or may not be achievable. The recommended development strategy is then to begin with Option 1 to have WMU establish an ab initio academy for mid 1994 and perhaps relocate existing programs as early as the 1993/94 academic year. BCU will continue to market to private sector prospects, Option 2, with the objective of achieving Option 4 but perhaps having to settle for Option 3.

All options are viable. It is simply that Option 4, the Joint Venture, offers the greatest potential benefits for Battle Creek and region.

#### F. IMPLEMENTATION

In overview, the key steps to implement the development strategy are:

1. Relocate WMU School of Aviation Sciences to Battle Creek. (1993)
2. With industry consultation, develop a comprehensive ab initio curriculum and program. (1994)
3. Concurrently, plan and build the initial academy geared to 400 ab initio flight students plus other WMU Aviation options. (1994)
4. Corporatize WMU flight operations and form a joint venture with a private sector partner to market and train contract students. (1995)
5. Expand facilities, equipment and staff to ultimate planned capacity of 800 ab initio flight students. (1997)

To pursue this plan, each of the stakeholders has a role:

- BCU will continue to market, coordinate and facilitate (note that this role could be facilitated if the airport were managed under a corporate form);

- WMU will be the one actually doing the development, at least until a private partner comes on board. WMU will also be the non profit institution that can be a conduit to public sector and philanthropic funding (e.g. FAA AWS program);
- MDOT Bureau of Aeronautics has a supporting role in technical facilitation. The State can also cost share some facility development.
- FAA is important in licensing and cooperation with other authorities. The FAA AWS program could fund up to 50% of the academy development.
- Industry can play several roles. First is the academy joint venture partner which would finance expansion for contract training. Second is industry cooperative assistance in equipment and in providing practical training opportunities. Industry airline customers are also key to program development and success.
- The Community also has several roles, first in ensuring the wider community supports the academy and airport. Community participation, especially by the Kellogg Company, Kellogg Foundation and the City, can advise and facilitate in various ways.

Representatives of all of these stakeholders should form the Board of Directors. The joint venture option may result in two organizations working in concert to deliver the program. The Board of Directors of the Corporate Flight Academy could also serve as the Advisory Board to WMU's School of Aviation Science, thus providing the vehicle for integrated leadership.

There are two alternative approaches to financing the academy. The total "greenfield" cost to develop it from scratch is \$25 million. Application for half of this would be made by WMU to the AWS Program, leaving \$12.5 million to finance locally for the 50% cost share portion. WMU's aircraft and BCU's buildings reduce the capital required by \$4 million. This leaves \$8.5 million to be funded from State and philanthropic sources.

Should AWS funding not be approved in June 1993, and rather than delay the project a year, the \$12 million residential complex could be separated out for private sector development. That leaves \$9.5

million to be raised locally. Cash flow projections indicate \$5 million of debt financing could be covered leaving only \$4.5 million required from State and philanthropic sources.

AWS funding might then be tapped for future expansion of the academy.

In order to carry out this implementation program, a great deal of planning work must be undertaken over the next ten months. The tasks include:

1. **Organize an Implementation Planning Team.**

The feasibility study oversight group, perhaps with some additions could serve as the overall planning team. It would meet monthly to continuing coordination of all parties' planning efforts. The overall project must have a "champion" to lead and coordinate work and to ensure momentum is continued. BCU could continue to fill this role.

2. **Plan Relocation of WMU School of Aviation**

The first requirement of the implementation program is to secure WMU's commitment to relocate based on its need for expansion of its aviation programs and also to develop an ab initio program. A WMU led sub-committee can begin to examine the myriad logistical issues involved with the move. This group might also develop strategies for communicating with the public the benefits for the wider region and mitigation of Kalamazoo objections.

3. **Prepare a Master Plan for the Academy**

This plan would detail the initial and ultimate scope of the academy, its buildings, locations, specifications, cost estimates, etc. This will be required by March as part of the FAA AWS funding application. The master plan should include measurement of the projected economic impact of the academy for the region.

4. **Coordinate Planning with the Airport**

An airport master plan update study is planned for October 1992.

This study should be expanded to include potential for cargo and aerospace industry development and the coordination of these traffic sectors with the academy, ANG and GA sectors. The study should also evaluate alternatives for corporate management of the airport to facilitate its industrial development.

**5. Develop a Comprehensive Ab Initio Program**

With philanthropic funding and a forum for industry consultation, a second WMU led sub-group will need to undertake the development of an enhanced ab initio program that will give the Battle Creek Academy competitive advantage. The aspect of mechanisms for U.S. students to finance training should be incorporated in this work.

**6. Market to Potential Clients/Partners**

Already, BA has been identified as a high potential prospect, especially since its interest in USAir. To sign this or another anchor client prospect to a firm commitment by late 1993 will require aggressive marketing and the preparation of detailed proposals. The output of the other planning tasks will all be essential parts of these proposals. BCU would lead this sub-group and may need financial assistance, perhaps from the State.

**7. Approval of Plans**

All plans must have the concurrence and backing of all concerned stakeholders.

**8. Financing Applications**

Applications must be made in the spring for a construction start late in 1993 to be ready for opening mid 1994.

**9. Conclude Commitments**

With plans and financing in place, the final planning task is to secure customer commitments for the necessary number of ab initio students to start training in 1994.



---

## G. CONCLUSIONS AND RECOMMENDATION

Phase I concluded that there was a market opportunity for a flight training academy at Battle Creek.

Phase II concluded that such an academy will be economically viable and will generate major economic benefits for the region.

It is therefore, recommended that BCU and its partners should continue the project to implement the flight academy, in concert with WMU, working towards a joint venture university-industry partnership, catering to both university and foreign airline contract training.

Figure 8  
Harts Lake Property

HART'S LAKE PROPERTY

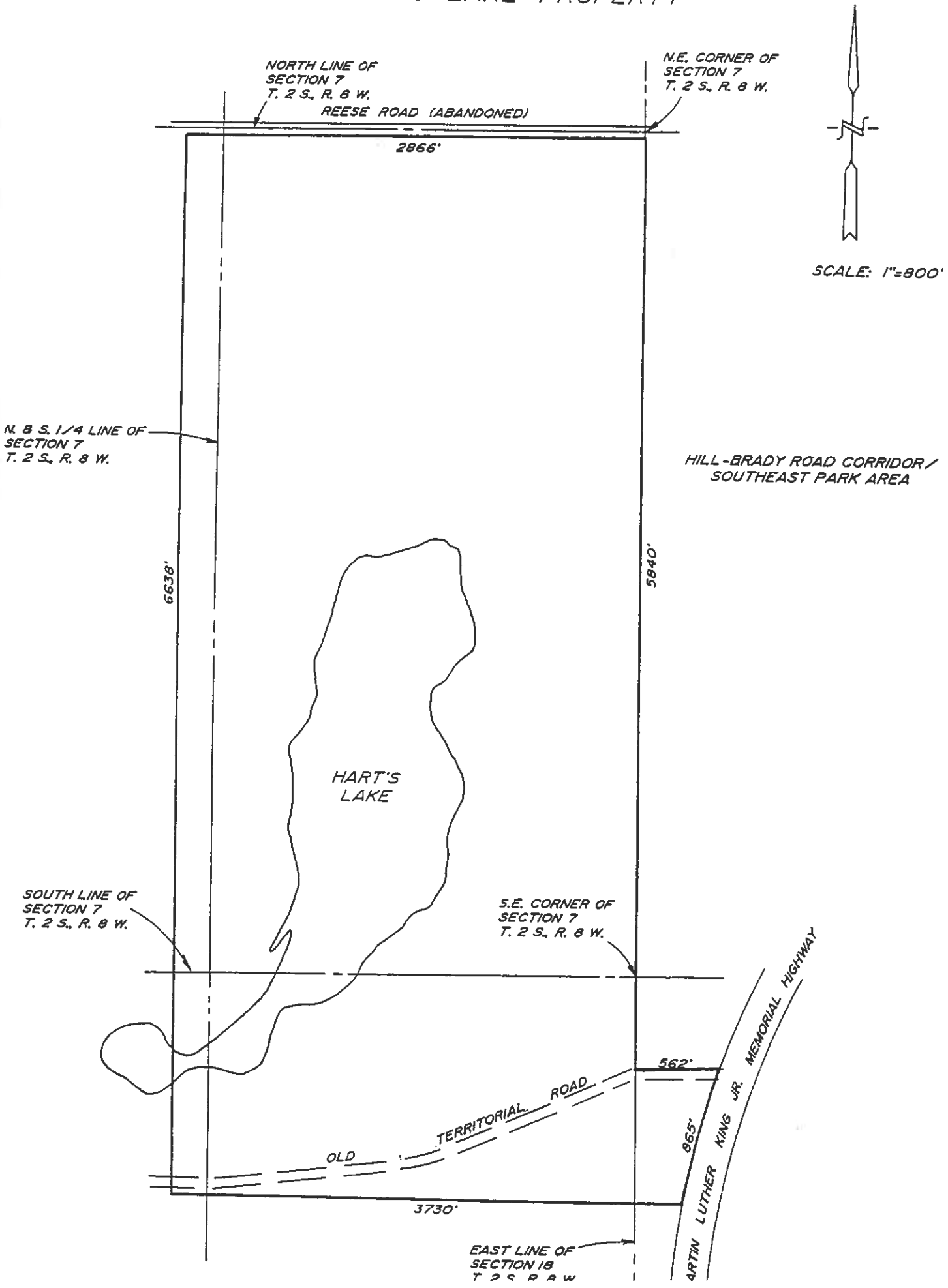


Figure 9

Property North and East of the  
Veterans Administration Medical Center

PROPERTY NORTH AND EAST OF THE VETERANS  
ADMINISTRATION MEDICAL CENTER



SCALE: 1"=800'

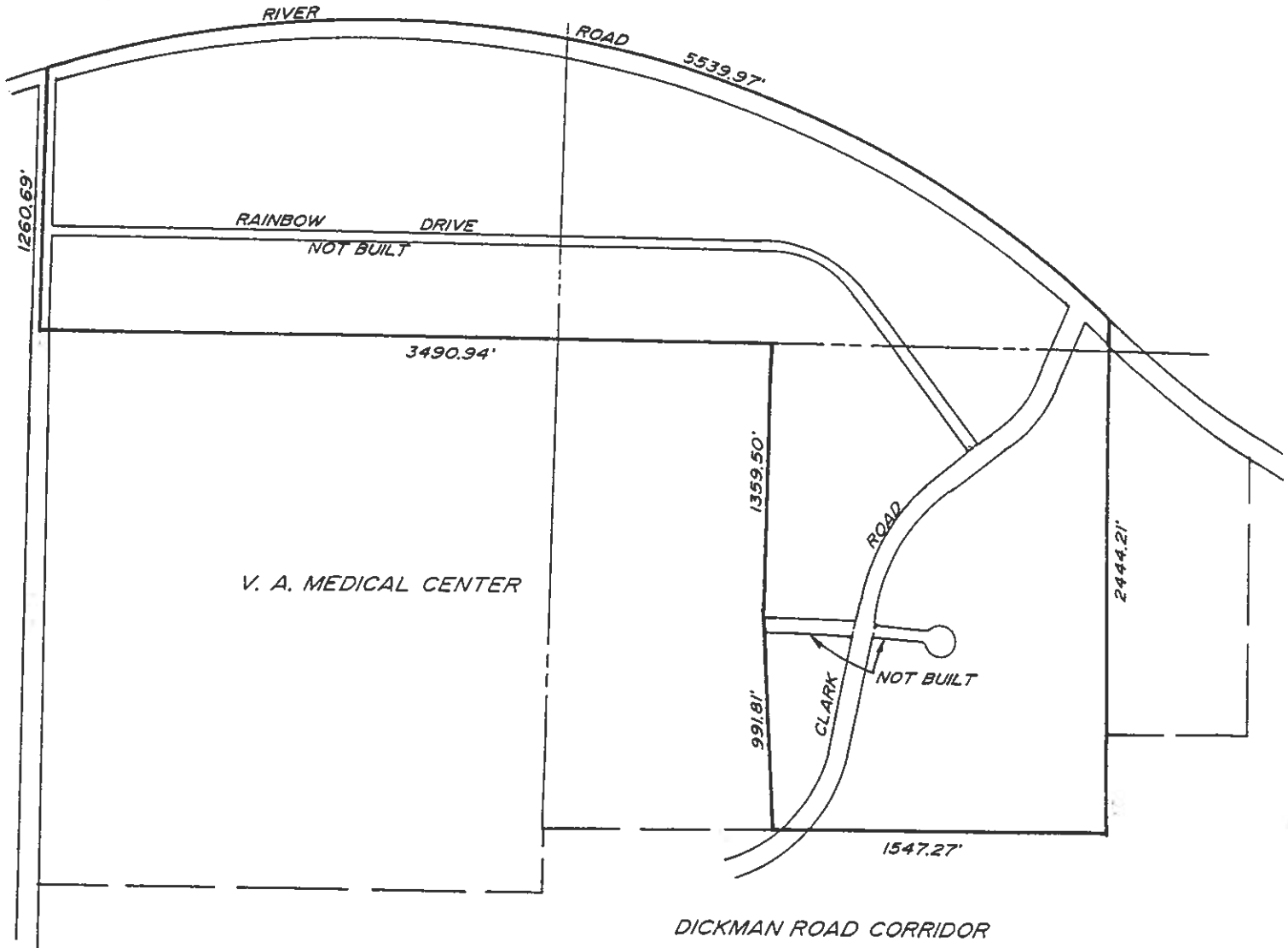


Figure 10

P.A. 198 Documentation

## RESOLUTION

Battle Creek, Mich., December 2, 1975

Resolved by the Commission of the City of Battle Creek:

WHEREAS, the City Commission of the City of Battle Creek held a public hearing on the 25th day of November, 1975, at 8:00 o'clock P.M. in the City Commission Room, City Hall, Battle Creek, Michigan, for the purpose of hearing all persons interested in a proposal to establish an Industrial Development District for Fort Custer Industrial Park under Act 198 of the Public Acts of 1974, and has therefore afforded an opportunity to the owners of property within the proposed District and residents and taxpayers of the City of Battle Creek to appear and be heard; and

WHEREAS, a notice of said public hearing was published in the Enquirer & News on November 12, 1975, copies of which are on file at the office of the City Clerk; and

WHEREAS, a copy of said notice was sent by certified mail to the owners of all real property located within the proposed District; and

WHEREAS, Battle Creek Unlimited, Inc. has requested that the Fort Custer Industrial Park be designated as an Industrial Development District under said Act; and

WHEREAS, the City of Battle Creek is also desirous of designating said property as a District under the provisions of said Act; and

WHEREAS, the proposed property meets the requirements of said Act; and

WHEREAS, the City of Battle Creek meets the requirements of eligibility for the establishment of such Districts as set forth in said Act.

NOW, THEREFORE, BE IT RESOLVED:

That the City Commission of the City of Battle Creek hereby declares the property described in the notice of public hearing attached as Industrial Development District No. 2.

*Resolution  
\$ 7.45*

INDUSTRIAL DEVELOPMENT DISTRICT

In the event said Industrial Development District is established the State Tax Commission shall, on the recommendation of the City Commission, issue Industrial Facility Exemption Certificates to eligible applicants, which shall be valid for a period of time not to exceed 12 years, with respect to facilities located in the proposed Industrial Development District, which tax exemptions shall be authorized by Section 14 of said Act, which provides in part as follows:

- The area comprising the proposed Industrial Development District is as shown on the map and the legal description thereof is as set forth herein.

[illegible]



and it has been determined that the cost of restoring said premises exceeds the value thereof, and

WHEREAS, the owner thereof has refused to remove said structures or to rehabilitate same, and

WHEREAS, the City proposes to demolish the structural as well as fill in any excavations located thereon and assess the cost thereof against the property owner.

Now, therefore, BE IT RESOLVED that a hearing be held by this Commission on the 9th day of July 1974, beginning at 3:00 P.M., for the purpose of giving the owners or all other persons interested, an opportunity to be heard with respect to the proposed action of the City as aforesaid.

BE IT FURTHER RESOLVED that the owner of said premises and all other persons known to have an interest therein be given notice of said hearing as required by law.

The address of the premises to which this resolution relates is: 17 Green Street.

The legal description of the property is as follows:

NW 1/4 of Lot 8, E. Battle Creek, N.W. 1/4 - Battle Creek, Michigan.

The names of the owners or other persons claiming an interest in said property are:

Mr. & Mrs. Victor Schramm,  
121 East Lake Street,  
Pawtucket, Michigan.

All Yes. Resolution Carried.

Item 140

Commissioner Valentine read the following resolution and moved its adoption. Supported by Commissioner Bridges.

Resolved by the Commission of the City of Battle Creek:

THAT the petition of Virginia M. Hill for the reclassification of Lots 15-17 inclusive of the Assessor's Record of Caldwell's Addition under the terms of the City's Zoning Ordinance from R-1C Single Family District to R-2 Two Family District be denied.

All Yes. Resolution Carried.

Location of Property:  
at East Burnham Street and four vacant lots.

Item 141

Commissioner Valentine read the following resolution and moved its adoption. Supported by Commissioner Bridges.

Resolved by the Commission of the City of Battle Creek:

THAT the following Taxi Cab Companies be granted licenses for a period of twelve months beginning July 1, 1974, to operate the number of cabs shown:

Yellow Cab Company	10
Union Cab Company	7
Thomas W. Snyder (Tom's Cab Company)	8

All Yes. Resolution Carried.

Item 142

Commissioner Bridges read the following resolution and moved its adoption. Supported by Commissioner Valentine.

Resolved by the Commission of the City of Battle Creek:

THAT in accordance with the recommendation of the Planning Commission, the petition of Christ United Methodist Church and William A. Powell, Sr. for the reclassification of Block 2 of Lamora Park Addition including Lots 1, 2, 3 and 4 of Burnham Subdivision from R-1C Single Family District and R-2 Two-Family District to a C-1 Office and Shop District be denied.

All Yes. Resolution Carried.

Location of property:  
One block bounded by West Michigan

Avenue, Spaulding and North Woodlawn Avenue.

Item 143

Commissioner Valentine read the following resolution and moved its adoption. Supported by Commissioner Bridges.

Resolved by the Commission of the City of Battle Creek:

THAT the Engineering Contract with Cove Associates, Inc. for engineering services in connection with the utility and street construction of 10th Street, Clark Road, and K. E. Harvey Drive be extended to the amount of \$2,319.00 to cover anticipated costs as a result of construction delays created by three striking unions; and that the additional cost be charged to Federal Revenue Sharing Trust Account Number 219-11.

All Yes. Resolution Carried.

Item 144

Commissioner Olesby read the following resolution and moved its adoption. Supported by Commissioner Valentine.

WHEREAS, the City of Battle Creek is undertaking the rehabilitation of blighted areas within the City pursuant to the provisions of Act 314 of the Public Acts of Michigan, 1965, as amended;

AND WHEREAS, pursuant to said Act 314, the City is undertaking the rehabilitation of a particular blighted area designated by the City Commission and known as the City of Battle Creek, Michigan, Fort Custer Redevelopment Project (hereinafter referred to as the "Project");

AND WHEREAS, the City Commission, after a public hearing, has found and determined that the area known as Fort Custer Redevelopment is characterized by obsolescence, physical deterioration of structures, improper division of lots and ownership, mixed characteristics and uses of structures and other similar characteristics which endanger the health, safety and general welfare of the City and is a blighted area as defined in said Act 314;

AND WHEREAS, a Master Plan for the City has heretofore been adopted and the Master Plan includes the general features of development of the District within which the Project lies and of other districts adjacent to the development area;

AND WHEREAS, the City Commission has ordered preparation of a Development Plan for the rehabilitation of the blighted area designated as the Project, which shall conform to the Master Plan including the general features of development of the District within which the development area lies and other districts adjacent to the development area;

AND WHEREAS, since urban blight constitutes a serious menace to the public health, welfare and safety of the City of Battle Creek and its inhabitants, the undertaking of the Project is necessary for the public health, welfare and safety;

AND WHEREAS, the project cost of the Project is presently estimated by the City Commission to be One Million Six Hundred Thousand (\$1,600,000.00) Dollars;

AND WHEREAS, the City expects to receive assistance on the Project from the Economic Development Administration;

AND WHEREAS, the City Commission deems it necessary to authorize the sum of not to exceed Eight Hundred Thousand (\$800,000.00) Dollars to defray a part of the project cost of the Project pursuant to the provisions of said Act 314;

AND WHEREAS, the authorization of said bonds will not exceed the limitations on borrowing established by said Act 314;

AND WHEREAS, said Act 314 authorized the City of Battle Creek to issue and sell general obligation bonds of the City, without vote of its electors, to defray all or part of the net project cost of any re-

habilitation project undertaken under said Act 314;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Commission of the City of Battle Creek does hereby express and record its determination and judgment that it is necessary for the public health, safety and welfare of the City of Battle Creek and its inhabitants to undertake the Project, and does hereby determine that the present estimated project cost of said Project, as defined in said Act 314, is One Million Six Hundred Thousand (\$1,600,000.00) Dollars.

2. The portion of usefulness of the plan and improvement to be installed in the Project after rehabilitation, is estimated to be not less than thirty (30) years.

3. Rehabilitation Bonds of the City of Battle Creek are hereby authorized to be issued in the aggregate principal amount of Eight Hundred Thousand (\$800,000.00) Dollars pursuant to said Act 314, for the purpose of providing part of the funds needed to undertake the Project. The series designation, the date, the bond number, the bond maturity, the principal and interest payment dates, the redemption features, if any, the maximum interest rate, the paying agent and form of bond and notice of sale for said bonds shall be as prescribed by resolution of the City Commission to be hereafter adopted. It being the intention to authorize the issuance of said bonds pursuant to the provisions of said Act 314, and said bonds herein authorized shall be sold not later than three (3) full fiscal years from the end of the fiscal year of the City ending June 30, 1974.

4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are repealed.

All Yes. Resolution Carried.

Item 145

Commissioner Olesby read the following resolution and moved its adoption. Supported by Commissioner Valentine.

Resolved by the Commission of the City of Battle Creek:

WHEREAS, the structure located on the property hereinafter described has been condemned by the City's Building Inspection Department as unfit for human habitation, and it has been determined that the cost of restoring said premises exceeds the value thereof, and

WHEREAS, the owner thereof has refused to remove said structures or to rehabilitate same, and

WHEREAS, the City proposes to demolish the structure(s) as well as fill in any excavations located thereon and assess the cost thereof against the property owner.

Now, therefore, BE IT RESOLVED that a hearing be held by this Commission on the 9th day of July 1974, beginning at 3:00 P.M., for the purpose of giving the owners or all other persons interested, an opportunity to be heard with respect to the proposed action of the City as aforesaid.

BE IT FURTHER RESOLVED that the owner of said premises and all other persons known to have an interest therein be given notice of said hearing as required by law.

The address of the premises to which this resolution relates is: 23 Knittle Court.

The legal description of the property is as follows:

Lot 22 & N. 18 feet of Lot 46, North Williams Subdivision - 23 Knittle Court, Battle Creek, Michigan.

The names of the owners or other persons claiming an interest in said property are:

Ms. Marie Braul,  
22 Rosewood Avenue,

Figure 11

P.A. 450 Documentation

THE TAX INCREMENT FINANCE AUTHORITY ACT

Act 450, 1980, p 1980; imd eff January 15, 1981.

AN ACT to prevent urban deterioration and encourage economic development and activity and to encourage neighborhood revitalization and historic preservation; to provide for the establishment of tax increment finance authorities and to prescribe their powers and duties; to authorize the acquisition and disposal of interests in real and personal property; to provide for the creation and implementation of development plans; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to permit the issuance of bonds and other evidences of indebtedness by an authority; and to permit the use of tax increment financing.

*The People of the State of Michigan enact:*

§ 3.540(201) Definitions.] Sec. 1. As used in this act:

- (a) "Authority" means a tax increment finance authority created pursuant to this act.
- (b) "Authority district" means that area within which an authority shall exercise its powers and within which 1 or more development areas may exist.
- (c) "Board" means the governing body of an authority.
- (d) "Chief executive officer" means the mayor or city manager of a city, the president of a village, or the supervisor of a township.
- (e) "Development area" means that area to which a development plan is applicable.
- (f) "Development area citizens council" or "council" means that advisory body established pursuant to section 20.
- (g) "Development plan" means that information and those requirements for a development set forth in section 16.
- (h) "Development program" means the implementation of the development plan.
- (i) "Governing body" means the elected body of a municipality having legislative powers.
- (j) "Municipality" means a city.
- (k) "Public facility" means 1 or more of the following:
  - (i) A street, plaza, or pedestrian mall, and any improvements to a street, plaza, boulevard, alley, or pedestrian mall, including street furniture and beautification, park, parking facility, recreation facility, playground, school, library, public institution or administration building, right of way, structure, waterway, bridge, lake, pond, canal, utility line or pipeline, and other similar facilities and necessary easements of these facilities designed and dedicated to use by the public generally or used by a public agency.
  - (ii) The acquisition and disposal of real and personal property or interests therein, demolition of structures, site preparation, relocation costs, building rehabilitation, and all administrative costs related to the above, including, but not limited to, architect's, engineer's, legal,

and accounting fees as contained in the resolution establishing the district's development plan.

[(iii) An improvement to a facility used by the public or a public facility as those terms are defined in section 1 of Act No. 1 of the Public Acts of 1966, being section 125.1351 of the Michigan Compiled Laws, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.]

(l) "Tax increment district" or "district" means that area to which the tax increment finance plan pertains.

(m) "Tax increment financing plan" means that information and those requirements set forth in sections 13 to 15. (MCL § 125.1801.)

History. As amended by Pub Acts 1985, No. 193, imd eff December 20.

Statutory references. Section 1 of Act No. 1 of 1966, above referred to, is § 3.447(121), supra; Act No. 230 of 1972 is § 5.2949(1) et seq., infra.

§ 3.540(201a) Short title.] Sec. 1a. This act shall be known and may be cited as "the tax increment finance authority act". (MCL § 125.1801a.)

§ 3.540(202) Authority, powers; public body corporate, suing and being sued.] Sec. 2. (1) A municipality may establish not more than 1 authority. An authority shall exercise its powers in all development areas designated pursuant to this act.

(2) The authority shall be a public body corporate which may sue and be sued in any court of this state. The authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this act shall not be construed as a limitation upon the general powers of the authority. The powers granted in this act to an authority may be exercised notwithstanding the bonds are not issued by the authority. (MCL § 125.1802.)

§ 3.540(203) Determination by municipality, best interests of public; creation of authority.] Sec. 3. (1) ♦ [If] the governing body of a municipality determines that it is in the best interests of the public to halt a decline in property values, increase property tax valuation, eliminate the causes of the decline in property values, and to promote growth in an area in the municipality, the governing body of that municipality may declare by resolution its intention to create and provide for the operation of an authority.

Resolution of intent; public hearing; notice.] (2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed resolution creating the authority and designating the boundaries of the authority district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 nor more than

40 days before the date of the hearing. Notice shall also be mailed to the property taxpayers of record in the proposed authority district not less than 20 days before the hearing. Failure to receive the notice shall not invalidate these proceedings. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed authority district. At that hearing, a citizen, taxpayer, or property owner of the municipality has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed authority district. The governing body of the municipality shall not incorporate land into the authority district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the authority district in the final determination of the boundaries.

**Adoption of resolution; filing and publication requirements.]** (3) After the public hearing, if the governing body intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, a resolution establishing the authority and designating the boundaries of the authority district within which the authority shall exercise its powers. The adoption of the resolution is subject to any applicable statutory or charter provisions with respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of a resolution over his or her veto. This resolution shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

**Boundaries of authority district, alteration or amendment.]** (4) The governing body may alter or amend the boundaries of the authority district to include or exclude lands from the [authority] district in accordance with the same requirements prescribed for adopting the resolution creating the authority.

**Validity of proceedings.]** [(5) The validity of the proceedings establishing an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following takes place:

- (a) Publication of the resolution as adopted.
  - (b) Filing of the resolution with the secretary of state.
  - (c) The effective date of this subsection.]
- (MCL § 125.1803.)

**History.** As amended by Pub Acts 1983, No. 148, imd eff July 18.

1-10. [Reserved for use in future supplementation.]

11. **Construction and effect.** A municipality is without authority to establish a tax increment finance authority in an area of the municipality where property values are not declining. Op Atty Gen, January 16, 1986, No. 6335.

A municipality may establish a tax increment finance authority in an area of the municipality containing a significant number of parcels of property experiencing a decline in value. Op Atty Gen, January 16, 1986, No. 6335.

· § 3.540(204) **Board; composition.]** Sec. 4. (1) The authority shall be under the supervision and control of a board chosen by the

governing body which may by majority vote designate any 1 of the following to constitute the board:

(a) The board of directors of the economic development corporation of the municipality established pursuant to [the economic development corporations act,] Act No. 338 of the Public Acts of 1974, as amended, being sections 125.1601 to 125.1636 of the Michigan Compiled Laws.

(b) The trustees of the board of a downtown development authority established pursuant to Act No. 197 of the Public Acts of 1975, as amended, being sections 125.1651 to 125.1680 of the Michigan Compiled Laws.

(c) The trustees of the board of an urban redevelopment corporation established pursuant to [the urban redevelopment corporations law,] Act No. 250 of the Public Acts of 1941, as amended, being sections 125.901 to 125.922 of the Michigan Compiled Laws.

(d) The members of the commission established pursuant to Act No. 344 of the Public Acts of 1945, being sections 125.71 to 125.84 of the Michigan Compiled Laws.

[(e) In a municipality that has a population of less than 5,000, the planning commission of the municipality established pursuant to Act No. 285 of the Public Acts of 1931, being sections 125.31 to 125.45 of the Michigan Compiled Laws.]

[(f)] Not less than 7 nor more than 13 persons appointed by the chief executive officer of the municipality subject to the approval of the governing body. Of the members appointed, an equal number, as near as practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

Chairperson.] (2) The chairperson of the board shall be elected by the board.

Oath of member.] (3) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

Rules governing procedure and meetings; meetings open to public.] (4) The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held when called in the manner provided in the rules of the board. Meetings of the board shall be open to the public, in accordance with [the open meetings act,] Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

Removal of member.] (5) Pursuant to notice and an opportunity to be heard, a member of the board appointed pursuant to subsection [(1)(f)] may be removed before the expiration of his or her term for cause by the governing body. Removal of a member is subject to the review by the circuit court.

**Publicizing expense items; financial records open to public.]** (6) All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to [the freedom of information act,] Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws. (MCL § 125.1804.)

**History.** As amended by Pub Acts 1987, No. 68, imd eff June 25, which contained a section 2 providing: "This amendatory act shall not take effect unless House Bill No. 4527 of the 84th Legislature [which became Act No. 65 of 1987] is enacted into law."

**Statutory references.** Act No. 338 of 1974, above referred to, is § 5.3520(1) et seq., *infra*; Act No. 197 of 1975 is § 5.3010(1) et seq., *infra*; Act No. 250 of 1941 is § 5.3058(1) et seq., *infra*; Act No. 344 of 1945 is § 5.3501 et seq., *infra*; Act No. 285 of 1931 is § 5.2991 et seq., *infra*; Act No. 267 of 1976 is § 4.1800(11) et seq., *infra*; Act No. 442 of 1976 is § 4.1801(1) et seq., *infra*.

**§ 3.540(205) Director, duties; treasurer, secretary, legal counsel; personnel and employees.]** Sec. 5. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of the office, the director shall take and subscribe to the constitutional oath and furnish bond by posting a bond in the penal sum determined in the resolution establishing the authority, payable to the authority for use and benefit of the authority, approved by the board, and filed with the clerk of the municipality. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive office [sic] of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the board and shall render to the board and to the governing body a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of the office, the acting director shall take and subscribe to the constitutional oath and furnish bond as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may appoint or employ and fix the compensation of a treasurer who shall keep the financial records of the authority, and who, together with the director, if a director is appointed, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated by the board and shall furnish bond in an amount as prescribed by the board.

(3) The board may appoint or employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of

records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform such other duties as may be delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel considered necessary by the board.

(6) The employees of an authority may be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees on the same basis as civil service employees. (MCL § 125.1805.)

§ 3.540(207) Powers of board; analysis of economic changes; implementation of plans, contracting, purchasing, leasing.] Sec. 7. The board may:

(a) Prepare an analysis of economic changes taking place in the municipality and its environs as those changes relate to urban deterioration in the development areas.

(b) Study and analyze the impact of growth upon development areas.

(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the revitalization and growth of the development area.

[(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.]

[(e)] Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the decline of property values and to promote the growth of the development area, and take such steps as may be necessary to implement the plans to the fullest extent possible.

[(f)] Implement any plan of development in a development area necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.

[(g)] Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

[(h)] Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper, own, convey, demolish, relocate, rehabilitate, or otherwise dispose of, or lease or lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably



necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.

[(i)] Improve land, prepare sites for buildings, including the demolition of existing structures and construct, reconstruct, rehabilitate, restore, and preserve, equip, improve, maintain, repair, and operate any building, including any type of housing, and any necessary or desirable appurtenances thereto, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

[(j)] Fix, charge, and collect fees, rents, and charges for the use of any building or property or any part of a building or property under its control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

[(k)] Lease any building or property or part of a building or property under its control.

[(l)] Accept grants and donations of property, labor, or other things of value from a public or private source.

[(m)] Acquire and construct public facilities.

[(n)] Incur costs in connection with the performance of its authorized functions, including but not limited to, administrative costs, and architects, engineers, legal, and accounting fees. (MCL § 125.1807.)

History. As amended by Pub Acts 1985, No. 193, imd eff December 20.

Statutory references. Act No. 230 of 1972, above referred to, is § 5.2949(1) et seq., *infra*.

§ 3.540(208) Board serving as planning commission; agenda.] Sec. 8. If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda. (MCL § 125.1808.)

History. Added by Pub Acts 1987, No. 68, imd eff June 25, which contained a section 2 providing: "This amendatory act shall not take effect unless House Bill No. 4527 of the 84th Legislature [which became Act No. 65 of 1987] is enacted into law."

Statutory references. Section 2 of Act No. 285 of 1931, above referred to, is § 5.2992, *infra*.

§ 3.540(209) Instrumentality of political subdivision.] Sec. 9. The authority shall be considered an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws. (MCL § 125.1809.)

Statutory references. Act No. 227 of 1972, above referred to, is § 8.215(61) et seq., *infra*.

§ 3.540(210) Private property, taking, transfer, use.] Sec. 10. A municipality may take private property under Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use as authorized in the development program, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public. (MCL § 125.1810.)

Statutory references. Act No. 87 of 1980, above referred to, is § 8.265(1) et seq., *infra*.

§ 3.540(211) Activities of authority, financing.] Sec. 11. The activities of the authority shall be financed from 1 or more of the following sources:

(a) Contributions to the authority for the performance of its functions.

(b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(c) Tax increments received pursuant to a tax increment financing plan established under sections 13 to 15.

(d) Proceeds of tax increment bonds issued pursuant to section 15.

(e) Proceeds of revenue bonds issued pursuant to section 12.

(f) Money obtained from any other sources approved by the governing body of the municipality. (MCL § 125.1811.)

§ 3.540(212) Borrowing money; revenue bonds.] Sec. 12. (1) The authority may borrow money and issue its negotiable revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being section 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not, except as hereinafter provided, be considered a debt of the municipality or of the state.

(2) The municipality by majority vote of the members of its governing body may pledge its full faith and credit limited tax to support the authority's revenue bonds. (MCL § 125.1812.)

Statutory references. Act No. 94 of 1933, above referred to, is § 5.2731 et seq., *infra*.

§ 3.540(213) Definitions.] Sec. 13. (1) As used in this section and sections 14 and 18:

(a) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (c), exceeds the

initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(b) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the resolution establishing the tax increment financing plan is approved as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered property that is exempt from taxation. The initial assessed value of property for which a specific tax was paid in lieu of a property tax shall be determined as provided in subdivision (c).

(c) "Specific local tax" means a tax levied under Act No. 198 of the Public Acts of 1974, being sections 207.551 to [207.571] of the Michigan Compiled Laws, the commercial redevelopment act, Act No. 255 of the Public Acts of 1978, being sections 207.651 to 207.668 of the Michigan Compiled Laws, the technology park development act, Act No. 385 of the Public Acts of 1984, being sections 207.701 to 207.718 of the Michigan Compiled Laws, and Act No. 189 of the Public Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled Laws. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate.

Tax increment financing plan; contents.] (2) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body. The plan shall be in compliance with section 14 and shall include a development plan as provided in section 16. The plan shall also contain the following:

(a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.

(b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used shall be clearly stated in the plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation. The percentage of taxes levied for school operating purposes that is captured and used by the plan shall not be greater than the plan's percentage capture and use of taxes levied by a ♦ [municipality or county] for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for

county or charter county purposes under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. [This limitation does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, Act No. 224 of the Public Acts of 1985, being section 125.2113 of the Michigan Compiled Laws. If a portion of the captured assessed value was shared with a municipality in 1988, for tax years 1989 through 1991, a plan may share with the municipality the greater of the amount allowed by the limitation of this subsection or the following applicable amount:

- (i) For the 1989 tax year, 100% of the dollar amount shared with the municipality in 1988.
- (ii) For the 1990 tax year, 2/3 of the dollar amount shared with the municipality in 1988.
- (iii) For the 1991 tax year, 1/3 of the dollar amount shared with the municipality in 1988.]
- (c) The estimated tax increment revenues for each year of the plan.
- (d) A detailed explanation of the tax increment procedure.
- (e) The maximum amount of bonded indebtedness to be incurred.
- (f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.
- (g) The costs of the plan anticipated to be paid from tax increment revenues as received.
- (h) The duration of the development plan and the tax increment plan.
- (i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the development area is located.

**Approval.]** (3) Approval of the tax increment financing plan shall be in accordance with the notice, hearing, disclosure, and approval provisions of sections 17 and 18. When the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

**Modification.]** (4) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions in which the development is located to express their views and recommendations regarding the tax increment financing plan. The authority shall fully inform the taxing jurisdictions about the fiscal and economic implications of the proposed tax increment financing plan. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipali-

ty in which the development area is located to share a portion of the captured assessed value of the district. (MCL § 125.1813.)

**History.** As amended by Pub Acts 1982, No. 492, imd eff December 30, 1983, No. 148 imd eff July 18; 1986, No. 294, imd eff December 22; 1988, No. 420, imd eff December 27, which contained a section 2 providing: "This amendatory act is effective with taxes levied in 1989."

This section was further amended by Pub Acts 1989, No. 120, imd eff June 28.

**Statutory references.** Act No. 198 of 1974, above referred to, is § 7.800(1) et seq., infra; Act No. 255 of 1978 is § 7.800(51) et seq., infra; Act No. 385 of 1984 is § 7.800(101) et seq., infra; Act No. 189 of 1953 is § 7.7(5) et seq., infra; Act No. 62 of 1933 is § 7.61 et seq., infra; section 13 of Act No. 224 of 1985 is § 3.540(313), infra.

1-10. [Reserved for use in future supplementation.]

11. **Definitions.** The "initial assessed value" of property located within the area of a tax increment financing plan established pursuant to either 1975 PA 297, § 14(1)(b) or 1980 PA 450, § 13(1)(b) means the assessed value made as of the tax day, December 31, immediately preceding the date of the approval of the plan, as adjusted, if necessary, by the final equalization process related back to such tax day. Op Atty Gen, February 16, 1983, No. 6127.

§ 3.540(214) Amount of tax increment; portion of tax levy.] Sec. 14. (1) The amount of tax increment to be transmitted to the authority by the municipal and county treasurers shall be that portion of the tax levy of all taxing bodies paid each year on real and personal property in the development area on the captured assessed value. For the purposes of this section, that portion of a ♦ [specific local tax that] is attributable to the captured assessed value of the facility shall be included as a part of the tax increment to be transmitted to the authority.

Expenditure of tax increments received; surplus funds; abolition of plan.] (2) The authority shall expend the tax increments received for the development program only in accordance with the tax increment financing plan. Surplus funds may be retained by the authority for the payment of the principal of and interest on outstanding tax increment bonds or for other purposes that, by resolution of the board, are determined to further the development program. Any surplus funds not so used shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax laws or a local charter [that] provides a maximum authorized rate for levy of property taxes. The governing body may abolish the tax increment financing plan when it finds that the purposes for which the plan was established are accomplished. However, the tax increment finance plan [shall] not be abolished until the principal of and interest on bonds issued pursuant to section 15 have been paid or funds sufficient to make such payment have been segregated.

Financial report, contents.] (3) The authority shall submit annually to the governing body [and the state tax commission] a financial report on the status of the tax increment financing plan. The report shall include the following:

- (a) The amount and source of tax increments received.
  - (b) The amount in any bond reserve account.
  - (c) The amount and purpose of expenditures of tax increment revenues.
  - (d) The amount of principal and interest on any outstanding bonded indebtedness.
  - (e) The initial assessed value of the development area.
  - (f) The captured assessed value retained by the authority.
  - (g) Any additional information the governing body or the state tax commission considers necessary.
- (MCL § 125.1814.)

**History.** As amended by Pub Acts 1983, No. 148, imd eff July 18; 1986, No. 294, imd eff December 22; 1988, No. 420, imd eff December 27, which contained a section 2 providing: "This amendatory act is effective with taxes levied in 1989."

**§ 3.540(215) Tax increment bonds; full faith and credit.]** Sec. 15. (1) By resolution of its board, the authority may authorize, issue, and sell its tax increment bonds, subject to the limitations set forth in this section, to finance a development program. The bonds shall mature in not more than 30 years and shall be subject to Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws. The authority may pledge for annual debt service requirements in any 1 year not more than 80% of the estimated tax increment revenue to be received from a development area for that year, and the total aggregate amount of borrowing shall not exceed an amount which the 80% of the estimated tax increment revenue will service as to annual principal and interest requirements. The bonds issued under this section shall be considered a single series for the purposes of section 4 of chapter V of Act No. 202 of the Public Acts of 1943, as amended, being section 135.4 of the Michigan Compiled Laws.

(2) The municipality by majority vote of the members of its governing body may pledge its full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds. (MCL § 125.1815.)

**Statutory references.** Act No. 202 of 1943, above referred to, is § 5.3188(1) et seq., *infra*; section 4 of chapter V of Act No. 202 of 1943 is § 5.3188(24), *infra*.

**§ 3.540(216) Development plan, contents; already prepared plans.]** Sec. 16. (1) When a board decides to finance a project in a development area pursuant to this act, it shall prepare a development plan.

(2) To the extent necessary to accomplish the proposed development program the development plan shall contain:

- (a) The designation of boundaries of the development area in relation to the boundaries of the authority district and any other development areas within the authority district.

(b) The designation of boundaries of the development area in relation to highways, streets, or otherwise.

(c) The location and extent of existing streets and other public facilities within the development area and the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area.

(d) A description of improvements to be made in the development area, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.

(e) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(g) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(h) A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(i) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

(j) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(k) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.

(l) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.

(m) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(n) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(o) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 USC 4601 to 4655.

(p) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

(q) Other material which the authority, local public agency, or governing body considers pertinent.

(3) It shall not be necessary for the board to prepare a development plan pursuant to this section where a development plan that adequately provides for accomplishing the proposed development program has already been prepared by any of the organizations described in section 4(1)(a) to (d) and where the development plan has been approved by the board and governing body pursuant to sections 17 and 18. (MCL §125.1816.)

Statutory references. Act No. 227 of 1972, above referred to, is § 8.215(61) et seq., *infra*.

§ 3.540(217) Approval of development plan; public hearing, notice of time and place; expression of opinion, record.] Sec. 17. (1) The governing body, before adoption of a resolution approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall not be less than 20 days before the date set for the hearing. Notice shall also be mailed to all property taxpayers of record in the development area not less than 20 days before the hearing.

(2) Notice of the time and place of hearing on a development plan shall contain the following:

(a) A description of the proposed development area in relation to highways, streets, streams, or otherwise.

(b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing.

(c) Other information that the governing body considers appropriate.

(3) At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference thereto. The



hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at that time. (MCL § 125.1817.)

§ 3.540(218) Determination of public purpose; basis for approval, rejection or modification of plan.] Sec. 18. (1) The governing body, after a public hearing on the development plan or the tax increment financing plan, or both, with notice [of the hearing] given pursuant to section 17, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If ♦ [the governing body] determines that the development plan or tax increment financing plan constitutes a public purpose, ♦ [the governing body] shall then approve or reject the plan, or approve it with modification, by resolution based on the following considerations:

(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.

(b) Whether the [development] plan meets the requirements set forth in section 16(2) [and the tax increment financing plan meets the requirements set forth in section 13(2)].

(c) Whether the proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(d) Whether the development is reasonable and necessary to carry out the purposes of this act.

(e) [Whether the amount of captured assessed value estimated to result from adoption of the plan is reasonable.

(f) Whether the land to be acquired within the development area is reasonably necessary to carry out the purposes of the plan and the purposes of this act.

[(g)] Whether the development plan is in reasonable accord with the approved master plan of the municipality, if an approved master plan exists.

[(h)] Whether public services, such as fire and police protection and utilities, are or will be adequate to service the development area.

[(i)] Whether changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

Amendments; notice and hearing requirements.] (2) [Except as provided in this subsection,] amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection [following the same notice and public hearing provisions that are necessary for approval or rejection of the original plan. Notice and hearing shall not be necessary for revisions in the estimates of captured assessed value and tax increment revenues].

Conclusiveness of plan.] [(3) The procedure, adequacy of notice, and findings with respect to purpose and captured assessed value shall be conclusive unless contested in a court of competent jurisdiction within 60 days after adoption of the resolution adopting

the plan. A plan adopted before the effective date of this subsection is validated and shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the effective date of this subsection. A plan in effect before the effective date of this subsection shall not be contested to the extent that tax increment revenues are necessary for the payment of principal and interest on outstanding bonds issued pursuant to the plan and payable from the tax increment revenues or to the extent the authority or municipality has incurred other obligations or made commitments dependent upon tax increment revenues.] (MCL §125.1818.)

History. As amended by Pub Acts 1983, No. 148, imd eff July 18.

§ 3.540(219) Persons relocated; notice to vacate.] Sec. 19. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause. (MCL §125.1819.)

§ 3.540(220) Development area citizens council, establishment, advisory capacities, members.] Sec. 20. (1) A development area citizens council shall be established if the proposed development area has 100 or more persons residing within it and a change in zoning or a taking of property by eminent domain is necessary to accomplish the proposed development program. The council shall act as an advisory body to the authority and the governing body in the adoption of the development plan or tax increment financing plan.

(2) If a development area citizens council is required, the council shall be appointed by the governing body, and shall consist of not less than 9 members. Each member shall be at least 18 years of age and reside in the development area. The council shall be established at least 60 days before the public hearing on the development plan or the tax increment financing plan, or both.

(3) If a development area citizens council is required pursuant to subsection (1) and if the authority was established pursuant to section 4(1)(a), (b), (c), or (d), a council established in conjunction with any of those boards or commissions, may serve in an advisory capacity to the authority, if the authority determines it is representative of the development area. (MCL §125.1820.)

§ 3.540(221) Consultation, representative of authority with development area citizens council.] Sec. 21. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The

consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan. (MCL §125.1821.)

**§ 3.540(222) Citizens council meetings, notice and recording requirements; failure of authority to consult.]** Sec. 22. (1) Meetings of the council shall be open to the public. Notice of the time and place of the meetings shall be posted in at least 10 conspicuous places in the development area accessible to the public not less than 5 days before the dates set for meetings of the council. A person present at those meetings shall have reasonable opportunity to be heard.

(2) A record of the meetings of a council, including information and data presented, shall be maintained by the council.

(3) A council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.

(4) Failure of a council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act. (MCL §125.1822.)

**§ 3.540(223) Notification of findings and recommendations.]** Sec. 23. Within 20 days after the public hearing on a development or tax increment financing plan, the council, if established, shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan. (MCL §125.1823.)

**§ 3.540(224) Council not required; dissolution.]** Sec. 24. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice given in accordance with section 17 and by a 2/3 vote, may adopt a resolution eliminating the necessity of a council for the development area.

(b) If there are less than 18 residents located in the development area eligible to serve on the council.

(c) Upon termination of the authority by resolution of the governing body. (MCL §125.1824.)

**§ 3.540(225) Budget, approval and adoption; assessment of funds, handling and auditing costs.]** Sec. 25. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the

information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body.

(2) The governing body may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed for designated purposes, which cost shall be paid annually by the board pursuant to an appropriate item in its budget. (MCL §125.1825.)

§ 3.540(226) Buildings of significant historical interests; changes to exterior of sites, registers of historic places.] Sec. 26. (1) A public facility, building, or structure which is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under Act No. 169 of the Public Acts of 1970, as amended, being sections 399.201 to 399.212 of the Michigan Compiled Laws, or the secretary of state for review. (MCL §125.1826.)

Statutory references. Act No. 169 of 1970, above referred to, is § 5.3407(1) et seq., *infra*.

§ 3.540(227) Dissolution of authority; property and assets.] Sec. 27. An authority which has completed the purposes for which it was organized shall be dissolved by resolution of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority shall belong to the municipality. (MCL §125.1827.)

§ 3.540(228) Authority districts; annexation or consolidation of municipalities.] Sec. 28. Notwithstanding the limitation provided by section 2(1) on having more than 1 authority, if an authority district is part of an area annexed to or consolidated with another municipality, the authority managing that authority district shall become an authority of the annexing or consolidated municipality. All obligations of that authority incurred pursuant to development plans or tax increment plans, all agreements related to the plans, and bonds issued pursuant to this act shall remain in effect following the annexation or consolidation. (MCL §125.1828.)

History. Added by Pub Acts 1983, No. 148, imd eff July 18.

§ 3.540(229) Authority districts; creation of new districts and expansion of existing districts, restriction.] Sec. 29. (1) Beginning January 1, 1987, a new authority or authority

district shall not be created and the boundaries of an authority district shall not be expanded to include additional land.

Tax increment finance authority, authority district, development area, development plan, or tax increment financing plan; invalidation.] (2) A tax increment finance authority, authority district, development area, development plan, or tax increment financing plan established under this act before December 30, 1986 shall not be invalidated pursuant to a claim that based on the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the establishment of a tax increment financing authority under this act, if, at the time the governing body established the authority, the governing body could have determined that establishment of an authority under this act would serve to create jobs or promote economic development growth.

Development area after December 29, 1986; requirements.] (3) A development area created or expanded after December 29, 1986 shall be subject to the requirements of section 3(1). (MCL § 125.1829.)

History. Added by Pub Acts 1986, No. 280, imd eff December 22.

§ 3.540(230) Proceedings to compel enforcement of act.] Sec. 30. (1) The state tax commission may institute proceedings to compel enforcement of this act.

Rules.] (2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. (MCL § 125.1830.)

History. Added by Pub Acts 1988, No. 420, imd eff December 27, which contained a section 2 providing: "This amendatory act is effective with taxes levied in 1989."

Statutory references. Act No. 306 of 1969, above referred to, is § 3.560(101) et seq.

Figure 12

Resolution from the April 28, 1981  
Battle Creek City Commission meeting



## RESOLUTION

NO. 27

A RESOLUTION TO ESTABLISH A TAX INCREMENT  
FINANCE AUTHORITY UNDER ACT 450 OF 1980  
FOR THE CITY OF BATTLE CREEK

*Copy: Township*

*SCU*  
*Attorney*  
*Lincoln*

Battle Creek, Mich., April 28, 1981

Resolved by the Commission of the City of Battle Creek:

WHEREAS, the City of Battle Creek on the 7th day of April, 1981, passed a Resolution of intention to create a Tax Increment Finance Authority and setting a public hearing thereon, and

WHEREAS, said public hearing was held on the 28th day of April, 1981, and

WHEREAS, it appears in the best interests of the City of Battle Creek to create a Tax Increment Finance Authority for the Fort Custer Industrial Park,

NOW, THEREFORE, BE IT RESOLVED, pursuant to the authority vested in this Commission by Act 450 of the Public Acts of 1980 of the State of Michigan, as it may be amended from time to time, the Tax Increment Finance Authority of Battle Creek shall be and is hereby created.

BE IT FURTHER RESOLVED that said Authority shall exercise such powers and duties as provided by and in accordance with the terms of Act 450 of the Public Acts of 1980 of the State of Michigan, including but not limited to the definition of a development area; the origination or adoption of a development plan or plans; and the implementation of a development program as provided in this Act.

BE IT FURTHER RESOLVED that the boundaries of the Authority district under said Act shall be as set forth in Exhibit "A" attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that no funds of the Authority shall be disbursed except as provided for in the budget of the Authority. No budget shall be adopted by the Board of the Authority until it has been approved by the City Commission of the City of Battle Creek pursuant to Section 25 of Act 450 of 1980.

BE IT FURTHER RESOLVED that the City Clerk is authorized to promptly file with the Secretary of State for the State of Michigan a certified copy of this Resolution and shall publish this Resolution at least once in the Enquirer & News of Battle Creek, a newspaper of general circulation in the City of Battle Creek.



DESCRIPTION OF THE  
FORT CUSTER INDUSTRIAL  
PARK - AIRPORT AREA

A parcel of land in Sections 29, 31, and 32, Town 1 South, Range 8 West, Bedford Township and in Sections 4, 5, 6, 8, 9, 17, 18, and 20, Town 2 South, Range 3 West, Battle Creek Township, Calhoun County, Michigan, described as follows: Beginning at the point of intersection of the southerly right-of-way line of the Consolidated Rail Corporation and the west line of the east one-half of the Northwest Quarter of Section 32, Bedford Township;

thence Southeasterly along the southerly right-of-way line of said railroad, 1,424.87 feet to the North and South quarter line of Section 32, Bedford Township; thence Northerly along said quarter line, 12.41 feet; thence continuing along the South right-of-way line of said railroad, 1,425.13 feet to the East line of the West half of the Northeast Quarter of said Section 32; thence S. 00° 17' 28" E. along said East line, 882.79 feet; thence S. 00° 15' 53" E. along the East line of the West half of the Southeast Quarter of said Section 32, a distance of 1,098.63 feet; thence S. 55° 17' 33" W. along the Southeasterly line of 11th Street and an extension thereof, 3,253.83 feet to the Northeasterly line of Tecumseh Road; thence S. 35° 02' 12" E. along said Northeasterly line, 2,627.63 feet to the East line of 6th Street; thence S. 00° 15' 50" E. along said East line, 320.00 feet; thence S. 89° 44' 10" W., 275.00 feet; thence S. 00° 15' 50" E. parallel with 6th Street, 1,686.00 feet; thence N. 89° 50' 43" E., parallel with the South line of Section 5, Town 2 South, Range 3 West, Battle Creek Township, 2,737.55 feet to a point on the West line of Skyline Drive (BL-94) thence N. 01° 20' 39" E., 23.56 feet; thence N. 47° 41' 42" E. 26.41 feet to the South line of Dickman Road; thence 1,620.97 feet along said South line of Dickman Road to the Westerly right-of-way line of the Grand Trunk Western Railroad; thence Southwesterly along said Westerly railroad right-of-way, 59.29 feet to the North line of Section 9, Battle Creek Township; thence Easterly along the North line of said Section 9, 115.62 feet to the Easterly right-of-way of said railroad; thence Southwesterly 1,560 feet more or less along said Easterly line, to the point of intersection with the North line, and Westerly extension thereof, of the East and West bituminous taxiway No. 2 (also known as Taxi F) of the Kellogg Municipal Airport to the City of Battle Creek; thence Due East along said North line, 2,865 feet more or less to the point of intersection with the East line, and South extension thereof, of concrete Airport Apron "E"; thence Due North along said East line and the Northerly extension thereof; 1,290 feet more or less to the Southerly line of Dickman Road and old Reese Road; thence Easterly along said Southerly line, to the West line of Section 10, Battle Creek Township; thence Southerly along the West line of Section 10 to the West Quarter Post thereof; thence Easterly along the East and West Quarter line of said Section 10, to the East line, and Northerly extension thereof, of Lot 49 of the Supervisor's Plat of Fairhaven as recorded in Liber 7 of Plats on Page 47; thence

proceeding through said Plat, the following courses; thence Southerly along said East line of Lot 49 to the Southeast corner thereof; thence Westerly along the South line of Lot 49 to the Northeast corner of Lot 52; thence Southerly along the East lines of Lots 52 through 56 inclusive, to the Southeast corner of Lot 56; thence East along the North line of Lot 41 to the Northeast corner thereof; thence Southerly along the East lines of Lots 41 through 33 inclusive, to the Southeast corner of Lot 33, thence Westerly along the South lines of Lots 33, 65, and 83, and an extension thereof, across 34th Street, to the Northeast corner of Lot 116; thence Southerly along the East lines of Lots 116 and 117 to the Northwest corner of Lot 80; thence Easterly along the North line of Lot 80 to the Northeast corner thereof; thence Southerly along the East lines of Lots 80 through 77 inclusive and Lot 75, and a Southerly extension thereof, to the South line of West Highland Boulevard; thence East along said South line to the Northeast corner of Lot 55 of Tuttle's Corners Supervisor's Plat as recorded in Liber 9A of Plats, on Page 4; thence proceeding through said Plat the following courses; thence Southerly along the East line of said Lot 55 to the Southeast corner thereof; thence Westerly along the South line of Lot 55 to the Southwest corner thereof; thence Northerly along the West line of Lot 55, to the Southeast corner of Lot 56; thence Westerly along the South lines of Lots 56, 57, and 58 to the Northeast corner of Lot 43; thence Southerly along the East lines of said Lot 43 and 44 to the South line of the North half of Lot 44; thence Westerly along said South line to the West line of Lot 44; thence Northerly along the West lines of Lots 44 and 43 to the South line, and Easterly extension thereof, of Lot 31; thence Westerly along said South line to the Northeast corner of Lot 17; thence Southerly along the East lines of Lots 17 through 21 inclusive to the Southeast corner of Lot 21; thence Westerly along the South line of Lot 21, to the Northeast corner of Lot 24; thence Southerly along the East line of Lot 24 to the Southeast corner thereof; thence Westerly, along the South lines of Lots 24, 23, 22 and a Westerly extension thereof, to the West line of Section 10, Battle Creek Township; thence Southerly 33 feet along the West line of Section 10 to the Northeast corner of Section 16, Battle Creek Township; thence Southerly along the East line of Section 16 to a point 198 feet North of the Southeast corner of the North half of the Northeast Quarter of said Section 16; thence Westerly parallel with the South line of said North half of the Northeast Quarter of Section 16, and 198 feet Northerly therefrom, 660 feet; thence Southerly, parallel with the East line of Section 16, 198 feet; thence Westerly along the North eighth line of said Section 16, to the North and South Quarter line thereof; thence North along said Quarter line to the North Quarter Post thereof; thence Westerly along the North line of Section 16, to a point 750 feet Southeasterly, measured at right angles, from the center of Airport Runway No. 3; thence S. 44° 00' W. parallel with said Runway, 270.23 feet to a point which lies 191.92 feet South of the North line of said Section 16; thence Southerly parallel with the West eighth line of said Section, and 330 feet Easterly therefrom, to the North eighth line of said Section 16, thence

Westerly along said North eighth line 330 feet; thence Southerly along the West eighth line of said Section 16, to a point 1,500 feet Southeasterly, measured at right angles, from the center of Airport Runway No. 3; thence S. 44° 00' W. parallel with said Runway, 1,422 feet more or less to the North right-of-way line of Columbia Avenue West; thence Westerly along the North line of Columbia Avenue West, 364.42 feet to the West line of said Section 16; thence Southerly along said Section line to the East Quarter Post of Section 17, Battle Creek Township; thence Westerly along the East and West Quarter line of Section 17 to the Northeast corner of Lot 1 of the Supervisor's Plat of Russell Acres, recorded in Liber 10 of Plats, on Page 24; thence proceeding along several Lot lines in said Plat the following courses; thence Southerly along the East line of said Lot 1 to the Southeast corner thereof; thence Westerly along the South lines of Lots 1 through 5 inclusive, to the Southwest corner of Lot 5; thence Southerly to the Southeast corner of Lot 6; thence Westerly along the South line of Lot 6 to the Southwest corner thereof; thence Northerly along the West line of said Lot 6, to the Northwest corner thereof; thence Northeasterly along the Northwestern lines of Lots 6, 5, 4, 3, and 2 to the East and West Quarter line of said Section 17; thence Westerly along said Quarter line to the Northwestern right-of-way line of Columbia Avenue West; thence Southwesterly along said right-of-way, to the Easterly right-of-way line of the Grand Trunk Western Railroad; thence Northerly along said Easterly line to the North line of Territorial Road, extended Easterly; thence Westerly along said North line of Territorial Road extended, 113.93 feet to the Westerly right-of-way line of said railroad; thence Southerly along said Westerly right-of-way line of Columbia Avenue West; thence Southwesterly along said Northwestern line 1,026.69 feet to the Easterly right-of-way line of Skyline Drive; thence Northerly along said Easterly line, 4,233.26 feet to a point 865.02 feet Southerly from the North line of Territorial Road, as measured along said Easterly line; thence Westerly parallel with the North line of Section 13, and an Easterly extension thereof, 3,386.29 feet; thence Northerly parallel with the East line of the Southeast Quarter of Section 7, Battle Creek Township, and extensions thereof, 6,638.29 feet to the South line of old Reese Road thence Easterly along said South line, 2,865.78 feet to the East line of said Section 7, thence Northerly along said East line, 33 feet to the Northeast corner of said Section 7; thence Westerly along the North line of Section 7, 33 feet to the West line of Hill Road; thence Northerly along said West line 3,929.85 feet to the South line of Rainbow Road extended; thence Westerly along said South line and extension thereof, 4,398.88 feet to the West line of Grant Road; thence Northerly along said West line 662.25 feet to the South line of Dugan Road; thence Westerly along said South line 816.22 feet to the East line of Armstrong Road; thence Northerly along said East

line 487.07 feet to the South line of Harmonia Road; thence Easterly along said South line 189.21 feet to the East line of 24th Street; thence Northerly along said East line 1,444.24 feet to the South line of Dickman Road; thence Westerly along said South line, 36.30 feet to the West line of Section 31, Bedford Township; thence Northerly along said West line 1,233.66 feet to the West Quarter Post of said Section 31; thence Easterly along the East and West Quarter line of said Section, 2,466.44 feet; thence Northerly along the North and South Quarter line of said Section, 300.00 feet; thence Easterly parallel with the East and West Quarter line of said Section, 2,675.31 feet to the East line of said Section 31; thence N.  $00^{\circ} 22' 40''$  W. along said East line 513.90 feet; thence S.  $89^{\circ} 53' 10''$  E., 675.89 feet; thence N.  $00^{\circ} 00' 39''$  E., 2,620.72 feet; thence N.  $51^{\circ} 13' 26''$  E., 801.36 feet to the west line of the East one-half of the Northwest Quarter of said Section 32, Bedford Township; thence S.  $00^{\circ} 11' 26''$  E., along said west line, 2,076.61 feet to the point of beginning

EXHIBIT "A"

PARCEL V-MICH-4518

A parcel of land in Section 30, T.15, R.8W, Redford Township, Calhoun County, Michigan, beginning at the Southwest corner of said Section 30, and running thence North 0°-38' West along the West line of said section 1261.60 feet to the Southerly line of the Michigan Central Railroad, said line also being the Northerly line of River Road, thence N.75°-46'E. along the Southerly line of said railroad 532.0 feet, thence N.80°-00'E. along said line 300.00 feet, thence N.81°-26'E., along said line 300.00 feet, thence S.89°-54'-10"E., along said line 497.70 feet, thence S.51°-46'E., along said line 695.60 feet, thence S.76°-05'-10"E. along said line 300.00 feet thence S.71°-19'E., along said line 493.90 feet, thence S. 65°-17'-10"E., along said line 27.89 feet, thence S.0°-37'-19"E., 1153.05 feet to the South line of said Section 30, thence S. 69°-45"W. along said section line 1012.89 feet to the South 1/4 post of said section, thence continuing S.89°-45"W. along said South section line 2477.60 feet to the Point of Beginning. The Northerly line of the above description intending to be the Southerly line of the Michigan Central Railroad, and reserving the Northerly 66 feet thereof and the Westerly 33 feet thereof as an easement for public highway purposes. The above described parcel contains 113.9 acres, including the roadway. (V-MICH-4518).

PARCEL V-MICH-451A-1

A parcel of land in Sections 30 & 31, T.15., R.8W, Calhoun County, Michigan, beginning at the Northeast corner of said Section 31, T.15., R.8W., and running thence S 0°-25'E. along the East line of said section, 1253.97 feet; thence S. 86°-16'W. 1643.25 feet; thence N 0°-25'W, 2520.24 feet to the Southerly line of the Michigan Central Railroad, said line also being the Northerly line of West River Road; thence S 65°-05'-10" E. along the Southerly line of said Railroad, 471.27 feet; thence S 60°-11'E. along the Southerly line of said railroad, 300.00 feet; thence S 54°-11'-10" E. along the Southerly line of said Railroad, 300.00 feet; thence S 49°-22' E. along the Southerly line of said Railroad, 300.00 feet, thence to the East line of Section 30, T.15., R. 8W., thence S 0°-48' E. along the East line of said Section 96.50 feet to the place of beginning. The Northerly line of the above description intending to be the Southerly line of the Michigan Central Railroad, and reserving the Northerly 66 feet thereof as easement for Highway purposes and containing approximately 75.5 acres more or less (V-MICH-451A-1).

PARCEL V-MICH-451C

A parcel of land in Section 31, T.15, R.8W. in Redford Township, Calhoun County, Michigan, beginning at a point on the East line of Section 31, Town 1 South, Range 8 West, Redford Township, Calhoun County, Michigan, distant N 00° 25' W 300.01 feet from the East 1/4 post of said section; thence S 89° 58' W 1,565.01 feet; thence N 03° 51' 30" W 992.53 feet; thence N 86° 16' E 1,643.25 feet to the East line of said section; thence S 00° 25' E along said East line 1,095.40 feet to the place of beginning. Containing 38.46 acres of land. (V-MICH-451C).



KING & CARR, INC.  
Professional Land Surveyors  
372 West Columbus Avenue, Battle Creek, Michigan 49015  
616 963-7977

James L. King R.L.S.  
Robert K. Carr P.L.S.

A and B SECTIONS  
FORT CUSTER INDUSTRIAL PARK

A parcel of land lying in Sections 29, 31, and 32, Town 1 South, Range 8 West, and in Sections 5 & 6, Town 2 South, Range 8 West, Calhoun County Michigan and being more particularly described as follows:

Beginning at the West Quarter Post of Section 31, Town 1 South, Range 8 West, Calhoun County, Michigan and running thence N 89° 47' 40" E, along the East and West Quarter line of said section, 2465.63 feet; thence N 00° 33' 08" E, along the North and South Quarter line of said section, 300.00 feet; thence S 89° 59' 44" E, parallel with the East and West Quarter line of said section, 2574.94 feet to the East line of said section; thence N 00° 22' 40" W, along the East line of said section, 513.90 feet; thence S 89° 53' 10" E, 675.89 feet; thence N 00° 00' 39" E, 2620.76 feet; thence N 51° 13' 26" E, 801.36 feet to a point in the center of the old Kalamazoo River channel; thence S 00° 11' 26" E, parallel with the West line of Section 29, T. 1 S., R. 8 W., 2076.61 feet to the South line of the old Michigan Railway, now Consolidated Rail Corporation; thence 340.68 feet along the South line of said railroad and a curve to the left whose radius is 4374.88 feet and whose chord bears S 68° 37' 30" E, 340.59 feet; thence S 70° 51' 21" E, along the South line of said railroad, 1084.19 feet; thence N 00° 17' 15" W, along the North and South Quarter line of Section 32, a distance of 12.41 feet; thence S 70° 51' 21" E, along the South line of said railroad, 601.24 feet; thence 823.89 feet along the South line of said railroad and a curve to the right whose radius is 7487.80 feet and whose chord bears S 67° 42' 14" E, 823.47 feet to the East line of the West half of the Northeast Quarter of said Section 32; thence S 00° 17' 18" E, along said East line 882.79 feet to the Southeast corner of the West half of the Northeast Quarter of said section; thence S 00° 18' 58" E, along the East line of the West half of the Southeast Quarter of said section, 1098.08 feet; thence S 55° 17' 33" W along the South line of the 11th. Street and an extension thereof, 3254.20 feet to the East line of Tekonsa Road; thence S 35° 02' 12" E, along the East line of Tekonsa Road, 2627.63 feet to the East line of 6th. Street; thence S 00° 15' 50" E, along the East line of 6th. Street, 320.00 feet; thence S 89° 44' 10" W, 275.00 feet; thence S 60° 43' 46" W, 2788.31 feet to a point 33.00 feet West of the East Line of said Section 6; thence N 00° 13' 18" W parallel with said East Line of Section 6 a distance of 1648.28 feet; thence N 00° 04' 00" W parallel with said East Line of Section 6 a distance of 1151.72 feet; thence S 29° 35' 29" W, 4398.53 feet; thence N 00° 31' 23" E, 662.25 feet; thence N 89° 55' 40" W, 816.22 feet; thence N 00° 07' 16" E, 437.07 feet; thence S 89° 53' 08" E, 198.21 feet; thence N 07° 33' 20" W, 1444.19 feet; thence S 82° 18' 55" W, 36.32 feet to the West Line of said Section 31; thence N 00° 11' 42" W, along said West Line of Section 31 a distance of 1233.66 feet to the point of beginning.

We have surveyed the Battle Creek area and we believe in it.



**KING & CARR, INC.**

*Professional Land Surveyors*

372 West Columbia Avenue, Battle Creek, Michigan 49015  
616 963-7977

*James L. King, R. L. S.  
Robert R. Carr, R. L. S.*

#### DESCRIPTION OF AMMO DUMP

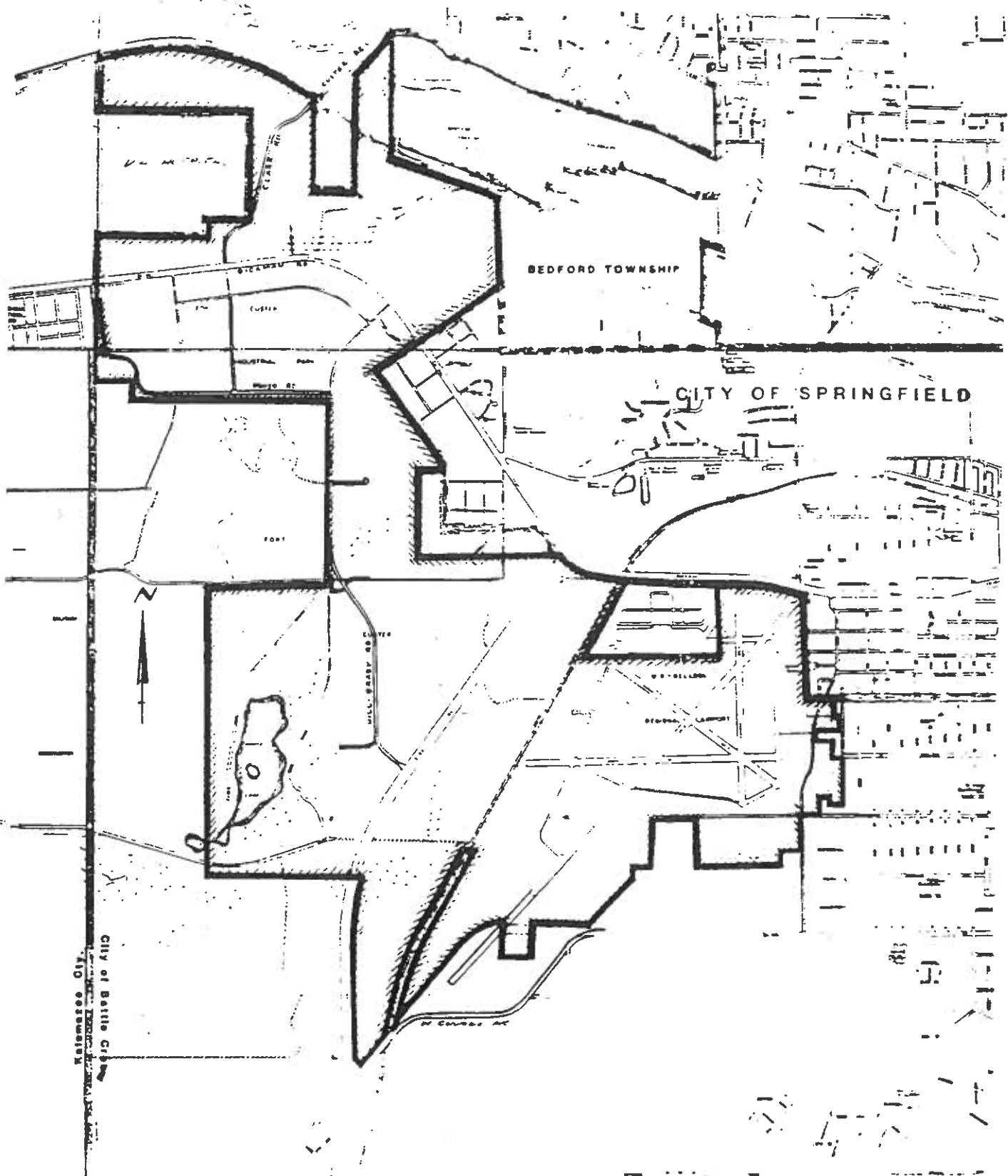
A parcel in Section 32, T. 15., R. 8W., Calhoun County, Michigan described as beginning at a point on the East and West Quarter line of said Section 32 a distance of S 89° 58' 03" E, 2668.98 feet from the West Quarter Post of said Section 32, and running thence N 45° 09' 00" E, 229.79 feet; thence S 77° 30' 38" E, 128.85 feet; thence S 14° 54' 27" E, 441.28 feet; thence S 45° 06' 58" W, 472.34 feet; thence N 74° 53' 15" W, 444.41 feet; thence N 14° 50' 15" W, 122.90 feet; thence N 45° 09' 00" E, 554.26 feet to the place of beginning.

*We have surveyed the Battle Creek area and we believe in it.*

**Figure 13**

**Battle Creek Tax Increment Finance Authority  
District Map**





**LEGEND**

-  T.I.F.A. BOUNDARY (3601.44 AC)  
 CORPORATE LIMITS 5.62 SQMI

ENGINEERING DEPARTMENT  
CITY OF BATTLE CREEK, MICHIGAN



**FORT CUSTER INDUSTRIAL PARK  
TAX INCREMENT FINANCE AUTHORITY**

DRAWN BY	KCB	APPROVED	DATE
SCALE		SHEET	1187

Figure 14

Legal Description of  
Battle Creek Tax Increment Finance Authority District

## Description of the Battle Creek Tax Increment Finance Authority District

A parcel of land in Sections 29, 31, and 32, Town 1 South, Range 8 West, Bedford Township and in Sections 4, 5, 6, 8, 9, 17, 18, and 20, Town 2 South, Range 8 West, Battle Creek Township, Calhoun County, Michigan, described as follows:

Beginning at the point of intersection of the southerly right-of-way line of the Consolidated Rail Corporation and the west line of the east one-half of the Northwest Quarter of Section 32, Bedford Township; thence Southeasterly along the Southerly right-of-way line of said railroad, 1,424.87 feet to the North and South quarter line of Section 32, Bedford Township; thence Northerly along said quarter line, 12.41 feet; thence continuing along the South right-of-way line of said railroad, 1,425.13 feet to the East line of the West half of the Northeast Quarter of said Section 32; thence S. 00° 17' 28" E. along said East line, 882.79 feet; thence S. 00° 18' 58" E. along the East line of the West half of the Southeast Quarter of said Section 32, a distance of 1,098.63 feet; thence S. 55° 17' 33" W. along the Southeasterly line of 11th Street and an extension thereof, 3,253.83 feet to the Northeasterly line of Tecumseh Road; thence S. 35° 02' 12" E. along said Northeasterly line, 2,627.63 feet to the East line of 6th Street; thence S. 00° 15' 50" E. along said East line, 320.00 feet; thence S. 89° 44' 10" W., 275.00 feet; thence S. 00° 15' 50" E. parallel with 6th Street, 1,686.00 feet; thence N. 89° 50' 43" E., parallel with the South line of Section 5, Town 2 South, Range 8 West, Battle Creek Township, 2,737.65 feet to a point on the West line of Skyline Drive (BL-94) thence N. 01° 20' 39" E., 28.56 feet; thence N. 47° 41' 42" E. 26.41 feet to the South line of Dickman Road; thence 1,620.97 feet along said South line of Dickman Road to the Westerly right-of-way line of the Grand Trunk Western Railroad; thence Southwesterly along said Westerly railroad right-of-way, 59.29 feet to the North line of Section 9, Battle Creek Township; thence Easterly along the North line of said Section 9, 115.62 feet to the Easterly right-of-way of said railroad; thence Southwesterly 1,560 feet more or less along said Easterly line, to the point of intersection with the North line, and Westerly extension thereof, of the East and West bituminous taxiway No. 2 (also known as Taxi F) of the Kellogg Municipal Airport to the City of Battle Creek; thence Due East along said North line, 2,865 feet more or less to the point of intersection with the East line, South extension thereof, of concrete Airport Apron "E"; thence Due North along said East line and the Northerly extension thereof; 1,290 feet more or less to the Southerly line of Dickman Road and old Reese Road; thence Easterly along said Southerly line, to the West line of Section 10, Battle Creek Township; thence Southerly along the West line of Section 10 to the West Quarter Post thereof; thence Easterly along the East and West Quarter line of said Section 10, to the East line, and Northerly extension thereof, of Lot 49 of the Supervisor's Plat of Fairhaven as recorded in Liber 7 of Plats of Page 47; thence proceeding through said Plat, the following courses; thence Southerly along said East line of Lot 49 to the Southeast corner thereof; thence Westerly along the South line of Lot 49 to the Northeast corner of Lot 52; thence Southerly along the East lines of Lots 52 through 56 inclusive, to the Southeast corner of Lot 56; thence East along the North line of Lot 41 to the Northeast corner thereof; thence Southerly along the East lines of Lots 41 through 33 inclusive, to the Southeast corner of Lot 33, thence Westerly along the South lines of Lots 33, 65, and 83, and an extension thereof, across 34th Street, to the Northeast corner of Lot 116; thence Southerly along the East lines of Lots 116 and 117 to the Northwest corner of Lot 80; thence Easterly along the North line of Lot 80 to the Northeast corner thereof; thence Southerly along the East lines of Lots 80 through 77 inclusive and Lot 75, and a Southerly extension thereof, to the South line of West Highland Boulevard; thence East along said South line to the Northeast corner of Lot 55 of Tuttles Corners Supervisor's Plat as recorded in Liber 9A of Plats, on Page 4; thence proceeding through said Plat the following courses; thence Southerly along the East line of said Lot 55 to the Southeast corner thereof; thence Westerly along the South line of Lot 55 to the Southwest corner thereof; thence Northerly along the West line of Lot 55, to the Southeast corner of Lot 56; thence Westerly along the South lines of Lots 56, 57, and 58 to the Northwest corner of Lot 43; thence Southerly along the East lines of said Lot 43 and 44 to the

South line of the North half of Lot 44; thence Westerly along said South line to the West line of Lot 44; thence Northerly along the West lines of Lots 44 and 43 to the South line, and Easterly extension thereof, of Lot 31; thence Westerly along said South line to the Northeast corner of Lot 17; thence Southerly along the East lines of Lots 17 through 21 inclusive to the Southeast corner of Lot 21; thence Westerly along the South line of Lot 21, to the Northeast corner of Lot 24; thence Southerly along the East line of Lot 24 to the Southeast corner thereof; thence Westerly along the South lines of Lots 24, 23, 22 and a Westerly extension thereof, to the West line of Section 10, Battle Creek Township; thence Southerly 33 feet along the West line of Section 10 to the Northeast corner of Section 16, Battle Creek Township; thence Southerly along the East line of Section 16 to a point 198 feet North of the Southeast corner of the North half of the Northeast Quarter of said Section 16; thence Westerly parallel with the South line of said North half of the Northeast Quarter of Section 16, and 198 feet Northerly therefrom, 660 feet; thence Southerly, parallel with the East line of Section 16, 198 feet; thence Westerly along the North eighth line of said Section 16, to the North and South Quarter line thereof; thence North along said Quarter line to the North Quarter Post thereof; thence Westerly along the North line of Section 16, to a point 750 feet Southeasterly, measured at right angles, from the center of Airport Runway No. 3; thence S. 44° 00' W. parallel with said Runway, 270.28 feet to a point which lies 191.82 feet South of the North line of said Section 16; thence Southerly parallel with the West eighth line of said Section, and 330 feet Easterly therefrom, to the North eighth line of said Section 16, thence Westerly along said North eighth line 330 feet; thence Southerly along the West eighth line of said Section 16, to a point 1,500 feet Southeasterly, measured at right angles, from the center of Airport Runway No. 3; thence S. 44° 00' W. parallel with said Runway, 1,422 feet more or less to the North right-of-way line of Columbia Avenue West; thence Westerly along the North line of Columbia Avenue West, 364.42 feet to the West line of said Section 16; thence Southerly along said Section line to the East Quarter Post of Section 17, Battle Creek Township; thence Westerly along the East and West Quarter line of Section 17 to the Northeast corner of Lot 1 of the Supervisor's Plat of Russell Acres, recorded in Liber 10 of Plats, on Page 24; thence proceeding along several Lot lines in said Plat the following courses; thence Southerly along the East line of said Lot 1 to the Southeast corner thereof; thence Westerly along the South lines of Lots 1 through 5 inclusive, to the Southwest corner of Lot 5; thence Southerly to the Southeast corner of Lot 6; thence Westerly along the South line of Lot 6 to the Southwest corner thereof; thence Northerly along the West line of said Lot 6, to the Northwest corner thereof; thence Northeasterly along the Northwesterly lines of Lots 6, 5, 4, 3, and 2 to the East and West Quarter line of said Section 17; thence Westerly along said Quarter line to the Northwesterly right-of-way line of Columbia Avenue West; thence Southwesterly along said right-of-way, to the Easterly right-of-way line of the Grand Trunk Western Railroad; thence Northerly along said Easterly line to the North line of Territorial Road, extended Easterly; thence Westerly along said North line of Territorial Road extended, 118.93 feet to the Westerly right-of-way line of said railroad; thence Southerly along said Westerly right-of-way line of Grand Trunk Western Railroad to the Northwesterly line of Columbia Avenue West; thence Southwesterly along said Northwesterly line 1,026.69 feet to the Easterly right-of-way line of Skyline Drive; thence Northerly along said Easterly line, 4,238.26 feet to a point 865.02 feet Southerly from the North line of Territorial Road, as measured along said Easterly line; thence Westerly parallel with the North line of Section 18, and an Easterly extension thereof, 3,386.89 feet; thence Northerly parallel with the East line of the Southeast Quarter of Section 7, Battle Creek Township, and extensions thereof, 6,638.29 feet to the South line of old Reese Road thence Easterly along said South line, 2,865.78 feet to the East line of said Section 7, thence Northerly along said East line, 33 feet to the Northeast corner of said Section 7; thence Westerly along the North line of Section 7, 33 feet to the West line of Hill Road; thence Northerly along said West line 3,989.85 feet to the South line of Rainbow Road extended; thence Westerly along said South line and extension thereof, 4,398.88 feet to the West line of Grant Road; thence Northerly along said West line 662.25 feet to the South line of Dugan Road; thence Westerly along said South line 816.22 feet to the East line of Armstrong Road; thence Northerly along said East line 487.07

feet to the South line of Harmonia Road; thence Easterly along said South line 188.21 feet to the East line of 24th Street; thence Northerly along said East line 1,444.24 feet to the South line of Dickman Road; thence Westerly along said South line, 36.30 feet to the West line of Section 31, Bedford Township; thence Northerly along said West line 1,233.66 feet to the West Quarter Post of said Section 31; thence Easterly along the East and West Quarter line of said Section, 2,466.44 feet; thence Northerly along the North and South Quarter line of said Section, 300.00 feet; thence Easterly parallel with the East and West Quarter line of said Section, 2,675.31 feet to the East line of said Section 31; thence N. 00° 22' 40" W. along said East line 513.90 feet; thence S. 89° 53' 10" E., 675.89 feet; thence N. 00° 00' 39" E., 2,620.72 feet; thence N. 51° 13' 26" E., 801.36 feet to the west line of the East one-half of the Northwest Quarter of said Section 32, Bedford Township; thence S. 00° 11' 26" E., along said west line, 2,076.61 feet to the point of beginning.

Also:

A parcel of land in Section 30, T.1S, R.8W, Bedford Township, Calhoun County, Michigan, beginning at the Southwest corner of said Section 30, and running thence North 0° 38' West along the West line of said section 1261.60 feet to the Southerly line of the Michigan Central Railroad, said line also being the Northerly Line of River Road, thence N. 75° 46' E. along the Southerly line of said railroad 532.0 feet, thence N. 80° 00' E. along said line 500.00 feet, thence N. 83° 26' E., along said line 500.00 feet, thence S. 89° 54' 30" E., along said line 497.70 feet, thence S. 81° 46' E., along said line 699.60 feet, thence S. 76° 05' 30" E. along said line 300.00 feet thence S. 71° 39' E., along said line 498.90 feet, thence S. 65° 37' 30" E., along said line 27.89 feet, thence S. 0° 57' 39" E., 1183.05 feet to the South line of said Section 30, thence S. 89° 48" W. along said section line 1012.89 feet to the South 1/4 post of said section, thence continuing S. 89° 48' W. along said South section line 2477.60 feet to the Point of Beginning. The Northerly line of the above description intending to be the Southerly line of the Michigan Central Railroad, and reserving the Northerly 66 feet thereof and the Westerly 33 feet thereof as an easement for public highway purposes. The above described parcel contains 113.9 acres, including the roadway.

Also:

A parcel of land in Sections 30 & 31, T.1S., R.8W, Calhoun County, Michigan, beginning at the Northeast corner of said Section 31, T.1S., R.8W, and running thence S 0° 25' E, along the East line of said section, 1253.97 feet; thence S. 86° 16' W, 1643.26 feet; thence N 0° 25' W, 2520.24 feet to the Southerly line of the Michigan Central Railroad, said line also being the Northerly line of West River Road; thence S 65° 05' 30" E, along the Southerly line of said Railroad, 471.27 feet; thence S 60° 11' E, along the Southerly line of said railroad, 500.00 feet, thence S 54° 31' 30" E, along the Southerly line of said Railroad, 500.00 feet; thence S 49° 22' E, along the Southerly line of said Railroad, 500.00 feet, thence to the East line of Section 30, T.1S., R. 8W., thence S 0° 48' E, along the East line of said Section 96.50 feet to the place of beginning. The Northerly line of the above description intending to be the Southerly line of the Michigan Central Railroad, and reserving the Northerly 66 feet thereof as easement for Highway purposes and containing approximately 75.5 acres more or less.

Also:

A parcel of land in Section 31, T1S, R8W, in Bedford Township, Calhoun County, Michigan, beginning at a point on the East line of Section 31, Town 1 South, Range 8 West, Bedford Township, Calhoun County, Michigan, distant N 00° 25' W 300.01 feet from the East 1/4 post of said section; thence S 89° 58' W 1,565.01 feet; thence N 03° 51' 30" W 992.53 feet; thence N 86° 16' E 1,643.26 feet to the East line of said section; thence S 00° 25' E along said East line 1,096.40 feet to the place of beginning. Containing 38.46 acres of land.

Figure 15

Fort Custer Industrial Park Map

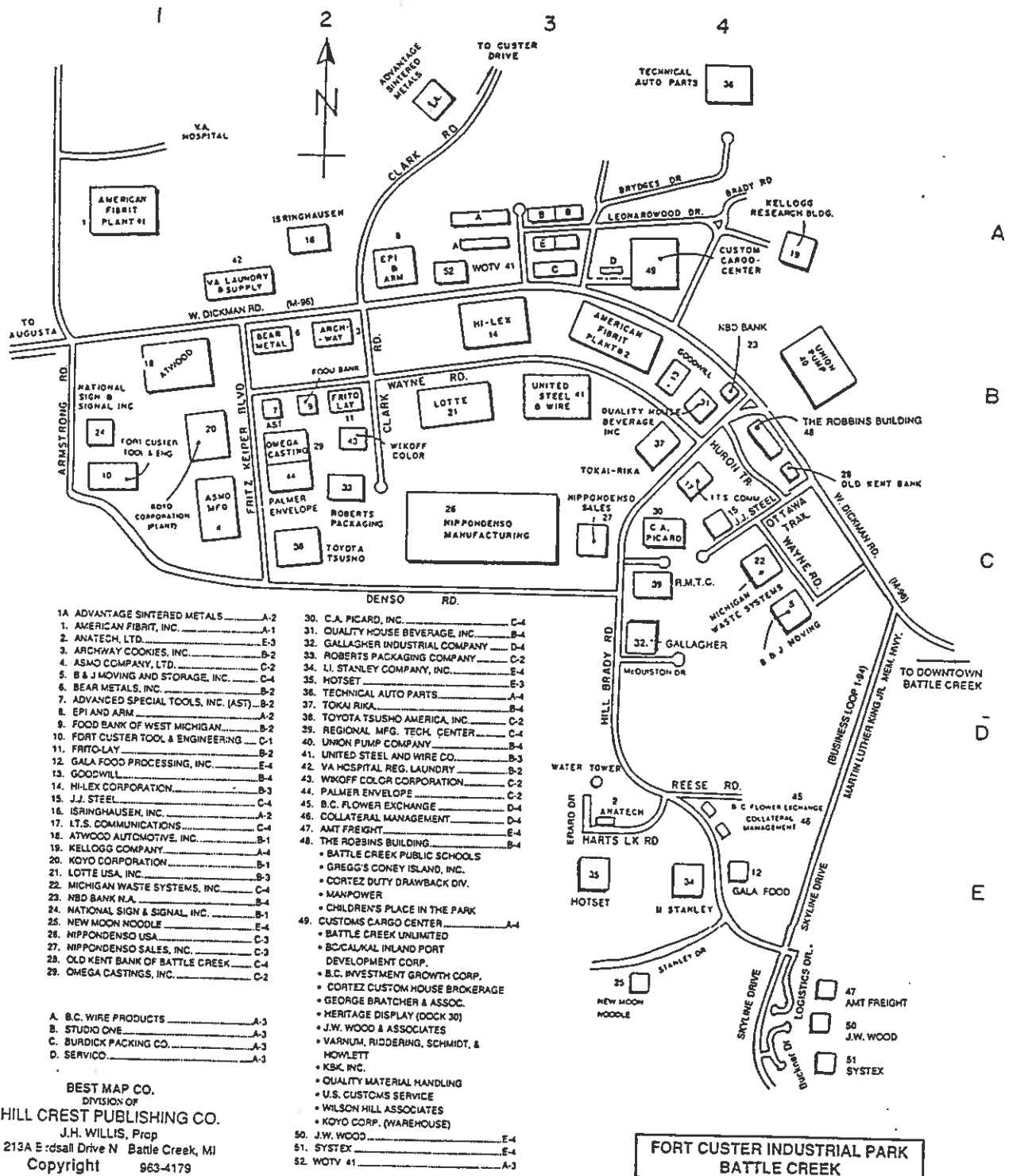


Figure 16

Fort Custer Industrial Park List



FORT CUSTER INDUSTRIAL PARK OF BATTLE CREEK

Battle Creek Unlimited, Inc.

May 1993

AMT FREIGHT, INC.  
2500 Logistics Drive 49015  
616/965-1926  
(Warehousing and Transportation)

ADVANCED SPECIAL TOOLS, INC.  
5501 Wayne Road 49015  
616/962-9697  
(Wire Cut Electric Discharge and Machining Services)

ADVANTAGE SINTERED METALS  
60 Clark Road 49015  
616/964-1212  
(Manufacturer of Pressed Powder Metal Gears for Appliances)

AMERICAN FIBRIT, INC.  
76 Armstrong Road 49015  
616/968-3000  
(Manufacturer of Pressed Wood Dashboards for Automotive)

ANATECH, LTD.  
1020 Harts Lake Road 49015  
616/964-6450  
(Dyes and chemicals for laboratory inspection)

ARCHWAY COOKIES, INC.  
5451 West Dickman Road  
P. O. Box 762 49016  
616/962-4031  
(Corporate Headquarters and Research and Development Office for Cookie Company)

ASMO MANUFACTURING, INC.  
500 Fritz Keiper Blvd. 49015  
616/962-8257  
(Manufacturers blow injection moldings for auto industry)

ATWOOD AUTOMOTIVE, INC.  
5701 West Dickman Road 49015  
616/962-5473  
(Manufacturer of Seat Reclining Units for Automotive)

B & J MOVING AND STORAGE, INC.  
4535 Wayne Road (Springfield) 49015  
616/968-3540  
(Moving and Storage)

BATTLE CREEK FLOWER EXCHANGE  
1125 Hill-Brady Road 49015  
616/962-8527  
(Distribution of fresh flowers and florist supplies)

BATTLE CREEK PUBLIC SCHOOLS  
4661 W. Dickman Rd. 49015  
Suite E  
616/965-9503  
(Commissary)

BATTLE CREEK UNLIMITED, INC.  
Frederick R. Brydges Customs Cargo Center  
Suite A-1  
4950 West Dickman Road  
P. O. Box 1438 49016  
616/962-7526  
James F. Hettinger, President  
(Marketing and Management of Fort Custer Industrial Park)

BATTLE CREEK WIRE PRODUCTS, INC.  
75 Leonard Wood Drive 49015  
616/963-7937  
(Manufacturer of Wire Products)

BC/CAL/KAL INLAND PORT DEVELOPMENT  
CORPORATION  
Frederick R. Brydges Customs Cargo Center  
Suite A-1  
4950 West Dickman Road  
P. O. Box 1438 49016  
616/962-7530  
James F. Hettinger, Executive Director  
(Marketing and Promotion of Foreign-Trade Zone #43, Customs Cargo Center and Promotion of International Commerce)

**BEAR METALS, INC.**

201 Fritz-Keiper Boulevard 49015  
616/968-7196  
(Manufacturer of Pressed Powder Metal Gears for Appliances)

**BRATCHER & ASSOCIATES**

4950 W. Dickman Rd.  
P.O. Box 1438 49016  
616/965-1444  
(Appraisals, Environmental Audits, Tax Abatements, Consulting Services)

**BURDICK PACKING COMPANY**

24 Leonard Wood Drive  
P. O. Box 1601 49016  
616/962-5111  
(Meat Packer)

**CHILDREN'S PLACE IN THE PARK**

4661 W. Dickman Road  
Suite D 49015  
616/968-1226  
(Child Care)

**COLLATERAL MANAGEMENT COMPANY**

1255 Hill-Brady Road 49015  
616/964-1871  
(Printing, warehousing, graphic design)

**CORTEZ CUSTOMHOUSE BROKERAGE COMPANY**

Frederick R. Brydges Customs Cargo Center  
Suite A-4  
4950 West Dickman Road 49015  
616/966-4549  
(Customhouse Broker)

**CORTEZ DUTY DRAWBACK**

4661 W. Dickman Rd. 49015  
Suite B  
616/966-4552  
(Duty Drawback Specialist)

**EPI AND ARM**

5350 West Dickman Road  
P. O. Box 1025 49016  
616/968-2221  
(Printing)

**FOOD BANK OF SOUTH CENTRAL MICHIGAN, INC.**

5451 Wayne Road 49015  
616/964-3663  
(Food Distribution)

**FORT CUSTER TOOL AND ENGINEERING**

311 Armstrong Road 49015  
616/963-6548  
(Specialty Tool and Die)

**FRITO-LAY**

280 Clark Road 49015  
616/962-6617  
(Warehouse/Distributor)

**GALA FOOD PROCESSING, INC.**

1475 Hill-Brady Road 49015  
616/964-1394  
(Sugar Products)

**GALLAGHER INDUSTRIAL LAUNDRY, INC.**

151 McQuiston Dr. 49015  
616/965-5171  
(Industrial Laundry Services)

**GOODWILL INDUSTRIES**

4820 Wayne Road 49015  
616/964-9455  
(Material recycling and contract services: envelope stuffing, small parts assembly and collating)

**GREGG'S CONEY ISLAND CAFE**

4661 W. Dickman Road 49015  
616/966-0141  
(Restaurant)

**HERITAGE DISPLAY**

Frederick R. Brydges Customs Cargo Center  
4950 W. Dickman Rd., Suite 30 49015  
616/968-8778  
(Custom Woodworking)

**HI-LEX CORPORATION**

5200 Wayne Road 49015  
616/968-0781  
(Manufacturer of Mechanical Control Cables for Transportation Industry)

**HOTSET CORPORATION**

1045 Harts Lake Road 49015  
616/964-0271  
(Heating Elements)

**I.T.S., INC.**  
(Independent Telecommunications Systems)  
205 Hill-Brady Road 49015  
616/969-0500  
(Telecommunications)

**ISRINGHAUSEN, INC.**  
5450 West Dickman Road 49015  
616/968-5333  
(Manufacturer Heavy-Duty Vehicle Seats)

**KELLOGG COMPANY**  
4660 West Dickman Road 49015  
616/966-5860  
(Research and Development)

**KOYO CORPORATION**  
300 Fritz-Keiper Blvd. 49015  
616/962-9676  
(Non-ferrous metal sales, and tube fabrication)

**KBK INC.**  
Frederick R. Brydges Customs Cargo Center  
4950 W. Dickman Road, Suite B-5 49015  
616/964-0570  
(Hytech auto components)

**LOTTE U.S.A., INC.**  
5243 Wayne Road 49015  
616/963-6664  
(Manufacturer of Chewing Gum and Filled Pretzels)

**MANPOWER**  
4661 W. Dickman Road 49015  
Suite C  
616/968-2474  
(Temporary employment agency)

**NBD BANK**  
30 Hill Brady Road 49015  
616/962-4954  
(Bank)

**NATIONAL SIGN AND SIGNAL, INC.**  
301 Armstrong Road 49015  
616/963-2817  
(Manufactures traffic signs and signals)

**NEW MOON NOODLE INCORPORATED**  
909 Stanley Road 49015  
616/962-8820  
(Oriental food products)

**NIPPONDENSO MANUFACTURING, U.S.A., INC.**  
One Denso Road 49015  
616/965-3322  
(Manufacturer of Automotive Parts)

**NIPPONDENSO SALES, INC.**  
Distribution Center  
400 Hill-Brady Road 49015  
616/963-5393  
(Warehouse/Distribution of Auto Parts)

**OLD KENT BANK OF BATTLE CREEK**  
4651 West Dickman Road 49015  
616/968-9411  
(Bank)

**OMEGA CASTINGS, INC.**  
301 Fritz-Keiper Boulevard 49015  
616/968-8105  
(Manufacturer of Heat-Resistant Alloy Castings)

**PALMER ENVELOPE**  
309 Fritz-Keiper Blvd 49015  
616/965-1336  
(Printing)

**C. A. PICARD, INC.**  
305 Hill-Brady Road 49015  
616/962-2231  
(Manufacturer of Specially Hardened  
Steel Plates and Wear Parts)

**QUALITY HOUSE BEVERAGES, INC.**  
(RECYCLING ENTERPRISES, INC.)  
4407 West Columbia Avenue 49017  
616/963-4046  
(Wholesale Distributor)

**QUALITY MATERIAL HANDLING, INC.**  
Frederick R. Brydges Customs Cargo Center  
Suite A-6  
4950 West Dickman Road 49015  
616/452-2177  
(Material Handling Vehicles & Service)

**REGIONAL MANUFACTURING TECHNOLOGY CENTER**  
405 Hill-Brady Road 49015  
616/965-4137  
(Industrial Training Facility)

**ROBERTS PACKAGING COMPANY**

340 Clark Road 49015  
616/962-5525  
(Contract Packaging)

**SERVICO**

4980 West Dickman Road 49015  
616/963-0640  
1-800-547-0119  
(Factory authorized service & parts  
for commercial food equipment)

**I I STANLEY COMPANY, INC.**

1500 Hill-Brady Road 49015  
616/964-7777  
(Manufacturer of LED lighting equipment and automotive  
lights)

**J.J. STEEL, INC.**

2000 Ottawa Trail 49015  
616/964-0474  
(Stainless Steel Food Processing Equipment)

**STUDIO ONE**

74 Leonard Wood Drive 49015  
616/962-2124  
(Manufacturer of Mannequins)

**TECHNICAL AUTO PARTS INC.**

195 Brydges Drive 49015  
616/965-0057  
(Manufacturer of Automotive Parts)

**TOKAI RIKI U.S.A., INC.**

100 Hill Brady Road 49015  
616/966-0100  
(Manufacturer of electronic switches)

**TOYOTA TSUSHO AMERICA, INC.**

795 Fritz-Keiper Blvd. 49015  
616/962-0118  
(Speciality Metal Supplier)

**U. S. CUSTOMS SERVICE**

Port of Battle Creek  
Frederick R. Brydges Customs Cargo Center  
Suite A-8  
4950 West Dickman Road 49015  
616/965-3349  
(U.S. Customs Service for FTZ and Port of Entry)

**UNION PUMP COMPANY**

4600 W. Dickman Road 49015  
616/966-4600  
(Manufacturer of energy and water purification pumps)

**UNITED STEEL & WIRE COMPANY**

4909 Wayne Road  
P. O. Box 256 49016  
616/962-5571  
(Manufacturer of Wire Products)

**V. A. DISTRICT LAUNDRY AND SUPPLY SERVICE**

5600 West Dickman Road 49015  
616/966-5600 Ext. 4231  
(Laundry Complex for V.A. Hospital)

**VARNUM, RIDDERING, SCHMIDT & HOWLETT**

4950 W. Dickman Road, Suite B-1 49015  
616/962-7144  
(Law Firm)

**WASTE MANAGEMENT OF MICHIGAN SOUTHWEST**

4547 Wayne Road (Springfield) 49015  
616/962-4048  
(Waste Management)

**WOTV**

5200 West Dickman Road  
P. O. Box 1616 49016  
616/968-9341  
(ABC Television Station - Channel 41)

**WIKOFF COLOR CORPORATION**

300 Clark Road 49015  
616/962-8766  
(Manufacturer of Printing Inks)

**WILSON HILL ASSOCIATES, INC.**

Frederick R. Brydges Customs Cargo Center  
Suite B-3  
4950 W. Dickman Road 49015  
616/969-0024  
(Computer Applications)

**J.W. WOOD & ASSOCIATES, INC.**

Frederick R. Brydes Customs Cargo Center  
Suite B-4  
4950 W. Dickman Road 49015  
616/964-0332  
(Security Services)

Figure 17

Contractual Agreement between  
BCTIFA, City of Battle Creek, BCU, and BC/CAL/KAL

APPROVED

## RESOLUTION



A Resolution authorizing the City Manager to execute a Management Agreement by and between the City of Battle Creek, Battle Creek Tax Increment Financing Authority, Battle Creek Unlimited, and BC/CAL/KAL Inland Port Authority of South Central Michigan Development Corporation.

NO. 697  
BCU  
BC/CAL/KAL  
BCTIFA  
Finance

BATTLE CREEK MICH., April 23, 1991

Resolved by the Commission of the City of Battle Creek:

WHEREAS, the Battle Creek Tax Increment Financing Authority entered into an agreement on May 25, 1982, with Battle Creek Unlimited and BC/CAL/KAL for the marketing and management of the Fort Custer Industrial Park; and

WHEREAS, the City entered into an agreement with Battle Creek Unlimited and BC/CAL/KAL on July 12, 1983, which also provided for certain similar marketing and management functions in the same Fort Custer Industrial Park; and

WHEREAS, the Battle Creek Tax Increment Financing Authority has adopted various amendments to its Tax Increment Financing Authority Plan on September 2, 1986; June 27, 1989, and September 19, 1990; and

WHEREAS, the Tax Increment Financing Authority Plan and its amendments set forth various items designated as improvements which are being performed by Battle Creek Unlimited and BC/CAL/KAL under the terms of the 1982 and 1983 agreements; and

WHEREAS, it is the desire of all parties to memorialize previous agreements and Plan amendments in a single agreement; and

WHEREAS, this proposed Management Agreement is an extension of both the 1982 and 1983 agreements, and is continued on the same term as those agreements from July 1 through June 30, and is renewed annually until terminated as provided in the 1982 agreement; and

WHEREAS, this proposed Management Agreement extends the 1982 agreement and does not replace it, and is further intended to recognize the activities of Battle Creek Unlimited and BC/CAL/KAL that are properly being paid for by the Battle Creek Tax Increment Financing Authority for services provided according to the Tax Increment Financing Authority Plan, even though those services are set forth in the 1983 agreement;

NOW, THEREFORE, BE IT RESOLVED THAT the City Manager is hereby authorized to execute a Management Agreement, a copy of which is attached hereto and made a part hereof, by and between the City of Battle Creek, Battle Creek Tax Increment Financing Authority, Battle Creek Unlimited, Inc., and BC/CAL/KAL Inland Port Authority of South Central Michigan Development Corporation.

CITY OF BATTLE CREEK  
Interoffice Memorandum

Date: April 18, 1991

TO: The Honorable Mayor and  
Members of the City Commission

FROM: Rance L. Leaders, City Manager

SUBJECT: Management Agreement

---

Battle Creek Unlimited and the Battle Creek Tax Increment Financing Authority have taken action to authorize the execution of a Management Agreement that consolidates and clarifies terms and conditions of previous agreements adopted by the City, BCTIFA, Battle Creek Unlimited, and BC/CAL/KAL (BC/CAL/KAL Board will act on this Agreement at their next meeting.)

Based on the State Legislature's initiatives to eliminate, or significantly reduce, the ability of Tax Increment Financing Authorities and Downtown Development Authorities to use Tax Increment Financing revenue for various projects, it is recommended that this Management Agreement be executed to provide a clear contractual relationship between the parties.

  
\_\_\_\_\_  
Rance L. Leaders  
City Manager

RLl/mm

Attachment



## MANAGEMENT AGREEMENT

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1991, by and between the City of Battle Creek, hereinafter called "City", Battle Creek Tax Increment Financing Authority, hereinafter called "BCTIFA", Battle Creek Unlimited, Inc., a Michigan nonprofit corporation, hereinafter called "BCU", and BC/CAL/KAL Inland Port Authority of South Central Michigan Development Corporation, a Michigan nonprofit corporation, hereinafter called "BC/CAL/KAL".

WHEREAS, the BCTIFA entered into an agreement on May 25, 1982, with BCU and BC/CAL/KAL for the marketing and management of the Fort Custer Industrial Park; and

WHEREAS, the City entered into an agreement with BCU and BC/CAL/KAL on July 12, 1983, which also provided for certain similar marketing and management functions in the same Fort Custer Industrial Park; and

WHEREAS, the BCTIFA has adopted various amendments to its Tax Incremental Financing Authority Plan on September 2, 1986, June 27, 1989 and September 19, 1990; and

WHEREAS, the TIFA plan and its amendments set forth various items designated as improvements under Part Two, Section VII - D, which are being performed by BCU and BC/CAL/KAL under the terms of the 1982 and 1983 agreements.

BCTIFA agrees to pay for all services and improvements being furnished by BCU and BC/CAL/KAL, pursuant to the 1982 and 1983 agreements which are defined by the Battle Creek Tax

HOLMES  
MUMFORD  
SCHUBEL  
VORLANDER &  
MACFARLANE

ATTORNEYS

60 E Michigan Mall  
Battle Creek, Michigan 49017

Incremental Authority Development Plan, adopted May 22, 1981, as amended, and

BCU and BC/CAL/KAL agree to perform the services and improvements as set forth for the term of this contract.

BCU and BC/CAL/KAL will continue to receive funding as provided in the 1982 agreement, based upon the approval of the annual budget presented by BCU and BC/CAL/KAL to BCTIFA. Any additional compensation beyond that provided in the approved budget must be approved by BCTIFA by resolution after notice to BCTIFA at a regular or special meeting of BCTIFA called for that purpose.

This agreement is an extension of both the 1982 and 1983 agreements and is continued on the same term as those agreements from July 1 to June 30, and is renewed annually until terminated as provided in the 1982 agreement.

Attached to this agreement and incorporated herein is the 1982 agreement between BCTIFA, BCU and BC/CAL/KAL, and the 1983 agreement between City and BCU and BC/CAL/KAL. The Tax Incremental Financing Plan of 1981 and its amendments are referred to in this agreement and the provisions of Part Two, Section VII - D, that relate to the services and improvements to be performed by BCU, BC/CAL/Kal are incorporated herein. The plan and its amendments are on file with the City, BCTIFA and BCU. Excerpts of the plan are attached.

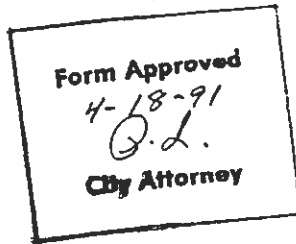
HOLMES  
MUMFORD  
SCHUBEL  
NORLANDER &  
MACFARLANE

ATTORNEYS

66 E. Michigan Mall  
Creek, Michigan 49017

Management Agreement  
Page 3

This agreement extends the 1982 agreement and does not replace it and is further intended to recognize the activities of BCU and BC/CAL/KAL that are properly being paid for by BCTIFA for services provided according to the TIFA Plan, even though those services are set out in the 1983 agreement.



CITY OF BATTLE CREEK

By: [Signature]  
Its: \_\_\_\_\_

BATTLE CREEK TAX INCREMENT  
FINANCING AUTHORITY

By: [Signature]  
Its: Chairman

BATTLE CREEK UNLIMITED, INC.

By: [Signature]  
Its: President

BC/CAL/KAL INLAND PORT AUTHORITY  
OF SOUTH CENTRAL MICHIGAN  
DEVELOPMENT CORPORATION

By: [Signature]  
Its: Executive Director

Prepared by:  
John R. Holmes (P15083)  
(616) 968-6146  
/kms

HOLMES  
MUMFORD  
SCHUBEL  
VORLANDER &  
MACFARLANE

ATTORNEYS

66 E. Michigan Mall  
Battle Creek, Michigan 49017

## A G R E E M E N T

This Agreement is made and entered into this 25<sup>th</sup> day of May, 1982, by and between the Battle Creek Tax Increment Financing Authority, hereinafter called "the Authority", Battle Creek Unlimited, Inc., a Michigan nonprofit corporation, hereinafter called "BCU", and BC/CAL/KAL Inland Port Authority of South Central Michigan Development Corporation, a Michigan nonprofit corporation, hereinafter called "BC/CAL/KAL".

WHEREAS, the Authority was created April 28, 1981 to promote and aid in the development of what is commonly known as the Fort Custer Industrial Park, and

WHEREAS, the Authority has adopted the tax increment financing plan to aid it in financing such development activities, and

WHEREAS, BCU and BC/CAL/KAL are engaged in marketing and management of the Fort Custer Industrial Park which are activities contained in the Authority's development plan, and

WHEREAS, the Authority wishes to contract with BCU and BC/CAL/KAL to continue such activities pursuant to the development plan for the Fort Custer Industrial Park, and

WHEREAS, BCU and BC/CAL/KAL are agreeable to carrying out such activities pursuant to the development plan of the Authority with funds furnished them by the Authority.

NOW, THEREFORE, in consideration of the above promises, the parties do hereby agree as follows:

1. That BCU and BC/CAL/KAL will submit to the Authority their plan for marketing and management of the Fort Custer Industrial Park on or before June 1 of each year.

2. Annually, BCU and BC/CAL/KAL will submit to the Authority a budget detailing how the monies of the Authority are to be spent toward marketing and management. The Authority will approve or reject such budget. Upon approval, the Authority

will transmit to BCU and BC/CAL/KAL all monies obtained through tax incremental financing for that year which are not needed for administrative expenses of the Authority.

3. Annually, within sixty (60) days after the close of the fiscal year of BCU and BC/CAL/KAL, each shall submit to the Authority an activities and achievement report of their financial affairs for the year then ended. Such report shall detail progress towards carrying out the Authority's development plan.

4. On termination of this Agreement, BCU and BC/CAL/KAL shall return to the Authority any funds provided by the Authority and not expended toward the carrying out of the development plan.

5. This Agreement may be terminated for cause by any party upon thirty (30) days prior written notice. This Agreement may be terminated upon ninety (90) days written notice for any reason by either party.

6. This Agreement shall commence on the 1st day of July, 1982 and shall continue in effect and automatically be renewed on a yearly basis beginning on the 1st day of July of each year unless either party gives the other written notice of the termination of the Agreement thirty (30) days or more prior to June 30th of any year.

7. The Authority shall have the right of all reasonable times and places to inspect all of the records and accounts of BCU and BC/CAL/KAL.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first written above.

BATTLE CREEK TAX  
INCREMENT FINANCING AUTHORITY

By:

Gordon W. Howard

It's Chairman

Page Three  
Agreement

BATTLE CREEK UNLIMITED, INC.

By: 

It's President

BC/CAL/KAL INLAND PORT AUTHORITY  
OF SOUTH CENTRAL MICHIGAN  
DEVELOPMENT CORPORATION

By: 

It's President

Prepared by:  
Phillip E. Harter (P24309)  
HOLMES, HARTER, MUMFORD & SCHUBEL  
424 Riverside Drive  
Battle Creek, Michigan 49015  
Telephone: (616) 968-6146

/pal

## A G R E E M E N T

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1983, between and among the City of Battle Creek, a Michigan municipal corporation, hereinafter called "the City", Battle Creek Unlimited, Inc., a Michigan nonprofit corporation, hereinafter called "BCU", and BC/CAL/KAL Inland Port Authority of South Central Michigan Development Corporation, a Michigan nonprofit corporation, hereinafter called "BC/CAL/KAL".

WHEREAS, the City, BCU and BC/CAL/KAL have been operating under an Agreement dated the 1st day of July, 1978, calling for the orderly marketing and development of the Fort Custer Industrial Park and the Frederick R. Brydges Customs Cargo Center and Foreign-Trade Zone #43 located therein, and

WHEREAS, the City has recently annexed the former Township of Battle Creek and amended its charter to provide for a Merger of Equals in order to broaden the economic base of the City so that it can become a more effective partner with BCU, BC/CAL/KAL, business, industry, organized labor, minorities, foundations, and education in the economic development of Battle Creek, and

WHEREAS, pursuant to said Merger of Equals the City will become the beneficiary of contributions from local business and industry of the property tax savings realized by them as a result of the Merger, together with matching contributions from other private and public sources, thus creating an Area Economic Development Fund hereinafter called the "Fund", and

WHEREAS, a so-called Ad Hoc Committee, in addition to the development of the Fund proposal, has developed a Long-Range Development and Revitalization Plan for the City, hereinafter called the "Plan", and an organizational structure for economic development which calls for BCU and BC/CAL/KAL to be the focal point for all commercial and Industrial economic marketing, promotion and development in the New City.

WHEREAS, the City is purchasing a parcel of land from the United States Government under a contract for deed and rental dated the 15th day of January, 1971, hereinafter called "Fort Custer Industrial Park", and is interested in its orderly development for the benefit of the City and all persons in the area and to alleviate unemployment and promote economic development, and

WHEREAS, BCU has had prepared by the Ballinger Company a Master Plan for the orderly development of Fort Custer Industrial Park, and

WHEREAS, the City has caused the construction of a multi-modal cargo warehouse and terminal and office facility, hereinafter called the "Customs Cargo Center", with funds granted to it by the Economic Development Administration of the United States Government and with funds borrowed through the issuance of Economic Development Corporation Revenue Bonds and has deeded the Customs Cargo Center to the Economic Development Corporation of the City of Battle Creek under a Grant on Condition of Reverter dated as of July 1, 1978, in which Center there are to be conducted the following activities:

1. United States Customs clearance services;
2. Multi-modal transportation warehouse and distribution services;
3. Freight forwarding, customhouse brokerage, cargo claims, freight consolidation and related transportation services;
4. Bonded warehousing services;
5. Foreign-trade zone services,

and

WHEREAS, the City has been designated by the United States Customs Service of the Department of the Treasury as a Customs Port of Entry and by the United States Department of Commerce, Foreign-Trade Zone #43, and

WHEREAS, BCU and BC/CAL/KAL have been organized as nonprofit corporations for the purpose of promoting, marketing and developing industry and commerce.



NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, IT IS AGREED by the parties hereto as follows:

1. BCU, as the exclusive agent of, and for and on behalf of the City, does hereby agree that it shall:
  - (a) Market and promote industrial and commercial development in accordance with the Plan;
  - (b) Administer the Fund in connection therewith, seek and obtain matching contributions from local, state and national public and private sources in order to leverage the contributions of local business and industry to the maximum extent possible for economic development purposes;
  - (c) Work with other local agencies and individuals representing the Chamber of Commerce, organized labor, minorities, foundations and education in order to implement the organizational structure and in connection therewith, to restructure its Board and Executive Board in order to provide appropriate representation of said groups;
  - (d) Negotiate, on behalf of the City and other property owners within the City of Battle Creek, with persons who indicate an interest and ability to undertake industrial and commercial projects at Fort Custer Industrial Park, the Customs Cargo Center and other areas within the City designated from time to time for industrial and commercial development;
  - (e) Maintain for and on behalf of the City that portion of the property within Fort Custer Industrial Park which has not been sold or dedicated to the general public;

(f) Operate and maintain the Customs Cargo Center, including but not limited to providing all services needed for operating the domestic warehouse and bonded warehouse and providing janitorial, snow removal and other services to the tenants and users as required under leases and other contracts executed for and on behalf of the City with the tenants and users.

(g) Perform all of the functions of the Issuer referred to in the Grant on Condition of Reverter pursuant to which the Economic Development Corporation Revenue Bonds were issued, including the collection of all revenues from rentals or other charges received for the use and occupancy of the Customs Cargo Center;



For the purpose of carrying out its function, BCU is hereby authorized to hire such employees, agents, consultants and independent contractors, and may form such subsidiary or affiliated corporations as BCU deems reasonable and necessary to the extent of funds available from grants made by the City, Federal, State and County agencies and from grants and donations from private individuals and organizations (but not from revenues derived from the sale of land, the leasing of space in the Customs Cargo Center or from income from the operation of the domestic and bonded warehouse or Foreign-Trade Zone); provided, however, that BCU shall not bind the City to any sales agreement, lease, contract or other obligation with respect to the City's property without first obtaining the prior written consent of the City.

2. BC/CAL/KAL shall:

(a) Administer for and on behalf of the City the Port of Battle Creek/South Central Michigan, including maintaining relations with the United States Customs

Service and the users of the Port, and assist and advise the City and BCU from time to time in promoting such services to the users as may from time to time be desirable and financially feasible;

- (b) Assist and advise BCU and the City in the operation of the domestic and bonded warehouse, including but not limited to the development for adoption by the City of tariffs, policies and procedures in accordance with applicable Federal, State and Local laws and regulations;
- (c) Operate for and on behalf of the City Foreign-Trade Zone #43, including the development for promulgation by the City of policies and procedures (including the determination of criteria for establishing Sub-zones), rules and regulations for the use of the Foreign-Trade Zone #43, the provision of security for the Foreign-Trade Zone #43 and the preparation and filing of all necessary and applicable forms and reports required by the Foreign-Trade Zones Board and United States Customs Service and, further, assist the City and BCU in the promotion of such services to the users as may from time to time be desirable and financially feasible.

For the purpose of carrying out the functions of BC/CAL/KAL as set forth herein, BCU hereby agrees to hire such employees, agents, consultants and independent contractors as BC/CAL/KAL and BCU deem reasonable and necessary to the extent of funds available from grants from the City, Federal, State and County agencies and from grants and donations from private individuals and organizations (but not from revenues derived from the sale of land, the leasing of space in the Customs Cargo Center or from income from the operation of the domestic and bonded warehouse or Foreign-Trade Zone); provided, however, that BC/CAL/KAL and BCU shall not bind the City to any sales

agreement, lease, contract or other obligation without first obtaining the prior written consent of the City.

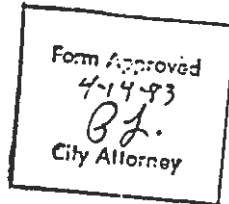
3. The City does hereby designate BCU and BC/CAL/KAL as its exclusive agents to carry out the functions herein set forth and does hereby further agree that it shall:

- (a) Maintain the roads, railroads, water, sewer and other public facilities within and provide police, fire and other municipal services to the persons occupying property within Fort Custer Industrial Park in the same manner as provided to other residents of the City.
- (b) With the advice and counsel of BCU and BC/CAL/KAL, design, finance and construct the following public facilities for use by the present and future occupants of Fort Custer Industrial Park: water systems for drinking, manufacturing and fire protection, public roads and storm sewers, sanitary sewers, railroad trackage within rights of way to be retained by the City, berms and buffer strips along Dickman Road and other areas, and such other public facilities as are outlined in the Master Plan prepared by Ballinger Company at such time and in such manner as may from time to time be approved by the City Commission.
- (c) With the advice and counsel of BCU and BC/CAL/KAL, promulgate from time to time a Schedule of Rates and Charges for the use and occupancy of the Customs Cargo Center and for the purchase of services provided by BCU under the terms of this Agreement.
- (d) With the advice and counsel of BCU, establish prices and other terms and conditions for the sale of land at Fort Custer Industrial Park.
- (e) Provide BCU and BC/CAL/KAL with the funds which the parties shall from time to time agree the City must provide as provided in paragraph 4 in order that BCU and BC/CAL/KAL can fulfill their responsibilities as outlined herein.

- (f) Establish and maintain the necessary and appropriate procedures and accounts to insure that revenues derived from sale of land are reserved and expended to pay for the costs of construction and financing of the public facilities constructed by the City as provided in subparagraph (b) above.
  - (g) Establish and maintain the necessary and appropriate procedures and accounts to insure that revenues to the City from occupants of the Park and persons working therein by way of real and personal property taxes and corporate and individual City income taxes and expenses of the City in providing police, fire and other municipal services to the occupants of Fort Custer Industrial Park are identified.
  - (h) With the advice and counsel of BCU, establish policies with respect to the granting of property tax abatements and the use of tax increment financing in connection with industrial and commercial projects in the City.
4. Annually, at a time determined by mutual consent between BC/CAL/KAL, BCU and the City, the parties will use their best efforts to establish a budget for BC/CAL/KAL and BCU for the ensuing year to finance the needs of BCU and BC/CAL/KAL in fulfilling its obligations hereunder.
  5. Annually, within 90 days after the close of the fiscal year of BCU and BC/CAL/KAL, each shall submit to the City an activities and achievement report of their financial affairs for the year then ending.
  6. The City shall have the rights at all reasonable times and places to inspect all of the records and accounts of BCU and BC/CAL/KAL.
  7. On termination of this Agreement, BCU and BC/CAL/KAL shall return to the City any funds provided by the City and not expended or required to be paid for the lawful obligations of BCU or BC/CAL/KAL under the terms hereof prior to termination.

8. BCU and BC/CAL/KAL agree that discrimination against any person and/or business organization in the recruitment, examination, appointment, training, promotion, retention, discipline, or any other aspect of Fort Custer Industrial Park and the Customs Cargo Center, Foreign-Trade Zone #43 and the Customs Port of Entry administrative practices on the basis of race, color, religion, national origin, handicap, sex, age, weight or height shall be prohibited.
9. This Agreement shall commence on the 1st day of January, 1983, and shall continue in effect and automatically be renewed on a yearly basis beginning on the 1st day of July, 1983, and on the 1st day of July of each year thereafter, unless either party gives the other written notice of termination ninety (90) days, or more, prior to June 30th of any year provided, however, the City may terminate BCU's agency as set forth in Paragraph 1(f) and 1(g) without prior written notice in the event BCU shall fail to perform all or any part of its duties as provided therein, and any party may terminate this Agreement for cause upon thirty (30) days prior written notice to the other parties hereto in the event the party so charged fails to cure the default as set forth in said written notice within said thirty (30) days.
10. All prior agreements by and between the parties hereto, including but not limited to the agreements dated the 18th day of August, 1971, and the 19th day of August, 1976, and the 1st day of July, 1978, are hereby terminated and all of the rights and obligations of the parties hereto thereunder shall, effective the 1st day of January, 1983, be governed by this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first written above pursuant to resolutions of their governing bodies.



CITY OF BATTLE CREEK

By-

A handwritten signature in dark ink, appearing to be "G. L. D. D. D.", written over a horizontal line.

BATTLE CREEK UNLIMITED, INC.

By-

A handwritten signature in dark ink, reading "David B. Puetz", written over a horizontal line.

BC/CAL/KAL INLAND PORT AUTHORITY OF  
SOUTH CENTRAL MICHIGAN DEVELOPMENT  
CORPORATION

By-

A handwritten signature in dark ink, reading "Robert de S. Couch", written over a horizontal line.

to assist in the construction and operation of the Fort Custer AB Sector, Harts Lake Property, Airport development, commercial tract development, and Port of Entry and Foreign-Trade Zone development. With the financing of those projects, it will also assist in making possible the continued retention and attraction of industry, the growth of the industrial service sector, and the positive spinoff impacts on commercial development.

This Plan will first designate the development area, then present the development plan, and finally present the Tax Increment Financing Authority Plan.

#### VI. Development Area Number One

Because of the dramatic impact which the development plan will have on the entire Fort Custer Industrial Park area, the development area will encompass the entire Fort Custer Industrial Park district. A map of the Fort Custer district and development area number one is contained in Attachment 4 and a legal description of the Fort Custer district and development area number one is contained in Attachment 2 which is the resolution creating the Industrial Development District for Fort Custer Industrial Park. The continued retention and attraction of industry will occur in the AB Sector of the Park, the International Sector, of the Kellogg Airport, and the Harts Lake property. Attachment 4 contains a map of the Fort Custer district and area showing the location of the aforementioned development sectors.

#### VII. Development Plan

Section 16 of the Act reproduced in Attachment 1 requires that when tax increment financing is used to finance a development, a development plan must be prepared containing all of the information required by Section 16. Therefore, this development plan will closely follow the requirement mandated by Section 16 and each lettered paragraph will seek to supply the information required in the corresponding lettered paragraph of Section 16 (2).

- A. Designation of boundaries of the development area in relation to the boundaries of the Authority District and any other development areas within the Authority District:

Attachment 4 contains a map which outlines the entire Fort Custer Industrial Park district. The district has been subdivided into five development areas:

1. AB Sector
2. International Sector
3. Kellogg Airport
4. Harts Lake Property



## 5. Research and Development Area

### B. Designation of boundaries of the development area in relation to highways, streets, and otherwise:

Attachments 3 and 4 delineate the district and respective development areas. Highways, streets, and otherwise are all represented clearly on the map in Attachment 4.

### C. The location and extent of existing streets and other public facilities within the development area and the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area:

Attachment 3 contains all pertinent information illustrated in zoning and land use charts of the Fort Custer Industrial Park Development. The district is also delineated in a comprehensive legal description. It should be noted that the land use mix is predominantly industrial with some commercial and recreational.

### D. Location, extent, character, estimated cost and time for completion of improvements:

- continued marketing and management of Fort Custer Industrial Park by Battle Creek Unlimited and BC/CAL/KAL; present and ongoing in accordance with contractual obligations. Such marketing and management may include the building of structures within the development area for sale or lease to businesses wishing to use the Industrial Park.

Physical Improvements will encompass the following:

- construction of Hill-Brady Road between Skyline Drive and Rainbow Road with the necessary drainage, sanitary sewer and lift and lift stations; completion by 1986.
- construction of a new road into designated Research and Development area and other necessary improvements; completion by 1990.
- construction of a new road into the former radar site, and other necessary improvements; completion by 1988.
- construction of a rail spur into the 'B' Sector and rehabilitation of existing rail;
- replacement of the Airport Water Booster Pumping Station; completion by 2000;
- construction of a new, 1,000,000-gallon water storage tank and necessary piping; completion by 2000;

- construction of an emergency service depot for police and fire protection, and;

- final acquisition and physical improvement of Harts Lake property.

The Hill-Brady Road estimate is based on an eleven-inch full-depth asphalt base, twenty-four-inch curb and gutter, and fifty-two feet in width face of curb to face of curb. The drainage cost included in the road estimate is only that drainage which is pertinent to construction of the Hill-Brady Road. The estimate included 25% for engineering and contingencies.

New road construction estimates are based on factors comparable to Hill-Brady with the exception of a width of thirty-three feet.

The sanitary sewer and force main, and lift station are designed to accommodate the 'C' Sector development along with the 'D' Sector development (located east of Skyline Drive). The 'C' Sector had a designated flow of 1.3 million gallons per day (approximately 8,000 tons per day) and the sanitary sewer and lift station costs include this additional capacity. A 25% engineering and contingency factor was included in the estimate.

The water storage facility consists of a 1,000,000-gallon ground storage tank to be located on a hill located in the Fort Custer National Guard facility west of Hill-Brady Road. The estimate included the cost of construction of this tank, and the necessary piping to the existing sixteen-inch water main in Hill-Brady Road. The estimate includes a 25% engineering and contingency cost.

The Airport Booster Pumping Station presently consists of two pumps constructed to handle the demand of water in the Fort Custer Industrial Park at the time of construction, with the intent of expanding this booster station when the demand increased. With additional construction that has already occurred in the Industrial Park it will become necessary to increase the capacity of this station.

The development of Hill-Brady Road, its drainage, and the land development served by this road requires extensive retention basin construction. These retention basins are required to protect Helmer Brook and the environment. The estimate for this storm sewer includes 25% engineering and contingencies. Storm sewer retention basins for the 'D' Sector are not included in this estimate.

The railroad extension and rehabilitation costs include extension of a rail spur from existing track north of Dickman. The extension would cross Dickman and serve the 'B' Sector of Fort Custer Industrial Park. The rehabilitation rail would allow service in the 'A' Sector to the westerly boundary of Fort Custer Industrial Park.

All utility and public service improvements financed by the Tax Increment Financing Authority will be maintained by the City of Battle Creek as part of the City's normal municipal maintenance responsibilities.

The following table indicates the current estimate of constructing these facilities, including construction costs, contingencies and engineering:

Sanitary Sewer and Force Main	\$ 420,000
Sanitary Sewer Lift Station	420,000
Airport Booster Pumping Station Expansion	710,000
Storm Sewer Retention Ponds	700,000
Rail Construction and Rehabilitation	1,200,000
Cargo Center Expansion and U. S. Customs Support	1,200,000
Airport Expansion	2,000,000
Fire Station and Fire/Police Training Facilities	<u>500,000</u>
	\$ 7,150,000

The annual contractual obligation to Battle Creek Unlimited and BC/CAL/KAL is presently estimated to be \$ 500,000

From time to time, the Authority may find it necessary to contract with local educational interests to provide training, retraining and specialized language/culture classes. The annual costs are estimated to be \$ 50,000

When deemed necessary, the Authority will establish and maintain a capital replacement reserve as well as a capital expenditure reserve.

Time estimates are in accordance with Master Plan documents. Further planning of projects is ongoing, also in accordance with Master Plan documents.

- E. The location, extent, character, and estimated costs of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion:

See Section VII, Part D.

- F. A statement of the construction or stages of construction planned, and the estimated time of completion of each stage:

See Section VII, Part D.

- G. A statement of any parts of the development area to be left as open space and the use contemplated for that space:

AMENDMENT TO THE DEVELOPMENT PLAN AND THE  
TAX INCREMENT FINANCING AUTHORITY PLAN  
(FINANCING PLAN) OF THE  
BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

The Development Plan, (Part Two, Section VII, D) is amended by adding the following:

-construction, replacement, or repair of Airport infrastructure and equipment, including, but not limited to, utilities, roadways, runways, taxiways, aprons, ramps, hangars, terminals, lighting, and maintenance equipment, with estimated cost and completion dates as follows:

Ramp Construction-Phase I	1990	100,000
Ramp Construction-Phase II	1991	100,000
Runway 927	1992	700,000
Hangar Construction-FAA	1992	2,500,000
Traffic Control Tower	1993	1,000,000
T-Hangars and Apron Space	1992-1994	1,000,000

-operation and maintenance of airport facilities at an estimated annual net cost of \$200,000.

-acquisition and physical improvement of available land within the Development Area to promote economic development, at an estimated cost of \$15,000,000, beginning in 1990 and to continue through the life of the plan.

-construction of new roads, water lines, storm and sanitary sewer, and other related improvements, to serve the Hart's Lake property, making it available for new development. Development is expected to begin in 1990 and continue through 2000, as funds become available. Total estimated cost of construction is \$6,000,000.

-expansion and development of Lawrence Lake to provide an alternate military training site necessitated by the development of Hart's Lake for commercial/industrial use. Construction is expected to begin in 1990 with completion by 1992, at an estimated cost of \$2,500,000.

-construction of new roads, water lines, storm and sanitary sewer to serve an area north of the V.A. medical center, off Clark Road. Construction is expected to take place during 1992 and 1993, with an estimated cost of \$2,000,000.

EXHIBIT I

1990 AMENDMENT TO THE DEVELOPMENT PLAN AND  
THE TAX INCREMENT FINANCING AUTHORITY PLAN  
(FINANCING PLAN) OF THE  
BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY

The Development Plan (Part Two, Section VII, D) is amended by adding the following:

- construction of new roads, water lines, storm sewers, and sanitary sewers to serve an area east of Skyline Drive. Construction is expected to take place during 1990 and 1991 with an estimated construction cost of \$2,500,000.

The Development Plan (Part Two, Section VIII, B) is amended to provide as follows:

B. Bonded Indebtedness to be Incurred

The total amount of bonded indebtedness to be incurred under this development plan is estimated at \$3,500,000 in FY1991 and such amounts as the City Commission shall approve in subsequent years in development area number one. The Authority will have to establish bonded indebtedness when it chooses to move into other development areas.

The Development Plan (Part Two, Section VIII, C) is amended by inserting a new paragraph 1 and renumbering all of the existing paragraphs. The new paragraph 1 shall be as follows:

1. Amounts necessary to meet payments of principal and interest coming due prior to the next collection of taxes on bonds issued by the Authority in anticipation of the tax increments under this plan.

The Development Plan (Part Two, Section VIII, D) is amended by adding a new paragraph 5. The new paragraph 5 shall be as follows:

5. 100% of the tax increment revenues of the Authority to Kellogg Community College during the time period KCC has responsibility for the operation and maintenance of the Regional Manufacturing Technological Center under the terms of a management and transfer agreement between the City of Battle Creek, Kellogg Community College, and the Authority.

These amendments will decrease annual tax increment revenues to the Authority and increase annual property tax revenues to Kellogg Community College by approximately \$100,000. Other taxing jurisdictions are not affected by these amendments.



# RESOLUTION

COY: BCU  
BC/CAL/KAL  
Finance

NO. 242

A Resolution authorizing an agreement between and among the City of Battle Creek, Battle Creek Unlimited, Inc., and BC/CAL/KAL Inland Port Authority.

Battle Creek, Mich., July 12, 1983

Resolved by the Commission of the City of Battle Creek:

WHEREAS, Battle Creek Unlimited, Inc., and the BC/CAL/KAL Inland Port Authority of South Central Michigan Development Corporation currently has an agreement to provide services to the City of Battle Creek; and

WHEREAS, the functions of these two industrial development and marketing organizations are undertaking new roles at the request of the City, specifically in the area of commercial marketing; and

WHEREAS, it is thence necessary to enter into a new contractual arrangement with the organization; and

WHEREAS, the BCU Board and the BC/CAL/KAL Board have each recommended approval of a new agreement,

NOW, THEREFORE, BE IT RESOLVED THAT the City Commission of the City of Battle Creek hereby authorizes the City Manager to enter into the attached agreement with BCU and BC/CAL/KAL for the provision of modified and expanded services in the areas of industrial and commercial marketing endeavors.

## A G R E E M E N T

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1983, between and among the City of Battle Creek, a Michigan municipal corporation, hereinafter called "the City", Battle Creek Unlimited, Inc., a Michigan nonprofit corporation, hereinafter called "BCU", and BC/CAL/KAL Inland Port Authority of South Central Michigan Development Corporation, a Michigan nonprofit corporation, hereinafter called "BC/CAL/KAL".

WHEREAS, the City, BCU and BC/CAL/KAL have been operating under an Agreement dated the 1st day of July, 1978, calling for the orderly marketing and development of the Fort Custer Industrial Park and the Frederick R. Brydges Customs Cargo Center and Foreign-Trade Zone #43 located therein, and

WHEREAS, the City has recently annexed the former Township of Battle Creek and amended its charter to provide for a Merger of Equals in order to broaden the economic base of the City so that it can become a more effective partner with BCU, BC/CAL/KAL, business, industry, organized labor, minorities, foundations, and education in the economic development of Battle Creek, and

WHEREAS, pursuant to said Merger of Equals the City will become the beneficiary of contributions from local business and industry of the property tax savings realized by them as a result of the Merger, together with matching contributions from other private and public sources, thus creating an Area Economic Development Fund hereinafter called the "Fund", and

WHEREAS, a so-called Ad Hoc Committee, in addition to the development of the Fund proposal, has developed a Long-Range Development and Revitalization Plan for the City, hereinafter called the "Plan", and an organizational structure for economic development which calls for BCU and BC/CAL/KAL to be the focal point for all commercial and Industrial economic marketing, promotion and development in the New City.

WHEREAS, the City is purchasing a parcel of land from the United States Government under a contract for deed and rental dated the 15th day of January, 1971; hereinafter called "Fort Custer Industrial Park", and is interested in its orderly development for the benefit of the City and all persons in the area and to alleviate unemployment and promote economic development, and

WHEREAS, BCU has had prepared by the Ballinger Company a Master Plan for the orderly development of Fort Custer Industrial Park, and

WHEREAS, the City has caused the construction of a multi-modal cargo warehouse and terminal and office facility, hereinafter called the "Customs Cargo Center", with funds granted to it by the Economic Development Administration of the United States Government and with funds borrowed through the issuance of Economic Development Corporation Revenue Bonds and has deeded the Customs Cargo Center to the Economic Development Corporation of the City of Battle Creek under a Grant on Condition of Reverter dated as of July 1, 1978, in which Center there are to be conducted the following activities:

1. United States Customs clearance services;
2. Multi-modal transportation warehouse and distribution services;
3. Freight forwarding, customhouse brokerage, cargo claims, freight consolidation and related transportation services;
4. Bonded warehousing services;
5. Foreign-trade zone services,

and

WHEREAS, the City has been designated by the United States Customs Service of the Department of the Treasury as a Customs Port of Entry and by the United States Department of Commerce, Foreign-Trade Zone #43, and


WHEREAS, BCU and BC/CAL/KAL have been organized as nonprofit corporations for the purpose of promoting, marketing and developing industry and commerce.



NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, IT IS AGREED by the parties hereto as follows:

1. BCU, as the exclusive agent of, and for and on behalf of the City, does hereby agree that it shall:
  - (a) Market and promote industrial and commercial development in accordance with the Plan;
  - (b) Administer the Fund in connection therewith, seek and obtain matching contributions from local, state and national public and private sources in order to leverage the contributions of local business and industry to the maximum extent possible for economic development purposes;
  - (c) Work with other local agencies and individuals representing the Chamber of Commerce, organized labor, minorities, foundations and education in order to implement the organizational structure and in connection therewith, to restructure its Board and Executive Board in order to provide appropriate representation of said groups;
  - (d) Negotiate, on behalf of the City and other property owners within the City of Battle Creek, with persons who indicate an interest and ability to undertake industrial and commercial projects at Fort Custer Industrial Park, the Customs Cargo Center and other areas within the City designated from time to time for industrial and commercial development;
  - (e) Maintain for and on behalf of the City that portion of the property within Fort Custer Industrial Park which has not been sold or dedicated to the general public;

- (f) Operate and maintain the Customs Cargo Center, including but not limited to providing all services needed for operating the domestic warehouse and bonded warehouse and providing janitorial, snow removal and other services to the tenants and users as required under leases and other contracts executed for and on behalf of the City with the tenants and users.
- (g) Perform all of the functions of the Issuer referred to in the Grant on Condition of Reverter pursuant to which the Economic Development Corporation Revenue Bonds were issued, including the collection of all revenues from rentals or other charges received for the use and occupancy of the Customs Cargo Center;

 For the purpose of carrying out its function, BCU is hereby authorized to hire such employees, agents, consultants and independent contractors, and may form such subsidiary or affiliated corporations as BCU deems reasonable and necessary to the extent of funds available from grants made by the City, Federal, State and County agencies and from grants and donations from private individuals and organizations (but not from revenues derived from the sale of land, the leasing of space in the Customs Cargo Center or from income from the operation of the domestic and bonded warehouse or Foreign-Trade Zone); provided, however, that BCU shall not bind the City to any sales agreement, lease, contract or other obligation with respect to the City's property without first obtaining the prior written consent of the City.

2. BC/CAL/KAL shall:

- (a) Administer for and on behalf of the City the Port of Battle Creek/South Central Michigan, including maintaining relations with the United States Customs

Service and the users of the Port, and assist and advise the City and BCU from time to time in promoting such services to the users as may from time to time be desirable and financially feasible;

- (b) Assist and advise BCU and the City in the operation of the domestic and bonded warehouse, including but not limited to the development for adoption by the City of tariffs, policies and procedures in accordance with applicable Federal, State and Local laws and regulations;
- (c) Operate for and on behalf of the City Foreign-Trade Zone #43, including the development for promulgation by the City of policies and procedures (including the determination of criteria for establishing Sub-zones), rules and regulations for the use of the Foreign-Trade Zone #43, the provision of security for the Foreign-Trade Zone #43 and the preparation and filing of all necessary and applicable forms and reports required by the Foreign-Trade Zones Board and United States Customs Service and, further, assist the City and BCU in the promotion of such services to the users as may from time to time be desirable and financially feasible.

For the purpose of carrying out the functions of BC/CAL/KAL as set forth herein, BCU hereby agrees to hire such employees, agents, consultants and independent contractors as BC/CAL/KAL and BCU deem reasonable and necessary to the extent of funds available from grants from the City, Federal, State and County agencies and from grants and donations from private individuals and organizations (but not from revenues derived from the sale of land, the leasing of space in the Customs Cargo Center or from income from the operation of the domestic and bonded warehouse or Foreign-Trade Zone); provided, however, that BC/CAL/KAL and BCU shall not bind the City to any sales

agreement, lease, contract or other obligation without first obtaining the prior written consent of the City.

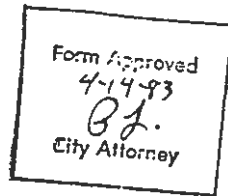
3. The City does hereby designate BCU and BC/CAL/KAL as its exclusive agents to carry out the functions herein set forth and does hereby further agree that it shall:

- (a) Maintain the roads, railroads, water, sewer and other public facilities within and provide police, fire and other municipal services to the persons occupying property within Fort Custer Industrial Park in the same manner as provided to other residents of the City.
- (b) With the advice and counsel of BCU and BC/CAL/KAL, design, finance and construct the following public facilities for use by the present and future occupants of Fort Custer Industrial Park: water systems for drinking, manufacturing and fire protection, public roads and storm sewers, sanitary sewers, railroad trackage within rights of way to be retained by the City, berms and buffer strips along Dickman Road and other areas, and such other public facilities as are outlined in the Master Plan prepared by Ballinger Company at such time and in such manner as may from time to time be approved by the City Commission.
- (c) With the advice and counsel of BCU and BC/CAL/KAL, promulgate from time to time a Schedule of Rates and Charges for the use and occupancy of the Customs Cargo Center and for the purchase of services provided by BCU under the terms of this Agreement.
- (d) With the advice and counsel of BCU, establish prices and other terms and conditions for the sale of land at Fort Custer Industrial Park.
- (e) Provide BCU and BC/CAL/KAL with the funds which the parties shall from time to time agree the City must provide as provided in paragraph 4 in order that BCU and BC/CAL/KAL can fulfill their responsibilities as outlined herein.

- (f) Establish and maintain the necessary and appropriate procedures and accounts to insure that revenues derived from sale of land are reserved and expended to pay for the costs of construction and financing of the public facilities constructed by the City as provided in subparagraph (b) above.
  - (g) Establish and maintain the necessary and appropriate procedures and accounts to insure that revenues to the City from occupants of the Park and persons working therein by way of real and personal property taxes and corporate and individual City income taxes and expenses of the City in providing police, fire and other municipal services to the occupants of Fort Custer Industrial Park are identified.
  - (h) With the advice and counsel of BCU, establish policies with respect to the granting of property tax abatements and the use of tax increment financing in connection with industrial and commercial projects in the City.
- 4. Annually, at a time determined by mutual consent between BC/CAL/KAL, BCU and the City, the parties will use their best efforts to establish a budget for BC/CAL/KAL and BCU for the ensuing year to finance the needs of BCU and BC/CAL/KAL in fulfilling its obligations hereunder.
  - 5. Annually, within 90 days after the close of the fiscal year of BCU and BC/CAL/KAL, each shall submit to the City an activities and achievement report of their financial affairs for the year then ending.
  - 6. The City shall have the rights at all reasonable times and places to inspect all of the records and accounts of BCU and BC/CAL/KAL.
  - 7. On termination of this Agreement, BCU and BC/CAL/KAL shall return to the City any funds provided by the City and not expended or required to be paid for the lawful obligations of BCU or BC/CAL/KAL under the terms hereof prior to termination.

8. BCU and BC/CAL/KAL agree that discrimination against any person and/or business organization in the recruitment, examination, appointment, training, promotion, retention, discipline, or any other aspect of Fort Custer Industrial Park and the Customs Cargo Center, Foreign-Trade Zone #43 and the Customs Port of Entry administrative practices on the basis of race, color, religion, national origin, handicap, sex, age, weight or height shall be prohibited.
9. This Agreement shall commence on the 1st day of January, 1983, and shall continue in effect and automatically be renewed on a yearly basis beginning on the 1st day of July, 1983, and on the 1st day of July of each year thereafter, unless either party gives the other written notice of termination ninety (90) days, or more, prior to June 30th of any year provided, however, the City may terminate BCU's agency as set forth in Paragraph 1(f) and 1(g) without prior written notice in the event BCU shall fail to perform all or any part of its duties as provided therein, and any party may terminate this Agreement for cause upon thirty (30) days prior written notice to the other parties hereto in the event the party so charged fails to cure the default as set forth in said written notice within said thirty (30) days.
10. All prior agreements by and between the parties hereto, including but not limited to the agreements dated the 18th day of August, 1971, and the 19th day of August, 1976, and the 1st day of July, 1978, are hereby terminated and all of the rights and obligations of the parties hereto thereunder shall, effective the 1st day of January, 1983, be governed by this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement on  
the date first written above pursuant to resolutions of their  
governing bodies.



CITY OF BATTLE CREEK

By-

BATTLE CREEK UNLIMITED, INC.

By-

BC/CAL/KAL INLAND PORT AUTHORITY OF  
SOUTH CENTRAL MICHIGAN DEVELOPMENT  
CORPORATION

By-

Figure 18

Land Contract Agreement between  
The BCTIFA and the City of Battle Creek





# RESOLUTION

NO. 494

A Resolution authorizing the City Manager to execute a Land Contract between the City of Battle Creek and the Battle Creek Tax Increment Finance Authority for the sale of City-owned property in the Fort Custer Industrial Park, for \$8,690,000.

BATTLE CREEK MICH., August 18, 1992

Resolved by the Commission of the City of Battle Creek:

WHEREAS, the City has agreed to sell, and the Battle Creek Tax Increment Finance Authority has agreed to purchase, by Land Contract, approximately 1,580 acres of City-owned property in Fort Custer Industrial Park; and

WHEREAS, the purchase price of said property is \$8,690,000, together with interest on the unpaid balance at a rate of 9% per annum, to be amortized over a 20-year period with annual payments of \$951,959;

NOW, THEREFORE, BE IT RESOLVED THAT the City Manager is hereby authorized to execute a Land Contract, a copy of which is attached hereto and made a part hereof, by and between the City of Battle Creek and the Battle Creek Tax Increment Finance Authority for the sale of approximately 1,580 acres of City-owned property in the Fort Custer Industrial Park, for the sum of \$8,690,000, plus interest, to be amortized over a 20-year period, with annual payments of \$951,959.

LAND CONTRACT - FORT CUSTER

THIS CONTRACT made and executed this \_\_\_\_\_ day of \_\_\_\_\_, 1992 between CITY OF BATTLE CREEK, a Michigan municipal corporation, whose address is P. O. Box 1717, Battle Creek, MI 49016-1717, hereinafter called "Vendor", and BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY, an authority organized and existing under and by virtue of the laws of the State of Michigan, whose address is c/o 435 S. Moorland Drive, Battle Creek, MI 49015, hereinafter called "Purchaser",

WITNESSETH:

That in consideration of the promises hereinafter contained, it is agreed:

1. Vendor hereby sells to Purchaser the premises situated in the City of Battle Creek, County of Calhoun, Michigan, described as follows:

EXHIBIT A Attached Hereto

PRICE AND TERMS OF PAYMENT:

2. Purchaser buys said premises, and agrees to pay therefore the sum of EIGHT MILLION SIX HUNDRED NINETY THOUSAND (\$8,690,000.00) DOLLARS as follows: The entire balance, together with interest from the date hereof on the whole sum from time to time remaining unpaid at the rate of nine (9%) percent per annum, shall be paid as follows:

Twenty (20) annual payments of NINE HUNDRED FIFTY-ONE THOUSAND NINE HUNDRED FIFTY-NINE (\$951,959.00), the first payment due on June 30, 1993, and a payment due on June 30th each year thereafter until the whole principle sum and accrued interest shall have been fully paid, or until the balance owing on this Contract shall equal the balance owing by Vendor upon any mortgage upon said premises, which purchaser hereinafter agrees to assume. Assumption of a balance owing on such mortgage shall be considered payment of a like amount on the balance owing on this Contract. Payment shall be first applied on accrued interest and the balance upon principle. It is further agreed that any annual payment may be accelerated up to 365 days by Vendor by giving Purchaser thirty (30) days written notice of a demand to pay in advance. Monies paid on an advance payment made pursuant to this provision shall also be first applied to accrued interest and the balance upon principle.

POSSESSION:

3. Purchaser shall have possession of said premises at Closing.

TITLE OF VENDOR:

4. Vendor represents in this Contract that except as otherwise expressly stated in this Contract, Vendor has a merchantable title to said premises on the date hereof by virtue of a properly executed and recorded deed, subject only to easements and restrictive covenants now of record, if any; and that the Vendor's title is

free and clear of all other encumbrances except the following, if any: Options to Purchase granted to Gala Food Processing, Inc., and Nippondenso Manufacturing USA. Proceeds from the sales on these Options shall be subject to payment as provided by paragraph 16. Further, Vendor has a Lease with the United States of America for certain lands used by the Department of the Navy, and will enter into a new lease for the same purpose which Purchaser hereby consents to, even if entered into after the date of this Contract.

#### RIGHT TO ENCUMBER:

5. Vendor may renew any present mortgage upon said premises, or replace same with a new mortgage thereon containing similar terms during the effective period of this contract. Said renewal and replacement shall create a lien on said premises prior to the rights of purchaser; or Vendor may place a new mortgage thereon during the effective period of this contract which shall create a lien on said premises prior to the rights of purchases, provided: (1) Interest rate therein shall not exceed that herein specified; (2) Amounts of Installments and final payments on said mortgage shall not exceed respectively the corresponding minimum installment and final payments stipulated by this contract; (3) Due dates of payments on said mortgage shall not require installment payments or final payment in advance of the time provided for said payments in this contract, nor shall mortgage restrict the time of payments thereon to a date later than is provided for similar payments on this contract; (4) Such mortgage shall not be in an amount in excess of the balance then owing on this contract.

In the event that Purchaser reduces the amount owing on this contract to an amount equal to that owing by Vendor on any present mortgage on said premises, or on a replacement or new mortgage thereon given in accordance with the terms hereof, then Purchaser shall be entitled to, and shall accept, a warranty deed of said premises, subject to said mortgage, which mortgage purchaser shall thereon assume and agree to pay.

In the event the Vendor shall fail to pay any sums of money required to be paid by the terms of said mortgage or the note secured thereby, the purchaser may, at purchaser's option, make such payments, and all sums so paid shall apply against the next sums due and owing for monthly installments on this contract.

#### TAXES:

6. Vendor represents that all general property taxes which have heretofore become due and payable upon said lands and all special assessment taxes which have become a lien against said lands, whether payable in installments or otherwise, have been fully paid except: NO EXCEPTIONS

which purchaser agrees to pay. Purchaser also agrees to pay when due all other taxes and assessments of every nature which shall become a lien upon said premises hereafter until said purchase price has been paid in full as herein agreed.

#### INSURANCE:

7. Purchaser agrees to procure and pay for fire and extended coverage insurance upon all buildings now or hereafter situated on said premises, in such company, and in such amounts, as Vendor shall approve, from the date hereof to the date of delivery to Purchaser

of the conveyance of Vendor's interest in said premises. Said policies of insurance shall correctly state the names of parties in interest to whom loss shall be payable, and shall be delivered upon insurance to Vendor. Upon completion of payments on this contract as agrees, Vendor agrees to assign Vendor's interest in said policies to Purchaser, and to deliver said policies and assignments to Purchaser.

#### RIGHT TO ADD TAXES AND INSURANCE

8. Should Purchaser fail to perform his obligation as agreed in paragraph 6 and/or 7 of this contract, Vendor may pay such unpaid tax and/or assessment, and/or insurance premium, and the amount thus expended shall forthwith be added to the balance then unpaid on this contract, and shall become due at once, and shall bear interest at the rate applicable to said balance until paid.

#### PAYMENTS IN ADVANCE

9. Purchaser shall have no right to make payments in advance of the time they shall become due under the terms of this Land Contract, except accelerated payments provided for in paragraphs 2, 4, 11 and 16.

#### WAIVER OF PRINCIPLE OR INTEREST

10. Vendor may agree to waive the payment of principle or interest in any year. The amount so waived, whether principle or interest, shall thereafter become part of the principle balance, just as if the sum had been set forth in paragraph 2, and shall thereafter be paid according to the terms set forth in paragraph 2 and shall accrue interest from the date payment of said principle or interest shall have been waived.

#### REPAIRS AND IMPROVEMENTS

11. Until complete performance on his part by Purchaser, said Purchaser shall commit no waste on said premises, except Purchaser may timber, with Vendor's consent, proceeds subject to payment pursuant to paragraph 16, and shall keep same in good repair and in as good condition as they are now in. All buildings and improvements now on said premises, and all improvements hereafter made by the Purchaser to said premises shall remain as security for the performance of this contract and shall be deemed part of the real estate.

#### RESTRICTIONS AND EASEMENTS

12. Valid, presently effective, restrictions and easements now of record, if any, applying to and affecting the use of said premises are incorporated herein and made a part of this contract by reference, and shall be excepted from the warranties of the conveyance to be given Purchaser pursuant to this contract.

#### TIME OF ESSENCE AND RIGHT TO ACCELERATE

13. Time of payment shall be of the very essence of this contract.

If any money which Purchaser agrees to pay to the Vendor by the terms of this contract shall remain due and unpaid for ninety (90) days, Vendor may declare the whole balance then owing hereon due and payable forthwith, when this is not prohibited by law in the court in which the forfeiture or foreclosure action is brought.

#### CONVEYANCE

14. When all sums required by this contract to be paid to the Vendor have been fully paid, the Vendor shall convey said premises to the Purchaser by quit claim deed, containing exceptions as to the easements, restrictive covenants, or encumbrances subject to which the Purchaser has agreed to take or to assume. Such deed may also except such liens, encumbrances, or claims of others, if any, arising by reason of the acts or neglects of the Purchaser after the date of this contract. In the event Probate Court fiduciaries, or trustees are then acting as Vendor, said premises may be conveyed by proper covenant deed.

#### ABSTRACT OR OTHER GUARANTY OF TITLE

15. Purchaser is satisfied that Vendor has good title to the premises and agrees to accept the deed specified in paragraph 14 without further requirement of Vendor to prove good title. Vendor warrants that from the date of this Land Contract until the date of conveyance it will do nothing to impair its title in the premises, except as permitted by this Contract, and any defects which have occurred between the date of this Contract and the date of conveyance caused by Vendor shall be cured at Vendor's expense within a reasonable time after conveyance.

#### PARTIAL RELEASE

16. Vendor agrees that the main purpose for this Land Contract is to permit Purchaser from time to time to sell portions of the land subject to this Contract for development in Fort Custer Industrial Park. Vendor, therefore, agrees from time to time to release a portion of the premises and convey by quit claim deed to Purchaser that portion which Purchaser desires to transfer to a third party. Purchaser shall apply to the City Manager of the City of Battle Creek for consent for sale and if the City Manager approves the sale, which approval shall not be unreasonably withheld, Vendor shall release its lien and convey said portion to Purchaser or said third party as Purchaser may direct. The City Manager is hereby authorized to release said parcel and to execute such deeds or other documents as may be required to effectuate the transfer. Purchaser may retain all sums received from third parties if Purchaser is not in default under this Contract, unless demand for payment is made by Vendor when consent to sale is given, in which case sale proceeds shall be paid to Vendor and shall reduce the principle sum by the amount so paid.

#### COOPERATION IN PLATTING

17. The parties hereby agree that presently and from time to time certain portions of the subject premises may be platted and both parties agree that they will cooperate and execute those documents necessary to plat the premises, or any portion of the premises.

## BATTLE CREEK UNLIMITED DEVELOPMENT AGREEMENT

18. The parties agree that Vendor has entered into a certain Development Agreement with Battle Creek Unlimited for the marketing of the land subject to this Contract. Purchaser hereby recognizes and agrees to honor that Agreement and any future amendments between Battle Creek Unlimited, or its successor, and the City of Battle Creek.

## STANDARD SALES AGREEMENT

19. Purchaser agrees to use the standard sales agreement in its present form, Exhibit B, or a form which may from time to time be amended by the City Commission of the City of Battle Creek, as a condition of sale to any third party and as a condition for the City Manager's approval pursuant to paragraph 16 so long as there is a balance remaining outstanding on this Land Contract.

## ASSIGNMENT

20. Both parties acknowledge that this Contract is a document between a municipal corporation and its tax increment financing authority. That the peculiar nature of the relationship of the parties precludes the assignment of either party's interest without the consent of the other party. The duties to be performed by each party to this Contract are so unique and peculiar that only full agreement between the parties as to subsequent assignees will result in a complete and adequate performance under this Contract.

## DEFAULT

21. Upon default by the Purchaser in making any of the payments required by this contract, or in any of the other covenants or agreements required by this contract to be performed by the Purchaser, the Vendor may: (a) bring an action against the Purchaser at law for the balance of the agreed purchase price, or for any and all past due sums due and owing on said land contract; (b) foreclose this contract by action in the circuit court; (c) terminate or forfeit this land contract by summary proceedings in the district court, in the manner and with the remedies and effect now provided by Act 120, Michigan Public Acts, 1972, (M.S.A. 27A5701 et seq.) or any future amendment thereto.

## SERVICE OF NOTICE AND PROOF OF SERVICE

22. Service of said copy of an assignment and of any notice necessary to enforce the rights of any party hereto, shall be sufficient (1) if served personally upon the other parties to this contract, or (2) if served by ordinary first class mail addressed to such other parties at their actual addresses, or at the address given in this contract for them, or if they are assignee, at the address given for them in the copy of assignment served as above provided.

Proof of mailing of notices as provided above shall constitute proof of service of such notices, as of one day after the date of mailing. If no address has been given to Vendor by the then holder of Purchaser's interest, said notices shall be mailed to Purchaser or his assignee at the mailing address of the premises described in Paragraph 1 above.

## NOVATION

23. No assignment of this contract, payment by or acceptance of payments from a person not a party hereto, nor other act of any kind shall operate to release the personal liability of Vendor or Purchaser under this contract, nor shall such acts constitute a novation and operate to create a personal liability on any assignee of the Vendor's or Purchaser's interest therein, unless such release and assumption of liability shall be specifically agreed in writing, signed by the party releasing such personal liability and by the party assuming such obligation.

## DEFINITIONS AND APPLICATION

24. The terms of this contract shall apply to, and bind, the heirs, executors, administrators, assigns, successors, survivors, and all other persons claiming any rights in said premises through or under the original parties hereto. The terms "vendor" and "purchaser" shall include masculine, feminine, or neuter parties, in the singular or plural.

## COSTS FOR NOTICES

25. Purchaser agrees that, in the event Vendor causes to be prepared and served any notices for the purpose of enforcing Vendor's rights under this contract in relation to acceleration of the balance owing hereunder, and/or forfeiture of the rights of Purchaser hereunder, the actual expenses of the preparation and/or service of said notices not to exceed Fifty (\$50.00) Dollars for each such notice, shall be added to the principal balance owing hereunder, and shall be immediately due and payable. Purchaser further agrees that the reimbursement of Vendor for such expenses shall be made a condition to reinstatement and/or redemption of the rights of Purchaser hereunder, and shall be so designated in any notices and/or judgments which may be executed or entered to enforce the rights of Vendor hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this contract in duplicate.

WITNESSES:

Geraldine T. Hofer  
Geraldine T. Hofer

Mary K. Mead  
Mary K. Mead

WITNESSES:

Robynette Drummer  
Paula A. Young

CITY OF BATTLE CREEK

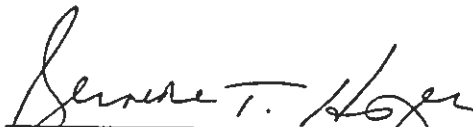
Rance L. Leaders  
BY: RANCE L. LEADERS  
Its: City Manager

BATTLE CREEK TAX INCREMENT  
FINANCE AUTHORITY

Kenneth Dotson  
BY: Kenneth Dotson  
Its: Chairman


STATE OF MICHIGAN )  
 ) SS  
COUNTY OF CALHOUN )

19<sup>th</sup> The foregoing instrument was acknowledged before me this day of August 1992, by Rance L. Leaders, City Manager of the City of Battle Creek, a Michigan municipal corporation, on behalf of the corporation and pursuant to Res. 494 dated 8-18-92, 1992.

  
Geraldine T. Hofer, Notary Public  
Calhoun County, Michigan  
My Commission Expires: 6/24/95

STATE OF MICHIGAN )  
 ) SS  
COUNTY OF CALHOUN )

24<sup>th</sup> The foregoing instrument was acknowledged before me this day of August 1992 by Kenneth Dotson, Chairman of the Battle Creek Tax Increment Finance Authority, on behalf of said Authority and pursuant to authority granted by the Authority.

  
Judy D. Curtis, Notary Public,  
Calhoun County, Michigan  
My Commission Expires: 7/21/96

This Instrument Drafted By:  
PAUL R. LEVY, Esquire  
P. O. Box 1717  
Battle Creek, MI 49016  
(616) 966-3385





777 West Goguac  
Battle Creek, Michigan 49015  
(616) 963-7778  
FAX: (616) 963-1860

DESCRIPTION FOR TIFA PURCHASE OF FORT CUSTER INDUSTRIAL  
PARK LAND FROM THE CITY OF BATTLE CREEK:

Lots 1 through 25, inclusive, of "Battle Creek Industrial Park", according to the Plat thereof as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on pages 37 through 44. EXCEPT, That part of Lot 1 described as:

Beginning at a point on the West line of Lot 8 of "Battle Creek-Fort Custer Urban Renewal Plat", as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on page 1; distant  $S03^{\circ}48'32''E$ , 37.00 feet from the Northwest corner of said Lot 8; thence  $N89^{\circ}50'32''E$ , 198.61 feet; thence Easterly, 207.50 feet along the arc of a curve to the right whose radius is 1030.78 feet, and whose chord bears  $S84^{\circ}23'27''E$ , 207.15 feet; thence Southeasterly, 38.92 feet along the arc of a curve to the right whose radius is 25.00 feet, and whose chord bears  $S34^{\circ}01'14''E$ , 35.11 feet to the Westerly right-of-way line of Clark Road; thence  $S10^{\circ}34'58''W$ , along said Westerly right-of-way line, 487.66 feet; thence  $N65^{\circ}06'12''W$ , 340.92 feet to the West line of said Lot 8; thence  $N03^{\circ}48'32''W$  (recorded as  $N03^{\circ}49'07''W$ ), 385.49 feet to the point of beginning.

ALSO, that part of Lots 3 and 4 of "Fort Custer Industrial Park", according to the Plat thereof as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 18 of Plats, on page 10, described as: Beginning at the Northwest corner of said Lot 4; thence  $N89^{\circ}47'40''E$  along the North line of said Lot 4 a distance of 432.78 feet; thence  $S01^{\circ}13'39''E$ , 498.80 feet; thence  $S07^{\circ}41'05''W$ , 348.45 feet to the North line of Dickman Road; thence  $S82^{\circ}18'55''W$  along said Dickman Road, 77.58 feet to the Southeast corner of Lot 5 of said Plat; thence  $N07^{\circ}41'05''W$  along the East line of said Lot 5 a distance of 311.63 feet to the Northeast corner of said Lot 5; thence  $N85^{\circ}21'05''W$  along the North line of said Lot 5 a distance of 696.67 feet to the Northwest corner of said Lot 5; thence  $N00^{\circ}59'54''W$ , 434.02 feet to the North line of said Lot 3; thence  $N89^{\circ}47'40''E$  along the North line of said Lot 3 a distance of 358.20 feet to the place of beginning.

ALSO, that part of Lots 7 and 8 of "Fort Custer Industrial Park", according to the Plat thereof as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 18 of Plats, on page 10, described as: Beginning at the Southwest corner of said Lot 8; thence  $N08^{\circ}39'15''W$  along the West line of said Lot 8 a distance of 315.71 feet; thence 143.82 feet along said West line and the arc of a curve to the right whose radius is 974.12 feet, and whose chord bears  $N04^{\circ}25'29''W$ , 143.69 feet; thence  $N00^{\circ}11'42''W$  along said West line, 22.51 feet; thence  $N88^{\circ}30'56''E$ , 816.89 feet to the East line of said Lot 7; thence  $S07^{\circ}41'05''E$  along said East line 393.24 feet to the Southeast corner of said Lot 7; thence  $S82^{\circ}18'55''W$  along the South line of said Lots 7 and 8 a distance of 817.88 feet to the place of beginning.

4" ALSO, Lot 1 of "Battle Creek-Fort Custer Urban Renewal Plat", as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on page 1, EXCEPT, That part now being Clark Road as relocated. ALSO EXCEPT, that part conveyed in Liber 1471 of Deeds, on page 364, of Calhoun County Records.

5" ALSO, Lot 36 of "Battle Creek-Fort Custer Urban Renewal Plat", as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on page 1, EXCEPT, that part described as: Beginning at the Southerly most corner of Lot 36 of "Battle Creek-Fort Custer Urban Renewal Plat", City of Battle Creek, Calhoun County, Michigan, according to the Plat thereof as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on page 1; thence  $N35^{\circ}02'35''W$  along the Northeasterly line of Dickman Road 400.80 feet; thence 552.71 feet along said Northeasterly line of Dickman Road and the arc of a curve to the left whose radius is 4127.44 feet, and whose chord bears  $N38^{\circ}52'45''W$ , 552.29 feet; thence  $N38^{\circ}59'21''E$ , 204.21 feet; thence  $N46^{\circ}05'03''E$ , 701.67 feet; thence  $N82^{\circ}15'23''E$ , 1015.90 feet; thence  $S30^{\circ}57'28''E$ , 234.18 feet; thence  $S23^{\circ}13'30''E$ , 435.63 feet to the Southeasterly line of said Lot 36; thence  $S55^{\circ}17'33''W$ , along said Southeasterly line of Lot 36, a distance of 1649.53 feet to the place of beginning. ALSO EXCEPT, that part of said Lot 36 as conveyed in Liber 1400 of Deeds, on page 817, of Calhoun County Records, described as: Commencing at the West quarter post of said Section 32; thence along the East and West quarter line of said Section  $S89^{\circ}58'03''E$ , 2668.98 feet, more or less, to the point of beginning; thence  $N45^{\circ}09'00''E$ , 229.79 feet, more or less, to a point; thence  $S77^{\circ}30'38''E$ , 128.85 feet, more or less, to a point; thence  $S14^{\circ}54'27''E$ , 441.28 feet, more or less, to a point; thence  $S45^{\circ}06'58''W$ , 472.34 feet, more or less, to a point; thence  $N74^{\circ}53'15''W$ , 444.41 feet, more or less, to a point; thence  $N14^{\circ}50'15''W$ , 122.90 feet, more or less, to a point; thence  $N45^{\circ}09'00''E$ , 554.26 feet, more or less, to the point of beginning.

6" ALSO, Lot 7 of "Battle Creek-Fort Custer Urban Renewal Plat", as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on page 1, EXCEPT, that part now being Clark Road right-of-way.

TIFA  
cont.

page 3

Under  
Option  
or lease

7

ALSO, that part of Lot 73 of "Battle Creek-Fort Custer Urban Renewal Plat", described as: Beginning at the Southwest corner of Lot 73 of "Battle Creek-Fort Custer Urban Renewal Plat", as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on page 1; thence  $N00^{\circ}24'31''W$  along the West line of said Lot 73 a distance of 1208.40 feet to the Northwest corner of said Lot 73; thence  $S89^{\circ}53'08''E$  along the North line of said Lot 73 a distance of 386.27 feet; thence  $S00^{\circ}06'52''W$  along the Westerly right-of-way line of Harmonia Road, 70.00 feet; thence 185.53 feet along the Southerly right-of-way line of said Harmonia Road and the arc of a curve to the left whose radius is 70.00 feet and whose chord bears  $S75^{\circ}49'30''E$ , 135.80 feet; thence continuing 75.60 feet along said Southerly right-of-way line of Harmonia Road and the arc of a curve to the right whose radius is 70.00 feet, and whose chord bears  $N59^{\circ}10'30''E$ , 71.98 feet; thence continuing along said Southerly right-of-way line of Harmonia Road  $S89^{\circ}53'08''E$ , 290.21 feet; thence  $S00^{\circ}06'42''E$ , 1134.47 feet to the South line of said Lot 73; thence  $S89^{\circ}35'29''W$  along said South line of Lot 73 a distance of 863.44 feet to the place of beginning. EXCEPTING THEREFROM, the South 80.00 feet thereof.

ALSO, that part of Lot 94 and that part of Outlot "D" of "Battle Creek-Fort Custer Urban Renewal Plat", as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on page 1, described as:

Beginning at a point on the North line of said Lot 94, distant  $S82^{\circ}18'55''W$ , 16.00 feet from the Northeast corner of said Lot 94; thence  $S02^{\circ}49'29''E$ , 839.29 feet to a point on the West line of said Lot 94; thence  $S01^{\circ}44'18''E$  along said West line a distance of 475.48 feet to the Northerly line of Denso Road; thence Northwesterly, 67.38 feet along said Northerly line and the arc of a curve to the right whose radius is 70.00 feet, and whose chord bears  $N62^{\circ}50'01''W$ , 64.81 feet; thence Westerly, 148.81 feet along said Northerly line and the arc of a curve to the left whose radius is 70.00 feet, and whose chord bears  $S83^{\circ}50'24''W$ , 122.33 feet; thence Northwesterly, 274.35 feet along the Easterly line of said Denso Road and the arc of a curve to the right whose radius is 254.56 feet, and whose chord bears  $N39^{\circ}51'24''W$ , 261.27 feet; thence continuing along said Easterly line  $N02^{\circ}30'46''W$ , 92.10 feet; thence continuing along said Easterly line  $N00^{\circ}31'09''E$ , 269.54 feet; thence continuing along said Easterly line  $N02^{\circ}45'41''W$ , 107.66 feet; thence Northwesterly, 394.32 feet along said Easterly line and the arc of a curve to the left whose radius is 348.56 feet, and whose chord bears  $N41^{\circ}23'24''W$ , 373.63 feet; thence continuing along said Easterly line  $N80^{\circ}00'53''W$ , 107.66 feet; thence continuing along said Easterly line,  $N83^{\circ}17'56''W$ , 1.38 feet; thence continuing along said Easterly line  $N80^{\circ}16'01''W$ , 92.10 feet; thence continuing Northwesterly 251.54 feet along said Easterly line and the arc of a curve to the right whose radius is 254.56 feet, and whose chord bears  $N45^{\circ}29'29''W$ , 241.43 feet; thence continuing along said Easterly line  $N25^{\circ}02'19''W$ , 20.77 feet to the North line of said Lot 94; thence  $N82^{\circ}18'55''E$  along said North line of Lot 94 a distance of 932.25 feet to the place of beginning.

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9 { ALSO, Lots 16, 17, 18, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 34, 37, 40, 48, 49, 51, 54, 55, 58, 68, 74, 76, 88, 89 and 93 of "Battle Creek-Fort Custer Urban Renewal Plat", as recorded in the Office of the Register of Deeds for Calhoun County, Michigan, in Liber 19 of Plats, on page 1,

ALSO, all of the proposed Plat of "Battle Creek-Fort Custer Urban Renewal Plat No. 2", described as:

Land located in the Southwest 1/4, Northwest 1/4 and Southeast 1/4 of Section 5, the Southeast 1/4 of Section 6, the Northwest 1/4, Northeast 1/4 and Southeast 1/4 of Section 8, and the Northwest 1/4 of Section 17, Town 2 South, Range 8 West, City of Battle Creek, Calhoun County, Michigan, described as follows:

Commencing at the West 1/4 corner of said Section 5; thence S89°46'42"W, 33.00 feet to the West line of Hill-Brady Road; thence S00°13'18"E, 248.28 feet along said West line of Hill-Brady Road, said West line being 33.00 feet West and parallel to the West line of said Section 5, to the point of beginning, said point also being the most Southerly corner of "Battle Creek-Fort Custer Urban Renewal Plat", as recorded in Liber 19 of Plats, on page 1, in Office of the Register of Deeds for Calhoun County, Michigan; thence N46°57'27"E, 1690.12 feet along the South line of Lot 54 and Outlot "B" of said "Battle Creek-Fort Custer Urban Renewal Plat", (recorded as N47°00'47"E, 1689.76 feet); thence N00°05'41"W, 369.64 feet along the East line of said Outlot "B" (recorded as N00°04'00"W, 370.00 feet); thence N35°04'47"W, 569.51 feet along the Northeasterly line of said Outlot "B" and Lot 53 to the Southwesterly corner of Outlot "C" of said "Battle Creek-Fort Custer Urban Renewal Plat" (recorded as N35°02'35"W, 570.00 feet); thence N55°16'25"E, 497.73 feet along the Southeasterly line of said Outlot "C" and Lot 43 of said "Battle Creek-Fort Custer Urban Renewal Plat" (recorded as N55°17'33"E, 497.79 feet) to the Southwesterly line of "North Custer Park", as recorded in Liber 18 of Plats, on page 18, in the Office of the Register of Deeds for Calhoun County, Michigan; thence S35°03'32"E, 2428.21 feet along said Southwesterly line of "North Custer Park" and said line extended to the East line of General Avenue (recorded as S35°02'35"E); thence S00°16'14"E, 319.45 feet along said East line of General Avenue to the North line of "South Custer Park", as recorded in Liber 18 of Plats, on page 19, in the Office of the Register of Deeds for Calhoun County, Michigan (recorded as S00°16'15"E); thence S89°43'46"W, 274.87 feet along said North line to the Northwest corner of said "South Custer Park" (recorded as S89°43'45"W, 275.00 feet); thence S00°16'14"E, 1684.90 feet along the West line of said "South Custer Park" to the Southwest corner thereof (recorded as S00°16'15"E, 1686.00 feet); thence N89°50'19"E, 729.73 feet along the South line of said "South Custer Park" and the Springfield Corporation line (recorded as N89°50'18"E, 730.00 feet) to the start of a traverse along the shore of Lawrence Lake: thence S59°13'30"W, 140.08 feet; thence S44°36'32"E, 420.43 feet; thence N56°46'23"E, 565.91 feet; thence N04°46'42"E, 62.95 feet to the South line of said "South Custer Park" extended and the Springfield Corporation line and the end of said traverse along the shore of Lawrence Lake; thence N89°50'19"E, 1354.39 feet along said Springfield Corporation line to the Westerly right-of-way line of Skyline Drive (BL-94); thence S01°20'15"W, 231.34 feet along said Westerly right-of-way line; thence S37°11'37"W, 6112.36 feet along said Westerly right-of-way line; thence 1650.75 feet along said Westerly right-of-way line and the arc of a curve to the left whose central angle is 16°05'11", and whose radius is 5879.58 feet, and whose long chord bears S29°09'02"W, 1645.34 feet; thence S88°40'00"W, 561.65 feet to the West line of said Section 17; thence N00°01'10"W, 576.72 feet along said West line of Section 17 to the Southwest corner of said Section 8; thence N00°52'28"W, 2643.84 feet along the West line of said Section 8 to the West 1/4 corner of said Section 8; thence N00°48'19"W, 2654.56 feet along said West line of Section 8 to the Southwest corner of said Section 5; thence S89°52'08"W, 33.00 feet; thence N00°13'18"W, 2388.67 feet along the West line of Hill-Brady Road and extension thereof to the point of beginning. Includes all land to the waters edge of Lawrence Lake.

10 EXCEPTING THEREFROM, those parcels of land as conveyed in Liber 1319 of Deeds, on page 761; Liber 1441 of Deeds, on page 927; Liber 1445 of Deeds, on page 87; Liber 1458 of Deeds, on page 755; Liber 1477 of Deeds, on page 520; Liber 1509 of Deeds, on page 776; Liber 1521 of Deeds, on page 456; Liber 1544 of Deeds, on page 683; Liber 1556 of Deeds, on page 670; Liber 1558 of Deeds, on page 965 of Calhoun County Records.

ALSO EXCEPT, all street or road right-of-ways and all Outlots for future streets or roads lying within said proposed plat of "Battle Creek-Fort Custer Urban Renewal Plat No. 2".

11 ALSO: a parcel in Sections 7 and 18, Town 2 South, Range 8 West, City of Battle Creek, Calhoun County, Michigan, described as follows: Beginning at a point on the East line of Section 7, Town 2 South, Range 8 West, City of Battle Creek, Calhoun County, Michigan, distant  $S00^{\circ}47'48''E$ , 33.00 feet from the Northeast corner of said Section 7; thence  $S00^{\circ}47'48''E$  along said East Section line, 2622.13 feet to the East  $1/4$  post of said Section 7; thence  $S00^{\circ}52'16''E$  along said East Section line, 2645.99 feet to the Southeast corner of said Section 7; thence  $S00^{\circ}01'10''W$  along the East line of Section 18, Town 2 South, Range 8 West, 576.72 feet to the Northerly line of Old Territorial Road; thence  $N88^{\circ}40'00''E$  along said Northerly line of Old Territorial Road, 561.65 feet to the Easterly right-of-way line of Skyline Drive; thence 865.02 feet along said Easterly right-of-way line of Skyline Drive and along the arc of a curve to the left whose radius is 5649.58 feet, and whose chord bears  $S17^{\circ}42'26''W$ , 864.17 feet; thence  $N89^{\circ}37'00''W$  parallel with the North line of said Section 18 a distance of 3386.89 feet; thence  $N00^{\circ}52'16''W$ , 6638.29 feet to a point on the South line of Reese Road and 33.00 feet South of the North line of said Section 7; thence  $S89^{\circ}46'20''E$  parallel with said North Section line, 2865.78 feet to the place of beginning.

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cont.  
page 6

ALSO: land located in Section 8, 9, 17 and 20, Town 2 South, Range 8 West, city of Battle Creek, Calhoun County, Michigan, described as:

Beginning at the intersection of the South line of Section 17, Town 2 South, Range 8 West, Calhoun County, Michigan, with the East right-of-way line of Skyline Drive distant N89°57'30"E, 433.03 feet from the Southwest corner of said Section 17; thence N00°54'42"W along the East line of Skyline Drive, 2508.02 feet; thence 3759.54 feet along the East line of Skyline Drive and the arc of a curve to the right whose radius is 5649.58 feet, and whose chord bears N18°09'08"E, 3690.56 feet; thence N37°12'58"E along the East line of Skyline Drive, 1463.47 feet, more or less, to the Southerly line of lands now leased to the Michigan Air National Guard; thence S60°09'15"E, 1822.27 feet, more or less, to the Westerly right-of-way line of Grand Trunk Railroad; thence S29°50'45"W along said Westerly line of Grand Trunk Railroad, 3986.38 feet, more or less, to a point of curvature of said Westerly line of Grand Trunk Railroad; thence 1937.13 feet along said Westerly line of Grand Trunk Railroad and the arc of a curve to the left whose radius is 5951.18 feet, and whose chord bears S20°31'15"W, 1928.59 feet; thence S11°11'45"W along the Westerly line of Grand Trunk Railroad, 542.00 feet to the Northwesterly right-of-way line of Columbia Avenue; thence S41°28'26"W along said Northwesterly line of Columbia Avenue, 1026.69 feet to the East right-of-way line of Skyline Drive; thence N30°27'06"W along said East line of Skyline Drive, 255.10 feet; thence N00°54'42"W along said East line of Skyline Drive, 71.75 feet to the place of beginning.

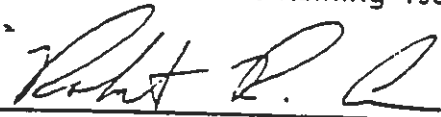
EXCEPTING THEREFROM, that parcel of land as conveyed in Liber 1559 of Deeds, on page 136, of Calhoun County Records, described as: A parcel of land in Sections 8 and 17, Town 2 South, Range 8 West, City of Battle Creek, Calhoun County, Michigan, described as:

Beginning at a point on the South line of Section 8, Town 2 South, Range 8 West, distant S89°50'43"W, 710.12 feet from the South 1/4 post of said Section 8; thence S00°12'58"W, 52.27 feet; thence S10°12'58"W, 237.31 feet; thence 431.27 feet along the arc of a curve to the right whose radius is 315.00 feet, and whose chord bears S49°26'17"W, 398.37 feet; thence S88°39'37"W, 776.98 feet to the Easterly right-of-way line of Skyline Drive; thence 1491.10 feet along said Easterly right-of-way line of Skyline Drive and the arc of a curve to the right whose radius is 5649.58 feet, and whose chord bears N29°39'18"E, 1486.78 feet; thence N37°12'58"E along said Easterly right-of-way line of said Skyline Drive, 646.09 feet; thence S00°12'58"W, 1243.54 feet to the place of beginning.

ALSO EXCEPT, all that part reserved by the City of Battle Creek for the right-of-way of Buckner Road.

ALSO EXCEPT, all that part reserved by the City of Battle Creek for the right-of-way of Logistics Drive.

All of the above containing 1580 acres, more or less.

  
Robert R. Carr, L.L.S. No. 20704

## FORT CUSTER INDUSTRIAL PARK

Battle Creek, Michigan

## SALES AGREEMENT

THIS AGREEMENT, entered into between the CITY OF BATTLE CREEK, a Municipal corporation, hereinafter called "Seller," and \_\_\_\_\_

\_\_\_\_\_, hereinafter called "Purchaser," entered into in the City of \_\_\_\_\_, State of \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

WHEREAS, the seller is the owner of property in Exhibit B and desires to sell same to the Purchaser under the terms and conditions set forth herein and;

WHEREAS, the Purchaser desires to purchase the Premises from the Seller and to use and/or erect buildings and structures thereon for the purpose of \_\_\_\_\_

NOW, THEREFORE, the undersigned for and in consideration of the mutual covenants and agreements contained herein do hereby agree as follows:

1. **SALE OF PREMISES.** The Seller does hereby agree to grant, bargain and convey with a deed in form and substance as set forth in Exhibit A attached hereto the Premises described in Exhibit B (the "Premises") attached hereto at the Closing, together with any Improvements thereon and appurtenances, fixtures and equipment belonging thereto, free and clear of all liens, encumbrances, easements and restrictions other than as set forth in this Sales Agreement.
2. **EARNEST MONEY DEPOSIT; FORFEITURE.** Purchaser hereby agrees to purchase the Premises and does hereby pay Seller as an earnest money deposit and as part of the cash consideration for the purchase of the Premises, the sum of \_\_\_\_\_ (\$ \_\_\_\_\_), receipt of which is hereby acknowledged by Seller. In the event Purchaser defaults in the payment of the balance of the purchase price at the Closing, the earnest money deposit may be forfeited and retained by Seller at its option as liquidated damages.
3. **PURCHASE PRICE; TERMS.** The purchase price for the Premises shall be the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), payable as follows:
  - (a) Earnest money deposit made as per execution of this Agreement \$ \_\_\_\_\_
  - (b) Cash to be paid at Closing (subject to adjustments as herein provided, if any) \$ \_\_\_\_\_
4. **TIME OF ESSENCE; CLOSING.** Time is of the essence of this Sales Agreement. The sale of the Premises by Seller to Purchaser shall be closed on or before 120 days from the date of Seller's acceptance of this Sales Agreement.
5. **TITLE; SURVEY.** A written commitment for title insurance in the amount of the purchase price set forth in Paragraph 3 hereof executed on a date subsequent to the date of Closing by \_\_\_\_\_, showing good and marketable title in the Seller, shall be furnished to Purchaser free of expense within thirty (30) days of execution of this agreement. Any land survey required by Purchaser shall be at Purchaser's expense. Seller further warrants that except as stated herein or in Exhibits A, B, or C attached hereto, there shall be no liens, delinquent taxes or assessments, easements or restrictions on said Premises at the time of Closing. Seller shall furnish a title policy to Purchaser after Closing at no cost to Purchaser.
6. **POSSESSION.** Purchaser shall have possession of the Premises at Closing.
7. **EASEMENTS, RESTRICTIONS AND RESERVATIONS.** The Premises shall be conveyed at Closing to the Purchaser by the Seller subject to all zoning regulations, easements and restrictions of record, including the following:
  - (a) Easements for utilities (including but not limited to telephone, water, gas, electricity and sewer) as set forth in Exhibit B.
  - (b) Protective Covenants as set forth in Exhibit C.
  - (c) The reservation of all oil, gas and minerals in and under the Premises as set forth in Paragraph 21 of this Sales Agreement.
8. **CONDITION OF PREMISES; WARRANTY OF SELLER.** The Purchaser acknowledges that it has had an opportunity to and has inspected the Premises to its satisfaction and agrees that it is purchasing the Premises "as is" and in its present condition. Seller warrants that it has not received any written notifications from any governmental agency requiring any repairs, replacements or alterations to the Premises which have not been satisfactorily made.

9. **BINDING EFFECT; ASSIGNMENT.** This Sales Agreement shall bind the parties hereto together with their successors and assigns; provided, however, that this Sales Agreement is not assignable by the Purchaser without the prior written consent of the Seller except that the Seller does hereby consent to the assignment hereof to \_\_\_\_\_.

10. **PROTECTIVE COVENANTS.** Seller and Purchaser further agree that Seller may impose protective covenants in the form of restrictions upon the Premises in the manner and form as those protective covenants set forth in Exhibit C attached to this Sales Agreement, except as to those terms as may be changed by the parties hereto. Purchaser further agrees to execute necessary and appropriate documents in order to promulgate, impose and record said covenants upon the Premises described herein. Seller and Purchaser further agree that prior to the promulgation, imposition and recording of the covenants set forth in Exhibit C, said covenants shall be included by reference in all deeds given by Seller to Purchaser pursuant to this Sales Agreement and shall therefore be and become appurtenant to the Premises described in said deeds and shall run with said land and shall otherwise bind the Purchaser and Seller and their successors or assigns.

11. **PLAT.** Should Seller desire to prepare and record a plat of part of the property commonly known as Fort Custer Industrial Park and include therein the Premises, Purchaser hereby agrees to execute all documents necessary and appropriate therefor as a proprietor in order to enable Seller to prepare and record said plat as provided by law.

12. **MICHIGAN LAND SALES ACT.** The Purchaser does hereby acknowledge that it has reviewed the Michigan Land Sales Act (Act 286 of the Public Acts of 1972, as amended) and all rules and regulations issued by the Land Sales Division of the Department of Licensing and Regulations, State of Michigan, and does hereby agree with Seller that this Sales Agreement and the transactions contemplated hereunder are exempt from the Michigan Land Sales Act under Section 5 (e) thereof, and Purchaser does hereby waive any and all rights which it might have otherwise had or hereafter acquire under the provisions of said Act.

13. **APPLICABLE LAW.** The Seller and the Purchaser agree that this Sales Agreement shall be governed by and interpreted under the laws of the State of Michigan.

14. **WAIVER OF TERMS.** Waiver by the Seller or the Purchaser of any provision of this Sales Agreement at any time must be in writing and specifically set forth the provisions of this Sales Agreement which are being waived. Any such written waiver shall not be construed as a waiver of this Agreement, or as a waiver of the provisions specifically set forth in said written waiver, in the future, unless the waiver of that provision in the future is specifically set forth therein.

15. **SURVIVAL OF COVENANTS.** Anything in this Sales Agreement to the contrary notwithstanding, all the provisions of this Sales Agreement shall survive the delivery of any conveyances hereunder and shall survive the Closing, it being the intention of the parties hereto that said rights and obligations of the Seller and the Purchaser shall be continuing.

16. **NOTICES.** All notices given under this Sales Agreement shall be in writing and delivered in person or sent by ordinary mail, United States postage prepaid, to the Seller at \_\_\_\_\_

and to the Purchaser at \_\_\_\_\_, or to such other new address as either party shall designate by written notice to the other party in accordance with this Paragraph 16. All notices under this Sales Agreement shall be deemed received by the other party when delivered in person thereto or when deposited in the United States mail, United States postage prepaid, by the sender.

17. **OPTION TO REPURCHASE.** Upon the occurrence of any one or more of the following events at any time prior to the time Purchaser has fulfilled its obligation as provided in Paragraph 22 of this Sales Agreement, Seller shall have an option to repurchase the Premises at the price provided in Paragraph 26 of this Sales Agreement:

- (a) If Purchaser files a voluntary petition in bankruptcy, or for reorganization under the bankruptcy laws, or is adjudged a bankrupt by a court of competent jurisdiction; or
- (b) If Purchaser makes an assignment for the benefit of creditors; or
- (c) If a receiver is appointed by a court of competent jurisdiction for Purchaser's business.

Seller's option to repurchase as provided hereunder shall be for a period of one year following receipt by Seller of notice from Purchaser or its agent of the occurrence of one or more of the foregoing events. The Seller's option to repurchase as provided herein shall be in addition to all other rights and remedies provided by law. During the period of the option to repurchase as provided in this Paragraph 17, Seller shall have the right to enter upon the Premises during normal business hours or at any other time with prior written consent of the Purchaser or its agent to inspect the Premises and any structures erected or partially erected and to show same to prospective purchasers thereof.

18. **NON-DISCRIMINATION COVENANT.** Purchaser hereby covenants and agrees for itself, its successors and assigns and



every successor to the Premises, that the said Purchaser and its successors and assigns shall not discriminate upon the basis of race, color, religion, national origin, sex, age, height or weight as may be prohibited from time to time by law, in the use, occupancy, sale or lease of the Premises or in their unemployment practices conducted thereon as said laws may be enforced from time to time by the agency or agencies having jurisdiction under said laws, and does hereby acknowledge that the United States of America is a beneficiary of this covenant and shall have the right to enforce this covenant in any court of competent jurisdiction.

19. COMPLIANCE WITH DAVIS-BACON FRINGE AND WAGE BENEFITS OF THE BUILDING TRADES DEPARTMENT IN CONNECTION WITH BUILDING CONSTRUCTION, IMPROVEMENT OR RENOVATION AND SITE DEVELOPMENT AND INSTALLATION OF MACHINERY AND EQUIPMENT. In connection with all building construction, improvement or renovation and site development and installation of machinery and equipment on the Premises, Purchaser hereby agrees as follows:

All persons employed on the Premises by Purchaser, contractors, and subcontractors in connection with building construction, improvement or renovation and site development and installation of machinery and equipment shall receive prevailing wages and fringe benefits for corresponding classes of craftsmen, mechanics and laborers, as defined and publicized by the Davis-Bacon Division, Building Trades Department, United States Department of Labor for Calhoun County, Michigan, according to the rules and coverage as adopted by the Federal Government if, at the time of such construction, improvement, renovation or site development, or installation of machinery, the Purchaser is receiving any financial assistance from Seller. "Financial assistance" means tax abatement, loans or grants from Seller or other governmental agency administered by Seller or any other financial aid or grant from Seller. This provision shall remain in effect for this property for so long as any loans are outstanding or tax abatements are in effect or any of the specific work is undertaken with funds provided by the City.

Purchaser further agrees, upon the request of Seller, that it will supply, or cause the contractors and subcontractors to supply, the Seller with the payroll records of all persons employed on the Premises in connection with building construction, improvements or renovation and site development and installation of machinery and equipment, which shall list each person's name, residence address, Social Security number, job classification and hourly wage rate. Purchaser further agrees to take all steps necessary in order to insure compliance with provisions of this Paragraph 19 by all contractors and subcontractors, including, but not limited to, obtaining an affirmative written covenant to comply with the terms hereof from each such contractor or subcontractor enforceable by Seller.

20. TERMINATION BY SELLER ON DEFAULT OF PURCHASER. In addition to all other remedies of Seller provided herein or otherwise provided by law, in the event Purchaser fails to perform any covenant, obligation or agreement as provided herein, Seller may terminate this agreement and, if before Closing, retain as partial damages all sums paid by Purchaser hereunder and, if after Closing, terminate all of Purchaser's rights and interests as set forth hereunder, including but not limited to any option to purchase additional land.

21. RESERVATIONS OF MINERAL AND WATER RIGHTS. Except as otherwise provided herein, Seller hereby reserves unto itself all oil, gas, and mineral rights and rights to all subterranean and percolating waters in and under the Premises, together with the right to construct and maintain walls, pipes, pumps, storage tanks and other facilities necessary to extract same from the Premises, for the exclusive use of Seller (the exact location of which shall be determined by the Seller after consultation with Purchaser; however Seller agrees not to unnecessarily interfere with the use of the Premises by Purchaser for the purposes described above), together with a perpetual easement over said Premises to enter thereon to construct and maintain same; and Purchaser hereby agrees to refrain from taking any action or causing any action to be taken so as to interfere with the above rights, except that Purchaser may use subterranean waters for sprinkling lawns, trees, shrubs, flowers and other vegetation, or for other purposes which allow said water to return to the water table.

22. PURCHASER'S OBLIGATION TO BUILD, MAINTAIN PREMISES. Purchaser hereby agrees that it is acquiring the premises for the purpose of constructing a commercial or industrial building for its own use and in this regard hereby agrees to do the following:

- (a) To prepare preliminary drawings and site plan for the construction of a commercial or industrial building and the landscaping of the Premises (hereinafter referred to as the "development of the Premises"), all in accordance with the requirements provided in Exhibit C of this Sales Agreement and all applicable Federal, State and local zoning, land use, building, construction and other laws, rules, codes and regulations applicable thereto.
- (b) To submit a copy of said preliminary drawings and site plan to the Seller or to Battle Creek Unlimited, Inc., or to the Battle Creek Unlimited Development Review Board, if one is in existence and established as provided in Exhibit C, within one hundred eighty (180) days from the date first written above. Seller or Battle Creek Review Board shall either approve or disapprove the preliminary drawings and site plan within fifteen (15) days and if it fails to notify the Purchaser in writing of its disapproval and the reasons therefore within said fifteen (15) days, said preliminary drawings and site plan shall be deemed approved. If the preliminary drawings and site plan are disapproved, the Purchaser may appeal the decision in matters governed by the local Zoning Ordinance to the Battle Creek Zoning Board of Appeals within fifteen (15) days following disapproval. If no appeal is taken, or if an appeal is taken and the decision is affirmed by the Battle Creek Zoning Board of Appeals, Purchaser agrees to prepare and submit new preliminary drawings and site plan within fifteen (15) days from the date of disapproval or from the date of affirmance by the Battle Creek Zoning Board of Appeals, as the case may be; and Purchaser further agrees to continue to prepare and submit preliminary drawings and site plan in accordance with the above procedure until such time as said preliminary drawings and site plan meet the requirements of this Sales Agreement. It is understood and agreed by the Purchaser that if Purchaser fails to submit the preliminary drawings and site plan as provided herein Seller may, in its sole discretion, terminate and cancel all Purchaser's rights under this Sales Agreement and retain the

earnest money deposit, in addition to all other remedies provided by law.

- (c) Within \_\_\_\_\_ days of Closing, Purchaser hereby agrees to execute the necessary and appropriate agreements committing Purchaser to the construction of the development of the Premises in accordance with the preliminary drawings and site plan approved as provided herein and Purchaser agrees to complete the construction of the development of the Premises and to obtain the necessary permits to occupy same within \_\_\_\_\_ months from the date of Closing.
- (d) Purchaser further agrees that it will take good care of and maintain the Premises and all structures located thereon and agrees that the exterior of any structures located thereon and the surface area of any land included therein will not be altered or changed by Purchaser nor shall any additional structures be erected without the Purchaser preparing, submitting and obtaining approval of preliminary drawings and site plan for same in accordance with the procedures outlined in subparagraphs (a), (b) and (c) of this Paragraph 22.

It is understood and agreed that Purchaser's performance under subparagraph (c) hereof will be excused by any delays caused by war, insurrection, civil disturbances, strikes, material and energy shortages or other occurrences beyond Purchaser's control.

23. OBLIGATION OF SELLER TO SUPPLY PUBLIC SERVICES TO THE PREMISES. Seller hereby agrees to supply the following public services to the Premises within \_\_\_\_\_ months of the date of Closing: water, sanitary sewer, storm sewer and roads. Unless otherwise agreed, Seller will, if necessary, construct the necessary structures in order to supply the above mentioned services to the Premises at no additional costs to the Purchaser. Seller's performance hereunder will be excused by any delays caused by war, insurrection, civil disturbances, strikes, material and energy shortages or other occurrences beyond Seller's control.

24. SELLER'S OBLIGATION TO DELIVER DOCUMENTS AFTER CLOSING. There has been retained by Seller at Closing an option to repurchase the Premises on certain conditions. Seller hereby agrees that it shall deliver to Purchaser, in recordable form, a Quit-Claim deed, release or other document satisfactory to Purchaser, releasing the Premises and Purchaser from Seller's rights with respect thereto as Seller's rights expire in accordance with the terms of this Agreement.

25. NON-ASSIGNMENT BY SELLER. This Agreement is solely for the benefit of the Purchaser and the Seller, and Seller shall not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser.

26. RENTING OR RESALE BY PURCHASER. Purchaser agrees that within a period of five years from the Closing, if the Purchaser shall desire to sell or option the Premises or any part thereof or lease the same for a term including all options to renew, in excess of twelve (12) years, the Purchaser shall first offer to sell the Premises and the improvements thereon to the Seller at a purchase price equal to the sum of: (a) the purchase price per acre paid by Purchaser as provided in Paragraph 3 hereof; (b) the Purchaser's actual costs of the improvements then on the Premises, and (c) the assumption of all non-cancelable contracts for the construction of improvements on the Premises; provided, however, that said sum shall be increased or decreased by the percentage change in the Consumer Price Index for the United States (the "National Index") published by the United States Department of Labor from the last said National Index published prior to the date of Closing. If the Seller does not notify the Purchaser in writing that it desires to purchase all, but not less than all, of the Premises and the improvements offered by the Purchaser within sixty (60) days after the Purchaser has delivered to Seller a written agreement to sell, lease or option to a third person, the Seller's right to purchase the Premise and the improvements shall terminate and the Purchaser may sell or lease same free and clear of any rights of the Seller to purchase the same. Notwithstanding any provision of this Paragraph 26, the Purchaser may sell or lease the Premises and the improvements thereon, or any part thereof, to a majority owned subsidiary of the Purchaser or to a successor to all, or substantially all, of the business and assets of the Purchaser; provided that said subsidiary or successor assumes all the obligations of the Purchaser hereunder; and provided further, however, that such sale or lease shall not relieve the Purchaser from any obligation or liability to Seller hereunder.

27. INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE. Seller does hereby represent that the Premises is located within Industrial Development District No. 2 established by Seller under Act 198 of the Public Acts of Michigan of 1974, as amended. Purchaser has reviewed said Act and represents to Seller that the availability of an Industrial Facilities Exemption Certificate for the development of the Premises in accordance with the provisions of Paragraph 22 and the installation of machinery, equipment and other eligible personal property therein, was part of the inducement for Purchaser's acquisition of the Premises for the purpose of constructing an industrial or commercial structure and installing machinery, furniture, fixtures and equipment therein. In the event the Purchaser obtains an Industrial Facilities Exemption Certificate under said Act, the Purchaser does hereby warrant and covenant with the Seller: (1) that the completion of an industrial facility on the Premises is calculated to and will at the time of the issuance of said Certificate have the reasonable likelihood to create employment, retain employment or prevent a loss of employment in the community in which the facility is situated and shall not have the primary effect of a mere transfer of employment from one or more local governmental units in the State of Michigan to the City of Battle Creek; (2) that the industrial facility located on the Premises when completed constitutes a new or replacement facility within the meaning of said Act; and (3) in the event the industrial facility is a replacement facility within the meaning of said Act, that the completion thereof does not constitute merely the addition of machinery and equipment for the purpose of increasing productive capacity, but rather is primarily for the purpose and will primarily have the effect of restoration, replacement or updating the technology of obsolete industrial property of the Purchaser within the meaning of said Act. Seller has examined the proposed development of the Premises and the proposed installation of machinery, equipment and other personal property therein and has evaluated the impact of the granting of an Industrial Facilities Exemption Certificate with respect thereto upon the operation of the Seller, and as part of the inducement to Purchaser to purchase the Premises and to develop same, Seller

hereby states that the proposed development of the Premises and the proposed installation of machinery, equipment and other eligible personal property therein appears to comply with the provisions of Section 9 of the Act and that the granting of an Industrial Facilities Exemption Certificate with respect thereto, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted by Seller and currently in force, does not appear to have the effect of substantially impeding the operation of the Seller or impairing the financial soundness of any taxing unit which levies ad valorem property taxes in the governmental unit in which the facility is to be located.

28. **OPTION TO PURCHASE ADDITIONAL LAND.** For and in consideration of the purchase of the property described in Exhibit B hereto, Seller does hereby grant to Purchaser an option to purchase additional land as described in Exhibit D attached hereto (the "Option Premises"). It is hereby agreed that the Purchaser's option to purchase the Option Premises shall expire at noon on the \_\_\_\_\_ day following the date of Closing. Purchaser shall notify Seller of its intention to exercise this option in writing prior to the expiration of the period provided herein. Upon receipt of said notice, together with the earnest money deposit of ten (10%) percent of the purchase price as provided herein, Seller will prepare a Sales Agreement therefor in form and substance identical to the terms and conditions of this Sales Agreement, except as may be modified by the mutual agreement of the Seller and Purchaser at the time of the exercise of said option. Seller shall submit said Sales Agreement to Purchaser within thirty (30) days from the date of receipt of notice of Purchaser's intention to exercise this option and Purchaser's option herein provided is expressly contingent upon Purchaser executing said Sales Agreement, together with any amendments thereto mutually agreed upon by the parties within fifteen (15) days of receipt thereof by Purchaser. In the event Purchaser does not exercise this option as provided herein, or execute said Sales Agreement within the time provided herein, anything in this Sales Agreement to the contrary notwithstanding, Purchaser's right and option to purchase the Option Premises shall terminate and the earnest money deposit shall be forfeited and retained by the Seller at its option as liquidated damages as the case may be. The purchase price for the Option Premises shall be the sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_).

29. **ADJUSTMENT OF PURCHASE PRICE; NOTE AND MORTGAGE.** In connection with the negotiations of the purchase price of the Premises, the Purchaser has made certain representations to the Seller with respect to the number of persons which the Purchaser expects to employ on the Premises. In connection with the use of the Premises the Purchaser expects to employ a minimum of \_\_\_\_\_ persons within \_\_\_\_\_ months from the date of Closing and expects to employ an average of \_\_\_\_\_ persons for a period of \_\_\_\_\_ years beginning on the date of Closing. In the event Purchaser fails to employ the minimum or average number of persons as provided herein, Purchaser hereby agrees to pay Seller an additional \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

\_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) as an additional consideration for the purchase of the Premises. As security for the aforesaid promise to pay, Purchaser shall execute a mortgage in favor of the Seller on the Premises, said mortgage to be subordinate only to a mortgage, if any, given by Purchaser to secure the repayment of all or part of the purchase price of the premises and the cost of constructing any buildings, structures or other improvements to the Premises in accordance with the plans approved under Paragraph 22 hereof.

The term "employment" as used herein shall mean employment by the Purchaser of an individual on the Premises on a full time basis, which employment makes that individual liable to the Seller for City income taxes on the income earned by that individual in connection therewith.

30. The Purchaser agrees to undertake reasonable efforts to employ residents of the Battle Creek Standard Metropolitan Statistical Area who are "unemployed" or "underemployed" as those terms are defined by the Michigan Employment Security Commission, with preference given to those persons who are members of disadvantaged groups, in a significant portion of any new jobs created by such Purchaser in any operations conducted on the purchased property.

Purchaser further agrees to submit annual reports of its employment of "unemployed" or "underemployed" persons resulting from the foregoing to the City of Battle Creek and to Battle Creek Unlimited in accordance with the following schedule: For a period of three years beginning with the operation of Purchaser's business operations conducted on land purchased pursuant to this Agreement.

31. **OTHER PROVISIONS.** (Insert here any other or special terms agreed to by the parties, if any; if none, insert "NONE.")

#### SCHEDULE OF EXHIBITS

<u>Exhibit</u>	<u>Title</u>
A	Covenant Deed
B	Premises, Description of
C	Protective Covenants
D	Option Premises
S	Non-discrimination Covenant-EDA Forms
T	Non-relocation-EDA Form

OFFER TO PURCHASE

The undersigned Purchaser does hereby offer to purchase the Premises on the terms and conditions set forth above in this Sales Agreement.

WITNESSES:

X: \_\_\_\_\_

X: \_\_\_\_\_

PURCHASER: \_\_\_\_\_

X: \_\_\_\_\_

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

SALES ACCEPTANCE

The Seller does hereby accept the foregoing offer to Purchase the Premises and agrees to sell same under the terms and conditions set forth subject to the following additions and modifications, if any: \_\_\_\_\_.

WITNESSES:

X: \_\_\_\_\_

X: \_\_\_\_\_

SELLER: CITY OF BATTLE CREEK, MICHIGAN

X: \_\_\_\_\_

BY: Rance Leaders

ITS: City Manager

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

Figure 19

Bond Documentation for the  
Battle Creek Tax Increment Finance Authority

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY  
Tuesday, October 16, 1990  
Regional Manufacturing Technology Center

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At a meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, October 16, 1990 at 4:00 p.m. at the Regional Manufacturing Technology Center, the following were in attendance: Messrs. Adams, Bobrofsky, Dotson, Johncock, Karre, Lett, Noble, Riggs, and Ms. Swonk.

Absent were: Messrs. Cutshall, Frantz, Rae and Ms. Petredean.

Also in attendance were: Messrs. Mike Gormely, First of Michigan Corporation; J. Hettinger, R. Leaders, M. Stanley, W. Wiley, R. Young, and Ms. P. Young.

Approval of Minutes

MOTION: Mr. Lett moved that the Battle Creek Tax Increment Finance Authority Board approve the minutes of July 17, 1990, meeting as printed and distributed. Mr. Noble supported the motion and it was unanimously approved.

MOTION: Mr. Noble moved that the Battle Creek Tax Increment Finance Authority Board approve the minutes of September 19, 1990 meeting as printed and distributed. Mr. Riggs supported the motion and it was unanimously approved.

Report of Audit

Mr. Dotson stated that included in the information package is a copy of the June 30, 1990, audit report.

Awarding of \$3.28 Million in Tax Increment Development Bonds

Mr. Stanley stated that the City of Battle Creek received six bids before it closed the bidding process today at 1:00 p.m. The lowest bid held a net interest rate of 6.65% and was from Prescott, Ball & Turben. Mr. Stanley introduced Mike Gormely, First of Michigan Corporation, to answer any questions from Board members.

Mr. Gormely stated that bids were accepted consisting of three separately bid bond issues; Limited Tax General Obligation Downtown Development Bonds; Water Supply System Revenue Bonds; and Tax Increment Development Bonds which would be awarded at this meeting. He stated that the interest rates varied from 6.65% - 6.92%. He stated that the City of Battle Creek would issue bonds in excess of over \$10 million this year.

MOTION: Mr. Bobrofsky moved that the Battle Creek Tax Increment Finance Authority approve the awarding of the \$3.28 million in Tax Increment Development Bonds to Prescott, Ball & Turben at an interest rate of 6.65%. Mr. Riggs supported the motion and it was unanimously approved.

BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY  
Tuesday, November 5, 1991  
Regional Manufacturing Technology Center

At a special meeting of the Battle Creek Tax Increment Finance Authority held on Tuesday, November 5, 1991 at 4:00 p.m. at the Regional Manufacturing Technology Center, the following were in attendance: Messrs. Adams, Cutshall, Dotson, Johncock, Karre, Noble, Rae, Riggs and Ms. Swonk.

Absent were: Messrs. Bobrofsky, Frantz and Lett and Ms. Petredean.

Also in attendance were: Messrs. Hettinger, Leaders, Bill Roach, First of Michigan; Stanley and Young and Mmes. Gorham and Hatley.

Approval of Minutes

MOTION: Mr. Adams moved that the Battle Creek Tax Increment Finance Authority Board approve the minutes of October 22, 1991, meeting as printed and distributed. Mr. Riggs supported the motion and it was unanimously approved.

Bond Awarding Resolution

Mr. Stanley stated that included in the information package is a copy of the Bond Awarding Resolution. The purpose of the meeting was to award the bond sale of \$5 million in BCTIFA bonds. He stated that on pages 2 and 2A of the resolution are the listed interest rates from the bidding process. The winning bid was awarded to Comerica Bank for a net interest rate of 6.3389% and a net interest cost of \$3,902,238.13.

Mr. Stanley introduced Mr. Bill Roach of First of Michigan who is also the City's Financial Advisor.

Mr. Roach commented that the official statements for the bond sale were distributed approximately ten days prior to the sale. The cover bid which was awarded at 6.351744% was close to the winning bid. This indicates that the bidding process was aggressive. The sale will be based on a 20 year fixed rate. He indicated to the Board that it would need to go back to 1977 to find interest rates this low.

Mr. Stanley recommended that the Battle Creek Tax Increment Finance Authority Board award the bond sale to Comerica Bank.

MOTION: Mr. Rae moved that the Battle Creek Tax Increment Finance Authority Board award the bond sale to Comerica Bank at a net interest rate of 6.3389% and a net interest cost of \$3,902,238.13. Mr. Karre supported the motion and it was unanimously approved.

Other Business

Mr. Young reported on the following for discussion:

Figure 20  
RMTC Agreement between City, BCTIFA, KCC





# **RESOLUTION**

A Resolution authorizing the execution NO. 436  
of a Joint Venture Management and Trans-  
fer Agreement with Kellogg Community  
College for the operation of the Region-  
al Manufacturing Technological Center.

BATTLE CREEK MICH., November 27, 1990

Resolved by the Commission of the City of Battle Creek:

WHEREAS, the City of Battle Creek and Kellogg Community College agree that the Regional Manufacturing Technological Center (RMTC) is a resource for the entire community and region, designed to meet the industrial training needs of business and industry for the foreseeable future; and

WHEREAS, the City of Battle Creek and Kellogg Community College have developed a Joint Venture Management and Transfer Agreement for the day-to-day operation of the RMTC for the period of July 1, 1990, through June 30, 2015;

NOW, THEREFORE, BE IT RESOLVED THAT the City Manager is hereby authorized to execute a Joint Venture Management and Transfer Agreement by and between the City of Battle Creek and Kellogg Community College, for the day-to-day operation of the Regional Manufacturing Technological Center, for the period of July 1, 1990, through June 30, 2015.

CITY OF BATTLE CREEK  
Interoffice Memorandum

Date: November 21, 1990

TO: The Honorable Mayor and  
Members of the City Commission

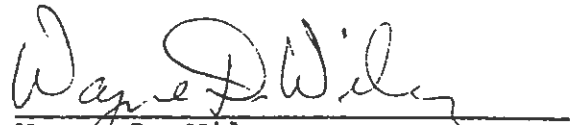
FROM: Wayne D. Wiley, Assistant City Manager

SUBJECT: Joint Venture Management and Transfer Agreement  
for the Regional Manufacturing Technological Center

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On March 20, 1990, the City Commission approved Resolution 719 authorizing an Interim Agreement with Kellogg Community College for the operation of the RMTC. The term of the Interim Agreement was from January 1-June 30, 1990. Resolution 719 also directed the City Manager to develop a long-term agreement with the College for the day-to-day operation of the RMTC.

The attached Resolution authorizes the City Manager to execute this long-term Agreement, which the College and the City Attorney have reviewed and approved. Approval is recommended.

  
Wayne D. Wiley  
Assistant City Manager

WDW/mm

Attachments

REGIONAL MANUFACTURING TECHNOLOGY CENTER

A JOINT VENTURE

MANAGEMENT AND TRANSFER AGREEMENT

This contract made and effective this \_\_\_\_\_ day of \_\_\_\_\_, 1990, between the City of Battle Creek, a Michigan municipal corporation whose address is P.O. Box 1717, Battle Creek, MI 49016-1717 (City); Kellogg Community College, a Michigan community college whose address is 450 North Avenue, Battle Creek, MI 49017 (College); and Battle Creek Tax Increment Finance Authority created pursuant to Act 450 of 1980, whose address is 435 S. Moorland Drive, Battle Creek, MI 49015 (TIFA).

RECITALS:

A. The City is the owner of certain real and personal property located in Fort Custer Industrial Park and known as the Regional Manufacturing Technology Center (RMTC) constructed for the purpose of providing industrial training and education for area employers.

B. The College owns certain personal property at the Regional Manufacturing Technology Center and presently operates the Center pursuant to an interim agreement with the City.

C. TIFA is a Tax Increment Finance Authority which encompasses Fort Custer Industrial Park and captures or could capture certain sums of money due to the increased captured assessed valuation of Fort Custer Park.

NOW, THEREFORE, the parties agree as follows:

CONTRACT:

1. TERM: The term of this contract shall extend from its effective date set forth above through June 30, 2015, subject to certain rights of termination as set forth below.

2. OPERATION: College shall assume responsibility for the development and operation of all educational and training programs offered at the RMTC. Programming guidelines to be followed by College shall follow the programming statement developed by CENT and attached to this document as Exhibit A.

3. PROGRAM OF STUDY: College agrees that the Council for Employment Needs and Training (CENT) Board or its successors or assigns, or such other agency as designated by City, is the primary advisory committee for the operation of the RMTC. College will annually submit the Program of Study, policies and procedures specific to the RMTC to CENT for their approval. Failure by CENT to respond within forty-five (45) days of

submission by College of its policies and procedures shall be deemed approval by CENT.

4. ACCOUNTING: College will submit a monthly statement to City, TIFA, and BCU of the direct revenues and expenses associated with the operation of RMTC whose funds shall be kept segregated from other college funds and shall be accounted for separately.

5. EVALUATION: College agrees that it has in place an ongoing program of review and evaluation of its performance which includes employer and student evaluation, cost analysis, job placement and/or transfer data, and follow-up of individuals who have completed the program. The specific program of evaluation and satisfactory performance by College is set forth in Exhibit B and failure by College to attain the level of performance deemed satisfactory in Exhibit B in any year of this contract shall give City, at its option, the right to terminate this agreement without further obligation by any party hereto. College and City agree that if the CENT Executive Board, or its successor as set forth in paragraph 3, and College administration agree that the evaluation standards contained in Exhibit B should be changed because of economic or technological changes the City agrees to replace Exhibit B as recommended by the CENT Executive Board. If City terminates this contract after transfer of its property pursuant to paragraph 6, College will retain ownership of the property transferred subject to the reverter clause set forth in paragraph 6 and the proposed deed.

6. TITLE AND TRANSFER OF PROPERTY: During the first ten years of this agreement, the equipment, building and furniture purchased through the City for the RMTC will remain the property of City to be used for the purposes of the RMTC at the RMTC or RMTC training site. Cash or equipment donated to the College for the RMTC will remain the property of the College to be used for the purposes of the RMTC at the RMTC or RMTC training site.

At the end of the tenth year, City agrees that if College faithfully performs all of the conditions of this contract and has not failed to meet the performance standards set forth in paragraph 5 City will transfer to College all of the equipment, building and furniture and land at the RMTC, to be held by College forever by a covenant deed restricting College to use the premises for a industrial educational and training facility and to revert to City should College ever fail to maintain such a program. Sale of products manufactured by students in a bona-fide training program is permitted under this restriction.

7. FINANCING: City and TIFA agree that they will change the tax increment financing plan for the TIFA in order to pass through to College 100 percent of the revenue derived as a result of the captured assessed value of the TIFA generated when the proportion of millage attributable to College is applied to the captured assessed value in any given year. This provision shall remain in effect and College shall receive such sum for the entire term of this contract.

8. INSURANCE: College agrees to maintain in force at all times during the term of this agreement at the minimum amounts and types indicated:

Workers' Compensation	Statutory limit as required under the Michigan Workers' Compensation Act
Comprehensive General Liability	Bodily Injury \$300,000 each occurrence \$500,000 aggregate Property Damage \$100,000 or Combined Single Limit \$500,000
Automobile Liability	Bodily Injury \$100,000 each person \$300,000 each occurrence Property Damage \$100,000 or Combined Single Limit \$300,000

City and TIFA shall be listed as additional insureds on all liability coverage and shall be provided with a Certificate of Insurance which reflects this additional insurance status. A 30-day notice of cancellation or material change shall be provided to City and TIFA and so noted on the Certificate of Insurance. All certificates and notices to be sent to City and TIFA at the addresses set forth above.

City agrees to maintain property damage insurance covering all standard casualties upon the building and its contents for their full value until such time as City transfers to said property to College. Thereafter, College shall maintain such insurance as an expense of the operation of the RMTC.

City and College agree to waive their rights of subrogation against each other and against that of their insurer in case of a property loss.

9. EXPENSES: College agrees during the term of this agreement to accept responsibility for all of the operational expenses of the RMTC. Expenses shall include the cost of all utilities, supplies, instructional salaries and benefits, maintenance, ordinary repair to both interior/exterior, janitorial and outdoor maintenance services, insurance attributable to college as required by this agreement and any other expenses necessary for the successful operation of the RMTC, including equipment replacement. Any needed modification or expansion of the building shall be at College's expense. All sums expended under this paragraph shall be considered proper expenses of the RMTC budget for which funds available under paragraph 7 may be used. In the event that funds available under paragraph 7 are insufficient to cover all the listed expenses, College shall pay the difference.

10. FEES: College shall develop a schedule of fees for customized training and special services provided by the RMTC on an annual basis. College, City and CENT shall approve the fee schedule before implementation of the fees. Failure by TIFA or

City to either approve or disapprove the fees forty-five (45) days after receipt from College of the proposed fees for the coming year shall be deemed approval by any party not responding to College. This procedure does not apply to standard college tuition and fees.

11. INVENTORY SYSTEM: College will develop and maintain an inventory system for the equipment of the RMTC and annually report on the status of the equipment to City and CENT.

12. AUDITS: College will provide an annual audited statement of the operational and capital budgets for the RMTC until termination of this contract by action of the parties or the expiration of its term.

13. JOINT VENTURE: Notwithstanding any provisions in this Agreement, and even after conveyance to college, the RMTC shall be known as a joint venture and all signage, if any, on the building shall reflect this status.

WHEREFORE, these parties have caused this agreement to be executed.

CITY OF BATTLE CREEK

\_\_\_\_\_  
By: Rance L. Leaders  
Its: City Manager

DATED: \_\_\_\_\_

KELLOGG COMMUNITY COLLEGE

\_\_\_\_\_  
By:  
Its:

DATED: \_\_\_\_\_

TAX INCREMENT FINANCE AUTHORITY

\_\_\_\_\_  
By:  
Its:

DATED: \_\_\_\_\_

REGIONAL MANUFACTURING TECHNOLOGY CENTER  
FORT CUSTER INDUSTRIAL PARK  
PROGRAMMATIC STATEMENT  
March 3, 1989

## Introduction

The Regional Manufacturing Technology Center will be comprehensive in the scope of programs offered to meet the needs of area business and industry. The Center will be operated in a manner such that area business and industry can have a "one stop" location designated as their point of contact.

Please note that in order to meet the needs of area business and industry Kellogg Community College has been designated as the Center operator with responsibility to provide the training requested or to seek qualified providers to deliver the training. Because of the design of the Center, and the needs in certain programmatic areas, a coordinated effort with the Council for Employment Needs and Training (CENT) and other educational institutions has been developed which will provide components of the programs at various locations.

Kellogg Community College will have the lead role to develop or facilitate industrial skill training, customized training, management training, and upper division and graduate training. The CENT will assume a coordinating role for the delivery of basic skills training and pre-employment training. More specific information as to each of the components is provided below.

## Industrial Skill Training

Existing programs offered by Kellogg Community College in the area of industrial skill and apprenticeship training will be relocated and offered at the Center. The programs are constantly reviewed and upgraded to meet the needs of business and industry. The programs are offered on a modular basis such that a company can select components of the programs for its employees or have them progress through the entire planned program which would lead to a diploma or associate degree.

Primary responsibility for this area would rest with KCC with the CAVC and the BCPS assisting as requested.

## Customized Contract Training

Kellogg Community College will have the primary responsibility to develop the customized training programs requested of the Center by area employers. In support of that responsibility KCC will centralize its contract training component at the Regional Manufacturing Technology Center such as to make it a "one stop" contact point for area employers. In the event that KCC cannot meet the need

locally it will contact State resource organizations, private concerns, or other educational institutions that the program need can be met.

CAVC and BCPS will assist as needed and requested.

### Management Training

Management training is identified as a very high priority by area business and industry. Kellogg Community College will provide the management training requested as part of an organized and regular offering coordinated through the Center or as a custom effort for an individual company. Courses may be applied to a degree or non-credit.

A specific management training facility will not be designed within the Center because of the gift of the W.K. Kellogg Foundation building to the College. It is anticipated that the majority of the management training will be located at the WKKF building which has been designated by the College as an administrative and conference center. Until such time as the WKKF building is available existing locations will be used to provide the management training.

Primary responsibility in this area will rest with KCC. They will call upon other colleges and universities to assist as may be needed.

### Upper Division and Graduate Education

Several employers have identified the need to provide local education to allow the completion of a bachelor's degree and also components or full masters degree programs. Kellogg Community College has accepted the responsibility as the point of contact for causing such programs to be offered locally. The Community College will respond to the requests of the area and contract the upper division and graduate institutions to provide the offerings locally at the Center or at the College. Such efforts have been accomplished or are already underway with: Western Michigan University, Michigan State University, GMI, Nazareth College, Kendall College of Art and Design, Spring Arbor College, and Davenport College.

Primary responsibility for the coordination of the requests from business and industry will rest with KCC. KCC will act as the facilitator to seek upper division and graduate programs for local operation.

### Basic Skills Development and Pre-Employment Training

Employers, providers, and the general community are in agreement as to the need to have a coordinated effort to provide access and opportunity for those who want to develop their basic skills and/or to participate in an organized pre-employments training component. It is acknowledged



that the Training Center itself has been designed as an industrial training facility and is not capable of addressing the basic skill or pre-employment training needs of the general population.

The CENT will assume the responsibility for the development and coordination of an organized effort to meet the basic skill development and/or pre-employment training needs of the general population. While CENT will coordinate the effort it will function to deliver the components required through existing educational institutions.

It is agreed that the Battle Creek Public Schools will assume the responsibility for the delivery of the basic skills component. Further, the Calhoun Area Vocational Center will assume the responsibility for the operation of the pre-employment component through the existing EDGE program. More specific information on the basic skills and pre-employment components is provided below.

#### Basic Skills Component

In cooperation with local schools the CENT will provide an organized component which will: (1) allow area residents to identify their basic skill levels in the areas of math, reading, and oral and written communication; (2) develop a program of study which residents may follow to upgrade their basic skills; (3) offer such a program at several locations in the area; (4) interface the program with the recruitment and placement activities of the area companies who are seeking employees.

Primary responsibility in this area would rest with the Battle Creek Public School System. They would coordinate this program on an area wide basis. CAVC and KCC would respond as requested.

#### Pre-Employment Training

Individuals who possess the basis skills necessary to function as employees may have the need to further develop specific areas of knowledge that companies are seeking in their employees. An existing local component, Project EDGE, already provides an organized program of pre-employment training in the areas of metrics, statistical process control, math, and communications. This program, operated by the Calhoun Area Vocational Center, will be an integral and coordinated part of the offerings of the Center.

Primary responsibility in this area would rest with the Calhoun Area Vocational Center through the EDGE program. KCC and BCPS would respond as requested.

## ATTACHMENT B

The purpose of this attachment to the joint venture contract is to define and establish the criteria under which the College will operate the RMTC. At the outset the College indicates its full support for the purpose of the RMTC which is to meet the training needs of area business and industry. The College will work with and through the CENT to make changes in the offerings of the RMTC to meet the needs which are determined in the future. It should also be noted that, while the RMTC was developed to meet the needs of business and industry, the College will use the center to provide offerings for students who are not yet employed.

In support of the joint venture agreement and to provide qualitative and quantitative criteria for evaluating the effort of the RMTC the parties agree to the following:

1. The College will maintain its regional accreditation through the North Central Association and such specialized program accreditation as may be mutually agreed upon by the College and CENT.
2. The College will cooperatively promote the activities of the RMTC with BCU, and CENT.
3. In August of 1991 and each August thereafter the CENT will provide the City and BCU a written statement indicating if, in the view of CENT, the College is maintaining its effort to meet the training needs of business and industry.
4. In August of 1991 and each August thereafter the College will provide the City and CENT a report of the activity of the center over the past year. This will provide enrollment and program data indicating the past year's efforts.
5. The College will offer programs at the center which are supported by sufficient levels of enrollment from business and industry and from the general student population to make the program viable. The general College goal is to maintain a minimum of 250 student enrollments in the regular college training programs at the RMTC.
6. The College will monitor the employment of students within each program area and advise the College Board of Trustees and the CENT of areas of placement difficulty such that corrective action can be considered.
7. The College will meet with advisory committees which consist of area employers to provide input on curricular and program issues.

Figure 21

Land Contract Agreement between  
The BCTIFA and Speed's, Inc.

# LAND CONTRACT

CALHOUN COUNTY BAR ASSOCIATION FORM

REVISED APRIL 1984

Date

This Contract Made and executed this 30<sup>th</sup> day of December, 1991  
between SPEED'S KOFFEE SHOPS, INC., a Michigan Corporation, now  
SPEED'S, INC.

Parties

whose address is, 4661 W. Dickman Rd., Battle Creek, Michigan  
hereinafter called "vendor", and BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY,  
a public corporation organized and existing under the laws of the  
State of Michigan,

whose address is, 4950 W. Dickman Rd., Battle Creek, Michigan  
hereinafter called "purchaser".

WITNESSETH: That in consideration of the promises hereinafter contained, it is agreed:

1. Vendor hereby sells to purchaser the premises situated in the City of  
Battle Creek, County of Calhoun, Michigan, described as follows:

Lot 38, Battle Creek - Fort Custer Urban Renewal Plat,  
according to the plat thereof as recorded in Liber 19  
of Plats on Page 1, in the Office of the Register of  
Deeds for Calhoun County, Michigan.

Description

Tax Parcel #

3020-01-038-0

Price and  
Terms of  
Payment

2. Purchaser buys said premises, and agrees to pay therefor the sum of Eight Hundred Ten  
Thousand and no/100 ----- Dollars (\$ 810,000.00  
as follows: Two Hundred Ten Thousand and no/100 ----- Dollars (\$ 210,000.00  
on or before 12/30/91

upon the execution hereof, the receipt whereof is acknowledged, and the balance, together with interest from  
January 1, 1992, on the whole sum from time to time remaining unpaid at the

rate of see 121 percent per annum, shall be paid as follows: Five Thousand Eighteen  
and 64/100 (\$5,018.64) Dollars or more on or before the 1st day  
of February, 1992 and Five Thousand Eighteen and 64/100 (\$5,018.64)  
Dollars on or before the 1st day of each and every month thereafter  
until 1/1/94 and thereafter when the monthly payment shall be  
changed to reflect the interest rate described in paragraph 21,

until the whole principal sum and accrued interest shall have been fully paid, or until the balance owing on this contract shall  
equal the balance owing by vendor on any mortgage upon said premises, which purchaser hereinafter agrees to assume.  
Assumption of a balance owing on such mortgage shall be considered payment of a like amount on the balance owing on this  
contract. Payments shall be first applied on accrued interest, and the balance upon principal.

Possession

3. Purchaser shall have possession of said premises on closing.

Title of Vendor	<p>4. Vendor represents and warrants that except as in this contract otherwise expressly stated, vendor has a merchantable title to said premises on the date hereof by virtue of a properly executed and recorded deed, subject only to easements and restrictive covenants now of record, if any; and that the vendor's title is free and clear of all other incumbrances except the following, if any:</p>
Right to Incumber	<p>5. Vendor may renew any present mortgage upon said premises, or replace same with a new mortgage thereon containing similar terms during the effective period of this contract. Said renewal and replacement shall create a lien on said premises prior to the rights of purchaser; or vendor may place a new mortgage thereon during the effective period of this contract which shall create a lien on said premises prior to the rights of purchaser; provided: (1) Interest rate therein shall not exceed that herein specified. (2) Amounts of installments and final payments on said mortgage shall not exceed respectively the corresponding minimum installment and final payment stipulated by this contract. (3) Due dates of payments on said mortgage shall not require installment payments or final payment in advance of the time provided for said payments in this contract, nor shall mortgage restrict the time of payments thereon to a date later than is provided for similar payments on this contract. (4) Such mortgage shall not be in an amount in excess of the balance then owing on this contract.</p> <p>In the event that purchaser reduces the amount owing on this contract to an amount equal to that owing by vendor on any present mortgage on said premises, or on a replacement or new mortgage thereon given in accordance with the terms hereof, then purchaser shall be entitled to, and shall accept, a warranty deed of said premises, subject to said mortgage, which mortgage purchaser shall thereon assume and agree to pay.</p> <p>In the event the vendor shall fail to pay any sums of money required to be paid by the terms of said mortgage or the note secured thereby, the purchaser may, at purchaser's option, make such payments, and all sums so paid shall apply against the next sums due and owing for monthly installments on this contract.</p>
Taxes	<p>6. Vendor represents that all general property taxes which have heretofore become due and payable upon said lands and all special assessment taxes which have become a lien against said lands, whether payable in installments or otherwise, have been fully paid <del>XXXXXX</del></p> <p><del>XXXXXX</del> Purchaser also agrees to pay when due all other taxes and assessments of every nature which shall become a lien upon said premises hereafter until said purchase price has been paid in full as herein agreed.</p>
Insurance	<p>7. Purchaser agrees to procure, and pay for, fire and extended coverage insurance upon all buildings now or hereafter situated on said premises, in such company, and in such amounts, as vendor shall approve, from the date hereof to the date of delivery to purchaser of the conveyance of vendor's interest in said premises. Said policies of insurance shall correctly state the names of parties in interest to whom loss shall be payable, and shall be delivered upon issuance, to vendor. In case of loss or damage as a result of which said insurance proceeds are available, the purchaser may, within ninety days of said loss or damage, give to the vendor written notice of purchaser's election to repair or rebuild the damaged parts of the premises, in which event said insurance proceeds shall be used for such purpose. The balance of said proceeds, if any, which remains after completion of said repairing or rebuilding, or all of said insurance proceeds if the purchaser elects not to repair or rebuild, shall be applied first towards the satisfaction of any existing defaults under the terms of this contract and then as a pre-payment upon the principal balance owing, and without penalty, notwithstanding other terms of paragraph two to the contrary. Contrary to the provisions of paragraph nine, no such pre-payment shall defer the time for payment of any remaining payments required by said paragraph two. Any surplus of said proceeds in excess of the balance owing hereon shall be paid to the purchaser.</p>
Right to Add Taxes and Insurance	<p>8. Should purchaser fail to perform his obligation as agreed in paragraph 6 and/or 7 of this contract, vendor may pay such unpaid tax and/or assessment, and/or insurance premium, and the amount thus expended shall forthwith be added to the balance then unpaid on this contract, and shall become due at once, and shall bear interest at the rate applicable to said balance until paid.</p>
Overpayment	<p>9. If purchaser shall pay more than the minimum stipulated installment at any time, such over-payment shall be considered as advance payment on future installments, and, in event that purchaser thereafter fails to make regular payments when due, such prepayment shall be applied to pay installments so unpaid until such pre-payment shall be exhausted.</p>
Waste, Repairs and Improvements	<p>10. Until complete performance on his part by purchaser, said purchaser shall commit no waste on said premises, and shall keep same in good repair and in as good condition as they are now in. All buildings and improvements now on said premises, and all improvements hereafter made by the purchaser on said premises shall remain as security for the performance of this contract and shall be deemed part of the real estate.</p>
Restrictions and Easements	<p>11. Valid, presently effective, restrictions and easements now of record, if any, applying to and affecting the use of said premises, are incorporated herein and made a part of this contract by reference, and shall be excepted from the warranties of the conveyance to be given purchaser pursuant to this contract.</p>
Time of Essence and Right to Accelerate	<p>12. Time of payment shall be the very essence of this contract.</p> <p>If any money or any tax which purchaser agrees to pay by the terms of this contract shall remain due and unpaid for ..... days, vendor may commence an action to enforce this contract or forfeit or foreclose same and declare the whole balance then due and owing hereon due and payable forthwith, when this is not prohibited by law in the court in which the action is brought.</p>
Conveyance	<p>13. When all sums required by this contract to be paid to the vendor have been fully paid, the vendor shall convey said premises to the purchaser by warranty deed, containing exceptions to the warranties as to the easements, restrictive covenants, or incumbrances subject to which the purchaser has agreed to take or to assume. Such deed may also except from its warranties such liens, incumbrances, or claims of others, if any, arising by reason of the acts or neglects of the purchaser after the date of this contract. In the event Probate Court fiduciaries, or trustees are then acting as vendor, said premises may be conveyed by proper covenant deed.</p>
Abstract or other Guaranty of Title	<p>14. When all sums required by this contract to be paid to the vendor have been fully paid, or when the purchaser has notified the vendor in writing that the purchaser is prepared to pay the sums required to entitle purchaser to the conveyance provided for herein, the vendor shall deliver to the purchaser an abstract of title to said premises meeting the requirements of the Michigan 40-Year Marketable Title Act, certified to date, or to be certified by the purchaser, at the vendor's expense, to show the marketable title herein agreed upon. In lieu of furnishing an abstract of title, the vendor may at vendor's option furnish the purchaser with a commitment for the issuance of an owner's policy of title insurance for the full amount of the purchase price when the purchaser's deed has been recorded, containing only those exceptions to title which have in this contract been agreed upon, and those which would be disclosed by a proper survey and inspection of the premises. The vendor shall pay for the full cost of such policy at the time of the delivery of the deed to the purchaser.</p> <p>If the vendor is possessed of an abstract of title, or if an abstract of title is under the vendor's control, the purchaser shall be entitled to borrow such abstract for periods not to exceed 30 days upon furnishing a receipt therefor. A failure to return said abstract within such time shall constitute a default in the covenants of this contract.</p> <p>Notwithstanding the foregoing printed portion of this paragraph, purchaser acknowledges that a title insurance commitment has been issued by The Title Office, Inc., dated December 2, 1991, and except as to the matters occasioned through the acts of vendors, any future title insurance commitment shall be subject to the terms of this commitment.</p>

**Assignment**

15. Upon assignment of the interest of any party to this contract, a copy of such assignment shall be forthwith served upon the then owner, or owners, of the other interest, or interests, in said contract, which copy shall contain the mailing address of the assignee. Until said copy is so served an assignee of an interest herein shall acquire no rights under this contract as against parties hereto other than the assignor. Conveyance of said premises by vendor, and assignment of vendor's interest in this contract, shall not constitute a rescission or grounds for a rescission thereof.

**Default**

16. Upon default by the purchaser in making any of the payments required by this contract, or in any of the other covenants or agreements required by this contract to be performed by the purchaser, the vendor may: (a) bring an action against the purchaser at law for the balance of the agreed purchase price, or for any and all past due sums due and owing on said land contracts; (b) foreclose this contract by action in the circuit court; (c) terminate or forfeit this land contract by summary proceedings in the district court, in the manner and with the remedies and effect now provided by Act 120, Michigan Public Acts, 1972, (M.S.A. 27A5701 et seq.) or any future amendment thereto.

**Service of Notice and Proof of Service**

17. Service of said copy of an assignment and of any notice necessary to enforce the rights of any party hereto, shall be sufficient (1) if served personally upon the other parties to this contract, or (2) if served by ordinary first class mail addressed to such other parties at their actual addresses, or at the address given in this contract for them, or if they are assignee, at the address given for them in the copy of assignment, served as above provided.

Proof of mailing of notices as provided above shall constitute proof of service of such notices, as of one day after the date of mailing. If no address has been given to vendor by the then holder of purchaser's interest, said notices shall be mailed to purchaser or his assignee at the mailing address of the premises described in Paragraph 1 above.

**Novation**

18. No assignment of this contract, payment by or acceptance of payments from a person not a party hereto, nor other act of any kind shall operate to release the personal liability of vendor or purchaser under this contract, nor shall such acts constitute a novation and operate to create a personal liability on any assignee of the vendor's or purchaser's interest therein, unless such release and assumption of liability shall be specifically agreed in writing, signed by the party releasing such personal liability and by the party assuming such obligation.

**Definitions and Application**

19. The terms of this contract shall apply to, and bind, the heirs, executors, administrators, assigns, successors, survivors, and all other persons claiming any rights in said premises through or under the original parties hereto. The terms "vendor" and "purchaser" shall include masculine, feminine, or neuter parties, in the singular or plural.

**Costs for Notices**

20. Purchaser agrees that, in the event vendor causes to be prepared and served any notices for the purpose of enforcing vendor's rights under this contract in relation to acceleration of the balance owing hereunder, and/or forfeiture of the rights of purchasers hereunder, the actual expenses of the preparation and/or service of said notices not to exceed Fifty (\$50.00) Dollars for each such notice, shall be added to the principal balance owing hereunder, and shall be immediately due and payable. Purchaser further agrees that the reimbursement of vendor for such expenses shall be made a condition to reinstatement and/or redemption of the rights of purchaser hereunder, and shall be so designated in any notices and/or judgments which may be executed or entered to enforce the rights of vendor hereunder.

21. The interest rate shall be eight (8%) percent per annum from 1/1/92 to 12/31/93. The interest rate shall be one-half (.5%) percent over Comerica prime rate on January 1, 1994 for the period from 1/1/94 to 12/31/95; provided, however, the rate shall not exceed ten (10%) percent or go below six (6%) percent. Beginning on 1/1/96, interest shall be adjusted annually to one-half (.5%) percent over Comerica prime rate on January 1 of that year, with a maximum rate of fourteen (14%) percent and a minimum rate of two (2%) percent for the balance of the term of the contract.

Witnesses As to Vendor:

..... SPEED'S, INC. .... formerly ..... (L.S.)  
SPEED'S KOFFEE SHOPS, INC.,  
a Michigan corporation,

By: B. Edlinger (L.S.)

Its: Pres. ..... (L.S.)

Witnesses As to Purchaser:

..... (L.S.)  
BATTLE CREEK TAX INCREMENT  
FINANCE AUTHORITY, a public  
corporation organized and (L.S.)  
existing under the laws of  
the State of Michigan  
By: [Signature] (L.S.)

Its: [Signature]

This contract was drafted by:

John R. Holmes (P15083)  
HOLMES, MUMFORD, SCHUBEL,  
NORLANDER & MACFARLANE  
68 East Michigan Ave.  
Battle Creek, MI 49017  
(616) 968-6146  
/kms

Figure 22

Battle Creek Tax Increment Finance Authority  
Tax Increment Financial Analysis

# **BATTLE CREEK TAX INCREMENT FINANCING AUTHORITY**

**FIGURE 22 (a)**

TAXING JURISDICTIONS, ESTIMATED MILLAGE RATES, ESTIMATED STATE EQUALIZED VALUES, AND ESTIMATED TAX INCREMENT REVENUES TO BE INCLUDED IN THE TAX INCREMENT FINANCING PLAN

TAXING JURISDICTIONS	ESTIMATED MILLAGE RATES:		ESTIMATED TAX INCREMENT REVENUES
CITY OF BATTLE CREEK:			
OPERATING	9.8760	100% CAPTURED	\$957,317
POLICE & FIRE RETIREMENT	3.2660	100% CAPTURED	316,585
DEBT	1.4000	100% PASS-THRU	0
BATTLE CREEK PUBLIC SCHOOLS:			
OPERATING	40.4200	100% CAPTURED	3,905,949
LAKEVIEW PUBLIC SCHOOLS:			
OPERATING	41.8500	100% CAPTURED	12,540
CALHOUN COUNTY:			
OPERATING	5.5005	25% PASS-THRU	399,888
KIMBALL BONDS	0.2473	100% PASS-THRU	0
JAIL BONDS	1.2300	100% PASS-THRU	0
CALHOUN INTERMEDIATE SCHOOL DISTRICT:			
OPERATING (IN PLACE PRIOR TO JULY 1, 1985)	3.7600	25% PASS-THRU	273,353
SPECIAL VOTED	2.4456	100% PASS-THRU	0
KELLOGG COMMUNITY COLLEGE:			
OPERATING (IN PLACE PRIOR TO JULY 1, 1985)	1.9193	100% PASS-THRU	0
SPECIAL VOTED	1.0000	100% PASS-THRU	0
TOTAL W/ B.C.SCHOOLS	71.0647		\$5,865,633
TOTAL W/ LAKEVIEW SCHOOLS	72.4947		

## **ESTIMATED STATE EQUALIZED VALUES AND CAPTURED ASSESSED VALUES TO BE USED FOR PURPOSES DEFINED IN THE FINANCING PLAN AND DEVELOPMENT PLAN**

	WITHIN BATTLE CREEK SCHOOL DISTRICT			WITHIN LAKEVIEW SCHOOL DISTRICT			TOTALS		
	I.A.V.	CU.A.V.	CA.A.V.	I.A.V.	CU.A.V.	CA.A.V.	I.A.V.	CU.A.V.	CA.A.V.
AD VALOREM:	\$	\$	\$	\$	\$	\$	\$	\$	\$
REAL	2,748,540	17,290,155	14,541,615	0	287,450	287,450	2,748,540	17,577,605	14,829,065
PERSONAL	1,755,730	32,229,900	30,474,170	0	12,200	12,200	1,755,730	32,242,100	30,486,370
SUBTOTAL	4,504,270	49,520,055	45,015,785	0	299,650	299,650	4,504,270	49,819,705	45,315,435
198 NEW:									
REAL	6,445,515	47,251,850	40,806,335	0	0	0	6,445,515	47,251,850	40,806,335
PERSONAL	5,948,595	68,378,800	62,430,205	0	0	0	5,948,595	68,378,800	62,430,205
SUBTOTAL	12,394,110	115,630,650	103,236,540	0	0	0	12,394,110	115,630,650	103,236,540
TOTALS	16,898,380	165,150,705	148,252,325	0	299,650	299,650	16,898,380	165,450,355	148,551,975
TOTALS WITH 198 (NEW) @ 50%	10,701,325	107,335,380	96,634,055	0	299,650	299,650	10,701,325	107,635,030	96,933,705

I.A.V. = INITIAL ASSESSED VALUE  
CU.A.V. = CURRENT ASSESSED VALUE  
CA.A.V. = CAPTURED ASSESSED VALUE

AMOUNTS SHOWN ABOVE REFLECT FY 1993-94 ESTIMATES.  
CAPTURED ASSESSED VALUES ARE EXPECTED TO INCREASE  
ANNUALLY AS PROPERTY VALUES INCREASE AND NEW  
CONSTRUCTION AND DEVELOPMENT OCCURS IN FUTURE YEARS.



Figure 22 (b)

## Projected tax increment revenue for the BCTIFA:

fiscal year ending:	projected revenue:
1994	\$5,865,633.00
1995	\$5,982,945.66
1996	\$6,102,604.57
1997	\$6,224,656.66
1998	\$6,349,149.80
1999	\$6,476,132.79
2000	\$6,605,655.45
2001	\$6,737,768.56
2002	\$6,872,523.93
2003	\$7,009,974.41
2004	\$7,150,173.90
2005	\$7,293,177.37
2006	\$7,439,040.92
2007	\$7,587,821.74
2008	\$7,739,578.18
2009	\$7,894,369.74
2010	\$8,052,257.13
2011	\$8,213,302.28
2012	\$8,377,568.32
2013	\$8,545,119.69
2014	\$8,716,022.08
2015	\$8,890,342.52
2016	\$9,068,149.37
2017	\$9,249,512.36
2018	\$9,434,502.61
2019	\$9,623,192.66
2020	\$9,815,656.51
2021	\$10,011,969.64
2022	\$10,212,209.04
2023	\$10,416,453.22

The percentages of captured millage from the various taxing jurisdictions are expected to remain as detailed on the previous page.