

**BATTLE CREEK TAX INCREMENT FINANCE AUTHORITY**  
**Wednesday, May 29, 2019**

A special meeting of the Battle Creek Tax Increment Finance Authority was held on Wednesday, May 29, 2019 at 3:30 p.m. at the Frederick R. Brydges Customs Cargo Center, BCU Board Room. The following individuals were in attendance: Messrs. Bowman, Christensen, Czerney, Davis, McKernan, Stewart and Mmes. Darner, Fleury, White and Visger.

Absent were: Messrs. Claywell, Newsome and Wilson.

Also in attendance were: Messrs. Corder, Gibson, Mumford, Reid, Sobieralski, and Mmes. Hovarter, Jones, and Young.

Mr. Stewart called the meeting to order at 3:30 p.m. Roll call of attendance was recorded.

**APPROVAL OF MINUTES**

MOTION: Mr. McKernan moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve the April 16, 2019 minutes as presented. Mr. Davis supported the motion and it was unanimously approved.

**AMEND FY 2019-2020 GENERAL OPERATING BUDGET**

Included in the board package was a memo from Mr. Sobieralski (pages 2-3) for the BCTIFA Board to reconsider BCU's request for annual operations within the General Operations Budget. BCU's original presented budget had an ask of \$1.5M down from \$2.5M based on the current capture and its need for strategic-use based on the overall capture shortfall from LCSA reimbursements.

Mr. Stewart stated great discussions were had by both the BCTIFA and BCU Board. When options were presented to the BCU Board, concerns were raised about the ability to retain talent while continuing aggressive economic development at current levels without effecting services provided. Based on this feedback, and the thought that the organization has good momentum, the adjustment to the BCTIFA ask of \$1.8M would mean no staff cuts and certain merit increases.

Mr. Sobieralski's intent is to strive for the BCTIFA to be able to pool at least \$500,000 of annual excess to cover capital projects in the future years. BCU is the largest expense for the BCTIFA. BCU's budget is \$1.5M, down from \$2.5M last year, with the original contract of \$2.7M. BCU, stakeholders, and many groups are working on collaborative models that will work cooperatively with the goal of improving business infrastructures for economic development delivery. Although underway, this process will be approximately 6-12 months before plans are solidified.

Mr. Sobieralski stated that BCU is doing a substantial amount of work outside of the BCTIFA District, with strategic acquisitions, and the momentum going on downtown. Those incentives are coming out of the BCU General Fund Balance. BCU is working on a Reserve Policy. There are also a number of outstanding incentive commitments, Northern Initiatives Small Business commitment, and 5-year outlay projections for the Customs Cargo Center (roof replacement within 2-5 years). That leaves BCU with an available unappropriated fund balance depending upon how the operating reserve is set, of \$1.2M.

The BCTIFA has a sunset date of 2023, therefore the BCTIFA, City, and BCU need to work on the general fund balance to leverage some of these assets to start getting new sustainable revenue streams.

Mr. Sobieralski proposed the Capital Outlay remain the same. The Capital Projects budget would change and the contribution to BCU increased from \$1.5M to \$1.8M. General Operating budget grand total \$420,199.

MOTION: Ms. Darner moved that the Battle Creek Tax Increment Finance Authority Board of Directors approve to amend the contribution to BCU from \$1.5M to \$1.8M changing the General Operating budget grand total to \$420,199. Ms. Visger supported the motion and it was unanimously approved.

#### **RECOMMENDATIONS FOR OPEN BCTIFA SEAT**

Mr. Stewart stated at the April meeting, Mike Bowman announced his retirement effective May 17, 2019 from DENSO Manufacturing Michigan and this would be his last meeting. In April, Mark Kreter resigned from the BCTIFA Board. This leaves two vacant seats on the Board. Some recommendations for Mr. Bowman's seat were made to the City Manager. The City Commission approved the appointment of Jeremy Wilson, Director of Purchasing from DENSO Manufacturing Michigan at their meeting on May 21. Mr. Wilson has officially been sworn in and will be welcomed at the next meeting.

Ms. Fluery stated that the vacant seat would be a resident representative. An advertisement accepting applications was placed in the Battle Creek Shopper News for the vacant position. It is planned to have the position appointed at the June 18<sup>th</sup> City Commission meeting. The City has received a handful of applications and will continue the application process through June 14<sup>th</sup>.

Messrs. Christensen and Czerney terms expired in April and were re-appointed for 4-years by the City Commission on April 16<sup>th</sup>.

#### **RIGHT OF REVERTER: WATKINS ROAD POLE BARN**

Mr. Sobieralski stated he was approached by Rob Grosteffon, the owner of a landscaping firm that acquired the former BCTIFA-owned pole barn and two acres located at 1010 Watkins Road. The sale took place on July 18, 2017 for \$20,000 with a right to repurchase within 4-years, plus the cost of any improvements. The owner has someone interested in purchasing the building.

Mr. Mumford stated that when the exiting owner sells the property it will be on the tax rolls for higher costs and it may include jobs. The existing owner only use the pole barn for storage.

MOTION: Mr. McKernan moved that the Battle Creek Tax Increment Finance Authority Board of Directors accept not to exercise the option on the Right of Reverter as presented. Mr. Christensen supported the motion and it was unanimously approved.

**BOARD MEMBER APPRECIATION FOR MIKE BOWMAN**

Mr. Stewart thanked Mike Bowman for his 10-years of service on the BCTIFA Board. He stated that he has known Mr. Bowman for approximately 30-years when he started his career at DENSO. Mr. Bowman was one of his “go to people” that he could depend on to be honest and know what they were talking about. Mr. Stewart stated he is a better person to have known Mike. Mr. Stewart was very happy to have had the opportunity to serve with him on the BCTIFA Board. Mr. Bowman brought a lot a value to the table during his tenure. We all appreciate what you have done. Thank you Mike Bowman!

Mr. Bowman was presented with a gift and cake.

Mr. Bowman stated that it has been an honor and a privilege to have worked with everyone. The Battle Creek area has been his home forever and wished everyone here and the community the best going forward. He would advocate all he can in the future.

**PUBLIC COMMENTS**

No public comments were made.

There being no further business, the meeting was adjourned at 4:05 p.m.