

BATTLE CREEK BROWNFIELD REDEVELOPMENT AUTHORITY
Thursday, September 20, 2018

At a special meeting of the Battle Creek Brownfield Redevelopment Authority held on Thursday, September 20, 2018, at 7:00 a.m. at the Frederick R. Brydges Customs Cargo Center, the following were in attendance: Messrs. Bowman, Christensen, Claywell, Czerney, Kreter, McKernan, Newsome, Stewart and Mmes. Darner, Fleury, Visger and White.

Absent was: Mr. Davis.

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

Mr. Stewart called the meeting to order at 7:00 a.m. Roll call of attendance was recorded.

APPROVAL OF MINUTES

MOTION: Mr. Bowman moved that the Battle Creek Brownfield Redevelopment Authority Board of Directors approve the minutes of the May 8, 2018 as presented. Mr. McKernan supported the motion and it was unanimously approved.

APPROVAL OF BROWNFIELD PLAN #14 – HERITAGE TOWER

Mr. Sobieralski thanked the Board Members for attending on such a short notice. The Brownfield Plan formality requires a public meeting and approval. The Heritage Tower developer is finalizing the capital stack and the Brownfield Plan portion is very important. The City Commission on Tuesday night approved a tax abatement. The Michigan Economic Development Corporation Strategic Fund (MSF) Board has made a verbal commitment of a \$10 million incentive package that is partial loan/grant. The Brownfield Plan is a part of the capital stack. Once the Brownfield Plan is approved by the BCBRA Board, then the City Commission will set a public hearing, (which is planned for October 2) for City Commission approval.

The Heritage Tower development capital investment is expected to be approximately \$32.3 million. The construction of the project will begin in fall/winter 2018/2019 with construction completed approximately 12-15 months later. The rehabilitation will include 65,000 sq. ft. of residential space comprised of 85 residential market-rate apartment units and approximately 32,300 sq. ft. of commercial retail and office space located on the first two floors.

The Brownfield Plan will last approximately 29 years, but because of the overlay of other programs, it will be 24 years.

Once approved the Board will also take action in creating a P.A. 381 Work Plan. Legal Counsel Daryl Mumford and the developer will start the process after the meeting today. This Plan will be how the Brownfield will be reimbursed the administrative expenses.

SME, the environmental firm that creates the Brownfield Plans, has reviewed the Plan and has worked with the developer to finalize the Plan.

Mr. Kreter asked how the \$32.3 million will be contributed. Mr. Sobieralski provided the following:

- Battle Creek Unlimited Direct Investment Fund, \$3 million;
- W.K. Kellogg Foundation / City of Battle Creek, \$5 million;
- Senior Debt from First Source Bank, \$7 million;
- Owner Equity, \$560,000;
- Michigan Economic Development Corporation MSF Grant \$10 million; and
- Battle Creek Community Foundation, \$500,000.

Mr. Claywell commented this project has been a work in progress for a very long time and it is great to see it back into the system. He encouraged to see local contractors working on the project.

Ms. Fleury stated the City Commission is 100% in support of the project with all the tax abatements, as they realize that this project is a catalyst with a lot of other downtown projects. She stated this project is the largest investment the State has approved.

MOTION: Mr. Bowman moved that the Battle Creek Brownfield Redevelopment Authority Board of Directors approve the Brownfield Plan #14 for Heritage Tower as presented. Mr. McKernan supported the motion and it was unanimously approved.

PUBLIC COMMENTS

Mr. Sobieralski stated the BCBRA Board and the BCTIFA Board are the same members, he commented that the Shiga Drive property is being replotted and developed with three-20-acre sites. It is in the final stages of being replotted. An email was sent out to the Board with suggestions of who it should be named after (past Chairs, etc.). It was suggested that the plot be named after Albert C. Bobrofsky, honoring him for the longest running Chair. The project took place under Bobrofsky's tenure and will honor him for everything he has done for the community.

ADJOURN

There being no further business, the meeting was adjourned at 7:12 a.m.